



**Opening Remarks of
H.E. CHAM Prasidh
Senior Minister, Minister of Commerce**

***On the occasion of the
14th Ordinary Meeting of the Sub-Steering Committee on
Trade Development and Trade-Related Investment***

Ministry of Commerce, May 30, 2013

Excellencies, Lauk Chum Teav
Representatives of Development Partners,
Representatives of Line Ministries,
Distinguished Participants,

Good morning,

It is my pleasure to welcome you all to the Ministry of Commerce for the 14th ordinary meeting of the Sub-Steering Committee on Trade Development and Trade-Related Investment (SSC-TD-TRI) and the last one under the current term of the Royal Government of Cambodia.

Five years ago, some of you would remember that we had all gathered in Sihanoukville to formally launch the Trade SWAp as a means not only to increase the harmonization of development partner aid practices in Cambodia but also to develop a shared vision for Cambodia's trade sector development. As we have now embarked on the update of the DTIS 2007, feeding into the NSDP IV and the next rectangular strategy of the Royal Government of Cambodia, it is time to look back and learn from our successes and shortcomings and draw lessons for the future.

I feel that Trade SWAp has made a good step forward and gained a good appreciation from our Development Partners as well as other LDCs who sought to share our experiences. The results that have been achieved in the past 5 years: a robust institutional mechanism to manage the SWAp, increased disbursement, and new donor funding contributing to the SWAp objectives. I am confident that those achievements will help us move towards more and better outcome realization, moving away from the previous focus on process and disbursement.

Yet, for Cambodia to benefit fully from trade development, concerted efforts will be needed to further mainstream trade in national development policies and strategies, institutional arrangements and development partnerships. For this to happen, trade considerations must be taken “strategically” into account when development policy and initiatives are planned and implemented. The updated DTIS will provide the instrument for this to happen, as the cross cutting nature of trade must be reflected in sector policies and overall development plans.

Developing countries are seeking to strengthen their competitiveness, advance regional integration, and diversify their exports. Cambodia is no exception. Cambodia’s tremendous efforts in integrating into ASEAN are acknowledged as a positive step in linking the country to global and regional markets and value chains. While the country has progressed commendably in integrating trade in its development strategies, in particular through the Trade SWAp, mainstreaming trade further is a process that requires a shared vision, political commitment and sustained efforts.

The country’s DTIS update currently being formulated, ahead of the formulation of the Rectangular Strategy and the National Strategic Development Plan for the period 2013-2018, should greatly contribute to this effort. The DTIS Update 2013, as we will hear today, will propose 20 key outcomes for Cambodia’s trade development, with a focus on regional integration, continuous product and market development as well as on measures to close the skill gaps for key export sectors. Progress against those 20 strategic outcomes will be measured in part by their beneficial impact in assisting Cambodia to meet its larger socio-economic development goals, including, of course its goal of enhancing trade sector competitiveness, creating new and better jobs, growing income, and reducing poverty. Those broader impacts are captured under five SWAp Development Goals.

This focus on outcomes, rather than on individual project outputs or mere fiduciary issues, must also be reflected in the role and activities of this Sub-Steering Committee on Trade Development and Trade Related Investment. For this to materialize, more and better participation from a whole range of stakeholders has to be sought. One of the main weaknesses in the SWAp design has been the low participation of the private sector in policy formulation, project formulation, project design and implementation. Similarly, while we welcome the participation of new development partners, such as the ADB, too few development partners are actively participating in the SSC meetings, perhaps for a lack of understanding of its mandate, or because of the weak outputs of the Technical Working Group on Private Sector Development.

Robust monitoring and evaluation mechanisms, evidence-based research, active participation by all stakeholders should therefore nurture the meetings taking place in the framework of the SSC, so that more and better dialogue on trade development can happen.

Capacity constraints remain at the individual and institutional levels that must be address in a creative way. Recommendations made at the recent Trade SWAp retreat to review the SWAp Pillar Structure and seek the participation of new stakeholders are welcome. The existing SWAp road maps, delivered after a lengthy formulation and appraisal process, needs to be updated

and, most probably simplified. Similarly, the Ministry of Commerce has taken the initiative to put forward an ambitious project proposal to reap the benefits of all the capacity development efforts and investments made over the past 15 years and turn those into a Trade Training and Research Institute, for the benefits not only of MoC officials in Phnom Penh and provincial departments of commerce, but also to our colleagues in other line ministries, in the private sector and academic institutions. I encourage you to provide candid feedback on this proposal supported by the Ministry of Commerce and presented to you today for approval.

Going forward, it will be essential for Cambodia to reflect on developing the Trade SWAp further in order to establish a more integrated approach to the management of AfT resources with a stronger alignment with the domestic investment and budget processes. This would require additional capacities, and the development of a sustainability strategy for the next iteration of the Trade SWAp to be implemented in the course of the next 5 years. This will also require that we look beyond our traditional donors to target non-traditional ones, including non-resident ones, in the spirit of the Busan Partnership Agreement.

At this stage, before I officially open this meeting, I would like to take the opportunity to thank you all, government officials, development partners, private sector representatives, advisers and consultants, for all the efforts you have produced in the past 5 years, to contribute to Cambodia's trade sector development vision.

With these words, I now declare the 14th Meeting of the Sub-Steering Committee on Trade Development and Trade-Related Investment open.

Have a fruitful meeting.

Thank you!