

New Era of Opportunity - Growth, Change and ASEAN Integration

Today I am delighted to attend the opening of the **International Investment Conference 2014** held under the theme of *Cambodia: New Era of Opportunity "Growth, Change and ASEAN Integration"* which is organized by the International Business Chamber of Cambodia. This event is indeed Cambodia's first biggest international investment conference held in 2014 after the formation of the Royal Government of the Fifth Legislature which is born from a free, fair and transparent general election on July 28, 2013.

Taking this opportunity, I would like to deeply thank and commend the International Business Chamber of Cambodia, Prudential Cambodia, Jardines Matheson Limited, Sciaroni and Association, ACLEDA Bank and ANZ Royal for initiating this important conference. I strongly believe that this two-day conference will provide a new opportunity for strengthening and expanding business and investment sector in Cambodia. At the same time, I would also like to warmly welcome Excellencies, ladies and gentlemen all the participants to this event. Your presence show that you value

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29 October 2014 – Prime Minister Samdech Techo Hun Sen and senior leaders of state institutions at the tenth anniversary of the Coronation Day of HM the King Norodom Sihamoni.

Diploma Presenting to CUS Graduates

(09 October 2014 — Unofficial Selection and Translation)

On CUS Progress, Scholarships and Job Finding Rates

It is a great pleasure that I have the chance to join with all of you to officially celebrate the graduation and diploma presenting ceremony for 6,748 students of the Cambodian University of Specialty (CUS). I would like to express my appreciation for the efforts made by CUS's progress, according to the report of Rector Sdoeng Sokhom. I am so happy to see that CUS has made progress from year to year and the effort made to find jobs for graduates.

With this new batch of graduates, CUS has made its figures of graduation of 19,752 students. CUS still has 11,631 students pursuing their study. With the forthcoming 2014/15 school year, this figure will reach roughly 17,000. This has clearly

showed the progress made by CUS along with overall progress made in our society as a whole.

I would like to express my sincere appreciation made by the governing board as well as leaders and professors of CUS in sharing their knowledge for our students in Phnom Penh as well as in provincial cities. I also thank CUS for providing 846 scholarships, from 2005 and 2006, to me so that I can give them out to students of difficult financial condition, of whom, 211 of them are here to receive the diplomas too.

I would also like to take this opportune moment to express my sincere appreciation for the graduates of all levels for making this day happen. According to the report of Rector Sdoeng Sokhom, there has been 86.06% rate of getting jobs after graduating

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Welcoming First Cambodian Gold Medallist from the 17th Asian Games

(05 October 2014 — Unofficial Selection and Translation)

First of all, I would like to ask everyone to congratulate our heroine, Sorn Seav Mei and her coach, Mr Choi Yong Sok, who brought fame to our nation.

Tonight, our nation is proud of our first gold medal of the history. According to the statistics of the Asian Games, China ranks first with their 151 gold medals, while this is the first and only gold medal for Cambodia. Therefore, we celebrate this special occasion by making a parade and holding a welcoming conference by the Royal Government here at the Peace Palace. According to the report by HE Thong Khon and mass media, this is our first gold medal since 1954. Is it the first medal in 60 years for Cambodia?

Of course, we used to get some medals from SEA Games which involved participants from only 10 countries, but Asian Games is participated by 45 countries in Asia. We got our first bronze medal from the Asian Games in 1962 by Mr. You

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Cambodia highly in terms of both economic and political aspects, especially your confidence in the Royal Government of Cambodia as well as the growing interest of national and international business community in Cambodia.

In fact, Cambodia has great potential for economic growth and diversification in many areas, meaning Cambodia can offer a big room for investment now and in the future. Currently, garment, tourism, construction and agriculture sectors are the pillars of economic growth in Cambodia, therefore, we need more investment in other sectors to help drive our economic growth. This is not only what Cambodia wants, but also a good opportunity for investors since Cambodia needs to modernize its industrial base which will play an important role in the growth strategy, help promote economic growth in the short and long run, create jobs for youth and underpin the new phase of economic growth by help attract investment in sectors other than agriculture and tourism.

