

## ECONOMY WATCH—EXTERNAL ENVIRONMENT

**Table 1. Real GDP Growth of Selected Trading Partners, 2000–2004 (percentage increase over the previous year)**

	2000	2001	2002	2003				2004		2003
			Q4	Q2	Q3	Q4	Q1	Q2	Q3	
Selected ASEAN countries										
Cambodia	7.3	6.7	-	-	-	-	-	-	-	5.0
Indonesia	4.4	3.8	3.8	3.8	3.9	4.3	4.5	4.3	5.0	4.1
Malaysia	8.7	0.5	5.4	4.4	3.5	6.4	7.6	8.0	6.8	5.3
Singapore	9.5	-2.3	3.0	-4.2	1.7	3.7	7.5	12.5	7.5	1.1
Thailand	4.4	1.9	6.0	5.8	6.6	7.8	6.5	6.3	6.0	6.7
Vietnam		6.0	-	6.9	-	-	-	-	-	7.0
Selected other Asian countries										
China	8.0	7.5	8.1	6.7	9.1	9.9	9.7	9.6	9.1	9.1
Hong Kong	10.2	0.5	4.8	-0.6	4.0	4.9	6.8	12.1	7.2	3.2
South Korea	9.1	3.0	6.8	1.9	2.3	3.9	5.3	5.5	4.6	3.1
Taiwan	5.8	-2.2	4.2	-0.4	4.2	5.4	6.3	7.7	5.3	3.2
Selected industrial countries										
Euro-12	3.5	1.4	1.3	0.2	0.3	0.6	1.5	2.2	1.9	0.6
Japan	2.8	0.4	1.7	2.1	1.9	3.1	5.6	4.4	2.6	2.5
United States	5.0	1.2	2.8	2.4	3.6	4.3	5.0	4.7	3.9	3.1

Source: *The Economist*, *Far Eastern Economic Review* and countries' national statistics offices and central banks

**Table 2. Inflation Rate of Selected Trading Partners, 2000–2004 (percentage increase over the previous year—period average)**

	2000	2001	2002	2003				2004		2003
			Q4	Q2	Q3	Q4	Q1	Q2	Q3	
Selected ASEAN countries										
Cambodia	-0.3	-0.4	3.0	1.6	0.7	0.5	0.8	2.2	6.7	1.5
Indonesia	3.7	11.3	10.3	6.5	5.6	3.7	4.8	6.7	7	5.8
Malaysia	1.5	1.4	1.9	0.9	1.0	1.1	0.9	1.2	1.4	1.0
Singapore	1.4	1.0	0.1	0.1	0.5	0.7	1.4	1.8	1.7	0.5
Thailand	1.6	1.8	1.4	1.7	1.8	1.5	1.9	2.7	3.2	1.8
Vietnam	-1.7	0.0	3.7	2.3	3.5	2.2	-	-	-	3.1
Selected other Asian countries										
China	0.3	1.0	-0.6	0.6	0.8	2.7	2.8	4.4	5.3	1.2
Hong Kong	-3.7	-1.5	-2.9	-2.5	-3.7	-2.5	-1.2	-0.7	0.7	-2.5
South Korea	2.3	4.3	3.2	3.3	3.1	3.5	3.2	3.3	4.3	3.5
Taiwan	1.3	-0.01	-0.5	-0.1	-	-	-	-	-	-0.3
Selected industrial countries										
Euro-12	2.3	2.6	2.3	2.0	2.0	1.9	1.6	2.1	2.3	2.1
Japan	-0.6	-0.5	-0.5	-0.2	-0.3	0	-0.1	-0.3	-0.1	-0.2
United States	3.4	2.9	2.2	2.1	2.2	1.9	1.7	2.8	2.7	2.3

Source: *International Monetary Fund*, *The Economist* and the *National Institute of Statistics*

