



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

- EU approves €112 million to grow Cambodia’s fisheries sector
- More surprise monetary easing in Asia as Indonesia cuts interest rates
- Trump’s tariffs will cost each household \$600 by 2020

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

EU approves €112 million to grow Cambodia’s fisheries sector

A new program to support sustainable and inclusive growth in Cambodia’s fisheries sector has [been approved](#) by the European Union in cooperation with the Ministry of Agriculture, Forestry and Fisheries (MAFF). The grant is the largest action funded by the EU in Cambodia, worth €112 million (US\$125 million) over 2019 to 2023.

The program’s goal is to increase food security, improve nutrition and foster economic development. It consists of two complementary actions: the sustainable development of Cambodia’s wild fisheries (€87 million) and farmed aquaculture (€25 million).

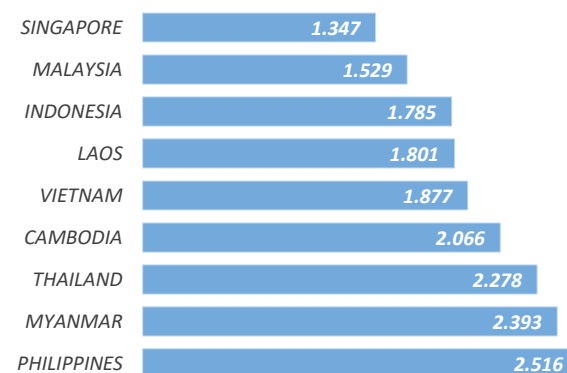
The joint effort of the EU and MAFF will generate short-term and long-term benefits for farmers, the private sector, and consumers. According to H.E. Veng Sakhon, Minister of Agriculture, Forestry and Fisheries: “The RGC recognizes the role of the fisheries sector in contributing to Cambodia’s national development, and works hard to ensure that all Cambodian people enjoy better livelihood and the lasting

unique taste of fish, squid, shrimps and crabs from our freshwater and marine fisheries.”

Chart of the week: Global Peace Index 2019

This week’s chart compares the rank of ASEAN countries in the 2019 Global Peace Index (GPI) from the Institute for Economics and Peace 2019.

Global Peace Index 2019



Source: Institute for Economics and Peace ([pdf](#)).

The GPI measures the level of peacefulness of an independent state or territory on a scale of 1 to 5 (the smaller the score, the better). It ranks 163 states or

countries by measuring 23 quantitative and qualitative indicators across three thematic domains: the level of social safety and security; the extent of ongoing domestic and international conflicts; and the degree of militarization.

In 2019, Singapore was ranked 7th among all countries, and was the most peaceful country in ASEAN, with Malaysia close behind (ranked 16th). Indonesia (41st), Laos (45th), Vietnam (57th) and Cambodia (89th) were in the middle of the range, while the least peaceful countries in ASEAN were Thailand (116th), Myanmar (125th), and the Philippines (134th).

ASEAN and other trading partners news and data

More surprise monetary easing in Asia as Indonesia cuts interest rates

Another central bank has joined the wave of monetary policy easing in Asia this week. Indonesia's central bank cut its interest rate by 25 basis points to 5.5% to support growth amid a fragile economy hampered by the trade war between China and the U.S.

The cut was unexpected, with 17 out of 19 economists polled by Reuters expecting the bank to hold policy rates steady in August ([CNBC](#)).

Cuts have recently been made by central banks in Malaysia, the Philippines, Thailand and South Korea. Indonesia's cut is unlikely to be the last, with economists expecting other countries such as Singapore to follow suit.

Global economy

Trump's tariffs will cost households \$600

According to the latest budget and economic outlook from the U.S. Congressional Budget Office (CBO), American households will lose \$600 in real annual income by 2020 as a result of the tariffs imposed by the Trump administration ([pdf](#)). The estimate does not include the additional tariffs scheduled to be implemented in September and December.

The CBO estimated that the tariff policy will result in a loss of roughly \$60 billion in economic activity, equal to a 0.3% decline in GDP growth.

The report also projected that the U.S. budget deficit will reach \$960 billion in 2019, rising to \$1.2 trillion on average between 2020 and 2029. The federal debt is also expected to hit the highest level since just after World War II, rising from 79% of GDP in 2019 to 95% of GDP in 2029.

The week ahead

Most major economic indicators will be released this week in Vietnam, South Korea, Japan, and Thailand. South Korea's central bank will announce its latest interest rate decision on Friday.

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

Monday 26 August 2019

- Singapore industrial production for July
- Japan leading index for June
- Hong Kong balance of trade for July

Tuesday 27 August 2019

- South Korea consumer confidence for August
- Thailand industrial production for July
- Vietnam foreign direct investment for August

Wednesday 28 August 2019

- Brunei balance of trade for May
- Indonesia loan growth for July

Thursday 29 August 2019

- South Korea business confidence for August
- Vietnam trade balance for August
- Vietnam inflation rate for August
- Vietnam industrial production for August
- Vietnam tourist arrivals for August

Friday 30 August 2019

- South Korea industrial production for July
- South Korea retail sales for July
- Japan unemployment rate for July
- Japan inflation for August
- Japan industrial production for July
- South Korea interest rate decision
- Thailand current account for July