

# ASIA SOURCING UPDATE

SOUTHEAST ASIA | SOUTH AND WEST ASIA

JULY 2018

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**Global Sourcing**  
**Fung Business Intelligence**  
10/F LiFung Tower,  
888 Cheung Sha Wan Road  
Kowloon, Hong Kong

T: (852) 2300 2470  
F: (852) 2635 1598  
E: [fbicgroup@fung1937.com](mailto:fbicgroup@fung1937.com)  
W: <http://www.fbicgroup.com>

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# IN THE NEWS

## CAMBODIA

### FDI INFLOWS RECORD DOUBLE-DIGIT GROWTH IN FIRST SIX MONTHS OF 2018

Foreign direct investment (FDI) inflows into the country reached US\$1.32 billion in the first half of 2018, a solid growth of 13.8% from US\$1.16 billion in the same period last year, according to a report released by the National Bank of Cambodia, *The Phnom Penh Post* reported.

The financial and real estate sectors witnessed strong FDI growth in the period, while FDI into the industrial and agriculture sectors fell. Particularly, FDI into the garment sector continued to decline, which indicated that the sector had almost reached its saturation point, Supreme National Economic Council senior adviser Mey Kalyan said.

On the other hand, non-garment manufacturing sectors such as automotive assembly and electronics manufacturing saw growing FDI inflows, which appeared to be a good sign that Cambodia's industrial sector is diversifying.

#### CAMBODIA

### PARLIAMENT PASSES MINIMUM WAGE LAW

Cambodia's National Assembly passed in early June the minimum wage law, which will extend the minimum wage mechanism to sectors beyond the garment and footwear sector. The law is awaiting the King's signature before it comes into effect.

Currently, the garment and footwear sector is the only sector that implements the minimum wage. The tripartite negotiation mechanism, which involves the government, garment and footwear manufacturers and worker unions to review the minimum wage, is now enshrined in the law and

secured under a new National Minimum Wage Council.

Commenting on the new law, Minister of Labour and Vocational Training Ith Sam Heng said it will provide a decent living condition for all employees in the country and promote a better investment and business climate.

Earlier this year, two controversial clauses in the draft law that penalize individuals for protesting and putting pressure on the wage determination process, respectively, were scrapped. This move was welcomed by worker unions and labour rights groups.

#### CAMBODIA

### NEW TERMINAL LAUNCHED TO ACCOMMODATE LARGER VESSELS

On 25 June, Sihanoukville Autonomous Port, Cambodia's principal and only deep-water maritime port, launched a new multipurpose terminal to accommodate larger vessels with heavy loads. Construction of the new terminal, which was funded by a soft loan from the Japanese International Cooperation Agency (JICA), began in early 2015 and has cost US\$74 million in total.

With additional 330 metres for ship docking, the new terminal can accommodate larger vessels with 13.5-metre depth and load shipments weighing 40,000-50,000 tonnes – more than twice the limit of the existing terminals, according to Sun Chanthol, Minister of Public Works and Transport. Sun added that the port now has the capacity to handle around 70% of all imports and exports in the country. The new terminal is expected to speed up the delivery of goods and improve the competitiveness of the country's trade logistics.

Late last year, the Cambodian government unveiled plans to build another new container terminal at the port and signed an agreement for a low-interest loan worth around US\$200 million with the JICA. Construction of the new terminal is scheduled to start by early 2019 and be completed by the end of 2022. ■

## INDONESIA



### INDONESIA RECORDS BIGGEST TRADE SURPLUS IN NINE MONTHS IN JUNE

According to data released by Statistics Indonesia (BPS) on 16 July, Indonesia recorded a trade surplus of US\$1.74 billion in June, a turnaround from the US\$1.63 and US\$1.45 billion trade deficits recorded in April and May, respectively. It was a much bigger surplus than had been estimated by analysts, primarily caused by weaker import growth than analysts' prediction.

Imports to Indonesia grew by 12.66% yoy to US\$11.26 billion in June, significantly below the year-on-year growth rate of 28.25% recorded in May. On a month-on-month basis, Indonesian imports fell 36.27% in June as domestic demand waned in the post-Ramadan and Eid al-Fitr period.