Cambodia has a lot of potentials in the context of the changing architecture in the region, the establishment of the ASEAN economic community and the regional comprehensive economic partnership which will provide a great opportunity for the development of industrial sector in Cambodia through the enhanced regional linkage and economies of scale as well as business and manufacturing growth. At the same time, regional developments such as wage increase in China, Thailand and Vietnam, industrial growth in Bangkok and Ho Chi Minh

cities, and the initiative to establish an industrial corridor linking both poles (Bangkok and Ho Chi Minh) will provide great opportunity for Cambodia's integration into the regional and global production networks, indeed a favorable condition for industrial development in Cambodia. Moreover, investors can also gain from some of Cambodia's potentials such as young and skilled labor force, constant investment in transport infrastructure, growing middle income class, growing income, preferential market access provided by the EU's Everything But Arms initiative and the advantage of being a late-comer and so on. In addition, investors will receive further incentives once Cambodia has launched its **Industrial Development Policy** that aims to promote Cambodia's economic growth and diversification, profound transformation and competitiveness.

Over the recent years, Cambodia has gone through numerous changes, not only on political and security but also on economic, trade and social fronts.

Indeed, Cambodia achieved average economic growth of 6.7% per annum from 2009 to 2013, in spite of the slowdown in 2009 caused by the global financial crisis and economic recession. Cambodia's economic growth stood at 0.1% in 2009 while the majority of countries suffered from negative economic growth then rebound quickly to achieve average growth rate of 7% per annum from 2010 to 2013, thanks to the robust garment, tourism and construction growth despite the slow global economic recovery, severe flooding and other issues after the general election. Robust regional

economic growth along with the recovery in US and Europe and the Royal Government's ability to maintain security, political stability and social order enable Cambodia to achieve economic growth of 7.6% in 2013. For 2014 and in the medium term, Cambodia's economic growth is expected to exceed 7% per annum, thanks to the development of energy sector and other physical infrastructure and enhanced competitiveness, trade facilitation and investment environment. Besides, Cambodia's inflation is expected to be contained within 3 to 4% in 2014 in spite of high inflation in the region and increase in food and oil prices. The Riel exchange rate against US dollar has been generally stable with very slight fluctuation. The banking system remains robust with enough capital and liquidity. The bank deposits and loans continued to increase in 2013, a reflection of the public confidence in Cambodia's banking system. Our international reserves increased by 5.2% in 2013 and were expected to reach USD4.5 billion in 2014, equivalent to 4.5 months of import.

The reception of foreign direct investment remains strong, driven by the relocation of factories in neighboring countries and the growing investment by investors from China, Japan, South Korea and so on. Investment growth in 2013 revealed the stronger interest of foreign investors on the potential and opportunities in Cambodia, particularly strong confidence in the leadership and management of the country. The FDI inflow has been concentrated on the garment, rice milling, construction and tourism industries. Given this, there is

great investment potential, especially in the area of machineries, electronics and agro-processing as well as investment in the value-added activities of the existing manufacturing, textile and tourism sectors to help attract more foreign direct investment in 2014 and 2015.

Sustainable economic growth and good progress in improving social indicators would allow Cambodia to definitely move from a low income country to a lower-middle income country status in the near future. However, although Cambodia is able to maintain high economic growth for now and in the medium term, a number of risks continue to threaten Cambodia's economic growth.

Therefore, in a bid to maintain a pro-growth condition that allows Cambodia to manage and sustain its economic growth, the Royal Government of the Fifth Legislature of the National Assembly is committed to the in-depth and effective reform programs, that include: (1) improvement of investment environment and trade facilitation, (2) public financial management reform, (3) legal and judicial reform as well as fighting corruption, (4) coordination and alignment between the education and vocational training in response to the demand of the job market, and (5) further diversification of the growth base through the implementation of "**Industrial Development Policy**".

For its integration into the ASEAN economic community in 2015, Cambodia must be well prepared, that is the development of human capital. Cambodia needs quality

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and competent human resources to respond to tougher competition in the long term. The Royal Government of Cambodia through the Ministry of Education, Youth and Sport has recently imposed strict measures to manage and control the Grade 12 exit exam in the academic year of 2013-2014 and reform the education work to ensure that Cambodia has quality human resource to respond to the development needs, especially the private sector. To this end, the Royal Government will further strengthen the quality of education and development of technical skills for Cambodian youth, workers and employees to respond to the demand of the job market and ensure the continuity of the country's leadership and sustainable development for the future.

