

Socio-Economic Trends

March 2020

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Executive summary

1. In the first quarter of 2020, Cambodian total export value¹ amounted to USD 3,550 million (13.3% of GDP²), increased by 9.9% (compared to the first quarter of 2019) – lower than the growth rate in the same period last year which was only 13.4%. This slow growth rate was contributed in part to the lower growth of export of garments and shoes – indicating a decrease in purchasing orders from the foreign markets during the widespread of covid-19 pandemic. In general, Cambodian export still maintained a favorable growth although the covid-19 pandemic have made a decrease in global demand dramatically and a more restricted trade transaction across borders. As a preliminary inference, the export in the 2nd quarter is expected to slow down if the covid-19 pandemic is still unabating, especially in EU and USA which are the major markets for Cambodian export. On the other hand, Cambodian total import value amounted to USD 5,251 million (19.6% of GDP), increased by 14.4% which was lower than the same period last year growth – having the growth rate of 21.2%. The data indicated that the import value of major products, which used to experience a high growth, was in a decreasing trend including machinery and diesel and others experiencing a negative growth such as textiles and construction materials. In general, the slow growth of import was due to the ongoing widespread of covid-19 pandemic which contributed to 1) the restriction of international trade and 2) the temporary suspension and decline of some unnecessary economic activities.
2. In the first quarter of 2020, the total number of international tourist arrivals was 1.2 million, decreased by -38.5% compared to same period last year. Among the total number, Chinese tourist accounted for 259 thousand or 22.5% of total foreign tourists (decreased by -62%) which contributed to decline by -22.6% due to a heavy dependence on Chinese tourists. It can be noted that international tourist arrival by air declined by -48.9%, of which the number of international tourist arrival via Phnom Penh International Airport, Siem Reap International Airport and Kong Keng International Airport declined by -37.2%, -58.8% and -56.9% respectively. Also, the number of international tourists purchasing Angkor Wat Pass Ticket dropped rapidly by -51.8% and revenue from selling Angkor Wat Pass Ticket also declined by -50.2%³.

¹ Preliminary data from General Department of Customs and Excise (Admin Data) received on 22th April 2020

² GDP at current price Million USD = USD 26,714 million and 24 374 for 2019 and 2018 respectively (Macroeconomic Framework adjusted for the March framework based on the half year data of 2019)

³ Data from Angkor Enterprise on 1st April 2020

3. In the first quarter of 2020, the total numbers of construction proposals were 1,116 projects, increased by 127 projects; the total areas were 5.7 million square meters, increased by 52.8%; and the total value was USD 2.5 billion, increased by 53.4% compared to the same period last year. By observation, this growth was contributed by strong growth of commerce and housing construction while the RGC decided to waive the stamp tax for home-buyers who buying a house from developers with the price lower than USD 70,000 for one year (February 2020 to January 2021) which registered with either the Ministry of Economy and Finance or Provincial Department of Economy and Finance. Despite the increasing total numbers of construction proposals, total import value of construction materials declined by -12.4% due to a sharp drop of import value of steel (steel import was amounted to USD 65 million, decreased by -42.4%, while growth in the first quarter last year was 56.6%) and a slower growth in other construction materials (other constructions import value was USD 177 million, increased by 3.6%, lower than last year growth which was 69.6%).
4. In the first quarter of 2020, Council for Development of Cambodia (CDC)⁴ approved 45 private investment projects (excluding SEZs), decreased by 18 projects and the total investment value was USD 916 million, decreased by -52.7% compared to same period last year. Among the 45 projects, 41 were invested in the industry sector (6 were bags and 17 were garments), 2 were in tourism sector and the other 2 were in service sector. Compared to the first quarter of 2019, the investment projects in industry sector declined by 17 projects of which the investment into bags manufacturing dropped by 20 projects. The ongoing widespread of covid-19 pandemic will prevent investors from investing in non-medical consumer goods manufacturing because the demand side will encounter a dramatic decline since the consumers will be thrifty, especially those in the major export destinations of Cambodia such as US and EU are having a high infection rate of covid-19.
5. Consumer Price Index in March 2020 increased by 0.4% and 2.8% compared to last month and March last year respectively. The data indicated that the price index of almost every CPI groups were in a decreasing trend namely alcoholic beverages and tobacco; clothes and shoes; housing, water, electricity, gas and other fuels; furnishings, household equipments, and routine household maintenance; medicals; and restaurants, but the price index of foods and non-alcoholic beverages increased double – amounting to 4.2% compared to March last year.

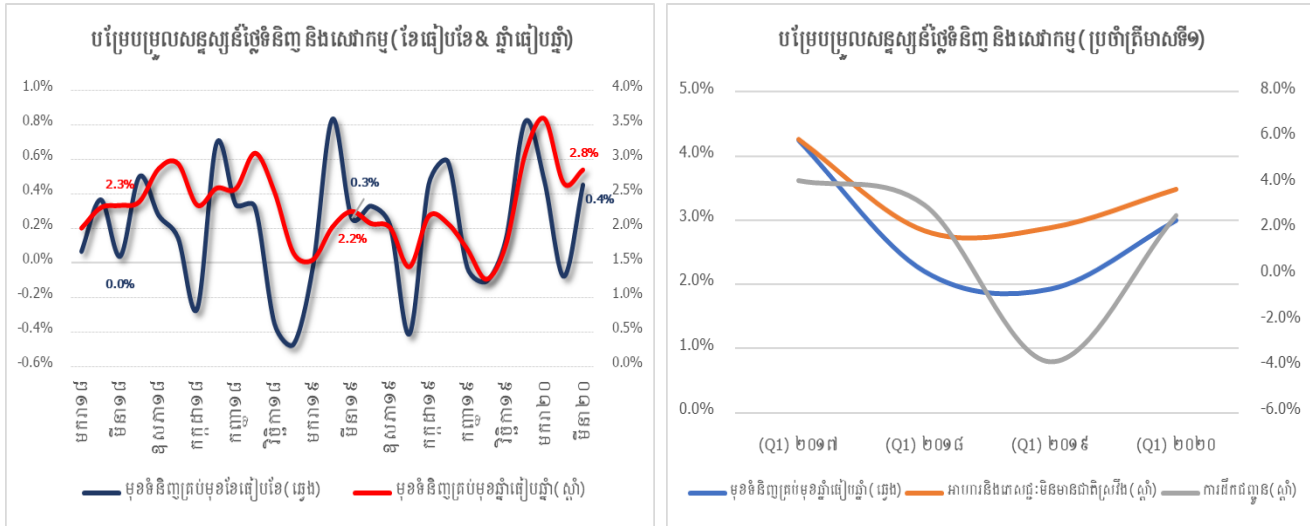
⁴ The private investment projects, excluding SEZ, which were approved by CDC

6. In the first quarter of 2020, the budgetary central government achieved total domestic revenue amounting to KHR 5,543.48 billion or equivalent to 23.01% of the Budget Law 2020, increased by 8.75% compared to the same period last year. Meanwhile, the total expenditure was KHR 5,000.97 or equivalent to 16.68% of the Budget Law 2020, increased by 20.36%. As a result, as of March 2020, the current budget balance achieved the surplus of KHR 1,745.16 billion.
7. In March 2020, the price of petroleum and diesel on Cambodian market as well as the price of crude oil on the international market declined compared to the last month price. At the same time, the price of Jasmin rice and Neang Minh rice on Cambodian market slightly increased, but the price of rice on the international market increased dramatically. Meanwhile, the price of a dry family rubber has not fluctuated while the price of Thai rubber TSR20 and RSS3 declined.

