



ASIA SOURCING UPDATE

SOUTHEAST ASIA | SOUTH AND WEST ASIA

NOVEMBER 2017

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Global Sourcing
Fung Business Intelligence
10/F LiFung Tower,
888 Cheung Sha Wan Road
Kowloon, Hong Kong

T: (852) 2300 2470
F: (852) 2635 1598
E: fbicgroup@fung1937.com
W: <http://www.fbicgroup.com>

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IN THE NEWS

CAMBODIA

MINIMUM WAGE FOR GARMENT AND FOOTWEAR WORKERS TO RISE TO US\$170 PER MONTH

Cambodia's garment and footwear sector will see their minimum wage increase to US\$170 per month starting from 1 January next year, which represents a 11.1% increase from the current US\$153, the highest wage hike in the past two years. The tripartite Labour Advisory Committee had agreed on a wage rate of US\$165, after which Prime Minister Hun Sen declared an additional US\$5 increase, bringing next year's wage to US\$170.

The decision was generally welcomed by labour unions, some of which believed that the decision was made to appeal to voters in the garment and footwear sector ahead of next year's general election.

Manufacturers in the sector, however, are facing huge cost pressure. Kaing Monika, deputy secretary-general of the Garment Manufacturers Association in Cambodia (GMAC), told *Reuters* the new wage was 'beyond the affordability of some of our members and the competitive level of the country'. Besides the new minimum wage, garment and footwear manufacturers have to pay the whole of workers' healthcare contribution – previously split between employers and employees – starting from 1 January next year, which is part of the new benefit package for workers announced by the Prime Minister in August.

Amid mounting cost pressure, the GMAC issued a statement in early October to urge the government to reduce the cost of doing business in the country. Among the measures proposed, the industry body suggested the reduction of the export management fee and the CamControl inspection fee charged by the country's import-export inspection unit, and the

exemption of the 1% advanced profit tax for another five years.

CAMBODIA

GMAC PUSHES FOR INCLUDING FOOTWEAR UNDER THE US GSP

The Garment Manufacturers Association in Cambodia (GMAC) submitted in mid-October a petition to the US government to lobby for duty-free privilege for the country's footwear exports under the Generalised System of Preference (GSP) scheme. The US is set to discuss both the annual renewal of the scheme and the GSP Footwear Act of 2017 by the end of this year.

The GSP Footwear Act of 2017 (the Act), introduced in the US House of Representatives in May this year, proposes to extend the GSP privilege to cover footwear for the first time since the GSP scheme was introduced in 1976. If the Act is passed, certain footwear products from least developed countries (LDCs) can enjoy duty-free access to the US market. However, as the Act fails to gain much congressional support so far, LDCs, including Cambodia, intend to sway support for the Act by submitting their petitions.

Currently, over 5,000 products originated from LDCs were granted duty-free under the US GSP, but most of them are not produced in Cambodia. If the Act is successfully passed, it will enhance competitiveness of Cambodian footwear products in the international market and boost investment in the local industry. According to the *Cambodian Garment and Footwear Sector Bulletin* released by the International Labour Organization in May this year, there were 70 Cambodian footwear factories at the end of 2016, employing 101,000 workers. Of the US\$763 million footwear exports in 2016,

43.0% went to the EU market, while 16.5% were shipped to the US.

CAMBODIA

CONTENTIOUS LABOUR LEGISLATIONS TO BE REMOVED

Following a meeting with representatives from the UK-based brand coalition Ethical Trade Initiative (ETI) and the American Apparel & Footwear Association (AAFA), the Ministry of Labour and Vocational Training announced in mid-October the removal of the controversial clauses in the draft Minimum Wage Law and the revoking of the draft Law on Procedure of Labour Dispute Judgement.

Specifically, the changes announced include the removal of Article 16 in the draft Minimum Wage Law, which prohibits any independent research related to the minimum wage unless being approved by the Labour Ministry. The amendment announced somewhat quells criticism against the law, though some other contentious clauses still exist, such as those imposing fines for protesting or expressing dissatisfaction with the wage.

On the other hand, the revoking of the draft Law on Procedure of Labour Dispute Judgement preserves the current resolution mechanism which relies on the Arbitration Council as an effective and impartial avenue to handle employer-worker disputes.

