

Economy Watch—External Performance

World Economic Growth

US real GDP increased by 2.5 percent in the year to the fourth quarter of 2006, compared to 2.0 percent in the third quarter. This primarily reflected an increase in consumer spending, exports and federal government spending, and a downturn in imports.

The real GDP of the euro zone in fourth quarter 2006 was 3.3 percent higher than in the same period a year earlier and 0.9 percent higher than in the previous quarter. Japanese real GDP grew by 2.3 from a year earlier and by 1.2 percent compared to the previous quarter.

The Chinese economy in fourth quarter 2006 maintained high momentum with real GDP 10.7 percent higher than a year earlier. Industry continued to grow at a faster pace (12.5 percent) than services (10.3 percent) and agriculture (5.0 percent). Investment and exports remained the main drivers of growth.

The real GDP of South Korea in the fourth quarter grew by 5.0 percent from a year earlier and by 0.8 percent compared to the previous quarter. The real GDPs of Taiwan and Hong Kong in the fourth quarter were up by 4.0 percent and 7.0 percent, respectively, compared to a year earlier.

The Malaysian economy in the fourth quarter grew by 5.7 percent compared to a year earlier. Manufacturing

and services grew by 4.3 percent and 7.0 percent, respectively, while agriculture grew by 6.5 percent. Growth of final consumption expenditure and exports moderated to 6.7 percent and 10.5 percent, respectively, from a year earlier.

The Singapore economy in the fourth quarter was up 7.0 percent compared to the same period in 2005. Manufacturing grew by 8.0 percent, while services grew by 7.7 percent.

Thai real GDP in the fourth quarter increased 4.7 percent compared to the same period in 2005. Agriculture grew by 0.9 percent, less than in the previous quarter (4.7 percent), due to a decrease in crop production and a slowdown in livestock and fishery production. The non-agricultural sector grew by 4.6 percent from a year earlier, compared to 4.7 percent growth in the previous quarter.

World Inflation & Exchange Rates in International Markets

In the fourth quarter of 2006, consumer prices in the US eased to a 1.9 percent increase over a year earlier, from 3.3 percent in the third quarter, as a consequence of a drop in the price of crude oil and of energy items closely related to oil. In the euro zone, the inflation rate was 1.8 percent, just below the ECB's ceiling of 2 percent. The drop in oil prices was the main cause of inflation fall in the euro zone. In Japan, consumer prices rose by 0.3 percent in the year to the fourth quarter, compared to 0.6 percent in the previous quarter. Although the year-on-year change in consumer prices was positive, the change was close to zero if petroleum products and other special factors are excluded.

In foreign exchange markets, the US dollar was mixed against other currencies in the fourth quarter of 2006. Against the Japanese yen, the dollar traded at JPY117.8, an appreciation from 116.3 in the third quarter. The dollar bought 0.78 euros, the same rate as in the previous quarter.

Against the South Korean won, the dollar depreciated to 938 KRW/USD compared to 955 KRW/USD a quarter earlier; it depreciated to 7.86 Chinese yuan, from 7.97 CNY/USD in the previous quarter. The weakness of the US dollar is related to market reaction to evidence of a moderation in US economic activity, while robust economic growth continues in many other large economies (except for Japan) and in selected ASEAN countries.

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Commodity Prices in World Markets

In the fourth quarter, the prices of maize, palm oil and soybeans rose, while the prices of rice, crude oil, gasoline and diesel went down. Palm oil sold at USD494.92/tonne, up from USD446.85, while maize and soybeans sold at USD140.18 and USD279.10/tonne, respectively. The price of white rice, Thai 100% B second grade, in the Bangkok market was USD279.10/tonne, down from USD289.91 in the third quarter. The price of crude oil in the fourth quarter decreased by 16 percent from the previous quarter to USD56.39/barrel. The prices of gasoline and diesel went down from the previous quarter, by 22 percent and 17 percent, respectively. Gasoline sold at US 41.02 cents/litre and diesel at US 46.11 cents/litre.

