BALANCE OF PAYMENTS DEVELOPMENTS
THIRD QUARTER 2003

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➢ Overall Position

BOP deficit narrows in the third quarter bringing the year-to-date deficit to $783 million.

The balance of payments (BOP) in the third quarter of the year posted a lower deficit of $167 million compared to the $978 million deficit in the same quarter last year. The more than fivefold improvement was attributed mainly to the surplus of $377 million posted in July as geopolitical concerns and fears of the SARS outbreak dissipated. Both the current and the capital and financial accounts performed strongly in July and cushioned the destabilizing effect of the short-lived Makati mutiny on the rest of the quarter. Notwithstanding these developments, the nine-month cumulative BOP position of $783 million deficit was a reversal from the $751 million surplus registered in the same period in 2002 (Table 1).

Balance of Payments (US$ m)

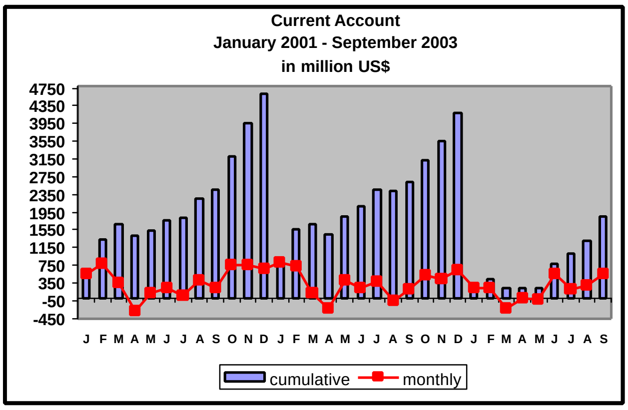
	Q3 2003	Q3 2002	Growth Rate (%)	Jan-Sep 2003	Jan-Sep 2002	Growth Rate(%)
I. Current Account	1063	538	97.6	1852	2622	-29.4
II. Capital & Fin'l Account	-1237	-2546	51.4	-3503	-864	-305.4
III. Net Unclassified Items	7	1030	-99.3	868	-1007	186.2
IV. Overall BOP	**-167**	**-978**	**82.9**	**-783**	**751**	**-204.3**

* Totals may not add up due to rounding.

➢ Current Account

The current account continued to be in surplus.

The current account registered a $1,063 million surplus in the third quarter of 2003, almost twice the surplus of $538 million posted in last year's comparable period. All sub-categories contributed to this notable performance as the increased net inflows in the income and transfers accounts were accompanied by lower net outflows in the goods and services accounts. However, these were not adequate to compensate for the sluggish outturn in the first semester as the January-September cumulative current account surplus of $1,852 million fell short of last year's level of $2,622 million.



➢ Trade-in-Goods

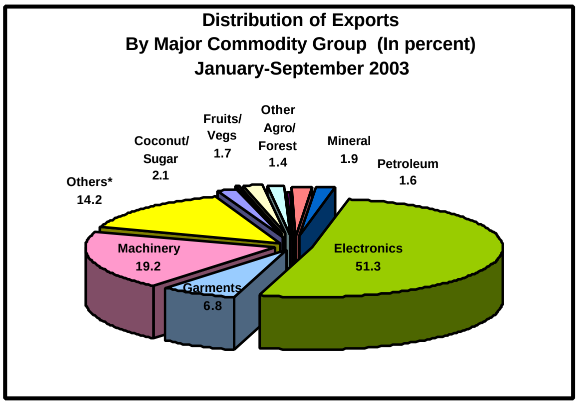
The nine-month trade-in-goods deficit widens despite the improvement in the third quarter.

The faster decline in aggregate imports in the third quarter due in turn to continued inventory adjustment particularly of raw materials imports, resulted in a trade-in-goods deficit of $66 million. This level compared favorably with the $178 million deficit in the same period last year. Nonetheless, the reduction was not enough to compensate for the large deficit in the first semester brought about by the frontloading of imports particularly of capital goods and mineral fuels and lubricant when the international oil prices were at their peak at the height of the conflict in Iraq. Trade-in-goods balance for the first nine months widened to $1,375 million from last year's deficit of $62 million.[1]

Third quarter slide in exports erodes earlier modest gains.

