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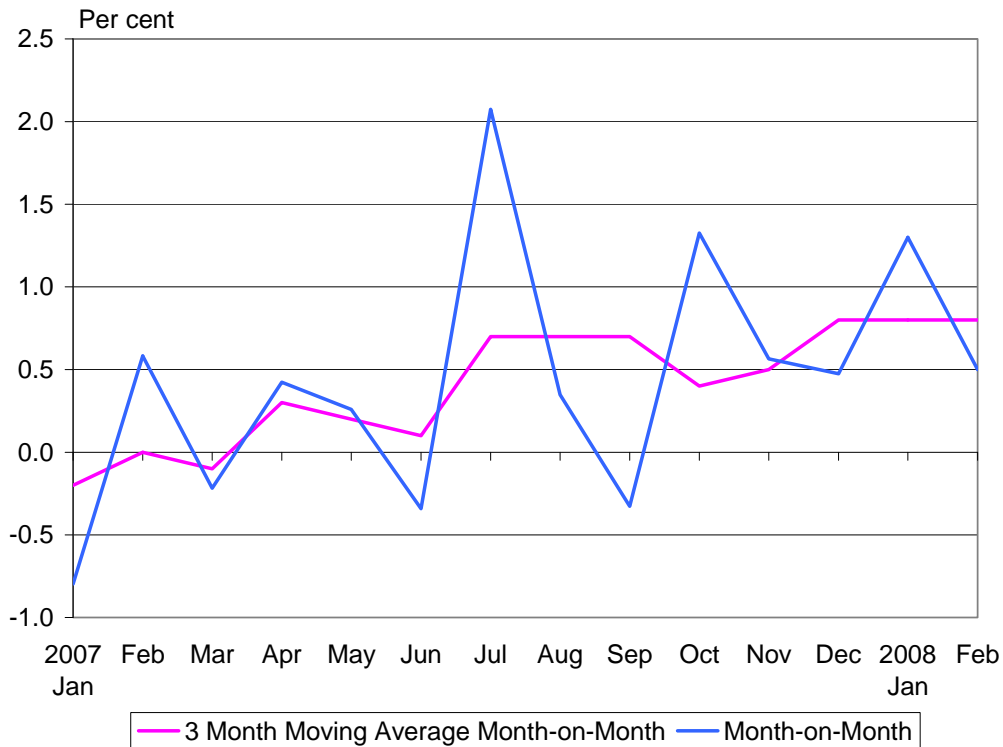
Underlying Inflation Remains Stable

The Ministry of Trade and Industry said that the 3-month moving average (3MMA) month-on-month increase of 0.8% in the Consumer Price Index (CPI) in February 2008 indicated that the underlying momentum in inflation remained stable.

2. On a month-on-month basis, inflation was lower at 0.5% in February 2008 compared with 1.3% in January 2008. However, the underlying inflation momentum, as indicated by the 3MMA, remained at 0.8% in February 2008, the same as in the preceding two months.

3. Exhibit 1 shows that the 3MMA inflation picked up in the middle of 2007 and has stayed at around 0.8% since. The underlying inflation momentum is expected to decline during the course of the year. For 2008 as a whole, MTI maintains the current forecast of CPI inflation at 4.5-5.5%.

Exhibit 1: Inflation momentum has been fairly stable in past 8 months



**MINISTRY OF TRADE AND INDUSTRY
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