BALANCE OF PAYMENTS DEVELOPMENTS
FIRST QUARTER 2006

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➢ Overall Position

BOP position yields a higher surplus due to the robust performance of the current account and continued net inflows in the capital and financial account.

The balance of payments (BOP) position in the first quarter of 2006 yielded a surplus of US$2.128 billion, equivalent to 8.1 percent of the country's gross domestic product (GDP). This was nearly thrice the US$782 million surplus posted in the same quarter a year ago. The strength of the current account was buoyed by the robust inflows of remittances from overseas Filipino workers (OFWs) and services exports. On the other hand, the capital and financial account remained in surplus during the quarter (Table 1).

Balance of Payments (US$ m)

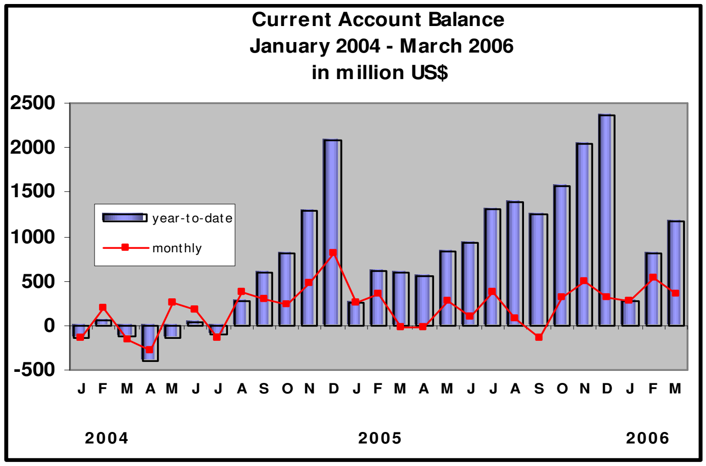
	Q1		Growth
	2006	2005	Rate (%)
I. Current Account	1166	733	59.1
II. Capital & Fin'l Account	1451	1556	-6.7
III. Net Unclassified Items	-489	-1507	67.6
IV. Overall BOP	**2128**	**782**	**172.1**

* Details may not add up to totals due to rounding off.

➢ Current Account

The current account surplus rises by nearly twofold in the first quarter due to higher remittances from OFWs and stronger services exports.

The current account (CA) posted a surplus of US$1.166 billion (4.4 percent of GDP) in the first quarter of 2006, expanding by 59.1 percent from the year-ago level of US$733 million. This developed following the higher surplus in the current transfers account given the strong inflows from overseas workers' remittances and the significant narrowing in the deficit of the services account as a result of the robust growth in services exports. These factors more than compensated for the higher deficit in the income and trade-in-goods accounts.