More importantly, we need to enhance Cambodia's capability and capacity in the context of growing demand for cooperation at regional and international level and further promote the implementation of in-depth reform to create a modern and proactive economic management structure in the context of the new regional architecture. For that, Royal Government pays constant attention to the reform aimed to improve investment and business climate in Cambodia. Recently, the Ministry of Commerce, General Department of Customs and Excise and General Department of Taxation of the Ministry of Economy and Finance have achieved notable progress in their respective reform. The three organizations have mainstreamed the use of IT, launched the automation system for customs form application, request for customs certificate, issuance

of export license and certificate of origin and commercial registration. These measures not only reduce processing time, but also ensure information accuracy as well as high responsibility of the Royal Government. By doing this, I believe that the active participation of the three organizations in trade facilitation will set a good example for other ministries-institutions to speed up their reform to catch up with countries in the region

In spite of the relatively high electricity price compared to neighboring countries and the unreliable electricity supply for strengthening Cambodia's competitiveness and economic development, there has been a notable progress in the electricity sector. Indeed, thanks to the concerted effort of the Royal Government, electricity supply reached a turning point in 2014 since some major electricity development projects such as hydro and coal-fueled power plants have been put into operation, resulting in the unused electricity surplus of about 246 MW during raining season due to shortage of electricity transmission and distribution network. From now to 2018, electricity tariffs will not increase, but will gradually decrease.

In this regard, to meet electricity demand for the expansion of the industry sector and to ensure Cambodia's investment attractiveness, I would like to take this opportunity to instruct the Ministry of Mine and Energy, Cambodia Electricity Authority and Electricity of Cambodia Company, Ministry of Economy and Finance to work together to assess the possibility of revising electricity tariffs for industrial consumption during night time, large

commercial customers, prioritized zones and so on.

With regard to setting minimum wage, we must rely on the tripartite mechanism to find solutions and review minimum wage level every year. In this regard, I would like to remind our people that setting minimum wage can also pose risks to Cambodia. For instance, increasing minimum wages in China and Thailand adversely affects manufacturers and reduce their competitiveness due to high production cost and as a result, investors consider relocating their factories to other countries. This is simply a rational decision-making. Therefore, Cambodia has to grab the opportunity by carefully setting the minimum wage to welcome investors who are relocating their factories.

Along with its effort to manage and sustain economic growth, Cambodia will also consider other initiatives and responses to the latest developments. Overall, regional economic integration, national socio-economic development, population growth, urbanization, as well as the development of transport, energy and other sectors has brought about changes in numerous aspects, that include the economy, legal aspects, environment, fiscal space and so on. To this end, Cambodia has launched the "National Policy for Green Growth" and the "National Strategic Plan for Green Growth 2013-2030" and other necessary measures to respond to climate change.

With regard to public budgeting, Cambodia continues to implement the Public Financial Management Reform Program (PFMRP) and other necessary structural reform

measures, including the promotion of fiscal policy through stepping up revenue mobilization by focusing mainly on improving revenue administration and governance, tightening expenditure in order to reduce budget deficit to an appropriate level, and increase fiscal space by adopting and strictly implementing the "**Medium-Term Revenue Mobilization Strategy 2014-2018**" to address the needs of development and to prepare for the unexpected events such as another crisis and so on. The public financial management reform has enabled the government to address a number of expenditure priorities, such as salary increase in the public sector, increase in public investment to support and promote growth as well as response to natural disasters to ensure economic efficiency and competitiveness in attracting investment and promoting exports for Cambodia.

At the same time, in order to increase economic competitiveness Cambodia will increase its public investment and mobilize private sector participation in infrastructure development while working hard to promote the development of human resources and equip our labor force with competence and skills. That also includes the formulation and implementation the Master Plan on Transportation Infrastructure Development to connect all parts of the country and with the neighboring countries through developing multi-modal and cross border transport systems along with an efficient and competitive logistics system aimed at promoting investment, trade, tourism and rural develop-

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ment.

Truly, the aforementioned are aimed to further diversify the growth base and ensure effective implementation of the Industrial Development Policy. The vision of the Royal Government in formulating this industrial development policy is to expand and strengthen our economic base through enhancing the productivity and competitiveness of the manufacturing sector in order to create jobs and increase income for our citizens.

Along with the formulation of the industrial development policy, the Royal Government will need to amend Law on Investment and Law on Taxation to ensure consistency and Cambodia's attractiveness as an investment destination. Besides, Cambodia will strive to implement the Policy Document on the Development of Small and Medium Enterprises aimed to ensure business climate, industrial standards, compliance with accounting standard and financial reporting requirement to enhance SME's access to credit, tax incentive for production inputs and institutional capacity building, especially the establishment of establishing National Productivity Centre, Centre of Industrial Experiment and Centre for Business Development Advisor and so on.

Last week, I approved the establishment of Cambodia Productivity Committee consisting of members from relevant ministries, including representatives of economic actors and academia. This Committee, led by Permanent Deputy Prime Minister **Keat Chhon**, has the core mandate to study and analyze

labor economics, labor productivity and competitiveness.

