

Economy Watch—External Environment

This section presents economic changes in some of the world's developed economies and Asian developing economies during the first quarter of 2010.

Word Economic Growth

In the first quarter, real GDP growth in Indonesia expanded by 5.7 percent year on year, the fastest pace since the third quarter of 2008. Indonesia has proved to be less exposed to the global recession than many of its neighbours, largely due to the relatively small proportion of the country's GDP that is accounted for by exports. Malaysia's GDP expanded by 10.1 percent, and growth in Singapore escalated by 16 percent, the fastest pace since records began in the mid-1970s; net exports contributed 10.2 percent of the overall rate of expansion. Singapore's imports of goods and services also increased. Personal consumption rose by 5.7 percent. Thailand's GDP grew by 12.0 percent over a year earlier due to an escalation in domestic demand and changes in stock levels, which accounted for 8.7 percent of GDP growth.

Year-on-year growth in China increased to 11.9 percent, while in Hong Kong it was 2.8 percent due to growth in imports by 28.8 percent to HKD227.5 bn and in exports by 21.7 percent to HKD242.2 bn. South Korea posted a rise of 2.1 percent due to domestic consumption, exports, facilities investment and increased government consumption. GDP in Taiwan grew by 13.3 percent. Its exports of goods and services rose by 42.2 percent, which contributed to the total real GDP growth of 24.5 percentage points. In addition, gross fixed capital formation rose by 26.3 percent. GDP in Japan rose by 4.2 percent and in the US by 2.5 percent.

World Inflation and Exchange Rates

During the first quarter of 2010, deflationary pressures remained evident in Japan, while inflation increased in many countries. Year-on-year inflation in Cambodia was 7.0 percent because the economy is beginning to recover, and the price of petrol,

diesel and other fuels rose in response to higher global oil prices. A recent depreciation of the riel against the US dollar also contributed to inflation by increasing the price of imported goods and services in local currency. In Indonesia, the inflation rate was 3.6 percent, Malaysia 1.3 percent, Singapore 0.9 percent, Thailand 3.7 percent, and Vietnam 7.5 percent. Consumer prices in China increased 2.2 percent, a result of the yuan's appreciation against the US dollar. Year-on-year consumer price in Korea accelerated to 2.7 percent from 2.4 percent in the previous quarter. Inflation in Hong Kong was 1.9 percent and in Taiwan 11.2 percent. Inflation in Japan remained negative at -1.2 percent, while in the euro zone it was 1.1 percent and the US 2.3 percent.

During the same period, the riel depreciated against the US dollar by 0.4 percent from the preceding quarter. The Singapore dollar depreciated by 0.7 percent, Vietnamese dong by 2.0 percent, Hong Kong dollar by 0.1 percent, euro by 6.0 percent, and yen by 1.0 percent. China's yuan was unchanged at 6.83 per USD. The Indonesian rupiah appreciated by 2.0 percent, Malaysian ringgit by 0.9 percent, Thai baht by 1.2 percent, South Korean won by 2.0 percent and Taiwan dollar by 1.0 percent.

Commodity Prices in World Markets

During the first quarter of 2010, the prices of maize, rice and soybeans dropped slightly from the previous quarter. Maize (US No. 2) decreased by 3.0 percent to USD162.9 per tonne. Rice (Thai 100%) went down by 0.6 percent to USD566 per tonne and soybeans (US No.1) by 4.5 percent to USD373 per tonne. Crude oil rose by 2.5 percent to USD76 per barrel, gasoline by 8.5 percent and diesel by 5.6 percent to USD0.54 per litre.

*Prepared by
Sry Bopharath*

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Table 1. Real GDP Growth of Selected Trading Partners, 2004–2010 (percentage increase over previous year)