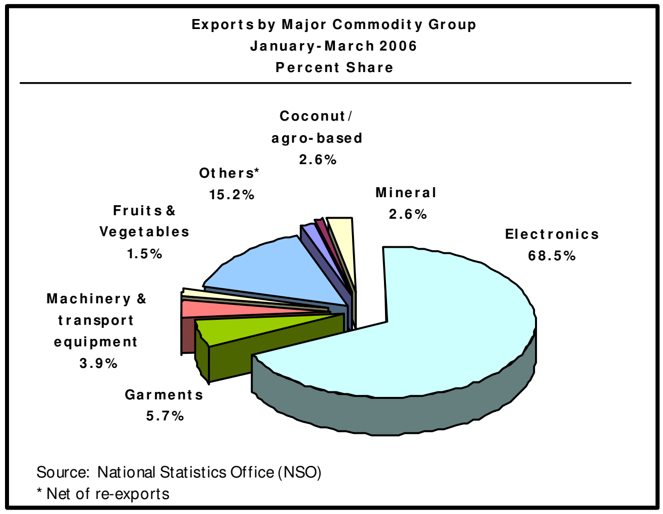


▪ Trade-in-Goods

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

The trade-in-goods account registered a higher deficit of US$1.569 billion in the first three months of 2006 compared to the US$1.354 billion deficit posted a year ago as the rate of expansion in imports of goods exceeded that of exports of goods. Total exports of goods during the first quarter of the year grew by 14.2 percent to reach US$10.691 billion on account of higher shipments in manufactured goods specifically electronics and garments. Earnings from machinery and transport equipment although lower this quarter compared to the first quarter last year reached US$430 million. The other commodity groups which also lent support to the double-digit export growth were mineral, petroleum and coconut products as well as fruits and vegetables. Meanwhile, the aggregate first quarter import bill amounted to US$12.260 billion, or a growth of 14.4 percent driven by increased purchases across most commodity groups, notably raw materials and intermediate goods (13.5 percent); capital goods (4.0 percent) and mineral fuels and lubricants (39.1 percent).[1]

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

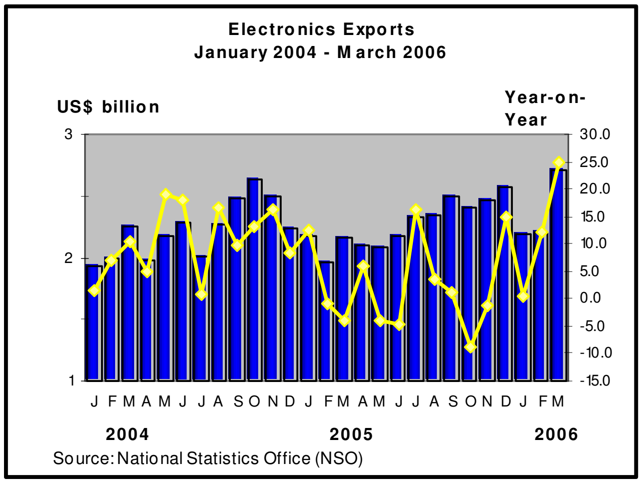


Growth in electronics exports accelerates in the first quarter.

a) *Electronics*. Exports of electronics products (including other electronics) in the first quarter of the year reached US$7.461 billion, up by 12.8 percent from last year's level of US$6.612 billion buoyed by increasing global IT-related demand in line with improving market conditions (Table 2.1). Growth of electronics exports accelerated due primarily to increased shipments of semiconductor components/devices, automotive instrumentation, office equipment, and telecommunication. Semiconductors remained the largest component cornering 73.0 percent of total electronics with aggregate export earnings reaching US$5.450 billion during the quarter in review. The 17.6 percent quarter-on-quarter expansion was supported mainly by higher shipments of other monolithic digital integrated circuits, and parts of electrical and electronic machinery and equipment. Global demand remained strong for a wide variety of consumer electronics products, such as in the fastest growing major end-market segment for cellphones especially third-generation (3G) phones, as well as personal computers, digital cameras and televisions, and MP3 players, among others. Moreover, it was noted that book-to-bill ratios continued to improve during the quarter in review, notably in February (1.01) and March (1.03) when the ratios exceeded the unity mark.[2] The industry remained optimistic that an impressive recovery would be achieved this year as some electronics firms are currently moving up the

[2] 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.

production ladder, e.g., from parts and accessories assembly to testing and design.



Exports of garments post three consecutive quarterly rise.

b) *Garments*. Garments exports in the first quarter of 2006 expanded by 14.9 percent to reach US$622 million from the year-ago level of US$541 million. This compared favorably with the 3.5 percent growth in the same period last year. Behind the three consecutive quarterly rise in garments exports was the industry's strategy to shift to the production of high-end garments exports, by becoming one of the major product suppliers for international clothing brands such as JC Penney, GAP, Old Navy, Ann Taylor, among others.

Despite the more rigid competition from supplier-countries like China and Mexico in a quota-free market environment starting 2005, the government and the private sector continued to provide support programs to help the industry players compete globally. The recovery of the industry affirmed the benefits of the Industry Transformation Plan which was launched prior to the quota phase-out. The Plan contained development assistance programs aimed at enhancing productivity through technology and skills upgrading, developing and promoting diversified markets and products, and providing access to financing.

