

## Economy Watch—External Environment

### World Economic Growth

During the First Quarter of 2005, the global economy showed a mixed performance. While the US continued its economic growth, the Euro area and Japan's economy remained at moderate levels.

US real GDP grew 3.5 percent in the year to first quarter. The major contributors to the increase in real GDP in the first quarter were personal consumption expenditures (PCE), private inventory investment, exports, residential fixed investment, and equipment and software. The growth declined from 3.8 percent growth in the fourth quarter in 2004, primarily due to decelerations in PCE, equipment and software expenditures. But these were partly offset by accelerations in exports, in private inventory investment, and in residential fixed investment and a deceleration in imports.

Real GDP of the euro zone in the first quarter 2005 grew by 1.4 percent on an annual basis and by 0.5 percent compared to the fourth quarter 2004. This moderate growth was due to weak development of domestic demand, the strong rise of crude oil prices, and the strength of the Euro against the US dollar, which dampens the activities of the European exporting industries. Japanese real GDP grew by 1.3 percent on an annual basis and by 0.8 percent compared to the fourth quarter 2004. GDP expansion was brought about by strong consumer spending, which grew by 1.2 percent quarter to quarter and business capital investment, which rose 2.0 percent.

China's GDP in first quarter 2005 was 9.5 percent higher than a year earlier. The high growth was driven by rapid growth in industrial production, investment and exports. The real GDP of South Korea in the first quarter 2005 grew at an annual rate of 2.7 percent compared with 3.3 percent growth in the fourth quarter 2004. The weak growth was attributable to static growth in exports and private consumption and a decline in construction investment. The real GDP of Hong Kong grew 6.0 percent in the first quarter 2005, compared with 7.2 percent growth in the fourth quarter 2004.

The real GDP of Malaysia in the year to first quarter 2005 grew 5.7 percent compared to 5.6 percent to fourth quarter 2004. The broad-based growth was driven by all major sectors of the economy except construction. Real GDP of Singapore and Thailand in the year to first quarter 2005 increased 2.5 percent and 3.4 percent respectively, a deceleration from 6.5 and 5 percent in the year to fourth quarter 2004. In Thailand, the impacts of the tsunami, the drought and high oil prices is expected to cause growth to fall.

### World Inflation and Exchange Rates in International Markets

The softening in the world crude oil markets was the common factor that helped to keep inflation in check in the world's largest economies during the first quarter of 2005. The consumer price increases were at 3 percent in the US, -0.2 percent in Japan, and 2.1 percent in the EU area, decelerating from 3.2 percent, 0.5 percent and 2.3 percent respectively from the last quarter of 2004. Inflation was also basically stable in Asian economies. In South Korea and Singapore, inflation was 3.2 percent and 0.4 percent respectively in the first quarter of 2005. This decelerated from 3.4 percent and 1.7 percent in the quarter earlier.

In the exchange rate markets, the US dollar weakened against most currencies in the first quarter of 2005. The dollar depreciation could be attributed largely to the expansion of the US trade deficit and the concern that many central banks may diversify their foreign-exchange reserves. Against the Japanese yen, the dollar traded at 104.7, falling from 105.9 in the fourth quarter of 2004. Versus the euro, it traded at 0.76 depreciated slightly from 0.77 in the quarter earlier.

### Commodity Prices in World Markets

The prices of selected major commodities in international markets in the first quarter of 2005 rose significantly. The price of white rice, Thai 100% B second grade in the Bangkok market in the first quarter of

Table 1. Real GDP Growth of Selected Trading Partners, 2000–2005 (percentage increase over the previous year)

	2000	2001	2002	2003 Q4	2004 Q1	Q2	Q3	Q4	2005 Q1	2004
Selected ASEAN countries										
Cambodia	7.3	6.7	4.8	-	-	-	-	-	-	-
Indonesia	4.4	3.8	3.8	4.3	4.5	4.3	5.0	6.6	6.4	5.1
Malaysia	8.7	0.5	5.6	6.4	7.6	8.0	6.8	5.6	5.7	7
Singapore	9.5	-2.3	2.6	3.7	7.5	12.5	7.5	6.5	2.5	8.5
Thailand	4.4	1.9	6.1	7.8	6.5	6.3	6.0	5.0	3.3	6
Vietnam		6.0	6.7	-	-	-	-	-	-	-
Selected other Asian countries										
China	8.0	7.5	8.1	9.9	9.7	9.6	9.1	9.5	9.5	9.5
Hong Kong	10.2	0.5	5.0	4.9	6.8	12.1	7.2	7.1	6	8.3
South Korea	9.1	3.0	6.1	3.9	5.3	5.5	4.6	3.3	2.7	4.7
Taiwan	5.8	-2.2	4.2	5.4	6.3	7.7	5.3	3.3	2.5	5.7
Selected industrial countries										
Euro-12	3.5	1.4	0.7	0.6	1.5	2.2	1.9	1.6	1.4	1.8
Japan	2.8	0.4	0.4	3.1	5.6	4.4	2.6	0.8	1.3	3.4
United States	5.0	1.2	2.4	4.3	5.0	4.7	3.9	3.8	3.5	4.4

Source: *The Economist*, Country's National Statistics offices and Central Banks, and ADB's Asia Regional Information Center

## Economy Watch—External Environment

2005 was at \$ 295.60/ton, an 11 percent increase from the previous quarter and a 28 percent increase over the same quarter last year. The price of maize in the first quarter 2005 rose slightly to \$97/ ton, but declined sharply at around 21 percent from the same quarter last year. Soybeans sold at \$229.9/ton, a 6 percent increase from the fourth quarter of 2004, but a 31 percent decline from the same quarter last year.

