

# ASIA SOURCING UPDATE

SOUTHEAST ASIA | SOUTH AND WEST ASIA

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# COUNTRY HIGHLIGHTS

## CAMBODIA

### EXPORTS TO US SOAR 37.6% YOY IN FIRST NINE MONTHS

Cambodia's exports to the US surged by 37.6% yoy to US\$3.94 billion in the first nine months of 2019, according to data released by the US International Trade Commission (USITC). The nine-month export value even surpassed last year's full-year figure of US\$3.86 billion.

Breakdown of the export figures shows that exports of knitwear, which remained Cambodia's largest export category to the US market, increased by 13.3% yoy to US\$1.53 billion in the nine-month period. Exports of travel goods, which replaced woven garments as the second largest export category, shot up by 135.0% yoy to US\$0.68 billion, thanks to duty-free access under US's Generalized System of Preferences (GSP). Exports of woven garments and footwear increased by 3.1% yoy and 45.7% yoy, respectively, to US\$0.51 billion and US\$0.36 billion in the first nine months of 2019. Moreover, garment products accounted for 51.9% of all exports to the US in the nine-month period, lower than the 64.6% recorded in the same period last year, suggesting that the country is diversifying its export basket.

'Trade with the US continues to grow for all items exported,' Kaing Monika, deputy secretary general for the Garment Manufacturers Association in Cambodia (GMAC), said in an interview with local newspaper *Khmer Times*. He also said that travel goods experienced the highest growth due to the duty-free privilege under the US GSP. There are currently about 70 travel goods factories in Cambodia, he added. Growth of garment exports was much lower than travel goods due to fierce competition from other garment-producing countries such as Vietnam and Myanmar, he explained.

In July 2016, Cambodia was granted duty-free preference under GSP for exports of travel goods like luggage, backpacks, handbags, and wallets to the US, which previously faced tariffs of between 3.3% and 20%. In 2018, Cambodia exported US\$0.42 billion worth of travel goods to the US, five times more than that in 2016, according to data from the USITC.

As a side note, the country's exports of textiles, garments and footwear reached US\$7.97 billion in the first nine months of 2019, up by 13.2% yoy, according to a recent report from the General Department of Customs and Excise of the Ministry of Economy and Finance. Of the US\$7.97 billion exports, the US accounted for the largest share of 31.4%, followed by the EU (30.1%) and Japan (8.9%).

### CAMBODIA

### MINIMUM WAGE RAISED TO US\$190 PER MONTH FOR GARMENT AND FOOTWEAR SECTOR

Cambodia's Ministry of Labour and Vocational Training announced on 20 September that the minimum wage for the garment and footwear sector would rise to US\$190 per month from the current US\$182 starting 1 January 2020, representing a 4.4% increase. The announcement was made after the final round of tripartite negotiations voted on a minimum wage rate of US\$187, which was then added an additional US\$3 by Prime Minister Hun Sen.

According to the Ministry of Labour and Vocational Training, the average salary for workers will come to US\$207–US\$218 per month after adding allowances and other benefits.

Some worker unions, which had supported a US\$195 minimum wage at the final round of tripartite negotiations, said the wage decision was acceptable as the country was at the risk of losing duty-free privilege under the EU's Everything But Arms (EBA) scheme. Some worker representatives urged the government to address critical issues concerning workers such as transportation safety and rising costs of rent and utilities.

The Cambodian government has raised the minimum wage for garment and footwear workers every year since 2014. The rate of wage increase, however, has slowed down in recent years, from 11.1% in 2018 to 7.1% in 2019 and 4.4% in 2020. At a university graduation ceremony in early October, Prime Minister Hun Sen explained that wage increase for next year was lower because neighbouring countries, which are Cambodia's competitors in garment and footwear manufacturing, are paying less than they did. According to him, garment factory workers in Bangladesh make US\$90 per month, while those in Laos and Myanmar earn US\$135 and US\$120, respectively, reported *Khmer Times*.

#### CAMBODIA

### EUROPEAN COMMISSION SENDS PRELIMINARY REPORT ON HUMAN RIGHTS SITUATION TO CAMBODIA

On 12 November, the European Commission sent to the Cambodian government a preliminary report outlining investigation findings on the country's human rights situations and steps the country must take to retain its trade benefits. In February this year, the EU launched the official procedure which could lead to a temporary withdrawal of the country's trade preferences under the EU's Everything But Arms (EBA) scheme.

The Cambodian authorities will now have one month to review the report. And the EU will make its final decision in February next year on whether or not to withdraw trade preferences and the scope and duration of the withdrawal.

