

# Socio-Economic Trends

November-December 2019

## Contents

	Page
<b>Executive summary</b>	<b>1</b>
<b>1. Cambodia economic trends</b>	<b>3</b>
1.1. Consumer price index	3
1.2. Finance	4
1.3. Trade	5
1.4. Budget execution	9
1.5. Private investment	10
1.6. Tourism	12
1.7. Construction	14
<b>2. International commodity prices</b>	<b>15</b>
2.1. Crude oil price: Brent, WTI, Dubai	15
2.2. Rice price: 5%, 25%, 100% broken	16
2.3. Rubber price: TSR20, SGP/MYS	17
<b>3. Appendix</b>	<b>18</b>

## Executive summary

1. In 2019, the total number of international tourist arrivals was 6.6 million, increased by 6.6% compared to last year. Of the total number, Chinese tourist accounted for 35.7% (increased by 16.7%), Vietnam 13.8% (increased by 13.6%), Thailand 7.1% (increased by 22%) and others including Laos, South Korea, US, Japan, Malaysia, France and UK. Of the 6.6% total growth, Chinese tourist arrival has 5.4% contribution to growth. International tourists to other key tourism sites, besides Angkor Wat area, still maintained a rigid growth, but the number of international tourists to Angkor Wat<sup>1</sup> dropped 14.8% causing the decline in the revenue from selling tickets to Angkor Wat by 15%. The decline of international tourists entering Angkor Wat was an ill omen to the stability of tourism growth in 2020. The RGC should focus more on mechanisms to attract the non-Chinese tourists and domestic tourists further to reduce the external vulnerability of too-much-reliance on Chinese tourists while Chinese economy would slow down in 2020<sup>2</sup>, the COVID-19 outbreak, and the decline<sup>3</sup> in growth of international tourist coming to Cambodia via Kong Keng International Airport from September to December 2019 by -24%, -12%, -35% and -14% respectively.
2. In 2019, Council for Development of Cambodia (CDC)<sup>4</sup> approved 197 private investment projects (excluding SEZs), increased by 49 projects and the total investment value was USD 8,160 million, increased by 40.6% compared to last year. Of the 197 projects, 162 was invested in the industry sector (49 on bags and 51 on garments) indicating an investment into the garment sector would continue to increase and this sector was expected to maintain a normal growth in 2020. Moreover, the investment into energy sector such as energy (grid substation & transmission line), solar energy and solar panel would contribute to the diversification of energy sources in Cambodia to supply the domestically increasing demand for industrial factories, businesses and households. Although there were new investment projects on solar panel, car assembly, cosmetic products, mechanic assembly and candle, the diversification of the industry sector outside SEZ was still very limited due to too-much-reliance on garments and bags.
3. In 2019, Cambodian total export<sup>5</sup> amounted to USD 14,527 million (54.2% of GDP<sup>6</sup>), increased by 14.9% compared to 2018 – having the growth rate of 13.4%. Still, the value of the exported major products experienced a slowing growth – including garments and shoes, rice and bicycles. In general, Cambodian export in 2019 still maintained a favorable growth which was mainly supported by the high growth of export to US market – having 11.1% contribution to growth of the total growth (14.9%). To infer, the export value of Cambodia would slightly decrease in the first and second quarter of 2020 due to 1)the high possibility of EBA withdrawal and 2)the widespread outbreak of coronavirus causing Chinese and global economic slowdown due to the negative impact to the global value chains causing the temporary halt of raw material and final products supplies to the world including Cambodia. On the other hand, Cambodian total import amounted to USD 20,520 million (76.6% of GDP), increased by 21.6% lower than that of last year growth – having the growth rate of 24%. The slower growth was due to the low growth of import of garment products (especially clothes) while the import of other major products still maintained a rigid growth. The growth of import showed 1)the domestically increasing demands on both consumption goods and luxurious goods (vehicles) and 2)the flourishing of domestic economic activities especially related to the export-oriented production and domestic supply and a growth of investment into key sectors crucially construction.

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<sup>1</sup> Data from Angkor Enterprise

<sup>2</sup> World Economic Outlook Report of IMF, January 2020

<sup>3</sup> The calculation assumes August as a base month – taking n<sup>th</sup> month on (n-1)<sup>th</sup> month

<sup>4</sup> The private investment projects, excluding SEZ, which were approved by CDC

<sup>5</sup> Preliminary data from General Department of Customs and Excise (Admin Data)

<sup>6</sup> GDP at current price Million USD = USD 26,786 million based on Macroeconomic Framework 23<sup>rd</sup> April 2019

4. In 2019, the total numbers of construction proposals were 4,793 projects, increased by 1,499 projects; the total area was 23.2million square meters, increased by 84.6%; and the total value was USD 11.4% billion, increased by 98.3% compared to last year. The high and steady growth was due to the increasing growth of construction on industry and housing, and the growth also reflected through the increasing import of construction materials in 2019.
5. In 2019, the budgetary central government<sup>7</sup> achieved the total domestic revenue amounting to KHR 24,749.4 billion or equivalent to 125.1% of the Budget Law 2019, increased by 21.7% compared to last year. Meanwhile, the total expenditure was KHR 22,211.2% or equivalent to 89.4% of the Budget Law 2019, decreased by 0.1%. As a result, as of December 2019, the current budget balance achieved the surplus of KHR 9,328.4 billion, and the overall budget balance achieved the surplus of KHR 2,538.3 billion. The surplus was a good implication of national budget saving and could be used as the stimulus package in any necessary matters.
6. In December 2019, Consumer Price Index<sup>8</sup> increased by 0.8% compared to November and by 3.1% compared to December 2018. Through the observation, the annual inflation rate (year average) had a decreasing growth from 2.5% in 2019 to 1.9% in 2019.

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<sup>7</sup> Preliminary data of GDNT, MEF as of 2<sup>nd</sup> January 2020