Shipments of machinery and transport equipment decline slightly in the first quarter of the year.

c) *Machinery and Transport Equipment.* Exports of machinery and transport equipment declined slightly by 1.8 percent in the first quarter of the year to US$430 million, in contrast to the double digit growth achieved in the same period last year. The marginal contraction was traced to the drop in the demand for other vessels for the transport of both goods and passengers, and other gear boxes for motor vehicles. However, despite the lackluster first quarter performance, the industry continued to harness its potentials to become a hub for automotive parts and accessories. Government has embarked on various initiatives to enhance the industry's competitiveness through: 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.

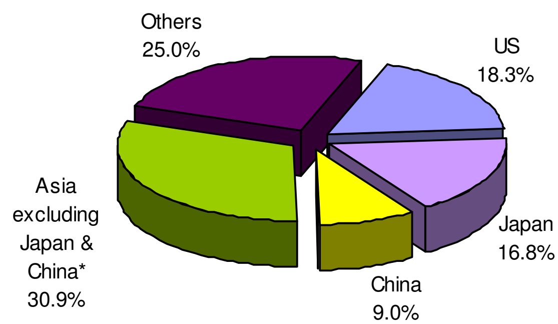
Apart from improving the exporters' competencies, export credit incentives were granted to the industry players through Executive Order (EO) Nos. 244 and 312 in October 2003 and May 2004, respectively, particularly to participants in the Automotive Export Program from 2004 until 2008. Moreover, E.O. 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.

Intra-Asian trade remains healthy.

The country's intra-regional trade sustained its rise with non-Japan Asian economies garnering a combined market share of 39.9 percent in the first three months of 2006, nearly matching the 40.1 percent share in the same quarter in 2005 but posting a significant edge over the market share of 32.8 percent in 2000. With China's ascent as the world's manufacturing center, it has become the most dynamic market for the country's export shipments which have grown markedly since 2002 (71.0 percent) to 2005 (53.7 percent). In the first quarter of 2006, shipments to China increased further by 18.2 percent to reach US$986 million, representing about 9.0 percent of total exports. During the quarter in review, China occupied the 4th spot as the country's biggest market next to the

US, Japan and Netherlands.

Major Export Destinations
January-March 2006
Percent Share



* Comprised of Hong Kong, South Korea, Singapore, Taiwan, Malaysia, Indonesia and Thailand
Source: NSO

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

Imports of goods in the first quarter of 2006 grew by 14.4 percent to US$12.260 billion as procurement in most commodity groups posted higher levels than last year's (Table 2.2). The expansion contrasted with the 1.2 percent contraction in the same quarter last year.[3]

Capital goods imports expand in the first quarter of the year.

Imports of capital goods increased by 4.0 percent to US$2.008 billion in the first quarter of 2006, a turnaround from the 13.2 percent decline in the same quarter a year ago. Expansion was traced largely to higher purchases of power generating and specialized machines, telecommunication equipment and electrical machines, and land transport equipment excluding passenger cars & motorized cycle. Imports of aircraft, ships & boats registered a more-than-threefold increment during the quarter.

Imports of raw materials and intermediate goods also increase.

Imports of raw materials and intermediate goods grew by 13.5 percent in the first quarter of 2006 to reach US$7.458 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; chemical products including medicines and artificial resins; embroideries; and manufactured goods such as textile yarn

[3] Based on BPM5 concept (i.e., excluding from the National Statistics Office (NSO) foreign trade figures, those goods that did not involve change in ownership). Imports per BOP also reflect: a) upward adjustments on the valuation of consigned raw materials for electronics and garments exports; b) OFW remittances in kind; and c) military imports, etc.

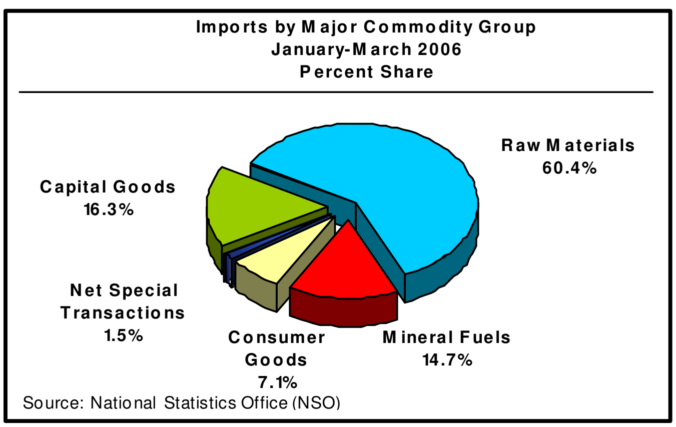
and fabrics, non-ferrous metals, paper & paper and metal products.