Government spokesman Phay Siphon said Cambodia would continue to explain to the EU the actual human rights situation in the country and the government's efforts in promoting democracy through various reforms. The Ministry of Foreign Affairs and International Cooperation said relevant ministries and institutions would conduct a thorough review of the report before making an official response to the EU within a month.

The Cambodian government has continued to make efforts to show the EU that it wants to maintain preferential access to the EU under EBA, including easing conditions of detention of Cambodian opposition leader Kem Sokha by the court recently. He was arrested in 2017 and accused of plotting to overthrow the government of Hun Sen. In a statement released on 11 November, the EU complimented the decision made by the Cambodian court, saying it is "a first step in the right direction".

On 21 November, Prime Minister Hun Sen said demands made by the EU for Cambodia to retain its EBA trade status were unacceptable and would not be fully implemented, reported *Khmer Times*. 'We cannot exchange our legal system and independence (to retain the EBA),' said Hun Sen. He noted that the country would eventually lose its EBA status before 2030 as it grows into an upper-middle-income economy. ■

## INDONESIA



### GDP GROWS BY 5.02% YOY IN THIRD QUARTER

Indonesia's GDP growth reached 5.02% yoy in the third quarter of 2019, compared with the growth rates of 5.05% yoy in the previous quarter and 5.17% yoy in the same quarter last year, according to data released by Statistics Indonesia (BPS) on 5 November. The growth rate in the third quarter was the lowest level since the second quarter of 2017.

According to the BPS, weak investment and low government spending, as well as low commodity prices that have exacerbated the impact of weak global demand, dragged down growth in the third quarter.

Investment growth fell to 4.21% yoy in the third quarter, considerably lower than the 6.96% yoy in the same period last year. A noticeable slowdown in investment was seen in the machinery and equipment sector, while negative growth was recorded in the automotive and intellectual property sectors, among other sectors.

Government spending grew by only 0.98% yoy in the third quarter, a far cry from the 6.27% yoy growth recorded in the same period last year, as spending on goods and social services declined.

Growth in household spending, which accounted for more than half of Indonesia's GDP, held up at 5.01% yoy in the third quarter, slightly higher than the 5.00% yoy in the same quarter last year.

Net exports made a positive contribution to the GDP in the third quarter, as imports of goods and services declined by 8.91% yoy, while exports of goods and services were stagnant, growing at 0.02% yoy.

GDP growth in the nine-month period from January – September reached 5.04% yoy. Reflecting lower expectations, Finance Minister Sri Mulyani Indrawati in August cut the GDP growth outlook for 2019 to 5.08% from the previous target of 5.3%. According to the International Monetary Fund (IMF)'s latest projection, Indonesia's GDP growth is expected to be 5.0% in 2019. The Asian Development Bank and the World Bank both forecasted the country's 2019 GDP growth at 5.1%.

#### INDONESIA

### INDONESIA AND SOUTH KOREA CONCLUDE NEGOTIATIONS ON CEPA

Indonesian Trade Minister Agus Suparmanto and his South Korean counterpart Yoo Myung-hee signed a joint declaration on the completion of the

IK-CEPA negotiations on 25 November in Busan, South Korea. The declaration took place on the sidelines of the ASEAN-Korea Commemorative Summit and was witnessed by President Joko 'Jokowi' Widodo and his South Korean counterpart Moon Jae-in.

The IK-CEPA is expected to be signed in the first half of 2020, after which the agreement will be subject to ratification by the respective parliaments, according to the South Korean Ministry of Trade, Industry, and Energy (MOTIE).

'I hope that the agreement will be signed in early 2020. The IK-CEPA is a symbol of the commitment of the two countries to economic openness,' Jokowi said in a statement on 25 November.

Under the agreement, South Korea will eliminate tariffs on 95.5% of Indonesian imports, while Indonesia will eliminate tariffs on 93% of South Korean imports. Considering the South Korea-ASEAN FTA eliminated tariffs on a respective 90.2% and 80.1% of imports, the IK-CEPA marks a significant increase in tariff-free trade. The IK-CEPA will also improve flows of services, people and investment and facilitate economic cooperation in various fields.

Negotiations on the IK-CEPA commenced in 2012 but came to a halt in 2014, before being reactivated this February. On 16 October, the two sides issued a joint statement announcing that negotiations had been completed in principle.

