

# Socio-Economic Trends

January-February 2020

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## Executive summary

1. In the first 2 months of 2020, Cambodian total export value<sup>1</sup> amounted to USD 2,563 million (6.9% of GDP<sup>2</sup>), increased by 24.2% (compared to the first 2 months of 2019) – higher than the growth rate in the same period last year which was only 13.7%. This high growth rate was reflected through the achievement in high growth rate of key exporting products, especially garments and footwears, rices, and bicycles. On the other hand, Cambodian total import value amounted to USD 3,623 million (13.5% of GDP), increased by 22.1% which was higher than the same period last year growth – having the growth rate of 17%. Although the total import value achieved a high growth rate, the import value of major products, which used to be quite high, was in a declining growth especially vehicles and gasoline, and some others with a negative growth especially textiles and construction materials.
2. In the first 2 months of 2020, Council for Development of Cambodia (CDC)<sup>3</sup> has approved 36 private investment projects (excluding SEZs), decreased by 10 projects and the total investment value was USD 884 million, decreased by -52.4% compared to same period last year. Among the 36 projects, 32 were invested in the industry sector (6 are bags and 12 are garments), 2 were in tourism sector and the other 2 were in service sector. In these 2 months, the data indicated a progress of investment diversification achievement through the investment projects in the various sectors besides garments such as electronic, foods processing, construction materials, car assembly, and packaging. During the widespread infection of the COVID-19, apart from investment promotion, relevant agencies must ensure a survival of all employees (getting basic salary while companies temporarily close down) and companies (a guarantee of access to cash-flow, cost and credit).
3. In the first 2 months of 2020, the total number of international tourist arrivals was only 932 thousand, decreased by -25.1% compared to same period last year. Among the total number, Chinese tourist accounted for 192 thousand or 20.6% (decreased by -54.2%), Vietnam 15.4% (increased by 15.8%), Thailand 11.7% (increased by 57.5%) and others including Laos, South Korea, US, Japan, Malaysia, France and UK. On the negative growth of -25.1% (total tourists declining rate), Chinese tourist arrivals had -18.2% contribution to decline because the number of international tourist arrival in Cambodia was heavily dependent on Chinese tourists. It can be noted that international tourist arrival by air declined by -35.6%, of which the number of international tourist arrival via Phnom Penh International Airport, Siem Reap International Airport and Kong Keng International Airport declined

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<sup>1</sup> Preliminary data from General Department of Customs and Excise (Admin Data) received on 17<sup>th</sup> March 2020

<sup>2</sup> 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)

<sup>3</sup> The private investment projects, excluding SEZ, which were approved by CDC

by -21.1%, -45.6% and -53.0% respectively. Thus, the number of international tourists purchasing Angkor Wat Pass Ticket rapidly dropped by -37.3% and revenue from selling Angkor Wat Pass Ticket also declined by -35.4%<sup>4</sup>. The decline was due to the widespread infection of COVID-19 globally pushing a travel restriction/constraint both locally and internationally.

