



# ASSESSING THE STATE OF CAMBODIA'S STARTUP ECOSYSTEM 2024





# Cambodia's Startup Ecosystem: Health Check 2024

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The data-driven assessment based on Startup Cambodia digital platform and outsourced data from World Intellectual Property Organization (WIPO) on Global Innovation Index (GII) and World Bank (B-Ready report). The model assessment inspired by Swisscontact and Deep Ecosystem.

## Cambodia's ASEAN Startup Expansion

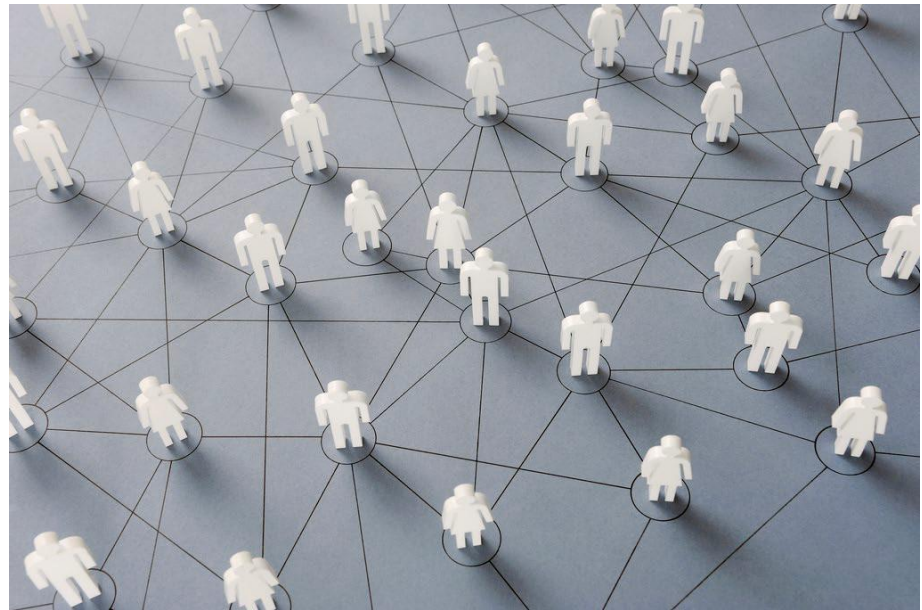
8 foreign startups —

## Female Founders in Tech Startup

Out of 119 Tech Startups, 26% are co-founded by women

## Tech Startup related Meetup Events

#of 220 events (Q1-Early Q4, 2024) – at least 20 meetup/month



While other ASEAN nations are progressing in their digital transformation, Cambodia is also making strides in its own digital transformation journey. However, significant digital divides persist, hindering its rapid leapfrogging of traditional technological stages. Despite recent advancements in certain sectors like digital media and fintech, a substantial portion of the population, particularly in rural areas, remains underserved by digital infrastructure and services.

This challenge, however, presents a unique opportunity for innovative startups to bridge the digital divide and provide solutions tailored to the specific needs of the underserved population. By leveraging technology to address these challenges, Cambodian startups can drive both social impact and economic growth.

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# Executive Summary

Cambodia's startup ecosystem is experiencing significant growth, driven by a combination of government support, technological advancements, and a burgeoning entrepreneurial spirit. While challenges such as limited funding and a nascent innovation culture persist, the ecosystem is showing remarkable resilience.

Key findings from this assessment include:

- **A Growing Startup Community:** The number of tech startups has surged, particularly in sectors like e-commerce, fintech, and digital media.
- **Strong Network Density:** A vibrant network of entrepreneurs, investors, and support organizations is fostering collaboration and knowledge sharing.
- **Supportive Government Policies:** The Cambodian government has implemented the Digital Economy and Society Framework as part of the Pentagonal Strategy-Phase I to promote digital innovation, economic growth, and create a conducive environment for startups.
- **International Recognition:** Cambodia is attracting foreign investment and partnerships, further solidifying its position in the regional startup ecosystem.

To further strengthen the ecosystem, it's crucial to:

- **Enhance Innovation Culture:** Promote a culture of experimentation, risk-taking, and continuous learning.
- **Improve Access to Finance:** Expand access to venture capital and other forms of financing.
- **Strengthen Intellectual Property Protection:** Safeguard the rights of innovators and entrepreneurs.
- **Develop Talent:** Invest in education and training to develop a skilled workforce.

# Cambodia's Emerging Digital Frontier

Cambodia, a nation poised for significant economic transformation, is witnessing a burgeoning startup ecosystem. Fueled by robust economic growth, a burgeoning tourism industry, and government initiatives, the country is emerging as fertile ground for innovation and entrepreneurship.

