



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

- Cambodian officials attend delegation to France on sustainable development financing
- Vietnam uses free trade agreements to boost garment and textile manufacturing
- Chinese investment in U.S. startups likely to fall from 2018 peak

*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

#### Officials attend delegation to France on sustainable development financing

On 3 May, the Cambodian Deputy Prime Minister and Minister of Finance and Economy led a delegation to Paris for a summit titled *Sustainable Debt for Sustainable Growth: Sound Financing for Development* ([press release](#)). The minister and other Cambodian officials were invited by the French Finance Ministry. Also attending were finance ministers, governors of national banks, heads of international institutions, research institutions, and representatives of major private finance institutions from about 60 countries.

Delegates discussed financing strategies to achieve sustainable development goals, financing for infrastructure development projects, and strategies to avoid unsustainable debt burdens.

Cambodian officials held bilateral meetings with senior representatives from France’s government, the European Union, and other development organizations. Among these partners, Cambodia is expected to sign an agreement to finance the modernization of

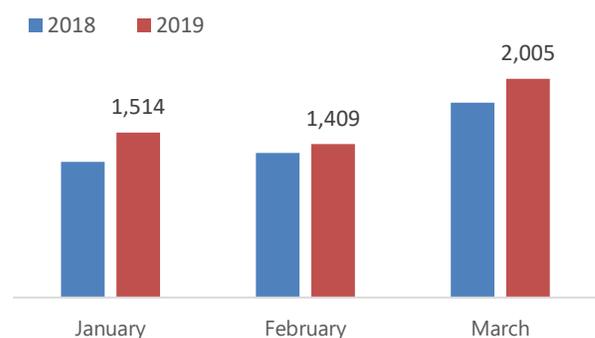
electricity transmission networks worth a total of 21.9 million euros.

#### Chart of the week: first quarter revenues

This week’s chart shows domestic revenues from January to March 2019 compared to 2018. Revenues reached KHR 2,005 billion in March—an increase of 12% compared to the same month in 2018.

Cumulatively, revenues in the first quarter of 2019 have risen by 13.1% compared to the first quarter of 2018.

Total domestic revenues (billion Riel), first quarter 2019



Source: [Ministry of Economy and Finance preliminary data](#).

## ASEAN regional developments

### Vietnam uses free trade agreements to boost garment and textile manufacturing

Vietnam is using free trade agreements (FTA) to expand its global market share of the garment and textile sector to become “a manufacturer of the world’s established brands”, according to the Ho Chi Minh City Investment and Trade Promotion Centre, as reported by the [Phnom Penh Post](#).

Trade deals including the EU-Vietnam FTA and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) are leveraging Vietnam’s competitive labour costs and preferential trade policies to boost manufacturing orders for garments and textiles.

So far, foreign companies have invested around \$17.5 billion in Vietnam’s garment and textile industry. In 2018, the industry earned \$36 billion from exports, making Vietnam one of the world’s biggest textiles and apparel exporters. In 2019, the industry hopes to bring in \$40 billion from exports, an increase of 11%, and has set a target of \$60 billion for 2025.

## Global economy

### Chinese investment in U.S. startups likely to fall from 2018 peak

Chinese entities invested \$3.6 billion in U.S. startups in 2018, but increasingly hostile conditions are expected to cause Chinese funding to drop this year, according to a new report by economic research firm Rhodium Group, as [reported by Reuters](#).

A new law in the U.S. known as FIRRMA has expanded the powers of a special committee that probes transactions by foreigners to purchase minority stakes in U.S. startups. The new law and uncertainty surrounding it are expected to have a chilling effect on investment. Rhodium has observed that investment from Chinese state-owned investors all but disappeared in February of 2019.

The Chinese Government and Chinese venture capitalists have begun to steer clear of technology startups on concerns that deals would be rejected.

## The week ahead

Events next week include the Philippines general elections and an interest rate decision in Indonesia.

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

### Monday 13 May 2019

- Philippines general elections
- China FDI for April
- Malaysia retail sales for March
- China vehicle sales for April

### Tuesday 14 May 2019

- Indonesia motorbike sales for April
- South Korea unemployment rate for April
- Euro Area industrial production for March

### Wednesday 15 May 2019

- China industrial production for April
- China retail sales for April
- Indonesia balance of trade for April
- Euro Area GDP for 2019Q1
- U.S. industrial production for April

### Thursday 16 May 2019

- Malaysia GDP for 2019Q1
- Indonesia interest rate decision
- Euro Area balance of trade for March

### Friday 17 May 2019

- Singapore balance of trade for April
- Hong Kong GDP growth for 2019Q1
- Euro Area inflation for April
- Indonesia car sales for April