

Economy Watch—External Performance

World Economic Growth

US real GDP increased by 1.9 percent in the year to first quarter 2007, compared to 3.1 percent in the year to fourth quarter 2006. This primarily reflected an increase in imports, a decrease in exports and federal government spending and a deceleration in personal consumption expenditure. The real GDP of the euro zone in first quarter 2007 was 3.0 percent higher than in the same period a year earlier and 0.6 percent higher than in the previous quarter. Japanese real GDP grew by 2.2 from a year earlier and by 0.6 percent compared to the previous quarter.

The Chinese economy in the first quarter was 11.1 percent larger than a year earlier. Growth continued to be industry-led with valued added growing at 13.2 percent, compared to 9.9 percent in services and 4.4 percent in agriculture. Investment and trade continued to be the main drivers of this growth. The real GDP of South Korea in the first quarter was 4.0 percent higher than a year earlier and 0.9 per cent up on the previous quarter. The real GDP of Taiwan and Hong Kong in first quarter 2007 were 4.1 percent and 5.6 percent higher, respectively, than a year earlier.

The Malaysian economy grew by 5.3 percent in the year to first quarter 2007. Growth in this quarter was broad based, with all major sectors of the economy, except mining, registering growth. The services sector and stronger expansion in the construction sector were the key contributors to this growth. Singapore's real GDP was 6.0 percent larger in first quarter 2007 than a year earlier. Manufacturing and construction grew by 6.1 percent and 7.0 percent, respectively, while services grew by 6.1 percent. Thai real GDP in the year to first quarter 2007 grew by 4.3 percent. Net exports and government expenditure were the stimulants of this growth, while household consumption expenditure and total investment went down. Agriculture grew by 4.3 percent, more than in the previous quarter (1.9 percent), mainly due to a rise in crop and fishery production, while the non-agricultural sector grew by 4.3 percent, compared to 4.6 percent in the year ending in the previous quarter.

World Inflation and Exchange Rates in International Markets

In the first quarter of 2007, consumer prices in the US accelerated to a 2.4 percent annual rate of increase, from 1.9 percent in the fourth quarter. This was due to higher charges for food, medical care, housing and energy. In the euro zone, the inflation rate was 1.9 percent, up from 1.8 percent a quarter earlier. This increase reflects upward pressure on prices from higher input costs and energy prices, along with the recent German VAT increase. In Japan, consumer prices drop by 0.1 percent in the year to the first quarter. This largely reflected a drop in telecommunications costs. However, the rate of change would be close to zero if petroleum products and other special factors were excluded.

In foreign exchange markets, the US dollar's movement was mixed against other currencies. Against the yen, the dollar traded at 119.4 JPY/USD, appreciating from 117.8 in the previous quarter. This development was associated with market expectations regarding monetary

The prices of maize, palm oil, soybeans, rice and gasoline rose, while the prices of crude oil and diesel went down. Palm oil sold at USD552.06/tonne, up from USD494.92 in fourth quarter 2006, while maize and soybeans sold at USD154.33/tonne and USD255.33/tonne, respectively.

policy in Japan. Against the euro and the Chinese yuan, the US dollar exchanged at 0.76 EUR/USD and 7.76 CNY/USD, depreciating from 0.78 EUR/USD and 7.86 CNY/USD in the fourth quarter of 2006. The weakness of the dollar is largely driven by a market reaction to evidence of a moderation in US economic growth, while robust economic growth continues in many other large economies and in selected ASEAN countries.

Commodity Prices in World Markets

In first quarter 2007, the prices of maize, palm oil, soybeans, rice and gasoline rose, while the prices of crude oil and diesel went down. Palm oil sold at USD552.06/tonne, up from USD494.92 in fourth quarter 2006, while maize and soybeans sold at USD154.33/tonne and USD255.33/tonne, respectively. The price of white rice, Thai 100% B second grade, in the Bangkok market was USD294.17/tonne, up from 279.10 in fourth quarter 2006. The price of gasoline in first quarter 2007 increased by 1.7 percent from the previous quarter to US 71.71 cents/litre, while the prices of crude oil and diesel went down from the previous quarter, by 3.9 percent and 1.1 percent, respectively. Crude oil sold at USD54.21/barrel and diesel at US 45.61 cents/litre.

