



# Cambodia Outlook Brief\*

2012, N° 05

## Policy Priorities for Cambodia's Sustainable Growth<sup>1</sup>

1. Secure inclusive growth by improving social indicators
  - a. Deliver social safety nets to poor and vulnerable households, particularly to those living in the peripheries and female-headed households
  - b. Streamline current social initiatives under the National Social Protection Strategy with a focus on redressing the causes of gender inequality
2. Maintain stable macroeconomic outlook
  - a. Keep inflation at around 5 percent or lower by mitigating pressures stemming from increased capital inflows and rising commodity prices
  - b. Foster sound fiscal policy to maintain competitiveness in key sectors
3. Diversify the economy away from traditional sectors
  - a. Move up the value-added chain into new agricultural and industrial products and services; penetrate new markets
  - b. Strategically diversify the economy to benefit from opportunities afforded by a growing, better connected Asian region
4. Eliminate physical, institutional and regulatory constraints to a single market ASEAN Economic Community by 2015
  - a. Streamline cross-border transport policies and ensure efficient and predictable implementation procedures
  - b. Continue efforts to upgrade physical infrastructure, focusing on completing the railway rehabilitation project, and connecting Cambodia's peripheries to regional markets
5. Address the labour force skills-private sector needs mismatch
  - a. Mobilise and coordinate resources to upscale TVET schemes by developing innovative frameworks for public - private partnerships
  - b. Adopt a holistic approach that addresses problems at all levels of Cambodia's education system.
6. Address the policy-institutional capacity mismatch
  - a. Mobilise and coordinate government and development partner resources to develop institutions that can enforce Cambodia's increasingly complex regulatory and policy frameworks
  - b. Continue efforts to reduce corruption in key institutions, particularly the judiciary
7. Promote policies that optimise private sector participation in regional economic networks
  - a. Mobilise research institutions to identify constraints to regional participation using a sector based analysis; develop policies that enable private sector to utilise competitive advantage
  - b. Develop and promote best-practice approaches to public-private partnership projects that can be replicated and up-scaled regionally
8. Rebalance the economy to reflect Cambodia's predominantly agrarian population

<sup>1</sup> Policy priorities are based on the presentations and discussion at the Cambodia Outlook Conference, 16 February 2012.

- a. Promote local economic development through upgrading services, transport and communications infrastructure
  - b. Continue reforms of the commune to ensure more equitable and representative local institutions and development practices
9. Use the opportunity as ASEAN Chair to promote strong and equitable regionalism
- a. Mobilise support to close development gaps between ASEAN member states
  - b. Assert ASEAN's influence on the global stage and be more active in international policy arenas
10. Encourage development that is environmentally sustainable
- a. Invest in research into the environmental implications of policy interventions so policy makers can make better informed decisions
  - b. Encourage the private sector to pursue environmentally sustainable investment strategies.

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