The ETI, AAFA and local labour unions have welcomed the amendments made on the draft legislations. The move is expected to reassure buyers sourcing products from Cambodia. ■

INDONESIA



FDI INFLOWS IN THE THIRD QUARTER ACCELERATE

Foreign direct investment (FDI) into Indonesia in July-September increased at a faster pace than in

the previous quarter, according to data released by the Indonesia Investment Coordinating Board (BKPM) on 30 October.

In rupiah terms, FDI inflows amounted to 111.7 trillion Indonesian rupiah (equivalent to US\$8.3 billion) in the third quarter, a 12.0% increase from the same period last year. The year-on-year growth in the third quarter edged up from the 10.6% yoy growth recorded in the previous quarter, indicating growing momentum in foreign investments.

The BKPM's data exclude oil and gas, banking, non-banking financial institutions, insurance, leasing and home industry.

The bulk of the FDI inflows in the third quarter was for the 'metal, machinery and electronics industry', which accounted for 14.0% of the inflows in the period, and mining, which accounted for 12.4% of the total inflows. 'Electricity, gas, and water supply' and 'chemical and pharmaceutical industry' followed, accounting for 11.9% and 11.2% of the total FDI inflows, respectively. Just as in the second quarter, Singapore was the biggest source of investment, followed by Japan and China.

INDONESIA

KOHLER BUILDS NEW FACTORY IN WEST JAVA

Kohler, the US company that is best known for the manufacturing of plumbing products, furniture, cabinetry and tiles, is developing a new factory on a two-hectare plot of land in the Greenland International Industrial Center in Bekasi, West Java.

Ferry Tanumihardja, Kohler's country director for Indonesia, said that Indonesia will function as the company's base for accessing other markets in Southeast Asia. The new Kohler factory will focus on manufacturing sanitary and kitchen products for export purposes.

Currently, Kohler owns 50 factories in various countries around the globe – ten of which are located in China. It took two years of study and

negotiations before Kohler decided to build a new factory in Indonesia. The first stone of the new factory in Bekasi is expected to be laid on 28 November 2017.

INDONESIA

INDONESIA AND CHILE TO CONCLUDE TRADE TALKS IN NOVEMBER

The delegates of the Indonesia-Chile Comprehensive Economic Partnership Agreement (IC-CEPA) Trade in Goods negotiation have agreed to conclude their negotiations in November during their fifth round of negotiations in Santiago, Chile during 18-20 October.

'The IC-CEPA will become Indonesia's first trade agreement with a Latin American country,' said the Trade Ministry's international trade negotiations director general Imam Pambagyo, who also heads the Indonesian team in the latest negotiation.

Imam said the delegates expressed their commitment to completing the next negotiation in the final round during 6-10 November in Indonesia. He added that the two countries had not optimally explored trade cooperation in the past because of a lack of knowledge of each country's potential and the long distance between the two countries.

Currently, Chile has trade agreements with 29 countries, while Indonesia has trade agreements with nine countries. ■

PHILIPPINES



INFLATION CLIMBS TO FIVE-MONTH HIGH IN SEPTEMBER

The Philippines' consumer price index (CPI) rose by 3.4% yoy in September, the highest growth since April this year, according to data released by the Philippine Statistics Authority.

The acceleration in CPI-based inflation was mainly attributed to faster price increase in 'food and non-alcoholic beverages', which has a weight of almost 40% in the CPI basket. Inflation in 'food and non-alcoholic beverages' stood at 3.6% yoy in September, up from 3.5% yoy in August. According to Socioeconomic Planning Secretary Ernesto Pernia, lingering effects brought by typhoons and tropical depressions on farms and fishing areas in Calabarzon, particularly in Quezon province, exacerbated the food harvest situation.

Excluding selected food and energy items, core inflation climbed to 3.3% in September from 3.0% in August.

Central Bank Governor Nestor Espenilla Jr believed that the current inflation environment would remain manageable over the policy horizon. He said this year's inflation rate is expected to stay within the 2% - 4% target set by the central bank.

PHILIPPINES

HIGH COST OF DOING BUSINESS AND LACK OF INCENTIVES PROMPT SOUTH KOREAN MANUFACTURERS TO LEAVE THE COUNTRY

South Korean manufacturing companies in the Philippines, mostly in the garment and electronics sectors, have continued to depart for Vietnam and other Southeast Asian destinations, reported local media *The Philippine Star (The Star)*.

