

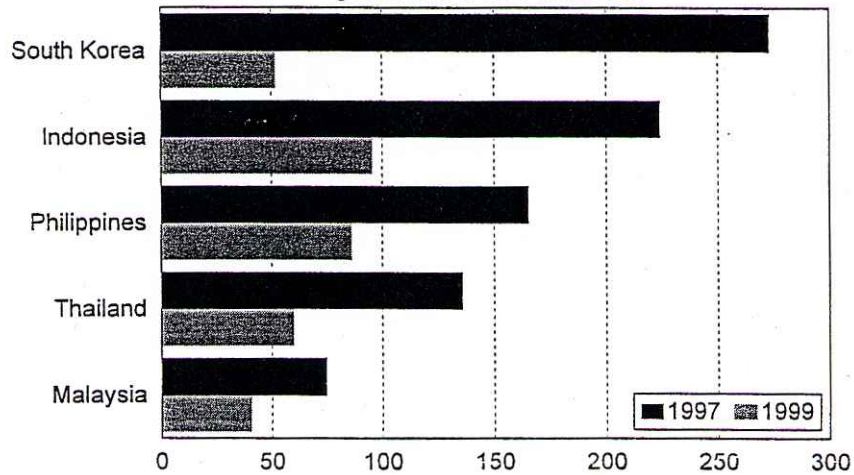
Where is Asian Region Heading?

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ASIA RECOVERING FROM FOREIGN DEBT CRISIS

Short-term* foreign debt as % of FX reserves



* Up to and including one year by maturity

EXCHANGE RATES STABILIZED

	Per US\$				% change		
	7/1/1997	Weakest	Strongest	5/12/00	7/1/1997 to Weakest	Weakest to 5/12/00	7/1/1997 to 5/12/00
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Rupiah	2,432	16,745	6,575	8,375	-85.5	99.9	-71.0
Baht	24.5	56.1	36.7	38.9	-56.4	44.1	-37.2
Peso	26.4	45.5	37.6	41.5	-42.0	9.5	-36.5
Ringgit	2.524	4.685	3.8	3.8	-46.1	23.3	-33.6
Won	888	1,963	1,105	1,113	-54.8	76.4	-20.2
Sing\$	1.430	1.794	1.651	1.728	-20.3	3.8	-17.2
NT\$	27.8	34.9	30.2	30.7	-20.3	13.6	-9.5
HK\$	7.746	7.784	7.748	7.790	-0.5	-0.1	-0.6
RMB	8.321	8.322	8.228	8.278	0.0	0.5	0.5
Yen	114.9	147.3	101.6	108.6	-22.0	35.7	5.8

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STOCK MARKET STRONGLY REBOUNDED

	Stock index				% change		
	Pre-crisis high	Lowest	Highest	5/12/00	Pre-crisis high to Lowest	Lowest to 5/12/00	Pre-crisis high to 5/12/00
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Thailand	859	207	546	346	-75.9	66.7	-59.8
Philippines	3,448	1,082	2,622	1,539	-68.6	42.2	-55.4
Indonesia	741	257	716	527	-65.3	105.1	-28.9
Malaysia	1,272	263	1,013	913	-79.3	247.4	-28.2
Japan	20,681	12,880	20,833	17,358	-37.7	34.8	-16.1
Taiwan	10,117	5,475	10,202	8,560	-45.9	56.4	-15.4
Singapore	2,272	805	2,583	2,027	-64.6	151.7	-10.8
Hong Kong	16,673	6,660	18,302	15,112	-60.1	126.9	-9.4
South Korea	792	280	1,059	740	-64.7	164.4	-6.6
China*	1,569	914	1,966	1,830	-41.8	100.3	16.7

* Shanghai A share market.

