

State of the Cambodian Economy and Outlook



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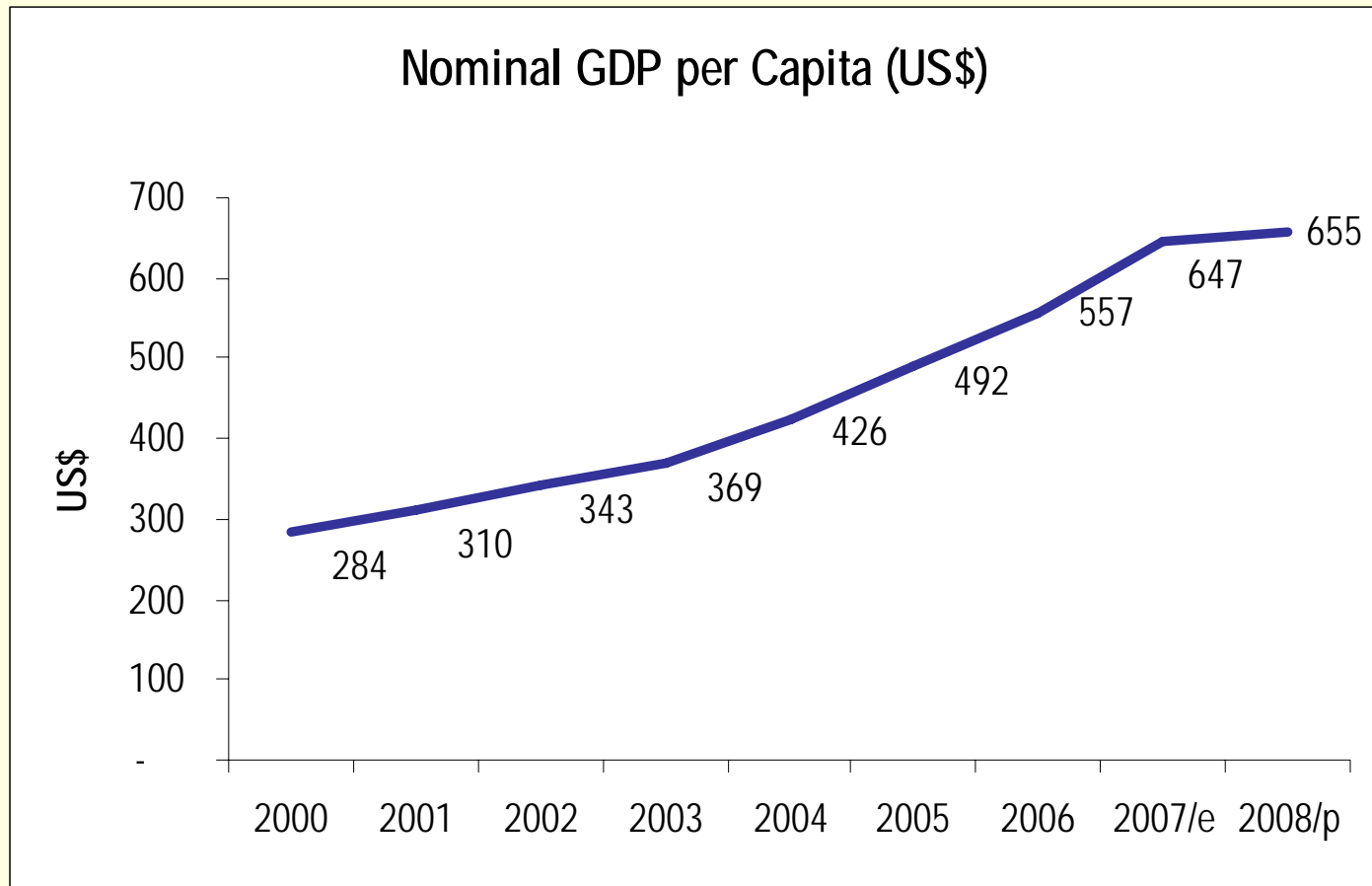
Cambodia Institute of Development Study

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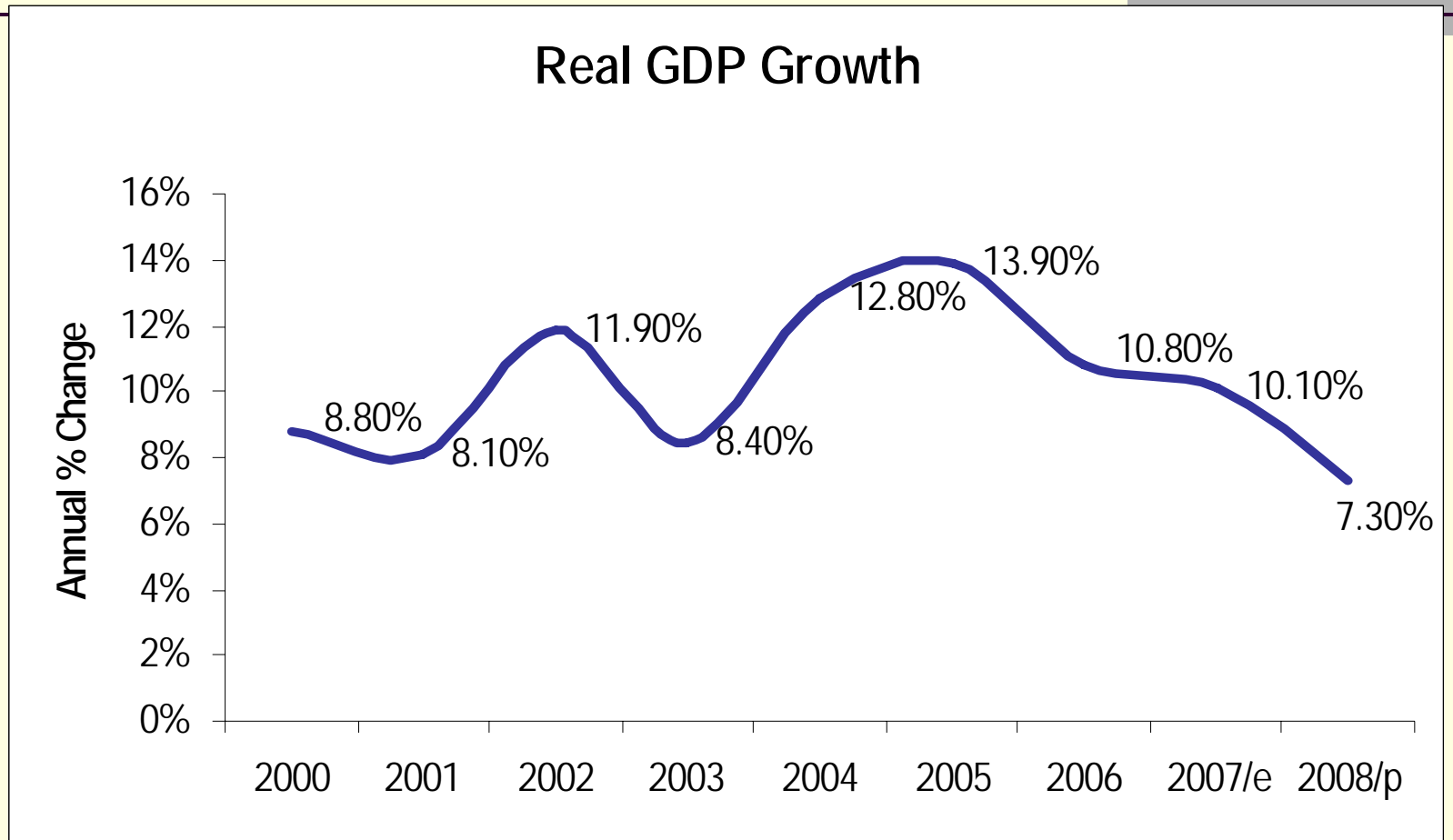
- Current State of Economy
- Outlook

Nominal GDP per Capital (US\$)



