



27 March 2014 — Samdech Techo Hun Sen with people during the Inauguration of the National Road 57B in Battambang province's Bovel district (Kampuchea Thmey)

Inaugurating Atai Hydropower Plant

(27 March 2014 — Unofficial Selection and Translation)

I am so glad to join with the Buddhist monks and compatriots, for the inauguration of the 120 MW Atai Hydropower plant and transmission lines to Phnom Penh and from Phnom Penh to Battambang province via the provinces of Kompong Chhnang and Pursat ... We also put into official operation today transmission lines from Phnom Penh to Battambang province of 302 Km. These are major achievements scored successfully by the Royal Government on the front of attracting private sector for infrastructural development in Cambodia ...

Normal Operation of State & People's Livelihood

It is correct to understand (the Cambodian situation) the way grandmother Seang (a citizen in Pursat who called in Bayon radio and shared her opinion about Cambodian political affairs) said: "there is nothing to worry about, just do whatever we have to." What we are doing here today is a fact. Take

for instance, the transmission lines from Phnom Penh to Battambang is already more than 300 Km, plus another 175 Km of those from the plant to O Saom substation would make it more than 400 Km already. As long as the people's lives are proceeding normally and the state institutions are working as normal, there is nothing else to worry...

Before long, the Khmer New Year is here to celebrate and people start playing traditional games to welcome the new year already. Those who are happy and enjoying the stability and normal operation of the state can join us for national development. Those who are not happy can exercise their rights as they please in a democratic society. Grandmother Seang is correct when she says she is longing for the national road 55. I am grateful that she knows quite well the national road 55, which I declared at the inauguration of the national

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Keynotes at 17th RGC-Private Sector

(04 March 2014)

..., I am very delighted to join all of you once again in this auspicious 17th Government-Private Sector Forum (G-PSF). This is the first G-PSF being held after the Royal Government of the Fifth Legislature was formed after free, fair, transparent and just general elections on 28 July 2013.

Taking this opportunity, I wish to express my sincere appreciation to H.E. Keat Chhon, Permanent Deputy Prime Minister and Coordinator of the G-PSF and the Co-chairs of the 10 Working Group for the elaborative report presented to the Forum. I am very pleased with the dynamism of the ex-

changes between the two sides – government and private sector. I also wish to commend H.E. Sok Chenda Sophea, Minister Delegate attached to Prime Minister and Secretary General of the CDC for the effective coordinating role in his capacity as the secretary general of this G-SPF.

I wish also to express my high appreciation to Cambodia Chamber of Commerce, chaired by Neak Oknha Kith Meng, for its active coordinating role in the Forum. As in previous forums, the purpose of our gathering, which we

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Inaugurating National Road 57B

(10 March 2014 — Unofficial Selection and Translation)

I have a great pleasure to be able to come and join with the Buddhist monks, Excellencies, ladies and gentlemen, the Ambassador and our people to put into official use the National Road 57B that is running 176 Kilometers long in the Cambodian territory. Yesterday I had a concern if I could make a journey this far or not since I had a fever and I am still having some of it now. It all started on last Sunday but I still went to preside over the celebration of the Cultural Day event. The night of Monday, the fever was terrible. On the following Tuesday, I had a meeting from 8 am through to 12:30 pm. The fever got worse. I still have one more event to take part for the graduation and diploma presenting ceremony of the

French language teachers. HE Tram Iv Toek, Minister of Transports and Public Works and HE the Chinese Ambassador, Bu Jianguo, already gave you information about the construction and Chinese financial assistance in that matter.

NR 57B, 57 and 59 – Triangular Development

As far as I could remember, on 21 March 2011, HE Pan Guangxie, one of the former Ambassadors of the People's Republic of China to Cambodia, joined me for the groundbreaking ceremony for the construction of the NR 57B. I

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consider as an enlarged Cabinet meeting, is to jointly review the progress since the 16th G-PSF – what have been improved, what have been resolved, what is the status of outstanding issues, and what are the newly emerging issues and challenges for investors – that we need to address in order to strengthen our competitiveness at regional and global levels and to improve Cambodia's investment climate and business environment.

I wish to welcome our private sector partners in raising their concerns including constructive requests and recommendations. I thank you for being sincere and constructive to promote our good, indispensable and complementing partnership in marching toward the ASEAN Economic Community 2015 (AEC) and broader regional integration.

Regional and global integration such as AEC would require coordination and increased human resource and institutional capacity, as well as internal structural reforms to be implemented in a timely and effective manner, so that Cambodia can fully benefit from this integration process. Given the global and national contexts and while listening to the deliberations by the Chairs of the 10 Working Groups, I am of the view that there are three important issues needed to be further clarified: taxation issues, electricity prices and issues related to industrial relation.

