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Additional Questions and Replies

The Government of the Kingdom of Cambodia has submitted the following replies to additional questions submitted by Members.

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II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE

1. Economy

(b) Current economic situation

Question 1

In the response to question 2, Cambodia stated that "customs duties accounted for 55 per cent and 51 per cent of total tax revenue in 1998 and 1999. For those same two years, customs revenue accounted for 41 per cent and 36 per cent, respectively, of total budget revenue." Does the 51 percent of "total tax revenue" in 1999 attributed to "customs duties" include VAT, excise taxes, turnover taxes, etc.?

Answer:

Please see the answer to Question 2.

Question 2

Of the portion of revenue collected at the customs border, what part of the total is due to tariffs, and what part to the application of turnover, sales, VAT, and excise taxes, which are also applied to domestic goods?

Answer:

The structure of budget revenue has evolved in recent years as tax reform has progressed. The latest information on the role of imports in generating budget revenue is for the year 2000, and is contained in the table immediately below.

Year 2000

(in million Riels)

TOTAL Government Revenue	Of which total tax revenue		Of which total revenue collected at the border on imports		Of which Customs duties		Of which Excise taxes		Of which VAT	
	1	2	3	4	5	6				
	Amount	% (2:1)	Amount	% (3:2)	Amount	% (4:3)	Amount	% (5:3)	Amount	% (6:3)
1,448,523	1,059,708	73.15	779,301	73.53	372,822	47.84	93,684	12.02	312,795	40.14

In Cambodia, the turnover tax and the sale tax are not collected at the customs border.

2. Economic Policies

(a) Main directions

Question 3

We seek a commitment from Cambodia, similar to that included in other accession protocols that its price controls will observe the provisions of Article III: 9.

Answer:

The internal price controls are currently applied only to electricity and water utilities, which are not imported items. Cambodia, like any WTO Member, will be subject to the provisions of Article III: 9 of GATT 1994.

(c) Foreign exchange and payments system

Question 4

Regarding the response to Question 5, it is thus correct to state that all foreign exchange transactions are permitted, spell out provided that these take place through authorized intermediaries. The same article defined authorized intermediaries as "only banks that are permanently established in the Kingdom of Cambodia." On the basis of the reply furnished by Cambodia can we conclude that, under the 1997 Law on Foreign Exchange, foreign bank branches in Cambodia could not become "authorized intermediaries" for foreign exchange transactions or are branches considered as permanent establishments?

Answer:

According to the banking law, banking and financial institutions may be locally incorporated in Cambodia or be a branch of a foreign bank. Foreign bank branches are thus also covered under Article 5 of the 1997 Law on Foreign Exchange and are considered as permanent establishments.

Question 5

Regarding the response to Question 6, has Cambodia's membership of the IMF under Article 8 being completed?

Answer:

Since the practices and the provisions of the existing banking laws and regulations are in line with the contents of Article 8 of the IMF Articles of Agreement, there is no obstacle for Cambodia's membership under that Article. The IMF Resident Representative in Cambodia has confirmed the formality for membership is expected to be completed by the end of 2001.

Question 6

Does Cambodia require that foreign exchange proceeds from importing and exporting be converted into local currency?

Answer:

There is no requirement for having foreign exchange proceeds from importing and exporting activities be converted into local currency.

(d) Foreign and domestic investment policies**Question 7**

The response to Question 10 indicates that Cambodia conditions subsidies on export performance. To the extent that the benefits provided are, in law or in fact, contingent upon export performance or import substitution, they are prohibited subsidies as provided for in the WTO Agreement on Subsidies and Countervailing Measures. Please detail all such subsidies, as provided for in the Law on Investment of 4 August 1994, Sub-Decree No. 88 ANKR.BK on the Implementation of the Law on Investment dated 29 December 1997, and the Sub-Decree on the Amendment of the Sub-Decree on the Implementation of the Law on Investment of the Kingdom of Cambodia, dated 11 June 1999, or other legislation.

Answer:

The eligible projects approved by Council for the Development of Cambodia (CDC), receive the incentives spelled out in Art. 14 on the Law on Investment:

1. A corporate tax rate of 9% except on the exploration and exploitation of natural resources, timber, oil, mines, gold, and precious stones which shall be set in other laws.
2. A corporate tax exemption of up to 8 years depending on the characteristics of the projects. (See appendix Matrix of Sub-Decree No. 88). Corporate tax exemption shall take effect beginning from the year the project derives its first profit. A 5-year loss carried forward shall be allowed. In the event profits are reinvested in the country, such profits shall be exempted from all corporate tax.
3. Non-taxation on the distribution of dividends or profits or proceeds of investments, whether transferred abroad or distributed in the country.

None of the above incentives is linked to export performance.

4. 100% import duties exemption materials, means of production, equipments, intermediate goods, raw materials and spare parts used by:
5. An export-oriented project with a minimum of 80% of the production exported;
6. Projects located in a designated Special Promotion Zone (SPZ) listed in a development priority list issued by the council;
7. Tourism industry
8. Labour-intensive industries, processing industries, agro-industry;

9. Physical infrastructure and energy industry.

It should be noted that the Investment Law does not provide for any reduction, remission or exemption of direct taxes linked to export performance. There are thus no export subsidies as defined by paragraphs (e) and (f) of Annex I of the Subsidies Agreement. As regards indirect taxes, the exemption of import duties for exporting firms envisaged in the Investment Law is entirely analogous to the exemption referred to in Article 1 (note 1) of the Subsidies Agreement and paragraph (h) of the Annex I to that Agreement. It is true that the exemption from import duties referred to in paragraph (h) of Annex I would in principle be better granted through a duty draw-back scheme. In Cambodia's present circumstances such a scheme would not produce results substantially different from those produced under the present arrangements. These arrangements are thus not trade distorting.

As a Least Developed Country Cambodia does not have the necessary administrative resources to operate properly a duty draw-back scheme. Further, we understand that under Art. 27.2 of the Agreement on Subsidies and Countervailing Measures, LDCs and other developing countries referred to in Annex VII, are exempted from the application of paragraph 1(a) of Art. 3 (prohibition of subsidies contingent upon export performance).

Question 8

In document WT/ACC/KHM/3 Cambodia states that it is considering revising incentives offered to investors, e.g., allowing existing investors to retain the original incentive for a number of years after any revision takes place. Please indicate how, and when, Cambodia intends to eliminate prohibited export subsidies from its trade regime. Any request for a transition on these issues must involve a detailed commitment to the elimination of the WTO-inconsistent practices.

Answer:

Please refer to the Answer to Question 7 above. As we understand, Art. 27.2 states that LDCs are exempted from the "prohibited subsidy" provision in Art. 3:1(a).

Question 9

Regarding the response to Question 8, investment in certain sectors affecting national security, social safety, or economic necessity shall be restricted (Article 3, paragraph 3.2 of the Sub-Decree No. 88 on the Implementation of the Law on Investment). Can it be confirmed that an economic needs test only applies to investment in certain sectors and could Cambodia list the sectors concerned?

Answer:

There are no economic needs tests. Certain sectors are closed to both nationals and foreign investors, or are subject to restrictions on their activity. These sectors are identified in Annex I.

(e) **Competition policies**

Question 10

Regarding the response to Question 15, is unfair competition prevented only with regards to advertising activities?

Answer:

Cambodia is in the process of developing its competition legislation which will cover not only advertisement activities but also other areas of businesses.

For example, acts of unfair competition are mentioned in the draft Law on Marks, Trade Names and Acts of Unfair Competition, Chapter 7, Articles 22 and 23:

- a) all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial, commercial or service activities of a competitor;
- b) false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial, commercial or service activities of a competitor.
- c) indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity of the goods.

(f) **Privatization**

Question 11

Cambodia's goal of long-term privatization of state-owned enterprises as encouraging. In document WT/ACC/KHM/3 Annex II, Cambodia provides a broad summary of the sectors in which state-owned enterprises operate. Please provide the names of these enterprises and information on the goods and services State-owned enterprises produce and the role State-owned enterprise play in their distribution. For example, Cambodia states in Annex II it operates four Public Works and Transport enterprises. Please provide more detail.

Answer:

Please see Annex II.

Question 12

Please list the enterprises that Cambodia intends should remain State-owned when privatization is completed.

Answer:

Enterprises to be retained as state-owned enterprises when privatization is completed.

No.	Ministry	State-owned enterprises to be retained
1.	Ministry of Commerce	Green Trade Company
2.	Ministry of Industry, Mines and Energy	Electricity of Cambodia (EDC)
3.	Office of the Council of Ministers	Printing House of the Office of the Council of Ministers
4.	Ministry of Economy and Finance	Rural Development Bank
5.	Ministry of Public Works and Transport	Sihanouk Ville Port, Phnom Penh Port, Kampuchea Shipping Agency and Broker (KAMSAB), Laboratory of Construction, Royal Railway Station, Neak Loeung Ferry, Tonle Bet Ferry and Prek Kdam Ferry.
6.	Ministry of Agriculture, Forestry, and Fisheries	Agricultural Inputs Company. Discussions are ongoing on whether the 7 Rubber State-owned enterprises are be retained as state-owned enterprises after the privatization is completed.

Question 13

Cambodia includes in document WT/ACC/KHM/2 a table that details its privatization effort by ministry/other government entity. Please confirm that this table includes data on all enterprises that were/are State-owned firms, regardless of whether or not they will be privatized.

Answer:

Yes, the table is comprehensive.

Question 14

In response to Question 21 (page 9 of document WT/ACC/KHM/3) Cambodia indicates that it is working on estimates of the value of imports, exports, and GDP of state-owned enterprises. We appreciate Cambodia's effort to produce this information. When will data on State Owned Enterprises likely to be available to the Working Party?

Answer:

The estimate turnovers of certain state owned enterprises are described in Table 5, Annex II.

III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE IN GOODS AND TRADE IN SERVICES

Question 15

We note that Cambodia has submitted existing legislation to the Secretariat and we will be reviewing these in more detail. We note new and revised laws are in preparation in a number of areas directly relevant to implementation of the WTO. Cambodia has mentioned the names of these laws, but it would be helpful to understand more fully the coverage of these draft laws and the timetable for their implementation. It would also be helpful if Cambodia could submit the draft laws when this is possible. We would also be interested in Cambodia's plans to ensure more effective implementation of legislation.

Answer:

A Legislation Action Plan is being submitted to the Working Party. Cambodia has made available to interested members of the Working Party selected draft legislation. (see answer to Question 20.) Cambodia is currently undertaking legal and judicial reform one component of which will be to ensure the effective implementation of legislation.

Question 16

Does Cambodia have a plan of action for legislative changes to address the deficiencies already identified in its legislation as it relates to WTO provisions? If not, we suggest that one be developed. We look forward to working with Cambodia on this, if necessary.

Answer:

See answer to Question 15. In order to ensure the timely execution of the Legislation Action Plan, technical assistance will be sought from WTO member countries.

Currently, certain laws are already in conformity with the WTO rules, for instance, legislation governing the banking sector was established in collaboration with the IMF and experts from central banks of some developed countries. Legislative reforms in other sectors such as investment and agriculture have been undertaken aiming to bring them in conformity with the WTO rules. The amendment of the Law on Investment is being debated to respond to two main objectives: increase government revenues and maintain the competitiveness of Cambodia. Technical assistance are provided by international organizations such as the International Monetary Fund (IMF), World Bank, FIAS, and the Asian Development Bank (ADB). The Ministry of Agriculture, Forestry and Fisheries has a plan of action for amending its existing laws and regulations to bring them in lines with WTO Agreement on Agriculture and Agreement on the Application of Sanitary and Phytosanitary Measures. For further information, please see the submission "Legislation: Implementation Agenda".

Question 17

Please report on the status of the assistance project to establish the Law on Civil Code and Civil Procedure (1999-2001). Will this law address the due process requirements of Article X and the WTO Agreements? What is Cambodia's plan and timetable for establishing a clear-cut right of appeal to an independent tribunal for administrative decisions?

Answer:

Currently, there is a technical assistance project from Japan to draft the Civil Code and Civil Procedures Code. Main parts of the draft Civil Code will be completed by March 2002 and the whole draft of Civil Code will be finalized by March 2003. The draft Civil Procedure Code will be finalized in March 2002.

The Civil Procedures Code will comply with the due process requirements of Article X of the GATT Agreement (the due process provisions is provided in Articles 2, 3 and 4 of the Code). The general provisions of the Civil Procedures Code provide for the right of access to the court system. The courts shall make efforts to ensure that civil actions are adjudicated in a fair and efficient manner. In both civil and criminal cases, the parties concerned have two months to appeal against the judgments rendered by the courts presently. As long as the draft Civil Procedure Code is concerned, the period of appeal is one

month (Article 264 of the Draft Civil Procedure Code). The party against whom a default judgment was issued is entitled to petition for setting it aside. The statutory period for the petition to set aside is 15 days presently and run upon the service of the default judgment. Relating to the new draft Civil Procedure Code, the period for the petition to set aside is two weeks (Article 204).

Currently, there are 3 recourses for traders and investors to review or appeal administrative decisions taken by the national administrations:

- recourse to the proper official who makes decision in order to revise the decision.
- recourse to higher authorities in the administration.
- recourse to an independent tribunal, especially to the Administrative Chamber of the Appellate Court. Pursuant to Chapter III of the draft Law on Judicial Organization (Articles 20 and 24), the Administrative Chamber of the Appellate Court has jurisdiction over administrative cases and acts as the court of the first instance. Its decisions are subject to appeal before the Supreme Court that acts as the court of second instance.

Question 18

While administrative decisions can be appealed through the courts, there does not appear to be an appeal process of the kind required under GATT Article X(3). What are Cambodia's plans in this area?

Answer:

Please see answer to Question 17.

Question 19

We appreciate the listing of legislation in the response to Question 37. It does not, however, adequately respond to the request for information. Cambodia should provide the Working Party with information on the aspects of these laws that address WTO issues and a sense of when the laws will be enacted.

Answer:

Please see answers to Question 15 and 16.

Question 20

We would appreciate copies of the following draft laws for review, and any others that address Cambodia's efforts to implement WTO:

- **draft Commercial Contract Law;**
- **draft Law on Business Organizations;**
- **draft Commercial Arbitration Law;**
- **draft Trade Marks Law;**
- **draft Law on the Establishment of a Commercial Tribunal;**

- **draft Law on Insurance;**
- **draft Law on Export Processing Zone;**
- **draft Law on Patents and Industrial Designs;**
- **draft Law on Customs Code;**
- **draft Copyrights and Related Rights Law; and**
- **draft Law on Cambodia National Standards Institute.**

Answer:

The draft Law on Insurance was enacted on July 25, 2000. The law and its implementing sub-decree will be submitted to the Working Party.

Some of the drafts mentioned in the question were made available to the secretariat and drawn to the attention of Working Party Members in ACC/KHM/5 (17 October 2001).

The draft Trade Marks Law and the Sub-Decree on Industrial Standards are being made available to the secretariat.

The other drafts mentioned above will be made available as soon as practicable.

IV. POLICIES AFFECTING TRADE IN GOODS

1. Import Regulation

(a) Registration requirements for engaging in importing

Question 21

The right to import and to export goods is a fundamental part of the WTO. This right should not be abridged for either domestic or foreign firms or individuals. We distinguish the right to import and export from the right of distribution. Cambodia's response to Question 49, page 19 of document WT/ACC/KHM/3, referencing the *Prakas* on Trading Activities signed 25 January 2000 indicates that some barriers to foreign owned firms engaging in international trade have been removed, i.e., the requirement of 51 per cent of capital shares in a company to engage in import and export transaction is eliminated, and both Cambodian and foreign companies that have been registered with the Ministry of Commerce have the right to operate import-export businesses, except as regards military equipment and narcotic drugs. Please indicate what, if any, restrictions remain on the right of firms and individuals to engage in import or export trade.