**Table 3. Exchange Rates of Selected Trading Partners Against the US Dollar, 2000–2004 (period averages)**

	2000	2001	2002	2003				2004		2003
			Q4	Q2	Q3	Q4	Q1	Q2	Q3	
Selected ASEAN countries										
Cambodia (riel)	3,871	3,935	3,948	4,008	4,015	3,999	3,991	4,016	4,060	3,992
Indonesia (rupiah)	8,421	10,261	9,054	8,479	8,441	8,482	8,469	9,001	9,164	8,577
Malaysia (ringgit)	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Singapore (\$)	1.72	1.79	1.77	1.75	1.75	1.72	1.69	1.70	1.70	1.74
Thailand (baht)	40.1	44.4	43.4	42.2	41.3	39.7	39.1	40.3	41.3	41.5
Vietnam (dong)	14,168	14,725	15,376	15,472	15,522	15,618	16,208.6	15,733	16,262	15,510
Selected other Asian countries										
China (yuan)	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28
Hong Kong (HK\$)	7.80	7.80	7.80	7.80	7.79	7.75	7.77	7.80	7.80	7.78
South Korea (won)	1,131	1,291	1,219	1,207	1,174	1,182	1,171	1,163	1,155	1,192
Taiwan (NT\$)	31.8	34.1	34.8	35.0	34.2	34.0	33.4	33.3	34.3	34.5
Selected industrial countries										
Euro-12 (euro)	1.08	1.12	1.00	0.88	0.88	0.84	0.79	0.83	0.82	0.88
Japan (yen)	108	122	123.0	118.4	117.6	108.9	107.2	109.7	110.0	115.9

Source: *International Monetary Fund*, *The Economist* and *National Bank of Cambodia*

**Table 4. Selected Commodity Prices on the World Market, 2000–2004 (period averages)**

	2000	2001	2002	2003				2004		2003
			Q4	Q2	Q3	Q4	Q1	Q2	Q3	
Hardwood (logs)—Malaysia (\$/m <sup>3</sup> )	190.1	160.1	181.2	182.1	183.0	197	197.7	195	199.5	187.1
Hardwood (sawn)—Malaysia (\$/m <sup>3</sup> )	599.2	488.3	565.4	552.4	552.0	545.5	547.8	576.9	594.4	550.2
Rubber—Malaysia (\$/ton)	720.8	602.0	834.1	975.8	1,017.4	1,261.4	1,246.4	1,333.4	1,190.6	1,050
Rice—Bangkok (\$/ton)	203.7	172.6	189.6	197.5	199.6	196	215.3	235.8	224.6	197.8
Soybeans—USA (\$/ton)	211.3	195.6	239.0	245.7	244.3	219.7	238.5	249.7	163.77	238.3
Crude oil—Dubai (\$/barrel)	26.1	22.8	26.2	24.5	26.5	27	29.3	33.3	36.09	26.8
Gold—London (\$/troy ounce)	279.0	279.0	317.8	346.7	363.3	391.9	408.5	393.1	401.3	363.5

Source: *The International Monetary Fund*, and *Far Eastern Economic Review*

## ECONOMY WATCH—DOMESTIC PERFORMANCE

### Main Economic Activities

Overall performance of the Cambodian economy in the third quarter was strong. Exports, construction activities and tourism picked up speed, while private investment (reflected in changes to total fixed asset approvals) declined, between the second and third quarters.

In the third quarter of 2004, Cambodia's trade balance recorded a surplus of \$140.8 million, the second time over 11 consecutive quarters that a surplus was recorded (see figure1). Total exports grew by 35.2 percent to \$668.8 million in the third quarter, compared with an increase of about 24 percent in the preceding quarter. Exports of garments, textiles and footwear continued to drive growth in Cambodia's total exports, rising to \$643.7 million in the third quarter, 34.3 percent higher than the preceding quarter. The US market remains the major market for Cambodia's garment exports, representing about 60 percent of market share in the third quarter, somewhat lower than in the previous quarter. At the same time, the export of agricultural products rose markedly, by 64 percent, to \$25.1 million. On an annual basis, export performance was weaker, with a 36 percent drop in value in third quarter of 2004 compared to the same period in 2003.

