



ASIA SOURCING UPDATE

SOUTHEAST ASIA | SOUTH AND WEST ASIA

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IN THE NEWS

CAMBODIA

MINIMUM WAGE FOR GARMENT FACTORY WORKERS TO INCREASE BY 9.3%

Garment industry representatives, unions and the government agreed to raise minimum wages for garment workers from US\$140 to US\$153 per month in 2017, announced the Ministry of Labour and Vocational Training (MLVT) in a statement on 29 September. The new minimum wage will come into effect on 1 January 2017 and will be applicable to the nation's garment and footwear workers.

The 28-member Labour Advisory Council (LAC) met on 29 September to consider the three minimum wage proposals – US\$147 as offered by the industry representatives, US\$148 as recommended by the MLVT and US\$171 as per the unions' request – put forth following the tripartite negotiation on the previous day. The LAC chose the US\$148 proposal, to which Prime Minister Hun Sen gave a US\$5 boost to arrive at the final figure of US\$153.

This is the third year that Hun has intervened and added US\$5 to the LAC's recommendation. The government holds ultimate power to decide on the final wage, taking into account the social well-being of workers, MLVT spokesman Heng Sour explained.

Chairman of the Garment Manufacturers Association in Cambodia (GMAC) Van Sou Leng said the increase was 'on the high side, but acceptable.' On the other hand, Cambodian Labour Confederation (CLC) President Ath Thorn said he was far from satisfied with the US\$153 figure, which was considerably below his group's wage request. The CLC announced a week later that they would not take to the streets to demand a higher wage, despite a majority of their members opposing the figure.

ASIA
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CAMBODIA

REPORT ON H&M SUPPLIERS REVEALS LABOUR RIGHTS VIOLATIONS

Four Cambodian suppliers for H&M have been called out by a local labour rights NGO for their continued use of short-term contracts, hampering employees' ability to unionize and, in one case, allegedly paying workers less than the US\$140 statutory minimum wage.

In a report entitled *When 'best' is far from good enough*, jointly issued by the Cambodian NGO Center for Alliance of Labor & Human Rights (CENTRAL) and the Norwegian NGO Future In Our Hands (Framtiden i våre hender) on 23 September, CENTRAL surveyed workers from four suppliers for H&M – three rated 'platinum' and one 'gold' by the multinational in terms of compliance to labour standards and laws.

Citing H&M's own commitments to ensure workers are paid a fair living wage, the report says that even its 'top ranked' and 'preferred' factories were falling short of industry averages. For instance, while the three platinum suppliers, namely, Eastex Garment and Seduno Investment Cambo Fashion in Phnom Penh, and Vanco Industrial in Kandal, were found to be paying workers on average US\$172 a month, more than the minimum wage, the figure was still below the industry average of US\$178 per month. Moreover, starting this year, M&V International, rated 'gold' supplier by H&M, was allegedly failing to even pay the US\$140 statutory minimum wage. Work stoppages stemming from falling orders, during which workers were allegedly not paid, forced average wages down to as low as US\$136 a month.

The CENTRAL report also found other breaches of H&M's commitments. Workers at the three platinum factories were fined between US\$2.50

and US\$15 for arriving five to ten minutes late to work – disciplinary measures that H&M supposedly does not permit. The study found continued use of two- to six-month short-term contracts at Eastex and Vanco, despite H&M's assurance that workers who had achieved two years of seniority would get long-term contracts.

H&M did not address specific concerns raised by the report, but instead responded with a general statement that it was working with various stakeholders to improve its supply chain. 'The report raises important issues which we work on every day and in all the markets we buy our products from,' a spokesperson for H&M wrote in an email.

CAMBODIA

CHINESE PRESIDENT XI JINPING SIGNS 31 AGREEMENTS DURING VISIT TO CAMBODIA

Chinese President Xi Jinping paid a two-day visit to Cambodia during 13-14 October, praising the strong relations between the two countries, and signed dozens of bilateral agreements.

31 agreements, including soft loan deals of around US\$237 million, debt forgiveness of US\$89 million and military aid of US\$14 million, were signed on 13 October following the meeting between Xi and Cambodian Prime Minister Hun Sen, according to Eang Sophalleth, an aide to Hun Sen.