Answer:

All firms, foreign and domestic, that are properly registered with the Ministry of Commerce may engage in import and export activities..

Question 22

Could Cambodia describe the administrative process for a firm to amend their registration to allow for importing or exporting of goods or services?

Answer:

Under Article 17 and 18 of Law on Commercial Rules and the Commerce Registry, a firm is allowed to amend its registration by submitting an application to the Ministry of Commerce to amend its Memorandum and Articles of Association. Amendments can be made to include business objectives with regard to import and export activities. The amended registration will be deposited at the Office of Registry at the Ministry of Commerce.

Question 23

We remain concerned that the measures described in Annex 7b:Section IV:2(B) of document WT/ACC/KHM/2 describing the process for registering a limited company to the proper Cambodian authorities, including the list of documents and letters that the limited company must present including photos of directors and shareholders, continues to be unnecessarily burdensome to larger firms with many stockholders, e.g., foreign firms, and does not appear to apply to domestic firms. We would appreciate a more detailed presentation by Cambodia on its corporate registration requirements as they are applied to foreign and domestic firms.

Answer:

There are two types of limited companies, namely Private Limited Company and Public Limited Company. For Private Limited Company the requirement to submit photos applies to both members of the board of directors and the shareholders, as the latter are limited to a maximum of 30 individuals only. For Public Limited Company the requirement to submit photos applies only to members of the board of directors. The purpose of having the photos requirement is for security reasons, particularly for the prevention of fraud. We believe that it would not create any obstacles for companies to meet this requirement.

Question 24

Regarding the response to Question 47, why there is a distinction on the fee to be paid for investment project application approval depending on the value of the project? How this conform with Art. VIII GATT? Is that correct that the prior approval of the investment project is a pre-condition to obtain the import license?

Answer:

Different fees apply to different investment project applications. The reason for this distinction is that administrative expenses incurred for investment projects of routine nature, i.e simple technology are less than those involving high technology and environmentally sensitive nature which required more administrative and analytical services.

We understand that Article VIII of GATT 1994 does not apply to service charges for the assessment and approval of investment project applications. The Article covers only charges for services rendered related to importation of goods.

Import license for trading activities is not required prior to approval of the investment project. There is no pre-condition to obtain import license prior to the approval of the investment project.

(b) Characteristics of national tariff**Question 25**

Can Cambodia specify which tariff lines are currently included under the 35 per cent tariff band?

Answer:

The Cambodian tariff lines as of 1 July 2001 with a 35% tariff rate cover mostly luxury goods and some other finished manufactured products. As may be seen from the table below, 1,832 tariff lines are included in the 35% band. The 4-digit HS classifications that contain the 1,832 tariff lines are presented in Annex III. The structure of the updated tariff bands is as follows:

0. Base rate	0%	7%	15%	35%	Total
Tariff lines	297	2,758	1,936	1,832	6,823

Please also see answer to Question 26.

Question 26

Cambodia states that its tariff classification system conforms to the HS 96 nomenclature at the six-digit level. Please provide this in electronic media, including current applied rates as soon as possible.

Answer:

Cambodia's updated customs tariff, at the eight-digit level, is being submitted to members of the Working Party.

Question 27

In response to Question 54 (page 22 of document WT/ACC/KHM/3) Cambodia provides a table outlining the characteristics of its new 2000 tariff nomenclature. The table adds up to 6,822 lines or 99.7 percent of the full schedule. There appears to be several lines not included in the current table. (In an earlier table, Cambodia noted that nine tariff lines could not be allocated among the bands.) Could Cambodia explain why lines were not provided, their duty, and what products these lines cover?

Answer:

The updated 2001 customs tariff of Cambodia, which conforms to the HS 1996, contains only 6,823 tariff lines. There is no missing tariff line.

Question 28

Could Cambodia clarify the meaning of the following column headings that appear in Annex III of document WT/ACC/KHM/3:

- CD-** Is this an abbreviation of Custom's Duty?
ST- Please provide a definition of "ST".
VAT- Does this refer to Value Added Tax?
Exp- Is "Exp" an abbreviation for a preferential exemption?

Answer:

CD is	Customs Duty
ST is	Specific Tax (excise tax)
VAT is	Value Added Tax
Exp is	EXPORT
Imp is	IMPORT
ET is	Export Tax

Question 29

We are pleased to note that Cambodia has adopted the 1996 Harmonized Tariff. We would also be interested to know when we might expect Cambodia to submit a tariff offer so that bilateral negotiations can be commenced.

Answer:

We expect to submit the tariff offer in the near future.

(c) Tariff quotas, tariff exemptions

Question 30

In response to Questions 55 and 57 (page 23 of document WT/ACC/KHM/3) Cambodia indicates the Prime Minister may suspend import duties when there is a political or economic crisis or a compelling reason of national interest. As an illustrative example, Cambodia indicated duties were suspended on imported automobiles for members of the National Assembly. Please provide a comprehensive list of current circumstances when custom's duties are routinely suspended.

Answer:

Routine suspension of customs duties occurs as follows:

According to the provisions of the Article 9.1 of the Cambodian Law on Import –Export Duty adopted by the National Assembly on 20 July 1989, the following items are imported free of customs duty:

1. Temporary import items for re-export, temporary export item for exhibition, trade fair and advertisement.
2. Transit goods.
3. Goods belonging to Cambodian people working or learning abroad and purchased with their own income.

4. Gift or donation imported or exported by organizations, associations, or official delegations.
5. Goods produced by people living along the border for border trade and whose quantity will be determined by the Ministry of Finance.

Under the 1994 Investment Law, goods imported under investment project approved by CDC are exempted from customs duties.

In addition, as reported in the Answers to Questions 55 and 57 in KHM/3, the Prime Minister has the authority to order ad hoc exemptions for compelling reasons of national interest. There are at present no such exemptions in force.

Question 31

Does Cambodia currently exempt equipment, parts, and technical supplies required for airports in connection with air services from customs duties? What is the current rate of duty on imports of aircraft and aircraft parts?

Answer:

There are no such exemptions. The current ad valorem rate of duty on aircraft and aircraft parts is 15%.

Question 32

Approximately what portion of imports enter duty free through tariff exemptions? Through duty free treatment accorded to imports from ASEAN?

Answer:

So far, there have been no imports from ASEAN countries at preferential tariff rates. See the table below for information on duty forgone because of import duty exemptions.

Data on Duty Forgone from Tariff Exemption

(In Million Riels)

No.	Fiscal year	NGOs	Diplomats	Garment investors	Other Investors	Exports	Foreign financial assistance in kind	Import for Re-export	Objects and Personal affects	Total
1	1998	-	-	-	-	-	-	-	-	395.691
2	1999	19.077	6.932	485.585	10.341	1.230	41.847	56.682	27.526	649.220
3	2000	18.865	12.310	635.375	18.409	730	34.343	65.597	24.619	810.248

Source: Report of year 2000 from Customs and Excise Department.

Question 33

Does Cambodia expect to implement tariff rate quotas upon accession to the WTO? If so, on which tariff lines?

Answer:

The extent to which the introduction of tariff rate quotas on agricultural imports might be needed will become clear during the market access negotiations.

(d) Other duties and charges, specifying any charges for services rendered

Question 34

In response to Question 76 (page 30 of document WT/ACC/KHM/3) Cambodia indicates the Customs fee of 15,000 Riels (approximately US\$4) charged for each export/import declaration covers the cost of printing and time spent by custom's officials. Could Cambodia confirm that this charge is applied to imports of all goods from all sources, e.g., is it exempted on imports from preferential trading partners?

Answer:

The customs fee of 15,000 Riels charged for each export-import declaration to cover the cost of printing is applied to imports of all goods from all sources.

Question 35

Approximately what number of declarations per month are processed and how many officials are engaged in directly processing these declarations?

Answer:

Approximately 6,000 declarations/month, processed by about 100 customs officials.

(e) Quantitative import restrictions, including prohibitions, quotas and licensing systems

Question 36

In response to Question 61 (page 25 of document WT/ACC/KHM/3) Cambodia indicates that it is preparing an exhaustive list of import prohibitions (e.g., on narcotics and poisons). When will such a list be available to the Working Party?

Answer:

The list will be submitted in the near future.

(f) Import licensing procedures

Question 37

Regarding the response to Question 62, please indicate the time needed to obtain the import license.

Answer:

As regards pharmaceuticals and vitamins, the time required to obtain a license for the first consignment of a product is 3 weeks, due to time needed for laboratory analysis. For subsequent shipments of the same product, laboratory analysis is not required and licenses are granted in one week.

Question 38

Cambodia's import licensing system does not apply widely, and Cambodia claims that it is consistent with the WTO. Nonetheless, Cambodia will need to complete the questionnaire on import licensing procedures for examination by the Working Party.

Answer:

The questionnaire was completed once but is in the process of being updated.

Question 39

Cambodia indicates in this section of document WT/ACC/KHM/3 that it does not require import licenses for most goods coming into the country. However, for certain goods, licenses are required. In response to Questions 59 and 60 Cambodia indicates its licensing regime is in conformity with the Uruguay Round Agreement of Import Licensing without specifying how or why this is so. Cambodia should review its responses and provide specific answers to these questions, including further information on any system of licensing or prior import approvals.

Answer:

Please see answer to Question 38.

Question 40

Cambodia lists licensed goods in Annex 3 of document WT/ACC/KHM/2. They include such items as pharmaceuticals, vitamins, aircraft and parts, ships and boats, and hormones. Are licenses for these goods granted automatically? Please describe the requirements and indicate why they are in place.

Answer:

Import permits are granted to importers of pharmaceuticals, vitamins and hormones. However, those items need to be registered first at the Ministry of Health prior to their application of the import permit.

According to the current situation in Cambodia, there are many problems concerning illegal activities specifically on counterfeit pharmaceuticals and drugs trafficking. Therefore, the import permit also aims at combating counterfeit pharmaceuticals and drugs trafficking.

There is a system of non-automatic licensing for imports of aircraft and parts, ships and boats when they are for military purposes.

Question 41

On average, how long does it take for Cambodian officials to grant import licenses? Is the information on how to obtain import licenses for these goods published in an official journal?

Answer:

Information on procedures to obtain import permit for the above goods is published in the Official Journal of the Ministry of Health. Please see also answer to Question 37.

See answer to Question 37.

(h) Customs valuation

Question 42

While there has been some recent improvements in customs procedures, customs administration and enforcement remains a serious concern as there are still significant barriers to trade through, for example, duplication of work by customs agencies, customs red tape, delays in processing documents, and over-valuations or inconsistent valuations. We note references in Cambodia's replies to customs administration reform. It would be helpful if Cambodia would provide in some detail information on steps it is taking to ensure effective, transparent and fair administration and implementation of its trade laws.

Answer:

The Cambodian Customs Administration is under the process of reform with the technical assistance from the IMF and other donors. The Customs Reform Plan is herein attached in Annex IV. In this context, Cambodia will seek a transitional period to bring its customs administration and valuation rules into compliance with the WTO disciplines.

Question 43

Document WT/ACC/KHM/2, Annex 4, states that Cambodia has not adopted most of the provisions of the WTO Customs Valuation Agreement. It appears that several of the valuation procedures presently being applied by Cambodia are in fact contrary to the provisions of the Agreement, e.g., the minimum import reference prices applied for imports of gasoline and gas oil, motor vehicles, motorcycles, cigarettes, and gold bars. Please list these by HS number. Cambodia should take immediate action to begin replacing these measures with a more WTO-consistent regime.

Answer:

<u>HS for</u>	Gasoline	27100021 to	27100027	27100031		
	Gas oils	27010071	27100072	27100073	27100079	
	Motor vehicles	8701 to	8705			
	Motor cycles	87111000	87112010	87112020	87113000 to	87115000
	Cigarettes	24021000	24022010	24022090	24029010	24029020
	Gold bars	71081100	71081200	71081300	71082000	

For actions, please refer to the answer to Question 42.

Question 44

In its responses in document WT/ACC/KHM/3 Cambodia states that it is preparing a draft Customs Code that will address its obligation to implement the WTO Agreement on Customs Valuation. Reference is also made to Customs Administration Reform. Please provide copies of these documents. We will need to review them to proceed further with discussions on this aspect of Cambodia's accession.

Answer:

Please see answer to Questions 20 and 42.

Question 45

Cambodia has stated that it will submit its Customs Code for review by the Working Party after its enactment. We believe that this will be too late for comments by the WP that might assist Cambodia in establishing a WTO-consistent regime, and we urge Cambodia to reconsider this decision.

Answer:

Please see the answer to Question 20.

Question 46

Document WT/ACC/KHM/3 states that implementation of the Customs Code "will require comprehensive training of customs officials and trading communities," and that a transitional period and technical assistance will be needed. In order to evaluate Cambodia's request, we will need to review Cambodia's implementing legislation, have more precise information on the aspects of the agreement that Cambodia is unable to implement, and a sense from Cambodia of the timetable it contemplates for full implementation and enforcement of the Agreement.

Answer:

See the answer to Question 42.

The regulations needed to implement the draft Customs Code will be submitted in due time. Cambodia will identify the difficult aspects of the agreement (Valuation) in order to request technical assistance. .

Under Article 20 of the Customs Valuation Agreement, Cambodia will also seek transitional period.

Question 47

We also would appreciate knowing if Cambodia is prepared to require that its Pre-shipment inspection firm will be required to apply WTO provisions in its valuation operations after Cambodia's WTO accession, or is the PSI firm also claiming an LDC transition?

Answer:

Cambodia's new contract with the pre-shipment inspection firm explicitly requires the firm to perform its duties in full conformity with the WTO Agreement on Pre-shipment Inspection.

Question 48

In order to assist Cambodia in evaluating the key areas where additional legislation and institutions may be necessary, we have prepared the following indicative comments and questions:

Concerning the valuation hierarchy, transaction value as defined in Article 1 is the preferred method of appraisement, followed by the transaction value of identical merchandise, the transaction value of similar merchandise, the deductive value, computed value, and finally the fallback method. We suggest that Cambodia's legislation implementing WTO adopt the provisions of these Articles.

Answer:

The valuation hierarchy is fully reflected in the draft Customs Code.

Question 49

We note that in most countries, the vast majority of customs entries are accepted on the basis of invoice value. Is this the case in Cambodia? Does Cambodia foresee specific problems with reliance on invoice value for valuation of most customs entries?

Answer:

Cambodia uses a PSI firm (See answer to Question 47). Cambodian Customs expects to encounter difficulties, inter alia, arising from:

- unskilled customs officers, and
- under-valuation or under-invoicing practices.

Question 50

Could Cambodia outline its current method for dealing with customs entries where use of the invoice for the basis of valuation is not possible?

Answer:

Please see answer to Questions 47 and 49. For the purpose of customs valuation of imported goods valued under the PSI threshold of US\$4,000, Cambodia uses data on reference prices provided by the PSI firm.

Question 51

Concerning the prohibited basis of appraisement, in accordance with Article 7 of the Agreement, customs value may not be based on 1) the selling price in the country of importation; 2) a system that provides for the acceptance for customs purposes of the higher of two alternative values; 3) the

price of goods on the domestic market of the country of exportation; 4) the cost of production other than compute values which have been determined for identical or similar goods; 5) the price of the goods for export to a country other than the country of importation; 6) minimum customs values; or 7) arbitrary or fictitious values. Does the current Cambodian law contain reference to these prohibited methods for valuation? Does Cambodia currently use any of these methods? If so, what are the circumstances that require this, and what consideration has been given to revising these procedures to meet WTO obligations? We would be interested in Cambodia's views on how such methods could be converted to a WTO-consistent method.

Answer:

Cambodia uses a PSI firm. Please see the answer to Question 50. Cambodia presently sometimes uses methods 2) and 6) listed in Article 7. However, the revised draft of the Customs Code will reflect fully Article 7 of the Customs Valuation Agreement. The draft Customs Code will be made available as soon as practicable.