Between the second and third quarter of 2004, total imports declined by 13 percent, from \$607 million to \$528 million. This is reflected in lower imports of major products such as gasoline, vehicles, construction materials (including steel, cement and other construction materials), and fabrics. According to the Customs and Excise Department, gasoline imports amounted to \$6.6 million in the third quarter, 24 percent less than in the preceding quarter. Vehicle imports dropped by 21 percent to \$26.3 million, reflected mostly in fewer imports of tractors and motorbikes. Similarly, the import of construction materials

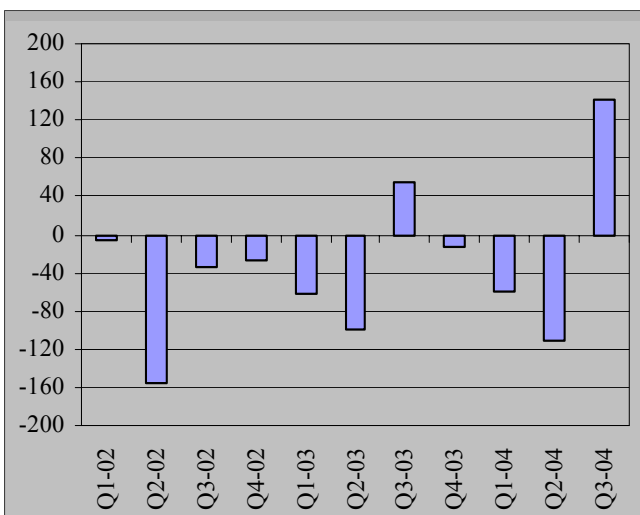
declined by 21 percent to \$21.3 million, while steel imports fell by 41.6 percent and cement imports by 8 percent. Fabric imports also decreased, to \$183 million (a 14 percent drop). On the major import products mentioned above, the Customs and Excise Department collected revenues of around \$59 million, accounting for 43.7 percent of the total import tax revenues for the third quarter.

The value of construction projects approved also increased in the third quarter. Based on data from the Department of Cadastre and Geography of the municipality of Phnom Penh, the estimated value of construction project approvals amounted to \$78 million (276 projects) in the third quarter, 60.5 percent higher than the preceding quarter, which was \$48.6 million (237 projects). Apartment construction approvals rose to \$44.3 million (186 projects) from \$28.5 million (161 projects) between the second and third quarters, resulting in a 55.5 percent increase in floor area in the third quarter.

In the third quarter of 2004, Cambodia's tourism sector performed well, as reflected in the number of international passengers. According to the Ministry of Tourism, 227,926 persons visited Cambodia in the third quarter, 17.6 percent more than in the second quarter and 44 percent more than in the third quarter of 2003. Phnom Penh International Airport received 74,310 passengers in the third quarter (compared to 72,908 in the second quarter), of which 21 percent (15,660 persons) were officials or business people. During the same time, there was a 39 percent increase in visitors arriving at Siem Reap International Airport. Visitors arriving in Cambodia through international border checkpoints reached 84,052 persons in the third quarter, 18.4 percent more than in the preceding quarter.

Private investment seems to have declined in the third quarter, mainly arising from reduced investment in the agricultural and service sectors, even though there was an increase in industrial investments. Total private investment fell by 28 percent to \$82 million in the third quarter, from \$113.3 million in the preceding quarter. According to the Council for the Development of Cambodia, approvals for investment in the service sector declined from \$76 million to \$6.4 million, and in the agricultural sector from \$9.4 million to \$2.9 million. Investment approvals in the industrial sector, on the other hand, rose sharply to \$72.7 million, from \$28 million—led by approvals in the garment sector (which rose by \$44 million in the third quarter, up from only \$10 million in the preceding quarter). The top investors during the first nine months of 2004 were China, Cambodia, Malaysia and Taiwan.

Figure1: Cambodia's Trade Balance



Source: Customs and Excise Department, Ministry of Economy and Finance.

### Public Finance

In the third quarter, Cambodia's overall deficit worsened compared to the preceding quarter. The expanding

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budget deficit (from 180.2 billion riels to 207.1 billion riels) reflects a continuing decline in budget revenues. Budget expenditures also fell, but only slightly.

Total revenue consists of tax, non-tax and capital revenues. It dropped by 7.5 percent, to 452 billion riels in the third quarter, compared with a decrease of 6.7 percent in the preceding quarter. Tax revenue shrank by 4 percent to 334 billion riels, led by a fall in excise and custom duties and payroll taxes. In addition, collection of visa fees fell by 44 percent and revenue from forest resource exploitation by 39 percent. Domestic capital revenues, which derive from sale of immovable property, privatisation, and other sources, fell to 1.3 billion riels in the third quarter, down from 13 billion riels in the preceding quarter. From January to September 2004, total budget revenues amounted to 1,464.6 billion riels (\$364.1 million), reaching 69 percent of the 2004 budget law target. This is an improvement over the same period in 2003, when revenue collection totaled 1,207.4 billion riels (\$303.5 million).

