

06 & 07 November 2008 (The 3rd ACMECS Summit, Hanoi, Vietnam)
Cooperation and Future Directions — ACMECS & CLMV



04 November 08 — Samdech Akka Moha Sena Padei Techo Hun Sen is warmly welcomed by HE Nguyen Tan Dung, Prime Minister of the Socialist Republic of Vietnam in Hanoi (Photo — Reuters)

The followings are two speeches delivered in Hanoi by Samdech Techo Hun Sen on cooperation and Future Directions in the ACMECS and CLMV Summits.

ACMECS Cooperation & Future Directions

... Concerning our today agenda to review progress of ACMECS implementation after four years in pursuing Bagan Declaration and setting the future direction for ACMECS cooperation, I am pleased to note that significant progress has been achieved in bilateral projects between Thailand and member countries, and between Vietnam and other member countries in the areas of agriculture, transport linkages and HRD cooperation.

In cooperation between Cambodia and Thailand, we have notably made considerable progress in implementing

some projects such as the completion of Road 48, the construction of Road 67; and the Project on technology transfer in field crops production improvement was implemented in 4 provinces in Cambodia. This project would allow Cambodia to increase the productivity of maize, castor beans, sesame, soya bean, cassava, sugarcane, coffee and cashew nut, which are critically important for increasing agricultural productivity.

In our bilateral cooperation with Vietnam, we have started the construction of Road 78 from Banlung to O Yadav, Vietnamese border. The project on strengthening cooperation in trade promotion and project on establishment of the opened markets at border gates has been implemented. I appreciate that the construction of high/medium Voltages Power interconnection is on
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09 November 2008
55th Anniversary of National Independence & Armed Forces

... On this solemn occasion to commemorate the 55th anniversary of the National Independence's Day on 9th November and the anniversary of establishment of the Royal Cambodian Armed Forces, on behalf of Samdech Akka Moha Thormak Pothisal Chea Sim, President of the Senate and Samdech Ponhea Chakrei Heng Samrin, President of the National Assembly, I am extremely excited to participate with all our people, especially the people in Phnom Penh, to celebrate this grand meeting with mass parade... It is the historical day of the declaration of the full independence of Cambodia under the royal crusade and the noble mission of His Majesty Preah Karuna

Preah Bat Samdech Preah Norodom Sihanouk, the Heroic King-Father for Independence, Territorial Integrity and Khmer Unity, to claim independence from the French colonization in 1953.

All Cambodian people and myself always remember in our hearts the compassion and great sympathy of His Majesty Preah Karuna Preah Bat Samdech Preah Norodom Sihanouk, who has physically and mentally sacrificed for the causes of national independence, integrity, happiness and prosperity of the society with priceless achievement until today as well as paving the way for peace, development
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19 November 2008 [Unofficial Translation of Selected Comments]
LDCs' Ministerial Conference on Aid for Trade

In addition to the prepared text, Samdech Akka Moha Sena Padei Techo Hun Sen, during the opening of the 2008 – Ministerial Conference of Least Developed Countries (LDCs) - AID for Trade: An Industrial Agenda for LDCs, co-sponsored by the United Nations Industrial Development Organizations (UNIDO) and World Trade Organization (WTO) - made some remarks as follows.

Mr. Pascal Lamy, and all of you who have made efforts, with Cambodia as host, in organizing this ministerial conference of the least developed countries. What I wish to say in addition to what has been written is that not only when we are in the current situation but even in normal one, the least developed countries (LDC) have to stress the importance of solidarity, speak in one voice so that we all would guarantee a common success.
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Speaking in One Voice

Once gain I would like to take this solemn occasion to express my sincere appreciation and thanks to the Director General of UNIDO, Mr. Kandeh K. Yumkella, and Director General of WTO,

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the way. However, I would urge to speed up this project as Cambodia increasingly need power supply for people and economic activities.

While we have considerable successes in ACMECS cooperation, we are facing a couple of challenges such as the recent financial crisis in the US and Europe and the increased food prices. These challenges can have negative impacts on our efforts in promoting growth and poverty reduction.

The recent financial crisis can easily proliferate to our country. As a result of the ASEM meeting in Beijing, China and members of ASEAN and ASEAN+3 agreed that the impact of the financial crisis can be mitigated by expediting and strengthening the implementation of the Chiang Mai Initiative. However, this financial crisis is not a very serious problem for us since we see that our financial sector is sound and safe and is not widely exposed to external financial system. Nevertheless, we are still concerned about the impact of the crisis on our real economy. The decreased demand in developed countries, the reduced tourists and the fall of foreign investment into our region would have negative impact on employment and economic growth, especially the livelihood of the poor and vulnerable groups.