Question 52

Confidentiality and transparency, Cambodia states in document WT/ACC/KHM/2, Annex 4 that no protections exist in Cambodia's laws for the treatment of confidential information in accordance with the Article 10 of the Agreement. No transition should be necessary to provide for such protections in Cambodia's laws.

Answer:

The draft Customs Code will provide for WTO-compliant treatment of confidential information.

Question 53

Article 12 of the WTO Agreement ensures publication of laws, regulations, judicial decisions and administrative rulings regarding the valuation of merchandise. Articles 11.3 and 16 of the Agreement provide that importers have the right to a written explanation of how judicial and administrative valuation decisions were determined. Document WT/ACC/KHM/2, Annex 4 states that changes to legislation and regulations are notified through the media and provided only to the 30-50 largest importers. Are any of the transparency or due process requirements of the Agreement provided for in Cambodia's legislation? Are these protections provided by the PSI firm valuing Cambodian imports? If not, we believe Cambodia should develop a plan for establishing such protections for Customs rulings, and should consider extending such measures to other areas, e.g., in the application of taxes and fees to imports and the granting of licenses and other prior authorizations for importation. We do not believe that provision of such protections requires a transition.

Answer:

Cambodia takes note of the transparency requirement. Cambodia regularly publishes in the Royal Government Official Gazette all changes of legislation and regulations in a transparent and non-discriminatory manner.

Under the PSI contract, a Working Committee is established to which an importer may appeal any decision by the PSI firm. All Committee decisions are issued in writing. The draft Customs Code reflects fully the transparency and due process requirements of the Customs Valuation Agreement.

Question 54

Concerning bonded entries, when it is necessary to delay the final determination of the customs value, Article 13 of the Agreement grants importers the right to withdraw their merchandise provided they obtain sufficient guarantee in the form of a surety or deposit to cover the ultimate payment of customs duties. Does Cambodia's current law provide for bonded entry of merchandise under these circumstances? If such a system does not exist, we suggest that Cambodia adopt one. If such a system exists, we suggest that it be explicitly included in its customs law and regulation to ensure transparency.

Answer:

Cambodian regulations provide to importers the right to withdraw their merchandise provided sufficient guarantee in the form of a surety or deposit to cover the ultimate payment of customs duties is made. This procedure is included in the draft customs code.

Question 55

Concerning the interpretative notes, in accordance with Article 14 of the Agreement, the Interpretative Notes to the Agreement are an integral part of the Agreement. The articles to the Agreement are to be read and applied in conjunction with their respective notes. Accordingly, in order to fully implement the Agreement, Cambodia should include the interpretative notes in its legislation.

Answer:

We will take into account the Interpretative Notes to the Agreement when drafting the implementing sub-decree and prakas.

(j) Pre-shipment inspection

Question 56

We understand Cambodia's need to apply PSI but, judging from the questions asked and replies provided, there may be some areas where the PSI arrangements might need to be modified. This area will be monitored closely though we welcome Cambodia's statement (see reply 84) that it intends to ensure consistency with the WTO.

Answer:

Please see answer to Question 47.

Question 57

Cambodia states that the PSI customs fee is 0.80 percent. This is a violation of Article VIII of the GATT, in that the fee is not related to the approximate cost of services rendered. How soon can Cambodia alter this fee structure to meet WTO requirements?

Answer:

Upon the expiration of the PSI contract, any new or modified contract will stipulate that the fee be in accordance with Article VIII of GATT 1994, by requiring the PSI firm's fee to be commensurate with the service rendered, not with the value of the goods inspected.

Question 58

Please provide specific and detailed responses to Question 86. PSI firms that provide customs services mandatory for importation and exportation must operate in a manner consistent with WTO requirements. If this is not the case, then Members so not receive the benefit of WTO protections for their exports. Cambodia should review its PSI contract to ensure that it is the case.

Answer:

Please see the answers to Questions 47 and 57.

Question 59

The PSI fee being ad valorem contrasts with Art. VIII GATT. How does Cambodia intend to bring the fees charged for PSI operations in line with the WTO Agreement? Cambodia is seeking a transitional period for the application of the customs valuation agreement; we are seeking a commitment that the transitional period will not apply to the PSI company.

Answer:

Please see the answers to Questions 47 and 57.

(k) Application of internal taxes on imports**Question 60**

Cambodia confirms that no other duties or charges besides custom's duties, excise tax, and VAT are applied to imports. The table listing Cambodia's excise taxes found on page 30 of document WT/ACC/KHM/3, however, appears to cover only imported automobile parts. Does Cambodia produce any automobiles or parts domestically?

Answer:

- Excise tax is imposed on both goods imported and domestically produced.
- Cambodia doesn't produce any automobiles or parts for the time being

Question 61

Please provide specific and detailed responses to Question 89.

Answer:

The description of VAT regime and exemption are detailed in the 1997 taxation law, which was previously submitted to the Working Party.

Question 62

We understand that in late 1998, the National Assembly passed a 3 percent tax applied solely to imported alcohol and tobacco products, which was intended to go into effect in September 1999. Is this tax still in effect? Please give the legal citation for the authority to apply this tax.

Answer:

The 3 percent tax applied to imported alcohol and tobacco, which is still in effect, is not in conformity with GATT Article III. Steps are currently being taken to apply the tax also to similar domestically produced goods and it is anticipated that it will be so applied beginning on 1 January 2002.

Question 63

Concerning taxes on agricultural goods, does Cambodia levy VAT on domestically produced raw agricultural products? On imports of similar products?

Answer:

The domestically produced raw agricultural products are not subject to VAT. In addition, some imported raw agricultural products are also exempted from VAT. See Annex V.

Question 64

We welcome the introduction and the broadening of the value added tax system to replace turnover and consumption taxes. We note also that Cambodia claims that the VAT is applied in accord with the national treatment obligations of GATT Article III. However, we understand that many businesses, particularly local companies, in practice still do not pay VAT and/or other taxes. What plans does Cambodia have to bring the VAT system into conformity with the national treatment provisions of the WTO Agreements?

Answer:

The VAT system applies to all companies, whether foreign or local, provided they are classified as companies in the real regime (that is, to be taxed on the basis of bookkeeping records.) The VAT was introduced in 1999 for about 1,000 large enterprises in Phnom Penh. As a result of broadening the VAT base to include 5 other provinces, the number of large enterprises subject to VAT has increased significantly from about 1,000 in 1999 to approximately 2,900 in 2001. Small taxpayers who are natural persons with annual turnover less than 500 millions Riels for goods supply, 250 millions Riels for other

services supply and 125 millions Riels for goods supply to the state are not subject to VAT. Instead they are subject to a 2% turnover tax.

(l) Rules of origin

Question 65

We seek a commitment from Cambodia that upon accession its laws and regulations on rules of origin would be applied in conformity with the provisions of the WTO Agreement on Rules of Origin. We also seek confirmation that Cambodia's laws will be amended to incorporate the requirements of Article 2(h) and Annex II, paragraph 3(d), i.e., that for non-preferential and preferential rules of origin, respectively, the customs authority will provide upon the request of an exporter, importer or any person with a justifiable cause an assessment of the origin of the import and outline the terms under which it will be provided, and that any request for such an assessment would be accepted even before trade in the goods concerned began.

Answer:

We will take into account the provisions of WTO Agreement on Rules of Origin when developing the legislation in this area.

(m) Anti-dumping, countervailing duty and safeguard regimes

Question 66

We seek an appropriate commitment in the Working Party report that Cambodia will not apply safeguard, antidumping or countervailing measures without first notifying to the WTO legislation covering such measures consistent with WTO Agreements.

Answer:

Cambodia will apply safeguard, antidumping or countervailing measures consistent with WTO Agreements, including their procedural aspects, when it becomes a WTO member.

2. Export Regulation

Question 67

Cambodia applies export taxes and restrictions on several products. Export taxes are currently permitted by WTO rules. Export restrictions, however, can only be applied under tightly defined conditions, and it is not clear that Cambodia's policies meet these. We will need to examine this further.

Answer:

Cambodia from time to time is obliged to impose export restrictions on rice, in the circumstances allowed by GATT Article XI.2.a. It imposes an export ban on round and sawn logs, and requires export licenses for wood products, as allowed by GATT Article XX (g).

Question 68

Cambodia's export licensing restrictions on rice and logs appears to violate Article XI, as they are applied for economic rather than conservation reasons. Are there restrictions on domestic production in parallel with the export restrictions? How does Cambodia plan to replace these measures with WTO-consistent instruments?

Answer:

Please refer to answer to Question 67. Cambodia's export prohibitions on logs are applied for purely conservation reasons. All cutting of wood requires ownership of a valid concession and a permit from the Ministry of Agriculture. These constitute a restriction on domestic production.

Question 69

Concerning export duties, does Cambodia apply any export duties in addition to the ones listed in document WT/ACC/KHM/2, e.g., other than for seafood, breeding animals, lumber, plywood, natural rubber, charcoal, etc.? What portion of government revenue is derived from these charges? Are these charges exempted, e.g. in trade with ASEAN countries?

Answer:

The Cambodian export taxes are detailed in column ET of the customs tariff, an updated version of which is being submitted to the Working Party.

Export tax collected by Customs and Excise Department is as follows:

1999	2.03% of Customs revenue and 1.03% of tax revenue
2000	2% of customs revenue;

There is no export tax exemption specifically granted to ASEAN countries.

3. Internal policies affecting foreign trade in goods

(b) Technical regulations and standards, including measures taken at the border with respect to imports

Question 70

We understand that Cambodia can experience difficulties in adapting national standards, where they exist, to international ones. However, Cambodia should strongly consider the use of international standards in areas where national ones do not exist yet.

Answer:

Please see Cambodia's submission of ACC/8. Cambodia will consider the use of international standards in areas where national standards do not exist.

At present Cambodia refers to international standards such as ISO, Codex Alimentarius, Britain Pharmacopoeia (BP), US Pharmacopoeia (USP), Japan Pharmacopoeia (JP), France Pharmacopoeia (Codex), and International Pharmacopoeia (IP).

Question 71

Regarding the response to Question 126, the reply seems contradictory. Cambodia accepts equivalent certificates but then these certificates are checked and tested. Please clarify the procedure and its coverage.

Answer:

Please see Cambodia's submission of ACC/8.

Cambodia welcomes and accepts any equivalent certificate from third country certification bodies where those certification bodies or testing laboratories are accredited by any accreditation body which is a member of the International Accreditation Body or Regional Accreditation Bodies and a signatory to a mutual recognition arrangement, i.e. IAF, ILAC, PAC, APLAC.

An equivalent certificate on quality of pharmaceutical products from the third country certification bodies is accepted for registration and importation. However, laboratory testing is still needed for registration only. This is just to confirm whether the samples submitted are in conformity with the certificate or not. No checking nor testing is required during importation once products are registered.

(c) Sanitary and phytosanitary measures, including measures taken with respect to imports

Question 72

We strongly suggest that Cambodia complete and submit the checklists on TBT and SPS contained in document WT/ACC/8. This can serve as a blueprint to areas in its current legislation that may not address WTO provisions. Please provide separate documentation using the format given in WT/ACC/8, with specific reference to the legislative, administrative, or procedural basis for compliance with the provisions of the WTO TBT and SPS Agreements. Without such information, we cannot evaluate Cambodia's request for transitional periods and technical assistance. If the relevant legislation or administrative procedures are not yet in place, please indicate when Cambodia intends to develop these laws or procedures.

Answer:

Please see Cambodia's submission of ACC/8.

Question 73

Please respond directly to Question 133.

Answer:

Please refer to the answers to Questions 70, 71 and 72, and to Cambodia's submission of ACC/8.

Question 74

Cambodia intends to seek a five-year transition period to implement the SPS Agreement. We note that assistance will be needed. We would hope that Cambodia could progressively take steps towards implementation of a WTO-consistent regime at an early stage. It would be helpful if Cambodia could provide more detailed information on its reform plans in this area, including on procedural and transparency matters such as establishment of an enquiry point.

Answer:

Please see Cambodia's submission of ACC/8.

Cambodia is considering your recommendation in taking progressive steps to bring our SPS regime to be consistent with the WTO rules as soon as possible, including procedures, transparency and the establishment of the enquiry point.

Question 75

Cambodia recently introduced a three month temporary ban on the importation of meat, meat products and associated dairy products from certain EU countries. While the ban is limited to those countries, we understand that it is being interpreted and implemented by some customs officials to include other countries. What plans does Cambodia have to ensure that its customs and SPS regimes are applied in a non-discriminatory manner?

Answer:

Three-month temporary ban on the importation of meats, meat products and associated dairy products from EU has been extended for another three months, and will be extended further if circumstances require such extension. The measure has been introduced to prevent the spread of disease from EU, which may harm human health and animals in Cambodia. This measure is consistent with point (b) of Article XX of GATT 1994. Cambodia takes note of Australia's concerns on the misinterpretation of the measure. Affected importers should file a complaint with the Customs authority.

(d) **Trade-related investment measures**

Question 76

Do the terms of foreign invested-firms registration with the Ministry of Commerce ever provide for measures that are covered by the WTO TRIMs Agreement?

Answer:

No.

(e) **State-trading practices**

Question 77

In response to Question 138 (page 60 of document WT/ACC/KHM/3) Cambodia states that 11 of the 24 State-owned Enterprises engage in foreign trade activities for products such as rice, rubber, fertilizer, fishery products, pharmaceutical products and agricultural equipment. Please provide more detailed information on the types of trade activities in which these eleven State Owned Enterprises are engaged and how prices and quantities traded are determined.

Answer:

The Green Trade Company, which manages Cambodia's national rice reserve, may receive funding from the government. All other state owned enterprises operate on the same footing as private sector firms, i.e. prices and quantities are determined in accordance with commercial considerations. Other state-owned enterprises are not STEs in the meaning of the WTO.

Question 78

Cambodia has made significant progress in privatization of SOEs (see Annex 3). It appears that only 16 SOEs remain, with about half of these in the agriculture sector. It would be helpful if Cambodia could further elaborate on its plans for these SOEs and their role. In particular, Cambodia will need to explain and address the consistency of their operations with GATT Article XVII, although Cambodia claims that no new special privileges are accorded to such entities.

Answer:

Please, refer to the replies to the Questions 11 and 77. In addition to these replies, of the 9 state owned enterprises engaged in agricultural activities, 7 SOEs dealt with the production and export of natural rubber and another one dealt with the import of fertilizers, pesticide and agricultural equipment. We reaffirm that there are no special privileges accorded to these enterprises. As regards the Green Trade Company, see the answer to Question 77.

(l) **Government procurement practices**

Question 79

We take note of the response to Question 142 concerning Cambodia's interest in membership in the Government Procurement Agreement. We remain convinced that with a relatively open procurement market, Cambodia will profit from membership in the Government Procurement Agreement.

Answer:

Cambodia understands that the Agreement on Government Procurement is a plurilateral agreement and as mentioned in Document WT/ACC/KHM/3, Question 142 Cambodia has no intention to join the Agreement on Government Procurement, at least at the time of its accession to the WTO.

- **Core labour standards**

Question 80

Paragraph 4 of the 1996 WTO Singapore Declaration obliges all WTO members to observe internationally recognized core labour standards. With regards to Cambodia's application to the WTO in this area, the 1997 Cambodian labour law is fairly comprehensive in defining and protecting internationally recognized workers' rights. Implementation of core labour standards in Cambodia nevertheless continues to be problematic. We note reports of problems concerning issues of freedom of association, specifically anti-union discrimination, including harassment and unwarranted dismissals of union leaders. We are also concerned over reports of required overtime, including excessive overtime, with improper overtime pay. We urge Cambodia to continue with the necessary steps to insure its commitment to implementing core labour standards. We look forward to continuing consultations with Cambodia on this area in bilateral and multilateral contexts.

