

CMPC 2026 CASE STUDY

Cambodia 2030: Growth Under Pressure

A Consolidated Case Study Briefing

Source: CMPC 2026 fictional case study dataset

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1. Background and Context

Cambodia has entered 2030 facing a more uncertain economic outlook, as slower growth, weaker business confidence, and growing pressure on households force policymakers to confront a difficult question: how should the country respond without creating deeper risks?

The latest economic forecast suggests that Cambodia's real GDP growth may slow to 3.8% in 2030, continuing a downward trend from previous years. While the economy is not in collapse, the slowdown has raised concern among businesses, workers, and policymakers.

Across Phnom Penh, small business owners report that customers are spending more carefully. Some restaurants, retailers, and service businesses say sales have weakened as households deal with slower wage growth, higher living costs, and debt repayment pressure.

Banks and microfinance institutions have also become more cautious. With more borrowers struggling to repay loans, lenders are tightening credit conditions, especially for smaller firms and construction-linked businesses. Some economists warn that if credit becomes too tight, investment and job creation may weaken further.

At the same time, Cambodia's young workforce faces increasing uncertainty. Youth unemployment is forecast to rise in 2030, and several export-oriented firms have reportedly delayed hiring due to weaker global demand. In the garment, footwear, and travel goods sectors, some factories have reduced overtime as foreign orders become less predictable.

Tourism remains a bright spot overall, but its recovery is uneven — major destinations continue to attract visitors, while smaller tourism businesses report that the benefits are not spreading widely enough.

The government faces a difficult balancing act. Supporting households and firms could help restore confidence, but public finances are already under pressure. Meanwhile, monetary policy remains complicated by Cambodia's highly dollarized economy, where many loans, deposits, and large transactions are still linked to the US dollar.

Economists are divided over the best response. Some argue Cambodia should focus first on financial stability and confidence. Others believe stronger support for households and businesses is needed before the slowdown worsens. A third view suggests the problem is not only short-term weakness, but a deeper need to improve productivity, skills, and competitiveness.

As 2030 begins, Cambodia is not facing a single clear crisis. Instead, it is facing several connected pressures at once. The decisions made in the coming months may determine whether the slowdown remains manageable or becomes a deeper economic problem.

2. Headline Macroeconomic Dashboard

This section helps teams diagnose whether the slowdown is driven by domestic demand, external demand, or confidence effects.

Indicator	2027	2028	2029	2030F	Interpretation
Real GDP growth	5.6%	5.2%	4.4%	3.8%	<i>Growth is slowing</i>
Inflation	2.8%	3.1%	3.6%	4.2%	<i>Inflation is rising but not extreme</i>
Core inflation	2.2%	2.5%	2.9%	3.1%	<i>Underlying inflation is moderate</i>
Unemployment	4.8%	5.3%	6.1%	6.9%	<i>Labour market is weakening</i>
Private investment growth	7.5%	5.2%	2.1%	0.8%	<i>Firms are delaying expansion</i>
Export growth	8.5%	6.0%	2.8%	1.9%	<i>External demand is weakening</i>
Tourism revenue growth	14.2%	9.8%	5.7%	3.1%	<i>Tourism recovery is losing momentum</i>
Foreign reserves coverage	7.5 mo. imports	7.1	6.8	6.2	<i>Reserves are adequate but declining</i>

Source: CMPC 2026 fictional case study dataset

3. Aggregate Demand Breakdown

Component	2027	2028	2029	2030F	Interpretation
Household consumption	5.2%	4.7%	3.6%	2.8%	Consumers are spending more cautiously
Private investment	7.5%	5.2%	2.1%	0.8%	Business confidence is weakening
Government spending	4.0%	4.5%	5.1%	5.4%	Public spending is supporting demand
Exports	8.5%	6.0%	2.8%	1.9%	Foreign demand is weakening
Imports	7.8%	5.6%	3.2%	2.4%	Slower imports suggest weaker domestic activity

What This Data Creates

- Weak household consumption
- Falling private investment
- Weak exports
- Reduced confidence
- Tight credit conditions
- Structural competitiveness problems

Confidence Indicators

Indicator	2027	2028	2029	2030F	Interpretation
Business confidence index	68/100	61/100	53/100	47/100	Firms are becoming pessimistic
Consumer confidence index	64/100	59/100	51/100	45/100	Households are reducing spending
Investor confidence index	72/100	67/100	60/100	56/100	FDI may weaken further
Bank lending willingness index	75/100	68/100	59/100	51/100	Banks are becoming cautious
Expected inflation next year	3.2%	3.6%	4.1%	4.5%	Inflation expectations are rising

Source: CMPC 2026 fictional case study dataset

5. Fiscal Health Dashboard

This section helps teams assess whether Cambodia can support the economy through fiscal policy without creating unsustainable debt pressure.

