

Cambodia, Singapore sand trade figures prompt \$750m question as corruption suspicions mount

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IN BRIEF

Singapore's demand for sand is fuelling an illegal trade in Cambodia, MLex has been told, as the chairman of the Cambodian parliament's anti-corruption commission yesterday called out the Ministry of Mines and Energy for failing to provide an "acceptable" explanation of a \$750 million discrepancy in data on sand exported to the city-state.

Singapore's demand for sand is fuelling an illegal trade in Cambodia, MLex has been told, as the chairman of the Cambodian parliament's anti-corruption commission yesterday called out the Ministry of Mines and Energy for failing to provide an "acceptable" explanation of a \$750 million discrepancy in data on sand exported to the city-state.

Mines Minister Suy Sem was called for questioning by the opposition-led commission, which said it was concerned that UN data showed 72.7 million tonnes of Cambodian sand entering Singapore between 2007 and 2015, but only 2.8 million tonnes leaving Cambodia. The difference recorded by each country is valued at around \$750 million.

"We believe this gap of 70 million tonnes of sand that have gone missing from official export data is due to state-sponsored smuggling involving the forgery of official documentation, tax evasion and corruption at a massive scale," Alex González-Davidson, head of environmental pressure group Mother Nature, told MLex.

According to trade statistics compiler UN Comtrade, Singapore has imported 517 million metric tonnes of sand in the past 20 years, making it the largest importer of sand in the world. Such is the importance of sand to the city-state that it has been designated an issue of national security, and sand imported for use in land reclamation works along Singapore's coastline is excluded from its Importers' Licensing Scheme, which regulates imports of construction materials.

Singapore government statistics show that the city-state's land mass has increased from 670 square kilometers in 2000 to 719 square kilometers today. Singapore is already 22 percent bigger than it was in the 1960s. The government expects to require another 100 square kilometers of land by 2030.

Last month, Singapore media outlets reported that the government was looking

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at new methods of reclaiming land to reduce its reliance on sand. Sand was not always easy to come by, National Development Minister Lawrence Wong reportedly said.

"Singapore should have been extra careful while importing such a vast amount of sand, worth hundreds of millions of dollars, from one of Southeast Asia's most corrupt governments," González-Davidson said.

Singapore authorities have refused to provide any explanation for the discrepancy in the trade data, although earlier this week, a spokesman for JTC Corp, a government body that imports sand, told MLex it was "quite a leap to allege that JTC, or any public or private organization, had sourced sand illegally from any source country by looking at export/import data."

After a closed-door hearing yesterday, Ho Vann, chairman of Cambodia's anti-corruption commission, told local reporters that Sem had failed to offer a suitable answer as to why the UN data, which was supported by Singapore customs data, differed so vastly from the Cambodian mines ministry's figures.

"Our commission has asked the minister to find a way to reduce the gap in the numbers, since one is 2 million and another is 70 million ...This is too much of a difference," Vann was quoted in local press as saying.

Ministry spokesman Dith Tina, dismissed the difference between the \$5 million in Cambodian exports and \$752 million in Singaporean imports by saying that the prices at the points of production and sale were always different. "There is no irregularity," he said. (see [here](#))

Tina said he could not answer questions on why the data also showed a huge difference in the weight of sand leaving Cambodia and arriving in Singapore.

Vann Sophath, a land reform coordinator at the Cambodian Center for Human Rights, told MLex: "The Cambodian authorities need to commit to ensuring that the domestic legal framework that supposedly regulates the sand dredging industry is being properly applied and enforced.

"Without a fuller investigation of the underlying reasons for the discrepancy in the figures, it is too soon to conclude that there is 'no irregularity'," he added.

González-Davidson said one explanation was that the Cambodian tax authorities and relevant ministries issued two sets of documents for shipments of sand bound to Singapore, one showing real tonnage – used by the companies to sell the sand in Singapore – and a parallel set of documents that vastly underreported the actual tonnage of the shipments. Only the second set of documents was used for taxation and reporting purposes, he said.

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Singapore's Ministry of National Development has previously said it did "not condone the illegal export or smuggling of sand, or any extraction of sand that is in breach of the source countries' laws and rules on environmental protection."

"If that is truly the case, how did they end up with more than 70 million tonnes of sand from Cambodia, when Cambodia only recorded exporting less than 3 million tonnes?' González-Davidson asked.

The controversy is said to be gaining momentum in Cambodia at the moment.

The Cambodian government previously shifted the blame for the discrepancy on illegally smuggled sand being falsely recorded as having come from Cambodia. Smugglers could be flying the Cambodian flag to get around sand export bans in neighboring countries, the ministry said. (see [here](#))

In February 2007, Indonesia announced a total ban on sand exports to Singapore amid fears that sand extraction was leading to environmental degradation.

According to a 2014 UN Environment Program report highlighting the environmental impact of sand dredging and mining, exports of sand to Singapore were said to be responsible for the disappearance of some 24 Indonesian sand islands.

Before 2007, Cambodia exported almost no sand. When Indonesia and Malaysia started restricting sand exports to Singapore, Cambodia's trade surged, González-Davidson said.

In its 2014 report, the UN said: "Overall, the reported total amount of sand imported [between 1995 and 2014] by Singapore – 517 million tons – and the sum of sand exports to Singapore from its four neighboring countries – 637 million tons – does not match, showing an underestimation of 120 million tons of sand imports."

"Obviously, these statistics do not include illegal imports and highlight the need for better monitoring," the UN said.

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