



**KINGDOM OF CAMBODIA**

**Nation Religion King**

Ministry of Foreign Affairs and International Cooperation

# **INFORMATION BULLETIN**

## **ព្រឹត្តិបត្រព័ត៌មាន**

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## **Chinese Congress Chairman Visits Cambodia**

At the invitation of Samdech Krom Preah NORODOM Ranarith, President of the National Assembly, and Semdech HUN Sen, Prime Minister, His Excellency Mr. Li PENG, Chairman of the Standing Committee of the National People's Congress of the People's Republic of China, and Her Excellency Mrs. Zhu LIN paid an official visit to the Kingdom of Cambodia from 18-21 May 2001.

While in Cambodia, His Excellency Mr. Li PENG, Her Excellency Mrs. Zhu LIN, and the delegation were granted a Royal Audience by Their Majesties the King and Queen of Cambodia. A State Banquet followed by the Royal Cultural Performance was offered by Their Majesties the King and Queen of Cambodia in honour of His Excellency Mr. Li PENG, and Her Excellency Mrs. Zhu LIN, and the delegation.

His Excellency Mr. Li PENG, also had separate meetings with Samdech CHEA Sim, President of the Senate, Semdech Krom Preah NORODOM Ranariddh, President of the National Assembly, and Samdech HUN Sen, Prime Minister. The discussions focused primarily on the promotion of the existing good relations of friendship and cooperation between the two countries.

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## **State Visit by Singapore Prime Minister**

At the invitation of Samdech HUN Sen, Prime Minister of the Kingdom of Cambodia, His Excellency Mr. GOH Chok Tong, Prime Minister of the Republic of Singapore, and Madam paid a state visit to the Kingdom of Cambodia from 6-10 May 2001.

His Excellency Mr. GOH Chok Tong and Madam were received in a Royal Audience by Their Majesties Preah Bat Samdech Preah NORODOM SIHANOUK, King of Cambodia, and Samdech Preah Reach Akeak Mohesey NORODOM MONINEATH SIHANOUK at the Royal Palace.

While in Cambodia, His Excellency Mr. GOH Chok Tong held official talks with Samdech HUN Sen at the Office of the Council of Ministers and paid courtesy calls on Samdech CHEA Sim, President of the Senate, and Samdech Krom Preah NORODOM Ranariddh, President of the National Assembly, and visited places of cultural interest.



*Their Majesties the King and Queen of Cambodia in  
a Royal Audience with His Excellency Mr. GOH Chok Tong and Madam*

During the official talks with Samdech Prime Minister HUN Sen, Prime Minister GOH Chok Tong praised the great progress achieved by Cambodia over the past several years and offered his support for Cambodia's tourism industry, promising to send experts to assist in producing a master plan on tourism. Prime Minister GOH Chok Tong also pledged to offer aid in developing human resources and to encourage Singaporean investors to come to Cambodia.

To reject the mis-interpretation on the negotiation between the Prime Ministers of both countries made by the Cambodia Daily, the Cabinet of the Prime Minister of Cambodia issued on 11 May 2001 the following Press Release:

"Cambodia Daily, issue of Friday 11 May 2001, carried an article under the title, "HUN SEN Says Singapore Prime Minister's Advice wrong ".

"Cabinet of the Prime Minister of Cambodia categorically rejects and considers the above interpretation as an intention to underestimate the fruitful negotiation that was held during the visit of His Excellency Prime Minister of Singapore to Cambodia.

"When being asked by a woman journalist, "Will Cambodia develop only its tourism? ", at Pochentong International Airport, the Prime Minister just gave a simple response "If we only develop tourism, would we have anything to eat? ". The cabinet of the Prime Minister would like to stress that in Cambodia, tourism is one of the many priorities in which the Cambodian Royal Government is now developing".

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**Opening Remarks by Samdech Prime Minister  
at the Seventh Retreat  
of the ASEAN Economic Ministers**

Following is the integral text of the opening remarks delivered by Samdech Prime Minister HUN Sen, at the Seventh Retreat of the ASEAN Economic Ministers held on 3<sup>rd</sup> May 2001 in Siem Reap province :

*Your Excellency Chairman of the ASEAN Economic Ministers,  
Your Excellency Secretary-General of the ASEAN,  
Distinguished Delegates,  
Excellencies, Ladies and Gentlemen,*

On behalf of the Royal Government of Cambodia (RGC), I take the pleasure in welcoming Your Excellencies, Ladies and Gentlemen, to Angkor, Cambodia and extending my warmest greetings to all of you upon the opening of the 7th Retreat of the ASEAN Economic Ministers in Siemreap, surrounded by the soaring towers and exquisite bas reliefs of the Angkor Wat, which ranks among the wonders of the World.

Siemreap is one of the Kingdom's most ancient cities, rich in both cultural and natural heritage. While Your Excellencies are in Siemreap I hope that you will find time to say our some of the sights and sounds of Angkor, one of the greatest achievements of human art and architectural

resolution. As Your Excellencies well know, Cambodia was at the peak of splendor and glory during the Angkor period, when it was using the then modern technology in architecture, urban planning, agriculture and infrastructure. Here the jungle, monuments and human being live in perfect harmony.

Cambodia is proud to host the 7th Retreat of the ASEAN Economic Ministers, exactly two years after the country's admission into the ASEAN family. During the last two years, the Royal Government of Cambodia 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. The Royal Government has also worked very hard to develop the human resources necessary to fully and effectively participate in all ASEAN affairs and initiatives.