Despite the benign recovery in world economy, exports of goods in the third quarter declined by 3.1 percent to reach $8,952 million reflecting largely the drop in shipments of major manufactured goods such as electronics, machinery and transport and garments. This was due in part to the slowdown in demand from some partner countries which front loaded their requirements in the first half of the year (such as chemicals, garments and textiles) and the increasing competition faced by Philippine goods in the world market (e.g. electronics).[1] However, higher exports of coconut, fruits and vegetables and other agro-based products as well as mineral and petroleum products moderated the contraction in the exports of major commodities. Consequently, exports managed to post a 0.2 percent growth for the first nine months on account of the first half performance.

[1] Based on BPM5 concept (i.e., excluding from National Statistics Office figures, those goods that did not involve change in ownwership).



* Includes special transactions & re-exports.
Source: National Statistics Office (NSO)

Exports of electronics continue to weaken.

a) *Electronics*. Exports of electronics dropped year-on-year by 3.5 percent in the third quarter of the year, bringing in a nine-month cumulative decrease of 2.8 percent to reach $13,487 million. This downtrend was a reversal from the growth of 11.2 percent in the nine-month period last year and a stark contrast to the remarkable performance of the rest of electronics exports of other Asian countries early this year.[2] Industry players attributed this sluggish performance to the 'uneven' growth pattern among the electronics commodities, where low-end electronics products have not caught up with the global upturn. In particular, exports of semiconductor devices, which accounted for more than half of total electronics exports, decreased by 4.0 percent in January-September even as the semiconductor book-to-bill ratio has gradually inched up toward the unity mark in September.[3] Meanwhile, shipments of digital monolithic and electronics microcircuits rose by 8.3 percent and 18.6 percent, respectively. However, the electronics industry is set out for an upturn in the remaining months of the year, gauged by the influx in job orders. By 2004, a convergence of growth is expected for all players in the industry. The major export markets for these products were Hong Kong, U.S., Malaysia, Singapore, Netherlands and Taiwan.[4]

[2] In March 2003, the National Statistics Office (NSO) expanded the coverage of electronics exports from four (4) to nine (9) major classifications as follows: 1) components/devices (semiconductors), 2) electronic data processing, 3) office equipment, 4) consumer electronics, 5) telecommunications, 6) communication/radar, 7) control and instrumentation, 8) medical/industrial instrumentation and 9) automotive electronics. The BSP has not yet fully adopted said classification. As of date. some of the electronics products included under the NSO's new classification, such as input/output peripherals, are lodged under machinery and transport equipment in the BOP.

[3] The book-to-bill ratio is the ratio of three-month moving average bookings (demand) to three-month-moving average shipments (supply). A ratio of less than one indicates that demand is lower than supply. Conversely, a ratio of one or more indicates that demand exceeds supply.

[4] Hong Kong appeared to be the top export destination for these products because it is the marketing center for the transfer of products among affiliates in the Asian region.

Exports of machinery and transport equipment drops.

b) *Machinery and Transport Equipment*. Exports of machinery and transport, the second largest export earner, mirrored the trend in electronics exports as shipments fell by 6.7 percent in the third quarter. The gains in the first quarter, however, tempered the weak commodity's performance to end the first nine months with only a 2.4 percent decline. The trend was influenced mainly by the weakness in demand for input/output peripheral units of computers that comprised the bulk of this commodity group. However, exports of automotive-related products have consistently shown robustness in the Asian automotive industries and with increased local firms' competitiveness, the Philippines has become a preferred site for sourcing auto parts. In support of the growing contribution of the automotive industry in exports and investments, Executive Order No. 224 was issued in November 2003, which will grant export incentives to manufacturers of completely-built-up vehicles (CBUs) starting 2004 until 2008.

