



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

- Thailand considers ban on Cambodian Cassava
- South Korea current account surplus shrinks
- Trump set for trade showdown at G7

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

Cambodian Minister of Commerce of Cambodia Proud of Investments and Achievements of Mong Reththy Group (MRT)

During a field visit to the Development Area at Oknha Mong seaport this week, Cambodia's Minister of Commerce showcased the achievements of Mong Reththy Group, the Kingdom's largest agro-industrial conglomerate. The minister cited the group's record in job creation, raising incomes, and promoting economic growth.

While in Sihanouk province, the minister also visited the animal feed factory M's Pig APMC, which has the capacity to produce 120,000 tonnes of animal feed per year, as well as a 20,000 hectare palm oil plantation, the largest in Cambodia. Finally, the minister visited a rubber plantation and processing factor which is currently increasing exports to Spain. More from the Ministry of Commerce [here](#).

Thailand considers ban on Cambodian Cassava

Thailand [warned](#) this week that it is considering a ban on the importation of Cambodian cassava, after studying reports that the cassava mosaic virus has been found in Cambodian crops, according to the National News Bureau of Thailand (NNT).

If the virus—which has never been found in Thailand—were to make its way across the border, it could lead to considerable losses in the cassava industries sector in Thailand.

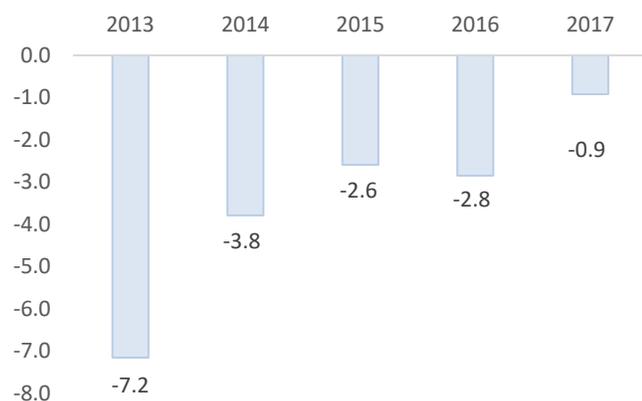
Cambodia has denied the claim. Mr. Pang Vanaseth, director of provincial agriculture department in Banteay Meanchey, said that no incidence of the virus has been found in the province.

Chart of the week: fiscal balance of Cambodia's central government

As reported in the [Asian Development Bank Outlook 2018](#), the fiscal deficit of Cambodia's central government has declined over recent history, from 7.2 per cent of GDP in 2013 to 0.9 per cent of GDP in 2017. On average, Cambodia's fiscal balance was -

3.5 per cent from 2013 to 2017. The report attributes the decline in the deficit partly to authorities' success in mobilizing domestic revenue, which have been growing rapidly from year to year.

Fiscal balance of central government (% of GDP)



Source: Asian Development Bank Outlook 2018

ASEAN and other trading partners news and data

Malaysia's Transport Ministry to auction off limited-edition car license plates to bring in revenue

Malaysia's transport minister, Anthony Loke, [announced](#) at a press conference on Monday that his ministry will auction off ten thousand special edition "Malaysia" car license plates. The goal is to raise \$5.5 million for government revenues, while celebrating the 61st Independence Day. The ministry will be accepting bids from 2 July to 16 July.

The ministry is also studying proposals to introduce personalized plates, including the use of human names, to generate more revenue.

South Korea current account surplus shrinks

South Korea's current account surplus declined to \$1.77 billion in April, down from \$3.67 billion in the same month last year, according to the [Bank of Korea](#). The goods account surplus decreased to \$10.36 billion from \$11.54 billion last year, while the services account deficit shrank to \$1.98 billion from \$2.42 billion in April 2017.

U.S. economy and Federal Reserve

Trump set for trade showdown at G7

In advance of the G7 meeting scheduled next week, the European Union and Canada [warned](#) the U.S. to reverse course on new steel and aluminum tax levies or face stiff retaliation. If the U.S. continues to press ahead with the tariffs, it could lead to the escalation of a trade war.

The week ahead

Highlights from next week's data releases include unemployment statistics in Malaysia, Singapore, and South Korea.

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

Monday, 11 June

- Malaysia industrial production for April
- Japan machinery orders for April
- U.S. consumer inflation expectations for May

Tuesday, 12 June

- Japan producers' price index for May
- China FDI for May
- Malaysia retail sales for April
- Malaysia unemployment rate for April
- Singapore retail sales for April
- U.S. core inflation rate for May
- U.S. – North Korea Summit

Wednesday, 13 June

- Singapore unemployment rate for 2018Q1
- South Korea local elections
- U.S. producers' price index for May

Thursday, 14 June

- Japan stock investment by foreigners, 09/June
- China industrial production for May
- China retail sales for May
- Japan industrial production for April
- U.S. retail sales for May
- U.S. business inventories for April
- U.S. import and export prices for May

Friday, 15 June

- Bank of Japan interest rate decision
- South Korea unemployment rate for May
- China house price index for May
- U.S. industrial production for May