Answer:

Cambodia has been strengthening the implementation of the Labor Law and Core Labor Standards, especially on labour conditions, freedom of association, health and safety at the work place. Cambodia is pleased to continue to engage in further bilateral and multilateral consultations on this area. However Cambodia understands that labour standards are not, except for prison labour, covered by WTO agreements.

4. Policies Affecting Foreign Trade in Agricultural Products

Question 81

Cambodia states in the response to Question 18 and in Annex II of document WT/ACC/KHM/3 that it has privatized 24 State-owned agricultural enterprises. Of the 7 State-owned agricultural enterprises currently in transition to privatization, could Cambodia please provide a timetable as to when these enterprises will be fully privatized or closed?

Answer:

The Agricultural Inputs Company will be kept as a State-Owned enterprise. Discussions are taking place with regard to the status of state owned enterprises in the rubber sector.

Question 82

In addition, in order to more fully understand the operations of these state-owned enterprises, could Cambodia explain each enterprise's role in the production, marketing and/or trading of agricultural products or services.

Answer:

Please see answer to Questions 77 and 78.

Question 83

In the reply to Question 104, Cambodia indicates that it reserves its right to maintain temporary export restrictions on rice to prevent or relieve critical shortages of foodstuffs, as provided under Article XI:2(a) of the GATT 1994. Could Cambodia outline the criteria it will use to evaluate if an export restriction is warranted and when it should be lifted?

Answer:

Please see page 31 of KHM/2. Export restrictions are applied when a market analysis, which includes estimates of total demand and production of rice, indicates that there will be a significant shortfall in rice availability and/or a sharp increase in rice prices. The same applies, in reverse, for the removal of export restrictions.

Question 84

What has Cambodia's export experience with rice in recent years? Does Cambodia import rice?

Answer:

Please see tables below for details.

Imports of Rice in 1999 and 2000

Year	Import From	Quantity (Ton)	Value (Riel)
1999	France	1,694	2,934,542
	Hong-Kong	817.20	1,561,793
	Japan	10,881,883	11,883,587,325
	Singapore	18,499.40	24,552,144
	Vietnam	2,000,000	1,821,569,100
	Thailand	21,266,619	10,413,511,438.05
		Total: 34,169,512.60	Total: 24,147,716,342.05
2000	Philippines	15	487,126
	Monaco	2,292	4,078,895
	Puerto Rico	8,976,363	9,658,615,744
	Vietnam	18,643,468	9,183,678,620
	Japan	40	195,393
	Singapore	1,159,364.25	1,229,524,107
	China	13,434	5,252,694
	Thailand	31,767,800	9,940,822,826
	Guam	82,000	90,962,325
	India	1,350.10	2,444,400
	Total: 60,646,126.35	Total: 30,116,062,130	
2001			

Exports of Rice in 1999 and 2000

Year	Exports to	Quantity (Ton)	Value (Riel)
1999	Australia	21,000	23,971,500
	China	120,000	91,494,000
	Indonesia	550,000	424,270,000
	Malaysia	220,000	195,143,850
	Singapore	2,200,000	1,780,270,404
		Total: 3,111,000	Total: 2,515,149,754
2000	Singapore	1,014,500	803,031,203
	Malaysia	700,000	907,489,380
	Thailand	1,816,000	1,286,225,460
	Indonesia	500,000	64,002,250
		Total: 4,030,500	Total: 3,060,748,293
2001			

Source: *Cambodian Customs Statistics*

Question 85

In its reply to Question 108, Cambodia indicated that it limits export licensing on rice to avoid dominant position among rice exporters and to help control fluctuating rice prices. Are any of Cambodia's State-owned agricultural enterprises producing or trading in rice? If so, with privatization efforts underway, how does Cambodia intend to curtail the monopoly practices of rice exporters?

Answer:

Please see the answer to Question 77. There are no monopoly practices of rice exporters.

Question 86

Please provide responses to Question 108, including reference to justification of the export restrictions in the Agreement on Agriculture.

Answer:

Please see answer to Question 67.

Question 87

Could Cambodia please indicate what goods would be eligible for duty drawback should such a scheme be invoked? What criteria would be used to determine if, and how much duty drawback a good might receive?

Answer:

For the purpose of trade facilitation and in order to promote the development of SMEs, Cambodia is considering using the duty drawback scheme and will inform the Working Party about the goods eligible for duty drawback scheme when it will be introduced.

Question 88

We note that Cambodia has yet to provide WT/ACC/4 information to the Working Party for review. This information be provided for domestic agricultural support policies and export subsidy policies as soon as possible.

Answer:

Please see Cambodia's submission of ACC/4.

Question 89

In Annex 4.2 Cambodia states that custom' valuation is based on the invoice price and the market prices. Could Cambodia provide more detailed information on its custom's valuation procedures and confirm that the invoice price for each specific transaction will be used rather than an average, constructed or proxy price.

Answer:

Please see answers to Questions 47, 49 and 51.

Question 90

In regards to Cambodia's response to Question 149 in document WT/ACC/KHM/3, we would like to clarify that least developed countries are not required to make reduction commitments. Nevertheless, the commitment of zero export subsidy would prevail since Cambodia has not provided export subsidies in the past. Can Cambodia confirm that this will be the case?

Answer:

At the moment, Cambodia has no export subsidy. As a least developed country, Cambodia retains its right to introduce export subsidy under Article 9 (d) and (e) of the Agreement on Agriculture.

Question 91

Cambodia has indicated that it will provide information on domestic support in the format of document WT/ACC/4 as soon as possible. This will be welcome. We are pleased to note that Cambodia has no plans to introduce export subsidies at this stage and see this as a positive development.

Answer:

Please see answer to Questions 88 and 90.

V. TRADE-RELATED INTELLECTUAL PROPERTY RÉGIME

Question 92

We note that Cambodia has further work to do in this area and that various laws are in preparation. We also note that Cambodia is not yet a member of Conventions such as Berne. We would welcome the checklist in the format of document WT/ACC/9 as soon as possible (see reply 161). This will be helpful. Cambodia intends to seek a transition period (see reply 156) and this will need to be considered along with other such requests depending on duration and coverage.

Answer:

The draft law on Copyright and Related Rights of Cambodia, which has been made available to members of the Working Party, is undergoing further review to ensure full conformity to the TRIPS Agreement. After having adopted law on Copyright and Related rights, Cambodia will join the Bern Convention.

Question 93

Many of these questions refer to the section of the Memorandum on the Foreign Trade Regime (document WT/ACC/KHM/2) dealing with Trade Related Aspects of Intellectual Property portion, submitted by the government of Cambodia as part of its WTO accession process. We are reviewing Cambodia's intellectual property laws provided in document WT/ACC/KHM/3/Add.3, and look forward to reviewing areas where amendments or new laws may be necessary to implement the WTO Agreement on TRIPS. We suggest, in the interim, that Cambodia respond to the following questions and use the checklist in document WT/ACC/9 to analyze its system and determine where additional provisions or institutions may be necessary. We look forward to receiving information on Cambodia's IP system using the checklist in document WT/ACC/9.

Answer:

Please see Cambodia's submission of ACC/9.

Question 94

Under 4(a) of document WT/ACC/KHM/2, page 70, the government of Cambodia indicates it is preparing a special Sub-Decree to address the amount of damages to be calculated in a case of infringement. Please let us know the status of the Sub-Decree and provide us with a copy.

Answer:

The intention to prepare a special Sub-Decree to evaluate damages to be calculated in a case of infringement can't be materialized for want of jurisdiction. The damages should be calculated on a case-by-case basis as the court warrants.

Question 95

Concerning other aspects of Cambodia's laws on intellectual property protection, what is the status of the draft Law Concerning Marks, Trade Names and Acts of Unfair Competition, and provide us with a copy of the law. Please provide us a copy of the law either in draft or final form.

Answer:

Cambodia is providing the draft Law on Marks, Trade Names and Acts of Unfair Competition to the WTO Secretariat. The draft law was approved by the Council of Ministers on October 27, 2000. Cambodia expects that the draft law would be ratified by the National Assembly at the end of year 2001 or the beginning of the year 2002.

Question 96

What is the status of the Marks Protection Act, the Patent Law and the Design Law, which, according to document WT/ACC/KHM/2 have already been submitted to the Council of Ministers for enactment. Please provide us with a copy of the law if one is available.

Answer:

Please see the answer to Question 95. Cambodia is providing the draft Law on Patents, Utility Models, and Industrial Designs to the WTO Secretariat. This draft was approved by the Council of Ministers in October 2001, and submitted to the National Assembly for adoption.

Question 97

Please describe the remedies that the intellectual property enforcement related laws of Cambodia provide for infringing goods (i.e., destruction, disposal or both), as required by TRIPS Article 59.

Answer:

Article 46 of the draft law on Marks, Trade Names and Acts of Unfair Competition provides that the Customs and other competent authorities, through the decision of the court, shall have the authority to order the destruction of infringing goods. The Customs shall not allow the re-exportation of counterfeit trademark goods or subject them to different Customs procedures. The draft Copyright law will contain equivalent provisions.

Question 98

Please state whether decisions on the merits in court proceedings are provided in writing and if those written opinions are available to the public so that people can become familiar with the law.

Answer:

In practice, decisions on the merits in court proceedings are provided in writing and those written opinions are available to the public by publication on newspaper. Moreover, we intend to publish the decisions of court in the Official Gazette of the Ministry of Commerce.

Question 99

Please list and describe the functions of those government entities within the Government of Cambodia that have intellectual property enforcement authority.

Answer:

There are the following intellectual property enforcement authorities of the Government of Cambodia:

Court(s):

On the request of the applicant, the Court shall order prompt and effective provisional measures to prevent an infringement, an imminent infringement or to preserve relevant evidence in regard to the alleged infringement (Article 29 of draft Trademark law). Moreover, decisions of the Ministry of Commerce can be reviewed by court(s) (Article 58 of draft Trademark law).

Customs Authorities:

The owner of any registered trademark may make application to the Customs or the competent authorities or court to suspend clearance of goods suspected of being counterfeit by proving that he is the owner of the registered mark (Article 35 of draft Trademark law).

Camcontrol, Ministry of Commerce:

Camcontrol is under the control of the Ministry of Commerce. This organization has full power to inspect all commercial enterprises; manufacturers for commercial ends; importers, exporters and merchants; service providers; advertisers of products, goods, and services; and civil associations and non governmental agencies engaged in manufacturing, commerce, or humanitarian relief. Camcontrol is in charge of fraud repression and inspections of exported and imported goods (Articles 1 and 26 of Law on the Management of Quality and Safety of Products and Services adopted on June 21, 2000).

Economic Police, Ministry of Interior:

The Economic Police works closely with Camcontrol throughout the territory of Cambodia for fraud repression and inspections of exported and imported goods.

Question 100

To the extent not asked for above, please provide us with a copy of any and all laws of the government of Cambodia relating to the enforcement of intellectual property.

Answer:

Please see the Law on the Management of Quality and Safety of Products and Services which was provided to the WTO Secretariat.

Question 101

Do the judicial and administrative authorities in Cambodia have the authority as required in TRIPS Article 44.1 to issue injunctions (or equivalent measures) to order a party to desist from an infringement and to prevent infringing goods from entering the channels of commerce? Please describe in detail the procedures for issuing such injunctions.

Answer:

The Court and the Customs authority will have full power to issue injunctions or suspend clearance of goods as required in TRIPS Article 44.1. Please see Chapter 9, Provisional Measures (Articles 29 to 34) and Chapter 10, Border Measures (Articles 35 to 47) of the draft law on Marks, Trade Names and Acts of Unfair Competition, relating to the detailed procedures for issuing such injunctions. The draft copyright law will contain equivalent provisions.

Question 102

Please describe whether seizure, forfeiture and destruction of infringing goods and any materials and implements are available as remedies in wilful trademark or copyright piracy cases.

Answer:

Article 30 and Article 46 of draft law on Marks, Trade Name and Acts of Unfair Competition and Article 59 of draft Copyright and Related Rights Law provided for seizure, forfeiture and destruction of infringing goods, evidences and copies and equipment installed for the purpose of committing the offence. The draft copyright law will contain equivalent provisions.

Question 103

Please briefly describe how the Government of Cambodia meets the requirements of TRIPS, Article 41, including 41(1), 41(2), 41(4) and 41(5).

Answer:

According to the draft IP laws including Marks, Trade Name and Acts of Unfair Competition, Copyright and Related Rights, and Patents, Utility Models and Industrial Designs (all of which have been, or are being , made available) Cambodia meets the requirements of TRIPS, Article 41, including 41(1), 41(2), 41(4) and 41(5).

VI. TRADE-RELATED SERVICES REGIME

Question 104

So far, only branches of the foreign banks have been established in Cambodia. According to the current provisions of the Law on the Supervision of Financial Institutions and subsequent regulations, rules applicable to foreign banks, including prudential rules are exactly the same as those applicable to locally incorporated banks. Could Cambodia elaborate on the possible reasons for the absence of establishment of subsidiaries of foreign banks?

Answer:

The banking system was recreated during the past decade. The necessary legal framework is being gradually developed: the law on commercial banking was adopted only at the end of 1999 and the law for specialized banking is under preparation. Along with the introduction of this legislation, which is aimed at creating sound baking system, the banking sector has been undergoing structural reform which is

expected to be completed in the course of this year. To date, two subsidiaries of foreign banks have been established in Cambodia.

Question 105

We would be interested to know when Cambodia intends to submit a draft offer so that market access negotiations can commence. We note that Cambodia has undertaken to provide a reply to the question on GATS Article VIII at a later stage.

Answer:

A draft offer is being submitted after approval by the Council of Ministers. Thereafter, Cambodia will be ready to engage in market access negotiations on services. Cambodia is fully committed to the implementation of the principles and provisions contained in the GATS, including Article VIII. Relevant government authority will ensure that monopoly supplier does not abuse monopoly position outside the scope of its monopoly rights in line with specific commitments that would be made.

Question 106

Cambodia states that as an LDC, it will need flexibility with respect to the time-limit within which it will establish its GATS enquiry point. Please detail the aspects of establishing this enquiry point that create such a burden on Cambodia's scarce human resources that it must delay its establishment? Within what timeframe does Cambodia intend to prepare to gradually meet these "additional administrative requirements?" Does Cambodia provide any of the information that would be provided by such an enquiry point now, e.g., to domestic services firms?

Answer:

As an LDC, Cambodia will need flexibility with regard to the timeframe for the establishment of its GATS enquiry point. To ensure that the enquiry point is fully operational, adequate human and financial resources must be allocated. In addition, a system for the on-going exchange and updating of the relevant information must be established among the ministries and other agencies concerned. Technical assistance is necessary in this respect, which would greatly facilitate the initiation of this process. At the present, domestic firms may obtain information relevant to their operations from the Council for Development of Cambodia, Chamber of Commerce and Department of Domestic Trade in the Ministry of Commerce.

VII. INSTITUTIONAL BASE FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES

Question 107

We take note of Cambodia's statement concerning preferential trade arrangements in its response to Question 183. Does Cambodia grant any trade preferences to any other countries or economies?

Answer:

There is no Question 183. Cambodia acceded to ASEAN in 1999. Under the ASEAN framework, Cambodia is required to grant its trade preferences to ASEAN member countries under various agreements such as ASEAN Free Trade Area (AFTA), ASEAN Framework Agreement on Services,

ASEAN Investment Area, etc. In this connection, we confirm that no trade preferences have been granted to non-ASEAN member countries.

ANNEXES

The following annexes are an integral part of the replies by Cambodia to the additional questions posed by members of the Working Party on Cambodia's accession to WTO.

The annexes and the Questions and Replies relate to each other as follows:

- Annex I is part of the reply to Question 9;
- Annex II is part of the replies to Questions 11 and 13;
- Annex III is part of the reply to Question 25;
- Annex IV is part of the reply to Question 42;
- Annex V is part of the reply to Question 63.