When broken down by economic categories, imports of consumer goods fell 9.51% yoy in June, while imports of raw materials and capital goods rose 14.56% yoy and 19.94% yoy, respectively.

Exports rose 11.47% yoy to US\$13.00 billion in June, supported by marked growth in exports of oil & gas products amid stronger crude oil prices. Oil & gas exports rose 34.79% yoy to US\$1.72 billion in June, while non-oil & gas exports climbed 8.61% yoy to US\$11.28 billion. In terms of volume, non-oil & gas exports surged by 25.51% yoy in June, indicating that the growth of non-oil & gas exports was mainly dragged down by the decline in prices.

In the first six months of 2018, Indonesia's exports amounted to US\$88.02 billion, a year-on-year increase of 10.03%, while imports grew by 23.10% yoy to US\$89.04 billion. This resulted in a trade deficit of US\$1.02 billion in the first half of the year, putting pressure on the nation's current account balance as well as the rupiah's exchange rate.

## INDONESIA

### INDONESIA LOBBIES THE US FOR CONTINUATION OF GSP BENEFITS

On 21-28 July, Indonesian Trade Minister Enggartiasto Lukita led a business delegation to Washington, DC to discuss the review of Indonesia's preferential tariff treatment under the Generalized System of Preferences (GSP), as well as explore new opportunities for Indonesian businesses in the US.

The visit was a response to the announcement by the Office of the US Trade Representative (USTR) on 13 April to review Indonesia's eligibility for the GSP, based on concerns over the country's compliance with the GSP programme's services and investment criterion.

The delegation included representatives from, among others, the Indonesian Chamber of Commerce and Industry (Kadin), and organisations representing Indonesian exporters, importers, biofuel producers, textile producers as well as producers of key exports including tyres, palm oil, steel and aluminium.

After a meeting between Enggartiasto and US Secretary of Commerce Wilbur Ross on 24 July, both countries agreed to lay out a roadmap to boost bilateral trade to US\$50 billion in the next few years, from US\$25.9 billion last year.

Besides discussing the roadmap, Enggartiasto said the Indonesian government had asked Ross about the review of the GSP and had requested the US to exempt Indonesia from import tariffs on steel and aluminum products, as the country was not direct competitor to the US in this field. Enggartiasto said the US welcomed Indonesia's requests and would give positive consideration to

Indonesian products that were not produced in US domestic industries.

#### INDONESIA

### FIFTH ROUND OF NEGOTIATIONS ON INDONESIA-EU COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT HELD

Indonesia and the EU held their fifth round of talks on the Indonesia-EU Comprehensive Economic Partnership Agreement (IE-CEPA) in Brussels on 9-13 July.

The negotiations not only covered discussions on trade in goods but also trade in services, investments, and other forms of cooperation, according to Iman Pambagyo, international trade negotiations director general of the Indonesian Trade Ministry.

Among the specific issues discussed were energy and raw materials (ERM), including ways for the EU to secure access to energy and minerals from Indonesia, and the enforcement of the mineral export duty. Indonesia highlighted its stance to prioritize state sovereignty in the management of energy and mineral resources.

The negotiations on ERM are targeted for completion in September. Discussions on the matter will involve several Indonesian ministries, including the Energy and Mineral Resources Ministry, Trade Ministry, Industry Ministry, and Finance Ministry.

Separately, negotiations related to the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) have entered the final phase. According to Iman, around 85% of the agreement has been completed now and the deal is expected to be fully completed before the end of 2018. ■

## PHILIPPINES



### MERCHANDISE EXPORTS DECLINE FOR FIFTH CONSECUTIVE MONTH

Philippines' merchandise exports amounted to US\$5.76 billion in May, contracting by 3.8% compared to the same month last year, according to data released by the Philippine Statistics Authority. It was the fifth consecutive month that registered a year-on-year decline in exports. In the first five months of this year, the country's merchandise exports fell by 5.0% yoy to US\$26.91 billion.

In May, three out of the top ten export commodities recorded year-on-year declines in export value, including 'ignition wiring sets and other wiring sets used in vehicles, aircrafts and ships' (-40.8%), 'other mineral products' (-29.5%) and 'electronic equipment and parts' (-8.6%). Exports of electronic products, which accounted for 54.4% of the country's total exports, increased by 2.3% yoy to US\$3.13 billion in the month.

