



Looking at the Economic Development in Cambodia



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Summary

Overview of Development in Cambodia

Sustainable Development Goal (SDG) is rarely discussed in Cambodia. The word “Transparency” and “Accountability” only written in paper not taking to action. In depth, we have to look into the national policy and SDG of the government.

Even so far, the Royal Government has maintained its economic growth at 7.5% per year, yet the Cambodia Development Plan 2014-2018 by EU showed that most households have emerged from poverty still in low number. Earning an average daily income of 1,200.00 Riel (about \$ 0.30 USD) will bring about three million Cambodians close to poverty and will increase Cambodia’s poverty rate doubled from 20.5 percent to 40 percent.

Looking into the law enacted during July 2014 on the Government’s National Strategic Development Plan, the poverty rate of the Cambodian population across the country has dropped from 13.9% in 2017 to 12.9% in 2018. On the other hand, the World Bank (WB) report released in August 2017 on “Maintaining Strong Economic Growth for all Benefits” shows that Cambodia has experienced an average growth rate of 7.6% from 1994 to 2015 and became the low-income country by 2015. The growth of 19.6% per year was driven by the exports of goods and services, mainly clothing and tourism.

According to the report released by the World Bank (WB), Cambodia’s Gross Domestic Product

(GDP) in 2018 was USD \$ 24.444 billion. Comparing with the GDP in 2017 was \$ 22.16 billion. Cambodians’ per capita income for 2018 was \$ 1,512,127 compared to \$ 1,385.26 per capita in 2017.

Comparing to the other countries such as Laos, Thailand, Myanmar and Vietnam, this report shows that among those four countries, Cambodia’s Gross Domestic Product (GDP) exceeds only Myanmar. Per capita of Myanmar citizen in 2018 was \$ 1,326.00 per year.

The word “development or investment” in modern times, the growth of the family’s economy does not seem to be growth as in the development plan. Under the Economic Land Concession (ELC) Policy, citizens’ land had been taken away by companies without favorable compensation. Not just this, but the land rights activists also have been charged by the courts and imprisoned one by one.

Do ELCs benefit the Cambodian people?

The studies and research findings by NGOs and development partners found out that the ELCs have not benefited the local community at all. There are a few numbers of beneficiaries from the investments, but these are generally the authorities and the parties involved, or the people who are associated with the local authorities.

During the year 2000’s, the government began

to change the policy from small scale to large scale land beyond the land law. The Phnom Penh Post reported that nearly 1.2 million hectares of ELCs have been granted to 117 private companies by the Government. A lot of these projects have been invested in the agro-industry, mainly focused on sugarcane and acacia, as well as rubber trees. Aside from those crops, the companies grow banana and rice crops.

In addition, it has been observed that after the government has issued the Land Lease Policy for a period of 99 years, but the government through the Ministry of Agriculture, Forestry and Fisheries (MAFF) decided to shorten this to only 50 or 70 years, causing conflicts over Economic Land Concession Policy.

Looking at the report produced by CCIM in 2019, the collected data from different areas, the reports related to the investments on ELCs and other investment plans show that almost 100% of resident people in those investment areas are affected.

Economic land concessions in Preah Vihear

In Preah Vihear, the people in about 25 villages in the 10 communes located in three districts, including Chhep, Tbeng Meanchey, and Chey Sen districts, have lost their community forests, ancestral burial forests, and reserved forests.

The company Heng Fu was granted permit by the government in 2011 and produces sugar

cane exporting to Europe and India. This Chinese company has five other subsidiaries, including Heng Roy, Roy Feng, Feng Lan, Heng Nong and Heng Yu, which are granted with land area of 42,422 hectares. About 2,000 families or equivalently 10,000 persons, become victims to the investments.

The report found that the large Chinese company did not fully examine the environmental and social impact before implementing its investment plan. This Heng Fu company just studied about the environmental and social impact in 2016, which means five years after clearing, but in 2012, the company began reporting the environmental and social impact studies.

The VOD report released in July 2019, reported that in the land clear-cutting the company did not provide compensation to people affected by this clearing, and only few people benefit from this investment plan.

Currently, people in Preus Ka-ork village and other villagers are forced to borrow money from private microfinance institutions to increase their livelihoods after the loss of non-timber forest products, especially the resin that is the main source of income for the community.

Chinese businesses in Sihanoukville

The report on the investment in Sihanoukville found that providing a complete monopoly on

Chinese development has put local people at a disadvantage.

The report did not find out the exact date of the Cambodian government's investment offer to Chinese investors, but through interviews with some 30 sources in different sectors during August 2019, it is observed that the flow of Chinese business and tourism increased significantly between late 2017 and early 2018.

Through the growth of Chinese investors, respondents from various destinations estimated that at least 60 percent of the population is negatively affected by this development plan. They estimated that about 40 percent of people gets high benefit from development.

Mr. Chuon Narin, Preah Sihanouk provincial governor, said almost 90 percent of the businesses are owned by Chinese firms. Based on data of the Preah Sihanouk Provincial Administration from August 29, 2019, there are 52 companies investing in the province. Based on the same report, about 90% of them are from China.

Based on a Chinese investment report received from the Planning Office of the Preah Sihanouk Provincial Administration by April 2019, the investment accounted for over 8 billion, 460 million US dollars (\$8,460,418,364). A total of 52 projects are consuming this investment in several sectors, such as tourism services, property, special economic zones, infrastructure, and industry.

Through the growth of Chinese flow in Sihanoukville, it forced the local businesses, who are originally the local people, had to migrate to other areas. They said this migration is due to the inability to compete with Chinese firms. The main reason is that Chinese has a lot of money to rent a house or an expensive apartment. A flat of 5m x 20m area with 600USD rent per month has now increased to 10,000USD to 15,000USD per month.

Meanwhile, the rental price keeps rising and the market prices have doubled. The more complicated problem in Sihanoukville is that Chinese people have the right to self-employment (informal business), same as Cambodian people. Chinese firms can open a massage shop, food restaurant, construction materials shop, karaoke store, currency exchange center, barber shop, taxi, car garage, and food stalls (fish, meat and vegetable).

In the first semi-annual wrap-up report of 2019, Mr. Yon Min stated that due to rapid growth in all sectors, the Preah Sihanouk provincial poverty rate had decreased to 10.72% per year. He said people in Preah Sihanouk province received an average income of 3,358 US dollars per year.

Tourism development in Kampot

Another investment plan is in Teuk Chou district, Kampot Province. According to the government permit dated February 14, 2019, Ching

Kor Import Co., Ltd., owned by Ms. Keo Maly, will invest by filling the seaside nearly seven hundred hectares in order to help the people in the community get a job and earn profit from this development plan.

According to the proposal, Ching Kor Import Co., Ltd has requested investment approval from the Council for the Development of Cambodia (CDC) and the Council of Ministers to transform the area into “Great Sea of Tourism Kampot” by building hotels and spas, modern villas, vacation homes, accommodation and restaurants.

The development plan of Ching Kor Import Co., Ltd, covers two fishing communities of the Trapeang Prabao and Prek Thnout communities, both are located in Teuk Chhou district, Kampot province.

Trapeang Prabao fishing community was formed in 2002 and formally recognized by the royal government in 2009 and it covers a total of 1,251 hectares of sea water. Prek Thnout fishing community was formed in 2002 and formally recognized by the royal government in 2011 and covers 1,168 hectares of sea water.

If the investment plan goes ahead as planned, the livelihoods of more than 1,000 families (1,470 people) in this two communities will be affected. This livelihood threat is not yet considered for the thousands of indirect fishermen other than communities from Kompong Som and other parts of Kampot province.

Clearing forests for development in Mondulkiri

Another investment through land concession in Keo Sima district, Mondulkiri province is regarded as the indicator leading the indigenous Pnornng villagers lose their lands and jobs. Before the arrival of Vietnamese company names Binh Phuoc to invest in October 2011, indigenous Pnornng people can earn profit from the non-timber forest products approximately 2 million riels (\$500) per month. This amount of income does not include some other sources of income from harvesting mushroom, boat-caulking resin, and wild orchid flowers.

