



DASHBOARD

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MACROECONOMIC SNAPSHOT

Q1 GDP within target — NEDA chief

The Philippine economy likely grew within the government's full-year target of 5%-6% in the first quarter due to robust public spending and strong remittances, newly appointed Socioeconomic Planning Secretary Arsenio M. Balisacan said. "We are hoping [gross domestic product growth for the first quarter] will be within our target range for this year of 5-6%," Mr. Balisacan said in a chance interview after his oath taking in Malacañang. Asked to comment on President Benigno S. C. Aquino III's forecast of 5.2% growth, Mr. Balisacan said GDP data, which will be released on May 31, will likely "be around that," adding that private sector predictions were close to the same figure. (BusinessWorld)

Higher, new taxes needed for PH growth, WB says

The World Bank has urged the Philippines to improve management of public finances and raise some taxes, saying it needs additional resources to beef up its capability to take advantage of new growth opportunities in the post-crisis era. In its latest report on East Asia and the Pacific, the World Bank said the Philippines, together with a few other developing economies in the region, has to invest in technology, projects and programs that will boost domestic productivity. Higher productivity, in turn, will help the country service growing needs for various goods from other developing economies. As the United States and the eurozone continue to post anemic growth rates in the wake of the 2009 global recession, the World Bank said the Philippines and its neighbors can boost growth by intensifying intra-regional trade. The World Bank said developing East Asian countries must take advantage of the "global rebalancing" that is now happening following the economic crisis. (Philippine Daily Inquirer)

World Bank urges PH to capitalize on East Asia's growth

The World Bank has urged the Aquino administration to capitalize on East Asia's growth momentum to steer the domestic economy in an expansion mode within three years. According to World Bank lead economist for the Philippines Rogier van den Brink, the Philippines must gear up its human resources, infrastructure and complete the agriculture development cycle. In a media briefing yesterday, Van den Brink said the country's fundamentals remains strong, and that external shocks may not cause much damage, although the financial meltdown in Europe and the sluggish US economy are causes for concern. (The Philippine Star)

FINANCIAL TRENDS

Local shares end 0.5% down

Local shares closed lower yesterday as profit-taking continued amid mounting concerns over Europe's debt crisis. Stock exchange index was off 0.5% at 4,904.22 in moderate volume. "We expect the market to trade sideways Friday since investors are still waiting for either Greece or the European Union to step up efforts to improve their financial conditions," said Freya Natividad, an analyst with 2TradeAsia.com. (Manila Bulletin)

Manufacturing data, Greece pull peso lower

The peso weakened even further against the dollar yesterday as market players dropped risky assets on continued talks of a Greek exit from the euro zone and weak Chinese and German manufacturing data. After losing 31 centavos last Wednesday, the peso dropped another 30 centavos yesterday to finish at P43.74 per dollar — nearly a four-and-a-half month low after the local unit finished at P43.75 per dollar on Jan. 13. (BusinessWorld)

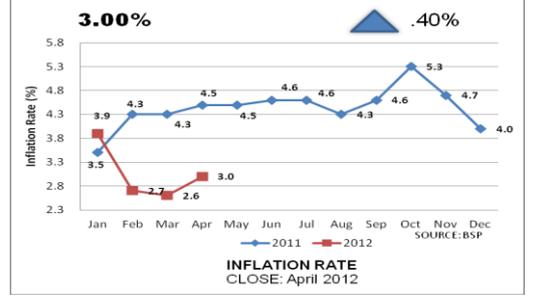
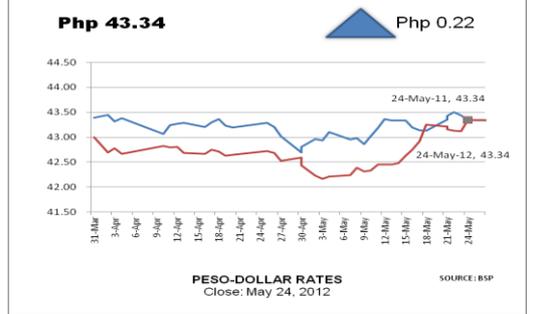
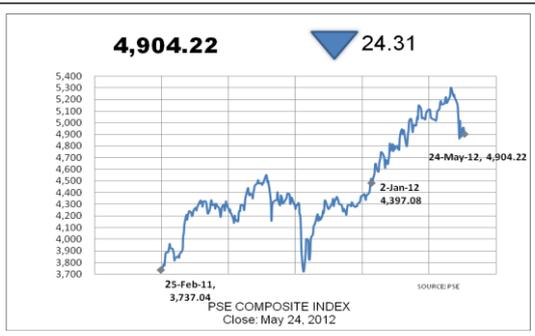
INDUSTRY BUZZ

Hyundai eyes RP for autoparts

Korea's Hyundai Motors is exploring the possibility of increasing its importation of auto parts and components from the Philippines, said Trade and Industry Undersecretary Cristino L. Panlilio. Panlilio has met with Hyundai officials during an investment promotion conference in Seoul organized by ASEA-Korean Center in Seoul where 150 Korean chaebols attended. "We are looking at how we can increase our exports of car components for Hyundai," Panlilio said. At present, most of the country's auto parts exports for use by Hyundai are auto electrical components, particularly wiring harness. The country has to work on improving its wiring harness exports for Hyundai to position itself as an investment destination for the aggressive Asian carmaker should it pursue an assembly facility in the ASEAN region. (Manila Bulletin)

Car makers should back diesel law — EU tax chief

The European Union's (EU) tax chief wants car makers to drop their opposition to proposals to change EU fuel taxation that are expected to halt a rise in diesel use, saying they will be given a decade to adapt engine production to a new regime. Germany, Europe's biggest center of car production and home to diesel-engine giant Volkswagen, stands to lose most from the proposal to revise the rules for minimum fuel tax levels across the EU. Car makers say that, if implemented, the change will end diesel's price advantage over petrol and sap demand for vehicles that use it. (BusinessWorld)



	Thursday, May 24 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%

