

Economy Watch—External Performance

World Economic Growth

This section highlights economic progress of major economies in the world as well as most economies in East Asia on a quarterly basis. The development of these economies is of particular relevance to the Cambodian economy.

US real GDP in the third quarter of 2007 grew by 4.9 percent from the same quarter a year earlier. This primarily reflected positive contributions from exports, personal consumption expenditure, private inventory investment, equipment and software, federal government spending, non-residential structures and state and local government spending. The real GDP of the euro zone in third quarter 2007 grew by 2.7 percent compared to the same period a year earlier and by 0.8 percent compared to the previous quarter. Japanese real GDP grew by 1.9 percent from a year earlier and by 0.3 percent compared to the previous quarter.

The Chinese economy in third quarter 2007 grew by 11.4 percent from the same period last year, a slight slowing from the second quarter. This primarily reflected strong growth in industry, services, exports and investment. The real GDP of South Korea in the third quarter grew by 5.2 percent from a year earlier and by 1.3 percent compared to the previous quarter. The growth of manufacturing and services accelerated while the growth of construction slowed down. On the expenditure side, the rate of increase of goods exports continued high and that of private consumption accelerated while construction and facilities investment both slowed. The real GDP of Taiwan and Hong Kong in third quarter 2007 grew by 6.9 percent and 6.2 percent, respectively, compared to the same period a year earlier.

The Malaysian economy was up by 6.7 percent in third quarter 2007, compared to the same period a year earlier. The robust performance was attributed to an increase in services (10.5 percent) and manufacturing (3.4 percent). The Singapore economy grew by 8.9 percent in the third quarter, compared to the same period a year earlier. The fastest growing sectors were manufacturing (led by biomedicine and transport engineering), financial services and construction. Thai real GDP in the third quarter 2007 was up 4.8 percent compared to the same period in 2006. Agriculture grew by 1.7 percent, down from a 7.5 increase in the previous quarter, while non-agricultural output was

up 5.0, compared to 4.0 percent in the previous quarter.

World Inflation and Exchange Rates

In third quarter 2007, year-on-year consumer prices in the US increased by 2.4 percent. This was due to higher charges for food, medical care, housing, education, communication and energy. In the euro zone, the inflation rate was 1.9 percent, unchanged from a quarter earlier. Available information suggests that the energy component, and in particular a strong base effect from the substantial decrease in energy prices one year earlier, contributed significantly to the estimated increase in third quarter 2007. During the same period, in Japan consumer prices dropped by 0.1 percent from a year earlier for the third consecutive quarter. This largely reflected the drop in costs of overseas package tours and prices of household electronic equipment. However, the rate of change would have been close to zero, if petroleum products and other special factors had been excluded.

In foreign exchange markets, the US dollar lost value against major currencies in the third quarter of 2007. Against the Japanese yen, the dollar traded at 117.7 JPY/USD, a depreciation from 120.8 in the second quarter. The US dollar depreciated against the euro, the Chinese yuan and the South Korean won, exchanging at 0.73 EUR/USD, 7.55 CNY/USD and 927 KRW/USD, from 0.74 EUR/USD, 7.68 CNY/USD and 929 KRW/USD, respectively, in the second quarter. The currency declined as traders increased bets the Federal Reserve would continue to cut interest rates to revive the ailing economy.

Commodity Prices in World Markets

The prices of palm oil, soybeans, rice, crude oil and diesel rose, while the prices of maize and gasoline went down. Palm oil sold at USD745.86/tonne, up from USD691.44 in the second quarter, while maize and soybeans sold at USD139.81 and USD299.99/tonne, respectively. The price of white rice, Thai 100% B second grade, in the Bangkok market was USD283.89/tonne, up from 283.89 in the second quarter. The price of crude oil in the third quarter increased by 11 percent from the previous quarter to USD72.48/barrel. The price of gasoline decreased by 4.2 percent from the previous quarter to US 55.49 cents/litre, while the price of diesel rose by 5.0 percent to US 55.62 cents/litre.

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there would be a new MOU to deal with farm workers near the border.

Generally speaking, there have to be incentives for employers to cooperate or disincentives for not cooperating. There is a belief among some interviewees that some Thai employers prefer hiring undocumented workers because there are benefits from doing so. They can mistreat these

workers if they wish. There are accounts that, shortly before pay-day, employers collaborate with the police to chase away workers and then share their wages with the police. If true, this would suggest that employers in Thailand need incentives to inform their irregular workers to register or to be punished for failing to do so.