Indeed, it has been said that “crisis goes along with opportunities”. The current global financial crisis presents opportunity for us to strengthen and expand cooperation and regional integration in order to maximize benefit from our great economic potentials through expanding cooperation in financial and banking sectors, trade promotion, in-

vestment and tourism promotion in the region. In so doing, actions and measures aimed at promoting and strengthening regional integration are very timely and important in today context.

Another issue is the steady increase in foods and fuel prices which highly affects our economies. But if looking from another angle, I would say that higher food prices also present opportunity for developing countries to increase investment in agriculture in order to boost productivity and export. Specifically, Cambodia has about two million hectares of land for rice production. Its existing irrigation system can cover 30 percent of the land.

We can expand land to three million hectares for rice production. Moreover, Cambodia could cultivate about two to three times per year on the same land areas if we have enough water source and sufficient irrigation system. Therefore, I think that Cambodia has huge potential and can become a major exporter of rice. While seeing drought rice fields during dry season, it always reminds me that this is a great potential for Cambodia, which we can use it by investing in irrigation system and farmers’ productivity. Presently, Cambodia has investment agreements with Kuwait and Qatar to improve agricultural productivity, especially in rice cultivation.

In this context, I am very pleased with the successful conclusion of the trade ministers’ meeting last year which has come up with concrete plan of action and specific timeframe aimed at enhancing our cooperation in food. We have to admit that although ACMECS countries produce about 55 million tons of

milled rice per year, accounting for 13% of the world’s total production, our rice farmers are still facing many problems of poverty and poor livelihoods.

The benefits go more to rice traders who can influence prices of rice in the international market. Thus, cooperation in rice production and trade would improve the living conditions of our respective farmers who make up the majority of our population.

At the same time, we also need to exert our utmost efforts to promote projects in the areas of industrial and energy cooperation and the establishment of wholesale markets along the borders, and other common projects, which require substantial investments. In other word, we should make our utmost efforts to move those projects from “Study Status” to “Actual Implementation”.

In this regard, Cambodia highly appreciates the proposed declaration on Facilitation of Trade and Investment and Tourism, which will not only promote trade and increase the inflows of tourists, but also promote general development of the member countries.

To move ACMECS cooperation forward, I would like to share with you my humble thoughts as follows:

First, I believe that we should maximize the opportunities for private sector involvement. Therefore, our meeting with the Business Sector today is an appropriate step to maximize support from the private sector. We should encourage business sectors of the five countries to meet more often, thus they can materialize their support for

ACMECS projects.

Second, we should work together to generate more support under multilateral frameworks, particularly to attract international financing. We should follow up on the support of the development partners for the 14 flagship projects at the Foreign Ministers’ Retreat in Pakse in 2006.

Cambodia supports the initiative to transform Southeast Asia as a commercial transportation hub. I am pleased to announce that under the GMS framework, the ADB has approved the funding of US\$42 million for a missing railway link of 48 Km from Sisophon to Poi Pet. Malaysia provided used rail of US\$2.8 million. And OPEC Fund for International Development (OFID) provided US\$13 million for the rehabilitation of the railway link from Sisophon to Sihanouk Ville. This will not only connect Cambodia to Thailand, but also complete the Singapore-Kunming rail link, which will become a transportation backbone among the ACMECS countries.

For our future direction, I strongly believe that we should mobilize our resources and double our efforts to implement the existing projects in the 2006 ACMECS Plan of Action. This already well reflects the current circumstances, priorities and needs of member countries and guides the ACMECS cooperation towards the year 2012. In this regard, we should mandate our Foreign Ministers and Senior Officials to closely oversee and monitor the respective working group of the seven sectors of ACMECS focusing on concrete implementation at project level. To this end, Cambodia would be

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pleased to host the ACMECS Summit in 2010... ■

CLMV Progress & Future Directions

This Fourth Summit is an opportunity for us as the Leaders to provide further guidance on the implementation of the revised action plan that we adopted unanimously at the third Summit in Cebu, the Philippines early 2007.

I would like to thank our ministers and senior officials for their hard work and utmost effort in timely translating the revised action plan into a list of project proposals with costing, source of financing and specific timeframes in the prioritized fields of cooperation. I am pleased that our officials eventually were able to ensure that there is no duplication of CLMV action plan with other cooperation mechanisms particularly at the project levels. However, the tasks ahead of us are to work out innovative and creative mechanism including financing in order to translate the projects into actual implementation.

