ITC by Country Report

Cambodia
05/12/2014
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Cambodia is located in South Eastern Asia, bordering the Gulf of Thailand, between Thailand, Vietnam and Laos. It is classified as a least developed country (LDC). Major exports comprise of articles of apparel, accessories, knit or crochet printed books. The majority of exports are destined to the United States and Hong Kong. Cambodia records a trade deficit with imports of petroleum products, fabrics, vehicles, wholesale yarn, cigarettes, electrical communication equipment and medicine. Cambodia’s main import partners are the United States, Hong Kong, China, Singapore, Canada and Vietnam. Cambodia is a member of the Association of Southeast Asian Nations (ASEAN) and the World Trade organisation (WTO), the first LDC to join through the full accession process in 2004.
## 2. People and Economy

### 2.1 People

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total population (growth rates per annum)</strong></td>
<td>13,940,518 in 2012 with growth rates of 1.6% p.a during 2008-2012</td>
</tr>
<tr>
<td><strong>Population density (people per sq. km of land area)</strong></td>
<td>79 in 2012</td>
</tr>
<tr>
<td><strong>Female population</strong></td>
<td>51.3% in 2012</td>
</tr>
<tr>
<td><strong>Population below 15 years of age</strong></td>
<td>31.2% in 2008; 33.2% in 2012</td>
</tr>
<tr>
<td><strong>Urban population</strong></td>
<td>19.6% in 2012</td>
</tr>
<tr>
<td><strong>Population living below $1.25 a day at purchasing power parity (PPP)</strong></td>
<td>22.8% in 2012</td>
</tr>
<tr>
<td><strong>Ranking in the Human Development Index (HDI)</strong></td>
<td>138 out of 186 in 2012</td>
</tr>
</tbody>
</table>

**Evolution of the Human Development Index (HDI)**

![Graph showing the evolution of the Human Development Index](chart.png)

*Source: United Nations Development Programme Human Development Indicators*

*Note: The Human Development Index measures the overall development of a nation and ranges from 0 (low level of development) to 1 (highest level of development). The United Nations Development Programme ([http://hdr.undp.org](http://hdr.undp.org)) provides a detailed explanation. ITC Regional group refers to ITC definition.*

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health</strong></td>
<td>Life expectancy at birth (years) (71); Mortality rate, under-5 (per thousand live births) (39.7) in 2012</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>Education index - expected and mean years of schooling (rank) (132 out of 191) in 2012</td>
</tr>
<tr>
<td><strong>Income level</strong></td>
<td>GNI per capita in PPP terms (constant 2005 international $) ( ) in 2012</td>
</tr>
<tr>
<td><strong>Inequality</strong></td>
<td>Inequality-adjusted HDI (rank) (90 out of 191) in 2012</td>
</tr>
<tr>
<td><strong>Poverty</strong></td>
<td>Multidimensional Poverty Index (rank) (36 out of 191) in 2012</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td>Gender inequality index (rank) (53 out of 191) in 2012</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>Adjusted net savings (% of GNI) (n.a) in 2012</td>
</tr>
</tbody>
</table>
2.2 Economy

<table>
<thead>
<tr>
<th>Sector added value</th>
<th>2004</th>
<th>2008</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US $</td>
<td>%GDP</td>
<td>US $</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1,569</td>
<td>31.2</td>
<td>3,390</td>
</tr>
<tr>
<td>Industry</td>
<td>1,369</td>
<td>27.2</td>
<td>2,316</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,003</td>
<td>19.9</td>
<td>1,589</td>
</tr>
<tr>
<td>Services</td>
<td>2,097</td>
<td>41.7</td>
<td>4,021</td>
</tr>
</tbody>
</table>

Source: World Bank World Development Indicators (WDI)

Note: Added value is US$ terms are expressed in million, GDP US$, and "6,976 to be read 6'976"
Aid Dependency
(Official Development Assistance/Gross National Income)

Source: World Bank World Development Indicators (WDI)

Note: ITC calculations based on the World Bank WDI. Regional group refers to ITC definition

<table>
<thead>
<tr>
<th>Remittances as a Share of GDP</th>
<th>2004</th>
<th>2008</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittance ($ millions)</td>
<td>177</td>
<td>188</td>
<td>N.A.</td>
</tr>
<tr>
<td>Remittance (% GDP)</td>
<td>332.3</td>
<td>181.5</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

Source: World Bank World Development Indicators (WDI)

Note: ITC calculations based on World Bank WDI, IMF BOP statistics, and "6,976 to be read 6'976"
3. Trade Performance

3.1 General Trade Performance

3.1.1 Evolution of Trade Ratio to GDP - Goods

![Graph showing the evolution of the total imports and exports of goods of Cambodia (mirror). The graph displays the percentage of GDP for each year, with bars representing imports and exports.](image1)

3.1.2 Evolution of Trade Ratio to GDP - Services

![Graph showing the evolution of the total imports and exports of services of Cambodia (mirror). The graph displays the percentage of GDP for each year, with bars representing imports and exports.](image2)
3.1.3 Evolution of Total Trade

![Graph showing the evolution of total trade in Cambodia from 2009 to 2013. The graph displays the import and export values in millions of dollars. In 2009, the import value was 6,359 and the export value was 4,828. In 2010, the import value was 9,962 and the export value was 5,789. In 2011, the import value was 11,819 and the export value was 7,862. In 2012, the import value was 14,643 and the export value was 9,262. In 2013, the import value was 11,574 and the export value was 10,217.]

3.1.4 Trade Map

![Map showing the list of importing markets for a product exported by Cambodia in 2013 (Mirror). The map highlights the share of Cambodia’s exports in each market as a percentage. The map includes countries like Canada, United States, China, Australia, and many others.]

