

— RESEARCH BRIEF • ECONOMY

Dollar or Riel?

Why does Cambodia use two currencies, and is that changing?

THE SHORT ANSWER

History made the dollar a habit.

History explains much of why Cambodia uses the US dollar alongside the riel. Money was abolished in 1975, and dollars poured in during the early 1990s.

Some things are shifting, like **riel payments by phone** and **riel deposits**. But the dollar share of broad money has **barely moved in 10 years**.

— KEY NUMBERS

Four numbers that tell the story



90.7%

of bank deposits were in foreign currency (2025, NBC)



84.4%

of broad money was foreign currency deposits (2025, NBC)



49%

of Bakong payments were in riel, by number not value (2024, NBC)



1.2%

of surveyed garment-sector workers' income lost changing money (estimate, 2026, UNDP-NBC)

01

WHAT HAPPENED

Price in dollars. Change in riel.

In a Phnom Penh shop, the price tag is in dollars, but the change comes back in riel. Economists call this **dollarization**. It means people use a foreign currency instead of, or alongside, their own.

— WHAT HAPPENED

Most money in the bank is dollars

In 2025, **90.7%** of all bank deposits were in foreign currency, most of it US dollars (National Bank of Cambodia, or NBC, 2025). That leaves only about 9% in riel (our calculation).

In 2024, **88.2%** of loans were in foreign currency (NBC, 2024). So only about 12 of every 100 were lent in riel (11.8%, our calculation).

BANK DEPOSITS, 2025

**90.7%**

foreign currency, mostly US dollars

9.3%

riel (about 9%)

BANK LOANS, 2024

**88.2%**

foreign currency

11.8%

riel (11.8%)

— WHAT HAPPENED

Some things are moving toward the riel



Phone payments

Bakong is the central bank's digital payment system. In 2024, **49%** of Bakong transactions were in riel: 299.32 million of 608.32 million (NBC data via Agence Kampuchea Presse, 2025). This is by number of payments, not by value. The share by value was not published.



Cash

Since 2020, the central bank has pushed to take small US notes (\$1, \$2 and \$5) out of use. In 2022, one large bank, ABA, stopped giving out small dollar notes at its ATMs and offered riel instead (VOD English, 2022).



Savings

Riel deposits grew **12.5%** in 2024 (NBC, 2024).

