

# ASIA SOURCING UPDATE

SOUTHEAST ASIA | SOUTH AND WEST ASIA

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### Global Sourcing

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# IN THE NEWS

## CAMBODIA

### NEW MINIMUM WAGE SET AT US\$182 PER MONTH STARTING JANUARY 2019

Cambodia's Ministry of Labour and Vocational Training announced on 5 October that the new minimum wage for the garment and footwear sector would rise to US\$182 per month, a 7.1% increase from the current US\$170, starting from 1 January 2019. The wage hike is lower than last year's 11.1% increase.

A day before the announcement, the tripartite commission, comprising representatives from worker unions, employers and the government, submitted two final figures – US\$182 from worker unions and US\$177 from employers and the government – to Labour Minister Ith Sam Heng and the Labour Advisory Committee for final decision. Eventually, the lower figure US\$177 was accepted by the Committee, but Prime Minister Hun Sen decided to add an extra US\$5 to bring the total up to US\$182 and there would be no changes to existing benefits and allowances.

Labour ministry spokesman Heng Sour said this year's negotiation went more smoothly than last year, as the wage negotiation mechanism had been in place for five years and both worker unions and employers were more mature.

Employers have asked the government to lower electricity costs to help them tackle higher wages, while worker unions complained that there was little satisfaction with the new wage among workers as workload had increased along with the wage hikes over the past three or four years.

As a side note, the Ministry of Labour and Vocational Training issued a directive on 21 September to oblige all enterprises under its oversight to pay salaries to workers twice a month – half in the second week of the month and the

remaining half together with other incentives and benefits in the fourth week of each month – starting from January next year.

### CAMBODIA

### LABOUR DISPUTES DROP SHARPLY IN 2017

The number of collective labour disputes registered with the Arbitration Council fell to 50 in 2017 from 248 in 2016, according to the Annual Report released by the Council in August. The report notes that the labour situation in Cambodia has improved significantly in the last two years, due to the implementation of the Trade Union Law.

The Trade Union Law was enacted in May 2016, with an aim to facilitate the settlement of disputes between employers and employees and improve industrial relations. After the introduction of the law, the Arbitration Council, which was established as an independent body to resolve collective labour disputes that could not be resolved by conciliation, received only five cases per month on average, down sharply from an average of 20 cases each month.

Unions and labour rights' activists, however, claimed that the decline in collective labour disputes going for arbitration did not indicate an improvement in employer-employee relations. Khun Tharo, programme coordinator of the Centre for Alliance of Labour and Human Rights, said complicated requirements in the Trade Union Law make it difficult for workers to register a trade union. In addition, the law gives government officials the jurisdiction to decide whether to send the labour dispute cases to the Arbitration Council in the first place. In most cases, disputes were turned down by officials as those workers did not

have representation or did not have the legal documents to represent labour cases, Tharo added.

#### CAMBODIA

### STEVE MADDEN EXPANDS PRODUCTION IN CAMBODIA AMID CHINA-US TRADE WAR

US footwear and accessories brand Steve Madden has been shifting its handbags production to Cambodia from China, Chief Executive Officer Edward Rosenfeld said on a conference call on 31 July. The company will see 15% of its handbags sourcing from Cambodia this year, and expects the percentage to double in 2019.

'That gives us frankly about a three-year head start on most of our peers, because many folks are just now trying to make that move,' Rosenfeld said. 'Our head of handbag sourcing is actually over there right now, working on a plan to ramp that up.'

Steve Madden is one of the fashion companies that have recently unveiled plans to shift production away from China in response to the escalating trade war between China and the US. On 24 September, the US started to impose 10% additional tariffs on US\$200 billion worth of Chinese imports, including handbags and suitcases. The tariff rate will rise to 25% on 1 January next year. In contrast to additional tariffs on Chinese products, a wide range of Cambodia's handbags and suitcases have enjoyed duty-free access to the US market under the US Generalized System of Preferences (GSP) since 1 July 2017.

In January-July this year, the US imported US\$215.7 million worth of travel goods, including handbags and suitcases, from Cambodia, a sharp increase of 151.0% compared to the same period last year. And travel goods surpassed footwear to become Cambodia's second largest export category to the US after apparel.