With a projected GDP growth rate of 5.8% in 2024, 6.1% in 2025, and 6.4% in 2026 (World Bank, 2024), Cambodia is one of the fastest-growing economies in the region. This reflects the government's commitment to digitalization, as outlined in policies like the Pentagonal Strategy-Phase I and the Cambodia Digital Economy and Society Policy Framework 2021-2035, forming a strong foundation for creating a conducive environment for startups to thrive. In recent years, Cambodia's startup ecosystem has experienced significant growth, with a rising number of startups, support programs, and increased seed funding. Local startups are actively participating in international events and competitions, expanding their market reach beyond national borders.

However, challenges persist as the ecosystem is still in its nascent stages. Therefore, to fully realize its potential, Cambodia's startup ecosystem requires sustained support and targeted interventions to address these challenges.

This assessment paper aims to delve into the current state of Cambodia's startup ecosystem, analyzing areas where it performs well and critical areas where it needs to improve. By identifying these areas, we aim to contribute to the ecosystem's maturation and foster a thriving entrepreneurial landscape.

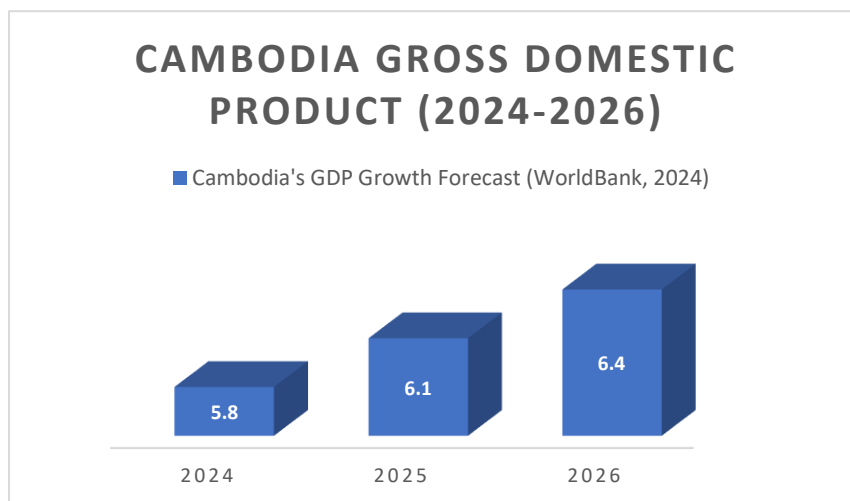


Figure 1: Cambodia's GDP Growth Forecast (World Bank, 2024)

# Key Assessment Methodology and Data Sources

**Methodology:** This assessment paper utilizes a self-assessment framework developed by Swisscontact and the DEEP ecosystem. This framework was chosen due to its strengths:

- **Scientific Rigor:** The framework is based on well-defined metrics with clear justifications.
- **Adaptability:** It allows for customization by selecting context-appropriate proxies or designing new ones if needed.
- **Accessibility:** Its user-friendly design is suitable for teams with limited research expertise, especially considering resource constraints and data availability.

## Data Sources:

Data for this self-assessment was drawn from three primary sources:

- **Startup Cambodia National Platform (startupcambodia.gov.kh):** This national platform, led by the Ministry of Economy and Finance and Techo Startup Center, provides support for local startups and fosters a vibrant entrepreneurial ecosystem. Data from the platform was used to assess metrics within the community structure (4 metrics) and the Network Density metric within the environment structure of the framework.
- **Global Innovation Index 2024 (GII 2024) by the World Intellectual Property Organization (WIPO):** This report provides valuable insights into global innovation trends. Data from GII 2024 was used to assess the Innovation Culture metric within the framework.
- **Business Ready 2024 (B-ready) by the World Bank:** This report offers assessments of regulatory environments across countries. Data from B-ready was used to assess the Policies metric within the framework.

Structure	Dimension	Metric	2022 Proxy	2024 Proxy	Data Source
Community	Entrepreneurial Landscape	Diversity & Inclusivity	Share of female founders	Share of female founders	Startup Cambodia
		Knowledge & Talent	Share of founders with tech skills	Share of founders with tech skills	Startup Cambodia
	Entrepreneurship Support Network	Startup Support	Share of mentors with startup experience	Share of mentors with startup experience	Startup Cambodia
		Specialization & Diversification	Diversity of startup based on sectors	Diversity of startup based on sectors	Startup Cambodia
Environment	Social Capital	Network Density	Number of meetups per year	Number of meetups per year	Startup Cambodia
		Innovation Culture	Innovation Global Rank	Innovation Global Rank	Global Innovation Index (WIPO, 2024)
	Governance	Policies	Rating for ease of doing business	Regulatory Framework	World Bank (B-Ready Report 2024)
		International Connectivity	Offices of International Unicorn	#of ASEAN's startup expanding to Cambodia's market	Startup Cambodia