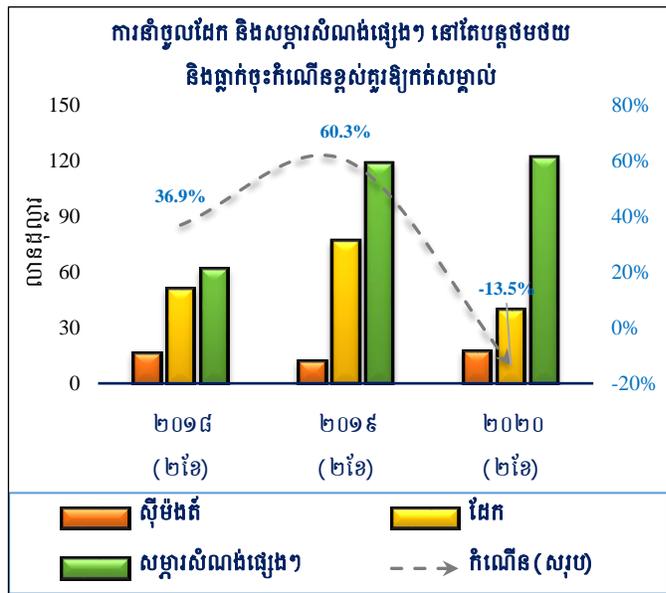
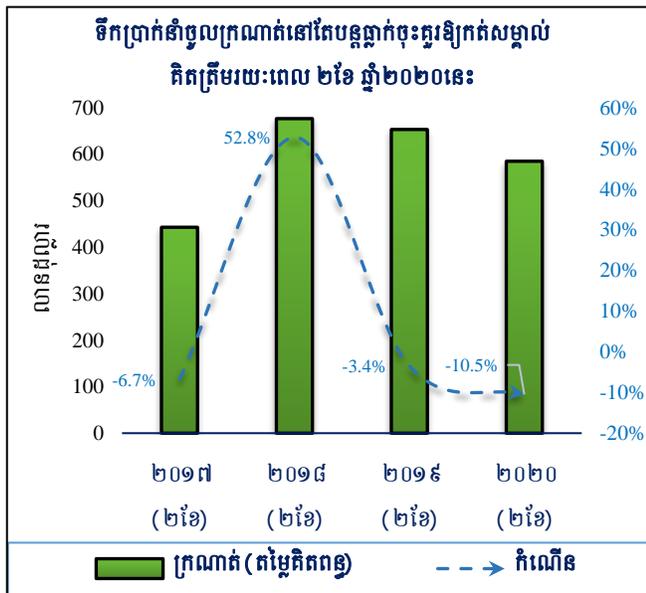
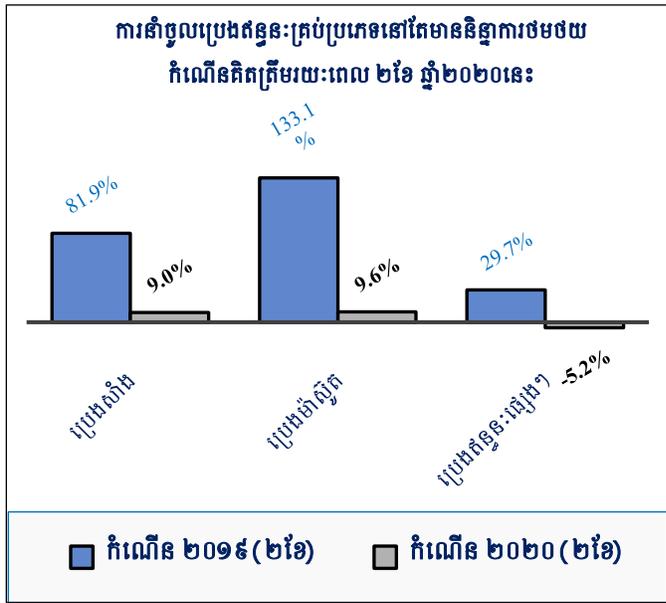
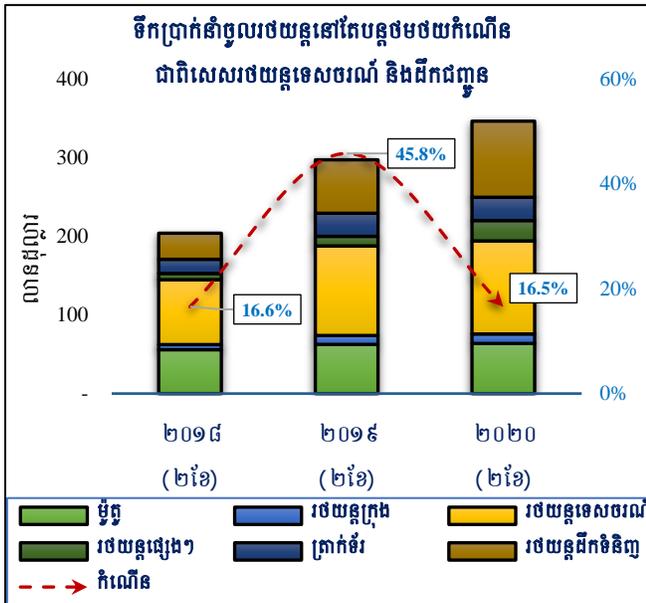
4. In first 2 months of 2020, the total numbers of construction proposals were 728 projects, increased by 168 projects; the total areas were 4.2 million square meters, increased by 33.9%; and the total value was USD 1.99 billion, increased by 46.8% compared to the same period last year. As the observation, this growth was contributed by a strong growth of 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. Meanwhile, as a measure to cope with the affected of widespread infection of COVID-19, the National Bank of Cambodia laid out the “Loan Restructuring” measure for 4 key prioritized sectors, of which construction sector was also included (only applicable for first time housing/shop construction and first time housing loan).
5. Consumer Price Index<sup>5</sup> in February 2020 increased by 2.6% compared to the same period in the previous year, of which 1) foods and non-alcoholic beverages index increased 3.2% especially food product groups such as bread and grain, rice, meat and fresh fish; 2) transportation price index increased by 3.0% due to the increasing price of petroleum; and 3) restaurant price index increased by 4.3%.
6. In first 2 months of 2020, the budgetary central government achieved the total domestic revenue amounting to KHR 3,570.15 billion or equivalent to 14.82% of the Budget Law 2020, increased by 22.66% compared to the same period last year. The growth was attributed to the increase of non-tax revenue (14.54%) and indirect tax (8.42%). Meanwhile, the total expenditure was KHR 3,040.29% or equivalent to 10.14% of the Budget Law 2020, increased by 33.67%. As a result, as of February 2020, the current budget balance achieved the surplus of KHR 1,144.72 billion, and the overall budget balance achieved the surplus of KHR 529.86 billion.
7. In February 2020, the price of petroleum and diesel on Cambodian market as well as the price of crude oil on the international market were declined compared to the last month price. At the same time, the price of Jasmin rice and Neang Minh rice on Cambodian market as well as the price of rice on the international market slightly fluctuated. Meanwhile, the price of a dry family rubber increased while the price of Thai rubber TSR20 and RSS3 declined.