First, taxation issues. In general, the Royal Government's tax policy does not have the provisions of new and/or additional taxes and duties charged to people and businesses. To meet its increased revenue targets, the Royal Government will focus only on strengthening the implementation of existing tax policies, regulations and laws by taking firm and

targeted measures, including short, medium to long-term administrative and policy actions.

They are particularly aimed to strengthen the culture of "paying tax", crack down on the smuggling activities, and root out all forms of tax avoidance practices as well as improve the governance of tax and customs administrations. However, this will not be applied to some specific cases which require intervention from the Royal Government such as decline in trade tax revenue on specific goods and/or a need to impose tax for public health reason – which are necessary for the Royal Government to respond. Nevertheless, it will not have any substantial burden on our people. Moreover, the Royal Government will give priority to improving taxpayer services in order to facilitate them to pay tax without any difficulty.

Along with this effort, the Royal Government will take further measures to promote trade facilitation through improved policy framework and more simplified and better-aligned regulations and procedures to enhance investment climate and business environment to be more favorable and attractive, as well as to facilitate all business transactions and import-export activities to be smoother and more competitive.

In perspective, the Royal Government needs to be prudential in dealing with tax issues, as required by its tax policy, so that it will have full control over budget process and does not expose itself to any loophole that would cause losses to the national revenue.

Nevertheless, the Royal Government has a strong willingness to consider additional requests and solutions in case it find out that there are remaining tax charges and procedures which are not relevant and

needed anymore. Then, we will reconsider and address the issue right away.

At the same time, I encourage the private sector to continue their efforts to develop its own capacity and get rid of the old practice of asking for tax incentives from the government time and again, but come to the government with ideas and proposals on how to make changes and to address the challenges facing us particularly to harness the good opportunities and potentials being offered by ASEAN's Economic Integration 2015 and Cambodia's strengthened competitiveness at regional and global levels.

Taking this opportunity, I would like to address our beloved people, who are following this forum, and I want them to understand the difficulty in managing the national budget. We are now facing a dilemma. On one hand, there is a request from private sector to lower or exempt their tax obligation in order to strengthen their competitiveness. On the other hand, it is required to raise the salaries of civil servants and armed forces in order to increase their living standard to an appropriate level. Moreover, without adequate revenue generated, how can we finance these demands in addition to other needs including investment in needed infrastructure such as roads, schools and hospitals.

Second, electricity supply for enterprises and industries. Electricity is one of the key areas that require greater attention in order to promote faster economic development. Electricity is needed not only for daily household consumption, but also for economic activities including industries, handicrafts, trade and agriculture. The key objective of electricity development in Cambodia is to generate adequate supplies for

the whole country and at affordable prices.

To this end, the efficient, sustainable, and transparent and quality production, supply and consumption of electricity should be promoted in order to enhance investment climate and national economic development. To achieve this objective, it is necessary to promote and encourage the development of this sector according to a well-studied, well-analyzed and comprehensive plan and specified timeline.

• *Electricity prices in Cambodia compared to those of our neighboring countries*

Indeed, the electricity prices in Cambodia are high compared to those of neighboring countries, but the tariffs in those three countries, Thailand, Lao PDR and Vietnam differ. Precisely, their electricity being sold to Cambodia at border areas also differ. In January 2014, Thailand, Vietnam and Laos sold their electricity to Cambodia at USD11.48 cents, USD9.21 cents and USD8.75 cents per kWh respectively.

There are two determinants of prices: (i) production costs; (ii) distribution costs. The supply of electricity in Cambodia is generated from hydro-power, coal-fired and diesel plants. Thus, the prices, as defined by the above mixed sources, remain high compared to Laos that sources its electricity supply from hydropower.

Moreover, the unit prices of electricity produced from high capacity electricity plants are cheaper than those of low capacity or small-scale ones. In Cambodia nowadays, our electricity plants are smaller than those in neighboring countries, thus our unit prices should be higher than the prices in those countries. Since Cambodia's population density is lower than in Thailand and Vietnam, it makes thing even worse as

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distribution costs are high compared to those two countries. All these explain why electricity prices in a country could not be set at the same level as in another country. The prices should reflect the actual cost structure of electricity in each country.

- *A request for lowering electricity prices to R500 per kWh for industrial enterprises*

Now and in the near future, electricity prices at R500 per kWh for industries are not realistic or an unattainable target, since we have to think about efficiency and sustainability of the whole economic system. Moreover, the Royal Government does not have any provision to subsidize this and other sectors.

Lowering electricity prices is key to promoting industries in Cambodia so that they can compete with the products imported from other countries. However, to produce enough supply of electricity and to have distribution networks reaching everywhere in the country are even more important than the level of its prices, as to equity in the society. Investments in electricity are no different to doing other businesses such in trade, industry and handicraft. Companies could only invest and operate only if the revenue generated from selling electricity could cover their costs and left with appropriate return on their investments. Given Cambodia's context where development demands are on the rise, in order to secure adequate electricity supply and coverage, the current prices should reflect the real costs and should not subject to any government subsidies.

