

ECONOMY WATCH – EXTERNAL ENVIRONMENT

World Economic Growth

In the first quarter of 2003, the US economy grew by 2.1 percent over the same quarter in the preceding year. Compared to the fourth quarter of 2002, the growth rate was slightly lower at 1.9 percent though this marks an improvement on a quarter to quarter basis (the growth rate over the third and fourth quarters of 2002 was 1–1.4 percent). The improved performance was mainly stimulated by two factors: personal consumption expenditures and residential fixed investments. According to the US Bureau of Economic Analysis, consumer spending on nondurable goods, especially on food, clothing and gasoline, rose by 6.4 percent in the first quarter of 2003, compared with 5.1 percent in the last quarter of 2002. During the same period, residential fixed investments jumped by 11 percent, compared with 9.4 percent in the last quarter of 2002. The contribution of these components was reinforced by a decline in the US trade deficit. In the first quarter of 2003, US imports, both of goods and services, dropped by 7.1 percent, while they rose by 7.4 percent in the last quarter of 2002. The trade deficit narrowed by US\$ 25.3 billion adding 0.91 percentage points to growth (Bloomberg News). According to some economists, the growth rate needs to accelerate to 3 percent in order to reduce unemployment, which reached an eight-year high of 6 percent. The 1.9 percent growth in the first quarter of 2003 was constrained by the build-up to the Iraq war, which pushed crude oil prices to US\$ 29.28 per barrel — a 12 year high.

The economy in the Euro zone remained subdued with the growth rate falling from 0.7 percent in the fourth quarter of 2002 to nil in the first quarter of 2003. The economic slowdown was caused by a fall in investments by companies (1.4 percent), and a continuous decline in exports (0.6 percent) due to a stronger Euro. According to *The Economist*, industrial production in the Euro area fell by 0.3 percent in the year ending in March 2003, increasing the unemployment rate to 8.7 percent of the labour force in March, its highest for more than three years. Only a small rise in household consumption kept the region's economy from contraction. France's economy recovered from recession in the fourth quarter of 2002 (0.3 percent fall in GDP) to a growth of 1.0 percent in the first quarter 2003. During the same period, Spain's economy accelerated from 1.4 percent growth to 1.9 percent growth. The main problems especially centred on three countries: the Netherlands sank into recession with two consecutive quarters of negative growth, while Germany's GDP limped at 0.9 percent growth in the first quarter; year-on-year growth rate of the GDP was only 0.2 percent. In the year ending in March 2003, industrial production in Germany fell by 0.4 percent. The third country; Italy's GDP grew by 0.4 percent in the first quarter 2003.

Japan's economy grew by 2.6 percent in the first quarter of 2003, compared to the same quarter in 2002. In comparison with the last quarter of 2002, the Japanese economy stagnated as industrial production slowed down to 3.8 percent in the first quarter, 2003 (from 6.7

percent in the preceding period quarter) while a stronger yen did not help matters, serving to dampen exports.

Unlike other East Asian economies, China's economy accelerated over the year ending in the first quarter of 2003. China's GDP grew at 9.9 percent, its highest growth rate in six years. China's industrial output rose by 16.9 percent in the year to March 2003, resulting in huge profits earned by industrial enterprises (98 billion Yuan or US\$ 11.85 billion). Moreover, fixed asset investment rose by 27 percent annually in the first three months of 2003, while foreign trade was up more than 40 percent. In the 12-month period to March, China's trade balance posted a surplus of US\$ 22.1 billion. According to the Chinese Ministry of Commerce, foreign direct investment reached US\$ 13.09 billion in the first quarter of 2003, 56.7 percent more than 2002.

In the year ending in the third quarter of 2002, most ASEAN countries experienced slower growth in their economies (with the possible exception of Thailand). According to the Thailand Kasikorn Research Center, the Thai economy grew by 6.2 percent in the first quarter. The increasing growth was mainly buoyed by three factors: exports, current account surplus, and spending for private consumption.

