



Royal University of Law and Economics

Final Report on

**BELT AND ROAD INITIATIVE
AND ITS IMPLICATION FOR
CAMBODIA-CHINA RELATIONS**

Name of Students:

**Ms. LAO SAKADATEVY
Ms. MORM CHAN MARY**

Name of Academic Advisor:

Dr. KEM SAMBATH

**International Program
Bachelor's Degree in International Relations
Cohort 8
Year of Submission 2020**



Royal University of Law and Economics

Final Report on

**BELT AND ROAD INITIATIVE
AND ITS IMPLICATION FOR
CAMBODIA-CHINA RELATIONS**

Name of Students:

Ms. LAO SAKADATEVY

Ms. MORM CHAN MARY

Name of Academic Advisor:

Dr. KEM SAMBATH

**International Program
Bachelor's Degree in International Relations
Cohort 8
Year of Submission 2020**

ACKNOWLEDGEMENT

There are many people to thank for helping and supporting us during this dissertation and our last year in university. This final report would not have been possible to write without the help and support of the kind people around us and we would like to take this opportunity to thank to some of whom it is possible to give particular mention here.

Our deep gratitude goes first to our **families** who always support, care and help us survive all the stress and not letting us give up throughout our whole lives. We are extremely grateful to our parents for their loves, their understandings, encouragements and sacrifices for educating and preparing us for our futures. From all of their constant moral supports that helped us achieve success in every sphere of life.

We owe a deep sense of gratitude and respectfully to **Dr. Kem Sambath** who expertly guided and supervised us, and his keen interest on us at every stage of our research. Also his prompt inspiration, timely advice, vision, scrutiny and dynamism have enabled us to complete our research. It was a privilege and honor to work and study under his guidance.

We feel to acknowledge our deep sense of gratitude to the **Royal University of Law and Economics** for its full support to reform higher education, especially we also thankful for the efforts in providing us with valuable education, immense knowledge, qualified professors and education system that were letting us fulfill our dreams.

We are deeply indebted to our respected **lectures** for their invaluable teachings, a depth of knowledge that they shared us and encouraged guidance which helped us shaped our work and our studies. We also immensely obliged to them for their kind assistances, useful suggestions, scholarly advice and their extraordinary teaching technical that they provided us during our academic period.

We also express our sincere thanks to **Research Department of Royal University of**

Law and Economics which gave us the precious opportunity to write an honor thesis.

Moreover, our appreciations also extend to our **friends** for their supports, motivations, friendships and loves that they give us. We are really grateful to have you who were always there, stay by our sides, your constructive discussion and your great sense of humor keep us smile and create unforgettable moments. We are very much thankful for always cheer us up and pushing each other to grow all together.

Finally, this final report would not have been possible without the devotion, patient, cooperation and hard work between the two of us **Lao Sakadatevy** and **Morm Chan Mary**. We thank and appreciate each other for a great discussion, all of the efforts, responsible and time we dedicated on this thesis to make it successfully completed.

We acknowledge our appreciations and loves to every person who have contributed in our journeys. We submit this thesis of us with great humility and utmost regard

ABSTRACT

Looking at the present time, Cambodia even made a strong friendship with China in supporting the Belt and Road Initiative (BRI) which proposed by China to deepen international cooperation. The BRI proposal could be an important pillar that favor to Cambodia-China relations to strengthen the cooperation in every field which both Asian countries coordinate their foreign policy in building common understanding of political cooperation to be stronger like a win-win strategy. Moreover, there are many cooperation under BRI proposal mean of bringing and increasing economic development and a major source of assistant and investment to Cambodia. In spite of the economic cooperation, BRI is an attractive method in promoting social cooperation to which it could enhance tourism and lead to people-to-people connectivity even better for both country citizens, and more importantly, it will reinforce more on the military cooperation between Cambodia and China. Furthermore, another facet of cooperation could be a stratagem towards to Cambodia safety which will coordinate to security cooperation with China. However, the effects of the Belt and Road Initiative on the economic, society, also to the environment have been revealed. Since the proposal had been active, there are perspective from some people share the comments on the negative impacts that could happen to Cambodia under BRI. Another noticeable problem is that Cambodia is a member of Association of Southeast Asian Nation (ASEAN) community, would it be difficult for Cambodia, and is there any problem to Cambodia's neutrality between ASEAN and China?

In this research paper seeks to explore the opportunities and challenges of the BRI, and analyze the future perspective of the cooperation of between Cambodia and China.

Keywords: Belt and Road Initiative, China-Cambodia, Relation

TABLE OF CONTENTS

LIST OF FIGURES	iii
LIST OF ACRONYMS.....	iv
CHAPTER I: INTRODUCTION	1
1.1- Background	1
1.2- Problem Formation	2
1.3- Research Questions.....	3
1.4- Research Objectives.....	3
1.5- Significance of research	4
1.6- Scope and limitation	4
1.7- Research Methodology	5
1.8- Structure of Research.....	5
CHAPTER II: LITERATURE REVIEW.....	6
2.1- Overview of China-Cambodia relation since normalization.....	6
2.2- Cambodia-China Cooperation on international stage.....	11
2.3- The Proposal of Belt and Road Initiative.....	13
CHAPTER III: COOPERATION BETWEEN CAMBODIA-CHINA UNDER BELT AND ROAD	17
3.1- Political Cooperation	18
3.1.1- Cambodia's Foreign Policy.....	18
3.1.2- China's Foreign Policy.....	21
3.2- Security Cooperation	24
3.2.1- South China Sea Dispute.....	24
3.3- Economic Cooperation.....	30

3.3.1- Infrastructure	30
3.3.2- Investment	39
3.3.3- Agriculture	40
3.4- Social Cooperation.....	45
3.4.1- Exchange programs.....	46
3.4.2- Promoting and Enhancing Regional Tourism	47
CHAPTER IV: BELT AND ROAD INITIATIVE AND ITS IMPLICATION FOR	
CAMBODIA-CHINA RELATIONS: OPPORTUNITIES, CHALLENGES, AND FUTURE	
ANALYSIS	49
4.1- Opportunities under Belt and Road	49
4.1.1- Fostering Economic Development	49
4.1.2- Development of the Infrastructure and Regional Connectivity.....	51
4.1.3- People to People Connectivity	54
4.1.4- BRI as a strategy to support Sustainable Development Goals	54
4.2- The BRI and the Challenges for Cambodia	58
4.2.1- Increasing Debt.....	58
4.2.2- Environmental impact.....	60
4.2.3- The partiality of Cambodia Foreign Policy toward China’s interests	63
4.2.4- The impact on Cambodia neutrality between ASEAN and China	66
4.3- Future Perspective Analysis	67
CONCLUSION.....	71
RECOMMENDATION	75
REFERENCES	

LIST OF FIGURES

Figure 1: Rectangular Strategy	21
Figure 2: Map of South China Sea Dispute.....	24
Figure 3: Chinese Enterprises Investment in Cambodia.....	32
Figure 4: Chinese Enterprises Investing in Major Projects in Cambodia	33
Figure 5: Overall Debt as of 2016	60

LIST OF ACRONYMS

BRI	: Belt and Road Initiative
FDI	: Foreign Direct Investment
LMC	: Lancang-Mekong Cooperation
UN	: United Nation
ADB	: Asian Development Bank
AIIB	: Asian Infrastructure Investment Bank
WB	: World Bank
PRC	: People Republic of China
EU	: European Union
US	: United States
ARF	: ASEAN Regional Forum
ICT	: Information and Communication Technology
AIIB	: Asian Infrastructure Investment Bank
GDP	: Gross Domestic Product
CNRP	: Cambodian National Rescue Party
EBA	: Everything but Arms
ASEAN	: Association of Southeast Asian Nation
ROC/Taiwan	: Republic of China
WWII	: World War Two
SCS	: South China Sea
CCP	: Chinese Communist Party
CFRC	: Chemins de Fer Royaux du Cambodge
PPAP	: Phnom Penh Autonomous Port
SAP	: Sihanoukville Autonomous Port

PPP	: Public Private Partnerships
OICI	: Cambodian Overseas Investment Company
UNTAC	: United Nation Transactional Authority in Cambodia
MPTC	: Ministry of Posts and Telecommunications
CDC	: Council for the Development of Cambodia
SSEZ	: Sihanoukville Special Economic Zone
NBC	: National Bank of Cambodia
GDT	: General Department of Taxation of Cambodia
SDGs	: Sustainable Development Goals
CMDGs	: Cambodia Millennium Development Goals

CHAPTER I: INTRODUCTION

1.1- Background

If we look at the history, Cambodia and China have a relationship with each other a long time ago, since Angkor Wat dynasty with more than two-thousand years. Until the end of 1950s century, the past King Norodom Sihanouk had recognized the People's Republic of China on 19 July, 1958 five years after Cambodia gained its independence¹, and the King himself had a personal friendship with the first Premier of leader of PRC Zhou Enlai, also known as Zhou Xiangyu which is an inspiration to bilateral relation between both countries. In a modern time, Cambodia-China bilateral relation have been maintaining by the Prime Minister Hun Sen and the three generations of Chinese leaders Jiang Zemin, Hu Jintao and Xi Jinping.² Dated back from 1975 to 1979, which is the emergence of Khmer Rouge regime, China politically and financially backed and continued supply with weaponry along the conflict with Vietnam and Thailand. In 1991, after the Paris Agreement were signed, having seen that China also provided aid and helped bringing economic development to Cambodia. Following that, after 1993 the first election in Cambodia and in 1997, the conflict between Hun Sen ousted Prince Ranariddh, China recognized the result of the war and provided huge financial aid to Hun Sen.³ Following the past decades, Hun Sen has cultivated ties with China which the new Cambodian-Chinese relations came in that made a bilateral relation between both countries more closer. Later on, a series of mutual high-level visits between the countries had helped strengthen the bilateral relationship.⁴

¹ Phou Sambath, *Cambodia-China Relation: Past, Present and Future*, Academia, Accessed March 20, 2020.

² “គំនិតផ្តួចផ្តើមផ្លូវមួយផ្លូវក្រវាត់មួយ និងការអភិវឌ្ឍប្រទេសកម្ពុជា.” សូស យ៉ាវ៉ា និង គីមីត្ត វិសិដ្ឋ.

³ Heng Pheakdey, *Cambodia-China Relations: A Positive-Sum Game?* SAGE Journals, June 1, 2012, <https://journals.sagepub.com/doi/full/10.1177/186810341203100203>

⁴ Heng Pheakdey, *Cambodia-China Relations: A Positive-Sum Game?*

Presently, the bond between Cambodia and China is closer and stronger than ever. For many years, China has been the largest source of international investment, also at the present it accounts that China has more foreign investment than all other countries combined. China is now the dominant foreign player in all the major elements of Cambodia's growth due to the bilateral relations between the two countries have boosted trade, tourism, diplomacy, investment and people to people connectivity that have grown steadily. While having an active relationship, China has announced Belt and Road Initiative, a Chinese program started at the end of 2013 and welcomed to Asian countries. BRI is one of President XI Jinping's ambitious foreign and economic policies, which aims to strengthen Beijing's economic leadership through a vast program of infrastructure building throughout China's neighboring regions.⁵ With many on-going cooperation with each other, Cambodia would want to enjoy the fastest-growing economy by signing BRI with a belief that the proposal significance could expend economic and development to both citizens and country. Apparently, the Cambodian government has been very enthusiastic about BRI for a number of reasons. Strategically, the rapid rise of China has convinced the Cambodian government that the future of geopolitics and geo-economics of Asia will be Sino-centric.⁶ This is another fruitful cooperation for both Cambodia and China with political and economic growth to continue growing even more along with the program. It would allow Cambodia to flourish in the context of infrastructure, investment and also enhancing social exchange such as cultural, tourism, people-to-people and trade.

1.2- Problem Formation

Since China proposed BRI, the Chinese investment in Cambodia has grown rapidly that reach a considerable point. The relationship between both countries become stronger in term of

⁵ Cai Peter, "Understanding China's Belt and Road Initiative" Analysis. Lowy Institute, March 22, 2017,

⁶ Cheunboran, Chan Borey, *Cambodia Embraces Belt and Road Initiative*, Khmer Time, April 22, 2019,

cooperation and friendship. In 2017-2018, the Foreign Direct Investment (FDI) that Cambodia got from China is about 23% of the total 2.7 billion, and 26% of the total 3.1 billion (Vireak, 2019).⁷ It has contributed to Cambodia's economic development including tourism, services, and construction sector as China is one of the largest investors in Cambodia. However, at the same time, the overwhelming flow of the investment in Cambodia also causes the worry from experts and international society that it could give a negative impact to Cambodian society. Moreover, Cambodia seems to be more intense with western countries, while favoring China. In this thesis, we will discover and observe the opportunities and challenges that Cambodia has, especially under the implication of the BRI on Cambodia and China relations.

1.3- Research Questions

This thesis sought to address the following research questions:

1. To what extent does BRI contribute to Cambodia's development?
2. What are the impacts that Cambodia gets from overwhelming Chinese investment under BRI cooperation?
3. For the future perspective, how does Cambodia-China relations would be like?

1.4- Research Objectives

This thesis paper seeks to fulfill the following research question:

- To analyze the relationship between Cambodia and China under BRI and its implications
- To discover the opportunities that BRI has contributed to Cambodia's development.
- To address the impact of the overwhelming Chinese investment to Cambodia
- To analyze Cambodia's position and its neutrality toward international society in the context of ASEAN

⁷ Sim Vireak, *Dynamism of Chinese investment in Cambodia*, 9 November 2019, <https://asiatimes.com/2019/11/dynamism-of-chinese-investment-in-cambodia/> (Accessed 22 May 2020)

1.5- Significance of research

The finding of this research will contribute to the society as a whole, especially university students who major in international, and wish to broaden their knowledge regarding to the cooperation between Cambodia and China. This paper will help the reader to understand the general view of Cambodia and China relation, and extend their knowledge on the basic key concept of BRI. The understanding of the Cambodia and China relation under the context of BRI that including cooperation in various sectors in Cambodia, and how it contribute to Cambodia's development, and influence Cambodia society would be significant for relevance of the students, researchers and all the various bodies that comes to play or involve in international relation. The outcome or result of the research study will intent to help strategizing Cambodia foreign relation with China, the reconstructing the Cambodia society, and also strengthening the social-economic ties between both countries. It will push government to further identify the opportunities and negative impact of Chinese investment to Cambodia's society a whole.

1.6- Scope and limitation

This research paper focus mainly on the relation between Cambodia and China that primary in the context of BRI cooperation. Cambodia had a long history with China, and both countries had an ancient relation while establishing many bilateral cooperation with each other. Moreover, the history relation, the foreign policy of Cambodia and the diplomatic relation are the main focus of many research papers, which result in a few focusing on the BRI cooperation, and its implication for Cambodia and China relation. Also, this paper is only limited to specify on the opportunities that Cambodia could gain from the BRI, and how it impact on the Cambodia society. Cambodia's current foreign policy toward China will also be briefly mention in this paper which including the Cambodia's regional position.

1.7- Research Methodology

This research paper is mainly conducted based on the secondary data, which obtained from various reliable sources that related to the topic. Those sources ranging from the reports from international organization like WB, UN, ADB, and other organizations, government websites, the research analysis from different experts, the journal articles from famous sources like Research Gate, various books from libraries and documents from electronic sources, news, and other case studies. The information from the sources has been carefully consulted with advisor, and lecturers who are the experts in the subjects. Therefore, it helps in deliberating to find the effective result or answer for our research paper.

1.8- Structure of Research

This research paper is divided into one introduction, three main chapters, and conclusion as following explanation:

Introduction

In this chapter, the background of study, research objective, research questions, scope and limitation, research methodology, significance of research, and structure of research has been clearly stated.

Three main bodies

Chapter II is about literature review. In this chapter, the overview of Cambodia and China relation and their cooperation in international stage has been described. Also, the key concept of BRI is explained in a deliberate way.

Chapter III is about the cooperation of Cambodia and China under the context of BRI. The cooperation that are divided into different sectors in Cambodia such as political cooperation, security cooperation, economic cooperation, and social cooperation are briefly described in this chapter.

Chapter IV is about the opportunities and impact of the BRI to Cambodia. The opportunities are divided into six main points including economic development, trade and foreign investment, infrastructure development, social exchange, people connectivity, and SDGs. Besides, the impact will be mainly discuss on the debt, case study in Cambodia, and the influence of china on Cambodia's position, especially in ASEAN.

Conclusion

In this last part, the overall summarize analysis of the thesis and the result and the key finding of this research paper will be discussed in order to answer to the research question. The recommendation will also be mention in this chapter.

CHAPTER II: LITERATURE REVIEW

2.1- Overview of China-Cambodia relation since normalization

China and Cambodia had a long historical with each other even though both countries do not have a close-border. In thirteen century during the reign of Indravarman III, a Chinese man name Chi Ta Kwan had arrived in Cambodia for diplomatic mission (Zhou, 2007).⁸ It became Cambodia's oldest alliance since then its strong tight relation started. Cambodia got independence from France in 1953 under the reign of King Norodom Sihanouk. As the world become bipolar, Communist and Democracy region, in Cold War, Cambodia had declared itself as a neutral country, but it was believed that Cambodia was influenced by Communist when it strengthened its relation and foreign policy toward China (Lipes, n.d.).⁹ Later on July 1958, the official diplomatic relation between Cambodia and China was established, and marked as the historical moment of Cambodia and China friendship when Cambodia recognized the

⁸ Zhou Dagan, *A Record of Cambodia: The Land and Its People*, 2007, Trans by Peter Harris, Silkwarm Books
https://www.academia.edu/12499846/Zhou_Dagan_A_record_of_Cambodia_The_land_and_its_people

⁹ Jushua Lipes, *Cambodia-China Relation: A History Part One*, Radio Free Asia,
<https://www.rfa.org/english/news/special/chinacambodia/relation.html>

legitimacy of the PRC while rejected the claimed of independency of Taiwan (Lipes, n.d.).¹⁰ Also, Cambodia has marked as the first non-communist party to receive the official ad from China, and terminated the diplomatic relation with the west in 1965.

The distance of the relation between both countries had been parted when the era of King Norodom ended in 1970. Prime Minister Marshal Lon Nol overthrown King Sihanouk from position, took control of the country and newly formed Khmer Republic while King Sihanouk was on an official visit to Moscow to visit communist leaders (Ben, 2019).¹¹ King Sihanouk was exiled from the country to Beijing. Khmer Republic that led by Lon Nol was supported by United States as a democracy country. The civil war had started since then which result in the rise of Khmer Rouge Regime that led by Pol Pot. After fighting with Khmer Rouge for a year, Lon Nol's forces were defected, and he was exiled to live in United States (Ben, 2019).¹² It was believed that China was behind Khmer Rouge to support the regime, which came to rise on 17 April 1975, and known as Democratic Kampuchea, and supply Khmer Rouge with military, economic, and commercial as a part of a bid to maintain influence in Cambodia aid (Lipes, n.d.).¹³ Nearly 2 million people were killed in the mass killing for 3 years 8 months and 20 days. Even though Khmer Rouge failed, China still supplied the weapon to Khmer Rouge through the Thailand-Cambodia border between 1979 until 1990 (Long, 2009).¹⁴ After the 1997, Hun Sen became the Prime Minister of Cambodia, when he defeated the first Prime Minister Prince Norodom Ranariddh, a leader of FUNCINPEC Party (Marks, 2000).¹⁵ Moreover, he also expelled Taiwan office and open the diplomatic door with China. The relationship between both countries were reestablished, and highly significant in every aspect.

¹⁰ Jushua Lipes, *Cambodia-China Relation: A History Part One*

¹¹ Ben Sokhean, *Lon Nol Coup Resonate Decades on*, 2019, Khmer Times,

¹² Ben Sokhean, *Lon Nol Coup Resonate Decades on*

¹³ Jushua Lipes, *Cambodia-China Relation: A History Part One*

¹⁴ Long Kosal, *Sino-Cambodia Relation*, July 2009, CICP,

¹⁵ Marks Paul, *China's Cambodia Strategy*, 2000, Parameters

While the international communities called upon Cambodia on Human Right issue, and respect democracy, China was the only country to support Cambodia in different view as it was a Cambodia sovereignty and internal affair that outsider should not interfere (Long, 2009).¹⁶ China continued to win the trust back from Cambodia through political, military, and economic cooperation by establishing many bilateral agreements, paying official visits, and providing loan to Cambodia. In the meantime, China conveyed 116 military cargo and 70 jeeps that valued at \$2.8 million were delivered to Cambodia as a part of the deal in December, also in February 1999, Prime Minister Hun Sen paid the first official visits to Beijing, obtained \$18.3 million in aids from China, and \$200 million with no interest loan for the infrastructure project (Marks, 2000).¹⁷ During 1997 and 2005, China provided financing on infrastructure project in amount of \$600 million to Cambodia for political advantage, and became the number one foreign investor in Cambodia while the bilateral jumped rapidly by 50 percent (Storey, 2006).¹⁸ Before the BRI was established, the relationship between the two countries mostly driven by their geopolitical interest through bilateral agreement, and lead to have a strong tie with each other as “Comprehensive Strategic Partnership Cooperation” (Chen, 2018).¹⁹

Today, China is one of the largest investor in Cambodia, a significant donor, and trading partner. Cambodia and China trade value estimated 37%, \$7.4 billion, in 2018, while the import increased by 26% amount \$6 billion (Sok, 2019).²⁰ Moreover, in 2019, China and Cambodia will launch a bilateral free trade agreement.

