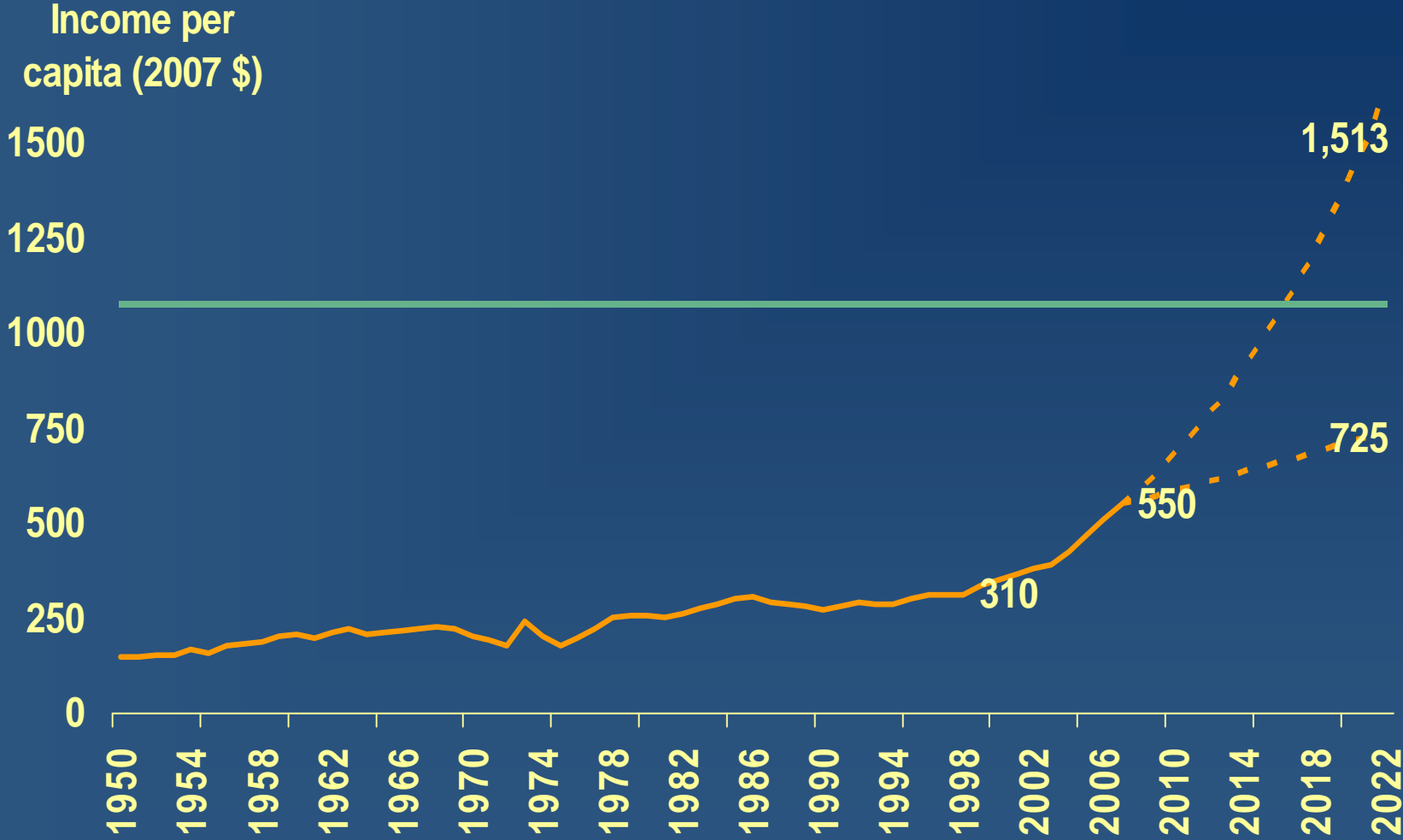




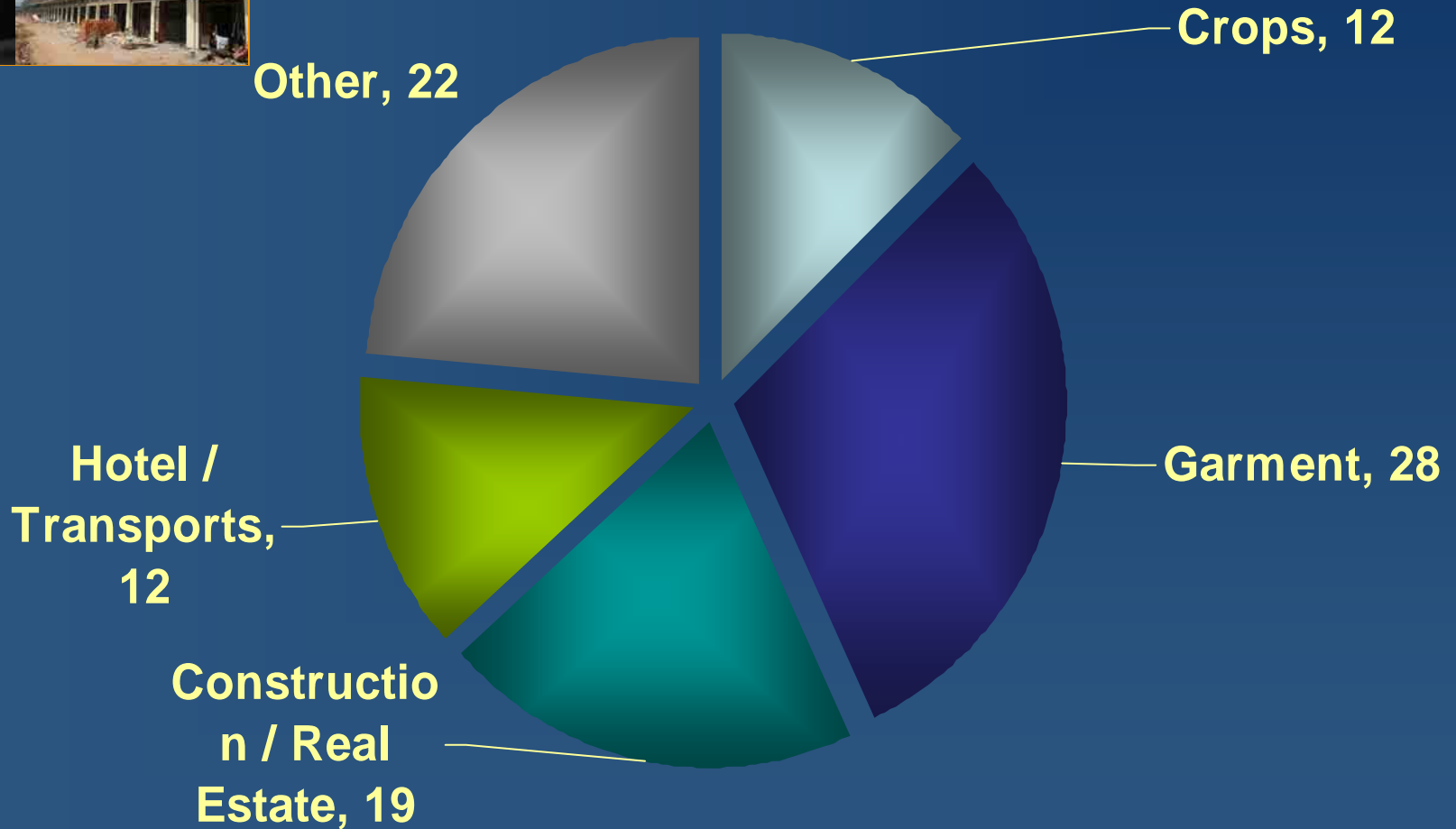
Cambodia: Sustaining Fast Growth

Stephane Guimbart, World Bank,
November 7, 2007

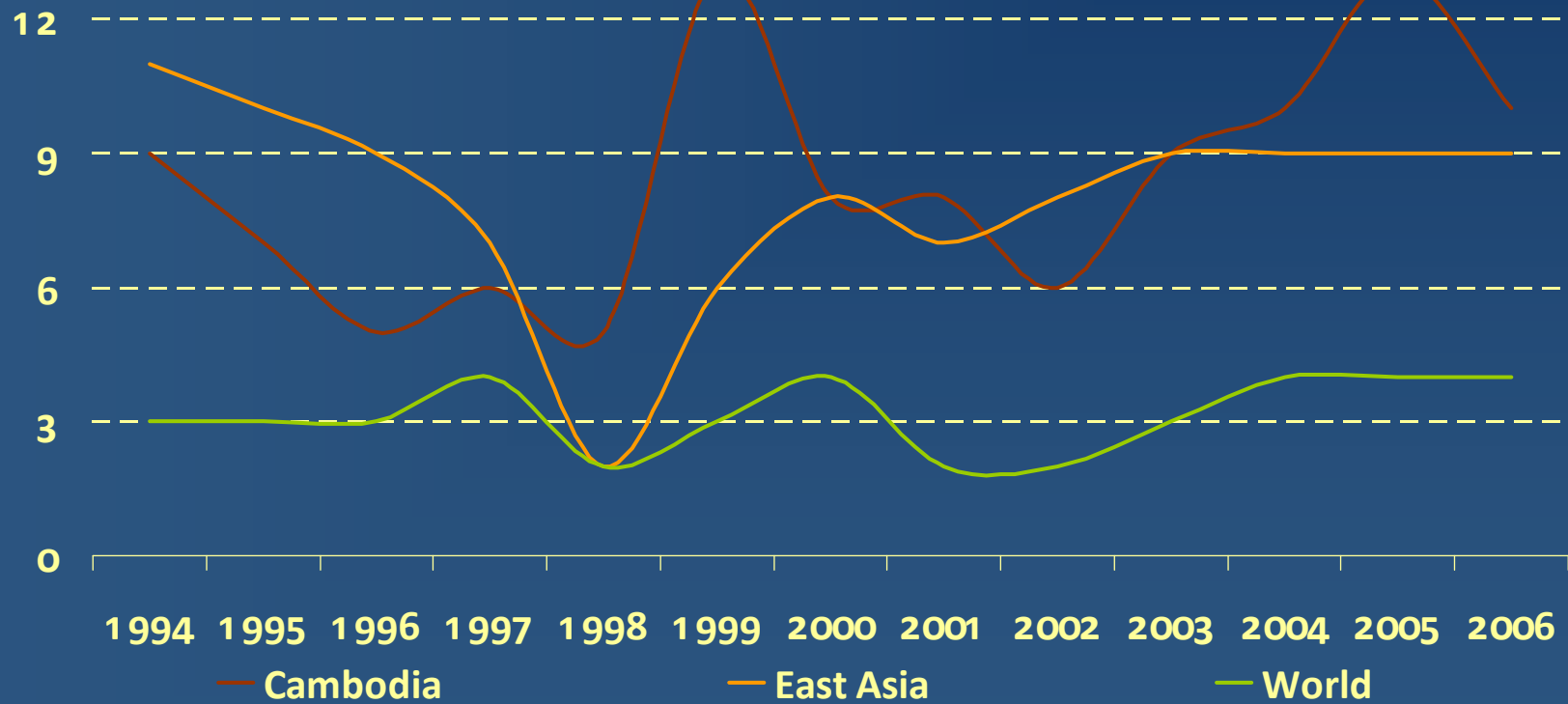
Sustaining Fast Growth



Four Engines of Growth



A Vibrant Region



2003: Law on Patents, Utility Model Certificates and Industrial Design; Law on the Copyright and Related Rights; Law on the Amendment to the Law on Investment; Law on the Amendment to the Law on Taxation; Establishment of the Arbitration Council (for labor)