The prices of crude oil and gasoline in the first quarter 2005 increased significantly at 20 percent and 8 percent respectively from the fourth quarter 2004. In the first quarter 2005, crude oil sold at \$ 42.60/ barrel and gasoline sold at 34.4 cents/ liter.

Prepared by *Hing Vutha*  
and *Phim Runsinarith*

**Table 2. Inflation Rate of Selected Trading Partners, 2000–2005 (percentage increase over the previous year – period average)**

	2000	2001	2002	2003	2004			2005	2004	
					Q1	Q2	Q3	Q4	Q1	
Selected ASEAN countries										
Cambodia	-0.8	-0.6	3.2	1.2	0.7	2.2	6.5	6.1	5.8	4.0
Indonesia	3.6	11.5	13.2	8.3	6.6	8.8	9.2	8.6	10.7	8.3
Malaysia	1.5	1.4	1.8	1.1	1.0	1.2	1.5	2.4	2.5	1.6
Singapore	1.4	1.0	-0.4	0.5	1.4	1.9	1.7	1.7	0.4	1.7
Thailand	1.5	1.7	0.6	1.8	1.9	2.6	3.3	3.1	2.8	2.7
Vietnam	-1.7	-0.4	3.8	3.2	4.6	7.6	10.3	10.7	-	8.3
Selected other Asian countries										
China	0.3	0.9	-0.7	1.2	2.8	4.4	5.2	3.2	2.8	3.9
Hong Kong	-3.6	-1.3	-3.0	-2.6	-1.9	-0.8	0.8	0.2	0.4	-0.4
South Korea	2.3	4.4	2.7	3.5	2.7	3.3	4.4	3.4	3.2	3.5
Taiwan	1.3	-0.01	-0.2	-0.3	0.5	1.2	2.9	1.9	1.6	1.6
Selected industrial countries										
Euro-12	2.3	2.6	2.2	2.1	1.8	2.3	2.3	2.3	2.1	2.2
Japan	-0.7	-0.6	-0.9	-0.3	-0.1	-0.3	-0.1	0.5	-0.2	Nil
United States	3.3	2.8	1.6	2.3	1.8	2.9	2.7	3.3	3.0	2.7

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

**Table 3. Exchange Rates of Selected Trading Partners Against the US Dollar, 2000–2005 (period averages)**

	2000	2001	2002	2003	2004			2005	2004	
					Q1	Q2	Q3	Q4	Q1	
Selected ASEAN countries										
Cambodia (riel)	3,840.8	3,916.3	3,912.1	3,973	3,990.3	4,005.3	4,034.7	4,034.7	4,027.0	4,016.3
Indonesia (rupiah)	8,421	10,261	9,311	8,577	8,469	9,001	9,156	9,128	9,274	8,938
Malaysia (ringgit)	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Singapore (S\$)	1.72	1.79	1.79	1.74	1.69	1.70	1.70	1.65	1.63	1.69
Thailand (baht)	40.1	44.4	42.9	41.5	39.1	40.2	41.3	40.3	38.6	40.2
Vietnam (dong)	14,168	14,725	15,280	15,510	15,717	15,735	16,262	-	-	-
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	7.78	7.77	7.80	7.80	7.78	7.80	7.79
South Korea (won)	1,131	1,291	1,251	1,192	1,171	1,162	1,155	1,093	1,022	1,145
Taiwan (NT\$)	31.2	33.8	34.5	34.4	33.3	33.3	33.9	32.9	31.5	33.6
Selected industrial countries										
Euro-12 (euro)	1.09	1.12	1.06	0.89	0.80	0.83	0.82	0.77	0.76	0.80
Japan (yen)	107.8	121.5	125.4	115.9	107.2	109.7	109.9	105.9	104.7	108.2

