

Asia-Pacific Trade Briefs: Cambodia

- Cambodia’s merchandise exports grew strongly by 18.7% in 2013. Additionally, services exports grew by 10%. This was considerably higher than both the Asia-Pacific average of 2.1% growth in merchandise exports and the 4.9% growth in services exports. Merchandise and services imports grew by 18.2% and 15.6%, respectively. Cambodia ran a trade deficit in 2013, as in 2012. The total trade deficit was \$3.7 billion in 2013 [Figures 1 and 2].
- In 2013, Cambodia experienced a decrease in FDI inflows with a contraction of 3.5% to \$1.3 billion. This contrasts with the otherwise notable growth from 2011 to 2012. The fall in FDI inflows compares negatively with the regional average of 6.6% growth. FDI outflows, while still very small in terms of value, increased by 16% to \$42 million in 2013 [Figures 1 and 4].
- The largest single source of FDI inflows in Cambodia was China, which accounted for 25% of total greenfield FDI inflows, followed by Japan with 17%. In terms of outward investment, companies from Cambodia invest mainly in Lao People’s Democratic Republic and Myanmar, with 87% and 8% of outward greenfield FDI going to those destinations, respectively. Inward FDI flows are much less concentrated by source, than outflows are by destination [Figure 5].
- Compared to the regional average, Cambodia has a relatively restrictive trade regime. The average MFN bound tariff at 19.1% is lower than the Asia-Pacific average, while the average applied tariff at 10.9% is higher than the regional average. The effectively applied average tariff rate of 12.4%, which also reflects preferential tariff rates where available, is above the regional average of 7.2%. As 100% of products are covered by bound rates, Cambodia has less trade policy flexibility than some other least developed countries in the region [Figure 3].
- Cambodia has 6 trade agreements in force, which is below the regional average of 7.2. Only 18% of its total exports are to PTA partners, while the average figure for the Asia-Pacific is 38%. In contrast it buys 74% of its imports from the PTA partners, higher than the regional average of 45% [Figure 6].

