

Preface

Cambodia and the Eurasian Economic Union (EAEU) are seeking a free trade agreement between them to increase trade, investment, and economic collaboration. This research has been undertaken in response to a request from the Ministry of Commerce (MOC), the Ministry of Economy and Finance (MEF), and the Royal Government of Cambodia, to undertake a feasibility and impact study of the Cambodia–EAEU FTA on Cambodia. The project was supported by the Economic Research Institute of ASEAN and East Asia (ERIA) as part of its continuous efforts to promote the deeper economic integration of Association of Southeast Asian Nations (ASEAN) Member States into the regional and global economy.

Cambodia has been exploring a free trade agreement (FTA) with the EAEU to expand market access to Eastern Europe. The EAEU is a common market comprised of five nations (Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia), 176 million people, and a gross domestic product of US\$2.5 trillion. The study examines the key impacts of a Cambodia–EAEU FTA on the Cambodian economy and the ASEAN region in terms of trade, investment, welfare, and the growth impact on the domestic and regional economy.

The study aimed to provide a quantitative and qualitative assessment of the impacts of the proposed FTA between Cambodia and the EAEU on Cambodia. It also examines the EAEU's current FTAs and provides an update on recent developments in the Singapore–EAEU FTA negotiations and the Viet Nam–EAEU FTA (VN–EAEU FTA).

The study also documents the trade and investment related issues of the border and behind-the-border issues affecting trade and foreign investment between Cambodia and the EAEU. It also identifies key sectors that will be affected by the Cambodia–EAEU FTA. The study focuses on several key sectors in particular: (a) energy, (b) manufacturing (garment and textiles), (c) agriculture, (d) tourism, (e) aviation, (f) telecommunications, and (g) logistics.

The study identifies key policy challenges and recommendations to inform policymakers and help them maximise the benefits from the FTA negotiations.



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