

Inflation Report

March 2019

A. Domestic Inflation

In March 2019, Phnom Penh Consumer Price Index increased by 0.3% compared to the previous month and 2.2% compared to the past year. The price index of almost all product's groups slightly increased compared to the previous month. However, if comparing index level to March 2018, the price indexes of some product's group have increased notably, of which restaurant rose by 8.2%, alcoholic beverages and tobacco 6.7% and clothing and footwear 3.6%, respectively.

In the first quarter of 2019, the index prices of the 12 groups rose 1.9% on average, lower than the average last year which was 2.2%. According to the data from NIS, it shows that the price index of alcoholic beverages and tobacco has significantly increased the most, accounted for 6.5% in the first quarter (0.1% in the first quarter of 2018). This is due to the price of Tobacco in the market rose approximately 2,800 riel/kg. Specifically, in the first quarter of 2019 Tobacco price was 22,900 riel/kg higher than the price of the previous year (20,100 riel/kg). However, the price index of Transportation group went down by 3.8% on average in this first quarter of 2019 (average growth was 3.1% in the first quarter of 2018) due to the falling price of gas and diesel. According to the data from the Ministry of Commerce, in the first quarter of 2019 the average price of gas and diesel was 3,450 riel/litre (3,880 riel/litre in the first quarter of 2018) and 3,430 riel/litre (3,660 riel/litre in the first quarter of 2018), respectively, lower than the average price last year. The domestic price of gas and diesel decreased was parallel with the price decrease of Crude oil on the international market.

Based on the forecasting model, it is expect that until the end of December 2019, the year on year and yearly average inflation rate would be 3.4% and 2.5%, respectively. This year, the inflation status would still remain under 5% because of i) the price stability of consumption goods, especially the food groups ii) the subsidy from the government to stabilize the price of fuel and iii) stable macroeconomic situation.

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

	Compared with last month	Compared with last year
Item of goods & service	0.3%	2.2%
1. Foods and Nonalcoholic beverages	-0.1%	1.9%
2. Alcoholic beverages, and Tobacco	0.1%	6.7%
3. Clothing and Footwear	0.2%	3.6%
4. Housing, Water, Electricity, Gas and Other Fuels	0.6%	1.9%
5. Furnishings, Household Maintenance	-0.2%	1.7%
6. Health	-0.2%	1.9%
7. Transport	2.0%	-1.8%
8. Communication	-0.2%	-0.4%
9. Recreation and Culture	-0.3%	0.8%
10. Education	0.0%	0.4%
11. Restaurants	1.2%	8.2%
12. Miscellaneous Goods and Services	-0.1%	1.4%

Table 2: Price level changes of some food items (%)						
Food items	Compared with last month			Compared with last year		
	2019			2019		
	Jan	Feb	Mar	Jan	Feb	Mar
Rice	0.2	0.6	0.0	2.6	2.9	2.7
Beef	0.4	0.2	0.0	2.1	1.6	1.7
Chicken	0.5	0.0	0.5	4.0	2.9	4.2
Duck	0.6	0.6	0.0	2.2	3.0	3.1
Pork	0.7	0.6	-0.6	1.7	2.0	0.8
Freshwater and sea fish	0.2	0.2	0.0	2.6	2.4	2.2
Fresh fish	0.0	0.0	0.0	2.0	1.6	1.3
Fruit	-0.7	1.3	0.2	1.7	1.2	1.4
Fresh fruit	-0.6	1.4	0.4	1.6	1.2	1.6
Vegetable	-1.0	1.4	-0.6	2.7	3.9	3.0
Leaf vegetable	-1.1	1.4	-0.4	5.1	6.5	5.2
Fruit vegetable	-1.5	2.2	-1.1	2.3	3.8	2.2

A. Annual Inflation of Neighboring Countries:

Table 3: Year on Year inflation rate (%)				
Country	2018	2019		
	Dec	Jan	Feb	Mar
Cambodia	1.6	1.5	2.0	2.2
Vietnam	3.0	2.6	2.6	2.7
Thailand	0.4	0.3	0.7	1.2
Malaysia	0.2	-0.7	-0.4	0.2
Indonesia	3.1	2.8	2.6	2.5
Philippine	5.1	4.4	3.8	3.3
China	1.9	1.7	1.5	2.3
South Korea	1.3	0.8	0.5	0.4
Japan	0.3	0.2	0.2	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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