Fourth Quarter 2015 Developments

Overall BOP Position

Q4 2015 BOP position registers a higher surplus.

The country's balance of payments position registered a surplus of US$809 million in Q4 2015, higher than the US$574 million surplus posted in the same quarter the prior year. This developed as the current account remained in surplus while the financial account posted significantly lower net outflows (or net lending by residents to the rest of the world). The current account surplus was attributed mainly to increased net receipts in the primary income account.[1] Meanwhile, the marked decline in net outflows in the financial account arose mainly from the reversal of the portfolio investment account to net inflows in Q4 2015 from net outflows in Q4 2014, along with the lower net outflows recorded in the direct investment account. Uncertainties in the external environment continued to prevail as global economic growth prospects remained uneven. Even as economic activity in the US and the euro area strengthened, the prolonged economic weakness in China resulted in higher trade-in-goods deficit. The growing concerns related to the US interest rate lift-off have contributed toward increased investor risk perception and a flight to safe-haven assets causing non-residents' net withdrawals of investments in portfolio equity securities (Table 1).

Balance of Payments (in million US$)

	Q4	
	2015	**2014**
Current Account	3819	3792
Capital Account	23	29
Financial Account*	1404	3781
Net Unclassified Items	-1628	534
Overall BOP	**809**	**574**

*Positive balance in the financial account indicates net outflows while a negative balance indicates net inflows. The overall BOP position, therefore, is equal to the current account plus the capital account minus the financial account plus net unclassified items.

Current Account

Current account sustains surplus.

The current account registered a surplus of US$3.8 billion (equivalent to 4.8 percent of GDP) in Q4 2015, slightly lower than the surplus posted in the same quarter in 2014 stemming mainly from the decline in net receipts in the services and secondary income accounts combined with the widening of the trade-in-goods deficit.

❖ Trade-in-Goods

Trade-in-goods deficit widens.

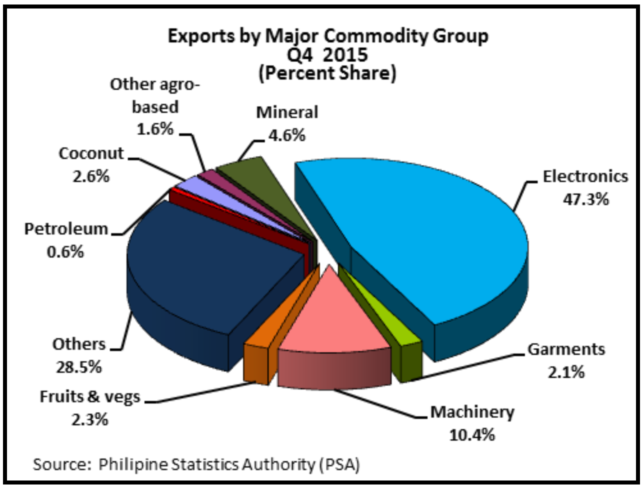
The trade-in-goods deficit widened by 4.9 percent to US$5.4 billion in Q4 2015 from US$5.1 billion in Q4 2014 as exports of goods declined

[1] Primary Income account (formerly the Income account) shows the flows for the use of labor and financial resources between resident and non-resident institutional units. Secondary Income account (formerly the Current Transfers account) shows current transfers, in cash or in kind, for nothing in return, between residents and non-residents.

faster than imports of goods (by -7.2 percent and -3.5 percent, respectively).

❖ Exports of Goods[2]

Exports of goods decrease. Exports of goods totaled US$11.1 billion in Q4 2015, 7.2 percent lower than the US$12 billion shipments recorded in the comparable quarter in 2014. Lower demand from the country's major trading partners such as China, Taiwan, Japan, Singapore and the US resulted in reduced shipments across all major commodity groups. Exports of manufactures decreased by 2.9 percent to US$9.8 billion on account largely of the drop in shipments of chemicals (by -39.4 percent), garments (by -44.5 percent), machinery and transport equipment (by -7 percent), and processed food and beverages (by -19.9 percent). Exports of mineral products, totaling US$507 million, fell by 33.3 percent owing mainly to the contraction in shipments of copper metal (by -72.7 percent) due to the decline in the world price of copper from US$6,632/metric ton in Q4 2014 to US$4,885 in Q4 2015. Exports of fruits and vegetables went down by 28.3 percent on account of lower shipments of bananas as a result of the effects of El Niño on banana production coupled with lesser export market for bananas (e.g., China and Korea already produce their own bananas)[3] (Table 2.1).



