



Opening Remarks

Samdech Moha Borvor Thipadei HUN MANET,

Prime Minister of the Kingdom of Cambodia

at the Annual Cambodia Outlook Conference 2025 on

“Cambodia's New Growth Strategy: Priorities for High Quality and Sustainable Development”

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- *Excellencies, members of the Senate, the National Assembly and of the Royal Government;*
- *Excellencies, Oknhas, ladies and gentlemen, and distinguished guests;*

It is my great pleasure to preside over, for the second time, the opening of the **16th Cambodia Outlook Conference 2025** under the theme “**Cambodia's New Growth Strategy: Priorities for High Quality and Sustainable Development**”. I want to thank and highly evaluate the Cambodia Development Resource Institute (CDRI), with collaboration particularly from the Cambodia-Australia Partnership for Sustainable Economic Development (CAPRED), for organizing this significant conference.

I would like to also warmly welcome the leadership from the government ministries and agencies, diplomatic corps, development partners, national and international organizations, private sector and policy research institutes and various educational institutions, for your direct participation today. At the same time, I call on stronger participation from the youth and

students, who are the future human capital and leaders, to familiarize themselves with the future development of Cambodia.

Taking this opportunity, I wish to congratulate **Her Excellency Dr. Chea Serey**, Governor of the National Bank of Cambodia, who has been elected as the Chairwoman of the Board of Directors. I sincerely hope that under her guidance, CDRI will be further strengthened, both in terms of institutional capacity as well as the quality and value of its researches, which can serve as inputs for the formulation of the government's policies and also for the benefits of the general public, especially our researchers and students.

I could say that the 2025 conference is even more significant than the previous ones because it has benefited from the inputs of the previous conferences as well as additional researches from CDRI's experts on current trends. Such inputs will aid the discussion and the development of a shared perspective on the course of Cambodia's development toward the achievement of the ambitious long-term vision of 2050. In this regard, I would like to encourage a robust discussion among national and international speakers, as well as excellencies, ladies and gentlemen who are present at the conference. Your contributions in today's discussion will serve as crucial and valuable inputs, manifesting your care and active contributions in shaping the nation's shared destiny with the spirit of ownership and national solidarity.

- Excellencies, Oknhas, Ladies and Gentlemen!

Indeed, in preparing growth strategy for the future, especially for the long term, we need to examine and build on past trajectories, current trends, and future potentials. On this basis, I would like to briefly recall our achievements without elaborating the situation over the past two decades after Cambodia achieved complete peace, because everyone clearly understands how the peace dividends from the **“Win-Win Policy”** of **Samdech Akka Moha Sena Padei Techo Hun Sen**, have brought significant socio-economic development and prosperity to all Cambodian people.

Let me summarize the economic trends after the COVID-19 crisis, which is a new turning point in Cambodia's growth cycle. After winning the battle against COVID-19 – a battle that was not limited to combating a public health crisis, but also involved battles in education, social protection, finance and economy – Cambodia fully reopened the country in late 2021 and allowed socio-economic activities to gradually return to normal. To be precise, economic growth has gradually recovered to its potential trajectory at the rates of 3.1%, 5.1%, 5.0%, 6.0% in 2021, 2022, 2023, and 2024, respectively. In 2025, Cambodia's economy is expected to continue its strong momentum at **around 6.3%**, driven by export-oriented sectors such as garment and non-garment manufacturing, the growing of tourism and supporting services, and the stable growth of agriculture.

In the short to medium term, the government remains optimistic that economic growth will be reaching **an average of around 6.5% per annum**. However, this growth will not happen by itself; it requires efforts from relevant stakeholders, not just the government, to strengthen the implementation of key policies and reforms. This assessment is also consistent with the CDRI study report that will be released at today's conference, which suggests that Cambodia would achieve **an average annual growth rate of 6.4% over the next decade** if specific, targeted and practical policies were formulated, together with their effective implementation. And such is what I hope to achieve from today's conference.

On this note, I would like to draw your attention to two key aspects that mark the new turning points in policy landscape, which are: **(1)**. Although Cambodia's economy has returned to its potential growth, **Covid-19 has left scars and impeded the Cambodia's overall development pace**, and **(2)**. Cambodia, as well as the global and regional economies, are still facing the **transition of multiple crises**, which means that one crisis is not over and another crisis is emerging; one war is not over, another war is erupting. As results, risks and uncertainties have become more prevalent including: (1). The

rise of protectionism and trade war, (2). The geopolitical tension that could disrupt the global supply chain and lead to the rise of international commodity prices, (3). The geo-economic and trade fragmentation, and (4). The severe impact of climate change and natural disasters. **The overlapping of multiple crises has caused the global and regional situation to change rapidly and unpredictably, and will have implications, both positive and negative, direct and indirect, to Cambodia's economy and society.**

- *Excellencies, Oknhas, Ladies and Gentlemen!*

The above trends, which present both opportunities and risks, require us to rethink our long-term growth strategy to ensure the achievement of the targeted growth while continuing to pursue sustainable, inclusive and resilient social-economic development. The Royal Government of the 7th Legislature of the National Assembly has launched the **“Pentagonal Strategy-Phase I”** for growth, employment, equity, efficiency, and sustainability, and identified **five key priorities: People, Roads, Water, Electricity, and Technology**. The strategy is based on two main principles: **(1)**. Continue to maintain peace which is the prerequisite for the socio-economic development and **(2)**. Continue to build and strengthen the foundation for the acceleration of the country's development on the path toward realizing the Cambodia Vision 2050.