Cambodia-China Comprehensive Strategic Partnership of Cooperation

Cambodia and China established diplomatic relations on July 19, 1958, until December

¹⁶ Long Kosal, *Sino-Cambodia Relation*, July 2009

¹⁷ Marks Paul, *China's Cambodia Strategy*, 2000, Parameters

¹⁸ Storey Ian, *China's Tightening Relationship with Cambodia*, 24 April 2006, The James Town Foundation

¹⁹ Shihlum Allen Chen, *The development of Cambodia-China Relation and its Transition under the OBOR Initiative*, 2018,

²⁰ Sok Chan, *Feasible Study on China-Cambodia free-trade agreement to be launch*, April 2019, Khmer Times, <https://www.khmertimeskh.com/659652/feasibility-study-on-china-cambodia%E2%80%8B-free-trade-agreement-to-be-launched/>

2010 the two countries agreed to upgrade their bilateral relations to a comprehensive strategic partnership of cooperation. Now, the relationship between the two countries is at its best and highest level ever, and the two countries were politically stable and peaceful. Although, the healthy relations between the two countries have grown considerably, to enhance mutual understanding for developing and strengthening the long term friendship between Cambodia and China deeply, both countries held the first annual Cambodia-China cooperation forum with the theme of ***“Cambodia-China Comprehensive Strategic Partnership toward the Community of a Shared Future: We Grow Together”*** on 6-8 December 2019 in Historical and Cultural City of Siem Reap of the Kingdom of Cambodia.²¹

*“This forum aims to inform relevant stakeholders on the evolution and development of Cambodia-China relations and cooperation by focusing on achievements, challenges and opportunities for political, economic and socio-cultural cooperation and connectivity, and what its next moves.”*²²

Moreover, the forum means to find ways to strengthen political, economic and cultural cooperation and closer people-to-people relationships. Based on the establishment of a comprehensive strategic partnership, China and Cambodia are working together to promote building a community with a shared future for humanity, and will continue towards the goal of exchanging friendly relations with China, which benefits both people.

Memorandum of Understanding on Infrastructure Cooperation to Promote Healthy Development of Capacity Cooperation

The Memorandum of Understanding signed between Chinese Ministry of Commerce and Cambodian Ministry of Public Works and Transport on Strengthening Infrastructure Cooperation on May 16, 2017.²³ The MOU aims at building and operation cooperation in the

²¹ “First Annual Cambodia-China Cooperation Forum on *“Cambodia-China Comprehensive Strategic Partnership toward the Community with a Shared Future: We Grow Together.”* International Relations Institution of Cambodia. December 05, 2019.

²² “Cambodia-China forum to be held to further enhance cooperation”, Xinhua, December 06, 2019,

²³ “China and Cambodia Sign MOU on Infrastructure Cooperation to Promote Healthy Development of Capacity Cooperation.” Ministry of Commerce PEOPLE’S REPUBLIC OF CHINA. May 17, 2017.

infrastructure field like railway, highway, port and bridge in order to solve problems, coordinate and provide convenience to import and export of goods, efficient and diversified financial services. Undeniably, the improvement in infrastructure will have a positive impact on both economic and social development. As an important China friendly country, Cambodia is one of the China's key markets for foreign contractual project, and both countries also form a joint working group on infrastructure cooperation under the framework of Joint Economic and Trade Bilateral Committee.²⁴ Signing the MOU with China on infrastructure cooperation could help the two countries build more efficient infrastructure cooperation mechanism, promote cooperation of international capacities for mutual benefit and common development and deepening the Cambodia-China economic relation.

Cambodia and China signed “Action Plan 2019-2023 on Building China-Cambodia Community of Shared Future”

In early 2019, Prime Minister Hun Sen made a successful visit to China and reached an important agreement with President Xi Jinping on building a community of the future together with the strategic meaning of China and Cambodia. On 25-29 April, 2019, Cambodia and China signed “Action Plan 2019-2023 on Building China-Cambodia Community of Shared Future” as a roadmap to further develop the Cambodia-China comprehensive strategic partnership, which happened in Beijing during Cambodian Prime Minister Hun Sen's mission to Second Belt and Road Forum. During the forum, Chinese Ambassador to Cambodia Wang Wentian stated that “Action Plan 2019-2023 on Building China-Cambodia Community of Shared Future” has four special points as follows:

1. *Comprehensive: the content of the action plan passed through administrations of all levels of both countries The Action Plan includes 31 measures on five areas political, security, economic, people and multilateral cooperation.*

²⁴ “China and Cambodia Sign MOU on Infrastructure Cooperation to Promote Healthy Development of Capacity Cooperation.” Ministry of Commerce PEOPLE'S REPUBLIC OF CHINA. May 17, 2017.

2. *Real: in terms of population, we focus on the people-to-people relationship, promoting tourism and culture, creating jobs, providing vocational training, childcare, and social protection. On the rice sector, we export rice in quotas that have agreed to strengthen cooperation on the cultivation, storage and transport of rice, corn, rubber and cassava.*
3. *Deep: Cambodia and China are focused on exchanging bilateral top leaders and sharing their knowledge on governance. China is committed to respecting the independence, sovereignty and territorial integrity of Cambodia. Adhere to Cambodia's internal non-interference and support appropriate development paths for the Kingdom. Cambodia and China will deepen cooperation on law enforcement and security, ensure the process of creating Belts and Road Initiative, and protect security, stability and development of both countries.*
4. *Supreme: Cambodia and China will promote multilateral cooperation, such as the Asia-Europe Summit, the Shanghai Cooperation Organization and the United Nations, to contribute to regional and global peace and development. Further promoting ASEAN-China relations by building a "community of common destiny", protecting the multilateral trading system, and promote global relations based on mutual respect, justice and equality.²⁵*

This action plan will serve as a catalyst for boosting Cambodia-China relations to foster confidence in cooperation with neighboring countries, and it is the first action plan signed by different political states. There are more bilateral agreements and other cooperation that have established and in processing of negotiation between the Kingdom and China. Based on the agreements and cooperation, the two countries will step forward to strengthen this traditional friendship, and will continue to nurture and sustain the future bilateral partnership. This action implies that theories and perspectives are constantly evolving beyond the political and ideological boundaries. Such activities will inspire more countries to join together to build an open, peaceful and prosperous world.

2.2- Cambodia-China Cooperation on international stage

Prime Minister Hun Sen thanked China on his Facebook page for pledging \$90 million for the country's military during his trip to Beijing for the special submit "One Belt One Road" on 25-27 April 2019 (Chomrong, 2019).²⁶ In his post, he had mentioned that the relation between China and Cambodia is as strong as "STEEL", and the friendship between the two

²⁵ "China-Cambodia Community of Shared Future Features Four Special Points: Chinese Ambassador to Cambodia." Fresh News. <http://m.en.freshnewsasia.com/index.php/en/localnews/13941-2019-05-08-08-06-23.html>

²⁶ Pich Chomrong, "Cambodia and China's Bonds as Strong as 'Steel,' Hun Sen Says" VOD, 29 April 2019

countries are strong brothers and will continue to cooperate with each other for the mutual interest in the future. Not to mention, the two countries also has a vital role in the international community, especially in ASEAN and LMC.

- **ASEAN**

China became the dialog partner of ASEAN in 1996. A few years later in 1999, Cambodia became a member of ASEAN despite the crisis happened in the country. The cooperation between ASEAN and China strengthen significantly to a strategic partnership for peace and prosperity in a short period of time. ASEAN and China also created Free Trade Agreement, ASEAN-China Free Trade Area which was signed in 2002, and the five main cooperate areas are agriculture, information and telecommunication, human resource development, two-way investment, and the Mekong River Basin Development (ASEAN-China Centre, 2020).²⁷ The trade between China and ASEAN account for \$139.77 million in the first quarter of 2020 which increased by 6.1 percent, and equal 15.1 percent of China total global trade (Bilateral Organization, 2020).²⁸ China had replaced EU as the ASEAN's largest trading partner in the first quarter. This way, Cambodia and China interaction has becoming closer in political, economic, and social cooperation through mutual interest because there is no trade barrier, no interference in internal affair, and respect each other sovereignty. For mutually complementary and beneficial cooperation, Cambodia and China join hand with ASEAN member states to engage with other productive cooperation such as ASEAN Plus, ARF, and other regional cooperation.

- **Mekong Lancang**

Mekong Lancang is one of the Mekong Cooperation as a sub-regional cooperation that

²⁷ *ASEAN-China Relation*, 13 March 2020, ASEAN-China Centre, <http://www.asean-china-center.org/english/2020-03/4613.html>

²⁸ *China-ASEAN Trade to Blossom in Hard Time*, 8 May 2020, Bilateral.org,

consist of Mekong river countries, Laos, Cambodia, Thailand, Vietnam, and Myanmar, plus China. It was established in 2015, and focus on three main pillars such as Political and Security Cooperation, Economic and Sustainable Development, and Social, Cultural and People to People Exchange, also other five priority areas namely agriculture and poverty reduction, water resource, production capacity, cross-border economic cooperation, and connectivity which called “3+5 cooperation Framework” (Lancang Mekong Cooperation, 2017).²⁹

Mekong Lancang Cooperation is very important to Cambodia in term of friendly cooperation, regional development, and also for mutual benefit. The commitment of the development is a priority point to the development as all the member of Mekong Lancang is developing countries. On 14 February 2019, Cambodia had signed the cooperation agreement on the projects of the Mekong Lancang Cooperation Special Fund with China in Cambodia, Phnom Penh (Xinhua, 2019).³⁰

During the ceremony, China provided \$7.6 million from Lancang-Mekong Cooperation (LMC) Special Fund 2018 to Cambodia for implementing 19 projects in the country. As mentioned in Xinhua, Cambodia has received 35 projects that offered from LMC since the establishment of the LMC, which were 16 projects in 2017 and 19 projects in 2018. It covered agriculture, tourism, ICT, education and research, water resources, rural development, air connectivity, cultural and religious exchange.

2.3- The Proposal of Belt and Road Initiative

Belt and Road Initiative (BRI) referred to The New Silk Road which is actually among the most ambitious infrastructure projects actually conceived. It launched in 2013 by President

²⁹ Lancang Mekong Cooperation, 2017 http://www.lmcchina.org/eng/zyjz_3/35hz/t1519481.htm

³⁰ Xinhua, “China offers 7.66 mln USD from Lancang-Mekong Cooperation Special Fund 2018 to Cambodia”, 14 February 2019

Xi Jinping as an official financed infrastructure projects, trade and investment (Choi, 2017).³¹ He called for the putting together of a Silk Road Economic Belt along with a 21st Century Maritime Silk Road, collectively called One Belt, One Road (OBOR) but which has additionally come to be recognized as the Belt as well as Road Initiative. President Xi's vision is actually an ambitious program of infrastructure developing to link China's less developed border areas with neighboring places. BRI could be one of probably the largest growth plans in contemporary history. BRI was launched in purpose of building the community of common interest, common responsibilities and a shared future, featuring political mutual trust, economic integration and cultural inclusiveness (Macdonald, 2019).³² BRI aim to enhance regional connectivity by connecting China with the rest of the world that could facilitate future commerce. On land, BRI seeks to link China to Europe through Central and South Asia, this particular route has been called as the Silk Road Economic Belt. The next route of Xi's strategy is actually building a 21st Century Maritime Silk Road or the New Maritime Silk Road, announced at the 2013 ASEAN Summit in Indonesia, which connecting Southeast Asian region to China's southern provinces through ports (Choi, 2017).³³ It mostly connects with the countries that located along ancient land routes through Central Asia and beyond, as well as along a maritime route through Southeast Asia and all the way to Africa and Europe, significantly growing China's economic and political influence. The infrastructure project is estimated about 1.3 trillion dollars by 2027 as 71 countries agreed to participate with the project.³⁴

In addition, Cambodia is also a huge participant to the project, the first to offer a great support, and show enthusiastic to China after established BRI. China is one of the oldest friend,

³¹ Peter Choi, *Understanding China's Belt and Road Initiative*, 2017

³² Macdonald, R. *Southeast Asia and the ASEAN economic community*. 2019

³³ Peter Choi, *Understanding China's Belt and Road Initiative*, 2017

³⁴ Macdonald, R. *Southeast Asia and the ASEAN economic community*. 2019

and has always been a “Steel friend” to Cambodia. The quick rise of China has convinced the Cambodian government that the future of geo-economics plus geopolitics of Asia will be Sino centric. Cambodia has been receiving significant benefits and opportunities from China’s resources and technical capabilities that contribute to the development, boost employment and development opportunities, upgrading policy frameworks to nurture cooperation better between Cambodia and China as well as some other partner countries, and ensuring debt sustainability. Cambodia became the 57 founding members of the AIIB in May 2015 when the Cambodia National Assembly ratified the investment proposal \$62.3 million to the bank (Chanborey, 2019).³⁵

China's economic engagement has assisted Cambodia to spur economic development as well as standard address deficits within infrastructure, like access to electricity and countryside transportation. In the hydro electricity industry, China has been probably the biggest source of expenditure of over \$1 3.37 billion in 7 projects that will make 1,328 Megawatts as of 2016 (Chanborey, 2019).³⁶ For Phnom Penh, China's support and investment in this industry not simply tackles the energy demand for fast economic improvement of Cambodia but also offers its national security. The concern about the electrical energy resources has become the worrisome among the policy makers in Phnom Penh that electricity supply from Cambodia's neighboring countries like Thailand and Vietnam, may be used as a geopolitical application against the Kingdom's pursuits. In addition, China is one of the significant actor in Cambodia's physical infrastructure development, and China's help has assisted Cambodia to finish the building of over 1,500km highways as well as 7 vital bridges by the end of 2017.

Under BRI projects, Cambodia has entered the new era with China, and created a new platform of bilateral agreement between both countries. It could be seen that the infrastructure

³⁵ Cheunboran Chanborey, *Cambodia embraces Belt and Road Initiative*, April 22 2019

³⁶ Cheunboran Chanborey, *Cambodia embraces Belt and Road Initiative*, April 22 2019

development is rapidly expanded with BRI cooperation. Without having the cohesiveness framework of the BRI, the implementation of the bilateral agreement for partnership and leadership of the two countries would be much slower than expected.

CHAPTER III: COOPERATION BETWEEN CAMBODIA-CHINA UNDER BELT AND ROAD

China's Belt and Road Initiative, which consists of the Silk Road Economic Belt and 21st-Century Maritime Silk Road Initiative, is an international cooperation platform that significantly shapes domestic development as well as the foreign policies of President Xi Jinping. The BRI is the key vehicle for China to apply economic statecraft and expand its economic and political presence in the Eurasian continent and the Indo-Pacific.³⁷ It is the Xi Jinping's signature foreign policy initiative and involves massive strategic investment in businesses and infrastructure across the globe, with an emphasis on developing countries in Asia and along the old Silk Road to Europe. BRI has three main stated purposes, namely realizing global rebalancing, promoting global economic growth, and creating a new model of regional cooperation in the 21st century. The Belt and Road also focuses on five cooperation areas: facility connectivity, unimpeded trade, financial integration, policy coordination and people-to-people bond.³⁸ Many countries are interested and support on Belt and Road Initiative program by the economic rising in the powerful country as China, which offered the cooperation that could bring developments and prosperity through BRI, and it has become an alluring global initiative, particularly amid rising economic protectionism and uncertainties in different parts of the world.

Southeast Asian countries have expressed their interests and pledged their support for BRI to varying degrees. Some has fully embraced the initiative, while others are more cautious about their participation. Looking at the Southeast Asian countries, Cambodia is one of the most supportive countries of BRI in the reason of flourishing economic, and the perception of boosting

³⁷ Vannarith Chheang and Heng Pheakdey, *Cambodian Perspective on the Belt and Road Initiative*, http://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter01.pdf

³⁸ Vannarith Chheang. *Cambodia Embraces China's Belt and Road*, YUSOF ISHAK INSTITUTE, ISEAS, 6 July 2017, https://vannarithchheang.files.wordpress.com/2011/11/iseas_perspective_2017_48.pdf

the investment and infrastructure development to Cambodia. In the context of BRI, Cambodia-China relation will promote strategic mutual trust, deepening the governance of the nation and its party and strengthen the cooperation on BRI. The cooperation between Cambodia and China under BRI will be focus on four main cooperation importantly in both countries.

First of all, starting with the political cooperation, which a good relationship between the two top leaders, continuing from generation to generation are the foundations of these bilateral ties. The BRI could help strengthen and reform governance for Cambodia to be better, and in terms of being a true friend as a good example for other countries. Moreover, BRI could play as a key development strategy in promoting their foreign policies coordination at both national and international levels in both countries. Second will be interpret about benefits in security cooperation between Cambodia and China under BRI. The security cooperation will be increasing further cooperation in the security context, and will provide more opportunities for enhancing their effectiveness in maintaining both internal and public security. Third will address about a comprehensive economic cooperation, and to seek opportunities in boosting economic growth in various areas such as trade, Foreign Direct Investment (FDI), infrastructure projects, financial assistance and more development under Belt and Road project. Also, Cambodia can strengthen its economic resilience in significant sectors like agriculture, tourism, and diversification of manufacture.

3.1- Political Cooperation

3.1.1- Cambodia's Foreign Policy

- National Strategy Development Plan

The Royal Government of Cambodia has been developing the country Strategic Development Plan (ADP), the backbone of these efforts on overcoming obstacles that lead to conditions for expansion and deepening the economy ensures gradual socio-economic growth

conditions for mobilizing resources and monitoring progress. NSDP is informed through two additional strategic processes. First by Rectangular strategy (HC) that shows the size of the socio-economic government political forum for the current parliamentary term. Second and more lately, through Cambodia's long-term vision - Vision 2030, which sets the path to graduate from low and middle income countries Status and Vision 2050 with a focus on achieving high incomes. In the upcoming NSDP 2019-2023, speed and focus will change again adapting an economic model to meet new challenges of speed Cambodia's regional and global integration, declining ODA and potential losses commercial privileges. With 2015 as the base year for the CSDGs, the NSDP will also frame the establishment of the new delivery capacities and approaches required by the CSDG agenda and address early priorities, particularly the completion of any unfinished business from the CMDGs. In addition, plans will be notified by seven topics to emerge from this document. Mid-term review in 2016 of the current cycle. These include: (1) Promoting poverty reduction and overall growth; (2) agricultural expansion; (3) Ensure greater security challenges (4) Migration and Urbanization Management (5) Climate Combat deforestation and deforestation; (6) Good governance. And (7) improving people resource base.³⁹

- The Rectangular Strategy

The government's political platform of the 6th national assembly mandate and the Rectangular Strategy (RS) Phase IV will jointly serve as a comprehensive policy framework for formulating of NSDP 2019-2023 which is articulated in the newly elected governments, and the NSDP represents the primary mechanism for SA commitments. Development of SIS IV is completed after the national elections in July 2018.

³⁹ "Cambodia Sustainable Development Goals (CSDGs), Framework 2016-2030." Royal Government of Cambodia. Council of Ministers. November 19, 2018. <http://mop.gov.kh/DocumentEN/CSDG%20Framework-2016-2030%20English.pdf>

Successive iterations of the RS are based on four priority outcomes: Employment growth, equity and efficiency. Under RS III (see above) the approach is clearly defined in the four policy rectangles covering agriculture. Expand physical infrastructure, private sector development and employment, and human resource development, each with four additional policies compounds. These are in the middle of a beautiful rectangular circle. Be informed in turn by analysis from the external environment. Each phase of the RS sets out the development of policy objectives. For these RS III were:

- Ensure sustainable high growth (above 7%) with inclusive and equitable and resilient to shocks. Achieved by diversification, improved competitiveness and maintaining macroeconomic stability.
- Create more and more valuable jobs, especially for young people through outreach domestic and foreign investment.
- Achieve (at least) 1% reduction in annual poverty rate and achieving Cambodia's Millennium Development Goals while prioritizing human resource development and sustainable use of natural resources.
- Enhancing institutional and governance capacity building at national and sub-national levels and ensure efficient public services.⁴⁰

⁴⁰ “Cambodia Sustainable Development Goals (CSDGs), Framework 2016-2030.” Royal Government of Cambodia. Council of Ministers. November 19, 2018.