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

**Table 4. Selected Commodity Prices on the World Market, 2000–2005 (period averages)**

	2000	2001	2002	2003	2004				2005	2004
			Q4	Q4	Q1	Q2	Q3	Q4	Q1	
Hardwood (logs)—Malaysia (\$/m <sup>3</sup> )	88.4	89.5	108.3	108.3	122.6	128.8	102.3	94.4	97	122
Hardwood (sawn)—Malaysia (\$/m <sup>3</sup> )	310.2	285.7	428.3	199.3	527	497	432.3	429	413.3	471.3
Rubber—Malaysia (\$/ton)	720.8	602.0	834.1	1,261.4	1,246.4	1,333.4	1,190.6	1238.2	-	1252.2
Rice—Bangkok (\$/ton)	206.7	177.3	192.2	198.7	231.4	240.7	240.5	264.9	295.6	244.4
Soybeans—USA (\$/ton)	193	180.7	220	290.2	331.7	356.4	251.1	216.5	229.9	288.9
Crude oil—Dubai (\$/barrel)	26.1	22.8	26.2	27	29.3	33.3	36.09	35.5	42.6	33.5
Gold—London (\$/troy ounce)	21.1	19.5	19	22.2	27.4	32.1	32.1	31.8	34.4	30.9

Source: *Food and Agriculture Organization (FAO) and Energy Information Administration*

## Economy Watch—Domestic Performance

With strong support from donors, the Cambodian government is attempting to stimulate new sources of growth to ensure continued economic growth and poverty reduction after the removal of garment quotas. In early June 2005, the WB provided a grant of \$10 million, adding to \$0.33 million of the Cambodian government's resources, to implement "The Cambodia Trade Facilitation and Competitiveness Project". *According to the new release by the WB, this project aims to introduce transparency in investment processes, including infrastructure concessions, and facilitate access of enterprises to export markets, focusing on four specific areas: 1) Trade Facilitation; 2) Export Market Access Fund (EMAF); 3) Private Participation in Infrastructure and Investment Promotion; and 4) The Legal Transparency Component.*

In addition, on 21 June 2005, the European Commission pledged nearly \$66 million in aid to Cambodia to improve water resources and promote higher living standards among the people in the rural areas of Banteay Meanchey, Battambang and Siem Reap provinces and to support social development, and to improve governance.

### Main Economic Activities

The performance of the Cambodian economy in the first quarter of 2005 showed some positive signs in terms of private investment, a large amount of which went to the industrial sector, construction and tourism. However, Cambodia's external trade posted a higher deficit than in the preceding quarter.

The registered fixed assets of private investment project approvals by the CDC increased sharply in the first quarter of 2005, amounting to \$475.3 million, up from \$16.4 million in the last quarter of 2004. Investment in industry made up 88 percent of the total (\$418.8 million) in the first quarter, of which China's investments in an oil refinery, in iron mine research and in a steel factory accounted for \$200.9 million and about \$154 million, respectively. Meanwhile, investment in garments went up to \$45 million in the first quarter, compared to \$12.7 million in the previous quarter. If these industrial investment project approvals are implemented, they will provide 41,218 jobs according to the CDC.

On the other hand, private investment in services and agriculture rose from nil in the fourth quarter of 2004 to \$53.3 million and \$3.2 million, respectively, in the first quarter of 2005. Compared to the January-March quarter of 2004, total private investment approvals rose from \$63.3 million to \$475.3 million. However, investment in the garment sector declined by 10 percent from \$50 million to \$45 million, while investments in other sectors rose simultaneously.

The value of construction project approvals in Phnom Penh also grew sharply between the fourth quarter of 2004 and the first quarter of 2005. It rose by 65.5 percent to \$106.1 million in the first quarter.

Construction of villas and houses during this period rose from \$5.5 million to \$14.3 million, while construction of flats increased from \$46.3 million to \$48.6 million. Moreover, other construction such as factory and warehouse constructions increased markedly from \$12.4 million in the fourth quarter last year to \$43.1 million in the first quarter 2005. Compared to the first quarter 2004, total value of construction project approvals in Phnom Penh was 45.5 percent up, from \$72.9 million.

Cambodia's tourism sector has continued to thrive in the third consecutive quarter. However, the number of foreign visitor arrivals in the first quarter 2005 rose more slowly at 0.5 percent (to 380,599 persons), compared to a 66 percent rise in the fourth quarter 2004 and 17.7 percent rise in the third quarter 2004. Between the October-December quarter of 2004 and the January-March quarter of 2005, the number of arrivals by air surged by 15 percent (to 231,736 persons), offset by a decline of 16 percent (to 148,863 persons) in visitor arrivals by land and boats, which took into account visitors to Preah Vihear (26,263 persons). Korea continued to account for the largest number of arrivals to Cambodia, reaching 58,384 persons in the first quarter 2005, followed by Japan (37,622 persons), USA (31,138 persons), United Kingdom (21,418 persons), and France (20,753 persons).

Compared to the first quarter of last year, total arrivals went up 49.6 percent from 254,437 persons. There were increases in arrivals by both air (46.7 percent from 157,938 persons) and by land and boat (by 54.3 percent from 96,499 persons) during this period.