Before going to make a review on areas of cooperation under CLMV framework, please allow me to briefly raise the issue of the current financial crisis which is the concern for all over the world. According to assessments by experts, the current financial crisis being witnessed in the United States and other developed countries would have some negative impacts on our economies. Unlike the build-up to the 1997 Asian financial crisis, there are currently no signs of large current account deficits in our region and so far Asia's banking sector remains healthy. Therefore, this region's financial sector would

be likely under the pressure of the global environment, though in general we hope that there would be no significant problems emerging. Nevertheless, our respective country as well as our whole region should enhance monitoring in the management and ensure macroeconomic and financial stability. Especially in the regional framework, the closer cooperation in financial and banking sectors should become our top priority.

Export growth has held up pretty well so far for much of the region, but it is likely to gradually slow down when the developed countries face the economic recession. The countries under large garment and textile sectors, which export to the US and European markets, will also be at risk. Moreover, financial crisis and world economic recession will slow down the flow of investment and tourists into our region. This would have negative impacts on developing economies like CLMV.

In response to this critical challenge, we should also see that our region as well as our respective country still has enormous potential through promoting cooperation and regional integration in order to enlarge economy of scale, strengthen trade, promote investment and enhance tourism. Moreover, the world food shortage is opening a new opportunity for us to jointly diversify our economies to a greater extent through rural development and the increase in agricultural production, which will strengthen our sustainable growth.

Therefore, this time is very critical for all of us to jointly find ways to strengthen our bilateral and multilateral cooperation to a higher level,

especially among CLMV countries by focusing on agriculture, linkage of physical infrastructure, trade, investment promotion and tourism.

Let me now return to our main areas of cooperation under CLMV framework. By giving equal importance to the 9 areas of cooperation, Cambodia has submitted 20 projects to promote cooperation in agriculture, industry and energy, tourism and transport. Cambodia highly appreciates the initiative of Vietnam to establish CLMV Scholarship Scheme for vocational and post-graduate training. I believe this is a very practical project to lead the HRD cooperation. At the same time, Cambodia attaches a lot of importance to trade and investment promotion among members. Trade fair is also a practical and easy start project which will help increase trade and investment flows among and between the CLMV countries with the outside.

Cooperation in transport is also indispensable for CLMV as we want to make the best use of economic corridors across the CLMV countries such as the East-West Economic Corridor, the Southern Economic Corridor under the GMS.

In this regard, Cambodia continues to promote the feasibility study of the construction of 67 km of National road NR 301A from Siem Pang (Stung Treng Province, Cambodia) to Cambodia/Lao PDR border. Moreover, Cambodia urges the Transportation Working Group to conduct the studies of road links from Siem Reap-Stung Treng (Cambodia)-Champasak (Laos) and Siem Reap (Cambodia)-Koh Khong-Champasak (Laos). We have seen very clearly that trans-

port linkages alone can contribute to the better cooperation among the CLMV member countries.

Cambodia proposes to seek funding for the building of the border check-point between Cambodia-Laos at Trapeang Kreal as well as to upgrade the National Road 7 from Stung Treng to Trapeang Kreal. Cambodia also requests continued works to upgrade the road from Banlung (Rattanakiri) to the Cambodian-Vietnamese border at O Yadav (70 km). Another important initiative is the upgrading of the existing Southern Economic Corridor to the level of Primary Highway with four-lane class. Last in our proposal in the transport sector is to further find financing for the construction of the missing railway link between Bat Deng-Loc Ninh to complete the construction of the SKRL (Singapore-Kunming Rail Link) project.

I believe that all of these projects under our cooperation framework now need a permanent support structure. It is time to think of institutionalize CLMV cooperation by establishing working groups for each sector. The working groups can then tackle project financing issue which remains a fundamental challenge for CLMV. The working groups should be tasked to resolve this financial issue in several areas as follows:

Firstly, Domestic resource mobilization among the CLMV countries and exploring the feasibility of establishing a CLMV Fund to be used to provide seed money to CLMV projects;

Secondly, Enhanced cooperation with ASEAN Secretariat and the dialogue partners to

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to write letters, because their assistants help them write.

Since you have shown your ability and knowledge in the exams and because you will have good curriculum offered by the University of Cambodia, you all will become new generation of intellectuals with professional consciences and young generation of leaders in future. Maybe 20% of you all will become heads of institutions, offices, departments, 30% will become community workers and the remaining 50% will become production force of our society. Maybe 2% of you will become politicians - in so and so parties and you may become parliamentarians.

I would therefore urge you to make more efforts and with your endeavors in your study you will reach your targets and become the capable force of our society, the pride of our nation. As I can remember, 29 years ago in April 1979, when we started the Ministry of Foreign Affairs, there was one Minister, one assistant and one guard - three persons to run the Ministry. In those days I remembered there were many who cheated with their education background, again in 1992 and 1993.