៣. ឧបសម្ព័ន្ធ

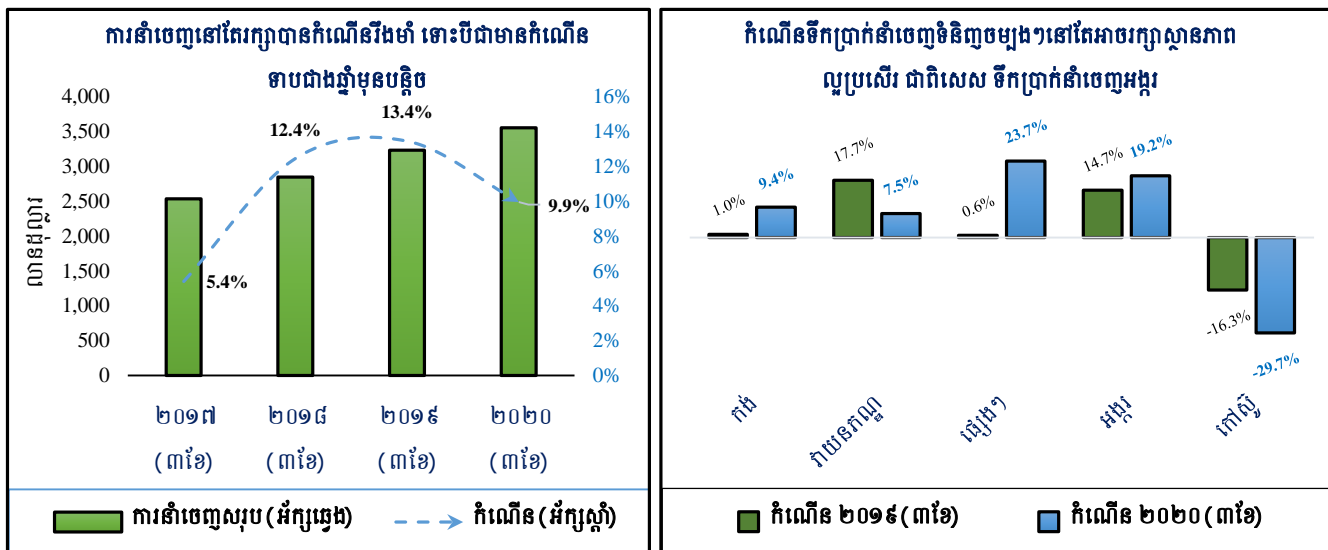
១. និរន្តរភាពសេដ្ឋកិច្ចកម្ពុជា / Cambodia economic trend

១.១. ស្ថានភាពសន្ទស្សន៍ថ្លៃទំនិញប្រើប្រាស់ / Consumer price index

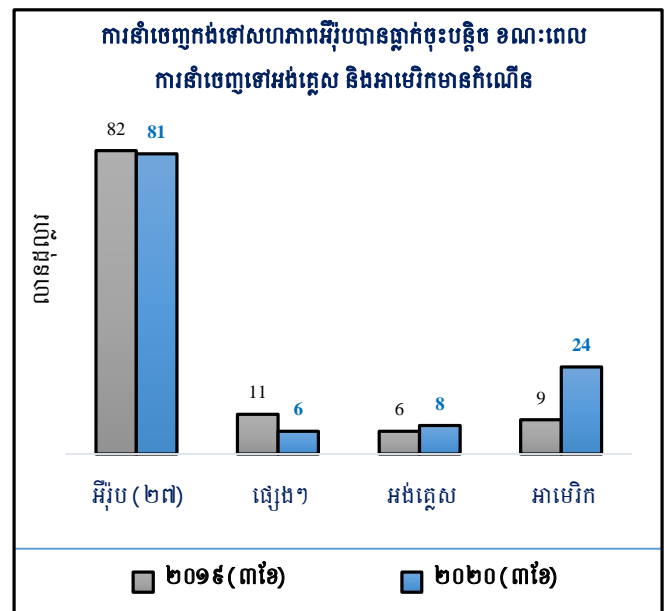
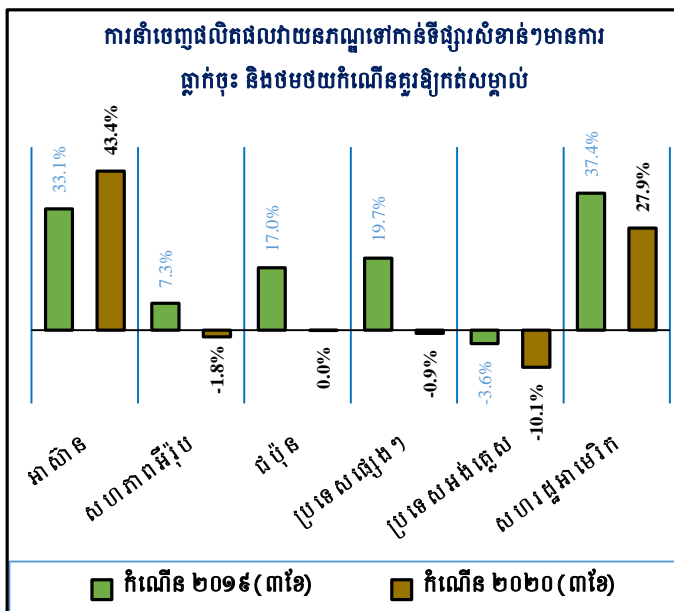
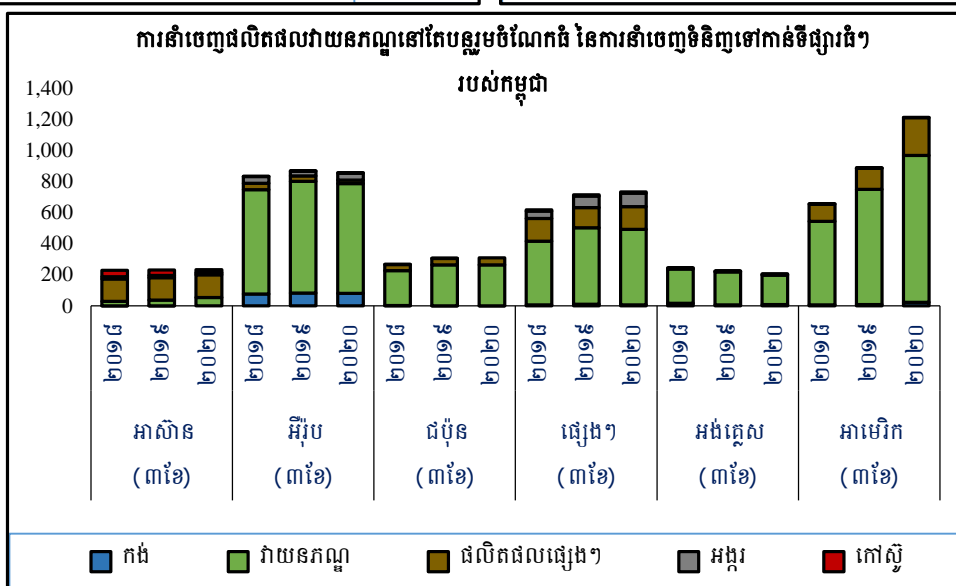
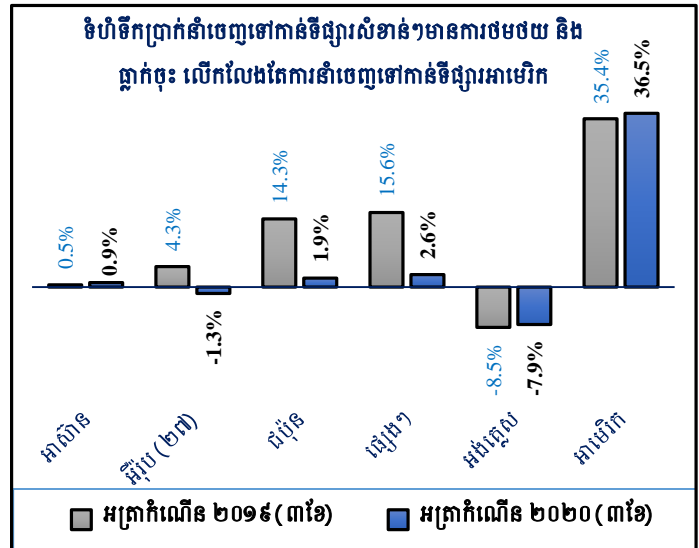
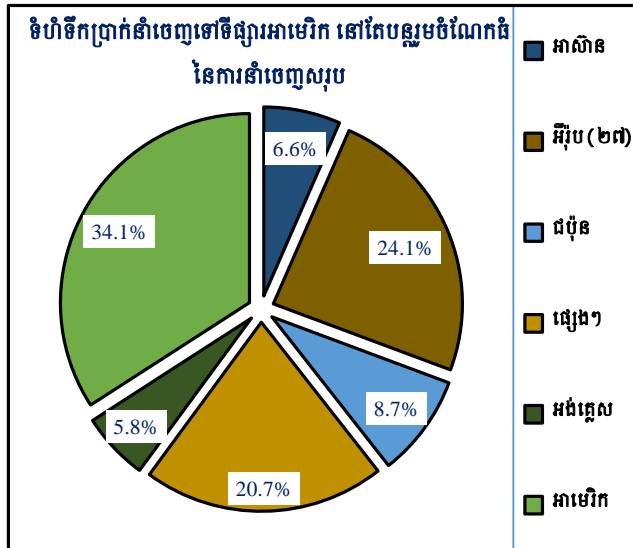


