

Opening Remarks  
By H.E. Ong Keng Yong, Secretary General of ASEAN

*Seminar on "Accelerating Development in the Mekong Region-The  
Role of Economic Integration, Siem Reap, Cambodia  
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H.E. Samdech Hun Sen, Prime Minister of Cambodia;  
H.E. Mr. Keat Chhon, Senior Ministers, Ministry of Economy and  
Finance, Cambodia;  
Mr. Takatoshi Kato, Deputy Managing Director, the International  
Monetary Fund;  
ASEAN Ministers;

Distinguished Participants, Ladies and Gentlemen,

Good morning.

First of all, I would like to thank the IMF for its interest and support for the development of ASEAN countries in the Mekong region and for the Ministry of Economy and Finance for hosting this event.

It is indeed an honor for the ASEAN Secretariat to be part of this important Seminar with the IMF and the Royal Government of Cambodia.

In ASEAN, we have recognized the importance of development gaps and sought to reduce them through different initiatives. The most significant of these is the implementation of the Initiative for ASEAN Integration or IAI. The main objective of the IAI is to enhance the capacity of institution and human resources to develop the economic competitiveness of Cambodia, Lao PDR, Myanmar and Viet Nam or CLMV countries in short.

After the Ha Noi Declaration on Narrowing the Development Gap for Closer ASEAN Integration in 2001, the IAI was formulated and adopted by the ASEAN Leaders at the 8<sup>th</sup> ASEAN Summit here in Cambodia in 2002.

The IAI Work Plan has then been formulated as a rolling plan initially for the first six-year period from 2002 to 2008. To date, 129 projects covering the development of legal, institutional and regulatory frameworks and the technical capacity building in the CLMV countries have been and are being implemented.

More than half of the funding for these projects came from ASEAN-6 countries (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand). The ASEAN-6 countries, on a bilateral basis, have also contributed an additional USD159 million to the CLMV countries to implement various development projects.

In addition to the ASEAN-6 contributions, 11 Dialogue Partners of ASEAN and donor organizations have provided funding support. The top five donors are the Republic of Korea, Japan, India, Norway, and European Union, accounting for 85% of non-ASEAN funding for the IAI projects.

These facts illustrate the commitment of ASEAN to see the Mekong region achieve its economic potential, through improved infrastructure, capacity and enhanced competitiveness, so that the CLMV countries can more equally reap the benefits of economic integration in ASEAN.

Still, much more needs to be done. A mid-term review of the IAI Work Plan indicated that developmental gaps remain wide in both hard and soft infrastructure, HRD and ICT in the CLMV countries, hindering their ability to participate more fruitfully in the ASEAN-wide economic integration and initiatives. The mid-term review also identified the tourism sector and specific issues related to poverty and quality of life that also impinge on economic integration.

Furthermore, capacity building alone might not be sufficient to propel the growth of the CLMV economies forward. Time is not on the side of ASEAN. The global economy and supply chain development as well as technological advancement are moving faster each day. More innovative ideas and catalytic strategies are needed.

It is in this light that I particularly welcome the initiative of the IMF and the Royal Government of Cambodia in organizing this Conference to further explore ways that various stakeholders, in both the public and

private sectors, can work more effectively together to accelerate the development in the Mekong region.

I am confident that the outcome of our deliberation over the next two days would provide significant inputs into enhancing the effective implementation of the development initiatives for the benefit of the CLMV countries. More resources must be made available to support the further development of the Mekong region. Better coordination among all stakeholders concerned is essential to achieve greater result.

Thank you.