

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,647.08 HIGH: 6,663.68 LOW: 6,567.76 CLOSE: 6,572.51 VOL.: 0.590 B VAL(P): 6.679 B 64.49 pts, 0.97% 30 DAYS TO JANUARY 17, 2024	<b>JANUARY 17, 2024</b> JAPAN (NIKKEI 225) 35,477.75 ▼ -141.43 -0.40 HONG KONG (HANG SENG) 15,276.90 ▼ -589.02 -3.71 TAIWAN (WEIGHTED) 17,161.79 ▼ -185.08 -1.07 THAILAND (SET INDEX) 1,380.50 ▼ -21.22 -1.51 S.KOREA (KSE COMPOSITE) 2,435.90 ▼ -61.69 -2.47 SINGAPORE (STRAITS TIMES) 3,147.06 ▼ -37.93 -1.19 SYDNEY (ALL ORDINARIES) 7,393.10 ▼ -21.70 -0.29 MALAYSIA (KLSX COMPOSITE) 1,491.21 ▼ -2.66 -0.18	<b>JANUARY 16, 2024</b> DOW JONES 37,361.120 ▼ -231.860 NASDAQ 14,944.347 ▼ -28.413 S&P 500 4,765.980 ▼ -17.850 FTSE 100 7,558.340 ▼ -36.570 EURO STOXX50 4,072.500 ▼ -2.050	<b>FX</b> OPEN P55.970 HIGH P55.835 LOW P56.125 CLOSE P55.930 W.AVE. P56.015 VOL. \$1,738.30 M 10.00 CTVS 30 DAYS TO JANUARY 17, 2024 SOURCE: BAP	<b>JANUARY 17, 2024</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 147.750 ▼ 146.440 HONG KONG (HK DOLLAR) 7.823 ▼ 7.821 TAIWAN (NT DOLLAR) 31.587 ▼ 31.503 THAILAND (BAHT) 35.530 ▼ 35.330 S. KOREA (WON) 1,346.110 ▼ 1,334.430 SINGAPORE (DOLLAR) 1.344 ▼ 1.339 INDONESIA (RUPIAH) 15,635 ▼ 15,585 MALAYSIA (RINGGIT) 4.715 ▼ 4.687	<b>JANUARY 17, 2024</b> CLOSE PREVIOUS US\$/UK POUND 1.2647 ▼ 1.2653 US\$/EURO 1.0863 ▼ 1.0893 US\$/AUSTRALIAN DOLLAR 0.6539 ▼ 0.6612 CANADA DOLLAR/US\$ 1.3528 ▼ 1.3489 SWISS FRANC/US\$ 0.8631 ▲ 0.8603	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$77.80/BBL 30 DAYS TO JANUARY 16, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 17, 2024 (PSEi snapshot on S1/2; article on S2/2)

BDO P139.200	ALI P32.300	URC P116.900	ICT P248.000	GTCAP P628.000	SM P33.350	BPI P109.000	SM P875.000	AC P683.000	MBT P55.500
Value P620,663,458	Value P440,261,905	Value P404,105,795	Value P352,664,062	Value P313,210,370	Value P277,308,010	Value P269,735,683	Value P259,043,895	Value P205,198,625	Value P177,989,894
-P0.100 ▼ -0.072%	-P1.000 ▼ -3.003%	-P3.300 ▼ -2.745%	-P0.400 ▼ -0.161%	P11.000 ▲ 1.783%	-P0.400 ▼ -1.185%	P0.000 — 0.000%	-P15.000 ▼ -1.685%	P3.000 ▲ 0.441%	P0.200 ▲ 0.362%

## Vehicle sales surpass target in 2023

By Justine Irish D. Tabile  
Reporter

VEHICLE SALES rose by an annual 22% in 2023, surpassing the industry's target, a report showed, as consumer demand remained robust despite elevated inflation and rising interest rates. A joint report of the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA) showed total vehicle sales last year reached 429,807, a 21.9% increase from the 352,596 units sold in 2022.

It also surpassed the industry's 423,000 revised sales target by 1.6%. CAMPI-TMA's original sales target was 395,000 units.

In a statement, CAMPI noted the strong year-on-year sales growth was mainly due to "sustained consumer demand, easier access to credit, and improved supply conditions across all brands."

