ASIA SOURCING UPDATE

SOUTHEAST ASIA | **SOUTH AND WEST ASIA**

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IN THE NEWS

BANGLADESH

GDP GROWTH HITS RECORD HIGH IN 2018-19 FISCAL YEAR

Bangladesh's GDP grew by a record 8.15% in the 2018-19 fiscal year (July 2018 – June 2019), announced Bangladeshi Planning Minister MA Mannan at a press briefing after the Executive Committee of the National Economic Council (ECNEC) meeting on 10 December.

The growth rate is higher than the government's earlier estimate of 8.13% and the growth rate in the 2017-18 fiscal year, which was 7.86%.

In the 2018-19 fiscal year, Bangladesh's industry sector was the main driver of economic growth, expanding by 12.67%, according to the data published by the Bangladesh Bureau of Statistics (BBS). Further breakdown of the statistics of the industry sector shows that manufacturing grew remarkably at 14.20%. Construction and 'electricity, gas and water supply' also posted strong growth of 10.25% and 9.58% respectively, while 'mining and quarrying' grew by a relatively modest rate of 5.88%. The agricultural sector and the service sector grew by 3.92% and 6.78%, respectively, in the 2018-19 fiscal year.

By consumption categories, Bangladesh's final consumption expenditure grew by 4.33% during the 2018-19 fiscal year, while gross capital formation increased by 8.44%. Exports and imports grew by 8.45% and 8.42%, respectively, during the last fiscal year.

BANGLADESH

IMPROVEMENT IN LABOUR RIGHTS AND BUSINESS ENVIRONMENT REQUIRED TO GAIN EU GSP PLUS STATUS

Bangladesh would have to address many outstanding issues in order to gain eligibility for the Generalised System of Preferences (GSP) Plus scheme in the EU market, said the EU delegation at the 6th plenary of the EU-Bangladesh Business Climate Dialogue held on 8 December.

As a Least Developed Country (LDC), Bangladesh currently enjoys duty-free access to the EU market under the Everything But Arms (EBA) initiative. Expecting to graduate from the LDC status by 2024, Bangladesh has urged the EU to grant GSP Plus benefits to the country upon its graduation.

'GSP Plus will not come automatically. It will come at a cost and the government of Bangladesh will have to comply with some conditions in 12-18 months,' German ambassador Peter Fahrenholtz told local newspaper *New Age* after the dialogue.

Fahrenholtz urged the Bangladeshi government to improve trade relations, taxation issues of foreign companies and overall regulations and registration process for foreign direct investments.

Rensje Teerink, head of EU Delegation to Bangladesh, said at a press briefing after the dialogue that Bangladesh 'has to make sure many of the outstanding labour issues are addressed.' According to Teerink, the EU is working with the Bangladeshi labour and commerce ministries on some labour issues including freedom of association for workers in export processing zones.

Teerink suggested that whilst there was no shortage of law or policies in Bangladesh to regulate trade and investment, the main difficulty was the lack of their effective enforcement.

Apart from labour issues, the EU delegation also stressed the need for full and proper implementation of bilateral double taxation avoidance agreements, removing investment cap in the services sector, and upgrading the delivery of services at Chattogram port and Dhaka airport.

They suggested establishing a predictable and transparent taxation and VAT regime as well as improving Bangladesh's judicial system to ensure immediate and effective enforcement of contracts, on which Bangladesh ranks next to last globally, as reported by the World Bank's *Doing Business 2020*.

The next plenary of the EU-Bangladesh Business Climate Dialogue is scheduled for July 2020.

BANGLADESH

GOVERNMENT DRAFTS RULES FOR REGISTRATION OF TEXTILE AND GARMENT FACTORIES

The Bangladeshi government has taken an initiative to formulate the Textile (Industry Registration) rules under the Textile Act 2018 in an effort to bring the country's textile and apparel industries under the regulation of the Department of Textile (DoT), which is part of the Ministry of Textiles and Jute (MoTJ).

The MoTJ sent the draft registration guideline to the respective trade bodies on 25 November and held a meeting with the stakeholders on 23 December.