In an interview with *The Star*, president of the Korean Chamber of Commerce of the Philippines Lee Ho Ik said that three big South Korean garment companies had already shut down operations in the country from late last year to early this year, and one electronics firm was on its way out of the country as well, causing thousands of local workers to lose their jobs. Lee added that the number of South Korean manufacturing companies leaving the country will continue to rise in the coming months.

The major reasons for them to depart are higher cost of doing business in the Philippines than in

Vietnam, particularly logistics costs, and the lack of government incentives. Lee admitted that productivity and worker skills are higher in the Philippines than in Vietnam, and some of the investors may return if the problems are addressed.

According to the Philippines' central bank Bangko Sentral ng Pilipinas (BSP), in the first seven months of this year, the country witnessed a decline of 16.5% yoy in foreign direct investment (FDI), among which foreign equity investment (excluding reinvestment of earnings and net debt instruments) plummeted by 81.5% yoy in the period.

PHILIPPINES

DAILY MINIMUM WAGE IN METRO MANILA RISES BY 21 PESOS

Approved by the regional wage board, the new minimum wage rate for non-agriculture workers in the National Capital Region rose to 512 pesos (US\$9.9) per day with effect from 5 October, a 21-peso increase from the previous level. The wage decision has affected about 6 million minimum wage earners in Metro Manila, reported *The Philippine Star*.

The 21-peso increase in the minimum wage, however, falls short of the petitions lodged by the three major labour unions by large margins. In June, the Association of Minimum Wage Earners and Advocates asked for a 175-peso daily wage increase, while the Associated Labour Unions and Trade Union Congress of the Philippines suggested a 184-peso and 259-peso increase, respectively.

According to the labour unions, the increase of 21-peso in daily minimum wage, or 4.3%, is insufficient for minimum wage earners to support their families. Instead of appealing the new wage to the government, labour groups have requested the Duterte administration to give each minimum wage earner a monthly subsidy of 500 pesos to help them cope with the rising cost of living. ■

THAILAND



EXPORTS IN SEPTEMBER RISE TO RECORD HIGH

Thailand's exports, based on customs statistics, grew by 12.2% yoy to reach US\$21.8 billion in September, the highest monthly export value in history. It was the seventh consecutive month that exports registered a year-on-year growth, indicating that the Thai economy is gaining more traction.

The better-than-expected export performance was attributed to the recovering global economy, as the country's exports to all traditional and emerging markets recorded an increase in September, Commerce Minister Apiradi Tantraporn said at a briefing on 18 October. In September, on a year-on-year basis, exports to the US, Japan and the EU rose by 5.7%, 10.3% and 2.1%, respectively, while exports to China, the CLMV countries (Cambodia, Laos, Myanmar and Vietnam) and South Asia jumped 12.1%, 13.9% and 34.6%, respectively.

Product categories that saw strong export growth in the month included rubber and rubber products, computers, telecommunication equipment and petroleum products.

In the first nine months of this year, Thailand's exports increased by 9.3% yoy to US\$175.4 billion. The full-year export value will probably meet the growth target of 7% set by the Commerce Ministry. Despite the rosy results, exporters remain cautious, as the strengthening baht has weighed on export earnings. As of 31 October, the Thai baht had appreciated by 7.9% against the US dollar year-to-date, according to spot exchange rates provided by *Bloomberg*.

THAILAND

NEW CUSTOMS ACT TO COME INTO EFFECT IN NOVEMBER

Thailand's new Customs Act, passed in May this year, is scheduled to come into force on 13 November, repealing the outdated Customs Act effective from 1926.

The new law removes ambiguities in the current law and makes it more consistent with international best practices. It will facilitate faster customs clearance, as well as import, export and investment, Customs Department director general Kulit Sombatsiri said on 9 October. The new law will also reduce the discretionary power of Customs officials regarding tariff disputes with importers, Kulit added.

Among the major changes made in the new law, Customs officials have to conclude duty disputes with importers or exporters within three years, sharply down from the 20-year limit for customs valuation under the existing law. If the case is not settled within the period, it will go to court. The new law also limits the rewards offered to officials or other whistle-blowers up to 5 million baht for reporting instances of customs evasion or goods smuggling. The previous generous rewards generated counter-productive effects and induced unfair treatment to importers.