Imports of mineral fuels and lubricants rise due to continuing increase in the world market price of oil.

Imports of mineral fuels and lubricants in the first quarter of 2006 posted the highest growth among the major commodity groups at 39.1 percent to US$1.821 billion. This was a result of the higher import bill on petroleum crude and other petroleum products owing to the sustained rise in international oil prices. In particular, imports of petroleum crude rose by 40.8 percent to US$1.005 billion due to the increase in the average crude oil price to US$54.74 per barrel during the first quarter from US$37.09 per barrel during the first quarter last year, even as volume declined to 18.36 million barrels from 19.25 million barrels during the quarter in review. Other petroleum products, on the other hand, reached US$773 million, or an increment of 37.3 percent, compared with a modest growth of 7.0 percent last year.

Higher purchases of both durable and non-durable goods drive growth in consumer goods imports.

Imports of consumer goods reached US$871 million in the first quarter of the year, higher by 9.3 percent from the comparable period last year, traced to higher procurement of both durable and non-durable goods. Durable goods rose by 8.6 percent due to increased imports of passenger cars and motorized cycle, and miscellaneous manufactures. Meanwhile, non-durable consumer imports rose by 9.7 percent on account mainly of rice imports (65.0 percent); fruits and vegetables (34.6 percent); and fish & fish preparation (30.8 percent).



▪ Trade-in-Services

The deficit in trade-in-services continues to narrow.

Transactions in trade-in-services during the first quarter of 2006 improved by 98.9 percent with the deficit down to only US$4 million from US$358 million in the same period last year. This was due largely to higher net inflows on travel, communication, passenger transportation, computer and information, and personal, cultural and recreational services. Other business services, specifically miscellaneous business, professional and technical services reverted to a net inflow due to the significant increase in export earnings largely from business process outsourcing (BPO) activities such as contact centers. In the case of travel, receipts in the first three months of the year grew by 56.1 percent with the sustained robustness of the tourism industry. The Department of Tourism continued to boost inbound travel to the country with intensified marketing efforts such as promotions and participations in international consumer events in order to ensure Philippine presence in key source markets like China, Korea, Taiwan and Japan, among others. In the first three months of 2006, tourist arrivals registered a 13.0 percent increment to reach 726,912, comparing favorably with an 11.0 percent growth in the same quarter a year ago. These positive developments were complemented by the lower net outflows for freight and other transportation services.

▪ Income

The income account registers a higher deficit.

The income account in the first quarter of 2006 posted a higher deficit of US$214 million compared to year-ago deficit of US$94 million, attributed mainly to lower remittances from resident OFWs and net repayment of dividends and profits.[4] During the quarter in review, the net inflow of compensation of employees contracted by 16.4 percent to US$636 million from the year-ago level of US$761 million due to the significant decline in the number of deployed resident OFWs, specifically overseas performing artists in Japan following the restrictive effects of Japan's new immigration rules. The impact was, however, moderated by the 11.2 percent increase in the deployment of sea-based OFWs in the first three months of

[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.

the year. In addition, direct investment income posted a higher net outflow of US$305 million following net outlays of dividends and profits to investors on their direct equity investments. These developments negated the improvement in the portfolio investment income as it posted a lower net outflow of US$337 million during the quarter owing to the increased net receipts on investment income on bonds and notes held by the monetary authority (Table 4).