As per the draft, the apparel and textile industries would have to fulfil a number of criteria, including environmental and workplace related compliance, in order to obtain licence from the DoT. The criteria include installation of fire extinguishers, provision of day care centres and maternity leave, and use of rainwater and reduction of groundwater use, according to Dhaka-based newspaper *New Age*. In addition, employment of child workers and discharge of industrial wastage into rivers or other water bodies are disallowed.

The MoTJ proposed tiered registration fees ranging from 5,000 takas to 100,000 takas based on investment size. ■

INDIA

GDP GROWTH SLOWS TO 4.5% YOY IN JULY – SEPTEMBER QUARTER

India's economic growth continued to slow down in the second quarter of the 2019-20 fiscal year (April 2019 — March 2020), registering a year-on-year growth of 4.5% — the lowest in more than six years, according to data released by the National Statistical Office (NSO) in late November. It was the sixth consecutive quarter that GDP growth recorded a year-on-year deceleration. In the first half of the current fiscal year, India's GDP growth stood at 4.8% yoy as against 7.5% yoy a year ago.

The slowdown in GDP growth in the July – September quarter is mainly due to deceleration in manufacturing output and subdued farm sector activity. Manufacturing, which is a priority in Prime Minister Modi's policy agenda, contracted by 1.0% yoy in the July – September quarter, while agriculture output grew by 2.1% yoy.

In its bi-monthly *Monetary Policy Statement* published in early December, the Reserve Bank of India revised downward its GDP growth forecast for the 2019-20 fiscal year to 5% from the earlier estimate of 6.1% made in October on account of weak domestic and external demand.

INDIA

BAG FACTORY FIRE KILLS AT LEAST 43 PEOPLE IN NEW DELHI

A devastating fire broke out at a four-storey building in India's capital New Delhi in the early hours on 7 December, killing at least 43 people and injuring 16. More than 150 firefighters battled for nearly five hours to put out the blaze.

Police and fire department officials said many of the fatalities occurred due to suffocation as people inside the factory were sleeping when the fire broke out at around 5 am on the second floor of the building, which did not have fire safety clearance and was packed with combustible materials like cardboards, reported local newspaper *the Times of India.* It was reported that the factory, mainly producing school bags and also making purses and jackets, did not have a proper fire licence and was operating illegally as a factory.

The building's owner and manager were arrested immediately after the incident. Prime Minister Narendra Modi tweeted that the fire was "extremely horrific". Authorities promised they would provide financial assistance to victims' families and survivors.

The tragedy has again raised the alarm against New Delhi's lax enforcement of fire and building safety standards, which has led to similar incidents in the past. In February 2019, 17 people were killed in a fire that started at an illegal rooftop kitchen in a six-storey hotel in the city. In January 2018, 17 workers were killed and two were injured in a massive blaze in a plastic factory on the outskirts of New Delhi.

'These unnecessary deaths and other recent tragic building incidents show the urgent need for transparent and credible enforcement of fire and building safety regulations throughout India's industrial sector,' the Clean Clothes Campaign, a global consortium of labour-rights groups, wrote in a statement. It added that the existing inspection systems, including the corporate social auditing firms used by multinationals to check on their supplier factories, had so far failed to structurally improve factory safety across the country.

INDIA

INDIA PULLS OUT OF RCEP NEGOTIATIONS

Indian Prime Minister Narendra Modi announced his country's decision to pull out of the Regional Comprehensive Economic Partnership (RCEP) at an RCEP summit held in Bangkok in early November. Modi said negotiations on the RCEP failed to address India's "outstanding issues and concerns".

Despite India's withdrawal from the trade pact, 15 out of the 16 participating nations announced conclusion of the text-based negotiations at the summit and are committed to signing the agreement in 2020. The 15 countries include ASEAN's ten member states, China, Japan, South Korea, Australia and New Zealand. Even with the absence of India, the scale of the RCEP is impressive, with the 15 countries accounting for around 30% of global GDP and world population — making it the world's largest trade agreement once ratified and implemented.