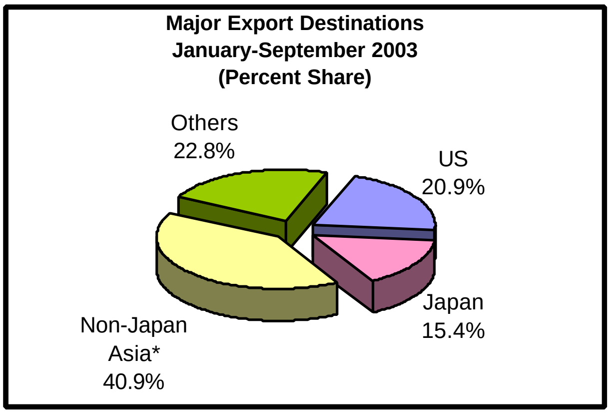
Growth in garments exports decelerates.

c) *Garments*. Exports of garments failed to sustain its first semester growth momentum with the annual quota almost fully utilized. Japan, the Philippines' largest non-quota market has not been performing well in recent years. Moreover, the industry continues to face competition with Thailand, which is becoming the garment hub of the Asian region. Marked slowdown in sales was observed in the second quarter with shipments expanding year-on-year by only 1.7 percent before dipping by 11.5 percent in the third quarter. The combined effect of these mixed trends resulted in the moderate growth of garments exports at half a percent during the nine-month period to reach $1,777 million. Notwithstanding, this compared favorably with the 3.6 percent contraction registered in the same period last year.

While the industry expects a flat growth for 2003, a better performance for 2004 is targeted with the continuing shift to the high-end segment in traditional quota-driven markets. Likewise, the industry aims to explore new markets and improve competitiveness under the Garments Industry Transformation Plan (GITP) that focuses on cost reduction, productivity enhancement, market and product development, trade facilitation and re-engineering of the garments industry in preparation to a quota-free environment in 2005. To help the garments industry achieve its growth target, the government is set to waive charges and fees starting next year to reduce the production costs, thereby enhancing the competitiveness of exported garments.[5]

Non-Japan Asian economies take the lead in the rising intra-Asian trade.

The relocation to Asia of many manufacturing plants of multinational companies resulted in a marked shift of export markets in recent years from the U.S. to the Asian region. China, Hong Kong, Malaysia, Singapore, South Korea, Taiwan and Thailand were the more active Asian trade partners, garnering 96.2 percent of the Non-Japan Asian market or 40.9 percent of total trade of the country in the first nine months of 2003. This developed as these economies host most of the country's business affiliates particularly those engaged in electronics. Malaysia is in the high-end link of the production chain while Hong Kong is the marketing center for the transfer of products among affiliates. It was noted that the People's Republic of China, with 5.6 percent share, is the fastest growing market for Philippine exports, expanding by 51.2 percent in the first nine months of 2003.



* Comprised of China, Hong Kong, South Korea, Singapore, Taiwan, Malaysia and Thailand.
Source: National Statistics Office

Imports' slide in the third quarter reflective of inventory drawdown by companies.

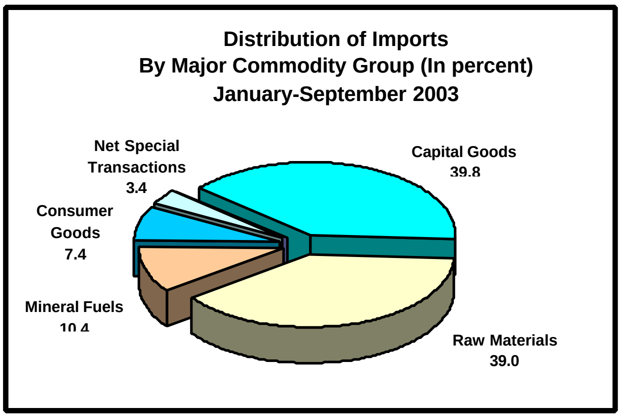
After the frontloading of import requirements in the first quarter following the Iraq war concerns, imports of goods gradually receded in the following months. Imports in the third quarter were down by 4.2 percent to $9,018 million. Raw material imports, comprising about 39 percent of total imports, registered the biggest drop at 15.0 percent despite the 4.4 percent growth of the GDP in the third quarter as companies drew from their inventory stocks. Nonetheless, the first quarter import surge pulled up the cumulative nine-month imports of goods to grow by 5.3 percent to $26,967 million (Table 2.2).[6]

