

EBA loss won't hurt Kingdom's exports: PM

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Prime Minister Hun Sen at a meeting with about 2,100 members of the Cambodian diaspora in Zurich, Switzerland on Saturday. SPM

Prime Minister Hun Sen has said that the EU's partial withdrawal of its "Everything But Arms" (EBA) scheme will not affect Cambodia's exports to the bloc, which have continued to grow steadily in spite of multiple crises, including Covid-19.

His comments come in response to the European Commission (EC) having issued a resolution in February 2020 partially withdrawing Cambodia's preferential access to the EU market – affecting roughly 20 per cent of exports – on the grounds that the Kingdom had committed "serious" human rights abuses.

But it noted that the door to negotiations was "still open" for Cambodia to move forward with reforms on human rights abuses in order to get full EBA status back.

During a meeting with about 2,100 members of the Cambodian diaspora in Zurich, Switzerland on May 21, Hun Sen rejected the EC's olive branch, saying that the withdrawal

of the EU's EBA scheme did not affect Cambodia's exports to the European market as they remained high, at over \$4 billion in 2021 alone.

“The EBA is not a problem, it's Covid-19 that is a problem. Exports have been growing steadily,” he said, adding that the EBA would be “invalid sooner or later, as soon as our economy reaches a certain level”.

The prime minister cited strong growth in the Cambodian garment and textile industry, with a significant number of new factories opening in response to increasing orders from the US and Europe. He noted that nearly 500 factories have extended their working hours in response to increased demand.

In 2021, trade volume between Cambodia and the EU reached more than \$4.190 billion, up by over eight per cent compared to \$3.863 billion in 2020.

Among the products Cambodia exports to EU countries are electrical equipment, construction materials, “vehicles”, pharmaceuticals, agricultural products and pesticides, according to Hun Sen.

Royal Academy of Cambodia economics researcher Ky Sereyvath told The Post that the withdrawal of the EBA would not have a significant impact on Cambodia's exports, which continue to be robust all across the EU.

He said that the Covid-19 crisis has been an opportunity for Cambodia to seize the international export and manufacturing markets owing to its strong vaccination strategy, which has enabled the country to continue garment manufacturing even during the crisis.

The Kingdom has developed a reputation for reliability as a result, leading to the opening of 663 new factories, which included 20 companies moving operations to Cambodia from more Covid-19 risk-prone countries, he noted.

Their arrival marks “an opportunity and potential” for Cambodia to become a big exporter in the global market, Sereyvath said.