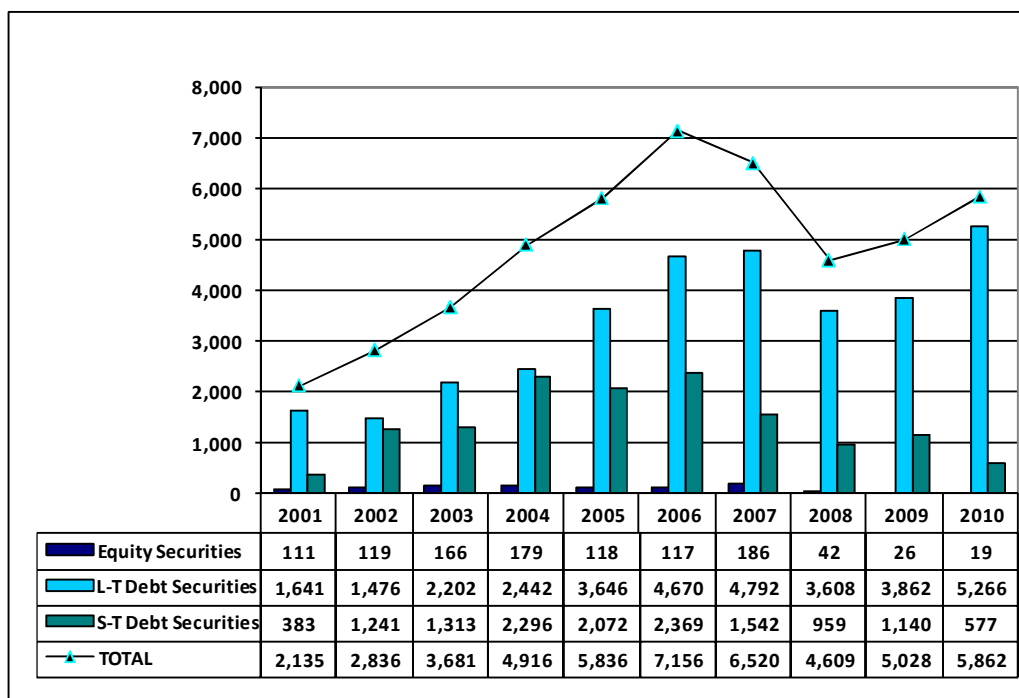


Summary Results of the 2010 Coordinated Portfolio Investment Survey

Residents' total foreign portfolio investments increase. Residents' portfolio investments abroad, consisting of holdings of equity and debt securities issued by unrelated¹ non-residents, reached US\$5.9 billion as of end-2010, higher by 16.6 percent than the US\$5.0 billion recorded in end-2009. Compared to the 9.1 percent growth registered in 2009, the rebound was stronger in 2010, with resident investors increasing their placements abroad as global economic conditions started to recover. In particular, residents' holdings of long-term debt securities, in the form of bonds and treasury notes/others, grew strongly by 36.4 percent.

Chart 1.
Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Instrument
In million US dollars



¹ A non-resident counterparty is considered as unrelated to the resident enterprise if the counterparty has an equity interest of less than 10 percent in the enterprise, or vice-versa. If the counterparty's share is 10 percent or more in the resident enterprise's equity, it is considered a related non-resident. In the latter case, transactions in equities and debt securities between the counterparty and the resident enterprise are classified as direct investments.

Residents' foreign portfolio investments are mainly in the form of long-term debt securities holdings. Debt securities held by residents accounted for the bulk (99.7 percent) of total foreign portfolio investments. The remaining 0.3 percent were placed in equity securities. As of end-2010, 90 percent of the debt securities were of long tenor while about one-tenth have short-term maturities. Long-term debt securities contributed 27.9 percentage points to the 16.6 percent growth in total foreign portfolio investments, partially offsetting the negative contribution to growth of short-term debt securities.