▪ Current Transfers

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

Net current transfers receipts in the first quarter of 2006 expanded to US$2.953 billion from the year-ago level of US$2.539 billion. This developed on account of the strong remittances from non-resident OFWs which reached US$2.730 billion during the quarter in review. The 14.2 percent expansion was due mainly to the continued deployment of highly-skilled and higher paid overseas workers (e.g., engineers, production-related workers, and service providers). A large part of remittances was coursed through commercial banks because of their enhanced banking services such as the introduction of improved modes of remittance transfers (internet and on-line banking), promotional campaigns (give-aways and better offered rates), establishment of additional remittance centers in host countries and strengthened tie-ups with foreign money transfer agents.[5] Meanwhile, net receipts of current transfers from foreign government institutions as well as gifts and donations from migrants also contributed to the 16.3 percent improvement of the current transfers account (Table 5).

➢ Capital and Financial Account

First quarter capital and financial account surplus declines slightly.

The capital and financial account remained in surplus in the first quarter of 2006 at US$1.451 billion. This was, however, slightly lower by 6.7 percent compared to the US$1.556 billion surplus realized in the same quarter in 2005. The reduction in the capital and financial account balance resulted from the reversal in the other investment account, tempering the effect of higher surpluses posted by both direct and portfolio investment. A big part of the net outflow in the other investment account was a result of net repayment of the country's loans.

[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 surplus narrows.

The capital account surplus narrowed to US$9 million during the first quarter of 2006 from US$14 million in the same quarter last year. This developed as net capital transfers to the other sectors reversed to a deficit following net outward transfers by migrants and other sectors (Table 6).[6]

▪ Direct Investment

Direct investment flows higher with increased non-residents' investments.

The direct investment account surplus widened to US$398 million or a year-on-year growth of 10.6 percent in the first quarter of 2006. Non-residents' investments at US$430 million stood 11.4 percent higher than the level posted in the same quarter in 2005 as the other capital account—representing primarily inter-company accounts between investee companies and their corresponding foreign direct investors—reversed to a net inflow of US$224 million. The reinvested earnings account likewise grew by 29.4 percent as foreign banks preferred to retain their earnings in their local branches.

Non-residents' equity placements, though lower compared to the same quarter a year ago, remained substantial at US$184 million and were invested in the following sectors: manufacturing (e.g., chemical and health products, air conditioning systems), construction, real estate, and banking. Major investors during the reference quarter were the U.S. and Japan. The sustained FDI flows reflect the positive investor sentiment due in part to the Government's efforts to improve the country's fiscal position and healthy macroeconomic fundamentals.

▪ Portfolio Investments

First quarter portfolio investment surplus widens.

The portfolio investment account surplus at US$2.162 billion in the first quarter of 2006 was more than twice higher than the US$899 million realized in the comparable quarter a year ago. This was achieved with lower resident banks' investment in bonds and notes abroad, as well as withdrawals by private corporations of their debt securities holdings abroad. Also contributing to this development was the higher non-residents' subscription to the bond/note flotation made by the National

[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.

Government amounting to US$2.103 billion and the net resale to non-residents of domestic banks' holdings of foreign currency-denominated Philippine debt papers amounting to US$101 million. There were also Investments in initial public offerings (IPOs) listed during the review quarter, though lower in volume compared to the same quarter in 2005. These transactions were, however, partly offset by the net bond repayments made by private corporations amounting to US$147 million.

Providing the stimulus to an enhanced investment environment were a number of factors: a) favorable corporate earnings results; b) better-than-expected fiscal position with the implementation of the increase in VAT from 10% to 12% last 1 February 2006; c) preliminary news of robust fourth quarter 2005 real GDP growth; d) peso appreciation on account of the robust OFW remittances and continued receipts from exports; e) improved ratings outlook by credit rating agencies such as S&P, FITCH, including CALPERS; and f) easing inflation rate. These positive developments overshadowed the knee-jerk reaction to the brief political noise in February.

▪ Financial Derivatives

Financial derivatives post higher deficit.

The deficit incurred in the trading of financial derivatives widened to US$72 million in the first quarter from US$42 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 reverses to a deficit with higher loan repayments and net withdrawal by non-residents of their currency and deposit placements in local banks.

The other investment account reversed to a deficit of US$1.046 billion in the first quarter of 2006 from a surplus of US$325 million a year ago. The following brought about the reversal in the other investment account: 1) higher net loan repayments by domestic commercial banks (US$705 million); 2) lower loan availments by the National Government;[7] and 3) net withdrawal by non-residents of their currency and deposit placements with local banks.

