

Hino shares on track for steepest 1-day fall in more than 20 years

TOKYO — Shares of Japan's Hino Motors Ltd. were on track for their biggest one-day fall in more than two decades on Monday, plunging more than 16%, after the Toyota Motor Corp.-unit truck maker said it had falsified emissions data.

Hino on Friday said it had found "misconduct" in falsifying engine performance for emissions certificates and had also found problems in engine performance.

It has suspended sales of three engine models as well as vehicles carrying them in Japan, the company said in a statement.

Hino said it is investigating the impact on its earnings.

Japanese auto stocks were down reflecting broader market sentiment. Toyota's shares were down 5% while Nissan

Motor Co. 7201.T shares fell 5.2% in early trade.

The truck maker is the latest Japanese automaker found to have conducted improper tests.

In 2018, the government said Mazda Motor Corp., Suzuki Motor Corp. and Yamaha Motor Co. improperly tested vehicles for fuel economy and emissions. Subaru Corp. and Nissan were under scrutiny for the same reason the year before.

The accuracy of automakers emissions data was thrown into doubt in 2015 when Germany's Volkswagen AG admitted to installing secret software in hundreds of thousands of US diesel cars to cheat exhaust emissions tests, and that as many as 11 million vehicles could have similar software installed worldwide.

— Reuters

China's steep GDP target a boost for beleaguered world economy

CHINA'S ambitious GDP target could prove to be a modest boost for a beleaguered global economy that's grappling with stagflationary pressures from Russia's war in Ukraine.

Beijing on Saturday announced a gross domestic product (GDP) growth goal of "about 5.5%" for 2022, at the higher end of many economists' estimates. If achieved, that would be notably quicker than the 4.8% expansion forecast by the International Monetary Fund and the 5.2% seen by economists.

Banks such as J.P. Morgan expect the fallout from Russia's invasion of Ukraine could shave around a percentage point from global growth this year. For the world economy, China growing 5.5% instead of 5% won't be enough to offset the war's drag, though it will help.

While Beijing is expected to stimulate the economy, loosening controls on the housing market and increasing infrastructure investment, officials have also vowed to keep total debt levels in the economy stable this year.

The target has added political meaning as President Xi Jinping is expected to make an unprecedented bid to stay on as leader for a third term at a key party congress later this year.

"They want some feeling of optimism and positivity going into the party congress, that they can overcome things," said Yukon Huang, a former World Bank country director now at the Carnegie Endowment for International Peace in Washington.

While economists disagree about the extent to which Beijing

is able to massage annual growth data, many believe that marginal adjustments are possible. If achieving the target turns out to be too much of a stretch, similar tactics could be used ahead of the party congress, meaning China's growth would have less global impact.

"What China publishes as a target and what they actually aim to achieve are two separate things," said Freya Beamish, head of macro research at TS Lombard.

China's economic links with Russia and Ukraine are a small part of its overall foreign trade and investment, so Beijing may calculate that it can largely insulate its economy from global instability, as it did during the global financial crisis and coronavirus pandemic.

"China has tended to capture larger shares of global trade when

there are global problems," Huang said. "They may have been lulled into a feeling that the Ukraine situation won't hurt them."

Beijing has pledged to accelerate fiscal spending without increasing debt by using unspent funds from previous years and state-owned enterprise profits. The funding from such sources mean the stimulus will be relatively small-scale.

As for monetary policy, the government kept its language largely unchanged while pledging to "step up implementation." Economists said that suggests more interest rate cuts may be coming, putting China's monetary policy trajectory in sharp contrast with the US and other developed nations, which are hiking or preparing to hike rates to curb rampant inflation. — Bloomberg

Thailand bids to avert 'population crisis' as birth rate crashes

BANGKOK — Thailand is scrambling to encourage its people to have more babies to avert a slumping birth rate, offering parents childcare and fertility centers, while also tapping social media influencers to showcase the joys of family life.

The campaign comes as the number of births has dropped by nearly a third since 2013, when they started declining. Last year saw 544,000 births, the lowest in at least six decades and below the 563,000 deaths, which were also swelled by coronavirus-related fatalities.

While Thailand's demographic path is similar to other Asian economies like Japan or Singapore, as an emerging market relying on cheap labor and a growing middle class the implications for Southeast Asia's second-biggest economy are far more profound.

"The data reflects a population crisis ... where the mindset towards having children has changed," said Teera Sindecharak, an expert on demography at Thammasat University.

Senior health official Suwannachai Wattanayingcharoenchai told Reuters the government recognized a need to intervene.

"We are trying to slow down the decline in births and reverse the trend by getting families that are ready to have children faster," he said, describing plans to introduce policies so that newborns get the full support of the state.

The plans include opening fertility centers, currently limited to Bangkok and other major cities, in 76 provinces and also using social media influencers to back up the message, officials said.

Such policies may come too late for people like Chinthathip Nantavong, 44, who decided with her partner of 14 years not to have children.

"Raising one child costs a lot. A semester for kindergarten is already 50,000 to 60,000 baht (\$1,520 to \$1,850) and then it reaches millions later," she said, adding that other countries have better care facilities and welfare policies.

Thailand is not alone in the region struggling with low fertility rates, but is less wealthy than some more developed countries that have been forced to rely on migrant workers to support their economies.

Experts said it is hard to reverse a situation where social conditions have changed and attitudes towards having children are now colored by concerns over rising debt and elderly care. — Reuters

Germany to spend \$220 billion for industrial transformation by 2026

BERLIN — Germany has earmarked €200 billion (\$220 billion) to fund industrial transformation between now and 2026, including climate protection, hydrogen technology and expansion of the electric vehicle charging network, its finance minister said.

"€200 billion in funding for the transformation of the economy, society and the state," Christian Lindner told public broadcaster ARD on Sunday, adding that this also included the removal of renewable energy levies.

Lindner's comments come as Germany is intensifying efforts to cut reliance on Russian gas by boosting infrastructure to import liquefied natural

gas (LNG) and possibly relying more on coal-fired power plants. Read full story

At the same time, Germany is planning to boost investment in renewables for energy production.

In comments to Reuters, economy minister Robert Habeck said that agreeing on funds to boost the transition of Europe's largest economy was a great success.

"More urgently than ever, we need to invest in our energy sovereignty. And I am glad that we as members of the coalition are pulling in the same direction. Now we must make every effort to become more independent and climate neutral." — Reuters

"Para back to ngiti, back to hanapbuhay – magpabakuna."

Mayora Abby Binay



Pabakuna. Pa-back to normal.

