

Cambodia New Vision

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ADDRESS BY SAMDECH HUN SEN TO THE TENTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) (BANGKOK, 13 FEBRUARY, 2000)



I am very pleased to represent and speak on behalf of Cambodia and its people at this very august meeting.

We are meeting here on a very appropriate occasion to discuss an over-arching subject of immediate importance to all of us. This is the first major United Nations Conference at the start of the new millennium, although the subject before us has already drawn world-wide attention both at Seattle and at Davos recently. We are also meeting in a country which has been an example of growth in the past and underwent in the last two years the pains of a financial cataclysm, and now shows successful and determined efforts at recovery.

As you all well know, Cambodia was at the peak of splendour and glory at the beginning of the past millennium. It was using the then modern technology in architecture, agriculture and urban planning and maintenance. It had been reduced to a feeble image of its earlier glory in the last few decades of the century due to civil war and unrest fuelled by internal division and self-serving external forces. But, thankfully, and in a large measure due to the determination of its people and their

leaders, and with advice and substantial support from all friendly countries, we are fully back on track as a united, peaceful, democratic and forward looking nation. We have re-entered the international arena only recently and have also become a proud member of the regional organization, ASEAN. We are starting the new millennium with renewed hope and optimism and a commitment to do, along with other nations, all we can to enhance the human condition both at home and the world over.

Cambodia is a small nation, still at the lower end of the global spectrum characterized by wealth and prosperity at one end and abject poverty and deprivation at the other. At this conference we have no grand success stories to cite; nor very dismal economic failures to learn from. We are here to learn from the deliberations which will surely touch upon many aspects of the subject before us.

As a nation, we also have a vision for our future. I shall therefore endeavour to take some of your time to voice the aspirations, needs and concerns from our perspective and to table some issues. I propose to do so from a more comprehensive look at development, not merely from the more immediate economic angle. You may be aware that most of what I will say is well known but warrants repetition.

From our immediate perspective, let me acknowledge with gratitude the

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ADDRESS BY SAMDECH HUN SEN TO THE CLOSING CEREMONY OF THE ANNUAL CONFERENCE OF THE MINISTRY OF RURAL DEVELOPMENT (29 FEBRUARY, 2000)

It is my great honour to preside over the closing ceremony of this Annual Conference on the Rural Development Achievement of 1999 and Planning for 2000. On behalf of the Royal Government of Cambodia and myself, I would like to congratulate with appreciation for the efforts that have been committed by the MRD's officials and personnel during the last few years. I also wish to express my appreciation for establishing close co-operation with relevant ministries and provincial authorities to implement rural development activities effectively. At the same time, I would like to take this special opportunity to express my profound gratitude and sincerely thanks to International Organizations and NGOs for the contribution and assistance to rural development in Cambodia.

This is one of special occasion that I wish to share with you here my vision and some measures necessary for rural development as a strategy and policy to alleviate poverty. As I always said before many times that I am declaring war against poverty and this war must be based on long-term vision, realistic strategy and concrete plan of action, and it depends on our capability and potential.

Going to this new century, Cambo-

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support and assistance we have received from UNCTAD so far. We have also applied for admission to the World Trade Organization (WTO) as we believe it would give us immense boost to our trade with all nations. But as you all know, this is a time consuming process. I would therefore urge UNCTAD to provide all assistance to help us, and other Least Developed Countries (LDCs) in a similar situation, to speed up this process and to assist in the negotiation process, especially through upgrading the abilities and skills of the national negotiators. Assistance is also needed to help gain better access to markets in developed countries and in identifying potential markets for Cambodian products. The key should be to harness and better use our comparative advantages and endowments in natural resources and low labor costs and productivity as amply demonstrated in our fastest growing, export-oriented, garment manufacturing industry.

Let me now turn to more general issues. We have all witnessed how “Globalization” has become a watch-word and a catch-word in the past few years. But, like “beauty being in the eyes of the beholder”, it has also come to connote different meanings to different groups, participants and observers. On this occasion, therefore, it is better for all of us to get to grips with what we all mean by this word.