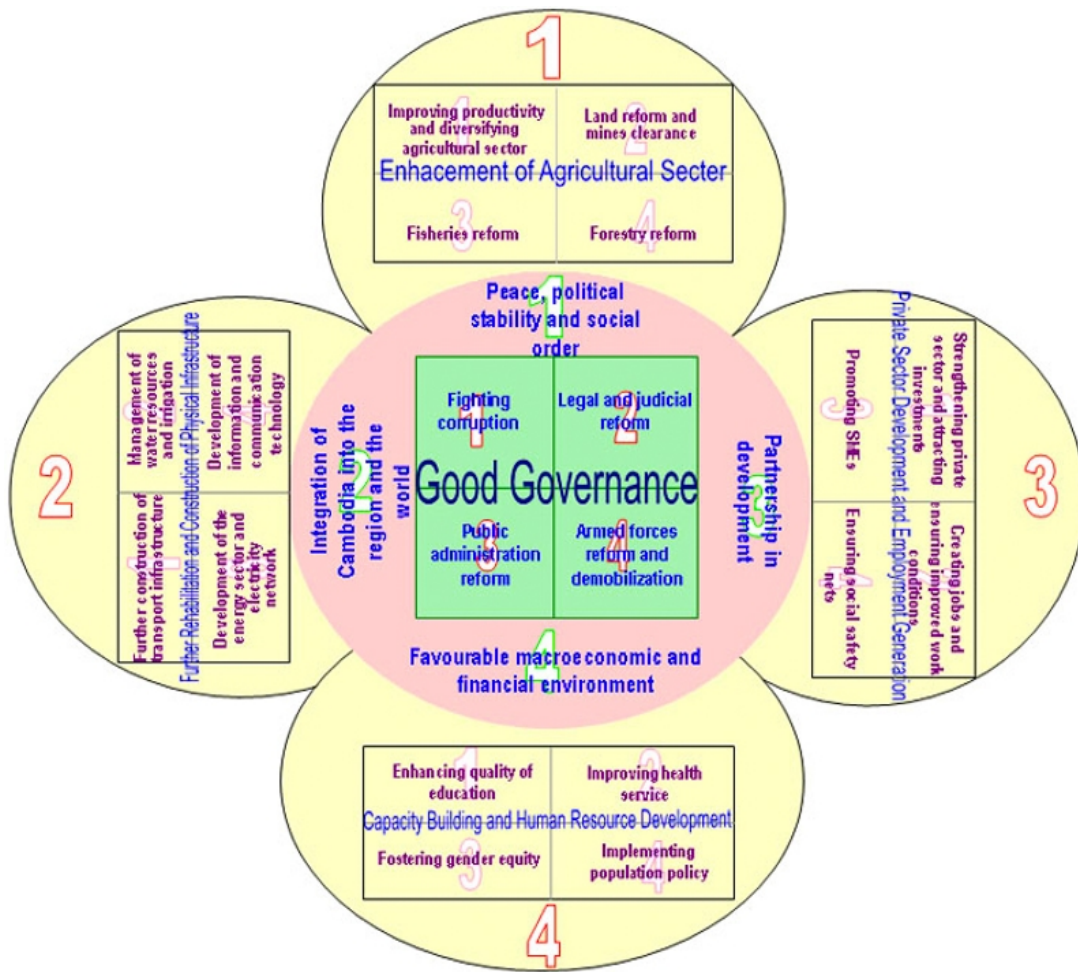


Figure 1 Rectangular Strategy

3.1.2- China's Foreign Policy

Since the founding of People's Republic of China in 1949, the Communist Party of China (CCP) has been trying to gain the respect and dignity of being a great nation, who has been lost after what the Chinese perceive as the "century of humiliation" when external powers control the region.⁴¹ During the last four decades, China has shifted from being an isolated country separated from international community, to become one of the world's great power, and moving

⁴¹ Mikael Weissmann. "Chinese Foreign Policy in Global Perspective: A Responsible Reform "Striving For Achievement." Journals of China International Relations: Vol 3, No. 1. Aalborg University. May 2015. https://pdfs.semanticscholar.org/8738/191c04133ac556d3810890d41caece2ee624.pdf?_ga=2.38643745.322639429.1598375609-543562703.1598375609

towards becoming the largest economy in the world. The weight of China's growing economic, diplomatic and military capabilities has been rapidly risen and attracted a lot of attention from international community, since Xi Jinping's tenure as president of China, the country has adopted what many observers interpret as an aggressive foreign policy.

- **The Face of China Power**

China has shown great interest in many hot spots of the world. China's new diplomacy is characterized by an increased confidence and sincerity in planning and protecting China's national interests. Presently, China is increasing investments around the world, and thus these investments will in turn promote international stability and make China a more predictable international actor. The Belt and Road Initiative (formerly "One Belt, One Road") is a perfect example of this policy drive. President Xi Jinping made a point that China will seek to "dominant" the world that the country itself must carefully consider the interests of its international partners, and to not just follow its own interests but seek out win-win scenarios.⁴² Beijing has reportedly emphasized its respect for the principle of non-interference in the internal affair of other states. In addition, China must assure international partners of its credibility. China can only do so if it shows a minimum level of commitment to international rules and institutions, which is especially important for weak partners who fear the PRC's overwhelming power if China insists on bilateral cooperation without an international legal framework.⁴³

- **A System Transformed: Xi Jinping's Consolidation of Political Power**

President Xi has fundamentally changed China's governance system. Under the previous Chinese leaders since Deng Xiaoping established embedded structures of leadership

⁴²Tim Ruhlrig. "A "New" China Foreign Policy Under Xi Jinping?" Focus Asia Perspective & Analysis. Institute for Security and Development Policy. March 02, 2018.

⁴³ Tim Ruhlrig. "A "New" China Foreign Policy Under Xi Jinping?" Focus Asia Perspective & Analysis. Institute for Security and Development Policy. March 02, 2018.

and decision-making in a collective system of checks and balances spanning many bureaucratic institutions and includes some party elites.⁴⁴ President Xi has fundamentally changed China's governance system. These bureaucratic procedures and prerogatives no longer function as before. President Xi introduced a new system by identifying collective institutions dependent on a small base of close advisers and a consistent structure to govern policy. Given China's unprecedented power and influence, China's policy will be more clearly defined by his background and biases, and thus will be more unpredictable. President Xi's devotion to the CCP expresses his views on what he sees as two of the biggest threats to longevity: corruption and liberalism.⁴⁵

China's domestic political transition has entered a new era of external behavior. What sets Xi Jinping's foreign policy apart is his willingness to use all states tools, from military assets to geo-economic intimidation as well as tangible economic rewards to achieve his various geo economic objectives. His ability to implement such policies was facilitated by his centralization in policy making.⁴⁶ This approach is even more apparent in China's relations with Southeast Asian states, many of which are embroiled in complicated territorial disputes with Beijing over the South China Sea, and Beijing's stance on this territorial dispute was accompanied by generous investment and trade packages to the Southeast Asian states. In 2014, China pledged more than \$20 billion in aid to Southeast Asian states, and Beijing's AIIB and One Belt One Road Initiatives, which will provide billions more in infrastructure financing, are the focus of a President Xi-led working groups.⁴⁷ These confident gestures shows that China is trying to show the benefits of cooperation against the difficult situation of possible conflict.

⁴⁴ Robert D. Blackwill, Kurt M. Campbell. "Xi Jinping on the Global Stage." Council on Foreign Relations. February 2016.

⁴⁵ "Xi Jinping on the Global Stage", Robert D. Blackwill, Kurt M. Campbell, Council on Foreign Relations.

⁴⁶ "Xi Jinping on the Global Stage", Robert D. Blackwill, Kurt M. Campbell, Council on Foreign Relations.

⁴⁷ "Xi Jinping on the Global Stage", Robert D. Blackwill, Kurt M. Campbell, Council on Foreign Relations.

3.2- Security Cooperation

3.2.1- South China Sea Dispute



Figure 2: Map of South China Sea Dispute⁴⁸

For the past century, several sovereignty states have laid claim to an overlapping territory in the South China Sea. The South China Sea is one of the busiest international sea lanes in the world, which described as "the throat of global sea routes of the world".⁴⁹ The SCS is essential to East Asia and its claim states due to its natural resources, maritime strategic sea lane and associated territorial disputes. However, activities in the SCS are not only related to trade and maritime navigation, but also exploitation and exploitation of natural resources such as natural gas, oil and fish stocks. Four ASEAN countries: Malaysia, the Philippines, Brunei and Vietnam, and the People's Republic of China (PRC), the Republic of China (ROC/Taiwan) lay overlapping claims to the South China Sea, and form the core of a territorial dispute.

⁴⁸ "The South China Sea Dispute: Opportunities for ASEAN to enhance its policies in order to achieve resolution", Commodore Agus Rustandi, Indo-Pacific Strategy Papers.

⁴⁹ "The South China Sea Dispute: Opportunities for ASEAN to enhance its policies in order to achieve resolution", Commodore Agus Rustandi, Indo-Pacific Strategy Papers.

The dispute is infused with nationalism, whereby each claimant attaches symbolic value to the South China Sea islands beyond their target material wealth. Over the past year, disputes in the South China Sea have dominated the headlines, and they seemed sure to continue to create new national security issue.

The competition for the territorial integrity on the islands and the smaller features in the South China Sea has long been a source of tension and distrust in the regions. The geographical significance of those territorial features and the presence of abundant natural resources around the claimant states, which the major island and the reef in the South China Sea are the Spratly Island, the Paracel Island, the Pratas, Natal Island and Scarborough Shoal.⁵⁰ While UNCLOS has been signed and ratified by all coastal countries in the South China Sea, its interpretation remains hotly disputed. In fact, by the end of WWII, no claimant owned a single island in the entire South China Sea. However, over the next half century, there was growing interest in the SCS. Moreover, the Philippines was the first to move that the legal and territorial disputes continue to exist mainly on the Spratly and Paracel Islands, where there were ongoing tensions between China and the Philippines. In terms of Spratly, more than 60 geographical features have been reported by claimants, including Taiwan, Vietnam, the Philippines, China and Malaysia. The Paracel Islands, are subject to overlapping claimed by China, Vietnam and Taiwan.⁵¹

According to Law Fare, the dispute seemed to get better in 2002, when ASEAN and China jointly signed the Declaration on the Conduct of Parties in the SCS. The Declaration brought the parties with the promise to “exercise self-restraint in activities that complicate or escalate conflicts and affect peace and stability, including avoiding the activities uninhabited

⁵⁰ “South China Sea”, Lowy Institute.

⁵¹ “South China Sea”, Lowy Institute.

islands, reefs, shoals, cays, and other features, and to address their differences in a constructive manner”. For a while, the Declaration seems to keep the conflict going. Rather than fighting at sea, the claimants began needling each other through demarches and notes verbal’s.⁵² Over the next half decade, the dispute has been going on through international arbitrations, regional arrangements and court, but the case is still far from the conclusion. The establishment of the Declaration on the Conduct and Internal Meetings between ASEAN and China to discuss the implementation of the Declaration and Code of Conduct has not made any specific progress on this issue, especially since China seems to be implement a “hedging strategy”.⁵³ Somewhat, it seems that some ASEAN claimants are coming to the conclusion that the negotiated solution of the South China Sea dispute is unlikely. Undoubtedly, the fact that all the ASEAN claimant states have a strong economic dependence on China, which is ASEAN’s largest trading partner, so that the economic considerations can influence the thinking of individual states to different levels.⁵⁴

The territorial dispute in the South China Sea has been playing as a good example and give the experience about security issues for ASEAN countries to learn from like the Kingdom, Cambodia. Comeback to the security cooperation between Cambodia and China under Belt and Road Initiative, it is a chance for Cambodia to capture the cooperation in fostering friendship with China to be stronger. According to one of ASEAN main principles states that Non-interference in the internal affairs of one another.⁵⁵ Nevertheless, in the South China Sea case is not favorable for the outsiders to engage in when the other dispute party is a superpower

⁵² “Sean Mirski. “The South China Sea Dispute: A Brief History.” LawFare. June 08, 2015.

⁵³ “The South China Sea Dispute: Opportunities for ASEAN to enhance its policies in order to achieve resolution”, Commodore Agus Rustandi, Indo-Pacific Strategy Papers.

⁵⁴ “The South China Sea Dispute: *Opportunities for ASEAN to enhance its policies in order to achieve resolution*, Commodore Agus Rustandi, Indo-Pacific Strategy Papers.

⁵⁵ “*Association of Southeast Asian Nations.*” Nuclear Threat Initiative. March 26, 2019.

country, it is unlikely to be helpful. Although, the current situation of the South China Sea is stable, the possibility for the third party to interfere into the case is not so much. Any interference could affect the third party or outsiders' relations with the dispute parties, but also can turn into tensions to their states. From the statement by the Malaysian Prime Minister pointed out that "although ASEAN generally operates on the principle of spirit and concept of consensus when it comes to national interests, individuality will be governed and this must be accepted and understood by other members."⁵⁶ Cambodia have been made a strong and a long time relationship with China as a true and reliable friend. Deepening to the cooperation, both countries is taking a step toward a closer relationship with a huge cooperation under BRI that it could avoid any conflict in the future and to maintain peace and security between each other.

3.2.2- One China Principle

Taiwan, officially known as the Republic of China (ROC), is an island off the southern coast of China that has been governed independently from mainland China since 1949. The People's Republic of China (PRC) views the island as a province.⁵⁷ The ROC government lost control of the mainland and fled to Taiwan in December 1949. Since then, a state in mainland China is governed by the Chinese Communist Party (CCP) and a state in Taiwan controlled by the Nationalist Party (KMT) faced off across the Strait of Taiwan.⁵⁸ Resolving Taiwan and achieving full reunification of China embodies the fundamental interests of the Chinese nation. The People's Republic of China definition of a One China Principle for international use is that "there is only one China in the world, Taiwan is a part of China, and the government of PRC is

⁵⁶ "South China Sea Dispute and Cambodia – Stance understandable." Khmer Time. September 06, 2019.

⁵⁷ Eleanor Albert. "China-Taiwan Relations." Council on Foreign Relations. Last updated January 22, 2020.

⁵⁸ OGASAWARA Yoshiyuki. "Taiwanese Identity and the "One China Principle": Policies of the Lee Teng-hui Administration towards China." Tokyo University of Foreign Studies. March 2001.

<http://www.tufs.ac.jp/ts/personal/ogasawara/paper/epaper3.html>

the only government representing the country, China as a whole.⁵⁹ Since the end of 1987, Taiwan's economic and cultural exchanges and people-to-people relations on both sides of the Taiwan Strait have grown rapidly. Unfortunately, the roughness occurred since the 1990s, which the leader of the Taiwanese authorities, Li Teng Hui, has gradually betrayed the one-China principle, striving to promote a separatist policy with "two china" at the core.⁶⁰ The action has affected China and Taiwan relations, which damaged their fundamental interests and harmed the reunification of both sides, and still the Chinese government adhered the principle and strongly oppose any attempt to separate Taiwan from China. The One China Principle is the keystone for the reunification that primary to legitimize China's claim over Taiwan, also the principle seeks to build China as a modern country capable of sustaining its own sovereignty and territorial integrity of the country. On this note, the mainland perceives Taiwan as a land that has been repeatedly separated by foreign hands and sees injustice in this legacy. First, the island was annexed by the Japanese Empire, and then second, the reunification in the Civil War was prevented by the US military force.⁶¹ China established this basic principle of "peaceful reunification, and one country, two systems, with the key points of promote people-to-people contacts and economic and cultural exchanges between the two sides of the Taiwan Straits, and achieve reunification through peaceful negotiations on the premise of the One-China Principle.

Back in the Kingdom's perspective on the "One China Principle", Cambodia seemingly backs to China in the opposition against the creation of an independent Taiwan. Prime Minister Hun Sen, has said "Taiwan is just one of China's provinces. We allow Taiwanese companies to do business in Cambodia, but no Taiwanese flag will raise here. Respecting China's sovereignty

⁵⁹ Richard C. Bush. "A *One China Policy Primer*." Centre for East Asia Policy Studies at Brookings. March 2017.

⁶⁰ "The *One-China Principle and the Taiwan Issue*", Speeches and Documents. Embassy of People's Republic of China in the Kingdom of Norway. May 17, 2005. <https://www.fmprc.gov.cn/ce/ceno/eng/ztxw/twwt/t110655.htm>

⁶¹ Tom Fowdy. "The historical context of the 'One-China Principle', and why it won't change." CGTN. January 18, 2020.

is the same as respecting Cambodia's sovereignty."⁶² This stance will be favorable to Cambodia-China relations as the mainland will value Cambodia's friendship as Cambodia respects China's sovereignty. Being a great friend, Cambodia plays this foreign policy to grip the chance in order to strengthen relations between the countries, as well as Cambodia and China have helped each other regionally and internationally to promote peace, stability and development. Additionally, Cambodia has supported China's Core interests so far, which is a part of the road to peace in Cambodia that provides special developments and cooperation with a mutual constructive relationship. Cambodia has reaffirmed the country's commitment to supporting this One China Principle as a string attached to reach further bilateral relations and deep cooperation with the mainland, and through this clear stance, China will be understandable about Cambodia's esteem for China's sovereignty that could assist in regional cooperative security between both countries. As far as traditional security is concerned such as territorial dispute, border defense, natural disaster response, maritime security, counter terrorism, international crime capabilities, security sector reform and governance are the security issues that every country faces as well as Cambodia.⁶³ That is the reason for Cambodia to avoid affecting the good relationship with a major power like China, and opts for the opportunity in strengthening Cambodia's capacity and promoting cooperative relationships and comprehensive win-win partnerships with its allies. To prevent future potential security issues, Cambodia has expressed its stance to this China-Cambodia Ironclad Friend with the commitment to seek for further bilateral and cooperation in security context. It is necessary to always be ready and prepared to respond to future issues rather than relying on measures. Like other countries, Cambodia has faced with a variety of transnational crimes such as drugs, human trafficking, money laundering, etc., However, the

⁶² Ben Sokhean. "Hun Sen renews stance on One China Policy." Khmer Times. March 04, 2019.

⁶³ "Cambodia Security and Defense Policy", Vannarith Chheang.

Kingdom has put efforts to cope with those serious problem by collaborating with other nations, and with cooperation from foreign friend like China is essential for fighting other transnational acts, also promoting border security and the safety of cross-border trades for both states. Besides, security cooperation between Cambodia and China could be promoting security governance through practice on security sector reform that could provide more priorities and abilities to response to the challenges of national security and human security also. Consequently, the norm of cooperative security needs to be maintained and nurtured in order to strengthen national and regional peace and stability.

3.3- Economic Cooperation

3.3.1- Infrastructure

Since the mid-1990s, China has gradually increased its economic presence Cambodia. Starting from low key economic ties, China has become rich Cambodia's top trade partner of bilateral trade reaches \$ 5.5 Billion in 2017.⁶⁴ Chinese investment in Cambodia is mainly found in textiles, construction production. Telecommunications and Energy. In terms of development assistance in 2017, Cambodia receives approximately Official Development Assistance (ODA) of \$ 4.2 billion from China in the form grants and soft loans. This ODA has targeted physical infrastructure, agriculture, health and education. Indeed, about 70 percent of roads and bridges in Cambodia have been funded by Chinese loans.⁶⁵ The BRI provides a new platform for bilateral economic cooperation between Cambodia and China. Under the aegis of the BRI, cooperation between the two countries has rapidly expanded especially in infrastructure development. At the Belt and Road Forum for International Cooperation in Beijing on May 15, 2017, Prime Minister Hun Sen stated:

“The Belt and Road Initiative is a well-thought out and long-term strategy aiming to promote connectivity and cooperation in all sectors including physical infrastructure, economy,

⁶⁴ Vannarith Chheang and Heng Pheakdey. “Chapter 1, Cambodia Perspective on The Belt and Road Initiative.”

⁶⁵ Vannarith Chheang and Heng Pheakdey. “Chapter 1, Cambodia Perspective on The Belt and Road Initiative.”

*investment, and financial sector, as well as people-to-people relation that will become a new locomotive of global growth. I firmly believe in the future of this initiative, which has clearly spelled out strategies and mechanisms for cooperation, planning and financing particularly through BRICS, Silk Road Fund, and Asian Infrastructure Investment Bank (AIIB)."*⁶⁶

The Chinese state will be fully supportive their local company invests in construction in Cambodia infrastructure such as access electricity, rural transportation and water hygiene, which increases production costs. Infrastructure describes the built assets that allow a country to function, such as roads, railways, ports, airports, communication systems, electricity and drinking water distribution networks. Telecommunications, transports, energy and water have become part and parcel of human existence. These are central to family life and economic production.

- **Road**

The total length of roads in Cambodia measured 47,263 km, 74% of which were rural, provincial roads. As of 2013, only 12,239 km of national and provincial roads were paved. According to Prime Minister Hun Sen, China has supported Cambodia in building more than 3,000 kilometers of highways and bridges, as well as supporting healthcare, irrigation, education and human resources.⁶⁷ In March 2019, a Chinese-backed project was announced to be built on a transaction-transfer model that would eventually return to Cambodia. The four-lane highways cost about \$ 1.9 billion. China Road & Bridge Corporation (CBB) is the building company behind it. The land acquisition needed for the project is still underway by March 2019.⁶⁸

- **National Highway:** National Highway 1, with a total length of 2,052 kilometers and the two-lane highway totaling 2,643 kilometers respectively represent 7% and 9% of

⁶⁶ Vannarith Chheang and Heng Pheakdey, *Cambodian Perspective on the Belt and Road Initiative*, 2019, http://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter01.pdf

⁶⁷ "China-assisted transportation projects facilitate economy in Cambodia." People Daily Online. March 16, 2020.

⁶⁸ "Infrastructure." Open Development Cambodia. November 28, 2015.

the total road in Cambodia.

