

The effects of Cambodia economy on ASEAN economic moving forward

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Abstracts

In this research paper, we will examine the effects of the economy of Cambodia, a member of the Association of Southeast Asian Nations (ASEAN), on moving the ASEAN Economic Community (AEC) forward. We will support our research by using evidence that reviews the contribution of economic sectors boosting economic growth between 6.8 percent and 7 percent over the past decade (World Bank, 2016). Recently, The Ministry of Economy and Finance of Cambodia (MoEF) used three main economic sectors—services, agriculture, and industries—to forecast the economic growth for the years to come. We have reviewed a few articles related to the economic growth in Cambodia and found that the three sectors play a vital role in forming the backbone of prosperity in Cambodian development. In fact, these economic sectors contributed greatly to the Cambodian economy, and together with the stability of macroeconomic policies they help alleviate poverty in the country. Therefore, our paper will focus strongly on: 1. The services sector that is heavily concentrated on tourism; 2. The agriculture sector that is used to scrutinize the sources of rice productivity; 3. The industries sector used to investigate garment and footwear exports. Based on our observations, there are plenty of economic resources available for Cambodia to use to increase its Gross Domestic Product (GDP) growth rate to double digits. So, Cambodia needs to strategically institute and improve the quality of the tourism business, agriculture goods, and industrial manufacturing to achieve a prosperous and fair economy.



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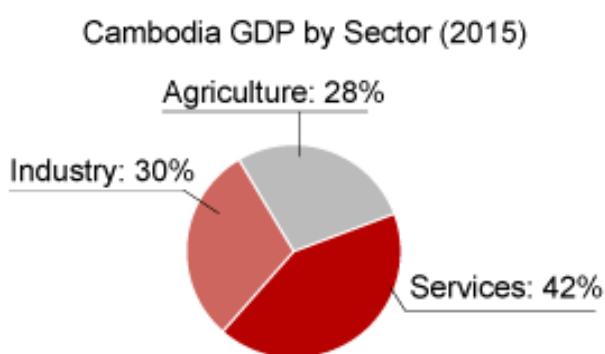
Keywords: Cambodia economy in ASEAN, Cambodia economic growth, ASEAN moving forward

Introduction

The Association of Southeast Asian Nations (ASEAN) was established on 8th August 1967 with 5 members in Bangkok, Thailand. This association's goal was to maintain peace and foster the economy of all ASEAN members. Based on the initial goal of ASEAN, the **ASEAN Economic Community (AEC)** was established in 2015 in the pursuit of accelerating its economy and strengthening the potential of the regional economy which theoretically and practically requires the contributions of all member states.

The momentum of ASEAN economics moving forward depends on the economic growth of each member in the region. It is true to say that GDP growth of ASEAN increased from US\$ 608 billion to US\$ 2.7 trillion in 16 years, and is expected to be the 4th largest economy in the world (IMF, 2017). According to a recent World Economic Forum in Phnom Penh, Cambodia, one of the objectives that leaders of all member countries discussed was to accelerate economic growth. Cambodia has sustained an average growth rate of 7.4 percent over the last two decades despite a slight increase in inflation to 2.3 percent in 2016 which was the result of oil price surging in the economy. In 2017, Seyvisoth V, secretary of state at MoEF, optimistically and statistically forecasted that the GDP for 2017 and 2018 will be in the range of 7 percent. However, the World Bank predicted it will decrease to 6.8 percent from 2016 due to the 2017 Cambodian commune election and the national election in 2018. In Figure 1, the growth of Cambodia's economy remains strong led by the services-industry-and-agriculture. The agricultural sector in Cambodia is very much undiversified with the rice industry dominating this sector, as tourism dominates services and garment and footwear dominates industry.

Figure-1: Cambodia GDP by sector (2015)



Source: *by ADB Key Indicator, 2014*

Although Cambodians enjoy constant economic growth, this growth translated to only about 0.71 percent for the ASEAN economy in 2016, compared with her neighbor Indonesia, which contributed 37.62 percent, making it the biggest economy in the region (IMF, 2017). The AEC Blueprint 2025 points out broad directions through strategic measures for AEC from 2016 to 2025 along with the ASEAN Political-Security Community (APSC) Blueprint 2025 and the

ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 which forms part of ASEAN 2025: Forging Ahead Together. This strategy set a new GDP of US\$ 6.52 trillion by 2030, to place the ASEAN economy as the world's 4th largest economy. So, the questions become, can Cambodia to be ready to contribute its part to meet the role of ASEAN in the process of globalization and can ASEAN help collaborate (under ASEAN slogan) to increase the outputs of Cambodia's service sector, agriculture sector and industrial sector in order to reach an international standard and world demand?