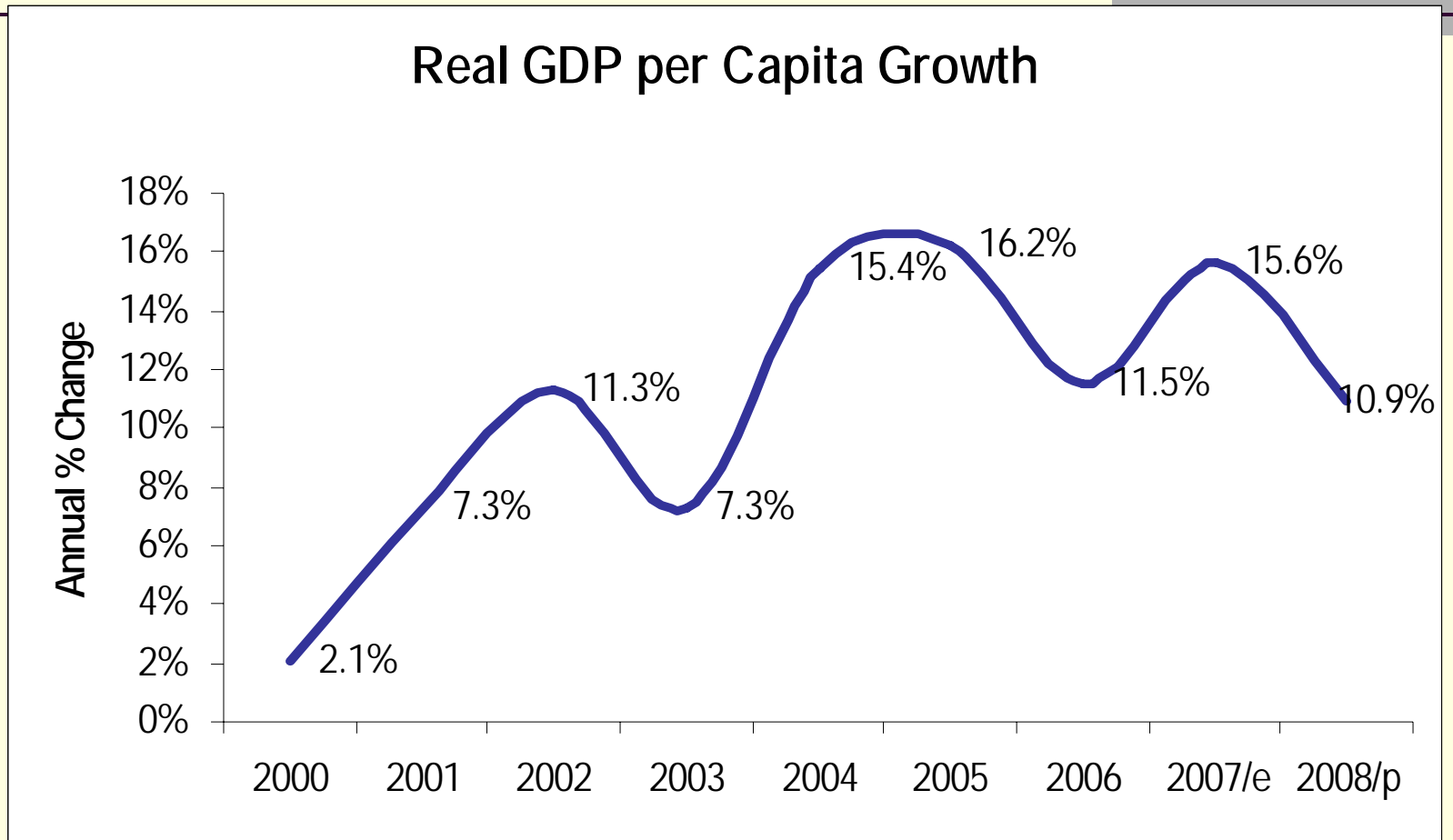
Source: MEF

Real GDP Growth (%)



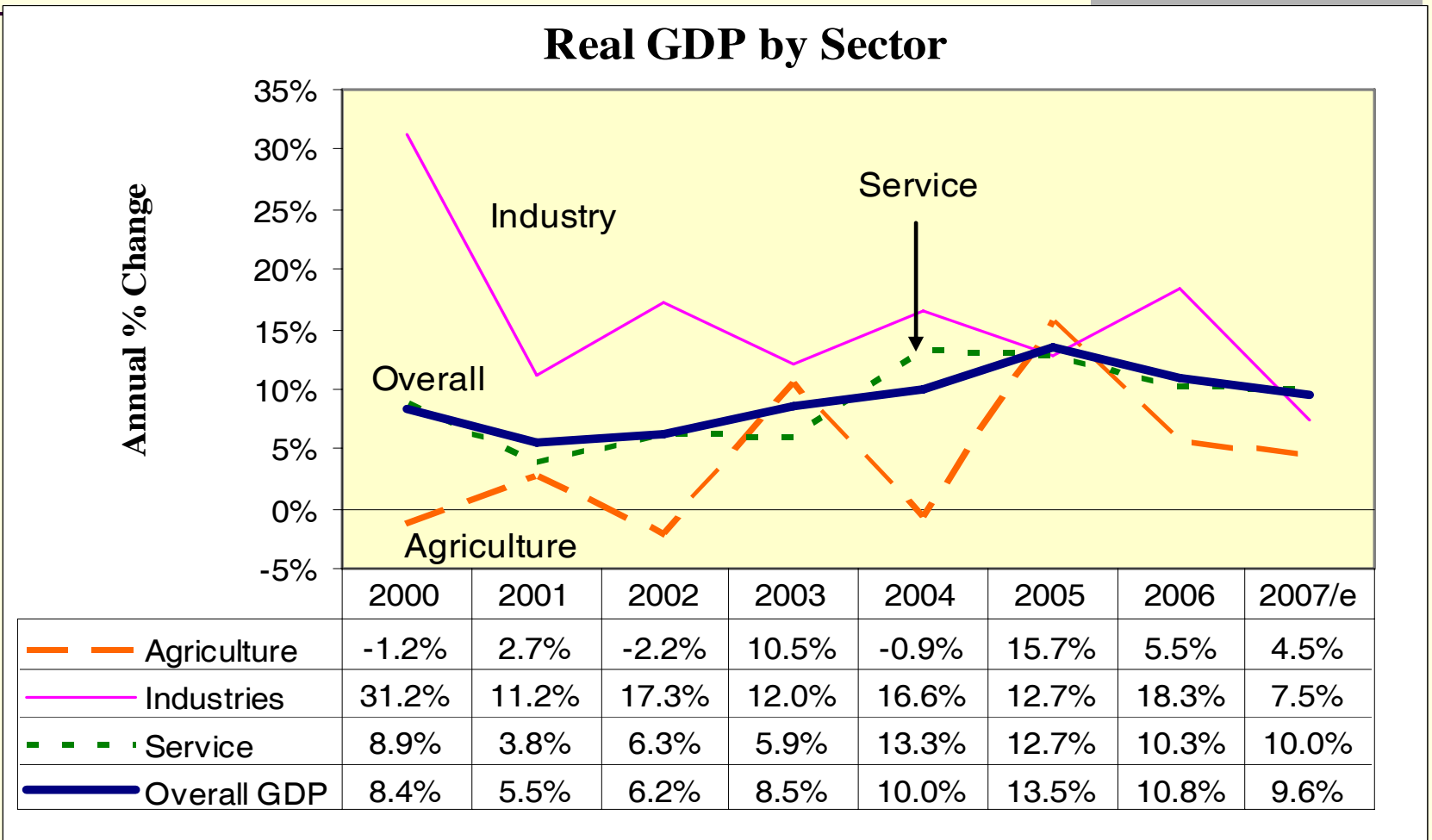
Source: MEF

Real GDP per Capital Growth (%)



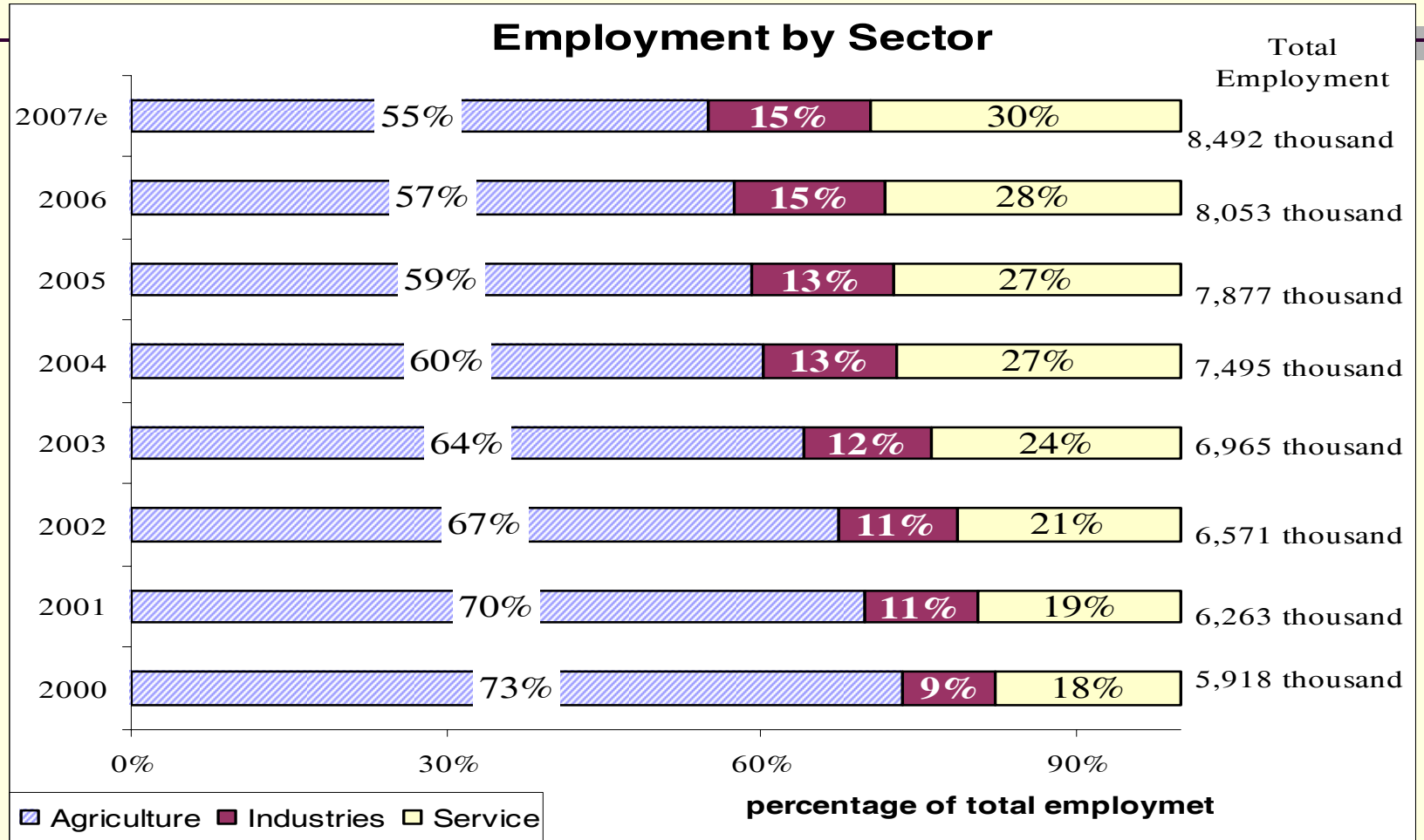
Source: MEF

Real GDP by Sector (%)



