

## Economy Watch—External Performance

### World Economic Growth

During the third quarter of 2005, large economies including the US, EU and Japan, as well as other East Asian economies, registered faster growth than in the previous quarter.

US real GDP grew 4.1 percent in the year to the third quarter. The major contributors to the increase in real GDP in the second quarter were personal consumption expenditure (PCE), equipment and software, federal government spending and residential fixed investment. The growth in the third quarter primarily reflected acceleration in PCE and federal government spending, which were partly offset by a deceleration in exports, an upturn in imports and decreases in state and local government spending and in residential fixed investment.

Real GDP of the euro zone grew by 1.5 percent in the year to third quarter and by 0.6 percent compared to the previous quarter. During the third quarter, household final consumption expenditure increased by 0.3 percent, investment grew by 1.6 percent, exports rose by 3.4 percent and imports increased by 2.8 percent.

Japanese real GDP grew by 2.9 percent in the previous 12 months—a record rate for the past five years—and by 0.8 percent compared to the previous quarter. The real GDP of South Korea in the year to the third quarter grew 4.4 percent compared with 3.3 percent to the second quarter. Manufacturing grew by 7 percent, led by electrical and electronic products including semi-conductors, while the service industry rose by 3.3 percent.

China maintained its momentum of high growth, achieving 9.4 percent real GDP growth in the year to the third quarter, a 0.1 percent decline from the previous quarter. Secondary industries registered the highest growth at 11 percent, while primary and tertiary industries registered 5 and 8 percent growth, respectively. The real GDP of Hong Kong grew 8.2 percent in the year to the third quarter, an increase from 7.3 percent in the second quarter.

The real GDP of Malaysia in the year to third quarter grew 5.3 percent, compared to 4.4 percent in the second quarter. Manufacturing and services registered growth of 3.4 and 7.3 percent respectively; while agriculture recorded a marginal growth of 0.9 percent. Real GDP of Singapore and Thailand in the year to third quarter 2005 increased 7 percent and 5.3 percent respectively, accelerating from 5.4 and 4.6 percent in

the year to the second quarter. Higher growth in Thailand was mainly caused by a surge in exports and expansion of tourism. Agriculture grew by 4.4 percent after six consecutive quarters of contraction, largely due to increased production of rice, maize, soybeans, fruits and vegetables and palm oil.

### World Inflation and Exchange Rates in International Markets

In the third quarter, consumer prices rose faster than in the previous quarter in most high-income economies, reflecting a surge in oil prices, which in turn put strong upward pressure on energy costs. Consumer prices rose 3.8 percent in the US in the previous 12 months and 2.3 percent in the EU. During the same period, in Singapore, Malaysia and Thailand, inflation ran at 0.5 percent, 3.4 percent and 5.6 percent respectively, accelerating from 0.1 percent, 3.0 percent and 5.3 percent a quarter earlier.

The US dollar appreciated against most major currencies in the third quarter. Against the euro, it traded at 0.81, up from 0.79 in the second quarter. The dollar bought 111.2 yen, compared to 107.4 yen a quarter earlier. Some other Asian currencies also experienced depreciation against the US dollar. The dollar was underpinned by a lower-than-expected US trade deficit, higher US interest rates and slower growth in non-US economies.

### Commodity Prices in World Markets

Price movements of selected major commodities in international markets in the third quarter were mixed. Rice, soybeans and palm oil fell, while the prices of maize, crude oil and gasoline rose. White rice, Thai 100% B second grade, in the Bangkok market in the third quarter was \$282/ton, down from \$295.70/ton in the second quarter. Soybeans sold at \$236.35/ton, a 19 percent decrease from the previous quarter. The price of palm oil also declined in the third quarter to \$415/ton, down from \$421.70/ton in the second quarter. Maize rose slightly to \$99.90/ton, from \$96.50/ton in the second quarter. The prices of crude oil and gasoline also increased significantly, 20 percent and 32 percent respectively, from the second quarter. In the third quarter, crude oil sold at \$57.27/barrel and gasoline at 52.37 cents/litre.