The deficit in Cambodia's external trade has been increasing between the fourth quarter 2004 and the first quarter 2005. The deficit was recorded at 58 billion riels in the first quarter, up from 3.4 billion riels in the fourth quarter 2004. Although imports declined during this period, exports dropped even more. Exports fell by 15 percent to \$463 million in the first quarter, from \$545 million in the fourth quarter. Garment exports, which continue to make up more than 90 percent of total exports, dropped by 14.5 percent, similar to the same period a year ago. In addition, rubber exports, having the second highest share of total exports, declined by 39 percent to \$7.3 million, while fish exports diminished by 66 percent to \$1.5 million. However, Cambodia's total exports were 16 percent higher than in the first quarter of last year.

In the first quarter of 2005, total imports reached \$520.9 million, 5 percent lower than in the preceding quarter. Of this, the value of food, beverages and tobacco declined by 26 percent to \$36.8 million, clothes and footwear (including fabric) imports fell by 23.5 percent to \$150.1 million, and diesel engine/generator imports decreased by 8 percent to \$21.6 million. According to the Custom and Excise Department, Cambodia's total imports increased by 13.5 percent compared to the same quarter in 2004.

## Economy Watch—Domestic Performance

### Public Finance

In the first quarter 2005, the overall budget deficit, on a cash basis, (including expenditure adjustments) registered 133.4 billion riels, down 46 percent from 247.1 billion riels in the preceding quarter and down 7.5 percent from 144.2 billion riels in the same quarter last year. Total domestic revenues amounted to 551.4 billion riels in the January-March quarter of 2005, a 5.2 percent increase as compared to the same quarter 2004. The increase in budget revenues was mainly linked to a rise in tax revenues (by 11 percent to about 455 billion riels), counterbalanced by a drop in non-tax revenues (by 15.6 percent to 96.2 billion riels) and capital revenues (by 46 percent to 0.3 billion riels).

In the meantime, total budget expenditures rose to 684.8 billion riels in the first quarter of 2005, 2.5 percent more than in the same quarter one year earlier. Of this, expenditures of four priority ministries accounted for only 8.1 percent (55.5 billion riels), an increase of 60.7 percent. Of total spending of priority ministries in the first quarter 2005, about 37.7 percent were for expenditures of the Ministry of Public Health (about 4 times more than the same quarter last year), 56.9 percent for expenditures of Ministry of Education, Youth and Sport (a 20.6 percent increase), 2 percent for expenditures of the Ministry of Rural Development (a 16.7 percent rise), and 3.4 percent for expenditures of the Ministry of Agriculture, Forestry and Fishery (a 15.5 percent decrease).

### Inflation and Foreign Exchange Rates

Consumer prices in Phnom Penh rose slightly by 0.25 percent in the first quarter 2005, after declining by 0.8 percent in the preceding quarter. This resulted from increasing prices of clothing and footwear, equipment for house maintenance and repairs, and books and other school supplies. However, consumer prices in Phnom Penh in the first quarter 2005 increased by 5.6 percent from the same quarter last year. Most prices of consumer goods and services rose for that period.

The riel slightly appreciated against the US dollar and Vietnamese dong, while continued to depreciate against the Thai baht in the first quarter 2005, compared to the preceding quarter. The riel traded at 4,027 riels/dollar and 25.1 riels per 100 dongs in the first quarter, from 4,034.7 riels/dollar and 25.3 riels per 100 dongs in the preceding quarter. The exchange rate between the riel and the Thai baht was 104.4 riels/baht in the first quarter, a depreciation of 4.3 percent from the preceding quarter. Compared to the first quarter 2004, the riel lost value against the dollar by 0.9 percent, against the Thai baht by 2.4 percent, but gained value marginally against the Vietnamese dong by 1.2 percent.

### Monetary Developments

In 2005, the National Bank of Cambodia plans to increase total liquidity by 10 percent and the riel outside

banks by 18 percent, according to the annual report of the NBC.

Liquidity rose by about 4 percent to 4,498 billion riels at the end of the first quarter 2005, from the end of the fourth quarter 2004. Of this, 1,307.4 billion riels were in riel (both inside and outside banks) and the remaining 3,190.8 billion riels (\$791.6 million) were in foreign currency deposits. The riel rose by 4.6 percent, of which the riel outside banks increased by 4.4 percent to 1,163.8 billion and the riel deposits in banks grew by 6 percent to 143.6 billion riels. In addition, foreign currency deposits rose by 3.6 percent.

In terms of net assets of the banking system, net foreign assets rose by 86.5 billion riels (a 1.8 percent increase) between the end of the fourth quarter last year and the end of the first quarter 2005. At the same time, net domestic assets also increased by 82.5 billion riels (a 17.6 percent rise), mainly led by an increase of 9.2 percent in domestic credit to the private sector, while net claims on the government decreased by 20.9 percent.

Compared to the first quarter of 2004, liquidity grew by 23 percent. During this period, net foreign assets rose by 14.5 percent and net domestic assets increased by 36.5 percent.

### Poverty Situation—Real Daily Earnings of Vulnerable Workers (Survey 2–20 May 2005)

A survey of vulnerable workers conducted by CDRI during 2–20 May 2005 showed a decline in real daily earnings of cyclo drivers, porters, rice field workers and garment workers compared to the same period last year. Garment workers were the biggest losers, followed by porters and rice field workers. In the meantime, motorcycle taxi drivers were the biggest winners, despite the fact that oil prices hit a record level.

