



**Official Launch of
Cambodia's Diagnostic Trade Integration Strategy 2014-2018**

February 18, 2014

Opening Remarks by

**Mr. Eric Sidgwick
Country Director, Asian Development Bank and
Enhanced Integrated Framework Donor Coordinator**

Your Excellency Sun Chanthol, Senior Minister and Minister of Commerce, Royal Government of Cambodia

Your Excellency Pan Sorasak, Secretary of State, Ministry of Commerce, and Chairman of the Inter-Ministerial Committee

Dr. Ratnakar Adhikari, Executive Director, Enhanced Integrated Framework Executive Secretariat

Ms. Claire van der Vaeran, United Nations Resident Coordinator in Cambodia

Excellencies, Distinguished Participants, Ladies and Gentlemen

It is my great pleasure to attend today's official launch of the *Cambodia's Diagnostic Trade Integration Strategy (CDTIS), 2014-18*, and to speak on behalf of development partners supporting the development of Cambodia's trade sector. To begin with, I would like to thank His Excellency Samdech Prime Minister for his keynote address and to congratulate His Excellency Sun Chanthol for his leadership and the many officials of the Ministry of Commerce and the CDTIS team for producing this important report.

As you know, ADB serves as the Enhanced Integrated Framework, or EIF, Donor Facilitator. Let me first of all thank the team at EIF for their invaluable technical and financing support to Cambodia. As Donor Facilitator, ADB has been privileged to work closely with the Ministry of Commerce, which has shown strong ownership and leadership of the Trade Sector Wide Approach – or Trade SWAp. As many of you are aware, we have been encouraging a robust and coordinated response by development partners to Cambodia’s technical assistance needs in the sector. In that capacity, allow me to share with you three observations.

First, I believe there is a view shared widely within the development partner community that the *Cambodia Trade Integration Strategy 2014-2018* and its updated *Trade SWAp Roadmap* does a solid job of identifying the many successes of Cambodia’s trade sector since the previous study in 2007 and addresses head-on key issues of concern to business, many of which are at the top of the Government’s trade reform agenda.

These include the contribution of exports of goods and services to job creation; the critical role to be played by continued diversification of exported goods and destination markets; the need to move up the national and regional value chains; and the overriding importance of ensuring the readiness of Cambodia’s labor force, especially its youth, for the technical and vocational skills demanded by exporters and investors, now and in the future.

In a nutshell, Cambodia needs significant reform to remain competitive in an ever changing global economy, and the report, rightly, points to the growing importance of Cambodia’s trade and investment integration within the larger Asian region, including through ASEAN Economic Community (AEC).

Second, I believe the updated *Trade SWAp Roadmap* that accompanies the report can guide Government and development partners in their future joint efforts to continue building and strengthening Cambodia’s trade sector. I understand the *Roadmap* and related *Study* were developed through an exhaustive process involving widespread discussions and validation with Government officials and Cambodian private sector stakeholders. I also understand that the Ministry of Commerce has worked closely with the Private Sector Development Working

Group, with the Ministry of Planning, the Supreme National Economic Council, and many other relevant Ministries to ensure that the priorities identified in the *Trade SWAp Roadmap* are reflected in the upcoming National Strategic Development Plan (NSDP), 2014-2018.

I firmly believe that the updated *Trade SWAp Roadmap* can provide a strong framework for partnership between the Government and development partners as well as for enhanced coordination among donors. In particular, I hope that the last section of the *Study*, which looks at possible ways to improve upon the current mechanisms of the Trade SWAp, will provide ADB and other development partners ideas on how to make Trade SWAp work even better.

As Donor Facilitator for the trade sector, I would like to reconfirm the readiness of development partners to support Cambodia's efforts to build a robust, competitive export sector – an export sector that can respond to the demand of Cambodians for more and better jobs with decent pay, good working conditions, and expanding and more equitable access to opportunities for individuals to grow and prosper.

Third, as one of the development partners supporting the reform efforts in the trade area, the ADB itself is strongly committed to supporting the Government's objective for trade sector development and implementing the priorities and actions identified in the new *Trade SWAp Roadmap* over the coming years. Specifically, as you are aware, ADB is working with the Government in several areas across each of the three strategic pillars and 20 strategic outcomes that underpin the *Cambodia Trade Integration Strategy 2014-2018*.

In particular, ADB's support, along with other development partners, to the *Rehabilitation of the Railways in Cambodia* has greatly reduced the transport cost of trading activities between Phnom Penh and Sihanoukville; ADB's support to *Promoting Economic Diversification* has assisted in many areas ranging from support to food safety and a range of legal reforms to support private business; ADB's sub-regional *Sanitary and Phyto-sanitary* (SPS) project in the Greater Mekong Subregion (GMS) is helping strengthen SPS capacities so Cambodia can move up value-chains in agricultural products; ADB's support to *Rice Commercialization* is helping generate higher yields and production of paddy for

milling and export, which is enhancing the incomes of thousands of farmers; and ADB's *Technical and Vocation Training (TVET)* project is contributing to strengthening the technical and vocational training system of Cambodia, especially for the export sector. Follow-on projects in many of these areas are in the pipeline. Of course, many other development partners are also providing substantive assistance in many of these areas.

Excellencies, Ladies and Gentlemen, allow me to conclude by reiterating the willingness and readiness of the development partner community to continue supporting this important partnership with Government to continue to deepen Cambodia's global economic integration through trade and investment and private sector development for the benefit of all Cambodians, especially the poorest.