BALANCE OF PAYMENTS DEVELOPMENTS

Second Quarter 2008 Developments

Overall BOP Position

Q2 2008 BOP sustains surplus.

The balance of payments (BOP) yielded a surplus of US$221 million in Q2 2008. This was, however, 87.3 percent lower than the US$1.7 billion surplus registered in the same quarter a year ago. While the capital and financial account reversed to a net inflow, the current account surplus was reduced by more than half the level recorded a year ago (Table 1).

It was noted that 2007 was an exceptional year capped by ample foreign exchange liquidity from strong overseas Filipinos' remittances and foreign investments. In the first half of 2008, however, the external environment was characterized by high oil and food prices in the world commodities market, as reflected in a higher import bill for the country, resulting in increased trade-in-goods deficit and a lower current account surplus. In the capital market, risk aversion prevailed among investors in view of the lingering global financial market uncertainties that manifested in net outflows in portfolio investment.

Balance of Payments (in million US$)

	Q2		Growth
	2008	**2007**	**Rate (%)**
Current Account	823	1671	-50.7
Capital & Fin'l Account	442	-395	211.9
Net Unclassified Items	-1044	458	-327.9
Overall BOP	**221**	**1734**	**-87.3**

Current Account

Current account remains in surplus, buoyed by current transfers, income and services receipts.

The current account remained in surplus at US$823 million (equivalent to 1.9 percent of GDP), supported by increased net receipts from current transfers, income and services. However, the surplus was lower by 50.7 percent compared to the level in the same quarter in 2007, mainly due to higher trade-in-goods deficit.

- **Trade-in-Goods**

The trade-in-goods deficit increases.

The trade-in-goods deficit widened by 76.1 percent, to reach US$3.7 billion from US$2.1 billion a year ago, as the growth in merchandise imports at 15.5 percent outpaced that of merchandise exports at 5.2 percent.

❖ Exports of Goods

Exports of goods continue to expand.

Total exports of goods rose to US$12.9 billion during the quarter from US$12.2 billion a year ago.[1]

The major commodities which contributed to the export growth during the quarter in review were:

- Manufactured goods, comprising more than four-fifths (82.9 percent) of total goods exports, grew by 3.7 percent year-on-year to reach US$10.8 billion due to the following developments:

  a) Electronics, accounting for about two-thirds (or 61.0 percent) of total exports, increased to US$8.0 billion in Q2 2008, compared to US$7.8 billion a year ago. The 1.6 percent expansion was due to higher exports of: i) electronic data processing machines (5.5 percent); ii) automotive electronics (65.9 percent); iii) consumer electronics (30.1 percent); and iv) other electronics (41.1 percent). These were moderated by a 4.0 percent decline in semiconductors exports (representing 70.7 percent of total electronics exports) following continued price pressure in the memory sector of the world semiconductor market due to strong competition among global manufacturers.

  b) Other manufactures posted gains over their year-ago levels, such as machinery and transport equipment (14.4 percent), processed food and beverages (45.6 percent), and wood manufactures (16.3 percent).

  c) Meanwhile, garments, the third leading export commodity, raked in US$475 million export receipts compared to US$533 million in the same period a year ago. The weak performance can be traced largely to the termination of the quota regime resulting in sterner competition from low-cost suppliers such as China and Bangladesh.