#### INDONESIA

### PRESIDENT JOKOWI ORDERS STREAMLINING OF BUSINESS REGULATIONS

President Joko 'Jokowi' Widodo instructed measures to reduce red tape, including the concentration of licensing authority at the Investment Coordinating Board (BKPM) and the revocation of over 40 regulations.

The instructions followed a Cabinet meeting on 21 November discussing Indonesia's performance in the World Bank's Ease of Doing Business index

released in October, Cabinet Secretary Pramono Anung said. President Jokowi's instructions were aimed at improving the country's Ease of Doing Business ranking, which stagnated at 73<sup>rd</sup>, lower than that of regional peers Malaysia and Thailand, which ranked 12<sup>th</sup> and 21<sup>st</sup>, respectively.

In a bid to streamline business licensing, President Jokowi ordered that the authority for licensing fully rests with the BKPM, particularly for licenses that pertain to the ease of doing business. The President also instructed the ministries to revoke by December at least 40 ministerial regulations deemed to be hampering investment.

BKPM chairman Bahlil Lahadalia said overlapping authority across ministries and government institutions was one of the causes of the suboptimal use of the government's Online Single Submission (OSS) system, a web-based licensing portal launched to cut red tape and streamline licensing procedures across all levels of the government.

'With the OSS, (investors) can get the business registration number within three hours. Currently, investors cannot use the registration number alone to conduct businesses, because they have to obtain licenses from ministries, government institutions or regional administrations,' Bahlil explained.

Following the instruction, the President had tasked the BKPM with improving the country's Ease of Doing Business ranking to between 40<sup>th</sup> and 50<sup>th</sup> by 2021. ■

the 5.5% yoy growth recorded in the previous quarter. Faster economic growth was due mainly to the acceleration in government spending and the recovery in the agriculture sector.

Government spending grew by 9.6% yoy in the third quarter, still slower than the 14.3% yoy increase in the same quarter last year but faster than the 7.3% growth recorded in the second quarter this year. 'The government is committed to speeding up the implementation of its programmes and projects that were affected by the budget impasse and the election ban earlier this year,' said Socioeconomic Planning Secretary Ernesto Pernia.

By industry, both the agriculture sector and industry sector recorded faster expansion in the third quarter than the previous quarter, with year-on-year growth rates of 3.1% and 5.6% respectively. Growth in the service sector remained strong at 6.9% yoy, albeit slightly slower than the 7.1% yoy expansion in the previous quarter.

In the first three quarters, GDP growth reached 5.8% yoy, slightly below the lower end of the government's full-year growth target of 6% – 7%. The economy must expand by 6.7% yoy in the fourth quarter for the government to meet the lower end of its growth target, according to Pernia.

In a statement released on 18 November, the International Monetary Fund (IMF) maintained its economic growth forecast for the Philippines at 5.7% for this year and revised upward the 2020 outlook to 6.3% — from 6.2% previously — supported by an increase in government spending and the recent easing monetary policy.

## PHILIPPINES



### GDP GROWTH REBOUNDS TO 6.2% YOY IN THIRD QUARTER

The Philippine economy expanded by 6.2% yoy in the third quarter of this year, an acceleration from

#### PHILIPPINES

### INVESTMENT APPROVED BY BOI DOUBLE IN FIRST NINE MONTHS

Investment projects approved by the Board of Investment (BOI) reached 764.7 billion pesos in the first nine months of 2019, more than double the investment of 372.9 billion pesos approved in the

same period last year, reported the *Philippine Star*. For the month of September alone, BOI approved 155.7 billion pesos worth of projects, a 50.3% increase from the same month last year.

The information and communications technology (ICT) and power sectors accounted for 85% of the total approved investment in the nine-month period. 'The massive infrastructure buildup for more power and connectivity across the archipelago is critical towards addressing binding constraints to the Philippines' competitiveness,' said Ceferino Rodolfo, Trade Undersecretary and managing head of the BOI. Besides, investment in the manufacturing and tourism sectors also posted massive growth of 190.0% yoy and 691.7% yoy to 63.5 billion pesos and 9.5 billion pesos, respectively, in the nine-month period.

Of the total approved investment in January – September, domestic investors represented 524.9 billion pesos, or 68.6%, while foreign investors accounted for the remaining 31.4%, led by Singapore, South Korea and the Netherlands.

According to Ramon Lopez, Trade Secretary and chairman of the BOI, the latest investment figures show investors' continuously strong confidence in both the country's economic fundamentals and the reform agenda of the Duterte administration.

