

Economy Watch—External Performance

World Economic Growth

The world economy slowed during fourth quarter 2005. US real GDP was 1.1 percent higher than in fourth quarter 2004, down from 4.1 percent in the third quarter 2005. This deceleration in real GDP growth primarily reflected a deceleration in personal consumption expenditure, an acceleration in imports, a downturn in federal government spending and a slowing in equipment and software and in residential fixed investment.

Real GDP of the euro zone in the fourth quarter 2005 grew by 1.8 percent on an annual basis and by 0.3 percent compared to the previous quarter. Household final consumption expenditure increased by 1.1 percent over a year earlier; government consumption expenditure grew by 1.9 percent; investment grew by 2.7 percent; and exports and imports rose by 4.9 percent and 5.2 percent, respectively.

Japanese real GDP grew by 4.5 percent in the year to fourth quarter 2005, a record rate for the past five years, and by 1.3 percent compared to the previous quarter. China maintained high economic growth in fourth quarter 2005 with real annual GDP growth at 9.9 percent, 0.5 percent higher than in the previous quarter. Secondary industry registered the highest growth at 11.4 percent, while tertiary and primary industries registered 9.6 percent and 5.2 percent, respectively.

The real annual GDP of South Korea in the fourth quarter 2005 was 5.2 percent, compared with 4.4 percent in the third quarter. The manufacturing industry increased by 10 percent, led by electric and electronic products, including semi-conductors and radio, television and communication equipment. Service industry output rose by 3.9 percent due to increased wholesale and retail trade, transport and storage.

Malaysia's real year-on-year GDP growth eased to 5.2 percent in the fourth quarter 2005, compared to 5.3 percent in the previous quarter. On the production side, growth of 7.3 percent was recorded in manufacturing. On the expenditure side, growth was led by government spending, which grew by 12.8 percent. Singapore's economy in the fourth quarter 2005 continued to record robust growth, increasing 7.7 percent from a year earlier. Manufacturing grew by 11.5 percent, mainly due to strong expansion in the biomedical, transport engineering and electronics clusters, while services grew by 7 percent. Thailand's annual real GDP growth in the fourth quarter was 4.7 percent, a decline from 5.3 percent in the previous quarter. Agricultural output fell by 3.6

percent, while manufacturing and services grew by 1.8 percent and 0.7 percent respectively.

World Inflation and Exchange Rates in International Markets

In fourth quarter 2005, consumer prices in the US were 3.7 percent higher than a year earlier. Hurricanes, instability in the Middle East and growing demand from China have all pushed up the price of energy, which led to increases in general price levels. In the euro zone, year-on-year prices were up 2.4 percent, which is above the European Central Bank's ceiling of 2 percent, reflecting increases in energy costs and higher growth in unprocessed food prices. In Japan, consumer prices declined by 0.5 percent in the year to the fourth quarter 2005, a further fall from a 0.3 percent decline into the third quarter. The main reasons for this downward trend were a drop in food prices, lower education fees and a decline in recreation costs. Annual price increases in China were 1.4 percent, up from 1.3 percent in the previous quarter.

The US dollar gained strength against most major currencies in the fourth quarter 2005. Against the euro, the US dollar traded at EUR0.84, up from 0.81 in the third quarter. The US dollar bought 117.2 Japanese yen, rising from 111.2 in the previous quarter. A widening interest rate differential in favour of the United States relative to other major economies appears to have supported the dollar. Additional support came from news that foreign demand for US assets remained buoyant, as evidenced by a rise in portfolio investment inflows into the US.

Commodity Prices in World Markets

The prices of selected major commodities in international markets in the fourth quarter 2005 did not change greatly. The prices of rice, maize and palm oil rose, while prices of soybeans, crude oil and gasoline went down. The price of white rice, Thai 100% B second grade, in the Bangkok market in fourth quarter 2005 was USD286/ton, up from USD282/ton in the third quarter. Palm oil sold at USD431.66/ton in the fourth quarter, a 4.0 percent increase from the previous quarter. The price of maize was stable at around USD99.90/ton. Soybeans sold at USD232/ton in the fourth quarter, down from USD236.35 in the third quarter. The prices of crude oil and gasoline decreased by 7.4 percent and 19 percent, respectively, from the third quarter. Crude oil sold at USD52.99/barrel and gasoline at USD 42.29 cents/litre.

