



2013 Minerals Yearbook

CAMBODIA [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF CAMBODIA

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In 2013, industrial minerals dominated the production of minerals in Cambodia and included gravel, sand, and stone, which were mostly consumed domestically by the construction industry, and limestone, which was used for the production of cement (table 1). The gross domestic product (GDP) at constant 2000 prices was \$8.7 billion in 2012 (the latest year for which data were available), which was an increase of 6.8% compared with that of 2011 (National Institute of Statistics of Cambodia, 2012).

In 2013, the National Bank of Cambodia (NBC) reported that the country's total trade increased by 10.4% to \$14.8 billion from \$13.4 billion in 2012. The country's exports were valued at \$6.4 billion compared with \$5.7 billion in 2012, which was an increase of about 12.3%; also, the total value of imports in 2013 increased by 9% to \$8.4 billion from \$7.7 billion in 2012. Imports of petroleum were valued at \$1.17 billion and represented 13.4% of the country's total import value. Cambodia's exports to the United States were valued at \$2.8 billion. Imports from the United States were valued at about \$241 million and included aluminum and alumina, fertilizers, nonmonetary gold, nonferrous metals, nonmetallic minerals, precious metals (not including gold), and petroleum products valued at about \$1.9 million. In 2013, the NBC reported that it had issued two new licenses for the trade of metals and precious stones, which brought the total number of valid licenses to 19 (National Bank of Cambodia, 2014, p. 16, 52; U.S. Census Bureau, 2014a, b).

As of March 2013, and based on a report from the Ministry of Industry, Mines and Energy (MIME), a total of 91 domestic and foreign companies held mining and exploration licenses in Cambodia. A total of 139 exploration projects were authorized under the licenses granted, of which 13 had been licensed to conduct mining projects. Of the 91 companies that held mineral licenses, 71 companies held a total of 118 licenses to explore for metallic minerals, 13 companies held a total of 14 licenses for coal exploration, 3 companies held a total of 3 licenses for kaolin exploration, 2 companies held 2 licenses for silica sand exploration, 1 company held 1 license for antimony and chromite exploration, and 1 company held 1 license for bauxite exploration (Vichett, 2013, p. 2).

Government Policies and Programs

The Law on Management and Exploitation of Mineral Resources, which was promulgated on July 13, 2001, regulates the exploitation of mineral resources in Cambodia. The law stipulates that all mineral resources found in, on, or under the islands, land, seabed, territorial sea, and water bodies within the sovereignty of the Kingdom of Cambodia belong to the state. All raw mineral resources that are mined in the country are banned from export and are reserved for local use to manufacture finished products. Only finished products are allowed to be exported (Vichett, 2013, p. 3, 6–7).

The law defines the following six categories of mineral licenses: artisanal mining, gem mining, industrial mining, mineral exploration, mineral (gemstone) cutting, and pits and quarries mining. Exploration permits are granted for a period of 6 years, and mining permits are granted for up to 30 years followed by two 5-year extensions (Vichett, 2013, p. 4, 8).

The policy governing foreign direct investment (FDI) in Cambodia is based on the Law on Investment of the Kingdom of Cambodia, which was enacted in 1994. The law provides competitive concessions and incentives for FDI and also provides comparable treatment to domestic and foreign investors, with the exception of land ownership, which is based on the country's Constitution and only allows foreign investors to lease the land for a period of up to 70 years with the option to renew from then on. The investment law also allows foreign investors to own 100% of their mining investments in the country and guarantees that foreign-owned assets will not be nationalized and that the prices for goods produced and services provided by the investors will not be regulated. The Council for the Development of Cambodia (CDC) oversees the investment policy and assists investors in all the aspects related to doing business in the country. The CDC, through the Cambodian Investment Board, processes and evaluates all proposals for exploration and grants the mining licenses to investors (Invest in Cambodia, 2010).

Production

In 2013, production of commodities in the industrial minerals sector of Cambodia was estimated to have performed similarly to that of 2012. The production of cement was estimated to have increased by 2% to about 1 million metric tons (Mt) in 2013 from 980,000 metric tons in 2012 (table 1).

Structure of the Mineral Industry

Table 2 is a list of major mineral industry facilities in the country.

Commodity Review

Metals

Gold.—In October 2013, Renaissance Minerals Ltd. of Australia announced it had identified a gold anomaly at the Rhyolite Ridge prospect within the Okvau gold project. The Rhyolite Ridge prospect is located 12 kilometers (km) from the Okvau gold deposit. The Joint Ore Reserves Committee (JORC)-compliant resource estimate for the deposit was 15.6 Mt at a grade of 2.4 grams per metric ton (g/t) gold for an estimated 37,300 kilograms of gold (reported as 1.2 million troy ounces). The license for the Okvau gold deposit, which is located in

Mondulkiri Province approximately 265 km northeast of the capital city of Phnom Penh, covered an area of approximately 400 square kilometers. The anomaly extended over 1,500 meters (m) in length and 200 m in width and had an average of 1.4 g/t gold. In May 2012, Renaissance Minerals had finalized the purchase transaction of the Okvau gold project from OZ Minerals of Australia (Swift, 2013; Renaissance Minerals Ltd., 2014).

