Flash Report on the Cambodian Economy

ឧសភាគិស្តថ្មីៗស្តីពួកលើសដ្ឋកិច្ចកម្ពុជា

ថ្មីៗនៃការអភិវឌ្ឍន៍កម្ពុជា / Flash Report on the Cambodian Economy

រ័តនវឌ្ឍ / Roth Vathana
បុណ្យរូប / Pon Dorina

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Phnom Penh, Cambodia

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### Cambodia Development Resource Institute – Page 2

**Cambodia Economic Flash Report – May 2013**

### Highlights

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

In the first quarter of 2013, total fixed asset investments in industry approved by the Council for the Development of Cambodia declined by 59.6 percent from a quarter earlier (52.3 percent year on year) to USD79.5 m.

In March, total foreign visitor arrivals dropped 0.9 percent from the previous month (18 percent increase year on year). Holiday arrivals went down 1.1 percent (22 percent rise year on year). Business arrivals rose by 2.2 percent from a month earlier (22 percent year on year). “Other” arrivals increased by 8.4 percent from the previous month, but year on year decreased by 78 percent.

In February, the total value of construction approvals dropped by 70.5 percent from a month earlier (32.5 percent year on year) to USD63.9 m. The value of villas and houses declined 97.6 percent (95.2 percent year on year) to USD2.8 m. The value of flats decreased by 41.8 percent (42.7 percent increase year on year) to USD22.8 m and of “other” by 32 percent (94.8 percent rise year on year).

In March, the consumer price index (all items) declined by 0.1 percent from the previous month (0.9 percent rise year on year). Prices of food and non-alcoholic beverages decreased by 0.02 percent (1.7 percent increase year on year). Prices of clothing and footwear rose by 0.2 percent (3.5 percent year on year). Prices of housing and utilities increased by 0.02 percent from a month earlier (0.3 percent decrease year on year).

In April, the price of diesel fuel dropped by 2.2 percent from the preceding month (3.8 percent year on year) to KHR4993/litre and of gasoline by 2.6 percent (4.9 percent year on year) to KHR562/litre. In January, the interest rate on 12-month riel deposits was 5.94 percent, a 0.06 percentage point increase from a month earlier, but a decrease of 0.4 percentage point year on year. The 12-month dollar deposit rate increased by 0.01 percentage point from the previous month, but was unchanged year on year. In May, the riel depreciated 0.9 percent from the previous month against the US dollar, but appreciated 0.2 percent year on year. The riel depreciated 1.5 percent from the previous month (6.0 percent year on year) against the Thai baht. The riel depreciated 0.7 percent from a month earlier against the Vietnamese dong, but appreciated 0.2 percent year on year.

In March, imports of cement rose 18.7 percent from a month earlier (22.5 percent year on year) to USD63.9 m. The value of villas and houses declined 97.6 percent (95.2 percent year on year) to USD2.8 m. The value of flats decreased by 41.8 percent (42.7 percent increase year on year) to USD22.8 m and of other textile products by 80.7 percent (42.7 percent year on year) to USD22.8 m.

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Cambodia Economic Flash Report – May 2013

In March, the price of Thai rice increased by 6.3 percent from a month earlier (0.7 percent year on year) to USD713.7/tonne. The price of rubber declined by 0.4 percent from the preceding month (17.7 percent year on year) to USD2791/tonne. The price of tapioca went up 0.9 percent to USD308.8/tonne, but year on year dropped by 12.5 percent. In the same month, the price of Vietnamese rice decreased by 0.9 percent from a month earlier (5.6 percent year on year) to USD4362/tonne, of rubber by 5.8 percent (21.6 percent year on year) to USD2580/tonne. The price of cashew nuts increased by 7.8 percent from a month earlier to USD6466.7/tonne, but year on year declined by 4.2 percent.

Exports of Thai rice in March went up 18.9 percent from the preceding month (22.9 percent year on year) to USD3579.6 m and of tapioca by 14.5 percent (101.1 percent year on year) to USD2461.1 m. Exports of natural rubber and similar natural gums rose by 1.2 percent from the previous month to USD801.4 m, but year on year dropped by 11.1 percent. In the same month, exports of Vietnamese rice rose by 90.3 percent from a month earlier (1.2 percent year on year) to USD3355 m and of cashew nuts by 131 percent (34.9 percent decrease year on year) to USD97 m. Exports of rubber declined by 5.8 percent from the previous month (45.1 percent year on year) to USD129 m.

