

SCT still bullish on Cambodia

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SCT Co Ltd, an international trading arm of Thailand's Siam Cement Group, expects to increase its turnover in Cambodia by 25% from last year to \$50 million this year despite border tensions between the two countries. SCT managing director Kalin Sarasin said the potential for the trading business with Cambodia was tremendous as few products were manufactured locally. Thailand is Cambodia's third biggest trading partner with value of \$550 million in 2007, behind China (\$750 million) and Vietnam (\$650 million), he said. "Cambodia is a net-importer country with most of products shipped from Thailand, Vietnam and China. The trading business is shown to have the highest growth, expanding relative to stable gross domestic products (GDP) growth which is expected at 7.5% in 2008."

Major products imported to Cambodia are construction materials such as cement, roofing materials, ceramic tiles, sanitaryware and steel. Its subsidiary, Cementhai SCT (Cambodia) Co. also exports waste paper and aluminium scrap from Cambodia to supply many factories in Thailand, he added.

The construction business, according to Mr Kalin, is among sectors that have shown strong prospects in the neighbouring country along with oil and gas, plantations and agroindustries and labour-intensive ventures such as garments and logistics.

In every sector, many foreign and local companies have stepped up investments in Cambodia. Infrastructure is being built to lure more investors, he said.

Office buildings and serviced apartments are in high demand for expatriates. Several South Korean developers are investing in condominiums in Phnom Penh while the construction market is growing dramatically in Siem Reap and Kampong Som, added Mr Kalin.

"There are many oil and gas exploration activities in Cambodia, boosting the demand for related materials such as piping and structural steel for rigs," he said.

In the agricultural sector, Chinese and Thai investors are investing in plantation projects in Cambodia. Major crops are rice with tapioca, palm oil, and rubber becoming more attractive for investors.

Mr Kalin played down the impact of the border dispute over the Preah Vihear temple, saying it would not last long.

"The dispute has not affected our operations much," he said. "With our strong distribution network and many local staff, we are ready to move on with our business plan there and adapt to all situations."

Siam Cement (SCC) shares closed yesterday on the SET at 158 baht, unchanged, in trade worth 83.9 million baht.