Prepared by Hing Vutha and Phim Runsinarith

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Table 1. Real GDP Growth of Selected Trading Partners, 2001–2007 Q1 (percentage increase over previous year)

	2001	2002	2003	2004	2005	2006*	Q2	Q3	2006 Q4	2007 Q1
Selected ASEAN countries										
Cambodia (revised)	8.0	6.5	8.5	10.0	13.5	10.8	-1.6	-	-	-
Indonesia	3.8	3.8	4.9	5.1	5.6	5.4	5.2	5.5	6.1	-
Malaysia	0.5	5.6	5.4	7.0	5.2	5.9	5.9	5.8	5.7	5.3
Singapore	-2.3	2.6	1.4	8.5	5.7	7.7	8.0	7.1	7.0	6.0
Thailand	1.9	6.1	6.9	6.0	4.5	4.8	4.9	4.7	4.2	4.3
Vietnam	6.0	6.7	7.0	7.5	8.4	8.1	-	-	-	-
Selected other Asian countries										
China	7.5	8.1	9.9	9.5	9.6	10.5	11.3	10.4	10.7	11.1
Hong Kong	0.5	5.0	3.2	8.3	6.5	6.6	5.2	6.8	7.0	5.6
South Korea	3.0	6.1	3.0	4.7	4.7	5.0	5.3	4.8	5.0	4.0
Taiwan	-2.2	4.2	3.1	5.7	4.1	4.6	4.6	5.0	4.0	4.1
Selected industrial countries										
Euro-12	1.4	0.7	0.5	1.8	1.5	2.7	2.4	2.6	3.3	3.0
Japan	0.4	0.4	2.6	3.4	2.5	2.1	2.2	2.7	2.3	2.2
United States	1.2	2.4	3.1	4.4	3.7	3.3	3.5	3.3	3.1	1.9

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

Table 2. Inflation Rate of Selected Trading Partners, 2001–2007 Q1 (percentage increase over previous year—period average)

	2001	2002	2003	2004	2005	2006	Q2	Q3	2006 Q4	2007 Q1
Selected ASEAN countries										
Cambodia	-0.6	3.2	1.2	4.0	5.8	4.7	4.5	4.9	3.4	3.0
Indonesia	11.5	13.2	8.3	8.3	10.5	13.4	15.5	14.9	6.1	6.4
Malaysia	1.4	1.8	1.1	1.6	3.1	3.7	4.1	3.6	3.1	2.6
Singapore	1.0	-0.4	0.5	1.7	0.5	1.0	1.2	0.7	0.6	0.5
Thailand	1.7	0.6	1.8	2.7	4.5	4.7	6.0	3.6	3.3	2.4
Vietnam	-0.4	3.8	3.1	7.8	8.2	-	-	-	-	-
Selected other Asian countries										
China	0.9	-0.7	1.2	3.9	1.8	1.5	1.4	1.4	1.8	2.6
Hong Kong	-1.3	-3.0	-2.6	-0.4	1.1	2.2	2.1	2.3	2.2	1.7
South Korea	4.4	2.7	3.5	3.5	2.8	2.4	2.3	2.5	2.4	2.0
Taiwan	-0.01	-0.2	-0.3	1.6	2.3	0.6	1.5	-0.3	-0.1	1.0
Selected industrial countries										
Euro-12	2.6	2.2	2.1	2.2	2.2	2.1	2.3	2.1	1.8	1.9
Japan	-0.6	-0.9	-0.3	Nil	-0.3	0.5	0.7	0.6	0.3	-0.1
United States	2.8	1.6	2.3	2.7	3.4	3.2	4.0	3.3	1.9	2.4

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

Table 3. Exchange Rates of Selected Trading Partners, against US Dollar, 2001–2007 Q1 (period averages)

	2001	2002	2003	2004	2005	2006	Q2	Q3	2006 Q4	2007 Q1
Selected ASEAN countries										
Cambodia (riel)	3916.3	3912.1	3973	4016.3	4092.5	4103.2	4095.3	4125.0	4111.3	4046.7
Indonesia (rupiah)	10,261	9311	8577	8938	9705	9134	9115	9122	9125	9107
Malaysia (ringgit)	3.80	3.80	3.80	3.80	3.79	3.67	3.65	3.67	3.62	3.50
Singapore (S\$)	1.79	1.79	1.74	1.69	1.66	1.59	1.59	1.58	1.56	1.53
Thailand (baht)	44.4	42.9	41.5	40.2	40.2	37.9	38.1	37.7	36.5	33.9
Vietnam (dong)	14,725	15,280	15,510	-	15,859	15,994	15,964	16,015	16,077	-
Selected other Asian countries										
China (yuan)	8.28	8.28	8.28	8.28	8.19	7.97	8.01	7.97	7.86	7.76
Hong Kong (HK\$)	7.80	7.80	7.78	7.79	7.78	7.77	7.76	7.78	7.78	7.81
South Korea (won)	1291	1251	1192	1145	1024	955	949	955	938	939
Taiwan (NT\$)	33.8	34.5	34.4	33.6	32.1	32.5	32.2	32.8	32.8	32.9
Selected industrial countries										
Euro-12 (euro)	1.12	1.06	0.89	0.80	0.80	0.80	0.80	0.78	0.78	0.76
Japan (yen)	121.5	125.4	115.9	108.2	110.2	116.4	114.5	116.3	117.8	119.4

