

# The characteristics, problems and optimization path of agricultural trade development in Cambodia

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**Abstract:** Cambodia is located in the south of Indo-China Peninsula with superior natural resource endowment. As a country with traditional agricultural economy, Cambodia's agriculture is the foundation of national economic development, ranking first in the national "Four Corners Strategy". The Cambodian government has always attached great importance to the development of its agricultural economy and actively promoted the quality and upgrading of its agricultural trade. From 2001 to 2020, the trade scale of agricultural products in Cambodia has continued to grow, the variety of products is increasing day by day, the market is effectively expanding, and the international competitive advantage is gradually enhanced. However, there are still low trade volume, unbalanced pattern, slow market expansion and high concentration. Limited product range, unreasonable structure, weak international competitiveness, deteriorating terms of trade and other problems. In the new era, it is urgent for Cambodia to deepen the reform of agricultural economic system and promote the process of agricultural modernization. Boost export scale and balance trade pattern; Enrich product types and optimize trade structure; Expand the international market and reduce external risks; We will participate in international cooperation on agricultural industrial chains to raise the level of development.

**Key words:** Cambodia; Agricultural trade; Agricultural economy; International competitiveness

Cambodia is located in the south of Indo-China Peninsula and the south of the Tropic of Cancer. It has a tropical monsoon climate with hot weather, abundant sunshine and rainfall, and superior natural resource endowment. It is located in the lower Mekong plain area, with fertile soil, developed water system and numerous rivers and lakes. Suitable for all kinds of tropical agricultural crops, and has a long coastline and rich Marine resources. Cambodia has a wide variety of agricultural products with high yield, high quality and distinctive characteristics. The main agricultural products include rice, corn, rubber, tropical fruits and seafood, among which, Jasmine rice was awarded the title of "World's Best Rice" by the International Rice Research Organization in 2012, 2013, 2016, and 2018. As a country with a traditional agricultural economy, agriculture is the foundation and pillar of its national economic development, and also the first "corner" of its national strategy of "four corners" (agriculture, infrastructure, foreign capital and human resources). At present, the gross agricultural product accounts for about 16% of the gross domestic product (GDP), and the rural population accounts for more than 75% of the total population of the country. However, the overall development level and level of its agricultural economy are low, and the agricultural modernization process develops slowly. Extensive growth is characterized by low popularization of agricultural mechanization, low labor productivity, serious waste of resources, and relatively serious imbalance of trade pattern. In the new era, it is of great significance and far-reaching influence for the Cambodian government to promote agricultural economic growth and rural development. Boosting the development of domestic agricultural export trade is one of the important ways to realize the strategy of improving the quality and upgrading of agricultural economy. Scientifically guiding the development of agricultural product import trade is the key link to realize the sustainable development goal of domestic agricultural economy.

## 1 Development history and characteristics of agricultural trade in Cambodia

### 1.1 Total volume of trade

According to the data of the UN Comtrade database, from 2001 to 2020, the import and export trade of agricultural products in Cambodia maintained a rapid growth trend, showing the characteristics of "high import, low export and large deficit" (Table 1). In 2001, the trade volume of agricultural products in Cambodia was US\$166.65 million, of which imports were US\$148.3 million and exports were US\$0.18.6 million, resulting in a trade deficit of US\$124.91 million. From 2001 to 2011, the development of agricultural trade in Cambodia was in a depressed state. Since 2012, the development of agricultural trade in Cambodia has gradually entered a stage of rapid growth. In 2014, the trade volume of agricultural products in Cambodia exceeded US\$1 billion for the first time, reaching US\$1,169.51 million, an increase of 17.56%. In 2016, Cambodia's import volume of agricultural products exceeded US\$1 billion for the first time, increasing by 15.95 percent. In 2020, the trade volume of agricultural products in Cambodia reached a historical peak again, reaching 2,662.12 billion US dollars, an increase of 7.10%, among which, the import volume was 1,805.54 billion US dollars, an increase of 4.53%. The export volume was 815.75 million US dollars, up by 13.24 percent, while the trade deficit was 989.79 million US dollars, down by 1.70 percent year-on-year.