*Table 1: Key Metrics and Proxies for Assessing the Health of Cambodia's Startup Ecosystem  
(Swisscontact & Deep Ecosystem Assessment)*

# Building a Strong Startup Community: Fostering Talent, Knowledge, and Support

Cambodia's startup ecosystem is rapidly evolving, driven by a diverse and inclusive community of entrepreneurs. To study the community of startup, we delved into the following factors:

- **Diversity and Inclusivity:** We explore the number of representation of women entrepreneurs, and the initiatives aimed at promoting gender equality.
- **Knowledge and Talent:** We assess the availability of skilled talent, particularly in technology, and discuss strategies to enhance the talent pool.
- **Startup Support:** We examine the various support mechanisms available to startups, including mentorship, incubation, and funding.
- **Specialization and Diversification:** We explore the concentration and diversification of startups across sectors by using Herfindahl-Hirschman Index (HHI).

By understanding these factors, we aim to assess the performance of the ecosystem in the community structure.

## Diversity and Inclusivity

As the startup ecosystem expands, competition for funding, talent, and market share intensifies. This may pose challenges for women entrepreneurs, especially those in early stages. To address this, Cambodian government has acted in empowering women in entrepreneurship as indicated in Pentagonal Strategy - Phrase I and Neary Rathanak VI. We have also seen commitment from stakeholders; for instance, a partnership between iDE and SHE Investment that was created to run support programs tailored specifically for women (Cambodia Investment Review, 2024a).

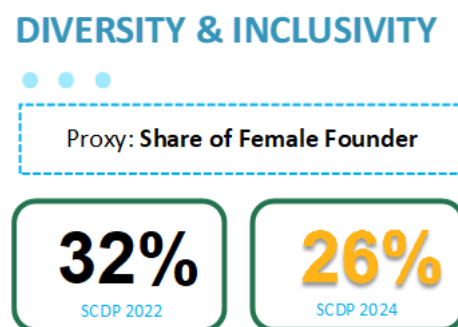


Figure 2: Dimension of Entrepreneurial Landscape (1)

Despite the slight decrease in the percentage of women-led startups, it's important to consider the broader context of the growing startup ecosystem. To foster a more inclusive and equitable tech scene, ecosystem builders should implement targeted support programs, such as mentorships, training, and access to funding, to empower women entrepreneur.

Key Observation:

- **Growth in Tech Startups:** The number of tech startups in Cambodia has significantly increased from 54 in 2022 to 119 in 2024.
- **Pressing issue of Female representation in startup:** While the overall number of female founders increased from 62 to 67, the percentage has slightly decreased from 32% in 2022 to 26% in 2024 when compared to the fast-expanding founding members.

## Knowledge & Talent of Tech/Software Skills

The metric suggests the study of the density of knowledge and talent available within the ecosystem that could potentially contribute to the development of startups. Given the rapid acceleration of digital technologies, entrepreneurs should cultivate both technical and business acumen to ensure the success of their ventures ([Murmman, 2017](#)). Cambodia's young, tech-savvy population is driving a surge in its tech industry. With a growing number of skilled tech founders, the country is emerging as a vibrant tech hub, fostering innovation and creating new opportunities. According to our platform, 59 % of founders of the active startups claimed to have tech-related skills. Compare to the annual demand of tech talent in Cambodia that was suggested at 70% as highlight in [Roadmap for Digital Skill Development 2024 -2035](#). This number show a positive progress, but there is still room for improvement.

To further strengthen the talent pool, various initiatives are underway:

- **Partnerships for Skill Development:** Collaborations between industry and academia, such as the partnership between Wing Bank and Skill Development Funds, are expanding access to tech education for underprivileged students ([Phnom Penh Post, 2024](#)), and
- **Specialized Training Programs:** Partnerships like the one between Kirirom Institute of Technology (KIT) and DICHI Academy facilitate access to specialized training courses for students and professionals ([Cambodia Investment Review, 2024b](#)).

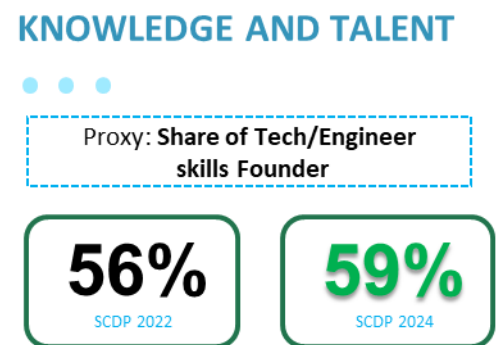


Figure 2.1: Dimension of Entrepreneurial Landscape (2)

**Key Observations:** A significant majority of founders in both 2022 and 2024 possess tech skills, indicating a robust foundation of technical expertise. The increasing number of tech-skilled founders, rising from 56% to 59%, reflects a growing emphasis on technical capabilities within the startup community.