Fiscal Indicator	2027	2028	2029	2030F	Why it matters
Government revenue	20.1% GDP	20.3%	20.5%	20.4%	<i>Shows how much the government collects</i>
Government expenditure	23.2% GDP	23.7%	24.3%	24.6%	<i>Shows government spending pressure</i>
Budget balance	-3.1% GDP	-3.4%	-3.8%	-4.2%	<i>Shows annual borrowing need</i>
Public debt	36% GDP	38%	41%	44%	<i>Shows total debt burden</i>
Debt servicing cost	8.5% rev.	9.4%	10.6%	11.8%	<i>Shows how much revenue goes to debt payments</i>
Capital spending	7.2% GDP	7.4%	7.6%	7.7%	<i>Shows public investment in infrastructure</i>
Social protection spending	2.1% GDP	2.4%	2.7%	3.0%	<i>Shows support for vulnerable households</i>
Tax revenue gap	3.2% GDP	3.4%	3.5%	3.6%	<i>Shows possible weakness in tax collection</i>

Fiscal Interpretation

- Cambodia still has fiscal space, but it is not unlimited.
- The public debt level is not yet a crisis, but the deficit is widening and debt servicing costs are rising.
- Any fiscal response must therefore be carefully justified.

6. Monetary and Financial Sector Dashboard

This section helps teams judge whether Cambodia's slowdown is being amplified by tight credit conditions, banking stress, and the limits of monetary policy in a partially dollarized economy.

Indicator	2027	2028	2029	2030F	Why it matters
Credit growth	11.5%	8.2%	5.1%	3.4%	<i>Shows banks are lending less</i>
Non-performing loan ratio	4.1%	5.3%	6.8%	8.1%	<i>Shows rising repayment problems</i>
SME loan rejection rate	18%	22%	28%	34%	<i>Shows smaller firms face tighter credit</i>
Construction-linked NPLs	5.2%	6.7%	8.9%	10.8%	<i>Shows real-estate and construction risk</i>
Household loan arrears	3.8%	5.1%	6.4%	7.6%	<i>Shows household debt pressure</i>
Bank liquidity index	82/100	78/100	73/100	70/100	<i>Shows liquidity is tightening</i>
Average lending rate to SMEs	9.2%	9.6%	10.1%	10.7%	<i>Shows borrowing is becoming more expensive</i>
Share of deposits in foreign currency	72%	70%	68%	66%	<i>Shows dollarization remains high</i>
Riel use in domestic transactions	24%	27%	30%	33%	<i>Shows gradual de-dollarization</i>

Monetary Interpretation

- Credit growth is slowing, which may weaken investment and employment.
- Rising NPLs mean encouraging banks to lend more could create financial instability.
- Cambodia's high foreign-currency use can limit monetary transmission.
- Monetary and fiscal coordination may be necessary.

Possible Team Positions

- 1. More liquidity and credit support
- 2. Tighter financial supervision
- 3. A cautious monetary response
- 4. Coordination with fiscal policy

7. Households and Labour Market

This section helps teams understand who is suffering most, and how the slowdown affects living standards, jobs, and social stability.

Household and Living Standards Dashboard

Household Indicator	2027	2028	2029	2030F	Interpretation
Average wage growth	5.1%	4.3%	3.2%	2.7%	<i>Wages are slowing</i>
Food inflation	3.5%	4.1%	5.0%	5.8%	<i>Basic costs are rising</i>
Household debt stress index	52/100	58/100	67/100	74/100	<i>Debt pressure is increasing</i>
Households delaying major purchases	18%	22%	29%	35%	<i>Consumer confidence is weakening</i>
Households reporting repayment difficulty	9%	12%	16%	21%	<i>Debt repayment problems are spreading</i>
Poverty vulnerability rate	18%	19%	21%	23%	<i>More households risk falling into poverty</i>
Informal employment share	46%	45%	45%	44%	<i>Many workers remain outside formal protection</i>

Labour Market Dashboard

Labour Indicator	2027	2028	2029	2030F	Interpretation
Overall unemployment	4.8%	5.3%	6.1%	6.9%	<i>Labour market is weakening</i>
Youth unemployment	8.9%	9.4%	10.7%	12.2%	<i>Young workers are highly affected</i>
Underemployment	11.5%	12.3%	13.7%	15.1%	<i>Workers may have jobs but not enough hours</i>
Average wage growth	5.1%	4.3%	3.2%	2.7%	<i>Wage growth is slowing</i>
Factory overtime hours index	100	94	87	81	<i>Export workers are losing extra income</i>
New formal job creation	128,000	116,000	91,000	74,000	<i>Job creation is slowing</i>

Household Interpretation

- Food inflation and weaker wage growth are damaging real incomes.
- Rising debt stress is weakening consumption.
- Stakeholder impacts should be central to any policy response.