Research objectives

The objective of the research is to discuss three of Cambodia's economic sectors, which can help promote economic growth in this developing country, thereby simultaneously making contributions to ASEAN. Therefore, in order to achieve these objectives, there are three specific areas to study: the agricultural, industrial, and services sectors:

- Services sector is heavily concentrated on tourism,
- Agriculture sector is to scrutinize the sources of rice productivity,
- Industries sector is to investigate garment and footwear manufacturing for export.

1. Literature review

In this section, we will discuss the agricultural, service and industrial sectors by reviewing the “Rectangular Strategy” of the Cambodian government and a research paper, “Cambodia and ASEAN Economic Community”.

1.1. Rectangular Strategy Phase III

According to the economy forecast of the government of Cambodia, Cambodia is reckoned to embrace a US\$ 40.56 billion GDP in 2030 which would enable it to become a higher-middle-income country (IMF, 2017). In order to reach this target, Cambodia has proposed some executive policies, particularly the **“Rectangular Strategy”**. **Rectangular Strategy** is the Economic Policy Agenda of the Political Platform of the Royal Government, in the Third Legislature of the National Assembly. It aims to promote economic growth, full employment for Cambodian workers, equity and social justice and enhanced efficiency of the public sector through the implementation of the Governance Action Plan and in-depth reforms that are coordinated and consistent across all levels and sectors. As the result, Cambodia government had allegedly claimed that the **Rectangular Strategy Phase I and Phase II** have been successfully implemented. In term of **Rectangular Strategy Phase I and Phase II**, it raised about the enhancement of the agricultural sector and also the further rehabilitation and construction of physical infrastructure; Accelerate Cambodia Millennium Development Goals; strengthen partnership with all stakeholders; integrate Cambodia into the international community; in-depth reform in agriculture, services and industries. This strategy shows about

the government's participation in economic development of the country given the clue to support our main objective research. Admitting the fruitful results of **Rectangular Strategy Phase I and Phase II**, the government of Cambodia had overhauled the Rectangular Strategy and brought it into the next level – the **Rectangular Strategy Phase III**. The major objectives of the **Rectangular Strategy Phase III** is to strengthen peace, political stability, security, social order and the functioning of multiparty liberal democracy; ensure macro-economic stability; ensure the stable annual growth rate of 6.7%; reform the public financial management; construct physical infrastructure; Accelerate Cambodia Millennium Development Goals; strengthen partnership with all stakeholders; integrate Cambodia into the international community; indepth reform in agriculture, services and industries. This strategy shows about the government's participation in economic development of the country given the clue to support our main objective research (Rectangular Strategy Phase III, SamdechTecho Hun Sen, 2013).

1.2. Cambodia and ASEAN economic community

The research paper of Dr. Vannarith Chheang in 2012 “Cambodia and ASEAN Economic Community”, however, highlighted numerous constraints that Cambodia needed to address if it wanted to have a successful integration into AEC 2015. His research paper didn't address Cambodia's efficient resources development that we have to study more detailing in our paper. All we concern is that whether the above problems still exist, and if they do, will they be the obstacles of Cambodia to reach its target in 2030.

2. Methodology

The collection of data is conducted by collecting secondary and comprehensive sources which stocktaking the related articles undertaken in order to be used as the references of this paper. As our research is based on the secondary data analysis, we strive to 1) locate the data; 2) evaluate data; 3) verify data. A valid and reliable data collection conveys an insight explanation to prevent from analysis bias. Therefore, the origins of our secondary sources are from world leading organizations (online databases) such as World Bank, ADB, IMF, as well as from the ministries of Cambodia government.

3. Results

In this section, we prove the result of the economic sectors Cambodia: 1) Services sector is heavily concentrated on tourism; 2) Agriculture sector is to scrutinize the sources of rice productivity; 3) Industries sector is to investigate on garment and footwear for export.

