



Trade Sustainability Impact Assessment on the Environment Goods Agreement Sept 2015



Star 8 Asia Pty Ltd

Land Lot No. 860 Phum Toulpongror
Sangkat Chom Chao, Khan Por Sen Chey, Phnom Penh, Cambodia
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- Star 8 are the first Solar Module manufacturer to establish the business in Cambodia. The directors of the company have recognised the fact that solar power is here to stay. Cambodia is an ideal canvas for solar power to be generated in utility sized installations as well as small and medium-sized installations for commercial, industrial and residential purposes.
- The nation's reliance on imported electricity can be redressed by embracing a complimentary source of renewable energy. Freely available 365 days of the year with an average daily solar irradiance in excess of 5.2 peak capacity sunlight hours, solar power just makes sense.
- Climate change and energy efficient renewable opportunities go hand in hand. A national energy policy is essential to the acceptance that the EDC can work with a Cambodian company to embrace this renewable energy sector and take the initiative to be the foremost provider of Solar in Cambodia.

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ELECTRICITÉ DU CAMBODGE

- A multi-layered approach can provide a real solution to the strains on the existing national grid that have made power outages an acceptable part of everyday life in Cambodia.
- The formation of a feed-in tariff policy for solar production is the building block to create acceptance of this shift in the way people think about solar.
- Cambodia can learn from other countries with the implementation of a sustainable, long-term solar policy that incentivizes consumers to embrace renewable energy technology with a fair and reasonable rate for power fed back into the national grid.
- Solar power can provide immediate relief to the stress placed on the national grid and the anchor of having to purchase electricity from Thailand, Vietnam and Laos.
- Other solutions such as additional coal-fired power generators, hydro, etc. are long term projects and come with the heavy environmental impact that make this alternative the least acceptable.

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Branches

Star 8 Australia



Star 8 Cambodia



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Star 8 Indonesia



Star 8 China



Current Franchise Agreements



Branches

Star 8 Thailand



Star 8 Bangladesh



Star 8 USA



Star 8 Malaysia



Star 8 Japan



Star 8 Singapore



Cambodia

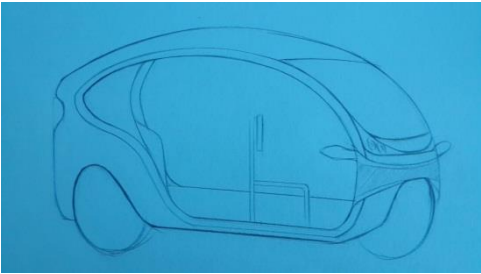
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Environmental Impact:

The introduction of electric-solar transport into these areas is evident. With a range of two, three and four wheel vehicles. Every combustion engine that is replaced by an electric alternative will have a direct impact on the reduction of carbon emissions. Small Home Solar Kits installed will reduce the use of combustion fueled lighting in the community.

- Provincial areas are where agriculture is the prime industry.
- The reduction of air pollution will result in better quality of air and water.
- This leads to the improvement in quality of the goods produced.
- Improved quality will lead to the increased value of the produce in the marketplace.
- An improved way of life by a broad-minded approach to provide real solution.



The introduction of solar powered, community solar hubs and mini-grids will bring electricity to these communities immediately. Rather than expecting that someday in the future, reliable grid supply electricity will reach these villages, the renewable energy can be delivered immediately without the introduction of any more costly coal-fired power stations. The long-term hydroelectric system that will have untold impact on the water flows through communities that have relied on the fishing industry for generations.

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Trade Barriers:

- New product imports presents a large problem for the customs departments.
- There are no defined category for these items.
- Policy on renewable energy products has not been implemented as of yet.
- The result: high import tariffs and fees.
- These fees, duties plus taxes adds 70% to the retail price
 - Electric Powered Cars are taxed at CD@35% + ST@45% + VAT@10% (HS Code 8703.90.21)
- Uncompetitive retail prices due to excessive import taxes/duties
 - Photovoltaic panels are taxed at: 35% (HS Code 8541.40.20)
- Star 8 have been granted a tax-free zone for export purposes only.
- This process is long, costly and laborious to say the least. Applications are unnecessarily complicated
- The tax-free zone in not applicable to domestic sales.
- Tax breaks for renewable and solar components are essential for the growth of the industry.
- Local solar policy has yet to set a feed-in tariff.
- EDC is reluctant to accept new systems feeding into the national grid.
- No facilities for a Smart meter system exist at this moment
- These are the largest obstacles to be overcome within the framework of a renewable energies policy.



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Economic Impact

Direct impact from increased productivity from the agricultural sector is obvious. The producers will have the ability to reap two or possibly three crops per year instead of the single harvest that is currently the only outcome. Should one season fail there is a years' worth of income that's lost. This will still happen but the impact will be reduced by the producers ability to reduce the impact on his earning capacity.

- The flow on effects:
 - Satellite industries will experience growth along the same lines. This includes everything from the farmers to laborers used to plant and harvest the crops to the transport companies taking this produce to market.
 - Increase potential exports from Cambodia
 - Increased quality of produce derived from reduction in pollution levels at the growing fields
 - The reputation for Cambodia produce will improve and the objectives of all parties will be achievable.
 - All goods provided under this project are being manufactured, fabricated and assembled in Cambodia where possible
 - Some components are still being imported as they are not currently available in Cambodia
 - Star 8 Asia is a Cambodian company that employs some 200 people under this banner.
 - Creates the need for a more educated workforce:
 - Electrical engineers, design and installation crews.
 - Factory workers will be needed to operate specialist machinery.
 - The education system will need to respond
 - Offering courses and career pathways for the growth in this sector.
 - The supply chain for the goods required for this new industry will add further to the economic stimulus



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Social Benefits:

With economic growth in the community, the lifestyle of those within this village will see direct benefits. The general lifestyle of the beneficiaries of this program will have more disposable cash to enable them to improve their living conditions. There will be more family funds available to ensure that there is enough food in the house, that the children can have a good education, etc. These basic building blocks are what will see the big picture develop even further. People who need it the most are being given the opportunity to make a difference for future generations



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Economic Empowerment of Cambodia 2035 A Roadmap to Economic Empowerment of the Cambodian Peoples

Cambodia is listed as one of the poorest countries in Asia. Roadway to Economic Empowerment shares a vision of an end goal that will see a fundamental change in the lifestyle for the peoples of Cambodia. Giving the poorest Cambodians the opportunity to take a more active role in their destiny. With government assistance, this movement can be kick-started by a direct partnership between individuals and the CPP to establish micro and SME business. Over the next 10 – 20 years, this very simple philosophy can transform Cambodia into a steady growth pattern that will see future generations enjoy a much better standard of living than is currently being endured.



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