ANNEX I

SECTORS OF MANUFACTURING INDUSTRY IN WHICH THERE ARE INVESTMENT RESTRICTIONS

ISIC Code	Sectors/Industries	Remarks (Restrictions / Requirements)
I. Industries with Identical Restrictions on Both National and Foreign Investors		
3698	Manufacture/processing of cultural items.	In exceptional circumstances investment may be allowed subject to prior approval from relevant ministries.
2021	Sawn timber, veneer, plywood, wood-based products utilizing local logs as raw materials.	No new licenses will be issued.
2411	DBSA Production. Toxic chemicals affecting health of community and impacting to environment. Production of toxic chemicals or utilization of toxic agents.	Some substances prohibited in accordance with an international treaty. Others subject to prior approval from Ministry of Health and relevant Ministries.
2429	Manufacture of psychotropic substance (see attachment)	-Prohibited for the psychotropic substances in Table I of the attachment to this Annex. -Subject to prior approval from ministry of Health for the psychotropic substances in Tables II&III in the attachment to this Annex.
2429	Manufacture/ processing of narcotic drugs	Prohibited
2927	Manufacture of weapons and ammunitions	National defense policy
N.A	Manufacturing of firecracker and fireworks.	In principle prohibited; in practice subject to control
N.A	Manufacturing related to defense and securities	National defense policy.
II. Industries with Restrictions that apply only to Foreign Investors		
1600	Manufacture of cigarettes.	only for export (100% export)
1551	Alcohol.	Subject to prior approval from relevant Ministries.
2230	Movie Production.	Subject to local equity participation.
1320	Exploitation of Gemstones.	Subject to local equity participation.
2691	Bricks made of clay (hollow, solid) and tile.....	Subject to local equity participation.
1531	Rice Milling.	Subject to local equity participation.
2029	Manufacturing of wood and stone carving.	Subject to local equity participation.
1711	Silk weaving.	Subject to local equity participation.

ISIC Code	Sectors/Industries	Remarks (Restrictions / Requirements)
III. Manufacturing-Related Services		
2210	Publishing.	-Subject to discussion with Ministry of Information and Ministry of Cultural and Fine Art. -Foreign equity is restricted to maximum of 49%
2212	Publishing of newspaper, journals and periodicals.	
2213	Publishing of recorded media.	
2219	Other publishing.	
2221	Printing.	
2222	Service activities related to printing.	
9213	Radio and television activities.	

SECTORS OF AGRICULTURE, FISHING, FORESTRY AND MINING IN WHICH THERE ARE INVESTMENT RESTRICTIONS

ISIC Code	Sectors/Industries	Remarks (Restrictions / Requirements)
<p>1110 1110</p> <p>0130</p> <p>1110 1110 1110 1110</p>	<p>A. AGRONOMY</p> <p>1. Agronomy sectors closed to both foreign and national investors. Estate Crops: a) Medicinal/Traditional herbs. b) Plantation of above.</p> <p>2. Agronomy sector closed only to foreign investors Genetic resources (bio-diversity)</p> <p>3. Agronomy sectors with restrictions on foreign investors. All type of i. Food Crops ii. Fruit crops iii. Industrial crops, and iv. Processing industries.</p>	<p>Business reserved for daily need of local farmer.</p> <p>Environment Protection</p> <p>On condition of partnership with the local farmers association and conservation of sustainable natural resources (Applicable to all)</p>
<p>1100 0121 1100</p> <p>1100 1100 1100 1100 1100 1100 1100 1100 1100</p>	<p>B. LIVESTOCK</p> <p>1. Livestock sectors closed to both foreign and national corporations: - Native Chicken - Native Cattle and Buffalo - Native Duck</p> <p>2. Livestock sectors with restrictions on foreign investors. i. Chicken raising: a) Broiler b) Layer ii. Beef cattle raising iii. Sheep raising iv. Goat raising v. Pig raising vi. Duck raising vii. Dairy cattle raising viii. Horse Raising</p>	<p>Business reserved for national small-scale enterprises</p> <p>On condition of partnership with small-scale enterprises (applicable to points 1 to 8)</p>

ISIC Code	Sectors/Industries	Remarks (Restrictions / Requirements)
<p>1301 1301 1301 1301 1301 1301</p> <p>0500</p>	<p>C. FISHERY</p> <p>1. Fishery sector closed to both foreign and national investors. Fishing (Fresh Water) + Catching of Fingerling + Catching of Caplo Capio +Catching of Giant Fish + Catching of Crocodile + Catching of Probatas + Jullieni Fish</p> <p>2. Fishery sector closed only to foreign investors. - Catching of Fresh water fish</p> <p>3. Fishery sectors with restriction to foreign investors.</p>	<p>(Endangered Species)</p> <p>Reserved for small local enterprises</p> <p>Refer to Fishery Law</p>
<p>0200 0200 0200 0200</p>	<p>C. FORESTRY</p> <p>1. Forest sectors with restrictions on foreign investors. a. Forest Products (Finish Products) b. Zoology c. Forest park d. Forest plantation for industry</p>	<p>On condition of partnership with local partner.</p> <p>Depending on rule, law and regulation of Cambodia's forest policy</p>
<p>2302</p> <p>2901</p>	<p>E. MINING</p> <p>1. Mining sector closed to both foreign and national investors. + Radioactive minerals (Uranium, etc)</p> <p>2. Mining sector closed only to foreign investors. + Small Scale mining</p> <p>3. Mining sectors with restrictions on foreign investors.</p>	<p>National security</p> <p>Reserved for local people</p> <p>All foreign investments should be carried out under contract of works</p>

Attachment to Annex I: Psychotropic Substances

Table I: Convention 1971		
1. BROLAMFETAMINE	10. MDMA	19. PSILOCYBINE
2. CATHINONE	11. MESCALINE	20. ROLICYCLIDINE
3. DET	12. 4- METHYLAMINOREX	21. STP,DOM
4. DMA	13. MMDA	22. TENAMFETAMINE
5. DMHP	14. N-ETHYL-MDA	23. TENOCYCLIDINE
6. DMT	15. N-HYDROXY-MDA	24. TETRAHYDROCANNABINOL
7. DOET	16. PARAHEXYL	25. TMA
8. ETICYCLIDINE	17. PMA	
9. +)-LYSERGIDE	18. PSILOCTNE, PSILOTSIN	
Table II: Convention 1971		
1. AMFETAMINE	5. MECLOQUALONE	9. PHENCYCLIDINE
2. DEXAMFETAMINE	6. METAMFETAMINE	10. PHENMETRAZINE
3. FENETYLLINE	7. METHAQUALONE	11. METAMFETAMINE RACEMATE
4. LEVAMFETAMINE	8. METHYLPHENIDATE	12. SECOBARBITA

Table III: Convention 1971

1. AMOBARBITAL	23. ETHCHLORVYNOL	45. METHYPRYLON
2. ALLOBARBITAL	24. ETHINAMATE	46. MIDAZOLAM
3. ALPRAZOLAM	25. ETILAMFETAMINE	47. NIMETAZEPAM
4. AMFEPRAMONE	26. FENCAMFAMIN	48. NITRAZEPAM
5. BARBITAL	27. FENPROPAREX	49. NORDAZEPAM
6. BENZFETAMINE	28. FLUDIAZEPAM	50. OXAZEPAM
7. BROMAZEPAM	29. FLUNITRAZEPAM	51. OXAZOLAM
8. BUPRENORPHINE	30. FLURAZEPAM	52. PEMOLINE
9. BUTALBITAL	31. GLUTETHIMIDE	53. PENTAZOCINE
10. BUTOBARBITAL	32. HALAZEPAM	54. PENTOBARBITAL
11. CATHINE	33. HALOXAZOLAM	55. PHENDIMETRAZINE
12. CAMAZEPAM	34. KETAZOLAM	56. PHENOBARBITAL
13. CHLORDIAZEPOXIDE	35. LEFETAMINE	57. PHENTERMINE
14. CLOBAZAM	36. LOFLAZEPATE ETHYL	58. PINAZEPAM
15. CLONAZEPAM	37. LOPRAZOLAM	59. PIPRADROL
16. CLORAZEPATE	38. LORAZEPAM	60. PRAZEPAM
17. CLOTIAZEPAM	39. LORMETAZEPAM	61. PYROVALERONE
18. CLOXAZOLAM	40. MAZINDOL	62. SEC BUTABARBITAL
19. CYCLOBARBITAL	41. MEDAZEPAM	63. TEMAZEPAM
20. DELORAZEPAM	42. MEFENOREX	64. TETRAZEPAM
21. DIAZEPAM	43. MEPROBAMATE	65. TRIAZOLAM
22. ESTAZOLAM	44. METHYLPHENOBARBITAL	66. VINYLBITAL

ANNEX II

Cambodian Public Enterprises

Table 1

I. Public Enterprises with Economic Characteristics

No	Name	Controlling Ministry	Transformation Date ¹	Status	Main Activities
1	Memut Rubber Plantation	Ministry of Agriculture, Forestry and Fisheries	15 March 1999	Reduced activity	Production and exportation of natural rubber
2	Chup Rubber Plantation	Ministry of Agriculture, Forestry and Fisheries	15 March 1999	Reduced activity	Production and exportation of natural rubber
3	Krek Rubber Plantation	Ministry of Agriculture, Forestry and Fisheries	15 March 1999	Reduced activity	Production and exportation of natural rubber
4	Peam Chaing Rubber Plantation	Ministry of Agriculture, Forestry and Fisheries	15 March 1999	Reduced activity	Production and exportation of natural rubber
5	Boeung Ket Rubber Plantation	Ministry of Agriculture, Forestry and Fisheries	15 March 1999	Reduced activity	Production and exportation of natural rubber
6	Chamcar Andoung Rubber Plantation	Ministry of Agriculture, Forestry and Fisheries	15 March 1999	Reduced activity	Production and exportation of natural rubber
7	Snuol Rubber Plantation	Ministry of Agriculture, Forestry and Fisheries	15 March 1999	Reduced activity	Production and exportation of natural rubber
8	Phnom Penh Water Supply	Phnom Penh Municipality	09 Dec. 1999	Full activity	Water supply

¹ Refers to the date on which the enterprise became financially autonomous

Table 2

II. State Owned Enterprises

No	Name	Controlling Ministry	Transformation Date	Status	Main Activities
1	Agricultural Inputs Company	Ministry of Agriculture, Forestry and Fisheries			Importation & sale of fertilizer, insecticide and agricultural equipment.
2	Sihanouk Ville Port	Ministry of Public Works and Transport	17 July 1998	Full activity	Port services
3	Phnom Penh Port	Ministry of Public Works and Transport	17 July 1998	Reduced activity	Port services
4	Royal Railways Station	Ministry of Public Works and Transport		Full activity	Railway services
5	Kamsab	Ministry of Public Works and Transport	30 Aug. 1999	Full activity	Shipping agency
6	Green Trade Company	Ministry of Commerce	23 Nov. 1998	Reduced activity	Buying and Selling of paddy & rice and maintenance of food reserve.
7	Electricite du Cambodge Co.	Ministry of Industry, Mines and Energy		Full activity	Production and distribution of Electricity.
8	Rural Development Bank	Ministry of Economy and Finance		Full activity	Provide short-term credit for rural development.

Table 3

III. Joint Ventures

No	Name	Controlling Ministry	State Asset Share	Status	Main Activities
1	Colexim	Ministry of Agriculture, Forestry and Fisheries	60%	Reduced Activity	Wood processing & forest concession
2	Casotim	Ministry of Agriculture, Forestry and Fisheries	20%	Idle	Wood processing & forest concession
3	Royal Air Cambodge	Council of Ministers	60%	Active	Airline company
4	Air Navigation Engineering Corporation	State Secretariat of Civil Aviation	30%	Active	Provisions of air navigation services
5	Camintel	Ministry of Post & Telecom.	51%	Reduced Activity	Telephone company
6	Cambodian Pharmaceutical Enterprise	Ministry of Health	45%	Active	Production of pharmaceuticals

Table 4

IV. Public Administrative Institutions

No	Name	Controlling Ministry	Transformation Date	Status	Main Activity
1	Calmette Hospital	Ministry of Health		Active	Hospital services
2	Institute de recherche du caoutchouc du Cambodge	Ministry of Agriculture, Forestry and Fisheries		Active	Research and development of rubber plantation
3	Agriculture Research & Development Institute	Ministry of Agriculture, Forestry and Fisheries		Active	Research and development of plants other than rubber trees.
4	Royal University of Agriculture	Ministry of Agriculture, Forestry and Fisheries		Active	Formation of management for agriculture sector.

Table 5

V. Activities of Some State-Owned Enterprises (exchange rate: \$1 = 3,800 Riel)

No	Name of Enterprise	Budget Projections		2000 (in Riel)	Actual For Outcomes		2000 (in Riel)	Remarks
		Income	Expenditure	Before-tax net income	Income	Expenditure	Before-tax net income	
1	Memut Rubber Plantation	10,708,438,000.00	9,683,293,000.00	1,025,145,000.00	15,854,619,794.35	13,652,229,588.66	2,202,390,205.69	
2	Chup Rubber Plantation	22,313,980,000.00	21,446,729,000.00	867,251,000.00	30,633,836,926.00	27,578,537,020.00	3,055,299,906.00	
3	Krek Rubber Plantation	6,950,200,000.00	6,224,317,196.00	725,882,804.00	8,920,080,463.50	8,082,496,188.58	837,584,274.92	
4	Peam Chaing Rubber Plantation	5,105,376,000.00	4,841,008,805.00	264,367,195.00	7,217,998,283.00	6,589,149,492.00	628,848,791.00	
5	Boeung Ket Rubber Plantation	9,105,177,000.00	8,189,779,000.00	915,398,000.00	9,539,079,000.00	9,330,950,000.00	208,129,000.00	
6	Snuol Rubber Plantation	5,308,488,000.00	4,863,666,000.00	444,822,000.00	6,769,436,591.00	6,380,967,038.30	388,496,552.70	
7	Chamcar Andong Rubber Plantation	14,645,808,000.00	12,877,360,000.00	1,768,448,000.00	17,572,724,841.00	16,752,758,876.00	819,965,965.00	
8	Agriculture Equipment Enterprise				445,155,027.31	355,006,134.70	90,148,892.61	
9	Autonomous Sihanouk Ville Port				65,893,151,704.40	32,958,839,063.70	32,934,312,640.70	
10	Autonomous Phnom Penh Port				5,642,092,846.50	4,746,175,211.52	895,917,634.98	
11	Kamsab				5,863,866,803.20	1,888,706,951.35	3,975,159,851.85	
12	Phnom Penh Water Supply	24,406,594,412.00	24,929,630,210.00	(523,035,798.00)	31,984,210,390.00	28,472,476,095.00	3,511,734,295.00	
13	Electricite du Cambodge	222,894,181,407.00	229,179,613,840.00	(6,285,432,433.00)	190,609,448,532.03	207,863,937,446.10	17,254,488,914.07	
14	Green Trade Company	8,908,400,000.00	3,583,116,000.00	324,784,000.00	4,454,680,908.68	4,282,904,894.00	171,776,014.68	
15	Rural Development Bank	2,128,575,930.00	2,070,711,783.00	57,864,147.00	1,361,393,333.00	1,762,444,273.00	401,050,940.00	

ANNEX III

Identification of four-digit HS headings containing tariff lines with tariff rates of 35%

(Note: Not all eight-digit lines within the four-digit headings in this table carry rates of 35%.
For the eight-digit lines concerned, please see Cambodia's tariff.)