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Economy Watch—External Performance

Table 1. Real GDP Growth of Selected Trading Partners, 2002–2007 (percentage increase over previous year)

	2002	2003	2004	2005	2006	2006		2007		
						Q3	Q4	Q1	Q2	Q3
Selected ASEAN countries										
Cambodia	4.8	7	7.7	13.4	10.6	-	-	-	-	-
Indonesia	3.8	4.9	5.1	5.6	5.4	5.5	6.1	-	-	-
Malaysia	5.6	5.4	7	5.2	5.9	5.8	5.7	5.3	5.7	6.7
Singapore	2.6	1.4	8.5	5.7	7.7	7.1	7.0	6.0	8.2	8.9
Thailand	6.1	6.9	6	4.5	4.8	4.7	4.2	4.3	4.4	4.8
Vietnam	6.7	7	7.5	8.4	8.1	-	-	-	-	-
Selected other Asian countries										
China	8.1	9.9	9.5	9.6	10.5	10.4	10.7	11.1	11.5	11.4
Hong Kong	5.0	3.2	8.3	6.5	6.6	6.8	7.0	5.6	6.9	6.2
South Korea	6.1	3	4.7	4.7	5.0	4.8	5.0	4.0	4.5	5.2
Taiwan	4.2	3.1	5.7	4.1	4.6	5.0	4.0	4.1	5.07	6.9
Selected industrial countries										
Euro-12	0.7	0.5	1.8	1.5	2.7	2.6	3.3	3.0	2.5	2.7
Japan	0.4	2.6	3.4	2.5	2.1	2.7	2.3	2.2	2.3	1.9
United States	2.4	3.1	4.4	3.7	3.3	3.3	3.1	1.5	3.8	4.9

Sources: International Monetary Fund, *Economist* and countries' statistic offices

Table 2. Inflation Rate of Selected Trading Partners, 2002–2007 (percentage increase over previous year—period average)

	2002	2003	2004	2005	2006	2006		2007		
						Q3	Q4	Q1	Q2	Q3
Selected ASEAN countries										
Cambodia	3.2	1.2	4.0	5.8	4.7	4.9	3.4	3.0	4.6	-
Indonesia	13.2	8.3	8.3	10.5	13.4	14.9	6.1	6.4	-	-
Malaysia	1.8	1.1	1.6	3.1	3.7	3.6	3.1	2.6	1.4	1.8
Singapore	-0.4	0.5	1.7	0.5	1.0	0.7	0.6	0.5	1.0	2.7
Thailand	0.6	1.8	2.7	4.5	4.7	3.6	3.3	2.4	1.9	1.7
Vietnam	3.8	3.1	7.8	8.2	-	-	-	-	-	-
Selected other Asian countries										
China	-0.7	1.2	3.9	1.8	1.5	1.4	1.8	2.6	3.6	6.1
Hong Kong	-3.0	-2.6	-0.4	1.1	2.2	2.3	2.2	1.7	1.3	1.6
South Korea	2.7	3.5	3.5	2.8	2.4	2.5	2.4	2.0	2.4	2.3
Taiwan	-0.2	-0.3	1.6	2.3	0.6	-0.3	-0.1	1.0	0.3	1.4
Selected industrial countries										
Euro-12	2.2	2.1	2.2	2.2	2.1	2.1	1.8	1.9	1.9	1.9
Japan	-0.9	-0.3	Nil	-0.3	0.5	0.6	0.3	-0.1	-0.1	-0.1
United States	1.6	2.3	2.7	3.4	3.2	3.3	1.9	2.4	2.7	2.4

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

Table 3. Exchange Rates of Selected Trading Partners against US Dollar, 2002–2007 (period averages)

