

Inflation Report, December 2018

A. Domestic Inflation

In December 2018, Phnom Penh Consumer Price Index decreased by 0.5% compared to the previous month but increased 1.6% compared to the previous year.

In 2018, Inflation remained manageable, of which the year average inflation was 2.5%, lower than last year 2.9% due to the moderate growth of foods and non-alcoholic beverages price index and transportation price index. By observation, the yearly average inflation of foods and non-alcoholic beverages was 2.5% lower than last year with 3.4%, in which fresh fish, meat and vegetable declined markedly. The yearly average inflation of transportation products group was 2.9% lower than last year, accounted for 4.1% due to the slowdown growth of gasoline and diesel.

Table 1: Changes of price index of 12 product groups in December 2018		
	Compared with last month	Compared with last year
Item of goods & service	-0.5%	1.6%
1. Foods and Nonalcoholic beverages	-0.1%	1.9%
2. Alcoholic beverages, and Tobacco	0.5%	5.6%
3. Clothing and Footwear	-0.1%	2.8%
4. Housing, Water, Electricity, Gas and Other Fuels	-0.6%	0.4%
5. Furnishings, Household Maintenance	-0.1%	0.4%
6. Health	0.2%	2.0%
7. Transport	-3.6%	-2.4%
8. Communication	-0.3%	-0.6%
9. Recreation and Culture	-0.4%	0.8%
10. Education	0.0%	0.4%
11. Restaurants	-0.3%	5.2%
12. Miscellaneous Goods and Services	-0.4%	0.6%

Table 2: Price level changes of some food items (%)						
Food items	Compared with last month			Compared with last year		
	2018			2018		
	Oct	Nov	Dec	Oct	Nov	Dec
Rice	0.2	-0.3	0.3	2.9	2.3	2.4
Beef	-0.1	0.0	0.2	2.2	1.8	1.2
Chicken	0.2	0.4	0.4	1.7	2.1	3.2
Duck	0.7	0.3	-0.3	2.1	2.1	1.5
Pork	-0.6	-1.8	-0.3	3.5	1.2	1.5
Freshwater and sea fish	0.1	-0.7	0.1	4.1	2.2	2.3
Fresh fish	0.0	-1.1	0.1	4.3	1.7	1.8
Fruit	0.8	0.1	-0.3	2.5	3.0	1.8
Fresh fruit	0.9	0.1	-0.3	2.5	3.0	1.7
Vegetable	0.5	-0.9	-0.8	5.9	4.9	3.5
Leaf vegetable	1.5	-1.4	-1.0	10.6	7.7	4.9
Fruit vegetable	-0.4	-0.6	-1.2	5.4	6.4	5.4

A. Annual Inflation of Neighboring Countries:

Looking at the neighboring countries inflation in 2018, Thailand's inflation rate is higher than 2017 due to rising domestic retail price of gasoline and LPG price during the second and third quarters (in line with global oil prices), which led to an increase in energy costs (According to: Quarterly Monetary Policy report, Bank of Thailand). Vietnam inflation rate was 3.6%, slightly increase compared to 2017 and quite similar to that target by Central Bank of Vietnam (4.0%).

Table 3: Cambodia's Inflation in last five year and neighboring countries					
Inflation (Year average)	2014	2015	2016	2017	2018
Cambodia	3.9%	1.2%	3.0%	2.9%	2.5%
Thailand	1.9%	-0.9%	0.2%	0.7%	1.1%
Vietnam	4.1%	0.6%	2.7%	3.5%	3.6%

**Source: National Institute of Statistics (NIS), www.tradingeconomics.com*

Table 4: Year on Year inflation rate (%)						
Country	2017			2018		
	October	November	December	October	November	December
Cambodia	2.1	2.3	2.2	3.1	2.5	1.6
Vietnam	3.0	2.6	2.6	3.9	3.5	3.0
Thailand	0.9	0.99	0.78	1.2	0.9	0.4
Malaysia	3.7	3.4	3.5	0.6	0.2	0.2
Indonesia	3.6	3.3	3.6	3.2	3.2	3.1
Philippine	3.5	3.3	3.3	6.7	6.0	5.1
China	1.9	1.7	1.8	2.5	2.2	1.9
South Korea	1.8	1.3	1.5	2.0	2.0	1.3
Japan	0.2	0.6	1.0	1.4	0.8	0.3

Sources:
(1) Cambodia: National Institute of Statistics (NIS)
(2) Other countries: <http://www.tradingeconomics.com>;

Note

Compiling Consumer Price Index (CPI) in Phnom Penh:

- There are 259 selected items of goods
- The prices are collected from five major markets in Phnom Penh
- Generally, the prices are collected from four sample stands in each market
- For items that are not sold in the market, prices are collected from nearby stores
- The Price Indices are compiled by geometric average

Data source: National Institute of Statistics

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