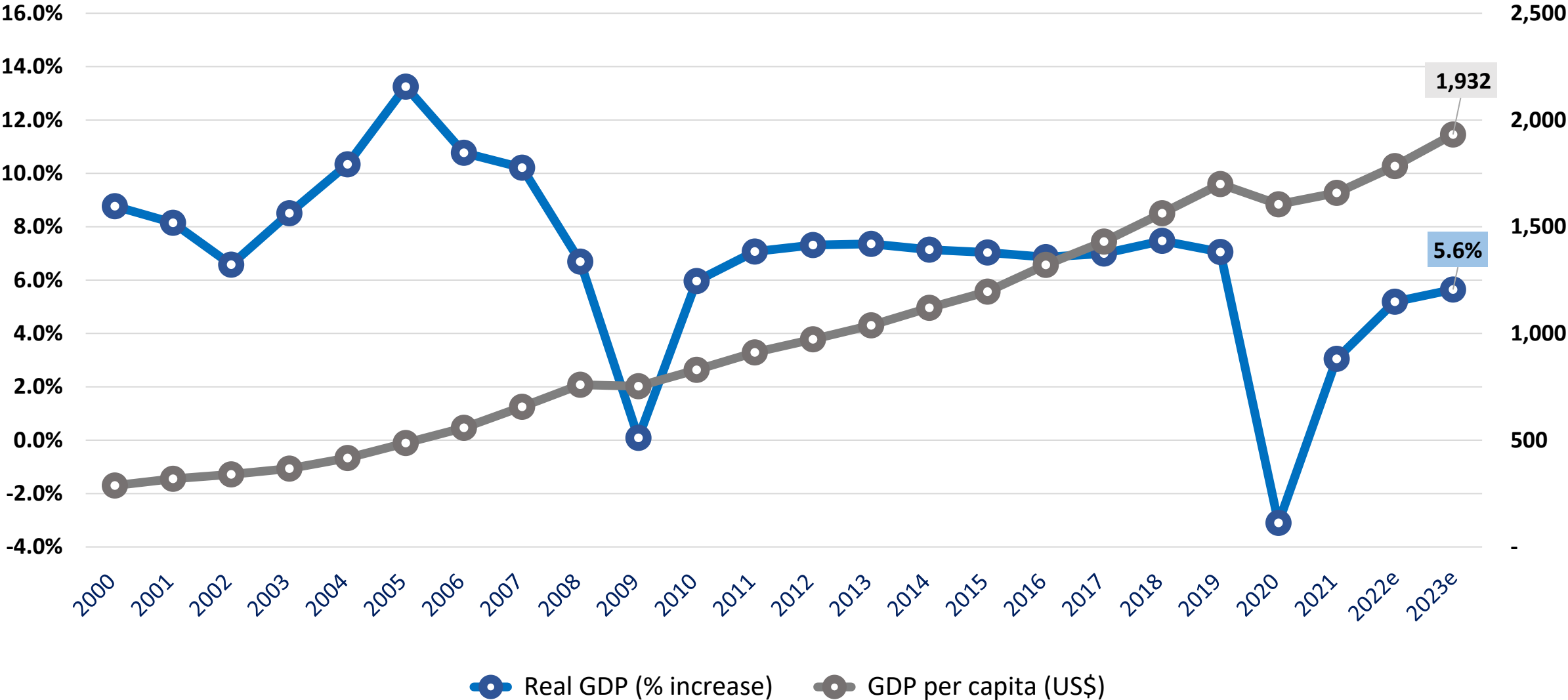




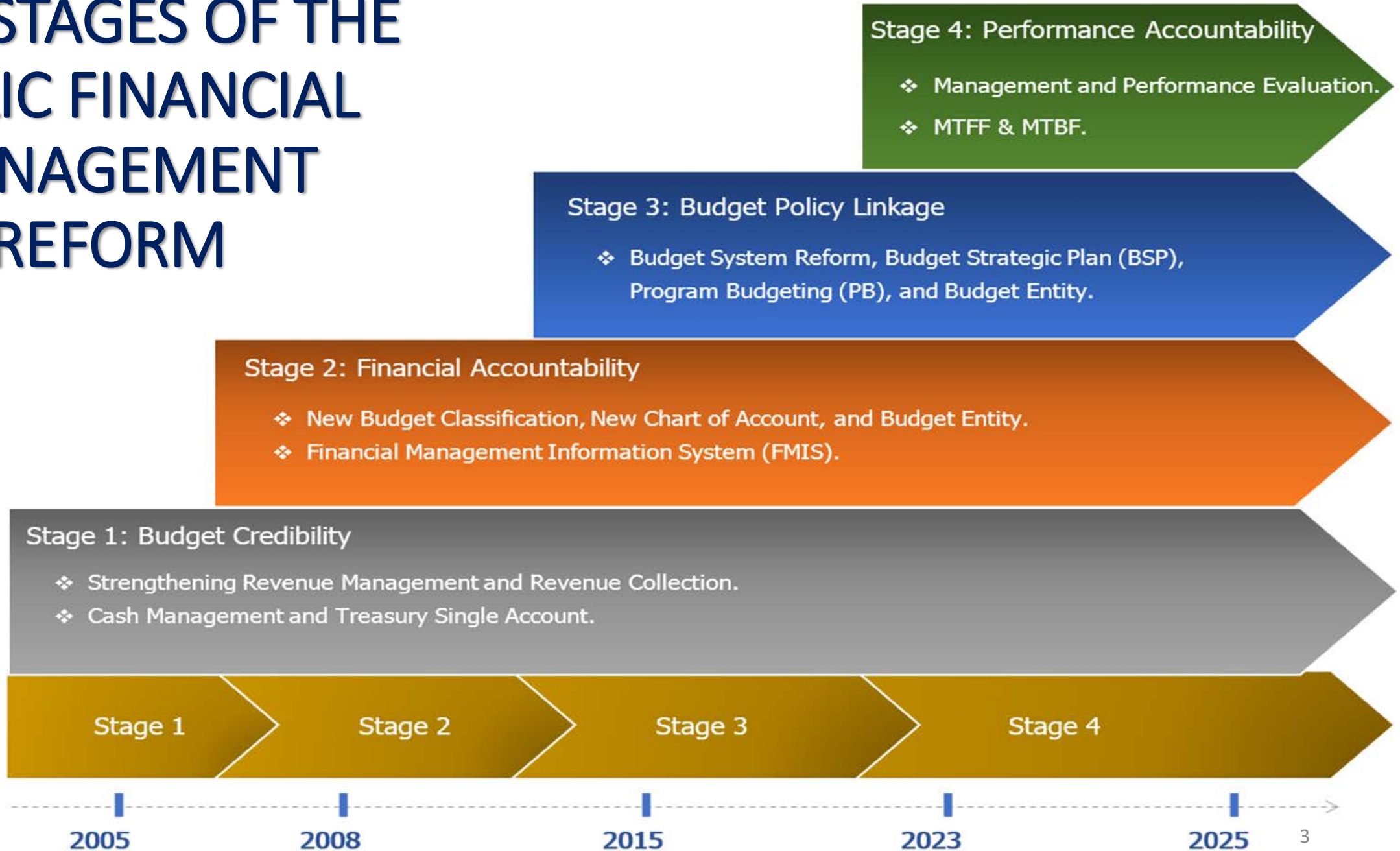
Tokyo Fiscal Forum, June 5-6