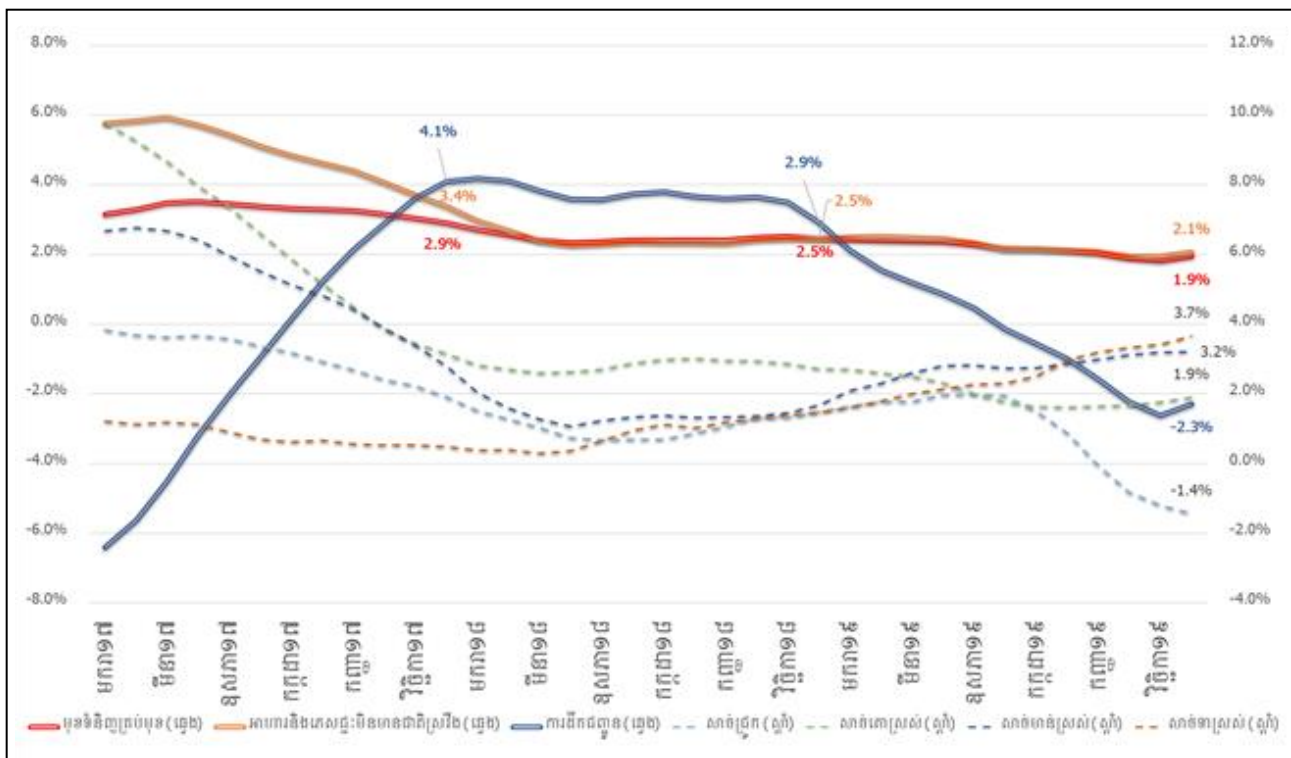
<sup>8</sup> Official data from the National Institute of Statistic

### ៣. ឧបសម្ព័ន្ធ

#### ១. និន្នាការសេដ្ឋកិច្ចកម្ពុជា / Cambodia economic trends

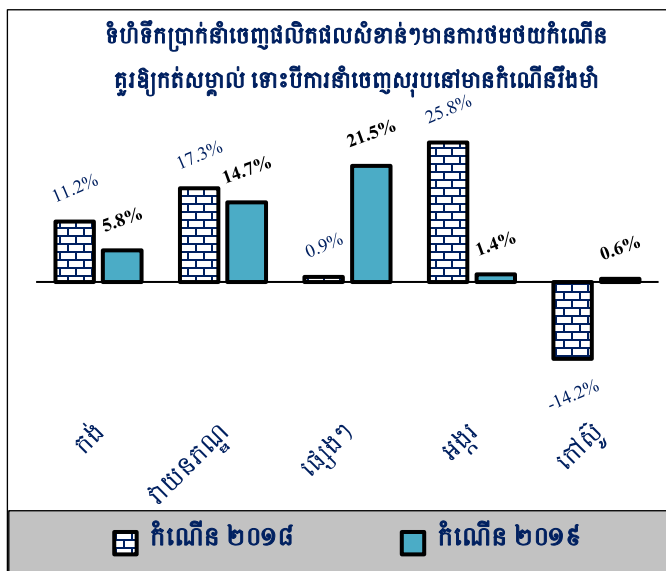
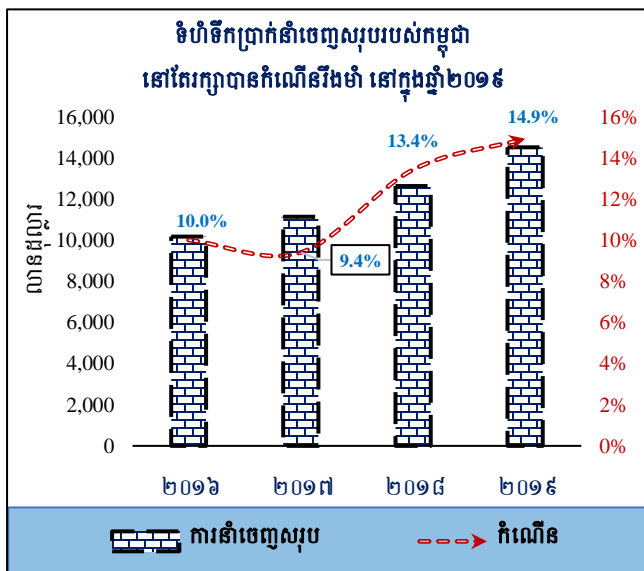
##### ១.១. ស្ថានភាពសន្ទស្សន៍ថ្លៃទំនិញប្រើប្រាស់ / Consumer price index

អត្រាអតិផរណា មានស្ថិរភាព ដោយការថយចុះសន្ទស្សន៍ថ្លៃម្ហូបអាហារ និងថយចុះសន្ទស្សន៍ថ្លៃប្រេងឥន្ធនៈ (កំណើនមធ្យមប្រចាំឆ្នាំ)