In India, there is strong and widespread opposition against the country's joining the RCEP. While the trade pact would increase India's access to other Asian markets, New Delhi feared that its domestic industries, particularly in key employment sectors such as agriculture and textiles, would be hit hard if the country was flooded with cheap Chinese goods. In the 2018-19 fiscal year (April 2018 — March 2019), India had trade deficits with 11 of the 15 other RCEP members, many of which were sizable, according to data from India's Department of Commerce. And China accounted for about 50% of India's total trade deficit with RCEP countries.

According to Commerce and Industry Minister Piyush Goyal, one of the important concerns about the proposed RCEP agreement was the rules of origin (ROO) — the criteria to determine the "economic nationality" of a product, reported the *BusinessLine* on 7 November. India wants strict ROO to ensure that Chinese goods, which are subject to higher tariffs, would not enter the Indian market through other RCEP countries where lower import tariffs apply. Besides, India is demanding that the base year of duty rate (for calculating tariff cuts) should be 2019 instead of 2014. Moreover, India is pushing for the acceptance of its proposal on an ‘auto-trigger’ safeguard mechanism to protect domestic producers against any sudden surge in imports. A final contentious issue with the RCEP was that India did not want to accept the ‘ratchet’ obligation in the investment chapter that would have prevented it from changing its existing rules.

Goyal added that India could return to the negotiating table if the other 15 RCEP members made sincere efforts to resolve its concerns.

Meanwhile, some experts warned that India, which has a long history of protectionism, may lose out as it stays out of a regional trade pact. ‘In an era in which manufacturing requires the ability to become more — not less — integrated into global supply chains, this decision appears for the moment to make it harder to boost manufacturing in India,’ wrote Alyssa Ayres, a senior fellow of the US think tank the Council on Foreign Relations. ■

PAKISTAN

LARGE-SCALE MANUFACTURING CONTRACTS BY 8.0% YOY IN OCTOBER

Provisional figures released by the Pakistan Bureau of Statistics show that the quantum index of large-scale manufacturing (LSM) posted 131.89 in October 2019, down 8.0% from 143.31 a year ago. When compared with September 2019, the LSM index went up by 4.0%. For the July – October period, the LSM index shrank by 6.5% yoy.

The decline in LSM index in October was led by the automobile sector, of which output contracted by 41.8% yoy, followed by electronics (-39.3% yoy), coke and petroleum products (-11.7% yoy), chemicals (-8.7% yoy) and food, beverage and tobacco (-8.3% yoy). Conversely, output in wood and leather manufacturing jumped by 44.9% yoy and 12.0% yoy respectively in October.

The lacklustre performance in the manufacturing sector reflects overall economic slowdown across various industries in the current fiscal year. The State Bank of Pakistan (SBP) forecast that Pakistan’s economic growth would remain subdued at 3.0-4.0% for the current fiscal year (July 2019 – June 2020), according to SBP’s annual report on the *State of Pakistan’s Economy* released in October. Real GDP growth decelerated to a nine-year low of 3.3% yoy in the 2018-19 fiscal year, a sharp slowdown from the 5.5% growth recorded in the 2017-18 fiscal year.

PAKISTAN

EXPORTS OF TEXTILES AND GARMENTS INCREASE 4.7% YOY IN JULY – NOVEMBER

Pakistan’s exports of textiles and garments amounted to US$5.76 billion in the July – November period, the first five months of the current fiscal year, up by 4.7% compared to the same period a year ago, according to data released by the Pakistan Bureau of Statistics. In rupee terms, exports of this product group shot up by 29.1% yoy to 904.13 billion rupees in the five-month period.

Within the textile and garment group, exports of knitwear, woven garments and bed linen, which together accounted for 60.6% of the export value of the whole group, rose by 8.7%, 13.2% and 4.7%, respectively, in US dollar terms in the July – November period compared with those a year ago. While exports of cotton cloth, the fourth largest category within the group, declined by 3.7% yoy in the five-month period, exports of cotton yarn increased by 2.9% yoy.