Chapter	Description
2	Meat and edible meat offal
02.01	Meat of bovine animals, fresh or chilled.
02.02	Meat of bovine animals, frozen.
02.03	Meat of swine, fresh, chilled or frozen.
02.04	Meat of sheep or goats, fresh, chilled or frozen.
02.05	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen
02.06	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen.
02.07	Meat and edible offal, of the poultry of heading No. 01.05, fresh, chilled or frozen.
02.08	Other meat and edible meat offal, fresh, chilled or frozen.
02.09	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked.
02.10	Meat and edible meat offal, salted, in brine, dried or smoked, edible flours and meals of meat or meat offal.
3	Fish and crustaceans, molluscs and other aquatic invertebrates
03.04	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen.
03.05	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption
4	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included
04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter
04.03	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa.
04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included.
04.05	Butter and other fats and oils derived from milk, dairy spreads.
04.06	Cheese and curd.
04.07	Birds' eggs, in shell, fresh, preserved or cooked.
04.08	Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter.
04.09	Natural honey.
04.10	Edible products of animal origin, not elsewhere specified or included.
9	Coffee, tea, maté and spices
09.01	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion.
11	Products of the milling industry; malt; starches; inulin; wheat gluten
11.01	Wheat or meslin flour.

Chapter	Description
11.02	Cereal flours other than of wheat or meslin.
11.03	Cereal groats, meal and pellets.
11.05	Flour, meal, powder, flakes, granules and pellets of potatoes.
11.06	Flour, meal and powder of the dried leguminous vegetables of heading No. 07.13, of sago or of roots or tubers of heading No. 07.14 or of the products of Chapter 8.
11.08	Starches; inulin.
11.09	Wheat gluten, whether or not dried.
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial and medicinal plants; straw and fodder
12.08	Flours and meals of oil seeds or oleaginous fruits, Other than those of mustard.
12.11	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whether or not cut, crushed or powdered.
13	Lac; gums, resins and other vegetable saps and extracts
13.01	Lac; natural gums, resins, gum-resins and oleoresins (for example balsams).
13.02	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products.
16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates
16.01	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products.
16.02	Other prepared or preserved meat, meat offal or blood.
16.03	Extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates.
16.04	Prepared or preserved fish, caviar and caviar substitutes prepared from fish eggs.
16.05	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved.
17	Sugars and sugar confectionery
17.02	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel.
18	Cocoa and cocoa preparations
18.03	Cocoa paste, whether or not defatted.
18.04	Cocoa butter, fat and oil.
18.05	Cocoa powder, not containing added sugar or other sweetening matter.
18.06	Chocolate and other food preparations containing cocoa.
19	Preparations of cereals, flour, starch or milk; pastry cooks' products
19.03	Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls, siftings or in similar forms.
19.04	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)), in grain form or in the form of flakes or other worked grains (except flour and meal), pre-cooked or otherwise prepared, not elsewhere specified or included.
20	Preparations of vegetables, fruit, nuts or other parts of plants
20.01	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid.
20.02	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid.
20.03	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid.
20.04	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading No. 20.06.
20.05	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading No. 20.06.

Chapter	Description
20.06	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised).
20.07	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, being cooked preparations, whether or not containing added sugar or other sweetening matter.
20.08	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included.
20.09	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.
21	Miscellaneous edible preparations
21.01	Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté ; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof.
21.02	Yeasts (active or inactive); other single-cell micro-organisms, dead (but not including vaccines of heading No. 30.02); prepared baking powders.
21.03	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard.
21.04	Soups and broths and preparations therefor ; homogenised composite food preparations.
21.05	Ice cream and other edible ice, whether or not containing cocoa.
21.06	Food preparations not elsewhere specified or included.
22	Beverages, spirits and vinegar
22.01	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter not flavoured ice and snow.
22.02	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non - alcoholic beverages, not including fruit or vegetable juices of heading No. 20.09.
22.03	Beer made from malt
22.04	Wine of fresh grapes, including fortified wines; grape must other than that of heading No. 20.09.
22.05	Vermouth and other wines of fresh grapes flavoured with plants or aromatic substances.
22.06	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages , not elsewhere specified or included.
22.07	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol. or higher; ethyl alcohol and other spirits, denatured, of any strength.
22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol.; spirits, liqueurs and other spirituous beverages.
23	Residues and waste from the food industries; prepared animal fodder
23.09	Preparations of a kind used in animal feeding.
24	Tobacco and manufactured tobacco substitutes
24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.
24.03	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised " or "reconstituted" tobacco; tobacco extracts and essences.
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.
25.01	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti-caking or free-flowing agents; sea water.
25.19	Natural magnesium carbonate (magnesite); fused magnesia; dead-burned (sintered) magnesia, whether or not containing small quantities of other oxides added before sintering; other magnesium oxide, whether or not pure.
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes
27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations.

Chapter	Description
27.12	Petroleum jelly; paraffin wax, micro-crystalline petroleum wax, slack wax , ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured.
29	Organic chemicals
29.05	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.21	Amine-function compounds.
29.22	Oxygen-function amino-compounds.
29.32	Heterocyclic compounds with oxygen hetero-atom(s) only.
29.33	Heterocyclic compounds with nitrogen hetero-atom(s) only.
29.34	Nucleic acids and their salts; other heterocyclic compounds.
29.39	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives.
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks
32.08	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in Note 4 to this Chapter.
32.09	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an aqueous medium.
32.10.	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.
32.11	Prepared driers.
32.12	Pigments (including metallic powders and flakes) dispersed in non-aqueous media, in liquid or paste form, of a kind used in the manufacture of paints (including enamels); stamping foils; dyes and other colouring matter put up in forms or packings for retail sale.
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations
33.01	Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins ; concentrates of essential oils in fats, in fixed oils, or in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils.
33.03	Perfumes and toilet waters.
33.04	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations.
33.07	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorisers, whether or not perfumed or having disinfectant properties.
34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candies and similar articles, modelling pastes, and "dental waxes" and dental preparations with a basis of plaster
34.04	Artificial waxes and prepared waxes.
34.05	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal , scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations),excluding waxes of heading No. 34.04.
34.06	Candles, tapers and the like.
34.07	Modelling pastes, including those put up for children's amusement; preparations known as "dental wax" or as "dental impression compounds", put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster (of calcined gypsum or calcium sulphate).

Chapter	Description
35	Albuminoidal substances; modified starches; glues; enzymes
35.01	Casein, caseinates and other casein derivatives; casein glues.
35.02	Albumins (including concentrates of two or more whey proteins, containing by weight more than 80% whey proteins, calculated on the dry matter), albuminates and other albumin derivatives.
35.03	Gelatin (including gelatin in rectangular (including square) sheets, whether or not surface-worked or coloured) and gelatin derivatives; isinglass; other glues of animal origin, excluding casein glues of heading No 35.01.
35.04	Peptones and their derivatives; other protein substances and their derivatives, not elsewhere specified or included; hide powder, whether or not chromed.
35.05	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches.
35.07	Enzymes; prepared enzymes not elsewhere specified or included.
36	
36.01	Propellant powders.
36.04	Fireworks, signalling flares, rain rockets, fog signals and other pyrotechnic articles.
36.05	Matches, other than pyrotechnic articles of heading No. 36.04.
36.06	Ferro-cerium and other pyrophoric alloys in all forms; articles of combustible materials as specified in Note 2 to this Chapter.
38	Miscellaneous chemical products
38.14	Organic composite solvents and thinners, not elsewhere specified or included; prepared paint or varnish removers.
38.19	Hydraulic brake fluids and other prepared liquids for hydraulic transmission, not containing or containing less than 70 % by weight of petroleum oils or oils obtained from bituminous minerals.
38.20	Anti-freezing preparations and prepared de-icing fluids.
39	Plastics and articles thereof
39.26	Other articles of plastics and articles of other materials of headings Nos. 39.01 to 39.14.
40	Rubber and articles thereof
40.10	Conveyor or transmission belts or belting, of vulcanised rubber.
40.11	New pneumatic tyres, of rubber.
40.12	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, interchangeable tyre treads and tyre flaps, of rubber.
40.13	Inner tubes, of rubber.
40.15	Articles of apparel and clothing accessories (including gloves), for all purposes, of vulcanised rubber other than hard rubber.
40.16	Other articles of vulcanised rubber other than hard rubber.
40.17	Hard rubber (for example, ebonite) in all forms, including waste and scrap; articles of hard rubber.
41	Raw hides and skins (other than furskins) and leather
41.04	Leather of bovine or equine animals, without hair on, other than leather of heading No. 41.08 or 41.09.
41.05	Sheep or lamb skin leather, without wool on, other than leather of heading No. 41.08 or 41.09.
41.06	Goat or kid skin leather, without hair on, other than leather of heading No. 41.08 or 41.09.
41.07	Leather of other animals, without hair on other than leather of heading No. 41.08 or 41.09.
41.08	Chamois (including combination chamois) leather.
41.09	Patent leather and patent laminated leather; metallised leather.
41.10	Parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour.
41.11	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls.

Chapter	Description
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)
42.01	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material.
42.02	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, toilet bags, rucksacks, handbags, shopping-bags, wallets, purses, map cases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottle cases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanised fibre or of paperboard, or wholly or mainly covered with such materials or with paper.
42.03	Articles of apparel and clothing accessories, of leather or of composition leather.
42.04	Articles of leather or of composition leather of a kind used in machinery or mechanical appliances or for other technical uses.
42.05	Other articles of leather or of composition leather.
42.06	Articles of gut (other than silk-worm gut), of goldbeater's skin, of bladders or of tendons.
43	Furskins and artificial fur, manufactures thereof
43.02	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading No. 43.03.
43.03	Articles of apparel, clothing accessories and other articles of furskin.
43.04	Artificial fur and articles thereof.
44	Wood and articles of wood, wood charcoal
44.04	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking-sticks, umbrellas, tool handles or the like; chipwood and the like.
44.07	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding 6 mm.
44.08	Veneer sheets and sheets for plywood (whether or not spliced) and other wood sawn lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness not exceeding 6 mm.
44.09	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed.
44.10	Particle board and similar board of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances.
44.11	Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances.
44.12	Plywood, veneered panels and similar laminated wood.
44.13	Densified wood, in blocks, plates, strips or profile shapes.
44.14	Wooden frames for paintings, photographs, mirrors or similar objects.
44.15	Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood.
44.16	Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves.
44.17	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood.
44.18	Builders' joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes.
44.19	Tableware and kitchenware, of wood.
44.20	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments of wood; wooden articles of furniture not falling in Chapter 94.
44.21	Other articles of wood.

Chapter	Description
45	Cork and articles of cork
45.02	Natural cork, debarked or roughly squared, or in rectangular (including square) blocks, plates, sheets or strip, (Including sharp-edged blanks for corks or stoppers).
45.03	Articles of natural cork.
45.04	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork.
46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork
46.01	Plaits and similar products of plaiting materials, whether or not assembled into strips; plaiting materials, plaits and similar products of plaiting materials, bound together in parallel strands or woven, in sheet form, whether or not being finished articles (for example, mats, matting, screens).
46.02	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading No. 46.01; articles of loofah.
47	Pulp of wood or of other fibrous cellulosic material ; recovered (waste and scrap) paper or paperboard
47.07	Recovered (waste and scrap) paper or paperboard.
56	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof
56.01	Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps.
56.02	Felt, whether or not impregnated, coated, covered or laminated.
56.03	Nonwovens, whether or not impregnated, coated, covered or laminated.
56.04	Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading No. 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastics.
56.05	Metalised yarn, whether or not gimped, being textile yarn, or strip or the like of heading No. 54.04 or 54.05, combined with metal in the form of thread, strip or powder or covered with metal.
56.06	Gimped yarn, and strip and the like of heading No. 54.04 or 54.05, gimped (other than those of heading No. 56.05 and gimped horse-hair yarn); chenille yarn (including flock chenille yarn); loop wale-yarn.
56.07	Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics.
56.08	Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials.
56.09	Articles of yarn, strip or the like of heading No. 54.04 or 54.05, twine, cordage, rope or cables, not elsewhere specified or included.
57	
57.01	Carpets and other textile floor coverings, knotted, whether or not made up.
57.02	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up, including "Kelem", "Schumacks", Karamanie and similar hand-woven rugs.
57.03	Carpets and other textile floor coverings, tufted, whether or not made up.
57.04	Carpets and other textile floor coverings, of felt, not tufted or flocked, whether or not made up.
57.05	Other carpets and other textile floor coverings, whether or not made up.
58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery
58.01	Woven pile fabrics and chenille fabrics, other than fabrics of heading No. 58.02 or 58.06.
58.02	Terry towelling and similar woven terry fabrics, other than narrow fabrics of heading No. 58.06; tufted textile fabrics, other than products of heading No. 57.03.
58.03	Gauze, other than narrow fabrics of heading No. 58.06.
58.04	Tuffles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs other than fabrics of heading No 60.02
58.05	Hand-woven tapestries of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up

Chapter	Description
58.06	Narrow woven fabrics, other than goods of heading No. 58.07; narrow fabrics consisting of warp without weft assembled by means of an adhesive (boldues).
58.07	Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered.
58.08	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles.
58.09	Woven fabrics of metal thread and woven fabrics of metallised yarn of heading No. 56.05, of a kind used in apparel, as furnishing fabrics or for similar purposes, not elsewhere specified or included.
58.10	Embroidery in the piece, in strips or in motifs.
58.11	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading No. 58.10.
59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use
59.06	Rubberised textile fabrics, other than those of heading No. 59.02.
59.07	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like.
59.08	Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated.
59.09	Textile hosepiping and similar textile tubing, with or without
59.10	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material.
59.11	Textile products and articles, for technical uses, specified in Note 7 to this Chapter.
60	Knitted or crocheted goods
60.01	Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or crocheted.
61	Articles of apparel and clothing accessories, knitted or crocheted goods
61.01	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading No. 61.04.
61.02	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading No 61.04.
61.03	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.
61.04	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.
61.05	Men's or boys' shirts, knitted or crocheted.
61.06	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted.
61.07	Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted.
61.08	Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, negligées, bathrobes, dressing gowns and similar articles, knitted or crocheted.
61.09	T-shirts, singlets and other vests, knitted or crocheted.
61.10	Jerseys, pullovers, cardigans, waist-coats and similar articles, knitted or crocheted.
61.13	Garments, made up of knitted or crocheted fabrics of heading No. 59.03, 59.06 or 59.07.
61.14	Other garments, knitted or crocheted.
61.15	Panty hose, tights, stockings, socks and other hosiery, including stockings for varicose veins and footwear without applied soles, knitted or crocheted.
61.16	Gloves, mittens and mitts, knitted or crocheted.
61.17	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories.

Chapter	Description
62	Articles of apparel and clothing accessories, not knitted or crocheted
62.01	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind jackets and similar articles, other than those of heading No. 62.03.
62.02	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading No. 62.04.
62.03	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear).
62.04	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear).
62.05	Men's or boys' shirts.
62.06	Women's or girls' blouses, shirts and shirt-blouses.
62.07	Men's or boys' singlets and other vests, underpants, briefs, night shirts, pyjamas, bathrobes, dressing gowns and similar articles.
62.08	Women's or girls' singlets and other vests, slips, petticoats, briefs, panties, nightdresses, pyjamas, négligés, bathrobes, dressing gowns and similar articles.
62.10	Garments, made up of fabrics of heading No. 56.02, 56.03, 59.03, 59.06 or 59.07.
62.12	Brassières, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, whether or not knitted or crocheted.
62.13	Handkerchiefs.
62.14	Shawls, scarves, mufflers, mantillas, veils and the like.
62.15	Ties, bow ties and cravats.
62.16	Gloves, mittens and mitts.
62.17	Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading No. 62.12.
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags
63.01	Blankets and travelling rugs.
63.02	Bed linen, table linen, toilet linen and kitchen linen.
63.05	Sacks and bags, of a kind used for the packing of goods.
63.06	Tarpaulins, awnings and sun blinds; tents; sails for boats, sailboards or landcraft; camping goods.
63.07	Other made up articles, including dress patterns.
63.08	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table-cloths or serviettes, or similar textile articles, put up in packings for retail sale.
64	Footwear, gaiters and the like; parts of such articles
64.01	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.
64.02	Other footwear with outer soles and uppers of rubber or plastics.
64.03	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.
64.04	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.
65	Headgear and parts thereof
65.01	Hat-forms, hat bodies and hoods of felt, neither blocked to shape nor with made brims; plateaux and manchons (including slit manchons), of felt.
65.02	Hat-shapes, plaited or made by assembling strips of any material, neither blocked to shape, nor with made brims, nor lined, nor trimmed.
65.03	Felt hats and other felt headgear, made from the hat bodies, hoods or plateaux of heading No. 65.01, whether or not lined or trimmed.
65.04	Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed.
65.05	Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed; hair-nets of any material, whether or not lined or trimmed.

