ASIA SOURCING UPDATE

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IN THE NEWS

CAMBODIA

CAMBODIA SEES SURGE IN EXPORTS TO US AMID CHINA-US TRADE WAR

According to data from the United States International Trade Commission (USITC), the US imported US$1.87 billion worth of goods from Cambodia in January-September this year, a sharp increase of 26.2% compared to the same period last year.

Knitwear, woven garments, travel goods and handbags, footwear and plastic products were the US's top five import categories from Cambodia during the period. The USITC data shows that while apparel (knitwear and woven garments) still accounted for around 65% of Cambodia's total exports to the US, exports of travel goods and handbags jumped dramatically by 133.0% yoy in the 9-month period.

Another set of data released by the Office of Textiles and Apparel (OTEXA) under the US Department of Commerce suggests that the country has gained shares in the US apparel import market. In the first nine months of this year, US apparel imports from Cambodia increased by 13.1% yoy in value and 9.3% yoy in volume, the fastest growth among the top ten apparel supplying countries to the US market. Meanwhile, Cambodia accounted for 2.93% market share in value and 3.64% in quantity in the period, up by 0.26 and 0.25 percentage points, respectively, from a year ago.

The ongoing China-US trade war is prompting companies to shift their production away from China, and Cambodia is one of the Asian countries that benefit from this trend. Recently, several US bicycle importers and distributors, including Kent International Inc and Trek Bicycle Corporation, have been reported to relocate some of their production from China to Cambodia next year due to US tariff hikes on Chinese products.

CAMBODIA

EU TO WITHDRAW TRADE PREFERENCES ON CAMBODIAN PRODUCTS

On 5 October, the European Commission notified Cambodia that it would launch the procedure to withdraw the duty-free and quota-free preferences granted to the country under the Everything But Arms (EBA) trade programme – a special arrangement for least developed countries under the EU's Generalised Scheme for Preferences (GSP) – in a punitive response to the country's democratic backsliding and human rights issues such as uncompensated land-grabbing for sugar plantations.

Over the past one year, the EU has repeatedly expressed its concerns over the continuing deterioration of democracy, respect for human rights and the rule of law in Cambodia, particularly after the enforced dissolution of major opposition party – the Cambodia National Rescue Party (CNRP) – last November. Without genuine electoral competition, Cambodia's general election held in July this year was condemned by the EU as illegitimate.

The EU sent a fact-finding mission to Cambodia in July to evaluate the situation on the ground, and has warned repeatedly of the possible withdrawal of the EBA trade preferences if Cambodia fails to uphold the respect of human rights and fundamental freedoms.

The formal process to withdraw Cambodia from the EBA scheme, however, has not yet begun, as the European Commission is preparing for the formal decision, *VOA Cambodia* reported on 18 November. Once the decision is formally made, there will be a 6-month period during which the EU will study the issue further, followed by another 6-month decision-making period, according to George Edgar, EU ambassador to Cambodia. If the final decision is to suspend Cambodia's tariff preferences, a further 6-month grace period would be given, bringing the total timeframe to completely withdraw Cambodia from the EBA scheme to 18 months. During the initial 12 months, however, dialogue will remain open. If Cambodia takes the minimum sufficient actions as defined by the European Commission, the withdrawal process could be suspended or terminated.

The potential loss of trade preferences to the EU market would weaken Cambodia's economic growth and be 'credit negative', credit rating agency Moody's warned in a report released on 22 October. If the EBA programme is withdrawn, the imposition of regular tariffs would increase the cost of Cambodian-made goods selling to the EU, particularly garments. 'Additional cost increases as a result of tariffs would undermine the price competitiveness of Cambodia's garments exports unless they are offset by productivity gains,' said Moody's.

CAMBODIA

GARMENT AND FOOTWEAR SECTOR STILL EXPANDING

A reported released by the Ministry of Industry and Handicraft in October revealed that among the 129 factories that came into operation in the first nine months of this year, 69 were in the garment and footwear sector. On the other hand, 40 factories shut down in the same period, and 32 of them were garment and footwear factories.