	2004	2005	2006	2007	2008	2008 Q4	2009 Q1	Q2	Q3	Q4	2010 Q1
Selected ASEAN countries											
Cambodia	7.7	13.4	10.6	10.2	6.8	-	-	-	-	-	-
Indonesia	5.1	5.6	5.4	6.3	6.1	5.2	4.4	3.9	4.2	5.4	5.7
Malaysia	7	5.2	5.9	6.3	4.6	0.1	-6.2	-3.9	-1.2	4.5	10.1
Singapore	8.5	5.7	7.7	7.7	1.1	-4.2	-10.1	-3.5	0.8	4.0	16.0
Thailand	6	4.5	4.8	4.9	2.6	-4.3	-7.1	-4.9	-2.8	5.8	12.0
Vietnam	7.5	8.4	8.1	8.5	6.2	-	-	-	-	-	-
Selected other Asian countries											
China	9.5	9.6	10.5	11.9	9.0	6.8	6.1	7.9	8.9	10.7	11.9
Hong Kong	8.3	6.5	6.6	6.4	2.4	-2.5	-7.8	-3.8	-2.2	2.6	2.8
South Korea	4.7	4.7	5.0	4.9	2.2	-3.6	-4.4	-2.2	0.4	6.1	2.1
Taiwan	5.7	4.1	4.6	5.2	0.1	-8.4	-10.2	-7.5	-1.3	9.2	13.3
Selected industrial countries											
Euro-12	1.8	1.5	2.7	2.9	0.9	-1.3	-2.5	-4.8	-4.7	0.1	-
Japan	3.4	2.5	2.1	2.0	-0.7	-4.6	-9.1	0.6	-4.7	-1.4	4.2
United States	4.4	3.7	3.3	2.2	1.1	-6.3	-2.6	-3.9	-2.5	0.1	2.5

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

Table 2. Inflation Rate of Selected Trading Partners, 2004–2010 (percentage price increase over previous year—period averages)

	2004	2005	2006	2007	2008	2008 Q4	2009 Q1	Q2	Q3	Q4	2010 Q1
Selected ASEAN countries											
Cambodia	4.0	5.8	4.7	10.5	19.7	15.7	4.3	-4.8	-3.0	1.7	7.0
Indonesia	8.3	10.5	13.4	6.4	10.1	11.4	8.5	5.6	2.76	2.6	3.6
Malaysia	1.6	3.1	3.7	2.0	5.3	5.9	3.7	1.3	-2.26	-0.2	1.3
Singapore	1.7	0.5	1.0	2.1	6.5	5.5	2.1	-0.5	-0.4	-0.3	0.9
Thailand	2.7	4.5	4.7	2.2	5.5	2.2	-0.2	-2.8	-2.13	1.9	3.7
Vietnam	7.8	8.2	7.7	8.3	23.3	23.6	15.1	6.2	2.6	4.6	7.5
Selected other Asian countries											
China	3.9	1.8	1.5	4.8	5.9	2.5	-0.6	1.5	-1.26	0.7	2.2
Hong Kong	-0.4	1.1	2.2	2.0	4.3	2.3	1.7	-0.1	-0.86	1.3	1.9
South Korea	3.5	2.8	2.4	2.5	4.6	4.5	3.9	2.8	2.0	2.4	2.7
Taiwan	1.6	2.3	0.6	1.8	3.2	1.9	0.0	-0.8	-1.33	-1.8	11.2
Selected industrial countries											
Euro-12	2.2	2.2	2.1	2.1	3.3	2.3	1.0	0.9	-0.36	0.4	1.1
Japan	Nil	-0.3	0.5	0.1	1.4	1.0	-0.1	-1.0	-2.2	-2.0	-1.2
United States	2.7	3.4	3.2	2.9	3.8	1.5	-0.2	-0.9	-1.63	1.4	2.3

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

Table 3. Exchange Rates against US Dollar of Selected Trading Partners, 2004–2010 (period averages)