## Startup Support – Mentor as Seasoned Entrepreneur

Mentorship plays a pivotal role in nurturing young startups. By providing guidance, advice, and support, mentors can significantly impact the trajectory of a startup. In Cambodia's startup ecosystem, a robust network of mentors is emerging. Startup Cambodia, for instance, boasts a pool of 65 experienced mentors, 58% of whom are seasoned entrepreneurs. These mentors offer invaluable hands-on support, sharing real-world insights and practical advice to help startups navigate common challenges.



Image 1: Mentor Support in Hackathon Cycle 7, TSC



Image 2: Mentor Support at NICC Program

Organizations like Techo Startup Center (TSC), National Incubation Center of Cambodia (NICC) and other ecosystem organizations (ESOs) actively facilitate mentoring, connecting aspiring entrepreneurs with experienced mentors. These programs provide a platform for knowledge sharing, networking, and collaborative problem-solving.

### STARTUP SUPPORT

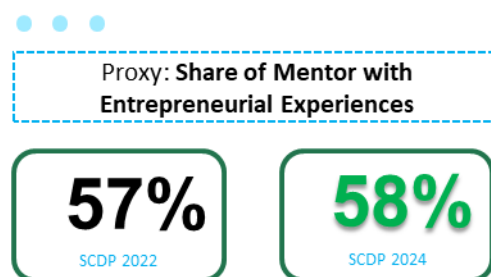


Figure 3: Dimension of Entrepreneurship Support Network (1)

**Key Observation:** The data indicates a positive trend in the Cambodian startup ecosystem, specifically in the realm of mentorship as there were 37 mentors listed in 2022. The percentage of mentors with entrepreneurial experience has also risen. This means that mentors are not only more numerous but also more qualified, having firsthand knowledge of the challenges and opportunities in the startup world.

## Specialization and Diversification – Diversity of Startup’s Sector

### A Diverse and Dynamic Ecosystem

Cambodia's startup ecosystem, though relatively young, is characterized by a diverse range of sectors and business models. To measure this diversity, we utilized the Herfindahl-Hirschman Index (HHI). A lower HHI score indicates a more diverse market with many smaller players. Cambodia’s initial HHI score was 0.12. For ease of interpretation, we converted this result into a percentage, where a higher percentage reflects greater diversity within the ecosystem. With an HHI score of 88%, Cambodia's startup ecosystem demonstrates a relatively high level of diversity, suggesting a fragmented market with numerous smaller startups competing for market share.



Figure 3.1: Dimension of Entrepreneurship Support Network (2)

This diversity is a positive sign for the ecosystem, promoting innovation and competition. However, encouraging specialization and niche market focus can further strengthen the ecosystem.

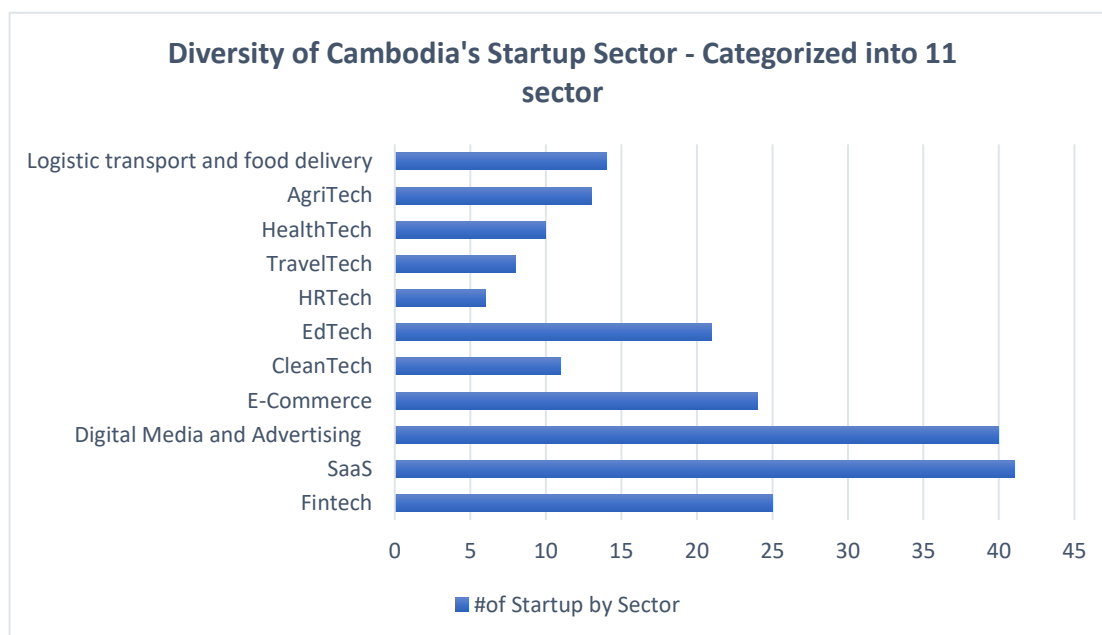


Figure 4: Diversity of Cambodia’s Startup Sector

# Cambodia's Startup Ecosystem: A Dual Lens Analysis of the Environment

An ecosystem's environment comprises the underlying set of rules, institutions, limitations and opportunities that facilitate or hinder the interaction of those actors. To understand the environment of startup in Cambodia, we delved into the following factors:

