



INVESTMENT U

Cambodia's Pre-Emerging Market: Your Early Warning on this Burgeoning Growth Story

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There are some places you visit where the opportunities are so obvious and prevalent that you can almost taste the investment returns.

And I just experienced such a place in Cambodia.

It was one of the stops on my whirlwind investment tour of Asia and the Far East and I was impressed with the progress the country has made since an internal war (genocide between communists and non-communists, really) tore it apart. The fighting was ferocious, leaving more than three million people dead out of a population of 14 million. Many died brutally at the hands of the Khmer Rouge.

But since the hostilities finally ceased in 1998, Cambodia has scratched its way back. Here's the deal with one of the world's most promising "pre-emerging" markets...

Are You Savvy Enough to Invest in This Old World Stronghold?

At one point, Cambodia was the most powerful country in the region. One seat of this power was in Siem Reap, capital city of the northwestern province and where the temple of Angkor Wat is located. One look at this complex and it's not hard to understand why the Cambodians ruled supreme. In size, it probably rivals the Forbidden City in Beijing and it's undoubtedly the major tourist attraction – and there were almost three million tourists last year.

The local government is trying to tap into the huge draw of Angkor Wat and the opportunity that abounds in Siem Reap. Hotels at all price points are being built to accommodate future tourist traffic.

The same thinking applies across the country, with infrastructure-improvement work underway. In truth, however, Cambodia is no different than [other pre-emerging markets](#) in that its current infrastructure is generally poor.

But for savvy profit-seekers, that simply means there's a lot of money to be made here as the country upgrades its systems. And those who get in early stand to benefit the most.

There are risks, of course. The country is under the firm grip of its monarchy. And without a doubt, it takes a share of the cash that flows into Cambodia.

But if you know where to look, you can claim your share, too...

One of the Best Ways to Invest in Cambodia's Burgeoning Growth

In terms of the stock market, there are only a couple of companies listed on the Cambodian Stock Exchange – and both are relatively illiquid and not easy for foreigners to buy.

However, the stock market isn't necessarily how you can make money from Cambodia.

Instead, you can look to a fund that invests in private equity deals like brewers, banks and utilities, plus other ventures. It also invests in public offerings when they're available and also assists companies that want to go public.

As you can imagine, the fund is quite small and while the first round of investment has closed out, a second round is on the way.

What I will tell you now is that legendary Asia investor and noted contrarian, Dr. Marc Faber, sits on the fund's board of directors and while I spoke with the fund's manager in person while I was in Cambodia, I'll be talking to Dr. Faber to complete my due diligence before I make any official recommendation.

In conclusion, Cambodia – like [Vietnam](#) and other pre-emerging markets in the Asian region – offer superb opportunities for investors looking for higher risk/higher return investments. These countries are catching all the crumbs that China is leaving at the table – and while they may be crumbs for China, they're loaves for pre-emerging economies.