ASIA SOURCING UPDATE

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FUNG BUSINESS INTELLIGENCE

IN THE NEWS

CAMBODIA

EXPORTS TO US JUMP 33.4% YOY IN JANUARY–APRIL

Cambodia exported US$1.96 billion worth of goods to the US in the first four months of 2020, registering a sharp growth of 33.4% compared to the same period last year, according to data from the United States International Trade Commission (USITC).

A breakdown of the export statistics shows that Cambodia's apparel exports to the US increased by 17.4% yoy to US$0.95 billion, while exports of travel goods surged by 42.7% yoy to US$0.36 billion. Exports of footwear, Cambodia's third largest export category to the US during the period, grew by 32.2% yoy to US$0.19 billion. It is noteworthy that Cambodia became the US's second largest supplier of travel goods in the January–April period, accounting for 13.1% of travel goods imported by the US, while the country represented only 7.6% of US travel goods imports during the same period last year.

Cambodia's positive export performance in the period was due to the fact that the US did not see a serious COVID-19 outbreak until March. Cambodian factories had continued to fulfil orders well into the period until mass order cancellations began around mid-March.

In the following months, however, growth of Cambodia's exports to the US is set to slow due to mass order cancellations amid the COVID-19 outbreak and civil unrest in the US caused by the nationwide anti-racism protests over the death of an unarmed black man, George Floyd.

CAMBODIA

GARMENT AND FOOTWEAR SECTOR CALLS FOR POSTPONING EBA WITHDRAWAL

In view of the devastating impacts caused by the COVID-19 pandemic on the garment and footwear sector, the Garment Manufacturers Association in Cambodia (GMAC), the Cambodia Footwear Association (CFA) and the European Chamber of Commerce in Cambodia (EuroCham) submitted a joint letter to the European Commission (EC) in early June to request a postponement of the EU's partial withdrawal of the Everything But Arms (EBA) trade preferences for 12 months.

The joint letter said that many foreign buyers had cancelled orders that were already completed or in production in the first quarter. So far, some 250 Cambodian apparel, footwear and travel goods factories have had to suspend operations due to the COVID-19 pandemic and more than 130,000 workers in the sector, most of whom are women, have lost their jobs. In addition, it is estimated that the sector's exports will likely fall by 50%−60% on a yearly basis in the second quarter of this year.

In February, the EC decided to partially withdraw the duty-free and quota-free preferences granted to Cambodia under the EBA trade scheme from 12 August this year. Products that will be affected by the decision include selected garment and footwear products and all travel goods, which will be subject to standard most-favoured-nation (MFN) tariff rates when entering the EU market.

'If the withdrawal goes forward, more orders and jobs will be lost and will never come back,' said GMAC chairman Van Sou Ieng. 'The EU must not ignore the gravity of the situation and the devastating impact of removing EBA benefits in August,' he added.

have to be made with a bloc rather than a single country. ■

CAMBODIA

CAMBODIA BANKS ON FTAS WITH TRADE PARTNERS

The Cambodian government has strived to develop a range of policies and strategies to diversify exports and integrate the country into the regional and global economy through free trade agreements (FTAs). Currently, Cambodia only participates in FTAs through the ASEAN framework agreements, such as the ASEAN–China FTA, ASEAN–Japan FTA, ASEAN–South Korea FTA, ASEAN–India FTA and ASEAN–Australia–New Zealand FTA.

The Ministry of Commerce has established eight working groups to take charge of trade negotiations with each potential partner, including China, South Korea, the Eurasian Economic Union (EAUE), the UK, the US, Japan, Mongolia and India. So far, the UK, the US, Japan, Mongolia and India have not started to launch FTA talks with Cambodia.

China is the first country to negotiate an FTA with Cambodia. During the second round of negotiations, which ended in April, the two sides reached a broad consensus on the contents of the agreement. Important progress was made in the fields of trade in goods, rules of origin, customs procedures and trade facilitation, technical barriers to trade, sanitary and phytosanitary measures, trade in services, transparency and relevant legal issues. The deal is expected to be finalised by the end of this year.

