

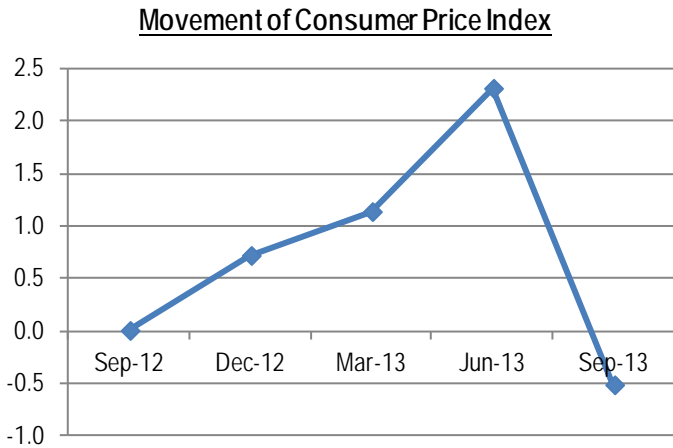


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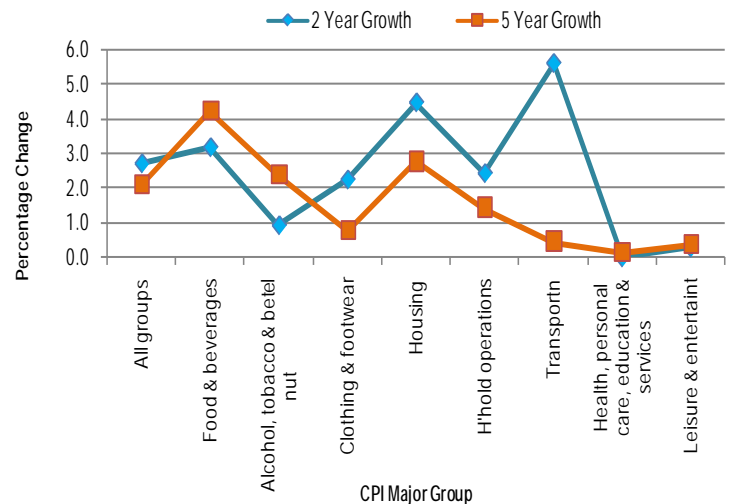
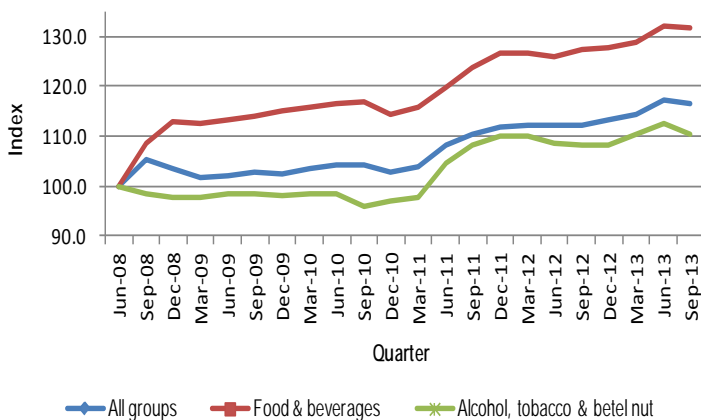
**SEPTEMBER 2013 QTR KEY FIGURES**



Major Groups	QTR on QTR % Change	YR on YR %Change
Food & Beverage	-0.3	3.4
Alcohol, tobacco & betel nut	-2.0	1.9
Clothing & Footwear	0.0	2.0
Housing	-1.8	6.3
Household Operations	-0.1	5.3
Transportation	0.6	5.3
Health, Personal care, Education & Services	-0.5	1.1
Leisure & Entertainments	0.0	0.0
<b>ALL GROUPS</b>	<b>-0.5</b>	<b>3.7</b>

Source: Bureau of Budget & Planning, MOF

Index for All Groups, Food & Beverages, and Alcohol, Tobacco & Betelnut



**SEPTEMBER 2013 QTR KEY POINTS**

- All groups decreased by 0.5% over the last quarter. Transportation group was the only group that saw an increase that was mainly driven by price rise of gasoline and diesel. Alcohol, tobacco and betelnut group showed the largest decline that was due to price drop of betelnut.
- The year-on-year change shows a 3.7% increase. As shown in the table above, all major groups increased over the same period last year. The Housing group showed the largest increase at 6.3%. Major contributors to this increase included plywood and apartment rental cost. The Household operations group increase of 5.3% was due to electricity cost increase. Transportation group increased by 5.3% that was due to gasoline price rise.