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Table 1. Real GDP Growth of Selected Trading Partners, 2001–2006 (percentage increase over previous year)

	2001	2002	2003	2004	2005	2006	2006	2006	2006	2005
					Q4	Q1	Q2	Q3	Q4	
Selected ASEAN countries										
Cambodia	6.7	4.8	7	7.7	-	-	-	-	-	13.4
Indonesia	3.8	3.8	4.9	5.1	4.9	4.6	5.2	5.5	6.1	5.6
Malaysia	0.5	5.6	5.4	7	5.2	5.5	5.9	5.8	5.7	5.2
Singapore	-2.3	2.6	1.4	8.5	7.7	10.7	8.0	7.1	7.0	5.7
Thailand	1.9	6.1	6.9	6	4.7	6.0	4.9	4.7	4.2	4.5
Vietnam	6.0	6.7	7	7.5	-	-	-	-	-	8.4
Selected other Asian countries										
China	7.5	8.1	9.9	9.5	9.9	10.9	11.3	10.4	10.7	9.6
Hong Kong	0.5	5.0	3.2	8.3	7.6	8.2	5.2	6.8	7.0	6.5
South Korea	3.0	6.1	3	4.7	5.2	6.1	5.3	4.8	5.0	4.7
Taiwan	-2.2	4.2	3.1	5.7	6.0	4.9	4.6	5.0	4.02	-
Selected industrial countries										
Euro-12	1.4	0.7	0.5	1.8	1.8	2.0	2.4	2.6	3.3	1.5
Japan	0.4	0.4	2.6	3.4	4.5	3.0	2.2	2.7	2.3	2.5
United States	1.2	2.4	3.1	4.4	1.1	5.6	2.6	2.2	2.5	3.0

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

Table 2. Inflation Rate of Selected Trading Partners, 2001–2006 Q1 (percentage increase over previous year—period average)

	2001	2002	2003	2004	2005	2006	2006	2006	2006	2005
					Q4	Q1	Q2	Q3	Q4	
Selected ASEAN countries										
Cambodia	-0.6	3.2	1.2	4.0	6.6	6.1	4.5	4.9	3.4	5.8
Indonesia	11.5	13.2	8.3	8.3	17.3	16.9	15.5	14.9	6.1	10.5
Malaysia	1.4	1.8	1.1	1.6	3.4	3.9	4.1	3.6	3.1	3.1
Singapore	1.0	-0.4	0.5	1.7	1.1	1.4	1.2	0.7	0.6	0.5
Thailand	1.7	0.6	1.8	2.7	6.0	5.7	6.0	3.6	3.3	4.5
Vietnam	-0.4	3.8	3.1	7.8	10.0	10.3	-	-	-	8.2
Selected other Asian countries										
China	0.9	-0.7	1.2	3.9	1.4	1.2	1.4	1.4	1.8	1.8
Hong Kong	-1.3	-3.0	-2.6	-0.4	1.8	2.0	2.1	2.3	2.2	1.1
South Korea	4.4	2.7	3.5	3.5	2.5	2.4	2.3	2.5	2.4	2.8
Taiwan	-0.01	-0.2	-0.3	1.6	2.5	1.4	1.5	-0.3	-0.1	2.3
Selected industrial countries										
Euro-12	2.6	2.2	2.1	2.2	2.4	2.3	2.3	2.1	1.8	2.2
Japan	-0.6	-0.9	-0.3	Nil	-0.5	0.4	0.7	0.6	0.3	-0.3
United States	2.8	1.6	2.3	2.7	3.7	3.7	4.0	3.3	1.9	3.4

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

Table 3. Exchange Rates of Selected Trading Partners against US Dollar, 2001–2006 Q1 (period averages)

	2001	2002	2003	2004	2005	2006	2006	2006	2006	2005
					Q4	Q1	Q2	Q3	Q4	
Selected ASEAN countries										
Cambodia (riel)	3,916.3	3,912.1	3,973	4,016.3	4,154.3	4,081.3	4,095.3	4,145.3	4,129.4	4,092.5
Indonesia (rupiah)	10,261	9,311	8,577	8,938	9,999	9,175	9,115	9,122	9,124	9,705
Malaysia (ringgit)	3.80	3.80	3.80	3.80	3.78	3.73	3.65	3.67	3.62	3.79
Singapore (S\$)	1.79	1.79	1.74	1.69	1.69	1.63	1.59	1.58	1.56	1.66
Thailand (baht)	44.4	42.9	41.5	40.2	41.02	39.3	38.1	37.7	36.5	40.2
Vietnam (dong)	14,725	15,280	15,510	-	15,907	15,921	-	-	-	15,859
Selected other Asian countries										
China (yuan)	8.28	8.28	8.28	8.28	8.08	8.05	8.01	7.97	7.86	8.19
Hong Kong (HK\$)	7.80	7.80	7.78	7.79	7.75	7.76	7.76	7.78	7.78	7.78
South Korea (won)	1,291	1,251	1,192	1,145	1,036	976	949	955	938	1,024
Taiwan (NT\$)	33.8	34.5	34.4	33.6	33.4	32.3	32.2	32.8	32.8	32.1
Selected industrial countries										
Euro-12 (euro)	1.12	1.06	0.89	0.80	0.84	0.83	0.80	0.78	0.78	0.80
Japan (yen)	121.5	125.4	115.9	108.2	117.2	116.9	114.5	116.3	117.8	110.2

