

## business

## New Street Rules Raise Ire Among Riverfront Businesses

BY TIM STURROCK  
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THE CAMBODIA DAILY

New police units assigned at night to Sisowath Quay, armed with brooms and rules to keep order, have disturbed more than litter in the last two months, several bar and restaurant owners said this week.

Confiscating motorcycles and ordering restaurants to move tables back from the riverfront sidewalk, the police officers say their two-month-old operation is intended to leave more space for pedestrians and to keep the streets clean.

But riverfront business owners allege that the new rules are not uniformly enforced—with luxury SUVs still allowed to park on the pavement—and the officers are creating a poor impression for foreign tourists by shouting their demands to move tables, motorcycles and harmless foodcarts.

"It makes it look like a bullying country," said one bar owner, who

spoke on condition of anonymity.

He said the new rules have forced some businesses to move back their tables from the sidewalk or reduce the available seating for customers. Sometimes, bizarrely, police also order motorbikes parked on the street to move and park on the sidewalk.

"It shows the lack of a plan," the bar owner said.

A restaurant owner said the new rules swipe one of the great charms and attractions of Sisowath Quay—eating outside with a view of the Tonle Sap and Mekong rivers.

Seng Leng, Chey Chumneah commune chief, said two groups of officers are on duty from about 5:30 pm to 10 pm informing restaurants of the rules and cleaning the sidewalk and street.

"We just want to clean, but not to prohibit selling," Seng Leng said. "Some of the pubs, restaurants and clubs do not obey the new rule, especially the foreign clubs."

The rules require two thirds of

space on the sidewalk to be clear for pedestrians from Wat Ounalom to Chaktomuk Conference Center, officials said.

Phnom Penh Municipal Police Chief Touch Naruth said police are using their current methods because previous softer methods didn't work.

"I ordered police to inform them many times, they just think about their business interest. They did not care about public interest," he said.

Foot traffic is particularly heavy on Sisowath Quay, and people need to be able to walk on the sidewalk in safety, Touch Naruth said.

One restaurant manager complained that a well-known Khmer eatery on the quay allows their customers' SUVs to block all but a half meter of the sidewalk.

"[Police] say its OK to park SUVs on the sidewalk but not okay to have two extra tables that still leave two meters for walking," said the manager, who attributed that

contradiction to the restaurant's government ties.

Touch Naruth drew a distinction between confiscating motorbikes and foodcarts while allowing SUVs on the sidewalk.

"Land Cruisers may just park for a short time, not forever," he said. "If they keep parking longer hours, our police will take them away."

One street vendor, who sells skewered meat on the west side of Sisowath Quay, said police confiscated her foodcart for a week and demanded \$20 for its return. Eventually she paid \$5 and was told that next time police would take it for good, she said.

She also questioned why she couldn't keep her cart on the street, but restaurants could have tables on the sidewalk.

"Why can't the poor vendors put one table for doing business, while the restaurants and big shops can?" she asked.

(Additional reporting by Kay Kimsong)

## Land...

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Elsewhere in Southeast Asia, real estate prices are surging yet higher.

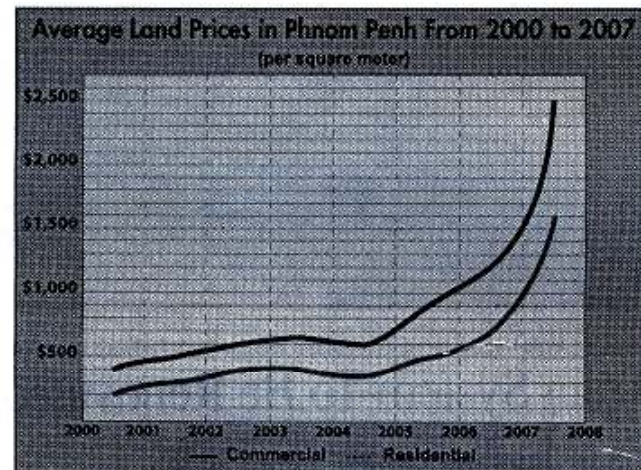
Ho Chi Minh City's prices rose, on average, 60 percent over the past two years, according to Naim Khan-Turk, an associate director in Ho Chi Minh City for CB Richard Ellis Co, a publicly traded multinational real estate corporation.

Moreover, prime Ho Chi Minh City land that sold for \$10,000 to \$15,000 per square meter two years ago now costs \$30,000 to \$35,000 per square meter—which makes property prices in Phnom Penh look like a bargain, Khan-Turk said.

"Foreign investors are saying it's still a deal compared to the surrounding region," Rendall said, noting that beachfront property in Cambodia, even as it surged from \$50 per square meter to \$200 per square meter over the past year, is still a relative bargain.

In Vietnam, Khan-Turk said, rising prices correlate with improving infrastructure, such as hospitals, transportation and schools. Phnom Penh's infrastructure, however, still lags behind the region's other major cities, Rendall said, adding that the current boom in prices has led to speculative purchases.

"Usually a rise like this ends not by leveling out but with a slight



Source: Bonna Realty Group

dip," he said. "There's going to be the person who buys last, and the people who borrowed to buy will not be able to pay back the loan."

If land prices were to dip, which could happen if foreign investors grow cold to Cambodia for some reason, that would mostly hurt those who bet life savings on speculative purchases, said Chan Sopha, president of the Cambodia Economics Association.

Land prices dipped during the yearlong political stalemate that followed the 2003 general election but have risen steadily since 2005. And while some experts doubt a continued boom, none foresee a July 2008 national election under-

mining growth.

Sung Bonna said that due to a restructured Constitution that makes it easier for one single political party to form a government, increased tourism and the confident backing of foreign investors, land prices are not set to decline any time soon.

"This time, people are not so scared," Sung Bonna said of the country's often fractious political culture. "This time, everything is going well," he said.

Further evidence of increasing stability is Standard & Poor's first-ever risk assessment of Cambodian banks, released Jan 8, which said, "Cambodia's economic

prospects are good due to political stability and liberal economic and trade policies."

"Nobody is nervous about the elections," agreed Oeung Phalar of UPL Group.

For now, land continues to sell quickly, Sung Bonna said, driven by foreign investment from South Korean developers.

"The main players at the moment seem to be the Korean companies, and they don't seem to be fazed by the growth in land prices," said Naim Khan-Turk of CB Richard Ellis. "To them it is significantly cheaper than in Seoul or even [Ho Chi Minh City]."

According to Khan-Turk, development in Hanoi and Ho Chi Minh City is spreading to secondary and tertiary cities, which bodes well for Cambodia's provinces if Phnom Penh can sustain and capitalize on its own growth.

But Khan-Turk added that inflation, poor infrastructure, bureaucracy, a slowdown in the US economy, rising oil prices, and rising gold prices all play against Indochina's market boom.

The question remains, however, whether the property market is artificially inflated, and who would bear the brunt of a downturn.

"If there is new money coming in it could go on longer," CEA President Chan Sopha said. "If it stops, then I think the prices will come down."