[5] At present, the Garments and Textile Export Board (GTEB) charges ₱50.00 for quota application and slaps export quota holders an assessment fee of five centavos per square meter equivalent of total shipments.
[6] Based on BPM5 concept

The third quarter slump in raw material imports was evident in chemical compounds; manufactured goods such as iron and steel, textile yarn and fabrics; as well as materials and accessories for the manufacture of electronic equipment. These brought imports of raw materials to decline year-to-date by 4.5 percent.

In contrast, imports of capital goods mainly by the telecommunication sector went up by 5.5 percent in the third quarter contributing to the 10.9 percent expansion in the first nine months of 2003. Capital goods comprised about 40 percent of total imports of goods.

Imported mineral fuels and lubricants, comprising about 10 percent of total imports, likewise grew by 2.7 percent in the third quarter to $916 million, albeit a slowdown from the first quarter surge of 67.5 percent. This brought imports of mineral fuels and lubricants to grow by 20.3 percent during the first nine months as both the average price and volume of petroleum crude rose by 16.2 percent and 6.9 percent, respectively, from the levels in the comparative period last year. At the height of the US-Iraq conflict, the average price of petroleum crude peaked at $31.55 per barrel in March but subsequently eased to $25.37 per barrel in September. On cumulative basis, the volume of imported petroleum crude rose to 74.4 million barrels in the first nine months of the year from 69.6 million barrels last year, with the bulk of the volume acquired in the first quarter when the government directed oil companies to maintain a buffer supply for at least 30 days for big oil players and 15 days for small oil players as a contingency measure to ensure adequate domestic oil supply.[7] A second episode of a surge in volume was noted in May, when companies took advantage of price slump to further beef up their inventory.



Source: National Statistics Office

[7] On 7 April 2003, the government announced the reduction of the required minimum oil inventory to 7-15 days following the easing of hostilities in the Middle East.

➢ Trade-in-Services

The trade-in-services account records a lower deficit in the third quarter.

The deficit in the trade-in-services account narrowed in the third quarter 2003 to $255 million from the year-ago deficit of $404 million mainly attributed to higher receipts from travel and communication services. The 36.9 percent improvement during the quarter was a reversal of the year-on-year increases in the net outflows posted in the first two quarters. Net inflows from travel in the third quarter at $252 million were 25.4 percent higher than the comparable level last year as fears of the SARS epidemic subsided. The rate of decline in the number of tourist arrivals substantially slowed down in the third quarter at 0.7 percent compared to the preceding quarter's contraction of 25.3 percent, thereby moderating the nine-month period decline at 8.0 percent to 1,330 thousand. Tourist visitors came mainly from the U.S., Japan, Korea, Hong Kong, Taiwan, Australia, Singapore, Canada and the U.K. Also contributing to the net inflow in travel was the lower resident's travel expenditures abroad, which dropped by 36.1 percent in the third quarter due to the peso depreciation.

Despite the improvement in the third quarter, the deficit in the trade-in-services account in the first nine months of 2003 increased by 18.1 percent from last year's level to $1,102 million due to the combined effect of the decline in net travel receipts and increase in outlays for freight, following the rise in imports of goods. The year-to-date net receipts from travel were down by 19.5 percent to $575 million, largely reflective of the adverse impact of the geopolitical uncertainties and SARS outbreak on the tourism industry in the first half of 2003.

➢ Income

Lower dividend and interest payments improve the income account.

