

28 May 2007 (Unofficial Translation of Selected Comments)
Inaugurating Mongkul Borei Referral Hospital



28 May 07—Samdech Hun Sen with People in the District of Mongkul Borei, Banteay Mean Chey Province at the Inauguration of the Japanese Assisted Mongkul Borei Referral Hospital.

It is a great pleasure indeed that I have returned today with the Ambassador of Japan HE Katsuhiro Shinohara to put into use a new achievement relating to our people's health and also to our people's communication. First I would like to talk about the Mongkul Borei Referral Hospital (MBRH) that we inaugurate today. By June 15, 2006, or less than a year ago, I came here with former Ambassador of Japan HE Takahashi Fumiaki to officiate this construction, and in less than a year this beautiful building is complete. It is indeed a new achievement which adds on to various Japanese assistances to the Kingdom of Cambodia.

HE Katsuhiro Shinohara has just mentioned in Khmer that he is a Japanese citizen who knows about this hospital in the 1960s as he was at that time a student in the Royal University of Phnom Penh. He not only knows Khmer but also Sanskrit. He used to visit

this hospital in those days. It has been now 43 years since the hospital operated in 1964. This hospital has cost us 6 million US dollars in putting it back into working condition again.

Taking this auspicious occasion I would convey through the Ambassador of Japan the greatest and deepest thanks of the Royal Government and people of Cambodia to the Government and people of Japan for their continuous assistance - which includes also this achievement today. Next Monday, which is a week from now, we will put into use another achievement that is also sponsored by Japan.

The MBRH is indeed responding to our people's increasing need for wellbeing. HE Nut Sokhom, Minister of Health, reported of what have been equipped here and ranked this hospital as the most modern of
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30 May 2007
Cambodia: Road towards ASEAN and Its Importance

... I would like to express my high appreciation to the International Relations Institute of Cambodia for their initiatives and collaboration with the Senate of the Kingdom of Cambodia and the **Konrad Adenauer Foundation**, to organize this important and useful international conference. Indeed, this conference highlights the importance and efforts of the Royal Government of Cambodia for regional integration as well as its consideration on the significance of regional communities, in particular, at the present time, such as ASEAN and European

Union. Furthermore, this conference also reflects the importance of ASEAN-Cambodia and EU-Cambodia relationships which are consistent with the Royal Government's policy on regional and global integration as well as the integration between ASEAN and European Union.

On behalf of the Royal Government of Cambodia and myself, I would like to thank distinguished international and national guests, ambassadors, both multilateral and bilateral development partners for your
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08 May 2007 (Unofficial Translation of Selected Comments)
Honoring Graduation at Human Resource Dev. Institute

I have a great pleasure to return to Human Resource Development Institute (HRDI) today to present our graduates with their degrees and as the Director Seng Phally mentioned it is my fifth presence here. Indeed it is my first appearance after taking a break for ten days due to illness. Illness is an equal justice as anyone may fall sick and this program is a lucky one that it does not fall on the period. I would also like to take this opportunity to express my apology for being unable to attend three programs - 1) annual meeting with leaders of trade unions; 2) meeting with workers of Sihanoukville and 3) presenting diploma for the graduates of the Royal School of Administration. I also had cancelled my appointment with foreign guests as well.

I would like to take this occasion to express my joy for the 2,186 graduates who have successfully completed their studies. As you all can see that we have tried twice to build this place to accommodate students and meet the needs of HRDI. Also, I wish to share with parents and sponsors whose efforts and sacrifices have brought about these achievements - your graduations today. Parents' sacrifices have brought you knowledge which would eventually add to the country's human resources that are in dire need. According to the report by Mr. Seng Phally HRDI has indeed developed itself from a non-
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its kind in rural community which hopefully would reduce our people's poverty. We have scored various achievements so far because we have attained peace thanks to win-win policy which put an end to conflicts and war-inflicted destruction while improving the country's infrastructure. In light of this we have developed our country at a gradual step.

Take for example HE Okinawa, the former Japanese Ambassador visited this place since 2001 so as to conduct a feasibility study and to review the Japanese aid package for Cambodia and it requires a long time. We have signed this deal in August 2005. This hospital, as it was a referral one, was not able to perform complicated operation because serious operations had to be sent for provincial hospital.

The hospital renovation has indeed been responding to our people's need as they do not have to travel far, in addition to bad road condition, for treatment as before. This achievement will help alleviate poverty not only for our people in Mongkul Borei but also neighboring districts - take for instance Malai, Bovel, Kamreang and Phnom Proek districts.