In March, US exports dropped by 1.4 percent from a month earlier (2.2 percent year on year) to USD1843.3 bn. Exports of the euro zone increased by 0.2 percent from the preceding month (2.0 percent year on year) to USD2093.6 bn. Japanese exports went up 15.5 percent from the preceding month to USD663.6 bn, but year on year dropped by 12.9 percent. In March, Malaysian exports increased by 8.7 percent from a month earlier (2.8 percent year on year) to USD2208.6 bn. Imports went up 10.9 percent from the previous month (2.9 percent year on year) to USD173.8 bn. The trade surplus decreased by 1.2 percent from the previous month, but year on year rose by 2.3 percent.

In April, the price of USA 2/4 rice went up 0.8 percent from the preceding month (26.3 percent year on year) to USD649/tonne. The price of Thai 100 percent B rice dropped by 1.9 percent from the preceding month (6.9 percent year on year) to USD566/tonne. The price of soybeans (US No. 1) declined by 9.4 percent (21.1 percent year on year) to USD207.9/tonne. The price of maize (US No. 2) declined by 0.2 percent from a month earlier (25.7 percent year on year) to USD287.3/tonne. The price of rice declined by 8.7 percent from the previous month (13.3 percent year on year) to USD2255.1/tonne. In April, the price of crude oil (OPEC spot) dropped by 5.0 percent from a month earlier (14.5 percent year on year) to USD101.1/barrel, of gasoline (US Gulf Coast) by 7.4 percent (13.7 percent year on year) to USD0.71/litre and of diesel fuel (low sulphur No. 2) by 4.3 percent (10.5 percent year on year) to USD0.76/litre.
**Main Economic Activities and Consumer Prices in Cambodia**

### Fixed Asset Investment Approvals by CDC*

<table>
<thead>
<tr>
<th>Industry</th>
<th>2010 Q2–2013 Q1</th>
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<tr>
<td></td>
<td>USD m</td>
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<tr>
<td>1Q08</td>
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<tr>
<td>3Q08</td>
<td>1500</td>
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<tr>
<td>1Q13</td>
<td>2500</td>
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*Including expansion projects.
Source: Council for the Development of Cambodia

### Foreign Visitor Arrivals

<table>
<thead>
<tr>
<th>Month</th>
<th>Number of Visitors</th>
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<tbody>
<tr>
<td>Mar '12</td>
<td>111</td>
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<tr>
<td>May '12</td>
<td>338</td>
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<tr>
<td>Jul '12</td>
<td>372</td>
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<td>Sep '12</td>
<td>396</td>
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<td>Nov '12</td>
<td>396</td>
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<tr>
<td>Jan '13</td>
<td>340</td>
</tr>
<tr>
<td>Mar '13</td>
<td>450</td>
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</table>

Source: Ministry of Tourism

### Phnom Penh: Value of Construction Approvals

<table>
<thead>
<tr>
<th>Month</th>
<th>Value of Construction Approvals (USD m)</th>
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<tbody>
<tr>
<td>Feb '12</td>
<td>0</td>
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<td>Apr '12</td>
<td>25</td>
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<tr>
<td>Jun '12</td>
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<td>Aug '12</td>
<td>200</td>
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<tr>
<td>Oct '12</td>
<td>300</td>
</tr>
<tr>
<td>Dec '12</td>
<td>350</td>
</tr>
<tr>
<td>Feb '13</td>
<td>200</td>
</tr>
</tbody>
</table>

Source: Municipality of Phnom Penh

### Consumer Price Index

(December 2006=100)

