

Cambodia New Vision

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“Challenges and Promises of ASEAN Integration: A Cambodian Perspective”



On March 08, 2002, Samdech Hun Sen and Madame honored the groundbreaking ceremony to build bridges along road 21 and the renovation of the road itself in Saang and Koh Thom Districts, Kandal Province (Wat Sampaan.)

... I would like to inform you today of the recent strides Cambodia has made and how it stands ready to fulfill its role in the comity of ASEAN nations. At the same time, I wish also to share with you some humble thoughts on the challenges facing our regional community and our common responsibilities for a bright future.

Just a few years ago, Cambodia has finally turned a corner of history, putting firmly behind the darkness of its recent past history and emerging into a new dawn of its future. Following the 1998 elections, which external and internal observer teams described as the “miracle on the Mekong”, we conducted a “win-win” policy leading to reach genuine national reconciliation without external influences.

This policy resulted in the dismantling of the political and military organization of the Khmer Rouge and the unification of our territory for the first time during the last four centuries. Cambodia therefore has marched into the new century with a vibrant peace, ample national reconciliation and strengthened democracy. The developments following the formation of a new government for the second term of office have laid the foundation for dramatic political, economic and social transformation that all of us have currently witnessed in Cambodia.

Soon after the 1998 elections, we worked out a new political platform and formulated a “Triangular Strategy”, which has underpinned our domestic and foreign policy. The first
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March 27, 2002 (Selected Comments, Unofficial Translation)

- **Another Term Through The Election — I Wish**
- **Provisional Government — A Coup Attempt**

Inaugurating a Service Hall in Wat Prey Roang, Baku Commune, Kandal Stoeung district, Kandal Province

... Today I have a great pleasure to join with monks, Excellencies, Ladies and Gentlemen and our compatriots in inaugurating a new achievement in Prey Roang Pagoda – a pagoda of more than two hundred years old, or about three human lifetimes. This pagoda was constructed in 1800, which could be said prior to the time when the French imposed its protectorate in Cambodia. This pagoda shared similar fate as others in Cambodia both in time of the Khmer Rouge and after the liberation on January 7. Anything that was known to have died before January 7 has revived after the January 7. Take for example, this pagoda was used as a place in which bricks

and clay jar were produced. Thanks to the people's belief in Buddhism, after the fall of the genocidal regime, and despite some war continued, with the leadership of the consecutive venerable monks, this achievement has in the end become real.

... Aside from being here with all of you to cut ribbon to inaugurate the achievement in this pagoda, I have the duty to respond to various other requests. HE Governor Tep Nunnary has already made a report with regard to the overall situation of Kandal Stoeung district, and taking this chance I would like to talk a little more about some visions re-
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March 08, 2002 (Selected Comments, Unofficial Translation)

- **Revival, Peace, Ownership, Democracy — Basic Changes Brought by January-7**

Groundbreaking Ceremony to Build a Number of Bridges along Road 21 in Saang and Koh Thom Districts, Kandal Province

... Today is a wonderful day as we all celebrated the International Women's Day of March-8... HE Acting Governor Khim Bo of Kandal province, and Mr. Kong Ieng of the military engineering team of the Ministry of National Defense, have already mentioned in brief about what we have for this celebration. May I devote these achievements first of all in the name of women in the Kingdom of Cambodia.

... We have about 8000 ha of rice that needs water here. HE Minister Lim Keanhor (of

Water Resources and Meteorology) has brought in a number of water pumps,.. to help rescue the most part of the drought-affected already. I wish to give additional orders to the Ministry of Water Re-
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side of this strategic triangle is building peace, restoring stability and maintaining security for the nation. The second side is Cambodia's rapid integration into the international community, especially into the comity of regional nations, and normalization of our relationships with the international financial institutions. The third side of the strategic triangle is to promote development based on the favorable conditions created by the implementation of key reform programs: military demobilization, public sector, judiciary and economic reforms including fiscal and banking reforms, land reform, fisheries reform and stringent measures taken to crack down on illegal logging and to promote environmental protection.

Overall, having taken stock and reviewed the implemented programs, we can definitely say that we have moved forwards rapidly in carrying out reforms in all sectors and achieved considerable progress, reflected in macroeconomic stability and economic growth, despite the deterioration in the world and regional economic environment during the past years, caused by the Asian financial crisis, the short-term impact of the terrorist attacks of September 11 and severe floods and drought in 2000 and 2001. In 2000, real GDP growth was 5.4 percent and inflation was contained at a very low level of almost 0 percent. Growth for 2001 is estimated at 5.3 percent. The exchange rate is broadly stable and inflation is anticipated to be very low compared to last year. The international reserves increased to cover three months of imports by the end of 2001. The recent commune elections that we have conducted recently represent a forward step for democracy and a fundamental expression of deepened

reform process in all sectors in Cambodia. The newly established commune councils represent a form of power to be delegated to local communities and will become one of the main internal organizing principles of local governance. The most apparent expression of this is through the particular configuration of public goods and services provided to Cambodians from all walks of life including the transfer of resources to the grassroots communities. These systems of power devolution and resource allocation will structure the process of change, which has become now "the blood and bone of the Cambodian", in order to achieve the anticipated progress. It is my conviction that this process will not only unleash the powerful force of financial devolution and engender a far-reaching stimulus for strengthening grassroots democracy, but also significantly structure the social capital of local communities and promote further political stability and security in the country, which is vital for the country's march toward improvement in the living standards of our people, better respect for human rights and sustainable development.