Prepared by Hing Vutha and Phim Runsinarith

Economy Watch—External Performance

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

	2000	2001	2002	2003	2004	2005				2004
					Q4	Q1	Q2	Q3	Q4	
Selected ASEAN countries										
Cambodia	7.3	6.7	4.8	7.0	-	-	-	-	-	7.7
Indonesia	4.4	3.8	3.8	4.9	6.6	6.4	5.5	5.3	4.9	5.1
Malaysia	8.7	0.5	5.6	5.4	5.6	5.7	4.4	5.3	5.2	7.0
Singapore	9.5	-2.3	2.6	1.4	6.5	2.5	5.4	7.0	7.7	8.5
Thailand	4.4	1.9	6.1	6.9	5.0	3.3	4.6	5.3	4.7	6
Vietnam		6.0	6.7	7.0	-	-	-	-	-	7.5
Selected other Asian countries										
China	8.0	7.5	8.1	9.9	9.5	9.5	9.5	9.4	9.9	9.5
Hong Kong	10.2	0.5	5.0	3.2	7.1	2.7	7.3	8.2	-	8.3
South Korea	9.1	3.0	6.1	3.0	3.3	6.0	3.3	4.4	5.2	4.7
Taiwan	5.8	-2.2	4.2	3.1	3.3	2.7	-	-	6.0	5.7
Selected industrial countries										
Euro-12	3.5	1.4	0.7	0.5	1.6	1.3	1.2	1.5	1.8	1.8
Japan	2.8	0.4	0.4	2.6	0.8	1.3	1.4	2.9	4.5	3.4
United States	5.0	1.2	2.4	3.1	3.8	3.5	3.3	4.1	1.1	4.4

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

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

	2000	2001	2002	2003	2004	2005				2004
					Q4	Q1	Q2	Q3	Q4	
Selected ASEAN countries										
Cambodia	-0.8	-0.6	3.2	1.2	6.1	5.9	6.9	6.0	7.3	4.0
Indonesia	3.6	11.5	13.2	8.3	8.6	10.7	10.8	12	17.3	8.3
Malaysia	1.5	1.4	1.8	1.1	2.4	2.5	3.0	3.4	3.4	1.6
Singapore	1.4	1.0	-0.4	0.5	1.7	0.4	0.1	0.5	1.1	1.7
Thailand	1.5	1.7	0.6	1.8	3.1	2.8	5.3	5.6	6.0	2.7
Vietnam	-1.7	-0.4	3.8	3.2	10.7	10	9.2	-	-	8.3
Selected other Asian countries										
China	0.3	0.9	-0.7	1.2	3.2	2.8	1.7	1.3	1.4	3.9
Hong Kong	-3.6	-1.3	-3.0	-2.6	0.2	0.4	0.8	1.4	1.8	-0.4
South Korea	2.3	4.4	2.7	3.5	3.4	3.2	3.2	2.4	2.5	3.5
Taiwan	1.3	-0.01	-0.2	-0.3	1.9	1.6	2.1	-	2.4	1.6
Selected industrial countries										
Euro-12	2.3	2.6	2.2	2.1	2.3	2.1	2.1	2.3	2.4	2.2
Japan	-0.7	-0.6	-0.9	-0.3	0.5	-0.2	-0.1	-0.3	-0.5	Nil
United States	3.3	2.8	1.6	2.3	3.3	3.0	2.9	3.8	3.7	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
					Q4	Q1	Q2	Q3	Q4	
Selected ASEAN countries										
Cambodia (riel)	3,840.8	3,916.3	3,912.1	3,973	4,034.7	4,027.0	4,054.3	4,134.3	4,160.0	4,016.3
Indonesia (rupiah)	8,421	10,261	9,311	8,577	9,128	9,274	9,550	9,994	-	8,938
Malaysia (ringgit)	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.77	3.78	3.80
Singapore (S\$)	1.72	1.79	1.79	1.74	1.65	1.63	1.66	1.68	1.69	1.69
Thailand (baht)	40.1	44.4	42.9	41.5	40.3	38.6	40.1	41.3	41.02	40.2
Vietnam (dong)	14,168	14,725	15,280	15,510	-	15,809	-	-	-	-
Selected other Asian countries										
China (yuan)	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.14	8.08	8.28
Hong Kong (HK\$)	7.80	7.80	7.80	7.78	7.78	7.80	7.79	7.77	7.75	7.79
South Korea (won)	1,131	1,291	1,251	1,192	1,093	1,022	1,008	1,029	1,036	1,145
Taiwan (NT\$)	31.2	33.8	34.5	34.4	32.9	31.5	31.4	32.3	33.4	33.6
Selected industrial countries										
Euro-12 (euro)	1.09	1.12	1.06	0.89	0.77	0.76	0.79	0.81	0.84	0.80
Japan (yen)	107.8	121.5	125.4	115.9	105.9	104.7	107.4	111.2	117.2	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
					Q4	Q1	Q2	Q3	Q4	
Maize (IUSNo.2)—USA (\$/ton)	88.4	89.5	99.21	105.2	94.4	97.0	96.5	99.9	99.93	122.0
Palm oil—north-west Europe (\$/ton)	310.2	285.7	390.2	443.25	429.0	413.3	421.7	415	431.66	471.3
Rubber—Malaysia (\$/ton)	720.8	602.0	768.3	1050	1238.2	-	-	-	-	1252.2
Rice (Thai 100% B)—Bangkok (\$/ton)	206.7	177.3	196.9	200.9	264.9	295.6	295.7	282.0	286.0	244.4
Soybeans (US No.1)—USA (\$/ton)	193.0	180.7	201.3	241.3	216.5	229.9	290.7	236.35	232.0	288.9
Crude oil—Dubai (\$/barrel)	26.1	22.8	23.9	26.8	35.5	42.6	47.7	57.27	52.99	33.5
Gasoline—US Gulf Coast (cents/litre)	21.1	19.5	19.1	23.0	31.8	34.4	39.7	52.37	42.29	30.9

