



**Official Launch
CEDEP II (Cambodia Export Diversification and Expansion Program II)**

February 20, 2014

**Opening Remarks by
H.E. Sun Chanthol, Senior Minister,
Minister of Commerce**

EIF Executive Director Dr. Ratnakar Adhikari

UNOPS Executive Officer Mr. Bernhard Schlachter

**Head of Development Cooperation Section of the Embassy of Sweden, Ms. Kristina
Kuhnel**

Excellencies, Distinguished Participants, Ladies and Gentlemen

It is my great pleasure to welcome all of you today to the launch our new CEDEP project. The Board of the EIF approved our new CEDEP II project in early January 2014 for which we are most grateful. In addition, the Government of Sweden has agreed to provide some counterpart funding to one of the three sub-projects included in the new program.

We are grateful to EIF for the support in launching our CEDEP II program. As has already been the case with our EIF Tier 1 project and our EIF CEDEP I project, I am confident that the EIF's support to our CEDEP II program will play an important role to further develop Cambodian export capacity in key sectors. At the same time, we need to ensure that we have developed the domestic capacity to coordinate across agencies, implement, monitor, report, and provide sound research data on key sectors.

Samdech Prime Minister presided over the launch of *Cambodia Trade Integration Strategy 2014-2018* and our new *Trade SWAp Road Map*. The recommendations in these two documents will serve as a guide to the Government's actions in the important area of trade integration, including deepening the integration into ASEAN and the broader Asian economic region. Today, we have gathered to launch the Cambodia Export

Diversification and Expansion Program II also known as CEDEP II, which will be a new initiative towards implementing some of the recommendations contained in our new *Trade SWAp Road Map*.

In recent years, the funding of our Tier 1 program by EIF has played a major role in building the capacity of our officials in the Ministry of Commerce's Department of International Cooperation (DICO) as well as in a number of line ministries directly associated with Cambodia's Trade SWAp. More recently, EIF has provided support to our CEDEP I program.

Excellencies and distinguished participants,

CEDEP I and CEDEP II are important examples of how targeted assistance can help Cambodia build capacity in the key priority trade areas identified in our new Trade SWAp Road Map and can help achieve some of the Government's targets for the benefit of the nation as a whole.

As I mentioned previously, our CEDEP I program focuses on capacity building and policy reforms in the silk and milled rice sectors. As mentioned by Samdech Prime Minister, our exports of milled rice have recently showed a rapid growth within 5 to 6 years to nearly 400,000 Metric Tons in 2013.

Thanks to the CEDEP I support, our rice exports are now emerging into the international markets and forums. For two years in a row, with the hard work and smart promotion support from the CEDEP I, our rice millers have won the award for the World's Best Rice. And, with support from CEDEP I, our rice exporters are now able to diversify the targeted markets. While the first wave of our export growth focused on selected EU markets thanks to EBA, our exports to non- EU markets are now growing even faster.

The Ministry of Commerce signed the agreement on February 17, 2014 with the representatives of rice exporters to enforce the Code of Conduct signed by rice exporters to protect the integrity of the Cambodian origin of the paddy and the milled rice from any potential fraudulent practices.

Silk export is more of a niche nature but plays an important role in projecting the Cambodian image and values to the world through the sector's linkages to our rapid growth in the tourism sector. The Cambodian silk sector is in need of a clear strategy and policy, and CEDEP I, among other things, will help us put in practice such important frameworks.

CEDEP II will contribute to the capacity building and policy reforms in the cassava and marine fisheries sector as well as to the skills development in the tourism field.

Cambodia has now become a large producer of cassava. However, most of our production is exported informally as unprocessed tubers and much remains to be done to capture the true value added of the sector by Cambodia through semi-processing and more advanced processing. Opportunities are there but producer capacity and a supportive environment policy need to be developed. CEDEP II will help us do that.

Much of the same can be said of our marine fisheries products. The opportunities are there to develop exports from the sector but the current capacity of our producers is quite limited and needs to be developed and strengthened. CEDEP II will also help us do that.

As mentioned by Samdech Prime Minister, more than 4 million international visitors entered Cambodia in 2013. The Government's objective is to reach 8 million by 2020. Tourism is a labor-intensive sector with great opportunities for skilled and well-paid employments for our youths. However, the sector suffers from inexperienced Cambodians and, the gap will only continue to grow, unless we tackle this issue. The Culinary Academy to be launched as a PPP of the Cambodian Government and Private Sector with support from EIF and from Sida under CEDEP II can help address an important skill bottleneck in the sector.

Our new Trade SWAp Road Maps are ambitious but necessary if we want to ensure that trade integration will continue to play a key role in Cambodia's economic development. Looking ahead, hopefully, the Ministry of Commerce can look forward to more CEDEP projects, starting with a CEDEP III that not only could help provide opportunities existing in agro-business but also in light manufacturing and agro-processing.

With this in mind, I am pleased to announce the formal launching of Cambodia's Export Diversification and Expansion Programme II (CEDEP II).

Thank you.