Many people fake their pasts in their biographies. Some came from foreign countries and claimed to have Ph D but they never have thesis and countries of origin could not prove them to be ones.

I thank Mr. Rithy Thakral and family for their understandings in providing this kind of assistance to our people and they know that it is what Hun Sen wants - building schools, giving scholarships to students, etc. I just sent a few months ago some ten million

Riels (about 2,500 US dollars) in assistance to a young boy who had both of his hands amputated but made great efforts in his life to write and read and eat on his own. Since you all have a better chance than him I would urge you to make the most out of this opportunity for own sake and for the society.

With regards to the situation along the Thai-Cambodian border, some people think that the Royal Government of Cambodia will conscript our youth into the army so as to fight in the upcoming war. We have more soldiers to fight than we need, why should we need to impose military obligation? Some politicians like to talk about military secrets. Will you get information from the US military? Will they tell you how many soldiers they have? Please do not feel that freedom is to know everything, as it could jeopardize national security.

We will have to conscript some to replace old soldiers but not general conscription. It is not the time yet to implement military conscription while it would also take a lot of money to do so. The conscription will be for 18 months, but we will spend 6 months already in training, whereas the 12 months left would not be enough.

Besides we have to spend at least on uniforms, etc. The situation has evolved from confrontation and armed clashes to negotiations ... The war broke out when I was 18 years old so I was not the one who is responsible in waging wars but I am sure that we are the ones that put an end to wars. We will not seek to make war with anyone but to keep our country in peace and self defense if need be... ■

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and solidarity for the whole Cambodian society, which we, as your children, grandchildren, great grandchildren, have always followed up this noble development path. This priceless, deepest and greatest compassion has been carved in the golden page of the Cambodian history, which will never ever be deleted, by all Cambodians.

I would also like to express my deepest gratitude to Her Majesty Norodom Monineath Sihanouk, the Heroic Queen-Mother for Freedom, Dignity and Happiness, who has always stayed near, followed and supported His Majesty Preah Karuna Preah Bat Samdech Preah Norodom Sihanouk in the noble royal missions for the causes of our nation and people.

At the same time, I would like to express my deepest sentiment and loyalty to His Majesty Preah Karuna Preah Bat Samdech Preah Baromneath Norodom Sihamoni, King of the Kingdom of Cambodia, who has always continued to pursue noble royal mission of the King-Father and fully supported the Royal Government for the causes of national peace, stability, extensive solidarity, social progress and the promotion of the livelihood, welfare and harmonization of the people.

Along with the 55th anniversary of the National Independence's Day today, we also celebrate the 55th anniversary of the establishment of our brave Royal Cambodian Armed Forces, established by His Majesty Preah Karuna Preah Bat Samdech Preah Norodom Sihanouk, the Heroic King-Father for National Independence, who have been fulfilling their noble mission to maintain peace, territorial

integrity and happiness of the people, as well as to protect various temples of national relics, that are great heritage of Cambodian ancestors, from any aggression.

Taking this precious moment, I would like to extend my profound appreciation and respects to officers and soldiers of the Royal Cambodian Armed Forces who have fully supported the government's policies; firmly respected the constitution as well as laws and regulations issued by the government; and uncomplainingly transformed themselves into the armed forces with order, honor, dignity and bravery to be the real children of the people and sacrifice their lives in fulfilling their noble mission...

Based on Cambodia's capacity and real needs, the Royal Government of the 4th legislature will carry on the implementation of armed forces reform in order to ensure the effective protection of sovereignty, territorial integrity, security and social order of which the priority is to transform our armed forces; to be professionally-skilled, capable to succeed and well-equipped with technologies and equipments; to firmly respect law, regulations and human rights; to be loyal to Nation Religion King and willing to make all sacrifices in order to protect territorial integrity, national interests and people; and to further strengthening social and professional ethics to enhance confidence on our armed forces.

Cambodia has been enjoying the fruits of peace and full territorial unity and integrity as the result of the "Win-Win Policy" of the Royal Government as evidenced by high economic growth and poverty

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Below Import Standards?

As we know all meetings have made higher and higher promises of development. Promises, including the one that pledges 0.7% of GDP as aid, have not been realized yet. A few countries in Europe have fulfilled their promises, while we notice that trade barriers are being erected against the poor countries. LDCs have all been open for products from developed countries. But when we send our products to developed countries, we have encountered strong barriers – from tax tariff to various forms of condition or quarantine issues.

What they consider inapplicable in protecting their economy or products, they would turn away by saying only a phrase “(the products are) below standard for importation.” Their products came into our countries freely and at high prices. On top of that we have heard they said about cease of agricultural subsidies in their countries, but most are still there.