Hence, after going through untold sufferings, the Cambodian people have joined hands with the international community and risen from the ashes to create an active, a hopeful and a prosperous Cambodia. Once a backward country shattered by genocide, internal strife and armed conflicts, Cambodia has ushered into an era of globalization and information and communication technology (ICT) and would like to become a real partner in regional and global affairs on par with many countries in the region.

As I have stated earlier, the quest for regional integration constitutes one of the pillars of the Royal Government of Cambodia (RGC)'s strategy to

maintain peace and strengthen security in Cambodia and the region. Moreover, proactive participation on equal footing in regional and world affairs requires that Cambodia take further strides in strengthening institutional capacity and developing human resources. It also means acceleration of the pace in carrying out reforms in all areas, which will engender in turn the deepening of transformation and social and economic development in Cambodia.

As one of Cambodian leaders, I have regarded myself as the one who put forth the initiative for Cambodia joining the ASEAN family and have devoted both physical and intellectual energy to achieve this goal. Why ASEAN is attractive to Cambodia? In my view, the rationale for Cambodia joining ASEAN is fourfold:

First, ASEAN created a regional environment of security, peace and stability, allowing this region to prosper. This is ASEAN's biggest strength. Indeed, we cannot maintain the regional peace and stability without securing the involvement of outside powers. Though, ASEAN itself is the determining factor in this endeavor. Peace and stability has been achieved through a framework of efficient cooperation and consultation based on the main principles of the 1967 Bangkok Declaration, especially the principle of non-interference in each other's internal affairs. Cambodia considers this principle as a golden rule in the strengthening of relationships and the settlement of intra-ASEAN problems.

This principle should be strengthened further and maintained for the sake of regional peace and security, a prerequisite for development and progress.

Second, ASEAN is a region

for cooperation, thus plays a crucial role in fostering the community spirit among members. The consensus-building principle in decision-making process within ASEAN is a strong foundation for the community spirit and cooperation culture. Even if there are differences in views, ASEAN leaders are trying to agree and would not allow the differences to undermine ASEAN's cooperation spirit. Indeed, with the club members on the increase, it would be more difficult to implement this principle, which is of paramount importance in educating and fostering the spirit of community and cooperation within ASEAN. Therefore, the immediate challenge for ASEAN is to try to maintain this principle.

Third, ASEAN is the region known for its strong economic growth. For more than the last two decades before the 1997 Asian financial crisis ASEAN had been a main economic growth center, which spawn newly industrialized economies or Asian tigers. It is true that the regional economies have gone through serious financial turmoil, including the 1997 Asian financial crisis and the current regional slowdown. This is the biggest challenge that all South East Asian countries should address together. Nevertheless, I am very optimistic that ASEAN will be able to cope with the current slowdown by taking adjustment measures. After this is over, the ASEAN tigers will not only get back on their own feet again, but will grow stronger and stronger.

Fourth, ASEAN is the arena for diplomacy and a major international gateway. For more than 30 years of its existence, ASEAN has established an entrenched mechanism for cooperation and consultation, by maintaining close bonds of friendship with its external

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partners, especially through the ASEAN Regional Forum (ARF), ASEAN+3, ASEAN+1, the Asia-Pacific Economic Cooperation Council (APEC), the Asia-Europe Meeting (ASEM) and the ASEAN dialogue partners. This mechanism created an efficient network for cooperation and foreign relations between ASEAN members and their main economic and political partners worldwide. This has been instrumental for maintaining security, peace and stability in the region. It also helps strengthen economic and trade relations and promotes investment across the borders. Acting within ASEAN as the arena for diplomacy and a major international gateway, the political isolation of Cambodia, which had endured for many decades, has come to an end. Cambodia has since embraced regional and world affairs on an equal footing.

The four factors mentioned earlier are of fundamental importance in ensuring in the past ASEAN's achievements and new success as a regional association. Therefore, our tasks are to mobilize our energy to enhance these strengths with a view to building a more developed and prosperous South East Asia. In this endeavor, Cambodia wants to be an equal and efficient partner in dealing with ASEAN's affairs. Cambodia is well prepared to contribute to this process. Cambodia did not join ASEAN with bare hands. The commitment to democracy, the respect for human rights, the prevalence of peace and national reconciliation in the country and our efforts to implement reforms in all sectors - all are of paramount importance to long-term stability in Cambodia and the region. In this sense, Cambodia's membership in ASEAN is not only an event, but also a process that requires constant efforts.