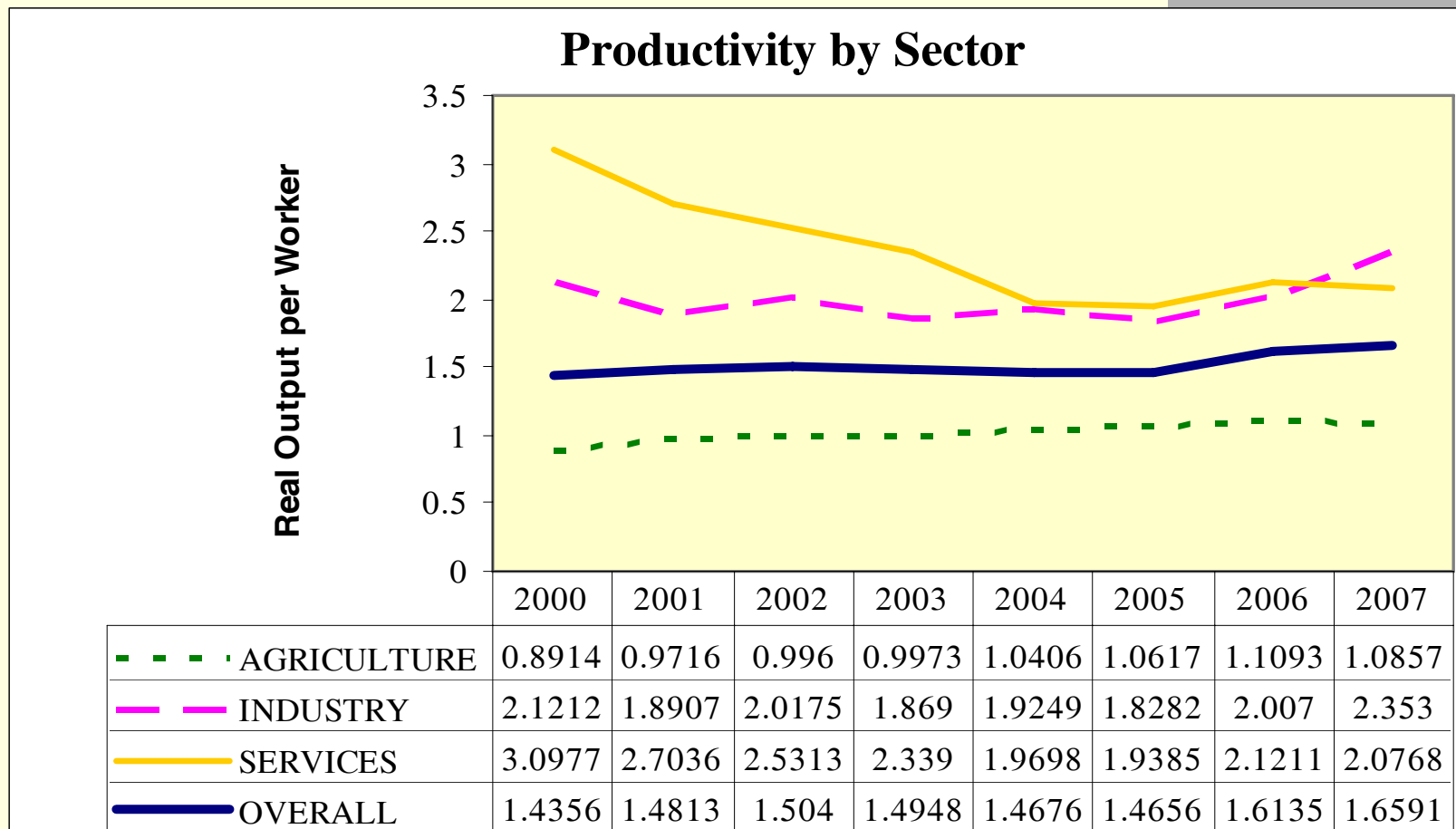
Source: ADB

Employment by Sector



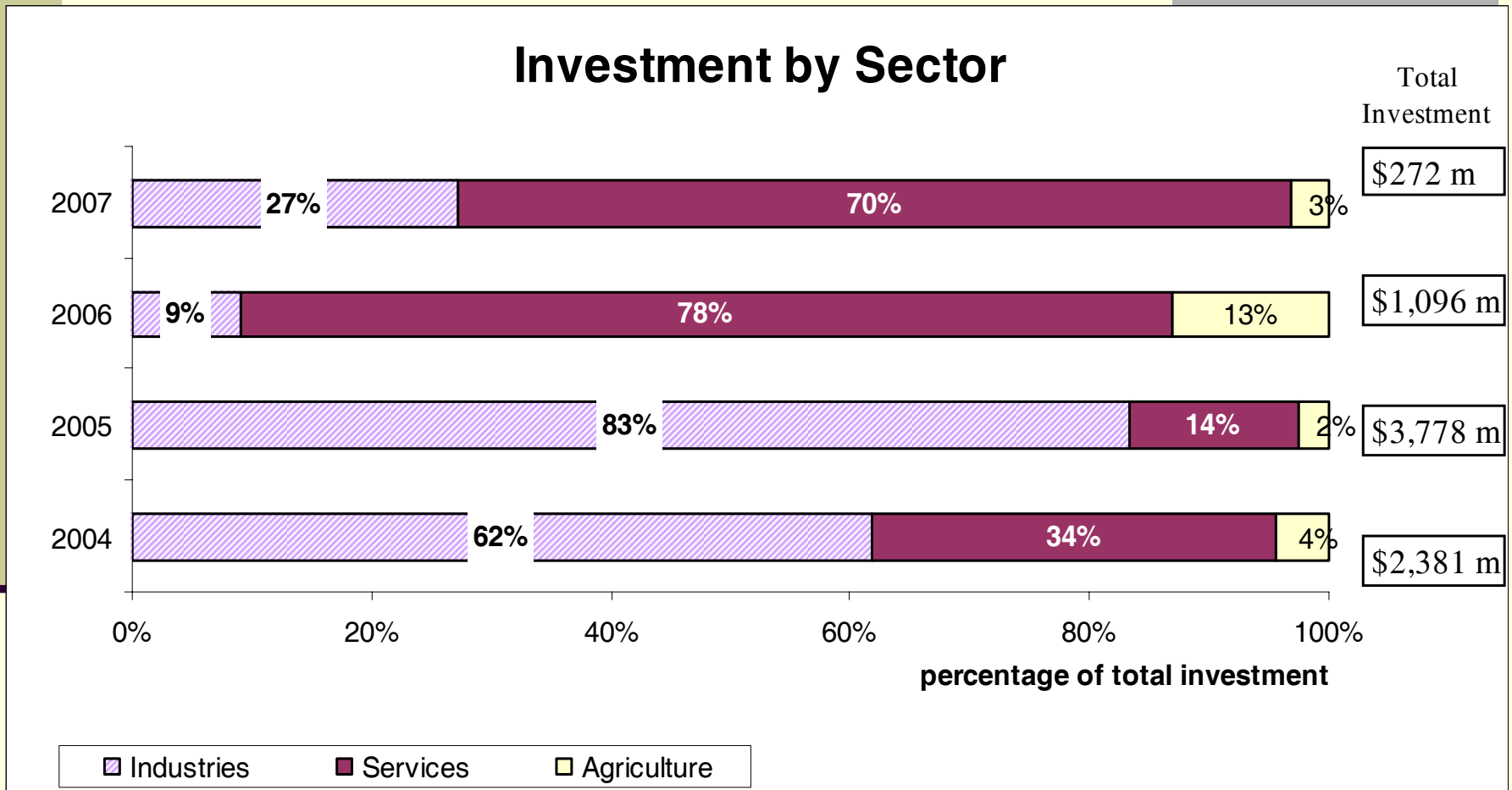
Source: NIS, 2007 data estimated by CIDS