## PHILIPPINES

### PHILIPPINES JUMPS 29 NOTCHES IN WORLD BANK'S EASE OF DOING BUSINESS RANKING

In the latest Ease of Doing Business ranking released by the World Bank in October, the Philippines climbed 29 notches to 95<sup>th</sup> out of 190 economies in the world from the previous ranking of 124<sup>th</sup>. The country's overall score went up to 62.8 this year from the adjusted 60.9 last year. It recorded the highest improvement, both in rank and overall score, among the ten ASEAN countries.

The Ease of Doing Business ranking measures regulations across 190 economies in 12 business

regulatory areas to assess the business environment in each economy. This year, ten indicators were used to estimate an ease of doing business score, including starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.

The Philippines' scores improved in the areas of starting a business, dealing with construction permits, protecting minority investors, and paying taxes, while it scored slightly lower in getting electricity and resolving insolvency. The country's scores in other areas remained unchanged from the previous year.

The Duterte administration's economic team welcomed the Philippines' ranking improvement, saying that they expected further improvements moving forward as more reforms are implemented. Socioeconomic Planning Secretary Ernesto Pernia cited the approval of the *Ease of Doing Business Act* last year as among the reasons for the ranking improvement. ■

## THAILAND



### FDI APPLICATIONS INCREASE 69% YOY IN FIRST NINE MONTHS

In the first nine months of 2019, foreign direct investment (FDI) applications amounted to 203.4 billion baht, up by 69% compared to the same period last year, according to Thailand's Board of Investment (BOI). Investment pledges in the government's target industries, led by the electronics and electrical sector, digital technologies, and the automotive sector, accounted for 65% of the total value of FDI applications.

By source of investment applications, Japan, which has long been the largest source of Thailand's FDI, ranked first with investment pledges for 167 projects worth 59.2 billion baht in the nine-month period, followed by China, with 139 projects worth 45.4 billion baht, and Switzerland, with 15 projects worth 11.7 billion baht.

Particularly, investment applications from Chinese investors rose substantially by 100% yoy in the first nine months this year, mainly in the rubber industry and tyre manufacturing. Duangjai Asawachintachit, secretary general of the BOI, said the prolonged trade war between China and the US has prompted Chinese manufacturers to explore relocation opportunities in ASEAN. Reasons to relocate to Thailand include the Thai government's continuous infrastructure development policy, improvements in ease of doing business and Thai workers' skills.

On 6 September, Thailand's economic ministers meeting endorsed a package of measures, called 'Thailand Plus', aiming at attracting more foreign investors, especially those seeking to relocate their companies from China amid the prolonged China-US trade war. The new package covers comprehensive measures that will enhance Thailand's attractiveness as an investment location. Particularly, qualified investment projects will be entitled to an additional five years of 50% reduction in corporate income tax; and investments in automation systems will be entitled to double deduction.

#### THAILAND

### THAI BAHT HITS NEW SIX-YEAR HIGH

The Thai baht advanced to 30.163 per US dollar on 25 October, the strongest level since May 2013, according to exchange rates provided by *Bloomberg*. The baht has further consolidated its position as Asia's second-best performing currency this year only after the Russian ruble. It closed at 30.222 against the greenback on 25 November, strengthening by 7.0% year to date.

In a bid to curb the baht's rapid appreciation, the Bank of Thailand announced in early November to relax regulations to facilitate capital outflows. Such relaxations include allowing exporters to keep foreign currency proceeds overseas, allowing retail investors to invest in foreign securities without going through a Thai intermediary institution, allowing businesses and individuals to transfer funds abroad more freely, and allowing investors to trade gold in foreign currencies with designated gold trading companies. Besides, the central bank cut its policy rate twice this year, once in August and subsequently in November, bringing the policy rate to 1.25% — the lowest level since the 2009 global financial crisis.

According to the central bank governor Veerathai Santiprabhob, the baht's continuous appreciation was largely due to a high current account surplus, which stood at US\$26.4 billion in the first nine months of 2019. And since Thailand is not a target in any international trade war, the baht has been seen as a safe investment, Veerathai added.

Thailand's exporters have expressed serious concern over the strengthening baht, which has weighed on the country's exports already affected by the China-US trade war. In the first ten months of 2019, Thailand's exports declined by 2.4% compared to the same period last year, according to data from the Commerce Ministry.

#### THAILAND

### US WITHDRAWS GSP BENEFITS FOR ONE-THIRD OF ELIGIBLE PRODUCTS FROM THAILAND

In a presidential proclamation released on 25 October, US President Donald Trump decided to revoke the Generalized System of Preferences (GSP) benefits for approximately one-third of eligible products from Thailand, effective 25 April 2020. The decision was based on Thailand's failure to adequately provide internationally recognized worker rights, particularly in its fishery industry.

