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

- Cambodia's MEF extends Financial Management Information System
- Thailand keeps policy rate unchanged
- U.S. growth revised upward in third quarter

*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

#### Ministry of Economy and Finance rolls out Financial Management Information System to broader ministries

On March 26th, [the Ministry of Economy and Finance](#) conducted an information workshop on the Financial Management Information System (FMIS). The workshop was chaired by Dr. Sare-hip HEAM, Secretary of State and FMIS's management team leader. The FMIS has been rolled out in select ministries and is being implemented in ten more ministries and institutions as early as 2019. The workshop was targeted at those who will be adopting the system in the coming year.

The awareness program had three objectives:

1. To help the new ministries and institutions gain a deeper understanding of the components and key functions of the FMIS system
2. To prepare the ministries and institutions for the FMIS procedures so that they may cooperate more effectively with each other as they

participate in the Financial Instruments Working Group (FIWG)

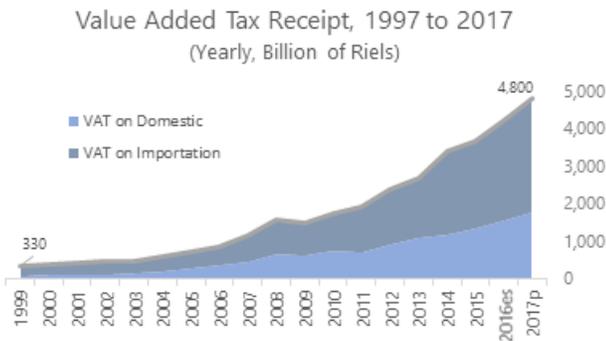
3. To inspire stakeholders to think deeply about the organizational roles and responsibilities in facilitating the FMIS's team work, to help surmount challenges that it will face.

#### Chart of the week: Value Added Tax receipts

Value Added Tax (VAT) was first introduced to Cambodia in 1997 by the Law on Taxation. VAT is one of the primary revenue sources for the Cambodian government, accounting for between 30 to 40 per cent of tax revenue, according to the tables of government financial operations published by the Ministry of Economy and Finance (available [here](#)). VAT has increased at an average annual rate of 16.0 per cent between 1999 and 2017 (from 330 billion riels to 4,800 billion riels).

VAT is levied on goods and services produced domestically and imported from other countries. As shown in this week's chart, the majority of revenue from VAT comes from imported goods and services.

### Chart of the week: Value Added Tax receipts



Source: Ministry of Economy and Finance and FACT calculations

## ASEAN and other trading partners news and data

### Thailand keeps policy rate unchanged

On 28<sup>th</sup> March, the Monetary Policy Committee of the Bank of Thailand held a meeting to set the policy interest rate. The committee voted by 6 to 1 to maintain the policy rate at 1.50 per cent. The sole dissenter voted to increase the interest rate by 0.25 percentage points. The decision was based on a broad assessment of Thai economic growth, headline inflation, and overall financial conditions ([pdf](#)).

## U.S. economy and Federal Reserve

### U.S. growth revised upward in third quarter

The [U.S. Bureau of Economic Analysis](#) has just released its third estimate of GDP growth for the fourth quarter of 2017.

According to Wednesday's publication, the U.S. economy expanded at an annual rate of 2.9 per cent, seasonally adjusted. This depicts a higher growth rate than the second estimate of 2.5 per cent, and beats market expectation of 2.7 per cent. The increase reflected an upward revision in personal consumption expenditure (PCE) and private inventory investment.

In 2017 as a whole, the economy grew 2.3 per cent, up from 1.5 per cent in 2016 and in-line with the previous estimate.

### Congress passes \$1.3 trillion spending bill

At the close of last week, the U.S. Senate passed a \$1.3 trillion spending bill that increased funding for the military, infrastructure, and allowed the government to remain funded until the end of September. Of note, more than \$21 billion in infrastructure projects will be funded by the bill, which is sure to flow through to the economy across the medium-term outlook ([Reuters](#)).

## The week ahead

Data highlights in the coming week include inflation data from Thailand, the Philippines and South Korea, as well as U.S. data on the unemployment rate and balance of trade.

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

#### Monday, 2 April

- Thailand inflation rate for March
- Philippines, Malaysia, South Korea, Vietnam, and Thailand Manufacturing PMI for March
- Indonesia inflation rate for March

#### Tuesday, 3 April

- South Korea inflation rate for March
- Philippines Retail Price Index for February
- Hong Kong retail sales for February

#### Wednesday, 4 April

- Thailand business confidence for March
- Euro Area inflation rate for March
- Euro Area unemployment rate for February

#### Thursday, 5 April

- Malaysia balance of trade for February
- South Korea current account for February
- Philippines Inflation Rate for March
- U.S balance of trade for February

#### Friday, 6 April

- U.S unemployment rate for March
- Japan leading economic index for February