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# PM opens Kampot hydrodam

Don Weinland and Phak Seangly  
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Prime Minister Hun Sen yesterday opened the gate on the Kingdom's first large hydropower dam, the 193.2-megawatt Kamchay project in Kampot province, with the aim of bringing some relief to the Kingdom's acute energy shortage.



Photo by: Pha Lina

A worker walks next to the 193.2 megawatt Kamchay dam, which came online yesterday in Kampot province.

The price of electricity in Cambodia is among the highest in Asia, experts and officials have said. As a result, the Kamchay dam is expected to offer some respite from the high energy costs that often deter foreign investment.

It is, however, just one in a series of power projects on the Kingdom's register.

"We've had [energy] difficulties for many years. If OPEC increases the price of fuel, our tongues will pop out of our mouths," Hun Sen told government officials, investors and dozens of employees from Sinohydro Corporation, the Chinese firm that built the dam.

"There's no stability. That's why we need to produce electricity with hydropower at some places in the country," he said. The premier called on China to loan Cambodia US\$50 million per year for electricity projects.

With continued investment in the sector, Cambodia could domestically produce 10,000 megawatts of electricity annually, he added, although he didn't put a time frame on realising that capacity.

Cambodia's current electricity capacity is about 500 megawatts annually, Toch Sovanna, a department director at the Ministry of Industry, Mines and Energy, said recently. He also claimed the Kingdom's annual energy needs would hit 3,000 megawatts within the next 14 years.

The Kamchay dam, a \$280 million investment from China's Sinohydro Corporation, will increase power output by nearly 40 per cent. The dam will begin generating electricity in March.

Cambodia purchases 42 per cent of its power from neighbouring Thailand, Vietnam and Laos, the Post reported last month.

Energy purchases, and the higher power costs associated with them, have stymied Cambodia's competition in the manufacturing industry, Hun Sen said.

"It's the same product, but our products are more expensive. It affects our competitiveness," he said, comparing Cambodian-manufactured goods with those of neighbouring countries.

Increasing the power supply can help foster growth in both the manufacturing and agriculture industries, International Monetary Fund Cambodia representative Faisal Ahmed said.

Cheaper power can also increase competitiveness and attract investment, he said.

"It can help Cambodia benefit from the ongoing rebalancing in Asia's production structure," Ahmed said via email.

By 2015, four more hydropower dams with a total output of 722 megawatts will operate in the country, Hun Sen said.

Low water levels during the dry season will incapacitate hydropower dams such as Kamchay, however, requiring coal power generation, he said. A 270-megawatt coal plant will be online in Sihanoukville in 2014, according to Hun Sen.

China's Erdos Hongjun Investment Group and a local company will invest nearly \$400 million in the Sihanoukville coal-fired power plant, according to documents from the Ordos City Reform and Development Commission in China.

Two additional coal plants with a combined capacity of 235 megawatts will open by 2016, the premier said.

Sinohydro will remain an investor in Cambodia for the foreseeable future, the corporation's general manager in Cambodia Shu Jiang said yesterday by phone.

"We will continue working with the Cambodian government. Right now we are discussing with the Ministry of Economy and Finance the possibility of several more irrigation projects," Shu Jiang said.

Sinohydro is currently building an irrigation system in Cambodia's northwest, he added.

The corporation will operate the Kamchay dam for 40 years before handing over control to the Cambodian government. A bridge in Sihanoukville built by the company opened in late June.

The Kamchay dam has been widely criticised by environmental groups as depleting the social welfare of inhabitants in the area.

Ame Trandem, International Rivers Southeast Asia program director, said in an email that smaller, decentralised projects and renewable energy sources are cost-comparable when the toll taken on the environment and local inhabitation is equated with bigger projects.

"Large dams often appear to produce cheap electricity as the costs associated with mitigating and compensating their impacts are rarely taken into account," Ame Trandem said via email.

The dam's power will sell for an average of about \$0.24 per kilowatt, some \$0.04 lower than the current national rate, Hun Sen said. That power will be shared between Kampot, Kep, Takeo and Sihanoukville provinces.

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