



CAMBODIA

September 2026

2026 ARTICLE IV CONSULTATION—PRESS RELEASE AND STAFF REPORT

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2025 Article IV consultation with Cambodia, the following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its September 22, 2026, consideration of the staff report that concluded the Article IV consultation with Cambodia.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on a lapse of time basis, following discussions that ended on July 7, 2026, with the officials of Cambodia on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on September 1, 2026.
- An **Informational Annex** prepared by the IMF staff.
- A **Debt Sustainability Analysis** prepared by the staff[s] of the IMF and the International Development Association (IDA).

The documents listed below have been or will be separately released.

Selected Issues

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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IMF Executive Board Concludes 2026 Article IV Consultation with Cambodia

FOR IMMEDIATE RELEASE

- *Growth is projected to slow to 3.0 percent in 2026, as higher energy costs, weaker tourism and remittances, slowing garment exports, subdued domestic demand, and tighter financial conditions weigh on activity.*
- *Risks to growth are tilted to the downside amid potential energy and trade disruptions, continued real estate weakness, financial integrity concerns, and financial vulnerabilities. The authorities' fiscal stimulus could boost growth, while inflation risks remain elevated.*
- *Targeted fiscal support, agile monetary policy, decisive balance-sheet repair, and stronger financial integrity and structural reforms are essential to strengthen resilience and safeguard macro-financial stability.*

Washington, DC – September 28, 2026: On September 22, 2026, the Executive Board of the International Monetary Fund (IMF) completed the Article IV Consultation for Cambodia and endorsed the staff appraisal without a meeting on a lapse-of-time basis.¹ The authorities have consented to the publication of the Staff Report prepared for this consultation.²

Cambodia's economy remained resilient in 2025, supported by robust manufacturing exports, foreign direct investment, and infrastructure projects. Growth nevertheless slowed to 5.3 percent as domestic demand remained subdued amid a prolonged real estate correction. Border tensions with Thailand reduced land-based tourism and remittances and prompted the return of nearly one million migrant workers. Inflation rose sharply in early 2026, initially driven by higher energy prices but increasingly becoming broad based. Financial conditions also tightened, with weaker credit and deposit growth and rising asset-quality pressures.

Growth is projected to slow to 3.0 percent in 2026 before recovering to 4.0 percent in 2027, reflecting higher energy costs, weaker tourism and remittances, decelerating garment exports, subdued domestic demand, and tighter financial conditions. Inflation is expected to remain elevated at 5.6 percent in 2026 before easing as energy prices normalize. The current account deficit is projected to widen sharply, although resilient foreign direct investment and adequate international reserves provide important buffers. Risks to growth are tilted to the downside, including from renewed energy and trade disruptions, persistent scam activities, and a sharper

¹ Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

² Under the IMF's Articles of Agreement, publication of documents that pertain to member countries is voluntary and requires the member consent. The staff report will be shortly published on the www.imf.org/Cambodia page.

real estate correction. On the upside, the authorities' planned fiscal stimulus could boost growth. Potential disruptions from El Niño conditions could keep price pressures elevated.

Executive Board Assessment³

Cambodia's economy has remained resilient through successive and concurrent shocks, but the near-term outlook has weakened with signs of macro-financial strains. Growth is projected to slow in 2026 as higher energy costs, weaker tourism and remittances, decelerating garment exports, subdued domestic demand, and tighter financial conditions weigh on activity. Inflation has risen sharply and broadened beyond energy prices. The fiscal deficit remains within the authorities' prescribed ceiling, and public debt is sustainable with a low risk of debt distress. The current account deficit is projected to widen in 2026, though foreign exchange reserves provide adequate buffers. The 2025 external position is assessed as broadly in line with fundamentals and desirable policies. The end of regulatory forbearance has exposed asset-quality strains amid continued real estate weakness and financial integrity concerns, and financial vulnerabilities have heightened although systemic risks remain contained.

Risks to growth are tilted to the downside, while inflation risks remain on the upside. Trade policy uncertainty and persistent scam activities could further weaken exports and tourism, hamper investment, and raise financial stability concerns. Renewed energy market volatility, supply disruptions, and climate shocks could raise price volatility and reduce activity. A sharper real estate correction could amplify losses through concentrated bank exposures, developer financing, and weakened repayment capacity. On the upside, the authorities' planned fiscal stimulus could boost growth, and stability in the global commodity markets would ease inflation and support activity.

Fiscal policy needs to cushion the near-term slowdown through targeted support and advance development priorities over the medium term, while maintaining debt sustainability. Broad fuel-related support should be phased out as price pressures ease, with assistance focused on vulnerable households. As concessional financing declines, stronger domestic revenue mobilization, domestic bond market development, and better expenditure allocation and execution will be essential to finance development priorities. Transparent costing and rationalization of tax expenditures, stronger compliance, and tax-base broadening are needed for sustained revenue mobilization. Operationalizing the fiscal rule and buffer fund, improving public investment and cash management, and strengthening oversight of PPP and SOE risks would help rebuild policy space. Enhancing the integrity of the treasury single account will help make judicious borrowing decisions, well aligned with actual financing needs.

Monetary policy needs to remain agile to evolving inflation and foreign currency liquidity pressures. The broadly stable riel–U.S. dollar exchange rate continues to provide the main nominal anchor. Absorbing the excess riel liquidity through market-based operations is needed if second-round inflationary pressures broaden. Any foreign currency liquidity support should be temporary, collateralized, limited to solvent institutions, and consistent with preserving reserve adequacy. More effective liquidity forecasting and operations, deeper interbank markets, and

³ At the conclusion of the discussion, the Managing Director, as Chair of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.

stronger transmission in riel would improve policy effectiveness and support gradual de-dollarization.

Financial sector priorities are decisive balance-sheet repair, stronger NPL resolution, and tighter oversight to safeguard financial stability. This requires timely risk recognition, adequate provisioning, and credible capital planning, using bank-specific stress testing and forward-looking assessments to differentiate their responses. The authorities need to operationalize crisis-management tools, make emergency liquidity assistance available only to institutions assessed as solvent, and resolve nonviable institutions promptly. The deposit protection and out-of-court liquidation frameworks should be finalized, while NPL resolution and foreclosure procedures should be strengthened. Better reporting and closer coordination are needed to strengthen oversight of concentrated real estate, developer, large-borrower, and related-party exposures.

Decisive action to strengthen financial integrity supported by stronger cooperation among all relevant agencies is essential to safeguard confidence, financial stability, and Cambodia's international reputation. The authorities need to urgently identify and address potential links between criminal activity and banks and close significant gaps in the licensing frameworks. Deepening understanding of how the proceeds of scam activities and human-trafficking are laundered will enable more targeted mitigation. The development of a regulatory framework for virtual asset sector should be taken forward and effectively enforced once enacted. These measures should form an integral part of the broader anti-scam policies involving all relevant domestic agencies to maximize policy synergy, which could facilitate stronger international cooperation.

Structural reform priority is to raise the productivity payoff from investment and strengthen economic resilience. A focused implementation agenda would prioritize reforms that attract higher-quality FDI, crowd in domestic investment, deepen supplier linkages, upgrade skills, and strengthen technology transfer. Better governance, rule of law, and more predictable enforcement would improve the investment climate. Investments in energy security and climate resilience, together with better data and interagency information sharing, would strengthen competitiveness, risk monitoring, and policy design.

Cambodia: Selected Economic Indicators, 2023 – 27 1/

Per capita GDP (2025, US\$): 2,818

Life expectancy (2024, years): 71.0

Population (2025, million): 17.8

Literacy rate (2022, percent): 83.8

	2023	2024	2025	2026	2027
				Proj.	
Output and prices (annual percent change)					
GDP in constant prices	5.0	6.0	5.3	3.0	4.0
Inflation (end-year)	2.7	3.0	1.2	5.8	2.9
(Annual average)	2.1	0.8	2.5	5.6	3.1
Saving and investment balance (in percent of GDP)					
Gross national saving	34.6	32.7	27.8	23.4	25.3
Government saving	1.8	3.1	3.2	1.4	2.0
Private saving	32.8	29.6	24.7	22.0	23.4
Gross fixed investment	33.3	32.2	31.5	32.1	33.1
Government investment	5.9	5.2	4.6	4.7	5.2
Private investment	27.4	27.0	26.9	27.4	27.9
Money and credit (annual percent change, unless otherwise indicated)					
Broad money	12.8	17.5	12.8	3.9	6.4
Private sector credit	3.9	3.9	6.2	3.5	4.5
Velocity of money 2/	0.9	0.8	0.8	0.8	0.8
Public finance (in percent of GDP)					
Revenue	16.2	15.1	15.0	14.6	14.6
Domestic revenue	15.0	14.4	14.5	14.2	14.2
Of which: Tax revenue	13.3	12.5	12.6	12.2	12.3
Grants	1.3	0.7	0.5	0.4	0.4
Expenditure	19.1	16.6	16.0	17.5	17.4
Expense	13.2	11.3	11.4	12.8	12.2
Net acquisition of nonfinancial assets	5.9	5.2	4.6	4.7	5.2
Net lending (+)/borrowing (-)	-2.8	-1.4	-1.0	-2.9	-2.8
Net lending (+)/borrowing (-) excluding grants	-4.1	-2.2	-1.5	-3.3	-3.2
Net acquisition of financial assets 3/	0.1	1.2	0.9	-0.9	-1.1
Net incurrence of liabilities 4/	2.9	2.7	1.9	2.1	1.7
Balance of payments (in millions of dollars, unless otherwise indicated)					
Exports, f.o.b.	23,569	26,756	31,358	35,683	39,533
(Annual percent change)	1.7	13.5	17.2	13.8	10.8
Imports, f.o.b.	-26,553	-31,243	-36,932	-43,150	-46,917
(Annual percent change)	-17.0	17.7	18.2	16.8	8.7
Current account (including official transfers)	554	237	-1,868	-4,733	-4,486
(In percent of GDP)	1.3	0.5	-3.7	-8.7	-7.8
Gross official reserves 5/	19,998	22,511	27,530	27,652	27,919
(In months of prospective imports)	9.0	8.6	8.9	7.7	7.1
Total public debt (in millions of dollars)	11,188	12,025	13,068	13,561	14,557
(In percent of GDP)	26.3	26.1	25.5	25.1	25.2
External debt (in millions of dollars, unless otherwise indicated)					
Public external debt	11,188	11,912	12,820	12,820	13,826
(In percent of GDP)	26.3	25.9	25.1	23.7	23.9
Public debt service	442	449	637	751	820
(In percent of exports of goods and services)	1.6	1.4	1.7	1.9	1.8
Nominal effective exchange rate (index, trade partners by CPI)	123.3	126.0	126.0	...	...
Real effective exchange rate (index, based on CPI)	132.4	133.0	132.8	...	...
Memorandum items:					
Nominal GDP (in billions of Riels)	174,027	188,766	205,757	218,292	233,149
(In millions of U.S. dollars)	42,404	46,098	50,659	54,180	57,752

Sources: Cambodian authorities; and IMF staff estimates and projections.

1/ Based on the rebased GDP.

2/ Ratio of nominal GDP to the average stock of broad money.

3/ Projections assume a drawdown in government deposit held at the National Bank of Cambodia.

4/ Includes statistical discrepancy.

5/ Includes unrestricted foreign currency deposits held at the National Bank of Cambodia.



CAMBODIA

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION

September 1, 2026

KEY ISSUES

Context: Successive external and domestic shocks have tested Cambodia's resilience. Higher energy costs, weaker tourism and remittances, and scam-related reputational damage are weighing on activity, while financial-sector vulnerabilities have become more visible. Cambodia retains important external buffers but limited domestic policy space leaves the economy more vulnerable to further shocks.

Outlook and Risks: Growth is expected to slow sharply in 2026 before recovering gradually, while inflation will remain elevated before easing as energy prices normalize. The fiscal and current account deficits are projected to widen, with tight financial conditions. Risks to growth are tilted to the downside, including from renewed energy and trade disruptions, reputational effects from persistent scam activities, and a sharper real-estate correction, while inflation risks remain on the upside.

Policy Recommendations: The near-term priority is to cushion the slowdown, support vulnerable households and viable firms, preserve macro-financial stability, and build resilience with accelerated structural reforms over the medium term.

- **Fiscal policy:** Near-term support should be targeted and temporary, with broad fuel-related support phased out as price pressures ease. Rebuilding fiscal space as concessional financing declines will require gains from revenue mobilization and expenditure efficiency, with stronger cash management and oversight of fiscal risks.
- **Monetary and financial sector policies:** Monetary policy should remain agile, preserving orderly liquidity conditions and containing second-round inflationary pressures. Financial sector priorities include facilitating decisive balance-sheet repair without renewed broad forbearance, operationalizing crisis-management tools, and promptly resolving nonviable institutions. Stronger oversight of real-estate exposures and decisive action on financial-integrity vulnerabilities are urgently needed.
- **Structural policies:** Reforms need to raise productivity and growth quality by helping investment generate higher value-added jobs and expand domestic industries. Better governance and rule of law would improve business environment and attract higher-quality investment. Improving data quality and availability and interagency information sharing would enhance policy formulation and risk monitoring.

Approved By
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Discussions took place in Phnom Penh, Cambodia, during June 24–July 7, 2026. The staff team comprised Kenichiro Kashiwase (head), Max-Sebastian Dovi, Sylwia Nowak (all APD), Jochen Schmittmann (IMF resident representative), Ke Chen (LEG), and Carlos Peláez Gómez (FIN). Idwan Hakim and Vichet Sam (both OEDST) as well as Laura Doherty and Sha Wen (both CDOT) joined some meetings. Leapho Leng, Piseth Non, Chenda Pich, and Varith Proeung supported the mission from the IMF’s office in Phnom Penh. Liangliang Zhu, Shikha Rao, and Mariam Souleyman assisted from IMF HQ.

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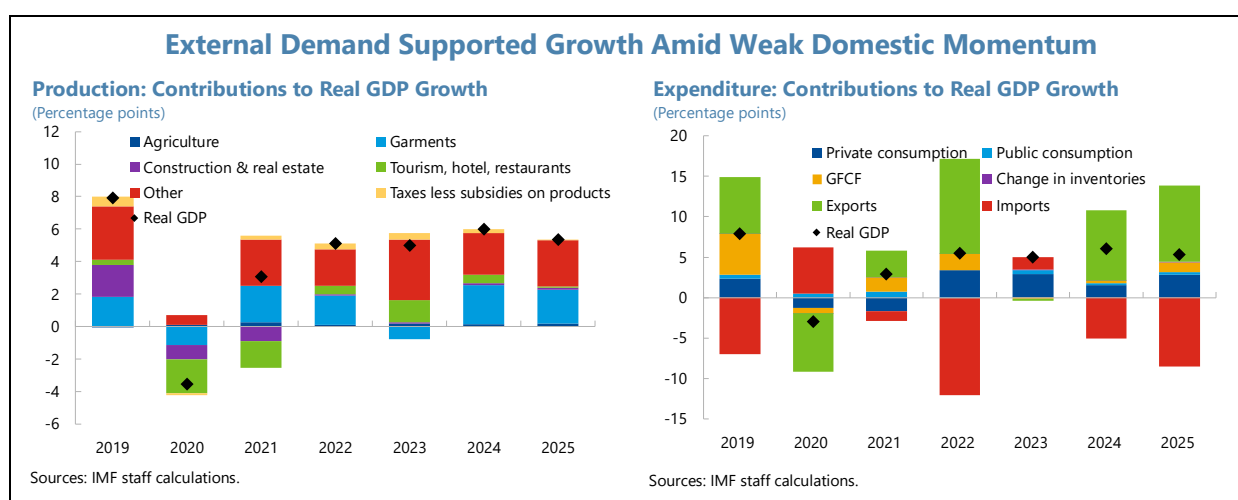
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CONTEXT

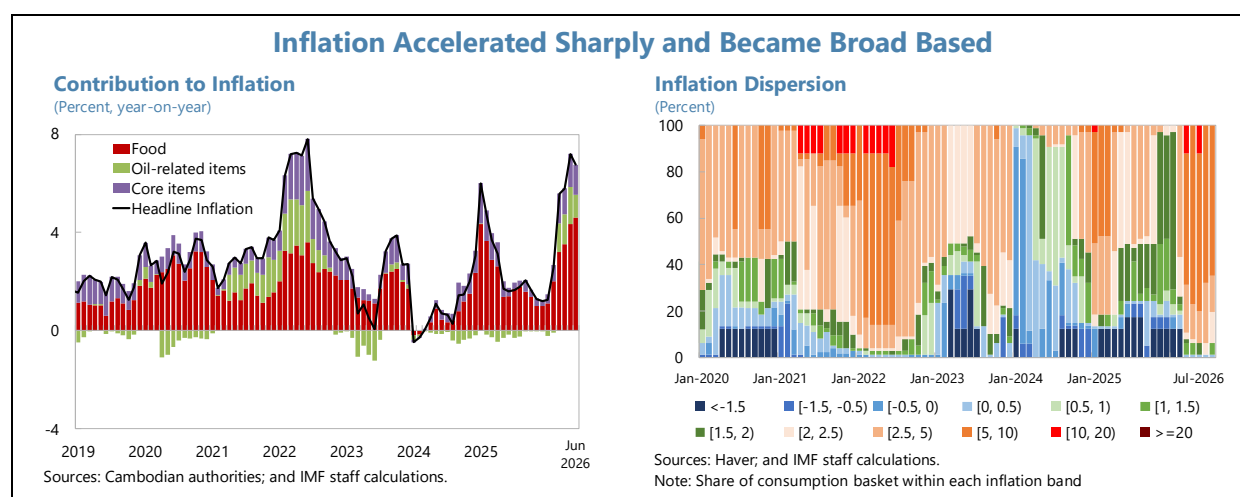
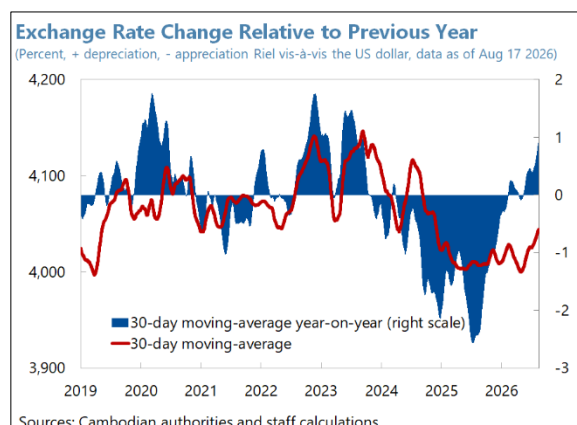
1. Successive and overlapping shocks have tested Cambodia's economic resilience. Since the pandemic, the economy has faced the 2022 energy price surge, U.S. tariff actions and trade policy uncertainty, border disruptions with Thailand, reputational damage associated with scam activities and related financial-integrity risks, and the global energy shock induced by the war in the Middle East. While the economy has shown resilience thus far, slower growth, higher inflation, a deteriorated external position, slower deposit growth, and elevated non-performing loans (NPLs) are raising risks of debt overhang and financial stability concerns. The central challenge is to protect vulnerable households, support viable firms, and safeguard financial stability in the near term while strengthening the economy's resilience and improving growth quality over the medium term.

RECENT DEVELOPMENTS

2. Cambodia's economy demonstrated resilience in 2025, but growth remained uneven across sectors and is decelerating in 2026H1. Real GDP growth slowed to 5.3 percent in 2025 from 6.0 percent in 2024, as robust external demand sustained manufacturing, while foreign direct investment (FDI) and infrastructure projects financed through public-private partnerships (PPPs) supported investment. Domestic demand remained subdued, with construction activity weak amid a prolonged real-estate correction. Border tensions with Thailand reduced land-based tourism arrivals and remittances in 2025H2 and prompted the return of nearly one million migrant workers, reducing household income from abroad. While many returnees found jobs with support from job-matching programs, skills and geographic mismatches, weak retention, and informal employment suggest that domestic employment has only partly offset the loss of earnings abroad. Indicators point to continued export strength in 2026H1, but weaknesses in tourism, remittances, and private credit.



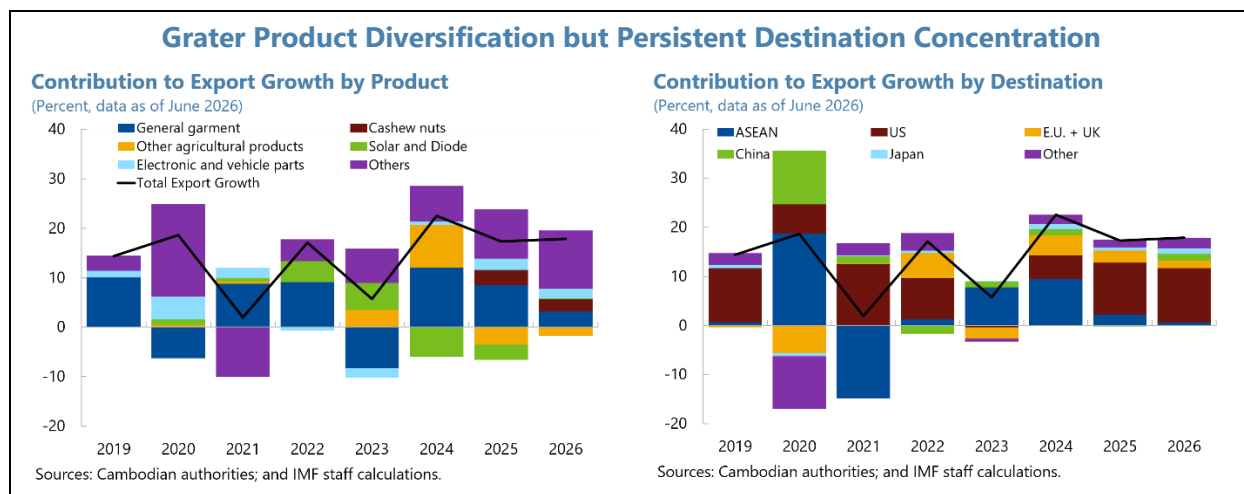
3. Inflation accelerated sharply in early 2026, initially driven by energy prices but increasingly becoming broad based. Headline inflation rose from an average of 2.5 percent (y/y) in 2025 to 4.9 percent January through June 2026. Despite import duty and tax cuts on fuel, domestic petroleum prices increased, and transport and utilities and food prices came under pressure. Core inflation also increased to 2.9 percent, with price increases becoming widespread across the consumption basket. The Khmer riel remained broadly stable against the U.S. dollar, while movements against other currencies largely reflected fluctuations in the dollar (**Annex I**).



4. The 2025 fiscal deficit remained contained, and the government accumulated cash surplus. Border tensions shifted some trade from land crossings to officially recorded seaborne channels, supporting customs receipts, while tax revenues on goods and services were supported by stronger tax collection efforts. These gains compensated for revenue losses from tax expenditures, subdued activity in non-tradable sectors, compliance challenges, and audit limits. Discretionary outlays and capital spending were restrained, allowing resources to be reprioritized toward social assistance for returned workers. These developments resulted in cash surplus in 2025, reaching 0.3 percent of GDP. IMF technical assistance (TA) on tax expenditure, tax policy, and revenue administration continued, but progress on implementing recommendations remained slow. Public debt is 26.0 percent of GDP and remains sustainable with a low risk of debt distress (DSA).

5. Despite trade policy uncertainty, exports remained robust in 2025, supported by diversification, though the external position deteriorated. The current account shifted from a small surplus to a deficit of 3.7 percent of GDP, as imports linked to FDI inflows and PPP-financed infrastructure projects outpaced exports. However, export growth remained robust, reaching 17.2 percent (y/y) and up from 13.5 percent in 2024, driven by front-loaded garment shipments

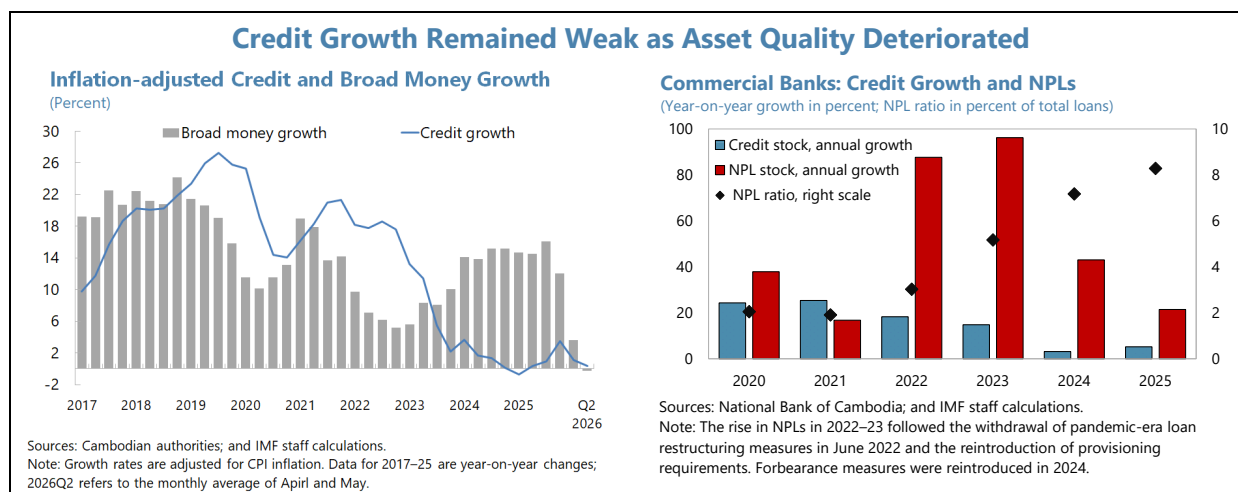
following the early 2025 U.S. tariff announcements, and promotion of non-garment exports subsequently, underpinned by the authorities' efforts to facilitate export diversification.¹ Tourism receipts held up in 2025 despite lower arrivals, reflecting a shift toward long-haul, higher-spending visitors, while remittances fell by about 1.6 percentage points of GDP following the return of migrant workers. FDI remained robust at around 10 percent of GDP, and reserves stood at about nine months of imports. Cambodia's external position in 2025 is assessed to be broadly in line with the level implied by fundamentals and desirable policies. The assessment, however, remains subject to considerable uncertainty given persistent data gaps (e.g., large errors and omissions). **(Annex I).**



6. While the NBC lowered key interest rates in 2025, monetary and financial conditions tightened further in early 2026. The NBC lowered riel liquidity costs by reducing the liquidity-providing collateralized operations (LPCO) reference rate and the marginal lending facility (MLF) rate, narrowing the interest rate corridor.² Together with the requirement to maintain 10 percent of loan portfolios in riel, this helped lower riel lending rates in 2025. However, credit growth remained weak throughout 2025 and turned negative in real terms in early 2026. Weaker remittances slowed deposit growth in 2025, and bank liquidations (see ¶17) and confidence effects stemming from financial integrity concerns further slowed deposit growth in early 2026. Broad money growth also sharply declined, and banks' unrestricted foreign currency deposits at the National Bank of Cambodia (NBC) declined, pointing to tighter U.S. dollar liquidity. Broader monetary transmission remained constrained by high dollarization and limited interbank activity.

¹ Cambodia initially faced the reciprocal tariff rate of 49 percent, announced in April, and negotiated the rate down to 19 percent, which was formalized in October 2025. The potential use of alternative legal authorities, following the recent Supreme Court ruling, could limit the scope for benefiting from favorable tariff differentials.

² The NBC's interest-rate corridor uses the overnight marginal lending facility as the ceiling and one-week riel negotiable certificates of deposit (NCDs) as the floor, with the 7-day liquidity-providing collateralized operations (LPCO) rate serving as the reference rate. As of June 2026, the MLF rate, 7-day LPCO minimum rate, and one-week riel NCD maximum rate stood at 4.50, 2.50, and 1.00 percent, respectively. The corridor has narrowed but remains asymmetric around the LPCO minimum rate.



7. The end of regulatory forbearance has improved transparency around asset quality, but financial vulnerabilities remain elevated, with recent bank resolutions well under control.

Financial conditions weakened in 2025 as the unwinding of blanket loan-classification forbearance exposed asset-quality strains. NPLs rose to nearly 8 percent of total loans, while restructured loans reached about 8 percent of credit. Repayment stress worsened sharply, with 30+ day delinquencies rising from 8.0 percent at end-2025 to 13.0 percent in June 2026.³ The pace of NPL resolution remains sluggish due to legal bottlenecks, while the property market continues to face overhang. Financial integrity risks intensified following U.S.-UK sanctions on alleged scam-linked operations. The authorities pledged to dismantle online scam networks and liquidated two small banks in early 2026 linked to such activities.⁴ A small run at a third institution followed, but depositor reimbursement arrangements and NBC communication helped contain spillovers. The NBC placed three additional small banks into liquidation in August 2026.⁵ Supported by **TA**, the NBC raised the capital conservation buffer to 2.5 percent from 1.25 percent, introduced early supervisory intervention (ESI) and an emergency liquidity assistance (ELA) framework, and advanced work on deposit protection (**Annex II**). The NBC also established a regulatory framework for asset management institutions (AMIs) in 2026 to allow them to acquire and manage NPLs and collateral from banks and financial institutions. No AMIs have yet licensed for operation.