ITC by country - Cambodia
3.1.5 Export and Import by Leading Destination - Export

3.1.6 Export and Import by Leading Destination - Import
3.1.7 Evolution of Exports and Imports by Destination - Export

Cambodia’s exports by region of destination (mirror)

3.1.8 Evolution of Exports and Imports by Destination - Import

Cambodia’s imports by region of origin (mirror)
3.1.9 Total Export Growth

Source: ITC, calculations based on ITC's Trade Competitiveness Map data. 
Note: Graph shows decomposition of the country's export growth in value terms by diversification pattern over the indicated period.

3.1.10 Marginal Export Growth

Source: ITC, calculations based on ITC's Trade Competitiveness Map data. 
Note: Graph shows decomposition of the country's export growth in value by structural driving effects over the indicated period. Values are in US$ thousands.
3.1.11 Composition of Trade in Services - Export

List of services exported by Cambodia

3.1.12 Composition of Trade in Services - Import

List of services imported by Cambodia

Source: ITC Trade Map.
3.1.13 Evolution of FDI

Evolution of FDI inflow in Cambodia as % of GDP

Source: ITC based on World Bank WBID.
### 3.2 Sector Trade Performance

#### 3.2.1 Sectoral Diversification in Products - Export

<table>
<thead>
<tr>
<th>Sector</th>
<th>Average share of sector in country’s exports 2008, 2012</th>
<th>Sector’s leading exported product HS6</th>
<th>Share of top 3 detailed products (HS6) in sector’s exports 2009, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing</td>
<td>19.7 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous manufacturing</td>
<td>22.6 %</td>
<td>666299 Prostheets, outer soles of rubber/plastics uppers of leather</td>
<td></td>
</tr>
<tr>
<td>Leather products</td>
<td>5.3 %</td>
<td>566299 Prostheets, outer soles of rubber/plastics uppers of leather</td>
<td></td>
</tr>
<tr>
<td>Fossil fuel</td>
<td>3.8 %</td>
<td>444101 Glycol ethers, uncondensed</td>
<td></td>
</tr>
<tr>
<td>Transport equipment</td>
<td>3.6 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>Processed food</td>
<td>0.7 %</td>
<td>444101 Glycol ethers, uncondensed</td>
<td></td>
</tr>
<tr>
<td>Wood products</td>
<td>0.6 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>Non-electronic machinery</td>
<td>0.6 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>Textiles</td>
<td>0.5 %</td>
<td>444101 Glycol ethers, uncondensed</td>
<td></td>
</tr>
<tr>
<td>Minerals</td>
<td>0.5 %</td>
<td>444101 Glycol ethers, uncondensed</td>
<td></td>
</tr>
<tr>
<td>Unclassified products</td>
<td>0.4 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>Electronic components</td>
<td>0.3 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>Chemicals</td>
<td>0.2 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>IT &amp; Consumable electronics</td>
<td>0.2 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>Basic manufactures</td>
<td>0.2 %</td>
<td>611096 Pulbers, cardigans and similar articles of cotton, knitted</td>
<td></td>
</tr>
<tr>
<td>Source: ITC Trade Comprehensiveness Report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: *Numbers refer to the version 2009. Has in product lines means not otherwise specified.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 3.2.2 Sectoral Diversification in Products - Import

<table>
<thead>
<tr>
<th>Sector</th>
<th>Average share of sector in country’s imports 2009, 2013</th>
<th>Sector’s leading imported product HS6</th>
<th>Share of top 3 detailed products (HS6) in sector’s imports 2009, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles</td>
<td>30.5 %</td>
<td>566299 Dry cotton fabrics, printed or otherwise treated, of a width &gt; 140 cm (excl.</td>
<td></td>
</tr>
<tr>
<td>Minerals</td>
<td>12.4 %</td>
<td>293111 Other petroleum oils and preparations</td>
<td></td>
</tr>
<tr>
<td>Processed food</td>
<td>8.0 %</td>
<td>27011100 Frankincense, myrrh,Produced from the flowering heads</td>
<td></td>
</tr>
<tr>
<td>Non-electronic machinery</td>
<td>8.1 %</td>
<td>40811100 Cotton yarn, raw, not twisted or carded</td>
<td></td>
</tr>
<tr>
<td>Transport equipment</td>
<td>7.0 %</td>
<td>40811100 Cotton yarn, raw, not twisted or carded</td>
<td></td>
</tr>
<tr>
<td>Chemicals</td>
<td>6.9 %</td>
<td>40811100 Cotton yarn, raw, not twisted or carded</td>
<td></td>
</tr>
<tr>
<td>Basic manufactures</td>
<td>6.4 %</td>
<td>40811100 Cotton yarn, raw, not twisted or carded</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous manufacturing</td>
<td>4.6 %</td>
<td>40811100 Cotton yarn, raw, not twisted or carded</td>
<td></td>
</tr>
<tr>
<td>Unclassified products</td>
<td>3.1 %</td>
<td>40811100 Cotton yarn, raw, not twisted or carded</td>
<td></td>
</tr>
<tr>
<td>IT &amp; Consumable electronics</td>
<td>2.8 %</td>
<td>40811100 Telephones for cellular networks mobile telephones or</td>
<td></td>
</tr>
<tr>
<td>Electronic components</td>
<td>2.3 %</td>
<td>40811100 Telephones for cellular networks mobile telephones or</td>
<td></td>
</tr>
<tr>
<td>Clothing</td>
<td>1.7 %</td>
<td>61110100 Parts of garments and accessories, of textile</td>
<td></td>
</tr>
<tr>
<td>Wood products</td>
<td>1.4 %</td>
<td>61110100 Parts of garments and accessories, of textile</td>
<td></td>
</tr>
<tr>
<td>Leather products</td>
<td>1.3 %</td>
<td>61110100 Parts of garments and accessories, of textile</td>
<td></td>
</tr>
<tr>
<td>Fossil fuel</td>
<td>1.0 %</td>
<td>61110100 Parts of garments and accessories, of textile</td>
<td></td>
</tr>
<tr>
<td>Source: ITC Trade Comprehensiveness Report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: *Numbers refer to the version 2007. Has in product lines means not otherwise specified.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ITC by country - Cambodia
### 3.2.3 Sectoral Diversification in Destinations - Export

