ASIA SOURCING UPDATE

SOUTHEAST ASIA | SOUTH AND WEST ASIA

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IN THE NEWS

CAMBODIA

QUARANTINE MEASURES IMPOSED TO STOP SPREAD OF COVID-19

To halt the spread of the coronavirus disease 2019 (COVID-19), the Cambodian authority ordered a week-long lockdown of all district and provincial borders starting midnight on 9 April, with the exception of Phnom Penh and Kandal province. On 10 April, the government eased the restrictions on intra-provincial travel.

The travel ban did not apply to goods transportation by land, waterway and air, state vehicles and other emergency and necessary services. Vehicles transporting workers to and from their workplaces with permits issued by the Ministry of Labour and Vocational Training were also exempted from the ban.

In addition, to prevent people from mass gatherings, the government postponed the Khmer New Year holidays, which were originally scheduled from 13 April to 16 April this year. The government said it would make up for the lost holidays with five off-days for civil servants and employees in the private sector at an appropriate time. Workers and employees who took days off during the Khmer New Year had to be kept in quarantine for 14 days after the holidays. It was reported that 95% of factories and enterprises in Cambodia continued normal operations on the first day of the Khmer New Year.

As of 28 April, Cambodia reported 122 confirmed cases of COVID-19 with no death toll.

CAMBODIA

GARMENT INDUSTRY HIT HARD BY COVID-19 PANDEMIC

Cambodia's garment industry, which accounts for approximately 65% of the country's merchandise exports and employs around 700,000 workers, has borne the brunt of the shocks caused by the COVID-19 pandemic. The industry, which sources over 60% of raw materials from China, suffered from a shortage of Chinese raw materials in February. While supplies from China started to flood in in March, the implementation of stringent social distancing rules and a widespread shop closures in Western countries have led to an unprecedentedly large-scale export order cancelation.

According to the Garment Manufacturers Association in Cambodia (GMAC), approximately 60% of garment factories in Cambodia have been severely impacted by order cancelation due to the COVID-19 pandemic, reported *the Khmer Times* on 8 April. The bulk of these canceled orders are originated from the US and EU markets, which generally account for 28% and 46%, respectively, of the country's garment exports.

Meanwhile, according to the Ministry of Labour and Vocational Training, up to 130 garment factories have already applied for temporary suspension as of 27 April, impacting around 100,000 workers. These factories will receive assistance from the government, which includes a wage subsidy. Workers who have been furloughed or laid off amid the COVID-19 crisis will receive a temporary wage payment of US$70 a month, equivalent to roughly 37% of the current minimum wage which stands at US$190. Of the US$70 temporary payment, US$30 will be contributed by factory owners, while the remaining US$40 will be subsidised by the government. The payment is much lower than the US$114 (60% of the minimum wage) assured by the government in March, as financial situations in many garment factories — which were supposed to assume two thirds of that previously assured payment — deteriorated seriously amid the wave of order cancelation.

Cambodia's garment industry has already been at risk as the EU decided to partially withdraw the duty-free and quota-free preferences granted to Cambodia under the Everything But Arms (EBA) trade scheme. The decision, which is expected to take effect on 12 August this year, will affect a wide range of products, including selected garment and footwear products and all travel goods. To keep the industry afloat, the government has decided to waive 50%–100% income tax for eligible garment enterprises for six months. Some industry players pointed out that the tax exemption would have limited effect on the industry as cash crunch is the most urgent issue facing factory owners at the moment.

The European Branded Clothing Alliance, representing more than 60 European and global clothing retail brands, has called upon the EU Commission to consider delaying the withdrawal of Cambodia's EBA preferences to counter the disruptions caused by this unprecedented crisis to their clothing supply chains.

CAMBODIA

40 NEW INVESTMENT PROJECTS APPROVED IN FIRST QUARTER

According to the Council for the Development of Cambodia (CDC), the country registered 40 new investment projects worth more than US$900 million in the first quarter.

Spreading over nine provinces, the approved projects are in various manufacturing sectors, including garments, footwear, travel goods, household appliances, furniture, light bulbs and batteries, and the construction and retail sectors. Once completed, these projects are expected to generate over 30,000 new jobs for local workers.

Despite the partial withdrawal of the EBA preferences by the EU, Cambodia's textile and garment industry continues to attract new investment. At least ten investment projects approved in the period were related to yarn or garment production.