No doubt, the implementation of all these measures will fruitfully contribute to the expansion of the industry base, that include the emergence of assembly industry, electronics industry, spare-parts industry, agro-processing industry and other manufacturing industries. At the same time, it is necessary to revise **"The Development of Small and Medium Enterprises' Framework"** to ensure its consistency with **"The Industrial Development Policy"** in order to enable small and medium enterprises to connect with large enterprises through industrial clusters and enhance their entrepreneurship, productivity, creativity and specialization through the implementation of a package of comprehensive measures, including the dynamics of actor system in the production chain, promotion of technological transfers, improvement in access to financing and strengthening of technical standards... etc.

In addition, Cambodia is also implementing judicial reform and the strict observance of the principles of rule of law in order to strengthen governance and institutional capacity is necessary to support the implementation of our far-reaching reform agenda in a bid to enhance the efficiency of the public service delivery and strengthen investment climate. All these tasks are intended to boost the attractiveness of business and investment sectors, support private sector development and build investor confidence in doing business in Cambodia. We will indeed do our best. Furthermore, the Royal Government has set stan-

dards and fees for public services delivered to citizens, businesspeople and investors, improved legal frameworks, strengthened institutional mechanisms, including dispute resolution mechanism aimed to better serve people with transparency and effectiveness. Also, Cambodia will continue to strengthen and enhance the effectiveness of the three core measures for our fight against corruption, i.e. (1) educating people not to commit corruption, (2) preventing corrupt practices and (3) bringing corruption cases to court.

Cambodia has been actively participating in the ASEAN's economic and financial initiatives, especially the initiatives to realize the ASEAN Economic Community in 2015 and integrating itself into the regional cooperation framework by actively engaging in dialogues with important partners of ASEAN such as **China, Japan, Republic of Korea, India, Australia, and New Zealand**. As a result, national and international investors in Cambodia can enjoy more and better opportunities. Meanwhile, Cambodia has officially launched the **"Cambodia's Diagnostic Trade Integration Strategy 2014-2018"**, which would contribute to facilitating Cambodia's integration into the ASEAN economic community in 2015.

In this spirit, the Royal Government always welcomes dialogue with the private sector, places great emphasis on investment climate and supports the promotion of capacity building of the private sector to compete on regional and international arenas. Indeed, the Royal Government has regarded the private sector as locomotive of growth and itself as the strategist and

development manager whose role is to ensure favorable, stable, transparent and predictable investment climate for the private sector.

Further, the Royal Government will continue to promote the effectiveness of the so-called **"Government-Private Sector Forum"** mechanism to provide policy options and recommendations intended to enhance the role of private sector in development while continuing to address business and investment issues and concerns in Cambodia. Besides, I would like to call on ministries-institutions in charge of issues related to business and investment, especially the Committee for Private Sector Development Policy, the Ministry of Economy and Finance and the Council for the Development of Cambodia to step up the implementation of proactive macroeconomic policy to support economic growth and social development by means of promoting the development of private sector and job market and boosting investment in key sectors.

Before concluding, on behalf of the Royal Government and myself, I would like to request all businesspeople and entrepreneurs present in this international conference to explore investment opportunities in Cambodia in the above mentioned context, that is the Royal Government of Cambodia is committed to expanding its growth base through strengthening governance, increasing value-added by joining regional value chain, and creating of favorable conditions for the private sector as well as ensuring the competitiveness of private sector in Cambodia.

I also would like to take this

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from the University. I hope that these graduates will continue to make efforts to go into another learning stage. They would have to make further effort in their studies to develop themselves for both their families and countries.

From Bare Hands to Equal Rights and Footing

We have ensured our country's development in gradual manner as we all are waiting for. We all knew about the most difficult starting point of our country that rose from war and genocide. We started from the state that we had difficulty finding educated persons to work while very few of them human resources survived the killing (directly or indirectly by the genocide regime). We started with the creation afresh every institution. Changes in every other country are different from what happened in Cambodia. They may change anything but they reserve their human resource and infrastructures.

They may change currency but we did not have it. We did not have a swap between currencies from under Lon Nol regime with those issued after the liberation on 7 January 1979. It is one critical issue different to all and it was impossible to imagine that it happened in the late 20th century in a Southeast Asian country – Cambodia. We have made gradual recovery and changes in the past 35 years. We have gone from hard to bear to the current state of being. Today, Cambodia makes its equal standing and footing with other countries, not only in solving its own problems but also those with other countries.

Some countries in the region has gone into war and yet ended it. As for Cambodia, we have transformed our country from one with divisions and rules to one unified country under sole HM the King, legislative assembly, executive power and armed forces. However, it is true that our country's advancement has not stopped here. No one country has satisfied with what it has achieved. Reform is what they all need to do. The most advanced nation on earth, the US, also has to talk about reform. It is the same buzz term widely used in Europe, Japan, etc.