Japanese apparel firm Onward Holdings, with 60% of its contract manufacturers in China and less than 10% in Cambodia at present, has set up an office in Cambodia to boost production, reported

*Nikkei Asian Review* on 11 September. Vera Bradley, an American luggage and handbag design company, said in last December that they were looking at shifting production away from China to Cambodia and Vietnam, according to *Bloomberg*. ■

## INDONESIA



### INDONESIAN RUPIAH WEAKENS TO LOWEST LEVEL SINCE ASIAN FINANCIAL CRISIS

The Indonesian rupiah weakened further in early October, closing at 15,183 on 5 October against the US dollar, a year-to-date depreciation of 10.7%, according to spot exchange rates provided by *Bloomberg*.

It was the first time the rupiah's exchange rate slipped beyond the psychological boundary of 15,000 rupiah per US dollar since the Asian Financial Crisis in 1998.

The main reasons for the recent depreciation were economic uncertainties arising from the escalating China-US trade war, rising crude oil prices that may widen Indonesia's current account deficit, and strengthening of the US dollar following the US Federal Reserve's interest rate hikes.

Bank Indonesia (BI), the country's central bank, has already increased its benchmark interest rate five times since May to defend the rupiah. The latest hike was made on 27 September, when BI increased its policy rate, the seven-day reverse repo rate, by 25 basis points to 5.75%.

BI governor Perry Warjiyo commented on 3 October that the central bank must raise interest rates ahead of the Federal Reserve to avoid drastic capital outflows. The comments opened the door for another rate hike before mid-December, when the Federal Reserve is expected to increase US interest rates for the fourth time this year.

Warjiyo emphasized that the fundamentals of the Indonesian economy are sound, dismissing comparisons of the current situation to 1998. He added that the depreciation of the rupiah was manageable compared to some other emerging market currencies such as those of India, Turkey, South Africa and Argentina. Finance Minister Sri Mulyani Indrawati told reporters on 2 October that Indonesia's banking industry remained stable, citing domestic banks' capital adequacy ratio, non-performing loans and lending rates.

## INDONESIA

### SEPTEMBER INFLATION RATE EASES TO MILDEST IN TWO YEARS

Based on the consumer price index (CPI), Indonesia's inflation rate eased from 3.20% yoy in August to 2.88% yoy in September, the lowest since August 2016, according to data from the Central Statistics Agency (BPS).

The annual core inflation rate, which excludes government-controlled prices and volatile food prices, also eased slightly to 2.82% yoy in September from 2.90% yoy a month before.

The mild inflation rate supports the Bank Indonesia's argument that the rupiah's 10% year-to-date depreciation has not pressured consumer prices.

Indonesia's inflation rate in 2018 is expected to fall within the central bank's inflation target for the year, which is between 2.5 and 4.5%.

## INDONESIA

### SOUTH KOREAN FIRMS COMMIT TO INVEST US\$446 MILLION IN INDONESIA

Six South Korean companies made commitments to invest a total of US\$446 million in Indonesia at the 2018 Indonesia-Korea Business and Investment Forum, Minister of Industry Airlangga Hartarto said on 11 September.

Busan-based Parkland will invest US\$75 million in a new footwear plant in Pati, Central Java.

Gangnam-based apparel company Sae-A Trading will invest US\$36 million in a textile and garment plant in Tegal, also in Central Java.

South Korean chemical and textile firm Taekwang Industrial will expand its operation in Indonesia with new footwear manufacturing facilities worth US\$100 million in Subang and Bandung, both in West Java.

South Korea's LS Cable & System has formed a partnership with Artha Metal Sinergi, part of Indonesian tycoon Tommy Winata's Artha Graha Group, to develop a US\$50 million power cable manufacturing facility in Karawang, West Java.

World Power Tech, in cooperation with its local partner, NW Industries, is set to invest US\$85 million in the development of turbine and boiler manufacturing industries in Bekasi, West Java.

Lastly, Seoul-based venture capital firm InterVest and Jakarta-based early-stage investment firm Kejora Ventures have established a US\$100 million fund to provide growth-stage startups with capital.

