

**Growth,**  
from S1/1

On an annual basis, exports growth was upgraded to 1.4% from 1.3% previously, while import growth was revised downwards to 1% from 1.6% previously. Gross capital formation, the investment component of the economy was raised to 5.9% in 2023 from 5.4% previously.

For the fourth quarter, gross capital formation growth was upwardly revised to 11.6% from the preliminary estimate of 11.2%. National account revisions are based on approved revision policy, which is consistent with international standard practices, the PSA said.



PHILIPPINE STAR/ WALTER BOLLOZOS

**ECONOMIC MANAGERS** are targeting 6-7% gross domestic product (GDP) growth this year.

**Targets,**  
from S1/1

General elections in major economies could lead to political shifts that may disrupt trade and investment, Mr. Balisacan added.

**'REALISTIC'**

The revised growth targets are "realistic" given the current inflationary environment, weak export prospects, and "uncertain external conditions," Cid L. Terosa, former dean of the University of Asia and the Pacific's School of Economics, said in an e-mail.

"Countries in the region are faced with similar economic issues, and many are even projected to perform worse than the Philippines," Mr. Terosa said.

The revised GDP targets were "expected" and "remain within reach" as the economic managers took into account the high interest rates and muted global trade, ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in a Viber message.

To make the target doable, the central bank should maintain a hawkish stance towards the second half of the year, Union Bank of the Philippines Chief Economist Ruben Carlo O. Asuncion said in a Viber message.

"Downgrading growth by 0.5 percentage point may seem reasonable given some factors that may be outside the control of the government, particularly slowdown in global growth and weather challenges," said former BSP Deputy Governor Diwa C. Guinigundo, who is now a Philippine analyst at the GlobalSource Partners.

"However, it is also important for the government to show determined leadership and sustained efforts to mitigate the risks and aim for the original target," he said in a Viber message.

Mr. Guinigundo said it is important for the government "to show something is being done to neutralize all these destabilizing shocks."

Leonardo A. Lanzona, who teaches economics at the Ateneo de Manila University, said the diminished growth expectations could indicate failure on the part of the government to do more.

"The government has run out of ideas on how to grow the economy," he said in a Facebook Messenger chat. "While many countries like Germany are facing difficulties, other countries like the US are experiencing substantial growth."

**INFLATION OUTLOOK**

Meanwhile, the DBCC kept inflation targets at 2% to 4% until 2028.

Mr. Balisacan said the BSP is unlikely to keep its policy rate higher for a longer period.

"We don't see that BSP will keep its policy rates. It will eventually go down as the (inflation) numbers become more firm," he said.

The BSP has raised borrowing costs by 450 basis points (bps) from May 2022 to October 2023, bringing the benchmark rate to a near 17-year high of 6.5%.

Mr. Balisacan said the government is also closely monitoring global prices of staples including rice, which has driven inflation in recent months.

"With the weakening of El Niño by the middle of this year, we expect global rice prices to start declining and so looking at

the rest of the year, we should be seeing those price pressures to moderate," he said.

The DBCC also narrowed its foreign exchange assumptions for 2025 to 2028 to P55-P57 against the dollar this year, due partly to the expected reduction in Philippine exports. Foreign exchange assumptions were maintained at P55-P58 against the dollar from 2025 to 2028.

For this year, goods exports are expected to grow by 3%, lower than the previous assumption of 5%. Goods imports are also seen to increase by 4%, slower than the previous 7% growth assumption.

The Dubai crude oil price has been picking up and may increase by as much as 80% but is expected to go down to a lower range, Mr. Balisacan noted.

Assumptions for Dubai crude oil were also adjusted to \$70-\$90 per barrel this year and kept at \$65-\$85 per barrel from 2025 to 2028.

"Despite the anticipated risks, we remain optimistic about the country's sustained growth momentum as we strive for better development outcomes," Mr. Balisacan said.

**DEFICIT**

The DBCC also raised the budget deficit ceiling for the next five years as the government seeks to expand its infrastructure program to boost economic growth.

"We need to continue borrowing. It's not in our interest to drastically reduce that deficit because that then will impact on growth," Mr. Balisacan said.

Infrastructure projects funded by loans will boost the economy's potential and enhance productivity, he noted.

The DBCC set a P1.48-trillion deficit ceiling for this year, slightly wider than the previous P1.39-trillion ceiling. It expects the deficit as a share of gross domestic product (GDP) to settle at -5.6% this year, from -5.1% previously.

The deficit ceiling for 2025 was also revised to P1.49 trillion from P1.23 trillion previously. The target for the deficit-to-GDP ratio was raised to -5.2% for 2025 from -4.1% previously.

