

BUSINESS

Officials Agree: Competition Law Is Just Good Business

BY KAY KIMSONG
THE CAMBODIA DAILY

Government officials, donors and the private sector plan to have a Competition Law in place by 2006, Commerce Ministry Secretary of State Mao Thura said Tuesday at a roundtable meeting to discuss the new legislation.

"I think the Competition Law is important for business and society," Mao Thura said, adding that it is also necessary for Cambodia to adopt the law according to the terms of its accession to the World Trade Organization.

Cambodia formally acceded to the WTO in October 2004.

A Competition Law would seek to establish a framework for fair, transparent economic competition in Cambodia and to eliminate monopolies, price fixing, bid rigging

and other unfair business practices, according to a draft of the law prepared by European Commission consultant Geoffrey Sinner.

Unfair competition practices affect a wide range of industries—in particular electricity, telecommunications and banking—according to data released last week by the Economic Institute of Cambodia.

"I have learned that even the pig slaughtering business is likely a monopoly," Mao Thura said at the roundtable meeting, adding that he was also concerned by allegations of price fixing by gasoline sellers. He did not, however, name any suspected price fixers by name.

"The price of gasoline in the market today is not the price made by the government," he said.

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—VAN SOU IENG,
GMAC PRESIDENT

Economist Kang Chandarot, executive director of the Cambodia Institute of Development Study, said he thought the proposed Competition Law was a good idea but cautioned that a competent commercial court would also be necessary to enforce it.

"I'm very happy that the government and private sector are drafting a Competition Law," he said. "But I'm also concerned about the court system. If we can create a commercial court, then things will go forward."

Garment Manufacturers Association of Cambodia President Van Sou Ieng said Tuesday that the most important thing is that people and businesses, not just the government, understand the law.

"Explanation of the law to the public is even more important than law enforcement because the enforcement people don't even understand their own law," he said. "If the public... understands the law, they comply more effectively."

(Additional reporting by Michael Cowden)

Yukos Trial Will Shape Putin's Legacy, Cloud Russia's Future

BY STEVE GUTTERMAN
THE ASSOCIATED PRESS

MOSCOW - In a meteoric career that made him Russia's richest man before age 40, Mikhail Khodorkovsky proved a master of metamorphosis, trading a reputation as a ruthless robber baron who epitomized crooked 1990s capitalism for an image as a model corporate citizen with a charitable impulse.

A year in a courtroom cage has remade him once again—this time into a symbol of President Vladimir Putin's Russia.

The campaign against Yukos and its leaders is widely seen as Kremlin punishment for Khodorkovsky's growing clout, his perceived political ambitions and the presumption with which he sought to shape state policy.

Putin may look at the trial as a victory.

At least for the time being, Putin has taken a potential rival with billions to spend out of the picture and has cowed other so-called oligarchs—the ultra-rich tycoons whose cash and connections gave them political influence under his predecessor, Boris Yeltsin.

"First of all, he stopped one of the leading oligarch groups from taking power—political power in addition to economic. And it's a very popular decision," said Sergei Markov, a Kremlin-connected ana-



The Associated Press

Former chief executive officer of Russian oil giant Yukos, Mikhail Khodorkovsky stands behind bars at a courtroom in Moscow. A court declared Khodorkovsky guilty of an array of charges and sentenced him to nine years in prison minus time already served.

lyst. "Thirdly, of course, it's diminished the political ambitions of other Russian oligarchs."

By dismantling Yukos Putin's government also has strengthened state control over the lucrative oil industry.

Khodorkovsky's trial, Markov told Associated Press Television News, "has very good consequences for Vladimir Putin."

Many analysts disagree, saying his quest for control has come at a heavy cost for Russia—and perhaps for Putin himself. The trial,

they say, marks a setback in Russia's recovery from decades of Soviet dysfunction and placed it further from what citizens desire: a normal country.

"The Khodorkovsky case has become something other than the trial of an out-of-favor oligarch," Vyacheslav Kostikov, a commentator and former Yeltsin spokesman, wrote in the newspaper Argumenty i Fakty last week. "Essentially, it has become a mirror of our incoherent state and our ineffective regime."

The closely watched trial threw a spotlight on Russia's flawed justice system with its presumption of guilt—a lingering shadow of the Soviet era—from the cage confining Khodorkovsky and co-defendant Platon Lebedev in the courtroom to the mechanical rejection of nearly every defense motion.

Inside the Meshchansky district courthouse, the judges droned on for weeks reading a verdict that differed little from the indictment. Outside, heavy machinery was brought in for road work that helped keep demonstrators supporting Khodorkovsky at a distance.

Early in his first term, Putin vowed to build a "dictatorship of law," and the Kremlin has cast Khodorkovsky's trial as a straightforward application of legality.

But while most Russians believe Khodorkovsky is guilty, they also see the trial as politically motivated. Analysts say the campaign against Yukos shows that the Kremlin views the law as an instrument of authority, not justice.

Analysts say, the prosecution of Khodorkovsky has set Russia back by sending a chilling signal to both foreign investors and domestic entrepreneurs, while giving the nod to local authorities across the country to use the law to enforce their interests.

FOREIGN EXCHANGE

Tuesday, June 1, 2005

¥/US\$	107.88
US\$/£	1.8227
US\$/A\$	0.7623
HK\$/US\$	7.7767
SwissF/US\$	1.2324

Sing\$/US\$	1.6591
US\$/Euro	1.2568
SKoreaW/US\$	1000.0
ThaiB/US\$	40.10
Riel/US\$	4,107

LOCAL GOLD

Tuesday, June 1, 2005

LOCAL GOLD TYPE (O'RUSSEI MARKET)	BUYING	SELLING
Canada (\$/damlung)	512	514
Kilo No 1 (\$/damlung)	512	514
99% (\$/damlung)	485	488
97% (\$/damlung)	475	478

Prices courtesy of
Ly Huon Exchange.
26.67 damlung are
equal to 1 kg