	2004	2005	2006	2007	2008	2008 Q4	2009 Q1	Q2	Q3	Q4	2010 Q1
Selected ASEAN countries											
Cambodia (riel)	4016.30	4092.50	4103.20	4062.70	4054.20	4089.80	4108.00	4128.60	4164.40	4163.10	4180.109
Indonesia (rupiah)	8938.00	9705.00	9134.00	9419.00	9699.00	11,060.00	11,630.80	10,225.00	9887.00	9472.44	9266.93
Malaysia (ringgit)	3.80	3.80	3.70	3.30	3.30	3.60	3.60	3.50	3.50	3.40	3.37
Singapore (S\$)	1.69	1.66	1.59	1.51	1.48	1.49	1.51	1.45	1.44	1.39	1.40
Thailand (baht)	40.20	40.20	37.9	32.22	33.36	34.83	35.29	33.98	33.96	33.30	32.90
Vietnam (dong)	15,777.00	15,859.00	15,994.00	16,030.00	16,382.00	16,537.00	16,954.00	17,801.00	17,841.00	18,472.00	18,825.67
Selected other Asian countries											
China (yuan)	8.28	8.19	7.97	8.03	6.94	6.83	6.84	6.83	6.83	6.83	6.83
Hong Kong (HK\$)	7.79	7.78	7.77	7.80	7.78	7.75	7.75	7.75	7.75	7.75	7.76
South Korea (won)	1145.00	1024.00	955.00	929.04	1137.23	1367.20	1412.50	1273.90	1239.04	1167.77	1143.97
Taiwan (NT\$)	33.60	32.10	32.50	32.85	31.54	33.00	34.00	33.10	32.77	32.29	31.93
Selected industrial countries											
Euro-12 (euro)	0.80	0.80	0.80	0.70	0.84	1.32	0.76	0.71	0.70	0.68	0.72
Japan (yen)	108.20	110.20	116.40	117.80	102.46	96.10	93.72	95.95	93.58	89.78	90.73

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

Table 4. Selected Commodity Prices on World Market, 2004–2010 (period averages)

	2004	2005	2006	2007	2008	2008 Q4	2009 Q1	Q2	Q3	Q4	2010 Q1
Maize (USNo.2)—USA (USD/tonne)	110.65	89.19	111.04	149.08	218.15	181.22	183.12	171.16	146.85	168.13	162.88
Palm oil—north-west Europe (USD/tonne)	427.47	381.32	433.85	707.68	912.23	564.50	636.53	719.35	659.16	732.33	N/A
Rice (Thai 100% B)—Bangkok (USD/tonne)	221.67	262.88	282.00	305.36	615.32	519.41	522.13	499.45	307.31	569.00	565.67
Soybeans (US No.1)—USA (USD/tonne)	262.03	224.25	213.88	294.59	460.41	382.72	434.40	420.10	411.18	390.43	372.68
Crude oil—OPEC spot (USD/barrel)	33.50	50.14	61.58	69.25	95.44	55.23	42.34	57.46	68.32	73.86	75.73
Gasoline—US Gulf Coast (cents/litre)	30.90	42.19	47.70	53.58	62.22	34.52	31.97	43.11	46.92	49.64	53.87
Diesel(low sulphur No.2)—US Gulf Coast (cents/litre)	29.48	44.35	51.35	55.51	76.20	46.98	34.17	40.51	46.46	51.03	53.87

Sources: Food and Agriculture Organisation and US Energy Information Administration

Economy Watch—Domestic Performance

Main Economic activities

In the first quarter of 2010, fixed asset investment approvals decreased 91 percent from the preceding quarter. Agriculture approvals dropped by 62 percent to USD36 m. Industry approvals shrank by 64 percent to USD247.6 m. This was mainly due to a decrease of energy approvals by 97 percent from USD540 m to USD17.0 m, and food processing approvals dropping by 88 percent, from USD23.0 m to USD2.8 m. Services approvals declined by 97 percent to USD89.5 m, due to a drop of approvals of hotels and other services from USD3475.8 m to USD89.5 m and no tourism approvals.

During the same period, the total value of construction approvals dropped by 23 percent compared with the previous quarter. Villas and houses decreased by 48 percent to USD5.1 m, and flats by 60 percent to USD11.0 m, while other construction approvals were USD35.0 m, an increase of 21 percent.

Total visitor arrivals to Cambodia rose by 16 percent to 683,692. Arrivals by air were 371,506, an increase of 21 percent compared with the previous quarter. Visitors arriving via Phnom Penh International Airport expanded by 7.3 percent to 158,979, and via Siem Reap International Airport by 33 percent to 212,527. Arrivals by land rose by 12 percent to 246,442, and by boat 30 percent to 26,829. One-day visitor arrivals increased 2.5 percent to 38,915. Among ASEAN nationals visiting Cambodia in the first quarter, those from Vietnam increased by 6.0 percent from previous quarter to 92,605, the biggest increase, followed by Myanmar at 4.0 percent and Philippines 1.0 percent.