Labour Interpretation

- The case is not only about inflation or banking; it is also about jobs.

- Youth unemployment, underemployment, and slower wage growth must shape policy choices.

Source: CMPC 2026 fictional case study dataset

8. External Sector, Sector Performance, and Regional Impact

This section helps teams assess whether Cambodia's slowdown is mainly domestic, external, or concentrated in specific sectors and regions.

External Sector Dashboard

External Indicator	2027	2028	2029	2030F	Interpretation
Export growth	8.5%	6.0%	2.8%	1.9%	<i>Foreign demand is weakening</i>
Tourism revenue growth	14.2%	9.8%	5.7%	3.1%	<i>Tourism recovery is slowing</i>
FDI inflows	8.4% GDP	7.9%	7.1%	6.5%	<i>Investor momentum is weakening</i>
Current account balance	-6.2% GDP	-6.5%	-7.1%	-7.5%	<i>External imbalance is widening</i>
Foreign reserves coverage	7.5 mo. imports	7.1	6.8	6.2	<i>Reserves are still adequate but falling</i>
Fuel import bill	5.4% GDP	5.8%	6.4%	6.9%	<i>External price shocks affect inflation</i>
Remittance growth	6.5%	4.2%	2.1%	1.2%	<i>Household income support is weakening</i>

Sector Dashboard

Sector	2027	2028	2029	2030F	Main pressure
Garments, footwear, travel goods	8.0%	5.7%	2.4%	1.5%	<i>Weak external demand</i>
Tourism and hospitality	13.5%	9.2%	5.4%	3.0%	<i>Uneven recovery</i>
Construction	5.8%	3.2%	0.9%	-1.2%	<i>Weak property demand and credit risk</i>
Agriculture	3.1%	2.8%	2.5%	2.4%	<i>Low productivity and input costs</i>
Digital services	11.2%	10.1%	8.5%	7.8%	<i>Still growing, but skills limited</i>
Transport and logistics	7.4%	6.3%	4.8%	3.6%	<i>Slower trade growth</i>
Retail and services	6.0%	5.1%	3.4%	2.2%	<i>Weak household demand</i>

Regional Impact Dashboard

Region / Area	Main economic issue in 2030	Why it matters
Phnom Penh	SME stress, weak property market, youth job competition	<i>Urban slowdown affects national demand</i>
Siem Reap	Uneven tourism recovery	<i>Tourism jobs remain vulnerable</i>
Sihanoukville	Construction slowdown and investment uncertainty	<i>Real estate and investment risks are concentrated</i>
Garment-producing provinces	Weaker export orders and reduced overtime	<i>Factory workers face income pressure</i>

Region / Area	Main economic issue in 2030	Why it matters
Rural agricultural provinces	Input costs, climate risk, debt stress	<i>Rural households may be left behind</i>
Border provinces	Trade uncertainty and logistics dependence	<i>External shocks affect local incomes</i>

External Interpretation

- Cambodia's slowdown is partly driven by global conditions.
- Domestic policy cannot fully control exports, fuel prices, tourism, or foreign investment.
- Good policy recommendations should explain which sectors and regions are being prioritized, and why.

Source: CMPC 2026 fictional case study dataset

9. Stakeholder Perspectives

The following voices represent the range of groups affected by, and involved in, Cambodia's economic slowdown. Any policy recommendation should be able to explain its impact on each of them.

SME Owner

Retail Business Owner

“Sales have not collapsed, but customers are much more careful than before. People still come into the shop, but they buy less, delay bigger purchases, or ask for cheaper alternatives. At the same time, our rent, electricity, transport, and supplier costs have not fallen. The hardest part is uncertainty. I do not know whether I should hire another worker, reduce inventory, or wait. Banks are also asking more questions before approving loans. I understand why they are cautious, but for small businesses like mine, less credit means less ability to survive the slowdown.”

Main concern: Weak demand, tighter credit, business uncertainty.

Stay-home Mother

Low-income Household

“The official inflation number may not look extremely high, but for families like ours, food prices matter more than anything else. Rice, meat, transport, school materials, and rent take up most of our income. Wages are not rising fast enough, and some workers are losing overtime hours. Even a small increase in prices can force us to cut spending somewhere else. If the government helps the economy, we hope it reaches ordinary households, not only banks or large companies.”

Main concern: Food prices, wage pressure, living costs, household welfare.

Bank Manager

Commercial Bank

“We are still willing to lend, but the risk environment has changed. More borrowers are late with repayments, especially in construction, small business, and household loans. If we lend too aggressively now, we may support short-term growth but create a larger bad-loan problem later. At the same time, if banks become too cautious, businesses cannot invest and the slowdown becomes worse. This is the difficult balance: the economy needs credit, but credit must go to borrowers who can repay.”

