

International Fish Trade Profile: Cambodia

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INTRODUCTION

The fisheries sector plays a crucial role in the economy of Cambodia. The fisheries production contributes around 10 % of the country's overall gross domestic product. The sector provides full-time, part-time, and seasonal employment to six million people (approximately 50 % of the population). The labor force in the marine fisheries sector are involved in fishing, gathering, processing, and marketing which is estimated to be 10,000 people (10 % of the coastal inhabitants) (FAO, 2005).

In addition, the fisheries sector is vital for food security. More than 80 % of the rural households consume fish every day. Fish is around 80 % of the average daily animal protein consumption of the people of Cambodia and the average fish consumption is 63 kg/per capita/year (IFReDI, 2013). Freshwater fish is the second main food after rice, but the domestic consumption of marine fishery products is low and most marine fishery products are exported.

Over the last decade, the Ministry of Agriculture, Forestry and Fisheries promoted the development of sustainable fishing practices and cooperation rather than competition in the national fisheries industry. The promulgation of the new fisheries law combined with the establishment of the Strategic Planning Framework for Fisheries 2010-2019 also strengthened the regulatory regime governing the conservation of Cambodia's fishery resources. The Strategic Planning Framework outlined the aim of the government to develop the aquaculture sector to boost both food security and the volume of exports. In 2011, the government suspended all commercial establishments around the Tonle Sap in favor of community fisheries which was gradually established by the government over the last decade (WorldFish, 2011).

FISHERIES PRODUCTION

Cambodia has a rich biodiversity of freshwater and marine fishery resources. The coastal areas of the Gulf of Thailand are the source of production for marine capture fisheries. The primary source inland capture fisheries are the Tonle Sap and Mekong River. The inland capture fisheries is highly productive due to the annual flooding of the Tonle Sap – the largest freshwater lake in Southeast Asia – which expands 3-5 times its normal size during the rainy season and temporarily occupy around 44 % of the country's total area (ADB, 2005). Each year, the Tonle Sap contributes to approximately 50 % of Cambodia's capture production with the value of catch reaching US\$ 250 million-US\$ 500 million (ADB, 2005; Mensher, 2006). The lake also accounts for about a quarter of fishery exports from Cambodia, primarily to Thailand (ADB, 2005). The country's total fisheries production from 2009 to 2017 is shown in **Figure 1**.

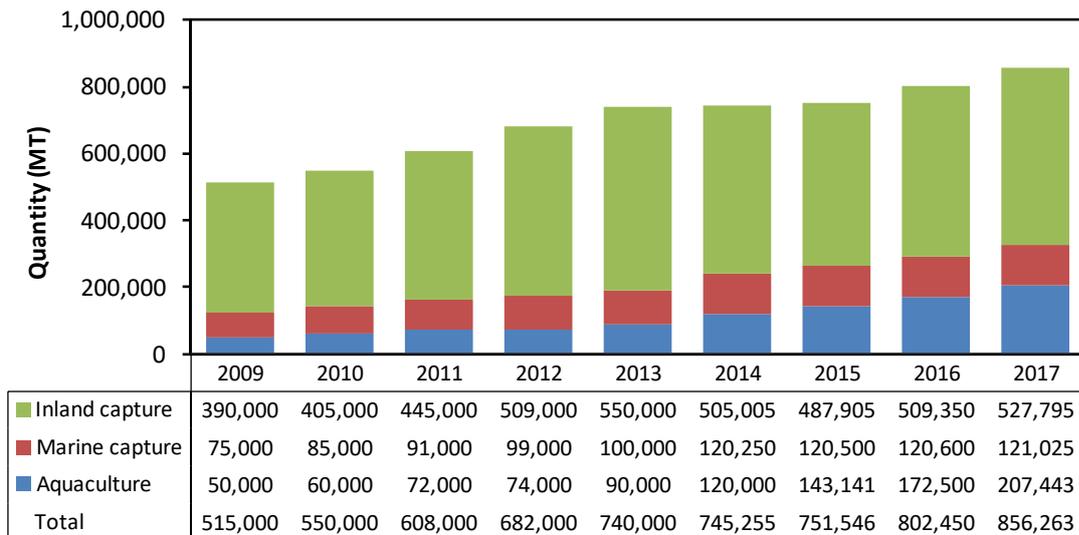


Figure 1. Fisheries production of Cambodia in 2011-2017 by quantity (MT)

