



## PRESS RELEASE

### **Cambodia Trade Sector Wide Approach and the Way Forward**

#### ***Eleven projects adopted by the Sub-steering Committee on Trade Development and Trade Related Investment***

**PHNOM PENH, April 20, 2010** – The Royal Government of Cambodia (RGC) is taking stock of greater ownership of trade related foreign assistance in Cambodia, where a Trade Sector Wide Approach (Trade SWAp) mechanism was put in place as a unique model of coherent mechanism of trade development. The SWAp unites all activities funded by development partners to assist the Government to enhance the country's trade potential.

In a meeting held today in the Ministry of Commerce, eleven projects have been adopted by the Sub-steering Committee on Trade Development and Trade Related Investment for a total amount of around US\$ 1.2 million, a year after the Trade Development Support Programme (TDSP) was launched.

These projects include as many areas as enhancing the capacity of the Ministry of Commerce and the special economic zones to effectively administer rules of origin, custom valuation, product information for trade promotion, drafting sanitary and phytosanitary standards, regulation on e-commerce or support to dialogue on minimum wages in garment industries.

Over the next two days, senior officials of the Ministry of Commerce, trade related line ministries along with private sector associations and representatives of development partners will be gathering in a Trade SWAp retreat, to provide up-to-date information on Cambodia's trade specific intervention and the corresponding mechanisms, so as to define ambitious milestones for 2010.

H.E. Dr. Cham Prasidh, Senior Minister – Minister of Commerce, said in his opening speech that, even if there are recently some initial signs of recovery from the global financial crisis, Cambodia needs to sustain its efforts to constantly improve competitiveness and pave the way to facilitating trade and economic growth.

*“Remarkable challenges related to regulation, finance, management capacity, staff incentive scheme and fiduciary have emerged from the (trade sector wide approach) execution, however we are here to acknowledge the achievements we accomplished, experiences we learnt, challenges we faced, and working out the way forward,”* H.E. Dr. Cham Prasidh said.

Using the momentum created by the Prime Minister's decision on Trade SWAp implementation creating a cross-ministerial Implementing Committee and the Ministry of Commerce's Prakas of 04 February 2010, all related ministries are aiming at accelerating the process of building a conducive environment for traders, manufacturers and investors.

The Ministry of Commerce's Prakas has achieved a remarkable milestone in coordinating trade technical assistance with three Working Groups that are overseeing progress in legal reforms, product and service development and capacity strengthening in trade support institutions.

The Cambodian trade specific intervention broadly aims at reducing the cost of doing business in the country. This includes legal reforms, trade facilitation, and product standards and reaches across all sectors—from fisheries to rubber and tourism through addressing legal reform and cross-cutting issues, product and service development for exports and capacity development for trade—and takes on board many of the Government's ongoing reforms in such areas as decentralization and public finance management.

With continuous engagement from the United Nations Development Programme (UNDP), which has been essential in enabling the sector wide approach to take shape over the last decade, Cambodia had successfully updated its Diagnosis Trade Integration Study (DTIS) in 2007.

Launched in March 2009, the Trade Development Support Programme (TDSP) is a trust fund providing US\$ 12.6 million from the European Commission, the Danish International Aid Agency (DANIDA) and the United Nations Industrial Development Organization (UNIDO), and administered by the World Bank, for developing, financing and implementing an integrated trade strategy for an initial period of three years.

On 29 September 2009, Cambodia also gained access to the Tier 1 of the Enhanced Integrated Framework (EIF), seven years after having been selected as a pilot country under the Integrated Framework (IF) following the country's accession to WTO.

EIF will allow the country to enhance its national capacity to formulate, implement, manage and monitor a pro-poor trade policy that is consistent with, and supportive of, the country's National Development Plan and its Millennium Development Goals.

An important part of the resources available will be used to share with other Least Developed Countries (LDCs) Cambodia's experiences of accession to the WTO and its success in bringing about coordinated development partner support to focus on its further integration into the world economy.

##

To get more information on Cambodia Trade Sector Wide Approach, please visit: [www.moc.gov.kh/tradeswap/](http://www.moc.gov.kh/tradeswap/) and [www.moc.gov.kh](http://www.moc.gov.kh)

Contact for the media: SOENG Sophary, Department of International Cooperation, Ministry of Commerce, tel. 012 379 973, email: [soeng.sophary@moc.gov.kh](mailto:soeng.sophary@moc.gov.kh)