The income balance improved by 24.1 percent to a surplus of $1,227 million in the third quarter due largely to lower dividends and interest payments following weak corporate profit and decline in global interest rates. In contrast, inflows from OFW remittances during the period in review were lower by 0.8 percent from last year's level. These developments brought the cumulative net income balance to $3,866 million, 18.5 percent higher than the level a year ago. OFW remittances continued to be the source of the strength of the income account in the nine-month period as remittances expanded by 5.1 percent to $5,663 million. The increased deployment of sea-based workers and the continuous hiring of higher-paid land-based OFWs such as caregivers/caretakers, clerks, office managers and utility personnel more than made up for the decline in deployment of land-based workers.[8]

➢ Current Transfers

The current transfers account posts a higher surplus.

Net current transfers for the third quarter of 2003 realized a higher surplus of $157 million. The 19.8 percent increment was traced to increased transfer of income by both the general government and migrant workers coupled with receipts in the form of gifts, grants and donations. On a cumulative level, net current transfers expanded by 30.4 percent to $463 million compared to last year's surplus of $355 million, mainly accounted for by increased transfers from migrant workers (Table 5).

➢ Capital and Financial Account

The third quarter deficit in the capital and financial account narrows.

The net outflow in the capital and financial account at $1,237 million in the third quarter of the year was lower by more than half the net outflow of $2,546 million in the same period a year ago. Largely contributing to the 51.4 percent improvement was the lower deficit in the portfolio and other investments accounts. However, this improvement in the third quarter was offset by the deterioration of this account in the first half bringing the cumulative three-quarter balance to a net outflow of $3,503 million, significantly higher than the $864 million deficit in the comparable period for 2002.

➢ Capital Account

The capital account reverses to a net inflow in the third quarter.

The capital account for the third quarter reversed to a net inflow of $4 million from a net outflow of $5 million on account of higher net capital transfers from other sectors. The reversal contributed to the drop in the net outflow in the first nine months to $7 million, down by 41.7 percent from last year's level (Table 6).[9]

➢ Direct Investments

Direct investments continue to slow down.

Relative to last year, the direct investment account for the third quarter of 2003 weakened significantly to $58 million (from $174 million) due mainly to the combined effect of the increased equity participation by residents in foreign firms, which more than doubled to $57 million (from $21 million), and the decline in non-residents investments in equity capital to $126 million (from $173 million in the comparable period last year). Lately, Philippine companies have joined the rest of global investors in establishing their presence across Asia, being the world's most dynamic market. Meanwhile,

[8] Of the 649,153 Filipino workers deployed abroad for the period January-September 2003 based on data from the Philippine Overseas Employment Administration (POEA) on rehire and newly hired OFWs, 486,575 were land-based workers and 162,578 were sea-based workers.

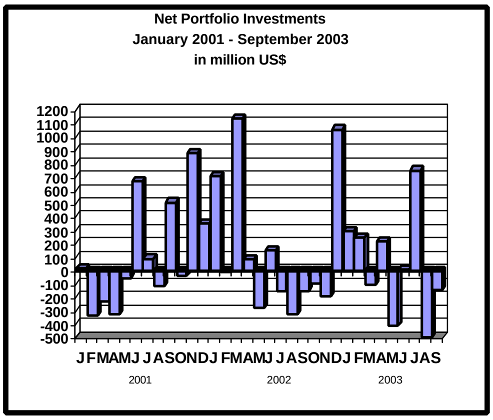
[9] The capital account consists largely of capital transfers. Capital transfers are transactions that involve the change in the stocks of assets of one or both parties and therefore relate to investments. By contrast, current transfers involve transactions that affect the level of disposable income and influence consumption of goods and services.

inflows of equity to the Philippines have been benign as investors waited for firmer signs of economic recovery and for political uncertainty to subside. The $11 million net outflow in the other capital, representing net repayment of intra-company loans further reduced investments in the third quarter. These developments led to the decline in net direct investments for the first nine months to only $68 million from $1,021 million in the comparable period in 2002 (Table7).

➢ Portfolio Investments

The net outflow in the portfolio investments account declines in the third quarter.