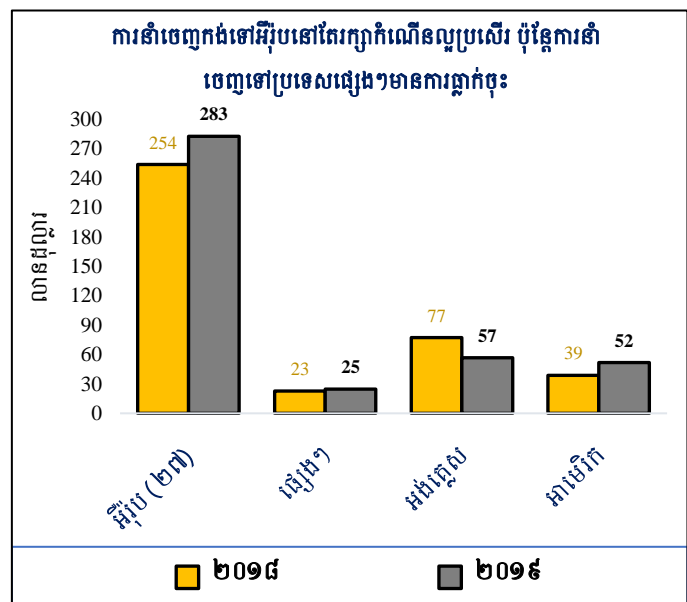
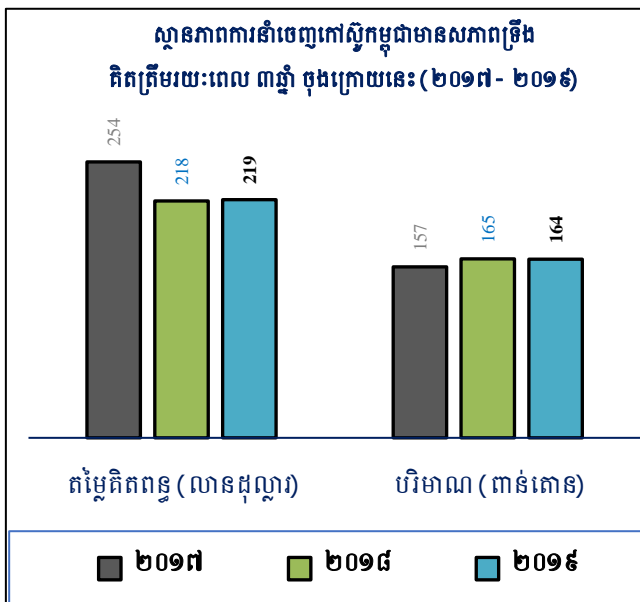
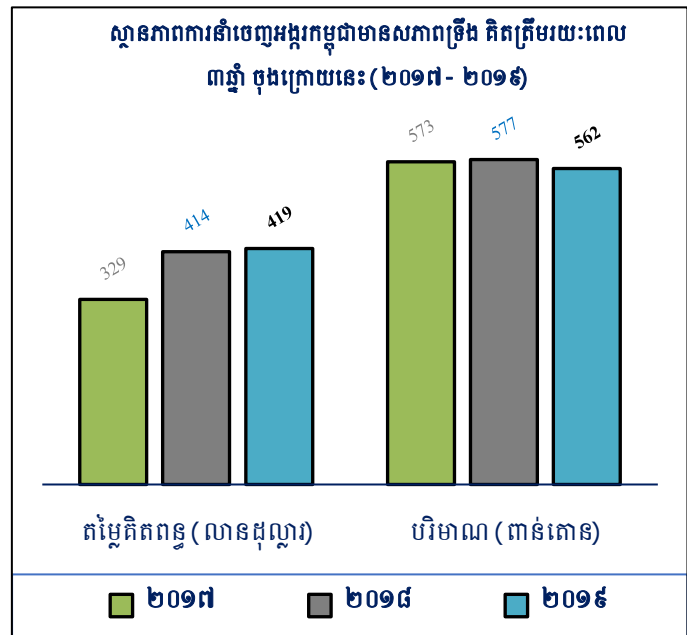
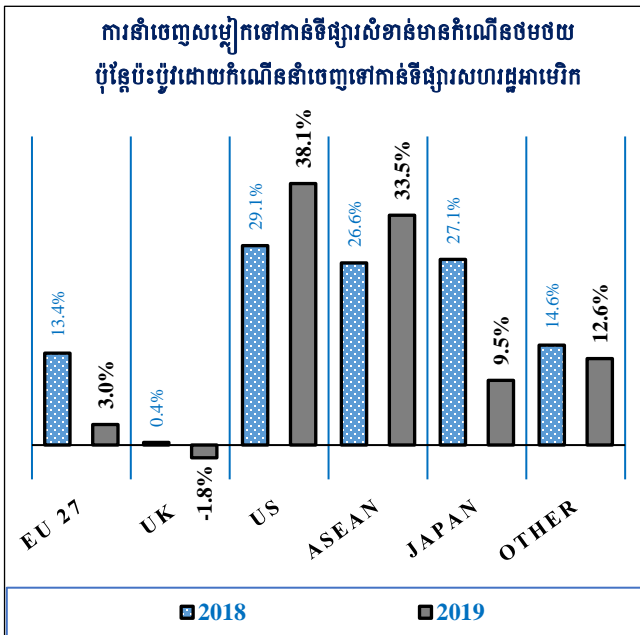
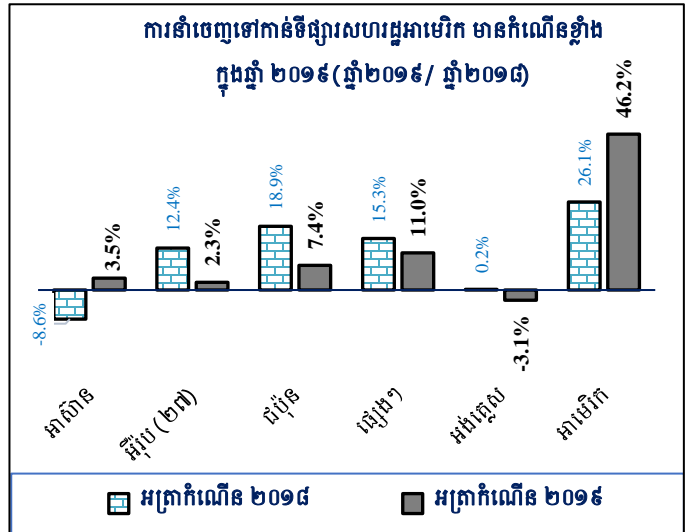
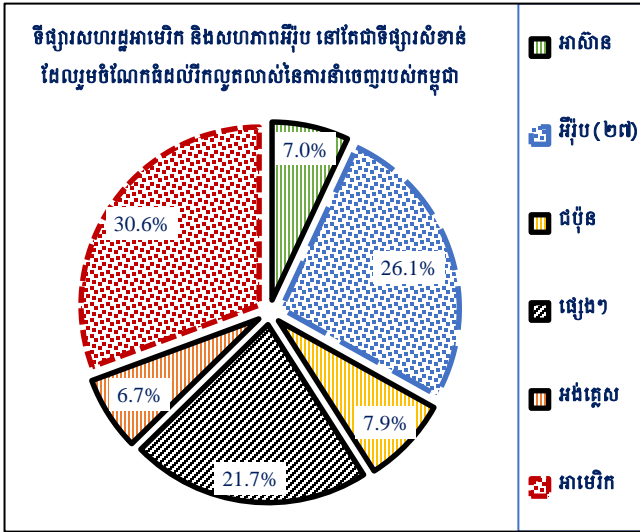