In May, South Korea and Cambodia completed a joint feasibility study on a bilateral FTA and agreed to start domestic procedures to launch official trade negotiations.

The Cambodian government is also looking for support from Russia to push forward the Cambodia–EAUE FTA. While working groups to exchange information have been formed, the process has been very slow as trade negotiations

INDONESIA

GOVERNMENT PROJECTS 3.1% GDP CONTRACTION IN SECOND QUARTER

Indonesia's economy is projected to contract by 3.1% yoy in the second quarter, the worst quarterly growth since the 1998 Asian financial crisis, due to the impact of large-scale social restrictions to contain the COVID-19, said Indonesian Finance Minister Sri Mulyani Indrawati in a livestreamed news conference on 16 June.

Indonesia's GDP grew by 2.97% yoy in the first quarter. The Indonesian government expected recovery process to start in the third quarter, and that positive growth might return in the fourth quarter, said Indrawati.

For the whole year, the government's baseline outlook projection remained between -0.4% to 2.3%. However, Indrawati stated that economic growth in 2020 would likely fall in the range of 0% to 1%.

The World Bank, in its latest *Global Economic Prospects* report published on 8 June, projected Indonesia's GDP to stagnate in 2020.

According to Senior World Bank economist for Indonesia Ralph van Doorn, the zero-percent growth projection assumes two months of large-scale social restrictions and takes into account a severe global economic slowdown and a very big drop in commodity prices. Van Doorn added that in the World Bank's worst-case scenario, where large-scale restrictions last for four months in several regions, the nation's economy might contract by 3.5% this year.

Meanwhile, the OECD, in its latest issue of *Global Economic Outlook*, projected the Indonesian economy to contract by 2.8% or 3.9% in 2020 depending on the scenario.

INDONESIA

EXPORTS AND IMPORTS PLUNGE AMID COVID-19 DISRUPTIONS

Indonesia's exports plunged 28.9% yoy in May to US$10.53 billion, the lowest monthly export value since July 2016, according to data released by Statistics Indonesia (BPS). Most of the country's major export categories recorded year-on-year declines in May.

The country's oil and gas exports declined 42.6% yoy to US$652 million, while exports of mining products fell by 38.1% yoy to US$1.33 billion. Exports of manufactured goods dropped by 25.9% yoy to US$8.31 billion in May.

Meanwhile, imports saw a year-on-year contraction of 42.20% to US$8.44 billion in May, the lowest monthly import value since 2009, as demand for consumer goods, raw materials and capital goods plummeted.

Imports of consumer goods dropped by 39.8% yoy to US$934 million, driven by fewer purchases of air conditioners and washing machines, among other items. Imports of raw materials declined by 43.0% yoy to US$6.11 billion, while imports of capital goods dropped by 40.0% yoy to US$1.39 billion.

'Economic development has not been good around the world,' said BPS director Suhariyanto in a news conference. Weaker purchasing power, lockdowns, as well as economic contractions of Indonesia's trading partners all contributed to the country's poor trade performance.

From January to May, the country registered US$64.46 billion in exports, a decrease of 6.0% yoy, while imports amounted to US$60.15 billion in the five-month period, a 15.5% yoy decrease. This resulted in a trade surplus of US$4.31 billion during the first five months of the year, compared to a deficit of US$2.68 billion in the same period last year.

INDONESIA

NEW INDUSTRIAL PARK TO ATTRACT COMPANIES RELOCATING OUT OF CHINA

Indonesia plans to build one of its largest industrial parks on the north coast of Java island in a renewed drive to attract manufacturers relocating out of China.

The proposed industrial park, located in Brebes, Central Java, is 270 km east of Jakarta and already has a road link to the capital and two nearby ports. About 4,000-hectare large, the proposed park is estimated to cost 3.8 trillion rupiah in the first phase of construction.

'This is a pilot project for Indonesia to attract global investors heading out of China,' said Ahmad Fauzie Nur, chief operating officer of PT Kawasan Industri Wijayakusuma, the state company due to operate the park.

