

Inflation Report

July 2019

A. Domestic Inflation

According to official data from the National Institute of Statistics (NIS), in July, the price index of goods and services in Phnom Penh increased by 0.5% compared to the previous month and 2.2% compared to the previous year.

In July 2019, the consumer and service price index increased compared to the same month last year, driven by the significant increase in some major groups of the consumer price index particularly the Food and Non-Alcoholic Beverage 2.2%, Alcoholic Beverages, Tobacco And Narcotics 6.3%, Housing, Water, Electricity, Gas and other Fuels 1.7% and Restaurants 6.1%. The data showed that the growth was followed by the increasing costs of fresh chicken, fresh duck, fresh fish, vegetables and gas.

It can be noted that pork price dropped sharply from 1.0% in June to -3.9% in July 2019, while fresh fish price increased by -0.1% in June to 4.5% in July this year. This figure may reflect changes in the consuming behavior of pork to other meat after the spread of the African swine fever.

Overall, the average growth rate of 7 months in 2019, the price index was 1.9%, lower than the 7 months in 2018 average growth rate which was 2.4%. The slow growth was mainly due to 1) food price stability and 2) the continuing fall in gasoline and diesel prices. According to the estimation model, until December 2019, the annual inflation rate of the Year on Year and the year average inflation may be 2.7% and 2.0% respectively. The rate remains at a manageable level and would help maintain the macroeconomic management in 2019.