ប្រភព៖ វិទ្យាស្ថានជាតិស្ថិតិ

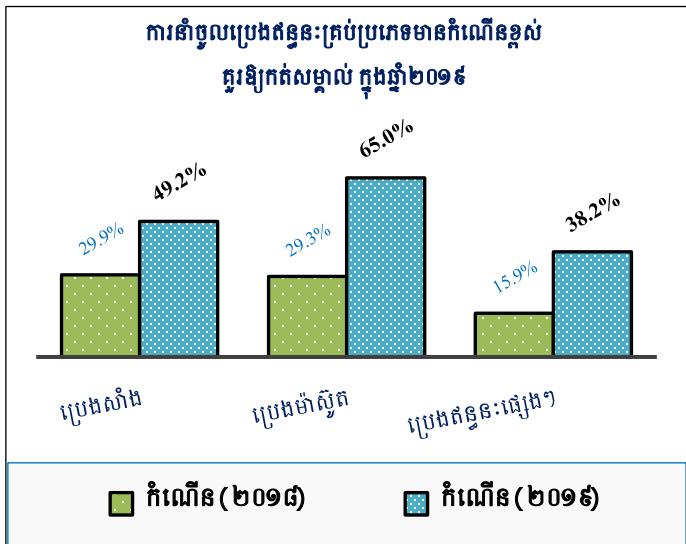
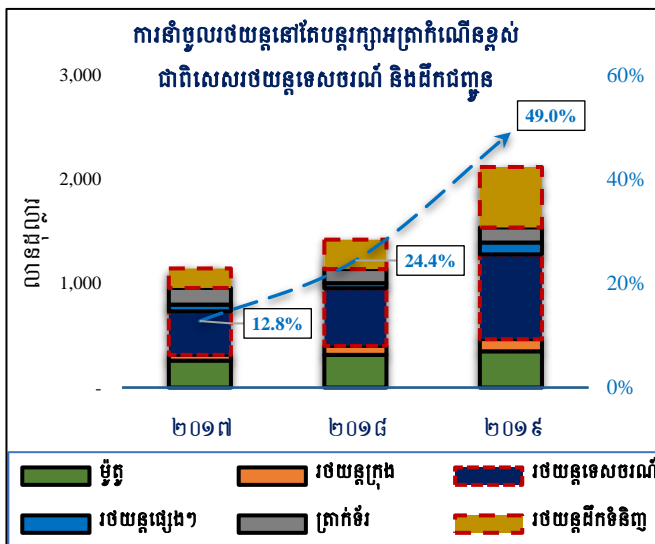
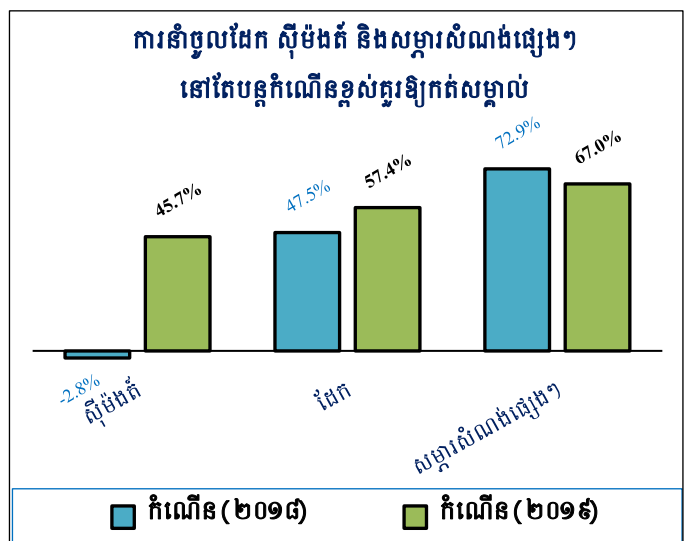
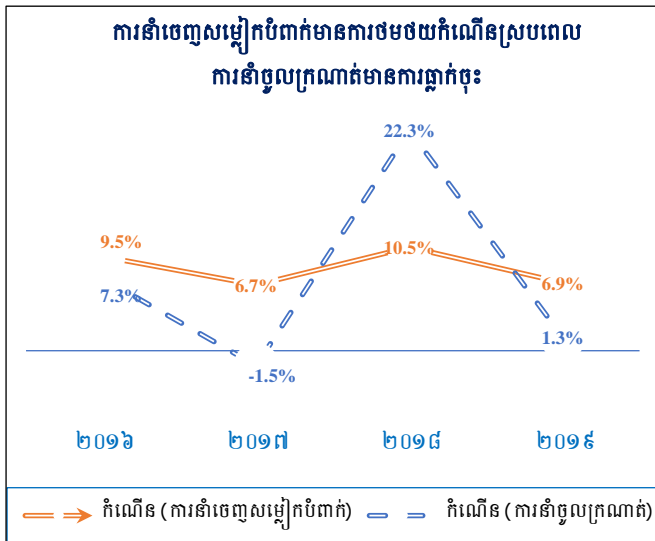
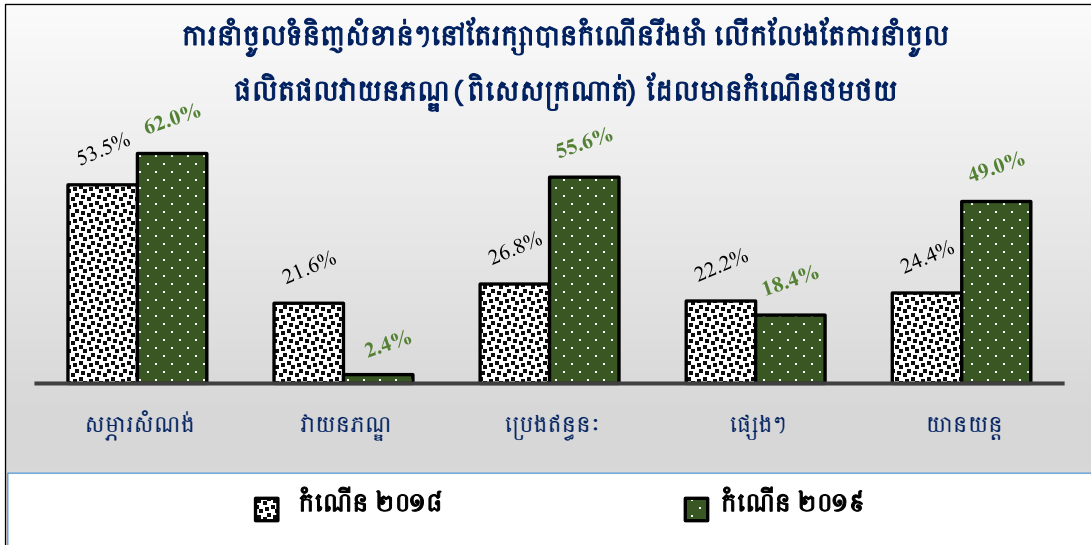
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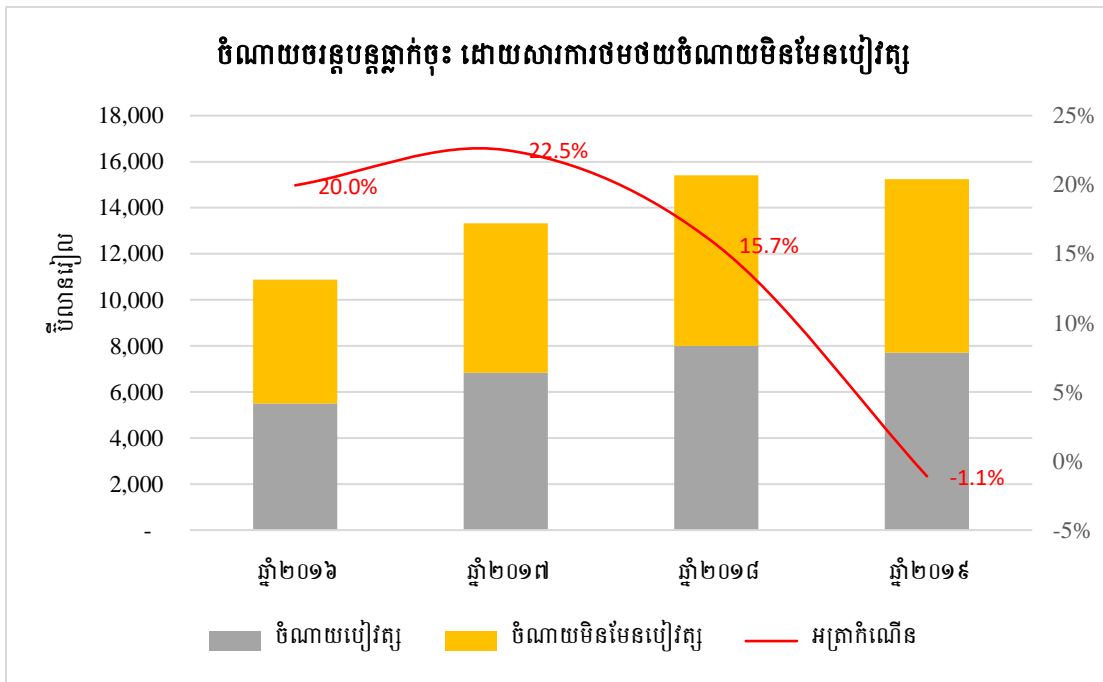
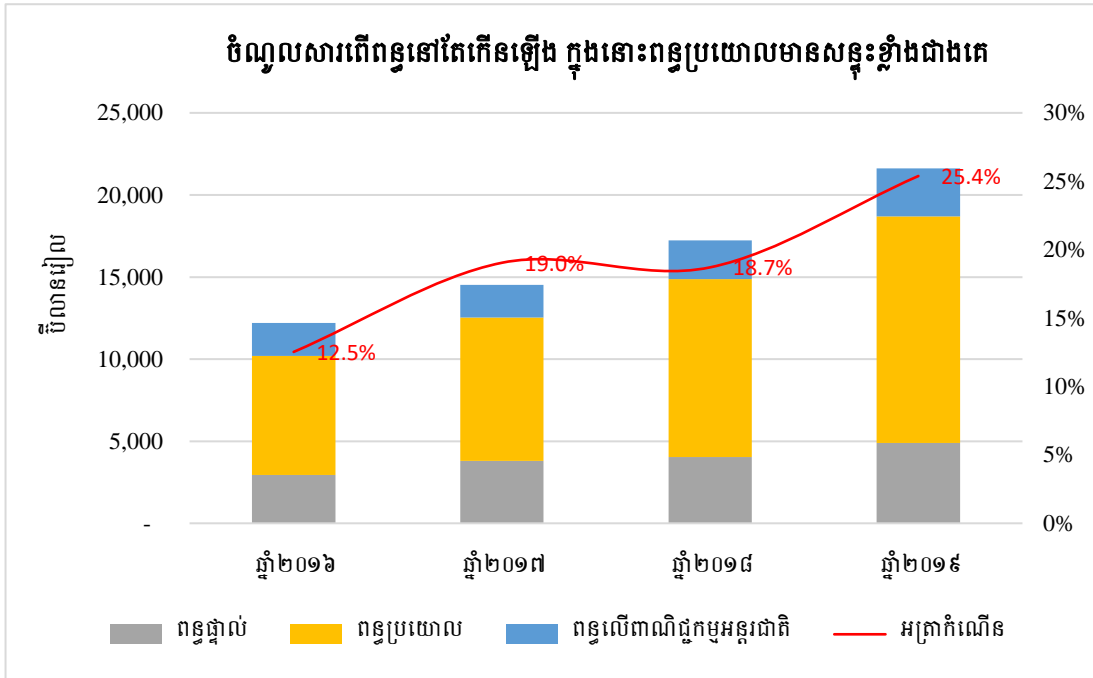