The net outflow in the portfolio investment account in the third quarter of 2003 at $232 million was lower by 63.3 percent from the $633 million net outflow in the same period last year due to the reflow of capital representing maturing placements by resident banks and corporations in foreign-issued debt securities. Moreover, the national government's flotation of RP global bonds amounting to $750 million intended for refinancing of its maturing obligations and the renewed interest of non-residents in equities market as gleaned from the rise in the Philippine Stocks Exchange composite index, perked the portfolio account in the third quarter. However, notwithstanding the strong inflows in the third quarter, the nine-month net inflow of $22 million was still lower compared to the $1,153 million net inflow in the same period last year. Behind this development was the increased holdings of foreign-issued debt securities by banks and some local companies and the lower bond issues by the national government in the first semester as compared to last year, as well as the net repayment of maturing bonds/notes issued by banks and private companies (Table 8).



➢ Other Investments

Expansion of non-residents' investments in the third quarter reduce the net outflow in the other investment account.

The net outflow in the other investment account was cut down by 48.8 percent to reach $1,067 million in the third quarter of 2003 compared to $2,082 million in the same quarter in 2002 as non-residents investments expanded by almost 92 percent to $2,157 million from last year's level of $1,125 million. The significant improvement was traceable to the turnaround from withdrawal to placement of deposits by non-residents in local banks. However, the positive development in the third quarter failed to offset the large net outflows in the previous two quarters as the the nine-month balance remained in deficit at $3,586 million, or 18.5 percent higher than last year' net outflow of $3,026 million. Accounting for the substantial widening of the net outflow was the net repayment of loans by local banks and the National Government during January-September 2003 (Table 9).

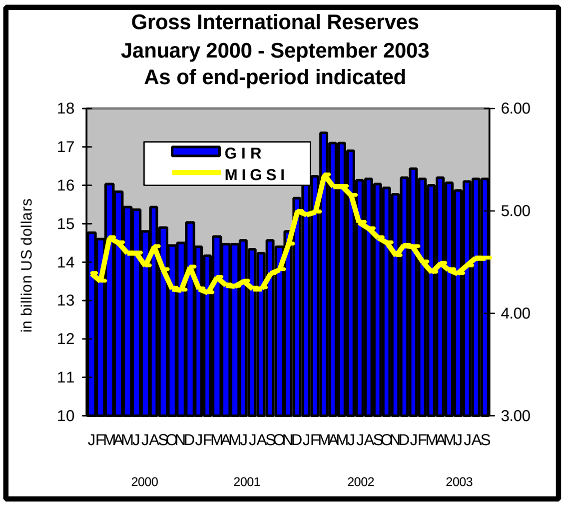
➢ Reserve Assets

International reserves remain sufficient.

The BSP's gross international reserves (GIR) as of end-September 2003 was steady at $16.2 billion. The GIR remained adequate to cover 4.5 months' worth of imports of goods and services and income. Using other reserve coverage measures, the level of reserves was 2.5 times the amount of the country's short-term external debt based on original maturity or, alternatively, 1.3 times the amount of short-term external debt based on residual maturity.[10]

During the review period, the bulk of reserves consisted of foreign investments (76.6 percent), while the balance was in the form of gold (20.1 percent), foreign exchange (2.5 percent), and combined SDRs and reserve position in the Fund (0.8 percent). In terms of currency composition of reserves excluding gold, 84.1 percent were in US dollars, 9.1 percent in Euros, 3.9 percent in Japanese yen, 1.6 percent in pound sterling and the balance of 1.3 percent in other foreign currencies.

[10] Refers to outstanding short-term external debt on original maturity basis plus principal payments on medium- and long-term loans of the public and private sectors falling due in the next 12 months.



➢ Exchange Rate

The peso depreciates relative to the previous year's level.

