

IN FOCUS

China: Economy defies government attempts to curb growth. Monetary tightening and government measures seem to have done little good to keep economic growth down as the economy moved forward at breakneck speed in the second quarter. However, quick growth and excess liquidity in the wake of the increasing trade surplus have prompted a spike in inflation, which has reached the highest level in more than two years

India: Outlook improves amid relentless industrial growth. Industrial production continues to grow at a double-digit rate while inflation eases gradually. As a consequence, concerns that the economy is unable to sustain the strong momentum observed in the past years are dissipating. On the other hand, despite strong export growth, the contribution from the external sector to overall growth will moderate, as the strong *rupee* is boosting imports and making exports less competitive.

Indonesia: Low inflation prompts new rate cut. The outlook for the economy remains favourable as investment is strengthening. However, consumer confidence is declining, which could prompt consumption to soften in the months ahead. Inflation remains benign, thus enabling the Central Bank to continue loosening monetary policy.

Korea: Economy picks up speed in second quarter. The economy has been picking up speed in the first half of the year and is likely to remain on the healthy growth trajectory throughout the remainder of the year. Consumers are becoming increasingly optimistic after lingering for a year and investment is accelerating. Moreover, exports are expanding at a robust pace, supported by stronger demand from China and the European Union. Meanwhile, inflation is likely to pick up a notch, but to stay below the Central Bank's target.

Malaysia: Economy shows signs of strengthening. After coming off decelerating growth at the beginning of the year, the economy is showing signs of a recovery. However, industrial production remains sluggish, despite having snapped a deceleration trend. On a positive note, inflation is still being held in check by good monetary policy.

Philippines: Economic outlook continues to improve. With the economy expanding at the fastest rate in more than a decade and signs of ongoing resilient private consumption, the economy is poised to continue to grow at a robust pace. Simultaneously, inflation remains on the downward trajectory initiated last year, which should enable the Central Bank to lower interest rates in the coming months.

Thailand: Central Bank cuts interest rates for fifth time this year. As a result of foreign interest in Thai stocks and export products, the baht reached its highest level in ten years. In the domestic economy however, historically low consumer confidence is hurting domestic demand. Meanwhile, due to the benign inflationary climate and with the objective of spurring economic growth, the Central Bank has cut interest rates for the fifth time this year. The move alone is, however, unlikely to substantially curb the appreciating trend of the baht.

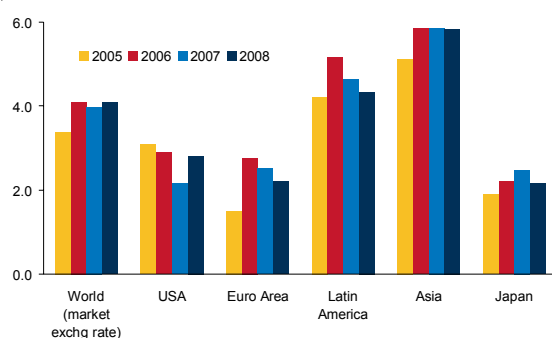
CONTENTS

Summary	3
Release Calendar	9
China	10
Real Sector	12
Public Sector	14
Monetary Sector	15
External Sector	17
Factsheet	20
Hong Kong	21
Real Sector	22
Public Sector	24
Monetary Sector	25
External Sector	27
Factsheet	30
India	31
Real Sector	33
Public Sector	35
Monetary Sector	36
External Sector	38
Factsheet	41
Indonesia	42
Real Sector	43
Public Sector	45
Monetary Sector	46
External Sector	48
Factsheet	51
Korea	52
Real Sector	54
Public Sector	56
Monetary Sector	57
External Sector	59
Factsheet	62
Malaysia	63
Real Sector	64
Public Sector	66
Monetary Sector	67
External Sector	69
Factsheet	72
Philippines	73
Real Sector	74
Public Sector	76
Monetary Sector	77
External Sector	79
Factsheet	82
Singapore	83
Real Sector	85
Public Sector	87
Monetary Sector	88
External Sector	90
Factsheet	93
Taiwan	94
Real Sector	95
Public Sector	97
Monetary Sector	98
External Sector	100
Factsheet	103
Thailand	104
Real Sector	106
Public Sector	108
Monetary Sector	109
External Sector	111
Factsheet	114
Vietnam	115
Order Form	118

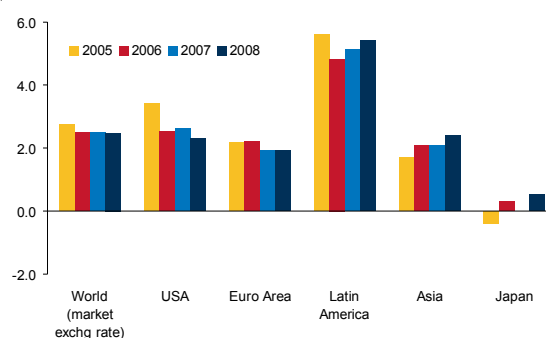
Global Forecast Summary

	GDP, variation in %					Consumer Prices, variation in %				
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
World (market exchg rate)	3.9	3.4	4.1	4.0	4.1	2.8	2.8	2.5	2.5	2.5
World (PPP)	5.1	4.3	4.3	4.4	4.1	3.0	2.8	2.5	2.5	2.5
USA	3.6	3.1	2.9	2.1	2.8	3.3	3.4	2.5	2.6	2.3
Euro Area	2.0	1.5	2.8	2.5	2.2	2.2	2.2	2.2	1.9	1.9
Latin America	6.1	4.2	5.2	4.6	4.3	6.6	5.6	4.8	5.1	5.4
Asia	5.3	5.1	5.8	5.9	5.8	1.6	1.7	2.1	2.1	2.4
Japan	2.7	1.9	2.2	2.5	2.2	0.2	-0.4	0.3	0.0	0.5
Asia (ex Japan)	7.9	7.9	8.5	8.0	8.0	3.0	3.5	3.4	3.4	3.5
China	10.1	10.4	11.1	10.4	10.0	2.4	1.6	2.8	3.1	3.2
India	7.4	9.0	9.4	8.4	8.2	4.2	4.9	6.7	5.1	5.0
Asean	6.5	5.6	5.9	5.7	6.0	4.7	8.9	4.4	4.0	4.1
Indonesia	5.1	5.7	5.5	6.1	6.2	6.4	17.1	6.6	6.4	6.2
Malaysia	7.2	5.2	5.9	5.7	5.8	2.1	3.5	3.1	2.3	2.4
Philippines	6.2	5.1	5.4	5.8	5.8	8.6	6.7	4.3	3.4	4.3
Thailand	6.5	4.5	5.0	4.2	5.0	2.9	5.8	3.5	2.5	2.8
Vietnam	7.8	8.4	8.2	8.0	8.1	9.5	8.4	6.6	6.5	6.1
NIEs	5.9	4.8	5.4	4.7	4.9	2.2	2.3	1.7	2.2	2.4
Hong Kong	8.6	7.5	6.9	5.4	5.0	0.3	1.4	2.3	2.2	3.0
Korea	4.7	4.2	5.0	4.5	4.9	3.0	2.6	2.1	2.6	2.7
Singapore	8.8	6.6	7.9	6.2	6.3	1.2	1.3	0.8	1.3	1.3
Taiwan	6.2	4.1	4.7	4.2	4.6	1.6	2.2	0.7	1.5	1.8

GDP



Inflation



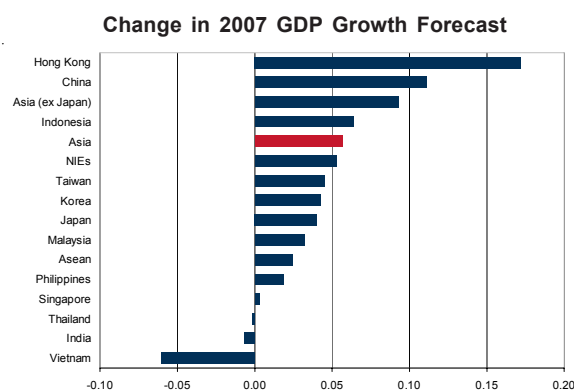
Current Account, % of GDP

	Current Account, % of GDP					Fiscal Balance, % of GDP				
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
World (market exchg rate)	0.0	0.0	0.0	0.0	0.0	-3.1	-2.7	-2.2	-2.1	-2.3
World (PPP)	0.0	0.0	0.0	0.0	0.0	-3.1	-2.8	-2.3	-2.1	-2.3
USA	-5.5	-6.1	-6.2	-6.2	-5.9	-3.2	-2.4	-1.5	-1.6	-1.4
Euro Area	0.4	-0.1	-0.1	0.1	0.1	-2.7	-2.4	-1.9	-1.3	-1.1
Latin America	1.3	1.8	1.9	0.8	0.0	-0.9	-0.9	-0.7	-0.8	-0.9
Asia	3.8	4.2	5.2	5.3	5.2	-4.3	-3.8	-2.7	-2.3	-1.9
Japan	3.7	3.6	3.9	4.4	4.5	-7.1	-6.6	-4.8	-4.1	-3.1
Asia (ex Japan)	3.9	4.7	6.2	5.9	5.6	-1.4	-1.3	-1.1	-1.2	-1.1
China	3.6	7.2	9.4	9.5	8.8	-1.3	-1.1	-0.8	-1.1	-1.1
India	-0.4	-1.1	-1.6	-1.5	-1.4	-4.1	-4.3	-3.7	-3.4	-3.1
Asean	5.4	5.0	7.8	6.9	6.3	-1.4	-1.1	-1.0	-1.4	-1.3
Indonesia	0.6	0.1	2.8	2.1	2.1	-1.2	-0.3	-1.1	-1.3	-1.3
Malaysia	12.6	15.3	16.4	13.3	12.3	-4.3	-3.8	-3.5	-3.6	-3.4
Philippines	1.9	2.0	4.2	3.6	3.1	-3.8	-2.7	-1.1	-1.2	-0.8
Thailand	1.7	-4.5	1.6	2.3	1.7	0.1	-0.6	1.1	-1.0	-0.9
Vietnam	-2.0	0.4	0.3	0.0	0.0	-1.1	-1.6	-1.8	-2.2	-2.3
NIEs	6.5	5.6	5.6	5.0	4.9	0.1	0.2	-0.1	0.3	0.3
Hong Kong	9.5	11.4	10.6	9.3	9.3	1.7	1.0	2.1	1.8	2.0
Korea	4.1	1.9	0.7	0.2	0.3	0.7	0.6	0.4	0.7	0.7
Singapore	20.1	24.5	27.5	25.9	24.5	1.1	1.2	-0.3	0.3	0.4
Taiwan	5.6	4.8	6.9	6.7	6.3	-2.1	-1.6	-2.4	-1.5	-1.6

Asian Economies Speeding Up

Despite the slowdown unfolding in the United States, the global economy is headed for yet another year of robust growth. In the United States, economic growth rebounded in the second quarter, alleviating fears that the adjustments in the housing market would trigger a sharp deceleration in consumption. Moreover, in spite of a major energy price shock consumer confidence is again pointing upwards and, for the time being, consumer spending remains surprisingly robust. In addition, other economies are set to pick up the slack of less resilient U.S. consumption. Major European economies are strengthening as robust growth in services is compensating for softer growth in the industrial sector. Japan complements the picture of a global economy that is decoupling from a slowing US economy, as strong growth in other economic areas is keeping demand for Japanese goods high and is thus supporting the longest expansion since the end of World War II. Finally, non-Japan Asia will continue to grow at a robust pace, driven by unrelenting growth in China and India.

Asian economies to grow faster than last year



Note: Change between July and August 2007 in percentage points.
Source: FocusEconomics Consensus Forecast.

The deceleration that most analysts expected for this year is not materializing. Consensus Forecast panellists have again revised their projections upwards compared to last month. This revision represents the sixth consecutive increase in the growth projection for the region. According to this month's Consensus Forecast, the Asian economies surveyed will expand an average 5.9% this year, which is 0.2 percentage points faster than expected last month. Consequently, the region will expand even a notch faster than the 5.8% growth registered in 2006, which had marked the highest growth rate in more than a decade. The forecast for the Asian region improved over last month, as Consensus Forecast panellists revised upwards the growth outlook of eight of the fourteen surveyed countries. The forecasts of the remaining four economies were left unchanged over last month and no country was revised downward. Adjustments to the outlook of China and Japan dominated the revisions. With China accounting for more than a quarter of Asian output, the 0.3 percentage point upward revision applied by Consensus Forecast panellists accounted for the lion's share of the entire upward revision of the regional average. Consensus Forecast panellists lifted the Chinese growth forecast from the 10.1% expected last month to 10.4%. In the second quarter, China's economy expanded a staggering 11.9% over the same period last year, which suggests that the government's attempts to cool the pace of economic growth prove less effective than anticipated. The Chinese economy continues to be dominated by the ever increasing trade surplus, which provides the economy with excess liquidity. The Central Bank aims to mop up the excess liquidity by tightening the reins. However, so far these measures seem insufficient to moderate the pace of resilient investment.

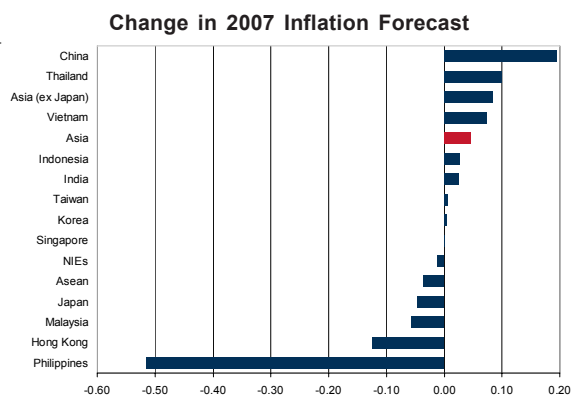
Outlook for Japan improves

Next to China, adjustments to the outlook for Japan dominated the revisions. With Japan accounting for almost half of Asian output, the 0.2 percentage point upward revision applied by Consensus Forecast panellists accounted for more than one third of the entire upward revision of the regional average. Consensus Forecast panellists lifted the growth forecast from the 2.3% expected last month to 2.5%. In part, the upward revision reflects the increasing optimism for the Chinese economy. In June, Japan's export growth came in stronger than expected and prompted a strong surge in the trade surplus. However, the increasing optimism also reflects improving domestic factors. In June, industrial production grew a seasonally adjusted 1.2% over May, ending three months of declines, which had constituted the worst manufacturing slump in almost two years and raised concerns that growth may falter. Moreover, consumer spending should continue to gain momentum in spite of weak consumer sentiment. In May, unemployment remained at 3.8%, the lowest level in nine years, which has been driving household spending in the past months.

Therefore, the government is confident that the longest recovery since the end of World War II — now in its 66th month — will continue. Next to China and Japan, India experienced an upward revision of 0.1 percentage points over last month while the outlook for Singapore was raised 0.3 percentage points. Just as the entire region, these economies benefit from the increasingly upbeat outlook of the global economy. The forecasts for global output growth this year are revised upwards amid an improving picture in Europe and the United States. Latest indicators for the United States suggest that consumption is not suffering a substantial setback from the adjustment in the housing market. Consumer confidence increased in July as gasoline prices dropped from record highs and the labour market remained strong. Moreover, increasing confidence is likely to rekindle retail sales, which has shown erratic movements in the past months. Finally, the Euro Area is also expanding at a faster pace than expected, as falling unemployment and increasing household spending is fuelling domestic demand.

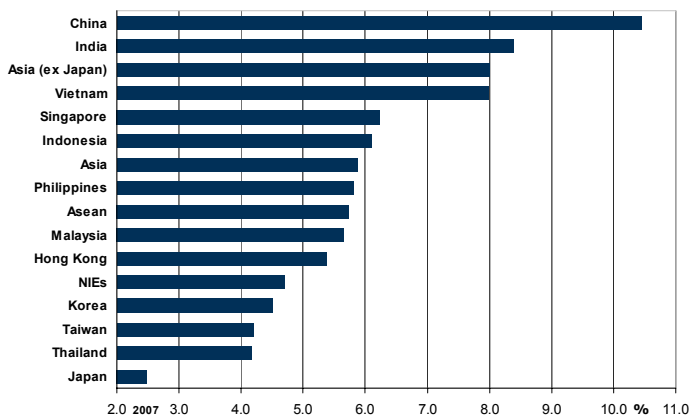
Inflation outlook increases amid rising price pressures in China

The improving outlook for global economic growth is having an impact on the projections for inflation. While inflation remains benign, the inflation trend for the Asian region is gradually starting to point upwards. Consensus Forecast panellists have raised their inflation forecast for this year by 0.1 percentage points from 2.0% expected last month to the current 2.1% projection. In part, the very low inflation forecasts reflects the situation in Japan, which continues to hover dangerously close to deflation in spite of accelerating private consumption. The regional inflation forecast excluding Japan shows a higher and accelerating inflation trend. Compared to last month, Consensus Forecast panellists raised their forecast for 2007 inflation in non-Japan Asia by 0.1 percentage points to the current 3.4%, the third consecutive month with an upward revision, following on a year of virtual unchanged inflation forecasts. This month, upward revisions to three economies were more than sufficient to compensate for downward revisions to the inflation forecast in two countries. Inflation forecasts to the remaining seven economies were left unchanged. The upward revisions are led by China, continuing a trend seen in the past months, which lifted the projection for 2007 by 0.9 percentage points since the end of last year to the current 3.1% forecast. While at this level inflation still remains benign considering the strong pace of economic growth, the trend is pointing upwards, as the growing liquidity that enters the country in the wake of the ever growing trade surplus is rendering the task of keeping inflationary pressures under control increasingly difficult for monetary authorities. Next to China, the forecasts for inflation in Indonesia and Thailand are picking up. Consensus Forecast panellists lifted the forecast for Indonesia from 6.3% expected last month to 6.4%, the first upward revision since the beginning of the year. At the current rate, Indonesia has the second highest inflation of the surveyed Asian economies and falls just a notch short of the 6.5% year-end inflation estimated for Vietnam. On the lower end of the spectrum is the Philippines with a 0.5 percentage point drop over last month's inflation forecast, followed by Hong Kong, where forecasts were revised downwards by 0.2 percentage points over last month.



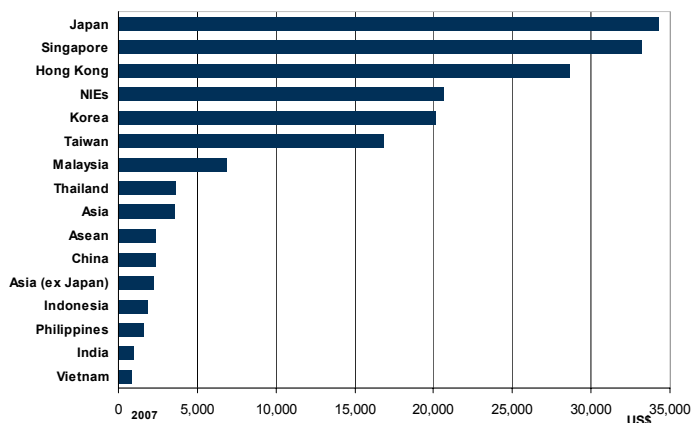
Note: Change between July and August 2007 in percentage points.
Source: FocusEconomics Consensus Forecast.

Gross Domestic Product, annual variation in %



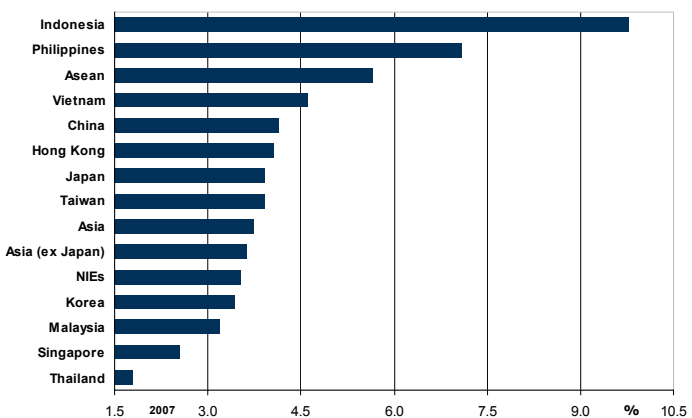
	2002	2003	2004	2005	2006	2007	2008
China	9.1	10.0	10.1	10.4	11.1	10.4	10.0
Hong Kong	1.8	3.2	8.6	7.5	6.9	5.4	5.0
India	3.8	8.5	7.4	9.0	9.4	8.4	8.2
Indonesia	4.3	5.0	5.1	5.7	5.5	6.1	6.2
Japan	0.3	1.4	2.7	1.9	2.2	2.5	2.2
Korea	7.0	3.1	4.7	4.2	5.0	4.5	4.9
Malaysia	4.4	5.5	7.2	5.2	5.9	5.7	5.8
Philippines	4.4	4.7	6.2	5.1	5.4	5.8	5.8
Singapore	4.0	3.1	8.8	6.6	7.9	6.2	6.3
Taiwan	4.6	3.5	6.2	4.1	4.7	4.2	4.6
Thailand	5.3	6.9	6.5	4.5	5.0	4.2	5.0
Vietnam	7.1	7.3	7.8	8.4	8.2	8.0	8.1
Asia	3.3	4.2	5.3	5.1	5.8	5.9	5.8
Asia (ex Japan)	6.5	7.2	7.9	7.9	8.5	8.0	8.0
Asean	4.6	5.3	6.5	5.6	5.9	5.7	6.0
NIEs	5.3	3.2	5.9	4.8	5.4	4.7	4.9

GDP per capita, US\$



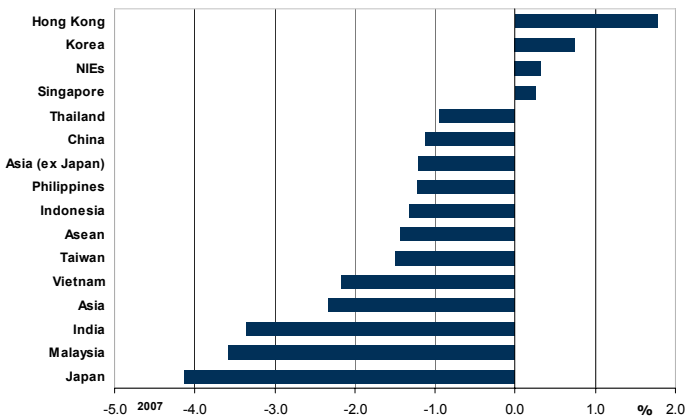
	2002	2003	2004	2005	2006	2007	2008
China	1,124	1,259	1,471	1,685	2,022	2,375	2,810
Hong Kong	24,124	23,156	23,977	25,530	26,978	28,694	30,544
India	482	562	638	724	729	956	1,092
Indonesia	966	1,117	1,173	1,307	1,640	1,829	2,053
Japan	30,766	33,150	36,069	35,611	34,083	34,295	36,097
Korea	11,485	12,707	14,165	16,278	18,384	20,163	21,911
Malaysia	3,981	4,267	4,769	5,164	6,259	6,853	7,542
Philippines	957	973	1,041	1,160	1,372	1,587	1,789
Singapore	21,209	22,066	25,329	26,817	29,891	33,191	36,115
Taiwan	13,291	13,588	14,663	15,660	16,015	16,828	18,051
Thailand	2,039	2,273	2,540	2,747	3,188	3,627	4,003
Vietnam	440	489	554	637	724	812	913
Asia	2,497	2,706	2,979	3,128	3,290	3,586	3,949
Asia (ex Japan)	1,248	1,375	1,549	1,741	1,981	2,294	2,610
Asean	1,357	1,490	1,630	1,791	2,140	2,400	2,669
NIEs	13,544	14,311	15,711	17,451	19,080	20,681	22,371

Unemployment, %



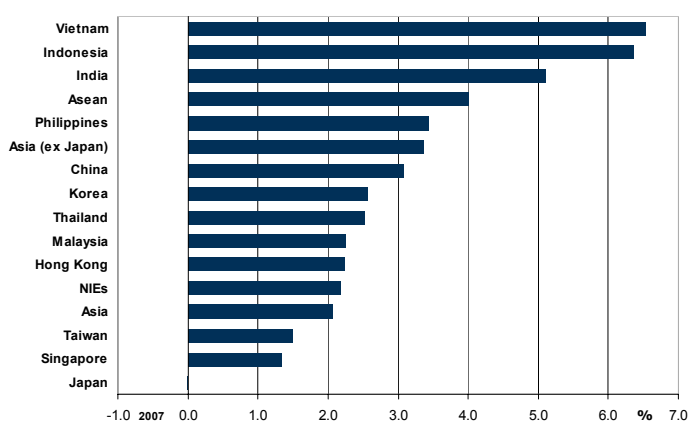
	2002	2003	2004	2005	2006	2007	2008
China	4.0	4.3	4.2	4.2	4.1	4.1	4.1
Hong Kong	7.3	7.9	6.8	5.6	4.8	4.1	4.0
India	-	-	-	-	-	-	-
Indonesia	9.1	9.5	9.9	10.3	10.1	9.8	9.6
Japan	5.4	4.9	4.5	4.4	4.0	3.9	3.8
Korea	3.1	3.8	3.8	3.5	3.3	3.4	3.4
Malaysia	3.5	3.6	3.3	3.8	3.0	3.2	3.2
Philippines	10.6	11.0	11.3	8.1	7.8	7.1	7.1
Singapore	3.9	4.0	3.2	2.6	2.6	2.5	2.5
Taiwan	5.0	4.6	4.1	3.9	3.8	3.9	3.8
Thailand	2.4	2.2	2.1	1.8	1.5	1.8	1.8
Vietnam	6.0	5.8	5.6	5.3	4.4	4.6	4.4
Asia	4.7	4.5	4.2	4.1	3.8	3.7	3.7
Asia (ex Japan)	3.9	4.1	3.9	3.8	3.7	3.6	3.6
Asean	6.2	6.3	6.2	6.0	5.8	5.7	5.6
NIEs	4.3	4.6	4.2	3.8	3.5	3.5	3.5

Fiscal Balance, % of GDP



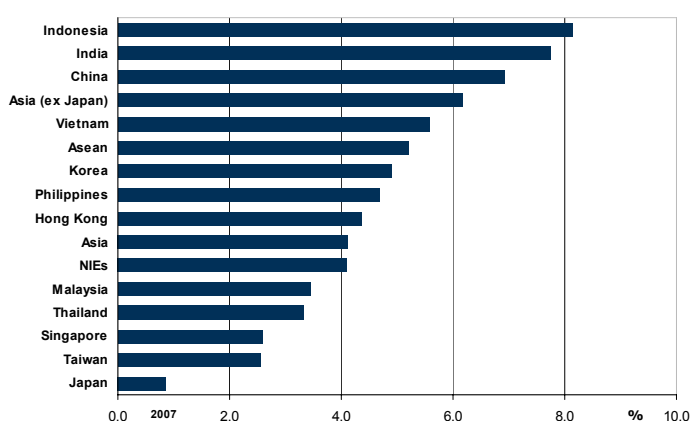
	2002	2003	2004	2005	2006	2007	2008
China	-2.6	-2.2	-1.3	-1.1	-0.8	-1.1	-1.1
Hong Kong	-4.8	-3.2	1.7	1.0	2.1	1.8	2.0
India	-5.9	-4.5	-4.1	-4.3	-3.7	-3.4	-3.1
Indonesia	-2.1	-1.7	-1.2	-0.3	-1.1	-1.3	-1.3
Japan	-7.9	-8.2	-7.1	-6.6	-4.8	-4.1	-3.1
Korea	3.3	1.1	0.7	0.6	0.4	0.7	0.7
Malaysia	-5.6	-5.3	-4.3	-3.8	-3.5	-3.6	-3.4
Philippines	-5.3	-4.6	-3.8	-2.7	-1.1	-1.2	-0.8
Singapore	4.0	1.8	1.1	1.2	-0.3	0.3	0.4
Taiwan	-2.9	-2.8	-2.1	-1.6	-2.4	-1.5	-1.6
Thailand	-1.4	0.4	0.1	-0.6	1.1	-1.0	-0.9
Vietnam	-1.8	-1.8	-1.1	-1.6	-1.8	-2.2	-2.3
Asia	-5.2	-5.2	-4.3	-3.8	-2.7	-2.3	-1.9
Asia (ex Japan)	-2.2	-2.0	-1.4	-1.3	-1.1	-1.2	-1.1
Asean	-2.0	-1.7	-1.4	-1.1	-1.0	-1.4	-1.3
NIEs	0.5	-0.4	0.1	0.2	-0.1	0.3	0.3

Consumer Prices, annual variation in %



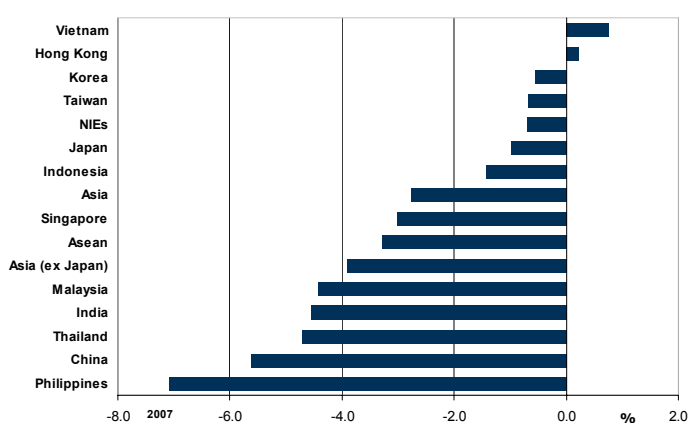
	2002	2003	2004	2005	2006	2007	2008
China	-0.4	3.2	2.4	1.6	2.8	3.1	3.2
Hong Kong	-1.5	-1.9	0.3	1.4	2.3	2.2	3.0
India	4.1	3.5	4.2	4.9	6.7	5.1	5.0
Indonesia	10.0	5.1	6.4	17.1	6.6	6.4	6.2
Japan	-0.3	-0.4	0.2	-0.4	0.3	0.0	0.5
Korea	3.7	3.4	3.0	2.6	2.1	2.6	2.7
Malaysia	1.7	1.2	2.1	3.5	3.1	2.3	2.4
Philippines	2.6	3.1	8.6	6.7	4.3	3.4	4.3
Singapore	0.4	0.8	1.2	1.3	0.8	1.3	1.3
Taiwan	0.8	-0.1	1.6	2.2	0.7	1.5	1.8
Thailand	1.6	1.8	2.9	5.8	3.5	2.5	2.8
Vietnam	4.0	3.0	9.5	8.4	6.6	6.5	6.1
Asia	0.7	1.1	1.6	1.7	2.1	2.1	2.4
Asia (ex Japan)	1.7	2.8	3.0	3.5	3.4	3.4	3.5
Asean	4.4	2.9	4.7	8.9	4.4	4.0	4.1
NIEs	1.9	1.6	2.2	2.3	1.7	2.2	2.4

Interest Rates, nominal benchmark rates in %



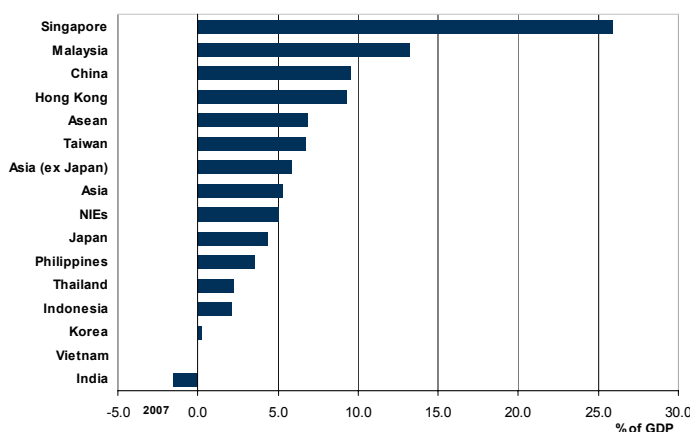
	2002	2003	2004	2005	2006	2007	2008
China	5.3	5.3	5.6	5.6	6.1	6.9	7.3
Hong Kong	1.4	0.2	0.3	4.2	3.9	4.4	4.3
India	5.9	4.3	5.3	6.1	8.0	7.7	7.3
Indonesia	13.6	7.1	6.7	11.8	9.7	8.1	7.7
Japan	0.1	0.1	0.1	0.1	0.4	0.9	1.4
Korea	4.3	3.8	3.3	3.7	4.5	4.9	5.0
Malaysia	2.9	2.7	2.7	3.0	3.5	3.4	3.4
Philippines	5.2	6.3	7.8	5.6	5.3	4.7	5.1
Singapore	0.8	0.8	1.4	3.3	3.4	2.6	2.7
Taiwan	1.5	1.0	1.1	1.4	1.7	2.6	2.8
Thailand	1.7	1.1	1.8	3.9	4.9	3.3	3.4
Vietnam	4.8	5.0	5.0	6.5	6.5	5.6	5.7
Asia	2.4	2.1	2.3	2.8	3.5	4.1	4.5
Asia (ex Japan)	4.9	4.2	4.5	5.2	5.8	6.2	6.3
Asean	6.2	4.2	4.4	6.6	6.3	5.2	5.1
NIEs	2.8	2.3	2.2	3.2	3.7	4.1	4.2

Nominal Depreciation vs. US\$, annual variation of currencies in %



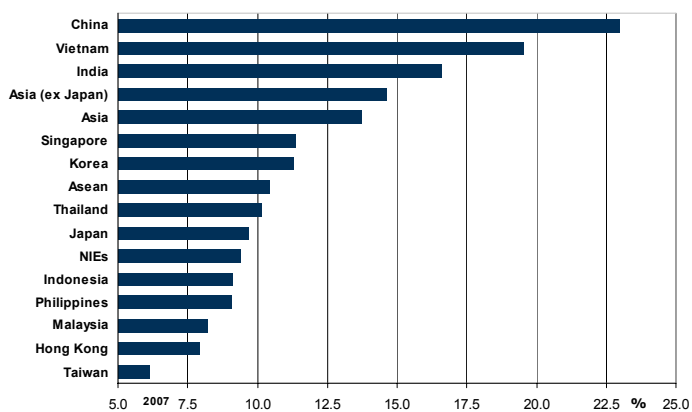
	2002	2003	2004	2005	2006	2007	2008
China	0.0	0.0	0.0	-2.6	-3.2	-5.6	-4.9
Hong Kong	0.0	-0.5	0.2	-0.3	0.3	0.2	-0.1
India	-2.7	-9.5	0.8	1.9	-2.3	-4.5	-1.0
Indonesia	-16.3	-5.6	9.3	5.5	-9.0	-1.4	-0.6
Japan	-9.9	-12.0	-3.2	11.7	1.2	-1.0	-5.2
Korea	-10.7	0.5	-15.2	-2.3	-8.8	-0.5	-2.2
Malaysia	0.0	0.0	0.0	-0.5	-7.0	-4.4	-2.5
Philippines	3.2	4.5	1.2	-6.0	-8.0	-7.1	-2.4
Singapore	-6.6	-2.1	-4.1	1.8	-8.5	-3.0	-2.5
Taiwan	-0.7	-2.3	-6.5	2.8	-0.8	-0.7	-2.2
Thailand	-2.5	-9.0	-1.4	5.1	-13.6	-4.7	-2.1
Vietnam	2.1	1.6	0.8	0.9	0.9	0.8	0.4
Asia	-6.7	-7.2	-2.7	5.1	-2.2	-2.8	-3.9
Asia (ex Japan)	-3.2	-2.1	-2.2	-0.6	-4.7	-3.9	-3.1
Asean	-6.2	-3.4	2.4	2.4	-8.9	-3.3	-1.6
NIEs	-6.1	-0.5	-10.0	-0.5	-5.8	-0.7	-2.0

Current Account Balance, % of GDP



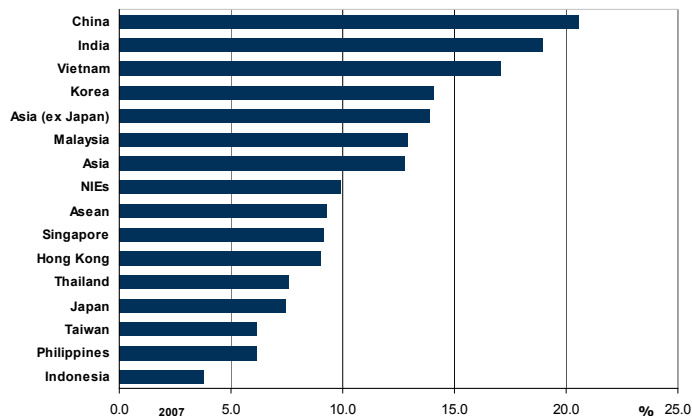
	2002	2003	2004	2005	2006	2007	2008
China	2.4	2.8	3.6	7.2	9.4	9.5	8.8
Hong Kong	7.6	10.4	9.5	11.4	10.6	9.3	9.3
India	1.3	2.3	-0.4	-1.1	-1.6	-1.5	-1.4
Indonesia	3.8	3.4	0.6	0.1	2.8	2.1	2.1
Japan	2.9	3.2	3.7	3.6	3.9	4.4	4.5
Korea	1.0	2.0	4.1	1.9	0.7	0.2	0.3
Malaysia	8.4	12.8	12.6	15.3	16.4	13.3	12.3
Philippines	-0.5	0.4	1.9	2.0	4.2	3.6	3.1
Singapore	13.4	24.2	20.1	24.5	27.5	25.9	24.5
Taiwan	8.6	9.6	5.6	4.8	6.9	6.7	6.3
Thailand	3.7	3.4	1.7	-4.5	1.6	2.3	1.7
Vietnam	-1.7	-4.9	-2.0	0.4	0.3	0.0	0.0
Asia	3.1	3.6	3.8	4.2	5.2	5.3	5.2
Asia (ex Japan)	3.2	4.1	3.9	4.7	6.2	5.9	5.6
Asean	5.0	6.7	5.4	5.0	7.8	6.9	6.3
NIEs	5.0	6.9	6.5	5.6	5.6	5.0	4.9

Exports, annual variation in %



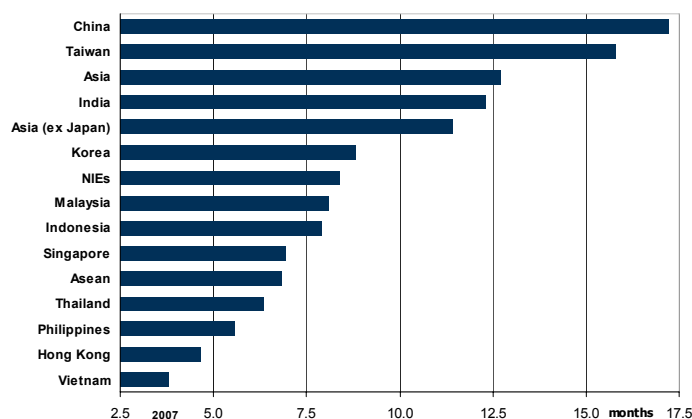
	2002	2003	2004	2005	2006	2007	2008
China	22.1	34.7	35.4	28.4	27.1	23.0	19.6
Hong Kong	4.9	12.1	15.9	11.1	9.6	7.9	8.2
India	20.3	23.3	23.9	27.5	17.5	16.6	18.2
Indonesia	3.1	8.4	10.4	22.9	19.0	9.1	11.2
Japan	2.9	13.5	20.3	5.5	8.3	9.7	10.0
Korea	7.9	20.7	30.6	12.1	14.8	11.3	12.1
Malaysia	6.9	11.3	20.9	12.0	17.0	8.2	10.9
Philippines	9.9	2.7	9.8	3.8	14.6	9.1	8.0
Singapore	2.8	27.9	24.2	15.7	18.2	11.4	11.1
Taiwan	7.1	11.3	21.1	8.8	12.8	6.1	7.9
Thailand	4.8	18.2	21.6	15.0	17.4	10.1	9.9
Vietnam	11.2	20.6	31.4	22.5	22.1	19.5	22.1
Asia	8.4	19.1	24.3	15.4	16.9	13.7	13.5
Asia (ex Japan)	10.2	20.9	25.5	18.2	19.0	14.6	14.3
Asean	5.1	16.9	20.3	15.2	17.9	10.4	11.3
NIEs	5.7	17.4	22.7	12.0	13.7	9.4	10.0

Imports, annual variation in %



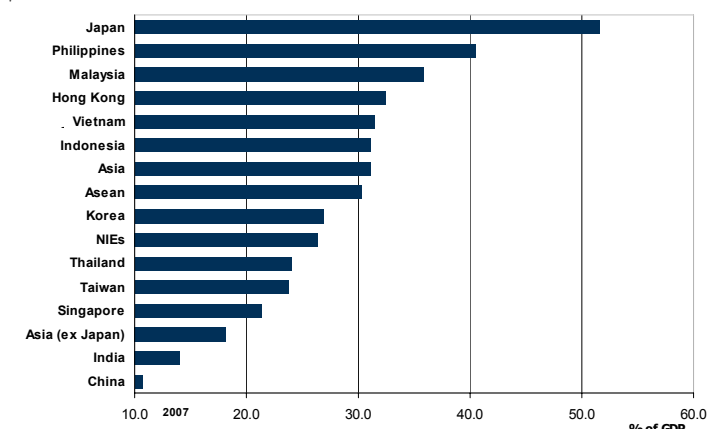
	2002	2003	2004	2005	2006	2007	2008
China	21.2	39.9	35.8	17.7	19.9	20.6	20.9
Hong Kong	3.1	12.2	17.0	10.1	11.5	9.0	8.5
India	14.5	24.1	48.5	31.6	16.9	18.9	14.8
Indonesia	2.8	10.9	28.0	37.2	6.3	3.8	13.4
Japan	-3.7	13.9	19.1	15.7	12.6	7.4	8.7
Korea	7.7	18.0	25.2	16.7	18.1	14.1	12.5
Malaysia	8.2	-1.0	25.5	9.6	17.8	12.9	11.2
Philippines	6.3	3.1	8.0	8.0	10.6	6.1	8.2
Singapore	0.4	17.1	27.4	15.3	19.1	9.2	12.5
Taiwan	4.4	13.2	32.2	8.6	11.1	6.2	7.7
Thailand	4.6	17.4	25.7	25.9	7.0	7.6	12.3
Vietnam	21.8	27.9	26.6	15.7	20.1	17.1	19.8
Asia	6.1	19.1	26.9	16.4	15.4	12.8	13.6
Asia (ex Japan)	9.0	20.4	28.7	16.6	16.0	13.9	14.6
Asean	4.7	11.5	24.7	17.8	14.3	9.3	12.5
NIEs	3.9	14.8	24.2	12.6	14.9	9.9	10.4

International Reserves, months of imports



	2002	2003	2004	2005	2006	2007	2008
China	11.6	11.7	13.0	14.9	16.2	17.2	17.0
Hong Kong	6.5	6.2	5.5	5.0	4.8	4.7	4.5
India	13.1	15.3	13.1	11.6	13.1	12.3	11.8
Indonesia	10.8	11.0	8.6	8.2	6.9	7.9	7.7
Japan	18.6	23.5	24.7	21.4	20.1	18.9	17.9
Korea	9.8	10.6	10.9	9.9	9.5	8.8	8.2
Malaysia	5.1	6.8	8.1	7.8	7.7	8.1	8.2
Philippines	4.9	5.0	4.4	4.6	5.2	5.6	5.7
Singapore	8.5	8.5	7.8	7.0	6.9	6.9	6.8
Taiwan	17.5	19.7	17.4	16.8	15.9	15.8	15.4
Thailand	7.4	6.8	6.4	5.3	6.4	6.4	6.2
Vietnam	2.5	3.0	2.6	2.8	3.3	3.8	3.8
Asia	11.6	12.9	13.1	12.5	12.6	12.7	12.4
Asia (ex Japan)	9.8	10.4	10.5	10.5	11.0	11.4	11.3
Asean	7.0	7.4	7.0	6.2	6.6	6.8	6.7
NIEs	9.9	10.4	9.8	9.1	8.7	8.4	8.0

External Debt, % of GDP

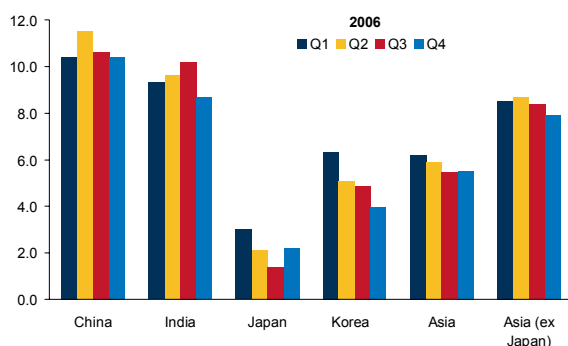


	2002	2003	2004	2005	2006	2007	2008
China	11.6	11.8	11.8	12.6	12.1	10.7	9.4
Hong Kong	30.5	39.4	43.4	42.7	40.0	32.4	29.9
India	20.8	18.6	17.7	15.7	17.3	14.0	13.0
Indonesia	64.4	56.8	54.1	45.8	34.6	31.1	26.7
Japan	35.7	32.0	33.9	33.6	35.2	51.6	51.9
Korea	25.9	25.9	25.3	24.0	29.7	26.9	25.9
Malaysia	51.3	47.2	44.6	39.9	31.3	35.9	33.2
Philippines	69.9	72.1	63.1	54.8	44.8	40.5	34.0
Singapore	18.0	26.6	23.9	22.8	23.6	21.4	20.7
Taiwan	15.1	20.6	24.4	24.4	23.6	23.8	22.9
Thailand	46.9	36.3	31.8	29.6	28.4	24.0	21.4
Vietnam	38.1	40.1	39.2	33.4	32.4	31.5	30.1
Asia (ex Japan)	23.2	23.0	22.2	20.9	20.6	18.1	16.3
Asean	51.5	48.0	43.9	38.7	32.5	30.3	27.0
NIEs	23.0	26.4	27.3	26.3	29.0	26.4	25.2

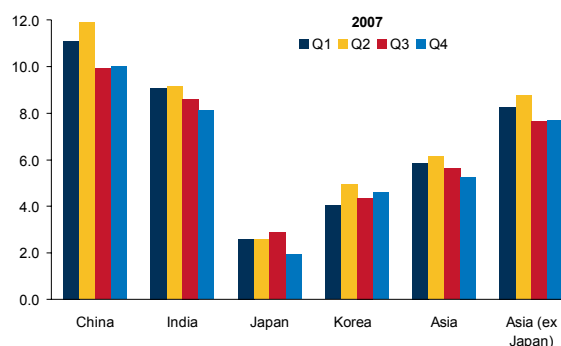
Gross Domestic Product, annual variation in %

	2006				2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
China	10.4	11.5	10.6	10.4	11.1	11.9	9.9	10.0	10.0	10.1	9.4	8.7
Hong Kong	8.1	5.6	6.8	7.3	5.6	5.6	5.4	5.3	5.2	4.2	4.5	4.0
India	9.3	9.6	10.2	8.7	9.1	9.1	8.6	8.1	8.0	7.4	8.0	8.5
Indonesia	4.7	5.0	5.9	6.1	6.0	6.1	5.8	6.2	6.5	6.8	8.4	6.9
Japan	3.0	2.1	1.4	2.2	2.6	2.6	2.9	1.9	1.8	2.1	2.8	2.9
Korea	6.3	5.1	4.8	4.0	4.0	4.9	4.4	4.6	4.7	4.5	4.9	4.9
Malaysia	6.0	6.1	6.0	5.7	5.3	5.5	5.7	6.2	5.6	5.9	5.4	5.5
Philippines	6.5	5.3	4.5	5.8	6.9	5.9	5.4	5.5	5.6	6.1	7.2	8.5
Singapore	10.1	8.0	7.0	6.6	6.4	8.2	6.1	6.2	5.9	5.7	5.7	5.1
Taiwan	5.0	4.7	5.1	4.0	4.1	4.1	3.9	4.2	4.3	4.3	4.6	4.7
Thailand	6.1	5.0	4.7	4.3	4.3	3.9	4.3	4.7	4.9	5.2	5.1	5.2
Asia	6.2	5.9	5.4	5.5	5.9	6.2	5.6	5.3	5.2	5.3	5.6	5.4
Asia (ex Japan)	8.5	8.7	8.4	7.9	8.2	8.8	7.7	7.7	7.7	7.6	7.6	7.3
Asean	6.3	5.8	5.8	5.8	5.8	5.9	5.6	5.9	5.9	6.2	6.8	6.4

GDP 2006



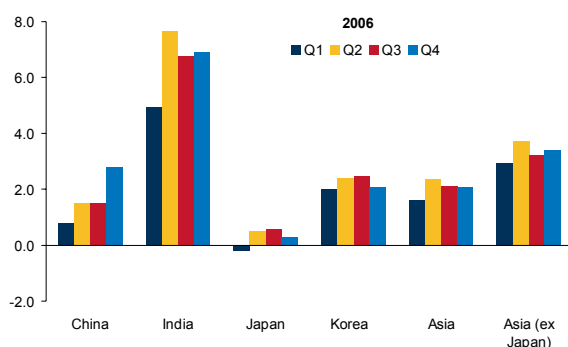
GDP Forecast for 2007



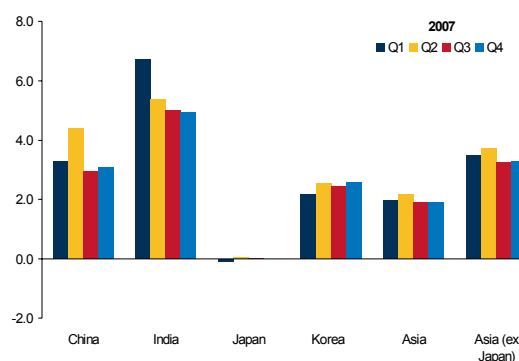
Consumer Prices, annual variation in %

	2006				2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
China	0.8	1.5	1.5	2.8	3.3	4.4	3.0	3.1	3.0	3.0	3.0	3.2
Hong Kong	1.7	2.1	2.1	2.3	2.4	1.3	1.9	2.2	2.3	2.8	3.0	3.0
India	4.9	7.7	6.8	6.9	6.7	5.4	5.0	4.9	5.1	5.2	5.1	5.1
Indonesia	15.7	15.5	14.5	6.6	6.5	5.8	6.4	6.4	7.0	6.9	6.8	6.2
Japan	-0.2	0.5	0.6	0.3	-0.1	0.1	0.0	0.0	0.1	0.2	0.4	0.5
Korea	2.0	2.4	2.5	2.1	2.2	2.5	2.4	2.6	2.6	2.6	2.7	2.7
Malaysia	4.8	3.9	3.3	3.1	1.5	1.4	2.5	2.3	2.5	2.4	2.5	2.4
Philippines	7.6	6.7	5.7	4.3	2.2	2.3	3.7	3.4	4.3	4.0	3.7	4.3
Singapore	1.2	1.4	0.4	0.8	0.7	1.3	1.2	1.3	1.3	1.3	1.3	1.3
Taiwan	0.4	1.7	-1.2	0.7	0.8	0.1	1.4	1.5	1.5	1.5	1.6	1.8
Thailand	5.7	5.9	2.7	3.5	2.0	1.9	2.8	2.5	2.5	2.5	2.5	2.8
Asia	1.6	2.4	2.1	2.1	2.0	2.2	1.9	1.9	2.0	2.0	2.1	2.2
Asia (ex Japan)	2.9	3.7	3.2	3.4	3.5	3.7	3.2	3.3	3.4	3.4	3.4	3.4
Asean	8.8	8.5	7.2	4.4	3.6	3.4	4.1	4.0	4.4	4.3	4.2	4.1

Inflation 2006



Inflation Forecast for 2007



Economic Release Calendar

Date	Country	Event
1 August	India	June Merchandise Trade
	Korea	July Consumer Prices
2 August	Thailand	July Consumer Prices
	Thailand	July Producer Prices
3 August	Indonesia	July Consumer Prices
	Malaysia	June Merchandise Trade
6 August	Philippines	July Consumer Prices
	Taiwan	July Consumer Prices
	Taiwan	July Producer Prices
7 August	Malaysia	July Consumer Prices
	Taiwan	July Merchandise Trade
10 August	India	June Industrial Production
	India	July Wholesale Prices
	Korea	July Producer Prices
13 August	China	July Consumer Prices
14 August	Indonesia	June Industrial Production
15 August	China	July Industrial Production
16 August	Korea	July Merchandise Trade
	Korea	July Unemployment
17 August	Hong Kong	Q2 2007 Gross Domestic Product
	Singapore	July Merchandise Trade
20 August	Hong Kong	May/July Unemployment
21 August	Hong Kong	July Consumer Prices
23 August	Singapore	July Consumer Prices
	Taiwan	Q2 2007 Gross Domestic Product
	Taiwan	July Industrial Production
24 August	Malaysia	July Producer Prices
	Singapore	Q2 2007 Balance of Payments
	Singapore	Q2 2007 National Accounts
	Singapore	July Industrial Production
	Philippines	June Merchandise Trade
27 August	Hong Kong	July Merchandise Trade

Forecast Summary

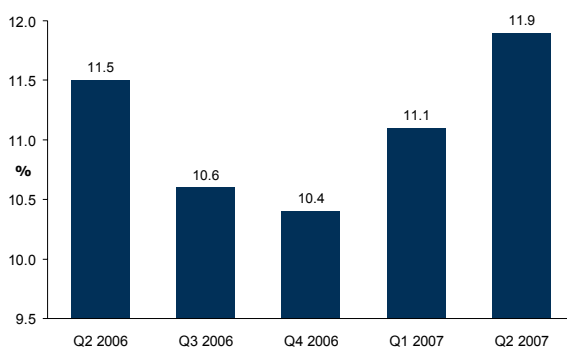
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	1,230	1,241	1,253	1,264	1,275	1,284	1,294	1,303	1,313	1,322	1,314	1,323	1,331
GDP (US\$ billion)	856.1	952.7	1,019	1,083	1,198	1,325	1,454	1,641	1,932	2,228	2,657	3,142	3,741
GDP per capita (US\$)	696	767	814	857	940	1,031	1,124	1,259	1,471	1,685	2,022	2,375	2,810
GDP (annual variation in %)	10.0	9.3	7.8	7.6	8.4	8.3	9.1	10.0	10.1	10.4	11.1	10.4	10.0
Consumption (annual variation in %)	10.1	6.0	7.3	8.6	9.4	7.2	6.7	6.2	10.2	12.0	10.2	10.9	11.5
Investment (annual variation in %)	7.9	5.1	6.4	6.2	4.9	13.9	13.3	20.1	25.8	27.2	24.5	21.7	20.6
Unemployment (%)	3.0	3.1	3.1	3.1	3.1	3.6	4.0	4.3	4.2	4.2	4.1	4.1	4.1
Fiscal Balance (% of GDP)	-1.9	-2.0	-2.6	-3.2	-3.1	-2.7	-2.6	-2.2	-1.3	-1.1	-0.8	-1.1	-1.1
Consumer Prices (annual variation in %)	7.0	0.4	-1.0	-1.0	1.5	-0.3	-0.4	3.2	2.4	1.6	2.8	3.1	3.2
Interest Rate (benchmark in %, eop)	10.1	8.6	6.4	6.4	5.9	5.9	5.3	5.3	5.6	5.6	6.1	6.9	7.3
Exchange Rate (vs. US\$, end-of-period)	8.30	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.07	7.82	7.40	7.05
Current Account Balance (% of GDP)	0.8	3.1	2.9	1.9	1.7	1.3	2.4	2.8	3.6	7.2	9.4	9.5	8.8
Trade Balance (% of GDP)	1.4	4.2	4.3	2.7	2.0	1.7	2.1	1.6	1.7	4.6	6.7	7.5	7.3
Exports (annual variation in %)	1.5	21.0	0.5	6.1	27.9	7.0	22.1	34.7	35.4	28.4	27.1	23.0	19.6
Imports (annual variation in %)	5.1	2.5	-1.5	18.2	35.8	8.2	21.2	39.9	35.8	17.7	19.9	20.6	20.9
Int. Reserves (months of imports)	9.1	11.8	12.4	11.2	8.8	10.5	11.6	11.7	13.0	14.9	16.2	17.2	17.0
External Debt (% of GDP)	13.6	13.7	14.3	14.0	12.2	12.8	11.6	11.8	11.8	12.6	12.1	10.7	9.4

Economy Defies Government Attempts to Curb Growth

Monetary tightening and government measures seem to have done little good to keep economic growth down as the economy moved forward at breakneck speed in the second quarter. Moreover, quick growth and excess liquidity in the wake of the increasing trade surplus have prompted a spike in inflation, which has reached the highest level in more than two years

Economy expands at fastest pace in a decade

Gross Domestic Product, Q2 2006 - Q2 2007



Note: Year-on-year changes in %.

Source: National Bureau of Statistics and FocusEconomics calculations.

In the second quarter, gross domestic product (GDP) expanded a staggering 11.9% over the same period the previous year, according to preliminary estimates from the National Bureau of Statistics. The reading exceeded market expectations, which had the economy growing 9.7% in the second quarter. Furthermore, the second quarter's result comes in above the first quarter's reading of an 11.1% expansion. The acceleration over the previous quarter was due primarily to resilient growth in the domestic economy. Investment continued to expand at a breakneck speed, adding 25.9% over the same period last year, which was up 2.2 percentage points from first quarter growth. At the current pace, investment is defying both the government's attempts to curb the speed of economic growth via administrative measures as well as the Central Bank's successive interest hikes. Private consumption also remained strong, with total retail sales of consumer goods up 15.0% year-on-year, a tic above the first quarter's 14.9% result. Other indicators underscore the strength of the Chinese economy. Urban retail sales index added 16.0% in June, which is up from the 15.9% expansion registered in May and represents the second consecutive historic high for this measure. Furthermore, the external sector continued to be a motor for economic growth; however its overall contribution to the economy is steadily lessening. Export growth was unabated in the second quarter, adding 27.6% annually. However, this reading is down a notch from the 27.8% expansion in the preceding quarter. Furthermore, import growth held steady at the 18.2% level registered in the first quarter. Nonetheless, the trade surplus is US\$ 28.2 billion higher than a year ago and continues to pump excess liquidity into the economy. By the end of the second quarter, China held a total of US\$ 1.33 trillion in foreign exchange reserves, which is up US\$ 130 billion over the last quarter. Nonetheless, the persistent trade surplus and the increasing reserve levels are likely to exert additional pressure on the government to allow for a stronger appreciation of the *yuan* than under the current exchange rate regime. The government has recently emphasised the structural problems in the economy, especially in the balance of payments and the rise in consumer prices.

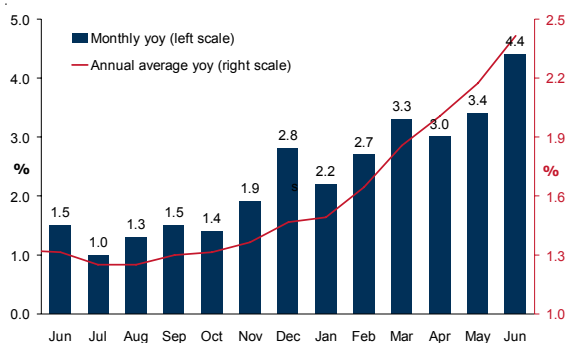
Second quarter growth fuels concerns of overheating

Throughout the first half of the year the economy has been barrelling ahead, despite persistent attempts by the government to curb growth. The 11.9% expansion registered in the second quarter clearly shows that the government's efforts have been insufficient to compensate for the effects of the excess liquidity that has been entering the country in the wake of the ever increasing trade surplus. The government has been trying to establish consumer spending as the main driver of economic growth, which is a marked change from the government's previous stance, which focused on investment and export growth. Nonetheless, the export sector continues to be the main driver that was behind recent growth. In June, the trade surplus reached a historic high of US\$ 26.8 billion, which is 85.3% above the surplus recorded in June of last year. Besides being one of the motors of economic growth, the export sector is also a peril for the economy as it pumps in excess money and is thus fuelling inflationary pressures. Money supply continued to grow quickly and was up 17.1% in June over the same month last year. This is the fifth straight month that the measure for broad money supply growth has exceeded the Central Bank's target rate of 16.0%. Inflationary developments reflect the excessive monetary growth with inflation reaching a three year high in June. The rapid rise in inflation observed in the first half of the year, strengthens concerns that China's economy is overheating. As a result, the National Development and Reform Commission announced on 25 July that preventing the economy's rapid growth from turning into overheating was a central concern of the Commission and that additional measures to cool the pace of the economy would be taken. Due to the latest developments, Consensus Forecast panellists have raised their GDP forecasts for this year by 0.3 percentage points to 10.4%. For 2008, Consensus Forecasts participants anticipate the economy to moderate to 10.0%.

Central Bank tightens policy as inflation spikes

In June, annual inflation jumped to 4.4%. The reading was a full percentage point above the annual inflation rate observed in May and represents the highest rate since September 2004. Furthermore, the June figure came in above market expectations of a 4.0% increase. Food prices, which account for a third of the price index, added 11.3% over the previous year, which was primarily due to price increases in meat and poultry products. The fundamental drivers of inflation have not changed in recent months: resilient export growth is generating ever increasing trade surpluses, which continue to cause excess liquidity to enter the economy. Annual average inflation, which is not as prone to volatility as year-on-year inflation and is therefore the key determinant underlying monetary policy decisions, continued to inch up, climbing another 0.2 percentage points in June to reach 2.4%. On 20 June, the Central Bank raised the one year bank lending rate by 0.27 percentage points to 6.84%, which represents an eight-year high. At the same meeting, the Bank also raised the one year deposit rate by 0.27 percentage points to 3.33%. This is the third time this year that monetary authorities have raised the lending rate. The Bank cited efforts to keep the economy from overheating as well as reigning in inflation as the main reasons for the increase. The Central Bank is trying to maintain inflation below 3.0% for this year. Consensus Forecast panellists anticipate inflation moderating to 3.1% by the end of 2007, which is 0.2 percentage points up from last month's forecast. For 2008, the panel sees inflation rising to 3.2%.

Consumer Prices, Jun. 2006 - Jun. 2007

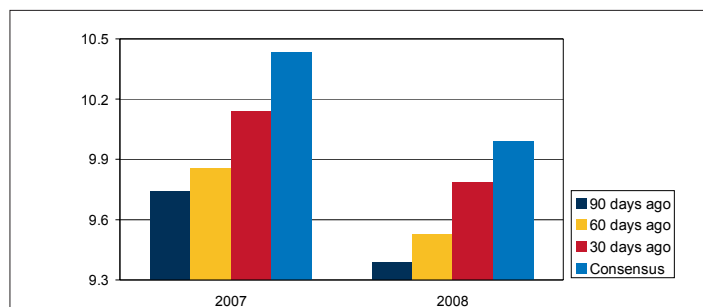
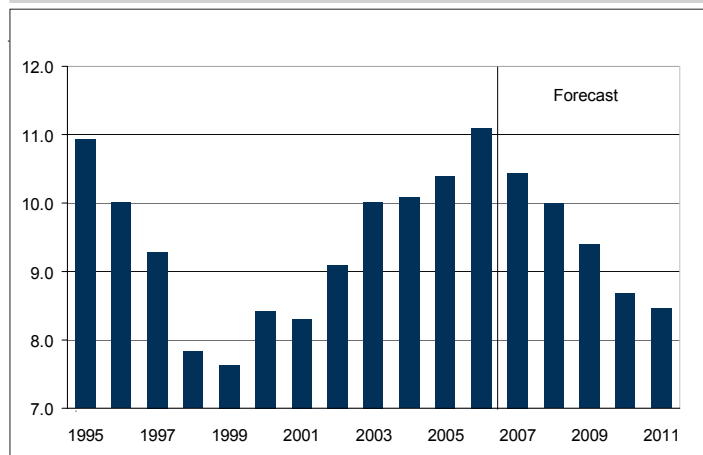


Note: Monthly and annual average year-on-year variation of consumer price index in %.
Source: National Bureau of Statistics and FocusEconomics calculations.

Real Sector

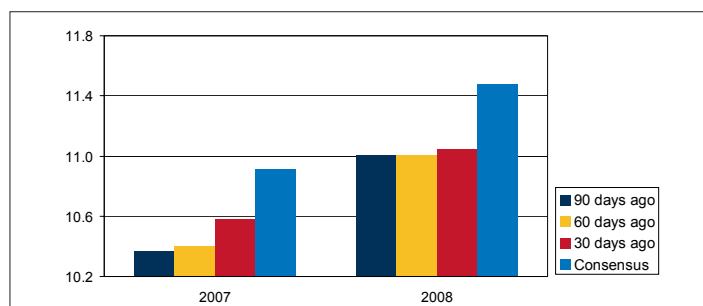
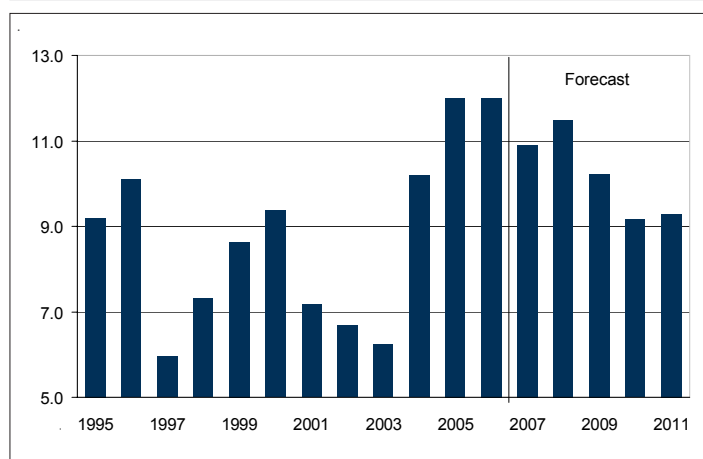
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	1,083	1,198	1,325	1,454	1,641	1,932	2,228	2,657	3,142	3,741	4,361	4,944	5,593
GDP per capita (US\$)	857	940	1,031	1,124	1,259	1,471	1,685	2,022	2,375	2,810	3,255	3,622	4,047
GDP (annual variation in %)	7.6	8.4	8.3	9.1	10.0	10.1	10.4	11.1	10.4	10.0	9.4	8.7	8.5
Consumption (ann.var. in %)	8.6	9.4	7.2	6.7	6.2	10.2	12.0	10.2	10.9	11.5	10.2	9.2	9.3
Investment (ann.var. in %)	6.2	4.9	13.9	13.3	20.1	25.8	27.2	24.5	21.7	20.6	14.9	12.1	11.8
Industrial Production (ann.var. in %)	7.4	10.4	8.7	14.9	18.1	14.4	16.5	14.7	16.4	15.3	13.9	12.4	12.5
Unemployment (%)	3.1	3.1	3.6	4.0	4.3	4.2	4.2	4.1	4.1	4.1	4.1	4.0	4.0

Gross Domestic Product, annual variation in %



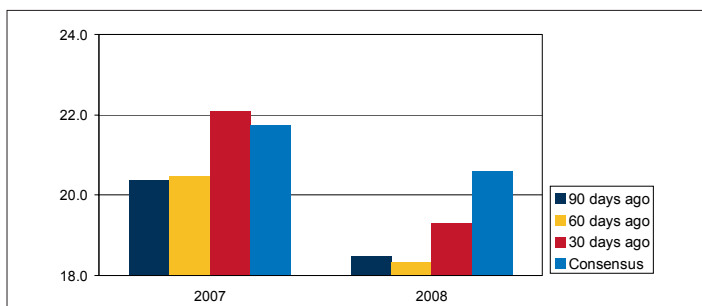
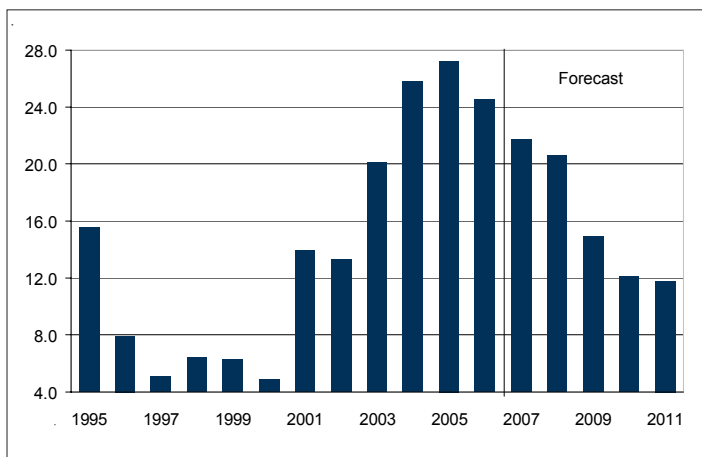
	2007	2008
ABN Amro Asia	-	-
Allianz Group	10.3	9.8
Bank of China (Hong Kong)	11.0	10.2
Citigroup Global Markets Inc.	10.3	10.7
Cominvest	10.3	10.0
Core Pacific-Yamaichi	9.8	9.3
Credit Suisse	11.2	10.6
DBS Bank	10.5	10.0
Deutsche Bank	10.7	10.0
Goldman Sachs	12.3	10.9
Hang Seng Bank	10.7	9.9
HSBC	11.4	12.0
ING Financial Markets	11.1	10.5
JPMorgan	10.0	9.5
Merrill Lynch	9.6	-
Mitsubishi UFJ	10.0	-
Morgan Stanley	9.3	8.5
Standard Chartered Bank	10.6	10.0
The Bank of East Asia	10.2	9.6
UBS	9.6	8.8
United Overseas Bank	10.5	9.5
Wing Hang Bank	9.8	-
Consensus	10.4	10.0
30 days ago	10.1	9.8
60 days ago	9.9	9.5
90 days ago	9.7	9.4
Minimum	9.3	8.5
Maximum	12.3	12.0
Median	10.3	10.0
Standard Deviation	6.7	8.0

Private Consumption, annual variation in %



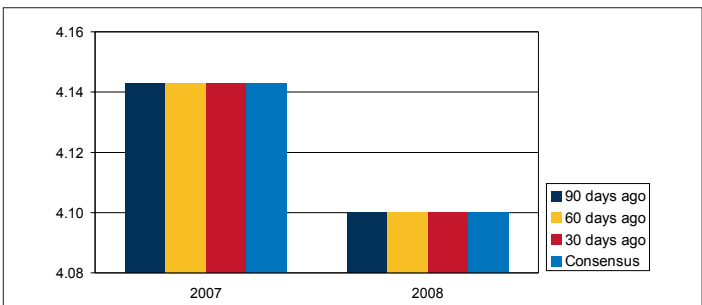
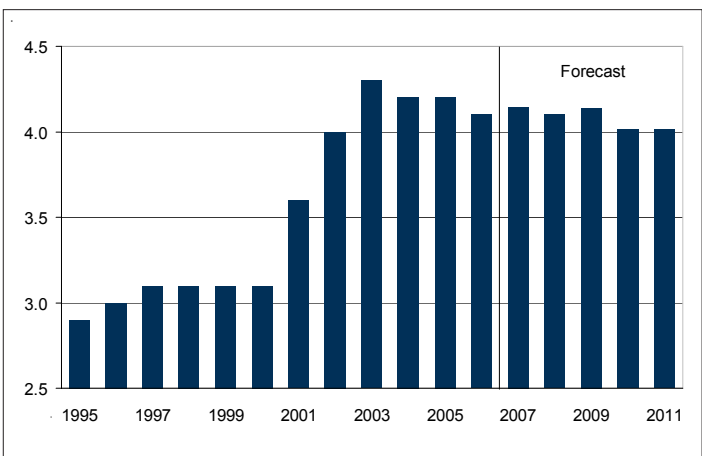
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Bank of China (Hong Kong)	10.0	9.5
Citigroup Global Markets Inc.	10.1	11.2
Cominvest	-	-
Core Pacific-Yamaichi	11.6	13.3
Credit Suisse	15.2	14.7
DBS Bank	9.0	9.2
Deutsche Bank	-	-
Goldman Sachs	-	-
Hang Seng Bank	-	-
HSBC	9.0	9.8
ING Financial Markets	15.5	14.5
JPMorgan	-	-
Merrill Lynch	10.0	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	12.5	13.0
UBS	8.0	8.1
United Overseas Bank	-	-
Wing Hang Bank	9.2	-
Consensus	10.9	11.5
30 days ago	10.6	11.0
60 days ago	10.4	11.0
90 days ago	10.4	11.0
Minimum	8.0	8.1
Maximum	15.5	14.7
Median	10.0	11.2
Standard Deviation	23.1	21.5

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Bank of China (Hong Kong)	25.8	23.5
Citigroup Global Markets Inc.	18.0	16.0
Cominvest	-	-
Core Pacific-Yamaichi	-	-
Credit Suisse	23.0	19.8
DBS Bank	25.0	25.0
Deutsche Bank	13.0	15.0
Goldman Sachs	-	-
Hang Seng Bank	-	-
HSBC	24.0	22.0
ING Financial Markets	25.0	23.0
JPMorgan	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	21.9	-
Morgan Stanley	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	-	-
UBS	-	-
United Overseas Bank	-	-
Wing Hang Bank	20.0	-
Consensus	21.7	20.6
30 days ago	22.1	19.3
60 days ago	20.5	18.3
90 days ago	20.4	18.5
Minimum	13.0	15.0
Maximum	25.8	25.0
Median	23.0	22.0
Standard Deviation	19.1	18.6

Unemployment, % of economically active population

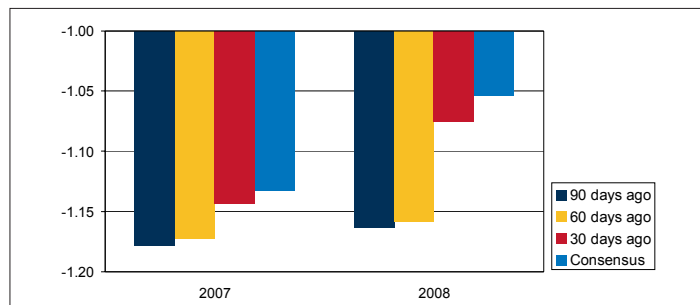
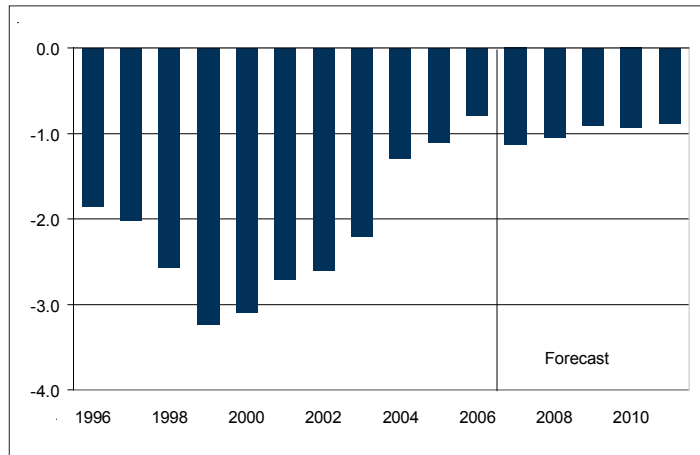


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Bank of China (Hong Kong)	4.0	4.2
Citigroup Global Markets Inc.	4.2	4.0
Cominvest	-	-
Core Pacific-Yamaichi	4.2	4.4
Credit Suisse	4.0	4.0
DBS Bank	-	-
Deutsche Bank	-	-
Goldman Sachs	-	-
Hang Seng Bank	-	-
HSBC	4.1	4.0
ING Financial Markets	4.0	4.0
JPMorgan	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	-	-
UBS	-	-
United Overseas Bank	-	-
Wing Hang Bank	4.5	-
Consensus	4.1	4.1
30 days ago	4.1	4.1
60 days ago	4.1	4.1
90 days ago	4.1	4.1
Minimum	4.0	4.0
Maximum	4.5	4.4
Median	4.1	4.0
Standard Deviation	4.4	4.1

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal Balance (% of GDP)	-3.2	-3.1	-2.7	-2.6	-2.2	-1.3	-1.1	-0.8	-1.1	-1.1	-0.9	-0.9	-0.9

Fiscal Balance, % of GDP

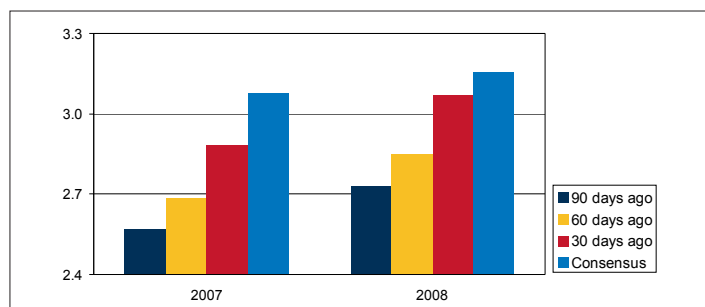
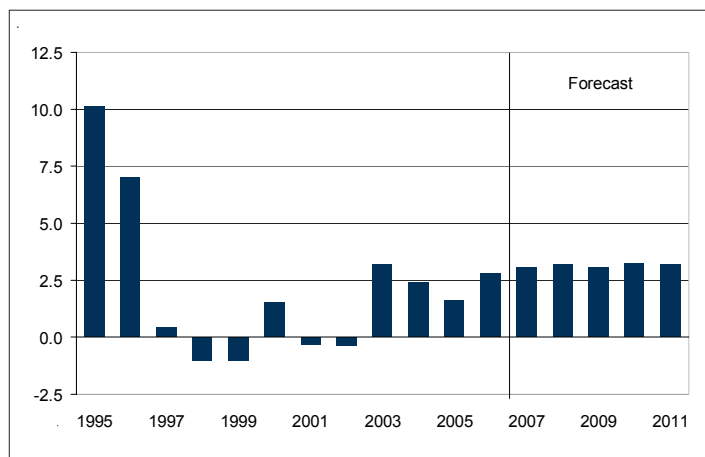