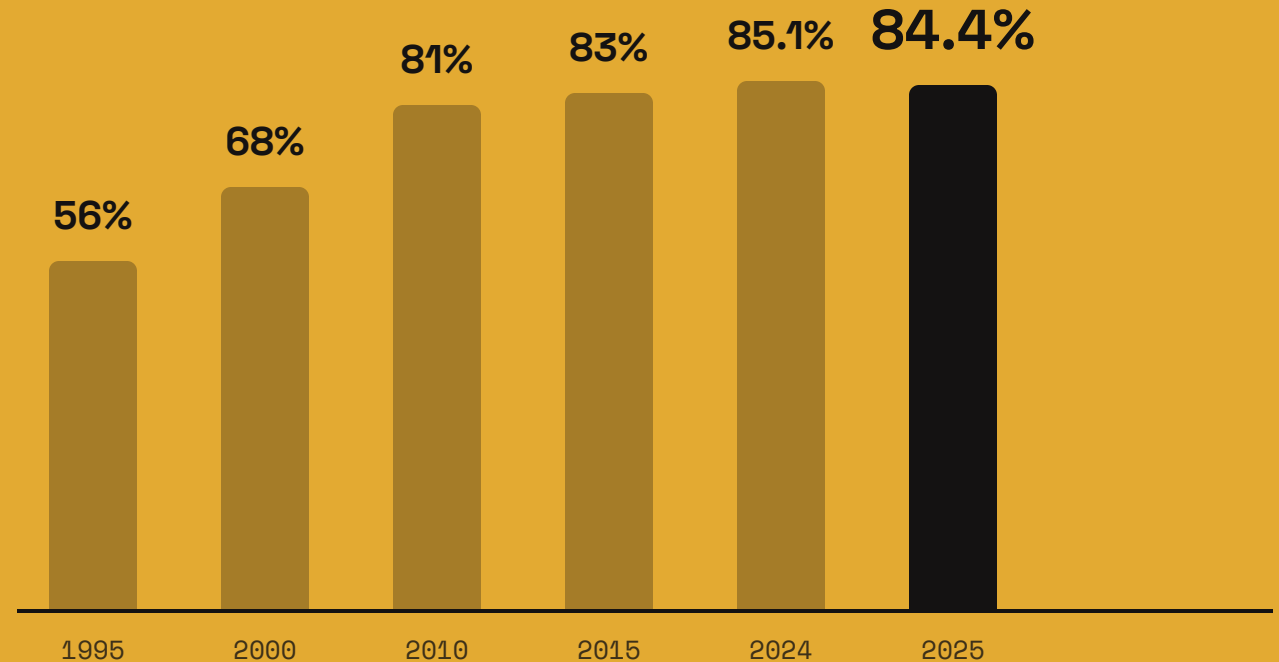
— THE BIG PICTURE

The big picture moves slowly

Broad money, or M2, means cash plus bank deposits.

Foreign currency deposits were 83% of broad money in 2015, 85.1% in 2024 and 84.4% in 2025 (NBC data). Over 10 years, that share barely changed.

In 1995, they were 56% (Neak Samsen, Nuppun Institute, 2015, citing NBC data).



Foreign currency deposits as a share of broad money (M2), NBC data

02

WHY TWO CURRENCIES?

A country without money

The NBC, the central bank, was founded in December 1954. It printed the riel soon after. On 17 April 1975, the Khmer Rouge closed the bank and abolished money completely. For almost 5 years, Cambodia had no currency at all. The riel came back on 20 March 1980 (NBC).

But trust was slow to return. The International Monetary Fund (IMF) points to a lack of confidence in the riel and political uncertainty in the early 1990s (IMF, 2003).

— WHY TWO CURRENCIES?

How the dollar arrived



From 1992 to 1993, a UN mission called UNTAC oversaw Cambodia's transition. It cost US\$1.6 billion (United Nations Peacekeeping). Aid, private transfers and export earnings also poured in, mostly in dollars. The IMF says Cambodia saw "almost complete" dollarization between 1991 and 1995 (IMF, 2003).

Once a currency becomes a habit, it is hard to change. Salaries, rents, cars and bank loans are priced in dollars. Most factory wages are paid in dollars, and exports earn dollars.

— 03 · WHO IS INVOLVED

Who is involved



The National Bank of Cambodia

The NBC says wider riel use helps it manage money and prices (NBC, 2024).



Banks and microfinance lenders

Microfinance lenders give small loans. In December 2016, the NBC set a rule: at least **10%** of each lender's loans must be in riel. Lenders were given until the end of 2019, and the IMF says the 10% target still applies. For the banking system as a whole, about 12% of loans were in riel in 2024, just above 10%. But the rule applies to each lender, and this average does not tell us whether each one meets it.



Workers

In March 2026, UNDP and the NBC published a survey of **1,068 workers** in **114** garment, footwear and travel goods factories.



The IMF

The International Monetary Fund supports more riel use but asks for caution.