Sources: Food and Agriculture Organisation and US Energy Information Administration

Economy Watch—Domestic Performance

Main Economic Activities

Cambodia's main economic activities slowed in the last quarter of 2005 compared with the preceding quarter. Private investment, construction and external trade declined, but tourism arrivals increased.

After rising with large investment project approvals in the third quarter, the value of registered fixed asset private investment declined by 71 percent to USD119 m in the fourth quarter. Private investment dropped in all three main sectors, led by a large drop in the industrial sector. Registered fixed asset industrial investment fell by 77 percent to USD82 m, services investment by 36 percent (to USD28 m) and agricultural investment by 13 percent (to USD9 m). However, the total value of fixed asset private investment approvals in 2005, including expansion projects, amounted to USD1095 m, which was about four times the 2004 level. This was due to growth in investment in industry, followed by agricultural and service investments. Four industrial sub-sectors attracted large investments in 2005: oil refining (USD201 m), cement production (USD181 m), mining (USD179 m) and garments (USD152 m).

Construction activities, represented by the value of project approvals in Phnom Penh, have declined since the first quarter of 2005. In the fourth quarter 2005, the value of approvals amounted to USD72 m, 6.1 percent less than in the preceding quarter. This decline was driven by a 72 percent decrease in villa and house construction, while there was an increase of 9.2 percent in flat construction and 33 percent in other types. However, construction activities in Phnom Penh have grown steadily for the past three years. In 2005, project approvals increased by 36 percent to USD359 m from USD264 m in 2004. Of this, flat construction accounted for the largest amount (USD204 m in 2005), a 22 percent increase. In 2005, the value of villa and house approvals also rose by 50 percent to USD46 m, and of other construction by 66 percent to USD109 m.

A decline in total exports, mainly a drop in garment exports, in addition to a rise in total imports, left Cambodia's external trade balance showing a deficit of USD46 m in the fourth quarter 2005, compared to a surplus of USD98 m in the third quarter. Typically, garment exports peak in the third quarter and slow in the fourth quarter. In keeping with this pattern, total exports fell by 12 percent to USD645 m in the fourth quarter. During the same period, total imports rose by 9.3 percent to USD691 m, primarily due to a 22 percent increase in food and beverage imports and an 11 percent increase in vehicle imports.