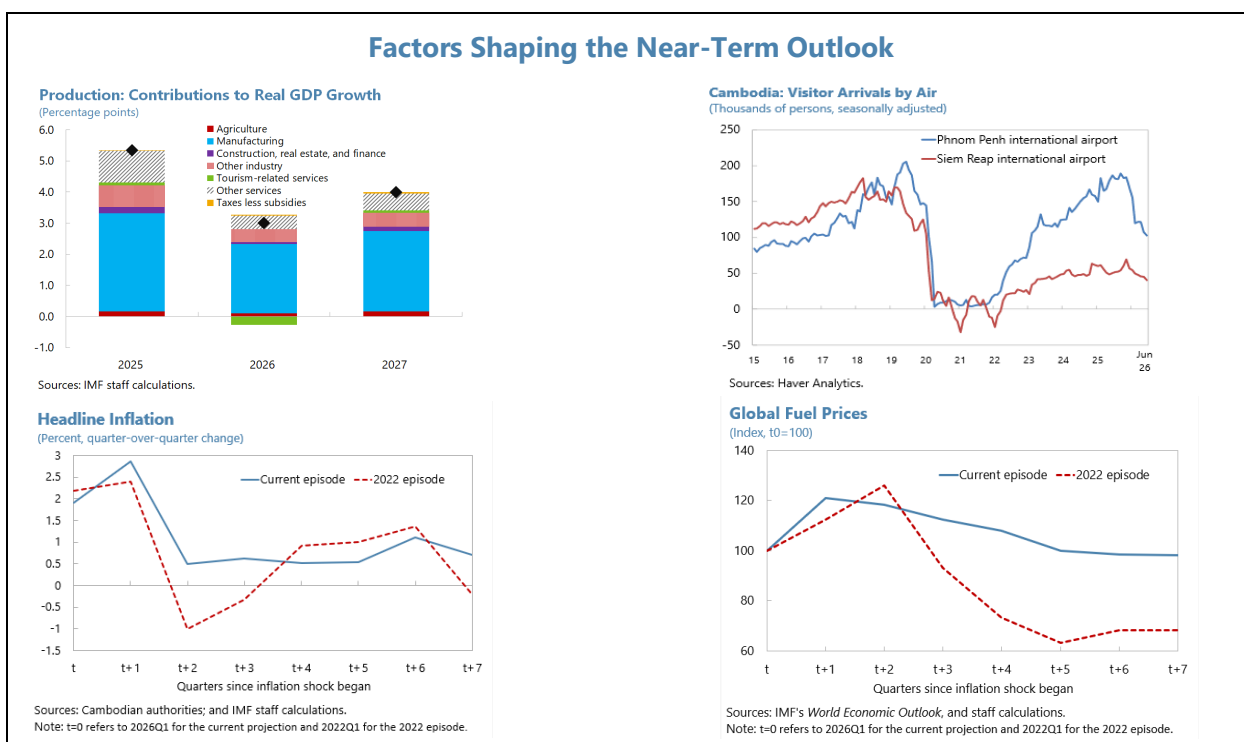
³ Credit Bureau Cambodia. The ratios cover consumer and commercial credit reported to the bureau and differ in coverage and classification from the NBC's regulatory NPL ratio. The 90+ day delinquency ratio rose from 6.5 percent at end-2025 to 9.0 percent in June 2026.

⁴ Prince Bank and Panda Commercial Bank entered liquidation in early 2026, with depositor repayments underway through the liquidation process. Most Prince Bank depositors have been repaid, while most Panda Bank depositors are expected to be repaid in full, with remaining claims settled as assets are realized. Separately, H-Pay Service Plc, a payment service provider, entered a liquidation in July 2026; the liquidator reported that the company was insolvent and that preliminary findings suggest activities beyond the scope of its NBC license.

⁵ Their combined market share is 0.5 percent of the banking system.

OUTLOOK AND RISKS

8. The near-term outlook has weakened amid intensifying external and domestic headwinds, while limited policy space leaves Cambodia more vulnerable to further shocks. Higher energy and input costs, softer external demand, subdued domestic demand, and tighter financial conditions are expected to weigh on activity. Lingering border disruptions and scam-related reputational damage continue to weigh on tourism, remittances, confidence, and cross-border activity. Cambodia enters this period with low public debt, resilient FDI inflows, and adequate reserves, but limited revenue mobilization and a still-developing domestic bond market constrain the scope for countercyclical fiscal policy.

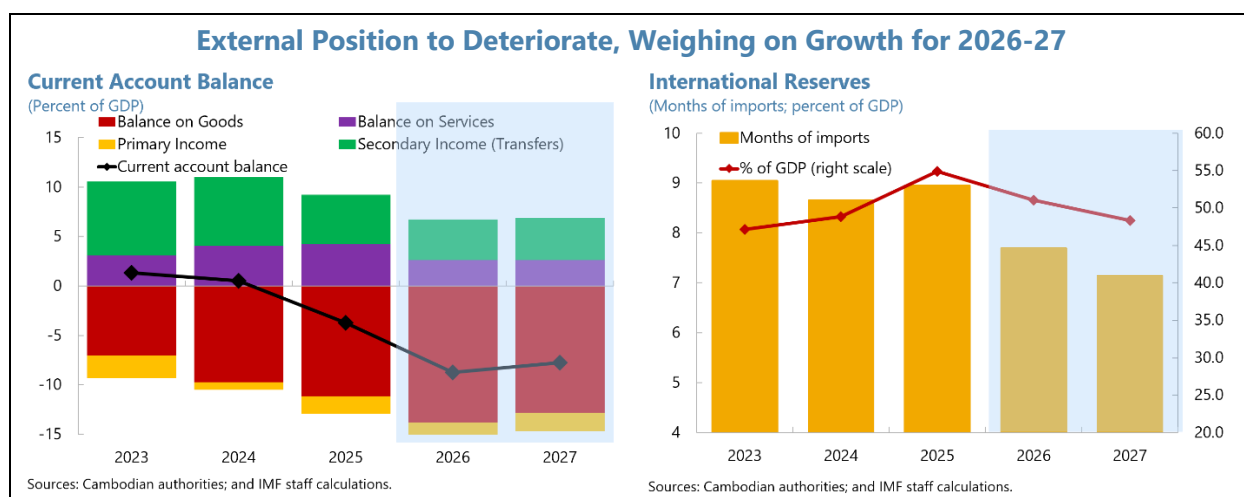


- **Real GDP growth** is projected to slow to 3.0 percent in 2026 before recovering to 4.0 percent in 2027. Higher energy prices compress real incomes and raise production and logistics costs, while weaker tourism and remittances, slowing garment export growth, confidence effects from scam activities, and tighter financial conditions weigh on domestic demand and investment. Further gains from non-garment exports and fiscal support (†8) are expected to partly cushion the slowdown. The output gap is expected to widen modestly in 2027. While FDI-supported investment and the absorption of returning migrant workers into employment raise potential output. Longer-term growth prospects hinge on improving capital allocation, labor absorption, and productivity, domestic demand recovery remains sluggish.
- **Inflation** is projected to rise to 5.6 percent in 2026 before moderating to 3.1 percent in 2027. Higher energy and fertilizer costs, compounded by El Niño-related weather disruptions, are

expected to keep food inflation elevated, while broader pass-through to core components has increased the persistence of price pressures. Subdued domestic demand and contained wage growth are expected to limit further second-round effects. As energy prices normalize, inflation is expected to decline toward 2½–3 percent over the medium term.

- **The fiscal deficit** is projected to widen from 1.0 percent of GDP in 2025 to 2.9 percent in 2026, still within the deficit ceiling of 3.5 percent of GDP, reflecting increased social spending, fuel-related support, and rolled-over tax exemptions. It is expected to remain elevated at 2.8 percent of GDP in 2027 as social spending to support vulnerable households continues. Over the medium term, the deficit is projected to narrow modestly, as temporary support is unwound and spending is further prioritized, despite continued weakness in domestic revenue mobilization. Public debt is projected to remain low and sustainable, although declining concessional financing and greater reliance on market-based borrowing will raise financing costs. The baseline projection does not include a planned fiscal stimulus (up to 2.3 percent of GDP) financed by development partners, as the package has yet to be finalized and approved.⁶
- **The external position** is projected to deteriorate sharply in 2026, with the current account deficit expected to widen from 3.7 percent of GDP in 2025 to 8.7 percent in 2026. Higher fuel and food import prices contributed to a sharp increase in imports, reaching 34 percent (y/y) during 2026H1. Growth in garment exports is decelerating although non-garment exports remain robust. Tourism receipts are projected to decline markedly with a sharp decline in arrivals by 47.9 percent (y/y) through June. The full-year effect of the remittance shock is projected to reach 1.1 percent of GDP in 2026, bringing the cumulative decline relative to 2024 to nearly 3 percent of GDP. As energy-price pressures ease in 2027 and beyond, the deficit is expected to narrow to about 5 percent of GDP over the medium term, although structurally lower remittances and weaker tourism recovery will slow the adjustment. FDI is projected to remain robust, reflecting the planned investment in manufacturing, though some near-term headwinds are expected in 2027 with recent declines in new investment approvals. Reserve coverage is expected to decline but remains adequate, with resilient FDI inflows.

⁶ This is based on information available as of the concluding meeting of the Article IV consultation on July 7, 2026. Development partners include the Asia Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), and the Japan International Corporation Agency (JICA). The ADB approved a loan amounting to US\$250 million (0.5 percent of GDP) for the Rapid Intervention for Stabilization of the Economy (RISE) Program on July 30, 2026 ([link](#)). The AIIB and JICA are expected to provide additional loans of around US\$250 million (0.5 percent of GDP) and US\$188 million (0.4 percent of GDP), respectively. The financing is expected to support temporary fuel-price relief, cash transfers and debt relief to poor and vulnerable households, training and capital support in the agricultural sector, and energy-security and green-transition measures.



9. Cambodia's growth outlook faces downside risks from external shocks and domestic vulnerabilities (Annex III), partly offset by fiscal stimulus, while inflation risks remain tilted upward.

- Ceasefires and a U.S.–Iran framework agreement briefly cooled crude oil prices from their April 2026 peaks, but renewed tensions have highlighted the fragility of the recovery. In an illustrative downside scenario, in which average oil prices rise to US\$100 per barrel in 2026 and US\$85 per barrel in 2027, growth is expected to be lower by around ½ percentage point over 2026–27 as growth in Cambodia's trading partners also weakens; while inflation would be higher by 0.3–0.4 percentage points during 2026–27 relative to the baseline.
- Other risks include potential disruptions from El Niño conditions to refined-product supplies that keep price pressures elevated, raising food security and livelihood risks. Trade policy uncertainty could weaken export demand, compress profit margins, and delay investment. Persistent scam activities could intensify financial integrity vulnerabilities and further damage Cambodia's reputation, weighing on tourism, investment, and financial institutions. These pressures, together with tighter-than-expected global financial conditions, could trigger a bank liquidation and a sharper real estate market correction that could further amplify losses through concentrated bank exposures and developer financing, leading to broader liquidity or solvency strains. Climate shocks and imported fuel dependence remain cross-cutting vulnerabilities. On the upside, the authorities' planned fiscal stimulus (see footnote 6) could boost growth, and a durable reopening of the Strait of Hormuz and lower-than-projected global commodity prices would ease growth risks and inflationary pressures.

Authorities' Views

10. The authorities agreed that the near-term outlook had deteriorated but remained more optimistic than staff about the pace of slowdown, subsequent recovery, and disinflation. Growth is projected at 4.2 percent in 2026 and 5.0 percent in 2027, citing stronger-than-expected non-garment manufacturing exports, FDI inflows, fiscal support, and resilient

domestic consumption, as reflected in VAT collections and consumer-goods imports. The slower domestic consumption reflected the reduction in remittances and weaker international tourism in part due to reputational damage caused by cracking down on scam activities, and higher fuel prices, but viewed these effects as partly offset by domestic tourism and expected infrastructure activity to pick up toward year-end. The authorities agreed that Cambodia's external position in 2025 is broadly in line with the level implied by medium-term fundamentals and desired policies. While they broadly agreed with the projected near term deterioration of the external position, they expected it to be less pronounced and shorter-lived than staff projections, with the slowdown in garment exports being more modest and temporary, and with a gradual recovery in international tourism from 2026H2 as airfare pressures and connectivity constraints ease, supported by the visa-free pilot program for Chinese visitors and expanded capacity at the new Techo International Airport. The NBC viewed inflation as largely supply driven and projected average inflation of 4.7 percent in 2026, expecting both headline and core inflation to decline in the second half of the year as energy prices normalize.

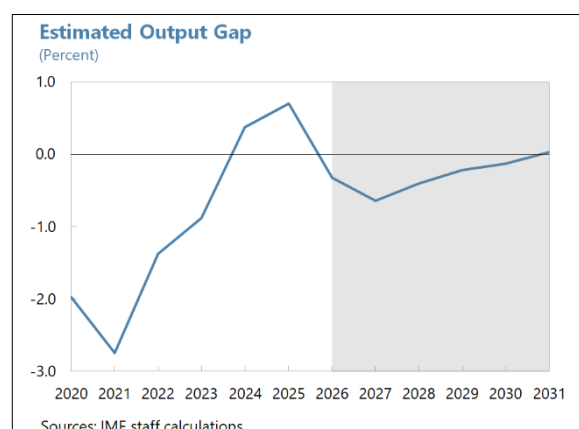
KEY POLICY ISSUES

A. Restoring Reputation and Strengthening Economic Resilience

11. Policies should cushion the weaker near-term outlook while containing inflation and preserving macro-financial stability.

Fiscal support needs to be tightly targeted, temporary, and anchored by a clear exit strategy, with broad-based fuel subsidies phased out as price pressures ease. Public financial management (PFM) reforms and stronger treasury cash management can improve budget execution, strengthen cash forecasting, and ensure that borrowing is well calibrated to financing needs. Monetary policy

needs to remain agile in response to evolving inflation and liquidity conditions. In the financial sector, completing the post-forbearance transition urgently requires operationalization of the crisis management and resolution framework. Emergency liquidity assistance should be available only to solvent banks and subject to adequate safeguards, while nonviable banks should be resolved promptly and in an orderly manner. Stronger regulatory frameworks and enforcement actions are also needed to address financial integrity vulnerabilities, restore macroeconomic confidence, and reduce financial stability risks.



B. Fiscal Policy: Targeted Support while Rebuilding Policy Space

12. Fiscal policy should provide targeted near-term support while preserving fiscal discipline over the medium term (Text table 1). Despite strong VAT, corporate income tax, and customs duty collections in the first half of 2026, the fiscal deficit is projected to increase to 2.9 percent of GDP, providing a fiscal impulse of 1.8 percent. The fiscal expansion reflects social protection spending that is projected to rise by 1.2 percent of GDP, including assistance to returning migrants and vulnerable households affected by the fuel-price shock. It also reflects broad fuel-related support, estimated at around 0.1 percentage points of GDP per month and expected to remain in place through November. The fiscal expansion appropriately uses limited fiscal space to support activity, provided measures remain targeted and temporary. Maintaining the fuel-pricing formula, while clarifying the rules for adjusting key inputs, would strengthen transparency and preserve the link to

international prices. As price pressures ease, broad fuel-support measures should be unwound under a clear exit strategy in favor of targeted assistance, including by expanding the coverage and adequacy of social assistance through the existing IDPoor platform. Over the medium term, clear operational rules would strengthen the fiscal framework. Priorities include

operationalizing the fiscal buffer fund, which is not expected before 2027, and introducing a corrective mechanism as well as narrowly defined escape clauses for major shocks.

Text Table 1. Fiscal Policy Priorities

Immediate	Near term	Medium term
- Phase down broad fuel-related support as conditions permit. - Strengthen social protection programs for vulnerable households.	- Consolidate eligible government accounts into TSA; gain better understanding of usable cash in TSA; and enhance cash management. - Strengthen tax administration and compliance. - Prepare tax expenditure inventory and report. - Strengthen monitoring of SOE-related fiscal risks and reporting.	- Operationalize the fiscal buffer fund and fiscal rule. - Integrate tax expenditures into the budget. - Broaden the tax base through the PIT reform. - Develop the domestic bond market and expand Riel-denominated debt issuance. - Phase in carbon taxation. - Enhance expenditure efficiency and effectiveness.

13. Revenue mobilization will determine whether priority spending can be sustained over the medium term. With declining concessional financing and a still-developing domestic debt

market, raising tax revenues will become increasingly important for financing development priorities. Estimated tax capacity (including customs revenues) stands at 21 percent of GDP, well above actual revenue of around 13 percent, reflecting extensive tax expenditures (Text Table 2) and compliance challenges. Renewed tax expenditures are projected to weigh on revenues, warranting stronger governance, transparent costing, and fuller incorporation into the budget.

Drawing on recent IMF TA, a comprehensive inventory and regular reporting would help identify and discontinue tax expenditures that are no longer warranted, thereby creating additional fiscal

Text Table 2. Tax Expenditure Revenue Foregone

Component	Percent of GDP
Total	6.2
<i>Specific tax (non-fuel)</i>	1.2
<i>Specific tax (fuel exemptions)</i>	2.7
<i>VAT expenditures</i>	1.3
<i>Business income tax reliefs</i>	0.9
Sources: IMF staff calculations; IMF FAD Technical Assistance Report "Cambodia: A Roadmap for Tax Expenditure Assessment (2025)". Estimates exclude the fuel tax cuts introduced in March 2026.	

space. Further digitalization and customs modernization would strengthen compliance, while the introduction of personal income tax (PIT), the gradual phasing in of carbon pricing, and a gradual transition from tax holidays to cost-based investment incentives would broaden the tax base.

14. Spending quality—not size—will determine whether growth is inclusive and durable.

Achieving stronger outcomes in health, education, and infrastructure will require realistically costing development priorities and aligning budget allocations with them (**Selected Issues**). The medium-term budget framework can support this objective through credible expenditure ceilings, while rolling public investment plans can help sequence projects within available resources. The operationalization of spending reviews and performance reporting is welcome, and their more systematic use would help better assess outcomes and guide program design and resource allocation. Recent reforms, including the establishment of the Cost Efficiency Department, are designed to strengthen the public investment cycle. However, gaps in project management and implementation capacity continue to weaken the effectiveness of public investment. Completing the PPP database and regularly monitoring and reporting fiscal commitments and contingent liabilities would help align PPPs with development priorities while safeguarding resources for priority spending. An annual ceiling on new PPP contracts and related exposures could further mitigate fiscal risks.

15. The financing strategy should support debt sustainability, advance de-dollarization, and strengthen oversight of fiscal risks through greater transparency of state-owned enterprise (SOE) operations. As concessional financing declines ahead of graduation from least developed country (LDC) status, developing the domestic bond market becomes a priority, but the shift to market-based borrowing raises costs and introduces rollover risks. Domestic debt issuance more than doubled in 2025, and the authorities plan to issue up to US\$530 million in 2026, including U.S. dollar-denominated bonds. Staff recommends calibrating issuance to actual financing needs, considering substantial government cash balances and associated legal frameworks. Transparent pricing would help gradually build a yield curve. Increased issuance of riel-denominated instruments would help advance de-dollarization and broaden the investor base. Fiscal risks from on-lending to SOEs require monitoring.

16. Improving the management of government cash balances remains a priority. With government deposits projected to decline under the baseline, strengthening oversight of government accounts, assessing the coverage and fungibility of cash balances, and gradually consolidating eligible accounts into the Treasury Single Account (TSA) would enhance budget execution, support cash forecasting, and provide greater clarity on available fiscal buffers, potentially supporting the operationalization of the fiscal buffer fund. Closer integration of cash and debt management, stronger links between financial management and debt management information systems, and a more active role for the Cash Management Committee would complement these reforms. In addition, reinforcing the National Audit Authority's independence and capacity to conduct risk-based audits remains important.

Authorities' Views

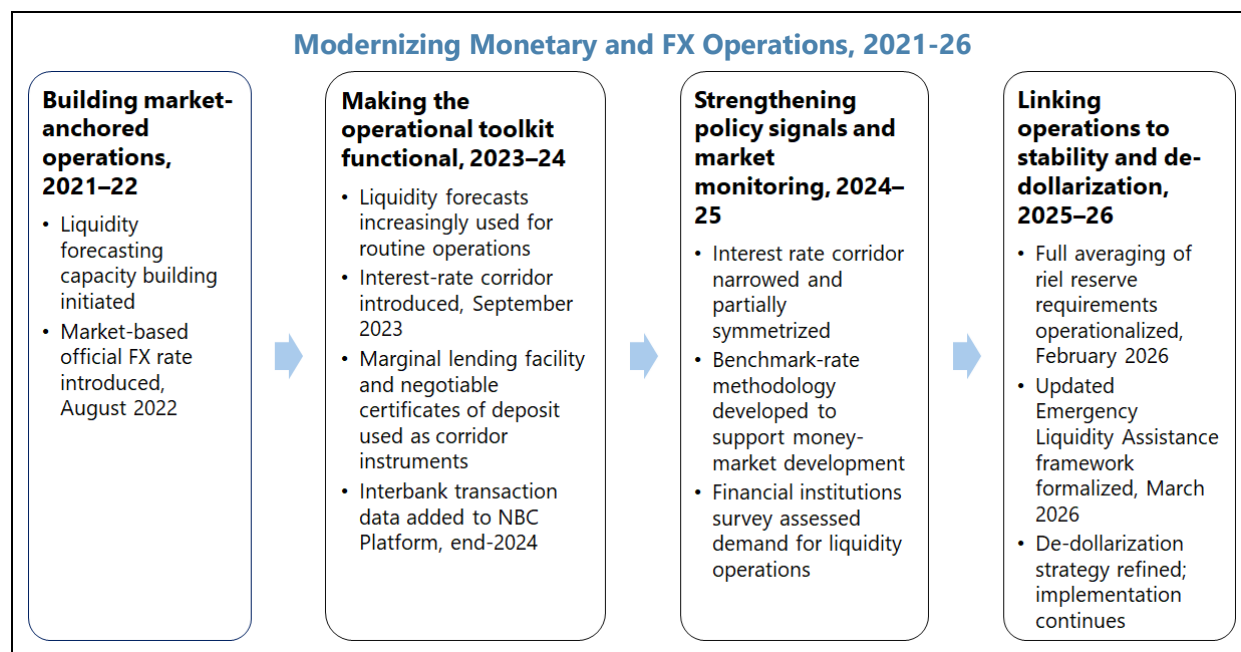
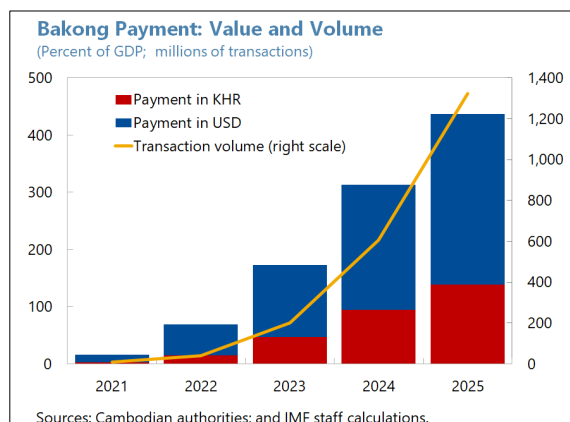
17. The authorities favored a combination of broad and targeted fiscal support, while remaining committed to their medium-term reform agenda. They emphasized the need for fiscal policy to cushion the impact of recent shocks, including through targeted support to vulnerable households and the broad-based fuel-price support necessary to sustain economic activity. In the short term, the authorities plan to strengthen revenue collection through improved tax administration, compliance, and digitalization. Over the medium term, planned reforms include the transition toward a personal income tax, excise reform, and measures to bring more economic activity into the tax system. They reaffirmed the target of raising tax revenue to 14 percent of GDP by 2028, although challenges remain amid continued extensions of tax incentives and unfavorable economic conditions. On spending, priorities remain focused on social protection, human capital development, and infrastructure investment, supported by development-partner financing and improved public spending efficiency. The authorities also reaffirmed their commitment to keeping the fiscal deficit within the new ceiling of 3.5 percent of GDP, formally operationalizing the fiscal buffer, and reviewing the treasury single account.

C. Monetary Policy: Remaining Agile amid Inflation and Liquidity Pressures

18. Monetary policy needs to remain agile, balancing upside inflation risks against emerging liquidity pressures, particularly in foreign currency. Given weak domestic demand, tighter financial conditions, and the supply-side-driven inflation shock, the current monetary policy stance remains appropriate. In Cambodia's highly dollarized economy, the broadly stable riel-U.S. dollar exchange rate remains the main nominal anchor, while riel liquidity operations help manage domestic liquidity conditions. Although aggregate riel liquidity remains ample, financial conditions have tightened as credit growth remained subdued, deposit growth sharply slowed, and riel lending rates increased. The continued decline in banks' unrestricted foreign currency deposits at the NBC points to tighter U.S. dollar liquidity within parts of the banking system. If second-round inflationary pressures broaden, the NBC needs to absorb excess riel liquidity through market-based operations. At the same time, targeted liquidity support could be provided to solvent institutions where needed to preserve orderly liquidity conditions, with any foreign-currency provision calibrated to safeguard reserve adequacy and the orderly functioning of the exchange rate market. Any such support must

be temporary, collateralized, and closely supervised to avoid masking solvency problems or weakening market discipline.

19. Strengthening monetary transmission in riel is critical to improving policy effectiveness and advancing de-dollarization. Operationalizing the use of current account balances for reserve maintenance would help fully implement reserve requirement averaging in riel and increase system liquidity. Further priorities include introducing a standing overnight deposit facility linked to the reference rate, calibrating 7-day LPCO allotments using liquidity forecasts, and absorbing excess liquidity at the policy rate through a separate instrument, while retaining reserve requirements as the structural liquidity anchor. Limited interbank activity and shallow money markets continue to blunt policy signals. Moving forward, deeper interbank activity, stronger benchmark rates, and wider use of central bank platforms would strengthen transmission and support gradual de-dollarization, with further penetration of Bakong digital payments in local currency.



Authorities' Views

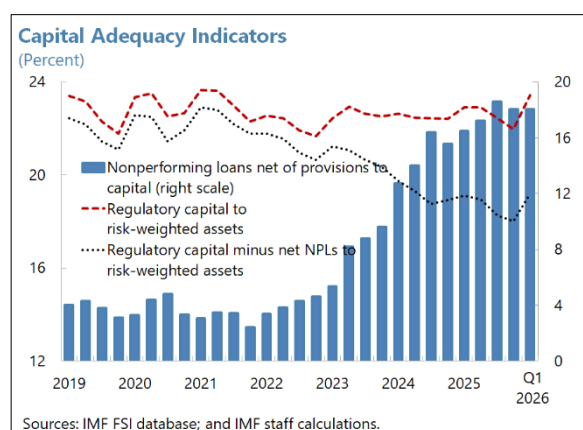
20. With monetary transmissions constrained by high dollarization, the authorities underscored the importance of exchange rate stability and orderly liquidity conditions in maintaining macroeconomic stability. The NBC viewed inflation as largely supply driven and likely

to ease in 2026H2 and agreed that monetary policy should preserve orderly liquidity conditions. It stressed that the broadly stable riel-U.S. dollar exchange rate serves as the economy's nominal anchor, helping mitigate inflation pressures. Monetary and financial conditions tightened in early 2026 but aggregate liquidity remained adequate. The NBC considered recent deposit pressures to be concentrated in particular institutions and depositor segments rather than systemic, noting that larger banks continued to attract deposits and that riel deposits remained resilient. It also highlighted ongoing efforts to strengthen monetary operations, deepen interbank markets, improve policy transmission in riel, and support gradual, market-based de-dollarization through wider use of digital payments.

D. Financial Policies: Strengthening Resilience and Restoring Confidence

21. While systemic financial risks appear contained at present, important pockets of vulnerability need to be closely monitored.

Capital buffers remain above regulatory minima, but rising NPLs⁷ together with varying bank business models and sectoral exposures point to greater risks in some institutions.⁸ In particular, financial integrity vulnerabilities can adversely impact tourism and investment, raising NPLs further in the retail and the real estate sectors which already face heightened strains. These vulnerabilities have intensified amid post-



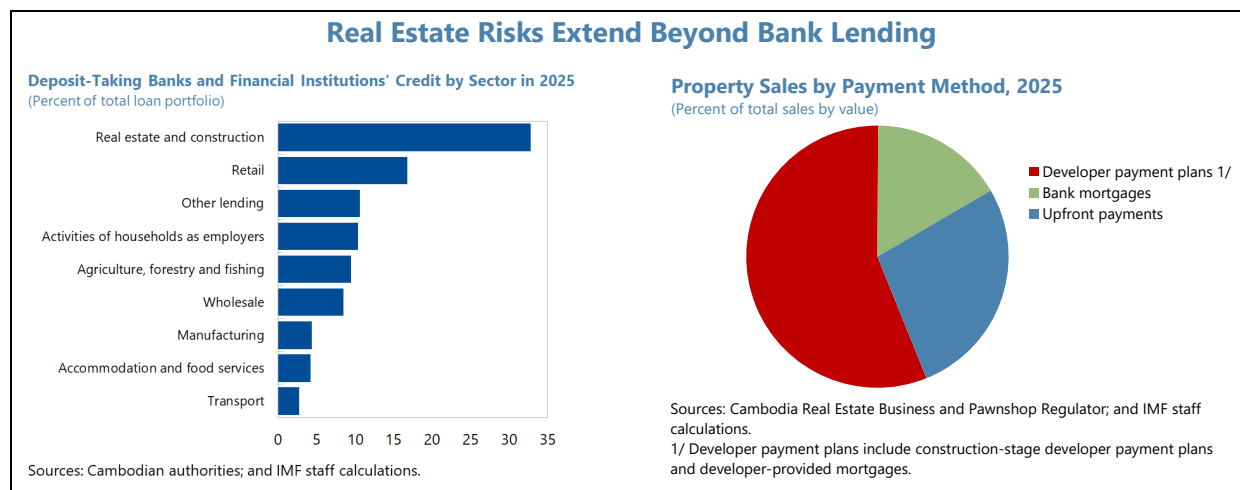
forbearance asset-quality pressures. With asset-quality strains now more visible, transparent and decisive balance sheet repair must proceed, including by improving foreclosure processes to facilitate the resolution and write-off of unrecoverable NPLs. This requires timely risk recognition, adequate provisioning, credible capital planning, and differentiated supervisory responses for weaker institutions, using the ESI framework where appropriate. Recent **TA** has strengthened bank-specific solvency and liquidity stress-testing tools. Regular application of these tools, combined with forward-looking assessments of repayment capacity, would help guide supervisory action. Transparency could also be strengthened through more timely publication of prudential indicators and disclosure of key stress-test assumptions and aggregate results.

22. The post-forbearance transition and recent bank liquidations underscore the importance of effective crisis management and resolution frameworks. Recent differentiated supervisory actions, depositor reimbursement arrangements, and public communication helped contain spillovers. Crisis-management tools should be fully operationalized and appropriately

⁷ Provisioning covered 41.5 percent of NPLs in 2026Q1, broadly unchanged since 2024 but below its 2021 peak of 66.2 percent, while net NPLs amounted to 18.1 percent of capital.

