

Breakneck expansion sparks environment, safety concerns

By
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Courtesy: Andrew Klebanow

The expansion of Cambodia's casino industry has continued apace into 2019, though the collapse of a building in Sihanoukville in June has raised concerns that construction and environmental standards are being ignored in the race for development.

Much of the investment, especially into the southern coastal town, has been driven by Mainland China under Beijing's "one belt, one road" initiative. However, even before the

condominium building crumbled, killing 28 workers, there was mounting criticism over the lack of scrutiny over construction and operators.

Now the government is taking action, though industry insiders question whether they have the resources to effectively monitor developments.

“The building collapse seems to have been a wake up call for the Ministry of Land Management & Urban planning,” said Dominick Stenson, casino director at the Queenco Hotel & Casino in Sihanoukville. “They are now going to check all construction permits on existing projects, particularly steel structure.

“But it will need more than that to make sure proper materials are used, foundations are sound, stress testing etc. There are so many ongoing building projects that I have no idea how they can manage this at the present time.”

The Cambodian government issued a further 13 casino licenses in the first four months of 2019, taking the total to 163. Currently only 51 are in operation, with the rest either under construction or having ceased operations. Out of the total, 91 were issued for the province of Sihanoukville.

Ros Phearun, deputy director-general at the ministry’s financial industry department was cited as saying that the increase reflected the rise in tourism numbers to Cambodia.

Tourism arrivals were up 10.7 percent last year to 6.2 million, with the fastest growth from China, which saw a gain of 32.6 percent.

According to Andrew Klebanow, a partner with Global Market Advisors, over a dozen high rise structures are going up, along with a near equal amount of mid-rise structures.

“Sihanoukville’s building inspectors were probably not equipped to handle this sudden increase in construction activity, leaving safety and adherence to building codes in the

hands of the builders," he said. " The likely fallout from the building collapse will hopefully lead to increased scrutiny of all current and future building projects, greater enforcement of building codes and better adherence to safety standards."

Klebanow said the large projects are unlikely to be delayed as they are being developed by experienced and reputable construction firms, though smaller developments will probably face closer examination.

"The direct involvement by the Prime Minister clearly indicates that this event will not be quickly dismissed," he said.

A Cambodian court has charged seven people, including five Chinese nationals, with involuntary manslaughter and conspiracy over the building collapse. The seven-storey building fell overnight, trapping workers who were sleeping in the structure. State media described the China-owned project as an illegal structure.

Environmental activists have also been sounding the alarm that the development of sewage and other waste disposal services are not keeping pace with the rapid construction.

Cambodian campaigner Thon Ratha sent away a sample of seawater for analysis last year after noting waste was being channelled directly into the ocean in Sihanoukville.

"I sent a sample of the polluted water to the laboratory at the Pasteur Institute, so the government could not accuse me of incitement or of causing social chaos," he was cited as saying in local media. "The result indicated that the polluted water came directly from toilets and had many parasites and bacteria that can cause many diseases."

Queenco's Stenson said the environmental impact of the construction boom, is clear to see for all who live there.

"I hope this tragic incident at least brings to the fore all the shortcomings in the almost non-existent urban planning," he said.

The authorities are taking some steps, though environmentalists warn much more needs to be done, with tourism overdevelopment threatening to destroy many of the natural assets that attracted visitors in the first place.

In March, a Chinese-owned casino in Sihanoukville was forced to close for pollution, the promotion of illegal online betting games, and other disturbance complaints.

The Jin Ding Hotel and Casino was operating without a license and releasing untreated sewage water directly into the sea. It was also found to be playing loud music on the beach, which is a violation of the law.

Sources said that the order to close and the follow up to that order was ignored.

Sihanoukville province spokesperson Kheng Phyrum said that police and court officials have now closed Jin Ding, with its owner forced by a court official accompanying police to sign an agreement to close it down.

"If the owner doesn't comply with this agreement, the case will automatically be sent to the court, and the owner will face prosecution," he said.