

VISIONS of CAMBODIA

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PRIME MINISTER HUN SEN'S MESSAGE ON CAMBODIAN / KHMER TRADITIONAL NEW YEAR



Samdech Akka Moha Sena Padei Techo Hun Sen, the Prime Minister of the Kingdom of Cambodia, has extended warmest greetings and best wishes to all his beloved compatriots at home and abroad on the occasion of Khmer New Year (Year of Snake).

Prime Minister Samdech Hun Sen said, in his New Year message, "I would like to join with all compatriots who are living in the country and overseas in celebrating Khmer Traditional New Year at the same time when the developments in all domains have been progressing in the Kingdom of Cambodia."

"Like the previous years, the past year, the Year of Dragon, has left behind many achievements made by the Royal Government of Cambodia in implementing the Rectangular Strategy – Phase Two, for Growth, Employment, Equity and Efficiency in Cambodia. These fruitful successes result from the audacious efforts and commitments of the Government leadership at both the national and sub-national levels and all armed

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PM HUN SEN APPEALS TO CAMBODIA AND THAILAND TO MAINTAIN PEACE OVER THE CASE OF THE PREAH VIHEAR TEMPLE



Cambodian delegation during the ICJ's oral hearing (DPM and Foreign Minister H.E. Mr. Hor Namhong, 1st on the right)

Prime Minister Samdech Akka Moha Sena Padei Techo Hun Sen has called on Thailand to maintain peace with Cambodia while the two neighbours have been facing each other in The Hague-based International Court of Justice (ICJ).

"Even though a handful of Thai extremists have marched to the border near Preah Vihear Temple--Thai government and army has also had difficulty with this group, I'd like to appeal to Cambodian people and armed forces to keep cool, as it was the time for an oral hearing, not the time for a verdict release. The court's verdict will be issued at the end of the year," the premier said during the inauguration of new achievements at a Buddhist pagoda in eastern Prey Veng province.

Peace is very important, therefore we have to maintain it, both inside the country and with

the neighbouring countries, especially with Thailand even though the two countries have been confronting each other at the ICJ over Cambodia's request to interpret the Court's Judgment of June 15, 1962 in the case concerning the Temple of Preah Vihear, said Samdech Techo Hun Sen.

The Premier further appealed to both sides, Cambodia and Thailand, to solve their conflicting issues by peaceful means and not to let a small problem become a "war" between both nations.

Samdech Techo Prime Minister expressed his satisfaction with the current situation between Cambodia and Thailand, saying that the two peoples have crossed the border to enjoy their Traditional New Year festival and the armed forces stationed at the common border have also celebrated the New Year together.

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PRIME MINISTER...

forces to overcome all obstacles in protecting peace, safety and public order; in maintaining political stability and in developing the entire nation," he underlined.

In the Year of Dragon, Prime Minister Samdech Hun Sen noted, the Royal Government of Cambodia achieved an economic growth of 7.3 percent, a higher growth among the ten ASEAN member-countries, thanks to the remarkable increases in garment industry and tourism service, therefore maintaining the essential stability of inflation.

The message further reads, "In the past year, the volume of rice production in both the rainy and dry seasons has reached more than 9 million tons of which there was a surplus paddy rice of 4.7 million tons after deduction of the food supply, rice seeds, animal foods and the loss during the harvesting.

"There are 543 garment factories which employ more than 490,000 workers. Foreign tourists visiting the Kingdom of Cambodia amount to more than 3.5 millions, an increase of over 24 percent as compared with that of 2011. A total of 218 new and existing investment projects are operating with the investment capital of nearly US\$3 billion and create more than 330,000 jobs for the Cambodian people.

"In the Year of Dragon, the Royal Government of Cambodia built and inaugurated a number of large constructions, including national roads, skyscrapers, sky bridge in Capital City of Phnom Penh, buildings for ministerial and administrative offices, health centers, school buildings, factories, supermarkets and shopping malls, and it also restored the physical infrastructures such as provincial and rural roads, sewage systems and a number of irrigation networks that were damaged by floods in 2011."

The message highlights the government reform strategies in many areas, especially those relating to aquatic products and land-related policy, in which, during 2012, the Royal Government decided to close down all fishing lots, gave them to the local people for family fishing, and to maintain some of them as aquatic protection zones. The Royal Government took measures to temporarily stop providing the additional economic land concession, and implemented the "Old Policy, New Action" campaign to give land titles to nearly 500,000 families for use as housing and farming which has so far covered some two million hectares. More than 2,000 Samdech Techo heroic young volunteers and nearly 2,000 officials from various government departments have been continuing their active works in 20 targeted provinces across the country which is planned to complete in early 2014.

