



## **OFFICIAL STATEMENT**

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Secretary of State, Ministry of Commerce  
Royal Government of Cambodia

### **MoC-Development Partner Pledging Roundtable Meeting**

**Tuesday, March 31, 2016**

**His Excellency Georges Edgar, Ambassador Extraordinary and Plenipotentiary of the European Union to the Kingdom of Cambodia**  
**Representatives of Diplomatic Missions and Development Agencies**  
**Excellencies, Distinguished Delegates, Ladies and Gentlemen**

It is an immense pleasure for me to welcoming you to the Ministry of Commerce in the occasion of this first ever MoC – Development Partners Pledging Roundtable Meeting. This meeting comes at a very auspicious time for Cambodia and for MoC in particular, as we are concluding the current phase of the Cambodia Trade Sector-Wide Approach (also known as Trade SWAp) and planning to open a new phase in coming months.

Part of the reason why we are here today and can introduce our ambitious Medium-Term Plan for Aid-for-Trade (2016-2020) is because Cambodia has been part of the Integrated Framework programme (IF) since 2001, and one of the first pilot countries to complete a Diagnostic Trade Integration Study (DTIS), itself the basis for putting in place a Pro-poor trade strategy. The EIF has helped support Cambodia's engagement and accession to the WTO, building political commitment for reforms, a strong institutional set-up and has acted as a catalyst for mobilizing Government, private sector and development partner resources to support our trade development agenda.

As a result of EIF guidance and support from our development partners, an ambitious Trade Sector-Wide Approach (aka Trade SWAp) was launched in 2008 and strengthened in 2014 following the validation of Trade Integration Strategies (aka DTIS). Exports are being diversified, trade costs are being reduced, reforms are being put in place, reliance on preferential market access are declining and being replaced by industrial development and increased competitiveness. Cambodia is the only LDC to have updated its trade strategy twice, in 2007 and 2014, maintaining the pro-poor trade approach, adjusting to Cambodia's development needs.

The focus of the first trade strategy in 2001 was WTO accession and getting Cambodia back in the multilateral trade scene. In 2007, the focus was product and market diversification. In 2014, as Cambodia was getting ready to embrace the AEC challenges, the focus turned to competitiveness, regional integration and bridging the skill gaps. The 2014 strategy covers the period 2014-2020, in line with some of our key donors programming cycle.

We are grateful that the early responses to our trade strategy from development partners has been very positive. Through the support of the EIF Trust Fund (EIF Programme), of the EU, Danida and UNIDO for the TDSP, as well as ADB, UN agencies and the World Bank to name a few, the Ministry of Commerce, through the Department of International Cooperation (DICO) has been able to implement large parts of the strategy, as was acknowledged during our stock taking exercise conducted last year.

Some of the results of this partnership between the Royal Government of Cambodia and development partners are well know to most of you

- The MoC reform process gathered strength in 2014 by the automation of several trade processes (online business registration, certificate of origins, Intellectual Property registration) leading to a decrease in trade costs. We are hopeful that these results will be captured in the next doing business or investment climate assessments reports.
- Cambodia has made tremendous progress in terms of logistics and trade facilitation. As a sign of our confidence and to raise the bar higher, Cambodia has ratified the WTO Trade Facilitation Agreement (TFA), becoming the 8th least-developed country to do so. The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area which we will touch upon later today.
- Third, On February 5, 2016, Cambodia and the United States held discussions under the Trade and Investment Framework Agreement (TIFA). The 2006 bilateral TIFA is the main forum for trade and investment discussions between the United States and Cambodia. Similar agreements could be sought in months ahead with other trading partners.

In several occasions over the last years, the Ministry of Commerce requested donor agencies to provide additional support in mobilizing technical assistance to accelerate the development of its trade sector as one of the drivers of Cambodia's growth and poverty reduction strategy. During the 23<sup>rd</sup> SSC meeting on Trade development and Trade Related Investment, the Medium Term Plan for Aid-for-Trade (MTP) 2016-2020 and its ten priority clusters requiring additional Aid-for-Trade support for the period 2016-2020 was endorsed.

The Medium Term Plan (MTP) is an instrument to better position Cambodia to respond to the challenges and opportunities in deepening its involvement in the regional integration and the fast changes in the global economic landscape. Its successful implementation will depend on the concerted actions and contributions of Cambodian stakeholders in government, the private sector, civil society, and the support from development partners. The MTP includes 10 clusters ranging from trade policy, to value chain development, to private sector development. It is a very sound basis for us to engage interested development partners in supporting its implementation, from the financial and technical points of view, in line with their country strategy for Cambodia and in full adherence of the Paris Declaration on Aid Effectiveness Principles.

In that context, the Ministry of Commerce has continued to show its full commitment to enhance the dialogue on and coordination of Aid for Trade in Cambodia by convening this “Pledging” Roundtable meeting with the donor community on MTP 2016-2020, wherein donor partners are encouraged to pledge their support of cooperation. At this point, I call on all interested development partners to continue supporting our trade development agenda and ensuring that their trade-related assistance for the next five years is aligned with the priorities set in the MTP 2016-2020.

The Ministry of Commerce has developed robust mechanisms for formulating, managing, implementing and monitoring sound Aid-for-Trade strategies. The MoC is the executing agency of the EIF programme and of the Trade Development Support Programme (TDSP). In addition to this, other development partners have supported our Trade SWAp in different formats or modalities, and we are all thankful for their support.

At this stage, I would like to thank His Excellency Georges Edgar for his participation today and highlight the role of the EU delegation in Cambodia, who not only acts as our main Aid-for-Trade development partners, but also as our trusted EIF Donor Facilitator in Cambodia, as they do as well in Lao PDR and Myanmar.

I call on all development partners to support our Aid-for-Trade and Trade Development efforts and wish you a fruitful roundtable meeting.

Thank you.