

ASIA SOURCING UPDATE

SOUTHEAST ASIA | SOUTH AND WEST ASIA

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IN THE NEWS

CAMBODIA

EXPORTS OF GARMENTS AND FOOTWEAR RISE BY 6.7% YOY IN 2015

Cambodia's exports of garments and footwear amounted to US\$6.3 billion in 2015, up by nearly 6.7% compared with a year ago, according to data released by Cambodia's Ministry of Commerce. The growth was slower than the double-digit increases recorded in previous years.

The breakdown of the export figure shows that garment exports rose by 6.7% yoy to US\$5.7 billion in 2015, while footwear exports jumped by 22% yoy to US\$538 million. Exports of textiles contributed a marginal US\$48 million in the year, down by 17% yoy.

The EU continued to be the largest importer of Cambodian garments in 2015, with garment imports from Cambodia amounting to US\$2.5 billion and growing by 15% yoy. The steady growth in the EU market was largely due to the duty-free preference under the Generalised System of Preference (GSP) scheme. Garment exports to the US, the second largest export market for Cambodian garments, witnessed a 3% yoy decrease to US\$1.7 billion in 2015.

Ken Loo, secretary-general of the Garment Manufacturers Association of Cambodia (GMAC), warned that the GSP advantage for Cambodia would reduce gradually, as the EU has recently concluded a free trade agreement with Vietnam, under which many apparel products will enjoy duty-free access to the EU market either immediately or over a period of up to seven years. It is also noteworthy that the minimum wage in Cambodia (US\$140 per month) now stands at the same level as in Vietnam (US\$107-156 per month, depending on the region), while productivity in Cambodia is lower.

CAMBODIA

ADIDAS TO INCREASE SOURCING FROM CAMBODIA

In an investor meeting in December last year, Adidas announced its plan to increase sourcing from Cambodia, Myanmar, Indonesia and Vietnam over the next five years to cope with the rising costs of labour and other production inputs, according to Reuters.

Specifically, the brand intends to raise its global share of apparel sourcing from Cambodia by 4 percentage points by 2020. In 2014, Adidas sourced 16% of its apparel products from its 24 suppliers in Cambodia, and the percentage will rise to 20% by the end of this decade. The company also sources footwear from the country, and is committed to continue doing so in the future.

The company also clarified that sourcing more from the Southeast Asia would not have a significant impact on the sourcing volume from China, which would still account for about 30% of all products sourced globally by the company.

Adidas's head of global sourcing, John McNamara, expects that labour costs will continue rising at a rate of 11-15% per year and the costs of raw materials will increase by 1-4 % per year, over the next five years.

CAMBODIA

NEW PROGRAMME TO IMPROVE LABOUR INSPECTION IN GARMENT SECTOR

Germany's state aid agency Gesellschaft für Internationale Zusammenarbeit (GIZ) signed a partnership agreement with the Cambodian government in late January to enhance the country's labour inspection system for the garment sector.

With the 1.2 million euros (US\$1.3 million) funding pledged by the GIZ, the new programme is a two-year initiative which focuses on providing advice and technical support to Cambodia's Ministry of Labour. The country's inspection system is often crippled by a lack of qualified staff and funding. The US State Department reported in October 2015 that the Child Labour Department under Cambodia's Ministry of Labour could only conduct inspections in the Phnom Penh area due to budget constraints.

GIZ's new programme will help reassure those European consumers with concerns over unfair labour practices in Cambodia. Similar programmes are also operating in Pakistan, Bangladesh and China by GIZ. ■

INDONESIA



INDONESIA RECORDS TRADE SURPLUS IN JANUARY AMIDST WEAK IMPORTS

According to figures announced by Statistics Indonesia on 15 February, Indonesia's trade balance returned to a small surplus of US\$50.6 million in January, after recording trade deficits in the preceding two months. Following the announcement, the Indonesian rupee appreciated markedly against the US dollar.

However, Indonesia's exports and imports both fell significantly on a year-on-year basis in January. Both exports and imports recorded the sixteenth consecutive month of year-on-year declines.

Exports in January plunged 20.7% yoy to US\$10.5 billion, the weakest export figure since September 2009. The poor export performance was mainly due to low commodity prices and weak global demand. Meanwhile, Indonesia's imports dropped 17.2% yoy to USD \$10.5 billion in January, reflecting weak domestic demand. While imports of consumer goods posted an increase, imports of capital goods and raw materials declined.