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-1.3	-1.5
Bank of China (Hong Kong)	-2.0	-1.6
Citigroup Global Markets Inc.	-1.8	-2.0
Cominvest	-1.3	-1.0
Core Pacific-Yamaichi	-0.8	-1.3
Credit Suisse	-0.6	-0.4
DBS Bank	-	-
Deutsche Bank	-1.0	-0.8
Goldman Sachs	-	-
Hang Seng Bank	-	-
HSBC	-1.0	-1.0
ING Financial Markets	-0.9	-0.8
JPMorgan	-1.1	-1.1
Merrill Lynch	-1.2	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Standard Chartered Bank	-0.7	-1.0
The Bank of East Asia	-	-
UBS	-1.0	-0.4
United Overseas Bank	-1.1	-0.8
Wing Hang Bank	-	-
Consensus	-1.1	-1.1
30 days ago	-1.1	-1.1
60 days ago	-1.2	-1.2
90 days ago	-1.2	-1.2
Minimum	-2.0	-2.0
Maximum	-0.6	-0.4
Median	-1.1	-1.0
Standard Deviation	34.0	43.4

Monetary Sector

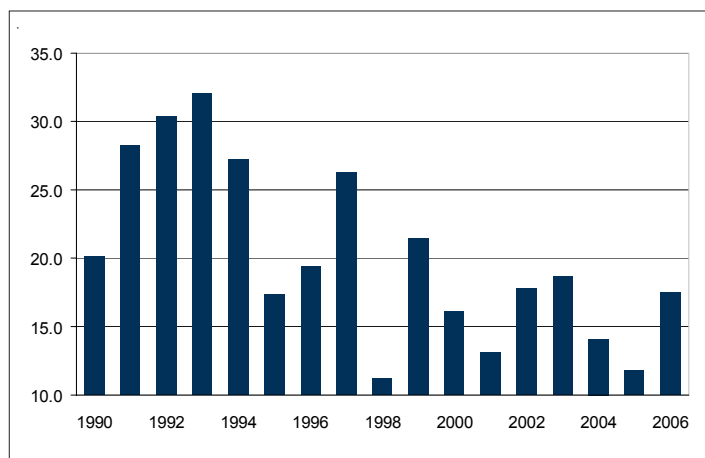
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	-1.0	1.5	-0.3	-0.4	3.2	2.4	1.6	2.8	3.1	3.2	3.0	3.2	3.2
Money (annual variation of M1 in %)	21.4	16.1	13.1	17.8	18.7	14.1	11.8	17.5	-	-	-	-	-
Interest Rate (benchmark in %, eop)	6.4	5.9	5.9	5.3	5.3	5.6	5.6	6.1	6.9	7.3	6.5	6.8	6.7
Local currency per US\$ (eop)	8.28	8.28	8.28	8.28	8.28	8.28	8.07	7.82	7.40	7.05	6.90	6.86	6.72
Local currency per US\$ (average)	8.28	8.28	8.28	8.28	8.28	8.28	8.18	7.94	7.61	7.23	6.97	6.88	6.79
Nom. Depreciation (vs. US\$, annual)	0.0	0.0	0.0	0.0	0.0	0.0	-2.6	-3.2	-5.6	-4.9	-2.3	-0.5	-2.2

Consumer Prices, annual variation in %

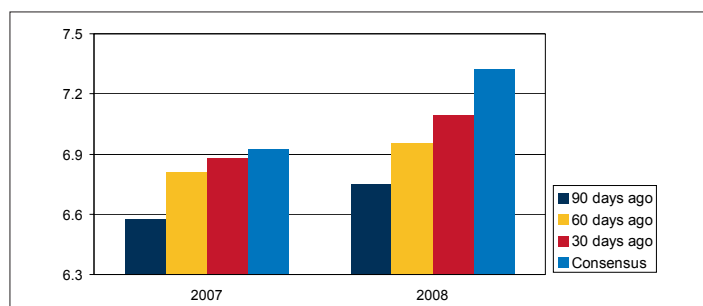
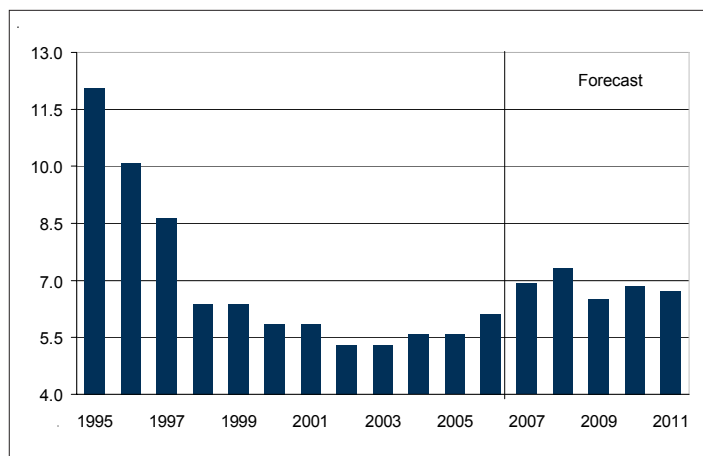


	2007	2008
ABN Amro Asia	-	-
Allianz Group	3.0	3.5
Bank of China (Hong Kong)	3.8	3.8
Citigroup Global Markets Inc.	3.2	5.0
Cominvest	3.0	3.3
Core Pacific-Yamaichi	2.3	2.1
Credit Suisse	3.2	3.5
DBS Bank	3.2	3.6
Deutsche Bank	3.4	1.4
Goldman Sachs	4.0	3.7
Hang Seng Bank	3.0	2.5
HSBC	3.6	3.3
ING Financial Markets	2.4	2.5
JPMorgan	3.0	3.3
Merrill Lynch	2.5	-
Mitsubishi UFJ	-	-
Morgan Stanley	2.5	3.0
Standard Chartered Bank	3.0	2.5
The Bank of East Asia	3.0	3.0
UBS	3.5	3.8
United Overseas Bank	3.5	3.0
Wing Hang Bank	2.5	-
Consensus	3.1	3.2
30 days ago	2.9	3.1
60 days ago	2.7	2.9
90 days ago	2.6	2.7
Minimum	2.3	1.4
Maximum	4.0	5.0
Median	3.0	3.3
Standard Deviation	15.3	25.0

Narrow Money, annual variation in %

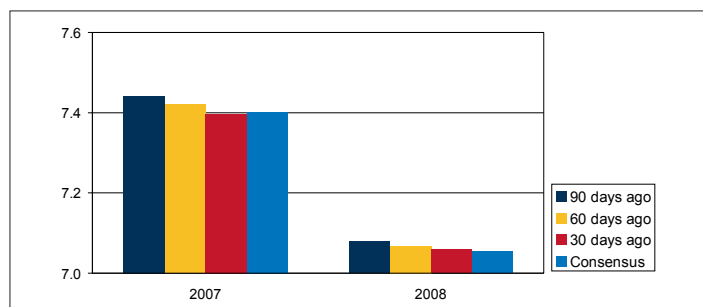
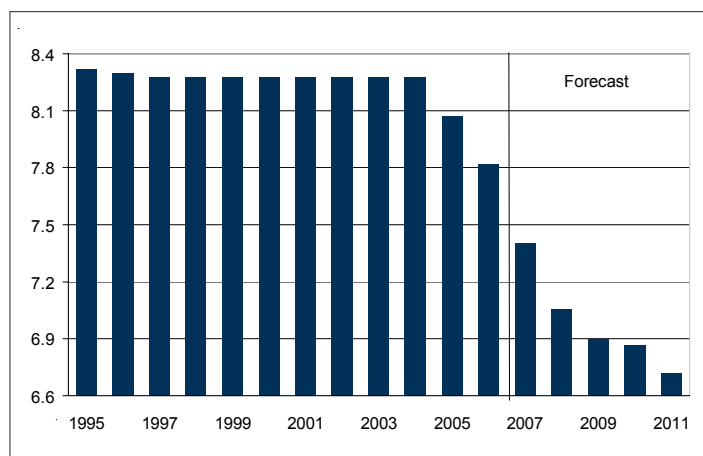


Interest Rate, nominal benchmark rate in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Bank of China (Hong Kong)	-	-
Citigroup Global Markets Inc.	6.8	7.4
Cominvest	-	-
Core Pacific-Yamaichi	6.9	7.2
Credit Suisse	-	-
DBS Bank	7.1	-
Deutsche Bank	-	-
Goldman Sachs	-	-
Hang Seng Bank	7.1	7.1
HSBC	7.1	7.7
ING Financial Markets	-	-
JPMorgan	6.8	-
Merrill Lynch	6.4	-
Mitsubishi UFJ	-	-
Morgan Stanley	7.2	7.7
Standard Chartered Bank	6.9	6.9
The Bank of East Asia	7.1	-
UBS	-	-
United Overseas Bank	6.7	-
Wing Hang Bank	-	-
Consensus	6.9	7.3
30 days ago	6.9	7.1
60 days ago	6.8	7.0
90 days ago	6.6	6.8
Minimum	6.4	6.9
Maximum	7.2	7.7
Median	6.9	7.3
Standard Deviation	3.6	4.2

Exchange Rate, versus US\$ (end of period)

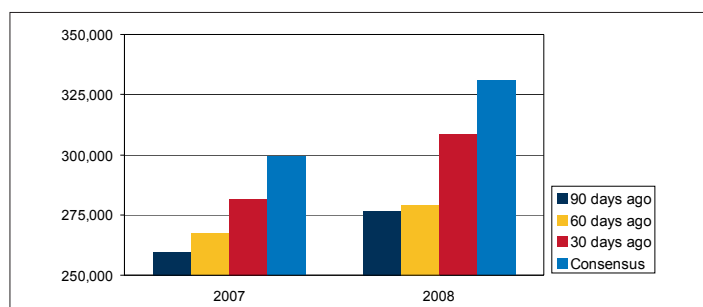
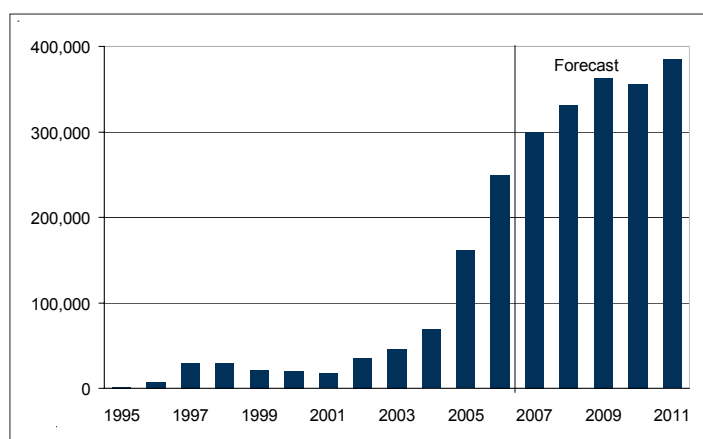


	2007	2008
ABN Amro Asia	7.40	7.10
Allianz Group	7.45	7.20
Bank of China (Hong Kong)	7.60	7.30
Citigroup Global Markets Inc.	7.28	6.79
Cominvest	7.45	7.15
Core Pacific-Yamaichi	7.48	7.07
Credit Suisse	7.33	6.93
DBS Bank	7.35	-
Deutsche Bank	7.49	7.25
Goldman Sachs	7.37	6.92
Hang Seng Bank	7.30	6.80
HSBC	7.40	7.05
ING Financial Markets	7.45	7.00
JPMorgan	7.00	-
Merrill Lynch	7.37	-
Mitsubishi UFJ	-	-
Morgan Stanley	7.30	7.00
Standard Chartered Bank	7.49	7.20
The Bank of East Asia	7.49	-
UBS	7.45	7.05
United Overseas Bank	7.47	-
Wing Hang Bank	7.50	-
Consensus	7.40	7.05
30 days ago	7.40	7.06
60 days ago	7.42	7.07
90 days ago	7.44	7.08
Minimum	7.00	6.79
Maximum	7.60	7.30
Median	7.45	7.05
Standard Deviation	1.7	2.2

External Sector

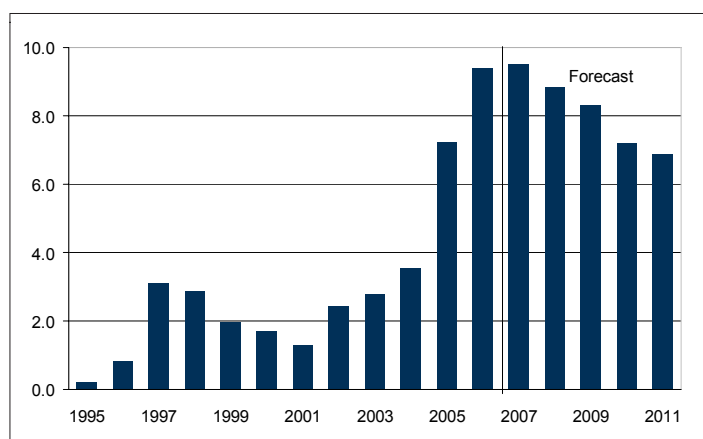
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	21.1	20.5	17.4	35.4	45.9	68.7	160.8	249.9	299.3	331.1	363.2	356.1	384.6
Current Account Balance (% of GDP)	1.9	1.7	1.3	2.4	2.8	3.6	7.2	9.4	9.5	8.8	8.3	7.2	6.9
Trade Balance (US\$ billion)	29.3	24.2	23.2	30.4	25.5	33.0	102.3	177.5	237.0	274.5	272.5	287.4	313.4
Exports (US\$ billion)	195.0	249.3	266.8	325.8	438.7	593.9	762.7	969.1	1,192	1,425	1,650	1,920	2,221
Imports (US\$ billion)	165.7	225.1	243.6	295.4	413.2	560.9	660.4	791.6	954.6	1,154	1,378	1,633	1,908
Exports (annual variation in %)	6.1	27.9	7.0	22.1	34.7	35.4	28.4	27.1	23.0	19.6	15.8	16.3	15.7
Imports (annual variation in %)	18.2	35.8	8.2	21.2	39.9	35.8	17.7	19.9	20.6	20.9	19.4	18.5	16.8
International Reserves (US\$ billion)	154.7	165.6	212.2	286.4	403.3	609.9	818.9	1,066	1,370	1,632	1,701	1,932	2,168
International Reserves (months of imports)	11.2	8.8	10.5	11.6	11.7	13.0	14.9	16.2	17.2	17.0	14.8	14.2	13.6
Total External Debt (US\$ billion)	151.8	145.7	170.1	168.5	193.6	228.6	281.0	320.6	334.9	350.2	341.8	389.9	459.1
Total External Debt (% GDP)	14.0	12.2	12.8	11.6	11.8	11.8	12.6	12.1	10.7	9.4	7.8	7.9	8.2

Current Account Balance, US\$ million

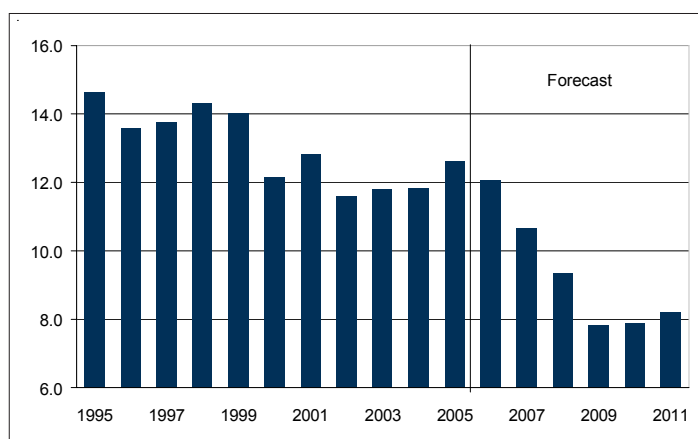


	2007	2008
ABN Amro Asia	291,900	330,000
Allianz Group	250,000	260,000
Bank of China (Hong Kong)	288,960	222,250
Citigroup Global Markets Inc.	320,390	384,391
Cominvest	332,000	358,000
Core Pacific-Yamaichi	-	-
Credit Suisse	304,000	321,200
DBS Bank	330,000	390,000
Deutsche Bank	350,000	415,000
Goldman Sachs	-	-
Hang Seng Bank	270,000	320,000
HSBC	313,800	401,400
ING Financial Markets	307,400	391,549
JPMorgan	269,400	254,900
Merrill Lynch	293,000	-
Mitsubishi UFJ	237,000	-
Morgan Stanley	301,583	343,294
Standard Chartered Bank	370,758	381,625
The Bank of East Asia	-	-
UBS	280,145	261,895
United Overseas Bank	276,497	261,900
Wing Hang Bank	-	-
Consensus	299,268	331,088
30 days ago	281,742	308,309
60 days ago	267,149	279,222
90 days ago	259,441	276,672
Minimum	237,000	222,250
Maximum	370,758	415,000
Median	297,292	336,647
Standard Deviation	11.3	18.8

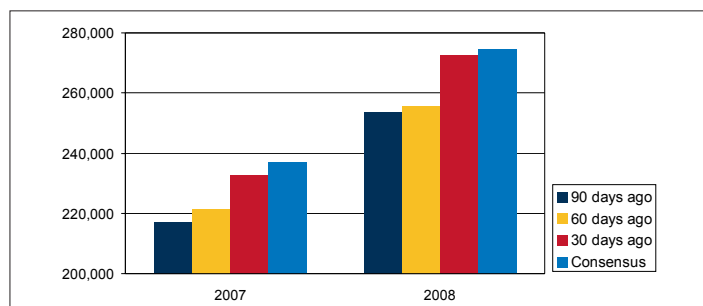
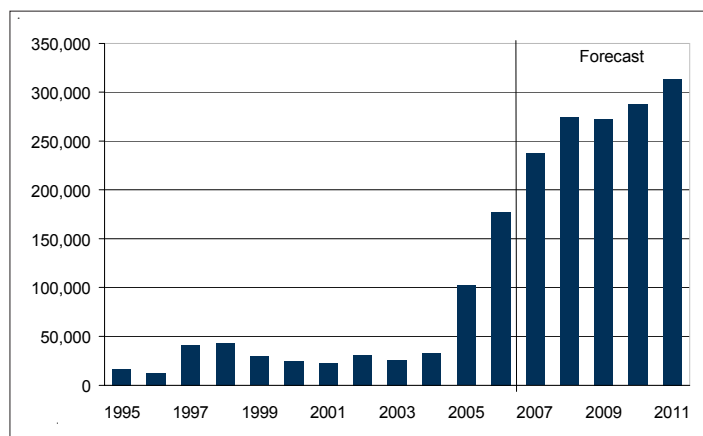
Current Account Balance, % of GDP



External Debt, % of GDP

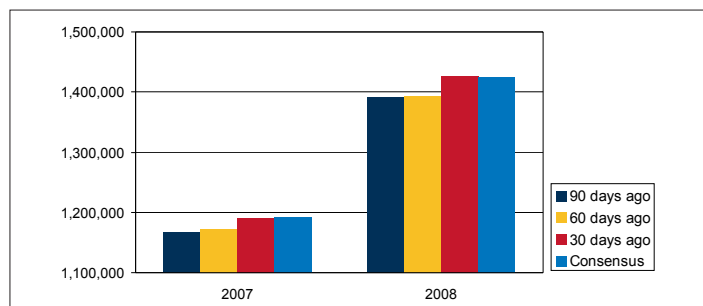
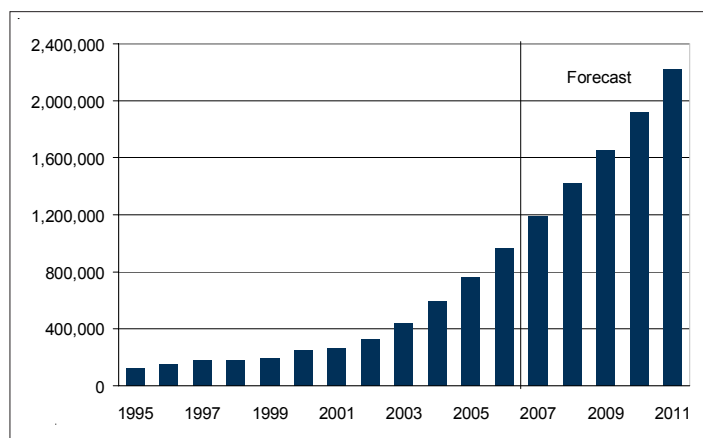


Trade Balance, US\$ million



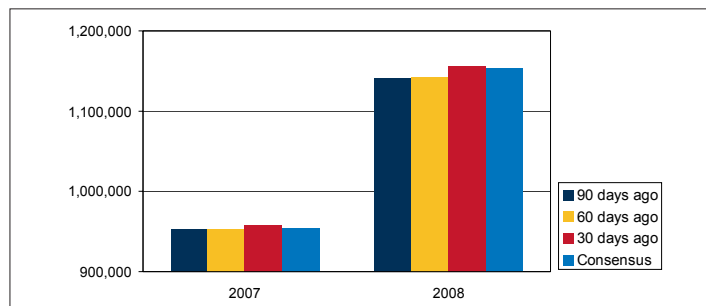
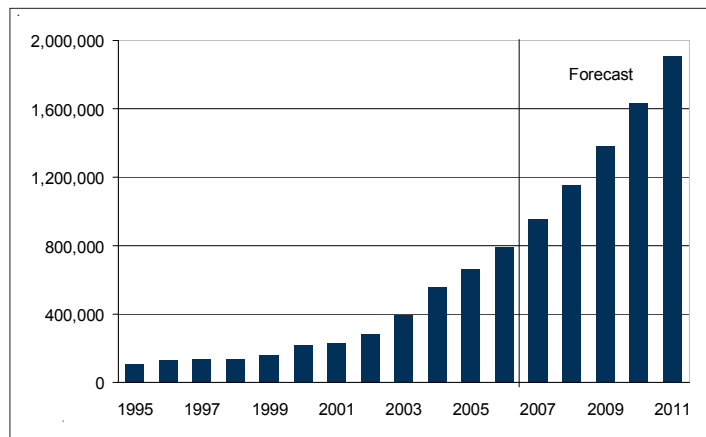
	2007	2008
ABN Amro Asia	231,500	282,500
Allianz Group	200,000	230,000
Bank of China (Hong Kong)	217,770	212,868
Citigroup Global Markets Inc.	253,488	299,677
Cominvest	-	-
Core Pacific-Yamaichi	251,200	280,900
Credit Suisse	216,596	231,320
DBS Bank	260,000	322,000
Deutsche Bank	307,000	362,000
Goldman Sachs	-	-
Hang Seng Bank	247,000	335,200
HSBC	243,813	326,358
ING Financial Markets	273,126	306,039
JPMorgan	247,200	236,700
Merrill Lynch	207,143	-
Mitsubishi UFJ	208,000	-
Morgan Stanley	264,500	317,400
Standard Chartered Bank	243,960	355,636
The Bank of East Asia	173,400	90,500
UBS	221,145	202,895
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	237,047	274,499
30 days ago	232,872	272,493
60 days ago	221,490	255,468
90 days ago	217,169	253,620
Minimum	173,400	90,500
Maximum	307,000	362,000
Median	243,886	291,089
Standard Deviation	13.1	25.7

Exports, US\$ million



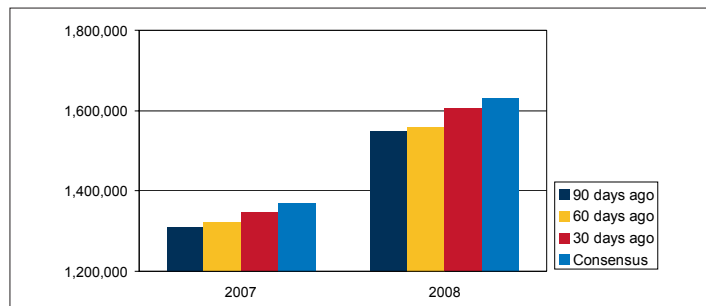
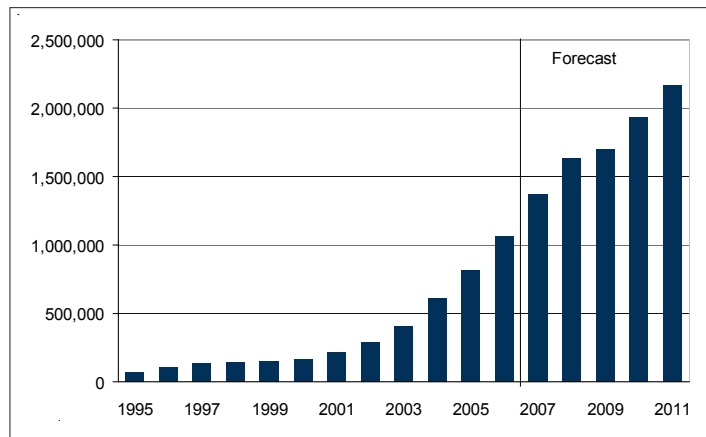
	2007	2008
ABN Amro Asia	1,168,600	1,378,900
Allianz Group	1,150,000	1,350,000
Bank of China (Hong Kong)	1,197,783	1,413,384
Citigroup Global Markets Inc.	1,211,341	1,477,836
Cominvest	-	-
Core Pacific-Yamaichi	1,192,500	1,427,400
Credit Suisse	1,187,113	1,400,794
DBS Bank	1,226,000	1,520,000
Deutsche Bank	1,214,000	1,460,000
Goldman Sachs	-	-
Hang Seng Bank	1,182,000	1,419,000
HSBC	1,201,481	1,513,866
ING Financial Markets	1,222,615	1,442,002
JPMorgan	1,198,700	1,378,500
Merrill Lynch	1,149,877	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Standard Chartered Bank	1,210,714	1,477,071
The Bank of East Asia	1,162,900	1,337,300
UBS	1,192,176	1,383,086
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	1,191,738	1,425,276
30 days ago	1,190,265	1,425,665
60 days ago	1,173,226	1,393,365
90 days ago	1,167,935	1,390,535
Minimum	1,149,877	1,337,300
Maximum	1,226,000	1,520,000
Median	1,195,141	1,419,000
Standard Deviation	2.0	3.9

Imports, US\$ million



	2007	2008
ABN Amro Asia	937,100	1,096,400
Allianz Group	950,000	1,120,000
Bank of China (Hong Kong)	980,013	1,200,516
Citigroup Global Markets Inc.	957,853	1,178,159
Cominvest	-	-
Core Pacific-Yamaichi	941,300	1,146,500
Credit Suisse	970,518	1,169,474
DBS Bank	966,000	1,198,000
Deutsche Bank	907,000	1,098,000
Goldman Sachs	-	-
Hang Seng Bank	935,000	1,083,800
HSBC	957,668	1,187,508
ING Financial Markets	949,489	1,135,964
JPMorgan	951,500	1,141,800
Merrill Lynch	942,734	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Standard Chartered Bank	966,754	1,121,435
The Bank of East Asia	989,500	1,246,800
UBS	971,031	1,180,191
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	954,591	1,153,636
30 days ago	957,815	1,156,166
60 days ago	953,581	1,142,026
90 days ago	953,157	1,141,271
Minimum	907,000	1,083,800
Maximum	989,500	1,246,800
Median	954,584	1,146,500
Standard Deviation	2.1	4.0

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	1,380,000	1,730,000
Allianz Group	1,400,000	1,730,000
Bank of China (Hong Kong)	1,460,150	1,640,000
Citigroup Global Markets Inc.	1,380,000	1,550,000
Cominvest	1,392,000	1,690,000
Core Pacific-Yamaichi	-	-
Credit Suisse	1,348,000	1,626,000
DBS Bank	1,374,000	1,741,000
Deutsche Bank	1,246,300	1,366,300
Goldman Sachs	-	-
Hang Seng Bank	-	-
HSBC	1,532,000	1,732,000
ING Financial Markets	1,270,000	1,450,000
JPMorgan	1,256,300	1,406,300
Merrill Lynch	1,251,000	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Standard Chartered Bank	1,410,000	1,760,000
The Bank of East Asia	-	-
UBS	1,481,699	1,795,594
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	1,370,103	1,632,092
30 days ago	1,345,786	1,605,696
60 days ago	1,321,501	1,559,754
90 days ago	1,311,487	1,548,821
Minimum	1,246,300	1,366,300
Maximum	1,532,000	1,795,594
Median	1,380,000	1,690,000
Standard Deviation	6.5	8.8

General Data

Official name:	People's Republic of China
Capital:	Beijing (7.7 m)
Other cities:	Shanghai (10.0 m) Chongqing (4.2 m) Tianjin (4.9 m)
Area (km ²):	9,596,960
Population (2006 est., million):	1,314
Population density (2006 est., per km ²):	136.7
Population growth rate (2006 est., %):	0.6
Life expectancy (2006, years):	72.6
Illiteracy rate (2006, %):	9.1
Languages:	Mandarin/Putonghua
Measures:	Metric system and Chinese standard weights
Time:	8 hours ahead of GMT

Executive Branch

President:	Hu Jintao
Since:	March 2003
Last elections:	March 2003
Next elections:	March 2008

Cabinet:

Chief of the Cabinet:	Wen Jiabao
Minister of the Economy:	Jing Renging
Minister of Foreign Relations:	Li Zhaoxing
Minister of Commerce:	Bo Xilai

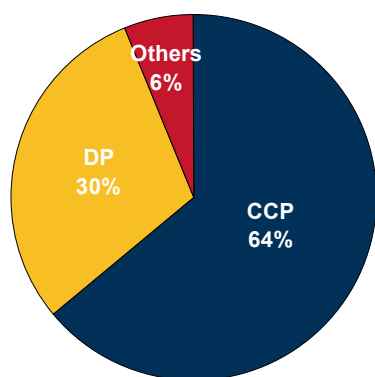
Central Bank Governor:	Zhou Xiaochuan
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Legislative Branch

Last elections:	Dec. 2002 - Feb. 2003
Next elections:	Dec. 2007 - Feb. 2008

National People's Congress

Party	Seats	% of Total
Chinese Communist Party (CCP):	1,909	64.0
Democratic Parties (DP):	895	30.0
Others:	181	6.0
Total:	2,985	100.0

People's Congress**Economic Infrastructure****Communications (2005)**

Telephones - main lines in use (per 100 inhabitants):	18.6
Telephones - mobile cellular (per 100 inhabitants):	29.9
Telephones - mobile cellular (% total telephone subscribers):	52.9
Internet Users (per 100 inhabitants):	8.4
Personal Computers (per 100 inhabitants, estimate):	4.0

Energy (2005)

Total Electricity Generation (GWh):	2,500,000
Electricity Consumption Growth (%):	15.3
Residential Consumption (% share of total):	38.2
Industrial Consumption (% share of total):	40.0

Transportation (2005)

Railways (km) :	74,408
Highways (km):	1,870,661
Waterways (km):	123,964
Chief Ports:	Shanghai, Ningbo, Guangzhou

Strengths

- Large domestic market
- Large workforce
- Low labour costs

Weaknesses

- Lack of comprehensive infrastructure
- Nascent legal system
- Financial system vulnerability

Long-Term Foreign Currency Ratings

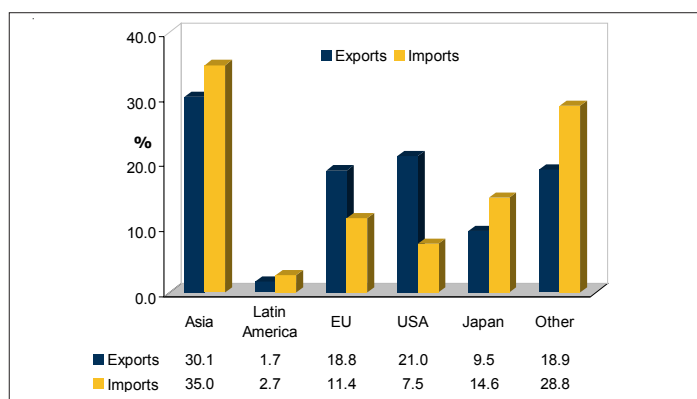
Moody's:	A1
S&P:	A
Fitch Ratings:	A

Trade by Product Groups (2005)**Exports:**

Manufactures:	91.9
Mining:	4.1
Agricultural:	3.8
Other:	0.2

Imports:

Manufactures:	74.7
Mining:	18.1
Agricultural:	6.8
Other:	0.4

Geographical Trade Structure (2006)

Forecast Summary

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	6.5	6.5	6.6	6.6	6.7	6.8	6.8	6.8	6.9	7.0	7.0	7.1	7.2
GDP (US\$ billion)	159.0	176.3	166.9	163.3	168.7	166.6	163.7	158.5	165.8	177.8	189.8	203.9	219.2
GDP per capita (US\$)	24,583	27,053	25,358	24,598	25,141	24,641	24,124	23,156	23,977	25,530	26,978	28,694	30,544
GDP (annual variation in %)	4.2	5.1	-5.5	4.0	10.0	0.6	1.8	3.2	8.6	7.5	6.9	5.4	5.0
Consumption (annual variation in %)	3.8	6.1	-6.8	1.3	6.0	2.1	-1.0	-0.9	7.2	3.3	5.2	4.5	4.1
Investment (annual variation in %)	10.9	12.6	-7.3	-16.6	11.0	2.6	-4.5	0.9	3.1	4.6	7.9	5.8	5.4
Unemployment (%)	2.8	2.2	4.7	6.2	4.9	5.1	7.3	7.9	6.8	5.6	4.8	4.1	4.0
Fiscal balance (% of GDP)	2.1	6.4	-1.8	0.8	-0.6	-4.9	-4.8	-3.2	1.7	1.0	2.1	1.8	2.0
Consumer Prices (annual variation in %)	6.7	5.2	-1.6	-4.0	-2.1	-3.6	-1.5	-1.9	0.3	1.4	2.3	2.2	3.0
Interest Rate (benchmark in %, eop)	5.5	9.1	5.1	5.7	5.8	1.9	1.4	0.2	0.3	4.2	3.9	4.4	4.3
Exchange Rate (vs. US\$, end-of-period)	7.74	7.75	7.75	7.77	7.80	7.80	7.80	7.76	7.78	7.75	7.77	7.79	7.79
Current Account Balance (% of GDP)	-2.5	-4.4	1.5	6.3	4.1	5.9	7.6	10.4	9.5	11.4	10.6	9.3	9.3
Trade Balance (% of GDP)	-11.2	-11.7	-6.3	-3.5	-6.5	-6.7	-4.6	-5.1	-7.1	-5.7	-9.4	-9.2	-9.8
Exports (annual variation in %)	4.0	6.3	-8.5	-0.6	16.0	-5.8	4.9	12.1	15.9	11.1	9.6	7.9	8.2
Imports (annual variation in %)	3.0	5.5	-12.3	-3.1	18.6	-5.5	3.1	12.2	17.0	10.1	11.5	9.0	8.5
Int. Reserves (months of imports)	3.9	5.3	5.9	6.5	6.1	6.7	6.5	6.2	5.5	5.0	4.8	4.7	4.5
External Debt (% of GDP)	23.8	22.9	28.9	33.2	32.6	30.5	30.5	39.4	43.4	42.7	40.0	32.4	29.9

Rising Consumer Confidence Supports Growth

Economic growth is set to moderate this year. Nevertheless, the outlook remains favourable as consumer confidence improves on the back of a healthy macroeconomic environment. In addition, exports will moderate less than initially expected, thereby improving the contribution from the external sector. Finally, inflation is likely to increase along an erratic trajectory amid food supply shortages on the mainland.

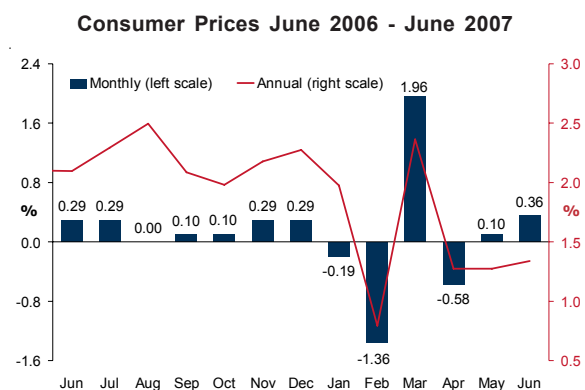
Retail sales pick up again



Note: Year-on-year and annual average variation of retail sales volume index in %.
Source: National Bureau of Statistics and FocusEconomics calculations.

In May, retail sales increased 9.4% over the same month last year, which was well above the 1.7% rise registered in April (previously reported: +2.0% year-on-year). Strong sales in motor vehicles and parts (+26.6% yoy), jewellery, watches and clocks (+21.8% yoy) as well as in electrical goods (+17.8% yoy) accounted for the lion's share of the monthly growth. Nevertheless, seasonally adjusted data does not corroborate the acceleration suggested by the annual figures, as retail sales decreased by 2.6% in the three-month period ending in May, compared to the previous period ending in April. The reading, however, was clearly affected by the staggering performance of retail sales in February, when they expanded 25.2% annually. A government spokesman stated that the robust volume of retail sales reflected upbeat consumer sentiment, which was backed by the favourable macroeconomic environment and the buoyant stock market. As a result of the May reading, annual average growth in retail sales jumped from 5.4% in April to 5.9%. Consensus Forecast panellists anticipate the economy will expand 5.4% this year, which is unchanged from last month's forecast. For 2008, the panel expects economic growth to decelerate to 5.0%.

High food prices drive inflation



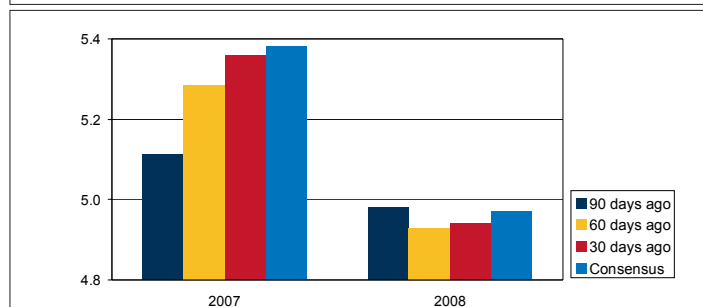
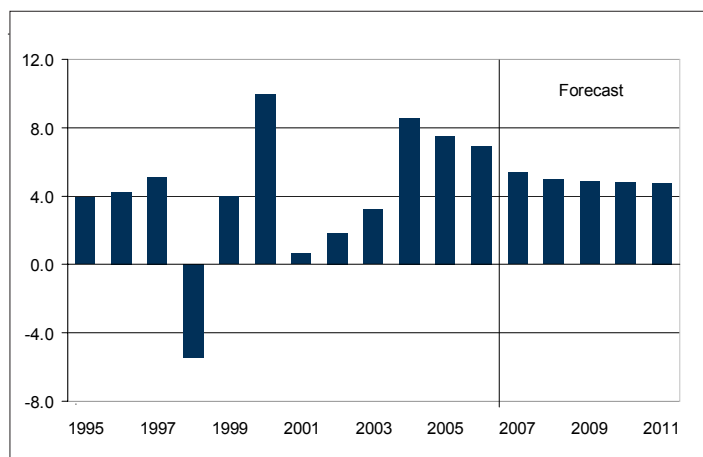
Note: Monthly and annual variation of consumer price index in %.
Source: Census and Statistics Department Hong Kong and FocusEconomics calculations.

In June, consumer prices increased 0.39% over the previous month, which was well above the 0.10% registered in May, but in line with market expectations. The monthly price rise was driven by a hike in food prices, which rose at the fastest pace since February. Especially prices for pork rose sharply as the outbreak of a disease in mainland China caused shortages. Despite June's price increase, annual inflation remained unchanged for the third consecutive month at 1.3%. The government expects high and volatile food prices to continue influencing inflation for the remainder of the year, although sustained growth in labour productivity should provide some cushion against price pressures. Consensus Forecast panellists anticipate inflation will rise to 2.2% by the end of the year, which is 0.2 percentage points (down) from last month's forecast. In 2008, the Consensus Forecast panel sees inflation pacing up to 3.0%.

Real Sector

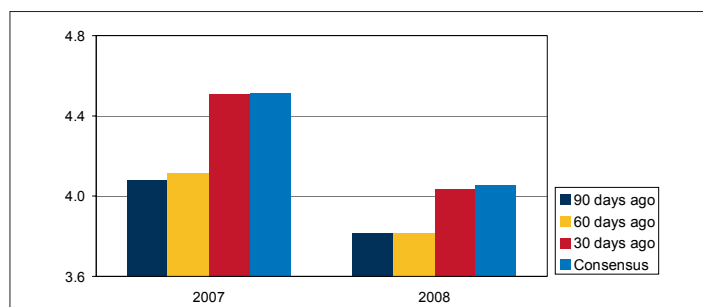
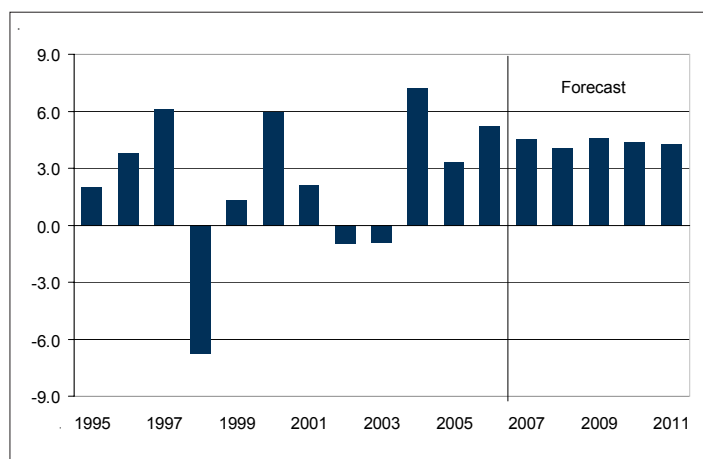
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	163.3	168.7	166.6	163.7	158.5	165.8	177.8	189.8	203.9	219.2	236.6	255.3	274.9
GDP per capita (US\$)	24,598	25,141	24,641	24,124	23,156	23,977	25,530	26,978	28,694	30,544	32,635	33,868	36,025
GDP (annual variation in %)	4.0	10.0	0.6	1.8	3.2	8.6	7.5	6.9	5.4	5.0	4.9	4.8	4.7
Consumption (ann. var. in %)	1.3	6.0	2.1	-1.0	-0.9	7.2	3.3	5.2	4.5	4.1	4.6	4.4	4.3
Investment (ann. var. in %)	-16.6	11.0	2.6	-4.5	0.9	3.1	4.6	7.9	5.8	5.4	5.6	5.0	5.0
Industrial Production (ann. var. in %)	-6.4	-0.5	-4.4	-9.8	-9.2	2.9	2.5	2.2	2.3	1.5	0.5	0.2	0.7
Unemployment (%)	6.2	4.9	5.1	7.3	7.9	6.8	5.6	4.8	4.1	4.0	3.9	3.9	4.0

Gross Domestic Product, annual variation in %



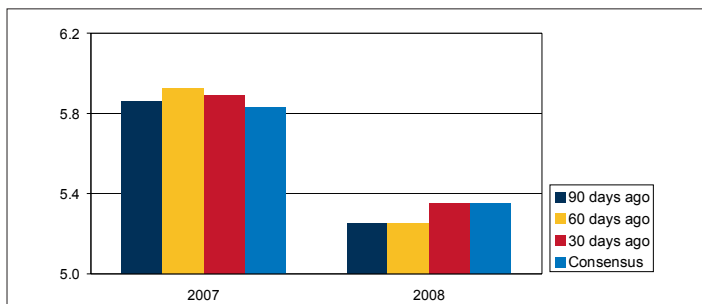
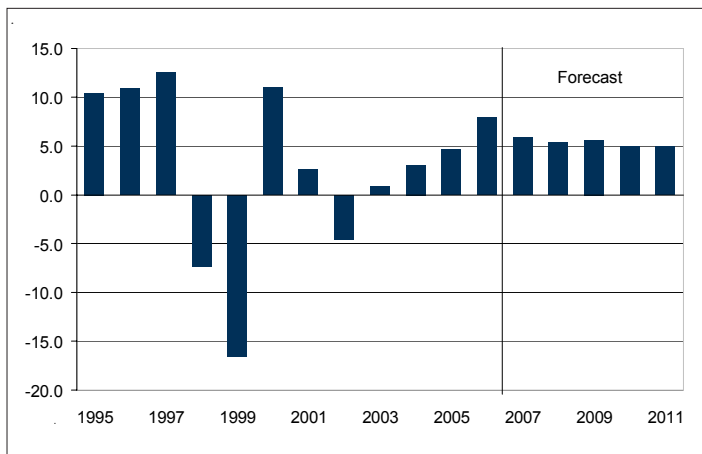
	2007	2008
ABN Amro Asia	-	-
Allianz Group	5.3	5.0
Bank of China (Hong Kong)	5.0	4.8
Citigroup Global Markets Inc.	6.0	5.8
Core Pacific-Yamaichi	5.1	4.8
Credit Suisse	5.0	4.4
DBS Bank	5.4	5.6
Deutsche Bank	5.3	5.0
Goldman Sachs	6.0	6.0
Hang Seng Bank	5.6	5.1
HSBC	5.4	4.8
ING Financial Markets	5.5	5.0
JPMorgan	5.5	4.6
Royal Bank of Scotland	-	-
Standard Chartered Bank	5.5	4.5
The Bank of East Asia	6.0	4.6
UBS	4.7	4.4
United Overseas Bank	5.2	5.2
Wing Hang Bank	5.0	-
Consensus	5.4	5.0
30 days ago	5.4	4.9
60 days ago	5.3	4.9
90 days ago	5.1	5.0
Minimum	4.7	4.4
Maximum	6.0	6.0
Median	5.4	4.9
Standard Deviation	6.9	9.5

Private Consumption, annual variation in %



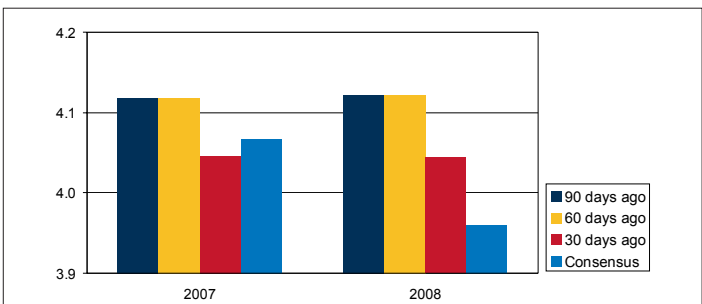
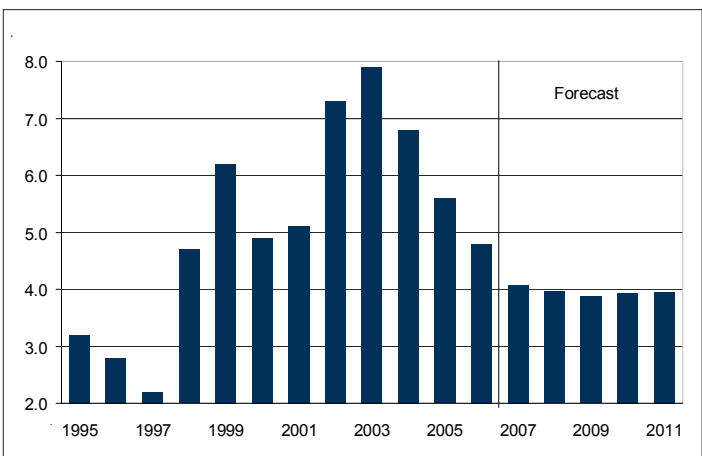
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Bank of China (Hong Kong)	3.8	4.6
Citigroup Global Markets Inc.	4.6	4.1
Core Pacific-Yamaichi	4.4	3.8
Credit Suisse	5.5	4.8
DBS Bank	5.0	5.0
Deutsche Bank	4.0	3.5
Goldman Sachs	-	-
Hang Seng Bank	4.5	4.2
HSBC	3.5	2.5
ING Financial Markets	4.3	4.2
JPMorgan	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	6.3	4.0
UBS	4.3	3.9
United Overseas Bank	-	-
Wing Hang Bank	4.0	-
Consensus	4.5	4.1
30 days ago	4.5	4.0
60 days ago	4.1	3.8
90 days ago	4.1	3.8
Minimum	3.5	2.5
Maximum	6.3	5.0
Median	4.4	4.1
Standard Deviation	17.1	16.7

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	6.0	7.0
Allianz Group	-	-
Bank of China (Hong Kong)	4.8	4.0
Citigroup Global Markets Inc.	5.9	6.0
Core Pacific-Yamaichi	4.1	3.0
Credit Suisse	6.5	6.5
DBS Bank	5.3	6.5
Deutsche Bank	5.0	3.5
Goldman Sachs	-	-
Hang Seng Bank	9.5	6.4
HSBC	8.0	6.0
ING Financial Markets	6.1	6.5
JPMorgan	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	4.8	4.0
UBS	3.9	4.8
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	5.8	5.4
30 days ago	5.9	5.4
60 days ago	5.9	5.3
90 days ago	5.9	5.3
Minimum	3.9	3.0
Maximum	9.5	7.0
Median	5.6	6.0
Standard Deviation	27.6	26.2

Unemployment, % of economically active population

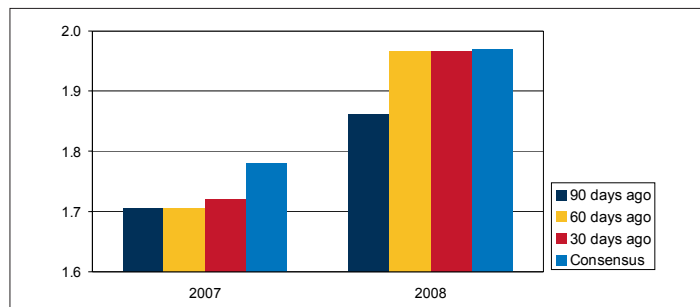
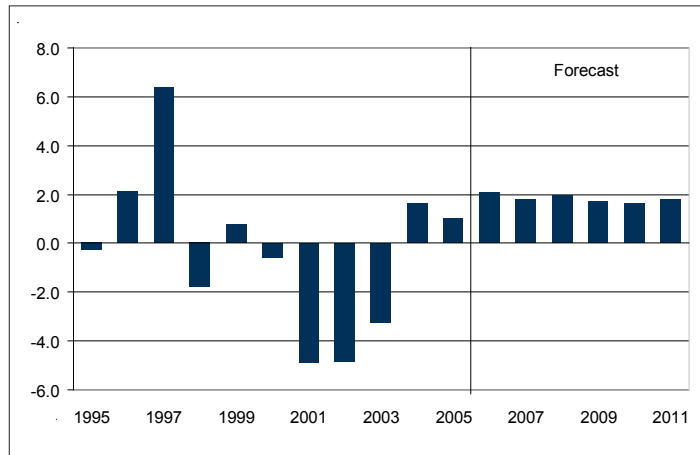


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Bank of China (Hong Kong)	4.0	4.3
Citigroup Global Markets Inc.	3.9	3.4
Core Pacific-Yamaichi	-	-
Credit Suisse	4.5	4.8
DBS Bank	4.0	3.6
Deutsche Bank	4.0	3.8
Goldman Sachs	-	-
Hang Seng Bank	4.3	3.9
HSBC	3.8	3.6
ING Financial Markets	3.8	3.6
JPMorgan	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	4.3	5.0
UBS	-	-
United Overseas Bank	3.9	3.6
Wing Hang Bank	4.2	-
Consensus	4.1	4.0
30 days ago	4.0	4.0
60 days ago	4.1	4.1
90 days ago	4.1	4.1
Minimum	3.8	3.4
Maximum	4.5	5.0
Median	4.0	3.7
Standard Deviation	5.6	14.0

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal balance (% of GDP)	0.8	-0.6	-4.9	-4.8	-3.2	1.7	1.0	2.1	1.8	2.0	1.7	1.7	1.8

Fiscal balance, % of GDP

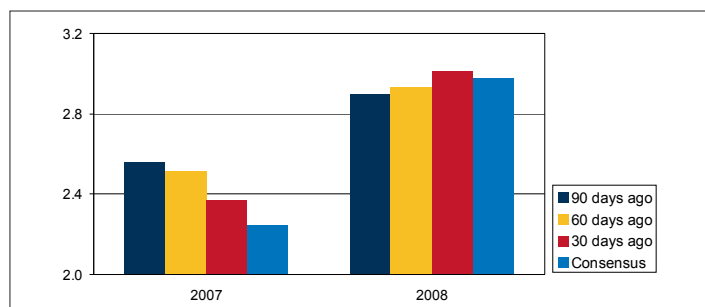
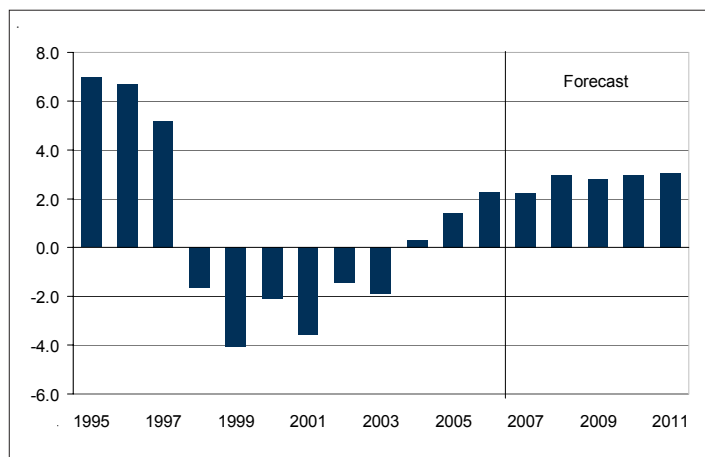


	2007	2008
ABN Amro Asia	1.5	1.7
Allianz Group	-	-
Bank of China (Hong Kong)	1.5	1.3
Citigroup Global Markets Inc.	2.0	1.5
Core Pacific-Yamaichi	-	-
Credit Suisse	1.6	2.3
DBS Bank	-	-
Deutsche Bank	1.8	2.4
Goldman Sachs	-	-
Hang Seng Bank	-	-
HSBC	2.2	2.4
ING Financial Markets	2.2	2.5
JPMorgan	1.7	2.9
Royal Bank of Scotland	-	-
Standard Chartered Bank	2.0	1.5
The Bank of East Asia	-	-
UBS	1.3	1.2
United Overseas Bank	1.9	2.0
Wing Hang Bank	1.7	-
Consensus	1.8	2.0
30 days ago	1.7	2.0
60 days ago	1.7	2.0
90 days ago	1.7	1.9
Minimum	1.3	1.2
Maximum	2.2	2.9
Median	1.8	2.0
Standard Deviation	16.0	28.7

Monetary Sector

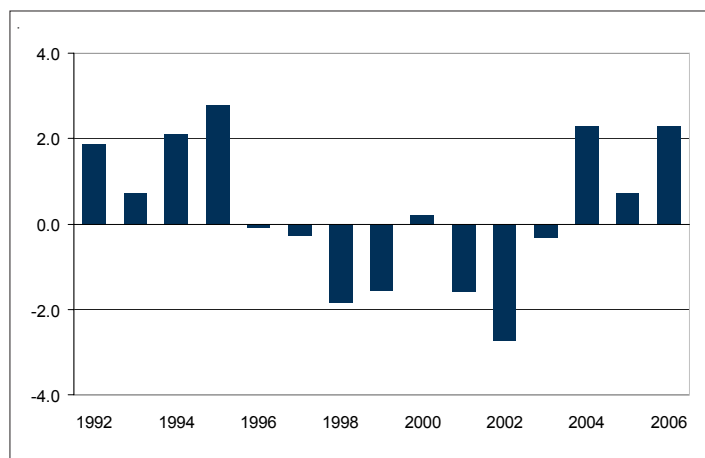
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	-4.0	-2.1	-3.6	-1.5	-1.9	0.3	1.4	2.3	2.2	3.0	2.8	3.0	3.0
Producer Prices (ann. var. in %)	-1.6	0.2	-1.6	-2.7	-0.3	2.3	0.7	2.3	-	-	-	-	-
Money (annual variation of M1 in %)	13.9	8.3	5.8	14.6	39.8	17.2	-10.3	13.1	-	-	-	-	-
Interest Rate (benchmark in %, eop)	5.7	5.8	1.9	1.4	0.2	0.3	4.2	3.9	4.4	4.3	4.8	4.9	5.3
Local currency per US\$ (eop)	7.77	7.80	7.80	7.80	7.76	7.78	7.75	7.77	7.79	7.79	7.77	7.76	7.78
Local currency per US\$ (average)	7.76	7.79	7.80	7.80	7.78	7.79	7.77	7.76	7.78	7.79	7.78	7.76	7.77
Nom. Depreciation (vs. US\$, annual)	0.3	0.3	0.0	0.0	-0.5	0.2	-0.3	0.3	0.2	-0.1	-0.2	-0.1	0.2

Consumer Prices, annual variation in %

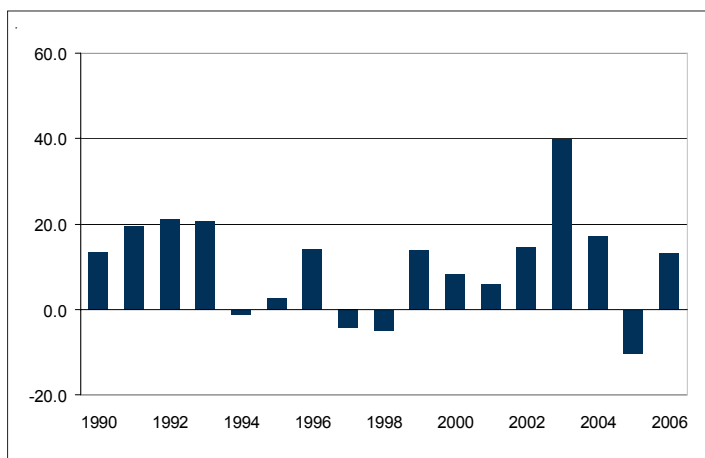


	2007	2008
ABN Amro Asia	3.0	4.0
Allianz Group	2.2	2.5
Bank of China (Hong Kong)	1.6	3.3
Citigroup Global Markets Inc.	2.5	3.4
Core Pacific-Yamaichi	1.6	2.7
Credit Suisse	3.4	4.0
DBS Bank	1.8	3.0
Deutsche Bank	1.7	2.1
Goldman Sachs	1.8	4.0
Hang Seng Bank	3.0	3.0
HSBC	1.8	4.4
ING Financial Markets	2.3	1.8
JPMorgan	2.0	3.2
Royal Bank of Scotland	2.9	-
Standard Chartered Bank	2.0	1.7
The Bank of East Asia	2.0	2.5
UBS	1.8	2.5
United Overseas Bank	2.2	2.5
Wing Hang Bank	3.1	-
Consensus	2.2	3.0
30 days ago	2.4	3.0
60 days ago	2.5	2.9
90 days ago	2.6	2.9
Minimum	1.6	1.7
Maximum	3.4	4.4
Median	2.0	3.0
Standard Deviation	25.3	26.9

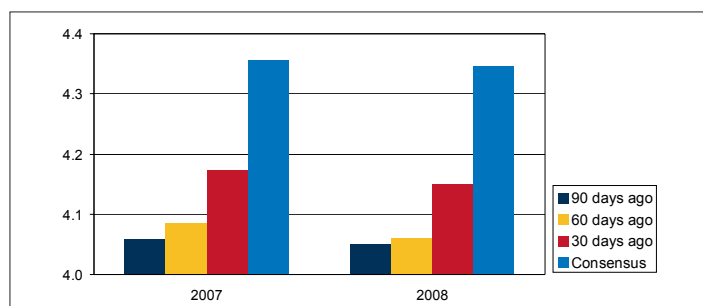
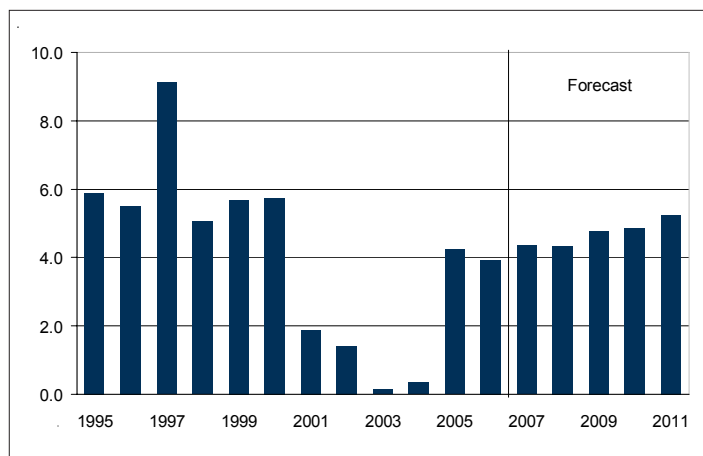
Producer Prices, annual variation in %



Narrow Money, annual variation in %

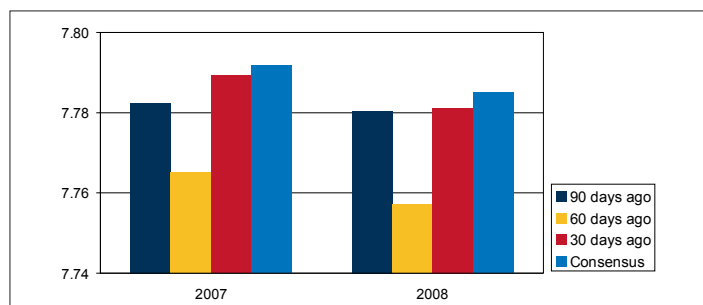
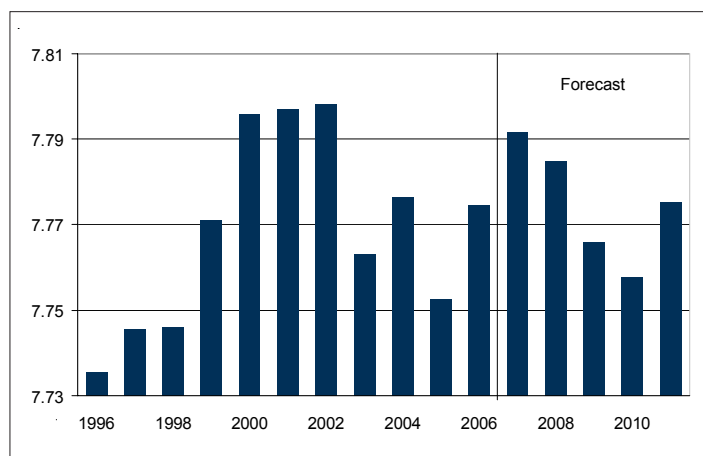


Interest Rate, nominal benchmark rate in %



	2007	2008
ABN Amro Asia	4.0	4.0
Allianz Group	-	-
Bank of China (Hong Kong)	-	-
Citigroup Global Markets Inc.	4.7	4.5
Core Pacific-Yamaichi	4.8	4.0
Credit Suisse	4.7	4.7
DBS Bank	-	-
Deutsche Bank	4.2	-
Goldman Sachs	4.5	4.5
Hang Seng Bank	-	-
HSBC	4.5	4.4
ING Financial Markets	4.5	4.8
JPMorgan	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	4.0	4.3
The Bank of East Asia	-	-
UBS	4.1	4.0
United Overseas Bank	-	-
Wing Hang Bank	4.0	-
Consensus	4.4	4.3
30 days ago	4.2	4.2
60 days ago	4.1	4.1
90 days ago	4.1	4.1
Minimum	4.0	4.0
Maximum	4.8	4.8
Median	4.5	4.4
Standard Deviation	7.0	6.8

Exchange Rate, versus US\$ (end of period)

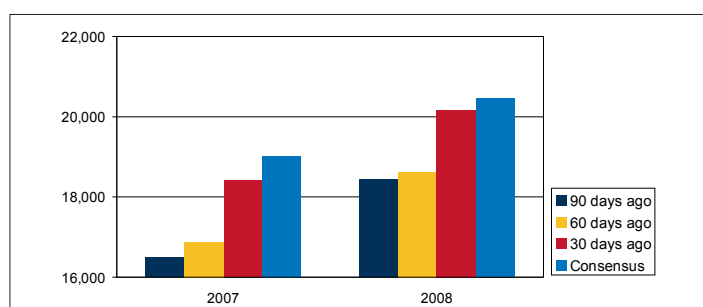
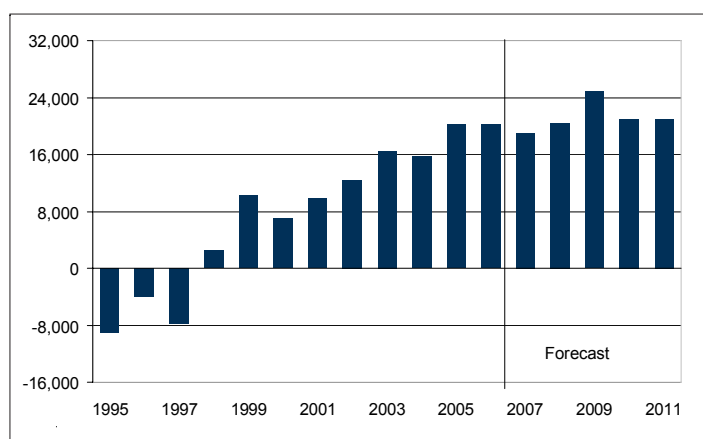


	2007	2008
ABN Amro Asia	7.75	7.75
Allianz Group	-	-
Bank of China (Hong Kong)	7.80	7.80
Citigroup Global Markets Inc.	7.82	7.79
Core Pacific-Yamaichi	7.80	7.80
Credit Suisse	7.82	7.80
DBS Bank	7.81	7.77
Deutsche Bank	7.77	7.77
Goldman Sachs	7.80	7.80
Hang Seng Bank	-	-
HSBC	7.80	7.80
ING Financial Markets	7.82	7.81
JPMorgan	7.75	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	7.79	7.75
The Bank of East Asia	-	-
UBS	7.78	7.78
United Overseas Bank	7.80	-
Wing Hang Bank	7.77	-
Consensus	7.79	7.79
30 days ago	7.79	7.78
60 days ago	7.77	7.76
90 days ago	7.78	7.78
Minimum	7.75	7.75
Maximum	7.82	7.81
Median	7.80	7.80
Standard Deviation	0.3	0.3

External Sector

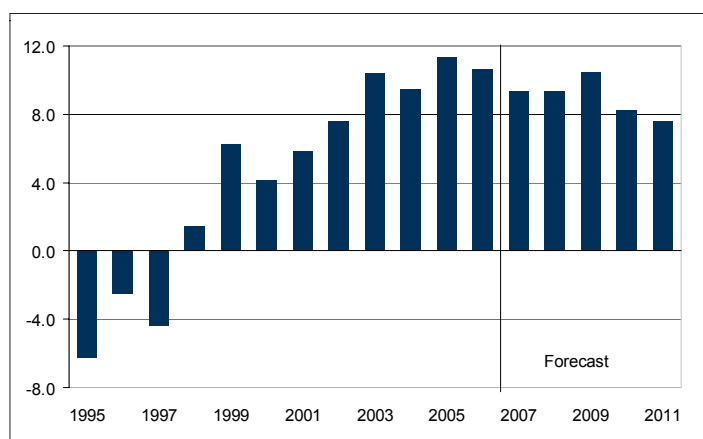
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	10.3	7.0	9.8	12.4	16.5	15.7	20.2	20.2	19.0	20.5	24.8	21.0	21.0
Current Account Balance (% of GDP)	6.3	4.1	5.9	7.6	10.4	9.5	11.4	10.6	9.3	9.3	10.5	8.2	7.6
Trade Balance (US\$ billion)	-5.6	-10.9	-11.2	-7.6	-8.1	-11.8	-10.2	-17.9	-18.7	-21.5	-18.8	-21.2	-23.3
Exports (US\$ billion)	174.7	202.7	190.9	200.3	224.6	260.3	289.1	316.8	341.9	370.0	406.5	442.0	483.6
Imports (US\$ billion)	177.9	210.9	199.3	205.4	230.4	269.6	296.7	330.8	360.5	391.3	425.3	463.2	506.9
Exports (annual variation in %)	-0.6	16.0	-5.8	4.9	12.1	15.9	11.1	9.6	7.9	8.2	9.9	8.7	9.4
Imports (annual variation in %)	-3.1	18.6	-5.5	3.1	12.2	17.0	10.1	11.5	9.0	8.5	8.7	8.9	9.4
International Reserves (US\$ billion)	96.3	107.6	111.2	111.9	118.4	123.6	124.3	133.2	140.6	146.4	153.5	163.2	171.5
International Reserves (months of imports)	6.5	6.1	6.7	6.5	6.2	5.5	5.0	4.8	4.7	4.5	4.3	4.2	4.1
Total External Debt (US\$ billion)	54.3	55.0	50.8	50.0	62.5	72.0	76.0	76.0	66.1	65.7	74.6	76.5	78.5
Total External Debt (% GDP)	33.2	32.6	30.5	30.5	39.4	43.4	42.7	40.0	32.4	29.9	31.5	30.0	28.6

Current Account Balance, US\$ million

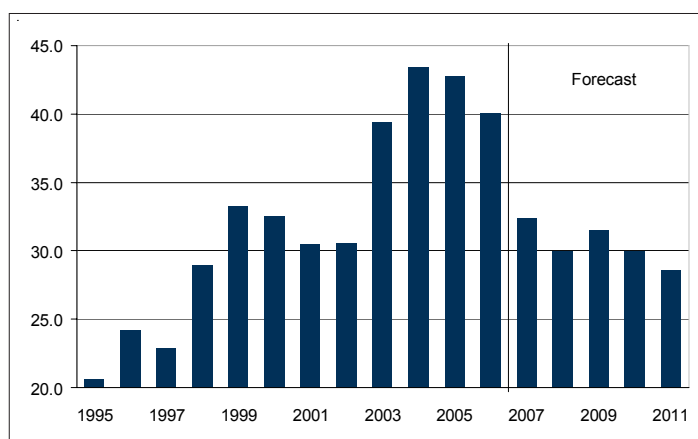


	2007	2008
ABN Amro Asia	21,800	23,700
Allianz Group	-	-
Bank of China (Hong Kong)	17,000	18,500
Citigroup Global Markets Inc.	20,164	15,693
Core Pacific-Yamaichi	-	-
Credit Suisse	16,800	16,300
DBS Bank	21,000	22,000
Deutsche Bank	11,500	16,600
Goldman Sachs	-	-
Hang Seng Bank	-	-
HSBC	23,900	28,200
ING Financial Markets	26,957	34,412
JPMorgan	21,400	20,200
Royal Bank of Scotland	-	-
Standard Chartered Bank	18,340	18,490
The Bank of East Asia	-	-
UBS	15,069	17,556
United Overseas Bank	14,681	13,811
Wing Hang Bank	18,600	-
Consensus	19,016	20,455
30 days ago	18,405	20,159
60 days ago	16,886	18,625
90 days ago	16,497	18,438
Minimum	11,500	13,811
Maximum	26,957	34,412
Median	18,600	18,495
Standard Deviation	21.8	28.8

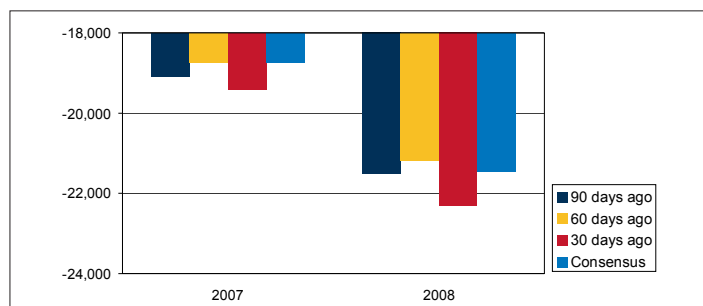
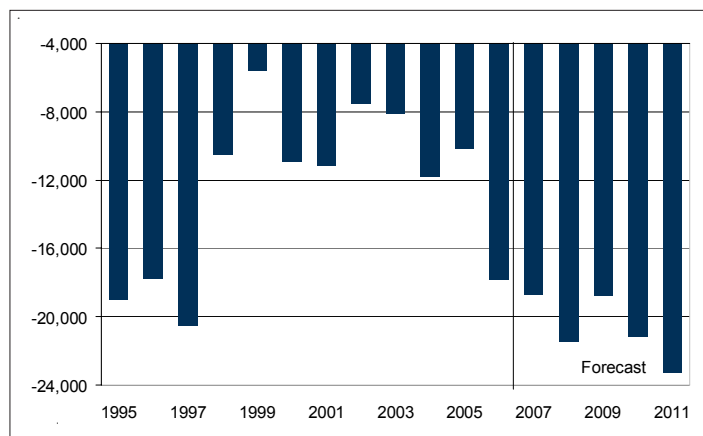
Current Account Balance, % of GDP



External Debt, % of GDP

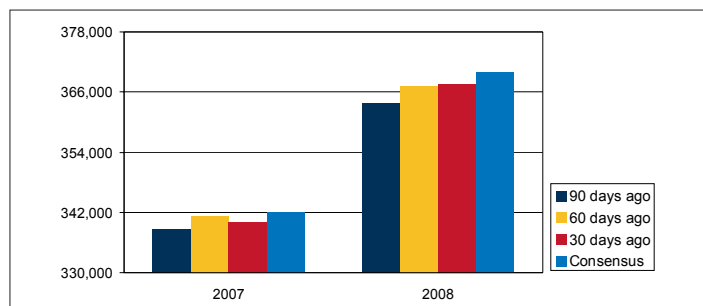
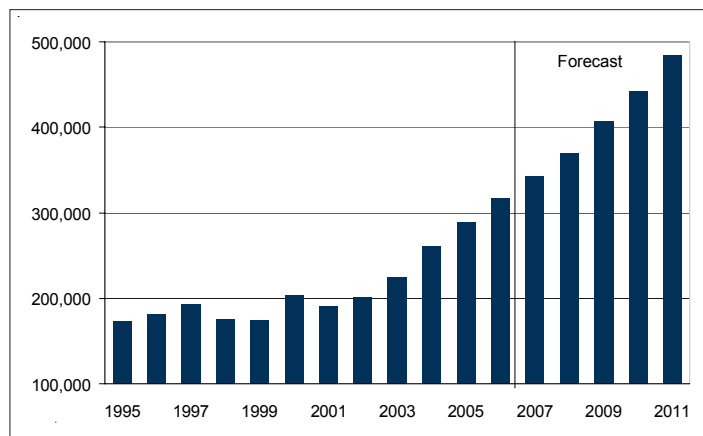


Trade Balance, US\$ million



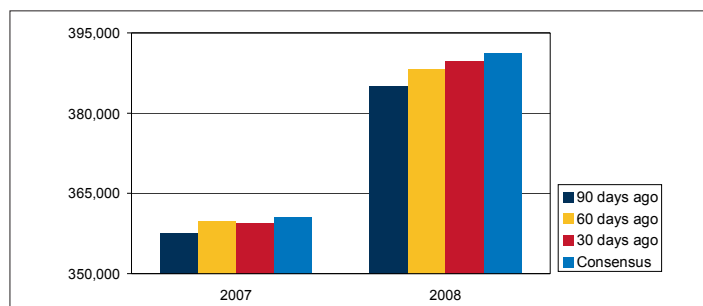
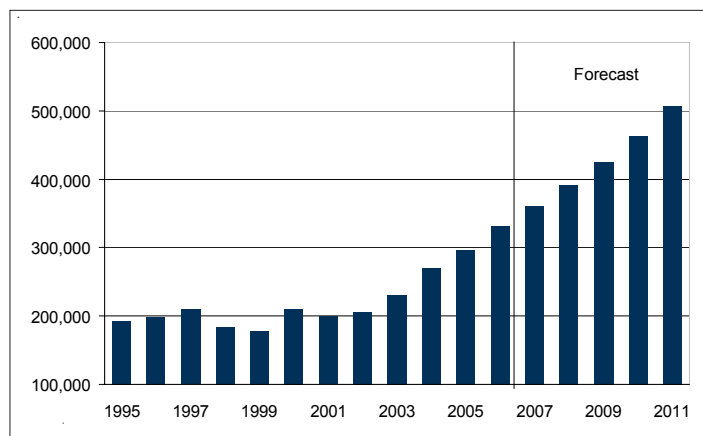
	2007	2008
ABN Amro Asia	-20,800	-23,700
Allianz Group	-	-
Bank of China (Hong Kong)	-18,126	-21,182
Citigroup Global Markets Inc.	-22,262	-28,784
Core Pacific-Yamaichi	-18,700	-19,400
Credit Suisse	-19,455	-22,901
DBS Bank	-22,000	-28,000
Deutsche Bank	-16,500	-15,400
Goldman Sachs	-	-
Hang Seng Bank	-22,998	-25,183
HSBC	-16,100	-15,700
ING Financial Markets	-12,834	-10,437
JPMorgan	-13,600	-15,700
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	-23,523	-33,051
UBS	-16,743	-19,506
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	-18,742	-21,457
30 days ago	-19,417	-22,317
60 days ago	-18,739	-21,175
90 days ago	-19,077	-21,511
Minimum	-23,523	-33,051
Maximum	-12,834	-10,437
Median	-18,700	-21,182
Standard Deviation	18.6	29.6

