Flash Report on the Cambodian Economy

February 2013

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

In the fourth quarter, investments of total fixed assets in industry approved by the Council for the Development of Cambodia dropped by 19.9 percent from a quarter earlier to USD196.4 m, but year on year rose by 12.3 percent.

Total foreign visitor arrivals in December rose 14.6 percent from a month earlier (28.1 percent year on year). Holiday arrivals went up by 15.9 percent (24.6 percent year on year) and business arrivals by 0.1 percent (32.3 percent year on year). “Other” arrivals dropped by 0.8 percent, but year on year increased by 400 percent. In 2012, Cambodia received about 3.6 m visitors.

In December, the consumer price index (all items) rose by 0.01 percent from the previous month (2.5 percent year on year). Prices of food and non-alcoholic beverages decreased by 0.2 percent (2.4 percent rise year on year). Prices of housing and utilities increased by 0.9 percent (3.4 percent year on year) and of clothing and footwear by 0.7 percent (4.7 percent year on year). Prices of household furnishings and operations dropped by 0.1 percent (5.8 percent year on year).

In January, the price of gasoline rose by 0.9 percent from the preceding month (2.9 percent year on year) to KHR5338.9/litre. The price of diesel fuel remained unchanged from a month earlier, but year on year increased by 2.6 percent to KHR5100/litre. In the same month, the riel depreciated 0.003 percent from a month earlier against the US dollar (1.5 percent appreciation year on year). The riel appreciated 2.5 percent against the Thai baht (3.7 percent year on year) and 0.4 percent against the Vietnamese dong (0.2 percent depreciation year on year). In October, liquidity went up 2.1 percent from a month earlier (21.2 percent year on year) to KHR27,440.8 bn, net foreign assets by 1.4 percent (3.4 percent increase year on year) to KHR18,723.6 bn, and private sector credit by 1.2 percent (28.6 percent year on year) to KHR21,658 bn.

Imports of steel in December dropped by 5.8 percent from the previous month (37.1 percent year on year) to USD8.8 m and of cement by 0.5 percent (0.9 percent year on year) to USD6.42 m. Imports of construction equipment increased by 37.1 percent (56.6 percent year on year) to USD5.5 m. In the same month, exports of shoes went up 7.6 percent from a month earlier (1.6 percent year on year) to USD32.1 m and of other textile products by 11.7 percent (33.6 percent year on year) to USD5.5 m. In the same month, exports of shoes went up 7.6 percent from a month earlier (1.6 percent year on year) to USD32.1 m and of other textile products by 11.7 percent (33.6 percent year on year) to USD5.5 m. In the same month, exports of shoes went up 7.6 percent from a month earlier (1.6 percent year on year) to USD32.1 m and of other textile products by 11.7 percent (33.6 percent year on year) to USD5.5 m. In the same month, exports of shoes went up 7.6 percent from a month earlier (1.6 percent year on year) to USD32.1 m and of other textile products by 11.7 percent (33.6 percent year on year) to USD5.5 m.

In November, total government current revenue declined by 6.2 percent from the preceding month to KHR530.1 bn, but year on year rose by 4.6 percent. Revenue from domestic taxes went up 0.5 percent (8.5 percent year on year) to KHR369.2 bn. Revenue from non-taxes dropped by 39.4 percent (10.4 percent year on year) to KHR54.8 bn. Import and export tax revenue decreased by 0.9 percent from the preceding month to KHR106.1 bn, but year on year...
In December, the price of Thai rubber dropped by 1.5 percent from a month earlier (20.4 percent drop year on year) to USD2588.3/tonne and of tapioca by 6.2 percent (6.6 percent year on year) to USD729.5/tonne. The price of Thai rice went up 2.2 percent from the preceding month to USD718.8/tonne, but year on year decreased by 8.6 percent. In the same month, the price of Vietnamese rice decreased by 2.6 percent to USD472.9/tonne, but year on year rose by 13.8 percent. The price of rubber dropped by 2.2 percent from a month earlier (12.7 percent year on year) to USD2632.5/tonne while that of cashew nuts went up 2.1 percent to USD6277.8/tonne, but year on year declined by 20.9 percent.

Exports of Thai rice in December went down 26.8 percent from a month earlier (12.2 percent year on year) to USD341.8 m and of tapioca by 7.4 percent (20.2 percent year on year) to USD186.7 m. Exports of natural rubber and similar natural gums increased by 9.8 percent from the previous month to USD731.4 m, but year on year went down 20.1 percent. In the same month, exports of Vietnamese rice declined by 16.1 percent from the previous month to USD245 m, but year on year rose by 26.9 percent. Exports of rubber increased by 25.7 percent (8.1 percent drop year on year) to USD308 m. Exports of cashew nuts declined by 8.1 percent from a month earlier (16.3 percent year on year) to USD113 m.

