



AUSTRALIAN EMBASSY PHNOM PENH

18 August 2021

AUSTRALIA SUPPORTS CAMBODIA'S ECONOMIC RECOVERY THROUGH THE MEKONG-AUSTRALIA PARTNERSHIP

Today, Australia's Ambassador to Cambodia, H.E. Pablo Kang briefed H.E. Dr Aun Pornmoniroth, Deputy Prime Minister and Minister of Economy and Finance on various new Australian programs commencing in Cambodia under the Mekong-Australia Partnership (MAP).

Under MAP, Australia will also provide new resources to support the modernisation of the Cambodian agriculture sector and development of an agro-processing industry – key elements of Cambodia's economic recovery strategy.

During the meeting, Ambassador Kang and His Excellency Deputy Prime Minister witnessed the signing of an MOU between the Cambodia-Australia Agricultural Value Chain (CAVAC) program and the Supreme National Economic Council (SNEC) on support in establishing Agri-food Industrial Parks (AIPs).

“The major disruption caused by COVID-19 means that Cambodia needs to find new sources of sustainable and inclusive growth” said Ambassador Kang. “Through the Mekong-Australia Partnership, we are pleased to support efforts to kickstart the nascent agro-processing sector, which has real potential to drive Cambodia's economic recovery.”

Under the MOU, CAVAC will provide technical and financial assistance to help SNEC to develop and implement an economically viable model for AIPs. An AIP is an agro-processing focused industrial precinct with shared utilities, a 'single-window' approach to regulatory compliance and features such as shared research and development and testing facilities. It creates efficiency and scale to help Cambodia compete with neighbouring agri-food powerhouses.

CAVAC's assistance will include a full feasibility study and site-specific business case, including assessing benefits for farmers in surrounding areas and recommendations for the best enabling regulatory framework. This is supplemented by support to the Cambodian Government to prepare and conduct international campaigns to attract agri-food sector investment.

His Excellency Deputy Prime Minister said “the priorities for the Royal Government of Cambodia will be to fight against the COVID-19 pandemic, and capacity building to survive with COVID-19 in the medium and long term.”

“At this moment, the Royal Government of Cambodia is preparing the post COVID-19 Economic Recovery Plan based on three key principles for Recovery, Reform and Resilience (3Rs) to underscore priority sectors, particularly those significantly affected by COVID-19” said the Deputy Prime Minister.

The Deputy Prime Minister also noted that the financial and technical supports from the Australian Government form a major contribution in achieving government policy priorities in the context of the

COVID-19 pandemic and will complement the government's efforts for post COVID-19 economic recovery.

Background

The MAP is a AUD232 million package over four years to assist the Mekong subregion's recovery from COVID-19 and to build the region's ongoing economic and environmental resilience. Through the MAP, Australia has already initiated a range of new activities including on renewable energy, water, consumer protection, scholarships, cybersecurity and strengthening investment. A first tranche of AUD5.5 million (USD4 million) for Cambodia was fast tracked and disbursed in June 2021 with the next set of contributions being prepared for the 2021-22 financial year. All additional funding is on top of the existing aid program of approximately AUD66 million (USD48 million).

Media enquiries: Australian.Embassy.Cambodia@dfat.gov.au