Exports, US\$ million



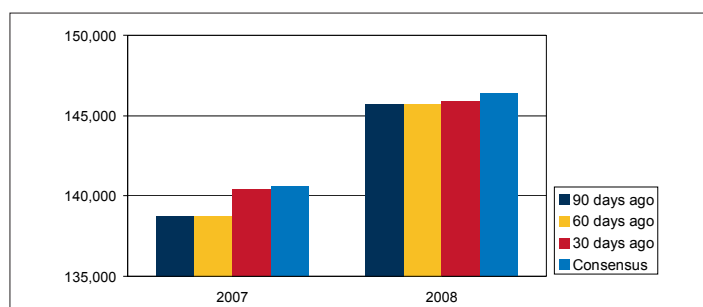
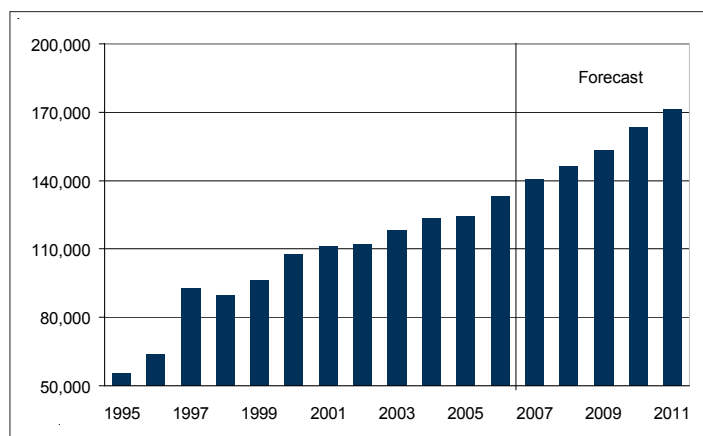
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Bank of China (Hong Kong)	339,180	362,923
Citigroup Global Markets Inc.	346,400	376,720
Core Pacific-Yamaichi	336,200	361,100
Credit Suisse	342,879	371,680
DBS Bank	341,000	368,000
Deutsche Bank	338,400	359,800
Goldman Sachs	-	-
Hang Seng Bank	340,670	367,943
HSBC	333,500	356,800
ING Financial Markets	347,309	379,767
JPMorgan	355,600	391,000
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	330,701	361,850
UBS	351,449	382,559
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	341,941	370,012
30 days ago	340,013	367,605
60 days ago	341,237	367,201
90 days ago	338,710	363,742
Minimum	330,701	356,800
Maximum	355,600	391,000
Median	340,835	367,972
Standard Deviation	2.1	2.9

Imports, US\$ million



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Bank of China (Hong Kong)	357,306	384,104
Citigroup Global Markets Inc.	368,661	405,504
Core Pacific-Yamaichi	354,900	380,500
Credit Suisse	362,333	394,581
DBS Bank	363,000	396,000
Deutsche Bank	354,900	375,200
Goldman Sachs	-	-
Hang Seng Bank	363,668	393,126
HSBC	349,600	372,500
ING Financial Markets	360,142	390,204
JPMorgan	369,200	406,700
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
The Bank of East Asia	354,223	394,902
UBS	368,191	402,065
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	360,511	391,282
30 days ago	359,315	389,806
60 days ago	359,805	388,166
90 days ago	357,630	385,054
Minimum	349,600	372,500
Maximum	369,200	406,700
Median	361,238	393,854
Standard Deviation	1.8	2.9

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	147,200	152,300
Allianz Group	-	-
Bank of China (Hong Kong)	145,100	152,500
Citigroup Global Markets Inc.	140,000	145,000
Core Pacific-Yamaichi	-	-
Credit Suisse	141,200	147,100
DBS Bank	140,000	147,000
Deutsche Bank	139,000	146,000
Goldman Sachs	-	-
Hang Seng Bank	-	-
HSBC	142,000	136,000
ING Financial Markets	138,000	143,000
JPMorgan	-	-
Royal Bank of Scotland	134,000	-
Standard Chartered Bank	138,000	145,000
The Bank of East Asia	-	-
UBS	141,941	149,941
United Overseas Bank	-	-
Wing Hang Bank	-	-
Consensus	140,586	146,384
30 days ago	140,404	145,884
60 days ago	138,739	145,704
90 days ago	138,739	145,704
Minimum	134,000	136,000
Maximum	147,200	152,500
Median	140,000	146,500
Standard Deviation	2.5	3.3

General Data

Official name:	Hong Kong Special Administrative Region
Capital:	Hong Kong
Other cities:	Hong Kong Island (1.3 m) Kowloon (2.0 m) New Territories (3.6 m)
Area (km ²):	1,092
Population (2006, million):	7.0
Population density (2006, per km ²):	6,300
Population growth rate (2006, %):	0.6
Life expectancy (2006, years):	81.6
Illiteracy rate:	6.5
Languages:	Cantonese, English
Measures:	Metric system and Chinese standard weights
Time:	8 hours ahead of GMT

Executive Branch

President:	Donald Tsang Yam-kuen
Since:	12 March 2005
Last elections:	March 2007
Next elections:	March 2012

Cabinet:

Secretary for Finance:	Henry Tang Ying-Yen
Secretary for Commerce, Industry & Techn.:	Joseph Wong Wing-ping
Secretary for Home Affairs:	Patrick Ho Chi-ping

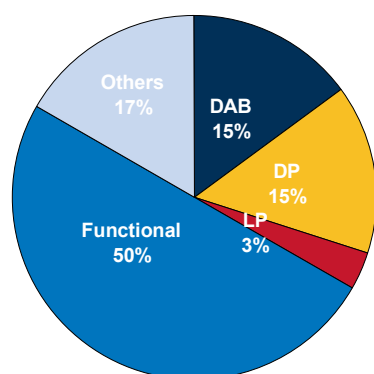
Chief Executive, Hong Kong Monetary Authority: Joseph Yam

Legislative Branch

Last elections:	10 September 2004
Next elections:	December 2007

Legislative Council:

Party	Seats	% of Total
Democratic Alliance for the Betterment of Hong Kong (DAB):	9	15.0
Democratic Party (DP):	9	15.0
Liberal Party (LP):	2	3.3
Others:	10	16.7
Functional Constituencies	30	50.0
Total:	60	100.0

Legislative Council**Economic Infrastructure****Communications (2005)**

Telephones - main lines in use (per 100 inhabitants):	53.9
Telephones - mobile cellular (per 100 inhabitants):	123.5
Telephones - mobile cellular (% total telephone subscribers):	69.6
Internet Users (per 100 inhabitants):	50.1
Personal Computers (per 100 inhabitants, estimate):	59.3

Energy (2005)

Total Electricity Generation (GWh):	38,450
Electricity Consumption Growth (%):	2.0
Residential Consumption (% share of total):	22.4
Commercial Consumption (% share of total):	59.9
Industrial Consumption (% share of total):	10.1

Transportation (2005)

Railways (km) :	70,058
Roadways (km):	1,955
Chief Port:	Hong Kong

Strengths

- Model free trade policy setting
- Low tax environment
- Highly skilled labour force

Weaknesses

- Economic policy constrained by exchange rate system
- Interference from Beijing increases political uncertainty

Long-Term Foreign Currency Ratings

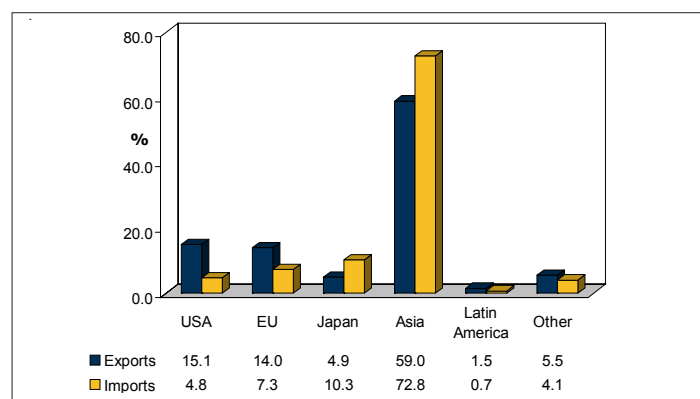
Moody's:	Aa3
S&P:	AA
Fitch Ratings:	AA-

Trade by Product Groups (2006)**Exports:**

Raw Materials and Semi-Manufactures:	35.9
Consumer Goods:	32.4
Capital Goods:	30.9
Other:	0.8

Imports:

Raw Materials and Semi-Manufactures:	38.2
Capital Goods:	29.6
Consumer Goods:	26.8
Fuels:	2.8
Food:	2.6

Geographical Trade Structure (2006)

Forecast Summary

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	933.0	951.4	970.1	989.2	1,009	1,029	1,049	1,070	1,091	1,112	1,134	1,156	1,179
GDP (US\$ billion)	373.4	406.9	409.4	455.0	469.0	478.3	506.0	600.8	695.6	805.5	826.7	1,106	1,287
GDP per capita (US\$)	400	428	422	460	465	465	482	562	638	724	729	956	1,092
GDP (annual variation in %)	7.8	4.8	6.5	6.1	4.4	5.8	3.8	8.5	7.4	9.0	9.4	8.4	8.2
Consumption (annual variation in %)	7.8	3.0	6.5	6.1	2.5	6.0	1.6	7.8	6.5	7.2	6.6	8.2	7.3
Investment (annual variation in %)	-1.0	4.7	5.6	10.9	4.1	4.3	15.8	17.1	10.4	15.3	14.6	10.5	9.9
Fiscal Balance (% of GDP)	-4.1	-4.8	-5.1	-5.3	-5.6	-6.2	-5.9	-4.5	-4.1	-4.3	-3.7	-3.4	-3.1
Consumer Prices (annual variation in %)	10.0	8.3	8.9	4.8	2.5	5.2	4.1	3.5	4.2	4.9	6.7	5.1	5.0
Interest Rate (benchmark in %, eop)	-	7.3	8.7	9.2	8.7	6.1	5.9	4.3	5.3	6.1	8.0	7.7	7.3
Exchange Rate (vs. US\$, end-of-period)	35.93	39.28	42.48	43.49	46.75	48.80	47.50	43.39	43.75	44.61	43.59	41.69	41.30
Current Account Balance (% of GDP)	-1.2	-1.4	-1.0	-1.0	-0.6	0.7	1.3	2.3	-0.4	-1.1	-1.6	-1.5	-1.4
Trade Balance (% of GDP)	-4.0	-3.8	-3.2	-3.9	-2.7	-2.4	-2.1	-2.3	-5.3	-6.4	-7.2	-6.6	-6.3
Exports (annual variation in %)	5.6	4.5	-3.9	9.5	21.1	-1.6	20.3	23.3	23.9	27.5	17.5	16.6	18.2
Imports (annual variation in %)	12.1	4.6	-7.1	16.5	4.6	-2.8	14.5	24.1	48.5	31.6	16.9	18.9	14.8
Int. Reserves (months of imports)	5.8	6.5	7.5	7.6	8.3	10.3	13.1	15.3	13.1	11.6	13.1	12.3	11.8
External Debt (% of GDP)	25.0	23.0	23.9	21.6	21.6	20.7	20.8	18.6	17.7	15.7	17.3	14.0	13.0

Outlook Improves amid Relentless Industrial Growth

Industrial production continues to grow at a double-digit rate while inflation eases gradually. As a consequence, concerns that the economy is unable to sustain the strong momentum observed in the past years are dissipating. On the other hand, despite strong export growth, the contribution from the external sector to overall growth will moderate, as the strong rupee is boosting imports and making exports less competitive.

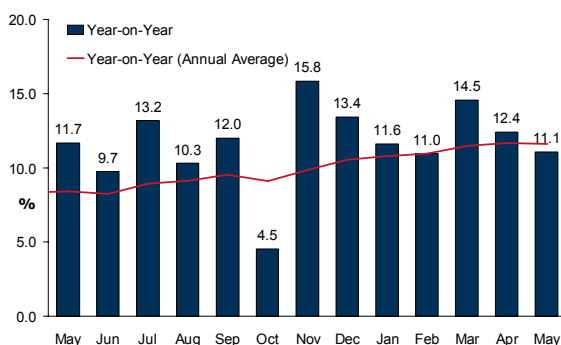
India elects first female president

On 19 July, national and state lawmakers elected India's first female president, Pratibha Patil. Patil, backed by the ruling United Progressive Alliance, its communist coalition partner and the socialist Bahujan Samaj Party, obtained nearly two thirds of the votes. The new president took over from President Abdul Kalam on 25 July and will be in office for the next five years. The office of the president is largely representative in nature, but is vested with powers that can become significant in times of political crisis. The president is also the commander-in-chief of the armed forces. Since Pratibha Patil belongs to the governing coalition, no major changes are expected with this election.

Industrial production moderates

In May, industrial production increased 11.1% over the same month last year, according to the so-called quick estimate for the index of industrial production released by the Central Statistical Organisation (CSO). The reading constitutes a deceleration compared to the 12.4% expansion registered in April. In addition, the reading came in below market expectations, which had anticipated that the industrial sector would grow 12.0% annually in May. Nevertheless, the reading is still above the 10.0% threshold necessary to meet the government's economic growth targets of its 11th Five Year Plan that covers the period between 2007/8 and 2012/13. A deceleration in manufacturing output was the main reason behind the monthly slowdown. Manufacturing, which accounts for over three quarters of total industrial output, moderated from 13.7% growth in April to 11.9%. In contrast, both the mining and the electricity sector accelerated over the previous month. Mining output increased 3.7% annually, up from 2.3% in April, while electricity output added 9.4% (April: +8.5% year-on-year). On a use-based classification, a strong drop in consumer goods production growth was the main reason behind the monthly slowdown. Consumer goods output growth fell from 15.8% in April to 9.8%. On the other hand, basic goods as well as intermediate goods output accelerated over the previous month. The May figure constitutes the third consecutive month of decelerating industrial production, indicating that the monetary tightening carried out by the Central Bank during the last months may have started to have an impact on consumer spending and, consequently, to affect industrial output. As a result of the May reading, the annual average growth in industrial production broke the accelerating trend in place during the last six months and dropped a notch, from 11.7% in April to 11.6%. Consensus Forecast panellists expect industrial production growth to

Industrial Production, May 2006 - May 2007



Note: Year-on-year and annual average variation of industrial production index in %.
Source: Ministry of Statistics and Programme Implementation and FocusEconomics calculations.

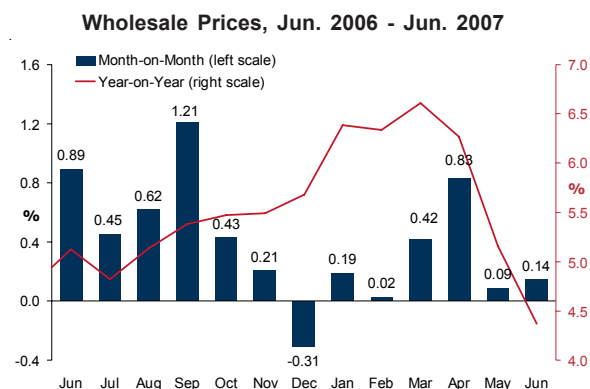
moderate to 9.4% in the financial year ending March 2008, which is 0.2 percentage points up from last month's forecast. For next year, the panel expects industrial production to expand 9.0%.

Outlook improves but continues below government expectations

Fears are dissipating about the economy being unable to sustain the strong momentum observed in the past years. Inflation continues to ease and recent indicators suggest that economic activity is set to remain strong in the coming quarters. Moreover, the moderating trend in prices is set to continue in the coming months, as the persistent monetary tightening implemented by the Central Bank, which has raised interest rates seven times in the last sixteen months, has not yet fully reached the economy. In addition, Finance Minister Palaniappan Chidambaram recently stated that the Central Bank will maintain the monetary policy tightening in the near future in order to curtail price pressures caused by high oil prices and strong consumer demand. Simultaneously, the constant appreciation of the *rupee* – currently trading near a nine-year high – should help monetary authorities to contain price pressures, as it facilitates cheaper imports and limits the impact of imported inflation through rising oil prices. On the downside, the strong *rupee* is currently hurting exports and thus the external sector's contribution to overall growth is likely to diminish in coming quarters. Finally, higher interest rates will reduce consumers' appetite for credit and thus limit growth in domestic demand. Therefore, the economy should moderate from last year's record 9.4% expansion, although the slowdown ought to be moderate and the economy will maintain a resilient growth rate. As a result, the Prime Minister's Economic Advisory Council expects the economy to grow by 9.0% during the financial year 2007-2008. Consensus Forecast panellists are less optimistic although they have raised their growth estimates for the financial year ending March 2008 by 0.1 percentage points to the current 8.4%. For next year, panellists expect economic growth to moderate to 8.2%.

Inflation continues to moderate

In May, the consumer price index for industrial workers (CPI IW) added 0.78% over the previous month, following on a 0.79% price rise in April. As a result, annual headline inflation dropped a notch, from 6.7% in April to 6.6%. Despite the downtick in the May reading, the trend in consumer price inflation continues to point upwards, with annual average consumer price inflation increasing 0.1 percentage points from 6.8% in April to 6.9%, and thus continuing the accelerating trend in place since October 2005. However, the more recent and comprehensive wholesale price index does not corroborate the notion of rising inflation. In June, the wholesale price index increased only 0.14% over the previous month. The reading was above the 0.09% price rise registered in May but was broadly in line with market expectations, which had prices adding 0.12%. Owing to the moderate price development, annual wholesale price inflation plummeted from 5.2% in May to 4.4%, the lowest level in fourteen months. Annual average wholesale price variation, which smoothes out the volatility of monthly surveys and thus proves a more reliable indicator of inflation, dropped a notch from 5.7% in May to 5.6%. This signifies a change in the inflation trend, since the index had been rising since May last year. Owing to the positive inflationary background of the last months, the Central Bank will likely maintain interest rates unchanged in its next policy meeting, to be held on 31 July. The Reserve Bank of India aims to keep inflation close to 5.0% this fiscal year ending March 2008, and to lower it to a range between 4.0% and 4.5% over the medium term. The Bank of India has raised the fixed repo rate five times in one year and has tightened the cash reserve ratio three times since December last year. Consensus Forecast panellists expect inflation to reach 5.1% in the fiscal year ending in March 2008, which is unchanged from last month's forecast. For next year panellists expect inflation to decelerate a notch to 5.0%.

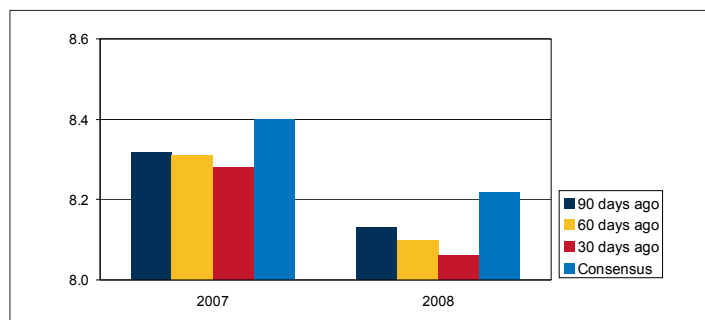
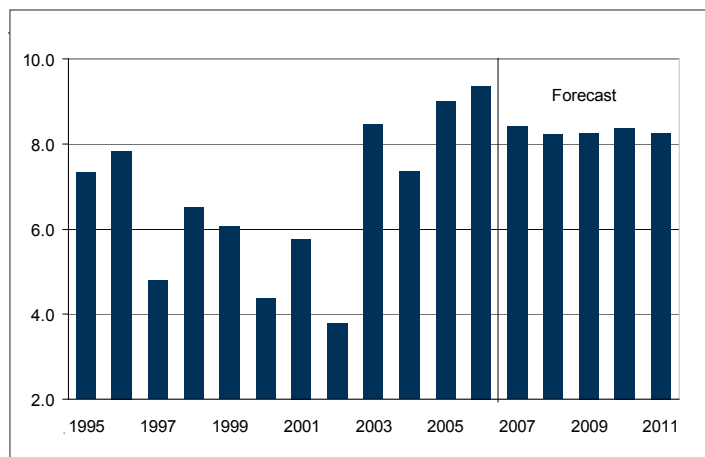


Note: Monthly and annual variation of wholesale price index in %.
Source: Labour Bureau and FocusEconomics calculations.

Real Sector

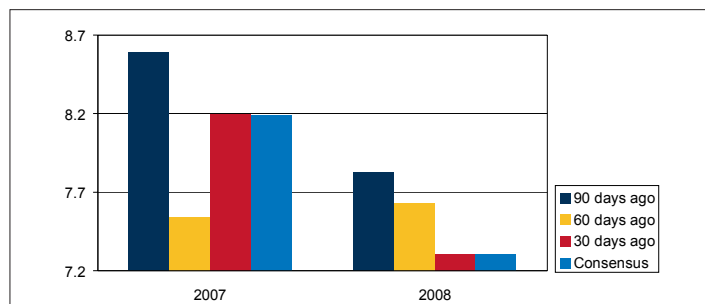
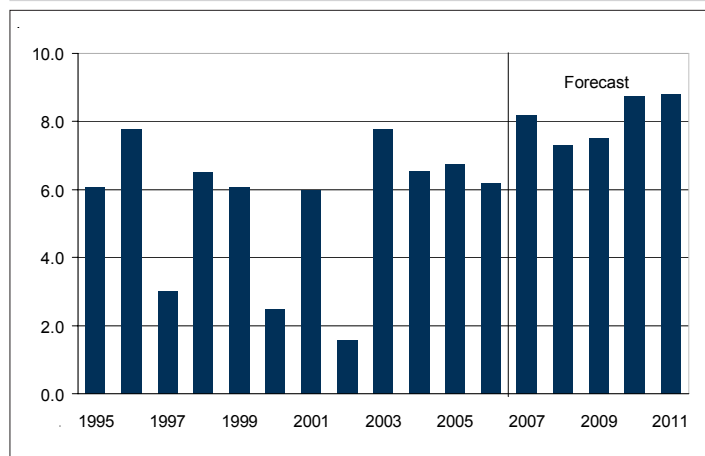
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	455.0	469.0	478.3	506.0	600.8	695.6	805.5	826.7	1,106	1,287	1,448	1,631	1,867
GDP per capita (US\$)	460	465	465	482	562	638	724	729	956	1,092	1,204	1,330	1,504
GDP (annual variation in %)	6.1	4.4	5.8	3.8	8.5	7.4	9.0	9.4	8.4	8.2	8.3	8.4	8.3
Consumption (ann.var. in %)	6.1	2.5	6.0	1.6	7.8	6.5	7.2	6.6	8.2	7.3	7.5	7.2	7.2
Investment (ann.var. in %)	10.9	4.1	4.3	15.8	17.1	10.4	15.3	14.6	10.5	9.9	9.2	9.3	9.3
Industrial Production (ann.var. in %)	6.6	5.0	2.7	5.8	7.0	8.4	8.2	11.5	9.4	9.0	9.2	8.6	8.0

Gross Domestic Product, annual variation in %



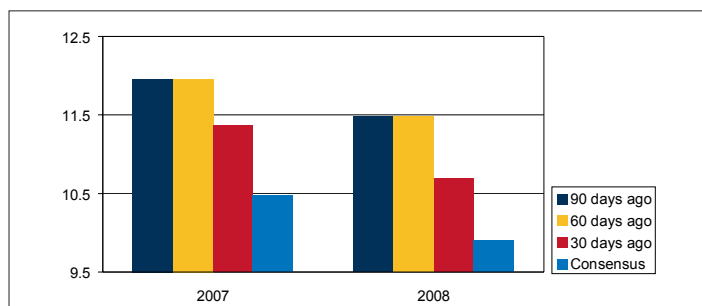
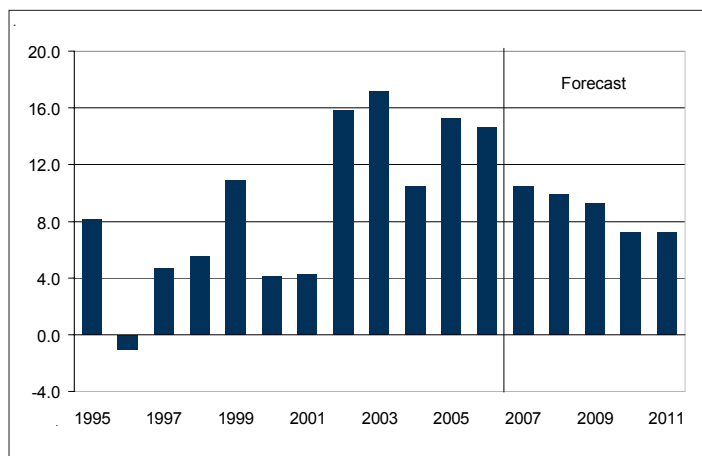
	2007	2008
ABN Amro Asia	-	-
Allianz Group	8.0	8.0
Citigroup Global Markets Inc.	9.3	9.4
Cominvest	8.0	8.0
Credit Suisse	9.4	9.6
CRISIL LTD.	8.2	-
DBS Bank	8.6	9.0
Deutsche Bank	7.8	7.8
Goldman Sachs	8.0	7.8
HSBC	8.0	6.5
ICRIER	8.5	9.0
ING	8.2	8.5
JPMorgan	8.0	7.5
Kotak Investment Banking	8.2	7.8
Merrill Lynch	8.4	8.6
Morgan Stanley	8.2	6.9
NCAER - Nat. Council of Applied Econ. Research	8.3	8.0
Royal Bank of Scotland	8.7	-
Standard Chartered Bank	8.1	8.0
State Bank of India	8.5	-
UBS	8.8	9.0
Yes Bank	9.2	8.5
Consensus	8.4	8.2
30 days ago	8.3	8.1
60 days ago	8.3	8.1
90 days ago	8.3	8.1
Minimum	7.8	6.5
Maximum	9.4	9.6
Median	8.2	8.0
Standard Deviation	5.4	10.1

Private Consumption, annual variation in %



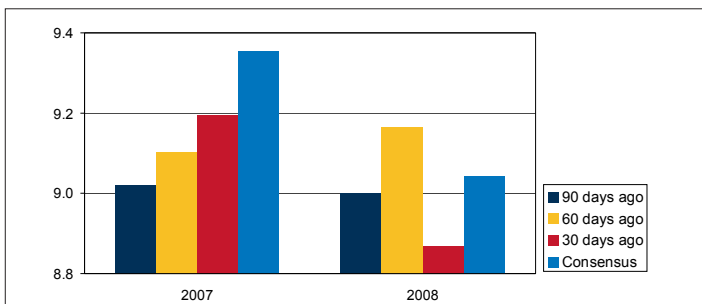
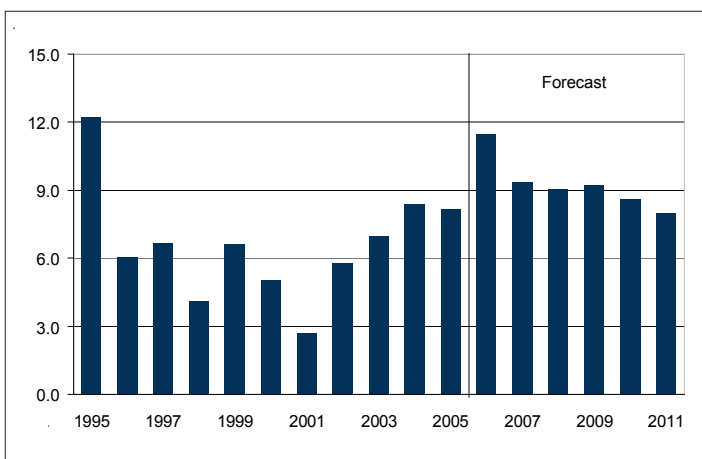
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	7.9	8.1
Cominvest	-	-
Credit Suisse	6.0	6.5
CRISIL LTD.	-	-
DBS Bank	-	-
Deutsche Bank	7.5	7.5
Goldman Sachs	-	-
HSBC	8.0	6.0
ICRIER	12.8	8.6
ING	7.0	7.1
JPMorgan	-	-
Kotak Investment Banking	-	-
Merrill Lynch	-	-
Morgan Stanley	-	-
NCAER - Nat. Council of Applied Econ. Research	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	-	-
UBS	-	-
Yes Bank	-	-
Consensus	8.2	7.3
30 days ago	8.2	7.3
60 days ago	7.5	7.6
90 days ago	8.6	7.8
Minimum	6.0	6.0
Maximum	12.8	8.6
Median	7.7	7.3
Standard Deviation	28.8	13.4

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	6.0	6.0
Cominvest	-	-
Credit Suisse	15.5	17.0
CRISIL LTD.	-	-
DBS Bank	-	-
Deutsche Bank	9.0	8.5
Goldman Sachs	-	-
HSBC	8.5	6.5
ICRIER	12.0	9.0
ING	11.8	12.4
JPMorgan	-	-
Kotak Investment Banking	-	-
Merrill Lynch	-	-
Morgan Stanley	-	-
NCAER - Nat. Council of Applied Econ. Research	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	-	-
UBS	-	-
Yes Bank	-	-
Consensus	10.5	9.9
30 days ago	11.4	10.7
60 days ago	12.0	11.5
90 days ago	12.0	11.5
Minimum	6.0	6.0
Maximum	15.5	17.0
Median	10.4	8.8
Standard Deviation	31.8	41.9

Industrial Production, annual variation in %

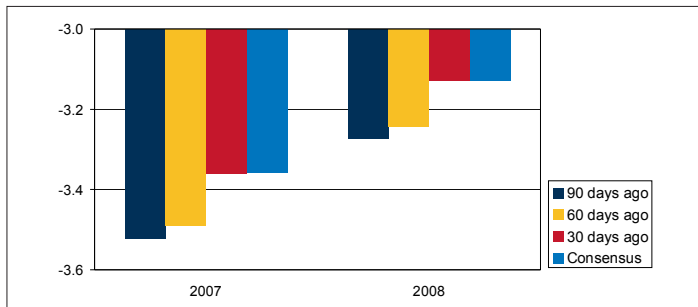
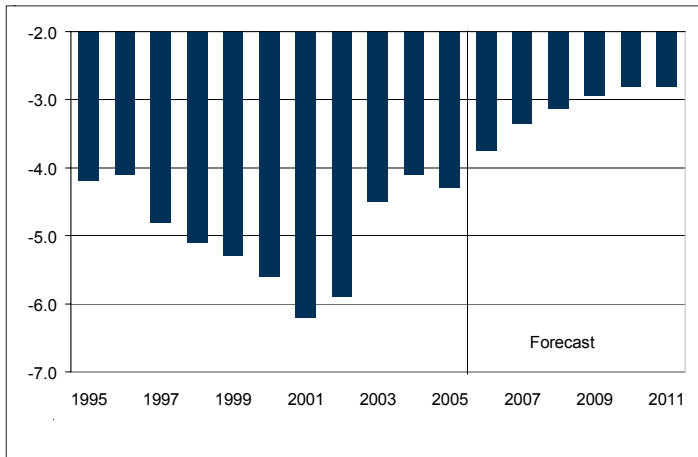


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	10.0	10.3
Cominvest	-	-
Credit Suisse	-	-
CRISIL LTD.	8.0	-
DBS Bank	7.9	7.2
Deutsche Bank	7.7	8.0
Goldman Sachs	-	-
HSBC	10.2	6.4
ICRIER	11.5	11.0
ING	8.5	9.0
JPMorgan	-	-
Kotak Investment Banking	7.9	-
Merrill Lynch	-	-
Morgan Stanley	-	-
NCAER - Nat. Council of Applied Econ. Research	8.7	8.2
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	9.7	-
UBS	11.2	11.3
Yes Bank	10.9	10.0
Consensus	9.4	9.0
30 days ago	9.2	8.9
60 days ago	9.1	9.2
90 days ago	9.0	9.0
Minimum	7.7	6.4
Maximum	11.5	11.3
Median	9.2	9.0
Standard Deviation	15.0	19.1

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal Balance (% of GDP)	-5.3	-5.6	-6.2	-5.9	-4.5	-4.1	-4.3	-3.7	-3.4	-3.1	-2.9	-2.8	-2.8

Fiscal Balance, % of GDP

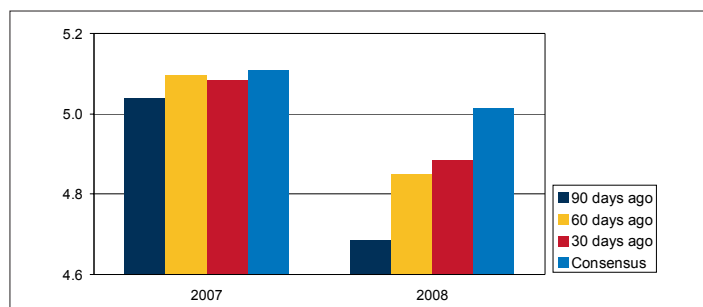
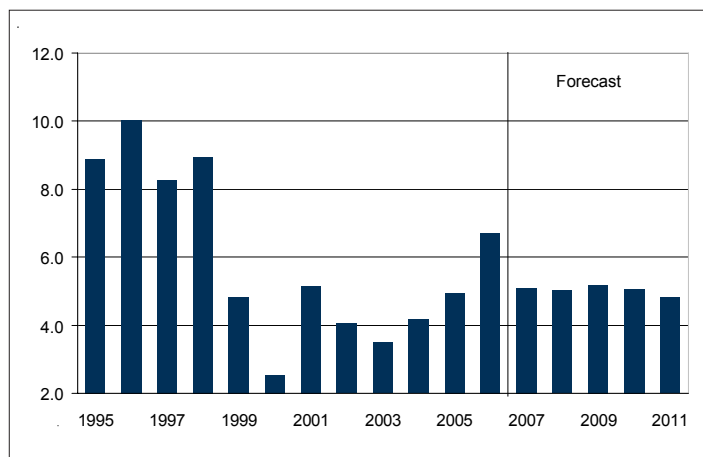


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-3.5	-3.0
Citigroup Global Markets Inc.	-3.2	-3.2
Cominvest	-3.5	-3.2
Credit Suisse	-	-
CRISIL LTD.	-	-
DBS Bank	-3.4	-3.4
Deutsche Bank	-3.3	-3.3
Goldman Sachs	-	-
HSBC	-3.4	-3.7
ICRIER	-	-
ING	-3.3	-2.8
JPMorgan	-3.3	-3.1
Kotak Investment Banking	-	-
Merrill Lynch	-	-
Morgan Stanley	-	-
NCAER - Nat. Council of Applied Econ. Research	-3.2	-2.6
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	-3.3	-
UBS	-3.5	-3.0
Yes Bank	-	-
Consensus	-3.4	-3.1
30 days ago	-3.4	-3.1
60 days ago	-3.5	-3.2
90 days ago	-3.5	-3.3
Minimum	-3.5	-3.7
Maximum	-3.2	-2.6
Median	-3.3	-3.2
Standard Deviation	3.2	9.9

Monetary Sector

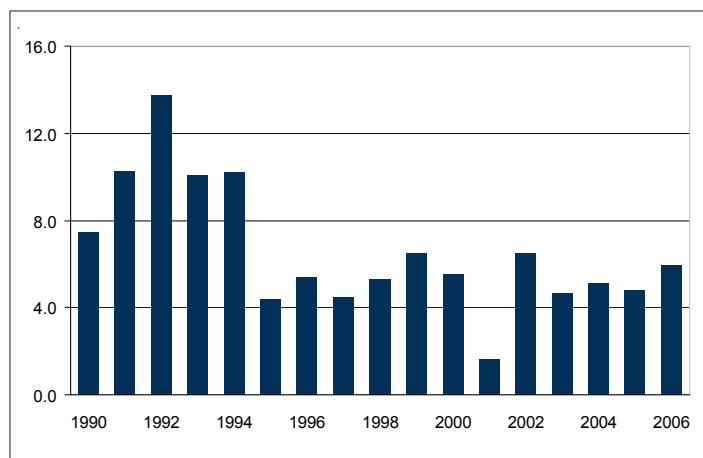
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	4.8	2.5	5.2	4.1	3.5	4.2	4.9	6.7	5.1	5.0	5.2	5.1	4.8
Producer Prices (ann. var. in %)	3.3	7.1	3.7	6.4	4.8	5.3	3.9	6.6	-	-	-	-	-
Money (annual variation of M1 in %)	10.6	11.0	11.4	12.0	22.2	14.3	23.0	18.5	-	-	-	-	-
Interest Rate (benchmark in %, eop)	9.2	8.7	6.1	5.9	4.3	5.3	6.1	8.0	7.7	7.3	6.4	6.1	6.0
Local currency per US\$ (eop)	43.49	46.75	48.80	47.50	43.39	43.75	44.61	43.59	41.69	41.30	42.36	41.94	41.40
Local currency per US\$ (average)	43.06	44.94	47.70	48.41	45.94	44.95	44.28	45.28	42.64	41.50	41.83	42.15	41.67
Nom. Depreciation (vs. US\$, annual)	2.3	7.0	4.2	-2.7	-9.5	0.8	1.9	-2.3	-4.5	-1.0	2.5	-1.0	-1.3

Consumer Prices, annual variation in %

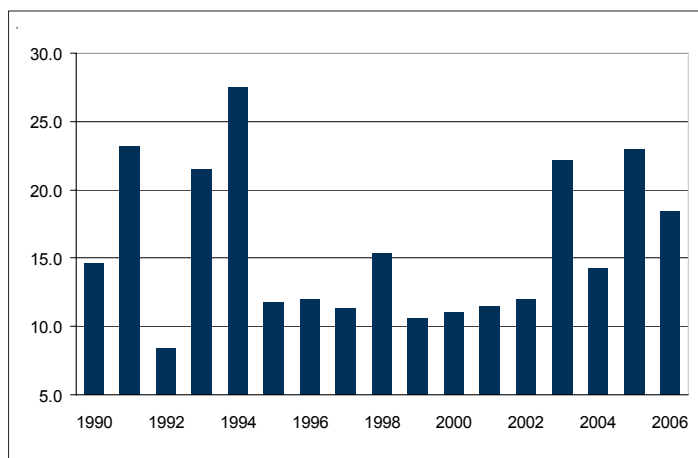


	2007	2008
ABN Amro Asia	5.0	4.8
Allianz Group	5.7	5.0
Citigroup Global Markets Inc.	4.5	4.5
Cominvest	-	-
Credit Suisse	5.4	4.5
CRISIL LTD.	5.3	-
DBS Bank	4.1	5.1
Deutsche Bank	5.9	4.5
Goldman Sachs	4.7	5.0
HSBC	4.7	6.8
ICRIER	5.5	5.1
ING	-	-
JPMorgan	-	-
Kotak Investment Banking	5.0	5.0
Merrill Lynch	-	-
Morgan Stanley	6.3	4.9
NCAER - Nat. Council of Applied Econ. Research	-	5.2
Royal Bank of Scotland	4.7	-
Standard Chartered Bank	4.3	4.4
State Bank of India	5.3	-
UBS	4.8	5.0
Yes Bank	5.7	5.4
Consensus	5.1	5.0
30 days ago	5.1	4.9
60 days ago	5.1	4.9
90 days ago	5.0	4.7
Minimum	4.1	4.4
Maximum	6.3	6.8
Median	5.0	5.0
Standard Deviation	11.7	11.5

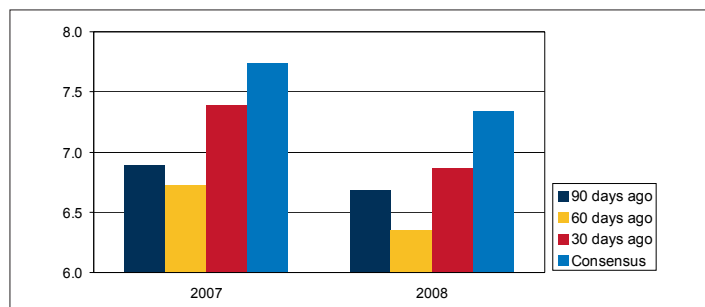
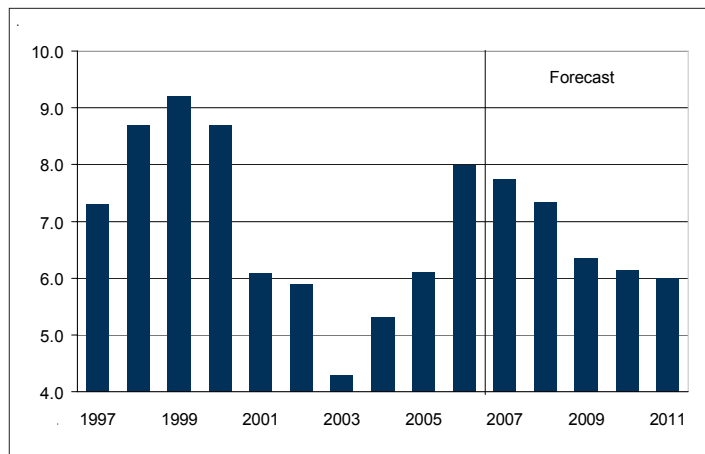
Producer Prices, annual variation in %



Narrow Money, annual variation in %

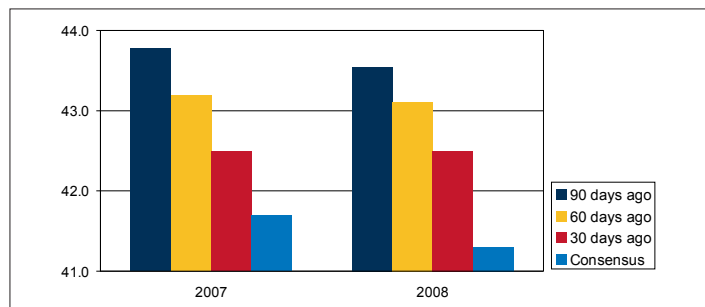
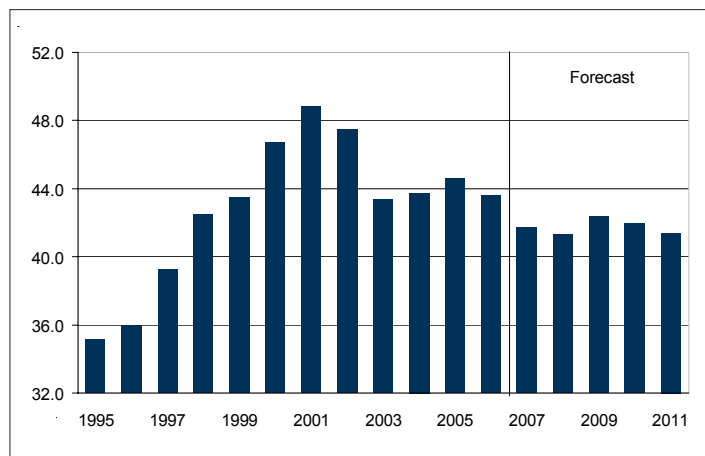


Interest Rates, nominal benchmark in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	7.5	7.3
Citigroup Global Markets Inc.	7.5	5.6
Cominvest	-	-
Credit Suisse	8.3	8.3
CRISIL LTD.	7.9	-
DBS Bank	8.5	-
Deutsche Bank	7.1	-
Goldman Sachs	8.5	8.5
HSBC	7.8	8.5
ICRIER	-	-
ING	7.5	7.0
JPMorgan	-	-
Kotak Investment Banking	-	-
Merrill Lynch	-	-
Morgan Stanley	-	-
NCAER - Nat. Council of Applied Econ. Research	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	-	-
UBS	6.9	6.2
Yes Bank	-	-
Consensus	7.7	7.3
30 days ago	7.4	6.9
60 days ago	6.7	6.4
90 days ago	6.9	6.7
Minimum	6.9	5.6
Maximum	8.5	8.5
Median	7.6	7.3
Standard Deviation	7.1	15.7

Exchange Rate, versus US\$ (end of period)

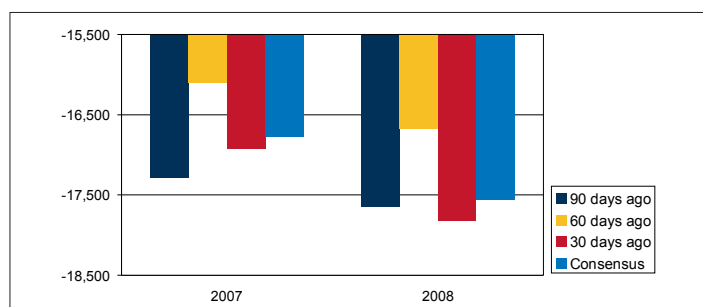
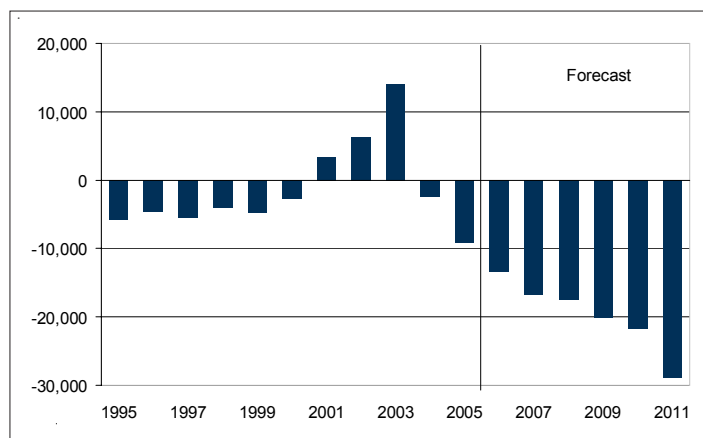


	2007	2008
ABN Amro Asia	43.50	42.80
Allianz Group	44.00	45.50
Citigroup Global Markets Inc.	40.20	40.00
Cominvest	-	-
Credit Suisse	39.00	37.80
CRISIL LTD.	40.50	-
DBS Bank	40.00	39.60
Deutsche Bank	42.60	44.70
Goldman Sachs	42.40	42.40
HSBC	39.00	37.50
ICRIER	40.00	42.00
ING	43.50	44.00
JPMorgan	-	-
Kotak Investment Banking	44.00	-
Merrill Lynch	-	-
Morgan Stanley	38.50	37.00
NCAER - Nat. Council of Applied Econ. Research	-	-
Royal Bank of Scotland	43.00	-
Standard Chartered Bank	42.20	-
State Bank of India	44.00	-
UBS	40.00	40.00
Yes Bank	44.10	43.60
Consensus	41.69	41.30
30 days ago	42.49	42.49
60 days ago	43.19	43.10
90 days ago	43.78	43.54
Minimum	38.50	37.00
Maximum	44.10	45.50
Median	42.30	42.00
Standard Deviation	4.8	6.9

External Sector

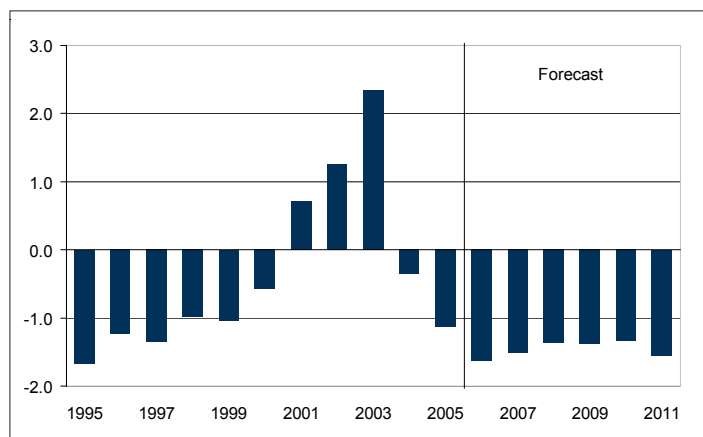
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	-4.7	-2.7	3.4	6.3	14.1	6.3	-9.2	-13.5	-16.8	-17.6	-20.0	-21.8	-28.9
Current Account Balance (% of GDP)	-1.0	-0.6	0.7	1.3	2.3	-0.4	-1.1	-1.6	-1.5	-1.4	-1.4	-1.3	-1.5
Trade Balance (US\$ billion)	-17.8	-12.5	-11.6	-10.7	-13.7	-36.6	-51.6	-59.5	-72.6	-80.7	-93.6	-117.8	-138.8
Exports (US\$ billion)	37.5	45.5	44.7	53.8	66.3	82.2	104.8	123.1	143.6	169.7	206.1	219.3	253.0
Imports (US\$ billion)	55.4	57.9	56.3	64.5	80.0	118.8	156.3	182.8	217.4	249.6	299.7	337.1	391.8
Exports (annual variation in %)	9.5	21.1	-1.6	20.3	23.3	23.9	27.5	17.5	16.6	18.2	21.5	6.4	15.4
Imports (annual variation in %)	16.5	4.6	-2.8	14.5	24.1	48.5	31.6	16.9	18.9	14.8	20.1	12.5	16.2
International Reserves (US\$ billion)	35.1	40.2	48.2	70.4	102.3	129.7	151.6	199.2	223.2	245.1	300.7	302.0	328.3
International Reserves (months of imports)	7.6	8.3	10.3	13.1	15.3	13.1	11.6	13.1	12.3	11.8	12.0	10.8	10.1
Total External Debt (US\$ billion)	98.3	101.3	98.8	105.4	111.7	123.2	126.4	142.8	155.0	167.3	156.0	165.2	171.4
Total External Debt (% GDP)	21.6	21.6	20.7	20.8	18.6	17.7	15.7	17.3	14.0	13.0	10.8	10.1	9.2

Current Account Balance, US\$ million

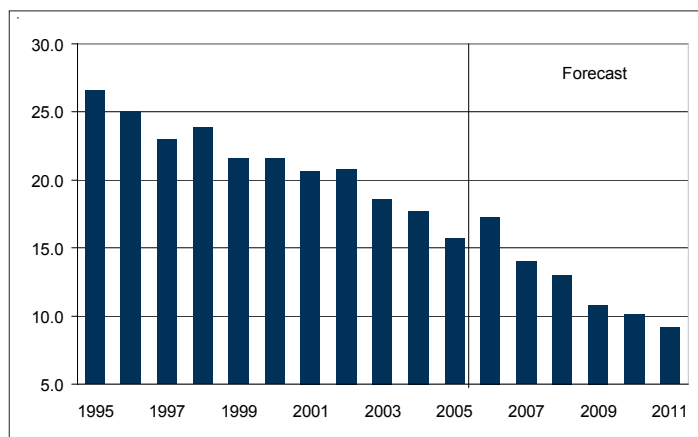


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-16,000	-19,000
Citigroup Global Markets Inc.	-15,365	-9,799
Cominvest	-15,000	-15,000
Credit Suisse	-16,500	-21,300
CRISIL LTD.	-	-
DBS Bank	-15,000	-17,000
Deutsche Bank	-14,300	-17,000
Goldman Sachs	-	-
HSBC	-23,872	-21,105
ICRIER	-16,033	-18,013
ING	-13,100	-12,700
JPMorgan	-19,900	-24,500
Kotak Investment Banking	-	-
Merrill Lynch	-17,800	-19,800
Morgan Stanley	-12,305	-13,757
NCAER - Nat. Council of Applied Econ. Research	-	-
Royal Bank of Scotland	-16,271	-
Standard Chartered Bank	-18,193	-17,041
State Bank of India	-	-
UBS	-25,000	-27,000
Yes Bank	-13,700	-10,400
Consensus	-16,771	-17,561
30 days ago	-16,937	-17,820
60 days ago	-16,110	-16,680
90 days ago	-17,290	-17,648
Minimum	-25,000	-27,000
Maximum	-12,305	-9,799
Median	-16,017	-17,041
Standard Deviation	21.2	27.6

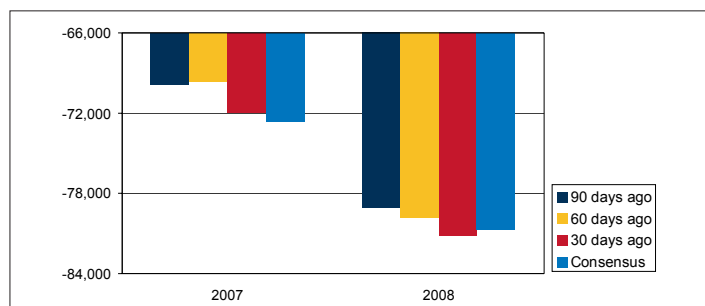
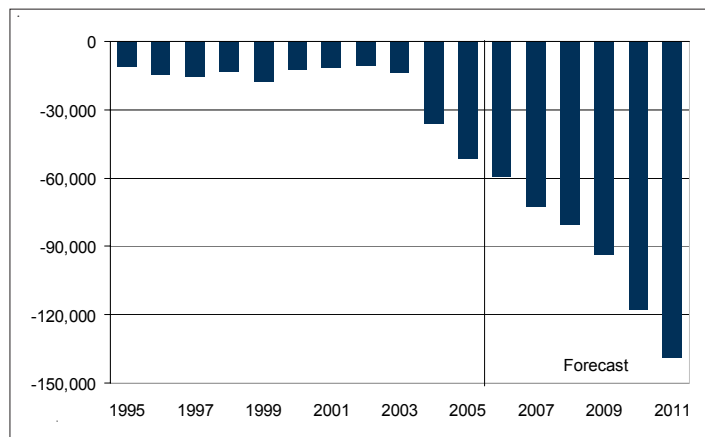
Current Account Balance, % of GDP



External Debt, % of GDP

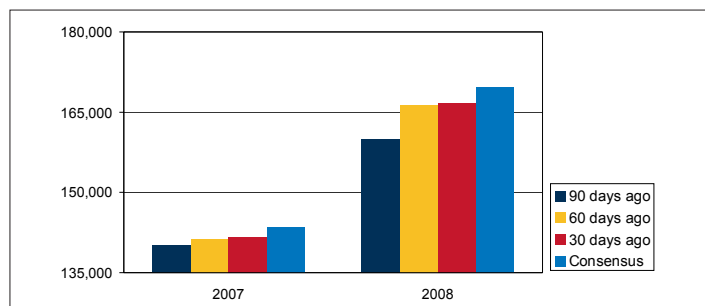
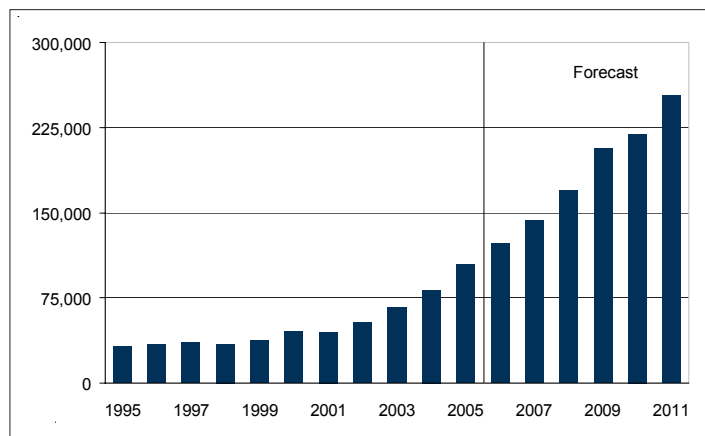


Trade Balance, US\$ million



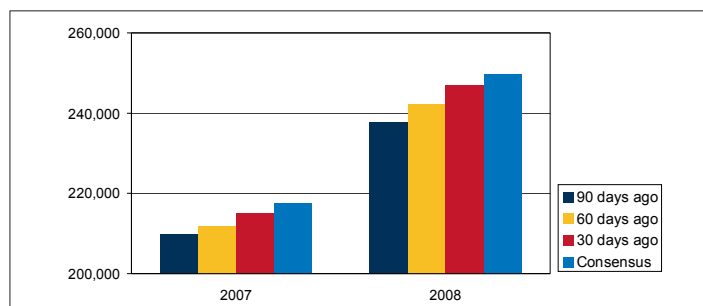
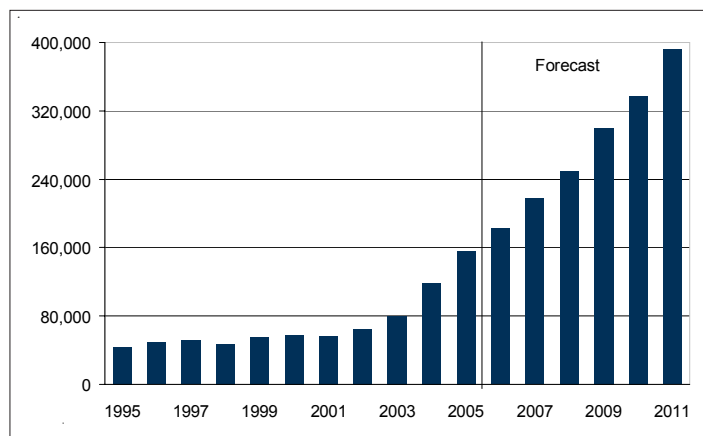
	2007	2008
ABN Amro Asia	-63,900	-65,300
Allianz Group	-62,000	-70,000
Citigroup Global Markets Inc.	-74,665	-72,064
Cominvest	-	-
Credit Suisse	-	-
CRISIL LTD.	-82,600	-
DBS Bank	-61,000	-68,000
Deutsche Bank	-	-
Goldman Sachs	-	-
HSBC	-81,482	-85,237
ICRIER	-66,095	-74,712
ING	-81,000	-100,000
JPMorgan	-78,000	-91,500
Kotak Investment Banking	-75,000	-
Merrill Lynch	-67,700	-80,700
Morgan Stanley	-75,100	-87,800
NCAER - Nat. Council of Applied Econ. Research	-71,537	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	-	-
UBS	-76,600	-92,500
Yes Bank	-	-
Consensus	-72,620	-80,710
30 days ago	-71,967	-81,156
60 days ago	-69,671	-79,849
90 days ago	-69,845	-79,079
Minimum	-82,600	-100,000
Maximum	-61,000	-65,300
Median	-74,832	-80,700
Standard Deviation	10.1	14.2

Exports, US\$ million



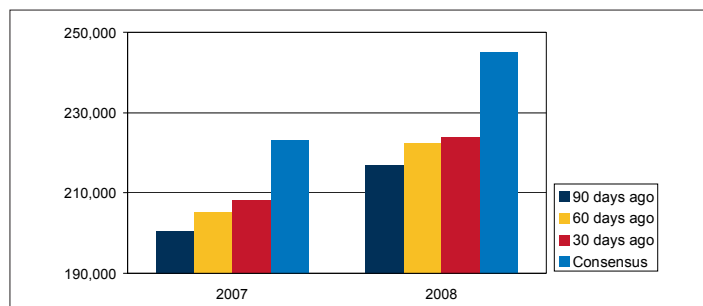
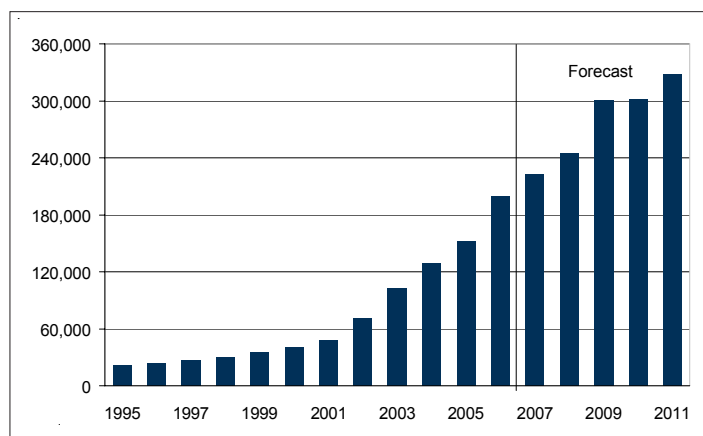
	2007	2008
ABN Amro Asia	146,300	163,900
Allianz Group	150,000	175,000
Citigroup Global Markets Inc.	144,505	173,406
Cominvest	-	-
Credit Suisse	-	-
CRISIL LTD.	149,600	-
DBS Bank	139,000	162,000
Deutsche Bank	-	-
Goldman Sachs	-	-
HSBC	131,029	160,612
ICRIER	153,398	188,679
ING	138,000	164,000
JPMorgan	146,600	176,000
Kotak Investment Banking	146,000	-
Merrill Lynch	-	-
Morgan Stanley	-	-
NCAER - Nat. Council of Applied Econ. Research	136,191	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	-	-
UBS	142,100	163,400
Yes Bank	-	-
Consensus	143,560	169,666
30 days ago	141,599	166,531
60 days ago	141,227	166,366
90 days ago	140,086	159,869
Minimum	131,029	160,612
Maximum	153,398	188,679
Median	145,253	164,000
Standard Deviation	4.5	5.5

Imports, US\$ million



	2007	2008
ABN Amro Asia	210,200	229,200
Allianz Group	212,000	245,000
Citigroup Global Markets Inc.	219,170	245,470
Cominvest	-	-
Credit Suisse	-	-
CRISIL LTD.	232,200	-
DBS Bank	200,000	230,000
Deutsche Bank	-	-
Goldman Sachs	-	-
HSBC	212,511	245,849
ICRIER	219,493	263,392
ING	219,000	264,000
JPMorgan	224,600	267,500
Kotak Investment Banking	221,000	-
Merrill Lynch	-	-
Morgan Stanley	-	-
NCAER - Nat. Council of Applied Econ. Research	207,728	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	230,000	-
UBS	218,700	255,900
Yes Bank	-	-
Consensus	217,431	249,590
30 days ago	214,917	246,999
60 days ago	211,927	242,324
90 days ago	209,672	237,799
Minimum	200,000	229,200
Maximum	232,200	267,500
Median	219,000	245,849
Standard Deviation	4.1	5.7

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	200,700	225,700
Allianz Group	210,000	230,000
Citigroup Global Markets Inc.	213,000	237,801
Cominvest	-	-
Credit Suisse	239,000	287,000
CRISIL LTD.	-	-
DBS Bank	210,000	221,000
Deutsche Bank	219,000	233,000
Goldman Sachs	-	-
HSBC	223,269	242,793
ICRIER	270,000	300,000
ING	-	-
JPMorgan	-	-
Kotak Investment Banking	228,000	-
Merrill Lynch	-	-
Morgan Stanley	-	-
NCAER - Nat. Council of Applied Econ. Research	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
State Bank of India	225,000	-
UBS	216,900	228,900
Yes Bank	-	-
Consensus	223,170	245,133
30 days ago	208,262	223,972
60 days ago	205,182	222,279
90 days ago	200,562	216,983
Minimum	200,700	221,000
Maximum	270,000	300,000
Median	219,000	233,000
Standard Deviation	8.4	11.6

General Data

Official name:	Republic of India
Capital:	New Delhi (17.8 m)
Other cities:	Greater Mumbai (19.9 m) Kolkata (14.7 m) Bangalore (6.2m) Hyderabad (6.0m)
Area (km ²):	3,166,414
Population (2006 est., million):	1,112
Population density (2006, per km ²):	351.2
Population growth rate (%):	1.2
Life expectancy (2006, years):	64.7
Illiteracy rate (2003):	40.5
Languages:	Hindi, English and 14 other official languages
Measures:	Metric system
Calendar:	Years begin and end on 21 or 22 March of Gregorian calendar.
Time:	8 hours ahead of GMT

Executive Branch

President:	Pratibha Patil
Since:	25 July 2007
Last elections:	19 July 2007
Next elections:	2012
Cabinet:	
Prime Minister:	Manmohan Singh
Minister of Finance:	Palaniappan Chidambaram
Minister of Commerce:	Kamal Nath
Minister of External Affairs:	Pranab Mukherjee
Minister of Home Affairs:	Shivraj Patil
Central Bank Governor:	Yaga Venugopal Reddy

Legislative Branch

Last elections:	April to May 2004
Next elections:	December 2007

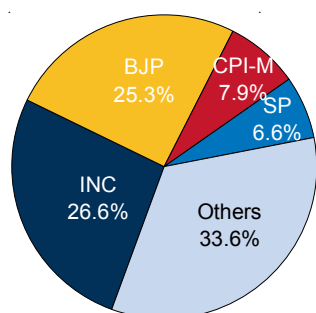
Lower House (Lok Sabha):

Party	Seats	% of Total
Indian Nationalist Party (INC):	145	26.6
Bharatiya Janata Party (BJP):	138	25.3
Communist Party of India (CPI-M):	43	7.9
Samajwadi Party (SP):	36	6.6
Others:	183	33.6
Total:	545	100.0

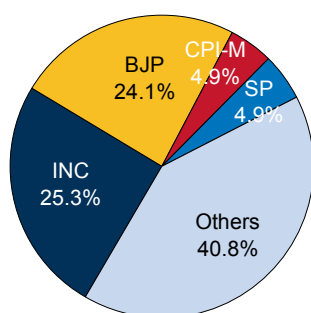
Upper House (Rajya Sabha):

Party	Seats	% of Total
Indian Nationalist Party (INC):	62	25.3
Bharatiya Janata Party (BJP):	59	24.1
Communist Party of India (CPI-M):	12	4.9
Samajwadi Party (SP):	12	4.9
Others:	100	40.8
Total:	245	100.0

Lower House (Lok Sabha)



Upper House (Rajya Sabha)



Economic Infrastructure

Communications (2005)	
Telephones - main lines in use (per 100 inhabitants):	4.5
Telephones - mobile cellular (per 100 inhabitants):	8.2
Telephones - mobile cellular (% total telephone subscribers):	64.4
Internet Users (per 100 inhabitants):	5.4
Personal Computers (per 100 inhabitants, estimate):	1.5

Energy (2005)	
Total Electricity Generation (GWh):	667,782
Electricity Consumption Growth (%):	6.9
Residential Consumption (% share of total):	21.4
Industrial Consumption (% share of total):	43.9

Transportation (2005)	
Railways (km) :	63,230
Highways (km):	3,383,344
Inland Rivers (km):	16,180
Chief Ports:	Mumbai, Cochin, Chennai, Kolkata

Strengths Weaknesses

- | | |
|---|--|
| <ul style="list-style-type: none"> • Huge domestic market • Skilled labour force in key industries, particularly software development • High catch-up growth potential | <ul style="list-style-type: none"> • Excessive bureaucracy slows dynamism • Protectionist trade policy approach • Weak infrastructure • Electricity/energy shortages |
|---|--|

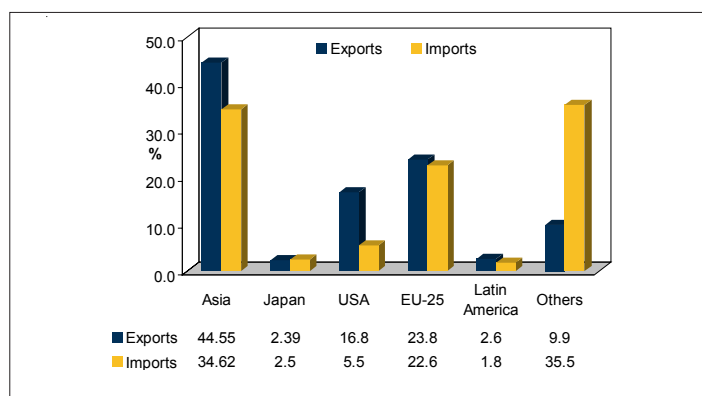
Long-Term Foreign Currency Ratings

Moody's:	Baa3
S&P:	BBB-
Fitch Ratings:	BBB-

Trade by Product Groups (2005)

Exports:	
Manufactured Goods:	84.6
Engineering Goods:	18.7
Chemicals and Related Products:	15.1
Gems and Jewellery:	15.1
Textiles:	14.8
Primary Products:	15.3
Agricultural and Allied Products:	7.7
Minerals:	6.0
Petroleum, Crude and Products:	5.5
Others:	4.1
Imports:	
Petroleum and Related Products:	30.9
Machinery:	10.9
Electronic Goods:	9.3
Gold and Silver:	6.4
Gems:	6.4
Others:	34.6

Geographical Trade Structure (2005)



Forecast Summary

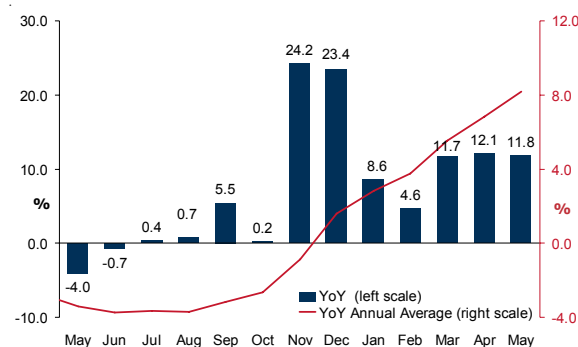
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	197.0	199.3	201.6	203.9	206.3	208.6	211.1	213.5	216.0	218.5	221.0	223.5	226.1
GDP (US\$ billion)	227.4	215.7	95.4	140.0	150.2	164.1	203.8	238.5	253.3	285.5	362.4	408.8	464.3
GDP per capita (US\$)	1,154	1,083	473	687	728	787	966	1,117	1,173	1,307	1,640	1,829	2,053
GDP (annual variation in %)	7.8	4.7	-13.1	0.8	4.9	3.8	4.3	5.0	5.1	5.7	5.5	6.1	6.2
Consumption (annual variation in %)	8.9	7.0	-7.1	2.8	3.4	3.9	4.7	4.6	4.9	4.3	3.9	4.7	4.9
Investment (annual variation in %)	14.5	8.6	-33.0	-16.4	14.2	6.5	2.2	3.5	14.1	10.9	2.9	9.1	9.3
Unemployment (%)	4.9	4.7	5.5	6.4	6.1	8.1	9.1	9.5	9.9	10.3	10.1	9.8	9.6
Fiscal balance (% of GDP)	1.0	0.5	-1.7	-2.5	-3.5	-3.4	-2.1	-1.7	-1.2	-0.3	-1.1	-1.3	-1.3
Consumer Prices (annual variation in %)	7.9	10.3	77.5	1.9	9.3	12.5	10.0	5.1	6.4	17.1	6.6	6.4	6.2
Interest Rate (benchmark in %, eop)	17.0	23.9	49.2	13.0	13.2	17.2	13.6	7.1	6.7	11.8	9.7	8.1	7.7
Exchange Rate (vs. US\$, end-of-period)	2,383	4,650	8,025	7,085	9,595	10,400	8,940	8,465	9,336	9,879	9,065	8,937	8,886
Current Account Balance (% of GDP)	-3.4	-2.4	4.3	4.1	5.3	4.2	3.8	3.4	0.6	0.1	2.8	2.1	2.1
Trade Balance (% of GDP)	2.6	4.7	19.3	14.7	16.7	13.8	11.5	10.3	8.0	6.1	8.2	8.4	7.8
Exports (annual variation in %)	5.8	12.2	-10.5	1.7	27.6	-12.3	3.1	8.4	10.4	22.9	19.0	9.1	11.2
Imports (annual variation in %)	8.1	4.5	-30.9	-4.2	31.9	-14.1	2.8	10.9	28.0	37.2	6.3	3.8	13.4
Int. Reserves (months of imports)	5.2	4.5	8.8	10.7	8.7	9.7	10.8	11.0	8.6	8.2	6.9	7.9	7.7
External Debt (% of GDP)	56.7	63.1	158.1	105.8	94.3	81.1	64.4	56.8	54.1	45.8	34.6	31.1	26.7

Low Inflation Prompts New Rate Cut

The outlook for the economy remains favourable as investment is strengthening. However, consumer confidence is declining, which could prompt consumption to soften in the months ahead. Inflation remains benign, thus enabling the Central Bank to continue loosening monetary policy.

Industrial manufacturing continues to soar

Industrial Manufacturing, May 2006 - May 2007



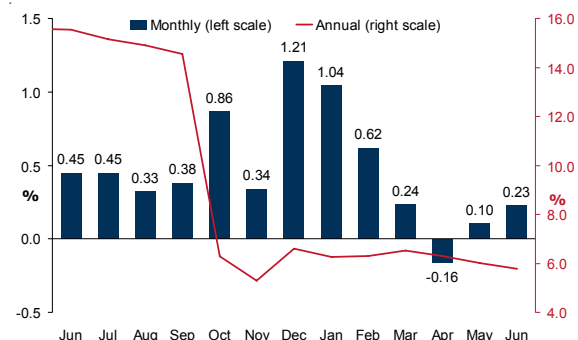
Note: Year-on-year and moving annual average variation of production index for large and medium manufacturing in %.

Source: Bank Indonesia and FocusEconomics calculations.

In May, industrial manufacturing expanded a solid 11.8% over the same month last year, which was slightly down from the 12.1% annual growth registered in April (revised upwards from the previously reported 8.3% year-on-year). The May reading confirms the picture of a strong rebound in manufacturing observed over the past few months, as it constitutes the third consecutive double-digit expansion. Despite the minor deceleration in May, annual average growth in industrial manufacturing jumped from 6.8% in April to 8.2%. Consensus Forecasts Participants expect industrial production to slow in the remainder of 2007, with full year growth reaching 5.9% this year. For next year, panellists expect production growth to moderate further to 4.5%. Concerning GDP, the panellists are more optimistic, forecasting growth to reach 6.1% in 2007 and 6.2% in 2008.

Central Bank cuts interest rates once more

Consumer Prices Jun. 2006 - Jun. 2007



Note: Monthly and annual variation of consumer price index in %.

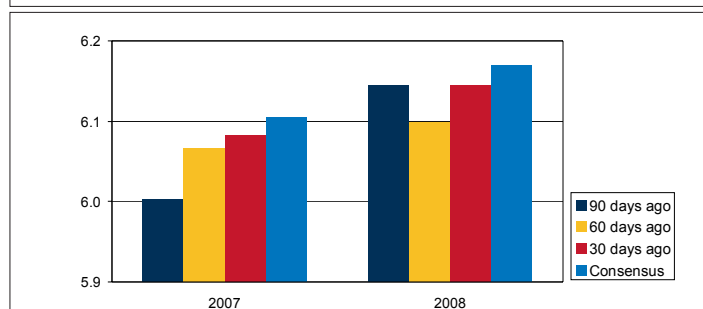
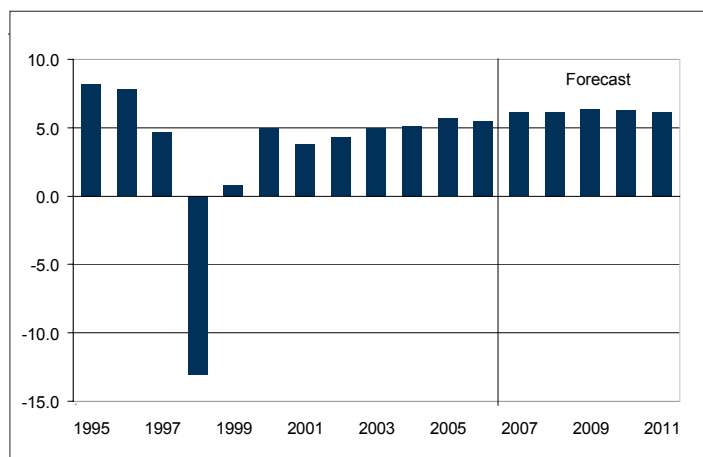
Source: National Statistical Institute and FocusEconomics calculations.

In June, consumer prices increased 0.23%, which came in above the 0.10% price increase registered in May, but below market expectations of a 0.35% rise. The monthly price increase was mainly due to higher prices for food, beverages and tobacco products, which were only partially offset by lower prices for clothing. As a result of the monthly reading, annual headline inflation continued on its downward trend and dropped from 6.0% in May to 5.8%, the lowest rate since September 2006. Corroborating the picture of declining inflation, the core inflation index, which excludes volatile food and fuel items, added a modest 0.10% over the previous month, which was well down from the 0.30% rise registered in May. As a result, annual core inflation dropped from 5.6% in May to 5.4%. Due to the benign inflationary climate, the Central Bank decided to lower the benchmark interest rate by 25 basis points to 8.25% at its policy meeting on 5 July. The Bank cited improving inflationary developments and the need to further promote economic growth as the rationale for the decision. Monetary authorities have cut interest rates 13 times since May 2006 and are likely to cut rates further, with the reference rate expected by the market to reach 8.00% by the end of the year. At the present pace, annual headline inflation is well on track to meet the 5.0% to 7.0% target set by the Central Bank. The government expects inflation to reach 5.5% to 6.0% by the end of the year. Consensus Forecast panellists are less optimistic and expect year end inflation to reach 6.4%. This is 1 percentage point higher than last month's forecast. For 2008, panellists expect inflation to moderate slightly to 6.2% by the end of the year.