Chapter	Description
65.06	Other headgear, whether or not lined or trimmed.
65.07	Head-bands, linings, covers, hat foundations, hat frames, peaks and chinstraps, for headgear.
66	Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof
66.02	Walking-sticks, seat-sticks, whips, riding-crops and the like.
66.03	Parts, trimmings and accessories of articles of heading No. 66.01 or 66.02.
67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair
67.01	Skins and other parts of birds with their feathers or down, feathers, parts of feathers, down and articles thereof (other than goods falling within heading No. 05.05 and worked quills and scapes).
67.02	Artificial flowers, foliage and fruit and parts thereof; articles made of artificial flowers, foliage or fruit.
67.03	Human hair, dressed, thinned, bleached or otherwise worked; wool or other animal hair or other textile materials, prepared for use in making wigs or the like.
67.04	Wigs, false beards, eyebrows and eyelashes, switches and the like, of human or animal hair or of textile materials; articles of human hair not elsewhere specified or included.
68	Articles of stone, plaster, cement, asbestos, mica or similar materials
68.05	Natural or artificial abrasive powder or grain, on a base of textile material, of paper, of paperboard or of other materials, whether or not cut to shape or sewn or otherwise made up.
68.12	Fabricated asbestos fibres; mixtures with a basis of asbestos or with a basis of asbestos and magnesium carbonate; articles of such mixtures or of asbestos (for example, thread, woven fabric, clothing, headgear, footwear, gaskets), whether or not reinforced, other than goods of heading No. 68.11 or 68.13.
68.13	Friction material and articles thereof (for example, sheets, rolls, strips, segments, discs, washers, pads), not mounted, for brakes, for clutches or the like, with a basis of asbestos, of other mineral substances or of cellulose, whether or not combined with textile or other materials.
68.15	Articles of stone or of other mineral substances (including carbon fibres, articles of carbon fibres or articles of peat), not elsewhere specified or included.
70	Glass and glassware
70.06	Glass of heading No. 70.03, 70.04 or 70.05, bent, edge-worked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials.
70.07	Safety glass, consisting of toughened (tempered) or laminated glass.
70.09	Glass mirrors, whether or not framed, including rear-view mirrors.
70.14	Signalling glassware and optical elements of glass (other than those of heading No. 70.15), not optically worked.
70.15	Clock or watch glasses and similar glasses, glasses for non-corrective or corrective spectacles, curved, bent, hollowed or the like, not optically worked; hollow glass spheres and their segments, for the manufacture of such glasses.
70.18	Glass beads, imitation pearls, imitation precious or semi-precious stones and similar glass smallwares, and articles thereof other than imitation jewellery; glass eyes other than prosthetic articles; statuettes and other ornaments of lamp-worked glass, other than imitation jewellery; glass microspheres not exceeding 1 mm in diameter.
70.19	Glass fibres (including glass wool) and articles thereof (for example, yarn, woven fabrics).
70.20	Other articles of glass.
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin
71.01	Pearls, natural or cultured, whether or not worked or graded but not strung, mounted or set; pearls, natural or cultured, temporarily strung for convenience of transport.
71.02	Diamonds, whether or not worked, but not mounted or set.
71.03	Precious stones (other than diamonds) and semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded precious stones (other than diamonds) and semi-precious stones, temporarily strung for convenience of transport.

Chapter	Description
71.04	Synthetic or reconstructed precious or semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded synthetic or reconstructed precious or semi-precious stones, temporarily strung for convenience of transport.
71.05	Dust and powder of natural or synthetic precious or semi-precious stones.
71.07	Base metals clad with silver, not further worked than semi-manufactured.
71.09	Base metals or silver, clad with gold, not further worked than semi-manufactured.
71.10	Platinum, unwrought or in semi-manufactured forms, or in powder form.
71.11	Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured.
71.12	Waste and scrap of precious metal or of metal clad with precious metal, other waste and scrap containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal.
71.13	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal.
71.14	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal.
71.15	Other articles of precious metal or of metal clad with precious metal.
71.16	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed).
71.17	Imitation jewellery.
73	Articles of iron or steel
73.15	Chain and parts thereof, of iron or steel.
73.17	Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading No. 83.05) and similar articles, of iron or steel, whether or not with beads of other material, but excluding such articles with heads of copper.
73.18	Washers (including spring washers) and similar articles, of iron or steel.
73.20	Springs and leaves for springs, of iron or steel.
73.23	Table, kitchen or other household articles and parts thereof, of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel.
74	Copper and articles thereof
74.14	Cloth (including endless bands), grill and netting, of copper wire; expanded metal, of copper.
74.15	Nails, tacks, drawing pins, staples (other than those of heading No. 83.05) and similar articles, of copper or of iron or steel with heads of copper; screws, bolts, nuts, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of copper
74.16	Copper springs.
74.17	Cooking or heating apparatus of a kind used for domestic purposes, non-electrical, and parts thereof, of copper.
74.18	Table, kitchen or other household articles and parts thereof, of copper; pot scourers and scouring or polishing pads, gloves and the like, of copper; sanitary ware and parts thereof, of copper.
74.19	Other articles of copper
75	Nickel and articles thereof
75.06	Nickel plates, sheets, strip and foil.
75.07	Nickel tubes, pipes and tube or pipe fittings (for example, couplings, elbows, sleeves).
75.08	Other articles of nickel.
76	Aluminium and articles thereof
76.11	Aluminium reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquified gas), of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment

Chapter	Description
76.12	Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment.
78	Lead and articles thereof
78.06	Other articles of lead.
79	Zinc and articles thereof
79.07	Other articles of zinc.
80	Tin and articles thereof
80.07	Other articles of tin.
83	Miscellaneous articles of base metal
83.06	Bells, gongs and the like, non-electric, of base metal; statuettes, and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal.
83.07	Flexible tubing of base metal, with or without fittings.
83.08	Clasps, frames with clasps, buckles, buckle-clasps, hooks, eyes, eyelets and the like, of base metal, of a kind used for clothing, footwear, awnings, handbags, travel goods or other made up articles; tubular or bifurcated rivets, of base metal; beads and spangles, of base metal.
83.10	Sign-plates, name-plates, address-plates and similar plates, numbers, letters and other symbols, of base metal, excluding those of heading No. 94.05.
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
84.07	Spark-ignition reciprocating or rotary internal combustion piston engines.
84.08	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)
84.22	Dish washing machines; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, or labelling bottles, cans, boxes, bags or other containers; machinery bottles, jars, tubes for capsuling and similar containers; other packing or wrapping machinery (including heat-shrink wrapping machinery); machinery for aerating beverages.
84.33	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of heading No. 84.37.
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles
85.04	Electrical transformers, static converters (for example rectifiers) and inductors.
85.05	Electro-magnets; permanent magnets and articles intended to become permanent magnets after magnetisation; Electro-magnetic or permanent magnet chucks, clamps and similar holding devices; electro-magnetic couplings, clutches and brakes; electro-magnetic lifting heads.
85.06	Primary cells and primary batteries.
85.07	Electric accumulators, including separators therefor, whether or not rectangular (including square).
85.08	Electro-mechanical tools for working in the hand, with self-contained electric motor.
85.09	Electro-mechanical domestic appliances, with self-contained electric motors.
85.10	Shavers, hair clippers and hair-removing appliances, with self-contained electric motor
85.11	Electrical ignition or starting equipment of a kind used for spark-ignition or compression-ignition internal combustion engines (for example, ignition magnetos, magneto-dynamos ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, dynamos, alternators) and cut-outs of a kind used in conjunction with such engines.
85.12	Electrical lighting or signalling equipment (excluding articles of heading No 85.39), windscreen wipers, defrosters and demisters, of a kind used for cycles or motor vehicles.

Chapter	Description
85.15	Electric (including electrically heated gas), laser or other lights or photon beam, ultrasonic, electron beam, magnetic pulse or plasma arc soldering, brazing or welding machines and apparatus, whether or not capable of cutting; electric machines and apparatus for hot spraying of metals or cermets
85.16	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro-thermic hair-dressing apparatus (for example, hair dryers, hair-curlers, curling ton heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading no.85.45.
85.18	Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures; headphones, earphones and combined microphone/speaker sets; audio frequency electric amplifiers; electric sound amplifier sets.
85.31	Electric sound or visual signalling apparatus(for example bells, sirens, indicator panels, burglar or fire alarms) other than those of heading No. 85.12 or 85.30 .
85.32	Electrical capacitors, fixed, variable or adjustable (pre-set).
85.33	Electrical resistors (including rheostats and potentiometers), other than heating resistors.
85.39	Electric filament or discharge lamps, including sealed beam lamp units and ultra-violet or infra-red lamps; arc-lamps.
85.40	Thermionic, cold cathode or photo-cathode valves and tubes (for example, vacuum or vapour or gas filled valves and tubes, mercury arc rectifying valves and tubes, cathode-ray tubes, television camera tubes).
85.41	Diodes, transistors and similar semi-conductor devices; photosensitive semi-conductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes; mounted piezo-electric crystals.
85.44	Insulated (including enamelled or anodised)wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors.
85.45	Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, a kind used for electrical purposes.
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof
87.03	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading No. 87.02), including station wagons and racing cars.
87.06	Chassis fitted with engines, for the motor vehicles of headings Nos. 87.01 to 87.05.
87.07	Bodies (including cabs), for the motor vehicles of headings Nos. 87.01 to 87.05.
87.08	Parts and accessories of the motor vehicles of headings nos. 87.01 to 87.05.
89	Ships, boats and floating structures
89.03	Yachts and other vessels for pleasure or sports; rowing boats and canoes
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof
90.01	Optical fibres and optical fibre bundles; optical fibre cables other than those of heading No.85.44; sheets and plates of polarising material; lenses (including contact lenses), prisms, mirrors and other optical elements ,of any material, unmounted, other than such elements of glass not optically worked.
90.02	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fitting for instruments or apparatus, other than such elements of glass not optically worked.
90.03	Frames and mountings for spectacles, goggles or the like, and parts thereof.
90.04	Spectacles, goggles and the like, corrective, protective or others
90.05	Binoculars, monoculars, other optical telescopes, and mountings therefor; other astronomical instruments and mountings therefor, but not including instruments for radio-astronomy.
90.06	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of heading No. 85.39.

Chapter	Description
90.13	Liquid crystal devices, not constituting articles provided for more specifically in other heading, lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this chapter.
90.14	Direction finding compasses; other navigational instruments and appliances.
90.15	Surveying (including photogrammetrical surveying) hydrographic oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses, rangefinders.
90.16	Balances of a sensitivity of 5 cg or better, with or without weights.
93	Arms and ammunition, parts and accessories thereof
93.02	Revolvers and pistols, other than those of heading No. 93.03 or 93.04 .
93.03	Other firearms and similar devices which operate by the firing of an explosive charge(for example, sporting shot guns and rifles, muzzle-loading firearms, Very pistols and other devices designed to project only signal flares, pistols and revolvers for firing blank ammunition, captive-bolt humane killers, line-throwing guns).
93.04	Other arms(for example, spring, air or gas guns and pistols, truncheons), excluding those of heading No. 93.07.
93.05	Parts and accessories of articles of headings No 93.01 to 93.04.
93.06	Bombs, grenades, torpedoes, mines, missiles and similar munitions of war and parts thereof; cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads.
93.07	Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths therefor.
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings
94.01	Seats (other than those of heading No.94.02),whether or not convertible into beds, and parts thereof.
94.03	Other furniture and parts thereof.
94.04	Mattress supports; articles of bedding and similar furnishings (e.g. mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber of plastics, whether or not covered.
95	Toys, games and sports requisites; parts and accessories thereof
95.04	Articles for funfair, table or parlour games, including pin - tables, billiards, special tables for casino games and automatic bowling alley equipment.
95.05	Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes.
95.08	Roundabouts, swings, shooting galleries and other fairground amusements; travelling circuses, travelling menageries and travelling theatres.
96	Miscellaneous manufactured articles
96.03	Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand-operated mechanical floor sweepers, not motorised, mops and feather dusters; prepared knots and tufts for broom or brush or making; paint pads and rollers; squeegees (other than roller squeegees).
96.04	Hand sieves and hand riddles.
96.05	Travel sets for personal toilet, sewing or shoe or clothes cleaning.
96.14	Smoking pipes(including pipe bowls) and cigar or cigarette holders, and parts thereof.
96.15	Combs, hair-slides and the like; hairpins, curling pins, curling grips, hair-curlers and the like, other than those of heading No. 85.16, and parts thereof.
96.16	Scent sprays and similar toilet sprays and mounts and heads there for, powder - puffs and pads for the application of cosmetics or toilet preparation.
96.17	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof, other than glass inners.
9618	Tailors' dummies and other lay figures; automata and other animated displays used for shop window dressing.

ANNEX IV
CUSTOMS AND EXCISE DEPARTMENT
REFORM STRATEGY

I. INTRODUCTION

The Customs and Excise Department has embarked on a Customs Reform and Modernization program aimed at creating a modern customs administration that meets the requirements of the government for efficient revenue collection and for protection at the border, and that also meets the needs of the private sector for fast, straightforward and reliable international trade. This paper outlines the Reform program of the Customs and Excise Department in the framework of the economic reform policies of the Government of the Kingdom of Cambodia, and of the Ministry of Economy and Finance.

Government Reform Program and Policy

In its Second Mandate, the Royal Government of Cambodia has committed itself to sustained economic growth and poverty reduction. A policy statement by Samdech Prime Minister Hun Sen to the National Assembly on November 30, 1998, demonstrated the Government's strong political will and commitment to continuing a strong policy of reform in the following areas:

- Public Service Reform
- Military and police reform
- Justice and judiciary reform, and
- Economic Reform

Economic reform is the highest priority for the Government. Its aim is to achieve sustainable economic development and to secure macro economic stability for Cambodia. This will be done through efforts to promote gradual economic growth by utilizing national capacity and potential and cooperation and assistance from overseas. A core task and precondition for the success of the economic reform process is the strengthening of the civil service and the development of good governance. A key supporting element for achieving these objectives is the need to strengthen revenue collection so that the Government can fund the various initiatives that constitute its reform program.

Ministry of Economy and Finance Economic Reform Policy

In carrying out the Government's policy on economic reform, the Ministry of Economy and Finance has established its own policy and work programs covering the following areas:

- Economic policy including fiscal reform
- Public finance policy, and
- Foreign economic policy

The Minister of Economy and Finance has taken steps to strengthen budget management capacity in the Ministry. He is also committed to broadening the tax base and improving customs administration through reform programs in both the Tax and Customs and Excise Departments. Technical assistance is being provided by donor agencies (UNDP, IMF, AsDB, and several bilateral donors) in many areas, including the tax and customs departments.

The institutions and units under the direction of the Ministry of Economy and Finance have been directed to develop reform programs and action plans to implement the reform policies of the Royal Government and of the Ministry. This document outlines the Reform Program of the Customs and Excise Department.

