



MACROECONOMIC SNAPSHOT

Manufacturing is top GDP contributor

The country's manufacturing sector continued to be the single biggest contributor to the economy although its contribution has slowed down to 21 percent of GDP from over 30 percent several years ago, the Federation of Philippine Industries (FPI) said. Roberto Batungbacal, chairman of the organizing committee of the 2nd Philippine Manufacturers and Producers, said the association is going to assess the industry's developments after they campaigned for the revival of this sector a year ago. According to Batungbacal, the country is becoming more competitive as a manufacturing hub. (Manila Bulletin)

World Bank sees remittances to PH hitting \$24-B

The World Bank has projected that remittances to the Philippines in 2012 will hit \$24 billion, making the country the world's third-largest recipient of money sent by migrants. The amount represents a 19-percent increase from the \$20.1 billion sent by Filipinos overseas last year. The World Bank's forecast tops the 6-percent remittance growth projected by the Bangko Sentral ng Pilipinas. The BSP earlier said remittances were expected to remain robust due to strong demand for Filipino workers in labor markets outside the euro zone. The World Bank said remittances to developing countries will likely grow further in the coming years—by 7.9 percent next year, 10.1 percent in 2014 and 10.7 percent in 2015. (The Philippine Star)

Euro zone fails to reach deal on Greece aid

European Union officials failed on Wednesday to reach a deal on giving Greece more aid, prolonging uncertainty over the future of the debt-hobbled country and the 17-member euro zone. It was the second consecutive meeting at which the finance ministers failed to agree on a deal, highlighting the depth of their divisions over how to handle Greece's huge debt problem without reaching more deeply into the pockets of their own taxpayers. Juncker, however, said he was optimistic that a deal could be reached. But Christine Lagarde, the managing director of the International Monetary Fund (IMF), which gives Greece bailout loans alongside the euro zone, sounded a more cautious note, saying only "we have narrowed the positions." (BusinessMirror)

FINANCIAL TRENDS

Share prices ease as investors take profits

Local share prices eased yesterday after reaching record levels in the last two sessions. At the Philippine Stock Exchange, the main composite index fell 20.81 points to settle at 5,513.37. The PSEi closed at a new all-time high of 5,534.18 on Wednesday. Except for the services sector, all sub-indices shed at least 0.47 percent, led by the mining and oil counter. (The Philippine Star)

Peso gains on Israel-Hamas truce

The peso strengthened against the dollar for the fourth straight trading session yesterday on news of a ceasefire between Israel and the Gaza Strip's Hamas rulers. The local unit gained seven centavos to settle at P41.075 per dollar against its P41.145-per-dollar finish the previous day. (BusinessWorld)

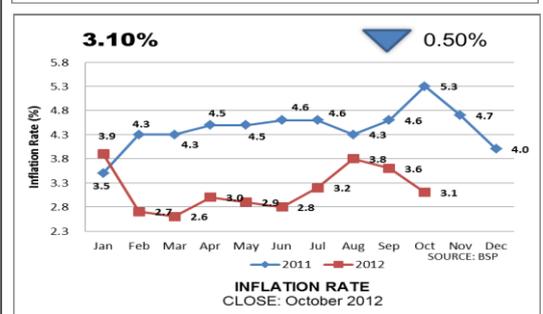
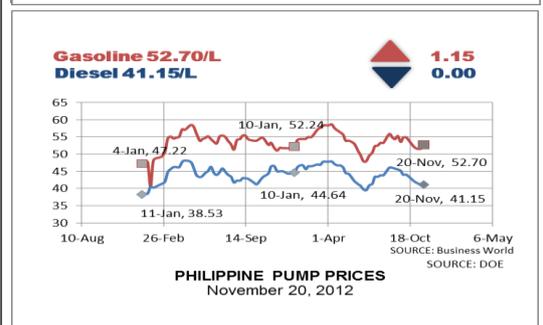
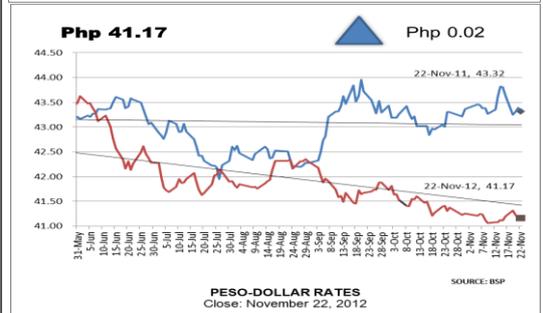
INDUSTRY BUZZ

GM Korea to shed jobs via voluntary retirement

The South Korean unit of General Motors Co plans to slash its headcount by launching a "voluntary retirement" scheme open to its 7,000 office workers, a company source told Reuters On Tuesday. GM Korea spokesman Park Hae-ho, confirmed the plan was aimed at "enhancing its organizational efficiency" and said it is the first time the company has made such a plan applicable to all its office workers, following an earlier scheme limited to senior office workers. Park did not disclose a target for the reductions, but said its 10,000 production workers will not be affected. (BusinessMirror)

Jaguar to build factory in China in joint venture

A new joint venture will for the first time see Jaguars and Land Rovers built in China. The British luxury car company said Sunday that a deal has been made with the Chery Automobile Company to build the cars at a new factory to be built near Shanghai. The company says it is a 1 billion pound (\$1.6 billion) joint venture. The factory will also produce joint-branded cars targeting the Chinese market. The company says the Chinese government has approved the new partnership. The new manufacturing plant is likely to be completed by 2014. Jaguar and Land Rover sales have been growing quickly in China in recent years. (BusinessMirror)



| | Thursday, 22 November 2012 | Last Week | Year ago |
|--------------------------|----------------------------|-----------|----------|
| Overnight Lending, RP | 5.50% | 5.50% | 6.50% |
| Overnight Borrowing, RRP | 3.50% | 3.50% | 4.50% |
| 91 day T Bill Rates | 0.15% | 0.15% | 3.85% |
| Lending Rates | 7.59% | 7.52% | 7.79% |