Productivity by Sector

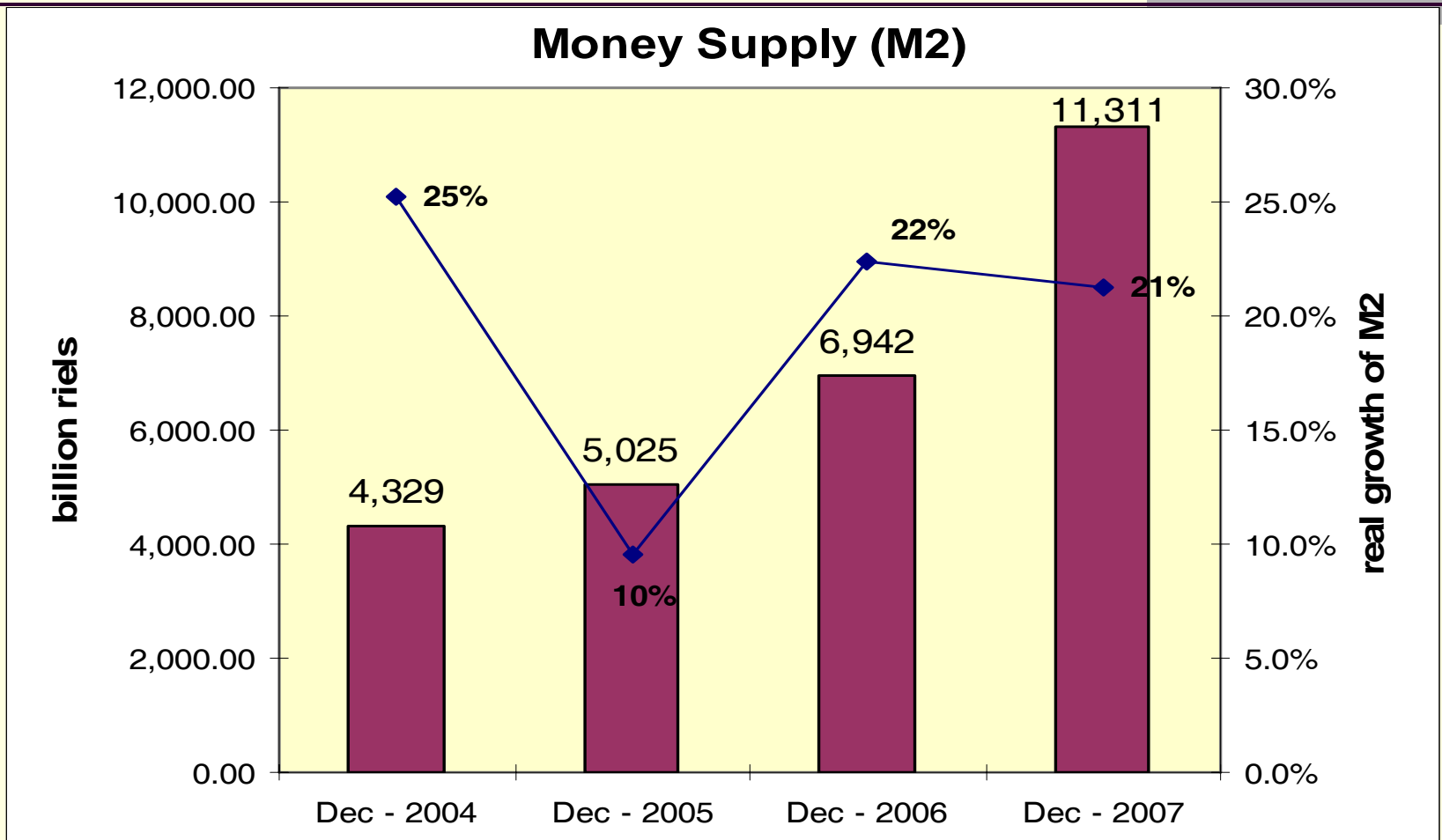


Source: Calculated by CIDS based on data from NIS and ADB

Investment by Sector

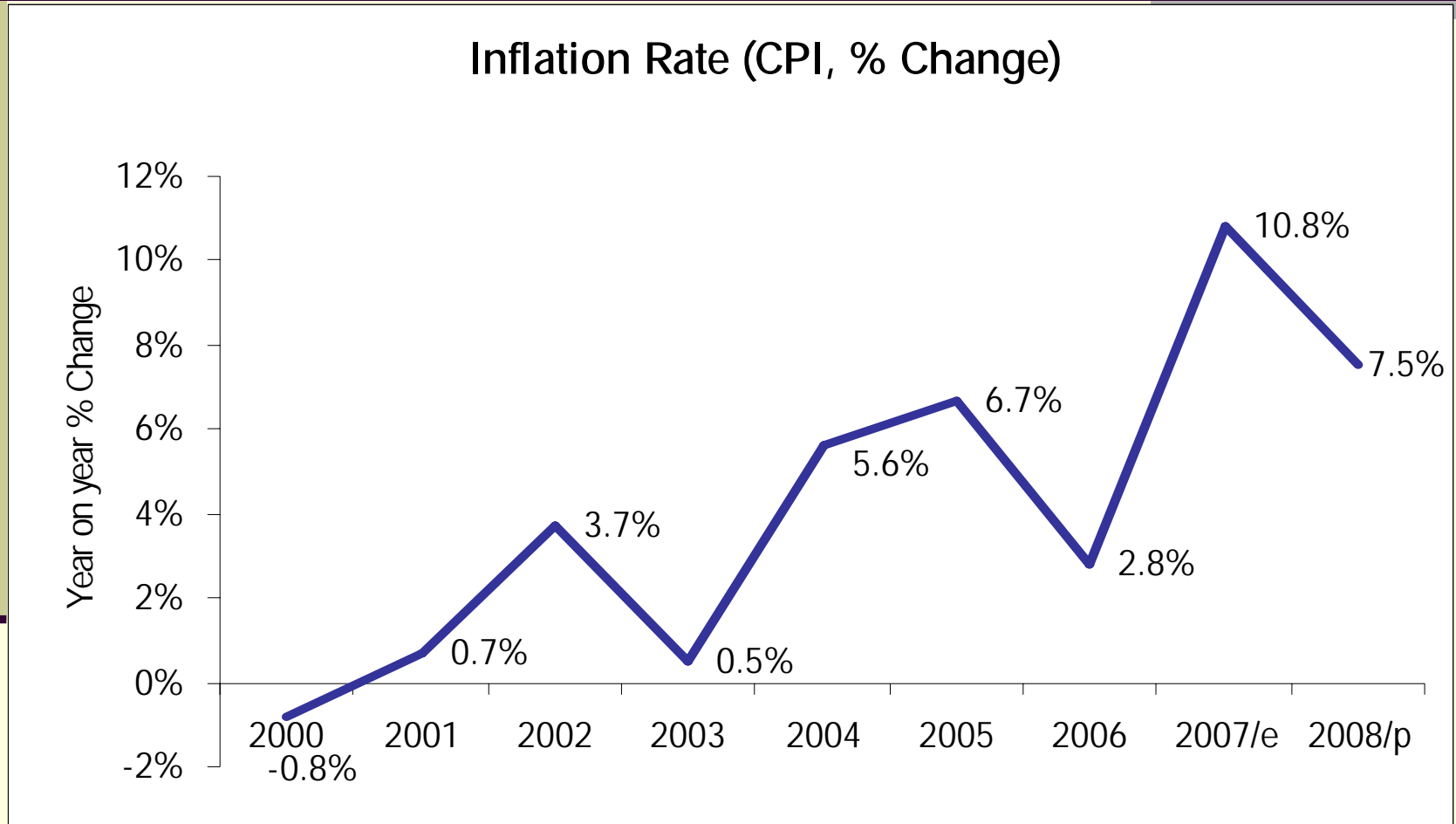


Money Supply (M2)