<table>
<thead>
<tr>
<th>Month</th>
<th>Consumer Price Index</th>
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<tbody>
<tr>
<td>Sep '11</td>
<td>100.0</td>
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<tr>
<td>Oct '11</td>
<td>105.6</td>
</tr>
<tr>
<td>Nov '11</td>
<td>110.7</td>
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<tr>
<td>Dec '11</td>
<td>115.0</td>
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<tr>
<td>Jan '12</td>
<td>120.2</td>
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<td>Feb '12</td>
<td>125.4</td>
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<td>130.6</td>
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<td>Apr '12</td>
<td>135.9</td>
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<td>Jul '12</td>
<td>151.8</td>
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<td>Aug '12</td>
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<td>162.4</td>
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<td>167.7</td>
</tr>
<tr>
<td>Nov '12</td>
<td>173.0</td>
</tr>
<tr>
<td>Dec '12</td>
<td>178.3</td>
</tr>
<tr>
<td>Jan '13</td>
<td>183.6</td>
</tr>
<tr>
<td>Feb '13</td>
<td>188.9</td>
</tr>
<tr>
<td>Mar '13</td>
<td>194.2</td>
</tr>
</tbody>
</table>

Source: National Institute of Statistics

### Phnom Penh: Gasoline & Diesel Prices

<table>
<thead>
<tr>
<th>Month</th>
<th>Diesel (Riel/ℓ)</th>
<th>Gasoline (Riel/ℓ)</th>
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<tbody>
<tr>
<td>Feb '12</td>
<td>4993</td>
<td>5262</td>
</tr>
<tr>
<td>Apr '12</td>
<td>4200</td>
<td>4400</td>
</tr>
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<td>Jun '12</td>
<td>4600</td>
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<td>5000</td>
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<tr>
<td>Oct '12</td>
<td>5000</td>
<td>5200</td>
</tr>
<tr>
<td>Dec '12</td>
<td>5400</td>
<td>5600</td>
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<tr>
<td>Feb '13</td>
<td>5600</td>
<td>5800</td>
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</table>

Source: CDRI

### Interest Rates on 12-Month Bank Deposits

<table>
<thead>
<tr>
<th>Month</th>
<th>Riel deposit rate</th>
<th>Dollar deposit rate</th>
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</thead>
<tbody>
<tr>
<td>Feb '12</td>
<td>0</td>
<td>59.0</td>
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<tr>
<td>Apr '12</td>
<td>1</td>
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<td>Jun '12</td>
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<td>16.0</td>
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<td>Aug '12</td>
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<td>4</td>
<td>19.7</td>
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<tr>
<td>Dec '12</td>
<td>5</td>
<td>38.3</td>
</tr>
<tr>
<td>Feb '13</td>
<td>6</td>
<td>0</td>
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</table>

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

**Riel per US Dollar**
March 2012–May 2013

**Riel per THB & VND**
March 2012–May 2013

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**Monetary Survey (%)**
January 2012–January 2013

**Domestic Credit (%)**
January 2012–January 2013

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**Monetary Survey**
January 2012–January 2013

**External Development Assistance Disbursement**
Health
2001–11

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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
January 2012– March 2013

- Steel
- Cement
- Construction equipment

#### Cambodian Exports
March 2012– March 2013

- Other textile products
- Shoes
- Other (all kinds)

#### Imports: Energy
March 2012– March 2013

- Gasoline
- Diesel
- Fuel oil

#### Current Budget Balance
February 2012– February 2013

#### Current Budget Revenue
February 2012– February 2013

- Non-tax
- Import and export taxes
- Domestic taxes

#### Current Budget Expenditure
February 2012– February 2013

- Other services
- Subsidies and social assistance
- Wages

Source: Economic & Monetary Statistics, NBC
Source: MEF Bulletin

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Provincial Food Prices

Food Prices in Siem Reap Province
February 2012–April 2013

Food Prices in Battambang Province
February 2012–April 2013

Food Prices in Kompong Cham Province
February 2012–April 2013

Food Prices in Kompong Speu Province
February 2012–April 2013

Food Prices in Kampot Province
February 2012–April 2013

Food Prices in Svay Rieng Province
February 2012–April 2013

Source: CDRI
Provincial Goods Prices in Cambodia

**Cambodia: Rice Prices in Three Provinces**

- Battambang: 3,000, 2,900, 2,900, 2,800, 2,700, 2,600
- Kompong Speu: 3,000, 2,900, 2,900, 2,800, 2,700, 2,600
- Kompong Cham: 3,000, 2,900, 2,900, 2,800, 2,700, 2,600

