

ASIA SOURCING UPDATE

SOUTHEAST ASIA | SOUTH AND WEST ASIA

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IN THE NEWS

CAMBODIA

GARMENT EXPORTS POST LACKLUSTER GROWTH IN THE FIRST HALF OF 2017

Cambodia's garment exports grew by a mere 4% yoy in the first half of 2017, slower than the 9% growth seen in the same period last year, according to a semi-annual report from the National Bank of Cambodia (NBC).

The central bank pointed out that the slowdown was due to a 2.3% yoy decline in garment exports to the US, stronger competition from Vietnam and Myanmar, and higher production costs resulting from increasing minimum wage. Besides, foreign direct investment (FDI) in the garment sector fell sharply by about 30% yoy in the first quarter of 2017, compared to a 5% drop in the same period last year. The decline in FDI was possibly due to the country's upgrade from a low-income country to a lower-middle-income economy by the World Bank in 2016, which may lead to the loss of preferential access to the EU market in a few years.

In the World Bank's *Cambodia Economic Update* published in April this year, the bank noted that annual FDI inflows into the garment sector gradually dropped from US\$490 million in 2012 to US\$160 million in 2016. Further decline in FDI inflows may prevent the sector from upgrading towards higher value-added production and improving productivity through capital investment.

To maintain high growth and increase high value-added production in the garment sector by at least 50% by 2025, the Ministry of Economy and Finance, together with industry stakeholders and Better Factory Cambodia, is drafting an eight-year development strategy for the sector, which will focus on cost cutting, efficiency enhancement and industrial relations improvement.

CAMBODIA

SOURCING COSTS TO INCREASE DUE TO NEW WORKER BENEFIT PACKAGE

Prime Minister Hun Sen announced on 20 August a new benefit package for garment and footwear workers, including payment of workers' full contribution to the National Social Security Fund by employers, free access to public transport, and a minimum wage increase to at least US\$168 per month, with effect from 1 January 2018.

Garment and footwear manufacturers have expressed their concerns over the welfare package pledged, which could erode their price competitiveness. Once implemented, it would cost the industry at least US\$10 million additionally per month on wages, and another US\$3.5 million per month on health care, according to Kaing Monika, deputy secretary-general of the Garment Manufacturers Association in Cambodia (GMAC), quoted by the *Phnom Penh Post*.

Kaing urged the government to provide facilities for the manufacturers to offset higher costs induced by the benefit package, including a reduction in electricity prices, elimination of red tape and reforms in the logistics system.

The prime minister's benefit package has guaranteed a 9.8% increase at the minimum from the current US\$153 monthly minimum wage for next year, on which negotiations just kick-started in July. Ath Thorn, president of the country's largest independent union, said that the new minimum wage the prime minister announced was still too low and that he would continue to push for a wage close to US\$200 with some other union leaders in the ongoing negotiations.

In early August, the prime minister promised to make weekly visits to garment factories to better

understand workers' needs. Some observers believe that both moves were to appeal to potential voters ahead of next year's general election.

CAMBODIA

HONG KONG INVESTORS KEEN TO SET UP FACTORIES IN KAMPONG SPEU

More than ten companies from Hong Kong were planning to set up garment, footwear and travel bag factories in Kampong Speu, a western province nestling between the capital, Phnom Penh, and Cambodia's major seaport of Sihanoukville, local newspaper *Khmer Times* reported.

According to Kampong Speu Governor Vei Samnang, most of the Hong Kong investors will focus on manufacturing brand products for the global market. Some of the investors were considering shifting their factories from Myanmar to Cambodia, and one of them pledged to set up a factory in the province by August, which will create 5,000 jobs in the initial phase and expand to 10,000 at full capacity. Currently, there are 119 factories in Kampong Speu, mostly producing garments and footwear.

