

**AGREED MINUTES**  
**OF THE FIRST MEETING OF THE ECONOMIC AND TRADE**  
**CO-OPERATION COMMITTEE**  
**BETWEEN**  
**THE ROYAL GOVERNMENT OF CAMBODIA**  
**AND**  
**THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA**

At the invitation of H.E. Mr. Cham Prasidh, Minister of Commerce of the Kingdom of Cambodia, the Chinese Government Economic and Trade Delegation led by H.E. Mr. An Min, Vice Minister of Foreign Trade and Economic Co-operation of the People's Republic of China, visited Cambodia during March 30-April 3, 2001.

Pursuant to the Agreement on the Establishment of the Economic and Trade Co-operation Committee between the People's Republic of China and the Kingdom of Cambodia, the two sides held the First Meeting of the China-Cambodia Economic and Trade Co-operation Committee in Phnom Penh on March 31-April 02, 2001. The Meeting was co-chaired by H.E. Mr. An Min, Vice Minister of Foreign Trade and Economic Co-operation of China and H.E. Mr. Sok Siphana, Secretary of State of Commerce of Cambodia. The lists of the two delegations are attached as Annexes I and II.

During the visit, H.E. Mr. An Min made courtesy call on H.E. Samdech Hun Sen, Prime Minister of the Royal Government of Cambodia, and met with H.E. Mr. Sok An, Senior Minister, Minister in charge of the Office of the Council Ministers, and H.E. Mr. Cham Prasidh, Minister of Commerce.

The Meeting took place in an atmosphere of sincerity, friendship and mutual understanding.

The two sides had wide ranging discussions on bilateral trade and economic co-operation.

## **I. ISSUES ON BILATERAL TRADE AND ECONOMIC COOPERATION**

### **A. TRADE:**

1. Both sides, while reviewing the development in their bilateral trade, agreed that the total value of trade between China and Cambodia has achieved a significant increase in recent years and has potentials to further develop.
2. Both sides agreed to encourage and support exchanging visits and communications between business communities of the two countries in order to improve better understanding and explore more business opportunities.
3. The Chinese side expressed the wishes to take positive measures to import more commodities from the Cambodian side. The Cambodian side agreed to provide information on commodities with potential market in China.

### **B. INVESTMENT:**

1. The two sides highly appreciated the investment of Chinese companies in Cambodia which is gradually increasing. Up to the year 2000, according to the Cambodian side's statistics the total Chinese invested capital had reached 299 Million US Dollar. Under the current business environment of Cambodia which offers many favourable conditions to investors, the two sides expected a further speedy development on investment co-operation.
2. The Chinese side expressed its concerns over the problem faced by the forestry and plywood project invested by China Everbright Holdings Co., Ltd. and suggested that the Cambodian side safeguard the rights of the Chinese investor. The Cambodian side explained to the Chinese side on the real fact of the problem and agreed to find appropriate resolutions, and notify the Chinese side as soon as possible.

### **C. ECONOMIC CO-OPERATION:**

1. While both sides satisfactorily reviewed the achievements made in the field of economic and technical co-operation on contracting projects and personnel co-operation on the basis of equality and mutual benefit between the two countries in the past years, the Chinese side expressed its willingness to further encourage its enterprises to participate in tendering of various projects in Cambodia. The Cambodian side agreed

to provide further facilitation to the Chinese enterprises for contracting and implementing projects in Cambodia.

2. Both sides expressed their supports to China Electrical Technology Import and Export Company for repairing the **Kirirom** power plant. The Chinese side also supported China Harbour Construction Group Corporation to participate in the expansion project of International Port in Sihanoukville, and hoped that the Cambodian side could give favourable consideration to China Harbour Group Corporation in the international tender of the project. The Cambodian side took note of the capability of the corporation and the positions of the Chinese side.
3. Both sides were willing to communicate in time with each other for project information and take further necessary measures to strengthen the co-operation in the fields of hydro-energy, transportation, telecommunication, agriculture and forestry.

