



Cambodia's Foreign Policy Priority in 2020: Peace



KT/JAN 07

The priority for Cambodia's foreign policy this year is to ensure a smooth and successful 13th Asia-Europe Meeting (ASEM), a vital institutional bridge connecting Asia and Europe. It is a huge challenge indeed for this small state to organize such a big international forum, ranging from logistical problems to substantive matters.

Under the theme "Strengthening Multilateralism for Shared Growth", Cambodia is trying to build strong international consensus on revitalising multilateralism which is under increasing threat because of mounting protectionism, unilateralism and populist politics. Moreover, the return of great power politics is undermining the multilateral system.

Continued on page (3)

INSIDE IS

Cambodia's Economic Growth
Remains Robust in 2020

Page 2

FDI to Cambodia Rockets 12% to
\$3.5 billion in 2019

Page 2

Solid Growth in Cambodia's 2 Ports

Page 2

\$100 Million for Water Pumping
Station Project

Page 3

Cambodia, the US Mark 70 Years of
Diplomatic Relations

Page 3

Cambodia's Banking System
Remains Healthy

Page 4

'Big Bad Wolf Book' Fair to Open
Doors to Accessible Reading

Page 4

Cambodia's Economic Growth Remains Robust in 2020

KT/JAN 03

The National Bank of Cambodia (NBC) has predicted that Cambodia's real economic growth will be maintained an average of 7% with the inflation rate of 2.3% in 2020.

The central bank says that the forecast for the economic growth basis on the projection of the recovery of the global economy will contribute to favourable climate for exports, foreign direct investments, and the tourism sector while Cambodia's economy can also take a lot of advantages on her diversified based growth and comprehensive reform to support sustainable growth.

Although the EU may decide to withdraw the EBA from Cambodia in February 2020, the exports of the garments from Cambodia is expected to grow because the full withdrawal EBA process will become effective and implemented 6months after the decision is made.

It said that Cambodia will still export to the EU through the EBA preferential status that will be removed. The loss of EBA will just increase the value of Cambodia's export products to the European Markets because of tariff to around 0.1% to 12.5% according to the types of products.

Continued on page (3)

Solid Growth in Cambodia's 2 Ports



Xinhua/ JAN 08

Cambodia's two state-owned ports, Sihanoukville Autonomous Port (PAS) and Phnom Penh Autonomous Port (PPAP), had seen remarkable growth in revenue in 2019, according to the annual report of the Ministry of Public Works and Transport.

PAS, the kingdom's largest seaport, made gross revenue of 79.3 million U.S. dollars last year, up 17.5% compared to the year before. The port's net profit was almost 13 million dollars last year, up 16% year-on-year.

Continued on page (4)

FDI to Cambodia Rockets 12% to \$3.5 Billion in 2019

PPP/JAN 05

Cambodia attracted more than \$3.5 billion in foreign direct investment (FDI) last year, an increase of nearly 12 per cent over 2018, thanks in part to Chinese investors who accounted for half of the investments, a National Bank of Cambodia (NBC) report released.

According to the *Macroeconomic and Banking Progress 2019 Report and 2020 Outlook*, total FDI amounted to \$3.588 billion, up 11.7 per cent from \$3.212 billion last year. Of the total, the financial sector received FDI worth \$2.385 billion, while the non-financial sector received \$1.203 billion.

"Cambodia is experiencing a steady increase in FDI at this time because of sound environmental and investment laws.

"Investors are confident [in the prospect of] decent profitability upon investing in Cambodia," Supreme National Economic Council senior adviser said.

FDIs were vital for the Kingdom to continue experiencing sustained growth since they generated jobs and increased export potential, but warned that the Kingdom should be wary of accepting too many investments from any single region or country.

A breakdown of the data by country showed that Chinese FDIs accounted for 43 per cent, South Korean (11 per cent), Vietnamese (seven per cent), Japanese and Singaporean (six per cent), and other countries (27 per cent).

The Kingdom's economic growth to have reached 7.1 per cent last year, with an inflationary rate of approximately 1.9 per cent. It also forecasts economic growth to be at seven per cent with an inflation rate of some 2.3 per cent this year.

Meanwhile, FDI will grow by 10 per cent to reach a total value of \$3.951 billion in 2020. ●

\$100 million for Water Pumping Station Project



KT/JAN 1

The French government through the Agence Francaise de Development is offering more than \$100 million in additional loans for the construction of a water pumping station at the Bakheng Clean Water Treatment Plant.

The loan agreement was signed between Finance Minister Aun Pornmoniroth, and Ophille Bourhis, AFD director to Cambodia. The French government will provide about \$101.4 million to build the pumping station under the project.

These funds will be used to build a water pumping station with a capacity of producing 195,000 cubic metres per day, to equip the main pipelines, distribute pipelines and other materials for equipping pipelines. The money will also be used to improve the capacity of Phnom Penh Water Supply Authority officials on procurement and water system instalment control.