[7] NG borrowings were mainly in the form of bonds/notes which were reflected under portfolio investments.

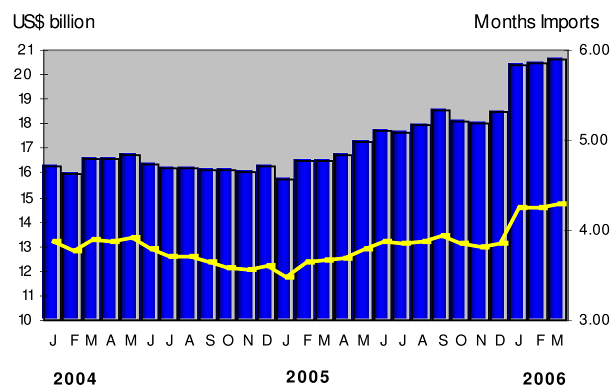
➢ Reserve Assets

Gross international reserves remain sufficient to cover liquidity requirements.

The BSP's gross international reserves (GIR), including reserve position in the IMF, reached US$20.645 billion as of end-March 2006 (Table 12). This level was 11.6 percent higher compared to the end-December 2005 level of US$18.494 billion. At this level, GIR remained comfortable and was equivalent to 4.3 months' worth of imports of goods and payment of services and income (MIGSI). In terms of debt coverage, the reserve level was 3.3 times the amount of the country's short-term external liabilities based on original maturity and 1.7 times based on residual maturity.[8]

A large part of reserves was in the form of foreign investments (83.4 percent), with the balance in gold (13.5 percent), foreign exchange (2.5 percent) and combined SDRs and reserve position in the Fund (0.6 percent). By currency composition, reserves (excluding gold) were in US dollars (83.9 percent), in Euros (7.5 percent), in Japanese yen (4.1 percent), in pounds sterling (2.2 percent) and the balance of 2.3 percent in other foreign currencies.

Gross International Reserves
2004 - March 2006
As of end-periods indicated



➢ Exchange Rate

Improved market sentiments strengthen the peso.

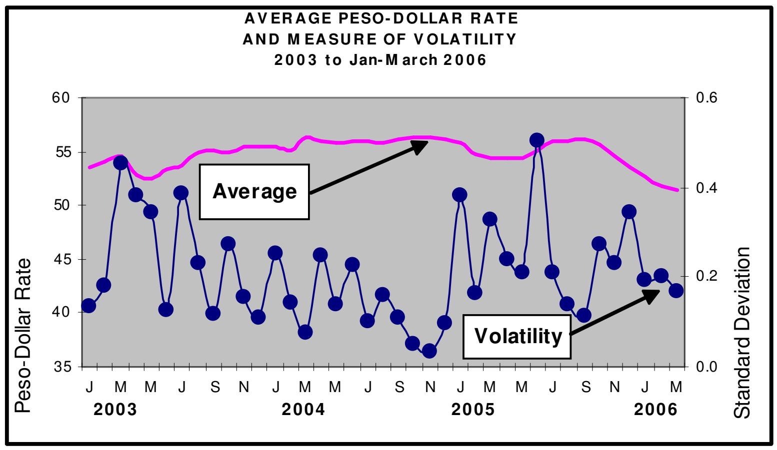
The nominal peso-dollar exchange rate averaged ₱51.88/US$1 in the first quarter of 2006, appreciating by 6.0 percent from last year's level of ₱55.01/US$1. The continued strong performance of the peso was attributed to sustained

[8] 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.

foreign exchange inflows from foreign direct and portfolio investments and remittances from overseas Filipino workers (OFWs). This was further boosted by positive market sentiments, due in turn, to the country's healthy macroeconomic fundamentals and the better-than-expected fiscal position.

Peso's volatility same as last year.

The peso's volatility in the first quarter of the year at a standard deviation of ₱0.61 nearly matched the year-ago deviation of ₱0.64. The peso-dollar exchange rate ranged from ₱53.06/US$1 to ₱50.96/US$1 during the three-month period.



Peso external competitiveness weakens.