Among other agreements were a deal to cooperate to stop human trafficking and an agreement for information sharing on internal security issues. In addition, an agreement between Cambodian conglomerate Royal Group and Sinosteel for a 450MV coal power plant in Sihanoukville was signed.

President Xi also pledged to urge Chinese investment in building Cambodia's high-speed train and an airport in Siem Reap province, as well as provide additional 500 scholarships, Sophalleth added. ■

INDONESIA



INDONESIA'S MANUFACTURING ACTIVITY IMPROVES FOR THE SECOND STRAIGHT MONTH

The Nikkei Indonesia Manufacturing Purchasing Managers' Index (PMI), compiled by IHS Markit, rose to 50.9 in September from 50.4 in August. The reading shows that the country's factory activity has expanded for the second month in a row. A reading above 50 indicates economic expansion, while one below 50 points toward contraction.

The PMI data showed that total new orders rose for the second straight month in September, while new export orders posted the strongest upturn in 46 months. While companies noted an improvement in overall global demand, there were particular mentions of Europe being a key source of new orders. Production increased for the second consecutive month at a mild pace, as the upturn in new orders led Indonesian manufacturers to scale up output during September.

Both employment and buying levels increased in September amid reports of greater output requirements. However, the pace of job creation was marginal overall, though it ended a two-month sequence of falling payroll numbers.

Pollyanna De Lima, economist at IHS Markit, commented: 'The overall situation in manufacturing looks encouraging and although the observed growth in the sector remains on a relatively weak footing, the latest decision by the Bank of Indonesia to slash rates will likely boost the economy as we move into the coming quarter.'

For the third quarter of 2016, Indonesia's Manufacturing PMI averaged 49.9, implying a slight contraction.

INDONESIA

INDONESIA CLIMBS 15 PLACES IN WORLD BANK'S EASE OF DOING BUSINESS INDEX

Government efforts to deregulate the economy has caught global investors' attention as Indonesia's ranking in the Ease of Doing Business index for 2017 has climbed 15 places to 91 out of 190 countries assessed, from the previous rank of 106.

In the report *Doing Business 2017: Equal Opportunity for All* published by the World Bank on 25 October, Indonesia is among the world's top 10 improvers based on reforms undertaken, along with Bahrain, Belarus, Brunei, Georgia, Kazakhstan, Kenya, Pakistan, Serbia and United Arab Emirates.

The World Bank report acknowledged that Indonesia had introduced reforms to make starting a business easier, such as by encouraging the use of online systems, scrapping the paid-in minimum capital requirement for small and medium enterprises, introducing simpler customs documents and a dedicated procedure for commercial litigation and small claims.

Nevertheless, the report also highlighted areas where improvements can still be made, including to further simplify procedures to reduce time and costs for starting a business.

INDONESIA

EXPORTS AND IMPORTS CONTRACT IN SEPTEMBER

Exports fell slightly by 0.59% yoy to US\$12.51 billion in September, returning to the long contracting streak it had broken in August. Oil and gas exports slumped by 26.97% from September last year, while non-oil and gas exports saw a 2.85% yoy increase.

On the import side, the country saw a decrease of 2.26% yoy in September to US\$11.30 billion. Oil and gas imports plunged by 8.88% yoy, while non-oil and gas imports dropped by 0.95% yoy. The resulting trade balance of US\$1.22 billion for

September is far more than analysts' estimates, which averaged US\$450 million.

In the January-September period, Indonesia recorded exports of US\$104.36 billion, down 9.41% from a year earlier. Total imports during the nine-month period stood at US\$98.69 billion, declining by 8.61% compared to the same period last year. That brought the trade balance in the period to US\$5.67 billion. ■

PHILIPPINES



NET FDI INFLOW SURGES 79% YOY IN THE FIRST SEVEN MONTHS OF 2016

Net inflows of foreign direct investments (FDI) to the Philippines amounted to US\$4.69 billion in January - July 2016, up 79% from US\$2.62 billion recorded in the same period last year, reported the Philippine central bank *Bangko Sentral ng Pilipinas* (BSP) on 10 October.