I am sure that today's achievements make our hospital and medical staff happy and hope that they will do the best they can to take care of materials provided for this hospital while making efforts to provide effective care and treatment to patients. Having modernly equipped referral hospital, good doctors and medical staff is good enough to deal with health issue but each individual citizen has to make health protection by oneself. Take for instance, HIV/AIDS does not have a cure and hos-

pital cannot do that. Each one of us has to stay away from HIV/AIDS. If one is to be infected because of reckless behavior, there is no way of curing this disease.

We all have to be careful and protect ourselves because a community, a family would start from a person and if each one of us is taking precaution for own self then these assistances would be effective too. We still have a long way to go to bring down maternity and birth death rate. I would urge our people to pay attention to their children because Dengue fevers time has come. We have to take precaution against mosquito that bring with them Dengue virus.

The Japanese assistance to Cambodia has been direct and responding to our need. Take for instance today's achievement of a referral hospital would help our people with their healthcare issue and I would sincerely thank the construction company for completing the construction and installing equipment in a short time. The Japanese hold on the money that is provided as its assistance to Cambodia. We do not see the money but we receive what we have asked for. How come do some politicians say the Royal Government is being corrupted?

In the recent past we have some problems with the World Bank and we have come to a thought that perhaps it is easier for us to let them implement projects themselves while we should just wait for the project to be completed and we get what we are asking for. Then they say that's not a standard way of doing thing with the World Bank as the latter would only involve in procurement phase only.

I would inform you also that on June 14, I would be away

from the country for some days to conduct an official visit to Japan where I will have discussions in relation to development, investment, tourism, etc. I would not hesitate to beg for more assistance.

We have just crossed a bridge which I authorized the construction at our people's request and the Ministry of Public Works and Transports has made great efforts to get it built before the Khmer New Year. Now sick people on the other side of the river of Mongkul Borei could also easily cross the river to get medical treatment on this side.

On this occasion too, please allow me to convey my sympathy to our people in all districts of the province of Banteay Mean Chey for their flood affected condition because of heavy downpour. The district of Mongkul Borei is the worst flood hit district with severe damages according to figure provided to me by HE Chan Sarun, Minister for Agriculture, Fisheries and Forest. It has 79,00 hectares of land under damage out of total 15,159 hectares in the whole province.

Indeed we rarely see any downpour in the month of May. Cambodia, Laos, Vietnam and Myanmar are suffering similar state of weather condition. In Banteay Mean Chey, flood normally takes its course in the month of August or September, but this time unexpected flood took place in May. I have advised the National Committee for Disaster Management to take precautionary measures for any unexpected natural disaster while those relevant institutions have to cooperate with the provincial authority of Banteay Mean Chey to conduct a study on waterway if there are any natural or man-made hindrances to water flow. I would advise the

Ministries of Agriculture, and Water Resources to conduct a study on this issue.

Flood water recedes now and we have to take follow-up actions and special attention has to be paid on rice recultivation and anywhere rice could not be grown we have to divert our attention to other commercial crops. Though it has been too late already for floating rice but we also have other areas where our people could still grow rice. The Ministry of Health should also be involved in monitoring and providing healthcare and assistance in relation not just to humans but also animals. Once water recedes there are always water-born diseases for both human and animal.

I would urge flood prone provinces to keep in mind their safe high grounds in case of need especially pagodas where there is normally high ground. Evacuation in case of emergency should be conducted in a careful manner and that would not cause dangers or hardships to pregnant ladies and children. I would consider this as a word of warning for everyone to be vigilant because at this speed if it were to come from Komnpong Speu province, at the western part of Phnom Penh, our city dwellers would also be in great difficulty too...■

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here have taken studies 12 + 4 (twelve + four years) and some would add two further years.

Education is taking much of the country's resources. But we should understand that what is giving back by the Ministry of Education will go back to families, to factories, to enterprises, companies, etc. or in short it is the people who will benefit from that...■

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 participation in this one day conference. Obviously, time, knowledge, moral support, extended assistance... in this conference are of valuable contribution and proof to commemorate the anniversaries of ASEAN, European Union and the International Relations Institute of Cambodia. Also this is an action which reflects the recognition of the importance of regional integration and international relations... In addition, this **Globalization and Regional Integration** Conference takes place in the right time when Cambodia is actively moving forward and has gradually achieved many foreign policies in terms of integrating itself into the region and the world with proudful results and strong expectations.

Indeed, we acknowledged that because of the impact of globalization and regionalization and also the evolution in telecommunication technology during the last decades, the world has been undergoing constant changes and revolving at pace beyond our expectation. And it also created enabling environment for us to prevent and resolve both strategic and geo-political issues at hand.