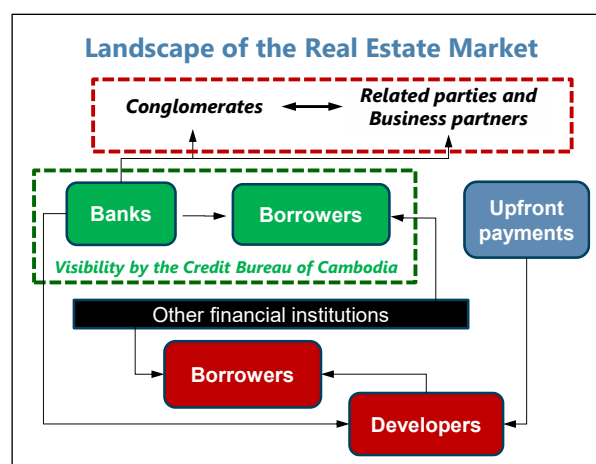
⁸ Bank-level supervisory data indicate substantial dispersion in NPL ratios and real estate-related exposures across banks, with vulnerabilities concentrated in about one-third of institutions.

sequenced. Emergency liquidity assistance ought to be available only to institutions assessed as solvent on a forward-looking basis, against appropriately valued collateral and with strong safeguards, with nonviable institutions resolved promptly. The deposit protection and out-of-court liquidation frameworks need to be finalized, while NPL resolution, insolvency, and collateral-enforcement procedures should be strengthened to shorten workout times and facilitate orderly restructuring and asset disposal. The effectiveness of AMIs will depend on realistic valuation, strong governance, functioning enforcement and insolvency frameworks. It should not create fiscal or quasi-fiscal risks.⁹



23. The real estate sector remains a key channel through which financial vulnerabilities could become mutually reinforcing.

Risks extend beyond bank lending to borrower stress and financing provided by developers and nonbanks, some of which fall outside credit-reporting coverage. Linkages involving large conglomerates and related parties add to these risks. Declining collateral values, developer strains, and weakened repayment capacity continue to weigh on asset quality. Bank-level exposures are highly uneven, with some institutions heavily concentrated in lending to real estate and related sectors.¹⁰ Available data on licensed developers also point to concentration among the largest borrowers and rising NPLs.¹¹ Together, these features increase



⁹ See Annex IV of the 2025 Article IV staff report for Cambodia, IMF Country Report No. 25/317.

¹⁰ At end-2025, construction and real estate accounted for more than half of loan portfolios in about one-third of commercial banks.

¹¹ At end-2025, the five largest borrowers accounted for nearly half of reported bank credit to licensed developers. The NPL ratio on all reported bank credit to licensed developers rose to 4.7 percent from 3.3 percent at end-2024.

the risk that a sectoral shock could generate pockets of acute stress. Supervisors need to strengthen monitoring of large borrower and related-party exposures, collateral valuation and restructuring practices, and developer-financed mortgages, supported by improved reporting and coordination across financial stability bodies. Advancing the planned framework for developer-financed mortgages would help strengthen underwriting standards, consumer protection, and cross-sector risks. In addition, housing approvals for developers need to be made transparent to address supply overhang. Over time, the authorities should build the data, legal, and operational infrastructure needed for borrower-based macroprudential measures and develop releasable countercyclical or sectoral capital buffers.

24. Addressing significant financial integrity vulnerabilities is essential for restoring public confidence in the financial sector and safeguarding financial stability and requires a multi-faceted approach (Annex V). Vulnerabilities in Cambodia's anti-money laundering and combating the financing of terrorism (AML/CFT) framework have been exploited by scammers with significant macro-economic implications. An immediate priority is for the NBC, with support of other regulators, to identify banks with potential links to criminal activity and take action to address them. The absence of fit-and-proper requirements for beneficial owners or need for establishing a legitimate source of funds in the licensing of banks, payment institutions, and casinos is a significant vulnerability that should be addressed by the NBC and the Commercial Gambling Management Commission of Cambodia as a top priority. An improved understanding of money-laundering transmission channels for the proceeds from scam and human trafficking, as well as sectoral exposure would support targeted mitigation, including more risk-oriented AML/CFT supervision of banks, payment institutions, and casinos as well as guidance to these entities on managing their risks. Ongoing work on the development of a regulatory framework for virtual assets is welcome, but all stakeholders including regulators and law enforcement agencies should collaborate to proactively identify unlicensed service providers and take action to keep them out of the market. The national AML/CFT strategy under development should prioritize these policies and fully integrate them into the authorities' anti-scam strategy to maximize synergy and facilitate international cooperation including on financial intelligence and enforcement actions.

Authorities' Views

25. The authorities considered recent financial-sector stress to be concentrated in individual institutions rather than systemic and emphasized that differentiated supervisory and resolution actions had contained spillovers. They noted that liquidity and capital buffers in the banking system remained strong, while provisioning continued to provide an important buffer against asset-quality risks. They nevertheless recognized that asset-quality resolution, and real-estate risks warranted continued vigilance. They highlighted the implementation of early supervisory intervention and the adoption of the emergency liquidity assistance framework, the increase in the capital conservation buffer, ongoing work on deposit protection and out-of-court liquidation, and crisis management. The NBC plans to strengthen regulations on bank governance, consolidated supervision, capital adequacy, crypto-asset service providers, and licensing oversight and prudential measures for AMIs. It viewed the AMI framework as a market-based complement to banks' internal

NPL workouts and noted that it remained at an early stage for operation. The authorities also noted that work is underway to develop a regulatory framework for developer-financed mortgages, supported by stronger interagency coordination and information sharing to ensure appropriate oversight and avoid regulatory arbitrage.

26. The authorities are committed to continued efforts to fight fraud, human trafficking, and the associated money laundering. They acknowledge the macro-critical implications of such activities and have taken steps to develop policy responses. They highlighted the enactment of the anti-scam law, the recently strengthened law enforcement actions against scamming, and the anti-scam strategy under development as key responses. They also appreciate the importance of addressing financial integrity vulnerabilities in strengthening public confidence in the financial sector as well as supporting the broader anti-scam efforts. The national strategy on AML/CFT under development is instrumental to identifying and implementing priorities to enhance financial integrity. Scam activities could raise financial integrity vulnerabilities and continue to weigh on tourism, investment, and financial institutions. Domestically, financial sector vulnerabilities, combined with tighter-than-expected global financial conditions, could trigger sharper real estate market corrections and further asset-quality deterioration. The interministerial taskforce to address financial integrity vulnerabilities needs to further strengthen regulatory frameworks and enforcement actions to maintain macroeconomic confidence and reduce financial stability risks, and close collaboration with international law enforcement will benefit the authorities' ongoing efforts.

STRUCTURAL REFORMS

A. Upgrading the Growth Model Through Accelerated Transformation

27. Structural reforms are essential to strengthen the economy's resilience and growth potential and quality (Selected Issues). Structural reforms must be prioritized, costed, and sequenced around the highest payoff measures to help attract higher quality FDI, crowd in domestic investment, and create jobs in activities with higher value added. Policies priorities include diversification beyond a narrow set of sectors by developing upstream and downstream industries, upgrading skills, and fostering productivity spillovers. Stronger links between foreign investors and Cambodian suppliers would support technology and knowledge transfer. The return of migrant workers underscores the need to move from emergency absorption toward durable job creation and skills development, helping Cambodia move up the value chain.

28. Better governance and a rule of law lead to a stronger business climate and are central to high quality investment. Governance indicators show a decline in scores¹² and reveal persistent challenges to regulatory predictability, transparency, and institutional accountability. Progress in governance and rule-of-law reforms remain limited. Asset declaration filing continued with high

¹² The indicators are based on Transparency International's Corruption Perceptions Index and World Justice Project's Rule of Law index.

reported compliance, but improving declaration transparency and verification remains crucial.¹³ Planned reforms of the Land Law should include transparency provisions on large scale economic land concessions and stronger protection of real property rights in order improve rule of law and the investment climate. The authorities are also encouraged to advance on access-to-information and whistleblower protections frameworks. Sustained reform momentum will require a clear and coordinated articulation of the authorities' governance objectives, backed by tangible implementation measures and visible accountability for misconduct.

29. Energy security and climate resilience have become macro-critical for competitiveness and shock preparedness. The latest energy shock exposed Cambodia's fuel dependence and the limits of price cushioning (**Box 1**), while floods, droughts, and heat stress threaten agriculture, transport and logistics infrastructure, and hydropower reliability. While electricity tariffs declined over time and renewable-energy capacity is high, electricity costs remain relatively high relative to regional peers, while fuel dependence continue to weigh on competitiveness.¹⁴ Ongoing investments in energy-related infrastructure, including transmission and distribution grids and storage facilities, can help contain costs, improve reliability, strengthen energy security and efficiency, and facilitate the energy transition.¹⁵ Climate-resilient infrastructure would also reduce exposure to weather-related disruptions. Securing concessional financing where available and prioritizing projects consistent with implementation capacity will be important to realize returns from these investments.

30. Better data availability, quality, and timeliness are essential for effective policymaking (Annex IV). Shortcomings in several macroeconomic indicators, including national accounts, prices, government finance statistics, monetary and financial statistics, and external sector statistics, somewhat hamper surveillance. Data gaps—including in labor markets, remittances, household debt, real estate, financial conditions, informal activity, and interconnected financial exposures—constrain risk assessment and the calibration of macroeconomic and financial policies. Improving the coverage and timeliness of key indicators and strengthening data sharing across agencies would support earlier identification of macro-financial risks. In particular, comprehensive coverage of household borrowing and repayment capacity is needed to safeguard household balance sheets and financial stability. Data on common borrowers, related-party exposures, and links among banks, developers, and nonbanks are also needed to assess interconnectedness. Continued progress on nowcasting is welcome and should be embedded more systematically in surveillance and policy analysis. Stronger statistical capacity would improve policy design and evaluation and help calibrate reforms to support higher productivity and better growth quality.

¹³ For detail recommendations, please refer to Annex V. Governance and Anti-Corruption in the 2025 Article IV Staff Report (IMF Country Report No. 25/317), with the [link](#).

¹⁴ World Bank (2024), *Cambodia: Recommendations to the National Roadmap for Electric Mobility Transition*. The report estimates Cambodia's average retail electricity tariff at about US\$0.15 per kWh, compared with US\$0.09 in Vietnam, US\$0.081 in Lao PDR, and US\$0.074 in Indonesia; regional comparator data refer to 2020.

¹⁵ Asian Development Bank (2022), "ADB Supporting Cambodia's Energy Transition Program."

Authorities' Views

31. The authorities shared the view that structural reforms are essential to strengthen resilience and improve growth quality ahead of LDC graduation. They emphasized that many of staff's recommendations are already reflected in existing government strategies and that the main challenge is implementation, given capacity constraints and the need to sequence reforms carefully. They highlighted efforts to improve the business climate and governance, strengthen skills and labor absorption, attract higher-quality investment, and deepen domestic value added through stronger supplier linkages, while preserving an open and competitive investment regime amid heightened regional competition. On energy, there is a need to balance affordability, security, and sustainability, pointing to ongoing investments in transmission and distribution networks, regional power trade, system flexibility, and renewable integration. They viewed these investments as necessary despite substantial upfront costs. The authorities also agreed that better data and interagency information sharing are needed to strengthen risk monitoring and policy design.

32. The authorities have considered broadening the scope of the asset declaration regime to cover higher-risk sectors and digitalize the system. However, extending declaration requirements and granting public access to declarations, should be calibrated to Cambodia's specific context while weighing transparency and accountability objectives against privacy and security considerations.

STAFF APPRAISAL

33. Cambodia's economy has remained resilient through successive and concurrent shocks, but the near-term outlook has weakened with signs of macro-financial strains. Growth is projected to slow in 2026 as higher energy costs, weaker tourism and remittances, decelerating garment exports, subdued domestic demand, and tighter financial conditions weigh on activity. Inflation has risen sharply and broadened beyond energy prices. The fiscal deficit remains within the authorities' prescribed ceiling, and public debt is sustainable with a low risk of debt distress. The current account deficit is projected to widen in 2026, though foreign exchange reserves provide adequate buffers. The 2025 external position is assessed as broadly in line with fundamentals and desirable policies. The end of regulatory forbearance has exposed asset-quality strains amid continued real estate weakness and financial integrity concerns, and financial vulnerabilities have heightened although systemic risks remain contained.

34. Risks to growth are tilted to the downside, while inflation risks remain on the upside. Trade policy uncertainty and persistent scam activities could further weaken exports and tourism, hamper investment, and raise financial stability concerns. Renewed energy market volatility, supply disruptions, and climate shocks could raise price volatility and reduce activity. A sharper real estate correction could amplify losses through concentrated bank exposures, developer financing, and weakened repayment capacity. On the upside, the authorities' planned fiscal stimulus could boost growth, and stability in the global commodity markets would ease inflation and support activity.

35. Fiscal policy needs to cushion the near-term slowdown through targeted support and advance development priorities over the medium term, while maintaining debt sustainability.

Broad fuel-related support should be phased out as price pressures ease, with assistance focused on vulnerable households. As concessional financing declines, stronger domestic revenue mobilization, domestic bond market development, and better expenditure allocation and execution will be essential to finance development priorities. Transparent costing and rationalization of tax expenditures, stronger compliance, and tax-base broadening are needed for sustained revenue mobilization. Operationalizing the fiscal rule and buffer fund, improving public investment and cash management, and strengthening oversight of PPP and SOE risks would help rebuild policy space. Enhancing the integrity of the treasury single account will help make judicious borrowing decisions, well aligned with actual financing needs.

36. Monetary policy needs to remain agile to evolving inflation and foreign currency liquidity pressures.

The broadly stable riel–U.S. dollar exchange rate continues to provide the main nominal anchor. Absorbing the excess riel liquidity through market-based operations is needed if second-round inflationary pressures broaden. Any foreign currency liquidity support should be temporary, collateralized, limited to solvent institutions, and consistent with preserving reserve adequacy. More effective liquidity forecasting and operations, deeper interbank markets, and stronger transmission in riel would improve policy effectiveness and support gradual de-dollarization.

37. Financial sector priorities are decisive balance-sheet repair, stronger NPL resolution, and tighter oversight to safeguard financial stability.

This requires timely risk recognition, adequate provisioning, and credible capital planning, using bank-specific stress testing and forward-looking assessments to differentiate their responses. The authorities need to operationalize crisis-management tools, make emergency liquidity assistance available only to institutions assessed as solvent, and resolve nonviable institutions promptly. The deposit protection and out-of-court liquidation frameworks should be finalized, while NPL resolution and foreclosure procedures should be strengthened. Better reporting and closer coordination are needed to strengthen oversight of concentrated real estate, developer, large-borrower, and related-party exposures.

38. Decisive action to strengthen financial integrity supported by stronger cooperation among all relevant agencies is essential to safeguard confidence, financial stability, and Cambodia's international reputation.

The authorities need to urgently identify and address potential links between criminal activity and banks and close significant gaps in the licensing frameworks. Deepening understanding of how the proceeds of scam activities and human-trafficking are laundered will enable more targeted mitigation. The development of a regulatory framework for virtual asset sector should be taken forward and effectively enforced once enacted. These measures should form an integral part of the broader anti-scam policies involving all relevant domestic agencies to maximize policy synergy, which could facilitate stronger international cooperation.

39. Structural reform priority is to raise the productivity payoff from investment and strengthen economic resilience.

A focused implementation agenda would prioritize reforms that

attract higher-quality FDI, crowd in domestic investment, deepen supplier linkages, upgrade skills, and strengthen technology transfer. Better governance, rule of law, and more predictable enforcement would improve the investment climate. Investments in energy security and climate resilience, together with better data and interagency information sharing, would strengthen competitiveness, risk monitoring, and policy design.

40. It is proposed that the next Article IV consultation with Cambodia take place on the standard 12-month cycle.

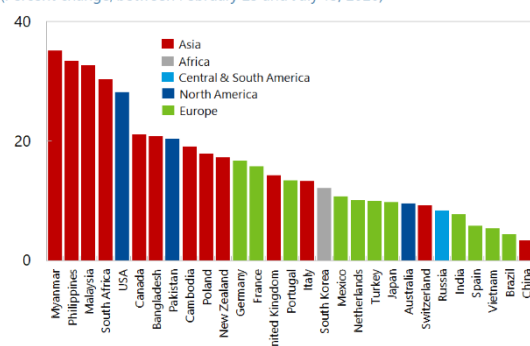
Box 1. Cambodia's Exposure to the Energy Shock and Policy Response¹

Cambodia is highly exposed to global energy shocks. The economy relies entirely on imported fuel, has no refinery, and only limited inventories. Direct imports from the Middle East are small, but exposure is transmitted indirectly through regional suppliers and trading hubs, including Singapore and Malaysia. Oil and fuel imports exceeded US\$1 billion in 2026Q1, about 11 percent of total imports.

Power is partly insulated; activity is not.

Renewables account for about 63 percent of installed power capacity, but fuel remains central to transport, logistics, agriculture, and food distribution. Although Cambodia is a net food exporter, its reliance on imported fuel and fertilizer transmits global commodity shocks into domestic food production, transport costs, and farm margins.

Retail Gasoline Price
(Percent change, between February 23 and July 13, 2026)



Sources: Global Petrol Prices; and IMF staff calculations.

The shock has transmitted quickly to prices and activity. Domestic fuel prices rose sharply despite policy intervention, with peak diesel and regular petrol prices up by about 113 and 43 percent from pre-war levels, respectively. Already in March, inflation showed broadening pressure across transport, utilities, food, and core prices, while business surveys point to profitability pressures.

The immediate response has leaned on fiscal relief and market oversight. Retail fuel prices are set through an inter-ministerial pricing mechanism and adjusted more frequently during volatile periods. To limit pass-through, the authorities introduced new tax relief measures and continued existing support, together estimated to cost about US\$52 million per month (1.0 percent of GDP, on an annualized basis), including (date of introduction shown in brackets for new measures):

- continued application of a 6.5-cent-per-liter fuel subsidy;
- an additional 1-cent-per-liter reduction when international prices exceed US\$90 per barrel for gasoline and US\$100 per barrel for diesel (March 20);
- continued application of a zero import-duty rate on fuel;
- removal of the special tax on diesel (March 20);
- VAT reductions on gasoline and diesel (March 20), as well as LPG (April 1).

They also tightened station oversight, required low-stock reporting, investigated hoarding and overcharging, and prioritized essential uses.

The policy focus is to move from price cushioning to resilience building. Recent steps to diversify fuel sourcing, reduce public-sector fuel and electricity use, lower import duties on electric vehicles, solar equipment, batteries, and electric appliances, and encourage electric cooking are welcome. Diversifying energy sources is as important as diversifying supply routes, while building adequate inventories is essential to prepare for future shocks. Planned refinery, crude-stockpile, regional stockpiling, and public-private storage arrangements could strengthen buffers if well designed. Maintaining the fuel-pricing formula, while clarifying the rules for adjusting key inputs, would strengthen transparency and preserve the link to international prices. Any support should remain targeted and temporary to protect fiscal buffers and preserve price signals for energy conservation and efficiency.

Box 1. Cambodia's Exposure to the Energy Shock and Policy Response (Concluded)

As the energy price shock recedes, phasing in carbon pricing can help reinforce the shift away from fuel dependence. Recent IMF **TA** found that a carbon tax, with broad coverage and limited exemptions, could generate significant revenues and accelerate decarbonization. Introducing the tax as international prices decline would help offset the price impact and improve political acceptability. Revenues could be recycled to protect vulnerable households through IDPoor and support industries in adopting clean-energy solutions.

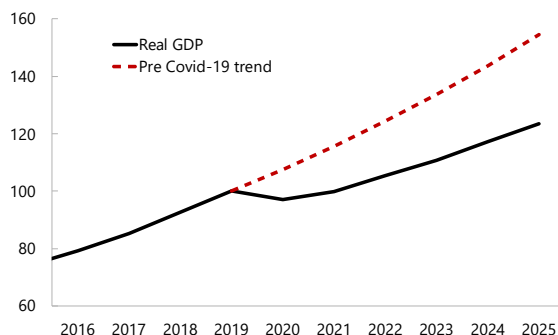
¹ Prepared by Sylwia Nowak.

Figure 1. Cambodia: Recovery Continued, but Domestic Momentum Remained Uneven

Real GDP has continued to recover but remains well below its pre-pandemic trend.

Real GDP

(Index, 2019=100)

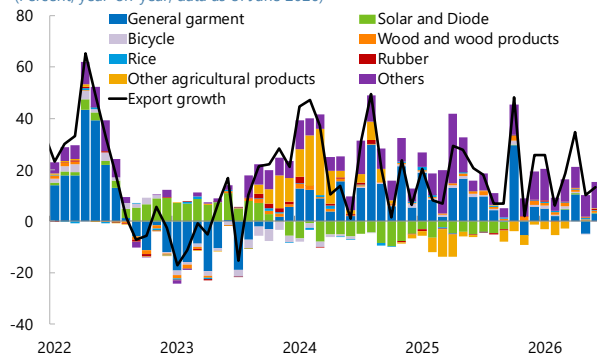


Sources: Cambodian authorities; and IMF staff calculations.

Export momentum remained strong through 2025, supported initially by garment frontloading and later by non-garment exports.

Contribution to Export Growth

(Percent, year-on-year, data as of June 2026)

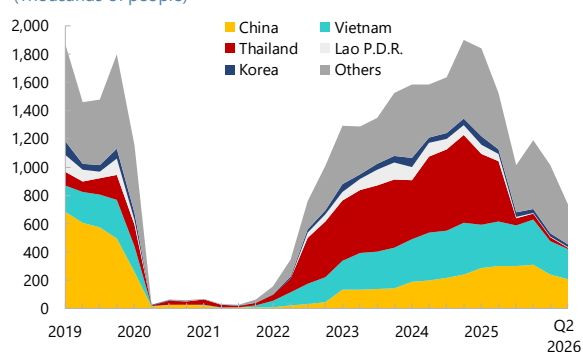


Sources: Cambodian authorities; and IMF staff calculations.

Border tensions sharply reduced arrivals from neighboring markets.

International Tourist Arrival

(Thousands of people)

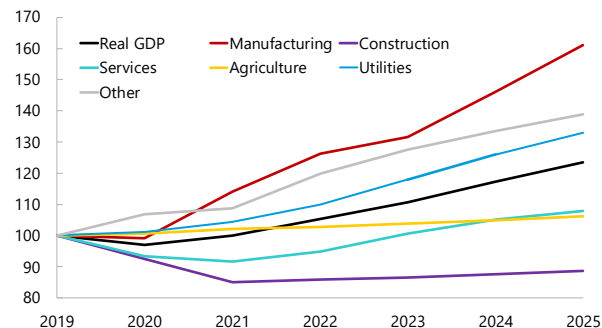


Sources: Cambodian authorities; and IMF staff calculations.

Manufacturing and other sectors in industry have led the recovery, while construction remains weak.

Real GDP Components

(Index, 2019=100)

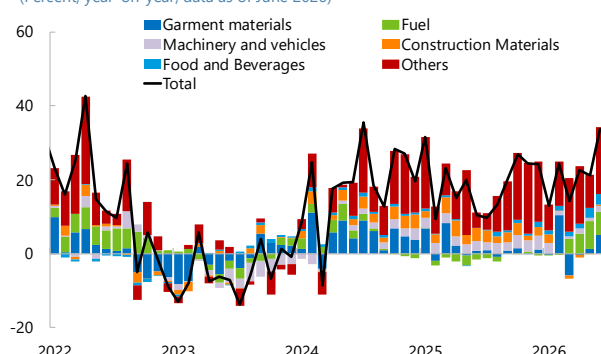


Sources: Cambodian authorities; and IMF staff calculations.
Note: Other includes mining and quarrying.

Import growth reflected stronger demand for construction materials, machinery, vehicles, and production inputs.

Contribution to Import Growth

(Percent, year-on-year, data as of June 2026)

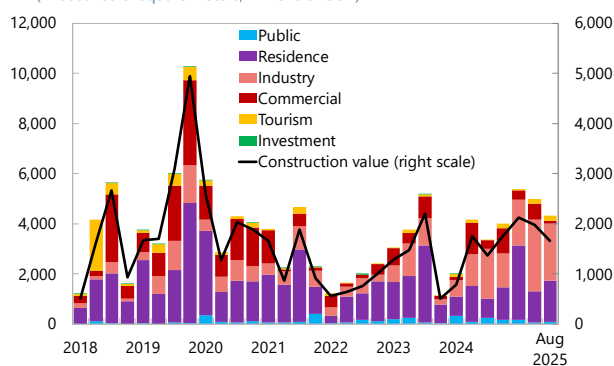


Sources: Cambodian authorities; and IMF staff calculations.

Approved construction projects have picked up, mainly reflecting industrial projects amid strong investment approvals, but this has yet to signal a broad real estate recovery.

Approved Construction Projects by Area

(Thousands of square meters; millions of USD)



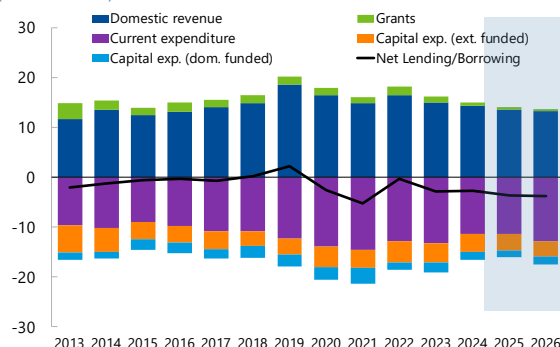
Sources: Cambodian authorities; and IMF staff calculations.

Figure 2. Cambodia: The Public Finances

Fiscal deficit is projected to widen in the near term.

Fiscal Balance

(Percent of GDP)

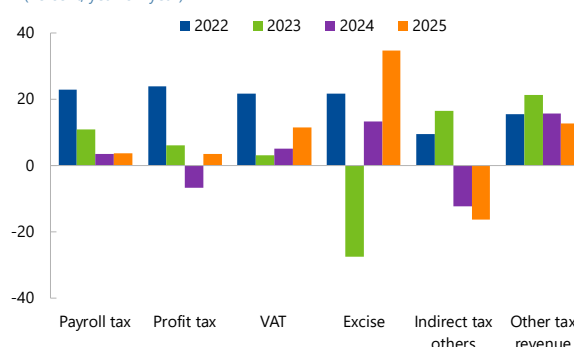


Sources: Cambodian authorities; and IMF staff calculations.

Revenue growth in major tax categories has not kept pace the GDP growth recovery ...

Tax Revenue Growth

(Percent, year-on-year)

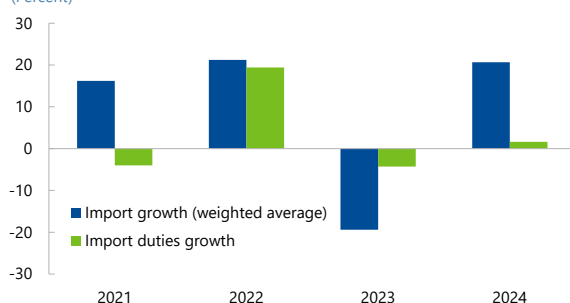


Sources: Cambodian authorities; and IMF staff calculations.

...and import duties have also lagged import growth.

Import Duties vis-a-vis Imports

(Percent)



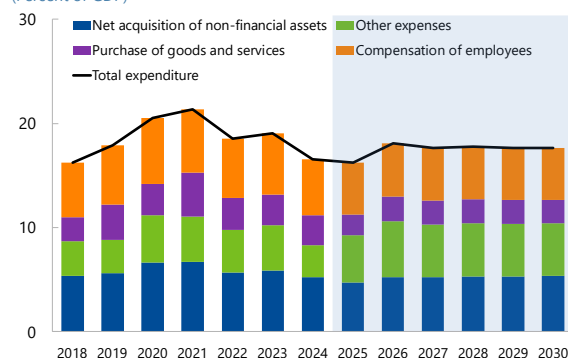
Sources: Cambodian authorities; and IMF staff calculations.

Note: Import growth is the weighted average import of vehicles, fuel, food and construction materials using 2019 import duties revenue weights of vehicles, fuel, food and construction materials as proxy weights.

Expenditure is projected to remain stable over the medium term.

Government Spending

(Percent of GDP)

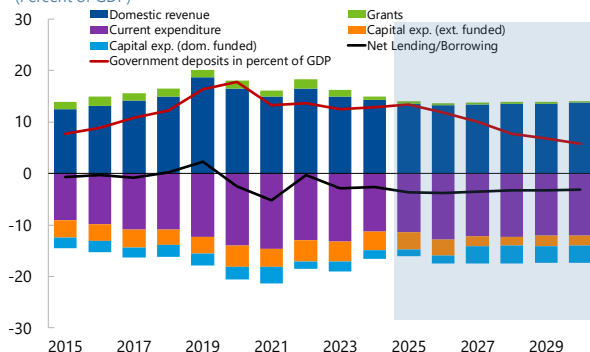


Sources: Cambodian authorities; and IMF staff calculations.

Covid-related spending needs have fallen, but regular cash transfer programs have been strengthened.

Medium-Term Fiscal Outlook

(Percent of GDP)

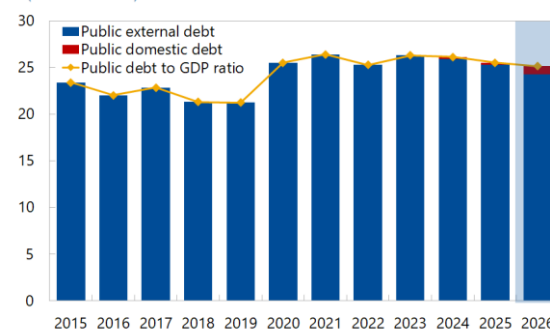


Sources: Cambodian authorities; and IMF staff calculations.

External debt remains the main source of financing even as domestic debt issuance increases.

Public Debt Composition

(Percent of GDP)



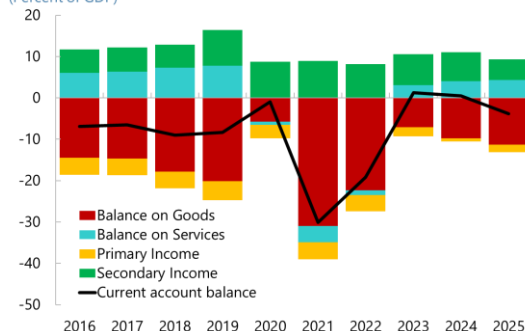
Sources: Cambodian authorities; and IMF staff calculations.