The export and import figures in January cast doubts on Indonesia's likelihood of achieving the government's GDP growth target of 5.3% in 2016. Looking ahead, export data are expected to remain subdued throughout the year as prices of commodities, Indonesia's main export products, remain persistently low. Import figures, however, should start to rebound with the government's push for infrastructure development, which creates demand for imports.

INDONESIA

INDONESIA REGISTERS SLOWEST GDP GROWTH IN SIX YEARS

Indonesia registered year-on-year GDP growth of 5.04% in the last quarter of 2015, making its growth 4.79% for the whole year, according to Central Statistics Agency (BPS) data. This marks the slowest annual growth in six years, after the 4.5% growth in 2009.

Data show that three sectors dragged down the GDP growth in 4Q15, namely, the mining industry, which was hurt by the global commodity price slump; agriculture, which was hampered by El Niño; and the wholesale and retail sector, which was affected by decreasing automotive sales.

Meanwhile, construction posted high growth rate of 8.24% yoy in 4Q15 due to government spending. The transportation, accommodation and communications sectors also posted strong year-on-year growth, thanks to the Christmas and New Year holidays, said BPS Head Suryamin.

INDONESIA

GOVERNMENT TAKING STEPS TO JOIN TPP

In addition to resuming trade negotiations with the EU in June and with South Korea in December last year, the Indonesian government has taken important initiatives in preparation for joining the Trans-Pacific Partnership (TPP).

President Joko 'Jokowi' Widodo expressed Indonesia's interest to join the TPP to US

President Obama in October last year. Speaking on the sidelines of the US-ASEAN Summit in the US in mid-February, President Jokowi said that he expected it would take two or three years of preparations for the country to join TPP.

Among these preparations is the establishment of a special TPP committee to examine all terms in the TPP and review the advantages and disadvantages of joining the trade pact. According to Rizal Affandi Lukman, Deputy Minister for International Economic and Financial Cooperation of the Coordinating Ministry for Economic Affairs, the government is preparing a decree on the TPP committee and expects it to be signed within February. The proposed committee will consist of government officials from relevant ministries, and public figures ranging from experts to chairmen of business associations. After completing the review, the team will make recommendations to the government and the House of Representatives.

However, the government's plan to join the TPP is still a controversial issue within the nation. On one hand, domestic textile and garment manufacturers are pushing the government to join the trade pact. They include publicly-listed garment manufacturer PT Pan Brothers and the Indonesian Textile Association. On the other hand, some experts are concerned about the impact on the Indonesian economy. Mahmud Syaltout, an international trade law and policy expert at the University of Indonesia, said that joining the TPP would harm Indonesia's agriculture sector.

If Indonesia decides to join the TPP, it will then need to revise its laws. The Chairman of the House of Representatives Commission VI, Achmad Hafisz Tohir, previously said that Indonesia would have to amend at least 12 laws, including the laws on state-owned enterprises, investment and business competition, in order to pave the way for joining the trade pact. He expected the process to take at least two years. ■

PHILIPPINES



GDP GROWS BY 5.8% YOY IN 2015

The Philippines' economy grew by 6.3% yoy in 4Q15, slower than the 6.6% yoy growth posted in the same quarter in 2014. For the full year of 2015, GDP growth reached 5.8% yoy, falling short of the government's target of 7-8%. Nevertheless, the growth is still encouraging amid a weak external environment and global financial turbulence.

On the demand side, economic performance in 4Q15 was buoyed by vibrant private consumption and improved exports, which increased by 6.4% yoy and 7.1% yoy, respectively. Besides, fixed capital formation gained momentum, growing by 22.5% yoy in 4Q15, an acceleration from 13.3% yoy in 3Q15, on the back of increase in public construction and strong investment in durable equipment.

On the supply side, the industrial sector and the service sector posted stronger year-on-year growths in 4Q15 than 3Q15, while the agricultural sector witnessed a 0.3% yoy contraction in 4Q15, due mainly to the long dry spell and damages caused by Typhoon Lando.

In 2015, the Philippines was among the fastest growing developing Asian economies, only next to India, China and Vietnam. Looking ahead, slower growth in China and the region, higher global financial volatility and capital outflows, and weather related disruptions can all pose risks to the Philippines' economic prospects in 2016.

