

**Speech**  
**by**  
**Samdech Akka Moha Sena Padei Techo Hun Sen**  
**Prime Minister of the Kingdom of Cambodia**  
**On the Occasion of**  
**Official Launching of Cambodia's Trade Integration Strategy**  
**2014-2018**  
**Peace Palace, Feb 18 2014**

- *Excellencies, Ambassadors to the Kingdom of Cambodia,*
- *Ms. Claire Van der Vaeren, UN Resident Coordinator and UNDP Resident Representative for Cambodia,*
- *Mr. Eric Sidgewick, ADB Country Director for Cambodia,*
- *Dr. Ratnakar Adhikari, Executive Director of the Enhanced Integrated Framework,*
- *Mr. Bernhard Schlachter, Executive Officer of the UNOPS,*
- *Excellencies, Ladies and Gentlemen, National and International Guests,*

It is my pleasure to attend the "*Launching of Cambodia's Diagnostic Trade Integration Strategy 2014-2018*", organized by the Ministry of Commerce in cooperation with relevant ministries and institutions. On behalf of the Royal Government of Cambodia and myself, I wish to highly commend the management and officials of the Ministry of Commerce for contributing to the formulation of "*Cambodia's Trade Integration Strategy 2014-2018*" which is based on the **political platform** and the **Rectangular Strategy-Phase 3** of the Royal Government of Cambodia of the Fifth Legislature. At the same time, I also wish to extend my appreciation to development partners, national and international organizations, civil society and private sector especially **IMF, ITC, UNCTAD, UNDP, World Bank** and **WTO** for initiating enhanced integration framework program aimed to assist least developed countries to effectively integrate into global trade and transform trade into the main engine of economic development.

Taking this opportunity, I wish to thank and commend development partners for the support and contribution to the successful formulation of "*Cambodia's Diagnostic Trade Integration Strategy 2014-2018*", which will help sharpen Cambodia's ability to contribute to ASEAN community 2015. In this spirit, I firmly believe that prudent and stringent implementation of this integration strategy will enhance the outcome of trade development since the framework, procedures and responsibilities of related ministries/institutions now become clearer along with more active support from all stakeholders. More importantly, this integration strategy reflects the firm and unwavering commitment of the Royal Government to achieving the socio-economic development vision in response to the people's overwhelming support of the Royal Government of the Fifth Legislature.

Undoubtedly, Cambodia needs to continue to promote rapid economic growth and poverty reduction by focusing on key priorities including productivity enhancement and diversification of the agriculture sector, development of agro-industry, expansion of technical and vocational education and training, trade facilitation, expansion of healthcare, integration of Cambodia's economy into regional market, rehabilitation and development of physical infrastructure, development of the private sector and strengthening of institutional capacities. The implementation of above priorities will help Cambodia reinforce its position and cohesion in overcoming all challenges and obstacles. In this spirit, the Royal Government regards trade as a priority sector because it is instrumental in promoting economic growth. In this sense, the Royal Government of Cambodia need to continue to work at full throttle to ensure other sectors such as financial and banking, investment and industry etc. will progress in consistent with the development of trade sector.

***Excellencies, Ladies and Gentlemen,***

Over the last few years, Cambodia has gone through significant and profound transformation, witnessed not only in political and security fronts, but also in economic, trade and social fronts. More importantly, Cambodia has strived to increase its capacity and capability to take part

in regional and global cooperation framework, promote the implementation of in-depth reform aimed to create a modernized structure and proactive system of national economic management and strengthen its competitiveness in response to regional and global economic developments in this constantly evolving architecture. In fact, Cambodia is actively participating in every ASEAN economic and financial initiatives, especially initiatives to realize ASEAN Economic Community in 2015. On this basis, Cambodia has fully integrated herself into the region and the world and played an active role in all international cooperation in equal footing and with equal rights.

In this sense, I am pleased to reflect on the evolution of Cambodia economic development during the recent years to highlight the necessity of the **“Cambodia Trade Integration Strategy 2014-2018”**. Overall, after the financial crisis in 2008-2009, Cambodia’s economy has been restored and experienced average growth of 7% per annum during the last three years. Cambodia economic activities remained solid in 2013 with preliminary estimate of growth of 7.6% and per capita income of USD 1,036 compared to 7.3% economic growth and USD 973 per capita income in 2012. From 2011 to 2013, Cambodia’s export increased by almost 28%. Export of goods and services increased by more than twofold from USD 4,500 million in 2007 to USD 9,400 million in 2013. In addition, if including informal export, the total export figure reached USD 10 billion. The export of garment was more than USD 5 billion in 2013. The export of footwear, bicycles, electronic appliances, milled rice and rubber were among the rising export products. Export of bicycles reached more than USD 300 million in 2013 while this export product was not paid attention to just a few years ago.

