



Highlights from this week’s economic and fiscal developments in ASEAN member states and abroad:

- Cambodia’s nascent corporate bond industry pushes for U.S. dollar as standard
- Cambodia importing more and more motorcycles from Thailand
- U.S. dollar still the world’s currency but for how long?

FACT Sheet is a weekly newsletter that tracks the latest economic and fiscal developments in Cambodia and its trading partners. It is produced by the Fiscal Analysis Capacity Training (FACT) department of the Parliamentary Institute of Cambodia to practice research and drafting skills. Every effort is made to ensure that the analysis and insight is of high quality; however, readers should treat it as a training exercise. We cannot guarantee that it is free from error or omission.

Cambodia news and data

Cambodia’s nascent corporate bond industry pushes for U.S. dollar as standard

Participants in a recent seminar on Cambodia’s budding securities market held at the Cambodia Securities Exchanges (CSX) argued that [using U.S. dollars in trading](#) would help Cambodia’s securities markets and the firms they fund grow faster.

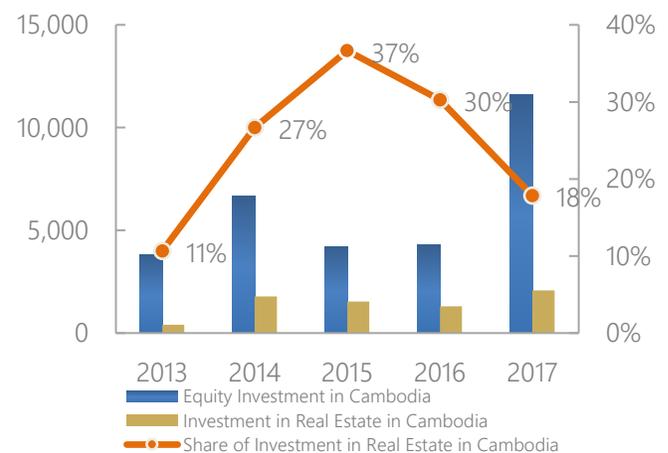
Several securities executives and a director at the Securities and Exchange Commission of Cambodia (SECC) have asked the Ministry of Economy and Finance to look at supporting policies that will encourage a flow of U.S. dollars into the industry, arguing that most Cambodians are paid in dollars and most companies earn in dollars. However, such policies would conflict with National Bank of Cambodia efforts to encourage de-dollarizing the economy.

Chart of the week: foreign investment flows into the real estate sector in Cambodia

This week’s chart shows foreign investment in real estate as a share of total foreign investment in Cambodia from 2013 to 2017. Foreign Direct in-

vestment in the real estate sector has increased since 2013, and amounted to KHR 2,071 billion in 2017, or 18 percent of total equity investment in Cambodia, according to the International Transactions Reporting System (ITRS) and the [National Bank of Cambodia](#).

Share of foreign investment in Cambodia’s real estate sector, 2013-2019 (in billions KHR)



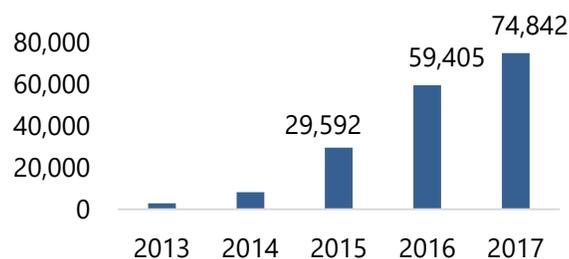
Source: Estimated ITRS data, National Bank of Cambodia

ASEAN and other trading partners news and data

Cambodia importing more and more motorcycles from Thailand

The latest statistics from the [Customs Department of the Kingdom of Thailand](#) show a continued trend of Cambodia importing more and more motorcycles from Thailand. Cambodia's imports of motorcycles, mopeds, and engines from Thailand increased from \$59 million in 2016 to \$75 million in 2017.

Cambodia imports \$75 million of motorcycles in 2017 (thousands of dollars)



Source: Trade Map and Customs Department of Thailand

U.S. economy and Federal Reserve

Dollar still the world's currency but for how long?

Two-thirds of international debt and global reserves are in U.S. dollars, as recently measured by the European Central Bank. Further, most of the world's commodities are priced in the greenback.

But the desire of other countries to transact in and hold U.S. dollars is waning. Jean-Claude Juncker, the president of the European Commission, recently [espoused](#) the absurdity of European companies doing business with each other in U.S. dollars. China has moved toward pricing crude-oil futures contracts in yuan. Government finance leaders in France and Russia have recently announced plans or intentions to move away from a reliance on U.S. dollars in financing instruments.

While any serious shift away from the dollar as the world's currency would take many years, the trend

threatens the privilege the U.S. enjoys: its monetary policy is helped by reserve currency status, and in times of crisis the world's hot money flows into the U.S. as a safe-haven rather than away.

Because the special status of the U.S. dollar props its value up in world markets, any shift away from this status could help Cambodia by making its dollar-linked Riel and exports more competitive.

The week ahead

Data highlights in the coming week include Brunei GDP growth, Japan current account and machinery tools orders, Philippines balance of trade, and Malaysia industrial production.

Below is the complete calendar of data releases and developments that the FACT team will be following next week.

Monday, 08 October

- Brunei balance of trade for June and July
- Brunei GDP growth for 2018Q2
- Indonesia retail sales for August
- Taiwan balance of trade for September

Tuesday, 09 October

- Japan current account for August
- Japan machine tool orders for September
- U.S. inflation expectations for September

Wednesday, 10 October

- Japan machinery orders for August
- Philippines balance of trade for August
- Philippines foreign direct investment for August
- U.S. producers price index for September

Thursday, 11 October

- South Korea current account for August
- Japan producers price index for September
- Malaysia industrial production for August
- U.S. inflation for September
- U.S. jobless claims 06/October

Friday, 12 October

- South Korea unemployment rate for September
- Singapore GDP for 2018Q3
- China balance of trade for September
- Malaysia retail sales for August
- Singapore retail sales for August
- U.S. import and export prices for September
- Indonesia IMF/World Bank annual meetings