During the first quarter, garment exports dropped by 5.5 percent compared with the preceding quarter. Rubber exports decreased by 28 percent and fish by 42 percent. Wood rose by 83 percent. Total imports of petroleum went up by 3.7 percent, while construction materials declined by 4.1 percent and other imports by 5.2 percent. The trade balance in this quarter was a surplus of USD305.2 m.

Public Finance

In the first quarter of 2010, the budget deficit was KHR592.6 bn. Total revenue rose 14 percent to KHR1536.8 bn. Current revenue collection was KHR1526 bn, an increase of 14 percent compared with the previous quarter. Tax revenue decreased by 11 percent to KHR1094 bn; taxes on international trade dropped 9.8 percent to KHR273.7 bn, while domestic tax increased 1.5 percent to KHR820 bn. Non-tax revenue expanded by 92 percent: property income escalated nearly 16 times to KHR108.4 bn; sale of goods and services decreased by 11 percent to KHR108 bn; other non-tax revenue dropped 6.0 percent to KHR84 bn. Total expenditure increased by 13 percent, but current expenditure declined by 38 percent.

Inflation and Foreign Exchange Rates

In the first quarter of 2010, year-on-year inflation for all items in Phnom Penh was 7.0 percent. Food and non-alcoholic beverages rose 7.8 percent, clothing and footwear 3.6 percent, housing and utilities 4.6 percent, household furnishings and operations 5.1 percent, health care 4.3 percent, transport 12.9 percent, recreation and culture 0.1 percent and education 7.2 percent, while communications prices declined 5.7 percent.

The riel depreciated against the US dollar by 0.5 percent compared with previous quarter. It depreciated against the Thai baht by 0.8 percent, while against the Vietnamese dong it appreciated by 3.0 percent. The gold price rose by 0.07 percent compared with the preceding quarter to USD133.9 per chi. Diesel fuel price increased by 6.4 percent and gasoline by 5.6 percent.

Monetary Developments

In the first quarter, liquidity (M2) rose to KHR17,235 bn from KHR12,448 bn in the same quarter last year. Riels in circulation rose to KHR3028 bn and riel deposits increased to KHR121 bn. Foreign currency deposits were KHR13,756 bn, an increase of 6.6 percent from the previous quarter. Net foreign assets rose 6.0 percent to KHR15,515 bn and net

Economy Watch—Domestic Performance

domestic assets went up by 10 percent to KHR1720 bn. The increase in net domestic assets was affected by a rise in domestic credit to KHR8662 bn and in other liabilities to KHR6942 bn.

Poverty Situation

CDRI's vulnerable worker survey interviewed 40 randomly selected persons from each of nine working groups, plus 120 garment workers. Among the total 480 interviewees, 57 percent had attended primary education, 29 percent junior high school and 4.0 percent senior high school, while 10 percent had no education. In May 2010, compared to the same month last year, the survey found an increase in real daily earnings for four group: cyclo drivers, scavengers, waitresses and garment workers; the other six groups were worse off.

The average daily earning of cyclo drivers increased 7.6 percent from May last year to KHR9570. All the cyclo drivers interviewed were the main income source for their families. They worked on average 25 days per month and 11 hours per day. Although they worked almost non-stop, only 3.0 percent reported that their earnings were sufficient for the family's needs, while 97 percent made enough only for subsistence. The rise in earnings did not prevent their daily expenditure decreasing by 10 percent to KHR4536; 87 percent of cyclo driver respondents could not save for the future. Only 2.5 percent originally lived in Phnom Penh; the others were from other provinces, the largest number from Prey Veng (42 percent). Fifty-six percent of the provincial people slept on the road or in a pagoda, 28 percent in the cyclo owner's house, 8.0 percent with relatives and 5.0 percent in a rented house.

The real earning of scavengers rose by 12 percent to KHR7407 per day. This was due to a better price for rubbish even though number of scavengers increased. Consequently, their real daily expenditure rose sharply from KHR3182 in the same month last year to KHR4226. Large numbers of scavenger were from Prey Veng (38 percent) and Svay Rieng (20 percent). Among the provincial rubbish collectors, 65 percent were landless. Additionally, 75 percent of those from the provinces came to Phnom Penh with their whole family.