World Inflation and Exchange Rates in the International Markets

In the first quarter of 2003, consumer prices in the US rose by 2.9 percent over the same period last year, and 1 percent over the fourth quarter of last year. The main reasons were large public spending on the Iraq war and higher crude oil prices. The higher price of oil caused a jump in cost of transportation, by more than 17 percent during the three-month period ending in March 2003. Also, the weaker dollar contributed to higher prices of imported goods. In the Euro area, the inflation rate was at 2.4 percent in the first quarter, 0.4 percentage point higher than the target set by the European Central Bank. In Japan, consumer prices in the first quarter continued to fall — declining by another 0.3 percent. However, this constitutes a gradual easing of deflationary pressures with the rate of price decline tapering off over the preceding 12 months.

In the first quarter of 2003, the US dollar fell to its lowest level against the Euro (at 0.93 US\$/Euro), since the second quarter of 1999. Also, the US dollar lost value against the Japanese yen by 11 percent and 4 percent compared to the first and fourth quarters of 2002.

Commodity Prices in the World Markets

In the first quarter of 2003, commodity prices rose on the world market. The price of first quality rice in the Bangkok international market and the price of rubber in the Malaysia international market rose to US\$ 198.3/tonne and US\$ 945.5/tonne, from US\$ 189.6/tonne and US\$ 834.1/tonne in the fourth quarter of 2002, respectively. Meanwhile, the price of crude oil rose to US\$ 29.28/barrel. *By Dr. Kang Chandrarot, Mr. Tong Kim-sun and Ms. Pon Dorina.*

ECONOMY WATCH—EXTERNAL ENVIRONMENT

Table 1. Real GDP Growth of Selected Trading Partners, 2000—2003 (percentage increase over the previous year)

	2000			2002				2003		
	Q1-Q4	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1-Q4	Q1-Q4
Selected ASEAN countries										
Cambodia	-	-	-	-	-	-	-	-	6.7	4.18
Indonesia	4.4	3.5	4.1	2.5	3.5	3.9	3.8	3.4	3.8	3.8
Malaysia	8.7	-1.3	-0.5	1.1	3.8	5.6	5.4	4.0	0.5	5.6
Singapore	9.5	-5.6	-7.0	-1.7	3.9	3.7	3.0	1.6	-2.3	2.6
Thailand	4.4	1.5	2.1	3.9	5.1	5.8	5.6	6.2*	1.9	6.1
Vietnam	-	-	-	-	-	-	-	-	6.0	6.7
Selected other Asian countries										
China	8.0	7.0	6.6	7.6	8.0	8.1	8.1	9.9	7.5	8.1
Hong Kong	10.6	-0.3	-1.6	-0.9	0.5	3.3	5.0	4.5	0.3	5.0
South Korea	9.1	1.8	3.7	5.7	6.3	5.8	6.8	3.7	3.0	6.1
Taiwan	6.0	-4.2	-2.7	0.9	3.0	4.8	4.2	3.2	-2.1	4.2
Selected industrial countries										
Euro-11	3.5	1.3	0.6	0.1	0.7	0.8	1.3	0.8	1.4	0.7
Japan	1.6	-0.5	-1.9	-1.6	-0.7	1.3	2.8	2.6	-1.3	0.45
United States	5.0	0.6	0.4	1.5	2.1	3.2	2.9	2.1	1.2	2.4

Source: The International Monetary Fund and The Economist. * Project by Kasikom Research Center

Table 2. Inflation Rate of Selected Trading Partners, 2000—2003 (percentage increase over the previous year—period average)

	2000			2002				2003		
	Q1-Q4	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1-Q4	Q1-Q4
Selected ASEAN countries										
Cambodia	-0.3	-0.4	-0.6	3.4	3.3	3.5	3.0	1.8	-0.4	3.3
Indonesia	3.7	12.1	12.7	14.5	12.6	10.2	10.3	7.7	11.3	11.9
Malaysia	1.5	1.4	1.2	1.5	1.9	2.1	1.9	1.3	1.4	1.9
Singapore	1.4	0.8	-0.2	-0.9	-0.4	-0.4	0.1	0.7	1.0	-0.4
Thailand	1.6	1.7	1.1	0.6	0.2	0.3	1.4	2.0	1.8	0.6
Vietnam	-1.7	-0.7	0.1	2.3	2.7	2.9	3.7	2.2	0.0	2.8
Selected other Asian countries										
China	0.3	0.8	-0.1	-0.5	-0.7	-0.8	-0.6	0.5	1.0	-0.7
Hong Kong	-3.7	-1.1	-1.3	-2.7	-3.1	-3.5	-2.9	-2.0	-1.5	-3.1
South Korea	2.3	4.3	3.4	2.5	2.7	2.5	3.2	4.1	4.3	2.7
Taiwan	1.4	-0.5	-0.6	-0.1	-0.1	-0.3	-0.5	0.3	0.5	-0.3
Selected industrial countries										
Euro-11	2.3	2.7	2.2	2.5	2.0	2.0	2.3	2.4	2.6	2.2
Japan	-0.6	-0.8	-1.0	-1.4	-0.9	-0.8	-0.5	-0.3	-0.5	-0.9
United States	3.4	2.7	1.9	1.2	1.3	1.6	2.2	2.9	2.9	1.6