3.1. Tourism of services sector

Among all the services, tourism is the major subsector that plays an important role in boosting the economy of the Cambodia. In this paper, we will also discuss about the tourism sector based on the information both found in official websites and the official documents. Regarding the

tourism sector in Cambodia, we will identify the data from the Ministry of Tourism which indicates the total tourist arrivals in Cambodia has grown steadily from 2011 to 2016.

Figure 2: The Tourist Arrivals in Cambodia

Tourism Highlights

Int'l Tourist Arrivals, Average Length of Stays, Hotel Occupancy & Int'l Tourism Receipts 1993 - 2016

Years	Int'l Tourist Arrivals		Average Length of Stays (Days)	Hotel Occupancy (%)	Tourism Receipts (Million US\$)
	Number	Change (%)			
1993	118,183	-	N/A	N/A	N/A
1994	176,617	49.4	N/A	N/A	N/A
1995	219,680	24.4	8.00	37.0	100
1996	260,489	18.6	7.50	40.0	118
1997	218,843	-16.0	6.40	30.0	103
1998	286,524	30.9	5.20	40.0	166
1999	367,743	28.3	5.50	44.0	190
2000	466,365	26.8	5.50	45.0	228
2001	604,919	29.7	5.50	48.0	304
2002	786,524	30.0	5.80	50.0	379
2003	701,014	-10.9	5.50	50.0	347
2004	1,055,202	50.5	6.30	52.0	578
2005	1,421,615	34.7	6.30	52.0	832
2006	1,700,041	19.6	6.50	54.8	1,049
2007	2,015,128	18.5	6.50	54.8	1,400
2008	2,125,465	5.5	6.65	62.7	1,595
2009	2,161,577	1.7	6.45	63.6	1,561
2010	2,508,289	16.0	6.45	65.7	1,786
2011	2,881,862	14.9	6.50	66.2	1,912
2012	3,584,307	24.4	6.30	68.5	2,210
2013	4,210,165	17.5	6.75	69.5	2,547
2014	4,502,775	7.0	6.50	67.6	2,736
2015	4,775,231	6.1	6.80	70.2	3,012
2016	5,011,712	5.0	6.30	68.9	3,212

Source: *The Ministry of Tourism of Cambodia*

In this paper, the discussion of tourism sector will also base on basis of the ASEAN Tourism Strategic Plan 2016-2025. Moreover, we will also examine Thai tourist industry for the comparison and model between Cambodia and Thai tourism. The yearly tourist arrivals statistic and further data will be found from the website of the Ministry of Tourism and Sport of Thailand.

According to the report of ASEAN Secretariat, the services sector continued to be the biggest contributor to the growth at 50.1 percent of the region's total GDP in 2014 (ASEAN Secretariat News, 2015), and tourism is the most important subsector that contributes the most among services' subsectors. In fact, under the ASEAN Economic Community pillar, tourism is one of the priority sectors for integration by 2015 (ASEAN Tourism Strategic Plan 2016-2025, p. 1). In this context, the vision for ASEAN tourism over the next decade to 2025 is:

“By 2025, ASEAN will be a quality tourism destination offering a unique, diverse ASEAN experience, and will be committed to responsible, sustainable, inclusive and balanced tourism development, so as to contribute significantly to the socio- economic well-being of ASEAN people” (ASEAN Tourism Strategic Plan 2016-2025).

To accomplish such vision, ASEAN had set its ASEAN Tourism Strategic Plan 2016-2025 which built on the foundation of ASEAN Tourism Strategic Plan 2010-2015. According to this plan, given that the strategic programs and projects are fully resourced and implemented, the GDP contribution of ASEAN tourism is anticipated to increase from 12 percent to 15 percent which is a great momentum in terms of consolidation of AEC.

Even though Cambodia's economy is a relatively small economy compare to other members', but tourism is likewise the most important subsector of its economy which allegedly attracted a record number of 5 million tourists in 2016 (Tourism Statistic Report Year 2016 of the Ministry of Tourism), and according to the minister of tourism HE. Thong Khon in his 2016 speech, Cambodia conservatively estimates that it will be able to attract the amount of 7 million tourists in 2020 which generates the approximate revenue of US\$5 billion, with 1-million job creation.