"2023 was a very strong year for the industry and we are very excited about 2024," CAMPI President Rommel Gutierrez said in a statement on Wednesday.

For the January-to-December period, commercial vehicle sales jumped by 20.2% to 320,543

units, while passenger car sales rose by 27.2% to 109,264 units.

The higher sales of commercial vehicles were driven by the 30.5% growth in Asian utility vehicles (AUVs) and 18.3% rise in light commercial vehicles.

Mr. Gutierrez said that the industry is hoping to reach record-breaking sales in 2024, banking on the country's growth and new car models.

"Positive economic outlook, new model introductions and the electrification trend are expected to contribute to a record-breaking sales this year," he said.

Economic managers are targeting 6.5-7.5% gross domestic product (GDP) growth for 2024.

Sought for comment, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the double-digit sales growth could also be attributed to the country's favorable demographics and employment data, which he said was at the strongest in at least 18 years.

"Furthermore, lower downpayment and other promos and perks offered by some automakers also helped spur greater demand for vehicles," he said.

Mr. Ricafort noted that the limited mass and public transport system also pushed consumers to purchase vehicles, especially with the release of new models including hybrid and electric vehicles.

For the coming months, he said that the easing trend in headline inflation towards the target of the central bank at 2%-4% would support local policy rate cuts.

"This would reduce borrowing costs for automotive loans which would also lead to some increase in vehicle sales that are financed by loans," Mr. Ricafort added.

China Banking Corp. Chief Economist Domini S. Velasquez said that the downtrend in inflation may have provided consumers with more flexibility in their budgets, allowing them to make big-ticket purchases.

"Recovery from the pandemic may also have encouraged consumers to purchase vehicles for increased mobility, as more com-

panies adopted return to office, and as demand for leisure travel increased," she said.

"Looking ahead, vehicle sales will likely continue to post decent growth on the back of improved consumer confidence due to cooler inflation and lower borrowing costs with the possible interest rate cuts this year," she added.

### SINGLE-DIGIT INCREASE

In December last year, new automotive sales went up by an annual 5.1% to 39,153 units from 37,259 in December 2022. This was the slowest growth in 22 months or since the 7.3% contraction recorded in February 2022.

Vehicle sales, S1/9

## DoF studies carbon tax, emissions trading system

By Luisa Maria Jacinta C. Jocsan  
Reporter

THE DEPARTMENT of Finance (DoF) is studying the establishment of a "responsive and economically sensitive" system of carbon pricing for the country, its top official said.

"The development of carbon pricing instruments through a carbon tax and emissions trading system (ETS) is one of the crucial steps we are undertaking towards a greener future," Finance Secretary Ralph G. Recto was quoted as saying in a speech.

"Carbon pricing instruments serve as a powerful fiscal tool, allowing us to incorporate the social and external costs associated with carbon emissions," he added.

The DoF held a technical working group meeting on Tuesday to discuss the development of carbon pricing instruments. Among the attendees were representatives from the World Bank, the Economic Consulting Associates, the Asian Development Bank, and the United Nations Development Programme (UNDP).

The Finance department under then-Secretary Benjamin E. Diokno earlier said it was studying a carbon pricing system to encourage businesses to shift to sustainable practices. Former Finance Secretary Carlos G. Dominguez III had also proposed a carbon tax under the outgoing administration's fiscal consolidation plan, which was initially expected to be implemented in 2025.

Emissions, S1/2

## DBM calls for swift passage of rightsizing, procurement reforms

By Keisha B. Ta-asan  
Reporter

THE SWIFT PASSAGE of measures to rightsize the government and streamline procurement processes would help agencies and local government units (LGUs) improve their budget utilization, the Department of Budget and Management (DBM) said.

"When we asked the agencies on their catch-up plans for spending, the common issue they stated is the procurement system. The process is rigid, difficult, and tedious," DBM Secretary Amehaf F. Pangandaman said in mixed English and Filipino at the Kapihan sa Manila Bay forum on Wednesday.

