

INDEX

1. [UN Chief Offers to Help Cambodia and Thailand Resolve Border Dispute](#)
2. [Cambodia Seeks Investors to Boost Rice Milling Sector](#)
3. [Cambodia Targets Huge Boost in Rice Exports](#)
4. [ADB Pledges to Provide US\\$597.7 Million to Cambodia](#)
5. [Cambodia Neak Loeung Bridge Construction to Begin in Late 2010](#)
6. [Cambodia-Thailand Full Diplomatic Ties Restored](#)
7. [Foreign Investment Increasing in Cambodia](#)
8. [Southern Gold Discovers New High Grade Gold in Cambodia](#)
9. [U.S. Army General Praises "Angkor Sentinel 2010"](#)
10. [BlueOrchard Opens Office in Cambodia](#)
11. [U.S. Company Invests in Cambodia's Agriculture](#)
12. [KOGID Rice Mill Construction Starts in Cambodia](#)
13. [Cambodia Palm Sugar Exported Abroad](#)
14. [Cambodia: Asia's Mini-Tiger](#)

UN Chief Offers to Help Cambodia and Thailand Resolve Border Dispute

Secretary-General Ban Ki-moon today offered to help Cambodia and Thailand resolve their differences over a disputed temple area along their common border, said a release issued on 20 August 2010 by the UN News Center.

"The Secretary-General hopes that Cambodia and Thailand will resolve the dispute along their border amicably through dialogue," UN spokesperson Farhan Haq told reporters in New York.

"He stands ready to help the parties," Mr. Haq added.

It should be recalled that Samdech Hun Sen, Prime Minister of the Kingdom of Cambodia, has sent separate letters dated 8 August 2010 to H.E. Ali Abdussalam Treki, President of the United Nations General Assembly and H.E. Vitaly Churkin, President of the United Nations Security Council, informing them about the serious threat of use of armed forces against Cambodia to settle the border demarcation by Thailand.

I would like to bring to Your Excellency's kind attention that the maps which had been issued by the Franco-Siamese Commission in 1908 was the solid basis by which the International Court of Justice (ICJ) adjudicated on 15 June 1962 as follows:

... "the Temple of Preah Vihear is situated in territory under the sovereignty of Cambodia;"

"Thailand is under an obligation to withdraw any military or police forces, or other guards or keepers, stationed by her at the Temple, or in its vicinity on Cambodian territory;"

In violating the judgment of the ICJ, Thailand currently maintain its soldiers in the Keo Sikkhakiri Svava pagoda of Cambodia, situated only about 300 meters from the Temple of Preah Vihear, well inside the Cambodian territory, said the letters.

Prime Minister Samdech Hun Sen has also called for an international conference to help resolve the Cambodian-Thai Preah Vihear border dispute, saying bilateral negotiations had stalled and reached an impasse.

In a public speech on 9 August 2010, Samdech Hun Sen said that only multilateral engagements, with the participation of the Association of South East Asian Nations (Asean), the UN Security Council and the 19 signatories to the Paris Peace Accords, can help to resolve once and for all the Preah Vihear dispute.

"The use of any bilateral mechanism to resolve this border issue has stalled....So, I am appealing for a multilateral participation from Asean, the UN Security Council, all other countries and the signatories to the Paris Peace Accords", he said referring to the 1991 Cambodian peace agreements which all 19 signatories, including Thailand pledged to respect Cambodian sovereignty and territorial integrity.

On 14 August 2010, Cambodian Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation Hor Namhong sent a letter to, Vietnamese Deputy Prime Minister and Minister of Foreign Affairs Pham Gia Kiem, who is the current chair of ASEAN.

In his letter, Deputy PM Hor Namhong said "until now, Cambodia has exercised utmost restraint and attempted to find a peaceful solution to the problem bilaterally, but to no avail."

"As the current stalemate has extinguished any hope on further bilateral negotiations and in order to avoid any large scale armed conflict...., I earnestly seek Your Excellency's assistance, as chair of ASEAN, to mediate on the matter under the ASEAN framework either as a whole or on an individual basis involving only certain ASEAN members, in line with the Principles of the ASEAN Charter, Article 2 (c) and (d)," said Deputy PM Hor Namhong.

Cambodia Seeks Investors to Boost Rice Milling Sector

Cambodia is looking for foreign investors to boost its rice milling sector so that it can increase its production of milled rice for exports.

"We have good rice but we don't have the quality millers or warehouses to produce milled rice for exports" Cambodian Prime Minister Samdech Hun Sen said on 4 August 2010.

Cambodia needs money to invest in milling and irrigation systems to help boost production and rice quality, said premier Hun Sen, adding he had discussed this recently with Malaysian Prime Minister Najib Razak.

