

# VISIONS of CAMBODIA

ISSUE 38: 21-27 SEPTEMBER 2015

## CAMBODIA-AUSTRALIA AGREE TO ESTABLISH CAFTA

Professional Research Institute for Management and Economics (PRIME) and Cambodia, Australia, New Zealand Chamber of Commerce, Innovation and Industry (CACCI) have initiated a campaign to create Cambodia-Australia Free Trade Agreement (CAFTA), said a press release issued on this week.

*Continued on page (2)*

## ADB: CAMBODIA'S GROWTH ROBUST

Cambodia's economy is expected to remain strong through 2016, though it is likely to grow at a slightly slower pace than forecast earlier this year, according to the Asian Development Bank (ADB)'s annual economic outlook on this week.

*Continued on page (3)*

## BURGER KING TO EXPAND REALM

Having established a foothold in the capital, Burger King is pushing into Cambodia's provinces and will launch its first branch in Siem Reap next month, according to the company.

*Continued on page (3)*

## UN SPECIAL RAPPORTEUR CONCLUDES TRIP TO CAMBODIA WITH CONSTRUCTIVE PERSPECTIVE



*Prime Minister Hun Sen (R) meets Ms Rhona Smith (L), newly-appointed United Nations Special Rapporteur on the situation of human rights in Cambodia, at Peace Palace in Phnom Penh, Cambodia, on 21 September 2015.*

Ms Rhona Smith, the United Nations Special Rapporteur on the situation of human rights in Cambodia, this week concluded her first trip to Cambodia with constructive perspective and gratefulness for the Government and the people of Cambodia for their warm welcome.

During her visit from 16-24 September 2015, Ms Rhona Smith has met with Prime Minister Hun Sen, Deputy Prime Minister and Minister of Interior Sar Kheng, Deputy Prime Minister and Minister in charge of the Office of the Council of Ministers Sok An, and many other ministers and senior officials from the National

Assembly and the Senate, members of the United Nations system in Cambodia, and representatives of a broad range of civil society actors and other stakeholders as well as a field visit to Koh Kong province.

Ms. Rhona Smith said in a press statement released at the end of her visit in the Kingdom that Cambodia continues to develop at an extraordinary pace, and contemporaneously is assuming a growing role within ASEAN and the world at large.

*Continued on page (2)*



## 50TH ANNIVERSARY OF DIPLOMATIC RELATION BETWEEN CAMBODIA AND SINGAPORE

His Majesty Norodom Sihamoni, King of Cambodia, congratulated recently the 50<sup>th</sup> Anniversary of the establishment of the diplomatic relation between Cambodia and Singapore, according to His Majesty's royal letter sent to President of the Republic of Singapore Tony Tan Keng Yam.

"On behalf of the Royal Family and the people of Cambodia, I wish to warmly congratulate Your Excellency and the people of Singapore on the celebration, on 15 September 2015 of the 50th Anniversary of the establishment of diplomatic relations between the Kingdom of Cambodia and the Republic of Singapore," according to the letter.

Since 1965, Singapore has changed immensely from a multi-ethnic and multi-religious country with few natural resources into a stable, modern, safe, and clean State with one of the most prosperous global trade and finance centre, said the letter.

His Majesty also expressed his firm belief that the bilateral relations between the two nations, based on mutual respect and equality, will grow stronger and deeper in areas such as health, education, economy, trade, diplomacy and culture.

At the same time, Prime Minister Hun Sen also sent a congratulation letter to his

Singaporean counterpart Prime Minister Lee Hsien Loong.

"On behalf of the Royal Government and people of Cambodia, I would like to extend my warmest congratulations to Your Excellency and all my best wishes for your good health and greater success in your noble task," stated Prime Minister Hun Sen in his letter.

"In the course of 50 years since the establishment of our diplomatic ties laid out by His Majesty Late King Father Norodom Sihanouk and former Prime Minister Lee Kuan Yew, I am delighted to note the continued growth in our good friendship and close cooperation between our two countries" the letter continued.

Samdech Techo Hun Sen also highlighted that "Today Cambodia and Singapore continue to enjoy strong ties in multifaceted areas of cooperation. Singapore is Cambodia's key trade partner and a major investor. In terms of Human Resource, many Cambodian government officials and students have been trained both in Cambodia at the Cambodia-Singapore Training Center (CSTC) and Singapore under the framework of bilateral cooperation as well as the Initiative for ASEAN Integration (IAI)". ■

## UN SPECIAL RAPPORTEUR CONCLUDES.....

"Several government ministers explained the ongoing reforms within their areas of responsibility. Moving forward, it is important that all actors can play a meaningful role in the discussions on the future of this country. Indeed, one the main positive features of Cambodia's society is the space which allows social media and civil society to flourish. I am appreciative of the acknowledgement of what remains to be done and the willingness of many stakeholders to engage with me in a constructive dialogue, to secure the continued growth and stability of Cambodia," she underlined.

According to Ms Rhona Smith, ensuring respect for all human rights and fundamental freedoms is the primary obligation of any State which accepts international human rights treaties. By having voluntarily ratified many of these treaties, the Royal Government of Cambodia has agreed to take all necessary administrative, legislative and related steps to ensure the protection of rights within its jurisdiction. This includes the adoption of laws which respect human rights norms and legally guarantee the fair and equal enjoyment of the rights contained in those treaties. Several key laws with considerable implications for human rights have been adopted in recent years and several more are in progress, including the draft trade union law and the draft cybercrime law. Ensuring inclusiveness and transparency in law-making is an integral requirement for democracy and good governance.