*Prepared by Hing Vutha and Phim Runsinarith*

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

	2000	2001	2002	2003	2004	2005				2004
					Q3	Q4	Q1	Q2	Q3	
Selected ASEAN countries										
Cambodia	7.3	6.7	4.8	7	-	-	-	-	-	7.7
Indonesia	4.4	3.8	3.8	4.9	5.0	6.6	6.4	5.5	5.3	5.1
Malaysia	8.7	0.5	5.6	5.4	6.8	5.6	5.7	4.4	5.3	7
Singapore	9.5	-2.3	2.6	1.4	7.5	6.5	2.5	5.4	7	8.5
Thailand	4.4	1.9	6.1	6.9	6.0	5.0	3.3	4.6	5.3	6
Vietnam		6.0	6.7	7	-	-	-	-	-	7.5
Selected other Asian countries										
China	8.0	7.5	8.1	9.9	9.1	9.5	9.5	9.5	9.4	9.5
Hong Kong	10.2	0.5	5.0	3.2	7.2	7.1	2.7	7.3	8.2	8.3
South Korea	9.1	3.0	6.1	3	4.6	3.3	6	3.3	4.4	4.7
Taiwan	5.8	-2.2	4.2	3.1	5.3	3.3	2.7	-	-	5.7
Selected industrial countries										
Euro-12	3.5	1.4	0.7	0.5	1.9	1.6	1.3	1.2	1.5	1.8
Japan	2.8	0.4	0.4	2.6	2.6	0.8	1.3	1.4	2.9	3.4
United States	5.0	1.2	2.4	3.1	3.9	3.8	3.5	3.3	4.1	4.4

Sources: Economist, countries' national statistics offices and central banks and ADB's Asia Regional Information Centre

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

	2000	2001	2002	2003	2004	2005				2004
					Q3	Q4	Q1	Q2	Q3	
Selected ASEAN countries										
Cambodia	-0.8	-0.6	3.2	1.2	6.5	6.1	5.9	6.9	6.0	4.0
Indonesia	3.6	11.5	13.2	8.3	9.2	8.6	10.7	-	-	8.3
Malaysia	1.5	1.4	1.8	1.1	1.5	2.4	2.5	3.0	3.4	1.6
Singapore	1.4	1.0	-0.4	0.5	1.7	1.7	0.4	0.1	0.5	1.7
Thailand	1.5	1.7	0.6	1.8	3.3	3.1	2.8	5.3	5.6	2.7
Vietnam	-1.7	-0.4	3.8	3.2	10.3	10.7	-	-	-	8.3
Selected other Asian countries										
China	0.3	0.9	-0.7	1.2	5.2	3.2	2.8	1.7	1.3	3.9
Hong Kong	-3.6	-1.3	-3.0	-2.6	0.8	0.2	0.4	0.8	1.4	-0.4
South Korea	2.3	4.4	2.7	3.5	4.4	3.4	3.2	3.2	2.4	3.5
Taiwan	1.3	-0.01	-0.2	-0.3	2.9	1.9	1.6	2.1	-	1.6
Selected industrial countries										
Euro-12	2.3	2.6	2.2	2.1	2.3	2.3	2.1	2.1	2.3	2.2
Japan	-0.7	-0.6	-0.9	-0.3	-0.1	0.5	-0.2	-0.1	-0.3	Nil
United States	3.3	2.8	1.6	2.3	2.9	2.7	3.3	3.0	2.9	2.7

Sources: International Monetary Fund, Economist and National Institute of Statistics

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

	2000	2001	2002	2003	2004	2005				2004
					Q3	Q4	Q1	Q2	Q3	
Selected ASEAN countries										
Cambodia (riel)	3,840.8	3,916.3	3,912.1	3,973	4,034.7	4,034.7	4,027.0	4,054.3	-	4,016.3
Indonesia (rupiah)	8,421	10,261	9,311	8,577	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	3.77	3.80
Singapore (S\$)	1.72	1.79	1.79	1.74	1.70	1.65	1.63	1.66	1.67	1.69
Thailand (baht)	40.1	44.4	42.9	41.5	41.3	40.3	38.6	40.1	41.3	40.2
Vietnam (dong)	14,168	14,725	15,280	15,510	16,262	-	-	-	-	-
Selected other Asian countries										
China (yuan)	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.14	8.28
Hong Kong (HK\$)	7.80	7.80	7.80	7.78	7.80	7.78	7.80	7.79	7.75	7.79
South Korea (won)	1,131	1,291	1,251	1,192	1,155	1,093	1,022	1008	1037	1,145
Taiwan (NT\$)	31.2	33.8	34.5	34.4	33.9	32.9	31.5	31.4	32.3	33.6
Selected industrial countries										
Euro-12 (euro)	1.09	1.12	1.06	0.89	0.82	0.77	0.76	0.79	0.81	0.80
Japan (yen)	107.8	121.5	125.4	115.9	109.9	105.9	104.7	107.4	111.2	108.2