Apart from the above-mentioned investment, the Hong Kong-based and Taipei-listed textile maker TST Group Holding Ltd, which supplies fabrics for brands such as Adidas, Puma and Gap, is planning to expand into apparel production from textile manufacturing in Cambodia with a planned investment of US$20 million. The move is aimed at building up vertically integrated production of textiles and apparel in the country. A detailed investment plan will be drawn in the second half of this year and apparel production in Cambodia is scheduled to start in the second half of next year, the Japanese news agency *NNA* reported. ■

INDONESIA

MANUFACTURING PMI DROPS TO HISTORICAL LOW IN MARCH

The IHS Markit Indonesia Manufacturing Purchasing Managers' Index (PMI) fell from 51.9 in February to 45.3 in March, the lowest in the survey's nine-year history. An index reading above 50 reflects an expansion of manufacturing activity, while a value below 50 indicates a contraction. In addition, the sharp drop from February to March indicates the steepest deterioration of operating conditions since the survey started in April 2011.

Under strict antivirus measures, 'new business inflows fell at the fastest rate in the series' history, dragged down by a plunge in export sales,' states a news release by IHS Markit. 'At the same time, factory shutdowns led to a marked drop in production, with output also falling at a record rate.'

Firms scaled back their purchasing activity amid weaker demand conditions. As a result, quantities of purchases shrank at the fastest rate on record, while stock-holdings of input materials decreased at a rate not seen since July 2015. Meanwhile, the marked reduction of output led to the first decline in stocks of finished goods for nearly a year.

On the price front, average cost burdens increased for a fourth straight month in March, though the pace of inflation eased from February and was modest overall. Input price inflation was reportedly driven by material shortages and a depreciation of the rupiah. However, firms were unable to pass on higher costs to customers amid the weakening sales trend. Prices charged for Indonesian manufactured products fell for a seventh month running during March, and at the fastest pace on record.

The Future Output Index, a measure of confidence, sank to the second lowest level in the nine-year survey history, with the unknown duration of current COVID-19 measures highlighted as a chief concern among pessimistic firms.

'The survey underlines how the global pandemic has impacted the Indonesian economy so far, but the increasing likelihood of stricter quarantine measures means the downturn could worsen in the second quarter,' warned IHS Markit principal economist Bernard Aw in the news release.

INDONESIA

GOVERNMENT RELAXES IMPORT AND EXPORT RESTRICTIONS AMID COVID-19 CRISIS

To keep the real sector moving amid the COVID-19 epidemic that disrupted business activity and global supply chains, the Indonesian government rolled out a series of measures to ease trade restrictions.

These measures aim at fueling the real sector to work and maintaining people's purchasing power, Coordinating Minister for Economic Affairs Airlangga Hartarto told a news conference.

Such measures include reducing the number of export restrictions, omitting the requirement to provide a health certificate and export licences ("V-Legal Documents") unless required by importing countries. In addition, export procedures for 749 harmonized system (HS) codes, consisting of 443 HS codes for fish and fish products and 306 HS codes for forestry products, will be scrapped.

The stimulus will also reduce and simplify restrictions for producers who import steel, alloy steel and its derivatives as well as several food commodities to ensure the availability of raw materials. Regulations on animals, medicine and food imports will be simplified as well.

Moreover, reputable traders that have a 'high level of compliance' will receive further incentives, including automatic approval of their applications for restricted exports and imports as well as removal of surveyor report requirements for mandatory commodities. So far, the government has classified 735 companies as 'reputable traders'.

The government will also beef up its supervision through the National Logistics Ecosystem (NLE), a platform that integrates information systems between the government and the private sector, to improve information flow and to reduce duplicated document submission. Particularly, the NLE plans to integrate information from the government's export-import licensing website Indonesia National Single Window (INSW) with Indonesia's port system (Inaport), the Trade Ministry's online trade system (Inatrade), Customs-Excise Information System and Automation (CEISA), trucking systems, warehouse systems, transportation systems and terminal operator systems, among other systems. 'This will be finished in the next three months so that importers and exporters no longer need to go back and forth to input [information] with the integrated system,' Airlangga added.