Ms Rhona Smith also expressed her concern over some existing challenges, including land eviction and so on, stressing anyway that the balance between protecting these freedoms and maintaining public order can be a difficult one for any State. ■

## CAMBODIA-AUSTRALIA AGREE TO.....

CAFTA will play a key role in promoting the relationship between Cambodia and Australia, and in contributing to boosting the development and poverty alleviation in Cambodia, it added.

The CAFTA will provide many benefits to Cambodia such as more jobs, higher wages, lower prices, and more opportunities as

well as higher competitiveness, it pointed out.

The establishment of CAFTA will pave the way for Australia to channel aid to Cambodian people directly, said the press release, underlining that Australian buyers and traders will also benefit from CAFTA.

According to CAFTA Community's Facebook page, the two-way trade between Cambodia and Australia in merchandise reached US\$162 million last year. That is made up of US\$119 million of sales from Cambodia to Australia and US\$43 million of sales from Australia to Cambodia. ■



## ADB: CAMBODIA'S GROWTH.....

ADB, in an update of its flagship annual economic publication *Asian Development Outlook (ADO) 2015*, forecasts gross domestic product (GDP) growth for Cambodia of 7.0% for 2015 and 7.2% for 2016. In its March report, ADB projected growth of 7.3% for 2015 and 7.5% for 2016. The moderation reflects softer growth prospects for developing Asia, and a slow recovery in the major industrial economies.

“The expansion of garment manufacturing, construction and services—in particular tourism, finance and real estate services—continues to propel growth,” said ADB Senior Country Economist Jan Hansen.

“Growth in exports and tourism, however, decelerated somewhat in the first half 2015, while agriculture has been affected by prolonged low rainfall.”

Mr. Hansen said that domestic demand appears to be holding up well with an

expansion of credit to the private sector in May of more than 30% year-on-year, as well as high import growth.

Garment and footwear exports climbed by 11.0% year-on-year, decelerating from 14.5% in the first half of 2014. Growth in total merchandise exports moderated to 14.0% from 18.3%. The garment industry faces increased competition from the appreciation of the US dollar, and from low-wage competitors including Myanmar. Growth of tourist arrivals softened to 4.6% in the first half from 5.2% a year earlier.

Inflation was just 1.0% year on year in May 2015, amid a decline in transportation and fuel costs following a sharp fall in oil prices. The inflation forecast for 2015 has been adjusted to 1.3%. ■

## BURGER KING TO EXPAND.....

In all, the US fast-food giant plans to open four branches outside the capital by the end of 2016, with locations in Sihanoukville, Battambang and Poipet set to open after Siem Reap, according to Burger King Cambodia.

Cam F&B Services – a joint venture between Vietnamese conglomerate Pan-Pacific Group Inc (IPP) and local partner HSC Group – operates Burger King in Cambodia.

The company currently manages five outlets in Phnom Penh. A sixth outlet will open on Mao Tse-tung Boulevard in the capital next month.

The new Siem Reap branch is being constructed in a high-traffic tourist area, tucked between Pub Street and the Night Market. It is scheduled to open by mid-October.

Burger King is only the second international fast-food chain to open in Siem Reap after KFC, which opened a restaurant there in 2009. Local burger chain Lucky Burger also has a branch in the city, which is the gateway to Southeast Asia's biggest tourist attraction, Angkor Wat.

Burger King's provincial push will put it head-to-head with more established fast-food chains such as KFC, Pizza Company and Lucky Burger, which already have a presence in some provincial capitals.

## SMOOTHER PATH FOR AGRO EXPORTS

The Ministry of Agriculture plans to establish five regional food safety inspection offices near the country's borders to facilitate the flow of cross-border agricultural trade, reducing the time it takes Cambodian exporters to deliver shipments of agricultural products to foreign markets.

The new regional offices would inspect export shipments of food and agricultural products, ensuring that they comply with Sanitary and Phytosanitary (SPS) protocols and issuing certificates required by foreign purchasers. The inspections could eventually include imports as well.

The new SPS offices would ensure that agricultural products leaving the country are free of pests, diseases, toxins or contaminants. The offices would include laboratories, fumigation equipment and quarantine facilities.

The five locations that have been suggested are in Battambang, Svay Rieng, Kampong Cham, Monduliri and Preah Sihanouk provinces.

Currently, exporters of food and agricultural products are required to send samples of their consignments to designated laboratories in Phnom Penh for inspection and certification.

The plan has been lauded by exporters and economic analyst that creating regional SPS offices was a sound strategy for promoting agricultural exports, and decentralising SPS inspection and certification would facilitate trade and reduce costs for exporters. ■

Last week, the third Domino's Pizza branch held the grand opening of its newest branch in Phnom Penh.

Last month, Starbucks announced plan to open its first outlet at the Phnom Penh International Airport by the end of this year, with a second store in the city centre by the end of 2016, according to a statement on its website. ■



# Terrace of the Elephants

The Terrace of the Elephants is part of the walled city of Angkor Thom. The terrace was used by king Jayavarman VII as a platform from which to view his victorious returning army. It was attached to the palace of Phimeanakas. Most of the original structure was made of organic material and has long since disappeared and most of what remains are the foundation platforms of the complex. The terrace is named for the carvings of elephants on its eastern side.

The 350m-long Terrace of Elephants was used as a giant reviewing stand for public ceremonies and served as a base for the king's grand audience hall. It has five outworks extending towards the Central Square—three in the centre and one at each end. The middle section of the retaining wall is decorated with life size garudas and lions; towards either end are the two parts of the famous parade of elephants complete with their Khmer mahouts.