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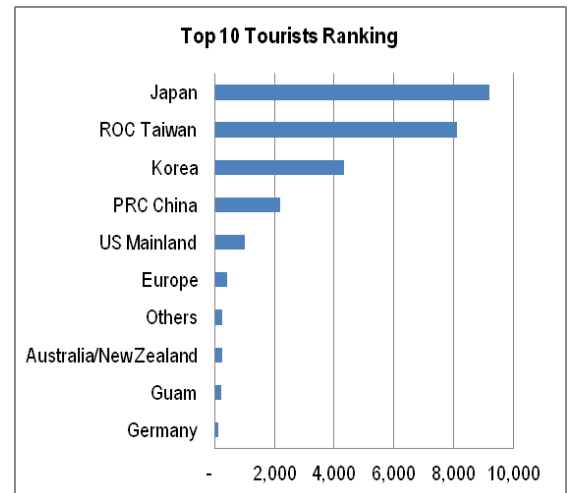
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**SEPTEMBER 2013 QTR KEY FIGURES**

Purpose of Entry	Arrivals 3 <sup>rd</sup> Qtr 2012	Arrivals 3 <sup>rd</sup> Qtr 2013	% Change
Tourist	31,585	26,376	-16.5%
Business	957	1,206	26.0%
Employment	800	884	10.5%
Other	983	1,552	57.9%
<b>Total Excluding Residents</b>	<b>33,785</b>	<b>30,018</b>	<b>-12.5%</b>

Source: Palau Visitors Authority, ROP and Bureau of Budget and Planning, MOF



Country of Residence	Tourist Arrivals 3 <sup>rd</sup> Qtr 2012	Tourist Arrivals 3 <sup>rd</sup> Qtr 2013	%Change
Australia/New Zealand	191	259	35.6%
CNMI	39	28	-28.2%
Europe	547	399	-27.1%
FSM	100	59	-41.0%
Germany	101	115	13.9%
Guam	295	208	-29.5%
Hong Kong	79	76	-3.8%
Japan	11,072	9,217	-16.8%
Korea	4,966	4,334	-12.7%
Philippines	113	95	-15.9%
PRC China	874	2,199	151.6%
ROC Taiwan	11,929	8,129	-31.9%
US Mainland	1,060	997	-5.9%
Others	219	261	19.2%
<b>Total</b>	<b>31,585</b>	<b>26,376</b>	<b>-16.5%</b>

Source: Palau Visitors Authority, ROP and Bureau of Budget and Planning, MOF

**SEPTEMBER 2013 QTR KEY POINTS**

- The total number of visitors this quarter was 30,018, a decline of 12.5% compared to the same period last year.
- Tourist arrivals declined by 16.5%, while Business, Employment, and Other increased.
- Inbound tourists from Japan declined by 16.8%. According to statistics from the Japanese National Tourist Organization (JNTO), Japanese outbound numbers have been declining and this may be due to the depreciation of the yen.
- ROC Taiwan tourists to Palau declined by 31.9%. These tourists are possibly rerouting their vacation destination to Japan as according to JNTO statistics, their tourist inbound seem to grow significantly due to the weakening of the yen.
- PRC China tourist arrivals increased by 152% over the same period last year. According to online sources, outbound Chinese travelers have significantly increased driven by its rising level of income and living standards.