2004: WTO Accession

2005: Sub-decree 148 on the Establishment and Management of the Special Economic Zone; Law on Negotiable Instruments and Payment Transactions; Sub-decree 111 on the Implementation of the Amendment to the Law on Investment; Law on Commercial Enterprises; Reduction of business registration cost and minimum deposit

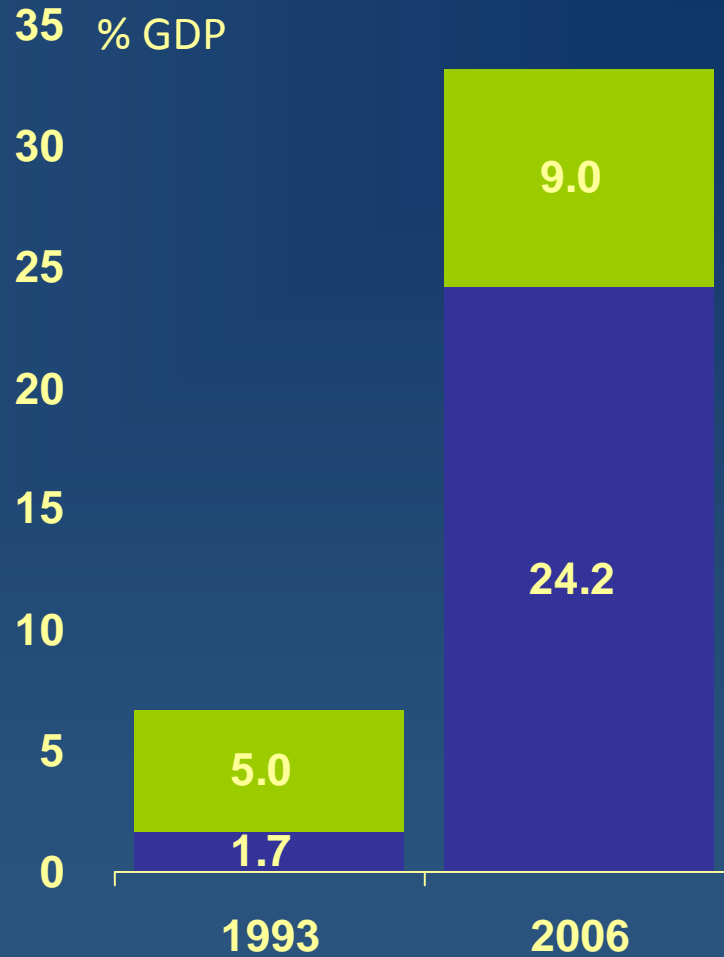
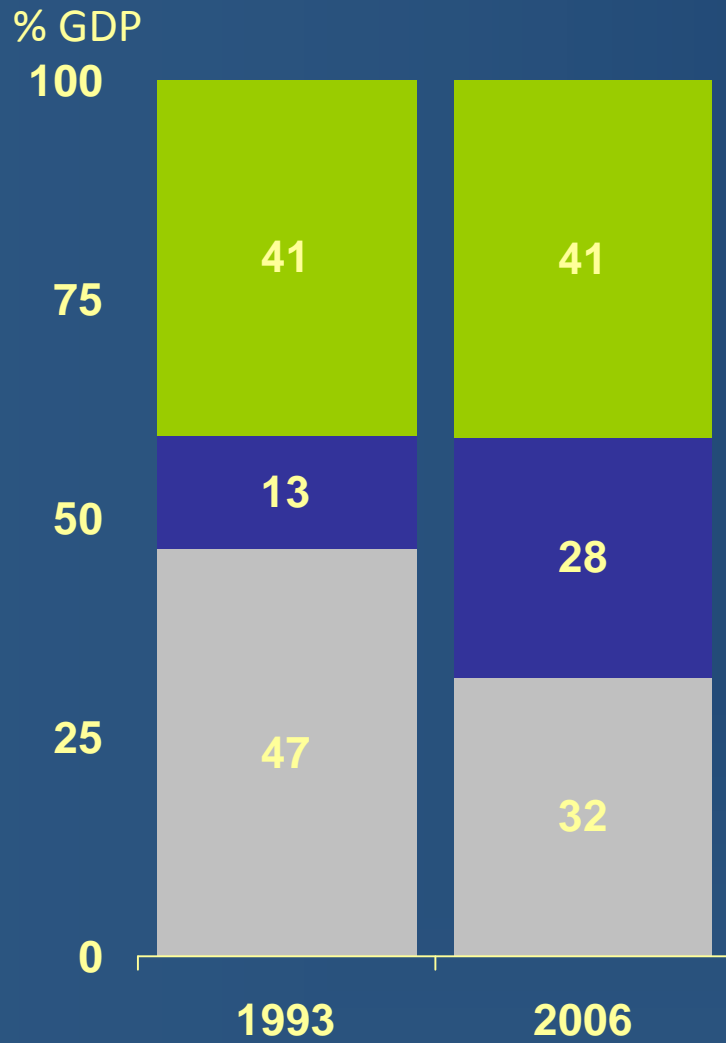
2006: Sub-decree 84 on Creation of Anti-Corruption Entity; Civil Procedure Code; decree on Risk Management; Law on Commercial Arbitration; Law on Management of Factories and Handicrafts; 2006-1015 Financial Sector Development Strategy; Law on Amendment on the Organization and Functioning of the National Bank of Cambodia; Prakas on Credit Information System and on bank licensing; Introduction of Cambodia Offsite Bank Reporting for prompt Correction Action; Risk Management Unit established in Customs