Real Sector

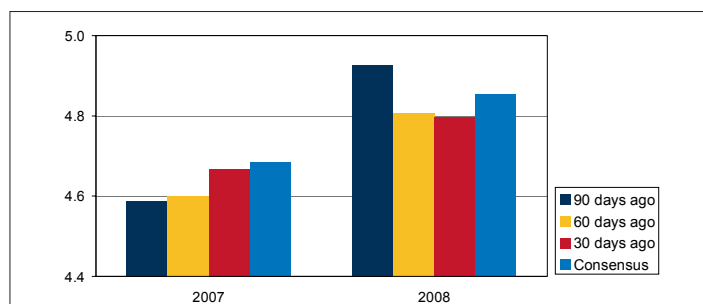
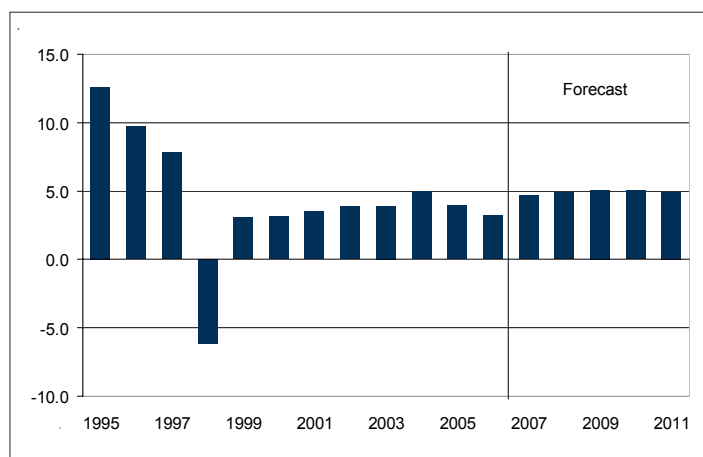
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	140.0	150.2	164.1	203.8	238.5	253.3	285.5	362.4	408.8	464.3	509.1	546.9	596.5
GDP per capita (US\$)	687	728	787	966	1,117	1,173	1,307	1,640	1,829	2,053	2,226	2,364	2,546
GDP (annual variation in %)	0.8	4.9	3.8	4.3	5.0	5.1	5.7	5.5	6.1	6.2	6.3	6.3	6.2
Consumption (ann.var. in %)	2.8	3.4	3.9	4.7	4.6	4.9	4.3	3.9	4.7	4.9	5.1	5.0	4.9
Investment (ann.var. in %)	-16.4	14.2	6.5	2.2	3.5	14.1	10.9	2.9	9.1	9.3	8.5	8.9	8.6
Industrial Production (ann.var. in %)	2.0	5.9	2.7	4.4	3.8	3.7	4.7	4.7	5.9	4.5	5.4	5.4	5.3
Unemployment (%)	6.4	6.1	8.1	9.1	9.5	9.9	10.3	10.1	9.8	9.6	9.1	8.9	8.6

Gross Domestic Product, annual variation in %



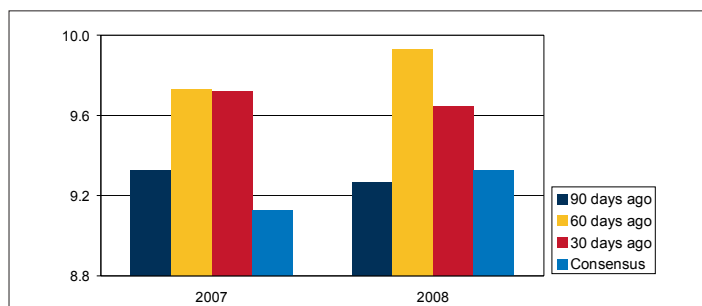
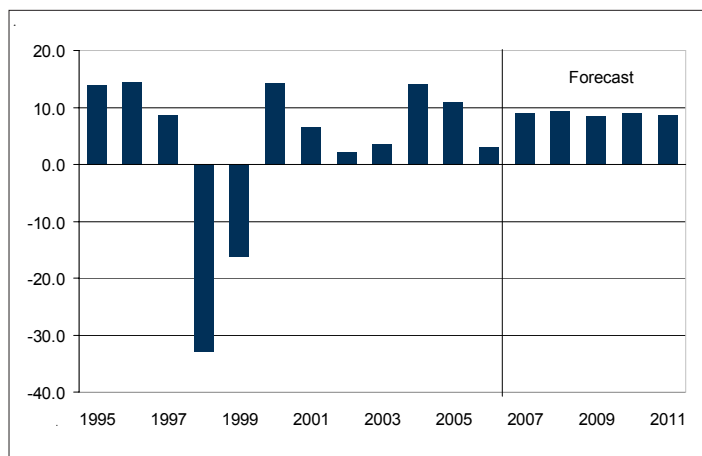
	2007	2008
ABN Amro Asia	6.4	6.2
Allianz Group	5.8	6.0
BII - Bank Internasional Indonesia	6.2	6.5
Citigroup Global Markets Inc.	6.0	6.5
Credit Suisse	6.5	6.8
Danareksa Securities	6.2	6.3
DBS Bank	6.2	6.5
Deutsche Bank	6.0	5.5
Goldman Sachs	5.9	6.0
HSBC	5.9	5.5
ING Financial Markets	6.0	6.5
JPMorgan	6.2	5.2
Merrill Lynch	6.0	-
Mitsubishi UFJ	6.0	-
Morgan Stanley	6.2	6.3
Royal Bank of Scotland	-	-
Standard Chartered Bank	6.0	6.0
UBS	6.3	6.5
United Overseas Bank	6.1	6.4
Consensus	6.1	6.2
30 days ago	6.1	6.1
60 days ago	6.1	6.1
90 days ago	6.0	6.1
Minimum	5.8	5.2
Maximum	6.5	6.8
Median	6.1	6.3
Standard Deviation	3.0	7.1

Private Consumption, annual variation in %



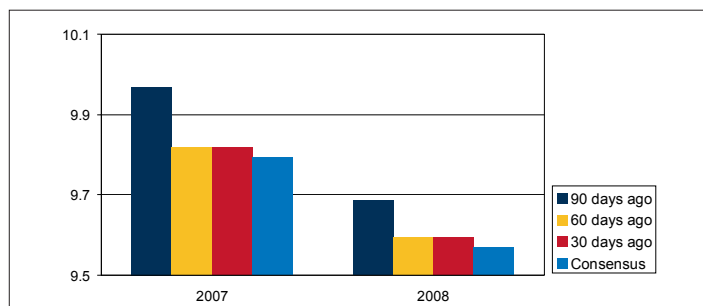
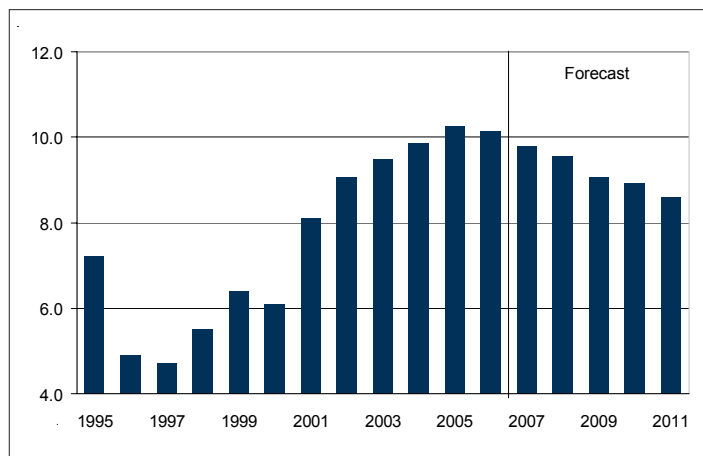
	2007	2008
ABN Amro Asia	4.2	4.3
Allianz Group	-	-
BII - Bank Internasional Indonesia	4.6	4.3
Citigroup Global Markets Inc.	5.1	6.1
Credit Suisse	5.8	6.0
Danareksa Securities	3.8	4.1
DBS Bank	4.3	4.5
Deutsche Bank	5.4	4.7
Goldman Sachs	-	-
HSBC	4.6	3.8
ING Financial Markets	4.7	5.5
JPMorgan	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	4.2	-
Morgan Stanley	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	4.8	5.2
United Overseas Bank	-	-
Consensus	4.7	4.9
30 days ago	4.7	4.8
60 days ago	4.6	4.8
90 days ago	4.6	4.9
Minimum	3.8	3.8
Maximum	5.8	6.1
Median	4.6	4.6
Standard Deviation	12.4	16.6

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	8.0	8.0
Allianz Group	-	-
BII - Bank Internasional Indonesia	8.4	11.5
Citigroup Global Markets Inc.	10.7	15.0
Credit Suisse	10.0	10.9
Danareksa Securities	13.1	11.0
DBS Bank	8.6	9.4
Deutsche Bank	9.2	8.0
Goldman Sachs	-	-
HSBC	7.9	6.0
ING Financial Markets	4.7	6.5
JPMorgan	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	9.8	-
Morgan Stanley	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	9.9	7.0
United Overseas Bank	-	-
Consensus	9.1	9.3
30 days ago	9.7	9.6
60 days ago	9.7	9.9
90 days ago	9.3	9.3
Minimum	4.7	6.0
Maximum	13.1	15.0
Median	9.2	8.7
Standard Deviation	22.8	30.0

Unemployment, % of economically active population

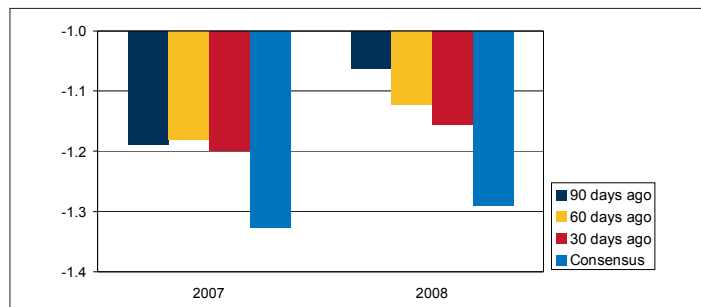
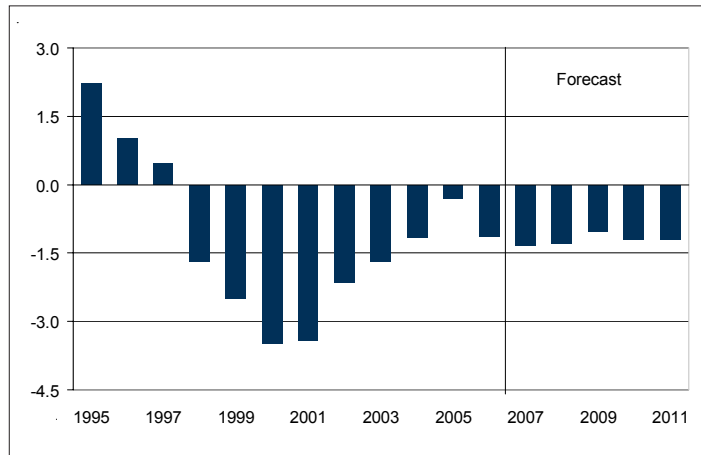


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
BII - Bank Internasional Indonesia	10.0	9.9
Citigroup Global Markets Inc.	10.0	9.6
Credit Suisse	9.7	9.3
Danareksa Securities	9.6	9.3
DBS Bank	-	-
Deutsche Bank	10.0	10.2
Goldman Sachs	-	-
HSBC	10.2	10.3
ING Financial Markets	9.0	8.5
JPMorgan	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	-	-
United Overseas Bank	9.8	9.5
Consensus	9.8	9.6
30 days ago	9.8	9.6
60 days ago	9.8	9.6
90 days ago	10.0	9.7
Minimum	9.0	8.5
Maximum	10.2	10.3
Median	9.9	9.6
Standard Deviation	3.8	6.1

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal balance (% of GDP)	-2.5	-3.5	-3.4	-2.1	-1.7	-1.2	-0.3	-1.1	-1.3	-1.3	-1.0	-1.2	-1.2

Fiscal balance, % of GDP

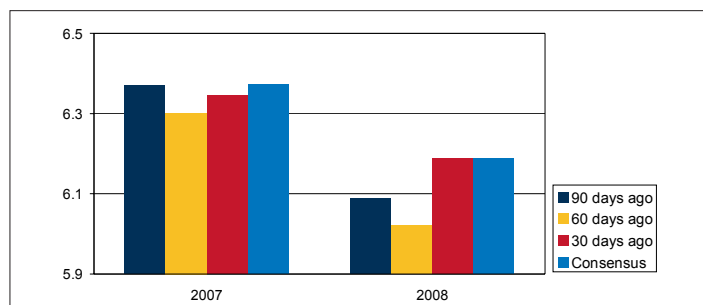
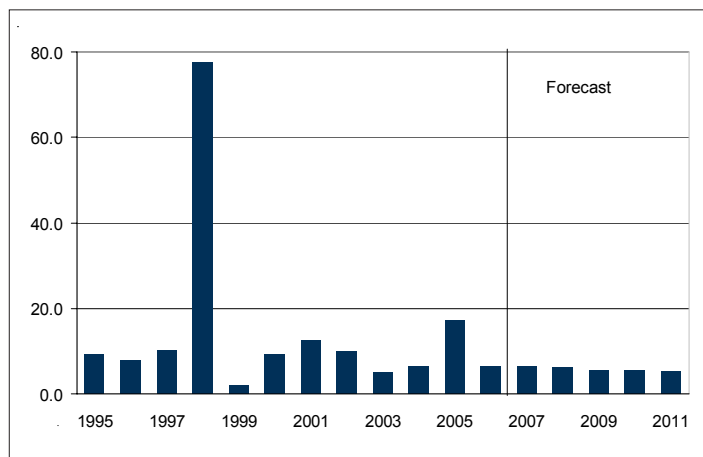


	2007	2008
ABN Amro Asia	-1.0	-0.8
Allianz Group	-	-
BII - Bank Internasional Indonesia	-	-
Citigroup Global Markets Inc.	-1.6	-1.5
Credit Suisse	-1.1	-1.0
Danareksa Securities	-	-
DBS Bank	-1.3	-1.0
Deutsche Bank	-1.3	-1.7
Goldman Sachs	-	-
HSBC	-1.6	-2.0
ING Financial Markets	-1.1	-0.5
JPMorgan	-1.1	-1.0
Merrill Lynch	-1.1	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	-1.6	-1.6
United Overseas Bank	-1.8	-1.8
Consensus	-1.3	-1.3
30 days ago	-1.2	-1.2
60 days ago	-1.2	-1.1
90 days ago	-1.2	-1.1
Minimum	-1.8	-2.0
Maximum	-1.0	-0.5
Median	-1.3	-1.3
Standard Deviation	20.9	38.2

Monetary Sector

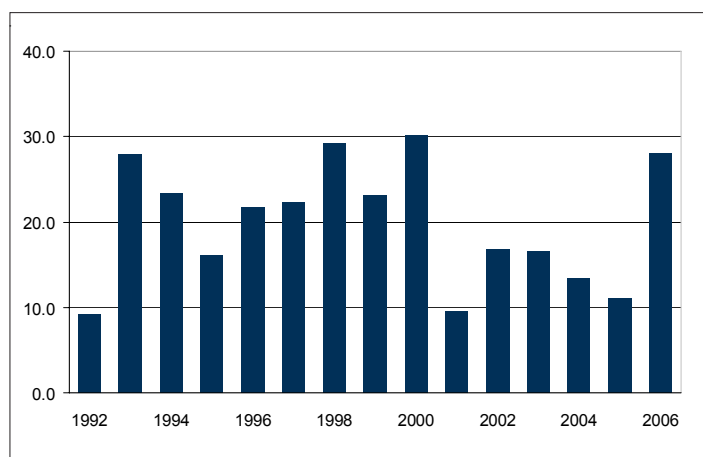
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	1.9	9.3	12.5	10.0	5.1	6.4	17.1	6.6	6.4	6.2	5.6	5.4	5.2
Money (annual variation of M1 in %)	23.2	30.1	9.6	16.9	16.6	13.4	11.1	28.1	-	-	-	-	-
Interest Rate (benchmark in %, eop)	13.0	13.2	17.2	13.6	7.1	6.7	11.8	9.7	8.1	7.7	6.8	6.8	6.7
Local currency per US\$ (eop)	7,085	9,595	10,400	8,940	8,465	9,336	9,879	9,065	8,937	8,886	9,350	9,624	9,762
Local currency per US\$ (average)	7,855	8,422	10,261	9,311	8,577	8,974	9,754	9,472	9,001	8,911	9,118	9,487	9,693
Nom. Depreciation (vs. US\$, annual)	-13.3	26.2	7.7	-16.3	-5.6	9.3	5.5	-9.0	-1.4	-0.6	5.0	2.8	1.4

Consumer Prices, annual variation in %

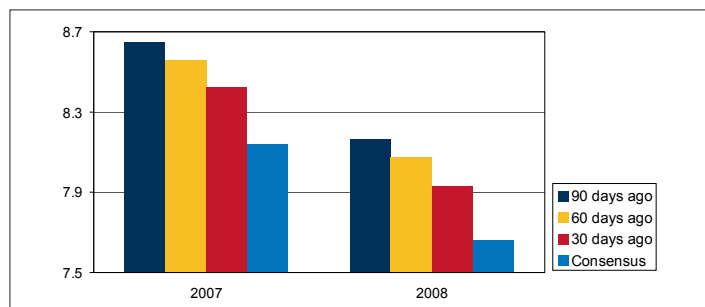
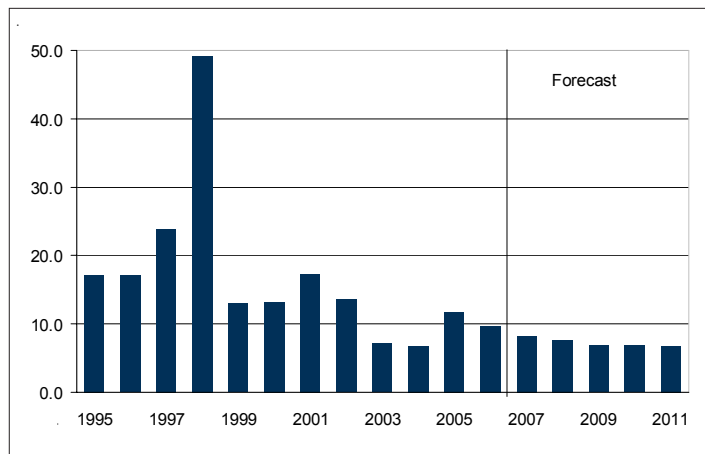


	2007	2008
ABN Amro Asia	6.5	6.0
Allianz Group	6.5	6.0
BII - Bank Internasional Indonesia	6.0	5.5
Citigroup Global Markets Inc.	6.6	6.5
Credit Suisse	5.5	5.0
Danareksa Securities	5.8	5.2
DBS Bank	7.0	6.5
Deutsche Bank	5.8	5.4
Goldman Sachs	6.0	6.5
HSBC	6.8	8.0
ING Financial Markets	7.0	6.0
JPMorgan	6.4	6.8
Merrill Lynch	7.0	-
Mitsubishi UFJ	-	-
Morgan Stanley	6.4	6.7
Royal Bank of Scotland	6.2	-
Standard Chartered Bank	-	-
UBS	6.5	6.5
United Overseas Bank	6.3	6.2
Consensus	6.4	6.2
30 days ago	6.3	6.2
60 days ago	6.3	6.0
90 days ago	6.4	6.1
Minimum	5.5	5.0
Maximum	7.0	8.0
Median	6.4	6.2
Standard Deviation	7.0	12.0

Narrow Money, annual variation in %

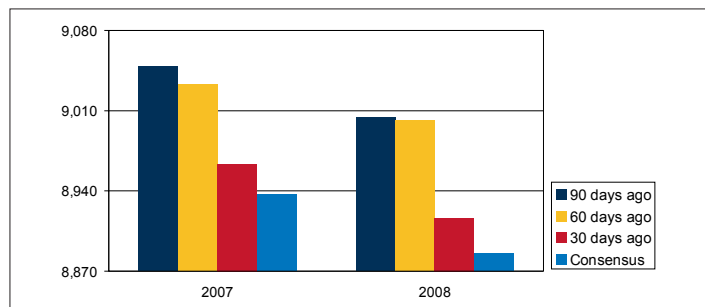
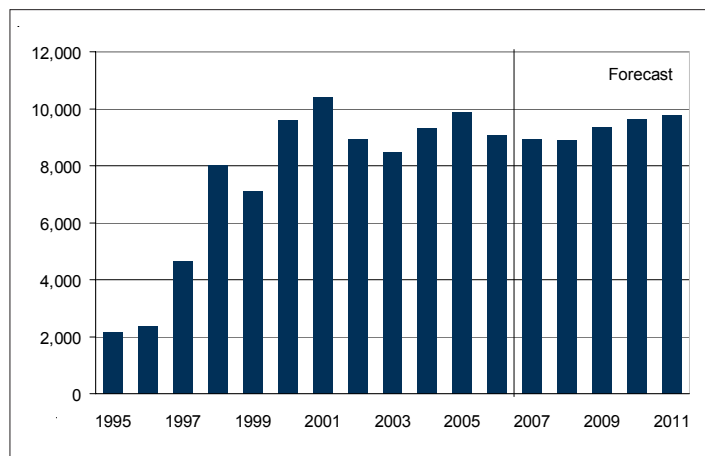


Interest Rates, Nominal benchmark rate in %



	2007	2008
ABN Amro Asia	9.0	8.0
Allianz Group	-	-
BII - Bank Internasional Indonesia	8.0	7.3
Citigroup Global Markets Inc.	7.0	6.5
Credit Suisse	7.8	7.8
Danareksa Securities	7.5	7.0
DBS Bank	8.0	8.0
Deutsche Bank	-	-
Goldman Sachs	8.0	8.0
HSBC	8.0	9.5
ING Financial Markets	7.8	6.8
JPMorgan	8.5	-
Merrill Lynch	9.0	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Royal Bank of Scotland	9.0	-
Standard Chartered Bank	8.0	7.5
UBS	8.5	8.0
United Overseas Bank	-	-
Consensus	8.1	7.7
30 days ago	8.4	7.9
60 days ago	8.6	8.1
90 days ago	8.6	8.2
Minimum	7.0	6.5
Maximum	9.0	9.5
Median	8.0	7.8
Standard Deviation	7.3	10.7

Exchange Rate, versus US\$ (end of period)

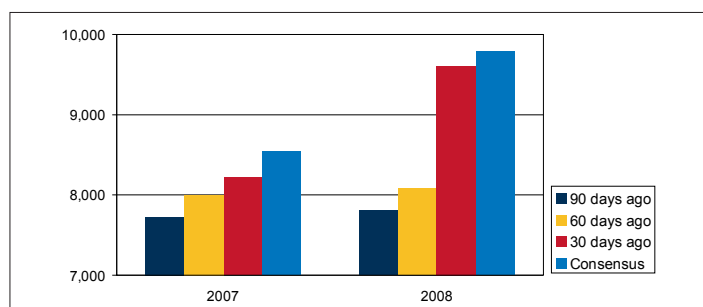
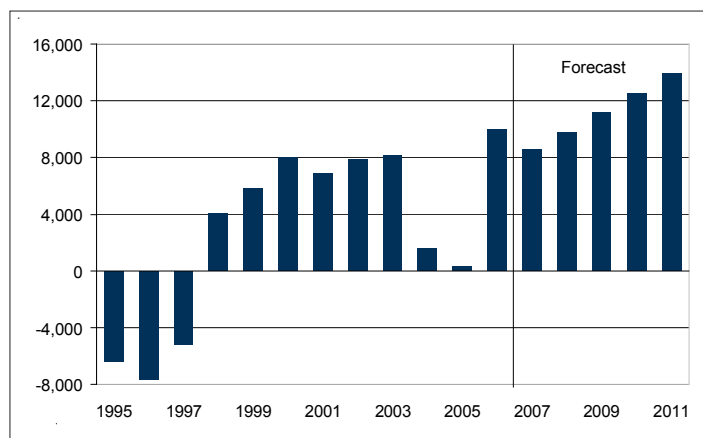


	2007	2008
ABN Amro Asia	8,800	9,000
Allianz Group	-	-
BII - Bank Internasional Indonesia	9,220	9,568
Citigroup Global Markets Inc.	9,150	9,400
Credit Suisse	8,400	8,300
Danareksa Securities	9,258	9,445
DBS Bank	8,950	8,700
Deutsche Bank	8,800	8,450
Goldman Sachs	9,300	9,300
HSBC	8,400	8,400
ING Financial Markets	8,950	8,950
JPMorgan	9,300	-
Merrill Lynch	8,700	-
Mitsubishi UFJ	-	-
Morgan Stanley	8,700	8,500
Royal Bank of Scotland	9,000	-
Standard Chartered Bank	9,000	8,700
UBS	8,900	8,800
United Overseas Bank	9,100	-
Consensus	8,937	8,886
30 days ago	8,963	8,916
60 days ago	9,033	9,001
90 days ago	9,049	9,004
Minimum	8,400	8,300
Maximum	9,300	9,568
Median	8,950	8,800
Standard Deviation	3.1	4.8

External Sector

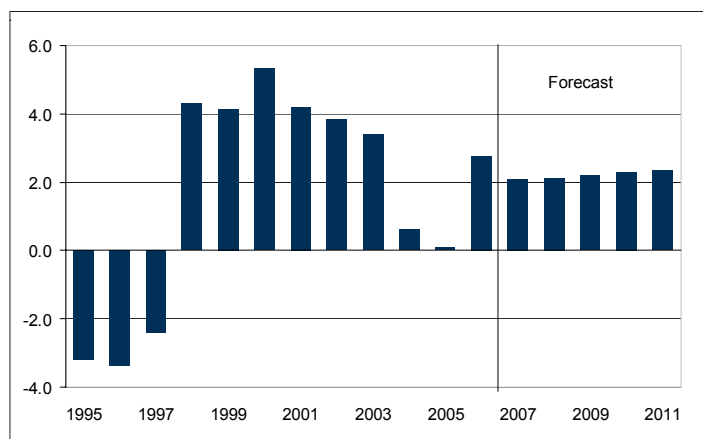
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billions)	5.8	8.0	6.9	7.8	8.1	1.6	0.3	10.0	8.5	9.8	11.2	12.5	13.9
Current Account Balance (% of GDP)	4.1	5.3	4.2	3.8	3.4	0.6	0.1	2.8	2.1	2.1	2.2	2.3	2.3
Trade Balance (US\$ billions)	20.6	25.0	22.7	23.5	24.6	20.2	17.5	29.6	34.3	36.4	36.4	40.7	43.6
Exports (US\$ billions)	51.2	65.4	57.4	59.2	64.1	70.8	87.0	103.5	112.9	125.5	137.9	151.4	165.5
Imports (US\$ billions)	30.6	40.4	34.7	35.7	39.5	50.6	69.5	73.9	76.7	86.9	99.9	109.4	121.0
Exports (annual variation in %)	1.7	27.6	-12.3	3.1	8.4	10.4	22.9	19.0	9.1	11.2	9.8	9.8	9.3
Imports (annual variation in %)	-4.2	31.9	-14.1	2.8	10.9	28.0	37.2	6.3	3.8	13.4	15.0	9.5	10.6
International Reserves (US\$ billions)	27.3	29.4	28.0	32.0	36.3	36.3	34.7	42.6	50.7	55.8	57.5	62.9	67.1
International Reserves (months of imports)	10.7	8.7	9.7	10.8	11.0	8.6	8.2	6.9	7.9	7.7	6.9	6.9	6.7
Total External Debt (US\$ billions)	148.1	141.7	133.1	131.3	135.4	137.0	130.7	125.3	127.0	123.9	132.0	125.1	125.6
Total External Debt (% GDP)	105.8	94.3	81.1	64.4	56.8	54.1	45.8	34.6	31.1	26.7	25.9	22.9	21.1

Current Account Balance, US\$ million

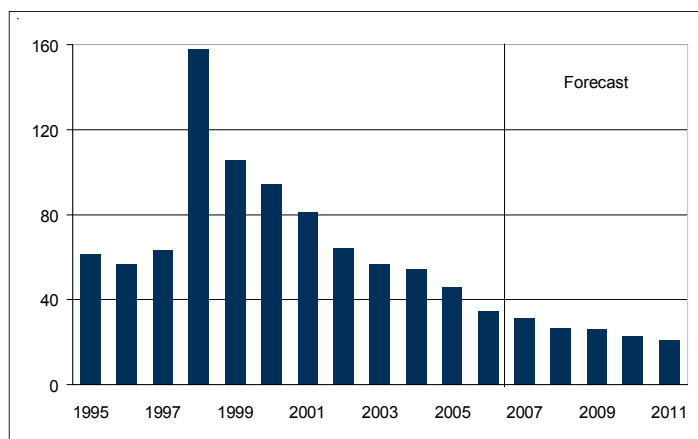


	2007	2008
ABN Amro Asia	-	-
Allianz Group	7,767	6,964
BI - Bank Internasional Indonesia	15,433	13,766
Citigroup Global Markets Inc.	6,000	4,000
Credit Suisse	13,000	18,700
Danareksa Securities	10,877	11,503
DBS Bank	9,100	10,500
Deutsche Bank	11,600	14,600
Goldman Sachs	-	-
HSBC	10,400	15,200
ING Financial Markets	8,861	9,968
JPMorgan	4,500	5,100
Merrill Lynch	7,409	-
Mitsubishi UFJ	4,800	-
Morgan Stanley	7,358	7,893
Royal Bank of Scotland	-	-
Standard Chartered Bank	4,905	3,714
UBS	6,500	5,270
United Overseas Bank	8,175	-
Consensus	8,543	9,783
30 days ago	8,222	9,608
60 days ago	8,004	8,082
90 days ago	7,722	7,811
Minimum	4,500	3,714
Maximum	15,433	18,700
Median	7,971	9,968
Standard Deviation	36.2	49.0

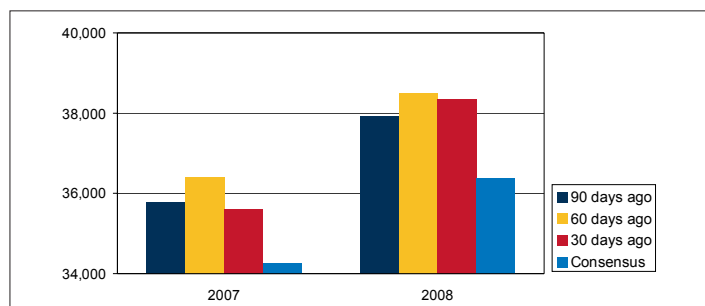
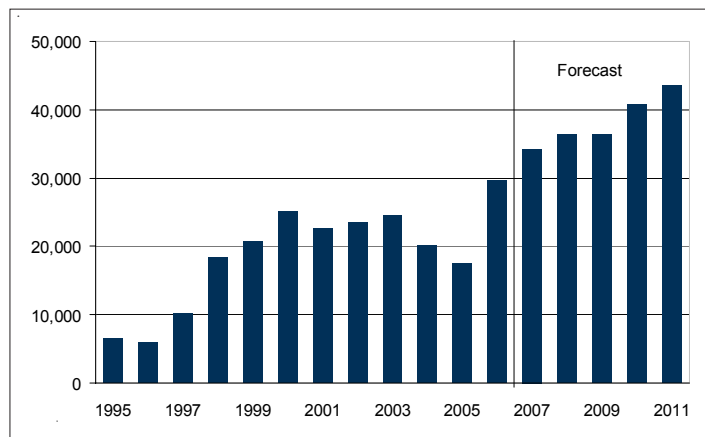
Current Account Balance, % of GDP



External Debt, % of GDP

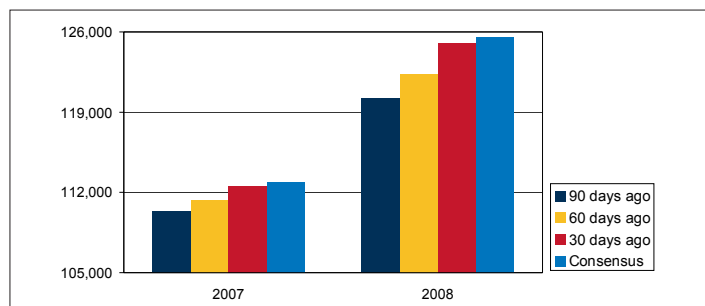
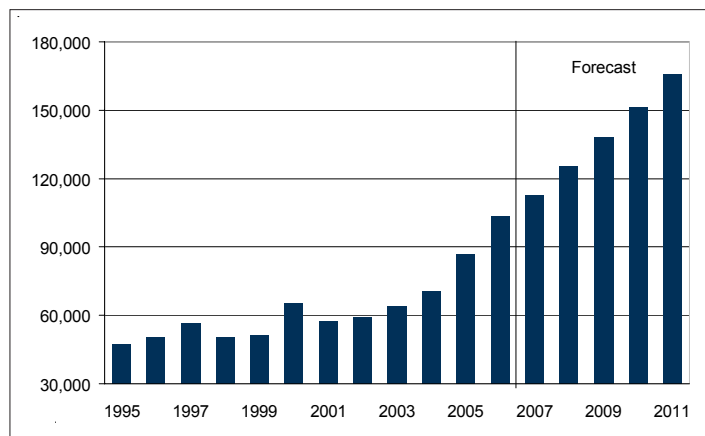


Trade Balance, US\$ million



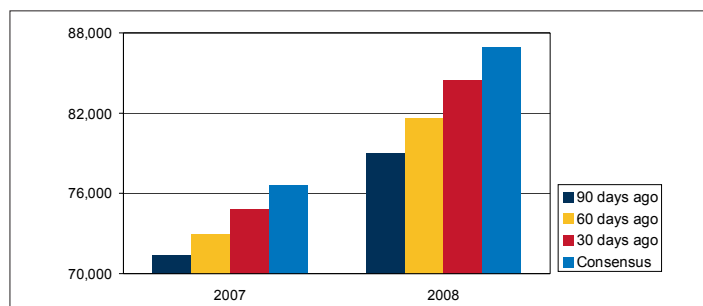
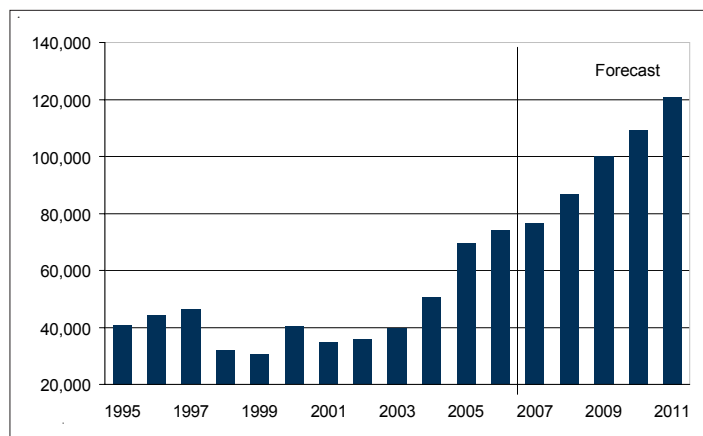
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
BII - Bank Internasional Indonesia	41,158	43,091
Citigroup Global Markets Inc.	37,315	34,005
Credit Suisse	33,235	40,563
Danareksa Securities	31,400	32,569
DBS Bank	44,000	46,000
Deutsche Bank	33,400	38,000
Goldman Sachs	-	-
HSBC	32,755	37,621
ING Financial Markets	29,514	28,968
JPMorgan	29,300	30,300
Merrill Lynch	31,800	-
Mitsubishi UFJ	-	-
Morgan Stanley	28,900	29,300
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	38,361	39,789
United Overseas Bank	-	-
Consensus	34,262	36,382
30 days ago	35,598	38,348
60 days ago	36,385	38,497
90 days ago	35,794	37,940
Minimum	28,900	28,968
Maximum	44,000	46,000
Median	32,995	37,621
Standard Deviation	14.3	15.9

Exports, US\$ million



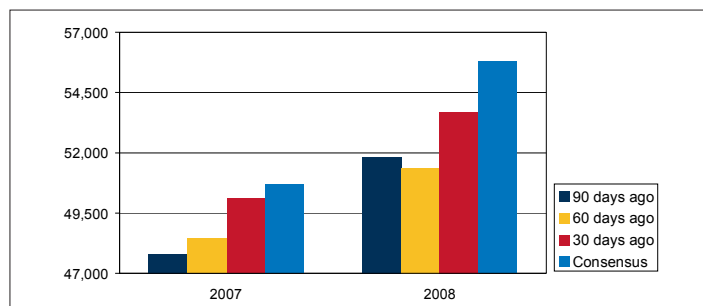
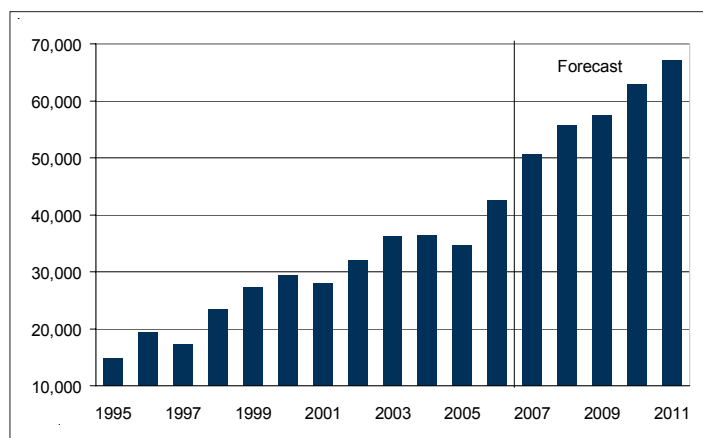
	2007	2008
ABN Amro Asia	113,700	125,100
Allianz Group	-	-
BII - Bank Internasional Indonesia	116,286	130,241
Citigroup Global Markets Inc.	107,739	118,512
Credit Suisse	117,854	137,536
Danareksa Securities	112,206	122,118
DBS Bank	113,000	124,000
Deutsche Bank	110,800	120,000
Goldman Sachs	-	-
HSBC	114,301	129,782
ING Financial Markets	112,238	124,230
JPMorgan	118,200	134,000
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	105,839	115,364
United Overseas Bank	-	-
Consensus	112,924	125,535
30 days ago	112,520	125,008
60 days ago	111,397	122,255
90 days ago	110,321	120,221
Minimum	105,839	115,364
Maximum	118,200	137,536
Median	113,000	124,230
Standard Deviation	3.4	5.4

Imports, US\$ million



	2007	2008
ABN Amro Asia	65,400	71,200
Allianz Group	-	-
BII - Bank Internasional Indonesia	75,129	87,150
Citigroup Global Markets Inc.	70,423	84,508
Credit Suisse	84,619	96,974
Danareksa Securities	80,806	89,549
DBS Bank	69,000	78,000
Deutsche Bank	77,400	82,000
Goldman Sachs	-	-
HSBC	81,545	92,160
ING Financial Markets	82,725	95,263
JPMorgan	88,900	103,700
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	67,477	75,575
United Overseas Bank	-	-
Consensus	76,675	86,916
30 days ago	74,814	84,423
60 days ago	72,943	81,658
90 days ago	71,378	79,031
Minimum	65,400	71,200
Maximum	88,900	103,700
Median	77,400	87,150
Standard Deviation	10.1	11.3

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	50,800	-
Allianz Group	-	-
BII - Bank Internasional Indonesia	55,374	58,496
Citigroup Global Markets Inc.	50,000	53,500
Credit Suisse	55,400	65,000
Danareksa Securities	46,339	50,750
DBS Bank	51,000	55,000
Deutsche Bank	48,000	53,000
Goldman Sachs	-	-
HSBC	55,556	70,777
ING Financial Markets	45,000	50,000
JPMorgan	47,900	49,900
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	49,000	55,400
UBS	53,600	52,000
United Overseas Bank	-	-
Consensus	50,664	55,802
30 days ago	50,118	53,695
60 days ago	48,443	51,359
90 days ago	47,804	51,845
Minimum	45,000	49,900
Maximum	55,556	70,777
Median	50,400	53,500
Standard Deviation	7.2	11.9

General Data

Official name:	Republic of Indonesia
Capital:	Jakarta (17.9 m)
Other cities:	Bandung (5.7 m) Surabaya (3.9 m) Medan (3.9 m)
Area (km ²):	1,919,440
Population (2006 est. million):	245.4
Population density (2006 per km ²):	127.9
Population growth rate (2006, %):	1.4
Life expectancy (2006, years):	69.9
Illiteracy rate (2006):	12.1
Languages:	Bahasa Indonesia
Measures:	Metric system
Time:	7 hours ahead of GMT

Economic Infrastructure

Communications (2005)

Telephones - main lines in use (per 100 inhabitants):	5.7
Telephones - mobile cellular (per 100 inhabitants):	19.1
Telephones - mobile cellular (% total telephone subscribers):	78.6
Internet Users (per 100 inhabitants):	7.2
Personal Computers (per 100 inhabitants, estimate):	1.3

Energy (2005)

Total Electricity Generation (GWh):	123,400
Electricity Consumption Growth (%):	2.6
Residential Consumption (% share of total):	40.3
Industrial Consumption (% share of total):	38.6

Transportation (2006)

Railways (km) :	6,458
Highways (km):	368,360
Waterways	21,579
Chief Port:	Jakarta

Executive Branch

President:	Susilo Bambang Yudhoyono
Since:	October 2004
Last elections:	20 September 2004
Next elections:	2009

Cabinet:

Minister for Economic Affairs:	Boediono
Minister of Finance:	Sri Mulyani Indrawati
Minister of Foreign Affairs:	Nur Hassan Wirajuda

Governor, Bank Indonesia:	Burhanuddin Abdullah
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Strengths

- Extensive natural resources
- Large domestic market
- Diverse manufacturing sector

Weaknesses

- Business complaints about corruption deter foreign investment
- Weak legal framework
- Guerilla activity poses security threat

Long-Term Foreign Currency Ratings

Moody's:	B1
S&P:	BB-
Fitch Ratings:	BB-

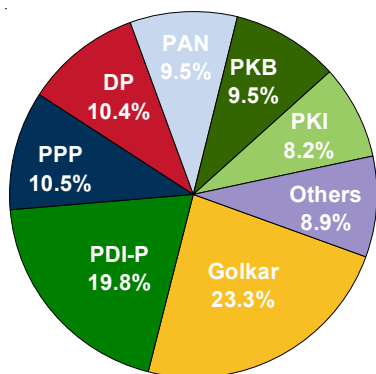
Legislative Branch

Last elections:	5 April 2004
Next elections:	April 2009

House of Representatives:

Party	Seats	% of Total
Golkar:	128	23.3
Indonesian Demo. Party-Struggle (PDI-P):	109	19.8
United Development Party (PPP):	58	10.5
Democratic Party (DP):	57	10.4
National Mandate Party (PAN):	52	9.5
National Awakening Party (PKB):	52	9.5
Prosperous Justice Party (PKI):	45	8.2
Others:	49	8.9
Total:	219	100.0

House of Representatives



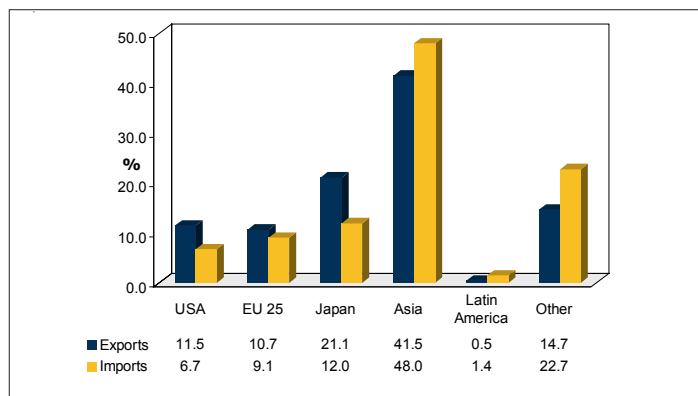
Trade by Product Groups (2005)

Exports:	
Industrial:	64.9
Oil and Gas:	22.5
Minerals:	9.3
Agricultural:	3.4

Imports:

Raw Materials:	77.5
Capital Goods:	14.4
Consumer Goods:	8.2

Geographical Trade Structure (2005)



Forecast Summary

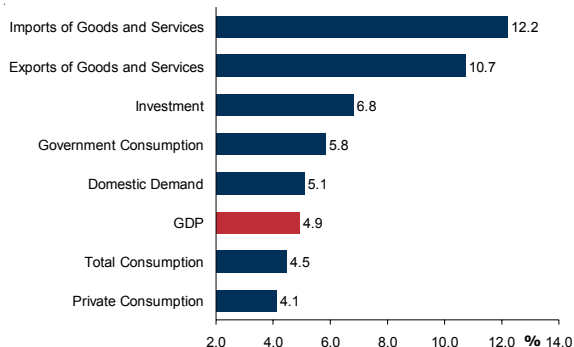
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	45.5	46.0	46.3	46.6	47.0	47.4	47.6	47.9	48.0	48.1	48.3	48.5	48.6
GDP (US\$ billion)	557.6	516.3	345.4	445.4	511.7	481.9	546.9	608.1	680.5	783.6	887.9	977.0	1,065
GDP per capita (US\$)	12,249	11,235	7,463	9,555	10,884	10,176	11,485	12,707	14,165	16,278	18,384	20,163	21,911
GDP (annual variation in %)	7.0	4.7	-6.9	9.5	8.5	3.8	7.0	3.1	4.7	4.2	5.0	4.5	4.9
Consumption (annual variation in %)	6.7	3.3	-13.4	11.5	8.4	4.9	7.9	-1.2	-0.3	3.6	4.2	4.0	4.5
Investment (annual variation in %)	8.4	-2.3	-22.9	8.3	12.2	-0.2	6.6	4.0	2.1	2.4	3.2	5.5	5.5
Unemployment (%)	2.3	3.1	8.0	5.2	4.4	3.8	3.1	3.8	3.8	3.5	3.3	3.4	3.4
Fiscal balance (% of GDP)	0.2	-1.4	-3.9	-2.5	1.1	1.2	3.3	1.1	0.7	0.6	0.4	0.7	0.7
Consumer Prices (annual variation in %)	4.9	6.6	4.0	1.4	2.8	3.2	3.7	3.4	3.0	2.6	2.1	2.6	2.7
Interest Rate (benchmark in %, eop)	12.4	21.3	7.0	4.8	5.3	4.0	4.3	3.8	3.3	3.7	4.5	4.9	5.0
Exchange Rate (vs. US\$, end-of-period)	844.2	1,695	1,204	1,138	1,265	1,314	1,186	1,193	1,035	1,012	929.6	924.6	904.5
Current Account Balance (% of GDP)	-4.1	-1.6	11.7	5.5	2.4	1.7	1.0	2.0	4.1	1.9	0.7	0.2	0.3
Trade Balance (% of GDP)	-2.7	-0.6	12.1	6.4	3.3	2.8	2.7	3.6	5.6	4.2	3.3	2.5	2.5
Exports (annual variation in %)	4.1	6.7	-4.7	9.9	21.2	-14.0	7.9	20.7	30.6	12.1	14.8	11.3	12.1
Imports (annual variation in %)	12.2	-2.2	-36.2	29.1	36.2	-13.4	7.7	18.0	25.2	16.7	18.1	14.1	12.5
Int. Reserves (months of imports)	2.7	1.7	6.9	7.6	7.4	8.9	9.8	10.6	10.9	9.9	9.5	8.8	8.2
External Debt (% of GDP)	28.2	33.7	47.4	34.3	28.9	26.7	25.9	25.9	25.3	24.0	29.7	26.9	25.9

Economy Rebounds in Second Quarter

The economy has been picking up speed in the first half of the year and is likely to remain on the healthy growth trajectory throughout the remainder of the year. Consumers are becoming increasingly optimistic after lingering for a year and investment is accelerating. Moreover, exports are expanding at a robust pace, supported by stronger demand from China and the European Union. Meanwhile, inflation is likely to pick up a notch, but to stay below the Central Bank's target.

Economy quickens in second quarter

GDP by Type, Q2 2007



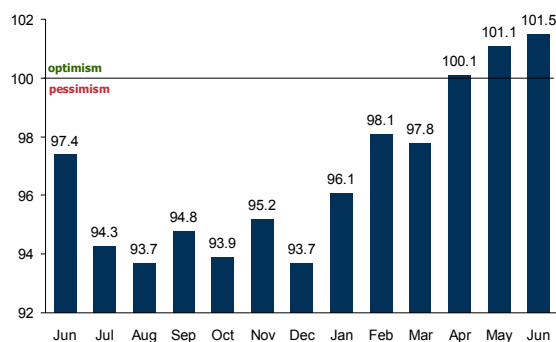
Note: Year-on-year changes in %.

Source: The Bank of Korea and FocusEconomics calculations.

In the second quarter, economic growth bounced back strongly and expanded at the fastest pace in a year. According to advance estimates released by the Central Bank on 25 July, gross domestic product increased 4.9% in the second quarter. The reading represented an acceleration compared to the 4.0% growth observed in the previous two quarters and also exceeded last month's Consensus Forecast of 4.3%. Furthermore, a quarter-on-quarter comparison confirms the acceleration suggested by the annual data. In seasonally adjusted terms, GDP added 1.71% over the previous quarter, which constitutes the highest growth rate in 14 quarters. The strong second quarter expansion is mostly due to robust growth in consumption and investment, buttressed by a change in inventories. On the other hand, the net contribution of the external sector to overall growth deteriorated, as imports picked up slightly whereas exports decelerated a notch. On a sectoral basis, the second quarter quickening was due to faster growth in all three main sectors – agriculture, industry as well as services. Revised data for the second quarter will be released no later than 30 September.

Government raises growth forecast

Consumer Confidence, Jun. 2006 - Jun. 2007



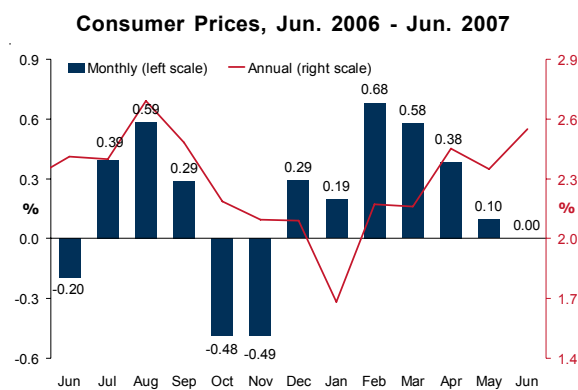
Note: Consumer Expectation Index.

Source: Korea National Statistical Office (KNSO).

Consumers are becoming increasingly optimistic after pessimism had prevailed during the past year. In June, the Consumer Expectation Index (CEI), which shows consumers' sentiment for the coming six months compared to the present, increased 0.4 points, from 101.1 in May to 101.5. Moreover, the reading represented the third consecutive month with consumer confidence above the 100-point threshold that separates optimism from pessimism. In April, the index surpassed 100 points for the first time in a year. In addition, the June reading confirms the upward trend in consumer confidence in place since January, which was only briefly interrupted in March. Nevertheless, the business condition index – one of the three indices that the CEI comprises – lagged behind, as it was the only component that remained below 100 points. June represented the fifteenth consecutive month with the business condition index below 100 points. Despite this reading, investment should continue to grow at the solid pace observed in the first two quarters (Q1: +7.0% year-on-year; Q2: +6.8% yoy), given that the government has embarked on important public projects. Moreover, exports are defying the impact of a stronger currency and weaker demand from the United States. In

the first half, exports expanded at a robust pace and are likely to maintain the rhythm in the remainder of the year. As a result, the economy is expected to maintain the solid momentum observed in the previous two quarters. Against this backdrop, international credit agency Moody's Investors Service raised the country's credit rating from "A3" to "A2" on 25 July. Moreover, the government is increasingly optimistic and revised its growth forecast for this year upwards by 0.1 percentage points to the current 4.6% estimate. In the same vein, Consensus Forecast participants expect the economy to expand 4.5% this year, which is unchanged from last month's forecast. For next year, the Consensus panel projects the economy to grow 4.9%, which is also unchanged from last month's projection.

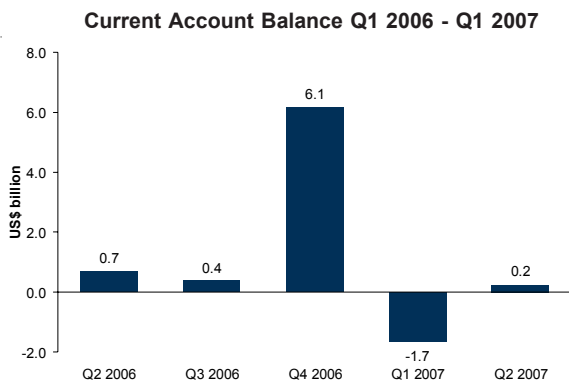
Inflation resumes upward trend



Note: Month-on-month and year-on-year changes of consumer price index in %.
Source: Korea National Statistical Office (KNSO) and FocusEconomics calculations.

In June, consumer prices remained unchanged over the previous month. The reading was down from the 0.10% rise observed in May and came in slightly below market expectations, which had consumer prices rising 0.10% in June. Higher prices in transport, alcoholic beverages and tobacco, housing as well as in restaurants and hotels were completely compensated by lower prices in food and non-alcoholic beverages, communication, culture and recreation. Despite the modest June figure, annual inflation increased from 2.3% in May to 2.5%, which represents the highest inflation rate observed since August last year. Simultaneously, the core inflation index, which excludes more volatile agricultural and oil products, added 0.10% in June. As a consequence, annual core inflation increased a notch from 2.2% in May to 2.3%. Current inflation rates compare favourably with the Central Bank's inflation target of 3.0%, which is based on a 3-year average with a $\pm 0.5\%$ tolerance margin for the period 2007-2009. Consensus Forecast panellists see inflation accelerating a notch to 2.6% by the end of 2007, which is unchanged from last month's forecast. According to the panel, inflation will step up a notch to 2.7% in 2008.

Current account reverts to surplus in second quarter



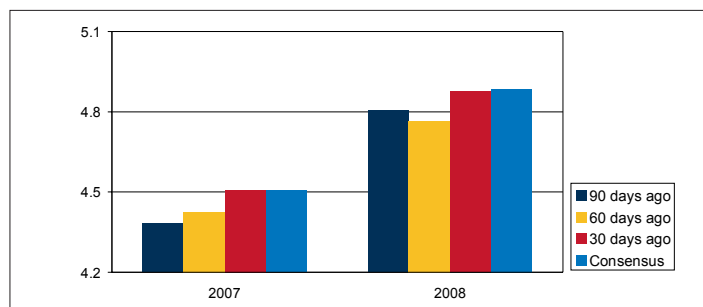
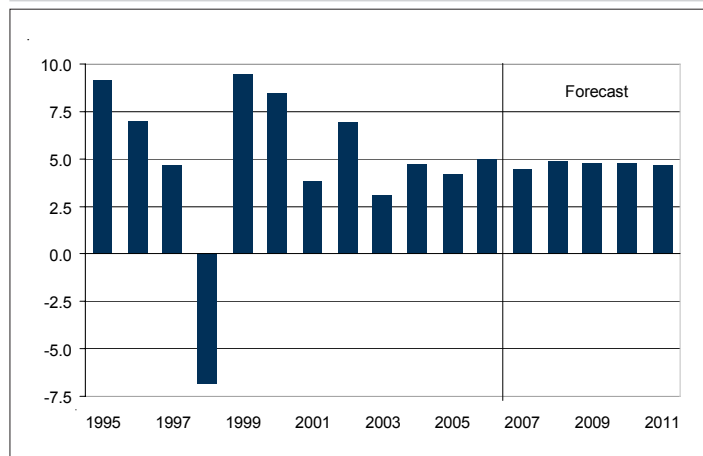
Note: Quarterly current account balance.
Source: The Bank of Korea.

In the second quarter, the current account balance recorded a surplus of US\$ 230 million. The reading contrasted the US\$ 1.7 billion deficit registered in the first quarter but was below the US\$ 692 million surplus observed in the second quarter of 2006. The improvement over the previous quarter was mainly due to a higher trade surplus but also reflected a lower deficit in the balance of services. The trade balance surplus increased notably from US\$ 6.0 billion in the first quarter to US\$ 7.2 billion in the second. Nevertheless, export growth decelerated a notch (Q1: +14.1% year-on-year; Q2: +13.3% yoy) whereas imports picked up slightly (Q1: +14.0% yoy; Q2: +15.0% yoy). In contrast to the improving trade and services balance, the income balance deteriorated and posted a higher deficit. As a result of the second quarter figure, the moving annual current account balance surplus dropped from US\$ 5.5 billion in the first quarter to US\$ 5.1 billion, which represents the lowest annual surplus in the last three quarters. Consensus Forecast panellists anticipate that the current account surplus will shrink further this year, reaching US\$ 2.3 billion.

Real Sector

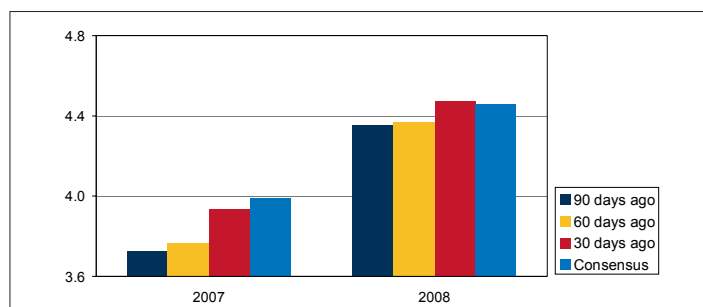
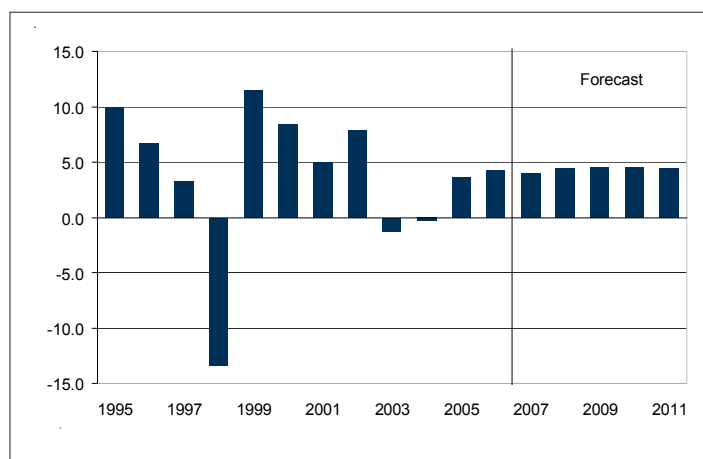
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	445.4	511.7	481.9	546.9	608.1	680.5	783.6	887.9	977.0	1,065	1,153	1,251	1,378
GDP per capita (US\$)	9,555	10,884	10,176	11,485	12,707	14,165	16,278	18,384	20,163	21,911	23,650	25,597	27,853
GDP (annual variation in %)	9.5	8.5	3.8	7.0	3.1	4.7	4.2	5.0	4.5	4.9	4.8	4.8	4.7
Consumption (ann.var. in %)	11.5	8.4	4.9	7.9	-1.2	-0.3	3.6	4.2	4.0	4.5	4.5	4.5	4.4
Investment (ann.var. in %)	8.3	12.2	-0.2	6.6	4.0	2.1	2.4	3.2	5.5	5.5	5.1	4.7	4.7
Industrial Production (ann.var. in %)	24.2	16.8	0.7	8.0	5.3	10.2	6.2	10.1	6.3	8.2	7.2	7.3	6.0
Unemployment (%)	5.2	4.4	3.8	3.1	3.8	3.8	3.5	3.3	3.4	3.4	3.1	3.2	3.2

Gross Domestic Product, annual variation in %



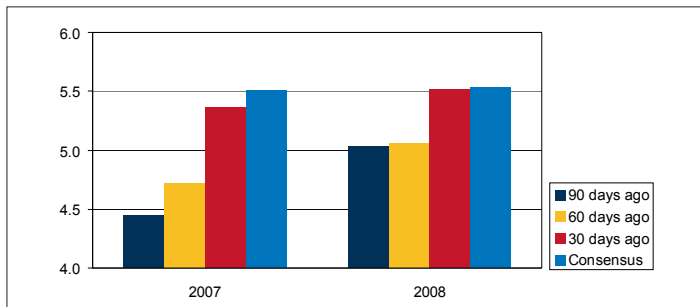
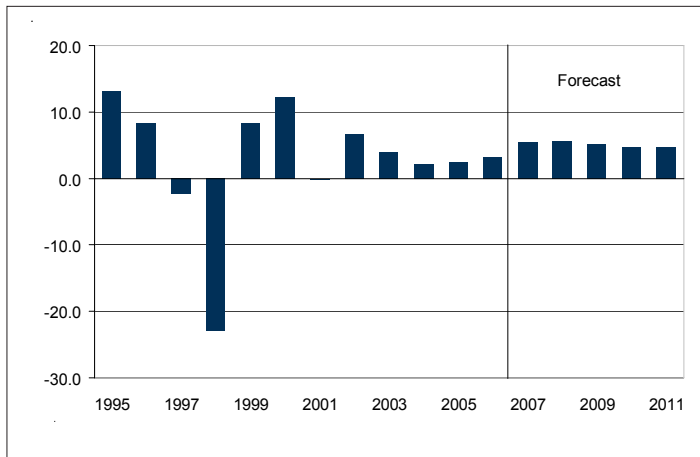
	2007	2008
ABN Amro Asia	-	-
Allianz Group	4.8	4.5
Citigroup Global Markets Inc.	4.4	5.0
Credit Suisse	4.6	5.5
DBS Bank	4.3	4.9
Deutsche Bank	4.1	4.5
Goldman Sachs	4.8	5.3
HSBC	4.4	5.0
ING Financial Markets	4.8	5.0
JPMorgan	4.3	4.8
KERI - Korea Economic Research Institute	4.4	-
Korea Development Institute	4.4	-
Korea Investment & Securities Co.	5.1	5.4
Merrill Lynch	4.5	5.0
Mitsubishi UFJ	4.7	-
Morgan Stanley	4.3	4.8
SERI - Samsung Economic Research Institute	4.6	-
Standard Chartered Bank	4.0	4.1
UBS	4.3	4.1
United Overseas Bank	4.6	5.0
Woori I & S	4.8	5.2
Consensus	4.5	4.9
30 days ago	4.5	4.9
60 days ago	4.4	4.8
90 days ago	4.4	4.8
Minimum	4.0	4.1
Maximum	5.1	5.5
Median	4.5	5.0
Standard Deviation	6.0	8.3

Private Consumption, annual variation in %



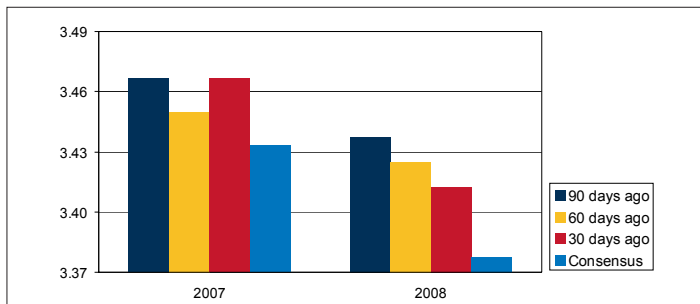
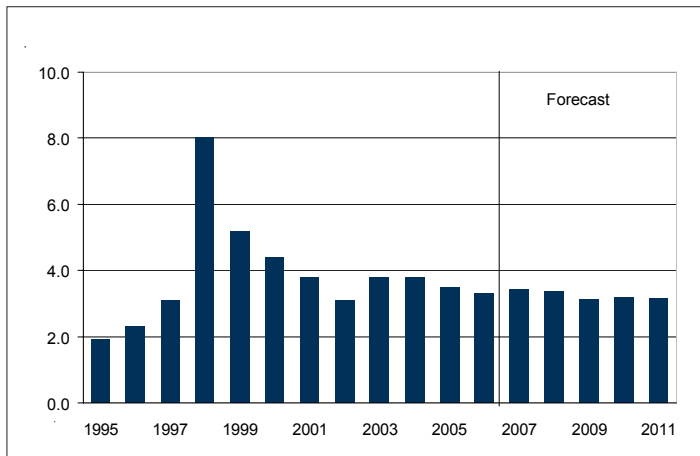
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	4.0	3.7
Credit Suisse	4.6	5.0
DBS Bank	4.1	4.2
Deutsche Bank	3.3	3.6
Goldman Sachs	-	-
HSBC	3.5	4.4
ING Financial Markets	4.3	5.0
JPMorgan	-	-
KERI - Korea Economic Research Institute	4.1	-
Korea Development Institute	3.9	-
Korea Investment & Securities Co.	4.0	5.8
Merrill Lynch	-	-
Mitsubishi UFJ	3.6	-
Morgan Stanley	-	-
SERI - Samsung Economic Research Institute	4.8	-
Standard Chartered Bank	-	-
UBS	3.4	3.2
United Overseas Bank	-	-
Woori I & S	4.4	5.3
Consensus	4.0	4.5
30 days ago	3.9	4.5
60 days ago	3.8	4.4
90 days ago	3.7	4.4
Minimum	3.3	3.2
Maximum	4.8	5.8
Median	4.0	4.4
Standard Deviation	11.6	19.5

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	7.0	5.4
Credit Suisse	6.7	6.0
DBS Bank	6.0	4.7
Deutsche Bank	3.4	3.6
Goldman Sachs	-	-
HSBC	5.7	4.6
ING Financial Markets	6.3	5.5
JPMorgan	-	-
KERI - Korea Economic Research Institute	4.9	-
Korea Development Institute	4.8	-
Korea Investment & Securities Co.	8.2	11.5
Merrill Lynch	-	-
Mitsubishi UFJ	4.0	-
Morgan Stanley	-	-
SERI - Samsung Economic Research Institute	3.7	-
Standard Chartered Bank	-	-
UBS	4.5	3.2
United Overseas Bank	-	-
Woori I & S	6.5	5.4
Consensus	5.5	5.5
30 days ago	5.4	5.5
60 days ago	4.7	5.1
90 days ago	4.4	5.0
Minimum	3.4	3.2
Maximum	8.2	11.5
Median	5.7	5.4
Standard Deviation	26.0	43.7

Unemployment, % of economically active population

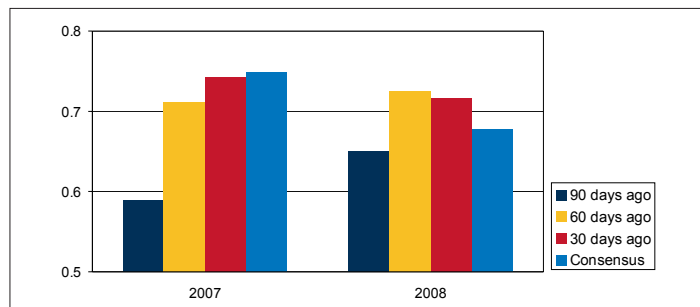
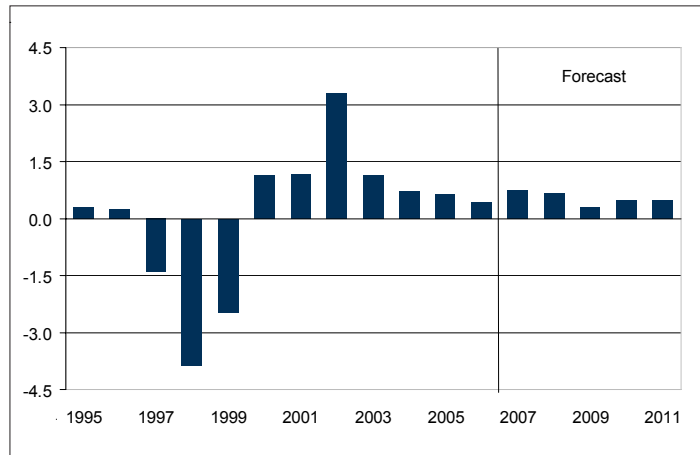


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	3.3	3.3
Credit Suisse	3.5	4.0
DBS Bank	3.3	3.3
Deutsche Bank	3.6	3.5
Goldman Sachs	-	-
HSBC	3.9	4.0
ING Financial Markets	3.3	3.0
JPMorgan	-	-
KERI - Korea Economic Research Institute	3.5	-
Korea Development Institute	3.6	-
Korea Investment & Securities Co.	3.3	2.9
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
SERI - Samsung Economic Research Institute	3.4	-
Standard Chartered Bank	-	-
UBS	-	-
United Overseas Bank	3.2	3.2
Woori I & S	3.3	3.2
Consensus	3.4	3.4
30 days ago	3.5	3.4
60 days ago	3.5	3.4
90 days ago	3.5	3.4
Minimum	3.2	2.9
Maximum	3.9	4.0
Median	3.4	3.3
Standard Deviation	5.7	11.6

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal balance (% of GDP)	-2.5	1.1	1.2	3.3	1.1	0.7	0.6	0.4	0.7	0.7	0.3	0.5	0.5

Fiscal balance, % of GDP

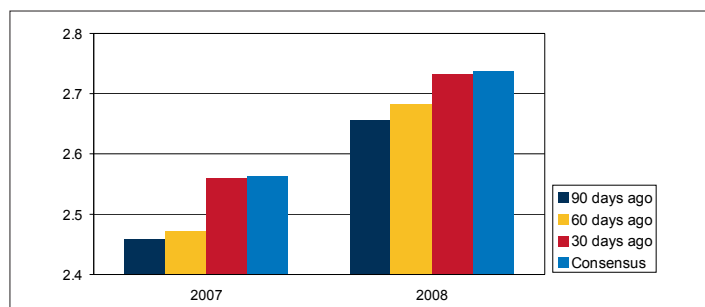
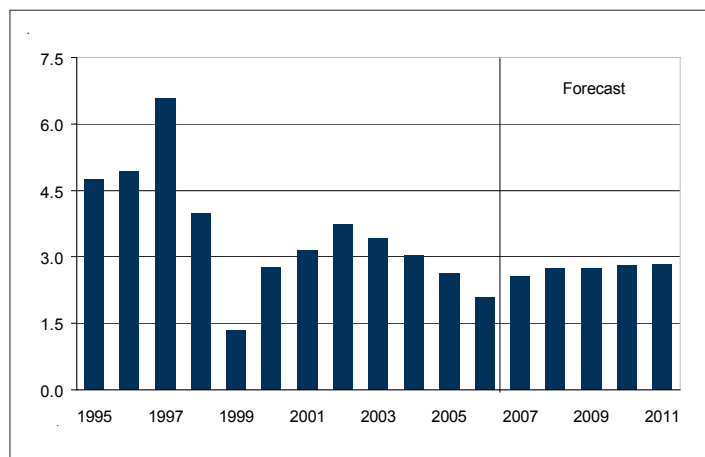


	2007	2008
ABN Amro Asia	0.2	0.2
Allianz Group	-	-
Citigroup Global Markets Inc.	2.0	2.0
Credit Suisse	-	-
DBS Bank	1.4	-
Deutsche Bank	0.3	0.5
Goldman Sachs	-	-
HSBC	0.2	-0.2
ING Financial Markets	-0.4	-0.2
JPMorgan	1.5	1.0
KERI - Korea Economic Research Institute	-	-
Korea Development Institute	-	-
Korea Investment & Securities Co.	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
SERI - Samsung Economic Research Institute	-	-
Standard Chartered Bank	1.5	1.6
UBS	0.3	0.6
United Overseas Bank	0.5	0.6
Woori I & S	-	-
Consensus	0.7	0.7
30 days ago	0.7	0.7
60 days ago	0.7	0.7
90 days ago	0.6	0.6
Minimum	-0.4	-0.2
Maximum	2.0	2.0
Median	0.4	0.6
Standard Deviation	105.3	110.1

Monetary Sector

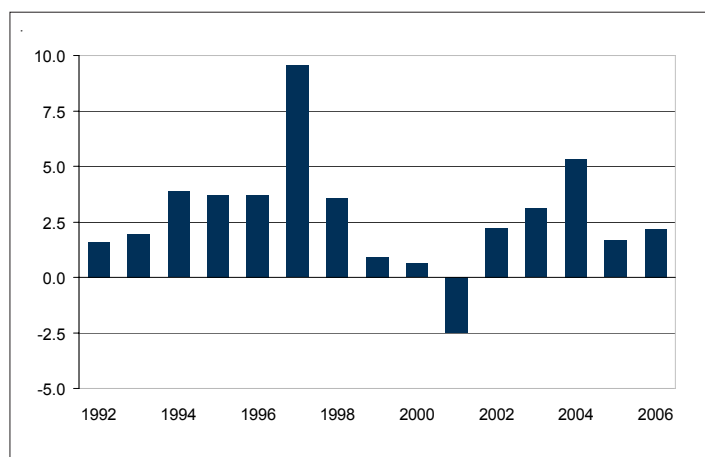
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	1.4	2.8	3.2	3.7	3.4	3.0	2.6	2.1	2.6	2.7	2.7	2.8	2.8
Producer Prices (ann. var. in %)	0.9	0.6	-2.5	2.3	3.1	5.3	1.7	2.2	-	-	-	-	-
Money (annual variation of M1 in %)	40.2	15.3	25.4	14.9	5.4	7.6	3.3	11.7	-	-	-	-	-
Interest Rate (benchmark in %, eop)	4.8	5.3	4.0	4.3	3.8	3.3	3.7	4.5	4.9	5.0	5.1	5.1	5.1
Local currency per US\$ (eop)	1,138	1,265	1,314	1,186	1,193	1,035	1,012	929.6	924.6	904.5	912.0	889.3	868.1
Local currency per US\$ (average)	1,189	1,131	1,291	1,251	1,192	1,145	1,034	954.9	927.1	914.6	908.3	900.6	878.7
Nom. Depreciation (vs. US\$, annual)	-5.8	10.0	3.7	-10.7	0.5	-15.2	-2.3	-8.8	-0.5	-2.2	0.8	-2.6	-2.4

Consumer Prices, annual variation in %

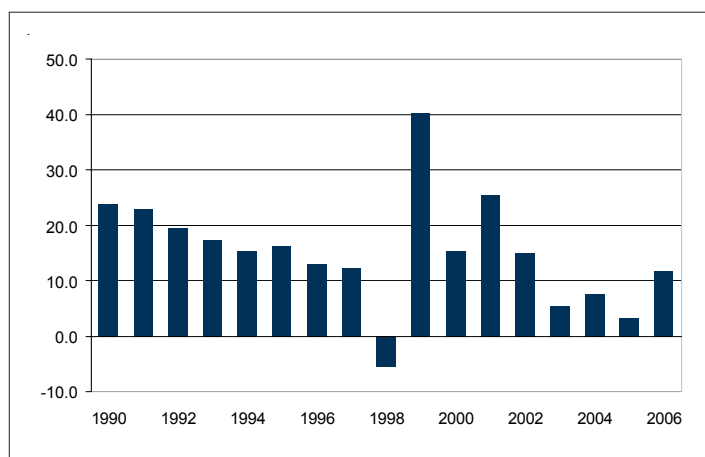


	2007	2008
ABN Amro Asia	2.4	2.6
Allianz Group	2.4	2.5
Citigroup Global Markets Inc.	2.9	2.6
Credit Suisse	3.3	3.0
DBS Bank	2.4	2.6
Deutsche Bank	2.3	3.0
Goldman Sachs	2.2	2.3
HSBC	2.5	3.0
ING Financial Markets	2.7	3.0
JPMorgan	2.9	3.4
KERI - Korea Economic Research Institute	2.4	-
Korea Development Institute	2.7	-
Korea Investment & Securities Co.	2.9	3.2
Merrill Lynch	2.6	3.0
Mitsubishi UFJ	-	-
Morgan Stanley	2.6	2.5
SERI - Samsung Economic Research Institute	2.4	-
Standard Chartered Bank	2.3	2.3
UBS	2.3	2.4
United Overseas Bank	2.4	2.5
Woori I & S	2.7	2.7
Consensus	2.6	2.7
30 days ago	2.6	2.7
60 days ago	2.5	2.7
90 days ago	2.5	2.7
Minimum	2.2	2.3
Maximum	3.3	3.4
Median	2.5	2.6
Standard Deviation	10.8	12.1

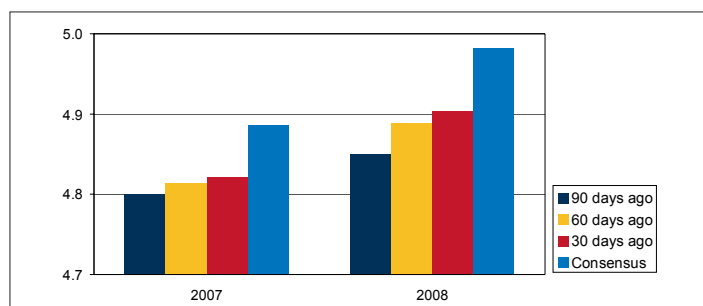
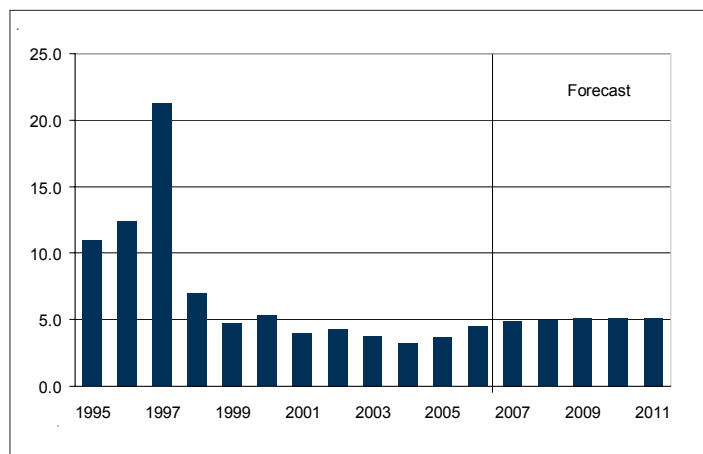
Producer Prices, annual variation in %