**Source:** CDRI

**Cambodia: Fish Prices in Three Provinces**

- Battambang: 5,000, 5,000, 5,000, 5,000, 5,000, 5,000
- Kompong Speu: 5,000, 5,000, 5,000, 5,000, 5,000, 5,000
- Kompong Cham: 5,000, 5,000, 5,000, 5,000, 5,000, 5,000

**Source:** CDRI

**Cambodia: Pork Prices in Three Provinces**

- Battambang: 5,000, 5,000, 5,000, 5,000, 5,000, 5,000
- Kompong Speu: 5,000, 5,000, 5,000, 5,000, 5,000, 5,000
- Kompong Cham: 5,000, 5,000, 5,000, 5,000, 5,000, 5,000

**Source:** CDRI
Goods Prices, Exports and International Tourist Arrivals to Partners of Cambodia

**Thailand: Prices of Rubber, Rice and Tapioca**
March 2012– March 2013

**Vietnam: Prices of Rubber, Rice and Cashew Nuts**
March 2012– March 2013

**Thailand: Exports**
March 2012– March 2013

**Vietnam: Exports**
March 2012– March 2013

**Thailand: International Arrivals**
March 2012– March 2013

**Vietnam: International Arrivals**
January 2012–March 2013

Source: Various sources as indicated in the diagrams.
Economic Activity and Inflation Rates of Selected Economic Partners of Cambodia

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

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

**External Trade: Malaysia**
January 2012– March 2013

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

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

**Inflation Rates: Selected ASEAN Countries**
(percentage price change from a year earlier)
January 2012–March 2013

Sources:
- Japanese Trade and Investment Statistics
- Ministry of International Trade and Industry, Malaysia
- IMF and Economist (20 April 2013)
Exchange Rates and Commodity Prices in World Markets

**KRW & HKD per USD**
December 2011–April 2013

**EUR & JPY per USD**
December 2011–April 2013

**THB & SGD per USD**
December 2011–April 2013

**International Rice Price Index & Export Prices**
December 2011–April 2013

**Prices: Soybeans, Maize & Rubber**
December 2011–April 2013

**Prices: Gasoline & Diesel Fuel**
December 2011–April 2013

Sources:
- Federal Reserve Bank of New York
- Osiriz/InfoArroz
- Food and Agriculture Organisation
- US Energy Information Administration

**Prices**: Soybeans, Maize & Rubber
- US No. 1, Yellow (left scale)
- US No. 2, Yellow (left scale)
- SMR 5 (right scale)

**Prices**: Gasoline & Diesel Fuel
- US Gulf Coast - US cents/litre
- Low sulphur No.2 - US cents/litre

Source: Federal Reserve Bank of New York
Economic News

Total fixed asset investments decline 47.4 percent in first three months of year

Total fixed asset investments approved by the Council for the Development of Cambodia dropped by 47.4 percent in the first three months of 2013 compared to the same period last year, to USD218.8 m.

The approvals were made in garments (59.1 percent of the total approved projects), shoes (9.0 percent), medical and chemical industries (2.3 percent), wood processing (2.3 percent), engineering (6.8 percent), construction (2.3 percent), agro-industry (2.3 percent) and other (15.9 percent).

Domestic investments accounted for only 6.8 percent of the total projects approved. China continued to be the main foreign investor with 14 projects (31.8 percent of the total) worth USD68.4 m (31.3 percent of the total). Other major investors included the United Kingdom, Hong Kong and South Korea.

In 2012 investment declined 67.5 percent from the preceding year to USD2.3 bn. The trend is not optimistic this year, presenting a challenge for the government to attract more domestic and foreign investment to achieve the expected economic growth of about 7 percent.

Links to others economic news

1. “Cambodia's insurance revenues rise by 30 pct in Q1” (http://news.xinhuanet.com/english/business/2013-05/22/c_132401041.htm)
2. “Cambodia launches cassava development project under China, UNDP support” (http://news.xinhuanet.com/english/china/2013-05/21/c_132397799.htm)
3. “Cambodia-Japan trade volume up 14% in 3 months” (http://news.xinhuanet.com/english/business/2013-05/14/c_132381154.htm)