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**28 January 2009** (Unofficial Translation)  
**Sub-national Level Democratic Development Process**

*In addition to the prepared text addressed at the Dissemination of the Sub-National Democratic Development Process under the Law on the Administrative Management of Capital, Provinces, Municipalities, Districts/Khans, Samdech Techo Hun Sen made the following selected comments.*

... The centralized system of administration conducted so far has presented us with some major problems in the country's management. The organic law to be prepared in the time to come will have to look seriously into this matter. We will soon set up the sub-national administration in which the governing boards and councils are in accountability to the Royal Government. It requires therefore a change of attitudes primarily from the institutions that are used to top-down approach management system. In absence of such an approach and change, the organic law would

not be applicable. It is indeed a good thing that Cambodia is such a small country that it is so obvious where there is a problem, if it were to be of the size of China, we would not be able to manage the country.

... There will soon be provincial and district councils who will help look into issues in their localities. I have mentioned in one of the workshop in the Preah Sihanouk province in 2005 that we have to be prepared for such a transfer of power from the central to sub-national levels ... Like it or not we have the organic law in place and we will see to its implementation taking decentralization and de-concentration mediums into consideration ... As the provincial governing board is deemed to be sub-national, the system would be consisting of the Council, which is to be elected, and the governing

(Continued on page 2)

**20 January 2009** (Unofficial Translation of Selected Comments)  
**Inaugurating the Uddar Mean Chey Administrative Building**

**Uddar Mean Chey - The Latest Province**

In 1966, under the Sangkum-reastr Niyum the province was established with a provincial office designed by the Cambodian famous architect - Van Molyvan. Because of the wars and the Pol Pot's genocide, the province was ravaged and had been the front-line where stationed the division 286, which now becomes the division intervention II currently under the leadership of General Uy Sopheap ...

area. In the elections of 1998, Uddar Mean Chey was only a part of the Siemreap constituency until April 7, 1999 HE Sar Kheng came here to declare the re-establishment of the province. If I am not mistaken we occupied a warehouse and transformed into provincial workplace ... today, we have the possibility to have in front of us here the new administrative office of the province ...

**23 Provinces and Municipalities**

On January 28, 1995, the province was once again declared re-established but nothing could be done because war was still prevalent in this

I would take this opportune moment to express my sincere thank to efforts made by the provincial officials, Ministers

(Continued on page 4)

**06 January 2009** (Unofficial Translation of Selected Comments)  
**Inaugurating Phnom Penh's Steong Mean Jei Bridge**

My wife and I are so happy to be here with all of our people to put into official use the Steong Mean Jei Bridge this day which is a day before the 30<sup>th</sup> anniversary of the January 7 victory. Phnom Penh was in fact liberated on January 6, 1979. This is my first appearance for 2009 after my speech on December 22 last year. I remember I was presiding over the inauguration of the Prek Jrei Bridge (not far from this one) on March 18, 2008 I took that opportune moment to inform our people of the Stoeng Mean Jei Bridge to be rebuilt ... so as to relieve traffic jam problems from the fact that the bridge had been too narrow for an increasing load of traffics ...

Why did I choose to make this bridge of Prek Jrei to be inaugurated on March 18? It was because I wish to review the date which 38 years ago the country suffered a coup led by General Lon Nol against Samdech Preah Norodom Sihanouk, and from there the country was plunged into war and the Pol Pot's genocide ... Our regime uses March 18 not for making war but for construction and making new achievements ... and

(Continued on page 5)

**In This Issue**  
Democratic Development — p. 1  
Uddar Mean Chey Building — p. 1  
Phnom Penh Bridge — p. 1  
Gold Ship Island — p. 2  
Investment Destination — p. 8

(Continued from page 1)

board - with governor and deputy governors - which is to be assigned. The provincial/district councils will be elected on the forthcoming May 17 by members of incumbent electoral commune councils - to be the first of its kind. The board will be the executive power to be designated by royal decrees and sub-decrees ...

... The governing board to be assigned would be consisting of a governor and a number of deputy governors - between five and seven of them, according to the size of province. As for the Council, to who it is answering, primarily it has to be accountable to the constituency it represents and also to the Royal Government. Long ago there was this lawyer suggesting that the council should be accountable to the National Assembly ... It is absolutely inapplicable. The council will have to be held accountable to the Royal Government. Budgets or laws proposed by the Council will have to be approved by the Royal Government. They could not be placed for the separate attention from the National Assembly, because their budgeting and planning will have to be incorporated into one national plan and budget.

