

Awareness Raising and Outreach Workshop
“Trade Sector Development, SWAp, TDSP and EIF:
Impact on Provincial Development”
December 18-19, 2014 – Sihanoukville

*Ministry of Commerce’s Reform
Process: progress status update
(Focus on Automation and TTRI)*

Penn Sovicheat, DG - Domestic Trade General Directorate

Simple questions – short answers

- Why we need reform?
- How we get through this reform?
- What's we will get from this process?
- Results:
 - Emerging of new elements.
 - Fair selection – right people for the right place.
 - New means - Automation.
- Highlight about TTRI and PSD.

Why we need reform?

- Rectangular Strategy – 3rd phase: Private sector – locomotive of growth, then need **Private Sector Development: Competitiveness and connectivity**
 - Institutional strengthening
 - Improve productivity – enhancing skills
 - Increase supply - reduce supply side constraints
 - Improve logistics, streamlining process – Trade facilitation
 - Enlarge market access: making better use of the privilege – preferential access
 - Attract more players: business, investment – favorable environment.

Our guidance – the findings

- Need for further improve trade mainstreaming: *enforcement of reforms required under Regional and global integration –strengthen trade negotiation and transparent trade rules including the enactment of new laws/regulations.*
- Trade dimension focus: more reflection in sector policies (Agro-products: Rice, cassava, rubber,...) including value chain and ability of supply : *increase Cambodia’s competitiveness – reduce business cost, improve trade logistic, increase productivity.*
- Role of Private Sector in addressing trade development challenges with Government: *strengthening trade facilitation and private sector development - through Government-Private Sector forum and others.*

Our guidance – the findings

- Making use of available study/research: i.e CTIS has indentified a number of potential export products including their value chain and provide recommendations - *Strengthening technical standard and SPS requirement, continue diversification of export products and markets – encourage agro –products processing sector for domestic and export markets.*
- Make better use of TA: i.e *effectively use of TA (Trade SWAp Road Map – its three pillars) to continue the reform of regulatory frame work, increase productivity and quality of products and services, and bridging skill gaps by enhancing capacity development in specific sector and specific skill needed.*
- *Shift of MoC Mission: focus on problem solving approach rather than informative seminar: This will help to address issues/challenges through holistic approach – i.e problems concerning domestic value added, business environment, logistics, productivity, red tape, etc.*

How we get through this reform?

- Committed reform: Both Structure and Human Resources.
- Top policy guidance and decision: Green light and strong support.
- Availability of resources.
- Promote participation: Top down - bottom up.
- Spirit of Sharing: Encourage harmonious environment – conducive for improvement and development.

What's we will get from this process?

- Clear division of labor, closer coordination, more responsive.
- New generation of capable, responsible human resources.
- Appropriated encouragement: proper motivation – better results.
- Reducing deep divide: increase productivity, easier for result-base management and committed leadership.
- All these factors lead to what we expected and deserved: Great Achievement of MoC.

Structural Reform – Emerging of new entities

- General Directorate of Trade Promotion:
 - Department of Trade Fair and Exhibition
 - Department of Trade Policy
 - Department of Market (Affairs)
 - Trade Representatives (Abroad)
- General Directorate of Trade Support Services:
 - Department of Business Registration
 - Department of Intellectual Property Rights
 - Department of Import-Export

Structural Reform – Emerging of new entities

- *General Directorate of International Trade:*
 - Department of America
 - Department of Europe, Africa, and Middle East
- *General Directorate of Domestic Trade:*
 - Department of Private Sector Development
 - Trade Training and Research Institute

Automation Update

- **Trade mark Registration:**
 - Manual Registration and data entry keeper: late 1990s
 - Excel and Access for database search and facilitation of mark registration: 2000s
 - IPAS: TA from WIPO: 2007-2012
 - IPAS Java: TA from WIPO: 2013
 - Cambodia and ASEAN Online Search Database: September 2014 – www.cambodiaip.gov.kh
 - *Semi-online filing using above website: January 2015*
 - *Fully Automation – Online application and Registration: January 2016.*

Automation Update

Certificate of Origin:

- Online Application for issuing CO - established and operational (<http://ico.moc.gov.kh/>)
- Capacity Building - Provided training to officers and exporters
- Registration office and Issuing CO Online – Setup and operational
- Further Fully Automation:
 - Standardize Form and Streamlining Process and procedure
 - Same day process to get C/O signed
 - Fees and charges will be done via electronic mean-e payment
 - Electronic C/O will be introduce within ASEAN countries
 - Self certification will be implemented by 2015 (pilot project)
 - Report (weekly, monthly yearly) will be easily generated by the system.

Automation Update

- **Company Registration:**

- Manual Registration: 1990s – Law on Commercial Rule and Company Registration
- Database collection and search facility – TA ADB – Storage and search – not comprehensive: 01 system, Self-Developed System – storage only: 02 systems – all need manual data entry: Manual registration and manual data entry for search purpose: 2003-present: Ranking Doing Business by WB – 182 among 187 countries.
- Database and fully search: to facilitate business and upgrade ranking – NZ study visit due to its first rank.
- Adoption of this model: Ranking will be upgrade to among top 20 countries – Decision to acquire this model from Samdech Prime Minister.
- WB TA discussion to acquire more grant for this purpose – estimate cost for system only: 710,000 USD.
- TOR has been adopted by Senior Minister – awaiting for Fund allocation and procurement.
- This system will link to Taxation General Department system: Increase revenue. Friendly link to other institutions – Credit Bureau, Stock Market,...
- Project expect to be started early 2016.

TTRI and PSD.

- **PSD:**

- Trade institutional development.
- Products development.
- Business activities monitoring and market intervention.
- Workshop series: Problem solving seminars, regular Business-Public Forum

- **TTRI:**

- Ad-hoc skills enhancement: Short courses, Workshops, trainings, exchange program, partnership program.
- Informative session: Dissemination seminars.
- Foundation course/regular course: English, computer, accounting, finance, business management, logistics,...
- Awarded course: Long term training.
- Research Activities: Sector focus, specific and responsive topic.

Thank you!

Contact Email: sovicheatpenn@gmail.com

Tel: +855 12 816 663