In this sense, Cambodia is well prepared to contribute to this process. The commitment to Democracy, the respect for human rights, the prevalence of peace and national reconciliation in the country, especially the dismantling of the political and military organization of the Khmer Rouge - a major source of long-term instability in the country and the region - all are of paramount importance to ASEAN.

On the economic front, the RGC has taken considerable strides to boost economic growth. Hence, even after the most severe flooding in 70 years, the Royal Government of Cambodia (RGC) is committed to taking necessary measures in order to reach the GDP growth target of 5.5 percent. According to the latest estimate of the National Institute of Statistics, real GDP growth was 5.4 percent in 2000 against the projected 5.5 percent. This testifies to the fact that growth momentum, which commenced in 1999, was maintained. It is necessary to recall that, according to our new national accounts data, after tepid growth of 3.7 percent and 1.5 percent in 1997 and 1998 respectively growth rate for 1999 reached 6.9 percent against 4 percent projected.

Manufacturing and public investment financed by both the budget and external assistance have been the main engine in driving output growth. Growth and investment in export-oriented industries such as garment and footwear were particularly strong. Boosted by strong export performance, Cambodia is expected to sustain economic momentum in 2001 and 2002, with real GDP is projected to grow by 6.1 percent. Inflation will remain low and the exchange rate will be broadly stable.

This meeting is taking place at a crucial juncture. The recovery from the 1997 financial crisis has been remarkable. After a drastic contraction in 1998, growth for the ASEAN economies turned positive in 1999 and reached 5.3 percent in 2000. The recovery was buoyed by favorable conditions of the global economy after actions taken by the national governments to introduce structural reforms. However, the global outlook for 2001 is becoming significantly more adverse, with the unexpected economic slowdown in the United States, lower growth in Europe and problems in the Japanese economy. This is compounded by weakness in the global IT sector, with some ASEAN economies heavily depend on the production and exports of electronic goods.

I am sure that this meeting will provide you with much needed opportunities to discuss ways to sustain the recovery of ASEAN economies, to build up business and investor confidence and to mitigate the impact of China joining the WTO on the regional economies. The task before us is sustaining the momentum of growth in our individual countries and the region, thereby securing greater economic stability and resilience, which is crucial for long-term, sustainable development.

We also need to remain focused on the longer-term issues including trade liberalization. In this regard, Cambodia is firmly committed to contribute in establishing the ASEAN Free Trade Area (AFTA) by the time that we have agreed upon (2010) and to eliminate all tariffs by 2015. Cambodia is also committed to promote other economic cooperation like the ASEAN Investment Area (AIA), Liberalization of Trade in Services, and ASEAN Industrial Economic Cooperation (AICO), in the region.

I strongly believe that with ASEAN Free Trade Area (AFTA), we will be able to increase our competitiveness against other regional groupings, to increase our trade and investments amongst ourselves and to the third countries so that we will achieve higher growth of our economies; and with growing economic prosperity in ASEAN, economic disparity between ASEAN members and within each country will be reduced, and peace and stability in the region will be also strengthened.

In addition, because our economies have been more or less depending on economic developments in North East Asia, European Union and United States as well as other groupings, I think, we have to look for ways how to deepen our trade and economic cooperation with those countries as well. In this sense, it is my conviction that the consultations between ASEAN Economic Ministers and Ministers from the People's Republic of China, Japan and Republic of

Korea tomorrow will find further ways to extend our economic cooperation for mutual benefits and to set milestones for future cooperation.

In this regard also, Cambodia would like to support the decision of the Second Senior Economic Officials meeting of the 32nd ASEAN Economic Ministers to create the Working Group on Regional Integration (WGRI) to look into the possibilities to establish ASEAN-China and ASEAN-Japan free trade arrangements as well as to look into the modalities to establish the ASEAN-CEP (Australia and New Zealand) Close Economic Partnership.

We all have recognized that the reduction of the gap between the original and new members of ASEAN is very significant for our long-term interests and mutual benefits. I wish therefore to draw your attention to some crucial aspects, which, in my view, need your high consideration:

First, to promote an effective integration and involvement of ASEAN new members in the regional affairs, ASEAN founding members have made great efforts to provide substantial technical assistance, at bilateral level, to Cambodia, Laos, Myanmar and Vietnam. However, to allow the new members to capitalize on immediate benefits from regional economic cooperation and to accelerate the pace of their economic development, as well as to have rapid reduction of economic disparity between original and new members, it is necessary, in my view, to take some more new measures on top of what have been implemented.

In this sense, I would like to voice my support for the ASEAN Secretary General's proposal to consider about introducing ASEAN Generalized System of Preferences (GSP) for the new members of ASEAN. I believe that this initiative would become a stimulating factor for trade expansion in our region and to the third countries and this would also promote an increased inflow of investment to new members with low level of development and weak production base.

According to the past and present practices of the developed economies, I understand that it is up to the GSP giving countries to unconditionally provide GSP to the GSP beneficiary countries. However, if possible and if we want to get positive results from it, ASEAN GSP Scheme should be comprehensive and have a wide range of product coverage.

Second, another significant component for supporting initiative of reducing the gap between the original and new members of ASEAN is the development of physical infrastructure in the Great



Mekong Sub region (GMS) where all new ASEAN member countries are located. With sufficient and effective infrastructure in the region, we will be surely developing our economies faster and all of us will be benefiting from this development.