*D. CHINA ECONOMIC AND TECHNICAL ASSISTANCE TO CAMBODIA:*

Both sides reviewed the economic and technical cooperation between the two countries in recent years and were satisfied with the achievements obtained so far. The two sides agreed to further strengthen cooperation and push forward the implementation of various projects under bilateral economic and technical cooperation.

1. The Cambodian side agreed to urge the authority concerned to sign the banking arrangement on accounting procedures for the implementation of the Agreement on Economic and Technical Cooperation signed on November 13, 2000 between the two governments of China and Cambodia.

2. The Chinese side is selecting competent suppliers so as to make an early shipment of construction machinery and equipment together with HD-200 steel bridges mutually confirmed by letters of exchange on February 26, 2001.

3. The Chinese side has selected a competent supplier and urged that supplier to make an early shipment of medicines under two Chinese grants to Cambodia totalling RMB Yuan seven million which were mutually confirmed by letters of exchange on November 13 and December 7, 2000 respectively.

4. In order for the Chinese side to make shipping arrangement, the Cambodian side shall report to His Majesty King Norodom Sihanouk on a list of goods required for the working group of Krom Samdech Euv under the Chinese grant of RMB Yuan two million which was mutually confirmed by letters of exchange on November 7, 2000.

5. The Export and Import Bank of China has, after assessment and approval, given loan to the Medium Density Fibreboard Plant and the National Textile Plant under the Framework Agreement between the two governments of Cambodia and China on China's provision of an interest subsidized preferential loan of RMB Yuan 150 million to Cambodia signed on February 9, 1999. The Chinese firms are doing preparation work for the said projects. The Cambodian side promised to closely cooperate with the Chinese firms to ensure smooth implementation of the projects.

6. China Huajin International Trade and Economic Corporation (Group) signed an agreement with the Cambodian side on the transfer of shares of the Chakkraiting Cement Factory in December 2000, and would run the Cement Factory on a sole proprietary basis. The Chinese government would give policy and financial support to that Corporation for implementing the Cement Factory project, and hoped that the Cambodian government would offer favourable policies to support the Cement Factory.

7. The Chinese side conducted a feasibility study on the Vaico Irrigation Development Project in September 1999 and submitted the report on the feasibility study to the Cambodian side on January 11, 2000. The Chinese side expressed the hope that the Cambodian side would soon seek approval by the Mekong River Management Committee of the Vaico Irrigation Development Project and give feedback to the Chinese side so that the Chinese side could make necessary arrangement for the next phase. The Cambodian side proposed that the technical expert group from both sides should further exchange views on technical problems such as water source location prior to seeking approval from the Mekong River Management Committee.

8. The two sides confirmed to undertake the project of 376 units of tenements by letters of exchange on October 17, 2000. The Chinese side has finalized the feasibility study and has submitted to the Cambodian side the layout of the geological prospecting holes required for the project. The Cambodian side expressed that it is difficult for the Cambodian side to be responsible for the expense of geological prospecting work, and hoped that the Chinese side could render assistance for that purpose. In order to accelerate the implementation of this project as well as the Phnom Penh Sports Town project, the Chinese side requested the Cambodian side to approach local geological prospecting firms for inquiry and to send the inquiry to the Chinese side for consideration.

9. The two sides confirmed to undertake the rehabilitation project of the Phnom Penh Sports Town by letters of exchange on July 3, 1995. The Chinese side completed the feasibility study for that project in July 1996. In accordance with the stipulations in the letters of exchange between the two sides on October 17,

2000, the Chinese side would come to handle the implementation of the project after the 376 households in the Sports Town have moved out.

10. Some Chinese enterprises are undertaking nine joint ventures (including sole proprietary) and cooperative projects. The Chinese government has provided those enterprises with policy and financial support, and hoped that the Cambodian side could also support with favourable policy. Special concerns for the three agricultural projects were that local farmers have taken by force the land that has already been leased to the Chinese enterprises, the Chinese side hoped to draw attention of the Cambodian side.