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<sup>4</sup> Data from Angkor Enterprise on 1<sup>st</sup> March 2020

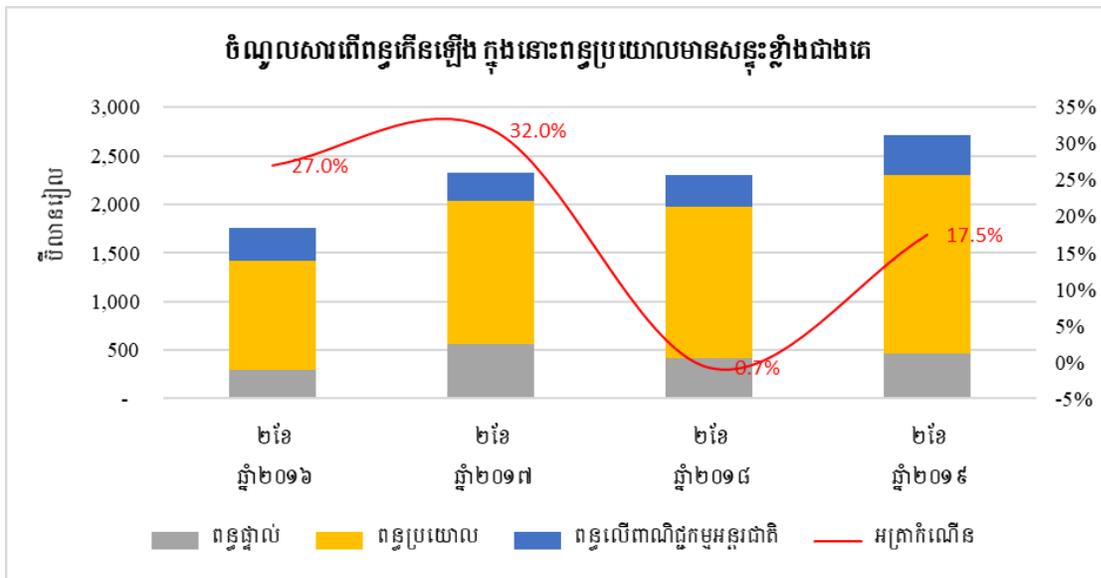
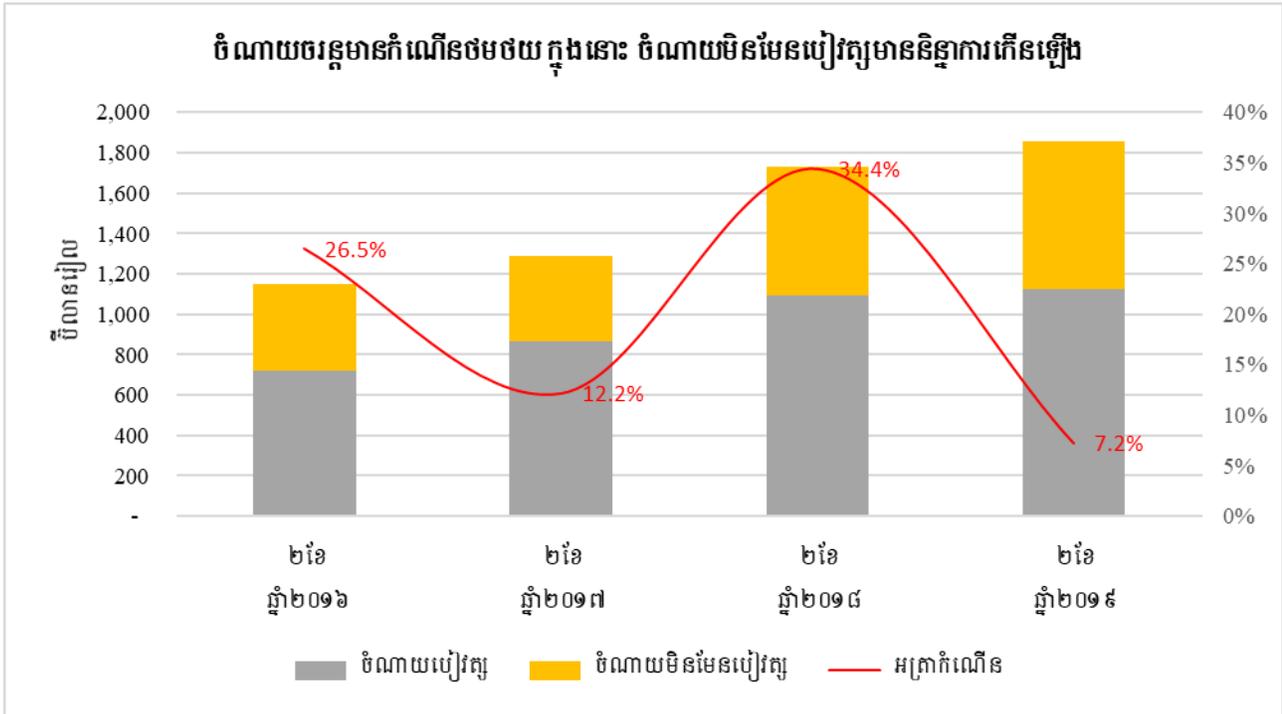
<sup>5</sup> Official data from the National Institute of Statistic