Source: National Institute of Statistics

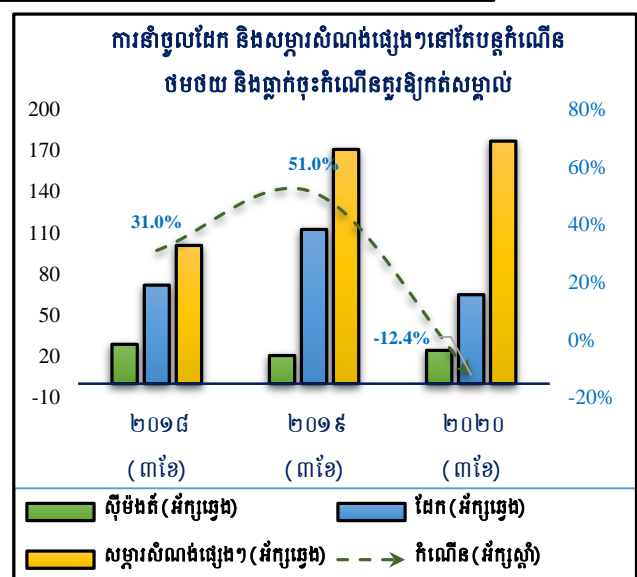
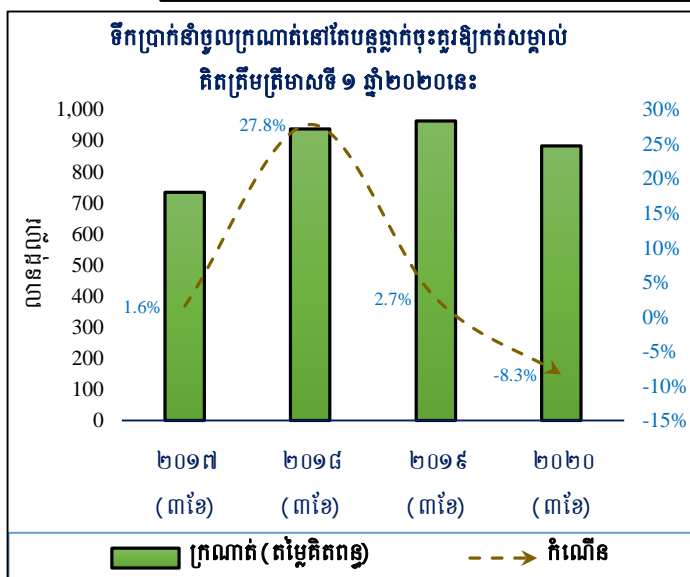
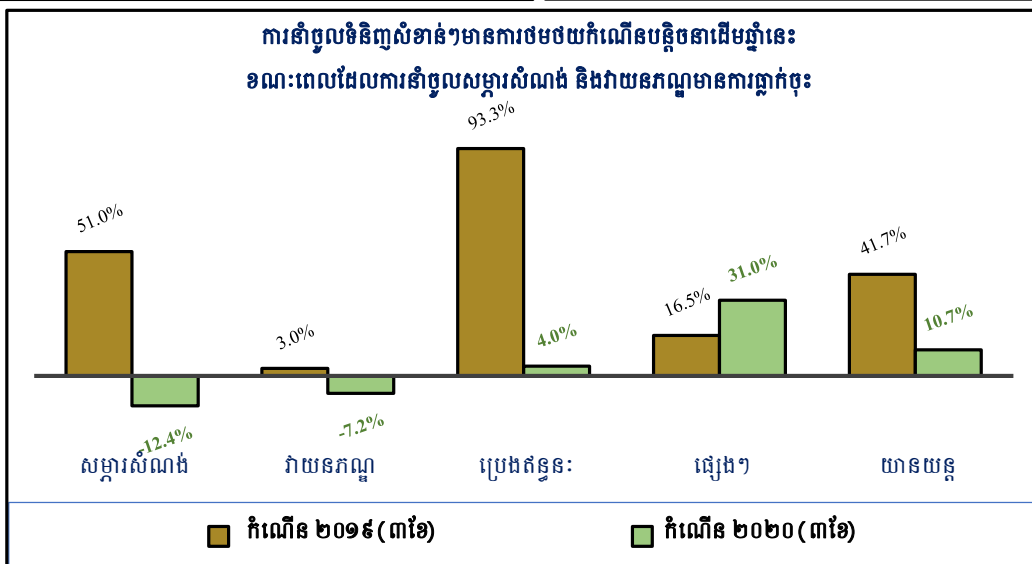
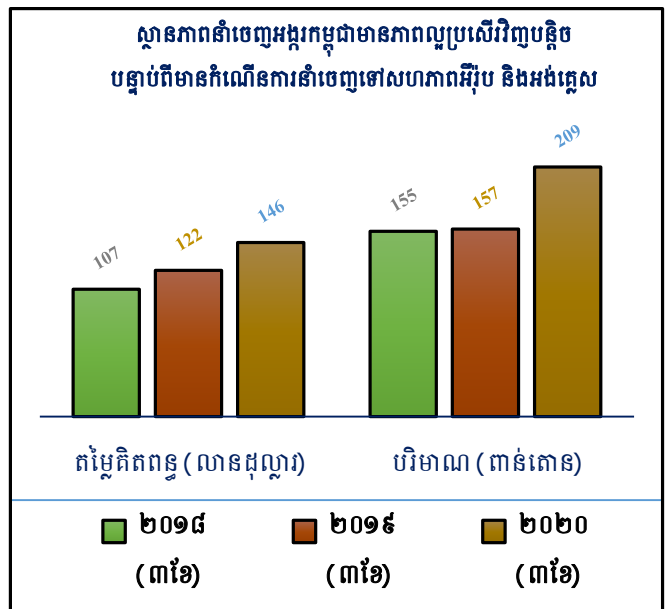
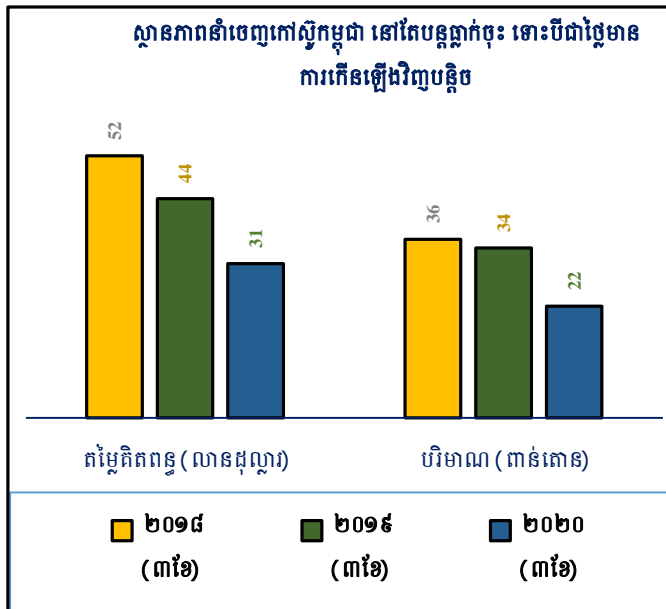
១.២. វិស័យពាណិជ្ជកម្ម / Trade