Narrow Money, annual variation in %

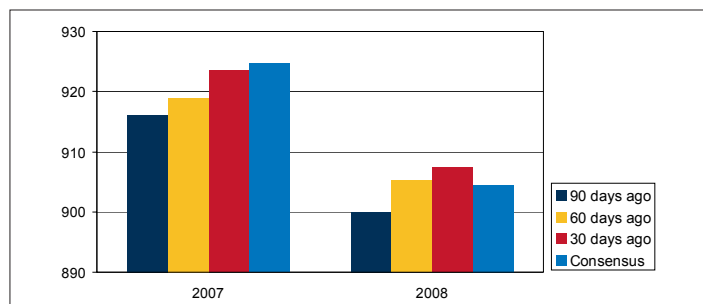
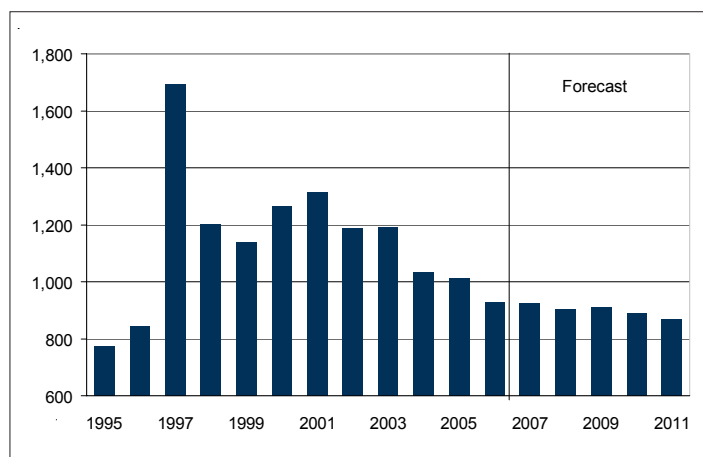


Interest Rate, nominal benchmark rate in %



	2007	2008
ABN Amro Asia	4.8	4.8
Allianz Group	4.8	4.6
Citigroup Global Markets Inc.	5.1	5.1
Credit Suisse	4.8	5.5
DBS Bank	4.8	-
Deutsche Bank	4.5	-
Goldman Sachs	5.0	5.0
HSBC	4.8	4.8
ING Financial Markets	5.3	5.3
JPMorgan	4.5	-
KERI - Korea Economic Research Institute	-	-
Korea Development Institute	-	-
Korea Investment & Securities Co.	5.0	5.5
Merrill Lynch	5.3	5.3
Mitsubishi UFJ	-	-
Morgan Stanley	5.7	5.3
SERI - Samsung Economic Research Institute	5.6	-
Standard Chartered Bank	4.5	4.5
UBS	4.5	4.5
United Overseas Bank	4.5	4.8
Woori I & S	4.8	5.0
Consensus	4.9	5.0
30 days ago	4.8	4.9
60 days ago	4.8	4.9
90 days ago	4.8	4.9
Minimum	4.5	4.5
Maximum	5.7	5.5
Median	4.8	5.0
Standard Deviation	7.6	7.0

Exchange Rate, versus the US\$ (end of period)

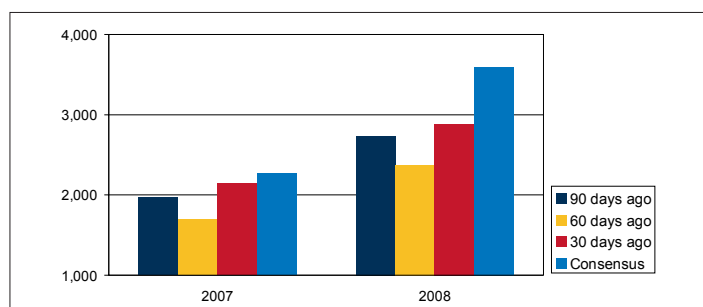
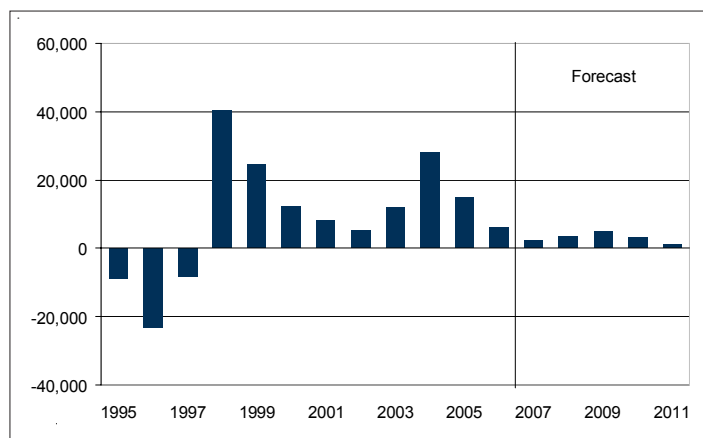


	2007	2008
ABN Amro Asia	-	-
Allianz Group	918	895
Citigroup Global Markets Inc.	920	900
Credit Suisse	885	850
DBS Bank	920	880
Deutsche Bank	920	880
Goldman Sachs	925	900
HSBC	905	895
ING Financial Markets	935	900
JPMorgan	990	1,000
KERI - Korea Economic Research Institute	931	-
Korea Development Institute	-	-
Korea Investment & Securities Co.	950	940
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	900	880
SERI - Samsung Economic Research Institute	905	-
Standard Chartered Bank	970	880
UBS	900	950
United Overseas Bank	910	900
Woori I & S	935	918
Consensus	925	905
30 days ago	924	907
60 days ago	919	905
90 days ago	916	900
Minimum	885	850
Maximum	990	1,000
Median	920	900
Standard Deviation	2.8	4.0

External Sector

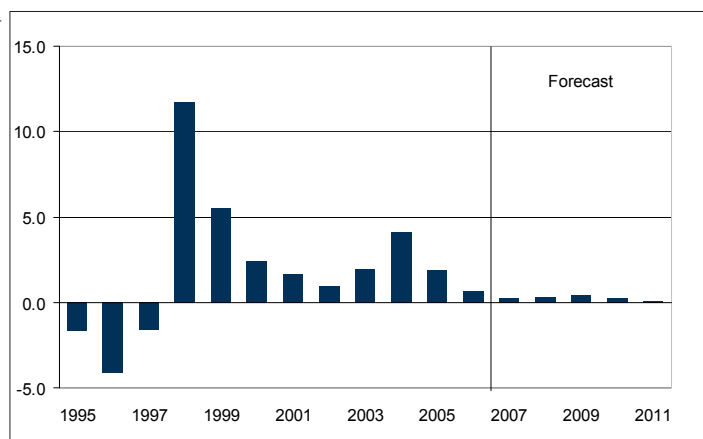
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	24.5	12.3	8.0	5.4	11.9	28.2	15.0	6.1	2.3	3.6	4.9	3.1	1.0
Current Account Balance (% of GDP)	5.5	2.4	1.7	1.0	2.0	4.1	1.9	0.7	0.2	0.3	0.4	0.2	0.1
Trade Balance (US\$ billion)	28.5	17.0	13.5	14.8	22.0	38.2	32.7	29.2	24.4	26.9	22.2	20.1	17.8
Exports (US\$ billion)	145.4	176.2	151.5	163.4	197.3	257.7	289.0	331.8	369.3	413.9	456.5	489.9	532.7
Imports (US\$ billion)	116.9	159.3	138.0	148.6	175.3	219.6	256.3	302.6	345.2	388.3	434.2	469.9	514.9
Exports (annual variation in %)	9.9	21.2	-14.0	7.9	20.7	30.6	12.1	14.8	11.3	12.1	10.3	7.3	8.7
Imports (annual variation in %)	29.1	36.2	-13.4	7.7	18.0	25.2	16.7	18.1	14.1	12.5	11.8	8.2	9.6
International Reserves (US\$ billion)	74.1	98.8	102.8	121.4	155.4	199.1	210.4	239.0	254.1	266.8	277.0	293.4	321.0
International Reserves (months of imports)	7.6	7.4	8.9	9.8	10.6	10.9	9.9	9.5	8.8	8.2	7.7	7.5	7.5
Total External Debt (US\$ billion)	152.9	148.1	128.7	141.5	157.4	172.3	187.9	263.4	262.8	275.8	240.0	275.5	295.4
Total External Debt (% GDP)	34.3	28.9	26.7	25.9	25.9	25.3	24.0	29.7	26.9	25.9	20.8	22.0	21.4

Current Account Balance, US\$ million

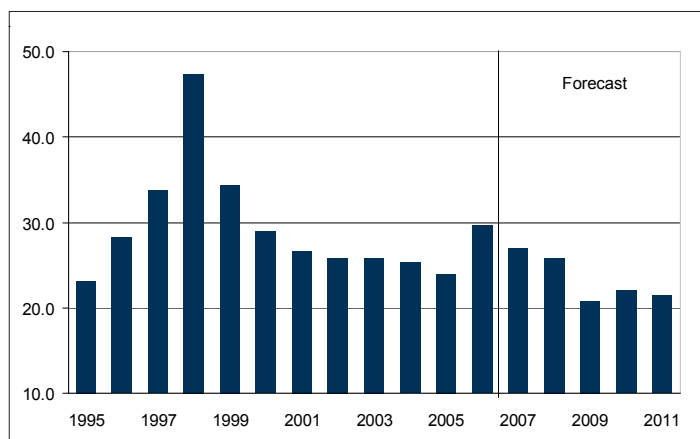


	2007	2008
ABN Amro Asia	7,000	9,900
Allianz Group	500	4,300
Citigroup Global Markets Inc.	0	3,500
Credit Suisse	5,800	7,900
DBS Bank	6,000	7,000
Deutsche Bank	400	2,000
Goldman Sachs	-	-
HSBC	-1,630	-6,945
ING Financial Markets	7,680	11,968
JPMorgan	-1,200	-5,700
KERI - Korea Economic Research Institute	-3,990	-
Korea Development Institute	-400	-
Korea Investment & Securities Co.	-3,400	-11,800
Merrill Lynch	-	-
Mitsubishi UFJ	1,500	-
Morgan Stanley	981	6,458
SERI - Samsung Economic Research Institute	-1,107	-
Standard Chartered Bank	7,700	9,000
UBS	7,875	6,092
United Overseas Bank	6,797	8,443
Woori I & S	2,456	1,764
Consensus	2,261	3,592
30 days ago	2,144	2,883
60 days ago	1,690	2,376
90 days ago	1,962	2,733
Minimum	-3,990	-11,800
Maximum	7,875	11,968
Median	981	6,092
Standard Deviation	177.7	189.4

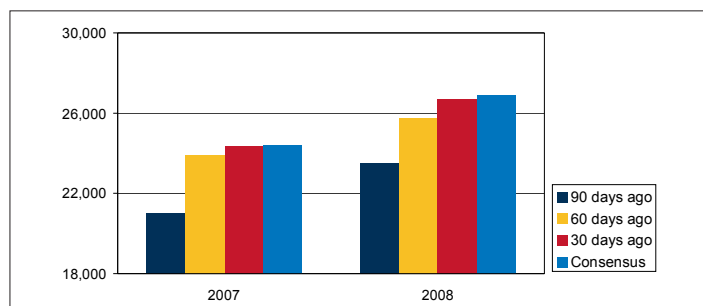
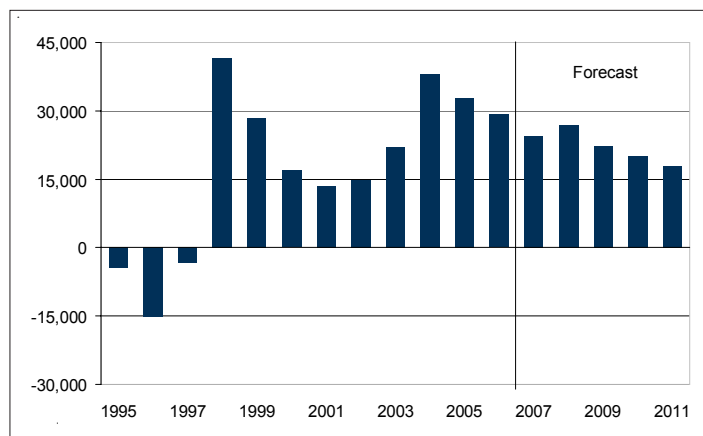
Current Account Balance, % of GDP



External Debt, % of GDP

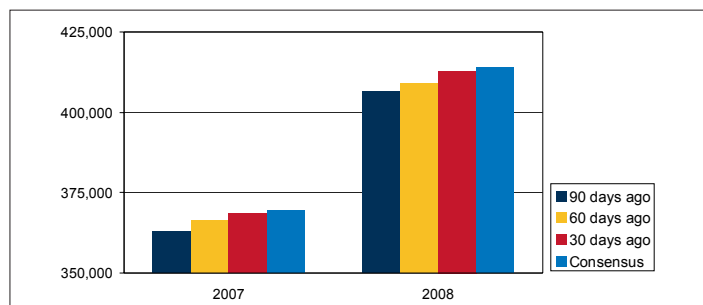
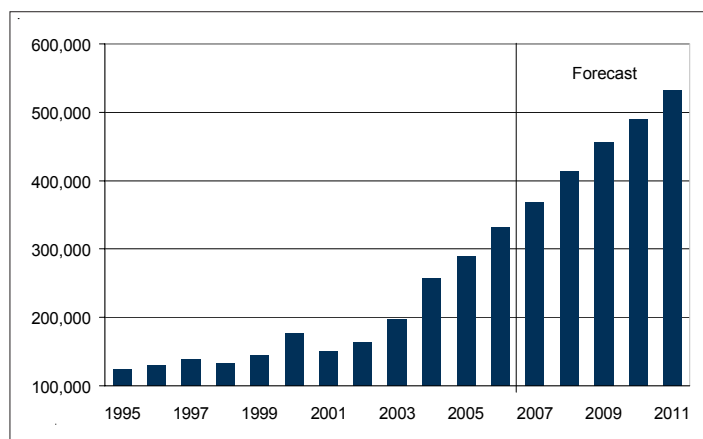


Trade Balance, US\$ million



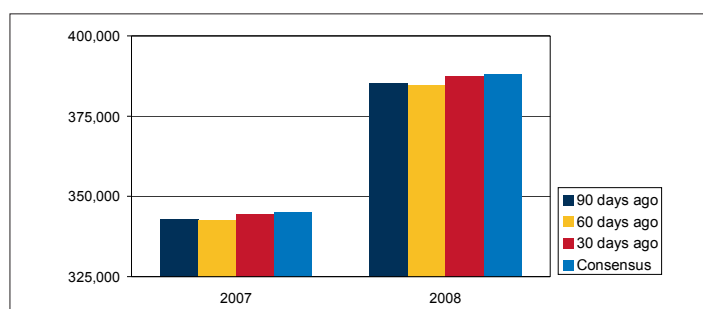
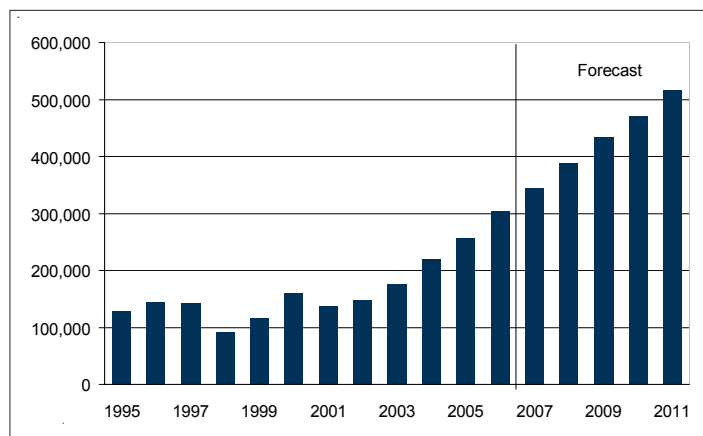
	2007	2008
ABN Amro Asia	20,600	29,600
Allianz Group	24,000	27,000
Citigroup Global Markets Inc.	28,472	34,760
Credit Suisse	31,498	35,871
DBS Bank	15,000	19,000
Deutsche Bank	31,200	35,800
Goldman Sachs	-	-
HSBC	27,348	30,195
ING Financial Markets	33,419	32,377
JPMorgan	27,800	24,900
KERI - Korea Economic Research Institute	23,750	-
Korea Development Institute	29,500	-
Korea Investment & Securities Co.	25,300	21,200
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	31,600	38,000
SERI - Samsung Economic Research Institute	13,897	-
Standard Chartered Bank	-	-
UBS	14,114	12,184
United Overseas Bank	-	-
Woori I & S	13,000	8,500
Consensus	24,406	26,876
30 days ago	24,352	26,693
60 days ago	23,930	25,755
90 days ago	20,995	23,490
Minimum	13,000	8,500
Maximum	33,419	38,000
Median	26,324	29,600
Standard Deviation	28.8	34.8

Exports, US\$ million



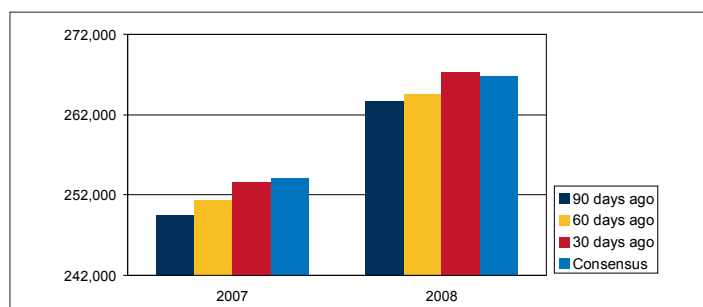
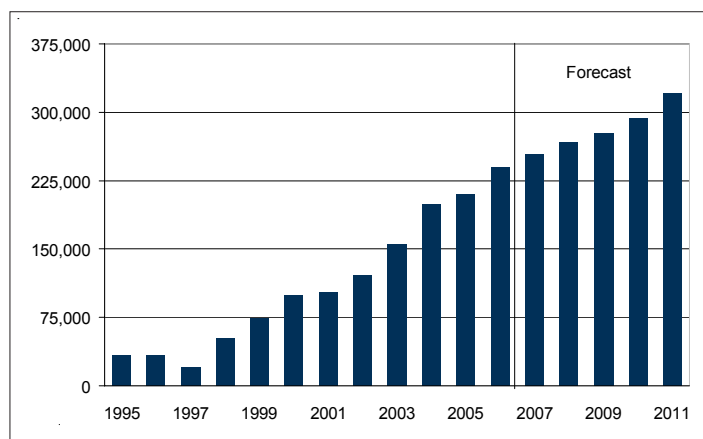
	2007	2008
ABN Amro Asia	-	-
Allianz Group	376,000	432,000
Citigroup Global Markets Inc.	374,985	434,982
Credit Suisse	374,985	418,858
DBS Bank	370,000	424,000
Deutsche Bank	368,700	409,300
Goldman Sachs	-	-
HSBC	368,054	404,123
ING Financial Markets	381,323	428,989
JPMorgan	366,000	398,800
KERI - Korea Economic Research Institute	369,163	-
Korea Development Institute	371,800	-
Korea Investment & Securities Co.	378,600	426,500
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
SERI - Samsung Economic Research Institute	364,310	-
Standard Chartered Bank	-	-
UBS	348,247	383,072
United Overseas Bank	-	-
Woori I & S	358,500	392,500
Consensus	369,333	413,920
30 days ago	368,575	412,838
60 days ago	366,282	409,011
90 days ago	363,008	406,415
Minimum	348,247	383,072
Maximum	381,323	434,982
Median	369,582	418,858
Standard Deviation	2.3	4.2

Imports, US\$ million



	2007	2008
ABN Amro Asia	-	-
Allianz Group	352,000	405,000
Citigroup Global Markets Inc.	346,513	400,222
Credit Suisse	343,486	382,987
DBS Bank	355,000	405,000
Deutsche Bank	337,500	373,500
Goldman Sachs	-	-
HSBC	340,706	373,927
ING Financial Markets	347,905	396,611
JPMorgan	338,200	373,900
KERI - Korea Economic Research Institute	345,413	-
Korea Development Institute	342,300	-
Korea Investment & Securities Co.	353,300	405,300
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
SERI - Samsung Economic Research Institute	350,413	-
Standard Chartered Bank	-	-
UBS	334,133	370,888
United Overseas Bank	-	-
Woori I & S	345,500	384,000
Consensus	345,169	388,303
30 days ago	344,473	387,438
60 days ago	342,662	384,719
90 days ago	342,863	385,216
Minimum	334,133	370,888
Maximum	355,000	405,300
Median	345,457	384,000
Standard Deviation	1.8	3.7

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	-	-
Allianz Group	260,000	275,000
Citigroup Global Markets Inc.	260,000	285,000
Credit Suisse	263,300	278,900
DBS Bank	254,000	271,000
Deutsche Bank	251,700	264,600
Goldman Sachs	-	-
HSBC	256,311	269,567
ING Financial Markets	257,702	263,000
JPMorgan	250,000	255,000
KERI - Korea Economic Research Institute	-	-
Korea Development Institute	-	-
Korea Investment & Securities Co.	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
SERI - Samsung Economic Research Institute	252,638	-
Standard Chartered Bank	256,200	273,000
UBS	242,000	247,000
United Overseas Bank	-	-
Woori I & S	245,000	253,000
Consensus	254,071	266,824
30 days ago	253,678	267,282
60 days ago	251,403	264,500
90 days ago	249,445	263,656
Minimum	242,000	247,000
Maximum	263,300	285,000
Median	255,100	269,567
Standard Deviation	2.5	4.4

General Data

Official name:	Republic of Korea
Capital:	Seoul (9.6 m)
Other cities:	Pusan (4.6 m) Daegu (3.2 m) Incheon (2.6 m)
Area (km ²):	99,268
Population (2006 est., million)	50.6
Population density (2006, per km ²):	510
Population growth rate (2006, %):	0.42
Life expectancy (2006, years):	77.0
Illiteracy rate (2002):	2.1
Languages:	Korean
Measures:	Metric system
Time:	9 hours ahead of GMT

Executive Branch

President:	Roh Moo-hyun
Since:	25 February 2003
Last elections:	19 December 2002
Next elections:	December 2007

Cabinet:

Prime Minister:	Han Myeong-sook
Minister of Finance and Economy:	Kwon Okyo
Minister of Foreign Affairs and Trade:	Song Min-soon
Minister of Commerce, Industry and Energy:	Chung Sye-kyun
Minister of Labour:	Lee Sang-soo

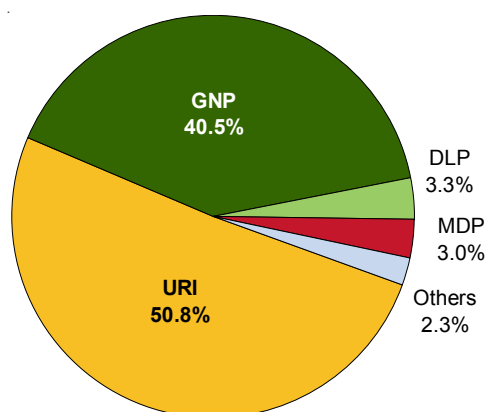
Central Bank Governor:	Lee Seongtae
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Legislative Branch

Last elections:	15 April 2004
Next elections:	April 2008

National Assembly (Kuk Hoe):

Party	Seats	% of Total
Uri Party (URI):	152	50.8
Grand National Party (GNP):	121	40.5
Democratic Labour Party (DLP):	10	3.3
Millennium Democratic Party (MDP):	9	3.0
United Liberal Democrats (ULD):	4	1.3
Unity of the People 21	1	0.3
Non-partisan	2	0.7
Total:	299	100.0

National Assembly (Kuk Hoe)**Economic Infrastructure****Communications (2005)**

Telephones - main lines in use (per 100 inhabitants):	49.2
Telephones - mobile cellular (per 100 inhabitants):	79.4
Telephones - mobile cellular (% total telephone subscribers):	61.8
Internet Users (per 100 inhabitants):	68.4
Personal Computers (per 100 inhabitants):	53.2

Energy (2005)

Total Electricity Generation (GWh):	364,639
Electricity Consumption Growth (%):	6.5
Residential Consumption (% share of total):	20.9
Industrial Consumption (% share of total):	52.6

Transportation (2004)

Railways (km) :	3,472
Road Network (km):	100,279
Paved (%):	86.8
Inland Rivers (km):	1,609
Chief Ports:	Pusan, Pohang

Strengths

- Highly developed infrastructure
- Globally leading position in internet penetration
- Highly educated labour force

Weaknesses

- Domestic market dominated by conglomerates (chaebol)
- Highly dependent on international trade
- Lingering political uncertainty regarding North Korea

Long-Term Foreign Currency Ratings

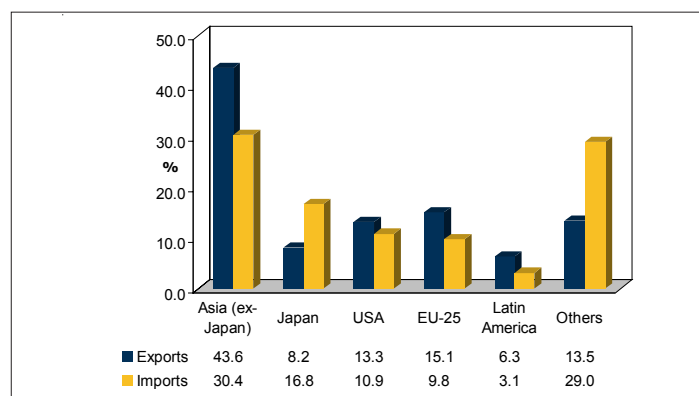
Moody's:	A2
S&P:	A
Fitch Ratings:	A+

Trade by Product Groups (2006)**Exports:**

Heavy industry products:	83.1
Electric and electronic products:	27.6
Information and communication equipment:	13.6
Machinery and precision equipment:	13.1
Light industry products:	8.3
Crude materials and fuels:	7.7
Food and direct consumer goods:	1.0

Imports:

Industrial materials and fuels:	56.2
Fuels:	27.6
Capital goods:	33.5
Electric & electronic machine:	19.1
Consumer goods:	10.3

Geographical Trade Structure (2006)

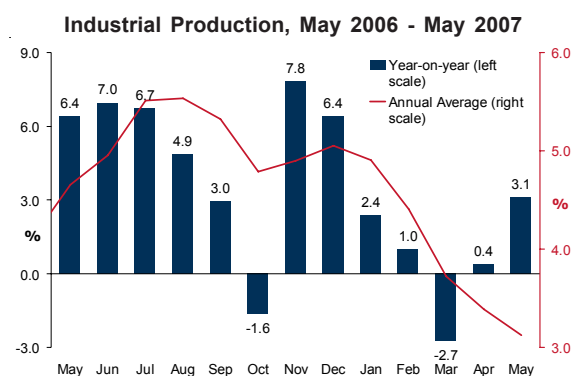
Forecast Summary

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	20.9	21.4	21.9	22.4	23.0	23.4	23.9	24.4	24.8	25.3	25.7	26.2	26.6
GDP (US\$ billion)	100.9	100.2	72.2	79.1	90.3	88.0	95.2	104.0	118.5	130.8	161.1	179.4	200.7
GDP per capita (US\$)	4,834	4,685	3,296	3,526	3,927	3,753	3,981	4,267	4,769	5,164	6,259	6,853	7,542
GDP (annual variation in %)	10.0	7.3	-7.4	6.1	8.9	0.3	4.4	5.5	7.2	5.2	5.9	5.7	5.8
Consumption (annual variation in %)	6.9	4.3	-10.2	2.9	13.0	2.4	4.4	6.6	9.4	8.2	6.6	6.9	6.7
Investment (annual variation in %)	8.2	9.2	-43.0	-6.5	25.7	-2.8	0.3	2.7	3.6	5.0	7.9	7.1	7.4
Unemployment (%)	2.5	2.4	3.2	3.4	3.1	3.6	3.5	3.6	3.3	3.8	3.0	3.2	3.2
Fiscal Balance (% of GDP)	0.7	2.4	-1.8	-3.2	-5.7	-5.5	-5.6	-5.3	-4.3	-3.8	-3.5	-3.6	-3.4
Consumer Prices (annual variation in %)	3.3	9.6	-1.2	2.5	1.2	1.2	1.7	1.2	2.1	3.5	3.1	2.3	2.4
Interest Rate (benchmark in %, eop)	7.2	7.8	9.4	4.1	3.2	3.1	2.9	2.7	2.7	3.0	3.5	3.4	3.4
Exchange Rate (vs. US\$, end-of-period)	2.53	3.89	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.78	3.53	3.38	3.30
Current Account Balance (% of GDP)	-4.4	-5.9	13.2	15.9	9.4	8.3	8.4	12.8	12.6	15.3	16.4	13.3	12.3
Trade Balance (% of GDP)	-0.1	0.0	20.6	24.3	18.0	16.2	15.0	24.7	23.2	25.4	23.6	19.6	18.7
Exports (annual variation in %)	6.5	12.1	29.7	12.2	16.1	-10.4	6.9	11.3	20.9	12.0	17.0	8.2	10.9
Imports (annual variation in %)	1.5	12.0	3.3	8.9	25.3	-10.0	8.2	-1.0	25.5	9.6	17.8	12.9	11.2
Int. Reserves (months of imports)	4.1	3.2	5.3	5.6	4.3	5.0	5.1	6.8	8.1	7.8	7.7	8.1	8.2
External Debt (% of GDP)	38.4	43.8	61.9	53.9	46.9	51.9	51.3	47.2	44.6	39.9	31.3	35.9	33.2

Economy Shows Signs of Strengthening

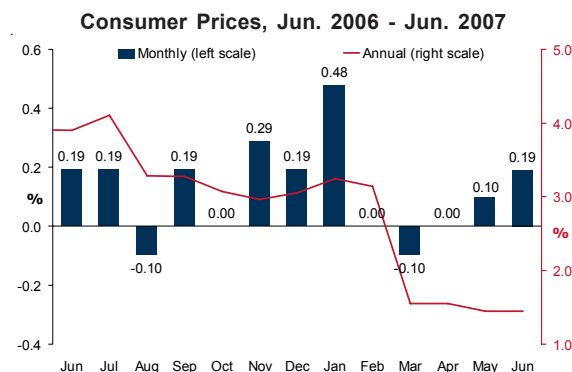
After coming off decelerating growth at the beginning of the year, the economy is showing signs of a recovery. However, industrial production remains sluggish, despite having snapped a deceleration trend. On a positive note, inflation is still being held in check by tight monetary policy.

Industrial production continues downward trend



Note: Year-on-year and annual average variation of industrial production index in %.
Source: Department of Statistics Malaysia and FocusEconomics calculations.

Inflation remains at three-year low



Note: Year-on-year and monthly changes of consumer price index in %.
Source: Department of Statistics Malaysia and FocusEconomics calculations.

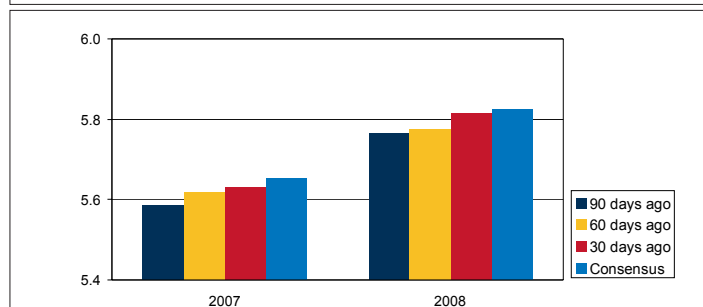
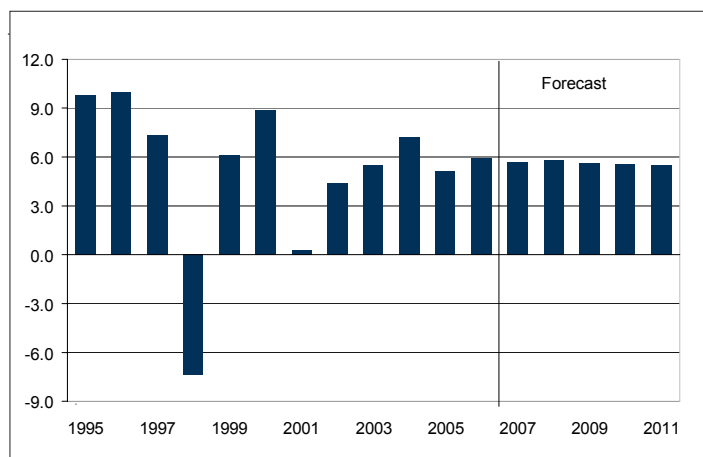
In May, industrial production added 3.1% over the same month last year, which more than doubled market expectations of a 1.3% expansion. Moreover, the May figure was well above the 0.4% expansion registered in April. Robust growth in mining, which grew at the fastest pace in more than four years and broke with a five month long contraction trend, drove the expansion in May. In addition, healthy growth in electric goods output boosted the expansion, partly offset by meagre increases in manufacturing. Despite the healthy May reading, annual average industrial production growth continued to decelerate, slipping from 3.4% in April to 3.1%. This reading represents the slowest rate of expansion in more than five years. Consensus Forecast participants estimate industrial production to grow 4.6% this year and see full-year economic growth reaching 5.7%. For 2008, Consensus Forecast participants expect the economy to grow 5.8%.

In June, consumer prices were up 0.19% over the previous month, which came in below market expectations of a 0.29% increase, but above May's 0.10% price rise. The increase was broad-based with all but two of the major components of the consumer price index registering increases. Transportation costs and an increase in food and non-alcoholic beverage prices were the primary drivers of June's reading. As a result of the moderate monthly figure, annual inflation was unchanged at 1.4%, which represents the lowest level in three years. Currently, annual inflation is below the Central Bank's target forecast of 2.0% to 2.5%. For this year, Consensus Forecast panellists anticipate inflation to accelerate to 2.3% by the end of the year. For next year, participants expect inflation to remain virtually unchanged at 2.4%.

Real Sector

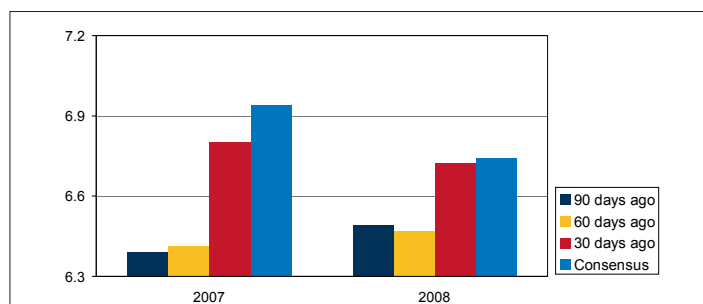
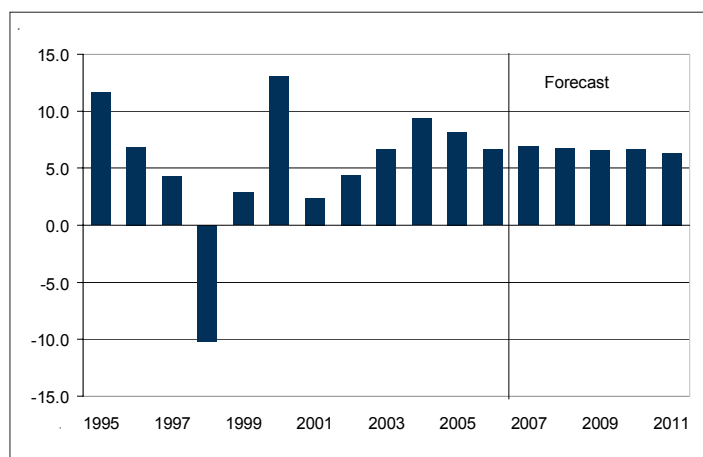
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	79.1	90.3	88.0	95.2	104.0	118.5	130.8	161.1	179.4	200.7	220.7	242.2	262.7
GDP per capita (US\$)	3,526	3,927	3,753	3,981	4,267	4,769	5,164	6,259	6,853	7,542	8,157	8,803	9,429
GDP (annual variation in %)	6.1	8.9	0.3	4.4	5.5	7.2	5.2	5.9	5.7	5.8	5.6	5.6	5.5
Consumption (ann.var. in %)	2.9	13.0	2.4	4.4	6.6	9.4	8.2	6.6	6.9	6.7	6.6	6.7	6.3
Investment (ann.var. in %)	-6.5	25.7	-2.8	0.3	2.7	3.6	5.0	7.9	7.1	7.4	6.8	6.4	6.2
Industrial Production (ann.var. in %)	9.0	19.2	-4.2	4.6	9.3	11.3	4.0	5.1	4.6	6.0	5.6	5.4	5.0
Unemployment (%)	3.4	3.1	3.6	3.5	3.6	3.3	3.8	3.0	3.2	3.2	3.4	3.5	3.5

Gross Domestic Product, annual variation in %



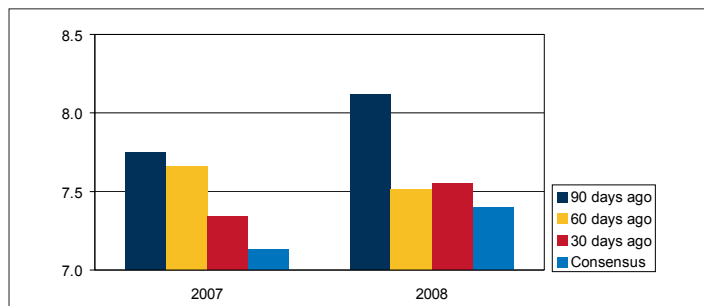
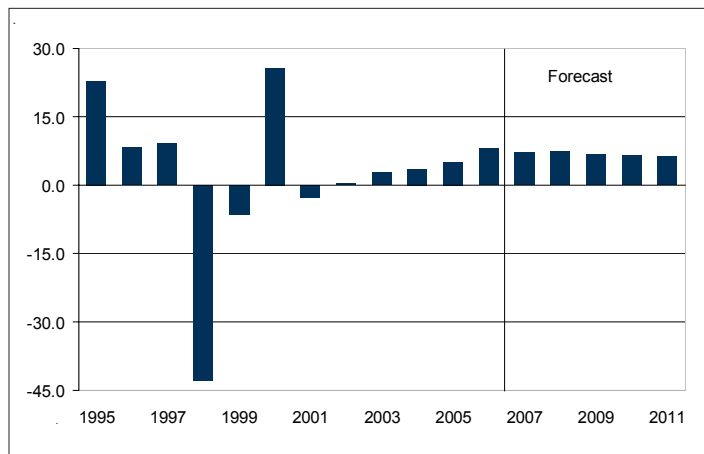
	2007	2008
ABN Amro Asia	6.0	5.5
Allianz Group	5.5	5.8
Citigroup Global Markets Inc.	5.7	6.0
Credit Suisse	6.0	6.2
DBS Bank	5.4	5.8
Deutsche Bank	5.2	5.5
Goldman Sachs	5.5	6.0
HSBC	5.6	6.2
ING Financial Markets	5.5	5.5
JPMorgan	5.5	5.5
Mayban Securities	5.7	6.2
OSK Securities	5.5	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	6.0	5.7
UBS	5.6	5.7
United Overseas Bank	6.1	6.0
Consensus	5.7	5.8
30 days ago	5.6	5.8
60 days ago	5.6	5.8
90 days ago	5.6	5.8
Minimum	5.2	5.5
Maximum	6.1	6.2
Median	5.6	5.8
Standard Deviation	4.6	4.7

Private Consumption, annual variation in %



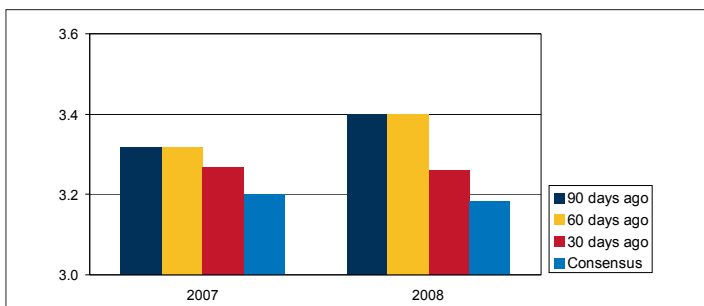
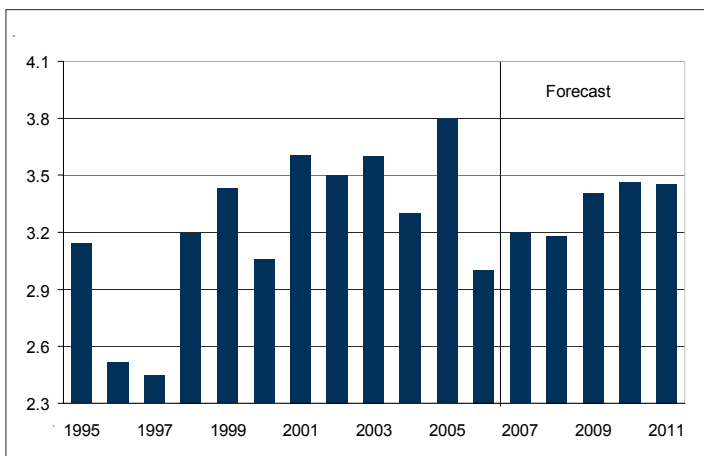
	2007	2008
ABN Amro Asia	7.8	7.0
Allianz Group	-	-
Citigroup Global Markets Inc.	7.3	6.5
Credit Suisse	6.8	7.0
DBS Bank	7.6	6.0
Deutsche Bank	5.2	5.5
Goldman Sachs	-	-
HSBC	7.6	7.5
ING Financial Markets	7.6	7.0
JPMorgan	-	-
Mayban Securities	6.5	7.0
OSK Securities	6.0	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	7.0	7.2
United Overseas Bank	-	-
Consensus	6.9	6.7
30 days ago	6.8	6.7
60 days ago	6.4	6.5
90 days ago	6.4	6.5
Minimum	5.2	5.5
Maximum	7.8	7.5
Median	7.1	7.0
Standard Deviation	12.1	9.5

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	6.0	6.0
Allianz Group	-	-
Citigroup Global Markets Inc.	6.5	7.7
Credit Suisse	6.5	7.8
DBS Bank	5.6	6.1
Deutsche Bank	7.4	6.6
Goldman Sachs	-	-
HSBC	7.4	8.2
ING Financial Markets	7.8	8.0
JPMorgan	-	-
Mayban Securities	-	-
OSK Securities	8.5	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	8.5	8.7
United Overseas Bank	-	-
Consensus	7.1	7.4
30 days ago	7.3	7.6
60 days ago	7.7	7.5
90 days ago	7.7	8.1
Minimum	5.6	6.0
Maximum	8.5	8.7
Median	7.4	7.8
Standard Deviation	14.7	13.9

Unemployment, % of economically active population

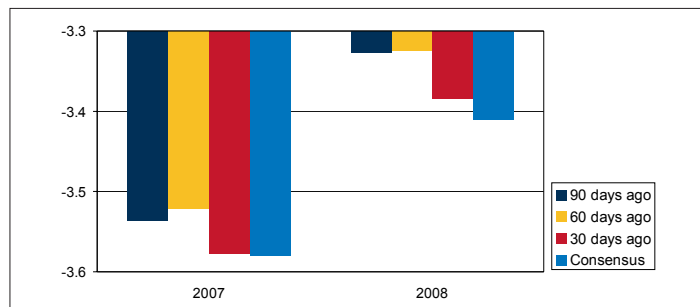
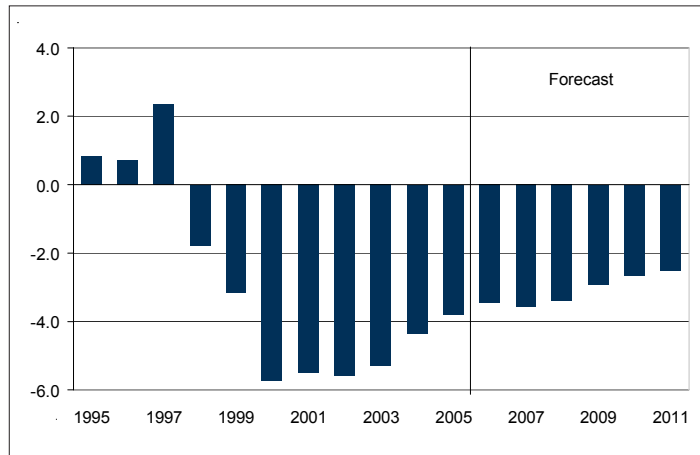


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	3.4	3.4
Credit Suisse	3.0	3.0
DBS Bank	-	-
Deutsche Bank	3.5	3.6
Goldman Sachs	-	-
HSBC	3.1	3.0
ING Financial Markets	3.3	3.3
JPMorgan	-	-
Mayban Securities	-	-
OSK Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	-	-
United Overseas Bank	2.9	2.8
Consensus	3.2	3.2
30 days ago	3.3	3.3
60 days ago	3.3	3.4
90 days ago	3.3	3.4
Minimum	2.9	2.8
Maximum	3.5	3.6
Median	3.2	3.2
Standard Deviation	7.4	9.4

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal Balance (% of GDP)	-3.2	-5.7	-5.5	-5.6	-5.3	-4.3	-3.8	-3.5	-3.6	-3.4	-2.9	-2.6	-2.5

Fiscal Balance, % of GDP

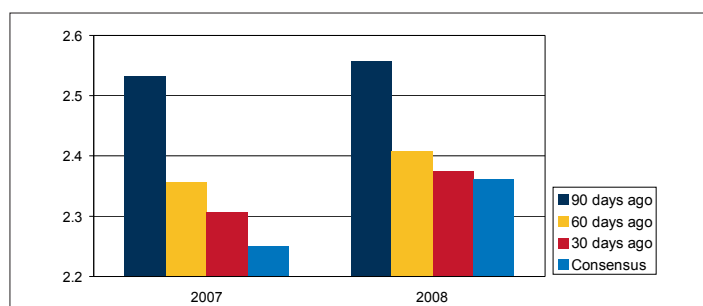
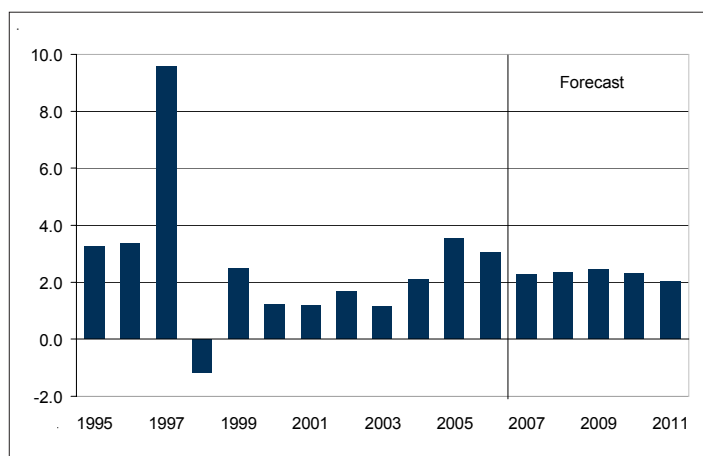


	2007	2008
ABN Amro Asia	-3.6	-3.6
Allianz Group	-	-
Citigroup Global Markets Inc.	-3.6	-3.8
Credit Suisse	-3.4	-3.4
DBS Bank	-3.8	-3.0
Deutsche Bank	-4.1	-3.9
Goldman Sachs	-	-
HSBC	-4.0	-3.6
ING Financial Markets	-3.3	-3.1
JPMorgan	-3.4	-3.3
Mayban Securities	-3.4	-
OSK Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-3.6	-3.4
UBS	-3.4	-3.2
United Overseas Bank	-3.4	-3.2
Consensus	-3.6	-3.4
30 days ago	-3.6	-3.4
60 days ago	-3.5	-3.3
90 days ago	-3.5	-3.3
Minimum	-4.1	-3.9
Maximum	-3.3	-3.0
Median	-3.5	-3.4
Standard Deviation	7.3	8.4

Monetary Sector

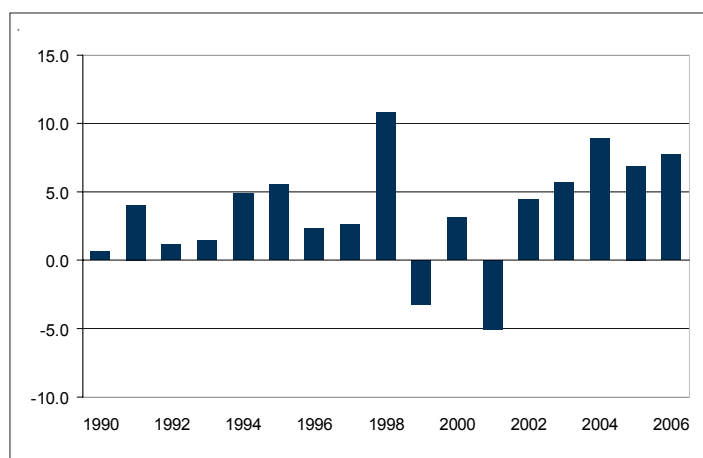
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	2.5	1.2	1.2	1.7	1.2	2.1	3.5	3.1	2.3	2.4	2.5	2.3	2.0
Producer Prices (ann. var. in %)	-3.3	3.1	-5.0	4.5	5.7	8.9	6.9	7.7	-	-	-	-	-
Money (annual variation of M1 in %)	35.7	6.5	3.2	10.3	14.6	11.9	8.5	13.8	-	-	-	-	-
Interest Rate (benchmark in %, eop)	4.1	3.2	3.1	2.9	2.7	2.7	3.0	3.5	3.4	3.4	3.3	3.3	3.2
Local currency per US\$ (eop)	3.80	3.80	3.80	3.80	3.80	3.80	3.78	3.53	3.38	3.30	3.26	3.19	3.22
Local currency per US\$ (average)	3.80	3.80	3.80	3.80	3.80	3.80	3.79	3.66	3.46	3.34	3.28	3.23	3.20
Nom. Depreciation (vs. US\$, annual)	0.0	0.0	0.0	0.0	0.0	0.0	-0.5	-7.0	-4.4	-2.5	-1.1	-2.2	0.7

Consumer Prices, annual variation in %

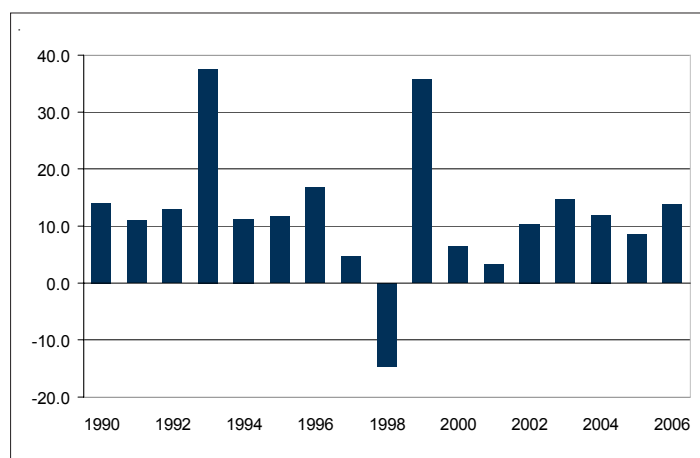


	2007	2008
ABN Amro Asia	-	-
Allianz Group	2.3	2.5
Citigroup Global Markets Inc.	2.3	2.7
Credit Suisse	2.0	2.1
DBS Bank	2.3	2.5
Deutsche Bank	2.5	3.0
Goldman Sachs	2.5	2.9
HSBC	1.8	1.5
ING Financial Markets	2.1	2.5
JPMorgan	2.2	2.2
Mayban Securities	2.5	2.0
OSK Securities	-	-
Royal Bank of Scotland	2.3	-
Standard Chartered Bank	2.5	2.2
UBS	2.0	2.2
United Overseas Bank	2.2	2.4
Consensus	2.3	2.4
30 days ago	2.3	2.4
60 days ago	2.4	2.4
90 days ago	2.5	2.6
Minimum	1.8	1.5
Maximum	2.5	3.0
Median	2.3	2.4
Standard Deviation	9.6	16.8

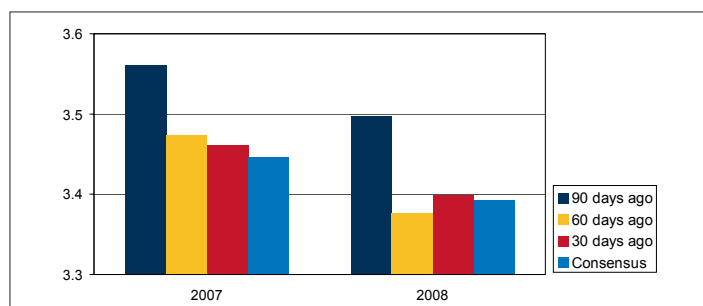
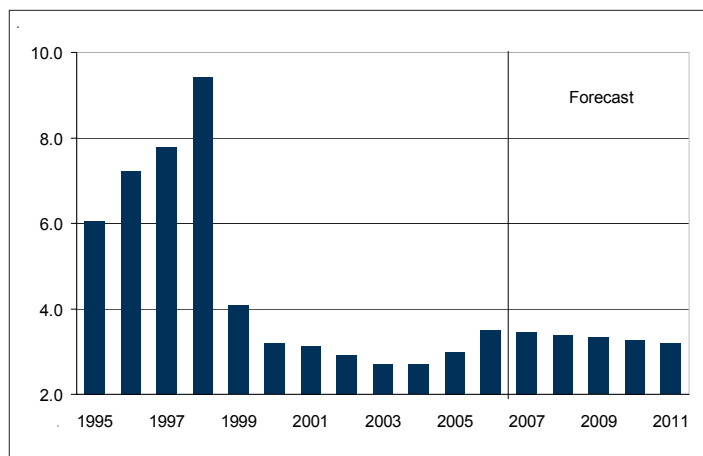
Producer Prices, annual variation in %



Narrow Money, annual variation in %

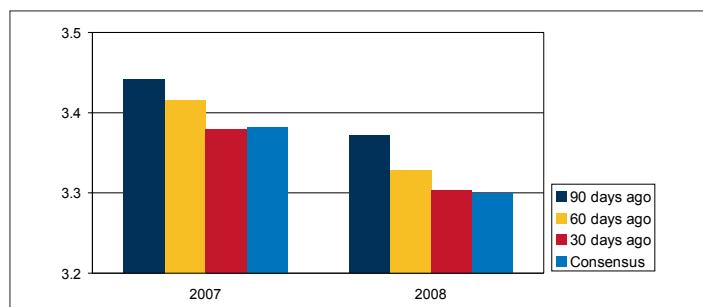
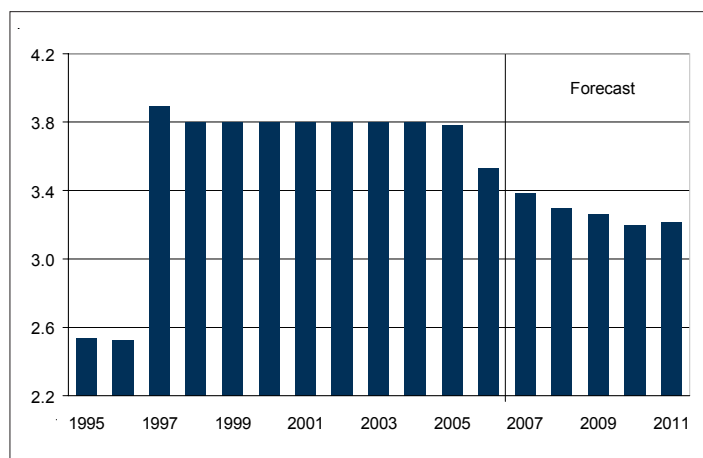


Interest Rates, nominal benchmark rate in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	3.4	3.2
Citigroup Global Markets Inc.	3.6	3.8
Credit Suisse	3.5	3.5
DBS Bank	3.5	-
Deutsche Bank	3.5	-
Goldman Sachs	3.8	3.8
HSBC	3.3	3.3
ING Financial Markets	3.1	3.3
JPMorgan	3.5	-
Mayban Securities	3.6	3.6
OSK Securities	3.8	-
Royal Bank of Scotland	3.3	-
Standard Chartered Bank	3.0	2.8
UBS	3.5	3.4
United Overseas Bank	3.5	-
Consensus	3.4	3.4
30 days ago	3.5	3.4
60 days ago	3.5	3.4
90 days ago	3.6	3.5
Minimum	3.0	2.8
Maximum	3.8	3.8
Median	3.5	3.4
Standard Deviation	6.2	9.7

Exchange Rate, versus US\$ (end of period)

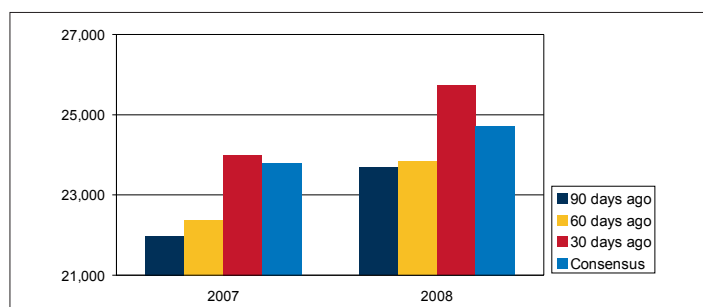
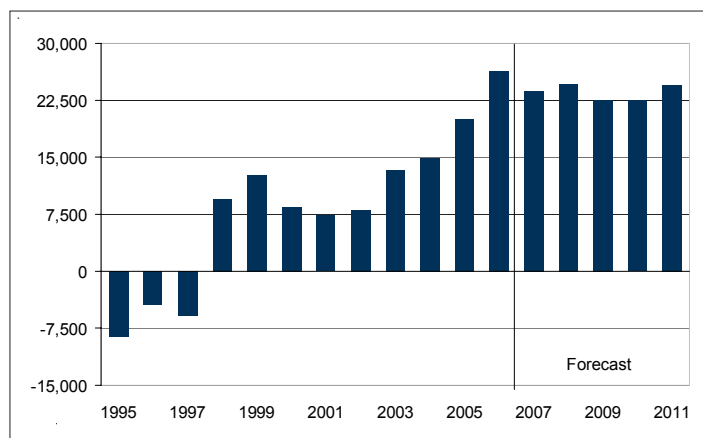


	2007	2008
ABN Amro Asia	3.45	3.35
Allianz Group	-	-
Citigroup Global Markets Inc.	3.33	3.26
Credit Suisse	3.30	3.20
DBS Bank	3.36	3.40
Deutsche Bank	3.42	3.30
Goldman Sachs	3.40	3.38
HSBC	3.30	3.10
ING Financial Markets	3.42	3.30
JPMorgan	-	-
Mayban Securities	3.40	3.30
OSK Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	3.40	3.45
UBS	3.38	3.25
United Overseas Bank	3.42	-
Consensus	3.38	3.30
30 days ago	3.38	3.30
60 days ago	3.42	3.33
90 days ago	3.44	3.37
Minimum	3.30	3.10
Maximum	3.45	3.45
Median	3.40	3.30
Standard Deviation	1.5	3.0

External Sector

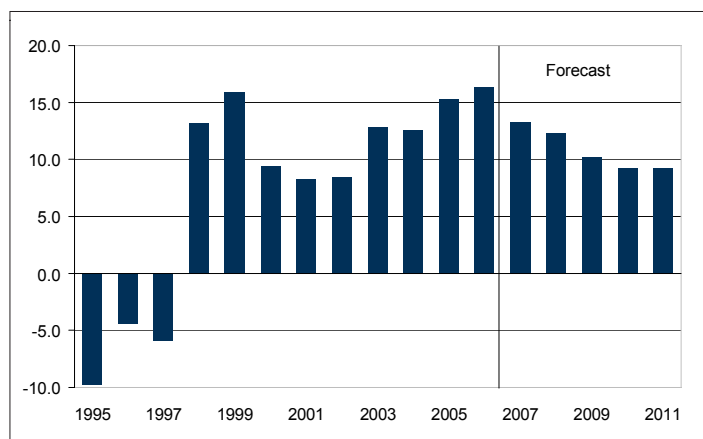
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	12.6	8.5	7.3	8.0	13.3	14.9	20.0	26.4	23.8	24.7	22.5	22.5	24.4
Current Account Balance (% of GDP)	15.9	9.4	8.3	8.4	12.8	12.6	15.3	16.4	13.3	12.3	10.2	9.3	9.3
Trade Balance (US\$ billion)	19.2	16.3	14.2	14.3	25.7	27.5	33.2	38.0	35.1	37.5	36.4	36.4	38.6
Exports (US\$ billion)	84.6	98.2	88.0	94.1	104.7	126.6	141.8	166.0	179.6	199.1	214.4	228.7	250.1
Imports (US\$ billion)	65.4	82.0	73.7	79.8	79.0	99.1	108.6	128.0	144.5	160.6	178.0	192.3	211.4
Exports (annual variation in %)	12.2	16.1	-10.4	6.9	11.3	20.9	12.0	17.0	8.2	10.9	7.7	6.6	9.4
Imports (annual variation in %)	8.9	25.3	-10.0	8.2	-1.0	25.5	9.6	17.8	12.9	11.2	10.9	8.0	10.0
International Reserves (US\$ billion)	30.6	29.5	30.5	34.2	44.5	66.7	70.5	82.5	97.6	109.8	118.7	131.0	144.3
International Reserves (months of imports)	5.6	4.3	5.0	5.1	6.8	8.1	7.8	7.7	8.1	8.2	8.0	8.2	8.2
Total External Debt (US\$ billion)	42.7	42.4	45.6	48.9	49.1	52.8	52.2	50.5	64.3	66.6	70.4	59.5	61.2
Total External Debt (% GDP)	53.9	46.9	51.9	51.3	47.2	44.6	39.9	31.3	35.9	33.2	31.9	24.6	23.3

Current Account Balance, US\$ million

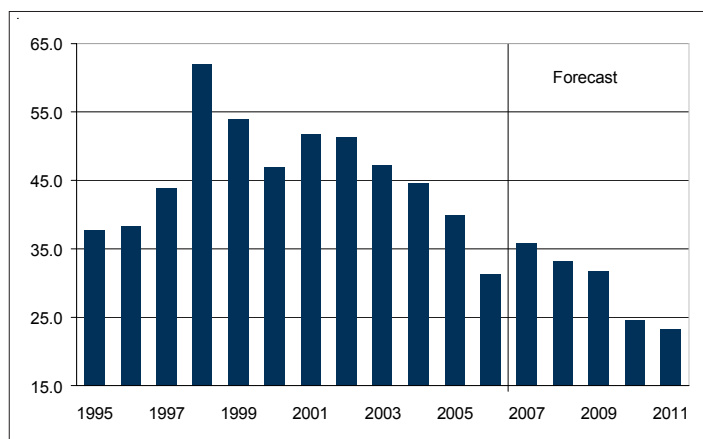


	2007	2008
ABN Amro Asia	21,100	24,300
Allianz Group	23,741	24,376
Citigroup Global Markets Inc.	21,500	21,500
Credit Suisse	25,400	27,700
DBS Bank	28,000	30,000
Deutsche Bank	17,000	18,400
Goldman Sachs	-	-
HSBC	27,746	30,464
ING Financial Markets	24,590	24,861
JPMorgan	23,800	20,300
Mayban Securities	25,457	24,206
OSK Securities	-	-
Royal Bank of Scotland	20,636	-
Standard Chartered Bank	29,953	33,494
UBS	14,500	17,000
United Overseas Bank	29,557	-
Consensus	23,784	24,717
30 days ago	23,988	25,726
60 days ago	22,369	23,836
90 days ago	21,971	23,678
Minimum	14,500	17,000
Maximum	29,953	33,494
Median	24,195	24,338
Standard Deviation	19.0	20.3

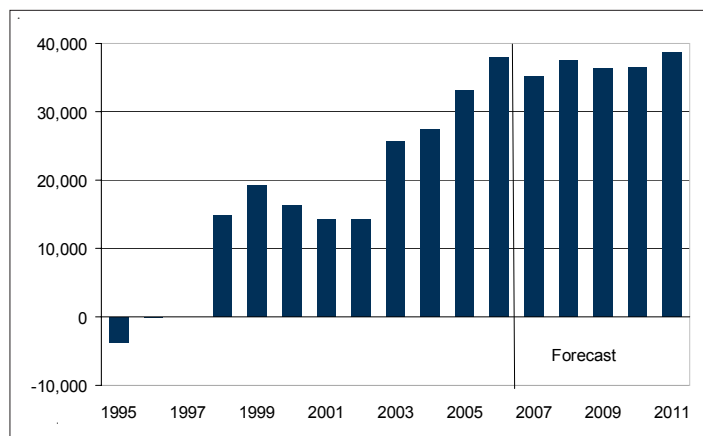
Current Account Balance, % of GDP



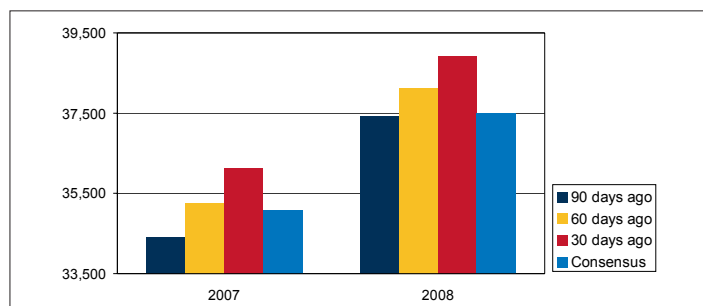
External Debt, % of GDP



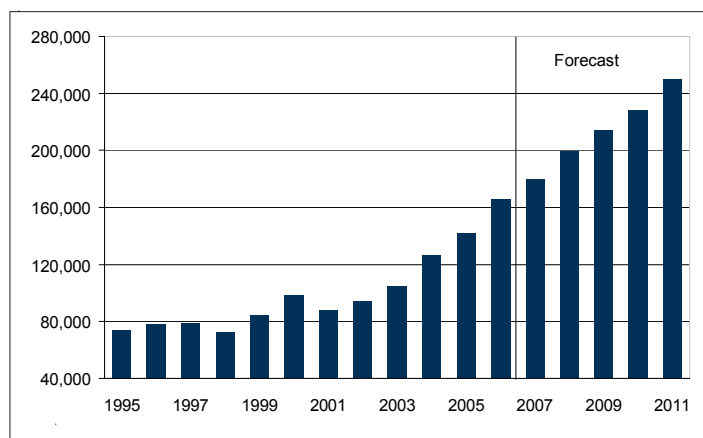
Trade Balance, US\$ million



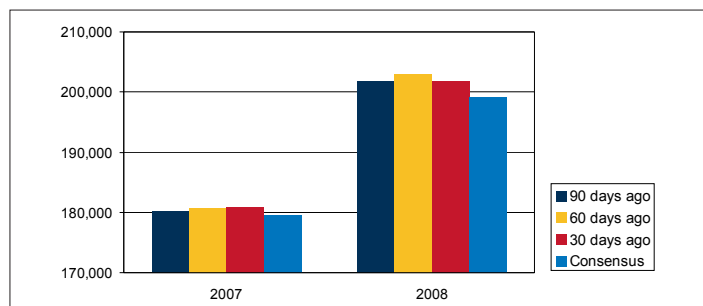
	2007	2008
ABN Amro Asia	27,500	28,500
Allianz Group	38,000	41,000
Citigroup Global Markets Inc.	26,220	23,893
Credit Suisse	42,503	46,183
DBS Bank	32,738	38,192
Deutsche Bank	34,500	36,600
Goldman Sachs	-	-
HSBC	39,504	43,164
ING Financial Markets	36,958	38,975
JPMorgan	41,000	40,600
Mayban Securities	27,471	25,818
OSK Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	45,261	54,541
UBS	29,249	32,427
United Overseas Bank	-	-
Consensus	35,075	37,491
30 days ago	36,123	38,910
60 days ago	35,246	38,106
90 days ago	34,413	37,439
Minimum	26,220	23,893
Maximum	45,261	54,541
Median	35,729	38,584
Standard Deviation	18.4	23.5



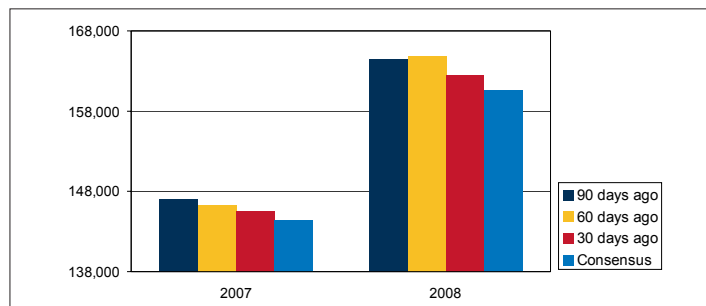
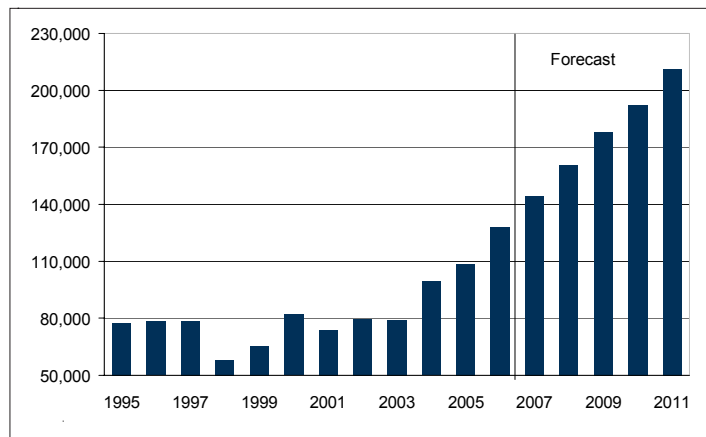
Exports, US\$ million



	2007	2008
ABN Amro Asia	175,300	191,100
Allianz Group	180,000	205,000
Citigroup Global Markets Inc.	165,817	174,937
Credit Suisse	178,902	195,540
DBS Bank	183,929	208,239
Deutsche Bank	179,800	201,600
Goldman Sachs	-	-
HSBC	179,099	202,362
ING Financial Markets	180,383	205,081
JPMorgan	184,900	206,700
Mayban Securities	185,971	-
OSK Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	187,034	211,909
UBS	173,499	188,073
United Overseas Bank	-	-
Consensus	179,553	199,140
30 days ago	180,909	201,726
60 days ago	180,706	203,030
90 days ago	180,318	201,839
Minimum	165,817	174,937
Maximum	187,034	211,909
Median	179,900	202,362
Standard Deviation	3.3	5.4

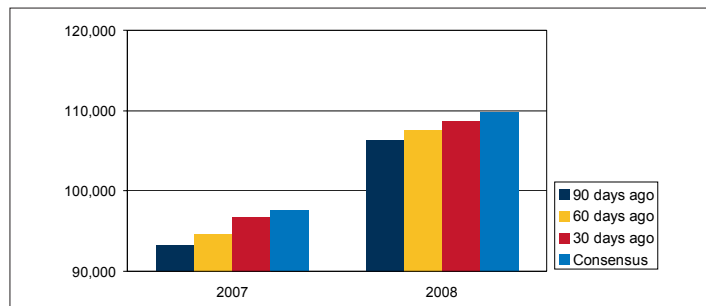
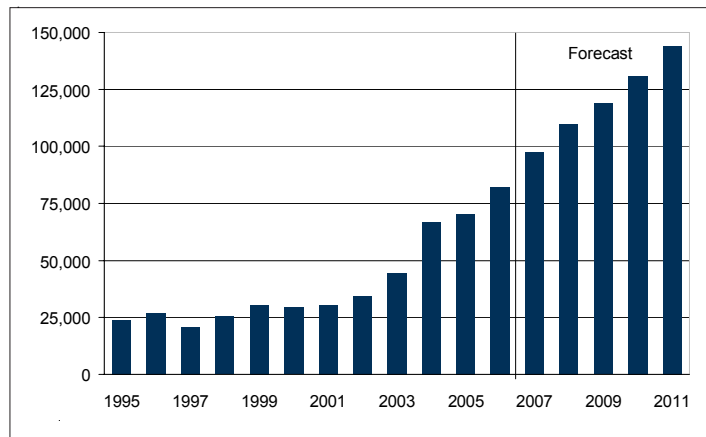


Imports, US\$ million



	2007	2008
ABN Amro Asia	147,800	162,600
Allianz Group	142,000	164,000
Citigroup Global Markets Inc.	139,597	151,044
Credit Suisse	136,399	149,357
DBS Bank	151,190	170,047
Deutsche Bank	145,300	165,000
Goldman Sachs	-	-
HSBC	139,595	159,198
ING Financial Markets	143,426	166,106
JPMorgan	143,900	166,100
Mayban Securities	158,500	-
OSK Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	141,773	157,368
UBS	144,250	155,646
United Overseas Bank	-	-
Consensus	144,478	160,588
30 days ago	145,587	162,545
60 days ago	146,341	164,803
90 days ago	147,074	164,434
Minimum	136,399	149,357
Maximum	158,500	170,047
Median	143,663	162,600
Standard Deviation	4.1	4.1

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	101,000	129,500
Allianz Group	105,000	120,000
Citigroup Global Markets Inc.	90,000	100,000
Credit Suisse	90,000	96,000
DBS Bank	103,000	116,000
Deutsche Bank	92,000	100,000
Goldman Sachs	-	-
HSBC	104,303	114,251
ING Financial Markets	102,000	112,000
JPMorgan	96,800	104,800
Mayban Securities	-	-
OSK Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	93,000	102,000
UBS	96,354	113,354
United Overseas Bank	-	-
Consensus	97,587	109,810
30 days ago	96,769	108,723
60 days ago	94,650	107,565
90 days ago	93,256	106,351
Minimum	90,000	96,000
Maximum	105,000	129,500
Median	96,800	112,000
Standard Deviation	5.9	9.3

General Data

Official name:	Malaysia
Capital:	Kuala Lumpur (1.3 m)
Other cities:	Pinang (1.2 m) Ipoh (0.6 m)
Area (km ²):	329,758
Population (2006 est., million):	27.4
Population density (2006, per km ²):	83.1
Population growth rate (1991-2001, %):	1.8
Life expectancy (2006, years):	72.2
Illiteracy rate (2002):	11.3
Languages:	Malay/Hakka Chinese/English
Measures:	Metric system
Time:	8 hours ahead of GMT

Executive Branch

Prime Minister:	Abdullah Ahmad Badawi
Since:	31 October 2003
Last elections:	12 December 2001
Next elections:	2009

Cabinet:

Minister of Finance:	Abdullah Ahmad Badawi
Minister of Foreign Affairs:	Syed Hamid Albar
Minister of Home Affairs:	Seri Mohd Radzi Bin Sheikh Ahmad

Central Bank Chief Executive:	Zeti Akhtar Aziz
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Legislative Branch

Last elections:	21 March 2004
Next elections:	March 2009

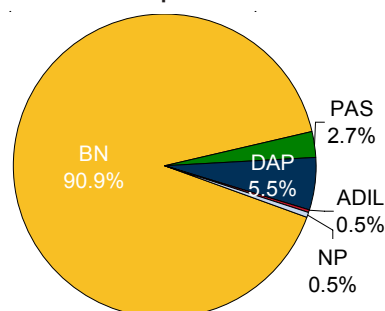
House of Representatives:

Party	Seats	% of Total
National Front (BN):	199	90.9
Democratic Action Party (DAP):	12	5.5
Islamic Party of Malaysia (PAS):	6	2.7
People's Justice Party (ADIL):	1	0.5
Others:	1	0.5
Total:	219	100.0

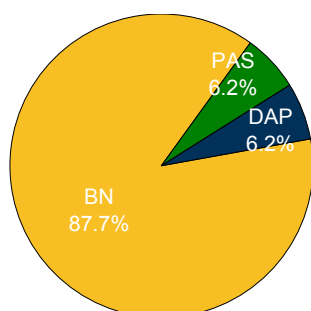
Senate:

Party	Seats	% of Total
National Front (BN):	57	87.7
Islamic Party of Malaysia (PAS):	4	6.2
Democratic Action Party (DAP):	4	6.2
Total:	65	100.0

House of Representatives



Senate



Economic Infrastructure

Communications (2005)

Telephones - main lines in use (per 100 inhabitants):	16.8
Telephones - mobile cellular (per 100 inhabitants):	75.2
Telephones - mobile cellular (% total telephone subscribers):	81.7
Internet Users (per 100 inhabitants):	42.4
Personal Computers (per 100 inhabitants):	19.2

Energy (2004)

Total Electricity Generation (GWh):	72,200
Electricity Consumption Growth (%):	6.0
Residential Consumption (% share of total):	24.0
Industrial Consumption (% share of total):	50.2

Transportation (2005)

Railways Open to Traffic (km):	98,721
Road Network (km):	81.3
Paved (%):	7,296
Inland Rivers (km):	Port Kelang
Chief ports:	

Strengths

- Low labour costs
- Advanced financial sector
- Net exporter of oil and gas

Weaknesses

- Scarcity of qualified labour
- Vulnerability to external shocks
- Low productivity

Long-Term Foreign Currency Ratings

Moody's:	A3
S&P:	A-
Fitch Ratings:	A-

Trade by Product Groups (2006)

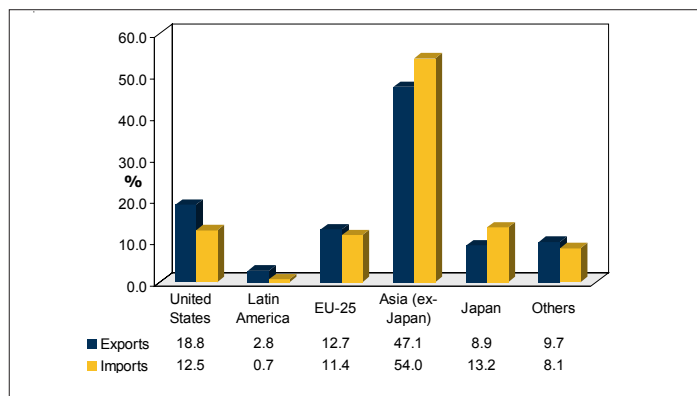
Exports:

Manufactured Goods:	80.3
Electronics & Electricals:	51.1
Mining:	9.7
Agricultural Commodities:	7.1
Other:	2.9

Imports:

Intermediate Goods:	69.8
Capital Goods:	13.6
Consumption Goods:	5.8
Other:	10.8

Geographical Trade Structure (2006)



Forecast Summary

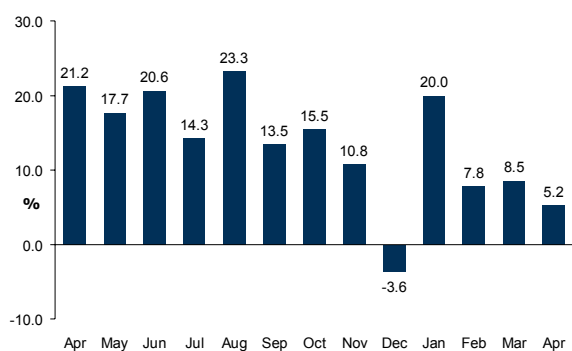
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	70.0	71.6	73.3	75.0	76.9	78.5	80.2	81.8	83.5	85.2	86.9	88.6	90.4
GDP (US\$ billion)	82.8	82.3	65.2	76.2	75.9	71.2	76.7	79.6	86.9	98.9	119.2	140.7	161.7
GDP per capita (US\$)	1,183	1,149	889	1,015	987	907	957	973	1,041	1,160	1,372	1,587	1,789
GDP (annual variation in %)	5.8	5.2	-0.6	3.4	4.4	3.0	4.4	4.7	6.2	5.1	5.4	5.8	5.8
Consumption (annual variation in %)	4.6	5.0	3.4	2.6	3.5	3.6	4.1	5.3	5.8	4.9	5.5	5.7	5.7
Investment (annual variation in %)	12.5	11.7	-16.3	-2.0	23.9	-7.3	-5.0	3.8	7.2	-8.8	2.7	4.2	7.0
Unemployment (%)	7.4	7.9	9.6	9.3	11.3	10.3	10.6	11.0	11.3	8.1	7.8	7.1	7.1
Fiscal balance (% of GDP)	0.3	0.1	-1.9	-3.8	-4.0	-4.0	-5.3	-4.6	-3.8	-2.7	-1.1	-1.2	-0.8
Consumer Prices (annual variation in %)	7.1	7.2	10.3	4.2	6.7	4.1	2.6	3.1	8.6	6.7	4.3	3.4	4.3
Interest Rate (benchmark in %, eop)	11.5	17.7	13.4	8.9	13.6	8.9	5.2	6.3	7.8	5.6	5.3	4.7	5.1
Exchange Rate (vs. US\$, end-of-period)	26.29	39.98	39.06	40.31	50.00	51.40	53.10	55.57	56.27	53.07	49.13	45.89	44.80
Current Account Balance (% of GDP)	-4.8	-5.3	2.4	-3.8	-2.9	-2.5	-0.5	0.4	1.9	2.0	4.2	3.6	3.1
Trade Balance (% of GDP)	-14.3	-13.0	-0.3	5.6	4.7	-1.3	-0.3	-7.3	-6.5	-7.9	-5.8	-4.4	-4.2
Exports (annual variation in %)	17.7	22.8	16.9	16.1	9.1	-16.2	9.9	2.7	9.8	3.8	14.6	9.1	8.0
Imports (annual variation in %)	22.2	10.8	-17.5	35.6	7.7	-13.3	6.3	3.1	8.0	8.0	10.6	6.1	8.2
Int. Reserves (months of imports)	4.4	2.9	4.4	4.5	4.2	5.0	4.9	5.0	4.4	4.6	5.2	5.6	5.7
External Debt (% of GDP)	53.1	52.2	70.8	67.0	67.5	72.9	69.9	72.1	63.1	54.8	44.8	40.5	34.0

Economic Outlook Continues to Improve

With the economy expanding at the fastest rate in more than a decade and signs of ongoing resilient private consumption, the economy is poised to continue to grow at a robust pace. Simultaneously, inflation remains on the downward trajectory initiated last year, which should enable the Central Bank to lower interest rates in the coming months.