In Cambodia, reform is a must and necessary to respond to the need for national development. We cannot stand to be satisfied. It is in this understanding that government official as well as businessman should take part in national reform. The aim of our reform is to maintain our economic growth as well as sustainable development on all fields, including natural resources and environment.

First Asian Games Gold Medal for Cambodia

Last Sunday, as we all learned already, we have a hero who brings the first gold medal to the Kingdom of Cambodia. Cambodia is making advancement gradually in home as well as regional front. Some people claimed that it was just a gold medal, why did the Royal Government make it a big story? It is because we just have this medal as our first one, I must say, that we need to blow a trumpet and to offer in the gold medallist's honour a motorcade. Some commentators said Cambodia has not got a gold medal in forty four years or since 1970. Let me affirm that Cambodia has

never won a gold medal at all.

In 1951, the Asian games in India, Cambodia did not participate. In 1954, the games in the Philippines, we won no medal. In 1958, no medal won in Japan. In 1962, the Asian games in Indonesia, our famous boxer Chhin Hong came home with a bronze medal. We also treated him as a hero. Cambodia failed to attend the Asian games in 1966 in Thailand. In 1970, the games in Thailand again and we won four bronze medals and one silver. As you can track, we never won a gold medal before that. It is not a simple matter. It is the medal won among 45 countries. Why some do not join the Royal Government to welcome this honour for the country. Sorn Seav Mei has now become a mandated Ambassador for Cell Card.

Going to ASEM Summit

It is encouraging to see that now sports also make a proud advancement. There has a saying that goes "a journey of thousands of kilometres always starts with the first kilometre." It is on this logic that we need to continue to make more efforts. Our country's relation with international community has grown bigger and wider in both regionalization and globalization. On this front, human resources hold key. We need human resources not only for our country's development alone but also for tough regional and international competition.

From the present toward end of the year, there are many meetings to attend. In just days ahead, there will be this Asia-Europe Summit in Italy. I have a strong concern about topic to be discussed in the Summit. As President of

Russia Vladimir Putin will also be there, I doubt if Ukraine will not become a main topic. I am very concerned about disagreement among leaders in the summit. I could foresee that issue of ISIS in Iraq and Syria may get consensus. As far as ASEAN is concerned, there is this issue of South China Sea. Maybe this would not be brought up in Milan. I am concerned because I do not smoke anymore. I do not know where to go but to sit down and listen and to say nothing.

Four Factors for Cambodia to Join ASEAN

Upon returning, in October and November, there will be numerous international level meetings. I should bring up this issue of ASEAN integration in 2015. As rotating chairman of ASEAN, I brought up this issue of whether ASEAN should aim for the early, middle or later part of 2015. There was no agreement yet. It appears that the date is set to be 31 December 2015 for the creation of the ASEAN Economic Community. I have explained more than once already the various reasons why Cambodia has to join ASEAN? As a member country to ASEAN, we all must know about this. It is not an issue only for one or two leaders or those in the Cabinet or members of the National Assembly. It is a topic for all of our citizens. There are four main reasons:

Firstly, Cambodia appreciates the group's principle of non-interference in other country's affairs. It is very important for Cambodia. As a small nation, Cambodia would not be affiliating itself to the group if it were not for this principle. As you can see,

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as time passed, some countries had their problems, including also coup issues, and we never poke our nose in affairs of other member states.

Secondly, it is the community spirit. What defines the community spirit? The main point rests in this fact that ASEAN bases its works on consensus irrespective of size or wealth status of its member states. On every issue, ASEAN must draw on consensus of the ten member states. This point has ensured Cambodia an equal status, rights and footing among the ten members states. It requires community spirit on which every country coexists in harmony.

Thirdly, we benefit from reduction of gap and enjoy regional integration since when we join ASEAN. We have accrued numerous benefits for the sake of our country's development, which include also human resource development. Gap reduction in the framework of ASEAN relates importantly to issue of human resources. Connectivity has also surfaced as an important issue.

If Cambodia were to stand alone, not in ASEAN, would there be any ASEAN country would think about connecting with us? Take for instance the ASEAN-Kunming rail that is going to run through Cambodia or the road connection between countries in the regions. In the forthcoming APEC meeting to be organized by China, countries like Cambodia, Laos, Myanmar, though not yet APEC members, have been invited by President Xi Jinping for connectivity meeting prior to the APEC meeting itself. Gap

reduction and integration has given Cambodia huge socio-economic interests.

