

PRESS RELEASE

Moving to AEC 2015: Cambodia's Challenges

Phnom Penh, 19 January 2015



Phnom Penh—ERIA together with Ministry of Commerce, Cambodia organized the "ERIA Capacity Building Seminar in Cambodia – Remaining Challenge for ASEAN Economic Community 2015".

H.E. Dr. Tekreth Kamrang, Secretary of State, Ministry of Commerce, in her welcome remarks said that Cambodia places high priorities in fulfilling the AEC blueprints and looks beyond 2015. "Cambodia also promotes the

awareness on AEC 2015 for the general public."

Prof. Yasuhiro Yamada, Special Assistant to Executive Director on CLMV Issues, ERIA, reiterated that Cambodia needs a wider knowledge and moves ahead beyond the AEC 2015. "The Country has to maximize its economic benefits and knowledge," Prof. Yamada said in his opening remarks.

H.E. Dr. Pich Rithi, ASEAN Senior Economic Official Leader (SEOM) for Cambodia and Director General for International Trade, Ministry of Commerce of Cambodia, outlined Cambodia's several benefits and challenges to the ASEAN economic integration including ongoing reform to comply with ASEAN agreements to improve transparency and cost-cutting, quality improvement of local products and better education to improve competitiveness.

For further information, please contact to:

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The new ASEAN members—Cambodia, Laos, Myanmar and Vietnam, collectively known as CLMV—have some flexibilities until 2018 to eliminate the import tariff to zero per cent.

He discussed Cambodia's preparedness for the AEC 2015 during the two-day workshop organized by ERIA and Ministry of Commerce.

In explaining Japan's view and perspective on AEC, Mr. Toshiyuki Sakamoto, Deputy Director General for Trade Policy, Ministry of Economy, Trade and Industry, said that Japan and ASEAN are "equal partnership" because of trade balance.

He reiterated that ASEAN is Japan's biggest investment destination in East Asia in 2012. "ASEAN is an important production base and market for at 7,400 Japanese companies throughout the region. The two-way trade between Japan and ASEAN reached US\$250 billion in 2011."

He added that Cambodia has enjoyed the highest increase of Japan's investment at 79.5 per cent in 2013, more than China at 46.5 per cent.

Prof. Fukunari Kimura, Chief Economist of ERIA, pointed out that Cambodia needs to prioritize its development strategies, especially becoming part of the East Asian Production Networks. "Don't be overwhelmed by many things to do such as agriculture, land reform, education, human capital development, corruption, social capital," he said adding that the country must diversify export and improve human capital.

Cambodia with 14.8-million population joined ASEAN in 1999 to integrate with regional and global economies and attract foreign investment. The membership also enables the country to participate in the global production networks and value chains.

This one and a half day seminar from 19 January to 20 January is part of ERIA Capacity Building Seminar programs on "ASEAN Economic Community". ERIA has been useful for Cambodia in its effort to implement various blueprints under the ASEAN Community, especially in the economic pillar.

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Other speakers for the workshop included:

- H.E. Mr. Uy Sambath, Special Adviser to Ministry of Economy and Finance, Cambodia.
- H.E. Mr. Vasim Sorya, Director-General, Ministry of Public Work and Transport, Cambodia.
- Mr. Ros Dara, Deputy Director of General Directorate of Customs and Excises, Ministry of Economy and Finance, Cambodia.
- Dr. Sompop Manarungsan, President, Panyapiwat Institute of Management, Thailand.
- Dr. Narong Pomlaktong, Independent Committee, Neighbouring Countries Economic Development Cooperation Agency, Ministry of Finance, Thailand
- Dr. Sothea Oum, Economist, ERIA, and
- Mr. Yoshifumi Fukunaga, Senior Policy Coordinator, ERIA

The Seminar was attended by over 80 participants from government official, and Private Sectors.

What is ERIA:

ERIA is an international organization based in Jakarta. Since its founding in 2008, ERIA, through its research, supports the ASEAN economic integration process in ASEAN member countries. As the leading economic think tank in the Region and the Sherpa institution for the ASEAN Summit process (including the East Asia Summit), ERIA's research has influenced the policy-making process in the Region and has facilitated the goal of realizing an ASEAN Economic Community by 2015.

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