



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

- Cambodia rubber exports take off in first half of year
- South Korea’s labour policies backfire for jobless and low-income workers
- Fed's Powell says trade war could hurt U.S. economy

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 rubber exports take off in first half of year

The Kingdom’s rubber exports rose 21 per cent in the first half of 2018, compared to the same period in 2017. In all, Cambodia exported 84,419 tonnes of rubber during the first six months of the year. Total rubber cultivation also rose, coming in at 436,299 hectares. The new figures were [announced](#) by the director-general of the Rubber Department at the Ministry of Agriculture on Sunday.

It wasn’t all good news, however, as rubber prices were down 20 per cent year-on-year, with the median export price at \$1,434 a tonne. Nevertheless, rubber plays a key role in the country’s future economic growth prospects.

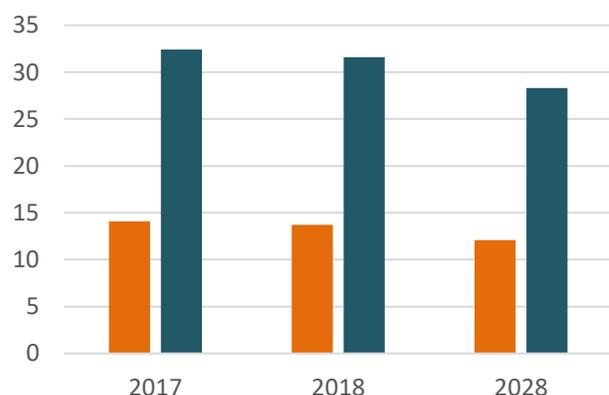
Chart of the week: Contribution of travel & tourism to GDP in Cambodia

This week’s chart shows the contribution of travel and tourism to Cambodia’s GDP. Both direct economic activity in the tourism sector and total economic activity supported by the tourism sector (in-

cluding jobs that rely indirectly on tourism) have declined in importance since 2017 and are projected to continue to decline over the next ten years to 2028 (though the nominal value will continue to rise considerably).

Total contribution of tourism in 2017 amounted to KHR29,131.2 billion (approximately \$7.2 billion), or 32.4 per cent of total GDP in 2017. This is expected to fall to 28.3 per cent by 2028.

Chart of the week: direct contribution (L) and total contribution (R) of travel & tourism sector to GDP in Cambodia (%)



Source: World Travel & Tourism Council

ASEAN and other trading partners news and data

South Korea's labour policies backfire for jobless and low-income workers

Household incomes of the bottom 20 per cent of South Koreans dropped 8 per cent in the first quarter of 2018 from a year earlier, the largest fall since statistics began being collected in 2003. Meanwhile, average monthly job creation of 142,000 jobs this year marked the slowest job growth since the 2008-09 global financial crisis, according to Statistics Korea.

The slow-down in the labour market has been widely attributed to President Moon Jae-in's policies to increase the minimum wage: in January this year, the minimum hourly wage rate was raised 16 per cent. Unfortunately, the measure may have had the opposite effect than intended—hurting many lower income families as employers have [cut hours and positions](#).

U.S. economy and Federal Reserve

Fed's Powell says trade war could hurt U.S. economy

Federal Reserve Chairman Jerome Powell told the Senate Banking Committee at a hearing about the Fed's monetary policy and the economy on Tuesday that trade war with China, the European Union and other trading partners may hurt the U.S. economy in the future. The Fed currently expects the U.S. economy to remain strong, but Trump's highly unpredictable trade policies leave much of the Fed's forecast exposed to adverse shocks.

The sentiment is shared by senators who represent the agricultural and industrial states, whose constituents have also expressed concern over the issue (from [National Public Radio](#)).

The week ahead

Highlights next week include GDP growth for U.S., South Korea and Brunei, unemployment data for Singapore, and budget balance data for the Philippines.

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

Monday, 23 July

- Philippines budget balance for June
- Singapore inflation rate for June
- Taiwan industrial production for June
- Taiwan retail sales for June
- Taiwan unemployment for June
- Brunei GDP for 2018Q1
- Hong Kong inflation rate for June
- U.S. existing home sales for June

Tuesday, 24 July

- Japan leading economic index for May
- Indonesia foreign direct investment 2018Q2
- U.S. red book for July

Wednesday, 25 July

- South Korea consumer confidence for July
- Malaysia coincident index for May
- Malaysia leading index for May
- U.S. API crude oil stock change for July

Thursday, 26 July

- South Korea GDP for 2018Q2, advanced est.
- Singapore industrial production for June
- Hong Kong balance of trade for June
- U.S. initial jobless claims for July

Friday, 27 July

- Japan Tokyo CPI for July
- China industrial profits for June
- Taiwan consumer confidence for July
- Singapore unemployment rate for 2018Q2
- Singapore import and export prices for June
- Singapore Producers' Price Index for June
- U.S. GDP growth for 2018Q2