By destination, 48.9% of the country's exports went to East Asia in May, a drop of 8.4% in export value compared to the same month last year. The decline was due to sharp export contractions in markets such as Japan (-25.8% yoy) and South Korea (-34.4% yoy). While exports to the other nine ASEAN countries went down by 0.1% yoy to US\$887.68 million, exports to the EU and the US increased by 2.9% yoy and 6.6% yoy, respectively, to US\$875.25 million and US\$840.15 million in May.

#### PHILIPPINES

### NEW EXPORT DEVELOPMENT PLAN AWAITING PRESIDENT'S APPROVAL

The Economic Development Cluster (EDC), chaired by the Department of Finance and comprising 15 government agencies to promote

economic growth, submitted in June a new Philippine Export Development Plan (PEDP) 2018-2022 for President Duterte's approval. The PEDP is a medium-term roadmap that lays out strategies to achieve a total export revenue target of US\$122 billion by 2022.

Major strategies put forward in the PEDP include promoting business environment for exporters through removal of unnecessary regulatory impediments, enhancement of trade facilitation and improvement of access to trade finance; exploiting existing and prospective opportunities from free trade agreements; and formulating comprehensive packages to promote the export of selected goods and services.

In 2017, the Philippines received US\$98.84 billion export revenue from merchandise and services, exceeding the US\$92.15 billion target set in the previous PEDP.

#### PHILIPPINES

### THE PHILIPPINES TO START FTA TALKS WITH THE US IN SEPTEMBER

The Philippines and the US will start negotiations on a free trade agreement (FTA) in Washington in September, ambassador of the Philippines to the US Jose Manuel Romualdez told *Reuters* reporters on 12 July. Last November, US President Donald Trump met the Philippine President Rodrigo Duterte, during which the US welcomed the Philippines' interest in deepening the bilateral trade relationship through consideration of a potential FTA.

Romualdez said the first round of talks would likely to focus on labour, intellectual property and agriculture and the negotiations may take one or two years. He added that an FTA with the world's largest economy is likely to be approved given that the Philippines is a much smaller US trading partner than China and Europe, which have become targets of the Trump administration's "America First" trade agenda.

At a congressional hearing in Washington on 26 July, the US Trade Representative Robert Lighthizer said the US sees the Philippines as possibly the next candidate for an FTA, adding that the country is in a good location and "there are a lot of advantages", reported *Nikkei Asian Review*.

Currently, the Philippines is the US's 31<sup>st</sup> largest trading partner. Of the US\$20.1 billion bilateral merchandise trade in 2017, the US exported US\$8.5 billion worth of goods to the Philippines while US\$11.6 were US imports from the country, according to the Office of the United States Trade Representative. ■

## THAILAND



### EXPORTS GROW FOR 16<sup>TH</sup> CONSECUTIVE MONTH

Thailand's customs-based exports increased by 8.2% yoy to US\$21.78 billion in June, according to data released by the Ministry of Commerce. Although the growth rate in June was slower than the 11.4% yoy recorded in the previous month, it was the 16<sup>th</sup> consecutive month that exports posted a year-on-year expansion. In the first half of 2018, exports rose by 11.0% yoy.

Commodity-wise breakdown of the export figures show that robust growth in June was driven by higher exports of motor vehicles and parts, computers and accessories, chemical products, rubber products, refined fuels and machinery and parts.

Sustained growth in exports prompted the Finance Ministry in late July to raise its forecast for Thailand's economic growth from 4.2% to 4.5% in 2018, adding that the unfolding trade war among major economies and volatile global financial markets may pose downside risks to the country's economic outlook.

## THAILAND

### BAHT WEAKENS TO NINE-MONTH LOW

The Thai baht, which was the second-best performing currency among emerging Asia in the first quarter, started to weaken against the US dollar in mid-April. It depreciated from a four-year high of 31.215 against the US dollar on 16 April to 33.359 on 27 July – the weakest since last October, representing a 6.4% depreciation over three months, according to spot exchange rates provided by *Bloomberg*.