11. The Cambodian side requested the Chinese side the following new economic and technical cooperation projects:

(1). The Ministry of Commerce of the Kingdom of Cambodia urgently requested a long-term expert on market research and market access for a period of 1-2 years to help Cambodia on these issues.

(2). The Ministry of Rural Development requested 500 community ponds with the size of (50 x 30 x 3)m, and 500 wells in addition to the 1,000 wells project which had already been undertaken by the Chinese side.

(3). The Ministry of Labour, Social Affairs, Vocational Training and Youth Rehabilitation requested 5 Regional Development Vocational Training Centres to be established in five provinces – Pursat, Kampong Thom, Stueng Treng, Takeo and Kampot. Technical assistance for upgrading capacity building of Cambodian trainers in the field of welding, small engine repairing, electronic, automotive, sewing, computer, and cookery as well as technical experts to be dispatched by Chinese side, and equipment for the 5 vocational training centres were also requested by the Ministry of Labour, Social Affairs, Vocational Training and Youth Rehabilitation.

(4). The construction of 500 Km rural roads was requested by the Ministry of Rural Development.

(5). The construction of an overhead bridge or crossing on location along the Russian Boulevard and another overhead crossing along National Route No 2, and 2 square kilometre of Road Isolation Belt construction project on Mao Zedong Boulevard was requested by the Phnom Penh Municipality.

(6). Annual scholarships for physical education and sport teachers to undertake further studies in China, long term training in China for Cambodian sport-man and sport-women, technical assistance for sport training purpose, and a

construction project of physical education and sport training centre were requested by the Ministry of Education, Youth and Sport.

(7). The rehabilitation of 198 KM of National Route No.7 from Steung Treng – Kratie – Laos border was reiterated by the Ministry of Public Works and Transport.

(8). Human resource training on the management of water resources and meteorology, hydro-meteorology equipment, small motor pump for emergency draught relief.

(9). The Ministry of Industry, Mines and Energy requested an expert on Agro-Industry development, small scale laboratory on metrology mechanic and petro-mineralogy, and an exchange of experiences to be dispatched, provided and conducted by the Chinese side.

(10). The Ministry of Land Management, Urban Planning and Construction requested equipment for soil testing, survey equipment (GPS, total station), photo-grametry scanner, equipment for digital mapping used in urban planning, and experts for construction code, land management, and cadastral field.

For the above request from the Cambodian side, the Chinese side hoped that the Cambodian side would submit detailed technical data to the Chinese side for further consideration. For infrastructure projects, the Chinese side can only consider undertaking one by one, and the Cambodian side should differentiate what is primary and important from what is secondary and less important. Otherwise, the Chinese side can hardly undertake any project due to the limitation of its assistance to Cambodia.

## **II. DATE AND VENUE OF THE SECOND MEETING OF CAMBODIA-CHINA ECONOMIC AND TRADE COOPERATION COMMITTEE**

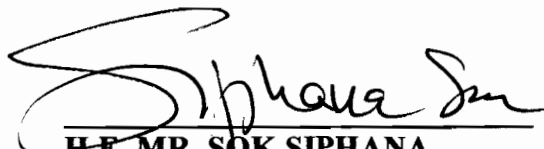
The two sides have agreed to hold the 2<sup>nd</sup> Meeting of the China-Cambodia Economic and Trade Co-operation Committee in Beijing at a convenient time to both sides, and the specific dates of the Meeting shall be decided through diplomatic channels. In this connection, the Chinese Delegation invited the Cambodian Government delegation to visit Beijing and attend the 2<sup>nd</sup> Meeting of the China-Cambodia Economic and Trade Co-operation Committee. The Cambodian Delegation accepted and expressed its thanks for the invitation.

The Chinese Delegation expressed its sincere thanks for the warm welcome and generous hospitality accorded by the Cambodian Government and the Ministry of Commerce during its visit.

Done and signed in Phnom Penh on April 2, 2001 in two original copies in the English language, both copies being equally authentic.