Speaking at the 35th International Apparel Federation (IAF) Fashion Convention held in Lahore, Pakistan in November, Sardar Ahmad Nawaz Sukhera, Pakistan’s Commerce Secretary, said the country’s textile and garment sector had been growing fast over the past 18 months, and was still hungry for more foreign investment. Currently, the sector has around 5,000 garment units, 40,000 knitting machines, 13.3 million installed spindles, 30,000 shuttle-less looms and 375,000 power looms, according to *Just-Style*.

Considering Pakistan's enhanced law and order situation, improved business climate, and gradually completed projects under the China-Pakistan Economic Corridor (CPEC) initiative, Chinese investors have been showing keen interest in expanding their supply chains into Pakistan, particularly in the textile and garment sector. In April 2019, a Chinese company, Shanghai Challenge Textile, announced a plan to invest up to US$500 million in the development of a private Special Economic Zone (SEZ), spreading over an area of 400 acres near Kasur, for establishing an exclusive apparel park for garments and allied industries, reported local newspaper *Dawn*.

PAKISTAN

CHINA-PAKISTAN FTA SECOND PHASE COMES INTO EFFECT

The second phase of the China-Pakistan Free Trade Agreement (CPFTA) became effective on 1 December, allowing Pakistan to export an addition of 313 products duty-free to China — on top of the 724 products that have enjoyed duty-free access to the China market under the original FTA.

Negotiations on the CPFTA was concluded in 2006 and the agreement entered into force in July 2007. The second phase of CPFTA, which was signed in Beijing in April 2019, further liberalises merchandise trade between the two countries. Specifically, both countries will liberalise 75% of tariff lines for each other over a period of ten years by China and 15 years by Pakistan. Moreover, China will immediately eliminate tariffs on 313 top priority tariff lines of Pakistan's export interest, including agricultural products, textiles and garments, and leather goods.

Apart from market access and tariff reduction schedules, the new trade agreement upgrades and revises the contents of the original FTA on rules of origin, trade remedies, and investment, with a new chapter on customs cooperation added.

China has already been investing billions of dollars in Pakistan through the China-Pakistan Economic Corridor (CPEC) initiative, which is now entering its second phase with a focus on industrialisation, agriculture and socio-economic development. It is believed that the implementation of the second phase of CPFTA will be a step forward for China to support Pakistan's economic development. Pakistan's Commerce Ministry estimated that the country's export earnings would increase by US$500 million within 18 months after duty exemptions on the 313 tariff lines took effect. ■

TURKEY

TURKISH ECONOMY RETURNS TO GROWTH IN THIRD QUARTER OF 2019

After three consecutive quarters of contraction, the Turkish economy finally returned to the growth trajectory in the third quarter of 2019, with a year-on-year expansion of 0.9%, according to data released by the Turkish Statistical Institute. On a quarter-to-quarter basis, the Turkish GDP expanded by only 0.4% in the third quarter, indicating that the country's nascent economic recovery remains weak.

GDP growth in the third quarter was mainly driven by the agricultural sector, which expanded by 3.8% yoy, while both the industry sector and the service sector returned to growth, with year-on-year expansion of 1.6% and 0.6% respectively. However, the construction sector, which underpinned years of strong economic growth in Turkey, contracted by 7.8% yoy in the July – September quarter, the fifth consecutive contraction since the third quarter in 2019.

By expenditure approach, household consumption grew by 1.5% yoy in the period, breaking three consecutive quarters of contraction. While government expenditure remained robust with

7.0% yoy increase, gross fixed capital formation shrank by 12.6% yoy, the fifth quarter of contraction in a row. Exports of goods and services in the period expanded by 5.1% yoy, while imports of goods and services grew by 7.6% yoy, putting an end to a four-quarter sequence of decline.

To revive the Turkish economy which was plagued by soaring inflation and a fragile currency, the Turkish government unveiled a reform package in April 2019 to address the most urgent issues, including the financial structure, inflation, the tax regime and agricultural policy, as well as measures to boost the tourism, exports and logistics sectors. Since July 2019, the central bank has delivered four massive interest rate cuts, from 24% to 12%.