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic components</td>
<td>344.9 %</td>
<td>47.6 %</td>
<td>64.7 %</td>
<td>United States of America ; Singapore ; Mexico</td>
<td>Thailand ; Japan ; Singapore</td>
</tr>
<tr>
<td>Non-electronic machinery</td>
<td>123.5 %</td>
<td>70.7 %</td>
<td>88.7 %</td>
<td>Malaysia ; Singapore ; Thailand</td>
<td>Thailand ; China ; Singapore</td>
</tr>
<tr>
<td>IT &amp; &amp; electronics</td>
<td>133.6 %</td>
<td>75.3 %</td>
<td>96.8 %</td>
<td>France ; Austria ; Netherlands</td>
<td>Thailand ; Republic of Korea ; United States of America</td>
</tr>
<tr>
<td>Miscellaneous manufacturing</td>
<td>60.1 %</td>
<td>60.9 %</td>
<td>87.9 %</td>
<td>United States of America ; France ; Malaysia</td>
<td>United States of America ; Thailand ; Japan</td>
</tr>
<tr>
<td>Processed food</td>
<td>62.5 %</td>
<td>80.5 %</td>
<td>86.4 %</td>
<td>Switzerland ; Singapore ; India</td>
<td>Thailand ; Italy ; India</td>
</tr>
<tr>
<td>Wood products</td>
<td>67.4 %</td>
<td>80.3 %</td>
<td>96.2 %</td>
<td>China ; Thailand ; Malaysia</td>
<td>China ; Thailand ; Japan</td>
</tr>
<tr>
<td>Transport equipment</td>
<td>51.1 %</td>
<td>65.6 %</td>
<td>67.5 %</td>
<td>United Kingdom ; Germany ; Spain</td>
<td>Germany ; Belgium ; United Kingdom</td>
</tr>
<tr>
<td>Fresh food</td>
<td>50.6 %</td>
<td>73.9 %</td>
<td>62.6 %</td>
<td>Thailand ; China ; United States of America</td>
<td>Malaysia ; Thailand ; China</td>
</tr>
<tr>
<td>Leather products</td>
<td>26.5 %</td>
<td>75.5 %</td>
<td>51.7 %</td>
<td>United Kingdom ; Japan ; Germany</td>
<td>Japan ; United Kingdom ; Germany</td>
</tr>
<tr>
<td>Textiles</td>
<td>26.2 %</td>
<td>87.2 %</td>
<td>65.3 %</td>
<td>United States of America ; Australia ; Canada</td>
<td>United States of America ; Canada ; United Kingdom</td>
</tr>
<tr>
<td>Basic manufactures</td>
<td>20.7 %</td>
<td>65.1 %</td>
<td>64.2 %</td>
<td>Germany ; United States of America ; United Kingdom</td>
<td>Thailand ; United States ; America ; China</td>
</tr>
<tr>
<td>Clothing</td>
<td>20.4 %</td>
<td>72.8 %</td>
<td>67.2 %</td>
<td>United States of America ; Germany ; United Kingdom</td>
<td>United States of America ; Germany ; United Kingdom</td>
</tr>
<tr>
<td>Chemicals</td>
<td>6.6 %</td>
<td>95.1 %</td>
<td>61.4 %</td>
<td>Netherlands ; Philippines ; Algeria</td>
<td>China ; Philippines ; Italy</td>
</tr>
<tr>
<td>Minerals</td>
<td>-41.2 %</td>
<td>93.4 %</td>
<td>56.7 %</td>
<td>Singapore ; Thailand ; Republic of Korea</td>
<td>Singapore ; Thailand ; Republic of Korea</td>
</tr>
<tr>
<td>Unclassified products</td>
<td>-36.7 %</td>
<td>96.5 %</td>
<td>71.4 %</td>
<td>Singapore ; United States of America ; Japan</td>
<td>China ; Singapore ; United States of America</td>
</tr>
</tbody>
</table>

3.2.5 Sectors by World Demand - Export

3.2.6 Sectors by World Demand - Import
3.2.7 Trade Performance Index

![Trade Performance Index of Cambodia (mirror)](chart)

**Source:** ITC Trade Competitiveness Map

- The figures displayed on the bars correspond to the country’s global rankings among other countries that export the same category of products.
- The current index and change in world market share index are the world country ranking for the sector under review.
- Country names use their ITC names, and are not colored.
- Country names are linked where possible under review and figures are based on minor statistics (trade data reported by partner countries).
4. Trade Strategy and Policy

4.1 Trade and Development Strategies

<table>
<thead>
<tr>
<th>Year</th>
<th>Strategy name</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ITC by country - Cambodia</td>
<td></td>
</tr>
</tbody>
</table>
4.2 Domestic and Foreign Market Access

Overview: Trade Policy and Business Environment

The Kingdom of Cambodia is classified as a low income country. It is ranked 102nd out of 132 countries in the World Economic Forum (WEF) Enabling Trade Report (2012), which measures institutions, policies and services to facilitate trade in countries. Cambodia has experienced an average GDP growth rate of 9.4 per cent for the past 10 years. Despite a short economic recession in 2009, the economy has experienced a stronger recovery thereafter, with an average growth rate around 6 per cent, since 2010. The economy relies on agriculture, garments and textile manufacturing, tourism, and construction. High production costs, namely electricity, transport, customs clearance, and bureaucracy, are the main obstacles constraining the attractiveness of Cambodia to foreign investment. While the local government is trying to improve the business environment and to enable beneficial market access, significant barriers to doing business remain, primarily, poor regulation including corruption and bureaucracy issues, as well as weak infrastructure (Bertelsmann Stiftung 2014; CRDI 2013).

