BALANCE OF PAYMENTS DEVELOPMENTS
FOURTH QUARTER 2005

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➢ Overall Position

The BOP position registers a deficit in the fourth quarter of the year due to the weak performance of the capital and financial account.

The balance of payments (BOP) position in the fourth quarter of 2005 yielded a deficit of US$306 million, higher than the US$104 million deficit posted in the same quarter last year due mainly to the widening of the deficit in the capital and financial account. The current account while remaining in surplus this quarter was lower than last year's level. However, the strong gains in the first three quarters more than compensated for the fourth quarter drop advancing the full year overall BOP position to a surplus of US$2.407 billion, a reversal of the US$280 million deficit a year ago. The 2005 BOP position which was equivalent to 2.5 percent of the country's gross domestic product (GDP) compared favorably with the forecast of US$2.109 billion[1] (Table 1).

Balance of Payments (US$ m)

	Q4		Growth	Jan-Dec		Growth
	2005	2004	Rate (%)	2005	2004	Rate (%)
I. Current Account	1112	1491	-25.4	2354	1626	44.8
II. Capital & Fin'l Account	-3135	-1452	-115.9	860	-1630	152.8
III. Net Unclassified Items	1717	-143	1300.7	-807	-276	-192.4
IV. Overall BOP	**-306**	**-104**	**-194.2**	**2407**	**-280**	**959.6**

* Totals may not add up due to rounding.

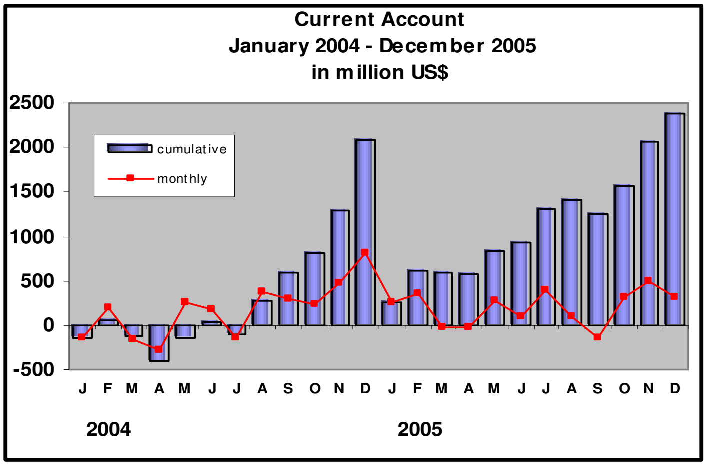
➢ Current Account

The current account remains in surplus on the back of sustained remittances from OFWs.

The current account (CA) posted a surplus of US$1.112 billion (3.9 percent of GDP) in the fourth quarter of 2005, albeit lower than the year-ago level of US$1.491 billion. The higher surplus in current transfers brought about by the sustained growth in workers' remittances, the reversal of the income account from a deficit to a surplus, and the lower deficit in the services account partly offset the higher deficit in the trade-in-goods accounts. However, despite the lower surplus in the CA during the fourth quarter, the cumulative 12-month balance remained hefty at US$2.354 billion surplus, representing 2.4 percent of GDP. The improvement from the year-ago surplus of US$1.626 billion was attributed largely to the strong inflows of OFW remittances in the current transfers account and the contraction in the services account deficit which more than

[1] Based on BOP projections as of December 2005

absorbed the widening of the deficit in the trade-in-goods and income accounts.



▪ Trade-in-Goods

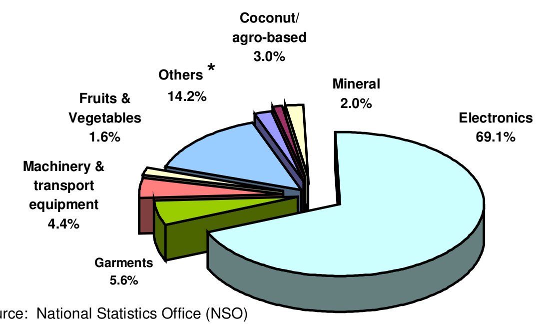
The trade-in-goods account posts a higher deficit.