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INTEREST RATES* EASED CONSIDERABLY

	% points difference						
	% per year				7/1/1997 to Highest	Highest to 5/12/00	7/1/1997 to 5/12/00
	7/1/1997	Highest	Lowest	5/12/00			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
HK\$	6.1	41.2	5.0	7.0	35.1	-34.2	0.8
Rupiah	11.3	48.0	10.9	10.9	36.8	-37.1	-0.3
Yen	0.6	1.3	0.0	0.1	0.7	-1.2	-0.6
Sing\$	3.6	12.9	1.0	2.9	9.3	-10.0	-0.7
Peso	11.0	20.1	8.4	8.7	9.2	-11.4	-2.3
NT\$	7.8	9.5	5.0	5.1	1.8	-4.5	-2.7
RMB*	9.2	n.a.	n.a.	5.6	n.a.	n.a.	-3.6
Ringgit	7.4	14.5	3.0	3.1	7.1	-11.4	-4.3
Won	12.4	25.0	5.7	7.1	12.6	-17.9	-5.2
Baht	19.5	27.0	3.8	3.8	7.5	-23.3	-15.8

* 3-month market rates, except the Renminbi where 6-month bank lending rate is used.

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ECONOMIES EMERGING FROM RECESSION

Real GDP growth (%)	1998				1999			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Indonesia	-4.1	-15.8	-14.5	-18.7	-7.9	3.3	0.7	5.8
Hong Kong	-2.6	-5.1	-6.9	-5.6	-3.0	1.1	4.4	8.7
Malaysia	-3.1	-5.2	-10.9	-10.3	-1.3	4.1	8.1	10.6
Thailand	-9.0	-12.7	-13.2	-6.6	0.9	3.3	7.4	6.5
South Korea	-3.6	-7.2	-7.1	-5.3	5.4	10.8	12.8	13.0
Philippines	1.6	-0.8	-0.1	-2.0	1.2	3.6	3.4	4.6
Singapore	3.7	-0.4	-2.5	-1.2	0.8	6.6	6.9	7.1
Taiwan	5.7	5.2	4.7	3.7	4.3	6.5	5.1	6.8
China	7.2	6.8	7.6	9.5	8.3	7.1	7.0	6.8

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GLOBAL ECONOMIC ASSUMPTIONS

- Generally improved economic outlook, with growth in the US tapering off, but becoming more sustainable
- Surprised upside growth in Europe and Japan
- Further preemptive hike of US interest rates by another 150 basis points by year-end
- Interest rates in other industrial economies continue to trend upward, except Japan
- US dollar stays strong in the near term

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IMPROVED GLOBAL ECONOMIC OUTLOOK

Real GDP growth (%)	1997	1998	1999	2000F	2001F
United States	4	3.9	4.1	5.1	3.9
Euro Area	2.5	2.7	2.3	3.6	3.3
United Kingdom	3.5	2.2	2.1	3.5	3.1
Japan	1.6	-2.5	0.3	1.6	2.5

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HIGHER GLOBAL INTEREST RATES

% per annum	Current (5/12/2000)	3-month forecast	6-month forecast	12-month forecast
US Fed Funds Rate	6	7	7.5	7.5
Euro Repo Rate	3.75	4	4.25	4.75
UK Base Rate	6	6.5	6.75	7.25
Japan Call Money	0.02	0.02	0.02	0.02

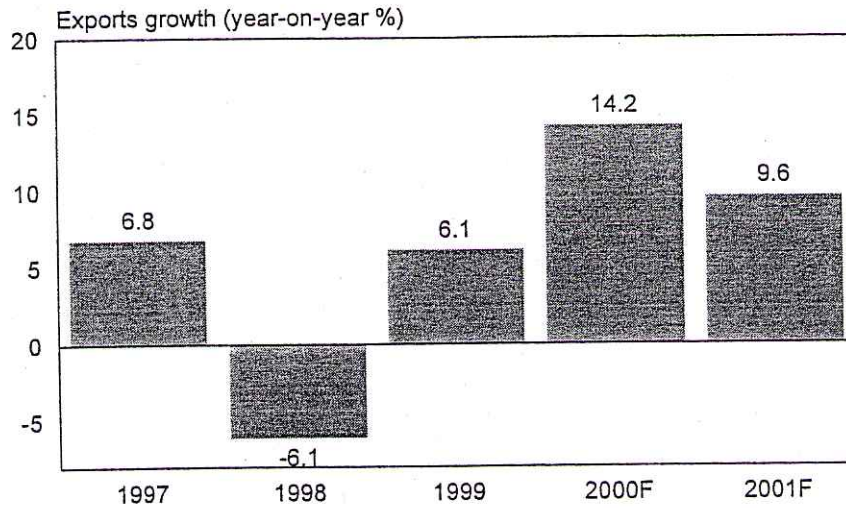
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CONTINUED ECONOMIC RECOVERY IN ASIA