Electricity prices in Cambodia are determined by key factors: a purchased import price plus import tax of 7% and plus VAT of 10%, then it is added

with domestic cost of electricity and 2 cents of distribution cost to form a general average price of electricity. Based on this calculation, the wholesale prices at sub-stations are 12.9 cents per kWh.

The supply of electricity to Phnom Penh, Kandal and Kampong Speu provinces, which is managed by Electricity du Cambodge, has relied on national sources and has faced serious shortages. In 2012, after a diesel plant was added to the network, the wholesale prices of electricity on medium voltage line 22KV for businesses and industries were USD21 cents per kWh. In 2013, the prices dropped to USD20 cents per kWh in the first semester and further declined to USD19 cents per kWh.

In 2014, the prices are now at USD18.18 cents for businesses and industries that are equivalent to R720 per kWh. In the following years, if we could make further progress with the same pace, the prices would drop further in line with the decline in production costs while investors in the electricity sector will continue to actively engage in this process.

Though the electricity prices are not as low as the private sector wants it to be, they remain stable in Cambodia unlike what happening in our neighboring countries. In Vietnam, the prices of electricity of 22 KV line were USD6.9 cents per kWh in 2010 and have been steadily increased to USD9.21 cents per kWh in January 2014. By saying this, it does not imply the end here for the possibility of cheaper electricity in the country. With more and more hydropower stations are being developed in the future, thus the prices could be further reduced.

Third, Industrial Relations. Industrial relations are an important part of socio-economic development process and a

mechanism for addressing challenges to improve investment climate and ensure good workplace condition, welfare of workers and employees and respect for rights of unions and professional organizations.

The Royal Government has striven to implement policy measures and provide generous incentive to attract investment and create jobs for the people. In addition, the Royal Government is committed to implementing the policy on the rights of workers and employees by regarding it as important as the respect for rights of general public in the Kingdom of Cambodia. This is an appropriate policy, supported by establishment of enterprises and creation of millions of jobs for better livelihoods of the people. For instance, the textile, garment and footwear industry contributed USD 5 billion to total export and employed more than 620,000 workers who received more than USD 1 billion in wage and salaries. Additional 2 million people benefited from the sector through transport service, house rental, food supply and money sent the families of workers and employees and so on. This is indeed a marvelous achievement.

However, the opposition party and their unions use political propaganda to mislead workers and employees to take part in illegal strikes and demonstration to demand excessive minimum wage with the aim of destroying investment climate, interest of workers and employees and job opportunities for our youth. To present, those extremists still maintain their evil intention with motivation and support from some outsiders.

The Royal Government wish to remind that the use of rights to demand anything must comply with laws and regulations and further violation will not be tolerated. I wish to highlight

that we will work harder in a more cohesive and complementary manner to ensure the competitive advantage of the economy, improved productivity, low costs of doing business and investment attraction. People need investment and factories for their jobs and livelihoods.

In this sense, the will prepare and implement the national policy on minimum wage to ensure improved living standard and acceptable wage level for workers and employees aimed to enhance their productivity and welfare. However, we need to balance and analyze all factors based evidence-based and scientific formula that suit regional and global economic development. Constructive and responsible participation from employees, employers and unions engaging in frank dialogue is necessary for good industrial relations, improved productivity and acceptable minimum wage for the cause of national interests in the long term. On this point, I wish to reiterate that I utterly protect the benefits of youth and I do not support gambling or experimenting on their future or use them to serve political purposes.

The Royal Government will not allow any group to use workers and employees as their political assets and take factories or enterprises hostage, simply speaking, the will protect its achievement to date, especially substantial loss of revenue in the form of subsidies provided to factories and enterprises.

Specifically, through tax and duty incentive provided to the private sector under the framework of the Law on Investment, loss of revenue amounted to USD 1,304 million in 2013.

I think that rise in wage must be attached to production capacity of each worker and em-

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employees. When factories/enterprises production capacity rises, so does their competitiveness. When their products are more competitive, their revenue will increase. As a result, factories/enterprises will be able to increase wage for their workers. Hence, productivity improvement not only enhances Cambodia's competitiveness in the ASEAN Economic Community 2015, but also benefits workers and employees.

It is now more important than ever before that we need to come together for peace, stability, development and prosperity in Cambodia for the present and the future.

To address the above three and other challenges, the Royal Government will accelerate the implementation of its in-depth reforms by focusing on a number of priorities, viz. (1) *enhancement of trade facilitation*, (2) *public financial management*, (3) *coordination and matching of the education, technical vocational training and continued human resource development with job demand in the market*, and (4) *further diversification of the source of growth* through the endorsement and implementation of "Industrial Development Policy".

The Royal Government has always given great importance to reform sites aimed to improve investment and business climate in Cambodia. For instance, the Ministry of Commerce, General Department of Customs and Excise of Cambodia and General Department of Taxation have implemented in-depth reform program within their responsible areas.

