

31 October 2006

Third China-ASEAN Business and Investment Summit



30 October 06—Samdech Hun Sen and Prime Minister Wen Jiabao at Guangxi Zhuang Autonomous Region's Nanning Sino-ASEAN Summit (Xinhua).

It is an honor for me to participate in the **"Third China-ASEAN Business and Investment Summit"** in order to commemorate the 15th Anniversary of ASEAN-China Dialogue Relations, which is called the **"Year of Friendship and Cooperation between ASEAN and China."**

On behalf of the Royal Government of Cambodia, I would like to express my profound thanks to the Government of China for hosting such an important event, which plays a crucial role in strengthening links between governments and the business sector, as well as promoting business cooperation and economic growth in our region.

Indeed, the relationships between ASEAN and China have progressed significantly during the last 15 years. Substantial progresses have been made in almost every field of our cooperation.

The ASEAN-China trade value has increased rapidly from 78 billion dollars in 2003 to 100 billion dollars in 2004 and 130 billion dollars in 2005. In 2005, ASEAN investments in China increased to around US\$3.1 billion.

At the same time, we noted that China has become a major investor in many less developed ASEAN countries such as Cambodia.

Within the framework of our cooperation, the People's Republic of China has been playing a very constructive and crucial role in the development of the region, thus in so many ways facilitating and expediting our strategic partnership for prosperity and development.

China and ASEAN are just only 3 years away from implementing the **Free Trade Area**, which will become the biggest
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21 October 2006 (With Unofficial Translation of Selected Comments)

Academic Forum: Cambodia's Political Settlement

... It is my honor and pleasure to participate in the closing of this **"Open Academic Forum on the General Agreement on Political Resolution in Cambodia"** to commemorate the Fifteen Anniversary of the Paris Peace Accord. In this auspicious occasion, may I congratulate and highly appreciate the Cambodia Institute for International Relations for the organization of such an important and beneficial open forum sponsored by the Ministry of Foreign Affairs and International Cooperation and the Conrad Adenauer Foundation. On behalf of the Royal Gov-

ernment of Cambodia and my own self, I wish to take this opportunity to extend my warmest thanks to the distinguished national and international guests, to all Cambodian friends, and bilateral and multilateral development partners who present here to commemorate the Fifteenth Anniversary of the Paris Peace Accord. Indeed, your contribution, both in terms of time and knowledge devoted to and your presence in this **"Open Academic Forum"**, is very much valuable not only to witness the efforts made in
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05 October 2006 (Unofficial Translation of Selected Comments)

Visiting the Irrigation System in Pursat Province

... Today I have a great pleasure to be with you all to inspect an irrigation system at Damnak Ampil that is very important for the irrigation of three districts of Sampeo Meas, Ba Kaan and Phnom Kravanh of Pursat covering a total area of about 27, 467 hectares of rainy season rice and another 1, 500 hectares of dry season rice. I am glad that what I had been expecting since 1985 has indeed come into being today - though it has taken us 21 years to get it done. I first came to this place 21 years ago and again in June, 2005. I remember seeing bad road condition and dilapidated irrigation system in those days and it was indeed disappointed that we at that time could not make it happen the way we wanted it. As time has come, with the Asian Development Bank financial assistance and under

the supervision and implementation of the Ministry of Water Resources and Meteorology, the system has been almost completed now.

Comparing to previous trips I made to this part of the country, rice cultivation this year in this area as well as throughout the country seems to be better in general. HE Chhay Saret reported just now that the area of cultivation this year is 7, 488 hectares or 93.90% of the total cultivation land. This is great news. As far as the irrigation system is concerned, we are happy because of the fact that the system serves not only as water channel but also road
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overcoming all the difficult challenges on the path of development and poverty reduction during the past 15 years after the Paris Peace Accord but also to highlight future prospects and share best ideas on how to keep Cambodia on the right track toward progress and prosperity.

This *Open Academic Forum on the General Agreement on Political Resolution in Cambodia*, commemorating the Fifteenth Anniversary of the Paris Peace Accord, happens in a situation where Cambodia has very actively moved on negotiations and national reconciliation, reaching territorial integrity and firm foundations for democracy and respect for human rights in Cambodia, and the country is now poised to develop itself into a prosperous nation.

In fact, though we are living in a very difficult time when the world is full of challenges resulted from terrorism, chaos, wars, epidemic diseases and serious natural disasters across the globe, Cambodia has been making steady progress and has produced many achievements. Specifically, in the last 10 years, Cambodia has gone through a quick transformation not only in political and security aspects but also in social and economic dimensions.

Clearly, peaceful resolution, patience, concession, accommodation and mutual understanding are key to resolving Cambodian conflicts, and those solutions have opened up opportunities for economic and social development. Cambodian people themselves are aware of the virtue of accommodation and concession. These sacraments form the foundations of our “Win-Win” policy.

