



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

- Cambodian construction permits worth over \$2 billion issued in first half of 2018
- Philippines’ budget deficit rises in first half of 2018, but lower than expected
- Trump and EU president agree to work toward eliminating 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

#### Construction permits worth over \$2 billion issued in first half of 2018

In the first six months of 2018, construction permits were provided to 1,643 projects with a total construction area of 5.4 million square meters and a total estimated capital of \$2.1 billion, according to [news](#) released by Ministry of Land Management, Urban Planning and Construction ([MLMUPC](#)).

Among these projects, private foreign direct investment accounted for only 21 projects, with 0.9 million square meters of construction land, or about 20 per cent of total capital permits. The projects offered employment to 180 thousand skilled and low-skilled workers, with wages ranging from \$400 to \$2,500 a month.

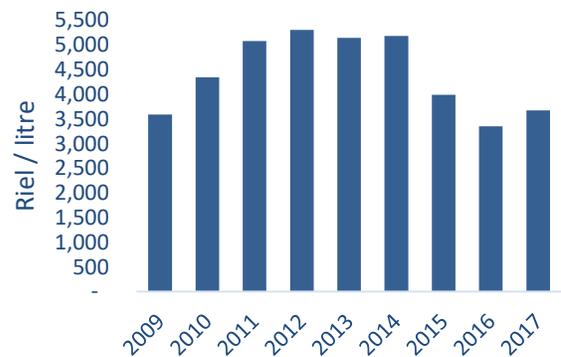
#### Chart of the week: Gasoline prices in Cambodia and the world

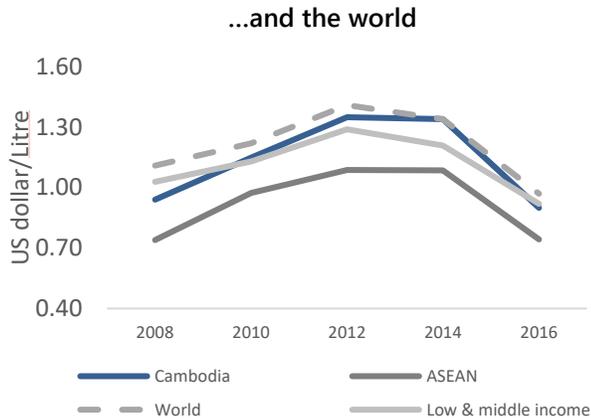
This week’s graphs plot the average price of gasoline in Cambodia and compare it to aggregates in the rest of the world.

The first graph shows that the average price of gasoline per litre in Cambodia rose from 3,590 Riel in 2009 to 5,182 Riel in 2014, but fell from 2015, fluctuating between 3,500 Riel and 4,000 Riel.

The trend of Cambodia’s gasoline price is in-line with that of global trends, as shown in the second graph. While prices in Cambodia were similar to the world average in recent years, they were higher than the ASEAN average, and the average in other low- and middle-income countries.

Gasoline prices in Cambodia...





Source: Ministry of Commerce and World Bank

## ASEAN and other trading partners news and data

### Philippines' budget deficit rises in first half of 2018, but lower than expected

The Philippines' government budget deficit for the first half of 2018 reached PHP193.0 billion, a 25 per cent increase compared to the same period last year. Despite the increase, the deficit was 27 per cent lower than budgeted, with strong revenue performance cited as driving the windfall.

Looking only at the month of June, the deficit was PHP54.3 billion, down 40 per cent from PHP90.9 billion in June 2017, resulting again from strong revenue growth ([Bureau of the Treasury](#)).

## U.S. economy and Federal Reserve

### Trump and EU president agree to work toward eliminating tariffs

President Donald Trump and European Commission President Jean-Claude Junger agreed to work toward removing tariffs and barriers on trade, reducing tensions in a brewing trade war after a meeting at the White House, [according to CNN](#).

Trump recently threatened to impose a 25 per cent tariff on European autos, and the EU had responded with its own threats. This escalation seems to have been set aside for now. Moreover, Europe has

agreed to increase purchases of U.S. liquefied natural gas and to lower trade barriers on American soybeans, aiding U.S. farmers and the energy sector.

## The week ahead

Highlights next week include the U.S. interest rate decision, Japan's unemployment rate and interest rate decision, and inflation in South Korea, Vietnam, and Indonesia.

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

### Monday, 30 July

- Japan retail sales for June
- Thailand unemployment rate for June
- Vietnam inflation rate for July
- Brunei balance of trade for May
- U.S. pending home sales for June

### Tuesday, 31 July

- South Korea business confidence for June
- South Korea industrial production for June
- Japan unemployment rate for June
- China NBS Manufacturing PMI for June
- Japan BoJ interest rate decision
- Thailand industrial production for June

### Wednesday, 01 August

- South Korea inflation rate for June
- South Korea balance of trade for June
- Indonesia inflation rate for June
- Indonesia tourist arrivals for June

### Thursday, 02 August

- U.S. Fed interest rate decision
- Thailand business confidence for July

### Friday, 03 August

- South Korea current account for June
- Japan BoJ monetary policy meeting minutes
- U.S. balance trade for June
- Philippines retail price index for June