Airlangga believes that the cooperation will boost the national manufacturing industry, add value to domestic raw materials and create jobs for local workers. The minister also expects technology transfers from the South Korean partners to help Indonesia modernize its manufacturing industry. ■

## PHILIPPINES



### SEPTEMBER PMI SIGNALS RESILIENT EXPANSION IN MANUFACTURING ACTIVITY IN COMING MONTHS

The Nikkei Philippines manufacturing purchasing managers' index (PMI) edged up from 51.9 in August to 52.0 in September, suggesting modest improvement in the health of the manufacturing

sector. September's figure took the average PMI reading of the third quarter to 51.6, lower than the average reading of 53.1 in the second quarter.

Survey data show that new orders grew at a solid pace in September, while new export orders fell slightly, putting an end to a six-month period of growth. Manufacturing firms continued to expand their production in September, albeit at a modest rate. On the price front, input price inflation remained well above the historical average in the month, attributed mainly to a weak peso, higher global commodity prices, supply shortage, and the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) laws. Thus, firms raised selling prices at the second-fastest rate in the survey history to preserve profit margins.

Bernard Aw, principal economist at IHS Markit that compiles the PMI survey, said manufacturing growth in the coming months was likely to be resilient, while strong cost inflation remained a key concern. Meanwhile, Philippine manufacturing firms remained generally optimistic about the business outlook in the year ahead, he added.

#### PHILIPPINES

### PESO PLUNGES TO NEAR 13-YEAR LOW

The Philippine peso closed at 54.35 against the US dollar on 25 September, the weakest level in nearly 13 years, ahead of a crucial monetary policy meeting of the Bangko Sentral ng Pilipinas (BSP), the Philippine central bank. It represented a year-to-date depreciation of 8.3% against the US dollar on 25 September, according to exchange rates provided by *Bloomberg*.

The weakness of the peso was attributed mainly to the country's widening current account deficit, which was caused by massive imports of machinery and raw materials boosted by the government's US\$180 billion infrastructure programme, and rising global uncertainty resulting from the escalating trade war between China and the US.

In a bid to curb inflation and support the local currency, the BSP decided on 27 September to raise benchmark interest rates by 50 basis points, the fourth time this year that the BSP hiked interest rates.

The central bank also raised its inflation forecasts from 4.9% to 5.2% for 2018, and from 3.7% to 4.3% for 2019. A weak peso and the disruptive Typhoon Mangkhut pushed the country's inflation rate to 6.7% yoy in September, the highest in nearly a decade.

On 3 October, the peso closed at 54.27 against the US dollar.

#### PHILIPPINES

### STRATEGIC MEASURES IN THE WORKS TO REVIVE TEXTILE AND GARMENT SECTOR

The Philippine government is exploring ways to revive the local textile and garment sector, in the hope of boosting employment and realizing the government's inclusive growth agenda, said secretary of the Department of Trade and Industry (DTI) Ramon Lopez on the sidelines of the first Philippine Garment Industry and Fabric Expo held in August.

At present, the government offers incentives to textile and garment companies, which are investing in new equipment and production technologies, either through the Philippine Economic Zone Authority (PEZA) (for export-oriented companies) or through the Board of Investment (BOI) (for firms catering to the domestic market).

The DTI is drafting a five-year road map for the textile and garment sector, which will chart the future of the sector's growth based on assessment of the current situation and economic performance, and identification of development roadblocks.

Meanwhile, the government is inviting textile manufacturers, particularly those specializing in cotton and denim fabrics, from China and India to set up production facilities in the country. Besides, the Philippines is exploring the possibility of a

preferential trade arrangement with Turkey, which can provide the country with textile materials of good quality to supplement current fabric sources from China, South Korea, Indonesia and Vietnam.



## THAILAND



### GDP GROWTH DECELERATES TO 4.6% YOY IN SECOND QUARTER

The Thai economy expanded by 4.6% yoy in the April-June quarter, slower than the revised 4.9% yoy growth recorded in the first quarter — the fastest quarterly growth in five years, according to the press release by the Office of the National Economic and Social Development Board (NESDB) on 20 August. The NESDB attributed the second-quarter growth to an acceleration of private consumption, along with strong external demand and continuous expansion of both private and public investment.

