



## Opening Remarks

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Prime Minister of the Kingdom of Cambodia**

**At the Opening Ceremony of Cambodia Outlook Conference 2023 Under  
theme “Cambodia Vision 2030 and Beyond: Charting a Path for  
Resilient, Sustainable, and Inclusive Prosperity”**

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*- Your Excellencies, Neak Oknha, Oknha, Ladies and Gentlemen, and distinguished guests!*

Today, I am very delighted to preside over in the opening ceremony of the **Cambodia Outlook Conference 2023** under theme “**Cambodia Vision 2030 and Beyond: Charting a Path for Resilient, Sustainable, and Inclusive Prosperity**”. I would like to extend my high appreciation to **The Cambodia Development Resource Institute (CDRI)** for cooperating with many national and international institutions to organize this very important conference.

I would like to take this opportunity to express my warm welcome to leaders from the government’s institutions, private sector, think tanks, national and international organizations, and development partners who are physically attending this conference today.

I noticed that CDRI, with the cooperation between relevant institutions, has already organized this annual conference for 14 times, beginning in 2007 to 2022, which had been presided over by **Samdech Akka Moha Sena Padei Techo HUN SEN, President of Supreme Privy Council to His Majesty the King, and Former Prime Minister of the Kingdom of Cambodia**. This conference is holding its 15<sup>th</sup> session as I join for the first time in my capacity as the Prime Minister of the Kingdom of Cambodia.

Like the government in the previous terms, the Royal Government of the 7th legislature of the National Assembly considers this conference as an important forum that provides an opportunity for all stakeholders, especially think tanks, to discuss and exchange insights on achievements, challenges, and strategic directions for the development of Cambodia by focusing on both practicality and adaptability in the face of changes in the global and regional context in order to steer Cambodia towards resilient, sustainable, and inclusive prosperity. While this year's theme focuses on reflecting Cambodia's journey towards 2030 and beyond, the presence of Your Excellencies, Neak Oknha, Oknha, Ladies and Gentlemen as well as your sharing of ideas will demonstrate your high commitment based on a contributory and cooperative spirit to help chart, shape the direction and determine the fate of Cambodia.

*- Excellencies, Neak Oknha, Oknha, Ladies and Gentlemen;*

Certainly, future foresight needs to be based on past achievements, and the longer the forecast, the more necessary it is to have a solid reference to the past. In this regard, I would like to recall that over the last two decades, starting from the **Win-Win Policy of Samdech Techo Hun Sen**, Cambodia has built a strong economic foundation for its development by adopting market economy through **1). openness** in the conduct of international trade based on multilateral principles; **2). promoting and attracting foreign direct investment** to foster the building of new drivers to support economic growth; **3). strengthening and rehabilitation of hard infrastructures** such as roads, water, and electricity to improve connectivity, facilitate the mobility of resources and manpower as well as the wide distribution of production bases; **4). continuing to develop and promote human capital** to participate in economic activities and increase productivity; and **5). institutional reforms and governance** on a regular basis to ensure the effective management of the political and economic system, including the public financial system and banking system, as well as to distribute benefits of growth in an equitable and inclusive manner.

As a result, Cambodia has achieved a strong and sustainable economic growth at an average rate of about 7% per annum for the past two decades, allowing it to achieve lower middle-income country status in 2015. The size of gross domestic product (GDP) has increased ten-fold from about USD 3.11 billion in 1998 to about USD 29.60 billion in 2022. At the same time, GDP per capita has increased seven-fold, from approximately USD 253 in 1998 to approximately USD 1,784 in 2022; the poverty rate dropped below 10% before the Covid-19 pandemic crisis while social inequality has been narrowed. The economic structure has shifted from an economy based primarily on traditional agriculture to an economy based on industries and services, which have higher value-added. While becoming more closely connected to regional and global value chains and supply chains, Cambodia has also made progress in diversifying its merchandise production and export markets, with around a third of the export structure moving away from a heavy reliance on garment exports, which previously accounted for 91% of total exports in 2000, but now accounted for only 62% in 2022. Non-garment industries increased their share of total exports from 9% to 38% during the same period. Meanwhile, Cambodia has also made strides in expanding export markets to other countries in the ASEAN+3 region, and its almost total dependence on the US and European markets is gradually fading.

Bolstered by robust growth and economic diversification, Cambodia has outlined its long-term aspiration to become an upper-middle-income country by 2030 and a high-income country by 2050. However, the Covid-19 pandemic crisis had presented itself as a real stress test for Cambodia's socio-economic resilience, and the capacity of the health system as well as the resources necessary to cope with the impacts of such an unprecedented crisis, both in scale and depth, on Cambodia's society and economy. In this situation, Cambodia had to struggle not only in the public health arena, but also in the realms of education, social protection, finance, and economy, including the efforts to maintain business activities, and the stability of livelihood and the morale of the general population. Despite adversity, under the excellent and wise leadership of **Samdech Techo**, Cambodia overcame the battle against the Covid-19 pandemic and was able to preserve socio-economic stability and eventually fully reopen the country.

