



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

- Cambodia among fastest electrifying countries in the world
- ASEAN members to gain from trade war
- U.S. slips to third slot in ranking of most competitive economies

*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

#### Cambodia among fastest electrifying countries in the world

Cambodia is one of the fastest electrifying countries in the world, with coverage growing at a rate of 8.3% annually from 2010 to 2017, according to the World Bank's [Energy Progress report 2019](#). The report estimates that Cambodia reached coverage of 89.1% at the end of 2017. In urban areas, 97% of consumption comes from the national grid, with the remainder from off-grid. In rural areas, 67% of electricity consumption is from the national grid and 31% is off-grid.

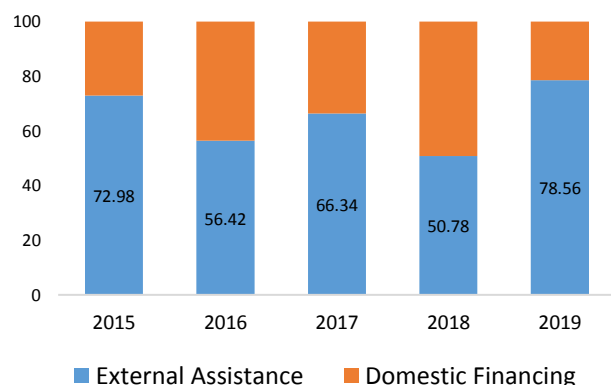
By the end of 2018, the electricity supply in Cambodia reached 2,650MW, with plans to increase this to 2,870MW in 2019, based on a report from the Electricity Authority of Cambodia (EAC).

#### Chart of the week: Components of capital expenditure, 2015 to 2019

Cambodia's capital expenditure from 2015 to the first quarter of 2019 has mainly relied on external assistance, ranging from a low of 50% in 2018 to a high of 73% in 2015.

Over the first months of 2019, external assistance has accounted for nearly 80% of capital expenditure.

##### External assistance and domestic financing (%)



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

## ASEAN and other trading partners news and data

### ASEAN members to gain from trade war

While the U.S.-China trade war threatens the global economy, the ASEAN economy may see significant opportunities and advancement, according to the [ASEAN Post](#). ASEAN's geographical location, strong supply chains, global distribution networks, sizable workforce with low labor costs and amicable ties with China and the U.S. position its member countries to act as an intermediary between the world's two largest economies.

As tariffs between the China and the U.S. increase, firms will increasingly eye ASEAN states as low-tax jurisdictions through which to route production and distribution. Several textile and footwear manufacturing companies have explored options to move from China to the region. Newly registered investments in Vietnam have risen by 81 percent and capital to fund new facilities has increased by 215 percent in 2019. Malaysia, Indonesia, and Cambodia have also seen rapidly growing interest in firm investment decisions.

## Global economy

### U.S. slips to third slot in ranking of most competitive economies

The IMD business school's [2019 World Competitiveness Rankings](#) have awarded Singapore the top spot according to four business competitiveness indicators related to economic performance, infrastructure, government efficiency and business efficiency. Singapore surpassed Hong Kong and the U.S.

The U.S. dropped to third place due to uncompetitive tax policies, higher fuel prices, weaker high-tech exports, and the trade war's impact on its economy's competitiveness.

Singapore's immigration laws, advanced technological infrastructure, availability of skilled labor and efficient ways to set up new businesses helped it climb the ranking.

## The week ahead

Data highlights in the coming week include inflation for the Philippines and South Korea and unemployment data for the Euro Area and U.S.

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

### Monday, 03 June

- Japan capital spending for 2019Q1
- Malaysia balance of trade for April
- U.S. construction spending for April

### Tuesday, 04 June

- South Korea inflation for May
- South Korea GDP for 2019Q1
- Philippines industrial production for April
- Thailand inflation for May
- France budget balance for April
- Euro Area unemployment for April

### Wednesday, 05 June

- South Korea foreign exchange reserves for May
- South Korea current account for April
- Australia GDP for 2019Q1
- Philippines inflation for May
- Philippines unemployment for 2019Q2

### Thursday, 06 June

- Japan stock investment by foreigners for June
- Thailand consumer confidence for May
- Euro Area GDP for 2019Q1
- U.S. balance of trade for April

### Friday, 07 June

- Indonesia foreign exchange reserves for May
- U.S. non farms payrolls for May
- Japan household spending for April
- Singapore foreign exchange reserves for May