"Based on the revenue and spending outlook, the deficit program will gradually decline from 6.2% in 2023 to 3.7% in 2028," the DBCC said.

The DBCC said the new deficit path is now "projected to gradually decrease in a practical, sustainable, and strategically paced manner.

"Borrowings will be complemented by an upsurge in revenue collections over the medium term as a result of improved tax administration and recalibrated revenue measures," the DBCC said.

The government is proposing a P6.2-trillion national budget for 2025, equivalent to 21.4% of GDP. This is 7.5% higher than this year's budget.

"How does one justify the request to increase the budget while targeting a lower growth rate? Recall that last year was handicapped by the 'intentional restraint' of public spending," Mr. Guinigundo said.

"One does not restrain public spending when we need to grow more because poverty and weak public health and education remain a big issue in our country," he added. — **K.A.T. Atienza**

# Republic Glass Holdings Corp. appoints Wong as president

LISTED Republic Glass Holdings Corp. said its board has appointed Florence C. Wong as the company's new president and chief executive officer (CEO) following the resignation of her predecessor.

Ms. Wong replaced the company's former president and CEO, Gerardo Oliverio V. Laperal, who resigned due to personal reasons,

Republic Glass said in a stock exchange disclosure on Thursday.

"(Ms. Wong will) serve as such for the unexpired term and/or until the next organizational meeting of the incoming 2024 board of directors," Republic Glass said.

Mr. Laperal also declined his nomination as a candidate for directorship.

According to Republic Glass, Ms. Wong, who currently serves as vice-president, has been with the company for almost 27 years.

She is a certified public accountant and has experience in audit and controllership in various industries, the company said.

Republic Glass is engaged in the purchase of govern-

ment bonds, corporate bonds, money market placements, time deposits, and other financial instruments. It has an investment in industrial estate developer Science Park of the Philippines.

The company's stocks were last traded on April 1 at P2.70 each. — **Revin Mikhael D. Ochave**

# DENR says government fast-tracking bidding for Cavite province bulk water supply project contract

THE GOVERNMENT is fast-tracking the bidding process for the Cavite-wide Bulk Water Supply Project contract, the Department of Environment and Natural Resources (DENR) said.

"We are in the process now of consolidating all the dams and then have one supplier for the whole province, that is the Cavite bulk. We have transferred the rights to Cavite and they will do the PPP (public-private partnership)," Environment Undersecretary Carlos Primo C. David told reporters on the sidelines of Israel-Philippines Water technology innovations forum on Thursday.

The DENR has already turned over the rights for the project to the Cavite government as it is poised to conduct the competitive bidding for the project within the year.

"For now there are studies that need to be done very soon. We will request for proposals," he said.



FREEPIK

The project aims to consolidate all 18 dams in Cavite into one bulk water supplier for the whole province of Cavite.

"We have 18 dams in Cavite. So what we will do is consolidate all the dams and then only have one supplier for the whole province. We have already transferred, assigned the rights to Cavite and they will now do the public-private partnership," he said.

The project serves as an augmentation measure to meet the growing supply demand in the province, Mr. David said, adding that the project would increase its current supply by 30%.

The Cavite Bulk Water Supply project is considered a massive project as it will be a provincial-wide water supply system, he said. — **Ashley Erika O. Jose**



## 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.


<b>SUNDAY, APRIL 7, 2024</b>	Dasmariñas Townsville Subd. and Carungcong Subd. in Bgy. Sabang.
<b>CAVITE (GEN. TRIAS CITY)</b>	<b>REASON:</b> Line reconducting work and installation of facilities along Diamond St. and Don Placido Campos Ave. in Bgy. Sabang, Dasmariñas City, Cavite.
<b>FRIDAY, APRIL 12, 2024</b>	
<b>BATANGAS PROVINCE (BATANGAS CITY)</b>	<b>REASON:</b> Replacement of pole in Villamor Subd., Bgy. Balagtas, Batangas City, Batangas Province.
<b>SUNDAY, APRIL 14, 2024</b>	
<b>BULACAN (STA. MARIA)</b>	<b>REASON:</b> Line construction work along Norzagaray – Santa Maria National Road in Bgy. Pulong Buhangin, Sta. Maria, Bulacan.
<b>WEDNESDAY TO THURSDAY, APRIL 10 – 11, 2024</b>	
<b>CALOOCAN CITY (GRACE PARK)</b>	<b>REASON:</b> Replacement of rotten wood poles along F. Roxas St. in Grace Park, Caloocan City.
<b>THURSDAY, APRIL 11, 2024</b>	
<b>CAVITE (DASMARIÑAS CITY)</b>	<b>REASON:</b> Line reconducting work, replacement of poles and installation of additional lightning protection devices along Pacheco and Osmeña Sts. in Tondo, Manila.

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