According to the UNWTO, total international arrivals to ASEAN are expected to increase to 123 million by 2020, 152 million by 2025, and 187 million by 2030. In fact, provided all the members states corporate together and help those countries which have relatively lower tourist number including Cambodia in the pursuit of attracting more tourists, it will be helpful for the economy of those countries, and therefore, tremendously boost up the GDP of ASEAN as a whole.

3.2. Rice production of agricultural sector

Among all the agricultures, rice production is playing such a major role to contribute almost 10 percent of Cambodia's GDP (Structural Policy Country Notes Cambodia, 2014). In this paper, we will also collect the information and data related to agriculture especially on rice production extracted from official websites and documents of Ministry of Agriculture, Forestry and Fisheries, Ministry of Commerce, Cambodia Rice Federation.

In this paper, we will also discuss by comparing to other rice exports data among other largest rice exported countries in the region and also in the world which used the data from official websites of international organizations such World's Top Exports, World Bank ...ect.

Kingdom of Cambodia is known as a major rice producing country. Actually, that's not only rice or paddy becoming the major sector of its agriculture but maize, cassava, sweet potatoes, groundnuts, soybeans, sesame seed, dry beans, rubber and fisheries are also included.

Because of the good natural conditions Cambodia's land almost is agricultural land which providing enough capacity and opportunity for agricultural productivity. Agricultural land (% of land area) in Cambodia was reported at 30.9 percent in 2014 (Trading Economics, 2015). Moreover, Mekong River, the longest 12th river of the world flows across Cambodia almost 500km which providing irrigation system for those five provinces covered it. Boeung Tonle

Sap (Great Lake) is also the main water source and provides alluvial soil, mud, slime which are really good for agricultural productivity. Weather and seasons conditions are also usually benefited the growing production as well.

Cambodian agriculture is in the midst of a rapid transformation. Agricultural growth averaged 5.3% during 2004-2012, which was among the highest in the world (World Bank Group, 2017). Growth was driven by a combination of increased yields, more productive growth use of labor due to mechanization, and the expansion of farmland. Agricultural exports to many other countries in European Union, the United State, some parts of Asia like China.

The Agriculture Ministry's report shows that rice exports in 2015 were up 39 per cent compared to 2014, with exports shipping 538,000 tons of milled rice, with the sector managing 387,000 tons in 2014 (The Phnom Penh Post, 2016). According to WTE (World's Top Exports) 2017, Cambodia became the top 9th largest rice exports of the world.

As we know, most of the ASEAN countries are agricultural producers. Lands in ASEAN nations such as Thailand, Lao, Vietnam, Myanmar and Cambodia are strongly specialized on agricultural productions especially in rice and paddy also included other major crop productions like cassava, maize, vegetable, rubber, coffee, dairy, soybeans, sugar, ...etc.

Figure 3: Top 15 Largest Rice Exported Countries



Source: *World's Trade Exports*

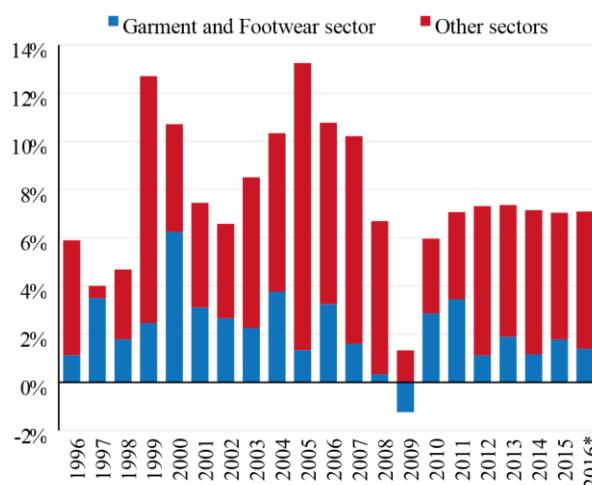
According to Commerce Ministry of Thailand, this country exported 10.8 million tons of milled rice valued at US\$ 5.37 billion in 2014 (Thai PBS, 2015). Vietnam exported over 6 million tons to the world (World-Grain.com, 2016). Cambodia in 2016 exported 542,144 tons of milled rice, a mere 3,700 tons to international markets (The Phnom Penh Post, 2017). Thailand, Vietnam and Cambodia became the top 15 countries of rice exporter. Even Cambodia is one in the top 15 countries list but Cambodia has such lower productivity comparing to neighboring countries while Cambodian natural condition is already good for agricultural productivity and most of Cambodian citizens are farmers.