The trade-in-goods account yielded a higher deficit of US$1.651 billion in the fourth quarter of 2005 compared to the US$509 million deficit posted in the same period last year. The deterioration was traced to the bigger expansion in goods imports at 12.6 percent compared to that of goods exports at 2.3 percent.[2] Total imports of goods during the last quarter of the year reached US$12.395 billion on account of higher purchases in all major commodity groups except consumer goods. The growth drivers were raw materials and intermediate goods (16.0 percent); capital goods (13.3 percent) and mineral fuels and lubricants (12.1 percent). Meanwhile, aggregate fourth quarter 2005 export earnings stood at US$10.744 billion with the bulk of the shipments coming from electronics, garments, and machinery and transport equipment. These developments led to the 32.8 percent widening of the trade-in-goods deficit during the full year 2005 as total import bill at US$47.777 billion was higher than total export revenues at US$40.231 billion. During the year, imports of goods grew by 7.4 percent, outpacing the expansion in exports of goods at 3.7 percent (Tables 2.1-2.2). Compared to the growth expectations for 2005, the rise in imports of goods at 7.4 percent was slightly higher than the expected expansion of 7.0 percent while that of exports nearly

[2] Based on BPM5 concept (i.e., excluding from the National Statistics Office figures, those goods that did not involve change in ownership). Imports per BOP also reflect preliminary adjustments on the valuation of consigned raw materials for electronics and garments exports (See Annex 1).

matched the projected growth of 4.0 percent.

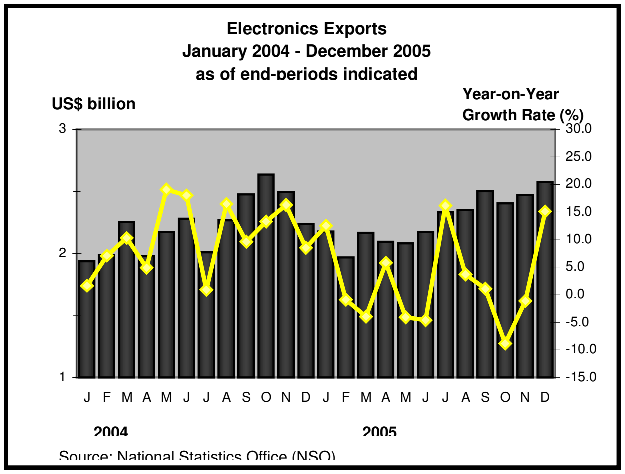
Exports by Major Commodity Group
January-December 2005
Percent Share



Source: National Statistics Office (NSO)
* Net of re-exports

Electronics exports post a marginal expansion.

a) *Electronics*. Shipments of electronics products (including other electronics) in the fourth quarter of the year reached US$7.713 billion, inching up marginally from last year's level of US$7.704 billion (Table 2.1). The slow growth was traced to the decline in shipments of diodes, parts & accessories of automatic data processing machines, electronic microcircuits and ignition wiring. Exports of semiconductor devices which comprised the bulk of total electronics shipments also contracted by 2.4 percent during the quarter in review to reach US$2.035 billion. However, growth in non-semiconductor products such as other digital monolithic (39.5 percent) electrical machineries and equipment (81.3 percent) and input/output peripherals units (6.9 percent) more than cushioned the impact of the downtrend in these electronics exports. These non-semiconductor products were shipped largely to the U.S., Netherlands, China and Japan. As a result of these developments, total electronics shipments for the whole of 2005 expanded by 2.2 percent to reach US$28.476 billion. The lower-than-expected export growth was primarily an outcome of the pull-out of Toshiba Corporation, which produces high value electronics exports, i.e., laptop computers. However, the outlook for the industry remains optimistic with the company's plan to expand its local production of hard disk drives to partially make up for the lost revenues. Moreover, some electronics firms are currently moving up the production ladder e.g., from parts and accessories assembly to testing.



