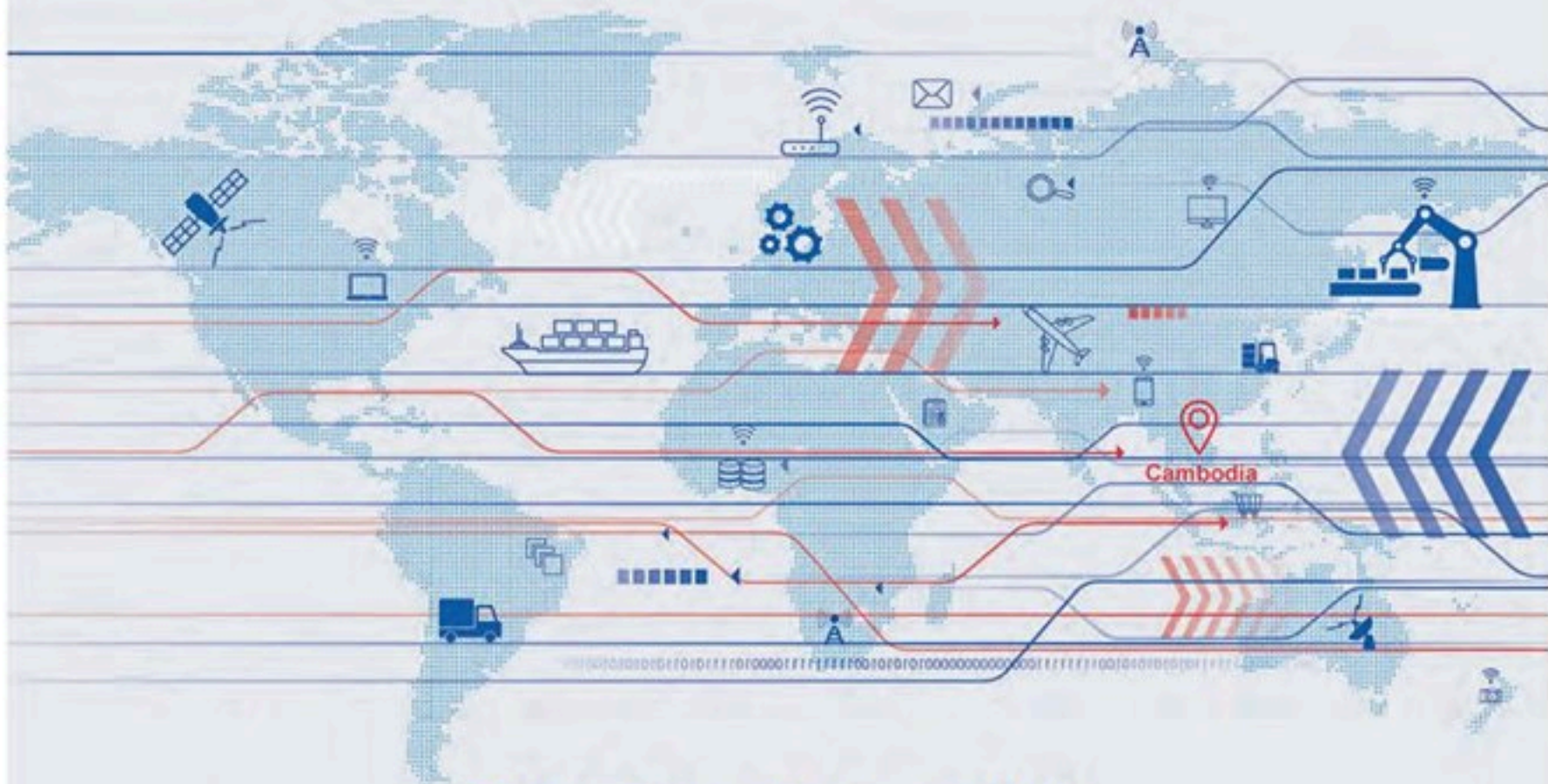




KINGDOM OF CAMBODIA
NATION RELIGION KING

CAMBODIA TRADE INTEGRATION STRATEGY 2019 – 2023



● Main Report ● Action Matrix



July 2019

FOREWORD



Cambodia has, for the last two decades, enjoyed exceptional economic growth of around 7.2% per annum, ranking as one of the fastest growing economies in the world. This rapid rise in prosperity is very notable indeed and in 2015, with the gross national income (GNI) per capita surpassing US\$1,075, Cambodia reached an important milestone in its development by having its status reclassified from a low-income country to a lower-middle income country, according to the World Bank criteria.

