

Inflation Report

May 2019

A. Domestic Inflation

According to official data from the National Institute of Statistics (NIS), the price index of consumer goods and services in Phnom Penh increased by 2.0% year-on-year. This significant increase was driven by restaurant group 6.1%, alcoholic drinks and tobacco 5.4%, garments and footwear 3.0%, and Food and Non-Alcoholic Beverages 1.9%. Specifically, these commodities were pushed by the rising prices in rice (3.6%), fresh meat (1.7%), men's clothing (5.5%), women's clothing (2.9%), beer (4.5%) and tobacco (6.8%). In contrast, the price index of transport group continued to decline by 1.0% from May last year, in particular, the prices of gasoline and diesel fell by 5.8% and 1.9% respectively.

Based on the estimation model, the year on year and the year average inflation rate would possibly reach 2.9% and 2.1% respectively. By 2019, the inflation situation remains below 5% due to i) the stability of consumer goods, especially food in the market, ii) fuel subsidy from the Royal Government of Cambodia to stabilize fuel prices, and iii) macroeconomic stability that keeps inflation at manageable level.

Graphs of changes in the 12 Price Indexes

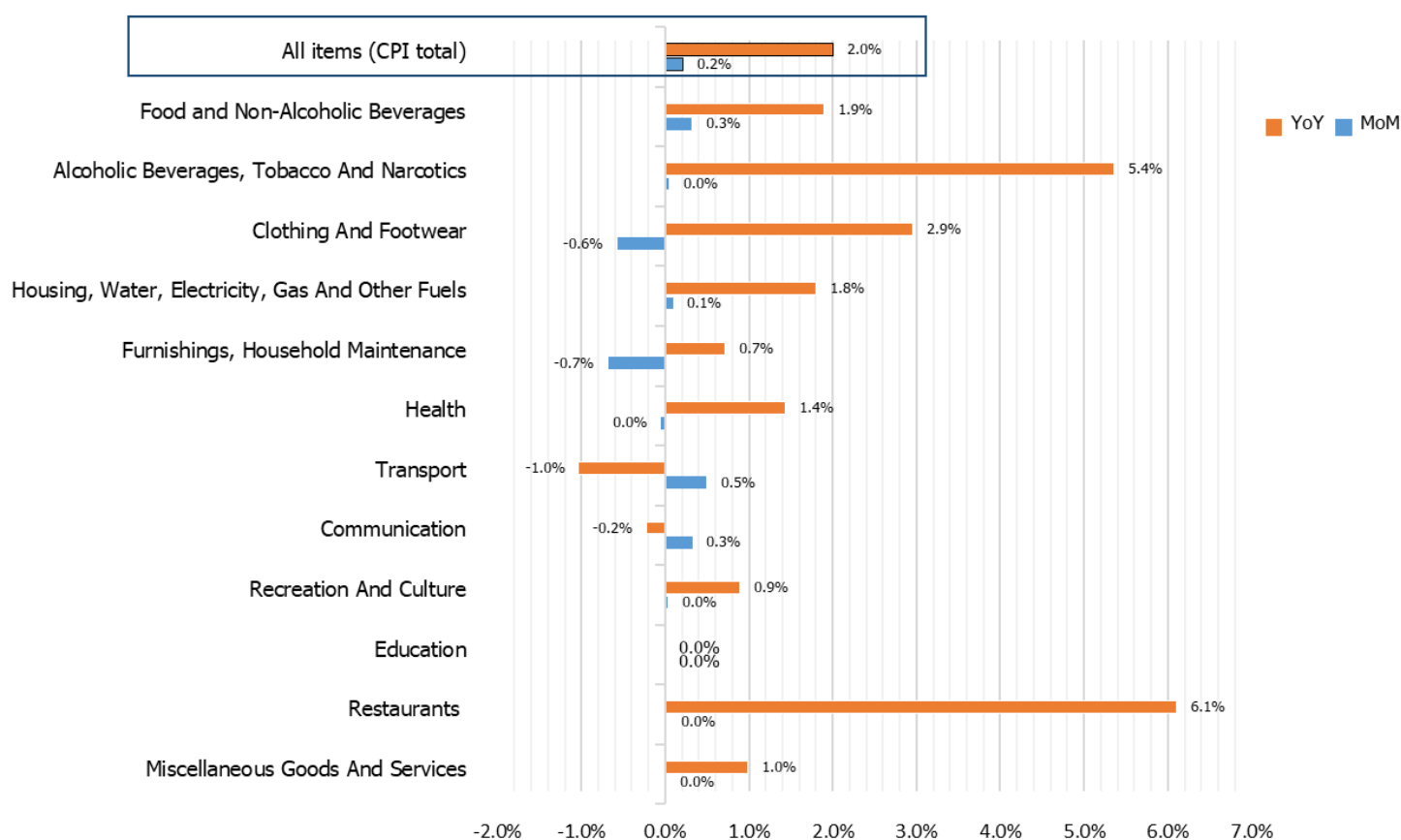


Table 1: Changes of price index of 12 product groups in May 2019

| | Compared with last month | Compared with last year |
|---|--------------------------|-------------------------|
| Item of goods & service | 0.2% | 2.0% |
| 1. Foods and Nonalcoholic beverages | 0.3% | 1.9% |
| 2. Alcoholic beverages, and Tobacco | 0.0% | 5.4% |
| 3. Clothing and Footwear | -0.6% | 2.9% |