As an export-dependent economy, Thailand suffered from massive capital outflows in the past few months, driven by domestic political uncertainty, higher US interest rates and rising global trade frictions. According to a news report from *Reuters* on 17 July, foreign investors have net sold Thai shares worth a record 197 billion baht (US\$5.93 billion) so far this year. And data from the Bank of Thailand showed that the country's foreign reserves fell to US\$204.9 billion on 20 July from US\$215.6 billion on 30 March.

To arrest the baht's rapid depreciation, Thailand's central bank has sporadically sold the US dollar since July. Commenting on the move, the bank's governor Veerathai Santiprabhob said it was a normal practice of the monetary authority, and the Thai economy has adequate buffers to withstand any immediate external challenges, with ample international reserves, low dependency on external borrowing and sufficient current account surplus.

## THAILAND

### GOVERNMENT TO HOLD PUBLIC HEARINGS NATIONWIDE ON CPTPP

The Ministry of Commerce is scheduled to host public hearings throughout the country from August to September to gather opinions from all stakeholders on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) before the country makes its decision on potential membership, local newspaper *The Bangkok Post* reported on 24 July.

The CPTPP was officially signed in March by 11 nations on the Pacific Rim. As of 19 July, three countries had ratified the agreement, including Mexico, Japan and Singapore. The signatories agreed to start accession talks with potential new members in 2019 when the trade pact goes into effect. Apart from Thailand, Indonesia, Colombia and South Korea have expressed their interest in joining the new trade bloc.

According to Auramon Supthaweethum, director-general of the Trade Negotiations Department, the department will hire a research institute to study the benefits and impacts of the CPTPP on Thailand if the country joins it. "The department expects that joining the CPTPP will benefit more than harm Thailand, as sensitive issues that concerned Thailand, particularly regarding investment and intellectual property, were suspended," Mrs Auramon said.

In mid-July, during Deputy Prime Minister Somkid Jatusripitak's visit to Tokyo, Japan agreed to support Thailand to become a member of the CPTPP. ■

## VIETNAM



### ECONOMY EXPANDS AT FASTEST RATE IN EIGHT YEARS IN FIRST HALF OF 2018

Vietnam's GDP grew by 7.08% yoy in the first half of 2018, the highest six-month growth rate since 2011, according to data released by the General Statistics Office (GSO).

In the first half of the year, the industry and construction sector expanded the fastest at 9.07% yoy, led by the manufacturing subsector's strong growth of 13.02% yoy, which was the subsector's highest growth in seven years. Meanwhile, mining and quarrying was the only subsector that recorded a negative year-on-year growth during the six-month period (-1.3%), but the rate of

decline has narrowed considerably against the year-on-year contraction of 7.8% recorded in the same period last year.

During the same period, the services sector grew by 6.9% yoy, the sector's highest growth rate in seven years, led by the 8.21% yoy growth of the wholesale and retail trade subsector. Other major subsectors which contributed to the overall growth rate of the services sector include: finance, banking and insurance, which rose by 7.58% yoy; accommodation and catering services, which grew by 7.02% yoy; and transportation and warehousing, which climbed by 7.67% yoy.

The agriculture, forestry, and fishery sector grew by 3.93% yoy in the six-month period.

In terms of expenditure, final consumption in the first half of 2018 rose by 7.13% yoy, accumulated assets grew by 7.06% yoy, exports of goods and services increased by 15.72% yoy, and imports of goods and services grew by 14.83% yoy.

## VIETNAM

### NEW REGULATIONS ON INDUSTRIAL PARKS AND INDUSTRIAL ZONES COME INTO EFFECT

The Vietnamese government issued Decree No.82/2018/ND-CP (Decree 82) on 22 May to regulate the management of industrial zones and economic zones in Vietnam. Replacing Decree No. 29/2008/ND-CP (Decree 29), Decree 82 came into effect on 10 July.

Under the new regulations, businesses in industrial zones and economic zones enjoy expanded benefits and lower restrictions. Below are some key changes introduced by Decree 82:

Under the previous regulations, an export-processing enterprise was required to establish a branch separate from the enterprise and outside the export-processing zone, in order to conduct the purchase and sale of goods. Decree 82 provides such enterprises with another option, which is to open a separate accounting book for revenues and expenses related to those activities in Vietnam,

and arrange areas for storage of goods for such purchases or sales that are separated from those for production activities.

