



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

- World Bank releases outlook for Cambodia, advises caution for income targets
- Panama and China sign agreements to bring economies closer together
- U.S. and China agree to trade war ceasefire

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

World Bank releases outlook for Cambodia, advises caution for income targets

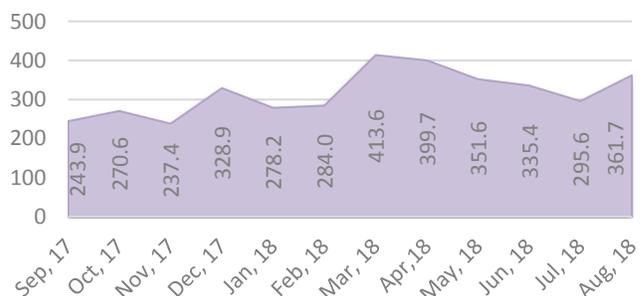
The World Bank released its Cambodia Economic Update this week to the public ([pdf](#)). The theme of the report was the achievability of Cambodia’s income targets. The report concluded that the government’s target of achieving upper-middle income status in 2030 is too optimistic given current and projected growth rates and should be revised to 2035. The 2030 target would require growth in per capita GDP to be 9.3 percent over the next 13 years, while it currently ranges between 5 to 6 percent. A target of 2035 would be more consistent with the experience of comparable Asian tiger economies.

The World Bank projects that Cambodian GDP growth will be 7.1 percent this year, higher than in 2017 and higher than expectations. However, the World Bank analysts expect that growth will slow to 6.8 percent during the next two years, as a considerable fiscal expansion eases and the economy returns to its long-run potential.

Chart of the week: Monthly tax revenues

This week’s chart shows Cambodia’s monthly tax revenue from September 2017 to August 2018. Tax receipts in August reached \$361.7 million, up from \$295.6 million in the previous month. Revenue reached its highest level of \$413.6 million in March 2018 with end-of-year financial returns, and its lowest of \$237.4 million in November 2017. Average monthly tax revenues were \$316.7 million over the period.

Cambodia monthly tax revenues, September 2017 to August 2018 (US\$ million)



Source: Ministry of Economy and Finance

ASEAN and other trading partners news and data

Panama and China sign agreements to bring economies closer together

Panama and China signed 19 agreements to bind their economies more closely together [this week](#). The agreements cover issues related to trade, infrastructure, banking, and tourism. They were signed during Chinese President Xi Jinping's first visit to Panama after the two countries opened a diplomatic relationship last year.

The agreements also include terms under which China will provide non-reimbursable aid to Panama, though the amount was not disclosed. The agreements mark an interesting move by China into a region that has traditionally been staked by the United States.

U.S. economy and Federal Reserve

U.S. and China agree to trade war ceasefire

The United States and China on Saturday declared a ceasefire in their tariff war, after an [informal meeting](#) at the G20 summit in Buenos Aires, Argentina.

President Trump suspended his threat to increase tariffs from 10 percent to 25 percent on January 1, agreeing to provide 90 days for negotiations to resolve the disagreement between the two countries.

Subjects on the table include trade barriers and intellectual property disputes. Wang Yi, China's foreign minister, told reporters in Buenos Aires that cooperation between the two countries is important for both the well-being of Chinese and American people, and for the economic growth and stability of the global economy.

The week ahead

Data highlights in the coming week include GDP in Japan and an interest rate announcement in the Philippines.

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

Monday, 10 December

- Japan GDP for 2018Q3, final estimate
- Japan current account for October
- Indonesia retail sales for October
- Philippines FDI for September

Tuesday, 11 December

- Philippines balance of trade for October
- China vehicle sales for November
- Japan machine tools orders for November

Wednesday, 12 December

- South Korea unemployment rate for November
- Japan Producers' Price Index for November
- Malaysia industrial production for October
- Singapore retail sales for October
- China FDI for November

Thursday, 13 December

- South Korea export/import prices for November
- Japan foreign bond investment for 08/Dec
- Singapore unemployment rate for 2018Q3
- Malaysia retail sales for October
- Philippines interest rate decision

Friday, 14 December

- China retail sales for November
- Indonesia motorbike and car sales for November
- Malaysia unemployment rate for October
- Japan industrial production for October
- Hong Kong industrial production for 2018Q3