Fourthly, it is a diplomatic exit for Cambodia. Being a member of ASEAN, we have numerous partners. ASEAN has established partnership like ASEAN-Europe, ASEAN-China, ASEAN-Japan, ASEAN-South Korea, ASEAN-US, ASEAN-India, ASEAN-UN, etc. We consider it an open way of our diplomacy.

Some of our people and politicians do not have a good understanding of this issue. As of now, it appears that they now have a good consensus of this ASEAN issue. Cambodia had a good chance that when it entered ASEAN the country had a chance to coordinate among big countries and regional organizations. To start with, we were the coordinator between ASEAN and China. Later, we acted in between ASEAN and India. Now, we are serving as coordinator between ASEAN and Japan.

Along the line that we were coordinator between ASEAN and China, we also did for ASEAN and India and ASEAN and Europe. We gave speeches as coordinator in the ASEAN-Europe meeting in Brussels and the memorable meeting of ASEAN-Europe in Singapore. This should explain the meaning of diplomacy access as a member state of ASEAN. Viewing the four factors, being member of ASEAN has given us no loss. We have become the one who initiated numerous works, including the declaration on South China Sea (DOC) signed between ASEAN and China on the tenth anniversary of its declaration in Phnom Penh.

Cambodia is now driving for the establishment of the ASEAN Mine Action Centre with its headquarters in Cambodia, where training of and about mines will be conducted in the framework of ASEAN. These are what Cambodia has achieved. Cambodia also works in this ASEAN environment with other partners in East Asia and ASEAN plus East Asia. ASEAN cannot afford to drag on because of the big difference between old and new members.

ASEAN Standards

With efforts made to achieve socio-economic development, human resources and coordination for synchronization between ASEAN and partners in the region, it requires that more needs to be done. I made a joke to other ASEAN head of states and governments that our problem is not that simple. Take for example traffic rules. In ASEAN we have countries that observe left-hand traffic and those that observe right-hand traffic. Right-hand traffic countries are Cambodia, Laos and Vietnam. Right-hand traffic countries are Thailand, Myanmar, Malaysia, Indonesia, Singapore, and Brunei.

What are we going to do to allow the two traffic systems to commute in a different system? It is difficult to assure consistency on legal issue. Take for instance there are countries that follow French legal system and those that exercise the Anglo-Saxon's. However, these differences are not issue that we found in ASEAN. In Europe they also have this problem and they can come up with this European Union.

Regularity of State Institutions and People's

Livelihood

I have spoken on various occasions about political situation in Cambodia. It appears to be going well now. However, well or not well, that is what it is. Political parties are now working together in the National Assembly. Terms of unilateral, illegal, incomplete National Assembly, illegal National Assembly meeting led by HM the King, etc. have now become legal and complete. However, the main issue here is to guarantee regularity of national institutions. That is the strategy that I set out from experiences gained in political deadlock situation in 1998 and 2003. The most important factor is to have regular functioning of state institutions and stable livelihood of the people.

Free Tax for Salary of 800,000 Riel and Below

That the country has gone forward in this mode, our economy has grown in way that our prediction and evaluation of the Asian Development Bank and that of the World Bank has come to a point that it will not be lower than 7%. The draft of the 2015 budget law will be examined by the Cabinet meeting in the fourth week of October. The Minister for Economy and Finance has proposed to impose no tax on those whose salary is 800,000 Riel and below. It was aimed earlier to impose tax also on those whose salary is from 500,000 and above. Having come to this decision, the state will spend ten millions USD extra.

I approved the request yesterday so that the decision will be included in the Budget Law. When I return from Italy, we will need to pass the

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Chhin Hong (58kg) in Men's Lightweight Amateur Boxing. Our first appearance in the Asian Games was in 1954, held in the republic of the Philippines, and we won nothing. As for the 1st Asian Games, in 1951, we did not participate because we were still under French colony. We also won nothing from the 2nd Asian Games in 1958, held in Japan, but we won a bronze medal in the 3rd Asian Games in 1962 in Jakarta.

In 1966, we did not join the 5th Asian Games because we were participating in another event called Asian GANEFO. However, in the 6th Asian Games in 1970, we got 4 medals including two silver medals from Amateur Boxing, one bronze medal from Swimming, and another one bronze medal from Women's Volleyball.

In the last 60 years, we only got six medals in total which means the average medal that Cambodia won in 10 years is only one. On the contrary, this year, we received one gold medal brought home by Sorn Seav Mei. I totally agree with what Seav Mei said during an interview at South Korea that this medal did not belong to her alone but to all 14 million people in Cambodia.

