

CAMBODIA OUTLOOK

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PM SHARES INSIGHTS INTO SUSTAINABLE FUTURE OF DEVELOPING COUNTRIES

The Head of the Royal Government of Cambodia (RGC), Samdech Akka Moha Sena Padei Techo Hun Sen has shared seven-point insights into how developing countries can continue to build up sustainable future.

In his keynote address to the virtual 2020 Sustainable Development Impact Summit of the World Economic Forum (WEF), held on 22 September 2020 under the theme “Building Forward Sustainably in Emerging Economies”, the Cambodian Prime Minister expressed his appreciation for all countries that were sharing experiences and measures aiming to accomplish the 2030 Agenda for Sustainable Development Goals, and exerting utmost efforts in the post-COVID-19 economic recovery.

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AUSTRALIA PROVIDES eWater Source MODELING PLATFORM TO CAMBODIA

Australia has provided eWater Source to Cambodia to access to Australia’s national water modeling platform and the donation is part of Australia’s ongoing support for sustainable water management throughout the Mekong region.

The hand-over ceremony took place here on 23 September 2020 in the presence of H.E. Lim Kean Hor, Minister of Water Resources

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ADB REVISES CAMBODIA’S 2020 ECONOMIC FORECAST UPWARD



The Asian Development Bank is a regional development bank established on 19 December 1966

The Asian Development Bank (ADB) has revised its 2020 growth forecast for Cambodia upward, thanks to the country’s improved agricultural performance and an increase in volume in non-garment manufacturing exports such as bicycles and electronics, according to its news release made public on 23 September 2020.

The Asian Development Outlook (ADO) 2020 Update, ADB’s annual flagship economic publication, forecasts a 4.0 percent contraction for Cambodia’s gross domestic product in 2020, compared to its June forecast of a 5.5 percent contraction, it pointed out.

“The coronavirus pandemic is an unprecedented global challenge, but fortunately Cambodia has been spared a health crisis. We expect growth to rebound to 5.9 percent in 2021, boosted by supportive government policies social assistance for the poor and financing support for SMEs,” said ADB’s Cambodia Country Director, Ms. Sunniya Durrani-Jamal.

“These measures, along with much-needed structural reforms, will reduce the direct and indirect impacts of COVID-19 on families and businesses and help Cambodia’s economy emerge stronger from the pandemic.”

A sharp drop in orders from Europe and North America led to shutdowns in one-third of Cambodia’s garment, footwear, and travel goods factories during the first half of 2020. However, increased production of bicycles and electronics pushed up Cambodia’s non-garment manufacturing exports by 30.3 percent year-on-year in the first half of 2020. Total industrial output is projected to rise by 5.1 percent in 2020 if exports of garments, travel goods, and footwear continue to recover.

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PM SHARES INSIGHTS INTO SUSTAINABLE...

Samdech Techo Hun Sen said the spread of the COVID-19 has increased concerns and uncertainties in regional and global socio-economic development cooperation. "Therefore, the combat against the COVID-19 is a common cause for all of us, despite the fact that our respective countries are at the different stages of the epidemic," he underlined.

As mentioned in Samdech Techo Hun Sen's keynote address, the seven important points are as follows:

"1. The impact mitigation and the stabilization of people's lives, productions, business operations as well as investments, are important tasks that each government has to strive to implement as much as possible. In order to achieve this goal, the RGC has implemented five rounds of well targeted and timely measures, continued to carefully monitor the situation, and been ready to implement additional concrete measures if needed.

2. The Royal Government of Cambodia's philosophy is to turn the threat of the COVID-19 into opportunities for reforms within each country. In this sense, I would like to emphasize that the RGC has not slowed down at all its reform agenda in all sectors on one hand. And on the other hand, our goal is to raise up Cambodia's competitiveness through the ease and establishment of favourable environment for businesses and investments within the country.

3. The COVID-19 epidemic has impacted negatively the public finance, especially the government's revenue. The loss of revenue requires each government to introduce new mechanisms in order to mobilize financial resources to be used for future development. To achieve this goal, I am of view that Public-Private Partnership (PPP) is an indispensable and core mechanism that will help solve the financial difficulties of developing countries, both during and after the pandemic.