I would like to reiterate my full support for the initiatives of establishing ASEAN Highways for facilitating goods in transit, the Singapore-Kunming Rail Link as proposed by Malaysia and of developing West-East Corridor (WEC) in the GMS and other ones which aim at improving or developing regional infrastructure.

These are realistic concepts and projects, which aim at developing a network of physical infrastructure linking regional countries and turning them into tourism, investment, trade, industrial and agricultural zones.

Third, as we already know, human resource development has played a very significant role in overall development of our countries. However, Cambodia is still lacking skilled workforces in many areas including in area of implementing strategies for regional and international integration. Therefore, Cambodia enthusiastically welcomes all initiatives that have been proposed in this area. I strongly believe that ASEAN, in particular its new members would take advantages for example from the following initiatives:

- ◆ China's initiative presented at the fourth Informal ASEAN Summit last year in Singapore to provide US\$ 5 million to the ASEAN-China Cooperation Fund for the support of human resource development;
- ◆ Japan's initiative announced at the G-8 Summit to provide US\$ 15 billion over the period of five years to assist developing countries in telecommunications and information technology;
- ◆ Republic of Korea's initiative to invite 100 youths from East Asia to study IT for one year; and
- ◆ Singapore's initiative announced at the fourth Informal ASEAN Summit last year in Singapore to provide S\$50 million over the period of five years to assist new ASEAN member countries in Information Technology Sector.

The above initiatives and many others are crucial opportunities to support human resource development in ASEAN and for ASEAN's efforts to reduce the regional digital divide, the gap between ASEAN and its partners, and especially to achieve the objectives of the e-ASEAN project. In this sense, I would like to appeal to relevant ASEAN bodies and ASEAN's partners to pay attention in implementing these initiatives so as to allow us to share our "win-win" situation.

On this note, I have the honor to declare open the 7th Retreat of the ASEAN Economic Ministers. I wish all of you every success in your deliberations as well as a pleasant and memorable stay in Siemreap. I thank you all for your kind attention.

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**Opening Remarks by Samdech Prime Minister  
at the Sixth Informal Meeting  
of the ASEAN Environment Ministers**

Here is the text of the opening remarks made by Samdech Prime Minister HUN Sen, at the Sixth Informal Meeting of the ASEAN Environment Ministers held on 15<sup>th</sup> May 2001 :

*Your Excellencies ASEAN Environment Ministers,  
Your Excellency UNEP Representative,  
Distinguished Delegates,  
Excellencies, Ladies and Gentlemen,*

On behalf of the Royal Government of Cambodia (RGC), I take the pleasure in welcoming Your Excellencies, Ladies and Gentlemen, to Cambodia. I would like to extend my warmest greetings to all of you, distinguished ASEAN delegates and representatives of international organizations involving in environmental protection upon the opening of the 6th Informal Meeting of the ASEAN Environment Ministers in Phnom Penh. We are gathering here in the cultural, administrative, economic and financial center of the Kingdom of Cambodia. I hope that while in Phnom Penh you will find time to savor some of the sights and sounds of Cambodia, familiarizing yourselves with Cambodian culture and civilization and visiting numerous historical sites.

During the last few months Cambodia hosted a number of ASEAN meetings, including the 22nd ASEAN Agriculture and Forestry Ministers Meeting, held in October 2000 and the 7th Retreat of the ASEAN Economic Ministers, which took place in early May this year. Today we have the honor to host the Informal Meeting of the ASEAN Environment Ministers to prepare for the commemoration of the 10th anniversary of the Rio Summit (RIO+10) on Environment and Development, to be held in South Africa in summer 2002. This is the testimony to Cambodia's doubled efforts to participate fully and effectively in all ASEAN affairs and initiatives.

I would like to take this opportunity to thank all ASEAN Environment Ministers for supporting and proposing, at the 5th Meeting held in April 2000 in Brunei Darussalam, Cambodia as a venue for the 6th Informal Meeting of the ASEAN Environment Ministers and for making this meeting happen.

Cambodia has ushered into a new era in its history. 1999 witnessed favorable developments for the RGC, following the July 1998 general elections. These included the dismantling of the Khmer Rouge's political and military organization, the integration of the former Khmer Rouge's forces into the mainstream of the society and the accomplishment of peace, for the first time in many decades. Thus, the Royal Government of Cambodia (RGC) has taken considerable strides in implementing its "Triangle Strategy", which was formulated by myself as the Prime Minister. This policy is structured in a strategic triangle consisting of three key areas of government business. The first side of this strategic triangle is building peace, restoring stability and maintaining security for the nation and people. The second side of our strategic triangle is Cambodia's rapid integration into the international community 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, fiscal, public sector and judiciary reforms and stringent measures taken to crack down on illegal logging and environmental protection.

With the restoration of peace, security, stability and unity of territory reached through a long difficult process and the broad consensus of views at the national level, the RGC has promoted rapid reduction of poverty and acceleration of economic growth as its top priority agenda. The government's main strategy is geared toward achieving the following objectives:

Long-term, sustainable economic growth at the annual rate of 6 to 7 percent;

Equitable distribution of the fruits of economic growth between the have and the have-not, between urban and rural areas and between males and females; and

Ensure sustainable environmental and natural resource management and utilization.

Thus, the motto of our strategy is poverty reduction through accelerated economic growth, environmental sustainability and social equity. This is a large-scaled war, which requires self-sacrifice, concerted efforts and strong political will.