... Therefore it reflects clearly the relationship between the governing board and the Council - as the governing board is the executive power in consultation with the Council, whereas the Council will also be answering to the Royal Government and not to the National Assembly. However it should be noted that the Council could suggest for changes of governors and officials which according to law, the process has to be proposed to the Ministry of Inte-

rior, and after a thorough investigation, approval from the Prime Minister would be obliged as to whether or not the suggestion should be implemented.

... I recommend that one slot is reserved for female candidate in the governing board and more for women to be elected in the Council ... I would say there is a need for a female position at the level of Secretary of State in the Ministry of Interior. One female position should be applied in all provincial and district governing board, from there women are encouraged to take more active parts in local politics so that they could be promoted to the posts of deputy governors.

... In relations to national defense and security, two major problems need to be given attention - **firstly, in foreign affairs area** - I would remind you to be careful as none of you should be misguided to understand that with the power you are vested in, you are to exercise independently as an autonomous state at all. You may not be eligible to have your representation in other countries or to raise other national flag in yours at all. You are not to mess up with the national foreign policy at all. Take for instance you cannot say that you are to apply the policy of two Chinas at all - that will be a resolute warning ...

**Secondly, in security and military matters**, in general we have done a great job already according to the communal system in close cooperation with member of the commune council. We have Khans/Districts and the sub-military commands which are in close cooperation with the unified commands ... There used to be a good cooperation

10 January 2009 (Unofficial Translation of Selected Comments)

### Inaugurating Pursat's Sampeo Meas Island (Gold Ship Island)

My wife and I are so happy to be here and would like to express our sincere thanks to the warmest welcome and support of the people in Pursat and I would on this occasion like to thank especially the people in Pursat who have voted for the Cambodian People's Party 100% - which we won all four seats - in the 2007 general elections. For people who took part in the elections, not just people in Pursat but in the whole country are well aware that if the Cambodian People's Party wins the elections, Hun Sen will become the Prime Minister ... In the name of Samdech Heng Samrin and Samdech Chea Sim and other leaders of the Cambodian People's Party I would like to thank our people in Pursat as well as the people in the whole country for extending the Party's mandate to lead the Kingdom of Cambodia.

I came to Pursat - in the course of my round trip to provinces - in June 2008 and it was my last trip before the electoral campaign and I disappeared ... to listen to the campaign and read press re-

between the armed forces in a respective provincial territory with the governing board of the province itself. I think we should bring it to a new level of cooperation and collaboration. This does not mean that the military power is transferred to the governing board so that you may use them as you wish. As I said earlier, the foreign affairs and military and security affairs are matters that can not be transferred for absolute and independent commands ... They are the tools of the Royal Government but they are placed under your commands ... issues of

leases before the voting day ... They criticized me inside out and blamed me for doing nothing... People see that Hun Sen does nothing other than building bridges, roads, canals, schools, Buddhist temples, take for instance the Sampeo Meas island here today ...

This Sampeo Meas (gold ship) island is indeed the result of environmental and natural evolution in the area which according to geologists the sea started to retreat from here and left the geological setup like this ... Studies should be conducted to figure out if the statement is true. There was this belief that a statue of Buddha has been retrieved to place in this island "known to be Chao Sen" but was later disappeared in the Pol Pot time ... It was a sacred object for our people ... We should start recording for the sake of our people's history at least from this time on ...

HE Suy Sem has requested to see me in my residence in Takhmao to ask my permission ...

(Continued on page 3)

promotion will be the Government's decision ...

... Another point of concern is that after being elected the Council should not be a hindrance of power to the decision of the commune council. The commune council has direct mandate from the people and they are the ones to elect the Council at the provincial and district levels by non-universal suffrage. Therefore you should not in any circumstances abuse the power of those who have been directly elected and given you the mandate... ■

(Continued from page 2)  
sion to organize and build the ship like island - it was in July 2007. The construction of the bridge was covered by my budget and the ship area by HE Suy Sem with the total cost of US 679,549.47 dollars. It is now the public property and of the state and I thank HE Suy Sem for taking his busy schedule to lead the organization of architectural studies and develop the plan for this beautiful place.

... This is the renovation of what has been our history for three hundred years. Those who twisted or fooled the history would not be able to hide it for long, sooner or later, the history will elucidate ... Take for instance Lon Nol, because of deception, his power lasted only five years, whereas Pol Pot's was 3 years eight months and 20 days ...

Those who perform merit will last long and be reputable ... I would like to take this opportune moment to urge more works to be done from the part of the provincial authority and related institutions - 1) *I would ask you to allow our people to visit, to exercise free of charge* because this is the public property.

... Therefore I call on the Municipality of Phnom Penh and other cities to develop places for people to relax and enjoy themselves. This sacred place Sampeo Meas Island could be an attractive destination for local tourists but also for use by the civil court because there are cases that swearing oblige ... for your information I have ordered to take out the clauses in both civil and criminal codes for crimes punishable by death oath - such as house on fire, car crash, etc.

