



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

- Cambodia’s oil development moves forward
- Potential removal of EU trade preferences will not affect development projects
- U.S. hits pause on Trump’s car tariffs

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

Oil development moves forward

A contract for modifying and upgrading a production barge for Cambodia’s Apsara oil developing has been granted to Keppel Shipyard Ltd. at a cost of \$ 21.7 million. The contract was awarded by KrisEnergy, the company that owns 95 per cent of the Apsara oil field in Block A (the Cambodian government owns the rest).

The upgraded production barge will be capable of processing up to 30,000 barrels per day and will be equipped with gas, oil and water separation facilities, according to a press release from KrisEnergy and reported in the [Phnom Penh Post](#).

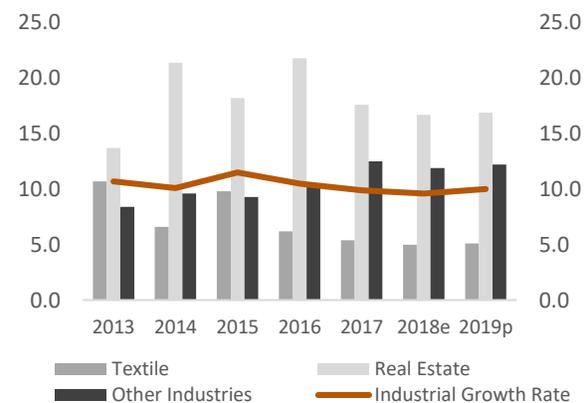
Cheap Sour, the director-general of the General Department of Petroleum at the Ministry of Mines and Energy, welcomed the news, saying the agreement is a good step forward for Cambodian oil extraction. He expressed optimism that the Kingdom’s first oil extraction will proceed by the end of 2019.

Chart of the week: Industrial growth

This week’s chart highlights the growth rate of Cambodia’s industrial sector from 2013 to 2019, along

with the growth of its subsectors. The industrial sector increased steadily by around 10 percent on average. The real-estate subsector grew by 18 percent of over the period—the most significant driver of overall industrial growth. The textile industry had the smallest growth over the period, at 7 percent a year on average. The Ministry of Economy and Finance expects each sector to grow at roughly the same rate in 2019 as in 2017.

Industrial sector growth, 2013 to 2019



Source: Ministry of Economy and Finance, Cambodia

ASEAN and other trading partners news and data

Potential removal of EU trade preferences will not affect development projects

The EU Ambassador to Cambodia has [reassured reporters](#) that development projects will not be affected as the EU reviews its Everything-but-arms (EBA) scheme of preferential tariffs for Cambodian exports.

The Ambassador suggested that the EU remains committed to long-term development programs in Cambodia and views those programs and trade preferences as two separate issues.

The EU Trade Commissioner informed Cambodia in October that the EU has begun the process to withdraw EBA status on account of concerns for perceived democratic and human rights setbacks.

The EBA has contributed to jobs and growth in the textile sector, which makes up 75 percent of Cambodian exports to the EU. The EU is Cambodia's largest market for garments, buying 46 percent of garment exports. The United States is responsible for roughly half (24 percent).

U.S. economy and Federal Reserve

U.S. hits pause on Trump's car tariffs

Top trade officials in the U.S. have said that they'll hold off on Trump's [new tariffs on automobile imports](#), which were to impose an additional cost of as much as 25 percent on foreign-made vehicles, adding as much as \$2,270 to the cost of U.S.-built cars and \$6,875 to imported cars and trucks.

The tariffs were justified based on national security concerns, a way to skirt trade organization rules. The official will wait for the results of a Commerce Department report on the security implications of auto imports. The report will look at automobiles, including SUVs, vans and light trucks, as well as auto parts.

Companies and governments from Europe to Asia have warned Trump that tariffs would hurt the U.S. economy and disrupt the global auto industry.

The week ahead

Data highlights in the coming week include inflation in Malaysia, Singapore, Japan, and Hong Kong, and GDP in Thailand.

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

Monday, 19 November

- Japan balance of trade for October
- Thailand GDP growth for 2018Q3
- Indonesia loan growth for October
- Euro Area current account for September

Tuesday, 20 November

- France unemployment for 2018Q3
- Taiwan current account for 2018Q3
- Hong Kong inflation rate for October
- South Korea producers' price index for October
- U.S. housing starts for October

Wednesday, 21 November

- Canada Wholesale Sales MoM for September
- Japan all industry activity index for September
- U.S. durable goods orders for October

Thursday, 22 November

- Japan inflation for October
- Singapore GDP for 2018Q3, final
- Thailand balance of trade for October
- Taiwan unemployment rate for October

Friday, 23 November

- Canada inflation for October
- Malaysia inflation for October
- Singapore inflation for October
- Thailand new car sales for October