Figure 1. Key Trade and Investment Indicators

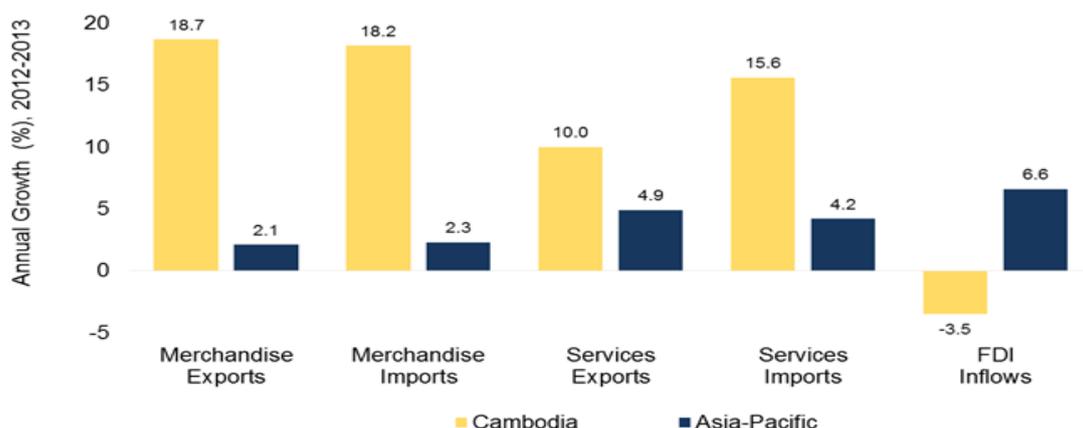


Figure 2. Merchandise Trade

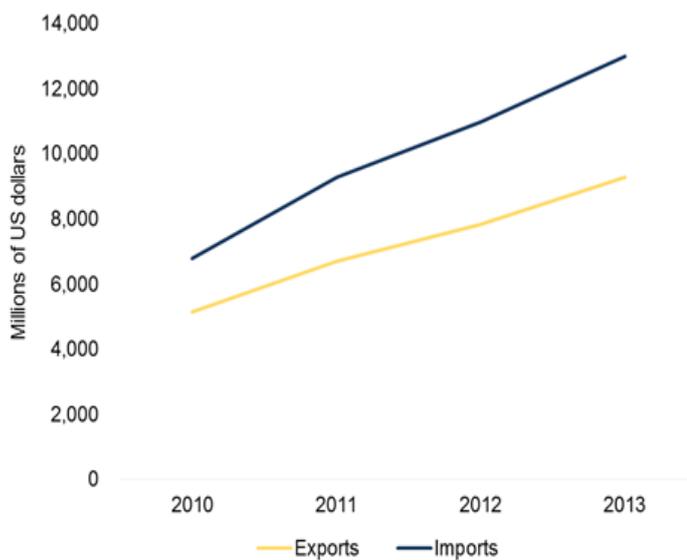


Figure 3. Average Tariffs

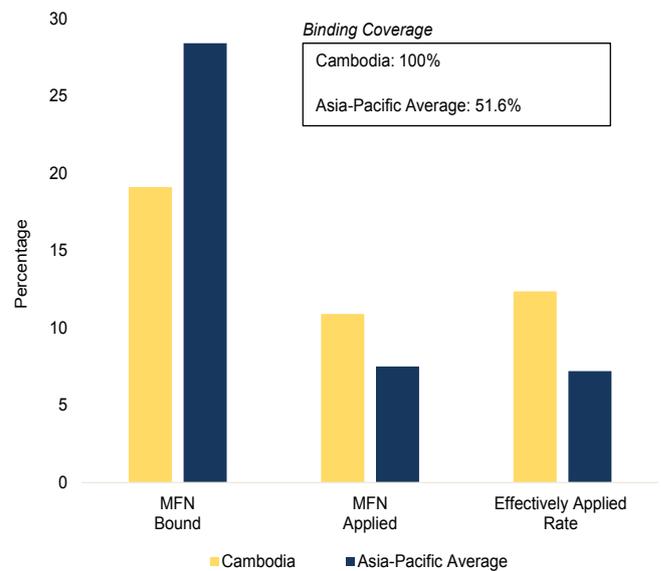


Figure 4. FDI Flows

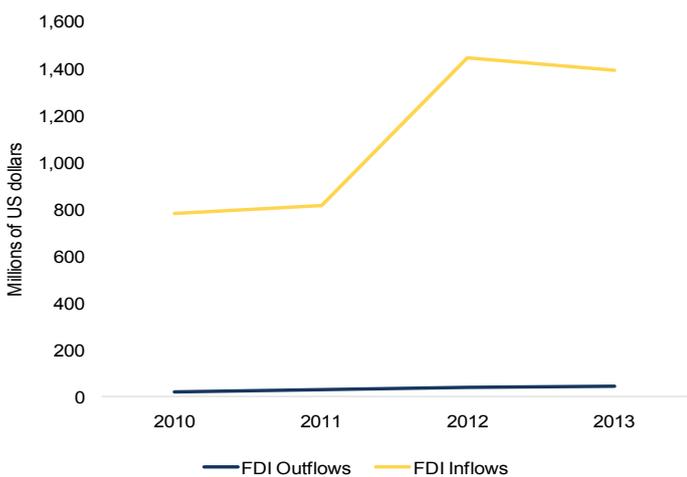
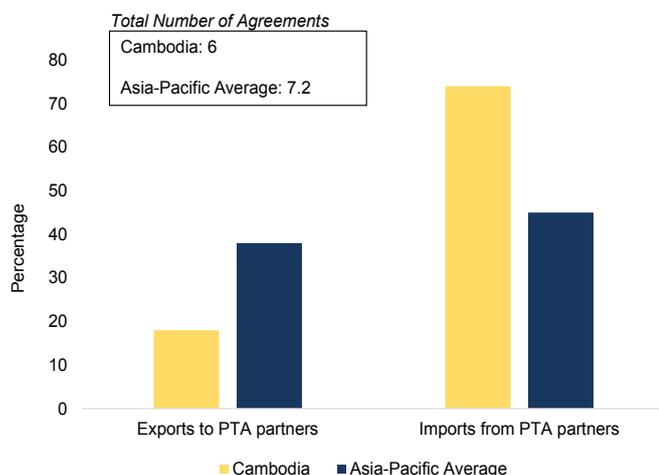


Figure 5. Top 5 FDI Partners

Sources of inward greenfield FDI	Share of total (Avg. % 2010-2012)	Destinations for outward greenfield FDI	Share of total (Avg. % 2010-2012)
China	25%	Lao PDR	87%
Japan	17%	Myanmar	8%
Malaysia	16%	Russian Federation	4%
United States	11%	Macao, China	1%
Viet Nam	8%		

Source: fDi Intelligence 2014

Figure 6. Preferential Trade Agreements



Notes

FDI: foreign direct investment
 PTA: preferential trade agreement
 MFN: most-favoured nation
 Definitions:
 Exports to PTA partners: share of exports to PTA partners in total exports. Average over 2010-12.
 Imports from PTA partners: share of imports from PTA partners in total imports. Average over 2010-12.
 MFN Applied: tariffs applied on imports among WTO members.
 MFN Bound: maximum MFN tariff levels agreed to as part of WTO obligations.
 Effectively Applied Rates: the lowest available tariff on a product category i.e. the preferential rate if available.
 Binding Coverage: percentage of product lines with an agreed bound rate.
 Average Tariffs: simple average, data is for year 2012.

Source: Asia-Pacific Trade and Investment Report (APTIR) 2014 unless otherwise specified.
 For more information contact escap-tid@un.org.