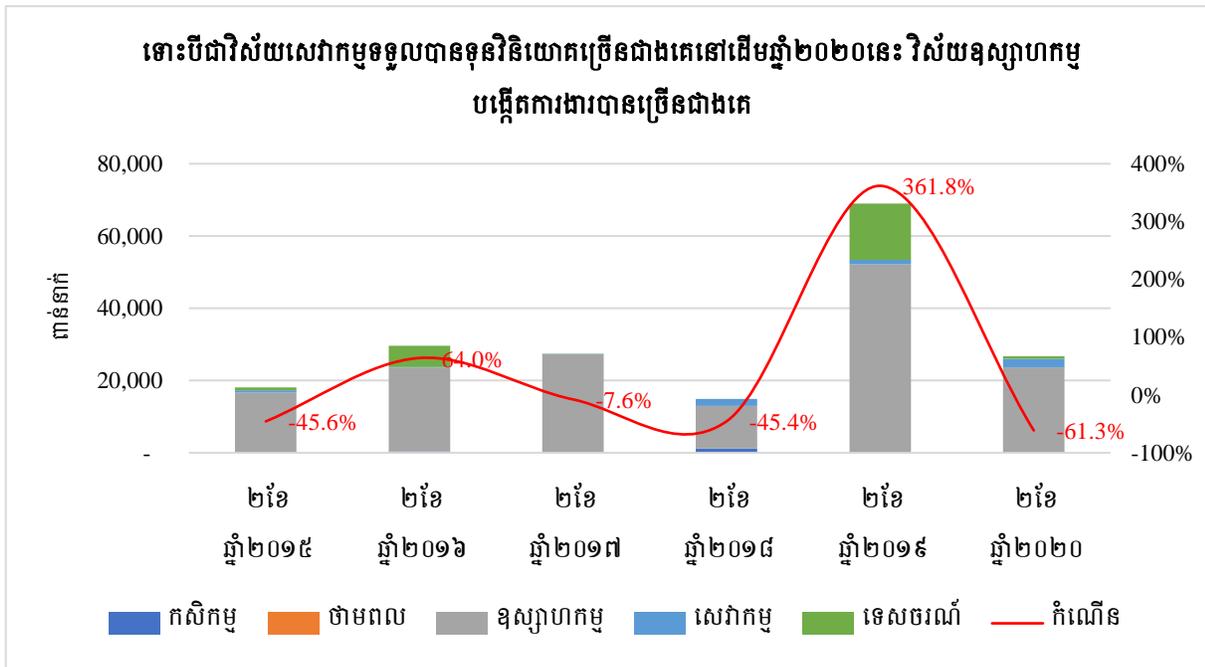
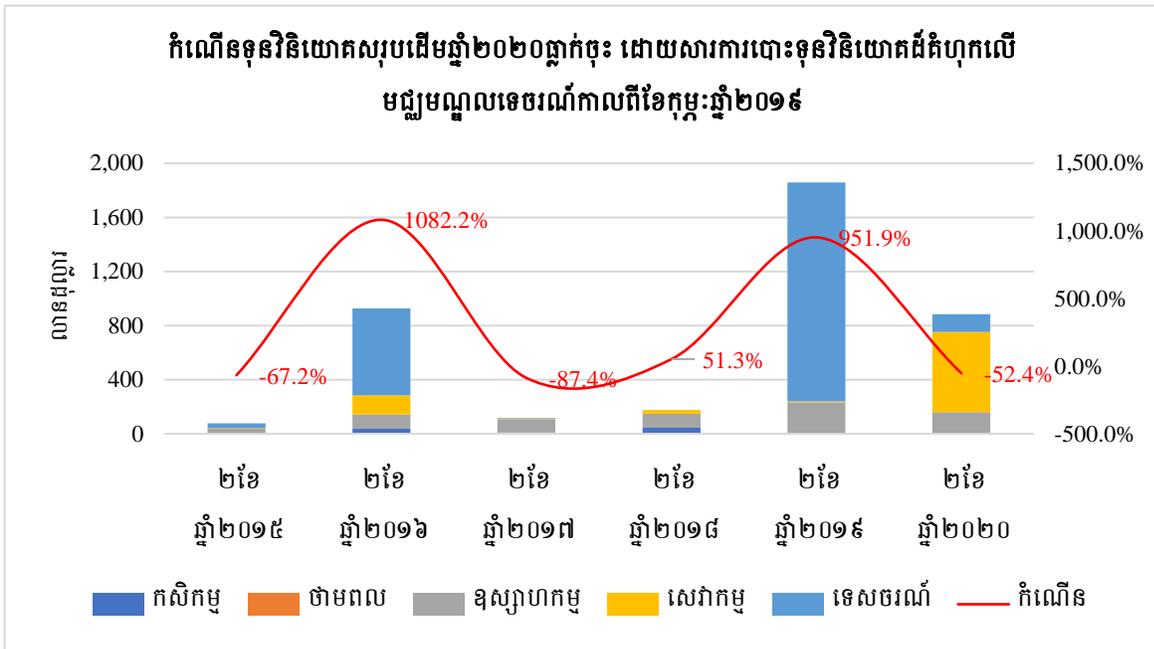
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 Source: General department of Custom and Excise (GDCE), MEF