Shipments of machinery and transport equipment post a double-digit growth in the fourth quarter of the year.

b) *Machinery and Transport Equipment.* Exports of machinery and transport equipment increased by 20.8 percent in the fourth quarter of the year to US$498 million bringing the full year export earnings from this commodity group to US$1.836 billion. The 14.5 percent advancement from last year's level was traced to increased shipments of parts and accessories of motor vehicles, gear boxes of motor vehicles and other vessels for transport of goods and passengers. The gains achieved by the industry during the year reaffirmed its potentials to make the country a hub for automotive parts and accessories. The industry's competitiveness was achieved with the support of government programs focused on improving the competencies of the exporters such as: i) product and market development; ii) price competitiveness; and iii) improvement of management systems, use of new technologies, development of strategic marketing approaches and heightening of productivity levels. This will, in the long term, steer the industry in acquiring a larger market share in Japan, U.S., the ASEAN and Europe:

Apart from these initiatives, export credit incentives were granted to the industry players thru Executive Order (EO) Nos. 244 and 312 in October 2003 and May 2004, respectively, particularly to participants in the Automotive Export Program from 2004 until 2008. Moreover, E.O. No. 313 which allows zero percent duty to BOI-registered export-oriented enterprises on their importation of machinery and equipment, spare parts and accessories also helped improve the competitiveness of the machinery and transport industry.

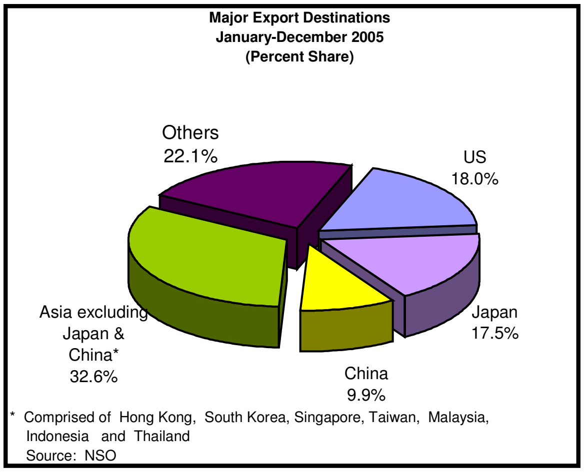
Exports of garments continue to recover in the fourth quarter.

c) *Garments*. Garments exports continued its rebound in the fourth quarter of 2005 with a 17.5 percent improvement to reach US$586 million from the year-ago level of US$498 million. This compared favorably with the growth of 1.3 percent in the same period last year. The general uptrend in garments exports was largely driven by the strategy to shift to the production of higher value export products. As a result, total export earnings for the full year of 2005 at US$2.298 billion rose by 5.9 percent from last year's level.

Faced with sterner competition from supplier-countries like China and Mexico in a quota-free environment starting 2005, the government and the private sector continue to provide support programs to help the industry players compete globally. For one, the Industry Transformation Plan which was launched prior to the quota phase-out contained development assistance programs aimed at enhancing productivity through technology and skills upgrading, develop and promote diversified markets and products, and provide access to financing.

Rising intra-Asian trade continues.

The country's growing intra-regional trade was largely dominated by non-Japan Asian economies with a combined market share of 42.5 percent in 2005, a significant improvement from a market share of only 17.3 percent in 1990. Of these countries, China has been the most dynamic market as the country's export shipments have grown markedly by 71.0 percent in 2002, 58.2 percent in 2003 and 23.7 percent in 2004. In 2005, shipments to China expanded further by 53.7 percent to reach US$4.077 billion, representing about 9.9 percent of total exports, an indication that the country has been benefiting from the rise of China as a manufacturing hub. In 2005, China moved from 5th to 3rd spot as the country's biggest market next to US and Japan (from 5th place a year ago), overtaking Netherlands and Hong Kong.



Climb in total imports due to higher purchases across most major commodity groups.

Imports of goods in the fourth quarter of 2005 grew by 12.6 percent to US$12.395 billion as procurement in all commodity groups except consumer goods posted higher levels than last year. This development consequently led to the 7.4 percent growth in total import bill to reach US$47.777 billion during the year (Table 2.2).[3]

Capital goods imports grow in the last quarter of the year.

Imports of capital goods increased by 13.3 percent to US$2.382 billion in the fourth quarter of 2005, a turnaround from the 7.7 percent contraction in the same quarter a year ago. Expansion was traced to higher purchases of power generating and specialized machines, office and EDP machines, telecommunication equipment and electrical machines and aircraft, ships & boats which registered a more-than-threefold increment. As a result, the cumulative 12-month imports of capital goods posted an increase of 1.6 percent to US$8.881 billion, owing to the higher procurement of power generating and specialized machines, land transport equipment excluding passenger cars & motorized cycle and aircraft, ships & boats.

