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A City Engulfed in Megaprojects

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Fatal Stampede at a Development in Phnom Penh Illuminates Pitfalls of Cambodia's Building Boom



Cambodian demonstrators protest arrests made amid a land dispute. Rights advocates say planning failures pose a problem for the country.

PHNOM PENH, Cambodia—The deadly stampede in Cambodia's capital last week is drawing new attention to problems arising from the city's dramatic but pell-mell growth.

A real-estate and economic boom is transforming Phnom Penh from one of the least developed major cities in Asia—it began seeing its first skyscrapers over the past several years—into the unlikely site for plans to build Asia's tallest building. Prime Minister Hun Sen said in September that the 1,820-foot skyscraper, if completed, would trail Dubai's 2,717-foot Burj Khalifa, the tallest in the world, but surpass Taiwan's 1,667-foot Taipei 101, currently Asia's tallest.



Track Phnom Penh's satellite city projects.

Although some residents still doubt the tower will be built, developers have started work on other megaprojects, including four satellite cities that could involve billions of dollars in investment. They are also working on plans for a new stock exchange, a downtown marina and new international hotels.

The construction is coming at a time when growth is already outstripping Phnom Penh's ability to provide basic services such as roads and water, repeating a pattern seen in metropolises such as Bangkok and Jakarta that underwent dramatic—and problematic—transformations when they boomed in the 1970s, '80s and '90s.

Previously on Cambodia



Will Baxter for The Wall Street Journal

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Traffic is overwhelming broad avenues laid out under French colonial rule. Human-rights groups say developers are forcing thousands of residents off land in the central city with minimal compensation, and failing to conduct adequate environmental and traffic-impact studies in a rush to cash in.

"It is well known that since 1993, there has been no global urban planning, nor any proper study related to new real-estate zones in connection with sanitary feasibility, urban infrastructure, public transportation" or other key services in Phnom Penh, says Pung Chhiv Kek, president of Licadho, a

local human-rights organization that has tracked disputes over land developments and displaced families there.

Developers "just do whatever they want," says Ching Chhom Mony, dean of architecture and urbanism at Cambodia's Royal University of Fine Arts in Phnom Penh. "Our city development is like a mistake now," he says.

Government officials dispute that assessment. Although Phnom Penh's growth has been "overwhelming" in recent years, much of the new development "can benefit Cambodia a lot," says Chhay Rithisen, a director-general at the department of urbanization at Cambodia's Ministry of Land Management, Urban Planning and Construction. He said the government has a master plan for the city through 2020 and that some of the new developments, especially the satellite cities, will help ease congestion with new roads and other infrastructure.



Agence France-Presse/Getty Images

Cambodian people pray with offerings near the Diamond Gate bridge, site of a stampede at the annual water festival late on Nov. 22 which left nearly 350 people dead.

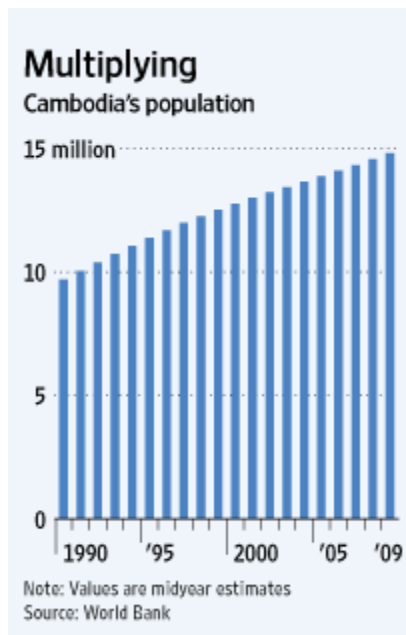
Phnom Penh is better off in many ways than the megacities of India and China, with a metropolitan-area population of only about two million residents. The major new property investments create construction jobs and draw foreign cash into an economy that was starved of outside investment while Asia's other cities grew.

Still, some planners including Mr. Ching Chhom Mony and human-rights advocates say planning failures pose a serious problem for Cambodia—and also played a role in last week's disaster, in which an estimated 350 people were trampled to death as they crossed a bridge connecting downtown Phnom Penh to a river island where a series of concerts were being held.

The island is central to one of Phnom Penh's gleaming new developments, with a new exhibition center, homes priced from \$250,000 to \$1.5 million, a waterfront promenade, and a hall for ice sculptures. The area, known as Diamond Island, is also expected to include the new megatower, a hospital and a shopping mall.

Such developments come at a time when Phnom Penh is still dominated by low-rise buildings, temples and shophouses, with many residents relying on motorbikes or motorized rickshaws instead of cars.

Critics say the two bridges that now serve the island aren't nearly sufficient to handle the tens of thousands of people who gathered on the island on Nov. 29 or large crowds for other potential events. A spokesman for Diamond Island, which built the bridge where the stampede occurred and which is controlled by a Cambodian tycoon, said the developer is paying compensation to victims and planning more bridges in the future.



"Nobody expected" such a disaster, said the spokesman, Charles Vann. Diamond Island will proceed and ultimately help make Phnom Penh a more livable city, he said.

"Phnom Penh has been left behind for a long time and now they're giving Phnom Penh an opportunity to grow," Mr. Vann said. "If you have a good master plan, I don't think it's a problem. It will benefit the city."

In the 1970s, Phnom Penh's population dropped to 50,000 or fewer after a radical Maoist group known as the Khmer Rouge outlawed private property and forced residents out in a disastrous bid to create an agricultural utopia.

Vietnamese forces toppled the regime in 1979, leading to years of civil war that petered out in the 1990s.

By 2004, Cambodia was posting annual economic growth in excess of 10%. Investors from South Korea and elsewhere were pouring money into the property market, giving the city its first skyscrapers, including a recently completed 32-story tower named after a local bank owned by the investors behind Diamond Island.

Although new developments stopped during the global financial crisis, many have restarted, though some were scaled down to smaller sizes.

Among the most controversial is a massive city-within-a-city developed by a local company on more than 100 hectares of land, much of which used to be covered by a giant lake near the center of Phnom Penh. The Boeung Kak lake is now being drained, displacing as many as 4,000 families, and giant trucks are leveling sand for construction of housing and commercial developments, though full details remain unclear.

Long Vin, a 45-year-old resident in the area, says a company named Shukaku Inc. ripped down four houses she owned along the lake, including three she rented to other residents. Now she lives in a wood-and-corrugated-metal shanty on the edge of a rail line nearby.

Shukaku had offered her about \$8,500 for the four homes, she says, but she refused because she thought they were worth \$100,000.

The company offered to relocate her to a new community about 30 kilometers from Phnom Penh, she said, but she and other residents have refused to move because they fear relocation areas are too far away, without sufficient jobs or health care.

Efforts to locate officials at Shukaku were unsuccessful. In a local newspaper interview in October, a representative of the company said it was difficult to do such a major development without some negative impact, and referred other questions to the government.

Government officials have said efforts to handle displaced residents may not be perfect but that development is necessary for the city's progress and that conditions for relocated people will improve over time as new infrastructure and jobs are added in their new communities.