THAILAND

GENERAL ELECTION TO BE HELD IN NOVEMBER 2018

After being governed by the military government for more than three years, the country will hold a general election in November 2018, according to an announcement made by Prime Minister Prayuth Chan-ocha on 10 October. The exact date will be announced by June next year, said Prayuth.

The military government has repeatedly postponed a general election at least twice since it seized power from the government of Prime Minister Yingluck Shinawatra in May 2014. The new announcement came as the country was preparing

for the funeral of its late King Bhumibol Adulyadej in October following a year of mourning, and political pressure for an election will be mounting after the King's cremation.

In April this year, the new King Maha Vajiralongkorn, son of the late King, endorsed a new constitution, paving the way to next year's general election. The military-backed constitution, which can bring back some form of representative democracy to the country, basically guarantees a controlling stake for the military in any government formed in the future, as the military preserves the authority to appoint all the 250-seat Senate, according to a *Bloomberg* news report. ■

VIETNAM



EXPORTS INCREASE 20.7% YOY IN THE FIRST TEN MONTHS OF THE YEAR

Vietnam's exports in the first ten months of the year reached US\$173.7 billion, posting a 20.7% year-on-year increase, according to the latest statistics released by the General Statistics Office (GSO).

The top product categories in terms of export value during January-October were 'phones and spare parts', which increased 28.8% yoy to US\$36.54 billion, followed by 'garments and textiles' with US\$21.51 billion, and 'computers, electronics and spare parts' with US\$20.97 billion. Footwear and machinery took the fourth and fifth places respectively, with export turnovers of US\$11.69 billion and US\$10.36 billion, respectively.

Exports of computers and electronics products surged by 38.8% in January-October, compared to the same period last year, because the sector has expanded their penetration in new markets, including South Korea, ASEAN member states, Canada, the Chinese Mainland, Taiwan and

Russia. At the same time, exports to traditional markets such as the US and Japan were stable.

The US remained Vietnam's leading export market, with an export turnover amounting to US\$34.7 billion in the first ten months of the year, followed by the EU and the Chinese Mainland, with export turnovers of US\$31.8 billion and US\$25.6 billion, respectively.

VIETNAM

GDP GROWTH REACHES RECORD HIGH IN THE THIRD QUARTER

Vietnam's GDP expanded at a record high rate of 7.46% yoy in the third quarter, said GSO general director Nguyen Bich Lam at a press conference on 29 September. The year-on-year growth rates in the first and second quarters were 5.15% and 6.28%, respectively.

Lam said breakthroughs have been made in the processing and manufacturing sector and export activities. Besides, structural transformation in rural areas, forestry and fisheries sectors has proven effective, he added.

In the first nine months of the year, the nation's GDP expanded 6.41% yoy, higher than economists' estimate of 6.1% yoy and the growth rate of 5.99% yoy achieved in the first nine months of 2016.

According to statistics released by the GSO, the GDP growth in the nine-month period was mainly contributed by the service sector, which increased by 7.25% yoy and contributed 2.80 percentage points to the total GDP growth. This was followed by the industry and construction sector, which rose by 7.17% yoy and contributed 2.45 percentage points to the overall GDP growth.

Within the industry and construction sector, manufacturing was the main driving force during the nine-month period, with a year-on-year growth rate of 12.77%.

In order to reach the government's growth target of 6.7% set for the whole year, Vietnam's economy has to achieve a growth rate of 7.31% in the fourth quarter, Lam said, noting that the goal is achievable thanks to the concerted efforts of the government, ministries and sectors.

VIETNAM

DANISH SPORTSWEAR MANUFACTURER SPECTRE OPENS FACTORY IN NAM DINH

Spectre, a Danish sportswear manufacturer, officially launched a factory to produce outdoor sportswear in the northern province of Nam Dinh on 28 September.

Located at the Hoa Xa Industrial Zone, the factory covers an area of 7,000 square metres. The first-phase investment capital amounted to US\$5 million.

'After researching the Chinese and Vietnamese markets, we decided to choose Vietnam as our investment destination because of cheap labour costs and the large number of skilled workers in the textile and garment sector,' Jesper Klausen, chairman of Spectre Vietnam, told Vietnam Economic Times, adding that Spectre will expand the factory in the second phase within the next few years with additional investment capital of US\$1 million.