Imports of raw materials and intermediate goods also expand.

Imports of raw materials and intermediate goods grew by 16.0 percent in the fourth quarter of 2005 to reach US$7.657 billion. The double-digit expansion was due mainly to higher procurement of semi-processed raw materials specifically raw material inputs for the manufacture of electronics products; embroideries; and manufactured goods such as textile yarn and fabrics, non-ferrous metals and chemical products like artificial resins and medicinal and pharmaceutical chemicals. This led to the 4.8 percent growth in imports of this commodity

[3] Based on BPM5 concept.

group to US$28.695 billion for the 12-month period. Expansion emanated primarily from purchases of raw materials needed for electronics production; manufactured goods such iron & steel, textile products and non-ferrous metals; and embroideries.

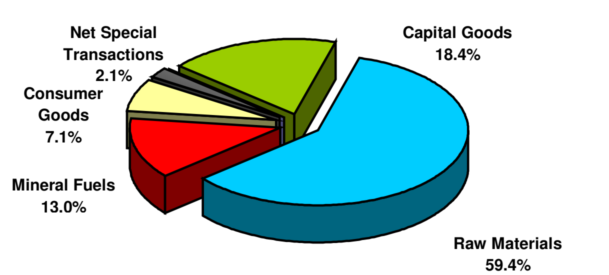
Purchases of consumer goods decline in the fourth quarter.

Imports of consumer goods reached US$773 million in the fourth quarter of the year traced to lower imports largely of non-durable goods, specifically dairy products even as imports of rice surged to US$26 million from only US$1 million last year. By contrast, total consumer goods purchased in 2005 rose by 13.0 percent to US$3.420 billion. This cumulative expansion was traced largely to higher purchases of both durable and non-durable goods. Durable goods increased by 9.2 percent arising from increased procurement of passenger cars and motorized cycles (25.2 percent) while non-durable goods rose by 15.8 percent on account mainly of rice imports (115.1 percent) to lessen the impact of the anticipated supply disruption due to the expected El Niño phenomenon during the year.

Imports of mineral fuels and lubricants expand due to higher global oil prices.

Imports of mineral fuels and lubricants in the fourth quarter of 2005 rose by 12.1 percent to US$1.422 billion boosted by higher purchases of petroleum crude and other petroleum products owing to the sustained rise in international oil prices. In particular, imports of petroleum crude rose by 10.1 percent to US$838 billion due to the increase in the average price to US$51.35 per barrel from US$36.71 per barrel even as volume declined to 16.32 million barrels from 20.73 million barrels during the quarter in review. These developments led to the 33.2 percent increment in imports of mineral fuels and lubricants during the year to US$6.277 billion.

Imports by Major Commodity Group
January-December 2005
(Percent Share)



Source: National Statistics Office (NSO)

▪ Trade-in-Services

The deficit in the trade-in-services account narrows in the fourth quarter of the year.

The trade-in-services account during the fourth quarter of 2005 posted a lower deficit of US$354 million owing largely to higher net inflows on travel, communication, passenger transportation, construction, personal, cultural and recreational services, and computer and information services. This positive development was complemented by the lower net outflows for royalties and license fees and other business services specifically miscellaneous business, professional and technical services which posted a 92.8 percent increase in export earnings traceable to business process outsourcing (BPO) activities mainly contact centers. As a result, the trade-in-services balance for the full year 2005 posted a lower net outflow of US$1.396 billion. With the sustained robustness in these sectors throughout the year, the deficit narrowed by 21.4 percent from last year's level of US$1.777 billion. Travel receipts in 2005 grew by 14.7 percent, as the Department of Tourism continues its intensified international marketing and promotional campaigns in key source markets like China, Korea, Taiwan and Japan, among others. The thrust of the industry remains focused on making the country's presence felt in the international travel community by the creation of marketing teams for these key markets that would aggressively handle the marketing and promotion of Philippine destinations in an effort to boost travel to the country.

▪ Income

The income account posts a surplus.

