

Cambodia aims to move beyond textiles

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In the air-conditioned comfort of the Cambodiana Hotel's ballroom, and clustered around the swimming pool in the afternoon heat, Cambodia's businesses get ready to show visitors what they can do.



Digital Divide's Sith Sophary says the expo makes local firms visible

With cashew nuts, spices and herbal remedies, there's an element of country fair to the proceedings, with produce makers as well as insurers, architects and data-processing companies among the bewildering range of stalls at the debut edition of Cambodia Expo and Export.

It is all part of a plan by the government and its donor partners to find ways to diversify the country's economy.

And although not quite as crude as throwing everything at a wall and seeing what sticks, it's fair to say that a wide range of options are under consideration.

Vulnerable industry

Most people would probably struggle to name a product that comes from Cambodia.

This is a country that imports far more than it exports, and even the goods in the local markets have often come from neighbouring countries or further afield.

The one major success has been the garment industry.

If you buy your clothes from Gap, Marks and Spencer or H&M, you might find a "made in Cambodia" tag discreetly tucked inside.

But Cambodia is dangerously reliant on producing clothes.

Garments account for about 80% of the country's exports, and now that the United States has dropped its restrictions on Chinese-produced clothing, Cambodia's garment industry looks extremely vulnerable.

There is also an overall need to find ways to drive the economy forward.

The tourist trade is booming, thanks to the temples of Angkor, but other options are urgently needed as the country's growth rate slows.

Enter Sok Siphana, the secretary of state for commerce; a dapper man with a penchant for bow-ties and electronic gadgets.

Cambodia Expo and Export is his baby. So much so that he stations himself at the entrance of the event to greet visitors and tell them about his vision.

Networking process

With a population of 13 million, Cambodia is unlikely to be able to develop another major industry, like it has with the garment sector.

The country can rarely compete on price with larger neighbours like Thailand and Vietnam.

Instead, the answer is to focus on niche products that could become high-value export items, such as organic rice, silk products or soy drink - all exhibited along with a colourful display of peppers and sesame at the Spice Forum.

The potential is there, says Mr Sok Siphana, but many of the nascent businesses need a little nudge in the right direction.

"I want the donors, civil society, the players who have been working with capacity-building to come along and say, 'OK, you have that product, but it'll never make it to the market if you don't work on the packaging'.

"It's also a networking process for all the businesses here."

Local business



A sculpture of a footballer made from firearms echoes the past

Another factor is public relations.

Just making their compatriots aware of their existence was reason enough for some of the exhibitors to take part.

An architecture firm hoped to convince property developers that they were as capable as overseas concerns and data-inputting company Digital Divide Data were looking to capitalise on the outsourcing boom.

"We want to let Cambodia know what Cambodians can do," says general manager Sith Sophary.

"This is a good way to get local business, as well as making people understand what we can do and how we can help our own people."

Judging by the crowd around Digital Divide's stand, they were succeeding.

Doing deals



Targeted exports could prove one way forward

More than 10,000 people visited the Expo over its four-day run, according to the organisers.

Undoubtedly some of them were only there to partake of the numerous free samples on offer, from delicious organic pineapple juice to rather less palatable local whisky.

Others came to make deals.

Many of the businesses reported serious inquiries, or even firm orders, from local and overseas buyers.

A group of artists selling sculptures made from disused firearms had the pleasant problem of working out how they could provide goods by the container-load to Taiwan.

As an eye-opener for local and overseas investors, the Expo served its purpose.

Whether its mixed bag of products and services will be enough to diversify Cambodia's economy is another question.

But as Sok Siphana says, "it's a start".

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