2007: Law on Customs; Law on Concessions; Law on Insolvency; Prakas on the Monitoring of Banks and Financial Institutions' Net Open Position; Prakas on Amendment to Prakas relating to Banks Solvency ratio; Prakas on Microfinance Institutions' Solvency Ratio; Law on Anti-Money Laundering and Combating Terrorist Financing; Criminal Code Procedure; Law on Water Resources Management; Law on Secured Transactions; Law on Traffic; Law on Government Security; Issuance and Trade of non-Government Security; Sub-decree on the creation of Special Economic Zone of Kampot

Major (Ongoing) Reforms:

- **Macroeconomic Stability**
- **Legal Reforms**
- **Investment Promotion**
- **Trade Facilitation**
- **Financial Sector**
- **Private Sector Dialogue**
- **Sectoral Issues**

Structural Shifts

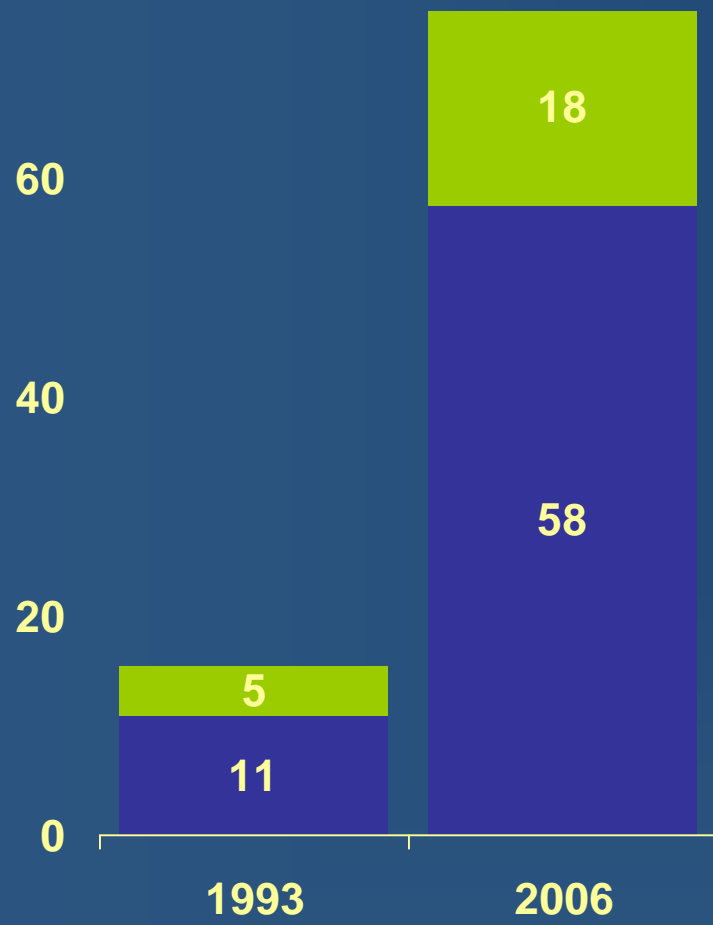


■ Agriculture ■ Industry
■ Services

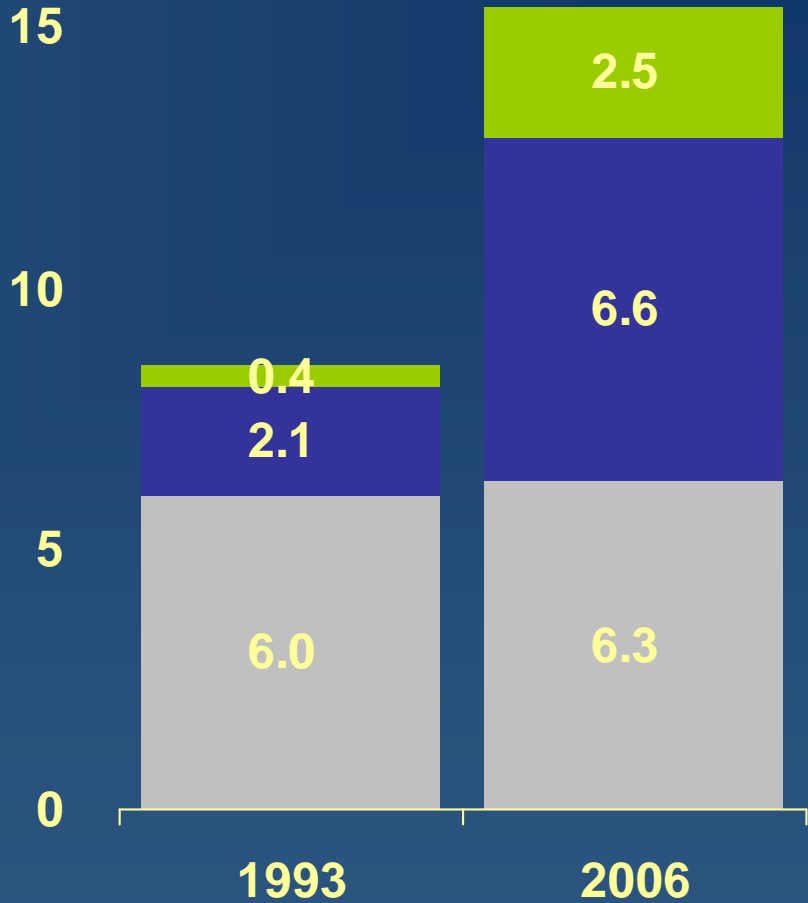
■ Net Domestic Assets
■ Net Foreign Assets