Government spending declined marginally, by 1.6 percent to 659.2 billion riels, in the third quarter compared to the second quarter. Of the total amount spent, 426 billion riels went to pay for current expenditures, while 233.2 billion riels were spent on capital expenditures. Reduced domestic financing (decline of 48 percent) as well as foreign financing (6.6 percent fall) resulted in a sharp reduction in capital (and therefore overall) expenditures. Current expenditure, however, rose by 14 percent in the face of larger outlays on “general administration”, and “economy and social administration.”

### Inflation and Foreign Exchange Rates

Consumer prices in Phnom Penh rose more quickly in the third quarter, by 4.5 percent, compared to 1.5 percent in the preceding quarter. Food, beverages and tobacco prices climbed by 8.9 percent, followed by a rise of 3.5 percent in the cost of transportation and communication, in turn led by the increase in petrol prices. Similarly, on a year-to-year basis, inflation in Phnom Penh accelerated, rising to 6.7 percent in the third quarter, from 2.2 percent in the second quarter. The increase in overall consumer prices mainly resulted from surging food and fuel prices. There was, however, a modest decline in the price of some consumer items, namely furniture, clothing and footwear and medical care.

In the third quarter of 2004, the riel continued to depreciate against the US dollar. It fell by about 1.1 percent, trading at 4,060 riels/dollar, compared to 0.6 percent in the second quarter. Likewise, the riel lost value against the Vietnamese dong, depreciating to 25 riels per 100 dongs from 24.7 riels per 100 dong. In contrast, the riel was traded at 98.9 riels/baht, a 1.6 percent appreciation in the third quarter, following a 1.4 percent appreciation in the preceding quarter.

### Monetary Development

According to the monetary survey of the National Bank of Cambodia, money supply within the banking system totalled 4,169.5 billion riels (\$1,029.5 million) in the third quarter, 8.5 percent more than in the preceding quarter. Foreign currency deposits (mostly consisting of individual deposits and deposits of NGOs) rose by about 10 percent to \$738 million (2,989 billion riels) over the same period. Meanwhile, riel deposits also increased, by 4.2 percent to 142 billion riels, compared to an 11.6 percent increase in the second quarter. The riel stock outside banks reached 1,038.4 billion in the third quarter, 3.7 percent more than in the second quarter. Total liquidity rose considerably, by 38.7 percent, over the preceding year, due to a simultaneous rise in foreign currency deposits (by 46.3 percent) and in riel deposits (by 20 percent).

### Poverty Situation—Earnings of Vulnerable Workers

According to a survey of 10 groups of vulnerable workers conducted by CDRI during 1–15 November 2004, the daily earnings of cyclo drivers, rice field workers and moto taxi drivers continued to drop, and of porters and construction workers registered a two-digit fall compared to the same period last year. In contrast, the daily earnings of five other groups (garment workers, waitresses, unskilled workers, small traders and scavengers) increased between 2 percent and 12.8 percent compared to CDRI’s November 2003 survey. The average daily earnings of the 10 groups this year amounted to 7,800 riels per day, an increase of 2 percent compared to 7,600 riels per day in 2003.

The daily earnings of garment workers had the smallest increase—2 percent—amongst better off groups, reaching 10,200 riels (a five-quarter high). Although garment workers’ daily earnings were the second highest amongst the sample groups, they usually work harder than other groups. For instance, hours worked, including overtime, amounted to an average of 56 hours per week, only four hours less than working hours reported by the International Labour Organisation in November 2001. (The report states: “*The number of hours worked by workers of either sex cannot exceed 8 hours per day, or 48 hours per week, overtime hours cannot exceed 2 hours per day and all workers shall be given in principle a day off on Sunday.*” In contrast to the survey in August 2004, in which 75 percent of garment workers interviewed said that factory activity had decreased, only 50 percent said so in November 2004. Garment workers’ spending on food was nearly unchanged at 2,200 riels per day, compared to 2,124 riels in the previous survey.

