



UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY

# UAE CAMBODIA

Comprehensive Economic  
Partnership Agreement



**UAE  
CAMBODIA**

Comprehensive Economic  
Partnership Agreement

2024



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# STRATEGIC CASE

# INTRODUCTION

**The signing of the Comprehensive Economic Partnership Agreement (CEPA) between the United Arab Emirates (UAE) and Cambodia indicates a significant milestone in the economic collaboration between the two nations. Building upon a history of strong bilateral ties, the UAE and Cambodia have experienced a growing trade and investment relationship, a trend the CEPA aims to reinforce by establishing new avenues for businesses and fostering economic growth.**

The UAE's decision to enter into this agreement with Cambodia strategically aims to diversify its economic partnerships and leverage the potential of the Cambodian market. Encompassing various sectors such as trade in goods and services, investment, and intellectual property, the CEPA is expected to boost trade, investment, and job opportunities in both nations. Furthermore, it will promote collaboration in areas such as technology, tourism, and healthcare, holding great promise for the growth and development of both the UAE and Cambodia.

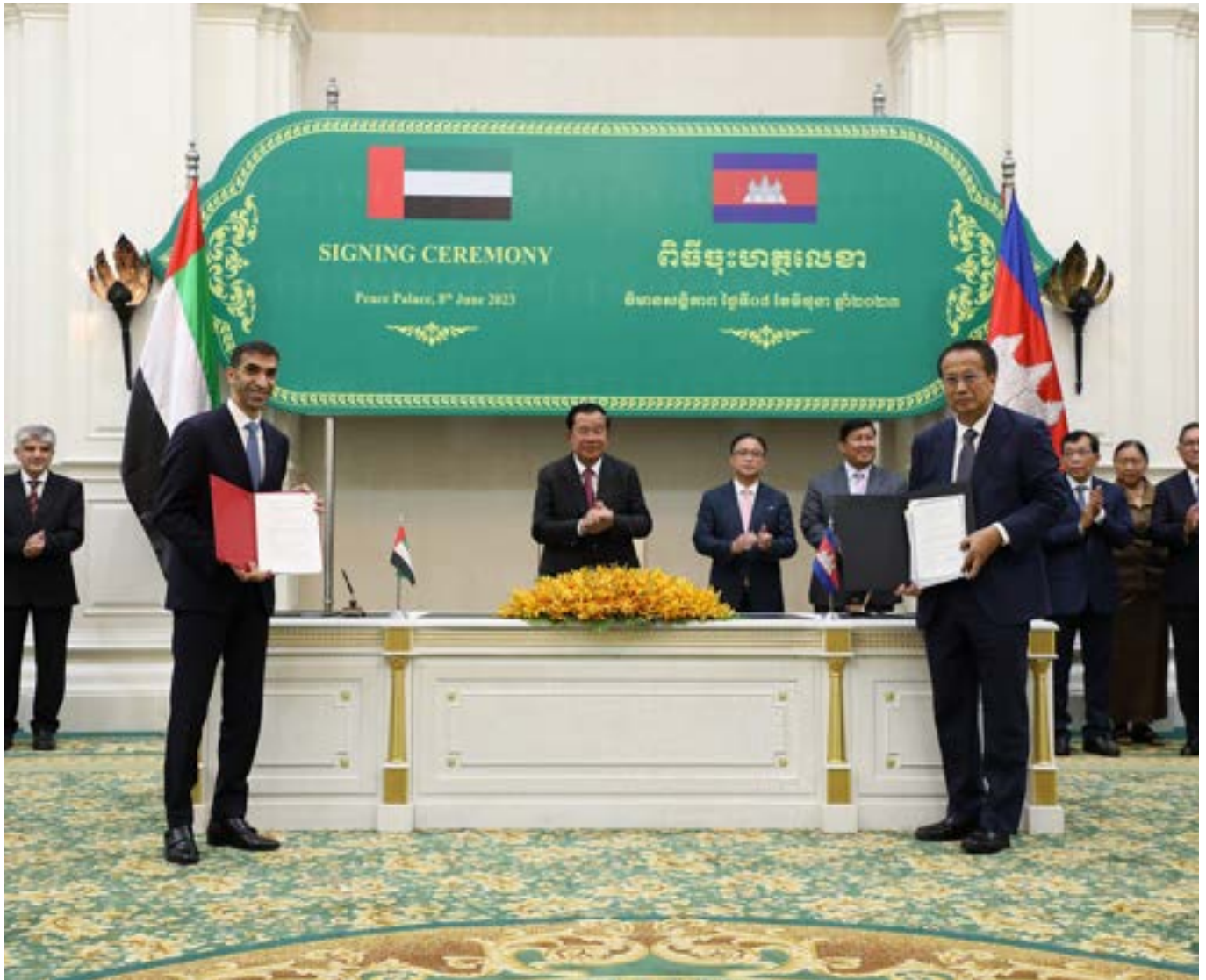
Both countries possess complementary economies, with the UAE serving as a major trade and investment hub in the Middle East, while Cambodia acts as a gateway to Southeast Asia. Reflecting their interdependence, bilateral trade volume has steadily increased over the years. In 2022, bilateral non-oil trade between the two countries reached more than US\$ 407 Million in 2022 billion, showcasing a remarkable growth rate of 33 %, compared to 2021, and 50 % compared to 2020. Mutual investment between the two sides is about US\$4million, 80 % of which is from the UAE. These figures exemplify the robust economic ties between the UAE and Cambodia.