Figure 3. Cambodia: External Balances

The current account balance shifted from a small surplus to a deficit in 2025...

Current Account Balance

(Percent of GDP)

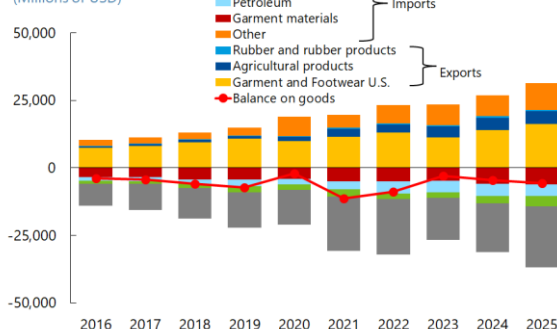


Sources: Cambodian authorities; and IMF staff calculations.

...driven by a wider goods deficit, with imports outpacing the robust export growth...

Balance of Goods

(Millions of USD)

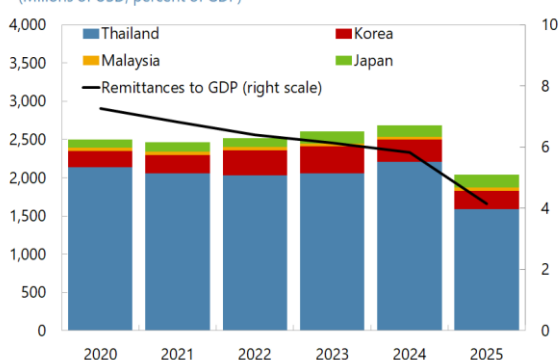


Sources: Cambodian authorities; and IMF staff calculations.

... and lower remittances inflows, following the return of nearly one million migrant workers.

Remittances by Country

(Millions of USD; percent of GDP)

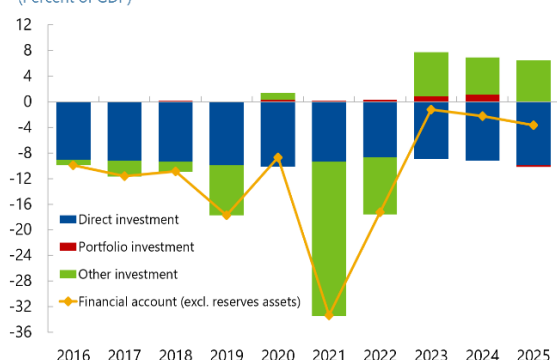


Sources: Cambodian authorities; and IMF staff calculations.

External financing remained comfortable to cover the current and capital account deficit, ...

Financial Account

(Percent of GDP)

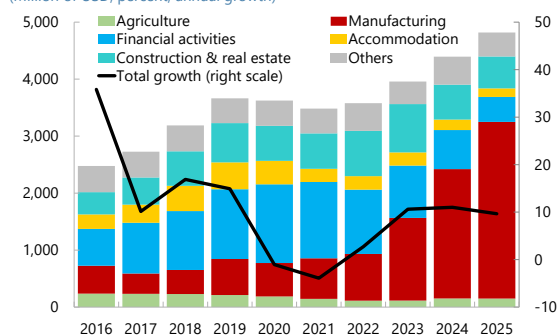


Sources: Cambodian authorities; and IMF staff calculations.

... with increasing FDI inflows concentrated in manufacturing, particularly garment, footwear, wood products, and food processing.

FDI Approval by Sector

(Million of USD; percent, annual growth)

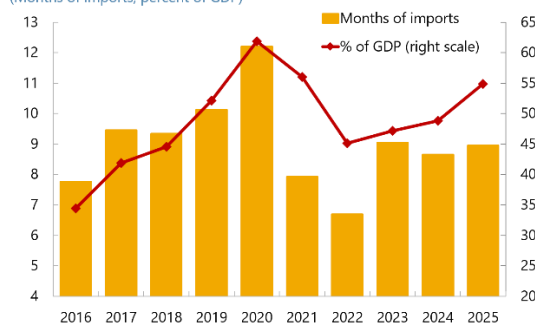


Sources: Cambodian authorities; and IMF staff calculations.

International reserves continued to increase in 2025, and their coverage has remained broadly stable and adequate.

International Reserves

(Months of imports; percent of GDP)

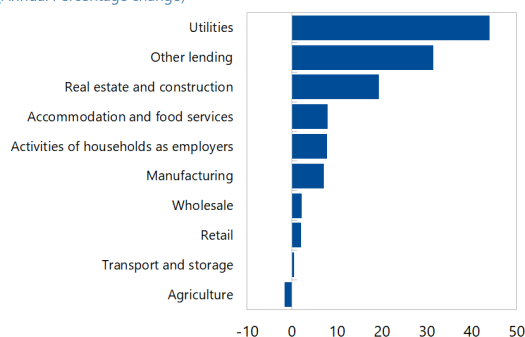


Sources: Cambodian authorities; and IMF staff calculations.

Figure 4. Cambodia: Credit Slowed and Financial Conditions Tightened

Credit growth was uneven, with rapid utilities lending from a small base and continued, though slowing, growth in real estate and construction.

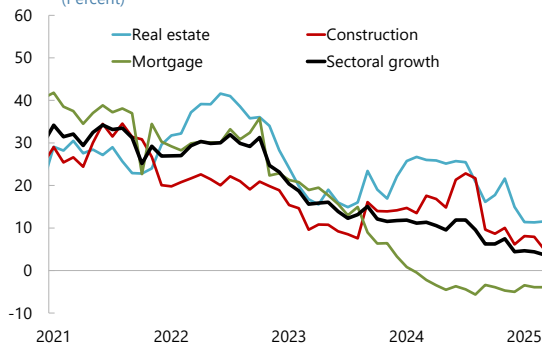
Deposit-Taking Banks and Financial Institutions' Credit Growth in 2025 (Annual Percentage change)



Sources: Cambodian authorities; and IMF staff calculations.

Real estate, construction, and mortgage credit have continued to decelerate as the property cycle weakened.

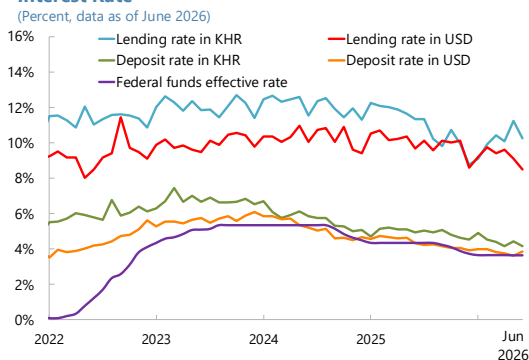
Real Estate Related Credit Growth (Percent)



Sources: Cambodian authorities; and IMF staff calculations.

Lending rates remain elevated, signaling tighter risk pricing.

Interest Rate

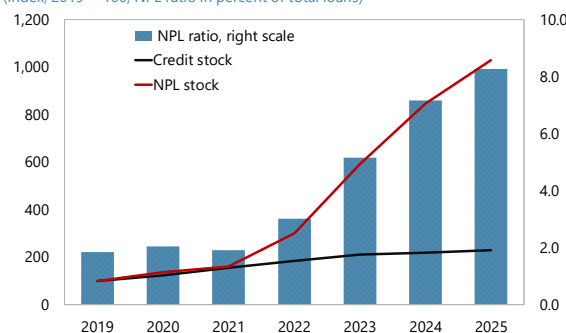


Sources: Cambodian authorities; and IMF staff calculations.

NPLs have risen much faster than credit, lifting the NPL ratio.

Commercial Banks: Credit and NPLs

(Index, 2019 = 100; NPL ratio in percent of total loans)

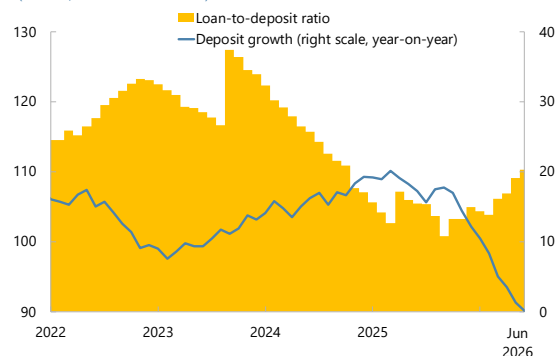


Sources: National Bank of Cambodia; and IMF staff calculations.

Credit growth has slowed faster than deposits, bringing the loan-to-deposit ratio down.

LTD and Deposit Growth

(Percent, data as of June 2026)



Sources: Cambodian authorities; and IMF staff calculations.

High dollarization continues to limit monetary transmission.

Sectoral NPLs by Value

(Trillions of Cambodian riel)



Sources: Cambodian authorities.

Table 1. Cambodia: Selected Economic Indicators, 2025–31 1/

Per capita GDP (2025, US\$) : 2,818

Life expectancy (2024, years) : 71.0

Population (2025, million) : 17.8

Literacy rate (2022, percent) : 83.8

	2025	2026	2027	2028	2029	2030	2031
	Proj.						
Output and prices (annual percent change)							
GDP in constant prices	5.3	3.0	4.0	4.7	5.1	5.3	5.5
Inflation (end-year)	1.2	5.8	2.9	2.5	2.8	3.0	3.0
(Annual average)	2.5	5.6	3.1	2.5	2.8	3.0	3.0
Saving and investment balance (in percent of GDP)							
Gross national saving	27.8	23.4	25.3	26.4	27.5	28.4	29.2
Government saving	3.2	1.4	2.0	2.0	2.2	2.2	2.4
Private saving	24.7	22.0	23.4	24.4	25.3	26.2	26.8
Gross fixed investment	31.5	32.1	33.1	33.3	33.6	34.0	34.3
Government investment	4.6	4.7	5.2	5.2	5.3	5.3	5.3
Private investment	26.9	27.4	27.9	28.1	28.4	28.7	29.0
Money and credit (annual percent change, unless otherwise indicated)							
Broad money	12.8	3.9	6.4	6.8	7.9	8.1	8.4
Private sector credit	6.2	3.5	4.5	5.3	5.9	6.4	7.0
Velocity of money 2/	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Public finance (in percent of GDP)							
Revenue	15.0	14.6	14.6	14.6	14.6	14.6	14.6
Domestic revenue	14.5	14.2	14.2	14.3	14.3	14.3	14.4
Of which : Tax revenue	12.6	12.2	12.3	12.3	12.3	12.4	12.4
Grants	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Expenditure	16.0	17.5	17.4	17.5	17.4	17.3	17.3
Expense	11.4	12.8	12.2	12.3	12.1	12.1	12.0
Net acquisition of nonfinancial assets	4.6	4.7	5.2	5.2	5.3	5.3	5.3
Net lending (+)/borrowing(-)	-1.0	-2.9	-2.8	-2.9	-2.7	-2.7	-2.6
Net lending (+)/borrowing(-) excluding grants	-1.5	-3.3	-3.2	-3.2	-3.1	-3.0	-2.9
Net acquisition of financial assets 3/	0.9	-0.9	-1.1	-1.5	-0.4	-0.5	-0.6
Net incurrence of liabilities 4/	1.9	2.1	1.7	1.4	2.3	2.2	2.0
Balance of payments (in millions of dollars, unless otherwise indicated)							
Exports, f.o.b.	31,358	35,683	39,533	43,924	48,516	53,609	59,362
(Annual percent change)	17.2	13.8	10.8	11.1	10.5	10.5	10.7
Imports, f.o.b.	-36,932	-43,150	-46,917	-51,268	-55,746	-60,808	-66,513
(Annual percent change)	18.2	16.8	8.7	9.3	8.7	9.1	9.4
Current account (including official transfers)	-1,868	-4,733	-4,486	-4,318	-4,127	-4,003	-3,964
(In percent of GDP)	-3.7	-8.7	-7.8	-7.0	-6.2	-5.5	-5.1
Gross official reserves 5/	27,530	27,652	27,919	28,612	29,869	31,771	34,402
(In months of prospective imports)	8.9	7.7	7.1	6.7	6.4	6.3	6.2
Total public debt (in millions of dollars)	13,068	13,561	14,557	15,422	16,983	18,554	20,141
(In percent of GDP)	25.5	25.1	25.2	24.9	25.4	25.7	25.7
External debt (in millions of dollars, unless otherwise indicated)							
Public external debt	12,820	12,820	13,826	14,890	16,229	17,557	18,935
(In percent of GDP)	25.1	23.7	23.9	24.0	24.3	24.3	24.2
Public debt service	637	751	820	856	958	1,018	1,034
(In percent of exports of goods and services)	1.7	1.9	1.8	1.7	1.8	1.7	1.6
Nominal effective exchange rate (index, trade partners by CPI)	126.0	...	...	...	...	...	...
Real effective exchange rate (index, based on CPI)	132.8	...	...	...	...	...	...
Memorandum items:							
Nominal GDP (in billions of Riels)	205,757	218,292	233,149	250,271	269,927	291,860	316,501
(In millions of U.S. dollars)	50,659	54,180	57,752	61,993	66,862	72,295	78,398

Sources: Cambodian authorities; and IMF staff estimates and projections.

1/ Based on the rebased GDP.

2/ Ratio of nominal GDP to the average stock of broad money.

3/ Projections assume a drawdown in government deposits held at the National Bank of Cambodia.

4/ Includes statistical discrepancy.

5/ Includes unrestricted foreign currency deposits held at the National Bank of Cambodia.

Table 2. Cambodia: Medium-Term Macroeconomics Framework, 2022–31

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
				Est.						Proj.
Output and prices (percent change)										
GDP at constant prices	5.5	5.0	6.0	5.3	3.0	4.0	4.7	5.1	5.3	5.5
GDP deflator	2.3	3.9	2.3	3.5	3.0	2.7	2.5	2.6	2.7	2.8
Consumer prices (end-year)	2.9	2.7	3.0	1.2	5.8	2.9	2.5	2.8	3.0	3.0
Consumer prices (average)	5.3	2.1	0.8	2.5	5.6	3.1	2.5	2.8	3.0	3.0
Saving and investment balance (in percent of GDP)										
Gross national saving	15.7	34.6	32.7	27.8	23.4	25.3	26.4	27.5	28.4	29.2
Government saving	3.6	1.8	3.1	3.2	1.4	2.0	2.0	2.2	2.2	2.4
Private saving	12.1	32.8	29.6	24.7	22.0	23.4	24.4	25.3	26.2	26.8
Gross fixed investment	34.9	33.3	32.2	31.5	32.1	33.1	33.3	33.6	34.0	34.3
Government investment	5.6	5.9	5.2	4.6	4.7	5.2	5.2	5.3	5.3	5.3
Private investment 1/	29.3	27.4	27.0	26.9	27.4	27.9	28.1	28.4	28.7	29.0
Private credit growth (percent change)	18.6	3.9	3.9	6.2	3.5	4.5	5.3	5.9	6.4	7.0
Public finance (in percent of GDP)										
Revenue	18.3	16.2	15.1	15.0	14.6	14.6	14.6	14.6	14.6	14.6
Of which: Tax revenue	14.9	13.3	12.5	12.6	12.2	12.3	12.3	12.3	12.4	12.4
Grants	1.7	1.3	0.7	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Total expenditure	18.5	19.1	16.6	16.0	17.5	17.4	17.5	17.4	17.3	17.3
Expense	12.9	13.2	11.3	11.4	12.8	12.2	12.3	12.1	12.1	12.0
Net acquisition of nonfinancial assets	5.6	5.9	5.2	4.6	4.7	5.2	5.2	5.3	5.3	5.3
Net lending (+)/borrowing(-)	-0.3	-2.8	-1.4	-1.0	-2.9	-2.8	-2.9	-2.7	-2.7	-2.6
Net lending (+)/borrowing(-) excluding grants	-2.0	-4.1	-2.2	-1.5	-3.3	-3.2	-3.2	-3.1	-3.0	-2.9
Net acquisition of financial assets	2.8	0.1	1.2	0.9	-0.9	-1.1	-1.5	-0.4	-0.5	-0.6
Net incurrence of liabilities	3.1	2.9	2.7	1.9	2.1	1.7	1.4	2.3	2.2	2.0
Government deposits	13.6	12.5	12.9	13.4	11.8	9.9	7.7	6.8	5.7	4.7
Balance of payments (in percent of GDP, unless otherwise indicated)										
Exports (percent change) 2/	18.7	1.7	13.5	17.2	13.8	10.8	11.1	10.5	10.5	10.7
Imports (percent change) 3/	4.1	-17.0	17.7	18.2	16.8	8.7	9.3	8.7	9.1	9.4
Current account balance (including transfers)	-19.2	1.3	0.5	-3.7	-8.7	-7.8	-7.0	-6.2	-5.5	-5.1
Foreign direct investment	-8.7	-9.0	-9.2	-9.8	-10.7	-10.4	-10.3	-10.4	-10.5	-10.6
Other flows	-11.4	10.1	8.7	3.2	1.7	2.1	2.2	2.4	2.3	2.2
Overall balance	0.9	0.2	1.0	2.9	0.2	0.5	1.1	1.9	2.6	3.4
Gross official reserves (in millions of U.S. dollars) 4/	17,805	19,998	22,511	27,530	27,652	27,919	28,612	29,869	31,771	34,402
(In months of next year's imports)	6.7	9.0	8.6	8.9	7.7	7.1	6.7	6.4	6.3	6.2
Total public debt (in millions of U.S. dollars)	9,971	11,188	12,025	13,068	13,561	14,557	15,422	16,983	18,554	20,141
(In percent of GDP)	25.3	26.3	26.1	25.5	25.1	25.2	24.9	25.4	25.7	25.7
Public external debt (in millions of U.S. dollars)	9,971	11,188	11,912	12,820	12,820	13,826	14,890	16,229	17,557	18,935
(In percent of GDP)	25.3	26.3	25.9	25.1	23.7	23.9	24.0	24.3	24.3	24.2
Public external debt service (in millions of U.S. dollars)	420	442	449	637	751	820	856	958	1,018	1,034
(In percent of exports of goods and services)	1.6	1.6	1.4	1.7	1.9	1.8	1.7	1.8	1.7	1.6
Nominal effective exchange rate (index, trade partners by CPI)	122.4	123.3	126.0	126.0	...	...	...	...	...	...
Real effective exchange rate (index, based on CPI)	134.2	132.4	133.0	132.8	...	...	...	...	...	...

Sources: Cambodian authorities; and IMF staff estimates and projections.

1/ Includes nonbudgetary, grant-financed investment, and, from 2011, public-private partnerships in the power sector projects.

2/ Excludes re-exported goods.

3/ Excludes imported goods for re-export; from 2011, includes imports related to public-private power sector projects.

4/ Includes unrestricted foreign currency deposits held at the National Bank of Cambodia.

Table 3a. Cambodia: Balance of Payments, 2022–31 (BPM6)

(In millions of U.S. dollars, unless otherwise indicated)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
				Est.			Proj.			
Current account balance	-7,572	554	237	-1,868	-4,733	-4,486	-4,318	-4,127	-4,003	-3,964
Goods and services (net)	-9,253	-1,667	-2,603	-3,441	-6,061	-5,869	-5,772	-5,617	-5,576	-5,530
Balance on Goods	-8,820	-2,984	-4,487	-5,575	-7,467	-7,384	-7,344	-7,229	-7,199	-7,151
Credits (exports)	23,175	23,569	26,756	31,358	35,683	39,533	43,924	48,516	53,609	59,362
Of which : Garments	12,986	11,285	13,923	16,186	17,436	18,645	20,135	21,710	23,458	25,490
Debits (imports) 1/	-31,995	-26,553	-31,243	-36,932	-43,150	-46,917	-51,268	-55,746	-60,808	-66,513
Of which : Garments-related	-5,058	-4,737	-5,791	-6,095	-6,522	-6,928	-7,431	-7,958	-8,541	-9,217
Of which : Petroleum	-4,497	-4,260	-4,717	-4,361	-5,445	-5,115	-5,096	-5,181	-5,302	-5,452
Balance on Services	-433	1,317	1,884	2,134	1,406	1,515	1,572	1,613	1,623	1,621
Credits (services exports)	2,322	4,187	4,956	5,329	4,855	5,343	5,736	6,138	6,553	7,008
Of which : Travel (tourism)	1,418	3,083	3,635	3,878	3,339	3,544	3,788	4,030	4,269	4,527
Debits (services imports)	-2,754	-2,870	-3,072	-3,195	-3,449	-3,828	-4,163	-4,525	-4,930	-5,387
Primary income (net)	-1,550	-952	-358	-904	-918	-1,088	-1,202	-1,410	-1,551	-1,807
Secondary income (net)	3,231	3,174	3,198	2,476	2,246	2,471	2,656	2,900	3,124	3,372
Of which : Personal transfers — workers remittances (net)	2,382	2,301	2,397	1,826	1,379	1,605	1,763	1,933	2,116	2,305
Capital account (net)	209	140	126	188	178	169	165	140	130	120
Balance from Current and Capital Account	-7,363	694	362	-1,681	-4,555	-4,317	-4,153	-3,987	-3,873	-3,844
Financial account — net lending (+) / net borrowing (-)	-6,808	-515	-1,037	-1,854	-4,677	-4,583	-4,846	-5,244	-5,775	-6,475
Direct investment (net) 2/	-3,429	-3,806	-4,222	-4,960	-5,796	-5,988	-6,392	-6,957	-7,602	-8,331
Portfolio investment (net)	126	350	491	-147	473	521	500	500	500	500
Other investment (net)	-3,504	2,942	2,694	3,254	645	883	1,047	1,213	1,327	1,356
Net errors and omissions	907	-1,133	-959	1,284	0	0	0	0	0	0
Overall Balance	352	76	440	1,457	122	267	692	1,257	1,902	2,631
Reserve assets	352	76	440	1,457	122	267	692	1,257	1,902	2,631
Memorandum items:										
Gross official reserves (US\$ mn, end-period) 3/	17,805	19,998	22,511	27,530	27,652	27,919	28,612	29,869	31,771	34,402
Gross official reserves (percent of GDP)	45.1	47.2	48.8	54.3	51.0	48.3	46.2	44.7	43.9	43.9
Gross official reserves (months of imports)	6.7	9.0	8.6	8.9	7.7	7.1	6.7	6.4	6.3	6.2

Sources: Cambodian authorities; and IMF staff estimates and projections.
1/ From 2011, includes imports related to public-private power sector projects.
2/ From 2011, includes FDI related to public-private power sector projects.
3/ Includes unrestricted FCDs held at the NBC.

Table 3b. Cambodia: Balance of Payments, 2022–31 (BPM6)

(In percent of GDP, unless otherwise indicated)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
				Est.			Proj.			
Current account balance	-19.2	1.3	0.5	-3.7	-8.7	-7.8	-7.0	-6.2	-5.5	-5.1
Goods and services (net)	-23.4	-3.9	-5.6	-6.8	-11.2	-10.2	-9.3	-8.4	-7.7	-7.1
Balance on Goods	-22.4	-7.0	-9.7	-11.0	-13.8	-12.8	-11.8	-10.8	-10.0	-9.1
Credits (exports)	58.7	55.6	58.0	61.9	65.9	68.5	70.9	72.6	74.2	75.7
<i>Of which</i> : Garments	32.9	26.6	30.2	32.0	32.2	32.3	32.5	32.5	32.4	32.5
Debits (imports) 1/	-81.1	-62.6	-67.8	-72.9	-79.6	-81.2	-82.7	-83.4	-84.1	-84.8
<i>Of which</i> : Garments-related	-12.8	-11.2	-12.6	-12.0	-12.0	-12.0	-12.0	-11.9	-11.8	-11.8
<i>Of which</i> : Petroleum	-11.4	-10.0	-10.2	-8.6	-10.1	-8.9	-8.2	-7.7	-7.3	-7.0
Balance on Services	-1.1	3.1	4.1	4.2	2.6	2.6	2.5	2.4	2.2	2.1
Credits (services exports)	5.9	9.9	10.8	10.5	9.0	9.3	9.3	9.2	9.1	8.9
<i>Of which</i> : Travel (tourism)	3.6	7.3	7.9	7.7	6.2	6.1	6.1	6.0	5.9	5.8
Debits (services imports)	-7.0	-6.8	-6.7	-6.3	-6.4	-6.6	-6.7	-6.8	-6.8	-6.9
Primary income (net)	-3.9	-2.2	-0.8	-1.8	-1.7	-1.9	-1.9	-2.1	-2.1	-2.3
Secondary income (net)	8.2	7.5	6.9	4.9	4.1	4.3	4.3	4.3	4.3	4.3
<i>Of which</i> : Personal transfers — workers remittances (net)	6.0	5.4	5.2	3.6	2.5	2.8	2.8	2.9	2.9	2.9
Capital account (net)	0.5	0.3	0.3	0.4	0.3	0.3	0.3	0.2	0.2	0.2
Balance from Current and Capital Account	-18.7	1.6	0.8	-3.3	-8.4	-7.5	-6.7	-6.0	-5.4	-4.9
Financial account — net lending (+) / net borrowing (-)	-17.3	-1.2	-2.2	-3.7	-8.6	-7.9	-7.8	-7.8	-8.0	-8.3
Direct investment (net) 2/	-8.7	-9.0	-9.2	-9.8	-10.7	-10.4	-10.3	-10.4	-10.5	-10.6
Portfolio investment (net)	0.3	0.8	1.1	-0.3	0.9	0.9	0.8	0.7	0.7	0.6
Other investment (net)	-8.9	6.9	5.8	6.4	1.2	1.5	1.7	1.8	1.8	1.7
Net errors and omissions	2.3	-2.7	-2.1	2.5	0.0	0.0	0.0	0.0	0.0	0.0
Overall Balance	0.9	0.2	1.0	2.9	0.2	0.5	1.1	1.9	2.6	3.4
Reserve assets	0.9	0.2	1.0	2.9	0.2	0.5	1.1	1.9	2.6	3.4
Memorandum items:										
Gross official reserves (US\$ mn, end-period) 3/	17,805	19,998	22,511	27,530	27,652	27,919	28,612	29,869	31,771	34,402
Gross official reserves (percent of GDP)	45.1	47.2	48.8	54.3	51.0	48.3	46.2	44.7	43.9	43.9
Gross official reserves (months of imports)	6.7	9.0	8.6	8.9	7.7	7.1	6.7	6.4	6.3	6.2

Sources: Cambodian authorities; and IMF staff estimates and projections.
 1/ From 2011, includes imports related to public-private power sector projects.
 2/ From 2011, includes FDI related to public-private power sector projects.
 3/ Includes unrestricted FCDs held at the NBC.

Table 4. Cambodia: General Government Operations, 2021–2031 (GFSM 2014)

	2021	2022	2023	2024	2025	2026		2027	2028	2029	2030	2031
					Est.	Budget	Proj.			Proj.		
Revenue	23,842	29,664	28,264	28,527	30,950	32,036	31,883	33,999	36,583	39,492	42,702	46,357
<i>Of which: Nongrant</i>	22,112	26,877	26,047	27,190	29,919	31,520	30,974	33,078	35,666	38,574	41,784	45,436
Tax	19,875	24,187	23,118	23,655	25,966	27,126	26,668	28,597	30,814	33,326	36,136	39,297
Income, profits, and capital gains	6,219	7,653	8,194	7,820	8,091	8,843	9,020	9,642	10,359	11,181	12,100	13,132
Good and services	11,343	13,780	12,175	12,953	15,329	15,765	14,735	15,785	16,994	18,382	19,934	21,680
International trade and transactions	2,131	2,549	2,517	2,702	2,380	2,322	2,759	3,006	3,284	3,571	3,896	4,261
Grants	1,730	2,786	2,218	1,338	1,031	516	908	920	918	917	918	921
Other revenues	2,237	2,690	2,928	3,535	3,953	4,394	4,306	4,481	4,852	5,249	5,648	6,138
Total expenditure	31,649	30,136	33,186	31,257	32,972	40,453	38,257	40,630	43,798	46,858	50,624	54,683
Expense	21,680	20,967	22,946	21,406	23,434	26,789	28,009	28,506	30,719	32,681	35,219	37,893
Compensation of employees	8,967	9,311	10,254	10,135	10,233	10,880	10,940	11,613	12,388	13,278	14,267	15,374
Purchase of goods and services	6,266	4,996	5,200	5,509	3,980	5,381	5,070	5,343	5,658	6,019	6,418	6,863
Interest	403	439	473	514	531	771	578	743	819	860	986	1,115
Expense not elsewhere classified	6,044	6,220	7,020	5,249	8,690	9,757	11,422	10,808	11,853	12,524	13,547	14,542
<i>Of which: Social benefits</i>	4,242	4,009	4,136	3,534	3,127	3,474	4,372	3,892	4,100	4,339	4,602	4,893
Net acquisition of nonfinancial assets	9,969	9,170	10,240	9,851	9,538	13,664	10,248	12,124	13,079	14,177	15,406	16,790
<i>Of which: Externally financed</i>	5,230	6,900	6,823	6,824	6,825	...	6,826	4,366	4,521	5,559	5,430	5,551
Net lending (+)/borrowing(-)	-7,807	-473	-4,922	-2,730	-2,022	-8,417	-6,374	-6,632	-7,215	-7,366	-7,922	-8,326
Net acquisition of financial assets 1/	-4,396	4,620	168	2,273	1,944	-250	-1,880	-2,614	-3,720	-1,066	-1,581	-1,917
Net incurrence of liabilities	3,385	5,093	5,089	5,003	3,967	8,167	4,494	4,018	3,495	6,300	6,341	6,409
<i>Of which: foreign</i>	3,572	4,042	4,709	4,953	4,058	6,053	2,501	4,062	4,294	5,405	5,360	5,564
<i>Of which: domestic</i>	-187	1,050	381	50	-92	2,114	1,993	-44	-800	895	981	845
Revenue	16.1	18.3	16.2	15.1	15.0	14.7	14.6	14.6	14.6	14.6	14.6	14.6
Nongrant	14.9	16.5	15.0	14.4	14.5	14.4	14.2	14.2	14.3	14.3	14.3	14.4
Tax	13.4	14.9	13.3	12.5	12.6	12.4	12.2	12.3	12.3	12.3	12.4	12.4
Income, profits, and capital gains tax	4.2	4.7	4.7	4.1	3.9	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Good and services tax	7.7	8.5	7.0	6.9	7.5	7.2	6.8	6.8	6.8	6.8	6.8	6.8
International trade and transactions tax	1.4	1.6	1.4	1.4	1.2	1.1	1.3	1.3	1.3	1.3	1.3	1.3
Grants	1.2	1.7	1.3	0.7	0.5	0.2	0.4	0.4	0.4	0.3	0.3	0.3
Other revenues	1.5	1.7	1.7	1.9	1.9	2.0	2.0	1.9	1.9	1.9	1.9	1.9
Total expenditure	21.4	18.5	19.1	16.6	16.0	18.5	17.5	17.4	17.5	17.4	17.3	17.3
Expense	14.6	12.9	13.2	11.3	11.4	12.3	12.8	12.2	12.3	12.1	12.1	12.0
Compensation of employees	6.0	5.7	5.9	5.4	5.0	5.0	5.0	5.0	5.0	4.9	4.9	4.9
Purchase of goods and services	4.2	3.1	3.0	2.9	1.9	2.5	2.3	2.3	2.3	2.2	2.2	2.2
Interest	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Expense not elsewhere classified	4.1	3.8	4.0	2.8	4.2	4.5	5.2	4.6	4.7	4.6	4.6	4.6
<i>Of which: Social benefits</i>	2.9	2.5	2.4	1.9	1.5	1.6	2.0	1.7	1.6	1.6	1.6	1.5
Net acquisition of nonfinancial assets	6.7	5.6	5.9	5.2	4.6	6.3	4.7	5.2	5.2	5.3	5.3	5.3
<i>Of which: Externally-financed</i>	3.5	4.2	3.9	3.6	3.3	...	3.1	1.9	1.8	2.1	1.9	1.8
Net lending (+)/borrowing(-)	-5.3	-0.3	-2.8	-1.4	-1.0	-3.9	-2.9	-2.8	-2.9	-2.7	-2.7	-2.6
Net acquisition of financial assets 1/	-3.0	2.8	0.1	1.2	0.9	-0.1	-0.9	-1.1	-1.5	-0.4	-0.5	-0.6
Net incurrence of liabilities	2.3	3.1	2.9	2.7	1.9	3.7	2.1	1.7	1.4	2.3	2.2	2.0
<i>Of which: foreign</i>	2.4	2.5	2.7	2.6	2.0	2.8	1.1	1.7	1.7	2.0	1.8	1.8
<i>Of which: domestic</i>	-0.1	0.6	0.2	0.0	0.0		0.9	0.0	-0.3	0.3	0.3	0.3
Memorandum items:												
Net lending (+)/borrowing(-) excluding grant	-6.4	-2.0	-4.1	-2.2	-1.5	-4.1	-3.3	-3.2	-3.2	-3.1	-3.0	-2.9
Government deposits	13.3	13.6	12.5	12.9	13.4	...	11.8	9.9	7.7	6.8	5.7	4.7
GDP (in billions of riels)	148,224	162,505	174,027	188,766	205,757	...	218,292	233,149	250,271	269,927	291,860	316,501

Sources: Cambodian authorities; and IMF staff estimates and projections.