	2002	2003	2004	2005	2006	2006		2007		
						Q3	Q4	Q1	Q2	Q3
Selected ASEAN countries										
Cambodia (riel)	3912.1	3973	4016.3	4092.5	4103.2	4125.0	4111.3	4046.7	-	-
Indonesia (rupiah)	9311	8577	8938	9705	9134	9122	9125	9107	-	-
Malaysia (ringgit)	3.80	3.80	3.80	3.79	3.67	3.67	3.62	3.50	3.43	3.46
Singapore (S\$)	1.79	1.74	1.69	1.66	1.59	1.58	1.56	1.53	1.52	1.52
Thailand (baht)	42.9	41.5	40.2	40.2	37.9	37.7	36.5	33.9	32.5	31.4
Vietnam (dong)	15,280	15,510	-	15,859	15,994	16,015	16,077	-	-	-
Selected other Asian countries										
China (yuan)	8.28	8.28	8.28	8.19	7.97	7.97	7.86	7.76	7.68	7.55
Hong Kong (HK\$)	7.80	7.78	7.79	7.78	7.77	7.78	7.78	7.81	7.82	7.81
South Korea (won)	1251	1192	1145	1024	955	955	938	939	929	927
Taiwan (NT\$)	34.5	34.4	33.6	32.1	32.5	32.8	32.8	32.9	33.1	32.9
Selected industrial countries										
Euro-12 (euro)	1.06	0.89	0.80	0.80	0.80	0.78	0.78	0.76	0.74	0.73
Japan (yen)	125.4	115.9	108.2	110.2	116.4	116.3	117.8	119.4	120.8	117.7

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

Table 4. Selected Commodity Prices on World Market, 2002–2007 (period averages)

	2002	2003	2004	2005	2006	2006		2007		
						Q3	Q4	Q1	Q2	Q3
Maize (USNo.2)—USA (\$/tonne)	89.98	95.42	110.65	89.19	111.04	108.67	140.18	154.33	146.10	139.81
Palm oil—north-west Europe (\$/tonne)	353.91	402.03	427.47	381.32	433.85	446.85	494.92	552.06	691.44	745.86
Rice (Thai 100% B)—Bangkok (\$/tonne)	178.59	182.22	221.67	262.88	282.00	289.91	279.10	294.17	283.89	304.75
Soybeans (US No.1)—USA (\$/tonne)	182.58	218.86	262.03	224.25	213.88	207.38	230.17	255.33	259.95	299.99
Crude oil—Dubai (\$/barrel)	23.9	26.8	33.5	50.14	61.58	67.00	56.39	54.21	65.41	72.48
Gasoline—US Gulf Coast (cents/litre)	19.1	23	30.9	42.19	47.70	52.70	41.02	41.71	57.93	55.49
Diesel (low sulphur No.2)—US Gulf Coast (cents/litre)	17.85	21.63	29.48	44.35	51.35	55.66	46.11	45.61	53.90	56.62

Sources: Food and Agriculture Organisation and US Energy Information Administration

Economy Watch—Domestic Performance

Main Economic Activities

Investment, construction, tourism and trade were positive in the third quarter of 2007. Investment picked up dramatically from the previous quarter, contributing strong growth to the economy. Construction approvals and visitor arrivals increased slightly, while the trade deficit improved moderately.

Fixed asset investment approvals in the third quarter totalled USD1156.9 m for 37 projects, an increase approximately to fourfold the value in the same quarter in 2006. Approvals in industry rose by 0.9 percent to USD187.2 m (25 projects); the increase was coming in the garment sub-sector. According to seasonal trends of garment approvals indicated that the third quarter was a period of booming of garment approvals for every year. Garment fixed asset investment approvals increased by 76 percent to USD40.7 m (11 projects). Mining investment approvals increased fourfold to USD11.2 m, while energy approvals increased to USD3.1 m from nil in the same quarter of 2006. New jobs if all the industrial approvals are implemented will total 29,208 (73 percent of them in garments). Agricultural investment approvals also increased, from nil a year earlier to USD12.0 m for two agro-industrial projects that will employ 1000 workers. Services approvals rose dramatically to 10 times their value a year earlier, to USD957.7 m (10 projects). Of services investment approvals, tourism was 68 percent and telecommunications 23 percent. The proposals are expected to employ 8767 workers.

Investment occurs in the cities, especially in Phnom Penh. As the numbers of people and businesses keep increasing in the city, building construction is flourishing, both new construction and renovation of existing buildings. Real estate services have grown accordingly. Flat construction in the city and suburbs outpaces other construction. In the third quarter of 2007, total construction approvals in Phnom Penh rose by 24 percent from the previous quarter to USD179.7 m. Flats represented 65 percent, more than three times the value in the preceding quarter. Villas and house approvals accounted for USD21.7 m, a decrease of 4.8 percent and other construction approvals fell by 54 percent to USD40.6 m.

