Cambodia-South Korea Relations

By Siem Pichnorak

I. Overview

The history of diplomatic relations between Republic of Korea and Cambodia could be traced back to 1970 when American-backed government of Lon Nol came to power. The relations, like the regime itself, was short-lived and severed in 1975 when Khmer Rouge came to power. Bilateral diplomatic relations between the two was again established in 1997 after official state visit of Prime Minister Hun Sen to South Korea in 1996. Within the last two decades, the partnership and cooperation between Cambodia and South Korea have witnessed rapid advancement, especially in recent years.

II. Bilateral Partnership and Cooperation

Within less than 20 years, bilateral relations between Cambodia and South Korea have reached a high level. To date, South Korea is one of the important foreign player in Cambodia, especially in the field of trade, investment, tourism and development assistant. Cooperation between the two counterparts could be seen in many sectors ranging politics to economy.

2.1. Diplomacy and Politics

In terms of diplomatic relations, high-ranking official exchanges between the two countries. Amongst others are the last two significant official meetings between high-profile leaders of both countries. One was the sideline meeting between Prime Minister Hun Sen and President Park Geun-hye on December 15, 2014 during the ASEAN-ROK Commemorative Summit. A wide range of issues encompassing bilateral relations, economic cooperation, development cooperation and issues on the Korean Peninsula was discussed. Both heads of governments also pledged to further intensify bilateral economic development. Another noticeable meeting was the meeting between Prime Minister Hun Sen and South Korea’s Speaker of Parliament Chung Ui-hwa on May 14, 2015. As the matter of fact, enlarged bilateral cooperation between Phnom Penh and Seoul began with close personal ties between South Korea’s former President Lee Myung-bak, who used to serve as special economic adviser to Prime Minister Hun Sen from the year 2000 to 2008 when he became the president. It was through this personal relationship that bilateral relations between Cambodia and South Korea had reached a new turning point. As economic adviser, President Lee Myung-bak had provided advices on how to develop Cambodia economically and helped coordinate various investment projects from South Korea to Cambodia, particularly from companies within the Hyundai group, where President Lee had worked for 27 years before he left in 1992 (Finch & Mullins, 2009). Adding on bilateral relations, Cambodia and South Korea also cooperate closely within regional frameworks such as ASEAN+3 and ARF.

2.2. Investment and Trade

In the field of economy, in 2013 South Korea replaced United Kingdom as the largest investor, invested 287 million USD. Now South Korea is the second largest investor, following China, with cumulative
investment of 4.46 billion USD in 2014 (The Cambodia Herald, 2015). South Korea companies are investing mainly in property, construction, and manufacturing activities, particularly in garment and electronics. As of March 2013, there were around 700 investment projects being implemented in Cambodia by Korean investors (Cambodian Business Review, 2013). Major well-known investment projects from South Korea are Camko satellite city, Hyundai Amco Phnom Penh Tower, and Hyundai assembly plant in Koh Kong province. Besides this successful projects, there are also failed investment schemes such as Gold Tower 42, where construction has been put on hold, and Booyoung Town, which development process had been stalled. Recently, there is also growing investment in banking and agriculture. In the area of agriculture, a South Korean group known as MH Bio-Energy Group is operating the first bio-ethanol plant in Kandal province with daily production capacity of 130-300 tons (Ngoun, 2008). During sideline meeting with Prime Minister Hun Sen in 2014, South Korean President Park Geun-hye also asked Cambodian government to provide support for the launching of start-ups by Korean entrepreneurs. Additionally, they also signed five MOUs to cover education, health care and medical science, intellectual property, the adoption of a retail payment system and cooperation on start-up businesses for youth in order to bolster economic cooperation between the two.

Bilateral trade has also witnessed rapid surge in recent years. The volume of trade between Cambodia and South Korea has increased significantly from 152.73 million USD in 2005 to 540 million USD in 2011 and to over 1 billion USD in 2014, a 15 times increase (The Cambodia Herald, 2015). In 2012, Cambodia imported more than 900 million USD from South Korea while exported 70 million USD upwards. Cambodia’s imports from South Korea include dyes, worn clothes, cigarettes, parts of combustion engine, and vehicles. Cambodia sold back to South Korea traditional products such as rubber, cotton, seafood and garment wear (Kun, 2012). Prime Minister Hun Sen also urged South Korea to import more Cambodia’s raw materials. Trading relations between Cambodia and South Korea is coordinated by a specialized agency known as KOTRA (Korea Trade-Investment Promotion Agency), operated under Commercial Section of Embassy of the Republic of Korea. It should also be noted that beside bilateral economic cooperation, Cambodia and South Korea are also partner bound together by Korea-ASEAN FTA which came into effect in November 2008.