Nonetheless, these rapid progress and revolution have also posed great challenges and uncertainties to our fragile world. Efforts to secure peace among and between our nations and to meet the basic needs of all the people is still a stragglng challenge, along with the fast-growing world population, digital divide, fatal diseases such as HIV/AIDS and avian flu, regional war, terrorism, international crime, arm proliferation and the spread of nuclear weapons as well as wider development gaps between countries.

Furthermore, rapid progress in globalization leads to changes not only in the economy and technology, but also to the way of thinking and vision of the people with regards to the world as a whole. Globalization has created a new unit of measure for world order which requires reconsideration on the type of actions and strategies that call for the cooperation and promotion of regional integration for the mutual benefits.

We, as human being, always felt regrettable and concerned over the negative events that have occurred in other countries around the region and the world. However, I reckon that all threats can be embedded with opportunities; it is just a matter of time and place. For instance, the Asian Financial Crisis which occurred in 1997 has led East Asian countries to work together and provided a strong force for ASEAN and East Asia toward regional integration and institutional enhancement.

In this sense, I used to press for the assessment on the potential of ASEAN and East Asia, initiated from these development processes, by having structural reform that would help the poor countries and to increase the international capital and foreign reserves. Besides, for the last ten years, Cambodia has gone through good and rapid changes, not only in political and security scenarios, but also in economic and social scenarios. Indeed, Cambodia's integration into the region and international cooperation is the special and inevitable tie.

On behalf of a nation that had been respected and praised, Cambodia has put its utmost efforts to rehabilitate and maintain decent external policies by rapidly integrating itself into the regional and

international arena and have been cooperated and played an equal role with an equal right as a partner in every regional and international relation. For instance, to accelerate the country's development process toward achieving economic prosperity and social equity, the Royal Government has been paying close attentions on reforms in all sectors to reduce poverty, one of the core objective of the **Rectangular Strategy**, which clearly set the objectives of promoting economic **growth**, creating **employments** for all Cambodian peoples, promoting **equity** and social justice and strengthening the **efficiency** of public sector through deep and comprehensive reform programs. The **Rectangular Strategy** of the Royal Government also reflects the effort to maximize the benefit from regional and international integration and to uphold and protect the rights and dignities of Cambodian people in all scenarios including the political, economic, social and development scenarios.

During the last few decades, Cambodia has overcome many difficulties and challenges. We could go through this stage because of our scari-fications and strong commitments. Cambodia has become a country full of peace, public order, cooperation and development. Certainly, the assurances of stability, security and the strengthening culture of peace that we achieved so far are hard works for us, but they are the necessary and prerequisite conditions for the development of the country and international cooperation.

Indeed, for every effort made, we always understand that the key issue is the internal affairs, if we have internal conflicts and no unity, we believe that there is no foreign country that can address the internal con-

flicts of Cambodia. By realizing this context, we have made an instant decision without hesitation to overcome all challenges including political concession to get unity for Cambodia that is fully recognized by its neighbors, and other countries in the regional and international arena. Under this framework, I would like to emphasize that the evolutionary process for Cambodia by the late 90's was the integration of forces and territory that was once managed by the Khmer Rough with the Royal Government. This is the fundamental and key factor before Cambodia integrating itself into the region and subsequently into the current of globalization.

Even though there are different rationale for the establishment of an organization in a particular region, it is observed that each of those organization are basically on the same path, that is to say, to establish economic community through integrating all the countries in that region to strengthen its competency and competitiveness.

During the previous Open Academic Forum which was organized by the International Relations Institute of Cambodia, I have pointed out that peace and development are closely interrelated and peace is the main cause and is very important for socio-economic development. Here, I would like to add that development is the inevitable strength for foreign policies and international relations as well as regional economic integration.

By realizing this important factor, the Royal Government of Cambodia has clearly set in the **Rectangular Strategy** that followed from the **Triangle Strategy** of the Royal Government during the Second Term

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Implementing the Paris Peace Agreement, a coalition Government in Phnom Penh was formed while the Khmer Rouge maintained its structure of Democratic Kampuchea at the border with its own currency and broadcast station. UNTAC (The United Nations Transitional Authority for Cambodia) spent 2 billion US dollars in Cambodia and when they pulled out of Cambodia they left us a Cambodia in two parts. At that time the Khmer Rouge forces not only operated along the Thai-Cambodian border but infiltrated to launch their actions in Kompot and Kompong Speu provinces. Take for instance they killed backpackers from France, Australia and Great Britain in one kidnapping incident on a train through Kompot province.

Having implemented win-win policy, we have been able to enjoy golden and silver opportunity for our country to get united without reducing so and so to be losers. That is why I launched a triangular strategy whereby one of its angles is to integrate domestic forces of Cambodia because it is important that we first have to be fully and domestically integrated.

