Flash Report on the Cambodian Economy

ឈើថ្មី ២០១៣ / June 2013

រ៉ូធាគ / Roth Vathana
មូមូណាអេ / Pon Dorina

អាយុរបស់យួរ / យូ សិទធិរិទធ
អាយុរបស់អាណៃ / ភនំេពញ

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 first quarter of 2013, total fixed asset investments in agriculture approved by the Council for the Development of Cambodia dropped by 98 percent from a quarter earlier (98.4 percent year on year) to USD2.3 m.

In April, total foreign visitor arrivals dropped 14 percent from a month earlier (18 percent increase year on year). Holiday arrivals went down 16 percent (23 percent rise year on year). Business arrivals went up 15 percent from the previous month (16 percent year on year). “Other” arrivals increased by 22 percent from the previous month, but year on year decreased by 76 percent.

In April, the total value of construction approvals declined by 75.8 percent from a month earlier (79.2 percent year on year) to USD32.3 m. The value of villas and houses went down 72.3 percent from the previous month (86.1 percent year on year) to USD5.9 m, of flats by 89.7 percent (94.5 percent year on year) to USD55.4 m and of “other” by 64.9 percent (46.6 percent year on year) to USD21 m.

In April, the consumer price index (all items) rose 0.6 percent from the previous month (1.0 percent year on year). Prices of food and non-alcoholic beverages increased by 1.3 percent (2.1 percent year on year), of clothing and footwear by 1.0 percent (3.7 percent year on year) and of housing and utilities by 0.2 percent.

In May, the price of diesel fuel dropped by 1.2 percent from the preceding month (1.3 percent year on year) to KHR4934/litre. The price of gasoline remained unchanged from a month earlier, but decreased by 1.6 percent year on year to KHR5262/litre. In February, the interest rate on 12 month riel deposits was 5.93 percent, the same as a month earlier, but down 0.3 percentage points from the previous month. In June, the riel depreciated against the US dollar by 0.7 percent from the previous month, but appreciated 0.1 percent year on year. The riel appreciated against the Thai baht by 2.8 percent from the previous month, but depreciated 3.1 percent year on year. The riel depreciated against the Vietnamese dong by 0.3 percent from a month earlier (0.1 percent year on year).

In February, total liquidity increased by 1.7 percent from a month earlier (20.4 percent year on year) to KHR29,830.8 bn. Net foreign assets rose 1.5 percent (2.6 percent year on year) to KHR19,253.6 bn and credit to the private sector went up 2.8 percent (31 percent year on year) to KHR24,168.3 bn.

In April, exports of clothing (all kinds) dropped 26.8 percent from a month earlier (36 percent rise year on year) to USD284.7 m and of shoes by 15.9 percent (20.4 percent increase year on year) to USD25.1 m and of other textile products by 31.3 percent (10.3 percent rise year on year) to USD5 m.

In April, imports of construction equipment rose 932 percent from the preceding month (28.4 percent year on year) to USD52.2 m. Imports of cement dropped by 17.2 percent from a month earlier (17.5 percent rise year on year) to USD7.3 m and of steel by 45.4 percent (45.3 percent increase year on year) to USD11.4 m. In the same month, imports of fuel oil went down 41.7 percent from the previous month (41.3 percent year on year) to USD45.4 m. Imports of diesel fuel rose by 3.3 percent from a month earlier (9.3 percent year on year) to USD45.3 m. Imports of gasoline declined by 5.5 percent from the previous month, but rose 4.3 percent year on year to USD27.2 m.

In March, total government current revenue went up 8.5 percent from the previous month (20.2 percent year on year).
April, the price of Thai rice dropped by 1.5 percent from a month earlier (13.5 percent year on year) to USD313.5/tonne. In the same month, the price of Vietnamese rice went up 0.3 percent from a month earlier (0.4 percent year on year) to USD437.5/tonne. The price of rubber increased by 0.8 percent from a month earlier to USD2600/tonne, but decreased by 22.6 percent year on year. The price of cashew nuts declined by 0.3 percent from a month earlier (2.5 percent year on year) to USD6444.4/tonne.