PHILIPPINES

FURNITURE EXPORTS FALL 6.6% YOY IN 2015

Philippines' exports of woodcraft and furniture reached US\$3.1 billion in 2015, down by 6.6% yoy, according to preliminary figures released by the Philippine Statistics Authority. The industry

continued to be one of the top ten export earners, accounting for 5.3% of total exports of the country in 2015.

The poor export performance in 2015 was attributable to sluggish global demand. In 2013 and 2014, the industry recorded impressive export growth of 39.7% yoy and 44.5% yoy, respectively. The US and Japan continued to be the major export markets for Philippine furniture.

The Philippine furniture industry aims to become a global design innovator or hub for products using sustainable materials by 2030. According to the Chamber of Furniture Industries of the Philippines, the main strength of the local industry is on design, especially designing the parts and pieces that use sustainable materials or indigenous components such as abaca, bamboo, coco coir, buri, and piña fibre.

According to a government website, 95% of the furniture companies in the country are small and medium-sized enterprises, and the three major furniture production areas are Metro Manila, Pampanga and Cebu.

PHILIPPINES

EXPORTERS UTILISE 62.8% OF DUTY PREFERENCES UNDER EU GSP+

According to a recent report released by the European Commission on the Generalised Scheme of Preferences (GSP), the EU imported 3,257.4 million euros worth of goods from the Philippines in the first half of 2015, of which 1,084.7 million euros worth of goods were eligible for GSP+ preferences. The actual GSP+ preferential imports amounted to 681.0 million euros in the six-month period, with a utilisation rate of 62.8%.

The utilisation rate for the Philippines was slightly above average among the 13 GSP+ beneficiary countries covered by the report. However, when compared with Pakistan, the other Asian beneficiary with a GSP+ utilisation rate of 94.5% in the same period, the Philippines was a less keen

user. In 2013 and 2014, when the country was an 'ordinary' GSP beneficiary (the Philippines was granted the GSP+ status from 25 December 2014), the utilisation rates of GSP preferences stood at 63.9% and 66.7%, respectively.

Industry observers attribute the low utilisation rate to the complicated rules of origin under the GSP+, particularly for the Philippine garment sector, which relies heavily on imported yarns, the usage of which is restricted under the GSP+. According to Robert Yong, president of the Foreign Buyers Association of the Philippines, the situation has worsened even further since 2015 when some local textile mills were closed due to the suspension of a tax rebate incentive for the sector.

THAILAND



GDP EXPANDS BY 2.8% YOY IN 4Q15

The country's economic growth edged down to 2.8% yoy in 4Q15 from 2.9% yoy in 3Q15, according to the press release from the Office of the National Economic and Social Development Board (NESDB). For the full year of 2015, GDP grew by 2.8% yoy.

A demand-side breakdown of the figure shows that the domestic demand components saw improvements across the board. In particular, gross fixed capital formation witnessed the largest rebound, growing by 9.4% yoy in 4Q15, compared with a 2.6% yoy contraction in 3Q15.

On the supply side, while agriculture saw a mild year-on-year contraction in 4Q15, expansion of the manufacturing sector decelerated in the quarter. The construction sector stood out in 4Q15, with a strong growth of 23.9% yoy, compared with the 9.4% yoy growth in the previous quarter.

NESDB predicts that Thailand's GDP growth will reach 3.3% yoy in 2016, bolstered by stronger public investment in infrastructure projects,

government economic stimulus measures and a weak Thai baht.

THAILAND

CPI DROPS FOR 13TH STRAIGHT MONTH IN JANUARY

Thailand's consumer price index (CPI) fell 0.53% yoy in January, the 13th consecutive month that registered a year-on-year decline. But the drop in the CPI moderated in the month, when compared with the 0.97% yoy and 0.85% yoy declines in November and December last year, respectively.

The continued drop in the CPI was attributed mainly to the 'transportation and communication' component in the CPI basket, which declined by 3.91% yoy in January. This was resulted from the steep fall in global crude oil prices. 'Food and non-alcoholic beverages', which accounts for 35.9% in the CPI basket, saw its price level rise by 0.81% yoy in the month. Core inflation, which excludes volatile food and energy prices, edged down to 0.59% yoy in January from 0.68% yoy in December 2015.