Bertelsmann Stiftung, 2014, Cambodia Country Report
CRDI, 2013, Impact of the Global Financial Crisis on Cambodian Economy at Macro and Sectoral Levels
WTO, 2011, Trade Policy Review (Cambodia)

<table>
<thead>
<tr>
<th>INDICATOR, UNITS</th>
<th>RANK/132</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Market Access The pillar assesses the level and complexity of a country’s tariff protection as a result of its trade policy. This component includes the effective trade-weighted average tariff applied by a country, the share of goods imported duty free and the complexity of the tariff regime, measured through tariff variance, the prevalence of tariff peaks and specific tariffs, and the number of distinct tariffs.</td>
<td>133</td>
<td>2.95</td>
</tr>
<tr>
<td>Foreign Market Access The pillar assesses tariff barriers faced by a country’s exporters in destination markets. It includes the average tariffs faced by the country as well as the margin of preference in destination markets negotiated through bilateral or regional trade agreements or granted in the form of trade preferences.</td>
<td>1</td>
<td>5.26</td>
</tr>
<tr>
<td>Tariff rate (%) This indicator is calculated as a trade-weighted average of all the applied tariff rates, including preferential rates that a country applies to the rest of the world. The weights are the trade patterns of the importing country’s reference group (2012 data). An applied tariff is a customs duty that is levied on imports of merchandise goods.</td>
<td>125</td>
<td>13.03</td>
</tr>
<tr>
<td>Complexity of tariffs, index 1-7 (best) This indicator is calculated as the average of the following indicators: Tariff dispersion, Specific tariffs and Number of distinct tariffs. See description of each individual indicator for more details. Prior to averaging, values for each indicator were transformed to a 1–7 score, using the min-max method.</td>
<td>76</td>
<td>5.62</td>
</tr>
<tr>
<td>Tariffs dispersion (standard deviation) This indicator reflects differences in tariffs across product categories in a country’s tariff structure. The variance is calculated across all the tariffs on imported merchandise goods, at the 6-digit level of the Harmonized Schedule.</td>
<td>87</td>
<td>9.05</td>
</tr>
<tr>
<td>Tariffs peaks (%) This indicator is the ratio of the number of tariff lines exceeding three times the average domestic tariff (across all products) to the MFN (most-favoured nation) tariff schedule. The tariff schedule is equal to the total number of tariff lines for each country. These tariffs are revised on a yearly basis.</td>
<td>98</td>
<td>9.88</td>
</tr>
<tr>
<td>Specific tariffs (%) This indicator is the ratio of the number of Harmonized System (HS) tariff lines, with at least one specific tariff, to the total number of HS tariff lines. A specific tariff is a tariff rate charged on fixed amount per quantity (as opposed to ad valorem)</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td>Number of distinct tariffs This indicator reflects the number of distinct tariff rates applied by a country to its imports across all sectors.</td>
<td>5</td>
<td>4.00</td>
</tr>
<tr>
<td>Share of duty-free imports (%) Share of trade, excluding petroleum, that is imported free of tariff duties, taking into account MFN tariffs and preferential agreements. Tariff data is from 2013 or most recent year available and imports data is from 2012</td>
<td>124</td>
<td>7.28</td>
</tr>
<tr>
<td>Tariffs faced (%) This indicator is calculated as the trade-weighted average of the applied tariff rates, including preferential rates that the rest of the world applies to each country. The weights are the trade patterns of the importing country’s reference group (2012 data). A tariff is a customs duty that is levied on imports of merchandise goods</td>
<td>2</td>
<td>3.74</td>
</tr>
</tbody>
</table>
Index of margin of preference in destination markets, 0-100 (best) This indicator measures the percentage by which particular imports from one country are subject to lower tariffs than the MFN rate. It is calculated as the average of two components: 1) the trade-weighted average difference between the MFN tariff and the most advantageous preferential duty (advantage score), and 2) the ratio of the advantage score to the trade-weighted average MFN tariff level. This allows capturing both the absolute and the relative margin of preference.


Trade Policy and Market Access

Cambodia has been a member of the WTO since 2004. Cambodia’s average applied MFN tariff was 15.2 per cent in 2012 whilst the average MFN applied rate on agricultural products (14.5 per cent) remains higher than for industrial goods (11.3 per cent). Cambodia has an escalating tariff structure with rates rising at each stage of processing (WTO 2013). Cambodia joined the Association of Southeast Asian Nations (ASEAN) in 1999 and began granting preferential treatment by reducing tariffs on goods originating in its ASEAN trading partners under the Common Effective Preferential Tariffs. Being part of the ASEAN, Cambodia is eligible to enjoy tariff reductions set in the existing free-trade agreements (FTAs) negotiated between ASEAN and Australia/New Zealand, China, Japan, and the Republic of Korea and the forthcoming FTA with the European Union (WTO 2011). As a Least Developed Country, Cambodia is also benefiting from the Generalized System of Preferences (GSP) schemes operated by developed countries, such as the Everything-But-Arms Initiative of the EU and the GSP programme of the US. Moreover, the Trade and Investment Framework Agreement (TIFA) between Cambodia and the US, which was signed in July 2006, set up the foundation for trade and investment promotion in both countries and positively encourage bilateral dialogues in the meantime.