Exports of Thai rice in April dropped by 17.5 percent from the preceding month (8.4 percent year on year) to USD313.2 m and of natural rubber and similar natural gums by 19.6 percent (8.1 percent year on year) to USD644.5 m and of tapioca by 40.2 percent (19.3 percent year on year) to USD18 bn. The trade surplus decreased by 89.9 percent from the previous month (6.3 percent year on year) to USD100.7/barrel and of diesel fuel (low sulphur) dropped by 0.4 percent from a month earlier (25.2 percent year on year) to USD849/tonne and of natural rubber and similar natural gums by 19.6 percent (19.3 percent year on year) to USD6444.4/tonne.

In April, the price of USA 2/4 rice went up 0.5 percent from the preceding month (9.6 percent year on year) to USD18 bn. The trade surplus decreased by 10.4 percent from the previous month (19.3 percent year on year) to KHR121.6 bn.

In May, the price of Thai rice dropped by 1.5 percent from a month earlier to USD70.3/barrel. Revenue from domestic taxes increased by 13 percent (17.3 percent year on year) to KHR462.8 bn and from import and export taxes by 24.6 percent (27.4 percent year on year) to KHR125.6 bn. Non-tax revenue dropped by 23.9 percent from a month earlier, but increased by 27.5 percent year on year, to KHR81.8 bn. In the same month, total current expenditure rose by 24.2 percent from the preceding month, but decreased by 10.4 percent year on year to KHR391.3 bn. Expenditure on wages went down 9.7 percent from a month earlier (10.4 percent year on year) to KHR157.7 bn. Expenditure on subsidies and social assistance rose by 63 percent from the previous month, but went down 4.3 percent year on year to KHR116 bn. Expenditure on other services rose by 65.2 percent from the preceding month (22.9 percent year on year) to KHR121.6 bn.

In April, the price of Thai rice dropped by 1.5 percent from a month earlier to USD70.3/barrel, but rose by 5.0 percent year on year. The price of rubber declined by 2.5 percent from the preceding month (20.3 percent year on year) to USD2720.4/tonne. The price of tapioca went up 1.5 percent (13.5 percent year on year) to USD313.5/tonne. In the same month, the price of Vietnamese rice went up 0.3 percent from a month earlier (0.4 percent year on year) to USD437.5/tonne. The price of rubber increased by 0.8 percent from a month earlier to USD2600/tonne, but decreased by 22.6 percent year on year. The price of cashew nuts declined by 0.3 percent from a month earlier (2.5 percent year on year) to USD6444.4/tonne.

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Main Economic Activities and Consumer Prices in Cambodia

Fixed Asset Investment Approvals by CDC*
Agriculture
2010 Q1–2013 Q1

Foreign Visitor Arrivals
April 2012–April 2013

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

Source: Ministry of Tourism

Phnom Penh: Value of Construction Approvals
April 2012–April 2013

Consumer Price Index
(December 2006=100)
October 2011–April 2013

Source: Municipality of Phnom Penh

Source National Institute of Statistics

Phnom Penh: Gasoline & Diesel Prices
March 2012–May 2013

Interest Rates on 12-Month Bank Deposits
February 2012–February 2013

Source: CDRI

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

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

Source: National Bank of Cambodia

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

Source: National Bank of Cambodia

**External Development Assistance Disbursement**
Education
2001–2011

Source: The Cambodia Development Effectiveness Report 2011, CDC

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Cambodia Economic Flash Report – June 2013
External Trade and National Budget Operations