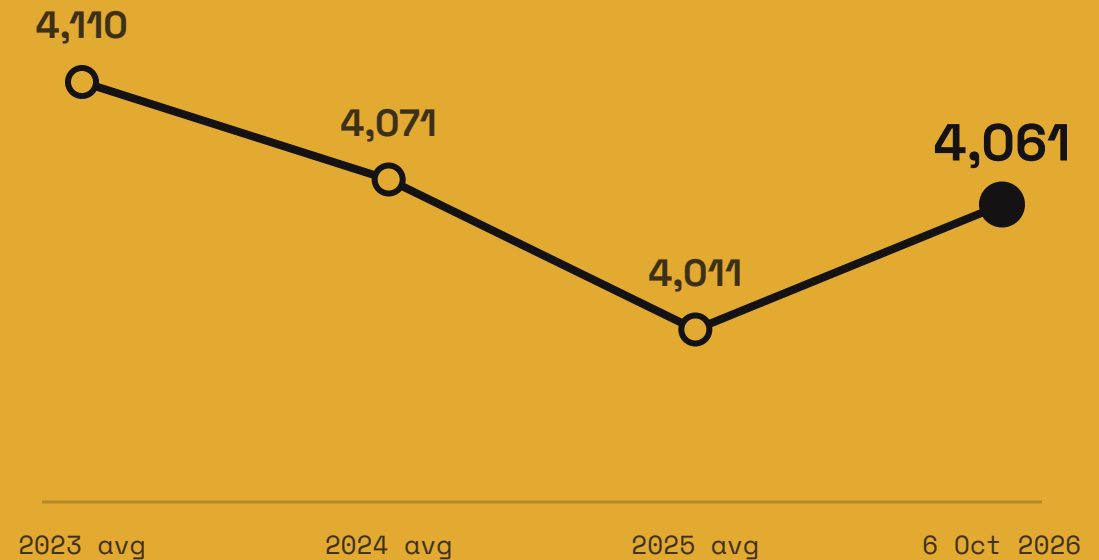
— 04 · RISKS AND OPEN QUESTIONS

The riel itself has been stable

It averaged 4,110 per dollar in 2023, 4,071 in 2024 and 4,011 in 2025 (NBC). On 6 October 2026, the official rate was **4,061** (NBC).

The NBC uses a **managed float**: the rate moves within a band, and the bank steps in to smooth it.

RIEL PER US DOLLAR



— RISKS AND OPEN QUESTIONS

What could go wrong



Weak policy tools

The IMF says heavy dollar use weakens the NBC's interest rate tools for controlling prices (IMF, 2025).



Moving too fast

This has risks too. If people earn in one currency and borrow in another, a sudden rate change can hurt.



Gaps in the data

The sources we checked give no figures on whether each lender meets the 10% rule.

— 05 · WHAT IT MEANS FOR YOU

Paid in dollars, spending in riel

In the UNDP–NBC survey, 89.8% of workers' wages were paid in dollars. But 87.6% of their household spending was in riel (UNDP and NBC, 2026). So every time they change money, they lose a little. The survey estimates the loss at about **1.2% of income**.

For example, on a wage of US\$250 a month, that is about **US\$3 every month**. This is our illustration, not a wage from the survey.



1.2% of income lost changing
money (estimate)

— 06 · DIFFERENT VIEWS

How fast should Cambodia move?



The NBC

Promotes riel use step by step, while keeping the exchange rate stable (NBC).



The IMF

Supports the goal but recommends a "cautious expansion" of riel lending, "currently targeted at 10 percent" (IMF, 2025).

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Ky Sereyvath

Of the Royal Academy of Cambodia, suggests starting with public payments. He warns that rapid shifts could shake the exchange rate (Cambodianess, 2026).

— DIFFERENT VIEWS

Should the rate move more freely? Do workers want riel wages?

- The **IMF** wants “greater exchange rate flexibility” to absorb outside shocks (IMF, 2025).
- The **NBC** keeps the rate stable through its managed float. Ky Sereyvath says stability is what makes riel worth using: “If the National Bank can maintain a stable exchange rate, using riel will benefit” (Cambodianess, 2026).

In the survey, 41.5% of workers said yes to riel wages and 57% said no. About 79% of those who said no cited exchange rate risk (UNDP and NBC, 2026).

WORKERS ASKED: RIEL WAGES?

**57%**

said no. About 79% of them cited exchange rate risk

41.5%

said yes

ABOUT THE DATA

Read these numbers carefully

- Deposit shares are for 2025. Loan, Bakong and riel deposit growth figures are for 2024. The exchange rate is from October 2026.
- The riel shares of deposits (about 9%) and loans (about 11.8%) are our calculations: 100% minus the NBC's foreign currency ratio.
- The 90.7% compares foreign currency deposits with all deposits. The 56% to 84.4% trend compares them with broad money. These two ratios cannot be compared with each other.
- The survey covers one sector and one sample, not all Cambodian workers. The 1.2% loss is an estimate, and the US\$250 wage is only an example.
- The 2000 and 2010 values in the broad money chart come from the same NBC series (via Neak Samsen, Nuppun Institute, 2015).

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Every number, and where it comes from

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Figures in this brief are compiled from public sources believed to be reliable at the time of writing (October 2026). Data can differ between sources and may be revised later. Always check the original source before you rely on a number.



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Which currency do you use most in a normal day, and why?



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