For most part, “Globalization” is talked, in economic terms, of free trade without borders which we all heartily subscribe to. However, in practice, this free trade has been acting mainly in favor of those who seek abundant resources, markets and profits. But, for those who want to get on the band-wagon of fast growth and prosperity and sell goods to developed markets, this free trade philosophy, sadly, also comes with domestic-policy based barriers in the consuming countries. Protection of one’s labor force against healthy competition is the basic driving force is the cause for creation of such barriers. For example, commodity prices stand artifi-

cially lowered through substantial subsidies in the developed countries. Modern technology and even life-saving medicines on the other hand are over-priced and beyond the means of the needy. Free competition is still a somewhat one way street.

Freedom for market forces to operate at their own quixotic will and pace, driven by short-term gains, have proven already disastrous as exemplified in this region just two years ago. There is a paramount need to establish and enforce a policy-based set of parameters within which the market forces will operate.

Much needs to be done to encourage and enable developing countries to reach their full potential and to use their comparative advantages in low-cost productivity factors. Attaching unreasonable and stringent conditionalities to use of such factors and to achieve standards which took centuries to be reached elsewhere, thwarts and negates the underlying principle of growth and free trade. I am glad to say that in the ASEAN, we are already making efforts to ensure that, within the region, there is free and seamless flow of ideas, talent, and investments so that all countries benefit according to their capabilities and needs.

Globalization cannot be discussed in the abstract only in regard to economic liberalization. The envelope has to be expanded beyond its restrictive economic and free trade parameters. It should extend to achieving a common minimum level of human condition the world over in the shortest possible time. This has to be in essence the goal of all development. While various tools to achieve this goal, such as economics and free trade, need to be discussed in depth and agreed upon in a somewhat segmented fashion, we should never lose sight of the final goal of sustainable development, not only for a few, but for all humanity.

With over a billion people in poverty, more nations and people in the less privileged and deprived category compared to the few who have

excesses, and the ever enlarging gaps or the economic-divide between the haves and have-nots, our final goal is still sometime away from sight. The various dogmas, strategies and formulae tried so far all around the world have worked successfully for some, for some time or have certainly catered to their “present”. At the same time, they have also unleashed new problems for the “future of all” through large-scale depletion of irreplaceable resources and environmental and atmospheric degradation to such an extent as to threaten human survival in the longer-term. Fast growth in one part of the world and demand for goods and services engendered there will not alone start a trickle-down effort for the billions of poor people elsewhere.

Within each country, pro-active policies and programmes are required and are possible to alleviate poverty and to uplift people, as has been witnessed in some ASEAN countries.

We therefore stand at an important juncture to invent a new inclusive “developmental paradigm” which will benefit the many and uplift them to acceptable levels of human condition. This new paradigm has to be based on age-old human “values”, away from the narrow ones now driven by stock-market prices and wallets.

Along with this new paradigm we may also have to think of devising a new yard-stick of measurement of progress towards this goal – may be an index of “minimum human consumption” based on a basket of essential needs such as food, shelter, clean drinking water, energy, education, good health and economic opportunities.

An essential ingredient for the future should be to reinstate the sense of “sharing” which has governed human existence from the dawn of history but has somehow got diluted in the race for economic growth in the recent few centuries. Global resources, used in a sustainable man-

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ner, will be finite. Sharing is therefore a necessity not a charity. Sharing will involve some sacrifice and even slowing down in more advanced nations. Sharing has to be between neighbours at the individual level, between communities, between nations and regions.

In a more development sense this sharing has to extend to more transfer of financial, technical and technological resources and free opportunities for trade to developed markets without hidden conditionalities and domestic subsidies. A good step has been taken to write-off the heavy burden of outstanding loans to some of the poor countries. This has to extend to many other countries including Cambodia. More "grant" rather than "loan" funds have to flow to them for development till they reach a minimum threshold.

The developing countries have their part to play as well in protecting human rights and the environment. They have to adopt and apply measures to preserve and use natural resources in a sustainable manner so that they continue to provide sustenance and support to all future generations as well. They would of course need free or subsidized availability of expensive technology to contain environmental pollution arising from manufacturing processes. I have only outlined with the broadest strokes of the brush the global needs to be debated and analyzed so that common consensus could be reached on measures acceptable to and implementable by all. I am convinced that given the vision and commitment for the future of mankind which we all agree upon, these are entirely achievable.

