BALANCE OF PAYMENTS DEVELOPMENTS
FOURTH QUARTER 2004

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✍ Overall Position

Fourth quarter and full-year BOP position reverses to a deficit.

The balance of payments (BOP) position in the fourth quarter of 2004 yielded a deficit of US$104 million, a reversal from the US$887 million surplus last year due to the higher net outflow in the capital and financial account even as the current account posted a higher surplus. The robust BOP performance during the second quarter helped temper the impact of the deficits posted in the other three quarters of 2004 resulting in a full-year deficit of US$280 million, a turnaround from the 2003 surplus of US$115 million. This developed as the capital and financial accounts remained weak owing mainly to the net repayments of maturing loans. However, the current account continued to perform strongly during the year (Table 1). Nonetheless, the 2004 BOP deficit was lower relative to the November 2004 forecast of a BOP deficit of US$516 million for the year.

Balance of Payments (US$ m)

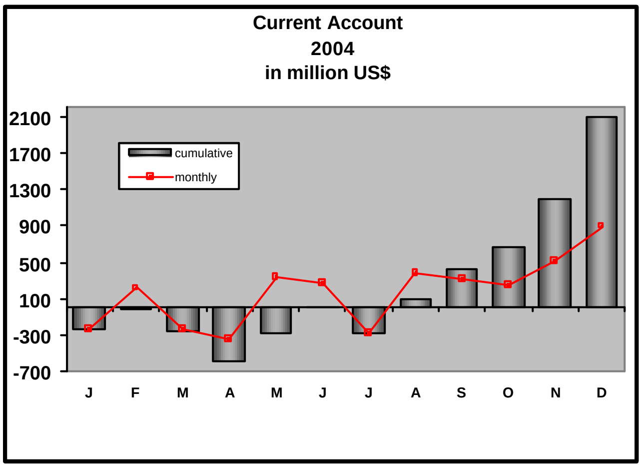
		Q4		Growth	Jan-Dec		Growth
		2004	2003	Rate (%)	2004	2003	Rate (%)
I.	Current Account	1660	950	74.7	2080	1396	49.0
II.	Capital & Fin'l Account	-1185	-1118	-6.0	-1692	-1501	-12.7
III.	Net Unclassified Items	-579	1055	-154.9	-668	220	-403.6
IV.	**Overall BOP**	**-104**	**887**	**-111.7**	**-280**	**115**	**-343.5**

* Totals may not add up due to rounding.

✍ Current Account

The current account remains in surplus.

The current account (CA) remained in surplus in the last quarter of the year at US$1,660 million, equivalent to 6.7 percent of GDP. This surplus compared favorably with the year-ago level of US$950 million (4.3 percent of GDP) due largely to the net inflows in the current transfers and income accounts following higher OFW remittances and the lower deficit in the trade-in-goods account, due in turn, to stronger export receipts, which more than offset the higher deficit in the services account. These developments led to a full-year CA surplus of US$2,080 million (2.4 percent of GDP), a 49.0 percent improvement from last year's surplus of US$1,396 million following higher net receipts from current transfers and income accounts combined with the lower deficit in the services account which negated the higher deficit in trade-in-goods. The full-year 2004 CA surplus fell below the expected level of US$2,649 million.

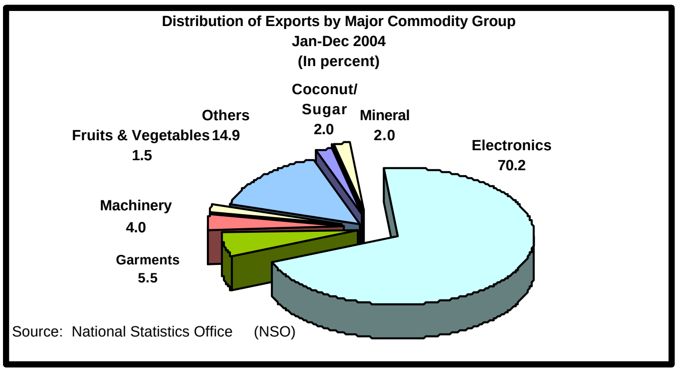


✍ Trade-in-Goods

Higher export growth narrows the deficit in trade-in-goods account.

