

THE MINERAL INDUSTRY OF

CAMBODIA

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Gross domestic product (GDP) growth for 1998 was 1%, down from 2.5% in 1997. Agriculture, which contributed 45% of GDP, contracted sharply in production. With a per-capita GDP of less than \$300, Cambodia remained one of the poorest countries in the world. A lax tax enforcement, the cessation of international bank loans, and a lack of new foreign aid inflows led to a credit squeeze (Far Eastern Economic Review, 1999, p. 95). The annual inflation rate was running at 20% by yearend.

Cambodia was in need of foreign investment. The country has attracted more than \$4 billion since it passed an investment law in late 1994. Foreign aid, which accounted for 40% of GDP, fell to \$419 million and made up one-half of the country's annual budget. Japan was one of Cambodia's largest donors, providing a total of \$440 million of grant aid with much of it to be spent on infrastructure.

Cambodia is endowed with metallic mineral resources such as bauxite, cassiterite, gold, iron ore, and manganese; industrial mineral resources that include kaolin, limestone, phosphate rock, quartz sand, and slate; gemstones and ornamental stones such as pagodite, ruby, and sapphire; and mineral fuels that include coal, lignite, and peat.

The country's cement production base consists of an old Chinese-built cement plant that was used for grinding only and one other cement plant. Naga Cement is a joint venture between Holderbank and two local partners. Owing to the age of its existing plant, the company converted it to a grinding station and imported clinker from Thailand for grinding, bagging, and local distribution. Cement capacity was upgraded to 320,000 metric tons per year at the end of 1998

(International Cement Review, 1998, p. 81). Cambodia's cement consumption exceeded its production, and cement imports came from Thailand, China, and the Republic of Korea. Clinker cement imports from Thailand amounted to 92,000 metric tons in 1998.

Conditional petroleum agreements were signed by five companies for concessions covering an offshore area claimed by Cambodia and Thailand (World Oil, 1998). Conoco and Idemitsu signed up for Overlapping Claims Areas (OCA) 1 and 2. Enterprise Oil and BHP Ltd. were awarded OCA 3 while BHP and Ipex obtained OCA 4. Woodside Petroleum and Cambodian Resources signed a production-sharing agreement covering Blocks 5 and 6 in the eastern Gulf of Thailand. Idemitsu was drilling the Koah Pring 1 well on Block 4 where it recently assumed 100% equity. The Koah Pring 1 well was the final outstanding commitment for the concession.

References Cited

- Far Eastern Economic Review, 1999, Cambodia, *in* Asia 1999 Yearbook: Far Eastern Economic Review, 216p.
International Cement Review, 1998, Cambodia, *in* Global Cement Report (3d ed.): Dorking, United Kingdom, International Cement Review, 304 p.
World Oil, 1998, Far East—Others: World Oil, v. 219, no. 8, August, p. 132.

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/ | 1994 | 1995 | 1996 | 1997 | 1998 |
|-----------------|---------|---------|---------|---------|---------|
| Cement, clinker | 100,000 | 100,000 | 200,000 | 200,000 | 300,000 |
| Salt | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |

1/ Table includes data through August 5, 1999.

2/ In addition to the commodities listed, 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.