

## Gender inequality cited as barrier in achieving work flexibility in PHL

SOME 53% of women responding to a study said gender inequality is hindering their ability to access flexible work, according to the Avon Global Progress for Women report.

The beauty products company said some 18.6% of respondents also said they were hindered in starting businesses by gender inequality.

In a statement, Avon said respondents cited childcare responsibilities as among the factors obstructing their career and entrepreneurship goals.

"This research shows that we're still a long way off gender equality. ...we need to do more to create opportunities for women to contribute to the economy, participate in work, and realize their potential," Avon Chief Executive Officer Kristof Neirynek said in a statement.

Global research company Censuswide surveyed 7,000 women from the UK, Italy, Romania, Poland, the Philippines, Turkey, and South Africa. The survey was conducted in December.

Globally, respondents who cited gender stereotypes as a barrier to equal opportunity totaled 89% in the latest study, up from 86% a year earlier. Those who perceive representation in business to favor men also increased 5 percentage points to 61% between studies.

Respondents citing gender pay gaps totaled 52% in the latest study, against 46% previously.

Avon, referring to a United Nations study, said women earn a third of the global income generated by labor and estimated that for each dollar earned by men, women earned 51 cents.

According to the Global Gender Report 2022 of the World Economic Forum, the Philippines was 19<sup>th</sup> out of 146 countries in the Global Gender Gap Index.

In the Avon report, women who cited difficulties in rising to senior positions accounted for 57% of all respondents.

### WORKPLACE AS A REFUGE

Despite harassment and micro-aggressions in the workplace, some women described work as a place of refuge.

In the Philippines, 44% out of the 1,000 respondents said they have seen a colleague who appeared to have suffered signs of domestic abuse, including physical injuries.

About 48.79% were confided in by a colleague about being abused by a partner at home.

The Philippine National Police recorded 13,122 cases of violence against women in 2023, 59% of which turned out to be in breach of the Anti-Violence Against Women and their Children Act. — **Aubrey Rose A. Inosante**

# Philippine exports in 2023 well below target at \$103.6B

TOTAL EXPORTS, including services and goods, grew 4.8% in 2023 to \$103.6 billion, below the target set for the year, according to the Department of Trade and Industry (DTI)'s Export Marketing Bureau.

The full-year performance failed to hit the 5% growth target set by the DTI last year and is well below the \$126.8-billion goal laid down in the Philippine Export Development Plan (PEDP) 2023-2028.

In a statement on Monday, the DTI said services exports drove the gains. The segment increased 17.4% to \$48.29 billion, it said, according to preliminary data from the Bangko Sentral ng Pilipinas (BSP).

"Travel services contributed nearly 70% of the incremental services export receipts in 2023, followed by other business services. Growth was also driven by sectors including telecommunica-

tions, computer and information services, and transport services," the DTI said.

Exports by the travel services sector more than doubled to \$9.11 billion in 2023, while other business services exports totaled \$23.29 billion, up 8.6%.

Meanwhile, the telecommunications, computer, and information sectors accounted for \$7.1 billion of total exports in 2023, up 6.4%.

Transport exports totaled \$3.04 in 2023, up 13.1%.

The DTI said that goods exports faced challenges as electronics declined 3.4% or \$955 million.

BSP Balance of Payments data indicate that goods exports totaled \$55.32 billion in 2023, down 4.1%.

"This decline highlights the importance of diversifying export

portfolios and enhancing competitiveness in key sectors," the DTI said.

Aside from electronics, the DTI said that exports of coconut, other agro-based, other mineral, and petroleum products, also declined in 2023, while fruits and vegetables exports increased.

"Overall contribution of exports to economic growth was dampened by weak external demand in the goods sector. In 2023, total exports accounted for 27% of the country's GDP (gross domestic product)," the DTI added.

The DTI said it will be pursuing more initiatives to strengthen the services sector and address challenges in exporting goods.

"These efforts include expanding the services industry's reach by entering new markets and strengthening existing ones,

as outlined in the PEDP 2023-2028," the DTI said.

In particular, the DTI said it continues to address issues related to value-added tax and green lane treatment for Philippine exports.

The DTI also plans to conduct briefings on export market opportunities and regulatory updates while leveraging technology and digital services to enhance exports.

"The path to global excellence and export growth requires shared ambition, where the government and the private sector must intensify and sustain collaboration," Trade Secretary Alfredo E. Pascual said.

Last year, the DTI cited the need to revisit the PEDP targets due to the volatile international trading environment. — **Justine Irish D. Tabile**

## PHL may tap Czech help to bolster dairy output

THE Department of Agriculture (DA) said on Monday that it is seeking to improve dairy and livestock output via a collaboration with the Czech government.

"The Philippines is particularly interested in the Czech Republic's success in the dairy industry and in water and irrigation management and livestock production," the DA said.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. said in a statement that the DA will seek Czech assistance in upgrading farming technology, particularly in dairy.

The government is hoping to grow dairy production to 80 million liters per year by 2028.

In 2023, dairy production amounted to 17,850 MT, or about 0.8% of milk demand of 1.94 million MT. The dairy herd was 75,798 head in 2023.

The National Dairy Authority is projecting production to reach 1.98 million metric tons in 2024.

Mr. Laurel added that the DA will also purchase bull sperm for artificial insemination to improve the quality of the herd.

"The Philippines imports almost all its dairy requirements

and sources from overseas parent stock for cattle and other livestock," the DA said.

He added that the DA is also looking to expand the market for agricultural goods from the Philippines within the European Union.

