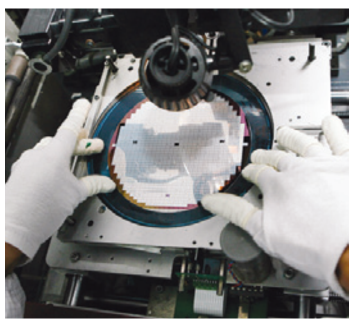
Electronics,
from S1/1

Mr. Lachica said SEIPI is still hopeful of a recovery in electronics exports in the second half.

"The demand is still there. We are hoping that the Thanksgiving demand and the Christmas demand will propel the recovery of the industry," he said.

For the rest of the year, SEIPI expects most of its exports to go to neighboring countries, particularly in China and Hong Kong.

Mr. Lachica noted that the Netherlands replaced Germany as the top destination of Philippine electronics exports.


REUTERS

"In Europe, the biggest destination is now the Netherlands followed by Germany," he said. — **Justine Irish D. Tabile**

Pressures,
from S1/1

Meanwhile, the Philippine central bank may be "encouraged" to start its policy easing if inflation falls within the 2-4% target range this year, Moody's Analytics said.

Moody's Analytics in a report dated Aug. 29 said Asian central banks are "walking on a tightrope" this year as inflation further decelerates but policy movements in the US and in Europe hinder them from cutting down borrowing costs.

"In economies that have slowed recently and where inflation has rapidly moderated, such as in the Philippines and South Korea, central banks may be encouraged to lower their policy rates as soon as inflation reaches their target range," Moody's said.

The BSP expects inflation to return to the 2-4% target band in the fourth quarter this year.

"On the other hand, they must watch the policy rate of the US and Europe so as not to allow interest rate gaps to rise further, risking volatility in foreign exchange rates — as seen in recent weeks in Southeast Asia as the yield on the US 10-year bond has risen," Moody's said.

The peso closed at P56.725 against the dollar on Wednesday, up by 2.50 centavos from its previous close. Year to date, the peso depreciated by 1.71% or 97 centavos from its P55.755 close on Dec. 29.

"We expect central banks in Asia-Pacific to hold their policy interest rates steady at least through the end of this year, and probably longer, depending upon the stability of domestic demand and their respective currencies and how quickly external demand improves from China and from the European and North American economies," Moody's added.

BSP Governor Eli M. Remolona, Jr. earlier said the Philippine central bank remains hawkish, and rate cuts are far off as inflation is still elevated.

The BSP will hold its next policy meeting on Sept. 21. — **Keisha B. Ta-asan**

Domestic trade declines in second quarter

THE DOMESTIC TRADE in goods declined by an annual 36.2% in the second quarter, the Philippine Statistics Authority (PSA) said on Tuesday.

Preliminary data from the PSA's Commodity Flow in the Philippines report showed the value of goods traded in the three months to June dropped by a third to P171.54 billion from P268.7 billion in the same period in 2022.

Quarter on quarter, domestic trade fell by 35% from P265.51 billion in the first quarter this year.

The second-quarter decline was a reversal from the 29.9% growth in the same period in 2022, and the 14.5% growth in the previous quarter.

In terms of volume, domestic trade inched up to 5.79 million tons in the second quarter from 5.73 million tons in the same period in 2022. Quarter on quarter, it fell by 10% from 6.45 million tons in the January-to-March period.

Commodity flow includes all goods transported by water, air, and rail transport. Nearly all (99.96%) of the commodities were transported through water.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa attributed the decline due to base effects.

"We're now likely seeing more normalized levels of trade. This mirrors the negative quarter-on-quarter gross domestic product (GDP) growth posted in the second quarter suggesting economic activity is slowing," Mr. Mapa said in an e-mail.


REUTERS

CARGO and other vehicles are pictured on a roll-on, roll-off ferry as it leaves Dalahican port in Lucena City, March 10, 2016.

In the second quarter, GDP expanded by 4.3% in the second quarter, weaker than the 6.4% growth in the first quarter and the 7.5% print a year ago. This was also the slowest in over two years.

Quarter on quarter, GDP shrank by 0.9% in the April-to-June period, a reversal of the 1.1% growth in the first quarter.

PSA data showed the trade value of eight out of the 10 commodity categories fell year on year in the second quarter.

The trade value of animal and vegetable oils, fats and waxes recorded the biggest annual decline (-90.8% from -47.2%), followed by beverages and tobacco (-82.9% from 4.1%), miscellaneous manufactured articles (-67% from 14.6%), chemicals and related products (-62.1% from 20.3%), food and live animals (-58.5% from 14.3%).

Other categories that recorded declines were machinery and transport equipment (-26.1% from 27.4%), manufactured goods classified chiefly by material (-20.6% from 1.1%), and commodities and transactions not classified elsewhere in the PSCC (-19.7% from -1.5%).

Meanwhile, the trade value of crude materials (inedible except fuel) jumped by 171.2% in the second quarter, while mineral fuels, lubricants and related materials rose by 13.2%.

In the second quarter, machinery and transport recorded the biggest value of traded commodities at P61.51 billion, but this was 26% lower than the P83.27 billion recorded a year ago.

Central Visayas was the top source and destination of traded commodities in the April-to-June period with total outflows amounting to P95.61 billion and inflows worth P57.97 billion.

Central Visayas also had the largest trade balance in the second quarter with P37.64 billion, followed by Central Luzon with P11.43 billion and Bicol with P5.81 billion.

Three regions had the biggest negative trade balance, led by Caraga (-P24.03 billion), Northern Mindanao (-P15.45 billion) and Eastern Visayas (-P6.38 billion). — **MIUC**

Maharlika,
from S1/1

"The solicitation of nominees and applications, for purposes of initial appointment, may be made immediately upon the publication of the IRR, the closing date of which shall not exceed 15 days from the effectivity of the IRR," it said. The IRR will take effect on Sept. 12.

Under the rules, the MIC president and CEO must have an advanced degree (MBA, MA, MSc, PhD) in finance, economics, business administration, or any related field from a reputable university.

The MIC president and CEO must also show "exceptional experience and expertise in corporate management, financial planning strategy, strategic planning and vision, market and business development, budget development," and have work experience in a finance or investment-related field for at least 10 years.

A minimum of 10 years in a senior leadership role in a "reputable financial institution or public or private sector organization" is also required.

The president and CEO will direct and supervise the operations and internal administration of the MIC. They will also be charged with the risk management, financial performance, human resources, as well as the accounting and legal affairs of the MIC.

Meanwhile, regular directors must be Filipino citizens, at least 35 years old and must be of "good moral standing and reputation, of recognized probity and independence and have substantial experience and expertise in corporate governance and administration, investment in financial assets, and/or management of investments in the global and local markets."

The independent directors must have "probity, competence, expertise and experience in finance, economics, investments, business management, or law, and are highly capable to contribute to the attainment of the objectives and purposes of the MIF."

Both regular and independent directors are required to have a master's degree in finance, economics, business administration. They must also have at least 10 years of experience in finance, investments, economics, business, or any related field. — **Luisa Maria Jacinta C. Jocson**