I remember that, in October 2001, I delivered a keynote address in the Commemorative Ceremony of the Tenth Anniversary of the Paris Peace Accord. At that time, I revealed some of the historical secrets related to the negotiations process and the implementation of peace agreement. I believe that the keynote address is of utmost importance to historians and political analysts who are interested in Cambodian politics. Indeed, as one of the leaders who initiated the negotiations for peace and participated deeply in all aspects of negotiation and implementation of this peace agreement, I have in my hands all the details related to this process. Those information are extremely sensitive that I cannot reveal them now, though they are all about important historical events and played the key role for the success of the peace process. I have compiled all these information and intend to write up this complicated history of politics in the future to serve as reference for researchers and the public.

Nevertheless, I think it is also very important for me to recall some events and reasons why Cambodia could reach an agreement on national reconciliation and development. I clearly remember that the search for resolution of Cambodia's issue was happening during the cold war, the period of arms races and ideological confrontation, which were very intense at the global level. At the regional level, then it was the period when Southeast Asia was divided into two confronting blocs that sometimes tried to accommodate each other. At the national level, Cambodia was facing on one hand the risk of the return of the genocidal regime of Pol Pot supported by the United Nations, and on the other hand was facing the unjust economic embargo by a number

of countries supporting the genocidal regime of Pol Pot, and put sanctions on the Cambodian people who survived from the bloody thirsty claws of Pol Pot clique.

The situation at that time is that, for the former State of Cambodia which I was the Prime Minister, the choice of continuing war in search of peace was the easiest and least risky one. But for the long term future of the country, we could not choose this easiest choice by using war to end war. We were committed to electing the choice of high political risk for the government (State of Cambodia) by working hard to negotiate peace basing on two strategies: first, to achieve a political solution that prevents the return of Pol Pot genocidal regime and second, to maintain national achievements built from bare hands and sufferings since the collapse of Pol Pot's regime in 1979.

I would like to reiterate that it was neither easy nor difficult path, but it was the very dangerous path for us as victims and vulnerable. However, our efforts in meeting a common interest led to the historical meeting on the 02nd December 1987 between Samdech Preah **Norodom Sihanouk** and **Hun Sen** at Feren-Tardenois in France which opened up to many other political negotiations on Cambodia even though some countries and factions, especially the Khmer Rouge, did not agree. Since then, the bilateral and multilateral meetings have happened in many different places and different forms such as Sihanouk-Hun Sen, Sihanouk-Hun Sen-Son San, Sihanouk-Hun Sen-Son San-Khiev Sam Phan, JIM 1, JIM 2, IMC in Indonesia and the failure of the First Paris International Conference in 1989 etc.

The patience, accommodation

and the art of making concession had steadily led us to a framework solution and a draft agreement which was prepared by the 5 Permanent Members of United Nations and the formation of the Supreme National Council (SNC) with 12 members. The SNC had to confront with countless obstacles that need to be solved in order to reach an agreement at the time that Khmer Rouge continued to hold their ambition to use force in solving problems. The negotiation process to achieve the Paris Peace Agreement had many problems but the most challenging problem was the solution on military issues which were very difficult to be agreed upon. As I mentioned, there are two key factors to make Khmer Rouge to accept the solution on this military issue.

First, after two private meetings between Samdech Preah **Norodom Sihanouk** and me in Jakarta on 2nd and 4th June 1991 respectively, Their Majesties Samdech Preah **Norodom Sihanouk** and the **Queen** decided to return to Cambodia regardless of a political solution to create the National Leader Committee, with Samdech Preah **Norodom Sihanouk** as the Head, and myself, **Hun Sen** as the deputy Head, while the constitution, national flag, national anthem, parliament, and the whole structure of the former State of Cambodia remain unchanged, in which H.E. **Heng Samrin** was the Head of State Council, H.E. **Chea Sim** as the Head of the Parliament, and myself, **Hun Sen** as the Prime Minister. The decision to return to Cambodia by Samdech Preah **Norodom Sihanouk** was the sacred stick hitting the Khmer Rouge and their allies to reconsider their strategies for survival.

Second, the art of achieving the
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agreement on demobilization by 70%, which I call “serving Hun Sen with his own-made cake by some body’s hands”. We still remember that the Khmer Rouge faction proposed to reserve about 2,000 soldiers for each faction, therefore the tripartite coalition government would have about 6,000 soldiers while the government of the former State of Cambodia which controlled more than 90% of territory and 140,000 soldiers could have only 2,000 soldiers. This would allow the Khmer Rouge with an easy path to come back to power through their hidden military force in their control area.

In the private meeting between me and a representative from a major country during a working meal, I expressed the idea of demobilization by 70% but I did not raise that proposal by myself because the Khmer Rouge leaders always oppose to my proposals. Therefore, this formula had to go through a major country to Samdech Preah **Norodom Sihanouk** who was the Head of SNC’s meeting and was later submitted into the SNC’s meeting. Myself and others including Khiev Sam Phan and Son Sen who were the representatives of the Khmer Rouge all supported this proposal. Therefore, the military issue was the most difficult in achieving the agreement and it was solved through “serving Hun Sen with his own-made cake by some body’s hands” approach.