It took 32 years for ASEAN to materialize its Founding Fathers' vision of ASEAN-10. In this context, I wish to take this solemn opportunity to pay tribute to the ASEAN Founding Fathers for having proposed this vision at the time when the cold and hot wars dominated our region, when outside powers and foreign ideologies pit us one against the other and divided us into opposing blocks. We should pay our due respect to this courageous and wise vision. We should also express our admiration to the leaders and governments of ASEAN-10 for making ASEAN-10 happen before the beginning of the new century. More importantly, we transformed South East Asia from a region stricken by conflicts, confrontation, wars and enmities into an epicenter of friendship and cooperation under an umbrella of ASEAN-10. Thanks to Cambodia's contributions, the division of Southeast Asia into two blocks has ended and the ASEAN-10 vision of the ASEAN founding fathers has come into reality.

We are conscious that regional economic integration will generate positive externalities in stimulating economic development in Cambodia. It is our conviction that membership in ASEAN would help the country achieving its economic goals of higher rates of industrial growth and development based on an expansion and diversification of exports and improved productivity and competitiveness of import competing industries. If these goals are to be achieved to any significant degree, our resources must be employed in their most productive uses. In this sense, the private sector can play a dominant role in allocating resources. Given Cambodia's small market size and low per capita income, membership in ASEAN will result in market expansion

through trade creation and impact on investment and production. From our own experience during the 1990s, trade creates and sustains higher growth. Therefore, trade liberalization within the framework of ASEAN membership is good for growth. Also as our experience in promoting trade in garments has shown growth in trade reduces poverty. Therefore, the RGC has taken serious strides to prepare for the ASEAN Free Trade Area (AFTA) and other initiatives for ASEAN economic cooperation.

Allow me to take your precious time to highlight Cambodia's efforts and reaffirm our position with regard to the important initiatives for ASEAN economic cooperation.

ASEAN membership is the requirements of both geopolitics and geo-economics of Cambodia. In order to accelerate ASEAN economic integration, especially to narrow the development gap between newer and older ASEAN members, Cambodia has prepared itself for active participation in various ASEAN initiatives, especially the ASEAN Free Trade Area (AFTA), the ASEAN Industrial Cooperation Scheme (AICO) and the ASEAN Investment Area (AIA). It is our conviction that these mechanism will strengthen further the economic and trade relationships, as well as promote foreign direct investment.

In this sense, the RGC has doubled efforts to meet the demands of ASEAN membership - from changing laws to bringing finance, investment, commerce and trade sectors into alignment with ASEAN standards. Under AFTA, Cambodia has firmly committed to reduce the majority of tariff lines below 5 percent by 2010 and the remaining tariff lines (mainly applicable to

sensitive agricultural products) by 2015 within the framework of the Common Effective Preferential Tariff Agreement (CEPT). In preparation for this, the RGC introduced in April 2001 tariff restructuring by reducing tariff bands from 12 to 4 with the maximum tariff rate falling from 120 to 35 per cent. We intend to reduce the unweighted average tariff rate to 14 per cent by 2002.

The granting of ASEAN GSP called ASEAN Integration System of Preferences (AISP) for export products of newer member countries will promote their exports to the original ASEAN member countries and attract foreign direct investment to newer member countries. This will help narrowing development gaps between older and newer countries. At the same time, I believe that ASEAN should be pro-active in enhancing intra-ASEAN cooperation in other areas by utilizing all ASEAN internal growth potentials, such as cooperation in tourism. This can be implemented by transforming ASEAN into a single tourism destination (T-ASEAN). In this sense, Cambodia expects that the forthcoming ASEAN Summit in 2002 will put special emphasis on the promotion of cooperation in tourism, in which all ASEAN members have great potential, which has not been totally utilized.

The RGC recognizes that common efforts to narrow the digital divide is key to poverty reduction, improvement in the living standards of the population and strengthening competitiveness of each nation in the quest for sustainable development in the era of globalization. The development of telecommunication infrastructure, especially the development of information technology is crucial for narrowing digital divide in the region and success-

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fully implementing the E-ASEAN project. In this sense, Cambodia is preparing for the liberalization of this sector by strengthening the capacity of the regulatory body and opening up for fair competition. This will ensure that the state interests are protected, and at the same time, providing guarantee that the telecommunication operators will receive equal treatment and that the rules of the game will not bend in favor of any strong player. Moreover, the government's priority is to encourage the activities and the participation of the private sector in the development of information and communication technology by providing adequate incentives to the companies to import technical expertise and state-of-the-art technology to promote development.