More Structural Shifts

% GDP
80



% GDP
15

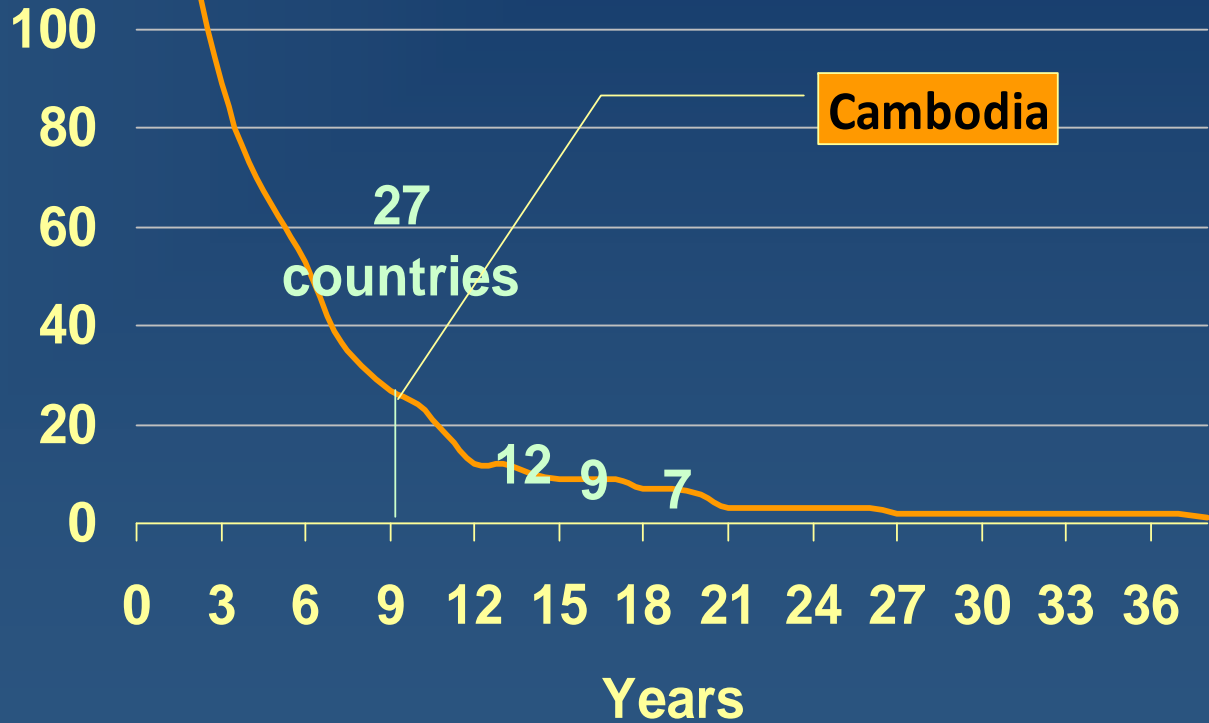


- Export of Services
- Export of Merchandise

- Remittances
- Foreign Direct Investment
- Official aid

Sustained Growth is Difficult

Number of rapid growth episodes



The Need for Diversification

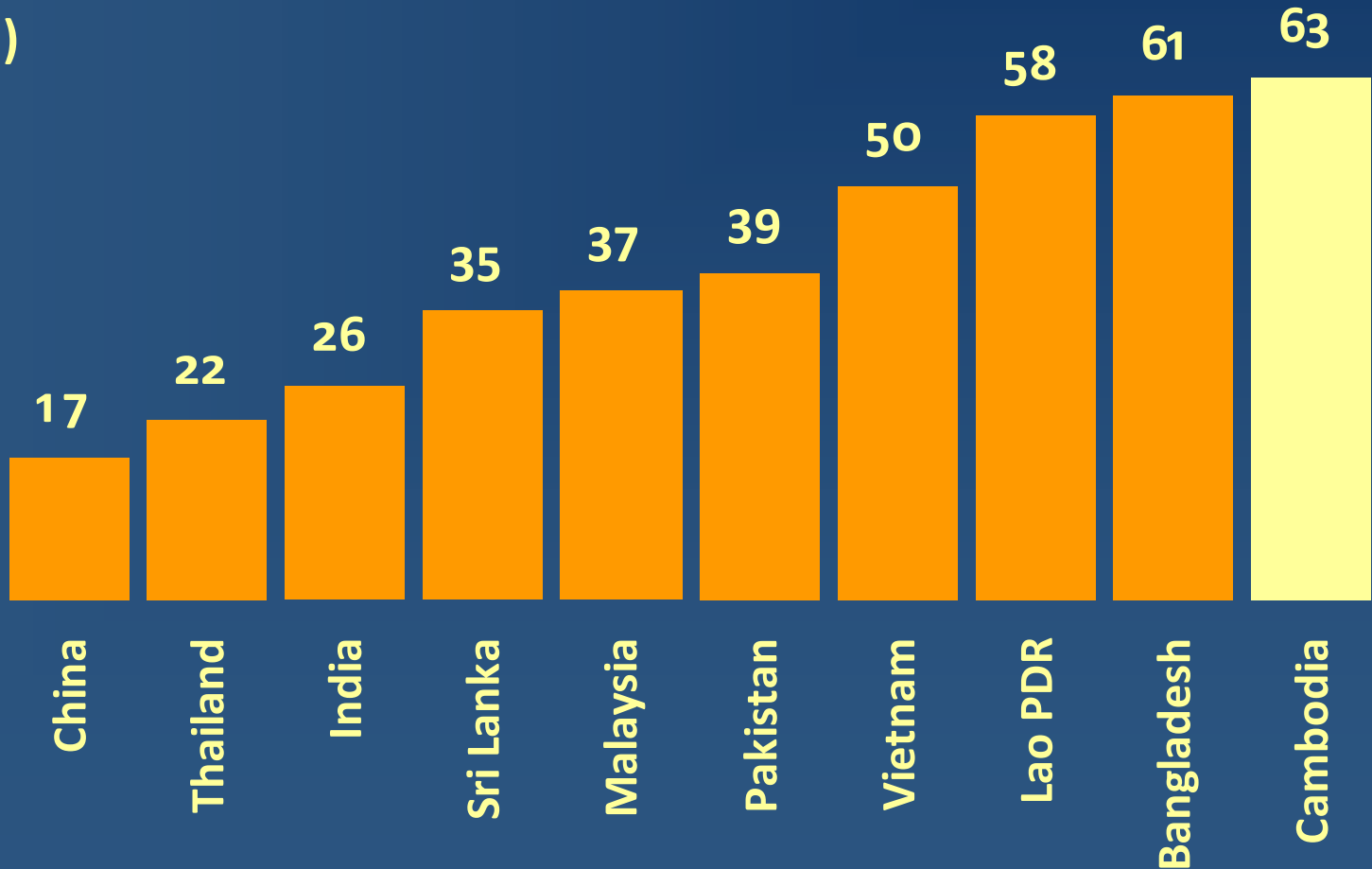
5 main
products in
exports (%)