Compared with the previous year's level, the peso's average nominal effective exchange rate (NEER) index in the first quarter of 2006 appreciated by 11.8 percent against the currency basket of the country's major trading partners.[9] Relative to currency baskets of the broad and narrow groups of competitor countries, the peso's average NEER also appreciated by 5.6 percent and 6.1 percent, respectively.[10] In terms of the real effective exchange rate (REER) index,[11] the peso lost external price competitiveness as the REER appreciated by 17.4 percent against the currency basket of the country's major trading partners, by 7.3 percent against the currencies in the broad basket, and by 2.7 percent against the currencies in the narrow basket. The peso's nominal appreciation combined with the widening inflation differentials

[9] 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.

[10] 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

[11] The REER index is derived from the NEER index by adjusting for inflation 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. Notwithstanding, it was observed, however, that the REER for the first quarter did not differ much from the levels posted in 2000 when economic variables such as GDP, exports and inflation were observed to be favorable.

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	96.99	137.80
	Feb	11.19	27.36	52.55	53.03	95.55	136.06
	Mar	11.30	27.46	52.94	53.38	96.28	137.86
	Qtr 1	**11.27**	**27.50**	**52.78**	**53.37**	**96.27**	**137.24**
	Apr	11.43	27.60	53.46	54.15	96.43	137.51
	May	11.55	28.26	55.18	54.83	99.66	144.86
	Jun	11.41	28.58	56.65	54.92	103.61	152.36
	Qtr 2	**11.47**	**28.15**	**55.10**	**54.63**	**99.90**	**144.91**
	Jul	11.38	28.26	55.39	55.52	104.18	150.85
	Aug	11.46	28.58	56.33	56.08	105.73	154.68
	Sep	11.38	28.26	55.77	55.96	103.67	152.20
	Qtr 3	**11.41**	**28.37**	**55.83**	**55.85**	**104.53**	**152.58**
	Oct	11.25	28.05	55.31	55.30	102.16	149.77
	Nov	11.02	27.61	54.82	54.66	102.56	148.72
	Dec	10.92	27.63	55.41	54.67	102.56	151.07
	Qtr 4	**11.06**	**27.76**	**55.18**	**54.88**	**102.43**	**149.85**
Ave	**Jan-Dec**	**11.30**	**27.94**	**54.72**	**54.68**	**100.78**	**146.14**
2005	Jan	11.05	27.74	55.76	55.79	102.97	150.32
	Feb	11.32	28.14	56.70	57.10	103.77	152.13
	Mar	11.34	28.36	57.61	57.01	104.60	153.95
	Qtr 1	**11.24**	**28.08**	**56.69**	**56.63**	**103.78**	**152.13**
	Apr	11.45	28.70	58.54	57.60	105.67	154.78
	May	11.53	28.64	58.41	58.27	106.43	157.94
	Jun	11.56	28.49	58.33	58.88	107.89	160.19
	Qtr 2	**11.52**	**28.61**	**58.43**	**58.25**	**106.66**	**157.64**
	Jul	11.51	28.47	58.35	59.00	108.89	160.70
	Aug	11.42	28.51	58.74	58.64	109.20	162.54
	Sep	11.39	28.83	58.58	58.37	109.00	163.02
	Qtr 3	**11.44**	**28.60**	**58.89**	**58.67**	**109.03**	**162.09**
	Oct	11.65	29.02	59.52	59.80	107.21	155.34
	Nov	12.06	29.56	60.54	62.78	111.43	158.03
	Dec	12.26	29.74	60.80	64.05	117.76	159.77
	Qtr 4	**11.99**	**29.44**	**60.29**	**62.21**	**110.13**	**157.71**
Ave	**Jan-Dec**	**11.55**	**28.68**	**58.57**	**58.94**	**107.40**	**157.39**
2006	Jan	12.33	29.50	60.20	64.93	110.58	156.47
	Feb	12.64	29.61	60.09	67.12 E/	111.43 E/	156.26 E/
	Mar	12.75	29.80	60.13	67.39 E/	112.16 E/	155.88 E/
	Qtr 1	**12.57**	**29.64**	**60.14**	**66.48**	**111.39**	**156.20**

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.