REMARKS BY MR. HAV RATANAK,
DIRECTOR GENERAL
GENERAL DEPARTMENT OF BUDGET
MINISTRY OF ECONOMY AND FINANCE
CAMBODIA

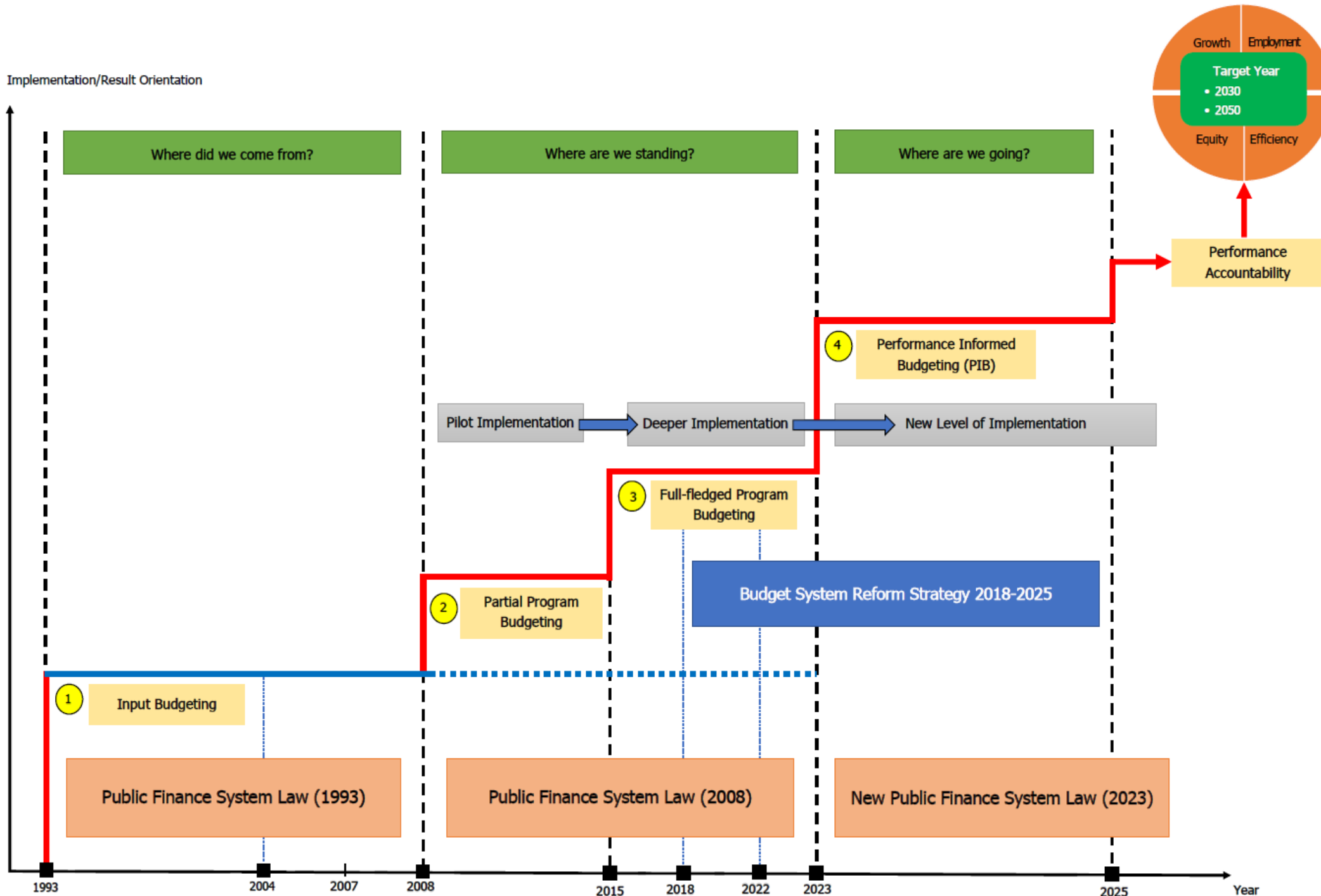
Cambodia: GDP Growth and GDP Per Capita, 2000-2023