3.3. Garment and footwear of industrial sector

Garment and footwear are also playing such a very important role in Cambodia's economic growth, as well. In this paper, we will discuss about garment and footwear export data based on the information both official websites and documents from Ministry of Commerce, and other sources of International Organizations' official websites and documents such as ILO (International Labour Organization), World Bank ...etc.

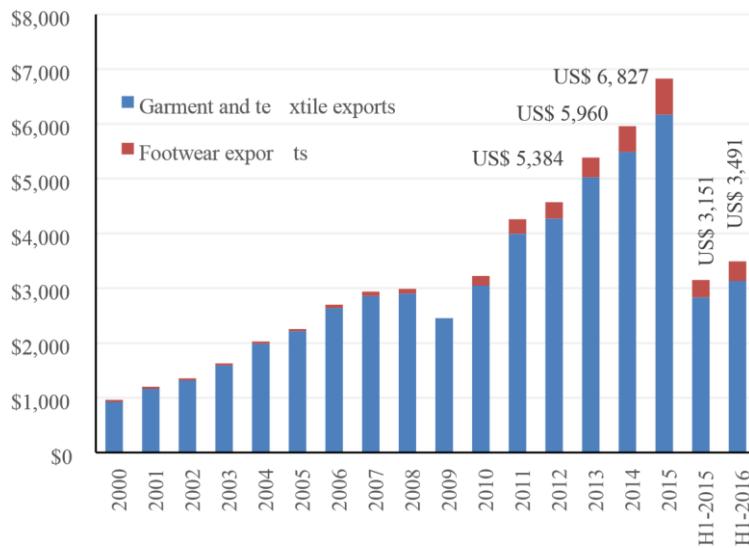
The garment industry in Cambodia plays also very important role in Cambodia's economic growth. Garment industry represents the largest portion of Cambodia's manufacturing sector, accounting for 80 percent of the country's exports in 2016 (ILO, 2017). In 2012, the exports grew to US\$4.61 billion up 8 percent over 2011. In the first half of 2013, the garment industry reported exports worth US\$ 1.56 billion. Today, the garment and footwear sector is made up by 1,000 factories employing roughly 700,000 workers and accounts for \$5 billion, or roughly 80 percent of Cambodia's total export revenue (Better Factories Cambodia, 2017).

Figure 4: Sectoral composition of Cambodia's real GDP growth (per cent)



Source: Cambodia's National Institute of Statistics, IMF and the Ministry of Economy and Finance

Figure 5: Cambodia's Garment and Footwear Exports, 2000-2016 (US\$ million)



Source: *Cambodia's General Development of Customs and Excise*

In addition, growing competition for a share of the garment export market across the globe means Cambodia's factories must deepen their commitment to creating decent working conditions that give Cambodia its competitive edge in garment exports. As the garment sector expands into a new stage of growth, Cambodia's reputation as a country that focuses on working conditions across the sector will be critical in helping the industry navigate new challenges and further leverage economic development. Garment's markets of Cambodia industries mostly at Europe, EU, America... The Cambodian garment and footwear sector is likely to continue to be the largest exporting sector of its economy, at least over the medium term. Recent developments in trade policies are expected to pose both risks and opportunities for the country's export sector.

4. Discussion

4.1. Services Sector - Tourism

The ATSP 2016-2025 is built on the foundation of the ATSP 2010-2015 which was considered as a successful implementation. Amid such fruitful outcome, ATSP 2010 –2015 still remains some core challenges which require even more serious focus of the ATSP 2016 –2025.

