

Statement by H.E. Dr. CHAM PRASIDH,
Senior Minister and Minister of Commerce of the Kingdom of Cambodia
At
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Mr. Chairman,
Honourable Heads of Delegation,
Ladies and Gentlemen,

At the outset, on behalf of the Royal Government of the Kingdom of Cambodia, I would like to take this opportunity to express my deepest thanks and gratitude to the Government of the Republic of Ghana and its people for the excellent arrangement made for our delegation's participation to UNCTAD XII in this beautiful city of Accra. I would like also to express my sincere appreciation to H.E. Dr. Supachai Panitchpakdi, Secretary-General of UNCTAD, and the UNCTAD Secretariat's staff for their hard work and tireless efforts in making this Conference possible.

As one of the first 2 LDCs to be able to join the World Trade Organization after its inception in 1995, Cambodia has gone a long way from a war-torn country devastated by genocide and world isolation to a modern state, with a multi-party democratic system, and one of the most liberal economy in the region. Cambodia has achieved a record of political stability for the last decade, which is one of the key-factors in providing a favourable environment for business and investment. From 2000 to 2006, our economy grew at the average rate of 9.4%. Last year's growth rate

was 9.8%. GDP per capita more than doubled from US\$288 in 2000 to US\$583 in 2007. The economic growth was mainly sustained by garments exports, agriculture, tourism and construction sectors. The poverty line reduced from 45% in 1993 to 35% in 2004 and further reduced to 31% in 2007. 1% of the population per year are out of the poverty cycle and this rate can lead Cambodia to meet her Millennium Development Goals. From decades of being a net-food importer, Cambodia has been able to turn herself as a net-food exporter since the turn of this Millennium.

This rosy picture may not last long if the current negative external factors – namely, the US recession, the skyrocketing price of oil products, the soaring price of food, world inflation... – are not addressed in an emergency manner by all the world major players. Cambodia joined the LDC Group and the Group of 77 and China to launch an appeal to UN Secretary-General Ban Ki-moon to set up urgently a High Level Task Force to recommend immediate measures. Cambodia wholeheartedly welcomed yesterday's decision of the UN Secretary-General to set up such a Task Force: better now than late. "We cannot afford any mistake at this time", as he said. Delaying measures to a few months more could be lethal to many LDCs and developing countries: political unrest, economic upheaval and famine are looming in the horizon. More funding for humanitarian food supplies shall be decided now and emergency food relief shall be dispatched now.

While these emergency measures should be explored and decided for the sake of the poorest of the poor people in the world, it is also important that

we continue to address the root causes of their poverty and ways and means to help them getting out of this poverty swamp. Market access conditions for LDCs need to be further improved, made more predictable and sustainable through the elimination of remaining tariff and non-tariff barriers, relaxation of rules of origin, expansion of product coverage and simplification of administrative procedures in relation to the GSP and other market access arrangements. Cambodia joined the call of the LDC Group to developed countries that have not already done so to provide immediate, predictable, duty-free and quota-free (DFQF) on a lasting basis to all products originating from all LDCs by this year 2008, as committed at the 6th WTO Ministerial Conference in Hong Kong in December 2005. We welcome the decision of Japan to offer 98% of its tariff lines on a duty-free and quota-free basis to LDC products starting from April 2007. We also welcome Brazilian President Luiz Inácio Lula da Silva's yesterday announcement to offer DFQF to the LDCs. We hope other major developing countries can follow suit to Brazil's move.

Even though the global and regional economic integrations do provide market access opportunities for Cambodia's products, Cambodia could not fully reap benefits from them, due to severe supply side constraints, lack of infrastructure, difficulties to meet technical barriers to trade such SPS, standards and Rules of origin requirements imposed by member countries. In addition, Cambodia was required to undertake legal and institutional reforms for which human and financial resources are needed to fulfil this task. Therefore, I call upon UNCTAD, UNCTAD Secretary-General Dr. Supachai Panitchpakdi, and all development partners to assist Cambodia

in these areas. The productive capacity proposed by UNCTAD for LDCs may help member states, in particular LDCs, develop their capacities in the areas that I have just mentioned earlier.

Concerning the Enhanced Integrated Framework (EIF), we would like to welcome the outcome of the Pledging Conference held in Stockholm in September 2007 during which the funding for the first two years has been secured and the funding for the next three years would be secured soon. I really appreciate the commitment made by donors. I also appreciate all the work done by LDCs, donors and all core agencies to establish and operationalize the EIF Secretariat. I understand that the remaining work, which includes the selection of the EIF Executive Director and the Trust Fund Manager, will be completed soon this year. Let me inform the Conference that the Revised DTIS of Cambodia was completed and validated in December 2007. We are now waiting for funding support for implementation of our projects. I hope the EIF projects will improve the supply side constraints and have tremendous positive impacts on poverty reduction in Cambodia.

As far as Aid for Trade is concerned, let me sincerely thank H.E. Mr. Pascal Lamy, Director General of WTO, all WTO Members, all Development Partners for their tireless efforts in trying to realize the Aid for Trade delivery for recipient countries. There were regional Aid for Trade Reviews and Global Aid for Trade Review held last year to oversee the progress made since Hong Kong Ministerial Conference in 2005 that developed members promised to double their Aid for Trade. These are really important works to ensure that promises have been fulfilled. I think it is crucially

important that donors and development partners should make their financial assistance in the form of Grants, Soft Loans and ODA with action plans and transparent procedures available to the recipient countries.

With regard to the strengthening of the UNCTAD's role, this is a must. We all know that UNCTAD has three pillars of work, namely research and analysis, technical cooperation and consensus building. There is no doubt to say that UNCTAD's delivery of services was effective in the past and UNCTAD was rich of expertise in the areas of trade, investment, competition policy, etc. which could be used to advise member states. Cambodia has extensively enjoyed these services during the WTO Accession negotiation and seen their effectiveness. A number of projects which includes Train-for-trade and competition policy are still being implemented in Cambodia. The reform agenda ranging from investment, trade facilitation, custom valuation, competition policy and WTO notifications are still under discussions in various established working groups of the Royal Government of Cambodia. We need assistance and advice from UNCTAD in these areas.

Furthermore, it is necessary that UNCTAD should be able to continue to play its crucial role in helping member states in the areas of implementation of EIF and Aid for trade. I am confident that after UNCTAD XII, UNCTAD will have a clearer mandate, better funding and more concrete actions and predictable resources to assist the member states.

In conclusion, I wish to sincerely thank and express my deepest gratitude once again to the Republic of Ghana and UNCTAD for the excellent

arrangements for UNCTAD XII Conference and look forward to fruitful deliberations and the successful conclusion of this Conference.

Thank you for your kind attention.