Sources: International Monetary Fund, Economist and National Bank of Cambodia

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

	2000	2001	2002	2003	2004	2005				2004
					Q3	Q4	Q1	Q2	Q3	
Maize (IUSNo.2)—USA (\$/ton)	88.4	89.5	99.21	105.2	102.3	94.4	97	96.5	99.9	122
Palm oil—north-west Europe (\$/ton)	310.2	285.7	390.2	443.25	432.3	429	413.3	421.7	415	471.3
Rubber—Malaysia (\$/ton)	720.8	602.0	768.3	1050	1,190.6	1238.2	-	-	-	1252.2
Rice (Thai 100% B)—Bangkok (\$/ton)	206.7	177.3	196.9	200.9	240.5	264.9	295.6	295.7	282	244.4
Soybeans (US No.1)—USA (\$/ton)	193	180.7	201.3	241.3	251.1	216.5	229.9	290.7	236.35	288.9
Crude oil—Dubai (\$/barrel)	26.1	22.8	23.9	26.8	36.09	35.5	42.6	47.7	57.27	33.5
Gasoline—US Gulf Coast (cents/litre)	21.1	19.5	19.1	23	32.1	31.8	34.4	39.7	52.37	30.9

Sources: Food and Agriculture Organisation and US Energy Information Administration

## Economy Watch—Domestic Performance

### Main Economic Activities

Improvements in the recorded figures for external trade, private investment and tourism in the third quarter of 2005, compared to the preceding quarter, showed the strength of overall performance of Cambodia's economy during this period.

Cambodia's external trade registered a surplus, largely because of a seasonal rise in the volume of exports. In the third quarter, the trade balance showed a surplus of \$97.7 million, compared to a deficit of \$151.4 million in the preceding quarter. This surplus, however, was smaller than the \$144.1 million surplus recorded in the same quarter of 2004. The value of total exports reported by the Customs and Excise Department increased by 41.7 percent to \$730 million in the third quarter, up from \$515 million in the previous quarter. This mainly reflected increases in garment products, cigarettes and rubber, while exports of other major agricultural products, such as rice, fish and wood, declined. Garment exports, which still dominate total exports, rose sharply by 42.6 percent to \$709.8 million. The value of garment exports in the third quarter was up by 10.3 percent from the same quarter last year. During this period, the value of total exports rose 9.2 percent.

Cambodia's total imports, the sum of private sector and public sector (government) imports, for the third quarter were valued at \$632.3 million, a decrease of 5.1 percent from the \$666.4 million recorded in the preceding quarter. There was a drop of 9.5 percent in private sector imports (from \$261.3 million to \$236.3 million), and a decline of about 2.2 percent in government imports (from \$405.1 million to \$396 million). The decline in both private and public imports was mainly due to a decrease in the value of imports of vehicles and vehicle spare parts, followed by food, beverages and tobacco products. Compared to the third quarter of 2004, the value of total imports rose by 20.5 percent, mainly because of the increase in prices of most imported goods and in the volume of imports of some goods, especially construction materials and gasoline.

During the third quarter, 33 private investment projects were approved by the CDC, up from 25 during the second quarter. Private investments amounted to \$404.2 million in value of registered fixed assets, up from \$96.1 million. This robust rise reflected growth in each of the three main sectors of industry, agriculture and services. Most project approvals were still in the industrial sector—86.5 percent of total value approvals, \$349.7 million, compared to \$62.1 million in the second quarter. Of this, a cement factory in Kampot province accounted for \$180.8 million. Investments in agriculture, which have showed an upward trend since the first quarter, reached \$10.4 million in the third quarter, up from \$4 million in the second quarter. The value of investments in services rose by 47 percent to \$44.1 million in the third quarter,

up from \$30 million in the previous quarter. The total value of private investments for the third quarter 2005 was nearly five times that for the same period of the previous year, which was only \$82 million for 20 projects.