The trade deficit was USD30.3 m, an improvement from USD208.1 m in the preceding quarter and a worsening from the surplus of USD23.2 m in the same quarter of 2006. Over the 12 months, total exports and imports increased moderately.

Cambodia's exports rose by 10 percent from third quarter 2006 to USD890.8 m in third quarter 2007. Garments were the main cause of the increase, accounting for 95 percent of total exports and rising 8.2 percent from a year earlier to USD846.1 m. Wood exports decreased by 99 percent from the same period in 2006 to USD0.01 m;

fish exports fell by 27 percent to USD1.2 m and rubber by 14 percent to USD11.7 m. Agriculture provides a very small part of Cambodia's exports, while garments have been the core of export growth, employing a large labour force. Garment markets, however, have become more competitive, with countries such as China and Vietnam, where having challengeable opportunity costs i.e. labour cost, compared to Cambodia.

Domestic production is insufficient to meet local demand, so imports continue to rise. In third quarter 2007, imports totalled USD924.5 m, a rise of 18 percent from a year earlier. Imports of cement, steel and fabrics were down but petroleum products rose by 14 percent to USD71.0 m. Cement imports fell by 10 percent to USD14.3 m, steel imports by 44 percent to USD9.9 m and fabric imports by 99 percent to USD1.9 m.

Visitor arrivals to Cambodia increased by approximately 17 percent from the third quarter of 2006 to 431,815 in third quarter 2007. Arrivals by air rose by 24 percent to 278,523, of which Phnom Penh airport received 45 percent and Siem Reap 55 percent. Arrivals by land rose 5.2 percent to 144,582, while those by water fell 3.3 percent to 8710. Siem Reap is the most popular destination in Cambodia. In the third quarter, Siem Reap province welcomed 44 percent of the total arrivals. Visitors on holiday were 359,730, a rise of 12 percent from the same period in 2006. South Korea topped the list for number of visitors (58,914), followed by Japan and Vietnam.

Inflation and Foreign Exchange Rates

The Cambodia's overall consumer price index released by the National Institute of Statistics for the third quarter was up 11.9 percent from a year earlier. An increase was 3.4 percent more than a rise in the previous quarter. Food and non-alcoholic beverage prices increased by 16.9 percent from the same quarter in 2006, while transportation fees rose slightly by 2.0 percent.

In Cambodia, food and non-alcoholic beverage represents 58 percent of the consumer price index. Therefore, the rising price of food pushes up overall inflation. Further, world food prices are increasing rapidly, which has a big impact on Cambodia as an importing country. For instance, Cambodia imports foods about 6.6 percent of its total imports from Thailand. Therefore, the price of foods in Thailand which increased by 4.4 percent did rise the price of food stuff which Cambodia imports.

In third quarter 2007, the riel improved against the US dollar by 1.5 percent from the same quarter of 2006, trading at 4082.3. Against the Thai baht, however, the riel depreciated by 18 percent, to 130.0 riels/baht. Against the Vietnamese dong, the riel was down 1.6 percent, trading at 25.3 riels per 100 dong.

Economy Watch—Domestic Performance

Monetary Developments

In third quarter 2007, total liquidity (M2) increased by 53 percent from the same quarter in 2006 to KHR9908.2 bn. Money (M1) rose by 12 percent to KHR1749.7 bn, of which riels outside banks were 96 percent and demand deposits 4 percent. Riels in circulation went up by 11 percent compared to the same quarter in 2006. Quasi-money, which includes time and saving deposits and foreign currency deposits, mounted to KHR8158.5 bn, an increase of 67 percent. Of the quasi-money, foreign currency deposits accounted for 99 percent, a rise of 68 percent from the same period in 2006.

The rising amount of M2 was generated by an operation between domestic assets and foreign assets. In the third quarter, domestic credit, which comprises credit to government and the private sector, government deposits and other liabilities, went up by 60 percent to KHR3829.3 bn. Credit to government increased by 10 percent to KHR296.7 bn and claims on the private sector rose by 63 percent to KHR5376.4 bn. Government deposits rose by 59 percent to KHR1843.8 bn, and other liabilities climbed by 27 percent to KHR3689.1 bn. Net foreign assets increased by 40 percent to KHR9767.9 bn.