After the signing of the Paris Peace Agreement, the King, the Queen and royal family members returned to Cambodia with warm welcome from the people while Khiev Sam Phan and Son Sen were welcomed by demonstration. The United Nations sent UNAMIC in order to prepare the UNTAC’s operation. Three

among the four factions implemented the Paris Peace Agreement, especially the cease-fire and troops concentration to prepare for mobilization and opening up of areas and institutions for inspection by UNTAC while the Khmer Rouge not only did not implement the agreement but also agitate other factions and UNTAC in implementation of this agreement. UNTAC as the guarantor of the agreement implantation was able to impose only on those respecting the agreement but not to the Khmer Rouge. The Khmer Rouge area was totally inaccessible by UNTAC. Every time that the Khmer Rouge attacked the former State of Cambodia armed forces, UNTAC’s spokesperson always declared that the Khmer Rouge and State of Cambodia factions violated the cease-fire agreement.

This is the unjust action of UNTAC which imposed the same guilt to both perpetrator and the victim. Moreover, in addition to not punishing the Khmer Rouge for their violation, UNTAC had made other serious violations in many forms and approaches against factions respecting the agreement from cease-fire, demobilization to elections as I have provided a great number of specific examples.

The second Kingdom of Cambodia born with the departure of UNTAC after spending more than two billion US dollars while Cambodia remains in the situation of “one country two administrative regions and two governments?”. Wars still continued both along the border with Thailand and in a number of areas within the country, which was characterized as “tiger skin situation”. Within the new coalition government, the conflicting ideas continue to exist, which later led to the event in July 1997.

After that with the support from generous friendly country, Cambodian initiated an idea to achieve the concession and new agreement without any influence from outsiders. We have adopted the Election Law, created National Election Committee and the Constitutional Council to prepare for election and to solve conflicts. With the technical and financial supports, Cambodians prepared the election by ourselves. The conflicting idea between the parties elected by people were solved in the benefits of the people and future of Cambodia in the presence and idea of His Majesty Preah Bat Samdech Preah **Norodom Sihanouk**. As a result, the coalition government was formed by two main political parties, the Cambodian People Party and the FUNCINPEC Party and started their works until the election of the third mandate of the national assembly and to the present time.

In this new era, the iron erosion strategy of the Khmer Rouge met with the Win-Win policy of the Royal Government. This is the final stage of the national reconciliation. Only 25 days after the government started their work in 1998, the Royal Government totally disbanded the military and political organization of the Khmer Rouge. The remaining Khmer Rouge Force defected to the government and others were arrested. There is no guerilla force, leaders or Khmer Rouge in Cambodia. Therefore, what the 1991 Paris Peace Agreement intended to achieve could not be realized during the UNTAC have now become reality because Cambodian factions have agreed with each other without any order and influence from outside. Once again, the patience and concession are the key to ensure peace and cooperation and to avoid division and conflict. In all of these

processes, the “Win-Win” policy is the core and an important instrument of our peace concept. It is also the most important lesson, which Cambodia has learned from the experiments and many decades of struggle in order to achieve full peace and tranquility. The key point in the “Win-Win” policy is to recognize that there will be no winner in the destructive war, and the revenge also cannot bring peace to the people and country. Therefore, I decided to apply the three “safety policies” to end the war and conflict in the country. Those are:

First - to guarantee the personal and family safety for those who are willing to end the war and return to live in the society.

Second - to guarantee the career safety by providing enough opportunity to continue their professions that they used to have.

Third - to guarantee the safety of their properties that they have had without confiscation and alteration.

The three policies are the most sacred and effective medicine to cure the wound and division caused by many decades of civil war and internal conflict. However, the “Win-Win” policy did not stop there. To continue this policy, I set out an urgent integration strategy for those who live in the former Khmer Rouge controlled area to return to live in the society in order to provide them with opportunities to contribute and to get benefits from the national development through providing the appropriate physical and economic infrastructure. This is an important complementary strategy strengthening and ensuring the “Win-Win” policy to be comprehensively succeeded. If we

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take stock of what happening for lesson learned and experiences in this peace process, we would see that the collapse of the political and military organization and national reconciliation have been made possible due to many mixed factors that include:

The King and Queen are always the core of the National Reconciliation.

The coordination among the political parties through the multi-parties democracy under the motto of "Nation Religion King" by considering the long term benefits of the nation rather than the short term benefits for the parties.

The brightness and correctness of the Royal Government's policy, especially the "Win-Win" policy and other socio-economic policies and other sector policies to support the "Win-Win" policy which were appropriate to the desire of Cambodian people.

The support from international community in the process of national reconciliation, democracy, respects for human rights and rehabilitation of Cambodia.

