

Business to Invest Billions of Dollars in Cambodia – VOV news, December 2009

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Businesses to invest billions of dollars in Cambodia

Vietnamese and Cambodian businesses have signed investment agreements and contracts worth US\$6 billion to invest in power generation, food processing, fertilizer production, rubber plantation and health care in Cambodia.



The deals were signed at a conference held in HCM City on December 26 to promote Vietnamese investment in Cambodia. The event was co-chaired by Vietnamese Prime Minister Nguyen Tan Dung and his Cambodian counterpart Hun Sen, and co-hosted by the Vietnamese Ministry of Planning and Investment (MPI) and the Cambodian Development Council (CDC).

It was reported at the conference that both countries have signed more than 60 documents for bilateral cooperation in almost all areas, and established appropriate mechanisms to facilitate cooperation.

Two-way trade has increased significantly in recent years, reaching US\$1.7 billion in 2008, up 40 percent against 2007.

Vietnamese businesses have invested in over 60 projects in Cambodia with a total capitalisation of nearly US\$900 million, making Vietnam among the top three foreign investors in Cambodia. Most invested projects have been operating efficiently, especially in forestry, agriculture, mining, telecommunications, banking and insurance.

However, the two countries have not fully tapped their great potential for expanding investment and trade cooperation. A number of Vietnamese businesses have not developed plans to increase operations in this market.

PM Dung and PM Hun Sen welcomed a joint initiative to host the conference as a practical move to promote bilateral cooperation in investment and trade.

PM Hun Sen said Cambodia is calling for foreign investment in its strong areas such as agro-forestry, industry, infrastructure construction, product processing for export, mining and tourism.

He said the royal government has offered incentives to attract Vietnamese investors, and signed agreements on trade, tourism, energy and maritime transport with Vietnam. It has also licensed a number of Vietnamese businesses to invest in fertilizer production, banking-financial services, bauxite exploration and exploitation, and farm produce processing.

The Royal government of Cambodia will create a favourable investment environment for Vietnamese businesses to operate in the country, PM Hun Sen assured Mr Dung and representatives of 600 businesses attending the event.

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For his part, PM Dung hailed the efficiency of Vietnamese-invested projects in Cambodia, but said the results have not yet matched the potential of both countries and not lived up to their people's expectations.

He recalled high-level talks and meetings between the two countries' top leaders who had agreed to take additional measures to broaden cooperative ties. They vowed to raise two-way trade to US\$2 billion in 2010 and increase Vietnamese investment in Cambodia to US\$6 billion in the coming years.

He said the strong political and diplomatic ties and the long-standing friendship between the two countries will lay a firm foundation for boosting cooperation in other areas.

During December 2009 visit to Cambodia by Party General Secretary Nong Duc Manh, Vietnam and Cambodia signed additional agreements on cooperation in power generation, industry, mining and maritime transport



Representatives of Vietnamese and Cambodian businesses attending the conference

Mr Dung pointed out Vietnamese and Cambodian advantages and said they can support each other in development. Cambodia has a high demand for cooperation in farm produce processing (rubber, sugarcane and wood), power generation, mineral exploration, exploitation and processing, aviation, finance, insurance, banking, telecommunications, oil & gas, fertilizer production and clean energy. Meanwhile, Vietnam has about 460,000 businesses, many of whom are strong in terms of technology, market development, finance, qualitative human resources and experience.

He proposed that both sides finalise a legal framework to facilitate investment and trade development. He suggested examining and amending the signed agreements, including one on investment protection and promotion, and conducting negotiations and signing new agreements on double tax avoidance, labour cooperation and legal aid.

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The Vietnamese government creates favourable conditions for its businesses to operate in Cambodia, Mr Dung said.

He reminded the businesses to explore and abide by Cambodia's legal system and its customs.

At the event, MPI and CDC signed a memorandum of understanding on investment promotion. The Vietnamese Minister of Industry and Trade and the Cambodian Minister of Industry, Mining and Energy signed the minutes of their meeting regarding Bauxite exploration and exploitation in Mondulkiri province.

The Bank for Investment and Development of Vietnam (BIDV) signed a deal to provide financial services to Vietnamese businesses investing in Cambodia.

The two PMs also granted a decision to establish an association of Vietnamese investors in Cambodia, and investment licenses to a number of Vietnamese businesses.