The move is expected to affect 573 categories of Thai products exported to the US valued at around US\$1.3 billion. According to a statement from the US Trade Representative, affected products are focused on those for which the US is a relatively important market for Thailand but Thailand accounts for a relatively small share of US imports. The list includes all seafood products, fruits and vegetables, seeds, rubber products, electrical appliances, ornaments, steel sheets and some stainless steel products.

The affected export products account for a tiny share of Thailand's exports to the US. In 2018, Thailand's exports to the US amounted to US\$32.1 billion, according to the US International Trade Commission. Although the losses from the US GSP withdrawal would be insignificant, it has caused a shock among local exporters who are reeling from the domestic economic slowdown and a strong baht.

Keerati Ratchano, acting director general of Thailand's Foreign Trade Department, said the government would try to negotiate the issue with the US before the suspension of benefits takes effect next April. ■

## VIETNAM



### EXPORTS GROW 7.4% YOY IN FIRST TEN MONTHS

In the first ten months of 2019, Vietnam's exports totalled US\$217.05 billion, up by 7.4% from the same period last year, according to the Ministry of Industry and Trade.

Five product categories recorded exports of over US\$10 billion in January – October: exports of 'mobile phones and spare parts' reached US\$43.5 billion, a 5% yoy increase; exports of 'electronics, computers and accessories' surged by 17.1% yoy to US\$28.8 billion; exports of apparel, footwear

and machinery amounted to US\$27.4 billion, US\$14.6 billion, and US\$14.6 billion, respectively, registering year-on-year growth rates of 8.7%, 11.2% and 7.6%, respectively.

The US was Vietnam's top export market during the ten-month period, with an export value of US\$49.9 billion, up by 26.6% yoy. This is followed by the EU, to which Vietnam's exports amounted to US\$34.2 billion, a decrease of 1.9% yoy, and China, to which Vietnam's exports totalled US\$32.5 billion, down by 2.9% yoy.

Imports in the first ten months of the year totalled US\$210.0 billion, resulting in a trade surplus of US\$7.05 billion during the period.

## VIETNAM

### GDP IN FIRST THREE QUARTERS REACHES NINE-YEAR HIGH

Vietnam's GDP climbed 6.98% yoy in the first three quarters of 2019, the highest growth recorded during the January – September period in the past nine years, according to the General Statistics Office (GSO) of Vietnam.

The industry and construction sector was the main driver of the country's economic growth in the first nine months of the year, with a year-on-year growth rate of 9.36%. Manufacturing, which is a sub-sector under the industry and construction sector, grew by 11.37% yoy during the period. Meanwhile, the services sector grew by 6.85% yoy in the first three quarters, while the agriculture, forestry and fishing sector grew by 2.02% yoy.

By expenditure approach, final consumption jumped up by 7.20% in the January – September period from the same period in 2018. Accumulated assets increased by 7.68% yoy, exports of goods and services grew by 7.41% yoy, while imports of goods and services expanded by 8.78% yoy.

## VIETNAM

### YCH GROUP TO DEVELOP LOGISTICS CENTRE IN VINH PHUC PROVINCE

The YCH Group, a leading Singaporean logistics company, entered into a joint venture with T&T Group of Vietnam to develop an international logistics centre and an inland port in the northern province of Vinh Phuc.

The construction of the logistics centre will begin in the third quarter of 2020. When completed, it will become a connection point for the circulation of commodity supply chain between Vietnam and other ASEAN countries, and other regional and international markets.

Apart from providing the most modern logistics services, the centre will organize training programmes in logistics, noted the YCH Group's executive chairman Robert Yap.

The project is in line with Vietnam's goal to build a complete transport infrastructure system including large logistics service centres, in order to reduce logistics costs for enterprises and increase the competitiveness of the Vietnamese economy. ■

2020," according to the statement. It also noted that India had "significant outstanding issues," which the participating countries "will work together to resolve."

The RCEP was built upon the existing ASEAN+1 free trade agreements. Launched in 2012, RCEP negotiations covered "trade in goods, trade in services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement and other relevant issues", according to a fact sheet released by the ASEAN.