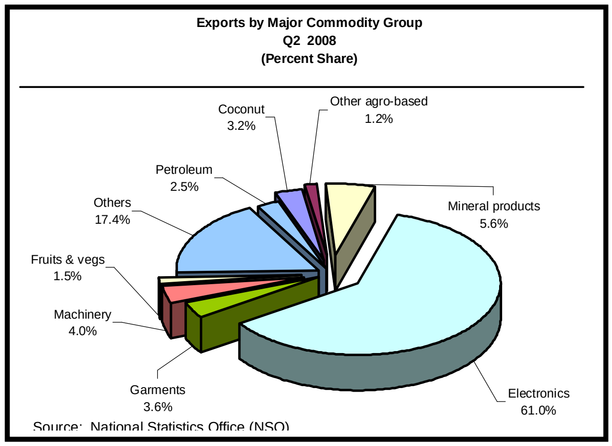
- Agricultural products, mainly coconut and other agro-based goods also performed favorably during the quarter. In particular, shipments of coconut products expanded by 68.9 percent, remarkably better than the 10.5 percent growth registered in the same quarter last year. This was attributable largely to the more than 80 percent increase in coconut oil exports, which benefitted primarily from a 78.5 percent increase in average price. Meanwhile, exports of other agro-based products grew by 26.2 percent, mainly

[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)

from higher shipments of fresh or preserved fish.

The continued improvement in the production of agricultural products was the result of the Department of Agriculture's (DA) implementation of its five-point farm program that aims to accelerate farm growth and raise rural income through market expansion and diversification activities.

- Petroleum products exports increased by 1.3 percent to reach US$320 million from US$316 million in the same quarter a year ago.



❖ Imports of Goods

Growth in imports of goods accelerates.

Imports of goods posted a double-digit growth of 15.5 percent, to reach US$16.5 billion from the year-ago level of US$14.3 billion, as imports of all major commodity groups rose (Table 2.2).[2]

- Imports of mineral fuels and lubricants increased by 43.6 percent to US$3.4 billion due to higher imports of petroleum crude and other mineral fuels and lubricants. Importation of petroleum crude increased by 49.4 percent to US$2.2 billion following the 66.5 percent rise in average price from US$69.0 to US$114.9 per barrel. On the other hand, importation of other mineral fuels and lubricant grew by 41.5 percent to US$1.2 billion as volume increased by 44.9 percent.

- Imports of consumer goods registered the highest expansion rate at 62.5 percent to reach US$1.9 billion. Non-durable goods imports rose by 85.5 percent due

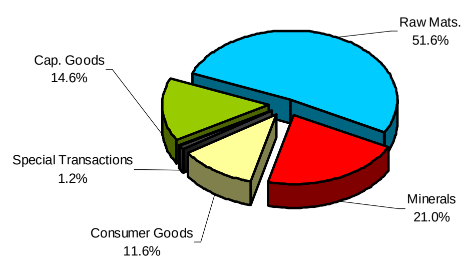
[2] Based on BPM5 concept (i.e., excluding from the National Statistics Office (NSO) foreign trade figures those goods that did not involve change in ownership); imports per BOP also reflect: a) upward adjustments on the valuation of consigned raw materials; b) OF remittances in kind; and c) military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

mainly to higher purchases of rice. Rice imports surged to US$693 million from only US$194 million in the comparable quarter last year due to increases in both the rice volume and import price. The volume of rice imports climbed by 73.3 percent following the government and private sector's efforts to increase rice buffer stock. The augmentation of buffer stocking this year was intended to fill in the anticipated deficiency in domestic rice production during the traditional lean months (July to September) and the typhoon season. On the other hand, imports of durable goods grew by 29.8 percent following higher procurement of passenger cars and motorized cycles (36.8 percent), home appliances (22.2 percent), and miscellaneous manufactures (21.9 percent) such as wrist and pocket watches, and other furnitures and parts.

- Imports of raw materials and intermediate goods, which comprised the bulk of total imports (51.6 percent), posted a modest increment of 2.5 percent, to reach US$8.4 billion. Contributing to this increase were higher purchases of chemicals (40.7 percent), manufactured goods, (8.2 percent) notably iron & steel, and paper & paper products, and feeding stuff for animals (75.6 percent). These increases were moderated by the lower procurement of raw material inputs for the manufacture of electronics goods, which contracted by 7.0 percent. These goods comprised more than half (58.7 percent) of total raw materials & intermediate goods.