Garment workers' earnings increased by 12 percent to KHR7491 in May 2010. All the interviewees were from the provinces, largely from Svay Rieng (20 percent), Kompong Cham (19 percent) and Prey Veng (18 percent). They worked an average six days per week, a total of 60 hours. Every day, they spent an average of KHR4853, of which 35 percent was for food and 28 percent was for accommodation and other consumption. They saved KHR116,800 per month for home remittances. However, 63 percent of the interviewees were remitting; the others saved only to support their future needs.

The daily earnings of skilled construction workers fell by 13 percent from the same month the year before, to KHR11,928. Although there was a rise in construction activities, the number of persons employed was also up, according to 70 percent of respondents. Only 2.5 percent of skilled construction workers had their home in Phnom Penh; the rests were from the provinces, mainly Kompong Speu (33 percent) and Takeo (20percent). Ninety-three percent of the workers were a main income source for their families. Besides real daily spending, which dropped by 23 percent from the previous year to KHR4290, the workers saved an average KHR134,500 in May for remittances, the highest amount of any group. Fifty-eight percent of them said the living condition of their family had improved since they began this occupation. In addition, 32 percent of respondents expected to save some money for their future.

Vegetable traders were mostly from the provinces, especially Kandal (30 percent) and Svay Rieng (25 percent); only 17 percent lived in Phnom Penh. In May, their daily earnings dropped by 17 percent compared with the same month last year to KHR8062. Seventy-five percent of the interviewees reported an increase in competition and a smaller invested capital because their earnings were down. Eighty-two percent said they were important for family income, while the others were only a supplementary source. Eighty-two percent of the interviewees had no savings for an emergency.

*Prepared by:
Sry Bopharath and Pon Dorina*

Economy Watch—Domestic Economy

Table 1. Private Investment Projects Approved, 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009	2010			
								Q1	Q2	Q3	Q4	Q1
	Fixed Assets (USD m)											
Agriculture	40.3	3.7	12.3	26.8	498.0	135.6	92	175.3	0.0	176.1	94.4	36.1
Industry	67.7	137.2	187.9	914.6	365.3	709.1	724.9	257.7	39.4	60.6	685.5	247.7
. Garments	27.2	68.1	132.6	174.4	89.4	170.7	142.8	16.4	35.0	21.9	14.2	13.1
Services	145.3	168.4	91.8	155.5	2939.1	1742.5	10003.2	495.6	0.0	150.2	3475.8	89.5
. Hotels and tourism	47.1	124.1	55.9	102.6	345.0	1048.3	8758.1	254.1	0.0	150.2	0.0	3.78
Total	253.3	309.3	292.0	1096.9	3802.4	2587.2	10570.9	928.6	39.4	386.3	4255.7	373.3
Total	-	-	-	-	-	-	-	-41.2	-95.7	882.0	1001.7	-91.2
Total	13.1	22.1	-5.6	275.6	246.6	-32.0	308.6	266.5	-99.0	-91.5	169.3	-59.8

Including expansion project approvals. Source: Cambodian Investment Board

Table 2. Value of Construction Project Approvals in Phnom Penh, 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009	2010			
								Q1	Q2	Q3	Q4	Q1
	USD m											
Villas and houses	23.4	20.0	30.3	45.5	33.1	79.1	154.7	32.1	6.7	2.2	9.8	5.1
Flats	179.9	91.6	167.6	204.2	213.3	297.2	221.6	95.2	18.9	6.3	28.0	11.1
Other	16.6	87.3	65.6	109.1	76.8	259.6	740.9	53.7	36.7	12.2	29.0	35.2
Total	219.9	198.9	263.5	358.8	323.3	635.8	1117	181.1	62.3	20.7	66.8	51.4
Total	-	-	-	-	-	-	-	-48.5	-65.6	-66.8	222.7	-23.1
Total	12.0	-9.5	32.5	36.2	-9.9	96.7	75.7	31.9	-55.8	-95.7	-81.0	-71.6