❖ Imports of Goods[2]

Imports of goods decline. Imports of goods aggregating US$16.5 billion in Q4 2015 were lower than the US$17.1 billion registered in the same quarter last year. The 3.5 percent decline in imports of goods was caused mainly by lower imports of mineral fuels and lubricants (by -32.2 percent) following the continued downtrend in the international prices of oil. In particular, decreased importations of petroleum crude (by -45 percent) and other mineral fuels and lubricants (by -27.8 percent) were recorded during the

[2] Based on BPM6 concept (excluding from the Philippine Statistics Authority (PSA) foreign trade statistics those goods that did not involve change in ownership): consigned goods are deducted, in addition to the exclusion of returned/replacement goods, and temporarily imported/exported goods. For example, of the total electronics exports, 17 percent are on consignment basis.

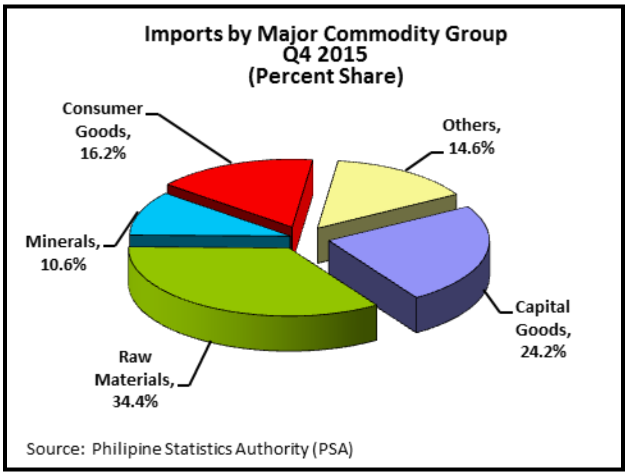
[3] From the Pilipino Banana Growers and Exporters Associations (PBGEA)

quarter even as import volume increased.[4]

Imports of raw materials and intermediate goods, which totaled US$5.7 billion in Q4 2015, also decreased by 3.1 percent due mainly to lower purchases of semi-processed raw materials (by -2.6 percent). Imports of chemicals, in particular, artificial resins, other chemicals, and chemical compounds contracted. Meanwhile, increments were posted in imports of materials/accessories for the manufacture of electronics (by 25 percent) and manufactured goods (by 6.6 percent) mainly metal products.

Imports of consumer goods amounting to US$2.7 billion slightly declined by 2.2 percent during the quarter as a result of lower purchases of non-durables (by -15.3 percent), specifically dairy products and other food and live animals chiefly for food.

By contrast, imports of capital goods grew by 27.6 percent on account largely of increased importation of power generating and specialized machines (by 23.1 percent) and telecommunication equipment and electrical machines (by 31.7 percent). The increase in purchases of capital goods are expected to support sustained growth of the economy.



▪ Trade-in-Services

Trade-in-services account posts lower net receipts.

The trade-in-services account registered net receipts amounting to US$2 billion in Q4 2015, 13.3 percent lower than the US$2.3 billion net receipts in Q4 2014. The decrease emanated largely from increased net payments for travel and insurance and pension services combined with lower net receipts from computer,[5] personal, cultural, and recreational, and construction services. Meanwhile, increased net receipts were posted in other business services (by 3.1 percent), the bulk of which were technical, trade-related and other business services amounting to US$3 billion.[6] Export revenues from business process outsourcing services

[4] Based on World Bank Commodities Price data, the average price of Dubai crude oil in Q4 2015 declined to US$41.2/barrel from US$74.6/barrel in Q4 2014.
[5] Include BPOs pertaining to software publishing and development.
[6] Include manufacturing services on physical inputs owned by others, mostly electronic products, and business process outsourcing (BPOs) pertaining mostly to contact centers, animation, and medical transcriptions.

expanded by 9.9 percent to reach US$4.7 billion in Q4 2015 from US$4.3 billion in Q4 2014. Financial services reversed to net receipts from net payments while lower net payments were recorded in transport services and charges for use of intellectual property.[7]

- **Primary Income**

Net receipts from primary income registers upturn.