2.3. Development Assistance

In tandem with investment and trade, South Korea also provide development assistance to Cambodia. Assistance is reported to be based on sharing experience of building up war-torn South Korea, which is claimed to be similar to the current situation of Cambodia. South Korea is currently the 5th largest aid and loan provider to Cambodia. Development assistance from South Korea is concentrated on two sectors including infrastructure development and capacity building in the fields of education, health and rural development. Development assistance of South Korea is coordinated by KOICA (Korea International Cooperation Agency), a forefront of Korea’s international development efforts created in 1991. KOICA started its cooperation program in Cambodia in 1991 by providing office equipment, and in 2003 an oversea office (KOICA Cambodia) was set up in Phnom Penh.

KOICA’s main missions are to provide technical assistance and grant aid, and priority sectors in Cambodia include agriculture and rural development, infrastructure, human resource development, and
Republic of Korea considers Cambodia a priority partner country. Under the Korea’s Official Development Assistance (ODA) umbrella, various socio-economic development projects have been implemented by KOICA. Under the purview of KOICA, 156 million USD has reached the kingdom between 1991 and 2014; 42 bilateral projects have been implemented; 2,218 trainees have been invited to Korea; 326 volunteers have been dispatched to work together with CSOs (Mao, 2015). There are also collaborations between Korean and Cambodia universities, researchers and scholars. There are also scholarship positions provided by South Korean government to Cambodian students and officials who wish to study in Korean universities. In particular, annual grant aid volume provided to Cambodia steadily increased, surpassing 24 million USD in 2013.

Source: KOICA Cambodia

South Korean Development Assistance and KOICA’s Projects in Cambodia from 2010 to 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Projects</th>
<th>Duration</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>• Construction of a Human Resource Development center at RUPP</td>
<td>2010-2014</td>
<td>7.45 Million USD</td>
</tr>
<tr>
<td></td>
<td>• Project for Strengthening of Siem Reap Provincial Hospital Services in Cambodia</td>
<td>2010-2012</td>
<td>3.3 Million USD</td>
</tr>
<tr>
<td></td>
<td>• Integrated Rural Development Project in Kroch Chhmar District</td>
<td>2010-2012</td>
<td>2.5 Million USD</td>
</tr>
<tr>
<td></td>
<td>• Project for the Establishment of Hybrid Power System in the Kingdom of Cambodia</td>
<td>2009-2011</td>
<td>2.2 Million USD</td>
</tr>
<tr>
<td></td>
<td>• Korean Ring Road Construction Phase I&amp;II</td>
<td>2010-2012</td>
<td>17.4 Million USD</td>
</tr>
<tr>
<td>2011</td>
<td>• Project for Master Plan for Railways Network Development</td>
<td>2011-2013</td>
<td>2.8 Million USD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2011-2015</td>
<td>3.2 Million USD</td>
</tr>
<tr>
<td>Year</td>
<td>Description</td>
<td>Start Year</td>
<td>End Year</td>
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</table>
| 2011 | Project for Enhancing Road Safety Facilities and Traffic Safety of NR No. 3 and No. 48  
Project for Strengthening Capacity of Batheay Referral Hospital  
Project for the Establishment of Preah Angduong Eye Hospital in Phnom Penh  
Cambodia ICT Master Plan 2020  
Cambodia National S&T Master Plan                                                                                      | 2011-2014 | 2011-2014 | 3.5 Million USD |
|      |                                                                                                                                                                                                            | 2011-2013  | 2011-2013 | 5.5 Million USD |
|      |                                                                                                                                                                                                            | 2011-2013  | 2011-2013 | 3.5 Million USD |
|      |                                                                                                                                                                                                            | 2011-2013  | 2011-2013 | 5 Million USD   |
| 2012 | Project for Employment Opportunities and Ensure Effective E-Waste Management in collaboration with Samsung and UNIDO  
Waste Management Experience through Multi-Year Capacity Development  
KOICA and Korea Supreme Court Provided 3 Years of Multiple-Year Capacity Development Program on Judicial Training Program for The Senior Judge of Cambodia | 2012-2014 | 2012-2014 | 1 Million USD   |
|      |                                                                                                                                                                                                            | 2012-2014  | 2012-2014 | 20 Million USD  |
|      |                                                                                                                                                                                                            | 2012-2014  | 2012-2014 | 2 Million USD   |
| 2013 | Project for Improving the Function of Cambodia-Korea Friendship Building at the National Pediatric Hospital  
Project for the Establishment of Civil Aviation Training Center (CATC)  
Project for Developing Technical Education at Upper Secondary School  
KOICA to Support UNICEF to Improve Maternal and Newborn Health Among Deprived Populations in Cambodia | 2013-2014 | 2013-2014 | 5 Million USD   | 10.1 Million USD |
|      |                                                                                                                                                                                                            | 2013-2014  | 2013-2014 | 2 Million USD   | 3.4 Million USD |
| 2014 | Self-Supporting Rural Development Project with Saemaul Undong's Participatory Approach  
Project for Securities Market Development in Cambodia  
Project for Feasibility Study on Waterway Improvement for Port Logistics Development in Cambodia  
|      |                                                                                                                                                                                                            | 2014-2020  | 2014-2020 | 2.5 Million USD |
|      |                                                                                                                                                                                                            | 2014-2020  | 2014-2020 | 5.5 Million USD |
|      |                                                                                                                                                                                                            | 2014-2020  | 2014-2020 | 5 Million USD   |
Cambodia Ancient Temple Conservation and Restoration Work