Source: FiA, 2018

INTERNATIONAL FISH TRADE

Cambodia lies at the heart of the Southeast Asian region, the most economically dynamic region in the world. The country has good road connections with Thailand, Viet Nam, and Lao PDR, all of which have rapidly growing economies and growing domestic markets, providing significant regional trade opportunities. Trade relations with Viet Nam are particularly strong due to the close proximity of Ho Chi Minh City accessible through rivers, roads, and air transportation. Moreover, the increasing tourist traffic in Siem Reap and northern part of country, especially from Bangkok, is also underpinning improved connections and trade potential. The combined population of Viet Nam, Thailand and Lao PDR is 162 million compared to the 14 million in Cambodia. Entrepreneurs from Myanmar, Thailand, and Viet Nam are now investing in aquaculture in Cambodia, especially in the southern part of the country. The skills they bring and the trading networks they create facilitate development of the fisheries industry of Cambodia.

Nevertheless, the data on the amount and value of exported and imported fishery products from Cambodia is limited. The activities of fishers who cross the borders to sell their products to Thailand traders are unrecorded. Furthermore, the country is importing relatively cheap feed and seed when the supplies are costly or inadequate.

Cambodia supplies a large quantity of freshwater fish species to markets in Thailand and Viet Nam, where processors add value and prepare fish for re-export to major importing countries (Rab *et al.*, 2006). However, the export of frozen products has declined during the last few years due to lack of raw materials to process. **Figure 2** shows the value of exported fishery products in 2010-2017. The changes in the government policies may have caused the decrease in exports which diverted the fishery products towards the domestic markets in order to meet the rising local demand (The Phnom Penh Post, 2012). Also, the Kampuchea Fish Import and Export Company, a state enterprise that had sole distribution rights for all fish trade into and out of Cambodia, was immobilized which could have been the cause of declined value of exports.

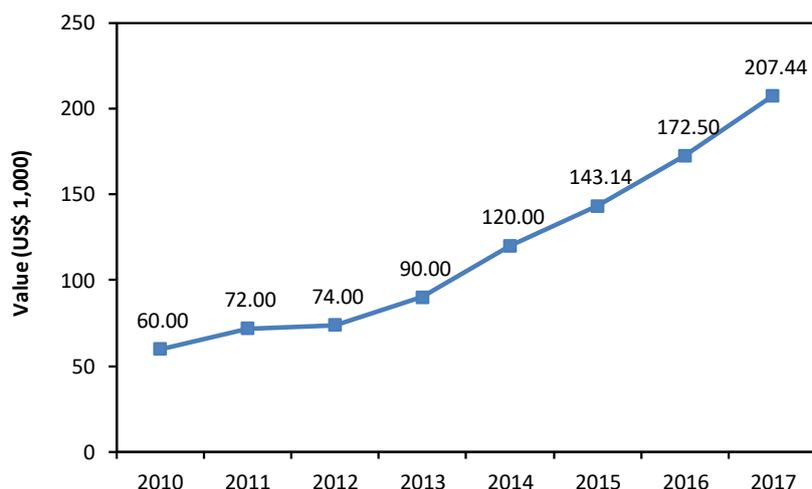


Figure 2. Value (US\$ 1,000) of fishery products exported by Cambodia in 2010-2017
Source: UN Comtrade, 2018

As shown in **Figure 3**, the main countries of destination of exported fishery products from Cambodia are Thailand and Vietnam, and a smaller volume are traded to Singapore, Malaysia, Hong Kong, China, Taiwan, Japan, USA, and Australia (FAO, 2005).