The income account in the fourth quarter of 2005 reversed to a surplus of US$166 million from a deficit of US$9 million in the same period a year-ago. This was traced to lower net outflow in both direct and portfolio investment income accounts, arising mainly from lower net outlays of dividends and profits to direct investors negating the increased interest payments by the general government on its bond and note issues. The narrowing of the net outflow in investment income offset the lower compensation income of resident OFWs, which reached US$668 million during the review quarter.[4]The positive last quarter developments were not however, sufficient to negate the outflows posted in the first three

[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 resident OFWs and their gross earnings are reflected under the Income Account. Meanwhile, OFWs who are working for one year or more in the host economy are classified as non-resident OFWs and their remittances are reflected under the Current Transfers Account. Gross earnings of performing artists and sea-based workers, who generally enter into contracts 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.

quarters. With higher outlays for dividends coupled with increased interest payments on the National Government's bond and note issues, the income account deficit rose to US$107 million for the full year 2005 from US$73 million a year ago. (Table 4).

▪ Current Transfers

Growth in OFW remittances continues to shore up the current transfers account.

Net current transfers in the fourth quarter of 2005 expanded to US$2.951 billion from the year-ago level of US$2.493 billion. The 18.4 percent improvement was driven largely by higher workers' remittances which grew by 15.3 percent to reach US$2.748 billion during the quarter in review. This brought net receipts from current transfers in 2005 to US$11.403 billion or an upturn of 24.5 percent, higher than the 9.2 percent growth in 2004. By yearend, workers' remittances amounted to US$10.668 billion with deployment rising by 4.2 percent as demand for higher-paid land-based overseas Filipino workers (e.g., professionals, medical-and-health-related personnel, and service workers) continued. Intensified marketing activities of financial institutions, such as opening of more remittance centers and establishing tie-ups abroad, and introducing enhanced means of remittance transfers schemes to reach out to a wider range of Filipinos working overseas have further strengthened OFW remittance inflows to the country (Table 5).[5]

➢ Capital and Financial Account

The capital and financial account deficit widens during the last quarter of 2005.

The capital and financial account deficit in the fourth quarter of 2005 widened to US$3.135 billion, more than a hundred percent higher than the US$1.452 billion deficit posted in the same quarter in 2004. The deficit arose mainly from the higher net outflow in the other investment account, negating the effect of increased direct investment flows. Despite these developments, the overall capital and financial account balance for 2005 reversed to a surplus of US$980 million from the US$1.630 billion deficit posted in 2004, owing to the positive performances in both direct and portfolio investment accounts in the first three quarters of 2005.

[5] Based on the National Statistics Office's Survey on Overseas Filipinos (NSO-SOF) in 2004, 81 percent of the total inflows of OFW remittances passed through the banking system, which was higher compared to 73 percent in 2003. The NSO-SOF is a nationwide survey that gathers information on overseas workers who left abroad during the last five years using the past six months reference period. The SOF is a rider survey to the October round of Labor Force Survey every year.

▪ Capital Account

The capital account posts higher surplus.

The capital account posted a higher surplus of US$9 million during the fourth quarter of 2005 from US$1 million surplus in the same quarter last year. This developed as net capital transfers to the general government remained in surplus at US$12 million matching last year's level coupled with the lower net outflow of capital transfers from the other sectors. For the full year 2005, the capital account yielded a net inflow of US$40 million, more than double the US$17 million net inflow in 2004 following the reversal of the net capital transfers to other sectors to a US$1 million net inflow from a net outflow of US16 million (Table 6).[6]

▪ Direct Investment

Direct investment surplus higher with increased non-residents' placements.

The direct investment account surplus improved to US$275 million in the last quarter of 2005 compared to US$131 million in the same quarter a year ago on account of higher non-residents' net investments. Non-residents' investments reached US$379 million or 108.2 percent higher than that posted in 2004 due to inflows in the other capital account amounting to US$284 million, particularly claims on direct investors (essentially trade credit transactions with affiliated companies). Non-residents' equity placements reached US$132 million in the last quarter of the year which benefited the following industrial sectors: a) finance (sale of non-performing assets (NPAs) under Special Purpose Vehicle (SPV)); b) real estate; c) manufacturing (chocolates/chewing gums); d) retail (department store); e) trading; and f) services (internet/network services provider). Major investors came from the U.S., Japan, Hong Kong and Singapore.

Direct investment account closed the year with a surplus of US$970 million from only US$109 million in 2004 due to the collective outcome of higher equity capital placements by non-residents and lower residents' investments abroad.