Based on the report, it shows that the representative from communities of indigenous Pnornng people, Mr. Prob Jib, said that he used to earn in average between 4 million riels to 8 million riels (around \$2000) per month. However, this amount has significantly dropped and later completely gone after this company came for resin tree investment. Consequently, some communities owed debt to the micro finance institutions, and emphasized that this has never happened. Commune chief, Mr. Khit Khet claimed that it is true that recently some people are owing debts to the micro finance institutions. But, he added that those who owed debts are only approximately 20% among the total population of 900 families.

During 2013, the company started to clear cemeteries, reserved forests, ancestral worship forests, and resin trees, which are equivalent to

8,890 hectares for resin trees. On June 31, 2015 this company again started to clear the remaining lands approximately 1,500 hectares.

On August 21, 2014, to end the dispute, company and authorities had agreed to solve the land dispute in provincial level by taking 375 hectares back to the communities. Notwithstanding, NGOs and community representatives reported that the 375 hectares has not been returned to the real victims. They continuously stated that the lands have been given to local authorities and external people, whom the authorities have already managed and facilitated for.

Eco-tourism project in Monduliri

Similar case in Monduliri, the plan to build an ecotourism airport, which probably covers 300 hectares. Even though there is no official statement in regard the total amount of land, the clear-cutting is processing and people are concerned about this act. It is moving closer to the cemetery of indigenous Pnorng people. More than that, the clear-cutting workers have warned local people that they would suppress if the protest takes place. The people are worried about their lands since they do not have official land declarations. Seriously, some people even cry when some unknown officials said during the meeting with them that their lands will be collectively bought by government for \$1,000 per hectare.

The impact of development projects to the people

The reports show the impact of the development projects. Basically, each development project the reports presented the negative effects towards the population. More than 90% of the population both Khmer and indigenous people who are located in the targeted areas had become the victims by those projects.

The Cambodian people, including the indigenous people, often benefit from the forests, ocean, river, pool, pond, lake, natural lake and livelihoods. In addition, NTFPs, such as resin picking, resin boat-caulking, harvesting, fishing, traditional hunting, can earn an average of 2 million riel (\$ 1.50) per month. Khmer people in Sihanoukville who used to be self-employed turned out to rent their buildings to Chinese and many other vendors/stores were being dragged down by Chinese firms. Due to this, the Cambodians earning less income have been forced to do migration.

In other developed areas, the local authorities and companies deal with the compensation that effected the citizen who are living in the invested areas, yet the compensation are less favorable, and some of the compensations are more likely to be received by relatives or whom close with the local authorities.

The Investigative Reports

1 Kuoy ethnic groups in Preah Vihear province fell indebted to banks after Chinese companies come to invest



People in Pro Me community are discussing about the loses of occupations, while some families in the community are already falling into a debt trap on July 18, 2019 (Photo: by Chorn Chanen)

People in about 25 villages in 10 communes located in three districts, including Chhep, Tbeng Meanchey, and Chey Sen districts, have been severely affected by five Chinese companies' projects. There are several villages in the area affected by the investment project, including Preus Kaak village in Chhep district where the companies have cleared the land to the edge of the villagers' land.

Mr. Iem Aon, community representative for Preus Kaak village in Chhep district said ***"Since late 2011, they have cleared the land around the village and left a distance of less than 10 meters from the rice field dike, and currently, the community people in my village are facing great difficulties"***.

Mr. Iem Aon reported that the Chinese compa-

nies' investment has not helped to improve the people's livelihoods. ***"Almost 90 percent of the people in Mlou Prey 2 village have fallen into debt to a bank", he added. "I borrowed money to buy petroleum to grow rice. Before the company's arrival, we were able to hunt wild animals and sold them for petroleum, or liquid resin, dry resin, or orchids, or ginseng, or sticky rice for sale in exchange for the petroleum. Now, we are not able to find them, so we are forced to borrow money from the bank. Being in debt to the bank, if there is a drought and we cannot grow rice, we will probably sell domestic properties for those who have them, but it will be difficult for those who don't have any property to sell"***.

Mr. Heng Phuon, Chief of Mlou Prey 1 village, acknowledged that the people have actually borrowed money from the bank and used it as capital to enhance their livelihoods. ***"Before the Chinese companies' arrival, people were not in debt to the banks like today"***, he added.

Prime Minister Hun Sen attended an opening ceremony for a sugar cane company, Rui Feng, on July 19, 2016. He stated that about one hundred to four thousand local people would become the labor force for these Chinese companies. ***"His company will become a market for sugarcane farmers. A lot of people are growing rice and receive a low yield, so the factory owners should build connections with them, asking them to grow sugarcane and buying sugarcane from them for the factory"***.

Mr. THEAN Heng, Chief of Premeru commune, Tbeng Meanchey district, denied that any people had gone to work for the company. He added that the community group wanted to work for themselves, not for the company. He said ***“Before the company wanted a deal like this, but our villagers declined. I speak neither for the company nor villagers, but our villagers don’t want to work for anyone”***.

A research report by Ponlok Khmer Organization in Preah Vihear province finds that the quantity of resin tree, which is one of the core occupations for the ethnic groups, has declined. The report also indicates that the community has gradually stopped ordering the products from villagers after the company came to clear the forests and the land owned by the Kuoy ethnic group.

The report also reveals that the villagers’ sales of products to the community for December 2010 was up to 27 million riels (27,328,000 riel). If compared with the last five months of 2016, it was only over 13 million riels (13,167,000 riel). The community workshop in Prameru commune, Tbeng Meanchey district, was forced to shut down. However, other communities in Chhiep and Chey Sen districts that once earned income from non-timber forest products and other resources have also lost out.

Mr. Sith Savorn, representative of Prameru community, Tbeng Meanchey district, states that the main reasons for the community to stop ordering resin from the villagers is that there are no

more resin trees to produce it. Meanwhile, Mr. Pin Chey, 40 years old, who used to buy resin from the Prameru village community, Tbeng Meanchey district, reported that he had stopped doing this work since the Chinese companies came to invest. ***“I abandoned this work because the company had cleared the forest that used to produce resin for the community”***, he added.

Mr. Sun Veasna, broker, living in Bos Thom village, Tbeng Meanchey district, reported that before 2012, he purchased from 50 to 60 containers of liquid resin per day, but this quantity had dropped to only 5 to 10 containers per day at the present time (1 container = 30 liters). He said ***“This decrease is due to the fact that the trees have been cut down while the price goes up and down based on market price”***.

Living in Tbeng Meanchey near the other two districts, Ms. Sing Set who reported this vulnerability due to the Chinese companies’ investment said that like other families, her family no longer has access to forests to look for forest products like before. She added that to earn money for surviving, some family members are forced to migrate while some other people are hired to transplant paddy rice in the wet season. ***“If I had a few resin trees, we would share them. When we have disputes, I have nothing to cover my home. We had to leave our village. We only want a home”***.

A letter from the Office of the Council of Ministers, dated February 8, 2011, signed by Prime Minister Hun Sen, permits five Chinese compa-

nies to invest in these three districts. An investigation report from five NGOs and associations in Preah Vihear province, issued in June 2017, reveals that Heng Yue, Heng Rui, and Heng Non companies obtained investment licenses on the same day, November 8, 2011. These three companies including Lan Feng and Rui Feng have only one office in Phnom Penh. These three companies have been authorized to invest in over four hundred thousand hectares of land in Preah Vihear province.

Mr. Veng Sokhon, Minister of MAFF acknowledged that the companies have violated the principle approved on some occasions. He said ***“The procedure is good, but there are some shortcomings. Sometimes it is cleared before time, so it causes impacts”***.

Article 59 of the 2001 Law on Land states that the economic land concession shall not exceed one hundred thousand hectares. This law also has a provision that it is permissible to grant various areas of economic land concessions to only one person or several legal entities, but it is to be controlled by a natural person or legal entity with the size of land permitted by the law.