Table 1.
Philippines' Investment in Securities Issued by Unrelated Non-Residents
As of Periods Indicated
In million US dollars

By instrument	end-2010	end-2009	Annual % change	Percentage points contribution to change	% share to total	
					end-2010	end-2009
Equity Securities	19.4	26.1	-25.5	-0.1	0.3	0.5
Shares in Mutual Funds & Inv. Trusts	0.3	0.0	0.0	0.0	0.0	0.0
Stocks/Others	19.1	26.1	-26.6	-0.1	0.3	0.5
Debt Securities	5,842.7	5,001.4	16.8	16.7	99.7	99.5
Long-Term Debt Securities	5,265.8	3,861.5	36.4	27.9	89.8	76.8
Bonds	3,826.8	2,553.2	49.9	25.3	65.3	50.8
Treasury Notes/Others	1,439.0	1,308.3	10.0	2.6	24.5	26.0
Short-Term Debt Securities	576.8	1,139.9	-49.4	-11.2	9.8	22.7
Treasury Bills	187.0	762.0	-75.5	-11.4	3.2	15.2
Comm'l and Financial Papers/Others	389.8	377.9	3.2	0.2	6.6	7.5
TOTAL	5,862.1	5,027.4	16.6	16.6	100.0	100.0

The U.S. remains as the top country-issuer of securities held by residents, but its share to the total declines. Securities issued by the U.S. continued to account for the biggest proportion of residents' portfolio investments, at 30.9 percent as of end-2010. This represented, however, a substantial decrease from the 48.9 percent share registered in end-2009. Issuances by Indonesia accounted for the second largest share at 11.9 percent in end-2010, higher than the 0.1 percent share as of end-2009. The third largest country-issuer of residents' foreign portfolio investments in end-2010 was the United Kingdom with share of 8.6 percent. In terms of year-on-year growth, residents' holdings of U.S.-issued securities declined by 26.2 percent, a reversal of the 35.7 percent increase in 2009. This represented a negative 12.8 percentage points contribution to the 16.6 percent total growth in residents' holdings of foreign-issued securities. Meanwhile, holdings of securities issued by other countries contributed positively to growth, namely, those of Indonesia, China, Germany, Cayman Islands, Hong Kong,

Australia and Luxembourg. Their contribution to growth ranged from 2.0 to 6.3 percentage points.

Table 2.
Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Country of Issuer of Securities
As of Periods Indicated
In million US dollars

By country of issuer of securities	end-2010	end-2009	Annual % change	Percentage points contribution to change	% share to total	
					end-2010	end-2009
United States	1,813.8	2,457.8	-26.2	-12.8	30.9	48.9
Indonesia	697.5	381.3	82.9	6.3	11.9	7.6
United Kingdom	506.4	428.8	18.1	1.5	8.6	8.5
China	271.5	43.3	527.3	4.5	4.6	0.9
Germany	254.8	13.3	1814.9	4.8	4.3	0.3
Cayman Islands	223.8	124.9	79.2	2.0	3.8	2.5
Hong Kong	217.1	77.7	179.3	2.8	3.7	1.5
Australia	207.3	92.0	125.3	2.3	3.5	1.8
Luxembourg	173.2	38.0	355.2	2.7	3.0	0.8
Korea	169.3	182.8	-7.4	-0.3	2.9	3.6
Singapore	143.0	160.9	-11.1	-0.4	2.4	3.2
International Organization	75.6	100.5	-24.8	-0.5	1.3	2.0
Other Asian Countries	256.3	246.0	4.2	0.2	4.4	4.9
All Other Countries	852.5	680.0	25.4	3.4	14.5	13.5
TOTAL	5,862.1	5,027.4	16.6	16.6	100.0	100.0

Holdings of securities by residents continue to be predominantly denominated in U.S. dollars. Residents' foreign portfolio investments remained mostly denominated in U.S. dollars, at 95.3 percent of total holdings in end-2010. The rest of residents' investments were denominated in Euro (1.6 percent), Japanese yen (1.2 percent), Philippine peso (1.0 percent), and in other currencies such as the British pound, Australian dollar and Singapore dollar (in smaller percentages). Compared to end-2009, the currency composition of residents' holdings of securities remained broadly steady, except for the Euro, which declined by 14.2 percent as a result of the sovereign debt crisis in the Eurozone.