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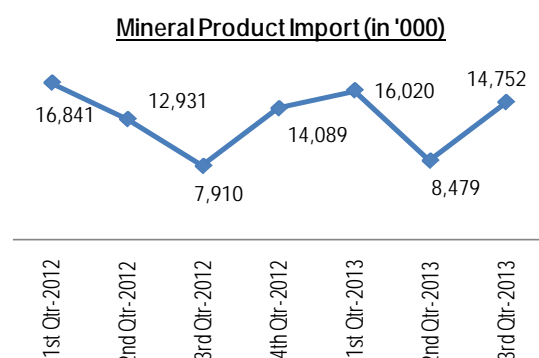
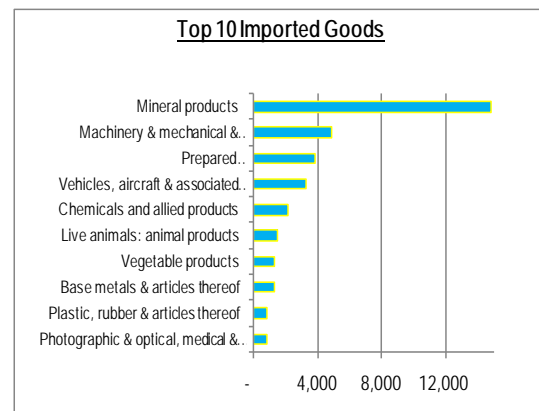
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**SEPTEMBER 2013 QTR KEY FIGURES**

HS Sections	Total Imports 3rd Qtr 2012	Total Imports 3rd Qtr 2013	% Change
Live Animals; animal products	1,486,153	1,430,397	-3.8%
Vegetable products	1,354,166	1,284,747	-5.1%
Prepared foodstuffs, beverages, spirits & tobacco	4,455,898	3,858,604	-13.4%
Mineral products	7,910,492	14,752,496	86.5%
Chemicals and allied products	1,617,739	2,126,479	31.4%
Plastic, rubber & articles thereof	1,040,382	771,615	-25.8%
Wood pulp, paper & paperboard & articles thereof	669,373	638,844	-4.6%
Base metals & articles thereof	901,595	1,283,629	42.4%
Machinery & mechanical & electrical appliances & parts thereof	4,033,586	4,810,037	19.2%
Vehicles, aircraft & associated transport equipment	2,562,303	3,214,587	25.5%
Other Imports	3,146,316	3,887,214	23.5%
<b>Total</b>	<b>29,178,004</b>	<b>38,058,649</b>	<b>30.4%</b>

Source: Division of Customs, MOF and Bureau of Budget & Planning, MOF



**SEPTEMBER 2013 QTR KEY POINTS**

- Overall, total imports increased by 30.4% over the same period last year.
- Mineral products significantly increased by 86.5% mainly due to import of fuel.
- Chemicals and allied products saw an increase of 31.4% due to large import of medical supplies, medicines, and vaccinations.
- Plastic and rubber products decreased by 25.8% driven by the decline of imported windows, doors and other housing materials.
- Base metals & articles saw an increase of 42.4%, mainly associated with PPUC's large import of steel plate, steel frame, girder, metal beams and other equipment & parts for structure. Roofing materials and bed/strings & springs also contributed to the increase.
- Vehicles, aircraft & associated transport equipment group saw an increase of 25.5% due to import of vehicles as well as sea transportation.
- Other Imports saw an increase of 23.5%. The leading contributors to this increase include prefabricated warehouse, spray oceanographic instrument, anesthesia machine, water proofing/roofing materials, tubing, ceramic tiles, and student text books.
- Other imports include Animal or vegetable oils & fats, Raw hides, skins, leather articles & travel goods, Wood, cork & articles thereof & plaiting material, Textiles & textile articles, Footwear, headgear, umbrellas & parts thereof, Articles of stone, plaster, cement, glass & ceramic products, Pearls, precious & semi-precious stones & metals, Photographic & optical, medical & surgical goods & clocks/watches & musical instruments, Arms and ammunition, parts & accessories thereof, Miscellaneous manufactured articles and Works of art, collectors pieces & antiques.