I have no ready solutions or answers to the myriad issues involved in charting the future. But, as I had said on another recent occasion, the world leaders have a rare and grave responsibility to do some real soul-searching as we step into the new millennium. We have to set aside our daily chores and power games and devote our attention to the problems of the long-term future. A few

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Cambodia is marching into a new period in our history that provides with favourable environment and better opportunity conducive for development. Cambodia is facing many constraints and challenges, which we inherited from the recent past, and also were influenced by the recent crisis around the world. But despite of this, I strongly believe that Cambodia is able to go forward, able to manage our destiny and be an equal partner with other countries in the region as well as around the globe. This belief is based on three factors:

- ◆ Peace and unity is restored and the foundation for durable and

hours or days of reflection in 2000 will determine the destiny of the next thousand years and more for humanity and mother earth. I do hope that the 24th Special Session of the UN General Assembly to be held in Geneva in March 2000 will substantially contribute to this reflection. Maybe, we have to visualize and start new institutions and agendas or significantly reshape and redirect existing ones to guide us in the beginning of this new millennium. Let us for sometime forget all our differences, imagine no national boundaries or no religious, race or regional differences exist and devote our attention to the most important essentials we have to address in the next four to five years to set our planet on the correct course for the future. We do not need volumes of position papers to achieve this goal. We need only to trust our collective knowledge, lessons of the past which are immense, and our innate basic good instincts.

Let us all make a beginning now and not lose the larger objective as we grapple with the details of globalization merely in an economic or trade sense. As the Head of the Royal Government of Cambodia, I would like to appeal to all distinguished delegates here to support Cambodia's accession to the WTO. ■

sustainable peace have been strengthen and maintained. We must make efforts to promote and expand the culture of peace within the mind of our leaders and our people.

- ◆ Economy and human resources are key factors in reforms and development.
- ◆ We have friends around the globe who have been actively supporting us in the reforms and for sustainable development in Cambodia.

Because of recent conflict and internal strife for many decades, Cambodia plunged into one of the worst poor nation on earth. The Gross Domestic Product (GDP) is about US\$ 285 per capita in 1999. In Cambodia, 85% of our population are in rural areas and 36% of our populace are living below the poverty line. This rate can reach 40% in remote areas. The expense per capita of as many as 20% of the poor is below the subsistent food supply level and the majority are under the poverty line. The accessibility to health service is the lowest in the world. The Infant Mortality Rate is about 90 for every 1,000 under 4, which make Cambodia, ranked the highest mortality rate as compared to the countries in East and Southeast Asia. Most of the family income is spent on food consumption, which indicated of low standard of living in Cambodia. In 1997, families in rural areas spent 71 percent of their monthly expenditures in food supply. According to the socio-economic statistic of the National Institute of Statistic (NIS) indicated that top 10 percent of wealthier population spent 30 percent of their income in urban areas, where the lowest 10 percent of poor populace spent only 3 percent. We can conclude that the disparity gap between the wealthier and poor are wider.

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Because of this critical situation, the RGC regards rural development activities as the central thrust and urgently need specifically to reduce the poverty as much as possible of those who are living below the poverty line. We wish also to bring the gap closer between the rich and the poor. The most important strategy is to sustain economy growth with equity. This also requires that the growth in economic must also be in balance and be complementary with the social development. What is good for the growth of the economy, which lead to the increase of the national income, while the major part of the people are still living in poverty? What is good for the development if the people are still not able to live by themselves and where our natural environment is continuing to deteriorate everyday? This is the challenge that faces our government and that is the role of the Ministry of Rural Development to find ways to address this critical issue.

The Ministry of Rural Development is the government institution and is mandated to develop and implement strategies, policies, and rural development activities. MRD is the key Ministry that related the government rural development programs to the local communities nation-wide and also to co-ordinate with donor and international development partners. MRD acts as governmental agency to establish effective communication network between the people in rural area as well as to report local concerns or relevant information back to the central government for appropriate resolution and to respond on time.