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

Table 4. Selected Commodity Prices on World Market, 2001–2006 (period averages)

	2001	2002	2003	2004	2005	2006	2006	2006	2006	2005
					Q4	Q1	Q2	Q3	Q4	
Maize (USNo.2)—USA (\$/tonne)		81.18	89.98	95.42	110.65	90.64	95.37	99.95	108.67	89.19
Palm oil—north-west Europe (\$/tonne)		259.13	353.91	402.03	427.47	391.52	395.75	397.87	446.85	381.32
Rice (Thai 100% B)—Bangkok (\$/tonne)		160.81	178.59	182.22	221.67	259.40	275.12	283.86	289.91	279.10
Soybeans (US No.1)—USA (\$/tonne)		163.89	182.58	218.86	262.03	210.42	210.96	207.02	207.38	224.25
Crude oil—Dubai (\$/barrel)		22.8	23.9	26.8	33.5	52.99	57.89	65.03	67.00	50.14
Gasoline—US Gulf Coast (cents/litre)		19.5	19.1	23	30.9	42.29	41.18	55.89	52.70	41.02
Diesel (low sulphur No.2)—US Gulf Coast (cents/litre)		18.72	17.85	21.63	29.48	49.90	47.72	55.89	55.66	44.35

Sources: Food and Agriculture Organisation and US Energy Information Administration

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Main Economic Activities

Investment approvals and tourism increased, while construction and the trade balance declined in fourth quarter 2006, compared to the previous quarter. The increase of investment and tourism will provide more growth and create more employment opportunities, while the decline of construction will have a negative effect on growth.

In the fourth quarter, total fixed asset private investment approvals increased dramatically to USD971.9 m, nearly four times the previous quarter's level. The drivers of the increase were services and agriculture approvals. Services approvals were close to eight times the preceding quarter at USD740.7 m—construction approvals were USD369.3 m, tourism USD315.3 m and other services USD56.1 m. Agriculture approvals rose from none in the third quarter to USD154.6 m, while industry sector approvals decreased by 55 percent to USD76.6 m. However, garment sub-sector approvals increased by 12 percent to USD26.1 m. There were 22 private investment projects approved, and these are expected to need 57,887 workers. Agriculture will need 36,754 workers in seven projects, industry will require 13,915 for 11 projects, and services will need 7218 for four projects.

Most favoured nation basis and labour compliance with International Labour Organisation standards are positive features for Cambodia to attract investors; these conditions provide more access to investment and to export opportunities.

Construction project approvals in Phnom Penh in fourth quarter 2006 decreased by 18 percent from the previous quarter, to USD78.1 m. Flats decreased by 19 percent to USD54.5 m and other construction by 33 percent to USD13.9 m, while villa and house construction increased by 28 percent to USD9.7 m. Compared to the same quarter of 2005, construction project approvals increased by 8.8 percent, of which flat construction rose by 21 percent, and villa and house increased by 80 percent. For all of 2006, construction project approvals were USD524.8 m, an increase of 46 percent from the preceding year. Flat construction amounted to USD168.5 m or 32 percent of the total construction project approvals, while villa and house

construction approvals were only USD33.1 m or 6.3 percent of the total.

Cambodia's trade balance was a deficit of USD70.4 m in the fourth quarter of 2006, after a surplus of USD23.2 m in the previous quarter. Total exports decreased, while imports have continued to increase for several quarters. In the fourth quarter, exports declined by 8.8 percent from the preceding quarter to USD736.7 m. Usually, exports decline in the fourth quarter each year, particularly garment exports, in line with the main buying season in the northern hemisphere, so this decrease follows the usual seasonal pattern. Garment exports decreased by 8.4 percent to USD716.0 m, of which clothing decreased by 8.4 percent to USD695.0 m, shoes dropped by 8.5 percent to USD17.3 m, and other textiles declined by 17.8 percent to USD3.7 m. Agricultural exports also declined, by 19 percent to USD20.7 m. Fish exports fell by 13 percent to USD1.4 m, rubber by 25 percent

to USD10.2 m and wood by 32 percent to USD1.7 m, while rice exports increased from none in the preceding quarter to USD0.8 m. Compared to fourth quarter 2005, however, total exports increased by 14 percent.

