

Kingdom's 2011 GDP hits 6.9%



Bokor Mountain

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Cambodia's gross domestic product grew 6.9 per cent year-on-year in 2011, and is set to increase to 6.5 per cent this year, according to preliminary projections from the Ministry of Economy and Finance. Agriculture, which was hit hard by floods last year, climbed 3.3 per cent, according to the ministry's website.

At the same time, industry was up 14.3 per cent, while garment manufacturing alone soared 20.2 per cent. Services gained 5 per cent on a strengthened financial sector, according to the website.

The figure for agricultural growth was not a surprise, ministry Secretary of State Hang Chuon Naron said yesterday. A 10 per cent increase in rubber helped buoy the sector in the face of flood devastation, he said.

The government's rice-export policy yielded positive results in 2011 that are expected to continue, World Bank senior economist Huot Chea said last week via email.

The government's preliminary projection was near identical to its end-of-the-year estimate of 7 per cent. Projections for 2011 growth were issued a number of times by the government, often in response to World Bank and International Monetary Fund estimates.

In December, the IMF said GDP would grow at less than 6 per cent in 2011. The World Bank predicted 6 per cent growth, while the ADB estimated 6.8 per cent. The government will issue official 2011 numbers in June, Hang Chuon Naron said.

Prime Minister Hun Sen on Tuesday set Cambodia's minimum growth target for 2012 at 6 per cent, according to Foreign Ministry spokesman Koy Kuong. Economists said the goal was conservative.

"The government is taking a rather cautious approach when it comes to economic outlook," Cheang Vannarith, executive director of the Cambodia Institute for Cooperation and Peace, said this week via email. Emerging economies in Asia will drive the region's growth this year, he said. A positive economic outlook in the United States, as well as Cambodia's ASEAN chairmanship, should contribute to healthy growth, he said.

The World Bank's 2012 GDP forecasts for the United States and the European Union in 2012 were 2.2 per cent and 0.3 per cent, respectively, "which may have some implications for Cambodia", the World Bank's Huot Chea said