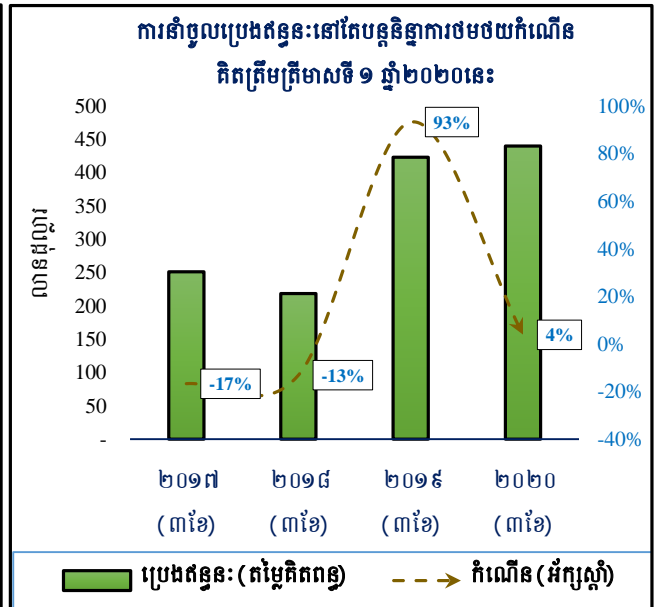
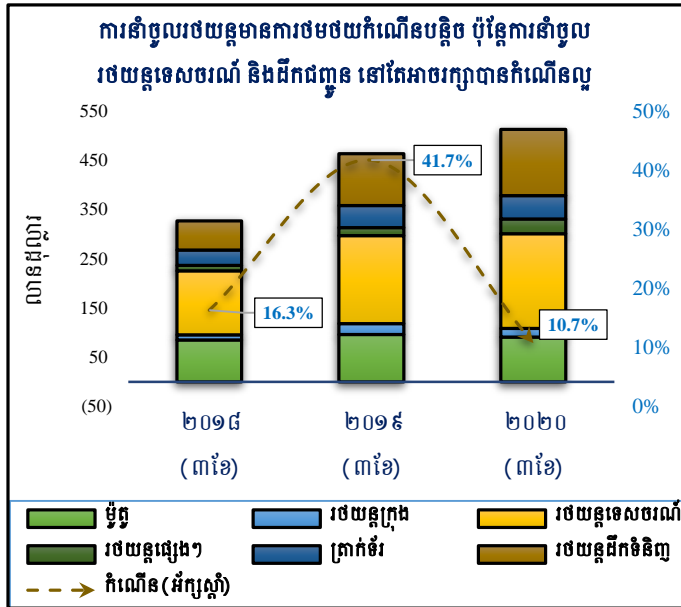
Source: General Department of Customs and Excise, MEF



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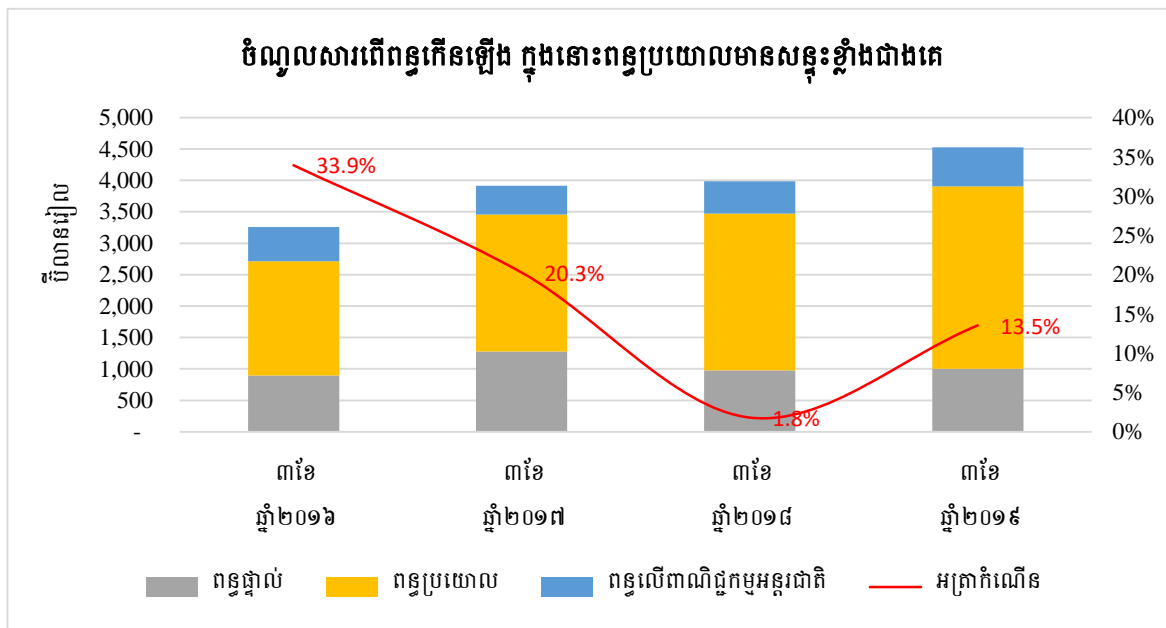