THE 4 STAGES OF THE PUBLIC FINANCIAL MANAGEMENT REFORM



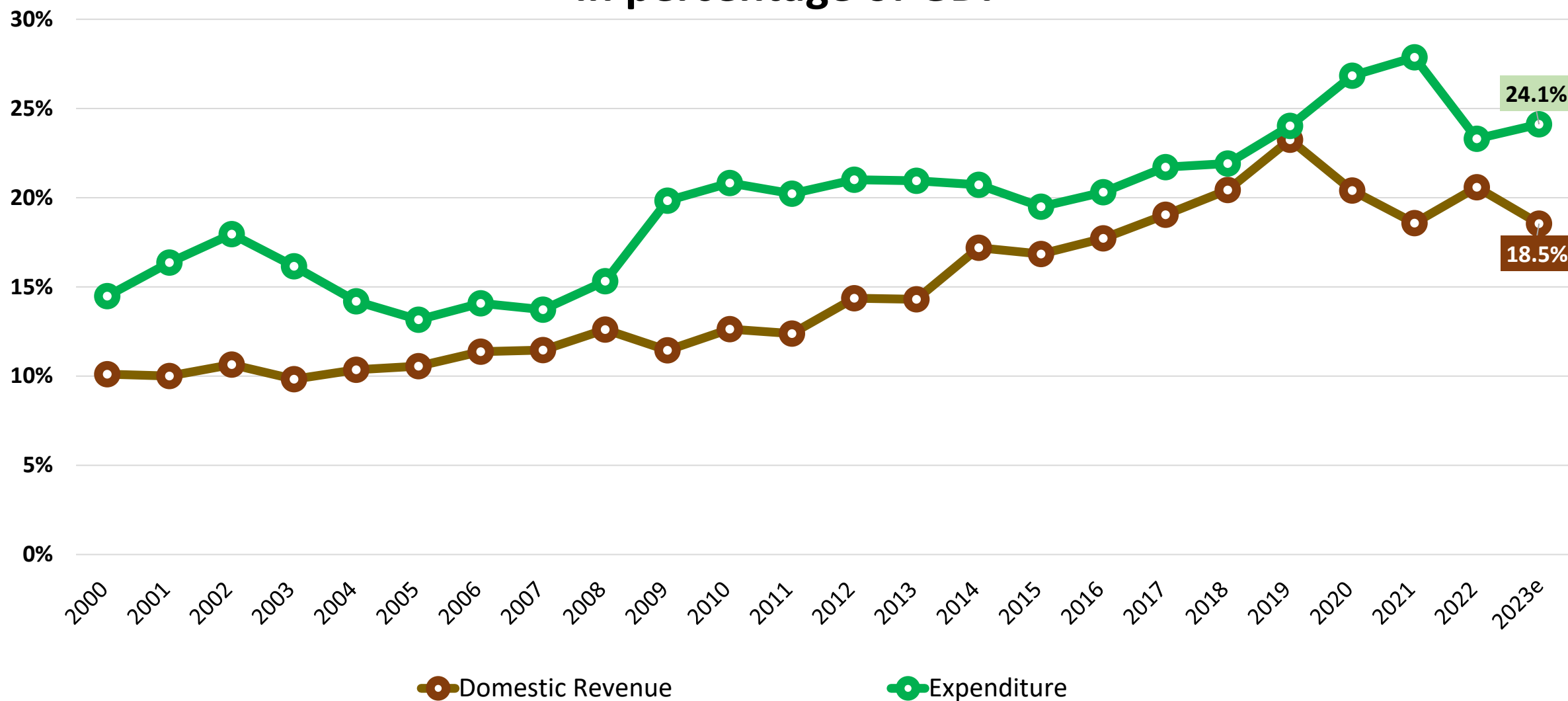
