

Inflation,
from SI/1

“The domestic economy can accommodate a reasonable tightening of the monetary policy stance, as demand has generally held firm owing to improved employment out-turns and ample liquidity and credit,” it added.

It also urged the government to enforce timely nonmonetary interventions to ease the impact of persistent supply-side pressures on food and other commodity prices.

The consumer price index climbed to 6.3% year on year in August from the nearly four-year high of 6.4% a month earlier and 4.4% a year ago. It was the fifth straight month that inflation exceeded the BSP’s 2-4% target this year.

BEATEN PESO

The central bank’s rate increase had little impact on the battered peso as it weakened to a fresh record low against the dollar after the Fed’s 75-bp rate increase for a third time this year.

It closed at P58.49 against the dollar, down by 49 centavos from

its P58 finish on Wednesday, data from the Bankers Association of the Philippines showed.

The peso has weakened by 14.68% or P7.49 this year from its P51-a-dollar close last year.

“The intention is not to target a particular level for the exchange rate,” BSP Deputy Governor Francisco G. Dakila, Jr. told a news briefing after the rate hike decision. “That is not the policy objective. In deciding on the appropriate stance of monetary policy, the priority is to bring inflation back to within the target band over the medium term.”

The rate increase should help ease pressure on the peso, he said. “The BSP stands ready to participate in the foreign exchange market only to ensure orderly market conditions and to reduce excessive short-term volatility in the exchange rate.”

The central bank would also use other tools to respond to exchange rate fluctuations to ensure that legitimate demand for foreign currency is satisfied, he added.

The BSP might have to offload more foreign exchange reserves to manage the peso’s depreciation, said Emilio S. Neri, Jr., lead economist at Bank of the Philippine Islands in Manila.

“This could put the country’s credit rating at risk since a substantial decline in reserves will lead to a deterioration in the country’s external position,” he said in a note.

The gross international reserves hit \$98.98 billion as of end-August, slipping by 0.85% from a month earlier and by 8.3% from a year earlier, according to BSP data. It was the sixth consecutive month of decline.

More rate hikes are likely in the near term, but the tightening cycle might end this year, Gareth Leather, senior Asia economist at London-based Capital Economics, said in a note. The Philippine central bank will have two more rate meetings this year.

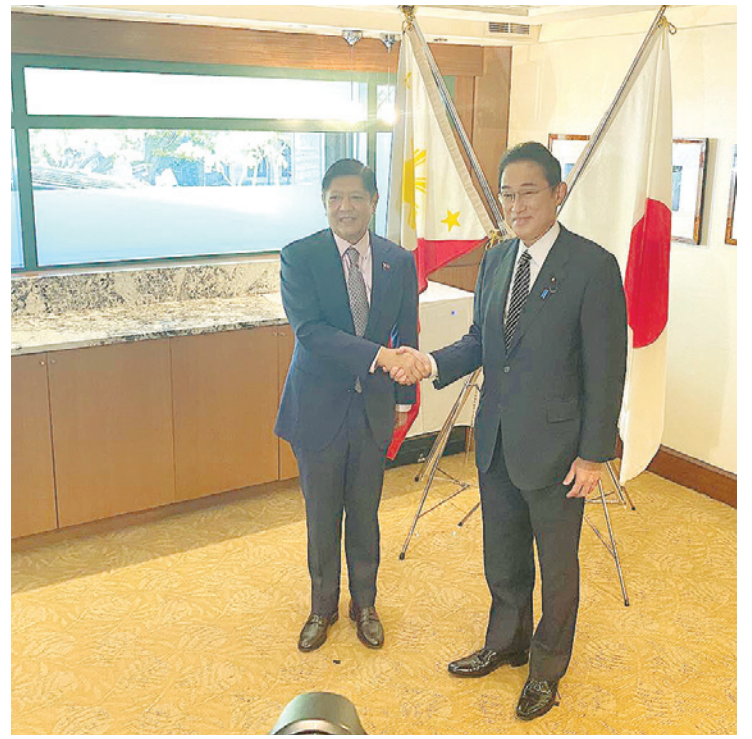
“Further tightening is likely in the near term, but with inflation having probably peaked and the economic recovery

likely to struggle over the coming months, the tightening cycle is likely to be over by yearend,” he said.