The policy mistakes of Pol Pot genocidal regime since 1975 to its end.

The non-retaliation among people, who live in the different controlled areas and from different groups of soldiers that used to fight with each other is another important reason, which provides favorable environment for the government to implement the "Win-Win" policy successfully. The good point for Cambodia is the non-retaliation, disregard of who win or loss, in which every one is the winner. Peace and national reconciliation is for all, which is why the internal

border from one area to another area has been demolished. The people regard each other as only one race, achieve the same development and benefits under one constitution, one law and one government. The armed forces that used to fight with each other have joint together without discrimination and division in terms of uniform and patriotism.

Indeed, we have clearly understood about the undeniable obligation in search of justice for the people, who used to suffer from the genocidal regime in the past. In this sense, the Royal Government is strongly committed to fulfilling the remaining necessary tasks in order to bring those responsible for the past genocidal crime to court. However, I just want to recall that those, that now demand to bring the former Khmer Rouge leaders to court, used to forgive, support them to continue the civil war, and allow those criminals to sit at the peace negotiating tables in 1991. The perception of crime committed by the former Khmer Rouge leaders during the past and now is not different. What is different is the fact that Cambodia have fought for and achieved peace by ourselves in the past ten years.

Anyway, I would like to reiterate that our rationales and morals will not let the genocidal crime committed upon Cambodian people during the Khmer Rouge leader's rule from 1975 to 1979 go unpunished. The masterminds of this crime will have to come before the court and the people to be responsible for what they have done. This is the demand for justice and the effective warning for those leaders who will be responsible for the future of the country and the people. In this sense, the Royal Government will continue to push the

trial process to make sure that it will be successful. I would like to take this opportunity to express my profound thanks to all development partners for support in the preparation of this difficult trial process.

The successful and peaceful end of war and national fraction is hardly earned. However, ensuring sustained peace and further strengthened culture of peace achieved so far is even more difficult. To this end, we must work harder and double our efforts in order to nurture all the key elements which are the roots of peace, including the promotion of non-violence culture, respect of human rights, democracy and good governance, especially the efforts in poverty reduction and raising the living standard of the people. Without efforts and concrete results in the implementation of these works, we do not have any hope to maintain sustainable peace which we have just achieved. In this sense, we all have worked hard in the last two decades by passing through many difficulties and small or big obstacles in order to build and rehabilitate the country from the genocidal regime and many years of civil war in order to ensure that Cambodia is able to regain its destiny and be able to equally participate in the regional and international affairs as a nation with respect and admiration.

The Rectangular Strategy, which is the political platform of the Royal Government in the third term of the National Assembly, reflects all of these efforts, especially the efforts to promote rights and dignity of the Cambodian people by respecting all kinds of freedom, both in politics and socio-economy, especially rights in development. In foreign policy area, Cambodia has been quickly integrated into the region and the world and is now playing an active role on

equal footing in the regional and global affairs. Cambodia has transformed from a country which used to have the UN peace-keeping force into a country which is now sending its troops to help other countries in the UN peacekeeping missions. We have achieved another fruitful and historical result in solving border issues with neighboring countries based on the principles of transforming those border areas into peaceful, cooperative and development ones.

In domestic policy, the Royal Government mainly focuses on the strengthening of peace, stability and social order, especially the strengthening of freedom of expression and participation rights in the democratic process for all people. The election has been conducted regularly. The promotion of the rights to join the free political movement through multi-party system as well as the freedom of expression and freedom of information through numerous national and internal media with thousand of NGOs that have operated freely in Cambodian is the clear evidence reflecting unwavering commitment of the Royal Government in promoting democracy, and respect of human rights and human dignity.

Moreover, the first Commune/Sangkat election in 2002, conducted under a democratic governance and decentralization system, was a comprehensive reform in the contemporary history of Cambodia's administration, further confirming the strengthening of democracy, especially at local levels across Cambodia. The decentralization policy will be sustained and further strengthened through the Second Commune/Sangkat election, which will be held on April 2007.

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The Royal Government considers the development of institutional capacity and good governance is key to sustainable and equitable development. This work is closely linked to the preparation and strengthening of the rule of law, aiming at improving transparency, accountability and anti-corruption through Judicial Reform, Public Administrative Reform, Public Finance Management Reform, Forestry Management Reform, Fishery Sector Reform and Land Management Reform. All of these reforms not only have direct impacts on the business and investment promotion and the distribution of the fruits of economic growth to every level of society, but also contributing to the promotion of rights, freedom and dignity of the human as well as democracy.

At the same time, the Royal Government has mobilized resources to invest in prioritized physical infrastructure, including the enhancement of agricultural production in order to build a strong foundation for sustainable economic growth. By implementing this policy, the infrastructure system and other physical facilities such as roads, irrigation, water supply and distribution, electricity as well as telecommunication have been rehabilitated and built all over the country.