After a seasonal downward trend in the second quarter, the number of total foreign visitor arrivals increased by 10 percent to 323,217 persons in the third quarter. Of this total, foreign tourist arrivals amounted to 288,878 persons, an increase of about 10 percent from the previous quarter, while arrivals for business purposes and arrivals holding official visas both rose around 9.6 percent, to 22,192 and 12,147 respectively. The total number of foreign visitors in the third quarter increased sharply by 41.8 percent compared to the same quarter a year earlier. An increase of 59.6 percent in the number of visitors with official visas led this rise, followed by tourism (42.2 percent) and business arrivals (29.3 percent).

Although external trade, investment and tourism improved in the third quarter, the value of construction project approvals in Phnom Penh continued to fall. The value of construction project approvals declined by 26.7 percent, from \$104.4 million in the second quarter to \$76.5 million in the third quarter. This reflected a decrease in the value of flat and other construction project approvals, from \$69.1 million to \$41.3 million and from \$28.6 million to \$16.0 million, respectively, even though the value of villa and house construction approvals increased nearly three times, from \$6.6 million to \$19.2 million. Compared to the third quarter of 2004, the total value of construction project approvals in Phnom Penh was down by 1.8 percent.

### Public Finance

According to revised data from the Ministry of Economy and Finance, the government's budget performance worsened during the third quarter. The overall budget deficit in the third quarter widened to 213.1 billion riels, compared to 42.3 billion riels in the second quarter.

During the third quarter, government budget revenues amounted to 624.3 billion riels, an increase of about 0.4 percent from the preceding quarter. Capital revenue was up by 40.4 percent to 14.6 billion riels, while current revenue fell by 0.3 percent to 609.8 billion riels. Tax revenue, which is the main source of current revenue, declined by 6.4 percent to 436.2 billion riels in the third quarter, while non-tax revenue continued to rise, by 19.2 percent to 173.5 billion riels. Total budget revenues collected in the third quarter of 2005 were about 38 percent higher than in the same quarter last year. Both capital and current revenues rose sharply during this period.

Total government budget expenditure, including expenditure adjustment, continued to expand. It reached 837.5 billion riels in the third quarter, 26 percent higher than in the preceding quarter. A sharp increase of 45 per-

## Economy Watch—Domestic Performance

cent to 577.3 billion riels in current budget expenditure on a cash basis mainly led the increase in total expenditure, while there was a decline of 2.3 percent to 260.2 billion riels in capital expenditure. There was a sharp rise in expenditure on social administration and defence and security relative to expenditures on general, economic and other administration. Compared to the third quarter 2004, total budget spending was up by 19 percent, led by current spending.

### Inflation and Foreign Exchange Rates

Following high inflation for several quarters, the rate of inflation decreased in the third quarter. The overall consumer price index in Phnom Penh in the third quarter 2005 increased 4.6 percent over the same period one year earlier, well below the 6.4 percent rise in the second quarter. Food prices, which covered about 80 percent of total surveyed items, were up by about 6 percent in the third quarter, less than the 9.8 percent increase observed in the second quarter. Prices of other core consumer items, including clothing and footwear, materials for household operation, medical care, transportation and communication, education and entertainment and personal care products, rose only slightly in the third quarter.

The riel continued to depreciate against the US dollar and the Vietnamese dong in the third quarter, but appreciated against the Thai baht. One dollar averaged 4,134.3 riels, a depreciation of about 2 percent from 4,054.3 riels in the preceding quarter. It took 25.9 riels to buy 100 dong in the third quarter, 2.4 percent more than in the second quarter. The riel continued to gain value against the Thai baht, appreciating by nearly 1.1 percent from 101.3 riels per baht in the second quarter to 100.2 riels in the third quarter.

### Monetary Developments

During the third quarter, the money supply (M3), which is the sum of local currency in circulation and in bank deposits plus foreign currency deposits, expanded by 7.9 percent to 4,993.8 billion riels. This compared to growth of about 3.0 percent recorded during the second quarter. The rapid increase was mainly due to faster growth in foreign currency deposits, followed by local currency circulating outside banks. Foreign currency deposits rose by 7.3 percent (from 3,294.9 billion riels, or \$802.5 million, to 3,596.3 billion riels, or \$861.4 million), compared with only a 1.4 percent rise in the second quarter. Riels outside banks grew by 5.8 percent from 1,167.3 billion riels to 1,235.1 billion riels, in comparison to 0.3 percent growth in the second quarter. Faster growth in new currency issued led the expansion.