Cambodian Exports
February 2012–April 2013

Cambodian Imports
February 2012–April 2013

Imports: Energy
April 2012–April 2013

Current Budget Balance
March 2012–March 2013

Source: Economic & Monetary Statistics, NBC

Current Budget Revenue
March 2012–March 2013

Current Budget Expenditure
March 2012–March 2013

Source: MEF Bulletin

Source: MEF Bulletin

Source: Economic & Monetary Statistics, NBC

Source: MEF Bulletin
Provincial Food Prices

**Food Prices in Siem Reap Province**
March 2012–May 2013

**Food Prices in Battambang Province**
March 2012–May 2013

**Food Prices in Kompong Cham Province**
March 2012–May 2013

**Food Prices in Kampot Province**
March 2012–May 2013

**Food Prices in Svay Rieng Province**
March 2012–May 2013

**Food Prices in Kompong Speu Province**
March 2012–May 2013

Source: CDRI
Provincial Goods Prices in Cambodia

Cambodia: Rice Prices in Three Provinces

Cambodia: Fish Prices in Three Provinces

Cambodia: Pork Prices in Three Provinces

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

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

USD per tonne

<table>
<thead>
<tr>
<th>Month</th>
<th>Rice</th>
<th>Rubber</th>
<th>Tapioca</th>
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<td>Apr 12</td>
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Source: Bank of Thailand, *Foreign Trade and Balance of Payments*

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

USD per tonne

<table>
<thead>
<tr>
<th>Month</th>
<th>Rice</th>
<th>Rubber</th>
<th>Cashew nuts</th>
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Source: General Statistics Office of Vietnam

**Thailand: Exports**
April 2012–April 2013

USD m

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<tr>
<th>Month</th>
<th>Rice (left)</th>
<th>Natural rubber and similar natural gums (left)</th>
<th>Tapioca (right)</th>
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Source: Customs Department of Thailand

**Vietnam: Exports**
April 2012–April 2013

USD m

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Source: General Statistics Office of Vietnam

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

0,000 persons

Source: Thailand Office of Tourism Development

**Vietnam: International Arrivals**
May 2012–May 2013

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
April 2012–April 2013

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

External Trade: Malaysia
April 2012–April 2013

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

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

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

Sources:
- Japanese Trade and Investment Statistics
- Ministry of International Trade and Industry, Malaysia
- IMF and Economist (28 June 2013)
Exchange Rates and Commodity Prices in World Markets

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

![Graph showing exchange rates for KRW and HKD against USD]

Source: Federal Reserve Bank of New York

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

![Graph showing exchange rates for EUR and JPY against USD]

Source: Federal Reserve Bank of New York

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

![Graph showing exchange rates for THB and SGD against USD]

Source: Federal Reserve Bank of New York

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

![Graph showing international rice price index and export prices]

Sources: FAO

**Prices: Soybeans, Maize & Rubber**
May 2012–May 2013

![Graph showing prices for soybeans, maize, and rubber]

Source: Food and Agriculture Organisation

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

![Graph showing prices for gasoline and diesel fuel]

Source: US Energy Information Administration
### Economic News Highlights

**Cambodia exports 142,269 tonnes of milled rice in first five months**

Cambodia exported 124,269 tonnes of milled rice in the first five months of the year, a 130 percent increase from the same period a year earlier, according to data of the Ministry of Economy and Finance. The total export value went up 138 percent from the previous year to USD104 m. The increase came amid a decline in fixed asset investment in agriculture.

The EU topped the list of export volume, importing 89,783 tonnes (63.1 percent of the total) followed by ASEAN countries (13.3 percent), US (0.5 percent) and other countries (23.1 percent). The Japanese market remained unexplored: no rice exports were made to it during the period. This might reflect the high standard required by Japanese consumers and the heavily subsidised agriculture in the country that protects local farmers from foreign competition.

In 2012, the rice export volume reached 207,168 tonnes, a 16.2 percent rise from a year earlier. Although rice is a potential agricultural commodity, export value accounted for only 4.0 percent of the total value, far behind garment industry (76.9 percent). Thus, more needs to be done to achieve the 1 million tonne mark by 2015 and to ensure a strong agriculture, one of the main pillars of the economy and an employment source.

### Links to others economic news

1. “Indonesia among top five FDI recipients in East, Southeast Asia regions last year”  
2. “China’s Hong Kong delegation visits Cambodia for business opportunities”  
3. “Cambodia’s garment exports up 22 pct in 5 months”  