The primary income account posted net receipts of US$1.3 billion in Q4 2015, rising threefold compared to the US$435 million net receipts in the same quarter in 2014. The marked increase was on account primarily of decreased net payments of investment income (by -53.6 percent), notably dividends to foreign direct and portfolio investors on their equity and investment fund shares in resident enterprises (by -68.1 percent and -40.5 percent, respectively). Interest payments on portfolio and other investments abroad by public and private corporations likewise declined during the quarter, particularly on bonds issued abroad (by -29.5 percent) and on foreign loans (by -35.8 percent) due to lower outstanding debt to non-residents. In addition, compensation inflows of resident overseas Filipino (OF) workers increased by 7.4 percent (US$1.9 billion).

- **Secondary Income**

Net receipts from secondary income post modest decline.

Net receipts in the secondary income account declined moderately to US$5.9 billion in Q4 2015 from US$6.2 billion in Q4 2014. The 4.6 percent drop was a result of lower net receipts in personal transfers (by -3.7 percent) to US$5.6 billion in Q4 2015. The bulk of these personal transfers came from non-resident OF workers' remittances (about 98 percent), which decreased by 3.7 percent to US$5.5 billion. Other current transfers, mainly gifts and donations also recorded lower net receipts (by -38.2 percent) (Table 5).

Capital Account

Capital account yields lower net receipts.

Net receipts in the capital account declined moderately to US$23 million in Q4 2015 from US$29 million in the same period a year ago. The bulk of these net receipts consists of other capital transfers mainly in the form of grants to the National Government (NG).

Financial Account

Financial account net outflows fall by more than half.

The financial account continued to register net outflows (or net lending by residents to the rest of the world) in Q4 2015 amounting US$1.4 billion. This was lower by 62.9 percent than the level posted in the same quarter in 2014. The decline in net outflows was due mainly to the reversal of portfolio investments to net inflows from net outflows in Q4 2014 as well as lower net outflows posted in the direct investment account. Meanwhile, the other investment account recorded higher net outflows during the quarter.

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[7] Based on BPM6, financial services consist of: a) explicitly charged and other financial services; and b) financial intermediation services indirectly measured (FISIM). FISIM refers to margins between interest payable and reference rate on loans and deposits.

- **Direct Investments**

Direct investment account posts lower net outflows.

The direct investment account recorded net outflows of US$7 million in the last quarter of 2015, 99.3 percent lower than the US$978 million net outflows in the same quarter of the previous year. Residents' net acquisition of financial assets of US$1.2 billion slightly exceeded (by US$7 million) their net incurrence of liabilities (foreign direct investments in the Philippines or FDI). FDI declined by 13.2 percent to settle at US$1.2 billion during the quarter due mainly to the drop in non-residents' net placements of equity capital and reinvestment of earnings by 53.3 percent (to US$402 million) and 5.4 percent (to US$172 million), respectively. Gross placements of equity capital, which decreased by 54.4 percent came mainly from the Netherlands, South Korea, Singapore, the United States, Japan, and Taiwan. These capital infusions were directed to manufacturing, financial and insurance, construction, real estate, wholesale and retail trade, and electricity, gas, steam and air conditioning supply. Nonetheless, non-residents' net investments in debt instruments (or intercompany borrowings) increased by 88.2 percent to US$615 million. Residents' net acquisition of financial assets also declined by 49.1 percent as their net placements of equity capital abroad dropped by 64.4 percent (to US$570 million) and their net lending to non-resident affiliates/subsidiaries fell by 16.4 percent (to US$626 million) during the quarter.

- **Portfolio Investments**

Portfolio investment account reverses to net inflows.