- **Provincial Road:** This is labeled as a 3 and 4-digit national highway and has one lane the total length of 6,615 kilometers is 22% of the total road.
- **Rural Roads or Titans:** The total length is about 18,948 kilometers and is 62% of the total road.⁶⁹

The following four international roads cross Cambodia: (i) Rattanakiri–Banteay Meanchey; (ii) Svay Rieng–Banteay Meanchey; (iii) Stung Treng–Sihanoukville; and (iv) Kampot–Koh Kong. According to Sun Chanthol, Minister of Public Works and Transport, said that connecting the three provinces in western Cambodia, the two highways would facilitate trade and transport of local agricultural products, boosting the economy of the West. Furthermore, a third ring road project under construction near the capital, Phnom Penh, is being built under a contract between the local government and Shanghai EnG Group (SCG). When completed, the project will put a 48-kilometer high-speed highway.⁷⁰ The following field road and bridge project, which Chinese Enterprises invested in Cambodia:

Number	Chinese Enterprises	Project Name	Project Brief
1	China Road and Bridge Corporation Power Technology IMP & EXP Corp	76, 57, 3763, 57B, 41, and 257D, national roads	Length of 540.04 km, cost of \$2.5289 million
2	China Shanghai Construction Engineering Group	7, 8, 62, 210, 62, 78, 8.1 and 8.2, 59, 61, 9, 7, national roads and road connecting Takhmau Bridge	Length of 1081.39 km, cost of \$503.93 million
3	China road and Bridge Corporation	76, 44 State Road, State Road 55 (under construction)	Full length of 493.54 km, cost of approximately \$3.04778 million

⁶⁹ Map Sum. “Chapter 2 Infrastructure Development in Cambodia.” Cambodian Institute for Cooperation and Peace. March 2008.

⁷⁰ “China-assisted transportation projects facilitate economy in Cambodia.” People Daily Online. March 16, 2020.

4	China SCGC Company	6A, 5, 6, 58 State Road (under construction)	Total length of 493 km, cost of approximately \$498.73 million
5	China Communications Construction Corporation	The first highway_the capital Phnom Penh to Sihanoukville (estimate to start construction by the end of 2017)	Total length of 190 km, cost of approximately \$20 billion
6	China Road and Bridge Corporation	Shui Hua Hua Bridge	Total length of 719 m, cost of \$27.5 million
7	China SCGC Company	West River Bridge, Heckdan Bridge, Treng Mekong River Bridge project, Takhmau Bridge	Total length of 5.69 km, cost of \$169.99 million
8	China Road and Bridge Corporation	Getong Bridge (opened in Febuary 2017)	Total length of 415 m, cost of \$19.3 million

Figure 3 Chinese Enterprises Investment in Cambodia⁷¹

- **Rail:**

The Royal Railways of Cambodia, or Chemins de Fer Royaux du Cambodge (CFRC) in French, operates two main railway lines—the northern track of 386 km connecting Phnom Penh with Poipet on the Thai border via Pursat and Battambang, and the southern line of 266 km from Phnom Penh to Sihanoukville.⁷² The damages that were destroyed by Civil War, Cambodia has undertaken minimum emergency repair work for these lines. However, since the railway is still in poverty repair status, maximum operating speed is 20-30 kilometers per hour.⁷³ In addition, the number of railways is greatly reduced. Traffic volume so is lower than pre-war levels and numbers the CFRC has a long deficit. The CFRC is a state-owned enterprise under the supervision of the Ministry of Public Works and Transport (MPWT). However, the CFRC is not autonomous the body. The resettlement problems, cost overruns, flooding and

⁷¹ “Chinese Enterprises' Investment in Infrastructure Construction in Cambodia”, Fang Hu, Xiekui Zhang, Mingming Hu, David Lee Cook, Project Amuse.

⁷² Akira KANEKO Hayao ADACHI. “Section 3. Infrastructure Development.” JICA.

⁷³ Akira KANEKO Hayao ADACHI. “Section 3. Infrastructure Development.” JICA.

construction quality issues caused delays to the northern line work. In July 2015, the government allocated a further \$33 million to complete repairs to the northern line by 2017, after project partners ADB and AusAID declined requests to provide more funding.⁷⁴ In April 2019, the Thai-Cambodian railway system was once again connected to Poipet after being disbanded in 1974. The two prime ministers of both countries were present for the ceremony and crossed the border together by train. Royal Railway has been granted an exclusive 30-year concession to operate the railway in Cambodia. The government has also expressed his intention to build a new railway network, and Thailand, Japan and China have all expressed interest in working on projects to expand rail service across Cambodia.⁷⁵ To improve the railway conditions, ADB is now implementing a project called “the Study for the Rehabilitation of the Railway in Cambodia”, targeting to upgrade the railway condition with 20 million US dollars in three years’ time so that the maximum service speed will be increased to 50km/hour.⁷⁶

- **Waterways and ports**

The main international ports in Cambodia are: Phnom Penh port on the Mekong River and Sihanoukville port on the Gulf of Thailand, and two coastal ports at Kampot and Koh Kong, and four river ports at Kompong Cham, Kratie, Prey Veng, as well as Kompong Chhnang in the Tonle Sap. These waterways are used for passenger and freight traffic.⁷⁷ The port of Phnom Penh is a river port at the entry to the capital, and the major import items are oil, oil products and cement. Major export items are lumber and rubber. However, the port of Sihanoukville is not equipped with container cranes, instead, ship cranes are used for handling containers. The port has links with Singapore and Thailand through regular shipping services. The pier was so

⁷⁴ “Infrastructure.” Open Development Cambodia. November 28, 2015.

⁷⁵ “Infrastructure.” Open Development Cambodia. November 28, 2015.

⁷⁶ “Infrastructure”, Council for the Development in Cambodia.

⁷⁷ Akira KANEKO Hayao ADACHI. “Section 3. Infrastructure Development.” JICA.

dilapidated that it was of limited use. Ports other than the two above such as, sea ports in Koh Kong and Kampot are used by small vessels, and river ports such as the port of Kampong Cham are used only for domestic vessels. The Koh Kong Port is used for the border trade with Thailand as well as for local trade. The Tonle Sap Rivers are used mostly for passenger traffic, for high speed passenger ferry service is provided between Phnom Penh and Siem Reap. Additionally, Sihanoukville Autonomous Port (SAP) is the country's only commercial and international deep seaport. SAP covers 125 hectares. Over the five years 2014–2018 the number of containers handled grew by an average of 11% annually. At the beginning of 2019, the port is 11 meters deep and can hold 4,560 containers, but plans to expand these figures. The expansion will provide a new terminal with a depth of 14.5 meters and a 350-meter front that can accommodate more than 90% of ships in the region. The project will be completed in 2023, which will make SAP a medium-sized port with more than 1.29 million twenty-foot equivalent units) per year.⁷⁸ The state-owned Phnom Penh Autonomous Port (PPAP), located in Kien Svay district, Kandal province, 30 km from Phnom Penh, is the country's second largest port. In January 2013, the port opened a \$ 28 million container port funded by the Chinese government. Garments and agriculture (especially rice) are the main exports of the port, while construction materials, agricultural machinery, raw materials for the garment industry and consumer goods are the main imports.⁷⁹

- **Air transport**

According to State Secretariat of Civil Aviation of Cambodia (SSCA), there are 10 airports in Cambodia divided into 4 categories: International (3), military (1), domestic (6) and airfields, including the Pochentong airport and the Siem Reap airport, which is the gateway to

⁷⁸ "Infrastructure." Open Development Cambodia. November 28, 2015.

⁷⁹ "Infrastructure." Open Development Cambodia. November 28, 2015.

Angkor Wat serving international flights.⁸⁰ The airport is owned by Cambodia Airports, which is owned by French company Vinci (70%) and Malaysia-Cambodia joint venture, Musa Baram Ramon Cambodia (30%).⁸¹ The government announced that \$ 3.5 billion investment to build, upgrade and renovate all Cambodian airports in aviation development program from 2015 to 2023 as part of the Open Sky Policy and government's vision to accelerate domestic transport and link Cambodia to the International Trade Center.⁸² On April 16, 2020 the aviation development plan was presented by HE Sin Chan Seikvutha, Deputy Director General of Civil Aviation Technical Secretariat, at a press conference on the progress and working direction of the Secretariat of Civil Aviation.

- **Telecommunication**

After the civil war was over, UNTAC had introduced satellite communications system to implement its duties, since there were only 3,000 telephone lines in Phnom Penh during that time, and those systems are provided for Cambodia public use when the new government was formed.⁸³ The phone service was provided by the Ministry of Posts and Telecommunications (MPTC) and seven joint ventures between MPTC and foreign business. For international communication, Cambodia connect to other countries via Intelsat satellite under a corporate contract (BCC) with Australian companies.⁸⁴ In 2018, the Ministry of Posts and Telecommunications reported that the Kingdom had 19.4 million SIM card users in 2018, and 4.5 percent increase over the previous year.⁸⁵ The Telecommunication Regulator of Cambodia is established by Sub-Decree 2015 and 2016. Its main purpose is to establish regulations relating

⁸⁰ "Overview of the Transport Infrastructure Sector in the Kingdom of Cambodia." Infrastructure and Regional Integration Technical Working Group. January 2008.

⁸¹ "Infrastructure." Open Development Cambodia. November 28, 2015.

⁸² "Gov. reveals US\$3.5 bn investment to upgrade Cambodia's airports." Cambodia Constructor Association. April 17, 2020.

⁸³ Akira KANEKO Hayao ADACHI. "Section 3. Infrastructure Development." JICA.

⁸⁴ Akira KANEKO Hayao ADACHI. "Section 3. Infrastructure Development." JICA.

⁸⁵ "Infrastructure." Open Development Cambodia. November 28, 2015.

to the operation and provision of telecommunications and services for the purpose of promoting fair efficiency and transparent competition.⁸⁶

Internet: Internet usage in Cambodia has doubled and tripled since 2000. In 2015, only 25% of people were estimated to have Internet access, compared with 42% of global internet usage. Compare to now, Cambodia has rapidly increased the amount of internet usage, the statistic of Cambodian digital internet:

- **Internet users:**

- There were 9.70 million internet users in Cambodia in January 2020.
- The number of internet users in Cambodia increased by 1.3 million (+15%) between 2019 and 2020.

- **Social media users:**

- There were 9.70 million social media users in Cambodia in January 2020.
- The number of social media users in Cambodia increased by 1.4 million (+17%) between April 2019 and January 2020.

- **Mobile connections:**

- There were 21.24 million mobile connections in Cambodia in January 2020.
- The number of mobile connections in Cambodia increased by 765 thousand (+3.7%) between January 2019 and January 2020.⁸⁷

Latest Chinese Enterprises Investing in Major Projects in Other Areas in Cambodia:

Number	Chinese Enterprises	Project Name	Project Brief
1	China Hodo Group and Cambodia International Investment and Development Group	Special areas sewage treatment plants	In February 2017, the first modern sewage treatment plant in Cambodia was completed. It effectively treated production wastewater and promoted

⁸⁶ "Infrastructure." Open Development Cambodia. November 28, 2015.

⁸⁷ Simon Kemp. "DIGITAL 2020: CAMBODIA." Datareportal. February 17, 2020.

			coordinated economic environmental development in the Sihanoukville Economic Zone.
2	China Huiwei Marine Cooperation	Submarine fiber optic cable	In March 2017, the first submarine fiber optic cable in Cambodia was officially opened, using advanced 100 Gpbs optical fiber transmission technologies with 30 tbps/network speed to improve the efficiency of Cambodian communications greatly and to reduce e-communication costs.
3	Power Construction Cooperation of China	Slen river project	The handover was successful in March 2017, with a total investment of \$67 million, which included credit loans of \$52 million from China and \$15 million from Cambodia. It improved the utilization of water resource in three provinces effectively and increased the use of crops.
4	Huawei Technology Co., Ltd, and Cambodia mobile operator Smart Axiata	4.5G network	In August 2017, the announced that they would deploy the first 4.5G network in Cambodia to provide more rapid and convenient online services to the country.
5	Yunnan Investment Holding Group Co., Ltd.	Siem Reap New International Airport	In October 2016, it signed the “BOT Agreement of New Siem Reap International Airport Project” and investment in establishing a new airport in Cambodia Siem Reap Province. The construction started in 2018 with a total

			investment of approximately \$880 million.
--	--	--	--

Figure 4 Chinese Enterprises Investing in Major Projects in Other Areas in Cambodia⁸⁸

- **Water**

In 2020, more than 3 million people lack access to safe drinking water in Cambodia, and 6 million have poor sanitation. With about 77 percent of Cambodians living in rural areas, poor sanitation and hygiene affects their rural communities. Although Cambodia has one of the fastest growing economies in Asia, access to affordable water and sanitation remains a barrier for families to have access to water and sanitation for their homes. In March 2019, the Phnom Penh Water Supply Authority opened a \$ 350 million water supply plant auction. Also, in March 2019, a Japanese grant of \$30 million was announced for drinking water supply in Kampong Thom province, and a plan was announced for the construction of a pipeline to transport water from Thailand to Thailand to Koh Kong. The Premier said that the LPP had been given permission to build the pipeline.⁸⁹ There is positive momentum as the Cambodian government has set a strong goal of achieving 100% access to clean water and sanitation in rural areas by 2025.⁹⁰

3.3.2- Investment

Cambodia has become one of the fastest growing economies in the region due to its high growth rate, along with new market opportunities and high potential for local economic development and investment attraction. Foreign investment flows and foreign aid are economic driver’s development and liberalization in Cambodia. Non-traditional donors have played an increasingly important role in development assistant, and among the non-traditional donors.

⁸⁸ “Chinese Enterprises' Investment in Infrastructure Construction in Cambodia”, Fang Hu, Xiekui Zhang, Mingming Hu, David Lee Cook, Project Amuse.

⁸⁹ “Infrastructure.” Open Development Cambodia. November 28, 2015.

⁹⁰ “Cambodia's water and sanitation crisis.” Water.Org.

Most of China's aid is in the form of concessional loans and most focus on infrastructure projects built by Chinese companies.

- **China's investment and aid in Cambodia**

Presently, China is Cambodia's top foreign investor, a major donor and an increasingly important trading partner. Cambodia has seen a huge influx of Chinese investment, workers and tourists in recent years. The investment approval has reached 85.88 billion US dollar as of 2019, according to statistics released by the Council for the Development of Cambodia (CDC) of the foreign direct investment (FDI) approved in 1994-2019, the largest share came from China (21.81%), which at the beginning of the year was a major source of investment extensive infrastructure, resource development, including rubber and tourism.⁹¹ In 2019, investment approvals totaled \$9.40 billion, of which China invested \$2.75 billion.⁹² China is also committed to boosting bilateral trade to \$ 10 billion by 2023 and encouraging more Chinese investment flows to Cambodia. In 2017, Cambodia received about 4.2billion USD Official Development Assistance (ODA) from China in the form of grants and soft loans, and the ODA focuses on agricultural physical infrastructure, health and education.⁹³ At the end of 2017, Cambodia's public debt is \$ 9.6 billion, of which 42 percent is owed to China, also China has pledged \$ 600 million in aid to Cambodia from 2019 to 2021.⁹⁴

3.3.3- Agriculture

Agriculture still continues to play an important role in Cambodia's economy, since it is the popular business for Cambodian people who live in countryside, according to the World

⁹¹ "FDI." Trend, Council for the Development of Cambodia (CDC).

⁹² H.E. Dr. Kin Phea. "CAMBODIA-CHINA RELATIONS IN THE NEW DECADE." Konrad.

⁹³ H.E. Dr. Kin Phea. "CAMBODIA-CHINA RELATIONS IN THE NEW DECADE." Konrad.

⁹⁴ H.E. Dr. Kin Phea. "CAMBODIA-CHINA RELATIONS IN THE NEW DECADE." Konrad.

Bank Data, agriculture accounted for 22 percent of Cambodia's GDP.⁹⁵ Beside the investments on the infrastructures capacity, electric, mechanisms, industrialization and trades, Minister of Agriculture, Forestry and Fisheries Veng Sakhon said that China has played an important role in helping to develop Cambodia's agricultural sector. He also stated that since 2009, the two countries have signed 60 memoranda of understanding and agreements and protocols on cooperation in agriculture, forestry, fisheries and animal health and production on July 15, 2018.⁹⁶ The Cambodian government has prioritized agriculture as a key sector for development since it launched its Rectangular Strategy. As the third strategy aims to boost agricultural investment beyond strengthening rural incomes, into improved technology, research and development, crop diversification, and promotion of commercial production and agro-industries.⁹⁷

- **Rice**

Rice is Cambodia's primary crop. With rice total export figures from 2015 was 538,396 tons, at 542,144 tons in 2016, 635,600 tons in 2017, 626,225 in 2018⁹⁸, 620,106 in 2019⁹⁹ and 426,073 with last updated in July 2020 from Cambodia Rice Federation's data.¹⁰⁰ Cambodia expects to export 800,000 to 1 million tons of rice in 2020, and according to the data from the Ministry of Agriculture, Forestry and Fisheries showed that rice paddy cultivation as of July has fulfilled over 75 percent of the target.¹⁰¹ In terms of market direction, China is the main source of Cambodia's rice exports, accounting for 38%, while the European Union and the

⁹⁵ "The World Bank Data, Agriculture, forestry and fishing, value added (% of GDP) – Cambodia." The World Bank.

⁹⁶ Nguon Sovan, Mao Pengfei. "Interview: China major contributor to Cambodia's agricultural development: Cambodian minister." XinhuaNet. July 15, 2018.

⁹⁷ "Agriculture and fishing, Open Development Cambodia." March 03, 2015.

⁹⁸ "Agriculture and fishing, Open Development Cambodia." March 03, 2015.

⁹⁹ "Cambodian rice exports increased in first half of 2020." Business2Business Cambodia. July 14, 2020.

¹⁰⁰ Cambodia Rice Federation

¹⁰¹ "Rice production in first half of 2020 hits 75 percent of yearly target." Domnung.

United Kingdom are Cambodia's second largest rice export destinations, accounting for 34%, to ASEAN countries with 13% and other countries shared the remainder 15% within the first five months of 2020 was reported to be 356,097 tons.¹⁰²

- **Fishing and fisheries**

Cambodia's inland capture fisheries are among the largest in the world. Fish is a traditional food in the Cambodian diet and is important for nutrition and food security. Cambodia exports fish, prawns, crabs, and other seafood to China, Japan, Russia and some ASEAN countries.¹⁰³ Also the country holds two world records: the highest catch of inland fisheries per capita and the highest per capita freshwater consumption.¹⁰⁴ The Tonle Sap and Tonle Sap lakes are considered to be the most productive freshwater fisheries in the world, providing about 75% of the Cambodia's annual marine fisheries and 60% of the Kingdom populations' protein intake. Cambodia's coastal is also productive and rich in fishery resources, which is 435 km of coastline passing through the four provinces: Koh Kong, Sihanoukville, Kampot and Kep.¹⁰⁵ In April 2020, according to World Food Program showed that local fish products can meet 100% demand (863,895 tons) as well as surplus for export. However, Cambodia still imports different types of fish from neighboring countries.¹⁰⁶

3.3.4- Financial Sector

The continued momentum of economic growth in present times has strongly supported Cambodian economy. Foreign direct investment (FDI) remains strong, backed by inflow into the financial sector after raising the minimum paid-up capital and inflow into production and

¹⁰² "Food price update - June 2020, Focus: Effect of the COVID-19 outbreak on food prices, World Food Program." June 30, 2020.

¹⁰³ "Agriculture and fishing, Open Development Cambodia." March 03, 2015.

¹⁰⁴ "Fisheries production." Open Development Cambodia. September 07, 2015.

¹⁰⁵ "Fisheries production." Open Development Cambodia. September 07, 2015.

¹⁰⁶ "Food price update - June 2020, Focus: Effect of the COVID-19 outbreak on food prices, World Food Program."

construction. More than 40% of total foreign direct investment inflows from china.¹⁰⁷ Likewise, tourism has made a significant contribution to the current account, driven by strong growth in the number of tourists - with more than a third coming from China. About domestic finance in Cambodia, there are more than 40 commercial banks, 14 specialized banks, 7 MDIs (Microfinance Deposit Taking), 73 MFIs (Monetary Financial Institution) and 273 rural credit institutions by 2019.¹⁰⁸ Cambodia's financial sector is reaching a stage of skill with development professional institutions and financial instruments.

- Garment and Footwear: Cambodia is one of the 10 largest garment exporters in the world today.¹⁰⁹ According to Phnom Penh Post cited from Ministry of Commerce annual's report said in the first 11 months of 2019, it granted special export rights to 78 garment and footwear factories. In 2019, Cambodia exported garments, footwear and travel goods worth a total of \$ 9.3 billion.¹¹⁰ Between January and June 2020, Cambodia exported garments (including clothing, footwear and travel goods) worth a total of \$ 3.78, which it represents a decrease of 5.4% compared to the same period in 2019.¹¹¹ However, according to the Ministry of Labor and Vocational Training, spokesman Heng Sour recently attributed to the impact of the Covid-19 pandemic that made a global drop in purchases, as well as the pandemic caused the factories formally closed.¹¹² For this reason, more than 10 factories have sought permission to

¹⁰⁷ "Cambodia attracts US\$3.6bil FDI in 2019, 43% from China." The Star. January 10, 2020.

