

**Under embargo until 12:00 noon. Bangkok Time, Monday, 1 May 2017**

## **CAMBODIA**

GDP (current US\$, billions):	\$18.05	Population (thousands):	15,827
Share of GDP in developing Asia-Pacific:	0.1%	GDP per capita (current US\$):	\$1,158.60
Share of GDP in South-East Asia:	0.6%	Average inflation (2016)	3.0%

- Economic growth in Cambodia remained solid at 7.2 per cent in 2016. The economy has enjoyed at least 7 per cent annual growth since 2011.
- Exports of ready-made garments, accounting for about 80 per cent of total exports, continued to expand well as a result of privileges enabling countries such as Cambodia to gain market access in developed countries. As the sector is estimated to employ more than 600,000 workers, stronger garment exports also fueled consumer spending.
- Private consumption was also supported by modest inflation, at 3 per cent in 2016, and rising tourist arrivals.
- Growth outlook is set to remain rapid at 7.1-7.2 per cent during the period 2017-2018.
- Exports are set to grow further, partly aided by higher prices for key agricultural items, such as rice and rubber.
- Consumer spending tends to benefit from such factors as an increase in the minimum wage for workers in the garment industry, a downward trend in the household debt level and a stable price outlook.
- A steady increase in FDI inflows would buoy overall investment conditions, although slower credit growth could hold back domestic investments.
- To manage rapid credit growth and promote financial stability, the central bank raised the minimum capital requirements for banks.
- One of the Government's policy priorities is to enhance rural incomes as part of an effort to reduce poverty, which remained high at almost 18 per cent of the total population in 2012. For example, to support rice farmers who were affected by drought during the past two years, the Government waived value-added tax on agricultural products and offered low-interest loans to millers who buy rice at predetermined prices.