**Table 1 Cambodia's agricultural products trade,2001-2020**

Unit:\$100 million

Time	Enter port	Export	Imports and exports	Export-Import
2001	1.480 3	0.186 2	1.666 5	-1.294 1
2002	1.516 1	0.154 0	1.670 1	-1.362 1
2003	1.404 0	0.116 7	1.520 7	-1.287 3
2004	1.698 4	0.328 7	2.027 1	-1.369 7
2005	1.979 7	0.293 6	2.273 3	-1.686 1
2006	2.149 2	0.267 4	2.416 6	-1.881 8
2007	2.274 7	0.303 0	2.577 7	-1.971 7
2008	3.113 3	0.306 5	3.419 8	-2.806 8
2009	3.183 5	0.579 3	3.762 8	-2.604 2
2010	3.536 6	0.923 4	4.460 0	-2.613 2
2011	4.101 3	1.804 7	5.906 0	-2.296 6
2012	5.281 1	2.122 3	7.403 4	-3.158 8
2013	5.899 8	4.048 1	9.947 9	-1.851 7
2014	8.075 7	3.619 4	11.695 1	-4.456 3
2015	9.914 5	4.609 2	14.523 7	-5.305 3
2016	11.495 4	5.718 1	17.213 5	-5.777 3
2017	13.917 6	6.422 7	20.340 3	-7.494 9
2018	16.668 5	7.130 7	23.799 2	-9.537 8
2019	17.272 4	7.203 5	24.475 9	-10.068 9
2020	18.055 4	8.157 5	26.212 9	-9.897 9

## 1.2 Partners

### 1.2.1 World Geographical Distribution

From 2001 to 2020,Cambodia reached a peak of 87.26%and gradually declined thereafter,but the proportion of Asia has rebounded in the past three years;The proportion of Europe fluctuates and fluctuates,maintaining a basic proportion of around 20%;The Americas,Africa,and Oceania have a relatively low proportion and relatively distant trade relations with each other. The import and export trade of agricultural products is mainly concentrated in Asia,with a proportion maintained at around 70%in

each year.

In 2001,Cambodia's agricultural import trade was concentrated in Asia and Europe,with over 90%of its export trade concentrated in Asia.In 2020,Cambodia's agricultural imports and exports were concentrated in Asia and Europe,with a combined proportion of over 80%.Given the EU's long-term preferential policies for Cambodia's export trade(EBA),Europe's proportion has continued to rise.In recent years,Cambodia's export scale and proportion of agricultural products to Africa have significantly increased,but almost all of its exports are rice(99.99%),and the main export targets are also highly concentrated,with Gabon accounting for 86.51%(Table 2).

**Table 2 Cambodia's agricultural trade products with the five continents of the world in 2001 and 2020**

unit:%

area	2001		2020	
	enter port	export	enter port	export
Asia	75.04	94.33	73.32	66.61
Europe	19.21	1.34	15.25	19.70
America	2.60	2.50	9.20	3.17
Africa ; dark continent	0.12	0.02	0.20	6.14
Oceania ; Oceanica	3.03	1.81	2.03	4.38

### 1.2.2 Main partners

In 2001, the main partners of Cambodia's agricultural product import trade cooperation were Indonesia, Thailand, and the United Kingdom; The main targets of export trade cooperation are ASEAN members, accounting for a total of 64.32%, with Malaysia, Thailand, and Hong Kong, China, among the top three partner. In 2020, Cambodia's agricultural product import trade targets were mainly Thailand, Indonesia, and Vietnam; The main export trade targets are China, Vietnam, and France. With the proposal and in-depth implementation of China's "the Belt and Road" initiative in 2013, the political and economic cooperation between China and Cambodia has become increasingly close, and the two sides have reached a series of cooperation agreements in agricultural cooperation. In particular, in 2020, the two sides will start and finally complete negotiations on free trade zones, which will boost Cambodia's export of agricultural products to China. China became the largest country target for Cambodia's agricultural exports for the first time in 2014, and surpassed the European Union and ASEAN as the largest partner in Cambodia's agricultural export trade in 2018. In 2020, China accounted for over 40% (40.08%), significantly higher than ASEAN (19.67%) and the European Union (17.94%), becoming a "new engine" driving the rapid growth of Cambodia's agricultural export trade.

### 1.3 Trade Products

#### 1.3.1 Main product categories

In 2001, the main types of Cambodia's agricultural product import trade were HS24 (tobacco, tobacco and tobacco substitutes), HS17 (sugar and sugar food), HS15 (animal and vegetable oils, fats and their decomposition products, refined edible fats, animal and vegetable waxes), accounting for more than 70% in total. During the same period, the main types of agricultural product export trade were HS03 (fish, crustaceans, mollusks, and other aquatic invertebrates), HS04 (dairy, egg, natural honey, and other edible animal products), and HS24 (products of tobacco, tobacco, and tobacco substitutes), with a total proportion of over 70%.