For July alone, net FDI inflows increased 7.0% to US\$503 million from US\$470 million in July 2015.

The BSP attributed the surge in net FDI inflows to investors' positive outlook on the Philippine economy, which was reinforced by strong macroeconomic fundamentals. Year-on-year GDP growth accelerated to 6.9% in the first half of 2016 from 5.5% in the same period last year amid the strong boost from election related spending.

The BSP sees net FDI inflows rising to US\$6.3 billion for the whole year amid the country's strong macroeconomic fundamentals and the implementation of much needed infrastructure projects under the public private partnership (PPP) scheme.

The BSP data also showed that net equity capital inflows increased 74.7% to US\$1.47 billion in the first seven months of 2016 from US\$841 million a year ago. Net investments in debt instruments or lending by parent companies abroad to local

affiliates in January-July more than doubled to US\$2.78 billion from US\$1.32 billion a year ago, according to the BSP data.

PHILIPPINES

WORLD BANK PROJECTS POSITIVE OUTLOOK FOR THE PHILIPPINE ECONOMY

In its latest issue of *East Asia Pacific Economic Update* published on 4 October, the World Bank says the Philippines, along with Vietnam, has the strongest prospects among economies in the region.

The World Bank expects the Philippines' GDP to grow by 6.4% this year before moderating to 6.2% in 2017, same as its previous forecast published in April. The Bank predicts that growth in the second half of 2016 will be supported by robust domestic consumption and sustained improvements in public spending. Strong private investment is also expected to continue. Downside risks, however, include the slowdown of remittances from a weaker-than expected global economy, slower consumption growth due to rising food prices, and lower net exports due to subdued external demand.

The World Bank gives a positive medium term outlook for the Philippines, bucking the global trend. However, the report also points out that translating robust growth into more jobs that uplift the lives of the poor is the most pressing challenge for the country.

In late September, the Asian Development Bank (ADB) upgraded its 2016 and 2017 growth forecasts for the Philippines, citing strong domestic demand. Projected GDP growth this year was revised to 6.4% from the previous forecast of 6.0%. Next year's growth forecast was raised from 6.1% to 6.2%.

PHILIPPINES

DUTERTE ANNOUNCES 'SEPARATION' FROM THE US DURING CHINA VISIT

President Rodrigo Duterte announced his 'separation' from the US at a business forum in Beijing's Great Hall of the People on 20 October during a state visit to China.

President Duterte told the audience that the Philippines would 'separate' from the US both in military and economy, and would be dependent on China. Duterte went on to say that he had realigned himself with China's 'ideological flow'.

Duterte's statement came after a seemingly fruitful meeting with Chinese President Xi Jinping, where several agreements were forged between the two countries.

Duterte had said earlier that he was fed up with the Philippines' foreign policy being dictated by a Western agenda. Foreign policy under Duterte has dramatically shifted from that pursued under predecessor Benigno Aquino III. ■

THAILAND



EXPORTS RISE 3.4% YOY IN SEPTEMBER

Exports unexpectedly posted year-on-year increase for a second straight month in September, thanks to higher demand from major markets, reported the Commerce Ministry on 26 October. Exports in September grew by 3.4% yoy to US\$19.46 billion, while imports surged by 5.6% yoy, increasing for the first time in four months, to US\$16.91 billion.

In the first nine months of this year, exports fell by 0.7% yoy to US\$160.46 billion, while imports slumped by 7.3% yoy to US\$142.53 billion, resulting in a trade surplus of US\$17.92 billion.

Pimchanok Wornkorporn, deputy director-general of the Commerce Ministry's Policies and Trade Strategies Bureau, said it was very possible that exports would continue to expand strongly in the remaining months of the year due to recovering demand in many major markets, along with higher oil prices, which would drive up the value of oil by-product exports.

THAILAND

CENTRAL WAGE COMMITTEE APPROVES MILD MINIMUM WAGE INCREASES

Labour Ministry permanent secretary ML Puntrik Smiti said on 19 October that the tripartite Central Wage Committee had approved increases in the daily minimum wage by 1.7%-3.3% in most provinces, effective 1 January 2017. Currently, the daily minimum wage is set at 300 baht nationwide.