He said he also planned to talk to new Philippine President Benigno Aquino. The Philippines is the world's top rice importer.

Indeed, it has plenty of rice, ranking as the world's 15th biggest producer with around 7 million tonnes of paddy each year. Of that, around 3 million tonnes is for domestic consumption and the rest for export, according to the United Nations Food and Agriculture Organisation (FAO).

In the past six months, the government has spearheaded a raft of measures aimed at boosting the country's rice-export capacity.

The government has updated the national rice policy, doubled Rural Development Bank capital to US\$36 million and scrapped licence requirements for exporters to spur development.

The government hopes to improve the quality of Cambodia's rice to increase exports to foreign markets, such as Europe. The measures so far appear to have had a marked effect.

In the first half of this year, Cambodia has exported 107,291 tonnes of milled rice abroad - an increase of 2,356 percent, according to data released by the Ministry of Commerce.

Exporters hope to find more buyers in the European Union as the European market has been duty-free for Cambodian rice since last September under the EU's "Everything But Arms" initiative aimed at supporting exports from poor countries.

A panic over food scarcity that pushed up the price of rice and other commodities in 2007-2008 has already encouraged investors from Gulf countries to invest in rice fields and irrigation systems in Cambodia, in the interests of food security.

Cambodia Targets Huge Boost in Rice Exports

Cambodia is targeting annual rice exports of 1 million tonnes within five years, Prime Minister Samdech Hun Sen said at the launching ceremony of the Policy Paper on the Promotion of Paddy Production and Rice Export on 17 August 2010.

The Policy Paper, approved on 25 July 2010 by the government, aimed at promoting the development of the agricultural field in order to expand and strengthen the economic growth base, accelerate poverty reduction and improve people's livelihoods.

The seven-point Policy Paper included strategies to build irrigation systems, provide technical services, land reform, financing, marketing, developing farming communities and improving institutions.

The paddy surplus must reach over 4 million tons a year by 2015, and at least 1 million tons of rice for export, said Samdech Hun Sen.

The Cambodian premier also predicted that the country would have around 7.3 million tons of paddy for 2010-2011 season with a surplus of 3.3 million tons for export, a remarkable increase during the last decade.

To reach the 1 million mark, Cambodia needs foreign investment as well as government-backed soft loans to improve rice productivity and boost its fledgling rice milling sector, Samdech Hun Sen said.

Cambodia announced earlier this month it was looking for foreign investors to boost its fledgling rice milling sector so that it can reap higher dividends from its grain crop.

Apart from developing milling houses, the government also launched a loan-supporting programme by urging local banks to provide money for rice-related business.

The government has pledged to help repay half of the debts if debtor failed to pay back the loan.

Cambodia has plenty of potential to increase rice exports, according to Yang Saing Koma, president of the Cambodian Centre for Study and Development in Agriculture.

"I believe that Cambodia will become one of the world's biggest rice exporters in half a decade," he said. Cambodia is the world's 15th biggest rice producer and plans to raise rice production to 9 million tonnes of paddy by 2015, up from the current 7 million tonnes, industry officials said.

ADB Pledges to Provide US\$597.7 Million to Cambodia

The Asian Development Bank (ADB) has pledged to provide US\$597.7 million in grant and loan to Cambodia for a three-year period from 2011 to 2013, reported AKP on 19 August 2010.

Of the total amount, some US\$558.5 million will be used to support 23 development projects in nine fields including agriculture, natural resources and rural development, communication, energy, urban development, clean water supply, education and vocational training, financial development, and public and private development, according to a press release of the Cambodian Ministry of Economy and Finance.

The rest, US\$39.2 million, will be used for 36 local and Greater Mekong Subregion-framework projects, it said.

Mr. Putu Kamayana, ADB Country Director, said the ADB's assistance to Cambodia for the next three years saw an increase if compared with that of the last three years. This is due to Cambodia's commitment and endeavors in developing the country and alleviating poverty.

Neak Loeung Bridge Construction to Begin in Late 2010

The construction of Neak Loeung Bridge linking the national road 1 is expected to begin at the end of this year or early next year, said Minister of Public Works and Transport H.E. Tram Iv Tek.

At the signing ceremony of an agreement between Chodai Technical Advisory Company, Oriental Consultant Company and the Cambodian Ministry of Public Works and Transport held in Phnom Penh on 18 August 2010, H.E. Tram Iv Tek said the construction of Neak Loeung Bridge would start in late 2010 or early 2011 and finish in March 2015, according to AKP on 20 August.

Once finished, the bridge would facilitate the travel and transportation between Cambodia and Vietnam and be useful for the Greater Mekong Sub-region countries, he said.

It would also contribute to boosting the economic, cultural, social cooperation and the ties of friendship between Cambodia and Japan, he underlined.