Portfolio investments registered net inflows amounting to US$361 million in Q4 2015 from US$1.4 billion net outflows in the comparable quarter in 2014. This resulted from the combined impact of residents' net disposal of financial assets amounting to US$107 million (from net acquisition of US$1.2 billion) and net incurrence of liabilities of US$254 million (from net repayment of US$271 million). Residents' net disposal of financial assets arose mainly from net proceeds from the redemption of foreign-issued debt securities that were held by domestic private corporations (US$168 million) and local banks (US$127 million). Meanwhile, net incurrence of liabilities stemmed from non-residents' net placements in debt securities issued by local banks and the NG amounting to US$371 million and US$258 million, respectively.

- **Other Investments**

Net outflows of other investments rise.

Net outflows of other investments increased by 31.4 percent in Q4 2015 to reach US$1.8 billion from US$1.4 billion in the last quarter of 2014. This developed notwithstanding the 35.5 percent decline in residents' net acquisition of financial assets to US$2 billion. Net incurrence of liabilities declined by 89.3 percent to US$180 million, which consisted mainly of net availment of loans from non-resident creditors by local banks (US$966 million) and the NG (US$265 million). Meanwhile, residents' net acquisition of financial assets were mainly in the form of loans extended by local banks to non-resident borrowers (US$1.2 billion) and residents' net placements of currency and deposit abroad (US$770 million).

- **Financial Derivatives**

Trading in financial derivatives reverses to net gain.

The financial derivatives account posted a net gain of US$22 million in the last quarter of 2015, a reversal from the net loss of US$17 million in the same quarter a year ago (Table 9).

January–December 2015 Developments

BOP position for full year 2015 reverses to a surplus.

The BOP position for full year 2015 yielded a surplus of US$2.6 billion, a turnaround from the US$2.9 billion deficit posted in 2014. This positive outcome was underpinned by the substantial decline in net outflows in the financial account even as the current account surplus decreased. The reduction in net outflows in the financial account was due mainly to the reversal of the direct and other investment accounts to net inflows from net outflows in 2014 which more than offset the increase in net outflows in the portfolio investment account. Meanwhile, the sustained surplus in the current account was boosted by the increments in net receipts in the primary and secondary income accounts which negated the widening trade-in-goods deficit and the lower net receipts in trade-in-services (Table 1).

Balance of Payments (in million US$)

	Jan-Dec	
	2015	**2014**
Current Account	8396	10756
Capital Account	82	108
Financial Account	2523	9631
Net Unclassified Items	-3338	-4091
Overall BOP	**2616**	**-2858**

Current Account

The current account registers lower surplus.

The current account remained in surplus at US$8.4 billion (2.9 percent of GDP) in 2015, albeit lower compared to US$10.8 billion (3.8 percent of GDP) in 2014. The 21.9 percent decline in the current account surplus was due primarily to the widening of the trade-in-goods deficit and contraction in net services receipts.

- The trade-in-goods deficit for 2015 rose by 25.2 percent to US$21.7 billion as the decline in exports of goods (by -13.1 percent) outpaced the contraction in imports of goods (by -3.2 percent). Global trade volatility in 2015 was driven by weak demand in emerging economies compounded by falling commodity prices and China's transition to a new growth path. Exports of goods fell to US$43.3 billion in 2015 from US$49.8 billion in 2014 as exports across all major commodity groups registered declines. Exports of manufactured goods dropped by 10.2 percent owing largely to decreased shipments of non-consigned electronics, chemicals, processed food and beverages, garments, and machinery and transport equipment. Lower shipments of mineral products and fruits and vegetables also contributed to the downturn in total exports in 2015.

- Imports of goods contracted by 3.2 percent to US$65 billion in 2015 from US$67.2 billion in 2014 stemming mainly from lower imports of mineral fuel and lubricants (by -40.1 percent). Following the continued fall in international market prices of crude oil, imports of other mineral fuels and lubricants and petroleum crude declined by 45.2 percent and 37.9 percent, respectively. The international price of Dubai crude oil averaged US$ 51.2/barrel in 2015 from US$96.7/barrel in 2014.