The daily minimum wages in Bangkok and six other relatively well-off provinces - Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon and Phuket - will rise by 10 bahts to 310 baht, while that in 13 provinces will increase by 8 baht, and in 49 provinces by 5 baht. The minimum wages in eight provinces, including the three southernmost border provinces of Yala, Pattani and Narathiwat, will remain unchanged at 300 baht.

The Committee will submit its resolution to the Labour Ministry, which will forward it to the Cabinet for approval.

THAILAND

DESIGN HUB PLANNED TO UPGRADE THAI FASHION

The Thai government has planned to set up a new design centre in an effort to improve the country's textile production technology and improve the added value of the garments industry with better fashion design.

The new Thailand Industrial Design Centre (TIDC) will be run by Thailand Textile Institute (THTI), one of 11 institutes working under the Industry Ministry

to help support the private sector in research and development and product design.

Prasong Nilbanjong, Director of THTI, said that the TIDC would gather garment and textile specialists, as well as designers, from France, Italy and the US. The design centre will aim to compete in the high-end market.

Besides the plan to set up the TIDC, the THTI has also launched a new eco-textile project to promote production of natural raw materials such as hemp fibre to tap into the organic trend, which has seen customers prefer eco-friendly products. ■

VIETNAM



EXPORTS INCREASE 6.7% YOY IN THE FIRST NINE MONTHS OF 2016

Vietnam's exports are estimated to reach US\$128.2 billion in the first nine months of this year, registering a year-on-year growth of 6.7%, according to the latest statistics from the General Statistics Office (GSO).

However, on a month-on-month basis, exports in September plunged 6.8% to an estimated US\$15 billion compared to August due to a turnover reduction in several key export items such as telephones and components (down 17.4% mom to US\$2,400 million), footwear (down 18.2% mom to US\$900 million) and garments (down 7.1% mom to US\$2,300 million).

In January-September, the country recorded imports of US\$125.4 billion, edging up 1.3% over the same period last year, resulting in a trade surplus of US\$2.8 billion. The slight increase in imports in the nine-month period proved that local production was well on track to recover, the GSO said.

VIETNAM

TAEKWANG GROUP COMMENCES CONSTRUCTION OF SHOE FACTORY IN CAN THO

South Korean conglomerate Taekwang Group has started construction of a sport shoes factory in the Hung Phu 2B Industrial Park in Cai Rang District, southern Can Tho City.

The project is scheduled to be completed in 2017, generating about 35,000 jobs and earning US\$455 million in revenue each year. With capital of US\$170 million, the project covers an area of 62 hectares and includes a workshop, a warehouse, and an office building.

The factory will use machineries and equipment in line with standards required by the US's Nike Inc., said Nam Jung Dae, General Director of the Teakwang Can Tho Co. Ltd. Its products will be distributed in accordance with Nike's orders and exported to countries worldwide.

According to Park Noh Wan, South Korea's Consul General in Ho Chi Minh City, the project will help further expand economic co-operation between the two countries, adding that the Vietnam-Korea Free Trade Agreement (VKFTA) and other FTAs signed between Vietnam and its partners are facilitating bilateral economic links, contributing to soon realizing the two nations' US\$70-billion trade turnover target by 2020.

VIETNAM

SAMSUNG'S NOTE 7 FALLOUT MAY HURT VIETNAM EXPORTS

The fallout from Samsung's dramatic move to end production of its Note 7 smartphones on 12 October is expected to deal a blow to Vietnam's exports.

Part of the reason for the 6.8% decline in exports in September from the previous month was the Note 7 recall, said Nguyen Bich Lam, head of the General Statistics Office (GSO).

Samsung is Vietnam's biggest exporter, exporting about US\$33 billion worth of products from Vietnam last year. The figure is expected to reach US\$34.4 billion this year, equal to approximately 20% of Vietnam's total export turnover. The total workforce tied to Samsung in Vietnam is about 400,000, including 130,000 company employees, estimated Nguyen Mai, Chairman of Vietnam's Association of Foreign Invested Enterprises.

