

Cambodia's 1st state-owned industrial zone inaugurated

PHNOM PENH, May 1 (Xinhua) -- Cambodian Prime Minister Hun Sen on Tuesday inaugurated the country's first state-owned Special Economic Zone, appealing to Japanese investors to put their business ventures in the zone, local media reported. The Sihanoukville Port Special Economic Zone (SPSEZ) is situated adjacent to the Sihanoukville Autonomous Port, about 230 km southwest of Phnom Penh, the capital of Cambodia. The construction of physical infrastructure, water system and electricity lines in the 70-hectare zone was begun in October 2009, costing 35 million U.S. dollars, which is the low-interest-rate loan from the government of Japan. "Cambodia has a lot of Special Economic Zones, but the SPSEZ is the only one state-owned industrial zone," Hun Sen said during the inauguration of the zone. "I believe that Japanese investors will begin to invest and build factories in the zone in order to manufacture goods for exports as the zone is next to the international Sihanoukville Autonomous Port," he said. Cambodia has firstly established a SEZ in 2006, aiming at attracting investors to build factories in the zone to manufacture goods for exports. According to the reports of the Council for the Development of Cambodia, so far, the country has 21 SEZs, which are situated along the borders with Thailand and Vietnam, and on the outskirts of Phnom Penh as well as in Preah Sihanouk province. However, less than ten zones are operational. The government sees the SEZs as an important part of the country's economic development because they bring infrastructure, jobs, skills, enhanced productivity. Investors in the SEZs will benefit from a number of fiscal incentives, including income tax, customs, and VAT benefits.