Source: The International Monetary Fund and the Economist.

Table 3. Exchange Rates of Selected Trading Partners Against the US Dollar, 2000—2003 (period averages)

	2000			2002				2003		
	Q1	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1-Q4	Q1-Q4
Selected ASEAN countries										
Cambodia (riel)	3,871	3,953	3,932	3,910	3,916	3,935	3,948	3,948	3,935	3,927
Indonesia (rupiah)	8,421	9,558	10,365	10,078	9,076.6	8,940	9,027	8,884	10,236	9,280
Malaysia (ringgit)	3.80	3.80	3.80	3.80	3.80	3.8	3.8	3.8	3.80	3.80
Singapore (S\$)	1.72	1.77	1.83	1.83	1.81	1.76	1.77	1.74	1.79	1.79
Thailand (baht)	40.1	44.8	44.3	43.77	42.78	42.09	43.4	42.7	44.4	43.0
Vietnam (dong)	14,083	14,999	15,084	15,142	15,231	15,314	15,297	15,427	14,827	15,246
Selected other Asian countries										
China (yuan)	8.28	8.27	8.28	8.28	8.28	8.28	8.28	8.27	8.28	8.28
Hong Kong (HK\$)	7.80	7.79	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80
South Korea (won)	1,131	1,295	1,290	1,319	1,273	1,197	1,214	1,199	1,291	1,251
Taiwan (NT\$)	31.8	34.6	34.7	35.1	33.8	33.8	34.8	34.7	34.1	34.4
Selected industrial countries										
Euro-11 (euro)	1.08	1.11	1.12	1.15	1.09	1.02	1.00	0.93	1.12	1.07
Japan (yen)	108	121	125.5	133.3	127.6	119.6	123.0	118	122	126

Source: The International Monetary Fund and The Economist

Table 4. Selected Commodity Prices on the World Market, 2000—2003 (period averages)

	2000			2002				2003		
	Q1-Q4	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1-Q4	Q1-Q4
Hardwood (logs) - Malaysia (\$/m3)	190.1	159.4	146.2	137.6	153.0	178.7	181.2	186.3	160.1	162.5
Hardwood (sawn) -Malaysia (\$/m3)	599.2	482.0	471.8	479.7	493.0	536	565.4	550.4	488.3	518.5
Rubber - Malaysia (\$/ton)	720.8	597.7	549.4	622.3	754.0	863	834.1	945.5	602.0	768.4
Rice - Bangkok (\$/ton)	203.7	170.4	173.3	193.7	196.6	192.6	189.6	198.3	172.6	193.1
Soybeans - USA (\$/ton)	211.3	205.6	188.0	179.9	189.8	219.3	220.0	224.5	195.6	202.3
Crude oil - Dubai (\$/barrel)	26.1	23.9	18.2	19.9	24.3	25.4	26.2	29.3	22.8	24.0
Gold - London (\$/fine ounce)	279.0	274.7	278.4	281.0	280.9	313.7	317.8	352.1	279.0	298.3

Source: The International Monetary Fund and The Economist

ECONOMY WATCH—DOMESTIC PERFORMANCE

In the first quarter of 2003, the Cambodian economy looked like it was getting off to a good start. Cambodia's garment exports, which account for the largest share of total exports, grew by 27 percent over the same quarter in the preceding year. During the same period, both private and public investments appeared to be growing, with the latter increasing by 17 percent.