The Comprehensive Economic Partnership Agreement between the UAE and Cambodia goes beyond trade—it symbolizes the strong bond of trust and unity that the two countries have shared for the past several years. The agreement presents an immense opportunity for joint efforts in tackling pressing global challenges, such as economic growth, climate change, education, and technological advancements.



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# UAE AND CAMBODIA BUILDING A PARTNERSHIP FOR THE FUTURE



The United Arab Emirates and Cambodia are forging a steadfast partnership that will not only endure but also thrive in the coming years. Both nations are fully dedicated to deepening their multifaceted collaboration, driven by a shared vision of advancing their respective regions characterized by prosperity and stability. This unwavering commitment sets the stage for ongoing collaboration in pursuit of this overarching objective.

# OPPORTUNITIES FOR ENTREPRENEURS, BUSINESSES, AND INVESTORS

The UAE-Cambodia Comprehensive Economic Partnership Agreement (CEPA) is a remarkable achievement for both nations, marking a pivotal moment that leverages the strong economies of both countries to usher in a transformative era of progress and prosperity for their respective populations.



## Key Benefits of CEPA

- **Certainty and Market Access for UAE Services Businesses:** The CEPA secures commitments from Cambodia to ensure UAE services businesses have access to Cambodia's market, promoting fair competition in key UAE service sectors such as finance, distribution, telecommunication, education, healthcare, and Tourism & Travel.
- **Reduced Barriers to Trade in Goods:** Through streamlined customs procedures, lower or zero tariffs, and modernized trade rules, the CEPA empowers new or existing UAE exporters to Cambodia, enabling easier and more cost-effective trade.
- **Empowering the Digital Economy:** Recognizing the importance of a digital-first economy, the UAE is committed to shaping the rules for digital trade. Our CEPA ensures online consumer protection, facilitates the free flow of data, and encourages the use of digital technologies in business while safeguarding intellectual property rights.

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## Key Benefits of CEPA

- **Collaborating on Global Challenges** With the CEPA, the UAE and Cambodia forge stronger economic ties and enhance collaboration on global issues. This partnership encourages cooperation in areas such as new technology development, security, environmental policies and practices, food security, climate change, and fisheries.
- **Enabling SMEs to Expand and Thrive:** Small and Medium-sized Enterprises (SMEs) are the backbone of our modern, knowledge-based economy. The CEPA provides a platform for UAE-based SMEs to seize exciting opportunities in Cambodia's market, enhancing access to new customers, networks, collaboration opportunities, and mechanisms for rapid scaling.