According to the survey, the real daily earnings of garment workers fell by 22% to 7,200 riel in May 2005, reaching the lowest level since CDRI started collecting data in this sector. This may reflect both temporary and permanent closure of some garment factories. In addition, factory owners shifted from hiring permanent to more temporary workers. This contributed to a decline of the garment workers' real daily earnings because most of workers were hired on the same terms as temporary workers who got lower wages (approximately 33 percent less) than permanent workers. A study by CDRI in 2001 revealed that about 50% of garment workers paid a fee to obtain their jobs, while the percentages in 2004 and 2005 were 11 and 6.7 percent respectively. Furthermore, a decline in working hours (including overtime) was also part of the reason for the decline in real daily earnings. According to the survey data, average working hours of garment workers dropped from 60 hours per week in 2003 to 57 hours per week in 2004 and to 55 hours per week during the survey period.

In May 2005, the real daily earnings of motorcycle taxi drivers rose by 34% over the previous year, to 11,400 riels in the midst of the gasoline price hike.

## Economy Watch—Domestic Performance

However, it decreased slightly by 3% from the previous survey. This might be attributed to the increasing number of visitors in Phnom Penh. Despite the fact that their real daily earnings reached 11,400 riels, 95% of motor taxi drivers insisted that this was not sufficient to support their whole families because prices of consumption goods increased.

In May 2005, the real daily earnings of cyclo drivers, and porters declined by 3.4 percent and 5.3 percent, respectively compared to May 2004. The real daily earnings of cyclo drivers amounted to 7,700 riels, down from 8,000 riels from the previous year. Furthermore, it fell by 9% compared to February 2005. According to the survey, 85% of cyclo drivers complained that the number of drivers increased following these earnings. The real daily earnings of porters slid to 7,100 riels, down from 7,500 riels a year earlier. Conversely, it rose by 2 percent from February 2005 even though 77 percent of porters reported that the number of workers has increased in the previous 3 months. This indicated that a sudden increase of workers had worsened their daily earnings. Generally, the cyclo drivers and porters spend 7 months per year working in Phnom Penh and worked around 20 days per month according to the survey conducted in May 2005.

The real daily earnings of scavengers rose to 5,300 riels in May 2005, the second largest earnings rise since 1998, an increase of 20 percent from the same period last year. This increase largely reflected a rise in rubbish prices as the number of scavengers decreased. More than eighty percent of the interviewed scavengers re-

ported that price of scrap increased compared to the previous three months. During the survey period, scavengers spent an average of 2,100 riels per day which was slightly higher than the “redefined” poverty line of 1,712 riels for urban areas as published by the World Food Program and Ministry of Planning in 2002.<sup>1</sup> However, scavengers’ daily average spending in May 2005 was the smallest amount amongst all vulnerable workers in Phnom Penh.<sup>2</sup>

In May 2005, the real daily earnings of unskilled workers rose by 24 percent to 8,750 riel, up from 6,095 riel in May 2003. During the same period, the real daily earnings of skilled construction workers increased slightly by 4 percent over the same period last year. This maybe linked to increasing demand for both unskilled and skilled workers as construction sector expands. Responding to our survey question, they mentioned that they were able to earn more compared to last year because there were more job available for them.

### Endnotes

1. In Phnom Penh, the poverty line published by World Food Program and Ministry of Planning in 2002 was 1,629 riels, and was redefined to 1,712 riels as inflation increased by 5.04% between 2002 and 2004.
2. Waitresses’ average spending amounted to only 900 riels per day in May 2005. However, this figure did not represent the entire income as food was mostly provided by restaurant owners.

*Prepared by Ouch Chandarany and Pin Dorina*

### Cambodia Development Review—2005 Subscription Rates

#### Domestic Subscription (Individual)

English edition (\$14)     Khmer edition (5,000 riels) Payment by  cash or  local cheque (please add \$2 to cover bank charges for processing local cheques). Total payment enclosed.....

#### Domestic Subscription (Discount Price for Bulk Orders—Five Copies)

English edition (\$60 for five copies)     Khmer edition (20,000 riels for five copies) Payment by  cash or  local cheque (please add \$2 to cover bank charges). Total payment enclosed.....

#### International Subscription (Individual)

Thailand, Laos, Vietnam     English edition (\$25)\*     Khmer edition (\$15)\*  
 Asia and Europe     English edition (\$30)\*     Khmer edition (\$20)\*  
 Americas and Africa     English edition (\$35)\*     Khmer edition (\$25)\*

\* Subscription includes postage. Payment by  cash (in Phnom Penh) or  cheque (please add \$25 to cover bank charges for processing US dollar cheques). At present CDRI can accept payment from overseas only by US-dollar denominated cheque or bankers draft. Total payment enclosed .....

Title:  Mr     Ms     Dr     Other .....