Graphs of changes in the 12 Price Indexes

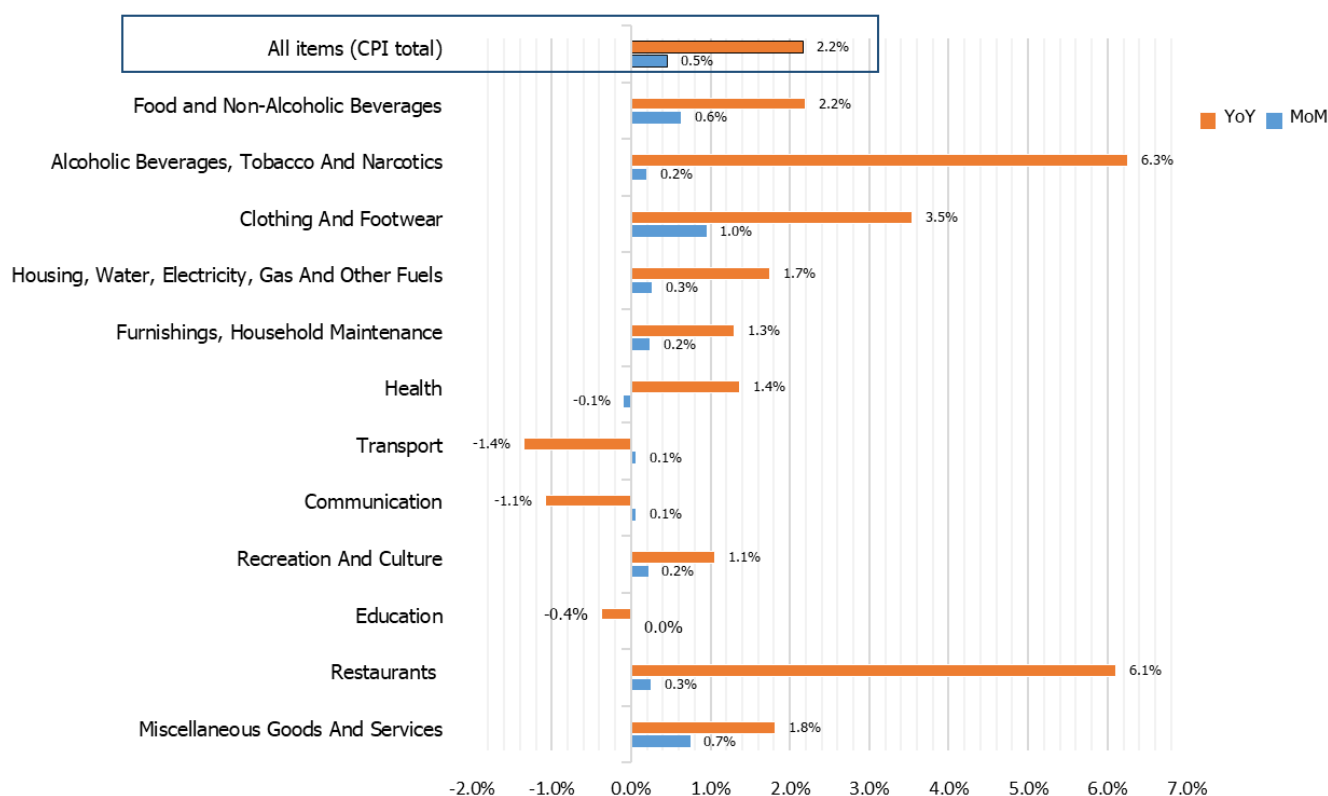


Table 1: Changes of price index of 12 product groups in July 2019

	Compared with last month	Compared with last year
Item of goods & service	0.5%	2.2%
1. Foods and Nonalcoholic beverages	0.6%	2.2%
2. Alcoholic beverages, and Tobacco	0.2%	6.3%
3. Clothing and Footwear	1.0%	3.5%
4. Housing, Water, Electricity, Gas and Other Fuels	0.3%	1.7%
5. Furnishings, Household Maintenance	0.2%	1.3%
6. Health	-0.1%	1.4%
7. Transport	0.1%	-1.4%
8. Communication	0.1%	-1.1%
9. Recreation and Culture	0.2%	1.1%
10. Education	0.0%	-0.4%
11. Restaurants	0.3%	6.1%
12. Miscellaneous Goods and Services	0.7%	1.8%

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

Food items	Compared with last month				Compared with last year			
	2019				2019			
	Apr	May	Jun	Jul	Apr	May	Jun	Jul
Rice	0.4	0.8	-0.5	0.7	3.0	3.6	2.7	3.5
Beef	0.2	-0.1	0.1	0.5	1.1	0.5	1.1	1.9
Chicken	0.3	0.1	-1.2	0.9	3.5	3.3	1.7	2.5
Duck	0.4	0.9	-1.6	2.2	3.0	4.0	2.8	4.5
Pork	2.1	-0.8	-0.4	-5.0	2.4	1.6	1.0	-3.9
Freshwater and sea fish	0.7	0.1	-0.3	3.0	2.3	1.5	0.7	4.6
Fresh fish	0.7	0.2	-0.3	3.5	1.4	0.7	-0.1	4.5
Fruit	-0.3	1.2	0.0	1.1	-0.6	1.3	1.1	3.1
Fresh fruit	-0.4	1.5	0.0	1.3	-0.8	1.4	1.2	3.7
Vegetable	1.1	1.4	-2.1	1.4	2.7	3.2	1.0	3.0
Leaf vegetable	0.9	0.2	-2.1	0.6	4.7	4.0	0.9	1.1
Fruit vegetable	2.3	3.1	-2.6	2.6	2.6	5.5	3.3	7.9

B. Annual Inflation of Neighboring Countries:**Table 3: Year on Year inflation rate (%)**

Country	2018	2019						
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Cambodia	1.6	1.5	2.0	2.2	2.1	2.0	1.4	2.2
Vietnam	3.0	2.6	2.6	2.7	2.9	2.9	2.2	2.4
Thailand	0.4	0.3	0.7	1.2	1.2	1.6	0.9	1.0
Malaysia	0.2	-0.7	-0.4	0.2	0.2	0.2	1.5	1.4
Indonesia	3.1	2.8	2.6	2.5	2.8	3.3	3.3	3.3
Philippine	5.1	4.4	3.8	3.3	3.0	3.2	2.7	2.4
China	1.9	1.7	1.5	2.3	2.5	2.7	2.7	2.8
South Korea	1.3	0.8	0.5	0.4	0.6	0.7	0.7	0.6
Japan	0.3	0.2	0.2	0.5	0.9	0.7	0.7	0.5

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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