The Indonesian government announced stimulus packages on 25 February, 13 March and 18 March with a total value of 181 trillion rupiahs (US$12 billion) aimed at keeping the economy afloat during the COVID-19 pandemic. The abovementioned non-fiscal measures are part of the second stimulus package, worth 22.9 trillion rupiah, announced on 13 March. The package also includes fiscal stimuli such as individual and corporate tax breaks as well as relaxation in loan disbursement and restructuring.

INDONESIA

INDONESIAN RUPIAH DROPS TO LOWEST LEVEL SINCE 1998

The Indonesian rupiah plunged to 16,625 against the US dollar on 24 March, the currency's weakest level since the 1998 Asian Financial Crisis, as investors sold off Indonesian assets amid pessimism over the impact of the COVID-19 pandemic.

The rupiah has since rebounded and closed at 15,465 on 19 April, representing a 10.3% depreciation year-to-date, according to exchange rates provided by *Bloomberg*.

However, Finance Minister Sri Mulyani Indrawati warned that the value of the rupiah could hover around 17,500 or even slide to as low as 20,000 against the US dollar, the weakest in history, if Indonesia's economy contracts and the COVID-19 pandemic leads to a prolonged downturn.

Speaking at a teleconference media briefing on 1 April, Sri Mulyani added that this projection is the worst-case scenario and the government will take measures to prevent it from materializing.

Bank Indonesia (BI) has been stabilizing the rupiah through its triple market intervention measures, focusing on the foreign exchange spot market, domestic non-deliverable forward market and secondary bond market. The central bank has bought a total of 172.5 trillion rupiahs worth of government bonds, including 166.2 trillion rupiahs from foreign investors in the secondary market, so far this year. ■

PHILIPPINES

MANUFACTURING PMI FALLS TO RECORD LOW IN MARCH DUE TO GOVERNMENT-FORCED LOCKDOWN AMID COVID-19 PANDEMIC

The IHS Markit Philippines Manufacturing Purchasing Managers' Index (PMI), a composite single-figure indicator that provides a snapshot of operating conditions in the manufacturing sector, fell to an all-time low of 39.7 in March from 52.3 in February. The government-mandated lockdown imposed on the entire Luzon island — which is home to Metro Manila and accounts for over half of the country's population and 70% of the country's GDP — from mid-March through the end of April, has led to widespread factory shutdowns and markedly lower output levels.

Breakdown of the index shows the contraction of the manufacturing sector was broad-based, with manufacturing output, new orders, purchasing activity and employment all fell at record rates in March, according to the PMI press release. Input prices were lower in the month due to subdued demand and a plunge in oil prices. Meanwhile, delivery times increased for the eighth successive month in March due to transport restrictions, increased checkpoints and slower deliveries of supplies from China. Manufacturing firms in the country showed much less optimism for the 12-month outlook amid this unprecedented crisis.

In its latest *World Economic Outlook* released in April, the International Monetary Fund (IMF) revised downward this year's economic growth forecast for the Philippines substantially to 0.6% from 6.2% projected last October, mostly attributed to supply disruptions caused by the COVID-19 pandemic and weaker demand from the country's major trading partners. With the revised projections, GDP growth in the Philippines is still expected to be the second fastest in ASEAN after Vietnam's 2.7% projected growth.

PHILIPPINES

LOCKDOWN IN METRO MANILA FURTHER EXTENDED TO MID-MAY

To further contain the spread of COVID-19, the Philippine government announced on 24 April that the enhanced community quarantine order in Luzon island was extended for another two weeks in central and southern Luzon provinces and widened to cover Cebu, Davao and Iloilo, while quarantine measures in some parts of Luzon were eased. As of 28 April, total confirmed cases in the Philippines amounted to 7,958, with a death toll of 530.

Under the extended quarantine, movement of people within the quarantine area will continue to be severely restricted, with only one person per household allowed to go out to buy necessities such as food and medicine. Non-essential shops and businesses are forced to shut down. While private companies are urged to adopt "work from home" arrangements, almost all factories producing non-essential goods in Luzon are forced to halt operations.

Businesses in the affected area are facing severe supply chain disruptions with the flow of goods and personnel hampered by strict travel restrictions, particularly during the first few weeks of lockdown. Strict measures at checkpoints slowed down the distribution of supplies, including groceries and necessities, to the market.