[6] 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 counter parties and are linked to the acquisition and disposal of fixed assets. By contrast, current transfers involve transactions that affect the level of disposable income and influence consumption of goods and services.

▪ Portfolio Investments

Fourth quarter 2005 portfolio investment deficit widens.

The portfolio investment account deficit widened to US$1.100 billion during the fourth quarter of 2005 compared to the US$954 million posted in the comparable quarter in 2004. The wider deficit during the review quarter resulted from the higher debt repayments made by the monetary authorities combined with the residents' purchases of non-residents' holdings of foreign currency-denominated Philippine debt papers. These outflows, were however, partly offset by the non-residents' subscription to equity as well as bond/note issues by private entities. During the review quarter, heightened investor sentiment was fuelled by both economic and non-economic factors such as: a) favorable corporate earnings results; b) better-than-expected fiscal position following the implementation of the VAT law last 1 November 2005; c) fourth quarter real GDP growth of 6.1 percent; d) peso appreciation on account of the robust OFW remittances and continued receipts from exports; e) easing inflation rate.

These developments combined to bring the net portfolio investment inflows to US$2.835 billion for 2005, a reversal of the net outflow of US$1.665 billion a year ago.

▪ Financial Derivatives

Financial derivatives posts higher deficit.

Financial derivatives deficit widened to US$35 million during the fourth quarter from US$7 million in the same quarter a year ago as settlement by residents of forward and swap transactions entered into with non-residents resulted in more losses than gains.

▪ Other Investments

The other investment account deficit widens mainly due to higher residents' investments abroad.

The other investment account deficit in the fourth quarter rose by more than threefold to reach US$2.284 billion from US$623 million in the same quarter in 2004 due mainly to residents' currency and deposit accumulation. Specifically, the higher outflow was attributed to the: 1) net currency and deposit placements abroad by banks and private entities to finance both imports and debt service; 2) higher loan repayments made by the National Government (NG); 3) interbank claims by resident banks. These outflows were, however, tempered by the loan availments made by the monetary authorities, banks and some private entities. On account of these developments, the other investment account balance posted a higher deficit of US$2.942 billion in 2005 from only US$64 million in 2004 (Table 10).

➢ Reserve Assets

Gross international reserves remain sufficient to cover liquidity requirements.

The BSP's gross international reserves (GIR), including reserve position in the IMF, reached US$18.495 billion as of end-December 2005 (Table 12). This was 14.0 percent higher compared to the end-December 2004 level of US$16.228 billion. At this level, reserves remained comfortable and are equivalent to 3.9 months' worth of imports of goods and payment of services and income (MIGSI). In terms of debt coverage, the reserve level was 3.0 times the amount of the country's short-term external liabilities based on original maturity and 1.6 times based on residual maturity.[7]

A large part of the reserves was in the form of foreign investments (83.0 percent), with the balance in gold (13.9 percent), foreign exchange (2.4 percent) and combined SDRs and reserve position in the Fund (0.7 percent). By currency composition, reserves (excluding gold) were in US dollars (82.0 percent), in Euros (8.8 percent), in Japanese yen (4.3 percent), in pound sterling (2.5 percent) and the balance of 2.4 percent in other foreign currencies.

➢ Exchange Rate

Positive economic developments boost the peso.

The nominal peso-dollar exchange rate averaged ₱54.63/US$1 in the fourth quarter of 2005, appreciating by 3.0 percent from last year's level of ₱56.28/US$1. For 2005, the average nominal peso-dollar exchange rate also appreciated by 1.7 percent to ₱55.09/US$1 from ₱56.04/US$1. The peso was strengthened by sustained dollar inflows from overseas Filipino workers' remittances, portfolio and direct investments following the positive sentiment in the market due in turn to the improvement in the government's fiscal position and the enactment of the Reformed Value-Added Tax (RVAT) measure.

Peso was more volatile.

The peso showed more volatility in the fourth quarter of 2005 as its standard deviation at ₱0.28 was higher than the year-ago deviation of ₱0.10. Similarly, the peso was more volatile during the year at ₱0.84 compared to the previous year's ₱0.28. The peso-dollar exchange rate ranged from ₱53.07/US$1 to ₱56.34/US$1 during the 12-month period.