Going forward, they will mainstream the use of IT for processing applications regarding the issuance of customs certificate, issuance of export certificate, issuance of certificate of origin and business registration

etc. aimed to reduce not only costs but also informal payment. I believe that the above Ministry and General Departments as well as other concerned ministries/institutions will step up their contribution to trade facilitation.

For the public financial management, fiscal management has been strengthened through improvement to revenue mobilization with the main focus on revenue administration and improved governance as well as rationalization of spending to reduce budget deficit to within acceptable limit and increase fiscal space for financing development needs and other contingencies, especially for possible crisis in the future. The gradual increase in tax revenue as well as customs revenue clearly highlights this effort.

In the context of ASEAN Economic Community 2015, another indispensable preparation is the development of human capital. Cambodia needs quality and competent human capital to prepare itself for the anticipated competition.

The Royal Government will focus its attention on strengthening education quality and technical vocational training that have yet to respond to and match market demand to ensure youth are worthy successors of the present generation and sustainable development of the country. Skill training for the youth, workers and employees to enhance work productivity and increase their incomes is an objective planned by the Royal Government along with firm implementation commitment even though it can take some time.

In the near future, the Royal Government will launch "Industrial Development Policy" aimed to enhance Cambodia's manufacturing sector and competitiveness, increase value added in key existing sectors such as agriculture,

garment, and tourism, promote new and promising industries, and enhance comparative advantage of Cambodia's industry sector.

This policy will help Cambodia prepare itself to attract FDI which is gradually moving out of China and some regional countries due to high wage level. The successful implementation of the "Industrial Development Policy" will create more jobs for youth entering the labor market each year.

What I have raised above is by no means a fancy but commitment to the prosperity of the nation, job opportunities and better living standard where everyone will benefit from the equitable distribution of economic growth. Hence, all stakeholders must take part in implementing this policy for the cause of our future.

Participation from the private sector is crucial for Cambodia's preparedness for its membership in the ASEAN Economic Community 2015. Our pursuit of ASEAN Economic Community 2015 is comparable to boat racing that require paddlers at both the front end and rear end of the boat. Although the government, the rear-end paddler, might have the responsibility of steering the boat, but inputs from the private sector at the front end of the boat are equally important for direction setting. Likewise, policy recommendations provided by the private sector are very important for political decision in the government's leadership.

The Royal Government desires to see greater participation from the private sector in dealing with challenges faced by Cambodia in general, and by the private sector in particular, to move toward success for all, therefore, the organization of this Forum.

I am pleased to declare my approval of the request of Ex-

cellency Minister of Commerce for the establishment of Cambodia Rice Federation which consists of the rice producer, rice exporter associations and federations and all rice exporters to represent Cambodia's rice sector in dealing with the Royal Government or rice federations of other ASEAN member countries. This demonstrates that Cambodia's rice sector is ready to compete in the context of ASEAN Economic Community 2015.

Hence, I call on other sectors to follow suit to prepare for the anticipated regional and global competition. In addition, I wish to take this opportunity to inform that I have endorsed the participation of Cambodia Rice Federation in the Royal Government's negotiation on prices, terms and condition of rice export with other countries. Given partnership between and pro-activeness of the Royal Government and the private sector, I believe that we will achieve the target of exporting one million ton of milled rice in 2015.

After raising overall views, I wish to continue by responding to requests from the private sector as follows:

- Regarding the Foreign Account Tax Compliance Act (FATCA) of the United States: the representative from the private sector in the Working Group on Banking and Financial Services has requested the Royal Government to consider options for implementing this newly enacted FATCA of the United States.

Since this is an urgent and complicated issue, I think it is necessary to create a working group led by the National Bank of Cambodia with participation from all stakeholders to review options and address this issue.

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- Request for the reduction of VAT to 0% for the domestic supply of rice:

The request for the reduction of VAT to 0% is approved for supporting enterprise that engage in rice purchasing and milling activities for reselling to rice exporters as in the garment sector.

Application, along with supporting documents such as supply contract and customs declaration needs to be lodged with the General Department of Taxation. The Ministry of Economy and Finance will issue Prakas for implementing this.

- Request for the VAT on domestic supply of rice husks to be further borne by the state

The request is approved. The Ministry of Economy and Finance will issue Prakas for implementing this.

- Request for the VAT on import of silk thread to be further borne by the State

VAT for the import of silk thread will be borne by the state for two more years, until the end of 2015 and the Ministry of Economy and Finance will issue Prakas for implementing this. As a note, 0% VAT on import of silk thread has been implemented for three years.

- Request for incentive on the import of raw materials for producing luggage, handbag and hat for export.

This request is approved. Incentives on the import of raw material for producing luggage, handbag and hat and similar products for export as provided to the garment and footwear industries. The Ministry of Economy and Finance will issue Prakas for the implementation.