Apart from the distribution challenge, port congestion occurred in Port of Manila, which is the country's largest port and vital to the country's trade, as cargo movement was stalled and many logistics companies halted operations. It was reported that thousands of containers were left unclaimed at Port of Manila. The port was running at near 100% capacity by the end of March, risking a complete shutdown to clear up backlogs of containers. After a joint administrative order was issued by multiple government agencies on 2 April to facilitate expedite processing and impose penalties for overstaying containers, port congestion has since much relieved.

PHILIPPINES

GOVERNMENT ROLLS OUT RELIEF MEASURES TO MITIGATE ADVERSE IMPACTS OF COVID-19

Following the implementation of enhanced community quarantine in Luzon area, the Philippine government unveiled a fiscal package worth 27.1 billion pesos (equivalent to about 0.15% of the country's GDP in 2019) in mid-March to support health relief efforts and counter negative effects of the quarantine measures.

The 27.1-billion-peso relief package includes funding to purchase more COVID-19 testing kits and health equipment, financial support to the tourism and agriculture sectors, social protection for vulnerable workers, and financial assistance for affected small and medium-sized enterprises (SMEs).

Additionally, the government also announced an emergency subsidy programme worth 200 billion pesos — the largest direct financial assistance programme in the country's history — for 18 million low-income households that have lost their sources of income amid the pandemic. Under the programme, eligible households are expected to receive cash transfers of between 5,000 and 8,000 pesos a month for a period of two months. Another Small Business Wage Subsidy (SBWS) programme worth 50.8 billion pesos will provide 3.4 million employees in small businesses a wage subsidy ranging from 5,000 to 8,000 pesos a month per eligible worker affected by the quarantine measures for up to two months.

Fiscal support aside, small businesses, which are affected by the Luzon-wide lockdown, can also have a 30-day moratorium on residential and commercial rent.

Since February, to boost liquidity in the banking system, the Bangko Sentral ng Pilipinas (BSP) has reduced its policy rate three times by 125 basis points cumulatively. ■

THAILAND

THAI ECONOMY TO SEE SHARP CONTRACTION IN 2020

In its latest *World Economic Outlook* released in mid-April, the International Monetary Fund (IMF) reduced substantially its economic forecast for Thailand in 2020 to a contraction of 6.7%, from its previous projection of a 2.5% expansion made in January this year, attributed to economic toll of the COVID-19 pandemic. The country, which relies heavily on exports and tourism, will become the worst performer among its ASEAN peers if IMF's projections hold true.

In March, Thailand's central bank trimmed the country's 2020 growth forecast to a 5.3% contraction from a 2.8% expansion projected earlier after the COVID-19 outbreak escalated. The monetary authority also predicted an economic contraction in every quarter this year, with the deepest in the April–June quarter.

Following factory closures amid the COVID-19 outbreak, thousands of Thai workers have lost their jobs, according to the Department of Labour Protection and Welfare. As of 17 April, the number of people claiming unemployment benefits almost doubled to 700,000 people from December last year, with 140,000 registering in March alone. From last October to March this year, a total of 992 businesses permanently closed, compared to 511 during the same period a year ago. Meanwhile, from last October to March this year, 1,113 businesses shut down temporarily, a hike compared to 117 during the same period a year ago.

Thailand's manufacturing sector was severely hit by the COVID-19 crisis as containment measures around the world and in Thailand led to subdued demand. Thailand's Manufacturing Purchasing Managers' Index (PMI), compiled by IHS Markit, recorded a historic low of 46.7 in March from 49.5 in February. The average PMI reading for the first quarter, which stood at 48.7, was also the lowest in the survey's history.

THAILAND

THREE BATCHES OF RELIEF PACKAGES LAUNCHED TO COUNTER COVID-19 ECONOMIC FALLOUT

To stop the spread of COVID-19, the whole country was put under the state of emergency starting from 26 March, with social gatherings and foreign travellers banned, domestic travel restricted, and only essential services provided. On 3 April, the government further imposed a nationwide curfew, banning people from leaving home between 10 pm and 4 am. The state of emergency and the curfew order were further extended to the end of May.

The Thai government has so far passed three relief packages to counter the economic fallout of the COVID-19. The first package, approved by the cabinet on 10 March and valued at 400 billion baht (US$12.3 billion), provides assistance for businesses and households in the form of low-interest loans, debt deferral, interest reduction and tax relief, etc.

On 24 March, the cabinet approved the second stimulus package worth at least 117 billion baht (US$3.6 billion), consisting of 45-billion-baht cash handouts for three million workers outside the social security system, and 10-billion-baht low-interest loans and deferral of tax payment for small businesses.