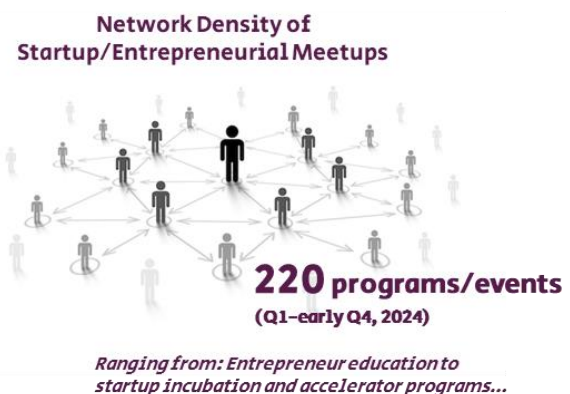
- **Network Density:** We explored the frequency of opportunity for networking offered to the ecosystem actors.
- **Innovation Culture:** We explored the culture of innovation available within the ecosystem.
- **Policies:** We explored the soft rules that may facilitate or hinder the development of startup.
- **Connectivity:** We explored the attractiveness and the connectiveness of Cambodian startup ecosystem to startups from other member states of the Association of Southeast Asian Nations (ASEAN).

By examining these two dimensions, we can gain a deeper understanding of the factors that influence the growth and development of Cambodia's startup ecosystem.

## Social Capital: Network Density

### A Thriving Network

Cambodia's startup ecosystem is characterized by a growing network of stakeholders, fostering collaboration and innovation. In 2024, the ecosystem witnessed a significant uptick in networking events, with an average of 21 tech-related meetups per month. These events, ranging from tech conferences and community gatherings to expos, provide valuable opportunities for entrepreneurs, investors, and other stakeholders to connect, share ideas, and form partnerships.



## NETWORK DENSITY

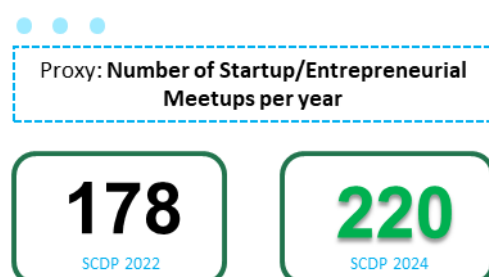


Figure 5: Dimension of Social Capital

Startup support programs, including incubators and accelerators, further contribute to network density by bringing together diverse participants. Orientation sessions, demo days, and award ceremonies offer prime networking opportunities for startups, corporations, government agencies, and other ecosystem actors. While the data on meetups and events is valuable, a more comprehensive understanding of network density requires additional data points, such as the frequency of informal interactions and the strength of relationships between stakeholders.

Startup Cambodia can play a crucial role in centralizing information on these events and fostering a more connected and data-driven ecosystem. By leveraging the power of networks, Cambodia can continue to strengthen its startup ecosystem and drive innovation.

## Social Capital: Innovation Culture

### Cultivating a Culture of Innovation

A vibrant innovation culture is essential for a thriving startup ecosystem. While Cambodia has made significant strides in recent years, there is still potential for enhancement.

The Global Innovation Index (GII) provides valuable insights into Cambodia's innovation landscape. Specifically, to assess the innovation culture, the report used score in Business Sophistication which focuses on knowledge and innovation among workers. In 2024, Cambodia's score is recorded at 14.4. The sub-score has dropped from 2023 as it was recorded at 16.2. To further understand this, the report compared the score to neighboring countries, and found that the sub-score in the concerned area of most ASEAN member states has also declined slightly.