An increase in the gasoline price has seriously affected moto taxi drivers’ daily earnings (but there was no negative correlation between other groups’ daily earnings and gasoline prices). Our past data indicated that, holding other factors constant, an in-

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crease of 1 percent in the gasoline price led to an average fall of moto taxi drivers' daily earnings of 0.48 percent (the correlation is statistically significant at the 10 percent level). In other words, a rise of the gasoline price of 100 riels causes a drop of 219.7 riels in moto taxi drivers' daily earnings. This suggestion was confirmed by the recent interview result, in which 65 percent of interviewees complained that the continuous rise in gasoline prices had made it more difficult to run their businesses. The daily earnings of moto taxi drivers fell to 9,500 riels in November 2004, compared to 10,000 riels in November 2003 and 9,700 riels in August 2004.

The daily earnings of cyclo drivers and rice-field workers slid to 6,200 riels and 4,300 riels in November, a fall of 36.8 percent and 3.4 percent from November 2003, respectively. It is worth noting that the number of cyclo drivers increased significantly in recent months, reflecting a serious drought across the country. Ninety-seven percent of cyclo drivers interviewed verified that the number of cyclo drivers had increased compared to three months earlier. Out of 40 cyclo drivers, 25 percent were in debt by an average amount of 65,333 riels, with a monthly interest rate of 4.1 percent. Also, more than one-third of rice-field workers had loans averaging 95,454 riels (with a monthly interest rate of 11.5 percent), much more than in November 2003, when the figure was 60,833 riels (with an interest rate of 5.9 percent). This might imply that the less they earn, the more they borrow, regardless of the interest rate, particularly in Kompong Speu and Kandal provinces.

In November 2004, the daily earnings of small traders, scavengers, waitresses and unskilled workers

went up by 10.4 percent, 12.8 percent, 3.7 percent and 4.8 percent over the same period last year. The survey showed that 18 percent of small traders spent more on transportation costs than on other expenses (e.g. food, rent, medical care). Nonetheless, an increase in gasoline prices seems to have no effect on their daily earnings, because the correlation between small traders' daily earnings and gasoline prices is positive at 0.607. During the same period, the price of food, beverages and tobacco in Phnom Penh fell by 0.9 percent from a month earlier, but rose by 8.8 percent compared to the same period last year, according to the National Institute of Statistics.

Since November 2000, the daily earnings of skilled construction workers have varied between 9,866 riels and 16,900 riels, largely reflecting an expansion in construction activities. In November 2004, their daily earnings fell significantly, by 21.9 percent to 13,200 riels, down from 16,900 riels in November 2003.

Compared to the previous survey, they declined by 11.5 percent. Skilled construction workers reported spending about 3,662 riels per day for food, 20 percent (610 riels) more than in August 2004. Meanwhile, the National Institute of Statistics reported that the price of food, beverages and tobacco in Phnom Penh dropped by 3 percent between August and November 2004. This implies that there is room for skilled construction workers to maintain or improve their living conditions, with average daily earnings between 13,200 and 16,900 riels.

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quarter. In the third quarter, consumer prices in China rose by 5.3 percent over a year earlier, mainly due to higher food prices. During the same period, inflation in Malaysia was still under control but prices rose at an annual rate of 1.4 percent, 0.2 percentage points faster than in the previous quarter.

In the third quarter, the US dollar continued to gain value against most major currencies, except for the euro and the South Korean won. The dollar appreciated against the yen for the fourth consecutive quarter, reaching 110 yen in the third quarter of 2004. Against the euro, the US dollar depreciated by 1.2 percent, to 0.82 euros during the third quarter of 2004. At the same time, the dollar strengthened by 2.4 percent over the previous quarter against the Thai baht, and it remained unchanged against the Singapore dollar, trading at S\$1.70.

### **Commodity Prices in World Markets**

After increasing for the second consecutive quarter, the price of first quality rice in the Bangkok International Market fell to \$224.60/tonne in third quarter, a decrease of 4.7 percent from the second quarter. Similarly, the price of rubber and soybeans declined to \$1,190.60/tonne and \$163.77/tonne in the third quarter, down from \$1,333.40 and \$249.70 in the previous quarter, respectively. In contrast, the price of crude oil surged to a record high of \$36.09/barrel in the third quarter. The reasons for higher crude oil price are complex, involving global demand, OPEC strategy and uncertainties in the Middle East.