ប្រភព៖ GDCE, MEF



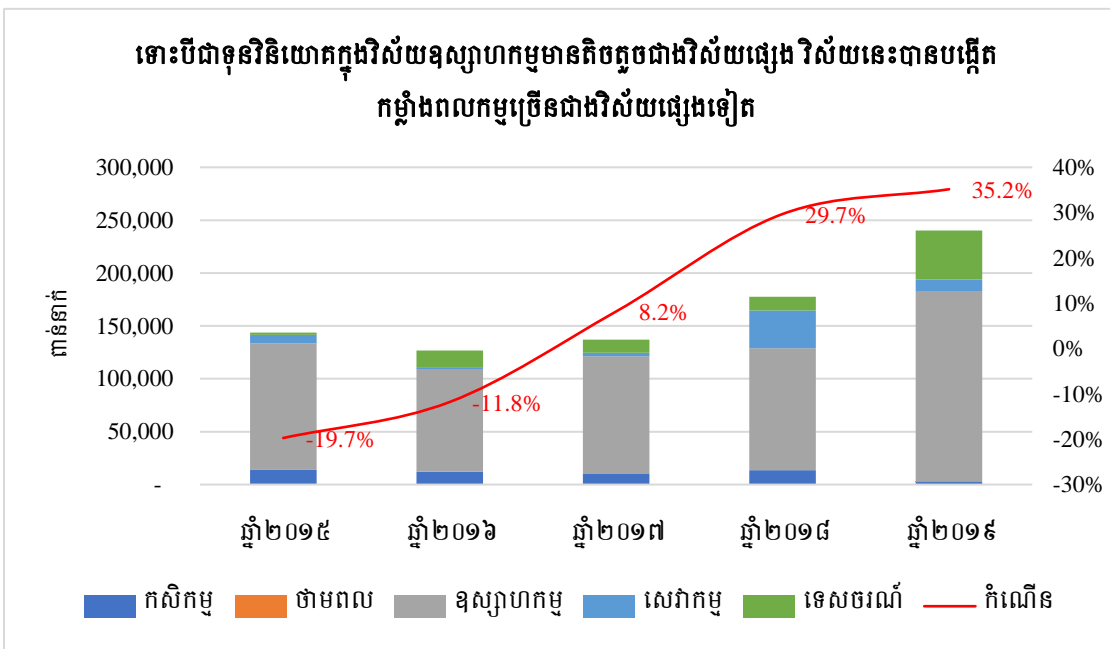
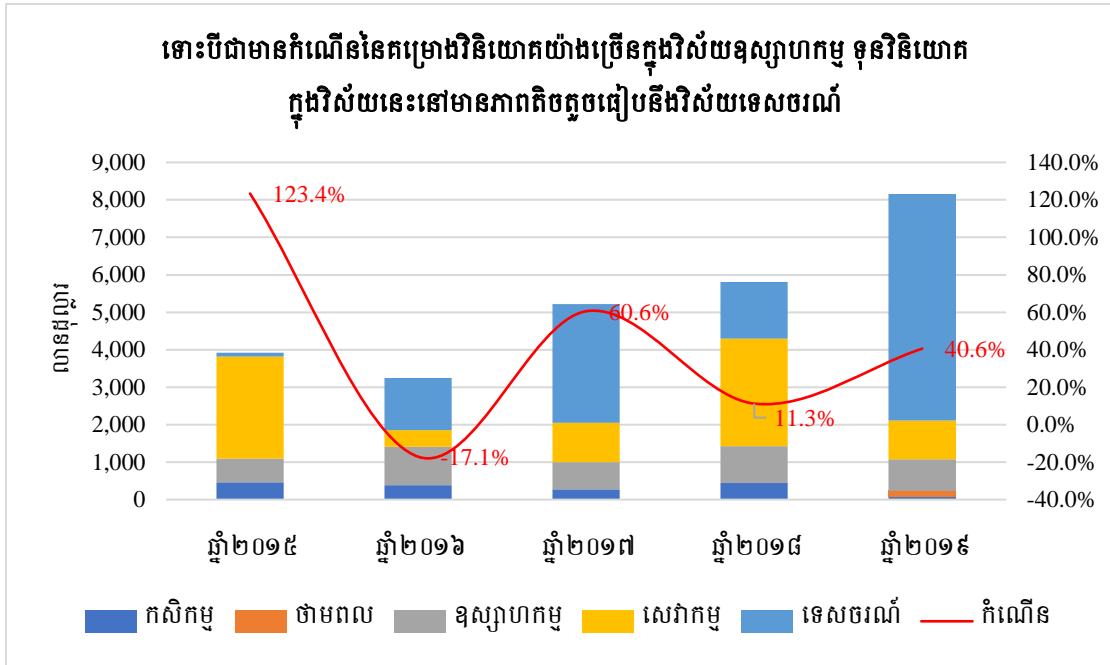
ប្រភព៖ GDCE, MEF