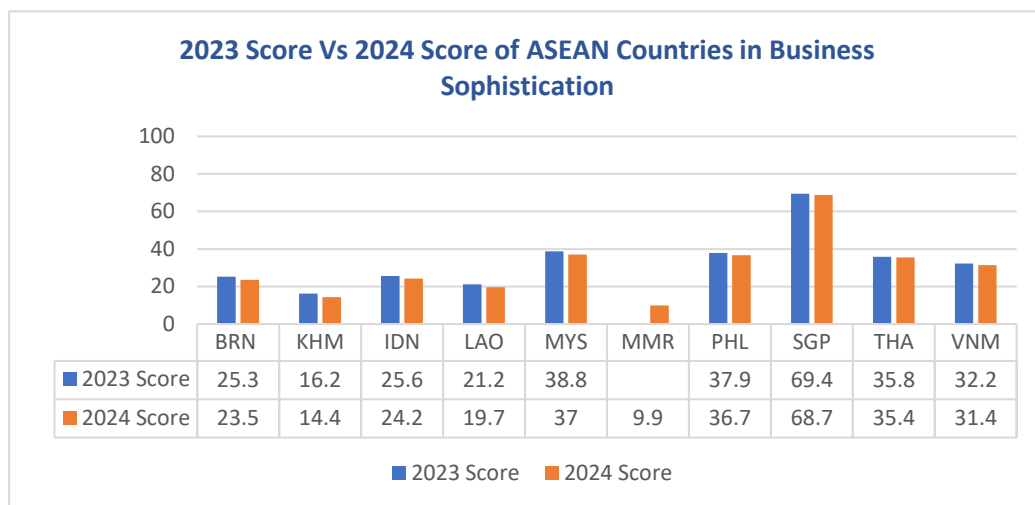


Figure 6: Score in Business Sophistication among ASEAN member states (AMS)

While the scoring does trigger attention to enhance the culture of innovation in the country, it's important to note that Western-centric metrics may not fully capture the nuances of Cambodia's unique innovation context, and the score does not necessarily imply that Cambodia's innovation culture is underperformed. To foster innovation, Cambodia is investing in education, particularly in STEM fields. The government is also promoting collaboration between academia and industry and supporting startups through mentorship and funding programs.

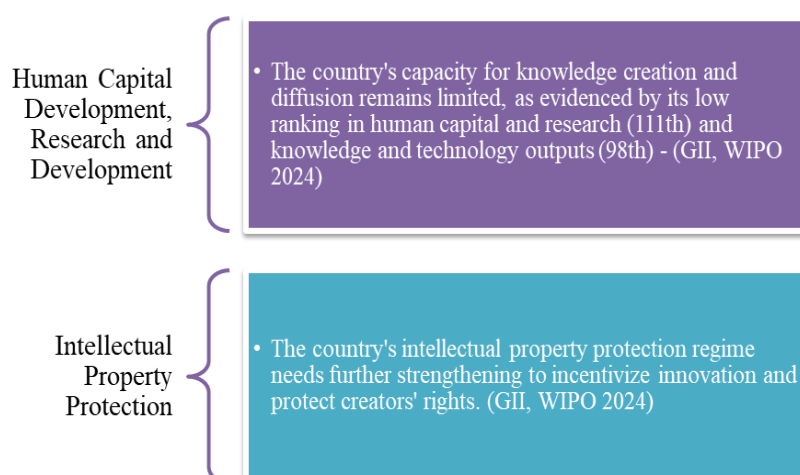


Figure 7: Areas needed to improve the Innovation ranking



## Governance: Policies

### Policy Environment for Startups

A robust regulatory environment is crucial for fostering a thriving startup ecosystem. While the 2022 report utilized the Institution score from the Global Innovation Index (GII) to assess this metric, this year's report leverages the Regulatory Framework score from the World Bank's Doing Business Report. This shift provides a more targeted approach to evaluating the specific regulatory factors influencing startup growth. Cambodia's regulatory framework, as assessed by the World Bank's Doing Business Report, indicates a positive trajectory. Cambodia's regulatory framework, while lagging slightly behind more developed ASEAN neighbors, shows promising performance within its economic category. Among the five ASEAN countries (the Philippines, Indonesia, Singapore, and Vietnam), Cambodia's score of 62.94 is below the average of 65.52. However, when compared to other lower-middle-income countries worldwide, with an average score of 61.25, Cambodia performs above-average.