On behalf of HM the King Norodom Sihamoni and the Royal Government of Cambodia, I would like to warmly congratulate Sorn Seav Mei on bringing the success to our country. We are really proud of the record that we just broke because it has never been broken for at least 44 years. Supposing there had not been 1970 coup, Cambodia would have won some more gold medals so far. Unfortunately, from 1970 to

1994, we were not able to participate in any games.

The report of the Ministry of Education, Youth, and Sport and the National Olympic Committee of Cambodia have been faithful that we expected to get only one medal from this year Asian Games, and it did not matter whether it was gold, silver or bronze because we never won any medals since we re-entered the Asian Games. Fortunately, at the last minutes, I was informed by a text message from HE Thong Khon about the victory of Sorn Seav Mei. As a prime minister who promotes every sector including sports, I felt overwhelmed. I was not able to meet her before the games due to my busy schedule, yet, I was very happy with this news. I believe there is going to be more in the future.

I would like to take this opportunity to thank Sorn Elit, Seav Mei's big brother and also a Taekwondo practitioner, for his efforts and for being the one who introduced his sisters, Seav Mei and Davin, to Taekwondo. Elit, the 3rd son of the Sorn's Family, said Seav Mei has brought fame to his family. He was right. Seav Mei not only did it for their family but also for Cambodia.

I also would like to thank Seav Mei's mother, Mrs Soun Chanthy, who, according to biography given to me, due to a traffic accident in 2003, her husband Mr. Sorn Meng Heang, their father, passed away. Seav Mei was only 8 years old then. However, as a widow, Mrs Soun Chanthy was struggling hard to raise her children on her own.

Today, one of them becomes the symbol of the nation. This is very admiring and she

should be considered as a role model. Elit, Davin and Seav Mei are all getting educated. Furthermore, according to police Chief General Neth Savoeun, Seav Mei is going to join the police force this year while the other two are already officially in.

I would like to express my admiration for this family and hope that Mrs Soun Chanthy will keep on her mother's guidance for her children. This family could become a role model, to other family, of a drug-free family or juvenile delinquency-free. They built good reputation for their family, community and country. I was informed that Davin used to compete against Laura, a two-time gold medallist Filipina in Asian Games. She lost. On the other hand, Seav Mei avenged by beating Laura in the semi-final and advanced to the final round.

As stated in the report, in round 1, Seav Mei got only 1 point while the Iranian got 3 points. Supposing Seav Mei had not had good sportsmanship, she would have lost. In the second round, the table turned, Seav Mei got 5 while the Iranian got nil, and in the last round they both got 1 point. Finally, the total score was 7-4, which was incredible.

The match against the Uzbek was not that hard because of the big different score gap, but the match against the Filipina was neck and neck. Lastly, the match against the Iranian was also hard due to the first round score. Summing this, I believe our athletes are not weak and just giving up after being punched once or twice. We kept fighting till the last minutes or till the referee halt the fight.

I am really excited to see many people waiting at the airport for the arrival of Seav Mei. There might have been more people if it was not raining. This time, for the gold medallist of Asian Games, there are 6 police motorcycles escorting the parade from the airport to the Peace Palace. Next time, if we were to win gold medals from the Olympic Games, I promise there would be up to 12 police motorcycles escorting the winner. This will symbolise encouragement and respect for our athletes. I do not think it is aggrandizing. We do all that in respect for fame they would fight and bring for the whole nation. I hope everyone is truly proud of Seav Mei no matter which political tendency they may belong.

I would also like to express my gratitude toward Mr Choi Yong Sok, who trains all three of the Sorn's children even though not all of them got the medal. Taekwondo practice really goes well with being bodyguard. When there is visit of leader from other country, we could use a tall bodyguard and with good martial art, like Sorn Elit has, to protect him/her. More importantly, if the foreign leader happens to bring along his spouse, Sorn Davin could also be her female bodyguard.

People might want to acknowledge that this is not the first time Seav Mei bring home medals. She got one gold medal at 2013 Sea Games, one bronze medal at 2011 Sea Games in Indonesia, another one bronze medal at the 10th ASEAN Taekwondo Championship which was held in the Kingdom of Cambodia, one other bronze at the 11th ASEAN Taek-

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wondo Championship in Vietnam, and last but not least one bronze at the Asian Junior Taekwondo Championship in Laos. Respectively, she is holding six medals including four bronze and two gold medals, but this new gold medal was seized from 45 countries. She raises Cambodia's rank to the 28th.

