

Opening Remarks of

**H.E. Dr. CHAM Prasih
Senior Minister, Minister of Commerce,**

In the occasion of the

10th Meeting of the Sub-Steering Committee on Trade Development and Trade-Related Investment

Ministry of Commerce, May 17, 2012

Excellencies,
Representatives of Cambodia's Development Partners
Representatives of Line Ministries
Distinguished Participants, Ladies and Gentlemen,

On behalf of the Ministry of Commerce and in my capacity as Chairman of the Sub-Steering Committee on Trade Development and Trade-Related Investment (SSC.TD-TRI), it is my pleasure to welcome you all to the Ministry of Commerce at the occasion of the 10th ordinary meeting of this Sub-Steering Committee.

Since the last Sub-Steering Committee meeting and the encouraging announcements made in that occasion, we have been encouraged by positive developments on the Aid-for-Trade front. Those completed the successful ASEAN Summit and related events, in particular the ASEAN-EU Business summit which the Ministry co-organized.

On the global scene, the recent UNCTAD XIII Mandate formulated in Doha, Qatar last month sets out agreed conclusions on policy analysis and the role of UNCTAD on the overall theme of the Meeting — “Development-centered globalization: towards inclusive and sustainable growth and development”, covering key priorities considered over the past week. They included enhancing and enabling the economic environment to support inclusive development; strengthening all forms of cooperation and partnership for trade and development; addressing persistent and emerging development challenges and their implications for trade and development; and promoting trade, investment, entrepreneurship and related investment policies to foster economic growth and sustainable development. As for the role of UNCTAD in achieving development-centered globalization, the organization remained the United Nations focal point for the integrated treatment of trade and development, as well as related issues in the areas of finance, technology, investment and sustainable development. UNCTAD should, through the three pillars of its mandate — consensus-building, policy-oriented analysis and technical

cooperation — continue to deliver meaningful results, within available resources, while enhancing synergies and promoting collaboration with the efforts of other international organizations, according to the Mandate.

I am pleased to observe that member-states, noting that accession to the World Trade Organization (WTO) was an integral part of the development strategies of most countries aiming to benefit fully from the international trading system, continue to consider that UNCTAD should provide countries — developing, least developed and transition economies in particular — with technical assistance and capacity-building before, during and in the follow-up to the accession process. Cambodia has been fortunate enough to benefit from this assistance from the UNCTAD Secretariat and therefore will continue supporting efforts to make UNCTAD a stronger one.

On our own Aid-for-Trade front, we have been pleased to receive a 22-month extension of the Trade Development Support Programme (TDSP) following the mission by the World Bank and TDSP development partners in December 2011. This is a testimony to the hard work put by the implementation agencies in line ministries and in the Ministry of Commerce in implementing 21 projects, and to the major improvements observed in the Department of International Cooperation (D/ICO) of the Ministry of Commerce, acting as the TDSP executing agency. We are confident that the two-year extension will allow us to reach the programme development objectives and are therefore calling on implementing agencies to work with D/ICO to formulate new strategic proposals supporting the Government trade development strategy and our efforts to expand and diversify our export base. We also call on development partners not part of the TDSP to consider joining forces with DANIDA, the EC and UNIDO and use the current SWAp structure to channel their support to our trade development agenda. This is in line with aid effectiveness principles to minimize the number of project implementation structures while making full use of in-country mechanisms, rules, and processes.

To do this, I call on every implementing agency to use the institutional mechanisms put in place by the Ministry of Commerce that promotes good governance in the use of our Aid-for-Trade resources, namely the Pillar Working Groups, SWAp implementation Committee and the present Sub-Steering Committee on Trade Development and Trade-Related Investment. To support this, eligible line ministries and agencies must make use of the SWAp Pillar Road Maps that are providing, in a concise way, the expected outcomes and impacts of our trade-related projects as well as indicators to measure progress. While development partners have been supportive of our trade development agenda, we must not forget that in those times of economic and financial uncertainties, some of them might need to reduce their commitments globally and in order to do this, progress, results and achievements of each beneficiary country will be monitored and scrutinized. I hope that the review of our trade integration strategy through a DTIS update this year will allow us to revisit, improve and update the Pillar Road Maps, so as to make them living documents, in line with our progress and needs.

We are very pleased and encouraged to observe the continuous implementation of the Enhanced Integrated Framework (EIF) programme in Cambodia, not only through the EIF Tier 1 project, but also through the formulation of ambitious Tier 2 projects, supporting the SWAP Pillar 2 on “products and services development for export” of our Trade SWAp and through the Trade SWAp Review currently on-going.

The two proposals I have asked D/ICO to help formulate following our Trade Policy Review in November 2011 are about to be sent to the EIF Board for approval. A first proposal, titled “Cambodia’s Exports Diversification and Expansion Programme I (CEDEP I) focusing on Milled Rice Exports, Silk Exports and EIF M&E was endorsed by all development partners on May 3, 2012. His Excellency Pan Sorasak will brief us today shortly on this in order to seek final approval by this Sub-Steering Committee before the actual submission to the EIF Executive Board next week.

A 2nd proposal called “Cambodia’s Exports Diversification and Expansion Programme II (CEDEP II) is being circulated with all stakeholders for feedback and suggestions. I have instructed our aid-for-trade team in the Ministry to consider the exports of marine seafood, of cassava, as well as the development of tourism as CEDEP II focus. The encouraging signals and support we have received from the EIF Executive Secretariat make us confident that CEDEP I implementation could be launched in the third quarter of this year and CEDEP II could be submitted for EIF Board Decision by the end of June 2012. Before that, we call on the EU delegation to Cambodia to consider positively our request to become our EIF alternate donor facilitator, as UNDP, a possible Main Implementing Entity for CEDEP II would not be in a position to play this role for the forthcoming TAC 2 meeting.

While those achievements have been made possible through effective leadership by the Ministry of Commerce, the support and inputs provided by all line ministries, private sectors and development partners alike have been highly valuable.

Several development partners have made progress in the formulation and the implementation of their respective trade-related assistance programmes and we encourage them to share the results with us today.

Excellencies

Ladies and Gentlemen,

I announced during our last SSC meeting in February 2012 that the time has come to initiate the update of its trade integration strategy also known as Diagnostic Trade Integration Strategy (DTIS) and revisit the priority sectors and corresponding strategies to diversify our export base, emulating the Government’s Rice Policy. We cannot rest on laurels and live with the past decade achievements only as the world around us is constantly evolving, and the competition on Cambodia’s key export products is becoming fiercer by the day. The process will be kick-started in July 2012, with a trade mainstreaming pilot training that will aim to provide a platform for an

inclusive and participatory update. I am pleased to hear that several development partners have already indicated their support to the DTIS update and subsequent implementation. Learning from the 2007 update process, and taking advantage of the experience gathered since 2008, I am urging our officials, in the Ministry of Commerce and other ministries to take ownership of the update process, so as to maximize local contents into the DTIS.

I wish to take the opportunity to thank all Cambodia's development partners for their continuous support to our ambitious trade development agenda and thank them in advance for any comments and suggestions they might provide today.

With this in mind, I declare the 10th meeting of the Sub-Steering Committee on Trade Development and Trade-Related Investment open.

Have a fruitful meeting. Thank You.