Spectre came to Vietnam in 2010 as a joint venture with the Minh Tri Company Limited, opening a factory in northern Thai Binh province. The company's key products are outdoor sportswear for mountain sports, running, cycling, and hunting. ■

MAJOR ECONOMIC INDICATORS

CAMBODIA

	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Consumer price index (yoy growth %)	4.0	4.2	3.2	2.7	2.3	2.3
Exports (yoy growth %)	6.2	48.6	20.3	19.7	37.7	7.5
Exports (fob, in Cambodian riel billion)	2,794.3	3,696.3	2,876.8	3,119.0	4,697.0	4,267.3
<i>Of which:</i>						
Garments (in Cambodian riel billion)	2,050.7	2,245.6	1,667.6	1,886.2	3,028.8	2,881.7
Footwear (in Cambodian riel billion)	220.0	293.3	242.9	265.7	399.5	302.2
Textiles (in Cambodian riel billion)	5.1	6.3	6.3	33.9	4.0	3.9
Imports (yoy growth %)	28.1	8.7	2.6	1.1	8.2	1.7
Imports (fob, in Cambodian riel billion)	3,510.2	4,288.5	3,972.8	4,401.4	4,383.9	4,246.3

*Note: July 2017 figures are the most up-to-date as of the date of publishing.
Source: National Bank of Cambodia*

INDONESIA

	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Quarterly GDP (real yoy growth %)	5.0 (2Q17)			-		
Production index of large and medium manufacturing (yoy growth %)	6.6	-0.5	3.3	2.3	-	-
Manufacturing PMI (Nikkei)	50.6	49.5	48.6	50.7	50.4	50.1
Real retail sales index (yoy growth %)	4.3	6.3	-3.3	2.2	2.4	-
Consumer price index (yoy growth %)	4.3	4.4	3.9	3.8	3.7	3.6
Exports (yoy growth %)	24.6	-11.7	41.1	19.4	15.6	-
Exports (FOB, US\$ mn)	14,345.4	11,655.9	13,611.2	15,229.4	14,541.8	-
<i>Of which:</i>						
Textile and textile products (US\$ mn)	1,056.5	914.1	1,107.9	1,245.5	-	-
Footwear (US\$ mn)	465.6	329.7	405.6	420.3	-	-
Furniture (US\$ mn)	139.4	108.8	114.0	137.5	-	-
Sports requisites (US\$ mn)	40.2	35.5	47.1	57.0	-	-
Imports (yoy growth %)	23.6	-17.4	54.0	9.1	13.1	-
Imports (US\$ mn)	13,767.1	9,991.8	13,885.6	13,509.5	12,780.9	-

Source: Statistics Indonesia, Bank Indonesia, Nikkei PMI reports

PHILIPPINES

	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Quarterly GDP (real yoy growth %)	6.5 (2Q17)			-		
Value of production index, manufacturing (yoy growth %)	2.1	-0.6	-4.3	2.4	-	-
Volume of production index, manufacturing (yoy growth %)	4.1	1.3	-3.5	2.8	-	-
Manufacturing PMI (Nikkei)	54.3	53.9	52.8	50.6	50.8	53.7
Producer price index (yoy growth %)	-1.9	-1.9	-0.8	-0.3	-	-
Consumer price index (yoy growth %)	3.1	2.7	2.8	3.1	3.4	-
Exports (yoy growth %)	14.0	5.8	11.0	9.3	-	-
Exports (FOB, US\$ mn)	5,506.7	5,154.3	5,314.0	5,506.8	-	-
<i>Of which:</i>						
Woodcrafts and furniture (US\$ mn)	222.9	152.0	214.0	67.2	-	-
Garments (US\$ mn)	68.2	69.9	79.2	88.0	-	-
Travel goods and handbags (US\$ mn)	36.0	48.5	47.2	40.1	-	-
Imports (yoy growth %)	16.6	-1.3	-3.2	10.5	-	-
Imports (FOB, US\$ mn)	8,243.5	7,146.2	6,931.5	7,917.8	-	-
Balance of trade (US\$ mn)	-2,736.8	-1,992.0	-1,617.5	-2,411.0	-	-

Source: National Statistics Office, National Statistical Coordination Board, Nikkei PMI reports