“Overall, we are expecting a further 75 bps of hikes this year, but we think the tightening cycle will come to a finish before the end of 2022. In contrast, most other analysts are expecting further tightening next year,” he added.

The BSP might have to slow its rate increases to avoid an economic collapse, Miguel Chanco, chief emerging Asia economist at UK-based Pantheon Macroeconomics, said in a separate note. “We suspect that the peso’s sell-off to new lows is the main reason that the BSP did not deviate from its current path.”

“The Monetary Board will come to its senses soon, and pause its overly aggressive hiking cycle in the immediate future,” he said. “Crucially, the economy isn’t as strong as the BSP thinks it is, with a technical recession still very much on the cards after the Q2 contraction.” — **Norman P. Aquino and Keisha B. Taasan**



JAPANESE Prime Minister Fumio Kishida (R) met Philippine President Ferdinand R. Marcos, Jr. on Sept. 21.

Kishida,
from SI/1

Mr. Kishida had also stressed the importance of a rule-based order in the Indo-Pacific region, she said.

The leaders tackled security, domain awareness and law enforcement at sea, as well as peace in southern Philippines, she added.

“During their meeting, the two leaders reaffirmed their commitment to reinforce ties and strengthen cooperation in response to the challenges and opportunities in the regional security and economic landscape,” Ms. Angeles said.

Mr. Marcos, 65, also discussed his government’s priorities, particularly infrastructure development, food and security and cybersecurity.

After Mr. Marcos’ election in May, Japan said it wanted to continue cooperation in infrastructure development, including railways, the Subic Bay development, as well as in security and coast guard law enforcement.

Japan, an ally of the US, has rejected China’s attempts to limit freedom of navigation in the waterway, which is subject to overlapping claims from the Philippines, Taiwan, Brunei, Indonesia, Malaysia and Vietnam.

Japan has been the Philippines’ top source of official development assistance in the past two decades, according to the Finance department.

Mr. Marcos also met with former British Prime Minister Anthony Charles Lynton Blair and discussed with him issues on trade, food security, climate change and peace.

“We tackled the optimistic peace process in the Bangsamoro Autonomous Region in Muslim Mindanao and explored concrete ways to address other priority issues in the global economy,” Mr. Marcos said in a Facebook post.

Mr. Blair is executive chairman of the Tony Blair Institute For Global Change, an organization that helps political leaders

and governments build inclusive societies.

Mr. Marcos also met with business leaders during his working visit in New York, advancing his food security agenda.

He participated in a business dialogue with members of the US-Association of Southeast Asian Nations (ASEAN) Business Council and US Chamber of Commerce.

“We really have to leverage whatever assets, whatever capabilities, whatever we have so that we can maximize our ability to grow and pull the economy,” Mr. Marcos said during his meeting with the business leaders in New York City, based on a report by state-run Philippine News Agency.

“Let us find new ways to partner, let us find new ways to develop, let us find new ways to strengthen this relationship between the United States, ASEAN and the Philippines,” he added.


The Philippine leader also met with executives of Cargill Corp., a global food company based in Minnesota.

In a Facebook post, Mr. Marcos said he and Cargill executives discussed a possible cooperation in agriculture. “We discussed how to attain food security and self-sufficiency, and explored ways to boost agricultural productivity in the Philippines.”

During his presidential campaign, Mr. Marcos vowed to review a 2019 law that removed quantitative restrictions on rice imports.

He took the helm of the agriculture agency in June, vowing to boost local food production and limit imports as much as possible amid a looming global food crisis.

But experts said his local push would likely be challenged by rising prices and costs of farm inputs spurred by Russia’s invasion of Ukraine. Mr. Marcos would probably continue to pursue a free trade agenda despite his protectionist stance, they said. — **with Reuters**



Power Maintenance Updates

by **MERALCO** ADVISORY

The following are scheduled power interruptions necessary for the regular maintenance and upgrade of our power distribution facilities, to ensure the delivery of safe and reliable electricity to your areas. Rest assured that Meralco is doing everything to quickly restore your electricity according to schedule.