១.៤. ការអនុវត្តថវិកា / Budget execution



ប្រភព៖ ក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ

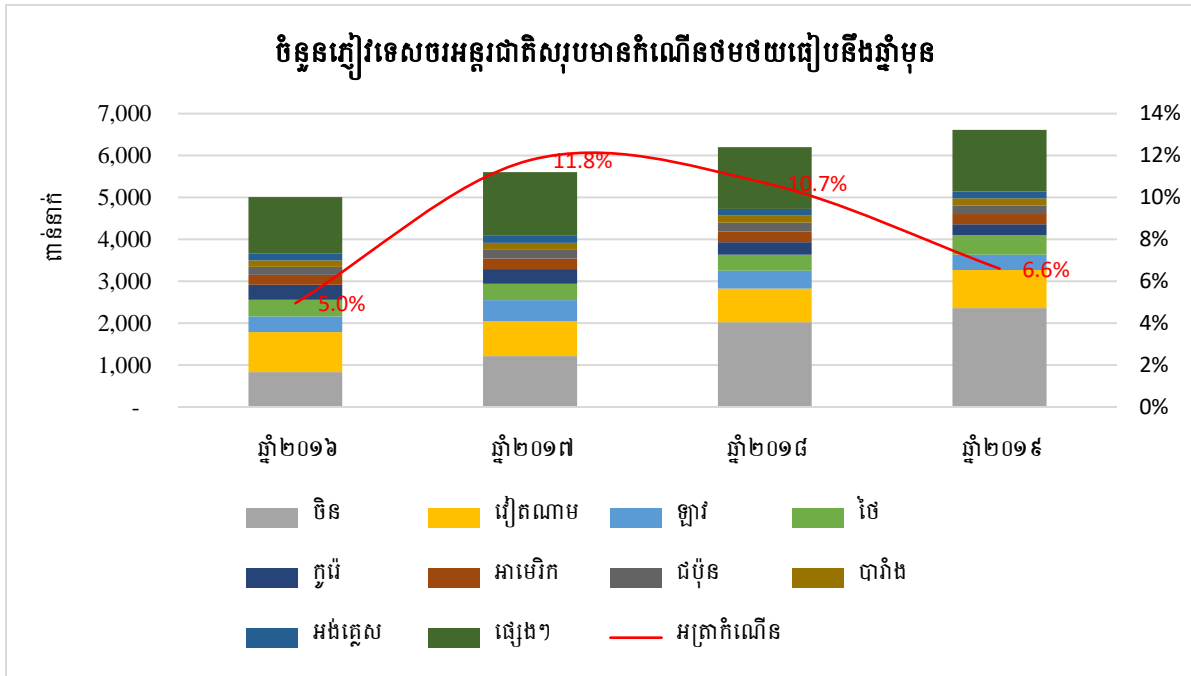
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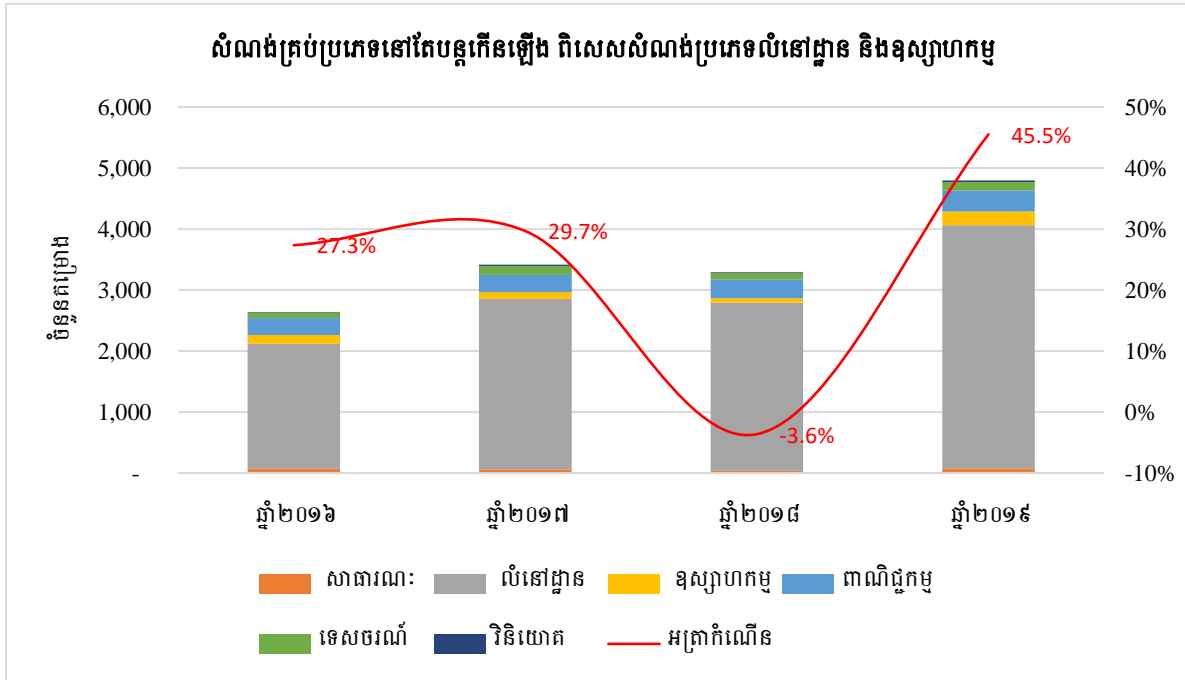
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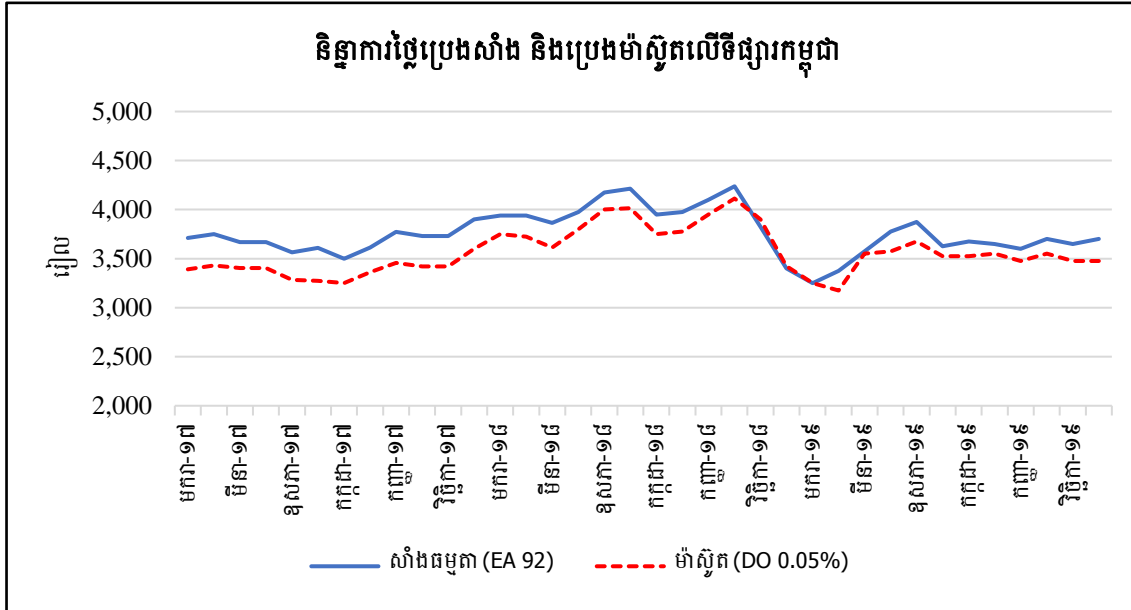