Cooperation in human resource development is of paramount importance for Cambodia. The RGC is conscious that in the new economic system of the globalization era knowledge, human resources and intellectual capital have become increasingly crucial to transforming comparative advantages of the nation into its real competitive factors. In this spirit, Cambodia has always given priority to the cooperation in human resource development. Within the ASEAN framework, we have actively supported the initiative to establish a new ASEAN training institute and to strengthen the existing institutes by focusing on the development of programs for Cambodia, Laos, Myanmar and Vietnam. Cambodia will continue to take strides to promote the use of English as a language for communication in order to boost ASEAN's competitiveness based on knowledge in economics. In this sense, Cambodia has embarked on the reform of the education sector by implementing the following

educational policies, notably universal education, modernization of education, linking education to market demand. Teaching quality is being upgraded by improving curriculum, textbooks, teaching methodology and equipment for teaching and training, equipping schools with teaching instruments and research infrastructure. Another priority is to widely promote computer literacy among Cambodian school children and students and expand the coverage of Internet to facilitate e-education, which will increase the efficiency and modernize the education sector.

The ASEAN-10 vision of the ASEAN founding fathers was crystallized three years ago. However, ASEAN-10 is facing with many challenges from the first day of its birth. In my view, along with the many challenges facing ASEAN related to the re-adjustment and changes in the structure of the world economic and political systems, such as the slowdown in the world economy, especially the electronic crisis, which has negatively impacted on ASEAN exports; the aftermath of the September 11 terrorist attacks; and China's accession to the World Trade Organization (WTO), which has absorbed FDI from our region, and hence, required ASEAN to strengthen its own competitive advantages; and etc, the development gap among ASEAN members is the most important issue associated with ASEAN's internal structure, otherwise known as issues arising from the realization of ASEAN-10. In this sense, "eradication" or more realistically "narrowing" development gap between older and newer ASEAN members is instrumental for successful integration in the region with the realization of ASEAN-10.

In this sense, Cambodia has voiced full support for the Initiative for ASEAN Integra-

tion (IAI), proposed by H.E. GOH CHOK TONG, Prime Minister of the Republic of Singapore, at the Third ASEAN Summit held in November 2000 to narrow development gap in ASEAN. To promote further this initiative, Cambodia has actively participated in various ASEAN meetings on this issue until an agreement was reached to take measures aimed at strengthening institutional capacity of the body in charge of ASEAN integration. This includes the establishment of a Working Group consisting of representatives of newer ASEAN members and the ASEAN Secretary General, the creation of an IAI Unit at the ASEAN Secretariat and the organization of a Workshop on Narrowing Development Gap in ASEAN held in Phnom Penh from 20-22 November 2001. Cambodia has also supported the idea of setting priority for cooperation in IAI focusing on four sectors: human resource development, information technology, infrastructure and regional economic integration.

Moreover, I wish to stress that the key to accelerate intra-ASEAN economic integration, especially the integration of older and newer members, is the development of transport infrastructure, road, waterway, air and rail transportation. Without physical integration, which concentrates on the development and implementation of transport-related infrastructure projects, all policy efforts to facilitate the inflow and outflow of goods, services and people, as well as measures aimed at increasing income for the people in the region will not make much sense nor have considerable impact on the outcome. At present, ASEAN has two important infrastructure projects in the pipeline: the construction of the Singapore-Kunming rail link and the ASEAN Highway project. Our most critical issue at this

stage is to find finance sources for the proposed and agreed projects. I think, the project that ASEAN can realize first is the construction of a rail link between Singapore and Kunming. Cambodia has voiced full support for the recommendations made by the third Ministerial Meeting of the ASEAN Mekong Basin Development Cooperation (AMBDC) in Chiang Rai, Thailand, on 8th - 9th October, 2001 and the decision by the ASEAN Leaders at the Fourth ASEAN Summit in Brunei to build the Singapore-Kunming Rail Link as priority project and their endorsement of the recommended route configuration No 1, which passes through Cambodia. Cambodia needs US\$500 million for the construction of the missing links between Poipet and Sisophon and between Phnom Penh and Loc Ninh a border town of Vietnam. We are working actively with the Asian Development Bank (ADB) and other donors to seek financing for this project.

Furthermore, ASEAN should speed up the implementation of the ASEAN Agreement on Goods in Transit to facilitate land transport in the region and lower its cost in the process. In this sense, we should give high priority to the expeditious implementation of the trans-ASEAN energy networks consisting of the ASEAN Power Grid and the trans-ASEAN Gas Pipeline project; which would help ensure the security and sustainability of energy supplies in ASEAN.

Therefore, I wish to stress that ASEAN needs massive investments in physical infrastructure in order to ensure full physical integration of the region, notably to establish transport networks among new members, as well as between newer and older members. Given all those needs, but with

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limited resources, it is necessary for ASEAN to encourage other forms of cooperation that complement its own initiatives, such as the Greater Mekong Subregion (GMS) Program and the promotion of development triangle areas among ASEAN members and between ASEAN members and non-ASEAN economies. May I elaborate further on this important issue. Cambodia gives considerable importance to the development and cooperation within the GMS framework. In a developmental sense, the importance of the GMS cooperation is attributable to the following factors:

First, the GMS countries are endowed with both natural resources and energetic, skilled and dedicated human capital. The Mekong River provides great potentials for power and sources of invaluable natural resources. The GMS is rich in terms of development potentials in agriculture, forestry and fisheries, and is renowned for its historical monuments, forests, mountains and lakes with beautiful scenery, the most important attractions to international tourists. Moreover, this huge region covering approximately 2.3 million square kilometers and populated by some 300 million inhabitants represents a big market. In this sense, GMS consists of countries with complementary endowments in terms of natural resources, human capital and historical sites. Should they have adequate capital and make wise investment, this subregion could generate rapid, sustainable economic growth.