In addition to low rents, the area's low minimum wage of 1.9 million rupiah (US$130) per month is another selling point, said Fauzie Nur, who believes the park can compete with Vietnam and Thailand.

Fauzie Nur expects the first-phase construction of the park to be completed by next year. ■

PHILIPPINES

EXPORTS PLUNGE 50.8% YOY IN APRIL

The Philippines' merchandise exports amounted to US$2.78 billion in April, the lowest level since February 2009, with a sharp contraction of 50.8% compared to the same month last year, according to data released by the Philippine Statistics Authority. Export decline in April was worse than the 24.7% yoy contraction recorded in March.

Exports of electronic products, representing 57.3% of the country's total exports in April, dropped by

48.6% yoy to US$1.60 billion. Among the top ten export commodities, only petroleum products and pineapple products witnessed a positive year-on-year growth in exports during the month. Beyond the top-ten list, exports of textile yarn and fabrics jumped by 61.0% yoy in April, while exports of apparel and travel goods and handbags plummeted by 88.8% yoy and 87.1% yoy, respectively.

By destination, the Philippines' exports to all top ten countries recorded sharp year-on-year declines in April, led by the US (-65.8%), South Korea (-56.0%), China (-54.9%), the Netherlands (-54.4%), and Japan (-54.0%).

The drastic deterioration of the Philippines' export performance was mainly due to stringent lockdown measures imposed on the entire Luzon island — which accounts for around 70% of the country's GDP — since mid-March and weak external demand amid the COVID-19 pandemic. Following harsh quarantine measures, almost all factories producing non-essential goods in Luzon were forced to halt operations, while travel restrictions and frequent checkpoints hampered the once free flow of inputs and goods both into and out of the country.

While lockdown measures in some rural or low-risk areas have been eased since May, Metro Manila and other areas in Luzon were not eased from 'enhanced community quarantine' to 'general community quarantine' (or less strict quarantine) until 1 June.

PHILIPPINES

INVESTMENT PLEDGES DROP 70.7% YOY IN FIRST FOUR MONTHS OF 2020

Investment projects registered with the Board of Investment (BOI) amounted to 84.1 billion pesos in the first four months of 2020, a 70.7% plunge compared with the 286.7 billion pesos recorded in the same period last year, according to a press release by the BOI.

Approved investments from domestic sources reached 70.7 billion pesos in the four-month period, down by 67.8% yoy, while approved foreign investment amounted to 13.4 billion pesos, posting an 80.0% yoy decline. By sector, the transportation and storage sector attracted the largest amount of pledged investment worth 60.2 billion pesos, followed by real estate (8.8 billion pesos), manufacturing (5.3 billion pesos), power (4.2 billion pesos) and accommodation (3.8 billion pesos).

According to Trade Secretary and BOI Chairman Ramon M. Lopez, the sharp fall in investment pledges was expected due to the COVID-19 pandemic. He believed that this would be only temporary as the Philippine economy demonstrated strong resilience amid the pandemic, with the country's GDP contracting by only 0.2% yoy in the first quarter of this year.

During a Senate Committee of the Whole hearing in May, Lopez admitted that the Philippines is "not getting the biggest chunk" of investments fleeing from China amid the COVID-19 pandemic due to the country's inadequate infrastructure. Most Chinese investors seeking to relocate to Southeast Asia have turned to Vietnam, he added.

PHILIPPINES

GOVERNMENT EYES NEW TAXES TO FUND REVENUE SHORTFALL

The prolonged COVID-19 pandemic has dealt a heavy blow to the Philippine economy. Due to extra spending on pandemic-related relief measures and reduced tax collections due to economic recession, government revenue has been squeezed substantially. According to the *Philippine News Agency*, total collections from the Bureau of Internal Revenue and the Bureau of Customs fell by 21.5% yoy in the January–April period.

To fund the revenue shortfall caused by the pandemic, the Duterte administration is considering the introduction of new taxes or increasing tax rates starting 2021. According to the tax proposals obtained by the *Philippine Star*, study is now being conducted on all possible options, including a digital economy value added tax (VAT), higher tax on sugar-sweetened beverage, new levies on junk food, particularly those with high trans fat and high sodium content, higher motor vehicle user tax, and better administration on the Philippine Offshore Gaming Operators (POGOs).