¹⁰⁸ "Banking & Finance in Cambodia." Business2Business Cambodia. June 2020.

¹⁰⁹ "Garments and textiles." Open Development Cambodia. January 21, 2016.

¹¹⁰ "Cambodia financial semi-annual 2020 Review." Business2Business Cambodia. July 14, 2020.

¹¹¹ "Cambodia financial semi-annual 2020 Review." Business2Business Cambodia. July 14, 2020.

¹¹² "Cambodia's garment exports fall by 5.4% in 1st half 2020." Fibre2Fashion. July 13, 2020.

change their production lines to produce masks, and there are currently two factories producing barriers in Cambodia.¹¹³

- **Finance Condition in 2020**

Talks on a free trade agreement between the two sides began late in 2019. China and Cambodia had launched the official negotiations twice already this year on a bilateral FTA, for the first round of the negotiation was on January 20 and 21 in Beijing¹¹⁴, and the second round was held via a Video Conference on April 14 due to the amid pandemic.¹¹⁵ The negotiation was highlighted the potential to expand trade, investment, technical cooperation, e-commerce system, OBOR, services and strengthen cooperation between the two countries in the coming years, said Ministry of Commerce Secretary of State Sok Sopheap.¹¹⁶ On July 20, the Cambodian Ministry of Commerce and the Chinese Embassy in Phnom Penh announced on social media that negotiations on a free trade agreement had been completed, which will sign on 12 August, 2020.

- **Financial Report**

Moving on to the financial status from the report of National Bank of Cambodia (NBC) that was released for the first half of the 2020. The total assets in the financial leasing sector rose 40.5% percent of \$ 398.4 million, and the main source of funds of the leasing credit providers came from investors' funds, which rose 33.8 percent reaching \$ 125.5 million.¹¹⁷ In the first half of 2020 in Cambodia:

- Total assets of banking and financial institutions increased by 17.4% to \$54.1 billion.
- Cambodian credit increased 19.6 per cent to \$34.4 billion.

¹¹³ "Cambodia's garment exports fall by 5.4% in 1st half 2020." Fibre2Fashion. July 13, 2020.

¹¹⁴ May Kunmakara. "Kingdom-China FTA expected by November." The Phnom Penh Post. February 25, 2020.

¹¹⁵ "Cambodia-China Free Trade Agreement Second Round Ends." Belt and Road News. April 14, 2020.

¹¹⁶ "Cambodia-China Free Trade Agreement Second Round Ends." Belt and Road News. April 14, 2020.

¹¹⁷ "Cambodia financial semi-annual 2020 Review." Business2Business Cambodia. July 14, 2020.

- Deposits increased by \$30.5 billion.
- The Cambodian tourism sector was the worst affected of all major economic sectors in 2020.
- The Cambodian manufacturing sector shrunk by 11 per cent year-on-year.
- The export manufacturing industry dropped 12.5 per cent between Jan-June 2020.
- Cambodian agricultural output increased by 21.7 per cent year-on-year.
- Freshwater and seawater fisheries yield decreased.
- Fish and shrimp production in aquaculture farms saw “huge gains”.¹¹⁸

The General Department of Taxation (GDT) of Cambodia collected tax revenue of 6,820.48 billion riels, about \$ 1.684 million in the first half year. This represents an increase of 12% compared to the same period in 2019.¹¹⁹ The increased tax revenue comes from two main sources:

- Value Added Tax reached 1,385.06 billion riels (\$ 336 million), increased by 4.8%.
- Income tax reached 2,710.18 billion riels (\$ 657 million), increased 23 percent.

Cambodian consumer inflation rate: in the first half of the year, Cambodia recorded a consumer inflation rate of 2.5, the problem was due to falling food prices, fuel prices and the stabilization of the local currency against the US dollar, said the NBC:

- Increase in prices for foodstuffs of 4%.
- Petrol-related goods and services saw a 3.5% decrease.

3.4- Social Cooperation

Given the fact that BRI has the objectives of strengthening the economic growth by building infrastructure, and trade and investment, social cooperation is also one of the five main objectives of the BRI such as policy coordinator, connectivity, trade, financial integration, and

¹¹⁸ “Cambodia financial semi-annual 2020 Review.” Business2Business Cambodia. July 14, 2020.

¹¹⁹ “Cambodia financial semi-annual 2020 Review.” Business2Business Cambodia. July 14, 2020.

people to people bond. BRI seeks to promote the social cooperation among countries around the world by cultivating students, experts, and cultural exchanges and tourism. President Xi Jing Ping in the opening speech of The Belt and Road Forum for International Cooperation in May 2017 had stated that:

“We should establish a multi-tiered mechanism for cultural and people-to-people exchanges, build more co-operation platforms and open more cooperation channels. Educational co-operation should be boosted, more exchange students should be encouraged and the performance of cooperatively run schools should be enhanced. ... efforts should be made to establish think tank networks and partnerships...(and co-operation in) cultural, sports and health sectors... Historical and cultural heritage should be fully tapped to jointly develop tourist products and protect heritage We should strengthen exchanges between parliaments, political parties and non-governmental organizations... women, youths and people with disabilities... We should also strengthen international counter-corruption co-operation so that the Belt and Road will be a road with high ethical standards.”¹²⁰

Besides focusing on the infrastructure development and foster regional cooperation, BRI also has the purpose to strengthen the cooperation between people and people. The initiative has encouraged the leaders of the countries to establish the bridge and pave the way for youths, students, expert, scholars, and government official to broaden their skill and knowledge, and exchange their view on particular issue that could be the world solution. The social problems could be solved by established those social networks and cooperation channels between citizen and citizen, and government and citizen. Cambodia, which is the most supportive member of the BRI, also get a lot of opportunities from BRI in term of people to people exchange including exchange programs and tourism.

3.4.1- Exchange programs

BRI frequently helps Cambodia to promote and develop human resource by giving the chance for Cambodia to develop themselves and stand in the international stages with other countries around the world. In the project BRI, China has offered Cambodia in large amount of

¹²⁰ Xi, Jing Ping, Work Together to Build the Silk Road Economic Belt and The 21st Century Maritime Silk Road, Opening speech, The Belt and Road Forum for International Cooperation, May 2017.

exchange programs, and scholarships for Cambodia's youths to study in China in order to gain a wide range of knowledge and experiences. Furthermore, in 2019, 3000 scholarships provided by Chinese government. Those students includes student in bachelor, master, and doctor degrees in various Chinese universities in majors of civil engineering, business administration, health, international trade, finance, economics and international relations, among others (Runsinarith, 2019).¹²¹ Between 2004 and 2017, China provided over 1,000 scholarships to Cambodian students to pursue the education of theirs in China, and more than 700 fellowships for short-term training. Beyond the above, Cambodia was help by China to set up the Maritime Silk Road Research Centre in the purpose of improvement and policy making for the advantages and interests of Cambodia in all areas of the 21st Century Maritime Silk Road. The Center can be serves as a resource center for Cambodian policy-makers, scholars, students, professionals and the general public on issues related to connectivity in the context of the BRI between Southeast Asia and China (Pheakdey, 2019).¹²² Apparently, there are at least 300 graduate from China per year, and more than 2,000 Cambodian students are studying in China according to the report from the Cambodian Students Association in the People's Republic of China, as it has mentioned in Fresh News.¹²³ Cambodia's youths, scholars, and experts have chances to introduce Cambodia culture, tradition and ancient history of Cambodia to Chinese people. Besides, BRI also promote the official visit or top level visit between the two sides such as the visit between prime minister, ministers, ambassadors, or officials of the two countries that lead to increase the intimate relationship of the both sides.

3.4.2- Promoting and Enhancing Regional Tourism

¹²¹ Phim Runsinarith, *Belt and Road Initiatives and Southeast Asia: The Case of Cambodia*, 25-26 September 2019,

¹²² Vannarith Chheang and Heng Pheakdey, *Cambodian Perspective on the Belt and Road Initiative*, 2019, http://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter01.pdf

¹²³ Fresh News, *Over 3000 Cambodian students Graduate and studying in China*, 11 September 2020,

Tourism is one of the main and most important sector in Cambodia beside from agriculture in which contribute the most to foster the economic. Cambodia has become the seventh most international tourists to visit the countries in ASEAN, and also experienced the third highest growth in international tourists in ASEAN which increased by 11 percent in 2018 according to the data release by Ministry of Tourism (Vannak, 2019).¹²⁴

In this new infrastructure project that launch by China, Belt and Road Initiative, not only develop and build the infrastructure, but also bring many tourists especially Chinese tourists to visit Cambodia. Cambodia welcome more and more Chinese tourists and continue to grow since the establishment of BRI. From January to September, the statistics of Ministry of Tourism indicates that nearly 4.8 million tourist arrived in Cambodia, compares to 2018, the percentage increased by 10 percent.¹²⁵ In the first nine month of the year 2019, January to September, around 1.8 million Chinese tourists arrived in Cambodia, suppressing the 1.4 million who arrived in Cambodia in 2018.¹²⁶ Back in 2016, Cambodia launched the China-Ready Strategy outlining the five years strategy in the expectation to welcome 2 million Chinese tourists per year by 2020.¹²⁷ The strategy laid out the process to improve the skill of local tourist operators who working with Chinese clients in order to meet the requirement and demand of the Chinese tourists as well as strengthening the Chinese language and cultural skill of the Cambodia tourist operators. The initiative has strongly boosted the tourism cooperation between both countries by bringing the attraction of the culture, tradition and places of Cambodia to the attention of Chinese travelers.

¹²⁴ Chea Vannak, *Cambodia 3rd in Asean for tourist growth*, Khmer Times, 19 January 2019,

¹²⁵ Ministry of Tourism, *Tourism Statistic Report September 2019*, 2019, https://www.nagacorp.com/eng/ir/tourism/tourism_statistics_201909.pdf

¹²⁶ Ministry of Tourism, *Tourism Statistic Report September 2019*

¹²⁷ Xinhuanet, Cambodia Target 2 million Chinese tourists by 2020, 31 October 2017, http://www.xinhuanet.com/english/2017-10/31/c_136718246.htm

CHAPTER IV: BELT AND ROAD INITIATIVE AND ITS IMPLICATION FOR CAMBODIA-CHINA RELATIONS: OPPORTUNITIES, CHALLENGES, AND FUTURE ANALYSIS

4.1- Opportunities under Belt and Road

4.1.1- Fostering Economic Development

Improving intergovernmental communication to better align senior government policies such as economic development strategies and plans for regional cooperation. Encouraging the development of soft infrastructure such as the signing of trade deals, aligning of regulatory standards, and improving financial integration. Bilateral cooperation in physical infrastructure and connectivity development has been in the spotlight in Cambodia. Two ideal examples of BRI-linked projects are the Sihanoukville Special Economic Zone (SSEZ) and the planned Phnom Penh-Sihanoukville Expressway. As trade in goods has become a major driver of the country's growth, the logistics sector has become increasingly important. There are currently more than 100 factories operating in these Cambodian workers' areas to produce garments, textiles, bags, leather goods, machinery, wood products and other lightweight products for export.

- Cambodia and China and Their FTA agreement

Cambodia and China have negotiated on the potential free trade agreement (FTA) so far, and it expected to be finalized in December 2019 in a move to boost trade between the two countries. China and Cambodia began their first formal consultation on the bilateral free trade agreement in Beijing on December 3, 2019 which is at the multilateral level.¹²⁸ The Cambodia-China FTA could provide more investment opportunities, market access and be able to export a wider range of products for economic development.

¹²⁸ Sok Chan. "China free trade agreement negotiations to start in December." Khmer Time. November 15, 2019.

- **The Investment in Sihanoukville**

All of these investments have turned China into Cambodia's largest foreign direct investor and closest ally. Sihanoukville was a sleepy beach town that symbolizes the change brought about by Chinese investment in Cambodia, the city with a population of about 160,000 have been completely transformed by Chinese casinos, hotels and factories in recent years.¹²⁹ Many Chinese companies have set up factories in the city. The main attraction for businesses is the Sihanoukville Special Economic Zone (SSEZ), a Sino-Chinese duty-free economic zone. Chinese companies own most of the more than 100 factories in the region.¹³⁰ More interesting, \$2 Billion with a **four-lane** Phnom Penh-Sihanoukville Expressway Project, which built by the state-owned China Communications Construction Company. The Chinese-owned construction project overlooks almost every area of the city, and its highways are now lined with most Chinese businesses and restaurants. Cambodia's southern coast now has a \$4.2 billion power plant and offshore oil operations owned by a Chinese company.¹³¹

Furthermore, China participates in constructing SSEZ that has pleased more than 100 companies from China and other countries with a total investment of more than \$3 billion in 2017 and produced nearly 20,000 jobs for local people community.¹³² Additionally, not only SSEZ plans to have 300 factories by 2020, but Chinese investment in the textile and garment sector also contributes significantly socio-economic development of Cambodia by creating employment opportunities for nearly one million Cambodian workers.¹³³ Likewise, increasing financial integration under the priority areas include easy financing, credit insurance, cross-

¹²⁹ "How Chinese money is changing Cambodia." Deutsche Welle. August 22, 2019.

¹³⁰ "How Chinese money is changing Cambodia." Deutsche Welle. August 22, 2019.

¹³¹ Hannah Ellis-Petersen. "No Cambodia left: how Chinese money is changing Sihanoukville." The Guardian. July 2018.

¹³² "How Chinese money is changing Cambodia." Deutsche Welle. August 22, 2019.

¹³³ "How Chinese money is changing Cambodia." Deutsche Welle. August 22, 2019.

border financial transactions, and currency exchange, allowing corporations to operate abroad easier.

4.1.2- Development of the Infrastructure and Regional Connectivity

In fact, China's economic engagement has helped Cambodia to spur economic growth and address deficits in infrastructure, such as access to electricity and rural transportation. Strengthening the coordination of infrastructure plans to better connect hard infrastructure networks like transportation systems and power grids. The expressway project has great potential to improve connectivity and logistics in Cambodia and, in addition, improve logistical efficiency and reduce trade costs. The new infrastructure will complement the existing national road connecting Phnom Penh Port and Sihanoukville Port. There are significant investments will be made in at least 10 airport projects in Cambodia, both rehabilitation and reconstruction projects aimed at elevating these airports to the international level of the International Civil Aviation Organization (ICAO).¹³⁴ Those airport development projects include:

- 1. Phnom Penh International Airport or Pochentong Airport:** In the 2015-2030 plan, the Secretary of Civil Aviation presented plans to expand infrastructure by adding \$ 332 million to renovate the current airport to 4F standard. Cambodia's three airports - Phnom Penh International Airport, Siem Reap and Sihanoukville - currently fly to 55 destinations and welcome 700 regular flights a week. In 2017, the number of passengers passing through Cambodia's international airports totaled 8.8 million, according to a statement from the Cambodia Airports.
- 2. Siem Reap International Airport:** has an additional investment of US\$174 million to improve the current airport to be a 4D standard. At the same time, Cambodia

¹³⁴ "Gov. reveals US\$3.5 bn investment to upgrade Cambodia's airports." Cambodia Constructor Association. April 17, 2020.

needs to invest billions to improve its aviation sector to facilitate trade as well as facilitate the 15 million air travelers expected to enter the country by 2030. Given this demand, three international airport projects - through Public Private Partnerships (PPP), located in central Siem Reap and Koh Kong - are being invested by different Chinese companies with total investment capital. \$ 2.6 billion.

- 3. Sihanoukville International Airport:** an additional \$ 180 million has been invested to upgrade the 4c level. The airport is about 18km from Sihanoukville town. Cambodian Airports will upgrade the capacity of Sihanouk Airport to accommodate 10 million passengers a year through their master plan on building the entire terminal.
- 4. New Phnom Penh International Airport:** \$ 1.5 billion construction by Cambodian Overseas Investment Company (OICI), which is listed on the border of Kandal and Takeo, is 30% complete in 2019, and it will be installed as a Class 4F airport. It is worth noting that the airport was designed by the well-known British company Flora and Partners with years of architectural work in its portfolio in the UK and around the world.
- 5. New Siem Reap International Airport:** Investments from United Way Investment Ltd (YIHL) will cost about \$ 980 million on 700 hectares including 1,000 hectares of special economic zone. On the other hand, in anticipation of future air traffic, the airport will be expanded to 4F standards later. China International Airport (Cambodia) Investment Co., Ltd., which operates under China-owned United Way Investment Company (IIC), has signed an agreement to build a new Siem Reap International Airport with the Royal Government of Cambodia in 2017 with 55 concessions. One year under the Build-Operations-Transfer (BOT) scheme.

- 6. The Dara Sakor International Airport Project in Koh Kong province:** part of the Dara Sasha Sea Resort, owned by a Chinese company, is set to be completed by 2020. The announcement was made by Wang Chao, vice president of Union Development Group (UDG), the company behind the project, to journalists during the China-China Journalists Association's visit to the project in late May. Koh Kong is currently planning to develop the airport by UDG and Khemphal domestic airport, awaiting high travel demand.
- 7. Fourth International Airport - Koh Kong Airport:** US \$60 million joint venture from local companies Ly Yong Phat and Bangkok Airways that it will be upgraded to 4C. On January 13, the government approved an investment of 400 to 600 hectares of land to be built in Paklong commune, Mondul Seima district in Koh Kong province, according to a statement from the Council of Ministers.
- 8. Poipet Airport:** Developer is Poipet Airport Investment Company, investing US \$50 million. Since the airport is still under study, the standard for the airport has yet to be confirmed. Mr Sinn Chanserey Vutha, spokesman for State Secretary of Civil Aviation (SSCA) estimated that the project for the Poipet investment project will cost between \$ 40 and \$ 50 million, which can be built on the former airport.¹³⁵

The construction of the airport was once under jurisdiction of the Civil Aviation Authority of the Prime Minister, but it is now under the jurisdiction of the Ministry of Public Works and Transport (MPWT). The ongoing constructions have huge potential for enhancing connectivity in Cambodia and abroad by improving transportation efficiency, reducing trade costs and deepening regional integration. As well as, it is seen that BRI will contribute to the

¹³⁵ “Gov. reveals US\$3.5 bn investment to upgrade Cambodia’s airports.” Cambodia Constructor Association. April 17, 2020.

regional connectivity that would provide the best results if it optimizes the local area network to facilitate the flow of goods, services, people and knowledge.

4.1.3- People to People Connectivity

Promoting people-to-people connections will be strongly integrated into efforts to reform and improve the governance system. Bolstering people-to-people connections by cultivating student, expert, and cultural exchanges and tourism. From connectivity to cross-border trade to tourism, Cambodia has benefited greatly from cooperation with China under the BRI framework and future enhancement of cooperation between the two countries will lead to even greater potential. Bringing the people of both countries closer together is fundamental, which gives the development of travel and tourism is on the rise, involving large-scale human interactions and interactions. By increasing educational opportunities, understanding and people- to-people contact in providing exchange and placement opportunities for both students and skilled workers' and make it easier for them to work or study across the regions. Strengthen people-to-people contacts is indispensable to the success of BRI that the population from different nations can share and learn from each other's cultures, histories and traditions reflect the colorful landscape of civilization. Partnerships between Cambodia and China, people-to-people exchanges are gaining momentum as BRI improves cooperation, whether in education, health, culture, culture or the media. People are from all the course of life is illustrated by the respective countries, with tourism and cultural activities will bring China to Cambodia and vice versa.

4.1.4- BRI as a strategy to support Sustainable Development Goals

The Sustainable Development Goals are a blueprint for achieving a better and more sustainable future for all. They address the challenges we face, including poverty, inequality, climate change, environmental destruction, peace and justice. The 17 goals are interrelated, so

no one is behind it, it is important that we achieve all the goals by 2030. Along with other Member States, the Royal Government of Cambodia (RGC) supported the Sustainable Development Goals (SDGs) at the United Nations General Assembly in 2015, working since then to adapt the goals to the Cambodian context to establish a comprehensive rehabilitation framework – the Cambodian SDGs (CSDGs). The CSDGs provide signals for private and civil formats activities and activities in the social sector and means of private influence customer and producer attitudes.¹³⁶ How does the BRI link to the CSDGs in helping Cambodia’s development? There are five plans of CSDGs, which the initiative can assist and improve the goals.

- **No Poverty (Goal 1):** In this context, BRI is perceived as an important framework for cooperation that can help Cambodia diversify its sources of growth and increase its origins economic competition to capture other countries in the region, which helps create jobs that generates income through direct employing Cambodian people, and promote the social and economic inclusion of mostly low-skilled and female workers. Besides this, China also plays a role in Cambodia growth such as, agriculture sector, which China is the biggest rice export compare to other countries. This is a notable reason that agriculture sector would give great hopes to millions of farmers. In industrial sector, including garments, footwear, wood, rubber, cement and more will get the market opportunities in working or opening business with Chinese enterprises. So this can contribute to the needing of workers that will increase the employments for Cambodian people. Along with Chinese investments in infrastructure and from other enterprises, it could pave the way for Cambodia economic growth in helping to reduce

¹³⁶ “Cambodia Sustainable Development Goals (CSDGs), Framework 2016-2030.” Royal Government of Cambodia. Council of Ministers. November 19, 2018.

the number of poverty and also to prevent from immigrating for working.