Prime Minister Samdech Techo Hun Sen recalled the deepest condolences over the passing away of Late King-Father Samdech Preah Norodom Sihanouk, saying that it is the loss of a hero King who was experienced in the national reconciliation, national solidarity and strong national unity, and a loss of a popular architect of national and international peace. He sincerely praised the heroism of all armed forces, both the Royal Cambodian Armed Forces and the National Police at all levels, for their audacious will and bravery to firmly defend the territorial integrity of Cambodia.

He profoundly thanked all members of legislature and executive, monks, civil society, all citizens and all development partners for their active participation and support in carrying out the political platform and the Government's Rectangular Strategy – Phase Two to enable Cambodia to well maintain and defend peace, stability, safety and public order, which is an indispensable factor in development of all domains.

Prime Minister Samdech Techo Hun Sen also extended, in his message, his New Year greetings and best wishes to His Majesty Norodom Sihanouk, the King of Cambodia, and Queen-Mother Norodom Monineath Sihanouk.

CAMBODIA DISPATCHES 2ND BATCH OF MILITARY PERSONNEL FOR PEACEKEEPING OPERATIONS



Cambodia in early April sent the second batch of 152 military police and medics to South Sudan in order to take part in the United Nations Peacekeeping Operations.

The group including 10 female replaced the first batch's forces who have completed a one-year peacekeeping mission in that country.

Speaking at the Military Airbase in Phnom Penh, Cambodian Deputy Prime Minister and Defense

Minister Tea Banh said the government of Cambodia has strongly determined in contributing to the humanitarian affairs for building and maintaining peace through the process of sending troops to the United Nations Peacekeeping Operation missions.

Meanwhile, he advised them to strictly respect South Sudan's independence and sovereignty and have to work actively to achieve this humanitarian mission, and the identity at this

time is not only representing the Cambodian peacekeeping forces, but also peacekeeping forces for ASEAN," he said.

In South Sudan, the military personnel will conduct humanitarian duties such as security and public order preparation and intervention, while the military medics will provide healthcare to peacekeepers, diplomatic corps, humanitarian organization staff and Sudanese.

Marc Derveeuw, Coordinator of the United Nations Development Program to Cambodia, said only 20 years ago, UN peacekeepers supported Cambodia to recover from conflict. Now, Cambodia is a country that helps other countries to recover from conflict.

The dedication to helping others, sharing skills with another country that has suffered from conflict, will be a source of inspiration to many.

Cambodia firstly sent its peacekeepers abroad in 2006. To date, the country has sent about 1,600 troops to Sudan, South Sudan, Chad, Central Africa, Lebanon and Syria for humanitarian and demining operations.

PRIME MINISTER HUN SEN'S VISIT TO CHINA ENDS SUCCESSFULLY WITH FRUITFUL OUTCOME



Prime Minister Hun Sen (fourth from right) poses with Chinese President Xi Jinping with leaders of foreign countries and international organizations during the Boao Forum for Asia (BFA) Annual Conference 2013 in Boao, south China's Hainan Province, April 7, 2013.



Prime Minister Hun Sen shakes hands with Chinese President Xi Jinping.



Prime Minister Hun Sen shakes hands with Chinese Premier Li Keqiang in Beijing, capital of China, April 8, 2013.

The visit of Cambodian Prime Minister Hun Sen to China came to an end successfully, bringing deeper and stronger ties and cooperation between the two countries. The bilateral relations between Cambodia and China have reached the top level after being forged and fostered by the two countries' leaders for 55 years

Upon the premier's return from China, Minister of Commerce told that through this visit, the bilateral relations and cooperation between Cambodia and China will be further enhanced and deepened for mutual interests.

PM Hun Sen paid an official visit to China from April 6-10. During the visit, he attended the Boao Forum for Asia Annual Conference 2013 in Hainan Province and, on the sidelines of the forum, paid a courtesy call on Chinese President Xi Jinping.

Then, he held an official talk with Chinese Premier Li Keqiang in Beijing.

The Minister said that after the talk, the two sides signed an action plan on the implementation of the China-Cambodia Comprehensive Strategic Partnership of Cooperation.

He said the two countries have moved from the relationship as a good neighbour, a good friend, a good partner to the level of the Comprehensive Strategic Partnership of Cooperation in December 2010. This is the top level of relationship between the two countries.

Besides, the government of China signed up to provide packages of grant aid and concessional loan to Cambodia for the development of infrastructure including roads, bridges and irrigation system, and for building a vocational school of agriculture.