For 2005, the trade deficit was USD158 m, four and a half times higher than in 2004 when it was USD29 m. Import growth (18 percent increase) more than offset

growth in exports (12 percent) and led to the widening trade deficit. Imports were boosted by a rise in imports of construction materials (41 percent), vehicles (33 percent) and fabric, used and new clothes (17 percent).

By contrast, in the fourth quarter tourism, represented by the number of foreign visitors, grew by 29 percent to 416,000. In 2005, foreign arrivals to Cambodia totalled 1,413,544—34 percent more than in the previous year. Arrivals by air increased by 37 percent to 855,800, of which 51 percent were arrivals at Siem Reap international airport, a 42 percent increase. Moreover, visitors by land and water rose by 30 percent to 557,694 persons. This includes a substantial increase in visitors by land, 79 percent.

Public Finance

The government budget deficit improved in the last quarter of 2005 to KHR195 bn, down from KHR328 bn in the preceding quarter. Government revenue strengthened by 33 percent to KHR828 bn, mainly due to a 27 percent rise in tax revenue and a sharp increase in capital revenue. Total spending during the quarter grew 7 percent to KHR1022 bn, reflecting an increase of 12 percent in current spending, but a decrease of 0.4 percent in capital spending.

In 2005, total government revenues improved by 23 percent to KHR2625 bn, achieving 114 percent of the target for the year. However, total budget expenditure also expanded by 15 percent to KHR3454 bn, reaching 111 percent of the target. This narrowed the budget deficit to KHR828 bn, down from KHR864 bn in 2004.

The increase in total revenues was mainly due to an increase of 17 percent in current revenue and robust growth in capital revenue. This resulted from an improvement in tax collections (21 percent), especially on vehicle imports, which took place in the beginning of 2005, and privatisation of state property at the end of the year. Both current and capital expenditure increased by 13 percent and 18 percent, respectively. Current expenditure on wages increased 11 percent, mostly due to civil service reform measures, as the government had intended to increase the wages of civil servants and the military by 15 percent in 2005.

Inflation and Foreign Exchange Rates

Consumer prices in Phnom Penh in the last quarter of 2005 continued to rise. Prices were 6.6 percent higher than a year earlier in the fourth quarter, compared with 4.6 percent higher in the preceding quarter. Food prices were up 11 percent, compared to 6.0 percent in the third quarter, while transportation and communication cost growth slowed to 10 percent, down from 12 percent in the previous quarter.

Economy Watch—Domestic Performance

The riel exchanged with the US dollar at 4154 riels/dollar in the fourth quarter, a depreciation of 0.5 percent from the third quarter. The riel also depreciated against the Thai baht by 1.2 percent to 101.4 riels/baht. Similarly, the riel lost 0.8 percent against the Vietnamese dong, trading at 26.1 riels per 100 dong in the fourth quarter.

Monetary Developments

Liquidity (M2) at the end of the fourth quarter of 2005 continued to grow, by 0.6 percent from the preceding quarter, to KHR5025 bn, led by a rise of 3.2 percent in riels outside banks. This resulted from a 3.6 percent increase in new riel issues.

On an annual basis, liquidity growth, however, slowed down to 16 percent in 2005, compared to a 30 percent rise in 2004. The main sources of this deceleration were slower growth in net foreign assets, a 14 percent increase in 2005, down from a 19 percent increase in 2004, and in credit to the private sector, an increase of 32 percent in 2005, down from a rise of 36 percent in 2004.

Poverty Situation—Real Daily Earnings of Vulnerable Workers

CDRI's regular quarterly survey of vulnerable workers, conducted during 15 February–3 March 2006, showed a decline in daily earnings for most vulnerable worker groups compared to the same period last year. These included motorcycle taxi drivers, skilled construction workers, garment workers, cyclo drivers, porters, scavengers and small vegetable traders. Among these, motorcycle taxi drivers' and skilled construction workers' earnings declined the most.