I would also like to compliment the Ministry of Education, Youth and Sport, the National Olympic Committee of Cambodia, and all the athletes on working on this issue since before the games. Today, they are all here to welcome and support their friend. It is my notice that there are going to be some private companies who are going to sponsor Seav Mei and her family. We have here issue of Seav Mei's academic performance. She did not pass her secondary school examination (Baccalaureate) and there is only one week left until the re-test starts. She did not have time for complimentary study for the second test as other 12th graders.

As a result, HE Hang Chuon Naron, minister of MoEYS, has made two announcements: (1) MoEYS is going to allow Sorn Seav Mei, the Cambodian gold medalist of Asian Games, to pass her secondary school exam automatically. She is also entitled to scholarship and able to choose any state tertiary education establishment she wishes to, and (2) any athletes who receive gold medal from either Asian or Olympic Games that happen during their exam periods will be allowed to pass automatically. Only gold medal term is applied here. As in Seav Mei's case, she is going to pass automatically because she won the gold medal. If

one joined the games, but won nothing, we would not allow them to pass. One more thing, Seav Mei can pick any state universities as her alternative. In my opinion, she is a genius in sport, she should choose the Royal University of Phnom Penh, and train to become a physical education professor. This is just an idea of mine, but she can choose other subjects as well.

I hope Seav Mei does not need to stay at the dormitory because by giving her the scholarship, the Royal Government is making her academic life much easier. My entire family is sponsoring Seav Mei 100 USD/month and it is starting from this October. That makes a total of 1,500 USD for 2015 (12 months in 2015 + 3 months left in 2014). We are planning to fund her until she graduates. We will fund her for 4 years unless she chooses technical subjects such as Medical or Engineering Degree which require her to attend 5-8 years, so we will have to finance her longer. She will need to open a bank account, and my son, Hun Many is responsible for transferring money to her account annually. Besides, I provide her with a motorcycle, an Apple's laptop worth 1,250 USD, and an iPad.

We are giving her 3 days to discuss with her family which subject or university she should pick as her scholarship, but I expect her to keep training because she is our hope for the 2016 Olympic Games in Brazil. Twelve motorcycles will escort her from the airport if she gets another gold medal in the Olympic Games, and Hun Sen will be waiting for her because 2016 is still in my mandate.

Today we are awarding a Medal of Moha Sereywath to Sorn Seav Mei and a Medal of Saha Metry Moha Sereywath to Mr Choi Yong Sok. According to the Sub-decree, we grant both gold medallist and his/her coach 80 million Riels. However, I and my wife are giving her another 10,000 USD and her mother 5 million Riels. I am really excited with this new history made in this new era, which people call Techo Era. I appreciate HM the King's kindness for offering me this title. In the past, there were Techo Meas and Techo Yort, but in the 21st century, we have Techo Sen. Therefore, in Techo Sen's era, with the leadership of HM the King Norodom Sihamoni, we bring home our first gold medal in the history of our competition in the Asian Games by our heroine, Sorn Seav Mei. Finally, I would like to wish Excellencies, Ladies and Gentlemen the four gems of Buddhism blessing: Longevity, Nobility, Health and Strength ■

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draft budget law. I cannot have the Minister of Economy and Finance going with me as he needs to stay home to get the draft ready since we have set the time to get the draft to the National Assembly in November. HE Aun Pornmonirath, who always accompanies me to ASEM Summit, and other meetings, will have to stay and work on this important law. As we have political stability, we must guarantee that there is also macroeconomic stability at the same time.

Tenth Anniversary of the Coronation Day and Water Festival

The Municipality of Phnom Penh must be ready from

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opportunity to reiterate that Cambodia continues to welcome and encourage investment projects to Cambodia, and the government will continue its effort to strengthen economic cooperation and its openness as well as to create better investment climate and ensure its attractiveness and trustworthy for all investors and businesspeople. I also would like to remind the leadership and officials of relevant ministries-institutions that, now more than ever before, we have to work together for the development and prosperity of Cambodia as well as the region. Finally, with the official announcement of the opening of the international investment conference 2014 under the theme: **“Cambodian New Era of Opportunity, Growth, Change and ASEAN Integration”**, I would like to wish Excellencies, ladies and gentlemen a fruitful outcome of this conference and success in all your endeavors ■

now for many upcoming events. This year we are celebrating the tenth anniversary of the coronation day of HM the King while there will be mass meetings and religious rites on 28 and 29 October.

This year along with the water festival, in just two days afterward we will also have our National Independence Day.

As for the water festival, I would love to enjoy the boat race event but I will not be present on the third day.

As the boat raced event will take place three days, November 5, 6 and 7 – I will not be present on the last day for my trip to Beijing for a meeting on connectivity ...■