SUNDAY TO MONDAY, SEPTEMBER 25-26, 2022

LAGUNA (CABUYAO CITY)

BETWEEN 5:00AM AND 6:00AM (SUN., 09/25/22) AND THEN BETWEEN 5:00AM AND 6:00AM (MON., 09/26/22) – PORTION OF CIRCUIT BALIBAGO 65XV – ABI – NPI – CANLUBANG 62XE

Asia Brewery Inc. and Nestle Philippines Inc. along Cabuyao – Sta. Rosa National Highway (Manila South Road) in Bgys. Niugan and Sala.

REASON: Installation of poles and replacement of additional lightning protection devices affected by DPWH road widening project along Cabuyao – Sta. Rosa National Highway (Manila South Road) in Bgys. Niugan and Sala in Cabuyao City, Laguna.

MONDAY, SEPTEMBER 28, 2022

QUEZON CITY (SOUTH TRIANGLE; LAGING HANDA; AND SACRED HEART)

BETWEEN 9:00AM AND 9:30AM AND THEN BETWEEN 1:30PM AND 2:00PM – PORTIONS OF CIRCUIT KAMUNING 422VP

Portion of Scout Fernandez St. from Mother Ignacia Ave. to Scout Santiago St. in Bgy. Laging Handa.

Portion of Scout Limbaga St. from Scout Santiago St. to Scout Ybardolaza St. including Scout Tobias, Scout Torillo and Scout Tuazon Sts.; Limbaga 77 Cafe Restaurant, Dampa Seafood Grill, Videogram Regulatory Board (VRB), Bon Appetit Almario, J.CO Donuts, Adarna House and Bingo Bayan in Bgy. Laging Handa and Sacred Heart.

Portion of Scout Tobias St. from near Scout Rallos St. to Scout Delgado St. including Scout Lazcano, Scout Fuentebella, Scout Fernandez, Scout De Guia and Scout Gandia Sts.; and Estrel’s Caramel Cakes in Bgy. Laging Handa.

Portion of Scout Tuazon St. from Scout Rallos St. to Scout Fernandez St. including LA FACCIA - AC Bldg. in Bgy. Laging Handa.

Portion of Scout Ybardolaza St. from Meralco – Kamuning substation near Dr. Lazcano Ext. St. to Timog Ave. including Scout Limbaga St. in Bgys. Sacred Heart and South Triangle.

Portion of Timog Ave. from Scout Ybardolaza St. to and including Blade Auto Center, Starbucks, Red Planet Quezon Timog, and Don. A. Rocas St. in Bgys. Sacred Heart and South Triangle.

Portion of Sgt. Esguerra Ave. from Timog Ave. to Eugenio Lopez Drive including Scout Madriñan, Scout Bayoran, Scout Ybardolaza, Scout Borromeo, Scout Torillo and Scout Delgado Sts.; ABS-CBN JUSMAG Scout Borromeo, The Symphony Towers, El Jardin del Presidente 2, Pacho’s Restaurant & Bar, Asian Theological Seminary, Wil’s Events Place, Courtyard Bldg., Le Reve Pool and Events Venue, Fuzimen Japanese Restaurant, Viva Communication Studio, Livestock Restaurant and Environmental Flexo Printing Co. in Bgys. Sacred Heart and South Triangle.

Portion of Scout Bayoran St. from Sgt. Esguerra Ave. to near Scout Tuazon including TGI Fridays and Burger Machine in Bgy. South Triangle.

Portion of Eugenio Lopez Drive from near Samar Ave. to Tomas Morato Ave. including Scout Albano St.; ABS-CBN Foundation, Wil Tower, Giligan’s Restaurant, Dinelli Gourmet and Congo Grille in Bgy. South Triangle.

Portion of Tomas Morato Ave. from Eugenio Lopez Drive to Scout Bayoran St. including Maine City Tower, Hotel Rembrandt, G-Side Restaurant, Jumbo Hot Pot & Seafoods Restaurant, BlueWater Day Spa and Philippines International Life Insurance Co. Inc. in Bgy. South Triangle.

BETWEEN 9:00AM AND 2:00PM – PORTION OF CIRCUIT KAMUNING 422VP

Portion of Timog Ave. from Dunkin Donuts to 11th Jamboree St. in Bgys. Sacred Heart and South Triangle.

REASON: Line reconstruction work along Timog Ave. in Bgy. South Triangle, Quezon City.