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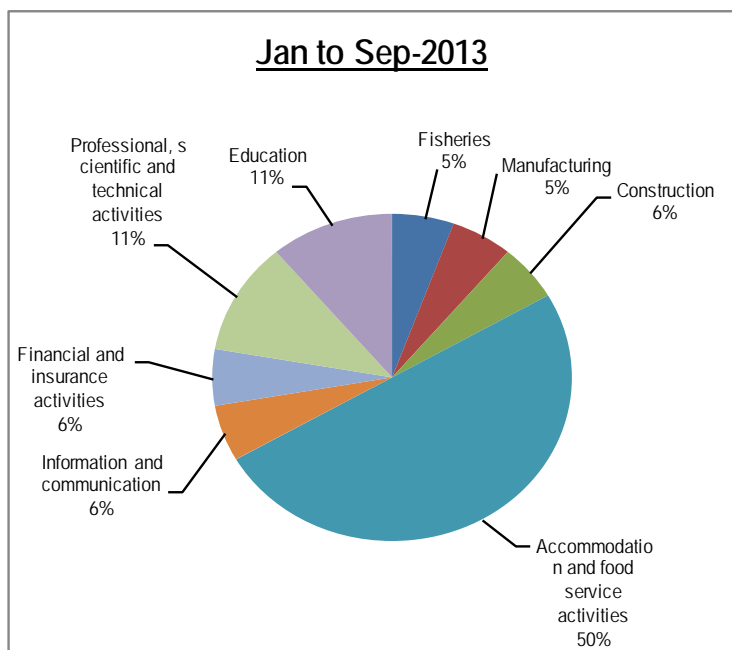
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**SEPTEMBER 2013 QTR KEY FIGURES-FIAC**

Industry	FIAC Issued Jan-Sep 2012	FIAC Issued Jan-Sep 2013
Agriculture and forestry	2	-
Fisheries	1	1
Manufacturing	-	1
Construction	-	1
Wholesale and retail; repair of motor vehicles	4	-
Accommodation and food service activities	2	9
Information and communication	-	1
Financial and insurance activities	-	1
Real estate activities	2	-
Professional, scientific and technical activities	-	2
Administrative and support service activities	1	-
Education	-	2
Arts, entertainment and recreation	1	-
<b>Total</b>	<b>13</b>	<b>18</b>

Source: Foreign Investment Board, ROP



**SEPTEMBER 2013 QTR KEY POINTS**

- Overall FIAC issued increased by 38% compared to the same period last year.
- Accommodation and food service industry contributed 50% to the total FIAC issued. 5 out of the 9 FIAC, for Accommodation and food service activities, issued this year were new establishment of businesses and the remaining 4 were actually existing businesses that changed management. These industries include hotel, restaurant, and beauty shop.
- Education and Professional, scientific & technical activities industries both contributed 11% each to the total FIAC issued. Construction, financial & insurance activities, and information & communication industries contributed 6% each while Manufacturing and Fisheries industries both contributed 5% each.



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**SEPTEMBER 2013 QTR KEY FIGURES**

INDUSTRY	Total BGRT Sept Qtr 2012	Total BGRT Sept Qtr 2013	%Change
Agriculture and forestry	8,648	7,778	-10.1
Fisheries	23,192	14,918	-35.7
Mining and quarrying	13,232	7,665	-42.1
Manufacturing	36,179	28,950	-20.0
Construction	237,670	94,210	-60.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,757,364	1,797,986	2.3
Transportation and storage	182,606	155,223	-15.0
Accommodation and food service activities	548,953	567,218	3.3
Financial and insurance activities	62,785	57,546	-8.3
Real estate activities	63,857	66,508	4.2
Professional, scientific and technical activities	29,923	40,079	33.9
Administrative and support service activities	177,605	180,471	1.6
Other service activities	43,332	38,963	-10.1
Other industries	36,760	37,521	2.1
<b>TOTAL</b>	<b>3,222,105</b>	<b>3,095,037</b>	<b>-3.9</b>

Source: Division of Rev. & Tax, MOF and Bureau of Budget & Planning, MOF

**SEPTEMBER 2013 QTR KEY POINTS**

- Overall BGRT collected this quarter dropped by 3.9%, primarily due to late filers and businesses that filed less earnings as well as filed zero compared to the same quarter last year. Year-on-year comparison of total BGRT, excluding Construction industry, shows an increase of 0.5%.
- There was approximately 60% decline in Construction industry as a result of completion of major construction work in Koror and Babeldaob which led to a filing of zero earnings this quarter by certain construction companies.
- Mining and quarrying industry also saw a decline of 42%, largely associated with the decline of the construction industry.
- Several fishing companies filed less earnings, this period, contributing to the 35% decline in Fisheries industry.
- Professional, scientific & technical industry on the other hand, saw an increase of 34%, mostly due to increased earnings of private attorneys, private auditors, and consulting services.
- Despite the declining number of visitor arrivals, the Accommodation and food service industry still showed growth of about 3%. This was mainly driven by increased earnings of various hotels, restaurants and food catering services due to various workshops, conferences, and Micronesians Presidents' Summit that took place.
- Other industries include Water Supply, Sewerage, Waste Management; Information and Communication; Education; Human Health and Social Work; and Arts, Entertainment and Recreation.





