

## Advantages Complementary for Co-Development

The speech outline of H.E. Mrs. Zhang Jinfeng, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Kingdom of Cambodia on *the 2007 Cambodia Outlook Conference: Opportunities for Growth, Development and Shared Prosperity*.

1. The Ambassador appreciates the theme of this conference, which is sharing opportunities and seeking for co-development. The globalization and regional economic integration have demonstrated that a friendly neighborhood is of great importance for any country's development besides the necessary domestic conditions.

2. Cambodia enjoys a long history, splendid culture and favorable natural conditions. The war-torn Cambodian people are eager for social stability, economic development and living standards improvement. They are also eager to create a new civilization prime in 21<sup>st</sup> century that can be compared to the Angkor Civilization. Samdech Hun Sen, Prime Minister of the Royal Government of Cambodia, in conformity with people's will, works hard to realize national reconciliation, pushing reform and opening up to the outside, and has made great achievements in maintaining political stability, improving the economic development and reducing poverty. All these achievements demonstrate a fact again that reforming is the engine of development, and stability is the precondition of the development.

3. Since the policy of reform and opening up to the outside was adopted in 1978, Chinese people have found the right way to develop the country. They have been making great effort to build socialism with Chinese characteristics. The social productivity, overall national strength and people's living standards, therefore, have been improved outstandingly. From 1978 to 2006, the Chinese GDP increased from US \$216.5 billion to US \$2626.9 billion, the total import and export volume increased from US\$ 20.6 billion to US\$ 1760.7 billion and the poor population decreased from 250 million to 21.5 million. At present, the Chinese people are focusing on economic

development and we are fully confident in achieving the goal *pf* Well-off Society. However, we are also aware that China is still a developing country with large population, and the imbalanced development between suburb and city and different parts of China is still the fact we have to face. Our per capita GDP ranks below the 100<sup>th</sup> in the world, and we are confronting many problems and troubles. A long-term effort is still required for China to catch up with the middle-advanced countries of the world at the mid of this century. The Chinese government will further carry on the People First policy, remain committed to the scientific concept of development, focus on the economic construction and deepen reforming and opening-up in order to improve people's living standards and to construct the harmonious society.

4. China and Cambodia has been friend-neighbor for a very long time. People in the two countries share the same river and have been getting along well with each other. Since 1958 when the diplomatic relationship was established, the friendship between the two countries based on the Five Principles of Peaceful Co-Existence has kept going on despite the international political changes. And our relationship stepped into a new stage when the new century came. In 2006, when Chinese Premier Wen Jiabao visited Cambodia, the two countries declared to establish the All-round Cooperation Partnership which demonstrated a new stage of the two countries' relationship. Just like Cambodia, China is also a developing country. Being the friendly neighbor of Cambodia, Chinese government and people appreciate what the Cambodian government and people have done to safeguard their independence sovereignty and promote the economic development; we respect the developing model the Cambodian people have chosen out of their own will; we support Cambodia to take active part in the international and regional cooperation and have provided aid to Cambodian economic development within our power.

5. In recent years, China-A SEAN relationship has been improved and the regional cooperation in East Asia is just in ascendant. China and ASEAN are close in geography and similar in culture, we are not only friendly neighbors with mutual trust but also equal partners with mutual benefit. The same aim of development has brought us closely together.  
China-Cambodia

relationship then, has created unprecedented development and cooperation opportunities.

(1) As China and Cambodia's economies are highly complementary there is great potentiality for two countries' economic and trade cooperation. Cambodia is rich in waterpower, mineral products and land resources, while China is well advantaged in capital, technology and managing experience. If the two countries work together to push the economic and trade cooperation on the principles of equality and mutual benefit, focusing on efficiency, exploring all kinds of cooperation and seeking for cooperation, people of the two countries will definitely benefit from our endeavors.

(2) Although China and Cambodia don't share a border with each other, both of them belong to the Greater Mekong Subregion; the cooperation of China and Cambodia in regional cooperative mechanisms like GMS, 10+1 and 10+3 will contribute to the prosperity and development of this district. At present, China and Cambodia have been or are cooperating effectively with each other in fields like GMS information superhighway, Trans-Asian railway and Asia Road Network.

(3) The Chinese government now is carrying out the opening up to the outside policy and West Development Strategy to improve the open level in the south west region of China. Cambodia enjoys the favorable geographic advantage in economic and technical cooperation with the south-west part of China. Guangxi Autonomous Region and Yunnan Province, which is close to Cambodia, have established friendly cooperative relationship with several Cambodian provinces and cities. The 2-corridor 1- circle cooperation (the 2corridor refer to corridor Kunming - LaoCai - Hanoi - Haiphong-QuangNinh and corridor Nanning-LangSon-Hanoi-Haiphong-QuangNinh; and the 1circle refers to Tonkin Bay Rim Economic Sphere) which is under discussion now, will become the regional manufacturing center, logistic center, commercial and trade center, financial center and cultural communication center of China-A SEAN Free Trade Area, and Cambodia, as a member of A SEAN, will definitely get benefit from this cooperation.

(4) The Chinese government attaches great importance to developing friend-neighborhood relationship and is dedicated to deepening the economic cooperation with Cambodia. In 2005, the Cambodian government was exempted from all the due debt by the Chinese government and the Chinese government at the same time agreed to afford preferential tariff treatment (namely zero duty treatment) to some 418 kinds of Cambodian goods. In 2006, China-Cambodia cooperation in trade, investment and project contraction was further deepened. The bilateral trade volume has reached US \$730 million, 30% more than that in year 2005. The total number of projects contracted by Chinese companies increased to 16 with the contract amount US \$300 million. We have also helped train more than 100 Cambodian officials and technicians. While keeping offering aid to Cambodia, the Chinese government, at the request of Cambodian government, agreed to provide US\$ 200 million preferential export buyer credit to Cambodia for infrastructure construction like roads and bridges. Some experienced and capable Chinese enterprises are taking active part in the hydroelectric development which will play a very important role in Cambodian electricity network. The Chinese government agreed to add the ASEAN ten countries, including Cambodia, as the Chinese tourist destinations and signed with Cambodian government the agreement of mutual visa exemption for holders of diplomatic and service passports. In recent years, more and more Chinese citizens (including those from HK, Macao and Taiwan) came to Cambodia creating a large amount of foreign exchange earnings and employment opportunity.

6. It serves the fundamental interests of China and Cambodia to develop our traditional friendship and deepen our effective cooperation. China is willing to achieve the co-development with Cambodia on the bases of equality, mutual benefit and exchange of needed goods. China didn't, and will never impose its own will on other countries, never mention to harm the sovereignty of any other country and the benefit of its people. I am deeply convinced that the peaceful development of China will bring more tourists, investment, trade and economic cooperation to Cambodia and benefit all the Cambodian people.