TUESDAY TO WEDNESDAY, SEPTEMBER 27 - 28, 2022

RIZAL PROVINCE (RODRIGUEZ)

BETWEEN 11:30PM (TUE., 09/27/22) AND 4:30AM (WED., 09/28/22) – PORTION OF CIRCUIT SAN MATEO 415SMA

Portion of M. H. del Pilar St. from near M. San Juan St. to Wawa – Grotto Road including Vulcan Materials Corporation in Bgy. San Rafael.

The whole of Hillside Subd. in Sitio Yagit, Bgy. San Rafael.

REASON: Line reconducting work in Bgy. San Rafael, Rodriguez, Rizal Province.

WEDNESDAY, SEPTEMBER 28, 2022

CAVITE (DASMARIÑAS CITY; IMUS CITY; AND GEN. TRIAS CITY)

BETWEEN 12:01AM AND 12:30AM AND THEN BETWEEN 5:30AM AND 6:00AM – THE WHOLE OF CIRCUIT ABUBOT 32XZ AND PORTION OF CIRCUIT DASMARIÑAS 40DA

Portion of Gen. Emilio Aguinaldo Highway from Golden City Subd. in Bgy. Anabu II, Imus City to near The Villas at Dasmariñas Highlands Subd. including Toyota – Dasmariñas, Digtel, National College of Science and Technology, Red Ribbon Bakeshop and Dasmariñas Public Market; San Lorenzo Heights Village and Augustine Grove Subd. in Bgys. Sampaloc, Salitran, Buroi and San Agustin I & III in Dasmariñas City.

Portion of Congressional Ave. from Jose Abad Santos Ave. (Salitran – Salawag Road) in

THURSDAY, SEPTEMBER 29, 2022

CAVITE (NAIC; TANZA; AND TRECE MARTINEZ CITY)

BETWEEN 9:00AM AND 2:00PM – PORTION OF CIRCUIT TMC 2 42VA

Portion of Governor’s Drive from Cascades Enterprises Inc. in Bgy. Sabang, Naic to Talisayan Road in Bgy. Lapidario, Trece Martinez City including Paragon Village Subd., West Governor Heights Subd. and West Governor Heights Subd. Phase 2; Notre Dame of Trece Martinez and Alucon International Corp. in Bgys. Cabuco, Lapidario and San Agustin in Trece Martinez City; Grosvenor Place Subd. Phase 1, Phirst Park Homes, Phirst Park Homes Phase 2 and Cityland IV Subd.; EEI Corp., Cathay Farms Development Inc. and Tanza Properties Inc. in Bgy. Tanauan, Tanza.

REASON: Installation and retirement of facilities, and line reconducting work along Governor’s Drive in Bgy. Cabuco, Trece Martinez City, Cavite.

RIZAL PROVINCE (SAN MATEO)

BETWEEN 10:00AM AND 2:00PM – PORTION OF CIRCUIT SAN MATEO 415SMA

The whole of Doña Pepeng Subd. in Bgy. Banaba.

REASON: Replacement of poles and line reconducting works in Bgy. Banaba, San Mateo, Rizal Province.

THURSDAY TO FRIDAY, SEPTEMBER 29-30, 2022

PASAY CITY

BETWEEN 11:30PM (THU., 09/29/22) AND 3:30AM (FRI., 09/30/22) – PORTION OF CIRCUIT NAIAX-3 426VX

Portion of Aurora Blvd. from St. Augustine St. to near St. Mary St. including Philpost - Pasay Central Post Office and Doña Nena Health Center.

REASON: Line conversion work affected by ongoing construction of EDSA - NAIAX Connector Project along Aurora Blvd. in Pasay City.

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BUSINESSWORLD B-SIDE

Federalism, parliamentarism, and regional autonomy

IN THIS B-SIDE episode, former presidential candidate Norberto B. Gonzales talks to BusinessWorld reporter Patricia B. Mirasol about Charter change, federalism, and social democracy. “Every region [must be able to] economically survive... Let’s go with regional autonomy first, and then, later on, let the people decide if they want to become a state,” said Mr. Gonzales, a former Defense secretary and national security adviser who co-founded and chairs the Partido Demokratiko Sosyalista ng Pilipinas. He also floated the idea of making the Association of Southeast Asian Nations (ASEAN) a federal state in order to withstand potential conflict between the twin superpowers of the United States and China. “The small guys should get together because neutrality is no longer an option,” he said.

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