

Ensure fairness, Kirk advises



US Trade Representative Ron Kirk speaks to reporters during an ASEAN-US Business Summit in Siem Reap last month. Photograph: Heng Chivoan/Phnom Penh Post

By May Kunmakara, 05 September 2012

Cambodia needs to ensure fair treatment of both domestic and foreign investors if it wants to attract more foreign investors, according to US Trade Representative Ron Kirk.

Kirk presented the idea during a press conference last week in Siem Reap during the ASEAN-US Business Summit by saying that Cambodia has done a good job in opening its economy to the world. However, he said, the country still had more work to do.

“Generally, what businesses want is predictability, transparency, good rules or laws, strong social protection that they can get a good work force, a good location, and give them equal treatment – there is no discrimination,” he said.

“Promise me, if I am looking at investing capital here, you’ll treat me just you treat other Cambodian companies. You do that I think you will begin to see the US investment in Cambodia going in an upwards trajectory,” Kirk added.

Commerce Minister Cham Prasidh highlighted the Cambodian government’s work in this regard, indicating the Government-Private Sector Working Group, a standing committee comprising eight private sector groups from various industries that is co-chaired by a minister with each working group. He said that during the meeting each working group raises any issues and then the prime minister would work to resolve them.

Director-General of the Phnom Penh Chamber of Commerce Nguon Meng Tech agreed that the Government-Private Sector Working Group is a crucial element in proving that the

government supports the private sector as the driver of economic growth.

“The meeting is very effective for two reasons. One, to enforce our laws, especially the investment law. And the other is to attract more [foreign direct investment] into the country because they see that our government is transparent,” he said. “We have never seen the government discriminate between domestic and foreign investors. Instead, they are really supportive for those foreign investors.”

Kirk also said Cambodia has done well with its administration and leadership by putting in place and adding to the number of labour protection agreements in the textile industry, which has greatly enhanced Cambodia’s attractiveness to US companies. Cambodia’s textile exports to the US rose as a result. “I think it has grown dramatically across the board over the last several years.”

“The attraction for businesses and investment in Cambodia I think will be enhanced as we’ve worked through issues around this bilateral investment treaty,” he continued. “One of the advantages of ASEAN’s configuration is that you have a model example for the economy that has made the transformation from a closed economy to an open democratic society with strong rules and laws that attracts investors to their neighbours. You’ve seen the explosion of investment from Singapore, Malaysia and so there is no secret to their investment at all,” he added.