First name: ..... Last name: ..... Position: .....

Organisation / Company: .....

Address (CCC Box if applicable): .....

City / Province: ..... Country: .....

Telephone: ..... Fax: .....

e-mail: .....  Tick to receive regular information about CDRI publications via e-mail

To subscribe simply fill in this form and return it to CDRI with your payment. Please make cheques payable to the Cambodia Development Resource Institute. Do not send cash through the post.  
Please inform the Publications Section at CDRI if your contact details change.

**Table 1. Private Investment Projects Approved, 1997–2005**

	1997*	1998	1999	2000	2001	2002	2003	2004				2005
								Q1	Q2	Q3	Q4	Q1
	Fixed Assets (million of dollars)											
Agriculture	65.6	51.6	63.9	9.8	5.6	38.9	3.7	0.0	9.4	2.9	0.0	3.2
Industry	512.4	650.5	162.6	109.4	99.8	57.4	142.6	53.8	28.0	72.7	16.4	418.8
. <i>Garment</i>	97.0	126.5	67.7	35.2	23.0	18.0	74.8	49.9	10.1	44.0	12.7	44.9
Services	166.5	154.7	222.6	150.0	111.4	143.3	167.7	9.5	75.9	6.4	0.0	53.3
. <i>Hotel and Tourism</i>	41.5	112.0	171.8	79.8	71.9	45.1	118.6	0.0	49.5	6.4	0.0	46.4
Total	744.5	856.8	449.1	269.2	216.8	239.6	314.1	63.3	113.3	82.0	16.4	475.3
	Percentage change over previous quarter											
Total	-	-	-	-	-	-	-	1.9	79.0	-27.6	-80.0	-
	Percentage change over previous year											
Total	-	15.0	-47.6	-40.0	-19.5	10.5	31.1	-41.6	134.6	-13.8	-73.6	-

Source: Cambodian Investment Board. \*1997 exclude expansion project approvals.

**Table 2. Value of Construction Project Approvals in Phnom Penh, 1997-2005**

	1997	1998	1999	2000	2001	2002	2003	2004				2005
								Q1	Q2	Q3	Q4	Q1
	Millions of dollars											
Villa and House	17.2	21.2	20.0	16.4	15.9	23.4	20.0	8.1	9.3	7.5	5.5	14.3
Flat	19.3	227.3	290.5	174.8	167.8	179.9	91.6	48.5	28.5	44.3	46.3	48.6
Other	221.2	27.0	16.4	14.2	12.6	16.6	87.3	16.3	10.8	26.1	12.4	43.1
Total	257.7	275.4	326.8	205.4	196.2	219.8	198.9	72.9	48.6	77.9	64.1	106.1
	Percentage change over previous quarter											
Total	-	-	-	-	-	-	-	46.3	-33.4	60.3	-17.7	65.5
	Percentage change over previous year											
Total	-	6.9	18.7	-37.2	-4.5	12.0	-9.5	103.4	-23.4	56.4	28.6	45.5

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

**Table 3. Exports and Imports, 1997-2005**

	1997	1998	1999	2000	2001	2002	2003	2004				2005
								Q1	Q2	Q3	Q4	Q1
	Millions of dollars											
Total exports	493.4	784.4	941.1	1,056.2	1,268.2	1,453.2	1,708.1	399.5	494.7	668.8	545.1	463.0
Of which: - <i>Garment</i>	227.2	378.0	554.0	962.1	1,202.2	1,355.8	1,628.4	383.6	479.4	643.7	520.3	444.9
. <i>To US</i>	107.2	74.1	486.0	714.1	840.9	943.4	1,099.8	255.8	306.3	387.6	321.2	312.5
. <i>To EU</i>	-	-	-	228.1	323.3	356.3	414.7	95.0	135.7	200.9	159.1	89.2
. <i>To rest of the world</i>	120.0	82.0	68.0	19.9	38.0	56.1	113.8	32.7	37.3	55.2	40.0	43.1
- <i>Agriculture</i>	-	-	-	94.2	66.0	97.3	79.7	16.0	15.3	25.1	24.8	18.1
. <i>Rubber</i>	-	-	-	29.6	25.9	29.7	35.1	8.0	6.6	11.6	12.0	7.3
. <i>Wood</i>	-	-	-	32.9	22.3	16.0	10.2	1.8	2.8	4.2	2.4	3.3
. <i>Fisheries</i>	-	-	-	5.4	6.0	4.3	2.8	0.8	1.2	4.3	4.4	1.5
. <i>Other</i>	-	-	-	26.2	11.8	47.4	31.6	5.4	4.8	5.0	6.0	6.0
Total Imports	1,094.5	1,112.2	1,237.4	1,417.7	1,501.4	1,674.1	1,824.9	458.8	607.0	528.2	548.5	520.9
Of which: - <i>Gasoline</i>	-	-	-	-	-	26.0	33.2	7.1	8.6	6.6	7.8	10.3
- <i>Diesel</i>	-	-	-	-	-	102.0	109.6	30.4	27.7	27.4	23.6	21.6
- <i>Construction materials</i>	-	-	-	-	-	97.4	80.8	20.2	27.0	21.3	26.5	32.3
- <i>Others</i>	-	-	-	-	-	1,448.7	1,601.3	401.1	543.6	472.9	490.6	456.7
Trade Balance	-601.2	-327.8	-296.3	-361.5	-233.2	-220.9	-116.8	-59.3	-112.3	140.6	-3.4	-58.0
	Percentage change over previous quarter											
Total Garment Exports	-	-	-	-	-	-	-	-14.5	25.0	34.3	-19.2	-14.5
Total Exports	-	-	-	-	-	-	-	-16.0	23.8	35.2	-18.5	-15.1
Total Imports	-	-	-	-	-	-	-	-5.9	32.3	-13.0	3.8	-5.0
	Percentage change over previous year											
Total Garment Exports	188.0	66.4	47.0	74.0	24.9	12.8	20.1	21.9	22.9	35.4	16.0	16.0
Total Exports	27.5	59.0	20.0	12.2	20.1	14.6	17.5	20.5	21.1	35.9	14.6	15.9
Total Imports	-1.8	1.6	11.3	14.6	5.9	11.5	9.0	16.5	19.6	21.1	12.5	13.5

