



# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### DTI, DoF to draft new incentives bill

A new fiscal incentives bill will be drafted by the Trade and Finance departments and is set to be submitted to Congress when it opens in July, an official told reporters yesterday. "We have already had a meeting of minds [with the Finance department] and we have agreed to submit a common bill on fiscal incentives in the next Congress," said Trade Secretary Gregory L. Domingo in an interview after the Philippine Economic Briefing. The consolidated fiscal incentive bill is expected to rationalize perks given to investors and standardize benefits to companies. The government previously expressed concern that some firms might be "double-dipping" or choosing which incentives available for them will be most beneficial. This is because some laws offer incentives for rising industries like renewable energy but are still part of the investments priorities plan which gives tax breaks to priority sectors. (BusinessWorld)

### Sustained dollar inflows seen

The Philippines is expected to continue enjoying a substantial inflow of dollars, with the balance of payments (BOP) seen staying in a surplus at least for the next three years. According to the Bangko Sentral ng Pilipinas, the country's export earnings were seen to improve and remittances were likely to grow further through 2016. Moreover, tourism and foreign investments in peso-denominated securities and in the business process outsourcing (BPO) sector were forecast to fuel foreign-exchange inflows to the country. (Philippine Daily Inquirer)

### Budget deficit hits P235 B in 2012

The government posted a budget deficit of P235.3 billion in 2012, lower than the P279.1-billion target for the year, preliminary data from the Department of Finance (DOF) showed. Emerging total revenues amounted to P1.52 trillion last year, up 11.8 percent from P1.36 trillion the previous year. The figure, however, is still short of the P1.56-trillion full year target. Government spending reached P1.75 trillion, 12.2 percent higher than the P1.56 trillion spent in as the government stepped up spending for infrastructure projects. For this year, the government expects to generate P1.78 trillion in revenues, P1.65 trillion of which will come from tax revenues. The government wants to keep the deficit at no more than two percent of GDP beginning this year until 2016 when President Aquino's term ends. (The Philippine Star)

## FINANCIAL TRENDS

### PSEi corrects after record high

The stock market closed lower yesterday, tracking the lethargic movement of overseas markets amid profit taking after Wednesday's close above 6,500. The Philippine Stock Exchange index (PSEi) slipped by 14.58 points or 0.22% to close at 6,513.41, while the broader all-share index dropped by 2.80 points or 0.07% to 4,091.38. (BusinessWorld)

### P/\$ rate closes at P40.635/\$1

The peso exchange rate closed higher at P40.635 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.67 the previous day. The weighted average rate appreciated to P40.63 from P40.658. Total volume amounted to \$709.8 million. (Manila Bulletin)

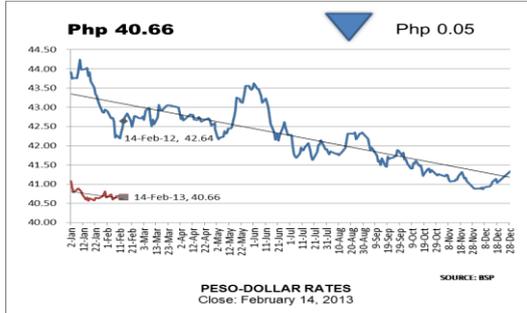
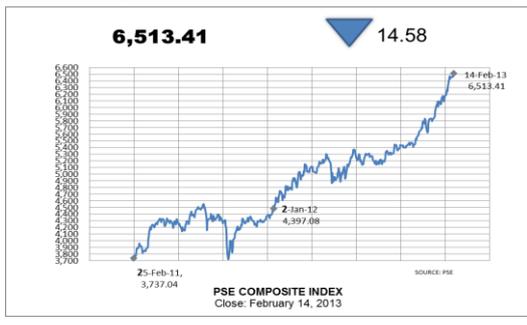
## INDUSTRY BUZZ

### Kia records 13.9% sales growth in January

Kia Motors Corporation announced this week its global sales figures (export sales, domestic sales and sales from overseas plants) for passenger cars, recreational vehicles (RVs) and commercial vehicles for January 2013, recording a total of 211,088 units sold. This figure represents a year-on-year increase of 13.9%. In January, Kia posted a strong double digit year-on-year sales increase in China of 50.3% (57,575 units sold) along with positive gains in all of its other major sales regions—6.3% in Europe (38,059 units sold), 6.0% in Korea (36,250 units sold), 4.1% in General Markets (39,229 units sold), and 1.7% in North America (39,975 units sold). It was the highest total global January sales ever for Kia. (The Philippine Star)

### Camry pulls a surprise in Korean awards

For a country that is fervently nationalistic, the news that Toyota Camry winning Korea's Car of the Year award should come as a shock. This is the first time a foreign model has earned this title since the award was presented three years ago by the Korean Automobile Journalist Association. The past two winners were Kia's K5 in 2011 and the Hyundai i40 in 2012. The Camry earned the highest score of 78.75 points for its value on price, performance, safety and fuel efficiency. On top of that, Toyota's Lexus GS and Prius Hybrid were No. 1 in performance and green-car categories, respectively. (Philippine Daily Inquirer)



	Thursday, 14 February 2013	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	0.05%	0.20%	3.85%
Lending Rates	7.13%	7.09%	7.79%