- Request for the reduction of container scanning service

fee.

Further reduction of 20% of the scanning fee is approved. Scanning fee for 40ft container will decline from USD 40 to USD 32 and for 20ft container will decline from USD 25 to USD 20. The Ministry of Economy and Finance will prepare Prakas for implementing this by 1st April 2014.

- Request for the approval of authorized economic operator.

I wish to instruct the General Department of Customs and Excise of Cambodia of the Ministry of Economy and Finance to invite businesspeople with high compliance and good reputation to provide authorized economic operator status by 1st April 2014.

- Request of the Working Group on Tourism (Group B) for the creation of more counters at busy border checkpoints.

The Ministry of Tourism must work with the National Police Commissariat to create more immigration counters at the international border checkpoint Poi Pet.

- Request of the Working Group on Tourism (Group B) for (1) strengthening safety and security in urban and tourist areas, (2) ensuring vehicle drivers/riders to follow the Law on Land Traffic

The Ministry of Tourism must work with the National Police Commissariat to explore all means to strengthen safety and security in urban and tourist areas.

Referring to traffic safety, the Royal Government endorsed the National Policy on Land Traffic Safety on 21 February 2014. Moreover, the Ministry of Public Work and Transport has prepared a new Law on Land Traffic, which is being

reviewed by the Council of Legislator

- Request of the Working Group on Tourism (Group B) for the diversification of domestic tourist attraction

The Council for the Development of Cambodia must monitor actual progress of the approved island/beach investment project to ensure their compliance with agreed terms and condition. Any company found breaching the contract, the Council for Development of Cambodia/Cambodia Investment Board must propose the nullification of the contract.

- Request of the Working Group on Tourism (Group B) for the establishment of solidarity sanitation movement joined by local authorities and the private sector as permanent event held once or twice a month in each tourist attraction in accordance with "Clean City, Clean Resort" campaign.

Presently, the Committee for Clean City Assessment is actively promoting this movement and the winning city will be declared in 2015. The Committee has recently reported the preliminary result of contest. With regard to sanitation in public zones, urban areas and cities, the Ministry of Tourism and the Ministry of Environment in cooperation with local authorities has created a permanent mechanism to achieve Cambodia Clean-Cambodia Green.

Through this mechanism, we hope that cities will become cleaner and more sanitary, including better management of solid and liquid waste. Moreover, local authorities must arrange a permanent mechanism for ensuring sanitation in public zones under their territorial jurisdiction financed by revenues collected in their administrative zone.

- Request of the Working

Group on Manufacturing, SMEs and Service (Group C) for State's provision of incentive to SMEs including 1) Tax exemption on the import of machineries, equipment and raw materials of SMEs; 2) Provision of 3-year tax holiday for new enterprises

Tax incentive: Within the framework of the soon-to-be-launched "Industrial Development Policy", the CDC will explore possibility for providing tax incentive to some targeted SMSs.

- Request of the Working Group on Transport and Infrastructure (Group G): the private sector request permission to open traffic on Road No. 371 crossing Monivong Bridge to Ksam Port for trucks from 12:00 to 16:00 when there is very little traffic to save time for exporters.

The request is approved, but is applicable only to transport of milled rice. Companies must apply to the Phnom Penh Municipality Hall to get the special pass for access to the above route from 12:00 to 16:00. Companies must use this concession with great sense of responsibility.

Before ending, I wish to extend high appreciation to my colleagues in the Royal Government who are present here and representatives from the private sector for maintaining this traditional relationship and joint problem solving mechanism to ensure good investment climate and attraction of investment from both domestic and foreign sources.

I call on all of us to maintain positive stance toward deliberation in pursuit of solutions. Finally, I wish Excellencies, Oknha, ladies and gentlemen the four gems of Buddhist Blessing: Nobility, Longevity, Healthiness and Strength.■

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had recalled that the three roads (NR 57B, 57 and 59) would serve as a triangular of development. I think we launched the ceremony at Thmor Kol district, the primary school of Phum Thmey, Bansay Treng commune, Battambang province. Today we are at the district of Bovel, still in Battambang. The reason why I was talking about triangulation of development is the fact that I link up the three national roads together.

(A) National road 57 runs from the province of Battambang to Pailin province. (B) National road 57B has three segments (1) 90 Km from Thmor Kol to Bovel and Sampeo Loun, (2) 69 Km from Bovel to village 30, Phnom Proek, and (3) 16 Km from village 30 to Kam Rieng, O Da – altogether 176 Km. (C) National road 59 runs from Koan Damrey through Mealai to Pailin. Having said that, in the northwestern area of the country, the southern part of the national road 5 of the province of Battambang and the national road 6 of Banteay Meanjei, together with Pailin have had 423 Km of new road infrastructure. These roads are built with the preferential loans from the People's Republic of China.