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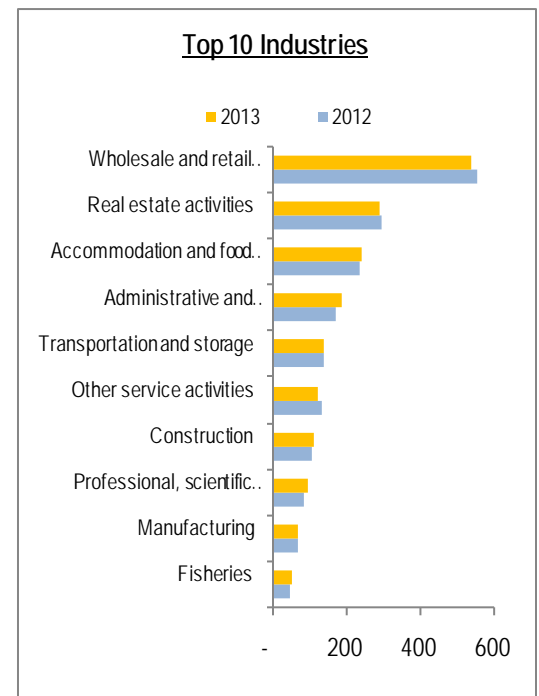
**SEPTEMBER 2013 QTR KEY FIGURES**

INDUSTRY	Total Registered Business License 2012	Total Registered Business License 2013	% Change
Agriculture and forestry	35	34	-2.9
Fisheries	45	50	11.1
Mining and quarrying	11	9	-18.2
Manufacturing	67	65	-3.0
Construction	104	110	5.8
Wholesale and retail trade	549	534	-2.7
Transportation and storage	137	133	-2.9
Accommodation and food service activities	235	240	2.1
Real estate activities	290	284	-2.1
Professional, scientific & technical activities	82	91	11.0
Administrative and support service activities	168	184	9.5
Other service activities	128	119	-7.0
Other Industries**	106	109	2.8
<b>Total</b>	<b>1,957</b>	<b>1,962</b>	<b>0.3</b>

Source: Division of Rev. & Tax, MOF and Bureau of Budget & Planning, MOF

**SEPTEMBER 2013 QTR KEY POINTS**

- Business Licenses must be renewed by December 31<sup>st</sup> of each year to avoid penalty and interest fees. The table above shows the cumulative number of business licenses issued each year.
- Overall, the total number of business license certificate issued this year increased by 0.3% compared to last year.
- The increase in the number of business licenses issued for the Fisheries industry is a combination of 17 new and 33 renewed licenses. It appears that 12 out of the 45 issued licenses last year did not renew this year.
- Although the Mining and quarrying industry is showing the largest decline, it is a small industry and all license holders for 2012 renewed their licenses this year except for two businesses.
- Under the Construction industry, the 14 licenses that were not renewed in 2013 were being offset by the 22 new licenses issued resulting in an increase of almost 6%.
- Professional, scientific and technical activities industry is comprised of legal and accounting services, environmental consultations, and other professional activities. Most of the 28 new licenses issued this year were for legal services.
- Administrative and support services industry is mostly made up of vehicle and equipment rentals, and transportation and tour activities support services. There were a total of 37 new licenses issued this year mostly tour activities support services.
- Other industries include Water Supply, Sewerage, Waste Management, Information and Communication, Financial and insurance activities, Education, Human Health and Social Work, and Arts, Entertainment and Recreation.



