



Opening Remarks

Akka Pundit Sapheacha AUN Pornmoniroth

Deputy Prime Minister, Minister of Economy and Finance

For the ASEAN–Cambodia Business Summit:

“Connectivity is Growth in the Mekong Region”

Phnom Penh, Cambodia, 28th – 29th September, 2023



- **Mr. Tassilo Brinzer, Chairman of EuroCham Cambodia;**
- **Neak Okhna Kith Meng, Chairman of Cambodia Chamber of Commerce and Co-chair of ASEAN Business Advisory Council (ABAC);**
- **Mr. Bryan Fornari, Head of Cooperation, EU Delegation;**
- **Excellencies, Ladies, Gentlemen!**

Today, I am pleased to deliver the opening remarks in the **ASEAN–Cambodia Business Summit** under the theme **“Connectivity is Growth in the Mekong Region”**.

First of all, I would like to take this opportunity to express my appreciation to **the European Chamber of Commerce in Cambodia (EuroCham Cambodia)** for organizing this important event. I would also like to welcome investors from Cambodia, Laos, Thailand and Vietnam to this very first business forum of its kind between European and ASEAN business organizations.

As the world is facing uncertainty, the event today is timely and will surely help further strengthen connectivity and investment relation within the region, not just through exchanging ideas and networking, but also translating business opportunities into concrete investment projects.

- ***Excellencies, Ladies and Gentlemen!***

With a total population of over 660 million and a combined GDP of more than USD 3 trillion, ASEAN has become the fifth largest economy in the world. ASEAN has become the world's epicentrum of growth and potential market, given its relatively sizable economy, abundant young and skilled workforces, rapidly growing middle class, urbanization and digitalization.

On the other hand, the EU is the third largest economy in the world with strong purchasing power. We are indeed proud to note that cooperation between ASEAN and EU has grown from strength to strength. At the same time, the ASEAN and EU's economic ties have been strengthened remarkably with trade volume mounting to USD 295.2 billion in 2022, and Foreign Direct Investment (FDI) inflow from EU reaching to USD 24 billion – making the EU as the third largest source of FDI inflow in ASEAN. In this spirit, the EU has definitely played a key role in the socio-economic development within ASEAN.

Even with this strong cooperation between EU and ASEAN, we all know that the rising geopolitical and geoeconomic competition has caused concerns and anxiety for many countries including ASEAN and EU. While acknowledging that some elements of competition are inevitable, I would like to underscore the importance of cooperation between ASEAN and EU in areas of common interests such as trade and investment, climate change, digital economy and sustainable development, among others. With the enormous economic potentials in the two blocks, ASEAN and EU need to explore and seize all available opportunities to promote economic growth and resiliency as well as improving the wellbeing of our people.

- Excellencies, Ladies and Gentlemen!

Although Cambodia has experienced a good economic performance for the last decades and has successfully overcome the Covid-19 pandemic, we now are facing uncertainties of global slowdown. In this sense, leveraging EU's investment within this region and the vast potential of the EU market is essential for Cambodia in promoting trade and economic growth. At larger extend of the whole Mekong Region, Cambodia could be seen beyond small market and limited resources. The extended potential lies on unique geography of the country, especially taking advantage of regional economic corridors and infrastructure connectivity along the border to Vietnam, Thailand and Laos. As far as Cambodia's business opportunities are concerned, allow me to highlight some key aspects as follows:

First, under the leadership of **Samdech Moha Bovor Thibpadei HUN MANET, Prime Minister of the Royal Government of Cambodia**, the "**Pentagonal Strategy-Phase I**" has been formulated and laid out as the first five-year agenda of Cambodia's socio-economic development over the next 25 years. Through this strategy, the Royal Government will accelerate key institutional reforms and introduce measures to address structural issues and challenges that Cambodia is facing, particularly business and investment challenges.

Second, investors in Cambodia can also reap the benefits of better market access and integration into the regional and global supply and value chains, through free trade agreements, both bilateral and multilateral, such as ASEAN Free Trade Agreement, Cambodia-China Free Trade Agreement, Cambodia-Korea Free Trade Agreement, Cambodia-United Arab Emirates Comprehensive Economic Partnership Agreement, Regional Comprehensive Economic Partnership (RCEP) and economic collaborations with other countries.

Third, the Royal Government recognizes the essential role of the private sector in contributing to Cambodia's remarkable prosperity. In this regard, the Royal Government has been working hard to promote business and investment environments in general by: **(I)** streamlining the administrative procedures; **(II)** reducing transportation and logistics costs; **(III)** promoting vocational and skill training; and **(IV)** introducing a modern and liberal investment law, which provides various incentives to attract more quality investments in priority sectors such as technology, automobiles, electronics, green energy, health care...etc.

Fourth, understanding that connectivity is the key in both improving competitiveness and attracting investment, the government has paid special attention to the development of hard infrastructures, including expressways and major bridges, deep-water sea ports, new airports in Phnom Penh and Siem Reap, expansion of all national roads connecting major economic poles, logistics centers and so on.

Fifth, Cambodia has launched **Cambodia Digital Economy and Society Policy Framework 2021-2035**, which aims to promote digital adoption in business processes and payment systems, thus easing burden of private sector in doing business, promoting efficiency and competitiveness. Also, this policy framework presents opportunity to invest in digital economy in Cambodia.

Finally, the Royal Government continues to promote dialogues with private sector through holding regular Government-Private Sector Forums. The forums are presided over by our **Prime Minister** to listen to challenges, concerns and suggestions raised by national and international investors, as well as to provide effective solutions and responses to address them effectively. The upcoming 19th Government-Private Sector Forum is scheduled for November 2023.

- Excellencies, Ladies and Gentlemen!

With its presence in Cambodia for more than a decade, I would like to thank **EuroCham Cambodia**, who has put forth great efforts in promoting European businesses in Cambodia. **EuroCham Cambodia** has become a key stakeholder for Cambodia in improving business and investment environments for the big community it represents through numerous consultations, dialogues and initiatives. Moreover, the launching of the “**White Book 2023**” today not only provides inputs for the **RGC** in formulating policies and strategies to enhance business and investment environments in the country, but also offers evidence of continuous dialogues between Government of Cambodia and business communities.

Before I end my remarks, I would like to, once again, reiterate the importance of active involvement and deep engagement of private sector in enhancing diversification; promoting competitiveness and innovation for the region; and ensuring sustainable, inclusive and resilient development for our people. I hope that the outputs of this event will help foster investments in the Mekong Region. Cambodia stands ready to welcome all prospective businesses and investors to the Kingdom, where opportunities and supports are readily available.

Finally, I would like to wish **Excellencies, Ladies and Gentlemen** the five Buddha blessings of longevity, nobility, health, strength and wisdom. May I now declare the opening of the “**ASEAN–Cambodia Business Summit: Connectivity is Growth in the Mekong Region**”.

Thank you!