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

Table 4. Selected Commodity Prices on World Market, 2001–2007 Q1 (period averages)

	2001	2002	2003	2004	2005	2006	2006			2007
							Q2	Q3	Q4	Q1
Maize (USNo.2)—USA (\$/tonne)	81.18	89.98	95.42	110.65	89.19	111.04	99.95	108.67	140.18	154.33
Palm oil—north-west Europe (\$/tonne)	259.13	353.91	402.03	427.47	381.32	433.85	397.87	446.85	494.92	552.06
Rice (Thai 100% B)—Bangkok (\$/tonne)	160.81	178.59	182.22	221.67	262.88	282.00	283.86	289.91	279.10	294.17
Soybeans (US No.1)—USA (\$/tonne)	163.89	182.58	218.86	262.03	224.25	213.88	207.02	207.38	230.17	255.33
Crude oil—Dubai (\$/barrel)	22.8	23.9	26.8	33.5	50.14	61.58	65.03	67.00	56.39	54.21
Gasoline—US Gulf Coast (cents/litre)	19.5	19.1	23	30.9	42.19	47.70	55.89	52.70	41.02	41.71
Diesel (low sulphur No.2)—US Gulf Coast (cents/litre)	18.72	17.85	21.63	29.48	44.35	51.35	55.89	55.66	46.11	45.61

Sources: Food and Agriculture Organisation and US Energy Information Administration

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Main Economic Activities

Falling private investment project approvals in the first quarter of 2007 limited domestic economic performance because this sector is a strong driver of economic development. However, construction project approvals and tourist arrivals both increased from the previous quarter, while the trade deficit rose considerably.

Investment project approvals totalled USD497.5 m, a decrease of 49 percent from the preceding quarter. Investment approvals for agriculture dropped by 88 percent to USD19.1 m and for services by 55 percent to USD335.7 m, while approvals for industry increased by 86 percent to USD142.7 m. Investment project approvals for the agriculture sector were wholly agro-industrial in this period. Of the industry investment approvals, projects for the garment sub-sector were 26 percent or USD36.6 m, an increase of 41 percent from the preceding quarter. Tourism projects were the major driver in services investment approvals, which amounted to USD140.3 m, a fall of 56 percent. In first quarter 2007, 25 projects were approved, of which two were in agriculture; this sector will require 1965 new workers. Industrial approvals were for 17 projects, which will absorb 29,789 workers. Services approvals were six projects, requiring 3575 workers. Compared to the same quarter in 2006, the value of total fixed asset investment approvals doubled. Project approvals in services increased by six times the value in first quarter 2006 and in industry increased by four times, while project approvals in agriculture decreased 85 percent. Competitive advantages for investment in Cambodia are low production costs as well as exports to both the US and EU are not entitle to quota restriction. Most garment factories today have foreign owners; of the value of total fixed asset investment approvals in first quarter 2007, 57 percent was for applications by foreign investors.

Construction project approvals in Phnom Penh were valued at USD90.4 m in the first quarter of 2007, an increase of 16 percent from the previous quarter. Flat construction approvals increased by 10 percent to USD59.9 m and villa and house construction approvals by 12 percent to USD10.9 m. Compared to the same quarter of 2006, total construction approvals rose by 34 percent, of which the approvals for flat constructions increased by 50 percent and villas and houses by 7.9 percent. Actual construction in Phnom Penh in 2006 was valued at USD306.6 m (685 projects), of which 86 percent sought prior authorisation to build from Phnom Penh Municipality and the rest were built without seeking authorisation.

Cambodia's trade deficit increased by 18 percent from the preceding quarter, to USD83.1 m. Exports declined for the second consecutive quarter after a rise

in third quarter 2006, and imports also went down after increasing for several quarters. In first quarter 2007, total exports decreased by 3.9 percent to USD707.8 m. Garment exports, which include clothing, shoes and other textile products, dropped by 5.4 percent to USD677.5 m. Both wood and fish exports increased by 30 percent, to USD2.1 m and USD0.7 m respectively, while rubber exports decreased 20 percent to USD8.4 m. Cambodian total exports increased by 17 percent from the same quarter of 2006, garment exports rising by 20 percent while agricultural exports fell by 13 percent.