The latest relief package announced on 7 April will inject 1.9 trillion baht, which is equivalent to 9% of the country's GDP, into the economy. Measures in the third package include 600 billion baht for six-month cash handouts, 500-billion-baht soft loans for small and medium-sized businesses, and a 400-billion-baht corporate bond liquidity stabilisation fund to backstop the corporate bond market.

As of 28 April, cumulative confirmed cases in Thailand amounted to 2,938, with a death toll of

54. The situation appears to stabilize as of the time of writing, with daily new confirmed cases dropping to below 20 for the past three days. Two provinces, Nonthaburi and Udon Thani, have loosen partial lockdowns starting mid-April following a recent drop in the rate of new infections. Government officials in the country are working on a plan for restarting shuttered businesses while maintaining social distancing.

THAILAND

TEXTILE AND GARMENT INDUSTRY MAY LOSE MORE THAN 150 BILLION BAHT DUE TO COVID-19

The COVID-19 pandemic is hitting Thailand's textile and garment industry hard, with potential losses amounting to more than 150 billion baht this year, according to Yuttana Silpsarnvitch, president of the Thai Garment Manufacturers Association, local media *The Nation* reported.

The 150-billion-baht losses are based on the scenario that the pandemic does not last beyond June and firms do not get direct support from the government.

Thailand's textile and garment industry exports around 200 billion baht of products per year. As more than 70% of foreign buyers have cancelled their orders so far, it is estimated that exports of textiles and garments will decline by 50–100 billion baht this year. In addition, due to shop closures amid the nationwide lockdown, the industry is expected to incur losses of 150–200 billion baht in domestic sales. And selling through online platforms can only make up for 20% of their normal sales.

Although some manufacturers managed to switch to produce face masks and personal protective equipment, there is expected to be an oversupply of such products in the market within two months.

Yuttana added that if the situation did not improve by early May, at least 50%–60% of the factories would have to close. Currently, there are 2,700 textile and garment factories in the country, employing as many as 400,000 to 500,000 workers in total. ■

VIETNAM

MANUFACTURING PMI DROPS TO RECORD LOW IN MARCH

The Vietnam Manufacturing Purchasing Managers' Index (PMI), compiled by IHS Markit, fell sharply from 49.0 in February to 41.9 in March, the lowest level in more than nine years of data collection so far. The latest data signalled a steep decline in the health of the manufacturing sector, and the deterioration surpassed the previous record seen in July 2012, according to a news release by IHS Markit on 1 April.

Both new orders and production showed substantial declines during March, falling at the sharpest rates in the survey's history. Total new business and new export orders also decreased during the month.

Employment fell markedly as the sharp drop in new orders led firms to lower their staffing levels. Firms also scaled back purchasing activity and inventory holdings, while severe disruption to supply chains was reported. Business confidence also hit a new low amid concerns around the effects of COVID-19.

Meanwhile, output prices decreased sharply, and to the greatest extent since July 2012.

According to the survey, more than a quarter of firms predict output to fall over the coming year. On a positive note, just under 39% of respondents expect production to be higher than current levels, with a recovery expected once the outbreak is brought under control.

VIETNAM

TEXTILE AND APPAREL EXPORTS DROP BY 3.5% YOY IN FIRST TWO MONTHS

Exports of textile and garment products reached US$5.3 billion in the first two months of 2020, a year-on-year decline of 3.5%. This shows a marked slowdown compared to approximately 10% yoy growth during the same period in previous years.

Apparel exports in January – February totalled US$4.2 billion, down 2.3% yoy, while yarn exports amounted to US$512 million, down 16.0% yoy, according to the Vietnam Textile and Apparel Association (VITAS).

According to Le Tien Truong, general director of the Vietnam National Textile and Garment Group (VINATEX), many enterprises in the industry are likely to face liquidity crisis by the end of April, leading to a 30%–50% jump in the number of underemployed workers in April and May. ‘Estimated damage to the textile and garment industry is estimated to stand at over 5,000 billion dongs, including US$403 billion to VINATEX alone. If these difficulties persist, the industry will lose up to 3,000 billion dongs per month,’ noted Le.

VINATEX also hypothesized the possibility of the epidemic ending in late May and the national economy starting to rebound from June. In this scenario, the industry will lose 11,000 billion dongs throughout the COVID-19 crisis, of which VINATEX will account for 1,000 billion dongs.

