

Silk Road unity cements China-Cambodia ties

By Ge Hongliang Source: People's Daily and Global Times

Chinese president Xi Jinping concluded a two-day state visit to Cambodia last week. It was Xi's first state visit to Cambodia as president. Sino-Cambodian relations have a long history, and Cambodia is China's friendly neighbor and important partner. However, Western criticisms emerged over the pragmatic cooperation between China and Cambodia. How should we view the accusations, and what roles Sino-Cambodian relations can play in creating a China-ASEAN "Diamond Decade?"

We should hold dialectical perspectives over the accusations from the West. The criticisms have strong ideological orientation and aim at distortion of China's national image.

The advance of trade and investment has made China play a crucial role in Cambodian economic and social development. Since the Cambodian general election in 1993, free market economic reform has become the country's basic national policy and bilateral trade with China has gained remarkable achievements.

From 2000 to 2008, bilateral trade cooperation maintained double-digit growth for nine consecutive years. Although the scale declined due to the global financial crisis in 2009, bilateral trade got through the crisis in 2010, achieving a growth rate of 52.65 percent, and by 2011, the growth rate reached 73.42 percent. By 2012, the total bilateral trade volume reached a new record level, amounting to \$2.92 billion, a 17.97 percent increase year-on-year. Now, Sino-Cambodian trade relations obtain a new opportunity for development by jointly building the 21st-Century Maritime Silk Road.

Apart from the growth of trade, Chinese investment in Cambodia also increased. In 2012 alone, Chinese investment in Cambodia reached \$263 million, accounting for 19.06 percent of the total foreign investment in Cambodia. By 2014, total Chinese investment in Cambodia accumulated up to \$9.6 billion. The main fields of Chinese investment in Cambodia included clothing, textile industry, hotels and tourist attractions, and industrial parks.

The economic and trade relations between the two countries, especially Chinese investment, have exerted very beneficial effects on Cambodia's economic and social progress. Take the Kamchay Dam in Elephant Mountain, Cambodia, as an example. The China-backed dam project has safely operated for 1,500 days to early 2016, and generated 1.68 billion kilowatt-hours. The power has been transmitted to Kampot, Takeo Province, and even the capital Phnom Penh.

Some problems do exist in the development of economic and trade relations. Sino-Cambodian trade imbalance is notable, and Cambodia has posted a trade deficit with China for a long time. In general, Chinese total export to Cambodia is 10 times larger than Cambodian total export to China. There is no doubt that the long-term trade deficit is not conducive to the stable and healthy development of economic and trade relations.

In recent years, the focus of China's assistance to Cambodia has shifted, stressing improving infrastructure and constructing production-oriented projects, which include hydropower, infrastructure, oil and gas resources, agriculture and education.

China-ASEAN relations based on dialogue and cooperation are now along the path of jointly building 21st-Century Maritime Silk Road, toward the direction of a "Diamond Decade". As an ASEAN member, Cambodia is an important object for China's "go global" strategy.

China-ASEAN regional cooperation platforms, such as the China-ASEAN Free Trade Area and the Regional Comprehensive Economic Partnership project which is under discussion, are important regional platforms for Sino-Cambodian ties. Cambodia is the last country to join ASEAN, but it has set a good example in ASEAN's relations with China.

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