World Financial Crisis Impacts

As a result, agricultural productions in our countries are cheaper compared to theirs, but we could not bring them to markets in their countries. The reason for that is because they still have agricultural subsidy policy in place. I think to address this issue the least developed countries have to unite and to speak in one voice so as to secure success in negotiating process and continue to negotiate with hope though the world is hit by financial crisis, and at the time that the rich countries have to bail out their financial and economic ailments.

While doing so, LDCs are

aware that the rich countries will reduce its oversea development assistance (ODA) or cut down loans via multilateral financial institutions. Some countries have resorted to barring loans to foreign creditors but to only local banks. This makes some projects with financing sources from foreign countries feeling the impacts from this trend.

Last week I attended the ACMECS meeting in Hanoi. I have reminded the member countries on one fact that ACMECS members have made countless products into the rich countries, take for instance Cambodia exported a sum of about 36,000 US dollars into the markets in Europe, the US. But as the crisis takes place, countries with lower income would not be in the position to make more orders for costly dresses.

They therefore will have to reconsider low cost dresses made with average labors and skills. Take for instance man's suit could cost 200 US dollars at the lowest and 4,000 US dollars at the highest. If they in this instance turn to cheaper made suit, it would not be too bad.

Opportunity Always Exists in Time of Crisis

I have looked at the list of participants and it reminds me of a number of countries in Africa that I visited in the times when I was Deputy Prime Minister and Minister for Foreign Affairs. Recently Guinea contacted Cambodia to purchase some agricultural products. This has made me think that in time of crisis there are always opportunities as at the time of fuel and food crisis Cambodia could see the opportunity of expanding production to provide food for both local and the world.

Partners Vs Competitors

Among the five (ACMECS) countries we have the objective to create an Association of Rice Exporting Countries (AREC), which is exporting a total of 50% or 53% of rice in the world. Some say the idea of establishing this Association is for bargaining edge with OPEC.

The reality is different, OPEC is for exporting oil and when oil price hit lower they also reduce their production whereas AREC will increase its production so as to meet the world demand for food. I think we should try to cooperate and speak in one voice on this matter. But we should bear in mind that we are both partner and competitor because among the five countries members of ACMECS – Cambodia, Laos, Myanmar, Thailand and Vietnam, we all try to make cooperation and also to attract own foreign investments.

Win-win Competition Principle

The principle of competition though should be carried out in a win-win manner, where everyone could be an integral part so as to develop altogether. As an example, Cambodia should not think that when its neighboring countries are in difficulties, factories would move to Cambodia or Cambodia would have the chance to have tourists coming to Cambodia instead of those in turmoil. It is not a good thing. We have to see it as an interdependent situation, which one fault in the system would have impact on the others.

Take for example the terrorist attacks would not only have impact in that particular place but to other countries related and when the airlines are under threats of attack no one

would be willing to take the flight and they would not get to their destinations at all.

Excellent Stay In Siem Reap

As for our guests who are present for this conference, I would wish you all an excellent stay in Siem Reap province though what this city used to be in 1979 would not be similar to what you have seen here today. People have been evacuated whereas about three millions lives were taken. It has taken us 28 years to finish the war in Cambodia and to put an end to it wasting not even a single bullet.

Khmers unite under the Constitution, HM the King and the Royal Government of Cambodia irrespective of races. For your information here we have only two hotels left from the previous time whereas about a hundred new hotels are now catering their services. Among them about ten hotels are the investments from abroad whereas the rests are covered by local investors...■

(Continued from page 3) seek financing under the IAI framework.

Thirdly, Encouraged participation of Private sector in projects;

Fourthly, **Joint effort** to improve market access to products originated from the CLMV countries, and seeking special treatment from development partners for market access under the frameworks of the ASEAN Integration System of Preference (AISP);

Fifthly, **collective work** to generate support for our initiatives under bilateral and multilateral frameworks, particularly in attracting international financing from ADB & other development partners... ■