... I have asked them to be removed because swearing for

a car crash is a collective death for everyone on the car not just the one on the case ...

... 2) *I would seek your attention that big lorry should not be allowed to enter* whereas visitors should be on foot if they wish to enter and visit the place ... 3) *guards should be organized for keeping security and order* and if there will be crowd of people, medical service should be ready ... 4) *gardening and maintenance service should be well organized* and strictly operational ... and 5) *the place should not be used or incorporated for commercial purpose* at all ...

Pursat is now different from 30 years ago ... It was liberated on January 14 ... This means that the people in Pursat, 30 years ago, were four days from being liberated by the army of the National Salvation Front of Kampuchea ... It was because many reasons that January 7 is the special day for Cambodia - it saved lives not only people who were under the authority but also those in the Pol Pot's line ... Two Khmer Rouge's Vice Presidents of the State Council were killed, almost all regional heads, except Ta Mok and Ke Pok, and Deputy Prime Minister Vorn Vet, Ministers Hu Nim and Hu Yun and other associates were all killed ...

... What has been a difference is that the Cambodian People's Party has always set human being as its target of service and it has proven to be the correct one. Liberating people from death is to serve the people and get the people out of hunger is to serve the people ...

After January 7 we left no one to die of hunger so our soldiers together with Vietnamese soldiers shared their food

with orphans and set up orphanages for parentless children ... CPP deserves to claim pride from start to finish as we have chosen human beings as our serving objective ... We study the need of human take for instance water canal, school, road, hospital, etc. We have in this sense organized huge meetings to commemorate the event 30 years ago and I on behalf of the President of the Cambodian People's Party, Samdech Chea Sim, President of the Senate, thank our people in all parts of the country for taking active part in this solemn occasion ...

Cambodia has ended civil war by peaceful means and no country in the region has achieved this including those who have extended hands to help us in the past ... We have now identified and proceeded to disclosing those behind the home-made bombs and will take the matter to its root.

Pursat has indeed been a province with many historical facts as it used to be the stop-over frequently used by former Kings Preah Reajea and Preah Srey Reajea who fought against the Thais while, according to the history, Preah Dhamma Reajea did not allow them to return to the city ... Cambodia was in fact divided into many parts in the past at the time of Chadomuk, Samraong Tong, Bati and Khsach Kandal's Tuol Basan, ... and at the time when Grandfather Moeung and his wife Grandmother Khan Khoeun accompanied the King in the West who fought against King Sdech Kan, ... etc.

In its modern history Cambodia also was divided into many parts, some times four, (Continued on page 8)

(Continued from page 7)  
dure, which has been put in place at each location, is simple, easy to use and saving time. Moreover, the SEZs offer investors superior and complete infrastructure and facilities, such as road network, factory buildings, electricity, clean water, water treatment plant, skill training, banking service, postal service and telecommunication.

Third — Further **strengthening tourism sector and ensuring the linkages between tourism and agriculture** which is important for upgrading the livelihood of people. In fact, a key component of the Royal Government's strategy is to establish green belt zone or agricultural development zone surrounding tourist destinations, a pro-poor tourism development. In this light, in order to facilitate and attract private investments, the Royal Government have paid great attention on improving key tourism infrastructure such as road network and airports in Phnom Penh, Siem Reap, Sihanoukville, Ratanakiri, Koh Kong and in other places. The Royal Government is channeling more investments to build agricultural infrastructure and provide facilities to the development of green zones surrounding key tourist sites.

... we strongly hope that the priorities mentioned earlier will further open new economic opportunities for Cambodia's sustainable and equitable development.

I would like to invite Kuwait Government and investors to explore opportunity for cooperation and investment in Cambodia, namely in three key areas (agriculture, tourism and oil/gas) where Cambodia has the comparative advantage...■

(Continued from page 1)  
 try of Interior as well as the Ministry of Economy and Finance for making this wonderful achievement possible. I last came to this province in 2006 and I remember telling you all to keep large space for future use ... like building this office, etc. Now we have the city of Samraong for the province of Uddar Mean Chey. Let me just make one thing clear, we have changed separate towns before - like Sihanoukville, Kep and Pailin to the provinces of Sihanoukville, Kep and Pailin whereas all provincial towns in any respective province would be named the city - like in Siemreap province we have the city of Siemreap, and here in Uddar Mean Chey we have the city of Samraong.