Riels in bank deposits, which include demand deposits and time and saving deposits, decreased 2.3 percent from 166.3 billion riels to 162.5 billion riels, in contrast to an

increase of 15.7 percent in the second quarter. Demand deposits fell by 7.0 percent to 44.2 billion riels and time and saving deposits fell 0.4 percent to 118.3 billion riels.

### Poverty Situation—Real Daily Earnings of Vulnerable Workers

The most recent CDRI survey of vulnerable workers showed that the daily per capita earnings of 10 vulnerable groups dropped for the second consecutive year. Their earnings averaged 7,489 riels in 2005, down by approximately 1 percent, after a decline of 3 percent in 2004. The survey also revealed that moto-taxi drivers increased their earnings more than any other group, while garment workers suffered the largest decline in earnings.

Average real earnings for garment workers fell by 8.7 percent to 8,466 riels in 2005, down from 9,277 riels in 2004, the largest shrinkage since the survey was first conducted in 2000. This largely reflected the increasing number of people seeking employment in this sector, enabling factory owners to hire new workers at lower wages. The phasing out of the Multi-Fibre Agreement has forced some investors to close garment factories, while at the same time providing an opportunity for others to hire additional temporary workers at lower pay. The number of temporary workers was higher compared to last year, and the majority of the interviewed temporary workers are paid less than permanent workers. Garment workers are now concerned about job stability due to the declining trend of their earnings and the closure of some factories. Both temporary and permanent workers are mainly migrants from rural areas who remit most of their income back home to support their families.

The average earnings of porters in 2005 were 6,600 riels per day, a decrease of 4 percent from 6,900 riels in 2004. This decline can be traced to a rise in the number of porters over the previous year. Newcomers are usually new school dropouts who cannot afford to stay in school and have little education. The survey found that 57.5 percent of porters quit study during primary school. This figure suggests that the number of school dropouts may still be relatively large and should not be neglected when it comes to poverty eradication.

The average daily earnings of skilled construction workers dropped by 5 percent to 12,050 riels in 2005, down from 12,700 riels in 2004. This decline occurred despite the high number of construction projects during this period reported by the Department of Cadastre and Geography of Phnom Penh municipality. The reason for the decline is most likely a jump in the number of construction workers looking for work. Construction workers observed that the number of both highly skilled and low skilled construction workers increased sharply over the previous year. Nearly all of them are migrants from rural areas who spend as little as 3,500 riels daily

## Economy Watch—Indicators

for food. This suggests that there are few jobs outside agriculture in their native provinces.

Small vegetable traders' daily earnings rose by 5.4 percent in 2005. On average, small traders were able to earn 6,950 riels per day, up from 6,600 riels the previous year. During the survey, however, only 30 percent of the traders agreed that their earnings rose, while 30 percent reported that they remained the same and the remaining 40 percent said their income declined. The survey also found that those who claimed higher daily earnings reside permanently in Phnom Penh, while the others are from the provinces.

Average daily earnings of scavengers improved for the fourth consecutive year, reaching 4,950 riels, approximately 11 percent higher than a year earlier. This was most likely due to the increase in prices of rubbish during

2005. About a third of scavengers relied solely on rubbish collection for their income even though the money they earned was said to be insufficient to purchase basic food for their families. The survey found that the majority of this vulnerable group are from the rural areas and that they live where they scavenge rubbish.

The daily earnings of motorcycle taxi drivers increased significantly by 15 percent to 10,600 riels, up from 9,200 riels in 2004. They claimed, however, that this increase was not enough to offset the rise in gasoline prices. This group has probably benefited from the good performance of tourism. Data from the Ministry of Tourism indicate that the number of tourists visiting Cambodia in 2005 rose by 36 percent.

Prepared by: Ouch Chandarany and Pon Dorina

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

	1997*	1998	1999	2000	2001	2002	2003	2004	2005			
								Q3	Q4	Q1	Q2	Q3
Agriculture	65.6	51.6	63.9	9.8	5.6	38.9	3.7	2.9	0.0	3.2	4.0	10.4
Industry	512.4	650.5	162.6	109.4	99.8	57.4	142.6	72.7	16.4	418.8	62.1	349.7
. Garments	97.0	126.5	67.7	35.2	23.0	18.0	74.8	44.0	12.7	44.9	23.2	56.5
Services	166.5	154.7	222.6	150.0	111.4	143.3	167.7	6.4	0.0	53.3	30.0	44.1
. Hotels and tourism	41.5	112.0	171.8	79.8	71.9	45.1	118.6	6.4	0.0	46.4	0.0	33.6
Total	744.5	856.8	449.1	269.2	216.8	239.6	314.1	82.0	16.4	475.3	96.1	404.2
Total	-	-	-	-	-	-	-	-27.6	-80.0	2,798.2	-79.8	320.6
Total	-	15.0	-47.6	-40.0	-19.5	10.5	31.1	-13.8	-73.6	650.8	-15.2	392.9

Source: Department of Investment and Economic Cooperation, Phnom Penh Municipality.