4. During this difficult time, in order to advance their reform agendas, developing countries need global cooperation, particularly the preservation of both bilateral and multilateral partnerships, aiming at ensuring an environment for development, peace and stability at the regional and global levels. At the same time, the strengthening and preservation of international investment flows, tourism flows and smooth and free flows of cross-border trades, particularly the free movement

of necessary goods such as foods and medical supplies, are the vital factors for ensuring stability, safety, social balance and the revives of supply and production chains, within each country, as well as at regional and global levels.

5. We have to continue strengthening the momentum of globalization, which has significantly contributed to economic growth and created unprecedented conditions for poverty reduction and the promotion of the livelihood of people from all walks of lives. In this context, we have to ensure that our cooperative mechanism can still maintain a spirit of openness and support for the multilateral trade system, especially the acceleration of socio-economic connectivity for each country's development agendas in a sustainable and inclusive manner.

6. Without any further delay, we have to start thinking strategically of the restoration and the recovery of the economy once the pandemic subsides, through accelerating of the implementation of existing and newly-introduced plans and mechanisms, in a speedy and very effective manner.

7. At the global level, we have to continue ensuring the sustainability of international aids, particularly financial aids, for developing countries so that they can continue to drive progressively their reforms which are part of the 2030 Agenda for Sustainable Development Goals. In this context, on behalf of the Royal Government of Cambodia, I would like to express my profound gratitude and sincere appreciation to all development partners for their proactive cooperation, and technical and financial assistances that have enabled Cambodia to effectively control the spread of the COVID-19." ■

ADB REVISES...

COVID-19 has had a severe impact on Cambodia's tourism sector. A gradual reopening is expected in the second half of 2020, but services are forecasted to shrink by 15.1 percent in 2020. International visitor arrivals had fallen by 98.1 percent year-on-year in the second quarter, forcing 3,000 businesses to close and 45,000 workers to lose their jobs.

U.S. SEEKS INVESTMENT OPPORTUNITIES IN ENERGY, NATURAL GAS, AND OIL IN CAMBODIA



Large U.S firms have sought investment opportunities in the areas of oil, natural gas and renewable energy in Cambodia, according to the Ministry of Mines and Energy.

The intention was revealed in a virtual meeting on 23 September 2020 between Cambodian Minister of Mines and Energy H.E. Suy Sem, and a delegation of the ASEAN-U.S. Business Council, U.S. Embassy in Cambodia, and U.S. firms –Chevron, ConocoPhillips, Amazon, Bell Texon, Ford, Visa.

The firms also planned to import assembly materials and equipment for renewable energy development infrastructure in Cambodia. Moreover, they expressed support on the cooperation on development in the overlapping oil zone between Cambodia and Thailand.

H.E. Suy Sem expressed his full support for the U.S. firms to invest in Cambodia to contribute to boosting the country's economic development. ■

Risks remain, such as a continued slowdown in the garment and construction industries, and poor harvests after low rainfall in June and July. Consumer demand may also continue to weaken amid the pandemic. ADB is supporting the Royal Government of Cambodia's response to the pandemic and has provided US\$250 million in concessional financing to strengthen health systems, expand social protection, and support economic recovery.

Under ADB's 2019–2023 country partnership strategy, ADB will provide US\$1.45 billion in loans, grants, and technical assistance to Cambodia to support agriculture and natural resources management; improved urban and rural living conditions; renewable energy infrastructure; and education and skills development. These initiatives aim to expand Cambodians' access to public services and improve service quality, as well as improving the country's business and investment environment. ■

AUSTRALIA PROVIDES eWater Source...

and Meteorology and H.E. Pablo Kang, Australian Ambassador to Cambodia eWater Source, Australia's national hydrological modelling platform will assist the Cambodian government to better understand the availability of water resources throughout the country, according to a press release issued on 24 September 2020.

It will provide a stronger evidence based on which decisions are made about the development of water infrastructure and the allocation of water for a range of users – cities and towns, farming and freshwater fisheries, hydropower and industry.

With a highly variable climate, Australia has developed unique tools and technologies, such as eWater Source, to assist in understanding water resources over time and to enable transparent decision-making over how water is allocated between competing users.

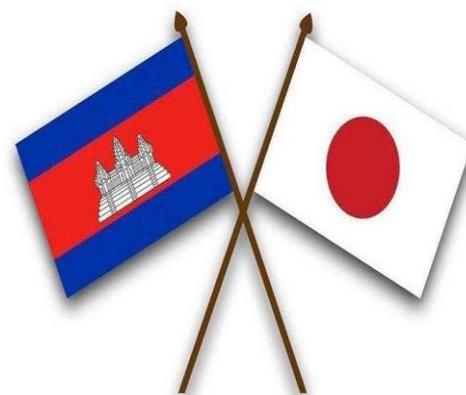
"We are pleased to share an important Australian innovation – the eWater Source platform – with our neighbours and friends in Cambodia, because doing so will help ensure water governance based on solid evidence and can contribute to Cambodia's post-COVID recovery," said H.E. Ambassador Kang.