1/ Projections assume a drawdown in government deposits held at the National Bank of Cambodia.

Table 5. Cambodia: Monetary Survey, 2021–31

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
					Est	Proj.						
	(In billions of riel)											
Net foreign assets	57,063	39,490	61,234	92,559	132,359	135,760	140,404	147,425	157,399	170,437	186,531	
Claims on nonresidents	100,121	90,573	107,950	127,581	158,303	155,200	160,060	167,135	177,417	190,961	208,225	
Central Bank	82,553	73,297	81,686	90,601	110,469	111,406	112,483	115,279	120,354	128,034	138,655	
Other depository corporations	17,569	17,276	26,264	36,980	47,834	43,794	47,576	51,856	57,063	62,927	69,570	
Liabilities to nonresidents	-43,058	-51,082	-46,715	-35,021	-25,945	-19,440	-19,656	-19,709	-20,018	-20,524	-21,694	
Central Bank	-1,436	-1,381	-1,382	-1,324	-1,385	-1,385	-1,385	-1,385	-1,385	-1,385	-1,385	
Other depository corporations	-41,622	-49,701	-45,333	-33,697	-24,559	-18,055	-18,271	-18,324	-18,633	-19,139	-20,309	
Net domestic assets	104,168	134,945	134,863	137,294	126,558	133,962	146,623	159,186	173,294	187,126	201,221	
Net claims on central government	-19,556	-21,934	-21,401	-23,880	-26,572	-24,692	-22,078	-18,358	-17,291	-15,711	-13,794	
Claims on state and local government	0	0	0	0	0	0	0	0	0	0	0	
Claims on public nonfinancial corporations	1	1	31	1	3	3	3	3	3	3	3	
Claims on nonbank financial institutions	4,568	5,208	4,364	2,605	2,682	2,775	2,899	3,053	3,232	3,438	3,679	
Claims on private sector	183,729	217,898	226,461	235,316	249,958	258,707	270,252	284,593	301,276	320,503	342,976	
Capital and reserves (-)	58,637	59,645	66,610	70,725	90,626	93,377	97,453	102,493	108,374	115,093	122,868	
Other items, net (-, including discrepancy)	5,937	6,582	7,982	6,024	8,886	9,454	7,001	7,612	5,552	6,014	8,776	
Broad Money	158,939	171,962	193,530	227,445	256,781	266,861	283,981	303,359	327,184	353,770	383,638	
Currency in circulation	14,575	14,138	14,975	14,551	17,817	18,559	19,822	21,278	22,949	24,813	26,908	
Transferable deposits	2,346	2,415	2,355	2,831	3,828	4,063	4,411	4,806	5,287	5,827	6,440	
Other deposits	142,018	155,409	176,201	210,063	235,135	244,240	259,748	277,275	298,949	323,129	350,289	
Securities	0	0	0	0	0	0	0	0	0	0	0	
Other liabilities	2,293	2,474	2,567	2,408	2,136	2,862	3,045	3,253	3,508	3,794	4,114	
	(Annual percentage change)											
Net foreign assets	-15.3	-30.8	55.1	51.2	43.0	2.6	3.4	5.0	6.8	8.3	9.4	
Net domestic assets	46.7	29.5	-0.1	1.8	-7.8	5.9	9.5	8.6	8.9	8.0	7.5	
Claims on private sector	24.3	18.6	3.9	3.9	6.2	3.5	4.5	5.3	5.9	6.4	7.0	
Broad money	16.4	8.2	12.5	17.5	12.8	3.9	6.4	6.8	7.9	8.1	8.4	
Memorandum items												
Velocity (GDP/broad money)	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
Riel per U.S. dollar (end of period)	4,116	4,121	4,088	4,102	4,021	...	...	...	...	...	...	
Sources: Cambodian authorities; and IMF staff estimates.												

Sources: Cambodian authorities; and IMF staff estimates.

Table 6. Cambodia: Financial Soundness Indicators, 2019-2026Q1
(In percent)

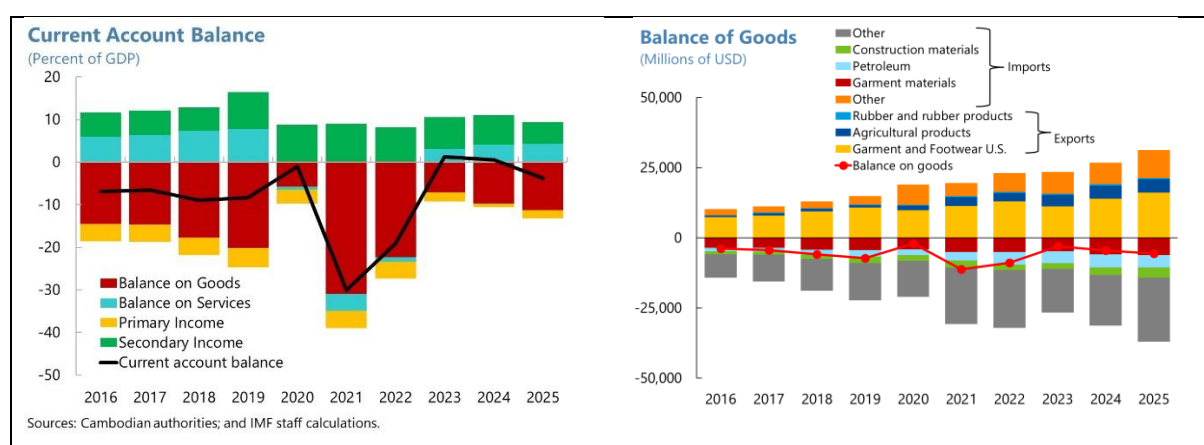
	2019	2020	2021	2022	2023	2024	2025	2026Q1
Core FSIs								
Regulatory capital to risk-weighted assets	21.77	22.66	22.31	21.66	22.52	22.41	21.98	23.43
Tier 1 capital to risk-weighted assets	18.80	19.62	19.27	18.80	19.74	19.97	19.44	20.91
Nonperforming loans net of provisions to capital	3.10	3.35	2.43	4.61	9.59	15.54	18.03	18.05
Capital to assets (leverage ratio)	13.55	14.21	14.44	14.92	15.13	14.36	14.10	15.12
Nonperforming loans to total gross loans	1.55	1.82	1.74	2.71	5.13	6.56	7.84	8.21
Provisions to nonperforming loans	52.05	53.96	66.16	59.68	53.11	41.70	42.17	41.50
Return on assets	1.75	1.69	1.95	2.45	1.02	1.16	1.36	1.65
Return on equity	6.56	6.63	7.93	9.93	3.42	4.61	5.43	7.51
Interest margin to gross income	54.91	38.57	41.77	32.26	32.32	82.94	84.05	83.81
Liquid assets to total assets	16.02	16.67	15.34	11.75	14.63	14.23	13.36	12.12
Additional FSIs								
Large exposures to capital	47.79	39.55	41.93	39.66	30.41	38.08	43.36	34.18
FX loans to total loans	87.73	86.92	87.34	87.58	87.24	87.30	86.96	86.87
FX liabilities to total liabilities	89.46	88.85	88.97	88.16	87.14	87.19	86.39	86.94
Residential real estate loans to total gross loans	8.78	9.30	10.13	10.06	10.54	11.23	10.61	10.45
Commercial real estate loans to total gross loans	0.5	0.6	0.6	0.7	1.3	0.8	0.78	0.79

Sources: IMF Financial Soundness Indicators.

Annex I. External Sector Assessment¹

Cambodia's external position in 2025 is assessed to be broadly in line with the level implied by medium-term fundamentals and desirable policies. The current account balance shifted from a small surplus in 2024 to a deficit of about 3.7 percent of GDP in 2025, reflecting a sharp decline in remittances following the return of migrant workers from Thailand and a strong increase in imports associated with foreign direct investment (FDI) inflows and investment projects financed by public-private partnerships (PPPs). International reserves remained at comfortable levels, covering about nine months of imports. The position is expected to deteriorate in 2026 reflecting the terms-of-trade shock from the Middle East conflict, markedly weaker tourism, and a more persistent decline in remittances. The assessment remains subject to considerable uncertainty given persistent data gaps in external statistics, evidenced by high and volatile errors and omissions in the balance of payments.²

1. The current account (CA) shifted from a surplus of 0.5 percent of GDP in 2024 to a deficit of 3.7 percent in 2025, reflecting multiple simultaneous shocks. Import growth outpaced robust export growth, which was driven by garments in 2025H1—partly due to tariff-related frontloading—and by non-garment categories in 2025H2, supported by the authorities' efforts to diversify the export base. Imports reflected strong FDI inflows and PPP-financed infrastructure projects, which drove up imports of construction materials, vehicles, and auto parts. Tourism receipts held up despite a sharp fall in arrivals, reflecting a shift toward higher-spending, long-haul visitors. Remittances declined by 1.6 percentage points of GDP following the return of nearly one million migrant workers, contributing to a fall in private savings. Early 2026 data points to continued deterioration of the external position, amid a negative terms-of-trade shock as the Middle East conflict drives up energy and food prices, a significant fall in tourism arrivals, and the full-year impact of the remittance shock.

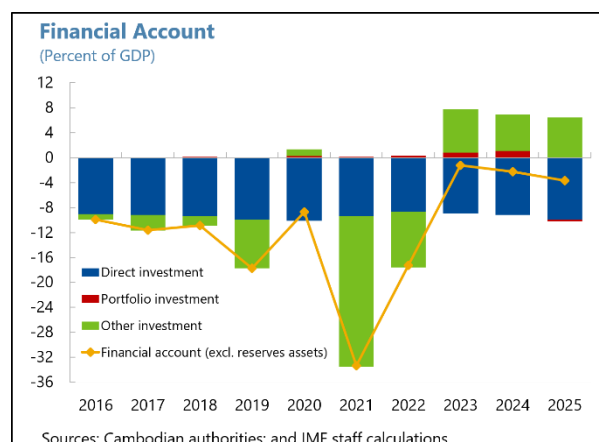


¹ Prepared by Carlos Pelaez Gomez (FIN).

² Net errors and omissions (NEOs) reached 2.5 percent of GDP in 2025, reflecting a sizable discrepancy in the BOP statistics, with a large shift in NEOs from minus 2.1 percent of GDP in 2024. Despite the size and the volatility of NEOs, the BOP statistics cannot identify illicit flows (e.g., scam-related cross-border flows).

2. The financial account continued to record strong net inflows in 2025, amid heightened volatility in other investment flows. FDI inflows remained robust at around 10 percent of GDP. A notable structural feature of the financial account, observed since 2023, has been the substantial accumulation of foreign assets by the commercial banks. Recurring other investment outflows reflect heightened financial sector vulnerabilities amid prolonged market corrections in real estate and construction. The risk of a sudden reversal in capital flows has also increased amid financial sector vulnerabilities and a narrow growth

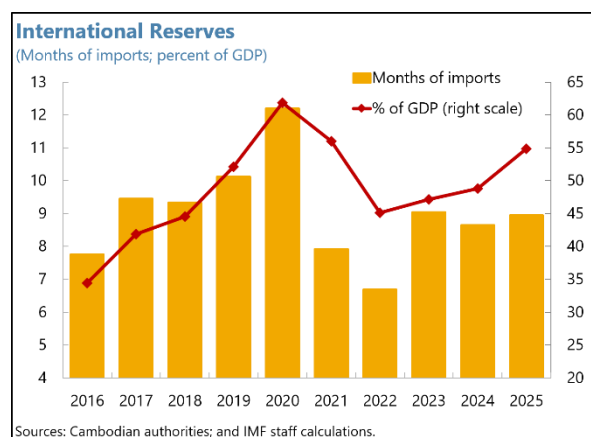
model heavily reliant on garment exports. These structural characteristics leave the economy highly sensitive to external shocks, shifts in investor sentiment, and domestic financial sector developments.



3. International reserves increased in 2025, and coverage remained adequate.

Gross international reserves (GIR) increased by 22.3 percent (US\$ 5.1 billion) in 2025, owing to positive inflows from the financial account, particularly from foreign direct investment, and gold valuation gains. By end-2025, GIR stood at 55 percent of GDP, covering 8.9 months of imports. This level exceeds the Assessing Reserve Adequacy (ARA) metric for credit-constrained economies, which implies an

optimal threshold of 4 months of imports. Maintaining a high level of international reserves remains advisable for a highly export-dependent economy like Cambodia with a managed float exchange rate regime and a high degree of dollarization. The *de facto* exchange rate arrangement is classified as *stabilized*.



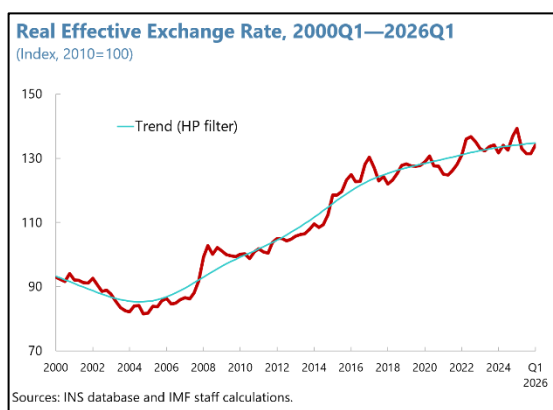
4. Cambodia's external position in 2025 is assessed to be broadly in line with the level implied by medium-term fundamentals and desirable policies.

The cyclically adjusted current account (CA) balance of -3.5 percent of GDP is closely aligned with the EBA-lite CA model norm of -3.6 percent of GDP, implying a CA gap close to zero. The negative norm reflects structural factors consistent with Cambodia's stage of development, including a negative net international investment position driven by strong FDI inflows, a relatively young working-age population, and persistent capital inflows that support a degree of external borrowing. While the current account was in line with its model-implied norm in 2025, it is expected to deteriorate sharply in 2026 amid the terms-of-trade shock from higher energy and food prices, decelerating garment exports, markedly weaker tourism receipts, and the full impact of the remittance shock.

Model Estimates for 2025 (in percent of GDP)		
	CA model 1/ (in percent of GDP)	REER model 1/ (in percent of GDP)
CA-Actual	-3.7	
Cyclical contributions (from model) (-)	0.1	
Natural disasters and conflicts (-)	-0.3	
Adjusted CA	-3.5	
CA Norm (from model) 2/	-3.6	
Adjustments to the norm (+)	0.0	
Adjusted CA Norm	-3.6	
CA Gap	0.1	-16.9
o/w Relative policy gap	2.8	
Elasticity	-0.5	
REER Gap (in percent)	-0.3	36.5
1/ Based on the EBA-lite 3.0 methodology		
2/ Cyclically adjusted, including multilateral consistency adjustments.		

5. The real effective exchange rate (REER) depreciated marginally in 2025, but remained broadly stable.

Prior to the implementation of the U.S. reciprocal tariffs in 2025H1, the REER appreciated somewhat, primarily reflecting modest appreciation in nominal effective exchange rate (NEER) amid strong accumulation in net foreign assets resulting from frontloaded exports, robust FDI inflows, and large PPP-financed infrastructure projects. The depreciation of major trading partner currencies against the US dollar—to which the riel is closely linked given high dollarization—also contributed. However, the REER reversed in 2025H2 and into 2026, primarily reflecting the NEER depreciation amid declining remittances and softer tourism receipts, alongside the appreciation of trading partner currencies against the U.S. dollar. The EBA-CA model implies a REER gap—the REER adjustment required to close the CA gap—with a minor undervaluation of -0.3 percent (applying an elasticity of -0.5), while the REER model implies an overvaluation of 36.5 percent based on an estimated CA gap of -17 percent of GDP. The large discrepancy between the two models reflects well-known limitations of REER estimation for heavily dollarized economies with managed exchange rate regimes. Reflecting this and the broadly aligned CA assessment, staff's view is that the REER is broadly in line with fundamentals, consistent with the overall external position assessment, robust export performance and continued strong FDI. The assessment remains subject to considerable uncertainty given persistent data gaps in external statistics.



6. Notwithstanding the broadly aligned external position in 2025, policy attention should focus on building resilience against the projected deterioration in 2026 and on the structural factors that determine medium-term external sustainability. The assessment remains subject to considerable uncertainty due to persistent gaps in balance of payments (BOP) statistics, and improving data quality should remain a priority. Policies should continue to support broadening of the export base for diversification, raising productivity in tradable and non-tradable sectors, and facilitation labor reallocation following the return of migrant workers. Further efforts to promote capital deepening, including through measures to restore banks' balance sheets, could boost productivity growth by improving credit allocation and facilitating investment. Bolstering social safety nets and accelerating structural reforms will further support inclusive and sustainable growth and promote a more resilient external position that helps the economy withstand shocks.

Annex II. Implementation of Past Advice¹

Policies	2025 Article IV Recommendations	Actions since 2025 Article IV Consultations (As of May 18, 2026)
Policy Coordination	Near-term policies should cushion the impact of trade and border-related shocks while laying the foundations for medium-term reforms to strengthen resilience.	- The authorities loosened the fiscal stance in the short-term in response to shocks with a focus on social protection spending. The NBC lowered riel liquidity costs but pass-through was limited. - The 2026 Medium-Term Fiscal Framework adopted a gradual fiscal consolidation stance, with a broadly neutral stance envisaged from 2027. The authorities set fiscal anchors and operational rules, including a deficit ceiling of 3.5 percent of GDP in GFS format, and continued to prioritize macroeconomic stability, welfare, diversification, private sector development, human capital, digital and green development, and governance. - The Skills Development Fund supported training for more than 90,000 workers as of April 2026.
Fiscal Policy	Fiscal policy should provide temporary and targeted support to vulnerable households and displaced workers, but policy space should be restored in the medium term.	The authorities responded to the 2025 border conflict and return of migrant workers with targeted social support and financial-sector relief, including temporary loan moratoria, interest waivers, and debt restructuring for affected households, displaced persons, and returning workers. They avoided large-scale fiscal stimulus and retained the medium-term objective of fiscal consolidation. The Ministry of Labor implemented large scale placement programs and short training for returnees from Thailand.
	Revenue mobilization should remain a key priority through full implementation of third Revenue Mobilization Strategy, tax administration reforms, digitalization, customs modernization, PIT and VAT reform, planned excise reforms, and a gradual shift from tax holidays to cost-based investment incentives.	General Department of Taxation continued tax administration modernization through digitalization, taxpayer services, and risk-based compliance management, including expanded e-filing, e-payment, e-commerce tax, capital gains tax, online certificate and incentive requests, and invoice administration. Capital gains taxation is scheduled to begin in phases from January 2026, while PIT reform is planned for 2028-29. The General Department of Customs and Excise advanced customs modernization through revisions to the Customs Law, new transit procedures, e-payment expansion, ASYCUDA two-factor authentication, and removal of container scanning fees from May 2026.
	Expenditure efficiency should improve to support inclusive and sustainable growth, including through performance-informed budgeting, spending reviews, public administration reform, and stronger infrastructure	The authorities continued PFM reforms, including program and performance-oriented budgeting, execution reviews, financial management information system (FMIS)-enabled procedures, arrears and cash management reforms, and wider publication of Budget-in-Brief and open budget datasets.

¹ Prepared by Jochen Schmittmann, with inputs provided by Varith Proeung and Sophearom Chheang (Resident Representative Office in Phnom Penh).

Policies	2025 Article IV Recommendations	Actions since 2025 Article IV Consultations (As of May 18, 2026)
	governance and PPP risk management.	Ongoing strengthening of PPP oversight by the Ministry of Economy and Finance.
	Cash and debt management should be strengthened.	The Ministry of Economy and Finance is preparing a draft Public Debt Management Law, scheduled for promulgation in 2027. FMIS rollout has improved expenditure recording and payment processes, while cash forecasting has been strengthened with IMF TA and progress has been made under the Expenditure Arrears Management Roadmap 2025-28. The authorities continued implementation of the Public Debt Management Strategy 2024-28, publication of quarterly public debt bulletins and open debt datasets, and domestic bond issuance via the NBC platform.
	The costs and benefits of tax exemptions should be carefully analyzed and tax expenditure reporting strengthened.	The Tax Expenditure Working Group completed a preliminary tax expenditure study with Fund TA in late 2025. The study found extensive and costly tax expenditures, with fiscal costs concentrated in fuel excise relief, VAT exemptions, and business income tax holidays for qualified investment projects. A comprehensive tax expenditure report is planned by end-2026.
Monetary Policy	Monetary policy should remain agile and resume normalization at a pace calibrated to evolving economic conditions.	- The reserve requirement ratios in riel and US\$ are kept at 7 percent until the end of 2026 to support banking liquidity and economic activities. - A January 2026 Prakas on minimum reserve requirements allows banks to use riel liquidity more flexibly over a 42-day maintenance period. - The NBC lowered riel liquidity costs by reducing both the LPCO reference rate and marginal lending facility rate, narrowing the interest-rate corridor.
	Monetary transmission in riel should be strengthened.	NBC improved the liquidity forecasting framework, revised the official exchange-rate calculation to include bank-customer transactions under specified conditions, introduced an NBCP function for interbank money market transactions, began purchasing short-term government bonds in the open market, issued the Prakas on Emergency Liquidity Assistance in March 2026, and continued drafting a strategy to promote use of the riel.
Financial System Policy	Financial policy should facilitate a smooth exit from forbearance while strengthening supervisory capacity.	Loan restructuring under forbearance ended on December 31, 2025. NBC is monitoring asset quality at the system and institution level. The capital conservation buffer was raised to 2.5 percent under the November 2025 Prakas on Capital Buffer, and the July 2025 Prakas on Early Supervisory Intervention provides a framework for timely supervisory action.

Policies	2025 Article IV Recommendations	Actions since 2025 Article IV Consultations (As of May 18, 2026)
	Financial oversight and crisis preparedness should be strengthened through better asset-quality reporting, stress testing, early intervention, emergency liquidity assistance, reforms to foreclosure and insolvency frameworks, a bank resolution framework, deposit insurance, and stronger coordination on financial stability risks.	- NBC is working on Crisis Management Handbook (CMH), which serves as the guidance to coordinate communication and workflow in the pre-crisis and in-crisis phase. - Early Warning Indicators will also be developed, as part of the CMH, to monitor and detect system risk built-up, from which respective response measures will be calibrated to proactively manage the crises. - The National Financial Stability Sub-Committee is operational.
	Banking sector reforms should take precedence over any state-sponsored AMC; if AMCs are used, strong preconditions are needed, including realistic NPL valuation, governance, operational capacity, and a functioning legal regime.	- NBC issued the Prakas on Conditions for Asset Management Institutions in February 2026 which enables the establishment of private sector AMCs. - The Prakas on Emergency Liquidity Assistance was issued in March 2026. Together with the early supervisory intervention framework and ongoing review of deposit protection, these measures advance parts of the resolution toolkit
	Continued AML/CFT efforts are needed, including stronger supervision of banks and nonbanks, regulation of crypto-assets and digital payments, scrutiny of high-risk institutions, and action against proceeds from scam activities.	- The national ML/TF risk assessment was updated in 2025 while the national AML/CFT strategy is under development. These are aimed at supporting supervisors to better target higher-risk entities. - The development of a legal framework governing virtual assets is also underway.
Structural Policies	Structural reforms should diversify exports, deepen financial markets, improve human capital, expand SME access to finance, improve trade facilitation and licensing, strengthen governance and institutions, and support digital, green, logistics, and energy-sector upgrading.	- The authorities aim to support diversification through attracting investment in priority sectors including high-tech, digital industries, green energy (renewable energy such as solar and wind investment projects, data centers, EV-related factory), environmental management/circular economy, tourism, logistics. - Electricity tariffs remained stable, while rooftop solar remains constrained. - Various efforts to support SMEs are underway through development banks. Work on strengthening the education system is ongoing. Infrastructure upgrading is proceeding including the new Phnom Penh airport, port facilities, and roads.
Improve Data Quality and Coverage	Data limitations should be addressed to strengthen surveillance and risk assessment, including through stronger institutional capacity, better external and financial sector data, more timely and frequent	The National Institute of Statistics (NIS) was restructured in 2025 as a public administrative establishment. A ROSC mission took place in late 2025 and its report was published in February 2026. NIS is receiving TA from various providers including the IMF to strengthen its capacity.

Policies	2025 Article IV Recommendations	Actions since 2025 Article IV Consultations (As of May 18, 2026)
	macroeconomic indicators, and quarterly national accounts.	
Anti-corruption Legal Framework	Strengthening governance and the rule of law remains critical for sustaining inclusive growth and investor confidence.	• Draft Law on Access to Information is under development/review phase by the Ministry of Information and Ministry of Justice.

Annex III. Risk Assessment Matrix¹

Nature/source of the shock	Likelihood of risks	Impact	Policies to minimize impact
Global Risks			
Intensification of conflicts and geopolitical tensions	High: Intensified geopolitical tensions, weaker multilateralism, and other factors raise risks of military escalation and renewed or prolonged conflict, including in the Middle East. Further damage to infrastructure, disruptions to trade routes and supply chains, refugee flows, financial frictions, and commodity and financial market volatility weigh on growth and fuel inflation.	High: A more persistent conflict could sustain energy and supply-chain disruptions, keeping fuel, fertilizer, and food prices elevated, worsening inflation and the external balance, raising food-security risks, and tightening real financial conditions through U.S. dollar strength and market volatility.	Scale up support through existing social assistance channels and priority spending, while avoiding broad price subsidies that weaken incentives and erode buffers. Finance additional support where possible through concessional and development partner financing, not arrears or untargeted borrowing. Preserve orderly liquidity conditions, with clear communication to contain confidence effects.
Trade-related risks: Protectionism and trade disruptions	Medium: Tariff increases and nontariff restrictions weigh on growth, and measures targeting upstream sectors or critical inputs generate supply bottlenecks impacting output and prices. Retaliatory measures amplify costs and disrupt global supply chains.	High: Lower external demand, tighter rules of origin, or higher tariffs could reduce garment and non-garment exports, compress margins, delay FDI, and weaken employment in SEZs and related sectors.	Diversify export markets and products; strengthen rules-of-origin compliance and customs modernization; improve trade facilitation, logistics, and business regulation; support affected workers through targeted transfers, job matching, and skills programs.
Renewed Energy Price Pressures.	High: A re-escalation of geopolitical tensions and tighter inventories increase energy prices and volatility, with potential nonlinearities.	High: Higher energy prices would pass rapidly into domestic prices, squeeze real incomes, raise production and logistics costs, widen the external deficit, and increase the fiscal cost of fuel and social support.	Replace broad fuel price cushioning with targeted support; preserve price signals while protecting vulnerable households; strengthen fuel inventories, energy efficiency, renewables, regional power trade, and climate-resilient agriculture and logistics.
Labor shortages and remittances	Medium: Tighter immigration policies deepen labor shortages in aging economies, weighing on output, inflation, and fiscal balances. Origin countries face lower remittances, and weaker external positions, with potential medium term mitigation from a larger domestic labor force.	High: Lower remittances would weaken household incomes, debt-servicing capacity, domestic demand, and the current account. Returning workers could partly ease labor constraints over time if absorbed into productive employment.	Scale up job matching, skills recognition, short-cycle training, and mobility across sectors; protect vulnerable households through targeted transfers; strengthen labor-market data and remittance monitoring.
Climate change	Medium: Extreme climate events and rising temperatures could cause loss of life, damage to infrastructure, food insecurity, supply disruptions,	Medium: Floods, droughts, heat stress, and El Niño conditions could disrupt agriculture, damage transport and logistics, infrastructure, weaken hydropower reliability, raise food	Invest in climate-resilient infrastructure, irrigation, logistics, early-warning systems, and disaster-risk financing; improve energy security through renewables,

¹ The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path (the scenario most likely to materialize in the view of IMF staff). The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. "Short term" and "medium term" are meant to indicate that the risk could materialize within 1 year and 3 years, respectively.