**Table 2: Value of Construction Project Approvals in Phnom Penh, 1997–2005**

	1997	1998	1999	2000	2001	2002	2003	2004	2005			
								Q3	Q4	Q1	Q2	Q3
	\$ million											
Villas and houses	17.2	21.2	20.0	16.4	15.9	23.4	20.0	7.5	5.5	14.3	6.6	19.2
Flats	19.3	227.3	290.5	174.8	167.8	179.9	91.6	44.3	46.3	48.6	69.1	41.3
Other	221.2	27.0	16.4	14.2	12.6	16.6	87.3	26.1	12.4	43.1	28.6	16.0
Total	257.7	275.4	326.8	205.4	196.2	219.8	198.9	77.9	64.1	106.1	104.4	76.5
Total	-	-	-	-	-	-	-	60.3	-17.7	65.5	-1.6	-26.7
Total	-	6.9	18.7	-37.2	-4.5	12.0	-9.5	56.4	28.6	45.5	114.8	-1.8

Source: Department of Cadastral and Geographical Information, Phnom Penh Municipality.

**Table 3: Exports and Imports, 1997–2005**

	1997	1998	1999	2000	2001	2002	2003	2004	2005			
								Q3*	Q4*	Q1*	Q2*	Q3
	\$ million											
Total exports	493.4	784.4	941.1	1,056.2	1,268.2	1,453.2	1,708.1	668.8	545.1	463.0	515.0	730.0
Of which:												
Garments	227.2	378.0	554.0	962.1	1,202.2	1,355.8	1,628.4	643.7	520.3	444.9	497.6	709.8
. To US	107.2	74.1	486.0	714.1	840.9	943.4	1,099.8	387.6	321.2	312.5	335.9	489.5
. To EU	-	-	-	228.1	323.3	356.3	414.7	200.9	159.1	89.2	106.0	162.5
. To rest of the world	120.0	82.0	68.0	19.9	38.0	56.1	113.8	55.2	40.0	43.1	55.7	57.8
Agriculture	-	-	-	94.2	66.0	97.3	79.7	25.1	24.8	18.1	17.3	20.2
. Rubber	-	-	-	29.6	25.9	29.7	35.1	11.6	12.0	7.3	6.2	9.8
. Wood	-	-	-	32.9	22.3	16.0	10.2	4.2	2.4	3.3	2.9	2.1
. Fish	-	-	-	5.4	6.0	4.3	2.8	4.3	4.4	1.5	1.1	0.8
. Other	-	-	-	26.2	11.8	47.4	31.6	5.0	6.0	6.0	7.1	7.5
Total imports	1,094.5	1,112.2	1,237.4	1,417.7	1,501.4	1,674.1	1,824.9	524.7	548.1	520.7	666.4	632.3
Of which:												
Gasoline	-	-	-	-	-	26.0	33.2	6.6	7.8	10.3	9.3	9.9
Diesel	-	-	-	-	-	102.0	109.6	27.4	23.5	21.6	25.8	24.6
Construction materials	-	-	-	-	-	97.4	80.8	21.3	26.5	32.3	37.1	38.7
Other	-	-	-	-	-	1,448.7	1,601.3	469.4	490.3	456.5	594.2	559.1
Trade balance	-601.2	-327.8	-296.3	-361.5	-233.2	-220.9	-116.8	144.1	-3.0	-57.7	-151.4	97.7
Total garment exports	-	-	-	-	-	-	-	34.3	-19.2	-14.5	11.8	42.6
Total exports	-	-	-	-	-	-	-	35.2	-18.5	-15.1	11.2	41.7
Total imports	-	-	-	-	-	-	-	-13.5	4.5	-5.0	28.0	-5.1
Total garment exports	188.0	66.4	47.0	74.0	24.9	12.8	20.1	35.4	16.0	16.0	3.8	10.3
Total exports	27.5	59.0	20.0	12.2	20.1	14.6	17.5	35.9	14.6	15.9	4.1	9.2
Total imports	-1.8	1.6	11.3	14.6	5.9	11.5	9.0	20.3	12.5	13.7	9.9	20.5

