

# THE MINERAL INDUSTRY OF CAMBODIA

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Cambodia's economy looked gloomy in 1996 despite the benefits of most-favored nation status from the United States. Devastating flooding in September destroyed hundreds of thousands of hectares (ha) of farmland and would reduce the 1996 projected economic growth rate to 6%. The inflation rate was to rise above 5%. The Government relied on international donors for more than 40% of its budget.

International donors and lending agencies pledged a total of \$500 million to Cambodia for economic reconstruction in 1996. Japan was the largest contributor. In addition, the donors pledged \$17 million for development assistance. Foreign investment remained stable for much of 1996. A \$1 billion investment project was signed with SungeiWay of Malaysia to construct a massive 400-ha new city. The United States and other donors had expressed interest in building and improving roads and railway lines in the entire vital northwestern trade corridor area.

Delcom Services Sdn Bhd of Malaysia would start a full-scale exploration program for gold resources in northern Cambodia. Following drilling and economic studies, the company was to set up a small pilot plant in the northeastern Province of Preah Vihear and had bought all the equipment needed for the program. The company has been operating for over 2 years in an area covering 200 square kilometers in Preah Vihear Province and some small areas in central Province of Kompong Thom.

Sun Trading Co. Ltd. of the Republic of Korea expected to start commercial gold mining in the northeastern Mondulhiri and eastern Kompong Cham Provinces where exploration had revealed a number of gold veins and eluvial resources with grades averaging 25 grams per metric ton of gold (Engineering & Mining Journal, 1996). The company is a joint venture between the Government (45%) and Korean interests (55%).

Cement consumption in Cambodia was expected to rise 15% annually due to a construction boom. Siam Cement Co. of Thailand opened an \$800,000 plant in Phnom Penh in 1994. Siam Cement owns 60% of the plant with the remaining shares held by a group of Cambodian banks and businesses. Dolphin Offshore of Singapore was to build a \$30 million cement plant with a capacity of 100,000 metric tons per year (t/yr) at Touk Meas in Kampot Province. Meanwhile, Holderbank of Switzerland signed a 50-year lease agreement with the Government to restore and expand the Chak Krey Ting cement

plant in Kampot Province with an investment of \$87 million. The plant would produce 100,000 metric tons in the first year, increasing to 800,000 t/yr in the following 2 to 3 years. All foreign firms were expected to pay the Government a fee for using local limestone.

The abrupt termination of a joint-venture agreement between Guangdong Construction Co. of China and Chak Krey Ting cement plant in Kampot Province was announced after the lease was canceled in May 1996 (Asian Wall Street Journal, 1996). Guangdong Construction was accused of fraud by its Cambodian partner but claimed that it invested \$10 million in refurbishing the plant. The Cambodian partner disputed that the Chinese had invested that much or that the joint venture had lost \$4 million.

The Government mapped 10 blocks of onshore acreage for international bidders in central and southern Cambodia. Colossal Natural Resources Exploitation of Canada discussed prospects in the Tonle Sap area of central Cambodia. The Government approved Japan National Oil Co.'s plans for a seismic survey of the Tonle Sap and Mekong basins to begin in midyear. TFC Exploration Inc. of the United States signed a 5-year agreement with the Ministry of Mines and Energy to collect and license nonexclusive seismic data covering onshore Cambodia. A first-phase survey would get underway in the first quarter of 1996.

Enterprise Oil and Cambodia Petroleum Exploration Co. drilled four wells for oil and gas in 1996 off the shores of Cambodia. Enterprise Oil conducted drilling three of them. The results were disappointing and they planned to explore further offshore.

## References Cited

- Asian Wall Street Journal, 1996, Plant dispute resolution sought: October 21, p. 10.  
Engineering & Mining Journal, 1996, This month in mining in Cambodia: v. 197, no. 9, September, p. 26.

## Major Source of Information

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

TABLE 1  
CAMBODIA: ESTIMATED PRODUCTION OF SELECTED MINERAL COMMODITIES 1/

(Metric tons)

Commodity 2/	1992	1993	1994	1995	1996
Salt	40,000	40,000	40,000	40,000	40,000

1/ Table includes data through June 6, 1997.

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.