The real daily earnings of motorcycle taxi drivers declined by 24.5 percent to 8900 riels, down from 11,800 riels during the same period last year. This decline seemed to be correlated with the number of motorcycle taxi drivers. Ninety-seven percent of interviewed motorcycle taxi drivers perceived that there were more motorcycle taxi drivers in the capital. This view was supported by the same survey, which found that 80 percent of motorcycle taxi drivers were migrants from rural areas. Ninety percent were breadwinners in the family.

Skilled construction workers were found to be the second worst-off group. Their daily earnings declined for a third consecutive month, dropping by 18 percent to 11,750 riels in February, down from 14,400 riels in the same month last year. This decline is likely to have resulted from a smaller number of approved construction projects reported by the Department of Cadastre and Geography of Phnom Penh municipality—a 33 percent decline from February 2005 to February 2006. Further, the survey revealed that 40 percent of skilled construction

workers are single, but most could not save because their earnings were used to support their families back home. The survey also found that 30 percent of skilled construction workers had finished secondary school, while 58 percent had completed primary school and eight percent had no schooling.

The average daily earnings of garment workers also fell, by 0.3 percent, from the same period a year earlier. This could be related to a reduction in overtime work and an increase in the number of temporary workers. Although most of respondent garment workers also complained that they were unable to save on their small and declining incomes, a small proportion said that they could and that they would use their savings for running their own business when they stop working. In general, garment workers spent 2900 riels per day for food, and their total spending of all kinds was about USD33 for the month.

The average daily earnings of cyclo drivers were down to 7900 riels in February. Despite some cyclo drivers mentioning increased earnings, average earnings declined by 8 percent from a year earlier. The increase in the number of tuk-tuks was probably a major cause of the decline. Cyclo drivers worked around 10 hours per day and about 25 days per month and spent 120,000 riels in the month, primarily on food.

Porters' real earnings were 6500 riels per day, a 6 percent fall from the same time last year. Eighty-five percent of porters interviewed reported that their work was temporary and irregular, depending solely on the demand of clients. The survey further showed that most porters migrated from rural areas, where their families experienced food shortages, and about 50 percent were aged between 16 and 25.

The real daily earnings of scavengers were 5000 riels, 7.5 percent lower than in the same period last year. This was attributable to a drop of both quantity and price of rubbish over the surveyed period, combined with the increased number of scavengers arriving from rural areas.

However, the average daily earnings of rice field workers rose to 4100 riels in February, 3.3 percent higher than in the same period last year. This increase was mainly linked to a decrease in the number of rice field workers. Most of those who left went to jobs in the city. According to the survey, 80 percent reported that their earnings increased slightly, although their jobs were temporary. In addition, 50 percent of respondents stated that they had no agricultural land, while 50 percent had land of less than one hectare. Most depended on selling their labour to improve their livelihoods.

Prepared by: Ouch Chandarany and Pon Dorina

Economy Watch—Indicators

Table 1. Private Investment Projects Approved, 1997–2005

	1997*	1998	1999	2000	2001	2002	2003	2004	2005	Q	Q	Q	Q	Q
	USD m													
Number	56	516	39	98	56	389	37	00	32	40	104	91		
Industry	5124	505	126	1094	998	574	1426	14	4188	21	3497	820		
. Garments	97.0	126.5	67.7	35.2	23.0	18.0	74.8	12.7	44.9	23.2	56.5	27.3		
Services	166.5	154.7	222.6	150.0	111.4	143.3	167.7	0.0	53.3	30.0	44.1	28.1		
. Hotels and tourism	41.5	112.0	171.8	79.8	71.9	45.1	118.6	0.0	46.4	0.0	33.6	22.6		
Total	744.5	856.8	449.1	269.2	216.8	239.6	314.1	16.4	475.3	96.1	404.2	119.2		
	Percentage change from previous quarter													
Total	-	-	-	-	-	-	-	-80.0	2,798.2	-79.8	320.6	-70.5		
	Percentage change from previous year													
Total	-	15.0	-47.6	-40.0	-19.5	10.5	31.1	-73.6	650.8	-15.2	392.9	628.1		