From July last year, the US extended duty-free treatment for 28 travel goods originated from Cambodia under the Generalised System of Preferences (GSP). Van Sou Ieng, president of the Garment Manufacturers Association in Cambodia (GMAC), said about 20 new factories producing travel goods had been set up since the tariff elimination. The Cambodian government is now lobbying the US counterpart to grant duty preferences on footwear, as the US side was carrying out a review of GSP tariffs on footwear, which would end in December this year. ■

INDONESIA



MANUFACTURING PMI SHOWS MODEST RECOVERY IN AUGUST

The Nikkei Indonesia manufacturing purchasing managers' index (PMI) rebounded to growth for the first time in three months in August, according to a press release by IHS Markit, which compiles the survey. The manufacturing PMI stood at 50.7 in August, up from a one-year low of 48.6 in July.

A reading above 50 indicates economic expansion, while one below 50 points towards contraction.

Indonesian companies scaled up production and purchased greater quantities of inputs amid rising orders, both from abroad and at home. In particular, new export orders rose at the second-quickest pace in the survey's near six-and-a-half year history. Stronger increases in input costs and output charges were seen, though in both cases rates of inflation remained below their respective long-run averages.

Nevertheless, payroll numbers continued to decline in August, registering the 11th consecutive month of contraction, albeit at a marginal rate.

'The rebound from July's downturn lifted spirits among firms, who are more cheerful about the year-ahead outlook than they were in the prior survey period,' said Pollyanna De Lima, economist at IHS Markit.

The press release also states that Indonesian manufacturers remained strongly confident towards the year-ahead outlook for production, with optimism boosted by efficiency improvements.

INDONESIA

GOVERNMENT LAUNCHES THE 16TH ECONOMIC PACKAGE TO BOOST INVESTMENT

The government launched its 16th economic policy package on 31 August in a bid to facilitate business activity and attract more investment to

the country. The policy aims at speeding up the issuance of business permits while providing greater certainty on the cost and time involved and improving coordination between ministries and provincial administrations.

‘This policy’s goal is to solve obstacles in the implementation process and to use information and technology through the implementation of an integrated licensing system (single submission),’ Coordinating Economic Minister Darmin Nasution said at the Indonesia Stock Exchange during an event attended by President Joko ‘Jokowi’ Widodo.

Nasution explained that the acceleration of business processes would be implemented in two stages. The first stage includes the formation of task forces to implement business licensing processes and to oversee the application of licensing checklists at special economic zones, free-trade zones, industrial and tourism areas using data sharing. The second stage includes regulatory reforms and implementation of the single-submission system.

Regarding the single-submission system, Jokowi said the government would construct a building next year to manage all kinds of business permits. ‘In February next year, at the latest, we will have one building specially designated for (business) permit issuance. Every kind of permit will be taken care of in that one building,’ the President explained.

INDONESIA

PAN BROTHERS TO BUILD NEW GARMENT FACTORIES

Publicly listed garment manufacturer PT Pan Brothers is expanding its production capacity by building new factories in West and Central Java, to reach its target of 10%-15% sales growth in the next two years.

The company has allocated US\$30 million for construction of the two factories, which are set to start operation in 2018 under the management of the company’s subsidiary PT Eco Smart Garment Indonesia. In addition, Pan Brothers has allocated

US\$5 million to build a new factory under its subsidiary PT Theodore Pan Garmino in West Java. Construction of the factory will start in 2018 and the factory will be operational in 2019.

‘Our company sees an increase in demand from the Asian market because of the emerging economic growth in the region,’ Pan Brothers vice president director Anne Patricia Sutanto said in Jakarta on 9 August.

The company manufactures garments for prominent brands such as Uniqlo, Adidas, North Face, Lacoste and Calvin Klein. More than 93% of its products are marketed to foreign markets, mostly in Asia, which accounts for 56% of its total sales, followed by the US and Europe with 26% and 17%, respectively. ■

PHILIPPINES



GDP GROWTH QUICKENS IN SECOND QUARTER

The Philippines’ GDP grew by 6.5% yoy in the second quarter of 2017, an acceleration from the 6.4% yoy increase in the first quarter, according to data released by the Philippine Statistics Authority (PSA). On a quarter-on-quarter basis, GDP grew by 1.7% in the second quarter, faster than the revised 1.3% growth in the previous quarter, signalling that economic growth is gaining momentum.