- Capital goods imports went up by 6.3 percent to US$2.4 billion, due largely to increased purchases of power-generating & specialized machines (17.6 percent), office and EDP machines (6.6 percent), and land transport equipment excluding passenger cars and motorized cycle (18.2 percent).

Imports by Major Commodity Group
Q2 2008
(Percent Share)



Source: National Statistics Office (NSO)

▪ Trade-in-Services

The trade-in-services account registers a higher surplus.

The trade-in-services account posted a surplus of US$183 million in Q2 2008. The almost threefold increase from the year-ago surplus of US$62 million was a result mainly of the combined impact of: a) higher net receipts from computer and information, and other business services, particularly, business, professional, technical and miscellaneous services; and b) lower net outflow in financial and personal, cultural and recreational services. These positive developments more than compensated for the decline in net inflows from travel, communication and construction services as well as the increase in net outflows from transportation, royalties and fees, insurance, and government services (Table 3). Net receipts from computer and information services surged to US$105 million (from only US$1 million in the previous year), while those from miscellaneous, business, professional and technical services amounted to US$414 million (from US$107 million) due mainly to the rise in revenues from business process outsourcing (BPO) related-activities.[3] The boom in outsourcing operations, notably contact centers, software development, medical transcriptions and animation, continued to gain headway with the Philippines remaining one of the preferred locations, particularly for voice communication and other high-value offshoring activities, due to the English language facility of Filipino workers, other manpower skills, strong telecommunications infrastructure, tax breaks and relatively low wages.

The Philippine BPO industry is on track to meet its revenue growth target of 39 percent in 2008 boosted primarily by strong demand for back office, engineering and financial services. The industry crafted the 2010 BPO Roadmap– a strategic plan to maximize the country's pool of human resources and infrastructure in the global outsourcing and offshoring services–with the goal of capturing 10 percent of the global market share by 2010 through comprehensive initiatives mainly in education, training and infrastructure to strengthen the Philippines' position as a top BPO destination.[4]

▪ Income

The income account posts a hefty surplus.

The income account surplus expanded by 61.7 percent to US$$414 million. This positive development resulted mainly from: a) higher gross earnings of resident overseas Filipino

[3] The increase may also be partly attributed to better capture of BPO data during the period, with the inclusion of the results from the Survey of IT and IT-Enabled Services.
[4] According to the Business Processing Association of the Philippines (BPA/P), the industry has 8.9 percent share of the global market in 2007.

workers (OFWs)[5] which reached US$1.1 billion, or a year-on-year expansion of 46.8 percent; and b) higher net income receipts from holdings of foreign debt securities, particularly by the BSP (amounting to US$229 million) (Table 4). The surplus was, however, moderated by interest payments on loans of some private corporations.

▪ Current Transfers

Higher OF remittances strengthen the current transfers account.

Net receipts from current transfers increased by 13.3 percent, to US$3.9 billion from the year-ago level, boosted primarily by the 16.2 percent increase in remittances from non-resident OFs to US$3.8 billion (Table 5).[4] Robust remittance flows were shored up by strong overseas demand for Filipino workers due to the diversity and quality of skills they offer. The level of remittances also drew strong support from the expanded presence of local banks and non-bank remittance agents in countries with large concentration of OFs, as these remittance entities forged stronger partnerships and ties with foreign counterparts.

Capital and Financial Account

Capital and financial account registers net inflow.

The capital and financial account in Q2 2008 reversed to a net inflow of US$442 million from a net outflow of US$395 million posted a year ago. The significant improvement arose from the reversal of the direct investment account to a net inflow and the recording of gains in financial derivatives transactions from the losses posted last year, which more than offset the net outflow in the portfolio investment account. The net inflow in the other investment account, meanwhile, slightly increased during the quarter.

▪ Capital Account

The capital account reverses to a net inflow.