*Excluding expansion project approvals. Source: Cambodian Investment Board

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	Q4	Q1	Q2	Q3	Q4
	USD m													
Villas and houses	17.2	21.2	20.0	16.4	15.9	23.4	20.0	5.5	14.3	6.6	19.2	5.4		
Flats	19.3	227.3	290.5	174.8	167.8	179.9	91.6	46.3	48.6	69.1	41.3	45.1		
Other	221.2	27.0	16.4	14.2	12.6	16.6	87.3	12.4	43.1	28.6	16.0	21.3		
Total	257.7	275.4	326.8	205.4	196.2	219.8	198.9	64.1	106.1	104.4	76.5	71.8		
	Percentage change from previous quarter													
Total	-	-	-	-	-	-	-	-17.7	65.5	-1.6	-26.7	-6.1		
	Percentage change from previous year													
Total	-	6.9	18.7	-37.2	-4.5	12.0	-9.5	28.6	45.5	114.8	-1.8	12.0		

Source: Department of Cadastre and Geography of Phnom Penh municipality

Table 3. Exports and Imports, 1997–2005

	1997	1998	1999	2000	2001	2002	2003	2004	2005	Q4	Q1	Q2	Q3	Q4
	USD m													
Total exports	493.4	784.4	941.1	1,056.2	1,268.2	1,453.2	1,708.1	545.1	463.0	515.0	730.0	644.8		
Of which: Garments	227.2	378.0	554.0	962.1	1,202.2	1,355.8	1,628.4	520.3	444.9	497.6	709.8	601.0		
. To US	107.2	74.1	486.0	714.1	840.9	943.4	1,099.8	321.2	312.5	335.9	489.5	408.1		
. To EU	-	-	-	228.1	323.3	356.3	414.7	159.1	89.2	106.0	162.5	145.3		
. To rest of world	120.0	82.0	68.0	19.9	38.0	56.1	113.8	40.0	43.1	55.7	57.8	47.5		
Agriculture	-	-	-	94.2	66.0	97.3	79.7	24.8	18.1	17.3	20.2	43.8		
. Rubber	-	-	-	29.6	25.9	29.7	35.1	12.0	7.3	6.2	9.8	13.4		
. Wood	-	-	-	32.9	22.3	16.0	10.2	2.4	3.3	2.9	2.1	2.0		
. Fish	-	-	-	5.4	6.0	4.3	2.8	4.4	1.5	1.1	0.8	6.6		
. Other	-	-	-	26.2	11.8	47.4	31.6	6.0	6.0	7.1	7.5	21.9		
Total imports	1,094.5	1,112.2	1,237.4	1,417.7	1,501.4	1,674.1	1,824.9	548.1	520.7	666.4	632.3	691.1		
Of which: Gasoline	-	-	-	-	-	26.0	33.2	7.8	10.3	9.3	9.9	10.7		
Diesel	-	-	-	-	-	102.0	109.6	23.5	21.6	25.8	24.6	21.1		
Construction materials	-	-	-	-	-	97.4	80.8	26.5	32.3	37.1	38.7	26.2		
Other	-	-	-	-	-	1,448.7	1,601.3	490.3	456.5	594.2	559.1	633.1		
Trade balance	-601.2	-327.8	-296.3	-361.5	-233.2	-220.9	-116.8	-3.0	-57.7	-151.4	97.7	-46.3		
	Percentage change from previous quarter													
Total garment exports	-	-	-	-	-	-	-	-19.2	-14.5	11.8	42.6	-15.3		
Total exports	-	-	-	-	-	-	-	-18.5	-15.1	11.2	41.7	-11.7		
Total imports	-	-	-	-	-	-	-	4.5	-5.0	28.0	-5.1	9.3		
	Percentage change from previous year													
Total garment exports	188.0	66.4	47.0	74.0	24.9	12.8	20.1	16.0	16.0	3.8	10.3	15.5		
Total exports	27.5	59.0	20.0	12.2	20.1	14.6	17.5	14.6	15.9	4.1	9.2	18.3		
Total imports	-1.8	1.6	11.3	14.6	5.9	11.5	9.0	12.5	13.7	9.9	20.5	26.1		