In 2020, the main types of agricultural product import trade in Cambodia were HS22 (beverages, alcohol, and vinegar), HS24 (products of tobacco, tobacco, and tobacco substitutes), and HS23 (residues and waste from the food industry, formulated animal feed), with a total proportion of over 50%. During the same period, the main types of agricultural product export trade were HS10 (grains), HS08 (edible fruits and nuts, citrus fruits or melon peels), and HS17 (sugar and sugary foods), with a total proportion of about 80%.

#### 1.3.2 Key Product Composition

Based on the six digits of the United Nations Commodity Trade statistical database, the Harmonized System of Commodity Names and Codes (2017): in 2001, Cambodia's agricultural product import trade mainly involved 272 specific products, of which the key products were: HS240220 (cigarettes), with an import volume of 70.264 million US dollars, accounting for 47.47%; The import value of HS170199 (white sugar) is 24.72 million US dollars, accounting for 16.70%; The import value of HS151190 (palm oil) is 5.486 million US dollars, accounting for 3.71%; The import value of HS240120 (tobacco) is 3.657 million US dollars, accounting for 2.47%; The import value of HS100630 (refined rice) is 3.004 million US dollars, accounting for 2.03%. During the same

period, there were mainly 67 specific products involved in export trade, among which the key products were HS040210 (sweetened skimmed milk powder), with an export value of 4.593 million US dollars, accounting for 24.66%; The export value of HS030110 (freshwater fish) is 3.237 million US dollars, accounting for 17.38%; The export value of HS100630 (refined rice) is 2.388 million US dollars, accounting for 12.82%; The export value of HS240220 (cigarettes) is 2.218 million US dollars, accounting for 11.81%; The export value of HS030613 (frozen shrimp) is 1.415 million US dollars, accounting for 7.60%.

In 2020, Cambodia's agricultural product import trade mainly involved 562 specific products, among which the key products were: HS240220 (cigarettes), with an import value of 312.72 million US dollars, an increase of 34.09%, accounting for 17.32%. Cigarettes have always been the top agricultural product import trade in Cambodia, with over 80% coming from Indonesia; The import value of HS220210 (soda) is 240.378 million US dollars, ranking second, accounting for 13.31%; The import value of HS430100 (fur) is 170.977 million US dollars, ranking third, accounting for 9.47%; The import value of HS230990 (animal feed) was 123.411 million US dollars, ranking fourth, accounting for 6.84%; The import value of HS190110 (infant formula) was 74.386 million US dollars, ranking fifth, accounting for 4.12%. During the same period, Cambodia's agricultural export trade mainly involved 115 specific products, among which the key products were HS100630 (refined rice), with an export value of 460.358 million US dollars, accounting for 56.43%. Since 2011, refined rice has been the top export trade of Cambodia's agricultural products and the main source of foreign exchange income in its agricultural sector, known as "platinum". In 2020, the export volume was about 638200 tons, an increase of 16.73%. At present, Cambodia has entered the top 10 export volume of HS100630 in the world, second only to Thailand and Vietnam among ASEAN countries; The export value of HS080390 (bananas) was 112.907 million US dollars, ranking second, accounting for 13.84%, with an increase of 147.54%. The export volume was 278000 tons, with exports to China accounting for 92.78%; The export value of HS170199 (white sugar) was 36.534 million US dollars, ranking third, accounting for 4.48%; HS200600 (jujube) has an export value of 28.145 million US dollars, ranking fourth, accounting for 3.45%; HS151110 (freshly squeezed palm oil) has an export value of 27.898 million US dollars, ranking fifth, accounting for 3.42%.

#### 1.4 Indicative competitive advantage

From 2001 to 2020, the RCA index values of Cambodian agricultural products were all less than 0.8, indicating a comparative disadvantage; From 2001 to 2013, the overall trend increased, reaching a peak of 0.73 in 2013; From 2014 to 2020, Cambodia's agricultural products showed a slight decline in their competitive advantage, with the RCA value dropping to 0.49 in 2020 (Figure 1). In 2001, the number of products with extremely strong competitive advantages, strong competitive advantages, moderate competitive advantages, and comparative disadvantages in Cambodia's agricultural product export trade was 10, 5, 5, and 47, respectively. The export volume accounted for 49.95%, 20.99%, 1.59%, and 27.47%, respectively. Among them, products with competitive advantages accounted for a total of 72.53%; In 2020, the number of products with extremely strong competitive advantage, strong competitive advantage, moderate competitive advantage, and comparative disadvantage in Cambodia's

agricultural product export trade was 15,4,8,and 88,respectively. The export volume accounted for 89.48%,0.83%,4.81%,and 4.88%,respectively.Among them,products with competitive advantage accounted for a total of 95%12%(Table 4).Although the proportion of competitive products in Cambodia's agricultural product export trade is gradually increasing,the expansion of product types is still mainly focused on relatively disadvantaged

products,and the overall quality of export growth is relatively low.In 2020,7 out of the top 10 agricultural products exported by Cambodia had extremely strong competitive advantages.Among them,HS100630(polished rice),which ranked first in exports,had an RCA value of 23.08,significantly higher than India(22.99),Thailand (12.02),and Vietnam(7.06),which ranked first in the world in terms of polished rice exports.