The tax proposals are part of the government's overall recovery and resiliency plan post-pandemic. Apart from the introduction of new taxes or higher tax rates to finance the pandemic-related measures, the government hopes to take the COVID-19 crisis as an opportunity to make structural changes in the country's tax system as well. For example, the Duterte Administration is pushing for the passage of a bill to cut corporate income taxes to 25% from the current 30% instantly, which is regarded as a stimulus measure to buoy private investments and help the economy recover from the pandemic. The bill will also place a "sunset clause" on "unlimited" incentives to ensure that the government can profit from industries that have been enjoying tax breaks and tax holidays for decades.

To augment government resources to finance pandemic-related relief programmes, the Philippine government in early May slapped a temporary additional 10% tariff on imported crude and refined petroleum products. It is expected that the new tariff will add 6 billion pesos to government coffers if it is kept in place through the end of this year. ■

THAILAND

THAI ECONOMY RECORDS FIRST CONTRACTION SINCE 2014

Thailand's GDP shrank by 1.8% yoy in the first quarter of 2020, compared with the 2.9% yoy expansion in the same period last year and 1.5% yoy growth recorded in the fourth quarter last year, according to the National Economic and Social Development Council (NESDC). It was the country's first economic contraction since 2014, reflecting serious economic repercussions caused by the COVID-19 pandemic.

Citing a raft of negative factors, including the severe downturn of the global economy and international trade, a sharp contraction in the tourism industry, the widespread drought and relatively weak private investment and consumption due to the COVID-19 pandemic, the NESDC cut its economic forecast for the year to a contraction of 5%–6%, substantially down from the 1.5%–2.5% growth projection made in February this year. If the projection holds true, it will become the country's worst economic recession since the Asian financial crisis in 1998. The state planning agency also lowered the country's export forecast to a contraction of up to 8% this year from 1.4% growth projected in February.

Heavily reliant on tourism and trade, the Thai economy has been hit hard by the COVID-19 pandemic. Economic contraction in Thailand is likely to worsen in the second quarter due to lockdown measures to contain the outbreak, before the economy gradually recovers in the rest of the year, according to the NESDC.

Since early May, Thailand has started to ease lockdown restrictions in a phased manner. On 15 June, the government launched the fourth phase of reopening, lifting the nationwide curfew and allowing domestic travel, while the ban on international flights was eased starting 1 July under some conditions.

THAILAND

EXPORTS UNEXPECTEDLY RISE BY 2.1% YOY IN APRIL

Thailand's customs-based exports unexpectedly grew by 2.1% yoy to US$18.95 billion in April, following a surprise increase of 4.2% yoy in March, according to data released by the Ministry of Commerce.

The growth in exports was mainly attributed to higher exports of agricultural products, food and gold in the month. Excluding gold, the country's exports fell by 10.3% yoy in April, reflecting the underlying weakness in global trade amid the COVID-19 pandemic. The rise in gold exports highlighted the risk aversion effect arising from the COVID-19 crisis and the global economic recession, while higher exports of agricultural products and food reflected rising global demand for groceries during lockdowns.

Despite a rise in exports for a second straight month in April, the Thai National Shippers' Council (TNSC) maintained its export forecast of an 8% contraction this year, citing uncertainty over the end of the pandemic, economic recession of key trading partners and relatively weak purchasing power due to rising unemployment.

In the first four months of 2020, Thailand's exports rose by 1.2% yoy to US$81.62 billion. Excluding gold, oil and weaponry, exports fell by 1.0% yoy in the period.

THAILAND

SPECIAL COMMITTEE FORMED TO STUDY FEASIBILITY OF JOINING CPTPP

The House of Representatives on 10 June unanimously agreed to form a special committee comprising 49 members from various parties to undertake a feasibility study on joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), reported the *Bangkok Post*. The committee, which has been given 30 days to complete the study, is divided into three sub-panels to analyse potential effects of the CPTPP on areas such as crop seeds, public health and medicine, and trade and investment.

