



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

- Minister of tourism vows to crack down on "zero dollar" tourism companies
- ASEAN now China's second biggest partner
- U.S. industrial production unchanged in June

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

Minister of tourism vows to crack down on "zero dollar" tourism companies

Tourism Minister Thong Khon has vowed to crack down on "zero dollar" tour packages. The remarks [were made](#) at a tourism event in Siem Reap last week.

"Zero dollar" tours bait tourists with free transportation only to take them to expensive shops and restaurants where the tour operators earn a commission. The practice can make tourists feel cheated and reluctant to recommend visiting Cambodia to others.

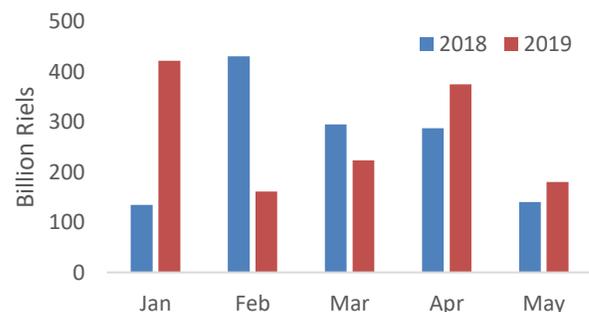
President of the Cambodia Association of Travel Agents Chhay Sivlin agrees with the minister and reports that the practice is already declining after repeated warnings from the ministry.

The Kingdom has so far had a successful tourist season, with 1.8 million visitors in the first quarter of 2019, an increase of 9.7% compared to the same period last year.

Chart of the week: Administrative expenditure by public ministries and institutions

This week's chart shows the general administrative expenditure by all public ministries and institutions over the first five months of 2019 compared to 2018. Relative performance of administrative expenditure was mixed over the period. The highest spending was in January, an amount equal to 421 billion riels or nearly three times the level of spending in January 2018. Spending fell dramatically in February, before increasing to levels in April and May that were greater than the previous year.

Administration expenditure, 2019 versus 2018



Source: [Budget Implementation 2018 and 2019](#)

ASEAN and regional news and data

ASEAN now China's second biggest partner

China's second-biggest trading partner is now the Association of Southeast Asian Nations, which surpassed the United States in the first half of 2019 according to [recently released data](#) from China's customs agency.

China's Trade with ASEAN members increased over 4% to \$292 billion, beating the \$260 billion of trade between the U.S. and China. China's biggest trading partner remains the European Union.

The shift in trade patterns stems from the tariff war between China and the U.S., which has driven businesses to shift production and suppliers to ASEAN member countries.

The shift may be short-lived, [according to](#) a World Bank analyst in Thailand, who expects the trade war to reverse course over the medium-term, pulling growth away from the ASEAN region as early as next year.

Global economy

Industrial production unchanged in June

U.S. industrial production was unchanged in June, according to [statistics](#) released by the Federal Reserve. Increases in manufacturing and mining were offset by a decline for utilities companies.

Manufacturing production rose 0.4%, supported by a surge of 3.0% for motor vehicles and parts. However, the remainder of the manufacturing sector rose a mere 0.2%, slowed by the trade war between the U.S. and China.

The mining sector increased 0.2%, but production at the nation's utilities declined 3.6% as milder-than-usual temperatures reduced the demand for air conditioning.

The week ahead

Economic data highlights next week include the Philippines budget balance, Singapore inflation, industrial production and unemployment, and Malaysia inflation.

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

Monday, 22 July 2019

- Thailand balance of trade for June
- Philippines budget balance for June
- Taiwan unemployment rate for June
- Hong Kong inflation rate for June

Tuesday, 23 July 2019

- Singapore inflation for June
- Taiwan industrial production for June
- U.S. housing prices for May
- Euro Area consumer confidence for July

Wednesday, 24 July 2019

- Malaysia inflation rate for June
- Indonesia loan growth for June

Thursday, 25 July 2019

- South Korea GDP for 2019Q2
- Hong Kong balance of trade for June
- Euro Area ECB interest rate decision

Friday, 26 July 2019

- South Korea consumer confidence for July
- Singapore unemployment for 2019Q2
- Singapore industrial production for June
- Indonesia motorbike sales for June
- Vietnam foreign direct investment for July