The text of the RCEP will not be published until the agreement is signed. ■

## OTHER HIGHLIGHTS

### 15 NATIONS SET TO SIGN RCEP IN 2020

15 of the 16 participating nations in the Regional Comprehensive Economic Partnership (RCEP) announced conclusion of negotiations as India pulled out from the pact, according to a joint leaders' statement released at the end of the RCEP Summit in Bangkok on 4 November. The 15 countries in the new RCEP, including ASEAN's ten member states, China, Japan, South Korea, Australia, and New Zealand, are committed to signing the agreement in 2020.

The 15 nations "have concluded text-based negotiations for all 20 chapters and essentially all their market access issues; and tasked legal scrubbing by them to commence for signing in

# MAJOR ECONOMIC INDICATORS

## CAMBODIA

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Consumer price index (yoy growth %)	1.5	2.0	2.2	2.1	2.0	1.4
Exports (yoy growth %)	-10.6	-15.9	12.8	19.8	20.4	4.3
Exports (fob, in Cambodian riel billion)	4,324.6	3,954.1	4,656.9	3,562.5	4,845.5	5,299.4
<i>Of which:</i>						
Garments (in Cambodian riel billion)	2,898.8	2,732.4	3,126.0	2,245.5	3,193.6	3,516.2
Footwear (in Cambodian riel billion)	376.0	319.6	415.3	307.6	470.3	511.8
Bicycles (in Cambodian riel billion)	175.2	137.8	122.1	96.0	96.6	122.8
Imports (yoy growth %)	45.8	-3.5	40.6	36.3	29.4	23.4
Imports (fob, in Cambodian riel billion)	6,671.1	5,228.8	6,481.3	6,959.3	7,737.7	7,084.1

*Note: January 2019 figures are the most up-to-date as of the date of publishing.  
Source: National Bank of Cambodia*

## INDONESIA

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Quarterly GDP (real yoy growth %)	5.05 (2Q19)		5.02 (3Q19)			
Production index of large and medium manufacturing (yoy growth %)	4.0	3.6	4.6	4.0	4.5	-
Manufacturing PMI (IHS Markit)	51.6	50.6	49.6	49.0	49.1	47.7
Real retail sales index (yoy growth %)	7.7	-1.8	2.4	1.1	0.7	2.9
Consumer price index (yoy growth %)	3.3	3.3	3.3	3.5	3.4	3.1
Exports (yoy growth %)	-8.5	-8.9	-5.1	-10.0	-5.7	-6.1
Exports (FOB, US\$ mn)	14,825.2	11,792.7	15,454.2	14,281.7	14,099.5	14,933.8
<i>Of which:</i>						
Textile and textile products (US\$ mn)	1,231.1	823.5	1,238.7	1,139.9	1,010.3	-
Footwear (US\$ mn)	407.9	262.6	395.0	347.4	313.4	-
Furniture (US\$ mn)	166.4	79.5	145.4	145.1	134.6	-
Sports requisites (US\$ mn)	52.1	34.3	55.3	57.9	58.0	-
Imports (yoy growth %)	-17.3	2.0	-15.2	-15.7	-2.4	-16.4
Imports (US\$ mn)	14,606.7	11,495.4	15,518.5	14,169.3	14,263.4	14,772.5

*Source: Statistics Indonesia, Bank Indonesia, IHS Markit PMI reports*

## PHILIPPINES

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Quarterly GDP (real yoy growth %)	5.5 (2Q19)		6.2 (3Q19)			
Value of production index, manufacturing (yoy growth %)	-6.7	-7.7	-6.1	-8.3	-2.3	-
Volume of production index, manufacturing (yoy growth %)	-7.6	-9.0	-6.7	-9.7	-3.0	-
Manufacturing PMI (IHS Markit)	51.2	51.3	52.1	51.9	51.8	52.1
Producer price index (yoy growth %)	1.0	1.4	0.7	1.5	-0.2	-
Consumer price index (yoy growth %) *	3.2	2.7	2.4	1.7	0.9	0.8
Exports (yoy growth %)	1.0	3.3	3.5	0.8	-2.6	-
Exports (FOB, US\$ mn)	6,154.9	6,110.4	6,174.4	6,267.7	5,898.0	-
<i>Of which:</i>						
Woodcrafts and furniture (US\$ mn)	53.4	50.4	59.9	44.3	53.7	-
Garments (US\$ mn)	70.0	71.6	98.3	87.4	70.6	-
Travel goods and handbags (US\$ mn)	52.0	54.2	72.2	62.3	63.7	-
Imports (yoy growth %)	-5.2	-10.4	-4.2	-8.8	-10.5	-
Imports (FOB, US\$ mn)	9,453.2	8,480.3	9,567.5	8,946.4	9,017.5	-
Balance of trade (US\$ mn)	-3,298.3	-2,369.9	-3,393.1	-2,678.7	-3,119.5	-