Source: Department of Cadastre and Geography of Phnom Penh municipality

Table 3. Foreign Visitor Arrivals, 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009	2010			
								Q1	Q2	Q3	Q4	Q1
	Thousands of visitors											
By air	523.0	456.0	626.1	856.5	1029.0	1296.5	1239.4	335.2	221.2	247.2	308.1	371.5
By land and water	263.5	245.0	428.9	565.1	672.9	718.6	881.9	287.1	243.0	240.2	279.5	312.2
Total	786.5	701.1	1055.0	1421.6	1701.9	2015.1	2121.3	622.3	464.2	487.4	587.6	683.7
Total	-	-	-	-	-	-	-	7.7	-25.4	5.0	20.6	16.4
Total	30.0	-10.9	50.5	34.7	19.7	28.4	5.3	-3.4	2.2	9.4	1.7	9.9

Source: Ministry of Tourism

Table 4. Exports and Imports, 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009	2010			
								Q1	Q2	Q3	Q4	Q1
	USD m											
Total exports	1453.2	1708.1	2108.1	2352.8	2799.9	3097.0	3000.0	619.7*	433.5	245.3	671.5*	631.3
Of which: Garments	1355.8	1628.4	2027.0	2253.3	2698.9	2938.9	2784.8	606.9	377.3	240.0	652.9	616.7
Rubber	29.7	35.1	38.3	36.7	41.4	41.6	36.1	11.8	8.2	4.9	16.2	11.7
Wood	16.0	10.2	11.1	10.3	8.6	4.1	0.0	0.1	0.1	0.0	1.2	2.2
Fish	4.3	2.8	10.6	10.1	5.9	3.2	2.2	0.9	0.7	0.4	1.2*	0.7
Total imports	1707.8	1824.9	2149.0	2513.0	3057.0	3609.7	4105.7	987.7	1060.8	336.4	336.3*	326.1
Of which: Petroleum products	157.5	191.6	187.0	184.8	238.5	264.9	255.8	67.3	72.2	89.0	82.0*	85.0
Construction materials	12.9	80.8	95.3	134.7	154.4	143.1	145.9	41.4	30.9	9.9	9.8*	9.4
Other	1568.2	1601.3	1914.0	2245.0	2731.0	3216.6	3704	879.0	957.7	237.5	244.5*	231.7
Trade balance	-254.6	-116.8	-40.9	-160.1	-257.1	-511.2	-1105.7	-368.0*	-627.3	-91.1	335.2*	305.2
Total garment exports	-	-	-	-	-	-	-	-10.6	-37.8	-36.4	172.0	-5.5
Total exports	-	-	-	-	-	-	-	-9.5	-37.7	-36.5	173.7	-6.3
Total imports	-	-	-	-	-	-	-	7.8	7.4	-68.3	0.0	-3.0
Total garment exports	9.2	20.1	24.5	11.2	19.8	8.9	-5.2	-21.5	-18.6	-72.4	-3.8	1.6
Total exports	14.6	17.5	23.4	11.6	19.0	10.6	-3.1	-10.2	-28.4	-73.6	-1.9	1.5
Total imports	13.7	6.9	17.8	16.9	21.6	18.1	13.7	0.4	-10.0	-67.2	-63.3	-67.0

Import data include tax-exempt imports. Source: Customs and Excise Department, cited by National Bank of Cambodia *updated data

Table 5. National Budget Operations on Cash Basis, 2002–10 (billion riels)