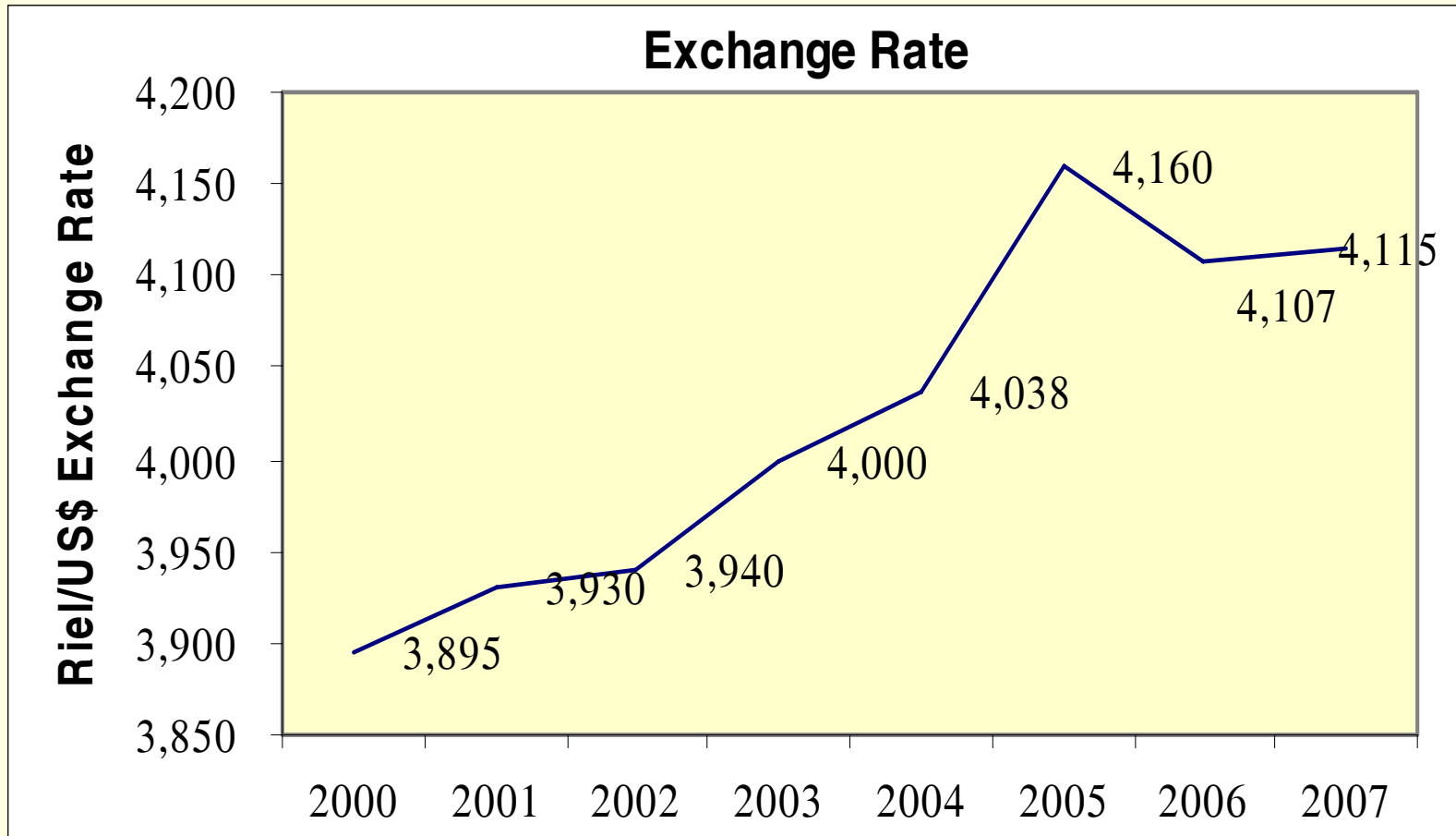
Source: NBC

Inflation Rate (%)



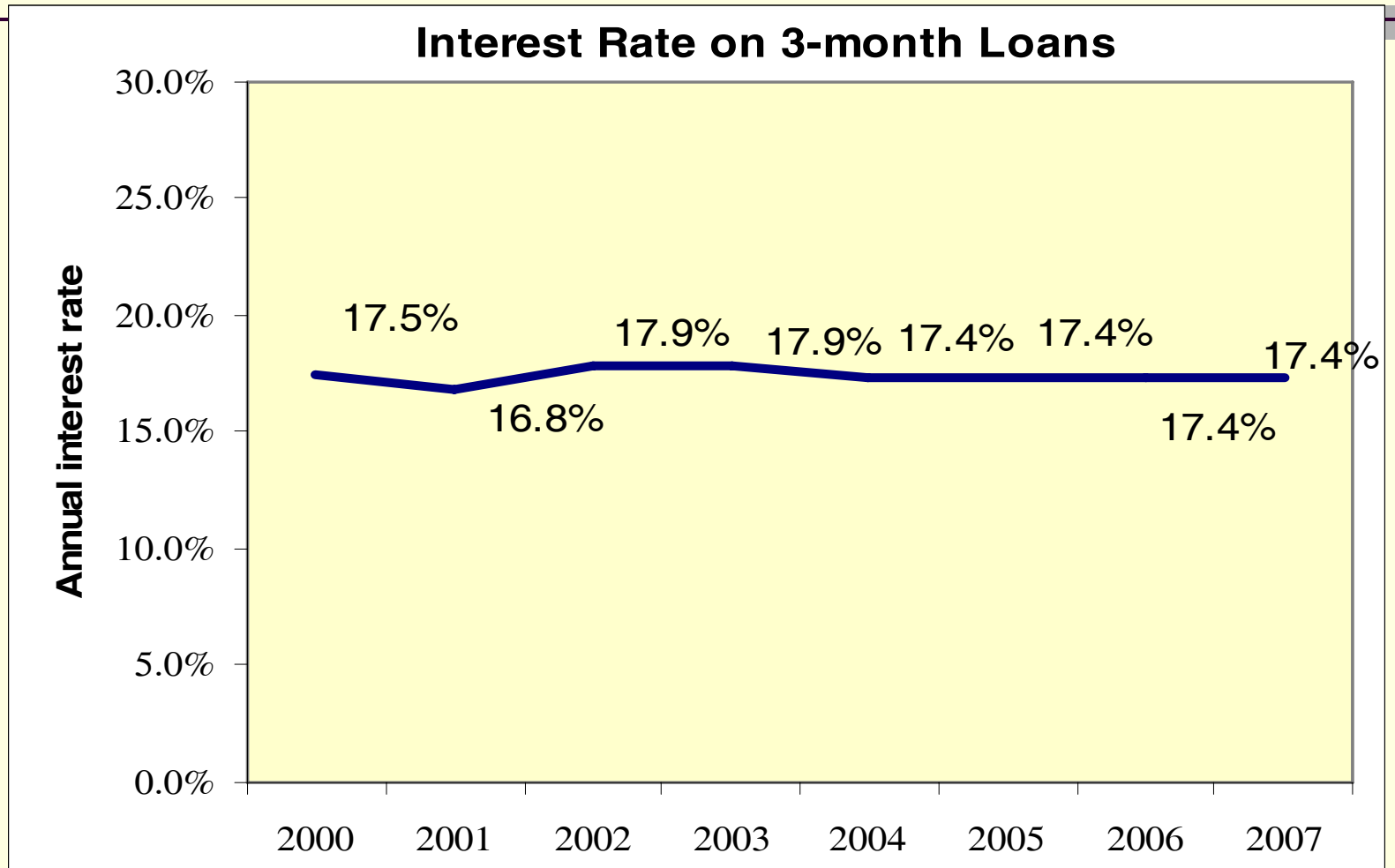
Source: NIS, MEF

Exchange Rate (Riels per US\$)



Source: NBC

Interest Rate

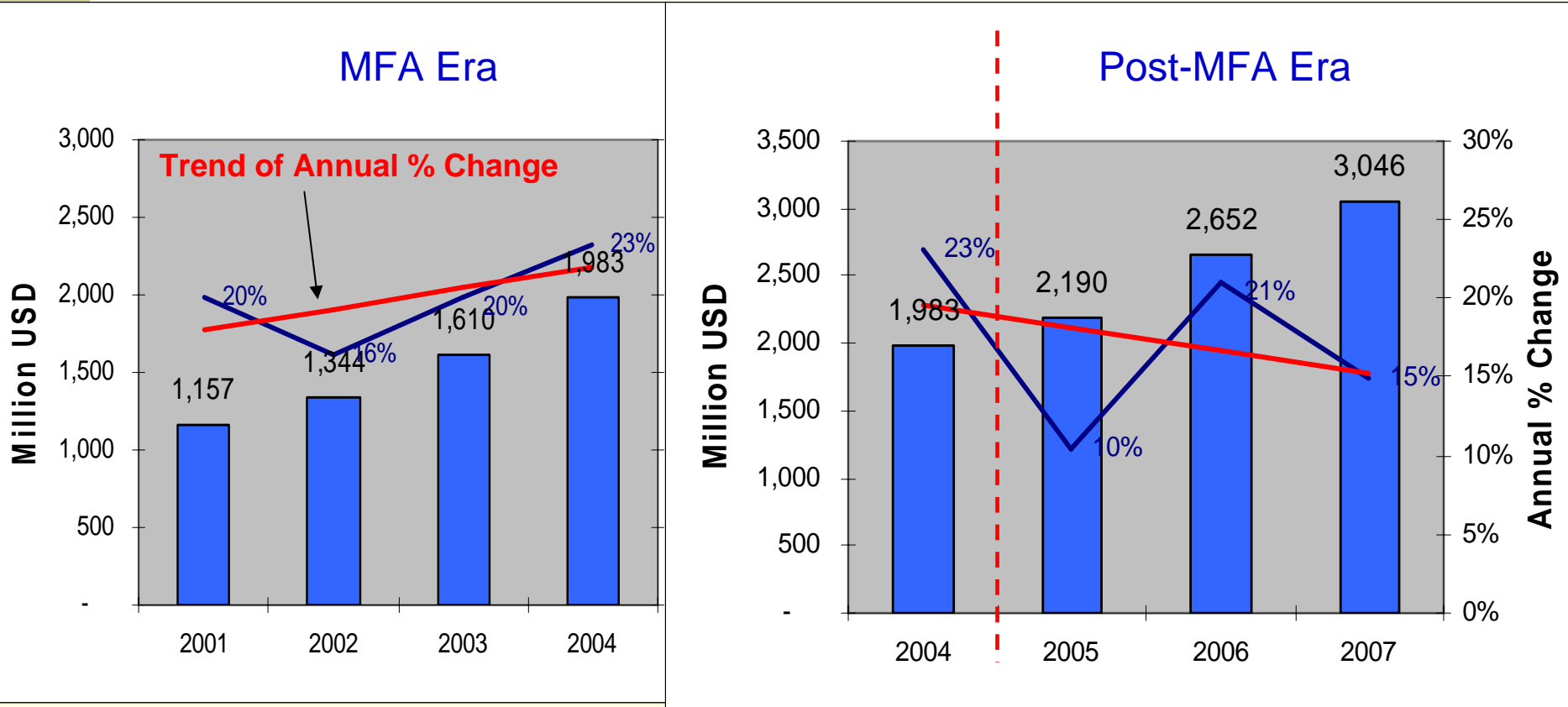


Outlook

- Bleak forecast for GDP growth next year because:
 - inflation on the rise
 - unfavorable situation in global **Garment** markets
 - EU lifted safeguards on China in Dec 07
 - US set to lift safeguards on China in Dec 08
 - Depreciating US\$, raises cost of Cambodian producers
 - **Tourism**: lower incomes in foreign countries might discourage traveling