The CPI is expected to continue its downward trend in the next few months as global crude oil prices have continued to fall recently. Nevertheless, overall for the whole year of 2016, the Ministry of Commerce predicts that inflation will rise to 1-2%, based on the projections of GDP growth at 3-4%, Dubai crude oil price at US\$45-54 per barrel and foreign exchange rate at 35-36 baht against the US dollar.

THAILAND

THAILAND SHOWS STRONG INTEREST IN JOINING TPP

Thailand's businesses, academics and civil society organisations have generally shown strong enthusiasm for the country to join the 12-nation Trans-Pacific Partnership (TPP), which was signed on 4 February but has not yet come into force.

Thailand's Ministry of Commerce has held meetings with businesses, non-profit organisations, academics and the farm and livestock sector over the past few months to discuss the benefits of joining the TPP to Thailand, according to the Commerce Vice-Minister Winichai Chaemchaeng. Most of them said the country should join the new trade bloc.

A recent study commissioned by the Ministry of Commerce has found that Thailand's GDP growth rate could increase by 0.77 percentage points a year by signing onto the TPP. Automobile, electronic, computer, garment and textile sectors would benefit the most from the TPP. The trade pact could also help enhance the environmental protection and labour standards in Thailand. Stringent patent protection, however, could make it difficult for Thais to access public health services, and lead to higher costs for pharmaceutical and medical products in Thailand.

According to the Ministry of Commerce, more public hearings will be undertaken to gather opinions from all sectors involved in the TPP before the Ministry proposes the study results to policymakers. ■

VIETNAM



INDUSTRIAL PRODUCTION INDEX SURGES IN JANUARY

Vietnam's index of industrial production (IIP) in January posted a 5.9% increase year-on-year, according to the General Statistics Office (GSO).

During the month, production of automobiles, steel, animal feed and powdered milk expanded, with year-on-year growth rates ranging from 15.7% to 39.9%. Other sectors that also achieved high growth in production include beverages, garments and electricity, which grew between 12% yoy and 15.9% yoy.

In contrast, tobacco, coal and lignite, electronic products, computers, optical products, crude oil and natural gas witnessed declines in production, contracting at rates between 1.2% yoy and 6.2% yoy.

According to the GSO statistics, many provinces and cities showed a substantial jump in industrial production during the month, including Thai Nguyen, Hai Phong, Hanoi, Da Nang, Ho Chi Minh City, Dong Nai, Binh Duong and Vinh Phuc. In particular, Quang Nam province enjoyed a production growth of nearly 60% yoy in January.

VIETNAM

DOMESTIC GARMENT FIRMS EYE AMBITIOUS EXPANSION

Several companies under the Vietnam National Textile and Garment Group (Vinatex) have invested millions of US dollars on expanding production to seize domestic and export market opportunities.

Phong Phu Home Textile JSC invested more than US\$45 million last year in a number of key projects which helped it complete the supply chain and become more competitive in major overseas markets, said the company's General Director Pham Xuan Trinh. The projects include a textile factory in Nha Trang with a capacity of 3,780 tons of fabric annually, a denim fabric factory in Nha Trang with a capacity of 35.7 million meters of fabric a year, and a production line producing 4.8 million towels a year in Ho Chi Minh City. These projects would help the company meet its target of US\$1 billion revenue in the next four years, according to Trinh.

Meanwhile, Viet Tien Garment JSC invested more than US\$22.7 million on its garment production chain in the 2015-2016 period, said Vinatex General Director Le Tien Truong. Nha Be Garment JSC, with an export revenue of US\$550 million last year, is building the Nha Be Garment Factory in Hau Giang province with an investment of US\$13.6 million. After the factory is put into operation later this year, it is expected to employ

around 6,000 workers and produce suits, trousers, women's fashion and other products with an annual export revenue of US\$120 million.

VIETNAM

ECONOMISTS WARN AGAINST VIETNAM'S RELIANCE ON FDI

The increasingly dominating role played by foreign-invested enterprises (FIEs) in Vietnam has raised some economists' concerns that the national economy may become over reliant on FDI, stunting development of the domestic economy.

Data from the General Statistics Office (GSO) revealed that exports of FIEs in 2015 were US\$115.1 billion, representing 70.9% of the nation's total annual exports. Meanwhile, their imports amounted to US\$97.9 billion, making up 59.2% of the nation's total imports during the year.