	2002	2003	2004	2005	2006	2007	2008	2009				2010
								Q1	Q2	Q3	Q4	Q1
Total revenue	1744.0	1764.0	2126.0	2625.0	3259.2	1146.1	5290.0	1101.7	1252.7	1184.7	1346.1	1536.8
Current revenue	1728.0	1733.0	2107.0	2474.0	2881.8	1141.6	5210.7	1097.7	1245.7	1174.9	1337.7	1526.4
Tax revenue	1227.0	1220.0	1577.0	1911.0	2270.9	965.2	4409.9	947.4	1096.5	999.5	1224.1	1094.1
Domestic tax	-	-	-	-	-	661.8	3248.4	712.0	838.7	731.8	808.5	820.3
Taxes on international trade	-	-	-	-	-	303.5	1161.5	235.4	257.8	268.0	303.4	273.7
Non-tax revenue	501.0	513.0	530.0	563.0	610.9	176.4	800.8	150.3	149.2	176.1	225.7	432.4
Property income	-	-	-	-	-	13.6	78.0	13.1	9.7	27.5	14.3	237.0
Sale of goods and services	-	-	-	-	-	124.3	424.7	93.5	100.9	91.7	121.9	108.4
Other non-tax revenue	-	-	-	-	-	38.5	298.2	43.7	38.6	56.5	89.5	84.0
Capital revenue	16.0	31.0	19.0	152.0	377.4	4.5	79.3	4.0	7.0	9.8	8.4	10.4
Total expenditure	2948.0	2757.0	2932.0	3295.0	4174.7	1689.7	6297.8	1650.6	1766.1	2089.5	1877.1	2129.4
Capital expenditure	1388.0	1171.0	1163.0	1328.0	1638.1	807.4	2574.4	693.6	607.1	759.2	634.9	-
Current expenditure	1560.0	1586.0	1769.0	1967.0	2536.8	882.3	3809.0	752.4	1064.7	1290.4	1332.3	831.8
Wages	587.0	615.0	640.0	711.0	822.0	362.6	1397.0	327.4	515.5	526.6	642.5	-
Subsidies and social assistance	-	-	-	-	-	194.2	927.1	217.3	185.9	272.6	195.6	213.3
Other current expenditure	-	-	-	-	-	325.5	1384.9	207.7	363.2	491.2	494.3	449.6
Overall balance	-1204.0	-993.0	-806.0	-706.0	-915.6	-543.6	-1007.8	-548.9	-513.4	-904.8	90.2	-592.6
Foreign financing	1249.0	886.0	864.0	1127.0	1360.7	741.5	2055.1	507.8	326.7	484.5	-531.0	270.8
Domestic financing	-45.0	106.0	148.0	-396.0	-445.1	-185.8	-127	-310.3	236.5	316.4	406.4	422.8

Source: MEF web site.

Table 6. Consumer Price Index, Exchange Rates and Gold Prices (period averages), 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009				2010	
								Q1	Q2	Q3	Q4	Q1	
(October-December 2006:100)								Consumer price index (percentage change over previous year)					
P. Penh - All Items	3.3	1.1	3.9	5.8	4.7	5.8	19.7	4.3	-4.8	-3.0	1.7	7.0	
- Food & non-alcoholic bev.	1.8	1.5	6.4	8.6	6.4	9.9	33.1	6.1	-5.2	-2.7	1.8	7.8	
- Transportation	0.3	4.9	9.7	11.4	9.1	5.8	19.4	-13.0	-16.5	-13.8	2.4	12.9	
								Exchange rates, gold and oil prices (Phnom Penh market rates)					
Riels per US dollar	3912.1	3973.3	4016.3	4119.7	4119.0	4062.7	4058.2	4111.6	4128.6	4164.4	4157.3	4180.1	
Riels per Thai baht	91.1	95.8	99.9	102.6	108.7	122.8	123.5	116.6	119.2	122.9	126.0	127.0	
Riels per 100 Vietnamese dong	25.6	25.6	25.5	25.8	25.1	25.0	24.8	23.6	23.3	23.5	23.0	22.3	
Gold (US dollars per chi)	36.8	41.4	46.3	54.0	70.6	83.2	105.9	105.6	110.7	123.2	133.8	133.9	
Diesel (riels/litre)	1521.0	1508.0	2088.0	2633.0	3140.0	3262.3	4555.2	2873.7	3056.9	3867.0	3381.9	3599.5	
Gasoline (riels/litre)	2084.0	2150.0	2833.0	3442.0	4004.0	4005.0	4750.8	3112.6	3452.4	3371.1	3940.2	4163.0	

Sources: NIS, NBC and CDRI

Table 7. Monetary Survey, 2002–10 (end of period)

