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## CAMBODIA

Statement by H.E. Mr. Cham Prasidh  
Minister of Commerce

It is for me a great honour to have been accorded the privilege of addressing this important Ministerial Meeting. It is, for Cambodians, an historic occasion, since it is the first time that Cambodia has addressed a meeting of the World Trade Organization. Our appearance here today marks another small but important step in the process of the reintegration of Cambodia into the world family of nations.

That process, as you all know, began almost exactly five years ago, with the signing of the Paris Accords. The UN sponsored peace-keeping mission and elections initiated an ongoing process of national reconciliation among all but one of the formerly warring parties. The UN sponsored elections resulted in the formation of a government led by prime ministers from the two political parties receiving the most votes, with a cabinet drawn from all political parties that demonstrated through the elections that they enjoy substantial popular support. Moreover, in the past several months significant progress has been made in bringing about defections from the Khmers Rouges outlaws and in integrating them into the national community.

Political reconciliation among Cambodians has been accompanied by rapid economic reform - reform designed to bring about as quickly as possible a modern market economy. The complete liberalization of prices and markets is now completed; most state-owned enterprises have been restructured and privatized, and the process of privatization is continuing; macroeconomic stability has been achieved and sustained; the institutional and legal framework required for a market economy is being put in place, with the objective of creating a sound, predictable and transparent environment for business activity, and an attractive framework for domestic and foreign investment.

These reforms have been accompanied by rapid growth, with GDP rising at an average annual rate of 6 per cent since 1991. We anticipate that growth in 1996 will also reach 6 per cent, and that it will accelerate somewhat in 1997. This good performance is, of course, directly related to the reforms mentioned above. But it also owes much to the international donor community, whose generous assistance has been particularly valuable in the ongoing process of rehabilitating and upgrading Cambodia's economic and social infrastructure.

The Cambodian authorities fully understand that the best hope for speedy economic development in Cambodia lies in its rapid integration into the dynamic regional economy of South-East Asia, and into the world economy at large. We are confident that such integration will allow the Cambodian economy to draw maximum benefit from the rapid economic growth taking place in neighbouring countries, and from trade and investment flows with the rest of the world. We are, of course, also mindful of the enormous challenge that successful integration represents for Cambodia, whose limited

economic capacities have caused it to be classified by the United Nations as a least developed country. We are nonetheless determined to meet in full this challenge.

Cambodia has already taken, unilaterally, a significant number of policy measures designed to open the Cambodian economy to international trade and investment. For example, quantitative restrictions on imports have been eliminated, import tariff levels substantially reduced, and the tariff structure simplified; external payments have been liberalized, and there are now de facto no restrictions on current account payments; a market-oriented exchange rate policy is being followed; and foreign direct investment has been welcomed and encouraged through generous incentives.

Cambodia has also moved forward rapidly to put in place bilateral arrangements designed to normalize its trade and investment relations with other countries. For example, Cambodia has recently obtained MFN status with the United States, and now has GSP status with 26 other developed countries. Cambodia has also signed bilateral investment treaties with a number of countries. And we will continue to advance our trade and investment relations on a bilateral basis.

Cambodia fully realizes, however, that this is not enough. Integration into the regional and world economies requires membership in the organizations setting and administering the rules governing trade in our region and in the world at large: namely ASEAN and WTO.

Cambodia has been actively engaged in discussions on membership with ASEAN member countries. We believe that those discussions have advanced to a stage at which a political decision on Cambodia's accession can be reached, and that Cambodia will become a member of ASEAN in 1997.

Cambodia announced some time ago its intention to seek membership in the WTO, but the priority accorded to trade diplomacy at the bilateral and regional levels has precluded rapid progress. Now, however, we are in a position to turn our full attention to WTO accession. We are confident that in 1997 we will be able to make significant progress toward completing this process. Our goal is nothing less than to ensure that, at the next Ministerial Meeting of the WTO, the Minister of Commerce of Cambodia will address that body as the representative of a Member State.