*Prepared by Tong Kimsun*

## ECONOMY WATCH—INDICATORS

**Table 1. Private Investment Projects Approved, 1996–2004**

	1996	1997	1998	1999	2000	2001	2002	2003	2004			
								Q3	Q4	Q1	Q2	Q3
	Number of investment projects*											
Total	300	136	140	96	96	188	37	17	15	15	19	20
Garment	144	48	84	44	52	76	15	12	6	11	9	11
	Registered capital (millions of dollars)											
Total	391.2	278	416.4	246.8	102.4	129.2	48.9	4.0	15.4	11.9	10.0	23.0
Garment	156.8	34.4	91.6	55.6	25.6	60	12.6	1.0	5.8	8.4	1.0	13.5
	Fixed assets (millions of dollars)											
Total	746.8	761.6	849.2	474	266.4	217.2	239.6	95.1	62.1	63.3	113.3	82.0
Garment	158.4	38.8	120.8	79.6	76.8	100	18.0	43.3	14.5	49.9	10.1	44.0

Source: Cambodian Investment Board (1995–2003)

\* Including investment expansion projects

**Table 2. Construction Projects Approved in Phnom Penh 1996–2004**

	1996	1997	1998	1999	2000	2001	2002	2003	2004			
								Q3	Q4	Q1	Q2	Q3
Mansions	205	179	143	136	111	108	159	25	48	52	47	57
Apartments	537	528	678	864	520	499	535	148	116	157	161	186
Other	116	117	132	74	64	57	75	17	22	20	29	33
Total	858	824	953	1074	695	664	769	190	186	229	237	276

Source: Department of Cadastre and Geography of the municipality of Phnom Penh

**Table 3. Exports and Imports, 1996–2004**

	1996	1997	1998	1999	2000	2001	2002	2003	2004			
								Q3	Q4	Q1	Q2	Q3
	Millions of dollars											
Total exports	387.1	493.4	784.4	941.1	1055.5	1267.0	1453.7	492.3	475.7	399.5	494.7	668.8
Of which: Garments	78.8	227.2	378	554	962.1	1201.0	1356.2	475.2	448.5	383.6	479.4	643.7
To US	0.4	107.2	74.1	486	714.1	840.9	943.8	303.2	298.2	255.8	306.3	387.6
To rest of the world	78.4	120	82	68	248.0	360.1	412.4	172.0	150.3	127.8	173.1	256.1
Agriculture	-	-	-	-	90.5	66.0	97.5	17.0	27.2	16.0	15.3	25.1
Rubber	-	-	-	-	29.6	25.9	29.7	10.0	12.1	8.0	6.6	11.6
Wood	-	-	-	-	32.5	22.3	16.0	2.1	2.4	1.8	2.8	4.2
Fisheries	-	-	-	-	5.4	6.0	4.3	0.6	0.7	0.8	1.2	4.3
Other	-	-	-	-	26.0	11.8	47.5	4.3	12.0	5.4	4.8	5.0
Total Imports	1114.4	1094.5	1112.2	1237.4	1417.7	1501.4	1674.1	436.2	487.6	458.8	607	528
Of which: Gasoline	-	-	-	-	-	-	26	5.8	9.0	7.1	8.6	6.6
Diesel	-	-	-	-	-	-	102	25.7	24.5	30.4	27.7	27.4
Construction materials	-	-	-	-	-	-	97.4	17	21.6	20.2	27	21.3
Other	-	-	-	-	-	-	1448.7	387.8	432.5	401.1	543.6	472.7
Trade Balance	-727.3	-601.2	-327.8	-296.3	-362.2	-234.0	-220.4	56.1	-11.9	-59.3	-112.2	140.8
	Percentage change over previous year											
Total Exports Garments	198	188	66	47	74	24.8	12.9	10.1	16.4	21.9	22.9	35.5
Total Exports	2.1	27.5	58.9	12.4	19.7	20	14.7	9.0	15.2	20.5	21.1	35.8
Total Imports	1.2	-1.8	1.6	11.3	14.5	5.9	11.5	-10.0	19.6	16.5	19.6	21.0

Source: Ministry of Commerce, Department of Trade Preferences Systems and Customs and Excise Department