While the Board of Trade, the Federation of Thai Industries, and Thai Bankers' Association have repeated their calls for the country to join the CPTPP, opponents are concerned that the CPTPP might undermine the country's public health security and the agriculture industry, and that the trade pact's detailed standards of intellectual property might put Thai companies at a disadvantage. Meanwhile, opponents also pointed out that Thailand will have to amend several laws before joining the trade pact. And the country will have low negotiation power as all provisions of the agreement have been formed.

The CPTPP, which was signed by 11 countries in March 2018, has so far come into force in Australia, Canada, Japan, Mexico, New Zealand, Singapore and Vietnam. Thailand has expressed interest in the trade pact since 2018. ■

VIETNAM

MANUFACTURING ACTIVITY CONTRACTS AT SLOWER RATE IN MAY

The IHS Markit Vietnam Manufacturing Purchasing Managers' Index (PMI) posted 42.7 in May, up ten index points from April's record low of 32.7, signalling a much softer decline in business conditions than in the previous month. An index reading above 50 reflects an expansion of manufacturing activity, while a value below 50 indicates a contraction.

The PMI survey indicated that the health of the sector continued to deteriorate at a rapid rate in May, with output, new orders and employment all decreasing at rates unseen prior to the current crisis.

Manufacturing production declined for the sixth consecutive month, at a substantial yet much softer rate than seen in April, as firms gradually resumed operations. Similarly, new orders also continued to contract rapidly, but the rate was easing from the record seen in April.

As a result, manufacturers maintained a cautious approach to hiring, leading to a decrease in staffing levels for the fourth month running. Manufacturers also continued to scale back their purchasing activity and inventories of both inputs and finished goods, albeit in each case to a lesser extent than in the previous month. In a bid to attract new business, manufacturers reduced their own selling prices for the fourth month in a row, albeit at a less marked rate than in April.

With COVID-19 brought under control in Vietnam, there was tentative optimism among manufacturers that production would increase over the coming year. This followed a negative outlook in the previous month. That said, sentiment was still the second-lowest since the question was added to the survey in April 2012.

VIETNAM

PARLIAMENT APPROVES EU–VIETNAM FTA

On 8 June, Vietnam's National Assembly ratified the European Union–Vietnam Free Trade Agreement (EVFTA), along with the EU–Vietnam Investment Protection Agreement (EVIPA). Following the ratification, Vietnamese Minister of Industry and Trade Tran Tuan Anh and EU Trade Commissioner Phil Hogan agreed over a phone conversation that the EVFTA would take effect on 1 August.

The EVFTA was signed on 30 June last year and was ratified by the European Parliament on 12 February. Under the agreement, Vietnam will slash 99% of its tariffs on EU imports over ten years and the EU will do the same on Vietnamese imports over seven years. The agreement will also curb non-tariff barriers and liberalize government procurement.

According to a World Bank report released on 19 May, the EVFTA could boost Vietnam's GDP and exports by 2.4% and 12% respectively by 2030. However, the World Bank report also noted that Vietnam needs to undertake decisive economic and institutional reforms to fill the legal gaps and address implementation issues in order to fully unlock the potential of the EVFTA.

VIETNAM

OVER FIVE MILLION EMPLOYEES LOSE JOBS DUE TO COVID-19

Over five million employees nationwide lost their jobs in the first five months of 2020 as a result of the COVID-19 pandemic as many Vietnamese businesses suspended or scaled down their operations, said Deputy Minister of the Ministry of Labour, Invalids and Social Affairs (MoLISA) Le Van Thanh during a teleconference on 3 June.

A survey showed that from January to April, active workers accounted for only 75.4% of people of working age, the lowest level in ten years. Workers in the manufacturing, retail, logistics, transportation, lodging, food service and tourism fields have been the most affected, with many being laid off or furloughed.

Nguyen Thi Quyen, deputy director of the Department of Employment under the MoLISA, said that during the five-month period, over 430,000 people applied for unemployment allowances, a 128% year-on-year increase.

