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JUDGMENT OF THE INTERNATIONAL COURT

OF JUSTICE ON THE REQUEST FOR INTERPRETATION OF THE 1962 JUDGMENT IN THE CASE CONCERNING THE TEMPLE OF PREAH VIHEAR



Deputy Prime Minister and Foreign Minister Hor Namhong (L) shakes hand with Thai Foreign Minister Dr. Surapong Tovichakchaikul (R).

On 11 November 2013, the International Court of Justice (ICJ) in The Hague, The Netherlands, announced its Judgment on the Request by Cambodia for interpretation of the Judgment of 15 June 1962 in the case concerning the Temple of Preah Vihear, as follows:

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CAMBODIA MARKS THE 60TH ANNIVERSARY OF INDEPENDENCE



Cambodia celebrated the 60th anniversary of the declaration of the Independence Day from French protectorate in early November with a call for national unity for the country's peace and development.

The celebration was held under the auspices of His Majesty Norodom Sihamoni, King of Cambodia, and was attended by National Assembly's President Heng Samrin, Prime Minister Hun Sen, and Senate's 1st Vice-President Say Chhum, as well as senior officials, diplomatic corps, armed forces and students, totaling around 20,000 people.

At the event at the Independence Monument, the King laid a wreath and lit the victory torch inside the Independence Monument. The victory flame was kept burning for three days.

Then, the King, along with other leaders and dignitaries, proceeded to the nearby Royal Palace, where the main celebratory ceremony was held with a live broadcast on all local TV channels.

Cambodia gained full independence and freedom on November 9, 1953.

"The celebration today is to express deep gratitude to the country's late King Father Norodom Sihanouk, who had conducted a royal crusade to demand independence from French protectorate," King Sihamoni said in a speech.

"On this occasion, I would like to call on all Cambodian people to be united under the roof of the constitution and state laws in order to contribute to defending and building the nation in all domains, particularly economy, as the country has full peace and political stability."

Prime Minister Hun Sen said the people of Cambodia have never forgotten the greatly physical and mental sacrifice of late King Father Norodom Sihanouk for the cause of national independence, territorial integrity, happiness and development.

"The Court:

1- Finds, unanimously, that it has jurisdiction under Article 60 of the Statute to entertain the Request for interpretation of the 1962 Judgment presented by Cambodia, and that this Request is admissible;

2- Declares, unanimously, by way of interpretation, that the Judgment of 15 June 1962 decided that Cambodia has sovereignty over the whole territory of the promontory of Preah Vihear, as defined in paragraph 98 of the present judgment, and that, in consequence, Thailand was under an obligation to withdraw from that territory the Thai military or police forces, or other guards or keepers, that were stationed there."

It is important to emphasize that paragraph 98 of the Judgment clearly defines the location of the promontory.

The Court also affirms that the Temple of Preah Vihear is a site of religious and cultural significance for the peoples of the region and is now listed by UNESCO as a world heritage site. In this respect, the Court recalls that

under Article 6 of the World Heritage Convention, to which both States are parties, Cambodia and Thailand must co-operate between themselves and with the international community in the protection of the site as a world heritage. In addition, each State is under an obligation not to "take any deliberate measures which might damage directly or indirectly" such heritage. In the context of these obligations, the Court wishes to emphasize the importance of ensuring access to the Temple from the Cambodian plain.

This is an important step forward with historical significance in the efforts made by the Royal Government of Cambodia to find peaceful resolution based on international law for the dispute between Cambodia and Thailand concerning the Temple of Preah Vihear and its vicinity. Particularly, the fact that the International Court of Justice used the 1/200,000 scale Annex 1 Map, which was submitted by Cambodia to the Court in 1962, as evidence for interpretation of its Judgment giving a clear direction to the parties for their subsequent implementation.

On this basis, on behalf of the Royal Government of Cambodia, Prime Minister Hun Sen reiterates and re-emphasizes his statement on 7 November 2013 concerning the commitment of Cambodia to comply with the common position reached between himself and Her Excellency Yingluck Shinawatra, the Prime Minister of

Thailand, to the effect that "Regardless of the outcome of the Judgment of the International Court of Justice on 11 November 2013, the two countries must abide by the decision and maintain friendship between the two nations and peoples, as well as to preserve peace and stability along the border at any cost."