Second, the GMS, comprised of five ASEAN members—Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Vietnam—, and the Yunnan Province of the People's Republic of China (PRC), is a region with great

potentials for economic growth and development. In this sense, the GMS is an important economic gateway linking Southeast Asia to China, which is a political and economic super power in East Asia.

Third, most of the GMS countries are ASEAN new members with lower level of economic development, compared to more developed older members. Therefore, development of the GMS will constitute an effective measure aimed at narrowing intra-ASEAN development gap and the capacity development for newer ASEAN members will remove the impediment and pave the way for regional economic integration.

In this context, a number of initiatives have been proposed under the umbrella of various organizations and bodies with a view to promoting the development of this sub-region, including the Mekong River Committee (MRC), which was established with the assistance of the United Nations, the ASEAN-Mekong Basin Development Cooperation (AMBDC) proposed by ASEAN Leaders and the Greater Mekong Sub-region (GMS), initiated and supported by the Asian Development Bank (ADB), which comprises six riparian countries: five ASEAN members and a province of China. Consultations between and among countries concerned resulted in the development of more than 100 projects in eight important sectors, such as transport, power, telecommunications, tourism, environment, human resource development, trade and investment. Moreover, there are many other projects that have been proposed by various donors and countries in the region.

In this context, Cambodia considers that the major challenge at this stage is to ensure coordination

between and among various GMS cooperation initiatives and projects. Considerable resources have been invested on the conduct of studies and design of projects. Therefore, most importantly is to ensure that all proposed cooperation projects and initiatives are complementary, rather than conflictive or competitive. The crucial factor in this is to ensure effective coordination among cooperating countries with a view to maximizing the complementarities and ensuring the ownership of various projects and initiatives, rather than leave these projects and initiatives to the discretion of donors.

In this regard, in my capacity as Prime Minister of the Royal Government of Cambodia, I have proposed to establish a joint working group with members drawn from representatives of ASEAN, China, Japan and the Republic of Korea, the ADB, ESCAP and other donors to review all proposed initiatives, studies and projects and design a comprehensive master plan, which sets tone for the cooperation and development of the GMS for the next 20 to 25 years. Indeed, such development plan should be realistic and includes prioritization of concrete projects, measures for resource mobilization and investment programs.

This initiative has been the subject for discussions during the subsequent ASEAN and ASEAN plus three Head of State and Head of Government meetings. Summing up the discussions on this issue at the Third ASEAN Summit held in November 2000, H.E. GOH CHOK TONG, Prime Minister of the Republic of Singapore, proposed that Heads of State and Government of the GMS countries meet to make a decision on the above initiative. Subsequent discussions that I have promoted in my capacity as the Cambodian

Head of Government among relevant players led to an agreement to organize a Summit of the Greater Mekong Sub-region within the framework of the ADB's GMS program to be held back-to-back with the ASEAN Summit in late 2002 in Phnom Penh.

It is my conviction that with the assistance of all our development partners the GMS Summit to be held late this year will pave the way for the transformation of the Greater Mekong Sub-region of the 21st century from a region stricken by backwardness, internal strife, instability and poverty into an epicenter of peace, security, stability, cooperation and development in all sectors. This will largely contribute to narrowing the development gap in ASEAN.

Coupled with the efforts to promote development cooperation within the framework of the Greater Mekong Sub-region, our priority is also given to the optimal utilization of economic potentials by ASEAN newer members sharing common borders. This represents a complementary arrangement to the regional and sub-regional efforts, aimed at promoting integration of Southeast Asia, especially narrowing development gap within ASEAN. In this sense, on 26 of January 2002, Vietnamese Prime Minister PHAN VAN KHAI, Laotian Prime Minister BOUNNHANG VORACHIT and myself met for the second time to discuss ways to establish a Cambodia-Laos-Vietnam Triangle Development. We have agreed that the development triangle should cover seven provinces, notably Rattanakiri and Stung Treng of Cambodia, Attapu and Champasak of Laos and Kon Tum, Gia Lai and Dac Lac of Vietnam. Overall, this vast area possessed of a variety of natural resources and has the potential for economic

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development and will become a new frontier of our economic growth. Hence, this triangle concept is designed to develop the seven provinces and turn them into agricultural, agrobusiness, commercial and investment areas. In this sense, improving infrastructure will create opportunities for the expansion of production, trade and development in other sector, such as tourism, as well as promotion and improved cooperation in those provinces.