Quyen further added that, even if the COVID-19 pandemic eases, the MoLISA expects 70,000–80,000 job losses each month until the end of the year. However, if the pandemic takes a turn for the worse, 80,000-90,000 job losses would be expected each month.

Given the situation, the Department of Employment has mapped out various measures to support employers and employees and avoid unexpected layoffs. These include reduction of land-use rent by 15% for certain affected businesses, reduction of interest rate for loans to SMEs, and retraining labourers. ■

MAJOR ECONOMIC INDICATORS

CAMBODIA

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Consumer price index (yoy growth %)	1.3	1.8	3.1	3.6	2.7	2.8
Exports (yoy growth %)	32.9	17.3	8.2	27.0	24.8	-14.1
Exports (fob, in Cambodian riel billion)	4,700.5	5,201.5	4,939.8	5,493.5	4,934.1	4,002.5
Of which:						
Garments (in Cambodian riel billion)	2,987.0	3,344.5	3,037.8	3,674.8	3,153.0	2,545.0
Footwear (in Cambodian riel billion)	356.5	530.5	546.6	610.2	444.6	332.4
Bicycles (in Cambodian riel billion)	152.7	143.0	183.7	161.3	193.5	128.1
Imports (yoy growth %)	18.7	59.9	13.6	25.1	22.3	1.8
Imports (fob, in Cambodian riel billion)	7,191.4	7,020.4	7,469.7	8,344.2	6,395.5	6,598.8

Note: March 2020 figures are the most up-to-date as of the date of publishing.
Source: National Bank of Cambodia

INDONESIA

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Quarterly GDP (real yoy growth %)	4.97 (4Q19)		2.97 (1Q20)		–	
Production index of large and medium manufacturing (yoy growth %)	0.9	-0.8	–	–	–	–
Manufacturing PMI (IHS Markit)	49.5	49.3	51.9	45.3	27.5	28.6
Real retail sales index (yoy growth %)	-0.5	-0.3	-0.8	-4.5	-16.9	-22.9
Consumer price index (yoy growth %) *	2.6	2.7	3.0	3.0	2.7	2.2
Exports (yoy growth %)	1.1	-2.1	-0.4	-0.4	-7.2	-29.0
Exports (FOB, US$ mn)	14,445.1	13,632.0	14,060.9	14,067.9	12,163.1	10,533.8
Of which:						
Textile and textile products (US$ mn)	1,078.6	1,078.0	1,090.4	959.7	619.4	–
Footwear (US$ mn)	366.9	427.3	370.8	411.8	382.5	–
Furniture (US$ mn)	163.2	165.7	169.8	149.0	123.9	–
Sports requisites (US$ mn)	39.7	41.3	40.4	35.7	35.2	–
Imports (yoy growth %)	-5.6	-4.8	-5.5	-0.7	-18.6	-42.2
Imports (US$ mn)	14,506.8	14,268.7	11,548.1	13,352.2	12,535.2	8,442.1

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

PHILIPPINES

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Quarterly GDP (real yoy growth %)	6.7 (4Q19)		-0.2 (1Q20)		–	
Value of production index, manufacturing (yoy growth %)	-7.4	-4.7	-1.1	-12.4	-61.4	–
Volume of production index, manufacturing (yoy growth %)	-8.0	0.6	3.7	-7.7	-59.8	–
Manufacturing PMI (IHS Markit)	51.7	52.1	52.3	39.7	31.6	40.1
Producer price index (yoy growth %)	0.6	-5.3	-4.6	-5.1	-3.9	–
Consumer price index (yoy growth %)	2.5	2.9	2.6	2.5	2.2	2.1
Exports (yoy growth %)	21.6	9.4	2.8	-24.7	-50.8	–
Exports (FOB, US$ mn)	5,750.6	5,788.8	5,400.7	4,542.8	2,783.5	–
Of which:						
Woodcrafts and furniture (US$ mn)	54.3	52.3	39.3	32.4	11.5	–
Garments (US$ mn)	70.0	78.0	54.9	34.6	7.0	–
Travel goods and handbags (US$ mn)	77.7	56.9	52.1	37.0	5.4	–
Imports (yoy growth %)	-2.1	-2.8	-11.6	-26.2	-65.3	–
Imports (FOB, US$ mn)	8,712.4	9,293.0	7,056.9	6,911.1	3,282.7	–
Balance of trade (US$ mn)	-2,961.8	-3,504.2	-1,656.2	-2,368.3	-499.2	–