The 37.5-meter high, 13.5-meter wide and 2,200-meter long Neak Loeung Bridge is the second bridge across the Mekong River.

Cambodia-Thailand Full Diplomatic Ties Restored

The full diplomatic relations between Cambodia and Thailand have been restored with the return of the two countries' Ambassadors to their respective Embassies in each other's capital to resume their posting.

Ambassador of the Kingdom of Cambodia You Aye returned to Bangkok on 25 August 2010, one day after Thai envoy Prasas Prasasvinitchai arrived in Phnom Penh on 24 August.

Foreign Investment Increasing in Cambodia

The Council for the Development of Cambodia (CDC) approved US\$300 million worth of investments in July, nearly double its total investments approved in June, said The Phnom Penh Post on 13 August 2010, basing on a CDC report.

Fifteen large investment projects were given the green light, with 10 projects worth \$278 million approved in the agricultural sector, and another five investments worth \$20 million rubber-stamped for the industrial sector, said the Post.

The government approved 63 investment projects worth \$1.377 billion in the first seven months of the year, whereas an equal number of projects worth \$1.473 billion were granted the go-ahead during the first seven months of 2009, figures show.

The CDC approved investment by 13 companies from eight countries during July, according to its report, and cleared four Chinese companies to launch investment projects in the Kingdom.

Sugarcane attracted particularly large investment, with China's Yellow Field International Limited and Great Field International planning to invest \$74.6 million and \$66.4 million respectively to grow sugarcane and other crops.

Meanwhile, United States-based Horizon Agriculture Development Co and Singapore and Malaysia's Mondul Agri Resources Company plan to invest \$28.8 million and \$30 million respectively to grow rubber trees.

Southern Gold Discovers New High Grade Gold in Cambodia

Southern Gold has identified new high grade gold at the Gossan prospect within the Preak Khlong tenement at the Kratie South Project in Cambodia and has now completed exploration activities for the 2009-2010 field season, according to a release issued by the company on 18 August 2010.

The best results from diamond core drilling on the Gossan prospect include; 3m @ 14.60 g/t Au, 0.4% Pb, 0.5% Zn and 0.1% Cu from 38m (including 1m @ 34.57 g/t Au) (DD10GSN003) and 2m @ 1.44 g/t Au from 88m (DD10GSN002), said the release.

Exploration on three of Southern Gold's seven tenements in Cambodia (Preak Khlong & O'Khtung, Kratie South Project and Phnum Khtong, Kratie North Project) is being fully funded by the Japanese Government-backed JOGMEC, pursuant to a Joint Venture agreement whereby JOGMEC can fully fund exploration activity to a total of US\$4.5 million over 3 years to earn a 51% interest in these tenements.

Mick Billing, executive director, said the discoveries at Gossan and Preak Khlong will be the focus of systematic rock chip sampling, trenching and infill drilling programmes planned to start in October-November 2010, when the next dry season commences in Cambodia.

U.S. Army General Praises "Angkor Sentinel 2010"

A U.S. Army General has praised the Multinational Peacekeeping Exercise "Angkor Sentinel 2010" hosted by Cambodia, which ended on July 30, reported AKP on 2 August 2010.

Brig. Gen. Seward, representative of the U.S. Pacific Command, said he would like to express special thanks to Cambodia that hosted the "Angkor Sentinel 2010" Operations Training, and welcome the Royal Cambodian Armed Forces for their efforts in peacekeeping mission in Africa.

"Angkor Sentinel 2010" Operations Training was joined by multinational forces from 24 countries: Australia, Bangladesh, Brunei, China, England, France, Germany, India, Indonesia, Japan, Laos, Malaysia, Mongolia, Nepal, New Zealand, Philippines, Russia, Singapore, South Korea, Thailand, Tonga, the United States, Vietnam, and Cambodia; and the representatives from the International Red Cross and the United Nations.

The first operations exercise took place in Mongolia 2007, followed the second, the third and the fourth, respectively in Bangladesh, Indonesia and Mongolia.

The achievements obtained in the operation exercise not only show the success of the bilateral cooperation between Cambodia and the United States in improving the peacekeeping capacity, but also provide opportunity and facilitate the strengthening of the cooperation with the participating countries, said Defense Minister Tea Banh.

BlueOrchard Opens Office in Cambodia

Geneva-based BlueOrchard Finance SA, which lends more than US\$1 billion to microfinance firms worldwide, has opened its first Asian office in Phnom Penh, reported The Phnom Penh Post on 16 August 2010.

The firm's Cambodia Director, Julie Cheng, said its new office would act as a hub for future regional operations, as well as providing improved service to its Cambodian clients.

"We see Asia as an engine for growth. Cambodia has a free economy and will act as a solid base for our expansion strategy," she said yesterday.