17 November 2008 [Unofficial Translation, Selected Comments]
First Cambodian Bio Energy's Ethanol Factory

First Inauguration after the Formation of RGC

I have a great pleasure today to be present with all of our people and monks as well as our dear Korean guests in putting into official use the factory that will produce ethanol, bio-energy at the investment of MH Bio Energy Company from the Republic of Korea. This indeed makes me happy because it is the first inauguration to do in one and a half month after the formation and running of the new Royal Government. I wish to take this opportune moment to give my heartfelt appreciation to the Ministry of Industry, Mines and Energy for its efforts to provide necessary facilitation for the project to actually take place. HE Suy Sem, Minister for Industry, Mines and Energy has mentioned on the investment project in his speech and on how to go about getting a factory of this kind to take shape. It is not a big one for Korea, but it is the first of its kind in the Kingdom of Cambodia, and is indeed a big one for us. The factory we inaugurated today symbolizes not only the success of the two countries' cooperation but truly of the Royal Government of Cambodia. The factory has indeed started in the third legislature of the National Assembly Royal Government, and has finalized and operationalized with our inauguration in the early part of the fourth legislature National Assembly Royal Government. The Board Director of MH Bio Energy - Ethanol came to see me on July 15, 2008, perhaps in his unbending confidence that the CPP would be reelected, and Hun Sen would once again become the Prime Minister to invite me to preside over the inauguration of the company. The people of Cambodia as

well as our foreign friends have had confidence in the election victory on July 25, 2008 for the CPP.

Initial Output - 36,000 Tons of Ethanol

According to the report of HE Minister Suy Sem, as well as that of BH Bio Energy, the initial output would be 36,000 tons of ethanol. The average consumption or requirement of tapioca chip is about 10,000 tons per annum. The factory has the capacity to produce between 300,000 and half a million tons of ethanol when it comes to its full swing operation. While inaugurating the factory, we should indeed say we are open a new market for our farmers who cultivate tapioca. Judging from the capacity of the factory, only between 200 and 500 jobs have been created but when it comes to marketing tapioca, we have provided a window of opportunity for farmers. We hope the factory will increase its pace to full swing production so that more of our farmers will be able to benefit from the tapioca demand. Tapioca in Cambodia is no longer serving small purpose of processing food for consumption but becoming raw material for bio fuel energy production.

More Will Grow Tapioca

If I am not mistaken, the figure this year shows that our farmer grow tapioca on 170,000 hectares of land while last year was 100,000 hectares only. With this market demand I am sure more, like in Memot, Damber, Snuol, Tbhong Khmum and some others like in Battambang, will grow tapioca which will give them better source of income. I would also urge HE Chea Sophara - Minister for

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reduction over the past decade. Cambodia has integrated into the region and the world and plays a dynamic role on equal footing and with equal rights in various sub-regional, regional, inter-regional and international organizations. Peace, full territorial unity and political stability, unseen for decades, allows Cambodia to implement its reform programs in all sectors to re-build institutional capacities, strengthen socio-economic infrastructure, and create a highly conducive climate to attract investments from both domestic and overseas sources to enable strong economic growth and poverty reduction.

Based on the prudent and interlinked implementation of public finance and monetary policies in combination with the free market policy, the Royal Government has realized macro-economic stability and favorable conditions for development. Double digit growth within the last 4 years has created jobs, increased people's income, improved production and productivity both in terms of quantity and quality, and reduced poverty rate from around 35% in 2004 to 30% in late 2007. Governance has also been improved. The quality and coverage of public services have been improved and expanded respectively to address the people's actual needs.

Once again, the outcome of the General Election on 27th July 2008, which was nationally and internationally deemed as free, fair and transparent, clearly reflects the full and authentic support from the majority of people to the elected government to carry on leading the country on the path of development and reform in all sectors towards

progress and prosperity. Therefore, the Royal Government of the 4th Legislature is obliged to carry on its historic and noble mission to accelerate development progress and the implementation of deepening and comprehensive reforms.

In this spirit, the Royal Government has laid out and determined to successfully implement the "Rectangular Strategy" for Growth, Employment, Equity and Efficiency -- Phase II which is the "Socio-economic Policy Agenda" of the "Political Platform of the Royal Government of the fourth legislature of the National Assembly" ...

1. *Ensuring sustainable peace, political stability, safety, and social order which aimed at promoting the rule of law, respecting human rights and dignity and liberal multi-party democracy.*
2. *Ensuring sustainable long-term economic growth at around 7% per year on a broader and more competitive economic base in the context of low, single-digit inflation.*
3. *Ensuring the poverty reduction at a rate of over 1% per annum, and the improvement of main social indicators, especially in education, health and gender equity.*
4. *Ensuring a credible and broader coverage, efficiency and quality of public services.*

... The Royal Government clearly understood that the four prioritized objectives mentioned above are highly ambitious, especially, in the

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Rural Development to help check the news that people in Damber district have sliced their tapioca but I do not know if they sell their tapioca chips to Men Sarun's company or for who. I also do not have the information if their chips are not up to the standard or else. This is a major issue if we could not absorb most or all of the chips people produced the factory would one day in the future be threatened. Actions must be taken to see if people in Tbong Khmum could sell their chips or not, if they have hard time to sell, they would not grow tapioca anymore and this is the threat.