As a result, in the last decade, the Gross Domestic Product (GDP) has averaged at more than 8 percent. The poverty rate reduced from 100 percent in 1979 to 47 percent in 1994, and after 10 years when the situation in Cambodia improved the poverty incidence dropped to 35 percent in 2004. While promoting a sustainable economic growth and trying to put tremendous efforts into distributing the fruits of economic growth with equity

between the rich and poor, urban and rural and between genders, the Royal Government has also been trying to promote social and cultural development through providing more opportunities for the poor in receiving education and health services, clean water and hygiene, electricity, rural credit, information and proper technology. As a result, social indicators of almost all sectors made noticeable achievements and are being recognized and highly valued by national and international public opinions.

I just have made deliberation on the key mechanisms in ensuring sustainable peace and prosperity for the country and Cambodian people. Peace and development do have a close correlation which is mutually inclusive. On the one hand, peace is the sole and most important objective for social and economic development. On the other hand, promoting democracy, respecting human right, improving public service delivery and good governance as well as all the development policies which meant to support the poor are necessary conditions in ensuring the sustainable peace that we have achieved so far. The Royal Government fully understood this very close verbal connection and has been very determined in bringing about continued and progressive development for Cambodia.

Now, we can confidently make a strong statement that Cambodia has emerged as a nation which is united by a common objective of avoiding past conflict and separation, and plays a meaningful role in the international community in order to ensure a prosperous future of mankind. Now, Cambodian people can look into its future confidently and optimistically, given the achievements made so far through national reconciliation, national unity, com-

promise and forgiveness given to each another while pursuing long-term national interest over the interests of political parties or individuals which are short-term in nature. This can be done by carefully implementing broader economic and social development policies of the Royal Government...

Selected Comments

Before continuing the prepared text I think it is an opportune moment to clarify some of the facts at this moment concerning the establishment of the Supreme National Council for Cambodia. I think this is important for the younger generation or those historians and researchers to know of the origin of the SNC. I have here with us a close friend or I may consider him a brother of mine - HE Igor Rogatchev who may have witnessed most of the situation. He was in Cambodia in 1979 at the time when Phnom Penh had about 3,000 people. A Vietnamese military helicopter took him to Phnom Penh and as a Foreign Minister then 27 years old, I hosted him. He was the one who ordered then Soviet Ambassador to Cambodia - HE Khamidulin to go to France to help cover hotel cost for us. The former Soviet Union sent Cambodia a special plane for flying me to negotiations in Jakarta.

The negotiation at that stage had been very dangerous because it was at the time of serious confrontation of ideology, and only a word of revisionism would result in death to me. It was not a period of reform yet. We did what we had to for this country and if I were to have another life, I would not go away from this country but wov to be a Cambodian again. It recalled me about our hard lives in those days - especially all of my colleagues and secretaries because we then had no computers but typewriters. We had heaps of papers to carry

through. Later some of them had become members of the Supreme National Council. Despite the fact that there were tremendous difficulties to do we finally achieved a unified country which had never existed in the past 500 years. Since 1470, Cambodia has been indeed ruled in division of not less than two parts.

Well now let me come to the SNC. There have been different versions in the way people write about it. From where did SNC come? First of all, representing the State of Cambodia I put forward a suggestion to set up a National Reconciliation Council for Cambodia (NRCC) in the first JIM (Jakarta Informal Meeting - I) in Bogor on July 25-26, 1988. On July 27, 1988, there was this secret meeting between Hun Sen and Chaovalit Yongchayut who was then the Thai military commander in Vientiane, with help in arrangement was rendered by HE Sisawat Keobunphan, former Prime Minister of Laos. The meeting took place after the proposal for NRCC formulation was rejected in JIM-I. We then sought the Thai assistance in lobbying the tripartite coalition to support the idea of establishing such a council.

We also propose the formula to the third meeting between Samdech Preah Norodom Sihanouk and Hun Sen, and the first meeting of Shihanouk - Hun Sen - Son San on November 6 - 8, 1988. This was how it went about. I added further in those meeting to have a President and three Deputy Presidents but it was again rejected. After the failure of the first Paris Conference, with constant efforts for the establishment of such a council and later with helps given by HE Chaovalit, HE Chatichai Chunhavan, then Prime Minister of Thailand, and others, we

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came to the Bangkok Declaration on February 21, 1990. One should not forget that it was indeed the declaration to establish the SNC itself. I ordered from Bangkok to Sisophon to launch military attack and occupy Svay Chek by 3:30 so as to help me in my negotiation with Samdech Preah Norodom Sihanouk. It was fighting and negotiating at the same time. A little before 3:00 we had the news that we occupied Svay Chek.