There was a 2.9 percent increase of total imports in the fourth quarter to USD807.1 m. Construction material imports decreased by 16 percent from the preceding

quarter to USD35.8 m, of which cement imports declined by 13 percent to USD13.8 m and steel imports by 30 percent to USD12.6 m, while construction equipment imports rose by 11 percent to USD9.4 m. Gasoline imports increased slightly, by 0.8 percent to USD13.2 m (42,310 tonnes), while diesel imports decreased by 9.6 percent to USD27.2 m (95,700 tonnes).

In the fourth quarter, total visitor arrivals increased by 39 percent from the previous quarter to 516,099. Arrivals by land and water increased by 30 percent to 191,005 and by air rose 45 percent to 325,024, of which Phnom Penh airport received 129,787. Holiday visitor arrivals increased by 32 percent to 425,089, and business arrivals dropped by 2.9 percent to 32,729. Compared to the fourth quarter of 2005, total visitor arrivals rose by 24 percent; arrivals by air and by land and water increased 29 percent and 16 percent, respectively. Holiday arrivals increased by 22 percent. In 2006, visitor arrivals to Cambodia totalled 1,705,989, an increase of 21 percent from the previous year. Tourist arrivals to Siem Reap

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province increased by 24 percent to 856,510. As a result, many hotels have been constructed in Cambodia. There were 351 hotels in total in 2006, an increase of 11 percent from a year earlier.

Public Finance

The government's budget surplus in the fourth quarter was KHR120.7 bn, compared to a deficit of KHR191.9 bn in the preceding quarter. Budget revenue and expenditure increased sharply; the larger revenue was able to pay for all government spending in the fourth quarter. In this period, total revenue collection rose by 64 percent from the preceding quarter to KHR1199.2 bn. Tax revenue collection was the main source of expanded current revenue, up by 18 percent to KHR844.4 bn. Value added tax (VAT) increased by 13 percent to KHR244.6 bn, excise duties by 22 percent to KHR125.9 bn and custom duties by 27 percent to KHR200.0 bn, all of which caused total tax revenue collections to rise by 17 percent to KHR661.3 bn. Non-tax revenue collection in the fourth quarter increased by 21 percent to KHR183.1 bn. Both forest exploitation, and posts and telecommunications rose significantly to three times the previous figure, to KHR0.9 bn and KHR30.0 bn, respectively, while tourism receipts increased by 14 percent to KHR14.1 bn.

Capital revenue rose by 10 percent to KHR349.8 bn, while privatisation receipts decreased by 39 percent to KHR9.4 bn. Compared to the same period in 2005, revenue collections were up by 45 percent, of which tax increased by 19 percent and non-tax revenue by 24 percent, while capital revenue was close to three times larger.

Budget expenditure increased by 17 percent from the preceding quarter to KHR1078.4 bn. Current expenditure rose by 20 percent to KHR728.7 bn, while expenditure on economic administration increased by 9.5 percent to KHR170.1 bn, on general administration by 13 percent to KHR134.9 bn and on defence and security by 47 percent to KHR92.0 bn. Spending on education and health doubled to KHR281.3 bn. In the fourth quarter, spending on officials' wages was KHR240.7 bn, an increase of 4.0 percent from the preceding quarter. Meanwhile, capital expenditure fell by 10 percent to KHR349.8 bn,

of which 32 percent was funded domestically and 68 percent funded externally.

Inflation and Foreign Exchange Rates

In the fourth quarter, overall prices in Phnom Penh decreased by 0.3 percent from the previous quarter; food prices declined by 0.9 percent and transportation and communication costs by 0.7 percent. Prices of clothing increased by 0.8 percent, medical care 0.2 percent and education 0.4 percent. Compared to the same quarter of 2005, overall consumer prices rose by 3.4 percent; the cost of education increased by 1.3 percent, medical care 2.2 percent, food 3.3 percent, clothing 3.6 percent and transportation 6.8 percent. Following a drop in world crude oil prices, gasoline prices moderated the change in overall prices, as expected. Increasing food prices, especially for meat and poultry, were the main source of the year-on-year rise in overall prices in Phnom Penh.

The riel's exchange rate with the US dollar was 4129.4 riels/USD, an appreciation of 0.4 percent from the previous quarter and 0.6 percent from the same quarter of 2005. The riel depreciated by 2.4 percent against Thai baht, while against Vietnamese dong, it remained stable, compared to the previous quarter. The riel traded at 24.9 riels per 100 dong. Compared to the fourth quarter 2005, the riel depreciated 11 percent

against the baht, while appreciating by 4.6 percent against the dong.