According to the MRD's 1999 report and the work plan for 2000, I am confident and inclined to believe in the capacity and strategies that the Ministry is taking to implement the RGC's mandate. The achievement, a well defined roles and re-

sponsibilities, the implementation of program and projects, the co-ordination and the co-operation that the MRD have accomplished reflect the evidence of efforts, hardship and determination of the Ministry's officials and personnel at all levels. Furthermore the local recognition, the support and the participation from the local communities, the provincial and local authorities as well as all development agencies as partners with the Ministry is one of the major accomplishments to be congratulated.

In order to reach further level of our objectives and to improve our effectiveness, I would like to take this opportunity therefore to suggest some thoughts and measures necessary to achieve effective and sustainable rural development in Cambodia.

Partnership Strengthening

Rural development is integrated in nature and does involve with many other sectors. Therefore, it is imperative that partnership between government institutions, NGOs, private sectors, local authorities and the people in the community is the key factor determinant for the successful rural development. Partnership would provide us the opportunity to learn and to share experience with each others and able to develop common strategy which can respond to local people's priority and need. Partnership is also strengthen better co-operation rather than competing or duplicating each other efforts. Partnership would help us to respond appropriately and responsibly to alleviate the poverty in rural areas. I believe therefore that this factor is important enough and would rely on one hand, on the capacity and capability of the Ministry and its officials to develop policy, to plan and co-ordinate and to insure internal unity in order to implement the assigned tasks. On the other hand, it must rely on the implementing capacity, the participa-

tion and the level of ownership of the local people as stakeholders in rural development.

Strengthening Rural Development Committees at Provincial, Commune and Village level

We must strengthen the capacity of the rural development committees especially the Village Development Committee (VDC) and the Commune Rural Development Committee (CRDC) which enable them to absorb the benefit from the economic growth and to access social services as well as to be able to maintain them. The strengthening of local grassroots organizations is one of the activities that would not only allow chance to local people the opportunity to participate in their own development, but most importantly, it would provide the opportunity to be responsible, to make a better choice and make their own decision and self-determination of their development.

Encouraging to local development, which is the strategic activities of the Royal Government of Cambodia, must be strengthen as to improve the road to peace and to promote and strengthen democracy from the bottom up through rural economy development. This is the process of decentralization whereby the community in the rural areas able to build their confidence, to assume their responsibility and to empower for self-determination. This is the important goal of the Royal Government of Cambodia. The Village Development Committee (VDC) is therefore the foundation of the rural development structure and is the base for the development and the growth of the democracy in Cambodia. Strengthening the responsibility and building the capacity of the local grassroots organizations in the integral part of local planning process in integrated community development with the pro-

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vincial authorities and with relevant ministries.

Rural Infrastructure Rehabilitation and Maintenance

Prioritising and expanding the rehabilitation of rural infrastructure, and social component such as roads, irrigation system, market, school, health centre is vital and necessary for local people needs. Through the rehabilitation project, we can generate more employment for our local people who in turn can earn additional income. To support this objective, all expenditures for rural development projects should target toward labour based appropriated technology (LBAT). Heavy equipment utilisation should be minimised and to be replaced by labour intensive works. As such we can promote labour intensive works and to utilise local products as much as possible. I am deeply impressed by the cost of rural infrastructure improvement activities, especially as reported that 40 percent of its cost goes to pay local labour, and indirectly to pay some local expenses such as on laterite, sand, stone, tools which all are local goods. We must pay close attention to the maintenance of the existing infrastructure for sustainable usage, especially all rehabilitated roads with laterite surfacing due to high investment cost, and furthermore some of the funds we spent, are in form of loans. Concerning this issue, the Ministry of Rural Development should implement effectively the maintenance policy, especially providing guidance to the development committees at village, commune levels to help maintain those assets.

Marketing and Information

The MRD shall co-operate with

relevant ministries, especially the Ministry of Commerce, the Ministry of Agriculture to study and examine the possibility to develop appropriate policy for farmers to produce demanded crops that is saleable in the market place for farmers' products. At present in some localities, farmers produce surplus but farmers cannot sell, therefore it discourages farmers from producing more. We should have a policy to disseminate the information on types of crop, market place, price, technology to farmers in order to produce the right crops with the right price.