- **Quality Education (Goal 4):** People-to-people connectivity available through education (i.e. higher education) culture exchanges and tourism. Through the people to people bond from the two countries, Cambodian students would have the opportunities to study in China by the provided exchange studies or scholarships from the powerful country like China. It would be an advantageous chance for Cambodian students could learn those new strategies from the super power country and use it as the implementation for improving Cambodia, their own country to be better and prosperous. Tourism is an essential factor in promoting people-to-people connectivity, which as a tool for reducing poverty alleviation, culture conservation, gender and ethnic issues, also tourism industry could give Chinese and Cambodian people a greater understanding of the region and its peoples.
- **Affordable and Clean Energy (Goal 7):** Ensure access to affordable, reliable, sustainable and modern energy for all. Lack of access to energy supply and conversion systems is an obstacle to human and economic development. However, the population continues to grow, so low energy demand and a fossil fuel-dependent economy are making a huge difference to our climate. Access to electricity in Cambodia has been increasing steadily with 91.55% of population in 2019.¹³⁷ China had assisted on electricity, hydropower, solar, and more energy to Cambodia, for example, SchneiTec, the project developer, is a joint venture between China-Cambodia and JinkoSolar, a China-based company, the world's largest supplier of solar panels.¹³⁸ The strength of Cambodia's growing solar market can be seen with given Cambodia's efforts to expand

¹³⁷ “Cambodia Energy Situation” Energypedia.

¹³⁸ Pike Lili, “In Cambodia, solar power surges” China Dialogue, December 3, 2019. <https://chinadialogue.net/en/energy/11706-in-cambodia-solar-power-surges-2/>

the country's electricity grid and promote industrial development for greater competitiveness, it is important to adopt cheap, clean and renewable energy such as solar and wind power with the great opportunities that Cambodia could get under BRI.

- **Decent Work and Economic Growth (Goal 8):** Encouraging entrepreneurship and job creation is key to this, as well as effective measures to eliminate forced labor, slavery and human trafficking. From the BRI program has opened up many construction work and investments that contractors often hire their own workers who share the language and work ethic. More interestingly, the investment in manufacturing in electrical, mechanic and electronic industries will increase more jobs opportunities to high-skilled work that would be added for another growth besides the garment factories. The benefits of income generation and empowerment are many, especially considering the scope of indirect employment and income generation (for example, immediate benefits for workers 'families, other business needs to support workers' livelihoods, etc.). Tourism is also one of the economic growth in Cambodia, which mostly the tourists are Chinese people. Significantly, with China's BRI technical resources and capabilities to finance its development priorities, it will boost growth and employment opportunities to promote better coordination and cooperation with Cambodia.
- **Industry, Innovation, and Infrastructure (Goal 9):** Focuses on infrastructure development and resilient and sustainable industries, including small enterprises, and It encourages scientific research and improving the technological capabilities of the industry including, information and communications technology and affordable Internet access. In Chinese-invested Sihanoukville Special Economic Zone (SSEZ), there are over 100 factories in the area are owned by Chinese companies and there are 200 more Chinese companies that manufacture of consumer goods and clothing. For this reason,

in the future, Cambodia could have either more industries, factories, manufactories or other Chinese companies or from other countries that would come to invest and open business in different areas of Cambodia due to the expanding of development and economic growth in the country. More importantly, Cambodia could get the great opportunities from BRI in terms of transformation and modernization of industry from labor to skilled industries that could bring to life and advance Cambodia's industries.

4.2- The BRI and the Challenges for Cambodia

Given the fact that BRI has given Cambodia a great opportunities to develop the economic as well as the infrastructure, this vision should not be abstruse the potential challenges that also exist. The BRI was welcomed by civil society as a new source of socio-economic development, however, the concern over the quality, accountability, transparency of the Chinese investment and infrastructure development project has also been mentioned. There are a number of risks that will discuss below, which Cambodia should take into account regrading to its relation with China for win-win outcome for a long term.

4.2.1- Increasing Debt

The Fund of BRI projects are divided into three main funder which are the Export-Import Bank of China, the Asian Infrastructure Investment Bank (AIIB), and the Silk Road Fund (Dr. Muhammad Zulfikar Rakhmat, 2019).¹³⁹ In the infrastructure projects of BRI, China targets to spend up to \$1.3 billion in 71 countries. All of these funds lead to have controversial around the globe to be a debt trap of China. A famous analyst, Brahma Chellaney views China's BRI as a debt-trap diplomacy which is the type of diplomacy where a bilateral relation is connected closely with the basic of debt (Chellaney, 2017).¹⁴⁰ In this diplomacy, the creditor

¹³⁹ Dr. Muhammad Zulfikar Rakhmat, *Belt and Road Initiative: Challenges for South and Southeast Asia*, 18 November 2019, <https://www.geopoliticalmonitor.com/belt-and-road-initiative-challenges-for-south-and-southeast-asia/>

¹⁴⁰ Brahma Chellaney, *China's Imperial Overreach*, Project Syndicate, 24 May 2017,

country extend excessive credit to the debtor country, and if the debtor country could not fulfill its debt obligation, then the creditor country will interfere with its internal affair as well as political and economic in the debtor country.

Cambodia's embracing China's BRI has been warned by local observers that Cambodia might fall into the "debt trap" which is the phenomena that most analysts have called. The construction of large scale, high risk, and debt finance infrastructure along the BRI has drawn attention and concern about the host countries becoming overburdened from servicing their debt to China (Hen, 2018).¹⁴¹ Some hosts countries has forced to repay their loans by handing over the operation of strategic asset to China decades ahead. In 2017, the Ministry of Economic and Finance released the Cambodia Public Debt Statistical Bulletin which described the country's debt situation. The report shows that China is the largest creditor of Cambodia as the bilateral loans of aggregate \$5.3 billion which \$3.9 billion is from China, making it four times more than Japan, while the Cambodia national debt is approximately one third of the country total GDP (Ministry of Economic and Finance, 2017).¹⁴²

The controversial of falling into the debt trap of China was proved due to its perceived issues in tying poorer nation into unsustainable loan repayment schemes, Seri Lanka was the most prominent example of that. In order to pay off its debt to China, Seri Lanka government signed over Hambantota Port to Chinese government on a 99-year lease after it was unable to pay off the debt to China because of its slow economic growth, while it is believed that Cambodia might fall into the similar scenario as Seri Lanka as Cambodia debt continues to rise

¹⁴¹ Pheakdey Hen, *Are China's gifts a blessing or a curse for Cambodia?*, 29 August 2018, East Asia Forum, <https://www.eastasiaforum.org/2018/08/29/are-chinas-gifts-a-blessing-or-a-curse-for-cambodia/>

¹⁴² Ministry of Economic and Finance, *Cambodia public debt statistical bulletin*, March 2017, <http://www.mef.gov.kh/documents/shares/publication/public-debt-bulletin/Cambodia-Public-Debt%20Statistical-Bulletin-Vol-3.pdf>

(Veasna Var, 2017).¹⁴³ Cambodia should be extremely caution in dealing with Chinese loans since Seri Lanka was already set as an example. Meanwhile, Prime Minister Hun Sen said on 29 April 2019, the first day of second “Belt and Road Forum for International Cooperation” in Beijing, that Cambodia will not fall into the debt trap as it embraced China’s BRI as Cambodia only accepted the project that beneficial to the country (Chheng, 2019).

*“It’s not like the view of those who believe BRI will make some countries fall into a debt trap. Cambodia will negotiate and prepare projects in the interests of the nation and its people, and not increase financial burden and public debt. As a sovereign country, we have the right to make whatever choices we want and receive the loans necessary. We will implement these projects for national development based on self-reliance”.*¹⁴⁴

ការប្រាក់មកពីក្រៅប្រទេស / Borrowing by Creditor
ឯកតា៖ លាន / Unit: Million

ឈ្មោះក្រុមហ៊ុន / Creditor	2014		2015		2016		សរុបត្រឹមថ្ងៃទី២០១៦ / Accu. as of 2016		
	SDR	USD	SDR	USD	SDR	USD	SDR	USD	%
I. ប្រភេទ / Bilateral	363.43	529.01	439.27	612.27	361.75	487.20	3,970.54	5,347.49	64.35%
1. សមាជិកក្រុមប្រឹក្សាប៉ារីស / Paris Club	79.68	115.98	190.73	265.85	134.51	181.16	759.92	1,023.45	12.32%
- ជប៉ុន / Japan	79.68	115.98	137.80	192.07	110.86	149.31	667.57	899.07	10.82%
- បារាំង / France	-	-	52.94	73.79	23.65	31.85	92.35	124.38	1.50%
2. មិនមែនសមាជិកក្រុមប្រឹក្សាប៉ារីស / Non-Paris Club	283.75	413.03	248.54	346.42	227.24	306.04	3,210.62	4,324.04	52.04%
- ចិន / China	255.30	371.61	208.29	290.32	198.07	266.76	2,672.94	3,599.89	43.32%
- ឥណ្ឌា / India	-	-	-	-	-	-	55.84	75.20	0.90%
- កូរ៉េខាងត្បូង / South Korea	28.46	41.42	40.25	56.10	9.88	13.30	378.59	509.88	6.14%
- ម៉ាឡេស៊ី / Malaysia	-	-	-	-	-	-	5.83	7.85	0.09%
- ថៃ / Thailand	-	-	-	-	19.29	25.98	64.34	86.66	1.04%
- វៀតណាម / Vietnam	-	-	-	-	-	-	33.09	44.56	0.54%
II. ពហុភាគី / Multilateral	147.79	215.11	119.19	166.13	233.77	314.84	2,199.54	2,962.32	35.65%
- ធនាគារអភិវឌ្ឍន៍អាស៊ី / ADB	147.79	215.11	101.49	141.46	137.37	185.01	1,485.84	2,001.11	24.08%
- ធនាគារអភិវឌ្ឍន៍ពិភពលោក / WB	-	-	-	-	94.30	127.00	589.44	793.85	9.55%
- មូលនិធិអន្តរជាតិសម្រាប់អភិវឌ្ឍន៍កសិកម្ម / IFAD	-	-	17.70	24.67	2.10	2.83	64.55	86.94	1.05%
- មូលនិធិអភិវឌ្ឍន៍សេដ្ឋកិច្ច / NDF	-	-	-	-	-	-	7.88	10.62	0.13%
- មូលនិធិអភិវឌ្ឍន៍សម្រាប់ការអភិវឌ្ឍន៍អន្តរជាតិ / OFID	-	-	-	-	-	-	51.83	69.80	0.84%
សរុប / Total	511.22	744.12	558.47	778.40	595.52	802.05	6,170.07	8,309.81	100.00%

Figure 5: Overall Debt as of 2016, Source: Ministry of Economic and Finance

4.2.2- Environmental impact

Other infrastructures and new roads are able to promote the economic and social development by decreasing the difficulties in transportation of goods and people as well as the transportation costs and crop losses, and extending the access to agriculture markets and supplies, which result in stimulation when the objective is actually connecting isolate people settlements. However, while those plan and infrastructure were built through areas of high

¹⁴³ Veasna Var, and Sovinda Po, *Cambodia, Sri Lanka and the China debt trap*, East Asia Forum, 18 March 2017, <https://www.eastasiaforum.org/2017/03/18/cambodia-sri-lanka-and-the-china-debt-trap/>

¹⁴⁴ Niem Chheng, *Hun Sen: Cambodia will not fall into Belt and Road Debt Trap*, Phnom Penh Post, 29 April 2019, <https://www.phnompenhpost.com/national-politics/hun-sen-cambodia-will-not-fall-belt-and-road-debt-trap>

environmental values, the nature as well as the biodiversity that includes the wildlife mortality, the restriction of animal movement, pollution by chemicals, noise and light, and the spread of invasive species has been greatly impacted by those activities. In 2017, World Wildlife Fund (WWF) has conducted preliminary spatial analysis of possible environmental impact of BRI corridor on biodiversity and natural resources (World Wildlife Fund, 2017).¹⁴⁵ The result of the report shows that those corridors overlap with the range of 265 threatened species including 36 critically endangered species and 81 endangered species. Moreover, the corridors overlap with 1,739 Important Bird Areas or Key Biodiversity Areas and 46 biodiversity hotspots or Global 200 Ecoregions, and also found that 32% of the total area of all protected areas in countries crossed by BRI corridors were potentially affected. Therefore, there is a clear and highest risk to environmental impact as the result of those BRI corridors and infrastructure. Many scholars believed that the expansion of transportation network will significantly cause the loss of inhabitants, the degradation of surrounding landscapes, and overexploitation of resources such as sand and the limestones for production of concrete and cement, and fossil fuel (Fernando Ascensão, 2018).¹⁴⁶

The environmental problems happen in some countries crossed by BRI economic corridors as well as Cambodia. Sihanoukville is chosen by China as a significant development place of BRI project. In a short period of time, Sihanoukville has changed its landscape and living condition to a considerable degree. The SEZ of Sihanoukville, which has been expanded as a region's port and making it the largest in the countries, and BRI project have attracted and offered a very special business opportunities to the Chinese and global investors (Juwai,

¹⁴⁵ World Wildlife Fund, *THE BELT AND ROAD INITIATIVE: WWF Recommendations and Spatial Analysis*, 2017, http://awsassets.panda.org/downloads/the_belt_and_road_initiative_wwf_recommendations_and_spatial_analysis_may_2017.pdf

¹⁴⁶ Fernando Ascensão, *Environmental challenges for the Belt and Road Initiative*, 2018

2018).¹⁴⁷ Moreover, \$2 billion project support by a loan from a Chinese government that work on an expressway connecting Phnom Penh to Sihanoukville is currently under construction as a part of BRI project and expect to finish in four years.¹⁴⁸ The attraction of Sihanoukville to Chinese rises concern among general public on the environmental impact. There has been many Chinese national who immigrate to Cambodia is overwhelming. The concerning on sanitation and waste disposal are getting worse as it has deteriorated in area where they live and invest as most of them were said to be uneducated or former prisoners or criminals. (Chrea, 2018).¹⁴⁹ Many power plants, offshore oil platforms, and casinos are operated by Chinese firms contributed to the environmental problem in the areas by dumping wastes and pollution from factories and construction sites directly into the sea while the lack of quality in operation standard of Chinese construction also cause a serious pollution in the area.¹⁵⁰

For example, The Golden Silver Resort, one of the biggest resort in Sihanoukville, was invested by Chinese investor East Union Silk Road. The resort was operated within the land concession estimated to be around \$5 billion worth of investment and covers 3,300 hectares of land (Ngamsangchaikit, 2016).¹⁵¹ However, the resort is said to have impact on the environment since the project was first started. The large forest which consist of valuable tree such as Siamese rosewood and was believed to be intensely sought after by Chinese will be cut down to build the resort (Asia Sentinel, 2018).¹⁵² There is a little action taken by the government

¹⁴⁷ Juwai, *Why has Sihanoukville become a Chinese real estate investment hotspot?* 23 July 2018, <https://list.juwai.com/de/news/2018/07/why-sihanoukville-chinese-investment-hotspot>

¹⁴⁸ Juwai, *Why has Sihanoukville become a Chinese real estate investment hotspot?* 23 July 2018,

¹⁴⁹ Vanrith Chrea, *Chinese Influx Brings Trash, High Prices to Cambodia's Sihanoukville*, Radio Free Asia, 11 October 2018, <https://www.rfa.org/english/news/cambodia/influx-10112018140456.html>

¹⁵⁰ Vanrith Chrea, *Chinese Influx Brings Trash, High Prices to Cambodia's Sihanoukville*, Radio Free Asia, 11 October 2018

¹⁵¹ Ngamsangchaikit, Wanwisa, *Chinese take a slice of Cambodia*, TTR Weekly, 24 March 2016, <https://www.ttrweekly.com/site/2016/03/Chinese-take-a-slice-of-cambodia/>

¹⁵² Asia Sentinel, *Cambodia: Last Hope for Indochina, or on its Last Breath?*, 28 August 2018, <https://www.asiasentinel.com/p/cambodia-last-hope-indochina>

regarding to the illegal logging in Cambodia, that's why deforestation will lead the country to experience climate change and natural disasters.

The quality of Chinese investment, resettlement and compensation, environmental degradation and land grabbing were concerned by the local communities and non-governmental organization. As it has been reported by Radio Free Asia, the first major hydropower dam project Kamchay Dam that were invested by China's Sinohydro Cooperation has a considerable impact on the environment as well as the livelihood of people living along the area (San, 2017).¹⁵³ 2,000 hectares of Bokor National Park in Southern Cambodia Kampong Speu Province which is a home to several endangered species and important resource for local communities were flooded. Another 400 megawatt Lower Sesan 2 dam draws controversy and attention among the environmental experts and protest from the local as reported by Phnom Penh Post (Chen P. S., 2017).¹⁵⁴ The dam already displaced around 1,500 households and 10,000 hectares of forest in Stung Treng's Sesan District were flooded.

4.2.3- The partiality of Cambodia Foreign Policy toward China's interests

China has always been the closest friend of Cambodia not only in term of cooperation, but also the close ally of Cambodia. China has been the largest source of international investment in Cambodia which account more than all other countries combine. The bilateral relation between Cambodia and China also reached the peak in the last few years. Despite the fast growing economic in Cambodia, there is also a criticism of China influence over Cambodia foreign policy among the local opinions and foreign scholars that Cambodia is moving into the

¹⁵³ Sel San, *Environmental Experts Voice Concern About Effects of Dam Projects in Cambodia*, Radio Free Asia, 16 March 2017, <https://www.rfa.org/english/news/cambodia/environmental-experts-voice-concern-about-effects-of-dam-projects-in-cambodia-03162017163740.html>

¹⁵⁴ Phak Seangly and Daphne Chen, *Sesan dam goes online, while PM dismisses environmental concerns*, Phnom Penh Post, 26 September 2017, <https://www.phnompenhpost.com/national/sesan-dam-goes-online-while-pm-dismisses-environmental-concerns>

Chinese sphere of influence (Pichnorak, 2014).¹⁵⁵ Cambodia's foreign policy was drawn by the leaders' perception and bureaucrat's influence which largely shaped by a small group of elites, especially Prime Minister and Foreign Minister.¹⁵⁶

Cambodia is a big supporter of "One China Policy" which claim there is only one China, and firmly oppose to Taiwan's independent. In order to be China's alliance and to be deferential to China's interest, Cambodia had ban all Taiwan presence in the country, and all other cooperation with Taiwan (Lohman, 2019).¹⁵⁷ The Taipei Economic and Cultural Office in Cambodia and other 19 Indo-Pacific countries was shut down in 1997 while banning Taiwan's national flag in the countries and also in the international communities. It also prevented Taiwan from opening a trade office. To gain more trust from China, Cambodia also deported Taiwanese fraud suspect to China instead of brought them back to their home Taiwan where Taiwanese protest to those action.¹⁵⁸

Meanwhile, the trade war between US and China extremely intensified, Cambodia seem to be more favor in China rather than US. Cambodia and US are not in good term as US has always been concerned about the violation of Human Right in Cambodia (Heng, 2019).¹⁵⁹ For instance, when a major opposition party CNRP was dissolved in 2017, the criticism of Cambodia being draft away from democracy was risen up. At that time, US had imposed visa and financial sanction to some Cambodian government official and cut aid commitment following the dissolution.¹⁶⁰ Moreover, in the same year, the US navy aid unit, known as

¹⁵⁵ Siem Pichnorak, *How has China's Aid influenced Cambodia's Foreign Policy*, 2014, <http://www.cwpj.org/wp-content/uploads/2015/08/HOW-HAS-CHINA%E2%80%99S-AID-INFLUENCED-CAMBODIA%E2%80%99S-FOREIGN-POLICY.pdf>

¹⁵⁶ Siem Pichnorak, *How has China's Aid influenced Cambodia's Foreign Policy*, 2014

¹⁵⁷ Walter Lohman, *Cambodia works to balance regional power*, 12 November 2019, <https://www.gisreportsonline.com/cambodia-works-to-balance-regional-powers.politics,3023.html>

¹⁵⁸ Walter Lohman, *Cambodia works to balance regional power*, 12 November 2019

¹⁵⁹ Heng Kimkong, *Rethinking Cambodia's Foreign Policy towards China and the West*, 31 May 2019, <https://intpolicydigest.org/2019/05/31/rethinking-cambodia-s-foreign-policy-towards-china-and-the-west/>

¹⁶⁰ Heng Kimkong, *Rethinking Cambodia's Foreign Policy towards China and the West*, 31 May 2019

Seabee, was told to leave Cambodia which canceled 20 plan projects, including schools and hospitals, and also suspended the joint military exercise with US (Thul, 2017).¹⁶¹ This was a sign that the country was loosening the link with Washington while strengthening relation with Beijing. It was believed that China support could buffer Cambodia and the government of Cambodia, Prime Minister Hun Sen from domestic pressure by civil society and external pressure by US and international communities to address the human right issues and inadequacies of democratic (Kimkong Heng, 2017).¹⁶²

While Cambodia tying its relation with China, the tension between the West is burning up. Besides, China are willing to support and provide assistant to Cambodia when EBA withdraw and promised to provide aid \$600 million from 2019-2021.¹⁶³ In response to deterioration of democracy and respects for human rights, EU had also take a measure against Cambodia. EU had opened its “Intensive Monitoring and Engagement” on 19 February 2019 for six months period in order to decide whether or not to continue to grant Preferential access to the EU market under Everything but Arms (EBA) to Cambodia.¹⁶⁴ On 12 February 2020, EU has decided to withdraw a part of the tariff preference EBA granted to Cambodia on selected garment, footwear product, all travel goods, and sugar due to those reasons (European Commission, 2020).¹⁶⁵ High Representative for Foreign Affairs and Security Policy and Vice President of European Union, Josep Borrell said that EU will not withstand the serious violation of human right and democracy, and will take necessary measure in order to reflect Cambodia authorities for their action:

¹⁶¹ Prak Chan Thul, *U.S. navy aid unit told to leave Cambodia*, 2 April 2017, Reuters,

¹⁶² Heng Kimkong, and Po Sovinda, *Cambodia and China's Belt and Road Initiative: Opportunities, Challenges and Future Directions*, 2017, 1(2), 1-18

¹⁶³ Heng Kimkong, *Rethinking Cambodia's Foreign Policy towards China and the West*

¹⁶⁴ Heng Kimkong, *Rethinking Cambodia's Foreign Policy towards China and the West*, 31 May 2019

¹⁶⁵ European Commission, *Trade/Human Rights: Commission decides to partially withdraw Cambodia's preferential access to the EU market*, 12 February 2020, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_229

“The duration, scale and impact of Cambodia's violations of the rights to political participation and to the freedoms of expression and association left the European Union with no other choice than to partially withdraw trade preferences. The European Union will not stand and watch as democracy is eroded, human rights curtailed, and free debate silenced. Today's decision reflects our strong commitment to the Cambodian people, their rights, and the country's sustainable development. For the trade preferences to be reinstated, the Cambodian authorities need to take the necessary measures.”¹⁶⁶

4.2.4- The impact on Cambodia neutrality between ASEAN and China

As one of the ASEAN member states, Cambodia has to be neutral without taking anyone side in ASEAN members as well as interfere with other countries internal affairs. However, many scholars believe that Cambodia is taking China's side in order to gain its own interest or in exchange of the investment, aids, and boost up trade and economic while questioning ASEAN centrality.¹⁶⁷ In July 2012, the 45th annual meeting of the foreign minister of ASEAN was held in Phnom Penh. The meeting agenda was to produce a joint communique in response to China's claim in South China Sea dispute where it expressed the concern over the violation of UNCLOS on Exclusive Economic Zone and emphasizing the need for regional code of conduct (Sigit Candra Wiranata Kusuma, 2019).¹⁶⁸ During the meeting, Vietnam urged to address EEZ in the joint communique and Philippine demanded to include the tension at the Scarborough Shoal. However, as a chairman, Cambodia failed to deliver the South China Sea issue while rejecting those requests and viewed those issues as a bilateral problem between China and Vietnam, and China and Philippine (Prak Chan Thul, 2012).¹⁶⁹ The meeting marked the first in its 45 years history that failed to issue the Joint Statement.