Ministry spokesman Oum Sotha said factory opening and closing in the garment and footwear sector remained normal, and the number of factories was still growing, indicating that the country remained lucrative for investors.

Meanwhile, the country's exports of garments and footwear will remain strong for the October-December period this year thanks to rosy pre-orders from international buyers, Kaing Monika, deputy secretary-general of the Garment Manufacturers Association of Cambodia (GMAC), said on 23 October. The possible withdrawal of the preferential EBA scheme by the EU could pose a psychological impact on foreign buyers, which could be seen next year, he added.

Echoing Kaining Monika's concern, Ath Thon, president of the Coalition of Cambodian Apparel Workers' Democratic Union (CCAWDU), said speculation on whether the EBA would be withdrawn or suspended could negatively impact buyers' sentiment, making them hesitate or reconsider before extending contracts. ■

INDONESIA

GDP GROWTH SLOWS TO 5.17% YOY IN THIRD QUARTER

Indonesia's GDP expanded by 5.17% in the third quarter from a year earlier, according to data released by Statistics Indonesia (BPS), compared with a 5.27% yoy growth in the second quarter. The latest growth figures point to tougher conditions for the Indonesian economy, which has struggled with sluggish household spending, weak exports and capital outflows.

In the third quarter, stronger investment and government spending failed to fully offset the impact of slowing household consumption, which accounts for more than half of Indonesia's GDP. The export sector's contribution to the GDP was also wiped out by strong imports. BPS chief statistician Suhariyanto blamed this on declining non-oil-and-gas commodity prices as well as slower economic growth in major trading partners like China and Singapore.

Analysts warned that Indonesia's economic growth may weaken further. 'We think growth will tend to be slower in the coming future due to the impact of weakening rupiah,' said Fakhrul Fulvian, chief economist of Trimegah Securities. As of 28

November, the central bank has raised interest rates six times since May to slow capital outflows and support the falling rupiah, which has depreciated by almost 10% against the US dollar this year, but analysts said that this could dampen domestic demand.

Alex Holmes, Asia analyst at Capital Economics, expected the GDP growth to stay around 5% over the next couple of years. He added that weaker global growth and subdued commodity prices could hold back export revenues and thus drag on economic growth over the next year.

While the government's official GDP growth target this year is 5.4%, Finance Minister Sri Mulyani Indrawati said in October that the growth rate for this year was more likely to be 5.14%. The government projects GDP growth at 5.3% for next year.

INDONESIA

MINIMUM WAGE TO INCREASE 8.03% IN 2019

The Indonesian government proposed in mid-October to raise the 2019 provincial minimum wages (UMP) by 8.03%. The 8.03% upward adjustment is a sum of the inflation rate of 2.88% and economic growth rate of 5.15% over the past 12 months.

Manpower Minister Hanif Dhakiri described the minimum wage hike for 2019 as a fair balance between the needs of employers and employees. However, the Indonesian Workers Confederation (KSPI) was dissatisfied with the adjustment, demanding a wage hike of 20% to 25%. Meanwhile, the business community reportedly pushed for a lower minimum wage increment at the range of 4.5% to 5%, citing the current difficult economic conditions.

Provincial governors have the authority to make decisions on the provincial minimum wage after taking into account the desires of local employers and employees. As of 20 November, 33 of 34 provinces in Indonesia had set the provincial minimum wage of 2019. Most provinces set an increase of 8.03%, in accordance with the provisions of the central government. The exceptions are Papua, West Papua, Central Kalimantan, West Nusa Tenggara and West Sulawesi provinces, where the wage hikes exceed 8.03%; and Aceh and Lampung provinces, where the wage increases are below 8.03%.

INDONESIA

GOVERNMENT LAUNCHES NEW ECONOMIC PACKAGE

The Indonesian government launched its latest economic policy package on 16 November to boost investment and promote economic growth. The package consists of three major policies: expansion of the tax holiday programme, adjustment to the negative investment list, and provision of tax incentives for the mandatory saving of export earnings in Indonesian bank accounts.