Based on this strategy, over the past 19 months, the government has been launching and implementing programs, reform mechanisms, and various policy measures. For instance, the government has activated the implementing mechanism and conducted the monitoring and evaluation over the **“Six Priority Policy Programs”** and **“Five Key Measures”**, which have thus far yielded satisfactory results. Meanwhile, to promote the economic diversification, enhance competitiveness and strengthen resiliency, the government plans to launch the **“Program to Promote Competitiveness, Increase Diversification, and Strengthen Resilience for Economic Growth in a Global Environment of High Uncertainty 2024-2028”**, by focusing on three

main pillars: **(1). Short-to-medium term sectoral economic support programs** through the introduction of bold and targeted policy measures, **(2). Program to Promote Competitiveness, Increase Diversification, and Strengthen Resilience** to address structural, complex and inter-sectoral challenges; and **(3). A Smooth Transition Strategy for Cambodia's Graduation from the Least Developed Countries (LDC) Category** to ensure a smooth transition after graduation.

- *Excellencies, Oknhas, Ladies and Gentlemen!*

Coming back to today's conference, I am very interested in the results of the CDRI study and the 3 key topics that will be covered. The study has touched upon the **"New growth strategy"** that combines economic growth policy for priority sectors with the comprehensive structural reforms. Overall, the strategy focuses on balancing between the pace and the quality of economic growth, rather than solely focusing on high growth rates. This means that although comprehensive structural reforms may lower economic growth rate below its full potential, it is still necessary to promote quality, sustainability and inclusiveness of growth. This strategy is fully in line with the **"Pentagonal Strategy"**, which advocates that to achieve high and sustainable growth, structural reforms are necessary and that their implementation should be carried out as soon as possible. However, structural reforms should not be rushed to the point of compromising general peace and stability.

I am also interested in each of the topics discussed in the 3 sessions today including: Performance and growth perspectives, structural reforms for long-term growth, and translation from growth vision to policy priorities. I hope that these important and cross-cutting discussions will help to consolidate priorities, find a better balance and improve the feasibility of these policies.

To stimulate the discussion, I would like to highlight a few observations about the current contexts that may affect perspectives and have implications on Cambodian economy in the short and medium term. The global contexts that we should pay attention to should include: **1). The rise of protectionism,**

which could escalate into trade war and technological war, **2)**. A stronger reliance on economy of the region to bolster development when the countries in the region have better developed themselves and embraced deeper integration while major economies are experiencing a slower growth, **3)**. The speed of digital transformation, especially in artificial intelligence, robotics, and automation, creating opportunities for productivity enhancement, and **4)**. The increasing trend of green transition, such as growing investments in renewable energy and electric vehicles.

For Cambodia's context, I encourage an in-depth discussion on **1)**. Identifying and developing sectors that would constitute the new sources of growth, especially emerging strategic industries, and how Cambodia can attract more high value-added investments, **2)**. Preparations for Cambodia's graduation from the LDC, **3)**. Strategies to develop micro, small, and medium enterprises (MSMEs) and start-ups through ecosystem development, capacity building, and productivity enhancement, and **4)**. Skill development to narrow skill gap and address future demand.

Today's conference will therefore serve as a platform for frank and constructive discussions in a spirit of collective reflection, collective implementation and collective responsibility for the destiny of Cambodia. The inputs from the three sessions will provide a valuable basis for improving, refining and reorienting policies to make them more pragmatic and targeted, while enhancing the effectiveness and efficiency of their implementation.

- Excellencies, Oknhas, Ladies and Gentlemen!

Taking this opportunity, I would like to emphasize the important role of **"Research Institutions"** including CDRI, in the policy-making process, as well as the socio-economic development of Cambodia as a whole. Therefore, I would like to recommend CDRI to continue strengthening its institutional capacity, especially related to their research work, so that they can provide an even better quality outputs for the benefits of the government and the general public, as the following:

- 1) **Strengthening cooperation with regional research institutions** to broaden perspectives and vision, with the aim of increasing the institution's capacity to serve analytical and research purposes;
- 2) **Stimulating the discussion on the socio-economic development of Cambodia** to continue to promote the spirit of engagement, exchange of ideas and constructive opinions; and
- 3) **Continuing to perform as a center for data collection services and publication of quantitative and qualitative research papers** to continue to promote research using primary information and data through data collection and surveys. Specifically, I would like to emphasize that the accuracy and consistency of primary data, or microdata, are important for the formulation or direction of policy so that it is more targeted and reflects realities, in line with the government approach that **always actively listens to the people, engages directly in solving the people's problems and addresses the root causes of those problems.**

- *Excellencies, Oknhas, Ladies and Gentlemen!*

I am confident that today's conference will be smooth and fruitful. Once again, I would like to encourage Excellencies, Oknhas, Ladies and Gentlemen, to actively participate in the discussions to make today's conference even more fruitful and to provide essential contributions to support the CDRI in the analysis and conclusions of the topics discussed today.

Finally, I would like to wish Excellencies, Oknhas, Ladies and Gentlemen, and Distinguished Guests, success in all your endeavors and receive the five Buddha's blessings: Longevity, Nobility, Health, Strength and Wisdom.

I hereby declare the opening of the **Cambodia Outlook Conference 2025.**

Thank you!