  Meanwhile, increases were posted in imports of capital goods (by 19.1 percent), particularly power generating and specialized machines; consumer goods (by 12.3 percent), specifically durables; and raw materials and intermediate goods (by 4.7 percent), largely materials and accessories for the manufacture of electronic products (by 22.6 percent) and manufactured goods (by 10.8 percent), particularly metal products and non-metallic mineral manufactures. Increased imports of capital goods and raw materials and intermediate goods will support domestic production activities for consumption and exports.

- Net receipts in the trade-in-services account amounted to US$4.2 billion in 2015, 7.3 percent lower than the US$4.6 billion net receipts recorded in 2014. The contraction was caused mainly by higher net payments for travel, charges for use of intellectual property, insurance and pension, government goods and services, along with lower net receipts in telecommunications, computer and information services, and the reversal of personal, cultural and recreational services to net payments from net receipts. These services outlays were tempered by increased net receipts from technical, trade-related and other business services,[8] combined with decreased net payments for financial and transport services.

- The primary income account registered net receipts of US$2.3 billion, more than thrice the US$727 million net receipts in 2014. This was attributed mainly to reduced net payments in investment income (by -18.2 percent) on both direct and portfolio investments. Higher net interest receipts from intercompany borrowings as well as lower net outlays for dividends and reinvested earnings on direct investments were recorded during the period. The improvement in the primary income account also resulted from the continued expansion in earnings of resident OF workers (by 5.6 percent) to reach US$7.7 billion in 2015 from US$7.3 billion in

[8] Total BPO receipts for full year 2015 amounted to US$17.3 billion, 10.6 percent higher than the US$15.6 billion in 2014.

2014.

- Net receipts in the secondary income account grew by 3.2 percent to US$23.5 billion, buoyed mainly by the 4.4 percent increase in remittances of non-resident OF workers amounting to US$21.7 billion.

Capital Account

Capital account net receipts fall.

Cumulative net receipts of the capital account reached US$82 million in 2015. This was lower by 24.3 percent than the US$108 million recorded in 2014, due mainly to the decline in capital transfers to the NG.

Financial Account

The financial account shows lower net outflows.

The financial account yielded net outflows (or net lending of residents to the rest of the world) of US$2.5 billion in 2015, markedly lower by 73.8 percent than the US$9.6 billion net outflows in 2014. This development was attributed mainly to the reversal of the direct and other investment accounts to net inflows, which tempered the higher net outflows in portfolio investments.

Direct investment account. The direct investment account recorded net inflows of US$122 million during the year, reversing the US$1 billion net outflows posted in 2014. This was brought about by the 17.1 percent drop in resident’s net acquisition of financial assets to US$5.6 billion as all components registered declines during the year. Meanwhile, net inflows of FDI fell slightly by 0.3 percent to reach US$5.7 billion as non-residents’ placements in debt instruments issued by local subsidiaries/affiliates (intercompany borrowing) decreased by 3.9 percent to US$3.1 billion and reinvestment of earnings dropped by 14.8 percent to US$747 million. Non-residents’ net placements of equity capital, however, rose by 15.1 percent, boosted by equity capital infusions from the United States, the Netherlands, Japan, the United Kingdom, and Singapore. The industries that benefited from these investments were manufacturing, financial and insurance, real estate, wholesale and retail trade, and construction.

Portfolio investment account. Net outflows of portfolio investments grew by 75.6 percent during the year to reach US$4.8 billion on account of higher net repayment of liabilities by residents (US$2.1 billion) coupled with the sustained net acquisition of financial assets (US$2.6 billion). Net repayment of liabilities consisted mainly of net redemption of debt securities issued by the NG (US$1.2 billion) and by local corporations (US$732 million) that were held by non-residents, as well as non-residents’ net withdrawal of investments in equity securities issued by domestic financial and non-financial corporations (US$756 million). The bulk of residents’ net acquisition of financial assets consisted of net placements by local banks in debt securities (US$2.2 billion) issued by non-residents.

