

Chapter 2

Free Trade Agreements: Cambodia

November 2019

This chapter should be cited as

Ministry of Commerce and Ministry of Economy and Finance Kingdom of Cambodia (2019), 'Free Trade Agreements: Cambodia', in *Energy Pricing in India: A Study on Taxes and Subsidies*. ERIA Research Project Report FY2018 no.16, Jakarta: ERIA, pp.35-36.

Chapter 2

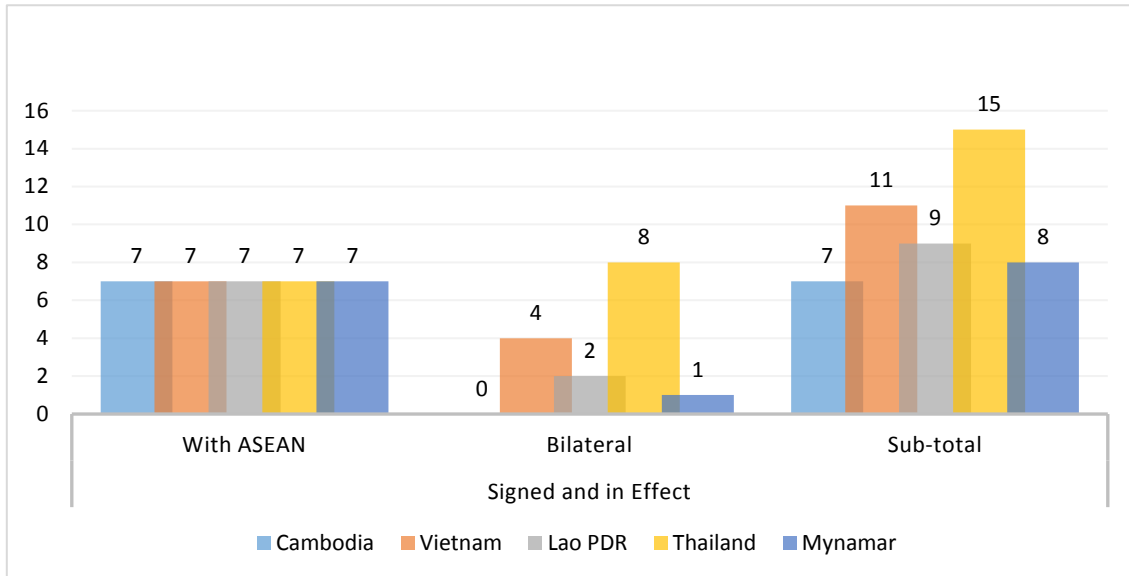
Free Trade Agreements: Cambodia

Cambodia signed at least seven regional FTAs and is negotiating another under the ASEAN Framework. These include the ASEAN FTA (AFTA), ASEAN–Australia–New Zealand FTA, ASEAN–China FTA, ASEAN–Japan FTA, ASEAN–Korea FTA, ASEAN–India FTA, and the recently signed ASEAN–Hong Kong FTA. Currently, Cambodia is negotiating for the Regional Comprehensive Economic Partnership. Additionally, the ASEAN–Canada FTA is being considered as another possible regional agreement with North America.

To date, Cambodia has neither initiated, negotiated nor signed any bilateral FTA with any country unlike its neighbouring countries (Figures 47 and 48). This reflects Cambodia's less diversified international trade policy, which heavily relies on the ASEAN Framework as the foundation for FTA negotiation. To cope with the rapidly changing dynamics of global growth, Cambodia must adopt a market diversification strategy to widen its access. Through CEFTA, Cambodia would

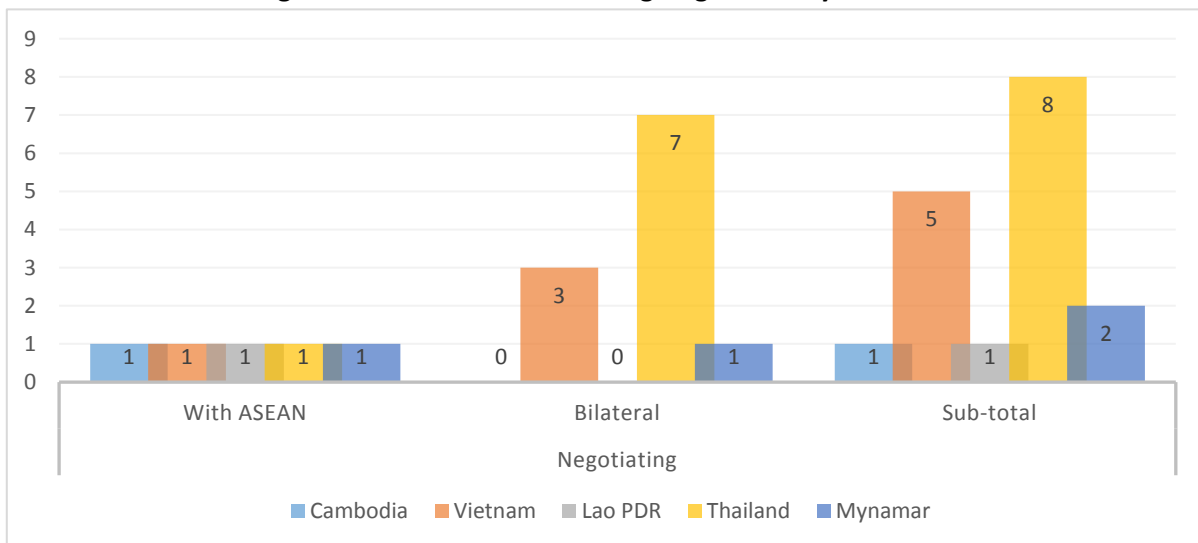
gain the first-hand experience in negotiating a FTA bilaterally and separately from ASEAN. With a liberalised trade policy regime under AFTA and an ongoing negotiation of the Regional Comprehensive Economic Partnership, Cambodia is well poised to prepare for a comprehensive FTA with EAEU members, which would enable it to capture vast benefits beyond the tariff reduction and elimination.

Figure 47. Number of FTAs Signed and In Effect, by Country



ASEAN = Association of Southeast Asian Nations, FTA = free trade agreement.
Source: Author.

Figure 48: Number of FTAs Being Negotiated by Countries



FTA = free trade agreement.
Source: Author.