Imports to Cambodia decreased by 2.0 percent from the preceding quarter to USD790.9 m, after rising for three quarters. Food, beverage and tobacco imports decreased by 1.6 percent to USD42.3 m, while construction materials rose by 24 percent to USD44.1 m. Gasoline imports increased by 4.4 percent to USD15.7 m and diesel imports by 18 percent to USD31.9 m. By volume, gasoline imports rose by 20 percent to 50,850 tonnes and diesel imports by 21 percent to 115,740 tonnes. Total imports went up by 15 percent compared to the same quarter of 2006.

Visitor arrivals to Cambodia in first quarter 2007 were 550,813, an increase of 6.7 percent from the previous quarter and 20 percent from the same quarter of 2006. Visitor arrivals by air increased by 36 percent from the same quarter in 2006 to 373,594. Siem Reap International Airport received 43 percent of total arrivals by air and 59 percent of total visitors to Siem Reap. Arrivals by land were 162,547, a decrease of 3.8 percent from the same quarter last year, while arrivals by water increased 13 percent to 14,672. Holiday arrivals were 90 percent of the total arrivals. South Korea topped the list of visitors with 118,597, followed by Japan, the USA and Taiwan.

Public Finance

The state budget reporting process was changed in January 2007, according to the Ministry of Economy and Finance (MEF). The components of current expenditure are now reported under the headings wages; government purchases; subsidies and social assistance; and other services, instead of spending by ministries, as reported previously. There are few changes in the presentation of current revenue in the MEF's report. In January, the only data available for first quarter 2007, the government budget surplus was KHR65.4 bn, compared to a deficit of KHR128.7 bn in the same period in 2006. Total revenue collection was KHR258.0 bn in January, of which tax revenue was 86 percent or KHR222.5 bn. Domestic taxes, which include income, profit, turnover, taxes on specific goods and services and other taxes, were 68 percent of total tax revenue. Tax on international trade, which

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comprises duties on import and exports, was KHR72.2 bn. Non-tax revenue was KHR35.5 bn or 14 percent of total revenue collection; property income was 8.2 percent of total non-tax revenue and sale of government goods and services was 85 percent. Capital revenue was nil in January.

Budget expenditure amounted to KHR101.7 bn in January. Current expenditure was KHR25.8 bn, of which government wages were 53 percent, subsidies and social assistance 15 percent and financial charges 6.2 percent. In the same period, capital expenditure was KHR76.0 bn; most was funded externally and only 1.8 percent was financed domestically.

Inflation and Foreign Exchange Rates

Overall prices in Phnom Penh in first quarter 2007 dropped by 0.6 percent from the previous quarter. Transportation and communication fell by 1.1 percent, food, beverages and tobacco by 2.0 percent and clothing and footwear by 0.5 percent, while housing and utilities increased by 0.2 percent, medical care by 0.3 percent and personal care by 0.6 percent. During the dry season, in the first quarter of 2007, overall prices increased by 2.9 percent compared to the same quarter in 2006; medical care increased by 2.4 percent, food, beverages and tobacco by 3.0 percent; clothing and footwear by 3.5 percent and transportation and communication by 5.2 percent.

The riel appreciated after depreciating in third quarter 2006 and appreciating in the fourth quarter; the exchange rate between the riel and US dollar in the first quarter 2007 was 4063 riel/USD, an appreciation of 1.6 percent from the preceding quarter. Against the Thai baht, the riel depreciated by 0.8 percent, trading at 113.7, while against the Vietnamese dong, it appreciated by 1.1 percent to 24.6 riels per 100 dong. Compared to the same quarter last year, the riel increased against the US dollar and Vietnamese dong by 0.8 percent and 3.2 percent, respectively, while it depreciated by 10.0 percent in trading with the Thai baht.

Monetary Developments

Net domestic assets consist of domestic credit and "other". "Other" usually is negative, being liabilities of the banking system; this component usually causes net domestic assets to have a negative sign also. In first quarter 2007, net domestic assets were negative KHR263.1 bn, an improvement of 66 percent from the same quarter in 2006, while "other" worsen by 16 percent to KHR3155.2 bn. In the same period, domestic credit increased by 43 percent to KHR2892.1 bn, of which government credit increased by 7.4 percent to KHR298.0 bn and private credit by 46 percent to KHR4067.7 bn, while government deposits

rose by 43 percent to KHR1473.5 bn. Net foreign assets went up by 26 percent from the same period in 2006 to KHR8056.3 bn. Net assets of the banking system provided total liquidity (M2) of KHR7793.2 bn, an increase of 36 percent from first quarter 2006. M2 comprises liabilities of the banking system, namely currency outside banks, which rose by 24 percent to KHR1733.6 bn; riel bank deposits, which fell by 3.9 percent to KHR154.8 bn; and foreign currency deposits, which climbed 42 percent to KHR5904.7 bn.

