



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

- Rate of non-performing loans in Cambodia falls to 1% in 2018
- China's trade surplus beats expectations in January 2019
- U.S. posts larger deficit than expected as revenues sag

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

Rate of non-performing loans falls to 1% in 2018

The rate of non-performing microfinance loans in Cambodia fell to 1% in 2018, down from 2% in 2017, according to the National Bank of Cambodia's [annual report](#). Non-performing loans are classified as loans with payments that are overdue by more than 30 days.

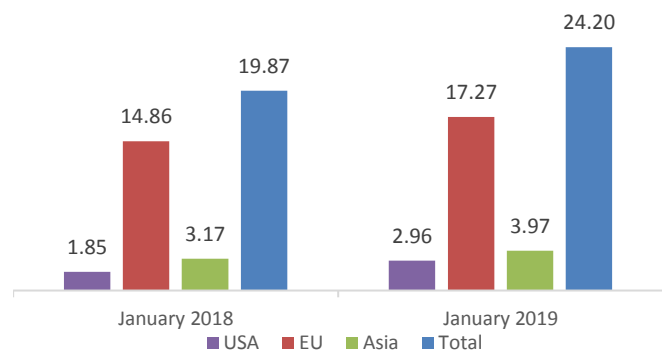
The number of borrowers with outstanding microfinance loans was 1.8 million at the end of 2018. Microfinance institutions had loaned a total of \$5.4 billion at the end of the year and held deposits of \$2.5 billion. Loans in the agricultural sector account for about 30 per cent of lending.

The lower rate of non-performing loans is thought to have been driven by the high price of agricultural products, few natural disasters, and increased financial literacy of borrowers. A rate of 1% compares favourable to other ASEAN countries, and is regarded as low and manageable.

Chart of the week: Exports from Tai Seng-Bavit Special Economic Zone

The week's graph depicts the total value of exports from Cambodia's Tai Seng-Bavit Special Economic Zone in January 2018 compared to January 2019.

Exports from Tai Seng-Bavit (USD millions)



Source: [Ministry of Commerce](#)

Exports increased from \$19.9 million in January 2018 to \$24.2 million in January 2019, a 22% increase. Cambodia's most important export market was the EU, which also had the highest rise of \$ 2.4 million.

ASEAN and other trading partners news and data

China's trade surplus beats expectations in January 2019

Despite the ongoing trade dispute with the U.S., China's trade surplus in January outperformed economists' expectations and surprised markets this week. Analysts were expected a surplus of \$33.5 billion, but the surplus reached \$39.16 billion, according to the [General Administration of Customs China](#).

China's exports were predicted to decline by 3.2% from the same period last year but rose 9.1% instead.

The surprise paints a bright outlook for Asian markets in 2019. Both imports and exports with other Asian countries increased significantly. Imports and exports with the U.S. declined as expected.

U.S. economy and Federal Reserve

U.S. posts larger deficit than expected as revenues sag

The U.S. government ran a deficit of \$14 billion in December, according to Treasury Department data released on Wednesday ([pdf](#)). Analysts had forecast an \$11 billion deficit. The surprise comes as tax revenues fall following significant tax cuts in 2018. Economic growth and a strong job market have helped prop up revenues, but this could be a sign that the tax cuts may be having a larger effect than initially expected.

The week ahead

Data highlights next week include Thailand's GDP growth for the fourth quarter of 2018 and January inflation data for Japan, Malaysia, and Hong Kong.

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

Monday 18 February 2019

- Japan machinery orders for December
- Thailand GDP growth for 2018Q4 and 2018 full year
- Singapore balance of trade for January
- China vehicle sales for January

Tuesday 19 February 2019

- Korea export and import prices for January
- Japan Reuters Tankan Index for February
- U.S. 3-month and 6-month bill auction

Wednesday 20 February 2019

- Japan trade balance for January
- Japan construction orders for December

Thursday 21 February 2019

- Thailand balance of trade for January
- U.S. initial jobless claims for 16/February
- Indonesia interest rate decision
- Hong Kong unemployment rate for January

Friday 22 February 2019

- South Korea Producer Price Index for January
- Japan inflation for January
- Malaysia inflation rate for January
- Hong Kong inflation for January