On May 17, 2009, we have non-universal suffrage elections of the provincial and district councils and from here I could foresee that there is a need for more buildings on the way ... I would take this chance to clarify that the governor of the province is by no means an office director of the Ministry of Interior or it would be a major confusion. The provincial governor is the representative of the Royal Government to that particular province entitled to place commands on the armed forces - military, military police and police. The Prime Minister is the only legitimate person in proposing promotion for Royal Decree approval by HM the King ...

The Ministry of Interior is the Prime Minister's proxy in municipal/provincial management ... so you may take it as my clarification of the issue ... because of changes of provincial and municipal structures above, we will have 23 provinces and 23 municipalities while three cities have

been established because of their specialties - Poi Pet (Banteay Mean Chey), Bavet (Svay Rieng) and Suong (Kompong Cham).

#### Nationwide VDO Conference

Take this opportune moment I would like to make an announcement that today we have put into official use not only the new provincial office but also the operation of the nationwide VDO links which is a part of the e-government project. This has indeed helped us in accelerating communication where before we need a day to get to Phnom Penh just to clarify a few things. Upon my return from Kuwait I went for a conference with the provincial leaders. All 24 provinces/Municipalities were online except Takeo because of the technical difficulties. It has indeed modernized our way of life and work ... We will continue to expand this system to military regions and other important locations ...

I would recommend that you be prepared because I will be in regular contact with all of you. It was indeed a long time effort to get this far as before I have requested companies to work on that but the best it does was for audio communication and not the video ... This is possible thanks to the cooperation between the Ministry of National Defense and Viettel Company and it is indeed a change in this field as we now have finished the 5,000 kilometers wiring of cable and between 5,000 and 8,000 kilometers more underway.

I would recommend the provincial leaders to study the possibility to link up with districts and I would suggest that big companies to make use of the online possibility

for own use. It helps us saving fuel for cars to travel to and from and also time which is impossible to make it up. With this facility, provincial heads can sit down at their place and listen to the Cabinet's meeting, the result of which is that they learn of the Government's decisions and they could clarify related issues.

At this moment I wish to thank the province of Uddar Mean Chey in particular and the all the provinces along the Thai-Cambodian border in general for the efforts they made starting from July 15, 2008 to the present with one hand defending the country from infiltration from neighboring country and the other solving internal demands. I would like to take this opportunity to once again stress on the importance of win-win policy which has indeed brought our country into unity with unified administration, armed forces, Royal Government, HM the King under the roof of sole Constitution ... The win-win policy has not left anyone to lose except that the person intends to ... Starting from mid 1996 through to 1998, integration has completed and our people have not got anything more to pay for it.

Fighting has been too much for Cambodia and I am so sick of the former generation leaders who made use of the people's blood for winning power and I also have a bad feeling on what is said in Khmer "fish eats ants in flood, ants eats fish when flood recedes" (which literally means endless revenge). In Khmer history, when General Lon Nol took power he avenged those who supported Samdech Preah Norodom Sihanouk, when Pol Pot came to power, he did the same on

those who used to support Samdech Preah Norodom Sihanouk and General Lon Nol ... I would like to take this chance to also thank our Buddhist monks and people for providing encouragements to the frontlines and efforts made by two TV stations - CTN and Bayon for collecting fund to build and repair the road to Preah Vihear ... The engineering teams of the Cambodian Armed Forces have also presented through their efforts in wet and dry seasons to build roads ...

My vision to transform battlefields into development sites is not only for the people of Uddar Mean Chey, Banteay Mean Chey and Preah Vihear provinces but for all our people of Cambodia as it is a major target to reach for socio-economic development and to serve national security and defense. The win-win policy has been implemented with great success with no one to lose. The Cambodians are now together and united for its sake on the basis of three basic solutions - guaranteeing lives, ranks, jobs and properties ...

The Cambodians no longer fight each other ... but they now face with threats from outside. This time they do not retreat but stay facing with the fact ... I would like to express my sincere thanks and appreciation for our soldiers of all ranks for their heroism ... My ambition has been to transform the border areas with neighboring countries into developmental zones ... People living in these areas are the ones who used to have fears because of various kinds of risks and threats ... I wish to see that the people living in the border areas with Vietnam, Laos and Thailand to live in peace, free from armed

(Continued on page 6)

(Continued from page 1)  
 the Prek Jrei Bridge of over 100 meters and 5000 meters road are the achievement to mark that day with ... The road links Phnom Penh to the National Road 2, which people could travel to the provinces of Kompot, Takeo and parts of Kandal province.

HE Kep Chuktema, the Representative of the Royal Government for Phnom Penh (mayor) has put it rightly that effort to liberate our people from poverty has gained momentum, whereas road link is indeed playing a major role. In Khmer we used to refer to road as hope and I am sure we will continue to mean that for a long time to come...