Table 3.
Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Currency
As of Periods Indicated
In Million US Dollars

Currency	All Securities		% Share to Total	
	end-2010	end-2009	end-2010	end-2009
US Dollars (USD)	5,585.1	4,740.1	95.3	94.3
Euro (EUR)	93.6	109.1	1.6	2.2
Japanese Yen (JPY)	67.5	56.0	1.2	1.1
UK/British Pound (GBP)	5.2	5.4	0.1	0.1
Australian Dollars (AUD)	41.9	11.6	0.7	0.2
Brazilian real (BRL)	0.9	26.4	0.0	0.5
Canadian Dollar (CAD)	2.1	0.0	0.0	0.0
Hong Kong Dollar (HKD)	0.5	0.0	0.0	0.0
India Rupee (INR)	0.0	0.0	0.0	0.0
Korean Won (KRW)	0.0	8.7	0.0	0.2
Malaysian Ringgit (MYR)	0.0	1.1	0.0	0.0
Philippine Peso (PHP)	60.2	66.4	1.0	1.3
Singapore Dollar (SGD)	4.7	2.5	0.1	0.1
Swiss Franc (CHF)	0.4	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0
Total	5,862.1	5,027.4	100.0	100.0

Banks regain the top spot among non-resident issuers of securities held by residents. Residents' investments in securities issued by foreign banks accounted for the highest share at 30 percent as of end-2010. In 2007-2008, banks accounted for the largest share of non-resident issuers of securities held by residents but were sidelined by foreign governments in 2009, as a result of the significant impact of the global financial crisis on the banking sector. Foreign governments emerged as the second highest issuer of securities at 27.2 percent, followed by non-financial corporations at 20.1 percent, and non-bank financial corporations at 15.7 percent. A substantial increase in the share of foreign non-financial corporations' issuances was observed, doubling its 10.5 percent share in 2009 due to the 124.2 percent rise in the holdings of securities issued by this sector. Issuances by foreign non-financial corporations also contributed largely (at 13 percentage points) to the total 16.6 percent increase in residents' foreign portfolio investments during the period. There was also a notable increase of 224.1 percent in residents' holdings of foreign central banks' issuances, although its contribution to the total increase was only 4.7 percentage points.

Table 4.
Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Sector of Non-Resident Issuer
As of Periods Indicated
In million US dollars

Sector of non-resident issuer	end-2010	end-2009	Annual % change	Percentage points contribution to change	% share to total	
					end-2010	end-2009
Bank	1,755.8	1,408.5	24.7	6.9	30.0	28.0
Non-bank financial Corporation	917.9	1,397.3	-34.3	-9.5	15.7	27.8
Non-financial corporation	1,180.8	526.7	124.2	13.0	20.1	10.5
Foreign government	1,593.4	1,490.3	6.9	2.1	27.2	29.0
Foreign central bank	338.6	104.5	224.1	4.7	5.8	2.1
International organization	75.6	100.3	-24.6	-0.5	1.3	2.0
TOTAL	5,862.1	5,027.4	16.6	16.6	100.0	100.0

Residents' foreign portfolio investments record holding gains. As of end-2010, residents' foreign portfolio investments registered total holding gains of US\$62.0 million, of which US\$42.3 million was realized and the remaining US\$19.7 million was unrealized. Holding gains amounting to US\$27.4 million were mainly realized on long-term debt securities. Resident holders of foreign securities generated holding gains as the market value or yield of securities increased with the continued decline in global interest rates.

**Table 1: Philippines' Investment in Securities Issued by Unrelated Non-Residents
As of Periods Indicated
Levels (In Million US Dollars)**