The two sides also signed a Memorandum of Understanding on a five-million-ton oil refinery project among China Development Bank, China Export and Credit Insurance Corporation, China

Perfect Machinery Industry Corporation and Cambodian Petrochemical Company with an investment of 1.67 billion U.S. dollars.

The oil refinery will be built in Cambodia.

While in Beijing, Prime Minister Hun Sen also paid separate courtesy calls on Zhang Dejiang, chairman of the Standing Committee of the National People's Congress (NPC), and former Chinese Premier Wen Jiabao.

In these meetings, Prime Minister Hun Sen reiterated Cambodia's staunch support to one-China policy and to all issues related to China's core interests.

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PM HUN SEN APPEALS...

On April 28, 2011, Cambodia submitted to the ICJ its request for the interpretation of the Court's Judgment of June 15, 1962 in the case concerning the Temple of Preah Vihear.

On July 18, 2011, the ICJ ordered Cambodia and Thailand to immediately withdraw their military personnel from the provisional demilitarized zone around the Temple of Preah Vihear; refrain from any military presence within that zone and from any armed activity directed at that zone.

The ICJ's Judgment of 1962 ruled that the Temple of Preah Vihear is situated in territory under the sovereignty of Cambodia. The Court found that Thailand is under 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. Thailand is under an obligation to restore to Cambodia any objects of the kind specified in the Cambodia's fifth submission which may, since the date of the occupation of the Temple by Thailand in 1954, have been removed from the Temple or the Temple area by the Thai authority.

CAMBODIA'S ECONOMY TO GROW STRONGER IN 2013-2014



Cambodia's economic growth is forecast at 7.2 percent in 2013, picking up to 7.5 percent next year as recovery in Europe and the United States takes hold, according to the Asian Development Bank's annual economic outlook released. In addition, the World Bank is forecasting 7 percent growth for Cambodia in both 2013 and 2014, in line with the prediction of the government, which in February said growth was 7.3 percent in 2012.

The United States and Europe are the largest purchasers of Cambodia-made garment and footwear products. In 2012, the total volume of apparel exports of Cambodia grew 9 percent to US\$ 4.61 billion. Among this, with the help of duty-free access under the "Everything But Arms" treaty, garment exports to the E.U. grew by 10.8 percent to \$1.8 billion in 2012, according to the ADB,

"European demand for Cambodian garments and footwear is expected to maintain good

growth, supported by duty-free access to the Europe," the report said. "Shipments to the U.S. will likely be subdued this year, but should pick up after that."

Cambodia's economy is mainly supported by four main sectors – garments, tourism, real estate and construction, and tourism.

"Domestic consumption, exports and investment, especially foreign investment, will all drive growth this year and next year," Peter Brimble, ADB deputy country director and senior country economist, said during the report release.

The report noted that net foreign direct investment (FDI) inflows into Cambodia surged by an estimated 75 percent in 2012, to 1.5 billion U.S. dollars, funding new industries including automotive parts, electronics, and processing of agricultural products, as well as diversifying garment production into higher-value products and tourism into new areas.

It said that about 23 percent of the total FDI inflows into Cambodia last year came from China, and the rest came from other countries in ASEAN, Asia and Europe.

The industry sector as a whole is expected to expand by 10.5 percent in 2013, while the service sector is expected to grow by about 7 percent, with strong growth in tourism and real estate activity.

Agriculture is likely to grow by 4 percent, assuming favorable weather.

The inflation rate is expected to average 3 percent this year, assuming stable domestic food prices, and rising to 3.5 percent in 2014 due to robust domestic demand.

The Ministry of Economy and Finance projected that the country's GDP is expected at 7 percent this year, driven by garment exports, tourism, agriculture, real estate and construction.

The Ministry mentioned that Cambodia will get out of the classification of a low-income to a lower-middle-income country at the end of this year.

Lower-middle-income countries are those with GDP per capita between 1,006 U.S. dollars and 3,975 U.S. dollars, as defined by the World Bank.

Last year, the country's GDP growth was 7.3 percent and the GDP per capita was nearly 1,000 U.S. dollars, forecasting that the GDP per capita will increase to 1,080 U.S. dollars this year.

Based on recent and positive economic trends, Prime Minister Hun Sen laid out his vision to move Cambodia into upper-middle income status by 2030.

A NEW NATIONAL CARRIER TO TAKE OFF



A new national carrier is set to break into the Kingdom's monopolised domestic airline market with the formal establishment of Cambodia Airlines, stoking hopes of cheaper airfares.

Cambodia Airlines will launch flights by the third quarter of this year linking Phnom Penh, Siem Reap and Sihanoukville, of which Royal Group (Cambodia) has a 51 per cent stake in the joint venture airline.