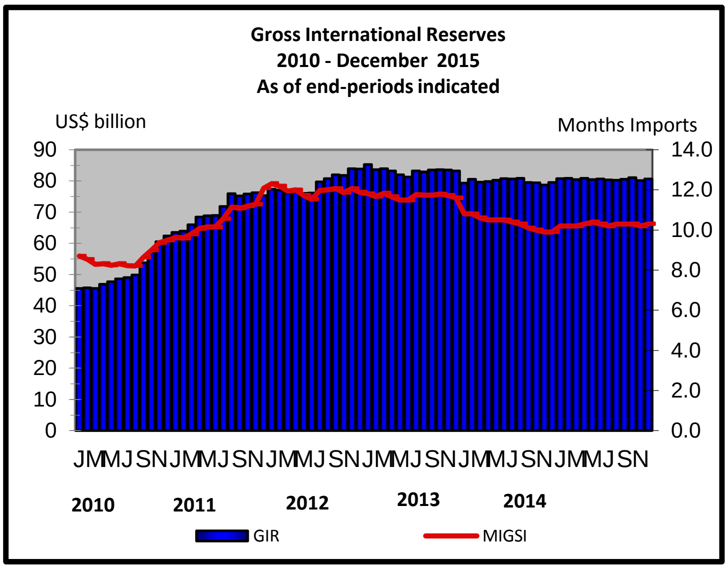
Other investment account. The other investment account recorded net inflows of US$2.1 billion, a reversal from the US$5.9 billion net outflows in 2014. On the asset side, net inflows resulted from non-residents' net repayment of loans extended by local banks (US$848 million) and residents' net withdrawal of currency and deposit placements in foreign banks (US$261 million). On the liabilities side, net inflows emanated from net loan availments by the NG (US$1.1 billion)[9] and domestic private corporations (US$852 million) from non-resident creditors.

Financial derivatives. Trading in financial derivatives resulted in net gain of US$33 million in 2015 from a net loss of US$4 million a year ago.

Reserve Assets

Gross international reserves remain ample.

The country's gross international reserves (GIR) amounted to US$80.67 billion as of end-December 2015, higher than the US$80.55 billion level as of end-September 2015 and US$79.54 billion as of end-December 2014. At this level, reserves could sufficiently cover 10.1 months' worth of imports of goods and payments of services and income. It was also equivalent to 5.3 times the country's short-term external debt based on original maturity and 3.9 times based on residual maturity.[10] The increase in reserves was mainly due to the net foreign currency deposits by the NG, foreign exchange operations of the BSP, and income from the BSP's investments abroad.



In terms of asset component, the bulk of international reserves (or 88.9 percent) was held in the form of foreign investments. Meanwhile, 8.3 percent of total GIR were held in gold and the remaining 2.8 percent were aggregated holdings of Special Drawing Rights (SDRs) (1.5 percent), foreign exchange (0.8 percent), and reserve position in the

[9] Fresh loan availments by the National Government in 2015 consisted of program loans from the Asian Development Bank extended through multilateral arrangements to fund the: a) Senior High School Support Program; and b) Increasing Competitiveness for Inclusive Growth Program.

[10] 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.

IMF (0.5 percent).

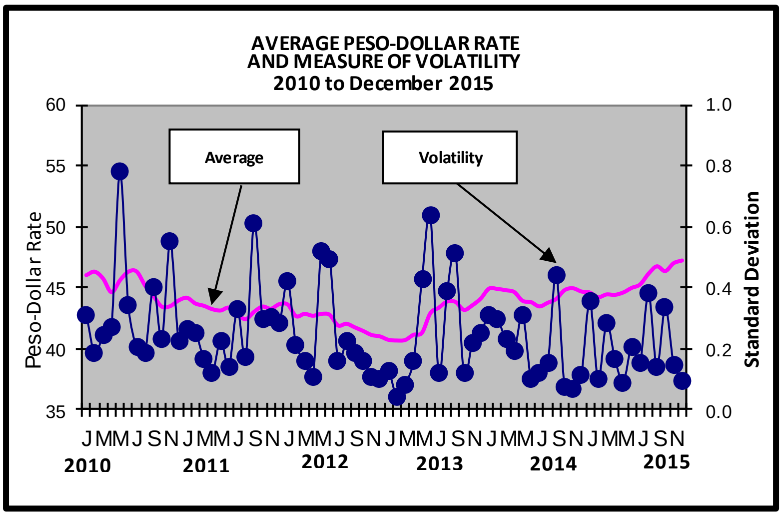
Exchange Rate

Peso depreciates against the US dollar in 2015.