Source: Philippine Statistics Authority, IHS Markit PMI reports

## THAILAND

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Quarterly GDP (real yoy growth %)	2.3 (2Q19)		2.4 (3Q19)			
Industrial production index (value added weight, not seasonally adjusted, yoy growth %) *	-3.4	-5.3	-3.3	-4.5	-5.1	-8.5
Manufacturing PMI (IHS Markit)	50.7	50.6	50.3	50.0	50.6	50.0
Producer price index (yoy growth %)	0.0	-1.1	-1.2	-1.7	-1.9	-2.5
Consumer price index (yoy growth %)	1.1	0.9	1.0	0.5	0.3	0.1
Exports (yoy growth %)	-6.2	-2.1	4.3	-4.0	-1.4	-4.5
Exports (US\$ mn)	21,017.9	21,409.3	21,205.0	21,914.9	20,481.3	20,757.8
<i>Of which:</i>						
Textiles and apparel (US\$ mn)	623.9	568.2	610.9	619.6	580.7	612.6
Furniture (US\$ mn)	109.2	103.3	111.1	116.6	119.0	122.9
Footwear (US\$ mn)	59.5	53.6	56.9	52.9	43.9	54.3
Imports (yoy growth %)	-0.7	-9.4	1.7	-14.6	-4.2	-7.6
Imports (US\$ mn)	20,836.4	18,197.1	21,094.6	19,862.4	19,206.1	20,251.3
Trade balance (US\$ mn)	181.5	3,212.2	110.4	2,052.6	1,275.2	506.5

\* Starting from January 2019, the base year for the industrial production index has adjusted to 2016.

Source: National Economic and Social Development Board, Office of Industrial Economics, Ministry of Commerce, IHS Markit PMI reports

## VIETNAM

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Quarterly GDP (real yoy growth %)	6.7 (2Q19)		7.3 (3Q19)			
Industrial production index (yoy growth %)	10.0	9.6	9.7	10.5	10.2	9.2
Manufacturing PMI (IHS Markit)	52.0	52.5	52.6	51.4	50.5	50.0
Retail sales of consumer goods and services (year-to-date, yoy growth %)	11.6	11.5	11.6	11.5	11.6	11.8
Price index of materials used for production (yoy growth %)	2.8 (2Q19)		2.9 (3Q19)			
Producer price index for industrial products (yoy growth %)	2.3 (2Q19)		1.0 (3Q19)			
Consumer price index (yoy growth %)	2.9	2.2	2.4	2.3	2.0	2.2
Exports (year-to-date, yoy growth %)	7.1	7.1	7.8	8.1	8.4	8.3
Exports (US\$ mn)	21,880.2	21,366.0	22,979.4	25,884.7	23,357.0	24,232.78
<i>Of which:</i>						
Textiles & garments (US\$ mn)	2,739.9	2,881.1	3,297.5	3,371.2	2,845.1	2,686.9
Footwear (US\$ mn)	1,716.1	1,628.6	1,624.7	1,578.2	1,323.8	1,593.3
Wood & wooden products (US\$ mn)	898.7	807.3	864.2	935.2	862.2	1,037.3
Toys and sports requisites (US\$ mn)	125.4	138.3	160.2	217.6	215.9	236.0
Imports (year-to-date, yoy growth %)	10.4	8.7	8.6	8.0	8.4	7.7
Imports (US\$ mn)	23,090.5	19,428.1	22,936.1	22,449.9	21,749.0	22,372.9

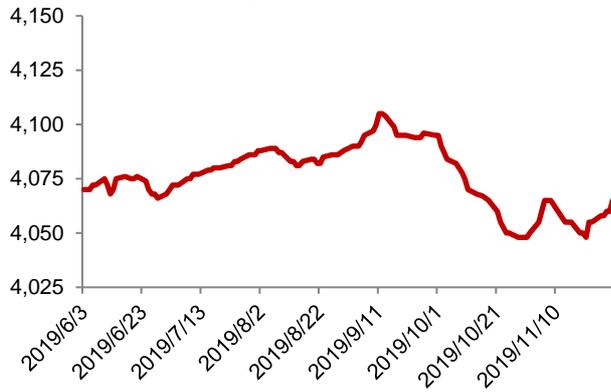
Source: General Statistics Office of Vietnam, General Department of Vietnam Customs, IHS Markit PMI reports