- 3.4 Million USD

Source: KOICA Cambodia (www.koicacambodia.org)

2.4. Tourism and People-to-People Relations

Besides economic cooperation and development assistance, people to people relations between the two countries have been leveraged dramatically. In the area of tourism, Korean was the fourth largest tourist group to Cambodia in 2014. The number of visitors stood at 378,337, accounting for 9.5% of total arrival (Ministry of Tourism of Cambodia, 2014). The prime destination of Korean visitor was Siem Reap. To date, there are six routine flights between Cambodia and South Korea.

Another vital pillar of bilateral relationship between Cambodia and South Korea is inter-marriage between Cambodian women and Korean men. It is estimated that around 10,000 women have been married to Korean men. This marriage has produced robust and interlinked contact between people of the two countries. On top of that, there is also a huge Korean community living across Cambodia. Of equal significance is the number of Cambodian workers working in South Korea. It is estimated that there are currently 35,000 Cambodian workers in South Korea, and those workers annually send approximately 200 million USD worth of remittance back to Cambodia (Khuon, 2015).

Korean language has become a popular language in Cambodia as many young people start to learn Korean to work in Korean company, to work in South Korea or watch Korean dramas and movies. Few academic institutions are offering Korean language programs for students who wish to learn, such as the Royal University of Phnom Penh opened a Korean Department in January 2007 and Shihanoukville College founded by a Korean missionary. Culturally, both counterparts have been seen to bolster mutual understanding through various programs such as Angkor-Gyeongju World Culture Expo (AGWC EXPO), a joint cultural festival, held in November 2006 at Siem Reap, K-pop Festival, Korean Speaking Contest, Mooncake Festival and other cultural exchanges. There have been frequent visits of K-pop stars to Cambodia and Khmer cultural performance events in South Korea to raise awareness of both countries’ culture. In addition, Korea- Cambodia Culture and Welfare Center founded in December 2006 and Korea Culture Center founded in July 2008.

III. Cambodia in Inter-Korean Affairs

Cambodia positions in a unique juncture which could bridge both North and South Korea together. As Cambodia is having good diplomatic ties with both Koreas, it is possible that Cambodia could play an important role in bring both countries together in order to resolve prevailing conflict in Korean peninsula. King father Norodom Sihanouk has maintained long-standing personal connection with Kim family of North Korea, making Cambodia a rare country where North Korean embassy remains active. In 1996, Prime Minister Hun Sen, sighting opportunity for enlargement of economic cooperation and development assistance, had pushed strongly to establish and strengthen relations with Seoul. Therefore, Cambodia is at the strategically important position to talk to both Koreas pain-staking As Cambodia has diplomatic ties with both two Koreas. A minor illustrative case is the existence of North Korean restaurant chain, known as
Pyeongyang, where almost all customers are South Korean nationals. Through these restaurants, South Koreans came into contact North Korean waitresses, who are not defectors of the North regime. This could be seen a positive reinforcement of relations between the two brothers as people meet each other, creating friendly environment amongst people of both counties.

IV. Conclusion

Within less than two decades, bilateral relations between Cambodia and South Korea have been deepened and widened in many sectors, especially in investment, trade and development. Along with regional cooperation, both counterparts have pledged to continue this close relations in order to strengthen cooperation in all fields. To Cambodia, South Korea is a good friend whose experience is practical for Cambodia’s own development. Assistance from South Korea is also seen as suitable to the needs of Cambodia in order to achieve poverty reduction and socioeconomic development. People to people relations are playing a seminal role in cementing the existing relations to be more dynamic based on mutual understand. Ultimately, the unique relations of Cambodia with both North and South Korea are a good platform which could about a breakthrough in the relations of both Koreas, especially through the contacts of both nationals.
References