Due to the increase in domestic tourism, the tourism sector showed little overall sign of being affected by the anti-Thai riots in January and the outbreak of SARS. However, there were some concerns related to other economic activities: the number of construction projects fell by 12 percent; current public revenues declined slightly, while current expenditures rose by 30 percent. Monetary operations indicated a stable policy, resulting in constant rate of liquidity expansion, constant exchange rate, and a lower inflation rate in the first quarter of 2003.

Economic Activity

Cambodia exported apparel products worth US\$ 294 million during the first quarter of 2003 — US\$ 62 million more than it did a year ago. Of this, goods worth US\$ 219 million were destined for the US market (Ministry of Commerce). Compared to the last quarter of 2002, garment exports to the US declined by 7 percent in the first quarter of 2003. In general, garment exports in the beginning of the year are usually less than that of the end of year. It would, therefore, be reasonable to expect exports to increase during the latter half of the year, except that garments manufacturers reported they were rushing through their orders through in the first half of the year, due to concerns about possible disruption during the National Elections scheduled for July.

In the first quarter of 2003, the Council for the Development of Cambodia (CDC) approved six investment projects in the garment sector. In terms of value, investment in the garment sector declined to US\$ 6.5 million in the first quarter of 2003, from US\$ 8.5 million at the same period last year.

Cambodia's tourism sector, which achieved reasonable progress in 2002, appeared to remain stable despite some unexpected shocks. During the first quarter of 2003, the number of international tourists rose to 158,000, up from 146,000 in the same quarter last year. Of this, 89,000 arrived at Phnom Penh Airport, and 69,000 at Siem Reap Airport. Compared to the preceding quarter, however, the total number of international tourists declined slightly, by 2 percent in the first quarter of 2003. International arrivals at Phnom Penh Airport dropped by 7 percent, while numbers at Siem Reap Airport actually increased by 6 percent. The number of international visitors with business visas and those with official visas remained relatively stable between the end of 2002 and the beginning of 2003. According to the Ministry of Tourism the total number of international

arrivals to Cambodia, by air, land and sea, reached 208,832, in the first quarter of 2003, 1.0 percent less than a year ago. The main reason was a big drop (12 percent) in international arrivals by land and sea, owing to closure of the international border checkpoints after the anti-Thai events, earlier in the year.

The construction sector continued to look unfavorable. The Department of Cadastre and Geography of the Municipality of Phnom Penh approved 175 projects in the first quarter of 2003, 4 percent less than in the preceding quarter, and 12 percent less than in the same quarter of last year. The main reason was a sharp drop (35 percent) in house construction. Of the 175 construction projects, 125 projects were for apartment construction, 29 for house construction, and 21 for other construction activities. In terms of US dollars, construction projects in the first quarter of 2003 reached US\$ 51 million, of which US\$ 42.4 million went for apartment construction, and US\$ 4.2 million for house and other construction activities. Compared to a year ago, the value of construction projects in Phnom Penh declined considerably by 7 percent. The largest drop was in house construction, which fell by 34 percent — from US\$ 6.5 million in the first quarter of 2002 to US\$ 4.2 million in the first quarter of 2003.

Inflation and Foreign Exchange Rates

Consumer prices in Phnom Penh rose at an annual rate of 1.8 percent in the first quarter of 2003, the lowest rate since the end of 2001. The main reason was a large drop in prices related to "Housing and Utilities", which rose by 0.95 percent in the first quarter of 2003 compared with 6.8 percent in the fourth quarter of 2002.

The quarterly value of the Cambodian riel has remained stable against the US dollar during the first quarter of 2003, trading at 3,948 riels/US dollar — the same rate as in the fourth quarter of 2003. This was of course, against the backdrop of a generally weakening dollar in the international market. In comparison with the first quarter of 2002, the riel shows some depreciation, at around 1 percent against the dollar. During the same period, the riel lost its value by 3.5 percent against the Thai baht though it made a slight gain against the Vietnamese dong (0.9 percent).

Poverty Situation- Earnings of Workers

CDRI has been conducting regular surveys on vulnerable workers since 1998. The findings suggest that the daily earnings of all groups have changed significantly from year to year.

Surveys conducted in May 2003 indicate that five groups of workers slightly increased their nominal earnings, compared to May 2002.