The capital account reversed to a net inflow of US$9 million, from a net outflow of US$21 million recorded in the same quarter last year. It is instructive to note that the net outflow in 2007 was due to one-time payment made for the acquisition of non-financial assets, in particular, a trademark of a private manufacturing company (Table 6).[6]

[5] Under the BPM5, the residency of workers such as OFWs is classified according to the length of their stay in the host economy. OFWs who work for less than one year are classified as resident OFWs (e.g., performing artists and sea-based workers) and their gross earnings are reflected under the Income account. Meanwhile, OFWs who work for one year or more in the host economy are classified as non-resident OFWs (i.e., all land-based workers, except performing artists) and their remittances are reported under the Current Transfers account.

[6] The capital account consists largely of capital transfers. Capital transfers are transactions that involve the change in the stock of assets attributed to transactions such as disposal and acquisition of fixed assets. By contrast, current transfers involve transactions that affect the level of disposable income and influence consumption of goods and services.

▪ Direct Investment

Direct investment posts significant gains.

The direct investment account in Q2 2008 reversed to a net inflow of US$216 million, recovering from a net outflow of US$2.7 billion realized in the same period a year ago. The improvement was largely on account of lower equity capital placements abroad by residents (US$77 million) from US$3.3 billion last year. It may be noted that in June 2007, a large outflow (US$3.0 billion) was recorded following the acquisition by a resident company of shares of a foreign power company abroad.

Non-residents' investments declined to US$293 million, from US$545 million in the same quarter in 2007, attributable mainly to the more than 60 percent contraction in net equity capital placements (US$334 million). The investment environment was weighed down by the generally cautious stance of foreign investors due to concerns on lingering global financial market stresses and effects on global demand, and the downturn in many advanced economies (Table 7). Gross equity capital placements came primarily from the US, Japan, Singapore, South Korea, Germany and Malaysia, and were infused mainly to the manufacturing, services, mining, and construction industries. By contrast, non-residents' other capital investments recorded a lower net outflow of US$120 million from US$456 million a year ago, on account of trade credits extended to affiliates abroad, and intercompany loan availments by local subsidiaries from parent companies.

▪ Portfolio Investments

Portfolio investment reverses to a net outflow.

Portfolio investments in Q2 2008 reversed to a net outflow of US$636 million from a net inflow of US$1.7 billion recorded in the comparable quarter in 2007. Contributory factors include:

a) net withdrawal by non-residents of their investments in equity securities issued by private corporations (US$225 million); and

b) repayment of bonds issued by the National Government (NG) (US$740 million) and private corporations (US$381 million). [7]

These outflows were, however, mitigated by inflows from maturing debt securities placements abroad (US$1.0 billion) by local banks.

The weaker portfolio investments in Q2 2008 largely emanated from the global financial uncertainties and

[7] Include bond prepayments of the private sector amounting to US$237 million.

expectations of rising inflation, with risk averse investors remaining in the sidelines to await positive market news/leads. Trading in the Philippine stock market was sluggish, exhibiting volatilities during the review quarter on concerns of a weaker US economy. This was evidenced by a decline in the trading volume to 82,978 million shares from 308,551 million shares in the same quarter in 2007. The composite index during the quarter in review likewise contracted to 2,679 from 3,469 (Q2 2007).

▪ Financial Derivatives

Financial derivatives' trading realizes gains.

Banks' trading in financial derivatives resulted in a net gain of US$61 million, a turnaround from the loss of US$90 million realized same quarter last year (Table 9).

▪ Other Investments

The other investment account shows marginal improvement.

The net inflows in other investments increased marginally by 8.8 percent year-on-year to US$792 million. This development resulted mainly from inflows coming from the following:

a) maturing loan placements abroad by resident offshore banking units (OBUs) (US$202 million);

b) withdrawals of currency and deposits abroad by resident corporates (US$69 million);

c) trade credits extended by non-residents to private corporations (US$1.1 billion);[8]

d) foreign loan availments by the NG (US$467 million), corporations (US$802 million), and banks (US$353 million); and

e) currency and deposit placements by non-residents (US$252 million).