Instrument	end-2001	end-2002	end-2003	end-2004	end-2005	end-2006	end-2007	end-2008	end-2009	end-2010
TOTAL	2,134.97	2,835.66	3,680.66	4,915.99	5,835.77	7,155.77	6,519.54	4,609.07	5,027.44	5,862.08
Equity Securities	110.8	118.6	166.0	178.6	117.5	117.2	185.8	42.4	26.1	19.4
Shares in Mutual Funds & Investment Trusts	25.7	42.6	74.4	71.5	69.8	71.1	9.1	4.4	0.0	0.3
Stocks/Others	85.2	76.0	91.6	107.1	47.7	46.1	176.7	38.0	26.1	19.1
Debt Securities	2,024.1	2,717.0	3,514.6	4,737.4	5,718.3	7,038.6	6,333.8	4,566.7	5,001.4	5,842.7
Long-Term Debt Securities	1,641.3	1,476.0	2,201.8	2,441.6	3,645.8	4,669.9	4,792.0	3,607.7	3,861.5	5,265.8
Bonds	252.5	240.6	435.7	930.4	1,510.8	2,554.9	3,259.2	2,441.2	2,553.2	3,826.8
Treasury Notes/Others	1,388.8	1,235.4	1,766.0	1,511.2	2,135.0	2,115.0	1,532.8	1,166.4	1,308.3	1,439.0
Short-Term Debt Securities	382.9	1,241.1	1,312.9	2,295.8	2,072.4	2,368.7	1,541.8	959.1	1,139.9	576.8
Treasury Bills	61.2	498.8	165.3	821.3	437.2	741.8	826.4	712.0	762.0	187.0
Commercial and Financial Papers/Others	321.7	742.2	1,147.6	1,474.5	1,635.2	1,626.9	715.4	247.1	377.9	389.8
Percent Share to Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Equity Securities	5.2	4.2	4.5	3.6	2.0	1.6	2.8	0.9	0.5	0.3
Shares in Mutual Funds & Investment Trusts	1.2	1.5	2.0	1.5	1.2	1.0	0.1	0.1	0.0	0.0
Stocks/Others	4.0	2.7	2.5	2.2	0.8	0.6	2.7	0.8	0.5	0.3
Debt Securities	94.8	95.8	95.5	96.4	98.0	98.4	97.2	99.1	99.5	99.7
Long-Term Debt Securities	76.9	52.0	59.8	49.7	62.5	65.3	73.5	78.3	76.8	89.8
Bonds	11.8	8.5	11.8	18.9	25.9	35.7	50.0	53.0	50.8	65.3
Treasury Notes/Others	65.1	43.6	48.0	30.7	36.6	29.6	23.5	25.3	26.0	24.5
Short-Term Debt Securities	17.9	43.8	35.7	46.7	35.5	33.1	23.6	20.8	22.7	9.8
Treasury Bills	2.9	17.6	4.5	16.7	7.5	10.4	12.7	15.4	15.2	3.2
Commercial and Financial Papers/Others	15.1	26.2	31.2	30.0	28.0	22.7	11.0	5.4	7.5	6.6
Annual Percent Change		32.8	29.8	33.6	18.7	22.6	-8.9	-29.3	9.1	16.6
Equity Securities		7.1	39.9	7.6	-34.2	-0.3	58.5	-77.2	-38.4	-25.5
Shares in Mutual Funds & Investment Trusts		66.0	74.6	-3.9	-2.4	1.9	-87.2	-52.1	-100.0	0.0
Stocks/Others		-10.7	20.5	16.9	-55.5	-3.4	283.3	-78.5	-31.4	-26.6
Debt Securities		34.2	29.4	34.8	20.7	23.1	-10.0	-27.9	9.5	16.8
Long-Term Debt Securities		-10.1	49.2	10.9	49.3	28.1	2.6	-24.7	7.0	36.4
Bonds		-4.7	81.1	113.5	62.4	69.1	27.6	-25.1	4.6	49.9
Treasury Notes/Others		-11.1	43.0	-14.4	41.3	-0.9	-27.5	-23.9	12.2	10.0
Short-Term Debt Securities		224.2	5.8	74.9	-9.7	14.3	-34.9	-37.8	18.9	-49.4
Treasury Bills		715.7	-66.9	397.0	-46.8	69.7	11.4	-13.8	7.0	-75.5
Commercial and Financial Papers/Others		130.7	54.6	28.5	10.9	-0.5	-56.0	-65.5	52.9	3.2
Percentage Points Contribution to Annual Change		32.8	29.8	33.6	18.7	22.6	-8.9	-29.3	9.1	16.6
Equity Securities		0.4	1.7	0.3	-1.2	0.0	1.0	-2.2	-0.4	-0.1
Shares in Mutual Funds & Investment Trusts		0.8	1.1	-0.1	0.0	0.0	-0.9	-0.1	-0.1	0.0
Stocks/Others		-0.4	0.6	0.4	-1.2	0.0	1.8	-2.1	-0.3	-0.1
Debt Securities		32.5	28.1	33.2	20.0	22.6	-9.8	-27.1	9.4	16.7
Long-Term Debt Securities		-7.7	25.6	6.5	24.5	17.5	1.7	-18.2	5.5	27.9
Bonds		-0.6	6.9	13.4	11.8	17.9	9.8	-12.5	2.4	25.3
Treasury Notes/Others		-7.2	18.7	-6.9	12.7	-0.3	-8.1	-5.6	3.1	2.6
Short-Term Debt Securities		40.2	2.5	26.7	-4.5	5.1	-11.6	-8.9	3.9	-11.2
Treasury Bills		20.5	-11.8	17.8	-7.8	5.2	1.2	-1.8	1.1	-11.4
Commercial and Financial Papers/Others		19.7	14.3	8.9	3.3	-0.1	-12.7	-7.2	2.8	0.2