'We would like to maintain and keep encouraging investors to trust the Indonesian economy,' Coordinating Economic Minister Darmin Nasution said during the launch as quoted in a press statement.

The new tax holiday programme will expand the beneficiary sectors and increase the tax holiday duration and amount. Various tax incentives will be offered to 18 sectors, including newly added sectors 'processing industry based on agriculture, plantations or forestry' and the digital economy.

The negative investment list has been revised, with 87 business sectors being removed from the list, thereby allowing partial or full foreign investment in these sectors. Out of the 87 sectors, 54 are now fully open to foreign capital, such as offshore oil and gas drilling, clove and white cigarette production, dairy farming, fabric printing, and certain categories of medical equipment production.

Besides, the government will offer income tax cuts to exporters who deposit their earnings in designated bank accounts in order to improve the liquidity of the domestic financial system. A full income tax cut would be provided for exporters who deposit at least 90% of their earnings for more than six months, in the form of US dollar or rupiah, while a partial income tax cut will be applied to earnings deposited for less than six months. ■

PHILIPPINES

GDP EXPANDS BY 6.1% YOY IN THIRD QUARTER

The Philippines' economic growth slowed to 6.1% yoy in the July-September quarter this year, lower than the 6.2% yoy recorded in the previous quarter and 7.2% yoy in the same quarter last year, according to the Philippine Statistics Authority. It was the slowest growth since the second quarter of 2015 when the GDP expanded by 6.0% yoy.

The GDP growth moderation in the third quarter was attributed to a contraction in agricultural production due to the impact of strong typhoons, and softer household spending due to high inflation. Specifically, agricultural production shrank by 0.4% yoy in the third quarter compared with a 0.3% yoy growth in the previous quarter. Household consumption increased by 5.2% yoy in the third quarter, lower than the 5.9% yoy growth recorded in the second quarter.

In October, the Philippine government cut its GDP growth target from the range of 7%-8% to 6.5%-6.9% for this year and raised its inflation forecast from the range of 4.0%-4.5% to 4.8%-5.2% for this year, in response to global economic uncertainty and rising commodity prices.

To achieve the low-end of the government's growth target this year, the country's GDP needs to expand by at least 7% yoy in the fourth quarter, according to Ernesto Pernia, secretary of the National Economic Development Authority (NEDA).

PHILIPPINES

EXPORTS FALL BY 2.6% YOY IN SEPTEMBER FOLLOWING MODEST GROWTH IN PAST THREE MONTHS

The country's merchandise exports dropped by 2.6% yoy to US$5.83 billion in September, ending a three-month string of modest growth, according to data released by the Philippine Statistics Authority. In the first nine months of 2018, exports amounted to US$51.83 billion, posting a year-on-year contraction of 2.1%.

Six out of the top ten export categories registered year-on-year declines in exports in September, led by coconut oil (-36.4%) and machinery and transport equipment (-30.4%). Exports of electronic products, which accounted for 54.7% of the country's total exports in September, increased by 4.2% yoy in the month.

Philippines' imports, however, hit an all-time high of US$9.75 billion in September, bringing the trade deficit to the highest level in nine months. The country's imports grew sharply by 26.1% yoy in September and 16.3% yoy in the first nine months of 2018. The large import bill was mainly contributed by imports of industrial machinery and equipment, and construction materials such as iron and steel, which were boosted by the government's ambitious infrastructure programme.

PHILIPPINES

DAILY MINIMUM WAGE FOR METRO MANILA WORKERS RISES BY 25 PESOS

The Regional Tripartite Wages and Productivity Board (RTWPB) of the National Capital Region (NCR) approved on 30 October a minimum wage increase of 25 pesos per day, bringing the new daily minimum wage rate for non-agriculture workers to 537 pesos (US$10.2). For employees working in the agriculture sector, or at retail/service establishments employing 15 workers or less, or manufacturing establishments employing less than 10 workers, the new wage rate stands at 500 pesos (US$9.5). The new wage rates came into effect on 22 November.

