Flash Report on the Cambodian Economy

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This report highlights a number of economic indicators of Cambodia and its partners. It compares recent figures with those of earlier periods.

In the second quarter, total fixed asset investments in agriculture approved by the Council for the Development of Cambodia jumped to USD57.1 m from USD23.0 m a quarter earlier, but dropped from USD81.2 m in a year earlier.

Cambodia continues to attract more tourists, despite some political and economic uncertainty since the July national election. In August, total foreign visitor arrivals increased by 1.0 percent from a month earlier (16.4 percent year on year). Holiday arrivals went up 1.1 percent (20.5 percent year on year). Business arrivals declined by 2.7 percent from the preceding month, but rose 3.9 percent year on year. “Other” arrivals increased 11.1 percent from the previous month, but dropped by 72.2 percent year on year.

The total value of construction approvals in July went up to USD279.7 m from USD240.5 m a month earlier and USD76.4 m in the previous year. The value of villas and houses rose to USD22.3 m from USD4.1 m in the previous month. The value of flats dropped by 24.7 percent from the previous month (35.7 percent year on year) to USD18.9 m.

In August, the consumer price index (all items) rose 0.4 percent from a month earlier (3.3 percent year on year). The price of food and non-alcoholic beverages increased 0.7 percent (4.4 percent year on year) and of clothing and footwear 1.2 percent (6.0 percent year on year). The price of housing and utilities went up 0.2 percent, but dropped by 0.1 percent year on year. The price increase in these basic necessities could potentially jeopardise living standards of the poor and those who are living near the poverty line. A percentage point increase in food and important non-food prices might cause a significant number of the near poor to fall back into poverty. Thus, the government needs to monitor carefully overall prices.

In September, the price of diesel fuel declined by 1.2 percent from the preceding month (4.1 percent year on year) to KHR4940/litre and of gasoline by 1.5 percent (5.7 percent year on year) to KHR5140/litre. In October, the riel appreciated 0.1 percent from a month earlier against the US dollar, but depreciated 0.8 percent year on year. The riel appreciated 1.5 percent from the previous month against the Thai baht, but appreciated 0.3 percent year on year. The riel remained unchanged against the Vietnamese dong. Overall, the riel exchange rate has been stable for the first 10 months of year against the dollar and other currencies.

In August, imports of construction equipment increased by 3.1 percent from the preceding month (4.3 percent year on year) to USD63.3 m and of steel by 6.0 percent (2.5 percent year on year). Imports of cement dropped 2.3 percent from a month earlier (25.1 percent year on year) to USD8.4 m, but rose by 13.8 percent year on year. Although there were monthly fluctuations, the overall increased trend of imports was consistent with the increased construction activities. In the same month, exports of clothing (all kinds) rose by 26.6 percent from a month earlier (25.1 percent year on year) to USD573.5 m and of shoes by 1.2 percent (23.9 percent year on year) to USD33 m and of other textile products by 15.3 percent (62.1 percent year on year) to USD25.3 m.

In June, total government current revenue decreased by 4.4 percent from the previous month to KHR470.4 bn, but increased 17.1 percent year on year. Revenue from domestic taxes went down 0.2 percent to KHR470.4 bn, but increased 17.1 percent year on year. Revenue from import and export taxes went up 3.8 percent from a month earlier (21.1 percent year on year) to KHR136.5 bn. Non-tax revenue dropped by 53.2 percent from a month earlier (50.0 percent year on year) to KHR29.2 bn. Despite monthly...
In September, the price of gasoline (US Gulf Coast) went down by 7.0 percent from the previous month to USD690.9/tonne, but declined 0.3 percent year on year. The price of rubber rose 7.1 percent from the previous month to USD2178.8/tonne, but dropped by 18.2 percent year on year. The price of tapioca went up 12.7 percent from a month earlier (18.4 percent year on year) to USD328.7/tonne. In the same month, the price of Vietnamese rice increased by 3.3 percent from a month earlier (5.5 percent year on year) to USD437/tonne and of cashew nuts by 7.3 percent (1.5 percent year on year) to USD6620.7/tonne. The price of rubber dropped by 6.6 percent from the previous month (17.8 percent year on year) to USD2168.2/tonne.