A private company, Green Environment Group, that conducted a comprehensive environmental and social impact assessment in July 2016, confirms that the paddy and farming land of people concerned in the project area will be completely removed or exchanged with the people at a reasonable price accepted by them. The report also confirms that the companies are required to keep the forests on both sides of the canal up to



A graph indicates indigenous people's communities which have fallen into debt trap in Preah Vihear

at least 100 to 150 meters wide to prevent soil erosion. In addition, the company shall keep the spiritual and traditional land and three areas of temple land located in the project area.

On the contrary, Ms. Khiev Him, residing in Meru village, Tbeng Meanchey district, denied that the villagers had not been informed of the development. She said the companies cleared the people's land without any information or consultation. ***“They had not informed us that they would plant sugarcane or they would cut some areas of land. We tried to stop them when we saw the bulldozers. When we asked the workers, they said they had been permitted by Samdech Prime Minister Hun Sen and the village, commune, and district/khan authorities”***, she added.

The report from the five NGOs and associations also reveals that the five companies, Heng Rui, Heng Yue, Rui Feng, Heng Non and Heng Yue, are the subsidiaries of Hengfu Group Sugar Industry, referred to as Hengfu. The CEO of the parent company, named Feng Liu, is in Guandong, China. However, there is no mention of this company in the investment letter issued by the MAFF.



Mr. Sith Savorn, a representative of Pro Me Community Rin Tbeng Mean Chey district, Preah Vihear province gave an interview in front of the community meeting place, which was shut down for several years ago. (Photo by Morm Monireth)

The report also reveals that Hengfu and Hoda have received capital from Chinese banks, including a French bank, Bank BNP Paribas, and the Korean Development Bank. Moreover, the Oversea-Chinese Banking Corporation (OCBC), which is a prominent bank in Singapore, is also a shareholder of Hoda. The same source also reveals that Rui Feng has constructed a cane sugar factory in Chhep district with investment capital of 360 million dollars. Based on a report issued in June 2017 by the five NGOs and associations, it has been found that this is the largest sugarcane factory in Asia with a production capacity of 2,000 tons of sugar per day.

A joint report by the communities affected by the Chinese companies' projects requesting intervention, dated August 25, 2017, states that the companies have abused human rights and indigenous people's rights, in particular they have destroyed the environment, economy, and culture. The report also reveals that the affected communities have requested the government to stop leasing the land to those five companies. In particular, they have to return the land and

compensate for the loss of the biodiversity in the communities.

A community development official at Ponlok Khmer Organization, Mr. Sophoan, is of an opinion that the forest by-products and decent occupations, such as collecting vines and Prich leaves, are a way for the locals to earn their living. The same source also reported that to address this problem, the government must stop granting economic land concessions that cause adverse impacts like this.

“Without a preventive measure, the communities will not earn any income. We depend on rain to grow rice. If it does not rain because of the reasons linked to the loss of forests, people will not be able to grow rice. If they raise chickens, ducks, pigs, and cattle, they will not receive any return. Why? Because they have no land to tend the animals on”, he said.

2 Chinese incursion on businesses in Preah Sihanouk Province



A graph shows the latest statistics of Chinese-controlled business provided by Sihanouk Provincial Police station by July 2019.

Mr. Cheng Kheang is a rice vendor in Preah Sihanouk province. He said it was very hard to survive for those who earn an average of three hundred US dollars per month. From Mr. Kheang's point of view, the price of goods in Preah Sihanouk has significantly risen.

“With the presence of the Chinese, the prices of all kinds of goods in Kompong Som, not in other provinces that I don't know of, are very high.”

Mr. Kheang said that the Chinese living in Preah Sihanouk run food stores to serve the Chinese and the prices of food sold at Chinese restaurants are very high.

“They don't cook food with sugar or MSG, but only salt and flour in small amounts and they run the restaurants to only serve their fellow citizens. Cambodians cannot afford the food they sell. Most of the food costs from 20 to 30 US dollars.”

It's not only Mr. Cheng Kheang who now earns less income, but other vendors also confirmed a decrease in their income.

Ms. Chorn Bork, a seller of grilled squid on O Chheu Teal Beach, said her income had decreased from 100,000 riel to 40,000 riel per day. She said she earned less income due to the lower number of national tourists and the higher prices of the suppliers' goods.

“It was fairly lucrative in the past, but it's very low now [income]. With the higher price of



The statue of two lions in front of Chinese business buildings in Sihanouk province

squid, I still sell it at the same price. The prices of all goods have increased. The goods' prices increase because if we get up late, the Chinese take it all over. They buy for consumption and sale in Chinese restaurants. There are no Cambodian tourists, but only construction workers. There are less tourists from Phnom Penh because the guesthouse rates have risen.”

Ms. Am, a former squid seller on O Chheu Teal Beach, reported that only 10 Cambodian stores remained in operation on O Chheu Teal Beach in Preah Sihanouk province. Some of these stores have no clients. About 90% of the stores belong to Chinese and four stores are owned by Europeans.

Even though several European stores are still in operation, some owners said they would be closed soon.

The owner of a European store, Sunset Lounge Beach Resort, who requested her identity and voice not to be revealed, said her store would be closed in December this year. She said the land she was leasing had been subleased to some Chinese. Based on the lease made between the



Mr. Y Yang, a car driver for a European-styled restaurant near the Royal resident in Sihanouk province

Sunset Lounge owner and the landlord, the lease would expire in six years. She said that the landlord had leased this land to the Chinese at a higher rent. She also confirmed the decreased number of European visitors and that her clients had also dramatically decreased, so she would close the store and terminate the lease prematurely.

Mr. Y Vang, a driver of a store near the former Royal Residence in Preah Sihanouk province, said that two years ago, he could earn an average income of between 80,000 to 120,000 riel per day. With the presence of Chinese investors, European visitors have decreased and he can only earn an average of 40,000 riel per day.

“Our business is far harder. With the presence of a great number of European visitors, our business was very good. After the Chinese have appeared, they don’t consume our products because they have their own, so our business is so hard. Now we earn less than \$10 on some days.”, he said.

Mr. Kheang Phirum, the spokesman for Preah Sihanouk provincial hall, acknowledged that there

were more Chinese than other nationals doing businesses in Preah Sihanouk province. He said: ***“There are multi-nationalities in Preah Sihanouk province. There are various nationalities of foreign investors but the Chinese account for the vast majority.”***

Based on the report of the foreigner census issued by the Preah Sihanouk Provincial Administration in February 2019, there are 40,770 foreigners of 57 nationalities who are permanently residing in Preah Sihanouk province.

Mr. Kong Sopheaktra, Director of the Statistics Department of the Ministry of Tourism, said that for the first seven months of 2019, Chinese tourists ranked first, followed by the French. Based on this report, the number of Chinese tourists increased by 200,000 or 101.8 percent out of the total of 480,000 foreign tourists.

Based on a report by the Ministry of Tourism, European tourists in Preah Sihanouk province have been decreasing since early January 2019. Based on the same report, just over 60,000 European and American tourists visited in the first seven months of 2019.



The Chinese shops and real estate office in Sihanouk province

Miss Von Sreynet, a seller on O Chheu Teal Beach, said that two years ago her family could earn a daily income of about \$US250 from the sale of seafood on the beach, but for the last two years her income has decreased, and she has earned less than \$US100 on some occasions. She said the decrease in income was due to the decreased number of tourists in Kompong Som. On the other hand, the Chinese had started to run their stores on the beach as the Cambodians did.

“In the past, I earned approximately 200-300 US dollars. It was a bit more or less from day to day, but now we earn far less due to the continuous rain and the decreased number of visitors.”

Mr. Ry Rouen, a tour driver at Kompong Som Airport, said most Cambodian people had given up their occupations and left for other provinces. The main reason for landlords to lease their land to Chinese is because they get a higher rate. Another reason is the decreased number of national and European tourists, so they earn less income. He said all these reasons had forced business people to leave Kompong Som.