Economy continues to strengthen

Exports, Apr. 2006 - Apr. 2007



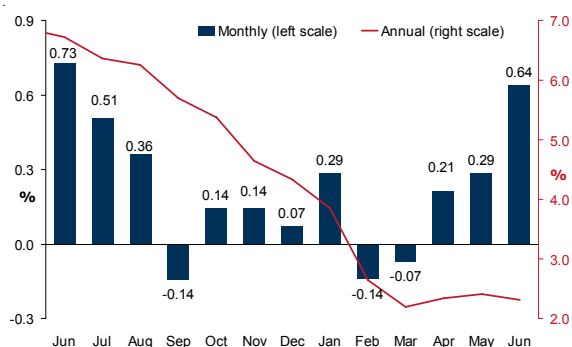
Note: Annual variation of exports in %.
Source: National Statistical Office and Focus Economics calculations.

The economy appears to be continuing the acceleration trajectory observed near the end of last year, as economic growth grew from 5.8% in the fourth quarter of 2006 to 6.9% in the first quarter of 2007. Throughout the first months of this year, industrial production has continued to contract. In April, exports reached US\$ 4.1 billion, which represents a 5.2% increase over the same month the last year, but an 8.1% decrease over March. Consensus panellists expect economic growth to reach 5.8% this year, which is 0.1 percentage points up from last month's forecast. For 2008, the panel expects economic growth to remain virtually unchanged at 5.8%.

In June, consumer prices rose 0.64% over the previous month. The figure was above the May reading of 0.29%, but came in below market expectations which had prices increasing 0.73%. The price increase was broad-based, as all of the components of the consumer price index rose over the previous month. Higher prices in food as well as in services led the way. Despite the monthly reading, annual inflation dropped a notch to 2.3% from 2.4% in May. The core inflation index, which excludes more volatile price categories such as oil and fresh food, added 0.50% over the previous month. As a result, annual core inflation corroborated the decline in inflation, dropping a notch to 2.5%, which represents the lowest rate in more than three years. Average annual headline inflation, which is the reference for the Central Bank's policy planning, also moved down from 4.4% to 4.0%. This figure comes in above the Central Bank's 3.3% to 3.8% 2007 forecast for average annual inflation. Consensus Forecast participants see headline inflation rising to 3.4% by the end of this year, which is 0.5 percentage points below last month's forecast. For 2008, the panel expects inflation to step up to 4.3%.

Inflation stays moderate

Consumer Prices Jun. 2006 - Jun. 2007

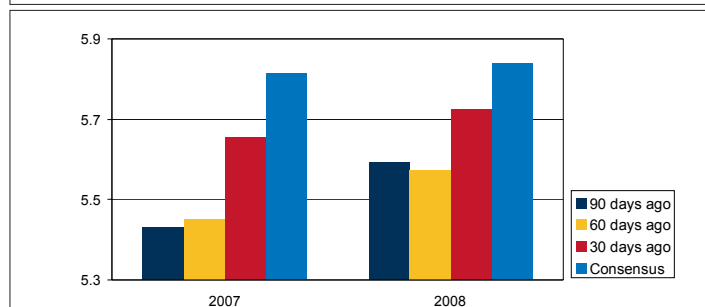
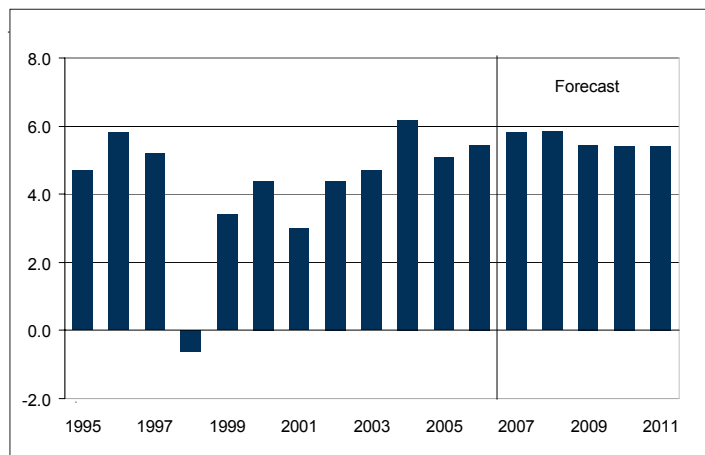


Note: Monthly and annual variation of consumer price index in %.
Source: National Statistical Office and FocusEconomics calculations.

Real Sector

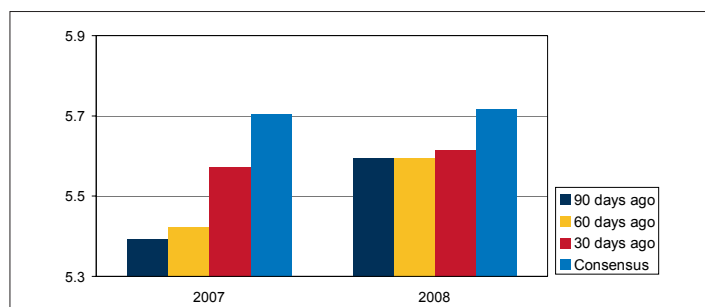
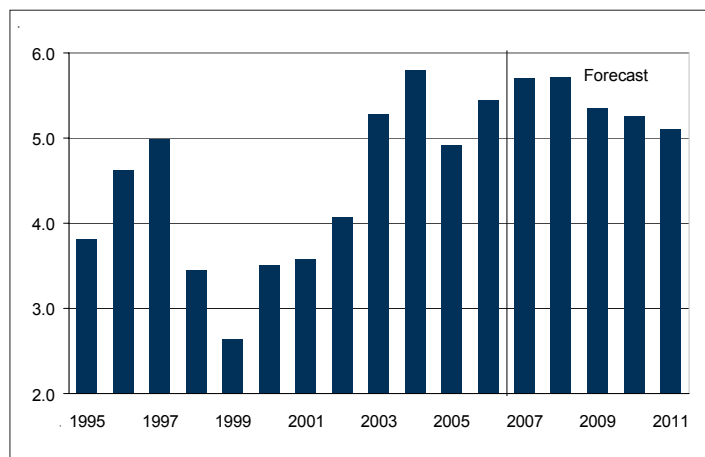
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	76.2	75.9	71.2	76.7	79.6	86.9	98.9	119.2	140.7	161.7	175.5	188.5	206.0
GDP per capita (US\$)	1,015	987	907	957	973	1,041	1,160	1,372	1,587	1,789	1,904	2,007	2,166
GDP (annual variation in %)	3.4	4.4	3.0	4.4	4.7	6.2	5.1	5.4	5.8	5.8	5.4	5.4	5.2
Consumption (ann.var. in %)	2.6	3.5	3.6	4.1	5.3	5.8	4.9	5.5	5.7	5.7	5.4	5.3	5.1
Investment (ann.var. in %)	-2.0	23.9	-7.3	-5.0	3.8	7.2	-8.8	2.7	4.2	7.0	6.6	5.2	5.1
Industrial Production (ann.var. in %)	0.9	4.9	0.9	3.7	3.8	5.2	4.2	4.5	4.6	5.1	5.0	4.5	5.0
Unemployment (%)	9.3	11.3	10.3	10.6	11.0	11.3	8.1	7.8	7.1	7.1	6.9	7.0	6.9

Gross Domestic Product, annual variation in %



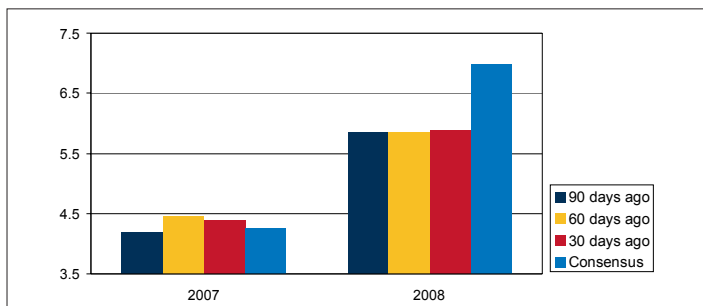
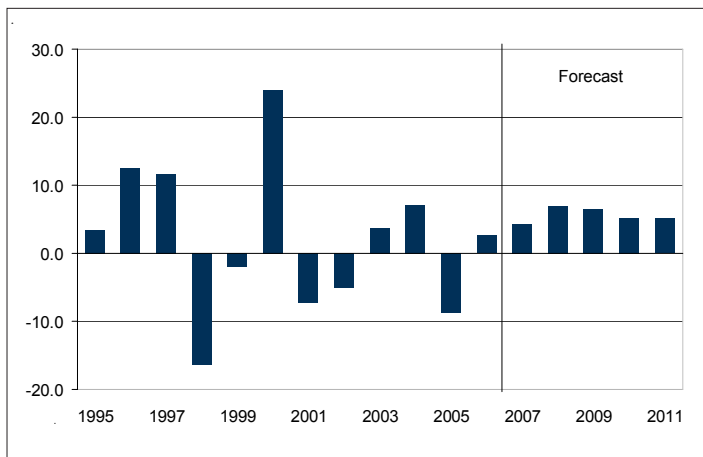
	2007	2008
ABN Amro Asia	5.7	5.9
Allianz Group	5.2	5.5
Banco de Oro	5.7	6.0
Bank of the Philippine Islands	5.8	-
Citigroup Global Markets Inc.	6.3	6.4
Credit Suisse	6.2	5.6
DBS Bank	5.9	5.7
Deutsche Bank	5.5	-
Goldman Sachs	6.2	6.7
HSBC	6.2	5.8
ING Financial Markets	6.3	5.8
JPMorgan	5.3	5.3
Merrill Lynch	6.2	6.6
Metropolitan Bank and Trust	6.0	-
Morgan Stanley	5.8	5.8
Philippine Equity Partners	6.1	6.1
Royal Bank of Scotland	5.3	-
Standard Chartered Bank	5.1	4.5
UBS	5.9	6.1
United Overseas Bank	5.6	5.6
Consensus	5.8	5.8
30 days ago	5.7	5.7
60 days ago	5.5	5.6
90 days ago	5.4	5.6
Minimum	5.1	4.5
Maximum	6.3	6.7
Median	5.9	5.8
Standard Deviation	6.6	9.0

Private Consumption, annual variation in %



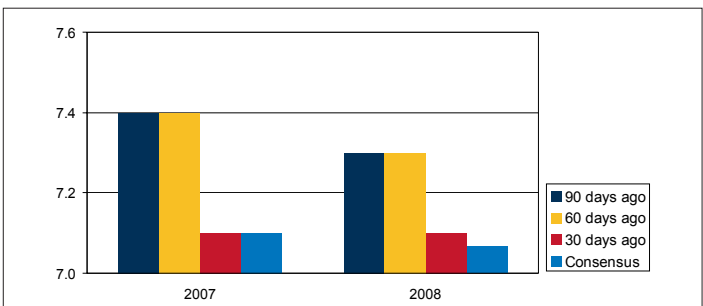
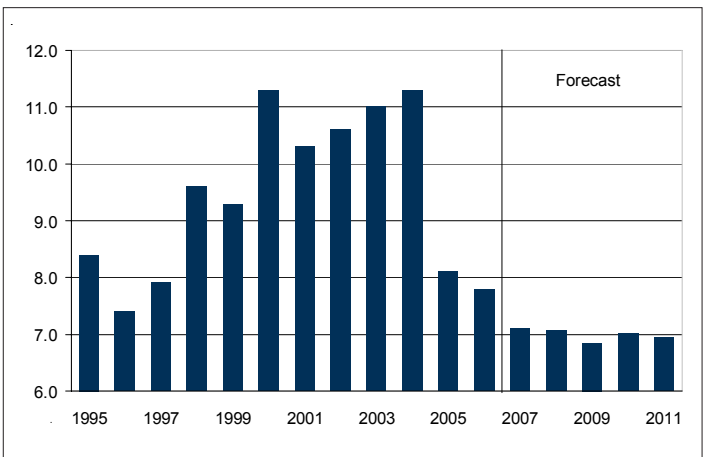
	2007	2008
ABN Amro Asia	5.5	5.8
Allianz Group	-	-
Banco de Oro	5.5	5.6
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	5.6	5.3
Credit Suisse	5.7	5.5
DBS Bank	6.0	6.2
Deutsche Bank	6.0	-
Goldman Sachs	-	-
HSBC	5.2	4.8
ING Financial Markets	5.6	5.7
JPMorgan	-	-
Merrill Lynch	-	-
Metropolitan Bank and Trust	-	-
Morgan Stanley	-	-
Philippine Equity Partners	6.0	6.1
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	6.0	6.5
United Overseas Bank	-	-
Consensus	5.7	5.7
30 days ago	5.6	5.6
60 days ago	5.4	5.6
90 days ago	5.4	5.6
Minimum	5.2	4.8
Maximum	6.0	6.5
Median	5.7	5.7
Standard Deviation	4.9	9.1

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Banco de Oro	6.3	5.0
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	4.9	12.2
Credit Suisse	3.0	4.2
DBS Bank	3.0	3.6
Deutsche Bank	2.6	-
Goldman Sachs	-	-
HSBC	2.6	3.3
ING Financial Markets	2.0	11.6
JPMorgan	-	-
Merrill Lynch	-	-
Metropolitan Bank and Trust	-	-
Morgan Stanley	-	-
Philippine Equity Partners	4.1	8.0
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	9.7	8.0
United Overseas Bank	-	-
Consensus	4.2	7.0
30 days ago	4.4	5.9
60 days ago	4.5	5.9
90 days ago	4.2	5.9
Minimum	2.0	3.3
Maximum	9.7	12.2
Median	3.0	6.5
Standard Deviation	57.9	50.6

Unemployment, % of economically active population

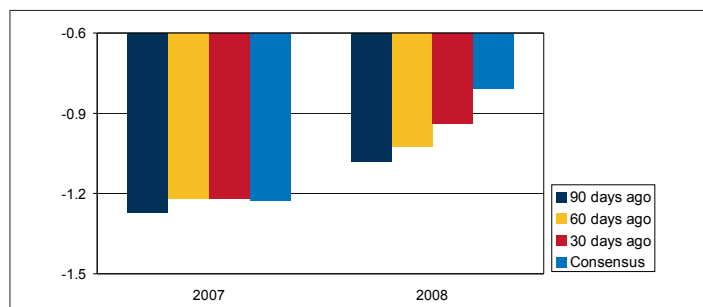
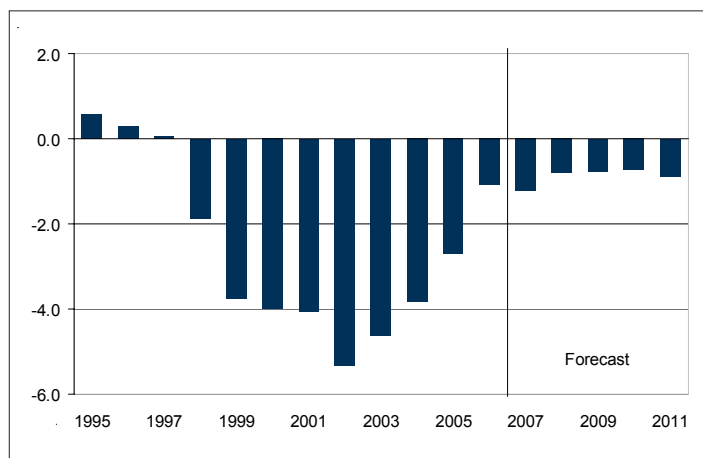


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Banco de Oro	-	-
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	-	-
Credit Suisse	7.0	7.0
DBS Bank	-	-
Deutsche Bank	-	-
Goldman Sachs	-	-
HSBC	7.2	7.2
ING Financial Markets	7.1	7.0
JPMorgan	-	-
Merrill Lynch	-	-
Metropolitan Bank and Trust	-	-
Morgan Stanley	-	-
Philippine Equity Partners	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	-	-
United Overseas Bank	-	-
Consensus	7.1	7.1
30 days ago	7.1	7.1
60 days ago	7.4	7.3
90 days ago	7.4	7.3
Minimum	7.0	7.0
Maximum	7.2	7.2
Median	7.1	7.0
Standard Deviation	1.4	1.6

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal balance (% of GDP)	-3.8	-4.0	-4.0	-5.3	-4.6	-3.8	-2.7	-1.1	-1.2	-0.8	-0.8	-0.7	-0.9

Fiscal balance, % of GDP

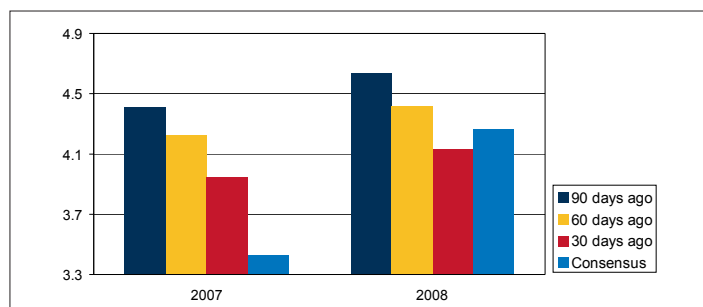
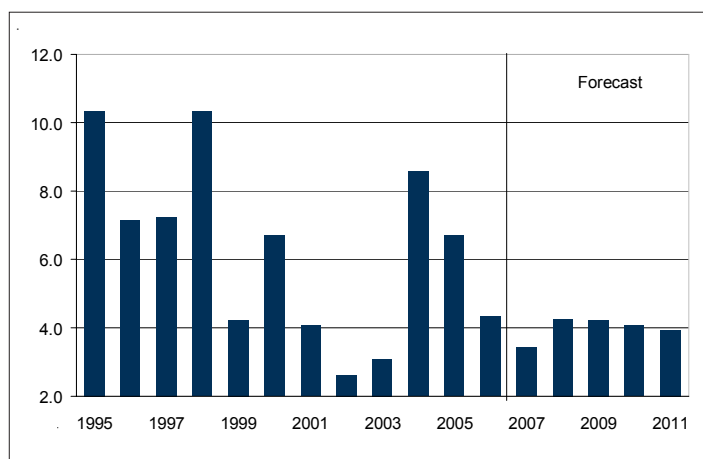


	2007	2008
ABN Amro Asia	-0.5	0.1
Allianz Group	-1.4	-1.5
Banco de Oro	-	-
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	-0.7	-0.3
Credit Suisse	-1.4	-1.3
DBS Bank	-0.9	0.0
Deutsche Bank	-1.5	-
Goldman Sachs	-	-
HSBC	-1.3	-1.3
ING Financial Markets	-1.0	0.0
JPMorgan	-1.0	-0.5
Merrill Lynch	-1.2	-0.7
Metropolitan Bank and Trust	-	-
Morgan Stanley	-	-
Philippine Equity Partners	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-2.0	-2.0
UBS	-2.0	-2.0
United Overseas Bank	-1.1	-0.2
Consensus	-1.2	-0.8
30 days ago	-1.2	-0.9
60 days ago	-1.2	-1.0
90 days ago	-1.3	-1.1
Minimum	-2.0	-2.0
Maximum	-0.5	0.1
Median	-1.2	-0.6
Standard Deviation	36.5	96.5

Monetary Sector

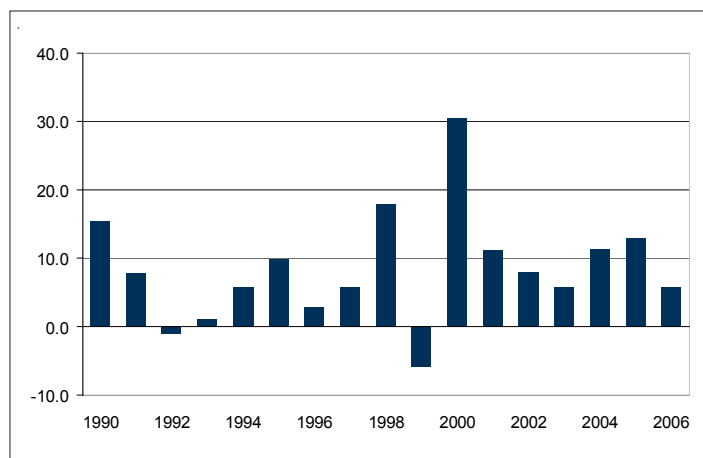
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	4.2	6.7	4.1	2.6	3.1	8.6	6.7	4.3	3.4	4.3	4.2	4.1	3.9
Producer Prices (ann. var. in %)	-6.0	30.5	11.3	7.9	5.8	11.3	12.9	5.8	-	-	-	-	-
Money (annual variation of M1 in %)	40.0	-1.8	0.3	21.2	8.6	10.0	9.9	24.6	-	-	-	-	-
Interest Rate (benchmark in %, eop)	8.9	13.6	8.9	5.2	6.3	7.8	5.6	5.3	4.7	5.1	4.5	4.7	4.9
Local currency per US\$ (eop)	40.31	50.00	51.40	53.10	55.57	56.27	53.07	49.13	45.89	44.80	46.85	46.61	46.75
Local currency per US\$ (average)	39.09	44.19	50.99	51.60	54.20	56.04	55.00	51.10	47.51	45.34	45.82	46.73	46.68
Nom. Depreciation (vs. US\$, annual)	3.1	19.4	2.7	3.2	4.5	1.2	-6.0	-8.0	-7.1	-2.4	4.4	-0.5	0.3

Consumer Prices, annual variation in %

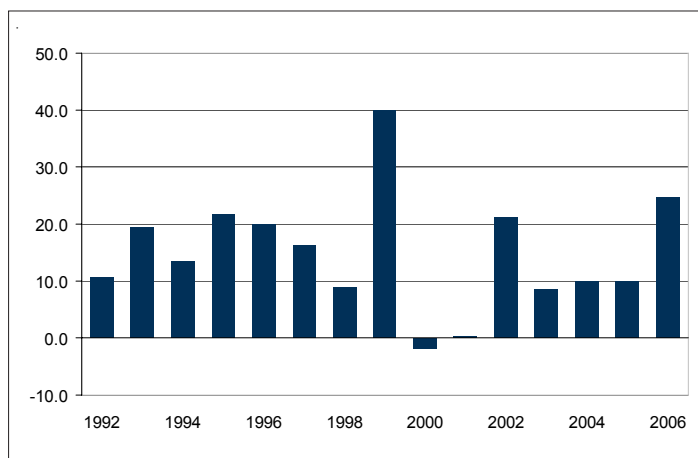


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Banco de Oro	-	-
Bank of the Philippine Islands	4.0	-
Citigroup Global Markets Inc.	4.0	3.5
Credit Suisse	3.1	3.5
DBS Bank	2.4	3.6
Deutsche Bank	2.1	-
Goldman Sachs	2.3	3.3
HSBC	4.5	5.5
ING Financial Markets	4.0	4.3
JPMorgan	3.7	3.7
Merrill Lynch	2.6	3.9
Metropolitan Bank and Trust	2.6	-
Morgan Stanley	3.5	4.6
Philippine Equity Partners	3.0	3.5
Royal Bank of Scotland	4.3	-
Standard Chartered Bank	4.0	5.0
UBS	4.5	5.5
United Overseas Bank	3.7	5.5
Consensus	3.4	4.3
30 days ago	3.9	4.1
60 days ago	4.2	4.4
90 days ago	4.4	4.6
Minimum	2.1	3.3
Maximum	4.5	5.5
Median	3.7	3.9
Standard Deviation	23.4	20.1

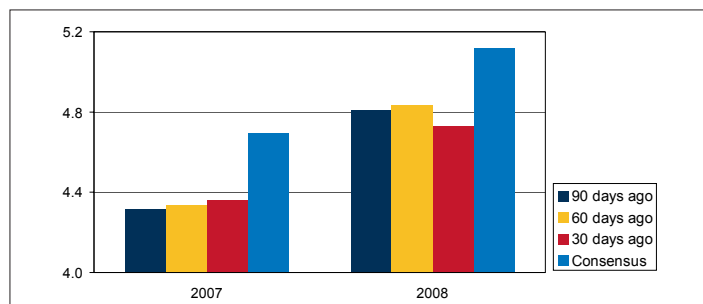
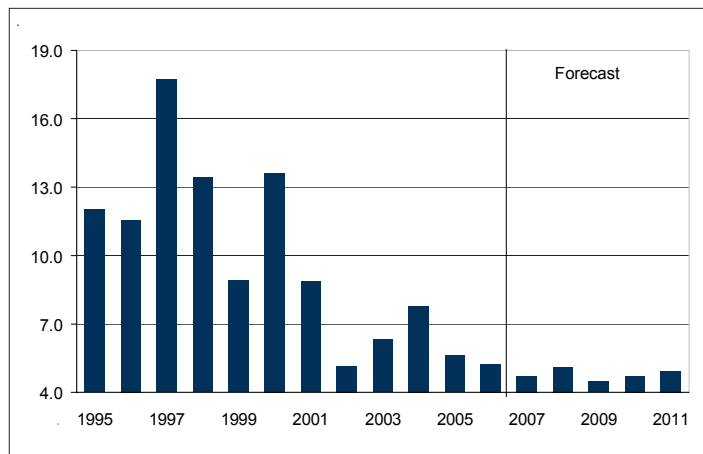
Producer Prices, annual variation in %



Narrow Money, annual variation in %

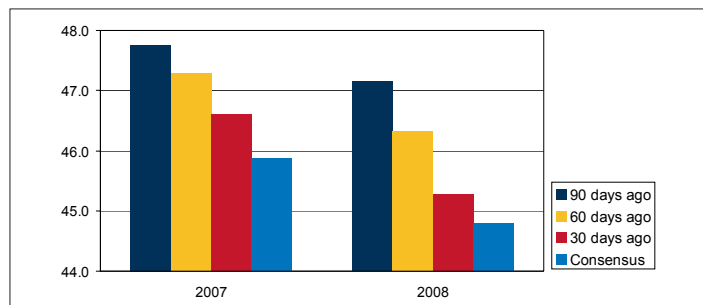
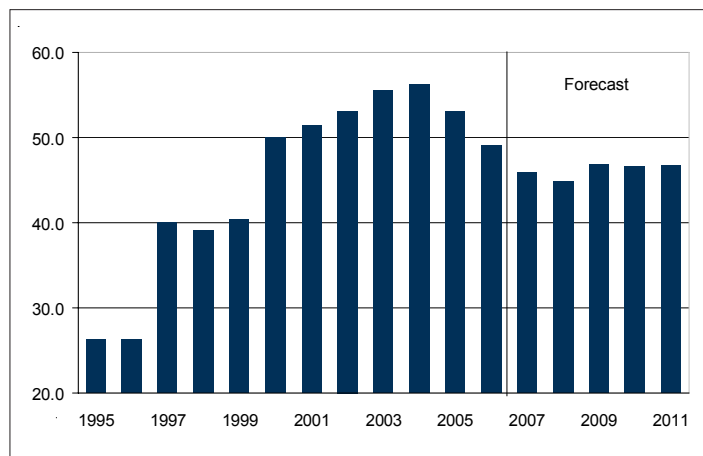


Interest Rates, nominal benchmark rate in %



	2007	2008
ABN Amro Asia	5.0	5.0
Allianz Group	5.5	6.0
Banco de Oro	4.8	4.5
Bank of the Philippine Islands	4.0	-
Citigroup Global Markets Inc.	4.5	4.5
Credit Suisse	5.0	5.5
DBS Bank	-	-
Deutsche Bank	4.3	-
Goldman Sachs	6.5	6.3
HSBC	6.0	6.0
ING Financial Markets	3.6	3.9
JPMorgan	-	-
Merrill Lynch	4.0	-
Metropolitan Bank and Trust	4.3	-
Morgan Stanley	-	-
Philippine Equity Partners	3.7	4.0
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
UBS	4.5	5.5
United Overseas Bank	-	-
Consensus	4.7	5.1
30 days ago	4.4	4.7
60 days ago	4.3	4.8
90 days ago	4.3	4.8
Minimum	3.6	3.9
Maximum	6.5	6.3
Median	4.5	5.3
Standard Deviation	18.1	16.9

Exchange Rate, versus US\$ (end of period)

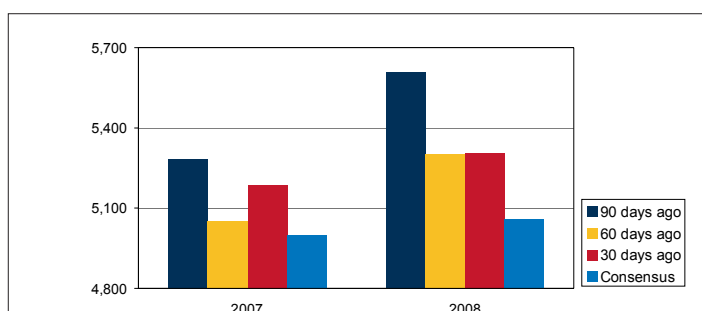
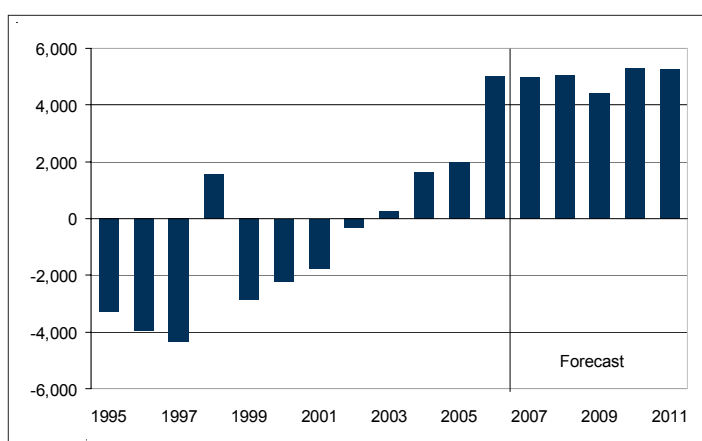


	2007	2008
ABN Amro Asia	47.50	46.00
Allianz Group	47.50	47.00
Banco de Oro	-	-
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	44.50	46.35
Credit Suisse	45.00	43.00
DBS Bank	45.50	43.00
Deutsche Bank	47.90	-
Goldman Sachs	45.00	45.40
HSBC	43.00	41.00
ING Financial Markets	45.50	46.00
JPMorgan	-	-
Merrill Lynch	-	-
Metropolitan Bank and Trust	45.70	-
Morgan Stanley	45.00	44.00
Philippine Equity Partners	46.00	46.00
Royal Bank of Scotland	-	-
Standard Chartered Bank	48.30	-
UBS	46.00	45.00
United Overseas Bank	-	-
Consensus	45.89	44.80
30 days ago	46.60	45.27
60 days ago	47.28	46.32
90 days ago	47.75	47.15
Minimum	43.00	41.00
Maximum	48.30	47.00
Median	45.60	45.40
Standard Deviation	3.2	4.1

External Sector

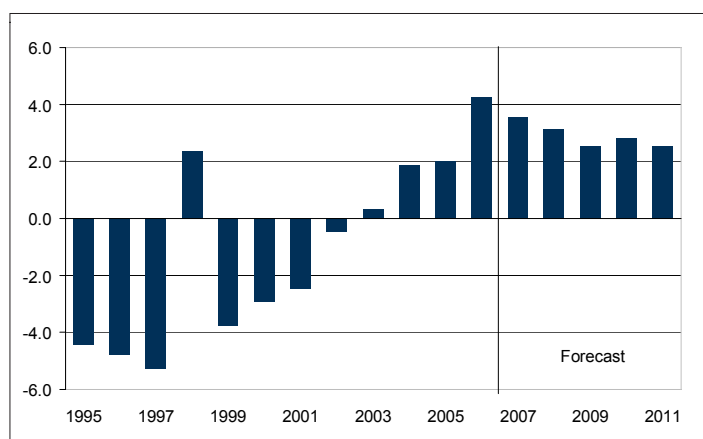
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	-2.9	-2.2	-1.8	-0.4	0.3	1.6	2.0	5.0	5.0	5.1	4.4	5.3	5.3
Current Account Balance (% of GDP)	-3.8	-2.9	-2.5	-0.5	0.4	1.9	2.0	4.2	3.6	3.1	2.5	2.8	2.6
Trade Balance (US\$ billion)	4.3	3.6	-0.9	-0.2	-5.9	-5.7	-7.8	-7.0	-6.2	-6.9	-7.3	-6.9	-7.4
Exports (US\$ billion)	34.2	37.3	31.3	34.4	35.3	38.8	40.3	46.2	50.4	54.4	59.2	62.7	67.5
Imports (US\$ billion)	40.2	43.3	37.6	39.9	41.2	44.5	48.0	53.1	56.4	61.0	66.5	69.6	74.9
Exports (annual variation in %)	16.1	9.1	-16.2	9.9	2.7	9.8	3.8	14.6	9.1	8.0	8.9	6.0	7.6
Imports (annual variation in %)	35.6	7.7	-13.3	6.3	3.1	8.0	8.0	10.6	6.1	8.2	9.1	4.7	7.5
International Reserves (US\$ billions)	15.1	15.1	15.7	16.4	17.1	16.2	18.4	23.0	26.2	29.1	27.8	31.2	33.5
International Reserves (months of imports)	4.5	4.2	5.0	4.9	5.0	4.4	4.6	5.2	5.6	5.7	5.0	5.4	5.4
Total External Debt (US\$ billion)	51.0	51.2	51.9	53.6	57.4	54.8	54.2	53.4	57.0	54.9	61.6	62.5	62.6
Total External Debt (% GDP)	67.0	67.5	72.9	69.9	72.1	63.1	54.8	44.8	40.5	34.0	35.1	33.2	30.4

Current Account Balance, US\$ million

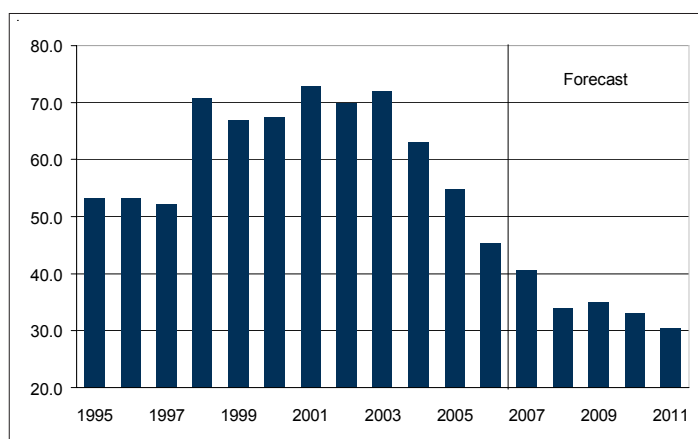


	2007	2008
ABN Amro Asia	6,700	7,100
Allianz Group	4,400	4,600
Banco de Oro	-	-
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	6,152	4,803
Credit Suisse	5,300	5,400
DBS Bank	3,800	4,000
Deutsche Bank	3,900	-
Goldman Sachs	-	-
HSBC	6,650	7,465
ING Financial Markets	4,140	3,900
JPMorgan	3,700	2,900
Merrill Lynch	-	-
Metropolitan Bank and Trust	-	-
Morgan Stanley	5,908	7,436
Philippine Equity Partners	4,000	3,000
Royal Bank of Scotland	-	-
Standard Chartered Bank	4,700	4,600
UBS	5,661	5,506
United Overseas Bank	-	-
Consensus	5,001	5,059
30 days ago	5,186	5,307
60 days ago	5,050	5,299
90 days ago	5,284	5,610
Minimum	3,700	2,900
Maximum	6,700	7,465
Median	4,700	4,702
Standard Deviation	22.2	31.4

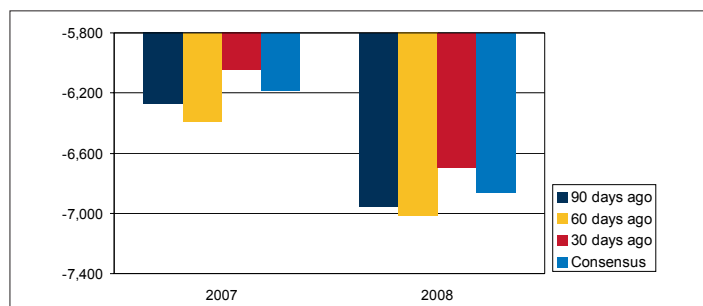
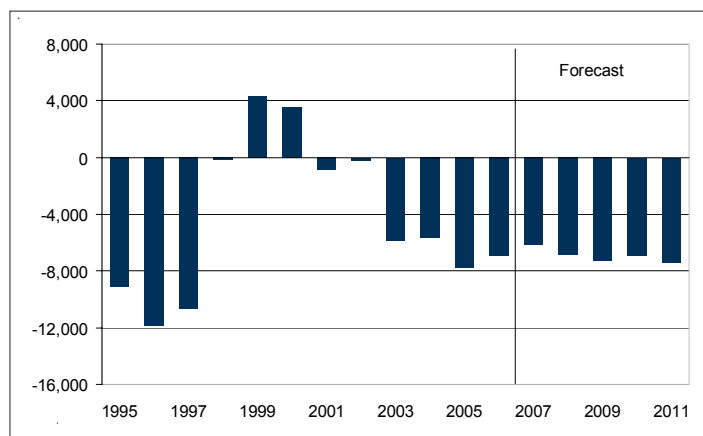
Current Account Balance, % of GDP



External Debt, % of GDP

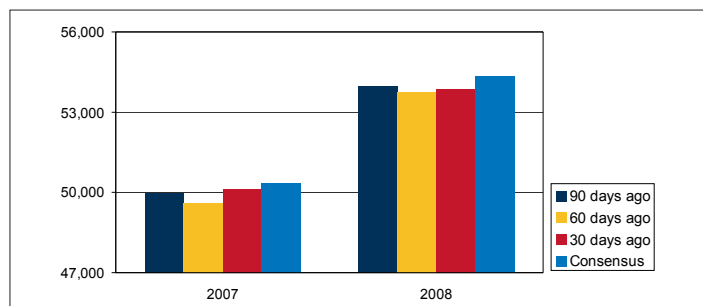
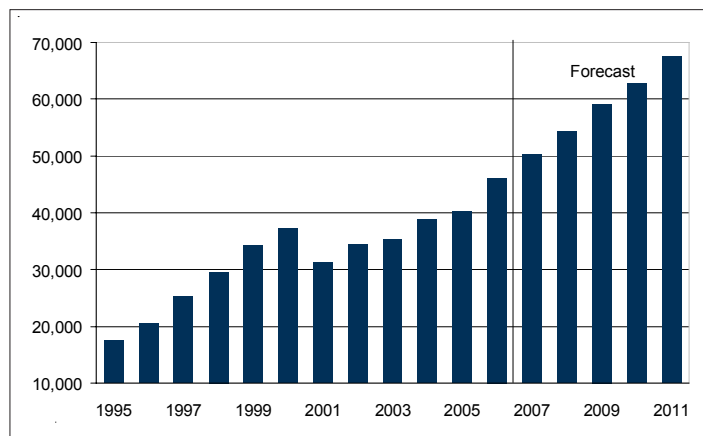


Trade Balance, US\$ million



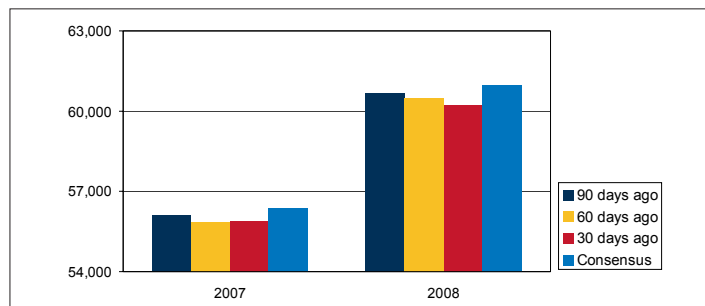
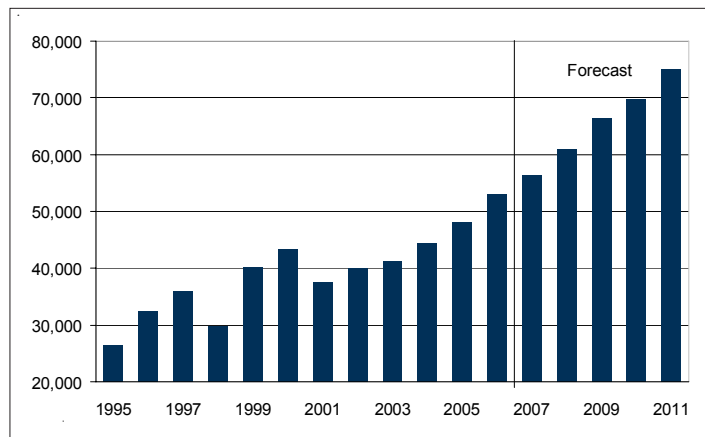
	2007	2008
ABN Amro Asia	-2,600	-2,500
Allianz Group	-6,500	-6,500
Banco de Oro	-5,933	-
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	-6,854	-8,267
Credit Suisse	-8,639	-9,917
DBS Bank	-1,800	-500
Deutsche Bank	-8,700	-
Goldman Sachs	-	-
HSBC	-7,129	-7,677
ING Financial Markets	-7,258	-7,860
JPMorgan	-5,400	-6,200
Merrill Lynch	-8,500	-10,900
Metropolitan Bank and Trust	-3,769	-
Morgan Stanley	-6,300	-5,700
Philippine Equity Partners	-5,800	-7,000
Royal Bank of Scotland	-	-
Standard Chartered Bank	-7,959	-9,283
UBS	-5,805	-6,879
United Overseas Bank	-	-
Consensus	-6,184	-6,860
30 days ago	-6,048	-6,696
60 days ago	-6,394	-7,016
90 days ago	-6,275	-6,957
Minimum	-8,700	-10,900
Maximum	-1,800	-500
Median	-6,400	-7,000
Standard Deviation	33.0	41.4

Exports, US\$ million



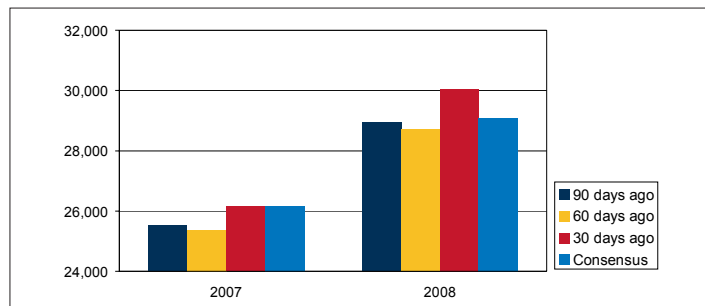
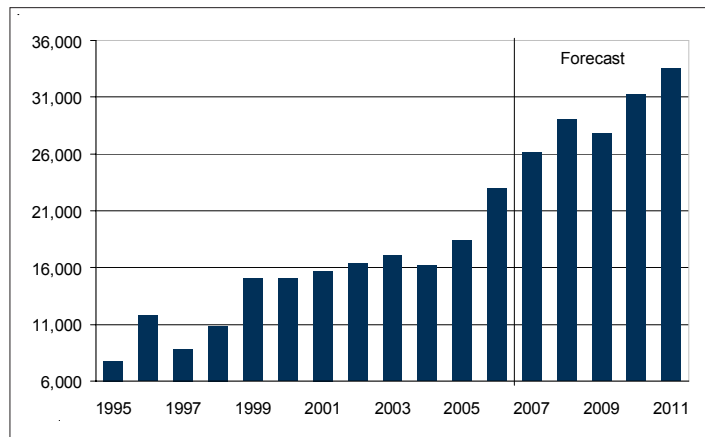
	2007	2008
ABN Amro Asia	51,400	53,900
Allianz Group	49,500	53,500
Banco de Oro	51,005	-
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	50,774	54,836
Credit Suisse	50,276	55,656
DBS Bank	52,000	56,000
Deutsche Bank	48,600	-
Goldman Sachs	-	-
HSBC	50,511	54,438
ING Financial Markets	51,697	56,401
JPMorgan	48,400	51,900
Merrill Lynch	-	-
Metropolitan Bank and Trust	50,836	-
Morgan Stanley	-	-
Philippine Equity Partners	51,300	54,400
Royal Bank of Scotland	-	-
Standard Chartered Bank	49,297	53,240
UBS	49,335	53,775
United Overseas Bank	-	-
Consensus	50,352	54,368
30 days ago	50,126	53,876
60 days ago	49,595	53,748
90 days ago	49,954	53,974
Minimum	48,400	51,900
Maximum	52,000	56,401
Median	50,642	54,400
Standard Deviation	2.3	2.4

Imports, US\$ million



	2007	2008
ABN Amro Asia	54,000	56,400
Allianz Group	56,000	60,000
Banco de Oro	56,937	-
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	57,628	63,102
Credit Suisse	58,915	65,573
DBS Bank	53,800	56,500
Deutsche Bank	57,300	-
Goldman Sachs	-	-
HSBC	57,639	62,115
ING Financial Markets	58,955	64,261
JPMorgan	53,800	58,100
Merrill Lynch	-	-
Metropolitan Bank and Trust	54,605	-
Morgan Stanley	-	-
Philippine Equity Partners	57,100	61,400
Royal Bank of Scotland	-	-
Standard Chartered Bank	57,256	62,523
UBS	55,140	60,654
United Overseas Bank	-	-
Consensus	56,363	60,966
30 days ago	55,874	60,229
60 days ago	55,845	60,497
90 days ago	56,102	60,688
Minimum	53,800	56,400
Maximum	58,955	65,573
Median	57,019	61,400
Standard Deviation	3.2	4.9

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	29,700	36,500
Allianz Group	24,000	28,000
Banco de Oro	-	-
Bank of the Philippine Islands	-	-
Citigroup Global Markets Inc.	22,000	24,100
Credit Suisse	27,000	30,000
DBS Bank	27,000	32,000
Deutsche Bank	30,000	-
Goldman Sachs	-	-
HSBC	30,300	38,400
ING Financial Markets	22,200	23,600
JPMorgan	23,300	24,800
Merrill Lynch	-	-
Metropolitan Bank and Trust	-	-
Morgan Stanley	-	-
Philippine Equity Partners	-	-
Royal Bank of Scotland	29,000	-
Standard Chartered Bank	25,600	27,400
UBS	24,000	26,000
United Overseas Bank	-	-
Consensus	26,175	29,080
30 days ago	26,158	30,045
60 days ago	25,383	28,710
90 days ago	25,527	28,933
Minimum	22,000	23,600
Maximum	30,300	38,400
Median	26,300	27,700
Standard Deviation	11.8	17.7

General Data

Official name:	Republic of the Philippines/ Republika Manila
Capital:	Manila (9.9 m)
Other cities:	Davao (1.4 m) Cebu (1.4 m)
Area (km ²):	300,000
Population (2006, est. million):	89.5
Population density (per km ²):	298.3
Population growth rate (2006, %):	1.8
Life expectancy (2006, years):	77.2
Illiteracy rate (2002, %):	7.4
Languages:	Filipino/English
Measures:	Metric system
Time:	8 hours ahead of GMT

Executive Branch

President:	Gloria Macapagal-Arroyo
Since:	20 January 2001
Last elections:	10 May 2004
Next elections:	May 2010

Cabinet:

Minister of Finance:	Margarito B. Teves
Minister of Foreign Affairs:	Alberto G. Romulo
Minister of Trade and Industry:	Peter B. Favila

Central Bank Governor:	Amando M. Tetangco Jr.
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Legislative Branch

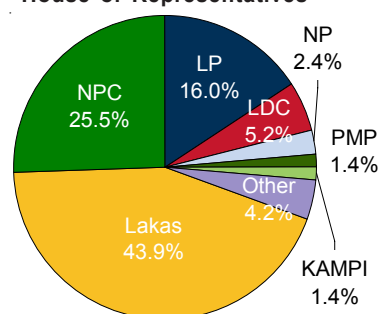
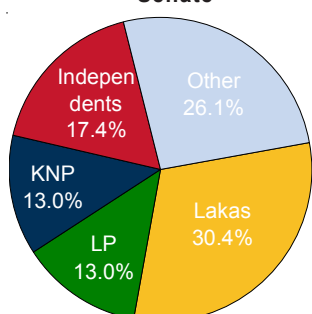
Last elections:	10 May 2004
Next elections:	May 2009

House of Representatives:

Party	Seats	% of Total
Lakas-Christian Muslim Democrats (Lakas):	93	43.9
Nationalist People's Coalition (NPC):	54	25.5
Liberal Party (LP):	34	16.0
Laban ng Demokratikong Pilipino (LDP):	11	5.2
Nationalist Party (NP):	5	2.4
Filipino Workers' Party (PMP):	3	1.4
Kabalikat ng Malazang Pilipino (KAMPI):	3	1.4
Others:	9	4.2
Total:	212	100.0

Senate:

Party	Seats	% of Total
Lakas-Christian Muslim Democrats (Lakas):	7	30.4
Liberal Party (LP):	3	13.0
Koalysion ng Nagkakaisang Pilipino (KNP):	3	13.0
Independents:	4	17.4
Other:	6	26.1
Total:	23	100.0

House of Representatives**Senate****Economic Infrastructure****Communications (2005)**

Telephones - main lines in use (per 100 inhabitants):	4.0
Telephones - mobile cellular (per 100 inhabitants):	41.3
Telephones - mobile cellular (% total telephone subscribers):	91.3
Internet Users (per 100 inhabitants):	5.3
Personal Computers (per 100 inhabitants, estimate):	4.5

Energy (2005)

Total Electricity Generation (GWh):	47,820
Electricity Consumption Growth (%):	1.1
Residential Consumption (% share of total):	50
Industrial Consumption (% share of total):	28

Transportation (2005)

Railways Open to Traffic (Km):	897
Road Network:	200,037
Paved (%):	9.8
Inland Rivers (Km):	3,219
Chief ports:	Manila

Strengths

- Widespread English proficiency
- Well educated work force
- Solid telecom infrastructure

Weaknesses

- Weak fiscal structure
- Large government and external debt
- Guerrilla group activity remains a serious security threat in southern islands

Long-Term Foreign Currency Ratings

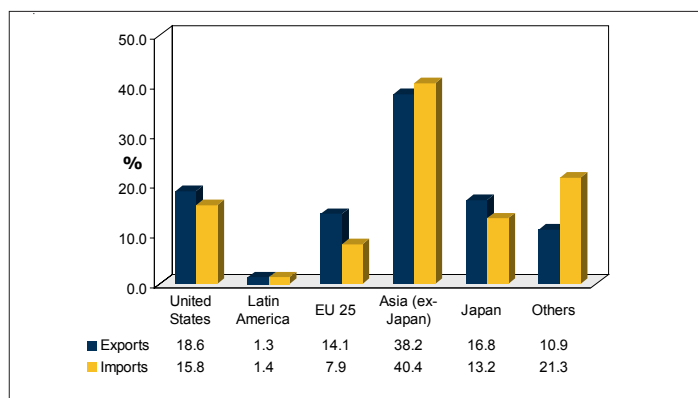
Moody's:	B1
S&P:	BB-
Fitch Ratings:	BB

Trade by Product Groups (2006)**Exports:**

Manufactures:	87.4
Electronics:	72.0
Mineral Products:	4.4
Agro-Based Products:	4.3
Other:	3.9

Imports:

Raw Materials & Intermediate Goods:	42.5
Capital Goods:	32.7
Mineral Fuels, Lubricant & Related Materials:	15.7
Others:	9.1

Geographical Trade Structure (2006)

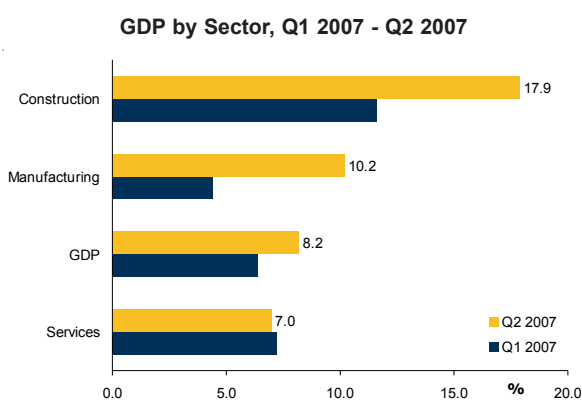
Forecast Summary

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	3.7	3.8	3.9	4.0	4.0	4.1	4.2	4.2	4.2	4.4	4.4	4.5	4.6
GDP (US\$ billion)	92.1	95.4	82.1	82.5	92.6	85.8	88.5	92.3	107.4	116.7	132.2	149.1	164.9
GDP per capita (US\$)	25,105	25,143	20,922	20,891	23,043	20,775	21,209	22,066	25,329	26,817	29,891	33,191	36,115
GDP (annual variation in %)	8.2	8.6	-0.8	6.8	9.6	2.3	4.0	3.1	8.8	6.6	7.9	6.2	6.3
Consumption (annual variation in %)	6.0	5.7	-3.9	8.6	14.7	4.7	4.4	1.2	5.6	3.1	2.5	3.3	3.8
Investment (annual variation in %)	23.9	10.6	-6.0	-4.9	8.7	-3.9	-11.3	-3.3	10.2	0.1	11.5	10.5	9.1
Unemployment (%)	1.6	1.6	3.6	2.6	2.4	3.9	3.9	4.0	3.2	2.6	2.6	2.5	2.5
Fiscal Balance (% of GDP)	9.3	9.2	3.6	4.6	8.0	4.8	4.0	1.8	1.1	1.2	-0.3	0.3	0.4
Consumer Prices (annual variation in %)	2.0	2.0	-1.5	0.7	2.1	-0.6	0.4	0.8	1.2	1.3	0.8	1.3	1.3
Interest Rate (benchmark in %, eop)	3.1	6.8	1.9	2.8	2.8	1.3	0.8	0.8	1.4	3.3	3.4	2.6	2.7
Exchange Rate (vs. US\$, end-of-period)	1.40	1.68	1.66	1.67	1.73	1.85	1.74	1.70	1.63	1.66	1.53	1.49	1.45
Current Account Balance (% of GDP)	15.0	15.6	22.3	17.4	11.6	16.8	13.4	24.2	20.1	24.5	27.5	25.9	24.5
Trade Balance (% of GDP)	2.4	1.1	17.5	15.1	13.8	6.7	9.8	25.6	23.3	25.4	25.1	27.5	25.3
Exports (annual variation in %)	6.4	-0.2	-12.3	12.8	20.1	-18.5	2.8	27.9	24.2	15.7	18.2	11.4	11.1
Imports (annual variation in %)	5.4	0.7	-23.1	16.7	22.0	-15.2	0.4	17.1	27.4	15.3	19.1	9.2	12.5
Int. Reserves (months of imports)	7.5	6.9	9.4	8.3	7.1	7.8	8.5	8.5	7.8	7.0	6.9	6.9	6.8
External Debt (% of GDP)	10.6	14.5	11.2	14.2	12.9	17.7	18.0	26.6	23.9	22.8	23.6	21.4	20.7

Dynamic Construction Sector Drives Economy

Construction is driving economic growth, as the country faces soaring demand for apartments and offices. On the demand side, resilient construction activity is being reflected in strong investment growth. Supported by lower interest rates, investment should continue to grow at the healthy pace observed last year. Moreover, low interest rates should also revive consumption, which has been growing modestly in the last quarters. Meanwhile, inflation is likely to remain at the current level.

Economic growth rebounds unexpectedly

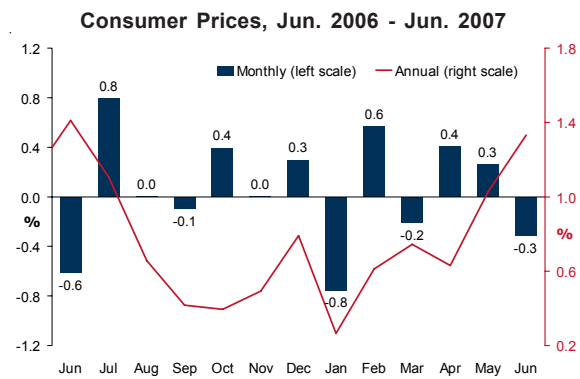


Note: Year-on-year changes in %.
Source: Ministry of Trade and Industry (MTI) and FocusEconomics calculations.

Having decelerated for four consecutive quarters, the economy rebounded strongly in the second quarter. According to advance estimates released by the Ministry of Trade and Industry (MTI) on 10 July, gross domestic product (GDP) expanded 8.2% year-on-year in the April-June period. The reading was up from the 6.4% expansion observed in the first quarter (previously reported: +6.1% year-on-year) and well exceeded market expectations of 5.6% growth. Preliminary figures showed a pronounced acceleration in manufacturing (Q1: +4.4% yoy; Q2: +10.2% yoy) and construction (Q1: +11.6% yoy; Q2: +17.9% yoy), while services continued to grow at virtually the same pace (Q1: +7.2% yoy; Q2: +7.0% yoy). Construction is driving economic growth, as the country faces soaring demand for apartments and offices. On the demand side, resilient construction activity is reflected in strong investment growth during this year. Estimates for GDP by expenditure have not been released yet. A quarter-on-quarter comparison confirms the acceleration suggested by the annual data. In the second quarter, economic activity added an annualised 12.8% over the previous quarter in seasonally adjusted terms, which was up from the already strong 8.5% annualized growth observed in the first quarter (previously reported: +7.6% quarter-on-quarter). The second quarter estimates are mostly based on data from April and May and are therefore likely to be revised with the next release of national accounts data in August. For this year, the government expects GDP to grow between 5.0% and 7.0%. Consensus Forecast participants share the government's assessment and expect the economy to grow 6.2% this year, which is up 0.3 percentage points from last month's estimate. For 2008, panellists anticipate GDP to expand 6.3%.

Inflation climbs to highest level in a year

In June, consumer prices decreased 0.3% over the previous month. The reading contrasted the 0.3% price rise observed in May but was in line with market expectations. Lower prices in housing, clothing and footwear drove the June price decline. Housing prices decreased due to cheaper household durables. Meanwhile, as a result of the Singapore sales period, prices in clothing and footwear decreased. Despite the price drop in June, annual inflation jumped from 1.0% in May to 1.3%, which is the highest rate observed



Note: Monthly and annual variation of consumer price index in %.

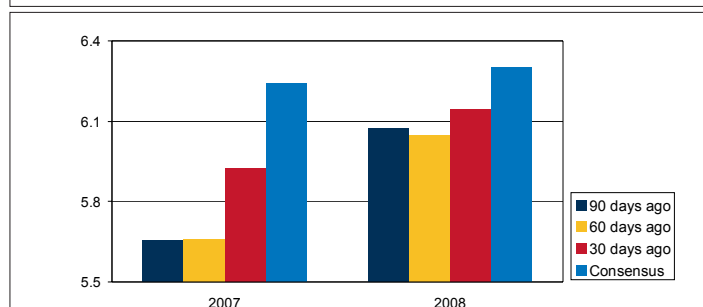
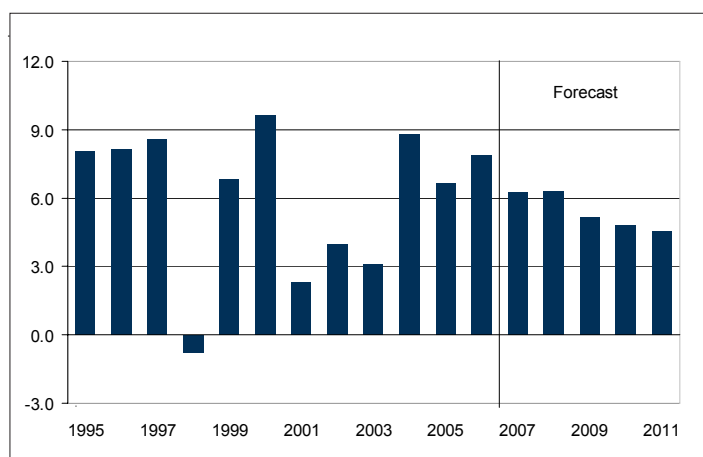
Source: Singapore Department of Statistics and FocusEconomics calculations.

in a year. Annual average inflation, however, remained at 0.7% for the third consecutive month. For this year, monetary authorities forecast average inflation to range between 0.5% and 1.5%. Consensus Forecast panellists expect price pressures to persist and anticipate inflation to stay at 1.3% by the end of this year, which is unchanged from last month's forecast. For 2008, the panel expects inflation to remain stable at 1.3%, which is also unchanged from last month's projection.

Real Sector

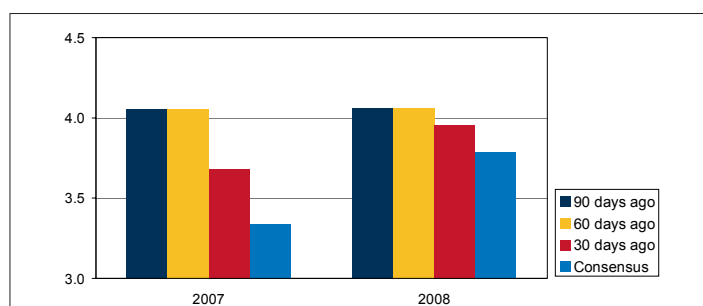
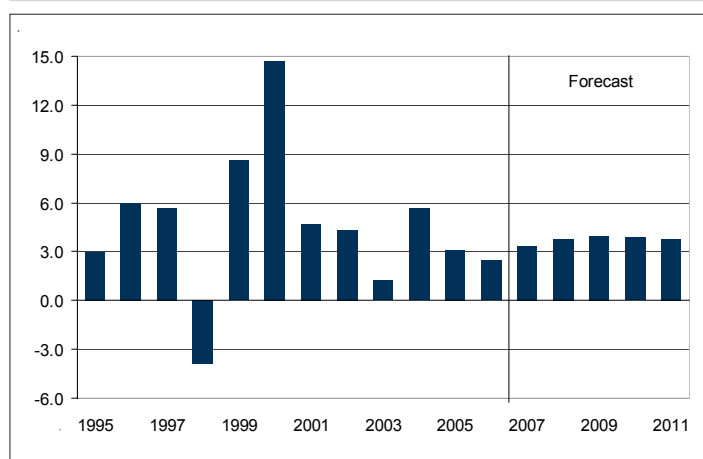
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	82.5	92.6	85.8	88.5	92.3	107.4	116.7	132.2	149.1	164.9	177.2	188.7	201.0
GDP (annual variation in %)	6.8	9.6	2.3	4.0	3.1	8.8	6.6	7.9	6.2	6.3	5.2	4.8	4.6
Consumption (ann.var. in %)	8.6	14.7	4.7	4.4	1.2	5.6	3.1	2.5	3.3	3.8	3.9	3.9	3.8
Investment (ann.var. in %)	-4.9	8.7	-3.9	-11.3	-3.3	10.2	0.1	11.5	10.5	9.1	6.7	6.0	5.6
Industrial Production (ann.var. in %)	13.9	15.4	-11.6	8.5	3.0	13.9	9.5	11.5	7.0	8.1	6.3	4.9	4.5
Unemployment (%)	2.6	2.4	3.9	3.9	4.0	3.2	2.6	2.6	2.5	2.5	2.6	2.5	2.5

Gross Domestic Product, annual variation in %



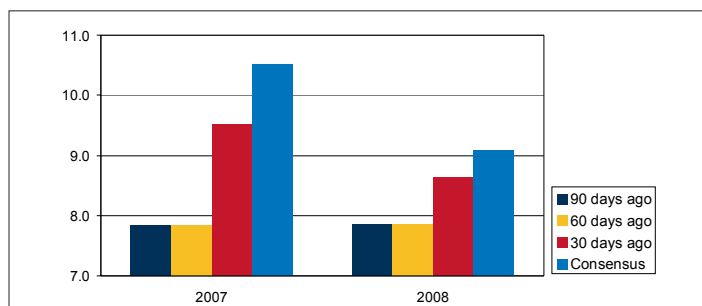
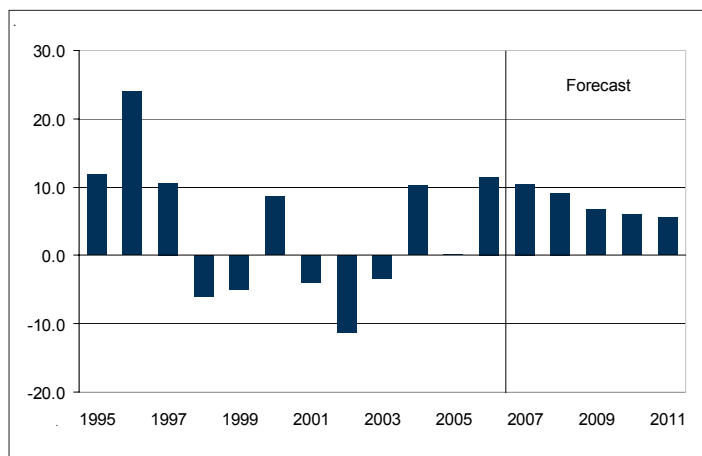
	2007	2008
ABN Amro Asia	5.4	5.1
Allianz Group	5.0	5.5
Citigroup Global Markets Inc.	6.6	5.8
Credit Suisse	7.0	8.0
DBS Bank	7.3	6.5
Deutsche Bank	5.5	7.5
Goldman Sachs	6.7	6.5
HSBC	6.3	6.6
ING Financial Markets	7.0	6.0
JPMorgan	5.3	5.7
OCBC Bank	6.8	6.5
Standard Chartered Bank	5.5	6.0
UBS	6.0	5.5
United Overseas Bank	7.0	7.0
Consensus	6.2	6.3
30 days ago	5.9	6.1
60 days ago	5.7	6.0
90 days ago	5.7	6.1
Minimum	5.0	5.1
Maximum	7.3	8.0
Median	6.5	6.3
Standard Deviation	12.4	12.9

Private Consumption, annual variation in %



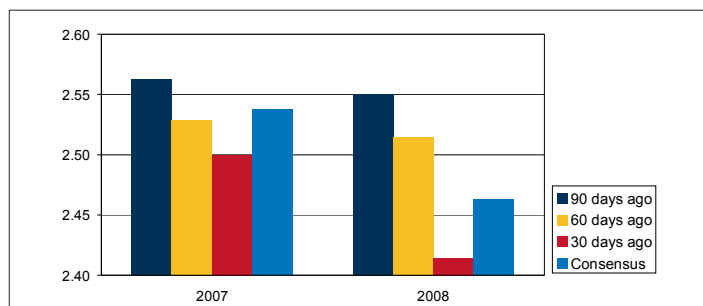
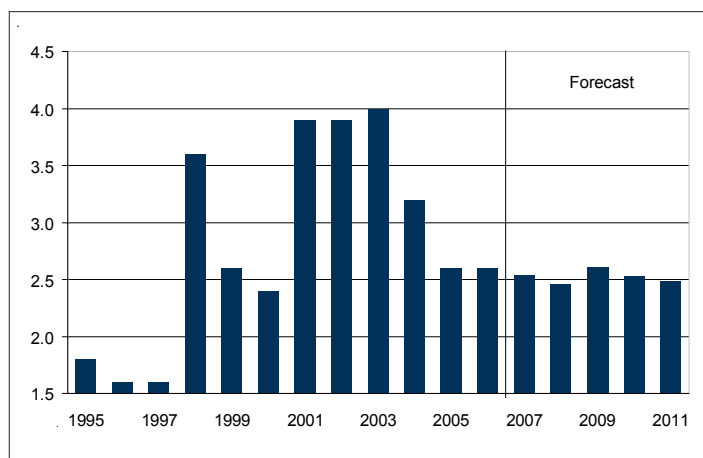
	2007	2008
ABN Amro Asia	3.2	3.0
Allianz Group	-	-
Citigroup Global Markets Inc.	2.6	2.4
Credit Suisse	4.0	5.6
DBS Bank	2.8	3.0
Deutsche Bank	5.3	6.2
Goldman Sachs	-	-
HSBC	2.9	2.6
ING Financial Markets	2.0	3.0
JPMorgan	-	-
OCBC Bank	2.7	4.2
Standard Chartered Bank	-	-
UBS	4.2	4.0
United Overseas Bank	3.7	3.9
Consensus	3.3	3.8
30 days ago	3.7	4.0
60 days ago	4.1	4.1
90 days ago	4.1	4.1
Minimum	2.0	2.4
Maximum	5.3	6.2
Median	3.1	3.5
Standard Deviation	29.2	33.7

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	6.0	6.5
Allianz Group	-	-
Citigroup Global Markets Inc.	15.1	11.2
Credit Suisse	10.8	11.7
DBS Bank	13.0	11.5
Deutsche Bank	9.8	10.6
Goldman Sachs	-	-
HSBC	13.4	8.2
ING Financial Markets	11.5	7.5
JPMorgan	-	-
OCBC Bank	5.7	6.9
Standard Chartered Bank	-	-
UBS	14.8	8.3
United Overseas Bank	5.0	8.5
Consensus	10.5	9.1
30 days ago	9.5	8.6
60 days ago	7.8	7.9
90 days ago	7.8	7.9
Minimum	5.0	6.5
Maximum	15.1	11.7
Median	11.2	8.4
Standard Deviation	36.1	21.7

Unemployment, % of economically active population

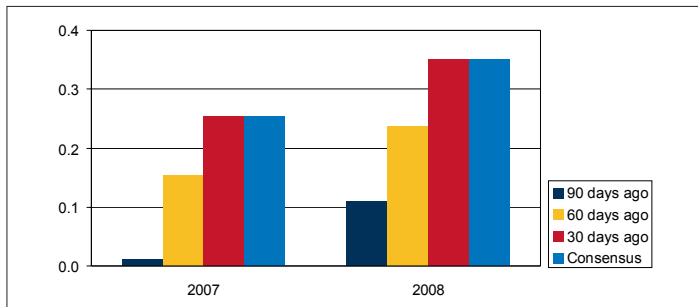
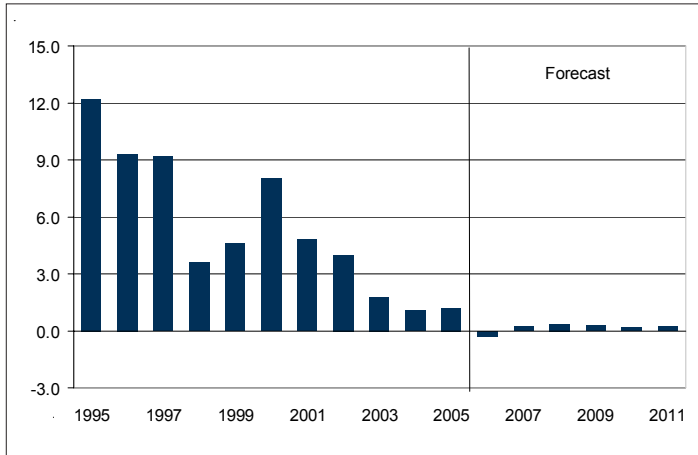


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	2.5	2.5
Credit Suisse	2.3	2.3
DBS Bank	2.5	2.4
Deutsche Bank	2.5	2.3
Goldman Sachs	-	-
HSBC	2.6	2.3
ING Financial Markets	2.5	2.5
JPMorgan	-	-
OCBC Bank	2.6	2.6
Standard Chartered Bank	-	-
UBS	-	-
United Overseas Bank	2.8	2.8
Consensus	2.5	2.5
30 days ago	2.5	2.4
60 days ago	2.5	2.5
90 days ago	2.6	2.6
Minimum	2.3	2.3
Maximum	2.8	2.8
Median	2.5	2.5
Standard Deviation	5.5	7.2

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal Balance (% of GDP)	4.6	8.0	4.8	4.0	1.8	1.1	1.2	-0.3	0.3	0.4	0.3	0.2	0.2