Poverty Situation—Real Daily Earnings of Vulnerable Workers

In May 2007, real daily earnings of the 10 groups of vulnerable workers increased by 16 percent to 8240 riels compared to the same period in 2006 (see table). However, unskilled workers' earnings decreased by five percent and rice field workers' by one percent.

Daily earnings of motorcycle taxi drivers increased by 47 percent relative to the same period in 2006, to 12,800 riels. The increase was due to more time worked i.e., 11 hours a day, and greater demand. Sixty percent of interviewees rented accommodation, 10 percent stayed with relatives, and others had homes in or surrounding the city. Moreover, 95 percent of motorcycle taxi drivers said that their families were now better off, while the other five percent had experienced no improvement since they began working in the city. Forty-five percent of motorcycle taxi drivers have worked more than five years, 37.5% worked from 3 - 5 years and 17.5% less than three years. Ninety-five percent reported that their earnings were insufficient to finance a new business if they left their present job.

The real daily earnings of skilled construction workers rose 21 percent compared to the same period last year. Sixty-eight percent of skilled workers indicated that the number of construction projects in the city had increased rapidly, so there was more work than last year. Skilled workers spent approximately 3500 riels for daily food and about 130,000 riels per month. Ninety-five percent of skilled workers were from rural areas, and 45 percent were single. In contrast, the daily earnings of unskilled workers declined by 5 percent compared to May 2006. Seventy-seven percent of interviewees said that the reason their earnings declined was an increasing number of workers. However, 38 percent of unskilled workers expressed the view that their families were better off since they came to work in the city.

Daily earnings of scavengers were 5533 riels, a 23 percent increase compared to the survey last year and 22 percent higher than three months ago. The prices of scrap increased during the three months to May, 60 percent of

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scavengers reported. Ninety-five percent said that from their earnings they could not save enough to set up a new business. Forty-three percent of scavengers borrowed money from middlemen or NGOs when their families lacked food or suffered illness.

Cyclo drivers' earnings rose by eight percent, from 8546 riels a year earlier to 9250 riels. Cyclo drivers spent more time, about 11 hours per day, to improve their earnings. Some others had permanent clients, who were usually traders in markets. Despite this, most cyclo drivers complained that they could not save enough to establish another business. Fifty-five percent said that their family's livelihood was the same, 10 percent said that it was worse, and 35 percent said it was better in this occupation.

The daily earnings of small vegetable traders were 8950 riels, a 38 percent increase compared to May 2006. Eighteen percent of small traders were single; they played an important role in helping to support their families. Most small traders reported that their families were better off since they began trading.

Daily earnings of garment workers rose by 6 percent compared to a year earlier, from 7860 riels to 8350 riels. Most said that they worked more than 48 hours per week. Forty-six percent reported that they can earn from USD56 to USD70 per month, and 26 percent earned over USD70 per month. The survey found that 35 percent of garment workers have worked for the same business for more than five years, 39 percent have worked from 2 – 5 years, 12 percent have worked one to two years and 14 percent have one year. Thirteen percent of garment workers responded

that they can save some money to support their families, while the others provided only temporary support.

The surveys of waitresses/waiters revealed that their daily earnings fell by one percent compared to May 2006. Fifty-seven percent sent some money home to support their families; therefore, most of their families had an improved livelihood.

The daily earnings of rice field workers remained stable compared to the same period in 2006, at 4530 riels. Seventy percent of rice field workers indicated that their families' lives had continued at the same level. Sixty-five percent spent most of their earnings on food, and the others spent most of their income on health care. Additionally, 43 percent said that they borrowed money from landowners, to be paid back with their labour.

Prepared by Pon Dorina and Phann Dalis

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(Analysing Development Issues-Cooperation Committee for Cambodia), on 30 August CDRI co-hosted a research dissemination workshop on people's responses to natural disasters. CDRI also co-hosted the IDRC All Partner Forum on 12-13 September to improve the coordination and focus of the IDRC research assistance to Cambodia.

The Moving Out of Poverty Study was finalised and printed in September. A new project on trade and the environment, funded by the Geneva-based Trade Knowledge Network, was begun in September.