However, as Galaxy Note 7 is only one among a number of Samsung devices produced in Vietnam, the impact is expected to be insignificant, according to Ministry of Industry and Trade official Tran Thanh Hai. Hai estimated that the export revenue losses due to the cease of production of Note 7 to be between US\$280 million and US\$300 million, equivalent to 0.7%-1% Vietnam's mobile phone exports, and less than 0.2% of the total exports estimated for this year.

Samsung's plants in the northern provinces of Bac Ninh and Thai Nguyen, which produce 35% of Samsung's smartphone products worldwide, do not plan to fire employees as a result of the Note 7 incident, the company said in an e-mail statement. Overall 2016 Vietnam exports are expected to increase from last year, the company said. ■

MAJOR ECONOMIC INDICATORS

CAMBODIA

	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Consumer price index (yoy growth %)	2.3	2.0	2.8	3.1	3.3	3.0
Exports (yoy growth %)	26.0	13.5	12.4	7.8	15.2	10.2
Exports (fob, in Cambodian riel billion)	2,631.0	2,486.6	2,391.9	2,605.5	3,411.8	3,971.4
<i>Of which:</i>						
Garments (in Cambodian riel billion)	1,967.0	1,792.8	1,690.5	1,815.2	2,391.8	3,047.5
Footwear (in Cambodian riel billion)	160.4	208.7	218.5	220.4	275.5	284.4
Textiles (in Cambodian riel billion)	5.2	10.3	8.2	2.6	3.4	3.1
Imports (yoy growth %)	-22.4	14.0	11.5	16.6	9.3	3.5
Imports (fob, in Cambodian riel billion)	2,740.6	3,943.6	3,870.7	4,353.8	4,051.2	4,174.7

*Note: July 2016 figures are the most up-to-date as of the date of publishing.
Source: National Bank of Cambodia*

INDONESIA

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Quarterly GDP (real yoy growth %)		5.2 (2Q16)			-	
Production index of large and medium manufacturing (yoy growth %)	0.1	7.0	7.9	8.6	4.8	-
Manufacturing PMI (Nikkei)	50.9	50.6	51.9	48.4	50.4	50.9
Real retail sales index (yoy growth %)	11.2	13.6	16.3	6.3	14.4	15.7
Consumer price index (yoy growth %)	3.6	3.3	3.5	3.2	2.8	3.1
Exports (yoy growth %)	-12.7	-9.8	-4.4	-17.0	-0.7	-0.6
Exports (FOB, US\$ mn)	11,447.3	11,511.0	12,917.1	9,514.3	12,632.3	12,514.1
<i>Of which:</i>						
Textile and textile products (US\$ mn)	989.8	982.1	1,290.2	697.2	1,053.0	-
Footwear (US\$ mn)	419.5	436.0	441.2	269.7	367.4	-
Furniture (US\$ mn)	134.9	133.5	153.2	72.1	126.0	-
Sports requisites (US\$ mn)	36.9	39.1	48.4	24.4	39.7	-
Imports (yoy growth %)	-14.6	-4.1	-7.4	-11.6	-0.5	-2.3
Imports (US\$ mn)	10,780.1	11,135.4	12,016.9	8,916.0	12,338.7	11,297.2

Source: Statistics Indonesia, Bank Indonesia, Nikkei PMI reports

PHILIPPINES

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Quarterly GDP (real yoy growth %)		7.0 (2Q16)			-	
Value of production index, manufacturing (yoy growth %)	6.8	2.7	4.7	5.6	8.4	-
Volume of production index, manufacturing (yoy growth %)	10.8	7.3	8.5	10.1	13.5	-
Producer price index (yoy growth %)	-3.6	-4.3	-3.5	-4.1	-4.5	-
Consumer price index (yoy growth %)	1.1	1.6	1.9	1.9	1.8	2.3
Exports (yoy growth %)	-4.1	-3.8	-11.4	-13.0	-4.4	-
Exports (FOB, US\$ mn)	4,254.2	4,715.0	4,754.4	4,673.2	4,904.0	-
<i>Of which:</i>						
Woodcrafts and furniture (US\$ mn)	257.1	303.7	274.3	224.9	254.6	-
Garments (US\$ mn)	95.1	78.0	89.7	100.8	91.4	-
Travel goods and handbags (US\$ mn)	38.1	37.0	44.4	50.6	52.0	-
Imports (yoy growth %)	29.2	39.3	15.4	-1.6	12.2	-
Imports (FOB, US\$ mn)	6,529.0	6,736.1	6,852.9	6,726.4	6,926.5	-
Balance of trade (US\$ mn)	-2,274.7	-2,021.1	-2,098.5	-2,053.2	-2,022.6	-