In December, exports of the euro zone went up 0.4 percent from a month earlier (4.8 percent year on year) to USD202.2 bn and of the US 2.6 percent (4.3 percent year on year) to USD132.6 bn. Japanese exports increased by 3.1 percent from the preceding month to USD64.3 bn, but year on year dropped by 11.3 percent. In the same month, Malaysian exports declined by 2.2 percent from the preceding month to USD18.8 bn (2.3 percent rise year on year) and imports by 0.9 percent (3.5 percent year on year) to USD16 bn.

In January, prices of USA 2/4 rice went up 1.3 percent from the preceding month (12.8 percent year on year) to USD616/tonne and of Thai 100 percent B rice by 0.7 percent (13.5 percent year on year) to USD603/tonne. The price of soybeans (US No. 1) dropped by 3 percent from a month earlier (20.4 percent increase year on year) to USD556.7/tonne and of maize (US No. 2) by 2.7 percent (10.5 percent rise year on year) to USD302.2/tonne. The price of rubber went up 5.3 percent from the previous month to USD3108.7/tonne, but year on year declined by 11.4 percent. In January, the prices of crude oil (OPEC spot) rose by 2.1 percent from the previous month (2.6 percent increase year on year) to USD108.8/barrel and of gasoline (US Gulf Coast) by 7.8 percent (3.7 percent rise year on year) to USD0.71/litre. The price of diesel fuel (low sulphur No. 2) went up 2.8 percent from a month earlier (0.3 percent year on year) to USD0.80/litre.
Main Economic Activities and Consumer Prices in Cambodia

Fixed Asset Investment Approvals by CDC*
Industry
2010 Q1–2012 Q4

Foreign Visitor Arrivals
December 2011–December 2012

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

Source: Ministry of Tourism

Phnom Penh: Value of Construction Approvals
November 2011–November 2012

Phnom Penh: Gasoline & Diesel Prices
November 2011–January 2013

Phnom Penh: Gasoline & Diesel Prices
November 2011–January 2013

Source: Municipality of Phnom Penh

Source: National Institute of Statistics

Source: CDRI

Interest Rates on 12-Month Bank Deposits (%)
October 2011–October 2012

Source: Economic & Monetary Statistics, NBC

0 500 1000 1500 2000 2500
USD m

0 25 50 75 100 125 150 175 200 225 250
10Q1 10Q2 10Q3 10Q4 11Q1 11Q2 11Q3 11Q4 12Q1 12Q2 12Q3 12Q4

0 50 100 150 200 250 300 350 400

Dec 11 Feb 12 Apr 12 Jun 12 Aug 12 Oct 12 Dec 12

0 2000 3000 4000 5000 6000 7000 8000

Source: CDRI

0 50 100 150 200 250 300 350 400 450

Dec 11 Feb 12 Apr 12 Jun 12 Aug 12 Oct 12 Dec 12

0 200 400 600 800 1000 1200 1400 1600 1800

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

Riel per US Dollar
November 2011–January 2013

Market rate
Official rate

Source: National Bank of Cambodia

Riel per THB & VND
November 2011–January 2013

Source: National Bank of Cambodia

Monetary Survey (%)
October 2011–October 2012

Annualised growth rate (M2)
Annualised growth rate (M1)
Growth over the previous 12 months (M2)

Source: National Bank of Cambodia

Domestic Credit (%)
October 2011–October 2012

Annualised change in domestic credit
Annualised change in private sector credit
Previous 12 months’ growth in domestic credit

Source: National Bank of Cambodia

Monetary Survey
October 2011–October 2012

Source: National Bank of Cambodia

External Development Assistance Disbursement
Health
2001–11

Source: The Cambodia Development Effectiveness Report 2011, CDC

Source: National Bank of Cambodia
External Trade and National Budget Operations

Cambodian Imports
October 2011–December 2012

Source: Economic & Monetary Statistics, NBC

Imports: Energy
October 2011–December 2012

Source: Economic & Monetary Statistics, NBC

Current Budget Balance
September 2011–November 2012

Source: MEF Bulletin

Current Budget Revenue
September 2011–November 2012

Source: MEF Bulletin

Current Budget Expenditure
September 2011–November 2012

Source: MEF Bulletin
Provincial Goods Prices in Cambodia

**Cambodia: Rice Prices in Three Provinces**

- Battambang: Oct 12 2,725, Nov 12 2,725, Dec 12 2,800, Jan 13 3,000
- Kompong Speu: Oct 12 2,800, Nov 12 2,800, Dec 12 2,800, Jan 13 3,000
- Kompong Cham: Oct 12 2,900, Nov 12 2,900, Dec 12 3,000, Jan 13 3,200

**Source:** CDRI

**Cambodia: Fish Prices in Three Provinces**

- Battambang: Oct 12 12,000, Nov 12 12,000, Dec 12 12,000, Jan 13 12,000
- Kompong Speu: Oct 12 10,000, Nov 12 12,000, Dec 12 12,000, Jan 13 12,000
- Kompong Cham: Oct 12 10,000, Nov 12 12,000, Dec 12 12,000, Jan 13 12,000