These focus areas include:

- Marketing and promotion
- Product development/standards
- Human resource development
- Tourism investment
- quality tourism
- sustainable growth and development (including inclusive tourism development)

- travel facilitation
- Safety and security
- connectivity and infrastructure
- responsiveness to climate change

The ASEAN Tourism Strategic Plan 2016-2025 will be more effectively addressed if these factors are more focused by the less development countries with the aid of those high development countries. Taking Cambodia as the example, the total tourist arrivals to Cambodia in 2016 reaches 5 million people which is the highest record, and it generates about \$3,212 million to tourist income according to the report of the ministry of tourism (As Shown in Figure2). Moreover, Cambodia has been recognized by the European Tourism Academy as the World Best Tourist Destination for 2016. According to the speech by Tourism Minister Thong Khon in the congratulatory ceremony of “Cambodia as World Best Tourist Destination for 2016”, Cambodia has forecast for 2020, the number of tourists will reach 7 million, generate the revenue of approximately US\$5 billion, with 1 million job creation. However, it is still a small number compare to those high tourism industry countries such as Thailand and Singapore. The following discussion will be focus on the 2 major factors such as Marketing and Promotion and Human Resource Development which Cambodia should enhance, and cooperate with other countries in order to boost up the tourism sector of the country.

4.1.1 Marketing and Promotion

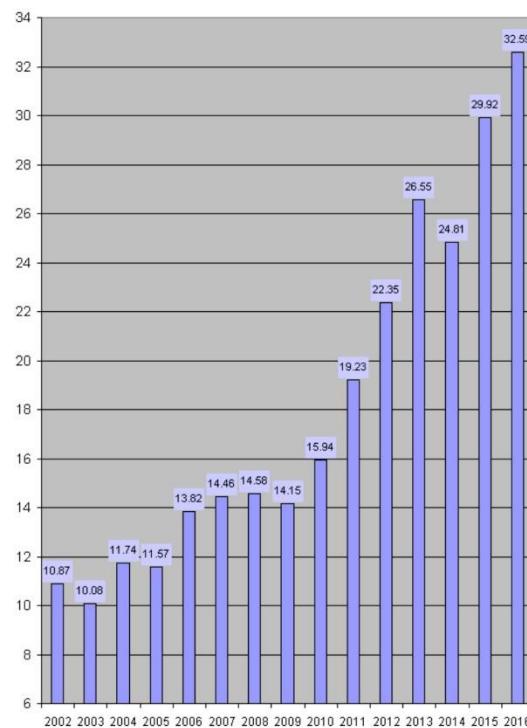
In terms of the area of marketing and promotion, Cambodia still require much more cooperation with other member states in order to accelerate the tourism growth of Cambodia.

Taking Thai's tourism industry as a model, the effectiveness and efficiency of Thai's tourism Marketing and Promotion strategies are reflected by the countries rapid tourism growth. More explicitly, from 2010 to 2016, Thai tourist arrivals grow in double, and in 2016, Thailand has allegedly attracted 32.5 million tourists with 8.91 percent growth which generates BT 2.9 trillion account for 20.6 percent of the country's GDP (Shown in Figure 6). If the Thai's tourism grows in the same rate, the tourist arrival of Thailand will reach 38 million in 2020 which is a massive number compare to 7 millions of Cambodia's tourist arrival in 2020 as expected by Cambodian Minister of Tourism. So it's essential that Cambodia itself should try to attract more tourist in order to strengthen its tourism and eventually contribute more in the process of expediting ASEAN GDP.

Concerning the promoting method of Thailand, the Tourism Authority of Thailand (TAT), which was established in 1960, is considered to be the one which played a critical role in promoting Thai's tourism and supplies information and data on tourist area. Despite its domestic offices, TAT has now had 15 offices abroad. In the pursuit of promoting its country, Thai Government strives to give a good impression of the country to foreigners by projecting the sense of extraordinariness of Thailand. It is in this context that the word “amazing” has been widely promoted and introduced in Thailand tourism promotion campaigns. Beside “Amazing Thailand”, many other slogans were created such as “Happiness on Earth” and “Unseen Thailand”. Taking this models into consideration, the less development countries, particularly Cambodia should adopt the promoting methods that Thailand uses in order to promote the country both nationally and internationally. In fact, Cambodia has also created slogan such as

“Cambodia - the Kingdom of Wonder” to deliver its wonderful impression to the world, and it has also created tourism spot to display on some prestigious TV channel such as CNN to disseminate to even broader world. Nonetheless, Cambodia should also establish an authority on top of the current Apsara Authority which is responsible only for promoting tourist sites in Angkor area to promote the overall tourist sites throughout the country. In addition to that, such authority should create its own office in foreign countries so as to effectively promote the country internationally. To do so, Cambodia governments should assemble delegations to do more research in terms of the process and the implementation of the successful experiences of TAT. Doing so will help Cambodia to have clearer insights of the policies of other countries and convert those policies to match the reality situation of Cambodia. Applying those policies into action is another challenging process that requires clear direction and high commitment among all the participants, so Cambodia government should give the essential support in the process of implementation of those policies, and those high tourism countries should also assist in this process by giving advices.