Exports of Thai rice went down 17.1 percent from the preceding month (10.3 percent year on year) to USD361.3 m. Exports of tapioca dropped by 20.4 percent from a month earlier (34.9 percent year on year) to USD182.5 m. Exports of rubber and similar natural gums rose by 2.5 percent from the previous month to USD574.4 m, but declined by 18.5 percent year on year. In the same month, exports of Vietnamese rubber decreased by 12.8 percent from a month earlier (20.0 percent year on year) to USD232 m. Exports of cashew nuts rose by 7.3 percent from the previous month (28.0 percent year on year) to USD192 m. Exports of rice went up 4.7 percent from the preceding month to USD288 m, but dropped by 21.1 percent year on year.

In August, US exports declined 0.2 percent from a month earlier to USD1324.2 bn, but rose 2.9 percent year on year. Exports of the euro zone went up 2.2 percent from the preceding month (16.3 percent year on year) to USD2098.8 bn. Thus, there has been recovery in the US and the EU despite monthly fluctuations. Japanese exports went down 2.6 percent from the preceding month (8.7 percent year on year) to USD587.7 bn. This indicates that there remained uncertainty in the Japanese economy even with the “Abenomics” programmes to restore business investment. In August, Malaysian exports increased by 0.9 percent from a month earlier (6.6 percent year on year) to USD192.2 bn. Imports decreased 6.1 percent from the previous month to USD177.0 bn, but rose by 8.5 percent year on year, causing the trade surplus to drop by 5.7 percent year on year.

In September, the price of USA 2/4 rice rose 0.3 percent from the preceding month (3.3 percent year on year) to USD620/tonne. The price of Thai 100 percent B rice dropped 4.9 percent from the preceding month (23.6 percent year on year) to USD460/tonne. The price of soybeans (US No. 1) went down 2.9 percent from the preceding month (16.1 percent drop year on year) to USD539/tonne and of rubber by 2.7 percent (10.9 percent year on year) to USD2485.7/tonne. The price of maize (US No. 2) dropped by 13.1 percent (35.4 percent year on year) to USD208.8/tonne and of palm oil by 1.1 percent (15.2 percent year on year) to USD820/tonne.

In September, the price of gasoline (US Gulf Coast) went down 9.0 percent from the preceding month (14.2 percent year on year) to USD0.69/litre and of diesel fuel by 0.9 percent (5.4 percent year on year) to USD0.79/litre. The price of crude oil rose 1.1 percent from a month earlier to USD108.7/barrel, but dropped by 1.8 percent year on year.
Main Economic Activities and Consumer Prices in Cambodia

**Fixed Asset Investment Approvals by CDC***
Agriculture
2010 Q2–2013 Q2

*Including expansion projects.
Source: Council for the Development of Cambodia

**Foreign Visitor Arrivals**
August 2012–August 2013

Source: Ministry of Tourism

**Phnom Penh: Value of Construction Approvals**
July 2012–July 2013

Source: Municipality of Phnom Penh

**Consumer Price Index**
(December 2006=100)
February 2011–August 2013

Source: National Institute of Statistics

**Phnom Penh: Gasoline & Diesel Prices**
September 2012–September 2013

Source: CDRI

**Interest Rates on 12-Month Bank Loans**
June 2012–June 2013

Source: Economic & Monetary Statistics, NBC
Exchange Rates, Money and Credit

Riel per US Dollar
August 2012–October 2013

Riel per THB & VND
August 2012–October 2013

Monetary Survey (%)
June 2012–June 2013

Domestic Credit (%)
June 2012–June 2013

Monetary Survey
June 2012–June 2013

External Development Assistance Disbursement
Education
2001–2011

Source: National Bank of Cambodia
Source: National Bank of Cambodia
Source: National Bank of Cambodia
Source: National Bank of Cambodia
Source: National Bank of Cambodia
Source: The Cambodia Development Effectiveness Report 2011, CDC
**External Trade and National Budget Operations**

**Cambodian Imports**  
August 2012–August 2013

**Cambodian Exports**  
August 2012–August 2013

**Imports: Energy**  
August 2012–August 2013

**Current Budget Revenue**  
June 2012–June 2013

**Current Budget Expenditure**  
June 2012–June 2013

**Current Budget Balance**  
June 2012–June 2013

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Source: Economic & Monetary Statistics, NBC