| 4. Housing, Water, Electricity, Gas and Other Fuels | 0.1% | 1.8% |
| 5. Furnishings, Household Maintenance | -0.7% | 0.7% |
| 6. Health | 0.0% | 1.4% |
| 7. Transport | 0.5% | -1.0% |
| 8. Communication | 0.3% | -0.2% |
| 9. Recreation and Culture | 0.0% | 0.9% |
| 10. Education | 0.0% | 0.0% |
| 11. Restaurants | 0.0% | 6.1% |
| 12. Miscellaneous Goods and Services | 0.0% | 1.0% |

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

| Food items | Compared with last month | | | | Compared with last year | | | |
|-------------------------|--------------------------|------|------|------|-------------------------|-----|------|-----|
| | 2019 | | | | 2019 | | | |
| | Feb | Mar | Apr | May | Feb | Mar | Apr | May |
| Rice | 0.6 | 0.0 | 0.4 | 0.8 | 2.9 | 2.7 | 3.0 | 3.6 |
| Beef | 0.2 | 0.0 | 0.2 | -0.1 | 1.6 | 1.7 | 1.1 | 0.5 |
| Chicken | 0.0 | 0.5 | 0.3 | 0.1 | 2.9 | 4.2 | 3.5 | 3.3 |
| Duck | 0.6 | 0.0 | 0.4 | 0.9 | 3.0 | 3.1 | 3.0 | 4.0 |
| Pork | 0.6 | -0.6 | 2.1 | -0.8 | 2.0 | 0.8 | 2.4 | 1.6 |
| Freshwater and sea fish | 0.2 | 0.0 | 0.7 | 0.1 | 2.4 | 2.2 | 2.3 | 1.5 |
| Fresh fish | 0.0 | 0.0 | 0.7 | 0.2 | 1.6 | 1.3 | 1.4 | 0.7 |
| Fruit | 1.3 | 0.2 | -0.3 | 1.2 | 1.2 | 1.4 | -0.6 | 1.3 |
| Fresh fruit | 1.4 | 0.4 | -0.4 | 1.5 | 1.2 | 1.6 | -0.8 | 1.4 |
| Vegetable | 1.4 | -0.6 | 1.1 | 1.4 | 3.9 | 3.0 | 2.7 | 3.2 |
| Leaf vegetable | 1.4 | -0.4 | 0.9 | 0.2 | 6.5 | 5.2 | 4.7 | 4.0 |
| Fruit vegetable | 2.2 | -1.1 | 2.3 | 3.1 | 3.8 | 2.2 | 2.6 | 5.5 |

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

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

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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