At the forefront of this remarkable growth is trade. In the foreseeable future, trade will continue to play this engine role. Against this backdrop, the Ministry of Commerce undertook the formulation of its fourth-generation trade strategy called the Cambodia Trade Integration Strategy (CTIS) 2019-2023, covering the sixth mandate of the Royal Government of Cambodia. This fourth iteration uses, as underlying foundations, the Rectangular Strategy Phase IV, the Industrial Development Policy 2015-2025 encapsulating Cambodia Vision 2030 and 2050, WTO Trade Policy Review 2017, Sustainable Development Goals (SDG) among others. It provides an up-to-date integration strategy for short- to medium-term to ensure trade development objectives for the sixth mandate are realized and that trade contributes directly to the achievement of Vision 2030 and the Cambodian SDGs.

CTIS 2019 puts a special focus on new developments, in recent years, in the global setting that could have detrimental impact on Cambodia's economy if not mitigated. The emergence of protectionism and the rise of geopolitical divide provide both threats and opportunities for small economies like Cambodia. In addition, other external factors such as potential unilateral suspension of trade preferences, the fast-changing environment in the forms of bilateral and multilateral free-trade agreements affecting favourable trading rules and systemic erosion of preferences through future Cambodia's graduation out of Least Developed Country (LDC) warrant a closer look at Cambodia's trade competitiveness factors and how Cambodia can maintain its comparative advantage.

In this regard, competitiveness analysis was conducted for current labour-intensive manufacturing sectors that are the mainstays of the Cambodian economy through addressing priority needs in cross-cutting areas such as skills, education, trade facilitation, trade logistics, business climate, trade financing and quality infrastructure and standards, among others, to ensure Cambodia remain competitive and maintain comparative advantage for sustainable growth. In doing so, the study identifies priority needs to sustain and develop the current sectors by enhancing stagnant and nascent industries. Policy considerations will also be made in the areas of regional integration, potential bilateral FTAs, and other cooperation platforms. In the meantime, the advent of digital economy and the fourth industrial revolution laid down the needs to diversify and to leverage opportunities in new growth sectors, especially for fostering new value added and skill-oriented industries, emerging digital economy and services sector and harnessing the power of e-Commerce.

With this 4th CTIS, I am confident that Cambodia will continue to maintain this remarkable rise and achieved all the objectives set forth in the strategy. This strategy provides a clear path for policy actions for all stakeholders with the Ministry of Commerce at the forefront. I call on other trade-related ministries and agencies, private sector and non-state actors to implement, make value contribution to Cambodia's economic development through trade and to help realize long-term vision and sustainable goals.

A handwritten signature in blue ink, appearing to read 'Sorasak'.

PAN Sorasak
Minister of Commerce

Acknowledgements

The CTISU 2019-2023 team addresses its special thanks to H.E. PAN Sorasak, Minister of Commerce, Chair of the *Inter-Ministerial Committee for Updating the Cambodia Trade Integration Strategy 2019-2023* for his strong commitment, encouragements and unfaltering support to the completion of this work. Special thanks also to H.E. LCT TEKRETH Kamrang, Secretary of State, Ministry of Commerce and EIF Focal Point for Cambodia, H.E. SOK Sopheap, Secretary of State, Ministry of Commerce, H.E. PENN Sovicheat, Under Secretary of State, Ministry of Commerce as well as to the Members of the *Inter-Ministerial Committee for Updating the Cambodia Trade Integration Strategy 2019-2023* for support to the team throughout the preparation of the strategy.