Another angle is to immediately integrate Cambodia into international community - first with ASEAN and at the later stage of that term we also made it into WTO. The third angle is, by combining the first two angles to generate socio-economic policy aimed at reducing poverty. I am sure what I have recalled would be of interest to you all about our history.

You all have been living in a lucky time though your lives have been spent partly in the time of war while you were young and had to try hard for

your education. But we have put the most difficult parts behind us because we have brought about various essential developments for this country already. Take infrastructural development into consideration, traveling to Stoeng Treng province in the northern part of Cambodia we would not spend three or four days as before anymore.

The bridge crossing the river at Se Saan that connects Cambodia to its border with Laos has already been completed waiting only for an official inauguration of the bridge itself. On June 6, I will preside over the construction of the Prek Tamak Bridge and on June 11 to officiate the construction of Prek Kadam bridge. In my visit to Japan I would urge the prime Minister of Japan Shinzo Abe to expedite the construction of the Neak Loeng Bridge as it has already completed the study.

As you have completed your study I would urge you to never distort the truth as lying would not be a quality to possess if you would wish to be a leader, a people's deputy, etc. I could understand some politicians would like to gain political advantage very much that they disregard national interest.

Yesterday I had a report from the Ministry of Economy and Finance on beer smuggling into Cambodia, which cost the country 20 million US\$ per annum or at their calculation. We have 14 liters per person among the population of 14 millions. I wrote on that report that maybe the amount is for bathing not for drinking. I agree that we have beer smuggling but it should not be at this rate of calculation.

I would say such a study is a waste. Its finding could not be indicator for us to re-direct our

customs policy or other regulations at all. I would be concerned about inflating figures.

Maybe I should disclose a story which I think is outrageous. On May 12 I went to see the King-Father and the Queen-Mother. Coincidentally there was a group of people who also went to see His Majesties. Their visit was to beg HM the King Sihamoni to provide amnesty for someone (and I do not need to disclose his name). It was purely incidental but they exaggerated that I went to see Their Highnesses for help so that I can hold on to power as Prime Minister.

They cooked up a story on this that Hun Sen was under the pressure from Vietnam, who in turn has been pressurized by the United States, to resign. Another person said "I went for Their Highnesses' Help". I have said to HM the King that I would beg for nothing and I reaffirm that if CPP were to lose the elections I would not be able to become the Prime Minister. This position is not for gift and HM the King would not in anyway be entitled to provide this position at all. It is unconstitutional.

They talked about 120 thousand thumbprints to request HM the King to order his release. I responded that if thumbprints are more important than law, we should not have law at all. If one group of people could release a guilty person with thumbprints, it is also possible to have thumbprints to indict him... CPP already declared that in 2008, if CPP were to win the general elections, Hun Sen will be its candidate for the post of Prime Minister.

Another condition is that a Prime Minister has to be a member of parliament and this had been deadly conflict in

Bangkok in 1992 when Su-chinda Kraprayun who was not a member of parliament had become the Prime Minister. All I have mentioned you should analyse it according to your theory of socio-politics and economics and I would urge you to see the truth and nothing but the truth.

I have heard that there are activities to set up parties and I would issue a statement in the next few days on electoral date. According to the law the Prime Minister declares the electoral date as requested by the Ministry of Interior. After checking I see that the electoral date falls on July 27, 2008 and I have agreed with the date suggested. Some politicians said they dissolve so and so parties to join with so and parties. Some do not have parties and I wonder what they will dissolve. They do not have support from voters less than the number required for establishing a party. I wonder how they could establish an alliance to topple CPP. As I said if CPP wins the elections anyone can join us.

Some - perhaps wish to go abroad - have already fled to Bangkok claiming that they have been threatened politically and requested for political asylum. I wonder that how many more would do so. The United States have returned thousands of Cambodian-US citizens to Cambodia. I do not understand the US sent us criminals but keep from us talented Cambodians.

I would say a few words that you have to record "we have more gold in human brain than we have it in our soil." Gemstones in Pailin will go extinct while knowledge in human brain would not be exhausted. Growing humans would be a costly and long-term investment. Take for instance you all

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governmental organization in human resource development area into a tertiary education foundation. I think the management committee as well as their professors deserves our appreciation and praise for their efforts in getting our children ready with their knowledge and skill for job market.

I wish to remind all of the graduates that your education in school has been completed indeed but it should not be an end by this graduation ceremony. You should try and go on to higher stage of education or to the start of job that you may find out in our market. I think at your age you have more chance to go on this way since the country's situation is in its best compared to previous ones. It is a diamond opportunity for Cambodia, which has indeed been hard to find in our history.

