



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

- Investment in travel goods manufacturing in Cambodia rises as companies leave China
- State Bank of Vietnam works with commercial lenders to ensure adequate rice financing
- U.S. bond prices fall on trade uncertainty

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

Investment in travel goods manufacturing rises as companies leave China

Investment in travel goods manufacturing has taken off in the early months of 2019, according to figures released by the [Council for the Development of Cambodia \(CDC\)](#).

The CDC has approved 45 investment projects in January, February, and the first week of March, of which nearly half are for the manufacture of travel goods. The 21 projects are expected to result in \$100 million of investment, creating 31,951 jobs for Cambodians.

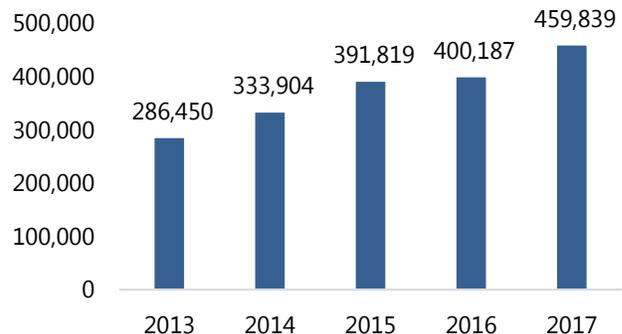
Growth has been driven by companies leaving China in search of lower labour costs and to avoid tariffs the U.S. has imposed on Chinese exports.

Investors are pursuing Cambodia as an appealing destination in light of the trade preferences that the U.S. grants Cambodia under its Generalized System of Preferences (GSP).

Chart of the week: Container passing through Sihanoukville

According to a bulletin from the Sihanoukville Autonomous Port, containers passing through Sihanoukville have nearly doubled over the past five years, from 286,450 TEU (twenty-foot equivalent units) in 2013 to 459,839 TEU in 2018.

Quantity of containers passing through Sihanoukville



Source: Bulletin of Sihanoukville Autonomous Port of Cambodia, 2018

ASEAN and other trading partners news and data

State Bank works with commercial lenders to ensure adequate rice financing

The Governor of the State Bank of Viet Nam (SBV), [has urged](#) Vietnam's commercial lenders to offer timely loans at reasonable interest rates to rice enterprises, particularly exporters, so that they can buy the output of Vietnam's farmers this year.

Under the State Bank's guidance, commercial banks committed to providing loans worth \$388 million at an annual interest rate of 6 percent to help rice companies access capital for the production, purchasing, processing and consumption of rice.

The cooperation of commercial banks in supplying credit to the rice industry plays an important role in Vietnam's economy, as agricultural and rural development is a significant driver of the country's rising income status.

In 2018, total outstanding loans to the rice industry rose by 30.1 percent compared to 2017.

U.S. economy and Federal Reserve

Bond prices fall on trade uncertainty

U.S. government bond prices fell on Tuesday, as talks with China on trade relations showed mixed signs of resolution. Yields on the [10-year Treasury note](#) and the [30-year Treasury bond](#) rose to over 2.7% and 3%, respectively (yields vary inversely with prices).

Trade talks between the two countries are reaching their final stages and a summit in Mar-a-Lago later this month could finalize any deals that emerge from discussions. However, early reports suggest that Monday's negotiations have not made progress toward solving structural issues.

The week ahead

Economic highlights next week include an interest rate decision in Japan and data on China's foreign direct investment.

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

Monday, 11 March 2019

- Malaysia unemployment rate for January
- Philippines FDI for December
- China vehicle sales for February
- Indonesia retail sales for January

Tuesday, 12 March 2019

- Philippines balance of trade for January
- Thailand consumer confidence for February
- Singapore retail sales for January

Wednesday, 13 March 2019

- South Korea unemployment rate for February
- Japan PPI for February
- Japan machinery orders for January
- Indonesia motorbike sales for February

Thursday, 14 March 2019

- China industrial production for January-February
- China retail sales for January-February
- Singapore unemployment for 2018Q4
- Malaysia industrial production for January
- Malaysia retail sales for January

Friday, 15 March 2019

- South Korea import and export prices for February
- Indonesia balance of trade for February
- Bank of Japan interest rate decision
- China FDI for February