Poverty Situation—Real Daily Earnings of Vulnerable Workers

Real daily earnings of most vulnerable workers increased in November 2007, compared to the same month in 2006. However, the earnings of garment workers were down.

Motorcycle taxi drivers increased by 37 percent to 13,060 riels, their highest income since the survey started in 2000. Despite the earnings increase, most motorcycle taxi drivers complained about gasoline price increases. Eighty-five percent of the drivers interviewed could not save money to start a new business; their income was just enough to support their families.

Real daily earnings of small vegetable traders reached 8303 riels, a 36 percent increase compared to November 2006. Forty-eight percent of small traders in Phnom Penh migrated from rural areas. Among the migrants, 90 percent rent housing, spending about 20,000 riels a month on rent.

The other 10 percent stays with relatives in Phnom Penh.

Real daily earnings of scavengers increased by 42 percent from a year earlier to 5560 riels in November 2007. The increase of rubbish prices was the major cause. Despite the increase, however, scavengers still lived hand to mouth. Moreover, 32 percent of those interviewed were in debt after borrowing to buy food or pay medical costs.

In November, cyclo drivers earn a lot more income than in other times in Phnom Penh, due to many people are crowded in the city for that Water Festival. During this period, earning of cyclo drivers rose by 27 percent compared to November 2006.

Real daily earnings of rice field workers improved by 3 percent to 4790 riels. The movement of young people to work in urban areas causes a shortage of field labour, which was the reason for rising wages, 82 percent of these interviewees reported. Nevertheless, 85 percent still complained that they lived hand to mouth.

Earnings of waitresses/waiters remained stable compared to a year earlier. Most waitresses/ waiters migrated from the provinces; 85 percent of the migrants stayed with restaurant owners, and the others rented housing.

In November 2007, the real daily earnings of skilled construction workers rose to 10,956 riels, an increase of 7 percent compared to 2006. Construction in the cities was rapidly increasing, so the demand for workers increased, 97 percent reported. But commodity prices increased more than earnings. This was a reason that 13 percent of construction workers interviewed were in debt.

Garment workers' real earnings declined by 8 percent to 8207 riels. The fall was due to decreased working time, according to 67 percent of the interviewed workers. Twenty-six percent stated that after spending on their own needs, they have a small amount of money left to send home. The increases in industry in urban areas have attracted people from rural areas, especially young people. At least 90 percent of garment workers are from rural areas, and most of them have less than a hectare of agricultural land.

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Recommendations

In Cambodia, the cost for migrants to enter Thailand legally should be minimised. For this, several actions are needed. Institutional arrangements should be improved. MLVT should have a separate department directly responsible for labour migration and more staff competent in dealing with migration issues. Migration policy and a more appropriate legal framework such as migration law should be considered. Passport fees should be lowered

to at most USD50 for issuance within 10 working days. There should be more offices issuing passports in both Phnom Penh and provinces such as Battambang, Banteay Meanchey and Prey Veng. "One stop" service offices in these provinces should be considered by the government.

There should be more companies and more recruitment offices in the provinces from which there are large numbers of workers migrating to Thailand. Sub-decree

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Economy Watch—Indicators

Table 1. Private Investment Projects Approved, 2001–07

	2001	2002	2003	2004	2005	2006				2007		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Fixed Assets (\$ m)											
Agriculture	0.4	40.3	3.7	12.3	26.8	126.5	216.9	0.0	154.6	19.1	2.1	12.0
Industry	105.2	67.7	137.2	187.9	914.6	40.1	76.9	171.7	76.6	142.7	51.2	187.2
<i>. Garments</i>	26.5	27.2	68.1	132.6	174.4	30.5	9.6	23.2	26.1	36.6	24.3	40.7
Services	118.4	145.3	168.4	91.8	155.5	60.7	2,043.2	94.5	740.7	335.7	138.0	957.7
<i>. Hotels and tourism</i>	73.8	47.1	124.1	55.9	102.6	0.0	26.2	3.5	315.3	140.3	55.0	653.8
Total	224.0	253.3	309.3	292.0	1096.9	227.3	2,337.0	266.2	971.9	497.5	191.3	1156.9
Total	-	-	-	-	-	90.7	928.1	-88.6	265.1	-48.8	-61.6	504.7
Total	-16.8	13.1	22.1	-5.6	275.6	-52.2	2331.2	-34.1	715.4	118.9	91.8	334.6