Monetary Developments

In fourth quarter 2006, total liquidity (M2) increased by 7.4 percent to KHR6942.3 bn. The components of M2 are currency outside banks and in bank deposits. Local currency outside banks rose by 5.8 percent to KHR1599.6 bn, riel in bank deposits increased by 1.9 percent to KHR146.7 bn and foreign currency in bank deposits rose by 8.1 percent to KHR5196.0 bn. Compared to the same period in 2005, total liquidity rose by 38 percent, of which currency outside banks increased by 25 percent and foreign currency in bank deposits went up by 45 percent, while riel in bank deposits decreased by 4.3 percent. Assets of the monetary system are the drivers of total liquidity. In the fourth quarter, net domestic assets grew by 43 percent from the preceding quarter to

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KHR282.0 bn, and net foreign assets increased by 3.8 percent to KHR7224.3 bn. The domestic credit share of net domestic assets increased by 12 percent to KHR2676.5 bn, of which claims on government increased by 5.9 percent to KHR286.6 bn, government deposits rose by 6.7 percent to KHR1240.0 bn, and private sector credit rose by 10 percent to KHR3629.8 bn. Other assets were negative KHR2958.5 bn, i.e., a liability, a worsening of 2.2 percent from the previous quarter.

Poverty Situation—Real Daily Earnings of Vulnerable Workers

The real daily earnings of 10 groups of vulnerable workers decreased by about five percent on average in February 2007, compared to the same period in 2006. Of these, the earnings of cyclo drivers, porters, small vegetable traders, scavengers, waiters and unskilled and skilled construction workers decreased; two groups, garment workers and motorcycle taxi drivers, increased their earnings; rice field workers' incomes remained stable.

Real daily earnings of skilled and unskilled construction workers in February decreased by 14 percent and 15 percent, respectively, compared to the same month in 2006. These declines were due to an increase in the number of workers. Some of those were workers from rural areas who moved with their families to Phnom Penh in the hope of improving their livelihoods. In the survey, 52 percent of skilled and 32 percent of unskilled workers said that their families' living standard had improved since they became city workers.

Cyclo drivers' earnings decreased by 17 percent, from 7883 riels in February 2006 to 6534 riels. The decrease was due to competition from other forms of transportation, such as an increased number of tuk-tuks and motorcycle taxis. Most cyclo drivers worked 11 hours per day and for about 25 days per month, spending about 4000 riels per day for food. The survey found that 58 percent of cyclo drivers did not rent accommodation because they stayed in the cyclo owner's house, while they paid 2000 riels per day to hire a cyclo. Of the others, 30 percent stayed at pagodas, 10 percent and 2 percent renting accommodation and living with their relatives, respectively.

In February the daily earnings of scavengers were 4530 riels, a 9 percent decrease from the same month last year. The drop was due to an increase in the number of scavengers, many of whom moved from rural areas. Ninety-five percent of scavengers said that their earnings from rubbish collection supported their families. Generally, scavengers spend about 2000 riels daily for food, and they work 11 hours per day to support themselves.

Daily earnings of small vegetable traders in February 2006 were quite similar to the same month the previous year (Table 8). Some 47 percent of small vegetable traders stated that their earnings increased, while 42 percent reported a decline and the others remained the same. Small vegetable traders need about USD20 for their daily business. Sixty-five percent of them are from provinces outside of Phnom Penh. Sixty percent had attended but not finished primary school, 10 percent had attended secondary school, and the other 30 percent had never attended school.

The survey revealed that waiters' daily earnings in February 2007 fell by 13 percent compared to February 2006. This was due to some not having regular work. Sixty-five percent of waiters, however, indicated that their families' living standards were improved, because some of their salaries went to support their families at home.

Daily earnings of motorcycle taxi drivers increased by 3 percent in February from the same month in 2006, to 9144 riels. The increase was due to the price of gasoline declining and the fact that the survey covered the period of Chinese New Year. Ninety percent of motorcycle taxi drivers indicated their earnings could not support their whole family, because of their spending for food, 4500 riel per day.

In February garment workers earned an average of 11,146 riels per day, a 21 percent increase compared to February 2006; these were the highest earnings reported since the surveys started in 2000. Earnings increased due to increased work in the factories; 73 percent of respondents worked more than 60 hours per week. Some 64 percent of garment workers believed that the factories would continue to operate for a long time into the future. Only 32 percent could save some money for establishing a business when they stop work, 53 percent said that their earnings did not allow them to save, and 15 percent were undecided. Generally, garment workers spend about 2900 riels for food daily, and their total spending was about 150,000 riels per month.

