



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

- Economists in Cambodia recommend streamlining business registration practices
- ASEAN-China youth forum brings together entrepreneurs
- Three concerns point to U.S. recession ahead

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

Economists recommend streamlining business registration practices

To encourage entrepreneurship and boost domestic investment and innovation, Cambodia should make registering businesses faster and cheaper, according to experts from the World Bank and IMF at a [recent conference](#) on broadening Cambodia's growth hosted by the National Bank of Cambodia.

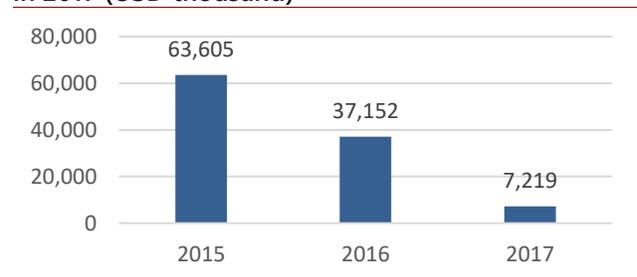
Streamlining business registration, along with increasing access to finance, developing infrastructure, and providing a stable macroeconomic environment will be the key areas to encourage younger Cambodians to start their own businesses and grow the number of small and medium enterprises.

Chea Serey, director general of the National Bank said that despite an average annual growth rate of 7.7 percent over the last two decades, Cambodia still has a very narrow growth base, emphasizing the need for diversification to drive sustainable growth.

Chart of the week: Cambodian swine imports from Thailand fall

The latest statistics from the [Thai Customs Department](#) show a decline in live pigs imported to Cambodia from Thailand. After a general downward trend, Cambodia's imports of live swine from Thailand decreased drastically the last few years. This week's figure shows a drop from about \$64 million in 2015 to \$7 million in 2017.

Import value of live swine from Thailand to Cambodia in 2017 (USD thousand)



Source: Thai Customs Department

ASEAN and other trading partners news and data

ASEAN-China youth forum brings together entrepreneurs

The 2nd [ASEAN-China Young Entrepreneur Forum](#) (ACYEF) was held in Siem Reap, Cambodia from 17-18 December 2018. The event brought together around 100 young entrepreneurs from the ASEAN region, participating under the theme of "Harnessing Technology and Innovation for Resilient SMEs Development".

The entrepreneurs were joined by representatives of business associations from across Southeast Asia and China. The forum provided a platform for the participants to exchange their views on policies and good practices for adopting technology and innovation into their business activities. The group also discussed how they can build the ASEAN community and promote ASEAN-China economic cooperation, according to a press release on the ASEAN Secretariat website.

U.S. economy and Federal Reserve

Three concerns point to recession ahead

Several areas of concern could lead to a U.S. economic recession in the near future, according to a [recent op-ed](#) by Professor of Economics Amitrajeet A. Batabyal at the Rochester Institute of Technology.

The first concern is the trade dispute between the U.S. and China. Tariffs raise costs to U.S. consumers leading to weaker consumer demand. Tariffs could also discourage Beijing from opening China to greater entry by U.S. companies.

The second concern is slowing global growth as the trade war presses not only China, but also other countries such as Mexico, Canada and EU member states. The 19 countries in the euro zone have hardly grown in the most recent quarter, which saw the lowest growth in four years. Slower global growth means fewer exports of U.S.-made goods.

The third concern is the fear that the U.S. central bank's gradual increase of interest rates could shake markets and investors, contributing to a self-fulfilling prophecy of future recession.

The week ahead

It is a relatively slow week for data releases, with many statistics agencies resting for new year celebrations. Nevertheless, we will get some insight on inflation in South Korea, Indonesia, Thailand, and the Philippines.

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

Monday, 31 December

- South Korean inflation rate for December
- China NBS Manufacturing PMI for December
- China Non-Manufacturing PMI for December
- Malaysia PPI for November

Tuesday, 01 January

- South Korea balance of trade for December

Wednesday, 02 January

- Singapore GDP for 2018Q4 advanced estimate
- Indonesia Manufacturing PMI for December
- South Korea Manufacturing PMI for December
- China Caixin Manufacturing PMI for December
- Indonesia inflation rate for December
- Thailand inflation rate for December
- Brunei balance of trade for October

Thursday, 03 January

- Thailand consumer confidence for December
- United States jobless claims for December

Friday, 04 January

- United States total vehicle sales for December
- United States API crude oil stock for December
- Japan Manufacturing PMI for December
- Philippines inflation rate for December
- Malaysia balance of trade for November
- Thailand business confidence for December