“There are various reasons. One of them is that less provincial and Phnom Penh people come to visit here due to the shortage of guesthouses. Now there are less Cambodian people staying at guesthouses, and there are only Chinese. Normally Cambodians and Chinese are different. Chinese speak loudly and do not have good order while European people are friendly.”

Mr. Sorn Siphah is the Director of the Preah Sihanouk provincial tax branch. He is in charge of collecting data on the registration of land and houses. He confirmed that he was not aware of the number of Cambodian people leasing land to Chinese.

After interviewing about 30 people on different occasions in Preah Sihanouk, 60% of them felt they had been negatively affected by the development in the province. Based on their estimation, approximately 40% of the people felt they had significantly benefitted from the development.

Based on data of the Preah Sihanouk Provincial Administration from August 29, 2019, there are 52 companies investing in the province. Based on the same report, about 90% of them are from China.

Based on a Chinese investment report from the Planning Office of the Preah Sihanouk Provincial Administration, by April 2019 the investment accounted for over 8 billion, 460 million US dollars (\$8,460,418,364). A total of 52 projects are consuming this investment in several sectors, such as tourism services, property, special economic zones, infrastructure, and industry.

Carl Khouri Klink, a student at a University of Singapore, conducted research on the impact of Chinese investment in Preah Sihanouk province. His report reveals that from 1994 to 2013, China spent approximately 10 billion dollars in investment in Cambodia.



A Chinese casino located along the Ochheuteal Beach in Sihanouk province

Based on the report, those investments focused on agriculture, infrastructure, hydropower dams, and garment factories. The report, which was concluded in August 2019, also reveals that from 2013 to 2017, China invested approximately 5.3 billion US dollars in Cambodia, representing a fivefold increase compared to 1994 - 2013. The report also revealed that 1.1 billion US dollars was invested in projects in Preah Sihanouk in 2017 alone.

Mrs. Chieb Sotheary, Preah Sihanouk provincial Adhoc coordinator, said that the local people receive very few benefits from the Chinese investment in the province. She said that most of the benefits have gone to Chinese citizens. She noted that wealthy Cambodian people who have buildings and lands lease their property to Chinese, then leave the provinces to live in other places.

“In large restaurant businesses, there are more Chinese than Cambodians, so they only use their fellow nationals’ products. They only use Cambodian products which are not supplied by their Chinese fellows. So, the question is who buys Cambodian products when most

Cambodians have left and some of them have closed their businesses?”

In the first semi-annual wrap-up report of 2019, Mr. Yon Min stated that due to rapid growth in all sectors, the Preah Sihanouk provincial poverty rate had decreased to 10.72% per year. He said people in Preah Sihanouk received an average income of 3,358 US dollars per year.

Mr. Hun Samnang, a former director of the tourist cyclo association, who currently serves as the chief of Rith Mony city bus service, said that permitting the Chinese to penetrate small markets, from vegetable sales to taxi services, is a threat to local Cambodian people’s livelihoods. He said that with continuous competition by the Chinese without the government’s intervention, the local economy will be finished.

“Yes, some Chinese drive tuk-tuks and taxis, so if this situation continues, how can we survive?” Hun Samnang said.

Based on data from Mr. Vorn Pov, Director of Independent Democracy of Informal Economy Association (IDIEA), there are 3,500 tuk-tuk and taxi drivers in Preah Sihanouk. He explained that before the recent law enforcement by the authorities, there were about 40% of tuk-tuk and tricycle drivers were Chinese, but after the law enforcement this number had decreased by 20%. However, they (Chinese) still secretly serve customers through online portals and WeChat.

While small businesses are negatively affected by Chinese business people, some construction

material sellers confirmed an increase in their income.

A construction business owner, Siev Kuong, reported that since the Chinese had appeared, he had earned significant income from his construction business. However, he refused to reveal the specific amount of his income generated from the construction sector. He said that about 80% of Chinese people were also doing construction business as the Cambodians do, but this number had decreased after the government took action against Chinese online crime.

“After they reportedly left, the situation seems better. Online business people are extravagant, so they lease a lot of buildings and spend a lot of money in their business. So, after they have left, the situation seems better. The number of Chinese people has dropped about 50%. This is a significant decrease”.

In Preah Sihanouk province, the typical Chinese-run businesses are foreign exchanges, hair salons, welding shops, taxis, Indian tricycle drivers, massage parlors, sales of groceries, fish, and pork just as the local Cambodian people do.

Mr. Chuon Narin, Preah Sihanouk provincial commissioner, said in July 2019 that almost 90% of the businesses in Preah Sihanouk province are run by Chinese. Those businesses include guesthouses, hotels, massage parlors, restaurants, and casinos.

Mr. Chuon Narin stated that 150 of 156 guesthouses and hotels are run by Chinese, 48 of 62

casinos are owned by Chinese, 18 of 41 entertainment/KTV clubs are owned by Chinese, 46 of 63 massage parlors are owned by Chinese and 95% of 436 restaurants are owned by Chinese.

The Ministry of Labor and Vocational Training issued a decision on August 28, 2019 to define the occupations and employments prohibited for foreigners. Through this decision, the government prohibits 10 types of business from being run by foreigners residing in Cambodia.

Those occupations include: drivers of any type of vehicle as a business, such as two- and three-wheeled vehicles, cars and trucks; vendors selling goods in public locations either on foot or using any types of vehicle; providing massages in public locations; work as barbers, hairdressers and beauticians; provide sewing services or shine shoes; be a tailor or dressmaker; a tire repairer or mechanic; a producer of Khmer souvenirs; a producer of Khmer musical instruments, monk’s alms bowls or Buddhist statues; and work as goldsmiths or processors of precious stones.

The Ministry of Labor has threatened to not extend the validity of work cards/permits if foreigners are found to be running any of the prohibited businesses.

The Ministry of Labor’s spokesman, Mr. Heng Suor, stated that foreigners who violate this prohibition will be deported from Cambodia based on the Law on Immigration.

Mr. Cheng Kheang, a rice seller in Preah Sihanouk province, wished to see effective measures taken on the Ministry of Labor's decision.

"I also saw the announcement on Facebook. The government will prohibit small businesses [from being run by foreigners], but I observed that no measures had been taken in Kompong Som. It seems they only beat the drum to make sound." Cheng Kheang said.

Ms. Keng Chhenglang, Vice President of the national labor union federation of the Cambodian textile industry, wants the Ministry's measures to cover other occupations more extensively.

"We have already talked a lot and the Ministry said these occupations are for the first trial. This is the first time that they responded to what we were discussing. The law only prohibits personal businesses, but the registered companies can do it."

Mr. Vorn Pov, Director of IDIEA, insisted that the Ministry should include foreigners who are doing construction work into the foreigner prohibition regulations. He also urged the Ministry to take effective measures.

Vorn Pov said: ***"It seems that it will not bring about any benefits because there are a few massagers on the beach; what is important are all of the provincial massage parlors, which should be covered by the Ministry of Labor's announcement more seriously."***

Mr. Heng Suor said that in fact the Ministry of

Labor's announcement is only binding upon the self-employed or informal economy, while foreigners working at enterprises and institutions shall be under the Law on Labor.

Mr. Sreng Vanly, Preah Sihanouk provincial LICADHO coordinator, insisted that the government should control occupations and check the local people's needs to ensure the best interests of Cambodian people.

"If no serious action is taken, in the future more Cambodian people will lease and continue to close their businesses in Preah Sihanouk province. First, Cambodian people cannot afford the property; second, now more people have left. Some of them lease their property while some other cannot afford to lease." he said.

The Ministry of Labor's spokesman, Mr. Heng Suor, said that the Ministry will check self-employment or informal economy employments. He said if this has truly happened, the Ministry's prakas shall apply.