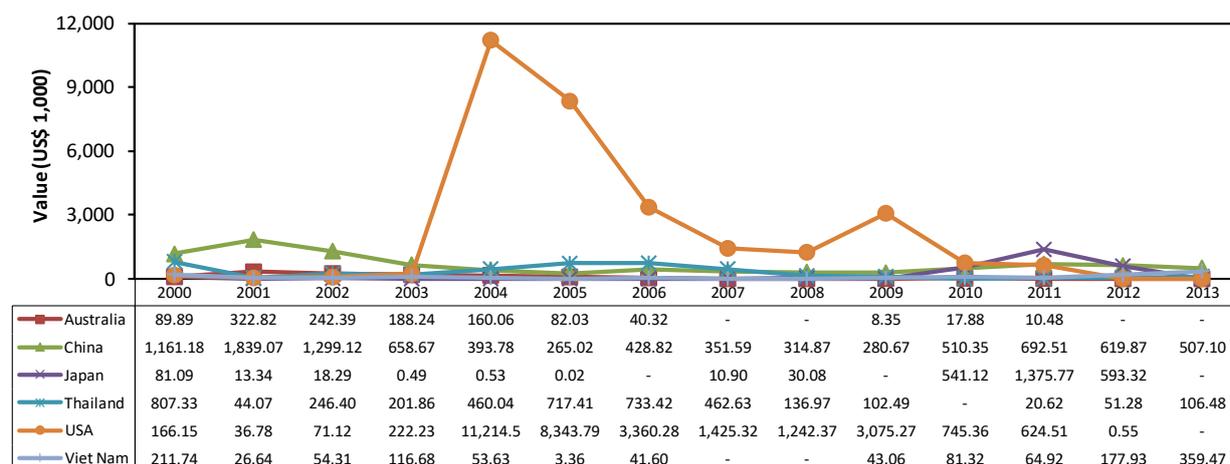


Figure 3. Countries of destination of fishery products exported by Cambodia in 2000-2013 by value (US\$ 1,000)
Source: UN Comtrade, 2018

FISH TRADE POLICIES

Government Regulations (GDCE, 2018)

- Prakas No 107 MEF dated 15 February 2008, on reporting, movement, storage and transportation of exported goods
- Prakas No 111 MEF.PRK dated 15 February 2008, on the authorization to carry out the customs formalities outside of the customs offices
- Instruction No.546 GDCE dated June 30, 2011, on the further trade facilitation for private investors in completion of customs formalities
- Instruction No 516 GDCE dated 02 April 2014, on exemption of Customs Processing Fee on rice exportation
 - According to the policy of the Royal Government of Cambodia, and the recommendations of the Ministry of Economy and Finance, General Department of Customs and Excise of Cambodia, GDCE has provided the priority not to follow the first-in-first out order of rice

exportation and has tried its best to provide the highest facilitation of customs clearance on rice exportation in accordance with laws and regulations in force. In the meantime, GDCE has also provided the exemption of customs processing fee in exporting rice (instruction No 516 GDCE dated 02 April 2014).

- For exportation of other agricultural products, the Ministry of Economy and Finance has also provided the facilitation to exporter or representative to write a request letter to customs in order to conduct customs clearance outside the designated customs offices such as places of growing, or place of processing of goods., etc. (Prakas No 107 MEF.PRK dated 15 February 2008 and Prakas No 111 MEF.PRK dated 15 February 2008 above).

All goods that will be exported must be reported to a customs office or other location as determined by the Director of Customs. The Minister of Economy and Finance may determine the time, manner, documentation requirements, circumstances, and exceptions with respect to the reporting, movement, storage, and transportation of goods to be exported. The exporters must provide additional documentation for items that the Royal Government of Cambodia has determined to be sensitive or that are monitored for trade purposes. **Table 1** shows the type of License Permission Letter, or Certificate that are required to export certain items and the government authority where they can be obtained as stated in the Export Procedure Guide Book for Cambodia SMEs 2009 (GDCE, 2018).