Compensating for these inflows were the loan repayments made by the NG (US$242 million), banks (US$808 million), and the private sector (US$703 million). [9]

[8] The trade credits extended by foreign companies were primarily short-term loan availments made by the private sector in Q2 2008 to finance oil importations following the continued rise in oil prices.

[9] Include loan prepayments of the private (US$321 million) and the public sector (US$261 million) borrowers.

January–June 2008 Developments

Overall BOP Position

BOP for the first half of the year yields a surplus.

The BOP yielded a surplus of US$1.9 billion in the first six months of 2008. This level, however, was 39.3 percent lower compared to the US$3.2 billion surplus in the same period in 2007. Both the current account and the capital and financial account recorded surpluses during the period, but the balance in the former was lower by more than half the level recorded in the first semester a year ago. (Table 1).

Balance of Payments (in million US$)	Jan-June 2008	Jan-June 2007	Growth Rate (%)
Current Account	1707	3580	-52.3
Capital & Fin'l Account	1197	144	731.3
Net Unclassified Items	-970	-537	-80.6
Overall BOP	**1934**	**3187**	**-39.3**

Current Account

The current account registers a lower surplus.

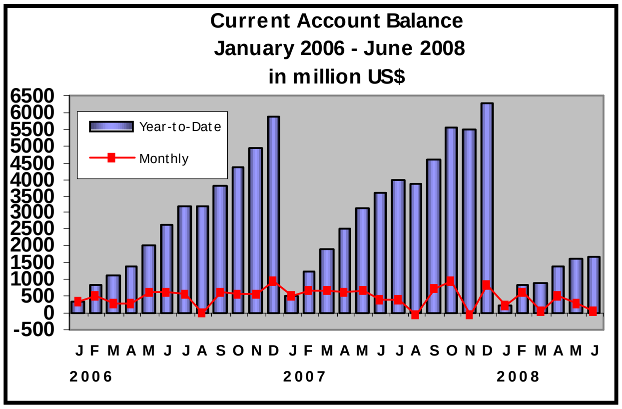
The current account registered a surplus of US$1.7 billion (2.0 percent of GDP), lower by 52.3 percent from the previous year's surplus of US$3.6 billion. The decline in the current account balance reflected mainly the higher deficit in trade-in-goods, which more than offset the improvements in the current transfers, services and income accounts.

- Net current transfers receipts grew year-on-year by 9.9 percent, on account of the 12.1 percent rise in remittances of non-resident OFs to reach US$7.2 billion in the first semester of 2008.[10]
- The surplus in the services account rose by more than twofold, to US$653 million from US$308 million, due mainly to higher net receipts from computer and information (from US$5 million to US$192 million) and other business services (from US$144 million to US$923 million).
- The deficit in the income account narrowed by 83.3 percent to US$68 million, due mainly to higher gross earnings of resident OFWs which accelerated by 44.5 percent to reach US$2.1 billion.

Meanwhile, the trade-in-goods deficit widened by more than twofold, to reach US$6.4 billion from last year's

[10] Total cash remittances coursed through the banking system from all OFWs (residents as well as non-residents) totaled US$8.2 billion.

deficit of US$3.2 billion. The higher deficit was due to the acceleration of import growth to 15.5 percent, while exports growth was more subdued at 4.1 percent. All major import commodities grew during the first half of the year, with purchases of consumer goods and mineral fuels & lubricants posting the highest growth rates of 58.2 percent and 60.6 percent, respectively.



Capital and Financial Account

Capital and financial account posts higher net inflow in the first half.

The capital and financial account recorded a sizeable increase in net inflows, aggregating US$1.2 billion in the first semester of 2008, from US$144 million in the same period in 2007. Behind the strong net inflow in the capital and financial account was the reversal of both direct and other investment accounts to a net inflow, which negated the net outflow recorded in the portfolio investment account.