Among the three major economic sectors, industry recorded the fastest growth of 7.3% yoy in the second quarter of 2017, while growth in services, the main driver of the Philippines’ economy, slowed down to 6.1% yoy compared with 6.7% yoy growth posted in the first quarter. Meanwhile, agriculture grew by 6.3% yoy, faster than the 4.9% yoy growth in the first quarter.

By expenditure, household consumption grew at a slightly faster pace of 5.9% yoy in the second

quarter compared with 5.8% yoy in the previous quarter, while government spending jumped 7.1% yoy, a dramatic rise from the revised 0.1% growth in the previous quarter. Benefiting from a recovery in global demand, exports maintained double-digit growth of 19.7% yoy in the second quarter.

According to Finance Secretary Carlos Dominguez, the latest growth figures indicated the effectiveness of the Duterte administration's economic strategy anchored on massive public spending on infrastructure and social services. He also expressed optimism about meeting the full-year growth target of 6.5%-7.5% and a higher 7%-8% in 2018 and onwards.

PHILIPPINES

PESO PLUMMETS TO FRESH 11-YEAR LOW IN MID-AUGUST

The Philippine peso weakened to 51.49 against the US dollar on 18 August, a new 11-year low since 24 August, 2006 when it closed at 51.60 against the greenback. Widening current account deficit and rising risk aversion following the terrorist attack in Barcelona, Spain are major factors weighing down the peso.

The peso's depreciation came after the central bank's balance of payment (BOP) reports, which showed outflows of funds exceeded inflows. The country's BOP ran into an eight-month low of US\$678 million deficit in July, while from January to July, BOP stood at a deficit of US\$1.384 billion, more than doubled this year's forecast of US\$500 million. This is caused by a recent surge of capital goods imports boosted by a construction boom led by the Duterte's 'Build, Build, Build' infrastructure campaign, on which the president plans to spend about US\$180 billion in his six-year term.

The central bank's new governor Nestor Espenilla Jr., however, downplayed any concerns about the weakening peso, saying the country's macroeconomic fundamentals remained strong. He also added that for an emerging country like the Philippines, it is natural to have a current account deficit, and those capital goods imports

behind the deficit will improve the country's productive capacity further.

Based on the spot rates provided by *Bloomberg.com*, the peso closed at 51.449 against the US dollar on 18 August, representing a year-to-date depreciation of 3.6% and making it the worst-performing currency in Asia this year. After that, the peso started to rebound slightly and closed at 51.065 on 6 September.

PHILIPPINES

GOVERNMENT ISSUES ACCREDITATION GUIDELINES FOR GARMENT COMPANIES

In late July, the Department of Trade and Industry (DTI) and the Department of Labour and Employment (DOLE) signed a joint department order for the accreditation guidelines for garment firms that require compliance with global labour standards.

The joint department order provides the guidelines for the issuance, suspension or revocation of certificates of accreditation for garment manufacturers, exporters and subcontractors who want to avail themselves of the preferential tariffs under the Generalised System of Preferences (GSP) where accreditation is mandatory. For other garment firms, accreditation is voluntary.

The accreditation is valid for three years from issuance, but it could be suspended or revoked if companies fail to comply with the labour minimum standards set by the DTI Accreditation Board (DAB). Meanwhile, a Workers' Rights Review Committee, responsible of auditing garment firms' compliance with labour standards, was created. Its findings and recommendations will be submitted to the DAB for review and evaluation.