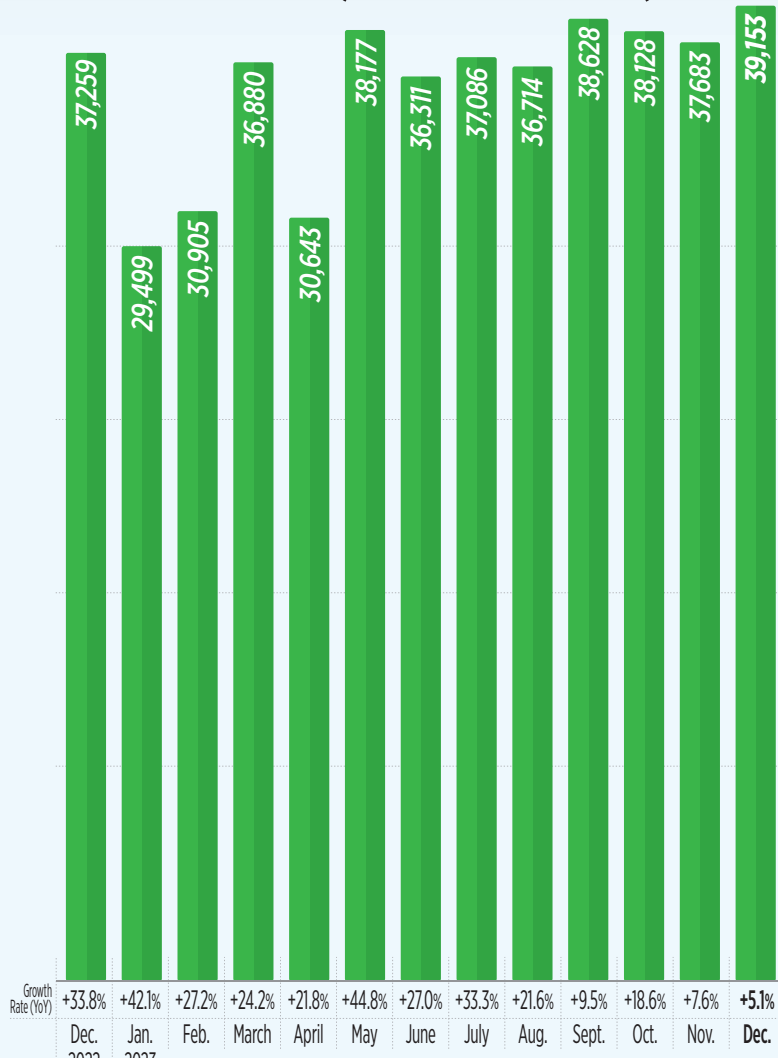
The DBM has also been pushing for amendments to the procurement law, including the adoption of a single electronic portal known as the Philippine Government Electronic Procurement System for all procurement activities from planning to implementation.

The department has also sought the passage of the National Government Rightsizing Program, which seeks to streamline the bureaucracy to improve public services. The House of Representatives has approved its version of the bill, while Senate Majority Leader Emmanuel Joel J. Villanueva filed a counterpart measure Senate Bill (SB) No. 2502 earlier this month.

