

Lao PDR
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Statement of H.E. Mr Souphanh Keomany

Vice Governor of Savannakhet Provincial

At the Governors Forum, 16 September 2009

H.E. Sok Chenda Sophea, Minister Attached to the Prime Minister; National Coordinator and Head of GMS Secretariat, Royal Governor of Cambodia.

H.E. Cheang Am, Provincial Governor, Svay Rieng Province, Cambodia

Arjun Thapan, Director General Southeast Asia Development, ADB

Excellencies; Distinguished Delegates; Ladies and Gentlemen:

It gives me a great pleasure on behalf of the Lao Delegation to be attending this Second GMS Economic Corridor Forum, Governor Forum held in Phnom Penh today. I would like to take this opportunity to express my sincere thanks to the ADB for its support and my appreciation to the Government of Cambodia for their hospitality and warm welcome extended to us.

Excellencies; Distinguished Delegates; Ladies and Gentlemen

Given our physical location the GMS Program has helped us transform Lao PDR from a landlocked to a land-linked country and has provided the opportunity for us to integrate with our neighbors and beyond as well as improve the lives of our people and lift the poor out of poverty. In this connection, I am pleased to inform you that the physical base for the GMS North-South and East-West economic corridors on our territory is almost completed. At the same time work is ongoing on CBTA implementation, in particular on the software side connectivity and harmonization and integration of systems to facilitate the cross border movement of goods and people through the facilitation of border crossing formalities.

Although the benefits of improved transport links to remote and landlocked locations like Laos which has been disadvantaged by its lack of integration with more prosperous and better located neighboring countries, the development of EWEC is still expected to bring benefits to the local people in terms of increased trade and investment, greater income generating opportunity, annual tourist arrivals within the region have more than doubled, and foreign direct investment increase significantly thus increasing the economic growth by 12%, after the Savannakhet and Mukdahan bridge opening the exports to Thailand increased 2,3%, transit goods from other countries moving from Thailand to Laos more than double.

There are however potential undesirable consequences on the EWEC and NSEC and the people residing in the corridors which need to be addressed effectively. These include low level of infrastructure development and services, unskilled labor force, weak management capacity, very few dynamic private sector existed, education and knowledge are still low, insufficient expanding production and consumer market, etc..

Therefore we require substantial support to improve the human resources development such as labor skills, knowledge and skills in implementing streamlined regulations and procedures, infrastructure facilities and services in particular the feeder roads connecting to the potential areas such as production and ecotourism sites, electricity and water supply to promote the investment, also legal framework regulations and procedures especially the implementation of the Cross Border Transport Agreement to facilitate movement of people and goods across borders in order to gradually achieve a balanced development of the corridors areas as Laos is the less developed one. How do we fully integrate with our neighboring the more developed ones so that we can obtain meaningful benefits from the development of the corridors while we need to effectively address social and environmental concerns along the corridors development.

In this regards we are looking forward to receiving assistance to seriously address our above constraints and impediments for improving the corridor's competitiveness and making possible the integration of economic activities along the corridor.

I thank you.