Trade Undersecretary Ceferino S. Rodolfo said the joint department order was an initiative of the Philippines and not mandated by the international community. He added that, although the initiative would be somehow self-restricting in the beginning, it would eventually be a competitive advantage for the country's exports. ■

THAILAND



MANUFACTURING PMI SLIPS TO THE LOWEST LEVEL IN NINE MONTHS

Thailand's manufacturing sector continued to deteriorate for the second month in August, according to the Nikkei Thailand manufacturing purchasing managers' index (PMI). The index reading fell slightly from 49.6 in July to 49.5 in August, the lowest level since December last year.

August data showed that both output and new orders posted faster declines than in July, albeit at marginal rates. Supported by the recovery in external markets, new export orders recorded the fastest growth in 16 months. Soft domestic demand prompted manufacturers to lower purchasing activities and hold back on hiring. On the price front, the sustained appreciation of the Thai baht mitigated inflationary pressure.

It is worth noting that firms were not optimistic about the business outlook in August's survey, the first time since the survey started in December 2015. Bernard Aw, Principal Economist at IHS Markit, which compiles the survey, pointed out that political uncertainty resulting from the postponement of the general election may be holding back private investment.

THAILAND

EXPORT GROWTH TARGET REVISED UP TO 7% FOR 2017

Thailand's exports increased by 10.5% yoy to US\$18.85 billion in July, the fifth consecutive month that registered a year-on-year growth, according to customs-based data released by the Bank of Thailand. In the first seven months of this year, the country's exports rose by 8.2% to US\$132.4 billion compared to the same period last year.

Thailand's robust export performance has shrugged off the strengthening local currency,

thanks to strong demand for Thai products amid a global economic recovery. As of 31 August, based on spot rates provided by *Bloomberg.com*, the Thai baht had appreciated by 8% year-to-date against the US dollar, making it Asia's best-performing currency of this year.

In August, the Ministry of Commerce revised up its annual export growth target from the previous 5% to 7% for this year, with a forecast annual export volume of US\$230.5 billion.

To meet the higher export target, the Thai government is going to set up more bilateral trade talks and negotiations with strategic trading partners, including the Chinese Mainland, of which the proposed Belt and Road Initiative will benefit Thailand, Russia, India and Hong Kong, according to Deputy Prime Minister Somkid Jatusripitak. Besides, more emerging markets, such as Africa, Central America and Latin America, will be penetrated.

THAILAND

PLAN IN THE PIPELINE TO LOWER LOGISTICS COSTS

In the 12th National Economic and Social Development Plan (2017-2021), the Thai government aims at cutting the country's logistics costs to 12% of GDP by 2021 from 14% in 2016. From this year onwards, the country will invest extensively in transport infrastructure ranging from rail and marine to airports.

According to Danucha Pichayanan, deputy secretary-general of the National Economic and Social Development Board (NESDB), the 12th plan will not only develop transport infrastructure in the main cities and border towns, but it will also improve connectivity to neighbouring countries.

Rail transport is seen as a primary way to reduce logistics costs. Specifically, according to the *Bangkok Post*, the 12th plan aims to increase the proportion of freight transportation that uses the railways and waterways from 1.4% to 4% and from 12% to 15%, respectively. Besides, during the five-year period, 14 double-track rail projects will be

constructed, increasing the coverage of double-track rail network to 2,500 kilometres by 2021 from only 359 kilometres at present. High-speed rails are also a priority under the plan, with three planned high-speed rails linking Bangkok to Nakhon Ratchasima, Phitsanulok and Rayong.

A research conducted by Thailand's Ministry of Transport found that the country ranked third in terms of logistics competitiveness in Southeast Asia, following Malaysia and Singapore, both of which had logistics costs of less than 10% of GDP.



TRADE DEFICIT IN JANUARY-AUGUST NARROWS

Vietnam's trade deficit was estimated at US\$2.13 billion in the first eight months of the year, US\$950 million lower than the figure of US\$3.08 billion in the first seven months, according to the General Statistics Office (GSO), thanks to increasing export activities in recent months.