Source: General Department of Customs and Excise, MEF

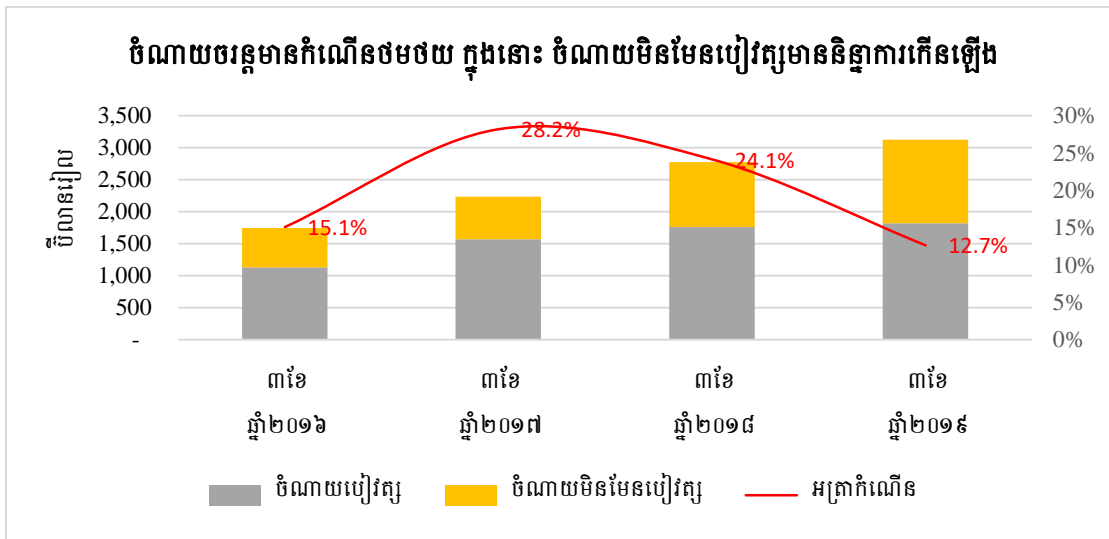


Source: General Department of Customs and Excise, MEF

១.៣. ស្ថានភាពការអនុវត្តថវិកាជាតិ / Budget execution

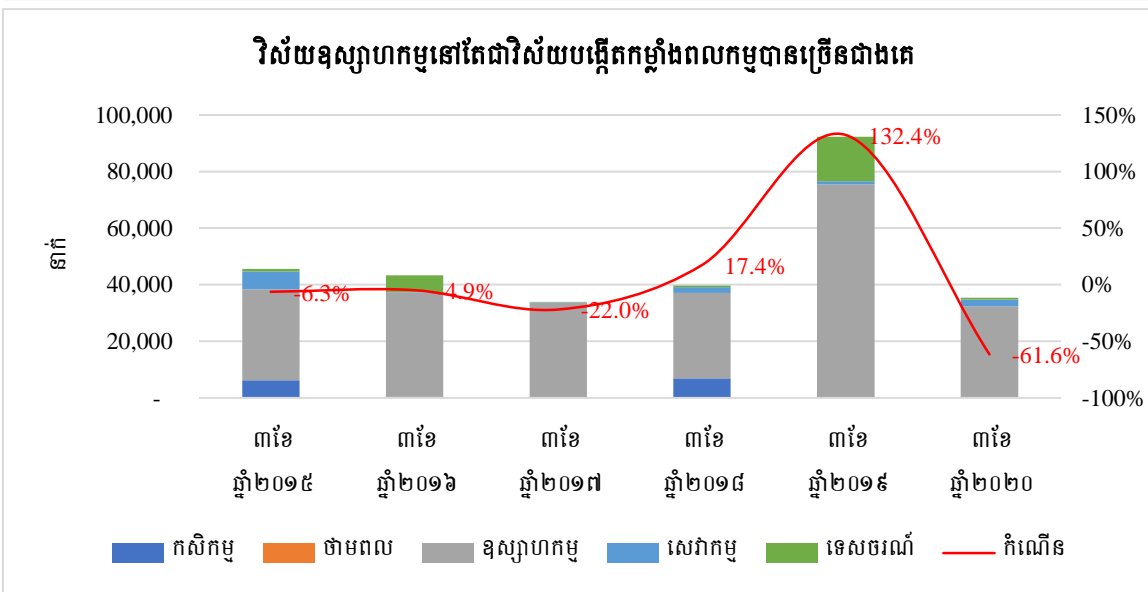
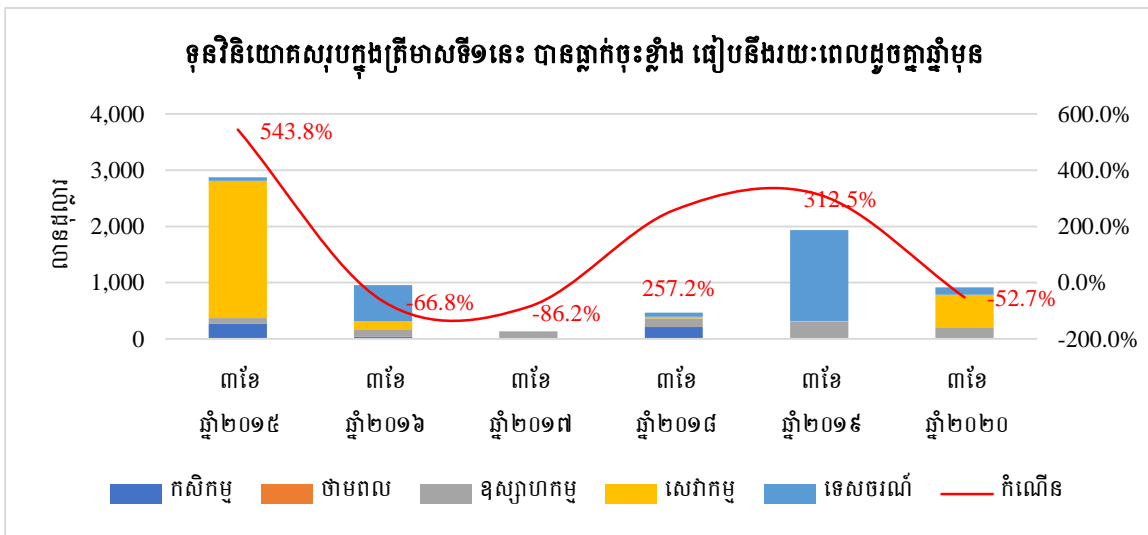