Financial Management and Good Governance

MRD have been selected by the Royal Government of Cambodia as the priority ministry among the four priority ministries, that would have priority over the budget expenditure set for the fiscal year of the 2000's national budget. In order to facilitate the process of spending allocation as described above, the MRD must submit the priority Action Plan (PAP) immediately to the MEF in order to allocate the fund as needed. All funds should be used with transparency and effective in order to serve best interest of the people of the community.

Finally, the most important factor in achieving our goal is to have good governance. Without good governance no activities can be achieved effectively, the confidence on the rural development mechanism trusted by local communities and the donors communities will be lost.

Furthermore, the personality of all rural development officials and personnel at all level shall be a two-legs rather than a ten- legs official. ■

Speech by Samdech HUN SEN to the Contract Signing Ceremony between Millicom International Cellular S.A. and Royal Group (Inter-Continental Hotel, 24 Feb. 2000)

It is a great pleasure and honor for me to attend the Contract Signing Ceremony between Millicom International Cellular S.A. and Royal Group to the amount of US\$ 63 million.

The two companies have invested in Mobitel a total of US\$ 30 million since 1997. Thus, the joint investment by Millicom and Royal Group or Mobitel has increased to more than US\$ 90 million, taking into account the new equipment to the amount of US\$ 63 million.

With this large-scale investment, Mobitel has taken the lead in the mobile phone services in Cambodia. In 1999 alone, Mobitel made multi-million investments in new telecommunication infrastructure in order to:

- ◆ expand new cellular coverage to major provinces and towns, such as Pursat, Kompong Thom, Pailin, Sisophon and Neak Loeung, all receiving cellular service for the first time;
 - ◆ intensify competition both in established cellular areas such as Phnom Penh, and in newer areas such as Kampot and Kompong Chhnang;
 - ◆ increase capacity and add coverage in Phnom Penh, Takhmao, Siem Reap, Battambang, Sihanoukville, Kompong Cham and Kompong Speu;
 - ◆ improve quality of service by reducing the congestion levels as new capacity has been installed;
 - ◆ in addition, international roam-
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ing has been opened and further expanded with 60 operators covering 34 countries.

Today's signing ceremony sends a clear signal to everyone that large-scaled investments in telecommunication infrastructure, which is critical to Cambodia's economic development, will continue. In the next 10 years the government's telecommunication policy will focus on the following:

First, establish a system of appropriate, hi-tech information technology and telecommunication system, which will be capable to serve domestic users, particularly by providing the business community with state-of-the-art telecommunication services as in neighboring countries.

Second, build up a telephone and Internet network covering all parts of the country, especially in the rural areas with the view to strengthening the economic, trade, education and social administration.

Having achieved these objectives, Cambodia will be in the position to compete with more developed ASEAN members in order to promote long-term sustainable economic development. Cambodia has enjoyed considerable opportunities to leap forwards in the telecommunication sector. During the last few years, Cambodia surprised its neighbors in the region and the international community with the dramatic growth in the number of cellular customers. Last year alone, cellular customers have grown from about 40,000 in January 1999 to over 90,000 today, of which Mobitel has contributed over 60,000 customers, accounting for 75 percent of the cellular market in Cambodia. The In-

ternational Telecommunication Union (ITU) has recently noted that, "Cambodia has now surpassed 31 other countries in overall telephone penetration" and that Cambodia now "illustrates the case that leaping straight to wireless is a viable option".

Therefore, Mobitel's increased investments have contributed to the realization of the Royal Government of Cambodia (RGC's vision for the telecommunication sector.

Significant effects of investments in telecommunications on the levels of economic development have been widely recognized. The McKinsey Group has calculated that adding one new telephone connection adds US\$ 2,000 to a country's GDP, while the World Bank has concluded that every US\$ 1 invested in telecommunications generates an additional US\$ 3 of GDP. On this basis, the creation of 35,000 new mobile connections since March 1999 will generate a US\$ 70 million increase in GDP. Moreover, a state-of-art telecommunication system covering both urban and rural areas will have the following benefits:

First, increase production efficiency and substantially reduce the costs of production;

Second, facilitate the operation of the markets by allowing market players (sellers and buyers) to get timely and directly the needed information, thus reducing the need for an intermediary; and

Third, improve government's management efficiency and service delivery.