WTO, 2011, Trade Policy Review (Cambodia)

WTO, 2013, Tariff Profile (Cambodia)

Standard Compliance and Other Relevant Import/Export Restrictions

In recent years Cambodia has prioritized full sanitary and phytosanitary (SPS) compliance, due to the importance of SPS issues for the agriculture sector development, public health as well as its access to foreign market. The deficiency of SPS management is mostly attributed to the lack of technical assistance, the lack of effective regulatory authorities and bureaucracy. To improve its SPS compliance, Cambodia established a 2010 regulation (on the Implementation of an Institutional Arrangement of Food Safety based on a farm- to- table approach), to resolve the problematic agency duplication of functions and inspections through the proliferation of subordinate legislation. With regards to its technical barrier to trade (TBT) measures, Cambodia has taken actions in upgrading its standards, technical regulations, metrology, and conformity assessment capacity, as well as in establishing a TBT enquiry point since its accession to the WTO. The 2007 Law on Standards of Cambodia, as well as the Institute of Standards of Cambodia (ISC), creates the legal basis, and is responsible for all measures related to standards and technical regulations. By 2011, 71 Cambodian standards, mainly on foods, electrical appliances, and tools, have been adopted to facilitate the economic development of Cambodia.

Bertelsmann Stiftung, 2014, Cambodia Country Report

Standards and Trade Development Facility, 2009, SPS Balance Sheet for Cambodia

WTO, 2011, Trade Policy Review (Cambodia)
4.3 Trade Facilitation

According to the World Bank’s Logistics Performance Index (LPI) which measures countries’ trade logistics efficiency, Cambodia is ranked 83rd out of 160 countries surveyed. It has experienced a significant jump from its previous rank of 101st in 2012. In this respect, Cambodia is ranked above the average of its low income country group status, yet according to the OECD Trade Facilitation Indicators (2013), the overall trade facilitation performance remains lower than or equal to the average of low income countries. These advancements are due to the reforms conducted by Cambodia to upgrade its overall logistics performance since 2007. The country adopted legal and regulatory instruments to reform the customs regime, as well as import and export procedures. For instance, as an outcome of the introduction of the Automated System for Customs Data (ASYCUDA) system and its elimination of pre-shipment inspections in 2011, the time and number of documents required for importing and exporting, the time required for document processing, as well as export costs per container, have all been reduced.

Source: OECD, 2013, Trade Facilitation Indicators (Cambodia)
World Bank, 2013, Doing Business 2014 (Cambodia)
World Bank, 2014, Logistics Performance Index (LPI)
WTO, 2011, Trade Policy Review (Cambodia)
Logistics Performance Index – Evolution

Source: World Bank, Logistics Performance Index (LPI)

Note: Source: World Bank, 2014
### 4.4 Business and Regulatory Environment

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>According to the World Bank Doing Business Indicators (2013), Cambodia is ranked 137th out of 189 economies regarding the ease of doing business. In respect to starting a business, resolving insolvency, dealing with construction permits and enforcing contracts, Cambodia has unfavorable performance. It remains time-consuming to start a business and to complete licensing requirements, while enforcing labor codes remains difficult. However, in comparison with performance in 2013, the country has made improvements in most indicators other than paying tax, enforcing contracts and resolving insolvency. For instance, Cambodia has improved its capacity in getting credit by establishing its first private credit bureau in 2013. In reference to the Investing Across Borders Indicators of the World Bank (2014), Cambodia is one of the most open countries to foreign investment in the East Asia and the Pacific region. The country has allowed foreign investment and ownership in most industries, with a few exceptions in port and airport operation, and the electricity transmission industry. Almost no discrimination against foreign investors exists, whether or not it is at the time of initial investment or after investment. There has been notable reform in the management of public finances, and the trade regime is more open and transparent. Nevertheless, corruption, property perpetration, tax evasion, the inefficient government bureaucracy, and the inability to enforce the law altogether impair the investment climate, and are reported to be the top problematic factors hindering foreigners from doing business in Cambodia (US Department of State 2013; WEF 2013).</td>
</tr>
</tbody>
</table>

Source: U.S. Department of State, 2013, Investment Climate Statement (Cambodia)  
WEF, 2013, Global Competitiveness Report  
World Bank, 2014, Doing Business (Cambodia)  
World Bank, 2014, Investing Across Border (Cambodia)

### The Business Environment: Doing Business

![Diagram: Business Environment](Image)

Source: World Bank, Doing Business

### Multilateral Trade Instruments
Abstract

The Trade Treaties Map tool is a web-based system on multilateral trade treaties and instruments designed to assist trade support institutions (TSIs) and policymakers in optimizing their country’s legal framework on international trade.

<table>
<thead>
<tr>
<th>Instrument ratified</th>
<th>85 / 266 instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratification rate</td>
<td>32%</td>
</tr>
<tr>
<td>Weighted score</td>
<td>42.3/100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratification Rate Rank</th>
<th>Weighted Score Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>In World:</td>
<td></td>
</tr>
<tr>
<td>123 / 193</td>
<td>120 / 193</td>
</tr>
<tr>
<td>In Region:</td>
<td></td>
</tr>
<tr>
<td>East/South/South-East Asia</td>
<td>14 / 25</td>
</tr>
<tr>
<td>13 / 25</td>
<td></td>
</tr>
<tr>
<td>In Development level:</td>
<td></td>
</tr>
<tr>
<td>Least developed country</td>
<td>11 / 48</td>
</tr>
<tr>
<td>10 / 48</td>
<td></td>
</tr>
</tbody>
</table>

Graph

Presents a visual illustration breaking down a country’s ratification level according to various categories and compares it to the world average.