Import data include tax exemption imports. Sources: Department of Trade Preferences Systems, MOC and Customs and Excise Department, MEF

Table 4. Foreign Visitor Arrivals in Cambodia, 1997–2005

	1997	1998	1999	2000	2001	2002	2003	2004	2005	Q4	Q1	Q2	Q3	Q4
	Thousands of passengers													
By air	-	186.3	262.9	351.7	408.4	523.0	456.0	201.5	231.7	169.8	202.8	251.5		
By land and water	-	100.2	104.8	114.7	196.5	263.5	245.0	177.3	148.9	124.0	120.4	164.5		
Total	218.8	286.5	367.7	466.4	604.9	786.5	701.0	378.8	380.6	293.8	323.2	416.0		
	Percentage change from previous quarter													
Total	-	-	-	-	-	-	-	66.1	0.5	-22.8	10.0	28.7		
	Percentage change from previous year													
Total	-16.0	30.9	28.3	26.8	29.7	30.0	-10.9	70.1	49.6	51.6	41.8	9.8		

Source: Ministry of Tourism

Economy Watch—Indicators

Table 5. National Budget Operations on Cash Basis, 1997–2005 (bn riels)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	Q2	Q3	Q4
								Q4	Q1			
Total revenue	880	920	1326	1,528	1,529	1,744	1,765	662.2	551.6	621.9	624.0	827.8
Current revenue	-	-	-	-	1,521	1,728	1,733	657.7	551.3	611.5	609.5	701.6
Tax revenue	596	676	956	1,096	1,096	1,227	1,220	485.7	455.1	466.0	436.2	553.8
Customs duties	348	376	432	376	376	424	395	168.0	129.4	129.7	123.7	189.8
Non-tax revenue	272	204	348	424	424	501	513	172.1	96.2	145.5	173.2	147.8
Forest exploitation	36	20	36	28	29	15	7.0	0.5	1.3	1.5	0.3	0.1
Posts & telecommunications	84	88	108	124	122	123	120	26.3	21.9	32.0	30.9	38.0
Capital revenue	12	36	12	8	9	16	31	4.5	0.3	10.4	14.6	126.3
Total expenditure (on cash basis)	1,260	1,296	1,792	2,332	2,332	2,948	2,757	909.3	706.3	713.7	912.9	1022.4
Capital expenditure	452	368	624	976	977	1,388	1,171	293.5	326.3	315.9	335.4	373.8
Current expenditure (on cash basis)	808	980	1,164	1,356	1,355	1,560	1,586	615.8	380.0	397.8	577.0	648.6
Education and Health	128	132	280	344	343	454	473	290.0	52.5	92.3	202.1	228.4
Defence and Security	420	448	464	404	405	438	411	197.8	74.9	73.9	116.7	185.8
Other ministries	260	332	412	636	637	668	702	130.6	252.6	231.7	258.2	234.4
Overall deficit	-380	-380	-476	-804	-803	-1,204	-992	-247.1	-154.7	-91.9	-288.3	-194.6
Foreign financing	444	268	416	768	766	1,249	886	238.7	266.7	255.7	335.8	292.5
Domestic financing	-64	112	60	36	37	-45	106	8.4	-111.9	-163.9	-47.5	-97.9

Provisional for 2004 and 2005. Source: Ministry of Economy and Finance

Table 6. Consumer Price Index (change from year earlier), Exchange Rates and Gold Prices (period averages), 1997–2005

