

Japanese food giant to invest \$6m in PPSEZ

BY STEVE FINCH

JAPANESE conglomerate Ajinomoto, which specialises in foods and seasonings, said it will invest US\$6 million in a factory

at the Phnom Penh Special Economic Zone (PPSEZ).

Ichiro Nishimura, president of Ajinomoto (Cambodia) Co Ltd, said the Cambodian arm of the multinational company would

be established next month, with construction on a monosodium glutamate (MSG) packing factory due to start in October.

"We think Cambodia is an attractive market," Nishimura said Monday by email, citing Cambodia's high economic growth and similarities with Vietnam and Thailand, where the company already has a presence.

For the first phase, Ajinomoto will construct a 2,940 square-metre facility, Nishimura said. It is scheduled to go online in September next year with 150 employees.

PPSEZ Managing Director Hiroshi Uematsu said that Ajinomoto agreed to occupy 31,240 square metres when it signed a contract last month.

Operations will expand into different products and local production in the future, he added.

Producing about one-third of the world's MSG, Ajinomoto has already established offices and production facilities in Asia, North and South America, and

Europe.

In the fiscal year to the end of March, the company saw operating income fall 33 percent compared with a year earlier to 40.8 billion yen (US\$43.4 million), resulting in a net loss of 10.2 billion yen.

Uematsu said the Japanese food company was the 21st to sign up at the PPSEZ, although he noted that so far only five

WE THINK CAMBODIA IS AN ATTRACTIVE MARKET [IN WHICH TO INVEST]."

were operational, with a further four companies set to go online next year.

"The remaining 12 are not sure, some are not performing," he said. "We have to wait for ... recovery of the economy."

Uematsu expressed concern that some companies that had signed contracts to set up at the special economic zone but were not yet operational may be land speculators.

If that were found to be the case, their plots would be retrieved for legitimate manufacturers, he said.

Previously, Uematsu noted that new contracts had dried up at the zone at the beginning of the year, apparently as a direct result of the global economic crisis, but that in the past few months the situation had recovered.

Further new companies were expected in the near future, he added.

PPSEZ Marketing Director Lily Yap told the *Post* in April that the second phase of the planned 360-hectare zone had been put on hold due to the number of factory closures across the country and the general economic downturn.

"We were supposed to launch phase 2 this year, but instead we will wait and see how it goes," she said at the time.

"We really don't know the ultimate effect of the world economic crisis on Cambodia. Everybody is taking a wait-and-see approach."

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