Nature/source of the shock	Likelihood of risks	Impact	Policies to minimize impact
	and heighten economic and financial instability.	prices, reduce rural incomes, and increase fiscal costs.	storage, regional power trade, and efficiency; strengthen targeted support mechanisms.
Domestic Risks			
Financial sector stress and real estate correction	Medium: Asset-quality deterioration, real estate price declines, and weak borrower repayment capacity intensify pressure on banks and nonbanks.	High: A sharper deterioration in asset quality could constrain credit, weaken confidence, amplify real estate price declines, and create liquidity pressures in weaker institutions.	Fully implement early supervisory intervention; ensure timely loss recognition, provisioning, and credible capital planning; avoid renewed broad forbearance; operationalize emergency liquidity assistance for solvent institutions with safeguards; resolve nonviable institutions promptly; and strengthen monitoring of real estate, connected lending, collateral valuation, and developer-financed mortgages.
Scam-linked financial integrity risks	Medium: Scam-related cross-border flows and weaknesses in ownership transparency, licensing, fit-and-proper safeguards, and crypto-asset oversight undermine confidence.	High: Scam-linked financial-integrity concerns could weaken depositor confidence, raise correspondent-banking pressures, damage tourism and investment sentiment, and amplify liquidity pressures in affected institutions.	Step up AML/CFT supervision and enforcement; review directors, beneficial owners, and senior management in banking and payment sectors against robust fit-and-proper standards; strengthen oversight of crypto-asset service providers and cross-border payments; improve inter-agency and international cooperation; and support financial investigations, asset tracing, and recovery.

Annex IV. Data Issues¹

Annex IV. Table 1. Cambodia: Data Adequacy Assessment for Surveillance							
Data Adequacy Assessment Rating ¹							
C							
Questionnaire Results ²							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Intersectoral Consistency	Median Rating
	C	C	C	C	B	B	C
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	C	C	C	B	C		
Granularity ³	C		C	C	B		
			C		B		
Consistency			C	C		B	
Frequency and Timeliness	D	C	C	A	A		
Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.							
¹ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.							
² The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF <i>Review of the Framework for Data Adequacy Assessment for Surveillance</i> , January 2024, Appendix I).							
³ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the financial soundness indicators.							
A	The data provided to the Fund is adequate for surveillance.						
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.						
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.						
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.						
Rationale for staff assessment. Overall, shortcomings in several macroeconomic datasets somewhat hamper surveillance, including national accounts, price statistics, fiscal statistics, monetary and financial statistics, and external sector statistics. The 2026 Data ROSC found that Cambodia's macroeconomic statistics do not yet meet several internationally recognized dissemination standards, with 18 of 21 SDDS data categories not meeting coverage, periodicity, or timeliness requirements. The absence of quarterly GDP and limited high-frequency indicators constrain timely assessment of activity, while the 2014 base year, absence of recent business or establishment surveys, and limited source data, weakens coverage of national accounts and expenditure-side GDP estimates. CPI weights remain outdated, based on the 2004 socio-economic survey, while price statistics suffer from limited component and geographic coverage and dissemination delays, despite regular CPI compilation. Fiscal statistics have coverage, classification, reconciliation, and dissemination limitations, including unpublished COFOG data and incomplete coverage and disclosure of SOEs, PPP-related obligations, arrears, and contingent liabilities. MFS coverage gaps for other financial corporations limit monitoring of nonbank intermediation. External sector statistics meet SDDS periodicity and timeliness requirements, but significant compilation gaps remain, including in direct investment, IIP coverage, goods and services estimates, travel services, external debt, and data validation and reconciliation. Data gaps also limit assessment of informal activity, labor-market developments, corporate balance sheets, real-estate exposures, and developer financing.							
Changes since the last Article IV consultation. The completion of the Data ROSC provides a comprehensive diagnostic of Cambodia's macroeconomic statistics and a prioritized reform agenda. The designation of the National Institute of Statistics as a Public Administration Establishment and the draft Institutional Development Plan are important steps toward strengthening the National Institute of Statistics governance, resources, data infrastructure, and quality assurance. Ministry of Economy and Finance							

¹ Prepared by Liangliang Zhu (APD) in coordination with the country team.

has continued to improve GFSM 2014-based fiscal statistics, government-deposit reconciliation, COFOG time series, and SOE sectorization, although these workstreams remain incomplete. The NBC has made progress compiling direct investment data from banks, but source data for nonfinancial corporations remain a major gap, while balance of payments and international investment position statistics continue to meet SDDS periodicity and timeliness requirements.

Corrective actions and capacity development priorities. Priorities should be guided by the Data ROSC and recent TA. Cross-cutting reforms include stronger intra- and inter-agency data sharing, transparent revision policies, a transition plan toward SDDS subscription, and better dissemination through machine-readable formats and improved metadata. Closing external sector data gaps will require stronger coordination among the National Institute of Statistics on remittances, the Ministry of Economy and Finance and the Council for the Development of Cambodia on direct investment and PPP-related flows, the Ministry of Tourism on travel services, and Customs on trade in goods. Priority statistical reforms include compiling quarterly GDP, updating CPI weights, improving fiscal statistics coverage and classification, publishing COFOG data, strengthening stock-flow reconciliation and disclosure of SOEs, PPP-related obligations, arrears, and contingent liabilities, expanding MFS coverage of other financial corporations, and improving source data and validation for direct investment, IIP, external debt, PPP-related flows, and travel services. A new or more regular labor force survey, complemented by timely administrative labor-market indicators, would strengthen monitoring of employment, informality, wages, job quality, and remittance-linked household vulnerabilities.

Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff. In the absence of official quarterly GDP, staff uses a nowcasting model developed with ICD technical assistance to assess near-term activity.

Other data gaps. Activities in the large informal economy are not adequately tracked. Labor-market data remain limited; the last full labor force survey was conducted in 2019. Administrative data on returnee job placement is useful but does not substitute for regular labor force survey data. Information on the corporate sector is limited, including firm balance sheets, related-party exposures, and real-estate financing by non-financial corporates. Comprehensive coverage on household borrowing and repayment capacity are lacking.

Annex IV. Table 2. Cambodia: Data Standards Initiatives

Cambodia participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its National Summary Data Page since May 2018.

Annex IV. Table 3. Cambodia: Common Indicators Required for Surveillance

As of July 16, 2026

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data ⁷	Frequency of Reporting ⁷	Expected Frequency ^{7,8}	Announced Frequency ⁹	Expected Timeliness ^{7,8}	Announced Timeliness ⁹
Exchange Rates	2026-07-15	2026-07-15	D	D	D	M	...	5W
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	2026-05	2026-06	M	M	...	...	...	...
Reserve/Base Money	2026-05	2026-06	M	M	M	M	2M	2M
Broad Money	2026-05	2026-06	M	M	M	M	1Q	2M
Central Bank Balance Sheet	2026-05	2026-06	M	M	M	M	2M	2M
Consolidated Balance Sheet of the Banking System	2026-05	2026-06	M	M	M	M	1Q	2M
Total assets of other depository corporations ²	2026-05	2026-06	M	M	...	M	...	2M
Total credit from other depository corporations ²	2026-05	2026-06	M	M	...	M	...	2M
Interest Rates ³	2026-07-15	2026-07-15	D	D	M	M	...	2M
Consumer Price Index	2026-05	2026-06	M	M	M	M	2M	15D

Annex IV. Table 3. Cambodia: Common Indicators Required for Surveillance (Concluded)*As of July 16, 2026*

Revenue, Expenditure, Balance and Composition of Financing ⁴ -General Government ⁵	2026-05	2026-07	M	M	A	M	3Q	1M
Revenue, Expenditure, Balance and Composition of Financing ⁴ -Central Government	2026-05	2026-07	M	M	Q	M	1Q	40D
Stocks of Central Government and Central Government-Guaranteed Debt ⁶	2025-12	2026-03	Q	Q	Q	A	2Q	9M
Total stock of General Government Debt ⁵	2025-12	2026-03	Q	Q	...	...	...	...
External Current Account Balance	2025-12	2026-03	Q	Q	Q	Q	1Q	1Q
Exports and Imports of Goods and Services	2025-12	2026-03	Q	Q	M	M	12W	2M
GDP/GNP	2025-12	2026-06	A	A	Q	A	1Q	6M
Gross External Debt	2025-12	2026-03	Q	Q	Q	Q	2Q	1Q
International Investment Position	2025-12	2026-03	Q	Q	A	Q	3Q	1Q

¹ Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

² Other depository corporations include all deposit-taking corporations (except for the central bank) and money market funds.

³ Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

⁴ Foreign, domestic bank, and domestic non-bank financing.

⁵ The general government consists of the central government (budgetary funds, extra-budgetary funds, and social security funds) and state and local governments. The total stock of general government debt is required for SDDS Plus countries and encouraged for SDDS and e-GDDS countries.

⁶ Including currency and maturity composition.

⁷ Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual; ("SA") semi-annual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than.

⁸ Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan. Indicators that are not in the IMF Data Standards Initiatives are shown as "...".

⁹ Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (<https://dsbb.imf.org/>). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "...".

Annex V. Tackling Fraud, Human Trafficking and the Laundering of the Associated Proceeds¹

Fraud,² human trafficking and the laundering of the associated proceeds are issues which have become macroeconomically relevant for Cambodia (see ¶9 of the staff report). This annex reviews selected aspects of Cambodia's AML/CFT framework most relevant to tackling these problems with a view to advising the authorities on identifying priority reform areas and implementing them effectively for maintaining the integrity and stability of the financial system and confidence among depositors, prospective tourists, and investors. The analysis is primarily based on discussions held with the authorities and stakeholders during the mission. It also draws on several reports of the Financial Action Task Force (FATF) and the Asia Pacific Group (APG, the regional FATF-style body in Asia Pacific).

Background

1. Since 2020, Southeast Asia's scam economy has evolved into industrial-scale cyber-fraud compounds often using trafficked or coerced workers and generating substantial revenue laundered across the region. A 2025 regional UNODC's study estimated that the hundreds of industrial-scale scam centers operating in the Mekong region³ generated just under US\$40 billion in annual profits. It indicates that criminal profits from scam centers are typically laundered via casinos, shell companies, virtual-asset service providers (VASPs), underground banking, payment processors, and real estate, with proceeds moving across several jurisdictions in the region, and onward through regional and global financial hubs.⁴

2. Recently imposed sanctions and other enforcement action by foreign and the Cambodian authorities points to the potential involvement of Cambodian entities and individuals in scam and related criminal activities with macroeconomic implications. In October 2025, the US and UK authorities sanctioned the "Prince Group Transnational Criminal Organization", which is alleged to include Prince Bank (at the time, a Cambodian-licensed bank), Huione Group (which owns a licensed payment service institution (PSI) in Cambodia), and a few other associated entities including casinos, and filed a record forfeiture action involving about US\$15 billion in bitcoin allegedly owned by the Prince Group.⁵ U.S. action widened in April 2026 against a Cambodian senator and associated

¹ Prepared by Ke Chen (LEG).

² The words "fraud" and "scam" are used interchangeably in this note, as the former is often used in international reports while the latter is the official word used by the authorities to refer to the same criminal activities.

³ The Mekong region covered in the study includes Cambodia, Lao PDR, Myanmar, Thailand and Vietnam.

⁴ United Nations Office on Drugs and Crime (UNODC), [Casinos, cyber fraud, and trafficking in persons for forced criminality in Southeast Asia](#), September 2023; UNODC, ["Cyberfraud in the Mekong reaches inflection point. UNODC reveals,"](#) 21 April 2025; Financial Action Task Force (FATF), [Illicit Financial Flows from Cyber-enabled Fraud](#), 9 November 2023.

⁵ U.S. Department of the Treasury, "U.S. and U.K. Take Largest Action Ever Targeting Cybercriminal Networks in Southeast Asia," 14 October 2025; UK Foreign, Commonwealth & Development Office, "UK and US take joint action to disrupt major online fraud network," 14 October 2025; FinCEN, "FinCEN Issues Final Rule Severing Huione Group from the U.S. Financial System," 14 October 2025; U.S. Department of Justice, Eastern District of New York, "Chairman

(continued)

entities, including Anco Specialized Bank Ltd. and Heng Feng Cambodia Bank, both of which are Cambodian licensed banks.⁶ Several other jurisdictions in the region followed the U.S. and U.K. authorities by taking similar actions against entities and individuals allegedly tied to the Prince Group.⁷ The scale of the alleged scam activities in Cambodia and the associated money-laundering have highlighted how the vulnerabilities in Cambodia's AML/CFT framework have been exploited. Reactions of foreign and domestic actors to these sanctions have exposed the economy to macro significant implications, including enhanced due diligence by foreign correspondent banks on Cambodian banks and declines in deposits and tourist arrivals (see paragraphs 5 of the Staff Report).

3. The authorities fully acknowledge the extent of scam and related activities and have recently undertaken a number of actions to tackle them. They have intensified enforcement actions including raids of some scam compounds, deportation of foreign individuals involved, and freezing of bank accounts tied to alleged criminal activity. In April 2026, the authorities adopted the Law on Combating Online Scams, aimed for strengthening enforcement actions against scam activity and the associated money-laundering (ML). In addition, the authorities are in the process of formulating a national anti-scam strategy and will host an international conference on combating online scams.

Understanding of ML Risks Stemming from Fraud and Human Trafficking

4. Fraud and human trafficking have been identified among the main proceed-generating crimes, posing ML threats in Cambodia. In the 2025 updated National Risk Assessment Report on Money Laundering and Terrorist Financing (NRA), fraud was assessed to pose a medium-to-high level ML threat to Cambodia, while human trafficking is rated as posing a medium level threat, primarily based on domestic law enforcement data and case studies. In terms of sectoral vulnerabilities, PSI, casinos, real estate and lawyers were rated medium, while banks were assessed at medium-to-low vulnerabilities.

5. The authorities' understanding of the transmission channels by which the proceeds stemming from fraud and human trafficking are laundered has not facilitated targeted mitigation due to insufficient coordination. The Ministry of Justice (MOJ), which led the threat assessment as part of the NRA, considers banks, PSIs, and casinos to be most exposed to these threats. The threat assessment has been shared among the authorities. However, CAFIU (which acts as the financial intelligence unit or "FIU" of Cambodia as well as AML/CFT supervisor) does not hold any views on sectoral exposure to ML threats arising from scam and human trafficking beyond the aforementioned generic sectoral risk rating. No specific business lines, geographic regions or types of customers are considered most vulnerable to these threats. Although the threat assessment may

of Prince Group Indicted for Operating Cambodian Forced-Labor Scam Compounds Engaged in Cryptocurrency Fraud Schemes," 14 October 2025.

⁶ U.S. Department of the Treasury, "Treasury Sanctions Cambodian Senator Kok An and Scam Center Network Defrauding Americans," 23 April 2026; OFAC, "Counter Terrorism, Counter Narcotics, and Cyber-related Designations," 23 April 2026.

⁷ Singapore Police Force, "Police Seize Assets and Issue Prohibition of Disposal Orders in Money Laundering Investigation Relating to Transnational Scam Syndicate Prince Holding Group," 31 October 2025; Republic of Korea joint government release via Ministry of Economy and Finance / Financial Services Commission, "Announcement of Autonomous Sanctions on Southeast Asian Transnational Online Organized Crime," 27 November 2025.

contain some indications of the transmission channels⁸, it has not translated into the understanding of specific vulnerabilities or enabled targeted mitigation. This suggests a need for more work (supported by closer coordination) to better connect the threat assessment and the analysis of sectoral vulnerabilities to deepen the understanding of vulnerabilities specific to fraud and human trafficking. The authorities' understanding of fraud-related risks should also consider information that has subsequently come to light including through the aforementioned actions by foreign authorities. Such understanding should be shared among all key authorities to enable targeted mitigation.

6. The results of financial flow analysis (FFA)⁹ can help deepen the authorities' understanding of the cross-border corridor exploited by scammers to launder the criminal proceeds. Staff carried out FFA using SWIFT data for Cambodia and shared with the authorities during the mission. The analysis identifies large scale cross-border financial flows between Cambodia and certain other jurisdictions at various times, which significantly deviate from normal patterns and are unlikely explainable by legitimate trade and investment flows. The authorities are encouraged to use the results to enrich their understanding of the cross-border corridor to guide targeted mitigation, including by AML/CFT supervision and guiding the reporting entities' risk identification and management.

7. The AML/CFT national strategy should prioritize mitigations targeted at the proceeds of fraud and related activities and be fully integrated into the national anti-scam strategy to maximize synergy. The national AML/CFT strategy currently being developed should be informed by the deepened understanding of the fraud-related risks and effectively target such activities. The authorities expect the Law on Combating Online Scams to facilitate the pursuance of not only scam activities but associated ML and asset recovery. The extent to which this expectation will materialize remains to be seen. The national anti-scam strategy being developed expects to include a section on the ML aspects. This section should be informed by and closely aligned with the national AML/CFT strategy to maximize policy synergy (for instance on enhancing the use of financial intelligence in law enforcement efforts).

Measures to Prevent Criminals from Owning or Controlling Banks, Payment Institutions, and Casinos

8. To protect financial stability, an immediate priority is tackling the perception of criminal involvement in the financial sector. At a first level, the NBC should urgently review the profiles of directors, shareholders, senior managers, and beneficial owners of remaining licensed banks to identify any potential association with criminal activities and take action to address any concerns. In doing so, the NBC should use all available tools¹⁰ and seek information from other regulators and foreign authorities as warranted. These efforts should be closely coordinated with actions to operationalize the crisis management and resolution frameworks.

9. The existing licensing requirements for banks and PSIs are inadequate to ensure that new entrants are not tied to criminal activities. While Cambodia's AML/CFT law requires relevant

⁸ Staff was not provided a copy of the threat assessment due to the sensitivity of the specific cases discussed.

⁹ Maksym Markevych (LEG) conducted the analysis and presented the findings to the authorities.

¹⁰ This would entail identifying feasible actions under the existing legal framework to address any concerns revealed.

supervisory authorities to ensure that the management and shareholders of reporting entities are ‘fit and proper’, such requirements are not reflected in sectoral laws or implemented. The fit and proper requirements in Article 18 of the Law on Banking and Financial Institutions (LBFI) do not capture shareholders (except those who also act as directors) or beneficial owners. In addition, there are no requirements for the NBC to assess the source of funds or satisfy itself of the lawful origin of the funds involved in capitalizing new banks. The licensing framework governing PSIs is similarly deficient.

10. Not only is the scope of “fit and proper” requirements in licensing limited but the NBC’s review relies on limited information. NBC staff indicated that in practice, the fit and proper tests were done through reviewing “no criminal record” certificates submitted by applicants. Such certificates may not reflect whether the person is subject to any ongoing proceedings or investigations. The NBC rarely goes beyond reviewing such certificates by requesting additional information from the applicant or proactively conducting its own due diligence (e.g., engaging with foreign authorities). The Information held by CAFIU was also not sought or considered by the NBC in fit and proper tests until very recently.

11. Legal reforms should be prioritized to upgrade measures to prevent criminals or proceeds of crime from entering the banking and payment sectors in the future. The authorities acknowledge the loopholes in the market entry controls for banks and plan to revise the regulations. To lay a sound legal basis for robust fit and proper test, the authorities should also seek to amend the relevant laws (such as the LBFI) to ensure that (i) shareholders and beneficial owners (in addition to managers and directors) are subject to robust fit and proper tests; and (ii) the NBC satisfies itself of the lawful origin of the funds before issuing a banking license. The amended laws should also enable the NBC to take sufficient action to address any concerns about the fitness and propriety arising with an existing licensee.

12. In addressing the legal gaps in licensing banks and PSIs, the NBC should also ensure that robust diligence is performed, including through greater domestic and international cooperation. When conducting fit and proper tests for beneficial owners, directors and senior managers of an applicant and assessing the legitimacy of the source of funds, the NBC should investigate the business linkages of companies and individuals involved in the applicant. When an applicant’s other business is considered high-risk (e.g., casino operations, real estate businesses, etc.) or is associated with a politically exposed person (PEP), further due diligence may be needed, including through information exchange between regulators. In case of an applicant from abroad, seeking information from foreign authorities would be essential for the NBC to conduct a robust assessment against the upgraded licensing requirements.

13. Both the legal framework for preventing criminals from owning or controlling casinos and actual vetting is similarly deficient and should be rectified swiftly. The Law on the Management of Commercial Gambling (LMCG) only requires major shareholders (with 10% or more shares) and senior managers of an applicant to have “good reputation, characteristics, honesty and integrity”. In practice, the Commercial Gambling Management Commission of Cambodia (CGMC)’s assessment does not go beyond reviewing certificates of criminal records submitted by applicants. The LMCG should be amended to ensure that (i) beneficial owners and directors (in addition to managers and directors) are subject to robust fit and proper test; and (ii) the CGMC satisfies itself of the lawful

origin of the funds before issuing a license. Most existing licenses are expected to be renewed around 2027 ¹¹, offering a good opportunity to review the licensees against upgraded requirements.

14. Information sharing among regulators is critical for effective market entry controls. For all regulators, understanding of the business links of applicants should involve seeking information from other regulators in case an applicant's other businesses fall under their purview. This also applies within the NBC where different departments are responsible for licensing banks, PSIs and other regulated entities. Information sharing between licensing departments and supervision departments is also key in ensuring fit and proper on an ongoing basis by identifying potential concerns in supervision and addressing them in a timely manner.

AML/CFT Supervision of Banks, Payment Institutions, and Casinos

15. CAFIU, which also acts as the AML/CFT supervisor, should identify and understand ML/TF risks more proactively at both sectoral and entity levels to enable more targeted supervision. CAFIU's understanding of ML/TF risks, which informs its supervisory priorities, is narrowly based on the results of the previous 2018 NRA. The results of the 2025 NRA are yet to be incorporated into CAFIU's risk assessment. As such, PSIs are considered low-risk and receive only limited supervisory attention. CAFIU conducts entity-level risk assessments for banks and PSIs while similar models are being developed for casinos. However, only high-risk sectors identified in the last NRA (such as casinos, real estate developers), FATF grey-listed jurisdictions and PEPs are considered in the model. Some evolving risk factors highly relevant for Cambodia (such as transactions involving VAs, cross-border transfers, etc.) were not effectively captured.

16. Structural factors, such as group affiliation, are not incorporated into the CAFIU's risk assessment model, constituting a significant gap. An improved licensing framework and practices for banks, PSIs and casinos would enable the development of consolidated group profiles, capturing corporate linkages among licensees, which should be shared with CAFIU. CAFIU should then consolidate this information to understand the overall corporate structure and incorporate it in its supervisory plan. Such understanding would enable CAFIU to identify entities with higher risks due to structural factors (e.g., affiliated with high-risk businesses such as real estate developers), and to scope inspections accordingly including consolidated supervision at the group level when needed.

Regulation of Virtual Asset (VA) and Service Providers

17. A robust legal framework governing VA and service providers will help lay the ground for effective regulation of this sector. The VA sector is currently governed only by limited regulations without a sound legal basis. Several VASPs ¹² are operating in the sandbox set up by the Securities and Exchange Regulator of Cambodia (SERC) and subject to SERC supervision but have not been issued formal licenses. The authorities' ongoing efforts to develop a legal framework to regulate the VA sector are welcome and should be taken forward, including through formalizing the proposed task force to facilitate inter-agency coordination. Any resulting law should underpin robust market entry controls as discussed above, ensure a clearly regulatory framework covering all VASP activities

¹¹ The LMCG requires that every license is renewed every five years.

¹² These VASPs are engaged only in VA to VA trading. Exchange between VA and fiat and payment services using VA will likely be assigned to the NBC to license and oversee.

in line with the international standards, and provide sufficiently dissuasive sanctions against unauthorized VASPs. The law should also enable effective seizure, freezing and confiscation of virtual assets by LEAs and conviction of money laundering that involve VAs.

18. Upon enactment of the law, a priority should be to proactively identify unauthorized operators to keep them out of the market. The authorities are not aware of any unauthorized VASPs operating in Cambodia. They should identify and engage any such VASPs prior to the enactment of the legal framework to understand the market landscape and encourage operators to apply for licenses. Once the new law on VAs becomes effective, it will be critically important to ensure that unauthorized operators are kept out of the market, including by applying the sanctions granted by the law and taking other necessary actions to shut down their activities.¹³

Use of Financial Intelligence in Law Enforcement Efforts

19. CAFIU and the General Commissariat of National Police (GCNP) should work together to improve the use of financial intelligence in investigations of fraud and related activities. Over the past few years, fraud-related disseminations constitute about 20-25% of total disseminations by CAFIU. However, only a small percentage of the spontaneous disseminations resulted in investigations being initiated. CAFIU and GCNP should work together to understand the underlying reasons and improve the use of financial intelligence in investigations. CAFIU should also prioritize its analysis of fraud and related activities, informed by an improved understanding of risks.

20. CAFIU can make its strategic analysis more targeted at fraud and related activities. CAFIU produces and shares with LEAs annually a strategic analysis report, covering all major crimes. CAFIU is also considering publishing case studies. This is a welcome step and can be taken further by distilling trends, patterns, or red flags to help reporting entities better identify and mitigate risks associated with fraud and related activities.

21. Greater use of FIU-to-FIU channel to seek international cooperation will benefit the fight against scamming and related activities. CAFIU has sought information from foreign FIUs to support its analysis of fraud and related activities, albeit in a few instances only. Foreign FIUs, including acting on behalf of the LEAs of the foreign jurisdiction, are more actively seeking information from CAFIU. The AML/CFT national strategy should encourage greater use of the FIU-to-FIU channel, including by LEAs, to request information from foreign counterparts to better support production of financial intelligence and law enforcement efforts in Cambodia.

¹³ The authorities plan on working with local governments to identify and shut down unauthorized VASPs with a physical office and scanning social media to identify and block their websites. Apart from these, other useful options include, for instance, requiring banks and other regulated entities to report when they become aware of any potential unauthorized VASPs or prohibit them from dealing with unauthorized VASPs.



CAMBODIA

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

September 1, 2026

Prepared By

Asia and Pacific Department
(In consultation with other departments)

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FUND RELATIONS

(As of July 27, 2026)

Membership Status:

Joined December 31, 1969; accepted the obligations under Article VIII, Sections 2, 3, and 4 on January 1, 2002.

General Resources Account:	SDR Million	Percent Quota
Quota	175.00	100.00
Fund holdings of currency (Holdings Rate)	153.13	87.50
Reserve Tranche Position	21.88	12.50

SDR Department:	SDR Million	Percent Allocation
Net cumulative allocation	251.65	100.00
Holdings	259.47	103.11

Outstanding Purchases and Loans: None

Latest Financial Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
ECF ^{1/}	Oct. 22, 1999	Feb. 28, 2003	58.50	58.50
ECF ^{1/}	May 06, 1994	Aug. 31, 1997	84.00	42.00
^{1/} Formerly PRGF.				

Overdue Obligations and Projected Payments to the Fund ^{2/}
(SDR Million; based on existing use of resources and present holdings of SDRs):

	Forthcoming				
	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Principal					
Charges/Interest		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

^{2/} When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

Multilateral Debt Relief Initiative

As part of the Multilateral Debt Relief Initiative (MDRI), the IMF Executive Board on January 5, 2006, approved relief on 100 percent of debt incurred by Cambodia to the IMF before January 1, 2005. This resulted in the forgiving of all of Cambodia's outstanding debt to the IMF, a total of SDR 56.83 million

(about US\$82 million). The authorities intended to spend the resources over a number of years, initially on rural irrigation projects. The National Bank of Cambodia (NBC) transferred the full MDRI proceeds to the Ministry of Economy and Finance effective March 2006.

Safeguards Assessment

A voluntary safeguards assessment of the NBC was completed in January 2010 at the request of the authorities, which updated the previous March 2004 voluntary assessment. The update assessment found that the NBC had taken steps to strengthen aspects of its safeguards framework; however, important recommendations proposed in 2004 were still outstanding, and some new risks had emerged in the area of external audit.

Exchange Rate Arrangement

The currency of Cambodia is the Cambodian riel. Cambodia's de facto exchange rate arrangement is classified as *stabilized*. The *de jure* exchange rate arrangement is a *managed float*. The exchange rate regime comprises two rates: the official rate and the market rate. The official exchange rate, which is expressed in Riels per U.S. dollar, applies to all official external transactions conducted by the central government and state enterprises, and is used for accounting purposes by the NBC. It is determined by the foreign exchange market, with the official rate adjusted to be within 1 percent of the market rate on a daily basis.

Cambodia accepted the obligations of Article VIII, Sections 2, 3, and 4 of the IMF's Articles of Agreement. Cambodia maintains an exchange system that is free of multiple currency practices and restrictions on the making of payments and transfers for current international transactions.

Article IV Consultation

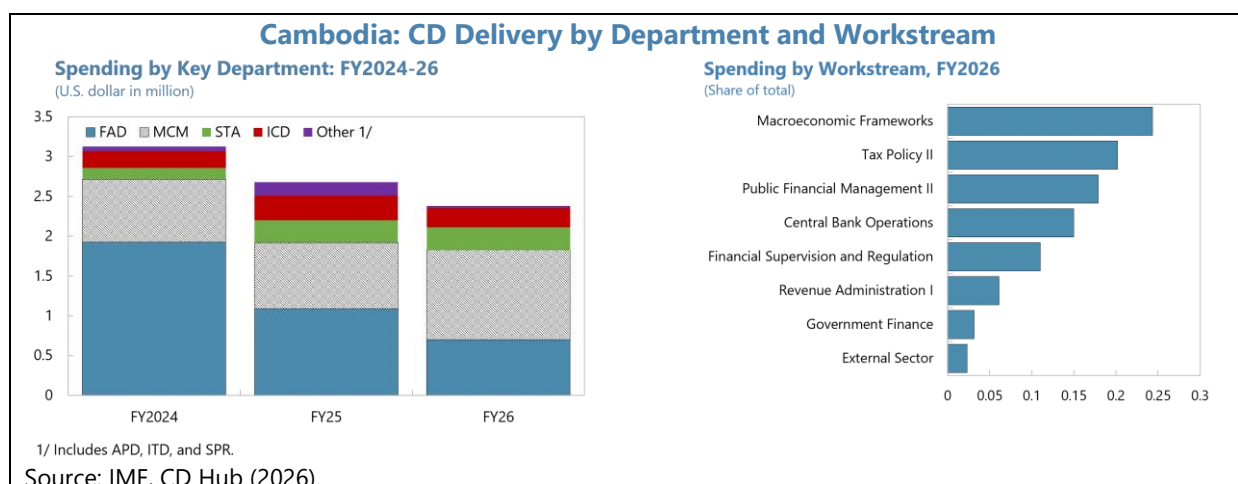
Cambodia is on the standard 12-month Article IV consultation cycle. The previous Article IV consultation discussions were held during August 20–September 2, 2025. The Executive Board concluded the Article IV consultation (IMF Country Report 25/317) on November 21, 2025.