[7] 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.

Peso external competitiveness weakens.

Compared with the previous year's level, the peso's average nominal effective exchange rate (NEER) index in the fourth quarter of 2005 appreciated by 8.4 percent against the currency basket of the country's major trading partners.[8] Relative to currency baskets of the broad and narrow groups of competitor countries, the peso's average NEER also appreciated by 6.1 percent and 9.3 percent, respectively.[9] Consequently, in terms of the real effective exchange rate (REER) index,[10] the peso lost external price competitiveness as the REER appreciated by 12.9 percent against the currency basket of the country's major trading partners, by 7.5 percent against the currencies in the broad basket, and by 5.2 percent against the currencies in the narrow basket. The peso's nominal appreciation combined with the widening price differentials between the Philippines and its major trading partners as well as its competitor countries in both broad and narrow baskets resulted in the decline in the peso's external competitiveness.

[8] 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.

[9] The broad basket is composed of the currencies of Singapore, South Korea, Taiwan, Thailand, Indonesia and Hong Kong while 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 December 1980=100							
		NEER			REER		
			CC			CC	
		MIC[1/]	Broad[2/]	Narrow[3/]	MIC[1/]	Broad[2/]	Narrow[3/]
2004	Jan	11.32	27.68	52.85	53.71	101.96	137.80
	Feb	11.19	27.36	52.55	53.03	100.25	136.06
	Mar	11.30	27.46	52.94	53.38	101.11	137.86
	Qtr 1	**11.27**	**27.50**	**52.78**	**53.37**	**101.11**	**137.24**
	Apr	11.43	27.60	53.46	54.15	101.17	137.51
	May	11.55	28.26	55.18	54.83	104.64	144.86
	Jun	11.41	28.58	56.65	54.92	108.85	152.36
	Qtr 2	**11.47**	**28.15**	**55.10**	**54.63**	**104.88**	**144.91**
	Jul	11.38	28.26	55.39	55.52	109.00	150.85
	Aug	11.46	28.58	56.33	56.08	111.00	154.68
	Sep	11.38	28.26	55.77	55.96	109.66	152.20
	Qtr 3	**11.41**	**28.37**	**55.83**	**55.85**	**109.88**	**152.58**
	Oct	11.25	28.05	55.31	55.30	108.26	149.77
	Nov	11.02	27.61	54.82	54.66	107.48	148.72
	Dec	10.92	27.63	55.41	54.67	107.62	151.07
	Qtr 4	**11.06**	**27.76**	**55.18**	**54.88**	**107.78**	**149.85**
Ave	**Jan-Dec**	**11.30**	**27.94**	**54.72**	**54.68**	**105.92**	**146.14**
2005	Jan	11.05	27.74	55.76	55.79	108.15	150.32
	Feb	11.32	28.14	56.70	57.10	108.83	152.13
	Mar	11.34	28.36	57.61	57.01	109.81	153.95
	Qtr 1	**11.24**	**28.08**	**56.69**	**56.63**	**108.93**	**152.13**
	Apr	11.45	28.70	58.54	57.60	110.79	154.78
	May	11.53	28.64	58.41	58.27	111.71	157.94
	Jun	11.56	28.49	58.33	58.88	113.31	160.19
	Qtr 2	**11.52**	**28.61**	**58.43**	**58.25**	**111.94**	**157.64**
	Jul	11.51	28.47	58.35	59.00	113.87	160.70
	Aug	11.42	28.51	58.74	58.64	114.65	162.54
	Sep	11.39	28.83	58.58	58.37	115.25	163.02
	Qtr 3	**11.44**	**28.60**	**58.89**	**58.67**	**114.59**	**162.09**
	Oct	**11.65**	**29.02**	**59.52**	**59.74**	**113.59**	**155.34**
	Nov	**12.06**	**29.56**	**60.54**	**62.38 E/**	**116.64 E/**	**158.01 E/**
	Dec	**12.26**	**29.74**	**60.80**	**63.75 E/**	**117.25 E/**	**159.63 E/**
	Qtr 4	**11.99**	**29.44**	**60.29**	**61.95**	**115.83**	**157.66**
Ave	**Jan-Dec**	**11.55**	**28.68**	**58.57**	**58.88**	**112.82**	**157.38**

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.