There followed a closed meeting between me and Chaovalit and then another one between Hun Sen - Chaovalit - Imagawa of Japan who was then the Minister Councilor of Japanese Embassy to Bangkok. On May 4 - 6, 1990 there was this meeting in Tokyo in which Samdech Sihanouk and I, in the presence of Chaovalit Yungchayut and the Foreign Minister of Japan, on the declaration. Son Sen and Khiev Samphan did not join the event. Samdech Preah Norodom Sihanouk was the Head of the tripartite coalition and I headed the Phnom Penh Government, but it was not yet applicable. We needed to convene another meeting coordinated by Prime Minister Toshiki Kaifu of Japan and it was in that meeting that there came out these formulas of $6 + 6 = 12$ or $6 + 2 + 2 + 2 = 12$. This is the point to be well remembered and one should not always mix that up with just the United Nations. I do not deny the role played by the United Nations but certain things have been contributed by the Cambodian intellect.

At the informal meeting in Jakarta on September 9 and 10, we already had a framework paper from the United Nations. We then moved to the composition issue of the SNC. I wish to tell some more about this. The SoC at that time put out its

composition of six members - Hun Sen, Tia Banh, Hor Namhong, Kong Sam Ol, Chem Snguon, and Sin Song, which eventually HE Chem Snguon, Kong Sam Ol and Sin Song were replaced by HE Dit Munti, Im Chhun Lim and Sin Sen. The Son San faction proposed their members of Son San and Ieng Moly, the Democratic Kampuchea proposed Khieu Samphan and Son Sen, whereas the Funcinpec faction proposed its members to be Preah Norodom Sihanouk and Prince Ranaridh. I opposed the candidacy of Samdech Preah Norodom Sihanouk because he was not present at the meeting due to sickness in Beijing. I could not accept it because what would happen if Preah Norodom Sihanouk did not approve the meeting's outcome. It was because of this that the first list of the 12 members of SNC did not include Preah Norodom Sihanouk. Samdech Chaosen Kosal was named later in replacement of Preah Norodom Sihanouk. This is history. However, we have come to an agreement to have a place possible for the thirteenth person if the SNC feels in need for the President.

The first meeting of SNC from September 17 to 21, 1990 in Bangkok, Samdech Chaosen Kosal chaired the meeting with his opening short statement that the meeting today is to select Samdech Preah Norodom Sihanouk as the President of SNC and that is it. I interrupted him and said in fact we had many things to discuss in the agenda. I insisted to include 1) *arranging and dispatching members of the SNC to occupy the Cambodian seat at the United Nations*, 2) *declaration of a ceasefire and cessation of foreign military assistance*. But the meeting was in disarray and closed after declaring opening.

Then we had a meeting between the co-chairmen of SNC with the special representative of the General Secretary of the United Nations with the participation of France and Indonesia - co-hosts of the Paris Peace Conference. We still did not have a chairperson for SNC. On May 6, 1991, there was a meeting between the co-hosts of the Paris Peace Conference and its agenda was indeed the discussion between Hun Sen and Preah Norodom Sihanouk in which Samdech Preah Norodom Sihanouk decided to return to Cambodia with or without a political solution.

The May-2 meeting was very important because it is relating to the return of Samdech Preah Norodom Sihanouk to Cambodia and May 4 was to decide about the venue. The decision to repair the Royal Palace was not after the Paris Peace Agreement at all but prior to that. Samdech Preah Norodom Sihanouk asked me about security issue and said, "please protect me or the Khmer Rouge would infiltrate the Royal Palace to kill me." I offered Samdech Preah Norodom with my assurance but also to propose if he would be more confident with foreign bodyguards. Samdech Preah Norodom Sihanouk said he preferred the Koreans. That they continue their presence up to this moment is indeed a different matter.

Returning to Bangkok was an urgent and secret one but there is nothing as secret in this world. After the coup to oust Chatichay Chunchavan, Prime Minister Anan Panharachun requested for a meeting with me and it was the first time that a Prime Minister of Thailand did so during my stay. He said to me that he heard that Samdech Preah Norodom Sihanouk is to return to Cambodia. I said in return, yes it is true.

What to do with the Son San and Khmer Rouge factions? I felt the move aimed to hinder but not a total hindrance in the sense. That was the inclusion of Samdech Sihanouk into the SNC framework. When I arrived in Bangkok there was this move to replace Samdech Chaosen Kosal with Samdech Preah Norodom Sihanouk in the SNC. At that time, we still did not offer him the chairmanship of the SNC yet, only the chairman of the SNC meetings. The meeting of May 24 through to 26, 1991, the Khmer Rouge accepted a ceasefire on the spot and declared cessation of foreign military assistance due to such a strong pressure.