THAILAND

	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Quarterly GDP (real yoy growth %)	3.7 (2Q17)			-		
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	1.6	-0.3	3.4	4.2	4.2	-
Manufacturing PMI (Nikkei)	49.7	50.4	49.6	49.5	50.3	49.8
Producer price index (yoy growth %)	-0.2	-1.2	-1.3	-0.6	0.5	0.1
Consumer price index (yoy growth %)	0.0	0.0	0.2	0.3	0.9	0.9
Exports (yoy growth %)	12.7	11.7	10.5	13.2	12.2	-
Exports (US\$ mn)	19,944.3	20,281.8	18,852.2	21,223.8	21,812.3	-
<i>Of which:</i>						
Textiles and apparel (US\$ mn)	587.2	584.7	546.0	605.7	586.0	-
Furniture (US\$ mn)	105.1	101.4	94.6	110.6	106.2	-
Footwear (US\$ mn)	61.9	58.0	54.4	58.0	45.8	-
Imports (yoy growth %)	18.3	13.7	18.5	14.9	9.7	-
Imports (US\$ mn)	19,000.2	18,365.0	19,039.7	19,133.6	18,454.1	-
Trade balance (US\$ mn)	944.0	1,916.9	-187.5	2,090.2	3,358.3	-

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

VIETNAM

	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Quarterly GDP (real yoy growth %)	6.3 (2Q17)		7.5 (3Q17)			
Industrial production index (yoy growth %)	7.2	8.6	8.1	8.4	13.2	17.0
Manufacturing PMI (Nikkei)	51.6	52.5	51.7	51.8	53.3	51.6
Retail sales of consumer goods and services (year-to-date, yoy growth %)	10.2	10.1	10.0	10.3	10.5	10.7
Price index of materials used for production (yoy growth %)	0.8 (2Q17)		0.7 (3Q17)			
Producer price index for industrial products (yoy growth %)	0.6 (2Q17)		-0.7 (3Q17)			
Consumer price index (yoy growth %)	3.2	2.5	2.5	3.4	3.4	3.0
Exports (year-to-date, yoy growth %)	18.4	18.7	18.8	19.3	20.0	-
Exports (US\$ mn)	17,851.3	17,754.9	17,671.7	19,767.0	19,342.4	-
<i>Of which:</i>						
Textiles & garments (US\$ mn)	1,913.6	2,358.5	2,464.9	2,676.4	2,377.9	-
Footwear (US\$ mn)	1,374.3	1,386.6	1,304.5	1,267.7	1,042.4	-
Wood & wooden products (US\$ mn)	617.1	632.6	598.8	656.5	640.8	-
Toys and sports requisites (US\$ mn)	91.0	109.8	108.7	130.0	122.5	-
Imports (year-to-date, yoy growth %)	24.4	23.9	23.6	22.5	22.7	-
Imports (US\$ mn)	18,340.6	18,012.9	17,406.2	18,181.0	18,241.1	-

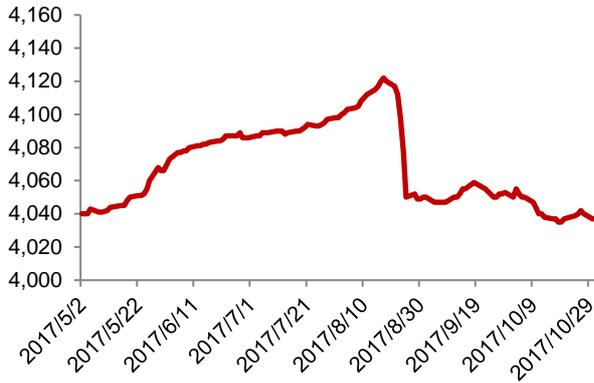
Source: General Statistics Office of Vietnam, General Department of Vietnam Customs, Nikkei PMI reports