VIETNAM

APPAREL MANUFACTURERS PRODUCE FACE MASKS TO COPE WITH FALL IN APPAREL ORDERS

In face of a fall in export orders amid the COVID-19 pandemic, Vietnamese textile and garment firms have switched to mask production.

Leading Vietnamese apparel manufacturer Garment 10 Corporation Joint Stock Company received an export order for 400 million medical face masks worth US$52 million to be delivered by July. The company also received export orders from Germany and the US to produce 200 million antibacterial cloth masks.

Than Duc Viet, general director of Garment 10, said that export of face masks is expected to account for approximately 30% of the company’s revenue this year, helping secure the jobs of roughly 12,000 workers.

TNG Investment and Trading Joint Stock Company, another major player in the country’s apparel industry, is looking to export millions of antibacterial nanofabric cloth masks to France, Belgium, and Germany over the course of a month. The company is also importing raw materials and installing production lines in order to start producing medical face masks by mid-May.

Nguyen Van Thoi, chairman of TNG, told online newspaper *vov.vn* that there remains plenty of demand for the company to export antibacterial cloth masks to the US market in the coming months.

Apart from face masks, apparel firms are also looking to set up production lines for protective suits for export markets.

During a meeting on 13 April, the National Steering Committee for the COVID-19 Prevention and Control affirmed that it will encourage the export of these protective suits and masks only after domestic demand is met and when enterprises are proactive in seeking raw materials for production.

MAJOR ECONOMIC INDICATORS

CAMBODIA

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Consumer price index (yoy growth %)	1.4	2.2	2.1	1.7	1.3	1.8
Exports (yoy growth %)	4.3	23.2	17.9	-3.4	32.9	17.3
Exports (fob, in Cambodian riel billion)	5,299.4	5,934.5	6,648.4	4,838.0	4,700.5	5,201.5
Of which:						
Garments (in Cambodian riel billion)	3,516.2	3,841.3	4,498.5	3,206.3	2,987.0	3,344.5
Footwear (in Cambodian riel billion)	511.8	461.9	492.9	344.0	356.5	530.5
Bicycles (in Cambodian riel billion)	122.8	162.2	173.9	127.4	152.7	143.0
Imports (yoy growth %)	23.4	33.1	17.2	9.0	18.7	59.9
Imports (fob, in Cambodian riel billion)	7,084.1	7,802.0	7,269.5	6,260.4	7,191.4	7,020.4

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

INDONESIA

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Quarterly GDP (real yoy growth %)		4.97 (4Q19)			–	
Production index of large and medium manufacturing (yoy growth %)	6.7	3.2	0.9	-0.8	–	–
Manufacturing PMI (IHS Markit)	47.7	48.2	49.5	49.3	51.9	45.3
Real retail sales index (yoy growth %)	3.6	1.3	-0.5	-0.3	-0.8	-5.4
Consumer price index (yoy growth %) *	2.9	2.7	2.6	2.7	3.0	3.0
Exports (yoy growth %)	-6.1	-6.1	1.1	-2.1	12.0	-0.2
Exports (FOB, US$ mn)	14,931.6	13,947.6	14,445.1	13,632.0	14,060.9	14,093.5
Of which:						
Textile and textile products (US$ mn)	1,001.8	988.6	1,078.6	1,078.0	1,090.4	–
Footwear (US$ mn)	411.1	381.7	366.9	427.3	370.8	–
Furniture (US$ mn)	155.0	149.0	163.2	165.7	169.8	–
Sports requisites (US$ mn)	54.5	43.5	39.7	41.3	40.4	–
Imports (yoy growth %)	-16.5	-9.2	-5.6	-4.8	-5.5	-0.8
Imports (US$ mn)	14,759.1	15,340.5	14,506.8	14,268.7	11,548.1	13,350.1

** The base year of the consumer price index has been adjusted to 2018.*
Source: Statistics Indonesia, Bank Indonesia, IHS Markit PMI reports