The daily earnings of rice field workers were stable, 4126 riels. Seventy-two percent of rice field workers reported their earnings were just a small part of the income of their families, because their work was unstable. In addition, 32 percent said their family's living standards had improved, 38 percent had stayed the same, and 30 percent worsened. Forty-eight percent of rice field workers had not attended school, and the other 52 percent had attended only primary school.

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Economy Watch—Indicators

Table 1. Private Investment Projects Approved, 1998–2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006			
								Q4	Q1	Q2	Q3	Q4
	Fixed Assets (USD m)											
Agriculture	51.6	63.9	9.8	0.4	40.3	3.7	12.3	9.1	126.5	216.9	0.0	154.6
Industry	650.5	162.6	109.4	105.2	67.7	137.2	189.2	82.0	40.1	76.9	171.7	76.6
. Garment	126.5	67.7	81.5	26.5	27.2	68.1	133.9	27.3	30.5	9.6	23.2	26.1
Services	154.7	222.6	150.1	118.4	145.3	168.4	92.0	28.1	60.7	2,043.2	94.5	740.7
. Hotels and tourism	112.0	171.8	79.8	73.8	47.1	124.1	55.9	22.6	0.0	26.2	3.5	315.3
Total	856.8	449.1	269.2	224.0	253.3	309.3	293.5	119.2	227.3	2,337.0	266.2	971.9
Total	-	-	-	-	-	-	-	-70.5	90.7	928.1	-88.6	265.1
Total	15.0	-47.6	-40.0	-19.5	10.5	31.1	-12.4	628.1	-52.2	2331.2	-34.1	715.4

Including expansion project approvals. Up to June 2006. Source: Cambodian Investment Board

Table 2. Value of Construction Project Approvals in Phnom Penh, 1998–2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006			
								Q4	Q1	Q2	Q3	Q4
	USD m											
Villas and houses	21.2	20.0	16.4	15.9	23.4	20.0	30.3	5.4	10.1	5.7	7.6	9.7
Flats	227.3	290.5	174.8	167.8	179.9	91.6	167.6	45.1	39.9	51.8	67.1	54.5
Other	27.0	16.4	14.2	12.6	16.6	87.3	65.6	21.3	17.4	24.7	20.8	13.9
Total	275.5	326.9	205.4	196.3	219.9	198.9	263.5	71.8	67.4	82.2	95.5	78.1
Total	-	-	-	-	-	-	-	-6.1	-6.2	22.2	16.1	-18.1
Total	6.9	18.7	-37.2	-4.4	12.0	-9.5	32.5	12.0	-36.5	-21.2	24.8	8.9

Source: Department of Cadastre and Geography of Phnom Penh municipality

Table 3. Exports and Imports, 1998–2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006			
								Q4	Q1	Q2	Q3	Q4
	USD m											
Total exports	784.4	941.1	1,056.2	1,268.2	1,453.2	1,708.1	2,108.1	644.8	603.2	652.5	807.5	736.7
Of which: Garment	378.0	554.0	962.1	1,202.2	1,355.8	1,628.4	2,027.0	601.0	568.5	632.4	782.0	716.0
. To U.S.	74.1	486.0	714.1	840.9	943.4	1,099.8	1,270.9	408.1	402.5	438.6	522.8	483.2
. To EU	-	-	228.1	323.3	356.3	414.7	590.8	145.3	110.6	142.2	188.1	160.1
. To rest of the world	82.0	68.0	19.9	38.0	56.1	113.8	165.3	47.5	55.3	51.6	71.0	72.8
Agriculture	-	-	94.2	66.0	97.3	79.7	81.2	43.8	34.7	20.2	25.5	20.7
. Rubber	-	-	29.6	25.9	29.7	35.1	38.3	13.4	7.8	9.8	13.6	10.2
. Wood	-	-	32.9	22.3	16.0	10.2	11.1	2.0	2.1	2.3	2.5	1.7
. Fish	-	-	5.4	6.0	4.3	2.8	10.6	6.6	1.9	1.0	1.6	1.4
. Other	-	-	26.2	11.8	47.4	31.6	21.3	21.9	22.9	7.0	7.7	7.5
Total imports	1,112.2	1,237.4	1,417.7	1,501.4	1,707.8	1,824.9	2,149.0	691.1	690.7	774.9	784.3	807.1
Of which: Gasoline	-	-	-	-	25.9	33.2	30.2	10.7	10.9	12.4	13.1	13.2
Diesel	-	-	-	-	100.8	109.6	109.4	21.1	32.5	32.2	30.1	27.2
Construction materials	-	-	-	-	12.9	80.8	95.3	26.2	37.0	39.1	42.5	35.8
Other	-	-	-	-	1,568.2	1,601.3	1,914.0	633.1	610.3	691.2	698.5	731.0
Trade balance	-327.8	-296.3	-361.5	-233.2	-254.6	-116.8	-40.9	-46.3	-87.5	-122.4	23.2	-70.4
Total garment exports	-	-	-	-	-	-	-	-15.3	-5.4	11.2	23.7	-8.4
Total exports	-	-	-	-	-	-	-	-11.7	-6.4	8.2	23.7	-8.8
Total imports	-	-	-	-	-	-	-	9.3	-0.03	12.2	1.2	5.9
Total garment exports	66.4	47.0	74.0	24.9	12.8	20.1	24.5	15.5	27.8	27.1	10.2	19.1
Total exports	59.0	20.0	12.2	20.1	14.6	17.5	23.4	18.3	30.3	26.7	10.6	14.3
Total imports	1.6	11.3	14.6	5.9	13.7	6.9	17.8	26.1	32.6	15.6	24.3	16.8