**FOR THE ROYAL GOVERNMENT  
OF CAMBODIA**

**FOR THE GOVERNMENT OF  
PEOPLE'S REPUBLIC OF CHINA**



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**H.E. MR. SOK SIPHANA**  
Secretary of State for Commerce



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**H.E. MR. AN MIN**  
Vice Minister of Foreign Trade  
and Economic Co-operation.

**ANNEX I**

**CHINESE DELEGATION**

**Head of the delegation:**

**H.E. MR. AN MIN**

*Vice Minister*

Ministry of Foreign Trade and Economic Co-operation (MOFTEC)

**Member:**

**1. Mr. Zhang Chixin**

Director General

Department of Foreign Aid, MOFTFC

**2. Mr. Chong Quan**

Deputy Director General

Department of Asian Affairs, MOFTEC

**3. Mr. Xu Xu**

Deputy Director General

Department of Machinery and Electronic Products, MOFTEC

**4. Mr. Peng Gang**

Economic and Commercial Counsellor

Embassy of the People's Republic of China in Cambodia

**5. Mr. Ding Fulai**

Director

General Office. MOFTFC

**6. Mr. Guo Chuanwei**

Deputy Director

Department of Asian Affairs. MOFTEC

**7. Mr. Yan Jianming**

Deputy Director

Department of Foreign Aid, MOFTEC

**8. Ms. Jiang Ling**

Deputy Director

Department of Foreign Economic Co-operation, MOFTEC

**9. Mr. Zhang Peng**

Official

Department of Asian Affairs, MOFTEC

**10. Mr. Wang Zhen**

Official (English interpreter)

Department of Protocol Affairs, MOFTEC

**BUSINESS DELEGATION**

**1. Mr. Su Weike**

*Vice President*

China National Construction Agricultural Machinery Import and Export Corporation

**2. Mr. Hou Zhengguang**

*Deputy President*

China Light Industrial Corporation for Foreign Economic and Technical Co-operation

**3. Mr. Yan Liankun**

*Chairman & General Manager*

China Yunnan Corporation for International Techno-Economic Co-operation

**4. Mr. Wang Yu**

Vice President

China Animal Husbandry Group

**5. Mr. Sun Jianxue**

Assistant to President

China State Farms Agribusiness (Group) Corporation




**ANNEX II**

**CAMBODIAN DELEGATION**

**GOVERNMENT DELEGATION:**

- 1. H.E. Mr. Sok Siphana**  
Secretary of State of the Ministry of Commerce
- 2. H.E. Mr. So Victor**  
Under Secretary of State, Ministry of Economy and Finance
- 3. H.E. Mr. Mao Thora**  
Director General for Technical Affairs, MoC
- 4. H.E. Mr. Seng Tong**  
Vice-Governor, Phnom Penh Municipality
- 5. Mr. Chheng Saroeun**  
Deputy Director General for Technical Affairs, MoC
- 6. Mr. Pich Rithi**  
Deputy Director General for Technical Affairs, MoC
- 7. Mr. Vann Someth**  
Deputy Director General, Ministry of Education, Youth and Sports
- 8. Mr. Huy Nara**  
Deputy Director General,  
Ministry of Urbanisation, Land Management and Construction
- 9. Mr. Uy Sokharath**  
Director of Foreign Trade Department, Ministry of Commerce.
- 10. Mrs. Chan Sorey**  
Director of Department, Council of Ministers
- 11. Mr. Pich Veasna**  
Director of Department, Ministry of Women and Veteran Affairs
- 12. Mr. Men Socheth**  
Acting Director,  
Ministry of Social Affairs-Labour, Vocational Training and Youth Rehabilitation



**13. Mr. Mour Kimsan**

Deputy Director General for Technical Affairs,  
Ministry of Rural Development

**14. Thon Virak,**

Deputy Director of Foreign Trade Department, Ministry of Commerce.

**15. Mr. Penn Sovicheat**

Deputy Director of Intellectual Property, Ministry of Commerce

**16. Mr. Var Rothsas**

Deputy Director of Intellectual Property, Ministry of Commerce

**17. Mr. Var Sim Sorya**

Deputy Director, Ministry of Public Work and Transports.