Source: Philippine Statistics Authority, IHS Markit PMI reports

THAILAND

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Quarterly GDP (real yoy growth %)	1.5 (4Q19)		-1.8 (1Q20)		–	
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	-4.4	-4.0	-4.2	-10.5	-18.2	-23.2
Manufacturing PMI (IHS Markit)	50.1	49.9	49.5	46.7	36.8	41.6
Producer price index (yoy growth %)	-0.3	0.8	0.1	-2.0	-4.3	-4.8
Consumer price index (yoy growth %)	0.9	1.1	0.7	-0.5	-3.0	-3.4
Exports (yoy growth %)	-1.3	3.3	-4.5	4.2	2.1	–
Exports (US$ mn)	19,154.2	19,625.7	20,641.8	22,404.6	18,948.2	–
Of which:						
Textiles and apparel (US$ mn)	554.6	570.7	588.1	539.3	390.8	–
Furniture (US$ mn)	122.9	117.3	113.4	113.8	84.5	–
Footwear (US$ mn)	58.0	53.7	52.7	46.6	30.1	–
Imports (yoy growth %)	2.5	-7.9	-4.3	7.3	-17.1	–
Imports (US$ mn)	18,558.5	21,181.4	16,744.5	20,812.5	16,485.9	–
Trade balance (US$ mn)	595.7	-1,555.7	3,897.3	1,592.1	2,462.3	–

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

VIETNAM

	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Quarterly GDP (real yoy growth %)	6.97 (4Q19)		3.82 (1Q20)		–	
Industrial production index (yoy growth %)	6.2	-8.0	22.3	4.9	-9.4	-3.1
Manufacturing PMI (IHS Markit)	50.8	50.6	49.0	41.9	32.7	42.7
Retail sales of consumer goods and services (year-to-date, yoy growth %)	11.8	10.2	8.3	4.7	-4.3	-3.9
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 %)	5.2	6.4	5.4	4.9	2.9	2.4
Exports (year-to-date, yoy growth %)	8.4	-17.4	8.4	7.5	2.0	-0.9
Exports (US$ mn)	22,528.4	18,323.4	20,854.1	24,129.6	17,582.9	19,186.1
Of which:						
Textiles & garments (US$ mn)	2,963.0	2,470.4	2,233.9	2,338.6	1,609.60	1,866.9
Footwear (US$ mn)	1,770.6	1,400.6	1,360.3	1,392.5	1,204.33	1,308.8
Wood & wooden products (US$ mn)	1,114.3	835.0	746.5	985.6	697.1	771.7
Toys and sports requisites (US$ mn)	230.5	156.9	169.6	209.7	173.8	160.4
Imports (year-to-date, yoy growth %)	7.0	-13.7	2.9	3.7	-0.3	-4.6
Imports (US$ mn)	22,412.4	18,599.8	18,578.9	22,149.3	18,522.6	18,175.7

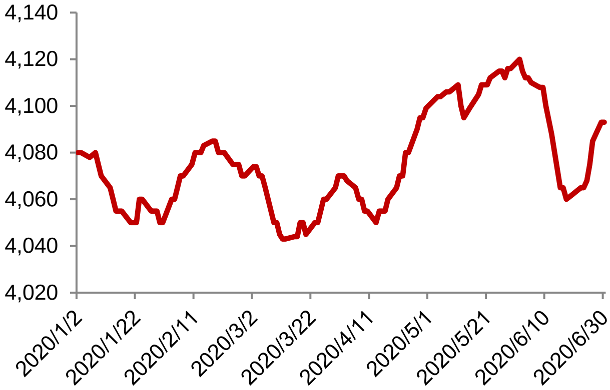
Source: General Statistics Office of Vietnam, General Department of Vietnam Customs, IHS Markit PMI reports