Exports in the first eight months amounted to US\$133.5 billion, a 17.9% growth compared to the same period last year. During the period, the top categories by export value were 'phone and components' at US\$26.0 billion, 'textile products' at US\$16.7 billion, and 'electronics, computers and components' at US\$15.7 billion. Year-on-year growth rates of these three product categories were 14.8%, 7.2% and 39.3%, respectively.

While the US and EU remained the largest export markets of Vietnam in January - August, with export values of US\$27.2 billion and US\$24.7 billion, respectively, the year-on-year export growth rates to these markets were only 9.7% and 12.7%, respectively. On the other hand, Vietnam's exports to its major Asian markets registered strong growth in the period. Exports to China reached US\$18.3

billion, up 41.8% yoy, while those to ASEAN reached US\$14.1 billion, up 26.6% yoy. This was followed by Japan at US\$10.9 billion, up 16.1% yoy, and South Korea at US\$9 billion, up 24.0% yoy.

Meanwhile, imports in January - August amounted to US\$135.6 billion, a 22.3% increase compared to a year ago. The top categories by import value during the period were 'machinery, equipment and spare parts', which surged 33.5% yoy to US\$24.1 billion, and 'electronics, computers and components', which rose 24.8% yoy to US\$22.1 billion. 'Textile fabric' came third, with import value amounting to US\$7.4 billion during the period, up 8.6% yoy.

VIETNAM

VIETNAM TO ESTABLISH A CUSTOMS BOND SYSTEM

The Global Alliance for Trade Facilitation (GATF) – a joint platform of three major private sector organizations (the World Economic Forum, the International Chamber of Commerce and the Center for International Private Enterprise) to support effective trade facilitation reforms – will help Vietnam establish a customs bond system.

The GATF and the Vietnam Private Sector Forum (VPSF) launched their joint project on customs bond on 1 September. This is the start of the GATF's Technical Assistance Project with the government of Vietnam to help the country fulfill its commitments under the WTO Trade Facilitation Agreement, as well as implement the Government's Resolution 19 on improving the national competitiveness and business environment.

A customs bond is a trade-facilitating mechanism widely used in countries including the US, Australia, Sweden, New Zealand, the UK, Singapore, Malaysia, the Philippines, Thailand and South Korea. Anyone that is importing goods or transporting them locally is required by the customs agency to purchase a bond from a surety company. If an importing company fails to pay fees

or follow regulations, customs can file a claim against the bond. The surety company would then pay to make restitution, but in the end the importing company is required to pay back the surety company. The mechanism is meant to separate the releasing of goods at border gates and the preparation and submission of required customs documentations to facilitate the export or import into the country.

In addition, foreign experts from WTO member countries will assist with administrative procedure reforms, reviewing and amending the legal framework as well as monitoring the Vietnam Automated Cargo and Port Consolidated System/Vietnam Customs Information System (VNACCS/VCIS).

Vietnam wants to cut down the required time for customs procedures from 108 hours to 80 hours by 2020, said the General Department of Customs in its report in May.

VIETNAM

TPP NEGOTIATORS TO CONTINUE DISCUSSIONS IN JAPAN IN LATE SEPTEMBER

Chief negotiators from the 11 remaining member countries of the Trans-Pacific Partnership (TPP) agreed to reconvene in late September in Japan, after three days of talks ended in Sydney on 30 August.

The TPP was signed in February 2016 by Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the US and Vietnam. However, US President Donald Trump announced the withdrawal of the US from the TPP soon after taking office in January 2017.

As currently framed, the TPP can only be put into force when ratified by at least six countries accounting for a combined 85% of the economic output of the initial 12 signatory nations - an impossible hurdle to clear in the absence of the US, which alone makes up 60% of the total. Thus the

agreement must be revised, and the 11 remaining countries are working on this.

According to *Kyodo News*, Japanese chief negotiator Kazuyoshi Umemoto told a press conference that common understanding among the 11 countries had progressed as a result of the Sydney talks. Umemoto said that the negotiators agreed to meet in Japan in the hope of reaching a final decision ahead of the Asia-Pacific Economic Cooperation (APEC) summit to be held in Vietnam in November.