Mr. Nget Chou, a finance and investment specialist, believes that the rapid economic growth in



Chinese buildings and condominiums are being constructed on several hectares of land along the Otres Beach in Sihanouk province

Preah Sihanouk province will not be sustainable in the long run. He said such economic momentum will decline in three or five years when construction activities drop.

“We should be aware that casino construction will not continue endlessly. When the goal is reached or the construction ends, the contribution to the casino sector will replace it. Our people and their children can work in the casino sector. So, they need other experiences and skills.” Nget Chou said.

Nevertheless, in an interview with reporters Mr. Kheang Phirum, spokesman for Preah Sihanouk provincial hall, said that the number of foreigners who had been involved in these businesses has been significantly reduced.

He said the authorities will disseminate the laws more widely to foreigners to ensure that this problem [foreigners operating prohibited businesses] will no longer exist.

3 Mega investment encroaching on two fishing communities in Kampot



Fishing villagers in Prek Tnaut Fishing Community in Tuek Chhou district, Kampot province are preparing their boat to go fishing.

Bordering Preah Sihanouk province's Veal Rin district and located some 30 kilometers west of Kampot town, Prek Tnoat and Trapaing Ropov are two coastal fishing communities situated in Prek Tnoat commune and are among the nine coastal fishing communities in Teuk Chhou district, Kampot province.

Villagers in the two fishing communities claim that fishing in the sea provides them with income for a reasonable living, but a development project invested in by a private firm owned by a former senator from the ruling Cambodian People's Party (CPP) has sparked concerns for their future.

Trapaing Ropov fishing community was formed in 2002 and formally recognized by the royal government in 2009. It covers a total of 1,251 hectares of seawater and the two villages of Trapaing Ropov and Prek Kreng.

Prek Tnoat fishing community was formed in 2002 and formally recognized by the royal government in 2011. The community covers 1,168 hectares of sea with the area rich in mangroves.

Mr. Uon Rima, 46, a Cham fisherman from the Prek Tnoat fishing community, says he and his parents have been fishing for a living since he was a young kid, and fishing earns him an average income of 50,000 Riels to 120,000 Riels a day.

The income generated from fishing has enabled Rima to build a house – the 8-meter wide by roughly 12-meters long concrete structure is worth around US\$30,000.

“We borrowed US\$5,000 from the bank in addition to our savings. We count on the daily fishing for the income we use to pay it back once a month. In a day, we earn between 50,000 to 60,000 Riels or sometimes even 100,000 Riels, and we save some for the loan repayment. We got the loan to repay, and then we got a house,” Rima said.

Another villager in the Prek Tnoat fishing community who also fishes for a living, Mrs. Yem Sok Phea said her husband can earn between 100,000 and 200,000 Riels (between US\$25 and US\$50) a day, and some days, he earns up to 500,000 Riels (roughly US\$125) from fishing with a net.

This fishing livelihood, she added, has improved the living conditions of her family, allowing them to be able to enjoy a similar way of life to other villagers in the community. ***“I built my house and this comes from the fishing in the sea,”*** Sok Phea said.

Mr. Sok Chennea has been buying seafood from the villagers for many years and people call him a ‘middleman.’ The middleman said he collects roughly 100 kilograms of seafood products a day from the villagers, but the amount decreases to just 50 kilograms following the arrival of the rainy season.

He buys shrimps from the villagers at 40,000 Riels (US\$10) per kilogram during public holidays and at 30,000 Riels per kilogram on normal days. For squid, Chennea says he buys from the

fishermen at 30,000 Riels per kilogram.

“Seafood are sold at the door of my house sometimes, and sometimes I go out to buy more myself, leaving my wife to get seafood brought at my house. I also have fishing equipment, and I can earn more money from 50,000 to 60,000 riels from fishing. The amount of profit I get from seafood trading is depend on whether the seafood is still alive or frozen. For alive seafood, I can make profit from 3,000 to 5,000 riels per kilogram,” Sok Chennea said.

Mr. Tith Rin, leader of the Trapaing Ropov fishing community, said some 70% of the total population of 1,170 households in Trapaing Ropov and Prek Kreng villages depend fish for their living.

“If the coastal area land filling happens, various types of ecological livings such as sea-grasses, corals, mangroves, and family fishing will be impacted. We have gone fishing around the coastal area since our ancestors, and if the coastal area land filling happens, what will we do? Income we earn from fishing is to mainly support our children education and then no one take migration on the other hand,” Tith Rin said.

The leader of Prek Tnoat fishing community, Mr. Ouk Sovanrith, meanwhile, said that between 75% to 80% of the community’s more than 300 households also depend on sea fishing.

Although the number of fishing community members is smaller than that of the total house-

holds living in the community, Mr. Ouk Sovanrith added that the sea space designated for the fishing community provides both direct and indirect benefits to all villagers.

According to a report on the organization of the fishing communities, there are many different varieties of biodiversity in the sea spaces designated for both fishing communities including 500 hectares of sea grass, seaweeds, coral and mangroves, which are the habitats for sea species such as shrimp, crab, fish, squid, snails, oysters and so on.

‘Ching Kor’ firm pushes for investment project that encroaches on fishing communities

Both fishing communities have been included in an investment proposal to develop the area into a seaport, resort hub and special economic zone, which was put forward by Ching Kor Import & Export Co., Ltd., in September 2012.

According to the Ministry of Commerce’s registry, this private firm belongs to Mrs. Keo Maly, a former senator from the ruling Cambodian People’s Party (CPP) from 2012 to 2018, and a vice president of the Cambodia Chamber of Commerce.

Ching Kor has, on a number of occasions, submitted letters to the Council for the Development of Cambodia (CDC), the office of the council of Ministers, the Ministry of Land Management, Urban Planning and Construction, and the Provincial Administration of Kampot to request permis-

sion to dredge soil to fill 640 hectares of the coast located in Trapaing Ropov and Prek Kreng villages, Prek Tnoat commune, to develop the area to build a seaport and a special economic zone.

The company has made the request for land filling to expand its land area of 30 hectares it already owns and invested in building an international rice mill and a seaport since 2017.

However, the map attached with the proposal submitted to the Ministry of Land Management, Urban Planning and Construction in September 2012 shows that the company asked to fill the coastal area in Block A and Block B for a total combined area of up to 1,000 hectares.

Khmer-Cham fisherman, Mr. Les Loh from Trapaing Ropov village, said both fishing communities will be totally wiped out if the request for land filling of the coast by Ching Kor company was to be approved by the government and the authorities.

“The land size of the community is 1,251 hectares. So, the size of the area the company is taking is 640 hectares, but if you look at the entire area of 1,251 hectares, the area is all gone. So, fishermen cannot go fishing anymore,” Les Loh says.

The chief of Prek Tnoat commune, Mr. Kong Bundra, says local authorities do not have the right to decide whether or not the investment will be permitted, but, he added, as of now, all relevant

parties are assessing the impact first.

“We held one public forum with the villagers, but the company has yet to start its investment project,” said the commune chief.

In late July this year, Mrs. Keo Maly submitted a letter to request support from the provincial governor of Kampot for its proposed investment project to move forward faster. She said the request was made because the villagers had already agreed to let the company invest by relocating the communities.

The leader of Trapaing Ropov community, Mr. Tith Rin, denied Mrs. Keo Maly’s claim. He said that only 20 to 30 villagers and the local authorities have thumb-printed on the agreement, and they, he added, do not represent the fishing community.

Mr. Rin added that the people who agreed have been bought.

“No one agreed, but as I said earlier, we were suppressed and prohibited by local authorities. On the other hand, Chheang Vun was brought in to intimidate the villagers. Thus, we did not know what to do; we did whatever to excuse and there were no villager participating in public forums,” Tith Rin said.

The Cambodian People’s Party lawmaker Chheang Vun rejected the allegation, saying his presence with Ms. Keo Maly in forums at the communities was his private vacation.

The lawmaker acknowledged that he participated and listened to meeting between community representatives and Ching Kor’s representatives, but he said he had never involved in the investment made by Ms. Maly there.