The 25-peso minimum wage hike was closer to the 20-peso offer of the Employers Confederation of the Philippines, but far below the 344-peso wage increase demanded by the Associated Labour Unions-Trade Union Congress of the Philippines (ALU-TUCP), the country's largest labour group.

The wage board had taken into consideration the needs of workers, the capacity of employers to absorb a pay hike, and inflation, said Maria Criselda R. Sy, executive director of the National Wages and Productivity Commission. 'It (the wage hike) is a potential source of second round inflationary effect. The inflation level right now is 6.7% yoy but it may even pick up further if we set the minimum wage too high,' she added. ■

THAILAND

MANUFACTURING CONDITIONS DETERIORATE IN OCTOBER

The Nikkei Thailand Manufacturing Purchasing Managers' Index (PMI), a composite index designed to provide a snapshot of the performance of the manufacturing sector, fell from 50.0 in September to 48.9 in October, the lowest reading in nearly two years. It indicated a deterioration in the health of the sector.

The news release of the PMI shows that both output and new orders in October recorded the steepest contraction in nearly two years. Export sales also fell in the month. In response to lower output and softer client demands, Thai manufacturers cut back on purchasing activity and staffing. Suppliers' delivery times in October, however, shortened by the greatest extent seen so far this year, supported by increased productivity and more part-time workers. On the price front, input cost inflation returned in the month, but Thai firms cut output charges amid weak sales.

Looking ahead, longer-term prospects for the manufacturing sector remained positive, as the Future Output Index, a gauge of business confidence, stayed above the neutral threshold of 50.0 for a fourth straight month in October.

THAILAND

FTA TALKS BEING ACCELERATED

Thailand is revving up the negotiations of free trade agreements (FTAs) with multiple trading partners, including Sri Lanka, Turkey and Pakistan.

According to Auramon Supthaweethum, director-general of Thailand's Trade Negotiations Department, the country is scheduled to hold the fourth round of free trade talks with Turkey on 12-14 December. Besides, the third-round negotiations on the Thailand–Sri Lanka FTA will be held on 17-22 December. And the tenth round of FTA negotiations with Pakistan will also be held later this year or in the first quarter of 2019.

Moreover, the country is set to resume trade negotiations with the EU and start negotiations to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a newly formed trade block of 11 Pacific Rim nations that will take effect on 30 December this year.

Regarding the CPTPP, Auramon said a study of the benefits and impacts of joining the trade pact was likely to be completed later this year, and the country would conduct more in-depth studies and hold more meetings with the group of people who are still concerned about its impacts, especially on local plant varieties, before the country officially submits its application for membership of the CPTPP.

However, negotiations on the Regional Comprehensive Economic Partnership (RCEP), another proposed mega trade block that involves 16 Asia-Pacific countries including Thailand, failed to conclude by the end of this year as previously expected. There remain two sets of outstanding issues – the rules-based chapters and the topic of market access.

THAILAND

ZOGGS CONSIDERS THAILAND AN ALTERNATIVE PRODUCTION BASE FOR SWIMWEAR

Australian swimwear brand Zoggs is thinking about shifting the production of some products from China to Thailand over the next few years, reported *The Bangkok Post* on 1 November.

During his visit to Thailand in late October, Robert Davies, general manager of Zoggs Asia Pacific, said the parent company was studying the feasibility of relocating the production of some models such as sun-swim vest shirts to ASEAN countries like Thailand, Cambodia and Vietnam, due to rising production costs in China. The greater availability of higher-skilled workers in Thailand was cited as the major advantage of producing in Thailand, while high import tariffs on some materials such as fabrics was the major drawback, he added.

Asia Pacific is the fastest growing region for Zoggs, accounting for 30% of the brand's global sales. The company sees Thailand, in particular, as a strategic market where it expects rapid growth in the children and family swimwear segment. ■

VIETNAM

EXPORTS JUMP 14.2% YOY IN FIRST TEN MONTHS

Vietnam's exports reached US$200.27 billion in the first ten months of 2018, up 14.2% yoy against the same period last year, according to data released by the General Statistics Office (GSO).