TURKEY

MANUFACTURING PMI RISES TO 49.5 IN NOVEMBER

The Istanbul Chamber of Industry Turkey Manufacturing Purchasing Managers' Index (PMI), a composite single-figure indicator that provides a snapshot of operating conditions in the manufacturing sector, rose from 49.0 in October to 49.5 in November, the highest level since April 2018. November's PMI reading, which was near the 50.0 no-change mark, represented only a marginal softening of business conditions in the manufacturing sector.

According to the press release from IHS Markit, which compiles the survey, the output sub-index returned to growth for the first time in over one and a half years. Although the growth was fractional, it showed improved confidence among firms that market conditions were on an upward trajectory. New orders continued to soften in November, but the rate of moderation suggested by the new orders sub-index was only marginal. The rate of input cost inflation slowed to the weakest since January 2015, while a combination of softer cost inflation and competitive pressures led manufacturers lower their selling prices for the third month in a row.

Meanwhile, the latest industrial production index released by the Turkish Statistical Institute recorded the second consecutive year-on-year growth in October, expanding by 3.8% following the growth of 3.6% in September. The sub-index of manufacturing also posted the second straight expansion in October with a growth rate of 3.7% yoy. These figures further indicate that Turkey's manufacturing activity is likely to stabilise.

TURKEY

APPAREL EXPORTS EDGED UP BY 0.3% YOY IN JANUARY – NOVEMBER

For the January – November period of 2019, Turkey's apparel exports amounted to US$16.38 billion, posting a marginal growth of 0.3% compared to the same period in the previous year, according to data released by the Istanbul Apparel Exporters' Association (İHKİB).

During the 11-month period, 68.9% of the apparel exports went to the EU market, led by Germany with US$2.82 billion, Spain with US$2.20 billion and the UK with US$1.78 billion. Apparel exports to these top three markets, however, all recorded year-on-year declines in the period. Among the top ten markets, apparel exports to the Netherlands registered the highest year-on-year increase of 12.0% in the 11-month period, followed by Israel (+9.2% yoy) and the US (+7.3% yoy).

Recently, İHKİB, AliExpress and İhracatname, the official business partner of AliExpress in Turkey, signed an agreement that will facilitate small and medium-sized enterprises (SMEs) to reach overseas customers directly, reported local newspaper *Daily Sabah*. Under the agreement, 15,000 İHKİB members can compete in the global market by taking advantage of AliExpress's ecosystem and infrastructure support, including collection, logistics, marketing and translation in 18 languages.

'Russia, Europe, and the Middle East are among the main overseas markets that we aim to open up through AliExpress in Turkey. We also see significant potential in North and South American countries such as the US, Brazil and Chile,' according to AliExpress Global Consumer and Market Operations Director Cheer Zhang. ■

MAJOR ECONOMIC INDICATORS

BANGLADESH

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Quantum index of medium and large-scale manufacturing (yoy growth %)	10.0	4.8	-2.6	–	–	–
Consumer price index (yoy growth %)	5.5	5.6	5.5	5.5	5.5	6.1
Exports (yoy growth %)	-5.3	8.6	-11.5	-7.3	-17.2	-10.7
Exports (US$ mn)	2,784.4	3,887.9	2,844.3	2,915.9	3,073.2	3,055.9
Of which:						
Knitwear (US$ mn)	1,206.1	1,678.2	1,242.7	1,249.4	1,368.1	1,271.3
Woven garments (US$ mn)	1,193.3	1,632.3	1,163.3	1,091.7	1,151.7	1,240.0
Home textile (US$ mn)	50.9	66.1	50.7	62.5	60.3	59.1
Footwear* (US$ mn)	73.9	103.6	73.4	64.6	52.5	67.9
Leather products (US$ mn)	19.0	24.0	20.1	20.3	19.7	20.4
Imports (yoy growth %)	2.4	-0.7	-2.0	-11.0	-1.1	–
Imports (US$ mn)	3,931.5	4,532.5	3,885.4	4,220.9	5,030.1	–