Instruments ratified

Click here for a full list and more details about these multi-lateral trade instruments.
4.5 Infrastructure

The latest WEF Global Competitiveness Report (2013) ranked the quality of overall infrastructure of Cambodia 86th out of 142 countries. Among all indicators, the quality of electricity supply and fixed telephone lines are relatively deficient, while mobile telephone subscriptions are ranked high at 38th. The report also identified inadequate supply of infrastructure as the 4th most problematic factor hindering Cambodia from an ease doing business perspective. Key infrastructure (construction and operation) such as telecommunication, electricity and transportation, are mainly dominated by state-owned enterprises (Bertelsmann Stiftung 2014). The electricity supply is particularly deficient, in terms of the low electrification rate, reliance on imported oil, the volatile price and the imparity between low supply and increasing demand. The government is planning to further develop the electricity supply through investment and regional cooperation (Poch & Tuy 2012). Due to the severe damage caused in past conflict and the lack of renovation thereafter, the transportation network is relatively unfavorable in terms of its insufficient accessibility, fragmentation, inadequate professional management, and the lack of maintenance (World Bank 2014). Since 2006, the Cambodian government has been investing in domestic transport system reform, with coverage of rail transportation, the trucking industry, international shipments, air transport and maritime cargo. As for the financial sector, the local authority is committed to develop it in the long term, yet the financial system remains segmented and subject to government influence (Asian Development Bank 2012). Impressive expansion has been seen, yet many challenges remained in terms of competition, credit growth, and serviced access for the larger population (Heritage Foundation 2014).

Bertelsmann Stiftung, 2014, Cambodia Country Report
Ministry of Public Works and Transport (Cambodia), 2012, Infrastructure Development and Transport Logistics
Poch & Tuy, 2012, Cambodia’s Electricity Sector in the Context of Regional Electricity Market Integration
Heritage Foundation, 2014, Economic Freedom Index (Cambodia)
WEF, 2013, Global Competitiveness Report 2013-14
World Bank, 2008, Service Trade Restriction Index
World Bank, 2014, Transport in Cambodia

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Rank/148</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of overall infrastructure How would you assess general infrastructure (e.g., transport, telephony, and energy) in your country? [1 = extremely underdeveloped—among the worst in the world; 7 = extensive and efficient—among the best in the world]</td>
<td>3.07</td>
<td>101</td>
</tr>
<tr>
<td>Quality of roads How would you assess roads in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards)</td>
<td>3.73</td>
<td>72</td>
</tr>
<tr>
<td>Quality of railroad infrastructure How would you assess the railroad system in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards)</td>
<td>2.04</td>
<td>83</td>
</tr>
<tr>
<td>Quality of port infrastructure How would you assess port facilities in your country? (1 = extremely underdeveloped; 7 = well-developed and efficient by international standards). For landlocked countries, this measures the ease of access to port facilities and inland waterways</td>
<td>4.04</td>
<td>74</td>
</tr>
<tr>
<td>Quality of air transport infrastructure How would you assess passenger air transport infrastructure in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards)</td>
<td>4.09</td>
<td>85</td>
</tr>
<tr>
<td>Individuals using Internet (%) Internet users are people with access to the worldwide network.</td>
<td>128.53</td>
<td>34</td>
</tr>
<tr>
<td>Mobile telephone subscriptions/100 pop According to the World Bank, mobile cellular telephone subscriptions are subscriptions to a public mobile telephone service using cellular technology, which provides access to switched telephone technology. Postpaid and prepaid subscriptions are included. This can also include analogue and digital cellular systems but should not include non-cellular systems. Subscribers to fixed wireless, public mobile data services, or radio paging services are not included.</td>
<td>4.94</td>
<td>122</td>
</tr>
<tr>
<td>Fixed broadband Internet subscriptions/100 pop: The International Telecommunication Union considers broadband to be any dedicated connection to the Internet of 256 kilobits per second or faster, in both directions. Broadband subscribers refers to the sum of DSL, cable modem and other broadband (for example, fiber optic, fixed wireless, apartment LANs, satellite connections) subscribers.</td>
<td>0.20</td>
<td>113</td>
</tr>
</tbody>
</table>

5. ITC and the Country/Territory

5.1 ITC Projects

5.1.1 Current projects

No Current Projects Found!

5.1.2 Recent projects

No Recent Projects Found!
5.2 Events

5.2.1 Upcoming events
No data

5.2.2 Recent events
No data
5.3 ITC Contacts
6. Trade Information Sources and Contacts

6.1 Trade Information Sources

This section provides a list of country specific print and online publications on trade-related topics, including both ITC and external sources.

6.1.1 ITC publications

Cambodia: Supply and Demand Survey on Food Products

Supply and demand survey on food products in Cambodia - examines domestic industry, foreign trade, and consumption; provides information on custom duties and other charges, import/export document requirements and practices,...

Buyers/Sellers Meeting on Pharmaceuticals and Natural Products

Read more
Cambodia: Demand Survey on Pharmaceuticals and Natural Products 2005

Demand survey on pharmaceuticals and natural products in Cambodia - outlines market size; provides information on import policy and procedures, import practices, competition and prices, market prospects and suggests market...

Read more

State of e-Business and Potential for Development in ASEAN Countries

Paper focusing on the status of e-Trade readiness in ASEAN member states (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) - outlines basic e-Trade readiness...

Read more

Developing Cambodia’s Tourism Sector

Paper presented at ITC Executive Forum: 'Export of Services: Hype or High Potential? Implications for Strategy-Makers', Montreux, Switzerland, 5-8 October, 2005 - focuses on the development of...

Read more
Trade in Banking Services: The Case of Cambodia

Paper presented at ITC Executive Forum: ‘Export of Services: Hype or High Potential? Implications for Strategy-Makers’, Montreux, Switzerland, 5-8 October, 2005 - provides an overview of the...