All the key export categories recorded double-digit year-on-year growth during the 10-month period, with exports of mobile phones and parts rising 10.6% yoy to US$40.7 billion, exports of textiles and garments surging 17.1% to US$25.2 billion, and exports of computers, electronics and parts jumping 15.2% to US$24.3 billion.

By export destinations, the US remained the largest export market of Vietnamese goods in the period with export revenue of US$39.0 billion, followed by the EU (US$34.9 billion) and China (US$32.1 billion).

The Ministry of Industry and Trade forecasts that Vietnam's exports for the whole year could reach US$239 billion, an increase of 11.2% from last year. The Vietnamese government has also announced an export growth target of 7% to 8% for next year.

VIETNAM

EUROPEAN COMMISSION AGREES TO FTA WITH VIETNAM

On 17 October, the European Commission agreed to submit the EU-Vietnam Free Trade Agreement (EVFTA) to the European Council to seek its approval for the signing of the deal slated for late 2018 and to the European Parliament for ratification in 2019.

According to the agreement memo, the EVFTA will eliminate over 99% of all tariffs on bilateral trade – worth US$54 billion a year – and partly remove the rest through limited zero-duty quotas. About 65% of duties on EU exports to Vietnam will be eliminated immediately when the EVFTA comes into force, with the remaining gradually removed over a 10-year period. EU duties on imports from Vietnam will be eliminated progressively over a 7-year period.

The EVFTA is expected to create ample opportunities for Vietnamese manufacturers, especially those in the garment and footwear industries, to expand export markets. A recent research estimates that the EVFTA will help increase Vietnam's export revenue by 4% to 6% per year in the first ten years after the agreement takes effect.

Nguyen Duc Thuan, chairman of the Vietnam Leather, Footwear, and Handbag Association (LEFASO), said that the EVFTA would allow Vietnam's footwear products to enjoy a tariff advantage of 3.5% to 4.2% compared with Chinese products when exporting to the EU, creating a huge competitive advantage.

President of the Vietnam Textile and Apparel Association (VITAS) Vu Duc Giang also expected that the trade deal would help Vietnam's textile and footwear sectors grow strongly in the coming years. Giang, however, also pointed out a major difficulty facing Vietnamese textile and garment firms. To enjoy the preferential tariffs stipulated by the EVFTA, Vietnamese enterprises must comply with the strict rules of origin and ensure that their products are produced from domestic materials or those imported from the EU or South Korea, another country with which the EU has a trade agreement. However, Vietnam's textile and garment sector currently imports about more than half of the materials from China. The sector might not be able to take full advantage of the EVFTA if this situation continues.

VIETNAM

VIETNAM PLANS TO LIFT FOREIGN OWNERSHIP LIMIT ON LISTED COMPANIES

The Ministry of Finance has released a revised draft *Law on Securities* which would remove the existing 49% foreign ownership cap on listed companies, except for companies operating in 'sensitive and important' sectors such as securities, defence, telecommunication, and insurance, for which the limit will be kept at 49%, and banking, for which the limit will remain at 30%. The draft law is expected to be submitted to lawmakers for approval next year and take effect in January 2020.

According to experts, some foreign investors prefer investment in Vietnamese companies through capital contribution, share purchase or merger and acquisition (M&A) to setting up companies themselves, as they can start operating immediately and do not have to apply for and wait for investment licenses. Thus, the revised *Law on Securities*, which allows foreign investors to hold up to 100% stake in Vietnamese listed companies in most sectors, is expected to create a wave of foreign investments in the country.

Jiun Park, senior deputy director at the Korea Trade Investment Promotion Agency, revealed that many South Korean small and medium enterprises had enquired about the process of capital contribution or share purchase in Vietnamese firms.