Tapioca Processing Facilities

We have a factory that processes tapioca in Kompong Cham province, in the village of Khna, Sanlaob commune, Tbong Khmum district, which produces between 15,000 and 20,000 tons of tapioca chips. We also have one other factory in the village of Taingyu, O Da commune, Kamrieng district, which could do between 15,000 and 20,000 tons of tapioca chips too. Initially the two major factories could supply their products to the factory here - BH Bio Energy - for ethanol production.

Please allow me to share our people's and everyone's joy. I am so worried about contract farming in which people are contracted to grow and sell their produce to the contractor whereas in the case they could not turn to the contractor to sell their produce, and other traders refuse or offer them unreasonable prices, our farmers will find themselves between losses on either end.

Other Benefits Related

As is said by HE Suy Sem, Minister for Industry, Mines and Energy, this has shown 6

different correlations between industry and agriculture.

Firstly, the provision of addition value on raw materials, where in this case the tapioca chip, which before we exported them unprocessed. Now tapioca in our country has the chance of serving not only the demand for fuel but also fertilizer. Secondly, this will create jobs and income for both farmers and workers, thus contributes in the poverty reduction program in Cambodia. Thirdly, technical and skill training will be conducted and provided for staff and workers according to their tasks while fulfilling their jobs - on the job training. Fourthly, transfer of new technology that is not available before for which I am so grateful to our Korean friends. Fifthly, this will serve our target of expanding and promoting exports with a contribution to address trade imbalance as this is going to be a new product. It will have a share in our export which is more than 4 billion US dollars per year. Sixthly, this will create other services relating to or supporting for bio energy.

Fuel to Lower Price

We all know that the world is in midst of crisis relating to oil and food, and oil has become a check and balance in the fact of price rise in food. Higher oil price makes higher food price. In the Philippines, because they have been so worried about energy security, they transferred land from food crops to energy crop. Because of the food security they once again transfer land from energy crop to food crop cultivation.

The US is another example. This has indeed led to the fact that food which is grown in smaller size of land has gone high in price. Today I would

like to appeal to all fuel companies, local and foreign ones, to make more efforts in bringing the prices down. I learned from the weekly report of the meeting HE Deputy Prime Minister Keat Chhon informing me that two local companies have reduced their fuel prices - Sokimex and Tela while Total, Caltex, etc. have yet to bring their prices lower. I urge the local companies to reduce the price further because the price of oil in the international market has gone down to about 54 US\$ per barrel from about 140 US\$ last July. The local price at the time jumped to 5,700 Riels per liter. It has come down to a comparable level yet when the price of oil has gone down drastically.

I could not order you to lower the price as it is against the market norm or the rules of the World Trade Organization. The State is not in a position to determine the price but it is so funny to see that some people who declared themselves the free world economists and who accused us of being the communists have pressingly suggested the Royal Government to set the price.

As far as the price of fuel is concerned, the Royal Government has given a good understanding of your concern in clearing stock from the fuel crisis period, but it should be way over now. I request two companies - Sokimex and Tela to work out some price cut and should not be concerned of what the foreign based companies would do. I guarantee similar quality. I have here the Sokimex and Tela's offers - they bring down the price of fuel - gas and diesel - 200 Riels per liter.

Every Crisis Comes Opportunity

When we face with the food situation, our farmers which make 80% of the population were so happy, but the 20% are not happy with the Government. However, we noticed that our people have a good understanding about this bitter fact. Take for instance the electoral campaign took place at the time when fuel price has gone sky high but some politicians complain to farmers of the rise of rice price without noticing that it is indeed our people's wish to have their produce sell at high price. They lose the election no doubt. Every crisis has implicit opportunity.

There is this world crisis of food, but Cambodia is farming country with potential to produce food on a larger land, some could be spared for the production of ethanol raw materials. This has indeed to illustrate the fact that we have to promote food production and increase our potential for processing aimed at serving local demand in replacement of those imported from outside. Cambodia has a share of 30% from its agriculture in the country's GDP - though it has gone down in figure from 48% to 30% does not mean we have less share from agriculture but we have more rice for export.