Thus far some countries are involved in fighting, terrorist attacks and troubles and I would say our situation has been a favorably lucky one for us. Take for instance, how many lives have been killed and buildings have been demolished by bomb attacks everyday in Iraq? There are armed clashes in Sri Lanka and the Tamil tigers have been able to drop bomb on the Sri Lankan military air base, etc. We have passed those stages already and are now in the stage of uniting for peace and reconciliation as well as political stability.

Demolition of over 200,000 rifles has not been by chance but a precursor for a political stability, security and social order. Despite the fact that many rifles have been destroyed, some illegal possession and use of weapons by rogues have caused crimes, still. It is indeed not a simple matter in term of gun control.

Take the United States of America, there was this school shooting that killed 30 people... I do not mean to teach the great power on gun control issue but to give you all a comparison of what happened in different parts of the world.

Peace is indeed a very important matter and it is indeed an opportunity for us to develop the country. I often make an analogy that our development would take a pace of a frog leap. It is like in our Khmer language "drop by drop the bucket is full." We all can witness what has happened in this pace since we are not people living outside the country. Take for instance HRDI is situated in this area where in the war between 1970 and 1975, shelling reached from across the river at Arey Khsat (in the district of Lovea Em of Kandal Province, across the Mekong from Phnom Penh). As long as war goes on no bridge or road could sustain. There was this Iraq Reconstruction Conference but no matter how much money they promised, it could not address the scale of on-going destruction on a daily basis like that. The same is true as in Afghanistan. That's why we have to unite for peace, political stability, national reconciliation and democracy and political leadership should be obtained by elections.

Last night I stayed up late for the election results in France and I saw that once HE Nicolas Sarkozy is declared the winner, Madame Segolene Royal - the runner-up offered her praise to his victory. HE Sarkozy also praised those who voted for Madame Royal. This is what I see as a democratic culture. In Cambodia, we also have a good election on April 1 and the Khmer New Year on April 14. No matter which political party individual citizens may vote for, we

all went to Buddhist temples and enjoy the ceremony. I think we have to work harder for such culture to take root. As we are in the fifties and sixties already I think we should try to leave our younger generation positive heritage and not such a state that our generation have suffered.

We all are victims to wrong leadership of the past regimes. As I used to say in my youth there was war in the country so I could not be held as the one who is responsible for that war in Cambodia. On the contrary I am one of millions who contributed for peace on this land and who helped set up a culture of democracy in Cambodia. Aside from the UN supervised election, the 1998, 2002, 2003, 2007 and the forthcoming 2008 elections - have been and will be held according to schedule. In 1998, we had hundreds of reasons to cancel the elections. The election in 1998 was a year from the armed clashes in Phnom Penh. Some countries in the region and elsewhere staged a coup and promised this and that schedule for elections. Some even amended their Constitutions as we have seen this trouble going on in Bangladesh, for instance. But in Cambodia we hold the elections according to schedule. It is therefore important to have and maintain peace as I usually said "as long as we maintain the forest, we should not worry about firewood."

Take Cambodia into context, though we have issue of HIV/AIDS, bird flu, UXOs, land grabbing and certain corruption issues, we have noticed in the system as a whole two important elements that are relating with each other. On one hand we have peace and development moving forwards while political stability and the country's macro-economic

stability, especially in the past months have been in better shape. I take these issues seriously. Our people since the water festival last year had spent a lot of money but our Riel currency does not seem to depreciate. This clearly proves that our macro-economy is in its favorable condition and our financial reform is giving us opportunity to develop our country.

Taking this opportunity I would like to share with you our country's challenges. Job is among the most important challenges and it is clearly stated in my remark of Ten Disequilibrium that the Royal Government has to address. I wish to reiterate Ten Equilibriums here for the sake of your understanding and for our Government officials and the armed forces of all levels to get a gist of them. I consider them as string ends to a knot that the Royal Government - in short, medium or long term - will have to take up these challenges. Peace, political stability, democratization and human rights are prime conditions for the ten equilibriums to be addressed. First, we need to have a balance between demand and supply. Take for instance we have an increase of population which means more demand for food. This is accounting for a corresponding supply. In 1979, we ate anything that was edible. But we now have a habit of eating a tasty and healthy food.

In this equilibrium we should look into issues of clothing, housing, transport means, education and health which should be the five elements in this disequilibrium. For all these we have to give our efforts in providing land to producers, removing UXOs and mines, while attention must be given to improve infrastructure. Some politicians because they

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of the National Assembly to continue the integration of Cambodia into regional community and the world by giving high priority on the efforts to narrow the development gap within ASEAN through having actions being taken by member countries of ASEAN and partner countries to actively participate in the implementation of various programs of **Initiative for ASEAN Integration (IAI)**, as laid out in the previous ASEAN summit. Meanwhile, the Royal Government will continue to actively participate in the implementation of the Great Mekong Sub-Regional Programs and the Initiative for Triangle Development Zone between Cambodia-Viet Nam-Laos and that between Cambodia-Laos-Thailand as well as Strategic Economic Cooperation between Cambodia-Laos-Myanmar, Thailand and Viet Nam.