Moreover, Prime Minister Hun Sen reaffirms that the Royal Government of Cambodia will respect and implement this commitment in accordance with the spirit of the meeting between the Ministers of Foreign Affairs of the two nations, Cambodia and Thailand on 28 October 2013, in Poipet, Banteay Meanchey Province, in which both parties agreed to further discuss within the existing competent mechanisms the implementation of the Judgment of the International Court of Justice.

In this regard, the Governments of the two countries commit not to do anything to cause any tension between them and to prevent anyone from undertaking any act that may cause tension between the two countries. In the same vein, the two Governments will pay special attention to maintain and strengthen the friendly relationship and good cooperation between the two countries, as well as to avoid any act that may affect the movement of peoples on both sides of the border, commercial exchange, investment, transport and other areas of cooperation.

WORLD BANK AND ADB FORECAST ROBUST ECONOMY GROWTH FOR CAMBODIA IN 2013 AND YEAR AHEAD

Cambodia's GDP growth was projected to reach 7 percent in equivalent to 15.65 billion U.S. dollars in 2013 despite a challenging global economic environment, the World Bank said.

Overall macroeconomic outlook remains positive, having sustained agricultural growth, continued strong performance of the tourism sector, a resilient garment sector and rebounding construction activity, the Bank said in the East Asia Pacific Economic Update.

"Seven percent is a very high growth rate for Cambodia," Bert Hofman, Chief Economist of the World Bank to East Asia and Pacific Region said.

The Bank said in the agricultural sector, rice production has continued its high growth due to rising cultivated areas of rice crops.

The garment export industry has adapted to export market conditions, focusing on lower-end garment products for the United States market and higher-end products for the European market.

During the first six months of 2013, garment exports accelerated further, growing at 18 percent year-on-year, while the tourism sector continues its high growth trajectory, with a tourist arrival growth rate of 19 percent year-on-year, it said.

In a recent report issued by the Asian Development Bank (ADB) in early October, ADB maintained its forecast for Cambodia's economic growth at 7.2% in 2013, supported by buoyant exports and robust construction and service sectors, says a new ADB report released in early October. In 2014, the pace is expected to pick up to 7.5% as recovery gains traction in Europe and the United States.

3.1.23 Selected Economic indicators, Cambodia (%)

	2013		2014	
	ADO 2013	Update	ADO 2013	Update
GDP growth	7.2	7.2	7.5	7.5
Inflation	3.0	2.5	3.5	3.5
Current acct. bal. (share of GDP)	-11.1	-11.1	-10.1	-10.1

Source: ADB estimates.

"Cambodia's economy is expected to remain buoyant over the next two years, reflecting steady reforms and recovery in the traditional global markets," said ADB Country Director for Cambodia Eric Sidgwick.

Asian Development Outlook Update 2013 (ADOU 2013) shows exports of garments and footwear to the US and the European Union expanded by 11.3% year-on-year to \$2.3 billion, and exports of milled rice doubled to \$122 million in the first half of 2013.

Approvals for construction projects went up sharply to \$1.9 billion during the same period, whereas credit for the construction sector grew by 46% in June from a year earlier. Tourist arrivals reached 2.1 million in the first six months, up by 19.1% from the previous year. In 2013, the service sector as a whole is projected to grow by 7% and agricultural output by about 4%.

The report notes that growth in credit to the private sector eased to 29% in June, down from 34.1% in 2012.

The update retains the April forecast for the current account deficit at 11.1% of gross domestic product (GDP). The year-average inflation forecast for 2013 is trimmed from the 3% projected in April to 2.5%, reflecting an unexpectedly low inflation of 1.8% between January and June.

Gross official reserves rose by 9.9% to \$3.6 billion in the first half, covering 4.1 months of imports of goods and services.

CHINESE BANK INKS DEAL TO FUND 1.67 BILLION USD FOR OIL REFINERY IN CAMBODIA



The Export-Import Bank of China (Exim Bank) signed an agreement to fund a 1.67 billion U.S. dollars loan to a Cambodian company for the construction of an oil refinery.

The loan deal was inked between Exim Bank's Chairman Li Ruogu and Hann Khieng, president of local project partner Cambodian Petrochemical Company, under the presence of Cambodian Permanent Deputy Prime Minister Keat Chhon and Finance Minister Aun Porn Moniroth.

The agreement came after the Cambodian Petrochemical Company and several Chinese firms signed in April a Memorandum of Understanding to jointly build a five-million-tonne oil refinery project in Cambodia with the investment amount of 1.67 billion U.S. dollars.

Speaking after the signing ceremony, Keat Chhon said: "The project will be hugely contributing to developing the economy and reducing poverty when it comes to fruition."