Source: Ministry of Economy and Finance



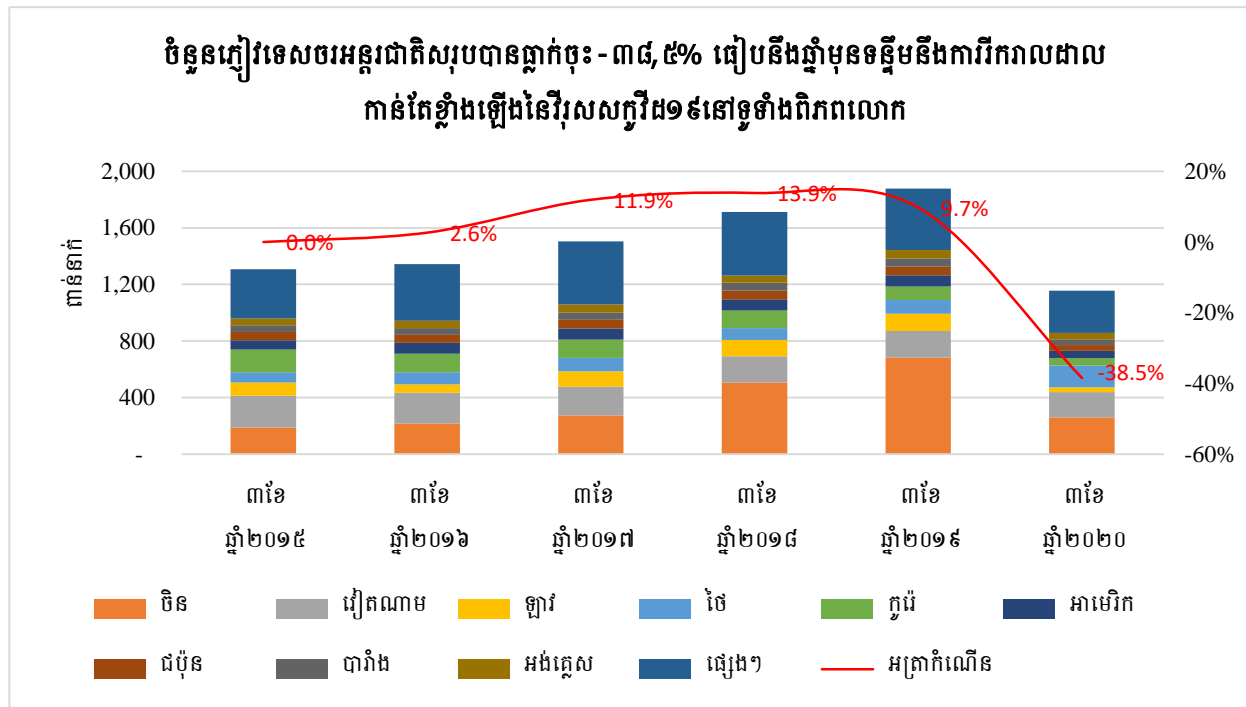
Source: Ministry of Economy and Finance

១.៤. ស្ថានភាពវិនិយោគ / Investment



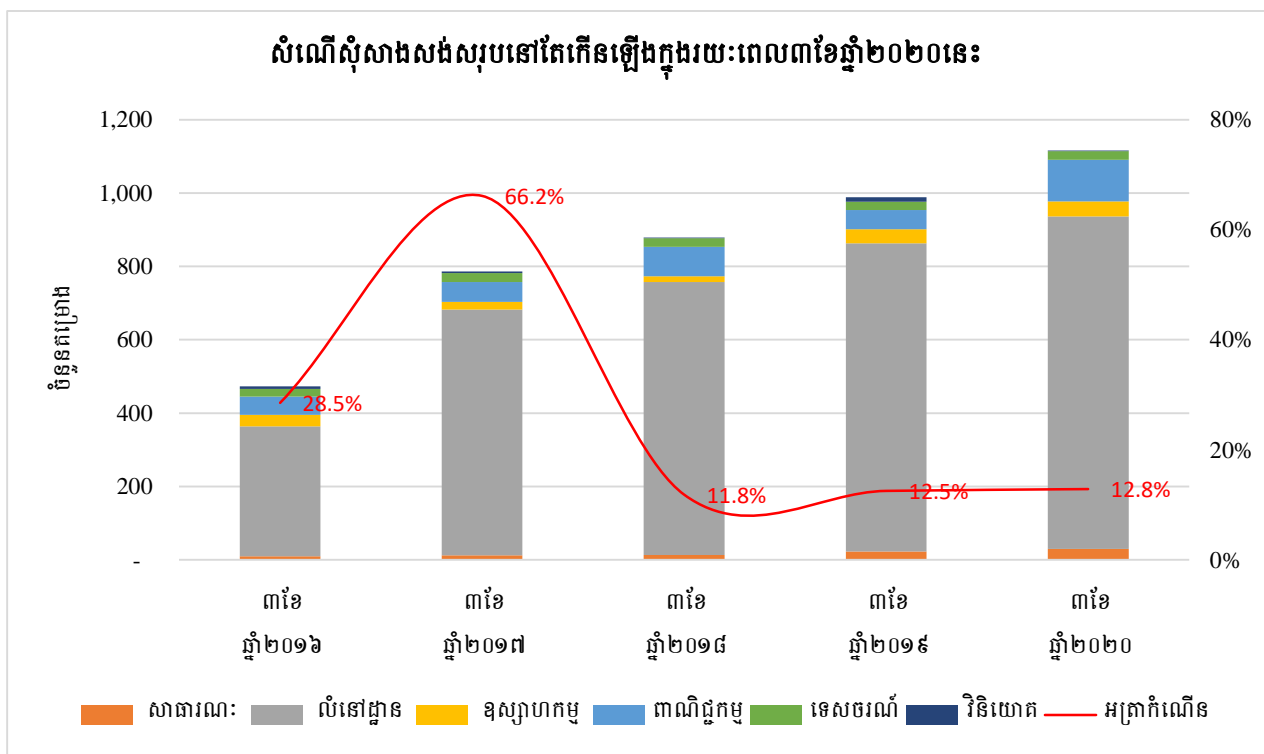
Source: Council for Development of Cambodia