Daily nominal earnings of cyclo-drivers rose by 2.1 percent in May 2003 compared to the same month last year though they were 4 percent higher than in Febru-

ECONOMY WATCH—DOMESTIC PERFORMANCE

ary 2003. However, 48 percent of cyclo-drivers claimed that their earnings were unchanged, while 64 percent stated that there were some increases. Daily nominal earnings of moto-taxis declined by 12.3 percent and 3.3 percent in February and May 2003 compared to the same periods last year. This decline was mainly due to an increase of gasoline price from 2,300 riels per litre in February to 2,500 riels per litre in May and the growing number of Motorcycle-taxi drivers. It would appear that many people are turning to moto-taxis as a 'readily available' profession in an attempt to make a living.

After declining 6.6 percent in February 2003, daily earnings of porters rose by 19.2 percent in May 2003, compared to the same period last year. In general, newcomers tend to earn less than the more experienced. However, even though the survey data show that daily earnings of porters rose significantly, 37 percent of porters claimed that their daily income actually declined in May 2003.

Earnings of small vegetable traders declined by 0.6 percent in May 2003 compared to May 2002. Sixty seven percent of all small vegetable traders reported that their income was insufficient to support their families because their earnings were highly unstable. They faced particular problems of access to selling areas on the one hand and unfriendly market guards who prevent them from entering the market.

Daily nominal earnings of scavengers and rice field workers fell by 14 percent and 28 percent, respectively in May 2003, compared to May 2002. The strike of the rubbish workers for two to three days in May led to the decline of scavengers' earnings.

Garment worker's daily nominal earnings rose by 3.4 percent in May 2003 compared to the same period last year. However, it fell to 9,123 riels per day from 10,127 riels per day if compared to February 2003. Sixty two percent of garment workers said that their overtime work has been reduced due to increasing competition from casual mobile, workers working on a daily basis.

Monetary Development

In the first quarter of 2003, total liquidity (M2) rose by 24 percent compared to the same period last year, reaching 3,004 billion riels. The rise in liquidity was affected by an increase in the riel-component of the money supply and in quasi-money, by 22.6 percent and 25.6 percent, respectively. However, the pace of growth in total liquidity slowed down to 4 percent in the first quarter of 2003 compared to 5 percent in the previous quarter.

The amount of money (M1), which consists of the currency outside banks and demand deposits, rose to 829 billion riels, up from 813 billion riels in the last quarter of 2002. Nonetheless, money growth rate slowed to 2 percent in the first quarter of 2003, from 5 percent in the last quarter of 2002. Quasi-money com-

pounded by foreign currency deposits and time and savings deposits increased to 2,175 billion riels, up from 1,731 billion riels in the first quarter of 2002. The pace of growth rate of quasi-money was the same as the previous quarter (4.8 percent).

Public Finance

In the first quarter of 2003, Cambodia ran an overall deficit of 260 billion riels in the public budget, up from 100 billion riels in the same period last year. The overall deficit widened due to an increase in total expenditures, which amounted to 660 billion riels—up from 522 billion riels in the same period a year ago. Of this, capital expenditure and current expenditure amounted to 276 billion riels and 384 billion riels, respectively. Of 384 billion riels current expenditure, "education and health" accounted for 36 billion riels, "defense and security" 70 billion riels, and other ministries 279 billion riels. A rise in expenditures under "defense and security" and "other ministry" contributed to the overall deficit in the first quarter of 2003.

Total revenues decreased to 400 billion riels, down from 423 billion riels in the first quarter of 2002. Of total revenue, 273 billion riels were collected from taxes and 127 billion riels from non-tax sources. A significant drop in revenues from "post and telecommunication" (44 percent) led to a decline in non-tax revenues.

Private Investment and Employment

The CDC approved 20 investment proposals worth US\$ 108.5 million in the first quarter of 2003, US\$ 80.7 million more than in the same period last year. Of 20 investment proposals, nine were for the tourism sector and six for the garment sector. The value of proposed investments in tourism accounted for the largest portion (about 76 percent) of total investments with the garment sector accounting for only 5 percent. Investment proposals in the garment sector amounted to US\$ 6.5 million, which is down from US\$ 8.5 million in the same quarter of 2002 last year.