The trade-in-goods account yielded a lower deficit of US$722 million in the fourth quarter of 2004 compared to the year ago deficit of US$971 million. This was attributed to the bigger expansion in exports of goods at 12.0 percent, surpassing the 8.5 percent rise in imports with the fourth quarter levels of exports and imports at US$10,494 million and US$11,216 million, respectively. For the whole of 2004, the growth in exports of goods at 9.6 percent was overtaken by the 10.6 percent expansion in imports with the twelve-month cumulative levels registered at US$38,728 million and US$45,109 million, respectively. For 2004, shipments of electronics (including electronic equipment and parts) and machinery and transport equipment remained the export growth drivers with expansion rates registered at 11.2 percent and 20.6 percent, respectively. Mineral products, specifically copper metal; coconut oil, sugar and other agro-based products also contributed to the strong export performance. Garments exports, while on the downtrend, remained to be the second largest export earner with a 5.6 percent share to total exports. These developments led to the 9.6 percent full-year expansion in exports, approximating the projected 10.0 percent growth for 2004 (Table 2.1).[1]

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



Electronics exports continue to expand in the fourth quarter.

a) *Electronics*. The uptrend in exports of electronics (including electronic equipment and parts) continued in the last quarter of 2004 as it posted a 13.4 percent growth to reach US$7,692 million. This brought the four-quarter cumulative growth to 11.2 percent. The product lines which were contributing to the sustained growth in total electronics exports were semiconductor devices, electrical machineries, equipment and parts, electronic microcircuits and ignition wiring. Semiconductor devices, which accounted for 80.7 percent of total exports this year were exported largely to Malaysia, Hong Kong, Singapore and the U.S. Increased demand from these markets was due in part to the boom in the production of IT-related products such as information/communications and consumer electronics, consisting largely of mobile handsets.

Exports of machinery and transport equipment continue to post gains.

b) *Machinery and Transport Equipment*. Exports of machinery and transport equipment cornered the third slot, next to electronics and garments, as the country's leading export earner in the fourth quarter of 2004 with receipts at US$408 million, or a growth of 19.1 percent. This development led to the 20.6 percent annual expansion to US$1,565 million following increased demand for motor vehicle parts and accessories and motor vehicle gear boxes. These commodities comprised about 50 percent of total exports of machinery and transport during the year as the country is becoming a preferred site for outsourcing automotive products. Cognizant of the potentials of the automotive industry as another growth engine of the economy, the government continued its commitment to enhance the industry's global competitiveness. Policies and programs aimed at promoting efficient operations and reducing transaction costs were implemented through the issuance of Executive Order (EO) Nos. 244 and 312 in October 2003 and May 2004, respectively, which provided for the grant of export credit incentives to participants in the Automotive Export Program from 2004 until 2008. Moreover, E.O. No. 313 allows zero percent duty to BOI-registered export-oriented enterprises on their importation of machinery and equipment, spare parts and accessories.

Exports of garments recover in the fourth quarter.

c) *Garments*. Exports of garments posted a slight recovery in the fourth quarter of 2004 after successive declines during the first three quarters. Fourth quarter shipments of garments inched up by 1.3 percent to reach US$498 million, bringing the twelve-month total to US$2,172 million or a 4.1 percent contraction from the 2003 level. The garments industry has continuously faced stiff competition from other markets such as China, Mexico, and other emerging economies that resulted in the declining share of garments to total exports beginning July 2003.

The phase-out of quota in January 2005, will continue to challenge the performance of the garments industry. A more positive approach to take is to view the quota-free environment as an opportunity to seize by maximizing production that was previously constrained by quota limits. Nonetheless, the government has already initiated the following measures to mitigate the impact as the industry prepares for the challenge ahead:

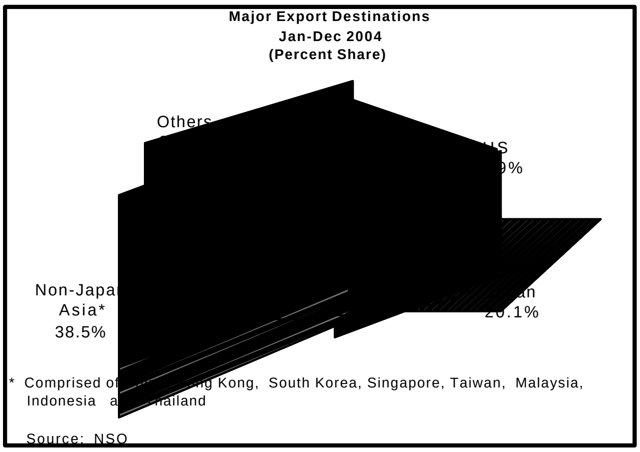
a) the conduct of a study on the possibility of a free trade agreement with the US to ensure continued access of Philippine garments exports in the US market. This was done through the Confederation of Garments Exporters of the Philippines (CONGEP) in coordination with the Department of Trade and Industry (DTI) and the private sector.

