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PM: FUNAN TECO CANAL SOLELY SERVES ECONOMIC PURPOSE

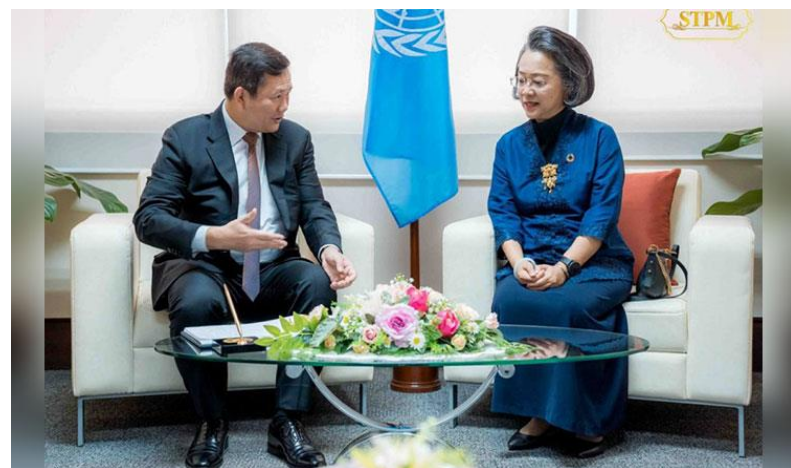
The goal of the Funan Techo Canal project is to optimise economic benefits, reduce transportation expenses, and improve livelihoods while preserving the environment of the Mekong River. Prime Minister Hun Manet has expressed his gratitude to those who supported the project, he refuted claims that it was connected to China's military agenda. Experts in engineering, social, and the environment collaborated on a comprehensive 26-month study for the project, guaranteeing careful inspection. In addition to accommodating cargo loads of 3,000 tons during the dry season and 5,000 tons during the rainy season, the 180 km canal project minimises environmental impact by incorporating existing waterways. By shortening shipping distances, the project will streamline container transport and reduce costs. There are 1.6 million people living on both sides of the 180 km long Funan-Techo canal, which runs through four provinces. It is projected that the construction of the new waterway project will require approximately four years and cost \$1.7 billion. Many advantages will come from the Tonle Bassac Navigation and Logistics System project, such as decreased travel time, cost, and distance, the establishment of logistics and commercial areas, the development of new satellite ports, the expansion of areas for agriculture, irrigation, aquaculture, and livestock development, the support of Cambodia's fourth economic pole, the creation of additional jobs at the Sihanoukville and Phnom Penh autonomous ports, the promotion of urbanisation and development, and the growth of real estate.

Source: [Khmer Times](#)

ROYAL GOVERNMENT COMMITS TO FURTHER STRENGTHENING OPERATIONS AND PARTNERSHIPS WITH ESCAP TO PROMOTE SOCIO-ECONOMIC DEVELOPMENT

Dr. Hun Manet, the prime minister of Cambodia, has promised to improve collaboration with the Economic and Social Commission for Asia and the Pacific (ESCAP) in order to advance socioeconomic growth and meet targets for sustainable development. The premier commended Cambodia for launching the Pentagon StraAmida Salsiah Alisjabana, Deputy Secretary General of the United Nations and Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP), met with the premier of Cambodia and expressed appreciation for the country's introduction of the Pentagon Strategy-Phase 1, which places a strong emphasis on digital technology. In order to support Cambodia's socioeconomic development, the ESCAP Commission has been a crucial partner. It has given technical support and skill development in diverse areas like economic development, environmental sustainability, social promotion, and governance.

Source: [Khmer Times](#)



IMF CHIEF WARNS OF EMERGING MARKET RISK WITH HIGH U.S. INTEREST RATES

The managing director of the International Monetary Fund, Kristalina Georgieva, has voiced concerns regarding the possible adverse effects of a divergence in monetary policy between the United States and Europe. In an effort to control inflation in the wake of the Covid-19 pandemic, central banks in the majority of developed economies have recently raised benchmark rates. As economies begin to cool off, these banks are now looking to lower rates once more, though indications from the US indicate that reductions may still be several months off. Historically, rising U.S. interest rates have been detrimental to emerging economies because they increase the cost of their debt, encourage capital flight, and tighten financial

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conditions. According to Georgieva, many emerging market economies are among the nations where the effects of high interest rates in the United States are most pronounced. According to an IMF analysis, there could be a negligible exchange rate shift in Europe of between 0.1 and 0.2% as a result of the 50 basis point difference between the European Central Bank and the U.S. Federal Reserve.