We believe that the implementation of these initiatives will in turn provide us with a special opportunity to increase trade activities and investment, improve revenue competitiveness and promote the living standard of the people living in these sub-regions which are mostly the least developed regions among the developing ASEAN member countries.

The Royal Government will decisively continue its journey toward trade liberalization aims at ensuring free movement of goods and services across the country and between Cambodia and its crucial partner countries in the region and the world. By allowing Cambodian products to enter major markets in the region and in the world freely without barriers and obstacles, it will provide Cambodia with the opportunity to gain from huge economy of scale which is beneficial for its entire national econ-

omy in terms of increased investment, employment generation, increased revenue and growth which are important factors contribute to poverty reduction. In this sense, Cambodia's participation in the ASEAN Free Trade Zone and the WTO are the strategic and historical steps for the development efforts of Cambodia.

For instance, Cambodia has made remarkable progress toward integrating itself into the international community such as being a member of ASEAN community, Asia-Europe Meeting (ASEM), and the WTO, Great Mekong Sub-Regional Cooperation (GMS), **Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS)**, and the framework of Sub-regional Development Triangle Zone which would provide great opportunities for investment and trade reforms. During the last decade, Cambodia's macroeconomic situation has been stable and trustworthy. For instance, since 1994-2006 Cambodia achieved the average economic growth rate of 8.3% per annum. Moreover, since 1999, after the entire country received full peace Cambodia achieved the average economic growth rate of approximately 9.5% per annum.

We clearly understand that our duty is to maintain such economic growth's scenario in order to ensure sustainable economic jump which is important not only for affirming the objective of the Royal Government in poverty alleviation but also the crucial foundation for regional and world integration. At the same time, Cambodia must strengthen its human resource competency to compete among ASEAN as well as other regional integration activities with equal right and compatible strength.

Cambodia fully supports every effort which aimed at realizing the **ASEAN Economic Community (AEC)** by 2015, especially, the effort to allow for the flexibility and opportunity for those member countries which are prepared and ready to proceed toward realizing the AEC. However, in order to ensure such flexibility and to avoid having bigger gap among the members of ASEAN which pose a great challenge for the full economic integration between these member countries, ASEAN must give special priority for the implementation of **"Initiative for ASEAN Integration" (IAI)**, which includes broadening the coverage of **"ASEAN Integration System of Preferences" (AISP)**. Indeed, this mechanism will allow member countries which have developed the least to effectively participate in the AEC and to draw appropriate benefit from the ASEAN integration.

I would like to stress that Cambodia's agenda does not end after being a member of ASEAN and having implemented various cooperative works such as those under the ASEAN+3 and ASEAN+1. Cambodia has a bigger ambition. Indeed, our agenda is to integrate our economy into the world trade system. For instance, Cambodia has achieved its membership with the WTO on September 2003 at **Cancun, Mexico** and is making progress on its enduring and appropriate reform journey to realize its objectives.

It should also be noticed that, along with the 50th anniversary of the establishment of the EU, cooperation between Cambodia and EU has reached its 10th year by now and these cooperation are enhancing the partnership between the two and provide the benefit for many

development sectors such as the economic, political and social sectors which required the discussion and share of experiences between these two communities as well as the nations among them.

Today is a special occasion in which we can celebrate the birthdays of ASEAN, EU and the International Relations Institute of Cambodia at the same time. I have already mentioned a lot about Cambodia's progress and ASEAN, but we should not overlook the successful experiences of EU regarding the integration. The initiative to establish this community existed since 1950 but was not formed until 1957 when gradually the membership of this organization has increased up to 27 countries by 2007. The expansion of its membership is an important opportunity for the EU during the beginning of the 21st century. It represents a historical achievement in promoting the integration of all the country in that region through a peaceful mean of expanding the safety zone and providing prosperity for new members. Moreover, the use of a common currency within EU also represents a driving force of the economy and finance and should be use as a great model.

Cambodia has implemented peaceful co-existence policies with other countries based on mutual benefit and always opened for every cooperation and participation with other countries and organizations to find prosperity and maximum benefit for Cambodian citizens and all the people around the world. For instance, Cambodia has transformed itself from a country that used to receive the United Nation's peace keeping force into a country that has sent its troop to help the United Nation in its peace keeping activity...■

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wanted votes in their support badly they fool voters that if they were to get elected they would give out foreign donation to people. The Japanese Government built Cambodia the Kizuna Bridge and we inaugurated it but we did not even see the money.

