



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

- Cambodian tax revenues up 17.5 percent year-to-date
- EU and Singapore sign free-trade deal
- Trump ratchets up criticism of Fed Chairman

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

Tax revenues up 17.5 percent year-to-date

Cambodia has collected \$1.7 billion in tax revenue during the first nine months of 2018—an increase of over 17.5 percent compared to the first nine months of 2017, according to a recent statement on the General Department of Taxation's [facebook page](#).

Tax collection in September alone totaled \$188 million, an increase by 42.1 percent compared to the same month in 2017.

According to Mr. Kong Vibol, General Director of the General Department of Taxation, GDT will have no problem reaching its target of \$1.9 billion in tax revenues this year, by effectively implementing its medium-term revenue collection strategy (2014-2018). Strengthening tax collection efforts in the provinces will be particularly important, and officials have been asked to increase compliance enforcement efforts to encourage more firms to register and join the formal economy.

Chart of the week: Private investment by sector

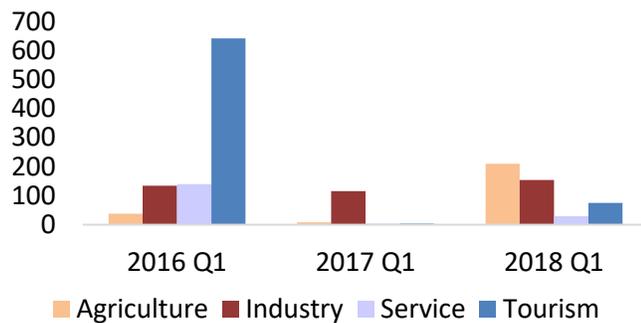
This week's chart shows the change in approved private sector investment in the first quarter of 2016, 2017 and 2018, according to a report from the [Council for the Development of Cambodia](#). Total investment fluctuated considerably between the three periods.

Investment in the agriculture sector in the first quarter of 2018 rose to \$210 million from \$38 million in the same period in 2016, an increase of 452 percent. This increase was concentrated mostly in rice mills.

Service and tourism investment declined sharply from \$642 million in 2016 to \$4 million in 2017 but started to increase again in 2018.

Investment in industry, consisting mainly of food processing, metal products, and auto part installation, remained relatively stable, ranging from \$134 million, \$116 million, and \$154 million in the first quarter of 2016, 2017 and 2018, respectively.

Investment by sector (USD millions)



Source: Ministry of Economy and Finance

ASEAN and other trading partners news and data

EU and Singapore sign free-trade deal

The European Union and Singapore [signed a landmark trade deal](#) on Friday on the sidelines of the Europe-Asia summit in Brussels.

Praising the agreement, German Chancellor Angela Merkel said “we can make it clear that the world is about creating win-win situations” as she pointed out the mutual benefits for all. The deal still needs to be approved by the European Parliament before coming into force in 2019.

The Singapore deal comes after the EU abandoned efforts to strike a trade deal with ASEAN in 2009, amid widespread disagreements.

U.S. economy and Federal Reserve

Trump ratchets up criticism of Fed Chairman

President Donald Trump [directly accused](#) Federal Reserve Chairman Jerome Powell of endangering the U.S. economy by raising interest rates, saying “I’m very unhappy with the Fed because Obama had zero interest rates”.

Trump has acknowledged that the Fed is supposed to act independently of political influence, but that has not stopped his commentary.

The Federal Reserve's mission is to set interest rates with the twin goals of maximizing employment and fighting inflation. However, the president has taken issue with the Fed raising interest rates three times this year as the U.S. economy heats up. The Fed is widely expected to hike again before the year’s end.

The week ahead

Data highlights this week include interest rate decisions in Japan and the United Kingdom, unemployment in the U.S., and inflation in Australia.

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

Monday, 29 October

- Japan retail sales for September
- U.S. personal income and spending for September

Tuesday, 30 October

- Japan Unemployment Rate for September
- Indonesia foreign direct investment for October
- France GDP 2018 Q3

Wednesday, 31 October

- South Korea industrial production for September
- Japan jobs/application ratio for September
- Bank of Japan interest rate decision
- Australia inflation for September

Thursday, 01 November

- South Korea inflation for October
- South Korea balance of trade for October
- Indonesia inflation for October
- UK inflation report and interest rate decision

Friday, 02 November

- U.S. unemployment for October
- Canada employment for October
- France budget balance for September