Figures from the Foreign Investment Agency under the Ministry of Planning and Investment show that, after pouring a record high of US$10.2 billion into Vietnamese firms through M&As last year, foreign investors spent US$6.3 billion on 5,342 deals to contribute capital or acquire shares in Vietnamese firms in the first ten months of this year, up 35.8% yoy. ■

MAJOR ECONOMIC INDICATORS

CAMBODIA

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Consumer price index (yoy growth %)	2.0	2.3	2.3	2.4	2.9	2.9
Exports (yoy growth %)	74.1	68.2	11.7	3.4	29.1	8.1
Exports (fob, in Cambodian riel billion)	4,837.1	4,699.9	4,127.6	2,974.0	4,025.1	5,079.7
Of which:						
Garments (in Cambodian riel billion)	2,251.7	2,447.1	2,724.4	1,860.3	2,633.2	3,501.0
Footwear (in Cambodian riel billion)	329.8	260.0	319.5	272.9	357.5	453.2
Textiles (in Cambodian riel billion)	6.2	9.9	18.7	12.1	17.4	10.4
Imports (yoy growth %)	13.3	54.4	7.5	28.5	35.8	30.9
Imports (fob, in Cambodian riel billion)	4,574.9	5,418.5	4,609.4	5,106.8	5,979.3	5,739.1

Note: June 2018 figures are the most up-to-date as of the date of publishing.
Source: National Bank of Cambodia

INDONESIA

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
Quarterly GDP (real yoy growth %)	5.3 (2Q18)			5.2 (3Q18)		
Production index of large and medium manufacturing (yoy growth %)	6.0	-1.1	9.0	-	-	-
Manufacturing PMI (Nikkei)	51.7	50.3	50.5	51.9	50.7	50.5
Real retail sales index (yoy growth %)	8.3	2.3	2.9	6.1	4.8	3.9
Consumer price index (yoy growth %)	3.2	3.1	3.2	3.2	2.9	3.2
Exports (yoy growth %)	13.1	11.3	19.7	4.5	2.4	3.6
Exports (FOB, US$ mn)	16,209.3	12,974.4	16,290.2	15,873.9	14,924.0	15,800.0
Of which:						
Textile and textile products (US$ mn)	1,229.5	860.8	1,262.3	1,247.0	1,072.3	-
Footwear (US$ mn)	476.4	298.1	439.7	424.4	366.8	-
Furniture (US$ mn)	148.7	85.2	133.9	139.1	131.6	-
Sports requisites (US$ mn)	47.7	29.4	48.3	52.5	49.0	-
Imports (yoy growth %)	28.2	12.8	31.7	24.5	14.2	23.7
Imports (US$ mn)	17,662.9	11,267.9	18,297.1	16,818.1	14,610.1	17,619.9

Source: Statistics Indonesia, Bank Indonesia, Nikkei PMI reports

PHILIPPINES

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
Quarterly GDP (real yoy growth %)	6.2 (2Q18)			6.1 (3Q18)		
Value of production index, manufacturing (yoy growth %)	15.3	12.0	12.1	8.6	3.7	-
Volume of production index, manufacturing (yoy growth %)	13.5	11.8	13.0	9.5	4.0	-
Manufacturing PMI (Nikkei)	53.7	52.9	50.9	51.9	52.0	54.0
Producer price index (yoy growth %)	1.5	0.2	-0.8	-0.8	-0.3	-
Consumer price index (yoy growth %)*	4.6	5.2	5.7	6.4	6.7	6.7
Exports (yoy growth %)	-1.8	2.8	0.3	3.4	-2.6	-
Exports (FOB, US$ mn)	5,878.7	5,861.9	5,851.3	6,183.4	5,827.2	-
Of which:						
Woodcrafts and furniture (US$ mn)	52.7	52.6	55.3	54.9	39.8	-
Garments (US$ mn)	58.6	79.1	95.4	97.4	77.0	-
Travel goods and handbags (US$ mn)	46.1	48.6	64.7	54.6	58.3	-
Imports (yoy growth %)	12.6	24.2	31.6	11.0	26.1	-
Imports (FOB, US$ mn)	9,568.8	9,050.2	9,397.4	9,677.0	9,753.9	-
Balance of trade (US$ mn)	-3,690.1	-3,188.4	-3,546.1	-3,493.6	-3,926.8	-