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Economy Watch—Indicators

Table 1. Private Investment Projects Approved, 1999–2007

	1999	2000	2001	2002	2003	2004	2005	2006				2007
								Q1	Q2	Q3	Q4	Q1
	Fixed Assets (USD m)											
Agriculture	63.9	9.8	0.4	40.3	3.7	12.3	26.8	126.5	216.9	0.0	154.6	19.1
Industry	162.6	109.4	105.2	67.7	137.2	189.2	912.6	40.1	76.9	171.7	76.6	142.7
. Garments	67.7	81.5	26.5	27.2	68.1	133.9	152.0	30.5	9.6	23.2	26.1	36.6
Services	222.6	150.1	118.4	145.3	168.4	92.0	155.5	60.7	2,043.2	94.5	740.7	335.7
. In telecommunications	171.8	79.8	73.8	47.1	124.1	55.9	102.6	0.0	26.2	3.5	315.3	140.3
Total	449.1	269.2	224.0	253.3	309.3	293.5	1094.9	227.3	2,337.0	266.2	971.9	497.5
Total	-	-	-	-	-	-	-	90.7	928.1	-88.6	265.1	-48.8
Total	-47.6	-40.0	-16.8	13.1	22.1	-5.1	273.0	-52.2	2331.2	-34.1	715.4	118.9

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

Table 2. Value of Construction Project Approvals in Phnom Penh, 1999–2007

	1999	2000	2001	2002	2003	2004	2005	2006				2007
								Q1	Q2	Q3	Q4	Q1
	USD m											
Villas and houses	20.0	16.4	15.9	23.4	20.0	30.3	45.5	10.1	5.7	7.6	9.7	10.9
Flats	290.5	174.8	167.8	179.9	91.6	167.6	204.2	39.9	51.8	67.1	54.5	59.9
Other	16.4	14.2	12.6	16.6	87.3	65.6	109.1	17.4	24.7	20.8	13.9	19.5
Total	326.9	205.4	196.3	219.9	198.9	263.5	358.8	67.4	82.2	95.5	78.2	90.4
Total	-	-	-	-	-	-	-	-6.2	22.2	16.1	-18.1	15.6
Total	18.7	-37.2	-4.4	12.0	-9.5	32.5	36.2	-36.5	-21.2	24.8	8.9	34.2

Source: Department of Cadastre and Geography of Phnom Penh municipality

Table 3. Exports and Imports, 1999–2007

	1999	2000	2001	2002	2003	2004	2005	2006				2007
								Q4	Q1	Q2	Q3	Q4
	USD m											
Total exports	941.1	1056.2	1268.2	1453.2	1708.1	2108.1	644.8	603.2	652.5	807.5	736.7	707.8
Of which: Garment	554.0	962.1	1202.2	1355.8	1628.4	2027.0	601.0	568.5	632.4	782.0	716.0	677.5
. To US	486.0	714.1	840.9	943.4	1099.8	1270.9	408.1	402.5	438.6	522.8	483.2	499.1
. To EU	-	228.1	323.3	356.3	414.7	590.8	145.3	110.6	142.2	188.1	160.1	106.3
. To rest of the world	68.0	19.9	38.0	56.1	113.8	165.3	47.5	55.3	51.6	71.0	72.8	72.0
Agriculture	-	94.2	66.0	97.3	79.7	81.2	43.8	34.7	20.2	25.5	20.7	30.3
. Rubber	-	29.6	25.9	29.7	35.1	38.3	13.4	7.8	9.8	13.6	10.2	8.4
. Wood	-	32.9	22.3	16.0	10.2	11.1	2.0	2.1	2.3	2.5	1.7	2.1
. Fish	-	5.4	6.0	4.3	2.8	10.6	6.6	1.9	1.0	1.6	1.4	0.7
. Other	-	26.2	11.8	47.4	31.6	21.3	21.9	22.9	7.0	7.7	7.5	19.0
Total imports	1237.4	1417.7	1501.4	1707.8	1824.9	2149.0	691.1	690.7	774.9	784.3	807.1	790.9
Of which: Gasoline	-	-	-	25.9	33.2	30.2	10.7	10.9	12.4	13.1	13.2	15.7
Diesel	-	-	-	100.8	109.6	109.4	21.1	32.5	32.2	30.1	27.2	31.9
Construction materials	-	-	-	12.9	80.8	95.3	26.2	37.0	39.1	42.5	35.8	44.1
Other	-	-	-	1568.2	1601.3	1914.0	633.1	610.3	691.2	698.5	731.0	699.2
Trade balance	-296.3	-361.5	-233.2	-254.6	-116.8	-40.9	-46.3	-87.5	-122.4	23.2	-70.4	-83.1
Total garment exports	-	-	-	-	-	-	-15.3	-5.4	11.2	23.7	-8.4	-5.4
Total exports	-	-	-	-	-	-	-11.7	-6.4	8.2	23.7	-8.8	-3.9
Total imports	-	-	-	-	-	-	9.3	-0.03	12.2	-1.6	5.9	-2.0
Total garment exports	47.0	74.0	24.9	12.8	20.1	24.5	15.5	27.8	27.1	10.2	19.1	19.2
Total exports	20.0	12.2	20.1	14.6	17.5	23.4	18.3	30.3	26.7	10.6	14.3	17.3
Total imports	11.3	14.6	5.9	13.7	6.9	17.8	26.1	32.6	15.6	20.9	16.8	14.5