Financial Sector Assessment Program (FSAP)

The joint IMF-World Bank FSAP mission took place in March 2010 and the assessment was completed in October 2010.

Technical Assistance

In FY2024-26, Cambodia was among the largest recipients of capacity development (CD) in the Fund. In FY2026, the Fund has allocated around US\$1.6 million to deliver CD, led by Fiscal Affairs Department (FAD) and Monetary and Capital Markets Department (MCM), followed by Institute for Capacity Development (ICD). Nearly a half of the spending was allocated for technical assistance (TA) provided by headquarters-based staff (46 percent of total TA). Cambodia has no resident long-term experts (LTXs). Nearly 90 percent of CD delivery was externally financed, of which the Japan subaccount (JSA) contributes significantly.



Moving forward, CD needs to focus on the areas of revenue mobilization, customs and tax administration, public financial management, performance-based budgeting to improve expenditure efficiency, and development of local-currency government bond market, which all lend support to implementing Cambodia's development strategies and accelerating economic transformation needed for inclusive and sustainable economic growth. Safeguarding macro-financial stability is indispensable in this context. CD activity needs to further strengthen regulatory and supervisory capacity of the National Bank of Cambodia, improve NPL resolution, insolvency, and collateral-enforcement procedures, improve the monetary policy framework, enhance systemic financial stability analysis, and implement banking sector reforms. Improving statistics and ensuring information sharing across agencies are among the high priority CD areas, which can support informed-policy formulation and decision as well as the Fund surveillance. CD can be also provided to strengthen governance, institutions, and AML/CFT frameworks, which can address corruption-related risks as well as financial integrity vulnerabilities to safeguard macro-financial stability.

The priority areas above have been navigating CD activities, including the list of TA which has already been delivered for the last three years (see the table below) as well as planned TA delivery in FY27 and beyond.

Cambodia: Technical Assistance Delivered in 2024-26			
	Department	Technical Assistance - Topic	Mission Dates
2024			
1	FAD	FMIS Strategy	January 14–25, 2024
2	STA	Residential Property Price Index	January 14-18, 2024
3	FAD	Public Investment Management	January 28–February 8, 2024
4	CDOT	Macroeconomic Frameworks	February 28–March 6, 2024
5	CDOT	Forecasting and Policy Analysis System	February 29–March 7, 2024
6	CDOT	Accounting	March 13–28, 2024
7	FAD	Customs Management on Special Economic Zones and Qualified Investment Projects	March 17–28, 2024

Cambodia: Technical Assistance Delivered in 2024-26 (Continued)			
8	CDOT	Monetary Operations	March 19–28, 2024
9	CDOT	External Sector Statistics	April 1–5, 2024
10	CDOT	Public Financial Management	April 8–12, 2024
11	CDOT	Government Finance Statistics and Public Sector Debt Statistics	April 22–26, 2024
12	FAD	Revenue Forecasting	May 15–24, 2024
13	CDOT	Government Finance Statistics and Public Sector Debt Statistics	June 10–14, 2024
14	CDOT	Monetary Operations	June 18–20, 2024
15	FAD	Fiscal Rules	July 8–12, 2024
16	CDOT/STA	De-dollarization	September 8–21, 2024
17	STA	Review of the Cambodian Statistical System and the Preparation of a Report on the Observance of Standards and Codes (Data ROSC) for Cambodia	September 9–17, 2024
18	FAD	Revenue Administration	September 18–20, 2024
19	FAD	Public Financial Management Accounting and Cash Management	October 14–18, 2024
20	CDOT/STA	External Sector Statistics	October 21–November 1, 2024
21	CDOT	Public Financial Management Accounting and Cash Management	December 2–13, 2024
22	MCM	Government Bond Market	December 4–12, 2024
23	CDOT/STA	Government Finance Statistics and Public Sector Debt Statistics	December 9–13, 2024
2025			
1	STA	Residential Property Price Index	January 13–17, 2025
2	CDOT	Forecasting and Policy Analysis System	February 24–28, 2025
3	CDOT	Cash-based International Public Sector Accounting Standards	February 26–March 11, 2025
4	CDOT/STA	Government Finance Statistics and Public Sector Debt Statistics	April 21–25, 2025
5	CDOT	Monitoring and Evaluation of Government Expenditure	April 23–30, 2025
6	CDOT/ST	External Sector Statistics	April 28–May 8, 2025
7	CDOT	Inter-agency Economic Core Group on Macroeconomic Framework for the Ministry of Economy and Finance, the National Bank of Cambodia, and the National Institute of Statistics	May 19–23, 2025
8	CDOT	Online Workshop on IPSAS Implementation	July 15–November 28, 2025
9	ST	Report on the Observance of Standards and Codes (ROSC) mission to the Ministry of Economy and Finance, the National Bank of Cambodia, and the National Institute of Statistics	September 8–12, 2025
10	FAD	Revenue Administration mission to GDCE	September 15–18, 2025
11	CDOT	Forecasting and Policy Analysis System	September 25–October 3, 2025
12	FAD/CDOT	Budgetary Execution Review	October 15–28, 2025
13	FAD/CDOT	Tax Expenditure	October 22–November 3, 2025
14	MCM	Risk-Based Supervision in Capital Markets	December 1–9, 2025
15	CDOT/STA	Government Finance Statistics and Public Sector Debt Statistics	December 20–28, 2025

Cambodia: Technical Assistance Delivered in 2024-26 (Concluded)			
2026			
1	FAD	Revenue Administration to GDCE	January 19-30, 2026
2	CDOT	Forecasting and Policy Analysis System	February 2-6, 2026
3	FAD	Carbon Pricing and Oil Tariff Liberalization	March 18-30, 2026
4	CDOT	Macroeconomic Framework	March 23-27, 2026
5	STA	Government Finance Statistics and Public Sector Debt Statistics	April 22 – May 2, 2026
6	CDOT	Forecasting and Policy Analysis System (FPAS)	May 18-26, 2026
7	CDOT	Monetary Policy Implementation	July 6-10, 2026

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

World Bank: <http://www.worldbank.org/en/country/cambodia>

Asian Development Bank: <https://www.adb.org/countries/cambodia/main>



CAMBODIA

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION—DEBT SUSTAINABILITY ANALYSIS

September 1, 2026

Approved By
Rupa Duttagupta and
Cemile Sancak (IMF), and
Manuela Francisco and
Lalita Moorthy (IDA).

Prepared by Staff of the International Monetary Fund
and the International Development Association

Cambodia: Joint Bank-Fund Debt Sustainability Analysis	
Risk of external debt distress	<i>Low</i>
Overall risk of debt distress	<i>Low</i>
Granularity in the risk rating	<i>Not applicable</i>
Application of judgment	<i>No</i>

Cambodia remains at low risk of external and overall debt distress, and its debt-carrying capacity is evaluated as medium.¹ The baseline scenario incorporates lower growth and higher inflation from the conflict in the Middle East as well as announced policies, including higher social spending to support the reintegration of returning migrants and efforts to contain the passthrough from higher oil prices. The total public and publicly guaranteed debt-to-GDP ratio is projected to remain stable over the medium term. Debt burden indicators are projected to remain below their thresholds in both the baseline and adverse scenarios. Stress tests show that debt sustainability is most vulnerable to export and contingent liabilities shocks.

¹ Cambodia's Composite Indicator (CI), based on data submitted to the April 2026 World Economic Outlook (WEO) and the World Bank's 2024 Country Policy and Institutional Assessment (CPIA), is 3.09, indicating medium debt-carrying capacity. This represents an increase from the 2025 DSA value of 2.99.

PUBLIC DEBT COVERAGE

1. The debt sustainability analysis (DSA) covers central government debt and state-owned enterprise (SOE) debt guaranteed by the central government. By law, state and local governments and the central bank do not engage in borrowing, and SOEs do not contract non-guaranteed loans. There are currently no extra-budgetary funds, and the National Social Security Fund is funded by deposits and does not constitute a liability for the general government (Text Table 1). As in the previous DSA, external debt is defined on a currency basis.

Text Table 1. Public Sector Debt Coverage	
Subsectors of the public sector	Sub-sectors covered
Central government	X
State and local government	
Other elements in the general government	
o/w: Social security fund	
o/w: Extra budgetary funds (EBFs)	
Guarantees (to other entities in the public and private sector, including to SOEs)	X
Central bank (borrowed on behalf of the government)	X
Non-guaranteed SOE debt	X

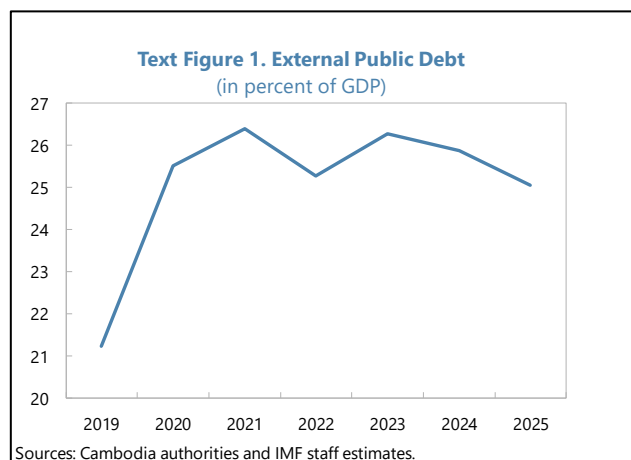
2. The DSA includes contingent liabilities stress tests for public-private partnerships (PPPs) and a financial market shock (Text Table 2).

- The shock scenario for SOE debt is set to 0 percent of GDP because, by law, SOEs do not engage in non-guaranteed external borrowing, and guarantees to SOEs are included in public and publicly guaranteed (PPG) debt.
- The end-2025 capital stock of PPPs is estimated at 36.8 percent of GDP, which, assuming a 35 percent shock to the total PPP stock, corresponds to a contingent liability of 12.9 percent of GDP.
- The financial market shock is calibrated at 10 percent of GDP, double the default value of 5 percent. This adjustment reflects elevated risks from high private-sector indebtedness, with bank credit to the private sector remaining elevated at approximately 113 percent of GDP at end-2025. It also accounts for the continued rise of non-performing loans (NPL) ratios, as well as the absence of a comprehensive bank resolution framework and a deposit insurance regime.

Text Table 2. Design of Contingent Liabilities Stress Test			
1 The country's coverage of public debt	The central government, central bank, government-guaranteed debt, non-guaranteed SOE debt		
	Default	Used for the analysis	Reasons for deviations from the default settings
2 Other elements of the general government not captured in 1.	0 percent of GDP	0	
3 SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	0	
4 PPP	35 percent of PPP stock	13.99	
5 Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	10	
Total (2+3+4+5) (in percent of GDP)		24.0	
1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.			

BACKGROUND ON DEBT

3. Cambodia's end-2025 external PPG debt amounted to around US\$ 12.8 billion (25.1 percent of GDP). The external debt-to-GDP ratio declined by 0.8 percentage points in 2025, as growth in nominal GDP outpaced debt stock growth (Text Figure 1).² Bilateral creditors continue to account for the majority of total external debt at 61.0 percent, with more than half owed to China (Text Table 3).³ External debt has been contracted on concessional terms, with a present value (PV) of 17.7 percent of GDP at end-2025.



4. Public domestic debt remains negligible but rose sharply in 2026. To support financial market development, the authorities began issuing local-currency government bonds in September 2022, but progress has been slow, with domestic debt outstanding at around 1 trillion KHR (0.5 percent of GDP) at end-2025. In 2026, the authorities issued around US\$515 million (1.0 percent of GDP) of primarily dollar-denominated domestic debt.

Text Table 3. External Public Debt (2025)

	In million of U.S. dollars	In percent of GDP	In percent of external debt
Total	12,820	25.1	100.0
Multilateral	4,872	9.5	38.0
Bilateral	7,816	15.3	61.0
of which: China	4,332	8.5	33.8

Sources: Cambodia authorities and IMF estimates

5. PPPs remain an important source of investment financing, amid limited resource mobilization and large development needs. The authorities estimate the PPP stock at US\$ 18.5 billion (36.8 percent of GDP) as of end-2025. Monitoring has been strengthened, including through the establishment of the General Department of PPPs and the 2021 law on PPP, but progress in developing the PPP database remains slow.

6. Private external debt in Cambodia is excluded from this analysis, but its associated risks are accounted for by increasing the severity of the financial shock stress test. Excessive external borrowing by the private sector could heighten insolvency risks and the government's exposure to contingent liabilities, either through assumption of private liabilities or via fiscal support

² As in the previous DSA, the debt stock includes legacy arrears to the Russian Federation and the U.S. of about US\$ 0.6 billion (principal only, excluding any accumulated interest), equivalent to about 1.2 percent of GDP. While the authorities continue to engage in bilateral discussions with a view to making progress in resolving these arrears, the baseline scenario assumes no debt restructuring as in the previous DSA.

³ As of end 2025, Cambodia owes US\$ 2,868 million and US\$ 1,888 million to the Asian Development Bank and the World Bank, respectively. Cambodia does not have loan liabilities to the IMF.

measures to affected sectors. These vulnerabilities are modeled by raising the standard financial shock from 5 percent of GDP to 10 percent.

BACKGROUND ON MACRO FORECASTS

7. Cambodia's economy demonstrated resilience in 2025, but growth was uneven and is decelerating in 2026H1. Real GDP growth moderated to 5.3 percent in 2025, supported by manufacturing exports, foreign direct investment (FDI), and PPP-financed infrastructure investment. By contrast, domestic demand remained subdued amid continued weakness in construction and real estate. Border tensions with Thailand weighed on tourism, remittances, and household incomes, despite efforts to absorb returning migrant workers into domestic employment. Available indicators for 2026H1 suggest that exports remain strong, while tourism, remittances, and private-sector credit have weakened further.

8. Inflation remained contained through most of 2025 but rose sharply in early 2026 as higher global energy prices passed through to domestic prices. Subdued demand, benign rice prices, and expanded labor supply following the return of migrant workers helped contain price pressures in 2025. In March 2026, headline inflation rose to 5.6 percent y/y, driven by rapid pass-through from higher global energy prices to fuel, transport, and other energy-intensive components, while core inflation also picked up.

9. Revenue from customs and taxes on goods and services helped keep the fiscal deficit contained in 2025, despite continued losses from tax expenditures. Customs revenue outperformed on the back of a resilient external sector, while taxes on goods and services held up despite subdued domestic demand. Other domestic tax collection weakened amid subdued activity in non-tradable sectors. Discretionary and capital spending were restrained as resources were reprioritized toward social assistance for returning migrant workers.

10. Monetary conditions remained accommodative amid persistent excess liquidity, while financial conditions tightened as credit growth slowed, deposits weakened, and lending rates rose. Monetary transmission remained constrained by high dollarization, limited interbank activity, and shallow money markets.

11. The current account deteriorated in 2025, while the financial account remained resilient and reserves increased. The current account shifted from a small surplus in 2024 to a deficit, reflecting a wider trade deficit and lower remittance inflows. Exports remained strong, but import growth was supported by construction materials, vehicles, auto parts, and some reorientation of supply chains away from Thailand. The financial account recorded sizable inflows, mainly driven by robust FDI, while international reserves continued to increase and coverage remained broadly adequate.

12. In the baseline scenario:

Text Table 4. Baseline Macroeconomic Assumptions (2025-2033)

	Previous DSA (2025)				Current DSA (2026)			
	2025	2026	2027	2028-2033	2025	2026	2027	2028-2033
Real GDP (% , YOY)	4.8	4.0	4.5	5.4	5.3	3.0	4.0	5.3
CPI Inflation (% , EOY, YOY)	2.5	2.3	2.5	2.9	2.5	5.6	3.1	2.9
Primary Deficit (% of GDP)	3.4	3.6	3.3	2.8	0.7	2.7	2.5	2.3
Current Account Deficit (% of US\$ GDP)	3.0	4.5	4.1	6.5	3.7	8.7	7.6	5.4

Sources: IMF staff estimates and projections

- Real GDP growth is projected to slow to 3.0 percent in 2026 before recovering to 4.0 percent in 2027.** Higher energy prices, trade policy uncertainty, tighter financial conditions, and continued weakness in tourism are expected to weigh on activity, including through lower real incomes, higher production and logistics costs, and weaker external demand. Planned fiscal stimulus cushions, but does not fully offset, these shocks, reflecting weak budget execution and challenges in targeting the stimulus measure. The baseline assumes growth to pick up to 5.5 percent by 2031 and to moderate to 5.1 percent over the long term, reflecting structural vulnerabilities, such as limited diversification, adverse climate impacts, and constrained productivity growth due to the slow pace of reforms. In particular, the World Bank's 2023 Country Climate and Development Report projects that climate change could lower Cambodia's GDP by 3.0 to 9.0 percentage points by 2050, with the effect distributed evenly over time, implying an average reduction in its annual growth of 0.1 to 0.4 percentage points.
- Inflation** is projected to rise to around 5.6 percent in 2026, driven by the rapid passthrough of global fuel prices to headline inflation. Average inflation is expected to moderate to 3.1 percent in 2027, as energy prices normalize, and decline to 2.5 – 3.0 percent over the medium term.
- The primary deficit** is projected to widen to 2.7 and 2.5 percent of GDP in 2026 and 2027, respectively, reflecting increased social and capital spending, declining grants, and weak revenue collection amid extensive tax expenditures. Full implementation of the fiscal rule is projected to be postponed to 2027. While the deficit ceiling of 3.5 percent of GDP and the debt anchor of 40 percent of GDP are projected to be met and inform the medium-term fiscal framework (MTFF), compliance with the fiscal buffer rule—requiring the accumulation of 2-4 percent of the previous year's revenue—is projected to be delayed to 2027. External financing is assumed to become more diversified, including a relatively larger role for non-traditional multilateral and bilateral creditors.
- The current account deficit** is projected to widen to 8.7 percent of GDP in 2026, reflecting higher petroleum and food import prices, as well as slowing garments exports. As energy-price pressures gradually ease, the deficit is projected to narrow to around 6 percent in the medium term, as the permanent loss of remittance flows slows convergence. FDI inflows are projected to remain above historical averages, reflecting a sustained increase in manufacturing and infrastructure investment in recent years and supported by a strong approvals pipeline and major projects expected to come online in 2026-27.

13. Risks to the outlook are tilted to the downside. Renewed tensions in the Middle East could prolong energy and supply-chain disruptions amid limited spare capacity and inventories, worsening inflation, external balances, and tourism receipts. U.S. dollar appreciation would tighten real financial conditions in Cambodia's dollarized economy and erode competitiveness, while trade policy uncertainty could weaken exports and investment. Persistent scam-center activities could deepen financial integrity risks and weigh on tourism, investment, and financial institutions. Domestically, tighter global financial conditions and financial-sector vulnerabilities could trigger a sharper real estate correction and raise contingent liability risks. Climate shocks and imported fuel dependence remain cross-cutting vulnerabilities.

14. External debt remains the main source of financing in the medium term, even as domestic debt issuance increases. The level of external borrowing is projected at around 2.8 percent of GDP per annum between 2026 and 2031, with a maximal annual value of 3.2 percent of GDP.⁴ New external debt is expected to remain largely concessional, with an average maturity of 24.9 years and an average nominal interest rate of 1.5 percent.⁵ The annual issuance of domestic bonds is projected to rise gradually from less than 0.1 percent of GDP in 2022 to 0.5 percent of GDP in 2031, as the authorities continue to develop the domestic capital market. Most of the newly issued domestic debt in 2026 has a maturity of less than three years, resulting in negative net debt issuance in 2028, as the large volume of debt issued in 2026 matures. Total outstanding PPG debt is projected to peak at 25.7 percent of GDP in 2031 and remain well below the authorities' debt anchor of 40 percent.

15. The realism tools indicate that the macroeconomic and fiscal assumptions are conservative (Figure 4). Growth projections are below those implied by standard multipliers, reflecting the supply-side drag from the conflict in the Middle East amid already decelerating growth.⁶ The contribution of public capital investment to GDP growth is lower than its historical average, reflecting delays in key infrastructure projects. The projected change in the primary deficit-to-GDP ratio over the next three years is modest and well within the historical range observed in other low-income countries (LICs). As in previous DSAs, the residual remains non-negligible, primarily reflecting other financing flows not separately identified in the debt decomposition framework, as well as data limitations, including on the BOP.

⁴ External borrowing assumptions are within the limit set by the authorities' Strategy on Public Debt Management 2024-2028, which stipulates an upper limit of annual external borrowing of 2 billion SDR (approximately US\$ 2.7 billion).

⁵ According to the updated IDA21 guidelines, Cambodia will receive IDA blend financing on fixed rate credits, with 25-year maturity, 5-year grace period and fixed interest rate of 1.5 percent.

⁶ The realism tools calculate the fiscal effect on 2026 growth relative to the 2025 growth outturn (5.3 percent). However, the growth outlook had already weakened by end-2025, as reduced remittances, declining tourism, and waning external demand weighed on growth, leading staff to project 4.0 percent growth at the time of the 2025 October WEO.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

16. Cambodia's debt-carrying capacity is classified as medium, unchanged from the previous DSA. Cambodia's Composite Indicator (CI) index, based on data submitted to the April 2026 WEO and the World Bank's 2024 Country Policy and Institutional Assessment (CPIA) is 3.09.⁷ The current debt-carrying capacity continues to be evaluated as medium (Text Tables 5 and 6).

Text Table 5. Cambodia's CI Index

Debt Carrying Capacity	Medium		
Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage
Medium	Strong 3.09	Medium 2.99	Medium 3.00

Text Table 6. Debt Burden Thresholds

EXTERNAL debt burden thresholds	Weak	Medium	Strong
PV of debt in % of			
Exports	140	180	240
GDP	30	40	55
Debt service in % of			
Exports	10	15	21
Revenue	14	18	23
TOTAL public debt benchmark	Weak	Medium	Strong
PV of total public debt in percent of GDP	35	55	70

17. Stress analyses include six standardized tests, a historical scenario, and tailored natural disaster and contingent liabilities stress tests. The natural disaster scenario is modeled by assuming a significant mitigation cost of 10 percent of GDP as well as a fall in GDP growth and exports using interaction coefficients of 1.5 and 3.5, respectively. The contingent liabilities stress test is based on the quantification of potential risks stemming from PPPs (12.9 percent of GDP) and financial markets (10 percent of GDP), as assumed in the 2025 DSA.

⁷ The [revised LIC-DSF](#) determines the debt sustainability thresholds by calculating the CI, which is a function of the World Bank's CPIA score, international reserves, remittances, individual country and global economic growth. The calculation is based on 10-year averages of the variables, across 5 years of historical data and 5 years of projections.

EXTERNAL AND PUBLIC DEBT SUSTAINABILITY

18. Cambodia's risk of external debt distress remains low. As no external indicator breaches its threshold under either the baseline or adverse scenarios, the risk of external debt distress is assessed as low. External debt is projected to peak at 24.3 percent of GDP in 2030, while the PV of external debt-to-GDP ratio is projected to hover around 17 percent.

19. Cambodia's external debt is most vulnerable to export shocks. Compared to shocks to real growth, the primary balance, other flows, and the exchange rate, as well as the contingent liabilities shock, the impact of export shocks is most severe—the PV of the external debt-to-GDP ratio increases sharply, from 16.3 percent of GDP in 2026 to 30.9 percent in 2028, before gradually converging to around 25 percent over the long term (Figure 1).

20. Total PPG debt is expected to remain stable over the medium term. Under the baseline, the total PPG debt level is projected to range from 25.1 and 25.7 percent of GDP over 2026–2031 (Table 2), while the PV of the total debt-to-GDP ratio is projected to range from 17.7 and 18.1 percent over the same period.

21. Total PPG debt is most vulnerable to the contingent liabilities shock. Under the contingent liabilities shock scenario, the PV of the total debt-to-GDP ratio rises to 33.8 percent in 2027, the PV of debt-to-revenue ratio reaches more than 230 percent, and there is a noticeable spike in the debt service-to-revenue ratio in 2030 (Figure 2), reflecting that the short-term financing needs in this scenario are assumed to be met with short-term borrowing.

22. Domestic debt issuance needs to increase to meet financing needs in the long term amid falling availability of concessional external borrowing (Figure 5). Domestic public debt issuance began in 2022, but progress on developing the domestic bond market has been slow, with domestic debt issuance in 2025 amounting to just 0.2 percent of GDP. While existing government deposits can help meet financing needs in the short run, domestic debt issuance has to increase to approximately 0.5 percent of GDP by 2031 to meet long-term needs.

RISK RATING AND VULNERABILITIES

23. Cambodia's risk of external and overall debt distress remains low. As no indicator breaches its threshold under either the baseline or adverse scenarios, the risk of overall debt distress is assessed as low. PPG debt is projected to remain stable (Table 2).

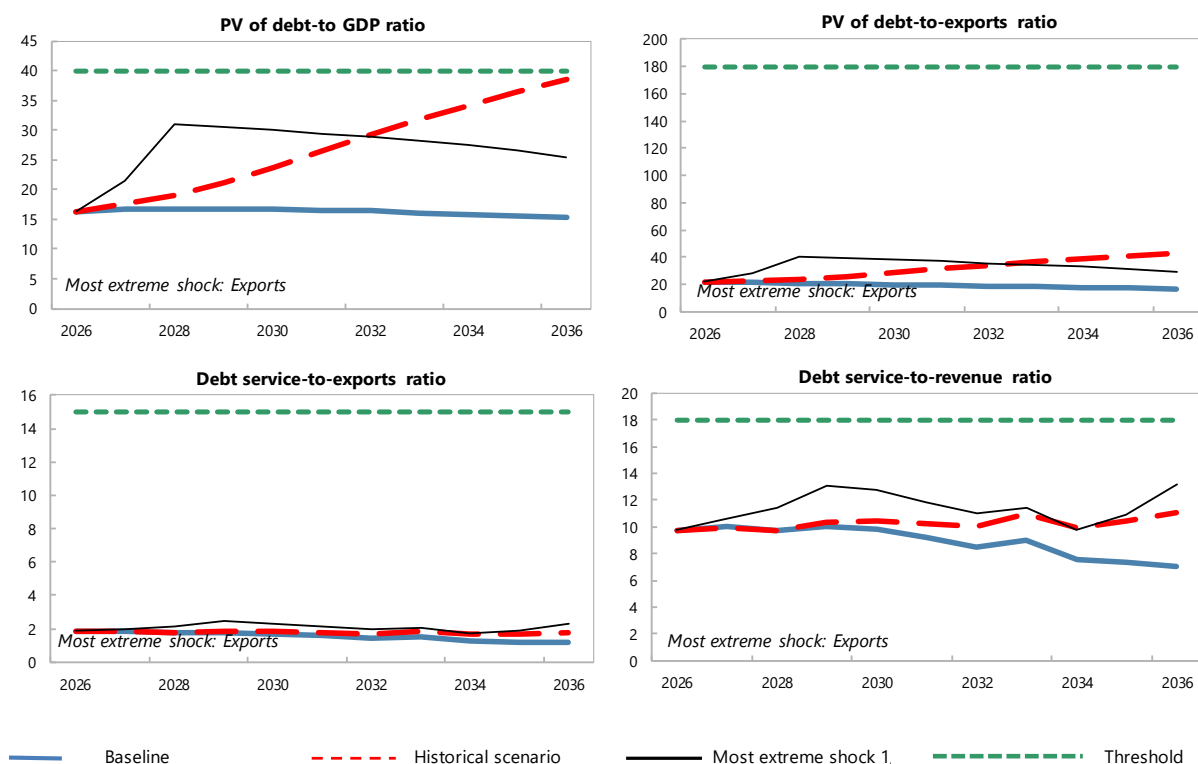
24. While debt remains sustainable under the baseline, vulnerabilities from contingent liabilities exist, underscoring the importance of maintaining fiscal discipline and strengthening fiscal risk oversight. Public and publicly guaranteed debt is projected to remain well below the authorities' debt anchor of 40 percent, supported by moderate borrowing and largely concessional financing. However, stress tests point to significant sensitivity to contingent liabilities shocks from PPPs and the financial sector, highlighting the need to strengthen PPP risk assessment, improve fiscal reporting and monitoring, close data gaps, and strengthen bank regulation and supervision.

25. Cambodia remains exposed to climate-related risks. Although debt indicators remain below their thresholds under the tailored natural disaster scenario, the shock raises the PV of public debt by up to 7.4 percentage points of GDP relative to the baseline, underscoring the importance of better integrating climate-related fiscal risks into medium-term fiscal planning.

Authorities' Views

26. The authorities expressed their strong commitment to debt sustainability, monitoring PPP risks, and developing the domestic government bond market. They highlighted continued implementation of the Public Debt Management Strategy 2024–28 and preparation of a Public Debt Management Law, planned for 2027, to further strengthen the debt management framework. On PPPs, the authorities pointed to ongoing efforts to strengthen oversight, including the continued development of a PPP database to improve information on the project portfolio and associated fiscal commitments and contingent liabilities. They also intend to deepen the domestic government securities market through continued implementation of the Policy Framework on the Development of Government Securities 2023–28, including measures to broaden the investor base and develop secondary-market trading.