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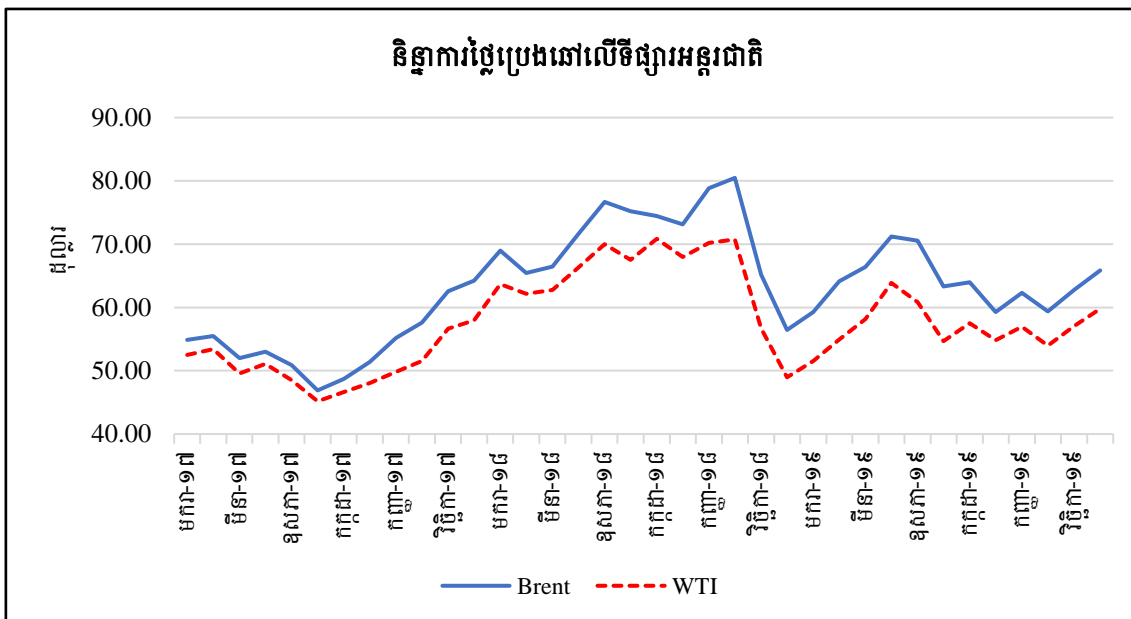
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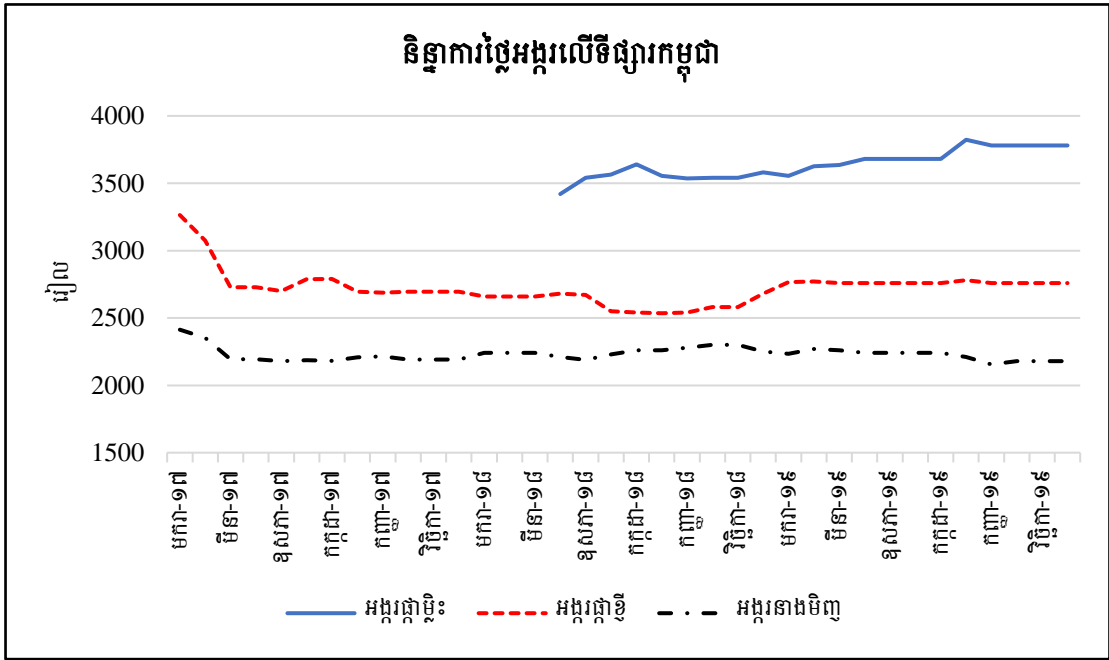
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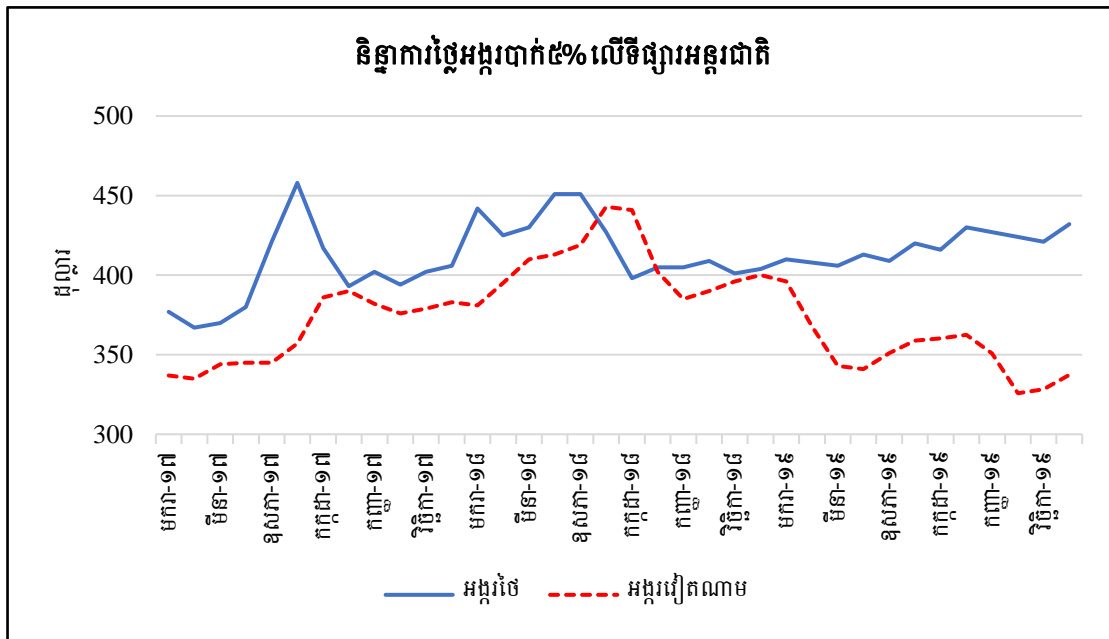
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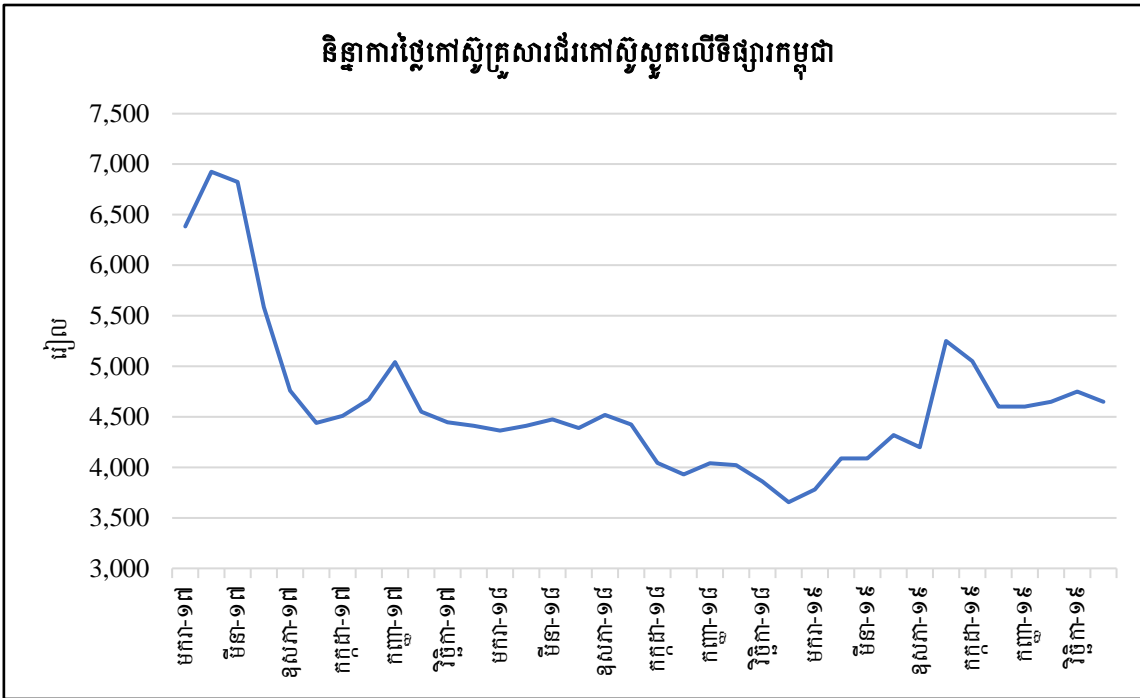