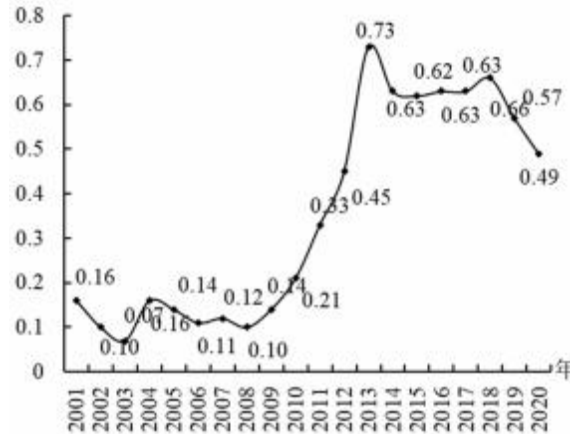


Fig.1 RCA of Cambodia's agricultural products,2001-2020

Table3 Competitive advantage of Cambodia's agricultural export trade in 2001 and 2020

project	2001		2020	
	The type of quantity proportion(%)	proportion(%)	The type of quantity proportion(%)	proportion(%)
Strong competitive advantage	10	49.95	15	89.48
Strong competitive advantage	5	20.99	4	0.83
Moderate competitive advantage	5	1.59	8	4.81
comparative disadvantage	47	27.47	88	4.88
(in all)amount to ; add up to ; total ; summation	67	100.00	115	100.00

## 2 Main problems and constraints in the development of agricultural trade in Cambodia

### 2.1 Low total trade volume and imbalanced pattern

Although Cambodia's agricultural trade continues to soar,the overall scale is relatively low.In 2020,the import and export trade volume was only over 2 billion US dollars,of which the export trade volume was less than 1 billion US dollars,far lower than the agricultural export trade scale of neighboring Laos(about 1.4 billion US dollars).As a traditional agricultural economy country,Cambodia's domestic agricultural economic output value in 2020 was about 5.5 billion US dollars,but the export proportion was only 17%,and agricultural products only accounted for 5.50%of the country's total foreign trade exports,far lower than Laos(23.07%). Among them,rice,as a "star product"for Cambodia's agricultural exports,has a domestic rice production of over 10 million tons and about 6 million tons.However,the export volume of rice has been hovering around 600000 tons so far.The Cambodian government once.

In 2016,the export target of one million tons of rice was proposed,but due to various factors and influences,it has not yet been achieved.From 2001 to 2020,Cambodia's agricultural trade development has been in a deficit state,especially since 2013.The agricultural trade deficit has continued to grow significantly,accounting for 62.66%of the total national trade deficit in 2020.As of the end of 2020,the agricultural trade deficit has accumulated to 7.87224 billion US dollars,accounting for 38.09%of the total national trade deficit during the same period(Figure 2).Indeed,the long-term huge trade deficit has further exacerbated Cambodia's international balance of payments imbalance,exacerbated foreign exchange shortages,increased external risk accumulation,and affected the stable development of its national economy.The significant imbalance in the trade pattern of agricultural products in Cambodia is due to the continuous sluggish development of its own export trade,with very limited types and scale of export products.Apart from rice,there is a particularly lack of a group of strong "fist"products with weak foreign exchange earning ability.At the same time,the demand for overseas agricultural products by the domestic public is very strong,and the import growth is particularly strong,especially for



some agricultural and sideline products, such as cigarettes, beverages. The lack of domestic supply and low quality of alcohol have led to a long-term dependence on foreign imports. In recent years, with the acceleration of urbanization in Cambodia and the vigorous development of labor-intensive processing and manufacturing industries, agricultural advantageous resources have rapidly flowed to urban areas and industrial fields, further exacerbating the supply-demand contradiction of domestic agricultural products, and further exacerbating the impact on the sustained imbalance of trade patterns.

