



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

- Events in Cambodia mark the 39th anniversary of the re-introduction of the Riel currency
- Calls for “strong Europe-China partnership” as China’s President Xi arrives in France
- Forecasters see economic moderation in U.S, highlighting trade policy and global slowdown as biggest downside risks

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

Events mark 39th anniversary of the re-introduction of the Riel currency

This week, the National Bank of Cambodia (NBC) hosted the annual Riel Day celebrations to commemorate the re-introduction of the Riel currency.

Events included contests and announcements of new programs in collaboration with Cambodian financial institutions, and an NBC conference for speakers to discuss the Riel currency’s successes and challenges over the years. The latter was attended by FACT’s staff.

A special edition of the Phnom Penh Post included a [message](#) from NBC Governor H.E. Chea Chanto, who promoted the celebrations and included a history of the monetary troubles Cambodia faced following its liberation from the Khmer Rouge regime in 1979, and the subsequent efforts of the NBC to address them:

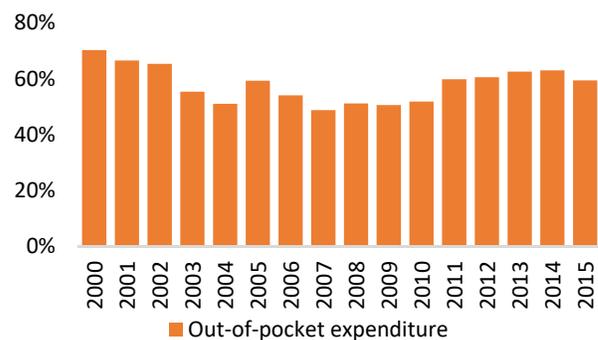
For the purposes of trading, market prices were mainly determined by gold and rice; while the currencies from neighbouring countries were used for settlement in the provinces near the border.

The re-circulation of riel was strongly acclaimed and supported by the people. The introduction of the riel turned out to be a success because people were curious, they wanted to see and feel the new money so they could believe in it.

Chart of the week: Out-of-pocket Cambodia health spending, 2000 to 2015

Health spending by Cambodians from out-of-pocket (that is, not publicly funded) represented the vast majority of total health spending in Cambodia from 2000 to 2015.

Share out of out-of-pocket spending in Cambodia



source: [The World Bank, 2019: Cambodia data](#)

Roughly 20% was funded by government over the period, while the remaining was funded by external donors and international aid organizations.

According to the World Bank, out-of-pocket spending and government spending were substitutes over the period, with rises in public spending resulting in falling out-of-pocket spending.

ASEAN and other trading partners news and data

Calls for “strong Europe-China partnership” as China’s President Xi arrives in France

Chinese President Xi Jinping and French President Emmanuel Macron [called for](#) a strong partnership between China and the EU, as the two spoke on Monday 25 March at the Elysee Palace.

The statement came after the signing of agreements on nuclear power, cultural exchanges, clean energy and a deal that will see China buy 290 Airbus A320s and 10 airliners A350s from Europe's Airbus.

In total, agreements reached during the visit amounted to \$40 billion, and included a deal for France to export frozen chickens to China.

Despite the positive trade outcomes, the EU remains wary of China’s telecoms giant Huawei and its potential security risks, amid reports of Beijing snooping on communications.

U.S. economy and Federal Reserve

Forecasters see economic moderation in U.S, highlighting trade policy and global slowdown as biggest downside risks

The National Association of Business Economists recently released its [March outlook](#), reporting the results of a survey of 55 professional economic forecasters.

The consensus outlook is that the U.S economy has reached an inflection points and real GDP growth will slow from 2.9% in 2018 to 2.4% in 2019, and to 2.0% in 2020.

For most, the expected slowdown is a result of the effects of U.S. trade policy. Many highlighted further trade concerns and a global economic slowdown as potential downside risks, with few (6%) seeing potential upside risks. The panel of economists puts the chance of recession by the end of 2020 at 35%.

The week ahead

Data highlights in the coming week inflation for most of the ASEAN region and March unemployment data for Cambodia’s main trading partners—the Euro Area and U.S.

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

Monday, 01 April

- South Korea balance of trade for March
- Thailand inflation for March
- Indonesia inflation for March
- Euro Area unemployment for February
- Euro Area inflation for March

Tuesday, 02 April

- South Korea inflation for March
- Thailand business confidence for March

Wednesday, 03 April

- South Korea foreign exchange reserves for March
- Taiwan foreign exchange reserves for March
- Singapore Nikkei PMI for March

Thursday, 04 April

- South Korea current account for February
- Thailand consumer confidence for March
- Malaysia balance of trade for February

Friday, 05 April

- Philippines inflation for March
- Philippines industrial production for February
- Indonesia consumer confidence for March
- United States unemployment March