



DASHBOARD

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MACROECONOMIC SNAPSHOT

PHL makes top 10 list of fastest growing economies

The Philippines will be one of the fastest growing economies in the world in the next 40 years as developing markets in the region become prime sources of global growth by 2050, a new report showed. Once tagged as Asia's laggard, the Philippines is expected to post an average of 7.3 percent growth until 2050, making it the 6th fastest economy in the world, Knight Frank and Citi Private Wealth's 2012 Wealth Report showed. Among the top 10 economies, the country's growth rate will be faster than that of Mongolia (6.9 percent), Indonesia (6.8 percent), Sri Lanka (6.6 percent) and Egypt (6.4 percent). Nigeria tops the list with growth expected to hit 8.5 percent in the next four decades. While Asian economies except two occupy top 10 countries by 2050, developed nations in debt-stricken Europe are predicted to post significantly slower growth during the period. (The Philippine Star)

BoP surplus as of July well over BSP target

The country's balance of payments (BoP) hit a 20-month high in July, Bangko Sentral ng Pilipinas (BSP) data yesterday showed, with the surplus for the year so far – despite an annual 28% drop – surpassing the 2012 forecast. The BoP surplus was \$3.182 billion in July, more than double the \$1.267 billion hit a year earlier. This took the seven-month tally to a \$4.498-billion surplus, down from the \$6.283 billion recorded in the same period last year. The January-July result, however, well above the BSP's \$2.6-billion forecast for 2012, a figure it had recently revised down from \$2.8 billion given continued global economic turmoil. "Strong foreign exchange inflows continue to buoy our external position," central bank Governor Amando M. Tetangco, Jr. said. (BusinessWorld)

Domestic manufacturers ready industry road map

Domestic manufacturers will submit to the government within the month an "industry road map" detailing policy recommendations, subsidies and incentives to facilitate the integration of basic sectors into targeted manufacturing activities. Bobby Batungbacal, director of the Federation of Philippine Industries (FPI), said the country's manufacturing industry would not be able to scale up its competitiveness if the different sectors were not integrated horizontally and vertically. The FPI, he said, will be gathering representatives from its 38 member-associations on August 24 at the Club Filipino in Greenhills, San Juan, to gather inputs for the industry road map. The road map, Batungbacal said, will address issues that concern all manufacturers, such as smuggling, incentives, subsidies, power and tax administration. (BusinessMirror)

FINANCIAL TRENDS

Philippine stocks fall over news of weak Japan trade

Local stocks fell sharply on Wednesday, tracking sluggish regional markets, which were weighed down by weak Japan trade data and an overnight decline in Wall Street. The main-share Philippine Stock Exchange index shed 54.66 points or 1.05 percent to close at 5,152.15. All counters ended lower but the most battered were the cyclical financial and property counters, which fell by 1.88 percent and 1.55 percent, respectively. (Philippine Daily Inquirer)

P/\$ rate closes at P42.29/\$1

The peso exchange rate closed higher at P42.29 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P42.42 last Friday. The weighted average rate depreciated to 42.2342 from P42.318. Total volume amounted to \$957.9 million. (Manila Bulletin)

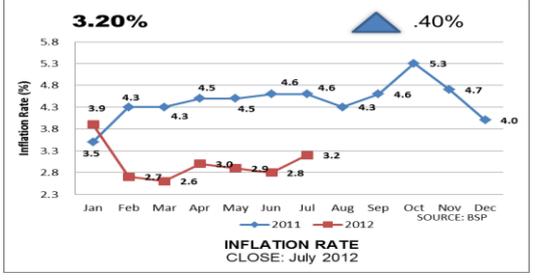
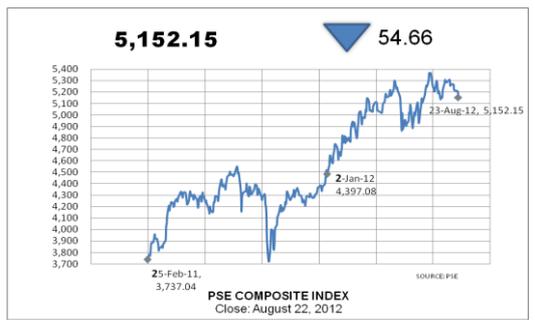
INDUSTRY BUZZ

Audi wins International Engine of the Year Award 2012

A jury of 76 motoring journalists from around the world has voted the Audi 2.5-liter TFSI as the "International Engine of the Year 2012" in the 2-liter to 2.5-liter category. This engine therefore retains the award that it won the previous two years. The 2.5-liter unit fitted to the Audi RS 3 Sportback and TT RS Coupé and Roadster features both turbocharging and FSI gasoline direct injection, two of Audi's core technologies. International Engine of the Year jury members said of the 2.5-liter engine: "It has an excellent torque range and a gorgeous sound, too. An engine that stands out from the crowd." (The Philippine Star)

EVAP supports e-vehicle measures

The Electric Vehicle Association of the Philippines (EVAP) has thrown its support to bills providing incentives for electric vehicle makers and importers. "We believe that House Bill 5460, which has been approved, and Senate Bill 2856, which is still pending, will make us competitive... and probably make us the manufacturing hub for both EV parts and vehicles," EVAP President Rommel Juan said. (BusinessWorld)



	Wednesday, August 22 2012	Last Week	Year ago
Overnight Lending, RP	5.75%	6.00%	6.50%
Overnight Borrowing, RRP	3.75%	4.00%	4.50%
91 day T Bill Rates	2.01%	2.15%	3.85%
Lending Rates	7.63%	7.64%	7.79%