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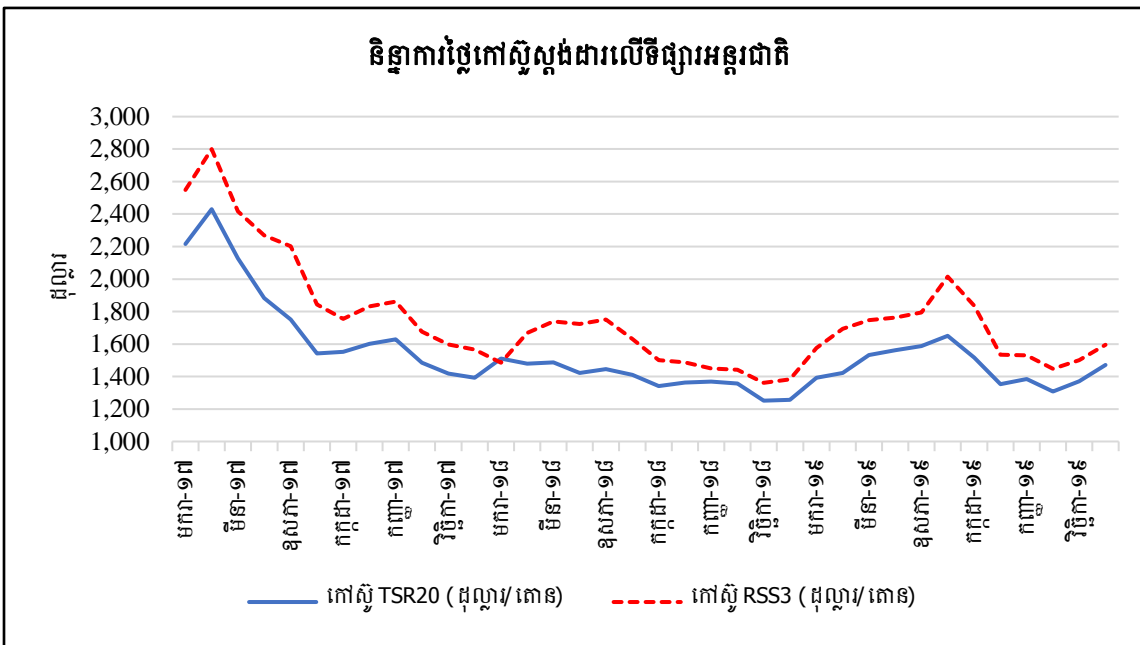
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ប្រភព៖ ក្រសួងកសិកម្ម រុក្ខាប្រមាញ់ និងនេសាទ



ប្រភព៖ Association of Natural Rubber Producing Countries (ANRPC)

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