With regard to environmental issues, I am proud to make a statement on this occasion. The Royal Government regards environmental issues as one of the top priorities in implementing its social and economic policies in order to alleviate poverty of our populace. The RGC has invested a lot of resources into various activities, aimed at promoting economic growth and improving the welfare of the population by utilizing both our own resources, mobilizing support from elsewhere and ensuring their sustainable use.

Environmental protection is very crucial. It is the priority of the government's agenda. In this sense, the RGC has increased budget allocations for environmental management and provided opportunity to the Ministry of Environment to mobilize international support for the sector. Only during the last four years, government's budget for Environment has more than triple.

Environmental protection and conservation is regarded as the Royal Government's main element in the poverty reduction strategy. During 1999-2000, the RGC has rigorously implemented reform programs in all sectors. However, the most conspicuous results were achieved in the reform of the forestry sector and fisheries. The RGC has taken a tough stance in reforming the two sectors, especially in preventing and combating illegal logging and improving forestry management system. Corruption and illegal activities in the forestry sector were eliminated with the implementation of rigorous measures and through the participation and full support from the Royal Cambodian Armed Forces (RCAF), the police, the authorities at all levels, the civil society, NGOs and Cambodia's external partners. The RGC has established and strengthened a forest crime monitoring mechanism and sustainable forest concession management system. Overall, the implementation of government's forestry reform has been successful.

In the National Environmental Action Plan (NEAP) the RGC highlighted the principles for natural resource utilization in order to ensure environmental sustainability. The government is the

key player in natural resource management and utilization. Cambodia's progress and economic development depends on the potential use of the existing natural resources. However, for the development to be sustainable the utilization of natural resources for current development should not have a negative impact on the needs of the next generation and the progress of humanity. Thus, development should not be limited to a short term or a few years to come. Furthermore, all members of the society should positively benefit from this development.

As I stated earlier the environment is one of the priorities in the government's political platform at national, regional and international levels.

At the national level, the Royal Government recognizes the correlation between poverty reduction strategy and environmental protection and natural resource conservation. Furthermore, the role of the civil society is recognized as instrumental in promoting environmentally sound and sustainable development. Resolution of environmental problems requires common responsibility and joint efforts at both national and international levels. Our hope will be slim if there is no participation and support from the public and the people from all walks of life in the national environmental plan implementation. Moreover, to ensure a sound and sustainable environmental protection, Cambodia should continue to make further efforts to establish a legal and regulator framework and strengthen institutional capacity in this area. Indeed, this is a daunting task and a heavy burden, which requires participation and cooperation of all stakeholders at national and international levels, especially the rural communities, the civil society and the donor community.

At the regional level, the RGC is committed with all ASEAN members and countries in Asia and the Pacific to implement the Regional Environmental Action Plan for 2001-2005 endorsed by the ministerial meeting in Kitaki Yusu in August-September 2000.

At the same time, I wish to inform this distinguished audience that the RGC will do its utmost to implement environmental action plans within the ASEAN framework, aimed at contributing to the establishing a clean environment, including the Zero Burning Policy.

At the international level, the RGC is very concerned about the global warming, which has become a grave problem for the 21st century. In this regard, the RGC, as a signatory to the UN Convention on Climate Change, has taken a firm stance to support the positions of the developing countries, Japan and the European Union to speed up the promulgation of the Kyoto Convention.

I hope that following the discussion among the Environment Ministers at this forum we will find a common ground to ensure the success of the forth coming Summit on Sustainable Development or RIO + 10. I firmly believe that our ASEAN members will display the spirit of solidarity and unity to move forward in a single direction, i.e. sustainable development and clean environment in Asia.

Once again, I wish all of you, distinguished delegates from ASEAN, national and international participants every success in the deliberations as well as a pleasant and memorable stay in Phnom Penh, the heart of our Kingdom of Cambodia. Many thanks to the governments of ASEAN for the support and close cooperation to make this meeting successful.

On this note, I have the honor to declare open the 6th Meeting of the ASEAN Environment Ministers. I thank you all for your kind attention.

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## **Senior Minister HOR Namhong's Official Visit in Russia**

His Excellency Mr. HOR Namhong, Senior Minister, Minister of Foreign Affairs and International Cooperation, who was in the Russian Federation for an official visit from 15-18 May 2001, met with His Excellency Mr. Igor IVANOV, Minister of Foreign Affairs, His Excellency Mr. A. Sh SHARMOUZAFAROV, Co-Chairman of the Inter-Governmental Commission for Trade, Economic and Science-Technical Cooperation, His Excellency Mr. VARNAVSKY, Vice President of the Federation Council, and His Excellency Mr. TCHILINGAROV, Vice President of DUMA.

During the meeting with His Excellency Mr. Igor IVANOV, both sides had an exchange of views on bilateral cooperation, regional and international issues of common concern, especially the situation in the Asia Pacific. His Excellency Mr. Igor IVANOV said that Russia regarded Senior Minister HOR Namhong's visit as an important stage in the development of bilateral relations and assured Senior Minister HOR Namhong of the Russian Government's commitment to continue its assistance to the Royal Government of Cambodia in all fields, especially in education and health sectors by providing the Cambodian students with its scholarships to study in the Russian

Federation. Both sides agreed to hold consultation between the two Foreign Ministries on regional and international issues of common interest and shared the same views that the relations between the two countries had reached a new level. The preparation for an official visit by Samdech HUN Sen, Prime Minister of Cambodia, to the Russian Federation this year was also subject of the discussion.