b) the participation of the country's garments exporters in the Istanbul Declaration of garments federations in 37 nations that have petitioned the World Trade Organization (WTO) to postpone the phase-out of the export quotas.

c) the implementation of the Industry Transformation Plan which contained development assistance programs designed to enhance productivity through technology and skills upgrading, develop and promote diversified markets and products, and provide access to financing. Also included was the elimination of all quota fees starting January this year to help exporters compete with other low-cost countries and the grant of quota incentives to encourage exporters to undertake productivity and growth-enhancing activities that are essential to achieving greater competitiveness.

Exports to non-Japan Asian countries continue to grow.

Exports to non-Japan Asian economies have been on the uptrend with a 38.5 percent market share in 2004, gaining favorably compared to only 17.3 percent in 1990. Mainland China remained the most dynamic market posting an annual average growth of about 37.6 percent in the last five years with the surge in growth at 71.0 percent and 58.2 percent in 2002 and 2003, respectively. In 2004, export shipments to China grew by 23.7 percent, representing about 6.7 percent of the total exports.



Imports grow at a faster rate due to higher purchases of raw materials and intermediate goods.

Imports of goods in the fourth quarter aggregated US$11,216 million or an increase of 8.5 percent from the comparative quarter last year. The expansion was triggered by higher imports of raw materials and intermediate goods, mineral fuel and lubricants as well as consumer goods. The combined imports of these commodity groups comprised about 76.0 percent of total imports of goods during the review quarter. The rise in procurement in these commodity groups brought total imports for 2004 to US$45,109 million or a growth of 10.6 percent (Table 2.2).[2]

Capital goods imports decline.

Imports of capital goods declined by 7.6 percent to US$2,103 million in the fourth quarter of 2004. The contraction was largely traceable to lower purchases of office and EDP machines, telecommunications equipment and power generating and specialized machines. This brought total capital goods imports

[2] Based on BPM5 concept.

for 2004 to slightly decline by less than half a percent to US$8,742 million.

Imports of raw materials and intermediate goods increase.

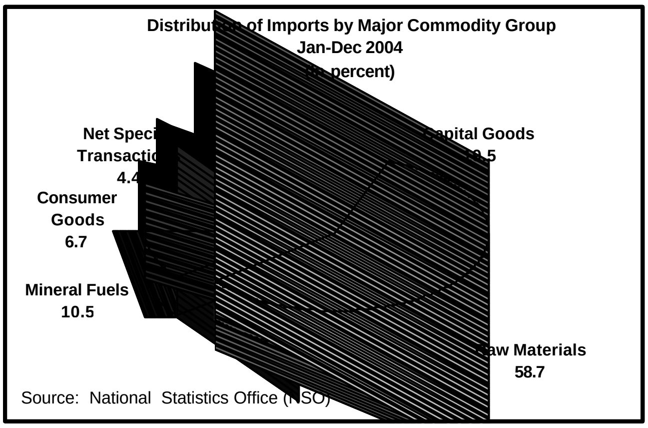
Meanwhile, imports of raw materials and intermediate goods rose by 4.5 percent in the fourth quarter of 2004, with growth evident in many sub-commodity groups. This could indicate broader-based growth in the manufacturing sector in the future. The 2004 import growth for raw materials and intermediate goods reached 9.0 percent amounting to US$26,273 million.

Consumer goods imports also on the uptrend.

Imports of consumer goods were also up by 25.2 percent to reach US$821 million in the fourth quarter of year triggered by the rise in purchases of both durable and non-durable goods. The 11.1 percent increase for the whole of 2004 was traced to higher imports of rice as the country is bracing for a mild El Niño in 2005. Together with other food products as well as passenger cars & motorized cycles and home appliances, total purchases of foreign produce for the year reached US$3,027 million.