Source: [CNBC](#)



EURO ZONE INFLATION STEADY AT 2.4%, KEEPING JUNE RATE CUT IN PLAY AS ECONOMY RETURNS TO GROWTH

The euro zone experienced stable price increases in April, with core inflation dropping to 2.7% from 2.9% in March. The European Central Bank's primary gauge of service price increases decreased from 4% to 3.7%. The first three months of the year saw a 0.3% increase in the gross domestic product, slightly better than predicted. The euro zone was in a technical recession in the latter part of last year. The upcoming monetary policy meeting on June 6 is expected to see the ECB begin reducing interest rates, with a June trim almost 70% likely, with even larger odds on a July or September cut. Many ECB members expect an interest rate reduction in June to avoid a slowdown in the euro zone economy and highlight risks associated with rising oil prices and Middle East volatility. However, the road after June is still less clear, and the ECB is likely to ease policy gradually and cautiously each quarter.

Source: [CNBC](#)



BIDEN BLAMES CHINA, JAPAN AND INDIA'S ECONOMIC WOES ON 'XENOPHOBIA'

President Joe Biden criticised China's xenophobia towards Japan and India, arguing that migration has been beneficial for the U.S. economy. He underlined that the welcoming of immigrants, who are vital to the nation's strength, is the reason for the United States' economic growth. According to IMF projections, every nation's growth rate would slow down in 2024, with the United States growing at a rate of 2.7%, which is marginally faster than the 2.5% rate recorded the previous year. The labour force expansion caused by migrants is partially responsible for the better-than-expected performance. Ahead of the presidential election in November, voters in the United States are increasingly concerned about irregular migration. He has denounced the anti-immigrant rhetoric of his Republican opponent, Donald Trump. By fostering extensive political and economic ties with nations like Japan and India, Biden has attempted to counter China and Russia on a global scale.

Source: [Reuters](#)