During the meeting with His Excellency Mr. A. Sh. SHARMOUZAFAROV, the two sides agreed to hold a meeting of the Cambodian-Russian Inter-Governmental Commission prior to the visit of Samdech Prime Minister HUN Sen to the Russian Federation in order to restore and strengthen the relations and cooperation between the two countries.

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**Speech by  
Senior Minister HOR Namhong  
at the Russian Diplomatic Academy**

Following is the speech delivered by Senior Minister HOR Namhong at the Diplomatic Academy of the Ministry of Foreign Affairs of Russia on 17 May 2001 :

*Excellencies,  
Ladies and Gentlemen,*

It is indeed a great honour and pleasure for me to address this prominent audience today, at this very important diplomatic institution, the Diplomatic Academy of the Ministry of Foreign Affairs of Russia. Taking this rare opportunity, I would like to express my deep thanks to the Ministry of Foreign Affairs of Russia and the Diplomatic Academy for giving me the opportunity to brief you on some aspects of the current situation in Cambodia.

After experiencing almost three decades of civil war and painful regime of the Khmer Rouge, Cambodia today is in a total peace and stability. Following the July 1998 Elections, which were considered, by more than 800 international observers as free and fair, a new coalition government has been formed.

A government political platform adopted by the National Assembly, defined the strategies and actions in various domains: political, economic, social etc ... The overriding goal of the political programme is to ensure peace, stability and national unity and the government considers the political stability, respect of human rights and the promotion of liberal democracy as matters of utmost priority and the strengthening of rule of law is a vital prerequisite for preservation conducive to economic and social development aiming at speedily eradicating poverty.

Shortly after its inception, based on the win-win policy, the Royal Government has made tremendous achievements by succeeding in dismantling the political and military organization of the Khmer Rouge, integrating their forces into the mainstream of the society and accomplishing peace for the first time in many decades. With the favorable conditions of peace and stability, the Royal Government has achieved encouraging results in the implementation of the " Triangle Strategy " put forwards by Samdech HUN Sen, Prime Minister of the Royal Government of Cambodia.

The 1<sup>st</sup> side of the strategy is the maintenance of peace, stability and security for the development of the nation, achieved by the disintegration of the Khmer Rouge rebel movement and the formation of the new government in 1998.

The 2<sup>nd</sup> side is Cambodia's integration into the regional and international community and normalization of its relationship with the international financial institutions. By implementing this side of its strategy, Cambodia became member of ASEAN and has normalized its relationship with the IMF and World Bank.

The 3<sup>rd</sup> side of the strategy is Cambodia's development based on the favorable conditions created by the implementation of the above two mentioned points. To achieve this objective the Royal Government has launched reform platform in the key areas which currently is going ahead and obtain an optimistic result, such as:

**Public Administration Reform:** it is one of the means to significantly improve service delivery and further the cause of good governance within the Administration. The objective is to establish an Administration that is neutral, responsible, transparent, closer to the citizens and more responsive to their needs.



**Military Reform and Demobilization:** The Government decided to demobilize the armed forces in order to release budget to basic education and primary health care. In 1999 and 2000, the Royal Government has removed 15,551 "irregular" soldiers and 163,346 children and wives of those soldiers from the payroll, and had officially demobilized 1,500 soldiers as a pilot program. In the years 2001 we plan to demobilize up to 15.000 soldiers, and another 15.000 soldiers in 2002, in case that foreign assistance is provided.

**Economic and Financial Reform:** The Royal Government has adopted measures for Economic and Public Financial Reform to build strong bases for long-term economic growth and sustainable development. In order to achieve this goal, the Royal Government has and will continue with tax reform as the foundation for increasing revenues and improving expenditures with more effectiveness. Attention is mainly paid to macro economic stability, strengthening the financial and banking system, sound management of public assets, increase of public investment in physical and social infrastructure and development of human resources.

**Judiciary reform:** The objective is to strengthen the independence and neutrality of the courts, to improve transparency of the courts and to secure justice and law enforcement.

*Excellencies,*

*Ladies and Gentlemen,*

Owing to good result of the implementation of those reforms, despite the worst flood which badly affected the economy and road infrastructure, in 2000 Cambodia achieved:

- GDP growth: 5.4 %
- Industrial products will be increase 9.9%
- Garment products will be increase 7.4%
- VAT revenue increased by 23 %
- Tourism increased by 27 %
- Light industrial products increased by 28%
- Export increased by 40%
- Public investment increased by 23%
- Inflation rate: 4%

Based on the outcome obtained in 2000, it is expected that in 2001 we will accomplish the following:

- GDP growth: 6%
- Tourism will be increase by 30%
- Construction will be increase by 16%
- Inflation rate will remain 4%

The Royal Government recognizes that increased spending on social and economic priority sectors is key to reducing poverty, accelerating economic growth and promoting sustainable development. In this sense, military and security expenditure will be reduced from 3.5% of GDP in 2000 to 3% in 2001. The 2001 budget for health will be increased by 18.3 %, education by 22%, agriculture by 36.2% and rural development by 69.5 % compared to the year 2000.

The package of reforms performance and the development plan put forward by the government are aimed principally at alleviating poverty. Based on the above mentioned achievement, coupled with poverty situation which continues to face Cambodia still in a worrying degree, the Royal Government has decided to undertake speedy poverty reduction as the most important agenda of the nation. The government plans to reduce poverty rate from 35 .9% in 2000 to 20% in 2005 and completely eliminate it in 2015.