Including expansion project approvals. Source: Cambodian Investment Board

Table 2. Value of Construction Project Approvals in Phnom Penh, 2001–07

	2001	2002	2003	2004	2005	2006				2007		
						Q1	Q2	Q3	Q4	Q1	Q2*	Q3
	\$D m											
Villas and houses	15.9	23.4	20.0	30.3	45.5	10.1	5.7	7.6	9.7	14.4	22.8	21.7
Flats	167.8	179.9	91.6	167.6	204.2	39.9	51.8	67.1	54.5	88.9	33.2	117.5
Other	12.6	16.6	87.3	65.6	109.1	17.4	24.7	20.8	13.9	35.9	88.8	40.6
Total	196.3	219.9	198.9	263.5	358.8	67.4	82.2	95.5	78.2	139.2	144.7	179.7
Total	-	-	-	-	-	-6.2	22.2	16.1	-18.1	78.0	3.9	24.2
Total	-4.4	12.0	-9.5	32.5	36.2	-36.5	-21.2	24.8	8.9	106.5	76.0	88.2

* Revised data. Source: Department of Cadastre and Geography of Phnom Penh Municipality

Table 3. Exports and Imports, 2001–07

	2001	2002	2003	2004	2005	2006				2007		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
	\$D m											
Total exports	1268.2	1453.2	1708.1	2108.1	2352.8	603.2	652.5	807.5	736.7	707.8	705.0	890.8
Of which: Garments	1202.2	1355.8	1628.4	2027	2253.3	568.5	632.4	782.0	716.0	677.5	688.2	846.1
<i>. To US</i>	840.9	943.4	1099.8	1270.9	1546.1	402.5	438.6	522.8	483.2	499.1	451.2	-
<i>. To EU</i>	323.3	356.3	414.7	590.8	503.1	110.6	142.2	188.1	160.1	106.3	163.1	-
<i>. To rest of world</i>	38.0	56.1	113.8	165.3	204.1	55.3	51.6	71.0	72.8	72.0	73.8	-
Agriculture	66.0	97.3	79.7	81.2	99.5	34.7	20.2	25.5	20.7	30.3	16.8	-
<i>. Rubber</i>	25.9	29.7	35.1	38.3	36.7	7.8	9.8	13.6	10.2	8.4	6.9	11.7
<i>. Wood</i>	22.3	16.0	10.2	11.1	10.3	2.1	2.3	2.5	1.7	2.1	2.0	0.0
<i>. Fish</i>	6.0	4.3	2.8	10.6	10.1	1.9	1.0	1.6	1.4	0.7	0.4	1.2
<i>. Other</i>	11.8	47.4	31.6	21.3	42.6	22.9	7.0	7.7	7.5	19.0	7.5	-
Total imports	1501.4	1707.8	1824.9	2149.0	2513	690.7	774.9	784.3	807.1	790.9	911.6	924.5
Of which: Petroleum products	154.4	157.5	191.6	187.0	184.8	57.6	59.8	62.4	58.7	66.5	68.5	71.0
Gasoline	-	25.9	33.2	30.2	40.2	10.9	12.4	13.1	13.2	15.7	20.2	-
Diesel	-	100.8	109.6	109.4	93.1	32.5	32.2	30.1	27.2	31.9	36.6	-
Construction materials	-	12.9	80.8	95.3	134.7	37.0	39.1	42.5	35.8	44.1	31.6*	34.9
Other	-	1568.2	1601.3	1914.0	2245	610.3	691.2	698.5	731.0	699.2	807.5	818.6
Trade balance	-233.2	-254.6	-116.8	-40.9	-160.1	-87.5	-122.4	23.2	-70.4	-83.1	-208.1	-30.7
Total garment exports	-	-	-	-	-	-5.4	39.8	-118.9	-403.4	18.0	150.4	-85.2
Total exports	-	-	-	-	-	-6.4	8.2	23.7	-8.8	-3.9	0.4	26.4
Total imports	-	-	-	-	-	-0.03	12.2	1.2	2.9	-2.0	15.3	1.4
Total garment exports	24.9	9.2	-54.1	-64.9	291.4	51.1	-19.5	-76.2	52.0	-5.0	70.0	-232.3
Total exports	20.1	14.6	17.5	23.4	11.6	30.3	26.7	10.6	14.3	17.3	8.0	10.3
Total imports	5.9	13.7	6.9	17.8	16.9	32.6	16.2	24.0	16.8	14.5	17.6	17.9

