

# ECONOMY AND FINANCE

## NEWS DIGEST' - WEEKLY



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year. Tax income comprised 85.15% of the entire revenue the Budgetary Central Government collected, which was 17.308 trillion riel (\$4.19 billion). At 899 billion riel (\$217.76 million), grants made up 96.5 percent of total income. A 1.474 trillion-riel (\$356.96 million) deficit in the budget execution for the first eight months of 2023 led to an increase in debt of about 3.332 trillion riel (\$807.43 million) and a rise in net acquisition of non-financial assets of about 1.859 trillion riel (\$450.46 million). Hong Vanak, an economist, linked the recent decline in revenue to how exports are being impacted by the worldwide economic crisis.

Source: [Phnom Penh Post](#)

### **Cambodia signs investment, development deals in China**

As part of Prime Minister Hun Manet's visit to Beijing for the 3rd Belt and Road Forum for International Cooperation, Cambodia and China inked a number of high-level cooperation documents. The documents

### **Tax revenue falls in first 8 months of '23: ministry**

In the first eight months of 2023, the government of Cambodia recorded revenue of approximately \$4.2 billion, a decrease of more than 2% from the same time the previous

include a memorandum of understanding (MoU) on the implementation of mechanisms for bilateral cooperation on the 21st Century Maritime Silk Road, as well as one on the third round of a joint project for productivity collaboration and investment between Cambodia and China. Agreements on low-carbon and green investment as well as the growth of the railway partnership between China and Cambodia are among the other documents. A second Memorandum of Understanding on the establishment of a China-Cambodia industrial park was inked between the Guangxi Autonomous Region of China and the Ministry of Commerce of Cambodia.

Source: [Phnom Penh Post](#)

### **Tax revenue of \$2.3b meets nearly 65% of GDT target**

In the first seven months of 2023, the General Department of Taxation (GDT) in Cambodia collected nearly \$9.4 trillion riel (\$2.3 billion) in tax income, a 4.7% increase from \$2.2 billion in the same period the previous year. This amounts to 64.8% of the Law on Financial Management's 2023 prediction. In accordance with the Law on Financial Management, the GDT has set a target of \$3.6 billion for total tax income for 2023. However, the nations and corporations who provide the funding for significant investments in Cambodia are still affected by geopolitical issues, notably the turmoil surrounding the Russia-Ukraine war. GDT's efforts to update tax procedures and

distribute information have resulted in a rise in tax income, making the private sectors aware of their tax obligations.

Source: [Phnom Penh Post](#)

### **Thailand eyes international bonds**

To set a national standard and draw in overseas investors, Thailand's Finance Ministry is thinking of issuing bonds on foreign exchanges. Thailand hasn't entered overseas markets in thirty years; thus, Prime Minister Srettha Thavisin has instructed the public debt management agency (PDMO) to take this strategy into consideration. The bonds will be auctioned, but the ministry has not yet decided when, how much, or in what currency. In the budget for the fiscal year 2024, the PDMO intends to issue bonds tied to sustainability for about 70 billion baht. It is anticipated that the average cost of borrowing from the government will rise from 2.66% to 3%. The public debt of the Thai government was 11.0 trillion baht as of August 2021, or 61.8% of GDP.

Source: [Bangkok Post](#)

### **After a robust third quarter, US economic growth will likely slow. That bodes well for rate cuts next year.**

The third-quarter gross domestic product (GDP) for the US economy is about to be released by the Commerce Department. Despite increasing interest rates, reduced economic savings, and high inflation, it is anticipated to show significant growth from

July to September. The economy is anticipated to grow through the end of the year, albeit more slowly. If the economy doesn't gain even more momentum by 2024, the Federal Reserve may decide to lower rates. The Fed's primary method of combating inflation is to restrict demand by raising interest rates, as this makes borrowing more expensive and encourages consumers to reduce their spending. The third quarter of the US economy saw solid expenditure and job growth. However, Americans face several economic obstacles, including soaring Treasury yields, tougher lending standards, student-loan repayments, exhausted excess savings, foreign wars, trillions in federal debt, a frozen housing market, and record-low oil inventory. Some economists maintain a bullish outlook on the economy's resilience, predicting headwinds in 2024.

Source: [CNN News](#)

### **Interest rates tipped to be held as jobs market weakens**

With the unemployment rate in the UK rising to 4.2% between June and August from 4% in the March-to-May quarter, the labor market is slowing down. Due to price increases and increasing interest rates, businesses are making fewer hires, and recent months have seen slow economic development. The UK's rate-setting body, the Bank of England, will decide next week whether to raise, lower, or maintain the current 5.25% rate. In an effort to rein in rapidly rising consumer prices, the Bank

of England initially began hiking interest rates in December 2021. However, it takes about a year for the impact of interest rate increases to manifest itself in the form of higher loan repayments in the plans of businesses.

Source: [BBC News](#)

### **Deutsche Bank shares surge 7% after net profit beats expectations**

With a net profit of 1.031 billion euros (\$1.06 billion), above the consensus of 997 million euros, Deutsche Bank has announced its thirteenth consecutive profitable quarter. Despite continued issues in its investment sector, the bank's third-quarter net profit was up 35% from the quarter before and down 8% from the prior year. Revenues from the bank's corporate banking division rose 21% year over year to 1.89 billion euros. The investment banking division, on the other hand, saw its revenue fall by 4% year over year to 2.27 billion euros and by 12% in the first nine months of the year to 7.3 billion. According to James von Moltke, chief financial officer of Deutsche Bank, the investment banking division's performance is "pretty much in line with the market" on a fundamental level. The bank is expecting revenues of around 29 billion euros for the full year and has the potential to release up to 3 billion euros in capital and accelerate shareholder distributions.

Source: [CNBC](#)

**After a robust third quarter, US economic growth will likely slow. That bodes well for rate cuts next year.**

The third-quarter gross domestic product is the broadest indicator of economic output, which is scheduled to be released by the Commerce Department. It is anticipated to demonstrate that, in spite of rising interest rates, reduced pandemic savings, and significant inflation, the US economy grew quickly from July to September. Even though it will be developing more slowly, the economy is predicted to keep expanding through the end of the year. A possible end-of-year stock rise is suggested by several investors. Red-hot demand surpassing supply might keep prices rising, so the expectation that the economy won't gain significantly more vigor could keep the Federal Reserve on track to drop rates sometime in 2024. The Fed's primary method of combating inflation is raising interest rates to reduce demand.

Source: [CNN News](#)

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