Figure 1. Cambodia: Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios, 2026–2036



Customization of Default Settings

Tailored Stress	Size	Interactions
Combined CL	Yes	
Natural disaster	No	No
Commodity price	n.a.	n.a.
Market financing	No	No

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

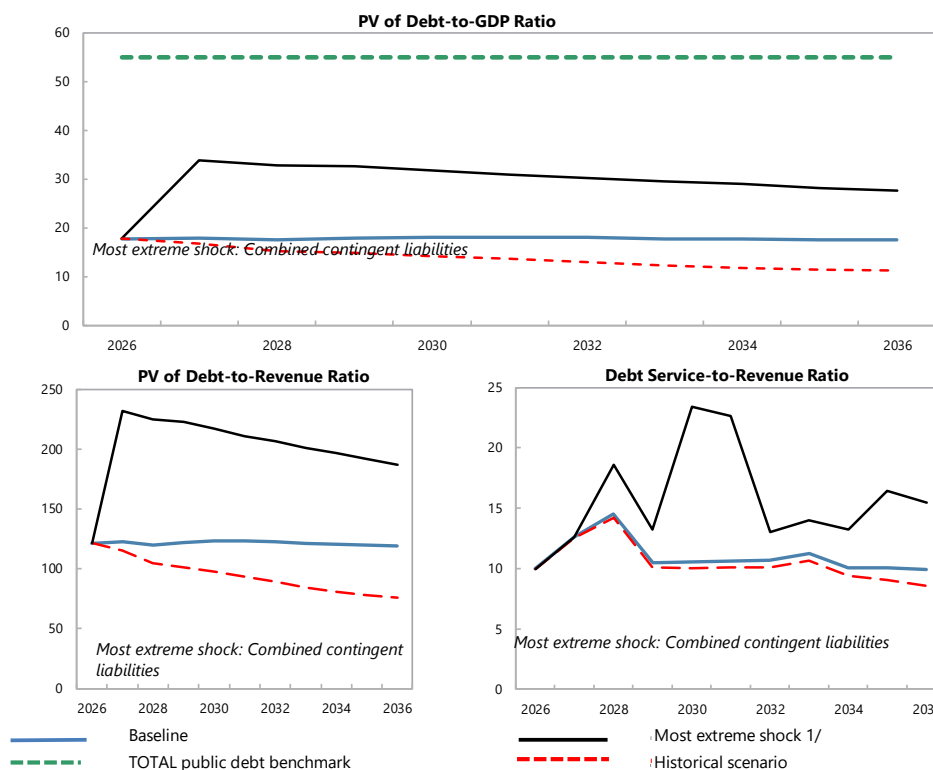
Borrowing assumptions on additional financing needs resulting from the stress tests*

	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	1.5%	1.5%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	24	24
Avg. grace period	7	7

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 2. Cambodia: Indicators of Public Debt Under Alternative Scenarios, 2026-2036

Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	83%	83%
Domestic medium and long-term	16%	16%
Domestic short-term	1%	1%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	1.5%	1.5%
Avg. maturity (incl. grace period)	24	24
Avg. grace period	7	7
Domestic MLT debt		
Avg. real interest rate on new borrowing	1.7%	1.7%
Avg. maturity (incl. grace period)	4	4
Avg. grace period	2	2
Domestic short-term debt		
Avg. real interest rate	-2.8%	-2.8%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

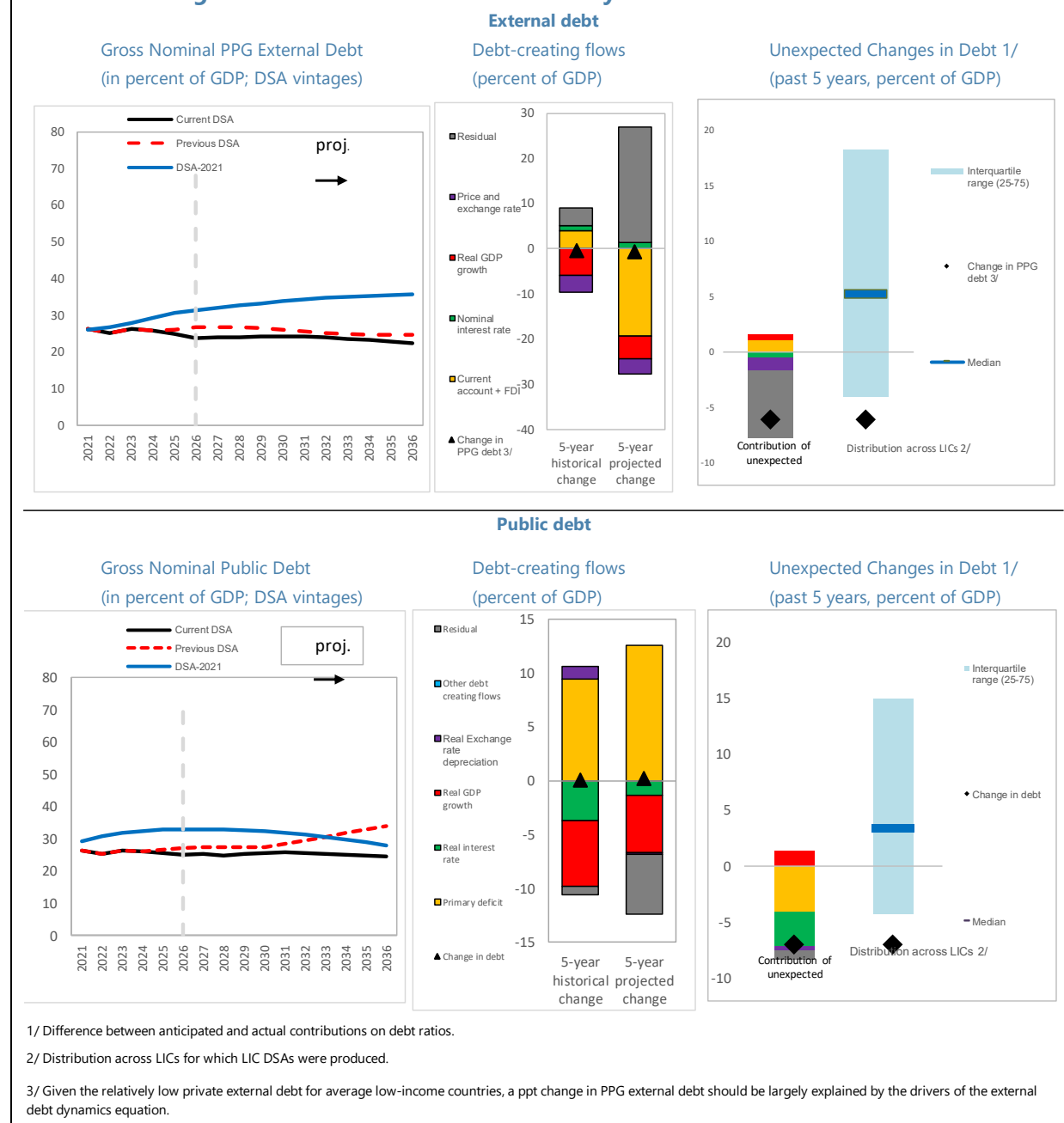
Figure 3. Cambodia: Drivers of Debt Dynamics - Baseline Scenario

Figure 4. Cambodia: Realism Tools

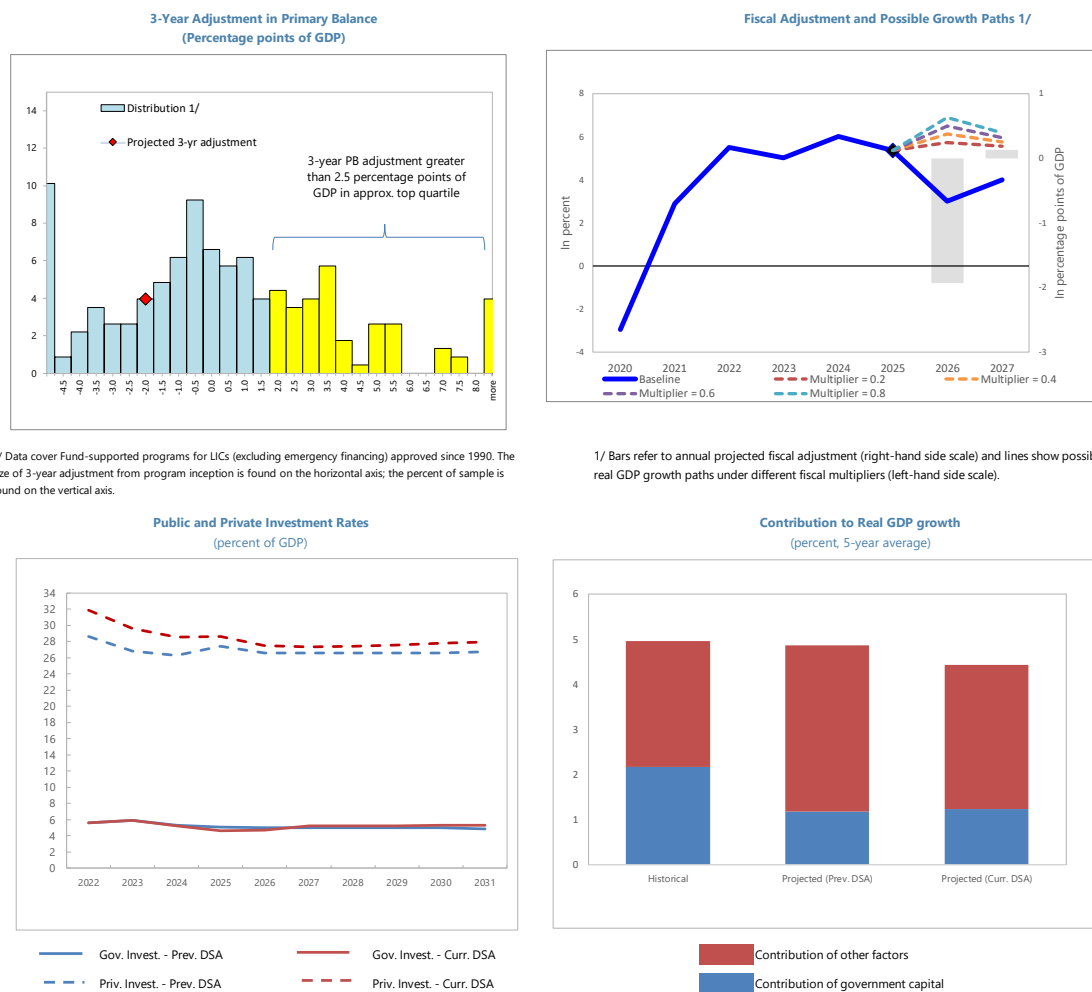
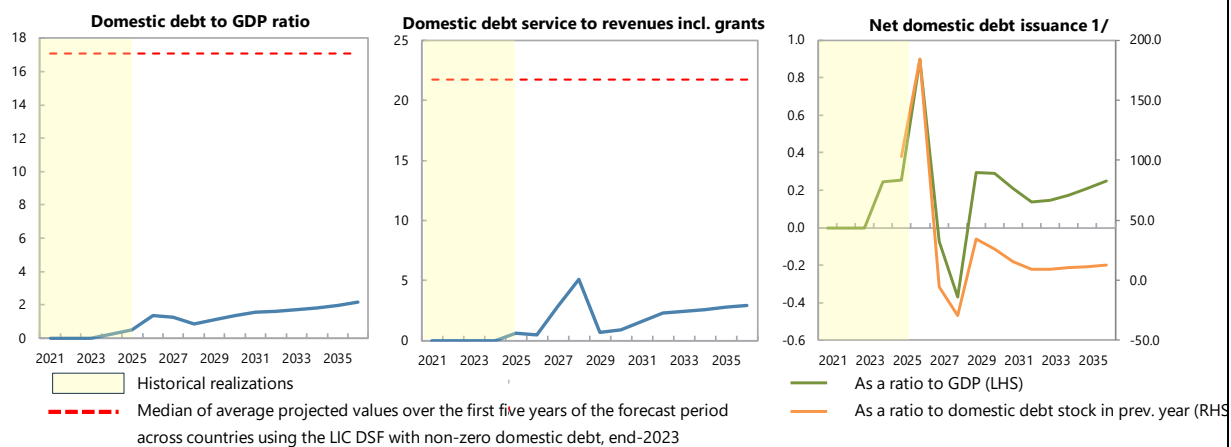


Figure 5. Cambodia: Indicators of Public Domestic Debt 2021-2036
(Percent)



Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	95%
Short-term	5%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	1.7%
Avg. maturity (incl. grace period)	4
Avg. grace period	2
Domestic short-term debt	
Avg. real interest rate	-2.8%

Sources: Country authorities; and staff estimates and projections.

Note: 1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

Table 1. Cambodia: External Debt Sustainability Framework, Baseline Scenario, 2023-2046
(In percent of GDP, unless otherwise indicated)

	(In percent of GDP, unless otherwise indicated)												
	Actual			Projections								Average 8/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
External debt (nominal) 1/	26.3	25.9	25.1	23.7	24.1	24.0	24.3	24.3	24.2	22.4	16.7	24.2	23.7
of which: public and publicly guaranteed (PPG)	26.3	25.9	25.1	23.7	24.1	24.0	24.3	24.3	24.2	22.4	16.7	24.2	23.7
Change in external debt	1.0	-0.4	-0.8	-1.3	0.3	0.0	0.3	0.0	-0.1	-0.4	-0.6		
Identified net debt-creating flows	-12.0	-11.8	-8.4	-2.7	-3.6	-4.6	-5.6	-6.5	-7.1	-7.0	-8.1	-2.8	-6.0
Non-interest current account deficit	-1.5	-0.7	3.4	8.5	7.4	6.5	5.6	5.0	4.4	4.8	4.1	8.1	5.5
Deficit in balance of goods and services	3.9	5.6	6.8	11.2	10.0	9.1	8.2	7.4	6.7	6.7	5.3	12.1	7.8
Exports	65.5	68.8	72.4	74.8	77.7	80.1	81.7	83.2	84.7	90.5	109.0		
Imports	69.4	74.4	79.2	86.0	87.7	89.2	89.9	90.6	91.4	97.2	114.4		
Net current transfers (negative = inflow)	-7.5	-6.9	-4.9	-4.1	-4.3	-4.3	-4.3	-4.3	-4.3	-4.0	-3.8	-7.1	-4.2
of which: official	-1.2	-1.0	-0.7	-1.0	-0.9	-0.9	-0.9	-0.9	-0.9	-0.7	-0.6		
Other current account flows (negative = net inflow)	2.0	0.6	1.5	1.4	1.6	1.7	1.8	1.9	2.0	2.0	2.6	3.0	1.8
Net FDI (negative = inflow)	-9.0	-9.2	-9.8	-10.7	-10.4	-10.3	-10.4	-10.5	-10.6	-10.9	-11.6	-9.4	-10.6
Endogenous debt dynamics 2/	-1.6	-1.9	-2.1	-0.5	-0.6	-0.8	-0.9	-0.9	-0.9	-0.8	-0.6		
Contribution from nominal interest rate	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.2		
Contribution from real GDP growth	-1.2	-1.5	-1.3	-0.7	-0.9	-1.1	-1.1	-1.2	-1.2	-1.1	-0.8		
Contribution from price and exchange rate changes	-0.6	-0.7	-1.1	...	...	...	...	...	...	...	...		
Residual 3/	13.0	11.4	7.6	1.3	3.9	4.6	5.9	6.5	7.0	6.5	7.5	3.0	5.7
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	17.7	16.3	16.6	16.6	16.7	16.7	16.5	15.4	11.6		
PV of PPG external debt-to-exports ratio	...	...	24.4	21.8	21.4	20.8	20.5	20.0	19.5	17.0	10.7		
PPG debt service-to-exports ratio	1.6	1.4	1.7	1.9	1.8	1.7	1.8	1.7	1.6	1.1	0.9		
PPG debt service-to-revenue ratio	7.0	6.8	8.7	9.8	10.0	9.7	10.0	9.9	9.2	7.1	6.4		
Gross external financing need (Million of U.S. dollars)	-4004.2	-4097.6	-2577.6	-439.8	-908.1	-1506.5	-2223.1	-3000.0	-3820.3	-5988.8	-16779.0		
Key macroeconomic assumptions													
Real GDP growth (in percent)	5.0	6.0	5.3	3.0	4.0	4.7	5.1	5.3	5.5	5.4	5.1	5.3	5.0
GDP deflator in US dollar terms (change in percent)	2.3	2.5	4.3	3.8	2.5	2.5	2.6	2.7	2.8	2.8	2.8	2.3	2.8
Effective interest rate (percent) 4/	0.9	0.8	1.0	1.1	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.1	1.3
Growth of exports of G&S (US dollar terms, in percent)	8.9	14.3	15.7	10.5	10.7	10.7	10.1	10.1	10.3	9.9	10.4	11.0	10.1
Growth of imports of G&S (US dollar terms, in percent)	-15.3	16.6	16.9	16.1	8.7	9.2	8.7	9.0	9.3	9.8	10.0	11.0	10.0
Grant element of new public sector borrowing (in percent)	...	...	...	31.5	33.9	35.6	36.7	36.0	35.6	36.1	37.2	...	35.2
Government revenues (excluding grants, in percent of GDP)	15.0	14.4	14.5	14.2	14.2	14.2	14.3	14.3	14.4	14.6	15.0	15.3	14.4
Aid flows (in Million of US dollars) 5/	540.3	326.7	253.8	417.8	455.2	477.7	441.1	430.7	421.3	387.7	340.3		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.1	1.4	1.3	1.5	1.4	1.3	0.9	0.6	...	1.2
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	42.0	41.6	43.2	42.8	42.1	41.7	41.8	41.2	...	41.9
Nominal GDP (Million of US dollars)	42,404	46,098	50,659	...	...	...	...	...	...	...	...		
Nominal dollar GDP growth	7.5	8.7	9.9	6.9	6.6	7.3	7.9	8.1	8.4	8.3	8.0	7.8	7.9
Memorandum items:													
PV of external debt 7/	...	...	17.7	16.3	16.6	16.6	16.7	16.7	16.5	15.4	11.6		
In percent of exports	...	...	24.4	21.8	21.4	20.8	20.5	20.0	19.5	17.0	10.7		
Total external debt service-to-exports ratio	1.6	1.4	1.7	1.9	1.8	1.7	1.8	1.7	1.6	1.1	0.9		
PV of PPG external debt (in Million of US dollars)	...	...	8945.1	8849.0	9609.4	10304.8	11176.7	12042.8	12959.3	18028.0	29803.6		
(PV: PV(t-1)/GDP: 1 (in percent)	...	...	-0.2	-0.2	1.4	1.2	1.4	1.3	1.3	1.0	0.5		
Non-interest current account deficit that stabilizes debt ratio	-2.5	-0.3	4.3	9.8	7.1	6.5	5.4	4.9	4.6	5.2	4.7		

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as $(r - g - p(1+g))/(1+g+p+g)$ times previous period debt ratio, with r = nominal interest rate, g = real GDP growth rate, and p = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	No

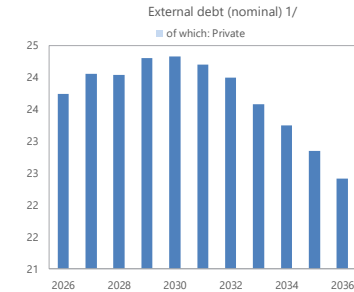
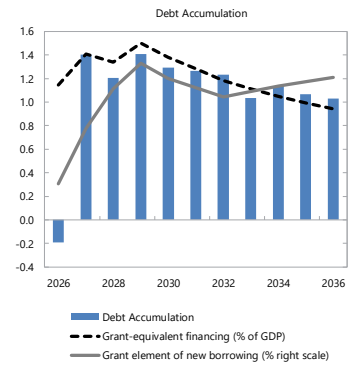


Table 2. Cambodia: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023-2046
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
Public sector debt 1/ of which: external debt	26.3 26.3	26.1 25.9	25.5 25.1	25.1 23.7	25.3 24.1	24.9 24.0	25.4 24.3	25.7 24.3	25.7 24.2	24.6 22.4	23.6 16.7	24.3 24.2	25.2 23.7
Change in public sector debt	1.0	-0.1	-0.6	-0.4	0.2	-0.4	0.5	0.3	0.0	-0.3	-0.2		
Identified debt-creating flows	0.9	-0.6	-1.7	1.6	1.3	1.2	0.9	0.9	0.7	0.3	-0.8	-0.6	0.8
Primary deficit	2.6	1.2	0.7	2.7	2.5	2.6	2.4	2.4	2.3	1.7	0.4	0.9	2.2
Revenue and grants	16.2	15.1	15.0	14.6	14.6	14.6	14.6	14.6	14.6	14.8	15.1	16.6	14.7
of which: grants	1.3	0.7	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.1		
Primary (noninterest) expenditure	18.8	16.3	15.8	17.3	17.1	17.2	17.0	17.0	16.9	16.5	15.6	17.5	16.9
Automatic debt dynamics	-1.7	-1.8	-2.4	-1.1	-1.2	-1.4	-1.5	-1.5	-1.6	-1.5	-1.2		
Contribution from interest rate/growth differential	-1.9	-1.9	-1.7	-1.1	-1.2	-1.4	-1.5	-1.5	-1.6	-1.5	-1.2		
of which: contribution from average real interest rate	-0.7	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.1		
of which: contribution from real GDP growth	-1.2	-1.5	-1.3	-0.7	-1.0	-1.1	-1.2	-1.3	-1.3	-1.3	-1.1		
Contribution from real exchange rate depreciation	0.2	0.1	-0.7	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	0.1	0.5	1.1	-2.0	-1.1	-1.6	-0.4	-0.6	-0.7	-0.5	0.6	0.8	-0.9
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	18.0	17.7	17.9	17.5	17.8	18.0	18.1	17.5	18.6		
PV of public debt-to-revenue and grants ratio	...	...	119.4	121.4	122.8	119.6	122.0	123.3	123.4	118.8	122.7		
Debt service-to-revenue and grants ratio 3/	6.4	6.5	9.0	10.0	12.6	14.6	10.5	10.6	10.7	9.9	16.3		
Gross financing need 4/	3.6	2.1	2.1	4.1	4.4	4.7	4.0	3.9	3.8	3.2	2.9		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	5.0	6.0	5.3	3.0	4.0	4.7	5.1	5.3	5.5	5.4	5.1	5.3	5.0
Average nominal interest rate on external debt (in percent)	0.9	0.8	1.0	1.0	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.1	1.3
Average real interest rate on domestic debt (in percent)	-1.1	-1.5	0.3	0.8	1.5	1.8	1.9	1.8	1.7	1.7	1.7	-1.0	1.6
Real exchange rate depreciation (in percent, + indicates depreciation)	0.9	0.5	-2.9	...	...	...	...	...	...	...	...	0.4	...
Inflation rate (GDP deflator, in percent)	2.0	2.3	3.5	3.0	2.7	2.5	2.6	2.7	2.8	2.8	2.8	2.3	2.8
Growth of real primary spending (deflated by GDP deflator, in percent)	8.0	-8.1	2.0	12.8	3.1	5.1	4.3	5.1	5.0	4.8	4.4	6.7	5.4
Primary deficit that stabilizes the debt-to-GDP ratio 5/	1.6	1.3	1.3	3.1	2.3	3.0	1.9	2.1	2.3	2.0	0.6	1.4	2.3
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government, central bank, government-guaranteed debt, non-guaranteed SOE debt. Definition of external debt is Currency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

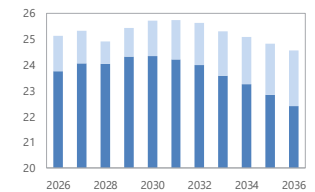
5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio (-): a primary surplus, which would stabilize the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	No

Public sector debt 1/

■ of which: local-currency denominated
■ of which: foreign-currency denominated



■ of which: held by residents
■ of which: held by non-residents

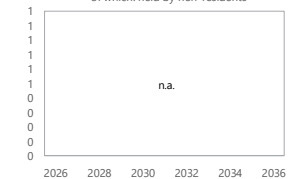


Table 3. Cambodia: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2026–2036
(In percent)

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of debt-to GDP ratio											
Baseline	16	17	17	17	17	17	16	16	16	16	15
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	16	18	19	21	24	27	29	32	34	36	39
B. Bound Tests											
B1. Real GDP growth	16	18	18	19	19	18	18	18	18	17	17
B2. Primary balance	16	18	20	20	20	20	20	19	19	18	18
B3. Exports	16	22	31	31	30	29	28	28	27	27	25
B4. Other flows 3/	16	19	20	20	20	20	20	19	19	18	18
B5. Depreciation	16	21	18	18	18	18	18	17	17	17	17
B6. Combination of B1-B5	16	22	23	23	23	22	22	21	21	20	20
C. Tailored Tests											
C1. Combined contingent liabilities	16	29	28	28	28	29	28	27	27	26	25
C2. Natural disaster	16	22	22	22	22	23	22	22	22	21	21
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	16	17	17	17	17	17	16	16	16	16	15
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of debt-to-exports ratio											
Baseline	22	21	21	20	20	20	19	19	18	18	17
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	22	23	24	26	29	31	34	37	39	41	43
B. Bound Tests											
B1. Real GDP growth	22	21	21	20	20	20	19	19	18	18	17
B2. Primary balance	22	23	25	25	24	23	23	22	21	21	20
B3. Exports	22	29	41	40	38	37	36	34	33	32	30
B4. Other flows 3/	22	24	25	25	24	23	23	22	21	21	20
B5. Depreciation	22	21	17	17	17	17	16	16	16	15	15
B6. Combination of B1-B5	22	27	26	27	27	26	25	24	24	23	22
C. Tailored Tests											
C1. Combined contingent liabilities	22	37	35	34	34	34	33	31	30	29	28
C2. Natural disaster	22	29	28	28	27	27	26	25	24	23	23
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	22	21	21	20	20	20	19	19	18	18	17
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt service-to-exports ratio											
Baseline	2	2	2	2	2	2	1	1	1	1	1
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	2	2	2	2	2	2	2	2	2	2	2
B. Bound Tests											
B1. Real GDP growth	2	2	2	2	2	2	1	1	1	1	1
B2. Primary balance	2	2	2	2	2	2	2	2	1	1	1
B3. Exports	2	2	2	2	2	2	2	2	2	2	2
B4. Other flows 3/	2	2	2	2	2	2	2	2	1	1	1
B5. Depreciation	2	2	2	2	2	2	1	1	1	1	1
B6. Combination of B1-B5	2	2	2	2	2	2	2	2	1	2	2
C. Tailored Tests											
C1. Combined contingent liabilities	2	2	2	2	2	2	2	2	1	2	2
C2. Natural disaster	2	2	2	2	2	2	2	2	1	2	2
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	2	2	2	2	2	2	1	1	1	1	1
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt service-to-revenue ratio											
Baseline	10	10	10	10	10	9	9	9	8	7	7
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	10	10	10	10	10	10	10	11	10	10	11
B. Bound Tests											
B1. Real GDP growth	10	11	11	11	11	10	9	10	8	8	8
B2. Primary balance	10	10	10	11	11	10	9	10	8	9	8
B3. Exports	10	11	11	13	13	12	11	11	10	11	13
B4. Other flows 3/	10	10	10	11	10	10	9	9	8	8	9
B5. Depreciation	10	13	12	12	12	11	10	11	9	9	7
B6. Combination of B1-B5	10	11	11	12	12	11	10	10	9	10	10
C. Tailored Tests											
C1. Combined contingent liabilities	10	10	12	12	12	11	10	11	9	13	12
C2. Natural disaster	10	10	11	11	11	10	9	10	8	10	10
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	10	10	10	10	10	9	9	9	8	7	7
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

Table 4. Cambodia: Sensitivity Analysis for Key Indicators of Public Debt, 2026–2036
(In percent)

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of Debt-to-GDP Ratio											
Baseline	18	18	17	18	18	18	18	18	18	18	18
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	18	17	15	15	14	14	13	12	12	11	11
B. Bound Tests											
B1. Real GDP growth	18	19	21	23	24	25	25	26	27	27	28
B2. Primary balance	18	19	22	22	22	22	21	21	21	20	20
B3. Exports	18	22	29	29	29	28	28	27	27	26	25
B4. Other flows 3/	18	20	21	21	21	21	21	21	21	20	20
B5. Depreciation	18	22	20	19	18	17	16	15	14	13	12
B6. Combination of B1-B5	18	18	19	19	19	19	19	19	19	19	19
C. Tailored Tests											
C1. Combined contingent liabilities	18	34	33	33	32	31	30	30	29	28	28
C2. Natural disaster	18	25	25	25	25	25	24	24	24	24	23
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	18	18	17	18	18	18	18	18	18	18	18
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	121	123	120	122	123	123	123	121	120	120	119
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	121	115	105	101	97	93	89	84	81	78	76
B. Bound Tests											
B1. Real GDP growth	121	133	144	154	162	168	173	177	182	186	190
B2. Primary balance	121	132	148	149	149	148	145	143	141	139	137
B3. Exports	121	149	197	196	195	192	189	184	181	177	170
B4. Other flows 3/	121	136	145	146	147	146	144	142	140	138	135
B5. Depreciation	121	150	137	130	123	116	108	100	94	88	83
B6. Combination of B1-B5	121	124	129	131	133	132	131	129	128	127	126
C. Tailored Tests											
C1. Combined contingent liabilities	121	232	224	223	217	211	206	201	197	192	187
C2. Natural disaster	121	173	169	171	170	168	166	164	162	160	158
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	121	123	120	122	123	123	123	121	120	120	119
Debt Service-to-Revenue Ratio											
Baseline	10	13	15	11	11	11	11	11	10	10	10
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	10	13	14	10	10	10	10	11	9	9	9
B. Bound Tests											
B1. Real GDP growth	10	13	16	12	13	14	14	15	14	14	14
B2. Primary balance	10	13	15	12	13	14	13	12	11	12	12
B3. Exports	10	13	15	12	12	12	12	13	11	12	15
B4. Other flows 3/	10	13	15	11	11	11	11	12	10	11	11
B5. Depreciation	10	14	17	13	13	13	12	13	12	11	11
B6. Combination of B1-B5	10	12	16	12	12	13	13	13	11	11	11
C. Tailored Tests											
C1. Combined contingent liabilities	10	13	19	13	23	23	13	14	13	16	15
C2. Natural disaster	10	13	17	12	16	16	12	13	12	13	13
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	10	13	15	11	11	11	11	11	10	10	10
Sources: Country authorities; and staff estimates and projections.											
1/ A bold value indicates a breach of the benchmark.											
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.											
3/ Includes official and private transfers and FDI.											