DAILY EXCHANGE RATES

MAY - OCTOBER 2017

CAMBODIAN RIEL

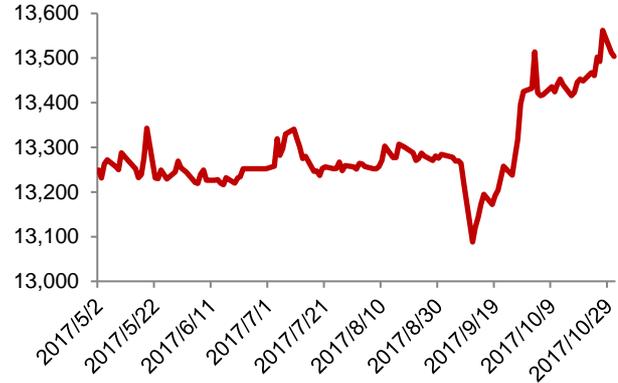
USD:KHR official exchange rate



Source: National Bank of Cambodia

INDONESIAN RUPIAH

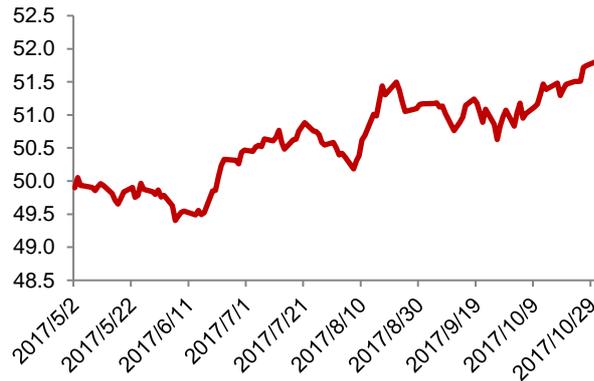
USD:IDR buy rate



Source: Bank Indonesia

PHILIPPINE PESO

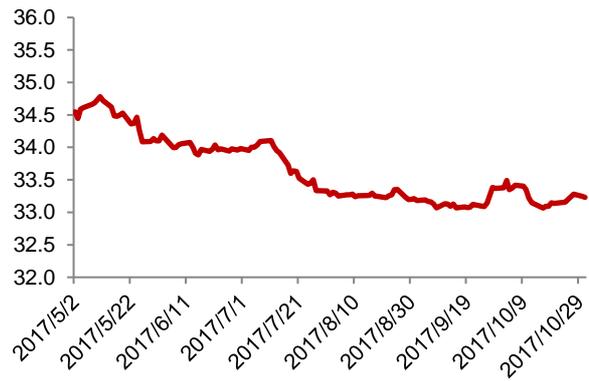
USD:PHP BSP reference rate



Source: Bangko Sentral ng Pilipinas (BSP)

THAI BAHT

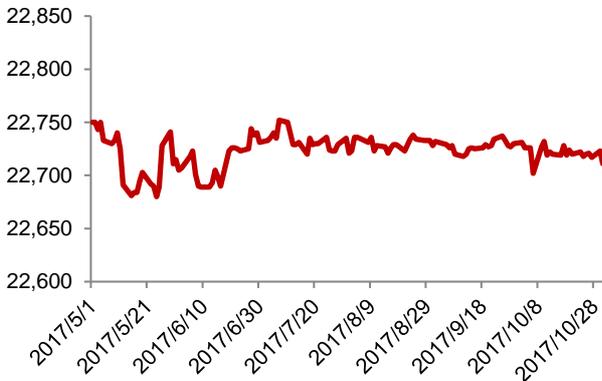
USD:THB mid-rate



Source: Bank of Thailand

VIETNAMESE DONG

USD:VND spot rate



Source: Bloomberg

FUNG BUSINESS INTELLIGENCE

Fung Business Intelligence collects, analyses and interprets market data on global sourcing, supply chains, distribution, retail and technology.

Headquartered in Hong Kong, it leverages unique relationships and information networks to track and report on these issues with a particular focus on business trends and developments in China and other Asian countries. Fung Business Intelligence makes its data, impartial analysis and specialist knowledge available to businesses, scholars and governments around the world through regular research reports and business publications.

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 consultancy 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.

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 39,900 people across 40 economies worldwide, generating total revenue of more than US\$22.5 billion in 2016. Fung Holdings (1937) Limited, a privately held business entity headquartered in Hong Kong, is the major shareholder of the Fung group of companies.

CONTACT

Helen Chin
Vice President
helenchin@fung1937.com
(852) 2300 2471

Denise Cheung
Senior Research Manager
denisecheungwy@fung1937.com
(852)2300 2463

Winnie He
Research Manager
winniehe@fung1937.com

Global Sourcing
Fung Business Intelligence
10/F LiFung Tower
888 Cheung Sha Wan Road
Kowloon, Hong Kong

T: (852) 2300 2470
F: (852) 2635 1598
E: fbicgroup@fung1937.com
W: <http://www.fbicgroup.com>



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