On the other hand, in order to build a sound and strong foundation economic growth as well as to ensure Cambodia's long-term advantages, the Royal Government has accorded priorities to the development of the following six sectors:

- 1- Agriculture;
- 2- Physical infrastructure; transportation and telecommunications;
- 3- Electrical power supply;
- 4- Labor-intensive and export industries;
- 5- Tourism sector, and
- 6- Human resources development.

*Excellencies,*

*Ladies and Gentlemen,*

Cambodia today is a full democratic country where people enjoy freedom of expression and right to establish political parties. In the National Assembly, there is the opposition party which actively and strongly criticizes the government. Moreover, the newspapers publishing in Cambodia, in Khmer and in foreign language, totaling up to 243 organs, also criticize the government performance in various fields, in spite of the fact that the Royal Government has done a good job.

With a view to strengthen democracy and promote decentralization to the grass roots level, the Royal Government is in the process to organize the communal elections which scheduled in February next years. The people in 1609 Communes/Sangkats all over the country will choose their representatives by themselves.

Overall, in the past over two years following the election in July 1998, thank to peace and stability which we currently enjoy and based on good result achieved so far, we are overtly optimistic about the future of the country's development.

*Excellencies,*

*Ladies and Gentlemen,*

The admission of Cambodia to ASEAN on 30<sup>th</sup> April 1999 realized the long-cherished dream of the ASEAN founders in embracing all 10 Southeast Asian countries, namely Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Currently, ASEAN with a population of 500 million and a GDP of over 800 billion USD, represents a large and attractive market full of business opportunities for foreign investors. Despite the financial crisis in 1997 and 1998, ASEAN economy is not only in the process of recovery, but economic development is evident in all ASEAN countries.

However, like it or not, ASEAN has a challenge to face, which is the gap between the old and new members of ASEAN. In the face of the challenges of globalization and regionalization in the world today, ASEAN must be competitive, relevant and move forward at the same pace. Therefore, at the moment, narrowing the disparity of development within ASEAN member states is crucial to ASEAN.

Recognizing the above conditions, at the 4th ASEAN Informal Summit in Singapore in November 2000, ASEAN leaders agreed to launch an Initiative for ASEAN Integration (IAI), to

narrow the divide within ASEAN. IAI provides the framework for the more developed ASEAN members to help the new members in their development efforts towards regional integration.

In 1997, at the Second Informal Summit in Kuala Lumpur, ASEAN leaders adopted the ASEAN Vision 2020. They envisioned "ASEAN as a concert of Southeast Asian Nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies."

In order to realize the ASEAN Vision 2020, - at the sixth ASEAN Summit held in 1998 in Hanoi, the ASEAN leaders adopted the Hanoi Plan of Action (HPA) which is the first six years plan of action and covers following key areas:

- strengthening macroeconomic and financial cooperation;
- enhancing greater economic integration; promoting science and technology development of information technology infrastructure;
- promoting social development and address the social impact of the financial crisis;
- protecting the environment and promoting sustainable development; and
- strengthening regional peace security, etc.

Besides its integration cooperation, ASEAN has had active external relations with its Dialogue Partners and other international organizations to sustain the momentum of cooperative activities and to complement the ASEAN member countries' efforts in development cooperation.

One remarkable success is that Summits between the ASEAN's Heads of States/ Governments and their counterparts from China, Japan and the Republic of Korea (ROK) are held every year. The ASEAN + 3 process now has been institutionalized at all levels. There are also ministerial and official-level mechanisms supporting the above process. ASEAN+3 Foreign Ministers Meeting was held formally for the first time in July 2000 in Bangkok. Beside that, there are ASEAN+3 Finance Ministers Meeting, ASEAN+3 Trade Ministers Meeting, ASEAN+3 Senior Officials Meeting and ASEAN +3 Finance and Central Bank Governors Meeting. This dialogue process has enhanced cooperation among ASEAN and Northeast Asia (China, Japan and ROK), consolidated collective efforts with a view to advancing mutual understanding and trust, good neighborliness and friendly relations, peace, stability and prosperity in East Asia.

In the framework of the Post Ministerial Conference (PMC) which is the meeting between ASEAN Foreign Ministers and its Dialogue partners, ASEAN has worked very closely with its 10 Dialogue Partners namely Australia, Canada, China, the European Union, India, Japan, the Republic of Korea, New Zealand, Russia and the United States. In particular, ASEAN-Russia dialogue continues to move in the right direction, both sides agreed to undertake, as initial step, practical activities and cooperation in the fields of economic, scientific and technological fields. I firmly believe that, with the common desire of both sides, ASEAN-Russia Dialogue will strengthen ASEAN-Russia cooperation in all fields.

Apart from the above, ASEAN also established its relations with other regional grouping such as Gulf Cooperation Council (GCC), the Economic Cooperation Organization (ECO), the Rio Group, the South Asian Association for Regional Cooperation (SAARC) in order to promote cooperation in political, economic and cultural fields.

*Excellencies,*

*Ladies and Gentlemen,*

To intensify ASEAN's external dialogues in political and security issues as a means of building peace and stability in Asia Pacific, the First Meeting of the ASEAN Regional Forum (ARF) was taken place in 1994 in accordance with the 1992 Singapore Declaration of the Fourth ASEAN Summit. The main challenge of the ARF, which consists of 23 member countries, 10 from ASEAN and 13 others from Asia Pacific countries, is to sustain and enhance peace and stability in the region.