១.៣. ស្ថានភាពការអនុវត្តថវិកាជាតិ / Budget execution



ប្រភព៖ ក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ  
 Source: Ministry of Economy and Finance (MEF)

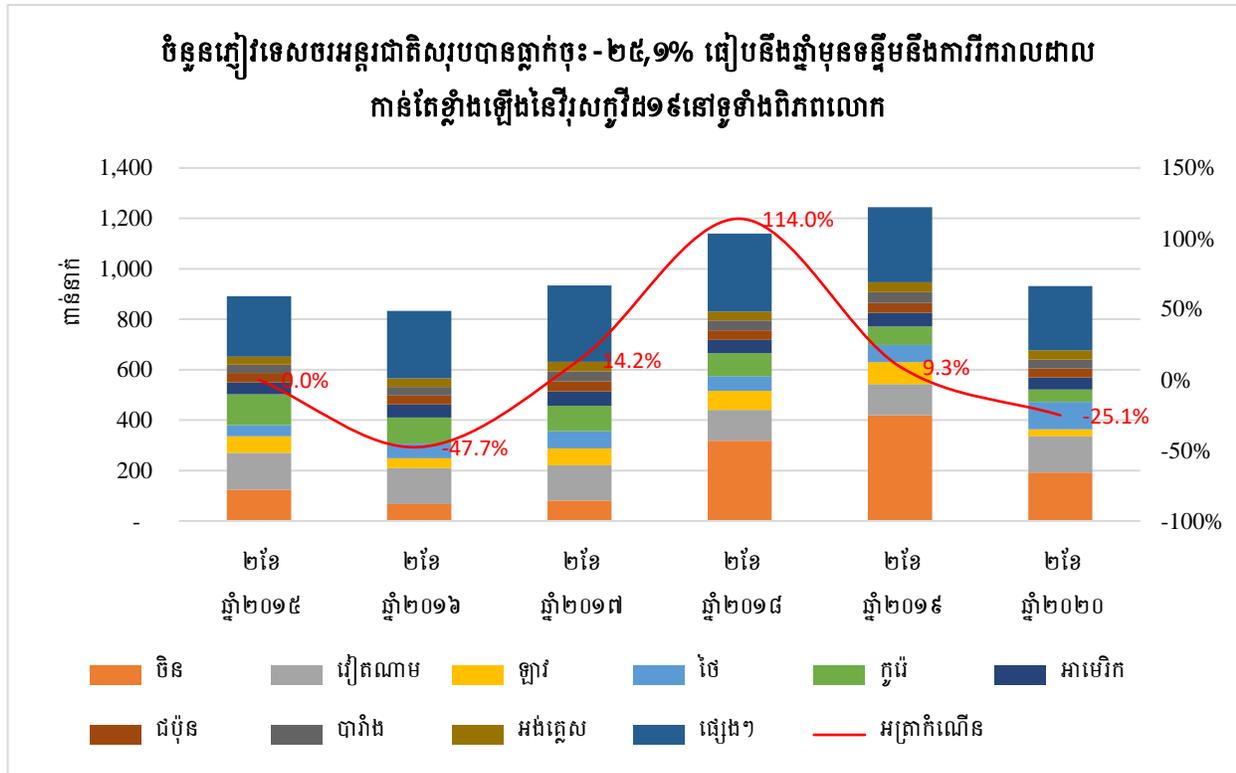
១.៤. ស្ថានភាពវិនិយោគ / Investment



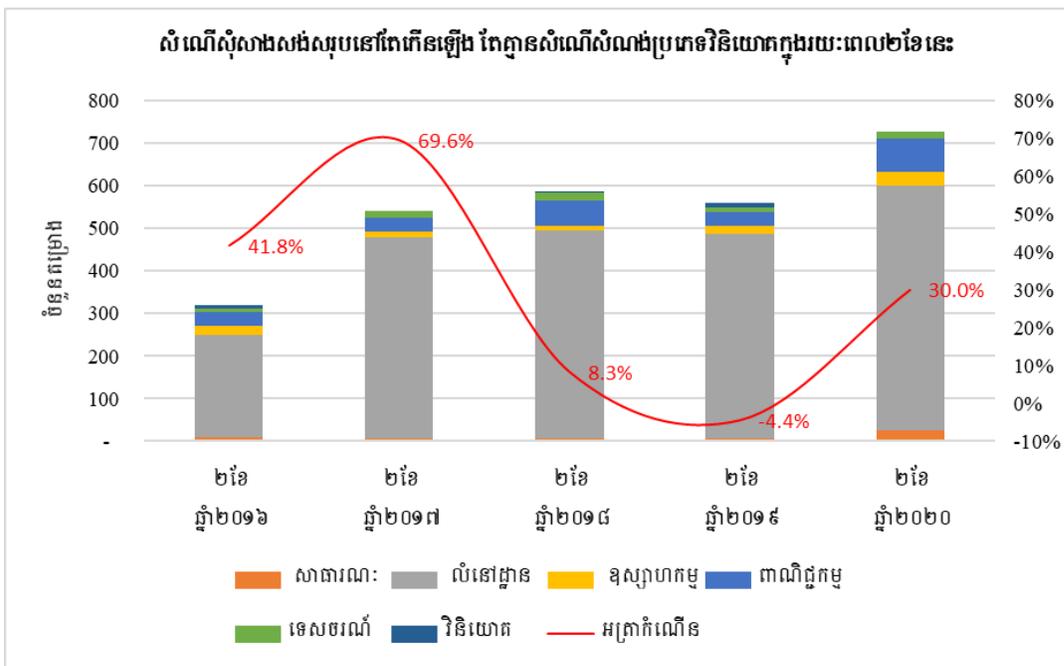
ប្រភព៖ ក្រុមប្រឹក្សាអភិវឌ្ឍន៍កម្ពុជា

Source: The Council for Development of Cambodia (CDC)