The peso weakened by 1.7 percent to average ₱46.87/US$1 in Q4 2015, from ₱46.05/US$1 in Q3 2015, and by 4.4 percent from ₱44.81/US$1 in Q4 2014. Alongside with most Asian currencies, a depreciation of the peso (by -2.4 percent) to average ₱45.50/US$1 was recorded in 2015. The US Federal Reserve's increase in policy rates, the slower economic growth in China, and weak demand for Philippine exports contributed to the weakening of the peso. Nevertheless, the continued inflows of foreign exchange from overseas Filipino (OF) remittances, and foreign direct investments (FDI) provided some support to the peso.

Exchange rate volatility declines to ₱ 0.45 in Q4 2015 compared to Q3 2015.

The exchange rate registered lower volatility with a standard deviation of ₱0.45 in Q4 2015 from ₱0.67 in Q3 2015. However, Q4 2015 volatility was higher compared to Q4 2014 (at ₱0.14).



Peso loses its competitiveness against the baskets of currencies in MTPs, TPI-A, and TPI-D.

On a year-on-year basis, the peso's average nominal effective exchange rate (NEER) in Q4 2015 appreciated against the baskets of currencies of major trading partners (MTPs), trading partners in advanced (TPI-A) and developing (TPI-D) countries by 2.1 percent, 2.2 percent, and 2.0 percent, respectively. Meanwhile, the peso's real effective exchange rate (REER) index increased against the baskets of currencies in the MTPs, TPI-A and TPI-D by 2.2 percent, 2.8 percent, and 1.7 percent, respectively. On a real trade-weighted basis, the peso lost external competitiveness against the baskets of currencies of MTPs and TPI-A in Q4 2015 as the widening of the inflation differential reinforced the nominal appreciation of the peso vis-à-vis these baskets of currencies. Meanwhile, the peso also lost competitiveness against the basket of currencies of TPI-D as the narrowing of the inflation differential failed to offset the nominal peso appreciation against this basket of currencies.