Fiscal Balance, % of GDP

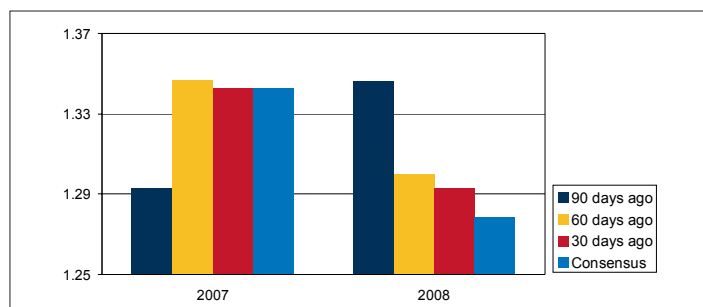
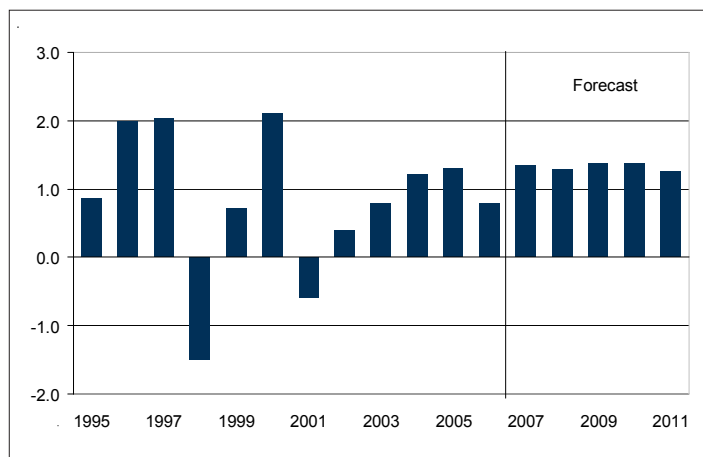


	2007	2008
ABN Amro Asia	-0.1	0.0
Allianz Group	-	-
Citigroup Global Markets Inc.	-	-
Credit Suisse	-0.2	-0.2
DBS Bank	-	-
Deutsche Bank	0.2	0.3
Goldman Sachs	-	-
HSBC	0.3	0.3
ING Financial Markets	0.3	0.6
JPMorgan	1.0	1.0
OCBC Bank	-	-
Standard Chartered Bank	-	-
UBS	0.3	0.5
United Overseas Bank	-	-
Consensus	0.3	0.4
30 days ago	0.3	0.4
60 days ago	0.2	0.2
90 days ago	0.0	0.1
Minimum	-0.2	-0.2
Maximum	1.0	1.0
Median	0.3	0.3
Standard Deviation	153.0	111.6

Monetary Sector

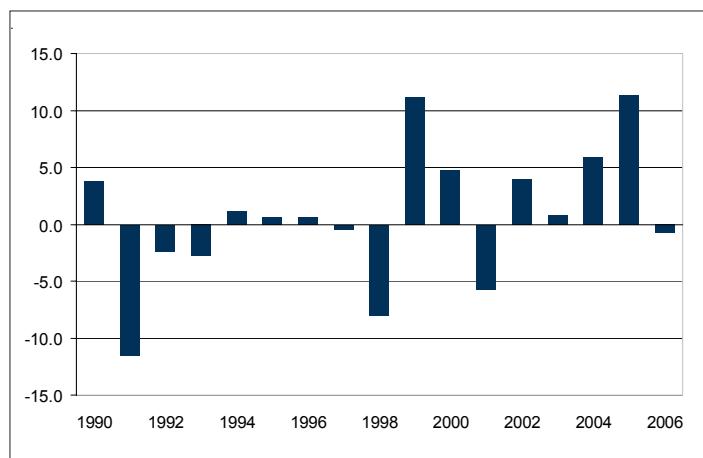
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	0.7	2.1	-0.6	0.4	0.8	1.2	1.3	0.8	1.3	1.3	1.4	1.4	1.3
Producer Prices (ann. var. in %)	11.1	4.8	-5.7	4.0	0.8	5.9	11.3	-0.8	-	-	-	-	-
Money (annual variation of M1 in %)	14.2	6.9	8.5	-0.7	8.1	14.0	4.4	13.4	-	-	-	-	-
Interest Rate (benchmark in %, eop)	2.8	2.8	1.3	0.8	0.8	1.4	3.3	3.4	2.6	2.7	2.8	3.0	3.1
Local currency per US\$ (eop)	1.67	1.73	1.85	1.74	1.70	1.63	1.66	1.53	1.49	1.45	1.46	1.44	1.44
Local currency per US\$ (average)	1.69	1.72	1.79	1.79	1.74	1.69	1.66	1.59	1.51	1.47	1.46	1.45	1.44
Nom. Depreciation (vs. US\$, annual)	0.3	3.8	6.5	-6.6	-2.1	-4.1	1.8	-8.5	-3.0	-2.5	0.5	-1.1	0.0

Consumer Prices, annual variation in %

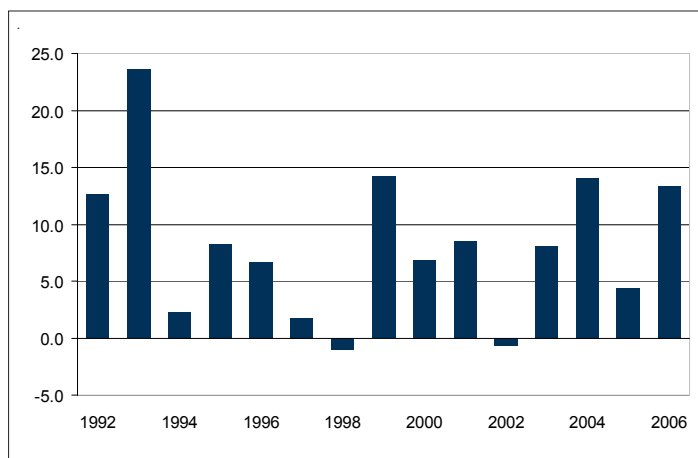


	2007	2008
ABN Amro Asia	1.0	1.3
Allianz Group	1.3	1.3
Citigroup Global Markets Inc.	1.8	1.7
Credit Suisse	0.9	1.0
DBS Bank	1.4	0.9
Deutsche Bank	0.9	1.3
Goldman Sachs	1.0	1.6
HSBC	1.3	1.1
ING Financial Markets	1.5	1.5
JPMorgan	2.3	0.6
OCBC Bank	1.0	1.4
Standard Chartered Bank	1.2	1.2
UBS	1.4	1.0
United Overseas Bank	1.8	2.0
Consensus	1.3	1.3
30 days ago	1.3	1.3
60 days ago	1.3	1.3
90 days ago	1.3	1.3
Minimum	0.9	0.6
Maximum	2.3	2.0
Median	1.3	1.3
Standard Deviation	30.2	28.0

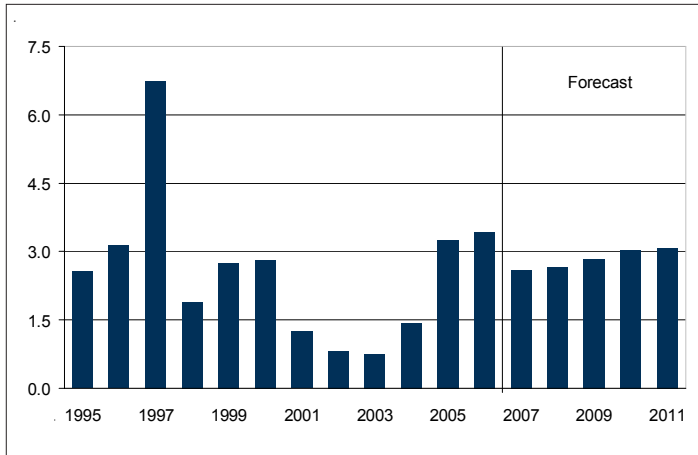
Producer Prices, annual variation in %



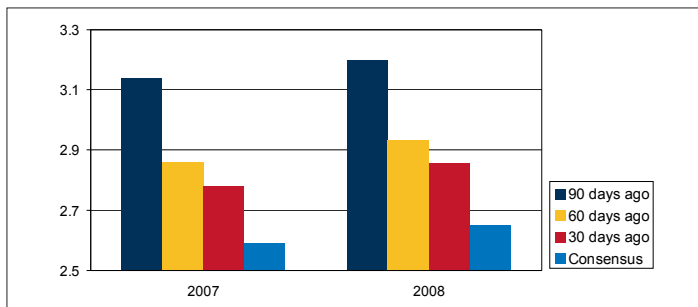
Narrow Money, annual variation in %



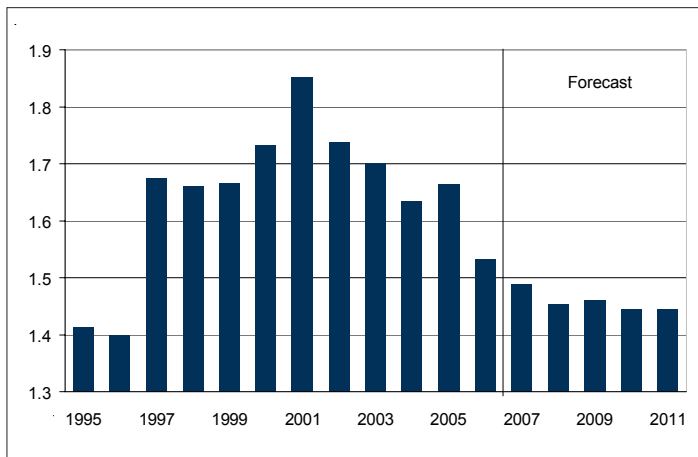
Interest Rates, benchmark rate in %



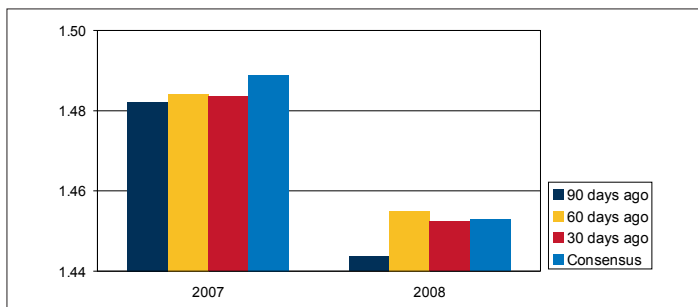
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	2.5	2.7
Credit Suisse	3.0	3.2
DBS Bank	3.1	-
Deutsche Bank	2.4	-
Goldman Sachs	2.8	2.8
HSBC	2.5	2.5
ING Financial Markets	2.0	2.3
JPMorgan	-	-
OCBC Bank	2.6	2.6
Standard Chartered Bank	2.9	-
UBS	2.2	2.7
United Overseas Bank	2.5	2.5
Consensus	2.6	2.7
30 days ago	2.8	2.9
60 days ago	2.9	2.9
90 days ago	3.1	3.2
Minimum	2.0	2.3
Maximum	3.1	3.2
Median	2.5	2.6
Standard Deviation	13.0	10.4



Exchange Rate, versus US\$ (end of period)



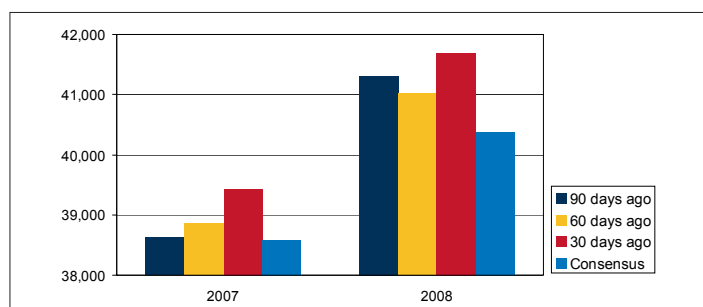
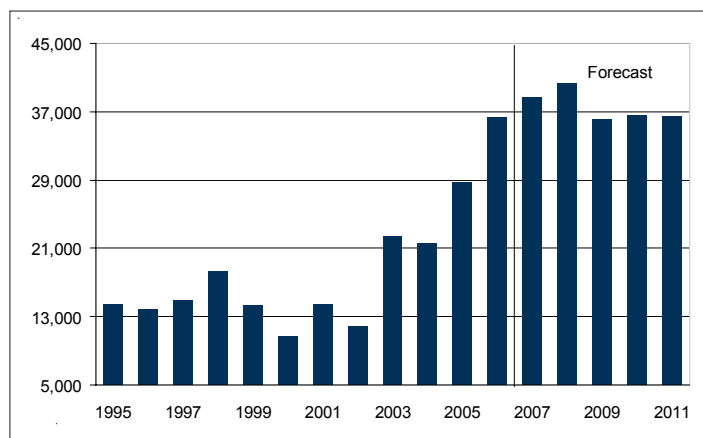
	2007	2008
ABN Amro Asia	1.48	1.43
Allianz Group	-	-
Citigroup Global Markets Inc.	1.50	1.41
Credit Suisse	1.50	1.45
DBS Bank	1.49	-
Deutsche Bank	1.48	1.43
Goldman Sachs	1.49	1.47
HSBC	1.48	1.43
ING Financial Markets	1.50	1.47
JPMorgan	1.49	1.53
OCBC Bank	1.49	1.48
Standard Chartered Bank	1.49	1.43
UBS	1.48	1.45
United Overseas Bank	1.49	1.46
Consensus	1.49	1.45
30 days ago	1.48	1.45
60 days ago	1.48	1.46
90 days ago	1.48	1.44
Minimum	1.48	1.41
Maximum	1.50	1.53
Median	1.49	1.45
Standard Deviation	0.5	2.2



External Sector

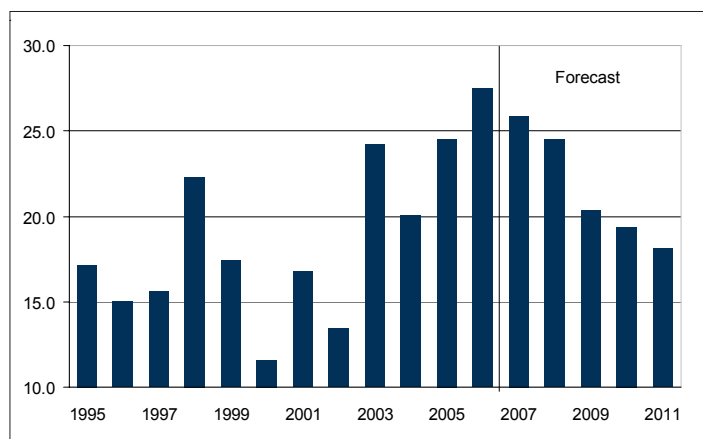
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	14.4	10.7	14.4	11.9	22.3	21.5	28.6	36.3	38.6	40.4	36.1	36.5	36.5
Current Account Balance (% of GDP)	17.4	11.6	16.8	13.4	24.2	20.1	24.5	27.5	25.9	24.5	20.4	19.4	18.2
Trade Balance (US\$ billion)	12.4	12.7	5.8	8.7	23.7	25.0	29.6	33.1	41.0	41.7	37.4	41.9	42.0
Exports (US\$ billion)	124.4	149.4	121.7	125.0	159.9	198.6	229.8	271.6	302.4	336.1	362.2	382.3	408.7
Imports (US\$ billion)	112.0	136.6	115.9	116.3	136.2	173.5	200.2	238.5	260.3	292.8	324.8	340.4	366.7
Exports (annual variation in %)	12.8	20.1	-18.5	2.8	27.9	24.2	15.7	18.2	11.4	11.1	7.8	5.5	6.9
Imports (annual variation in %)	16.7	22.0	-15.2	0.4	17.1	27.4	15.3	19.1	9.2	12.5	10.9	4.8	7.7
International Reserves (US\$ billion)	77.2	80.4	75.8	82.3	96.3	112.8	116.6	136.8	150.4	165.1	167.1	175.8	185.9
International Reserves (months of imports)	8.3	7.1	7.8	8.5	8.5	7.8	7.0	6.9	6.9	6.8	6.2	6.2	6.1
Total External Debt (US\$ billion)	11.7	11.9	15.2	15.9	24.6	25.7	26.6	31.2	31.9	34.2	32.9	34.9	37.6
Total External Debt (% GDP)	14.2	12.9	17.7	18.0	26.6	23.9	22.8	23.6	21.4	20.7	18.6	18.5	18.7

Current Account Balance, US\$ million

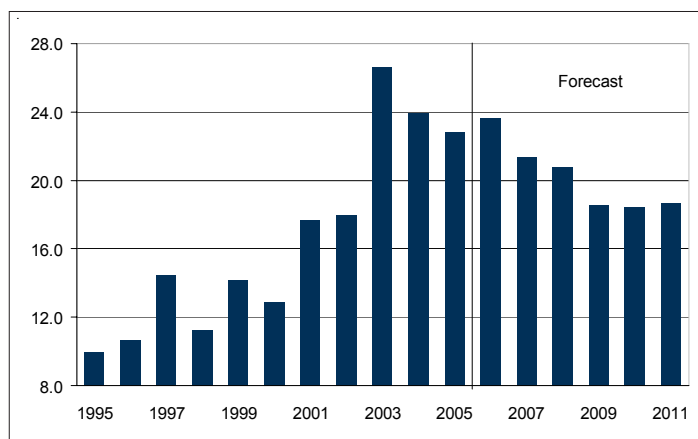


	2007	2008
ABN Amro Asia	38,700	40,300
Allianz Group	33,716	37,509
Citigroup Global Markets Inc.	28,600	29,100
Credit Suisse	41,900	44,500
DBS Bank	40,000	42,000
Deutsche Bank	39,400	42,500
Goldman Sachs	-	-
HSBC	39,968	45,604
ING Financial Markets	36,414	32,463
JPMorgan	42,000	37,400
OCBC Bank	42,700	48,700
Standard Chartered Bank	43,000	47,000
UBS	31,746	31,746
United Overseas Bank	43,500	46,000
Consensus	38,588	40,371
30 days ago	39,430	41,690
60 days ago	38,866	41,018
90 days ago	38,625	41,310
Minimum	28,600	29,100
Maximum	43,500	48,700
Median	39,968	42,000
Standard Deviation	12.1	15.6

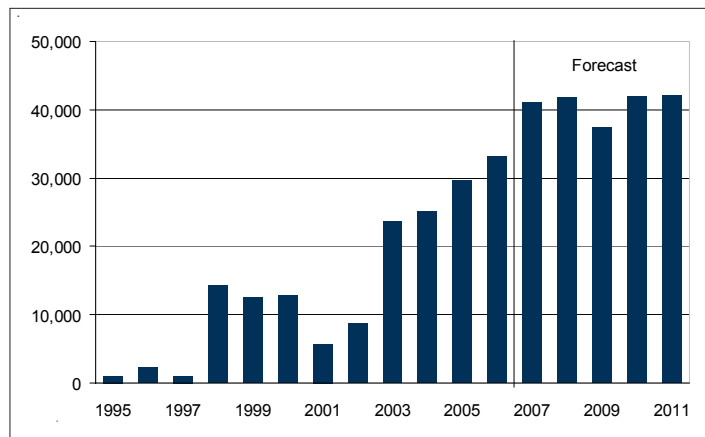
Current Account Balance, % of GDP



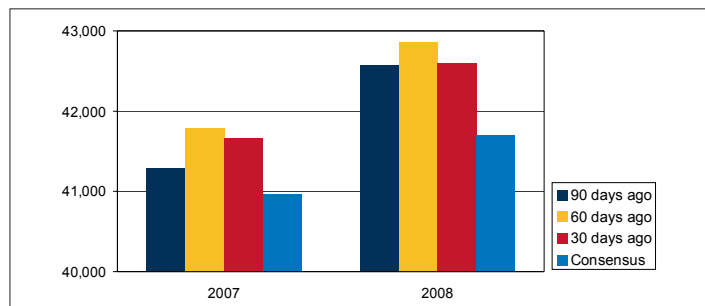
External Debt, % of GDP



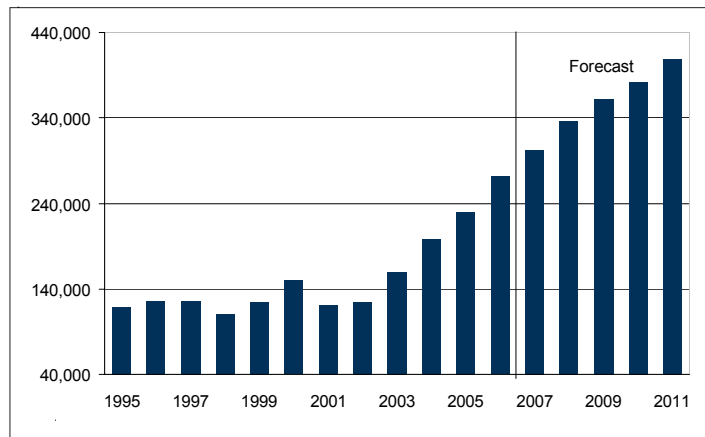
Trade Balance, US\$ million



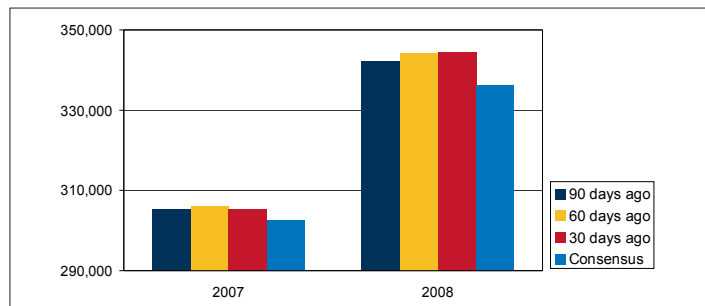
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	34,098	35,786
Credit Suisse	38,969	40,773
DBS Bank	-	-
Deutsche Bank	46,200	43,200
Goldman Sachs	-	-
HSBC	49,398	56,634
ING Financial Markets	32,965	23,651
JPMorgan	46,800	45,700
OCBC Bank	44,518	49,031
Standard Chartered Bank	38,154	44,906
UBS	30,519	27,333
United Overseas Bank	48,000	50,000
Consensus	40,962	41,701
30 days ago	41,655	42,589
60 days ago	41,789	42,859
90 days ago	41,288	42,575
Minimum	30,519	23,651
Maximum	49,398	56,634
Median	41,744	44,053
Standard Deviation	16.8	24.5



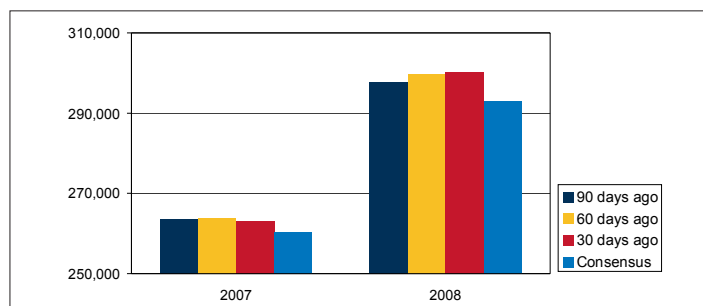
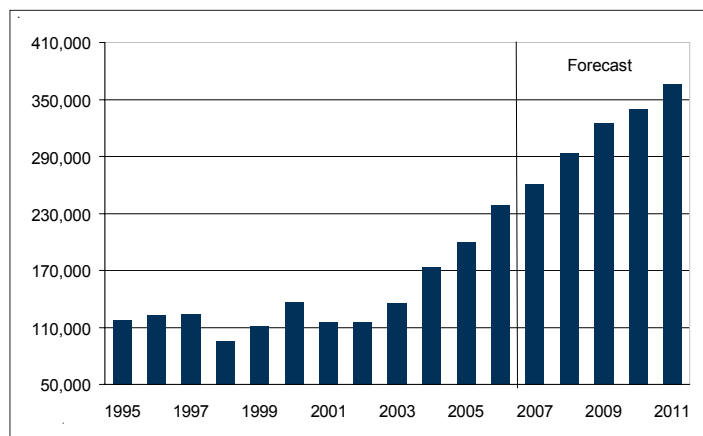
Exports, US\$ million



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	299,547	330,699
Credit Suisse	305,825	351,393
DBS Bank	-	-
Deutsche Bank	297,700	327,400
Goldman Sachs	-	-
HSBC	305,278	347,187
ING Financial Markets	302,943	315,379
JPMorgan	312,200	360,100
OCBC Bank	293,486	316,672
Standard Chartered Bank	305,010	346,187
UBS	-	-
United Overseas Bank	300,000	330,000
Consensus	302,443	336,113
30 days ago	305,248	344,410
60 days ago	306,083	344,102
90 days ago	305,318	342,102
Minimum	293,486	315,379
Maximum	312,200	360,100
Median	302,943	330,699
Standard Deviation	1.8	4.7

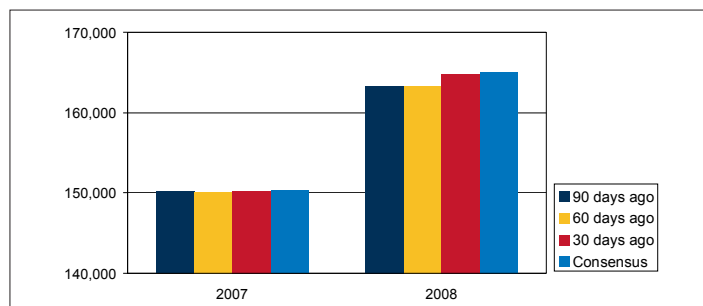
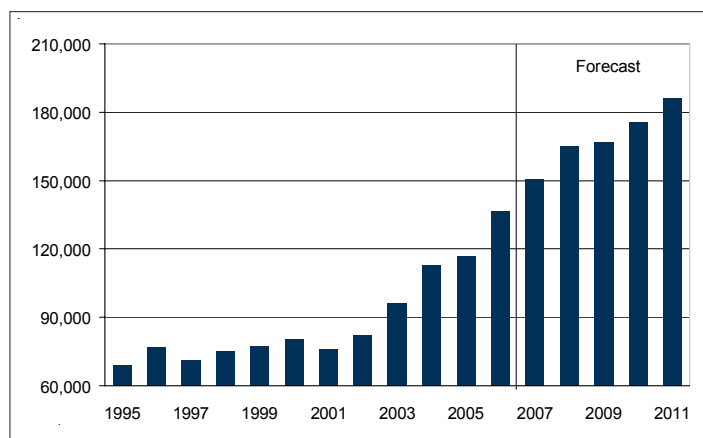


Imports, US\$ million



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	265,449	294,914
Credit Suisse	266,856	310,620
DBS Bank	-	-
Deutsche Bank	251,500	284,200
Goldman Sachs	-	-
HSBC	255,880	290,553
ING Financial Markets	269,977	291,728
JPMorgan	265,400	314,400
OCBC Bank	248,968	267,641
Standard Chartered Bank	266,856	301,280
UBS	-	-
United Overseas Bank	252,000	280,000
Consensus	260,321	292,815
30 days ago	263,143	300,323
60 days ago	263,813	299,685
90 days ago	263,614	297,845
Minimum	248,968	267,641
Maximum	269,977	314,400
Median	265,400	291,728
Standard Deviation	3.1	5.0

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	141,300	151,500
Allianz Group	-	-
Citigroup Global Markets Inc.	145,000	160,000
Credit Suisse	154,000	178,000
DBS Bank	150,000	166,000
Deutsche Bank	161,000	174,000
Goldman Sachs	-	-
HSBC	153,667	180,147
ING Financial Markets	152,000	160,000
JPMorgan	-	-
OCBC Bank	142,200	149,300
Standard Chartered Bank	154,000	170,000
UBS	150,450	161,950
United Overseas Bank	-	-
Consensus	150,362	165,090
30 days ago	150,255	164,845
60 days ago	150,105	163,305
90 days ago	150,190	163,399
Minimum	141,300	149,300
Maximum	161,000	180,147
Median	151,225	163,975
Standard Deviation	4.0	6.4

General Data

Official name:	Republic of Singapore
Capital:	Singapore (4.5m)
Area (km ²):	682.7
Population (2006 est., million):	4.5
Population density (2006, per km ²):	5,275
Population growth rate (2006, %):	1.4
Life expectancy (2006, years):	81.7
Illiteracy rate (2003):	5.8
Languages:	Chinese, English, Malay and Tamil
Measures:	Metric system
Time:	8 hours ahead of GMT

Economic Infrastructure

Communications (2005)

Telephones - main lines in use (per 100 inhabitants):	42.4
Telephones - mobile cellular (per 100 inhabitants):	100.8
Telephones - mobile cellular (% total telephone subscribers):	70.4
Internet Users (per 100 inhabitants):	39.8
Personal Computers (per 100 inhabitants):	68.0

Energy (2005)

Total Electricity Generation (GWh):	38,213
Electricity Consumption Growth (%):	4.8
Residential Consumption (% share of total):	19.4
Industrial Consumption (% share of total):	80.6

Transportation (2005)

Railways Open to Traffic (km):	127.9
Road Network (km):	3,234
Paved (%):	100
Chief ports:	Singapore

Executive Branch

President:	Sellapan Rama Nathan
Since:	18 August 1999
Last elections:	17 August 2005
Next elections:	August 2011

Cabinet:

Prime Minister and Minister of Finance:	Lee Hsien Loong
Minister for Trade and Industry:	Lim Hng Kiang
Minister for Foreign Affairs:	George Yong-Boon Yeo
Minister for Home Affairs:	Wong Kan Seng

Chairman, Monetary Authority of Singapore:	Goh Chok Tong
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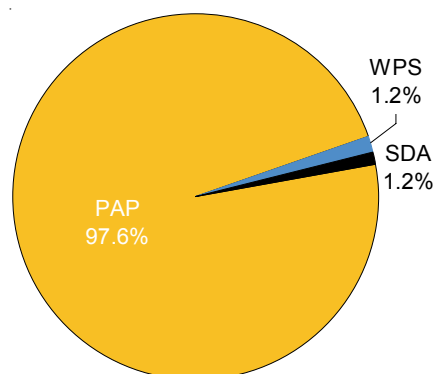
Legislative Branch

Last elections:	6 May 2006
Next elections:	2011

Parliament

Party	Seats	% of Total
People's Action Party (PAP):	82	97.6
Worker's Party (WPS):	1	1.2
Singapore Democratic Alliance (SDA):	1	1.2
Total:	84	100.0

Parliament



Strengths

- High-level educational system
- High-tech and stable economy
- Excellent infrastructure and communications
- Low inflation environment

Weaknesses

- Small domestic market
- Dependence on external sector
- Comparatively high labour costs
- Lack of natural resources

Long-Term Foreign Currency Ratings

Moody's:	Aaa
S&P:	AAA
Fitch Ratings:	AAA

Trade by Product Groups (2006)

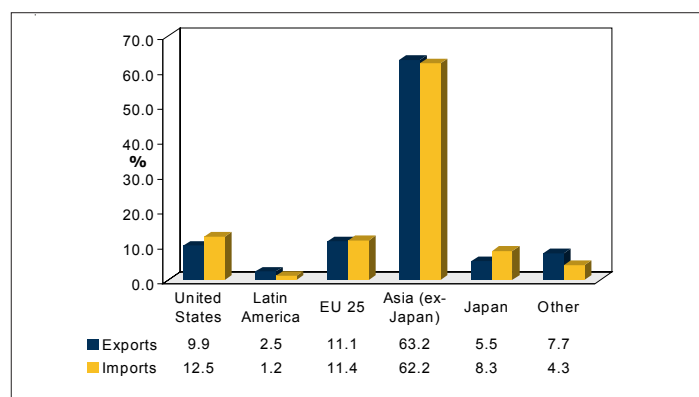
Exports:

Machinery & Equipment:	57.8
Electronic Components & Parts:	25.5
Mineral Fuels:	16.3
Chemicals:	11.4
Other:	14.5

Imports:

Machinery & Equipment:	54.7
Mineral Fuels:	19.7
Manufactured Goods:	7.4
Chemicals:	6.0
Other:	12.2

Geographical Trade Structure (2006)



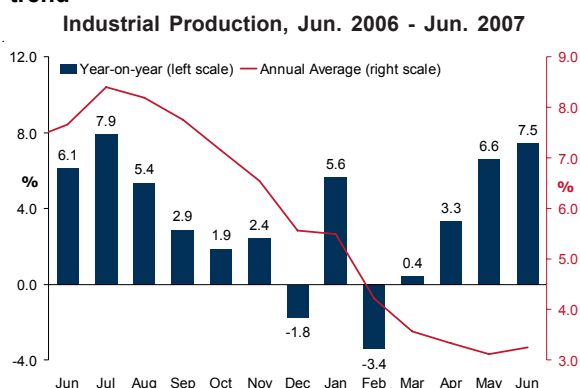
Forecast Summary

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	21.4	21.6	21.8	22.0	22.1	22.3	22.4	22.5	22.6	22.7	22.8	22.8	22.9
GDP (US\$ billion)	289.3	300.0	276.1	298.8	321.2	291.7	297.7	305.6	331.0	354.9	364.4	384.5	414.0
GDP per capita (US\$)	13,530	13,909	12,675	13,606	14,518	13,092	13,291	13,588	14,663	15,660	16,015	16,828	18,051
GDP (annual variation in %)	6.3	6.6	4.5	5.7	5.8	-2.2	4.6	3.5	6.2	4.1	4.7	4.2	4.6
Consumption (annual variation in %)	6.7	7.1	6.2	5.5	4.6	0.7	2.3	0.9	4.5	2.8	1.4	2.6	2.9
Investment (annual variation in %)	1.8	10.9	8.9	2.9	9.0	-19.9	-0.6	-0.9	19.5	0.2	1.0	2.0	4.5
Unemployment (%)	2.6	2.5	2.8	2.9	3.3	5.2	5.0	4.6	4.1	3.9	3.8	3.9	3.8
Fiscal Balance (% of GDP)	-1.4	-1.6	0.1	-1.3	-4.7	-6.5	-2.9	-2.8	-2.1	-1.6	-2.4	-1.5	-1.6
Consumer Prices (annual variation in %)	2.5	0.3	2.1	0.1	1.7	-1.7	0.8	-0.1	1.6	2.2	0.7	1.5	1.8
Interest Rate (benchmark in %, eop)	5.3	7.4	5.2	4.8	5.3	2.4	1.5	1.0	1.1	1.4	1.7	2.6	2.8
Exchange Rate (vs. US\$, end-of-period)	27.49	32.64	32.22	31.40	32.99	35.00	34.75	33.98	31.92	32.85	32.59	32.37	31.68
Current Account Balance (% of GDP)	3.8	2.3	1.2	2.7	2.8	6.3	8.6	9.6	5.6	4.8	6.9	6.7	6.3
Trade Balance (% of GDP)	6.1	4.6	3.7	4.9	4.3	6.8	8.1	8.1	4.9	5.0	6.4	6.4	6.4
Exports (annual variation in %)	3.8	5.7	-9.3	9.8	22.7	-16.9	7.1	11.3	21.1	8.8	12.8	6.1	7.9
Imports (annual variation in %)	0.0	10.3	-7.3	6.5	26.7	-23.0	4.4	13.2	32.2	8.6	11.1	6.2	7.7
Int. Reserves (months of imports)	10.6	9.1	10.6	11.7	9.3	13.8	17.5	19.7	17.4	16.8	15.9	15.8	15.4
External Debt (% of GDP)	9.5	11.2	10.9	12.9	10.8	11.8	15.1	20.6	24.4	24.4	23.6	23.8	22.9

Economy Poised to Slow

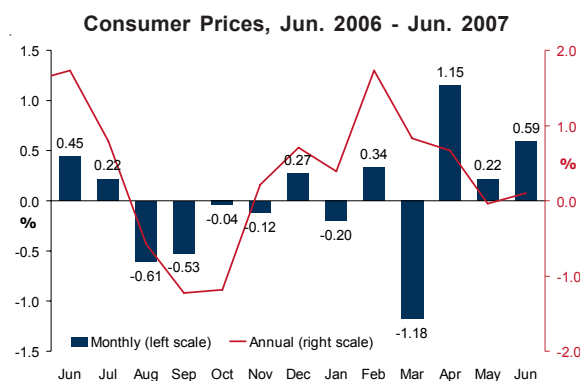
Although the economy is expected to slow throughout the remainder of the year, the external sector will be robust as exports continue to increase. Nonetheless, as political uncertainty has yet to settle, consumers and investors alike are likely to remain cautious for the time being. Furthermore, the Central Bank expects inflation to creep up in the coming months.

Industrial production breaks year-long deceleration trend



Note: Year-on-year and annual average variation of industrial production index in %.
Source: Directorate-General of Budget, Accounting & Statistics and FocusEconomics calculations.

Economy resurfaces from deflation



Note: Monthly and annual variation of consumer price index in %.
Source: Directorate-General of Budget, Accounting and Statistics and FocusEconomics calculations.

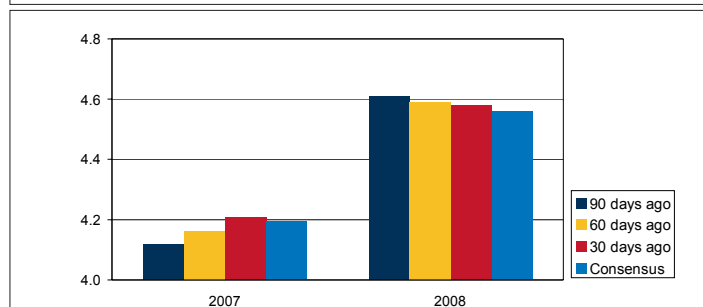
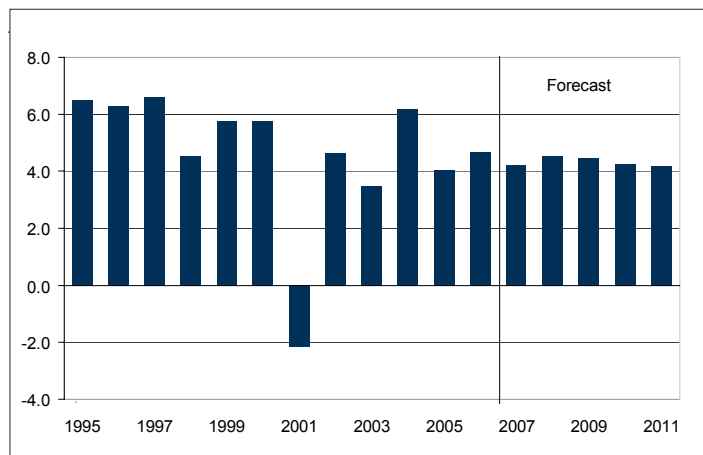
In June, industrial production added 7.5% over the same month the last year, which came in above May's 6.6% expansion. The June reading represents the fastest year-on-year pace since May of last year. The reading was driven by manufacturing, which expanded a robust 7.4% year-on-year, and was up from a 6.9% rise in May. However, the rest of the sectors registered mixed results with mining and quarrying declining 13.0% annually, electricity and gas increasing 3.4% and finally, construction adding 21.7% over the same month last year. Due to the June reading, annual average growth in industrial production broke an eleven-month-long deceleration trend and picked up a notch from 3.1% in May to 3.2%. Consensus Forecast participants expect industrial production to rebound and expand 4.4% this year. The overall economy will expand at a more moderate pace, with the current Consensus Forecast for 2007 GDP growth at 4.2%, which is unchanged from last month's forecast. For 2008, the panel expects the economy to accelerate to 4.6%.

Consumer prices increased 0.59% in June, which more than doubled the 0.22% price rise registered in May. Nevertheless, the reading came in below market expectations, which had prices adding an even more pronounced 0.69% over the previous month. A decline in clothing prices was more than offset by increases in prices for food and housing. As a result of the June reading, annual headline inflation rose from -0.04% in May to 0.10%. Thus, the country just escapes from deflation, following the trend observed in the past months, when the consumer price index has persistently been hovering around the threshold between inflation and deflation. The core inflation index, which excludes volatile categories such as food and energy, declined 0.06% over the previous month. Nevertheless, annual core inflation stepped up from 0.7% in May to 0.9%. Despite the extremely low inflation figures, the Central Bank expects price pressures to step up in the second half of the year, as the effect of rising prices in global raw materials starts to have an effect on the economy. Consensus Forecast participants anticipate headline inflation to rise to 1.5% by the end of 2007, which is unchanged from last month's estimate. For 2008, the panel expects inflation to step up to 1.8%.

Real Sector

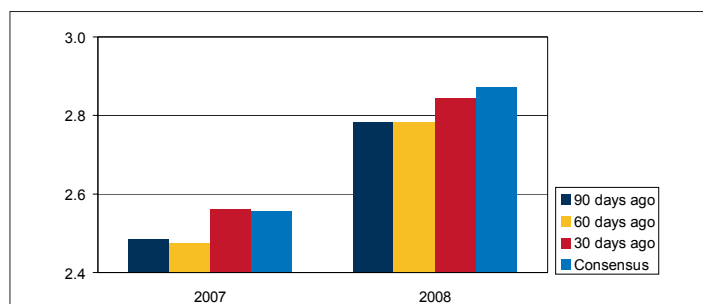
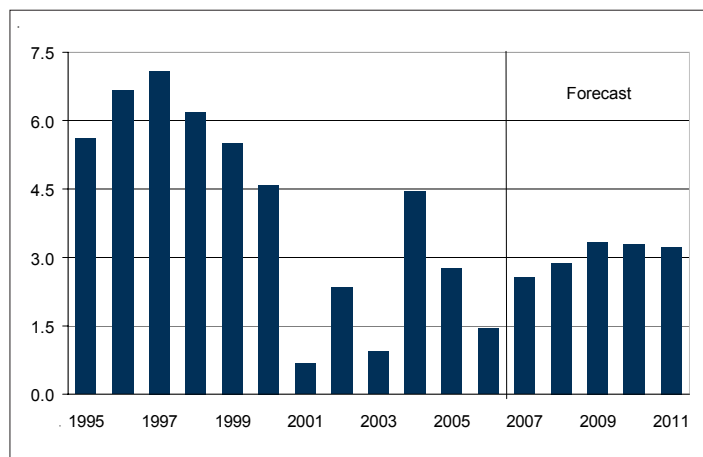
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	298.8	321.2	291.7	297.7	305.6	331.0	354.9	364.4	384.5	414.0	445.5	477.4	519.6
GDP per capita (US\$)	13,606	14,518	13,092	13,291	13,588	14,663	15,660	16,015	16,828	18,051	19,343	20,650	22,196
GDP (annual variation in %)	5.7	5.8	-2.2	4.6	3.5	6.2	4.1	4.7	4.2	4.6	4.5	4.3	4.2
Consumption (ann.var. in %)	5.5	4.6	0.7	2.3	0.9	4.5	2.8	1.4	2.6	2.9	3.3	3.3	3.2
Investment (ann.var. in %)	2.9	9.0	-19.9	-0.6	-0.9	19.5	0.2	1.0	2.0	4.5	3.8	3.5	3.0
Industrial Production (ann.var. in %)	7.4	6.9	-7.8	7.9	7.1	9.8	4.6	5.0	4.4	5.8	6.4	5.9	4.8
Unemployment (%)	2.9	3.3	5.2	5.0	4.6	4.1	3.9	3.8	3.9	3.8	3.3	3.4	3.4

Gross Domestic Product, annual variation in %



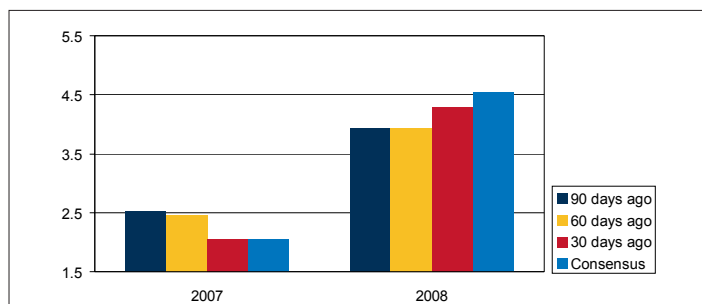
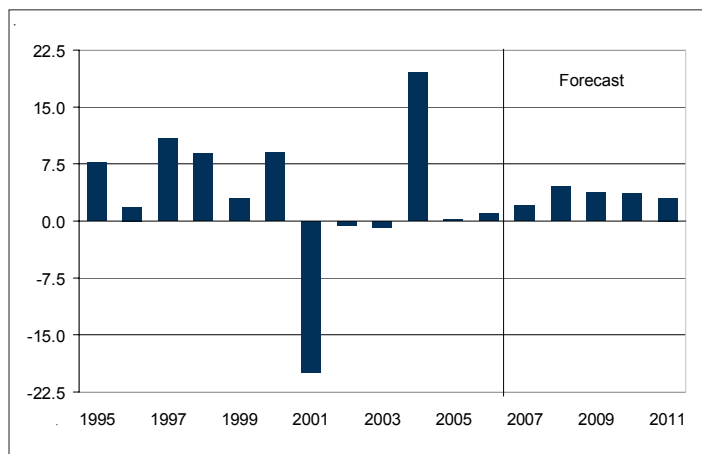
	2007	2008
ABN Amro Asia	4.0	4.3
Allianz Group	4.0	4.5
Chung Hua Institution for Economic Research	4.2	4.2
Citigroup Global Markets Inc.	4.5	4.8
Cominvest	4.3	4.5
Credit Suisse	4.5	5.5
DBS Bank	4.4	4.8
Deutsche Bank	3.5	4.0
Goldman Sachs	4.5	5.5
HSBC	4.1	4.2
ING Financial Markets	4.3	4.8
JPMorgan	4.5	4.3
Mitsubishi UFJ	4.4	-
Morgan Stanley	3.5	5.0
Polaris Securities	4.3	4.6
Royal Bank of Scotland	-	-
Standard Chartered Bank	4.1	4.0
Taiwan Institute of Economic Research	4.1	-
UBS	4.1	4.2
United Overseas Bank	4.3	4.2
Consensus	4.2	4.6
30 days ago	4.2	4.6
60 days ago	4.2	4.6
90 days ago	4.1	4.6
Minimum	3.5	4.0
Maximum	4.5	5.5
Median	4.3	4.5
Standard Deviation	7.0	10.1

Private Consumption, annual variation in %



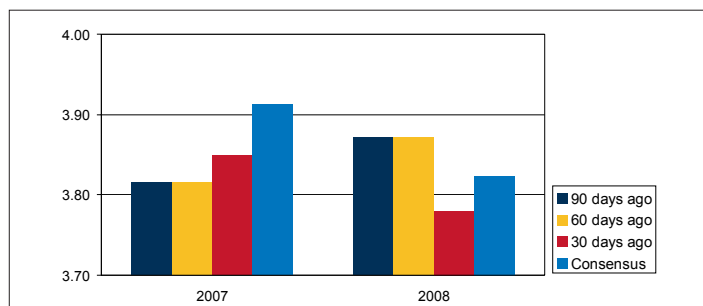
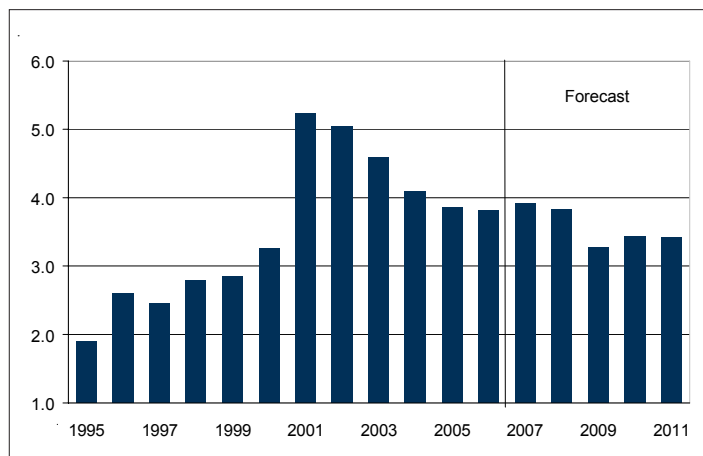
	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Chung Hua Institution for Economic Research	2.8	2.7
Citigroup Global Markets Inc.	2.5	2.9
Cominvest	-	-
Credit Suisse	3.2	4.0
DBS Bank	2.5	2.9
Deutsche Bank	2.2	2.5
Goldman Sachs	-	-
HSBC	2.4	2.5
ING Financial Markets	2.1	3.0
JPMorgan	-	-
Mitsubishi UFJ	2.2	-
Morgan Stanley	-	-
Polaris Securities	3.1	3.0
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	2.8	-
UBS	2.6	2.3
United Overseas Bank	-	-
Consensus	2.6	2.9
30 days ago	2.6	2.8
60 days ago	2.5	2.8
90 days ago	2.5	2.8
Minimum	2.1	2.3
Maximum	3.2	4.0
Median	2.5	2.9
Standard Deviation	14.2	16.9

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Chung Hua Institution for Economic Research	1.9	5.4
Citigroup Global Markets Inc.	2.0	5.1
Cominvest	-	-
Credit Suisse	2.9	4.1
DBS Bank	1.8	4.6
Deutsche Bank	-	-
Goldman Sachs	-	-
HSBC	3.9	5.5
ING Financial Markets	2.4	5.0
JPMorgan	-	-
Mitsubishi UFJ	0.6	-
Morgan Stanley	-	-
Polaris Securities	2.0	3.8
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	-	-
UBS	2.3	2.8
United Overseas Bank	-	-
Consensus	2.0	4.5
30 days ago	2.1	4.3
60 days ago	2.5	3.9
90 days ago	2.5	3.9
Minimum	0.6	2.8
Maximum	3.9	5.5
Median	2.0	4.8
Standard Deviation	48.2	20.2

Unemployment, % of economically active population

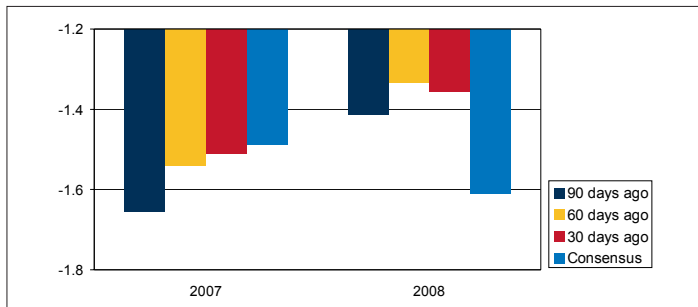
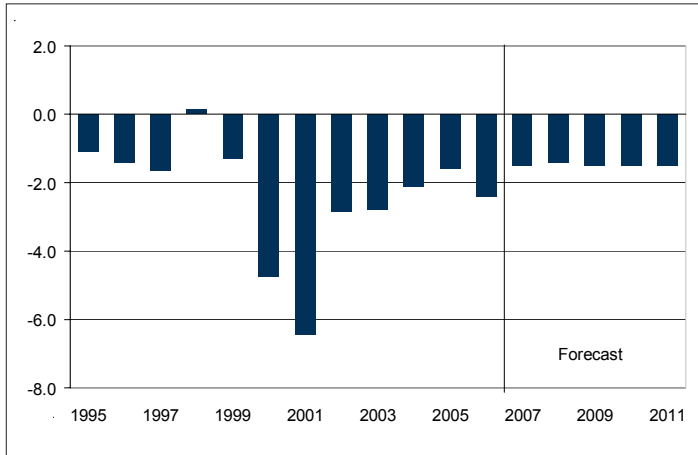


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Chung Hua Institution for Economic Research	3.9	3.8
Citigroup Global Markets Inc.	3.8	3.7
Cominvest	-	-
Credit Suisse	4.0	4.0
DBS Bank	3.9	3.8
Deutsche Bank	4.1	4.3
Goldman Sachs	-	-
HSBC	4.4	4.2
ING Financial Markets	3.6	3.2
JPMorgan	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Polaris Securities	3.9	3.9
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	-	-
UBS	-	-
United Overseas Bank	3.6	3.5
Consensus	3.9	3.8
30 days ago	3.8	3.8
60 days ago	3.8	3.9
90 days ago	3.8	3.9
Minimum	3.6	3.2
Maximum	4.4	4.3
Median	3.9	3.8
Standard Deviation	6.2	9.0

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal Balance (% of GDP)	-1.3	-4.7	-6.5	-2.9	-2.8	-2.1	-1.6	-2.4	-1.5	-1.6	-1.5	-1.5	-1.5

Fiscal Balance, % of GDP

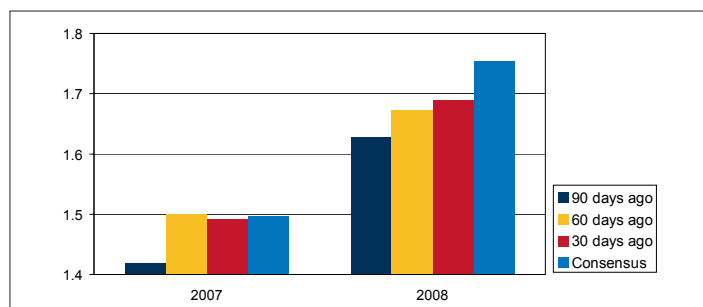
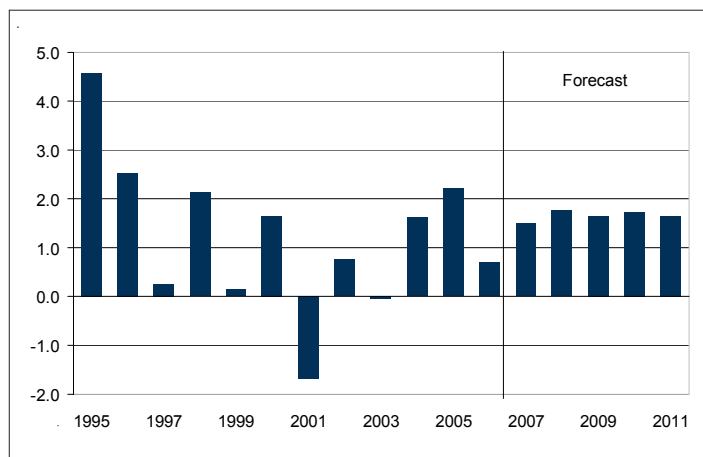


	2007	2008
ABN Amro Asia	-0.3	-
Allianz Group	-	-
Chung Hua Institution for Economic Research	-	-
Citigroup Global Markets Inc.	-1.0	-1.0
Cominvest	-2.2	-2.1
Credit Suisse	-1.8	-1.7
DBS Bank	-	-
Deutsche Bank	-2.5	-1.0
Goldman Sachs	-	-
HSBC	-0.3	-2.3
ING Financial Markets	-1.4	-1.4
JPMorgan	-2.0	-2.0
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Polaris Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	-	-
UBS	-1.3	-1.0
United Overseas Bank	-2.1	-2.0
Consensus	-1.5	-1.6
30 days ago	-1.5	-1.4
60 days ago	-1.5	-1.3
90 days ago	-1.7	-1.4
Minimum	-2.5	-2.3
Maximum	-0.3	-1.0
Median	-1.6	-1.7
Standard Deviation	51.9	32.5

Monetary Sector

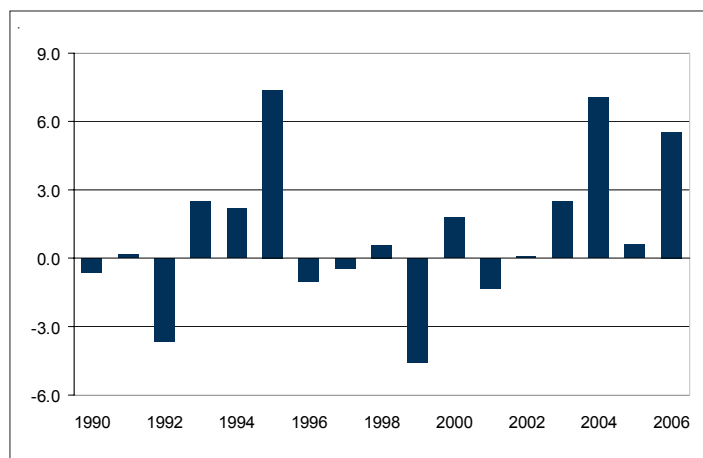
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	0.1	1.7	-1.7	0.8	-0.1	1.6	2.2	0.7	1.5	1.8	1.7	1.7	1.6
Producer Prices (ann. var. in %)	-4.5	1.8	-1.3	0.1	2.5	7.0	0.6	5.5	-	-	-	-	-
Money (annual variation of M1 in %)	13.2	-3.4	0.8	9.0	20.8	10.0	7.4	2.9	-	-	-	-	-
Interest Rate (benchmark in %, eop)	4.8	5.3	2.4	1.5	1.0	1.1	1.4	1.7	2.6	2.8	2.5	2.8	2.9
Local currency per US\$ (eop)	31.40	32.99	35.00	34.75	33.98	31.92	32.85	32.59	32.37	31.68	31.52	30.96	29.82
Local currency per US\$ (average)	32.27	31.23	33.80	34.58	34.42	32.23	32.20	32.72	32.48	32.02	31.60	31.24	30.39
Nom. Depreciation (vs. US\$, annual)	-2.6	4.8	5.7	-0.7	-2.3	-6.5	2.8	-0.8	-0.7	-2.2	-0.5	-1.8	-3.8

Consumer Prices, annual variation in %

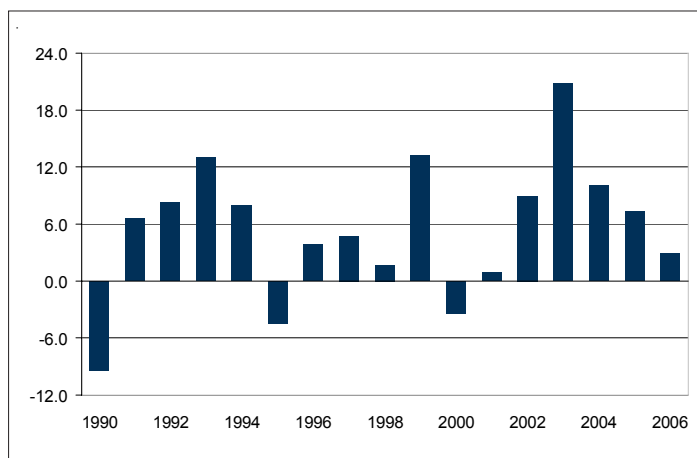


	2007	2008
ABN Amro Asia	1.6	1.5
Allianz Group	1.5	1.7
Chung Hua Institution for Economic Research	1.3	1.6
Citigroup Global Markets Inc.	2.1	1.8
Cominvest	1.2	1.3
Credit Suisse	2.4	2.8
DBS Bank	1.3	1.8
Deutsche Bank	0.8	1.2
Goldman Sachs	1.5	1.8
HSBC	1.4	1.7
ING Financial Markets	0.5	1.5
JPMorgan	2.1	1.9
Mitsubishi UFJ	-	-
Morgan Stanley	1.0	2.0
Polaris Securities	2.9	3.0
Royal Bank of Scotland	-	-
Standard Chartered Bank	1.6	1.5
Taiwan Institute of Economic Research	-	-
UBS	1.1	1.2
United Overseas Bank	1.2	1.5
Consensus	1.5	1.8
30 days ago	1.5	1.7
60 days ago	1.5	1.7
90 days ago	1.4	1.6
Minimum	0.5	1.2
Maximum	2.9	3.0
Median	1.4	1.7
Standard Deviation	39.9	27.9

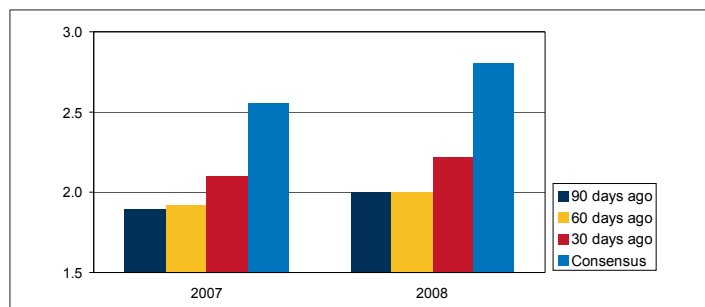
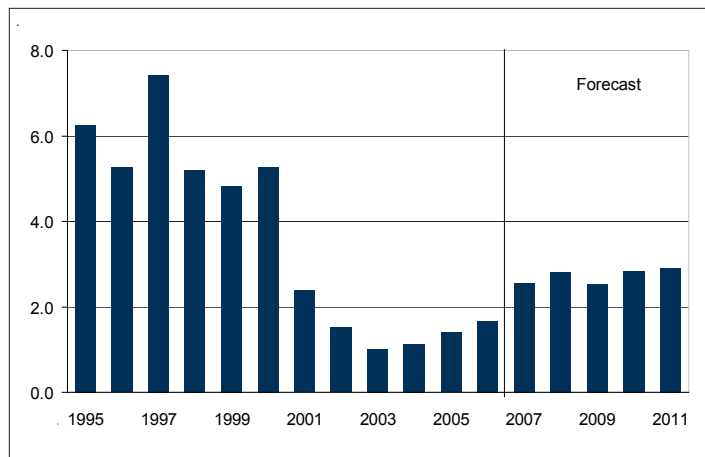
Producer Prices, annual variation in %



Narrow Money, annual variation in %

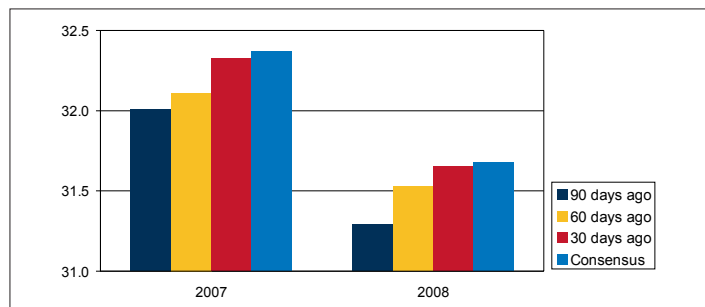
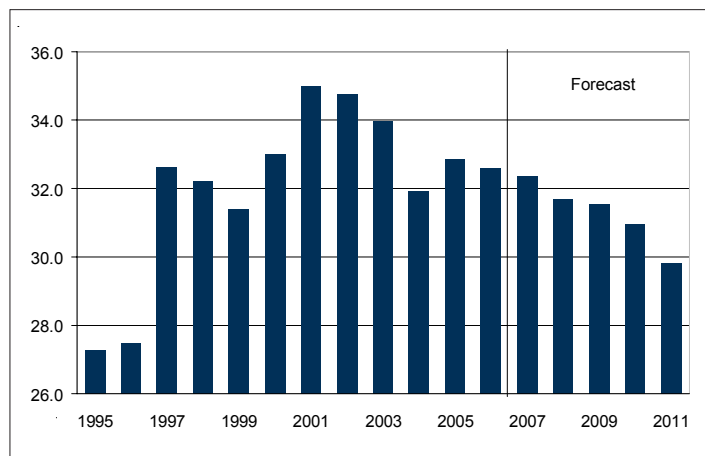


Interest Rate, nominal benchmark rate in %



	2007	2008
ABN Amro Asia	2.5	2.5
Allianz Group	-	-
Chung Hua Institution for Economic Research	-	-
Citigroup Global Markets Inc.	1.8	1.9
Cominvest	-	-
Credit Suisse	2.5	3.7
DBS Bank	-	-
Deutsche Bank	1.9	-
Goldman Sachs	3.0	3.0
HSBC	3.0	3.0
ING Financial Markets	2.5	2.5
JPMorgan	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	4.2	4.5
Polaris Securities	2.0	2.0
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	-	-
UBS	2.1	2.1
United Overseas Bank	-	-
Consensus	2.6	2.8
30 days ago	2.1	2.2
60 days ago	1.9	2.0
90 days ago	1.9	2.0
Minimum	1.8	1.9
Maximum	4.2	4.5
Median	2.5	2.5
Standard Deviation	27.8	30.5

Exchange Rate, versus US\$ (end of period)

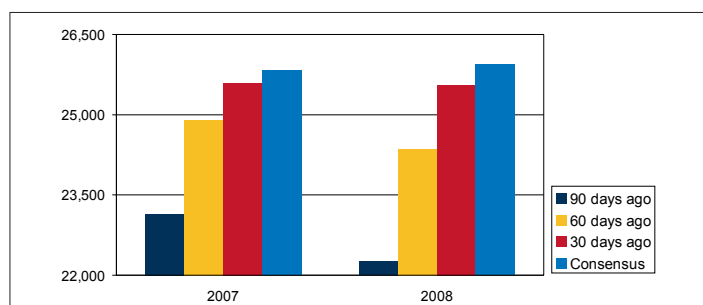
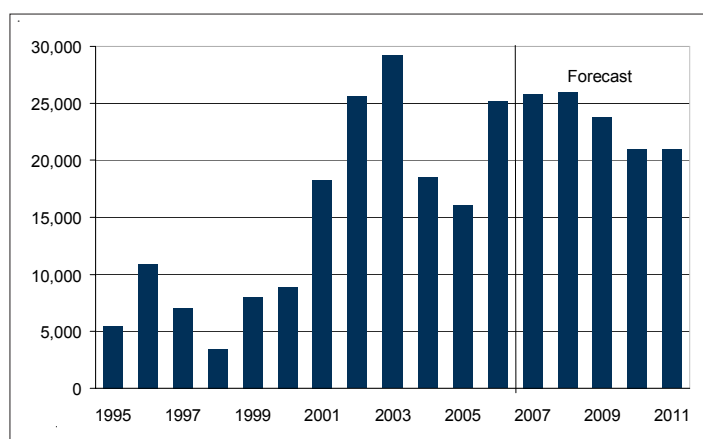


	2007	2008
ABN Amro Asia	31.80	31.00
Allianz Group	-	-
Chung Hua Institution for Economic Research	32.11	31.58
Citigroup Global Markets Inc.	32.50	32.13
Cominvest	31.00	30.00
Credit Suisse	33.40	31.90
DBS Bank	33.00	32.40
Deutsche Bank	32.80	32.00
Goldman Sachs	32.30	31.30
HSBC	33.00	32.50
ING Financial Markets	32.50	32.00
JPMorgan	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	32.50	32.00
Polaris Securities	32.30	32.00
Royal Bank of Scotland	31.20	-
Standard Chartered Bank	32.80	-
Taiwan Institute of Economic Research	-	-
UBS	32.25	31.00
United Overseas Bank	32.45	-
Consensus	32.37	31.68
30 days ago	32.33	31.65
60 days ago	32.11	31.53
90 days ago	32.01	31.29
Minimum	31.00	30.00
Maximum	33.40	32.50
Median	32.48	32.00
Standard Deviation	1.9	2.2

External Sector

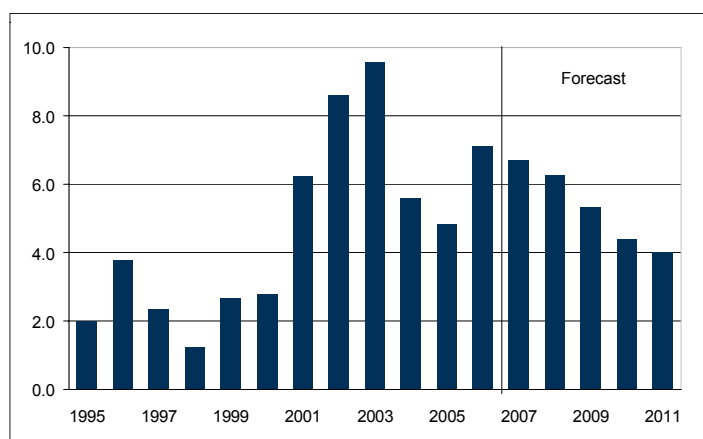
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	8.0	8.9	18.2	25.6	29.2	18.5	16.0	25.2	25.8	26.0	23.7	21.0	20.9
Current Account Balance (% of GDP)	2.7	2.8	6.3	8.6	9.6	5.6	4.8	6.9	6.7	6.3	5.3	4.4	4.0
Trade Balance (US\$ billions)	14.7	13.7	19.9	24.2	24.9	16.1	17.9	23.3	24.5	26.5	24.8	18.3	18.3
Exports (US\$ billion)	123.8	151.9	126.2	135.3	150.6	182.4	198.5	223.8	237.5	256.1	278.2	302.9	325.5
Imports (US\$ billion)	109.1	138.2	106.4	111.1	125.7	166.2	180.6	200.5	212.9	229.3	253.3	284.6	307.2
Exports (annual variation in %)	9.8	22.7	-16.9	7.1	11.3	21.1	8.8	12.8	6.1	7.9	8.6	8.9	7.5
Imports (annual variation in %)	6.5	26.7	-23.0	4.4	13.2	32.2	8.6	11.1	6.2	7.7	10.5	12.3	7.9
International Reserves (US\$ billion)	106.2	106.7	122.2	161.7	206.6	241.7	253.3	266.1	280.6	294.0	297.5	308.8	318.8
International Reserves (months of imports)	11.7	9.3	13.8	17.5	19.7	17.4	16.8	15.9	15.8	15.4	14.1	13.0	12.5
Total External Debt (US\$ billion)	38.6	34.8	34.3	45.0	63.1	80.9	86.7	85.8	91.6	94.6	100.6	100.0	101.9
Total External Debt (% GDP)	12.9	10.8	11.8	15.1	20.6	24.4	24.4	23.6	23.8	22.9	22.6	21.0	19.6

Current Account Balance, US\$ million

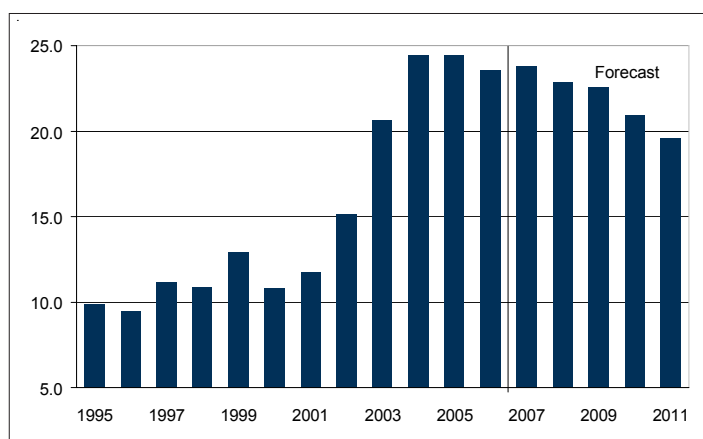


	2007	2008
ABN Amro Asia	25,700	26,000
Allianz Group	19,223	20,702
Chung Hua Institution for Economic Research	-	-
Citigroup Global Markets Inc.	24,534	23,486
Cominvest	18,200	18,800
Credit Suisse	25,400	21,100
DBS Bank	27,000	30,000
Deutsche Bank	34,400	35,300
Goldman Sachs	-	-
HSBC	22,038	23,360
ING Financial Markets	34,497	32,763
JPMorgan	32,900	32,300
Mitsubishi UFJ	26,400	-
Morgan Stanley	26,333	25,002
Polaris Securities	23,600	22,300
Royal Bank of Scotland	-	-
Standard Chartered Bank	19,223	18,632
Taiw an Institute of Economic Research	-	-
UBS	29,422	33,558
United Overseas Bank	23,836	-
Consensus	25,830	25,950
30 days ago	25,597	25,551
60 days ago	24,902	24,358
90 days ago	23,149	22,250
Minimum	18,200	18,632
Maximum	34,497	35,300
Median	25,700	24,244
Standard Deviation	19.0	22.2

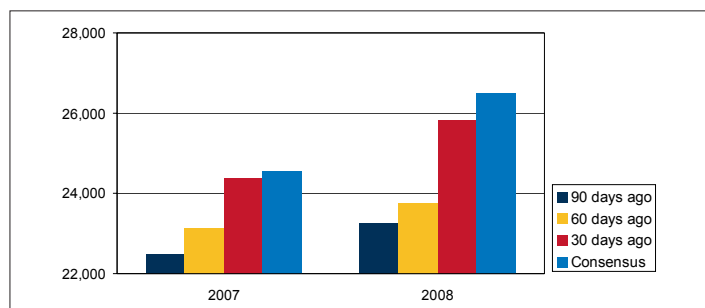
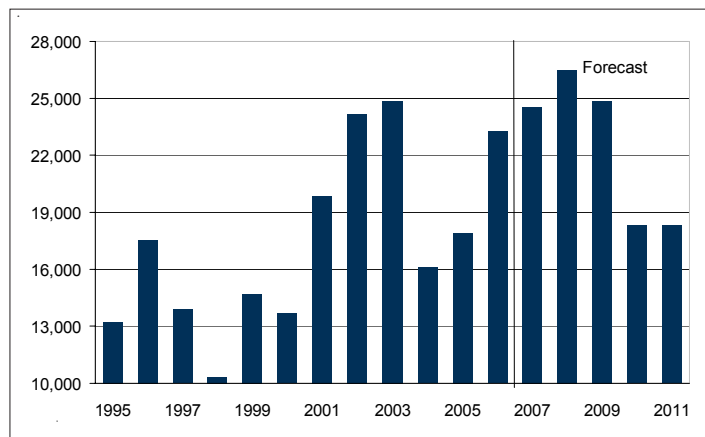
Current Account Balance, % of GDP



External Debt, % of GDP

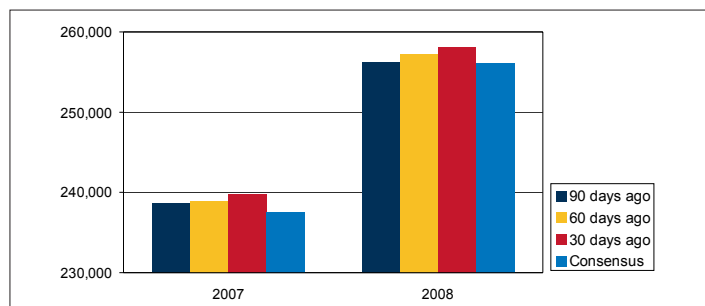
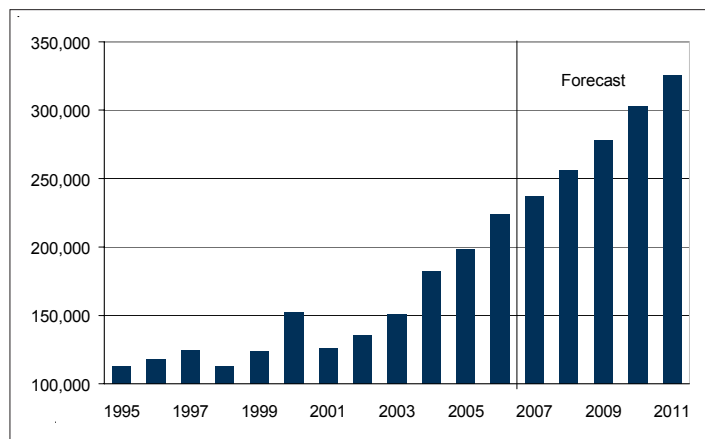


Trade Balance, US\$ million



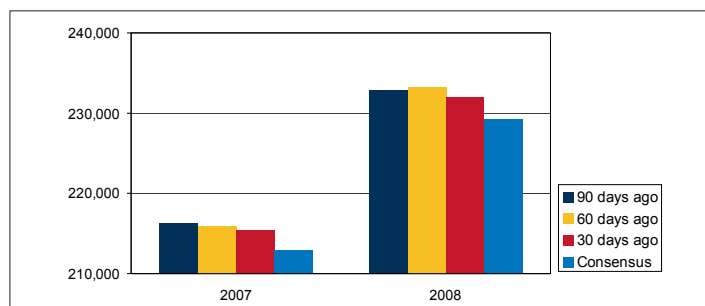
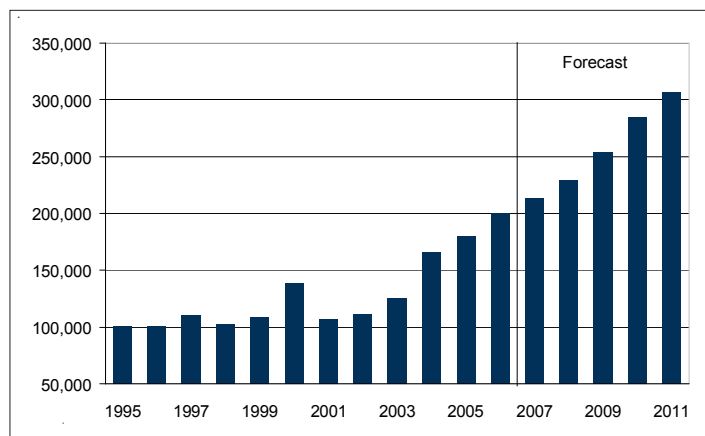
	2007	2008
ABN Amro Asia	18,600	24,300
Allianz Group	-	-
Chung Hua Institution for Economic Research	22,245	24,841
Citigroup Global Markets Inc.	21,145	22,716
Cominvest	-	-
Credit Suisse	27,132	28,514
DBS Bank	27,000	29,000
Deutsche Bank	29,900	30,700
Goldman Sachs	-	-
HSBC	22,721	23,455
ING Financial Markets	30,571	30,010
JPMorgan	28,500	26,400
Mitsubishi UFJ	-	-
Morgan Stanley	24,300	22,400
Polaris Securities	23,400	26,700
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	18,669	-
UBS	24,838	28,974
United Overseas Bank	-	-
Consensus	24,540	26,501
30 days ago	24,380	25,847
60 days ago	23,123	23,755
90 days ago	22,495	23,255
Minimum	18,600	22,400
Maximum	30,571	30,700
Median	24,300	26,550
Standard Deviation	16.0	11.1

