



Cambodia Outlook Brief

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2014 Cambodia Outlook Conference Policy Priorities

1. Pursue inclusive development aims by focusing on equitable land management and increasing living standards.

- Continue the drive to improve land management by implementing land titling in areas of tenure insecurity and enhanced monitoring of ELCs;
- Set a fair national wage policy that balances the need for Cambodia to remain economically competitive with decent living standards for workers;
- Promote access to social support services for poor households.

2. Strategise and strengthen macroeconomic management to manage the next phase of growth.

- Enhance macro-financial monitoring mechanisms to manage risks associated with fast-paced growth of credit;
- Provide fiscal incentives for businesses to join the formal economy;
- Increase public revenue collection and develop strategies to efficiently and transparently use funds for social reforms.

3. Remove physical constraints that hinder the realisation of export targets, specifically the ambition to export 1 million tonnes of rice annually by 2015.

- Increase capacity of Cambodia's physical infrastructure to produce and transport large quantities of milled rice;

- Reduce electricity costs by up-scaling hydropower provision in an environmentally and socially sustainable manner;
- Extend electricity across the country by meeting targets for power line extension.

4. Promote a quality-centred approach in education from primary to tertiary level.

- Focus on completion rates as opposed to enrolment rates, particularly at primary and secondary levels;
- Build the capacity of teachers and trainers by providing appropriate training and improving teacher salaries at all levels;
- Better regulate HEIs to drive-up teaching standards and provide students with standardised qualifications.

5. Ensure that Cambodia's education system provides the skills that employers require now and in the future.

- Promote TVET to address the supply shortage of semi-skilled workers to drive manufacturing and service sectors;
- Increase flows of labour market information so that employer needs are represented in curricula, and that students are given appropriate advice about training schemes and employment opportunities;
- Include early training in STEM subjects to better prepare students for high-skilled occupations needed to drive the next phase of development.

Policy priorities are based on the presentations and question and answer sessions at the 2014 Cambodia Outlook Conference.

6. Extend good quality education to all subsections of society, particularly those in rural areas.

- Reduce the rural-urban divide in education provision by building education facilities in peripheral areas, providing incentives for teachers to locate there and improving access to ICT and other teaching materials;
- Cultivate a culture of education among poor rural families by engaging them in teaching, providing pre-schooling and making sure students are adequately nourished;
- Provide scholarships for less well-off students to attend HEIs, which will increase the pool of skilled workers and promote inclusive development.

7. Upgrade transport infrastructure to optimise AEC membership by harnessing through-trade, increasing exports and integrating into regional production networks.

- Continue upgrading hard transport infrastructure to increase connectivity with regional hubs of Bangkok and Ho Chi Minh City;
- Encourage competition in logistics services to raise standards and integrate logistical networks into remote areas and across borders;
- Build capacity of customs officials to implement procedures transparently, predictably and efficiently.

8. Strengthen the SME sector to remain competitive in the AEC and to diversify the economy.

- Increase productivity of SMEs by formalising business practices, including standardising financial statements and balance sheets to enable proper audits: this will encourage increases in lending from banks and attract FDI;
- Extend support services to SMEs to expand into new markets by enhancing their technical and managerial capital, and providing them with up-to-date market information;

- Monitor the expected increases in FDI to the sector, making sure liabilities are known and measures are in place in case of external shocks.

9. Eliminate Non Tariff Measures (NTMs) that may discourage exporters from using the AEC framework for trade.

- Communicate to industry the benefits of using the AEC framework for trade and the procedures to access it;
- Simplify procedures for traders accessing the AEC framework and dispense with the requirement to obtain export certificates;
- Encourage other nations in ASEAN to streamline procedures for accessing the AEC framework and work to eliminate NTMs across the region.

10. Engage in civil service reform to increase capacity of institutions to implement the rule of law equitably and transparently.

- Strengthen key institutions such as the judiciary to enforce contracts in an equitable and transparent manner;
- Increase coordination and cooperation across state institutions so that they are able to respond quickly and effectively to changing economic conditions;
- Increase capacity of civil servants at all levels to implement the rule of law by providing training and adequate salaries.

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CDRI – Cambodia's leading independent development policy research institute

📍 56 Street 315, Tuol Kork ✉ PO Box 622, Phnom Penh, Cambodia

☎ (855 23) 881 384/881 701/881 916/883 603 📠 (855 23) 880 734

E-mail: cdri@cdri.org.kh, Website: www.cdri.org.kh