“If she is willing to the investment as what I heard in her meeting with villagers and what she signed and agreed with villagers, I am too happy. That’s what I listened to what she talked with a ministry too,” Chheang Vun said.

However, Mrs. Keo Maly claimed that her company has not forced any villagers to give thumbprints. She said those who agreed were present at the consultative meeting in July 2019, and that they all agreed voluntarily.

Mrs. Keo Maly said, ***“There are only a small handful of people who incite others on the pretext that the people do not agree. May we ask? If the people do not agree, where do I get these thumbprints from? I have asked them to thumbprint by themselves. I have them thumbprint in my presence, and I take pictures. If they deny having thumb-printed, call the police from the interior ministry to check.”***

A Prakas (ministerial order) of the Ministry of Agriculture, Forestry and Fishery issued in April 2019 on the formation of the sea fishery management zones in Kampot province states that the regulation is intended for protection, conservation and sustainable use of sea fishery resources.

Agriculture Minister H.E Veng Sakhon said that the ministry has initiated the formations of fishing communities in the coastal areas to contribute to the sea conservation, but that he has only known about the investment project of Ching Kor company recently.

The minister added that his ministry does not have any means to prevent that development and that he could only approve. He added, he also does not want to challenge.

“It’s already approved. They are the environmentalists; they are the land managers and they see it as development. So, they push for the development. But, for me, I don’t know what to say. For me, if it is already approved, I can only facilitate it. Just do whatever you are asked to do,” said Minister Veng Sakhon.

National Committee for Management and Development of Coastal Areas issued in January 2019, all forms of land management along the coastal areas are prohibited.

The report reads that land adjoining the coast, land adjoining the arm of the sea, land adjoining streams and waterways connecting with the sea are considered to be protected by the authorities in the coastal areas.

The Minister of Land Management, Urban Planning and Construction, H.E Chea Sophara, said he was busy when asked why the ministry decided to give the investment rights to Ching Kor company to fill in soil on the coast.

“I am a little bit busy. Ask others. I am busy,” Minister Chea Sophara said.

According to Agriculture Minister H.E Veng Sakhon, the investment right was given to Ching Kor to fill in the sea by the Council for the Development of Cambodia (CDC). He added that the Ministry of Agriculture only has the right to implement the existing letter issued by the relevant ministries.

A request letter was to CDC officials for comment, but there has been no response as of the publishing date of this article.

Fishermen are against the development project of the former ruling party senator

Mrs. Keo Maly claimed that her company has already received an investment license for the development of this coastal area, and that the company will begin its development work soon after the environmental and social impact assessment is completed.

The former ruling party senator said the development work has been slow due to a technical study being conducted for the building of a navigational channel to avoid causing any impact on the biodiversity in the sea.

Mrs. Keo Maly said, ***“The government pushes us to do it every day, and we have to think carefully. How a study is conducted; how a dam is built to avoid causing the water to become turbid. We must be sure because we love our na-***

tion, not just lip-service love.”

However, the leader of Prek Tnoat fishing community, Mr. Ouk Sovanrith, said the villagers have never learned of any information on any environmental and social impact assessment.

As of now, he added, the villagers have met with the company only two times through community public forms, but the community representative said in both of the forums, the villagers did not agree to let the company develop their area. Mr. Ouk Sovanrith said, ***“Fishermen in the community do not agree. There have been two public forums so far. The villagers say they don’t allow development or landfilling in their communities.”***

According to the investment plan of the company, Ching Kor company has requested to invest in the development project called, “Great Sea of Tourism Kampot” with an investment of over US\$1,500 million for a period of 50 years.

Mrs. Keo Maly claimed that her company’s investment project aims to create jobs for the locals and improve people’s economic conditions to contribute to poverty reduction in line with the Royal Government’s policies.

Mrs. Keo Maly said that, ***“I want to do it very soon in order to give my people jobs and high salaries. I am Khmer. I want our Khmer people to have money. I want people to become rich, and their children go to school and after school, they have jobs. And when my company***

receives foreign investors and we cooperate with multinational investors, people in the local areas will have high salaries and have jobs.”

Villagers in the two fishing communities oppose the development project saying they are concerned that their income from fishing would decrease and their living conditions be affected in the future.

Mr. Ouk Sovanrith said Ching Kor company of Mrs. Keo Maly has tried to carry out activities on two occasions with the intention of occupying the sea spaces of both fishing communities, but the fishermen protested those activities by the workers of the company.

The community representative added that workers from Ching Kor company first deployed buoys on the sea spaces in the area in 2015, and, for the second time, in 2018 following the elections, but the activities to enclose the sea space by the company were halted when the villagers protested.

Fisherman from Trapaing Ropov village, Mr. Sok Mouch said not only the people’s living conditions are affected, but the biodiversity in the sea including fish and shrimps are also at risk of being depleted if the project to land-fill the sea to develop it as a resort does happen.

Mr. Sok Mouch said, ***“It is difficult if they land-fill the sea. There will be no fish. And if the sea space is land-filled, three years later, we are not sure if there will be fish remaining. There***

will be the smell of soil and with soil flowing into the sea, the fish will decrease; fish won't come near. Sea fish are different from fresh water fish. For freshwater fish like snakehead fish, when we landfill, they still come. Seawater fish, if we landfill, and they smell soil, they run away. They don't come."

Mr. Leuy Sokhon, a member of the network committee of the Prek Tnoat fishing community, says if the company's project goes ahead, the villagers will not know what to do. He added, most of the villagers who live along the coast totally depend on fishing and only 10% of them work as teachers, factory workers and government civil servants.

Mr. Sokhon said they will not work for the company because the salaries are low and they don't have time to rest like when they are fishing. Moreover, he believed that some elderly people will not be accepted by the company for work. These are the reasons why Mr. Leuy Sokhon said the villagers will not agree to give the sea spaces they use for fishing to the company.

Mr. Leuy Sokhon said, *"Even the salary is lower than what we can earn ourselves or earn by being the servant of our wives. Being a servant of your wife, you go if you want to, and if you don't want to go, you take one day or two days of rest, there's no problem. No-one will cut money from you. For instance, elderly people; they can go find snails or other sea species to do their living. For example, if they find two kilograms of snails, they earn 50,000 riels. El-*

derly people like me who are over 60 years old, who will accept us to work? Maybe, they don't even allow us to walk near them."

The head of the advocacy network committee of Trapaing Ropov fishing community, Mrs. Pon Nhu, warned that the villagers will migrate to work afar, especially in other countries if the plan to land-fill the sea spaces belonging to the communities does happen.

Mrs. Pon Nhu said, *"I say that only fishing can help our people, and it is our Khmer culture that we have the sea, we have the coast, we have sea species, we have mangroves for helping all of us. If we allow others to land-fill [sea spaces], we don't know what we will count on for survival. We will have to leave villages to work in other countries and we will leave our villages behind."*

Mr. Pel Kosal, Vice Governor of Kampot province, said as of now, the company has yet to start any investment activities. He added that all relevant parties including the company and authorities are studying impacts and consulting with the villagers first.

Mr. Kosal said the impact study focuses on legality to make it conform with the decision of the Council for the Development of Cambodia. The investment project, he added, must be in conformity with the laws and that people must also benefit from this investment project.

"The company has yet to start its develop-

ment. It's the case that the company has all necessary legal paperwork, but the ministry and the company are looking further at legal procedures in order to avoid problems," said the vice governor.

The officer at human rights organization AD-HOC in Kampot province, Mr. Yun Phally, said if the government and the company could find another location for this development project other than this sea space, it will be better.

Mr. Phally said in this area of sea space, if it is given for investment, it will affect seagrass, corals, biodiversity, seaweed, and mangroves.

"Villagers who do family-style fishing, they can only do this in the areas with shallow seawater, and if we landfill the shallow water coast, and ask them to go deep in the sea, they will lose their livelihoods," he added.

The Prakas of the Ministry of Agriculture, Forestry and Fishery issued in April 2019 on the formations of sea fishery management zones in Kampot province states that the regulation is intended for protection, conservation and sustainable use of sea fishery resources.