¹⁶⁶ European Commission, *Trade/Human Rights: Commission decides to partially withdraw Cambodia's preferential access to the EU market*, 12 February 2020

¹⁶⁷ Heng Kimkong, and Po Sovinda, *Cambodia and China's Belt and Road Initiative: Opportunities, Challenges and Future Directions*

¹⁶⁸ Sigit Candra Wiranata Kusuma, and Nadya Carollina, *China-Cambodia Relationships: Phnom Penh as Beijing's Permanent Client State*, 2019, 3(2), 189-203

¹⁶⁹ Prak Chan Thul, and Stuart Grudgings, *SE Asia meeting in disarray over sea dispute with China*, Reuters, 13 July 2012, [https://www.reuters.com/article/us-asean-summit/se-asia-meeting-in-disarray-over-sea-dispute-with-china-idUSBRE86C0BD20120713#:~:text=PHNOM%20PENH%20\(Reuters\)%20%2D%20A,in%20its%2045%2Dyear%20history](https://www.reuters.com/article/us-asean-summit/se-asia-meeting-in-disarray-over-sea-dispute-with-china-idUSBRE86C0BD20120713#:~:text=PHNOM%20PENH%20(Reuters)%20%2D%20A,in%20its%2045%2Dyear%20history)

Since its chairmanship 2012, Cambodia was under fire and criticized over the Cambodia's position in ASEAN while viewing that China used its economic power to influence Cambodia in return of favoring China's position in the dispute. Four years later on 12 July 2016, Cambodia also rejected the Joint Statement that Laos included the judgment of Permanent Court of Arbitration that Philippines filed the case against China in 2013 (Charadine, 2020).¹⁷⁰ Prime Minister Hun Sen also spoke in the 65th anniversary of Cambodian People's Party that he would not support any declaration by ASEAN in supporting the arbitral court's decision that filed by Philippines on South China Sea, and viewed the dispute as the claimant states and China not ASEAN and China (The San Diego Union Tribune, 2016).¹⁷¹

4.3- Future Perspective Analysis

For the future direction, it seems like China and Cambodia could tighten its relationship stronger than before. Through those investments, aids, BRI projects, and financial assistance, China already stood out for Cambodia among other countries in the world. Apparently, the withdrawal of EU's EBA will only cut down the cooperation with Cambodia, like cut the tie that nearly break. This unfortunate event will only make Cambodia closely approach China for more cooperation since China has already been willing to support and provide assistance to Cambodia when EBA withdraw and promised to provide aid \$600 million from 2019-2021.¹⁷² China is not only the generous donor, but also treat Cambodia fairly, and respectively without any oppression nor ask sensitive questions to Cambodia. It holds the principle of non-interference which does not interfere with Cambodia's sovereignty and internal affairs in anyways. Unlike China, the West and EU keeps interfere with Cambodia's sovereignty while

¹⁷⁰ Pich Charadine, *Cambodia Within ASEAN: Twenty-Years in the Making*, March 2020, Konrad-Adenauer-Stiftung, 1-33, <https://www.kas.de/documents/264850/8437634/20-03-04+Cambodia+and+ASEAN.pdf/7df3f55d-4770-e4bd-9495-0ec8c814d8e7?version=1.0&t=1587355678563>

¹⁷¹ The San Diego Union Tribune, *Cambodian People's Party celebrates its 65th anniversary*, 28 June 2016, <https://www.sandiegouniontribune.com/en-espanol/sdhoy-cambodian-peoples-party-celebrates-its-65th-2016jun28-story.html>

¹⁷² Heng Kimkong, *Rethinking Cambodia's Foreign Policy towards China and the West*

oppress Cambodia with the human right issue not only local but also international communities. With the tension from the West and EU regarding to human right abuses, oppression, and corruption, Cambodia extensively allies with China for mutual respect, and no condition while helping Cambodia without any pressure.

About six months into the COVID-19 pandemic, we can see that every country is busy in rescuing and fighting the issue in their own countries. China is where the virus came from and was the first country that had the most infected people and was unrest. However, Cambodia is still getting the assistance from its friend, China during the big outbreak of Covid-19 in Cambodia by providing the medical supplies. Then Cambodia also got the supports from local donors and international partners and organizations in combating against the pandemic. Among all the donors, China seems stand out the most since it keeps providing its supports to Cambodia, such as technical supports, medical experts, financial support and more, likewise in early February, Hun Sen made headlines with his special visit to China to show Cambodia's support during the virus outbreak.¹⁷³ This is the sign of telling the world, which the two countries friendship is still strong that they won't abandon each other in the emergency. Thinking about the future, after the covid season ends, most of the countries' economic fall down as well as China. In order to restore and increase the economy in the country, China could have another plan in boosting the relationship and investing more on Cambodia. There would be many more FDI and development that China could bring to the Kingdom as the key to bounce back the progress between the countries.

According to Symposium Proceedings convened by the Royal University of Phnom Penh, Department of International Studies, were discussing on the "Belt and Road Initiative and its Implications for Cambodia" said that Ministry of Agriculture holds talks with Chinese

¹⁷³ Kimkong Heng and Len Ang, "Who's Helping Cambodia Weather COVID-19?" The Diplomat, July08, 2020.

company Kathy Shop to facilitate shipments of products from Cambodia to China.¹⁷⁴ Going forward, China and Cambodia would have the agreement to make it convenient and faster in transporting in all kinds of goods. Especially, for the agricultural productions, which it had been recognized that China is the largest exporter not just in economical aspect, but in the agriculture sector as well. For this reason, Cambodia would consider in approaching to China for reaching another great promotion in agriculture sector in Cambodia to be more flourishing. This is a great opportunity to make agricultural commodities increase the quantity and the number of exporting, thus to promote the agriculture productions markets even better.

People's Republic of China is already powerful in economic facet and Cambodia is also enjoying the benefits from China the most in physical infrastructure development in the present time. Moving forward to the future, Cambodia would strengthen its policies and strategies to gain more trusts from China for more value opportunities. As strong as the relationship getting stronger, there will be more coming bilateral agreement between both Cambodia and China, since the Kingdom is progressing in the infrastructure sector, the country will seek for more agreement to bring Cambodia with gradually interests to all sectors. Economically, Cambodia and China will always maintain its relation. The bilateral aid and cooperation will increase dramatically since it is not only for Beijing's interest but also seek for fertile ground where there is an environment to growth and prosper. Cambodia is the kingdom where reach in natural resource, and rice bowl which make it a suitable for the investment. Also, Cambodia still need a long way to develop, and with China's heavy investment, the foreign direct investment in the county will increase and lead reduce its dependence on overseas aid from other countries. Therefore, embracing with China's BRI is the clever and smart move of Cambodia's

¹⁷⁴ Chansok Lak, "The Belt and Road Initiative and Its Implications for Cambodia Symposium Proceedings" Academia. https://www.academia.edu/25344864/The_Belt_and_Road_Initiative_and_Its_Implications_for_Cambodia_Symposium_Proceedings

government as the project align itself with the Cambodia's national development strategic, Rectangular Strategic and Industrial Development Strategy 2015-2025. Cambodia could take this chance to develop itself in the next decades by taking advantages of the BRI as grand development plan and national aspiration to become a middle income and high income countries.

CONCLUSION

Relations between Cambodia and China lasted at least until the 13th century, and diplomatic relations between the two countries were formally established on July 19, 1958. Cambodia is seen as one of China's most trusted friends, and China is Cambodia's most generous economic and military donor. Moreover, since the launch of the Belt and Road Initiative and the 21st Century Maritime Silk Road in late 2013, which has proposed by Chinese President Xi Jinping. China has played an influential role in Cambodia, where the development agenda has been used as a tool with its five priorities: policy connectivity, infrastructure connectivity, trade connectivity, financial connectivity, and people-to-people connectivity.

As stated earlier, this study sought to answer three research questions. This section provides the discussion of the finding following the three research questions.

- **To what extent does BRI contribute to Cambodia's development?**

Along with the information from our research, we see that Cambodia has fully and actively participated in China's BRI due to the huge economic development opportunities that come from this initiative. Also, as it is adding to the national development strategy of Cambodia, the initiative will help Cambodia achieve its vision to become a middle-income country by 2030 and a highly successful country by 2050. The BRI has made significant contributions to the development of transport infrastructure, hydropower plants, airports, ports and special economic zones in Cambodia. Bilateral cooperation on physical infrastructure and connectivity has been in the spotlight in Cambodia, which is the BRI will help to improve the electric generation infrastructure that is required to drive Cambodia social and economic development. China had been participating in infrastructure development including, building bridges, roads, railways, ports, waterways and airports. The expressway project has great potential to improve connectivity and logistics in Cambodia and improve transportation efficiency and reduce trade costs. For example, there are seven Cambodia-China major bridges

have been built, one of which is named “Cambodia-China Friendship Bridge” across the Mekong River. Furthermore, China has done a great job of fulfilling Cambodia's electricity needs by building dams, most of which are in operation. Especially, through the BRI on the construction of special economic zones and port areas, which to further facilitate the smooth operation of SSEZ, China has also assisted Cambodia to upgrade its deep water Sihanouk Autonomous Port. Together with BRI will help Cambodia accelerate its economic integration into region and world. There will be more development projects underway under the BRI framework. With China assistance on infrastructure projects and industrial zones will help reduce logistics costs in Cambodia, enhance economic competitiveness and diversify growth sources. Participation in BRI is expected to extend to Cambodia benefits, including increased FDI and economic integration, enhanced regional and international linkages. By the same token, through cooperation with China in key areas such as agriculture, tourism and production diversification will boost Cambodia’s economy to the upper level, and it will create more jobs and help Cambodian workers gain high skills and pave the way for the Cambodian economy to enter the high value chain to diversify its future economy.

- **What are the impacts that Cambodia get from overwhelming China’s BRI cooperation and investment?**

Even though China’s BRI has helped Cambodia in many ways that could foster the economic development in Cambodia, the impact of those projects still rise as a huge concern for the country. Those overwhelming flow of investment and the close relationship with China has effected to Cambodia’s financial, environment, and also raise the questions about Cambodia neutrality in ASEAN and international communities. The result of the research shows that China is one of the biggest creditor to Cambodia with 43% of overall debt, and account for \$3.5 billion of overall bilateral debt, \$5.3 billion. This huge amount of debt has warned Cambodia

by many scholars and experts that Cambodia will fall into the debt trap diplomacy of China. Also with the example of Sri Lanka, Cambodia should take those experience into consideration in embracing China's power. Moreover, those investments also extremely effect to Cambodia's environment. The poor quality and standard of construction of China's company has caused a serious environmental problem in Cambodia. The forest has been cut down to build those construction, the dams have flooded people's house in those areas, the biodiversity has been degraded, and the city has been polluted with wastes. The price of the living has risen to the point that people cannot afford the living. Moreover, most of those construction are casinos that can only benefit a group of elites while people still live in poor condition.

Furthermore, while tying up the relation with China, Cambodia has faced criticism from local and international communities for having less independent foreign policy which only serve China in order to gain some short term benefits. The ban of Taiwan's flag could be one of the example of the activities to serve on behalf of China while reject the presence of US Navy aid, and the joint military exercise between China and US. It also effect to the Cambodia position in ASEAN. In the case of South China Sea dispute, Cambodia's position and neutrality has inflicted the tense discussion since Cambodia seem to take China's side by rejecting the request from ASEAN members in the Joint Communiqué in 2012 and 2016. It appears to be that Cambodia shows its loyalty to the close friend China as an exchange to the Chinese aid and investment for decades.

- **For the future perspective, how does Cambodia-China relation would be like?**

The analysis of the research show that the friendship and relationship of Cambodia and China is more likely to be strengthen more than present. Through the investment, and aids from China, Cambodia will hold tightly to BRI to foster economic growth as well as the political ties. With the tension from the West and EU regarding to human right abuses, oppression, and

corruption, Cambodia extensively allies with China for mutual respect, and no condition while helping Cambodia without any pressure. Cambodia and China have strong political ties and military cooperation. In the modern Cambodia's history in Hun Sen's regime, Cambodia-China long-term relations also have been strengthened more through their bilateral and cooperation. Apart from politics, China has become the largest economic powerhouse in Cambodia, the largest foreign investor, bilateral donors, major trading partners, the largest buyer of Cambodian rice and the largest source of foreign tourists. There would be many more FDI and development that China could bring to the Kingdom as the key to bounce back the progress between the countries.

In the final analysis, Cambodia will benefit greatly from Chinese investment in terms of driving infrastructure development. Thus the Belt and Road Initiative is recognized as an important cooperation framework that can help Cambodia diversify sources of growth and promotion economic competition to capture other countries in the region infrastructure development, production capacity development and expansion and strengthen economic ties with China and other countries and regions. Despite the golden opportunities and cooperation for Cambodia to develop itself by developing infrastructure, trade, and aids, those opportunities could be a waste if Cambodia does not take it serious about the impact of BRI that could turn the country upside down.

RECOMMENDATION

In order for Cambodia to be prepared for the BRI cooperation, and deal with the side effect of the BRI to have a win-win outcome and self-reliance policy, and avoid criticism from local and international communities, Cambodia should take all above step into a serious consideration:

- Political reform: Cambodia should wipe out the corruption that is still going on in the country by reform and rearrange the system with more transparency and accountability and enhance the participation of civil society, youth as well as political party. It is the best alternative that Cambodia should use if it want to gain more benefit from China's aids.
- Promote sustainable partnership: this partnership working together to ensure sustainability and expand and share benefits while minimizing negative impacts to the greatest extent. Based on a people-centered approach, the foundations of partnership must be built, strengthened and promoted people-to-people exchanges and cultural exchanges on a regular basis while increasing tolerance and mutual understanding.
- Enhancing relation with all countries: Cambodia should make friend with other countries as many as possible, and should not rely on only China's aids that only effective in short term, and will not benefit the country in the long term run. It has to make sure that its foreign policy has to be omnidirectional in order to ensure prosperity, sovereignty and foreign policy autonomy.
- Enhancing its relation with ASEAN members: as one of the ASEAN members, Cambodia should foster its relationship with other members to promote political stability, tackle critical social issue, and forging flexible self-reliance policy since it has to strengthen its role and position in ASEAN.

- Building human capital: Cambodia should improve its human resource since it lack the labor skills, professionals, and technicians. So build up human resource is the only way that Cambodia could compete with other countries as well as foster economic growth.

REFERENCES

“Agriculture and fishing, Open Development Cambodia.” March 03, 2015.

<https://opendevelopmentcambodia.net/topics/agriculture-and-fishing/>

Akira KANEKO Hayao ADACHI. “Section 3. Infrastructure Development.” JICA.

https://www.jica.go.jp/jica-ri/IFIC_and_JBICI-

[Studies/english/publications/reports/study/country/pdf/cambodia_11.pdf](https://www.jica.go.jp/jica-ri/IFIC_and_JBICI-Studies/english/publications/reports/study/country/pdf/cambodia_11.pdf)

“Association of Southeast Asian Nations.” Nuclear Threat Initiative. March 26, 2019.

<https://www.nti.org/learn/treaties-and-regimes/association-southeast-asian-nations-asean/>

ASEAN-China Centre. (2020, March 13). *ASEAN-China Centre*. Retrieved May 25, 2020,

from ASEAN-China Centre: <http://www.asean-china-center.org/english/2020-03/4613.html>

Asia Sentinel. (2018, August 28). *Asia Sentinel*. Retrieved July 29, 2020, from Asia Sentinel:

<https://www.asiasentinel.com/p/cambodia-last-hope-indochina>

“Banking & Finance in Cambodia.” Business2Business Cambodia. June 2020.

<https://www.b2b-cambodia.com/industry-overviews/banking-finance/>

Ben Sokhean. “Hun Sen renews stance on One China Policy.” *Khmer Times*. March 04, 2019.

<https://www.khmertimeskh.com/583464/hun-sen-renews-stance-on-one-china-policy/>

Ben, S. (2019, March 18). *Khmer Times*. Retrieved May 20, 2020, from Khmer Times:

<https://www.khmertimeskh.com/587785/lon-nol-coup-resonates-decades-on/>

Bilateral Organization. (2020, May 8). *Bilateral Organization*. Retrieved May 26, 2020, from

Bilateral Organization: <https://www.bilaterals.org/?china-asean-trade-to-blossom-in>

“Cambodia attracts US\$3.6bil FDI in 2019, 43% from China.” *The Star*. January 10,

2020. <https://www.thestar.com.my/news/regional/2020/01/10/cambodia-attracts->

[us36bil-fdi-in-2019-43-from-](#)

[china#:~:text=PHNOM%20PENH%3A%20Cambodia%20attracted%20foreign,on%20Friday%20\(Jan%202010\).](#)

“Cambodia-China Free Trade Agreement Second Round Ends.” Belt and Road News. April 14, 2020. <https://www.beltandroad.news/2020/04/14/cambodia-china-free-trade-agreement-second-round-ends/>

“Cambodia: foreign investment.” Santander. July 2020.

<https://santandertrade.com/en/portal/establish-overseas/cambodia/investing-3>

Cambodia's garment exports fall by 5.4% in 1st half 2020, Fibre2Fashion.

<https://www.fibre2fashion.com/news/apparel-news/cambodia-s-garment-exports-fall-by-5-4-in-1st-half-2020-268573-newsdetails.htm#:~:text=Exports%20in%20Cambodia's%20garment%20sector,impact%20of%20the%20COVID%2D19>

“Cambodian rice exports increased in first half of 2020.” Business2Business Cambodia. July 14, 2020. <https://www.b2b-cambodia.com/news/cambodia-financial-semi-annual-2020-review/>

“Cambodia Rice Federation.” <http://www.crf.org.kh/>

“Cambodia Sustainable Development Goals (CSDGs), Framework 2016-2030.” Royal Government of Cambodia. Council of Ministers. November 19, 2018.

<http://mop.gov.kh/DocumentEN/CSDG%20Framework-2016-2030%20English.pdf>

“Cambodia's water and sanitation crisis.” Water.Org.

<https://water.org/our-impact/where-we-work/cambodia/>

Chap Sotharith. “Chapter I, Trade, FDI, and ODA between Cambodia and China/Japan/Korea.”

https://www.ide.go.jp/library/English/Publish/Download/Brc/pdf/03_chapter1.pdf

Cheunboran, Chan Borey. “Cambodia Embraces Belt and Road Initiative”, Khmer Time.