60

40

20

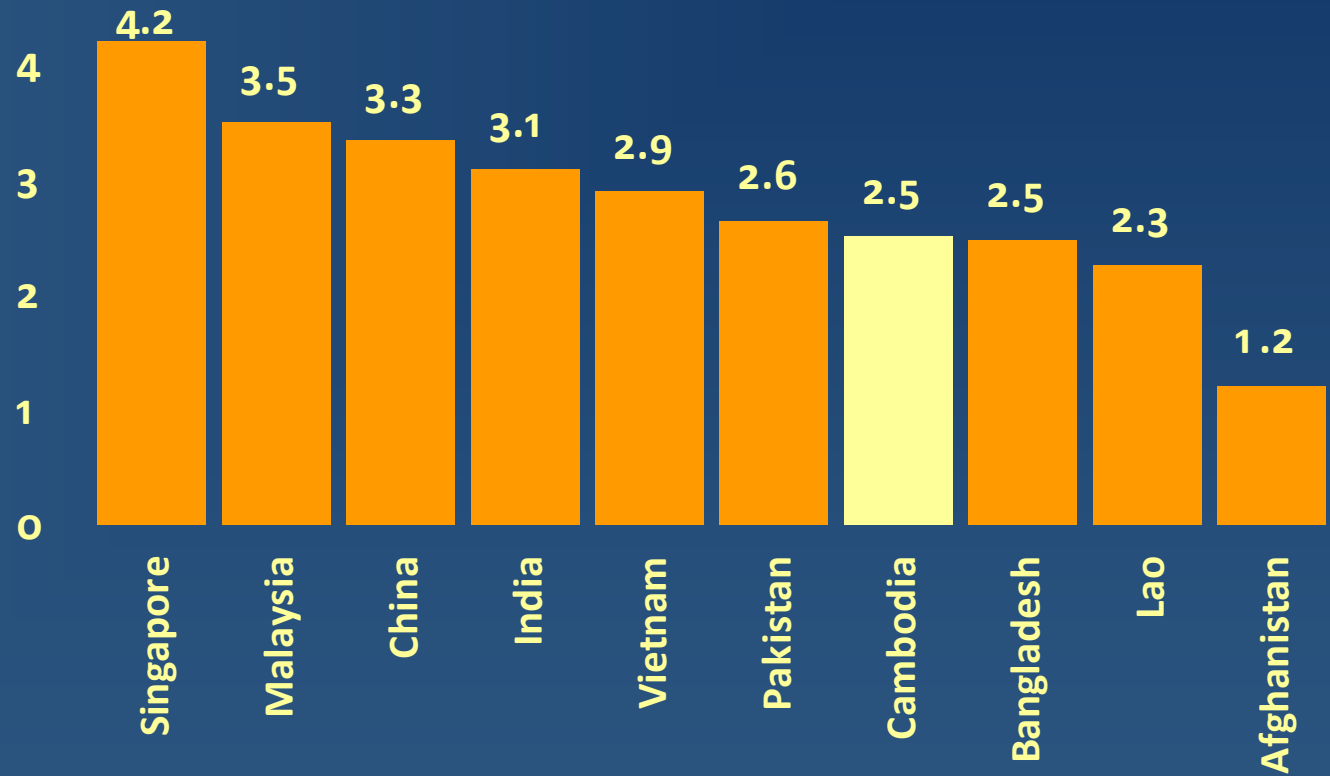
0



Connecting to Compete



2007 Logistics Performance Index

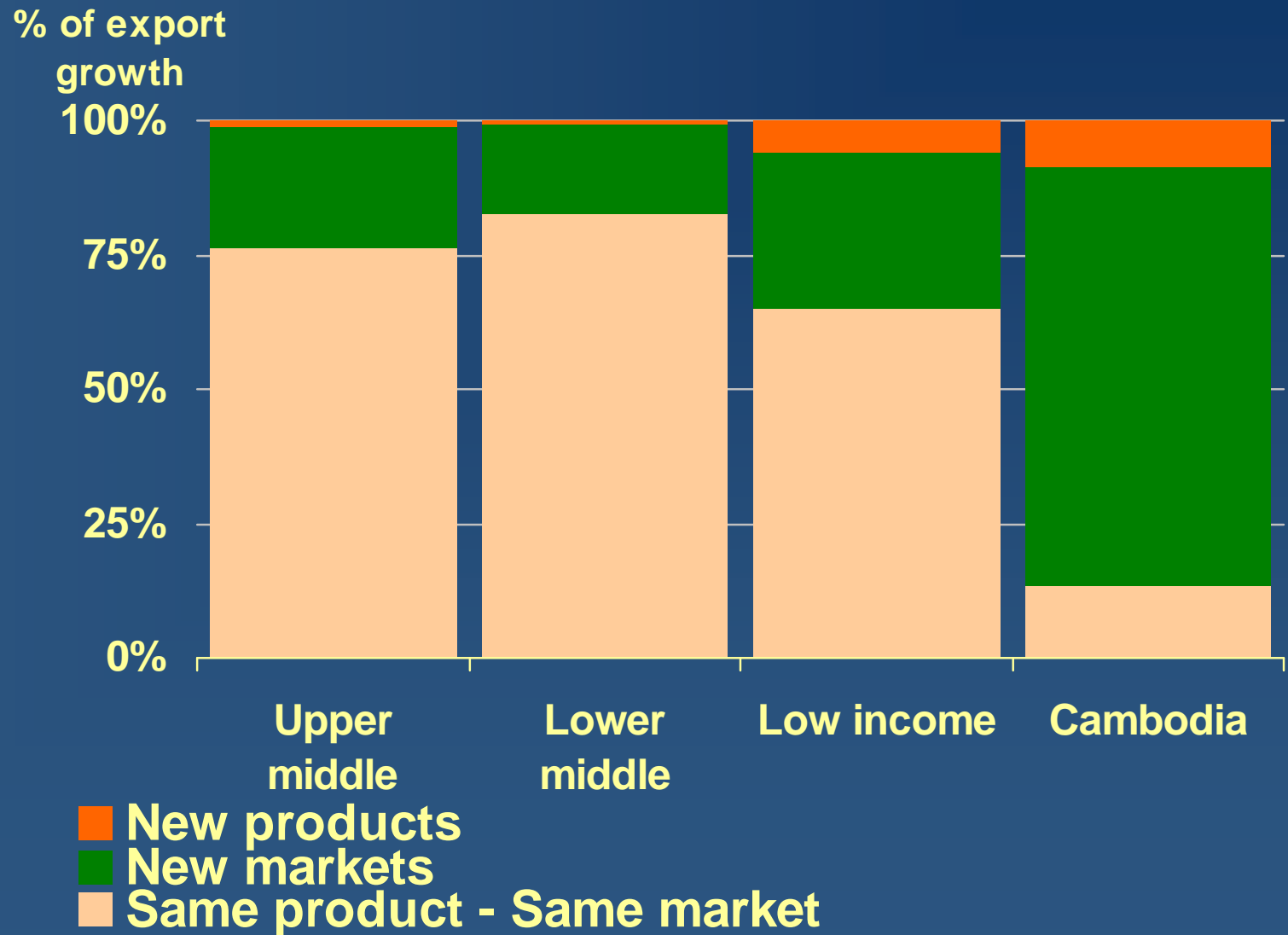


A New Source of Growth: Natural Resources



| | |
|------------------------|--|
| Maximizing revenues | Clear, transparent framework; capacity |
| Managing assets | Transforming underground assets into productive assets |
| Managing volatility | Smooth spending |
| Managing macro economy | Transparent, effective management |