Today we are putting the last segment of the road into official use. HE Sar Kheng, Deputy Prime Minister and Minister of Interior, inaugurated the national road 57 and I inaugurated the national road 59 in June 2013. With this road 57B inaugurated, the three roads will link together for the interest of developing Cambodia's northwestern area.

Though they may be seen to be of significance for local development, it is important to understand that they also are playing important role in connecting the country altogether with other national roads for national development.

NR 55 – A Priority for Loan from China

Please allow me to take this opportunity to stress that the Royal Government will invest the northwestern area in the construction of another road – national road 55, 182 Km, which will connect the city of Pursat to the district of O Da at the border between Cambodia and Thailand. The Ministry of Economy and Finance asked for my decision which of the two roads – NR 55 and NR 58, should be built first. The national road 58 will be running from the national road 6 at Serei Sophoan city to the province of Uddar Meanjei.

I told the Ministry of Economy and Finance to seek preferential loan from China as a priority for the national road 55. As for the national road 58, since we already have the national road 56 under construction under the loan of the Asian Development Bank and Korea, we may leave it for later. We have the need to connect the city of Pursat with the district of O Da at the border with Thailand. We got no link there. Once it is connected, we would have a corridor along the border from where we could connect with Pailin on one side and Koh Kong on another. It will be the best link for the country's transportation need.

Busy Schedule for Chinese Ambassador

Not long ago, Ambassador Bu Jianguo mentioned that two weeks ago she participated in the event to connect the power transmission line from Svay Rieng to Phnom Penh. I must remind her that she has many more programs to involve with me. From today through to April, we have three events to participate (1) the inauguration of the Atai River Hydropower (2) the link-up of the Cambodian - Chinese Friendship Bridge at Ta Khmao and (3) the link-up of the Cambodian-Chinese Friendship Bridge at

Jroy Jangva. Being ambassador to Cambodia, there are many achievements to put into official uses and to build new ones, too.

As far as bridge construction is concerned, we have four bridges under construction as of the moment of speaking (1) the Cambodian – Chinese Friendship Bridge at Stoeng Treng, (2) two Cambodian-Chinese Friendship bridges across the Bassac River at Ta Khmao and Koh Thom, and (3) the Cambodian – Chinese Friendship Bridge at Jroy Jangva. Aside from those, we also have a number of new roads under construction. Thanks to busy cooperation between the two countries, we have many events to cover together.

HE Ambassador just mentioned in her speech that our two countries (relations) have reached the stage of comprehensive strategic partnership. The Kingdom's need for capital has come to meeting the ability from the People's Republic of China to answer to it. With it, we have invested further in needed infrastructures relating to irrigation, roads and electricity. For Battambang province, we have gone through the first and second stages of irrigation system development already. I just passed by the area too. This clearly indicates that we have the need for abundance of capital for the national construction.

The three national roads altogether, I mentioned above, scores to 423 Km. However, the national road 55 of another 182 Km would add up the total road length whereby China helped build over 600 Km in this area. This effort will link every part of Cambodia together and the Kingdom with Thailand too. Linking itself locally and with neighboring countries is our priority.

I would take this opportunity to express through HE Ambassador my sincere thanks and appreciation for the government of the People's Republic of China for always making financial commitment for the development of the Kingdom of Cambodia. During his visit of HE Xi Jinping to Cambodia, we have agreed on various projects at the cost of about 500 million USD, the national road 57B is one of them. Our annual proposed projects for our Chinese friends to consider – either in grant, non-interest and concessional loans, ranges to between 500 and 700 million USD per annum.

We wish to see that developed China will facilitate capital need of developing countries. May HE Ambassador convey my sincere appreciation and thanks of the Royal Government of Cambodia to the people and government of (the People's Republic of) China for their efforts to provide favorable condition for companies and investors from China to invest in the development of Cambodia.

Former Battlefields Become Development Areas

Since 1988, I have a strong aspiration in transforming former battlefields into development area and marketplace. Just now HE Ke Kim Yan showed me the map indicating where former division 6 stationed, where it withdrew to, etc. The war history of Bovel district is far from normal. We, the younger generation, must learn from the search for peace experiences to resolve problems left from the former generations.

We need to change battlefields into true development areas. Without the integration in place between 1996 and 1998, how could our people have lived in Bovel? Would they have schools of all levels? In

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time of war, one side would seek all means to suppress the other by military means and the other side would do the same in return. In the course of doing so, who would have been dead? No one would but the Cambodians. That is a fact in the Cambodian history. HE Ee Chhien, Sok Pheap, Ieng Phaen, Phirom had involved in the war. Now they all sit together. That is what I am proud of in my life. Cambodians from different political tendency stopped fighting. They sit down working together. Cambodians no longer need to use bullets and no more killing field.