Li Ruogu said China and Cambodia are close friends and the Exim Bank will continue to help Cambodia in order to further deepen the Sino-Cambodian ties.

"The Exim Bank believes that the oil refinery project will contribute to developing Cambodian economy and society," he said.

Prime Minister Hun Sen also urged China Petroleum & Chemical Corporation (Sinopec Corp), the world's fourth-largest oil producer, to

expedite its process to build the oil refinery by 2018, according to a spokesman.

The Premier made the request during a meeting with Cai Xiyou, the visiting senior vice president of Sinopec Corp, which is one of the major stakeholders in the project.

Cai Xiyou, in return, promised the premier that the Sinopec Corp would push forward the construction of the oil refinery in Cambodia as soon as possible. He said the company would use new and high-end technologies to build the plant with international standards and minimum impact on environment.

The oil refinery will be built on the 80-hectare area within the boundary of Preah Sihanouk Province and Kampot Province, according to the master plan.

Currently, Cambodia imports oil and gas from Vietnam, Singapore and Thailand as its seabed's oil and gas have not been exploited.

Last year, the Cambodia spent 1.62 billion U.S. dollars on importing about 1.65 million tonnes of oil, according to the record of the Ministry of Commerce. During the first eight months of this year, the nation imported 1.1 million tonnes of oil, costing 1.04 billion U.S. dollars.

The government has estimated that the demand would increase up to 4 million tonnes a year in coming years.

EXPORT SOARS 30 PERCENT IN 10 MONTHS



Cambodia's export has seen a 30 percent rise in the first 10 months of 2013 thanks to the surges in the exports of garment, milled rice, and rubber, according to trade data from Ministry of Commerce.

The Kingdom has exported goods in a total value of 5.87 billion U.S. dollars during the January-October period this year, up 30 percent compared with the 4.5 billion U.S. dollars over the same period last year, said the data.

The country's main trading partners are the United States, European countries, China, South Korea, Japan, Thailand, Vietnam, Singapore and Malaysia.

The remarkable rise in export was due to the increases in the exports of garments, milled rice, and dry rubber, it reported.

With the government's efforts to seek new markets for Cambodian products, the country's export will continue to grow from year to year.

According to the data, garment export rose by 24 percent in the first 10 months this year to 4.76 billion U.S. dollars, while rice export went up by 91 percent to 187 million U.S. dollars and dry rubber export earned 146 million U.S. dollars, up 16 percent.

APPROVED INVESTMENT

PROJECTS TRIPLE IN 1ST HALF

In the first six months of 2013, Cambodia approved domestic and foreign investment projects involving a total investment of 2.3 billion U.S. dollars in the first six months of the year, up 234 percent compared with the same period last year, according to recent figures by the Ministry of Finance.

During the period, the country granted licenses to 68 projects including 36 garment factories and 32 projects in other industries, the ministry said, adding that these new investment projects would create about 95,100 jobs.

Hiroshi Suzuki, chief economist at the Business Research Institute for Cambodia, said the jump is a product of mega-investments taking place inside the six-month period.

Stabilising economies in the US and EU also boosted exports in the garment industry and garnered more funds to ramp up local production.

"Cambodia has very good potential to attract labour-intensive industries, not only the garment and shoes, but also parts manufacturing," he said.

"The increasing numbers of so-called 'middle class' in Cambodia is attracting the service sector such as retail and cosmetics."

Foreign investors in the country are mostly from China, South Korea, Vietnam, Malaysia, and Japan.

Their investments have been channeled to various sectors, particularly garment and shoe manufacturing, agriculture processing plants, tourism resort development, and real estate.

In 2012, the Kingdom granted licenses to 157 domestic and foreign investment projects with a total investment of 2.28 billion U.S. dollars, according to a report from the Cambodian Investment Board.

Cambodia's GDP per capita is projected to hit \$1,036 this year, up from nearly \$1,000 a year earlier, according to the government's projection. The economy is expected to grow by 7.6 per cent.



CAMBODIA'S CONSTRUCTION SECTOR ATTRACTS 2.27 BILLION USD IN 9 MONTHS



Cambodia's construction sector has absorbed a total investment of 2.27 billion U.S. dollars in the first nine months of 2013, up 24 percent compared with 1.83 billion U.S. dollars over the same period last year, a government report showed.

The report said during the January-September period this year, the Ministry of Land Management, Urban Planning and Construction had granted licenses to 1,242 construction projects, down 8 percent from 1,357 projects over the same period last year.