Import data include tax-exempt imports. * Revision. Sources: Customs and Excise Department, cited by N C

Table 4. Foreign Visitor Arrivals in Cambodia, 2001–07

	2001	2002	2003	2004	2005	2006				2007		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Thousands of passengers											
By air	408.4	523.0	456.0	626.1	856.5	275.4	204.4	224.2	325.0	373.6	275.6	278.5
By land and water	196.5	263.5	245.0	428.9	565.1	181.9	153.6	146.4	191.0	177.2	148.9	153.3
Total	604.9	786.5	701.1	1055.0	1421.6	457.3	358.0	370.6	516.0	550.8	424.5	431.8
Total	-	-	-	-	-	9.9	-21.7	4.1	39.2	6.7	-22.9	1.7
Total	29.7	30.0	-10.9	50.5	34.7	20.2	21.2	14.7	24.1	20.4	19.2	16.5

Source: Ministry of Tourism

Economy Watch—Indicators

Table 5. National Budget Operations on Cash Basis, 2000–07 (Billion riels)

	2000	2001	2002	2003	2004	2005	2006				2007	
							Q1	Q2	Q3	Q4	Q1	Q2
Total revenue	1528	1530	1744	1764	2126	2625	595.9	731.5	732.2	1199.6	824.9	1016.8
Current revenue	-	1521	1728	1733	2107	2474	593.2	726.9	716.8	844.9	824.9	1012.4
Tax revenue	1096	1096	1227	1220	1577	1911	484.7	558.6	565.8	661.8	699.9	887.7
Customs duties	376	376	424	395	513	573	135.5	151.7	157.2	200.0	-	-
Domestic tax	-	-	-	-	-	-	-	-	-	-	487.9	642.1
Taxes on international trade	-	-	-	-	-	-	-	-	-	-	212.1	245.6
Non-tax revenue	424	424	501	513	530	563	108.5	168.3	151.0	183.1	125.0	124.7
Forest exploitation	28	29	15	7	2	3	0.5	0.7	0.3	0.9	-	-
Posts & telecommunications	124	122	123	120	94	123	11.4	30.0	11.7	30.0	-	-
Property income	-	-	-	-	-	-	-	-	-	-	27.9	15.5
Sale of goods and services	-	-	-	-	-	-	-	-	-	-	88.8	93.0
Capital revenue	8	9	16	31	19	152	2.7	4.6	15.4	354.7	0.0	4.5
Total expenditure	2332	2332	2948	2757	2932	3295	932.1	1020.1	1030.6	1191.9	923.9	1098.7
Capital expenditure	976	977	1388	1171	1163	1328	390.5	394.7	423.8	429.1	367.1	408.1
Current expenditure	1356	1355	1560	1586	1769	1967	541.7	625.4	606.9	762.8	556.8	681.6
Education and health	344	343	454	473	518	351	80.3	202.3	150.1	281.3	-	-
Defence and security	404	405	438	411	423	451	78.1	116.7	155.3	170.1	-	-
Other ministries	636	637	668	702	828	1165	383.2	306.4	301.5	311.4	-	-
Wages	517	509	587	615	640	711	140.5	210.3	230.6	240.6	199.7	242.7
Subsidies and social assistance	-	-	-	-	-	-	-	-	-	-	61.9	184.0
Overall balance	-804	-802	-1204	-993	-806	-706	-336.3	-288.5	-298.5	7.7	-99.0	-81.9
Foreign financing	768	766	1249	886	864	1127	308.0	341.3	335.2	376.2	344.0	313.9
Domestic financing	36	37	-45	106	148	-396	28.3	-52.8	-36.7	-383.9	-245.0	-213.0

Provisional for 2007. The third quarter data are not yet available. Source: MF website.

