

STATEMENT BY CAMBODIA

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CAMBODIA

**Statement
by
H.E. Mr. Cham Prasidh
Minister of Commerce and
Head of Delegation of the Kingdom of Cambodia
at the
UNCTAD XI General Debate**

São Paulo, Brazil
June 17, 2004

Mr. Chairman,
Distinguished Delegates,
Ladies and Gentlemen,

On behalf of the Royal Government of Cambodia, I would like to take this opportunity to express my profound gratitude and sincere thanks to the Government and the people of the Federative Republic of Brazil and UNCTAD Secretariat for the excellent arrangement and warm hospitality extended to my delegation and I making our stay in São Paulo a most pleasant and memorable one.

I commend UNCTAD for its priceless role in supporting trade, development, and especially the LDCs during the past 40 years of its existence.

The current world's economic situation does not allow us as LDCs to get more than what has been achieved in Monterrey, in Johannesburg or in the current Doha Development Agenda (DDA) negotiations. We have to be practical: we cannot ask the rich countries to do more than what they can afford, at this moment. We shall try to get what we want step by step. If I kick off our statement with this kind of assertion, it is because against such a background that we have to define a more practical way to strive and prosper in this world. **There are policies that should be done by donors and the International Financial Institutions (IFIs) and there are**

domestic policies that should be implemented by developing countries/LDCs themselves as well. The way international assistance has been provided to developing countries and LDCs in the past decades is not entirely conducive to these countries' sustainable development. ODA focused too much on infrastructure, education and health care, less or none on market access, less or none in developing the productive and supply capacities of the aid recipient countries. It simply means that, in the past, trade has not been foreseen as a tool for development nor accepted as a tool for poverty reduction. **Efforts to implement the Integrated Framework (IF) for Technical Assistance in trade-related matters to LDCs have shaken that old perception and have demonstrated that trade as a complement to ODA could help better the LDC recipient countries, and in some way trade can be a substitute to ODA too.**

Therefore, we shall agree that trade is key to development and that development objectives are best served by a strong multi-lateral world trading system. We shall also agree that trade is not a direct cure for poverty, and that it must be used as an important component of a national development strategy.

UNCTAD's 2004 Report on the LDCs and the Issues Note by UNCTAD Secretariat on "Trade and Poverty: a Developmental Perspective" have shown that throughout the last decade, international trade has grown rapidly. **Developing countries, which participated successfully in this expanding global trade, could capture important gains in economic growth if they can develop North-South trade as well as South-South trade.**

We also agree that developing linkages between trade and poverty shall not be based on a development-centered approach to trade but rather on a trade-centered approach to development. We believe that trade liberalization and reform cannot work and have never worked as stand-alone policies or measures. **Trade should be properly "mainstreamed" into national development plans**, i.e. trade should be integrated into national development strategies.

This perspective has been developed by Cambodia at the outset of this Millennium.

The Royal Government of Cambodia, through the voice of Prime Minister Samdech HUN SEN, committed itself to achieving the Millennium Development Goals (MDGs) which emphasized the importance of efforts to integrate peace and development, and called for a coordinated and comprehensive approach by all partners to support economic growth, social

sector investment, environmental protection, peace-building and the promotion of good governance, the rule of law, transparency, accountability, predictability and partnership with all stakeholders. All these concerns are duly incorporated in our country's Poverty Reduction Strategy Paper.

Our Government believes that economic growth is a necessary condition for poverty reduction, and external trade is necessary for economic growth. It is expressly recognized that increased trade and economic growth will not of themselves reduce poverty. In Cambodia, priority has been and will be given to sustainable and equitable employment generation, especially in rural areas, partly through support to the development of micro and small enterprises, based on adding value to diversified agricultural production, tourism, fisheries, handicrafts, and small manufacturing, and partly through other means.

The Cambodian experience in the field of trade, development and poverty may sound very familiar to our colleagues from LDCs or developing countries but if you put it against our country's background, you will realize that we have gone a long way from scratch. We hope these measures will put us in a better position to halve poverty in Cambodia by 2015 as set in our MDGs. Of course, to base our hopes to achieve these goals just on adopting the right policies to eradicate poverty in Cambodia will not be enough. Our pro-poor development and trade policies should be contingent to donors/ developed countries fulfilling their pledges regarding the 8th goal in the MDGs as earlier as possible and not wait until achieving them only by 2015. **The 8th MDG shall be a pre-condition for realizing the other 7 MDGs. Therefore, we call the donor community to double ODA in the near future in order to provide better chances to ensure that the MDGs are realized and lead to reduction poverty in the world by half by the year 2015.**

Mr. Chairman,

The Cambodian Government stresses the needs for our Conference to **focus on the linkages between growth and trade, between trade and the diffusion of new information and communication technologies (ICT), especially the Internet.** We recognize that common efforts to narrow the digital divide is key to poverty reduction, improvement in the living standards of the population and strengthening competitiveness of each nation in the quest for sustainable development in the era of globalization. The development of telecommunication infrastructure, especially the development of information technology is crucial for narrowing digital divide in the region and successfully implementing the e-ASEAN

project. In this sense, Cambodia is preparing for the liberalization of this sector by strengthening the capacity of the regulatory body and opening up for fair competition. This will ensure that the state interests are protected, and at the same time, providing guarantee that the telecommunication operators will receive equal treatment and that the rules of the game will not bend in favor of any strong player. Moreover, the government's priority is to encourage the activities and the participation of the private sector in the development of information and communication technology by providing adequate incentives to the companies to import technical expertise and state-of-the-art technology to promote development.

While commanding UNCTAD's efforts at securing a consensus of developing countries to start the third round of negotiations for the GSTP at this UNCTAD XI Conference, I would like to stress my Government's willingness to explore rapidly the possibility of acceding to this GSTP or revised GSTP. Meanwhile, we urge greater consideration be given to secured transactions in South-South trade as the legal framework in the developing countries might not be sufficient yet to foster trust among importers and exporters.

Last but not least, **UNCTAD's role in assisting acceding LDC countries to the World Trade Organization (WTO) is invaluable.** The degree of readiness of each acceding country is further enhanced with appropriate Technical assistance from UNCTAD. The successful experience of Cambodia in completing its WTO accession process cannot be separated from the consolidated support of UNCTAD Secretary-General, Dr. Rubens Ricupero, and his team of experts led by Mr. Victor Ognivtsev. Joining WTO is one thing, complying with WTO rules and regulations is more important for Cambodia if we want to enjoy the benefits of globalization. Therefore, I would like to **propose that further facilities should be afforded to UNCTAD so that that TA is extended to the LDC also after their accession in order to help them trigger the necessary reforms and fulfill those countries' commitments vis-à-vis the WTO.**

Thank you for your attention.