I had outlined on many occasions our vision to upgrade, over the

longer term, the Phnom Penh-Sihanoukville growth corridor to a multi-media corridor. After achieving these objectives, Sihanoukville will not only become an economic, industrial, tourist and international port center, but an important financial, banking and investment hub in Cambodia and in the region. At the same time, we must strive to make Phnom Penh a brain of the country, taking the lead in administration, economy, technologies and science, with the information technology and the telecommunications as a backbone.

This is an ambitious vision. It is equally the best preparatory arrangements for Cambodia to enhance its competitive advantage in a knowledge and information technology-based, globalized economy.

Like Martin Luther King, I have a dream: All the children and young people of Cambodia have at their disposal a personal computer at school and that they can access to knowledge and culture through the World Wide Web (WWW) or Internet, which becomes a huge encyclopaedia. Thus Cambodia will become a nation of highly educated people, an important foundation for sustainable development.

To have this dream crystallized, we have to develop the national telecommunications system. We are required to overhaul the management structure and our sectoral policy and make substantial investments in supporting and connecting infrastructure, which is composed of transmission lines made of switching and routing centers and optical cables all over the country. This will enable Cambodia to have state-of-art international gateways, which provide

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low-cost services. While making such investments, we have to ensure that the latest technology is used in Cambodia and that Cambodia is not the dumping ground for obsolete technology. In this sense, Cambodia should take the chance that was offered to transform its weakness into opportunity for development. At present, Cambodia is the least developed ASEAN member as far as telecommunication is concerned. However, as we are a newcomer, we can leap and bypass various phases, which our neighbors had been through, and attract the investments in state-of-art, revenue-generated technology in order to boost economic efficiency and keep up with the rapid change in technology.

Let us take an example of our day-to-day life. Today we use four telecommunication tools: the fixed telephone, the mobile phone, the television set and the personal computer. The children and young people have a fifth one which is the game consoles. Tremendous development has taken place in our world: the convergence of information and telecommunication technologies:

First, the convergence between fixed and mobile: one system can offer both fixed and mobile services.

Second, the convergence between voice and data. At present, a number of countries start to make a long distance telephone call over the Internet, which is called Voice over Internet Protocol, with the price of a local call for international phone call.

Third, the convergence between the information and telecommunication user's terminals. Now I have a mobile phone, which I can use to make

phone call, send a fax, transfer data with computer and send e-mail. Very soon, at home we will dispose of one single fixed or a portable terminal offering television, phone, fax, data transfer, e-mail, Internet and games.

To achieve these objectives the Royal Government of Cambodia (RGC) has the responsibility to create an environment that ensures a fair competition between different players in the Cambodian markets. Competition will lead to lower and more affordable service price to users and the economy. But wild and unregulated competition would become a danger.

To address this dilemma, attention is given by the RGC to establish an appropriate policy and legal framework, strengthen the capacity of the Ministry of Posts and Telecommunications (PTT), our regulatory body. This is to protect the state interests and ensure that the telecommunication operators will receive equal treatment and that the rules of the game will not bend in favor of any strong player.

As I have mentioned earlier, Mobitel is taking the lead in all of these fields. However, I want to see more active role and tremendous contribution from this company.

The creation of new added value in telecommunications, such as the introduction of Khmer fonts in mobile phones, e-mail, Internet and data transfer will open a new horizon of opportunities for Cambodia leaping forwards in the information and telecommunication technology, a key to improve economic efficiency and management. Moreover, this will open the door to the Cambodian people to access the wealth of

knowledge and invaluable source of information worldwide.

The rapid growth in telephone coverage and the transfer to Cambodia of latest information and telecommunication technology should be taken as a model. However, Mobitel should not slow down its speed. I do hope and wait to see when Mobitel will expand its mobile phone services to all provinces and municipalities, as well as in all corners of Cambodia in the near future.

I was also advised that Mobitel would sign a cooperation agreement with Alcatel for the purchase of materials and equipment for investment. In this regard, I would like to congratulate you on this important partnership.