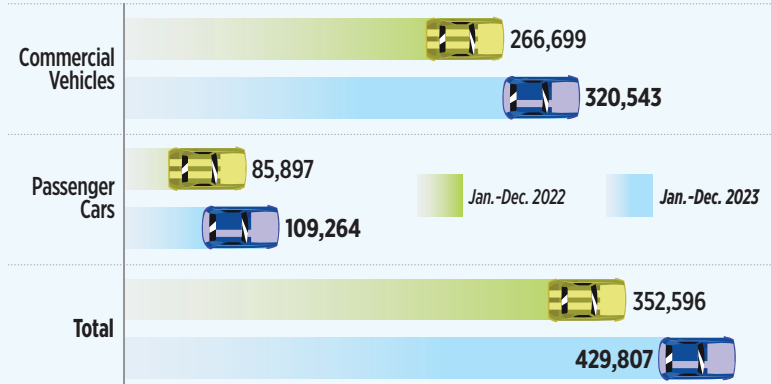
Rightsizing, S1/11



### Auto Sales (December 2023)

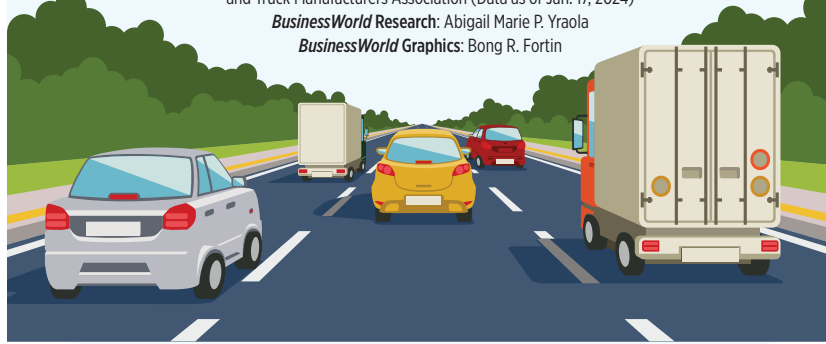


### Auto Sales as of end-December



Source: Chamber of Automotive Manufacturers of the Philippines, Inc. and Truck Manufacturers Association (Data as of Jan. 17, 2024)

BusinessWorld Research: Abigail Marie P. Yraola  
BusinessWorld Graphics: Bong R. Fortin



## BSP may trim policy rates by 50 bps this year

THE BANGKO SENTRAL ng Pilipinas (BSP) may cut by 50 basis points (bps) this year and 100 bps in 2025 amid easing inflation, ANZ Research said, adding the central bank still needs to be cautious in the coming months.

ANZ Research said in a report dated Jan. 17 that the faster-than-expected deceleration of inflation in December should prompt the BSP to deliver rate cuts this year, earlier than previously projected.

It said the BSP is likely to begin rate cuts in the fourth quarter, instead of its earlier expectation of the first quarter of 2025.

"We are penciling in 50-bp cut in 2024 and another 100 bps

in 2025. Our new terminal rate forecast of 6% by yearend 2024 (that is, real rate at 2.5%) will also manage external imbalances," ANZ Research said.

The BSP kept its policy rate steady at a 16-year high of 6.5% at its December meeting. This was after the Monetary Board tightened rates by 450 bps from May 2022 to October 2023 to help bring down elevated inflation.

Philippine headline inflation slowed to 3.9% in December from 4.1% in November and 8.1% a year ago. This was the first-time inflation returned to within the 2-4% target in nearly two years.

Rates, S1/9



Dive into the heart of Sinulog 2024 at SM City Cebu! Experience the vibrancy and cultural richness that awaits both locals and tourists. Celebrate the AweSM traditions and festivities!

### Get ready for an AweSM SINULOG EXPERIENCE at SM City Cebu

Celebrate Sinulog, the country's grandest festival, at your favorite SM City Cebu. Immerse yourself in the excitement of festive events at the core of the Sinulog Festival this month of January.

The Sinulog Festival in Cebu is a vibrant and deeply-rooted religious celebration that traces its origins to the Feast of the Sto. Nino.

SM City Cebu offer a vibrant and culturally rich experience for both locals and tourists this Sinulog 2024

for the best fusion of tradition and contemporary style this year. Check-out the Cut & Style booth at the lower ground level of SM City Cebu.

### COLORFUL INSTALLATIONS

Take a picture at SM City Cebu's AweSM Sinulog Square installation located at the North Wing Atrium, and experience a haven of festivity, where tradition meets modern splash of colors and rhythms.

### MOUTHWATERING LOCAL DISHES

Food lovers check this out! Visit the StrEATS of Cebu booths where one can enjoy a gastronomic feast of Cebu's lechon and other Cebu delicacies located at the lower ground level of the main mall.

### HUGE DISCOUNTS & PROMOS

Shoppers will also enjoy huge discounts and exciting promos in the Sinulog Sale from January 19 to 21. Get into the festive spirit with a great selection of sale items of up to 50% off mall wide.

And to complete the Sinulog experience, witness the AweSM Cebu Dance Parade around the mall from January 19-21 beginning at 10am.

Dive into the festive feels this Sinulog 2024 and experience an ultimate #AweSMFestival.

For more updates, checkout SM City Cebu (Official) on Facebook or Instagram.

### FUN & ENTERTAINMENT FOR FAMILIES & FRIENDS

Celebrate Sinulog in bold and vibrant hues! Islands Souvenirs' Cut & Style at SM City Cebu invite you to explore their Sinulog Merch pop-up store



**CORPORATE NEWS**  
Aboitiz's Bohol airport O&M eyed for Swiss challenge S1/2

**THE ECONOMY**  
Pharma industry targets bigger share of DoH drug procurement S1/4

**THE WORLD**  
Norway wealth fund CEO at Davos sees slow investment returns in 2024 S1/11