During the Sydney talks, several countries proposed to make amendments or freezes to some elements of the trade deal, particularly issues surrounding government procurement and the protection of pharmaceutical intellectual property.



MAJOR ECONOMIC INDICATORS

CAMBODIA

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Consumer price index (yoy growth %)	4.4	4.0	4.2	3.2	2.7	2.3
Exports (yoy growth %)	-4.8	6.2	48.6	20.3	19.7	37.7
Exports (fob, in Cambodian riel billion)	2,778.1	2,794.3	3,696.3	2,876.8	3,119.0	4,697.0
<i>Of which:</i>						
Garments (in Cambodian riel billion)	2,039.9	2,050.7	2,245.6	1,667.6	1,886.2	3,028.8
Footwear (in Cambodian riel billion)	282.4	220.0	293.3	242.9	265.7	399.5
Textiles (in Cambodian riel billion)	2.4	5.1	6.3	6.3	33.9	4.0
Imports (yoy growth %)	9.0	28.1	8.7	2.6	1.1	8.2
Imports (fob, in Cambodian riel billion)	4,038.1	3,510.2	4,288.5	3,972.8	4,401.4	4,383.9

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

INDONESIA

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Quarterly GDP (real yoy growth %)	5.0 (1Q17)		5.0 (2Q17)		-	
Production index of large and medium manufacturing (yoy growth %)	6.1	6.7	6.9	-1.4	-	-
Manufacturing PMI (Nikkei)	50.5	51.2	50.6	49.5	48.6	50.7
Real retail sales index (yoy growth %)	4.2	4.2	4.3	6.3	-3.0	-
Consumer price index (yoy growth %)	3.6	4.2	4.3	4.4	3.9	3.8
Exports (yoy growth %)	24.3	13.6	24.1	-11.8	41.1	-
Exports (FOB, US\$ mn)	14,678.8	13,279.2	14,291.2	11,644.9	13,617.0	-
<i>Of which:</i>						
Textile and textile products (US\$ mn)	1,103.7	928.1	1,056.5	914.1	-	-
Footwear (US\$ mn)	416.9	399.5	465.6	329.7	-	-
Furniture (US\$ mn)	149.1	131.7	139.4	108.8	-	-
Sports requisites (US\$ mn)	35.5	30.9	40.2	35.5	-	-
Imports (yoy growth %)	17.5	10.5	24.0	-17.2	54.0	-
Imports (US\$ mn)	13,283.4	11,945.2	13,817.2	10,013.7	13,888.2	-

Source: Statistics Indonesia, Bank Indonesia, Nikkei PMI reports

PHILIPPINES

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Quarterly GDP (real yoy growth %)	6.4 (1Q17)		6.5 (2Q17)		-	
Value of production index, manufacturing (yoy growth %)	12.3	2.1	7.3	5.1	-	-
Volume of production index, manufacturing (yoy growth %)	12.9	3.9	9.8	8.1	-	-
Manufacturing PMI (Nikkei)	53.8	53.3	54.3	53.9	52.8	50.6
Producer price index (yoy growth %)	-0.5	-1.8	-2.0	-2.1	-1.0	-
Consumer price index (yoy growth %)	3.4	3.4	3.1	2.7	2.8	3.1
Exports (yoy growth %)	18.1	19.1	14.0	0.8	-	-
Exports (FOB, US\$ mn)	5,584.3	5,105.4	5,506.7	4,913.0	-	-
<i>Of which:</i>						
Woodcrafts and furniture (US\$ mn)	43.3	41.5	222.9	152.0	-	-
Garments (US\$ mn)	89.7	54.3	68.2	69.9	-	-
Travel goods and handbags (US\$ mn)	38.8	35.9	36.0	48.5	-	-
Imports (yoy growth %)	18.0	-0.1	16.6	-2.5	-	-
Imports (FOB, US\$ mn)	7,881.5	6,858.9	8,243.5	7,060.3	-	-
Balance of trade (US\$ mn)	-2,297.3	-1,753.5	-2,736.8	-2,147.2	-	-