Figure 6: Thai's Yearly Tourist Arrivals 2002-2016



Source: *The Ministry of Tourism and Sport of Thailand*

Moreover, instead of merely focus on their own countries' tourism sector, all of the ASEAN members should try to promote the ASEAN tour package which can guarantee the mutual benefit for all member states. For intraregional tourism, the high tourism countries should encourage their people to long-stay in those less development countries in order to contribute to those countries' tourism sector by generating more profit for those countries.

If this proposal is effectively implemented, those less development countries' tourism will increase and will ultimately result in the overall contribution to ASEAN GDP as a whole.

4.1.2 Human resource development

The inadequacy of human resource is considered as one of the most prevalent issues in less development countries, and it's obviously the obstacle to the process of developing the potential of certain countries as well. Like other less development countries, Cambodia has suffered from the lack of human resource which dramatically limit the potential of its tourism. Among those potentials, Sihanouk Ville is famous for its beaches which were recognized as one of the world most beautiful beaches in the world. Comparing the beaches in Cambodia and Other countries', Cambodia's beaches hold even more favorable conditions, one of them is that there has never been Tsunami strike on Cambodia, so it tends to be a place where many high class water entertainment projects should be created such as underwater world which can attract hundreds of thousands of visitors every year. As the example, the Underwater World in Singapore can attract more than 30 million visitors since its opening in 1991. However, building and operating such massive project require not only vast investment but also competencies of workers, and this has been the major problem for Cambodia. As recognized in the ATSP 20112015 while competencies can be identified, and MRA (Mutual Recognition Arrangement) on Tourism Professionals has been concluded, their application by the various tourism educational and training providers will be voluntary particularly in terms of quality of instruction, evaluation and standards of curriculum development. Therefore, other member states should be willing to provide both technical and intellectual contribution for those less development countries in order to shape a dynamic tourism landscape which is built on the existing capacity of the country.

4.2. Agricultural sector –rice production

2.1 Challenges

- Agriculture in Cambodia is still the traditional mainstay
- Less-modernized productivity
- Growing rate per hectare is still low
- High cost of productivity
- Lack of internal and external agricultural markets
- Lack of domestic and regional policy and vision due agricultural incentive
- Import exceeds export

In this term we can say that, ASEAN countries are not pessimistic but selfish. Some of ASEAN countries always gain the benefits from each other countries. Some of the countries like Thailand bought rice production from neighboring countries like Cambodia and forwarded selling it to the world market in the different price. ASEAN has no unique sound to limit the rice price to the world or determine which are the target markets. Under the name of one community, but ASEAN members mostly live as their own individuals and interests different from EU (European Union).

4.2.2 Recommendations

ASEAN countries should focus on two main policies:

- 1. ASEAN has to unify itself to become one community in all systems not just agriculture. ASEAN as a whole should share the technique and successful experiences to each other member-countries. Some countries like Thailand became the 2nd largest rice exported country in the world, thus Thailand should also share the agricultural technique, modernization, experiences and successful policies to other countries in ASEAN especially its neighboring countries like Cambodia, Myanmar, Lao and Vietnam to modernize their prosperities of agricultural and rice growing in domestic countries.
- 2. ASEAN has to unify the whole regional agricultural productivity to become unique sound. Thus ASEAN will have a strong power to limit the world price of the rice production. As we see like OPEC (The Organization of Petroleum Exporting Countries) has unique sound to limit the world price of petrol and gasoline. Even some agricultural countries in the region like Thailand, Vietnam, Lao, Cambodia and Myanmar have a rice cartel with each other but they still have no such much influence in the rice price in the world market because those countries have different target markets leads to lost the power controlling the rice price. ASEAN should work as a world which is standing by the name of ASEAN community. As we see by WTEX's data, countries from ASEAN region contributed at least 33% became the top largest rice supplier in the world. If they unify to be unique sound and set the unique target market, thus ASEAN will have strongly power influence the world rice price.