## Unlocking New Opportunities for UAE Businesses

- UAE exports now benefit from duty-free treatment, including Aluminum, and other refined petroleum's, Ceramics, Glass, Iron and steel and Cement.
- Our CEPA also secures better market access to Cambodia's services market in sectors including business, distribution, communication, recreation, culture & sports, and transport services, healthcare, telecommunication, construction, and education.



# CEPA OBJECTIVES

# OVERALL OBJECTIVES



The Comprehensive Economic Partnership Agreement (CEPA) between the United Arab Emirates (UAE) and Cambodia is designed to advance the interests of both nations by fostering a dynamic and mutually beneficial economic relationship. Our overarching objectives include reducing trade barriers for UAE exports, fortifying the competitiveness of UAE businesses in the global arena, and promoting fair and transparent trade regulations. Through the implementation of this agreement, we aim to facilitate streamlined access for UAE businesses to the Cambodian market, fostering greater competitiveness and enabling more cost-effective export of goods and services.

The CEPA is envisioned to create new trade routes and markets, positioning the UAE as a key player in global growth centers and steering us towards a prosperous future. Our focus is on unlocking significant advantages for businesses, entrepreneurs, innovators, and industries in both countries, ensuring that the agreement contributes positively to economic development. By reinforcing bilateral relations with Cambodia, we affirm the UAE's commitment to shared prosperity, seizing current opportunities and inaugurating a new era of regional trade, investment, and collaboration.

Respecting the constitutional arrangements and international commitments of the UAE, our CEPA with Cambodia establishes a framework governing trade rules between the two nations. Our primary goal is to achieve trade and investment objectives while upholding the UAE's high standards and consumer protections.

This agreement builds upon the UAE's existing international commitments, underscoring our dedication to global economic growth and positioning the UAE at the forefront of a new era of opportunity.



# CHAPTER OVERVIEW

## Trade in Goods

Improving market access for goods

Provides UAE exporters greater access to the Cambodian market, with covering more than 92% of tariff lines.

Ensuring that no export subsidy will be used in the export of products destined to UAE to ensure fair competition with UAE products.

Putting strict rules on import licensing procedures to ensure that this mechanism will not be used to create a barrier to the UAE products.

Regulating the import and export restrictions in accordance with the GATT 1994.

Establishing the base for broadening the scope of tariff elimination on goods.

Creating a mechanism for consultations on non-tariff measures that might create barriers to trade.



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# COMMODITIES POSITIVELY IMPACTED

UAE most important exports on non-agricultural products that have been freed:

- Polyethylene (and other petrochemicals) and other refined petroleum's.

- Iron and steel and articles thereof.

- Ceramics.

- Copper and articles thereof.

- Glass.

- Cement.

# UAE PROTECTED GOODS

- Steel.

- Beverages.

- Spirits & Vinegar.

- Tobacco & Manufactured.

- Tobacco Substitutes.

- Prohibited and Special Goods.



## Technical Barriers to Trade

### Reducing Non-Tariff Barriers to Trade

- Establishing a comprehensive legal framework on technical regulations, standards and conformity assessment procedures that ensure UAE products get market access to Cambodia without unjustified technical barriers to trade.
- Promoting mutual understanding of each Party's standards, technical regulations, and conformity assessment procedures and enhancing transparency.
- Facilitating information exchange and cooperation among the Parties in the field of standards, technical regulations, and conformity assessment procedures, including in the work of relevant international bodies.
- Ensuring that national standards are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to international trade.
- Creating a mechanism for information exchange and technical discussions on any matter arising under the TBT.
- Enhancing transparency by providing Information regarding the objectives of, and rationale for, a technical regulation or conformity assessment procedure that Party has adopted or is proposing to adopt.

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## Sanitary and Phyto sanitary Standards

### Protecting Human, Animal and Plant Life

- Establishes a detailed mechanism on sanitary and phytosanitary measures that protect human, animal and plant health while ensuring such measures do not create unjustified barriers to trade.
- Strengthens communication, consultation, and cooperation between the UAE and Cambodia, and particularly between the countries' competent authorities.
- Ensures that sanitary or phytosanitary measures implemented by the UAE or Cambodia do not create unjustified barriers to trade.
- Enhances transparency and understanding of the application of the UAE and Cambodia's sanitary and phytosanitary measures.
- Strengthens cooperation on equivalence and risk analysis based on the WTO Agreement on Sanitary and Phytosanitary Measures.