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

Table 4. Foreign Visitor Arrivals in Cambodia, 1998–2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006			
								Q4	Q1	Q2	Q3	Q4
	Thousands of passengers											
By air	186.3	262.9	351.7	408.4	523.0	456.0	626.1	251.5	275.4	204.4	224.2	325.0
By land and water	100.2	104.8	114.7	196.5	263.5	245.0	428.9	164.5	181.9	153.6	146.4	191.0
Total	286.5	367.7	466.4	604.9	786.5	701.1	1055.0	416.0	457.3	358.0	370.6	516.0
Total	-	-	-	-	-	-	-	28.7	9.9	-21.7	4.1	39.2
Total	30.9	28.3	26.8	29.7	30.0	-10.9	50.5	9.8	20.2	21.2	14.7	24.1

Source: Ministry of Tourism

Economy Watch—Indicators

Table 5. National Budget Operations on Cash Basis, 1998–2006 (Billions of riels)

	1998	1999	2000	2001	2002	2003	2004	2005 Q4	2006 Q1*	Q2*	Q3	Q4
Total revenue	920	1326	1,528	1,530	1,744	1,764	2,126	827.9	595.9	731.5	732.2	1,199.2
Current revenue	-	-	-	1,521	1,728	1,733	2,107	701.6	593.2	726.9	716.8	844.4
Tax revenue	676	956	1,096	1,096	1,227	1,220	1,577	553.8	484.7	558.6	565.8	661.3
Customs duties	376	432	376	376	424	395	513	189.8	135.5	151.7	157.2	200.0
Non-tax revenue	204	348	424	424	501	513	530	147.8	108.5	168.3	151.0	183.1
Forest exploitation	20	36	28	29	15	7	2	0.1	0.5	0.7	0.3	0.9
Posts & telecommunications	88	108	124	122	123	120	94	38.0	11.4	30.0	11.7	30.0
Capital revenue	36	12	8	9	16	31	19	126.3	2.7	4.6	15.4	354.7
Total expenditure	1,348	1,788	2,332	2,332	2,948	2,757	2,932	998.9	881.7	1,012.0	924.0	1,078.4
Capital expenditure	368	624	976	977	1,388	1,171	1,163	350.3	340.1	386.6	317.2	349.8
Current expenditure	980	1,164	1,356	1,355	1,560	1,586	1,769	648.6	541.7	625.4	606.9	728.7
Education and Health	132	280	344	343	454	473	518	228.4	80.3	202.3	150.1	281.3
Defence and Security	448	464	404	405	438	411	423	71.4	78.1	116.7	155.3	170.1
Other ministries	332	412	636	637	668	702	828	348.8	383.2	306.4	301.5	277.3
Overall balance	-428	-462	-804	-802	-1,204	-993	-806	-171.0	-285.9	-280.5	-191.9	120.7
Foreign financing	268	416	768	766	1,249	886	864	269.0	257.6	333.3	228.6	296.5
Domestic financing	112	60	36	37	-45	106	148	-97.9	28.3	-52.8	-36.7	-417.2

Provisional for 2006. * Revised. Source: Ministry of Economy and Finance.

