

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE KINGDOM OF CAMBODIA
AND
THE GOVERNMENT OF THE KINGDOM OF THAILAND
ON BORDER TRADE

The Government of the Kingdom of Cambodia and the Government of the Kingdom of Thailand, hereinafter referred to as "the Parties",

Realizing the significance and the necessity to develop economic partnership between the two countries towards sustainable growth and prosperity;

Desiring to increase trade volume between the two countries and to utilize the potentials of the Cambodian-Thai border areas for various trade and investment activities;

Reaffirming the commitments to promote cooperation according to the Bagan Declaration, done in Bagan, Union of Myanmar, on 12 November 2003, and to further enhance the bilateral and regional economic cooperation under the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) through the facilitation for the exchange of goods to promote mutual gains between the two countries; and

Reiterating the need to reduce development gap existing between the member countries according to the Initiatives for ASEAN Integration (IAI) through various cooperation programmes and mutual assistances.

HAVE AGREED AS FOLLOWS:

ARTICLE 1
Objectives

1. This Agreement aims to strengthen bilateral cooperation between the two countries in the following areas:
 - (a) promotion of border trade;
 - (b) enhancement of comparative advantage of the two countries in the areas of agriculture, industry and service sectors;
 - (c) enhancement of competitiveness of the two countries in the areas of production, trade, investment and services, and
 - (d) poverty alleviation of the two peoples in the border areas through job creation.

2. For the purpose of this Article, the Parties shall cooperate, introduce, and implement various effective measures with a view to promoting economic development through border trade of both countries.

ARTICLE 2 Designated Border Crossing Points

1. The border trade shall be conducted through the designated border crossing points as follows:

- (a) Khlong Luek, Aranyaprathet, Sa Kaeo Province of Thailand and Poipet, O'Chrou, Banteay Meanchey Province of Cambodia;
- (b) Ban Hat Lek, Khlong Yai, Trat Province of Thailand and Cham Yeam, Mondol Seima, Koh Kong Province of Cambodia;
- (c) Chong Sa-Ngam, Phu Sing, Si Sa Ket Province of Thailand and Chuam, Anlongveng, Oddar Meanchey Province of Cambodia;
- (d) Chong Chom, Kap Choeng, Surin Province of Thailand and O'Smach, Samrong, Oddar Meanchey Province of Cambodia;
- (e) Ban Phakkard, Pong Nam ron, Chanthaburi Province of Thailand and Krong Pailin of Cambodia;
- (f) Ban Lam, Pong Nam Ron, Chanthaburi Province of Thailand and Phnom Pruk, Battambang Province of Cambodia; and
- (g) Other border crossing points to be notified by mutual agreement between the Parties.

2. The Parties are committed to providing adequate facilitation for the inspection and delivery of goods at the designated border crossing points.

3. The goods and services to be traded and exchanged under this Agreement shall be those which are not included in the list of prohibited goods and services for export and import of each country. These lists appeared as Annex 1 and Annex 2 attached hereto. In the event of any amendment to these lists, the Parties shall immediately inform each other of such amendment before it comes into effects.

ARTICLE 3 Business Council

1. The Parties shall cooperate in the establishment of the Cambodia-Thailand ACMECS Business Council at provincial level as specified as "the Sister Cities Programmes" in the ACMECS' Plan of Action.

2. The Parties shall encourage the respective private sectors to work towards various arrangements necessary for an effective function of the Cambodia-Thailand ACMECS Business Council.

ARTICLE 4 Trade Privileges

In the spirit of the Initiatives for ASEAN Integration (IAI), the Parties are committed to the implementation of the ASEAN Integration System of Preferences (AISP) in which special trade privileges from Thailand have been extended to Cambodia. The Parties are also committed to extending to each other various privileges deemed necessary for the development of border trade.

ARTICLE 5 Currency

Trade under this Agreement may be conducted in freely usable currencies or in currencies mutually agreed upon by the two countries.

ARTICLE 6 Account Trade

The Parties shall work towards the establishment of the Account Trade System as a supplement to the promotion of border trade. The Parties shall expedite the process of drafting the Bilateral Payment Arrangement (BPA) as a legal basis for the implementation of the Account Trade.

ARTICLE 7 One Stop Service

The Parties shall cooperate in the creation of One Stop Service at various border check points of entry to facilitate the movement of goods and people.

ARTICLE 8 Wholesale Market

The Parties shall cooperate in the establishment of the wholesale market for agricultural products, commodities and other products to promote the exchange of goods between the two countries as well as the transit of goods to a third country.

ARTICLE 9
Review and Amendment

This Agreement may be reviewed periodically with the consent of both Parties to ensure its successful implementation and may be amended by written agreement of both Parties. Such amendments shall enter into force on such date as may be agreed between them.

ARTICLE 10
Settlement of Disputes

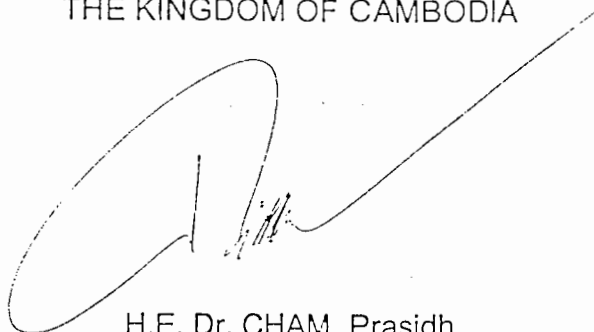
Any differences or disputes arising out of the interpretation application or implementation of the provision of this Agreement shall be settled amicably through consultation or negotiation between the Parties.

ARTICLE 11
Entry into Force

1. This Agreement shall enter into force on the date of signature.
2. This Agreement shall remain in force for a period of two years and shall be automatically renewed every 2 years thereafter, unless either Party notifies the other in writing of its intention to terminate this Agreement at least three months before its expiry.
3. The termination of this Agreement shall not affect the validity and duration of any arrangement and/or contracts made under this Agreement until the completion of such arrangements and/or contracts.

Done in duplicates in Siem Reap, Cambodia on 16th February 2006 .

FOR THE GOVERNMENT OF
THE KINGDOM OF CAMBODIA



H.E. Dr. CHAM Prasidh
Senior Minister
Minister of Commerce
The Kingdom of Cambodia

FOR THE GOVERNMENT OF
THE KINGDOM OF THAILAND



H.E. Dr. Somkid Jatusripitak
Deputy Prime Minister
Minister of Commerce
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