When there is no time lag, increases in agricultural proportion of GDP, the market price of rice, and the market and producer prices of rubber, lead to increases in ELC allocation. ELCs are agro-industrial enterprises which generate revenue via agricultural production, and therefore the allocation of multiple new ELCs in a given year will likely affect the proportion of the GDP that is comprised of the agricultural sector. Many ELCs are created for rubber production (51%), as rubber is the most valuable commodity in terms of market value, and the second most valuable in terms of producer prices, out of those investigated. Therefore, the relationships between rubber market and producer prices, and ELC allocation, is not surprising. When rubber production becomes more profitable, rubber-based ELCs increase in viability. The relationship between the market price of rice and ELC allocation is less clear, as few ELCs result in large-scale rice production (1.7%). Nevertheless, of all the commodities investigated, rice is the second most valuable market commodity (after rubber) in terms of US dollars per ton. Therefore, increases in the market value of rice will provide a financial incentive to investors.

When there is no time lag, increases in development flows to the environment sector, the market price of corn, the producer price of rice, and the production of non-food agricultural commodities, lead to decreases in the allocation of new ELCs. Development flows to the environment sector include all external funding (grants to civil society, loans to government ministries) that is targeted at environmental protection. Increases in these financial flows will have a negative effect on the allocation of new ELCs because organisations and institutions that oppose new ELCs on environmental grounds (e.g. opposition to new ELCs within PAs) will have increased resources. Corn is the least profitable commodity in terms of market value, and less than 1% of ELCs are focussed on corn production. There is a weak and imprecise negative effect of corn market price on ELC allocation. When the non-food production index increases, ELC allocation goes down in the same year. I am not sure how to explain this. When the producer price of rice increases, there is a negative effect on ELC allocation. Despite rice being a valuable crop in market value terms, it is the least valuable crop for producers.

When a one-year time lag is applied, there are positive relationships between ELC allocation and agricultural proportion of GDP, foreign direct investment, non-food production index, sugar market price, and corn producer price. The agricultural proportion of GDP link is logical. Many ELCs are investments by non-Cambodian companies and governments, so when FDI increases in one year, it is no surprise that ELCs increase the following year. This probably reflects a real lag between investment and the creation of new ELCs. Sugar is a valuable product, and so increases in the market and producer prices in one year may well drive new ELC creation in the following year. Sugar is the second most common commodity for ELCs, after rubber.

For the one-year time lags, there is a negative relationship between ELC allocation and GDP. So as GDP increases, ELC allocation decreases. This could reflect the tailing off of ELCs in later years. As new ELC allocations went down, GDP continued to rise.

When a two year time lag is applied, there is a positive relationship between ELC allocation and the market price of sugar (same as lag 1), and the producer price of rice. The sugar relationship makes sense for the same reason as above – sugar is a valuable commodity. This is also true of rice (as a commodity), even though not many ELCs (1.7%) state that rice is the goal.

For the two year time lag, there is a negative relationship between ELC allocation and GDP, and the producer price of cassava.