It is my strong belief that political and administrative integration would not be sufficient for the success of the win-win policy. We need immediate physical integration. To just change from one uniform to another and transfer laws into the region under existing leaders was easy phase. I think the model is hard to find in the world. Cambodians have made it happen. Extinguishing the flame of war using the win-win policy, we have conducted immediately the policy of integration through infrastructural development. In former battlefields or non-combating area like Mondulkiri, Ratanakiri, Stoeng Treng, etc., those who settled in disconnection have reestablished connection in the recent years.

We also narrow down the gap in education between rural and urban area. Formerly threatened and destroyed by war and ideology, now schools have sprung up everywhere. Everyone deserves praise and respect for sharing effort to make this new situation possible. I would take this opportunity to express my sincere thanks for the people and former forces of all parties for faithfully participating in the implementation of the policy that I term "win-win policy" to bring our country

peace, national reconciliation, which are the foundations for our country's development to the present. It is worth reminding that war would have extensive impacts beyond the place where it happen as the whole country would have to engage in one way or the other.

While appreciating and thanking the efforts made by the Ministries of Transport and Public Works, Economy and Finance, and relevant institutions, I would also like to emphasize my gratefulness to demining groups involved. In this area, we all know, there are still mines. In Cambodia, for every construction project, we must add cost of de-mining and demolishing of UXOs left from the time of war. For the same project, it may cost lower in other countries than in Cambodia because they do not have to add up this cost since those countries do not go through war. As for Cambodia, Vietnam and Laos, every project will bear the cost. Trained deminers help with the tasks in the country but we also send them to do the job in Lebanon, Sudan and Mali. In fact, those de-miners trained for peace-keeping mission under the flag of the United Nations have involved, as part of their training, with de-mining of every project, of which clearing mines from the Mekong riverbed for bridge construction is also included.

We now have a new governor for the province of Battambang, HE Chan Sophal. Formerly he was the head of councilors of the province of Siem Reap. As we need HE Prach Chan to lead a new province, the province of Tbong Khmum, we transfer HE Chan Sophal to Battambang. However, for HE Prach Chan, we are going to issue official appointment by royal decree after the commune councilors' elections. On the occasion that the road construction is complete, I am so grateful to every institu-

tion involved since we had a hard time with the BOT way of getting this road built. It dragged on and on until HE Sar Kheng requested in his many letters to me to leave the BOT implementation by so and so companies for this road out of option.

Traffic Safety

It is true now that more people died of traffic accidents in Cambodia than in the time of war. When in the time of war there had been some days or weeks that no one dies, the traffic accidents these days have caused death of five people at least per day. Taking this average figure into calculation, in one year about two thousand Cambodians died from traffic accidents. Thousands maimed from it. With this shocking figure, I am pleading our people for respect of their lives. I would urge more understanding, respect and love for one another when you are commuting by either means.

Thank People for Voting RGC's Priority

On behalf of Samdech Chea Sim, Samdech Heng Samrin, the Cambodian People's Party and myself, I would like to express my sincere thanks to the people for voting in support of the Cambodian People's Party. With your support, I am here today to put into official use the national road 57B. It is my wish to reassure that the policy of infrastructural development – mainly roads, electricity, irrigation and human resources – continues to be the CPP-led Royal Government's priority. The Cambodian People's Party has adhered to no demagoguery. Every policy we issue is real. We are putting into practice the construction of roads as we are doing today.

The Cambodian people have voted to express their political choice for real policy. They understand very well that without roads, bridges, irrigation,

electricity and human resource, nothing could have happened. While tackling various social and educational issues, as well as others, the CPP-led Royal Government has continued to focus on infrastructural development as its priority to address the need and aspiration of the people as well as those of the regional community – the Greater Mekong Sub-region and the ASEAN Economic Community's connectivity, are included.

In 2015, there will be flow of people and business to and from one another. There are good roads inside Vietnam and Thailand. We cannot afford to leave our road and bridge infrastructure in the insufficient state. We need a fair amount of capital to continue to invest in infrastructural development. We need to replace people's hardship in travelling with better road and shorter time to go from A to B. We now have more good roads built but it is also urgent for us to exercise maintenance and care. Overloading brings about road damages and/or broken bridges.

While the majority of the Cambodian people voted in support of the CPP's continued leadership of the country, some (politicians) have brought up the issue of similar faces still lead the CPP-led Royal Government. I do not think we can go to beauty or cosmetic parlor to change our faces. What is the point since Hun Sen would still be the one, Sar Kheng would still be the one, Ke Kim Yan would still be the one, Yim Chay Ly would still be the one, Serei Kosal would still be the one, and so on. It is beyond belief they got such thing to say. What happens when faces of the opposition leaders are still the same? They say so since 2003 – it is ten years now. I think in ten more years, if it is these people who will continue to criticize us for being the same, we will go on to be the same people too ...■

(Continued from page 1)

road 57B in Battambang the other day. The national road 55 will stretch 198 Km and link the provincial town of Pursat to Thmor Da at the Cambodian-Thai border.

