



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

- Cambodia and Vietnam discuss trade opportunities through newly opened border checkpoint
- Thailand to hand out \$1.6 billion for poor and tourism in stimulus bill
- Trump delays tariffs to spare Christmas shoppers

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 discuss trade opportunities through newly opened border checkpoint

Cambodian and Vietnamese officials [met this week](#) to discuss opportunities to increase trade through the Banteay Chakrei border checkpoint that opened in May this year in Prey Veng province.

Previously, only a water corridor was accessible for traders in Cambodia, who primarily export rice and mangoes to Vietnam.

In the first seven months of the year, the trade volume at the border checkpoint was \$55 million, according to Dong Thap authorities.

Last year, overall trade between the two countries was \$2.7 billion, of which Cambodia exported only \$362 million worth of goods and services and imported \$2.32 billion. In the first quarter of this year, Cambodia exported \$75 million to Vietnam and imported \$623 million.

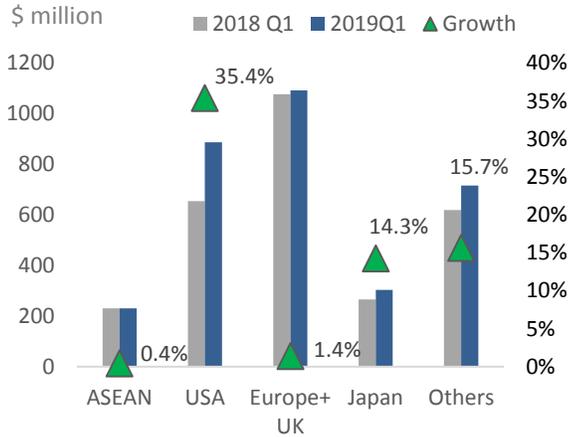
Chart of the week: Cambodia's exports to international markets in first quarter of 2019

This week's chart shows Cambodian exports to the U.S. skyrocketed by 35.4% in the first quarter of 2019, compared to the same period in 2018. Total exports to all trading partners increased 13.3 percent as a result. Cambodia's exports consist mostly of garments, footwear, and other industrial products.

The increase in exports to the U.S. can be attributed primarily to President Donald Trump's trade war with China, as the Cambodian Riel is pegged to the U.S. dollar (eliminating exchange rate considerations) and trade with other partners increased in-line with expectations.

It is not known at this time how much of the increased activity is the result of real economic production or whether Chinese firms are simply rerouting more of their exports through Cambodia to escape the U.S. tariffs.

Figure: Cambodia's exports to international markets, 2019Q1



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

ASEAN and other trading partners news and data

Thailand to hand out \$1.6 billion for poor and tourism in stimulus bill

Thailand's government [plans to spend](#) \$1.6 billion to stimulate the economy by handing out 1,000 baht cash to each of the registered poor and 1,500 baht to members of the public to spend if they wish to travel within Thailand to other provinces.

The government also plans to spend 15 billion baht to help farmers and small- and medium-sized enterprises (SMEs), including a measure to subsidize interest payments for SMEs.

The government expects the stimulus package to help the economy expand by almost 3.5 per cent this year.

Global economy

Trump delays tariffs to spare Christmas shoppers

U.S. President Donald Trump [has deferred](#) a planned 10 per cent tariff increase on Chinese-made goods that included popular Christmas gifts such as mobile

phones, laptop computers, video game consoles, toys, computer monitors, shoes, and clothes. The increase will instead be implemented December 15.

The announcement by the US Trade Representative also included a list of exemptions for other products for health, safety and national security considerations.

The week ahead

Data highlights in the coming week include inflation data for Japan and Singapore and interest rate decisions in Indonesia and Australia.

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

Monday, 19 August

- Japan balance of trade for July
- Euro Area inflation rate for July
- Thailand GDP growth in 2019Q2
- Hong Kong unemployment rate for July

Tuesday, 20 August

- Australia interest rate decision
- Euro Area construction output for June

Wednesday, 21 August

- South Korea producer price index for July
- Thailand balance of trade for July
- Philippines retail price index for June
- Indonesia car sales for July

Thursday, 22 August

- Japan All Industry Activity Index for June
- Indonesia interest rate decision
- Thailand new car sales for July
- Taiwan unemployment rate for July

Friday, 23 August

- Japan inflation rate for July
- Malaysia leading index for June
- Singapore inflation for July
- Taiwan industrial production for July