Source: Department of Trade Preferences Systems, MOC and Customs and Excise Department, MEF: including tax exemption

**Table 4. Foreign Visitor Arrivals in Cambodia, 1997-2005**

	1997	1998	1999	2000	2001	2002	2003	2004				2005
								Q1	Q2	Q3	Q4	Q1
	Thousands of passengers											
Total by Air	-	186.3	262.9	351.7	408.4	523.0	456.0	157.9	122.8	143.9	201.5	231.7
Total by Land and boat	-	100.2	104.8	114.7	196.5	263.5	245.0	96.5	71.0	84.2	177.3	148.9
Grand total	218.8	286.5	367.7	466.4	604.9	786.5	701.0	254.4	193.8	228.1	378.8	380.6
	Percentage change over previous quarter											
Grand total	-	-	-	-	-	-	-	14.2	-23.8	17.7	66.1	0.5
	Percentage change over previous year											
Grand total	-16.0	30.9	28.3	26.8	29.7	30.0	-10.9	21.8	74.5	44.0	70.1	49.6

Sources: Ministry of Tourism

**Table 5. Consumer Price Index (CPI), Exchange Rates and Gold Prices, 1997-2005 (period averages)**

	1997	1998	1999	2000	2001	2002	2003	2004		2005		
								Q1	Q2	Q3	Q4	Q1
	Consumer price index (percentage change over previous year)											
Provinces*	-	-	5.8	5.4	-0.1	0.9	4.4	4.6	7.9	22.1	23.0	20.7
Phnom Penh - All Items	8.0	14.8	4.0	-0.8	-0.6	3.3	1.2	0.8	2.2	6.7	5.8	5.6
- Foods	6.7	14.1	7.6	-3.3	-2.8	1.8	1.5	0.6	3.4	12.2	9.1	7.9
- Energy	20.0	15.1	3.5	6.6	-1.1	0.3	4.9	4.8	8.1	11.5	14.5	12.3
	Exchange rates, Gold and Oil prices (Phnom Penh market rates)											
Riel per US dollar	-	-	-	3,840.8	3,916.3	3,912.1	3,973.3	3,990.3	4,005.3	4,034.7	4,034.7	4,027
Riel per Thai baht	-	-	-	95.8	88.2	91.1	95.8	102.0	99.6	97.7	100.1	104.4
Riel per 100 Vietnamese dong	-	-	-	27.1	26.6	25.6	25.6	25.4	25.4	24.8	25.3	25.1
Gold prices (US dollar per chi)	46.3	40.4	36.0	34.0	33.3	32.7	36.8	44.4	46.0	46.0	46.3	47.0
Price of Diesel (Riels/litre)	779	883	1,065	1,105	1,329	1,521	1,508	1,700	1,867	1,983	2,150	2,350
Price of Gasoline (Riels/litre)	1,118	1,378	1,613	1,760	2,113	2,084	2,150	2,400	2,567	2,767	2,950	3,050

Sources: CDRI, IMF, NIS, Ministry of Planning, Ministry of Economy and Finance. Exchange rate revised.