The meeting also agreed on a number of major principles regarding the establishment of this development triangle:

First, such growth triangle arrangements are designed to complement overall ASEAN economic cooperation. The Fourth ASEAN Summit and the ASEAN Vision 2020 have mandated the establishment and promotion of sub-regional economic arrangements among ASEAN members and between ASEAN members and non-ASEAN economies.

Second, the Cambodia-Laos-Vietnam growth triangle should constitute an integral part of our tremendous efforts to promote cooperation and development in the Greater Mekong Sub-region (GMS) and other sub-regional initiatives such as the ASEAN Mekong Basin Development Cooperation (AMDC). In this sense, the CLV growth area is a "cooperative arrangement", linking the disadvantageously remote areas of Cambodia, Laos and Vietnam to the development programs and projects within the regional and sub-regional framework. In this regard, expansion of key transport corridors in this border area to economic corridors and linking them to the GMS initiatives and other projects is also crucial for regional and sub-regional cooperation. This will significantly contribute to each

country's efforts to reduce poverty and improve the living standards of the people living in these areas.

Third, Cambodia, Laos and Vietnam are newer ASEAN members with a lower level of economic development, compared to older members. Therefore, concerted efforts in promoting the development in the border zones are the only effective resolution in addressing the problem of economic gaps within our own countries. These cooperative arrangements are also designed to reduce poverty and socio-economic disparities in ASEAN, especially between the newer and older Members States. It will pave the way for economic integration in the Greater Mekong Sub-region and ASEAN.

By linking the regional growth efforts to important ASEAN initiatives, such as the CEPT for AFTA, the ASEAN Investment Area (AIA) and the Agreement on the Facilitation of Transit Goods and other agreements within the GMS framework, this development triangle will be able to attract greater investment flows. Our resources will complement one another, enabling manufacturing firms to achieve vertical integration in their operations as well as economies of scale. The creation of a wider agricultural, agro-industrial and manufacturing base with resources that are similarly complementary should induce the private sector to consider the sub-region as a whole in expanding their business activities.

In this juncture, to promote fruitful cooperation in the promotion of the development triangle, attention should be given to the following priority areas:

First, propose priority projects to link crucial infrastructure network in the develop-

ment triangle by clearly identifying the sources of financing consisting of each country's budget resources or co-financing arrangement or self-help mechanism established by participating partners or external assistance.

Second, conduct a feasibility study and establish a joint power transmission network in the development triangle.

Third, cooperate to establish public warehouses and wholesale markets at major border checkpoints, decision-making structures have to be simplified and streamlined customs and trade control formalities have to be established. Moreover, it is also important to discuss cross-border transit facilitation arrangements in order to give improved access to seaports of participating countries and facilitate partners to utilize international seaports.

Fourth, conduct a joint study on the establishment of an export-processing zone to facilitate exports to Europe under the GSP scheme and develop joint tourism packages for the development triangle.

Bearing in mind the above principles, it is my conviction that this development triangle should offer to businessmen and investors immense opportunities for the exploitation of the region's rich resources and the complementary locational advantages which could easily suit any corporate strategy. Therefore, it is important to give priority to link transport infrastructure, implement facilitation measures and establish a very competitive environment to make the development triangle an attractive base for trade and investments and transform this growth triangle into a center for growth and prosperity. In developing this triangle area, Cambodia is working with Thailand and Laos to organize a Summit of

the Prime Ministers of the three countries with the view to establishing a Cambodia-Laos-Thailand Growth Triangle.

So now, at the dawn of the 21st century, Cambodia is firmly back on the rails as one unified nation. The Cambodian people look to the future with great optimism, borne out of our own achievements through the implementation of government's sound economic and social policies. In this manner, our government has laid the foundations for a genuine cooperation within the ASEAN framework, built on the aspirations of our people to improve their lives, to live in harmony as good neighbors with one another and to be common stakeholders in the destiny of their own lives and the development of our region.

As I have noted earlier, it took ASEAN 32 years to achieve the ASEAN founding fathers' vision for ASEAN-10. Right now ASEAN-10 has less than 20 years to realize its second generation vision of ASEAN 2020 which aims to establish a sharing and caring society by 2020. Indeed, this is an ambitious vision if ones take into account the diversity of political, social, cultural, religious and psychological settings, in particular the different development level of the ten members states. However, we are still confident in this vision and we are optimistic that together we will be able to achieve this ambitious goal. As I have stated earlier, Cambodia is well prepared to fulfill its own part of this endeavor./.

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sources, the Ministry of Agriculture as well as various other local authorities to get ready for the final intervention in providing water to save our people's dry-season rice as we foresee not much rain to come.