Foreign Aid and External Debt

According to the CDC, the total value of both on-going and new investment projects over three years 2002-2004 is expected to be around US\$ 1,388 million. Of this, the Cambodian government has committed just only US\$ 148 million (around 10 percent) from its own resources. Some of Cambodia's external partners have already committed US\$ 546 million (39 percent). There is a financing shortfall of US\$ 694 million (around 50 percent) for which the Royal Government of Cambodia is seeking additional support.

*Dr. Kang Chandararot
and Pon Dorina*

ECONOMY WATCH—INDICATORS

Table 1. Cambodia: Main Macro-economic Indicators, 1995—2002

	1995	1996	1997	1998	1999	2000	2001	2002
GDP at current prices (billions of riels)	7,176	8,271		10,795		12,149	12,724	14,083
GDP at current prices (millions of dollars)	2,915	3,131		2,841		3,149	3,234	3,594
GDP per capita (dollars)	262	273	258	234	248	247	247	254.8
Growth rate of real GDP (1993 prices)	7.6	6.7	0.7	2.9	6.8	703	6.7	4.18
Agriculture	9.2	2.9	2.2	0.1	1.4	-2.4	-9	-6
Industry	11.8	19.5	0.6	16.8	12.6	16.7	11.2	12
Service	4.7	6.0	-0.6	0.1	9.4	7.5	20	7
Inflation (in riels, final quarter basis)	3.5	9.0	9.1	12.6	0.0	0.5	-1.3	3.3
Riel/dollar parity (annual average)	2,462	2,641		3,800		3,859	3,935	3,918
Budget revenue (percentage of GDP)	9.0	9.1	9.7	8.7	11.2	11.7	12.0	12.3
Budget expenditure (percentage of GDP)	16.7	17.4	13.8	14.4	16.4	17.3	18.4	17.7
Overall public deficit (percentage of GDP)	-7.8	-8.4	-4.2	-5.7	-5.2	-5.6	-6.3	-6.3
Exports of goods (percentage of GDP)	29.1	23.1	28.7	32.1	33.9	44.2	46.4	40.4
Imports of goods (percentage of GDP)	41.4	39.4	40.9	49.3	48.2	54.4	56.9	48.3
Trade balance (percentage of GDP)	-12.3	-16.3	-12.2	-17.2	-14.3	-10.2	-10.5	-7.9
Current account balance (percentage of GDP)	-12.7	-15.3	-10.4	-15.5	-11.6	-7.2	-6.7	0.4
External contribution to the economy (percentage of GDP)	20.9	20.4	13.8	17.5	15.6	14.5	13.2	15.0
Total savings (percentage of GDP)	21.6	26.7	21.6	25.3	22.8	19.3	18.3	22.2
Gross foreign reserves (months of imports)	1.7	2.1	2.4	3.2	3.8	4.7	5.5	3.7
Population (million)	11.1	11.5	11.8	12.1	12.5	12.8	13.1	13.4
Labour force (percentage of population)	41.2	41.4	41.6	41.9	42.2	42.5	43.0	44.0

Sources: CDRI, Compiled from Government data

Table 2. Destination of Garment Exports, 1995—2003

	1995	1996	1997	1998	1999	2000	2001	2002				2003
	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1
Millions of dollars												
United States	0.02	0.1	26.8	74.1	121.5	187.5	198.3	158.7	201.7	307.4	299.8	219.0
Rest of the world	6.6	19.6	30.0	20.5	17.0	58.8	80.8	73.7	69.4	124.9	139.7	75.2
Total	6.6	19.7	56.8	94.5	138.5	246.3	279.1	232.4	271.1	432.3	439.4	294.2
Percentage change over previous year												
Total	560	200	187	66	47	78	14.8	-7.8	3.6	44	46	27

Source: Ministry of Commerce, Department of Trade Preferences Systems [1995-2001 (Q1-Q4), quarterly average]

Table 3. Passenger Arrivals by International Flights at Pochentong and Siem Reap Airports, 1995—2003