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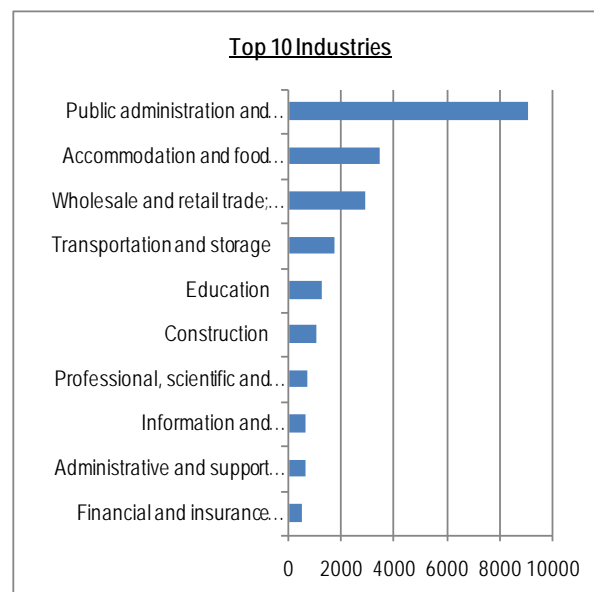
**SEPTEMBER 2013 QTR KEY FIGURES**

INDUSTRY	Total Wages 3 <sup>rd</sup> Qtr 2012 (in USD'000)	Total Wages 3 <sup>rd</sup> Qtr 2013 (in USD'000)	% Change
Agriculture	82	102	24.5%
Fisheries	125	119	-4.5%
Mining and quarrying	240	211	-12.2%
Manufacturing	256	250	-2.5%
Construction	1,089	1,266	16.3%
Wholesale and retail trade	2,724	2,798	2.7%
Transportation and storage	1483	1,680	13.3%
Accommodation and food service activities	3316	3,115	-6.0%
Financial and insurance activities	531	421	-20.7%
Information and communication	646	627	-2.9%
Real estate activities	352	357	1.4%
Professional, scientific and technical activities	676	747	10.5%
Administrative and support service activities	538	592	10.1%
Public administration and defence	8,970	9,309	3.8%
Education	1,129	1,146	1.5%
Other Industries	1,714	1,728	8.2%
<b>TOTAL</b>	<b>23,870</b>	<b>24,469</b>	<b>2.5%</b>

Source: Social Security Administration; Bureau of Budget & Planning, MOF

**SEPTEMBER 2013 QTR KEY POINTS**

- Overall Wages collected this quarter increased by 2.5%, primarily linked to the overall increase of number of employment at 2.7% as shown in the Average Employed table.
- Agriculture, Construction and Transportation & Storage industries saw large increases of 24.5%, 16.3%, and 13.3% respectively; primarily due to hiring of additional workers as reflected in the Average Employed table.
- Financial & insurance and Mining & quarrying industries saw a decline of 20.7% and 12.2% respectively; largely driven by the decline of employment as illustrated in the Average Employed table.
- Other Industries include Water supply; sewerage, waste management and remediation activities, Activities of extraterritorial organizations and bodies, Arts, entertainment and recreation, Human health and social work activities, Electricity, gas, steam and air conditioning supply, Activities of household as employers, undifferentiated goods- and services-producing activities of households for own use, and Other service activities.







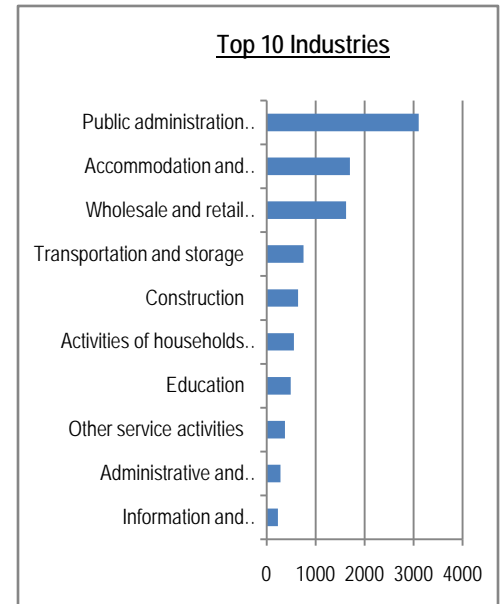
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**SEPTEMBER 2013 QTR KEY FIGURES**