Iron and Steel.—In January 2013, the Government of Cambodia announced the signing of a deal with Chinese companies for the development of a port facility and the construction of a railway. The Government and the Chinese companies would build a new steel plant in Preah Vihear Province in northern Cambodia to join with a port to be built in Koh Kong Province in the southwestern coast of the country. In December 2012, the Government granted the lead developer, Cambodia Iron & Steel Mining Industry Group of China (CISMIG), a planning permit to build the steel plant in Preah Vihear Province in northern Cambodia. No additional details were available about the development of the steel plant. CISMIG contracted China Railway Group to build the 405-km railway to connect the proposed steel plant to the seaport at Koh Kong through the Provinces of Kampong Chhnang, Kampong Speu, and Kampong Thom. The port facility was going to be built by China Ocean Engineering Construction General Bureau. The whole project was estimated to be valued at \$11.2 billion. The railway was expected to be commissioned by 2017 (Equitable Cambodia, 2013, p. 1–2, 6; Railway Gazette, 2013).

Industrial Minerals

Cement.—In July, the joint venture of Cement Construction Resource of Cambodia, AZ Company's Alliance of China, and Urec Overseas Investment Co. Ltd. of China announced that it expected to begin production at the Chakery Ting cement plant in 2014. The Chakery plant, which is located in Kampot Province, was developed at a cost of \$100 million and had a projected production capacity of 1.1 million metric tons per year (Mt/yr) of cement (International Cement Review, 2013, p. 26).

On August 29, Siam City Cement Co. (SCCC) of Thailand announced the company decided to put on hold its plans to build a 1 Mt/yr-capacity plant in Cambodia at a cost of \$150 million due to political uncertainty. According to SCCC, the decision was reached after finalizing a feasibility study, although no further details were offered. In December 2012, SCCC announced that it was still considering plans to invest in a cement plant in Cambodia through a joint venture with a local partner (Global Cement News, 2013; Wiriyaopong, 2013).

Outlook

In recent years, Cambodia has diversified its business cooperation with neighboring countries as well as with other

Asian countries in an effort to open the country to more opportunities for investment in the near future. The lack of suitable infrastructure, such as reliable electricity sources, paved roads, and reliable water supply, continues to present challenges for the Government to attract foreign investors. It is likely that, as Cambodia's infrastructure and political stability improves, so would the interest of international investors as the country has many unexploited resources. In addition, as the economy of Cambodia and those of neighboring countries continue to develop, the demand for cement and other industrial mineral commodities will most likely increase, both domestically and regionally.

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TABLE 1
CAMBODIA: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons)

Commodity ²	2009	2010	2011	2012	2013 ^e
Cement	933,900	789,025	906,711	980,000	1,000,000
Gravel	41,875	82,500	38,438	43,000	45,000
Laterite, blocks	631,000	1,612,500	355,000	412,500	415,000
Sand, construction material	14,035,775	38,367,500	8,296,590	8,800,000	8,800,000
Stone, crushed	2,819,804	6,331,000	5,223,345	5,850,000	5,850,000

^eEstimated; estimated data are rounded to no more than three significant digits.

¹Table includes data available through January 14, 2015.

²In addition to the commodities listed, clay, gemstones, gold, iron ore, limestone, and salt are presumably produced, but available information is inadequate to make reliable estimates of output.

Source: Cambodia's Ministry of Industry, Mines and Energy, General Department of Mineral Resources.

TABLE 2
CAMBODIA: STRUCTURE OF THE MINERAL INDUSTRY IN 2013

(Thousand metric tons)

Commodity	Main operating companies and main equity owners	Location of main facilities	Annual capacity ^e
Cement	Kampot Cement Co. Ltd. (Siam City Cement Co. of Thailand, 94%, and Khaou Chuly Group, 6%)	Touk Meas District, Kampot Province	1,000
Gemstones	Jireh International Cambodia Construction and Import-Export Co. Ltd.	Anlong Krapeu-Preak Bey, Samlot District, Batdambang Province	NA
Do.	Seoul Digem Cambodia Co. Ltd.	Loamphat District, Rotanakiri Province	NA
Do.	Sonuba Cahm Industries Co. Ltd.	Phnom Trop, Pailin City	NA
Do.	Ultra Marine Kiri (Cambodia) Ltd.	Pating Thom Village, Ting Chak Commune, Borkeo District, Rotanakiri Province	NA
Do.	do.	Sen Chauv, Samlot District, Batdambang Province	NA
Granite	TTY-Rithy Mexico	Svay Chreas District, Kracheh Province	NA
Limestone	Kampot Cement Co. Ltd.	Tatung, Kampot Province	1,500
Do.	Thai Boon Roon Cement Co. Ltd.	Phnom Laang Laan Commune, Dongtung District, Kampot Province	NA
Do.	United International (Cambodia) Foreign Investment Group Co. Ltd.	East Touk Meas, Banteay Meas District, Kampot Province	NA

^eEstimated. Do., do. Ditto. NA Not available.