I would like to share with all of our people here and in the whole country that these achievements are new on our fatherland, and they are here not because they are supposed to be or promised to be but because of our efforts ... there were many Prime Ministers in example during the elections campaign last year. They made a lot of "if" statements for what they are supposed to do ... As for me I have been doing things in concrete and I would argue that my way and the Royal Government's way is to move in toad's leap pace ... and this is what we have achieved with that ...

The bridge was supposed to be ready in 12 months but our efforts has made this bridge ready just in nine months despite the fact that there had been so much rain that we could not even ignite fireworks during the international new year ... I have mentioned many times that the military engineering team is the core intervention force of the Prime Minister who has now possessed the skill to build not only dirt road in rural areas but

also roads in the city with international quality ...

In one of HE Khieu Kannharith's remarks with the press that after this inauguration, the Sampeo Meas Island (Gold Ship Island) in Pursat province will be next ... in fact, we have hundreds of achievements if not thousands, to inaugurate only that we do not have time to do so. I have reports from the Minister of Water Resources and Meteorology and from HE Kung Ieng, Head of the military engineering team of the Ministry of National Defense of their project implementations, what have been completed and what will be soon ...

Because of border tensions with neighboring country we have sent units of military engineering teams to build up roads and bridges so as to improve access to the areas ... May I take this chance to remind us of 30 years ago when at this moment our armed forces, with the support of the Vietnamese voluntary forces, crossed the Mekong River at Neak Loeung already and were on their way to Phnom Penh ... to put an end to the Pol Pot's genocidal regime ... Leaders of the Cambodian People's Party were in their third Party's congress of only 62 members, who had laid down the leadership directives that are still valid up to the present...

This means that after the country established its National Salvation Front of Kampuchea, we have carried out the reorganization and reconstruction of the Party, which later we have the central committee and eight important persons were central to its leadership. At this time in that year, some areas had been liberated – such as Mon-

dulkiri, Ratanakiri, Steong treng, Kratie, Kompong Cham, Prey Veng, Svay Rieng, etc. whereas others were being liberated but they were uncertain of their fates and lives ... At 12:30 am, Phnom Penh was completely liberated but places like Pursat was liberated on January 14 – but we have decided to take January 7 as a common date of victory ...

In fact I started building up armed forces since mid 1977 Samdech Heng Samrin and Samdech Chea Sim took to the forest in 1978 after which we united to enlarge our liberation zone in Snuol of Kompong Cham ... We had our armed forces ready but we needed to set up our political movement and organization ... I was then selected to be Minister for Foreign Affairs, a member of the Revolutionary Council of Kampuchea at the age of 27 – perhaps the youngest Minister in the world ... But if I were to have no forces under my leadership, perhaps I would not be accepted to the fold ... that is the historical fact ...

Now we have one united Cambodian People's Party and one Royal Government ... the country unites and I also re-united with my family – which includes my wife and my son, who, sadly, called me uncle instead of dad ... I suffered severe psychological impacts ... That was life of a Cambodian leader ... I had three people with me to start building up Ministry of Foreign Affairs ... we had to collect plates and other kitchen utensils in preparation for up-coming foreign guest banquet, etc. Our start had been so hard ... On top of this we were under pressures of external punishment, the attempt to return by other

Khmer reactionary forces aimed at crushing our revival, while Pol Pot was recognized at the United Nations ... that is our fact ...

They did not give us development aid ... The city was left in disarray while leaders of the Party like Samdech Heng Samrin, and myself had to go to the river to fetch water for home use ... It is so good for some politicians here who have started their political careers with luxurious vehicles ... I have watched a TV program which a survivor from Pol Pot's time was interviewed. She reminded of all the things we all had encountered those days - three years eight months and twenty days ...

The win-win policy put into practice in between 1996-1998 to put an end to the political and military organization of the Khmer Rouge has brought colossal opportunity for socio-economic development and I have pride to say that the past 30 years has been full of each and individual, family and social efforts. With the key and correct political leadership of the Cambodian People's Party, and other Parties' roles should not be neglected too, the country has evolved from various political and economic reform stages – from centrally planned to market economy – a grand opportunity has come to reality for the cause of national construction and development ...

Based upon experiences, I have drawn a conclusion that in order to liberate our people from poverty, there have been two major points to consider – 1) there needs a correct policy of the leading political Party and 2) there needs the efforts by individual, family and

(Continued on page 8)

(Continued from page 4)  
clashes and development ... We have developed quite some places along the border with Vietnam, where before they were artillery bases against each other, into factory zones with electricity ...

We have also developed some with Thailand like in O Smach, Poi Pet, Jam Yeam (Koh Kong) etc. while more is being developed on the part of Thailand. We trust in developing relations that are to be born out of cooperation and mutual understanding.