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

Table 4. Foreign Visitor Arrivals in Cambodia, 1999–2007

	1999	2000	2001	2002	2003	2004	2005	2006				2007
								Q1	Q2	Q3	Q4	Q1
	Thousands of passengers											
By air	262.9	351.7	408.4	523.0	456.0	626.1	856.5	275.4	204.4	224.2	325.0	373.6
By land and water	104.8	114.7	196.5	263.5	245.0	428.9	565.1	181.9	153.6	146.4	191.0	177.2
Total	367.7	466.4	604.9	786.5	701.1	1055.0	1421.6	457.3	358.0	370.6	516.0	550.8
Total	-	-	-	-	-	-	-	9.9	-21.7	4.1	39.2	6.7
Total	28.3	26.8	29.7	30.0	-10.9	50.5	34.7	20.2	21.2	14.7	24.1	20.4

Source: Ministry of Tourism

Economy Watch—Indicators

Table 5. National Budget Operations on Cash Basis, 1998–2007 (Billions of riels)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007			
										Q2	Q3	Q4	Q1*
Total revenue	920	1326	1528	1530	1744	1764	2126	2625	731.5	732.2	1199.2	258.0	
Current revenue	-	-	-	1521	1728	1733	2107	2474	726.9	716.8	844.4	258.0	
Tax revenue	676	956	1096	1096	1227	1220	1577	1911	558.6	565.8	661.3	222.5	
Customs duties	376	432	376	376	424	395	513	5,73	151.7	157.2	200.0	-	
Domestic tax	-	-	-	-	-	-	-	-	-	-	-	150.3	
Taxes on international trade	-	-	-	-	-	-	-	-	-	-	-	72.2	
Non-tax revenue	204	348	424	424	501	513	530	563	168.3	151.0	183.1	35.5	
Forest exploitation	20	36	28	29	15	7	2	3	0.7	0.3	0.9	-	
Posts & telecommunications	88	108	124	122	123	120	94	123	30.0	11.7	30.0	-	
Property income	-	-	-	-	-	-	-	-	-	-	-	2.9	
Sale of goods and services	-	-	-	-	-	-	-	-	-	-	-	30.3	
Capital revenue	36	12	8	9	16	31	19	152	4.6	15.4	354.7	0.0	
Total expenditure	1348	1788	2332	2332	2948	2757	2932	3295	1012.0	924.0	1078.4	101.7	
Capital expenditure	368	624	976	977	1388	1171	1163	1328	386.6	317.2	349.8	76.0	
Current expenditure	980	1164	1356	1355	1560	1586	1769	1967	625.4	606.9	728.7	25.8	
Education and Health	132	280	344	343	454	473	518	351	202.3	150.1	281.3	-	
Defence and Security	448	464	404	405	438	411	423	451	116.7	155.3	170.1	-	
Other ministries	332	412	636	637	668	702	828	1165	306.4	301.5	277.3	-	
Wages	448	518	517	509	587	615	640	711	210.3	230.6	240.6	13.7	
Subsidy and Social assistance	-	-	-	-	-	-	-	-	-	-	-	4.0	
Overall balance	-428	-462	-804	-802	-1,204	-993	-806	-706	-280.5	-191.9	120.7	65.4	
Foreign financing	268	416	768	766	1,249	886	864	1127	333.3	228.6	296.5	78.8	
Domestic financing	112	60	36	37	-45	106	148	-396	-52.8	-36.7	-417.2	-261.3	

* Provisional for 2007. * ខែ វិច្ឆិកា ឆ្នាំ 2007.