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

THAILAND

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Quarterly GDP (real yoy growth %)	3.3 (1Q17)		3.7 (2Q17)		-	
Industrial production index (value added weight, not seasonally adjusted, yoy growth %)	0.0	-1.8	1.6	-0.3	3.7	-
Manufacturing PMI (Nikkei)	50.2	49.8	49.7	50.4	49.6	49.5
Producer price index (yoy growth %)	2.6	1.7	-0.2	-	-	-
Consumer price index (yoy growth %)	0.8	0.4	0.0	-0.1	0.2	0.3
Exports (yoy growth %)	9.0	8.0	12.7	11.7	10.5	-
Exports (US\$ mn)	20,887.6	16,864.3	19,944.3	20,281.8	18,852.2	--
<i>Of which:</i>						
Textiles and apparel (US\$ mn)	630.7	500.4	587.2	584.7	546.0	-
Furniture (US\$ mn)	100.2	76.7	105.1	101.4	94.6	-
Footwear (US\$ mn)	51.6	44.6	61.9	58.0	54.4	-
Imports (yoy growth %)	19.2	13.3	18.3	13.7	18.5	-
Imports (US\$ mn)	19,270.7	16,807.5	19,000.2	18,365.0	19,039.7	-
Trade balance (US\$ mn)	1,616.9	56.8	944.0	1,916.9	-187.5	-

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

VIETNAM

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Quarterly GDP (real yoy growth %)	5.2 (1Q17)		6.2 (2Q17)		-	
Industrial production index (yoy growth %)	5.5	7.4	7.2	8.6	8.1	8.4
Manufacturing PMI (Nikkei)	54.6	54.1	51.6	52.5	51.7	51.8
Retail sales of consumer goods and services (year-to-date, yoy growth %)	9.2	9.6	10.2	10.1	10.0	10.3
Price index of materials used for production (yoy growth %)	0.7 (1Q17)		0.8 (2Q17)		-	
Producer price index for industrial products (yoy growth %)	2.0 (1Q17)		0.6 (2Q17)		-	
Consumer price index (yoy growth %)	4.7	4.3	3.2	2.5	2.5	3.4
Exports (year-to-date, yoy growth %)	15.1	16.8	18.4	18.8	18.8	19.3
Exports (US\$ mn)	17,244.6	17,535.7	17,930.7	17,795.1	17,671.7	19,767.0
<i>Of which:</i>						
Textiles & garments (US\$ mn)	2,103.0	1,873.7	1,928.0	2,374.1	2,464.9	2,676.4
Footwear (US\$ mn)	1,091.8	1,161.7	1,381.0	1,393.1	1,304.5	1,267.7
Wood & wooden products (US\$ mn)	713.1	633.0	618.1	633.2	598.8	656.5
Toys and sports requisites (US\$ mn)	100.5	97.9	91.2	110.0	108.7	130.0
Imports (year-to-date, yoy growth %)	24.9	24.0	24.7	24.1	23.6	22.5
Imports (US\$ mn)	18,348.8	17,349.9	18,459.0	18,087.3	17,406.2	18,181.0

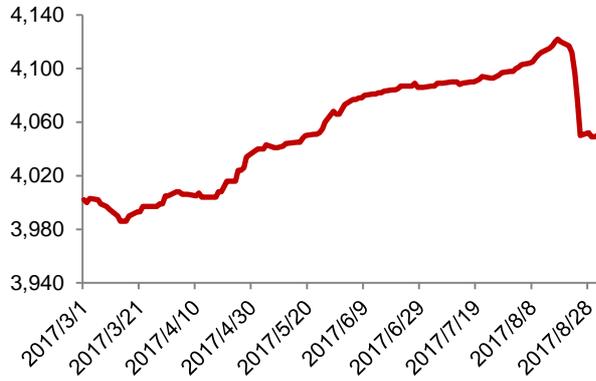
Source: General Statistics Office of Vietnam, General Department of Vietnam Customs, Nikkei PMI reports