- The direct investment account in the first half of the year recovered to a US$742 million net inflow, from a US$1.4 billion net outflow a year ago due mainly to lower residents' equity capital placements abroad amounting to US$71 million from US$3.3 billion in the comparable semester in 2007. [11] These were partly offset by lower net non-resident investment inflows, particularly, in equity capital (US$487 million).

- The other investment account recorded a net inflow of US$643 million in the first semester, a turnaround from the net outflow of US$632 million a year ago. This resulted from the following:

  1. Repayment of loans by non-residents (US$1.5 billion) and withdrawal of currency and deposit placements (US$266 million) abroad by residents;

  2. Higher currency and deposit placements of non-residents in local banks (US$636 million); and

[11] This was used mainly to purchase shares of a foreign power company in June 2007.

3. Long-term loan availments by private corporations (US$1.0 billion); and loan availments by local banks (of which US$853 million were of short-term maturity and US$240 milllion were long-term).

Partly mitigating the impact of these inflows were the loan repayments made by the NG (US$571 million), banks (US$808 million) and private corporations (US$1.4 billion). [12]

- The portfolio investment account posted a net outflow of US$191 million during the semester, a turnaround from the US$2.3 billion net inflow recorded in the comparable quarter in 2007. These transactions arose from the following:

1. Bond repayments by the NG (US$740 million) and private sectors (US$660 million)[13] and net bond repayment by local banks (US$236 million); and

2. Net withdrawal by non-residents of equity securities placements with private companies (US$386 million).

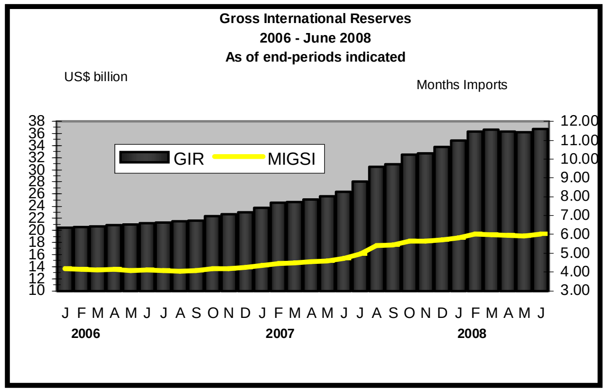
These outflows were cushioned by maturing debt securities placements by residents abroad aggregating US$2.0 billion.

Reserve Assets

Gross international reserves continue to build up.

The country continued to build up its gross international reserves (GIR) amid global financial market fragilities in the first semester of 2008. The GIR rose to US$36.7 billion as of end-June 2008, higher by 8.8 percent compared to the end-December 2007 level of US$33.8 billion (Table 12). At this level, reserves were equivalent to 6.0 months' worth of imports of goods and payment of services and income (import cover). In terms of short-term external debt coverage, the reserves level was 5.1 times the amount of the country's short-term external liabilities based on original maturity and 2.9 times based on residual maturity.[14]

[12] The amount includes prepayment of loans made by the private sector (US$580 million) and public sector (US$430 million).
[13] The amount includes prepayment of bonds made by the private sector (US$267 million).
[14] 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.



The bulk of reserves was held in the form of foreign investments (87.8 percent), with the balance in gold (10.8 percent), foreign exchange (1.0 percent) and combined SDRs and reserve position in the Fund (0.4 percent). By currency composition, reserves (excluding gold) were in US dollars (76.9 percent),[15] euros (7.2 percent), Japanese yen (14.9 percent), pound sterling (0.1 percent), and other foreign currencies (0.9 percent).

