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## SINO-CAMBODIAN JOINT VENTURE CHANGES LIVES FOR THE BETTER

By LIN SHUJUAN in Sihanoukville, Cambodia | China Daily Global | Updated: 2023-07-04 00:00

Special economic zone home to scores of enterprises from around world

A joint venture between Chinese and Cambodian enterprises launched 15 years ago has already had a profound impact on the Cambodian economy and local people's lives.

To many people in Cambodia, the Sihanoukville Special Economic Zone, or SSEZ, is somewhat surreal, as the area in which it is located used to be nothing more than a vast wilderness.

Now, the 11.13 square kilometer SSEZ, located in Sihanoukville's Prey Nob District, is Cambodia's largest industrial park and home to 175 enterprises from around the world.

Jointly developed by private companies from Cambodia and China, the zone is considered a landmark Belt and Road Initiative collaboration project between the two nations.

Since it was launched, the zone's import and export volume has experienced significant growth, rising from \$139 million in 2013 to nearly \$2.5 billion last year.

Xiao Jianxin, assistant brand manager at Hodo Group, a leading Chinese private textile and garment maker based in Wuxi, Jiangsu province, and a key investor in the zone, is among those who have witnessed every step of the SSEZ's development since it was set up in 2008.

"This place was literally built from scratch," the 41-year-old said during his latest visit to the zone in mid-May.

"Apart from a nearby fishing village where a few hundred locals lived in straw huts, this area had nothing — no electricity, no running water, no roads," Xiao said.

Changes to the landscape took place rapidly after the two countries agreed to develop the area, Xiao added.

In just a few years, it was transformed into a modern industrial park, while Bet Trang, the fishing village, was developed into a bustling town complete with a full range of amenities, including gas stations, telecommunication stores, barbershops, wet markets and restaurants.

Xiao said that every time he visits the zone, he sees new facilities. A one-stop service center was set up in 2010, a sewage treatment plant in 2015, a power plant in 2017, and a university in 2019. On his latest trip, Xiao learned that a 189-km highway connecting Phnom Penh, the Cambodian capital, and Sihanoukville was completed last year.

The highway, which opened to traffic in October, was built with investment from Chinese companies. It reduces the journey time between the two cities to just two hours.

"The SSEZ basically looks no different from any modern industrial park in China. If there is a slight difference, it is simply because the SSEZ is newer, or even bigger," Xiao said.

Cao Jianjiang, general manager of SSEZ Co, which oversees development in the zone, said facilities have constantly been upgraded and new amenities added to attract more international businesses.

In addition to helping companies situated within it, the zone has paid special attention to catering to workers' needs.

Over the years, the industrial park has introduced a health clinic, a law consultancy center and two educational institutions — the Preah Sihanouk Cambodia-China Friendship Polytechnic Institute and the Sihanoukville Institute of Business and Technology, Cao said.

## **Foreign investors**

Sihanoukville boasts Cambodia's only deep-water port. The city, carved out of the jungle in the 1960s, is named after former King Norodom Sihanouk (1922-2012).

Cambodia intends to build Sihanoukville into its version of Shenzhen, Guangdong province, where in 1980 China built a special economic zone, the first in the country, as an experimental site for a market economy. In four decades, Shenzhen has risen from being a remote coastal town to becoming a global technology manufacturing hub.

The SSEZ, which is set to spearhead the development of Sihanoukville, has become a popular destination for international investors. One of the first European companies to invest in the zone was Horseware Products (Cambodia) Co, which is based in Ireland and specializes in equestrian products.

The company said it has experienced exponential growth since setting up in the SSEZ in 2010. It now has 287 employees and a monthly output of 22,000 products, which are exported to Ireland, other European countries and the United States.

Caffco International (Cambodia), a US business that produces Christmas trees and decorations for export to the US, is another company that has thrived in the SSEZ.

Lamar Thompson, CEO of Caffco, said the business decided to set up operations in the SSEZ, as its proximity to an international port meant it was convenient and affordable to transport the company's goods.

"Since the company started to operate in the SSEZ in 2014, it has grown at an average rate of about 10 percent per year," Thompson said.

On May 22, General Tire Technology (Cambodia), a subsidiary of Chinese tire maker Jiangsu General Science Technology, launched operations at the park. Backed by investment of \$300 million, the factory project is the largest within the SSEZ. The plant will primarily process local rubber into tires.

Cambodian Prime Minister Samdech Techo Hun Sen and Chinese Ambassador to Cambodia Wang Wentian cut the ribbon at the plant's inauguration ceremony, highlighting the project's significance.

Hun Sen described the tire factory as another result of the fruitful cooperation between Cambodia and China as part of the BRI.