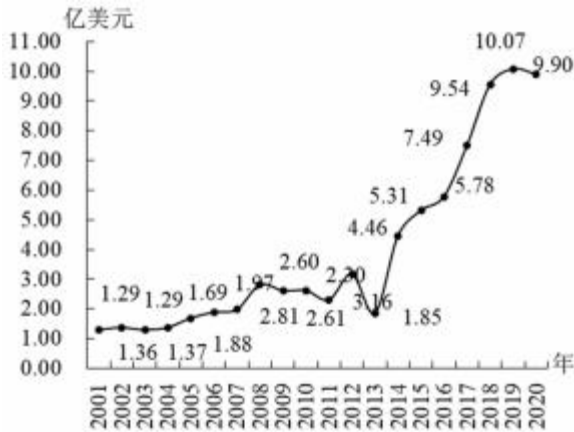


Fig. 2 Deficit of Cambodia's agricultural products trade, 2001-2020

At the same time, the backward logistics infrastructure such as transportation, warehousing, and distribution in Cambodia has greatly hindered the smooth development of its agricultural product export trade; The density of domestic roads is only 0.25 km/km<sup>2</sup>, while the density of asphalt pavement roads is only 0.011 km/km<sup>2</sup>. According to the World Logistics Performance Index (LPI) released by the World Bank in 2018, Cambodia ranks 138th out of 167 countries (regions) in the world, second to last in ASEAN, and only slightly higher than Myanmar (139th). Cambodia ranks 149th internationally in terms of secondary indicators such as customs clearance, transportation quality, transportation convenience, logistics industry competitiveness, transportation capacity, and transportation timeliness, respectively 161st, 91st, 144th, 118th, 150th.

### 2.2 Inadequate market expansion and high concentration ratio

From 2001 to 2020, the number of countries (regions) exporting Cambodian agricultural products has expanded, but the market concentration ratio is still high on the whole. In 2001, the concentration ratio of the top 10 markets for agricultural products import and export exceeded 90%, accounting for 94.47% and 92.86% respectively. From 2001 to 2020, the concentration ratio of the top 10 agricultural export markets continued to decline, and by 2020 it had dropped to 74.46%. From 2001 to 2011, the concentration ratio of the top 10 import markets declined in shock, but since 2012 it has stopped falling and rebounded, and in 2020 it will rise again to 79.77% (Figure 3). The export market level of agricultural products in Cambodia is relatively low, and the proportion of exports to developed markets has continuously decreased from a peak of 58.33% in 2010 to 27.02% in 2020. Especially in recent years, the EU has gradually tightened its export preferential policies towards Cambodia, making it increasingly difficult for Cambodia to export to the EU. The EU's share in Cambodia's agricultural product export

trade has also dropped significantly from its peak of 40.48% in 2010 to 20.82% in 2019. On August 12, 2020, the EU officially abolished its EBA preferential policy towards Cambodia. As a result, in 2020, the proportion of the European Union in Cambodia's agricultural export trade once again dropped to a low point of 17.94%. In addition, Cambodia's international market expansion ability is not strong, and its initiative to join international and regional economic and trade cooperation organizations is weak. The process of international agricultural cooperation is relatively slow, and the number of partners participating in free trade zone negotiations is relatively small. In 1999, Cambodia joined ASEAN as the last member, and in 2004, it joined the World Trade Organization (WTO). The number of foreign trade partners is limited, which further affects the insufficient development of its diversified foreign trade market pattern. Not comprehensive.



Fig. 3 Top ten products market concentration of Cambodian agricultural products trade, 2001-2020

### 2.3 Limited product types and unreasonable structure

From 2001 to 2010, the product concentration ratio of Cambodia's agricultural trade was relatively high, with a decline in imports, but a slight increase in exports (Figure 4). In 2001, the concentration ratio of the top 10 agricultural products in import trade was 80.01%, and the concentration ratio of the top 10 agricultural products in export trade was 88.67%. In 2020, the concentration ratio of the top 10 products in import trade will drop to 65.75%, and the concentration ratio of the top 10 products in export trade will rise to 90.23%, with rice alone accounting for 56.43%. Although the concentration ratio of Cambodia's agricultural products in export trade has declined in recent years, it is still on the high side and the structure is still unreasonable; The amount of products with an export quantity of 2/3 or more is less than one million US dollars, with sluggish growth and weak momentum. In terms of imports, HS240220 (cigarettes) has always ranked first, accounting for 49.76% in 2003, mainly from Indonesia, accounting for over 80%; In terms of exports, there is a high dependence on some single products. Since 2001, the export value of HS100630 (refined rice) has accounted for nearly half of Cambodia's total agricultural product exports, and even reached 65.24% in 2012. Although the proportion has decreased in recent years, it still accounts for more than half of the country, with 56.43% in 2020. Its export targets are also highly concentrated and external risks are significant.