Main concern: Non-performing loans, cautious lending, financial stability.

Factory Worker

Garment Factory

“At the factory, we are still working, but overtime has been reduced. Some workers are worried that if foreign orders fall further, temporary workers will be the first to lose their jobs. Many families depend on one or two factory incomes, so even a small reduction in working hours affects spending on food, rent, and debt repayments. When people talk about exports slowing, it sounds abstract, but for us it means fewer shifts and less income.”

Main concern: Export demand, employment, wages, and household income.

Young Worker

Recent Graduate

“I graduated last year expecting that there would be more opportunities, especially in offices, tourism, logistics, or digital businesses. But many companies say they are not hiring right now, or they only offer short-term contracts. Some of my friends are working jobs that do not match their qualifications, while others are thinking about leaving Phnom Penh or

working abroad. The problem is not only unemployment. It is also the feeling that the economy is not creating enough stable jobs for young people.”

Main concern: Youth unemployment, job quality, skills match.

Tourism Business

Guesthouse Owner

“Bigger destinations still draw visitors, but smaller tourism businesses like ours are not seeing the benefits spread widely enough. Guests are spending more carefully, and bookings feel less predictable than before. Rice, meat, transport, and rent take up most of our operating costs, and wages have not risen fast enough to help our staff keep up. If the government supports the economy, we hope it reaches small tourism operators, not only large hotel chains or banks.”

Main concern: Uneven tourism recovery, operating costs, staff welfare.

Farmer

Rural Household

“In the city, people talk about GDP growth, but in the countryside we feel the economy through crop prices, fuel costs, fertilizer prices, and debt repayments. When input prices rise and crop prices are unstable, our income becomes unpredictable. Some families borrow to cover farming costs, but repayment becomes difficult if the harvest is poor. Any national economic policy should not ignore rural households, because many people outside Phnom Penh are facing pressure too.”

Main concern: Rural income, agricultural costs, climate and price risk, and household debt.

Government Official

Ministry of Economics and Finance

“The government understands the pressure on households and businesses, but public spending must be responsible. If we spend too much too quickly, the deficit and debt burden may rise, reducing our ability to respond to future shocks. But if we do too little, the slowdown could deepen and government revenue may weaken anyway. The question is not whether spending is good or bad. The question is whether any fiscal response is targeted, temporary, affordable, and able to raise long-term productive capacity.”

Main concern: Fiscal pace, public debt, targeted spending, and long-term stability.

Construction Worker

In Phnom Penh

“A few years ago, construction jobs were easier to find. Now some projects are delayed or moving more slowly. When construction slows, it does not only affect developers. It affects workers, transport drivers, food sellers near sites, suppliers, and families who depend on daily wages. Some people think construction is only about buildings, but for many workers it is their main source of income.”

Main concern: Construction slowdown, employment, and the multiplier effect.

National Bank

An Official

“Cambodia's monetary policy situation is more complex than in countries where most transactions are in the domestic currency. Because the economy remains highly dollarized, traditional monetary tools may not have a strong or immediate effect on borrowing and spending. We must protect confidence, liquidity, and financial stability at the same time. Any policy

response must consider whether banks are actually willing to lend, whether borrowers are creditworthy, and whether the public remains confident in the financial system.”

Main concern: Dollarization, liquidity, exchange rates, and bank stability.

Economist

Independent

“The danger is misdiagnosing the problem. If Cambodia treats this only as a demand slowdown, policymakers may stimulate spending but ignore financial risks and productivity weaknesses. If they treat it only as a banking problem, they may protect financial stability but allow unemployment and weak demand to worsen. If they focus only on long-term reforms, households and firms may not survive the short run. The best proposals will identify the main priority clearly while recognizing that Cambodia's problems are connected.”

Main concern: Correct diagnosis, policy trade-offs, and balanced evaluation.

Logistics Company

Export Manufacturer

“Our problem is not only weak demand this year. Cambodia is becoming more expensive compared with some competitors, while other countries are investing faster in technology, skills, and logistics. If global orders slow, buyers become more selective. They look at cost, reliability, speed, and productivity. Short-term support may help firms survive, but Cambodia also needs to think about competitiveness. Otherwise, the same problem will return whenever external demand weakens.”

Main concern: Competitiveness, exports, productivity, and investment.

10. The Question Facing Policymakers

As 2030 begins, Cambodia is not facing a single clear crisis. Instead, it is facing several connected pressures at once — slowing growth, rising inflation, a weakening labour market, tightening credit, widening fiscal deficits, and an uneven external recovery.

“The challenge is not simply choosing between monetary and fiscal policy,” said one economist. “The real question is what Cambodia should prioritize first: growth, stability, jobs, or long-term transformation.”

For policymakers — and for teams working through this case — the central question is now unavoidable:

What should Cambodia do next?