**18. Mr. Sin Sona**

Deputy Director, Ministry of Industry, Mines and Energy

**19. Mr. Tuot Sarawuth**

Deputy Director, Ministry of Agriculture, Forestry and Fisheries

**20. Mr. Hos Sereythong**

Deputy Director, Ministry of Foreign Affairs, and International Co-operation

**21. Mr. Suon Preyavann**

Chief of External Relation Office (FTD), Ministry of Commerce.

**22. Mr. Im Sour**

The Council for the Development of Cambodia

**23. Mr. Rath Saravuth**

Official of FTD, Ministry of Commerce



### ANNEX III

#### OPENING STATEMENTS

The two sides briefed each other on the economic situation in each country and reviewed with pleasure the development of bilateral trade and economic co-operation in recent years. While the two sides felt satisfied with the current situation of the bilateral trade and economic co-operation, they agreed that there still exist great potentials for further development of trade and economic co-operation between the two countries.

**H.E. Vice Minister An Min made the following proposals on further expanding co-operation and exchanges between China and Cambodia in the field of trade and economic co-operation:**

1. to enhance exchanging visits and communications between the governments and the business communities of the two sides so as to improve mutual understanding. Both sides shall encourage and provide facilitation to exchanging visits of governmental agencies of trade and economic co-operation and the business activities such as market studies, exhibition and trade fairs, trade and investment discussions undertaken by the enterprises of the two sides.
2. to push forward positive exchange and co-operation in agriculture sectors between the two countries. China has advantages in manufacturing of agricultural machinery and tools, agriculture production and technology while Cambodia has advantages in natural endowments of resources and wide range of tropical products. There are bright prospects for the two countries to co-operate in these fields.
3. to further encourage Chinese enterprises to invest in Cambodia. At present the Chinese Government is implementing the going abroad strategy which supports and encourages competent enterprises to invest overseas. The Chinese side wishes that Cambodian side provides information on potential projects for co-operation which shall have market and be profitable.
4. to provide further support to the contracting projects and personnel co-operation between the enterprises of the two sides. Chinese enterprises have strong abilities to contract large-scaled projects such as power plants, telecommunication networks, petrochemical plants, bridges and highways, etc. The Chinese Government encourages its enterprises to undertake project co-operation with their Cambodian business partners

in those fields. At the same time the Chinese side hopes that the Cambodian side continue to support and facilitate such co-operation activities.

**The main points in the Speech by H.E. Mr. SOK Siphana are quoted as follows:**

"I have the great pleasure to work with His Excellency Mr. AN Min and the delegation of the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China as a Co-Chairman of Cambodia – China Trade and Economic Cooperation Committee.

On behalf of Royal Government of Cambodia, the Ministry of Commerce and myself, I would like to thank the Government of China for providing many assistance to Cambodia. This assistance has positively contributed to the implementation poverty-alleviation policy of the Royal Government of Cambodia and in developing the Cambodian Economy.

The relationship between our both countries had been cut for many years following the civil war in Cambodia. But this relationship has been resumed during the UNTAC era just only 10 years ago. However, both countries have worked hard to stimulate the cooperation and have achieved encouraging results in all fields, especially in economy and trade.

As evidence of our efforts, I would like to note some of the following results:

**I. Commercial Exchange:**

Commercial exchanges between the two countries has began from 1992 and the amount of exports and imports has been increasing every year.

- In 1992, the Cambodian export to China was only US\$ 0.2 million. In 1998, it increased to US\$ 42 million and US\$ 46.6 million in 1999.

- In 1993, Cambodian import from China was only US\$ 4.9 million. In 1998, the Cambodian import increased to US\$ 95 million and to US\$ 224 million in 2000.

*Handwritten signature*



***II. Investment:***

Since 1996, many Chinese companies have invested in Cambodia in many sectors for example in agriculture, services and garment industry.

I would like now to officially open the first meeting of the China Trade and Economic Cooperation Committee".