DAILY EXCHANGE RATES

JANUARY–JUNE 2020

CAMBODIAN RIEL

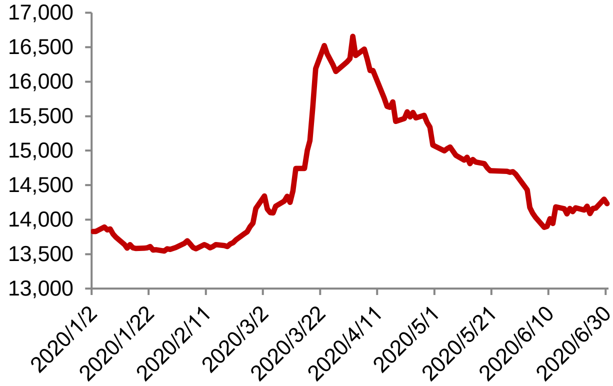
USD:KHR official exchange rate



Source: National Bank of Cambodia

INDONESIAN RUPIAH

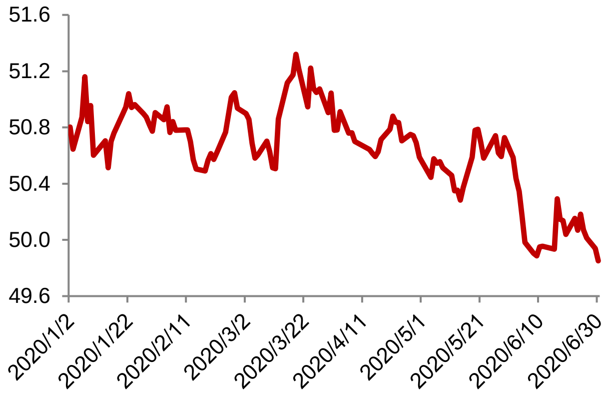
USD:IDR buy rate



Source: Bank Indonesia

PHILIPPINE PESO

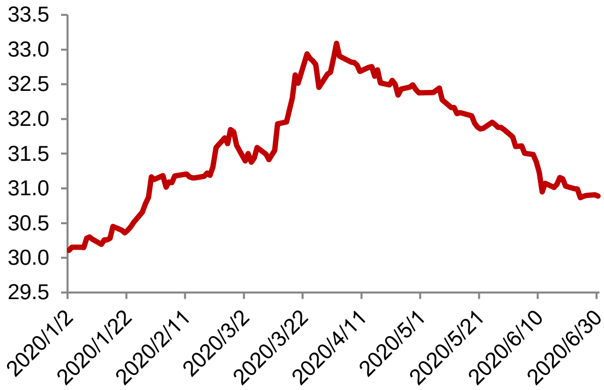
USD:PHP BSP reference rate



Source: Bangko Sentral ng Pilipinas (BSP)

THAI BAHT

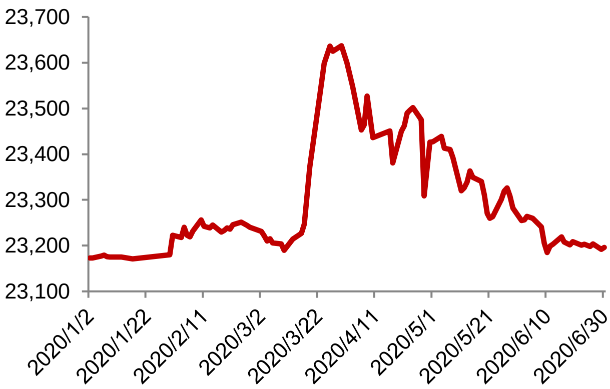
USD:THB mid-rate



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 sourcing, logistics, distribution and retail. The Fung Group comprises over 34,000 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.

Listed entities of the Group include Global Brands Group Holding Limited (SEHK: 00787) and Convenience Retail Asia Limited (SEHK: 00831). Privately-held entities include Li & Fung Limited, LH Pegasus, Branded Lifestyle Holdings Limited, Fung Kids (Holdings) Limited, Toys "R" Us (Asia) and Suhyang Networks.

For more information, please visit www.funggroup.com.

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