១.៥. ស្ថានភាពទេសចរណ៍ / Tourism



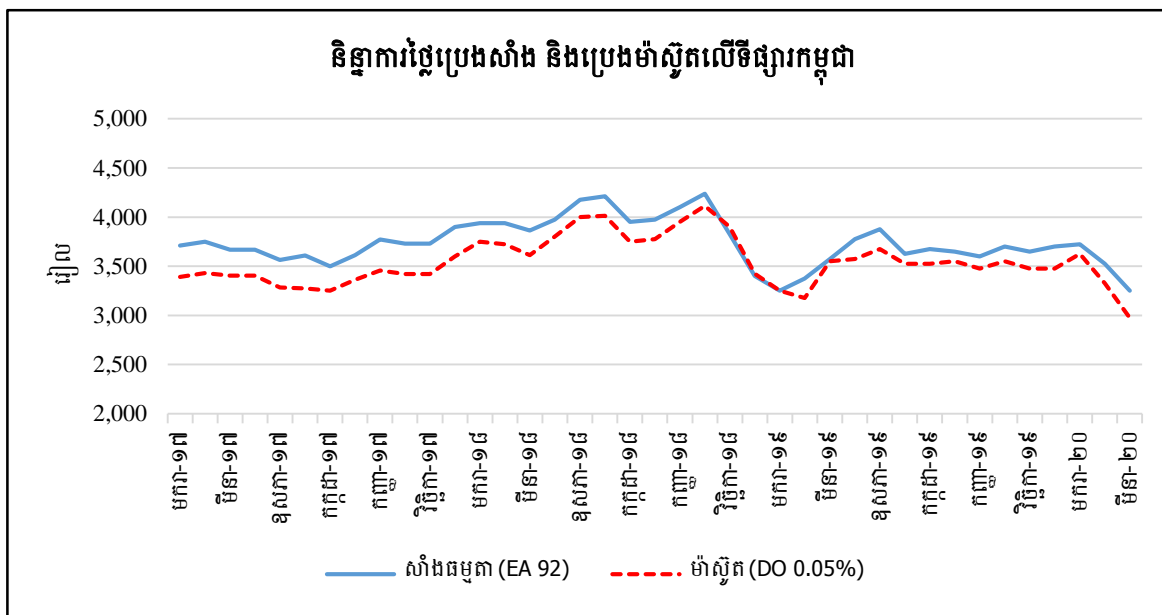
Source: Ministry of Tourism

១.៦. ស្ថានភាពសំណង់ / Construction

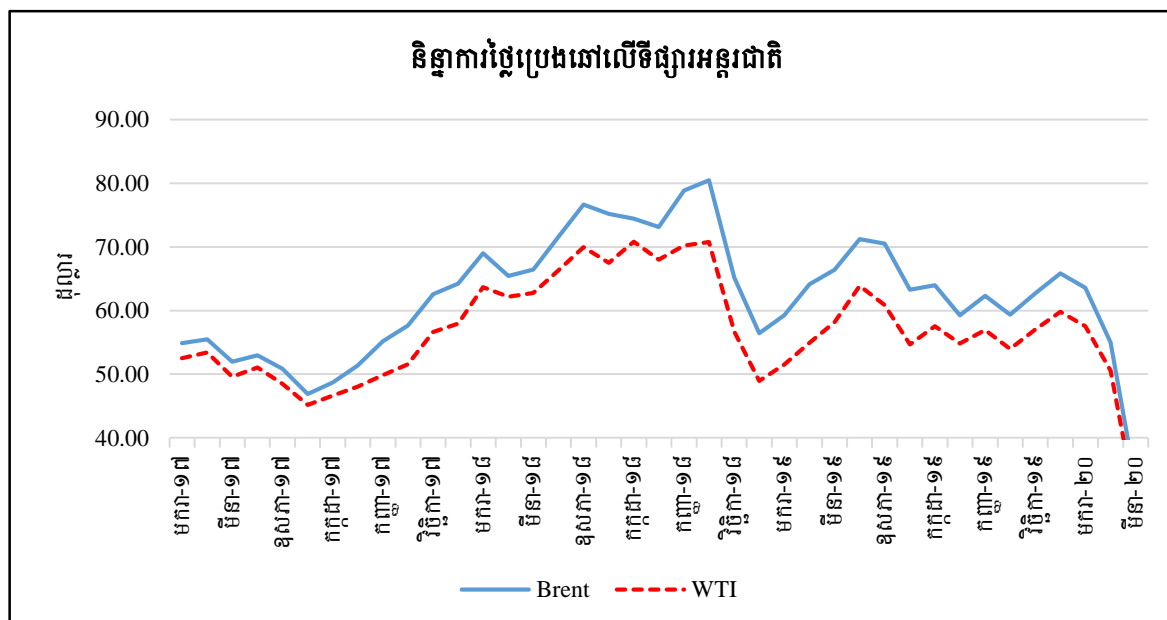


Source: Ministry of Land Management, Urban Planning and Construction

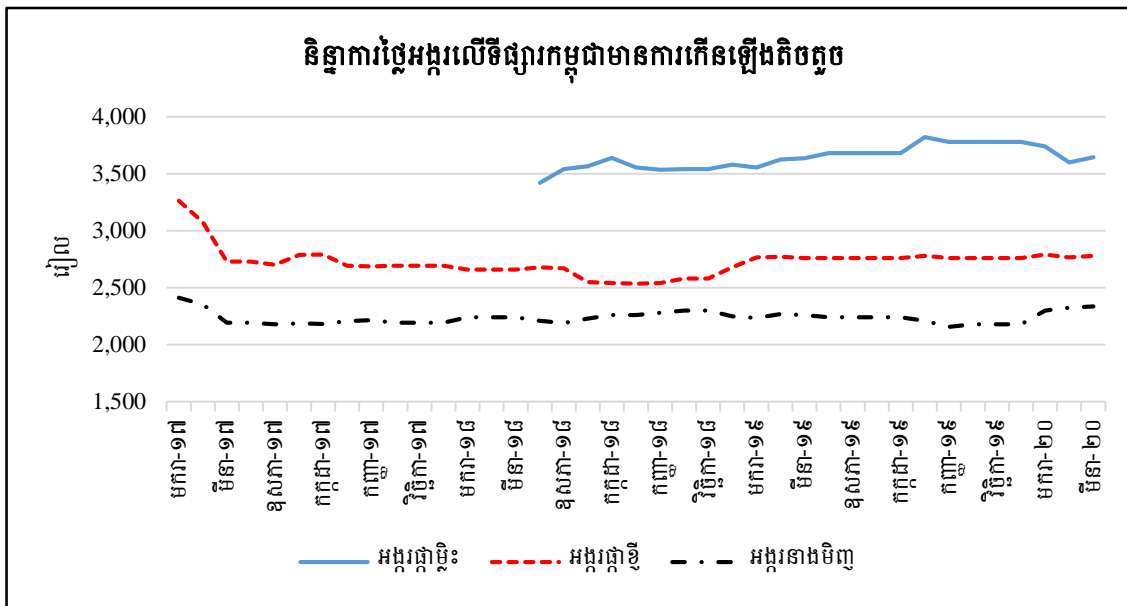
២. ទិដ្ឋភាពថ្លៃទំនិញសំខាន់ៗ / Commodity prices