Exchange Rate

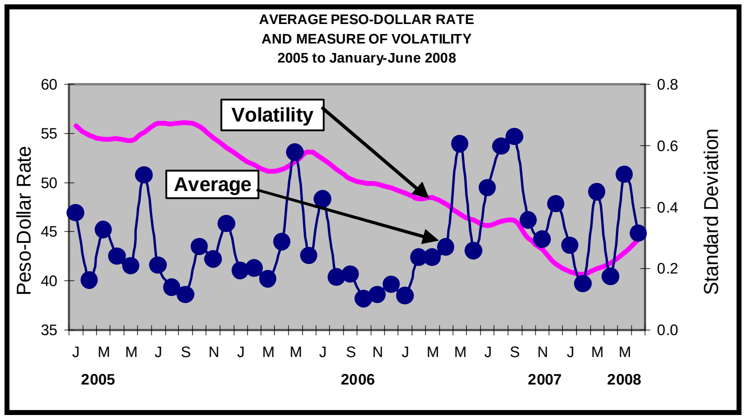
BOP surplus strengthens the peso.

The peso-dollar exchange rate averaged ₱43.00/US$1 in Q2 2008, appreciating by 9.1 percent compared to the average of ₱46.93/US$1 in Q2 2007.[16] On a cumulative basis, the peso averaged ₱41.98/US$1 in the first half of the year and was stronger by 13.8 percent from the ₱47.77/US$1 in the comparable period in 2007.[17] Strong foreign exchange inflows of overseas Filipinos' remittances, as well as sustained export earnings and foreign direct investments boosted the peso despite risks posed by global economic uncertainties.

Peso is more volatile in Q2 and in the first half of 2008.

The peso was relatively more volatile during the second quarter of the year compared to the same period last year. The standard deviation at ₱1.06 was higher compared to ₱0.79 in the same period in 2007. For the first six months of the year, the peso also showed more volatility, with a higher standard deviation of ₱1.30 compared to ₱1.04 in the same period in 2007. The peso-dollar exchange rate ranged from ₱44.76/US$1 to ₱40.36/US$1 during the first half of the year.

[15] Compared to the previous year, the bulk of reserves was held similarly in U.S. dollars (87.0 percent).
[16] Dollar rates or the reciprocal of the peso-dollar (reference) rates were used to compute for the year-on-year percent change.
[17] Relative to end-2007, the quarter and semestral average peso-dollar rates in 2008 were stronger by 7.3 percent and 9.9 percent, respectively.



The peso's external price competitiveness weakens.

Relative to last year's levels, the peso's average nominal effective exchange rate (NEER) index for Q2 2008 appreciated against the currency baskets of its major trading partners (MTPs) (by 1.1 percent) as well as against its broad and narrow competitor countries (by 9.2 percent and 10.1 percent, respectively).[18] In terms of the real effective exchange rate (REER), the peso lost some external price competitiveness in Q2 as the peso's REER index[19] increased by 7.2 percent, 12.2 percent and 11.5 percent against the baskets of currencies of MTPs and competitor countries in the broad and narrow series, respectively.