Read more

State of e-Business and Potential for Development in Cambodia

Report examining level of development with regard to e-facilitated trade in Cambodia - reviews national policies facilitating e-trade; presents Cambodia’s e-trade support network and describes nature and type of support...

Read more


Study focusing on the key issues that a comprehensive, gender-sensitive export strategy should address - reviews business, development and human rights based arguments to highlight the importance of enhancing women’s...

Read more
Export Competitiveness and Poverty Reduction: Complementary or Competing Objectives?: Evidence from the Clothing Sector in Bangladesh, Cambodia and Sri Lanka

Paper presented at ITC Executive Forum: 'Bringing the Poor into the Export Process: Linkages and Strategic Implications', Berlin, Germany, 27-30 September, 2006 - attempts to investigate the nature...

Read more

Winning National Strategies for Export Development. - Cambodia

Paper presented at ITC World Export Development Forum: 'Bringing down the Barriers - Charting a Dynamic Export Development Agenda', Montreux, Switzerland, 8-11 October, 2007 - focuses on Cambodia's current...

Read more

Cambodia: The Development of Cultural Tourism in Kampong Thom Province: An Excerpt

Paper presented at ITC Executive Forum: 'Bringing the Poor into the Export Process: Linkages and Strategic Implications', Berlin, Germany, 27-30 September, 2006 - focuses on the tourism development...

Read more
Countering NTB's/Supply Side Constraints by Small & Marginal Producers from Developing Asia: Exports as Vehicle for Poverty Reduction

Paper presented at ITC World Export Development Forum: 'Bringing down the Barriers - Charting a Dynamic Export Development Agenda', Montreux, Switzerland, 8-11 October, 2007 - presents different case studies...

Read more

Multilateral Trading System and the New Political Economy for Textiles and Clothing: An Introduction for Least Developed Countries

Study focuses on the WTO Agreement on Textiles and Clothing, ATC and its implications on Least Developed Countries. Discusses issues affecting trade in textiles and clothing, technical and marketing considerations...

Read more

The Future Challenge for Tourism: Cambodia


Read more
Cambodia, Trade, and Enhanced Integrated Framework for Trade Related Technical Assistance

Paper contributed by Cambodia National Strategy Team, presented at ITC Executive Forum: 'Bringing the Poor into the Export Process: Linkages and Strategic Implications', Berlin, Germany, 27-30 September, 2006...

Read more

Bringing the Poor into the Export Process: A Question of Education or Entrepreneurship?

Paper presented at ITC Executive Forum: 'Bringing the Poor into the Export Process: Linkages and Strategic Implications', Berlin, Germany, 27-30 September, 2006 - discusses education or entrepreneurship, as...

Read more

The Export-Led Poverty Reduction Programme in Cambodia: A Case Study

Paper presented at ITC Executive Forum: 'Bringing the Poor into the Export Process: Linkages and Strategic Implications', Berlin, Germany, 27-30 September, 2006 - focuses on the ITC Export-led...

Read more
Report on the Pan-Asian Buyers/Sellers meeting on automotive components

Etude de l’offre sur le riz au Cambodge

Cambodia : Garment Manufacture Value Chain Analysis

Paper contributed by Cambodia National Team, presented at ITC Executive Forum : ‘Business for Development : Implications for Export Strategy-Makers’ , Cancún, Mexico, 6-9 September, 2003 - focuses on the...
The Business Environment in Cambodia: Issues and Possible Solutions

Paper contributed by Cambodia Strategy Team, presented at ITC Executive Forum: "Competitiveness through Public-Private Partnership: Successes and Lessons Learned", Montreux, Switzerland, 26-29 September, 2004 - provides a summary...

Read more

Cambodia: Demand Survey on Pharmaceuticals and Natural Products 2004

Demand survey on pharmaceuticals and natural products in Cambodia - outlines market size and reviews import policy and procedures; also provides recommendations; annexes include company/product profiles.

Read more

LDC Services Exports: Trends and Success Stories

Paper focussing on recent trends in the Least Developed Countries (LDCs) exports of commercial services targeted at trade support institutions and the Aid for Trade community - describes the...

Read more
Cambodia: Company Perspectives - An ITC Series on Non-Tariff Measures

Country report, part of a series of publications assessing the impact of Non-Tariff Measures (NTMs) on the business sector, based on a large-scale survey conducted in Cambodia with companies directly...

Read more

6.1.2 Selected printed information sources

- 2010 Mobilizing Aid for Trade for SPS-Related Technical Cooperation in the Greater Mekong Sub-Region
- 2007 Export Diversification and Value Addition for Human Development: Addressing the Impact of the Agreement on Textiles and Clothing Expiration on Cambodia
- 2007 LIBÉRALISATION DES ÉCHANGES DE SERVICES ET DÉVELOPPEMENT DU TOURISME
- 2006 - Kaplinsky R; Morris M Dangling by a Thread: How Sharp are the Chinese Scissors
- 2004 Traders' Manual for Least Developed Countries: Cambodia
- 2004 Promoting Business and Technology Incubation for Improved Competitiveness of Small and Medium-sized Industries through Application of Modern and Efficient Technologies
- 2009 Impact of Trade Facilitation on Export Competitiveness: A Regional Perspective
- 2013 Philippine Business Report (Department of Trade and Industry)
- 2010 Prospects for Cambodia's Cashew Sub-sector
- 2006 - Bonaglia, Federico Meeting the Challenge of Private Sector Development: Evidence from the Mekong Sub-region
- 2007 - Manchin, Miriam; Pelkmans-Balaoingm Annette O. Rules of Origin and the Web of East Asian Free Trade Agreements
- 2007 The Mekong Region: Trade Trends, Patterns and Policies
- 2007 Export Diversification and Value Addition in Cambodia
- 2007 Global Trade and Poor Nations: The Poverty Impacts and Policy Implications of Liberalization
- 2007 Food Safety and Environmental Requirements in Export Markets: Friend or Foe for Producers of Fruit and Vegetables in Asian Developing Countries
- 2002 Monetary Cooperation in East Asia: A Survey
- 2001 WTO Accessions and Development Policies
- 2007 - Chatterjee S Opportunities for Trade in Services between GMS and India: Challenges and Options for Future
- 2011 Annual Report / Association of Southeast Asian Nations
- 2010 Regional Trade Opportunities for Asian Agriculture
- 2001 Women Entrepreneurs in Least Developed Countries of Asia and the Pacific: Experience From Selected Countries
- 2006 - Mehta R; Narayanan S India's Regional Trading Arrangements
- 2008 PERFIL DE LA INDUSTRIA PARA Guaya de Software
- 2009 Characteristics of Malaysia's Animal Feed Market
2014 Perspectives on Global Development 2014: Boosting Productivity to Meet the Middle-Income Challenge