BlueOrchard provides loans to microfinance institutions, that in turn offer small-scale loans on a local level.

The firm's South and Southeast Asian lending totalled \$115 million, and Cambodia has received \$36 million worth of investments to more than 10 microfinance institutions since 2003, she said.

According to the latest National Bank of Cambodia figures, Cambodia had 22 microfinance institutions in June, extending \$320 million worth of loans to 895,404 borrowers.

U.S. Company Invests in Cambodia's Agriculture

The U.S.-based VSJMAXX Company has signed an agreement with the local company Brother Investment Group Co., Ltd. (B.I.G.) to jointly invest some US\$2,000 million in Cambodia's agricultural sector, reported AKP on 27 August 2010.

The agreement was signed in Phnom Penh on 26 August 2010 by B.I.G. Chairman Mr. David Chanaiwa and Mrs. Culiffee Judy, a VSJMAXX shareholder.

According to its initial project, both companies will establish a fish rearing station and pet and fish feeding product factory at the total cost of some US\$5 million in Kandal province's Saang district.

Moreover, the two companies also planned to set up a solar-power rice-mill plant in Oddar Meanchey province at the cost of some US\$3.2 million.

KOGID Rice Mill Construction Starts in Cambodia

The South Korean company KOGID has started construction on a US\$2.6 million rice-processing mill in Battambang province, reported The Phnom Penh Post on 25 August 2010, adding that the mill, in Ratanak Mondul district, will process rice to supply to local markets and for export.

Oung Savuth, manager of KOGID Cambodia Co Ltd, said that once complete, the mill would be able to process 400 tonnes of rice per day.

According to the company, the construction of the rice mill on approximately 3 hectares of land will be finished by January 2011.

KOGID invested about \$3 million in late 2009 to build a corn-drying plant capable of drying 400 tonnes of corn a day, in the same district.

Cambodia Palm Sugar Exported Abroad

Cambodia palm sugar has been exported to three foreign countries, according to AKP on 16 August 2010.

During the five-month of palm sugar production, we have produced 31 tons of palm sugar and sold them to three local companies and one of them, Confirel, has exported palm sugar to France, Australia and Malaysia, President of the Association for Promoting Kampong Speu Palm Sugar Mr. Sam Sareoun said.

Cambodia: Asia's Mini-Tiger

August 25, 2010
By Tim Johnston
Financial Times

Could frontier market Cambodia become a serious contender for Asian tiger status? The country certainly has a buzz about it: flights into the capital are filled with businessmen, the once rural outskirts of Phnom Penh are fast turning into one big construction site, and the roads of the city centre are gridlocked with Lexus four-wheel drives.

According to a UBS note to its clients today, the country is starting to make a roar, albeit small. And when it comes to manufacturing, Cambodia is fast becoming a 'mini tiger'. According to Jonathan Anderson at UBS in Hong Kong, Cambodia's manufacturing base has significantly benefitted from the globalisation boom of the past decade.

The country has quietly established itself as a "mini-tiger"
in textile processing and assembly, a fact generally
overlooked by most investors including ourselves.

So is Cambodia poised to take on official emerging market status? Not yet.

Cambodia's manufacturing sector is growing at an astonishing rate - in real terms (the Cambodian currency) it has more than quadrupled in the last decade, but as a manufacturing economy it still has some way to go: manufacturing still represents less than 15 per cent of GDP according to the latest figures from the ADB.

But Cambodia is quietly attracting more and more attention. In 2008, Leopard Capital launched the country's first dedicated fund, and although the \$34m raised was a long way short of the \$100m it was aiming for (it was after all the middle of the global crisis), it plans to launch another \$50m fund later this year to be split between Cambodia and Laos.

In today's UBS note, Anderson has taken a look at the extent to which developing economies dependent on manufacturing have expanded their manufacturing exports relative to GDP over the last decade. The standouts were Cambodia, Czech Republic, Hungary, Slovak Republic, Thailand and Vietnam, all of which increased their exports by more than 25 percentage points.

While Cambodia becoming a tiger overnight may be premature, the note certainly offers some food for thought.

[Home](#) | [Cambodia in brief](#) | [Visit Cambodia](#) | [Investment](#) | [Foreign Affairs](#) | [Government](#) | [Senate](#) | [Assembly](#) | [Press](#) | [Visa](#) | [link](#)

The Royal Embassy of Cambodia in Canberra
5 Canterbury Crescent, Deakin, ACT2600, Australia
Telephone: +61 2 6273 1259 or +61 2 6273 1154, Fax: +61 2 6273 1053
Email Embassy: CambodianEmbassy@ozemail.com.au / Consular and Visa Section: camembconsul@gmail.com