## Trade Remedies

### Ensuring domestic industries remain strong

- Establishes a preferential treatment on trade remedy measures in order to ensure fair competition on products as well as to ease the process of initiating trade remedy investigations.
- Establishes a mechanism for bilateral safeguard measures if imported products from Cambodia under tariff elimination increase to such quantities as to cause or threaten injury to the UAE's domestic industry.
- Enables consultations before the initiation of a trade remedy investigation.
- Promotes transparency and strengthens the due process rights in trade remedy investigations in the best interest of UAE exporters by ensuring proper and timely notifications.

## Customs Procedures and Trade Facilitation

### Creating better border procedures

- Enhances customs cooperation between the Parties and increases the efficiency of customs procedures affecting the movement of cross border trade by implementing the main principles of the WTO Agreement on Trade Facilitation.
- Assists in the application of the Customs Mutual Assistance Agreement as well as implementing the Mutual Recognition Arrangement of the Authorized Economic Operator.

## Rules of Origin

### Establishing the criteria for products to benefit from preferential tariff treatment

- A product manufactured in the UAE or in Cambodia from third Party materials will be considered originating in the UAE or in Cambodia if the manufacturing done in the UAE or in Cambodia results in a value added not less than 35 of the ex-work prices of the finished product The tolerance agreed upon through this agreement is higher.
- The preferential rule of origin sets the conditions that qualifies the good eligibility for preferential tariff treatment (tariff elimination or tariff reduction).
- These rules cover both goods produced from local resources & materials and goods manufactured using imported materials.
- The rules provide for alternative criteria to qualify goods which gives our manufacturers more flexibility in qualifying their goods.
- Goods produced in free zones that satisfy the conditions above can also benefit from preferential treatment under this agreement.



## Trade in Services

### Facilitating Market Access for Services Sector

- Establishes the rules and disciplines for cross border trade in services.
- Provides UAE with real market access conditions under national treatment and market access for a broad range of services compared to Cambodia s agreements with other trading partners.
- Maintains the UAE s same level of commitments as agreed to in the WTO for financial services.
- Excludes the automaticity of the Most Favored Nation treatment and the automaticity of licensing authorization and certification of services suppliers.
- Limits the UAE's services offer to Cambodia for less than what the UAE commits to in its updated Commercial Companies Law.
- UAE does not offer any commitments in energy and energy related services to Cambodia in distribution services does not include distribution of goods subject to import or export restriction but not on the renewable energy and electricity.
- Annexes on financial services and telecommunication services were adopted in full coordination and acceptance of the relevant stakeholders in UAE. These annexes further support mutual transparency and safeguard measures, and facilitate trade in services in these areas in compliance with the domestic laws.

## Sectors Positively Impacted

- Distribution.
- Business.
- Healthcare.
- Communication.
- Recreation.
- Culture & Sports.
- Construction.
- Education.
- Finance and Insurance.
- Transportation.
- Environmental.
- Tourism & Travel.

## Digital Trade

Empowering modern technology and the digital economy

- Promotes future cooperation in all areas related to the digital economy and e-commerce, such as electronic authentication and electronic signatures, paperless trading, online consumer protection, personal data protection, open data, digital government, electronic invoicing ad payments, digital identities, unsolicited commercial electronic messages, cross border flow of information and use of the internet for digital trade.
- Ensures Cambodia will not impose any customs duties on electronic transmissions, in compliance with WTO decisions.
- Excludes the digital trade chapter from the CEPA's dispute settlement mechanism.



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## Investment

### Promoting and Facilitating Investment

- Refers to the UAE-Cambodia Reciprocal Promotion and Protection of Investments, signed in 2017, and any subsequent amendments.
- Upgrades the existing UAE-Cambodia Bilateral Investment Agreement to be more comprehensive.
- The Parties shall endeavor to promote an attractive investment climate & facilitate investment, subject to their laws and regulations.
- Establishes Investment Facilitation Committee, with objectives of promote and enhance investment cooperation between the Parties & identify and work toward the removal of impediments and facilitate investment flows.
- This chapter is not subject to the dispute settlement.