**Table 4. Visitor Arrivals in Cambodia, 1996–2004**

	1996	1997	1998	1999	2000	2001	2002	2003	2004			
								Q3	Q4	Q1	Q2	Q3
	Thousands of passengers											
Tourist visas	194.4	163.0	141.9	199.6	209.6	335.4	447.4	132.0	209.1	230.7	165.3	203.1
by air	194.4	163.0	141.9	199.6	209.6	335.4	447.4	76.2	131.3	139.6	99.6	125.1
land and boat	-	-	-	-	-	-	-	55.8	77.7	91.1	65.8	78.0
Business visas	58.4	48.6	37.6	55.4	46.9	62.4	58.3	20.3	15.5	15.8	20.8	17.2
by air	58.4	48.6	37.6	55.4	46.9	62.4	58.3	16.3	15.5	11.5	16.9	12.4
land and boat	-	-	-	-	-	-	-	4.0	-	4.3	3.9	4.8
Official visas	7.6	7.2	6.8	7.9	95.2	10.6	17.3	5.9	6.1	7.9	7.6	7.6
by air	7.6	7.2	6.8	7.9	95.2	10.6	17.3	5.1	6.1	6.8	6.3	6.4
land and boat	-	-	-	-	-	-	-	0.8	-	1.1	1.3	1.2
Total by air	-	-	186.3	262.9	351.7	408.4	523.0	97.6	152.9	157.9	122.8	143.9
Total Land and boat	-	-	100.2	104.8	114.7	196.5	263.5	60.6	77.7	96.5	71.0	84.1
Grand total	260.4	218.8	286.5	367.7	466.4	604.9	786.5	158.2	230.6	254.4	193.8	227.9
	Percentage change over previous year											
Grand total	18.5	-15.9	30.9	28.3	26.8	29.7	30	-8.9	-14.2	21.8	87.9	44.1

Sources: Ministry of Tourism

## ECONOMY WATCH—INDICATORS

Table 5. Consumer Price Index (CPI), Exchange Rates and Gold Prices, 1996–2004 (period averages)

	1996	1997	1998	1999	2000	2001	2002	2003	2004			
								Q3	Q4	Q1	Q2	Q3
	Consumer price index (percentage change over previous year)											
Provinces	-	6.1	16.3	6.2	5.4	0.9	0.3	-1.9	1.8	4.6	11.5	21.1
Phnom Penh - All Items	7.1	8.0	14.8	4.0	-0.8	-0.6	3.3	0.8	0.5	0.8	2.2	6.7
- Foods	7.6	6.7	14.1	7.6	-3.3	-2.8	1.8	1.5	-0.04	0.6	3.4	12.2
- Energy	20.7	20.0	15.1	3.5	6.6	-1.1	0.3	5.1	5.1	4.8	8.1	11.5
	Exchange rates, gold and oil prices (Phnom Penh market rates)											
Riels per US dollar	2,666	3,029	3824	3832	3,879	3,935	3,926	4015	3999	3991	4016.5	4060
Riels per Thai baht	105	98	88	101	96.3	88	91.3	96.9	100.5	101.9	100.5	98.9
Riels per 100 Vietnamese dong	24.0	25.6	28.6	27.8	27.4	26.6	25.7	24.9	24.8	24.6	24.7	25.0
Gold prices (US dollar per chi)	46.3	40.4	36.0	34.0	33.3	32.7	36.8	41.5	44.4	46.0	46.0	46.3
Price of diesel (Riels/litre)	779	883	1,065	1,105	1,329	1,521	1508	1683	1700	1867	1983	2150
Price of gasoline (riels/litre)	1,118	1,378	1,613	1,760	2,113	2,084	2150	2367	2400	2567	2767	2950

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

Table 6. Monetary Survey, 1996–2004 (end of period)

	1996	1997	1998	1999	2000	2001	2002	2003	2004			
								Q3	Q4*	Q1	Q2	Q3
	Billions of riels											
Net foreign assets	881	1,177	1,726	2,019	2,589	3,080	3737	3627	4027	4265	4337	4524
Net domestic assets	31	-114	-496	-576	-759	-876	-849	-621	-698	-606	-493	-354
Net claims on government	128	54	178	103	3	-75	-119	18	-128	-133	-130	-96
Credit to private sector	435	637	655	763	898	936	1059	1287	1337	1389	1499	1673
Total liquidity	912	1,063	1,230	1,443	1,831	2204	2888	3007	3328	3659	3844	4169
Money	329	385	543	531	540	609	813	886	937	1007	1040	1078
Quasi-money	583	678	687	911	1,291	1,594	2075	2121	2391	2652	2804	3091
	Percentage change from previous year											
Total liquidity	40.3	16.6	15.7	17.3	26.9	20.4	31.0	9.3	15.2	21.8	30.2	38.7
Money	18.3	17	41	-2.2	1.7	12.8	33.5	14.9	15.3	21.5	17.4	21.7
Quasi-money	57.1	16.3	1.3	32.6	41.7	23.5	30.2	7.1	15.2	21.9	36.7	45.7

Source: National Bank of Cambodia, \* Q4 2003 revised.