Moreover, it is also intended to improve the living conditions of the people. In the Prakas, the Ministry of Agriculture sets out the following key goals: 1) Fishery conservation area where the ministry designates nearly 700 hectares of sea space for this purpose; 2) Fishery protection area with a size of over 3,000 hectares (3,092 hectares); 3) Fishery safety habitats, which in-

clude a total area of 16 hectares; 4) Seabed locations for ecotourism, which include 74 hectares; and 5) Fishing communities: there are three designated fishing communities, which cover more than 4,000 hectares of sea spaces (4,358 hectares).

Another Prakas of the government issued in February 2012 demarcates the coastal zones. The Prakas reads that what is considered coastline is from the line of highest tide of the seawater when it rises until the prohibited line.

4 Indigenous Punong villagers' income affected by entry of foreign firm



The police officer in Sre Chhouk commune, Keo Seima district, Mondulakiri province is questioning a VOD reporter interviewing the Phnong indigenous people on October 11, 2019 (Photo by Chorn Chanren)

The representative of Chakchar community, Mr. Prab Cheob, said indigenous Punong villagers have seen their income drop after a Vietnamese company, Binh Phuoc 1, came to develop their area.

Prab Cheob, 41, said, nowadays, indigenous Punong people cannot make income from resin trees anymore. ***"There's nothing now. We don't***

have any livelihoods. Before, we depended on resin trees and wild orchid flowers. Now, nothing's left."

According to Prab Cheob, before the arrival of the company, his family had around 500 resin trees, and each month, his family could earn an average income of 4 to 8 million Riels (roughly 2,000 dollars) from harvesting non-timber forest products.

At that time, Mr. Cheob said, indigenous Punong people never had any worries about their living. ***"I hired others to harvest resin for me, and in a month, I could earn over 2,500 dollars. After expenses, we still have a profit of over one thousand dollars,"*** he added.

Mr. Prab Cheob's family is not the only family that could earn high income from the resin trees. There are many other families of Punong indigenous ethnicity in Chakchar village, Sre Chhouk commune, that can earn the same.

Other community representatives interviewed VOD said that besides resin, other non-timber forest products such as mushrooms, boat-caulking resin and wild orchid flowers, are also additional sources of income for the villagers.

Yin Singh, 35, another Punong ethnic minority member, said his family has some 2,000 resin trees, but, unfortunately, more than half of the trees had been razed by the company. When those trees were destroyed, he added, and the prices had gone down, his family has faced fi-

nancial hardship.

"Some are remaining now for us to support our daily living. We look for other things as a supplementary income. Now, one 30-liter-container of resin is only 40 to 45 thousand Riels. We sell it in the village," said Yin Singh.

Prab Cheob also said some of the 211 families who are the victims of the company's land clearing have become indebted to micro-finance institutions. According to Cheob, his own family alone owes about 5,000 US dollars to the micro-finance institutions.

The reason for getting this loan, he added, was for buying a mechanical buffalo (tractor) as a means for earning income after losing the resin trees, but, Cheob said, his family has now paid off more than one thousand dollars of the total debt.

Not much difference to Cheob, who told stories about people becoming indebted to the micro-finance institutions, Yin Singh shared the same claim. According to Singh, some families owe about US\$ 1,000 each to the microfinance institution.

Khit Khet, Chief of Sre Chhouk commune, claimed that nowadays some villagers are indeed indebted to the microfinance institutions. According to Khet, some 20% of the commune's total population of more than 900 families owe money to the private lending institutions. ***"That people borrow money from micro-finance***

institutions is true. They do borrow money, but it is only a small number of them,” he said.

Nuon Saran, Governor of Keo Seima district, however, denies the villagers’ claims. He said the company has already paid compensation to those having been affected. The company, he added, has conducted a detailed environmental and social impact assessment before submitting its investment project. **“The company has a proper contract with the Royal Government,”** said the District Governor.

According to Nuon Saran, the company and provincial land dispute settlement authorities on August 21, 2014 agreed to remove a land area of 375 hectares from the company’s concession and gave it to the community.

However, both civil society organizations and community representatives said that this land has, in fact, not been returned to the real victims. According to sources, many who have received the land are members of the local authorities and migrant people from outside the community with the arrangements being facilitated and managed by the local authorities.

Sre Chhouk Commune Chief Khit Khet, however, declined to give details on the case while Keo Seima District Governor Nuon Saran said those land protesters are villagers from other areas, not from the area where the disputed land is located.

Punong ethnic villagers have lost their basic

right to advocacy

Yin Singh is one of the six community representatives. He said due to relentless threats from local authorities, more than half of the land dispute victims have decided to halt their advocacy. The advocacy has been stalled because some of their representatives have been arrested and charged by the courts in the past.

A report from the Cambodian Center for Human Rights (CCHR) reveals that the victims in Chakchar village amount to 211 families among the village’s total population of some 900 families or more than 4,000 people.

Chakchar village is located nearly 40 kilometers from National Road 76 and is far from the populated areas. The village already lacks access to information, thus making it easy for the local authorities to intimidate villagers. Before reaching Chakchar village, one must use a motorbike to ride across the rubber plantations of the Binh Phuoc 1 company and the road is cut off in some locations. In some locations, the road is muddy, inundated with water and slippery.

Community representatives interviewed said that the local authorities in Sre Chhouk commune are very strict in their law enforcement. Strangers are not allowed to enter the community, and cannot interview people in the community.

On October 10, two reporters from VOD were prevented from meeting the villagers by the Deputy Chief of the commune police who took

the order from the Commune Chief. And after that, the two reporters were required by the police to report on their biographies, their job and their purpose for entering the community.

Chakchar community representative Prab Cheob said it is not the first time that local authorities and the police prevented journalists from interviewing the villagers. In 2015, Cheob continues, two UN staff members were also detained by the police and the company security guards for one night in the company area before being let go the following day.



A graph shows Phnong indigenous people in Chok Cha village of Mondul Kiri province lost their daily income after the government approved a controversial investment plan for the Vietnamese company running business there.

Villagers have never been informed about the company's environmental and social impact assessment

A number of community representatives interviewed claimed that they have not received any compensation for the company's clearance of reserved forest land, cemetery land, rotational farmland and sacred forest land. Moreover, the Binh Phuoc 1 company came in and cleared the land without any study and prior consultations with the community people.

CCHR officer Vann Sophat says when he investigated and did research, the finding was that the company did not present its environmental and social impact assessment. According to Mr. Sophat, local authorities also claim that they have never heard of the investment project of the Vietnamese company in the first place.

“The finding is that before the company went [to the area] and began operations, the company did not conduct any environmental and social impact assessment. There was no consultation with the people, and even local authorities did not know about it. We have met local authorities and they said they didn’t know about it in the first place. Only when the machinery arrived were they told by their superior. Now, Binh Phuoc 1 operates in the area because the Royal Government and the Ministry of Agriculture has granted the company the land concession,” said Mr. Sophat.

According to the CCHR report, the General Manager of Binh Phuoc 1, Mr. Bou Van Tap told CCHR that the government has permitted the company to invest here. According to the Royal Government’s sub-decree dated October 24, 2011, the company was granted nearly 9,0000 hectares of land for rubber plantations.

However, CCHR said that based on the research, the actual size of the land the government granted to the company for a concession is 10,000 hectares. But, only 5,100 hectares are required by the Ministry of Agriculture, Forestry and Fishery to grow rubber trees. The remaining

land must be left reserved for the stream buffer zone area and protected forest land.

The report, published in September 2015, on the land clearing activities of Binh Phuoc 1, says that the villagers have occupied the land in Chakchar village, Sre Chhouk commune, Keo Seima district, Mondulkiri province, since the mid-1940s.

However, during the Khmer Rouge regime, the ethnic Punong villagers there were evacuated from their village by the Khmer Rouge soldiers, like other people all over the country. The report continues that after the 1998 reintegration, they came back to settle in their village.