Second - we have to address the disequilibrium between national income and expenses. We noticed that in the past years both income and expense have increased. We have conducted a financial reform aimed at strengthening our income. We also thank those who have expressed their concern on issue of oil. If they were to be concerned when the country was under the genocide and war of destruction, Cambodia would perhaps not lose a lot of lives. But when we have discovered oil they sound out their concern on issue that is not a concern. Some economists said they do not have access to data on oil so they could not conduct a study. What do you say when the Prime Minister also does not have the data? This was all estimation and they have accused us of not being transparent. How could it be if the Government has yet to get a data from Chevron?

All income will be channeled through the national budget and so will expenses. In our national budget we already have prioritized areas according to the Government's rectangular strategy where the initial 6 priorities are to be added with another two. However we have no oil yet so there is no income from oil yet. We have to garner efforts in collecting tax.

Starting from 1999 the Royal Government does not make any financial advance from the Bank nor print more notes. The country has noted two-

digit economic growths in recent years and in 2006 it has come to 14%.

Three - disequilibrium in exports and imports. We continue to have a situation that our import is bigger than export. In my meeting with the South Korean President Roh Moo-hyun, I made a suggestion to him that RoK should try to help reduce trade imbalances between our two countries. He said Korean tourists to Cambodia are in greater number than the Cambodian to Korea and this should be a redress. In general we have noticed increase in exports to take the figure into consideration in 1994 our exports were 463 US dollars and in 2006, we have a figure of 3,556 million US dollars.

Four - between currency and goods. We have to maintain the Riel purchasing power. Five - between living condition of Government officials and the armed forces and their salaries in accordance with economic growth. We have made an increase of 15% per annum to the payroll and we have been doing it three years in a row. I have ordered the Ministry of Economy and Finance to give me its estimation of the percentage possible for a further increase. I am still waiting for a response when HE Keat Chhon returns from Japan. We are not making promises but do exactly what the country's budget can. Some politicians like to make empty promises. I am of the view that once the country's oil is becoming real part of it will go into increasing salary.

Six - between increase of labor and jobs. It is true that in this world there is no country where all of their citizens are Government employees. Some politicians are making promises to their supporters with positions of district heads

30 May 2007 (Unofficial Translation of Selected Comments)

Honoring Graduates of Norton University

On this wonderful occasion, I wish to express my sincere appreciation to such a progress made by the first of its kind Cambodian private tertiary foundation, which has existed and progressed ten years so far. I also would like to share my joy with those graduates - in all 1,014 of them at this celebration of completion of their studies. The University of Norton has indeed been initiated and brought to this new stage of development by Mr. Chan Sok Heang - whose has devoted his attention and energy in bringing about this University's progress since when he was a single man. The University underwent

various challenges and unexpected events as I used to mention that making something happen is one hell of a challenge but sustaining it function is a more tremendous challenge.

At the time of the University's emergence there were many negative subjective and objective factors while everyone could remember that internal war was still going on. Months after its inception there was a fierce fighting in Phnom Penh - all of which I would conclude as unexpected challenges for the University's future. It is the first fee-paying

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and other positions in the Government. We would urge you to see many jobs we have been created by building a road or a canal. We are introducing amendments in the article 139 and 144 of the Labor Law aimed at creating more jobs for our workers. We are looking for factories to create a night shift so that more workers could have jobs. If 50% of the current factories cooperate we will have at least 200,000 workers on the job.

Seven - between need for development and supply of human resources. A country could not do well just with a policy but it lacks human or people to implement it. Eight - between development and poor infrastructure. It in this context the Royal Government is making every effort in building roads, bridges, canals, electricity, running water, etc. We also are in the process to search for a possibility to lower the price of electricity too.

Nine - between development and transparency, sustainability and inefficient governance.

We have to make effort to improve our good governance which means to combat corruption and improve public service for the people.

Ten - last but not least - is the disequilibrium between regional and world integration and unsophisticated infrastructure. Cambodia has become members of many organizations and I am challenging five countries along the Mekong to form a Rice Exporting Countries because the five countries export a great deal of rice to the world (about 14 million metric tons). Facing all these challenges we ask, "Where are our human resources? infrastructure? and software relating to by law?"

Thank you very much for your attention to my presentation of the Ten Disequilibrium once again and to inform you about the need to amend the Labor Law for the sake of providing more jobs to our workers. I express my thank to the graduates for making their studies a success so that you can join the job market...■

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university in Cambodia, and our people though their living conditions were in a bad shape, had made their ends meet in providing their children and relatives a chance for education.

