

CHAPTER 11: INFRASTRUCTURE

Relevant Laws:

- Law on Public Procurement 2023
- Law on Public-Private Partnerships 2021
- Law on Management of Petroleum and Petroleum Products 2019
- Law on Telecommunications 2015
- Law on Electricity 2001 (amended in 2007 and 2015)
- Law on Road Traffic 2014
- Other sectoral laws and many implementing regulations

I. TRANSPORTATION AND LOGISTICS

At the turn of the decade there seemed little to enthuse over by way of infrastructure projects in Cambodia. However, in the last several years there has been a gradual increase in confidence and ambition in bolstering Cambodia's much-needed infrastructure to bring it in line with some of Cambodia's trading neighbors and co-members of the ASEAN Economic Community.

Membership of ASEAN should facilitate a freer movement of goods and services between its members. However, although Cambodia is well-situated centrally in the ASEAN territories, its logistics and transportation network is less-developed and competitive compared with neighboring Thailand and Vietnam.

That being said, the MPWT recently announced it will form a Logistics Committee to improve the flow of goods in Cambodia. This Committee will particularly aim at decreasing logistics costs and help Cambodia's agricultural products compete in the foreign markets.

There also seems to be a determined effort to secure funding of major infrastructure projects. At the time of writing, Cambodia's Prime Minister, Hun Manet, said that the Siem Reap Angkor International Airport was inaugurated on 16 November 2023 and that the intention is to expand the Phnom Penh International Airport by 2025. The government is also planning to build a railway from Phnom Penh to Banteay Meanchey province through Siem Reap province.

"For Sihanoukville, we are assessing the possible use or extension of our current airport. Those are the big projects we are planning. However, talking about a small project, we are also planning to construct an airport in Monduliri province," Hun Manet said.

To expand infrastructure construction, the government is willing to promote major investment projects by using investment credits from the private sector as well as resources from all sectors.

Besides the Phnom Penh-Sihanoukville Expressway, the China Road and Bridge Corporation is funding construction of the Phnom Penh-Bavet and Phnom Penh-Siem Reap expressways.

A. Roads

Cambodia has 24 provinces with arterial national roads linking its provinces to Phnom Penh capital city. These arterial national roads are managed by the MPWT. After the first and second ring roads were completed and already put into use, the 53-kilometre long third ring road traversing Phnom Penh and Kandal is being constructed and expected to be completed in August 2024. There are also rural roads and local roads which are managed by the Ministry of Rural Development (MRD) or by the local and sub-national administrations. Obviously, for this to work there must be clear and seamless integration of national and regional road networks.

Road transportation is governed by the 2014 Law on Road Traffic, which governs all road users in Cambodia and aims at:

- Maintaining order and safety in road traffic, covering public traffic throughout Cambodia,
- Protecting human and animal lives and the environment,
- Curbing the effect on human health and the damage of State and private properties, and
- Curbing offenses arising from the use of the roads.

B. Rail

Railway is considered as one of the cheapest forms of transportation. However, this service is nowhere near being fully operational in Cambodia. The railway system was started in the era of French colonialism, but has been damaged by war and neglect, there being only two current railway lines in Cambodia. One line built between 1929 and 1942, connects the capital city of Phnom Penh to the city of Poipet which borders Thailand. Another line built between 1960 and 1969, connects Phnom Penh to Sihanoukville Port. This line has been recently reconstructed with funding from the Asian Development Bank and Australian Agency for International Development. It is fully-operational, carrying cargo such as rice, steel, cement, oil and containers. Passenger rail on this line began in April 2016.

Beside this investment, the RGC is also working out a development plan with China to build a railway that connects the city of Kunming of China to the ASEAN countries.