



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

- Cambodia's garment factory growth stalls, but industrial sector remains strong
- Taiwan unemployment falls to lowest rate since 2006
- Chairman Powell gives first congressional testimony, sees stronger U.S. economy

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.

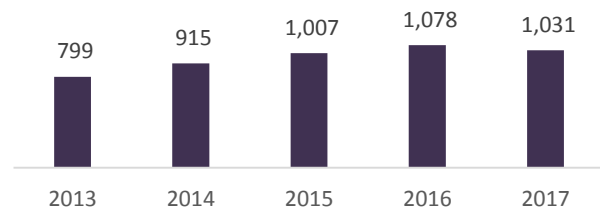
Cambodia news and data

Garment factory growth stalls, industrial sector remains strong

On Monday, the Ministry of Industry and Handicraft issued a report showing the latest statistics on industrial growth, as measured by the number of factories, employees, and imports and exports across all sectors (PDFs of the report's charts and figure are linked at the MIH's homepage [here](#)).

Notably, factories in the garment industry declined for the first time, from 1,078 to 1,031 (although they remain up 29.0 per cent from 2013).

Number of factories in garment industry



Source: data from Ministry of Industry and Handicraft, chart by FACT

The director of the Industry Affairs Department at MIH [attributed](#) the decline in garment factories to the government's industrial diversification efforts, particularly a shift in focus toward the technology industry.

For the time being, Cambodia's garment industry remains of tremendous importance in Cambodia. In total, Cambodian factories earned \$10.8 billion last year, of which \$7 billion came from the garment industry. Further, the garment industry employed 847,419 workers, accounting for 86.3 per cent of workers employed in the industrial sector.

ASEAN and other trading partners news and data

Bank of Korea holds interest rates steady

The Bank of Korea held its base rate steady at 1.5 per cent on February 27th, as expected ([link](#)). Policymakers stated that although they expect the current low interest rate to stimulate consumption and stabilize inflation at target over the medium-term, they will carefully monitor whether it is necessary to adjust its accommodative monetary policy stance further over the coming year.

Taiwan's unemployment rate falls to lowest since 2006

The January unemployment rate in Taiwan decreased slightly to 3.7 per cent (seasonally adjusted), according to the latest [Manpower Survey Results](#) from National Statistics, Republic of China (Taiwan). It was the lowest jobless rate since February of 2006.

U.S. economy and Federal Reserve

Chairman Powell gives first congressional testimony

Recently sworn-in Federal Reserve Chairman Jerome Powell gave his first testimony to congress this week.

On Tuesday he [revealed](#) that his outlook for the economy had strengthened since December, causing markets to increase the odds of further interest-rate hikes this year.

However, later in the week he [clarified](#) that he sees no signs that the U.S. economy is overheating. Market reaction was muted by the end of the week, as investors continue to feel out the direction of the Powell Fed.

The week ahead

Data highlights in the coming week include inflation statistics for South Korea, the Philippines, and China, and unemployment in the Philippines for the first quarter of 2018.

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

Monday, 05 March

- Philippines retail price index for January
- Malaysia balance of trade for January

Tuesday, 06 March

- South Korea inflation rate for February
- Philippines inflation rate for January
- Indonesia consumer confidence for February

Wednesday, 07 March

- Singapore foreign exchange reserves for February
- China foreign exchange reserves for January
- Taiwan balance of trade and inflation rate for February
- Philippines unemployment rate for first quarter 2018
- Malaysia interest rate decision

Thursday, 08 March

- Japan GDP growth final estimate for fourth quarter 2017
- Thailand consumer confidence for February
- Japan current account for January
- China balance of trade for February

Friday, 09 March

- Philippines balance of trade for January
- Indonesia retail sales for January
- China inflation rate for January
- Philippines industrial production for January