

THE MINERAL INDUSTRY OF CAMBODIA

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The country suffered many years of warfare that virtually destroyed its infrastructure. Industrial activity was very limited and small-scale. Economic recovery was slow, and the gross domestic product per capita was only \$630¹ in 1994. The International Monetary Fund pledged \$120 million in aid for 1995-98. The mining sector was insignificant and the mineral industry consisted of a small cement plant and producers of brick, clays, lime, and salt. Phosphate rock was mined sporadically by manual methods. Other mineral resources reportedly included gemstones, iron ore, and manganese. (*See table 1.*)

Coal resources exist in many parts of the country, and there are promising hydrocarbon deposits. Like other underdeveloped countries in Asia, Cambodia imported construction materials, machinery, and petroleum products. The country also has significant potential hydroelectric capacity. Electricity supply was particularly poorly developed with no national grid. Small-scale diesel-powered plants had generating capacity less than 100 megawatts. Electricity consumption per capita was 14 kilowatt hours. Priority in the energy and electricity sectors would be given to hydrocarbon and hydroelectric developments.

A total of 17 foreign companies submitted bids to explore for oil and gas in one onshore and three offshore blocks in Cambodia. The offshore areas are blocks 5, 6, and 7 near the Port of Sihanoukville on the Gulf of Thailand. The onshore block 10 is connected to block 6. Cambodia's production-sharing contract has a 6-year exploration period, with a flexible appraisal period. It stipulates a 12.5% fixed royalty to the Government during production. The contract allows contractors to recover all allowable exploration and development costs over a 5-year period. One of three foreign consortia, mainly British and French companies, holds offshore blocks 1 and 2. The Japanese-controlled consortium was awarded block 3. Block 4 was awarded to a Japanese-Australian consortium.

¹Where necessary, values have been converted from Cambodian riels (CR) to U.S. dollars at the rate of CR2,470=US\$1.00 for 1995.

Major Source of Information

Ministry of Industry, Mines, and Energy
Phnom Penh, Cambodia

TABLE 1
CAMBODIA: PRODUCTION OF SELECTED MINERAL COMMODITIES ^{e/} 1/

(Metric tons)

| Commodity 2/ | 1991 | 1992 | 1993 | 1994 | 1995 |
|--------------|--------|--------|--------|--------|--------|
| Salt | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |

e/ Estimated.

1/ Table includes data through Aug. 29, 1996.

2/ In addition to the commodity listed, cement, clays, lime, phosphate rock, and crude construction materials, such as sand and gravel and varieties of stone, presumably are produced, but available information is inadequate to make reliable estimates of output levels.