

2 Hydropower Dams Scheduled To Be Approved

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The National Assembly is scheduled to approve two major hydropower dams worth \$495 million in Koh Kong province, which would provide Cambodia with a badly needed input of electricity, CPP lawmaker Cheam Yeap said Thursday.

The agreement would guarantee payment for electricity to the Chinese-owned Michelle Corporation over 30 years following the completion of the dams on the Stung Russei Chrum river, which should take five years to build, according to documents.

Business leaders have long cited a lack of cheap electricity as an obstacle to development in Cambodia.

"The National Assembly must ratify the [hydropower] agreement," Cheam Yeap said, adding that the agreement will be up for a vote after

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—HUN SEN,
PRIME MINISTER

next week's Water Festival.

Prime Minister Hun Sen wrote an Oct 19 letter to the National Assembly regarding the Chinese corporation and stating that the government must insure the investments of hydropower developers as a means to strengthening the economy.

"In order to make the investors feel at ease, the government needs to ratify a guarantee of payment," Hun Sen wrote.

With high gasoline prices and a rising demand for electricity, the government must aggressively pursue hydropower as a mechanism for growth, Hun Sen wrote, citing

Koh Kong, Kompong Speu and Pursat provinces as good locations for hydropower dams.

The proposed 174-megawatt dam and the 164-megawatt dam on the Stung Russei Chrum river will supply power to Pursat and Koh Kong provinces and Phnom Penh for distribution, Hun Sen added.

The Chinese firm will be tax exempt for its first nine years, he wrote. SRP lawmaker Yim Sovann said he welcomed such investments in Cambodia but said the proposed deal offered too many benefits, and that the dam should be handed over to the government within 30 years.