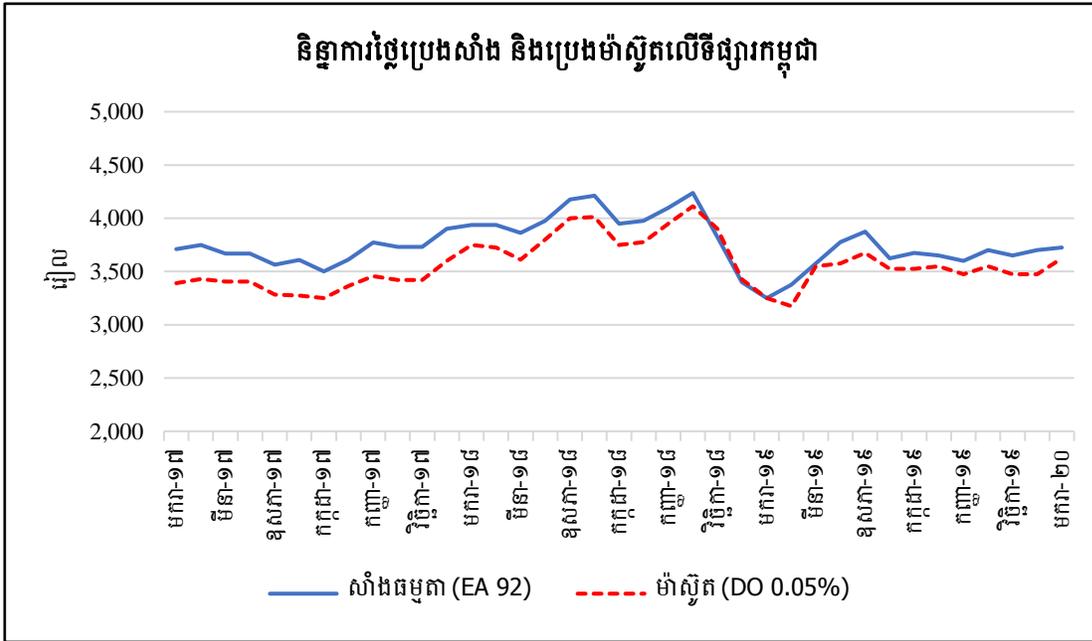
១.៥. ស្ថានភាពទេសចរណ៍ / Tourism



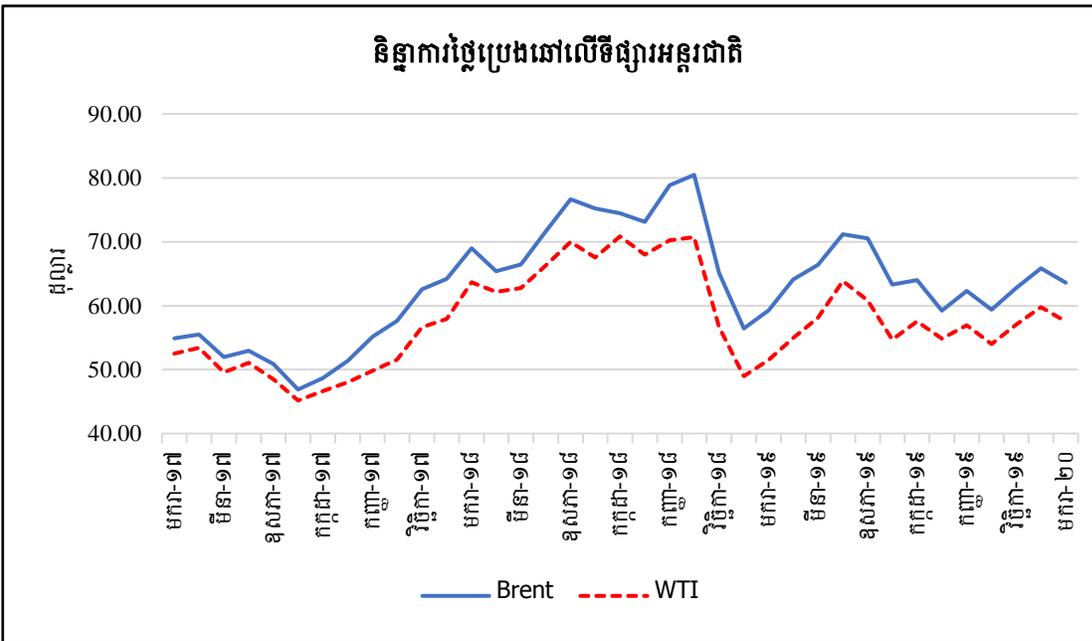
១.៦. ស្ថានភាពសំណង់ / Construction