According to a recent survey, the demand for clean water in Phnom Penh will reach 900,000 cubic metres per day by 2025 and increase to one million cubic metres per day by 2030. ●

Continued from page 2

Cambodia's Economic Growth...

The government has also introduced some measures to reduce production cost, launch the SME Bank, and facilitate doing business in Cambodia, aiming at creating a better business environment in the country to support investments, pushing the domestic production, and promoting the diversification of the exports market. ●

Cambodia, the US Mark 70 Years of Diplomatic Relations



PPP/JAN 09

The US embassy on January 8 kicked off a year-long celebration of the 70th anniversary of US-Cambodia diplomatic relations at the capital.

US ambassador to Cambodia Patrick Murphy praised the Kingdom for its growth and said relations between the countries were based on a solid foundation of cooperation that would ensure the continued strengthening of ties.

The two nations first established diplomatic relations in 1950 when US diplomat Donald Heath, who was stationed in Vietnam, presented his credentials to the late King Father Norodom Sihanouk as Envoy Extraordinary and Minister Plenipotentiary.

Foreign Minister Prak Sokhonn said the celebration aimed to deepen the countries' understanding and mutual respect. He praised trade relationship between the nations, saying that Cambodia had exported garment and footwear products to the US last year to the tune of \$5 billion. He also noted the US' support for the Kingdom's cultural preservation, mine clearance action and education.

Continued on page (4)

Continued from page (1)

Cambodia's Foreign Policy...

As a small state, Cambodia's foreign policy interest and objective is to contribute to international peace and prosperity through the enhancement of an open, inclusive and effective multilateral system and the rules-based international order centering on the UN Charter.

Cambodia believes that peace and prosperity need to be inclusive- which means that every nation state and individual person must be part and parcel of world peace and no one should be left behind in reaping the benefits of economic globalisation and growth.

The adherence to the principles of non-interference and equal sovereignty based on mutual respect, mutual interest and mutual trust and the fair application of international law to peacefully settle disputes and conflicts are the foundations of the rules-based international order.

The key security issues that will be likely discussed at the upcoming ASEM meetings, at both the foreign ministers' meeting and leaders' meeting, relate to the escalating tensions in the Middle East, renewed tension on the Korean Peninsula and maritime security especially with regard to the South China Sea. ●

Continued from page (3)

Cambodia, the US Mark 70 Years...

According to the Embassy press release, a major activity will be carried out in each month of this year. They will cover various themes including agriculture, youth education and technology, women and gender equality, the environment, public health and people-to-people relations.

Remaining sectors such as trade and investment, humanitarian assistance, law enforcement, regional cooperation, and democracy and human rights will also be tackled from August to December. •

Continued from page (2)

Solid Growth in Cambodia's...

Meanwhile, the listed PPAP, the country's second largest container hub, recorded total revenue of 29.6 million dollars in 2019, up 35% compared to 2018, the report said, adding that the port's net profit was about 10 million dollars last year, up 30% year-on-year.

Minister of Public Works and Transport Sun Chanthol attributed the remarkable surge in the ports' revenue to the country's good economic performance.

"For the Sihanoukville Autonomous Port, we will build a new container terminal with a depth of 14.5 meters next year in order to accommodate large ship travelling in the Asia-Pacific region," he said. •

Cambodia's Banking System Remains Healthy

PPP/JAN 05

Political stability, growth in all economic sectors and a strong banking system were major drivers that reinforced public confidence in Cambodia's banking system last year, said the National Bank of Cambodia (NBC).

According to its "Macroeconomic and Banking Progress 2019 Report and 2020 Outlook", deposits and outstanding loans rose sharply by 25 and 26% respectively over 2018.

Outstanding loans reached \$19.6 billion and deposits with Cambodia's seven money deposit-taking institutions (MDI) reached \$22 billion last year.

The banking sector was healthy and actively contributed to supporting financial inclusion, economic growth and poverty reduction.

"The Kingdom saw the 30% increase in loan growth after three years of deceleration. The rebound was primarily backed by the construction and real estate sector, in addition to consumer lending and commercial loans due to an increase in income, demand and diversity of financial services," the report said.

In Dec 2018, the International Monetary Fund (IMF) projected that Cambodia's financial sector would continue to enjoy strong growth.

There are 43 commercial banks currently operating in Cambodia (15 locally incorporated, 15 subsidiaries, and 13 foreign bank branches), 14 specialised banks (one state-owned and 13 private) and seven MDIs. •

'Big Bad Wolf Book' Fair to Open Doors to Accessible Reading

PPP/JAN 09

The Big Bad Wolf Book Sale has come knocking on Cambodia's doors after its launch at the capital. About 50,000 people are expected to visit the fair, which will run from January 9-20.

The sale offers more than one million brand new English books with between 50 and 90 per cent discounts on the recommended retail price.

The book fair has pledged to donate 500 books to libraries and encouraged readers to contribute as well to accommodate the underprivileged. The initiative was said to be motivated by the organisation's mission to make reading accessible to everyone regardless of socio-economic status. •

BIG BAD WOLF BOOK SALE

កម្ពុជា
PHNOM PENH

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