



### On the Cover:

*Cambodia's electricity, both unreliable and one of the world's most expensive supplies, is a major constraint to economic growth. The race is on to secure a cheap and reliable electricity supply to meet Cambodia's rapidly increasing energy demands. (page 8)*

## Editorial

*The second feature in ETM's series on climate change and implications for Cambodia concerns energy generation.*

*That Cambodia desperately needs more electricity is universally accepted—factories here often burn firewood instead of using local power supplies because the supply of wood is more reliable and, incredibly, cheaper.*

*While importing power is an option in the short term, relying on neighbors would leave Cambodia vulnerable to changeable ties with historic rivals.*

*Domestic generation seems to be the key. But following the developed world's high-carbon, fossil fuel dependent energy strategy could leave Cambodia polluted and reliant on imported fuels, as Cambodia is a long way from producing such fuels domestically on any significant scale. The plans for coal-fired power plants have raised the hackles of some experts, seeing Cambodia as a blank slate to showcase the possibilities of low-carbon, sustainable growth.*

*Hydropower, the focus of government's energy strategy and once touted as a green power source, may not live up to its initial promise.*

*Careful consideration of such risks will be needed if Cambodia is to avoid locking itself into an unhealthy consumption pattern.*

*As ever, ETM welcomes readers' suggestions and comments.*

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# Enterprising Employment

## *SMEs's Role in the Economy*

*As tourism contracts and the garment industry falters, Cambodia urgently needs new stable sources of growth. Small and medium-sized enterprises (SMEs) geared towards a greater domestic demand and able to link into export activities could be the answer.*

*Growing at 2.5 percent annually, the Cambodian population will reach about 15 million by the end of 2010, adding about 165,000 workers to the labor force each year, according to a 2008 World Vision report. To reduce poverty and ensure a well-functioning economy, Cambodia needs a careful sequencing of policies and actions. (page 14)*



# Three-Sided Cooperation

## *The 'Development Triangle' Might Herald Greater Integration*



*As ASEAN countries grow closer, the economic potential of regional integration is becoming clear.*

*In recent years, with the mobility of international capital and labour, geographical borders between countries have become increasingly softer with respect to production and exchange of goods. (page 20)*

# Thai-Cambodian Relations Continue to Worsen



*Relations between Cambodia and Thailand have continued to worsen, with leaders from both countries trading harsh words and cross border trade already taking a hit.*

*Anusorn Tamajai, dean of Rangsit University's Faculty of Economics, warned trade will fall by 20 percent this year, with the possibility of a much larger drop. (page 33)*

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