[18] The NEER index represents the weighted average exchange rate of the Philippine peso vis-à-vis a basket of foreign currencies such as the US dollar, Japanese yen, euro, and British pound. Major trading partners include the U.S., Japan, European Monetary Union and the U.K. The broad basket is composed of the currencies of Singapore, South Korea, Taiwan, Thailand, Malaysia, Indonesia, and Hong Kong, while the narrow basket is composed of the currencies of Indonesia, Malaysia, and Thailand.
[19] 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	
		MTP 1/	Broad 2/	Narrow 3/	MTP 1/	Broad 2/	Narrow 3/
2006	Jan	12.74	28.13	55.99	67.88	107.09	153.57
	Feb	13.05	28.25	55.92	70.07	107.89	153.49
	Mar	13.16	28.43	55.97	70.78	109.00	153.67
	Qtr 1	**12.98**	**28.27**	**55.96**	**69.58**	**108.00**	**153.58**
	Apr	13.02	27.91	54.68	69.79	106.30	148.13
	May	12.52	27.36	53.87	67.13	104.73	148.90
	June	12.38	27.39	54.36	66.92	106.77	152.28
	Qtr 2	**12.64**	**27.55**	**54.30**	**67.95**	**105.94**	**149.77**
	Jul	12.57	27.54	54.29	68.84	108.22	152.87
	Aug	12.78	28.07	55.16	70.13	110.82	156.62
	Sep	13.08	28.62	56.29	71.25	111.72	157.78
	Qtr 3	**12.81**	**28.08**	**55.25**	**70.07**	**110.25**	**155.76**
	Oct	13.26	28.90	56.86	72.51	111.56	157.45
	Nov	13.18	28.72	56.55	72.40	112.04	156.32
	Dec	13.16	28.66	56.33	72.12	112.00	155.07
	Qtr 4	**13.20**	**28.76**	**56.58**	**72.34**	**111.86**	**156.28**
Ave	**Jan-Dec**	**12.91**	**28.17**	**55.52**	**69.99**	**109.01**	**153.85**
2007	Jan	13.50	30.19	62.99	73.30	113.70	157.96
	Feb	13.63	30.44	63.27	73.51	113.70	156.93
	Mar	13.46	30.39	63.19	72.29	113.21	156.70
	Qtr 1	**13.53**	**30.34**	**63.15**	**73.03**	**113.54**	**157.20**
	Apr	13.59	30.62	63.51	72.87	113.64	155.55
	May	13.93	30.96	63.62	74.77	115.94	159.86
	Jun	14.21	31.58	65.18	76.83	120.05	166.06
	Qtr 2	**13.91**	**31.05**	**64.10**	**74.82**	**116.55**	**160.49**
	Jul	14.24	31.82	65.82	78.33	122.17	168.62
	Aug	14.02	32.08	67.01	77.28	123.11	172.58
	Sep	13.87	32.00	66.97	75.78	121.31	170.04
	Qtr 3	**14.04**	**31.97**	**66.60**	**77.13**	**122.20**	**170.41**
	Oct	14.32	32.64	68.02	78.07	121.44	170.44
	Nov	14.41	33.65	70.49	78.88	126.86	176.41
	Dec	15.01	34.94	73.07	82.62	131.17	183.81
	Qtr 4	**14.58**	**33.74**	**70.53**	**79.85**	**126.49**	**176.99**
Ave	**Jan-Dec**	**14.01**	**31.78**	**66.09**	**76.21**	**118.81**	**166.27**
2008	Jan	15.14	35.70	74.70	83.57	134.92	186.29
	Feb	15.22	36.64	74.42	83.85	132.97	183.80
	Mar	14.59	34.93	72.65	80.72	131.54	180.38
	Qtr 1	**14.98**	**35.42**	**73.92**	**82.72**	**133.14**	**183.49**
	Apr	14.36	34.48	71.77	80.87	130.76	177.93
	May	14.10	34.07	70.78	80.19	131.19	180.12
	Jun	13.73	33.13	69.14	79.51	130.48	178.76
	Qtr 2	**14.06**	**33.89**	**70.56**	**80.19**	**130.81**	**178.94**
Memo Items: **% Change, y-o-y**							
2007	**Qtr 1**	**4.24**	**7.32**	**12.85**	**4.96**	**5.13**	**2.36**
	Qtr 2	**10.05**	**12.70**	**18.05**	**10.11**	**10.02**	**7.16**
	Qtr 3	**9.60**	**13.85**	**20.54**	**10.08**	**10.84**	**9.41**
	Qtr 4	**10.45**	**17.32**	**24.66**	**10.38**	**13.08**	**13.25**
2008	**Qtr 1**	**10.72**	**16.74**	**17.05**	**13.27**	**17.26**	**16.72**
	Qtr 2	**1.08**	**9.15**	**10.08**	**7.18**	**12.24**	**11.50**

1/ Major trading partners: 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.