Table 6. Consumer Price Index and Exchange Rates and Oil Prices (period averages), 2001–07

	2001	2002	2003	2004	2005	2006				2007		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
(October–December 2006:100)												
Consumer price index (percentage change over previous year)												
Provinces	-	-	-	-	-	-	-	-	-	5.9	9.0	14.4
Phnom Penh	-	-	-	-	-	-	-	-	-	4.7	5.8	7.7
Cambodia - All Items	-	-	-	-	-	-	-	-	-	5.7	8.5	11.9
- Food & non-alcoholic bev.	-	-	-	-	-	-	-	-	-	8.3	12.0	16.9
- Transportation	-	-	-	-	-	-	-	-	-	-3.4	1.1	2.0
Exchange rates, gold and oil prices (Phnom Penh market rates)												
Riels per US dollar	3916.3	3912.1	3973.3	4016.3	4119.7	4,094.8	4106.6	4145.3	4129.4	4063.0	4075.4	4082.3
Riels per Thai baht	88.2	91.1	95.8	99.9	102.6	103.5	108.0	110.3	113.0	113.7	118.0	130.0
Riels per 100 Vietnamese dong	26.6	25.6	25.6	25.5	25.8	25.4	25.0	24.9	25.0	24.6	24.7	25.3
Gold (\$/dollars per chi)	32.8	36.8	41.4	46.3	54.0	64.2	72.2	73.0	72.8	77.7	79.8	80.8
Diesel (riels/litre)	1329	1521	1508	2088	2633	2867	3110	3333	3250	3067	3100	3203
Gasoline (riels/litre)	2113	2084	2150	2833	3442	3767	4000	4200	4050	3750	3900	4002

Sources: NIS, NBC & CDRI

Table 7. Monetary Base 2001–07 (end of period)

	2001	2002	2003	2004	2005	2006				2007		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
Billion riels												
Net foreign assets	3080	3737	4027	4797	5475	6410	6682	6958	7224	8056	9048	9768
Net domestic assets	-876	-849	-698	-467	-450	-699	-637	-497	-282	-263	-172	140
Net claims on government	-75	-119	-128	-209	-421	-755	-831	-892	-953	-1176	-1403	-1547
Credit to private sector	936	1059	1337	1817	2394	2,778	2997	3288	3628	4066	4537	5376
Total liquidity	2204	2888	3329	4330	5025	5711	6045	6461	6942	7793	8876	9908
Money	609	813	937	1153	1323	1449	1512	1563	1658	1794	1748	1750
Quasi-money	1595	2075	2392	3177	3702	4262	4533	4898	5285	5999	7128	8158
Percentage change from previous year												
Total liquidity	20.4	31.0	15.2	30.0	16.1	27.0	30.6	29.4	38.2	36.5	46.8	53.4
Money	12.8	33.5	15.3	23.0	14.7	20.9	24.4	22.2	25.3	23.9	15.7	12.0
Quasi-money	23.6	30.0	15.2	32.8	16.6	33.6	32.8	31.9	42.7	40.7	57.3	66.5

Source: National Bank of Cambodia

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

	Daily earnings (riels)									Percentage change from previous year		
	2000	2003	2004	2005	2006	2007				2007		
	Nov				Nov	Feb	May	Aug	Nov	May	Aug	Nov
Cyclo drivers	7594	8572	7614	7469	7393	6534	9245	7126	9393	8	18	27
Porters	6233	6676	6895	6545	7045	6010	9798	7704	8852	33	47	26
Small vegetable sellers	5256	6532	6947	6000	6125	6125	8951	9116	8303	38	75	36
Scavengers	2718	3944	4446	4416	3903	4530	5533	6038	5560	23	42	42
Waitresses*	2111	4932	4448	4426	4498	4078	5150	4193	4508	21	-2	0
Rice-field workers	4198	4177	4139	4365	4653	4126	4531	4561	4790	0	10	3
Garment workers	6701	9577	9277	8816	8957	11146	8347	9033	8207	6	-2	-8
Motorcycle-taxi drivers	8610	10092	9204	8201	8386	9144	12,886	8979	13,060	47	33	37
Unskilled construction workers	5399	6558	6382	5918	6028	5263	6075	5901	7550	-5	-2	43
Skilled construction workers	13,127	13,111	12,679	10,316	9466	10,215	11,892	11,723	10,956	21	24	7

* 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