Since its inception, the ARF has played very important role for multilateral security dialogue and cooperation in the Asia Pacific region. The annual Meeting of the ARF, held simultaneously with ASEAN Ministerial Meeting (AMM), with ASEAN as a primary driving force, has contributed significantly to the positive and stable environment in the region. The evolution of the ARF is based on the three following stages:

- Promotion of Confidence Building Measures ( CBMs )
- Development of Preventive Diplomacy (PD)
- Development of Conflict Resolution

I would like to stress that confidence building is a foundation and a primary focus of the ARF process. All members of the ARF agreed that while moving towards PD, the ARF should continue to strengthen its confidence building process so as to ensure effective implementation of the Confidence Building Measures ( CBMs ). The ARF continues to move at a pace comfortable to all ARF participants and on the basis of consensus, with ASEAN playing its role as driving force in the process. I personally believe that without confidence among its participants, the ARF cannot move forwards or solve any problem successfully.

***Excellencies,***

Ladies and Gentlemen,

The road ahead is still long but the prospects are promising. I am optimistic that with ASEAN's strong commitment to address the issue of development as defined in the HPA, and with the ARF serving as a key forum for political and security dialogue and co-operation in Asia Pacific, peace and stability will prevail in this region, creating favorable conditions for the development.

The remarkable achievements, which have been recorded so far, will let ASEAN pursue its higher goals namely cooperative peace and shared prosperity. Towards these goals, ASEAN continues to remain a driving force in building a more constructive pattern of relationships among nations in the Asia-Pacific region to ensure lasting peace, security and greater economic integration with emphasis on sustainable and equitable growth.

Taking into consideration the achievement obtained since the formation of the current government as well as the fact that Cambodia is a member of ASEAN, Cambodia is very optimistic about their bright and prosperous future, despite the long road ahead is not always smooth and full of difficulty.

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**Senior Minister HOR Namhong**  
**Working Visit in France**

His Excellency Mr. HOR Namhong, Senior Minister, Minister of Foreign Affairs and International Cooperation, who was in the Republic of France for a working visit from 21-23 May 2001, met with His Excellency Mr. Hubert VEDRINE, Minister of Foreign Affairs, His Excellency Mr. Charles JOSSELIN, Minister in Charge of Cooperatio and Francophony, His Excellency

Mr. Alain RICHARD, Minister of National Defence, and His Excellency Mr. Jean Michel SEVERINO, Director General of the French Agency for Development.

During the meeting with His Excellency Mr. Hubert VEDRINE, both sides had an exchange of views on the general situation in the Asia-Pacific and in the world. As far as the bilateral cooperation is concerned, Senior Minister HOR Namhong requested for French assistance in demining activities, especially in Angkor and Kulen areas, and in providing more scholarships for long term study in France. The Senior Minister also had discussion with his counterpart on French financial support in the framework of EU assistance for Cambodia's communal elections scheduled for February 2001.

The meeting with His Excellency Mr. Charles JOSSELIN, focused on the promotion of bilateral cooperation, particularly on health and culture sectors, human resources and rural development. During their discussion with His Excellency Mr. Alain RICHARD, the Senior Minister requested more scholarships for active military commanders and military police. The cooperation between the military hospitals of both countries was also touched on. The discussion with the Director General of the French Agency for Development centered on the continued implementation of the projects funded by the French Government, especially in rural development.

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### **First Joint Commission Meeting on Development Cooperation between the Kingdom of Cambodia and the Kingdom of Belgium**

The First Joint Commission Meeting on Development Cooperation between the Kingdom of Cambodia and the Kingdom of Belgium took place in Brussels, on 28 and 29 May, 2001.

His Excellency Mr. HOR Namhong, Senior Minister, Minister of Foreign Affairs and International Cooperation, headed the Cambodian delegation. His Excellency Mr. Eddy BOUTMANS, State Secretary for Development Cooperation headed the Belgian delegation.

#### **Policy Framework**

The Cambodian delegation explained **the general policy context and major strategic aspects** in which cooperation with Belgium has to take place. **The Cambodian institutional set up** and the leading role of the Cambodian Development Council was also explained.

The Belgian delegation then explained the **policy framework and the institutional set up of the Belgian international cooperation** as a result of the reform process that was realized in 1999-2000. Cambodia is one out of 25 countries or regions with which Belgium wants to have a longstanding bilateral cooperation partnership. Belgium also wants to focus its direct bilateral cooperation on mainly five sectors (health, education, agriculture and food security, small-scale infrastructure, community building ) and three cross sector themes ( gender, environment, social economy ).

The content of the **General Agreement on Development Cooperation**, aimed at providing a legal umbrella for the policy framework and institutional set up of both countries, was discussed.

### **The Indicative Cooperation Programme**

After an exchange of views, the meeting adopted an Indicative Cooperation Programme (ICP ) for their bilateral cooperation. This ICP outlines the objectives, the budget, the sector and regional delimitations as well as the modalities of the programme both countries want to realize together in the coming three years. Furthermore, the ICP is an integral part of Cambodia's development policy and corresponds to the Belgian international cooperation policy.

The Cambodian delegation expressed its appreciation for the Belgian aid and also its appreciation for the decision to integrate future assistance in sector strategies.

It pointed out however that, given the fact that the Belgian funding would thus be part of a larger framework, timely disbursement was of the utmost importance in order to enable the Cambodian Government to implement its strategies within the set timeframes.