** Starting March 2018, the consumer price index has been rebased using 2012 as the base year.*
Source: Philippine Statistics Authority, Nikkei PMI reports

THAILAND

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
Quarterly GDP (real yoy growth %)	4.6 (2Q18)			3.3 (3Q18)		
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	2.9	5.0	4.9	0.8	-2.7	4.1
Manufacturing PMI (Nikkei)	51.1	50.2	50.1	49.9	50.0	48.9
Producer price index (yoy growth %)	0.7	1.8	2.2	1.8	1.3	1.7
Consumer price index (yoy growth %)	1.5	1.4	1.5	1.6	1.3	1.2
Exports (yoy growth %)	11.4	8.2	8.3	6.7	-5.2	8.7
Exports (US$ mn)	22,256.8	21,779.9	20,423.9	22,794.5	20,699.8	21,757.9
Of which:						
Textiles and apparel (US$ mn)	638.7	627.2	617.9	655.9	575.2	618.0
Furniture (US$ mn)	104.8	96.9	93.8	110.3	97.9	102.7
Footwear (US$ mn)	63.6	58.4	54.3	53.9	41.1	52.5
Imports (yoy growth %)	11.7	10.8	10.5	22.8	9.9	11.2
Imports (US$ mn)	21,053.0	20,201.4	20,940.1	23,382.6	20,212.6	22,037.5
Trade balance (US$ mn)	1,203.8	1,578.5	-516.2	-588.1	487.2	-279.5

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

VIETNAM

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
Quarterly GDP (real yoy growth %)	6.7 (2Q18)			6.9 (3Q18)		
Industrial production index (yoy growth %)	7.1	12.3	14.3	13.4	9.1	7.7
Manufacturing PMI (Nikkei)	53.9	55.7	54.9	53.7	51.5	53.9
Retail sales of consumer goods and services (year-to-date, yoy growth %)	10.1	10.7	11.3	11.2	11.3	11.4
Price index of materials used for production (yoy growth %)	4.8 (2Q18)			4.9 (3Q18)		
Producer price index for industrial products (yoy growth %)	1.9 (2Q18)			4.4 (3Q18)		
Consumer price index (yoy growth %)	3.9	4.7	4.5	4.0	4.0	3.9
Exports (year-to-date, yoy growth %)	17.3	16.3	16.0	16.7	15.8	15.2
Exports (US$ mn)	19,950.7	19,845.1	20,320.0	23,481.1	21,124.9	22,531.0
Of which:						
Textiles & garments (US$ mn)	2,354.2	2,745.4	2,871.1	3,161.5	2,700.5	2,732.3
Footwear (US$ mn)	1,536.3	1,455.49	1,435.5	1,400.6	1,168.4	1,381.6
Wood & wooden products (US$ mn)	728.1	750.0	730.3	797.4	715.4	845.4
Toys and sports requisites (US$ mn)	111.3	120.0	132.0	144.9	122.5	124.0
Imports (year-to-date, yoy growth %)	10.5	9.6	11.1	12.4	11.6	12.4
Imports (US$ mn)	20,905.2	19,045.9	20,954.5	21,283.8	19,512.9	21,761.4

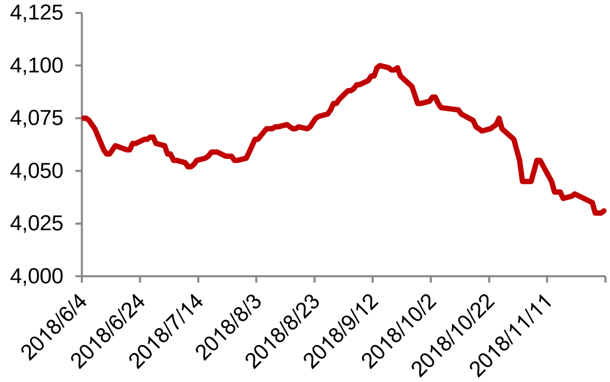
Source: General Statistics Office of Vietnam, General Department of Vietnam Customs, Nikkei PMI reports