Besides, Cambodia exported almost 400,000 tons of milled rice or equivalent to USD 250 million in 2013. In 2009, before the launching of the policy on paddy rice production and milled rice export, Cambodia had very limited capability to export milled rice of international standards. However, after setting an ambitious target of exporting one

million tons of milled rice in 2015 in the comprehensive policy on the promotion of paddy rice production and milled rice export, milled rice now emerges as one of our main exports. In addition, we exported 74,000 tons of rubber in 2013, compared to 55,000 tons in 2012. We are confident that the annual export of rubber will reach more than 200,000 tons by 2020 due to implementation of supporting land policy and planting of new rubber trees all over the country.

In addition, Cambodia has attracted foreign and domestic investors to participate in the development of manufacturing, industry, finance and banking sectors because the progress of these sectors will help promote trade sector development. At the same time, we have placed very high attention on the development of special economic zones which now emerges as an investment attraction mechanism for the manufacturing sector. This open policy results in significant attraction of investment. In particular, FDI reached almost USD 1,500 million in 2012, compared to USD 900 million in 2011, while the estimate for 2013 is USD 1,220 million. Along with that, we have also noted that production activities previously seen only in China, Thailand or Viet Nam, are now gradually moving to Cambodia and this is a new development in the region. In this spirit, I strongly believe that FDI will keep increasing in 2014 and beyond.

Moreover, Cambodia welcomed 4.2 million inbound tourists in 2013, an increase of 17.3% compared to 3.6 million in 2012. We are on track to achieving the target of welcoming 8 million inbound tourists per annum by 2020. Tourism sector contributes around USD 2,500 million to our exports as it is a form of the on-the-spot export. In addition, to increase domestic value added and employment, we have worked hard to ensure that more than 300,000 youth that enter into the labour market each year are ready for their new jobs by strengthening their capacity and competency through technical and vocational education and training. This has shown that Cambodia has been prepared to make sure that youth are able to apply for new jobs and work.

In addition, we are working harder on the diversification of manufacturing and export to realize our aspiration of transforming Cambodia into an upper-middle-income country by 2030 and a high-income country by 2050. This shows that Cambodia is realistically and firmly moving toward prosperity. On this basis, integration is necessary for Cambodia to create a systematic, interconnected, cohesive and broader economic growth base. In this regard, "***Cambodia Trade Integration Strategy 2014-2018***" will become a roadmap for all trade-related activities and other supporting activities of trade sector.

### ***Excellencies, Ladies and Gentlemen***

In the above context, the Royal Government of Cambodia is committed to expanding its economic growth base. We continue to strengthen good governance, move up the value chains and participate in regional production networks, and create a favourable environment for the private sector and investment to enhance its competitiveness.

Indeed, this trade integration strategy set out specific immediate intervention priorities and subsequent priorities and implementation stage that will become a detailed roadmap for trade sector in the next five years. Overall, this integration strategy certainly lay out specific and realistic policy measures, targets and priorities through thorough analysis of financial resource, human resource and institution capacity. Therefore, it is necessary now more than ever before to use the roadmap of the trade integration strategy since this strategy provide us with indicators and specific measures of implementation for both 2016 and 2018. I can preliminarily assess that this ***diagnostic trade integration strategy 2014-2018*** is the only trade integration strategy accepted by the government, private sector and development partners and implemented by all stakeholders through ***Cambodia Trade Sector-wide Approach***. However, to successfully implement

this strategy as planned, it is necessary to employ a clear monitoring mechanism.

We have to immediately address existing challenges such as shortage of physical infrastructure and human resource, lack of harmonization between programs and subpar quality of monitoring and evaluation to support and accelerate the implementation of this strategy.

In this spirit, I wish to call on the management and officials of concerned ministries/institutions, all branches of armed force and local authorities to provide support and actively take part in the implementation of the Diagnostic Trade Integration Strategy 2014-2018 to achieve its success and effectiveness. I am confident that Cambodia will be firmly moving forward to realize its long-term vision of transforming itself into an upper-middle-income country by 2030 and a high-income country by 2050.

Before ending, I wish to take this opportunity to once again thank concerned ministries/institutions, development partners, non-governmental organizations, private sector and other agencies for supporting and promoting our trade sector to achieve sustainable socio-economic development and poverty reduction. I also wish to commend the management and civil servants of the Ministry of Commerce and other relevant ministries for supporting and contributing to the formulation of Cambodia's *Diagnostic Trade Integration Strategy 2014-2018*.

Finally, together with the official launching of "*Cambodia's Trade Integration Strategy 2014-2018*", I wish Excellencies, Ladies and Gentlemen the four gems of Buddhist blessing: Longevity, Nobility, Healthiness and Strength.

***Thanks you!***