- Growth momentum of the region to continue in 2000:
 - Robust growth of major industrial countries will boost Asia exports
 - Global interest rate hike unlikely to sharply lift rates in Asia
 - Accommodating fiscal policy should provide a boost to growth
- Outlook in 2001 differs depending on the speed at which individual countries recover from the regional turmoil:
 - Growth of South Korea already peaked in 1999
 - Growth of Taiwan, Singapore, HK and Malaysia tapers off in 2000
 - Growth momentum of Thailand, Philippines, Indonesia and China continues into 2001

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RISING ASIAN EXPORTS GROWTH



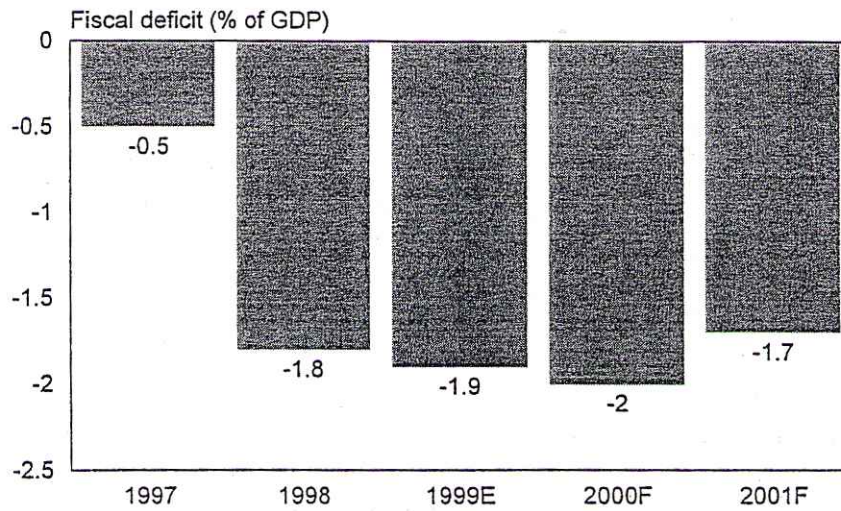
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MODEST ASIAN INFLATION

Inflation (%)	1999				2000 Q1
	Q1	Q2	Q3	Q4	
China	-1.4	-2.2	-1.2	-0.8	0.1
Hong Kong	-1.8	-4.0	-5.9	-4.1	-5.1
Taiwan	0.7	-0.1	0.3	-0.1	0.8
South Korea	0.7	0.6	0.7	1.3	1.5
Philippines	10.1	6.8	5.6	4.5	3.0
Singapore	-0.6	0.1	0.9	1.4	1.3
Malaysia	4.0	2.7	2.3	2.1	1.5
Indonesia	55.8	30.9	6.7	1.6	0.3
Thailand	2.7	-0.7	-0.9	0.3	0.8

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ACCOMMODATING ASIAN FISCAL POLICIES



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ASIA ECONOMIC OUTLOOK

Real GDP growth (%)	1997	1998	1999	2000F	2001F
South Korea	5.0	-6.7	10.7	8.0	6.5
Taiwan	6.7	4.8	5.7	6.7	6.2
Singapore	8.4	0.4	5.4	6.0	5.6
Hong Kong	5.0	-5.1	2.9	5.5	4.3
Malaysia	7.5	-7.5	5.4	6.2	6.0
Thailand	-1.8	-10.2	4.2	5.2	5.5
Philippines	5.2	-0.5	3.2	3.6	4.0
Indonesia	4.7	-13.2	0.2	3.5	4.5
China	8.8	7.8	7.1	7.5	7.8

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