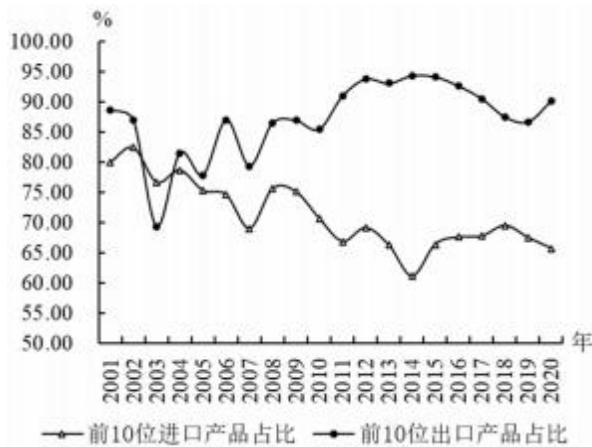


Fig.4 Top ten products concentration of Cambodian agricultural products trade,2001-2020

For a long time,the import trade of agricultural products in Cambodia has mainly focused on manufactured goods,including non-staple foods such as cigarettes,tobacco,beverages,and alcohol;Export trade is mainly focused on primary products,including bulk products such as rice,fruits,cassava,and rubber.The degree of precision and deep processing is limited,the added value of products is low,and the comprehensive trade benefits are not significant(Figure 5).The root cause is due to insufficient domestic processing capacity and outdated technical equipment.For example,some products such as rice,mango,and rubber are often exported to Thailand and Vietnam as primary products first,After processing,it is then sold internationally under Thai and Vietnamese brands.

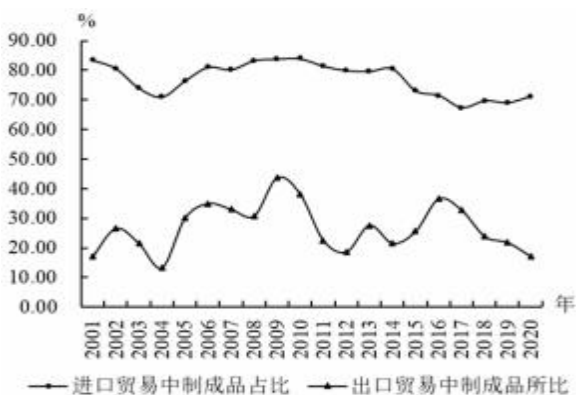


Fig.5 Rate finished products of Cambodian agricultural products trade,2001-2020

#### 2.4 Weak international competitiveness and deteriorating terms of trade

The domestic production and trade scale of agricultural products in Cambodia are relatively small,which has little impact on the supply,demand,and price changes in the world agricultural market.The international competitiveness of Cambodia's agricultural products is relatively weak and continues to decline,and they are all relatively disadvantaged,even among ASEAN members,ranking relatively low.In 2020,the RCA values of agricultural products in neighboring countries Thailand,Laos,and Vietnam bordering Cambodia were 1.63,1.24,and 0.98,respectively,which were significantly higher than those in Cambodia(Figure 6).