INDUSTRY	Average Employed 3 <sup>rd</sup> Qtr 2012	Average Employed 3 <sup>rd</sup> Qtr 2013	% Change
Agriculture and forestry	98	102	4.1%
Fisheries	92	94	2.2%
Mining and quarrying	120	103	-14.2%
Manufacturing	170	165	-2.9%
Construction	685	797	16.4%
Wholesale and retail trade	1,575	1,665	5.7%
Transportation and storage	722	821	13.7%
Accommodation and food service activities	1,726	1,692	-2.0%
Information and communication	269	255	-5.2%
Real estate activities	197	198	0.5%
Administrative & support service activities	290	310	6.9%
Public administration and defence	2,964	3,104	4.7%
Education	418	387	-7.4%
Other service activities	380	355	-6.6%
Activities of households as employers	616	544	-11.7%
Other Industries	537	561	4.5%
<b>TOTAL</b>	<b>10,858</b>	<b>11,153</b>	<b>2.7%</b>



Source: Social Security Administration and Bureau of Budget & Planning, MOF

**SEPTEMBER 2013 QTR KEY POINTS**

- Quarterly employment numbers are derived by averaging total number of people filing returns at the end of the quarter. Industry employment counts are classified based on the business activity as disclosed on their Social Security activity description.
- Overall, the total average employment increased by 3%.
- Mining and quarrying industry saw a decline of 14.2%, primarily linked to the decline of the Construction BGRT figures.
- Activities of households as employers industry declined by 11.7% largely attributable to the Philippine Overseas Employment Administration (POEA) strict restrictions in addressing human trafficking.
- Construction and Transportation industries saw an increase of 16.4% and 13.7 %, respectively; likely associated with the Wages numbers.
- Other industries include Water Supply; sewerage, waste management and remediation activities, Activities of Extraterritorial organizations and bodies, Arts, entertainment and recreation, Human Health and social work activities, Electricity, gas, steam and air conditioning supply, Financial and insurance activities, and Professional, scientific and technical activities.





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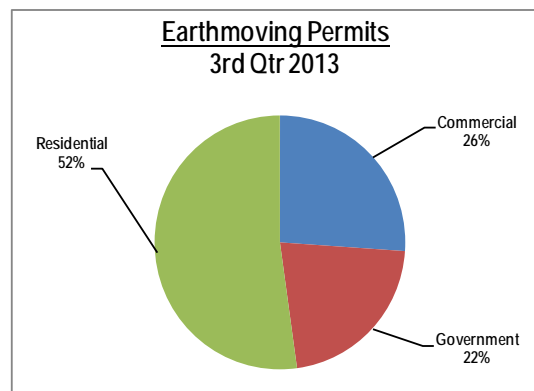
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**SEPTEMBER 2013 QTR KEY FIGURES-EQPB**

Type	Earthmoving Permits Issued 3 <sup>rd</sup> Qtr 2012	Earthmoving Permits Issued 3 <sup>rd</sup> Qtr 2013
Commercial	6	6
Government	12	5
Residential	18	12
<b>Total</b>	<b>36</b>	<b>23</b>

Source: Environmental Quality Protection Board, ROP



**SEPTEMBER 2013 QTR KEY POINTS**

- Overall Earthmoving Permits issued this quarter dropped by 36% compared to the same quarter last year.
- This quarter, 23 earthmoving permits were issued. Six of the issued permits were for commercial project, five government and twelve for the residential. Residential contributed 52% to the total building permit issued followed by Commercial (26%) and Government (22%). During the same period last year, a total of 36 permits were issued.
- Table below shows a drop in the number (about 22%) of Building Permits issued over the same period last year. A total of 38 building permits were issued this quarter with Residential building permits contributing approximately 60%.

**SEPTEMBER 2013 QTR KEY FIGURES-KSG**

Type	Building Permits 3 <sup>rd</sup> Qtr 2012	Building Permits 3 <sup>rd</sup> Qtr 2013
Commercial	8	7
Government	7	7
Residential	32	23
School	2	1
<b>Total</b>	<b>49</b>	<b>38</b>

Source: Building & Zoning, Koror State Government

