



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

- Cambodia released its fiscal results for December, reporting a preliminary operating surplus of \$1.1 billion for 2017 as a whole, and a small overall budgetary deficit of \$0.2 billion
- Inflation in the Philippines picked up in January, but the central bank held rates steady
- Wall Street has worst day in years, alarming markets

*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

### Economic and monetary statistics for November 2017

The National Bank of Cambodia released its Consumer Price Index (CPI) for November 2017 ([pdf](#)), showing that inflation was 2.3 per cent in November 2017, up from 2.1 per cent in October but well within the government's target limit of 5 per cent. The increase was driven by a rise in the price of food and oil.

The Bank also reported a trade deficit of KHR 1,331.8 in November 2017, up from KHR 314.2 billion in October. The main drivers of exports were garments, footwear, rubber, textiles, and sawn timber. The main components of imports were vehicles, petroleum, motor bikes, cigarettes, construction materials, steel, gold, clothing, cement, beer, cloths, and sugar.

The NBC's statistics are available [here](#) (PDF).

### State Budget Implementation December 2017 (and preliminary results for 2017 as a whole)

Cambodia's Ministry of Economy and Finance released its fiscal results for December, reporting a preliminary operating surplus of KHR 4,267.8 for the year of 2017 and a small overall budgetary deficit of KHR 821.7 billion (after deducting capital charges for the year). The budgetary deficit is smaller than expected, owing to greater-than-expected revenues for the year (6.4 per cent higher than budgeted, up 15.6 per cent since 2016).

These annual results are preliminary and may be revised before publication of the final Budget Implementation Act in fall 2018.

December's government fiscal tables are available in English [here](#) (PDF).

## ASEAN and other trading partners news and data

### Inflation rate in Philippines picks up in January, but central bank holds rates steady

Consumer prices accelerated in the Philippines in January, with inflation rising to 4.0 per cent, up from 3.3 per cent in December. This puts inflation at the maximum end of the government's target range of 2 to 4 per cent for 2018.

The increase was led by the price of food, tobacco, beverages, and domestic petroleum products. Most drivers of inflation are expected to be transitory, resulting from the recent Tax Reform for Acceleration and Inclusion (TRAIN) Law, which raised excise taxes and duties.

Despite recent evidence of rising inflation, the Bangko Sentral ng Pilipinas (BSP) held its policy rate steady during its announcement on Thursday, citing that it expects the path of inflation to moderate over the remainder of 2018 and 2019.

For more information, see the BSP's media release on inflation [here](#) and its statement on holding rates steady [here](#).

## U.S. economy and the Federal Reserve

### Rocky markets in the U.S. as stocks plummet

The U.S. stock market plunged on Monday, with both the Dow Jones and S&P 500 dropping more than 4.0 per cent. The drop is the largest since August 2011, and at one point during the day the Dow had experienced its largest decline in history. The drop has been [attributed](#) to a long-expected pullback, after a remarkable run over 2017, as well as concerns that rising inflation and last week's strong jobs report could pressure the Federal Open Market Committee to increase rates faster than previously anticipated.

## The week ahead

Data highlights next week include the release of GDP for the fourth quarter of 2017 in Japan, Malaysia, Taiwan, and Singapore, as well as interest rate decisions in Thailand and Indonesia.

Here is the calendar of data releases and developments that the FACT team will be following:

### Monday, 12 February

- Singapore retail sales for December
- Indonesia motorcycle sales for January
- China new yuan loans for January

### Tuesday, 13 February

- Taiwan GDP growth for the fourth quarter 2017
- South Korea import and export prices for January
- Japan domestic corporate goods price index for January

### Wednesday, 14 February

- South Korea unemployment rate for January
- Japan GDP growth for fourth quarter 2017
- China foreign direct investment for January
- Malaysia GDP growth for fourth quarter 2017
- Thailand interest rate decision
- Indonesia car sales for January

### Thursday, 15 February

- Indonesia interest rate decision
- Singapore balance of trade for January
- Indonesia balance trade for January
- Japan industrial production for December

### Friday, 16 February

- Japan stock investment by foreigners for February
- Singapore GDP growth for fourth quarter 2017