Table 6. Consumer Price Index (change), Exchange Rates and Gold Prices (period averages), 1998–2005

	1998	1999	2000	2001*	2002	2003	2004	2005 Q4	2006 Q1	Q2	Q3	Q4
Consumer price index (percentage change over previous year)												
Provinces	-	5.8	5.4	-0.1	0.9	4.4	14.4	16.6	15.8	12.0	8.5	7.2
Phnom Penh - All Items	14.8	4.0	-0.8	0.2	3.3	1.1	3.9	6.6	6.1	4.5	4.9	3.4
- Foods	14.1	7.6	-3.4	-2.5	1.8	1.5	6.4	10.6	10.6	6.3	5.8	3.3
- Transportation	15.1	3.5	6.6	-4.2	0.3	4.9	9.7	10.2	9.7	10.0	10.1	6.8
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	4,016.3	4,154.3	4,094.8	4,106.6	4,145.3	4,129.4
Riels per Thai baht	-	-	95.8	88.2	91.1	95.8	99.9	101.4	103.5	108.0	110.3	112.9
Riels per 100 Vietnamese dong	-	-	27.1	26.6	25.6	25.6	25.5	26.1	25.4	25.0	24.9	24.9
Gold prices (US dollars per chi)	40.4	36.0	33.3	32.8	36.8	41.4	46.3	57.0	64.2	72.2	73.0	72.8
Diesel (riels/litre)	883	1,065	1,105	1,329	1,521	1,508	3,442	2,921	2,867	3,110	3,333	3,250
Gasoline (riels/litre)	1,378	1,613	1,760	2,113	2,084	2,150	2,633	3,750	3,767	4,000	4,200	4,050

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

Table 7. Monetary Survey, 1998–2006 (end of period)

	1998	1999	2000	2001	2002	2003	2004	2005 Q4	2006 Q1	Q2	Q3	Q4
Billions of riels												
Net foreign assets	1,726	2,019	2,589	3,080	3,737	4,027	4,797	5,475	6,410	6,682	6,958	7,224
Net domestic assets	-496	-576	-759	-876	-849	-698	-467	-450	-699	-637	-497	-282
Net claims on government	178	103	3	-75	-119	-128	-209	-421	-755	-831	-892	-853
Credit to private sector	655	763	898	936	1,059	1,337	1,817	2,394	2,778	2,997	3,288	3,628
Total liquidity	1,230	1,443	1,830	2,204	2,888	3,329	4,330	5,025	5,711	6,045	6,461	6,942
Money	543	531	540	609	813	937	1,153	1,323	1,449	1,512	1,563	1,658
Quasi-money	687	912	1,290	1,595	2,075	2,392	3,177	3,702	4,262	4,533	4,898	5,285
Percentage change over previous year												
Total liquidity	15.7	17.3	26.8	20.4	31.0	15.2	30.0	16.1	27.0	30.6	29.4	38.2
Money	41	-2.2	1.7	12.8	33.5	15.3	23.0	14.7	20.9	24.4	22.2	25.3
Quasi-money	1.3	32.7	41.4	23.6	30.0	15.2	32.8	16.6	33.6	32.8	31.9	42.7

Source: National Bank of Cambodia

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

	Daily earnings (riels)									Percentage change over previous year		
	2000 Nov	2003	2004	2005	2006 Feb	May	Aug	Nov	2007 Feb	2006 Aug	Nov	2007 Feb
Cyclo drivers	7594	8572	7614	7469	7873	8546	6063	7393	6534	-23%	-5%	-17%
Porters	6233	6676	6895	6545	6519	7375	5238	7045	6010	-13%	9%	-8%
Small vegetable sellers	5256	6532	6947	6000	6186	6492	5197	6125	6125	-12%	-27%	-1%
Scavengers	2718	3944	4446	4416	4984	4512	4266	3903	4530	-2%	-19%	-9%
Waitresses*	2111	4932	4448	4426	4670	4243	4292	4498	4078	-8%	16%	-13%
Rice-field workers	4198	4177	4139	4365	4127	4541	4137	4653	4126	3%	10%	0%
Garment workers	6701	9577	9277	8816	9184	7860	9264	8957	11146	6%	3%	21%
Motorcycle-taxi drivers	8610	10092	9204	8201	8884	8790	6744	8386	9144	-28%	-13%	3%
Unskilled construction workers	5399	6558	6382	5918	5974	6407	6028	5263	5094	-1%	-21%	-15%
Skilled construction workers	13127	13111	12679	10316	11750	9833	9466	10215	10146	-8%	-9%	-14%

* Waitresses' earnings do not include meals and accommodation provided by shop owners.

Surveys on the revenue of waitresses, rice-field workers, garment workers, unskilled workers, motorcycle taxi drivers and construction workers began in February 2000. Source: CDRI