The land dispute in Chakchar village, according to CCHR report, first erupted in 2012. In its first steps, the company deployed between 20 and 30 Vietnamese workers to pretend to be timber transport workers. Later on, in 2013, the Binh Phuoc 1 company began to clear the forested land.

Mr. Vann Sophat, who is a coordinator for the business and human rights work of the CCHR, said the company has received the investment rights for more than 8,000 hectares of land concession. According to the CCHR report, Binh Phuoc 1 began to clear the last remaining portion of the 1,500 hectares on June 31, 2015.

Punong community representative Prab Cheob claimed that the Sre Chhouk commune consists of 9 villages. However, Chakchar village is most affected by the investment activities of Binh

Phuoc 1.

Mr. Cheob said before 2012, the area was a source of all kinds of wild animals. In addition, the area was a forested land with tall trees, semi-tall trees, sparse forest and grass fields.

In addition, the disputed location has lakes, streams and waterways that flow in all seasons. These conducive natural factors, according to Mr. Cheob, have enabled the ethnic Punong villagers to harvest non-timber forest products all year round.

Mr. P'nheub Bo'ra, 60, currently living in Sre Chhouk commune, said his family has 20 resin trees, and compared with others in the village, he has the least. Mr. Bo'ra added that nowadays, he and other villagers are facing more difficulties in making a living.

According to Mr. Bo'ra, at present, his family earns even less than 100,000 Riels (around \$25) for two months. Three years ago, he added, from harvesting resin trees he could earn an income of around 200,000 Riels (\$50) for the same period. The reason behind his decreasing income includes lower prices for the resin as the market is not as good as it was before, and the other reason is that his main source of income, resin trees, has been cleared by the company, so there are less and less resin trees that people can now count on.

“Nowadays, my income is less than 100,000 Riels. Now, it’s already two months, and I just sell

out one Kan (a 30-liter container called by the locals as 'Kan'). Before, I could get two Kans of resin per month. One Kan is sold at 70,000 Riels, so two Kans, it is 140,000 Riels," said Mr. Bo'ra.

Mr. Kroeung Tola, coordinator for the Mondulki-ri Indigenous People Network, said this is development that does not help improve the economy of the people. According to Mr. Tola, before permitting any company to invest, the government should know the needs of the people and the impact before giving out any investment licenses.

"This is the development that violates human rights and the development that does not respect for others' rights. These are the things that our indigenous people demand. Our demanding of such rights has led some to mistaken on us that we are against the government or that we want a secession etc. This is unacceptable to us," said Kroeung Tola.

Mrs. So Nang who claimed to be a middle woman, living in Keo Seima district, said her family buys resin from the villagers on a regular basis. However, she added, most recently, there's not much resin to buy.

Moreover, Mrs. Nang said over the past year, the price of the resin has gone down. According to Mrs. Nang, one Kan of resin can earn her about 5,000 Riels (\$1.25). But, now, even there is no order from the buyers.

"Before, the price of resin is high, but now it is

just 40,000 Riels. In 2018, the price of one Kan of resin is 85,000 riels. In 2018, the price is between 80,000 riels and 90,000 riels per Kan (30 liters). But, now, it is just 40,000 riels per Kan. And even at this price, there's no buyer now," said Mrs. Nang.

The letter of five representatives who represent the 211 families of Punong ethnicity has asked national institutions such as national assembly, Office of the Council of Ministers, Ministry of Interior, and Cabinet of the Prime Minister to help intervene to stop Binh Phuoc 1 from clearing the land and to return the land back to them.

However, the letters from the representatives of these main national institutions responded that the requested resolution was not within their jurisdiction.

A study report from the Cambodian Center for Human Rights (CCHR), published on its website in September 2015, has found that the six community representatives including Mr. Prab Cheob, Mr. Sruoch Thev, Mr. Phov An, Mr. Yin Singh, Mr. pen Sokunthea, and Mr. Mao Yin, were countersued by the company. The six representatives were accused of damaging the company's property.

The same report shows that in April 2015, Mr. Yan Mao, one of the five representatives of the people was arrested by the court. The reason behind the arrest issued by the court was on charge of having sex with an underage minor.

The CCHR report was quoted Mr. Yan Mao as saying that the court's charges against him was not true. And the basis for the charge, Mr. Mao was quoted as saying, was because the authorities only targeted the persons who dared to do advocacy.

About two weeks after the charge was announced against Mr. Yan Mao, in May 2015, Mr. Prab Cheob, another community representative among the six community representatives, was summoned by the provincial court of first instance of Mondulakiri to testify on the complaint against him accusing him of damaging the company's property.

However, the director of Mondulakiri provincial department of agriculture, Mr. Song Kheang, said that the land dispute between Binh Phuoc 1 and the villagers was already resolved. Both parties, he added, have agreed to the resolution of the provincial authorities.

“This case is already settled. It is all over. There's no further planting in the area. The district authority already solved it. It's finished,” said Mr. Song Kheang.

Meanwhile, Keo Seima district governor Mr. Nuon Saran considered the complaint was not made by the people who live in the area being disputed with the company. According to Mr. Saran, the people in the dispute already accepted the compensation and the dispute was completely settled.

“The provincial authority made an announce-

ment to the people who have problem and set a duration for solving the problem, but when the provincial authority made the announcement and set the time for solution, no-one participated. So, the resolution is completed. So, the provincial authority has set aside 375 hectares of land for the people. So, the 211 families who complained are the people who come from outside the area,” added the district governor.

To date, this reporter could not reach the company for comments as the location of the head office of Binh Phuoc 1 Company as indicated in the registration with the Ministry of Agriculture dated October 24, 2011, cannot be found.

CCHR's Vann Sophat said the company named Binh Phuoc Kratie Rubber 1 Company Limited and the Binh Phuoc 1 are the same company.

A document received from CCHR shows that the company's head office address as registered with the Ministry of Agriculture is located at House 92 on Norodom Boulevard, Khan Daun Penh, Phnom Penh.

This reporter searched for the registered address but could not locate it, but the company has built a factory in Sre Chhouk commune, Keo Seima district.

The community representatives who gave interviews said that the company's factory is indeed its official office, and that currently the factory is located right in the center of the concession land and it is growing bananas for exports.

Mr. Srey Vuthy, spokesperson for the Ministry of Agriculture, Forestry and Fishery, said he does not know the information about the exact location of the company's office. According to Mr. Vuthy, he also doesn't know how much concession land the company has and how much is required of the company to invest.

“Binh Phuoc? I don't know if it exists. I don't know about it. Registered in 2011? I am not sure and don't know where its office is, and I am not sure if it has one in the province,” said Mr. Vuthy.

According to the document of CCHR, this company was granted a sub-decree on March 25, 2011 to permit it to invest in the economic concession land of 10,000 hectares in Keo Seima district, Mondulkiri province. One week after that, on April 1, 2011, Binh Phuoc 1 was given permission by the government to invest in rubber plantations per its request.

According to CCHR's Vann Sophat, he used to meet the company's representative in person in the past at the company's office in Keo Seima district.

He added that the documents he saw at that time contained some ambiguity, but it was unfortunate that those documents were not allowed to be copied for verification.

“Yes, we did notice some deletions on the documents. We only were able to take a glance at

them. We saw that for sure, but we didn't know why there were deletions. If they were official documents, there shouldn't be any deletions,” said Mr. Sophat.

At present, 150 families out of the 211 families who are being heavily affected continue to claim back the land they used to occupy.

Mr. Sophat said although they nowadays do not do any advocacy campaign like they did before, it doesn't mean that those land owners abandon their rights to ownership.

In a joint letter by the representatives of the Punong indigenous people network asking for intervention from government institutions and relevant parties, they villagers demand their rice fields and farmland back so that they can do agriculture activities.

Moreover, the letter also demands that the company pays compensation for all the damages it had caused when clearing the land. In addition, the letter asks the local authorities and the police to stop immediately their act of threatening the people.



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