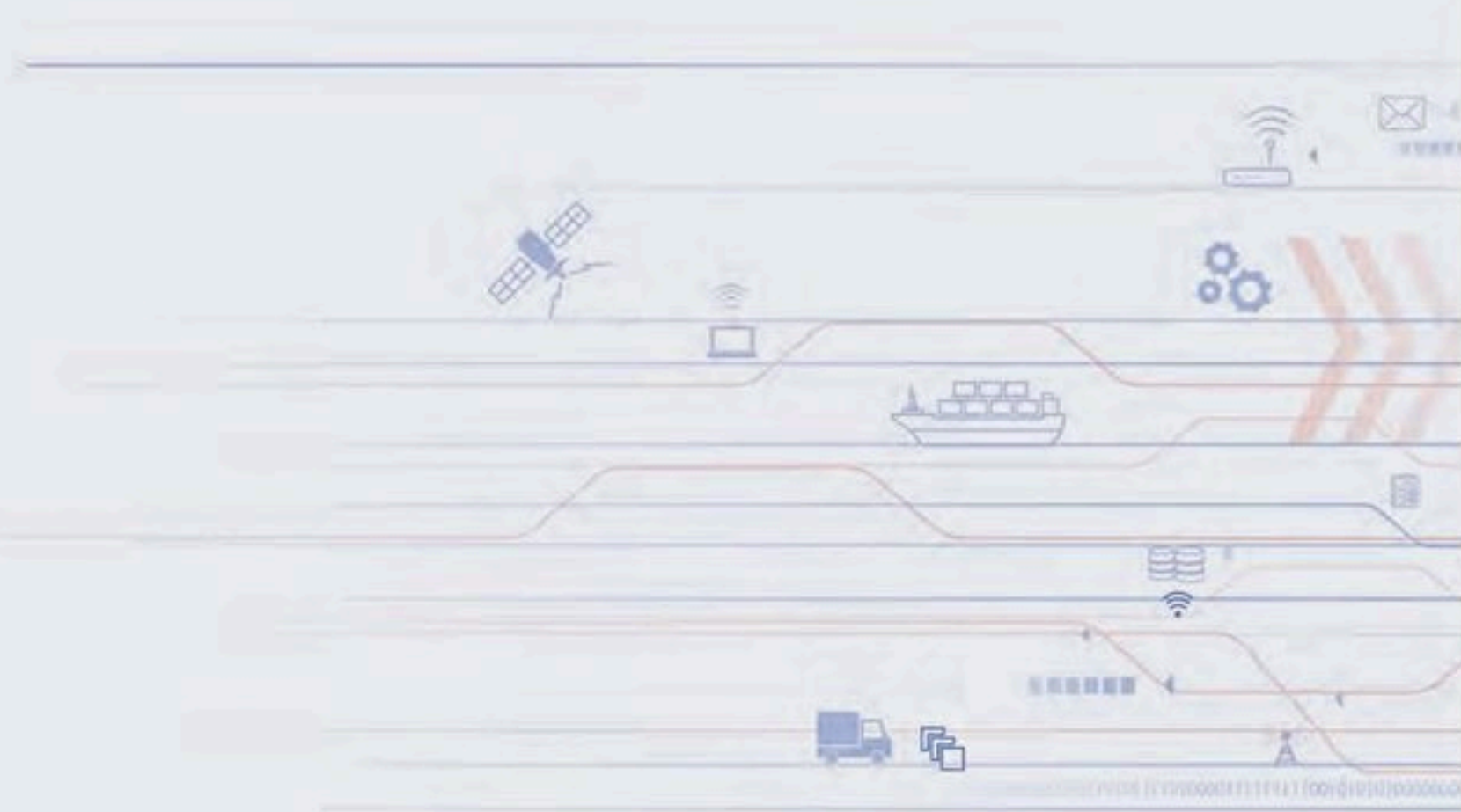
Special thanks for the unwavering logistical support during the entire process to the MoC CTISU Task Team composed of:

- **Mr. SUON Prasith** Deputy Director General, General Directorate for International Trade
- **Mr. LONG Kemvichet** Deputy Director General, General Directorate for International Trade
- **Mr. KIM Lydet** Acting Director of the Department of International Cooperation
- **Ms. EK Sereyroath** Chief of Bureau of Trade Sector Wide Approach Office
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- **Mr. DUONG Vannarith** Deputy Chief of Trade Sector Wide Approach Office
- **Mr. SOU Vuthy** Deputy Chief of Admin and Aid Management Office
- **Ms. YANG Maria** Official of Trade Sector Wide Approach Office

The strategy benefited as well from more than 250 stakeholders who took part in the 12 Focus-Group discussions organized throughout the formulation process as well as from the more than 150 bilateral meetings organized with key stakeholders, including resident development partners. While it is not possible to thank them all individually here, the strategy would not have been possible without their support.

CTIS 2019-2023 Inter-Ministerial Committee (Task Force)

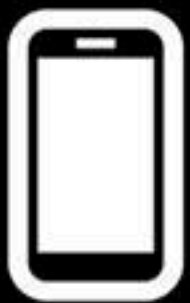
The CTIS 2019-2023 Inter-Ministerial Committee (Task Force) was created in September 2018 to guide the CTIS update process, from the concept note to the final validation. Members of the Committee provided invaluable comments, directions, encouragements and inputs to the CTISU team. They ensured that the CTISU could be aligned with the Government development plans and did not overall but rather complemented existing sector development policies and plans.



THE CAMBODIA TRADE INTEGRATION STRATEGY (CTIS) 2019 - 2023

AN INITIATIVE OF THE MINISTRY OF COMMERCE WITH THE SUPPORT OF DEVELOPMENT PARTNERS





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