**Table 2: Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Country of Issuer of Securities
As of Periods Indicated
Levels (In Million US Dollars)**

Country of Issuer of Securities	end-2001	end-2002	end-2003	end-2004	end-2005	end-2006	end-2007	end-2008	end-2009	end-2010	
Total	2,134.9	2,835.6	3,680.7	4,916.0	5,835.8	7,155.8	6,519.5	4,609.1	5,027.4	5,862.1	
United States	1,844.2	2,305.9	2,535.1	3,212.0	2,712.9	3,090.8	2,368.5	1,811.8	2,457.8	1,813.8	
Indonesia	3.0	4.0	4.0	3.0	8.0	5.6	48.6	116.0	381.3	697.5	
United Kingdom	24.1	142.9	391.4	472.9	431.2	588.3	870.0	734.9	428.8	506.4	
China	0.0	3.1	3.1	1.7	40.8	36.2	53.1	45.3	43.3	271.5	
Germany	15.6	31.0	51.0	223.7	208.0	217.9	143.6	26.8	13.3	254.8	
Cayman Islands	27.3	15.7	17.5	17.9	178.1	245.8	297.4	253.2	124.9	223.8	
Hong Kong	25.0	98.3	141.7	57.4	114.2	237.2	155.1	106.3	77.7	217.1	
Australia	10.0	10.0	20.3	26.9	109.8	321.0	359.7	138.9	92.0	207.3	
Luxembourg	0.0	0.0	10.1	26.1	52.6	100.0	37.7	11.2	38.0	173.2	
Korea	6.5	14.8	36.5	52.2	62.3	66.1	169.7	67.2	182.8	169.3	
Singapore	61.6	49.8	30.4	26.4	627.7	621.7	500.8	178.1	160.9	143.0	
International Organization	0.0	0.0	15.3	5.8	18.1	22.6	157.1	91.5	100.5	75.6	
Other Asian Countries	32.8	36.3	71.2	73.2	322.3	336.0	474.1	165.8	246.0	256.3	
All Other Countries	84.7	124.0	353.2	716.8	949.8	1,266.7	884.0	862.1	680.0	852.5	
Percent Share to Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
United States	86.4	81.3	68.9	65.3	46.5	43.2	36.3	39.3	48.9	30.9	
Indonesia	0.1	0.1	0.1	0.1	0.1	0.1	0.7	2.5	7.6	11.9	
United Kingdom	1.1	5.0	10.6	9.6	7.4	8.2	13.3	15.9	8.5	8.6	
China	0.0	0.1	0.1	0.0	0.7	0.5	0.8	1.0	0.9	4.6	
Germany	0.7	1.1	1.4	4.6	3.6	3.0	2.2	0.6	0.3	4.3	
Cayman Islands	1.3	0.6	0.5	0.4	3.1	3.4	4.6	5.5	2.5	3.8	
Hong Kong	1.2	3.5	3.8	1.2	2.0	3.3	2.4	2.3	1.5	3.7	
Australia	0.5	0.4	0.6	0.5	1.9	4.5	5.5	3.0	1.8	3.5	
Luxembourg	0.0	0.0	0.3	0.5	0.9	1.4	0.6	0.2	0.8	3.0	
Korea	0.3	0.5	1.0	1.1	1.1	0.9	2.6	1.5	3.6	2.9	
Singapore	2.9	1.8	0.8	0.5	10.8	8.7	7.7	3.9	3.2	2.4	
International Organization	0.0	0.0	0.4	0.1	0.3	0.3	2.4	2.0	2.0	1.3	
