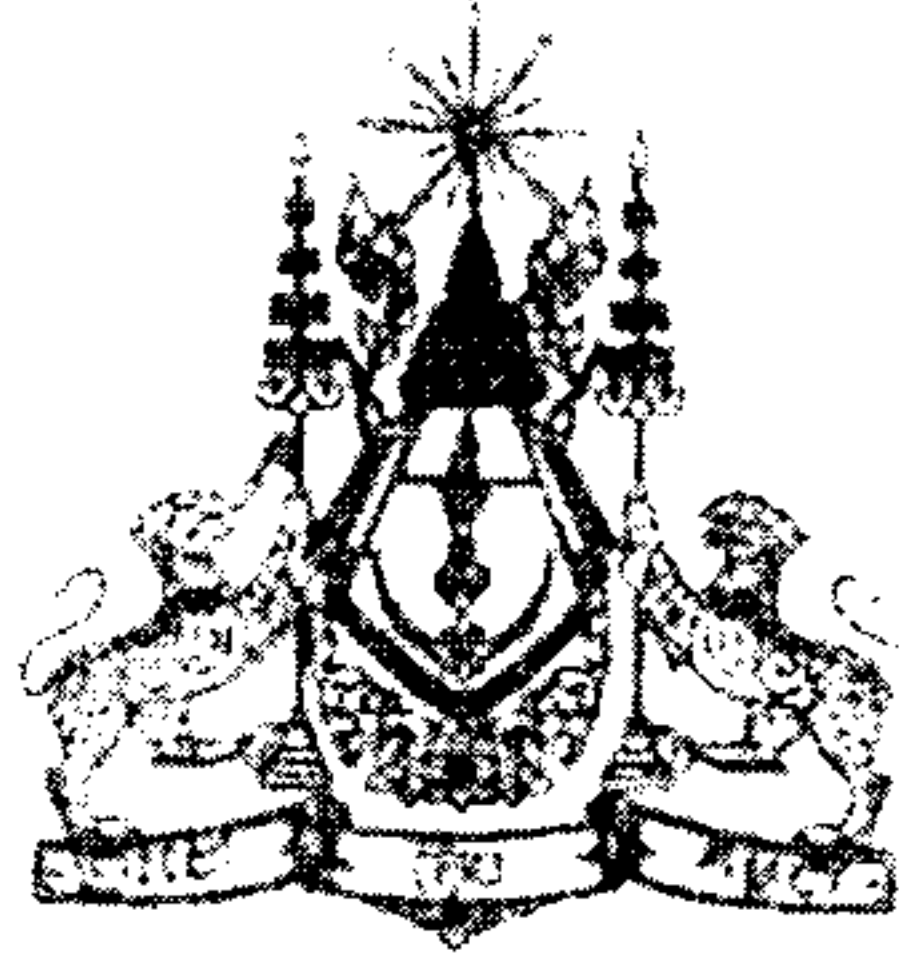


Revised



**Statement by H.E. Mr. OU ORHAT
Secretary of State, Ministry of Planning,
Royal Government of Cambodia at 4th UN Conference
on LDC's in Istanbul, Turkey 9-13th May 2011**

*Mr. Chairman,
Excellencies, Distinguished Delegates,
Ladies and Gentlemen,*

1. Mr. Chairman, please let me join the previous speakers in extending our sincere congratulations to you as being elected President of the Fourth United Nations Conference on the Least Developed Countries. Also, I would like to express my thank to the people and Government of Turkey for the invitation and warm hospitality extended to all of us in this beautiful city Istanbul and excellent arrangements for this conference.
2. It is an honor for the Kingdom of Cambodia to participate in this important conference, which is timely for the review of the implementation of Brussels Program of Action for the LDCs for the past decade 2001-2010 and also for future vision of the Istanbul Program of Action to reduce poverty.
3. The Royal Government of Cambodia (RGC) has adopted a several-priority implementing action program that have been done on seven key priority areas to build a Cambodian society cohesive, educationally advanced, culturally vibrant, free from hunger, disease, inequality, vulnerability and exclusion to present to **the 4th UN Conference in the LDC's** today.
4. In fact, under the leadership of **Samdech Akka Moha Sena Padei Techo HUN SEN, Prime Minister**, the RGC has set out a package of policies and strategies to reduce poverty in country and especially mitigate the impacts of the Crisis on our economy. Through the firm implementation of those policies and strategies, the Royal Government has led the Cambodian economy out of the Crisis and has successfully addressed its negative impacts. The living standard of the people has been maintained as well as macroeconomic stability, which are needed for ensuring social stability.

Through RGC's commitments and efforts, there are significant indicators as below:

First: The growth rate after declining in 2009 due to the Crisis recovered to 5.5% in 2010; in 2011, it is expected to be more than 6%. In the medium term, Cambodia's economy is projected to grow at around 6% to 7%. Inflation was around 3.5% in December 2010 over December 2009. In the medium term inflation will continue to be low and stay below 5% although we have to be wary of spillover from regional inflation and high oil prices. Cambodia's financial and banking sector remains strong and healthy; liquidity in the banking sector has increased, due to increase in credit allocation for economic activities. The poverty level has declined from 39% in 1993 to 27% in 2010.