Exports, US\$ million



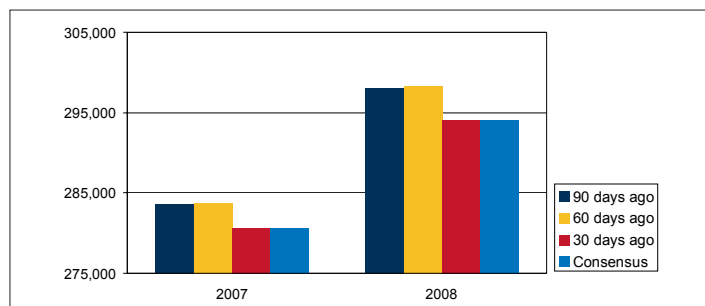
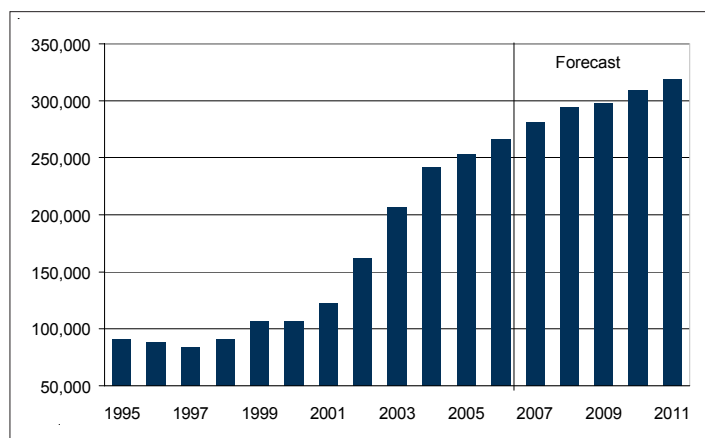
	2007	2008
ABN Amro Asia	231,800	250,300
Allianz Group	-	-
Chung Hua Institution for Economic Research	237,834	256,204
Citigroup Global Markets Inc.	239,671	262,439
Cominvest	-	-
Credit Suisse	235,867	253,321
DBS Bank	241,000	263,000
Deutsche Bank	235,200	246,800
Goldman Sachs	-	-
HSBC	239,473	258,631
ING Financial Markets	241,203	261,705
JPMorgan	240,000	263,700
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Polaris Securities	223,800	242,500
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	244,147	-
UBS	239,698	258,874
United Overseas Bank	-	-
Consensus	237,474	256,134
30 days ago	239,812	258,103
60 days ago	238,861	257,146
90 days ago	238,635	256,254
Minimum	223,800	242,500
Maximum	244,147	263,700
Median	239,572	258,631
Standard Deviation	2.3	2.8

Imports, US\$ million



	2007	2008
ABN Amro Asia	213,200	226,000
Allianz Group	-	-
Chung Hua Institution for Economic Research	215,589	231,363
Citigroup Global Markets Inc.	218,526	239,723
Cominvest	-	-
Credit Suisse	208,735	224,808
DBS Bank	214,000	234,000
Deutsche Bank	205,300	216,100
Goldman Sachs	-	-
HSBC	216,752	235,176
ING Financial Markets	210,632	231,695
JPMorgan	211,500	237,300
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Polaris Securities	200,400	215,800
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	225,478	-
UBS	214,860	229,900
United Overseas Bank	-	-
Consensus	212,914	229,260
30 days ago	215,425	231,943
60 days ago	215,836	233,255
90 days ago	216,304	232,904
Minimum	200,400	215,800
Maximum	225,478	239,723
Median	213,600	231,363
Standard Deviation	3.0	3.5

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	294,800	320,100
Allianz Group	-	-
Chung Hua Institution for Economic Research	-	-
Citigroup Global Markets Inc.	275,000	287,000
Cominvest	-	-
Credit Suisse	268,900	272,600
DBS Bank	276,000	287,000
Deutsche Bank	268,000	279,000
Goldman Sachs	-	-
HSBC	295,100	320,000
ING Financial Markets	276,000	285,000
JPMorgan	284,500	300,500
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Polaris Securities	-	-
Royal Bank of Scotland	293,000	-
Standard Chartered Bank	-	-
Taiwan Institute of Economic Research	-	-
UBS	275,000	295,000
United Overseas Bank	-	-
Consensus	280,630	294,022
30 days ago	280,630	294,022
60 days ago	283,710	298,267
90 days ago	283,611	297,975
Minimum	268,000	272,600
Maximum	295,100	320,100
Median	276,000	287,000
Standard Deviation	3.7	5.7

General Data

Official name:	Taiwan/Republic of China
Capital:	Taipei (2.6 m)
Other cities:	Kaohsiung (2.5 m) T'aichung (2.1 m) T'ainan (1.0 m)
Area (km ²):	35,980
Population (2006, million):	23.0
Population density (2006, per km ²):	640.2
Population growth rate (2006, %):	0.6
Life expectancy (2006, years):	77.4
Illiteracy rate (2003):	3.9
Languages:	Mandarin/Taiwanese
Measures:	Metric system
Time:	8 hours ahead of GMT

Economic Infrastructure

Communications (2005)

Telephones - main lines in use (per 100 inhabitants):	59.8
Telephones - mobile cellular (per 100 inhabitants):	97.4
Telephones - mobile cellular (% total telephone subscribers):	62.0
Internet Users (per 100 inhabitants):	58.0
Personal Computers (per 100 inhabitants, estimate):	57.5

Energy (2005)

Total Electricity Generation (GWh):	189,700
Electricity Consumption Growth (%):	5.1
Residential Consumption (% share of total):	18
Industrial Consumption (% share of total):	58

Transportation (2005)

Railways Open to Traffic (km):	2,497
Road Network (km):	37,299
Paved (%):	95.5
Chief ports:	Chi-lung, Hualien, Kaohsiung

Executive Branch

President:	Chen Shui-bian
Since:	18 March 2000
Last elections:	20 March 2004
Next elections:	March 2008

Cabinet:

Premier of the Cabinet:	Chang Chun-hsiung
Minister of Finance:	Ho Chih-chin
Minister of Economic Affairs:	Chen Ruey-long
Minister of Foreign Affairs:	Huang Chih-fang
Minister of the Interior:	Lee Yi-yang

Central Bank President:	Fai-Nan Perng
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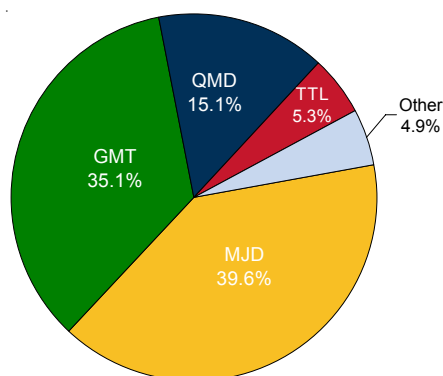
Legislative Branch

Last elections:	11 December 2004
Next elections:	December 2007

Legislative Yuan:

Party	Seats	% of Total
Democratic Progressive Party (MJD):	89	39.6
National People's Party (GMT):	79	35.1
People First Party (QMD):	34	15.1
Taiwan Solidarity Union (TTL):	12	5.3
Non-Partisan Solidarity Union (WTL):	6	2.7
New Party (XD):	1	0.4
Other:	4	1.8
Total:	225	100.0

Legislative Yuan



Strengths

- Well educated labour force
- High infrastructure level
- Open-market economy

Weaknesses

- Limited natural resources
- Risk of armed conflict with China
- High level of corruption in business and politics

Long-Term Foreign Currency Ratings

Moody's:	Aa3
S&P:	AA-
Fitch Ratings:	A+

Trade by Product Groups (2006)

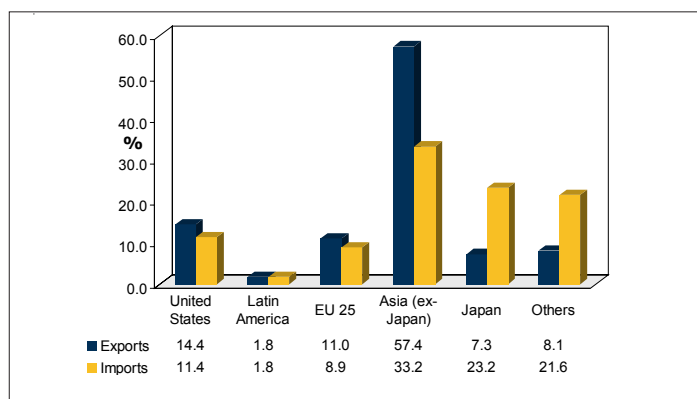
Exports:

Heavy Industries:	80.2
Non-Heavy Industries:	18.5
Processed Agricultural Products:	1.1
Agricultural Products:	0.2

Imports:

Agricultural and Industrial Raw Materials:	72.4
Capital Goods:	19.0
Consumer Goods:	8.6

Geographical Trade Structure (2006)



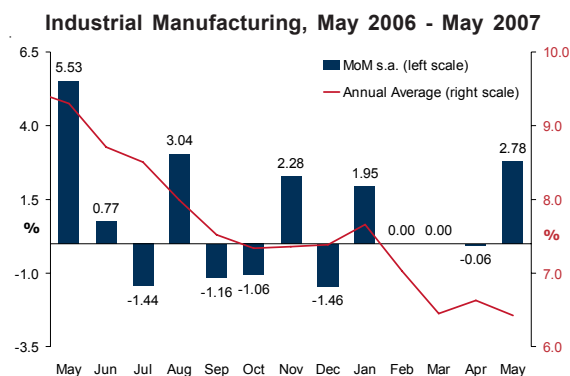
Forecast Summary

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	58.4	59.0	59.7	60.3	60.9	61.5	62.2	62.8	63.4	64.1	64.6	65.2	65.8
GDP (US\$ billion)	181.9	150.9	111.8	122.5	122.6	115.4	126.7	142.8	161.2	176.0	206.1	236.6	263.3
GDP per capita (US\$)	3,114	2,555	1,874	2,032	2,012	1,875	2,039	2,273	2,540	2,747	3,188	3,627	4,003
GDP (annual variation in %)	5.9	-1.4	-10.5	4.4	4.8	2.2	5.3	6.9	6.5	4.5	5.0	4.2	5.0
Consumption (annual variation in %)	5.8	-1.4	-11.5	4.3	5.2	4.1	5.4	6.5	6.2	4.3	3.1	2.9	4.4
Investment (annual variation in %)	7.0	-20.5	-44.3	-3.2	5.5	1.1	6.5	12.1	13.2	11.1	4.0	2.4	6.1
Unemployment (%)	1.5	1.5	4.4	4.2	3.6	3.3	2.4	2.2	2.1	1.8	1.5	1.8	1.8
Fiscal Balance (% of GDP)	0.9	-1.5	-2.8	-3.3	-2.2	-2.4	-1.4	0.4	0.1	-0.6	1.1	-1.0	-0.9
Consumer Prices (annual variation in %)	4.8	7.6	4.3	0.6	1.4	0.7	1.6	1.8	2.9	5.8	3.5	2.5	2.8
Interest Rate (benchmark in %, eop)	9.7	12.8	5.4	4.5	3.2	2.2	1.7	1.1	1.8	3.9	4.9	3.3	3.4
Exchange Rate (vs. US\$, end-of-period)	25.61	47.25	36.69	37.47	43.27	44.25	43.18	39.61	39.08	41.17	36.23	34.60	33.88
Current Account Balance (% of GDP)	-7.9	-2.1	12.8	10.2	7.6	4.4	3.7	3.4	1.7	-4.5	1.6	2.3	1.7
Trade Balance (% of GDP)	-8.9	-3.1	10.9	7.6	4.5	2.2	2.2	2.6	0.9	-4.8	1.1	2.4	1.2
Exports (annual variation in %)	-1.9	3.8	-6.8	7.4	19.5	-7.1	4.8	18.2	21.6	15.0	17.4	10.1	9.9
Imports (annual variation in %)	0.6	-13.4	-33.8	16.9	31.3	-3.0	4.6	17.4	25.7	25.9	7.0	7.6	12.3
Int. Reserves (months of imports)	6.6	5.3	8.7	8.8	6.3	6.5	7.4	6.8	6.4	5.3	6.4	6.4	6.2
External Debt (% of GDP)	59.8	72.4	93.9	77.6	65.0	58.5	46.9	36.3	31.8	29.6	28.4	24.0	21.4

Central Bank Cuts Interest Rates for Fifth Time This Year

As a result of foreign interest in Thai stocks and export products, the baht reached its highest level in ten years. In the domestic economy however, historically low consumer confidence is hurting domestic demand. Meanwhile, due to the benign inflationary climate and with the objective of spurring economic growth, the Central Bank has cut interest rates for the fifth time this year. The move alone is, however, unlikely to substantially curb the appreciating trend of the baht.

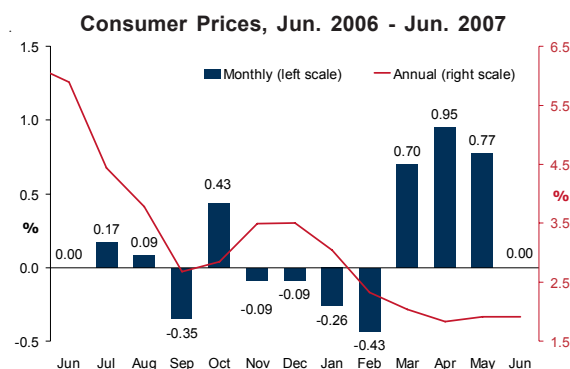
Manufacturing shows signs of recovery



Note: Month-on-month and annual average variation of industrial production index in %.
Source: Bank of Thailand and FocusEconomics calculations.

In May, industrial manufacturing expanded 6.3% year-on-year which was only a notch below the 6.4% growth registered in April. The healthy growth rate registered in May indicates that the rebound in industrial production observed in April continues for the moment. A sub-sectoral analysis shows that growth in textiles and vehicle production accelerated compared to April, while food processing and electronic production decelerated. A month-on-month comparison corroborates the picture of a production rebound, as industrial manufacturing increased 2.78% over the previous month, which contrasted April's 0.06% contraction. Nevertheless, the annual average growth rate inched down a notch from 6.6% in April to 6.4%. Consensus Forecast panellists anticipate industrial production to grow 5.9% this year, and overall economic activity to expand 4.2%, which is within the Central Bank's forecast range of 4.0% to 5.0% growth. Next year, participants expect economic growth to pick up to 5.0%, also within the Central Bank's forecast range of 4.0% to 5.5% growth.

Stable consumer prices prompt Central Bank to cut benchmark rate



Note: Monthly and annual variation of consumer price index in %.
Source: Bank of Thailand and FocusEconomics calculations.

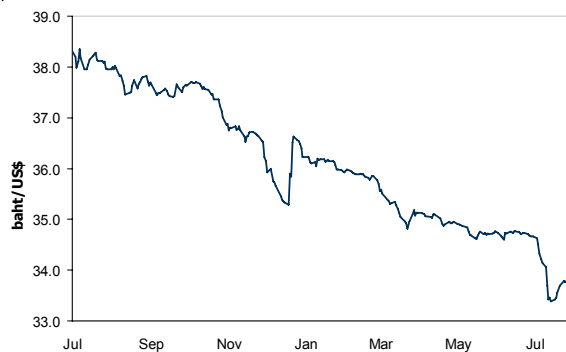
In June, consumer prices remained unchanged compared to May, which undershot market expectations of a 0.09% price increase. The June reading was well below the 0.77% rise registered in May and contrasted with the previous three consecutive months of steadily rising prices. Slight increases in prices for food and beverages were offset by declining prices for energy, leading to unchanged consumer prices on the whole. As a result of the June figure, annual inflation remained unchanged at May's 1.9%. The core inflation index, which excludes more volatile items such as food and energy prices, increased 0.10% in June. Annual core inflation however, remained stable at May's 0.7% rate. Stable consumer prices in combination with disappointing economic growth rates induced the Central Bank to cut its benchmark interest rate 25 basis points to 3.50% on 18 July. The Bank stated that lower interest rates should boost private consumption and thus strengthen domestic demand. Since the beginning of the year, the Bank has lowered the benchmark interest rate five times. As core inflation, which constitutes the reference for the Central Bank's inflation targeting framework, currently remains well within

the target range of 0.0% to 3.5%, further rate cuts are likely to occur in the remainder of the year. Consensus Forecast participants expect annual inflation to rise to 2.5% by the end of the year, which is up 0.1 percentage points from last month's Consensus Forecast. For 2008, panellists anticipate that inflation will increase slightly to 2.8% by year-end.

Baht reaches historic high

In June, the *baht* appreciated 0.29% in nominal terms to 34.67 *baht* against the US\$. The reading continues the almost uninterrupted appreciating trend in place since August 2005. Compared to the same month last year, the baht appreciated 10.6% by the end of June. Moreover, on 9 July, the baht traded 33.39 to the US\$, which represents the highest level in 10 years. In a joint effort to curb the appreciation of the currency, the Central Bank and the government have introduced various measures, including facilitating the onshore acquisition of foreign currencies and a prolongation of the period foreign currency revenues can be held. The measures came in addition to the capital controls that have been in place since December. However, the Central Bank also called upon exporters to adjust to the strengthening currency, as the strong appreciation in part reflects external factors that are beyond the control of monetary authorities. Especially, the weakening US\$ and the undervalued *Yuan* may continue to drive up the *baht*. Moreover, Central Bank president Tarisa Watanagase stated that the high value of the *baht* creates a window of opportunity to import machinery and expand investments, which, in turn, could spur the country's sluggish economy. Consensus Forecast panellists expect the exchange rate to depreciate slightly from its current level and reach 34.60 *baht* to the US\$ by the end of 2007.

Exchange Rate, Jul. 2006 - 26 Jul. 2007



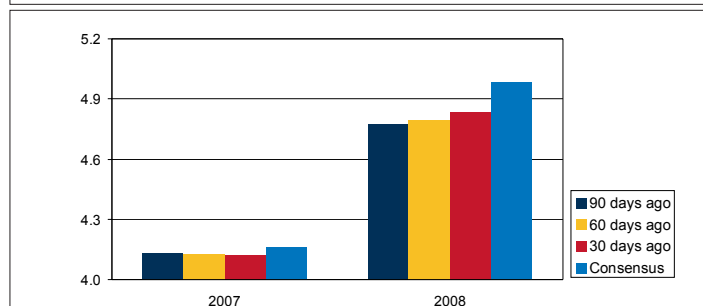
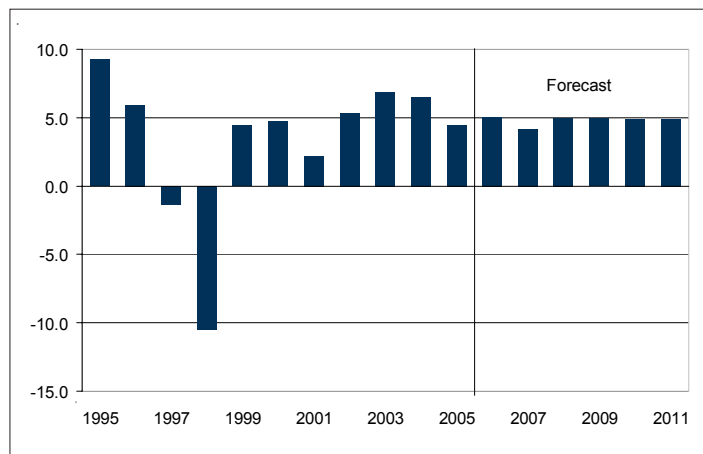
Note: Daily average selling rates.

Source: Bank of Thailand and FocusEconomics calculations.

Real Sector

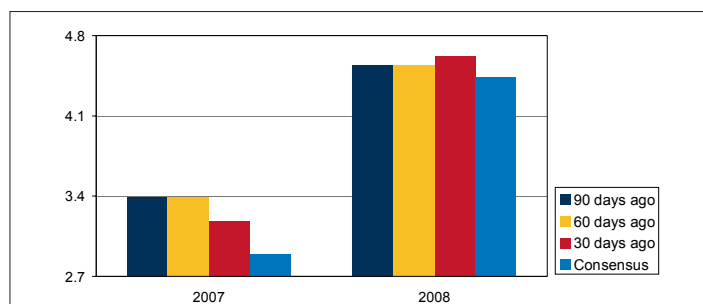
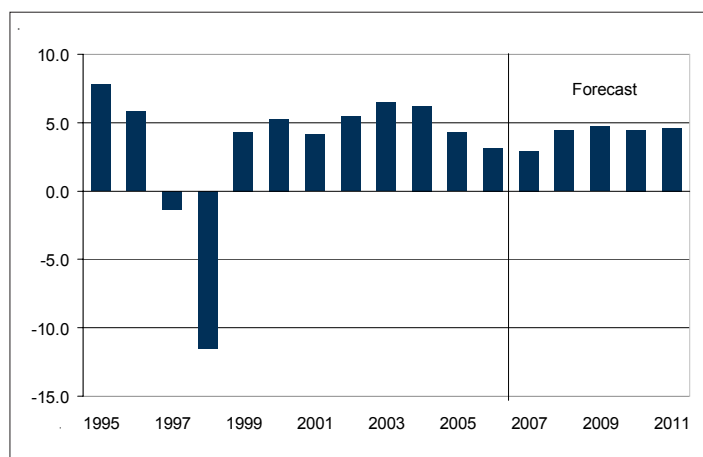
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP (US\$ billion)	122.5	122.6	115.4	126.7	142.8	161.2	176.0	206.1	236.6	263.3	281.9	295.2	314.6
GDP per capita (US\$)	2,032	2,012	1,875	2,039	2,273	2,540	2,747	3,188	3,627	4,003	4,247	4,410	4,641
GDP (annual variation in %)	4.4	4.8	2.2	5.3	6.9	6.5	4.5	5.0	4.2	5.0	4.9	4.9	4.9
Consumption (ann.var. in %)	4.3	5.2	4.1	5.4	6.5	6.2	4.3	3.1	2.9	4.4	4.7	4.5	4.6
Investment (ann.var. in %)	-3.2	5.5	1.1	6.5	12.1	13.2	11.1	4.0	2.4	6.1	6.3	7.2	6.9
Industrial Production (ann.var. in %)	12.3	6.7	2.7	9.1	14.0	11.7	9.1	7.4	5.9	6.6	6.2	5.8	5.7
Unemployment (%)	4.2	3.6	3.3	2.4	2.2	2.1	1.8	1.5	1.8	1.8	1.8	1.7	1.7

Gross Domestic Product, annual variation in %



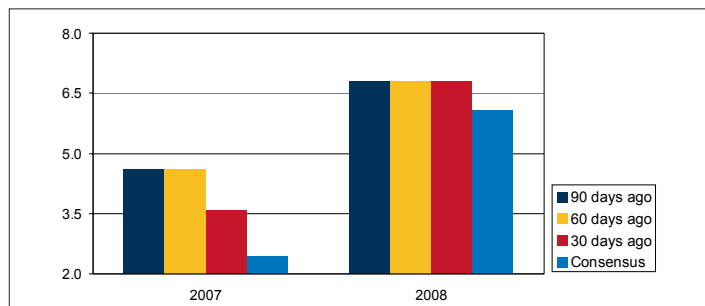
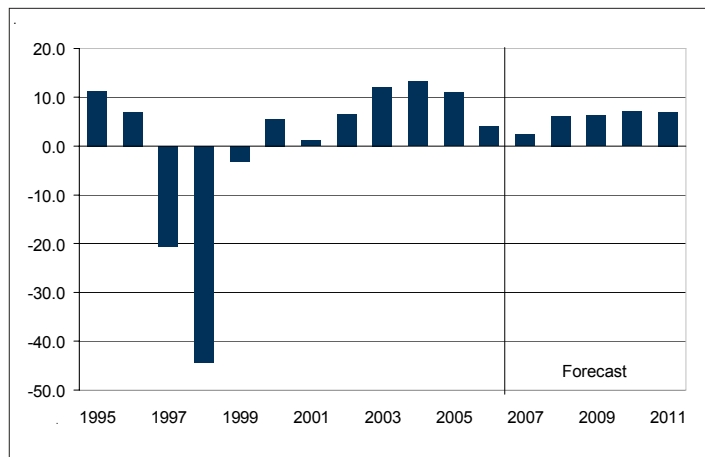
	2007	2008
ABN Amro Asia	4.3	4.7
Allianz Group	4.3	5.0
Citigroup Global Markets Inc.	4.7	5.0
Cominvest	4.0	4.5
Credit Suisse	4.0	5.8
DBS Bank	4.4	5.1
Deutsche Bank	3.8	4.5
Globex Securities	4.2	-
Goldman Sachs	4.0	4.5
HSBC	3.8	5.0
ING Financial Markets	4.5	5.0
JPMorgan	4.3	5.1
Merrill Lynch	4.4	-
Mitsubishi UFJ	4.8	-
Morgan Stanley	4.0	5.0
Phatra Securities	3.7	4.6
Royal Bank of Scotland	4.2	-
Standard Chartered Bank	3.8	4.7
TISCO Securities	4.2	4.8
TMB Bank	4.3	-
UBS	3.5	4.9
United Overseas Bank	4.5	6.5
Consensus	4.2	5.0
30 days ago	4.1	4.8
60 days ago	4.1	4.8
90 days ago	4.1	4.8
Minimum	3.5	4.5
Maximum	4.8	6.5
Median	4.2	5.0
Standard Deviation	8.0	10.1

Private Consumption, annual variation in %



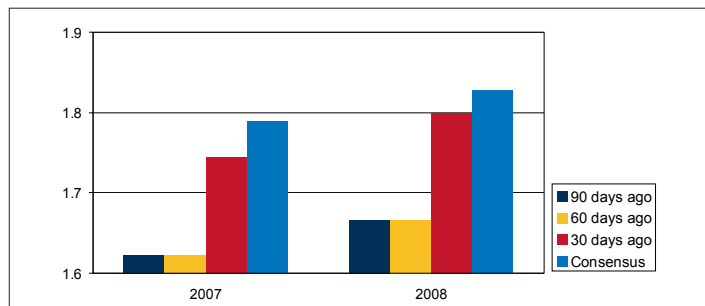
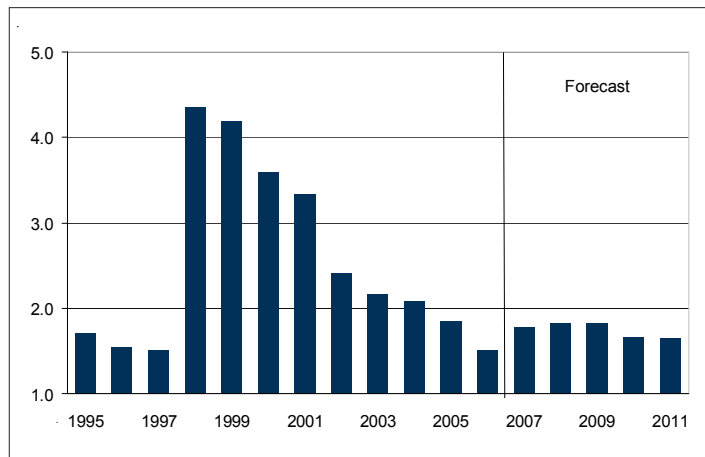
	2007	2008
ABN Amro Asia	3.0	3.5
Allianz Group	-	-
Citigroup Global Markets Inc.	3.4	3.2
Cominvest	-	-
Credit Suisse	1.8	5.5
DBS Bank	3.2	6.6
Deutsche Bank	2.8	3.5
Globex Securities	2.5	-
Goldman Sachs	-	-
HSBC	2.1	5.2
ING Financial Markets	2.1	3.5
JPMorgan	-	-
Merrill Lynch	3.8	-
Mitsubishi UFJ	3.5	-
Morgan Stanley	-	-
Phatra Securities	3.0	3.9
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
TISCO Securities	4.0	4.5
TMB Bank	2.1	-
UBS	3.2	5.0
United Overseas Bank	-	-
Consensus	2.9	4.4
30 days ago	3.2	4.6
60 days ago	3.4	4.5
90 days ago	3.4	4.5
Minimum	1.8	3.2
Maximum	4.0	6.6
Median	3.0	4.2
Standard Deviation	24.0	25.3

Gross Fixed Investment, annual variation in %



	2007	2008
ABN Amro Asia	3.0	5.0
Allianz Group	-	-
Citigroup Global Markets Inc.	0.0	2.5
Cominvest	-	-
Credit Suisse	1.1	5.0
DBS Bank	4.6	12.0
Deutsche Bank	2.1	5.1
Globex Securities	2.0	-
Goldman Sachs	-	-
HSBC	0.9	7.3
ING Financial Markets	1.6	3.9
JPMorgan	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	6.5	-
Morgan Stanley	-	-
Phatra Securities	1.9	7.0
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
TISCO Securities	4.5	6.0
TMB Bank	1.6	-
UBS	1.9	6.9
United Overseas Bank	-	-
Consensus	2.4	6.1
30 days ago	3.6	6.8
60 days ago	4.6	6.8
90 days ago	4.6	6.8
Minimum	0.0	2.5
Maximum	6.5	12.0
Median	1.9	5.6
Standard Deviation	73.0	42.2

Unemployment, % of economically active population

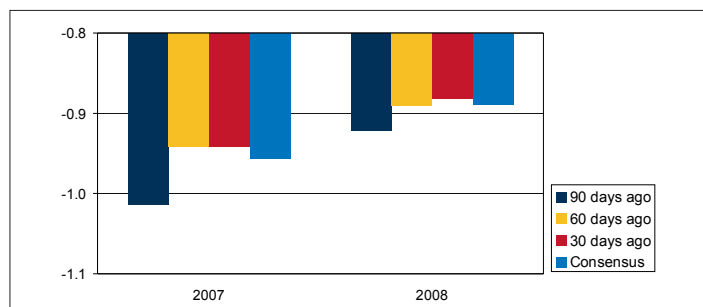
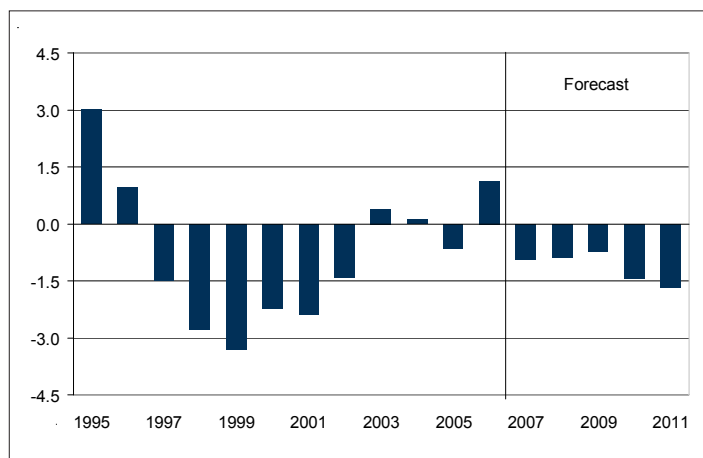


	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	-	-
Cominvest	-	-
Credit Suisse	2.5	1.8
DBS Bank	1.3	1.1
Deutsche Bank	1.9	2.1
Globex Securities	1.4	-
Goldman Sachs	-	-
HSBC	1.5	1.5
ING Financial Markets	2.5	2.5
JPMorgan	-	-
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Phatra Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
TISCO Securities	2.3	2.3
TMB Bank	1.0	-
UBS	-	-
United Overseas Bank	1.7	1.5
Consensus	1.8	1.8
30 days ago	1.7	1.8
60 days ago	1.6	1.7
90 days ago	1.6	1.7
Minimum	1.0	1.1
Maximum	2.5	2.5
Median	1.7	1.8
Standard Deviation	30.5	27.3

Public Sector

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fiscal Balance (% of GDP)	-3.3	-2.2	-2.4	-1.4	0.4	0.1	-0.6	1.1	-1.0	-0.9	-0.7	-1.4	-1.7

Fiscal Balance, % of GDP

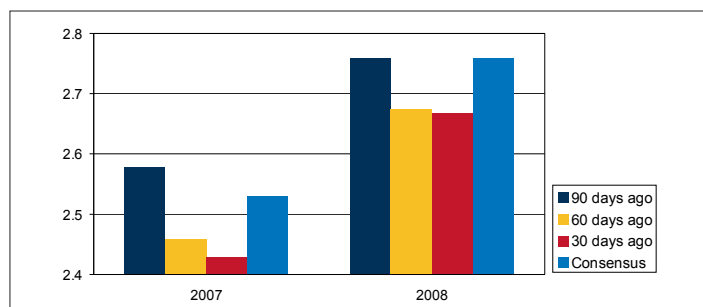
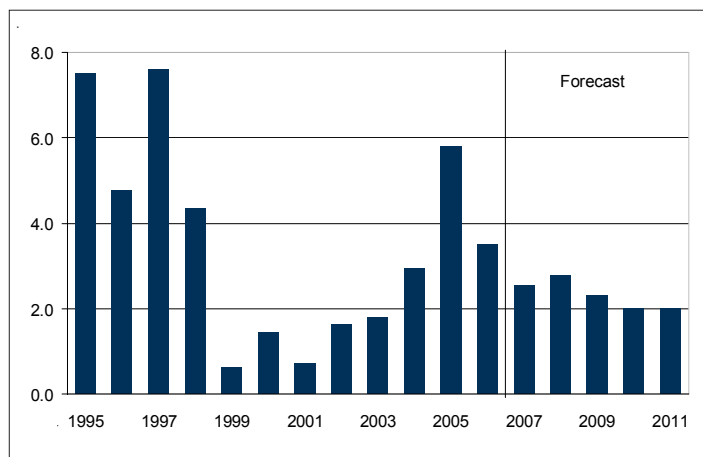


	2007	2008
ABN Amro Asia	-1.5	-1.2
Allianz Group	-1.2	-0.5
Citigroup Global Markets Inc.	-1.0	-2.0
Cominvest	-0.6	0.2
Credit Suisse	-1.8	-1.3
DBS Bank	-	-
Deutsche Bank	-0.9	-1.0
Globex Securities	-	-
Goldman Sachs	-	-
HSBC	-1.3	-1.4
ING Financial Markets	-1.2	-0.8
JPMorgan	-0.5	-1.0
Merrill Lynch	-1.0	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Phatra Securities	-	-
Royal Bank of Scotland	-	-
Standard Chartered Bank	-1.7	-1.2
TISCO Securities	-	-
TMB Bank	-0.5	-
UBS	-1.2	-1.0
United Overseas Bank	1.0	0.5
Consensus	-1.0	-0.9
30 days ago	-0.9	-0.9
60 days ago	-0.9	-0.9
90 days ago	-1.0	-0.9
Minimum	-1.8	-2.0
Maximum	1.0	0.5
Median	-1.1	-1.0
Standard Deviation	72.4	77.2

Monetary Sector

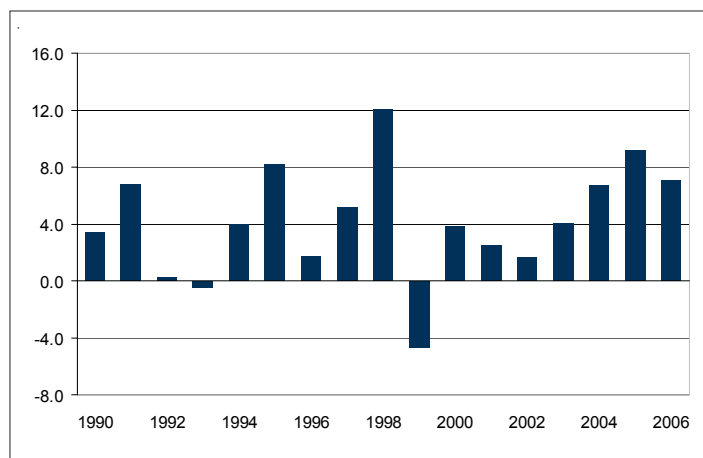
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Consumer Prices (ann. var. in %)	0.6	1.4	0.7	1.6	1.8	2.9	5.8	3.5	2.5	2.8	2.3	2.0	2.0
Producer Prices (ann. avg. in %)	-4.7	3.8	2.5	1.7	4.0	6.7	9.2	7.0	-	-	-	-	-
Money (annual variation of M1 in %)	30.2	-8.6	10.2	14.5	15.6	12.0	6.0	2.4	-	-	-	-	-
Interest Rate (benchmark in %, eop)	4.5	3.2	2.2	1.7	1.1	1.8	3.9	4.9	3.3	3.4	3.4	3.3	3.3
Local currency per US\$ (eop)	37.47	43.27	44.25	43.18	39.61	39.08	41.17	36.23	34.60	33.88	34.87	35.39	35.10
Local currency per US\$ (average)	37.84	40.16	44.48	43.00	41.53	40.27	40.27	37.93	35.41	34.24	34.37	35.13	35.24
Nom. Depreciation (vs. US\$, annual)	2.1	13.4	2.2	-2.5	-9.0	-1.4	5.1	-13.6	-4.7	-2.1	2.8	1.5	-0.8

Consumer Prices, annual variation in %

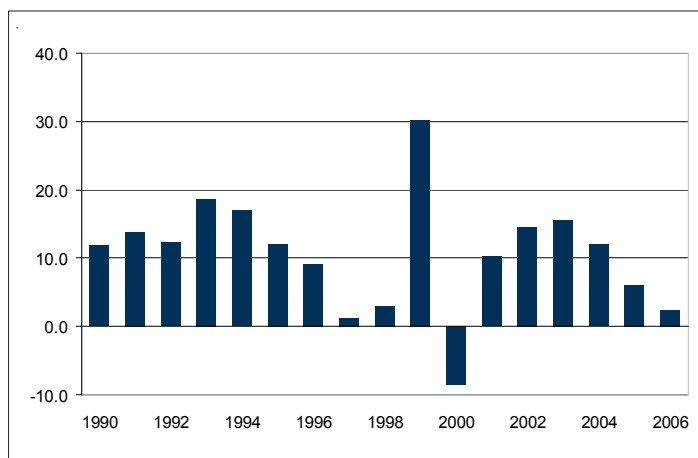


	2007	2008
ABN Amro Asia	2.8	2.5
Allianz Group	2.3	3.0
Citigroup Global Markets Inc.	1.7	2.0
Cominvest	3.0	3.5
Credit Suisse	2.0	2.1
DBS Bank	2.3	2.6
Deutsche Bank	3.0	2.5
Globex Securities	2.8	-
Goldman Sachs	2.6	2.5
HSBC	2.0	2.3
ING Financial Markets	2.8	2.5
JPMorgan	2.4	2.4
Merrill Lynch	2.9	-
Mitsubishi UFJ	-	-
Morgan Stanley	2.2	2.7
Phatra Securities	2.6	2.5
Royal Bank of Scotland	-	-
Standard Chartered Bank	2.9	3.5
TISCO Securities	2.5	2.7
TMB Bank	2.2	-
UBS	2.5	2.6
United Overseas Bank	3.1	5.0
Consensus	2.5	2.8
30 days ago	2.4	2.7
60 days ago	2.5	2.7
90 days ago	2.6	2.8
Minimum	1.7	2.0
Maximum	3.1	5.0
Median	2.6	2.5
Standard Deviation	15.3	25.5

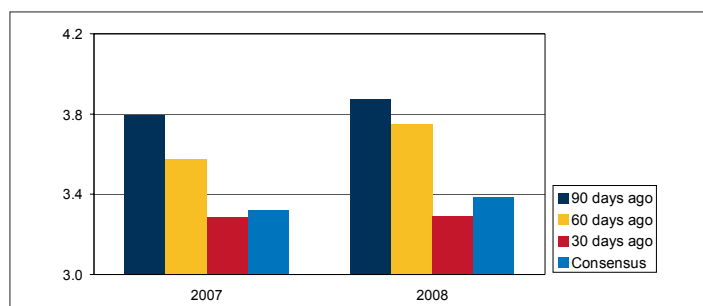
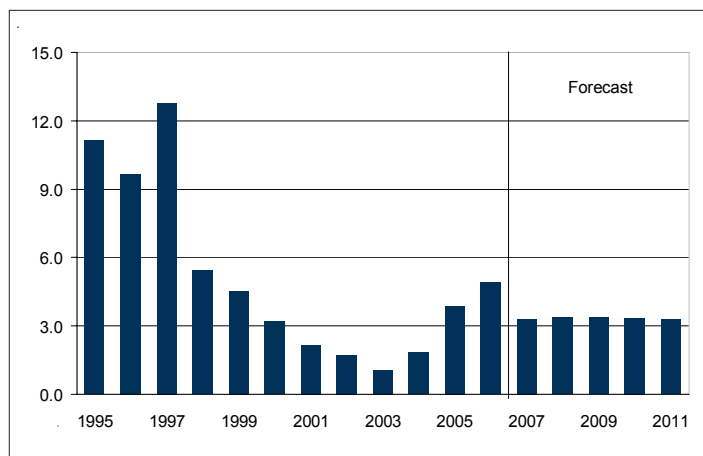
Producer Prices, annual variation in %



Narrow Money, annual variation in %

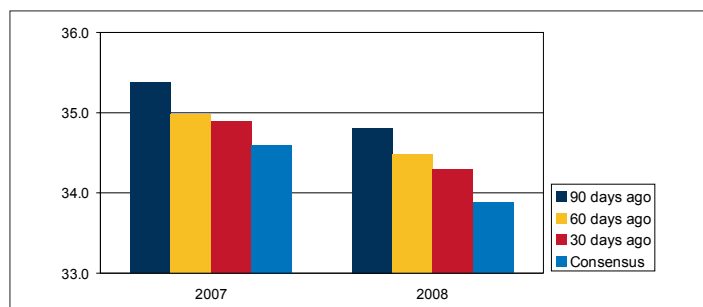
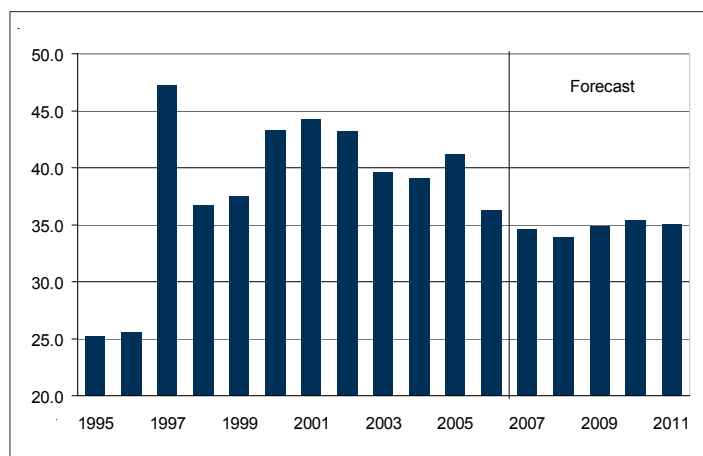


Interest Rates, benchmark in %



	2007	2008
ABN Amro Asia	-	-
Allianz Group	-	-
Citigroup Global Markets Inc.	4.3	3.9
Cominvest	-	-
Credit Suisse	3.0	3.0
DBS Bank	3.3	-
Deutsche Bank	2.8	-
Globex Securities	3.3	-
Goldman Sachs	3.3	3.3
HSBC	3.3	3.3
ING Financial Markets	2.8	3.0
JPMorgan	3.8	-
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Phatra Securities	4.0	4.0
Royal Bank of Scotland	-	-
Standard Chartered Bank	3.0	-
TISCO Securities	3.0	3.3
TMB Bank	3.3	-
UBS	-	-
United Overseas Bank	3.8	-
Consensus	3.3	3.4
30 days ago	3.3	3.3
60 days ago	3.6	3.8
90 days ago	3.8	3.9
Minimum	2.8	3.0
Maximum	4.3	4.0
Median	3.3	3.3
Standard Deviation	13.6	12.0

Exchange Rate, versus US\$ (end of period)

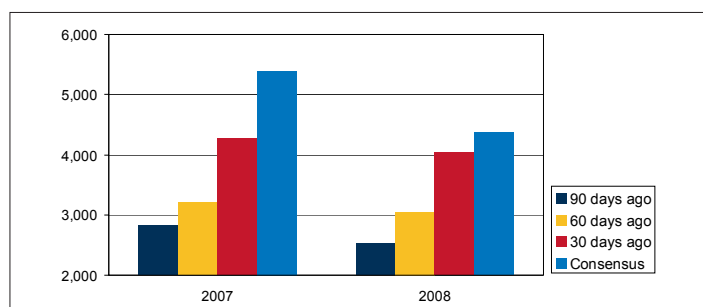
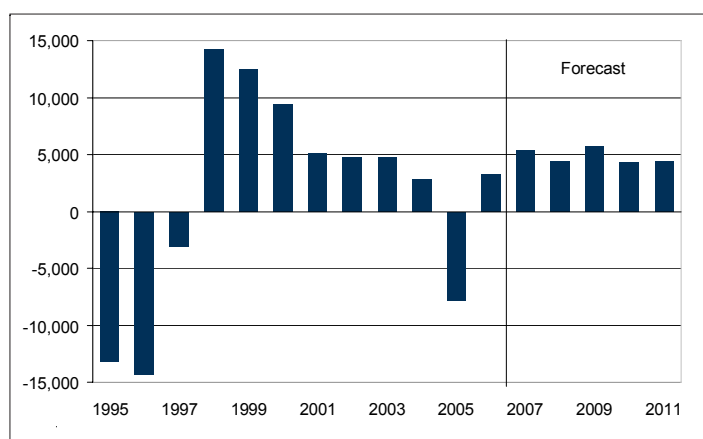


	2007	2008
ABN Amro Asia	34.00	33.00
Allianz Group	32.50	32.00
Citigroup Global Markets Inc.	34.00	33.75
Cominvest	37.00	35.50
Credit Suisse	33.50	32.00
DBS Bank	33.00	32.60
Deutsche Bank	34.00	34.50
Globex Securities	35.00	-
Goldman Sachs	35.50	36.00
HSBC	34.00	33.00
ING Financial Markets	32.98	33.00
JPMorgan	34.00	36.00
Merrill Lynch	36.00	-
Mitsubishi UFJ	-	-
Morgan Stanley	31.80	30.00
Phatra Securities	35.50	37.00
Royal Bank of Scotland	35.90	-
Standard Chartered Bank	37.00	-
TISCO Securities	36.00	36.50
TMB Bank	34.30	-
UBS	35.00	34.00
United Overseas Bank	35.00	-
Consensus	34.60	33.88
30 days ago	34.89	34.29
60 days ago	34.98	34.48
90 days ago	35.37	34.82
Minimum	31.80	30.00
Maximum	37.00	37.00
Median	34.65	33.38
Standard Deviation	4.2	6.0

External Sector

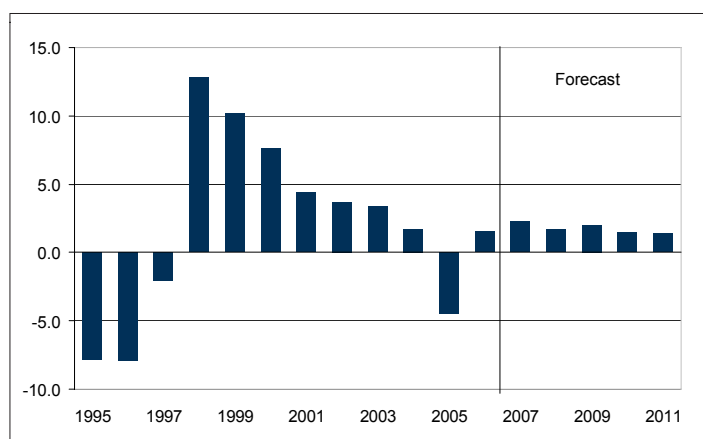
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current Account Balance (US\$ billion)	12.5	9.3	5.1	4.7	4.8	2.8	-7.9	3.2	5.4	4.4	5.6	4.3	4.4
Current Account Balance (% of GDP)	10.2	7.6	4.4	3.7	3.4	1.7	-4.5	1.6	2.3	1.7	2.0	1.5	1.4
Trade Balance (US\$ billion)	9.3	5.5	2.5	2.7	3.8	1.5	-8.5	2.2	5.6	3.1	2.0	1.6	1.9
Exports (US\$ billion)	56.8	67.9	63.1	66.1	78.1	94.9	109.2	128.2	141.2	155.2	167.9	180.8	198.4
Imports (US\$ billion)	47.5	62.4	60.6	63.4	74.3	93.5	117.7	126.0	135.5	152.2	165.8	179.2	196.5
Exports (annual variation in %)	7.4	19.5	-7.1	4.8	18.2	21.6	15.0	17.4	10.1	9.9	8.2	7.7	9.7
Imports (annual variation in %)	16.9	31.3	-3.0	4.6	17.4	25.7	25.9	7.0	7.6	12.3	8.9	8.1	9.7
International Reserves (US\$ billion)	34.8	32.7	33.0	38.9	42.1	49.8	52.1	67.0	71.9	78.5	87.5	93.5	101.3
International Reserves (months of imports)	8.8	6.3	6.5	7.4	6.8	6.4	5.3	6.4	6.4	6.2	6.3	6.3	6.2
Total External Debt (US\$ billion)	95.1	79.7	67.5	59.5	51.8	51.3	52.0	58.6	56.9	56.3	57.3	58.3	58.8
Total External Debt (% GDP)	77.6	65.0	58.5	46.9	36.3	31.8	29.6	28.4	24.0	21.4	20.3	19.7	18.7

Current Account Balance, US\$ million

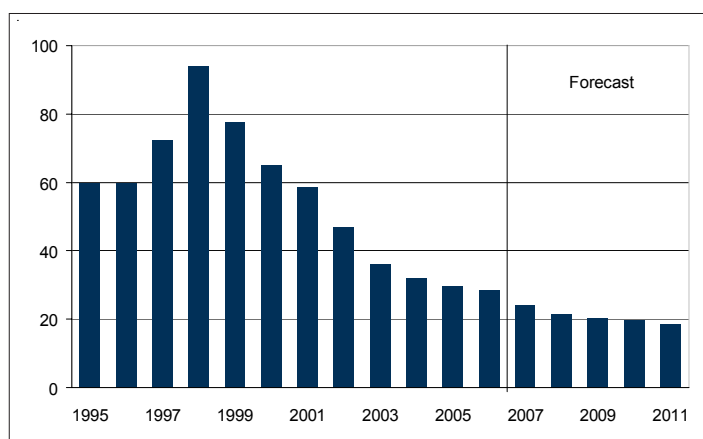


	2007	2008
ABN Amro Asia	300	1,000
Allianz Group	7,300	6,900
Citigroup Global Markets Inc.	5,183	4,738
Cominvest	1,800	-1,500
Credit Suisse	14,500	11,900
DBS Bank	6,000	3,000
Deutsche Bank	4,700	2,500
Globex Securities	8,478	-
Goldman Sachs	-	-
HSBC	9,327	5,182
ING Financial Markets	8,036	9,035
JPMorgan	5,200	5,400
Merrill Lynch	-670	-
Mitsubishi UFJ	2,000	-
Morgan Stanley	5,864	6,694
Phatra Securities	4,468	758
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
TISCO Securities	8,890	4,456
TMB Bank	11,861	-
UBS	1,496	1,023
United Overseas Bank	-2,266	-
Consensus	5,393	4,363
30 days ago	4,274	4,039
60 days ago	3,218	3,045
90 days ago	2,821	2,525
Minimum	-2,266	-1,500
Maximum	14,500	11,900
Median	5,200	4,597
Standard Deviation	80.1	82.3

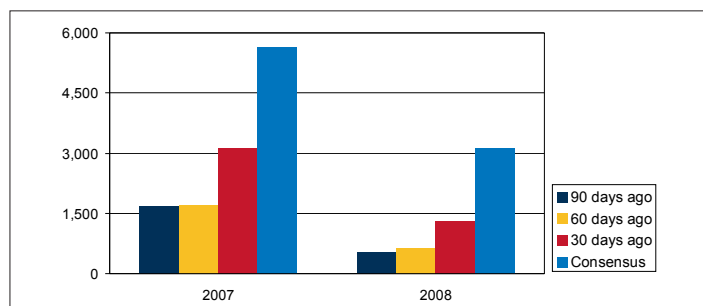
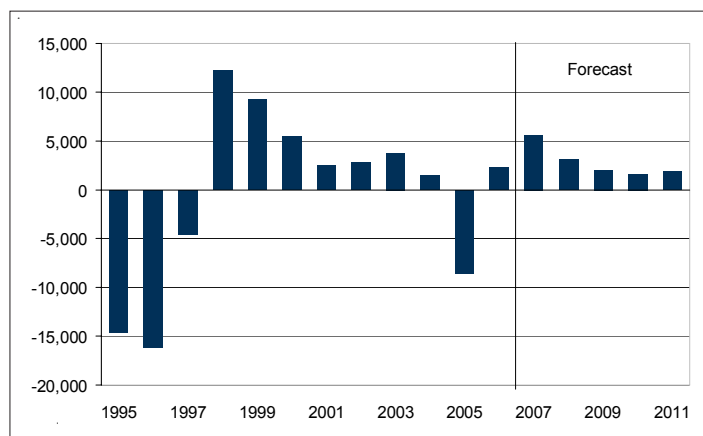
Current Account Balance, % of GDP



External Debt, % of GDP

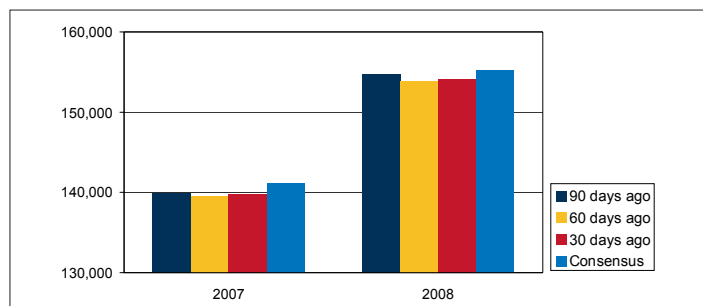
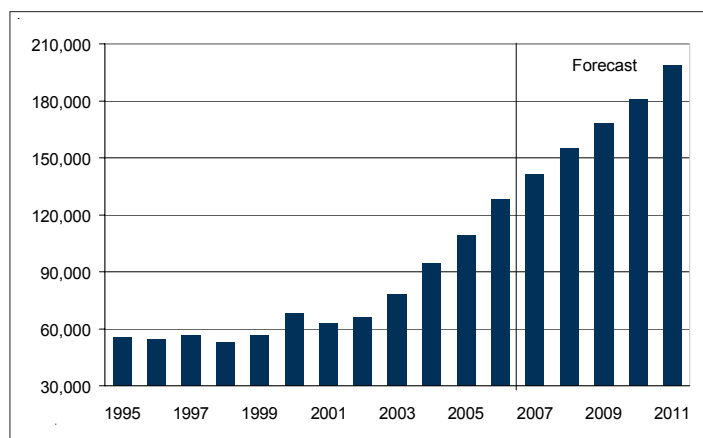


Trade Balance, US\$ million



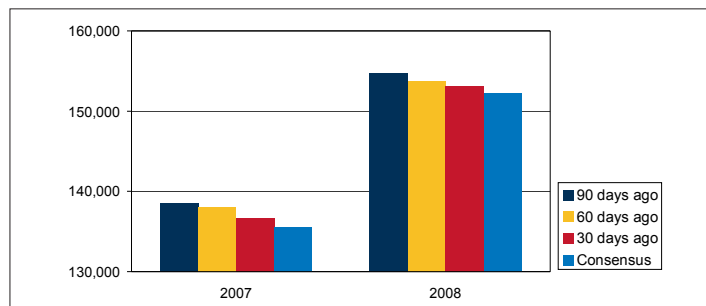
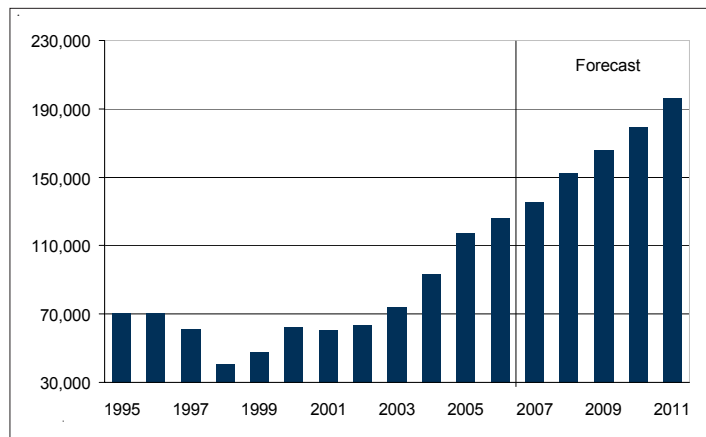
	2007	2008
ABN Amro Asia	600	1,300
Allianz Group	-	-
Citigroup Global Markets Inc.	4,743	4,784
Cominvest	-	-
Credit Suisse	7,938	5,233
DBS Bank	4,000	1,000
Deutsche Bank	18,300	5,900
Globex Securities	3,478	-
Goldman Sachs	-	-
HSBC	6,714	4,901
ING Financial Markets	3,785	3,461
JPMorgan	1,800	2,000
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	5,000	4,800
Phatra Securities	3,718	8
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
TISCO Securities	6,890	2,256
TMB Bank	9,861	-
UBS	2,082	1,927
United Overseas Bank	-	-
Consensus	5,636	3,131
30 days ago	3,114	1,316
60 days ago	1,691	649
90 days ago	1,683	537
Minimum	600	8
Maximum	18,300	5,900
Median	4,372	2,859
Standard Deviation	78.5	62

Exports, US\$ million



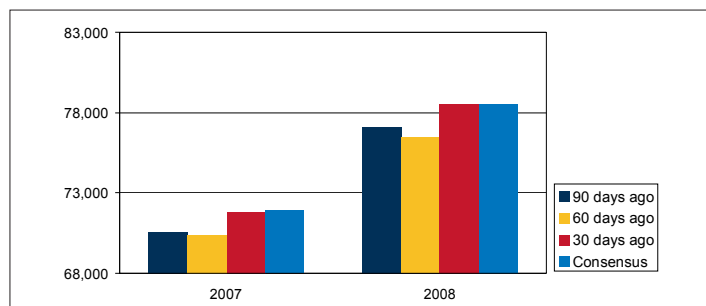
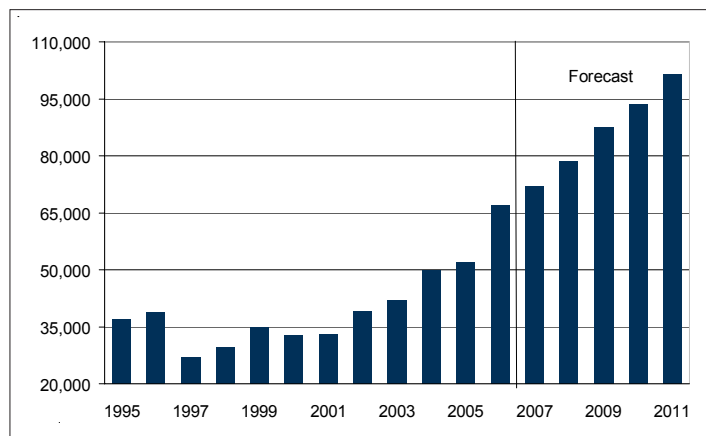
	2007	2008
ABN Amro Asia	139,100	150,200
Allianz Group	-	-
Citigroup Global Markets Inc.	141,427	154,862
Cominvest	-	-
Credit Suisse	143,991	161,558
DBS Bank	144,000	162,000
Deutsche Bank	141,500	151,100
Globex Securities	138,478	-
Goldman Sachs	-	-
HSBC	141,751	153,480
ING Financial Markets	144,247	158,672
JPMorgan	133,000	145,300
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Phatra Securities	140,401	155,143
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
TISCO Securities	141,683	157,268
TMB Bank	145,914	-
UBS	140,346	157,889
United Overseas Bank	-	-
Consensus	141,218	155,225
30 days ago	139,723	154,132
60 days ago	139,452	153,896
90 days ago	139,948	154,756
Minimum	133,000	145,300
Maximum	145,914	162,000
Median	141,500	155,143
Standard Deviation	2.3	3.2

Imports, US\$ million



	2007	2008
ABN Amro Asia	138,500	148,900
Allianz Group	-	-
Citigroup Global Markets Inc.	136,683	150,078
Cominvest	-	-
Credit Suisse	136,053	156,325
DBS Bank	140,000	161,000
Deutsche Bank	123,200	145,200
Globex Securities	135,000	-
Goldman Sachs	-	-
HSBC	135,037	148,578
ING Financial Markets	140,462	155,211
JPMorgan	131,200	143,300
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Phatra Securities	136,683	155,135
Royal Bank of Scotland	-	-
Standard Chartered Bank	-	-
TISCO Securities	134,793	155,012
TMB Bank	136,053	-
UBS	138,264	155,962
United Overseas Bank	-	-
Consensus	135,533	152,246
30 days ago	136,676	153,159
60 days ago	138,019	153,701
90 days ago	138,544	154,742
Minimum	123,200	143,300
Maximum	140,462	161,000
Median	136,053	155,012
Standard Deviation	3.3	3.5

International Reserves, US\$ million



	2007	2008
ABN Amro Asia	71,200	80,600
Allianz Group	72,000	80,000
Citigroup Global Markets Inc.	62,500	63,500
Cominvest	65,185	71,675
Credit Suisse	80,000	90,000
DBS Bank	-	-
Deutsche Bank	70,000	73,000
Globex Securities	75,000	-
Goldman Sachs	-	-
HSBC	78,837	91,819
ING Financial Markets	75,147	83,000
JPMorgan	63,700	67,700
Merrill Lynch	-	-
Mitsubishi UFJ	-	-
Morgan Stanley	-	-
Phatra Securities	-	-
Royal Bank of Scotland	67,000	-
Standard Chartered Bank	-	-
TISCO Securities	-	-
TMB Bank	74,000	-
UBS	80,000	84,000
United Overseas Bank	-	-
Consensus	71,890	78,529
30 days ago	71,799	78,527
60 days ago	70,407	76,457
90 days ago	70,599	77,109
Minimum	62,500	63,500
Maximum	80,000	91,819
Median	72,000	80,300
Standard Deviation	8.4	11.9

General Data

Official name:	Kingdom of Thailand
Capital:	Bangkok (10.0 m)
Other cities:	Udon Thani (0.3 m)
Area (km ²):	513,115
Population (2006 est., million):	66.5
Population density (2006, per km ²):	129.7
Population growth rate (2006, %):	0.7
Life expectancy (2006, years):	72.2
Illiteracy rate:	7.4
Languages:	Thai, English
Measures:	Metric system
Time:	7 hours ahead of GMT

Executive Branch*

Prime Minister:	Surayud Chulanont
Since:	1 October 2006
Next elections:	December 2007

Cabinet:

Minister of Finance:	Chalongphob Sussangkarn
Minister of Foreign Affairs:	Nitya Pibulsonggram
Minister of the Interior:	Aree Wongsearay
Minister of Industry:	Kosit Panpiemras

Central Bank President:	Tarisa Watanagase
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Legislative Branch

Next elections:	December 2007
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Note: On 19 September 2006, Army Chief Sondhi Boonyarataklin ousted Prime Minister Thaksin Shinawatra, formed a Political Reform Council, revoked the 1997 constitution and dissolved the caretaker government and senate.

Economic Infrastructure**Communications (2005)**

Telephones - main lines in use (per 100 inhabitants):	11.0
Telephones - mobile cellular (per 100 inhabitants):	23.3
Telephones - mobile cellular (% total telephone subscribers):	68.0
Internet Users (per 100 inhabitants):	11.0
Personal Computers (per 100 inhabitants):	5.8

Energy (2006)

Total Electricity Generation (GWh):	141,919
Electricity Consumption Growth (%):	5.5
Residential Consumption (% share of total):	21.2
Industrial Consumption (% share of total):	44.8

Transportation (2005)

Railways Open to Traffic (km):	4,071
Road Network:	57,403
Paved (%):	98.5
Inland Rivers (km):	4,000
Chief ports:	Bangkok

Strengths

- Sound economic policy
- Disciplined fiscal policy
- Competitive tourism industry

Weaknesses

- Weak communications and information technology
- Low education standards
- Financial system vulnerability
- Protracted armed conflict

Long-Term Foreign Currency Ratings

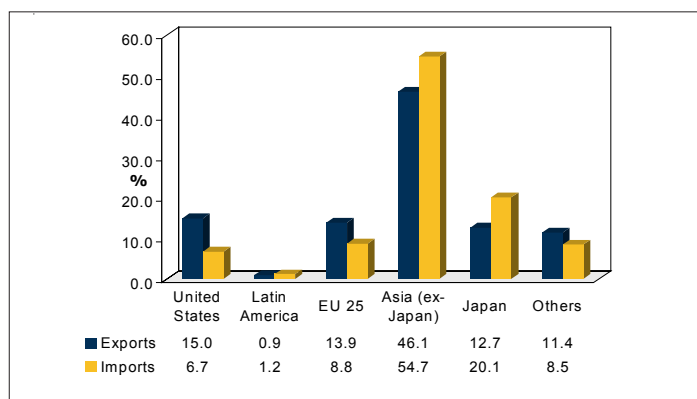
Moody's:	Baa1
S&P:	BBB+
Fitch Ratings:	BBB+

Trade by Product Groups (2006)**Exports:**

Manufacturing:	87.3
High-tech products:	64.4
Resource based products:	9.9
Labor intensive products:	8.5
Agricultural Products and Mining:	11.4
Other:	1.3

Imports:

Intermediate products and raw materials:	40.9
Capital goods:	26.1
Consumer goods:	7.5
Other imports:	25.4

Geographical Trade Structure (2006)

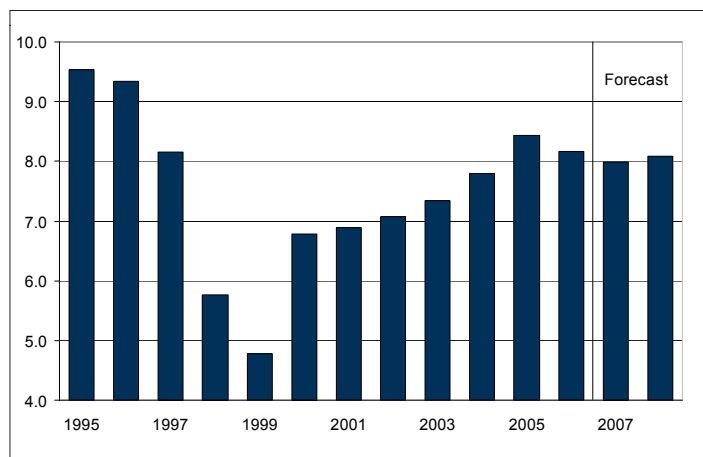
Forecasts

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (million)	73.2	74.3	75.5	76.6	77.6	78.7	79.7	80.9	82.0	83.1	84.1	85.2	86.3
GDP (US\$ billion)	24.7	26.8	27.2	28.7	31.2	32.7	35.1	39.6	45.5	52.9	60.9	69.2	78.8
GDP per capita (US\$)	337	361	361	374	402	415	440	489	554	637	724	812	913
GDP (annual variation in %)	9.3	8.2	5.8	4.8	6.8	6.9	7.1	7.3	7.8	8.4	8.2	8.0	8.1
Consumption (annual variation in %)	8.9	5.7	4.3	1.8	3.2	4.7	7.4	7.9	7.2	7.5	7.2	7.4	7.4
Investment (annual variation in %)	14.0	10.2	12.4	1.6	10.2	10.7	12.9	11.9	10.4	11.0	9.6	9.9	10.6
Unemployment (%)	-	-	6.9	6.7	6.4	6.3	6.0	5.8	5.6	5.3	4.4	4.6	4.4
Fiscal Balance (% of GDP)	-0.8	-2.5	-0.7	-2.2	-3.3	-4.0	-1.8	-1.8	-1.1	-1.6	-1.8	-2.2	-2.3
Consumer Prices (annual variation in %)	4.5	3.6	9.2	0.1	-0.6	0.8	4.0	3.0	9.5	8.4	6.6	6.5	6.1
Interest Rates (benchmark in %, eop)	18.9	10.8	12.0	6.0	6.0	4.8	4.8	5.0	5.0	6.5	6.5	5.6	5.7
Exchange Rate (vs. US\$, end-of-period)	11,149	12,292	13,890	14,028	14,514	15,084	15,403	15,646	15,777	15,916	16,055	16,179	16,238
Current Account Balance (% of GDP)	-8.2	-5.7	-3.9	4.1	3.6	2.1	-1.7	-4.9	-2.0	0.4	0.3	0.0	0.0
Trade Balance (% of GDP)	-15.8	-9.0	-7.9	-0.7	-3.7	-3.6	-8.7	-12.9	-12.1	-8.6	-7.9	-6.7	-5.7
Exports (annual variation in %)	33.2	26.6	1.9	23.3	25.5	3.8	11.2	20.6	31.4	22.5	22.1	19.5	22.1
Imports (annual variation in %)	36.6	4.0	-0.8	2.1	33.2	3.7	21.8	27.9	26.6	15.7	20.1	17.1	19.8
International Reserves (US\$ m)	1,736	1,986	2,002	3,326	3,417	3,675	4,121	6,224	7,041	8,741	12,380	16,369	19,935
Int. Reserves (months of imports)	1.9	2.1	2.1	3.4	2.6	2.7	2.5	3.0	2.6	2.8	3.3	3.8	3.8
External Debt (% of GDP)	106.5	81.1	82.5	80.9	41.1	38.5	38.1	40.1	39.2	33.4	32.4	31.5	30.1

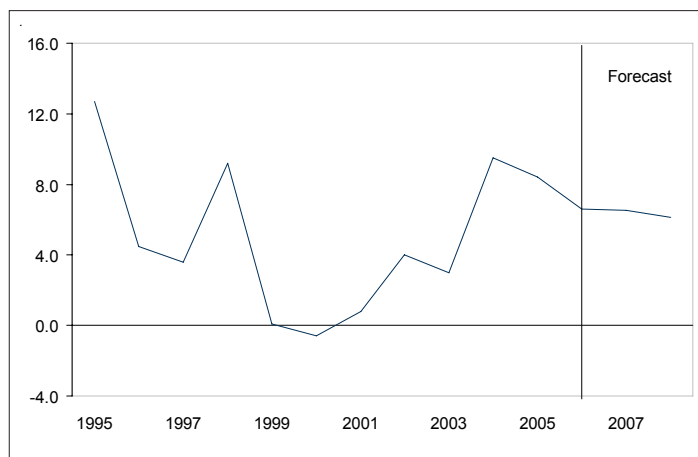
Foreign Ownership to Be Allowed

Assisted by its WTO membership and the government's disposition to create a more market-oriented legal system, Vietnam's economy continues to grow at a robust pace. Based on estimates of the economic growth registered in the first half of the year, the country seems well on track to meet the government's target of 8.5% annual growth for this year. To attract more foreign direct investment, a priority on the country's economic agenda, the government has drafted a new law that will allow foreigners to own property in the country. Despite the booming economy, inflation stays at manageable levels for the moment, although future price increases are likely as a result of the outbreak of various life-stock diseases. Finally, a shadow over the favourable economic outlook is the invariably wide trade gap, caused by limited supplies of export products and high machinery imports.

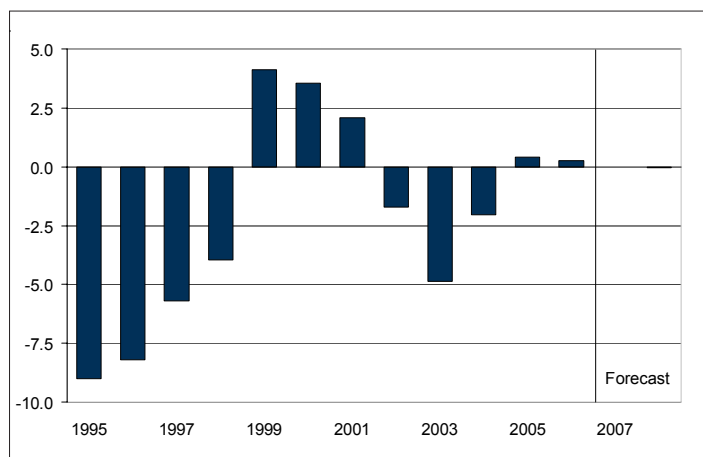
GDP, annual variation in %



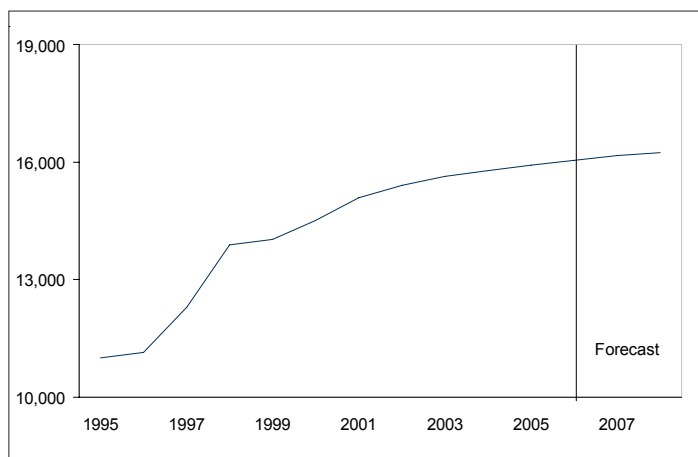
Consumer Prices, annual variation in %



Current Account, % of GDP



Exchange Rate, Dongs per US\$ (end-of-period)



General Data

Official name:	Socialist Republic of Viet Nam
Capital:	Ha Noi (2.6 m)
Other cities:	Ho Chi Min City (5.1m) Hai Phong (1.9m)
Area (km ²):	329,560
Population (2006 est., million):	84.4
Population density (per km ²):	256.1
Population growth rate (2006, %):	1.0
Life expectancy (2006, years):	70.8
Illiteracy rate (2006):	9.7
Language:	Vietnamese
Measures:	Metric system
Time:	7 hours ahead of GMT

Economic Infrastructure

Communications (2005)

Telephones - main lines in use (per 100 inhabitants):	18.8
Telephones - mobile cellular (per 100 inhabitants):	11.3
Internet Users (per 100 inhabitants):	12.7
Personal Computers (per 100 inhabitants, estimate):	1.3

Energy (2005)

Total Electricity Generation (GWh):	40,100
Electricity Consumption Growth (%):	14.9
Residential Consumption (% share of total):	51.8
Industrial Consumption (% share of total):	43.0

Transportation (2005)

Railways (km)	2,600
Roadways (km):	222,179
Chief Ports:	Hai Phong, Ho Chi Minh City

Executive Branch

President:	Nguyen Minh Triet
Since:	June 2006
Last elections:	June 2006
Next elections:	2011

Cabinet:

Prime Minister:	Nguyen Tan Dung
Minister of Finance:	Vu Van Ninh
Minister of Industry:	Hoang Trung Hai
Minister of the Internal Services:	Do Quang Trung
State Bank Governor:	Le Duc Thuy

Strengths

- Diversified exports
- Net exporter of crude oil
- Low cost and productive workforce

Weaknesses

- Dominant governmental sector
- Insufficient infrastructure
- Weak financial system

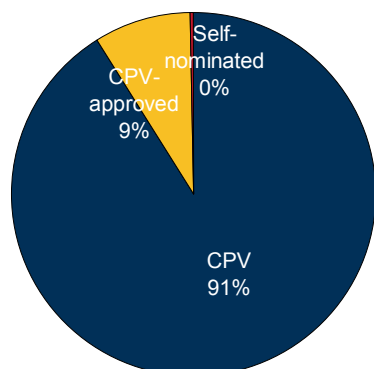
Legislative Branch

Last elections:	May 2007
Next elections:	2012

National Assembly:

Party	Seats	% of Total
The Communist Party of Vietnam:	449	91
Non CPV members (CPV approved):	44	9
Self-nominated candidates:	1	0
Total:	493	100.0

National Assembly



Long-Term Foreign Currency Ratings

Moody's:	Ba3
S&P:	BB
Fitch Ratings:	BB-

Trade by Product Groups (2006)

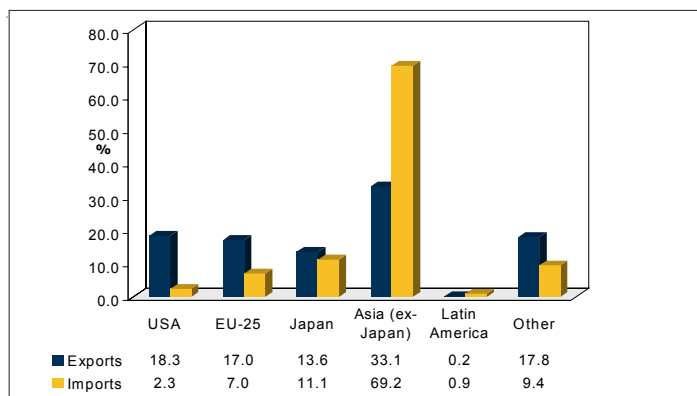
Exports:

Crude oil:	21.0
Textile:	14.6
Footwear:	9.0
Seafood:	8.5
Other:	46.9

Imports:

Machinery and equipment:	14.8
Petroleum products:	13.2
Steel:	6.5
Fabrics:	6.7
Other:	58.9

Geographical Trade Structure (2005)



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