### **Other modes of cooperation**

The Belgian delegation explained that on top of the bilateral cooperation programme, it would continue to finance a number of projects via multilateral organizations. Currently the most important of these was the project “ Participatory Natural Resource Management in the Tonle Sap Region “ implemented through FAO. Belgium was willing to fund the third of this project to the amount of approximately 1.2 million US Dollars.



Furthermore, it was acknowledged that several Belgian universities and non-government organizations were actively involved in cooperation projects in Cambodia, which are fully or partly subsidised by Belgium. The Cambodian delegation appreciated the importance of these additional Belgian contributions and insisted on full information sharing on this matter between the two parties.

### **Further bilateral consultations and meetings**

Both delegation agreed to have regular bilateral meetings in Phnom Penh between representatives of the Ministry of Foreign Affairs, the Council for the Development of Cambodia (CDC ) and the relevant line ministries on the one hand and the representatives of DGIC and BTC on the other hand. In view of the importance of the new programme, it was deemed highly desirable to meet twice a year, in order to properly monitor the progress of the project preparation and implementation, every second meeting being headed by a high official from both countries.

The next meeting of the Joint Commission was expected to be held in 2004 in Phnom Penh.

### **Signing ceremony**

The following documents were signed on the occasion of this meeting :

- Agreement between the Government of the Kingdom of Belgium and the Royal Government of Cambodia on the Creation of a Cambodia-Belgium Consultancy Fund.
- Agreement between the Government of the Kingdom of Belgium and the Royal Government of Cambodia on the extension of the Bilateral Agreement for the Provision of Personnel to Support De-mining Programmes in Cambodia.
- General Agreement on Cooperation between the Kingdom of Belgium and the Kingdom of Cambodia.

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## **Le Ministre d'Etat HOR Namhong Signe Convention de Financement avec Ambassadeur de France**

Le jeudi 10 Mai 2001, au Ministère des Affaires Etrangères et de la Coopération Internationale, Son Excellence Monsieur HOR Namhong, Ministre d'Etat, Ministre des Affaires Etrangères et de la Coopération Internationale, et Son Excellence Monsieur André-Jean LIBOUREL, Ambassadeur extraordinaire et plénipotentiaire de France au Royaume du Cambodge, ont signé une Convention de Financement entre le Gouvernement Royal du Cambodge et le Gouvernement de la République française pour l'exécution du projet intitulé " Appui à l'Etat de droit " .

Le projet "Appui à l'Etat de droit ", ayant le montant de 11.600.000 Francs Français et sa réalisation est prévue sur trois années, a pour objet d'apporter l'appui de la France aux efforts entrepris par le Gouvernement Royal du Cambodge pour faire de sa justice et de sa police les instruments effectifs et efficaces d'un Etat de droit.

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## **Hand Over Ceremony of Korean Office Equipment**

On 10 May 2001, at the Ministry of Foreign Affairs and International Cooperation, a hand over ceremony of the office equipment provided by the Government of the Republic of Korea was held between His Excellency Mr. UCH Kiman, Secretary of State for Foreign Affairs and International Cooperation, and His Excellency Mr. LEE WUN-Hyung, Ambassador Extraordinary and Plenipotentiary of the Republic of Korea.

"In order to further strengthen the friendly cooperative relations between the Government of the Republic of Korea and the Royal Government of Cambodia, and to help office automation

project of the Ministry of Foreign Affairs and International Cooperation of the Kingdom of Cambodia, the Government of the Republic of Korea presents 20 computers, 20 printers, 6 copy machines, 4 fax machines and other accessories to the Ministry on May 10, 2001, " read a Certificate of Delivery and Receipt signed during the ceremony.



*Secretary of State UCH Kiman  
and , Ambassador LEE WUN-Hyung  
sign Ccertificate of Delivery and Receipt*

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## **Exchange of Notes on Japanese Economic Cooperation**

On 17 May 2001, at 10:00 am, at the Ministry of Foreign Affairs and International Cooperation a signing ceremony was held between His Excellency Mr. UCH Kiman, Secretary of State and Acting Minister of Foreign Affairs and International Cooperation, and His Excellency Mr. Gotaro OGAWA, Ambassador Extraordinary and Plenipotentiary of Japan to the Kingdom of Cambodia, on two Exchanges of Notes concerning additional Japanese economic cooperation extended by the Government of Japan to the Royal Government of Cambodia with a view to strengthening the friendly and cooperative relations between the two countries.

The first Exchange of Note concerns a grant of up to ¥ 1,975,000,000 ( one billion nine hundred and seventy five million yens ) for the execution of the project for the Rehabilitation of National Road No.7 in Kompong Cham province. The section from the east side of the Mekong Bridge to Tnal Totoeng (approximately 11.5 km), the Moat Khmung Bridge, and the Mream Treak Bridge will be rehabilitated within this project.



*His Excellency Mr. UCH Kiman, and His Excellency Mr. Gotaro OGAWA,  
sign two Exchanges of Notes on Japanese economic cooperation*

The second Exchange of Note concerns a grant of up to ¥ 2,580,000,000 ( two billion five hundred and eighty million yens ) for the execution of the project for the Expansion of Phum Prek Water Treatment Plant in Phnom Penh City. This project is to expand the Plant capacity by 42% and to improve the quality of water supply.

These two grants will be made available during the period between the date of coming into force of the present arrangements and 31 March 2004.

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