

Covid nullified impact of EBA withdrawal, PM says

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Prime Minister Hun Sen during a virtual conference. SPM

Prime Minister Hun Sen has stated that the withdrawal of the ‘Everything But Arms’ (EBA) preferential trade scheme by the EU has had no impact on Cambodia’s economic recovery in the context of Covid-19.

In an interview with Nikkei Forum on May 20, Hun Sen said the withdrawal might have a minor impact on the country’s economy if it had happened without Covid-19.

“But the suspension of EBA has no impact at all for some products due to the overwhelming impact of Covid-19 on Cambodia’s economy and the world at large. Consequently, the 20 per cent [of exports affected by the revised tariffs] no longer has any weight,” he said.

The EU effectively suspended EBA for Cambodia on August 12 last year, citing human rights abuses. Hun Sen said he did not regret anything related to the situation.

“I didn’t object to the withdrawal, and I will not request that they restore the preferential trade scheme. Cambodia has been well prepared to face this situation without preferential trade from the EU. We will not negotiate over, object to or protest their decision,” he said.

Cambodia continues to export products to EU markets by paying the full tax rate on them.

Hun Sen said Cambodia was facing some difficulties, but it was unacceptable for the EU to tell a sovereign nation that it could not enforce its own laws.

Responding to international concerns about Cambodia moving closer to China, Hun Sen said there were no other reliable countries, though the Kingdom welcomed development assistance from all countries as well as tourism.

“Frankly speaking, if I didn’t rely on China then who else could I rely on? That’s the truth. Should I keep my people crossing rivers and canals by boats, bamboo and wooden bridges? Should they be left without a safe path to walk on?”

He said that since the 1990s, Japan has provided a lot of development aid for Cambodia to build infrastructure, pointing out three bridges built by the East Asian country as examples – one in the capital, one in Kampong Cham province and another that links Kandal to Prey Veng province.

“But the bridges along the Mekong and Tonle Sap have been constructed by China,” he said, adding that more than 3,000km of roads have also been constructed under Chinese assistance.

But the prime minister said Cambodia would not close the door on anyone who wished to provide development aid.

Currently, Japan is the second-biggest donor country in terms of development assistance to Cambodia after China. In the 1990s, however, Japan was arguably Cambodia’s most active development partner.

“Why didn’t they say at that time that Cambodia was leaning toward Japan? At that time Japan provide a lot of aid, but no one accused Cambodia of depending on Japan. But when China gives aid to us, they said we are biased in favour of China, and that isn’t fair,” he said.

Hun Sen also reiterated that Cambodia would not allow the Chinese military to use the Kingdom’s naval base because the Constitution prohibited any other nation from using Cambodian territory for military bases unless they are under the UN umbrella.

The port being built will welcome ships from all countries, he said.

Hun Sen also thanked China for donating and selling vaccines to Cambodia to inoculate two million people so far.