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# **PROMOTING HUMAN DEVELOPMENT IN TRADE NEGOTIATIONS: AN ACTION PLAN FOR CAMBODIA**

**Fabio Napoletano & Un Sinath**  
**EIC Consultant & EIC Researcher**

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Objective

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2. Cashew nuts
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# Objective

Propose trade negotiation policies to promote exports of potential sectors

1. Organic and conventional rice
2. Cashew nuts
3. Silk
4. Natural Rubber

# Major findings

- Majority of target markets apply low import tariffs
- Most severe tariff barriers: in developing countries like India and China
- Challenging non-tariff barriers: compliance with product-standards and certification procedures
- Quantitative import restrictions for rice

# 1. Organic rice & conventionally produced rice

# Import tariffs applied to milled rice in top 5 organic retail markets in 2006

Country	Applied import tariff (in %)
EU	0 - 30
USA	0
Switzerland	0
Canada	0
Japan	0 – 626

# Import tariffs applied to milled rice in target markets for conventionally produced rice in 2006

Country	Applied import tariff (in %)
Nigeria	20 - 100
Philippines	0 - 50
Indonesia	16
EU	0 - 30
Saudi Arabia	0
China	1 - 65
India	70
Vietnam	0 - 5

## 2. Cashew nuts

# Import tariffs applied to cashew nuts without shell on target markets in 2006

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Country	Applied import tariff (in %)
USA	0
Netherlands	0
UK	0
Canada	0
Australia	0
India	30
Vietnam	0 - 5
Indonesia	0



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## 3. Silk

# Import tariffs applied to silk shawls & scarves in target markets in 2006

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Country	Applied import tariff (in %)
USA	0
France	0
Japan	0
Italy	0
Germany	0

## 4. Natural rubber

## Import tariffs applied to natural rubber in target markets in 2006

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Country	Applied import tariff (in %)
EU	0
USA	0
China	20
Japan	0
South Korea	0
Thailand	0
India	25

## 5. Other barriers?

# Non-tariff barriers

- Food safety standards (rice & cashews)
- Sanitary and phytosanitary standards (rice & cashews)
- Product and production standards (rubber, silk & organic rice)
- Certification procedures (organic rice & rubber)
- Quantitative import restrictions (rice)
- Market distorting subsidies (rice)

## 6. How to increase market access through trade negotiations?

# WTO – Doha Round (1)

- Agricultural and non-agricultural market access (India, China, Japan)
- Secure concessions by both, developed and developing countries
- Harmonization of production standards and certification procedures for organic products (USA, Japan, EU)

## WTO – Doha Round (2)


- Simplification and harmonization of rules of origin regulations (EU, Japan)
- Elimination of export subsidies on rice (USA)
- Special Safeguard Mechanism (SSM) to protect rice sector from export dumping
- Secure financing for technical assistance & trade capacity building (Aid for Trade Initiative)

# ASEAN & ASEAN+

- Secure elimination of quantitative import restrictions on rice within ASEAN
  - ➡ Indonesia & Philippines (rice)
  
- (Re-)Negotiate low tariffs and technical assistance for ASEAN-LDCs in FTAs between the ASEAN and Third Countries
  - ➡ India, China, Japan, EU (rice, rubber)

# Preferential Treatment (1)

	Silk	Cashew nuts	Rubber	Rice
Tariff advantage in %	1.5	0.1	- 0.3	- 4.9


 no or low tariff advantage of Cambodia against major 5 competitors in world market

## Preferential Treatment (2)

- Secure and deepen preferential market access through available trade frameworks



Japan (GSP)

Philippines & Indonesia (AISP)

EU (utilization of EBA)

India (FTA)

China (GSP)

# Bilateral Negotiations

- Deepen trade integration with target markets through Trade and Investment Agreements (TIFAs, FTAs)
  - ➡ USA & Saudi Arabia: increased financing for technical assistance and trade capacity building
  - ➡ Nigeria: tariffs on rice

# Conclusion

- Tariff and non-tariff barriers in general to be addressed through the WTO
- Market access for rice, rubber and cashews to India, China and Japan to be increased through ASEAN
- Financing for trade capacity building needed (Aid for Trade & ASEAN+)

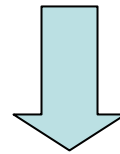
## However ...

- Trade negotiations show results only in the long run
- Limited in increasing market access significantly to important target markets:
  - India (rice, rubber, cashew nuts)
  - China (rice & rubber)

# Additional activities needed

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Address supply side constraints



- Trade capacity building
- “Enabling” trade and industrial policy environment



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**Thank you for your attention!**