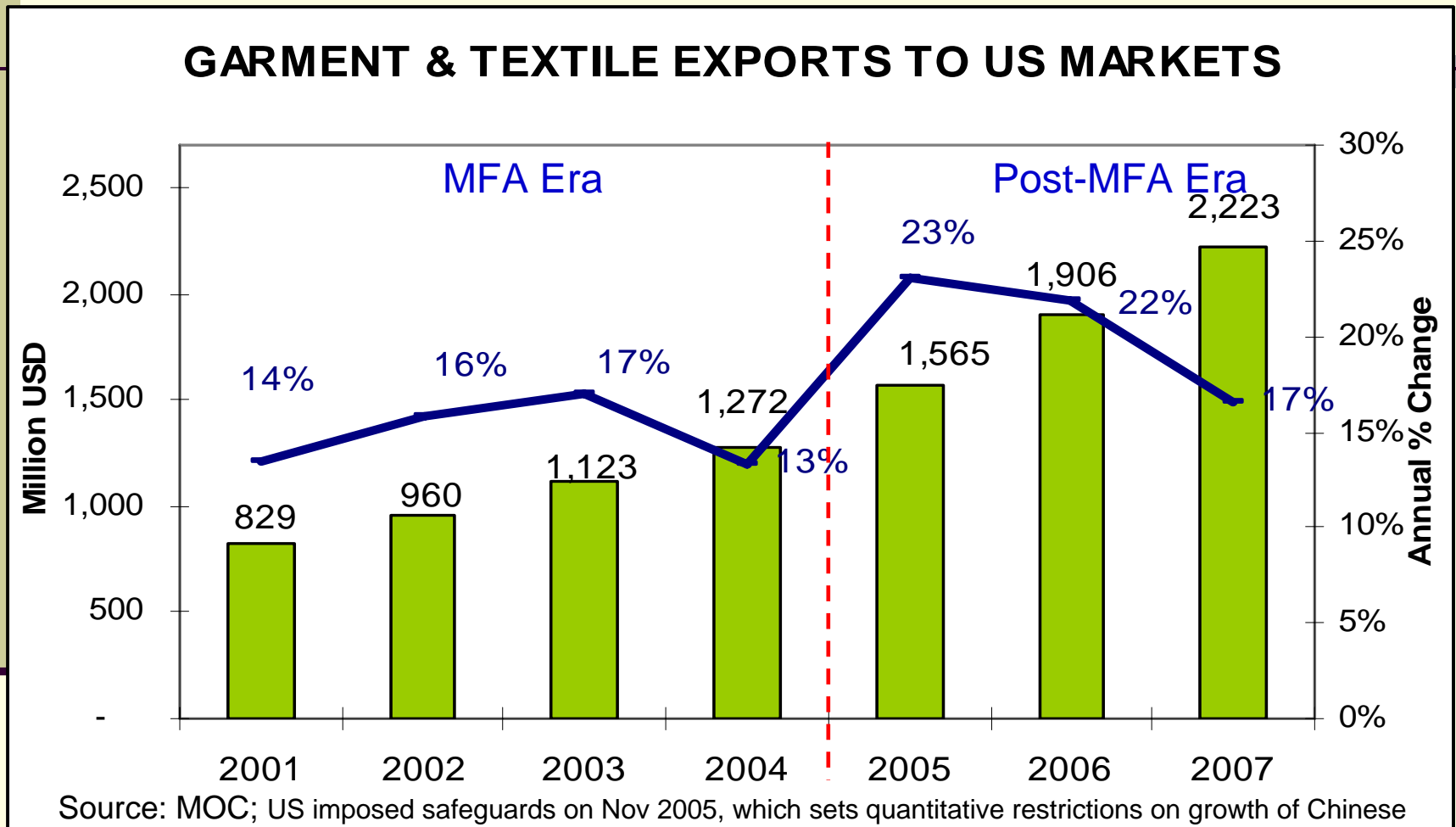
Growth of garment exports is decelerating