The nominal peso-dollar exchange rate averaged ₱54.58/US$1 in the third quarter of 2003, depreciating by 5.6 percent from last year's level of ₱51.51/US$1 as the exchange rate market was disturbed by the political noise fostered by the failed military mutiny in July and the investigation by Congress of some prominent political figures. Other factors such as the surge in corporate demand by importers in the first quarter due to the conflict in Iraq and the fears of the SARS epidemic in the second quarter also exerted depreciation pressure on the peso, bringing the nine-month average to ₱53.85/US$1 from ₱51.06/US$1 average exchange rate in January-September 2002, or a depreciation of 5.2 percent.

The peso is less volatile in the third quarter.

The peso was less volatile in the third quarter of 2003 as its standard deviation at ₱0.68 was lower than the third quarter 2002 level of ₱0.73. However, during the period January-September 2003, the peso was more volatile—largely influenced by tensions of the US-Iraq war—as shown by the higher standard deviation of ₱0.89 compared with last year's level of ₱0.72. The peso-dollar exchange rate ranged from ₱52.021/US$1 to ₱55.532/US$1 during the nine-month period. The BSP was able to reduce the peso volatility through a number of measures that curbed speculative attack on the currency.[11]

[11] Among the measures implemented by the BSP were: a) the reduction of the allowable overbought position of banks to 2.5 percent of unimpaired capital or US$5 million, whichever is lower, b) lmiting the tenor of forward contracts to a maximum of 6 months, c) imposing appropriate sanctions against banks violating BSP foreign exchange regulations, d) raising the liquidity reserve requirement by one percentage point from 7 percent to 8 percent, and e) removing the tiering scheme for banks' short-term deposits under BSP's Reverse Repurchase Facility and Special Deposit Accounts.

Higher nominal depreciation and relatively lower domestic inflation strengthen the peso's external competitiveness.

Compared to last year's level, the peso's average nominal effective exchange rate (NEER) index[12] in the third quarter of 2003 depreciated by 8.8 percent against the currency basket of the country's major trading partners, 7.6 percent against the currency basket of a broad group of competitor countries,[13] and by 9.2 percent against the currency basket of a narrow group of competitor countries.[14] This was due to the larger depreciation of the peso against the U.S. dollar compared to the depreciation of the exchange rates of other currencies in these baskets. In terms of the real effective exchange rate (REER) index,[15] the peso gained external price competitiveness as the REER depreciated by 8.3 percent against the currency basket of the country's major trading partners. Relative to the countries in both the broad and narrow baskets, the peso's external competitiveness also improved as the REER depreciated by 6.0 percent and 9.4 percent, respectively, due to the higher nominal depreciation of the peso and the relatively lower domestic inflation vis-à-vis those of the countries whose currencies are included in the broad and narrow baskets.

Similar trend was exhibited in the first nine months of the year as the peso's average nominal effective exchange rate (NEER) index for the first nine months of 2003 depreciated by 11.6 percent against the currency basket of the country's major trading partners, 9.0 percent against the currency basket of a broad group of competitor countries, and by 10.5 percent against the currency basket of a narrow group of competitor countries. Likewise, in terms of the real effective exchange rate (REER) index, the peso gained external price competitiveness as the REER depreciated by 10.6 percent against the currency basket of the country's major trading partners, by 7.8 percent and 11.3 percent, respectively, relative to the countries in both broad and narrow baskets.

[12] The NEER index represents the weighted average exchange rate of the peso vis-à-vis a basket of foreign currencies such as the US dollar, the Japanese yen, the euro and the British pound. Major trading partners include the U.S., Japan, European Monetary Union and the U.K.

[13] The broad basket is composed of the currencies of Singapore, South Korea, Taiwan, Thailand, Indonesia and Hong Kong.

[14] The narrow basket is composed of the currencies of Indonesia, Malaysia and Thailand.

[15] The REER index is derived from the NEER index by adjusting for inflation differentials.