Sources: Department of Trade Preferences Systems, Ministry of Commerce, and Customs and Excise Department, Ministry of Economy and Finance. Import data include tax-exempt imports. \*Revised

## Economy Watch—Indicators

**Table 4: Foreign Arrivals in Cambodia, 1997–2005**

	1997	1998	1999	2000	2001	2002	2003	2004	2005			
								Q3	Q4	Q1	Q2	Q3
	Thousands of passengers											
By air	-	186.3	262.9	351.7	408.4	523.0	456.0	143.9	201.5	231.7	169.8	202.8
By land and boat	-	100.2	104.8	114.7	196.5	263.5	245.0	84.2	177.3	148.9	124.0	120.4
Total	218.8	286.5	367.7	466.4	604.9	786.5	701.0	228.1	378.8	380.6	293.8	323.2
	Percentage change over previous quarter											
Total	-	-	-	-	-	-	-	17.7	66.1	0.5	-22.8	10.0
	Percentage change over previous year											
Total	-16.0	30.9	28.3	26.8	29.7	30.0	-10.9	44.0	70.1	49.6	51.6	41.8

Source: Ministry of Tourism

**Table 5: National Budget Operations on Cash Basis, 1997–2005 (billion riels)**

	1997	1998	1999	2000	2001	2002	2003	2004	2005			
								Q3	Q4	Q1	Q2	Q3
Total revenue	880	920	1326	1,528	1,529	1,744	1,765	452.1	82	551.6	81.9	84.3
Current revenue	-	-	-	-	1,521	1,728	1,733	450.8	67.7	551.3	81.5	89.8
Tax revenue	596	676	956	1,096	1,096	1,227	1,220	334.1	485.7	455.1	466.0	436.2
Customs duties	348	376	432	376	376	424	395	99.9	168.0	129.4	129.7	123.7
Non-tax revenue	272	204	348	424	424	501	513	116.7	172.1	96.2	145.5	173.5
Forest exploitation	36	20	36	28	29	15	7.0	0.2	0.5	1.3	1.5	0.3
Posts & telecommunications	84	88	108	124	122	123	120	28.8	26.3	21.9	32.0	30.9
Capital revenue	12	36	12	8	9	16	31	1.3	4.5	0.3	10.4	14.6
Total expenditure (on cash basis)	1,260	1,296	1,792	2,332	2,332	2,948	2,757	703.4	909.3	630.7	664.2	837.5
Capital expenditure	452	368	624	976	977	1,388	1,171	277.3	293.5	250.7	266.4	260.2
Current expenditure (on cash basis)	808	980	1,164	1,356	1,355	1,560	1,586	426.0	615.8	380.0	397.8	577.3
Education and health	128	132	280	344	343	454	473	116.0	290.0	52.5	92.3	202.1
Defence and security	420	448	464	404	405	438	411	91.5	197.8	74.9	73.9	116.7
Other ministries	260	332	412	636	637	668	702	218.6	130.6	252.6	231.7	258.5
Overall deficit	-380	-380	-476	-804	-803	-1,204	-992	-251.2	-247.1	-79.1	-42.3	-213.1
Foreign financing	444	268	416	768	766	1,249	886	216.6	238.7	190.68	203.8	255.8
Deficit financing	-64	112	60	36	37	-45	106	34.6	8.4	-111.5	-161.5	-42.7

Source: Ministry of Planning, 2004 revised data; 2005 preliminary data.

