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CAMBODIAN AND U.S. SENIOR OFFICIALS MEET TO STRENGTHEN BILATERAL TIES

U.S. Congratulates Cambodia on the Political Resolution

Senior Cambodian and U.S. officials have met recently to discuss ways to strengthen bilateral ties and to exchange views on regional issues.

The meeting was between HE Mr Ouch Borith, Secretary of State of the Ministry of Foreign Affairs and International Cooperation, and Scot Marciel, visiting Principal Deputy Assistant to U.S. Secretary of State for East Asian and Pacific Affairs.

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SHARP RISE IN CONSTRUCTION INVESTMENT IN FIRST FIVE MONTHS

Cambodia's construction sector received a total investment of 1.54 billion U.S. dollars in the first five months of 2014, up 210 percent over the same period last year, the latest figures showed.

From January to May, the Ministry of Land Management, Urban Planning and Construction had granted licenses to 728 construction projects, the figures said.

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CAMBODIA, ARGENTINA LOOK TO STRENGTHEN TIES



Deputy Prime Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation (right) shakes hands with visiting Argentine Deputy State Secretary for Foreign Ministry H.E. Ms. Carolina Perez Colman (left).

Deputy Prime Minister HOR Namhong, Minister of Foreign Affairs and International Cooperation held talks with visiting Argentine Deputy State Secretary for Foreign Ministry H.E. Ms. Carolina Perez Colman.

On the occasion, H.E. Ms. Carolina Perez Colman sought Cambodia's support to Argentina over the sovereignty claim on the Falkland Islands, an archipelago in the South Atlantic Ocean, with the UK, said Secretary of State for Foreign Affairs and International Cooperation HE Ouch Borith after the meeting.

In reply, DPM HOR Namhong laid stress on Cambodia's neutral stance, saying that the country did not interfere in the internal affairs of other countries and asked both nations – Argentina

and the UK – to settle the issue peacefully.

On bilateral relations, Cambodia and Argentina will boost their cooperation, especially on trade and agriculture. The two sides are working together to draft a Memorandum of Understanding (MoU) on the establishment of a political consultation mechanism and the MoU is expected to be signed in the near future.

Worth noting that trade and investment relations between the two nations were relatively small as some 4,060 Argentine tourists visited Cambodia in the first six months of this year, up 4 percent year-on-year. ■

REQUIRED WORK PERMITS FOR FOREIGNERS TO BE ENFORCED

The Labour Ministry has begun to enforce a law that requires foreigners employed in Cambodia to have work permits.

Teams of inspectors have begun scouring the country to ensure that foreign employees and businesspeople have the proper documentation, with employers and workers facing hefty fines in the event that they are not certified.

Fines will also be applied retroactively to offenders, according to Labour Ministry.

"If the inspection teams find that [foreigners] do not have a work permit they will face a fine of up to 720,000 riel [about \$177] and will have to pay back \$100 for each year of missed pay," it said.

It added that paid NGO workers would be part of the audit, while the Labour Law stipulates that employees of foreign embassies are exempt from the rule.

An August 16 joint statement issued by the ministries of Interior and Labour warned that institutions that employ foreigners are obligated to ensure that employees have relevant visas, passports and work permits.

The statement is backed by a 1995 prakas entitled "The Management of Foreigners' Work Permits," which states that all foreigners employed in the country should possess either a temporary or permanent work permit.

The directives would be enforced and that foreigners who have been working illegitimately in Cambodia for long periods of time could face substantial fines.

According to the prakas, to obtain a permanent work permit, foreigners must present at a provincial or municipal police station with a valid passport, three extra passport photos and proof of a deposit into a local bank.

For a temporary permit, foreigners need all of the above—minus the bank deposit—as well as a valid visa, a certificate of health from their home country, and copies of employment contracts and insurance policies.

The applications should be lodged at the local department of employment and manpower. ■

CAMBODIAN AND U.S. SENIOR.....



Secretary of State Ouch Borith (R) shakes hands with Scot Marciel, visiting Principal Deputy Assistant to the U.S. Secretary of State for East Asian and Pacific Affairs, in Phnom Penh, Cambodia, on Aug. 27, 2014.

"We agreed to arrange a proper time to resume regular bilateral dialogues between the two countries that had been suspended in the past few years," HE Mr Ouch Borith told after the meeting. "Such dialogues are vital to exchange views and find ways to further enhance bilateral cooperation."

For his part, Scot Marciel welcomed Cambodia's recent political resolution that resulted in the opposition ending its 10- month long boycott of the parliament.

Both sides also discussed the issues of hydropower dam development on the Mekong Basin and expressed concerns over the development project of a 260-megawatt Don Sahong hydropower dam in Laos.

HE Mr Ouch Borith said millions of people in Cambodia and Vietnam depend their livelihoods on fishery resources and water in the Mekong Basin.

In the meeting, Scot Marciel also wanted to know about Cambodia's stance on U.S. proposal for free action on the South China Sea that proposed by U.S. Secretary of State John Kerry during a meeting with ASEAN foreign ministers in Nay Pyi Taw, the capital city of Myanmar, early this month.

HE Mr Ouch Borith said Cambodia has not made any decision on this proposal because the country needs more time to do study and research. ■

SHARP RISE IN CONSTRUCTION INVESTMENT.....

Those projects included condominiums, residential units, commercial buildings, hotels and factories.

