

Response to Business & Human Rights Resource Centre

This statement is in response to the invitation by Business & Human Rights Resource Centre website to publish a comment on the recent Cambodian newspaper articles that have been placed on the website. We recognize the Business & Human Rights Resource Centre attempts to present an informed and balanced perspective. Mitr Phol started two similar projects at about the same time, one in Cambodia and one in Lao PDR. Both envisaged about the same size plant and cane supply from a combination of company plantation and outgrowers supported with technical and financial assistance. As of today the Lao project has an established sugarcane supply, has constructed and has operated a factory that produced 35,000 to 45,000 tons of sugar per year for the past five years. The company and a newly established fertilizer company employ 551, and 91 respectively. Strong economic linkages in its area of area of operation have stimulated many kinds of business and income opportunities, and the project is often showcased by the Lao PDR government as an example of the kind of foreign investment they desire.

In Cambodia, Mitr Phol had the same ambition and attempted in good faith to establish a project with the support of the national government, local government, and local communities. At all times the process of providing a suitable development site was owned and managed by national or local government officials. Regrettably, for many reasons the Cambodia project didn't get past the very basic agricultural experimentation stages, and thus was never able to duplicate the success of the Lao PDR project.

In 2014, following considerable investment, both in recognition of the increasing expressed public concerns about economic land concession acquisition processes in Cambodia, and in recognition of the challenges of taking the operation to a scale, Mitr Phol decided to return all concession areas to the Cambodian government. This was accompanied by a request that this land should be returned to the original legal owners and to the community in general. In addition, Mitr Phol has closed the three companies involved with the project. As part of withdrawing from the overall project, Mitr Phol commissioned an assessment of the land concession acquisition process and the project's actions.

Presently that assessment is in its final stages and when complete the report will be shared with appropriate stakeholders. During the final stages of this, Mitr Phol has engaged with Bonsucro to advise in both completing the process and considering future actions.

At present, and whilst the consultation process on the report is underway, we believe that it would be inappropriate to publically comment on its findings. However, Mitr Phol reiterates its previous position that it has at all times behaved professionally, legally and ethically.