DAILY EXCHANGE RATES

MARCH - AUGUST 2017

CAMBODIAN RIEL

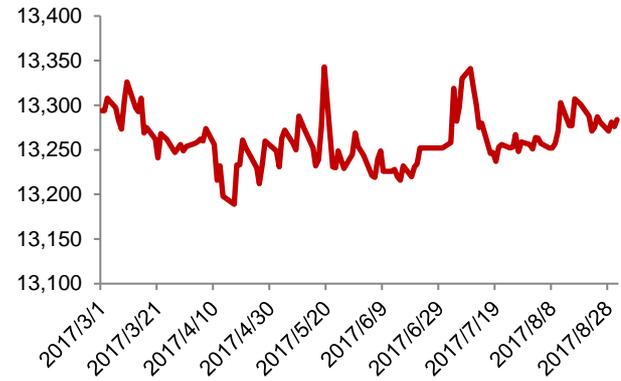
USD:KHR official exchange rate



Source: National Bank of Cambodia

INDONESIAN RUPIAH

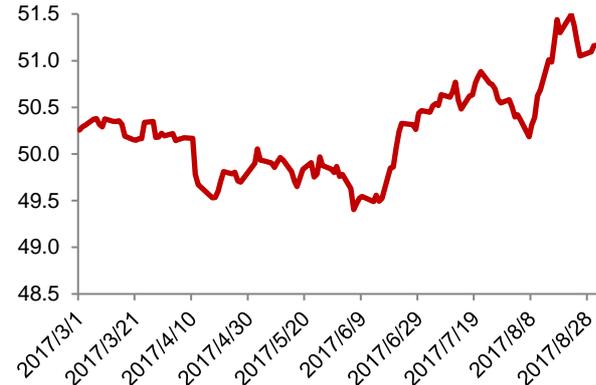
USD:IDR buy rate



Source: Bank Indonesia

PHILIPPINE PESO

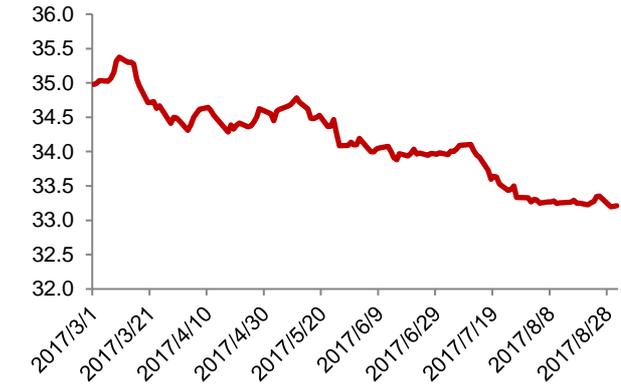
USD:PHP BSP reference rate



Source: Bangko Sentral ng Pilipinas (BSP)

THAI BAHT

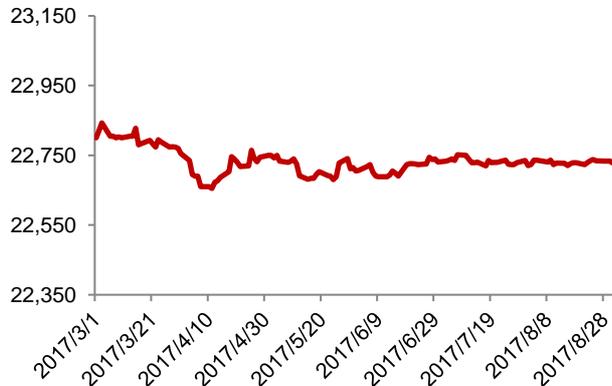
USD:THB mid-rate



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.

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