### Development of NR 6 Southern Side

We have asphalted and are in the process of completing 6 major road lines of 432 kilometers and 69 bridges of 1,541 meters - that include the road from Sam Taong to Anlung Veng and from Anlung Veng to Sra Em - to be implemented by the Ministry of Public Works and Transports and the military engineering team... We need financial support for three more roads with the total length of 368 kilometers, two of which - the road 56 from Sam Raong to Si Sophon and the road 68 from O Smach to Sam Raong and Kralanh towns have all been classified projects that seek for assistance from the Asian Development Bank (ADB) ... the road 62 of 129 kilometers from Tbeng Mean Chey to the NR 6 is now under construction with the financial assistance from China.

The road 68 has indeed been requested for assistance from the former Thai Government of HE Thaksin Shinawatra and after the change of Government in Thailand after the coup in 2006, I raised the matter with Prime Minister HE Surayuth Chulanand and I

got the same answer from him that I got from Thaksin - let's wait until the road 67, which they offered Cambodia, is finished. When HE Samak became the Prime Minister, in principle, he offers Cambodia Baht 1,400 million for the restoration of the road 68 from O Smach to Sam Raong and Kralanh ... From then on we had Prime Minister Somchai Wongsawat, and now Prime Minister Abhisit, but Cambodia has not shifted the project to a different donor yet and we hope that the current government will follow what has been decided by its predecessor's... We have to seek fund to finish 360 kilometers more for roads ...

I would urge the Ministry of Water Resources and Meteorology to be responsible in setting up a system for drinking water in all areas where we have armed forces stationed along the Cambodian-Thai border ... we have to make ball holes if possible or to build up reservoir in cases of shortage of underground water sources ... As we have now readjusted our troop positions and their families, these facilities have to be taken into consideration ... I would like to take this opportunity to express my sincere thanks and appreciation for those who have contributed their resources through our CTN and Bayon TV stations for the sake of our soldiers at the front ...

We are now building armed forces bases along the border - each one with not less than 100 hectares and as of now we have twenty construction sites underway ... As we move our soldiers closer to the border is not for fighting but for making us secure ... We do not want to fight but if for any reason we are being pushed into the situation like

on October 15, 2008, we have no choice but to defend ourselves. However, we want to talk and we would engage talking wherever possible ... We fought because it was for us to defend our land. We do not want any country's land, not even a millimeter but to defend what has been left from our ancestors ...

In the course of incident 13 Thai soldiers within the compound of the Buddhist pagoda dropped their weapons and 12 others were detained but we inflicted no harm on them ... I asked the commander to send our deputy commander to sit with them ... The 13 soldiers in the following day did not eat, so I ordered them to send someone to get chicken to make food for them ... What we did is indeed our moral values of our soldiers ... in the name of the Royal Government of Cambodia I would solemnly assure them my praise and it is our soldiers' moral values that no hostage is being avenged or tortured.

Some politicians campaigned to fight for the Cambodian territories - both at present and from the past. What on earth are they talking about? The Cambodian opposition parties did not want the general elections to happen and we have made a thorough investigation ... They wish a war to happen along the Thai-Cambodian border so that the whole or parts of the general elections could not be held, especially those constituencies along the border, because they were certain that they could not win ... We were smart enough to prevent that happening ...

Taking this opportune moment I have some messages to send to our compatriots but also to the Thai counterpart about the position of the

Royal Government and the Prime Minister of Cambodia on issues relating to the border disputes. The position of the Royal Government of Cambodia which I am the Prime Minister is by no means similar to that of the opposition parties in Cambodia and that of Sean Peng Se's border committee in France - I wish that this is well noted and not to be confused. The Royal Government of Cambodia's positions are as follows:

1. Prevent the armed clashes and end the military confrontation which has been our position since July 16 up to the present...
2. Conduct bilateral dialogue/negotiation. We will not forward the issue to multilateral forum or to ASEAN, the international court in The Hague. I may need to clarify this to you that the Governments of Prime Minister Samak and Prime Minister Somchai and to the current Prime Minister Abhisit have accepted to resolve the issue within the framework of the Franco-Siam convention of 1904, the Franco-Siam treaty of 1907 and the memorandum of understanding of 2000 ...
3. Narrow down conflicts while expanding cooperation in matter with Thailand as well as between Cambodia and Laos, and Cambodian and Vietnam...
4. Contain dispute from spreading to other areas - we should prevent the generalization of the conflict. We have trade to conduct as usual - for instance we just had the Thai famous golfer who competed and won the competition in Cambodia

I made this declaration in the province bordering with Thai-

(Continued on page 8)

(Continued from page 8)  
 favorable natural condition. Cambodia still needs a number of infrastructures such as transport system, telecommunication, and electricity and irrigation system. The Royal Government clearly understands that *agriculture is the key sector* to enhance and expand the basis for economic growth and to reduce the vulnerability due to external instability and crisis. For this, we need to rely more on the potential of our domestic economy. Indeed, agriculture sector will provide rapid and positive impacts, through government's efforts, on improving the livelihood of people especially in rural areas where 80% of the total population live.

