



# *Bangko Sentral ng Pilipinas*

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**Foreign Portfolio Investments for the First Nine Months of 2009 Amount to US\$229 Million Net Inflow**

Transactions in BSP-registered foreign portfolio investments for January to September yielded a net inflow of US\$229 million, in sharp contrast to the US\$889 million net outflow recorded for the comparable period in 2008. Amid the global economic slowdown, investor sentiment in the Philippines remained relatively upbeat owing to the better-than-expected economic performance during the first half of 2009 supported by robust remittances, easing inflation and interest rates, and sound macroeconomic policies.

Gross investment inflows were recorded at US\$4.7 billion. The United States, the United Kingdom, Japan, Singapore and Luxembourg were the top five investor countries, which collectively contributed 81 percent of total funds received.

Transactions for the month of September also resulted in a net inflow of US\$47 million, a reversal from the US\$83 million net outflow recorded in August. Net outflows were recorded during the first three weeks of the month due to lack of positive leads but the trend shifted toward the end of the month as foreign investors became net buyers buoyed by the special block sale of shares in a local property firm.

Registered foreign portfolio investments<sup>a</sup> of US\$685 million increased by 78 percent from the previous month. About 82 percent of these investments were in PSE-listed shares while the balance pertained to peso-denominated government securities and peso time deposits. Total outflows, which were largely in the form of withdrawals from interim peso deposits<sup>b</sup>, increased to US\$638 million or by 36 percent.

Registration of inward foreign investments with the Bangko Sentral, which is voluntary, entitles the foreign investor to buy foreign exchange from authorized agent banks or their subsidiary/affiliate foreign exchange corporations for repatriation of capital and remittance of dividends/earnings that accrue on the investment.

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<sup>a</sup> These statistics, which pertain to newly registered investments, are different from foreign portfolio investments in the balance of payments which represent the amount of foreign exchange inflows converted to pesos for investment purposes during the period under review.

<sup>b</sup> Interim peso deposit is a temporary account maintained by the foreign investor where sales proceeds of earlier BSP-registered investments are parked pending subsequent reinvestment or repatriation offshore.

View table: [http://www.bsp.gov.ph/publications/tables/2009\\_10/news-10152009b1.htm](http://www.bsp.gov.ph/publications/tables/2009_10/news-10152009b1.htm)

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