EFFECTIVE EXCHANGE RATE INDICES OF THE PESO For periods indicated							
		NEER			REER		
			CC			CC	
		MIC 1/	Broad 2/	Narrow 3/	MIC 1/	Broad 2/	Broad 3/
2001	Jan	14.36	32.60	65.47	62.17	109.92	171.98
	Feb	15.25	34.46	69.74	66.01	114.71	181.97
	Mar	15.38	35.39	72.49	66.47	117.77	188.98
	Apr	15.02	35.61	74.48	64.78	118.21	192.51
	May	14.96	35.55	74.75	64.42	118.55	195.65
	Jun	14.84	35.01	73.50	64.42	118.13	193.68
	Jul	14.36	33.54	69.67	62.95	114.39	182.82
	Aug	14.41	31.78	62.72	63.18	108.48	166.50
	Sep	14.47	32.51	64.55	63.43	109.94	169.75
	Oct	14.43	33.30	67.48	63.44	111.61	176.36
	Nov	14.49	33.67	69.37	64.03	114.51	179.87
	Dec	14.62	30.69	63.78	64.92	109.86	164.87
Ave.	**Jan-Dec**	**14.72**	**33.68**	**69.00**	**64.19**	**113.84**	**180.49**
2002	Jan	14.74	32.99	65.99	65.88	113.22	174.31
	Feb	14.87	32.88	65.42	66.31	110.28	170.85
	Mar	14.84	32.69	64.38	66.01	109.93	168.33
	Qtr 1	**14.82**	**32.85**	**65.26**	**66.06**	**111.14**	**171.16**
	Apr	14.81	32.28	62.80	65.65	108.74	163.48
	May	14.87	32.17	62.40	66.02	108.92	165.15
	Jun	14.45	31.02	59.78	64.29	106.01	159.66
	Qtr 2	**14.71**	**31.82**	**61.66**	**65.32**	**107.89**	**162.76**
	Jul	14.06	30.81	60.27	62.78	106.30	161.19
	Aug	13.83	30.28	59.10	61.92	104.80	159.11
	Sep	13.76	30.27	58.92	61.60	103.94	157.23
	Qtr 3	**13.88**	**30.45**	**59.43**	**62.10**	**105.02**	**159.18**
	Oct	13.63	30.25	58.88	60.90	102.75	155.39
	Nov	13.38	29.77	58.19	59.84	102.05	152.14
	Dec	13.29	29.54	57.49	59.68	100.80	150.05
Ave.	**Jan-Sep**	**14.47**	**31.71**	**62.12**	**64.49**	**108.02**	**164.37**
Ave.	**Jan-Dec**	**14.21**	**31.24**	**61.13**	**63.41**	**106.48**	**161.41**
2003	Jan	13.02	29.24	57.14	58.35	100.72	147.64
	Feb	12.87	29.05	56.61	57.92	98.83	146.17
	Mar	12.74	29.03	56.18	57.07	98.62	145.53
	Qtr 1	**12.88**	**29.10**	**56.64**	**57.78**	**99.39**	**146.45**
	Apr	13.17	29.94	57.68	59.03	101.68	148.22
	May	12.95	29.42	56.27	58.13	100.71	147.23
	Jun	12.71	28.65	54.36	57.56	99.79	144.84
	Qtr 2	**12.94**	**29.34**	**56.10**	**58.24**	**100.72**	**146.76**
	Jul	12.74	28.56	54.52	57.85	100.56	145.93
	Aug	12.52	28.06	53.96	56.81	98.67	144.58
	Sep	12.42	27.82	53.46	56.26	97.00	141.97
	Qtr 3	**12.66**	**28.15**	**53.98**	**56.97**	**95.82**	**144.16**
Ave.	**Jan-Sep**	**12.79**	**28.86**	**55.58**	**57.66**	**99.62**	**145.79**

1/ Major trading countries: USA, Japan, European Monetary Union (EMU) and United Kingdom
2/ Competing countries (broad basket): Hong Kong, Singapore, South Korea, Taiwan, Malaysia, Thailand and Indonesia.
3/ Competing countries (narrow basket): Indonesia, Malaysia and Thailand.
e/ Estimates using the average inflation rate of the previous two months.