Agriculture policy of the Royal Government aims at improving productivity. Agriculture is the leading sector in enhancing economic growth and in reducing poverty. In this perspective, the Royal Government continues to accord high priority to improving agriculture productivity and diversification, and enhancing agro-businesses. The Royal Government will continue to enhance production capacity over existing lands by shifting its focus on "extension" into a more "intensive" development approach in order to increase production, create more jobs, generate more income in rural areas, ensure food security and increase exports of agricultural produces, especially rice export. Cross-cutting interventions across sectors are needed such as techniques, agriculture inputs, research and development, agriculture dissemination, construction and rural infrastructure maintenance, especially irrigation system, credits and micro-finance, market expansion for agriculture produces, establishment

of farmer communities and agricultural land management. The Royal Government continues to *enhance partnership between smallholder farmers with large-scale farms*, agriculture enterprises and between agriculture and social land concessionaires especially in the area of agro-industry plantation such as rubber plantation, in line with strategic development plan of rubber, cashew nut and sugar cane sectors.

At the same time, the Royal Government has also provided land for large scale agriculture and agro-industry projects through economic concessions to private companies. The Royal Government of Cambodia supports large scale investments in agriculture and agro-industry through economic land concession with the main objective of socio-economic development, jobs creation and improved livelihood in rural area by linking development with sustainable environment conservation. Concerning tourism, *Cambodia is fortunate to inherit great historical and cultural heritages* especially Angkor Wat Temple and a beautiful natural environment along the mountain ranges, forests, lakes, seashore and offshore islands. Tourism continues to blossom contributing to the development of the service sector. *Tourism sector in Cambodia is so attractive for investment* thanks to the diversity of historical and cultural heritages, natural cultural parks such as forests, lakes, seashores and beautiful and attractive landscapes. Tourist arrivals have increased from 170,000 in 1993 to more than 2 millions in 2008. Indeed, the great potential of tourism sector will play the key role in linking production and services in hotel and hospitality sector

with demand for other goods. In addition to the potential of these sectors, Cambodia's *membership in ASEAN, WTO and AFTA and Trade Agreement with China, EU and the US* as well as other development initiatives in the region have provided market access to most countries around the world. Many agreements had not been exploited to their potential leaving lots of investment opportunities for investors to explore and make investments. The Royal Government has committed to working together with private sector to address the challenges in order to improve investment climate that would benefit all local and international businesses. Especially, the promotion of trade facilitation would induce private sector to play a key role in driving growth, which is critical for the survival of Cambodia.

So far the Royal Government has focused on improving governance which is a necessary condition to promote private investments. Governance reforms are the core of Rectangular Strategy. These reforms are firmly moving forward including the reforms of legal systems and public administration. In this context, the Royal Government is now finalizing the Corruption Law to be aligned with international standards.

The Royal Government is *trying to remove obstacles to private sector development by focusing on improving investment climate* including improvements in legislations, regulations and administrative procedures. The Royal Government is fully aware that institutions and good policy are very important for sustainable economic growth. Thus our effort is to focus on strengthening legal frame-

works to support sustainable economic development... As I indicated, the Royal Government considers the favorable business environment as an important precondition for long term development. Thus, our continued commitments will be on the following priorities:

First-The Royal Government will **continue focusing on trade facilitation** aimed at reducing costs in doing business especially the costs related to export and import operations. Trade facilitation reform will focus on:

1. **Reducing inspection process** by rationalizing the role and responsibility of government agencies involving in regulating export and import activities.
2. Establishing a **"One Stop Service"** for international trade activities, and
3. Implementing **Customs System Improvement Program** by introducing automation and single document process for administrative purposes in managing import-export activities.

