



## MACROECONOMIC SNAPSHOT

### State hikes spending on infrastructure

State infrastructure spending grew by 58% in 2012 but was still short of the full-year goal, the Budget department yesterday said. The department, in a statement, said infrastructure expenditures amounted to P250.8 billion, substantially higher than 2011's P159.1 billion. It was, however, only 84.1% of the full-year program of P298.2 billion. Still, Budget Secretary Florencio B. Abad said: "Last year's spending levels will buoy our growth strategy this year as we look forward to pouring more investments into infrastructure and capital outlay in 2013." "The development of roads and bridges, for example-as well as ongoing initiatives to increase access to tourism hotspots and improve irrigation facilities-will help generate jobs and create thriving markets for local industries," he added. (BusinessWorld)

### BIR collects P74-B in February

The Bureau of Internal Revenue (BIR), the government's main tax agency, said yesterday that its collections in February grew year-on-year by 8.5 percent to P74.52 billion from P68.69 billion. But the BIR's collections last month was below the P77.12 billion target by 3.4 percent. In February 2013, collections from BIR operations reached P72.42 billion, higher by 18 percent year-on-year, but lower by 1.6 percent against the 73.64 billion goal. Meanwhile, collections from BIR's non-operations dropped by a hefty 71 percent from P5.24 billion in the same month last year to P2.1 billion. However, collections by the regional offices increased by 21 percent in February this year to P27.13 billion, continuing with the previous year's trend of double digit growth. (Manila Bulletin)

### BSP reports \$960-M BOP deficit for February

The country's balance of payments (BOP) registered a \$960-million deficit in February as dollar outflows from the settlement of debts to foreign creditors exceeded inflows. The deficit in the BOP was a reversal of the \$588-million surplus recorded in the same month last year, and of the \$2.04-billion surplus in January this year. Despite the BOP deficit posted in February, the Bangko Sentral ng Pilipinas (BSP) expects the BOP position to reverse to a surplus in the coming months. The BSP said remittances from overseas Filipino workers, foreign portfolio investments and foreign investments in the country's business process outsourcing (BPO) sector are expected to remain robust throughout the year. (Philippine Daily Inquirer)

## FINANCIAL TRENDS

### Index continues decline on consolidation

Local stocks retreated for the eighth straight session yesterday, dragging the main composite index below the 6,500 level as the market continued to consolidate. The PSEi dropped 0.10 percent or 6.63 points to settle at 6,419.62 after ending the morning session down 0.82 percent or 52.75 points to 6,373.50. (The Philippine Star)

### P/\$ rate closes at P 40.73/\$1

The peso exchange rate closed lower at P40.73 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.69 the previous day. The weighted average rate depreciated to P40.743 from P40.666. Total volume amounted to \$804.2 million. (Manila Bulletin)

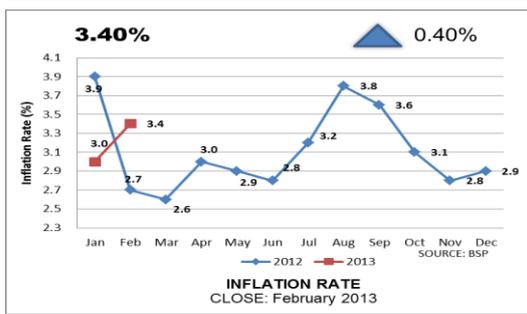
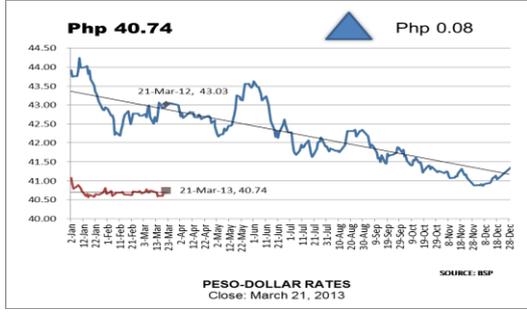
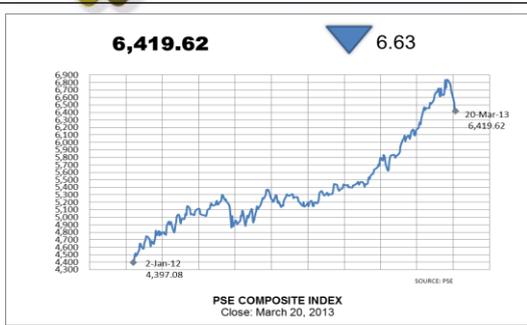
## INDUSTRY BUZZ

### Ford Philippines sales double in best-ever February

Ford Philippines reported its best-ever February performance with overall retail sales jumping 108 percent year-on-year to 865 units. Continuing the company's best start to any year, and building on the momentum from its best-ever January, the exceptional month was driven by strong sales of vehicles across the Ford line-up. "We're off to a very strong start to the year, as customers continue to respond positively to our full line-up of Ford vehicles," said Randy Krieger, president, Ford Philippines. The class-defining all-new Ford Ranger led the way in February, continuing to demonstrate its wide appeal and demand with February retail sales of 251 units. (The Philippine Star)

### HCPI stages its annual Motorists' Assistance Program

Honda Cars Philippines Inc. (HCPI) is running the Honda Emergency Assistance Team (HEAT) program to provide motorists an onsite travel aid, service and support in different destination during the Holy Week, from March 27 to 31. The Honda Emergency Assistance Team is a continuing social responsibility program committed to promote motorists' safety and provide assistance to a hassle-free trip during the Lenten season. This year's HEAT is also part of the collective effort of the members of the Chamber of Automotive Manufacturers of the Philippines Inc.'s "Ka-CAMPI" Motorists Assistance Program. (Philippine Daily Inquirer)



	Tuesday, 19 March 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	0.08%	0.05%	3.85%
Lending Rates	7.00%	7.14%	7.79%