Taking this opportunity, I wish to urge Alcatel to display its strong commitment to Cambodia and increase its contribution to build up its competitive advantages and join us to prepare for a bright future for Cambodia, through the use of its own comparative advantages in telecommunication and information technologies. I hope to be able to attend the signing ceremony for the cooperation agreement between Mobitel and Alcatel in a very near future...■

**Speech by Samdech HUN SEN at the Asean-UN Summit
(Bangkok, 12 February 2000)**

It is a great honor and pleasure for me to represent Cambodia at this important summit. On behalf of the Government and People of Cambodia, I would like to express our profound gratitude to HE Chuan Leekpai, Prime Minister of Thailand, for the warm hospitality extended to all delegations during this important conference.

Today's gathering is of crucial significance in terms of concept and substance. As many speakers have made several presentations, comments, suggestions and put forth initiatives with regard to the main aspects of our cooperation, now I would like to draw your attention to one of the most important topics, which deserves our utmost attention, i.e. human resources development.

We all here share the same view that human resources are the most invaluable assets of each nation, as well as for the whole world. Physical, intellectual and mental energy of human being, i.e. labor, skills, knowledge, know-how, creativity and innovation embodied in human capital, will become increasingly crucial to transforming economic potentials and comparative advantages of the nation into the reality and competitiveness. Without highly qualified human resources, everything will get stuck and there will be no value added for the society.

There are many more reasons, why the region should give special attention to human resources development.

First, the experience of many countries show that human resource development is key to alleviating poverty and upgrading the living standards of its people. Human resource development, through equitable access by the people to basic education and health, the opportunity to upgrade and improve the skills, the establishment of a favorable environment and climate allowing the people utilize their full potentials and entrepreneurship constitute the main ingredients of any program on

poverty alleviation. Moreover, human resource development is of crucial importance to a poor country like Cambodia, for our nation is struggling to overcome the horrendous legacy left over by the genocidal regime and the protracted wars in the recent past.

Second, ASEAN member countries are at various stages of development. There are countries, which are at a significantly lower level of economic development than others. The key issue is to ensure that all countries can effectively play on an equal footing the political game and benefit from the open economy in the age of globalization and regionalization. Most importantly underdeveloped ASEAN members should be able to share the "win-win" situation with other partners in this regional grouping and in the international arena. These have to be helped to overcome difficulties in order that the common ASEAN ideals of establishing a sharing and caring society could be achieved. At the ASEAN Informal Summit held in Manila in December 1999, I proposed to develop strategies and programs to eliminate or substantially reduce the gap between original and new members of ASEAN in the next 10 to 15 years. Human resource development should be the cornerstone of this strategy. In this sense, Cambodia reiterates its full support for the proposal to establish the ASEAN Human Resource Development Fund. It is our conviction that the United Nations, with UNDP as one of the most important dialogue partners of ASEAN, will provide substantial support for the efforts deployed by regional countries.

Third, at the dawn of the new millennium the world is moving very fast, fuelled by globalization, towards a new, unfettered economic system, which is characterized by the free flows of goods, services, capital and labor, paving the way for a new, digitalized and knowledge-based economy. These changes require a new development para-

digim for the world. There is a general recognition that the central defining feature of future economic growth and comparative advantages is being shifted from production to productivity and from physical assets to intangible assets. In this new economic system, the intellectual capital will be instrumental to maintain the competitiveness of each nation. Therefore, it is important that each government should create a favorable environment for human resource development and intellectual capital management.

I am very pleased to take this opportunity to bring to your attention that just last year, Cambodia and Cambodians have finally accomplished peace, for the first time during many decades. A coalition government, established following the general elections, has made its utmost to ensure stability and harmony in the country, uphold the rule of law and provide economic opportunities to the people from all walks of life. We are moving forwards with confidence to attain our ultimate objectives of accelerating economic growth and alleviating the poverty of our populace.

Cambodia's ambition is to turn the first decade of the new millennium into the decade of economic growth, the decade of combat against poverty, for social progress and prosperity for our nation and people.

As I mentioned earlier, we are ready to pursue a close dialogue with all countries in the region both within the ASEAN framework as well as between ASEAN and other countries in order to attain our common goals of alleviating poverty and promoting sustainable development. We also look forward to continued technical and financial support from the more advanced countries and international organizations, such as the UN, to those who have a long way to catch-up for the missed past like Cambodia. ■