Table 6. Consumer Price Index (change), Exchange Rates and Gold Prices (period averages), 1999–2007

	1999	2000	2001	2002	2003	2004	2005	2006	2007				
									Q1	Q2	Q3	Q4	Q1
Consumer price index (percentage change over previous year)													
Provinces	5.8	5.4	-0.1	0.9	4.4	14.4	16.4	15.8	12.0	8.5	7.2	4.3	
Phnom Penh - All Items	4.0	-0.8	0.2	3.3	1.1	3.9	5.8	6.1	4.5	4.9	3.4	3.0	
- Foods	7.6	-3.4	-2.5	1.8	1.5	6.4	8.6	10.6	6.3	5.8	3.3	3.0	
- Transportation	3.5	6.6	-4.2	0.3	4.9	9.7	11.4	9.7	10.0	10.1	6.8	5.2	
Exchange rates, gold and oil prices (Phnom Penh market rates)													
Riels per US dollar	-	3840.8	3916.3	3912.1	3973.3	4016.3	4119.7	4094.8	4106.6	4145.3	4129.4	4063.0	
Riels per Thai baht	-	95.8	88.2	91.1	95.8	99.9	102.6	103.5	108.0	110.3	113.0	113.7	
Riels per 100 Vietnamese dong	-	27.1	26.6	25.6	25.6	25.5	25.8	25.4	25.0	24.9	25.0	24.6	
Gold prices (US dollars per chi)	36.0	33.3	32.8	36.8	41.4	46.3	54.0	64.2	72.2	73.0	72.8	77.7	
Diesel (riels/litre)	1,065	1105	1329	1521	1508	2088	2633	2867	3110	3333	3250	3067	
Gasoline (riels/litre)	1,613	1760	2113	2084	2150	2833	3442	3767	4000	4200	4050	3750	

Sources: CDRI, Ministry of Planning, Ministry of Economy and Finance.

Table 7. Monetary Survey, 1999–2007 (end of period)

	1999	2000	2001	2002	2003	2004	2005	2006	2007				
									Q1	Q2	Q3	Q4	Q1
Billions of riels													
Net foreign assets	2019	2589	3080	3737	4027	4797	5475	6410	6682	6958	7224	8056	
Net domestic assets	-576	-759	-876	-849	-698	-467	-450	-699	-637	-497	-282	-263	
Net claims on government	103	3	-75	-119	-128	-209	-421	-755	-831	-892	-953	-1176	
Credit to private sector	763	898	936	1059	1337	1817	2394	2778	2997	3288	3628	4066	
Total liquidity	1443	1830	2204	2888	3329	4330	5025	5711	6045	6461	6942	7793	
Money	531	540	609	813	937	1153	1323	1449	1512	1563	1658	1794	
Quasi-money	912	1290	1595	2075	2392	3177	3702	4262	4533	4898	5285	5999	
Percentage change over previous year													
Total liquidity	17.3	26.8	20.4	31.0	15.2	30.0	16.1	27.0	30.6	29.4	38.2	36.5	
Money	-2.2	1.7	12.8	33.5	15.3	23.0	14.7	20.9	24.4	22.2	25.3	23.9	
Quasi-money	32.7	41.4	23.6	30.0	15.2	32.8	16.6	33.6	32.8	31.9	42.7	40.7	

Source: National Bank of Cambodia.

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

	Daily earnings (riels)										Change over previous year (%)			
	2000		2003		2004		2005		2006		2007		2007	
	Nov	May	Nov	May	Nov	May	Nov	May	Nov	May	Nov	Feb	May	
Cyclo drivers	7594	8572	7614	7469	8546	6063	7393	6534	9245	-5	-17	8		
Porters	6233	6676	6895	6545	7375	5238	7045	6010	9798	9	-8	33		
Small vegetable sellers	5256	6532	6947	6000	6492	5197	6125	6125	11178	-27	-1	38		
Scavengers	2718	3944	4446	4416	4512	4266	3903	4530	5533	-19	-9	23		
Waitresses*	2111	4932	4448	4426	4243	4292	4498	4078	5150	16	-13	21		
Rice field workers	4198	4177	4139	4365	4541	4137	4653	4126	4278	10	0	0		
Garment workers	6701	9577	9277	8816	7860	9264	8957	11146	8347	3	21	6		
Motorcycle taxi drivers	8610	10092	9204	8201	8790	6744	8386	9144	12886	-13	3	47		
Unskilled construction workers	5399	6558	6382	5918	6407	6028	5263	5094	6075	-21	-15	-5		
Skilled construction workers	13127	13111	12679	10316	9833	9466	10215	10146	11892	-9	-14	21		

* 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.