## Small and Medium-sized Enterprises

### Championing the bedrock of the private sector

This chapter provides greater certainty to SMEs when they enter the other market through transparency about laws and regulations, opportunities for investment, market research and web-based platforms to enhance trade in the counterpart country.

- Due to the importance of the SMEs and its contribution to the GDP and based on the strategies of the UAE towards the SMEs, this chapter was introduced to promote and support the UAE s SMEs entering the global market especially market like Cambodia.
- Introduction of areas of cooperation to increase trade and investment opportunities for SMEs through business support infrastructure, promotion of partnerships, market research, best practices and building web-based platforms.
- It has introduced a mechanism for information sharing in relation to all trade and trade related aspects: including laws, regulations, procedures, business registration, technical regulations, standards, and SMEs programs.

- The chapter has established a sub committee comprising national and local governments representatives to supervise the implementation of the chapter, identify ways and means to assist SMEs partnerships, exchange experiences, explore opportunities and recommend ways for further cooperation.
- The SMEs chapter is not subject to Dispute settlement mechanism.

## Economic Cooperation

### Encouraging Future Collaboration

- Focused on areas for further future cooperation in relation to trade and investment promotion including tourism, banking, export promotion, agriculture and fisheries, digital trade, education, energy and IPRs.
- The encouragement of technical, technological, and scientific economic cooperation through joint activities between entrepreneurs.
- Establishment of a subcommittee and assign its functions with an annual work program to be adopted based on proposals by the parties.
- The chapter shall endeavor to develop capacity building and technical assistance to support the implementation of the agreement.
- Initiation of the knowledge sharing platform to transfer experiences and best practices in the field of government development and modernization to other countries through UAE's Government Experience Exchange Program.
- The chapter introduced cooperation in competition policy through exchange of information relating to the development of competition policies and establishes consultations on matters related to anti-competitive practices. and their adverse effects on trade.
- The Economic Cooperation chapter is not subject to Dispute settlement.





## Intellectual Property

### Protecting innovation and creativity

- CEPA established a solid foundation for better protection of IP in Cambodia, wherein TRIPS-plus contents included such as 12-months patent grace period, expanded scope for designs, and enhanced protection for trademarks.
- The Agreement committed both Parties to provide measures to access IP information, legal framework for creators and innovators.
- Strengthens the protection and enforcement of intellectual property rights to promote technological innovation and to transfer and disseminate technology.
- Ensures intellectual property provisions are balanced with the UAE's existing laws, regulations, and international commitments.
- Promotes greater transparency, endorsing the online publication of intellectual property laws, regulations, and application/registration practices.

## Dispute Settlement

### Creating methods to resolve disputes

- Provides a thorough mechanism to resolve disputes should the UAE or Cambodia fail to comply with its obligations under the CEPA, including compensation and trade retaliation.
- Enables an effective and efficient mechanism for avoiding and settling disputes between the UAE and Cambodia concerning the interpretation and application of this Agreement with a view to reaching, where possible, a mutually agreed solution.
- Establishes a timely and effective dispute settlement mechanism through the setup of a panel, which shall deliver its final report to the UAE and Cambodia within one hundred and twenty (120) days of the date of composition of the panel.
  - Regulates the process to implement the final report of the panel.
  - Provides rules on the temporary remedies in case of non-compliance with the panel report.
  - Institutes the right to suspend benefits or other obligations in the case the responding Party does not comply with the panel report.
  - Establishes a rule for a mutually agreed solution that the Parties may reach at any time with respect to any dispute.