GARMENT EXPORTS TO THE WORLD



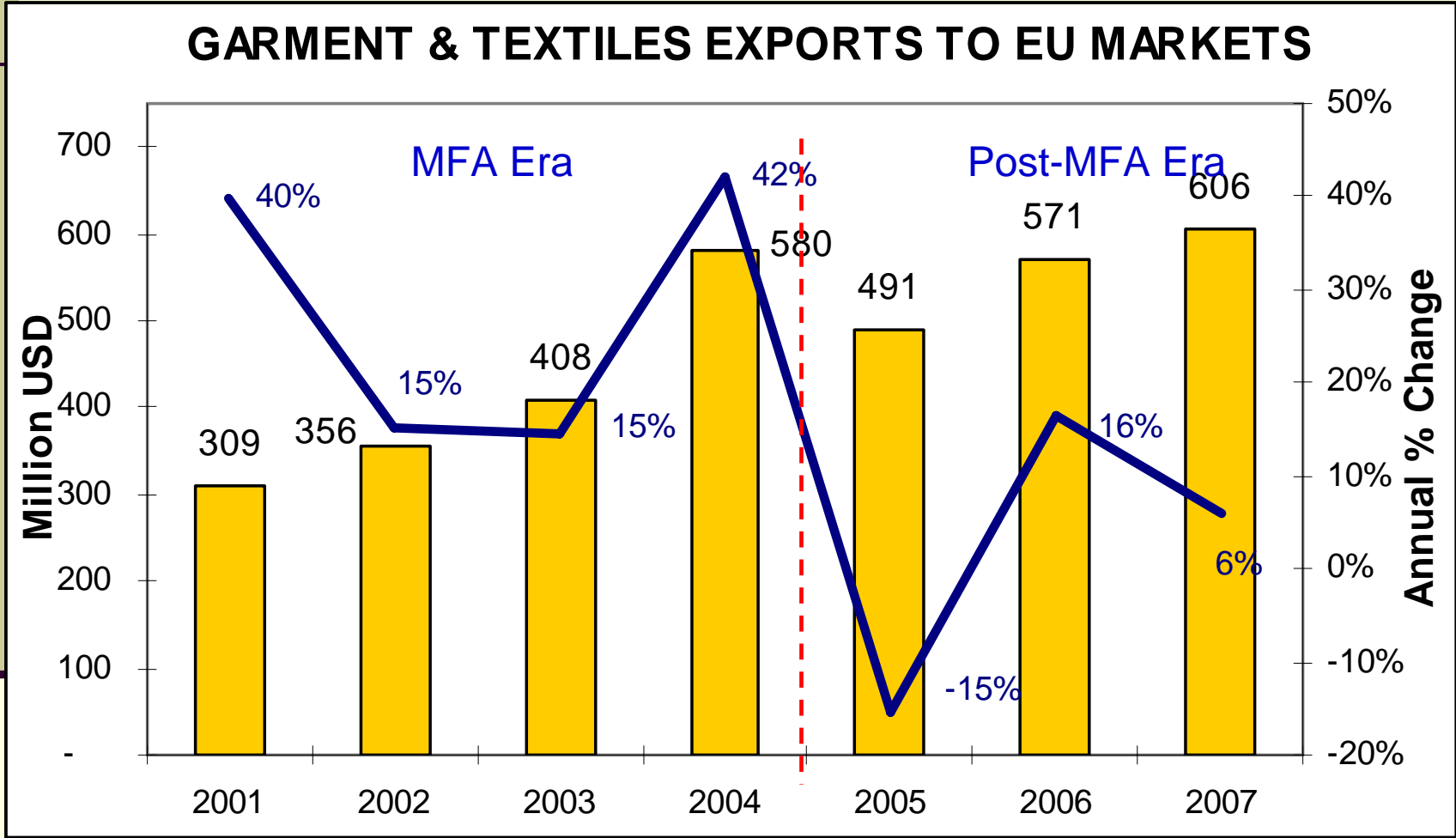
Source: MOC

To US Markets ... Growth slowed 2-years in a row



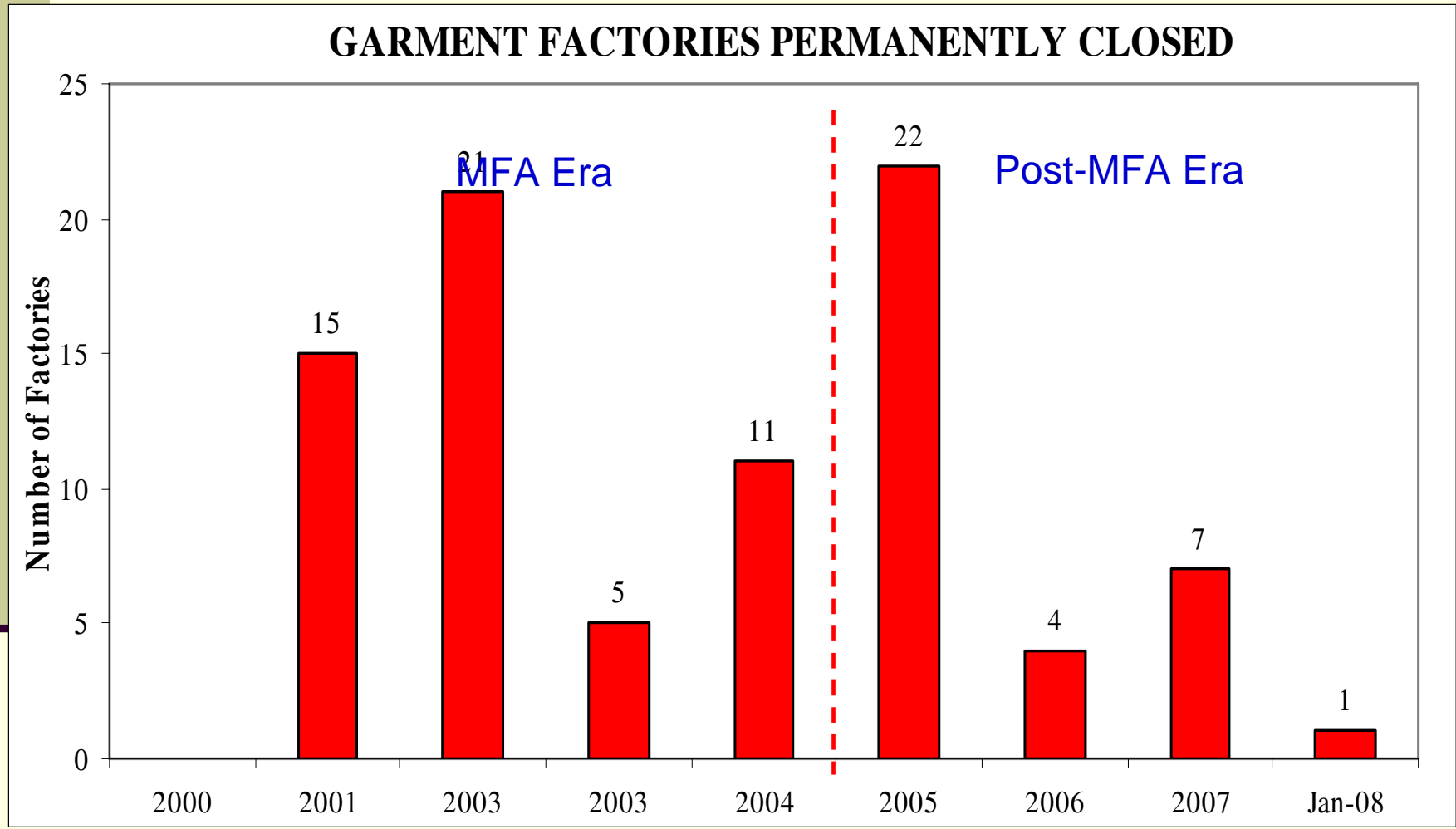
Source: MOC; US imposed safeguards on Nov 2005, which sets quantitative restrictions on growth of Chinese imports of 34 product categories ranging between 10 – 17% for the period 2006-2008

To EU Markets...Contracted in 2005 and now slowing down



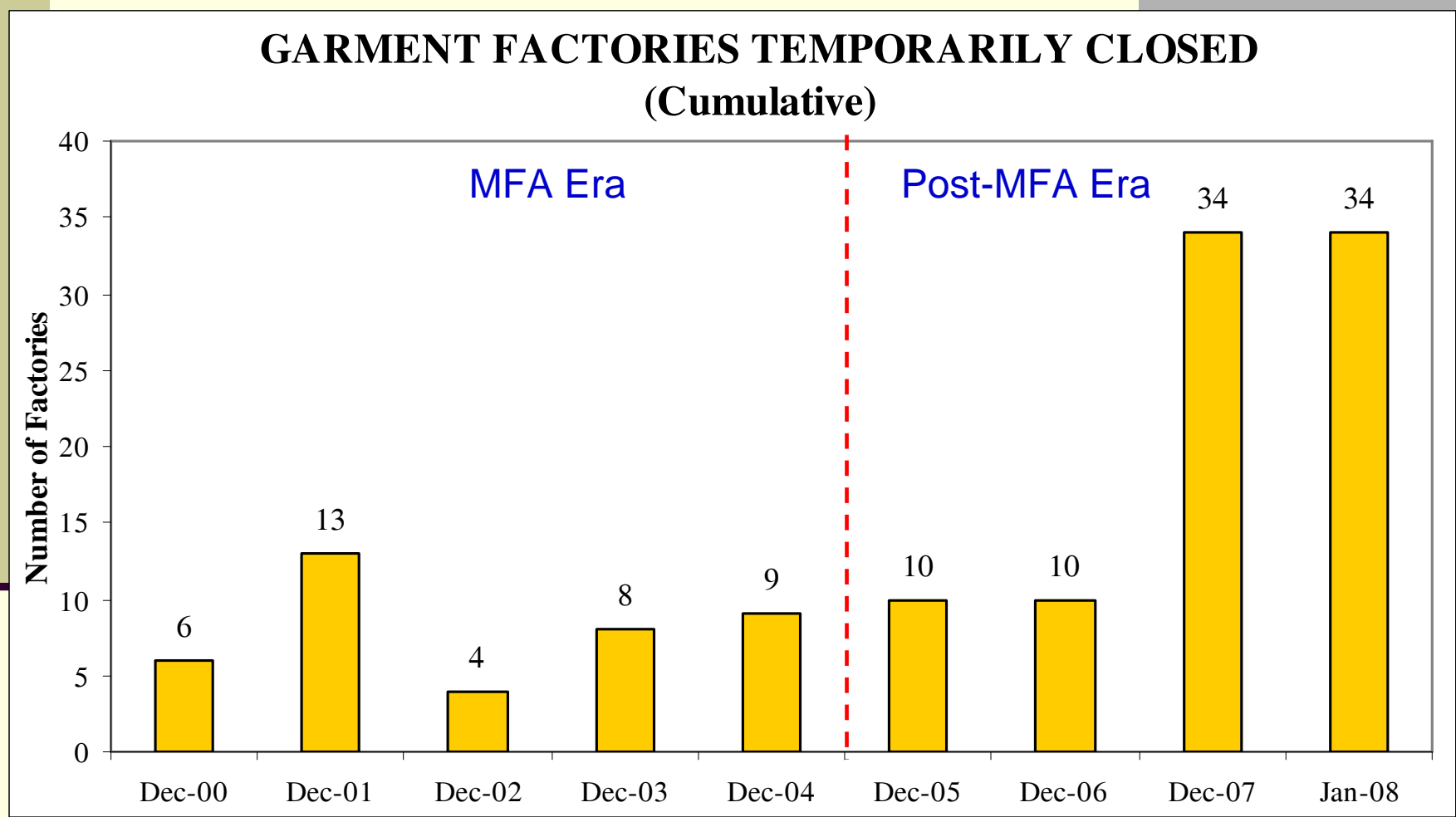
Source: MOC; EU imposed safeguards in June 2005, limiting growth rates between 8 – 12.5% for the period June 2005 – December 2007

34 factories have closed down since expiry of MFA...

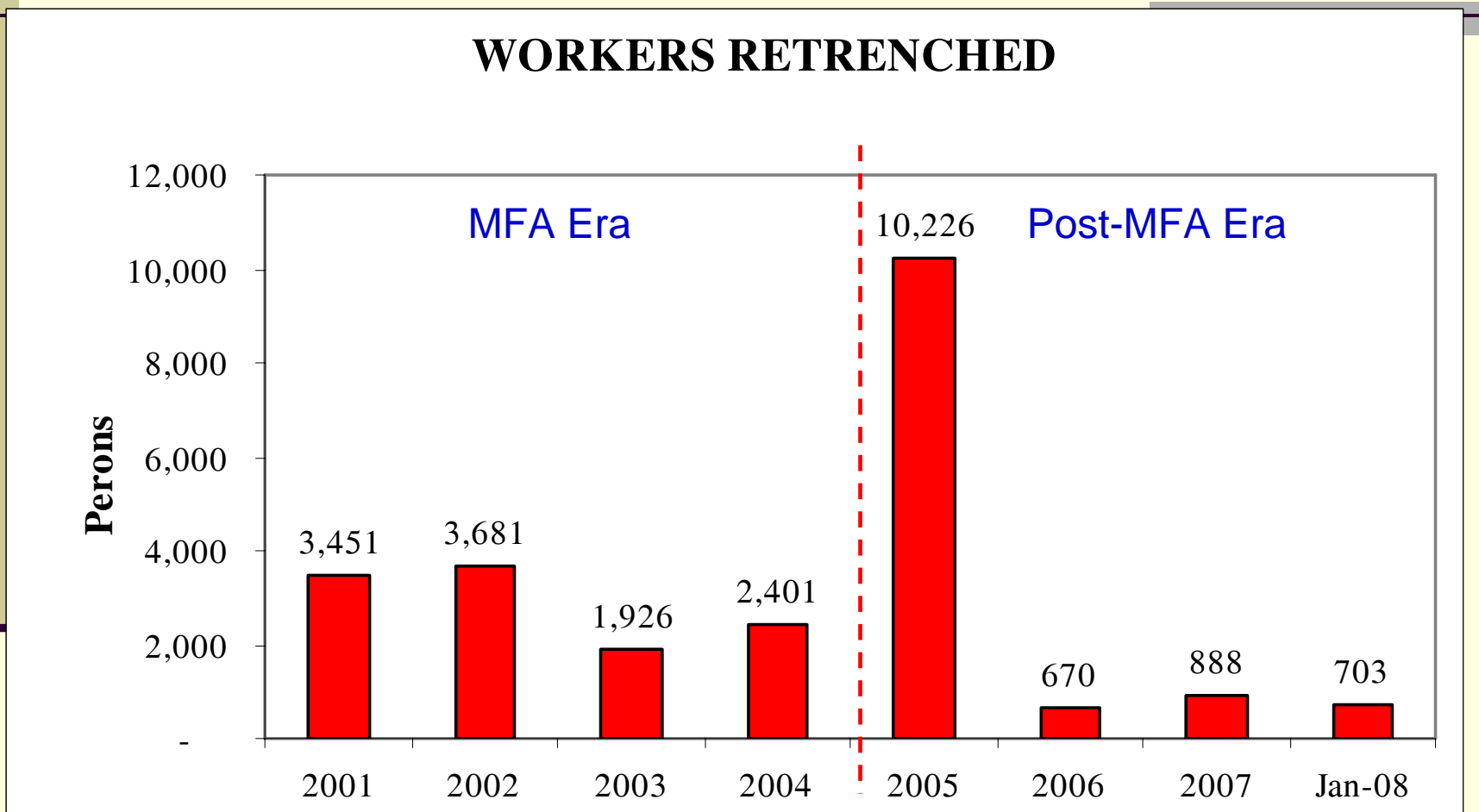


Source: MOC

... and 34 factories are temporarily closed as of Jan 2008.