Source: National Statistics Office, National Statistical Coordination Board

THAILAND

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Quarterly GDP (real yoy growth %)		3.5 (2Q16)			-	
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	0.9	2.7	1.4	-5.0	3.1	-
Producer price index (yoy growth %)	-1.7	-1.4	-1.3	-0.8	-0.4	-0.7
Consumer price index (yoy growth %)	0.1	0.5	0.4	0.1	0.3	0.4
Exports (yoy growth %)	-8.0	-4.4	-0.1	-6.4	6.5	-
Exports (US\$ mn)	15,545.0	17,616.9	18,146.1	17,045.1	18,824.9	-
<i>Of which:</i>						
Textiles and apparel (US\$ mn)	515.0	554.6	583.7	550.0	561.2	-
Furniture (US\$ mn)	80.2	97.3	100.4	95.8	102.5	-
Footwear (US\$ mn)	49.7	58.0	60.1	54.1	53.0	-
Imports (yoy growth %)	-14.9	0.5	-10.1	-7.2	-1.5	-
Imports (US\$ mn)	14,823.6	16,079.4	16,180.6	16,202.4	16,697.3	-
Trade balance (US\$ mn)	721.3	1,537.5	1,965.5	842.7	2,127.6	-

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

VIETNAM

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Quarterly GDP (real yoy growth %)		5.6 (2Q16)			6.4 (3Q16)	
Industrial production index (yoy growth %)	7.9	7.8	7.4	7.2	7.3	7.6
Manufacturing PMI (Nikkei)	52.3	52.7	52.6	51.9	52.2	52.9
Retail sales of consumer goods and services (year-to-date, yoy growth %)	8.8	9.1	9.5	9.4	9.3	9.8
Price index of materials used for production (yoy growth %)		-1.6 (2Q16)			-0.4 (3Q16)	
Producer price index for industrial products (yoy growth %)		-1.3 (2Q16)			-0.5 (2Q16)	
Consumer price index (yoy growth %)	1.9	2.3	2.4	2.4	2.6	3.3
Exports (year-to-date, yoy growth %)	6.5	6.2	5.7	5.4	6.4	7.0
Exports (US\$ mn)	14,350.2	14,371.7	14,724.7	14,907.8	16,095.7	15,418.3
<i>Of which:</i>						
Textiles & garments (US\$ mn)	1,748.0	1,784.8	2,238.3	2,319.0	2,475.2	2,166.6
Footwear (US\$ mn)	1,020.2	1,247.6	1,229.9	1,159.3	1,100.4	881.4
Wood & wooden products (US\$ mn)	584.8	557.5	556.1	577.1	623.7	577.1
Toys and sports requisites (US\$ mn)	72.3	72.9	80.6	81.4	94.1	92.9
Imports (year-to-date, yoy growth %)	-1.3	-1.7	-0.8	-1.2	0.3	0.9
Imports (US\$ mn)	14,072.9	14,548.9	14,741.9	14,343.9	15,523.2	14,553.8

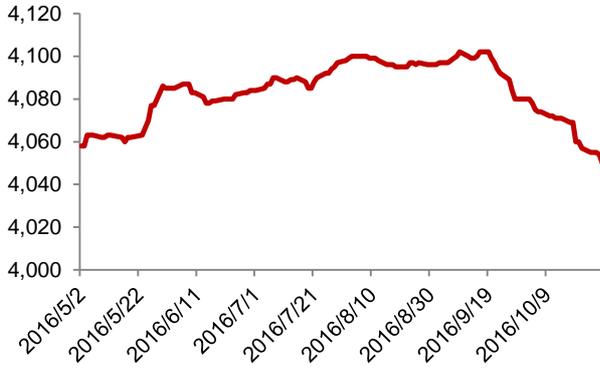
Source: General Statistics Office of Vietnam, General Department of Vietnam Customs, Nikkei PMI reports