When Samdech Preah Norodom Sihanouk became the chairman of the SNC and what to discuss was indeed a mystery. Only two people - Samdech Preah Norodom Sihanouk and Hun Sen - were to know issues of decision making of the SNC and the electoral system. The SoC proposed for a consensus with final decision made by the chairman. The United Nations proposed a consensus with final decision made by the UNTAC head. Samdech Preah Norodom Sihanouk sent a letter to the General Secretary of the United Nations arguing that decision making power will rest with the Head of UNTAC or SNC would be a matter to be decided by the Cambodian Prime Minister. I had no options in the Security Council but to answer "yes". As far as the electoral system is concerned, according to the agreement it had to be a proportionate system at the country level. But later it was decided to have a proportional system at the provincial level. That is what I wish to share with all of you in relation to where SNC idea was coming from and how it was taking shape. ■

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access. Take for instance we used to have a ferry boat to cross the river here and now we have a bridge. Since the area is quite granted with natural availability, perhaps there would be room for development that might attract tourists to this area in the near future. This proves that we have put our country on a correct path of development - whether it be the rectangular, triangular strategies of the Royal Government of Cambodia.

According to HE Chan Sarun, Minister for Agriculture, Forestry and Fisheries, last year we have collected about six million tons of paddy rice or two million tons more than local consumption demand. This amounts to 1.3 million tons of milled rice in conversion. This was the result of rice cultivation on 1.8 million hectares of land. But this year we have increased the area of cultivation to 2.13 million hectares or about 30,000 hectares more than last year. The state of the rice is in good prospect. Therefore it is worth mentioning with confidence that the rice harvest this year would also be increasing. I would take this opportunity to share with you that agriculture in the last few years has played a very important role in the country's economic development. Land for cultivation has increased from 70,000 hectares to 900,000 hectares. We should try to enlarge land for cultivation in area with irrigation coverage and also deal with areas where irrigation is still a problem so that the total area of agricultural production will play an increasingly important economic role.

Irrigation is important for agriculture and we have to do everything we can to get the irrigation in place. I have come frequently to this place and once I said to the people from Satre

commune about the possibility of swapping their long-term rice cultivation to that of short-term rice cultivation. According to statistics I wish to share with you that the area of cultivation under short-term rice species has increased, though we maintain to grow long-term rice in high-level of water fields. Area where level of water accessibility is low, the Royal Government has advised our people to opt for short-term rice cultivation. What remains to be our focus has been to guarantee food security level in the country and we have made a great achievement in this endeavor because we were able to have a surplus even in the worst year of 2000, 2002 or even in 2004.

Well, I talked about human rights the other day and I made it clear that everyone's basic rights to life must be the prime condition because if Pol Pot's regime was to exist today, we all might have been killed. The right to life is to be accompanied by the rights to food, clothing, education, health-care... and I would not believe that people could think of democracy without these basic rights fulfilled or an illiterate man could write journalistic articles. Today I am glad to see that members of parliament from the Cambodian People's Party and the Funcinpec come together to this event. This should be our joy because we have rice in the field. What should be a concern for us is when there is no rice in the field or there is rice but affected by drought. In that instance we then have to figure out how to help our people in irrigating their rice fields.

There have been some remarks that the partner party would not participate in the vote to change some of the Government officials. But they forget that they need CPP to vote for parliamentary commissions.

There must be a coordinated effort so that this matter could proceed. If Funcinpec does not vote for Funcinpec's members, how could one expect that CPP vote for them? Upon my return from Australia, on October 16 we will proceed with the election of HE Ly Thuch (Funcinpec MP) and other officials.

Our country has not been affected by any event like our neighbors and I have instructed the authority to continue to have a good cooperation with the Thai administration, military and people. The new Thai cabinet could be announced on 5 or 6 October and I have already sent my congratulatory message to the new Prime Minister of Thailand HE Surayud Chulanont already. Whatever happens in the Kingdom of Thailand would have no repercussion whatsoever to the two countries' relations at all. I have received a letter of reaffirmation from General Sondhi along with his remark in explaining what has to be done in Thailand. I have also instructed the military forces to make no troop movements as it could be mistaken to confrontation. That was Thai's internal matter. Let's leave it to the people of Thailand to resolve it.

Some people said on Radio Free Asia that they wish to see changes of that sort in Phnom Penh and they have even given their numbers of so and so belonging to Hun Sen's bodyguards and so and so to the division 70, and military regions belonging to Hun Sen. I say they should say the whole army is under my control because they are the national army. I think they should know that the Cambodian people need peace, and what they say does not reflect the people's aspiration at all. We have just had a good Buddhist religious day Prochum Ben and it went

quite safe and joyful. I would expect that more people will go out and enjoy themselves at the coming Water Festival. As some people expect change in Phnom Penh similar to that in Bangkok, I would warn them that they should be careful as saying so could be implicated with attempt to launch a coup. It is a big issue.

This year I noticed that people in Phnom Penh left for countryside destinations to observe the Prochum Ben ceremony and there are three factors making our city dwellers leave for countryside. First, there is ample security, public order and peace, which is in contrast to those years of insecurity that our people used to have. Second, the country enjoys better road condition and other transport infrastructures, by which people could go to remote areas. Third, it clearly reflected that our people have better means of transportation and resources by which they could share in celebration of the ceremony. I wish to thank also to the Buddhist monks and pagoda committees for their sharing of offerings in food and consumption materials with communities in need, especially the poor ones.