**Table 6. Monetary Survey, 1997-2005 (end of period)**

	1997	1998	1999	2000	2001	2002	2003	2004		2005		
								Q1	Q2	Q3	Q4	Q1
	Billions of riels											
Net foreign assets	1,177	1,726	2,019	2,589	3,080	3,737	4,027	4,265	4,337	4,524	4,797	4,883
Net domestic assets	-114	-496	-576	-759	-876	-849	-698	-606	-493	-354	-467	-385
Net claims on government	54	178	103	3	-75	-119	-128	-133	-130	-96	-209	-252
Credit to private sector	637	655	763	898	936	1,059	1,337	1,389	1,499	1,673	1,817	1,983
Total liquidity	1,063	1,230	1,443	1,831	2,204	2,888	3,328	3,659	3,844	4,169	4,329	4,498
Money	385	543	531	540	609	813	937	1,007	1,040	1,078	1,153	1,198
Quasi-money	678	687	911	1,291	1,594	2,075	2,391	2,652	2,804	3,091	3,176	3,300
	Percentage change from previous year											
Total liquidity	16.6	15.7	17.3	26.9	20.4	31.0	15.2	21.8	30.2	38.7	30.0	22.9
Money	17	41	-2.2	1.7	12.8	33.5	15.3	21.5	17.4	21.7	23.0	19.0
Quasi-money	16.3	1.3	32.6	41.7	23.5	30.2	15.2	21.9	36.7	45.8	32.8	20.3

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

**Table 7. National Budget Operations on Cash Basis, 1997-2005 (billion riels)**

	1997	1998	1999	2000	2001	2002	2003	2004		2005		
								Q1	Q2	Q3	Q4	Q1
Total revenue	880	920	1,326	1,528	1,529	1,744	1,765	523.9	488.5	452.1	662.2	551.4
Current revenue	-	-	-	-	1,521	1,728	1,733	523.3	475.5	450.8	657.7	551.0
Tax revenue	596	676	956	1,096	1,096	1,227	1,220	409.3	348.4	334.1	485.7	454.9
Customs duties	348	376	432	376	376	424	395	137.0	108.4	99.9	168.0	129.1
Non-tax revenue	272	204	348	424	424	501	513	113.9	127.1	116.7	172.1	96.2
Forest exploitation	36	20	36	28	29	15	7.0	0.9	0.3	0.2	0.5	1.3
Post & Telecommunications	84	88	108	124	122	123	120	16.1	23.1	28.8	26.3	21.9
Capital revenue	12	36	12	8	9	16	31	0.6	13.0	1.3	4.5	0.3
Total expenditure	1,260	1,296	1,792	2,332	2,332	2,948	2,757	668.1	710.6	703.4	909.3	684.8
Capital expenditure	452	368	624	976	977	1,388	1,171	316.6	337.1	277.3	293.5	205.3
Current expenditure	808	980	1,164	1,356	1,355	1,560	1,586	351.5	373.4	426.0	615.8	479.5
Education and Health	128	132	280	344	343	454	473	31.4	80.6	116.0	290.0	52.5
Defense and Security	420	448	464	404	405	438	411	67.6	66.0	91.5	197.8	74.9
Other Ministries	260	332	412	636	637	668	702	252.6	226.8	218.6	130.6	352.1
Overall deficit	-380	-380	-476	-804	-803	-1,204	-992	-144.2	-222.0	-251.2	-247.1	-133.4
Foreign financing	444	268	416	768	766	1,249	886	231.2	238.5	216.6	238.7	28.0
Domestic financing	-64	112	60	36	37	-45	106	-87.0	-16.5	34.6	8.4	105.4

Source: Ministry of Economy and Finance. Q1-Q4 2004 revised. Q1-Q4 2004 & Q1 2005 provisional

**Table 8. Real Terms of Daily Average Earnings of Vulnerable Workers (at constant Nov 2000 prices)**

	Daily earnings (riels)								Change from last year (%)				
	1998		2000		2003		2004		2005		2004	2005	
	Feb	Nov	Nov	4-Feb	4-May	Aug	Nov	Feb	May	Nov	Feb	May	
Cyclo drivers	10,063	7,594	9,494	9,153	8,000	7,631	5,670	8,529	7,722	-40.30%	-6.80%	-3.4	
Porters	7,636	6,233	6,286	8,383	7,451	6,625	5,121	6,933	7,056	-18.50%	-17.30%	-5.3	
Small vegetable sellers	5,695	5,256	6,480	7,130	7,240	6,650	6,767	6,385	8,574	4.40%	-10.40%	18.4	
Scavengers	3,776	2,718	3,772	4,625	4,368	4,769	4,024	5,382	5,270	6.70%	16.40%	20.6	
Waitresses*	-	2,111	4,289	4,721	4,273	4,591	4,207	4,470	4,287	-1.90%	-5.30%	0.3	
Rice-field workers	-	4,198	4,947	5,190	4,038	3,628	3,788	3,997	3,822	-23.40%	-23.00%	-5.3	
Garment workers	-	6,701	9,671	9,322	9,249	9,211	9,328	9,213	7,235	-3.50%	-1.20%	-21.8	
Motorcycle-taxi drivers	-	8,610	9,671	10,791	8,546	8,791	8,688	11,767	11,433	-10.20%	9.00%	33.8	
Unskilled construction workers	-	5,399	5,996	6,937	6,552	6,095	5,944	5,747	8,130	-0.90%	-17.20%	24.1	
Skilled construction workers	-	13,127	16,344	13,297	11,822	13,527	12,071	14,367	12,326	-26.10%	8.00%	4.3	

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.