On the production side, agricultural production increased by 10.4% yoy in the second quarter, significantly higher than the 6.5% yoy growth in the first quarter, while growth in the non-agricultural sector decelerated to 4.1% yoy in the second quarter from 4.8% yoy in the first quarter, due to a slowdown in the manufacturing and tourism-related service sectors. By expenditure approach, private consumption, and private and public investment all registered faster year-on-year growth in the second quarter than the first quarter, while government expenditure slowed down. For the external sector, exports of goods and services rose by 6.4% yoy compared to 6.0% yoy in the first quarter, while imports of goods and services rose 7.5% yoy, down from 8.7% yoy in the first quarter.

In the first half of 2018, Thailand's GDP grew by 4.8% yoy, the highest pace since 2013. It is expected that the Thai economy will grow slower in the second half of the year, due to the base effect,

widespread floods, and a reduced number of tourists, according to Thosaporn Sirisamphand, secretary-general of the NESDB. The NESDB maintained its projection for the country's economic growth at 4.2-4.7% in 2018.

According to the latest *East Asia and Pacific Economic Update* released on 4 October, the World Bank revised upward its projection for Thailand's economic growth to 4.5% in 2018 from 4.1%, bolstered by domestic demand recovery and strong public spending on infrastructure projects.

### THAILAND

### EXPORTS RISE FOR 18<sup>TH</sup> STRAIGHT MONTH IN AUGUST

Thailand's exports grew by 6.7% yoy to US\$22.79 billion in August, the 18<sup>th</sup> consecutive month that registered a year-on-year increase. The growth rate, however, was the lowest in the last 18 months, easing from the year-on-year growth of 11.4%, 8.2% and 8.3% posted in May, June and July, respectively.

The slower export growth in August was attributed mainly to a high base and the escalating China-US trade war. 'Thailand's exports in August saw some negative impacts from the so-called trade war between the US and other countries, in particular China, but such effects were confined mainly to the products that were subject to increased duties by the US – for example, solar cells and some steel products and export of intermediary electronic parts to China only,' said Pimchanok Vonkorpon, director-general of the Trade Policy and Strategy Office under the Commerce Ministry, quoted by *The Bangkok Post* on 22 September.

By category, exports of agricultural and agro-industrial products expanded by 4.1% yoy in August. Meanwhile, exports of industrial products registered a moderate growth rate of 5.8% yoy, led by automobile and parts (+19.0% yoy) and oil-related products (+21.8% yoy).

By destination, Thailand's exports to its major destinations all posted healthy growth in August,

led by Malaysia (+33.7% yoy), India (+23.6% yoy) and Australia (+23.1% yoy). Exports to its top three markets, namely China, the US and Japan, increased by 15.5% yoy, 7.8% yoy and 13.7% yoy, respectively, in August.

The Thai National Shippers' Council (TNSC) projected in early October that the country's export growth will slow down to 5% in 2019 from 9% this year, citing the base effect and higher oil prices as major reasons for the growth moderation.

#### THAILAND

### CHINA-US TRADE WAR OFFERS OPPORTUNITIES FOR THAI PRODUCTS IN THE US MARKET

A recent study conducted by the Commerce Ministry found that the latest round of US tariffs on US\$200 billion worth of Chinese products is expected to promote certain Thai exports to the US market, reported *The Bangkok Post* on 20 September.

Starting from 24 September, the US has levied additional 10% tariffs on 5,745 tariff lines of Chinese products. And the tariff rate will rise to 25% starting from 1 January next year. The latest round of tariffs covers a wide range of goods, from machinery, minerals and metals, chemicals, transport equipment, agricultural products, to consumer goods such as handbags and furniture.

According to Pimchanok Vonkorpon, director-general of the Trade Policy and Strategy Office under the Commerce Ministry, high-potential products to substitute Chinese goods in the US market include coloured rice, coconuts, guavas, mangos, mangosteens, natural honey, rubber block, citric acid and internal combustion engines. Other potential products include seasonings and beverages, non-alcoholic drinks, chemicals and plastic pellets, and automotive and parts.

Ms Pimchanok said the trade disputes between China and the US are unlikely to end soon and are apt to become more intense and complex.