** Includes leather footwear.*
Source: Bangladesh Bureau of Statistics, Bangladesh Bank, Export Promotion Bureau

INDIA

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Quarterly GDP* (real yoy growth %)	5.0 (1Q19)		4.5 (2Q19)		–	
Index of industrial production (yoy growth %)	1.3	4.9	-1.4	-4.3	-3.8	–
Manufacturing PMI (IHS Markit)	52.1	52.5	51.4	51.4	50.6	51.2
Wholesale price index (yoy growth %)	2.0	1.2	1.2	0.3	0.2	0.6
Consumer price index (yoy growth %)	3.2	3.2	3.3	4.0	4.6	5.5
Exports (yoy growth %)	-8.0	2.2	-6.1	-6.6	-1.1	-0.3
Exports (US$ mn)	24,977.7	26,316.9	26,126.8	26,034.1	26,377.2	25,981.9
Of which:						
Knitwear (US$ mn)	619.9	711.3	673.4	591.8	592.7	528.5
Woven garments (US$ mn)	613.6	654.5	588.5	488.8	516.0	530.1
Footwear (US$ mn)	235.8	264.5	242.1	196.3	200.4	197.7
Furniture (US$ mn)	154.2	163.5	152.7	149.1	170.1	140.7
Imports (yoy growth %)	-10.0	-10.4	-13.5	-13.9	-16.3	-12.7
Imports (US$ mn)	40,327.3	39,759.8	39,581.7	36,891.2	37,391.7	38,106.1
Trade balance (US$ mn)	-15,349.6	-13,443.0	-13,454.8	-10,857.1	-11,014.5	-12,124.2

** Financial year in India starts in April.*
Source: Ministry of Commerce & Industry, Ministry of Statistics and Programme Implementation, IHS Markit PMI reports

PAKISTAN

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Quantum index of large-scale manufacturing (yoy growth %)	-1.6	-5.9	-6.2	-5.7	-8.0	–
Consumer price index* (yoy growth %)	8.0	8.4	10.5	11.4	11.0	12.7
Exports (yoy growth %)	-8.8	15.7	-7.7	2.7	6.8	9.4
Exports (US$ mn)	1,716.9	1,894.0	1,861.9	1,769.0	2,024.4	2,010.8
Of which:						
Garments (US$ mn)	444.4	494.6	514.4	437.9	514.0	517.5
Bed linen (US$ mn)	173.9	194.1	205.9	200.6	217.1	195.5
Towels (US$ mn)	54.8	63.8	61.3	55.1	71.5	65.4
Leather products (US$ mn)	41.3	41.4	49.1	40.9	50.1	45.8
Sporting goods (US$ mn)	23.5	24.7	27.9	22.4	24.9	24.0
Imports (yoy growth %)	-22.8	-16.4	-26.3	-13.9	-15.2	-14.0
Imports (US$ mn)	4,364.0	4,019.0	3,732.1	3,784.9	4,073.7	3,940.4
Balance of trade (US$ mn)	-2,647.2	-2,125.0	-1,870.2	-2,015.9	-2,049.3	-1,929.6

** Consumer price index has been rebased from the 2007-08 fiscal year to the 2015-16 fiscal year.*

Source: Pakistan Bureau of Statistics, State Bank of Pakistan

TURKEY

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Quarterly GDP (real yoy growth %)	-1.6 (2Q19)		0.9 (3Q19)		–	
Industrial production index, manufacturing (yoy growth %)	-4.4	-1.2	-3.3	3.6	3.7	–
Industrial turnover index, manufacturing (yoy growth %)	13.9	13.0	-0.1	-1.9	2.6	–
Manufacturing PMI (Istanbul Chamber of Industry)	47.9	46.7	48.0	50.0	49.0	49.5
Producer price index (yoy growth %)	25.0	21.7	13.5	2.5	1.7	4.3
Consumer price index (yoy growth %)	15.7	16.7	15.0	9.3	8.6	10.6
Exports (yoy growth %)	-14.4	7.7	1.4	0.1	-0.2	0.1
Exports (US$ mn)	11,065.6	15,130.7	12,504.1	14,416.8	15,647.8	15,502.8
Of which:						
Knitwear (US$ mn)	560.6	847.3	733.8	786.9	838.5	832.5
Woven garments (US$ mn)	393.8	624.8	508.6	532.9	521.5	508.0
Furniture (US$ mn)	194.7	312.2	256.0	283.0	309.7	339.8
Imports (yoy growth %)	-22.7	-8.5	1.8	1.0	8.0	9.7
Imports (US$ mn)	14,253.8	18,349.1	15,077.0	16,490.7	17,471.0	17,736.8
Balance of trade (US$ mn)	-3,188.2	-3,218.5	-2,572.9	-2,073.9	-1,823.2	-2,234.0

