Companies warned over slow development of ELCs

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Provincial government officials in Stung Treng have warned companies granted economic land concessions (ELCs) in the province to fulfil their promised development plans or face losing their rights to the land.

Touch Thea, director of the Stung Treng provincial department of agriculture, said the call for firms to deliver on their promises was made at a meeting with 12 companies.

It followed a recent evaluation by the National Assembly-Senate Relations and Inspection Ministry which revealed that some of them were lagging in their agreed-upon ELC commitments, Thea said.

“The meeting was to find out why some companies are running behind their schedule plantation as planned. We are going to create a working group of the relevant department to control over the granted ELC.

“For the first step, provincial officials will inform and encourage those companies to put more effort into speeding up their plantation. We will report to the ministry of agriculture and the government, in the worst case, to take back the ELC rights.”

Thea said the ultimate purpose of an ELC is to provide jobs and prosperity for local communities.

The department director declined to name the companies called to the meeting, but a 2013 provincial investment report from the Council for the Development of Cambodia (CDC) shows there are just 12 ELCs in Stung Treng. They are granted to Cassaca Processing Co Ltd, Sal Sopheap Peanich Co Ltd, Sopheaknaica Investment Industrial Co Ltd, Phumady Investment Group Co Ltd, GG World Group (Cambodia) Development Co Ltd, Grand Land Agriculture Co Ltd, Green Sea Agriculture Co Ltd, Siv Guex Investment Co Ltd, Cambodia Research Mine and Development Co Ltd, Un-Inter Trading and Development Co Ltd, Bonarita Stung Treng Co Ltd and Sok Heng Co Ltd.

The 12 companies’ ELCs total 177,850 hectares for the development of large agricultural plantations, including of cassava, rosewood, cashew nuts, acacia trees and rubber.

The Mong Reththy Group, owner of Green Sea Agriculture (GSA), has the greatest share of concessions in the province, according to a list of ELCs from the Ministry of Agriculture. The list shows that the group was granted over 100,000 hectares in 2001 to plant acacia, rubber, cassava, sugarcane and jatropha, which is used to produce oil for biodiesel.

According to the Mong Reththy Group website, the company has cultivated 1,200 hectares of this land – only slightly over 1 per cent of their total concession area.

“For why the company is late in getting plantation to cover most of the area, the answer is short: because we do not have money. We are working to gather funding,” the group’s president and CEO, Mong Reththy, said yesterday.

Ouch Leng, director of the Cambodian Human Rights Task Force, said there has yet to be a good example set in the use of ELCs, and that the concession policy offers fewer pros than cons.

“It is obvious that Cambodia is losing economically by granting ELCs with good forests which are worth billions of dollars in exchange for only $2 to $5 per hectare,” he said.
“The expected result of an ideal ELC on paper shows that it benefits people, but in reality ELCs are hurting people in the community and only serving a group of people who have power and are corrupt,” he added.

Leng pointed to two companies – Sal Sophea Peanich and Sopheaknika Investment Industrial – that have already been involved in cases of land conflict with claims of encroachment on traditional land.

Neither company could be reached yesterday. Steng Treng Governor Kol Somol declined to comment.

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