The following corrections are to be made to document BOP/248:

1. Page 10, paragraph 21 should continue with "At the end of the third extension, another 90-day moratorium beginning 12 October 1984 was granted."

2. Page 10, paragraph 22 should continue with "As of end-September, the international reserve stood at US$472.1 million."

3. Page 11, line 13 should continue with "by the middle of October, the exchange rate had fallen to P20 vis-a-vis the US dollar, for a depreciation of 42.8% since end 1983."

4. Page 12, paragraph 26 should read "Meanwhile, the Philippine Government has finalized negotiations on a standby credit facility with the IMF. The Philippine request for the credit facility is expected to be taken up by the IMF Executive Board soon. Negotiations have also been made with the advisory committee of the country's commercial creditor banks for a rescheduling of maturing foreign debts and for new commercial loans. The rescheduling plan is expected to be approved by most of the creditor banks. The Paris Club has also scheduled negotiations on Philippine debts after the IMF Executive Board approves the standby credit facility. With the approval of the standby credit facility and the rescheduling of outstanding debts, the country faces the prospect of achieving a surplus in its balance of payments. With the pressure on the merchandise trade balance significantly relieved, restrictive trade measures are currently being reduced and prospects for phasing them out in accordance with GATT principles would be enhanced."

5. Page 13, line 9 should continue with "With the economy beginning the adjustment process attendant to the economic recovery program in mid-October, foreign exchange and import regulations were consolidated and revised, fine-tuned to program goals."

6. Page 14, line 13 should continue with "Effective 15 October 1984, commercial banks were no longer required to surrender their foreign exchange receipts to the Central Bank; however, they were required to maintain a balanced foreign exchange position. Commercial banks may now sell at the foreign
exchange trading floor, on a daily basis, any positive foreign exchange balances in excess of their requirements. The maximum amount of foreign exchange position which commercial banks may hold is limited to 10% of outstanding regular letters of credit plus 10% of foreign exchange receipts of two month moving average of the immediately preceding 12 months period; 100% of export bills purchased."

7. Page 14, paragraph 30 should read "During the first three quarters, import measures were mainly intended to reduce foreign exchange outlays for imports. The import surcharge was raised to 10%, and the required reserve on margin deposits was increased from 50% to 100%. In addition, applications to import certain unclassified and non-essential consumer goods were suspended by the authorities. Effective 15 October 1984, rules and regulations governing import transactions were consolidated and reissued. The basic policy of allowing merchandise imports is maintained; however, certain commodities are regulated or restricted for reasons of public health, safety, international commitments, development and rationalization of local industry. Imports are thus classified into: (a) freely importable commodities, (b) prohibited commodities, (c) banned commodities, (d) regulated commodities, (e) liberalized commodities. Freely importable commodities may be given due course by authorized agent banks and are classified according to categories defined in the Philippine standard commodity classification manual. Banned commodities require prior CB approval. Regulated imports require clearances/permits from certain government agencies, but do not need prior CB approval and are also classified similarly as are freely importable commodities; liberalized commodities are those which were formerly banned, but which may now be imported without prior CB approval. The recent import measures also pertain to importations through letters of credit, documents against acceptance (DA) and open account (OA) arrangements. Likewise, rules on no-dollar imports and other special arrangements are also clarified. And, finally, administrative and reporting requirements are delineated. In addition, the surcharge was reduced from 10% to 5%.

8. Page 15, paragraph 31 should continue "With the economy beginning the adjustment process attendant to an economic recovery program, foreign exchange regulations were consolidated and revised. Highlights of the changes included: (1) the uniform application of the reglementary 3-day period of surrendering foreign exchange earning for peso through the banking system and monthly reporting requirements to all foreign exchange earners; (2) the widening of the privilege of being certified as export-oriented to include all foreign exchange earners, not just overseas contractors and service exporters; (3) the simplification of travel fund allocations by removing the differential among earners, types of travellers and purpose of travel; only the distinction between areas of destination is retained. However, remittances to dependents abroad are limited to the closest minimum; (4) the authorization of commercial banks to sell foreign exchange for
medical expenses abroad up to a specified amount without prior CB clearance; (5) the lifting of prior central Bank approval on the initial remittance of US$5,000 of emigrants assets. Prior CB approval is still required for the remittance of the balance which must be in 5 equal installments; similarly, remittance of expatriates earnings is allowed up to a specified percentage of basic salaries; and finally, remittance of royalties, trademark fees, and copyright fees is allowed subject to prior clearance from the Technology Transfer Board."

9. Page 16, line 4 should continue with "By the middle of October, the peso was allowed to float more freely, and the exchange rate moved to P20.00 per US$, or resulting in a depreciation of 42.8% since end-1983."