



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

- Cambodia's Ministry of Commerce cuts export fees and regulation in bid to support rice exporters
- Singapore's finance minister lays out priorities for 2019 budget
- U.S. industrial production beats expectations

*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

#### Ministry of Commerce cuts export fees and regulation in bid to support rice exporters

Cambodia's government has planned several measures to boost export competitiveness to offset costs to the rice sector after the EU's decision to impose import tariffs on Cambodian rice.

In total, the measures that the Ministry of Commerce has outlined will save rice exporters \$60 million a year (resulting in an equivalent revenue loss to the government). The measures include cancelling the requirement to apply for a certificate of origin (saving exporters \$10 million), relief from certain inspection requirements (\$30 million) and 2017's decision to eliminate export management fees (\$20 million).

The loss in revenue to the Ministry of Commerce is equal to around 73 percent of the ministry's revenues in 2018 (\$82 million). The plans and costs were outlined by a senior official at the ministry in a [press conference](#) last week.

#### Chart of the week: Tax Revenue from international trade

Cambodia's tax revenue from international trade reached 585.2 billion riels in the third quarter of 2018, an increase of 23 percent compared to the same period of 2017. The increase was driven by import tax revenue, which rose to 572.7 billion riels (an increase of 23.8 percent). At the same time, export tax revenue declined slightly by 4 percent and other export tax revenue declined by 10 percent compared to the third quarter of 2017.

##### Tax Revenue from international trade



Source: [Ministry of Finance and Economy 2018](#)

## ASEAN and other trading partners news and data

### Singapore's finance minister lays out priorities for 2019 budget

Singapore's finance minister, Heng Swee Keat, laid out his vision for the 2019 budget [in a speech this week](#). The budget is expected 18 February 2019. The budget's priorities will be education, healthcare, and security.

In addition to the priority areas, he outlined several specific programs that will receive more detailed plans, including large-scale infrastructure projects like subway lines and the airport, and programs for taking care of Singapore's senior citizens. He added that a further top priority was to keep Singapore's economy stable while global uncertainties rise.

## U.S. economy and Federal Reserve

### U.S. industrial production beats expectations

Industrial production [increased](#) 0.3 percent in December, a slowdown compared to November's growth of 0.4 percent. However, the output data beat economists' expectations leading to a surge in the U.S. dollar.

Growth was driven by the manufacturing and mining subsectors, which grew 1.1 percent and 1.5 percent. Utilities fell by 6.3 percent as the result of warmer-than-usual temperatures.

## The week ahead

Data highlights in the coming week include inflation in South Korea, unemployment in Japan, and several headline economic statistics from Vietnam.

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

### Monday, 28 January

- China industrial profits for December
- Japan BoJ monetary policy minutes
- Euro Area loan growth for December
- Hong Kong balance of trade for December
- Vietnam foreign direct investment for January

### Tuesday, 29 January

- Vietnam balance of trade for January
- Vietnam industrial production for January
- Vietnam retail sales for January
- Vietnam tourist arrivals for January
- Thailand industrial production for December

### Wednesday, 30 January

- South Korea business confidence for January
- Philippines Producers Price Index for December
- Japan retail sales for December
- Malaysia balance of trade for December
- Indonesia foreign direct investment for 2018Q4

### Thursday, 31 January

- U.S. Federal Reserve interest rate decision
- South Korea industrial production for December
- Singapore unemployment for 2018Q4
- Thailand retail sales for November

### Friday, 01 February

- South Korea inflation for January
- Japan unemployment for December
- South Korea balance of trade for January
- Thailand inflation for January
- Indonesia inflation for January