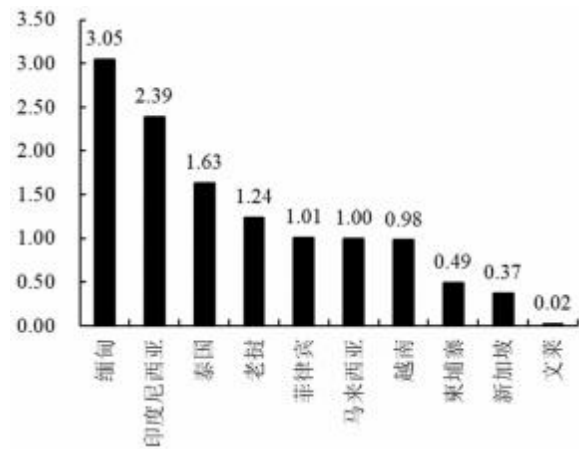


Fig.6 RCA of ASEAN country's agricultural products in 2020

Although some key agricultural products in Cambodia,such as rice,have relatively high RCA values and significant advantages,their export quantity and scale are relatively small,and their international influence is weak.Cambodia's rice export volume only accounts for 1%of the world's total rice export volume,which is only 1/9 of Thailand's rice export volume during the same period. Moreover,its international market reputation and recognition are relatively limited,and Cambodia's proportion in China's rice import trade is less than 10%.Meanwhile,in recent years,the average price of Cambodia's key export products has continued to decline.HS10063040(jasmine fragrant rice),as the largest agricultural product,has been continuously declining from 2018 to 2020,with average export prices of 0.86 US dollars/kg,0.80 US dollars/kg,and 0.76 US dollars/kg,respectively,significantly lower than Thailand's 1.12 US dollars/kg,1.19 US dollars/kg,and 1.10 US dollars/kg during the same period;HS0803 9090(bananas),as the second largest agricultural product,continued to decline in average export prices from 2018 to 2020,at 0.64 US dollars/kg,0.44 US dollars/kg,and 0.41 US dollars/kg,respectively,lower than the average export prices of 0.52 US dollars/kg,0.66 US dollars/kg,and 0.95 US dollars/kg in Thailand during the same period.In recent years,developed market countries have increased their protection of their own agriculture,erected trade barriers,and raised import inspection and quarantine standards for agricultural products.Cambodia's export of agricultural products to developed markets has become increasingly difficult,and its trade volume and proportion have shown varying degrees of decline.In 2020,the proportion of trade volume has dropped to 27.02%,significantly lower than the export proportion of neighboring country Vietnam to developed markets(39.66%) during the same period.In addition,the development level of the domestic processing and manufacturing industry is low,and the transformation and upgrading of agricultural and sideline product processing is slow.In the future,Cambodia will still face many shortcomings and constraints in enhancing its agricultural product competitiveness.

### 3 Optimization Path for Agricultural Product Trade in Cambodia

#### 3.1 Deepening the Reform of Agricultural Economic System and Promoting the Modernization Process

Deepen the reform of the domestic agricultural economic system,increase investment and policy support in the agricultural

field,improve agricultural and rural infrastructure,and improve water conservancy and irrigation systems.Promote the implementation of large-scale operation by domestic agricultural enterprises,cultivate leading group oriented export enterprises,and establish modern agricultural production bases and demonstration centers.Cambodia should play the role and function of the Agricultural Research and Development Center,promote the strategy of promoting agriculture through science and technology,cultivate professional and technical talents in the agricultural field,widely learn from advanced foreign agricultural management experience,encourage the use of modern advanced technology and equipment to transform traditional agricultural production,research and develop,cultivate and promote new,excellent,and special varieties of crops,increase product yield and total production scale,and reduce the comprehensive cost of agricultural production,Enhance the international competitiveness of domestic agricultural products.Strengthen the construction of characteristic agriculture,implement differentiated development strategies,adhere to the organic combination of segmented markets and precise positioning,and optimize domestic agriculture.

Crop planting structure,with a focus on developing pollution-free and organic agriculture,and creating internationally and regionally renowned brands.Vigorously develop"foreign investment +breeding+industry+trade",increase policy support for advantageous processing and manufacturing enterprises in the agricultural field,provide relevant tax,financing,and customs incentives,enhance the deep processing of advantageous characteristic agricultural products such as rice,bananas,and mangoes,expand the development of middle and downstream enterprises,and create and enhance the entire industrial chain level.Overall planning and layout of domestic agricultural development,scientific guidance,leveraging the role of industry associations,reducing quantitative blind expansion,avoiding homogeneous and vicious internal competition in export trade,enhancing synergies,vigorously developing international order agriculture cooperation,and ensuring stable development of production and sales integration.

### **3.2 Boost the total export volume and balance the trade pattern**

Establish and improve agricultural product export trade promotion institutions,enhance management functions and coordination roles,improve and expand export trade policies,coordinate and collaborate with relevant departments,reduce obstacles,simplify procedures,optimize the"green channel"of agricultural products,improve customs clearance efficiency,reduce comprehensive export costs,and enhance the level of trade liberalization and facilitation.Improve the domestic agricultural product quality inspection and quarantine system,strictly control the quality of exported products,closely monitor the import management system of agricultural product trade in major countries around the world,do a precise docking,achieve targeted production,and avoid blind production.Give full play to the functions and roles of the government and agricultural associations,widely and timely collect supply and demand information of overseas agricultural product markets,improve the level of industry digitization and informatization,guide domestic agricultural enterprises to implement precise planting,processing,and export,focus on tapping the trade potential with major partners,optimize market layout,form synergies,and reduce internal competition.In recent years,the demand for agricultural products in China has been strong,and the

scale of import trade has continued to expand.Continuing to deepen bilateral agricultural product trade cooperation between China and Cambodia has significant and far-reaching implications for further boosting the development of Cambodia's agricultural product exports.We should reasonably guide the healthy development of import trade business,optimize product and market structure,mitigate the negative impact of foreign homogeneous competitive products on domestic agriculture,strengthen the national security strategic awareness of agricultural economy,adhere to scientific planning and reasonable guidance,and balance the trade pattern.