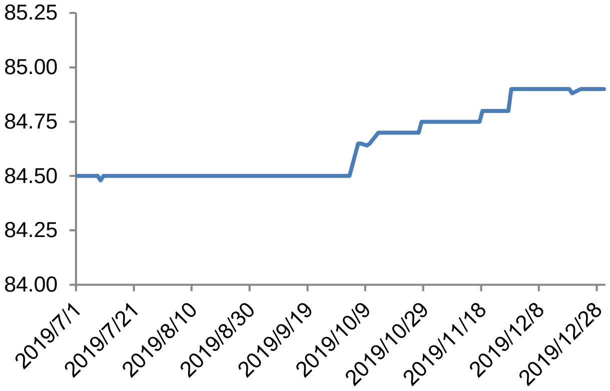
Source: Turkish Statistical Institute, Istanbul Chamber of Industry PMI reports

DAILY EXCHANGE RATES

JULY – DECEMBER 2019

BANGLADESHI TAKA

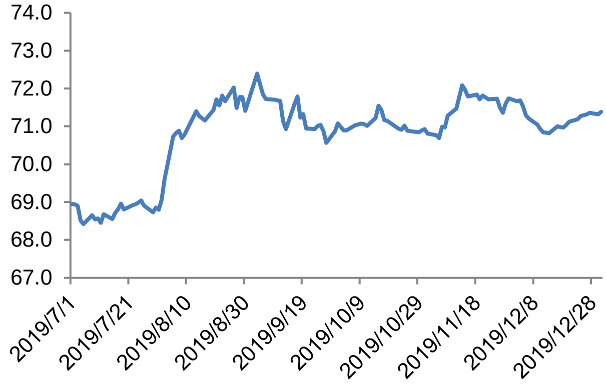
USD:BDT buy rate



Source: Bangladesh Bank

INDIAN RUPEE

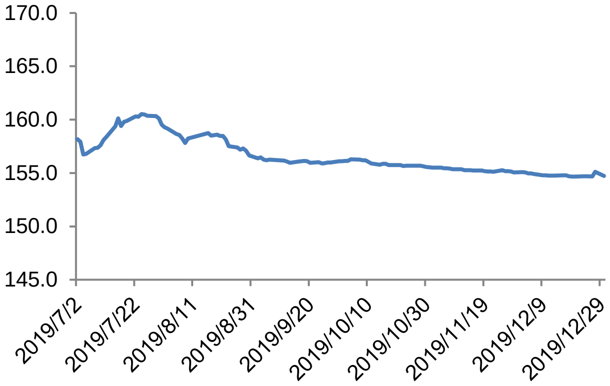
USD:INR spot rate



Source: Bloomberg

PAKISTANI RUPEE

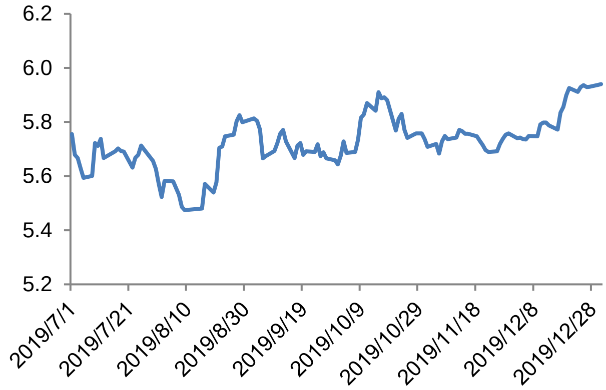
USD:PKR weighted average customer buy rate



Source: State Bank of Pakistan

TURKISH LIRA

USD:TRY buy rate



Source: Central Bank of the Republic of Turkey

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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.

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