

**NEWSLETTER**  
**KAS**  
**CAMBODIA OFFICE**  
38<sup>th</sup> EDITION  
April 2013

Maria-Theresia Raaz

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## The following articles are a composition of last two weeks' (01.04.2013-15.04.2013) press releases in Cambodia. They give a review on current developments in the country.

### Malnutrition Poses Threat to Country's Economic Growth

The Asian Development Bank (ADB) expects an economic growth in Cambodia of 7.2 percent (2013). At the same time the ADB warns that child malnutrition significantly threatens Cambodia's development on the long-run. The driving forces of the positive economic development are considered to be the increasing foreign direct investment, which grew up to \$1,5 billion, the ongoing diversification of the garment production, the production of higher-value products, and a robust level of consumption. Even though the exports to the U.S. decreased by 1.8 percent, exports to the EU could be boosted by 10.8 percent to a volume of \$1.8 billion with the help of the Everything But Arms initiative of the EU, which allows Cambodia a duty-free access to the EU markets. The growth in private lending by banks led to a reactivation of the construction sector. The allocation of credits grew by 34.1 percent (2012) up to \$5.9 billion. As the rates of the previous years were quite similar with 31.7 percent and 26.6 percent, the International Monetary Fund told not to overexpand the banking sector.



source: Asian Development Bank<sup>1</sup>

Nevertheless the ADB stressed the issue of child malnutrition, which should not be ignored anymore. Almost steadily 28 percent of the under 5 year old and 10.9 percent of youngsters suffer from underweight. Even though the country's performance in the GDP growth, poverty reduction, maternal and child mortality is remarkable, the issue of malnutrition remains alarmingly. No access to nutritious food, safe water and toilets affect the problem gravely. Malnutrition will not only influence the current economic situation but the future. It causes serious health problems and therefore affects the productivity level negatively. The workers will not be able to meet the requirements, which result from the country's development. The secretary of state at the Ministry of Economy and Finance, Hang Chuon Naron, perceives malnutrition as an issue caused by behaviour and sanitation. He stated that the government is planning to tackle to the issue by educational efforts.

Further reading:

#### **ADB Forecasts Robust Growth of Cambodia, Warns of Child Malnutrition**

<http://www.adb.org/news/cambodia/adb-forecasts-robust-growth-cambodia-warns-child-malnutrition?ref=offices/north-america/news>

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<sup>1</sup><http://www.adb.org/news/cambodia/adb-forecasts-robust-growth-cambodia-warns-child-malnutrition>

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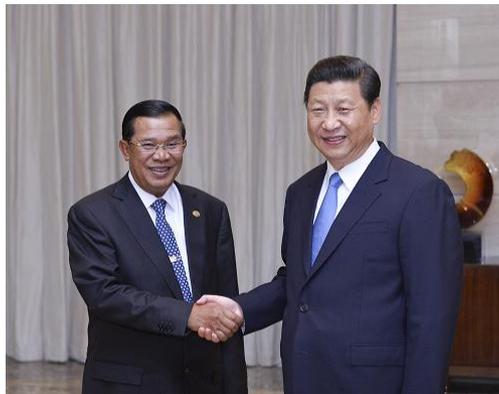
**Can Malnutrition Live With Economic Growth?**

<http://www.thecambodiaherald.com/cambodia/detail/1?page=15&token=OTBiZmYxNmZiZTN>

**Poor Water, Sanitation, Contribute to High Child Malnutrition Rates in Cambodia: UNICEF**

[http://news.xinhuanet.com/english/health/2013-03/22/c\\_132254248.htm](http://news.xinhuanet.com/english/health/2013-03/22/c_132254248.htm)

**Enhancing Cooperation Between China and Cambodia**



source: Ministry of Foreign Affairs of the People's Republic of China<sup>2</sup>

When Prime Minister Hun Sen met the Chinese President Xi Jinping at the Boao Forum for Asia on April 8, he promised that Cambodia would carry on to support China's ambitions and strategic interests in the region. The spokesman for the Ministry of Foreign Affairs, Koy Kuong, also announced that Hun Sen intends to sign-off further deals to promote Chinese investments, including a proposal for a oil refinery project of estimated \$1.67 billion. The Chinese President stated that China will keep on investing in infrastructure projects and encouraged the CPP to stay in close contact with the Communist Party of China.

As a report by the Council for the Development of Cambodia in January asserted, China is the biggest foreign investor in the country with a volume of \$8.8 billion in the space of time from 1994 to 2011. Moreover, it has to be considered that further investments of about \$10 billion have already been promised in 2011. This includes the deal between The Cambodia Iron & Steel Mining Industry Group and the China Railway Group Limited, which was concluded in January. The project of \$9.6 billion covers the construction of a new railway line and an iron and steel factory in Preah Vihear province. Southeast Asian experts stated that the ongoing investments give China a lot of political influence on the government in Cambodia. Even though Mr. Kuong rejects that statement in saying that the investment is based on the first-come, first-served principle, Cambodia refused to discuss the territory dispute between China and Japan in the South China Sea at last year's ASEAN summit.