Currently, 571 construction companies have been operating in the kingdom.

The Ministry's Construction Department reported that those projects included condominiums, residential units, commercial buildings, hotels, casinos and garment factories. Construction

sector has been playing an important role to boost the economy, and the growth reflects investors' trust in Cambodian political stability and favourable business opportunities.

According to the report, top 10 countries and regions investing in the country's real estate and construction are South Korea, China, Britain, Thailand, Russia, Japan, Malaysia, China's Taiwan, India and Vietnam.

Construction is one of the four pillars supporting the economy. Last year, it received the investment of 2.1 billion U.S. dollars.

Earlier this month, Hongkong Land, a Hong Kong-based property group, broke ground on a 100 million U.S. dollars mixed-use development project in Phnom Penh's financial hub.

INSURANCE INDUSTRY RECORDS 20 PERCENT GROWTH IN 9 MONTHS

Cambodia's insurance industry recorded a total premium of 31 million U.S. dollars in the first nine months of the year, up 20 percent compared with the same period last year, figures showed.

The main sources of the premium were from the insurances of fire, engineering, marine cargo, vehicles, health and personal accident, said the figures of the General Insurance Association of Cambodia (GIAC).

It said during January-September period, the total amount of claims paid out by local insurers was 8.5 million U.S. dollars, down 167 percent compared with the same period last year.

The growth in the sector was thanks to better economic situation and more awareness of insurance benefits among the public, it reported.



Cambodia has nine insurers including six general insurance companies and three life insurers.

According to the Cambodian law, to open an insurance company, the insurer must have the minimum capital of 7 million U.S. dollars.

EU'S BIKE IMPORTS FROM CAMBODIA GROWS ENORMOUSLY

During the first half of 2013 the import of bicycles in the 27 European Union member states dropped with a big 11%. Almost all EU bike supplying countries saw their export drop; except for one. Cambodia stands out as their export of bicycles to the EU is accelerating year by year.

The number of bike manufacturers in Cambodia continues to grow thanks to the country's duty free export status to Europe and its low labour costs. Currently there are six bike making facilities in the country of which five are from Taiwan origin. The latest Taiwan maker that has set up shop in Cambodia is Cronus Sports Science & Technology Co. Ltd.

In the first half of 2013, the Cambodia's bicycles export rose by a big 49% even, to close to 800,000 units, making the Kingdom the 2nd largest exporter of bicycles to the European Union after

Taiwan. Last year, the Kingdom's export almost tripled over the same period, according to Eurostat data.

TRADE BENEFITS

Cambodia's six bike making facilities profit from the big relaxation in the General System of Preferences (GSP) rules with which the European Union grants trade benefits to Least Developed Countries (LDC's). It brings them the import duty free status for bike export to the EU which saves 14% import tax on complete bikes while there's no dumping tariff to consider.



MINIMUM WAGES IN CAMBODIA

These benefits, next to much lower labour costs (minimum wages in Cambodia are set at US\$ 80 per month in 2013) compared to other bike producing and exporting countries results in a bike export to the European Union markets that is accelerating every year.

SPECIALIZED BIKES BEING ASSEMBLED IN CAMBODIA

And as for instance Specialized bikes are now also being assembled in Cambodia, the average value per to the EU exported unit has reached 190 euro.

SPECIAL ECONOMIC ZONES ATTRACT 1.65 BILLION USD INVESTMENT SINCE INCEPTION



Cambodia's Special Economic Zones (SEZs) have received a total investment of 1.65 billion US dollars since their inception in 2006, according to a government report released in October.

Since 2006 to now, the zones have attracted 172 investment projects, mostly from China, South Korea and Japan, and have created about 105,000 jobs, said the report of the Council for the Development of Cambodia (CDC).

Cambodia currently has 21 SEZs, of which 11 have been invested from both local and foreign companies, while others are under development.

With a lot of fringe benefits and incentives from investing in these industrial zones, more foreign investors are steering their interests in Cambodia's SEZs, said Nguon Meng Tech, director general of the Cambodian Chamber of Commerce.

SEZs are mostly located along the borders with Thailand and Vietnam, and some on the outskirts

of Phnom Penh City and Preah Sihanouk province, where the international ports are located.

The government sees the SEZs as an important part to boost the economic development as they bring infrastructure, jobs, skills and enhanced productivity, according to the CDC's report.