## General Provisions

### Enabling a flexible CEPA framework

- Provides the UAE and Cambodia with the possibility to consider any amendments to the Agreement.
- Allows the Joint Committee to assess, revise and propose amendments to the agreement, including improving market access, in the light of the experiences gained during the application of this Agreement and its objectives.
- Encourages the Joint Committee to endeavor to amicably resolve disputes between the UAE and Cambodia arising from the interpretation of application of this Agreement or any other Agreement relating to market liberalization to which they are both Parties.
- The agreement remains valid after its entry into force for an indefinite period and each party can notify in writing to the other its decision to put an end to the whole agreement; in this case, the agreement will terminate six months after the date of notification.

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# CONSULTATIONS ON TRADE NEGOTIATIONS

# OVERVIEW

The UAE implemented a whole-of-government approach in our CEPA negotiations with Cambodia. Our trade negotiation team is led by the Ministry of Economy and includes members from numerous UAE government and private sector entities who have a stake in the UAE's future. Our trade negotiation process involves an economic feasibility analysis of a potential CEPA with a partner country, consultations with private sector stakeholders, an agreed upon scope and terms of reference with the partner country and rounds of negotiation working group sessions across every CEPA chapter.

Our CEPA with Cambodia covers 17 chapters, 12 annexes and one side letters, all of which are available on our Ministry of Economy website <https://www.moec.gov.ae/en/cepa>. Throughout the negotiation process with Cambodia, we consulted with our private sector and various stakeholders and received feedback on chapter provisions and market access offers/requests from companies across a range of industries. These consultations helped us to safeguard our economic interests in Cambodia and secure outstanding deal for UAE businesses.

# CEPA GOVERNANCE

The UAE Cabinet approves the mandate and members of the UAE Trade Negotiation Higher Committee and ratifies all final CEPAs. The UAE Trade Negotiation Higher Committee reviews final terms of the CEPA and manages strategic matters and sensitive issues.

The UAE Trade Negotiation National Committee reviews and approves final CEPAs, manages partner country relations, develops CEPA strategy for each partner country, and supervises the CEPA process and strategic communications. The UAE trade negotiation team is comprised of experienced economists, trade analysts, legal and public relations experts from various government and private sector entities.



# ECONOMIC IMPACT

# OVERVIEW

The CEPA will accelerate the exchange of goods and services between the UAE and Cambodia and facilitate greater investment flows, leading to economic gains for both nations. The deal is expected to boost UAE GDP with \$ 62 million 0.015% potential increase to UAE's GDP by 2031. For UAE industries and manufacturers doing business with Cambodia, the CEPA will create a predictable and transparent trading environment and result in more economic opportunities by:

- Eliminating or reducing customs duties.
- Removing non-tariff barriers to trade.
- Granting preferential access to the Cambodian market.
- Reinforcing the competitiveness of the UAE industry.
- Clarifying the rules of trade with Cambodia.

## Examples of Services Sectors Positively Impacted

The CEPA will bring new opportunities for UAE and Cambodian companies in the services sectors. The agreement improves market access for services such as:

- |                  |                    |                         |
|------------------|--------------------|-------------------------|
| ● Distribution   | ● Communication    | ● Construction          |
| ● Business       | ● Recreation       | ● Education             |
| ● Healthcare     | ● Culture & Sports | ● Finance and Insurance |
| ● Transportation | ● Environmental    | ● Tourism & Travel      |

### **Benefits for Consumers**

Consumers in the UAE and Türkiye will benefit in many ways. Most notably, consumers will gain improved access to a wider range of competitively priced goods and services as the CEPA will lead to:

- Lower prices.
- More product varieties.
- Higher quality products.

### **Benefits for Small Businesses**

International trade enables small businesses to compete in the world economy. Our CEPA will help UAE small businesses expand to the Cambodian market and diversify their consumer base by:

- Ensuring access to information on export rules and requirements.
- Establishing simple customs procedures.
- Creating opportunities to network with commercial partners in Cambodia.

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# NEXT STEPS

The UAE will continue to consult with stakeholders through formal and informal mechanisms as we develop our independent trade policy further and work to expand our network of CEPAs.

Upon entry into force of our CEPA with Cambodia, we encourage private sector companies to share any feedback on issues that arise or barriers to trade in leveraging the benefits of this CEPA with our team at [CEPA@economy.ae](mailto:CEPA@economy.ae)





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