

**Statement of H.E. Mme Khempheng Pholsena, Minister to the Prime Minister's Office  
and GMS Minister for the Lao PDR at the 2<sup>nd</sup> Economic Corridor Forum  
17 September 2009; Phnom Penh, Kingdom of Cambodia**

H.E. Cham Prasidh, Senior Minister, Minister of Commerce in Charge of GMS Cooperation Programme, the Royal Government Cambodia;

Mr. C. Lawrence Greenwood, Jr. Vice President (Operations 2) Asian Development Bank;

Excellencies; Distinguished Delegates; Ladies and Gentlemen:

On behalf of the Government of the Lao PDR I am truly honored to participate in this 2<sup>nd</sup> Economic Corridor Forum held in this historic city of "Khmer Culture" as Phnom Penh, is very well-known for. Allow me to take this opportunity to commend the Royal Government of Cambodia and the Asian Development Bank for hosting this important event.

I also wish to express my heartfelt thanks to the Royal Government of Cambodia for the kind invitation to participate in this important Forum and the gracious hospitality and excellent arrangements made for the meeting. Allow me to also commend the hard work of those involved in the preceding sessions toward this meeting.

The Government of Lao PDR is pleased to note that under the GMS economic cooperation program, the countries of the GMS are focusing their efforts on transforming transport corridors into dynamic and fully functioning economic corridors, which is key to promoting investments and accelerating economic development of the Subregion.

Following the successful launching of the Economic Corridor Forum Initiative in Kunming last year and the very constructive discussions at the 15<sup>th</sup> GMS Ministers Meeting in Thailand in June of this year, today's ECF 2 will provide the means for stepping up our efforts in economic corridor development through the strategies and action plans (SAPs) we have adopted for the East-West, North-South and Southern economic corridors. This Forum will also pave the way for expediting the implementation of these SAPs to enable us to better address the challenges in economic corridor development including the still inadequate infrastructure, policy and logistical bottlenecks as well as the low level of skills and capacity in these areas. These efforts are critical if we are to realize the expected boost in investment, trade and tourism activities in the corridor areas, while ensuring the needed social and environmental protection measures in order to achieve inclusive and sustainable development as envisioned under the ten-year GMS Strategy (2002-2012) endorsed at the first GMS Leaders Summit.

The Government of Lao PDR views the convening of the Governor's Forum yesterday as a timely and effective institutional mechanism for enhancing the support of provincial officials for efforts to promote economic growth in the corridor areas and to address cross-border issues. We also welcome the private sectors participation in the discussion of the ECF.

Excellencies

At the 15<sup>th</sup> GMS Ministers meeting in Thailand last June, discussions focused on how to maximize the benefits of enhanced physical connectivity in the GMS by intensifying efforts to address the various constraints to the effective implementation of the Cross-Border Transport Agreement (CBTA) and other transport and trade facilitation (TTF) initiatives.

A key outcome of the 15<sup>th</sup> GMS Ministers meeting was a clear realization that success in implementing effective TTF measures is critical to the transformation of the transport corridors into full-fledged economic corridors and our countries' commitment to accelerating and intensifying these efforts.

For us to succeed in these efforts, it is important to adopt a strategic and integrated approach to TTF which requires an immediate need to strengthen the existing institutional arrangements to enhance implementation of the CBTA and other TTF initiatives. In this respect we thank the ADB for the follow up action to the GMS Ministerial Retreat, resulting in constructive discussions between the ADB mission with the main agencies involved in CBTA implementation.

In this regard may I also convey our appreciation to the ADB for its long term TA to the GMS countries for the effective implementation of CBTA and TTF measures.

Lao PDR has taken this commitment very seriously by adopting concrete steps to improve its existing institutional mechanisms. In line with the need of establishing an effective mechanism to oversee and assure continuity of efforts, inclusiveness and high-level representation of all concerned agencies as well as strengthened coordination.

Excellencies

Allow me to also inform the meeting that we are making good progress in the initial implementation of the CBTA at the pilot border crossing sites with our neighbors along the EWEC. Lao PDR, together with Cambodia and Viet Nam, have agreed in line with the CBTA to pursue a three-country exchange of traffic rights in the Development Triangle Area, for which a trilateral MOU will be finalized soon, with the help of ADB.

We are also pleased to announce that the Government of Lao PDR will prioritize the implementation of single-window inspection (SWI) with its neighbors as a first and pragmatic step toward the eventual implementation of single-stop inspection (SSI), which will be facilitated through a more focused work program of the restructured NTFC of Lao PDR.

Excellencies

The GMS vision is admittedly an ambitious one. But I know that we are all confident that we can achieve it. Our cooperation is very pragmatic and results-oriented. It already has a proven track record to build on. At this point, on behalf of Lao PDR, I would like to

acknowledge with gratitude, the important role that ADB has been playing in GMS cooperation. The ADB helped initiate the GMS Economic Cooperation Program in 1992, and kept its commitment all throughout, always seeing to it that the Program steadily gain in strength. As its competence and goodwill are accepted by all of us as GMS stakeholders, I believe that ADB will be able to effectively support the priority undertakings towards our shared vision of a mutually beneficial, sustainable and balanced development path. It is my firm belief that this Economic Corridor Forum will lead to a better understanding and perception of the issues, challenges, development context and the financial requirements needed for us to collaborate closely for a more sustainable and balanced development in the countries, and provide a platform to exchange and learn from lessons on what can be done to ensure that resources achieve real results for the poor in region. We strongly believe that our cooperation should build on its past accomplishments, and provide growing support to meet the next set of complex and demanding challenges. This is why it is particularly timely to discuss innovation in advancing the cooperation agenda for a balanced, equitable and sustainable development.

I take this opportunity to reiterate the strong commitment of the Government of the Lao PDR to the GMS Economic Cooperation Program as reflected in the Joint Declaration of the 3<sup>rd</sup> GMS Summit and the Vientiane Plan of Action. The agenda for the meeting is very interesting and I am sure we will have very fruitful deliberations in the course of the day. Let me wish all the participants good health, lively interactions and a positive and successful outcome of this forum.

Thank you.