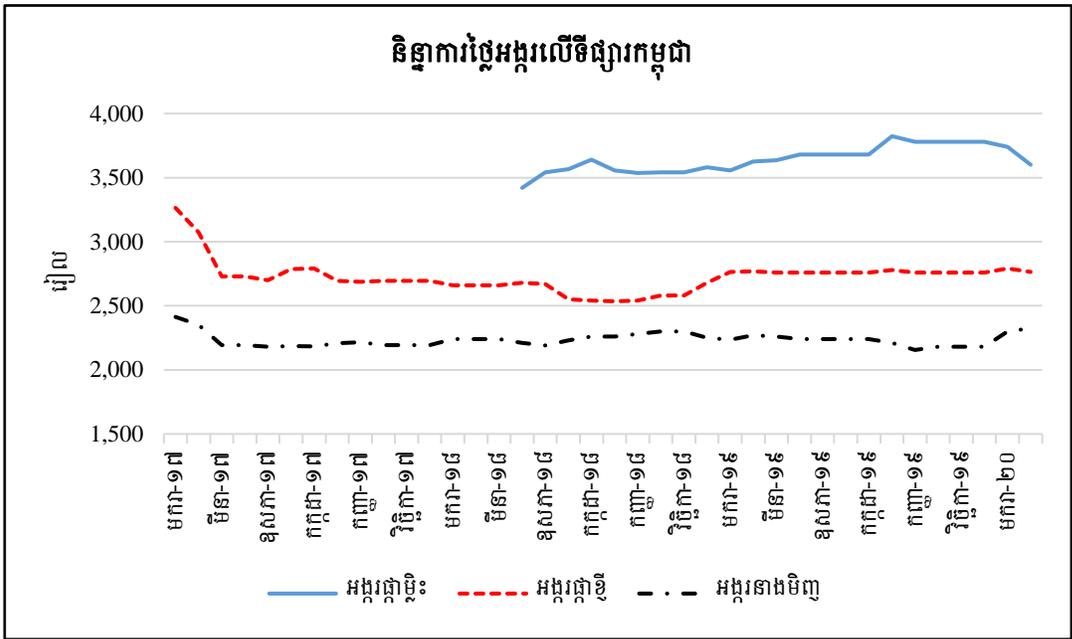
២. ទិញការថ្លៃទំនិញសំខាន់ៗ / Commodity prices



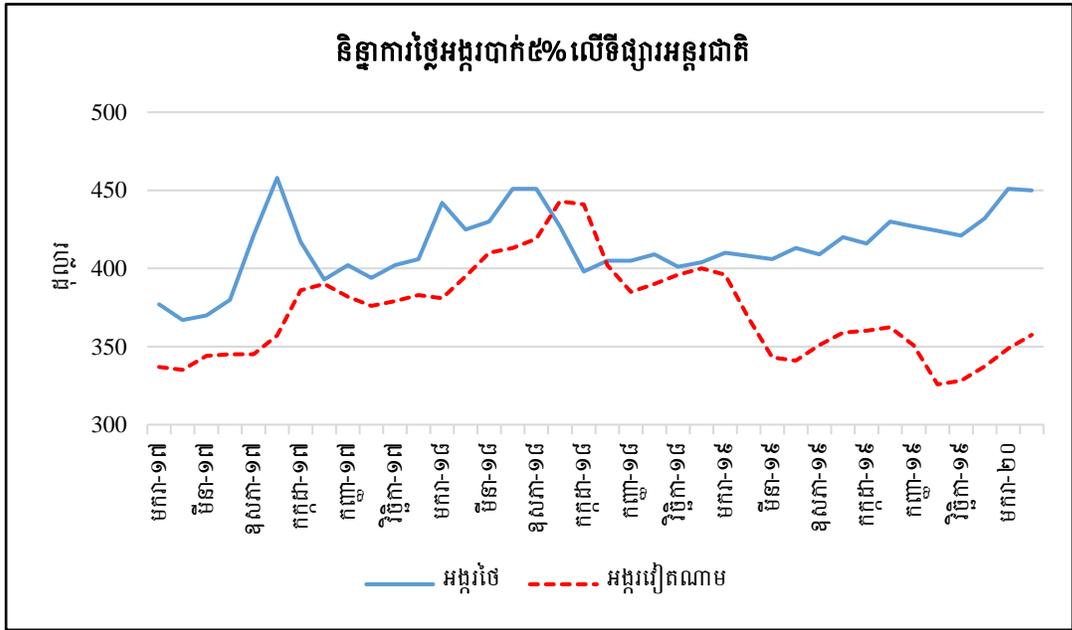
ប្រភព៖ ក្រសួងពាណិជ្ជកម្ម  
Source: Ministry of Commerce