Mineral fuels and lubricants imports show hefty growth.

Imports of mineral fuels and lubricants grew by 51.1 percent in the fourth quarter of 2004, attributed largely to the increase in import volume and price of petroleum crude. Imports of petroleum crude rose by 60.2 percent to US$761 million in the last quarter of 2004 as both volume and average price posted gains. Relative to last year's level, import volume of petroleum crude jumped to 20.74 million barrels from 17.27 million barrels a year ago. Meanwhile, an average price hike of 33.5 percent made petroleum crude's average price reach US$36.70 per barrel from US$27.50 per barrel last year. Imports of other petroleum products also rose significantly following an almost 60.0 percent hike in average price to US$53.20 per barrel from US$34.13 per barrel a year ago. These developments resulted in the 25.2 percent rise in imports of mineral fuels and lubricants for 2004.



✍ Trade-in-Services

The trade-in-services account posts a higher deficit.

The deficit in the trade-in-services balance widened to US$356 million in the fourth quarter of 2004 compared with US$334 million in the same period last year. The 6.6 percent deterioration was due largely to increased net outlays for freight, royalties and fees, financial, insurance and personal, cultural and recreational services. Meanwhile, the other services accounts such as travel, communication, and construction services remained in surplus but at lower levels compared to last year.

Travel receipts rose by 20.7 percent to US$536 million in the fourth quarter due to the intensive market-specific promotion drive of the Department of Tourism (DOT), which helped boost the volume of tourists in the country. In line with DOT's outreach program, the government is also urging Filipino-American groups to support the country's intensified tourism marketing efforts to further boost the U.S. stature as the leading source of tourists' traffic in the Philippines. However, the 45.5 percent growth in travel imports eroded some of the gains in travel exports as the stable currency and improved global security encouraged Filipinos to visit other countries.[3]

For the full-year 2004, net travel receipts rose by 105.6 percent as tourist arrivals grew by 20.1 percent from a decline of 1.3 percent in 2003. Majority of tourists came from the U.S., Japan, Korea, Taiwan, Singapore, Malaysia, Thailand, China, Hong Kong, Germany, Australia and the U.K. These developments led to the 25.7 percent narrowing of the deficit in the services account to US$1,282 million for January-December 2004.

[3] It should be noted that both exports and imports of travel include OFW-related expenses. Travel exports include expenses in the Philippines of non-resident OFWs during their home visits while travel imports include expenses of resident OFW in the host economies. Refer to footnote 4 for further explanation on residency of OFWs.

✍ Income

The income account reverses to a surplus.

The income account in the fourth quarter of 2004 posted a surplus of US$74 million from a deficit of US$68 million in the same quarter in 2003. The reversal was due largely to the increase in compensation income, lower deficit in investment income combined with lower interest payments by the national government (NG) on foreign borrowings. During the quarter in review, compensation of employees of resident OFWs rose by 13.4 percent to US$710 million following higher deployment of sea-based workers and performing artists who are covered in this account.[4] On the other hand, investment income turned in a lower deficit following reduced payments for reinvested earnings and undistributed branch profits. Meanwhile, the deficit in income on debt was cut down by more than half in the last quarter of the year at US$110 million as interest outlays by the NG declined due to the transfer of holdings of Philippine debt papers from non-residents to residents. These developments brought the cumulative four-quarter net income account to reverse to a surplus of US$147 million from last year's deficit of US$226 million (Table 4).

✍ Current Transfers

The current transfers account posts a higher surplus.

Net current transfers in the fourth quarter of 2004 at US$2,664 million rose by 14.7 percent from year-ago level of US$2,323 million. Bulk of the current transfers consisted of workers' remittances which contributed US$2,484 million to the gross inflow, a 16.0 percent rise that was in turn attributed to increased OFW deployment as geopolitical conditions, particularly in the Middle East, stabilized. It was also noted that remittances have increasingly been coursed through the banking system as a result of banks' expansion of their remittance services abroad. Combined with foreign donations and grants, net current transfers reached S$9,596 million by yearend, 9.0 percent higher than US$8,802 million posted a year ago (Table 5).