	1995	1996	1997	1998	1999	2000	2001	2002				2003
	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1
Thousands of passengers												
Tourist visas	38.7	55.3	46.3	38.1	44.9	57.4	57.4	67.3	59.7	55.1	70.2	62.7
Business visas	10.6	15.8	13.9	10.7	16.0	20.6	20.6	18.1	14.4	18.6	18.4	20.3
Official visas	3.9	3.2	3.6	4.4	8.8	4.8	4.8	5.7	6.1	6.9	7.7	6.8
Total Pochentong	53.2	74.3	63.8	53.2	69.7	82.7	82.7	91.1	80.2	80.6	96.3	89.1
Total Siem Reap	-	-	-	2.6	7.15	33.4	33.2	54.7	29.6	39.7	64.9	69.0
Percentage change over previous year												
Total Pochentong	38.9	39.7	-14.1	-16.6	31.0	18.7	0	3.1	-1.2	2.1	17	-1.4
Total Siem Reap	-	-	-	-	175	367	-1	30.5	25.4	30.0	77	26.2

Sources: Ministry of Economy and Finance and Ministry of Tourism [1995-2001 (Q1-Q4), quarterly average]

Table 4. Consumer Price Index (CPI), Exchange Rates and Gold Prices, 1995—2003 (period averages)

	1995	1996	1997	1998	1999	2000	2001	2002				2003
	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1
Consumer price index (percentage change over previous year)												
Provinces	-	-	6.1	16.3	6.2	5.4	0.9	-3.4	0.0	2.0	-0.3	7.4
Phnom Penh - All Items	7.8	7.1	8.0	14.8	4.0	-0.8	-0.6	3.4	3.3	3.5	3.04	1.8
- Foods	4.9	7.6	6.7	14.1	7.6	-3.3	-2.8	-0.6	1.02	2.0	2.00	3.20
- Energy	19.4	20.7	20.0	15.1	3.5	6.6	-1.1	-0.4	-0.02	0.9	2.25	4.75
Exchange rates, Gold and Oil prices (Phnom Penh market rates)												
Riel per US dollar	2,479	2,666	3,029	3824	3832	3,879	3,935	3,910	3,913	3,935	3,948	3948
Riel per Thai baht	99	105	98	88	101	96.3	88	89.3	91.4	93.5	90.9	92.4
Riel per 100 Vietnamese dong	22.3	24.0	25.6	28.6	27.8	27.4	26.6	25.8	25.7	25.7	25.8	25.6
Gold prices (US dollar per chi)	45.9	46.3	40.4	36.0	34.0	33.3	32.7	34.6	36.2	38.0	38.5	39.8
Price of Diesel (Riels/litre)	716	779	883	1,065	1,105	1,329	1,521	1,480	1,450	1,550	1,550	1,697
Price of Gasoline (Riels/litre)	847	1,118	1,378	1,613	1,760	2,113	2,084	2,100	2,167	2,200	2,200	2,433

Sources: CDRI, IMF, NIS, Ministry of Planning, Ministry of Economy and Finance

ECONOMY WATCH—INDICATORS

Table 5. Average Daily Earnings of Workers, 1997—2003

	Daily earnings (riels)									Change from last year		
	1997	2001	2002			2003			2002	2003		
	Pre-Jul	Aug	Nov	Feb	May	Aug	Nov	Feb	May	Nov	Feb	May
Cyclo drivers	12,250	9,057	6,262	9,450	9,375	8,900	8878	9200	9572	41.78	-2.65	2.10
Porters	9,675	7,189	5,000	8,137	6,675	7,600	6312	7600	7955	26.24	-6.60	19.18
Small vegetable sellers	7,050	6,670	5,096	6,062	6,712	6,862	7158	7250	6674	40.46	19.60	-0.57
Scavengers	4,155	2,686	3,393	3,350	4,231	3,440	4012	3875	3605	18.25	15.67	-14.80
Waitresses*	-	2,683	2,358	3,543	3,652	4,225	4000	4600	4341	69.64	29.83	18.87
Rice-field workers	-	4,500	3,618	3,916	5,167	3,833	4219	4180	3712	16.63	6.74	-28.15
Garment workers	-	9,165	8,968	7,772	8,775	9,800	10000	10127	9123	12.59	30.30	3.97
Motorcycle-taxi drivers	-	10,559	9,791	14,327	11,978	11,300	12075	11400	7137	23.33	-20.43	3.26
Unskilled construction work-	-	5,625	4,841	7,025	6,912	6,525	5850	6162	9883	20.85	-12.28	-17.49
Skilled construction workers	-	12,375	9,866	11,530	13,850	12,695	13350	12500	13335	35.32	8.41	-3.72

Notes: The Surveys on the revenue of waitresses, rice-field workers, garment workers, unskilled workers, motorcycle taxi drivers and construction workers began in February 2000; * Waitresses earnings do not include meals and accommodation provided by shop owners. Source: CDRI.