Thailand should focus on expanding trade partnerships and national security, she added. ■

## VIETNAM



### GDP GROWS BY 6.98% YOY IN FIRST NINE MONTHS

Vietnam's GDP expanded by 6.98% yoy in January - September 2018, the fastest nine-month growth since 2011, according to data released by the General Statistics Office (GSO) on 28 September. The robust economic growth was driven by the industry and construction sector, which grew by 8.89% yoy, and the service sector, which expanded by 6.89% yoy.

During the nine-month period, the country's macroeconomic situation remained stable, with inflation under control and unemployment showing a decreasing trend, according to the GSO director Nguyen Bich Lam.

The government projected the country's annual GDP growth in 2018 to be 6.83%, according to the forecast made by the National Centre for Socio-economic Information and Forecast (NCIF) of the Ministry of Planning and Industry. This is in line with the Asian Development Bank's and the World Bank's latest GDP forecast for Vietnam, which stood at 6.9% and 6.8%, respectively.

In the medium term, Moody's Investor Services projected Vietnam's annual GDP growth to stay at around 6.4% during the 2018-2022 period, supported by the increasingly efficient use of labour and capital in the economy. According to Moody's, Vietnam's economic strength combines high growth and high competitiveness as shown in the country's ongoing shift towards high value-added industrial activities.

## VIETNAM

### EXPORTS RISE 13.9% YOY IN THIRD QUARTER

Vietnam's exports rose by 13.9% yoy to US\$64.73 billion in the third quarter of 2018, according to data published by the General Statistics Office (GSO).

In July - September, the top product categories in terms of export value were 'phones and spare parts', which grew by 12.2% yoy to US\$13.51 billion, followed by 'textiles and garments' (US\$8.92 billion, up 19.2% yoy) and 'computers, electronics and spare parts' (US\$8.20 billion, up 18.5% yoy).

Exports in the first nine months of 2018 totalled US\$178.91 billion, a 15.4% increase compared to the same period last year.

## VIETNAM

### VELCRO OPENS NEW PRODUCTION FACILITY IN VIETNAM

Global zipper manufacturer Velcro has inaugurated its zipper manufacturing facility in the southern province of Binh Duong, looking to serve the Vietnamese market and boost exports to the markets where Velcro's major business partners are located.

Velcro sees 'enormous export potential' in the Vietnamese textile and apparel industry, a source from the company told online newspaper *The Voice of Vietnam (VOV)*. At the same time, Velcro sees gaps in the local textile and apparel supply chain, particularly in accessory production, providing opportunities for the company.

Velcro's director of apparel sales Bryan Whitfield told *VOV* that the company had a wide range of potential locations for the zipper factory, but they ultimately chose Vietnam. The decision was based on diverse factors, such as Vietnam's lucrative investment environment, its dynamic economy, its workforce, and its network of free trade agreements (FTAs) including the EU-Vietnam FTA, the Vietnam-South Korea FTA and the

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). 'Compared to other countries, Vietnam is full of potential for brand expansion and product development,' said Whitfield.

According to the company's press release, the new facility will serve initially as a converting and assembly point for products sourced from Velcro's other global sites. It will enable the group to fabricate products tailored to the unique needs of customers in Vietnam and Southeast Asia, providing a faster and more flexible response to local service and product needs. ■

# MAJOR ECONOMIC INDICATORS

## CAMBODIA

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Consumer price index (yoy growth %)	2.0	2.3	2.3	2.4	2.9	2.9
Exports (yoy growth %)	74.1	68.2	11.7	3.4	29.1	8.1
Exports (fob, in Cambodian riel billion)	4,837.1	4,699.9	4,127.6	2,974.0	4,025.1	5,079.7
<i>Of which:</i>						
Garments (in Cambodian riel billion)	2,251.7	2,447.1	2,724.4	1,860.3	2,633.2	3,501.0
Footwear (in Cambodian riel billion)	329.8	260.0	319.5	272.9	357.5	453.2
Textiles (in Cambodian riel billion)	6.2	9.9	18.7	12.1	17.4	10.4
Imports (yoy growth %)	13.3	54.4	7.5	28.5	35.8	30.9
Imports (fob, in Cambodian riel billion)	4,574.9	5,418.5	4,609.4	5,106.8	5,979.3	5,739.1