[4] Under the BPM5, the residency of seasonal workers such as OFWs is classified according to the length of their stay in the host economy. OFWs who are working for less than one year are classified as Philippine residents and their remittances reflected under the Income Account. Meanwhile, OFWs who are working for one year or more are classified as non-residents (or migrants) and their remittances are reflected under the Transfers Account. Remittances of performing artists and sea-based workers, who generally enter into a contract of less than one year are reflected under the Income Account. Meanwhile, remittances of all land-based workers, except performing artists, are included under the Current Transfers Account. Of the 933,588 Filipino workers deployed in 2004, based on data from the Philippine Overseas Employment Administration (POEA) on new hires and rehires, 71,355 were performing artists and 229,002 were sea-based workers and the rest are other land-based workers.

✍ Capital and Financial Account

The capital and financial account deficit widens in the fourth quarter.

The deficit in the capital and financial account widened by 6.0 percent in the fourth quarter of 2004 to US$1,185 million from a net outflow of US$1,118 million in the same period in 2003. This developed due largely to the reversal of the other investments account from a net inflow to a net outflow combined with lower net inflows in direct investments which more than offset the contraction in net portfolio outflows. These developments led the capital and financial account to end 2004 with a net outflow of US$1,692 million, 12.7 percent higher than last year due largely to higher net outflows in portfolio investments and the lower net inflows in direct investments which overshadowed the decline in the net outflows in other investments.

✍ Capital Account

The capital account reverses to a deficit.

The capital account reversed to a deficit of US$9 million in the fourth quarter of the review period from a US$6 million surplus a year-ago largely on account of the net outflow in the net capital transfers to the private sector. Consequently, the full year capital account balance followed the same trend posting a net outflow of US$23 million, equally reversing the surplus of US$23 million in 2003 (Table 6).[5]

✍ Direct Investments

Direct investment flows slightly down in the fourth quarter.

The direct investment inflows marginally declined to US$36 million in the fourth quarter of 2004 from US$38 million in the same quarter a year-ago. The contraction in the net direct investment flows was attributed primarily to the repayments made on intercompany loans as well as remittance of profits by local branches of foreign banks. New foreign investments by non-residents were also lower during the review quarter at US$119 million from a high of US$421 million in 2003 as the continued rise in oil price and threat of interest hikes pose a dampening effect on global economic activity. Mitigating the impact of these outflows was the significantly lower withdrawals by non-residents from their equity capital placements during the reference quarter amounting to only US$25 million from a high of $497 million in 2003; and lower net equity capital placements abroad by residents of US$62 million from US$87 million. Equity capital infusion by non-residents were channeled mainly

[5] 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.

to the manufacturing (electronic and electric products, power conversion products, plant machineries), trading (sales/marketing for major IT products), and services (installation/testing hardware & software, and management of computerized database) sectors. Bulk of direct investments came largely from the U.S., Japan, and Singapore. Direct investments during the year posted a net inflow of US$57 million following higher equity capital placements abroad by resident corporates. This level was, however, lower than last year as non-residents' net investments in equity capital at US$745 million which rose by more than more-than twofold were negated by the net repayments in other capital, particularly intercompany loans and unremitted profits of local branches of foreign banks (Table7).

✍ Portfolio Investments

Portfolio investment deficit narrows in the fourth quarter.

The deficit in the portfolio investment account during the review quarter narrowed to US$837 million, from US$1,196 million recorded in the same quarter of 2003. The favorable performance was traced to the following: a) lower repayments made by the monetary authorities and some private corporations on their maturing bonds and notes; b) lower placements in foreign securities by domestic private corporations from US$622 million in 2003 to US$288 million in 2004; and c) better performance of Philippine debt papers in the secondary market as indicated by the net resale of debt papers to non-residents. Investors encouraged by the positive news from the corporate front and gains in the country's economic growth, remained bullish over selected shares in the stock market which more than offset the effect of increased placements by domestic commercial banks in foreign securities. Notwithstanding the risk of higher inflation, concerns over the country's fiscal position and political uncertainties as well as apprehensions over the possible downgrade by some investor rating agencies during the review quarter, the Philippines remains in the list of preferred investment sites on the back of reform measures initiated by the government. On the aggregate, however, portfolio investments in 2004 recorded a higher deficit of US$1,434 million compared to the US$1,305 million deficit last year due largely to higher investments in foreign equity securities and increased placements by local commercial banks and private corporations in foreign debt securities (Table 8).