Table 6. Monetary Survey, 1995—2003 (end of period)

	1995	1996	1997	1998	1999	2000	2001	2002				2003
	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1
	Billions of riels											
Net foreign assets	550	881	1,177	1,726	2,019	2,589	3,080	3,366	3,614	3,693	3,737	3,741
Net domestic assets	99	31	-114	-496	-576	-759	-876	-959	-965	-943	-849	-737
Net claims on government	148	128	54	178	103	3	-75	-152	-165	-106	-119	-72
Credit to private sector	293	435	637	655	763	898	936	976	928	971	1059	1125
Total liquidity	650	912	1,063	1,230	1,443	1,831	2,204	2,408	2,648	2,751	2,888	3,004
Money	278	329	385	543	531	540	609	676	748	771	813	829
Quasi-money	371	583	678	687	911	1,291	1,594	1,731	1,901	1,979	2,075	2,175
	Percentage change from previous year											
Total liquidity	44.4	40.3	16.6	15.7	17.3	26.9	20.4	26.8	33.4	29.5	24.1	24.6
Money	39.0	18.3	17	41	-2.2	1.7	12.8	23.4	37.5	35.5	33.4	22.6
Quasi-money	48.4	57.1	16.3	1.3	32.6	41.7	23.5	28.1	32.0	27.3	30.2	25.7

Source: National Bank of Cambodia.

Table 7. National Budget Operations on Cash Basis, 1995—2003 (billion riels)

	1995	1996	1997	1998	1999	2000	2001	2002				2003
	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1
Total revenue	161	187	220	230	329	356	382	423	369	457	481	400
Current revenue							379	407	369	456	481	400
Tax revenue	111	134	149	169	239	260	274	252	302	323	339	273
Customs duties	80	86	87	94	108	98	94	81	104	116	122	92
Non-tax revenue	47	44	68	51	87	89	106	156	66	133	142	127
Forest exploitation	13	7	9	5	9	11	7.3	1	1	9	5	1
Post & Telecommunica-	14	16	21	22	27	23	31	34	13	30.7	44	19
tions												
Capital revenue	2	10	3	9	3	7	2.3	15	0	1	0	0
Total expenditure	300	360	315	324	448	515	583	522	714	704	668	660
Capital expenditure	128	157	113	92	156	220	244	231	272	303	343	276
Current expenditure	172	203	202	245	291	295	339	290.1	442	401	325	384
Education and Health	25	31	32	33	70	62	86	34	108	85	96	36
Defense and Security	106	102	105	110	116	111	101	35.6	117	105	110	70
Other Ministries	41	71	65	83	103	123	159	221	217	212	120	279
Overall deficit	-139	-173	-95	-95	-119	-160	-201	-100	-346	-248	-187	-260
Foreign financing	140	170	111	67	104	167	192	264	237	273	287	176
Domestic financing	-1	3	-16	28	15	-7	9	-164	110	-25	-100	84

Source: Ministry of Economy and Finance: Quarterly average [1995-2001 (Q1-Q4), quarterly average]

Table 8. Private Investment Projects Approved, 1995—2003

	1995	1996	1997	1998	1999	2000	2001	2002				2003
	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1
	Number of investment projects											
Total	51	75	34	35	24	24	47	9	9	11	8	20
Garment	30	36	12	21	11	13	19	5	4	5	2	6
	Registered capital (millions of dollars)											
Total	89.0	97.8	69.5	104.1	61.7	25.6	32.3	10.9	4.5	12.1	20.3	41.6
Garment	28.0	39.2	8.6	22.9	13.9	6.4	15	6.6	1.0	5	1	5
	Fixed assets (millions of dollars)											
Total	76.2	186.7	190.4	212.3	118.5	66.6	54.3	27.8	23.3	127.6	60.9	108.5
Garment	25.4	39.6	9.7	30.2	19.9	19.2	25.0	8.5	2.4	5.5	1.7	6.5

Source: Cambodian Investment Board [1995-2001 (Q1-Q4), quarterly average]