More of the Same



Access to Electricity

US\$ / KWh

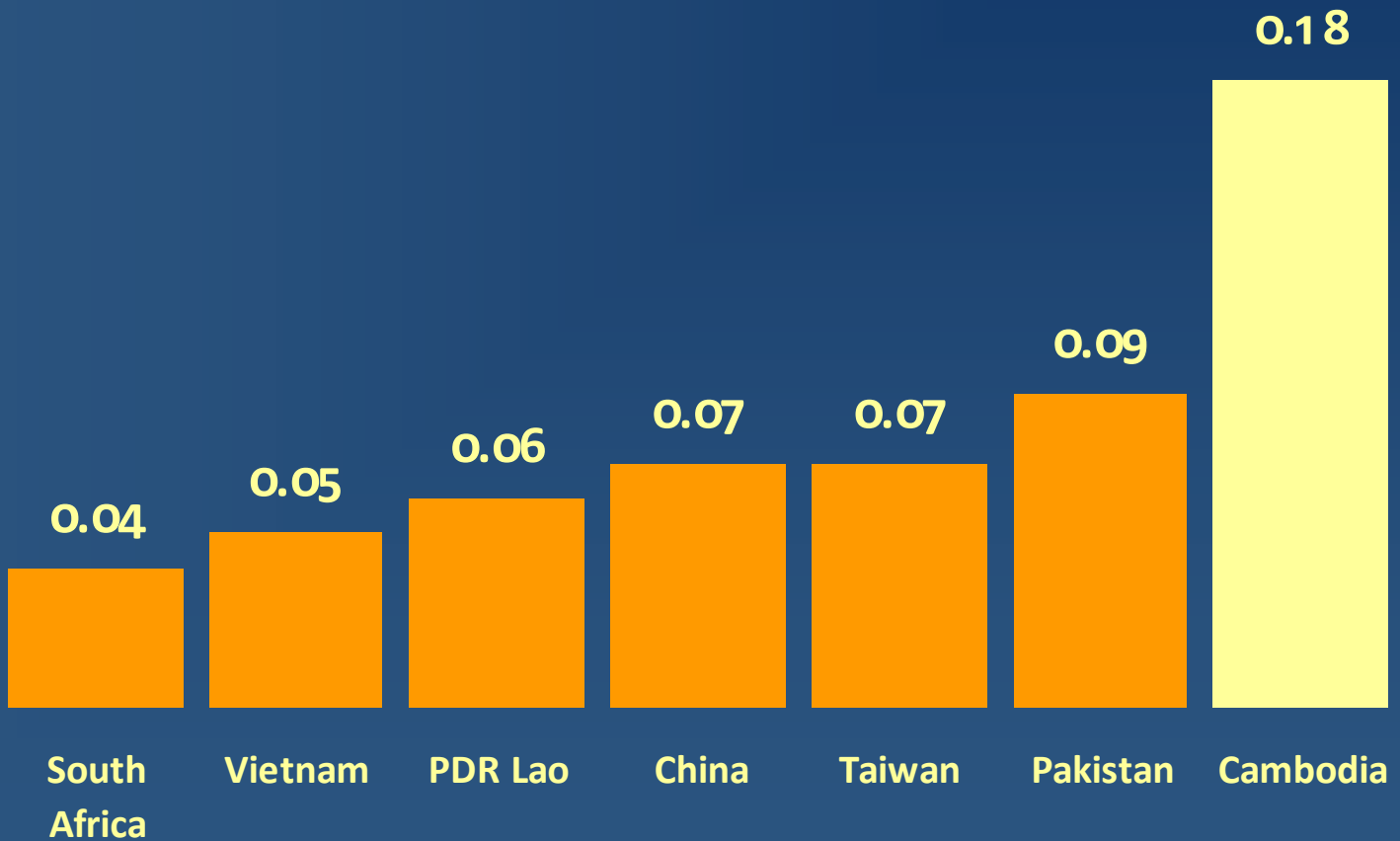
0.20

0.15

0.10

0.05

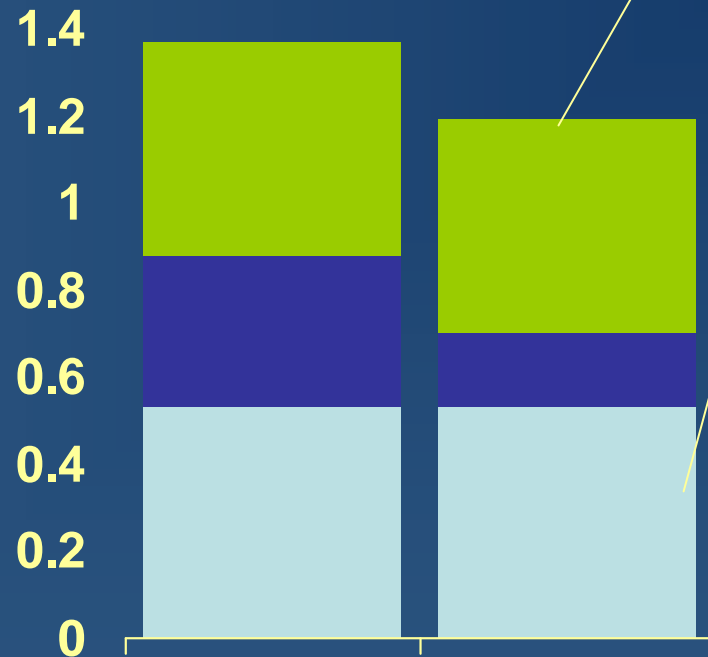
0.00



Efficiency: a Double Dividend



Cost of Denim Jean (US\$)



Unit price down from \$1.4 to \$1.2

Wage per hour up from \$0.5 to \$1.0

■ Direct labor ■ Other fixed ■ Variable



Thank You!