"The factory has brought new capital, modern technologies and tire manufacturing expertise to Cambodia. It will increase the national economy's added value and directly raise our farmers' incomes," he said.

Tao Guozhong, general manager of the factory, said it can manufacture 5 million semi-steel radial tires and 900,000 all-steel radial tires annually, and when fully operational, it will hire up to 1,600 Cambodians.

Hong Vanak, an economics researcher at the Royal Academy of Cambodia, was quoted by The Phnom Penh Post as saying the factory is a strong and long-term project that will boost Cambodia's economic growth.

"Once the company is fully operational, there will definitely be a demand for manpower that will directly help the Cambodian economy," he said.

Chen Jiangang, president of SSEZ Co, said that as Cambodia's largest industrial park, both in terms of size and occupancy, the SSEZ has become a pillar of Sino-Cambodian cooperation.

While China's industrialization has entered a stage of maturity, with numerous competitive industries and strong production capabilities, Cambodia has been actively promoting its own industrialization, as seen in the Cambodia Industrial Development Policy 2015-25, Chen added.

"The SSEZ has encouraged Chinese companies to effectively address the needs of Cambodia's economic growth, creating a mutually beneficial relationship for the two countries under the Belt and Road Initiative," Cao said.



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**Chen Jiangang,**  
president of SSEZ Co

He added that the SSEZ will constantly strive to improve its infrastructure to support the operations of large-scale enterprises such as the tire factory. He said a thermal power station has been built in the area to provide greater energy support for heavy industries, and construction of the zone's second phase is underway.

"When the SSEZ is fully complete, it is expected to host up to 300 companies and employ 80,000 to 100,000 people," Chen said.

### **Boon for locals**

Lin Yada is one of those now living a better life as a result of the SSEZ.

The Cambodian national said she used to live with her parents and siblings in a tiny home near the zone, but her quality of life started to improve after she joined a garment factory in the SSEZ in 2012.

After being trained at the factory, Lin quickly rose to become a team leader on the cutting line, and she now manages 45 employees in two teams. Her monthly salary has risen from about \$100 to nearly \$600, which is close to triple the local average. This has allowed Lin to build her own home and live in much improved surroundings.

Her two sisters and their husbands also found work in the SSEZ, further improving the family's financial situation.

Lin said working in the zone has given her a secure job. The SSEZ also offers a bright future, not only for herself but for her children, who now study at a local primary school.

Xiao, from Hodo Group, said establishing the SSEZ has had a profound impact on social stability, adding that he used to see numerous children playing outdoors in the past, as many families could not afford to send them to school.

Cao said enterprises at the industrial park used to launch a program to encourage every Chinese worker to donate \$100, enough to cover a local child's annual tuition fees.

"The program is no longer running because most locals, who have found jobs in the zone, are now able to provide for their children's education," Cao added.

Many parents encourage their children to learn Chinese, Cao said.

Lin is fluent in the language after spending much of her spare time learning it from her Chinese colleagues. "Proficiency in Chinese guarantees a good job here," she said.

The zone has not only brought more job opportunities for locals, it has created business opportunities for them.

Ouk Pearith, who comes from a city north of Preah Sihanouk province, has run a grocery store next to the SSEZ since 2020.

He said business has been so brisk that he had to recruit his relatives to help run the store, which sees sales of up to \$2,000 every day. The additional income has enabled him to buy a car and plot of land, on which he has built a large home that has spare rooms for rent.

Ouk's store is located on Pou Thoeung street in the center of Bet Trang, the most populated area of Sihanoukville. Tens of thousands of workers, some from other parts of Cambodia, now live and work in the area.

Banteay Chhmar, Bet Trang town head, said most locals now commute on motorcycles, which were previously considered a luxury. "It's no longer a surprise to see a family owning two or even three motorcycles," he said.

For Ouk, the SSEZ has opened a new chapter in his life.

"Such a life was unimaginable before the zone was launched," the farmer turned businessman said. "The industrial park has brought new opportunities for us."

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**The Angkor Wat temple complex in Cambodia. LI YIFANG/FOR CHINA DAILY**



**Workers commute to and from the Sihanoukville Special Economic Zone on motorcycles. LIN SHUJUAN/CHINA DAILY**





**Cambodian women at work in the SSEZ. LI YIFANG/FOR CHINA DAILY**



**Workers learn how a production line operates at the newly built General Tire Technology (Cambodia) plant. LIN SHUJUAN/CHINA DAILY**





**Employees of companies in the SSEZ attend a celebration marking the 10th anniversary of the Belt and Road Initiative. LI YIFANG/FOR CHINA DAILY**



**Students attend a language class at Sihanoukville Institute of Business and Technology located in the SSEZ. LIN SHUJUAN/CHINA DAILY**

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