### **3.3 Expand the variety and quantity of products,optimize trade structure**

Continuously enrich the variety of trade products and reduce high dependence on a single product.Vigorously promoting the strategy of diversified crop planting structure,expanding arable land area,integrating scale,expanding the planting area of other crops except rice,strengthening technology to promote agriculture,and improving the domestic unit yield and total scale can partially meet the domestic self-sufficiency demand for such agricultural products,reduce import quantity,and alleviate trade imbalances;Secondly,some of its remaining agricultural products can be exported,enriching the types of traditional export products,expanding the potential for new product export cooperation,boosting the overall scale of export trade,and actively supporting the growth and development of domestic tobacco and food processing and manufacturing enterprises.Give full play to the functions and roles of government departments,reasonably guide the types of agricultural products for import and export trade,and optimize the trade structure.Implement intergovernmental agricultural cooperation agreements,expand content,expand fields,elevate levels,and promote the export of advantageous agricultural products in the country.In August 2018,the governments of China and Cambodia signed an agricultural cooperation agreement,which allowed Cambodia to export bananas to China,significantly lowering the trade threshold and stimulating the rapid growth of its banana exports,with exports to China accounting for over 90%.Bananas have quickly become Cambodia's second largest exported agricultural product and an important"contributor"to foreign exchange and income growth.

### **3.4 Expand international market channels and reduce external risks**

Actively integrate into the world economic system,participate in economic globalization and regional economic integration,participate in bilateral and multilateral free trade zone negotiations,comprehensively explore international markets,and reduce excessive dependence on traditional single markets;Sufficient benefit.

Effectively expanding the cooperation potential of neighboring countries and regional markets with geographical advantages,and enhancing deep cooperation in the agricultural field with free trade agreement partners.In terms of export trade,we will continue to stabilize traditional major export markets,explore international emerging markets in a planned manner,actively cultivate new"growth poles"for future trade development,vigorously expand cooperation in the food field with African countries,implement precise strategies based on market characteristics and consumption trends of different countries,expand fields,enrich product types,tap market potential,innovate and promote trade

cooperation methods, Promote the development of cross-border e-commerce business for agricultural products and their sideline foods, strengthen "e-commerce+agricultural product trade", expand sales channels through internationally renowned e-commerce platforms, and boost the scale of export trade. In terms of import trade, we will expand the channels of import sources, gradually reduce the concentration ratio of the import market, disperse the concentration of external risks, improve the terms of trade, reduce the negative impact of external markets on domestic agriculture, and ensure the stable, orderly and healthy development of the domestic agricultural economy.

### 3.5 Participate in the international agricultural industry chain and enhance the level of cooperation and development

Strengthen international agricultural cooperation, actively participate in and integrate into international agricultural industry chain cooperation, coordinate domestic and foreign markets and resources, vigorously attract foreign investment into the agricultural field, continuously reduce entry barriers and entry barriers, guide international large agricultural groups to enter, jointly build agricultural international industrial cooperation parks, drive the modernization and commercialization level of domestic agriculture, and achieve high-quality and efficient development, Enhance the international competitiveness of domestic agricultural products. We will take the lead in testing rice and other products, actively participate in international food security

cooperation, widely use foreign funds and advanced technology and equipment, increase the scale and total output of domestic rice cultivation, improve the quality and quality of rice products, and create and cultivate a group of internationally renowned brands. Introduce foreign manufacturing and processing enterprises in the agricultural field, promote agriculture through industry, strengthen deep processing of agricultural products, increase added value, enhance comprehensive trade benefits, and enhance the level of agricultural economic development in Cambodia. Participate in international and regional agricultural cooperation and assistance projects, actively strive for foreign advantageous resources and policy preferences, and promote the incremental and upgrading development of the domestic agricultural economy.

In the new era, the development of Cambodia's agricultural economy and agricultural product trade has once again ushered in new strategic opportunities, such as sustained domestic economic growth, accelerated integration of the ASEAN region's economy, optimization and improvement of international relations and external environment, etc. However, it also faces a series of serious challenges, such as low domestic economic level, weak agricultural foundation, and intensified external competition. Therefore, Cambodia urgently needs to attach great importance to the development of its agricultural economy, firmly establish a strategic development awareness, actively participate, take the initiative, plan reasonably, and guide scientifically, to promote the sustainable, high-quality, and efficient development of its agricultural economy.

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