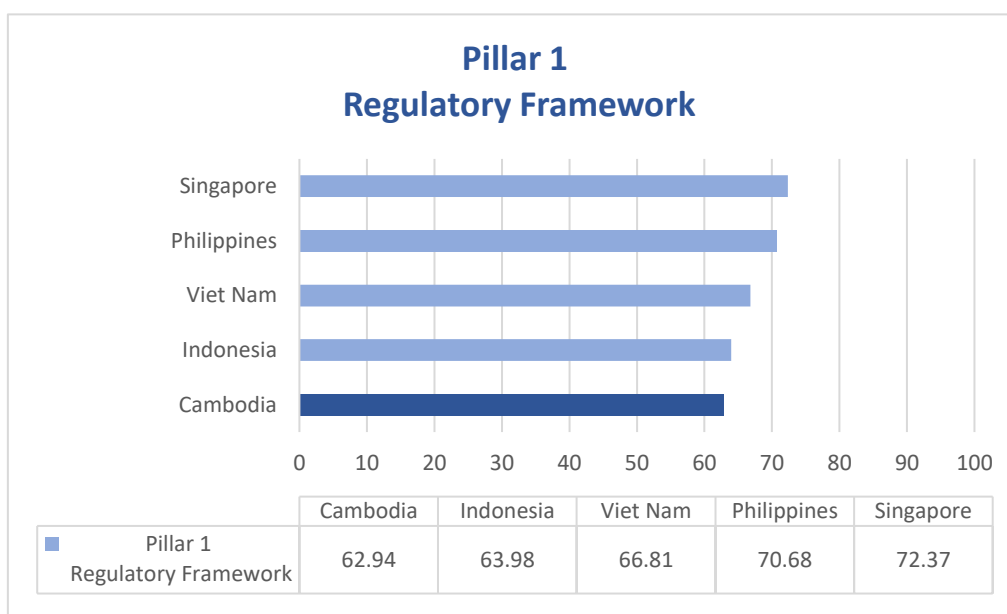


Figure 8: Score in Regulatory Framework for of the Southeast Asian Countries reported in B-ready

While Cambodia has made strides in improving its regulatory environment, there is still room for further progress. Key areas for improvement include:

- **Streamlining Regulations:** Simplifying bureaucratic procedures and reducing regulatory burdens can enhance ease of doing business for startups.
- **Intellectual Property Protection:** Strengthening intellectual property rights can incentivize innovation and protect the interests of startups.
- **Tax Incentives:** Implementing targeted tax incentives can encourage entrepreneurship and attract investment.

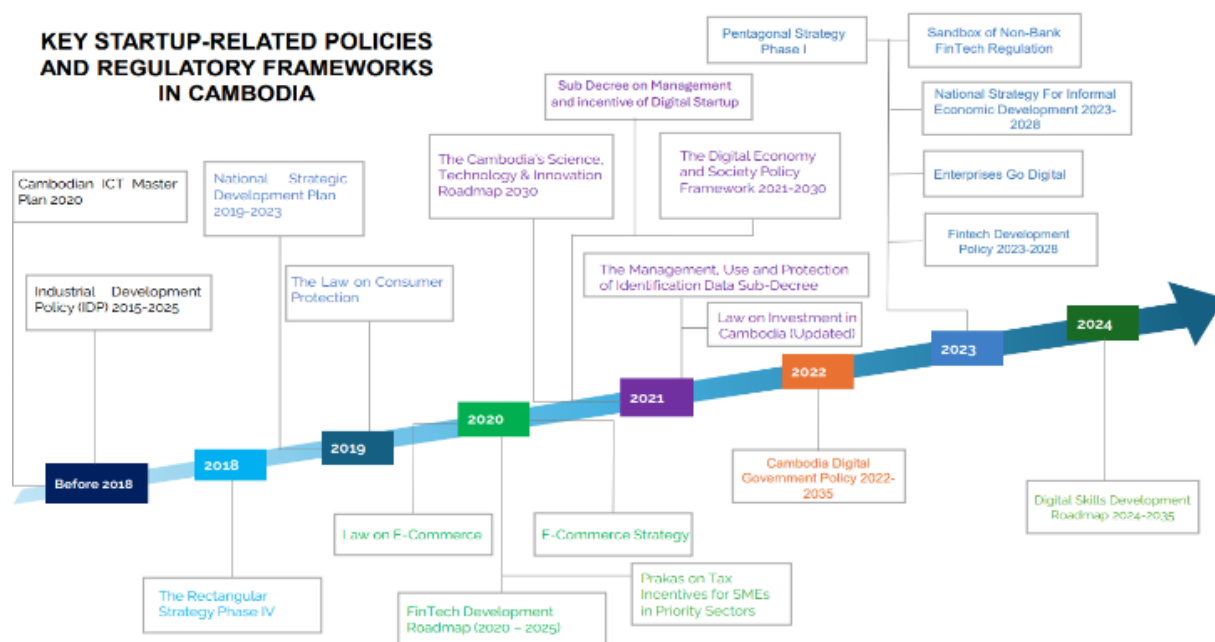


Figure 9: Key Startup-Related Policies and Regulatory Frameworks in Cambodia

## Cambodia's Startup Ecosystem: A New Frontier in ASEAN

Cambodia's startup ecosystem, while nascent, is experiencing significant growth, driven by supportive government policies, a burgeoning domestic market, and a strategic geographic location. While the number of foreign startups directly entering the Cambodian market is still modest compared to other ASEAN nations, there's a notable increase in regional collaborations and partnerships. The Cambodian government has taken proactive steps to foster innovation and digital transformation. Initiatives such as the Digital Economy Framework and the National Innovation Strategy offer incentives like tax breaks, streamlined regulations, and simplified procedures to attract foreign investment and stimulate domestic startup growth. These policies have created a conducive environment for both local and foreign startups to thrive.

