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PROMOTING HUMAN DEVELOPMENT IN TRADE NEGOTIATIONS: AN ACTION PLAN FOR CAMBODIA

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Objective

Major findings

1. Organic rice and Coventionally Produced Rice
2. Cashew nuts
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Objective

Propose trade negotiation policies to promote exports of potential sectors

1. Organic and conventional rice
2. Cashew nuts
3. Silk
4. Natural Rubber

Major findings

- Majority of target markets apply low import tariffs
- Most severe tariff barriers: in developing countries like India and China
- Challenging non-tariff barriers: compliance with product-standards and certification procedures
- Quantitative import restrictions for rice

1. Organic rice
& conventionally produced rice

Import tariffs applied to milled rice in top 5 organic retail markets in 2006

Country	Applied import tariff (in %)
EU	0 - 30
USA	0
Switzerland	0
Canada	0
Japan	0 – 626

Import tariffs applied to milled rice in target markets for conventionally produced rice in 2006

Country	Applied import tariff (in %)
Nigeria	20 - 100
Philippines	0 - 50
Indonesia	16
EU	0 - 30
Saudi Arabia	0
China	1 - 65
India	70
Vietnam	0 - 5

2. Cashew nuts

Import tariffs applied to cashew nuts without shell on target markets in 2006

Country	Applied import tariff (in %)
USA	0
Netherlands	0
UK	0
Canada	0
Australia	0
India	30
Vietnam	0 - 5
Indonesia	0

3. Silk

Import tariffs applied to silk shawls & scarves in target markets in 2006

Country	Applied import tariff (in %)
USA	0
France	0
Japan	0
Italy	0
Germany	0

4. Natural rubber

Import tariffs applied to natural rubber in target markets in 2006

Country	Applied import tariff (in %)
EU	0
USA	0
China	20
Japan	0
South Korea	0
Thailand	0
India	25

5. Other barriers?

Non-tariff barriers

- Food safety standards (rice & cashews)
- Sanitary and phytosanitary standards (rice & cashews)
- Product and production standards (rubber, silk & organic rice)
- Certification procedures (organic rice & rubber)
- Quantitative import restrictions (rice)
- Market distorting subsidies (rice)

6. How to increase market access through trade negotiations?

WTO – Doha Round (1)

- Agricultural and non-agricultural market access (India, China, Japan)
- Secure concessions by both, developed and developing countries
- Harmonization of production standards and certification procedures for organic products (USA, Japan, EU)

WTO – Doha Round (2)

- Simplification and harmonization of rules of origin regulations (EU, Japan)
- Elimination of export subsidies on rice (USA)
- Special Safeguard Mechanism (SSM) to protect rice sector from export dumping
- Secure financing for technical assistance & trade capacity building (Aid for Trade Initiative)

ASEAN & ASEAN+

- Secure elimination of quantitative import restrictions on rice within ASEAN

  ⇒ Indonesia & Philippines (rice)

- (Re-)Negotiate low tariffs and technical assistance for ASEAN-LDCs in FTAs between the ASEAN and Third Countries

  ⇒ India, China, Japan, EU (rice, rubber)

Preferential Treatment (1)

	Silk	Cashew nuts	Rubber	Rice
Tariff advantage in %	1.5	0.1	- 0.3	- 4.9

⇒ no or low tariff advantage of Cambodia against major 5 competitors in world market

Preferential Treatment (2)

- Secure and deepen preferential market access through available trade frameworks

⇨ Japan (GSP)
Philippines & Indonesia (AISP)
EU (utilization of EBA)
India (FTA)
China (GSP)

Bilateral Negotiations

- Deepen trade integration with target markets through Trade and Investment Agreements (TIFAs, FTAs)

⇨ USA & Saudi Arabia: increased financing for technical assistance and trade capacity building

⇨ Nigeria: tariffs on rice

Conclusion

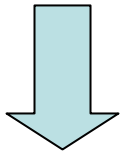
- Tariff and non-tariff barriers in general to be addressed through the WTO
- Market access for rice, rubber and cashews to India, China and Japan to be increased through ASEAN
- Financing for trade capacity building needed (Aid for Trade & ASEAN+)

However ...

- Trade negotiations show results only in the long run
- Limited in increasing market access significantly to important target markets:
  - India (rice, rubber, cashew nuts)
  - China (rice & rubber)

Additional activities needed

Address supply side constraints



- **Trade capacity building**
- **"Enabling" trade and industrial policy environment**

Thank you for your attention!