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

## INDONESIA

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Quarterly GDP (real yoy growth %)		5.3 (2Q18)			-	
Production index of large and medium manufacturing (yoy growth %)	7.0	6.0	-1.1	9.0	-	-
Manufacturing PMI (Nikkei)	51.6	51.7	50.3	50.5	51.9	50.7
Real retail sales index (yoy growth %)	4.1	8.3	2.3	2.9	2.8	-
Consumer price index (yoy growth %)	3.4	3.2	3.1	3.2	3.2	2.9
Exports (yoy growth %)	9.6	13.1	11.3	19.7	4.2	-
Exports (FOB, US\$ mn)	14,537.2	16,209.3	12,974.4	16,290.2	15,818.1	-
<i>Of which:</i>						
Textile and textile products (US\$ mn)	1,042.0	1,229.5	861.2	1,262.3	-	-
Footwear (US\$ mn)	448.6	476.4	298.0	439.7	-	-
Furniture (US\$ mn)	142.4	148.7	85.2	133.9	-	-
Sports requisites (US\$ mn)	42.8	47.7	29.4	48.3	-	-
Imports (yoy growth %)	35.2	28.2	12.8	31.7	24.7	-
Imports (US\$ mn)	16,162.3	17,662.9	11,267.9	18,297.1	16,839.5	-

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

## PHILIPPINES

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Quarterly GDP (real yoy growth %)	6.0 (2Q18)				-	
Value of production index, manufacturing (yoy growth %)	22.6	15.3	12.0	12.1	8.8	-
Volume of production index, manufacturing (yoy growth %)	21.7	13.5	11.8	11.9	8.8	-
Manufacturing PMI (Nikkei)	52.7	53.7	52.9	50.9	51.9	52.0
Producer price index (yoy growth %)	0.7	1.5	0.2	0.1	0.1	-
Consumer price index (yoy growth %)*	4.5	4.6	5.2	5.7	6.4	6.7
Exports (yoy growth %)	-4.9	-1.8	2.8	0.3	3.1	-
Exports (FOB, US\$ mn)	5,312.2	5,878.7	5,861.9	5,851.3	6,163.5	-
<i>Of which:</i>						
Woodcrafts and furniture (US\$ mn)	51.8	52.7	52.6	55.3	54.9	-
Garments (US\$ mn)	60.5	58.6	79.1	95.4	97.4	-
Travel goods and handbags (US\$ mn)	40.6	46.1	48.6	64.7	54.6	-
Imports (yoy growth %)	23.1	12.6	24.2	31.6	11.0	-
Imports (FOB, US\$ mn)	8,791.9	9,568.8	9,050.2	9,397.4	9,677.0	-
Balance of trade (US\$ mn)	-3,479.7	-3,690.1	-3,188.4	-3,546.1	-3,513.5	-

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

Source: Philippine Statistics Authority, Nikkei PMI reports

## THAILAND

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Quarterly GDP (real yoy growth %)	4.6 (2Q18)				-	
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	3.1	2.9	5.0	4.9	0.7	-
Manufacturing PMI (Nikkei)	49.5	51.1	50.2	50.1	49.9	50.0
Producer price index (yoy growth %)	-0.8	0.7	1.8	2.2	1.8	1.3
Consumer price index (yoy growth %)	1.1	1.5	1.4	1.5	1.6	1.3
Exports (yoy growth %)	12.4	11.4	8.2	8.3	6.7	-
Exports (US\$ mn)	18,945.6	22,256.8	21,779.9	20,423.9	22,794.5	-
<i>Of which:</i>						
Textiles and apparel (US\$ mn)	546.3	638.7	627.2	617.9	655.9	-
Furniture (US\$ mn)	91.1	104.8	96.9	93.8	110.3	-
Footwear (US\$ mn)	45.0	63.6	58.4	54.3	53.9	-
Imports (yoy growth %)	21.3	11.7	10.8	10.5	22.8	-
Imports (US\$ mn)	20,229.0	21,053.0	20,201.4	20,940.1	23,382.6	-
Trade balance (US\$ mn)	-1,283.3	1,203.8	1,578.5	-516.2	-588.1	-