According to the ministry's construction department, currently, 559 construction companies, including 165 foreign developers, are doing businesses in Cambodia.

"A big jump in construction sector is due to the country's political stability, sound macroeconomic stability, and construction law enforcement," it said. "These factors have increased investors' confidence in the sector."

Countries investing in Cambodia's real estate and construction include South Korea, China,

Britain, Thailand, Russia, Japan, Malaysia, Singapore, India and Vietnam.

Construction is one of the four pillars supporting the economy. The sector received a total investment of 2.77 billion U.S. dollars last year. ■



US POWER-GENERATION FIRMS EYE US\$900 MILLION PROJECTS

US-based energy firms have met with Cambodian Minister of Commerce Sun Chanthol over the past week to discuss plans for two large-scale power-generation projects worth a total of US\$900 million.

Among those are two American companies including Business Development of Beowulf Energy LLC and Colorado Energy Management, according to a press release of the Ministry of Commerce.

In the meeting, Mr. Martin Wenzel, Executive Vice President at Beowulf Energy LLC, said Beowulf is currently active in the development, acquisition and operation of power, oil & gas, and industrial worldwide and already invested in India in the last 20 years, Trinidad & Tobago, and Pakistan.

He indicated that Beowulf is evaluating the possibility of investing up to US\$500 million in an oil refinery in Cambodia.

"Beowulf is the second US company that visited Cambodia after the reverse trade mission to the US in June 2014 organized by the US Ambassador and attended by Minister Sun and businessmen from Cambodia," the statement said.

According to the Ministry of Commerce, representatives from US renewable energy firms Willowbrook Company and Sun Edison met with Minister Sun Chanthol to present plans for a 200-megawatt solar power plant valued at \$400 million.

"If approved, the project is scheduled to commence in 2015 and is expected to be completed by the end of 2017," the statement said, adding that the firms would need to negotiate and sign an agreement with Electricite du Cambodge before getting the go-ahead.

"Once built and operational, the estimated year-one output for this fully operational plant will be 394 million kWh," the statement said. "This 500-hectare solar power plant in Cambodia is uniquely the first of its kind in renewable energy investment in Cambodia and Asia."

The Minister is reported to have approved in principle both projects and will consider giving the firms the green light upon the Council for Development of Cambodia (CDC) receiving an official investment proposal. ■

SINGAPORE'S PHILLIP CAPITAL ACQUIRES MALAYSIAN-OWNED CAMBODIAN BANK



The Singapore-based Phillip Capital Group has purchased a Malaysian-owned Hwang-DBS Commercial Bank in Cambodia for 40 million U.S. dollars and rebranded it as Phillip Bank on Thursday, a bank's chief said.

Phillip Bank's chairman Lim Hua Min said the Phillip Capital Group, which is an Asian financial service provider, acquired the bank in March this year after Hwang-DBS (Malaysia) Bhd decided to exit its business in Cambodia.

"Cambodia has a young population with much promise and potential," he said in a press conference. "Beyond microfinance and banking, our group is keen to expend our participation in other financial services, such as leasing, life insurance and general insurance."

He said the group has also held stakes in three microfinance institutions in Cambodia since 2009.

Neav Chanthana, deputy governor of the National Bank of Cambodia (NBC), said the presence of Phillip Capital Group clearly showed foreign investors' confidence in Cambodia's financial industry.

"I have confidence that the new investment will bring new experience and technical expertise for the banking and financial development to the bank in particular and to the banking sector in general," she said.

Cambodia has the population of about 14.8 million with 35 commercial banks in operations. According to the NBC, those banks are serving approximately 2 million borrowers and 3 million depositors.

As of June this year, a total asset in Cambodia's whole banking system was up to 14.5 billion U.S. dollars. ■

185 PERCENT INCREASE IN IMPORTED CONSTRUCTION MATERIALS

In the first six months of this year, the volume of imported construction materials grew 185 percent to 1.22 million tons, up from 430,000 tons over the same period last year, a reported from the Ministry of Commerce showed.

In the January-June period in 2014, the importation of goods for construction totaled over US\$229 million, up 2.3 percent from US\$223 million as compared to the same period in 2013, the report said.

According to the Ministry of Commerce, the increase of those goods was attributed to the development of construction sector in the country such as housing, trade building, bridges and factories and so on.

The country purchased those items from China, Thailand, Vietnam, Malaysia, and some countries in Europe, it stressed.

The cost of importing construction materials rose a little in this period due to being not the kind of main technical materials, it said, believing that in the next few months of this year, the volume of imported goods for construction will be still a lot as well.

Construction sector played a vital role for achieving the national economic performance among other areas including agriculture, tourism and textile. ■

CAMBODIA HOSTS THE BARISTA COMPETITION ASIA PACIFIC 2014

The Barista Competition Asia Pacific 2014, organized by the Coffee Bean & Tea Leaf, was held at Phnom Penh's Himawari Hotel with the participation of top baristas from 13 countries in the Asia-Pacific region.

The competition was considered as a beverage service to contribute in Cambodia's tourism sector. This is also the first time that Cambodia hosted Barista Competition Asia Pacific.

Founded in 1963, the Coffee Bean & Tea Leaf is an American coffee chain, originating in the U.S.' California and it begun its business in Cambodia in 2011. ■



**WATER FESTIVAL
CELEBRATION
TO BE RESUMED
THIS YEAR
5-7 NOVEMBER 2014**