PHILIPPINES

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Quarterly GDP (real yoy growth %)		6.4 (4Q19)			–	
Value of production index, manufacturing (yoy growth %)	-5.8	-7.5	-6.9	-5.2	-1.8	–
Volume of production index, manufacturing (yoy growth %)	-4.7	-7.6	-7.2	0.1	3.0	–
Manufacturing PMI (IHS Markit)	52.1	51.4	51.7	52.1	52.3	39.7
Producer price index (yoy growth %)	-1.1	0.1	0.3	-5.3	-4.7	–
Consumer price index (yoy growth %)	0.8	1.3	2.5	2.9	2.6	2.5
Exports (yoy growth %)	0.5	-0.2	21.6	9.4	2.8	–
Exports (FOB, US$ mn)	6,341.7	5,622.9	5,750.6	5,788.8	5,400.7	–
Of which:						
Woodcrafts and furniture (US$ mn)	54.1	50.5	54.3	52.3	39.3	–
Garments (US$ mn)	66.1	65.1	70.0	78.0	54.9	–
Travel goods and handbags (US$ mn)	129.3	54.5	77.7	56.9	52.1	–
Imports (yoy growth %)	-7.6	-4.5	-2.1	-2.8	-11.6	–
Imports (FOB, US$ mn)	9,914.3	9,275.2	8,712.4	9,293.0	7,056.9	–
Balance of trade (US$ mn)	-3,572.5	-3,652.3	-2,961.8	-3,504.2	-1,656.2	–

Source: Philippine Statistics Authority, IHS Markit PMI reports

THAILAND

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Quarterly GDP (real yoy growth %)		1.6 (4Q19)			–	
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	-8.0	-8.0	-4.4	-4.0	-5.2	–
Manufacturing PMI (IHS Markit)	50.0	49.3	50.1	49.9	49.5	46.7
Producer price index (yoy growth %)	-2.5	-2.1	-0.3	0.8	0.1	-2.0
Consumer price index (yoy growth %)	0.1	0.2	0.9	1.1	0.7	-0.5
Exports (yoy growth %)	-4.5	-7.4	-1.3	3.3	-4.5	–
Exports (US$ mn)	20,757.8	19,656.9	19,154.2	19,625.7	20,641.8	–
Of which:						
Textiles and apparel (US$ mn)	612.6	569.4	554.6	570.7	588.1	–
Furniture (US$ mn)	122.9	130.7	122.9	117.3	113.4	–
Footwear (US$ mn)	54.3	55.5	58.0	53.7	52.7	–
Imports (yoy growth %)	-7.6	-13.8	2.5	-7.9	-4.3	–
Imports (US$ mn)	20,251.3	19,108.1	18,558.5	21,181.4	16,744.5	–
Trade balance (US$ mn)	506.5	548.8	595.7	-1,555.7	3,897.3	–

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

VIETNAM

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Quarterly GDP (real yoy growth %)		6.97 (4Q19)			3.82 (1Q20)	
Industrial production index (yoy growth %)	9.2	5.4	6.2	-8.0	22.3	5.4
Manufacturing PMI (IHS Markit)	50.0	51.0	50.8	50.6	49.0	41.9
Retail sales of consumer goods and services (year-to-date, yoy growth %)	11.8	11.8	11.8	10.2	8.3	4.7
Price index of materials used for production (yoy growth %)		1.61 (4Q19)			1.14 (1Q20)	
Producer price index for industrial products (yoy growth %)		0.52 (4Q19)			1.05 (1Q20)	
Consumer price index (yoy growth %)	2.2	3.5	5.2	6.4	5.4	4.9
Exports (year-to-date, yoy growth %)	8.3	7.9	8.4	-17.4	8.4	7.5
Exports (US$ mn)	24,232.8	22,792.9	22,560.8	18,323.4	20,854.1	24,129.6
Of which:						
Textiles & garments (US$ mn)	2,686.9	2,581.9	2,971.3	2,470.4	2,233.9	2,338.6
Footwear (US$ mn)	1,593.3	1,703.9	1,773.4	1,400.6	1,360.3	1,392.5
Wood & wooden products (US$ mn)	1,037.3	958.2	1,115.1	835.0	746.5	985.6
Toys and sports requisites (US$ mn)	236.0	219.9	230.7	156.9	169.6	209.7
Imports (year-to-date, yoy growth %)	7.7	6.6	6.8	-13.7	2.9	3.7
Imports (US$ mn)	22,372.9	21,339.1	22,301.6	18,599.8	18,578.9	22,149.3