According to the Foreign Investment Agency, US\$22.8 billion worth of FDI was registered in 2015, an increase of 12.5% compared to 2014. FDI disbursement in 2015 amounted to US\$14.5 billion, up by 17.4% yoy. FDI in the garment sector hit a record high of US\$2 billion in 2015, according to statistics from the Vietnam Textile and Apparel Association (Vitas).

Though FIEs have been making big contributions to Vietnam's economic growth, economists warn that the nation is paying a high price in the longer term as resources are being exhausted. For instance, a research project from the Hanoi Economics University shows that the ratio of GNI/GDP has been steadily declining from 97.9% in 2006 to 95.1% in 2015. The research also estimates that roughly US\$8.6 billion of the country's GDP went abroad in 2013, while US\$9 billion flew out in 2014 and a further US\$4.2 billion left the country during the first half of 2015.

Former Minister of Trade Truong Dinh Tuyen also pointed out that domestic firms lack the strength to drive the country's economic growth. The exceptional GDP growth seen last year was mainly

contributed by the FDI sector, which now accounts for half of the economy's industrial value. ■

MAJOR ECONOMIC INDICATORS

INDONESIA

	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Quarterly GDP (real yoy growth %)	4.7 (3Q15)		5.0 (4Q15)			
Production index of large and medium manufacturing (yoy growth %)	5.7	2.0	5.4	5.7	1.0	-
Manufacturing PMI (Nikkei)	48.4	47.4	47.8	46.9	47.8	48.9
Real retail sales index (yoy growth %)	5.8	7.1	8.7	9.7	10.4	11.7
Consumer price index (yoy growth %)	7.2	6.8	6.3	4.9	3.4	4.1
Exports (yoy growth %)	-12.3	-18.0	-21.0	-17.6	-17.7	-20.7
Exports (FOB, US\$ mn)	12,702.8	12,528.9	12,084.8	11,163.4	11,886.3	10,500.2
<i>Of which:</i>						
Textile and textile products (US\$ mn)	1,030.9	1,013.6	947.8	934.2	1,106.4	-
Footwear (US\$ mn)	353.3	319.2	368.3	433.0	410.5	-
Furniture (US\$ mn)	127.0	133.2	140.3	133.0	148.0	-
Sports requisites (US\$ mn)	53.0	46.1	37.8	32.2	33.7	-
Imports (yoy growth %)	-17.1	-26.0	-27.8	-18.0	-16.0	-17.2
Imports (US\$ mn)	12,269.0	11,511.7	11,065.6	11,509.8	12,122.1	10,449.6

Source: Statistics Indonesia, Bank Indonesia, Nikkei PMI reports

PHILIPPINES

	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Quarterly GDP (real yoy growth %)	6.1 (3Q15)		6.3 (4Q15)			
Value of production index, manufacturing (yoy growth %)	-5.8	-5.6	-6.3	-1.9	-2.6	-
Volume of production index, manufacturing (yoy growth %)	2.2	2.8	1.4	4.4	4.9	-
Producer price index (yoy growth %)	-7.9	-8.2	-7.6	-6.0	-7.2	-
Consumer price index (yoy growth %)	0.6	0.4	0.4	1.1	1.5	1.3
Exports (yoy growth %)	-6.3	-15.5	-10.8	-1.1	-3.0	-
Exports (FOB, US\$ mn)	5,127.5	4,939.0	4,590.3	5,118.0	4,659.5	-
<i>Of which:</i>						
Woodcrafts and furniture (US\$ mn)	275.7	247.2	284.4	326.2	250.9	-
Garments (US\$ mn)	103.0	84.0	70.3	76.9	89.0	-
Travel goods and handbags (US\$ mn)	55.6	24.1	34.7	41.5	26.6	-
Imports (yoy growth %)	5.7	8.2	16.9	10.1	-25.8	-
Imports (FOB, US\$ mn)	6,176.0	6,255.0	6,534.0	6,095.0	4,056.5	-
Balance of trade (US\$ mn)	-1,048.5	-1,316.0	-1,943.7	-977.0	603.0	-