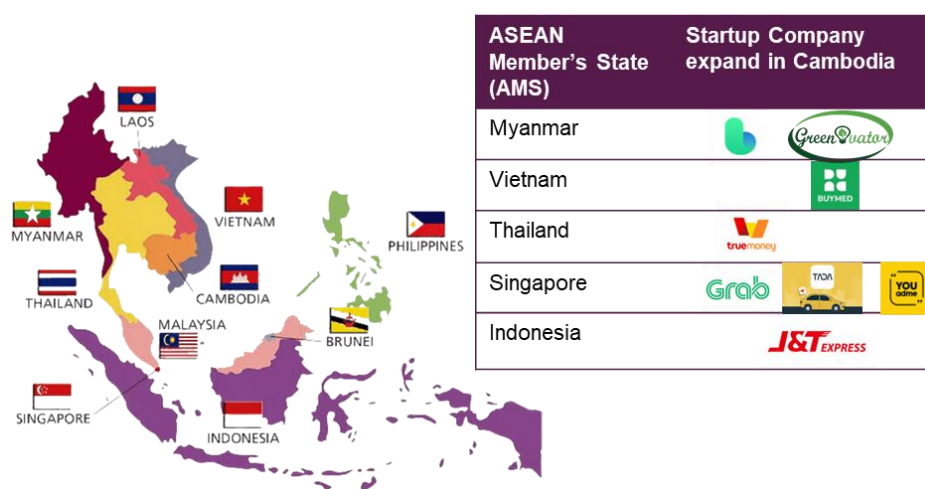


Figure 10: Startup's Crossroad: Foreign startup in Cambodia's market

# Conclusion

## A New Hope of Cambodia's Startup Ecosystem Future

Cambodia's startup ecosystem is on an upward trajectory, demonstrating significant potential for growth and innovation. While progress has been made, there are still opportunities to strengthen the ecosystem and propel it to new heights.

Key areas for improvement include:

- **Fostering Innovation Culture:** Encouraging a culture of risk-taking, experimentation, and continuous learning.
- **Strengthening Intellectual Property Protection:** Ensuring robust IP protection to incentivize innovation.
- **Expanding Access to Finance:** Facilitating access to funding, including venture capital and angel investments.
- **Enhancing Talent Development:** Investing in education and training to develop a skilled workforce.
- **Building Strong International Connections:** Fostering partnerships with global tech hubs and investors.

By addressing these areas, Cambodia can position itself as a leading startup hub in Southeast Asia. The collaborative efforts of government agencies, private sector organizations, and the startup community are crucial to achieving this goal.

## A Shared Vision for the Future

As the Cambodian startup ecosystem continues to evolve, it's essential to maintain a shared vision and work together towards a common goal. By fostering a supportive environment, investing in talent, and embracing innovation, Cambodia can unlock its full potential and become a global leader in the startup world. Ecosystem actors are the driving force in building a healthy, prosperous startup ecosystem in Cambodia—one that empowers innovation, supports entrepreneurs, and drives sustainable growth for the future. Just as it takes a village to raise a child, the commitment and dedication of all stakeholders are vital to nurturing this ecosystem's growth.

# CAMBODIA'S STARTUP SCENE: A PRELIMINARY CHECK-IN

## DIVERSITY & INCLUSIVITY

Proxy: **Share of Female Founder**

**32%**

SCDP (2022)

**26%**

SCDP (2024)

## KNOWLEDGE & TALENT

Proxy: **Share of Tech Skills Founder**

**56%**

SCDP (2022)

**59%**

SCDP (2024)

## STARTUP SUPPORT

Proxy: **Share of Mentor with Startup Experience**

**57%**

SCDP (2022)

**58%**

SCDP (2024)

## SPECIALIZATION & DIVERSIFICATION

Proxy: **Diversity of Startup based on Sectors**

**86%**

SCDP (2022)

**88%**

SCDP (2024)



## NETWORK DENSITY

Proxy: **Numbers of Startup/Entrepreneurial Meetups**

**178**

SCDP (2022)

**220**

SCDP (Q1 - early Q4, 2024)

## INNOVATION CULTURE

Proxy: **Global Innovation Index in Business Sophistication**

**16.2**

WIPO (2023)

**14.4**

WIPO (2024)

## POLICIES

Proxy: **Regulatory Framework**

**63**

(Income Level: lower-middle income)

B-READY, WORLD BANK (2024)

## REGIONAL CONNECTIVITY

Proxy: **Startup Crossroads: Cambodia's ASEAN Expansion**

**8**

SCDP (2024)



Good Progress



Need More Work



Need Critical Intervention

\*SCDP = Startup Cambodia Digital Platform  
startupcambodia.gov.kh



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