In addition, Decree 82 broadened the interpretation of industrial zones. An "industrial zone" is defined under Decree 82 as an area with a defined geographical boundary, specializing in the production of industrial goods and the provision of services satisfying the needs of industrial production. It includes export-processing zones, supporting industrial parks and eco-industrial parks, compared to only export-processing zones, as defined in Decree 29.

Lastly, the new regulations specify incentive policies applicable to eco-industrial parks. For enterprises in eco-industrial parks which are categorized as eco-enterprises, they may enjoy preferential loans from the Vietnam Environment Protection Fund, Vietnam Development Bank, and/or other financial sources related to clean industry. Moreover, eco-enterprises will receive priority to participate in technical support or investment enhancement programmes and will receive information on the technology market and cooperation opportunities.

## VIETNAM

### LEGAL REVIEW ON EU-VIETNAM FTA CONCLUDES

Vietnam and the EU had finalized the legal review of the EU-Vietnam Free Trade Agreement (EVFTA) and agreed on all the contents of a bilateral Investment Protection Agreement (IPA), the Vietnamese Minister of Industry and Trade Tran Tuan Anh and the EU Commissioner for Trade Cecilia Malmstrom announced on 26 June.

During a working session on 25 June in Brussels, the two sides formally concluded the entire legal review of the EVFTA, while finishing discussions on the Vietnam-EU IPA. They agreed to promptly make a proposal to the authorized agencies of both sides for the official signing and ratification of these two deals.

During the working session, the two sides discussed cooperation plans to ensure the best conditions for the development of their economic and trade partnership, with the EU supporting Vietnam in enhancing capacity to optimize the deal. The support framework will help Vietnam to continue building its legal system, assist the implementation of its commitments in the FTA, and enhance the competitiveness of small and medium-sized enterprises, towards the ultimate goal of facilitating a win-win trade and investment collaboration.

The legal review for the EVFTA started after negotiations concluded in December 2015. However, the EU changed its regulations on the process of approving FTAs, requiring the separation of contents related to investment protection and investor-state dispute settlement (ISDS) into a standalone deal called IPA.

During his visit to Brussels, Anh also met with Bernd Lange, Chairman of the European Parliament (EP)'s Committee on International Trade, who showed support for ensuring the signing of the FTA by the end of 2018, so that the EP can approve it in early 2019. ■

# MAJOR ECONOMIC INDICATORS

## CAMBODIA

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Consumer price index (yoy growth %)	2.3	2.2	2.0	2.3	2.3	2.4
Exports (yoy growth %)	24.3	29.3	74.1	68.2	11.7	3.4
Exports (fob, in Cambodian riel billion)	3,294.0	4,319.5	4,837.1	4,699.9	4,127.6	2,974.0
<i>Of which:</i>						
Garments (in Cambodian riel billion)	1,950.8	2,822.9	2,251.7	2,447.1	2,724.4	1,860.3
Footwear (in Cambodian riel billion)	279.4	397.4	329.8	260.0	319.5	272.9
Textiles (in Cambodian riel billion)	5.2	4.4	6.2	9.9	18.7	12.1
Imports (yoy growth %)	26.9	-0.1	13.3	54.4	7.5	28.5
Imports (fob, in Cambodian riel billion)	4,625.8	4,128.0	4,574.9	5,418.5	4,609.4	5,106.8

*Note: April 2018 figures are the most up-to-date as of the date of publishing.  
Source: National Bank of Cambodia*

## INDONESIA

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Quarterly GDP (real yoy growth %)		5.1 (1Q18)			-	
Production index of large and medium manufacturing (yoy growth %)	8.0	4.3	9.3	11.8	11.6	-
Manufacturing PMI (Nikkei)	49.9	51.4	50.7	51.6	51.7	50.3
Real retail sales index (yoy growth %)	-1.8	1.5	2.5	4.1	8.3	6.8
Consumer price index (yoy growth %)	3.3	3.2	3.4	3.4	3.2	3.1
Exports (yoy growth %)	8.6	12.0	5.9	9.6	13.1	11.5
Exports (FOB, US\$ mn)	14,553.4	14,132.6	15,586.9	14,537.2	16,209.3	12,999.2
<i>Of which:</i>						
Textile and textile products (US\$ mn)	1,148.9	1,039.8	1,162.3	1,042.0	1,229.5	-
Footwear (US\$ mn)	462.8	378.9	435.4	448.6	476.4	-
Furniture (US\$ mn)	153.1	144.5	156.1	142.4	148.7	-
Sports requisites (US\$ mn)	41.3	35.8	46.1	42.8	47.7	-
Imports (yoy growth %)	27.9	24.9	8.9	35.2	28.2	12.7
Imports (US\$ mn)	15,309.4	14,185.5	14,463.6	16,162.3	17,662.9	11,256.6