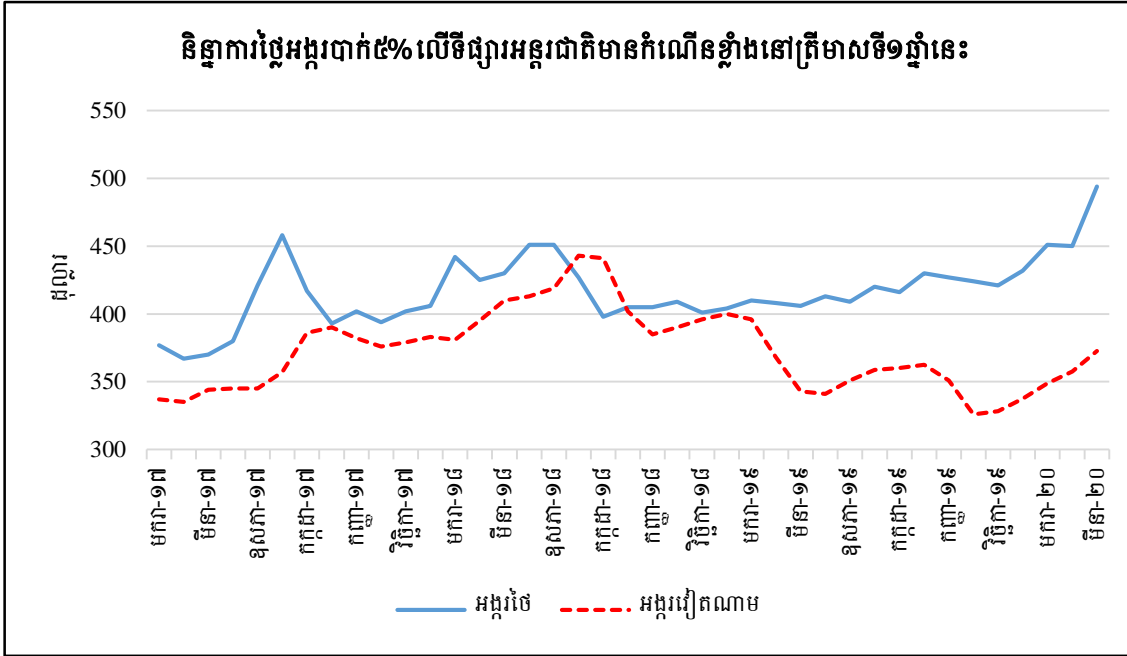
Source: Ministry of Commerce



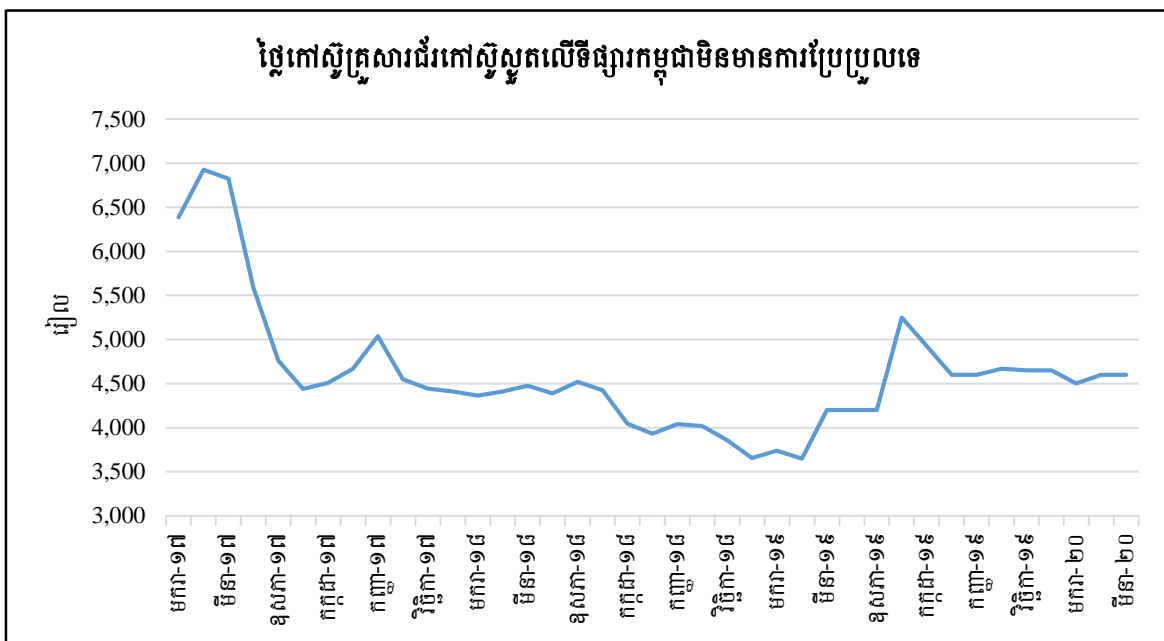
Source: World Bank (Pink Sheet)



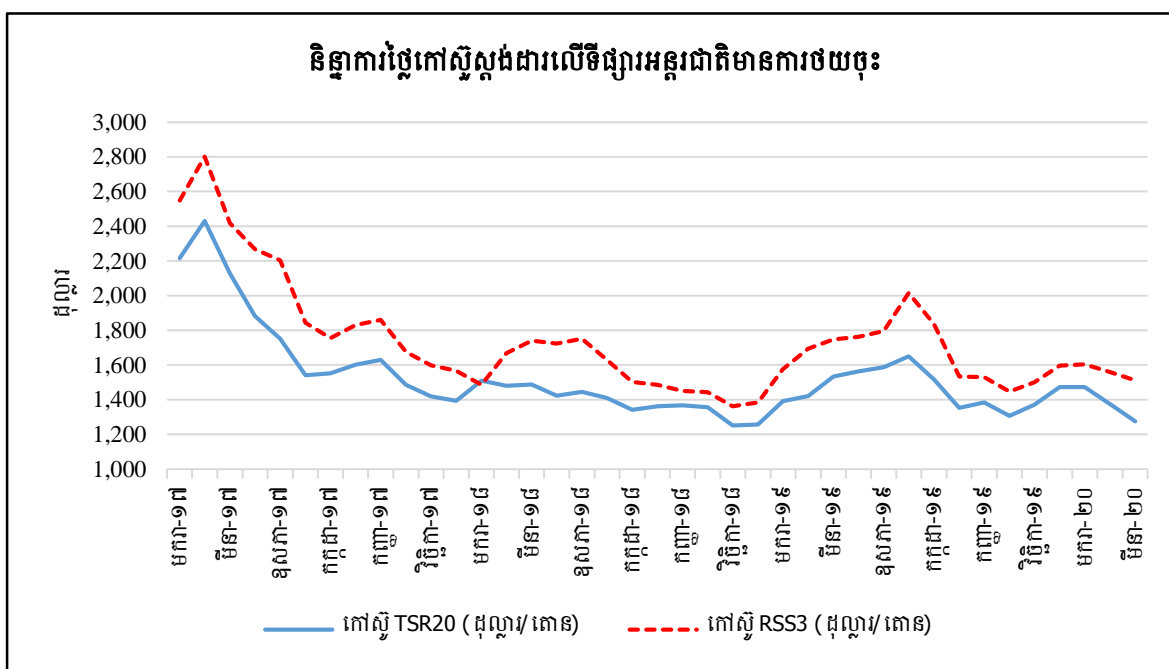
Source: Ministry of Commerce



Source: World Bank (Pink Sheet)



Source: Ministry of Agriculture, Forestry and Fisheries



Source: Association of Natural Rubber Producing Countries (ANRPC)

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