Further reading:

**Cambodia-China Ties Grow Rapidly Over Last Decade**

[http://www.shanghaidaily.com/article/article\\_xinhua.asp?id=134766](http://www.shanghaidaily.com/article/article_xinhua.asp?id=134766)

**China und Kambodscha – Wachsende Kooperation oder Abhängigkeit? (german)**

[http://www.kas.de/wf/doc/kas\\_32742-1522-1-30.pdf?121115061230](http://www.kas.de/wf/doc/kas_32742-1522-1-30.pdf?121115061230)

**Cooperation With Cambodia Should Rise**

[http://www.chinadaily.com.cn/china/2013-04/08/content\\_16384806.htm](http://www.chinadaily.com.cn/china/2013-04/08/content_16384806.htm)

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<sup>2</sup><http://www.fmprc.gov.cn/eng/zxxx/t1029402.shtml>

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**Wary of China, Companies Head to Cambodia**

<http://www.nytimes.com/2013/04/09/business/global/wary-of-events-in-china-foreign-investors-head-to-cambodia.html?pagewanted=all&r=0>

**Analysts Worry a Low Voter Turn-Out for Upcoming Elections**

As Election Day is approaching, political parties are preparing to register but the power lays in the hands of the estimated 9 million voters. With regard to the last elections, analyst Lao Mong Hay expects the turn-out to be low. According to him, elections were an occasion to assess the chosen representatives and their parties. With ongoing strikes, protests and demonstrations people were trying to address the members of parliament but often being ignored. He warns of an increasing alienation between representatives and the electorate. The registration of the political parties will start on April 29. One of the larger parties is the FUNCIPPEC party. The party, mainly supported by royalists, wants to build a society without corruption and a fair judiciary, based on the ideals of former King Norodom Sihanouk.



source: The Phnom Penh Post<sup>3</sup>

The oppositional parties, Sam Rainsy Party and Human Rights Party, merged into the Cambodia National Rescue Party (CNRP). The two party leaders Sam Rainsy, who is still in exile abroad, and Kem Sokha, announced that if CNRP wins the elections, Cambodia will be governed as a "real democracy".

Furthermore Prince Norodom Thomico has stated to join the CNRP in terms of gaining freedom of expression, peace and justice.

Furthermore The Democratic Movement Party's main focus lays on the fighting of illegal immigration and the issue of land concession and The campaign of the Cambodian Party concentrates on the issue of poverty. Both of them are considered rather smaller parties.

Further reading:

**International Parliamentarians Want Return of Sam Rainsy for Election**

<http://www.voacambodia.com/content/international-parliament-wants-rainsy-return/1632356.html>

**US, France Call for Elections Reforms Ahead of July Polls**

<http://www.voacambodia.com/content/us-france-call-for-election-reforms-ahead-of-july-polls/1634886.html>

<sup>3</sup><http://www.phnompenhpost.com/2013040864941/National/prince-thomico-joins-cnrp.html>

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### **Cambodia's Tourism Sector Not Able to Compete**



source: TTR Weekly<sup>4</sup>

sector requires human, cultural and natural resources, which are as of now still insufficient. Minister of Tourism Thong Khon sees the country's history as the reason for the shortcomings and stressed the government's efforts to develop. According to the ministry's data the number of tourists rose from 2.88 million (2011) to a number of 3.58 million (2012). The tourism sector continues to be in the developing process, said Ho Vandy, co-chair of the Government-Private Sector Working Group on Tourism. The goal of the government is stated to focus on young tourists, but above all to establish Cambodia as a travel destination for several visits. The best rank reached Singapore among the Southeast Asian countries, followed by Malaysia, Thailand and Indonesia.

Further reading:

#### **Cambodia's Tourism Picks The Pace**

<http://www.ttrweekly.com/site/2013/03/cambodias-tourism-picks-the-pace/>

#### **Khieu Samphan Seeks Release on Bail**

Announcing that he does not possess a passport and there would be no flight risk, Khieu Samphan pleaded for release on bail at the hearings of the Khmer Rouge Tribunal (KRT). The former head of state, who is under arrest since 5 years, told the court that if he is released he will comply with all conditions imposed on him. Even though he has been regularly present at the hearings of the KRT in the past Tarik Abdulhak, senior assistant prosecutor warns of the high risk the release could pose to the public order. These criminal cases are perceived to be the most complex ever prosecuted. They are attached with strong feelings and a lot of victims might seek for revenge, he said. He advised to keep Khieu Samphan detained to ensure that the trial can be concluded. The hearings will proceed on April 22.



source: ECCC<sup>5</sup>

<sup>4</sup><http://www.ttrweekly.com/site/wp-content/uploads/2013/03/inside-no-18.jpg>

<sup>5</sup><http://www.eccc.gov.kh/en/persons/mr-tarik-abdulhak>

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Further reading:

**Samphan Believed in Justice, Says Ponchaud**

<http://www.phnompenhpost.com/2013041165028/KRTalk/samphan-believed-in-justice-says-ponchaud.html>

**Khieu Samphan Team Formally Requests Bail**

<http://www.phnompenhpost.com/2013040264838/KRTalk/khieu-samphan-team-formally-requests-bail.html>