



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

- Cambodia makes list of top 20 tourism destinations
- Philippines economy likely to fall short of government’s targets in 2019 and 2020
- Mortgage rates rise, loan applications slow, but refinancing continues to boom in the U.S.

*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 makes list of top 20 tourism destinations

Last week, Cambodia was added to the prestigious Conde Nast Traveler’s [top 20 countries to visit in 2020](#). Southeast Asia fared prominently in the list, which also included Indonesia (1st), Thailand (2nd), the Philippines (8th), and Vietnam (10th).

Cambodia’s ranking in the Travel and Tourism Competitiveness Index (TTCI) of the World Economic Forum also recently went up three spots to 98<sup>th</sup>, after placing 101<sup>st</sup> globally last year.

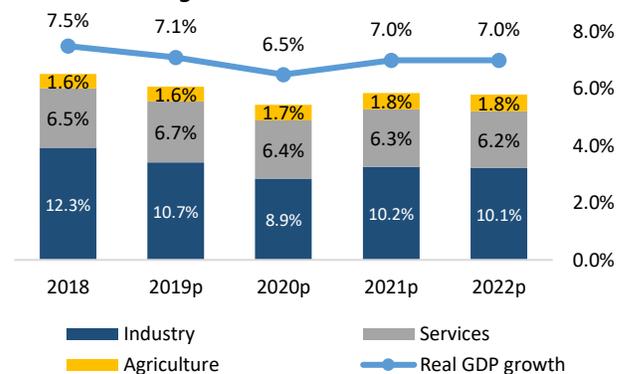
The Khmer Times [suggests](#) the recent improvements may be attributed to the Kingdom’s efforts to diversify its tourism industry to beach and ecotourism, in addition to its past focus on Angkor Wat

Minister of Tourism Thong Khon said at a recent tourism expo that when it comes to tourism, Cambodia “now has the best investment conditions and opportunities in the region.”

### Chart of the week: GDP and sectoral growth

This week’s chart shows the outlook for Cambodia’s individual sectors from 2020 to 2022. Overall, GDP growth is expected to remain strong at 7.1% in 2019, mainly supported by high industrial sector growth of 10.7%; however, growth in the industrial sector is expected to slow slightly in 2020 and send GDP growth lower to 6.5%, before it recovers to 7% the following year.

GDP and sectoral growth



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

## ASEAN and regional news and data

### Philippines economy likely to fall short of government's targets in 2019 and 2020

According to the [latest World Economic Outlook produced by the International Monetary Fund](#), economic growth in the Philippines is likely to fall short of its targets in 2019. The IMF forecasts that the Philippines economy will reach only 5.7% in 2019, lower than its previous projection of 6%. The Fund also revised its projection for 2020 down to 6.2% from the 6.3% it published in July.

The government was aiming for growth of between 6% to 7% in 2019, 6.5% to 7.5% in 2020, and 7% to 8% in 2021 and 2022.

In the second quarter, the Philippines economy grew 5.5%, down from 5.6% in the previous quarter after the delayed adoption of the 2019 budget withheld government spending.

## Global economy

### Mortgage rates rise, loan applications slow, but refinancing continues to boom in the U.S.

Average contract interest rates for 30-year fixed-rate mortgages in the U.S. rose to 3.92% last week, up from 3.90% the previous week, according to the Mortgage Bankers Association and [reported by CNBC](#).

Mortgage applications to purchase a home fell 4% during the week but remained up by 12% compared to the same week in 2018.

Mortgage refinancing continued to surge, rising from 60.4% to 62.2% of mortgage activity, leading overall mortgage application volumes to rise 0.5% for the week.

## The week ahead

Data and economic highlights in the coming week include the release of balance of trade data in Hong Kong, Japan, and Thailand, industrial production in Taiwan and Singapore, 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, 21 October

- Japan balance of trade for September
- China house price index for September
- Thailand balance of trade for September
- Taiwan export orders for September
- Indonesia foreign direct investment for 2019Q3

### Tuesday, 22 October

- South Korea Producer Price Index for September
- Philippines budget balance for September
- Hong Kong inflation rate for September
- Taiwan unemployment rate for September
- U.S existing home sales for September

### Wednesday, 23 October

- Malaysia inflation rate for September
- Singapore inflation rate for September
- Taiwan industrial production for September

### Thursday, 24 October

- South Korea GDP for 2019Q3, advanced estimate
- Japan leading economic index for August
- Indonesia interest rate decision
- Hong Kong balance of trade for September
- U.S. initial jobless claims October/19

### Friday, 25 October

- South Korea consumer confidence for October
- Japan stock investment by foreigners October/19
- Vietnam foreign direct investment for October
- Singapore industrial production for September
- Singapore unemployment for 2019Q3