	2002	2003	2004	2005	2006	2007	2008	2009				2010	
								Q1	Q2	Q3	Q4	Q1	
								Billion riels					
Net foreign assets	3737.0	4027.0	4,797.0	5,475.0	7,224.0	10735.0	10345.0	11,222.0	12,611.0	13,869.0	14,655.0	15,514.6.0	
Net domestic assets	-849.0	-698.0	-467.0	-450.0	-282.0	576.0	1513.3	1,266.0	1,249.0	1,042.0	1,573.0	1,720.0	
Net claims on government	-119.0	-128.0	-209.0	-421.0	-953.0	-1816.0	-2987.0	-3,048.0	-2,889.0	-2,463.0	-2,252.0	-2,484.8	
Credit to private sector	1059.0	1337.0	1,817.0	2,394.0	3,630.0	6386.0	9894.0	9,814.0	10,129.0	10,127.0	10,532.0	11,146.7	
Total liquidity	2888.0	3329.0	4,330.0	5,025.0	6,942.0	11311.0	11858.0	12,488.0	13,859.0	14,912.0	16,228.0	17,234.5	
Money	813.0	937.0	1,153.0	1,323.0	1,658.0	2052.0	2399.0	2,545.0	2,695.0	2,773.0	3,120.0	3,148.5	
Quasi-money	2075.0	2392.0	3,177.0	3,702.0	5,285.0	9259.0	9459.0	9,942.0	11,164.0	12,139.0	13,108.0	14,086.0	
								Percentage change from previous year					
Total liquidity	31.0	15.2	30.0	16.1	38.1	62.9	4.8	3.7	9.1	18.7	36.9	38.0	
Money	33.5	15.3	23.0	14.7	25.3	23.8	16.9	6.5	9.2	18.7	30.1	23.7	
Quasi-money	30.0	15.2	32.8	16.6	42.8	75.2	2.2	2.9	9.1	18.7	38.6	41.7	

Source: National Bank of Cambodia

Table 8. Real Average Daily Earnings of Vulnerable Workers (base November 2000)

	Daily earnings (riels)									Percentage change from previous year		
	2007	2007	2008	2009			2010			2009		
		Nov	Nov	Feb	May	Aug	Nov	Feb	May	Nov	Feb	May
Cyclo drivers	8075	9675	12628	8534	8896	7738	7446	9413	9570	-41.0	10.3	7.6
Porters	8588	9119	9005	10,476	10,319	8159	9566	9953	9340	6.2	-5.0	-9.5
Small vegetable sellers	8220	8552	9926	7614	9764	8323	7647	7826	8062	-23.0	2.8	-17.5
Scavengers	5422	5727	4652	5170	6637	7087	4693	6238	7407	0.9	21.7	11.6
Waitresses*	4482	4643	4327	4283	4346	4574	5568	5131	5380	28.7	19.8	23.8
Rice-field workers	5516	6426	8697	7044	7126	5785	5003	5358	6260	-42.5	-23.9	-12.2
Garment workers	7568	7240	6554	6754	6691	7410	7745	7557	7491	18.2	11.9	12.0
Motorcycle-taxi drivers	10,634	11,872	15,691	11,655	12,148	9569	9696	11,302	10,274	-38.2	-3.0	-15.9
Unskilled construction workers	6155	7777	8779	6115	9956	9444	8132	7699	9013	-7.4	25.9	-9.5
Skilled construction workers	11,154	11,286	12,710	11,771	13,688	11,918	13,011	11,924	11,928	2.4	1.3	-12.9

* 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

Continued from page 9... **A Rapid...**

Conclusions

In this fourth round assessment, steady growth in the garment and tourism sectors was confirmed and recovery in the construction sector was emerging. The rebound of these hardest hit sectors yielded some livelihood improvement for many vulnerable workers and their families. Although the recession had been winding down, its impacts still reverberated on unskilled construction workers, cyclo drivers, restaurant workers and migrant workers in the form of less job availability or lower income. There was no noticeable change in food or non-food consumption among them.

Different coping mechanisms against the crisis included: (1) minimising non-food consumption and reducing food quality, (2) continuing to search for jobs, working harder and adjusting business strategy and (3) borrowing money and selling assets. People sustained their livelihoods with only informal safety nets to fall back on during the time of great

hardship. The few available social services were not able to respond sufficiently to the economic crisis. This suggests that the scope of formal social safety systems needs to be increased. The slow recovery of the growth sectors potentially exposes people who depend on them to hardship. Hence, there is a critical need to diversify with additional growth sectors to ensure more sustainable growth. Ensuring that benefits of growth go straight to the majority of poor people, who live mostly in rural areas, and bolster the least developed sectors, such as agriculture, should be the foremost considerations.

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