Cambodia’s experience underscores the importance of peace and stability and recent government efforts for investment and development. It also illustrates the benefits of proximity to dynamic economies and joining the regional production chain. However, efforts are needed to improve the economy’s infrastructure and business climate to attract private investment and accomplish further diversification.

Sources: Abbas and others (2010); Barro and Lee (2010); IMF, Balance of Payments Statistics database; IMF, World Economic Outlook database (October 2012); Lane and Miles-Ferretti (2007) updated to 2011; Penn World Table 7.1; UN Comtrade Statistics; World Bank, World Development Indicators database (2012); and IMF staff calculations.

Note: Indicators are defined in Appendix 4.1.

1FDI = foreign direct investment.