What we want to have is to get rural and urban developed in tandem where development of one would not neglect the other. We have done a good job of attaining two-digit growth and I wish that we could maintain this growth rate for about five years. I wish to give my remark to a positive development in seeing more and more people taking morning exercises which I am sure we should continue to promote for the sake of our people's good health. I wish to see the momentum of exercise for health throughout the country because when our people have good health we could reduce

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FTA in the world with the population of almost two billions.

This *Free Trade Area* will be a major catalyst in expanding and deepening business linkages and people-to-people exchanges between ASEAN and China. In recent years, Cambodia has gone through a sweeping change not only in political and security areas, but also in economic and social landscape. This stable, safe and secure environment is an essential precondition for Cambodia to realize its potential economic and social achievements and build a peaceful and prosperous nation.

Cambodia's recent economic performance has been remarkable. In 2005, reflecting sound and prudent macroeconomic policies during the last several years, real GDP growth reached an all time record of 13.5 percent. As a result of the well-managed interplay of demand and supply, inflation was contained to below 6 percent, despite the negative impact of higher oil prices in the world markets.

Cambodia's economic outlook for 2006 and in the medium term remains favorable. The economic growth will be maintained at 7 to 8 percent per annum, while the inflation will be kept under 5 percent. Indeed, the continued political stability, proactive private sector initiatives, steady progress in relentlessly implementing reforms by the Royal Government of Cambodia, continued support from development community partners and sustained foreign direct investment, underpin this forecast.

The Government is convinced that to ensure sustained high economic growth in the long

run, public investments should be supplemented by substantial private investments from both domestic and foreign private sectors. To this end, the Royal Government puts a great deal of emphasis on improving governance as necessary conditions for promoting private investment. In this sense, our government has given immediate priorities to promote private sector development in the following areas:

(i) *encouraging the development of SMEs;*

(ii) *suppressing smuggling;*

(iii) *streamlining business registration procedures and start-up processes for companies;*

(iv) *facilitating export-import activities by simplifying licensing and business formalities;*

(v) *establishing a national standard body and a national laboratory for quality certification; and*

(vi) *promoting vocational/skills training.*

At the same time, the Government has pressed forward with the trade facilitation agenda, aimed at reducing the costs of doing business, which include the following measures:

Firstly – streamlining the inspection process by rationalizing roles and responsibility of government agencies involved in the regulation of export and import activities;

Secondly – establishing a single window for international trade operations; and

Thirdly – implementing customs improvement programs by introducing automation and a single administrative document for all import and

export operations.

Developing and strengthening financial sector is another important structural reform in promoting the private sector in Cambodia. Indeed, these efforts are important for the sustainable growth and macroeconomic sustainability in Cambodia in the long term.

We have achieved fruitful results in the implementation of the financial sector reform. While achieving success in the first stage of our banking reform, we have started with earnest in-depth reform of our insurance sector.

The next item on our agenda will be the introduction of capital market in order to diversify the sources of investment financing. We recognize that there is still a long way to go to build up an effective and efficient financial sector in Cambodia.

The Royal Government of Cambodia has considered the development Special Economic Zones (SEZs) as a priority in order to attract investments. In December 2005, the Government issued the Sub-decree on the *Establishment and Management of Special Economic Zone (SEZ)*, which aims to provide investors with adequate infrastructure and supportive facilities in these special zones.

These zones will enable us to diversify the Cambodian export structure, which is presently heavily oriented towards garment products. Overall, the RGC has accorded priorities to the development of the following six sectors:

- Agriculture, in which Cambodia has considerable potentials, given her endowment in land and climatic conditions;
- *Physical infrastructure,*

especially transportation and telecommunications;

- *Water supply and electrical power;*
- *Human resource development;*
- *Export-oriented and labor-intensive industry; and*
- *Tourism, in which Cambodia also has great potentials, notably due to the presence of historical and cultural heritages, traditional and natural sites, including forests, lakes, sea and attractive scenery.*

At the same time, oil and gas as well as other mineral resources such as bauxite and iron ores will open up new economic opportunities and it will become the 7th priority sector to move Cambodia to a new and higher plateau of development. We are committed to use these resources responsibly for social and economic development...■

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death rate from diseases on the one hand and household saving on the other. Also I noticed that morning exercise brings our people to meet each others developing their relationships and therefore I would urge the police and military police to provide safety for our people so that we could help people to live a longer life and in good health...

On that occasion Samdech Hun Sen offered a school building of six classrooms to the Primary School of Lolok Sar, a school building of six classrooms to the Primary School of Koh Chamlong, a school building of six classrooms to the Primary School of Pursat, a school building of six classrooms to the Primary School of Leach and to repair a ten kilometer road access to market from the commune of Lolok Sar.■