✍ Financial Derivatives

Financial derivatives balance posts higher deficit.

Net losses in financial derivatives widened to US$7 million during the fourth quarter from US$3 million in the same period a year-ago. Gains realized by domestic commerical banks from forwards and swaps rose to US$15 million from US$13 million last year. However, losers in financial derivatives outweighed gainers with settlements at US$22 million, a further dip from US$16 million in the compartive quarter a year ago.

✍ Other Investments

The other investments account balance reverses to a deficit.

In the fourth quarter of 2004, the other investment account reversed to a deficit of US$368 million from a net inflow of US$37 million in the same quarter in 2003. The turnaround was due to combined effect of increased loan repayments by the monetary authorities, some private corporations, and short-term loan repayments of local commercial banks coupled with deposits abroad by local private corporations. Deposits abroad by local private corporations rose to US$630 million, from a net withdrawal of US$273 million largely intended for import financing. By contrast, the net outflow in the other investments account for the full-year 2004 declined by 13.1 percent following higher non-residents' deposits in commercial banks coupled with increased banks' short-term loan availments and lower net repayment of private sector's long-term loans (Table 9).

✍ Reserve Assets

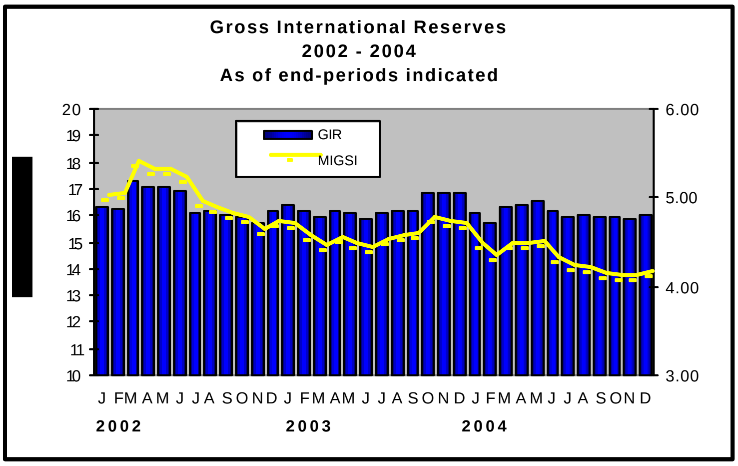
Gross international reserves remain comfortable.

The BSP's gross international reserves (GIR), including reserve position in the IMF, reached US$16.2 billion as of end-2004 (Table 11). This was 4.9 percent lower compared to the end-December 2003 level of US$17.1 billion. Notwithstanding the decline, the end-2004 level of reserves, which is equivalent to 3.7 months' worth of imports of goods and payment of services and income (MIGSI) remained comfortable. In terms of debt coverage, the reserve level was 3.2 times the amount of the country's short-term foreign liabilities based on original maturity and 1.6 times based on residual maturity.[6] The end-2004 level of reserves far exceeded the US$14-15 billion target level for end-2004.

A large part of the reserves was in the form of foreign investments (78.5 percent), with the balance in gold (19.2

[6] Residual maturity refers to outstanding short-term debt based on original maturity plus principal payments on medium- and long-term loans of the public and private sectors falling due in the next 12 months.

percent), foreign exchange (1.5 percent) and combined SDRs and reserve position in the Fund (0.8 percent). By currency composition of reserves (excluding gold), 82.5 percent were in US dollars, 9.9 percent in Euros, 4.1 percent in Japanese yen, 2.1 percent in pound sterling and the balance of 1.4 in other foreign currencies.



✍ Exchange Rate

Peso depreciates in the fourth quarter.

The nominal peso-dollar exchange rate averaged ₱56.28/US$1 in the fourth quarter of 2004, marginally depreciating by 1.8 percent from last year's level of ₱55.26/US$1. Higher dollar demand by corporates to cover import requirements and foreign exchange obligations contributed to the weaker peso. These developments combined with the Fitch Ratings' decision to revise the outlook of the country's long-term obligations to negative from stable, persistent concerns over the country's fiscal situation and the volatility in world oil prices further contributed to the peso's depreciation during the quarter. These factors drove the peso-dollar exchange rate to depreciate by 3.3 percent to ₱56.04/US$1 in 2004 from ₱54.20/US$1 last year.