DAILY EXCHANGE RATES

JUNE - NOVEMBER 2018

CAMBODIAN RIEL

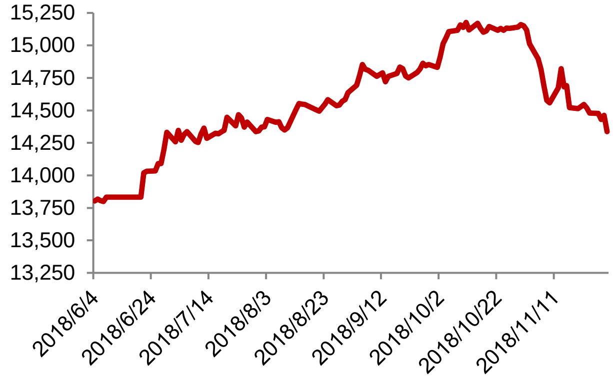
USD:KHR official exchange rate



Source: National Bank of Cambodia

INDONESIAN RUPIAH

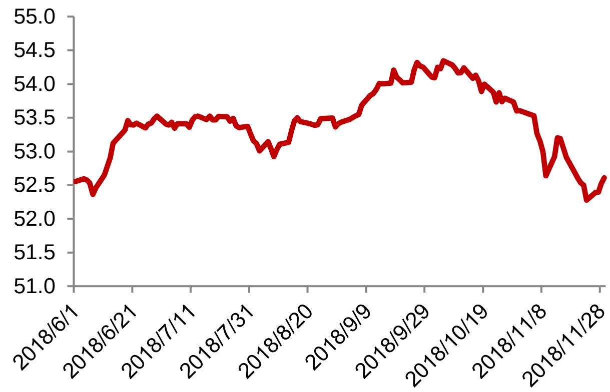
USD:IDR buy rate



Source: Bank Indonesia

PHILIPPINE PESO

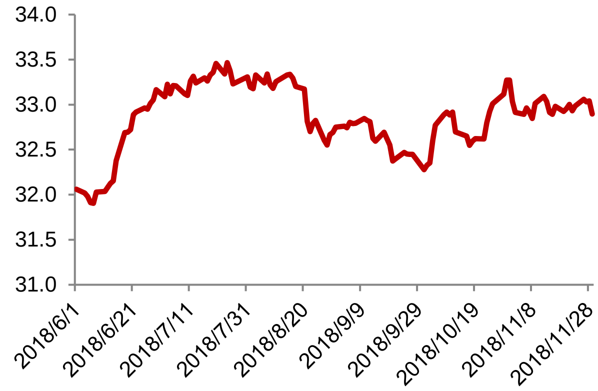
USD:PHP BSP reference rate



Source: Bangko Sentral ng Pilipinas (BSP)

THAI BAHT

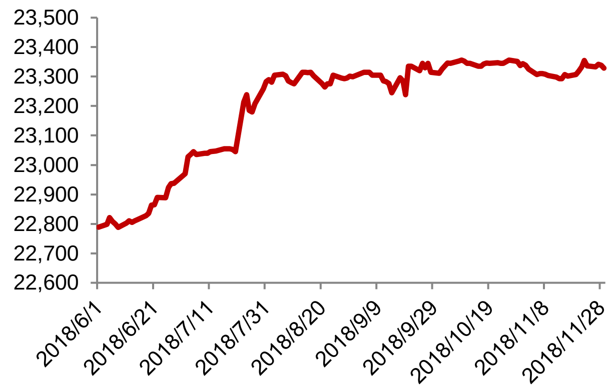
USD:THB mid-rate



Source: Bank of Thailand

VIETNAMESE DONG

USD:VND spot rate



Source: Bloomberg

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