Second - **Establishing production bases in provinces, cities and outskirts of Phnom Penh** and ensuring economic links among them and with rest of the country. For this purpose, the Royal Government has established some special economic zones (SEZs) along the borders with Thailand and Vietnam including those in Koh Kong, Poipet, Phnom Den, and in the surrounding areas of Phnom Penh and Preah Sihanouk Province with purpose to attract more investments into Cambodia. In addition to geographical advantages, the "One Stop Service" proce-

(Continued on page 3)

14 January 2009

**Investment Destination for the Kuwaiti Business Community**

... I have a great honor and pleasure to be here to make a presentation on “Cambodia as an attractive investment destination”, given its recent strong social and economic development ... The Royal Government of Cambodia has been implementing serious reforms in all sectors, including Public Financial Management Reform, Financial Sector Development, Private Sector Development and Governance Reform including land management, administration and legal and judicial reforms aimed at improving business and investment climate through trade facilitation and increased private sector participation in physical infrastructure and development of small and medium enterprises (SMEs). The Royal Government has striven to achieve all these reforms in an environment of political stability and peace in the country, which is a favorable condition for the country in its efforts to improve standards of living, to protect human rights and dignity, to build democracy and to achieve sustainable development for its people... In opening the 21st century, Cambodia is on the road toward sustainable development. Cambodia experienced strong macroeconomic stability and significant improvement in standards of living. Real economic growth was 7% in 2008, lower than previous year that peaked at 13.3% in 2003 and slowed down to 10.8% in 2006 and 10.2% in 2007. Per capita GDP increased from US\$247 in 1994 to US\$624 in 2008. The Royal Government has carefully managed inflation by maintaining it at low rate for many years. However, in 2008, inflation increased to more than 20% due to pressure from oil price, soaring

food prices and depreciation of US dollar during the first quarter. In the second quarter, the pressure was subsided and averaged annual inflation rate is estimated to be 18%, while in 2009 it would reduce further to single digit to around 7%. At the same time, monetary and exchange rate policies have been prudentially implemented to manage inflation and macroeconomic stability. International reserve increased to almost US\$2 trillions, which is for 3 months of total imported goods and services for domestic consumption.

This has contributed to reducing poverty incidence from 47% in 1994 to 34% in 2000, and according to the latest estimates, this incidence reduced to 30% in 2007. For this, within this period the poverty incidence has been reduced annually by 1% on average. At the same time, future prospects in oil and gas as well as other mineral exploitation will open another opportunity for economic development for Cambodia to be a new development center in the region. In medium term, we forecast that Cambodia's economy will remain robust thanks to the efforts in agriculture sector and the expansion into non-farms sectors. This will contribute to ensuring an average growth of about 7% annually. Political stability, active private sector's initiatives, stable evolution in reform efforts and ODA support as well as FDI are the key basis for our optimistic forecasts.

Cambodia is a country with great and unexploited potential. Potential in agriculture and agro-industry is tremendous with fertile land and

(Continued on page 7)

(Continued from page 5)

community... At the present Phnom Penh as well as the whole country are making ongoing development ...

... We started from having little to having more, and we are in the process of increasing 20% salary for the armed forces ... In fact we have made increments annually only at a small rate unlike that was promised and supposed by opposition politicians ... However, the rate of 20% has been maintained ...

As we are here with the municipal achievements I would recommend to the Royal Government's Representative to Phnom Penh - HE Kep Chuktema, to better the kindergartens in every Khan (district) in Phnom Penh and/or to transform them into both schools and children playgrounds ... they must be kept for this purpose and I would not allow you to sell them ... Repair must be done and excuse would not be accepted in leaving the vicinity and building dilapidated ...

One more thing to talk about is that I encourage our people to put on helmet in protection of their lives when making traffic in the city... I notice that there seem to be about 50% of them using the helmet ... it is for your own sake ...

One last issue and I wish to beg Samdech Krom Preah for his pardon that there has to be a clarification here otherwise people might get confused ... Samdech Krom Preah has been appointed chief advisor of HM the King with his honorary title as the Prime Minister ...

I wish to make this point clear that it does not mean we have two Prime Ministers at all ... The title is in fact honorary

and only entitled to salary but not to have executive power of any sort ...

... That means the title should not allow him to assign a different cabinet, assistants, etc. I am convinced that I have made the point crystal clear now ...■

(Continued from page 6)

land to make clear once again that Cambodia has no intention to seize Thai territory no matter what size it could be and continues to be patient to resolve the matter peaceful negotiation and in the bilateral framework.

Cambodia will only use force to defend itself and the UN Security Council will be a forum when we have open aggression. We will seek for help from the third party when negotiation fails. Cambodia would not raise this matter in the forthcoming ASEAN Summit for Prime Minister Abhisit to feel uncomfortable at all...■

(Continued from page 3)

when there was at that time State of Cambodia, the Democratic Khmer, KPNLF and Funcinpec ...

There is a proposal for me to build a 175 meter bailey bridge by people in the commune of Lolok Sar and I would offer according to their request... As for other matter I am so pleased to note that Pursat this year will have about ten thousand tons of foodstuff whereas according to the report by the Minister of Agriculture, Fisheries and Foprestry, Cambodia this year may have a surplus of three million tons of rice. We should try to boost it up to four or five million tons in the forthcoming years ...■