*Source: Statistics Indonesia, Bank Indonesia, Nikkei PMI reports*

## PHILIPPINES

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Quarterly GDP (real yoy growth %)		6.8 (1Q18)			-	
Value of production index, manufacturing (yoy growth %)	16.3	21.4	16.2	29.8	21.3	-
Volume of production index, manufacturing (yoy growth %)	17.0	22.0	17.1	29.0	19.8	-
Manufacturing PMI (Nikkei)	51.7	50.8	51.5	52.7	53.7	52.9
Producer price index (yoy growth %)	-0.6	-0.6	-0.8	0.5	1.1	-
Consumer price index (yoy growth %)*	3.4	3.8	4.3	4.5	4.6	5.2
Exports (yoy growth %)	-4.0	-5.5	-6.8	-4.9	-3.8	-
Exports (FOB, US\$ mn)	5,372.9	4,870.7	5,596.9	5,312.2	5,761.7	-
<i>Of which:</i>						
Woodcrafts and furniture (US\$ mn)	63.8	53.4	55.0	51.8	52.7	-
Garments (US\$ mn)	56.0	55.6	79.5	60.5	58.6	-
Travel goods and handbags (US\$ mn)	44.9	36.7	44.9	40.6	46.1	-
Imports (yoy growth %)	7.7	13.7	0.3	23.1	11.4	-
Imports (FOB, US\$ mn)	8,535.6	7,761.2	8,129.1	8,791.9	9,462.5	-
Balance of trade (US\$ mn)	-3,162.8	-2,890.5	-2,532.1	-3,479.7	-3,700.8	-

\* Starting March 2018, the consumer price index has been rebased using 2012 as the base year.

Source: Philippine Statistics Authority, Nikkei PMI reports

## THAILAND

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Quarterly GDP (real yoy growth %)		4.8 (1Q18)			-	
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	4.7	4.6	3.2	3.1	3.2	-
Manufacturing PMI (Nikkei)	50.6	50.9	49.1	49.5	51.1	50.2
Producer price index (yoy growth %)	-1.1	-1.9	-1.4	-0.8	0.7	1.8
Consumer price index (yoy growth %)	0.7	0.4	0.8	1.1	1.5	1.4
Exports (yoy growth %)	17.6	10.5	7.0	12.4	11.4	8.2
Exports (US\$ mn)	20,101.4	20,365.2	22,362.8	18,945.6	22,256.8	21,779.8
<i>Of which:</i>						
Textiles and apparel (US\$ mn)	574.5	577.6	653.4	546.3	638.7	627.2
Furniture (US\$ mn)	102.1	99.1	109.6	91.1	104.8	96.9
Footwear (US\$ mn)	47.8	49.9	48.9	45.0	63.6	58.4
Imports (yoy growth %)	24.5	16.7	10.5	21.3	11.7	10.8
Imports (US\$ mn)	20,220.6	19,557.6	21,094.7	20,229.0	21,053.0	20,201.4
Trade balance (US\$ mn)	-119.2	807.7	1,268.2	-1,283.3	1,203.8	1,578.4