**Source:** CDRI

**Cambodia: Pork Prices in Three Provinces**

- Battambang: Oct 12 18,000, Nov 12 18,000, Dec 12 18,000, Jan 13 18,000
- Kompong Speu: Oct 12 18,000, Nov 12 18,000, Dec 12 18,000, Jan 13 18,000
- Kompong Cham: Oct 12 18,000, Nov 12 18,000, Dec 12 18,000, Jan 13 18,000

**Source:** CDRI
Cambodia Economic Flash Report – February 2013

Goods Prices, Exports and International Tourist Arrivals to Partners of Cambodia

**Thailand: Prices of Rubber, Rice and Tapioca**
October 2011–December 2012

**Vietnam: Prices of Rubber, Rice and Cashew Nuts**
October 2011–December 2012

**Thailand: Exports**
October 2011–December 2012

**Vietnam: Exports**
October 2011–December 2012

**Thailand: International Arrivals**
October 2011–December 2012

**Vietnam: International Arrivals**
October 2011–December 2012

Source: Bank of Thailand, *Foreign Trade and Balance of Payments*

Source: General Statistics Office of Vietnam

Source: Customs Department of Thailand

Source: General Statistics Office of Vietnam

Source: Thailand Office of Tourism Development

Source: Estimates by General Statistics Office of Vietnam
Economic Activity and Inflation Rates of Selected Economic Partners of Cambodia

**Year-on-Year Growth of Main Exports: Japan**
October 2011–December 2012

Source: Japanese Trade and Investment Statistics

**Goods Exports: US, Euro Zone & Japan**
October 2011–December 2012

Sources: BEA, Eurostat and OECD

**External Trade: Malaysia**
October 2011–December 2012

Source: Ministry of International Trade and Industry, Malaysia

**Inflation Rates: US, Euro Zone & Japan**
(percentage price change from a year earlier)
October 2011–December 2012

Sources: IMF and Economist (5 Jan 2013)

**Inflation Rates: China, Hong Kong & South Korea**
(percentage price change from a year earlier)
October 2011–December 2012

Sources: IMF and Economist (5 Jan 2013)

**Inflation Rates: Selected ASEAN Countries**
(percentage price change from a year earlier)
October 2011–December 2012

Sources: IMF and Economist (5 Jan 2013)
Exchange Rates and Commodity Prices in World Markets

**KRW & HKD per USD**  
July 2011–January 2013

**EUR & JPY per USD**  
July 2011–January 2013

**THB & SGD per USD**  
July 2011–January 2013

**International Rice Price Index & Export Prices**  
July 2011–January 2013

**Prices: Soybeans, Maize & Rubber**  
July 2011–January 2013

**Prices: Gasoline & Diesel Fuel**  
July 2011–January 2013

Sources:  
Federal Reserve Bank of New York, Osiriz/InfoArroz, Food and Agriculture Organisation, US Energy Information Administration
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<th>Economic News Highlights</th>
<th>Investment in Cambodia plunge 67 percent in 2012</th>
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<td>Investment in fixed assets approved by the Council for the Development of Cambodia in 2012 plummeted 67 percent year on year to USD2.2 bn. Investment in agriculture declined by 26.7 percent to USD532.5 m, in industry by 71 percent to USD829.3 m and in services by 73.3 percent to USD916 m. In 2012, major foreign investors were from China, South Korea, Japan, Hong Kong and Taiwan. Domestic investment (100 percent shareholding) went down 65.4 percent to USD271.9 m while investment from Hong Kong and Vietnam dropped 64.5 percent and 91.9 percent year on year, respectively.</td>
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Recently, more Japanese investors have eyed Cambodia in a variety of sub-sectors from electronics and automotive to shopping malls. In 2012, Japanese investment (100 percent shareholding) skyrocketed by 3275.7 percent from a year earlier to USD207.7 m. Political tension over a number of islets between Japan and China and rising labour costs in China are some push factors for Japanese investors to explore business opportunities in other low-cost Asian countries, specifically in the Greater Mekong Sub-region. Japanese investors usually invest in such sectors as automotive, energy, banking and finance, transportation, brewing, food and beverages, steel, petroleum and airlines. Despite the decreased investment, Cambodia’s economic growth is expected to be strong still in 2012, growing by about 7.3 percent, according to figures announced by the Prime Minister. |

Links to others economic news
2. “S. Korea’s financial body inks deal to assist Cambodia in banking supervision” (http://news.xinhuanet.com/english/business/2013-02/08/c_132160316.htm)
3. Opening Address by the Prime Minister at the 2013 Cambodia Outlook Conference (http://cnv.org.kh/en/?p=3475)