II. CUSTOMS REFORM PROGRAM

Reform Objectives:

The Customs and Excise Department under the direction of the Delegate of the Royal Government in Charge of the Customs and Excise Department has launched an ambitious program of reform. The Customs Reform Program (CRP) is a comprehensive set of initiatives aimed at fundamentally changing and strengthening the way the Department operates. Its objective is to strengthen all aspects of the Department's operations, including its people, its organization structure, its legislative base, its systems and procedures and its facilities and infrastructure.

These initiatives are essential to prepare the department to meet the many changes and challenges facing Cambodia today. The CRP will enable the Department to meet the Government's expectations for revenue collection, and also to meet the expectations of the trading community and the general public for an efficient, professional and transparent customs service. The CRP will also ensure the Department is prepared to meet the requirements of membership in the World Trade Organization and the ASEAN group of nations.

The program will see the development and implementation of a modern customs law and related regulations, the restructuring of the Customs Tariff to meet international commitments, the streamlining and simplification of customs procedures to bring them in line with international standards and to improve trade facilitation, the introduction of automation, the strengthening of enforcement programs to reduce smuggling and other illegal practices, the provision of adequate facilities and equipment to enable the Department to carry out its mandate, and the enhancement of the skills, knowledge and professionalism of customs staff.

The Customs and Excise Department is receiving technical assistance from the International Monetary Fund (IMF) the United Nations Development Program (UNDP) in its reform program. There is a resident Customs Advisor and specialist advisors will be brought in to assist in many areas of development. Short-term technical assistance is also being provided by the ASEAN Secretariat and by various bilateral donors.

The objectives of the CRP are outlined below. Each of these objectives is supported by detailed action plans that will be monitored by the Customs Reform Steering Committee.

1. Strengthening Customs Legal Framework:

The development and implementation of a revised Law on Customs to provide the legislative base for reform and to meet international commitments and standards.

The existing customs legislation (the Law on Duties on Exported and Imported Goods -1989) is inadequate to meet the needs of a modern customs administration. It is very limited in scope and does not provide the legislative base required to support the changes planned through the Customs Reform Program.

Some five years ago with the assistance of the UNDP, a draft customs code for Cambodia was developed based largely on the prevailing French Customs Code. The draft code was presented to the Council of Ministers about two years ago, but has not yet been approved. The draft law is very detailed and too complex, with some 340 articles. In addition, there is some concern that this draft code is not appropriate given the new commitments of the Government to the WTO, ASEAN, and the various conventions of the World Customs Organization (WCO) particularly the Kyoto Convention on the Simplification of Customs Procedures.

Therefore a careful review of the draft will be undertaken and a revised draft customs code will be developed and presented for approval. There will be provision for the development of related customs regulations. This draft law will take into account the requirements of an automated customs processing system. Plans are to have the draft code completed by the end of the year 2001. All interested parties both in Government and in the private sector will be consulted in the development of the new customs code.

2. Restructuring the Customs Tariff:

The development and implementation of a streamlined and rationalized Customs Tariff aimed and reducing the number of tariff bands and the maximum tariff rate.

The restructuring of the Cambodian Customs Tariff is part of the Government's commitment to fiscal reform that is in turn part of its program of economic reform. These programs are supported by the International Monetary Fund through its Poverty Reduction and Growth Facility arrangement, and under a World Bank Structural Adjustment credit. The UNDP and other donor agencies are also supporting the Government's program.

The restructuring program calls for the reduction in the number of tariff bands from 12 to 4, and the reduction of the maximum customs tariff rate from 120% to 35% in 2001. In order to protect important Government revenue collections from Customs, the Government is increasing its excise duty rates at the same time its tariff rates are being reduced. The reduction of the number of tariff bands from 12 to 4 will greatly simplify the administration of the tariff. The long-term goal is to have an unweighted tariff rate of less than 15% in the year 2002/2003.

3. Modernizing and Streamlining Customs Procedures:

The introduction of simplified customs clearance procedures that enhance trade facilitation and improve effectiveness of operations through the application of risk management techniques.

Current customs clearance procedures are complex, labour intensive and inefficient. The Department is undertaking a fundamental review of its processes and procedures to identify areas that need to be streamlined and modernized to meet international standards and to prepare for automation. This will include examining the roles of other government departments in the importing and exporting process with a view to a long-term goal of consolidating border controls within customs to the greatest extent possible. Improvements in the clearance process will be implemented on an ongoing basis as the Department moves closer to automation. Areas to be streamlined include reporting and control of cargo, transit controls, cargo inspection and release, import declaration and revenue accounting, tariff classification and valuation, and the development of a post clearance audit program.

4. Expanding International Relations:

The development of expanded multi-lateral and bi-lateral relations, including accession to the World Trade Organization, the World Customs Organization, and the ASEAN Free Trade Area, negotiation of trade agreements (New Zealand, Canada).

The Government is committed to joining the World Trade Organization (WTO), and preliminary discussions have begun. The Customs and Excise Department faces major challenges in preparing to meet the customs-related requirements of the WTO membership. These requirements relate primarily to the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (the WTO Valuation Agreement). The existing methods of determining the value of imported

goods for customs purposes will undergo major changes with the move to “transaction value” or the price actually paid for goods as is required under the Valuation Agreement. The development of post clearance audit will be an essential part of the introduction of the Agreement, and reflects a major change in the customs process that will benefit both the Department in terms of revenue collection and the importers in terms of trade facilitation and levels of service from Customs. Procedures also need to be developed to ensure that Customs is able to implement border control measures regarding intellectual property, as called for by the WTO TRIPS Agreement.

The Department recently became a member of the World Customs Organization (WCO) and will be implementing changes in operational procedures to meet the international standards of the WCO (primarily the Kyoto Convention on the simplification of Customs procedures).

The Department will increase its international enforcement liaison and co-operation efforts. This will involve more involvement with the WCO Regional Intelligence Liaison (RILO) office, increased bilateral information exchanges and the establishment of an international contact point in the Department.

5. Strengthening Enforcement:

The development and implementation of an enforcement strategy and program based on the principles of risk management in order to reduce smuggling and other illegal cross border activities.

The Department faces many difficulties in its enforcement efforts at this time. Several other government agencies have assumed a customs enforcement role resulting in duplication of effort, inefficient use of resources, and ineffective anti-smuggling efforts. The Department lacks essential equipment and tools to carry out effective enforcement, training has been limited, and corrupt practices often frustrate enforcement efforts. In order to reduce smuggling the Department is developing a short-term anti-smuggling strategy that will address the highest priority smuggling areas.

In the medium to long term a comprehensive enforcement strategy will to be developed. This strategy will include a strategic threat assessment, and a detailed assessment of the effectiveness of current enforcement efforts. It will present a structured enforcement program including recommendations on organization, staffing levels and training, operational improvements to existing units, and steps to reduce internal malfeasance. The strategy will also address the issue of other government agency involvement in customs enforcement, and international co-operation. The plan will take into account the streamlining initiatives outlined in the previous section, and will ensure enforcement efforts are co-ordinated with other operational areas of the Department.

6. Automating Systems and Procedures:

All Information Technology (IT) opportunities will be exploited to improve business systems, operating efficiency and service to clients. The long-term goal is fully automated systems for all customs business processes.

The Department has very limited automation at this time. Systems that are in place are not inter-connected and are mostly statistical systems or systems that provide support information for use of specialist groups (e.g. the Valuation Division system, and the statistical data system). The existing process of importing goods into Cambodia follows a traditional manual system of cargo reporting, declaration processing, revenue accounting, and clearance of goods.

Early in 2001 the Director of the Customs and Excise Department approved an Information Technology Framework. This Framework assesses the current state of automation in the Department, and lays out a strategic plan and an approach to IT development and implementation. The Framework also includes short-term, medium-term and long-term action plans.

Short-term actions (0 to 12 months) include enhancing the statistical data collection system, introducing an effective linkage to the SGS Valuation support System, and identifying new and potential “skill gaps” caused by the introduction of IT.

Medium-term activities (0 to 36 months) include creating a permanent IT organization, identifying potential automation projects, identifying potential sources of funds and technical assistance, reviewing legislation for IT implications, and conducting detailed feasibility studies of priority projects.

The long-term activities (12 to 48 months) include the development of detailed requirements statements, selection of system supplier or developer, system development and implementation, and post implementation support and review.

IMF technical advisors and the technical support and equipment provided by SGS under the terms of the PSI contract, will assist the Department to implement the IT Framework and to launch its IT initiative.

7. Improving Departmental Organization and Human Resources:

The implementation of a new organizations structure to better meet the needs of the organization, and the development and implementation of a comprehensive human resource plan, including training and development programs.

The existing organization structure of the Department is not responsive to current requirements and circumstances, and needs to be changed. Changes have already been proposed to the organization structure of the Department. Further review and development of the organization in light of the various reform initiatives will be undertaken. Every effort will be made to increase delegation of authority and to implement monitoring and control mechanisms to ensure managers are held accountable for their decisions.

The knowledge and skills of customs officers need to be improved to prepare them to administer and manage the new systems and procedures coming under the CRP, such as the introduction of post clearance audit, and the introduction of computerization. A comprehensive training program is also required to ensure that the Government can confidently return responsibility for tariff classification and valuation to the Customs Department and phase out the PSI program. The Department will create a Customs Training Centre that will be responsible for the development and delivery of much of the training programs. Overseas training and development opportunities will be provided to staff as and when available.

The Department will develop a comprehensive human resource plan. In addition to the organization structure and training requirements, other issues to be addressed in the human resource plan include staffing requirements, staff remuneration, policies on staff recruitment, rotation and promotion and an integrity program (which will include a code of conduct for customs staff).

8. Maximizing Return From PSI Operations:

In the short term the goal is to maximize the return from the PSI operations. The long-term goal is to develop Customs' capacity and systems so that the responsibility for tariff classification and valuation can be returned to the Department.

The Government signed a two-year contract with the pre-shipment inspection (PSI) company Societe Generale De Surveillance SA (SGS) in 2000. The purpose of pre-shipment inspection is to further assist the Customs and Excise Department modernize its operations, to minimize the opportunities for fraud and fiscal evasion through misdescription misclassification and under-valuation of goods by importers, and to facilitate trade. Customs is committed to maximizing the return from pre-shipment operations.

As an integral part of its contract, the PSI company is required to provide assistance in the modernization of Customs. This assistance includes the provision of specialized training in customs techniques and management skills, and the provision of assistance and hardware in the development of an automated customs clearance system.

In addition to maximizing the return from the PSI contract, the Department is committed to developing and modernizing its own systems and procedures, to enhancing the technical skills and capacities of its staff and strengthening its internal controls. The goal is that through the reform program the Customs and Excise Department will develop its capacity to the point where there will no longer be a requirement for PSI operations and they can be phased out. The assistance to be provided under the PSI contract will greatly assist in achieving this goal.

9. Improving Departmental Infrastructure:

The development of an infrastructure plan to ensure the Department is provided with adequate office and examination facilities, furniture and equipment, computers and enforcement tools (vehicles, detection equipment, etc.).

Many of the Department's offices and check points are no longer adequate to meet the needs of the Department and of the trade. Buildings have become rundown and in a poor state of repair, and equipment is lacking in all areas. These inadequacies impair our capacity to do our jobs and create inconvenience and delays for importers and travellers. In addition, our offices must be refurbished or replaced in order to accommodate the widespread introduction of automation.

In order to determine specific requirements and priorities a detailed infrastructure plan will be developed. It will assist in securing funding for our infrastructure program from both Government and external sources.

10. Enhancing Service to the Public and Trade Facilitation:

To improve levels and quality of service to the public and to improve trade facilitation by providing prompt, reliable and professional service to legitimate business.

The Department will strengthen its appeal and dispute resolution procedures so that traders' appeals can be promptly and fairly dealt with, in a transparent manner. The new Customs legislation will provide clear appeal procedures and dispute settlement mechanisms.

As part of the review of clearance procedures and the introduction of automation, the Department will identify opportunities to reduce the time and paperwork required to clear goods through Customs. We will consult with the trade in developing all of our new programs, to ensure that their requirements are taken into consideration

11. Management of the Reform Program:

A management structure in place to manage the Customs Reform Program and ensure its success.

A Customs Reform Steering Committee is being formed at the Ministry of Economy and Finance to provide strategic direction and to monitor progress of the reform Program. Within the department a Customs Reform Working Group under the guidance of the Director of the Department has been formed to manage the reform plan. Goals and action plans are under development and the Working Group will monitor performance against them. Several Sub-Groups are in place to carry out the various projects, under the direction of the Reform Working Group.

Under the IMF Technical Cooperation Action Plan (TCAP) a resident Customs Advisor is in place and will provide a wide range of technical assistance and advice to the Department. In addition, the TCAP provides for a number of short-term technical assistance missions in various technical areas of operations.

Activity Summary

Objective:

“Strengthen customs administration through a coherent and comprehensive strategy to modernize the customs department and to permit the successful phase out of the pre shipment inspection program”

This objective will be achieved through the following activities:

- i) Maximize return from pre shipment inspection operations:
 - (a) Improve working relationship with PSI company;
 - (b) Create and staff a revenue analysis unit;
 - (c) Implement the reconciliation procedures of the PSI contract;
 - (d) Provision of quarterly reports on exemptions by the PSI company;
 - (e) Implementation of the “assistance to Customs” components of the PSI contract.

- ii) Strengthen customs administration:
 - (a) Develop and implement a new Law on Customs that meets international standards, and the needs of Cambodia;
 - (b) Implement Tariff restructuring program resulting in an unweighted tariff rate of less than 15% in 2002/2003;
 - (c) Strengthen customs enforcement capabilities;
 - (d) Modernize and streamline customs procedures;
 - (e) Strengthen the organization structure of the Department, improve human resource skills and knowledge through a comprehensive human resource and training plan;
 - (f) Implement an infrastructure plan to provide facilities and equipment to support the reform initiatives.

- iii) Computerize customs operations:
 - (a) Develop an Information Technology Framework;
 - (b) Implement short term action plan to enhance the statistical data collection system, to expand use of the SGS valuation data base, and to identify IT skill gaps and provide training;
 - (c) Carry out preparatory steps to start up of automation project (create and staff an IT organization, identify potential funding sources, review legislation, identify potential technical assistance sources);
 - (d) Conduct a feasibility study to determine automation requirements and priorities, select service provider to develop system);
 - (e) Develop and implement the automated system.

- iv) Management of the reform program:
 - (a) Create a Customs Reform Steering Committee and a Reform Working group to manage the reform program;
 - (b) Create a small reform project team;
 - (c) Provision and coordination of technical assistance;
 - (d) Develop and implement a public relations program;
 - (e) Monitor progress of reform program implementation.

ANNEX V

Agricultural Products, imports of which are exempt from value added tax:

- a) **Seeds** under HS Sub-headings No. 1005.10.00
1006.11.00
1008.30.00
1207.20.00
1207.30.00
207.40.00
207.50.00
207.60.00
1207.91.00
- and in the headings No. 12.04
12.05
12.06
12.09
50.01
- a) **Animal feed stuff and supplementary feed** in HS headings No: 23.08 and 23.09, except in the sub-headings No: 2309.10.10 and 2309.10.90.
- b) **Animal species** in the sub-heading Nos. :
- | | | | | | |
|------------|------------|------------|------------|------------|------------|
| 0101.11.00 | 0102.10.00 | 0103.10.00 | 0104.10.10 | 0104.20.10 | 0105.11.10 |
| 0105.12.10 | 0105.19.10 | 0105.19.30 | 0105.92.10 | 0105.93.10 | 0106.00.10 |
| 0511.10.00 | 0701.10.00 | | | | |

Source: Circular No. 4, Ministry of Economy and Finance (4 June 2001)
