



Talking Point
H.E. PAN Sorasak,
Secretary of State for Commerce
at
World Export Development Forum (WEDF)
Parallel Session II: From Business Concerns to Policy Action:
Overcoming non-tariff obstacles to trade
October 15, 2012, Shangri-La, Jakarta, Indonesia

Non-tariff measures: A Cambodian perspective

1. Non-tariff measures are recognized as:
 - legitimate policy instruments that governments may use to protect human health and safety and animal and plant health;
 - to protect national treasures of artistic, historic or archaeological value;
 - to help conserve exhaustible natural resources and other policy objectives
 - that are laid out in GATT Articles XX and XXI on General Exceptions and Security Exceptions.

2. These measures will necessarily increase the cost of engaging in trade and/or be trade restrictive.
 - ➔ An important principle of the WTO Agreements on SPS and TBT is that measures in these areas should be no more trade-restrictive than is necessary to obtain their policy objective. They must not become instruments for protecting a country's domestic market.

3. Cambodia is an LDC with an emerging international competitiveness in agricultural products, fish and fisheries products and seafood.
 - ➔ It also has the potential to export processed food.

➔ In order to export successfully in these areas, Cambodia will need to satisfy the non-tariff measures imposed by importing countries—primarily their food safety requirements.

4. Cambodia faces the following challenges.

a) **Insufficient** development of SPS and TBT systems.

- Cambodia is at the very early stages of putting in place functioning SPS and TBT regimes, and the product coverage of those regimes is still incomplete.
- For example, we are at the very beginning of putting in place SPS measures on fish, and have just completed standards for rice.
- This incomplete product coverage means that for many products potential exporters receive no support from our regimes.

b) **Transparency.**

- It is often difficult for Cambodian exporters to ascertain what exactly the SPS requirements are in a given export market. We have had the experience of having shipments turned away at their point of entry because requirements that were unknown to the exporter had not been met.
- To be sure, SPS enquiry points required of WTO members are a help.
- In ASEAN, the inventory of NTMs that is being prepared will also help.
- But the costs of securing the necessary information are often high, and the information may be incomplete.

c) **Cost.**

- Meeting an importing country's SPS requirements can be very costly.
- One large importing country, for example, requires that certain fruits grown in Cambodia be irradiated before shipment.
- For Cambodia, this is prohibitively expensive.
- There must be less expensive ways to ensure that the fruit poses no threat to human health.
- The SPS requirements of the EU countries on fish and fish products are another well-known example of complex and costly requirements.

5. The way forward.

Cambodia is moving forward on two fronts.

- **First,**
 - we are receiving donor assistance to put in place SPS and TBT regimes, and will require further such assistance.
 - This includes the drafting of necessary regulations and norms;
 - a lot of training; and help with laboratories. This is an expensive and time consuming task.
- **Second,**
 - we will be seeking targeted assistance in meeting the specific requirements of specific products to specific countries.
 - Recently, for example, China responded positively to our request for assistance in putting in place the SPS procedures that China requires for its rice exports.
 - The result has been the opening of a market that was previously closed to us for SPS reasons.
 - We hope to generate other targeted assistance of this sort in the near future.