Table 1. Requirements for exporting goods from Cambodia

Requirements	Type of goods	Documentation	Government agency
Export License	<ul style="list-style-type: none"> • Unprocessed rubber 	<ul style="list-style-type: none"> • Export License (valid for 60days) 	<ul style="list-style-type: none"> • Ministry of Commerce
	<ul style="list-style-type: none"> • Processed wood and non-timber forest products 	<ul style="list-style-type: none"> • Export License (valid: 60days) • Permit Letter 	<ul style="list-style-type: none"> • Ministry of Commerce • Ministry of Agriculture Forestry and Fishery • Council of Ministers
Certificate	<ul style="list-style-type: none"> • Fresh fruit, vegetables, plants and agricultural materials (including pesticides, fertilizers, seed, seeding materials and feed additives) 	<ul style="list-style-type: none"> • Customs and Excise Permit • Sanitary and Phytosanitary Certificate (SPS) 	<ul style="list-style-type: none"> • Customs and Excise House • Ministry of Agriculture, Forestry and Fisheries
	<ul style="list-style-type: none"> • Garments 	<ul style="list-style-type: none"> • Certificates of Origin (valid:6months) 	<ul style="list-style-type: none"> • Ministry of Commerce
	<ul style="list-style-type: none"> • Drugs and medicines 	<ul style="list-style-type: none"> • Ministry of Health Certificate 	<ul style="list-style-type: none"> • Ministry of Health
	<ul style="list-style-type: none"> • Live Animals 	<ul style="list-style-type: none"> • Animal Health Certificate (valid:5years) or CITES Certificate 	<ul style="list-style-type: none"> • Ministry of Agriculture, Forestry and Fisheries
Permission Letter	<ul style="list-style-type: none"> • Art and cultural products 	<ul style="list-style-type: none"> • Permit Letter 	<ul style="list-style-type: none"> • Ministry of Culture and Fine Art
	<ul style="list-style-type: none"> • Fish, crustaceans, mollusks and other aquatic product 	<ul style="list-style-type: none"> • Permit Letter (valid for one year) • Certificate of Origin • Customs Permit 	<ul style="list-style-type: none"> • Ministry of Commerce • Ministry of Agriculture, Forestry and Fisheries • Customs and Excise House
	<ul style="list-style-type: none"> • Jewelry, silverware and unprocessed precious stones 	<ul style="list-style-type: none"> • Permit Letter (valid for one year) 	<ul style="list-style-type: none"> • National Bank of Cambodia

Source: GDCE, 2018

For importation, all imported goods must be reported at a customs office or other location as determined by the Director of Customs. The Minister of Economy and Finance may determine the time, manner, documentation requirements, circumstances and exceptions with respect to the reporting of imported goods. No person shall unload goods from a conveyance arriving in Cambodia until the goods have been reported to Customs in accordance with this Law.

Customs may authorize the removal of the goods referred to in Article 10 from the customs clearance area prior to the payment of duties and taxes and fees, under customs control and after the fulfillment of customs formalities, for the purposes of placing in customs temporary storage and placing in customs bonded warehouse. Imported goods may be released by Customs for temporary admission if at the time of importation it can be demonstrated that these goods will be re-exported. Temporarily imported goods shall be under customs control until such time as the conditions of their temporary admission have been fulfilled.

CONCLUSION AND WAY FORWARD

The fishing industry of Cambodia made progress following the institutional reforms in 2000, particularly the break-up of the monopoly and the establishment of community-based initiatives to control overfishing and environmental degradation.

In 2013, the European Union (EU) proposed a ban on fish imports from Cambodia in response to IUU fishing by foreign vessels bearing the flag of Cambodia (Xinhua, 2013). While the ban would not impact exports from Cambodia since EU is not one of the country's export markets, the government is currently implementing measures to regain the positive national reputation and improve relations with the EU which might facilitate opportunities for exporters to access EU as one of the potential markets.

The rapid growth of aquaculture in Thailand and Viet Nam provide an opening for exporters in Cambodia to gain market share in regional trade for fishery products (World Fish Centre, 2011). The potential opportunities through the Economic Community of the Association of Southeast Asian Nations (ASEAN) provide a further basis for improved intraregional export performance. Also, collaboration with the private sector – both industrial and artisanal – to develop industry-wide capacity to meet international requirements in the quality and handling of fish, aims to boost exports to most lucrative foreign markets. The government has strengthened its regulatory mechanisms and allowing the private sector to develop modern processing facilities would advance the country to meet international quality and safety standards.

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