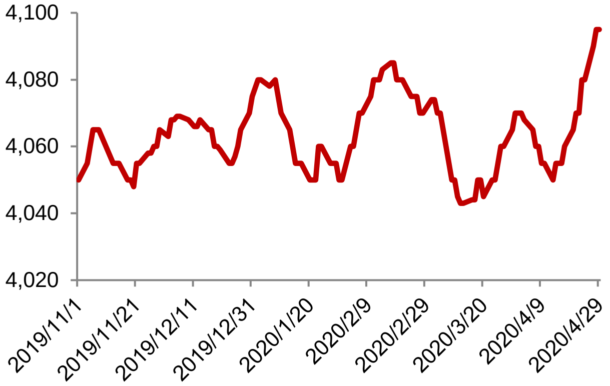
Source: General Statistics Office of Vietnam, General Department of Vietnam Customs, IHS Markit PMI reports

DAILY EXCHANGE RATES

NOVEMBER 2019 – APRIL 2020

CAMBODIAN RIEL

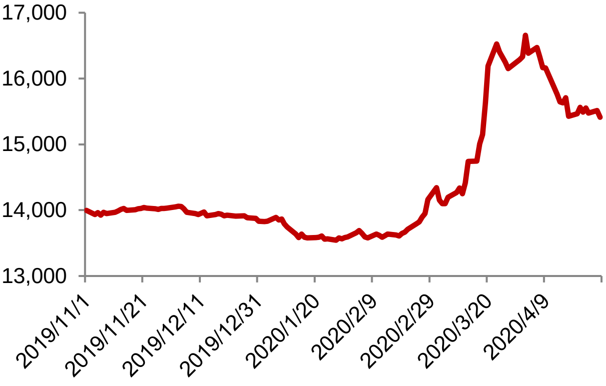
USD:KHR official exchange rate



Source: National Bank of Cambodia

INDONESIAN RUPIAH

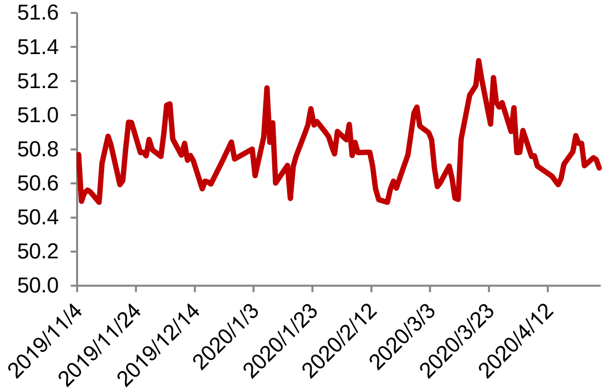
USD:IDR buy rate



Source: Bank Indonesia

PHILIPPINE PESO

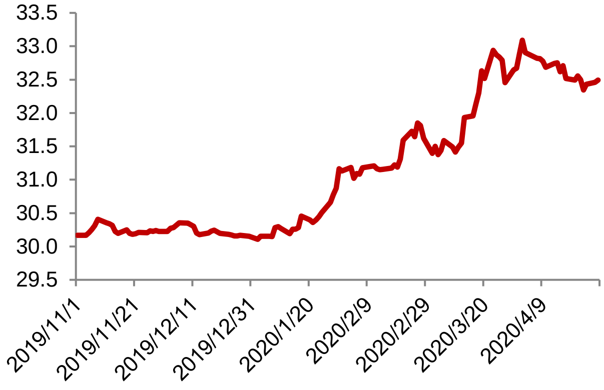
USD:PHP BSP reference rate



Source: Bangko Sentral ng Pilipinas (BSP)

THAI BAHT

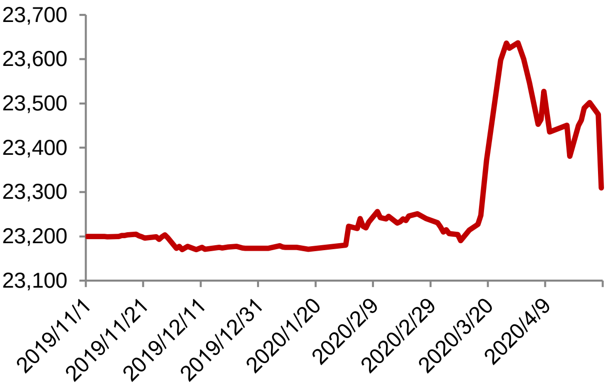
USD:THB mid-rate



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.

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