



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

- Trade war a boom for Cambodian exports
- Bank of Japan keeps rate negative, lowers inflation outlook
- U.S. job gains beat expectations in October

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

Trade war a boom for Cambodian exports

Cambodian exports to the U.S. jumped \$2.86 billion (27 percent) in the first nine months of the year, according to international trade data released by the [U.S. Census Bureau](#) this week. The U.S. exported about \$322 million worth of goods to Cambodia, a 12 percent increase compared to 2017.

Trade commentators have [attributed the growth](#) to the trade war between the U.S. and China. Tariffs imposed on Chinese goods entering the U.S. have made the prices of Cambodian exports more attractive.

Chart of the week: National budget fiscal aggregates to 2019

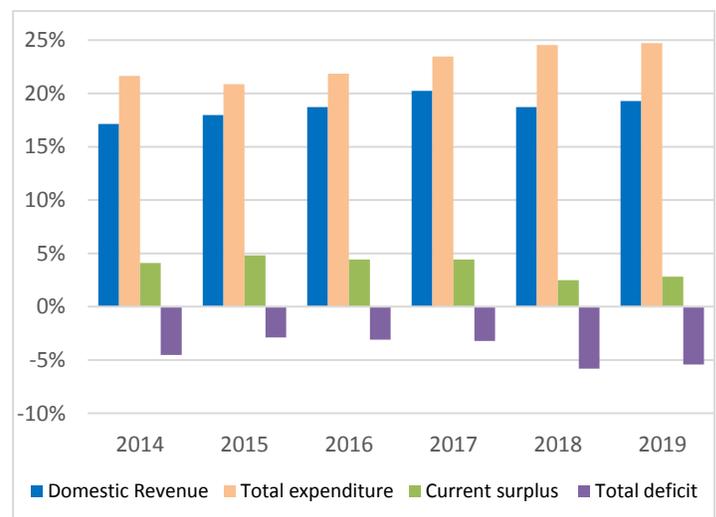
Source

This week’s chart shows the trends in the main fiscal aggregates in the National Budget framework from 2014 to 2019 as a share of GDP. Total domestic budget revenues have increased steadily from 17.1 percent of GDP in 2014 to 18.7 percent in 2018 and are projected to increase to 19.3 percent in 2019.

Over the same period, total national expenditure has increased from 21.7 percent to 24.7 percent.

The current surplus decreased from 4.4 in 2017 to 2.4 per cent in 2018 but is projected to rise again to 2.8 percent next year. The total budget deficit hit its highest level in 5 years, reaching 5.8 percent in 2018, but is projected to decrease to 5.4 percent in 2019.

National Budget, share of GDP (2014-2019)



: Ministry of Economy and Finance

ASEAN and other trading partners news and data

Bank of Japan keeps rate negative, lowers inflation outlook

In its October [monetary policy meeting](#), the Bank of Japan decided to keep its short-term policy interest rate at minus 0.1 percent and its long-term target for the 10-year Japanese government bond (JGB) at zero percent. The BoJ will also increase its annual purchases of exchange-traded funds (ETFs) and Japan real estate investment trusts (J-REITs) by 6 trillion yen and 90 billion yen, respectively. For commercial paper and corporate bonds, the BoJ will keep the amounts at about 2.2 trillion yen and 3.2 trillion yen, respectively.

Japan's economy continues to grow, and inflation is creeping toward its 2 percent target. However, there has been a slight setback: the inflation forecast for March 2019 has been lowered from 1.1 percent to 0.9 percent, with the average for fiscal year 2019 expected to be 1.4 percent.

U.S. economy and Federal Reserve

Job gains beat expectations in October

According to the [U.S. Bureau of Labor Statistics](#), the U.S. added 250,000 jobs in October, beating expectations of 200,000. The jobs were added in health care, manufacturing, construction, and in transportation and warehousing. The unemployment rate stayed at 3.7 percent.

The labor force participation rate increased slightly to 62.9 from 62.7 percent in September, but with little change over the year as a whole.

The week ahead

Next week holds several interest rate decisions for Thailand, Indonesia and the Philippines.

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

Monday 12 November 2018

- Japan PPI for October
- Singapore retail sales for September
- Philippines foreign direct investment for August
- Malaysia retail sales for September

Tuesday 13 November 2018

- South Korea import and export prices for October
- China outstanding loan growth for October
- U.S. inflation expectations for October

Wednesday 14 November 2018

- U.S. monthly budget statement for October
- South Korea unemployment rate for October
- Japan GDP for 2018Q3, preliminary
- Thailand interest rate decision
- China foreign direct investment for October
- U.S. inflation rate for October

Thursday 15 November 2018

- Japan foreign bond investment 10/Nov
- Indonesia balance of trade for October
- Indonesia interest rate decision
- Philippines interest rate decision
- U.S. export/import prices for October
- U.S. retail sales for October

Friday 16 November 2018

- Singapore balance of trade for October
- Hong Kong GDP growth rate for 2018Q3
- Hong Kong unemployment rate for October
- U.S. industrial production for October
- U.S. manufacturing production for October