Regional flights would begin in October, and Cambodia Airlines is also considering launching services to more obscure domestic destinations such as Battambang, Ratanakkiri and Mondulhiri.

The new airline is also looking at Southeast Asia and China, and will be flying to the major regional hubs.

The arrival of a new player in Cambodia's airline market will likely up the ante for Cambodia Angkor Air (CAA), which until now has enjoyed total market share of the Kingdom's scheduled domestic flights.

The new airline has been more than 10 years in the making for the Royal Group, which set up a company called Cambodia Airlines in 2002.

Cambodia Airlines hopes to bring in two Dash-8 aircraft for domestic flights and two Airbus A321s to fly overseas. The airline will submit its flight plans to SSCA "over the next couple of months".

Cambodia Airlines and Royal Group chairman Kith Meng said the new carrier would "contribute to Cambodia's economic growth by creating employment opportunities, bringing in foreign investors and building a strong aviation industry."

CAMBODIA'S AUTO SECTOR IS GROWING



A country well-known for its low-skilled workforce, Cambodia exceeded expectations with its January release of the Angkor Car, a mini-electric vehicle able to get up to 300 kilometers per charge.

Small in stature, the sleek design of Angkor Car can easily navigate the narrow streets of Cambodia, while with an electric engine saves on expensive gas costs. They may cost \$10,000 per vehicle, a price tag that runs a bit steep for most locals, but the vehicle gives Cambodian ingenuity some well-needed meaning.

And it is well timed as well as Cambodia's auto sector is just now beginning to make some noise. The number of cars that are registered with the government has more than doubled since 2006 to 231,352 at the end of last year, according to data by the Ministry of Public Works and Transportation.

The tendency to buy high-end automobiles is also on the rise, growing 27 percent in 2011 compared to the year before, according to the World Bank.

At the same time, reputable brands are lining up to enter the market. The first authorized BMW showroom broke ground in Phnom Penh in December, while banners have gone up around town teasing out Mazda vehicles, expected to hit the market this year. Following hot on the heels of rival BMW, Porsche will begin to step in Phnom Penh shortly after mid-year.

In fact, a number of distributors recorded growth in 2012 as Toyota Cambodia reportedly sold 800 units, up from 500 in 2011, while Ford recorded 15 percent growth in sales.

The market demand for used and new imported cars has grown to about 30,000 a year, growing at a rate of 20 to 25 percent each year since 2009. Of those sales that are new cars, the grey market is snatching up between 30 to 35 percent of the market.

Distributors from 15 brands last year formed the Cambodia Automotive Industry Federation.

Besides, some manufactures have established assembly plants in the country. For example, Hyundai opened its \$62 million assembly plant in Koh Kong province's special economic zone in January 2011, while Ford opened an assembly plant in Preah Sihanouk province last year able to produce 6,000 vehicles a year.

In September last year, UK-based BIW automotive company signed a \$2 billion joint-venture investment with ACICA Automotive (Cambodia) to build a factory in Preah Sihanouk province to produce a Cambodian-made vehicle within the next three years.

LOCAL PALM OIL EXPORTER TARGETS EU



The Cambodia's largest exporter of palm oil, Mong Reththy Group (MRG), hopes to expand its exports to European markets this year.

Mong Reththy, president of the firm, said the quota-free and duty-free trade frameworks provided by European governments factored heavily into the decision.

About 50 per cent of the company's total exports, which were worth about \$27 million last year, went to European countries. With quota-free and duty-free access, the company can get \$60 per tonne, compared with Malaysia or Thailand, which require the company to pay tax.

The company began planting palm trees in 1995, when its five-tonne-per-hour-capacity refinery was built. But as growing numbers of palm trees were planted in the area, the company decided to upgrade the refinery's capacity to 30 tonnes per hour.

MRG expects the production of crude palm oil to increase to 22,000 tonnes this year, up from 18,000 tonnes in 2012.

He added that the company hopes to export more than \$30 million worth of product this year – over 50 per cent of which will go to Europe. Reththy said the bulk of his company's crude palm oil is exported to Malaysia, where it is processed and sent to Thailand, India and Europe.

CAMBODIA'S RICE EXPORT UP 148 PCT IN Q1



Cambodia recorded a sharp rise in milled rice export in the first three months of 2013 thanks to increasing international market demand and more investment in post-harvest technologies, Prime Minister Hun Sen said.

A commerce report showed that the country exported 95,230 tons of milled rice during the January-March period this year, up 148 percent from 38,400 tons in the same period of last year.

