



DASHBOARD

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MACROECONOMIC SNAPSHOT

NEDA: PH dev't, growth targets still feasible

The Philippines can still attain its 2012 growth target of 5 to 6 percent and improve its medium- to long-term growth potential to 7 to 8 percent per year, according to the new head of the National Economic and Development Authority (NEDA). Socioeconomic Planning Secretary Arsenio M. Balisacan said Thursday in a briefing that, as reforms, social safety nets and infrastructure spending bear fruit, the Philippines would soon be in a position to actually cut poverty incidence by 2 percentage points a year. "As we address issues and constraints to poor access to basic services, health, education, technology, financing for farmers, human development, we should be able to hasten the rate of poverty reduction," Balisacan said. At the same time, the country may be able to "catch up" on its Millennium Development Goals (MDGs) such as basic education and maternal health, Balisacan added. According to the National Statistical Coordination Board (NSCB), the Philippines needs to reduce poverty by 2 percentage points a year to meet its 2015 goal of reducing poverty by half. (Philippine Daily Inquirer)

Budget surplus likely in March

The National Government likely posted a budget surplus in April because of higher government revenues, Budget Secretary Florencio Abad said yesterday, reversing the budget deficit posted in March. "We likely had a surplus because revenues are good versus last year, (although) spending has accelerated, mostly on infrastructure," Abad told reporters. Earlier this week, the Bureau of Internal Revenue, the country's main tax agency, said its tax collection in April rose 12.4% to P116.22 billion from a year earlier. The Philippines posted a budget deficit of P28.62 billion in March. (Manila Bulletin)

Labor productivity tracks sluggish economic pace

Labor output followed the sluggish trend of the domestic economy in 2011, as it slowed by an annual 0.5% amid a rise in the number of employed persons. Using 2000 prices as base year, workers' productivity was valued at P159,005 per person last year, up from P158,222 in 2010, data from the Labor department's Bureau of Labor and Employment Statistics (BLES) showed. Growth was at 4.7% in 2010. Labor productivity. "Labor productivity eased in 2011 because the economic condition and business environment here and abroad were sluggish. As a result, production in many industries grew slower relative to 2010," said University of Asia and the Pacific economist Cid L. Terosa. He explained further: "The decline in production growth and the increase in the number of employed persons resulted in lower labor productivity." (BusinessWorld)

FINANCIAL TRENDS

Phl stocks regain 153 points on bargain hunting

Philippine stocks rebounded yesterday as market adjusted to Greece's possible exit from the euro common currency and traders hunted for bargains after sharp selling in recent days. The Philippine Stock Exchange index gained 3.14 percent or 152.79 points to close at 5,017.02, bouncing back above the previously-breached 5,000-level. The broader all-share index rose by 2.79 percent or 90.57 points to 3,334.33. (The Philippine Star)

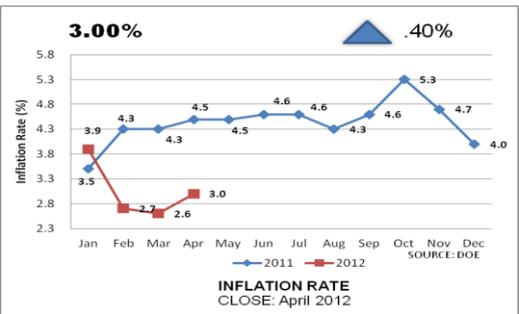
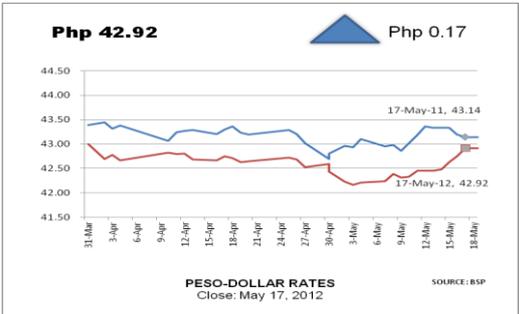
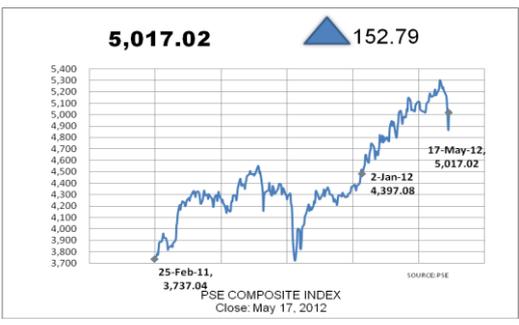
Profit taking, QE3 talk boost peso vs dollar

Profit taking and expectations of a third round of quantitative easing by the US Federal Reserve allowed the peso to firm up against the dollar yesterday. The local currency gained 12 centavos to close at P42.925 per dollar yesterday against its P43.045-per-dollar finish last Wednesday. "The peso rebounded after dealers sold the dollar to take advantage of the peso's decline against the dollar," a trader said in a phone interview. (BusinessWorld)

INDUSTRY BUZZ

Japan auto makers expect stable power

Japan Automobile Manufacturers Association's newly appointed chairman on Thursday ruled out the possibility of the group taking any coordinated steps to deal with expected power shortages this summer, but said it would seek tax breaks from the government to spark flagging domestic sales. As the stubbornly strong yen promotes the hollowing out of Japan's manufacturers, "the industries and employment are on the brink of collapse," said Akio Toyoda, who is also the president of Toyota Motor Corp. his first news conference as head of the country's most influential auto industry body. However, the auto group isn't considering any coordinated steps to deal with expected power shortages this summer in Japan, the head of the country's most influential auto industry body said. The JAMA last summer asked Japanese car makers and parts makers to operate their plants on Saturdays and Sundays and take shift holiday closings to Thursdays and Fridays to ease pressure on the electricity grid during times of peak power consumption. But the move caused difficulties for parts suppliers with customers in other industries and caused dissatisfaction among some employees who could not spend Saturdays and Sundays with their families. (Wall Street Journal)



	Thursday, May 17 2012	Last Week	Year ago
Overnight Lending, RP	6.00%	6.00%	6.50%
Overnight Borrowing, RRP	4.00%	4.00%	4.50%
91 day T Bill Rates	2.15%	2.15%	3.85%
Lending Rates	7.79%	7.88%	7.79%

