

Inflation Report in 2016

A. Domestic Inflation

Phnom Penh Consumer Price Index in December 2016 increased 0.4% compared to previous month, and increased by 3.9% compared to twelve months before.

In comparison to the previous month some price levels significantly increased such as Food and Nonalcoholic Beverages, rose 0.3% with remarkable price increases on rice and other fresh meats; Price level of Clothes and Footwear, rose 0.9% and Price level of Transportation, rose 1.2% as the increasing of gasoline and diesel price. Moreover, compare to twelve months before, Price level of Foods and Nonalcoholic Beverages, rose 6.0% with beef price up 6.6% Chicken price up 7.6% and Fresh Fish price up 9.5%; Alcoholic Beverages and Tobacco, rose 4.5% with tobacco price up 6.0%.

Table 1: Changes of price level indices of 12 product groups in December 2016

	Change in % (MoM)	Change in % (YoY)
Item of goods & service	0.4	3.9
1. Foods and Nonalcoholic beverages	0.3	6.0
2. Alcoholic beverages, and Tobacco	-0.1	4.5
3. Clothing and Footwear	0.9	4.1
4. Housing, Water, Electricity, Gas and Other Fuels	0.0	1.7
5. Furnishings, Household Maintenance	0.2	3.3
6. Health	0.2	1.9
7. Transport	1.2	-1.1
8. Communication	0.1	-0.3
9. Recreation and Culture	-0.2	1.9
10. Education	0.0	0.0
11. Restaurants	1.5	1.7
12. Miscellaneous Goods and Services	-0.7	2.0

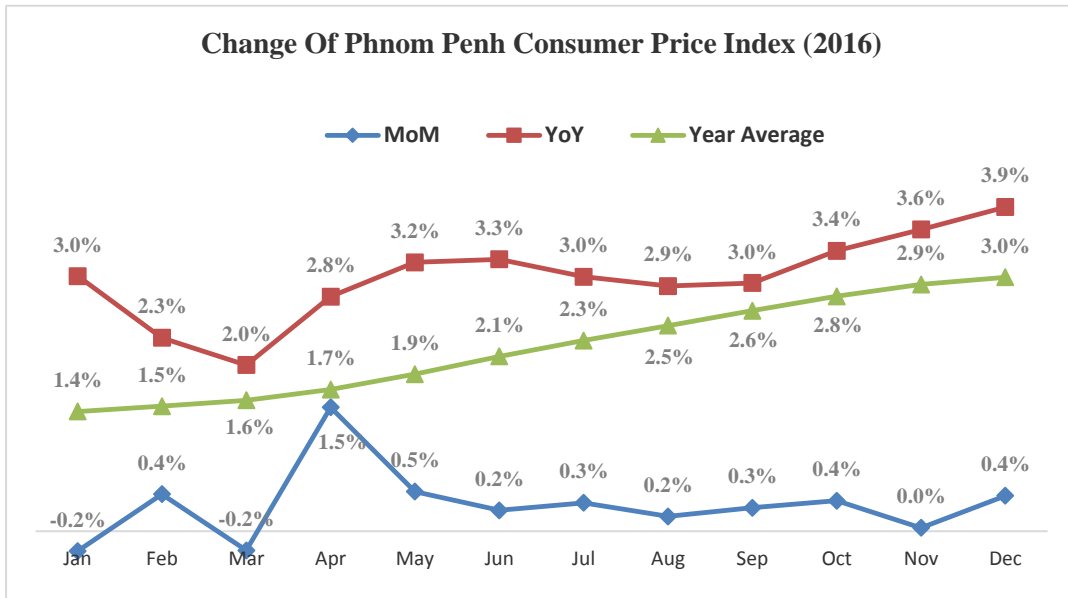
The average inflation rate in 2016 is 3.0%, higher than in 2015 that was only 1.2%. Factors that caused the rise of inflation rate were the increasing food price, especially on beef, chicken, pork and fresh fish items, in line with uprising of FAO Food Price Index (up 12% year-on-year as of December 2016, and down 17.5% in 2015); increasing price of Alcoholic Beverages and Tobacco, due to modification of exise tax rate on those products; and increasing price level of Clothing and Footwear driven by higher prices of raw materials. Furthermore, crude price trend on international market also impacted fuel prices in Cambodia moving upward in recent months in 2016.

Inflation in trading partner countries also increased in 2016, Thailand inflation rate was 1.13% (-0.85% in 2015), Vietnam inflation rate was 4.74% (0.6% in 2015). Likewise, FAO's food price, dairy price, meat price, sugar price indice also grew remarkably in 2016.

Inflation Rate (Year on Year)	2014	2015	2016
Cambodia	1.0%	2.8%	3.9%
Thailand	0.6%	-0.8%	1.1%
Vietnam	1.8%	0.6%	4.74%
FAO Food Price Index (YoY Growth)	-9.9%	-17.5%	12%

Table 2: Price level changes of some food items (%)

Food items	2015			2016		
	Compare to last month			Compare to last twelve months		
	Oct	Nov	Dec	Oct	Nov	Dec
Rice	-0.2	0.5	0.5	2.5	2.8	3.6
Beef	0.2	0.2	0.3	10.4	7.8	6.6
Chicken	0.9	0.0	0.3	7.8	7.1	7.6
Duck	-0.2	0.0	0.7	1.1	1.0	1.0
Pork	-0.2	-0.1	0.6	3.9	3.2	3.5
Freshwater and sea fish	0.7	0.6	0.4	10.7	10.6	9.5
Fresh fish	0.7	0.3	0.3	11.2	11.0	9.6
Fruit	0.6	-1.1	0.6	5.5	5.4	5.1
Fresh fruit	0.8	-1.3	0.8	5.1	5.2	5.1
Vegetable	2.0	1.2	0.1	9.0	13.3	13.6
Leaf vegetable	3.4	1.7	0.6	5.5	11.3	13.0
Fruit vegetable	1.0	1.1	-0.6	18.3	24.2	23.2



B. Annual Inflation of Neighbor Countries:

Table 3: Annual inflation (%)

Country	2015	2016											
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Cambodia	2.8	3.0	2.3	2.0	2.8	3.2	3.3	3.0	2.9	3.0	3.4	3.6	3.9
Vietnam	0.6	0.8	1.3	1.7	1.9	2.3	2.4	2.4	2.6	3.3	4.1	4.5	4.7
Thailand	-0.9	-0.5	-0.5	-0.5	0.1	0.5	0.4	0.1	0.3	0.4	0.3	0.6	1.1
Malaysia	2.7	3.5	4.2	2.6	2.1	2.1	1.6	1.1	1.5	1.5	1.4	1.8	1.6
Indonesia	3.4	4.1	4.4	4.5	3.6	3.3	3.5	3.2	2.8	3.1	3.3	3.6	3.0
Philippine	1.5	1.4	0.9	1.1	1.1	1.6	1.9	1.9	1.8	2.3	2.3	2.5	2.6
China	1.6	1.8	2.3	2.3	2.3	2.0	1.9	1.8	1.3	1.9	2.1	2.3	2.3
South Korea	1.3	0.8	1.2	1.0	1.0	0.8	0.8	0.8	0.4	1.2	1.3	1.3	1.3
Japan	0.2	-0.1	0.3	0.0	-0.3	-0.5	-0.4	-0.4	-0.5	-0.5	0.1	0.5	0.3

Sources:

(1) Cambodia: National Institute of Statistics (NIS)

(2) Other countries: <http://www.tradingeconomics.com>;

Statistics Department

General Department of Economic and Public Finance Policy

Ministry of Economy and Finance