**Table 6: Consumer Price Index, Exchange Rates and Gold Prices, 1997–2005 (period averages)**

	1997	1998	1999	2000	2001*	2002	2003	2004	2005			
								Q3	Q4	Q1	Q2	Q3
	Consumer price index (percentage change over previous year)											
Provinces	-	-	5.8	5.4	-0.1	0.9	4.4	22.1	23.0	14.3*	7.9*	3.6
Phnom Penh - All items	8.0	14.8	4.0	-0.8	0.2	3.3	1.1	6.7	5.8	5.6	6.4	4.6
- Food	6.7	14.1	7.6	-3.4	-2.5	1.8	1.5	12.2	9.1	7.9	9.8	6.0
- Transportation	19.5	15.1	3.5	6.6	-4.2	0.3	4.9	11.5	14.5	12.3	11.1	11.9
	Exchange rates, gold and oil prices (Phnom Penh market rates)											
Riels per US dollar	-	-	-	3,840.8	3,916.3	3,912.1	3,973.3	4,034.7	4,034.7	4,027.0	4,054.3	4,134.3
Riels per Thai baht	-	-	-	95.8	88.2	91.1	95.8	97.7	100.1	104.4	101.3	100.2
Riels per 100 Vietnamese dong	-	-	-	27.1	26.6	25.6	25.6	24.8	25.3	25.1	25.3	25.9
Gold prices (\$ per chi)	46.3	40.4	36.0	33.3	32.8	36.8	41.4	46.3	47.0	52.6	52.5	55.4
Price of diesel (riels/litre)	779	883	1,065	1,105	1,329	1,521	1,508	1,983	2,150	2,350	2,500	2,767
Price of gasoline (riels/litre)	1,118	1,378	1,613	1,760	2,113	2,084	2,150	2,767	2,950	3,050	3,300	3,633

Sources: CDRI, IMF, NIS, Ministry of Planning, Ministry of Economy and Finance. \* Revised.

**Table 7: Monetary Survey, 1997–2005 (end of period)**

	1997	1998	1999	2000	2001	2002	2003	2004	2005			
								Q3	Q4	Q1	Q2	Q3
	Billions of riels											
Net foreign assets	1,177	1,726	2,019	2,589	3,080	3,737	4,027	4,524	4,797	4,883	5,084	5,391
Net domestic assets	-114	-496	-576	-759	-876	-849	-698	-354	-467	-385	-455	-397
Net claims on government	54	178	103	3	-75	-119	-128	-96	-209	-252	-343	-404
Credit to private sector	637	655	763	898	936	1,059	1,337	1,673	1,817	1,983	2,166	2,386
Total liquidity	1,063	1,230	1,443	1,831	2,204	2,888	3,328	4,169	4,329	4,498	4,629	4,994
Money	385	543	531	540	609	813	937	1,078	1,153	1,198	1,215	1,279
Quasi-money	678	687	911	1,291	1,594	2,075	2,391	3,091	3,176	3,300	3,414	3,715
	Percentage change over previous year											
Total liquidity	16.6	15.7	17.3	26.9	20.4	31.0	15.2	38.7	30.0	22.9	20.4	19.8
Money	17	41	-2.2	1.7	12.8	33.5	15.3	21.7	23.0	19.0	16.8	18.6
Quasi-money	16.3	1.3	32.6	41.7	23.5	30.2	15.2	45.8	32.8	20.3	21.7	20.2

Source: National Bank of Cambodia

**Table 8: Real Average Daily Earnings of Vulnerable Workers**

	Daily earnings (riels)							Percentage change over previous year				
	2000	2001	2002	2003	2004	2005	2005	2003	2004	2005		
							May	Aug	Nov			
Cyclo drivers	9,489	8,408	8,975	8,572	7,614	7,970	7,726	7,857	7,768	-4.5	-11.2	4.7
Porters	7,951	6,746	7,044	6,676	6,895	6,616	7,056	6,000	6,473	-5.2	3.3	-4.0
Small vegetable sellers	7,016	6,493	6,566	6,532	6,947	7,321	8,574	5,938	8,385	-0.5	6.4	5.4
Scavengers	4,310	3,211	3,685	3,944	4,446	4,947	5,270	4,335	4,801	7.0	12.7	11.3
Waitresses*	2,306	2,800	4,365	4,932	4,448	4,324	4,287	4,648	3,893	13.0	-9.8	-2.8
Rice-field workers	4,175	4,064	4,304	4,177	4,139	4,013	3,822	4,009	4,224	-2.9	-0.9	-3.0
Garment workers	8,006	8,608	8,904	9,577	9,277	8,466	7,235	8,756	8,659	7.6	-3.1	-8.7
Motorcycle-taxi drivers	8,597	10,768	12,184	10,092	9,204	10,563	11,130	9,406	9,645	-17.2	-8.8	14.8
Unskilled construction workers	9,769	6,672	6,453	6,558	6,382	6,659	8,130	6,069	6,691	1.6	-2.7	4.3
Skilled construction workers	15,491	11,105	12,605	13,111	12,679	12,055	12,320	10,273	11,253	4.0	-3.3	-4.9

Note: 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.