*- Excellencies, Neak Oknha, Oknha, Ladies and Gentlemen;*

Although Cambodia continues to be affected by the Covid-19 pandemic crisis and other existing crisis, the Royal Government of Cambodia (RGC) has neither relinquished nor altered its long-term visions. The RGC steadfastly adheres to its commitment in realizing the aspiration of becoming an upper-middle-income country by 2030 and ultimately achieving high-income country by 2050. In this regard, based on the spirit of **"keeping the old, establishing the new"** and **"think globally and act locally"**, 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 also identified **five key priorities**, namely **People, Road, Water, Electricity, and Technology** that are clearly reflected in the **Five Strategic Pentagons** of the strategy. The **Pentagonal Strategy** takes a long-term perspective by identifying priorities and a five-phase implementation plan to actualize the long-term vision, based on two key historical missions namely: 1). safeguarding and nurturing peace that is hard-won through priceless sacrifices while continuing to accumulate momentum for economic growth and overall development; and 2). building and strengthening the foundations to accelerate national development to achieve the milestone of becoming a high-income country by 2050.

The RGC has not merely outlined strategies; it has also successively presented a series of programs, reform mechanisms, and concrete measures. Over the previous two months, the RGC has launched a sequence of **"Six Priority Policy Programs"**, five of which have already been announced and operationalized, including: 1). **the National Strategy on Informal Economic Development 2023-2028**; 2). **expansion of the scope of the health equity fund to vulnerable families**; 3). **providing vocational and technical trainings for youths from poor and vulnerable households nationwide**, as well as **expanding the coverage of the healthcare social security scheme for self-employed individuals and the dependents of the members of the National Social Security Fund on a voluntary basis**; 4). **financing programs to enhance market access for agricultural products, and**

**maintain price stability at a reasonable level; and 5). deploying agricultural technical officers to all Communes/Sangkats that have agricultural activities across the nation, and forming new types of agriculture associations.**

Within this period, among the **Five Key Measures** targeting institutional reforms, the RGC has established three national committees namely: 1). the national committee for advancing the implementation of key public administration reform measures; 2). the national committee for advancing the implementation of key measures in the education sector; and 3). the national committee for advancing the implementation of key measures in the health sector. Furthermore, the RGC has also put in place the organization and operationalization of the national authority for out-of-court dispute resolution system.

Last week, at the **19th Government-Private Sector Forum**, I decided to introduce a set of key reform measures, aiming to stimulate economic diversification and enhance the competitiveness of Cambodia, as well as to address the concerns of the private sector. Nearly 200 measures were initiated to reduce business costs and alleviate the burdens of the general population; eliminate and reduce unnecessary administrative procedures; facilitate compliance with legal obligations for businesses and citizens; and enhance the overall efficiency of public services, among others.

With the implementation of these programs, key measures and bold reform measures that have been put in place and other proactive measures in the future, Cambodia expects to achieve economic growth at 5.6% in 2023 and will continue to rebound at 6.6% in 2024. Indeed, this outlook of growth may also face some risks while the current situation remains highly uncertain. In this sense, Cambodia must adhere to the spirit of "**continued reform and stay proactive**" by trying to build resilience and promote economic diversification.

*- Excellencies, Neak Oknha, Oknha, Ladies and Gentlemen;*

For our today conference, I have great interest in the three discussion sessions, which are all important topics, especially in terms of policy for Cambodia to be well prepared to achieve the milestone in 2030 and beyond. As mentioned above, Cambodia's economy is very open, therefore, any positive and negative changes of external factors will have direct and indirect impact on Cambodia's growth potential in the medium and long term. To contribute to the discussion, I would like to make the following observations regarding the evolving global context as follows:

- 1) A profound change is taking place in terms of transition from the unipolar international economic architecture and governance to the emerging multipolar system;
- 2) There is an increased reliance on the regional economy to drive economic development, as many countries in the region have elevated their development and become more deeply integrated while witnessing slow growth in many advanced economies;
- 3) Digital development continues to gain momentum, particularly in the field of artificial intelligence, which opens up new possibilities to increase productivity and shorten learning time as well as ensure a wide dissemination within a short timeframe;
- 4) In the context of tightening monetary policy, there is a challenge in which sources of financing to support development, particularly for middle-income countries, are not sufficient and there is a lack of coordination between stakeholders, including multilateral and bilateral partners as well as the private sector.

In this regard, it is desirable to see this conference becoming a platform for a frank and constructive exchange of ideas as a contribution towards the process of thinking, implementing and taking responsibility together over the fate of Cambodia. Meanwhile, I also desire to see that the results of studies by CDRI will not be used merely within the framework of academic research, but also as key guiding documents, providing important inputs for the Royal Government in developing strategic development plans as well as policy measures to address current and emerging challenges. These challenges also include those that Cambodia would face after graduating from the status of least developed country in 2027, and the

challenges on how to further strengthen and expand the economic base that is stronger and more diversified, to enhance the resiliency of socio-economy in order to achieve Cambodia's long-term vision. The participation of Your Excellencies, Ladies and Gentlemen, today is very important, because it represents your physical and intellectual contribution to the future of Cambodia.

I hope that today conference will run smoothly and fruitfully. I would like to encourage Your Excellencies, Neak Oknha, Oknha, Ladies and Gentlemen, to actively participate in the discussions so that the conference can conclude successfully and produce important results to help the CDRI analyze and draw conclusions on these important topics.

I wish to end my remark by extending to Your Excellencies, Neak Oknha, Oknha, Ladies and Gentlemen and all the distinguished guests, the best wishes of great success in all your endeavors, and may you be blessed with the five Buddha's blessings: longevity, nobility, health, strength, and wisdom.

I would like to announce the opening of **the 15<sup>th</sup> Cambodia Outlook Conference 2023** from now on.

*Thank you!*