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

## VIETNAM

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Quarterly GDP (real yoy growth %)		7.5 (1Q18)			6.8 (2Q18)	
Industrial production index (yoy growth %)	20.9	8.0	8.7	9.4	7.1	12.3
Manufacturing PMI (Nikkei)	53.4	53.5	51.6	52.7	53.9	55.7
Retail sales of consumer goods and services (year-to-date, yoy growth %)	9.5	10.1	9.9	9.8	10.1	10.7
Price index of materials used for production (yoy growth %)		4.1 (1Q18)			4.8 (2Q18)	
Producer price index for industrial products (yoy growth %)		2.6 (1Q18)			1.9 (2Q18)	
Consumer price index (yoy growth %)	2.7	3.2	2.7	2.8	3.9	4.7
Exports (year-to-date, yoy growth %)	41.6	26.1	24.8	19.2	17.3	-
Exports (US\$ mn)	20,220.3	14,327.3	21,133.2	18,367.3	19,950.7	-
<i>Of which:</i>						
Textiles & garments (US\$ mn)	2,490.9	1,630.1	2,318.9	2,116.2	2,354.2	-
Footwear (US\$ mn)	1,416.9	837.3	1,193.2	1,258.5	1,536.3	-
Wood & wooden products (US\$ mn)	774.0	437.2	725.1	693.3	728.1	-
Toys and sports requisites (US\$ mn)	115.6	76.2	114.4	102.1	111.3	-
Imports (year-to-date, yoy growth %)	53.1	20.5	13.3	9.5	10.5	-
Imports (US\$ mn)	20,039.5	14,033.5	18,875.3	17,204.3	20,905.2	-

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

# DAILY EXCHANGE RATES

## FEBRUARY - JULY 2018

### CAMBODIAN RIEL

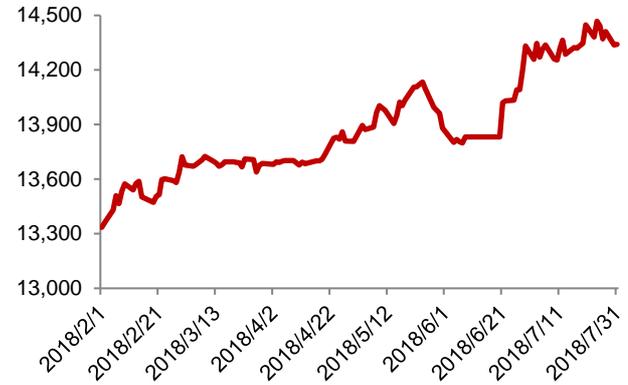
USD:KHR official exchange rate



Source: National Bank of Cambodia

### INDONESIAN RUPIAH

USD:IDR buy rate



Source: Bank Indonesia

### PHILIPPINE PESO

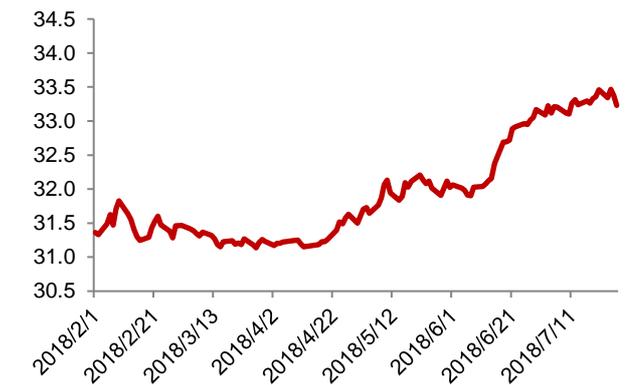
USD:PHP BSP reference rate



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 market data on global sourcing, supply chains, distribution, retail and technology.

Headquartered in Hong Kong, it leverages unique relationships and information networks to track and report on these issues with a particular focus on business trends and developments in China and other Asian countries. Fung Business Intelligence makes its data, impartial analysis and specialist knowledge available to businesses, scholars and governments around the world 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 consultancy 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.

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## CONTACT

Helen Chin  
Vice President  
[helenchin@fung1937.com](mailto:helenchin@fung1937.com)  
(852) 2300 2471

Denise Cheung  
Senior Research Manager  
[denisecheungwy@fung1937.com](mailto:denisecheungwy@fung1937.com)  
(852)2300 2463

Winnie He  
Research Manager  
[winniehe@fung1937.com](mailto:winniehe@fung1937.com)

Global Sourcing  
Fung Business Intelligence  
10/F LiFung Tower  
888 Cheung Sha Wan Road  
Kowloon, Hong Kong

T: (852) 2300 2470  
F: (852) 2635 1598  
E: [fbicgroup@fung1937.com](mailto:fbicgroup@fung1937.com)  
W: <http://www.fbicgroup.com>



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