Implementation/Result Orientation



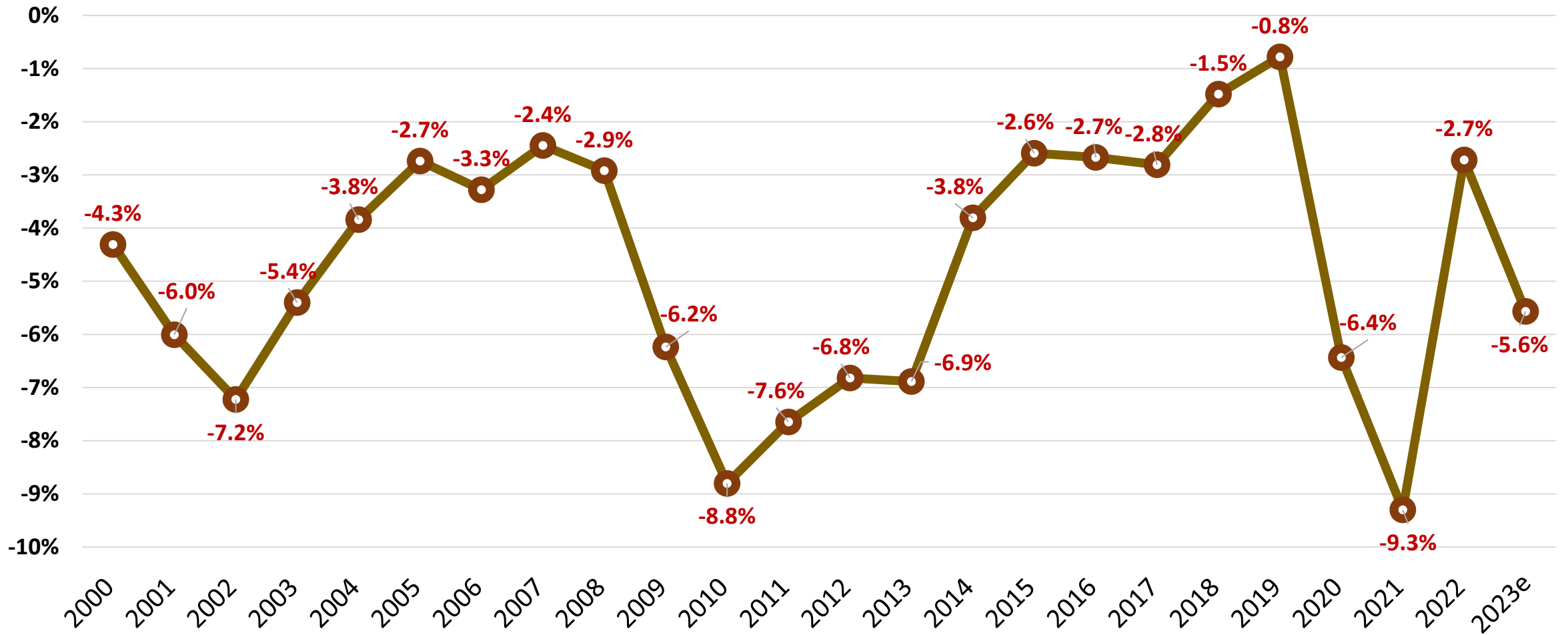
THE
DIRECTION
OF THE
BUDGET
SYSTEM
REFORM IN
CAMBODIA