# DAILY EXCHANGE RATES

## JUNE – NOVEMBER 2019

### CAMBODIAN RIEL

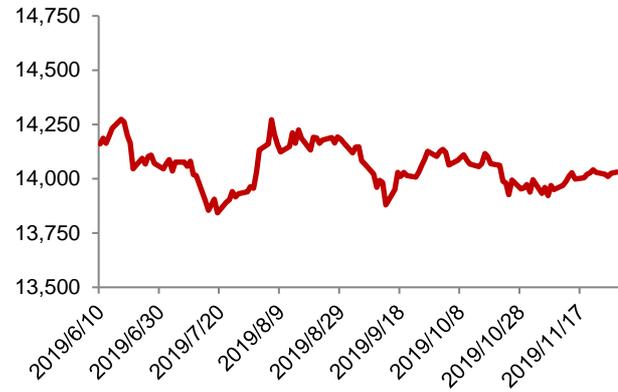
USD:KHR official exchange rate



Source: National Bank of Cambodia

### INDONESIAN RUPIAH

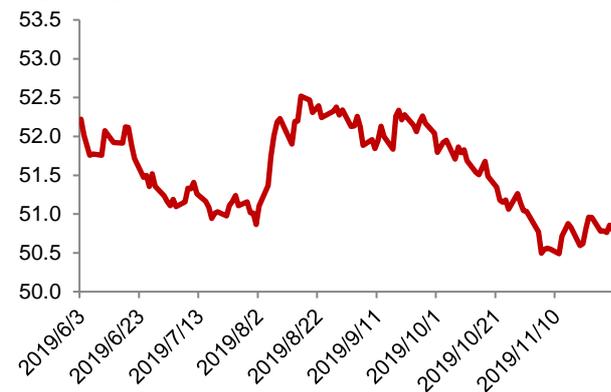
USD:IDR buy rate



Source: Bank Indonesia

### PHILIPPINE PESO

USD:PHP BSP reference rate



Source: Bangko Sentral ng Pilipinas (BSP)

### THAI BAHT

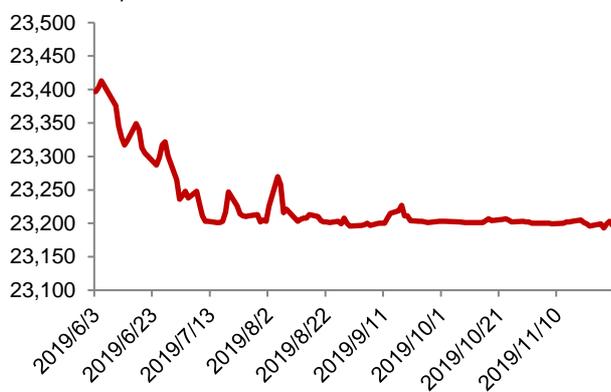
USD:THB mid-rate



Source: Bank of Thailand

### VIETNAMESE DONG

USD:VND spot rate



Source: Bloomberg

## FUNG BUSINESS INTELLIGENCE

**Fung Business Intelligence** collects, analyses and interprets global market data on sourcing, supply chains, distribution, retail and technology.

Headquartered in Hong Kong, it leverages unique relationships and information networks to monitor, research and report on these global issues with a particular focus on business trends and developments in China. Fung Business Intelligence makes its data, impartial analysis and specialist knowledge available to businesses, scholars and governments through regular research reports and business publications.

As the knowledge bank and think tank for the Fung Group, a Hong Kong-based multinational corporation, Fung Business Intelligence also provides expertise, advice and consulting services to the Group and its business partners on issues related to doing business in China, ranging from market entry and company structure, to tax, licensing and other regulatory matters.

Fung Business Intelligence was established in the year 2000.

### About Fung Group

Fung Holdings (1937) Limited, a privately-held business entity headquartered in Hong Kong, is the major shareholder of the Fung Group of companies, whose core businesses operate across the entire global supply chain for consumer goods including trading, logistics, distribution and retail. The Fung Group comprises 42,000 people working in more than 40 economies worldwide. We have a rich history and heritage in export trading and global supply chain management that dates back to 1906 and traces the story of how Hong Kong and the Pearl River Delta emerged as one of the world's foremost manufacturing and trading regions. We are focused on both creating the Supply Chain of the Future to help brands and retailers navigate the digital economy as well as creating new opportunities, product categories and market expansion for brands on a global scale.

For more information, please visit [www.funggroup.com](http://www.funggroup.com).

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