Some people mentioned Cambodia is getting poorer with the current Government. Let's take Norton University as an example, if it is getting poor how come over ten thousand students make intake in which 3,902 students completed and 7,283 students are continuing their studies. The University is in its progress of building a five storey-building at Chroy Changva - across the Tonle Saap River. If the country is getting poorer the University might have been bankrupted already as it would not be able to sustain their programs or teaching fees and other operational costs. On the contrary we are making progress though our step is small and slow.

We have up to over 80 tertiary educational facilities throughout the country. We have a university in Svay Rieng and one each is coming for Banteay Mean Chei and also in Battambang provinces. What remains for us to pay attention is its quality education in which I demand the Committee for Accreditation of Tertiary Education to work closely with those institutions for a common objective of a true knowledge that deserve efforts and sacrifices of parents. I urge competition in terms of education quality as we are in the epoch of globalization and regional integration, about which I will give a speech this afternoon [see the speech under Event page on 30 May 07 (pm)].

I hope all educational institutions - both state and private - will pay attention to quality

education as prime objective as those human resources would eventually participate in national development activities while integrating Cambodia into regional and world partnership.

Maybe I just take an example. We just have a Cambodian representative as under-secretary general of ASEAN, participant in WTO. And we just sent our troops to Sudan and whose return on May 28 would be replaced by another contingent of de-miners under the supervision of the United Nations. We have our police involved also with Interpol, with international counter-terrorism committee, etc. In financial-economic front we also are a member of the World Customs Organization, and various other institutions.

We also noticed that more and more foreign companies invested in Cambodia are also recruiting Cambodians as their senior staff in place of foreign staff which is normally costly. I think we all see that it is important that we have to bring our accreditation to similar level so that our graduates could have a better chance for getting those jobs I mentioned. In this remark I should mention that the Norton University is indeed on the right track.

We are in the knowledge-economy, know-how economy and goods economy epoch. Take for instance farmers. They have changed their rice growing method from making holes and putting rice seed in them to transplanting. They also change from a bunch of up to ten rice seedlings to only one seedling. This has saved them seeds and given them higher yield. It is important to see through people's creativity in rice growing as well as in transportation, etc. It is indeed impressive to have a report by Mr. Chan Sok Heang that the

University has maintained its internal accreditation through yearly meeting of alumni and a proud status as a leading University where 95% of its graduates have got the jobs.

I wish to say to those graduates that it is their prides and also their parents' and families'. We also have to look far towards the future where we will have many more challenges ahead. But everything has got to have its starting point. One more factor in this long march to the future is the fact that we have to have a correct leadership. I remember a discussion among senior citizens in Battambang province. One said, "why do we have what we have today?" The other said, "it is because we have made our efforts." The former continues, "under Pol Pot we all make all out efforts, but why did we not have a better life as we do now?" So there is a correlation between correct leadership and policy and personal and household efforts.

It is also absurd when some politicians fooled the people while linking relevant incidents to be corruption. Everyone is entitled to a piece of land but some people had disposed of their shares for many reasons. Some lost their lands because of ill health, others because of gambling, etc. Some even sold or pawned their lands to help political parties to secure them positions of district heads, for instance in the 1993, 1998, 2003 elections. I hope they are well aware of this fate in the forthcoming 2008 general elections. We have now enforced a rule according to our administrative reform strategy whereby recruitment of staff would have to go through exam. We no longer accept recruitment according to relations anymore or we should not have any universities at all. Some people talk about justice

but they have many bad things under their desk.

There was once a proposal to me to have a quota for police force recruitment. I would say that my strategy to avert this I have to propose a 50 + 1 formula as an amendment to our Constitution. This allowed us to go on with reforms and reforms free of political parties' quota. I think you all are in the best time and opportunity. Some of you would have gone through a part of Pol Pot's regime, or at least your parents did, but you all surely have gone through the war time when Cambodia was divided into four parts. Take only the past 28 years starting from 1970, after Lon Nol launched a coup against Samdech Preah Norodom Sihanouk, war flared up splitting Cambodia into two parts - area under Lon Nol and those under the Front led by Samdech Preah Norodom Sihanouk.

From 1975 through to 1979 Pol Pot implemented its policy of genocide while he did not have the ability to fully control the whole Cambodian territory at all. There were resistance forces here and there who later have formed the National United Front for Salvation of Kampuchea (NUFSK) which at that time combined resistance forces under the leadership of Samdech Heng Samrin, Samdech Chea Sim with my own forces of up to ten thousands men. We also had other forces in the north eastern area under HE Bou Thang and in Koh Kong under HE Say Phu Thang and Tia Banh. Between 1979 and 1993 Cambodia was under four different factions - the State of Cambodia (SoC) and the tripartite coalition under the Constitution of the Democratic Kampuchea (Khmer Rouge) who resided in three different areas.

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