Because most of the countries in ASEAN are specialized in agriculture not just a rice production, thus ASEAN should unify as unique sound of agricultural and foods productivity and supplying which is working on modernized productivity (technique, experiences, strategy), and the world price and market interests. ASEAN should have a strong central institution such as ASEAN Foods Bank working on those above processes and strategy then ASEAN would be greater than ever due economic development in the region.

4.3. Industrial sector –garment and footwear exports

Even ASEAN after integration 2015 has been good already on regional trade which is providing much investors from outside parts of the region to invest in community but ASEAN should work on some following processes as recommendations:

- Comforts regional processes easier to attract more investments from outside-regioncountries such as from Europe, some parts of Asia like China, Americas.
- Doing cooperation and Memorandum of Understanding (MoU) as a region to other international organizations not just individual interests.

- Work as a whole to guarantee the security and stability of political system in the region. Non-interfere policy should be reviewed. If we compare ASEAN and EU, there are many different sectors between these two international organizations. EU is working by keeping the unique interest of the union. They have a central powerful institution known as European Parliament which has the roles to stabilize the regional politic, find and unify the interest of the states, work together with the council to decide the union laws, do more power influence the content of laws in areas including agriculture, energy policy, immigration and EU funds, mostly differences comparing to ASEAN.

Conclusion

At a quick glance, given its central location in Southeast Asia and in the Lower Mekong Basin, Cambodia plays an important role in deepening economic architecture and cooperation among the participating countries in ASEAN, and especially among countries in the Great Mekong Sub-region (GMS) namely the People's Republic of China, Laos PDR, Myanmar, Thailand, and Vietnam. According to Council for the Development of Cambodia (CDC), Cambodia is at the center of the GMS Southern Economic Corridor, providing a strategic link between Thailand and Vietnam through regional highways, and, in the future, railway links that from part of the Singapore-Kunming Rail Link Project. The hypothesis of its great opportunity landscape results that Cambodia is now and future one of the major key ASEAN transport and logistics hub. Not only does it have a good geography in Southeast Asia, but also Cambodia is one of the countries that has lower production costs, making business to find a way of achieving a sustainable competitive advantage over the other competing products and firms in the region.

Obviously, the Royal Government of Cambodia (RGC) raised concerns related to incapable human resources for the needs of foreign direct investments (FDI). In a recent World Economic Forum (WEF), and to go along a direction pointing out in ASEAN Blueprint 2025, the RGC ascertained that in order for Cambodia economy to prominently contribute to ASEAN economic growth the government set "Industrial Development Policy 2015-2025" (WEF, 2017).

This IDP policy embedded four strategic pillars to be implemented as follows:

1. Attracting FDI and mobilizing private investment for industrial development;
2. Developing and Modernizing SMEs by way of expanding and strengthening the manufacturing base;
3. Improving legal environment to enhance competitiveness by way of improving the investment climate;
4. Coordinating supporting policies such as human resource development, skills training and industrial relations improvement.

Cambodian government's strategy aims to reinforce quality of education toward Cambodian Youths to counterbalancing the ability of other youth in the region (ASEAN) and to hastily prevent the fourth industrial revolution since it operates to less job being provided to all of the

nations by reason of the technology development. The enhancement of education sector in Cambodia will definitely help our country to achieve its potential strategy and its certain goal which claims about the reduction of the gap between the intelligence and thinking through ASEAN as a whole. Moreover, the development of Human Resources is the very dominant tactic in order to response and be ready for the investment growth in Cambodia.

In this term, royal government of Cambodia agreed on the collaboration with the international company in order to raise job enhancement in the country. For instance, Japanese investors that proceed their investment in Thailand have put an additional investment in Cambodia to expand their businesses because of Cambodian policy in developing human resources.

Thus, due to the fact that Cambodia was gifted with geographical benefits and four strategic pillars that have been implementing from 2015-2025, this country will be able to achieve its goals to contribute even more in term of greater percentage to ASEAN economy.

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