Table 7. National Budget Operations on Cash Basis, 1996–2004 (billion riels)

	1996	1997	1998	1999	2000	2001	2002*	2003*	2004*			
								Q3	Q4	Q1	Q2	Q3
Total revenue	748	880	920	1326	1528	1529	1744	401	557	523.9	488.6	452.1
Current revenue	-	-	-	-	-	1521	1728	399	557	523.3	475.6	450.8
Tax revenue	536	596	676	956	1096	1096	1227	273	387	409.3	348.4	334.1
Customs duties	344	348	376	432	376	376	424	92	117	137	108.4	99.9
Non-tax revenue	176	272	204	348	424	424	501	126	170	113.9	127.1	116.7
Forest exploitation	28	36	20	36	28	29	15	4	1	0.9	0.3	0.2
Post & telecommunications	64	84	88	108	124	122	123	33	50	16.1	23.1	28.8
Capital revenue	40	12	36	12	8	9	16	1	0	0.6	13.0	1.3
Total expenditure	1440	1260	1296	1792	2332	2332	2948	683	746	647.1	668.7	659.2
Capital expenditure	628	452	368	624	976	977	1388	301	306	295.6	295.4	233.2
Current expenditure	812	808	980	1164	1356	1355	1560	382	440	351.5	373.3	426.0
Education and health	124	128	132	280	344	343	454	122	227	31.4	80.6	116.0
Defense and security	408	420	448	464	404	405	438	75	147	67.6	66.0	91.5
Other ministries	284	260	332	412	636	637	668	184	65	252.6	226.7	218.6
Overall deficit	-692	-380	-380	-476	-804	-803	-1204	-282	-189	-123.2	-180.2	-207.1
Foreign financing	680	444	268	416	768	766	1249	251	295	-223	195.4	171.8
Domestic financing	12	-64	112	60	36	37	-45	31	-106	99.8	-15.2	35.3

Source: Ministry of Economy and Finance. \* 2002, Q2, Q3, Q4, 2003, revised, and Q1-Q3 2004 provisional

Table 8. Average Daily Earnings of Vulnerable Workers, 1997–2004

	Daily earnings (riels)										Change from last year (%)		
	1997		2003		2004						2004		
	Pre-Jul	Feb	May	Aug	Nov	Feb-04	May-04	Aug	Nov	May	Aug	Nov	
Cyclo drivers	12,250	9,200	7,000	9,380	9,817	9,500	8,425	8,420	6,200	20.36	-10.25	-36.8	
Porters	9,675	7,600	6,225	7,240	6,500	8,700	7,847	7,310	5,600	26.06	0.91	-13.8	
Small vegetable sellers	7,050	7,250	6,162	6,860	6,700	7,400	7,625	7,337	7,400	23.74	6.95	10.4	
Scavengers	4,155	3,875	3,605	4,900	3,900	4,800	4,600	5,262	4,400	27.60	7.17	12.8	
Waitresses*	-	4,600	4,380	4,520	4,435	4,900	4,500	5,065	4,600	2.74	12.01	3.7	
Rice-field workers	-	4,180	3,712	4,600	4,450	4,700	4,300	4,380	4,300	15.84	-4.78	-3.4	
Garment workers	-	10,127	9,123	10,300	10,000	9,675	9,740	10,163	10,200	6.76	-1.33	2.0	
Motorcycle-taxi drivers	-	11,400	9372	10900	10,000	11,200	9,000	9,700	9,500	-3.97	-11.01	-5.0	
Unskilled construction workers	-	6,162	7100	7600	6200	7,200	6,900	6,725	6,500	-3.16	-11.73	4.8	
Skilled construction workers	-	12,500	12,050	12,700	16,900	13,800	12,450	14,925	13,200	3.32	17.52	-21.9	

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