



INTERVENTION

H.E. Mr. RITHI PICH, SECRETARY OF STATE
MINISTRY OF COMMERCE

10TH CHINA ROUND TABLE 10 YEARS OF CAPACITY-BUILDING UNDER THE CHINA PROGRAMME

“Reflections on LDC Accessions”

18 January 2022 at 12:00 PM (Geneva Time)
[3 minutes]

How can LDCs harness the WTO accession process and membership to foster economic resilience?

- Thank You, Madame Moderator Maika Oshikawa, Director of Accessions Division of WTO,
- Excellencies, Ladies and Gentlemen,
- Good evening from Phnom Penh, Cambodia,
- First of all, on behalf of H.E. Pan Sorasak, Minister of Commerce of the Kingdom of Cambodia, it is my great honour to participate in the virtual 10th China Round Table today.

Excellencies, Ladies and Gentlemen,

- The accession to the WTO has provided tremendous benefits to Cambodia. We joined WTO in 2004 and since then we have achieved significant growth in terms of the economy, human capacity, and per capita earning. To put this into perspective, Cambodia's GDP before our accession in 2004 was about 5.3 billion US dollars whereas in 2019, before the pandemic, it was 27.1 billion US dollars. During this period also, Cambodia's average economic growth rate was

approximately 7% per year. This is a very clear example of the benefits gained by being an LDC WTO member.

- Naturally, LDCs benefited from flexible special and differential treatments and the preferential market access, and other special support measures with the aim to facilitate LDC's integration into the multilateral trading system. But to take advantage of those supports and measures, we need to make internal assessments and diagnostics and take appropriate actions to address the challenges that were identified. Those challenges may consist of the need to build trade-related hard and soft infrastructure, legal and regulatory framework, institutional and human capacity development, among others.
- In other words, accession to WTO should be regarded as a golden opportunity for LDCs to deliver concrete and pragmatic actions when it comes to structural, institutional and regulatory reforms so as to establish a free market to ensure welfare of people, create an environment conducive for trade and investment and above all to obtain access to global and regional market.
- In this sense, attracting Foreign Direct Investment is very crucial to make full use of the preferential market access granted to LDC members and to build upon the country's competitive advantages to develop the essential export base to bring jobs and income to the workers. To this end, a pro-business environment and investment climate, and targeted incentives are very important and so are greater promotion investment activities.
- Equally important is to look to diversify export products and markets as time goes on so that we don't stagnate and to remain relevant in the ever-increasing competitiveness in the global market. We can diversify our core export products and services by branching out and developing other products and services and we can also diversify in the established products and services by building value-addition, backward linkages, progress towards industrialization and processing, as well as taking advantage of the advancement in 4IR technologies and e-commerce, etc.
- Last but not least, we need to be prepared for the eventual graduation out of LDC status in which we will face preferential erosion. While we are negotiating for a multilateral consensus on an extension period for preferential market access and other support measures beyond the graduation date, we need to also prepare internally at the national level to ensure market access and make an appropriate structural transformation to remain competitive LDC post-graduation.

- With these notes, before concluding my intervention, I wish you all the Best and A Happy New Year 2022 and I thank you for your attention.