... Difficulties met by our people are always haunting me. That is why I always have my heart and soul with the village life. No one could claim to be well aware of poverty and hardship than the poor. It is in this reason I would ask our people in Saang and Koh Thom for an apology because I have kept you all waiting for so long (for solution to your problems.) In fact we have plans (for the assistance) already but as we were to step in, the whole country encountered problems of flooding like the one in 2000 that is bigger than any flood in 70 years. It required enormous amount of resources – money and efforts – to save our people from poverty and famine. We had to provide our people with seed and to rebuild a number of major infrastructures.

... While we thought that we could do so in 2001, we had two major tasks to implement. Firstly, we had to deal with an unexpected flooding. Secondly we had to prepare for the organization of a communal election, for which the Royal Government contributed a sum of Riel 46 billion. If we were to use that amount of money to build infrastructure, we could have built by thrice the length of road (between Takhmao and Koh Thom.) But we have an obligation to pay (for the election preparation) to put an end to the situation of handpicking commune chiefs and deputies. It is a resolute determination to bring about real change in a democratic, human-right respected and development environment.

... Talking about change, let not include the changes ignited by the Khmer Rouge Pol Pot, in 23 years there have been so many major and realistic changes that had been done.

... **Firstly**, we have changed our regime from the genocide to rebirth. The January-7 brought about substantial change that is seen to be the survival of the Cambodian people.

... **Secondly**, we have moved our country out of a situation of a mixture of both peace and war to a complete and lasting peace. This is a change that never exists in the history of Cambodia. Before we build schools, hospitals, roads and bridges with concern that they may be destroyed by war. But now with peace in hand we have no concern as such.

... **Thirdly**, ownership that was stripped off by the Pol Pot Khmer Rouge has returned and our people are entitled to own their properties.

... **Fourthly**, we have achieved democracy especially through the February-3 communal election. Before commune leaders were hand picked by the Ministry of Interior, but they no longer do so as these people are elected by the people.

... **Fifthly**, the fishing boundary that was defined in 1917 by the French has been resized in 2000 to more than half a million hecta smaller (than the previous size) leaving the resized part for the use and benefit of our people. Previous contributions levied on a number of fishing tackles are canceled.

... There are various other changes aside from what I have mentioned above. We now have pagodas, renovated roads, bridges, etc. In fact what is irreversible could be listed as:

(1) *The regime of monarchy according to law and the multi-party democratic system. Some people expressed their concerns that the monarchy would be ended at some point in time. Let me clarify that even the National Assembly has got no right to amend the constitution on stipulations concerning the monarchy according to law and the motto of nation, region and king. So religion also is to stay and subject to no changes, except probably when there would be a military coup... But the one with ability to launch that kind of coup has not got born yet. I also would not stand idle to let these people to have such a chance. Monarchy belongs to no particular political party but to our nation as a whole. Whoever tries to reverse this is none other than a military coup maker.*

(2) *The fishing lots that have been trimmed out and left for our people personal use and benefit would not be reversed. I would try to maintain this but would not be able to do so if I am voted out. If I were to be voted in I would initiate more changes.*

(3) *The farmland tax would continue to be free as long as I am in power. I have negotiated this matter with the International Monetary Fund (IMF) and the World Bank that the Cambodian farmers endure abundance of hardships. If they were to pay tax on their farmland, they would have further difficulty. Giving them farmland-tax free is like investing in them a sum of money to alleviate their poverty. Since I have become Prime Minister I never impose tax on farmland and would do so for the next ten years. But if some one else were to be voted for then it is s/he who would decide on this matter.*

... As long as the tax-free policy on farmland is concerned,

it should be retained at least for the rest of my current term of government. This would apply even for the next two terms, I should say, before tax collection on this matter happens.

... Our people in Saang and Koh Thom could foresee now that we are going to build and renovate more bridges. As we have bridges built and renovated today, what about roads? As far as the road 21 is concerned, the project anticipates the ADB financing of US\$ 2.17 million divided into two steps.

The first part that costs US\$ 1.2 million has gone through bidding already. In ten days the bidding would be opened and the company that wins would start the project in this March. The second part would go into bidding for a length, which makes the project one and two together a total length of 32 kilometers. The rest 27 kilometers would be built with money from the Government coffer. This part should start from Koh Thom end and approach towards the part to be built by the ADB funded project. The Government-funded part, using profit made by the Sihanouville seaport, has to maintain a quality that is no different from the ADB funded one. **Today we launch the groundbreaking for both the bridges and the road 21.**

... May all institutions involved in the financing and construction of the road to move fast as we would have no time left and could not stand to have the middle part of the road left unattended. If the financing by ADB were to be late, I would order the involved authorities and institutions to move on with the construction till they finish it completely. We would allocate the loan approved by ADB to other places. /.