Four RGC's Objectives

I have pointed out once again before HM the King during the 55th anniversary of the country's independence that we have to 1) maintain peace, political stability as without the two we cannot sustain development, and investors would leave; 2) maintain economic growth at the approximate rate of 7%, but we hope that we might obtain a better result; 3) move the poverty rate one point lower per annum; and 4) provide better

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19 November 2008 (Unofficial Translation of Selected Comments)
UC's Vision 100—Scholarship from Rithy Thakral & Family

Today it is my great pleasure to be here with all of you to present the scholarship of "Samdech Techo Hun Sen Vision 100" which is the generous offer from Dr. Rithy Thakral, the President of Thakral Group and family from Singapore. It is indeed a pleasure to give my appreciation to the University of Cambodia which always makes great efforts in seeking scholarships for providing to students from poor families so as they could continue their studies. With the Vision 100 Scholarship, I think we have added a new kind of scholarship to our list. Because we have 100 students covered in this scholarship, it is hopeful that we will double figure every year until perhaps 1,000. Efforts made in seeking sponsorship in form of scholarship has been remarkable and it is good to note that among the 100 students selected for giving scholarship most of them are coming from different provinces in the country. Dr Kao Kim Huon already mentioned about how to go about setting a selection criteria and the contest for scholarship. The 100 students have been selected through contest from 3,548 candidates. I am sure you all have made personal best effort to pass the test.

I would urge you to understand that it is not an end in itself just to have passed the test to get the scholarship. It is indeed just the beginning. It should not be assumed that achieving scholarship is automatic to have finished the tertiary education. You have to make further efforts in your study until you get to finish the bachelor or master degrees. Even when you have finished your doctorate degree, you should go on in the

study like a slogan that goes "study and study." I would stress here that all leaders no matter at whatever level you may be - top to middle levels Minister or Secretary of State - must continue to study.

I would urge those of you who have been granted the scholarship to work hard and follow your professors' instruction and you have to make efforts in doing your homework and research. I would give you my experience here that whatever is the product from your own research and findings is there to stay with you, Plagiarizing is not your own and you will not remember it. A few months ago, maybe before the elections, I saw a girl who competed in the US, when she was interviewed by the Bayon TV. She is between 16 and 17 years old and is the one who conducted research in bio-fuel. She won the silver prize among participants from some 70 countries. I think we should try and find her to help her in her study so that she could become one of our scientists or inventors.

I am so proud of research work and I would suggest that more efforts and resources should be made available for this kind of training. Only by doing so we will have technicians and researchers like in other countries. Research will provide us insights to any disciplines and invention from them will be sold to technical companies who will have to pay for intellectual property. That is why I urge you to produce your own and not to plagiarize as it will not be staying with you. Leaders are the same, when they do not have their assistants with them they do not know how

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 and effective public services for our people and for investors.

World Financial Crisis

It is indeed hard to understand now who is going to advise who. The World Bank and IMF came about advising us small countries of what to do but as it has shown, the US, then Europe and some countries have experienced the impacts. In Cambodia, because we do not have stock exchange yet I think we do not feel the impact in this sector. Now G20 countries are meeting to work out their bails and measures. I would accept that what happens has had some mild impacts on Cambodia, especially exports. However, based on this crisis, we have looked to the food production and ethanol production for energy as well.

National Independence & Water Festivities

I would like to take this opportune moment to thank HE the Mayor of Phnom Penh city, the Governor of Kandal who have made efforts together with the armed forces and the people of Phnom Penh in making our festivities on the Independence Day, and the Water Festival to proceed in a safe and joyous manner with roughly 4 millions people taking part. I have sought the agreement from HM the King that we have to try and make the Water Festival one of the best events because unlike other events, this is the only one that brings our people from countryside to the city.

Remarks on Rumors and Political Developments

It has been rumored that there will be a change of Phnom Penh Mayor. I got a call from the Minister of Information from Kompong Cham. Who

is going to pull the Mayor off his seat if the Prime Minister does not do so? In the wake of the General Commissioner Hok Lundy's death, Gen. Net Savoeun, who is my nephew in law has taken over the job... I got criticized for naming him the General Commissioner. What can I do if he is second in command and he has been doing this police job for his whole life. Some politicians have said I have tricked them to come to the meeting. I could not remember when I talked to him/her if they seek for the post of head of commission/s in the parliament, I would tell them it will be their dream ...■

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current context of deepening global financial and economic crisis. Indeed, poverty reduction is a task which can not be addressed in a single day or even a year. However, based on the experiences and various achievements we have obtained so far with our unwavering aspiration and determination as well as the broad sense of national unity in enhancing the implementation of sustainable and interconnected activities in all fields, we are strongly optimistic that our nation can achieve together the vision of building Cambodia to become a country with peace, political stability, security, social order and sustainable and equitable development, as well as strictly respecting the principles of liberal multi-party democracy, human rights and dignity, having interconnected cells and highly educated citizens living in harmony in the society and family. All of these aspects will contribute to ensure national independence and sovereignty and will upgrade the Kingdom of Cambodia's image in the international arena...■