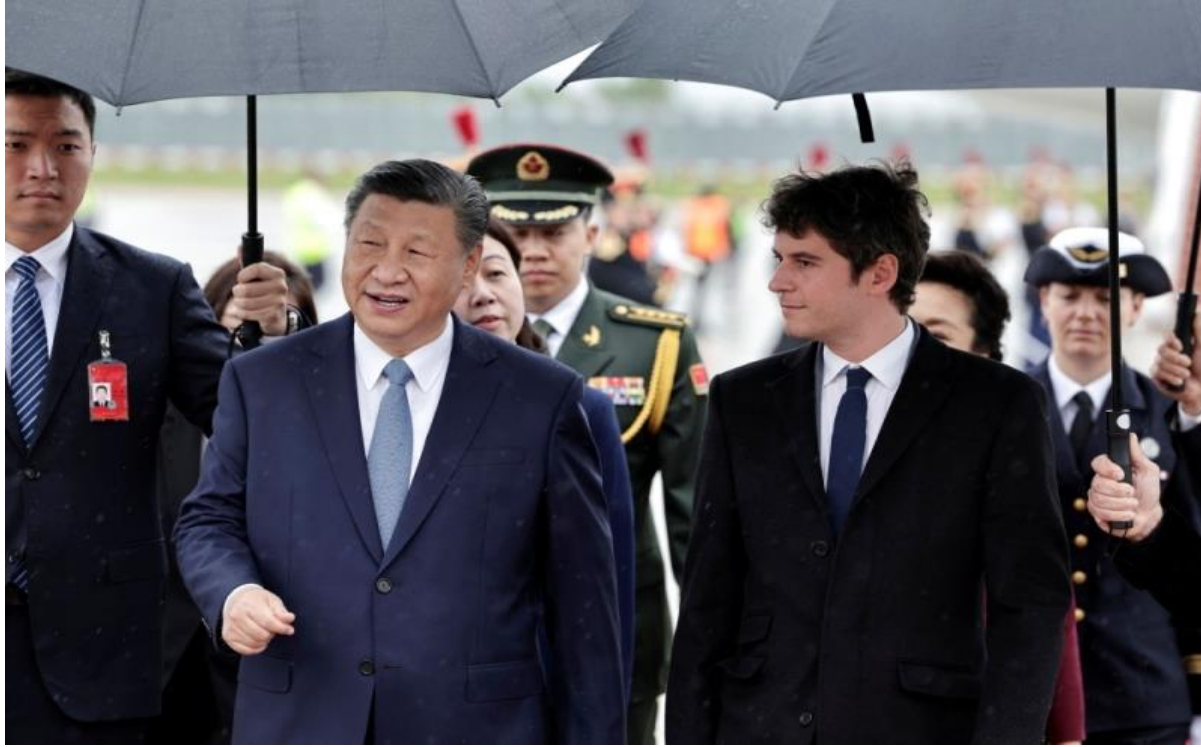


SHOULD THE BANK OF ENGLAND CUT INTEREST RATES WITH BRITAIN'S ECONOMY IN BLOOM?

The Bank of England is expected to lower interest rates at a policy meeting due to the UK's improving economy, which may lead to inflation return later in the year. The delay in interest rate reductions is due to concerns from the Bank's monetary policy committee (MPC) that it may result in inflation. As Tory angst mounts, pressure on the central bank to lower rates is likely to increase. The independent Bank will focus on the frustration of companies and homeowners who must refinance their mortgages. If business and consumer confidence declines, sharp reductions in interest rates will be required to ignite a recovery. The UK's economy is predicted to grow at the slowest rate among the G7 in 2025, with the Organisation for Economic Cooperation and Development (OECD) downgrading growth forecasts for 2024 from 0.7% to 0.4%. Tight government spending and high interest rates could send the UK back into recession.

Source: [The Guardian](#)

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FRANCE'S MACRON SET TO PRESS XI ON TRADE, UKRAINE

On his two-day visit to Paris, President Xi Jinping of China will be pressed by French President Emmanuel Macron to address trade imbalances and persuade him to exert pressure on Russia regarding the conflict in Ukraine. But during Xi's two days in France—he arrives at a time when trade tensions between Europe and China are rising—neither goal will be easily achieved. Beijing launched an investigation into imports of brandy, which is primarily made in France, in January, and France is supporting an EU investigation into Chinese exports of electric vehicles. Additionally, France plans to advance the opening of the Chinese market to its agricultural exports and address the intellectual property rights concerns of the French cosmetics industry.

Source: [Reuters](#)



INDIA, AUSTRALIA REVIEW PROGRESS ON TRADE AND INVESTMENT NEGOTIATIONS, DISCUSS WAY FORWARD FOR ITS COMPLETION

India and Australia have reviewed the progress made after nine rounds of the Comprehensive Economic Cooperation Agreement (CECA) negotiations and discussed next steps for its completion. At Melbourne's first Joint Committee Meeting (JCM) under the terms of the India-Australia Economic Co-operation and Trade Agreement (Ind-Aus ECTA), both parties acknowledged the ECTA's smooth implementation and provided a brief update on its implementation-related concerns. They also talked about areas of mutual interest, coastal tourism, critical minerals, pharmaceutical pricing control in Australia, the working group's progress on wine and whisky, the results of the ECTA subcommittee meetings, TRQ administration, and cooperation to create disease-free zones for shrimp and prawns in India. Australia is one of India's main trading partners in the Oceania region; in 2023–2024. In order to further develop trade relations and look into new avenues for bilateral economic cooperation in sectors like trade facilitation, investment promotion, and technology support, the JCM is an essential platform for both countries. The Joint Committee on Mutual Aid (JCM) enacted the Joint Committee Rules of Procedure and instituted a monthly preferential import data exchange institutional mechanism for free trade agreements.

Source: [The Economic Times](#)