



World Bank

Speech of Country Manager

Mr. Alassane Sow

Sub-Steering Committee on Trade and Trade-Related Investment

30th May, 2013

Your Excellency the Senior Minister, the Minister of Commerce,

Excellency Pan Sorasak,

Excellencies, distinguished guests, development partners,

Ladies and Gentlemen,

Thank you for welcoming me back to the Sub-Steering Committee meeting. Even if I have not been here in person for the past few months, I have been keeping a close watch on developments in the trade sector. As you know, the trade program is doing very well - helping Cambodia's exports of rice, rubber, garments and footwear. The improved trading environment is creating an incentive for new investors to come to Cambodia, which has also been facilitated by rapid improvements in the business environment. New factories around the periphery of the city, being built not far from here, are employing thousands of young Cambodians with each new job adding to the prosperity of Cambodian families

and Cambodian communities. The huge amount of new investment – so obvious as one drives around the city - is an endorsement of the progress that has been made in the trade SWAp over the past few years and to the timely initiatives of the Royal Government of Cambodia.

I am delighted to learn about the institutional progress coming out of the trade SWAp. A recent example comes from the ASEAN Chairmanship of the CCA which, under Cambodia's guidance, has just adopted a work program on Non-Tariff Measures that will be tabled for adoption at the next AFTA Meeting. This initiative was discussed in this forum and kind technical support to formulate the strategy was provided by the trade trust fund, generously contributed to by our friends and colleagues at the EU, UNIDO and DANIDA. That ASEAN has come this far can be credited to Your Excellency's strong guidance last year as Chairman of the ASEAN Economic Ministers.

The work continues. This morning's sub-steering committee meeting comes at an important time in the nation's political cycle. Not only is the Royal Government of Cambodia about to enter another election but the Government is also finalizing the National Strategic Development Plan which will set the Government's work agenda for the coming five years. The Diagnostic Trade Integration Strategy will provide a list of trade-related priorities for the next five years. The 12-Point Plan for Trade Facilitation will be discussed – and hopefully endorsed - this morning and will, hopefully, also be reflected in the DTIS and the NSDP. I know that the drafting team for the DTIS is moving fast to conclude their report, and I would like to remind everyone that the NSDP should reflect the DTIS. Feel free to call upon the resources of the trust fund to help where necessary in finalizing all these documents in due time for the Government's next planning cycle.

The SWAp itself is functioning at a very high level. The projects are reaching a mature stage in which we are able to see clear results. For example, the World Bank team has reported to me that the IT system being installed here at the

Ministry of Commerce will shortly provide automated certificates of origin that can be filled out online from the exporter's office, simplifying considerably the present process. The Trade Information Portal will contain a repository of laws and other information for traders and investors. An automated trademark system will contribute to the enforcement of national intellectual property rights, which is very important for local and foreign investors.

This brings me to the role of the private sector, which is important for our initiatives in trade development. The World Bank and ADB jointly Chair the Private Sector Development Technical Working Group. In that group, development partners meet regularly to discuss major issues in the business environment. Most recently, these concerns were articulated in the Vision 2030 document. Usually, the Technical Working Group distills the private sector's concerns into technical assistance projects to improve the overall business environment. The forthcoming report called the Investment Climate Assessment, co-authored by WB and ADB, helps development partners and the Government to identify the strengths and weaknesses of Cambodia's business environment.

I am concerned, however, that the link between the private sector Technical Working Group and policy makers may be a bit unclear. The Technical Working Group, for example, is not clearly linked to the Trade SWAp. Ideally, it may be worth considering the Technical Working Groups as an integral part of the SWAp so that a formal reporting relationship could be established between the two groups. Certainly, the TWG members would appreciate an opportunity to speak directly with Your Excellency about major issues on a regular basis and I believe that such a link would enhance the credibility of both the SWAp and the TWG.

Finally, I would like to say thank you to the strong team at the Ministry of Commerce that is responsible for implementing this ambitious program. It is not easy to handle finances and procurement for twenty-five sub-projects spread across fourteen agencies. It's a difficult job and we admire the tenacity shown by

the Department of International Cooperation (DICO) and its commitment to getting things done in a timely and correct manner. The replenishment of new donor funds from the EU and from the EIF will make more work for everyone, but it's in the cause of Cambodia's development and leads to institutional strengthening. I would like to say thank you for the great job that everyone has performed so far.

With that, ladies and gentlemen, I conclude my speech and leave the floor to Your Excellency .

Thank you!