



CAMBODIA BUSINESS ENVIRONMENT BAROMETER 2025: KEY FINDINGS

The Cambodia Business Environment Barometer (CBEB) Survey was conducted in 2025 to gather insights from owners and managers of micro and small enterprises (MSEs) across Cambodia, providing a detailed picture of the local business environment. The CBEB covers a broad range of topics, including business confidence, access to finance, regulatory compliance, digital adoption, and awareness of and interactions with government services. The CBEB survey also enables the disaggregation of data across dimensions such as gender, formality, firm size, industry, and location.

The survey collected extensive information from formal and informal MSEs in the capital, **Phnom Penh**, and all 24 provinces.



In total, **2,741 MSEs**, which comprise a representative sample of the more than **700,000 businesses**, were surveyed between March and May 2025. The businesses were selected from the 2022 Cambodia Economic Census.



The survey was conducted before the **Cambodia-Thailand border clashes** that occurred in July 2025.



Business concerns



Sales Decline

83 percentage of MSEs stated that one of their top concerns in 2024 was declining sales, and **73 percentage** expected their sales to decline in 2025.



High Production Costs

The second most frequently cited concern for 2024 was high production costs (**40 percent**).



Limited investment appetite

Many MSEs were not interested in taking out loans or investing additional capital into their business.

Access to finance

25%

of Cambodian MSEs had a line of credit or a loan from a financial institution. Micro businesses were more likely to have a loan than small businesses.

COLLATERAL

was required for almost all loans from conventional banks, while microfinance institutions had more lenient collateral requirements.

70%

of businesses without a loan reported that they didn't need one.

12.7%

was the mean interest rate for all loans. Informal, micro and rural firms faced higher rates.

Adoption of digital technologies



Almost two-thirds of MSEs (**64 percent**) had an internet connection for business use. About **77 percent** of firms in urban areas had an internet connection compared with **48 percent** in rural areas.



74 percent of MSEs reported receiving e-payments. Although **83 percent of urban businesses** said they accepted e-payments, only **63 percent of rural** businesses did.



Very few MSEs reported using **cloud storage, chatbots, or artificial intelligence**.

Business registration and licenses

- The registration of MSEs grew substantially between 2022 and 2025, despite remaining relatively low as a proportion of all businesses in Cambodia, underscoring the persistent challenges in formally registering businesses. Registration with the Ministry of Commerce (MOC) increased from **6 percent to 10 percent** in 2025, while that with the General Department of Taxation (GDT) rose from **4 percent to 7 percent**.
- More male than female respondents were registered with the GDT (**12 percent versus 4 percent**).
- Even fewer were fully compliant with the registration requirements of all relevant authorities—the MOC, GDT, Ministry of Labor and Vocational Training (MLVT), and the National Social Security Fund (NSSF).
- Only about **2 percent of firms** had the licenses and permits that some were required to obtain from relevant ministries and agencies.
- The firms engaged in accommodation, financial and insurance services, and real estate activities reported some of the highest registration levels with the MOC (**roughly 80 percent of businesses**). In contrast, registration rates were markedly lower for the firms operating in manufacturing, wholesale and retail trade, and food and beverage service activities.
- MSEs in Phnom Penh were more likely to register with the MOC or GDT than was the case with businesses in Battambang, Kampong Speu, and Takeo.

Reasons for remaining informal

- The three most frequently cited reasons for businesses to remain informal were: the business is too small to register (**73 percent of MSEs**), other businesses are not registered (**27 percent of MSEs**), and limited awareness about how to register (**26 percent of MSEs**). The reasons cited for not formalizing were similar across business size, industry, business location, and respondents' gender.
- Some firms recognized the potential advantages of registration, such as **better access to finance, government support, and market opportunities**. In contrast, others perceived registration as burdensome due to higher compliance costs and difficulties in closing the business.
- Most firms, which had registered with the MOC in a calendar year that differed from when they began operations, reported no change in performance before and after registration. In terms of sales, **69 percent** of firms indicated that their performance remained unchanged, while **90 percent** reported no difference in their ability to access finance. This suggests that registration alone is not enough to improve a business's sales or its productivity.
- About **1 percent** of unregistered firms said that they planned to register. **Eighty percent** of these were unsure when they would do so.

Public service delivery

- Although the government has launched several programs to promote enterprise development, MSEs' awareness of these was low. About **80 percent of the firms** were unaware of some or all of these—a pattern that did not change with business size, industry, location, or the gender of the respondents.
- The survey found that more than half of MSEs (**58 percent**) used social media to get business information. Facebook was the most commonly used platform. Fourteen percent got this from their business peers.
- **79 percent** were unaware that the government provides tax incentives for the MSEs that voluntarily register.
- Reflecting the informality of most MSEs, **40 percent of MSEs** had no significant relationship with the government. While nearly all the businesses in Phnom Penh interacted with some government agencies, this was in stark contrast with businesses in the rest of Cambodia. Of all government agencies dealing with businesses, MSEs' interactions were primarily with the GDT and MOC.



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