Second: Agriculture grew impressively during and after the Crisis. In 2010, the sector grew by 4.5%. Paddy rice sub sector grew by 6.0% and other subsidiary crops by 8.4%. Since high priority has been given to this sector by the Royal Government, we expect that this sector will continue to grow at a fast rate in the future.

Third: Manufacturing and agro-industry sectors have also continued to grow. The garment sector severely affected by the Crisis in 2009 grew by 28% in the first 11 months of 2010, producing a total revenue of USD 3 billion. Reflecting the favorable impact of the rice production and export promotion policy announced in 2010, the official rice export increased by 45% in the first eleven months of 2010, over the corresponding period in 2009. Investments on food, beverage industries have also substantially increased in response to the new policy.

Fourth: The services sector remains strong. It grew by 4.6% in 2009 and 6.4% in 2010. Tourism sector has a high potential for growth. The tourist arrive in Cambodia increased by 16% in 2010 and the total revenue from tourism was increased by 14%. During the post Crisis period tourist arrivals in the region have continued to grow.

5. A key initiative was the fiscal expansion policy which focused on increasing public investment in physical infrastructure, such as construction and repair of bridges, roads and irrigation systems to improve connectivity and agricultural productivity; and provision of social safety net through capacity building and training of Cambodian laborers. This has laid to a good foundation to expand growth and ensure sustainable development.

Mr. Chairman, Excellencies, Distinguished Delegates,

6. In the **Rectangular Strategy Stage II and National Strategic Development Plan Update 2009-2013 for Growth, Employment, Equity and Efficiency**, the Royal Government has laid out ambitious goals. We have to ensure sustainable economic growth of around 7% per year on broader and more competitive economic basis and to reduce poverty at the rate of more than 1% per annum. In order to achieve these ambitious goals in medium and long term, the Royal Government has focused attention on a number of key strategic issues as follow:

First- Strengthening peace, political stability, security and social order to promote the rule of law, protect human rights and dignity and multi-party democracy in order to create a conducive political and social environment for sustainable development in longer term.

Second- Promoting and maintaining a high economic growth rate and ensuring rapid poverty reduction is a high priority for all RGC institutions. It requires not only a more effective and dynamic cooperation between the government, its development partners and the private sector, but also more effective coordination and collaboration within across government ministries, and the development community, particularly in key areas such as agriculture and rural development, and associated infrastructure development, irrigation and water resource management, and trade facilitation.

Third- Effective implementing a strategy to ensure a broad-based development of rural economies to create new jobs and increase incomes, to uplift the economic status of rural communities and to enable them making a greater contribution to the national economy requires coordinated planning and implementation of programs by a number of RGC institutions. This broad-based development will be focused on enhancing the productivity and diversification of the agriculture sector, development of agro-industries, rehabilitation and construction of rural roads network and expansion of the education, technical and vocational training, and health services in the rural areas.

Fourth- Further strengthening trade facilitation and integration of the Cambodian economy in the dynamic regional markets, in particular within the ASEAN, GMS and Cambodia-Lao-Vietnam cooperation framework are require RGC institutions to more closely coordinate their strategies and development programs for areas such as transportation infrastructure - roads, railways, ports, and airports. Private sector development especially the planning and development of Special Economic Zones; trade facilitation, and industrial development are the key areas of the government.

Fifth- Strengthening capacity of the RGC institutions to efficiently deliver public services and to foster a culture of transparency and accountability. The development and implementation of a comprehensive capacity development strategy covering all public sector institutions in close collaboration with these institutions is a high priority of the RGC.

7. Above mentioned achievements are the result after the Third UN Conference on LDCs in Brussels in 2001. The Royal Government of Cambodia adopted a National Poverty Reduction Strategy in 2002 and a set of Cambodia Millennium Development Goals in 2003, which are incorporated comprehensively into our Rectangular Strategy Phase II and the National Strategic Development Plan 2009-2013.

8. We would like to note that in the context of promoting sustainable development and achieving BPOA, Cambodia as a post-conflict and a least developed country faces enormous challenges that are well beyond its control. The recent global financial crises has adversely impacted on our economy and added new risks to our poverty reduction efforts. The climate change is expected to adversely affect the livelihoods of a significant part of our population. Notwithstanding these challenges, we would like to assure that the Royal Government of Cambodia remains fully committed to developing and implementing policies that will ensure achieving BPOA and developing of our nation, which highly need strong support both of technical and financial from all partners at regional and global.

9. In closing, on behalf of the Cambodian government, may I take this opportunity to express my profound gratitude once again to the international community for helping to rebuild Cambodia to achieve the sustainable development and lasting peace.

Thank you for your kind attention.