DAILY EXCHANGE RATES

MAY - OCTOBER 2016

CAMBODIAN RIEL

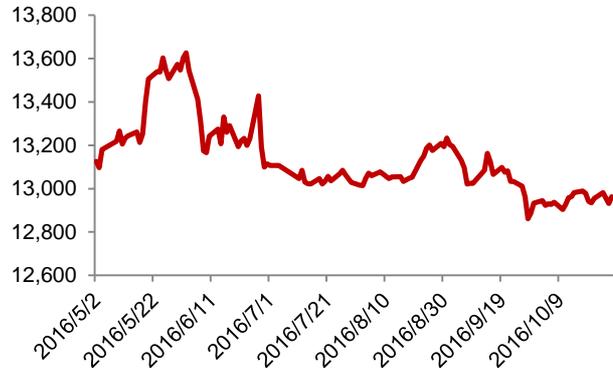
USD:KHR official exchange rate



Source: National Bank of Cambodia

INDONESIAN RUPIAH

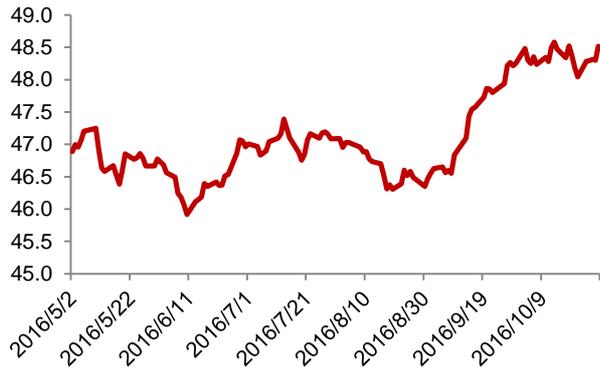
USD:IDR buy rate



Source: Bank Indonesia

PHILIPPINE PESO

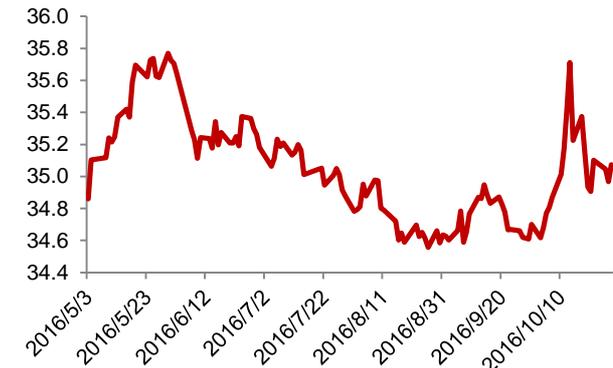
USD:PHP BSP reference rate



Source: Bangko Sentral ng Pilipinas (BSP)

THAI BAHT

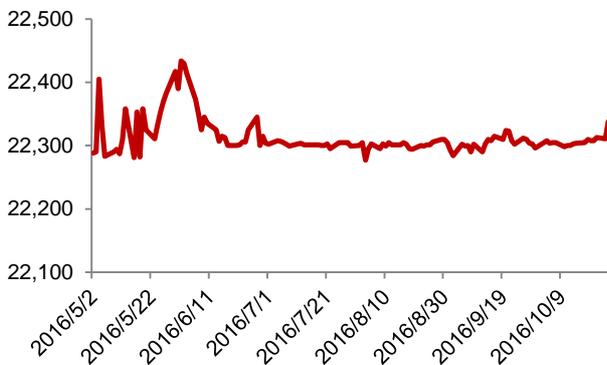
USD:THB mid-rate



Source: Bank of Thailand

VIETNAMESE DONG

USD:VND spot rate



Source: Bloomberg

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 45,100 people across 40 economies worldwide, generating total revenue of over US\$24.8 billion in 2015. Fung Holdings (1937) Limited, a privately held business entity headquartered in Hong Kong, is the major shareholder of the Fung group of companies.

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