	1997	1998	1999	2000	2001	2002	2003	2004	2005	Q2	Q3	Q4
								Q4	Q1			
Consumer price index (percentage change from previous year)												
Provinces	-	-	5.8	5.4	0.1	0.9	4.4	23.0	14.3	7.9	3.6	4.1
Phnom Penh	8.0	14.8	4.0	0.8	0.2	3.3	1.1	5.8	5.6	6.4	4.6	6.6
Food s	8.7	14.1	7.6	3.4	2.5	1.8	1.5	9.1	7.9	9.8	6.0	10.6
Transportation	19.5	15.1	3.5	6.6	4.2	0.3	4.9	14.5	12.3	11.1	11.9	10.2
Exchange rates, gold and oil prices (Phnom Penh market rates)												
Riels per USD	-	-	-	3,840.8	3,916.8	3,912.1	3,973.3	4,034.7	4,027.0	4,054.3	4,134.3	4,154.3
Riels per Thai baht	-	-	-	95.8	88.2	91.1	95.8	100.1	104.4	101.3	100.2	101.4
Riels per 100 Vietnamese dong	-	-	-	27.1	26.6	25.6	25.6	25.3	25.1	25.3	25.9	26.1*
Gold prices (USD per ounce)	46	40.4	36	33.3	32.8	36	41.4	47.0	52.6	52.5	55.4	57.0
Diesel (riels/litre)	779	883	1,06	1,105	1,329	1,521	1,508	2,150	2,350	2,500	2,76	2,921
Gold soline (riels/litre)	1,118	1,378	1,63	1,76	2,113	2,084	2,150	2,950	3,050	3,300	383	3,750

* Data for February 2005. Sources: D R. M.F. N.S. Ministry of Planning, Ministry of Economy and Finance

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	Q2	Q3	Q4
								Q4	Q1			
KHR bn												
Net foreign assets	1,177	1,726	2,019	2,589	3,080	3,737	4,027	4,797	4,883	5,084	5,391	5,475
Net domestic assets	-114	-496	-576	-759	-876	-849	-698	-467	-385	-455	-397	-450
Net claims on government	54	178	103	3	-75	-119	-128	-209	-252	-343	-404	-421
Credit to private sector	637	655	763	898	936	1,059	1,337	1,817	1,983	2,166	2,386	2,394
Total liquidity	1,063	1,230	1,443	1,831	2,204	2,888	3,328	4,329	4,498	4,629	4,994	5,025
Money	385	543	531	540	609	813	937	1,153	1,198	1,215	1,279	1,323
Quasi-money	678	687	911	1,291	1,594	2,075	2,391	3,176	3,300	3,414	3,715	3,702
Percentage change from previous year												
Total liquidity	16.6	15.7	17.3	26.9	20.4	31.0	15.2	30.0	22.9	20.4	19.8	16.1
Money	17	41	-2.2	1.7	12.8	33.5	15.3	23.0	19.0	16.8	18.6	14.7
Quasi-money	16.3	1.3	32.6	41.7	23.5	30.2	15.2	32.8	20.3	21.7	20.2	16.6

Source: National Bank of Cambodia

Table 8. Real Average Daily Earnings of Vulnerable Workers

	Daily earnings (riels)									Percentage change from previous year		
	2000	2002	2003	2004	2005	2006	2004	2005	2006	2004	2005	2006
	Nov				Feb	May	Aug	Nov	Feb			Feb
Cyclo drivers	7,594	8,975	8,572	7,614	8,527	7,726	7,857	7,768	7,873	-11.2	4.7	-7.7
Porters	6,233	7,044	6,676	6,895	6,933	7,056	6,000	6,473	6,519	3.3	-4.0	-6.0
Small vegetable sellers	5,256	6,566	6,532	6,947	6,385	8,574	5,938	8,385	6,186	6.4	5.4	-3.3
Scavengers	2,718	3,685	3,944	4,446	5,382	5,270	4,335	4,801	4,984	12.7	11.3	-7.4
Waitresses*	2,111	4,365	4,932	4,448	4,470	4,287	4,648	3,893	4,670	-9.8	-2.8	4.5
Rice field workers	4,198	4,304	4,177	4,139	3,997	3,822	4,009	4,224	4,127	-0.9	-3.0	3.3
Garment workers	6,701	8,904	9,577	9,277	9,213	7,235	8,756	8,659	9,184	-3.1	-8.7	-0.3
Motorcycle-taxi drivers	8,610	12,184	10,092	9,204	11,767	11,130	9,406	9,645	8,884	-8.8	14.8	-24.5
Unskilled construction workers	5,399	6,453	6,558	6,382	5,747	8,130	6,069	6,691	5,974	-2.7	4.3	3.9
Skilled construction workers	13,127	12,605	13,111	12,679	14,367	12,320	10,273	11,253	11,750	-3.3	-4.9	-18.2

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