2010 Mobilizing Aid for Trade for SPS-Related Technical Cooperation in the Greater Mekong Sub-Region

2010 Leather Garments in the EU

2006 Overview of the Current State of Organic Agriculture in Kenya, Uganda and the Republic of Tanzania and the Opportunities for Regional Harmonization

2007 Export Diversification and Value Addition for Human Development: Addressing the Impact of the Agreement on Textiles and Clothing Expiration on Cambodia

2006 - Ruffing, Lorraine Deepening Development Through Business Linkages

2012 OECD Economic Surveys: Chile

2005 - Magder, D Egypt after the Multi-Fiber Arrangement: Global Apparel and Textile Supply Chains as a Route for Industrial Upgrading

2006 Bangladesh: Furniture Export Market Sector Brief


2006 - Boutou, Olivier Management de la sécurité des aliments : De l’HACCP à l’ISO 22000

2006 Trading up : Economic Perspectives on Development Issues in the Multilateral Trading System

2004 Perfiles de mercado para productos bolivianos en los mercados de Argentina, Brasil, Chile, Colombia, Ecuador, México, Paraguay, Perú, Uruguay y Venezuela

2010 Vietnam: Oilseeds and Products

2007 Organic Farming in the Czech Republic: 2007 Yearbook

2007 - Gibbon P; Bolwig S Economics of Certified of Organic Farming in Tropical Africa: A Preliminary Assessment

2006 The Relationship of Third-party Certification (TPC) to Sanitary / Phytosanitary (SPS) Measures and the International Agri-Food Trade; Case Study: Guatemala- with Emphasis on Food Safety

2007 - Ismail F Mainstreaming Development in the WTO : Developing Countries in the Doha Round

2009 Market Report. Focus on the Nordic Market - Fresh Fruit and Vegetables

2001 - Karlöf, Bengt Benchlearning : Good Examples as a Lever for Development

2003 - Martin W; Pangestu M, eds. Options for Global Trade Reform : A View from the Asia-Pacific

2010 L’industrie sri lankaise du textile-habillement

2000 - Hauber, Christiane Formation, Prevention & Determination of Cr (VI) in Leather

2013 Economic and Business Review for Central and South-Eastern Europe

2006 - Gebreselassie Fanta, Elias Does Value Addition at Oilseed Production and/or Spreading the Gain from Export of Oilseed Products Increase the Income of Primary Producers?

2010 - Pannier J Recueil de jurisprudence douanière (1990-2010)

2002 - Beswick R; Dunn DJ Plastics in Packaging : A RAPRA Market Report

2006 Doubling Aid : Making the Big Push Work

2006 Determining 'likeness' under the GATS : Squaring the Circle?

2014 Africa Investor


2007 Libéralisation des échanges de services et développement du tourisme

2007 Offre de Emballage en Afrique de l'ouest

2008 An Overview of the Mobile Phone Banking Industry

2007 Sixth World Congress on Seafood Safety, Quality and Trade

2007 - Wood, Aileen A Comprehensive Library Staff Training Program in the Information Age

2005 - [s.n] The Science of Shrinkage Control : An Interactive Guide to Improved Shrinkage Performances

2011 Libéralisation du transport aérien en Afrique

2012 - Wollenberg E; , eds. Climate Change Mitigation and Agriculture

2009 - Novogratz J The Blue Sweater: Bridging the Gap Between Rich and Poor in an Interconnected World

2011 - Cadot O Impact Evaluation of Trade Interventions : Paving the Way

2011 - Banerjee A V; Duflo E Poor Economics : A Radical Rethinking of the Way to Fight Global Poverty

2014 Edible Nuts in Turkey

2011 Perfil de Frutas Tropicales Frescas y Procesadas en Chile

2011 Germany: Product Brief Fresh Fruits
6.1.3 Selected online information sources

- Asia Regional Information Center
- Mekong Private Sector Development Facility
- Mekong Sources
- Council for the Development of Cambodia (CDC)
- TradeIndonesia.com
- Philippines. National Economic and Development Authority (NEDA)
- Cambodia National Resources Data Bank
- Cambodia Yellow Pages
- Asian Handicraft Promotion and Development Association (AHPADA)
- Garment Manufacturers’ Association in Cambodia
- ASEAN Federation of Textile Industries (AFTEX)
- Mekong Tourism Office (MTO)
- ASEAN Auto-Parts Portal
- ASEAN - Standards and Conformance (ACCSQ: ASEAN Consultative Committee on Standards and Conformance)
- ASEAN Supporting Industry Database
- MekongInfo
- Business in Asia
- Rice Knowledge Bank
- Association of Southeast Asian Nations (ASEAN)
- ASEAN IPR SME Helpdesk
6.2 Trade Contacts