April 22, 2019. <https://www.khmertimeskh.com/596624/cambodia-embraces-belt-and-road-initiative/>

“China-assisted transportation projects facilitate economy in Cambodia.” People Daily

Online. March 16, 2020. <http://en.people.cn/n3/2020/0316/c98649-9668594.html>

“Cambodia-China Relations: A Positive-Sum Game?” SAGE Journals. First Published June 1,

2012. <https://journals.sagepub.com/doi/full/10.1177/186810341203100203>

“Cambodia-China forum to be held to further enhance cooperation”, Xinhua. China.org.cn.

December 06, 2019. http://www.china.org.cn/world/Off_the_Wire/2019-12/06/content_75486054.htm

“China and Cambodia Sign MOU on Infrastructure Cooperation to Promote Healthy

Development of Capacity Cooperation.” Ministry of Commerce PEOPLE’S

REPUBLIC OF CHINA. May 17, 2017.

<http://english.mofcom.gov.cn/article/newsrelease/significantnews/201707/20170702611908.shtml>

“China-Cambodia Community of Shared Future Features Four Special Points: Chinese

Ambassador to Cambodia.” Fresh News.

<http://m.en.freshnewsasia.com/index.php/en/localnews/13941-2019-05-08-08-06-23.html>

“Cambodia Energy Situation” Energypedia.

<http://english.mofcom.gov.cn/article/newsrelease/significantnews/201707/20170702611908.shtml>

Chanborey, C. (2019, April 22). *Khmer Times*. Retrieved June 5, 2020, from Khmer Times:

<https://www.khmertimeskh.com/596624/cambodia-embraces-belt-and-road-initiative/>

Charadine, P. (2020). Cambodia Within ASEAN: Twenty-Years in the Making. (R. Hör, Ed.)

Konrad-Adenauer-Stiftung, 1-33. Retrieved July 20, 2020, from

[https://www.kas.de/documents/264850/8437634/20-03-](https://www.kas.de/documents/264850/8437634/20-03-04+Cambodia+and+ASEAN.pdf/7df3f55d-4770-e4bd-9495-0ec8c814d8e7?version=1.0&t=1587355678563)

[04+Cambodia+and+ASEAN.pdf/7df3f55d-4770-e4bd-9495-](https://www.kas.de/documents/264850/8437634/20-03-04+Cambodia+and+ASEAN.pdf/7df3f55d-4770-e4bd-9495-0ec8c814d8e7?version=1.0&t=1587355678563)

[0ec8c814d8e7?version=1.0&t=1587355678563](https://www.kas.de/documents/264850/8437634/20-03-04+Cambodia+and+ASEAN.pdf/7df3f55d-4770-e4bd-9495-0ec8c814d8e7?version=1.0&t=1587355678563)

Chellaney, B. (2017, May 24). *Project Syndicate*. Retrieved July 20, 2020, from Project

Syndicate: <https://www.project-syndicate.org/commentary/one-belt-one-road-china-imperialism-by-brahma-chellaney-2017-05?barrier=accesspaylog>

Chen, P. S. (2017, September 26). *Phnom Penh Post*. Retrieved July 30, 2020, from Phnom

Penh Post: <https://www.phnompenhpost.com/national/sesan-dam-goes-online-while-pm-dismisses-environmental-concerns>

Chen, S. A. (2018). The Development of Cambodia–China Relation and Its Transition Under the OBOR Initiative. *The Chinese Economy*, 51(4), 370-382.

doi:10.1080/10971475.2018.1457317

Chheng, N. (2019, April 2019). *Phnom Penh Post*. Retrieved July 20, 2020, from Phnom

Penh Post: <https://www.phnompenhpost.com/national-politics/hun-sen-cambodia-will-not-fall-belt-and-road-debt-trap>

Choi, P. (2017). *Understanding China's Belt and Road Initiative*. Lowy Institute. Retrieved June 3, 2020, from

https://www.lowyinstitute.org/sites/default/files/documents/Understanding%20China%20%E2%80%99s%20Belt%20and%20Road%20Initiative_WEB_1.pdf

Chomrong, P. (2019, April 29). *VOD*. Retrieved June 10, 2020, from VOD:

<https://vodenglish.news/cambodia-and-chinas-bonds-as-strong-as-steel-hun-sen-says/>

Chrea, V. (2018, October 11). *Radio Free Asia*. Retrieved July 30, 2020, from Radio Free

Asia: <https://www.rfa.org/english/news/cambodia/influx-10112018140456.html>

Dr. Muhammad Zulfikar Rakhmat, a. D. (2019, November 18). *Geopolitical Monitor*.

Retrieved July 20, 2020, from Geopolitical Monitor:

<https://www.geopoliticalmonitor.com/belt-and-road-initiative-challenges-for-south-and-southeast-asia/>

Eleanor Albert. "China-Taiwan Relations." Council on Foreign Relations. Last updated

January 22, 2020. <https://www.cfr.org/backgrounder/china-taiwan-relations>

European Commission. (2020, February 12). *European Commission*. Retrieved July 20, 2020,

from European Commission:

https://ec.europa.eu/commission/presscorner/detail/en/ip_20_229

"First Annual Cambodia-China Cooperation Forum on "Cambodia-China Comprehensive

Strategic Partnership toward the Community with a Shared Future: We Grow

Together." International Relations Institution of Cambodia. December 05, 2019.

<http://iric.gov.kh/first-annual-cambodia-china-cooperation-forum-on-cambodia-china-comprehensive-strategic-partnership-toward-the-community-with-a-shared-future-we-grow-together/>

"Fisheries production." Open Development Cambodia. September 07, 2015.

<https://opendevelopmentcambodia.net/topics/fisheries-production/>

"Food price update - June 2020, Focus: Effect of the COVID-19 outbreak on food prices, World Food Program." June 30, 2020.

<https://reliefweb.int/report/cambodia/cambodia-food-price-update-june-2020-focus-effect-covid-19-outbreak-food-prices>

Fernando Ascensão, L. F. (2018). *Environmental challenges for the Belt and Road Initiative*.

Macmillan Publishers Limited. Retrieved July 30, 2020

“Garments and textiles.” Open Development Cambodia. January 21, 2016.

<https://opendevelopmentcambodia.net/topics/garments-and-textiles/>

“Gov. reveals US\$3.5 bn investment to upgrade Cambodia’s airports.” Cambodia Constructor

Association. April 17, 2020. [https://www.construction-property.com/gov-reveals-us3-](https://www.construction-property.com/gov-reveals-us3-5-bn-investment-to-upgrade-cambodias-airports/)

[5-bn-investment-to-upgrade-cambodias-airports/](https://www.construction-property.com/gov-reveals-us3-5-bn-investment-to-upgrade-cambodias-airports/)

Hen, P. (2018, August 29). *East Asia Forum*. Retrieved July 20, 2020, from East Asia Forum:

<https://www.eastasiaforum.org/2018/08/29/are-chinas-gifts-a-blessing-or-a-curse-for-cambodia/>

Heng, K. (2019, May 31). *INTERNATIONAL POLICY DIGEST*. Retrieved July 20, 2020,

from INTERNATIONAL POLICY DIGEST:

<https://intpolicydigest.org/2019/05/31/rethinking-cambodia-s-foreign-policy-towards-china-and-the-west/>

Hannah Ellis-Petersen. “No Cambodia left’: how Chinese money is changing Sihanoukville.”

The Guardian. July 31, 2018. <https://www.theguardian.com/cities/2018/jul/31/no-cambodia-left-chinese-money-changing-sihanoukville>

H.E. Dr. Kin Phea. “CAMBODIA-CHINA RELATIONS IN THE NEW DECADE.” Konrad.

<https://www.kas.de/documents/264850/8651571/Chapter+3.pdf/92c368c0-6981-402f-e35e-36de854d86f6?version=1.1&t=1590394552511>

“How Chinese money is changing Cambodia.” Deutsche Welle. August 22, 2019.

<https://www.dw.com/en/how-chinese-money-is-changing-cambodia/a-50130240>

“Infrastructure”, Council for the Development in Cambodia.

<http://www.cambodiainvestment.gov.kh/investors-information/infrastructure.html>

“Infrastructure.” Open Development Cambodia. November 28, 2015.

<https://opendevelopmentcambodia.net/topics/infrastructure/>

Juwai. (2018, July 23). *Juwai*. Retrieved July 30, 2020, from Juwai.com:

<https://list.juwai.com/de/news/2018/07/why-sihanoukville-chinese-investment-hotspot>

Kimkong Heng, a. S. (2017). Cambodia and China’s Belt and Road Initiative: Opportunities, Challenges and Future Directions. *UC Occasional Paper Series, 1(2)*, 1-18. Retrieved July 20, 2020

Lancang Mekong Cooperation. (2017, December 14). *Lancang Mekong Cooperation*.

Retrieved May 26, 2020, from Lancang Mekong Cooperation:

http://www.lmcchina.org/eng/zyjz_3/35hz/t1519481.htm

Lipes, J. (n.d.). *RFA*. Retrieved May 4, 2020, from Radio Free Asia:

<https://www.rfa.org/english/news/special/chinacambodia/relation.html>

Lohman, W. (2019, November 12). *Geopolitical Intelligence Services*. Retrieved July 19, 2020, from Geopolitical Intelligence Services:

<https://www.gisreportsonline.com/cambodia-works-to-balance-regional-powers,politics,3023.html>

Long, K. (2009). Sino-Cambodia Relations. *CICP Working Paper , 18*, 6. Retrieved May 20, 2020, from

http://www.cicp.org.kh/userfiles/file/Working%20Paper/CICP%20Working%20Paper%20No%2028_%20Sino%20Cambodia%20Relations%20by%20Long%20Kosal.pdf

Pike Lili, “In Cambodia, solar power surges” *China Dialogue*, December 3, 2019.

<https://chinadialogue.net/en/energy/11706-in-cambodia-solar-power-surges-2/>

Macdonald, R. (Ed.). (2019). *Southeast Asia and the ASEAN economic community*.

doi:10.1007/978-3-030-19722-3

- Marks, P. (2000). China's Cambodia Strategy. 92-108. Retrieved May 26, 2020, from <https://dev.landmatrix.org/media/uploads/strategicstudiesinstitute/armymilpubsparameters/articles/00autumnmarks.htm.pdf>
- May Kunmakara. "Kingdom-China FTA expected by November." The Phnom Penh Post. February 25, 2020. <https://www.phnompenhpost.com/business/kingdom-china-fta-expected-november>
- Map Sum. "Chapter 2 Infrastructure Development in Cambodia." Cambodian Institute for Cooperation and Peace. March 2008. https://www.eria.org/uploads/media/Research-Project-Report/RPR_FY2007_2_Chapter_2.pdf
- Ministry of Economic and Finance. (2017). *Cambodia public debt statistical bulletin*. Ministry of Economic and Finance. Retrieved July 30, 2020, from <http://www.mef.gov.kh/documents/shares/publication/public-debt-bulletin/Cambodia-Public-Debt%20Statistical-Bulletin-Vol-3.pdf>
- Mikael Weissmann. "Chinese Foreign Policy in Global Perspective: A Responsible Reform "Striving For Achievement." Journals of China International Relations: Vol 3, No. 1. Aalborg University. May 2015. https://pdfs.semanticscholar.org/8738/191c04133ac556d3810890d41caece2ee624.pdf?_ga=2.38643745.322639429.1598375609-543562703.1598375609
- Ngamsangchaikit, W. (2016, March 24). *TTR Weekly*. Retrieved July 30, 2020, from TTR Weekly: <https://www.ttrweekly.com/site/2016/03/Chinese-take-a-slice-of-cambodia/>
- Nguon Sovan, Mao Pengfei. "Interview: China major contributor to Cambodia's agricultural development: Cambodian minister." XinhuaNet. July 15, 2018. http://www.xinhuanet.com/english/2018-07/15/c_137325483.htm

OGASAWARA Yoshiyuki. "Taiwanese Identity and the "One China Principle": Policies of the Lee Teng-hui Administration towards China." Tokyo University of Foreign Studies. March 2001. <http://www.tufs.ac.jp/ts/personal/ogasawara/paper/epaper3.html>

"Overview of the Transport Infrastructure Sector in the Kingdom of Cambodia."

Infrastructure and Regional Integration Technical Working Group. January 2008.

<file:///C:/Users/ASUS/Downloads/Transport-Infrastructure-2008.pdf>

Pheakdey, V. C. (2019). *Cambodian Perspective on the Belt and Road Initiative*. NIDS.

Retrieved July 3, 2020, from

http://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter01.pdf

Pichnorak, S. (2014). *How has China's aid influenced Cambodia's Foreign Policy*. ROYAL UNIVERSITY OF PHNOM PENH. Retrieved July 20, 2020, from

<http://www.cwpj.org/wp-content/uploads/2015/08/HOW-HAS->

[CHINA%E2%80%99S-AID-INFLUENCED-CAMBODIA%E2%80%99S-FOREIGN-POLICY.pdf](http://www.cwpj.org/wp-content/uploads/2015/08/HOW-HAS-CHINA%E2%80%99S-AID-INFLUENCED-CAMBODIA%E2%80%99S-FOREIGN-POLICY.pdf)

Prak Chan Thul, a. S. (2012, July 13). *Reuters*. Retrieved July 20, 2020, from Reuters:

<https://www.reuters.com/article/us-asean-summit/se-asia-meeting-in-disarray-over-sea-dispute-with-china->

[idUSBRE86C0BD20120713#:~:text=PHNOM%20PENH%20\(Reuters\)%20%2D%20A,in%20its%2045%2Dyear%20history.](https://www.reuters.com/article/us-asean-summit/se-asia-meeting-in-disarray-over-sea-dispute-with-china-idUSBRE86C0BD20120713#:~:text=PHNOM%20PENH%20(Reuters)%20%2D%20A,in%20its%2045%2Dyear%20history.)

Peter Cai. "Understanding China's Belt and Road Initiative." Analysis. Lowy Institute. 22

March 2017. <https://www.lowyinstitute.org/publications/understanding-belt-and-road-initiative>

Phou Sambath. "Cambodia-China Relation: Past, Present and Future." Academia. Accessed

March 20, 2020

“Rice production in first half of 2020 hits 75 percent of yearly target.” Domnung.

<https://domnung.com/article/964753/cambodia/rice-production-in-first-half-of-2020-hits-75-percent-of-yearly-target-khmer-times>

Richard C. Bush. “A One China Policy Primer.” Centre for East Asia Policy Studies at

Brooking. March 2017. <https://www.brookings.edu/wp-content/uploads/2017/03/one-china-policy-primer.pdf>

Robert D. Blackwill, Kurt M. Campbell. “Xi Jinping on the Global Stage.” Council on

Foreign Relations. February 2016. <https://www.cfr.org/report/xi-jinping-global-stage>

Runsinarith, P. (2019). *Belt and Road Initiatives and Southeast Asia: The Case of Cambodia*.

Bangkok: UNESCAP. Retrieved July 3, 2020, from

https://www.unescap.org/sites/default/files/2_Cambodia%20BRI.pdf

San, S. (2017, March 16). *Radio Free Asia*. Retrieved July 30, 2020, from Radio Free Asia:

<https://www.rfa.org/english/news/cambodia/environmental-experts-voice-concern-about-effects-of-dam-projects-in-cambodia-03162017163740.html>

Sigit Candra Wiranata Kusuma, a. N. (2019). China-Cambodia Relationships: Phnom Penh as

Beijing’s Permanent Client State. *3*(2), 189-203. Retrieved July 20, 2020

Sok, C. (2019, November 14). *Khmer Times*. Retrieved May 25, 2020, from Khmer Times:

<https://www.khmertimeskh.com/659652/feasibility-study-on-china-cambodia%E2%80%8B-free-trade-agreement-to-be-launched/>

Storey, I. (2006, April 26). *James Town Foundation*. Retrieved May 25, 2020, from James

Town Foundation: <https://jamestown.org/program/chinas-tightening-relationship-with-cambodia/>

Sean Mirski. “The South China Sea Dispute: A Brief History.” *LawFare*. June 08, 2015.

<https://www.lawfareblog.com/south-china-sea-dispute-brief-history>

ShibLun Allen Chen. “The Development of Cambodia-China Relation and Its Transnational Under the OBOR Initiative.” Routledge Taylor & Francis Group. ResearchGate.

February 01,

2019. https://www.researchgate.net/publication/330797497_The_Development_of_Cambodia-China_Relation_and_Its_Transition_Under_the_OBOR_Initiative#read

Simon Kemp. “DIGITAL 2020: CAMBODIA”, Datareportal. February 17, 2020.

<https://datareportal.com/reports/digital-2020->

[cambodia#:~:text=There%20were%2021.24%20million%20mobile,128%25%20of%20the%20total%20population.](https://datareportal.com/reports/digital-2020-cambodia#:~:text=There%20were%2021.24%20million%20mobile,128%25%20of%20the%20total%20population.)

Sok Chan. “China free trade agreement negotiations to start in December.” Khmer Time.

November 15, 2019. <https://www.khmertimeskh.com/660011/china-free-trade-agreement-negotiations-to-start-in-december/>

“South China Sea.” Lowy Institute. <https://www.lowyinstitute.org/issues/south-china-sea>

“South China Sea Dispute and Cambodia – Stance understandable.” Khmer Time. September

06, 2019. <https://www.khmertimeskh.com/641080/south-china-sea-dispute-and-cambodia-stance-understandable/>

“The One-China Principle and the Taiwan Issue”, Speeches and Documents. Embassy of People’s Republic of China in the Kingdom of Norway. May 17, 2005.

<https://www.fmprc.gov.cn/ce/ceno/eng/ztxw/twwt/t110655.htm>

“The World Bank Data, Agriculture, forestry and fishing, value added (% of GDP) – Cambodia.” The World Bank.

<https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=KH>

Tim Ruhlrig. “A “New” China Foreign Policy Under Xi Jinping?” Focus Asia Perspective & Analysis. Institute for Security and Development Policy. March 02, 2018.

<https://isdpeu.eu/publication/new-chinese-foreign-policy-xi-jinping-implications-european-policy-making/>

Tom Fowdy. “The historical context of the 'One-China Principle', and why it won't change.”

CGTN. January 18, 2020. <https://news.cgtn.com/news/2020-01-18/Why-the-one-China-Principle-won-t-change-NITGKAA YF2/index.html>

The San Diego Union Tribune. (2016, June 28). *The San Diego Union Tribune*. Retrieved July 20, 2020, from The San Diego Union Tribune:

<https://www.sandiegouniontribune.com/en-espanol/sdhoy-cambodian-peoples-party-celebrates-its-65th-2016jun28-story.html>

Thul, P. C. (2017, April 4). *Reuters*. Retrieved July 20, 2020, from Reuters:

<https://www.reuters.com/article/us-cambodia-usa-navy-idUSKBN1760TA>

Uch Leang. “Community responsible for subregional interests in Mekong Lancang.” *Khmer Times*. March 31, 2020. <https://www.khmertimeskh.com/707631/community-responsible-for-subregional-interests-in-mekong-lancang/>

<https://www.khmertimeskh.com/707631/community-responsible-for-subregional-interests-in-mekong-lancang/>

Vannak, C. (2019, January 22). *Khmer Times*. Retrieved July 3, 2020, from Khmer Times:

<https://www.khmertimeskh.com/570963/cambodia-3rd-in-asean-for-tourist-growth/>

Vannarith Chheang and Heng Pheakdey. “Cambodian Perspective on the Belt and Road

Initiative.” http://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter01.pdf

Vannarith Chheang and Heng Pheakdey. “Chapter 1, Cambodia Perspective on The Belt and Road Initiative.”

http://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter01.pdf

Vannarith Chheang. "Cambodia Embraces China's Belt and Road." YUSOF ISHAK INSTITUTE. ISEAS. 6 July 2017.

https://vannarithchheang.files.wordpress.com/2011/11/iseas_perspective_2017_48.pdf

Veasna Var, a. S. (2017, March 18). *East Asia Forum*. Retrieved July 20, 2020, from East Asia Forum: <https://www.eastasiaforum.org/2017/03/18/cambodia-sri-lanka-and-the-china-debt-trap/>

Vireak, S. (2019, November 8). *Asia Time*. Retrieved May 22, 2020, from Asia Time: <https://asiatimes.com/2019/11/dynamism-of-chinese-investment-in-cambodia/>

World Wildlife Fund. (2017). *THE BELT AND ROAD INITIATIVE: WWF Recommendations and Spatial Analysis*. WWF. Retrieved July 30, 2020, from http://awsassets.panda.org/downloads/the_belt_and_road_initiative___wwf_recommendations_and_spatial_analysis___may_2017.pdf

Xinhua. (2019, February 14). *XinhuaNet*. (Xuxin, Editor) Retrieved May 20, 2020, from XinhuaNet: http://www.xinhuanet.com/english/2019-02/14/c_137821297.htm

Zhou, D. (2007). *A Record of Cambodia: The Land and Its People*. (P. Harris, Trans.) Chiang Mai: Silkwormbook. Retrieved February 20, 2020, from https://www.academia.edu/12499846/Zhou_Daguan_A_record_of_Cambodia_The_land_and_its_people