

Phnom Penh SEZ still on schedule: officials

Special economic zone official says project is moving ahead with construction, despite the recent economic downturn

BY SOEUN SAY

THE Phnom Penh Special Economic Zone (SEZ) announced Saturday that it has attracted 12 enterprises, despite worsening economic conditions in the country.

The announcement comes following an impassioned speech by Prime Minister Hun Sen last week in which he lashed out at the Sihanoukville SEZ for persistent delays.

"Seven companies are operating and five are still building and waiting for additional investment at the Phnom Penh special economic zone," Samrith Eang, assistant to the chairman of the Phnom Penh SEZ, said at a celebration for international Labour Day.

"We have been successful in attracting additional investors," he said.

He added, however, that two of the companies were not yet registered with the Council for the Development of Cambodia.

The SEZ offers companies a number of benefits, including a nine-year tax break, unrestricted repatriation of profits and 99-year leases on property.

Samrith Eang said that construction was proceeding on schedule despite the economic downturn.

Tough market

Chea Vuthy, deputy secretary general for the Council for the Development of Cambodia, told the *Post* Saturday



Workers prep the site of the Phnom Penh SEZ in this file photo. BY KAY KIMSONG

that although the first phase had been smooth, progress would depend on a recovery this year.

"We cannot force anyone to develop; it depends on market conditions," he said.

"But it's no problem. We will provide facilities to make it

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straightforward ... once companies register to invest in the zone," he added.

Samrith Eang said the SEZ hopes to employ more than 8,500 workers in 2010, including more than 5,600 female

workers and 210 foreign workers.

He said the SEZ would also try to employ people laid off as a direct result of the global economic crisis.

PM pressure

The prime minister last week accused planners of the Sihanoukville Special Economic Zone (SEZ) of delaying construction and costing the government in interest payments.

The government took out a US\$3 million loan in 2006 from the Japanese government that was earmarked for design work on the SEZ, but no progress has been made, Hun Sen said.

"I have told the [Japanese

government] to begin building the SEZ.

"We already signed an agreement in 2006, but we are still waiting," Hun Sen said.

He added that the delays are also deterring Japanese companies from investing in the SEZ.

Cambodia has 21 registered special economic zones, but many have delayed construction due to the economic slowdown.

Last month, the Duong Chhiv Group announced that a major SEZ in Takeo province was only 10 percent completed, despite receiving a government licence in 2006.

The Manhattan SEZ near Phnom Penh also said it is behind schedule. ■