Source: Economic & Monetary Statistics, NBC

Source: Economic & Monetary Statistics, NBC

Source: MEF Bulletin

Source: MEF Bulletin

Source: MEF Bulletin
Provincial Food Prices

Food Prices in Siem Reap Province
July 2012–September 2013

Food Prices in Battambang Province
July 2012–September 2013

Source: CDRI

Food Prices in Kompong Cham Province
July 2012–September 2013

Food Prices in Kampot Province
July 2012–September 2013

Source: CDRI

Food Prices in Svay Rieng Province
July 2012–September 2013

Food Prices in Kompong Speu Province
July 2012–September 2013

Source: CDRI
Cambodia: Rice Prices in Three Provinces

![Rice Prices Chart](chart1)

Source: CDRI

Cambodia: Fish Prices in Three Provinces

![Fish Prices Chart](chart2)

Source: CDRI

Cambodia: Pork Prices in Three Provinces

![Pork Prices Chart](chart3)

Source: CDRI
Economic Activity and Inflation Rates of Selected Economic Partners of Cambodia

**Year-on-Year Growth of Main Exports: Japan**
August 2012–August 2013

![Graph of Year-on-Year Growth of Main Exports: Japan](chart1)

**Goods Exports: US, Euro Zone & Japan**
August 2012–August 2013

![Graph of Goods Exports: US, Euro Zone & Japan](chart2)

**External Trade: Malaysia**
August 2012–August 2013

![Graph of External Trade: Malaysia](chart3)

**Inflation Rates: US, Euro Zone & Japan**
((percent price change from a year earlier)
August 2012–August 2013

![Graph of Inflation Rates: US, Euro Zone & Japan](chart4)

**Inflation Rates: China, Hong Kong & South Korea**
((percent price change from a year earlier)
August 2012–August 2013

![Graph of Inflation Rates: China, Hong Kong & South Korea](chart5)

**Inflation Rates: Selected ASEAN Countries**
((percent price change from a year earlier)
August 2012–August 2013

![Graph of Inflation Rates: Selected ASEAN Countries](chart6)
Exchange Rates and Commodity Prices in World Markets

**KRW & HKD per USD**
September 2012–September 2013

Source: Federal Reserve Bank of New York

**EUR & JPY per USD**
September 2012–September 2013

Source: Federal Reserve Bank of New York

**THB & SGD per USD**
September 2012–September 2013

Source: Federal Reserve Bank of New York

**International Rice Price Index & Export Prices**
September 2012–September 2013

Sources: FAO

**Prices: Soybeans, Maize, Rubber & Palm Oil**
September 2012–September 2013

Source: Food and Agriculture Organisation

**Prices: Gasoline & Diesel Fuel**
September 2012–September 2013

Source: US Energy Information Administration
Economic News

Cambodia exports 254,281 tonnes of milled rice in first nine months of year

According to data released by the Ministry of Economy and Finance, Cambodia’s exports of milled rice in the first nine months of 2013 increased 85 percent from a year earlier to 254,281 tonnes, equivalent to USD179 m. The EU continued to top the list of buyers, accounting for 63.0 percent of the total export value, followed by ASEAN (17.2 percent) and other countries (19.3 percent). Despite economic uncertainty in the euro zone, rice exports to that market rose 73.5 percent year on year. Exports to ASEAN countries also went up, by 74.5 percent, indicating business opportunities and market diversification in the region. Japan is still an unexplored market for Cambodia’s rice.

Since the launch of the rice policy in 2010, Cambodia has exported a total of 305,953 tonnes of milled rice. Although the government has shown commitment and continued to push for necessary reforms to improve the business environment for further investment in rice production and infrastructure, achieving one million tonnes of milled rice exports remains a challenge. The ADB projected that agricultural output will grow by 4 percent if there are no severe droughts or floods for the remainder of 2013.

Links to others economic news

1. “Cambodia sees 22 pct rise in garment exports in 9 months” (http://www.asean-china-center.org/english/2013-10/24/c_132827032.htm)
3. “Cambodia's construction sector attracts 2.27 bln USD in 9 months” (http://news.xinhuanet.com/english/world/2013-10/31/c_132848042.htm)