**Output.** The country’s gross domestic product (GDP) grew by 6.1 percent in 2004. The 2004 growth was supported by services, which accelerated by 7.3 percent; industry by 5.3 percent; and agriculture by 4.9 percent. Figure 1 shows the contributions by sector to the 6.1-percent growth in 2004.

**Employment.** The country’s employment picture remains gloomy as both unemployment and underemployment rates linger in double-digit levels. Unemployment in January of this year is at 11.3 percent while underemployment (those working less than 40 hours a week and seeking for more hours of work) is at 16.1 percent. The higher level of unemployment is explained by a larger number of labor entrants of 217,000 compared to the 87,000 new jobs created.

**Prices.** Prices of commodities and services are on a roll as inflation rate has been increasing since March 2004, reaching 8.5 percent in March 2005. The uptick in prices is mainly attributed to the high prices of oil and increased demand for food items and services.
Balance of Payments (BOP). The continuous weakening of capital and financial account owing mainly to the uncertain domestic political climate and fiscal situation reversed the country’s BOP position from a surplus of US$115 million in 2003 to a deficit of US$280 million in 2004. The current account, in contrast, continued its strong performance, posting a surplus equivalent to 2.2 percent of the gross national product in 2004. The 2004 surplus at US$2.08 billion is significantly higher than the US$1.40 billion posted in 2003.