

Financial Times
April 9 2006

China boosts Cambodian relations with \$600m pledge

By Amy Kazmin in Bangkok

Chinese Premier Wen Jiabao offered Cambodia \$600m in loans and grant aid during a weekend visit intended to enhance Beijing's strategic influence as a major patron of the impoverished south-east Asian country.

China's financial contribution to the cash-strapped Phnom Penh government is roughly equivalent to what other international donors, including European governments and Japan, together recently pledged to give Cambodia in the coming year.

Nearly half the Chinese money will go towards financing a new hydropower plant. China's state-owned Sinohydro Corp won a contract to build a \$280m hydropower plant in south-western Cambodia last year.

Another \$200m will go towards building two major new bridges across the Mekong and Tonle Sap rivers, while the rest will go towards other projects, including the construction of a grand new council of ministers building to replace the dilapidated structure now housing the main government offices.

Hor Namhong, Cambodia's foreign minister, said Mr Wen's visit, which ended on Saturday, had opened "a new chapter in the Cambodian-Chinese relationship".

Beijing's pledge of assistance came as China is said to be keen to negotiate access to Sihanoukville, Cambodia's strategically located deep-sea port, as part of its widening efforts to secure sea lanes in south-east Asia, the main gateway for China's fuel imports.

Sihanoukville is within reach of the eastern end of the Straits of Malacca.

In September, Beijing gave Cambodia six naval patrol boats, ostensibly to help Phnom Penh crack down on drug smuggling and human trafficking. However, analysts saw the donation as a sign of Beijing's desire to broaden its relationship beyond economic and political co-operation towards potential military collaboration.

Hun Sen, Cambodia's long-time prime minister, previously described China as Cambodia's "most trustworthy friend", despite Beijing's past support for the Khmer Rouge, the ultra-radical Maoist revolutionaries responsible for Cambodia's 1970s genocide, during which an estimated 1.7m people – a quarter of the population – died.

A United Nations-supported trial of the Khmer Rouge's surviving top leaders, many of whom are now living in quiet retirement, is due to get underway this year. Trial backers,

including Japan, hope this process will help in the battle against the “culture of impunity” that now permeates Cambodia.

But the trial could be a major embarrassment for Beijing if the extent of its support for Pol Pot, the late Khmer Rouge leader, and his comrades is brought out in detail during the proceedings.

Human rights groups say China’s unstinting support for Phnom Penh today allows Hun Sen to rebuff criticism from western donors about human rights abuses, corruption and other problems.