Products produced in the zones include vehicles and spare parts, bikes, garment, shoes, jewelry packaging, pure drinking water, food and beverages, electric products, sugar and agro-products.

GARMENT EXPORT SURGES 24 PERCENT IN FIRST 10 MONTHS

Cambodia's Garment industry reported a 24 percent rise in exports in the first ten months of 2013, according to figures of the country's Ministry of Commerce.

The figures showed that the country exported garment products in equivalent to 4.76 billion U.S. dollars during the January- October period this year, up 24 percent from the 3.82 billion U.S. dollars over the same period last year.

In October, Cambodia exported garment items worth 537 million U.S. dollars, up 40 percent compared with the 384 million U.S. dollars over the same month last year.

Apparels are mostly sold to European countries and the United States.

"About 50 percent of the products goes to Europe, some 47 percent to the U.S., and the rest to other countries in Asia," he said.



Garment sector accounts for about 80 percent of the country's total exports. The sector comprises about 500 factories with some 510,600 workers. Monthly minimum wage for a worker is 80 U.S. dollars.

CAMBODIA ATTRACTS

OVER 3 MILLION FOREIGN VISITORS IN 9 MONTHS

The number of international tourists visiting Cambodia has continued to rise steadily, registered a 16.9% growth in September according to the country's statistics and tourist information department. The country attracted 283,787 visits compared to 242,747 during the same month in 2012.

In September, 45.6% (129,458) of all international visitors arrived by air. Siem Reap Airport had the major share, 24.8% (70,440) and Phnom Penh Airport 20.8% (59,018), mainly business travellers who needed to contact government departments or budget travellers who start or finish their overland trips in the Cambodian capital.

Overland travel accounts for 52.6% (149,209) of all travel through checkpoints with Thailand, Laos and Vietnam, while sea travel is a small at 1.8% (5,120).



Outbound trips by Cambodians in September reached 69,420 increasing 5.2% from 66,002 during the same month, last year, or 644,393 for the first nine months up 10.0% from 585,805 trips.

For January to September, the country welcomed 3,057,211 international tourist arrivals improving 18.6% from 2,577,540 during the same period last year, according to the Ministry of Tourism's figures.

Vietnamese tourists contribute to the largest share of visitors to Cambodia, with 644,579 arriving in the first nine months, compared to 579,886 in the same period last year.

China is next on the list with 339,894 tourists, marking a massive jump of 45 percent year-on-year.

South Korean visitors were the third on the list, while tourists from Laos, fourth on the list, have jumped by 70.7 percent since 2012 to more than 300,000.

The country has set a target of 1.5 million to 2 million Chinese tourists by 2020.

Some 4.2 million foreign tourists are expected to visit Cambodia this year. Last year, Cambodia attracted about 3.58 million foreign visitors, generating some US\$2.21 billion.

CAMBODIA SHELTERS

NEARLY 97% OF CRITICALLY ENDANGERED WHITE-SHOULDER IBIS

Cambodia has recorded some 973 white-shoulder ibis in its wild, making the country the stronghold for this critically endangered species, the conservationists group said.

BirdLife International and its partners including Cambodian Forestry Administration, People Resources and Conservation Foundation, Wildlife Conservation Society and Worldwide Fund for Nature, implemented a coordinated survey of 59 white-shouldered ibis roosts at sites across Cambodia.

The consortium launched four monthly censuses of this species over the wet season and the September counts produced a staggering 973 individuals, the group said in a press release.

"These results once again confirm that Cambodia is the stronghold for the white-shouldered ibis and that it contains the most globally significant population of this critically endangered species," the release said.

It added that the result followed nearly a decade's conservation work by international and local NGOs and government agencies.



"Conservation actions, such as nest protection to improve chick survival, may have contributed to this increasing number but the population increases observed are mainly due to increased survey effort and better knowledge of roost locations," it said.

The counts have identified western Siem Pang Proposed Protected Forest as the most important site for this species globally, with 451 individuals—equal to 41 percent of the global population—followed by Lomphat Wildlife Sanctuary with 298 individuals.

Other key sites in the national census include Kulen Promtep Wildlife Sanctuary in Preah Vihear province, Phnom Prich Wildlife Sanctuary in Mondul Kiri province and the Mekong Flooded Forest in Kratie and Stung Treng provinces.

With a global population of only between 1,114 and 1,249 birds, Cambodia could hold as much as 97 percent of the world's white-shouldered ibises and the country is of vital importance for the species' conservation, the press release said.

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