

All the News Without Fear or Favor

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## China Snubs US Strategic Defense Pitch

BY JULIAN BARNES  
AND JEREMY PAGE  
THE WALL STREET JOURNAL

BEIJING - China rebuffed a US proposal for a clear timetable of strategic defense talks on the first day of a long-delayed visit to Beijing by Robert Gates, the US defense secretary, and indicated that Taiwan remains the single biggest obstacle to improving the world's most important bilateral relationship.

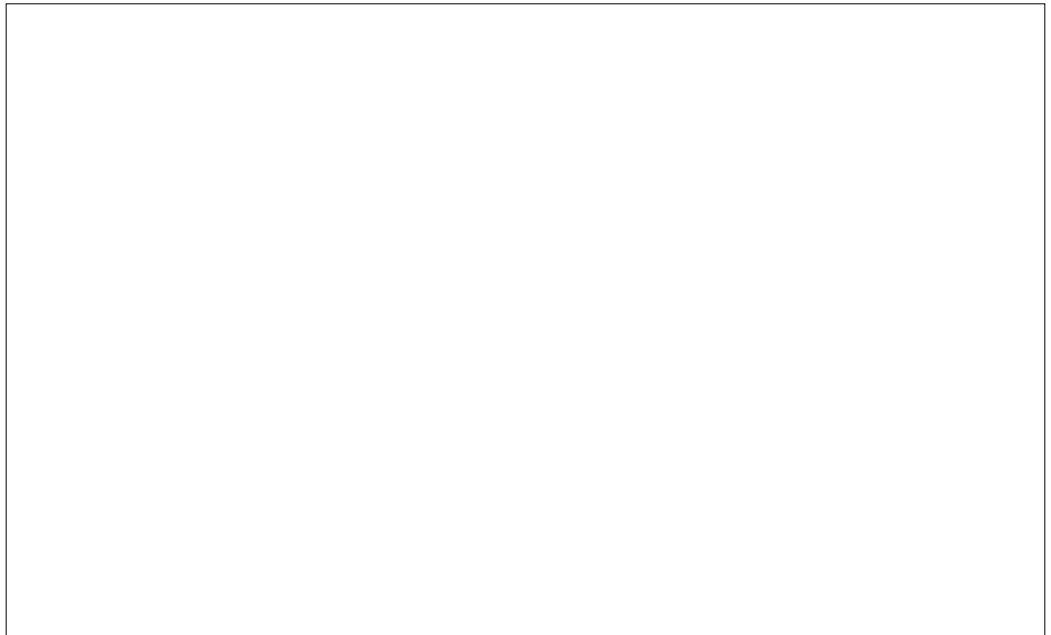
While agreeing to narrower defense exchanges sometime in the first half of the year, Gates' Chinese counterpart, General Liang Guanglie, also made clear that China would suspend military ties again if the US continued to sell weapons to Taiwan, the island that Beijing regards as a rebel province.

Gates arrived in Beijing on Sunday on a three-day mission to deepen and stabilize military-to-military relations, which China has repeatedly suspended for political reasons over the past decade—most recently in January 2010 in response to US arms sales to Taiwan.

As his trip falls just ahead of a state visit to Washington by Chinese President Hu Jintao next week, Gates had hoped that Chinese officials would agree to set dates for a series of high-level defense talks and a visit to Washington by General Chen Bingde, chief of staff of the People's Liberation Army.

But while US Department of Defense officials had been hoping for a more enthusiastic response

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Reuters  
An aircraft reported to be a Chinese stealth fighter is seen in Chengdu, China, in this picture taken Friday. China staged the first test-flight of a new stealth fighter jet yesterday that could narrow the nation's military gap with the US, as US Defense Secretary Robert Gates was in Beijing, Chinese Internet sources said.

## Approvals Fall, but Capital Inflows Rise in 2010

BY SIMON MARKS  
THE CAMBODIA DAILY

Cambodia's investment board approved projects worth \$2.94 billion in 2010, a drop of 51 percent compared to the previous year, and South Korea overtook China as the foreign country with the most approved investment, according to data from the Council for the Development of Cambodia.

Experts say that though investment approvals fell, the actual amount of capital inflows increased, a sign that investors are starting to

rekindle some confidence in Cambodia after the 2009 recession.

Given the large size of some investments—for example China's Union Development Group was approved for a \$3.8 billion investment in 2008 for a tourism project in Koh Kong province—foreign direct investment figures can vary considerably from year to year.

The data, which appeared in a report on private investment activity in 2010 released by the Cambodia Investment Board yesterday, show that South Korea had

\$1.06 billion of investment projects approved in 2010, of which \$973.3 million came from a project for a new international airport in Siem Reap by NSRIA Co Ltd.

The remainder of South Korea's approved investment came from projects in the agricultural and garment sectors.

China was approved \$829 million of investment in 2010, compared to \$930 million the previous year. But \$469.7 million of last year's approved investment was

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## Farmers' Say May Diminish in Contract Sales

BY LUCY JORDAN  
AND VAN ROEUN  
THE CAMBODIA DAILY

Agriculture officials are in the final stages of drafting a new sub-decree on contract farming that, if passed, will grant the Agriculture Ministry the central role in all contract farming in Cambodia.

Yi Bunhak, chief of the ministry's Agroindustrial Development Office, said that under the sub-decree, which could come up for adoption by the Council of Ministers as soon as March, the ministry would act as a facilitator for contract farming, in which buyers and farmers commit to the

price, quality and quantity of crops for sale.

An independent committee will be formed for "problem solving," he said.

But NGOs said that while contract farming can bring benefits for farmers, such as increased yield and guaranteed crop prices, the consultation process for the sub-decree was inadequate, and that they had serious concerns about the so-called problem-solving process that is to include representation for businesses, but none for farmers.

Mr Bunhak said the sub-decree was drawn up to encourage foreign investment, and to help the

government achieve its aim of exporting a million tons of rice by 2015. He hoped it would increase farmers' productivity by linking them with businesses that will provide "input" such as better quality seeds, fertilizer and pesticides, to improve overall productivity.

"Under the sub-decree, if a company would like to export rice to China, that company [can] come to my department or the Ministry of Agriculture and [we] find them the farm organization," Mr Bunhak said. "Then we bring both parties together and set the conditions in the contract."

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