Source: National Statistics Office, National Statistical Coordination Board

THAILAND

	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Quarterly GDP (real yoy growth %)	2.9 (3Q15)		2.8 (4Q15)			
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	0.5	-0.3	-0.8	0.3	1.3	-
Producer price index (yoy growth %)	-3.8	-3.6	-3.1	-3.0	-2.7	-
Consumer price index (yoy growth %)	-1.2	-1.1	-0.8	-1.0	-0.9	-0.5
Exports (yoy growth %)	-6.7	-5.5	-8.1	-7.4	-8.7	-
Exports (US\$ mn)	17,669.2	18,815.8	18,566.2	17,166.8	17,100.1	-
<i>Of which:</i>						
Textiles and apparel (US\$ mn)	556.8	573.0	582.4	552.0	568.7	-
Furniture (US\$ mn)	89.3	92.4	94.1	86.2	92.8	-
Footwear (US\$ mn)	58.2	47.6	48.4	48.4	60.6	-
Imports (yoy growth %)	-4.8	-26.2	-18.2	-9.5	-9.2	-
Imports (US\$ mn)	16,948.0	16,021.8	16,465.3	16,868.3	15,612.9	-
Trade balance (US\$ mn)	721.3	2,794.0	2,100.9	298.5	1,487.2	-

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

VIETNAM

	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Quarterly GDP (real yoy growth %)	6.9 (3Q15)		7.0 (4Q15)			
Industrial production index (yoy growth %)	9.0	10.1	8.8	8.9	8.1	5.9
Manufacturing PMI (Nikkei)	51.3	49.5	50.1	49.4	51.3	51.5
Retail sales of consumer goods and services (year-to-date, yoy growth %)	10.1	9.8	9.6	9.4	9.5	11.7
Price index of materials used for production (yoy growth %)	1.0 (3Q15)		-			
Producer price index for industrial products (yoy growth %)	-0.8 (3Q15)		-1.3 (4Q15)			
Consumer price index (yoy growth %)	0.6	0.0	0.0	0.3	0.6	0.8
Exports (year-to-date, yoy growth %)	9.2	9.2	8.3	7.9	7.9	-1.0
Exports (US\$ mn)	14,480.5	13,813.8	14,314.0	13,894.0	13,735.0	13,363.2
<i>Of which:</i>						
Textiles & garments (US\$ mn)	2,291.6	2,137.5	1,980.1	1,708.7	2,206.3	2,001.9
Footwear (US\$ mn)	982.7	807.9	959.1	1,103.9	1,212.8	1,178.0
Wood & wooden products (US\$ mn)	590.4	563.7	634.5	597.9	754.8	606.3
Toys and sports requisites (US\$ mn)	70.9	75.3	75.7	75.7	82.6	72.6
Imports (year-to-date, yoy growth %)	16.8	15.6	13.7	12.7	12.0	-10.7
Imports (US\$ mn)	14,134.1	14,034.4	13,814.4	13,630.9	14,298.3	12,597.8

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

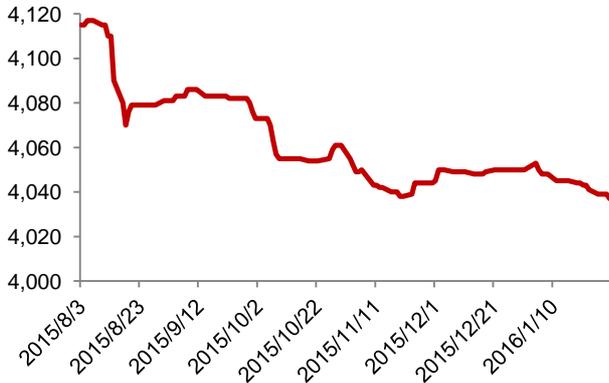
Macroeconomic data for Cambodia are not available as of the date of publishing