Other Asian Countries	1.5	1.3	1.9	1.5	5.5	4.7	7.3	3.6	4.9	4.4	
All Other Countries	4.0	4.4	9.6	14.6	16.3	17.7	13.6	18.7	13.5	14.5	
Annual Percent Change		32.8	29.8	33.6	18.7	22.6	-8.9	-29.3	9.1	16.6	
United States		25.0	9.9	26.7	-15.5	13.9	-23.4	-23.5	35.7	-26.2	
Indonesia		33.2	0.0	-25.0	166.6	-30.5	774.3	138.8	228.6	82.9	
United Kingdom		492.3	174.0	20.8	-8.8	36.4	47.9	-15.5	-41.7	18.1	
China		0.0	2.3	-44.6	2,260.9	-11.5	47.0	-14.7	-4.5	527.3	
Germany		98.7	64.7	338.6	-7.0	4.8	-34.1	-81.3	-50.4	1,814.9	
Cayman Islands		-42.6	11.9	2.2	894.2	38.0	21.0	-14.9	-50.7	79.2	
Hong Kong		293.0	44.1	-59.5	99.1	107.7	-34.6	-31.5	-26.9	179.3	
Australia		0.2	102.6	32.8	308.1	192.3	12.1	-61.4	-33.8	125.3	
Luxembourg		0.0	0.0	157.8	101.6	90.1	-62.3	-70.4	241.0	355.2	
Korea		126.1	146.7	43.1	19.3	6.1	156.9	-60.4	172.2	-7.4	
Singapore		-19.3	-38.9	-13.0	2,274.0	-1.0	-19.4	-64.4	-9.6	-11.1	
International Organization		0.0	0.0	-62.3	214.3	25.0	594.3	-41.8	9.9	-24.8	
Other Asian Countries		10.5	96.2	2.9	340.1	4.2	41.1	-65.0	48.4	4.2	
All Other Countries		46.4	184.8	103.0	32.5	33.4	-30.2	-2.5	-21.1	25.4	
Percentage Points Contribution to Annual Change		32.8	29.8	33.6	18.7	22.6	-8.9	-29.3	9.1	16.6	
United States		21.6	8.1	18.4	-10.2	6.5	-10.1	-8.5	14.0	-12.8	
Indonesia		0.0	0.0	0.0	0.1	0.0	0.6	1.0	5.8	6.3	
United Kingdom		5.6	8.8	2.2	-0.8	2.7	3.9	-2.1	-6.6	1.5	
China		0.1	0.0	0.0	0.8	-0.1	0.2	-0.1	0.0	4.5	
Germany		0.7	0.7	4.7	-0.3	0.2	-1.0	-1.8	-0.3	4.8	
Cayman Islands		-0.5	0.1	0.0	3.3	1.2	0.7	-0.7	-2.8	2.0	
Hong Kong		3.4	1.5	-2.3	1.2	2.1	-1.1	-0.7	-0.6	2.8	
Australia		0.0	0.4	0.2	1.7	3.6	0.5	-3.4	-1.0	2.3	
Luxembourg		0.0	0.4	0.4	0.5	0.8	-0.9	-0.4	0.6	2.7	
Korea		0.4	0.8	0.4	0.2	0.1	1.4	-1.6	2.5	-0.3	
Singapore		-0.6	-0.7	-0.1	12.2	-0.1	-1.7	-4.9	-0.4	-0.4	
International Organization		0.0	0.5	-0.3	0.3	0.1	1.9	-1.0	0.2	-0.5	
Other Asian Countries		0.2	1.2	0.1	5.1	0.2	1.9	-4.7	1.7	0.2	
All Other Countries		1.8	8.1	9.9	4.7	5.4	-5.3	-0.3	-4.0	3.4	
TOTAL			32.8%	29.8%	33.6%	18.7%	22.6%	-8.9%	-29.3%	9.1%	16.6%