

Economic Integration, Location of Industries, and Frontier Regions: Evidence from Cambodia

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Abstract: We examine changes in the location of economic activity in Cambodia between 1998 and 2008 in terms of employment growth. During this period, Cambodia joined ASEAN and increased trade with neighboring countries. Drawing on the predictions of the new economic geography, we focus on frontier regions such as border regions and international port cities. We examine the changing state of manufacturing in Cambodia from its initial concentration in Greater Phnom Penh to its growth in the frontier regions. The results suggest that economic integration and concomitant trade linkages may lead to the industrial development of frontier regions as well as the metropolitan areas in Cambodia.

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