NEW EFFECTIVE EXCHANGE RATE INDICES OF THE PESO

For periods indicated; December 1980=100

		NEER			REER		
			Trading Partners			Trading Partners	
		Overall[1/]	Advanced[2/]	Developing[3/]	Overall[1/]	Advanced[2/]	Developing[3/]
2014	Jan	14.67	11.95	23.44	87.94	83.88	114.67
	Feb	14.63	11.86	23.46	86.39	81.79	113.25
	Mar	14.65	11.85	23.54	85.66	80.46	112.93
	Qtr 1	14.65	11.89	23.48	86.66	82.04	113.62
	Apr	14.68	11.90	23.54	85.92	80.23	113.76
	May	14.89	12.07	23.88	87.16	81.07	115.72
	Jun	14.96	12.15	23.95	87.81	81.73	116.53
	Qtr 2	14.84	12.04	23.79	86.96	81.01	115.34
	Jul	15.03	12.24	24.02	87.64	82.21	115.66
	Aug	14.97	12.26	23.83	87.20	82.03	114.84
	Sep	15.06	12.49	23.75	87.29	82.95	114.13
	Qtr 3	15.02	12.33	23.87	87.38	82.40	114.88
	Oct	14.94	12.40	23.55	86.88	82.77	113.38
	Nov	15.18	12.79	23.69	88.19	85.48	113.67
	Dec	15.46	13.04	24.09	89.30	86.67	114.98
	Qtr 4	15.19	12.74	23.78	88.12	84.97	114.01
	Jan-Dec	**14.92**	**12.24**	**23.72**	**87.20**	**82.50**	**114.36**
2015	Jan	15.66	13.28	24.29	95.10	94.73	120.19
	Feb	15.88	13.51	24.61	95.00	94.65	120.05
	Mar	15.97	13.69	24.61	94.48	94.29	119.24
	Qtr 1	15.84	13.49	24.50	94.86	94.56	119.83
	Apr	15.89	13.68	24.39	94.24	94.02	118.97
	May	15.78	13.53	24.29	93.01	91.99	118.15
	Jun	15.78	13.55	24.28	92.88	91.95	117.89
	Qtr 2	15.82	13.59	24.32	93.38	92.65	118.34
	Jul	15.79	13.53	24.33	91.96	91.37	116.44
	Aug	15.68	13.24	24.42	91.01	88.86	116.69
	Sep	15.53	12.92	24.45	89.66	86.07	116.37
	Qtr 3	15.67	13.23	24.40	90.88	88.77	116.50
	Oct	15.57	13.02	24.42	90.13	87.00	116.51
	Nov	15.50	13.08	24.14	90.18	88.07	115.60
	Dec	15.46	12.97	24.19	89.79	87.09	115.68
	Qtr 4	15.51	13.02	24.25	90.03	87.38	115.93
	Jan-Dec	**15.70**	**13.33**	**24.36**	**92.24**	**90.76**	**117.60**
			Memo Items: % Change, y-o-y				
2014	Qtr 1	-6.63	-5.93	-7.15	-4.64	-3.29	-5.59
	Qtr2	-4.43	-5.07	-3.96	-2.64	-3.11	-2.29
	Qtr3	0.46	1.68	-0.41	3.03	4.42	2.03
	Qtr 4	1.84	5.13	-0.46	3.68	7.29	1.16
	Jan-Dec	**-2.23**	**-1.16**	**-2.99**	**-0.28**	**1.14**	**-1.29**
2015	Qtr 1	8.10	13.52	4.35	9.46	15.25	5.47
	Qtr 2	6.55	12.86	2.22	7.37	14.37	2.60
	Qtr 3	4.32	7.29	2.23	4.01	7.73	1.41
	Qtr 4	2.09	2.21	1.99	2.17	2.84	1.68
	Jan-Dec	**5.25**	**8.91**	**2.69**	**5.77**	**10.00**	**2.83**

1/ Australia, Euro Area, U.S., Japan, Hong Kong, Taiwan, Thailand, Indonesia, Malaysia, Singapore, South Korea, China, Saudi Arabia, and U.A.E.
2/ U.S., Japan, Euro Area, and Australia
3/ Hong Kong, Taiwan, Thailand, Indonesia, Malaysia, Singapore, South Korea, China, Saudi Arabia, and U.A.E.

Selected ASEAN External Account Indicators

ASEAN Selected External Account Indicators										
	Philippines		Thailand		Indonesia		Singapore		Malaysia	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Current Account (as % of GDP)	2.9	3.8	8.8	3.7	-2.1	-3.1	19.6	17.4	2.9	4.3
Exports of goods (as % of GDP)	14.8	17.5	53.8	55.5	17.2	19.7	128.9	128.9	59.4	58.8
FDI (in billion US$)	5.7	5.7	4.8	6.1	18.7	25.2	65.3	68.5	9.8	10.6
FDI (as % of GDP)	2.0	2.0	- -	- -	-25.8	8.1	22.3	22.3	0.9	3.1
GIR Import cover (in months)	10.1	9.9	10.6	9.4	6.5	5.7	10.0	8.4	6.5	6.7

-- Less than 0.1 percent

Among selected countries in the ASEAN region, Singapore and Thailand registered the highest current account balance as percent of GDP in 2015 while Indonesia continued to post a deficit. Exports as percent of GDP were appreciably higher in Singapore, Malaysia and Thailand, indicating their relatively high dependence on merchandise trade. The Philippines, meanwhile, has diversified into other sources of growth for the current account, making it less prone to volatilities in global merchandise trade. Other drivers of growth are travel and BPO services, apart from OF remittances. With respect to FDI, while the Philippines pales in comparison to other ASEAN countries as far as the level of FDI is concerned, the country is second to Singapore when FDI is measured as a ratio of GDP. Singapore’s FDI as percent of GDP stood as 22.3 percent followed by that of the Philippines at 2 percent. In terms of months’ worth of imports of goods and payments of services and income, the GIR level of Thailand, Philippines, and Singapore could adequately cover more than 10 months compared to Indonesia and Malaysia at 6 months.