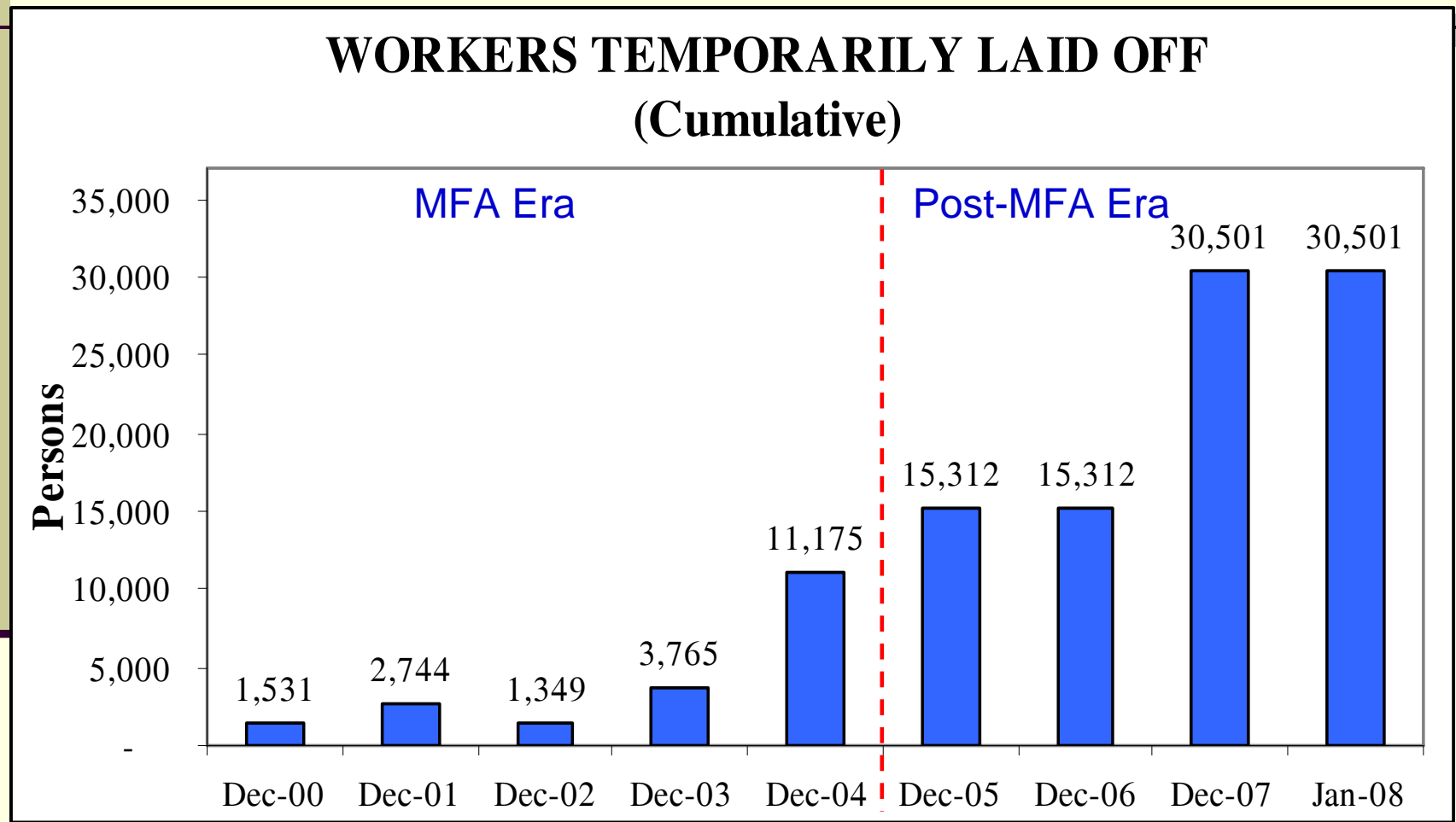


+12,000 workers have been retrenched since end of MFA...



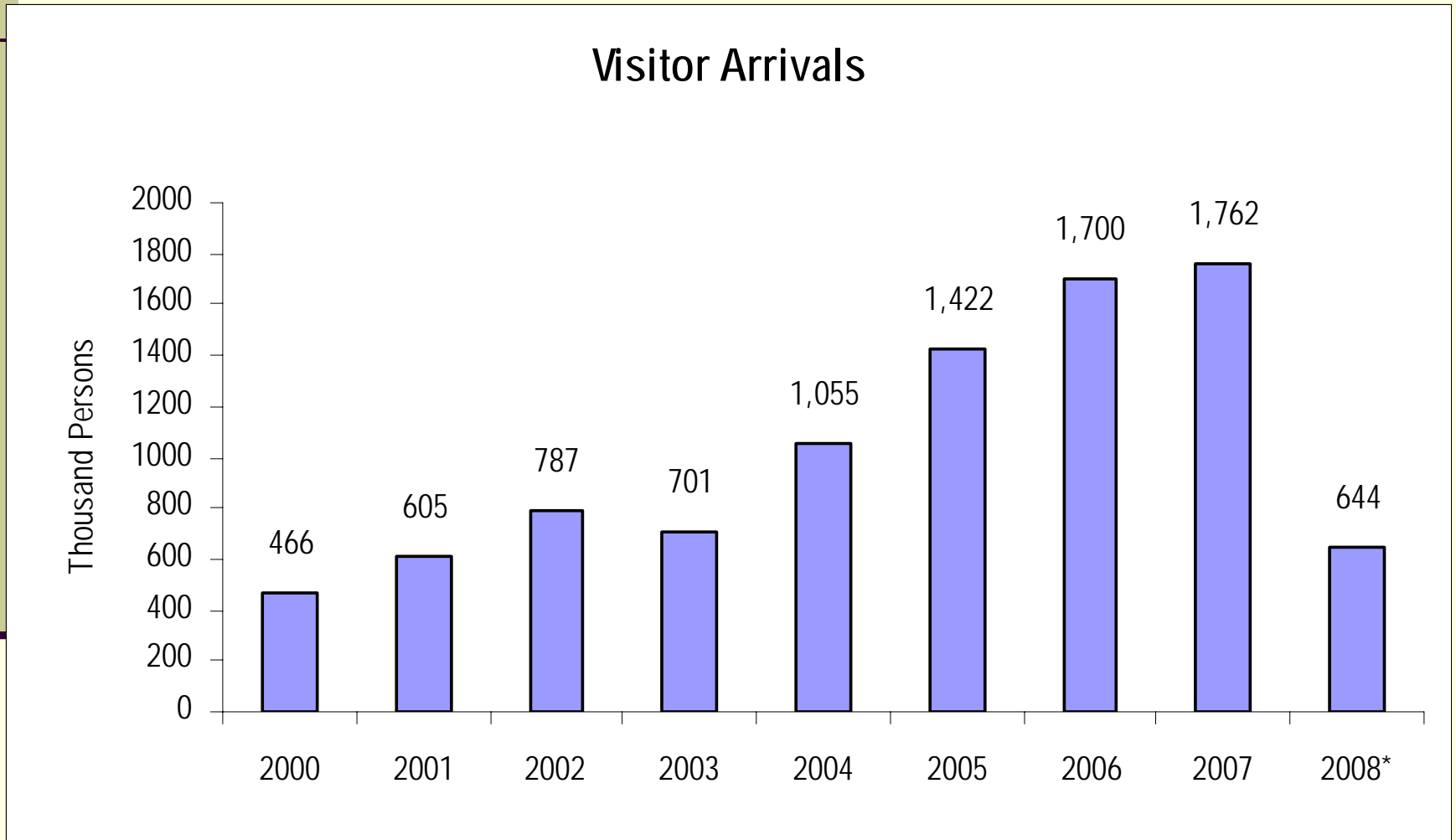
Source: MOC; Includes factories that downsized and factory permanently closed

... And +30,000 people have been temporarily laid-off



Source: MOC, Refers to workers in factories temporarily suspended for economic reasons

Tourism



Source: MOT, *As of Quarter 1 only



Thank You