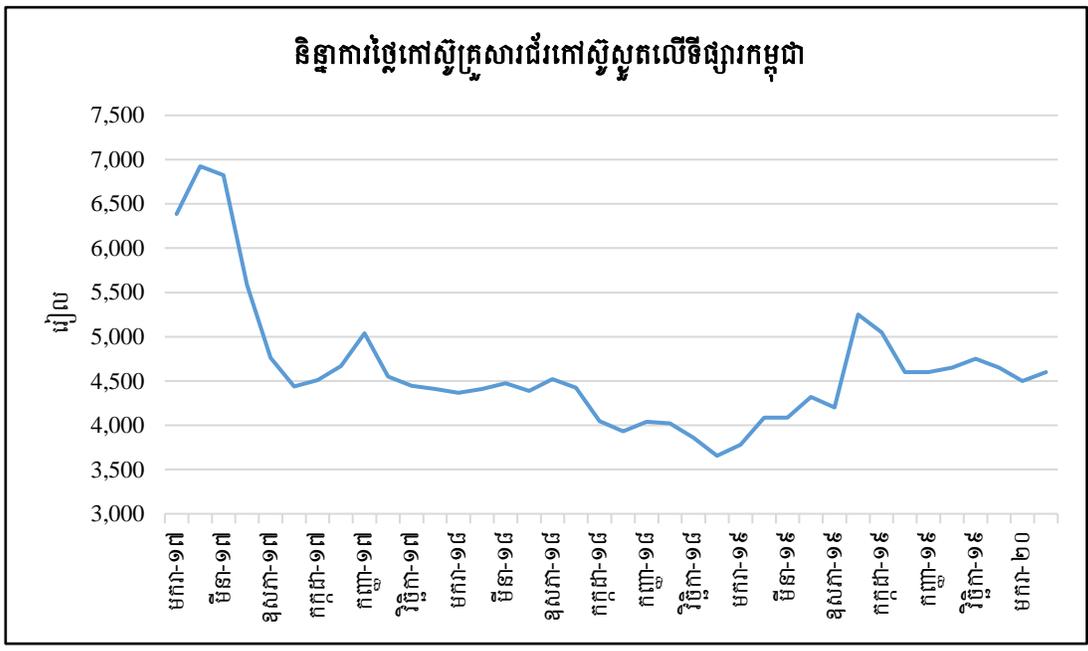
ប្រភព៖ ធនាគារពិភពលោក (Pink Sheet)  
Source: World bank (Pink Sheet)



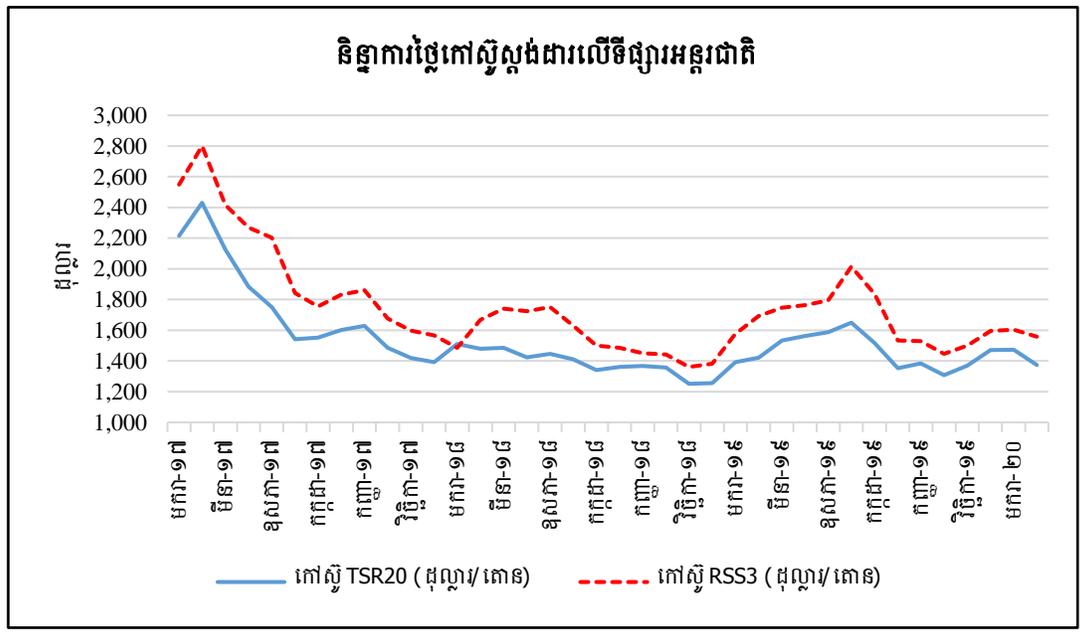
ប្រភព៖ ក្រសួងពាណិជ្ជកម្ម  
 Source: Ministry of Commerce



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 Source: World bank (Pink Sheet)



ប្រភព៖ ក្រសួងកសិកម្ម រុក្ខាប្រមាញ់ និងនេសាទ  
 Source: Ministry of Agriculture Forestry and Fisheries



Source ÷ Association of Natural Rubber Producing Countries (ANRPC)

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