"The growth is attributable to efforts to seek foreign markets for Cambodian rice and more investment by the private sector in building sophisticated rice processing plants," the premier said during the weekly meeting of the Council of Ministers at the Peace Palace.

He expressed his belief that the country would be able to achieve the target of one-million-ton rice exports by 2015.

Cambodian milled rice is sold to European countries, the United States, South Korea, Japan, China, and some member countries of the ASEAN.

The Ministry of Agriculture announced in January that the country produced 9.31 million tons of paddy rice last year. Of that, around 3 million tons of milled rice is for export this year.

For the whole year of 2012, Cambodia exported 205,717 tons of milled rice, up only 2 percent year-on-year.

Cambodia is an agrarian country, with more than 80 percent of its population being farmers.

ANGKOR-SANGKRAN ATTRACTS GREATER TOURIST NUMBERS

The “Angkor Sangkranta” initiated by the Union of Youth Federations of Cambodia to celebrate the Khmer New Year ended successfully after a three-day holiday.

More than 150,000 participants including local and foreign tourists participated in the three-day event held at the splendid land of Angkor, Siem Reap province.

H.E. Hun Many, President of the Union of Youth Federations of Cambodia expressed thanks to the relevant institutions and authorities at all levels for their contribution to the success of “Angkor Sangkranta”.

“Angkor Sangkranta” is the links of today’s livelihoods of the people to the national culture soul, along with several events, such as Youth

parade, Khmer cultural village exhibition, Khmer handcraft exhibition, trade fair, food exhibition, Khmer martial arts show, arts performance on the birth of our homeland and ancestors, lantern flying and concerts, etc.

The event, organized by the Union of Youth Federations of Cambodia under the collaboration with the Ministry of Education, Youth and Sports, Ministry of Commerce, Ministry of Culture and Fine Arts, Ministry of Cult and Religion, Ministry of Tourism, APSARA Authority, Siem Reap city

hall, Phnom Penh city hall, General Department of Bayon Radio and Television, private companies and enterprises, aimed at encouraging the youth to be more actively involved in promoting the values of national culture, civilization and national heritage for Cambodia to be deserved to be the Kingdom of Wonder.

GROWING TOURISM – A POSITIVE SIGN CAMBODIA CONTINUES AS A TRAVEL HOT SPOT IN ASIA

Asia and the Pacific continued as a hot spot for international tourism in 2012, attracting what is expected to be in excess of 350 million international visitor arrivals, expanding its collective inbound count by more than 5% and generating more than 18 million additional foreign visits, year-on-year.

This is the third consecutive year in which foreign arrivals growth has remained positive for the region.

Southeast Asia was the strongest performer in 2012 in annual percentage growth terms, with a gain of 9.9% for the year. This equated to an increase of more than 8 million additional arrivals over the previous year and pushed the ASEAN aggregate international inbound count to almost 89 million.

Cambodia sees high potential in Tourism Growth. On the other hand, Cambodia’s visitor arrival statistics shows that its tourism sector has seen steady growth over the years. Relative stability following years of social unrest has allowed tourism-related industries to grow, both in scale and in importance.

According to the figures by the Ministry of Tourism, the number of visitor arrivals in 2012 was 3,584,307, an increase of 25 percent if

comparing to 2011 and earned more than 2 billion US dollars for national income this year. Through tourism industry, it created 350,000 labour forces and in 2015, it is expected that it will attract about 4.5 million foreign visitors and in 2020, it could reach to 7 million.

The data also shows the Top Ten Markets for Cambodia in 2012 were Vietnam, followed by Korea (ROK), China (RPC), Lao PDR, Thailand, Japan, USA, France, Australia and Malaysia, thus contributing to 2,672,036 travellers. Visitation rose as a result of increased direct flights to Phnom Penh and Siem Reap from Asian countries and others as well as improved transportation, promotional deals, and increased security over the years.

The Government of Cambodia has prioritized the development of the country’s tourism industry, with emphases on cultural and ecotourism as means of promoting economic growth and poverty alleviation.

Coastal areas like Sihanouville, Kep, World Heritage Site Angkor Wat Temple and Phnom Penh, ecotourism sites in northeast regions, World Heritage Preah Vihear Temples and views of mountain ranges of the southeastern parts of the country are the main attracted places for



foreigners. Besides all these, Tourists still want to know about Khmer food, culture and tradition, historical sites like genocide museum in Khmer Rouge regime in Phnom Penh etc.

The Minister of Tourism, Dr. Thong Khon notes, “Tourism plays a significant role in generating employment opportunities and expanding national economic base through its linkages with the agricultural, industrial, and service sectors”.

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