**Trade Policy Review of Cambodia**

(First Session on 26 March 2025)

# Statement by Hong Kong, China

* Thank you, Chair.
* Hong Kong, China (HKC) warmly welcomes Her Excellency **Mrs. CHAM Nimul**, Minister of Commerce of Cambodia, and her delegation to the third Trade Policy Review of Cambodia. We would also like to thank the Discussant, Ambassador **BAXTER** of Australia, for sharing his perspective to facilitate today’s discussion.
* As always, we are grateful to the WTO Secretariat for the comprehensive report.

# Cambodia and Hong Kong, China

* HKC and Cambodia have long been enjoying harmonious bilateral trade and economic relations. In 2024, the merchandise trade between HKC and Cambodia recorded a growth of more than 10%, with the value amounted to nearly US$ 1 billion. As for trade in services, the latest statistics shows an impressive growth of 24%, amounting to about US$220 million.
* The Free Trade Agreement and Investment Agreement signed between HKC and the ASEAN have reinforced our trade and investment partnership. The two agreements have entered into force for both HKC and Cambodia by February 2021. I take pride in being the chief negotiator in the negotiations of the agreements, and would like to reiterate our appreciation of Cambodia’s commitment to the progressive reduction of customs duties for most of the tariff lines.
* When the Chief Executive of the Hong Kong Special Administrative Region led a delegation to visit Cambodia in July 2024, thirteen memoranda of understandings were signed, covering a wide range of co-operation in investment promotion, trade, aviation and financial services, etc. These partnerships underline the potential for our broader and deeper cooperation with Cambodian business and institutions. Hong Kong, China looks forward to working closely with Cambodia on various fronts to strengthen our bilateral economic ties in the years to come.

# Cambodia and WTO

* Cambodia became a WTO Member in 2004, and has since shown the world how domestic reforms associated with accession to the WTO has propelled the growth of an LDC.
* We note from the Secretariat Report that the average annual GDP growth during the review period is 5%, and trade has been crucial in Cambodia’s sustained economic performance. Cambodia has been diversifying its industrial base, developing high value-added products and services, as well as maintaining an open investment regime.
* We encourage Cambodia to continue strengthening its business environment and legal framework, for its active participation in the global value chain under the rules-based multilateral trading system.

* HKC commends Cambodia’s strong dedication to the multilateral trading system and its continued commitment to the WTO. We are impressed by Cambodia’s engagement across all major areas of WTO’s work and negotiations, and its readiness to take up leadership roles during the review period, including chairing the Council on Trade in Services and being the coordinator of the LDC Group.
* HKC appreciates Cambodia’s participation in the Joint Statement Initiative on Investment Facilitation for Development (IFD). In particular, we owe our thanks to Ambassador **SUON** for taking up the pivotal role as Co-Facilitator to lead the engagement with non-participants. HKC looks forward to working closely with Cambodia and other participants to secure the early incorporation of the IFD Agreement into the WTO legal architecture, so that we can reap the Agreement’s pro-development benefits as soon as possible.

# Trade Policy of Cambodia

* With respect to the trade policy of Cambodia, we have the following main observations.
* First, on **tariff**, we appreciate that Cambodia has bound 100% of its tariff lines, with an increase in duty-free tariff lines from about 14% in 2017 to 15% in 2024. Over the same period, the average applied MFN tariff has also dropped from 12.3% to 10.8%.
* However, the noticeable discrepancy between the average bound rate of 20.9% and the 2024 applied MFN average of 10.8% has reduced the predictability of Cambodia’s tariff regime. We further note from the Secretariat Report that the applied rates of 94 tariff lines appear to have exceeded, either fully or partially, their corresponding bound rates. We urge Cambodia to look into these tariff lines and align them with Cambodia’s binding commitments.
* Second, on **trade facilitation**, we commend Cambodia for its progress in implementation of the Trade Facilitation Agreement (TFA). Its full implementation of the TFA is a shining example for many WTO Members to follow. During the review period, Cambodia introduced several measures and reforms to facilitate the trade and reduce costs for traders. These included the establishment of the National Single Window and the Authorized Economic Operator (AEO) programme, streamlining customs processes, and using electronic pre-arrival declaration. We encourage Cambodia to continue their reforming process, and promoting the AEO programme for a higher utilisation in order to enjoy the maximum benefits from it.
* Third, on **agriculture,** a vital sector that supports over five million Cambodians, we note a five-fold increase in total exports from about US$ 650 million in 2017 to US$ 3,600 million in 2023, with Cambodia being the world’s sixth largest exporter in rice in 2023. On market access for agricultural goods, we notice that despite a drop in average applied MFN tariff from 14.6% in 2017 to 12.2% in 2024, it remained higher than the average rate of 10.6% for non-agricultural goods.
* Fourth, on **services**, we note that it is an important driving force of Cambodia’s economy accounting for 38.5% of GDP in 2023. Major contributors to services trade include wholesale and retail trade, accommodation and food services activities, as well as finance and insurance sector. We are also pleased to see that exports of digitally delivered services almost tripled during the review period. We appreciate Cambodia’s efforts in limiting restrictions of foreign-ownership participation in trade in services.
* Lastly, HKC thanks Cambodia for its timely replies to all our written questions. We wish Cambodia a successful Trade Policy Review and look forward to further cooperation with Cambodia towards a robust, inclusive and sustainable multilateral trading system.
* Thank you.

# Hong Kong Economic and Trade Office in Geneva

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