Cambodia: Government Budget 2000-2023

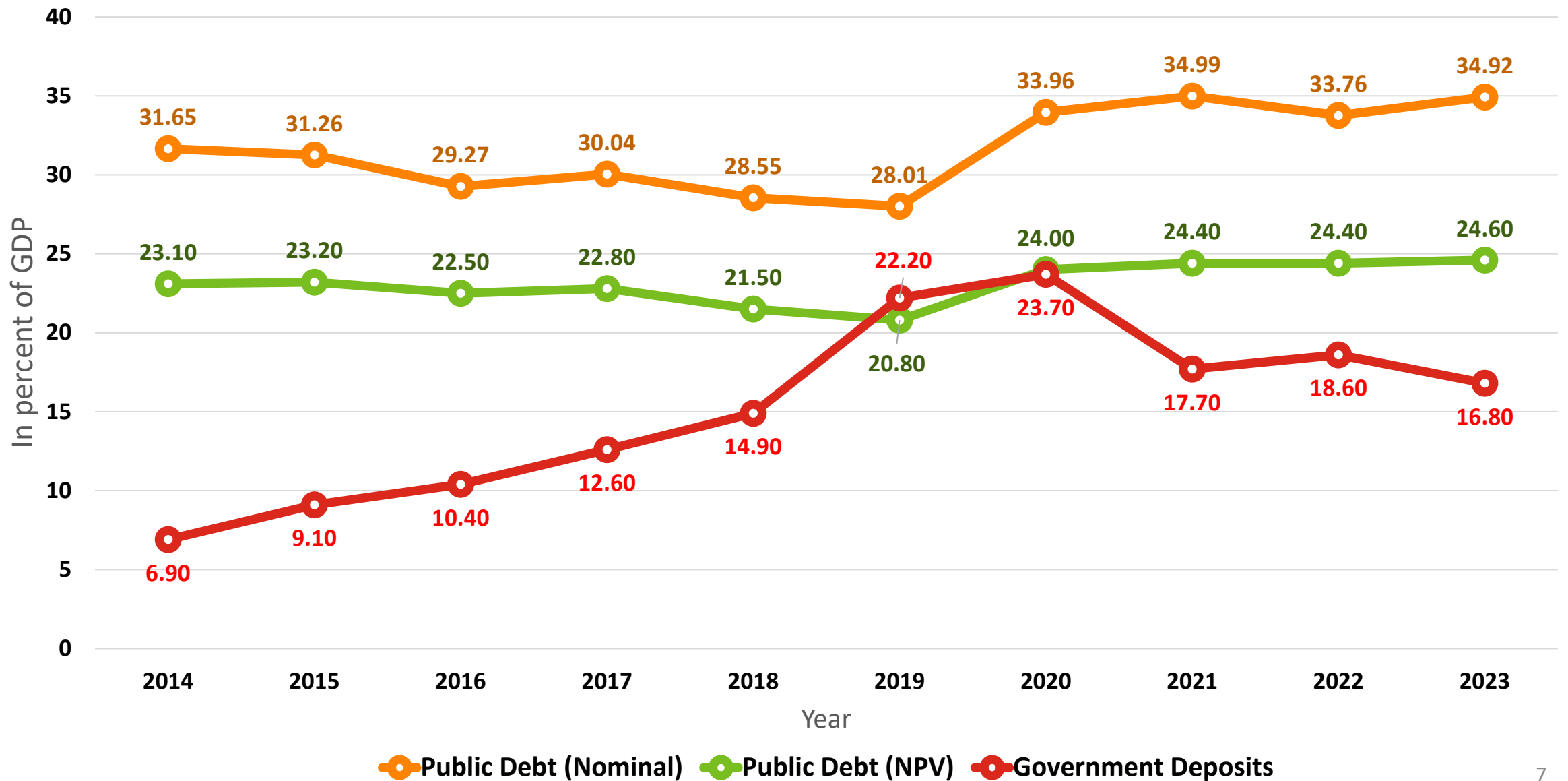
in percentage of GDP



Cambodia: Fiscal Deficit 2000-2023, in percentage of GDP



CAMBODIA: PUBLIC DEBT AND FISCAL BUFFER (GOVERNMENT DEPOSITS) 2014 - 2023



PRESENT FISCAL AND BUDGETARY CHALLENGES

- ❑ A new government with many spending priorities, including SGD goals!
- ❑ A “no new taxes” pledge by the new government.
- ❑ Revenues have since COVID been reluctant to return to past levels, and growth rates of the past years may not return fast.
- ❑ Further revenue mobilization may be challenging given the enormous growth in revenues to GDP with over 14 percentage points over twenty years.
- ❑ Our fiscal cash reserve has decreased almost 7 percent, though still high at 16.8 percent of GDP.
- ❑ Our access to concessional finance is expected to diminish over the medium-term as new low-middle income country.
- ❑ We still lack reliable and affordable access to commercial debt, both in domestic and external markets – we have set debt limits of 40 percent for external debt and 55 percent for total public debt.
- ❑ The economic impact of trade and capital flow disruptions can be severe as the 10 percent drop in the growth rate during the first COVID year showed.
- ❑ The world economy is becoming more protectionist, trade flows are readjusting, and our main trade and investment partner – China - hasn’t fully recovered.



Fiscal Reform Priorities : to meet challenges

- ❑ Operationalize the financial reserve fund in the new Public Financial System Law
- ❑ Develop our domestic debt market,
- ❑ Implement a fiscal policy guided by sustainability limits
- ❑ Improve the effectiveness and efficiency of government spending , with the help of IMF and other partners, through the introduction of performance informed budgeting system, spending reviews,
- ❑ Institutionalizing Medium Term Fiscal Framework (MTFF), Medium Term Budget Framework (MTBF)
- ❑ Deepen reforms to strengthen revenue mobilization,
- ❑ Public Investment management (PIM) reforms to improve the efficiency, effectiveness, and climate resilience of our public investment

=>Through the combination of rebuilding fiscal buffers and reforming fiscal and PFM institutions we hope to support strong economic growth and build resilience against future shocks.

