



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

- Cambodia and Vietnam tourism sectors discuss cooperation strategy
- South Korea pledges half a billion dollars for Laos development
- Asian economies to become larger than the rest of the world combined in 2020

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 and Vietnam tourism sectors discuss cooperation strategy

Cambodia’s Ministry of Tourism traveled to the 15th International Travel Expo in Ho Chi Minh city Vietnam last week to promote the Kingdom as a tourism destination.

Importantly, the delegation from Cambodia and Vietnam also discussed an agreement to promote both tourism markets as a single destination under the slogan “Two counties, One destination”, according to the Ministry’s [Facebook post](#).

Both countries have also agreed to cooperate on marine tourism, particularly by leveraging a new seaport in Kampot province. Marine tourism is viewed as an effective mechanism to boost cooperation among ASEAN countries, according to Tourism Minister Thong Khon.

Last year, international visitors to Cambodia increased by 10.7% to 6.2 million, of which about 800,000 were from Vietnam. Cambodia hopes to grow the number of Vietnamese visitors to a million

over the coming years, while Vietnam is expecting half a million Cambodian tourists.

Table of the week: Cambodia’s domestic revenue up 13% in the first quarter of 2019

This week’s table shows that domestic revenue collected in Cambodia reached 4,927 billion riels in the first quarter of 2019, an increase of 13.1% compared to the same period last year. Tax revenues increased 9.2%, while non-tax revenues are up 51.1%.

FACT does not yet know what is driving the large increase in non-tax revenues, which consist mostly of service fees and income from the sale and rental of goods.

Domestic revenue in Cambodia

Billion Riels	First quarter		
	2017	2018	2019
Domestic Revenue	4,310	4,358	4,927
1. Current Revenue	4,292	4,345	4,896
<i>Tax revenue</i>	3,915	3,985	4,352
<i>Non-tax Revenue</i>	377	360	544
2. Capital Revenue	18	13	31

Source: [Ministry of Finance and Economy 2019](#)

ASEAN and regional news and data

South Korea pledges half a billion dollars for Laos development

The government of South Korea [has signed an MoU](#) with Laos to fund \$500 million of development projects in the coming years. The funding will be made available through the Economic Development Cooperation Fund for the period 2020 to 2023.

The presidents of the two countries met and witnessed the signing of three other MoUs on information and communications technology, trade, and agriculture agreed by Laos and Korean officials at the Presidential Palace in Vientiane during a summit as part of President Moon's regional tour. During the summit a wide range of issues ranging from politics and diplomacy to regional and international security were discussed.

The Republic of Korea has unveiled a vision to engage with the Mekong countries of Laos, Cambodia, Myanmar, Thailand and Vietnam to share its rich experiences with economic development, particularly of farm villages, and support the region in duplicating the 'miracle of the Han River' to lead to the 'miracle of the Mekong River'.

President Moon expressed his hope for additional discussions at the inaugural South Korea-Mekong Summit to be held in Busan on November 27th.

Global Economy

Asian economies to become larger than the rest of the world combined in 2020

Asian economies [will become larger](#) than the rest of the world combined in 2020, in terms of purchasing power parity. While the rest of the world experiences trade frictions and unfavourable demographics, Asia is young and dynamic and strengthening its trade relationship through regional cooperation platforms such as APEC, ASEAN and the Shanghai Cooperation Organization.

Asia is becoming more economically integrated, with more potential for tourism, trade and investment. Infrastructure investments, especially the belt and road initiative, are also bringing together developed and developing Asian countries with diverse economic systems.

The week ahead

Data highlights in the coming week include balance of trade data for most countries in the region, as well as interest rate decisions in Thailand, Japan, Indonesia, and Taiwan.

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

Monday, 16 September

- China fixed asset investment for August
- China industrial production for August
- Indonesia balance of trade for August
- Brunei balance of trade for June

Tuesday, 17 September

- Singapore balance of trade for August
- Hong Kong unemployment rate for August
- U.S. industrial production for August

Wednesday, 18 September

- South Korea import and export prices for August
- Japan balance of trade data for August
- Thailand interest rate decision

Thursday, 19 September

- U.S. Federal Reserve interest rate decision
- Japan BoJ interest rate decision
- Indonesia interest rate decision
- Taiwan interest rate decision

Friday, 20 September

- Japan inflation rate for August
- Indonesia motorbike sales for August
- Thailand balance of trade data for August
- Hong Kong inflation rate for August