

Rubber drives agro investment



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The value of approved agricultural projects in 2011 increased by more than 30 per cent compared to the year before, according to data from the Council for the Development of Cambodia.

The CDC approved 24 projects worth US\$724.9 million last year, \$674 million of which was in rubber plantations. Agro industry and rice milling attracted about \$30 million and \$19 million, respectively, the data showed. More than 82 per cent of the investment dollars came from overseas.

Cambodia's potential for rubber cultivation, coupled with rising international demand in 2011, led to greatly increased foreign investment in rubber plantations, director general of Rural Development Bank Son Koun Thor said yesterday.

The government made rubber a priority sector due to high international prices, he said.

Most of the rubber investment came from Indonesia, Vietnam and Malaysia, business and economics lecturer at the University of Cambodia Chheng Kimlong said yesterday.

The investment in rubber jumped about 256 per cent, according to the CDC data. The country saw \$189 million in rubber investment in 2010. The bulk of 2010 agricultural investment, or about \$352 million, was in agro industry.

The government goal of exporting 1 million tonnes of milled rice by 2015 has brought Cambodia's rice industry international investment, Son Koun Thor said.

"In 2010, the government issued a policy to hike the export of milled rice. So investors have invested more in the sector," he said. The industry still needs about \$200 million in capital to purchase, transport and mill the targeted amount of rice, Son Koun Thor said.

Seng Bun Sor, deputy director of the Cambodian Rice Millers Association, said yesterday that capital available to domestic millers were limited, making the last year's investment crucial to the industry.

Although some of the investments represented new competition for the association, Seng Bun Sor said the investment was welcome.

“We were not worried about competition with foreign investors here because the country needs more investment in milled rice. Rice millers are lacking standard machinery to mill their rice,” he said.