"The sustainable management of Cambodia's precious water resources is crucial to support the socio-economic development of our cities and of our growing agriculture and energy sectors, while preserving our unique environment," stated H.E. Lim Kean Hor. "We welcome the offer by the Government of Australia to provide both technical tools and capacity building support so that Cambodians can learn from the Australian experience and improve our management of water resources for the entire country."

Australia has been supporting Cambodian and other Southeast Asian countries to strengthen the management of shared water resources since the 1990s. Australia's regional Greater Mekong Water Resources Programme supports the Mekong River Commission and Mekong countries to make evidence-based decisions about the use of water resources throughout the region. ■



JAPANESE FIRM TO DEVELOP GREEN BELT PROJECT IN CAMBODIA



Yamato Green Co., Ltd. is planning to develop a Green Belt project related to the tourism, social and economic sectors in Cambodia, after its successful investment in agro-tourism and ecotourism development in Battambang and Monduliri provinces.

The Japanese firm sought cooperation from the Cambodian Ministry of Tourism to boost the Green Belt development in a meeting with H.E. Minister Thong Khon on 21 September 2020.

Under the project, Yamato Green Co., Ltd. will make Cambodian agricultural products safe and national and international tourists can consume the existing food in each tourism site safely, said Mr. Nabeshima Katsuhito, the firm's Chairman, adding that they also can see the cultivation and maintenance techniques on site.

In reply, H.E. Thong Khon expressed his satisfaction, welcome and support to the project, and highlighted Cambodia's potential for investment in the area of tourism, particularly ecotourism, agro tourism and rural tourism.

H.E. Thong Khon underlined that Siem Reap and Kampong Thom are the most favorable provinces for the three above-mentioned types of tourism, especially the Green Belt project, and suggested the company to build a model in each province before extending to other provinces.

Both sides agreed to draft a memorandum of understanding between the Ministry of Tourism and Yamato Green Co., Ltd. and to form a joint working group to boost the cooperation. ■

STEEL-PROCESSING PLANT IN KAMPONG SPEU PROVINCE SET FOR OPERATION SOON



The US\$16-million steel-processing plant, which recycles mantle scraps to produce finished steel products, will start its operation soon to supply domestic demand and to contribute to reducing steel imports.

The plant is owned by China's Hong De Sheng (Cambodia) Steel Co., Ltd., located in Oudong district, Kampong Speu province. The company uses mantle scraps collected from local and imports semi steel products to process for finished products.

H.E. Yos Monirath, Director General of Mines at the Ministry of Mines and Energy, on 21 September 2020 welcomed the plant establishment and said that there are currently steel-processing plants using mantle scraps to produce steel, but not any plants using mantle mines extracted locally to produce steel.

"So far, there have been licensed firms exploring mantle mines in Preah Vihear province, but no plant using extracted mantle mines [to produce steel] has been established yet as the amount of mantle mines is so little that is not enough for processing," he said.

According to its website, Hong De Seng (Cambodia) Steel Co., Ltd. was established in 2019. The plant is scheduled to operate this year. ■

THE BEAUTY OF PHNOM SANTUK

Phnom Santuk is the most important sacred mountain in Kampong Thom province, with the height of 679ft (207 m) above lush paddy.

Santuk's temples are set high above the surrounding countryside, which means there are a lot of stairs to climb- in fact, 809 steps, encircled by stunningly rendered statues of naga and dragons that one can possibly imagine.

Alternatively, visitors can drive up a 2.5 km steep road that snakes through thick jungle and past a resident colony of macaques.

Just beneath the Southern Summit, there is a gilded, white-walled central temple. A number of Buddha statues have been carved into the rock face, including a few Reclining Buddhas; several are modern incarnations cast in cement, others were carved into the living rock in centuries past.



The views from the summit towards Tonlé Sap are breathtaking and are a welcome change from the infinite flatness of the lush rice plains.

There is also an active monastery whose friendly monks interested in receiving foreign visitors.

It is also a good place for night spenders in Phnom Santuk, which allows visitors to catch a magnificent sunset over the rice fields.