DAILY EXCHANGE RATES

AUGUST 2015 - JANUARY 2016

CAMBODIAN RIEL

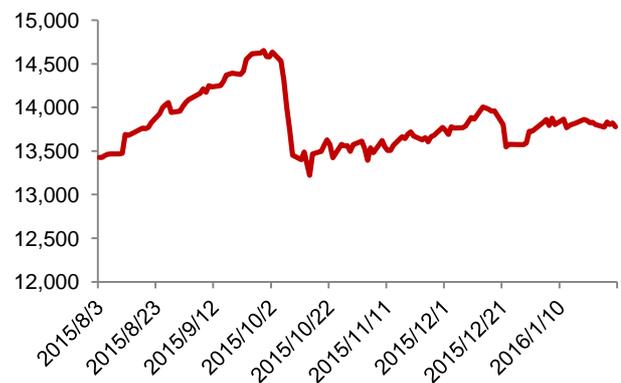
USD:KHR official exchange rate



Source: National Bank of Cambodia

INDONESIAN RUPIAH

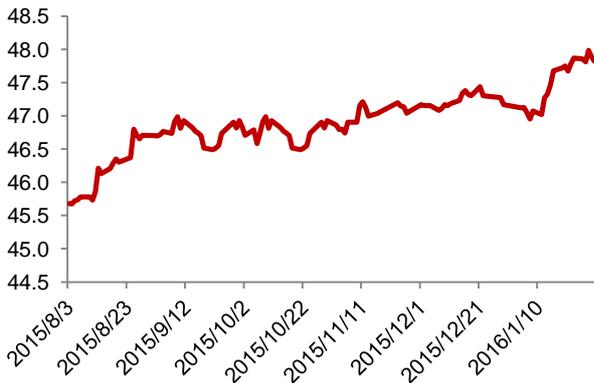
USD:IDR buy rate



Source: Bank Indonesia

PHILIPPINE PESO

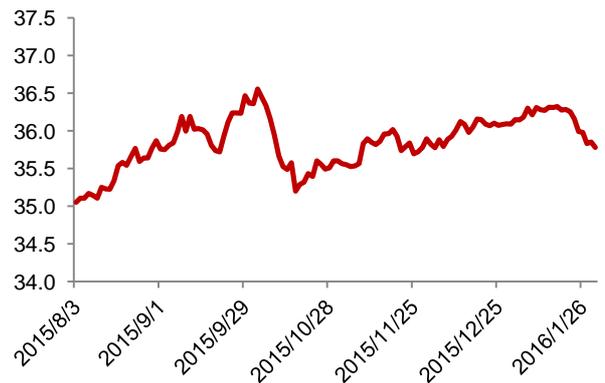
USD:PHP BSP reference rate



Source: Bangko Sentral ng Pilipinas (BSP)

THAI BAHT

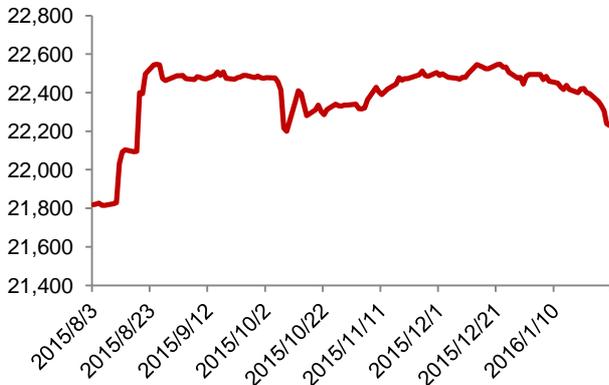
USD:THB mid-rate



Source: Bank of Thailand

VIETNAMESE DONG

USD:VND spot rate



Source: Bloomberg

THE FUNG BUSINESS INTELLIGENCE CENTRE

The Fung Group is a privately held multinational group of companies headquartered in Hong Kong whose core businesses are trading, logistics, distribution and retailing. The Fung Group employs over 46,800 people across 40 economies worldwide, generating total revenue of more than US\$24.65 billion in 2014. Fung Holdings (1937) Limited, a privately held business entity headquartered in Hong Kong, is the major shareholder of the Fung group of companies.

The Fung Business Intelligence Centre (FBIC) collects and analyses market data on sourcing, supply chains, distribution and retail. It also provides thought leadership on technology and other key issues shaping their future.

Headquartered in Hong Kong, FBIC leverages unique relationships and information networks to track and report on trends and developments in China and other Asian countries. In addition, its New York-based Global Retail & Technology research team follows broader retail and technology trends, specialising in how they intersect and building collaborative knowledge communities around the revolution occurring worldwide at the retail interface.

Since its establishment in 2000, the FBIC (formerly known as the Li & Fung Research Centre) has served as the knowledge bank and think tank for the Fung Group. Through regular research reports and other publications, it makes its market data, impartial analysis and expertise available to businesses, scholars and governments around the world. It also provides advice and consultancy services to colleagues and business partners of the Fung Group on issues related to doing business in China, ranging from market entry and company structure, to tax, licensing and other regulatory matters.

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