Chinese Companies' Investments in Cambodia

Frankly speaking, I had been so worried about investments made in this sector and area. My concern was that when the construction of the Atai Hydropower Plant started, along with the hydropower plants of Ta Tai and Russei Jrum Kraom, the world financial crisis and economic downturn came too. That had posed a big question on if these companies are going to continue their investments. Every country exercised strict capital management. Some even took a more protective stance to forbid capital outflow for investments outside the country. They would rather keep those capitals instead to deal with local financial economic situation.

Thanks to strong economic growth of the People's Republic of China, the Chinese companies are able to fulfill their projects. There has not been any disappointments for Cambodia as well as countries where there are Chinese investments since the Chinese banks has been behind these companies... Despite impacts of the world financial crisis and economic downturn, the over one-billion-USD five hydropower projects – Komjai, Kirirom, Atai, Tatai and Russei Jrum – proceed without interruption ...

Contribution to Cambodia-China Comprehensive Strategic Partnership

In fact, mobilizing private sector in foreign countries to invest in infrastructural development such as electricity, roads, rails and bridges or water canals, etc. is not easy because these projects require huge capital compared to other types

of investments such as banks, hotels, etc. However, because of strong belief in long-term political stability and safety, China has encouraged the Chinese enterprises to invest in infrastructures in Cambodia. We already have Kirirom I, Kirirom II, Komjai, Atai, Tatai and Russei Jrum Kraom. We are now working on further investment on Se San II, which is a co-project of Chinese and local company. This kind of investment brings the two countries' more confidence and is a part of contribution for strengthening political relations, which has developed into comprehensive strategic partners between Cambodia and the People's Republic of China ...

Freedom of Expression, Not War-Inflicting Speech

... They (opposition politicians) may do whatever with the freedom for expression, but they should not resort to making war. We should make further efforts for national reconciliation. We already united all four former armed groups under one common Constitution and King. We have transformed our country from one ruled by many factions to a country of one rule. It is not easy to achieve that. National reconciliation, peace and development are life-cost achievements ...

Playing Both Ends Against the Middle

Food security and energy security has become of topic now in every international symposium. In 2007/8, the world development brought about a situation that the world needs land for cultivation of ethanol-producing crops that led to price jacking for food. The Cambodian farmers benefitted from the high price of rice since most of the land used to cultivate food crops had used for cultivating crops that serves the need of machines. As everyone has now resorted to

growing food crops for that matter, the price of food crop again has gone down while oil price has gone up.

To capitalize on the situation, some (politicians) have promised to make thing differently. When they are in the market, they say the price of rice at 2,000 Riel per Kilogram is very expensive and promise to lower the price to just 1,000 if they rule. However, when they go to see farmers in the field they tell them that selling rice at 800 Riel per kilogram is cheap and promise they will make it 1,500 Riel per Kilogram. *That is what I call playing both ends against the middle.* We did what we could to attract foreign investments to make energy price more affordable, they go around telling people it is very expensive. Despite our efforts to explain those investors to put their money in the country, we became the bad guys. For making empty promise of low price energy, they became the good guys.

You may comprehend from making own analysis. They are calling foreign countries not to purchase Cambodian products. If that were to happen, as they would like it to be, your children who are currently workers of numerous factories would have to come back and transplant rice with you. They no longer send you money. Take for example five laborers under one roof would go to rice field altogether. Now, three work at home and two work in factory. The ones working in factory send money to help the family face with living hardships, which also include hiring laborers in cultivation season.

Thanks for Voting Cambodian People's Party

Taking this opportunity, on behalf of Samdech Chea Sim, Samdech Heng Samrin, myself, as well as that of the Cambodian People's Party, I would like to express my sincere

thanks to the people of Pursat province, the Cambodian people in the whole country too, for voting the Cambodian People's Party to continue to lead the country's historic mission. I come here today because I have people's support in the national elections. As I was referring to grandmother Seang who last night called in to the radio, everything is functioning normally. Teachers are teaching in school, students are going to school, government officials are carrying out their works and duties as usual, and we will observe the Khmer New Year as usual too.

As the Khmer New Year approaches, I am appealing to our people to take precaution when driving and travel safely. Please enjoy the New Year in safety for all. I am so concerned about traffic accidents before and right after the New Year. Since we all will go to home villages to welcome the new deity of the New Year, let us all be patient and exercise understanding for the sake of creating peaceful environment for the country. Mutual trust is an important matter and should stay in everyone's heart and mind, either politician or citizen in general. I have spoken on numerous occasions since before the general elections that we should not let a national election divide our nation.

From family to family, village to village, we should not nurture hatred just because political tendency. The main problem we must face is to fill our stomach. Let us work together. A country has its law. A country has its Constitution. If one does not abide by the Constitution and step into violence, patience would wear out. Law enforcement will take the centre stage. It is no different to a story about a monk who could not be patient and abide by the Buddhist teaching anymore after someone hit his shaved head...☐