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

## VIETNAM

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Quarterly GDP (real yoy growth %)		6.7 (2Q18)			6.9 (3Q18)	
Industrial production index (yoy growth %)	9.4	7.1	12.3	14.3	13.4	9.1
Manufacturing PMI (Nikkei)	52.7	53.9	55.7	54.9	53.7	51.1
Retail sales of consumer goods and services (year-to-date, yoy growth %)	9.8	10.1	10.7	11.3	11.2	11.3
Price index of materials used for production (yoy growth %)		4.8 (2Q18)			4.9 (3Q18)	
Producer price index for industrial products (yoy growth %)		1.9 (2Q18)			4.4 (3Q18)	
Consumer price index (yoy growth %)	2.8	3.9	4.7	4.5	4.0	4.0
Exports (year-to-date, yoy growth %)	19.2	17.3	16.3	16.0	16.7	-
Exports (US\$ mn)	18,367.3	19,950.7	19,845.1	20,320.0	23,481.1	-
<i>Of which:</i>						
Textiles & garments (US\$ mn)	2,116.2	2,354.2	2,745.4	2,871.1	3,161.5	-
Footwear (US\$ mn)	1,258.5	1,536.3	1,455.49	1,435.5	1,400.6	-
Wood & wooden products (US\$ mn)	693.3	728.1	750.0	730.3	797.4	-
Toys and sports requisites (US\$ mn)	102.1	111.3	120.0	132.0	144.9	-
Imports (year-to-date, yoy growth %)	9.5	10.5	9.6	11.1	12.4	-
Imports (US\$ mn)	17,204.3	20,905.2	19,045.9	20,954.5	21,283.8	-

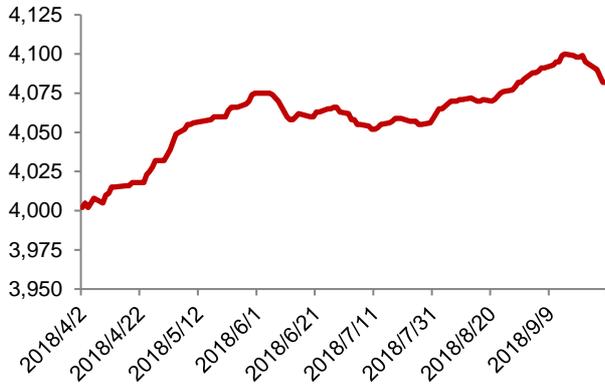
Source: General Statistics Office of Vietnam, General Department of Vietnam Customs, Nikkei PMI reports

# DAILY EXCHANGE RATES

## APRIL - SEPTEMBER 2018

### CAMBODIAN RIEL

USD:KHR official exchange rate



Source: National Bank of Cambodia

### INDONESIAN RUPIAH

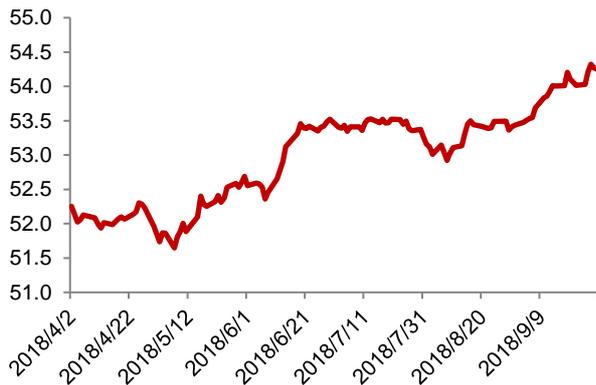
USD:IDR buy rate



Source: Bank Indonesia

### PHILIPPINE PESO

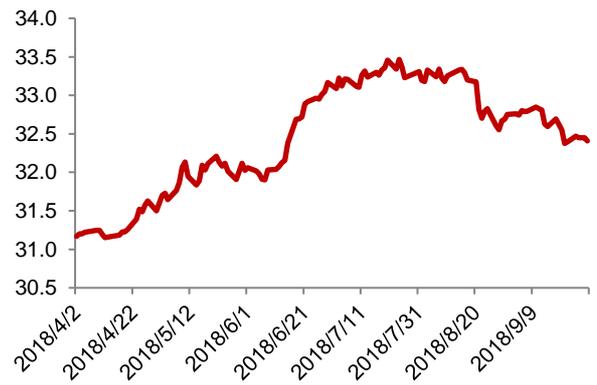
USD:PHP BSP reference rate



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.

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