(Continued from page 1)

served for the people living in Kandal Stoeung and along the canal of Prek Thnaot. Let me recall that Kandal Stoeung, despite the fact that it is situated far from the bank of the Mekong River, has been the worst flood affected district in Cambodia. In 1996, to observe the flood situation, I traveled with HE Kun Kim on road 38 in my departure from Takhmao to Angsnuol, via Roleang Ken and Kompong Tram districts. In 1991, I came along those districts along the canal of Prek Thnaot. In 1996, while there were no floods in the eastern part of the country, we had flooding rising from the west causing Kandal Stoeung to be inundated. In 2000 and 2001, this area was also flooded. This situation requires the Ministry of Water Resources and Meteorology to conduct appropriate studies in addition to projects that it oversees in this area. Infrastructural development in this area has to take into consideration issue of flood diversion.

... According to the report by HE Minister of Water Resources Lim Keanhor, the road number 38 was cut open to let the water out during flood time. If we were to not do so, the flood would make its way to the capital city of Phnom Penh. According to the study and financial support of the Asian Development Bank (ADB,) we have found an alternative for relieving flood pressure. Therefore this road 38 could be renovated so that the National Road 2 and 3 could be linked to one another. In recalling that this road was once renovated by the Mong Rithy Group, I wish to inform our compatriots today that the vision and determination of the Royal Government is to have all the asphalted roads in the Sangkum Reastniyum of Samdech Preah Norodom Sihanouk to be re-asphalted. Between now and 2005, they must be completely asphalted,

in conjunction with the efforts to construct new roads and those destructed by war. The roads building projects would be realized by mobilizing construction resources financed by the national budget, loans, grants and private investments.

... A number of asphalt roads before, like the part between Kratie and the border with Laos, via Stoeung Treng ruined by war would be renovated with the loan from China. The part between Tonle Bet and Kratie would be constructed with the financing of ADB and OPEC Fund. There left a number of roads that we are seeking fund for the reconstruction. We have also started renovations of a number of short roads like the one that links Takhmao and Saang Koh Thom (in Kandal Province.)

... Of course, 2005 would cover a time span beyond the term of the current Government, which should be replaced by a new Government at the end of 2003. The elections were held in July 1998, and the National Assembly sworn in on September 29. At least I would be present through to September, 2003. So the arrangement would have to be in accordance with the stipulation in the constitution that the Assembly has a five-year mandate and it could not be dissolved before the mandate, or unless the Government were dissolved twice within a period of twelve months. But this Government is born out of a two third majority. Therefore, there would be no votes enough to dissolve this Government. In this regard, the current Government would go on in its term till there exists a new Government to take over. Let me clarify that I wish to go on for another term through the electoral and not automatic means. If I were to gain to support in the election, I would step down and transfer power peacefully.

... Talking about this, there has a piece of article in the Cambodia Daily in which an initiation of coup attempt was proposed. I would warn that it is free to advise but it has to be in conformity with the constitution. It was reported that three months before the general election (in 2003), HM the King should set up a provisional Government. I have no belief at all that HM would take this proposition into consideration. This statement bears a coup attempt in a cold manner. Let me clarify this point that this Government is subject to no pressure of dissolving, except the National Assembly. From this point onward, if the constitution is free from any amendments, there will be no chance for any provisional Government in Cambodia, and there only is full-right Government. Even in the period of elections, the current Government will conduct its daily operation and function until the new Government is sworn in. Whoever attempts to dissolve the current Government and set up a provisional Government would be linked to coup attempt, no matter in what form it may take.

... I wish they understood the people's suffering and difficulties if war were to take place. We are just in the process of solving a dilemma, which is poverty on one side and war on the other. In addition to being poor, people would have to suffer from war, families escape fighting, and bridges, schools, etc. being destroyed. Now our people are still poor, but surely they would not want another war but peace. We could not afford to run for life again, to die of fighting again, to send husbands and sons to war again, and/or even to have wounded people.

... Taking the people's requests into consideration, I would announce that the nine-

kilometer long road Number 38 is to be reconstructed and re-asphalted. The Ministry of Water Resources and Meteorology will implement the project as this area has impacts on both land and water resources. It may need to seek pre-financing from the privatization account or the road maintenance account. May HE Tram Iv Toeuk of the Ministry of Transports send a team of experts to assist the Ministry of Water Resources and Meteorology in the course of making this road asphalt/bitumen. This road 38 of Kandal Stoeung would shorten traveling time from Kompong Speu to a part of Takeo and Kandal without having to come via Phnom Penh, but taking shortcut from the National Road 3 to the National Road 2.

... May I suggest that HE Tep Nunnary and HE Khim Bo (Deputy Governor) to give instruction to the provincial public works and transports to conduct a study of the road links with and around Phnom Penh to find out the number those that are asphalted and not renovated yet. They should be incorporated into later projects. I have stated already that between now and 2005, all previously asphalted roads will have to be re-asphalted. HE Tram Iv Toeuk has an obligation to collect related data on roads for reporting and discussing with HE Minister Khi Taing Lim on the number of bitumen roads that have yet to be renovated.

... We have started three lines already. The first line extends from the border with Vietnam to Koh Thom district of Kandal province. The second line from Prey Chhor to Kong Meas districts of Kompong Cham province and the third line is the road 38. There will be more to be renovated./.