Peso shows less volatility in the fourth quarter.

Notwithstanding, the peso was less volatile in the fourth quarter of 2004 as its standard deviation at ₱0.10 was lower than the year-ago level of ₱0.30. The peso was supported by the strong remittance inflows from OFWs and sustained economic growth.

The peso's external competitiveness gains in nominal terms against the currencies in the broad basket.

Relative to last year's level, the peso's average nominal effective exchange rate (NEER) index in the fourth quarter of 2004 depreciated by 5.0 percent against the currency basket of the country's major trading partners,[7] 1.4 percent against the currency basket of a broad group of competitor countries,[8] but appreciated by 2.9 percent against the currency basket of a narrow group of competitor countries.[9] This was attributed to the larger depreciation of the peso vis-a-vis the U.S. dollar compared to that of the other currencies in these baskets. In terms of the real effective exchange rate (REER) index,[10] the peso marginally gained external price competitiveness as the REER depreciated by 0.5 percent against the currency basket of the country's major trading partners. However, in comparison to the countries in both the broad and narrow baskets, the peso's external competitiveness weakened as the REER appreciated by 3.0 percent and 6.0 percent, respectively, due to higher inflation gap vis-à-vis the countries whose currencies are included in the broad and narrow baskets.

[7] 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.

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

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

[10] 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/	Narrow 3/
2003	Jan	13.02	29.24	57.14	58.67	100.73	147.67
	Feb	12.87	29.05	56.61	57.86	98.80	146.01
	Mar	12.74	29.03	56.18	57.02	98.61	145.50
	Qtr 1	**12.88**	**29.10**	**56.64**	**57.85**	**99.38**	**146.40**
	Apr	13.17	29.94	57.68	59.03	101.77	148.31
	May	12.95	29.42	56.27	58.14	100.68	147.07
	Jun	12.71	28.65	54.36	57.62	99.99	144.62
	Qtr 2	**12.94**	**29.34**	**56.10**	**58.26**	**100.81**	**146.67**
	Jul	12.74	28.56	54.52	57.91	100.92	145.55
	Aug	12.52	28.06	53.96	56.83	98.98	144.16
	Sep	12.42	27.82	53.46	56.23	97.03	141.68
	Qtr 3	**12.56**	**28.15**	**53.98**	**56.99**	**98.98**	**143.80**
	Oct	12.14	27.73	53.23	55.09	95.66	139.79
	Nov	12.05	27.70	53.09	54.87	96.69	138.77
	Dec	11.83	27.64	52.92	54.03	95.75	138.05
	Qtr 4	**12.01**	**27.69**	**53.08**	**54.67**	**96.02**	**138.87**
Ave.	**Jan-Dec**	**12.60**	**28.57**	**54.95**	**56.94**	**98.80**	**143.93**
2004	Jan	11.67	27.38	52.31	53.64	95.93	135.95
	Feb	11.54	27.04	52.00	52.99	93.54	134.74
	Mar	11.63	27.12	52.39	53.37	94.13	136.43
	Qtr 1	**11.61**	**27.18**	**52.23**	**53.33**	**94.53**	**135.71**
	Apr	11.77	27.24	52.91	54.07	94.61	136.61
	May	11.88	27.89	54.61	54.66	97.54	14.49
	Jun	11.75	28.15	56.05	54.74	100.52	150.24
	Qtr 2	**11.80**	**27.76**	**54.52**	**54.49**	**97.56**	**143.45**
	Jul	11.72	27.86	54.82	55.32	100.99	148.43
	Aug	11.79	28.16	55.76	55.87	102.23	151.83
	Sep	11.71	27.84	55.21	55.55	100.66	149.99
	Qtr 3	**11.74**	**27.95**	**55.26**	**55.58**	**101.29**	**150.08**
	Oct	11.59	27.63	54.75	54.84	99.20	147.55
	Nov	11.38	27.15	54.25	54.23	99.01 e/	146.23 e/
	Dec	11.28	27.11	54.81	54.08 e/	98.43 e/	147.83 e/
	Qtr 4	**11.42**	**27.30**	**54.6**	**54.38**	**98.88**	**147.20**
Ave	**Jan-Dec**	**11.64**	**27.55**	**54.16**	**54.45**	**98.07**	**144.11**

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.