"We have some products ready for export, so market access is also very important to us, especially the European Union, which is one of the best markets in the world for our products," Mr. Laurel said.

Czech Agriculture Minister Marek Vyborny has earlier signed

a letter of intent with the DA to collaborate on agriculture and food production.

The agreement also covers water management, aquaculture, science, and research.

"(The Philippines) aims and ambitions are very similar to what we have in the Czech Republic, where our agricultural sector is also undergoing dynamic changes towards modern technology, innovation, science and research, and the application of their outcomes," Mr. Vyborny said. — **Adrian H. Halili**

### Manufacturing, from SI/1

In the Philippines, S&P Global noted that production in March contracted for the first time since July 2022 due to shortages in raw materials.

"The downturn came despite firms in general recording sustained demand for goods. However, if firms are able to successfully secure materials and build their stocks, the downturn in output could be fleeting," Ms. Baluch said.

Philippine manufacturers reported growth in new orders in March but these were "historically subdued."

"The rate of growth moderated on the month and was the second weakest in the current seven-month sequence of expansion," S&P Global said.

Meanwhile, companies started to hire more workers in March, with job growth the strongest in a year and a half.

Ms. Baluch noted manufacturing companies had also ramped up buying activity in March, marking the fourth consecutive monthly rise.

While costs of raw materials increased due to El Niño and shortages, S&P Global said some suppliers tempered price hikes to boost sales.

"As a result, cost burdens rose at the weakest pace since October 2020. Furthermore, Filipino goods producers reduced their selling prices for the first time in nearly four years, albeit only fractionally," it said.

Manufacturers in the Philippines kept an optimistic outlook on output, although confidence declined for a third straight month.

"Sentiment among manufacturers weakened and was the least optimistic in nearly four years. Firms were concerned that increased market competition would limit growth prospects. However, hopes of demand conditions domestically and globally strengthening continued to buoy confidence levels," Ms. Baluch said.

The headline PMI measures manufacturing conditions through the weighted average of five indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%).

Union Bank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said the shortage in raw materials experienced by manufacturers might have been due to the Red Sea shipping crisis.

In a Viber message, he said the shortage is only temporary, but manufacturers might have to adjust operations.

"Overall, manufacturers may have to deal with margin compression but may also be wary of potential market loss if they increase their prices," Mr. Asuncion said. "With El Niño weakening... manufacturing may soon pick up once more as we move into the second half of 2024 when interest rate cuts are largely expected by the market."

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the slight

easing in manufacturing activity might have been due to the Holy Week break.

"The local manufacturing gauge is still in expansion mode for nearly all months since September 2021 (except for the contraction mode in August 2023 at 49.7), therefore still one of the bright spots for the Philippine economy," he said in an e-mail.

### FACTORY ACTIVITY IN ASIA

Meanwhile, factory activity in many Asian economies weakened in March despite a rebound in China as lackluster domestic demand dragged growth, surveys showed on Monday, clouding the outlook for a once fast-expanding and key driver of the global economy.

Export powerhouses Japan and South Korea saw manufacturing activities shrink, as well as Taiwan, Malaysia and Vietnam in a sign of the fragile state of the region's economies.

China's Caixin/S&P Global Manufacturing Purchasing Managers' Index (PMI) rose to 51.1 in March from 50.9 the previous month, a private survey showed, expanding at the fastest pace in 13 months with business confidence hitting an 11-month high.

The findings join an official PMI survey released on Sunday that showed China's factory activity expanded for the first time in six months.

The rebound in China, which is struggling to mount a strong economic revival partly due to a protracted property crisis, provides some welcome relief to Beijing and investors globally.

Yet, the weakness in other parts of Asia highlights the challenge the region's policy makers face as they wrestle with patchy signs of recovery in global demand and uncertainty on when the US Federal Reserve would start to cut interest rates.

"China's exports are picking up a bit but that's because their goods are cheap. That means other Asian countries must compete with China for demand that's not growing," said Toru Nishihama, chief emerging market economist at Dai-ichi Life Research Institute.

"With no clear driver of global growth, it's hard to paint a rosy outlook for Asia," he added.

Japan's final au Jibun Bank PMI stood at 48.2 in March, the highest since November and recovering from February's 47.2 which marked the fastest contraction in over three-and-a-half years.

But activity contracted for a 10<sup>th</sup> straight month as new export orders slumped, reflecting souring sentiment in key markets like China and North America, the survey showed.

South Korea's manufacturing activity also weakened in March as slowing domestic demand offset robust overseas sales, with the PMI falling to 49.8 in March from 50.7 in February. — **Beatriz Marie D. Cruz with Reuters**



### Inflation, from SI/1

In February, rice inflation surged to 23.7%, the fastest since 24.6% in February 2009.

Mr. Asuncion said his estimates show that inflation could peak at 5% in May.

Colegio de San Juan de Letran Graduate School Associate Professor Emmanuel J. Lopez in an e-mail said inflation could accelerate in March amid elevated petroleum prices and effects from the El Niño dry spell.

An uptick in inflation could prompt the central bank to keep rates higher for longer.

"As mentioned by the BSP, Finance Secretary Ralph G. Recto, and even the President himself, the central bank will likely take its time before loosening the monetary reins," Aris D. Dacanay,

HSBC economist for ASEAN (Association of Southeast Asian Nations), said in an e-mail.

"Inflation risks are still too tilted to the upside while strong growth grants the central bank the luxury to keep its policy rate high for longer," he added.

President Ferdinand R. Marcos, Jr. earlier this month said inflation is still the country's biggest problem and that it might be too soon to cut rates.

To tame inflation, the BSP kept its benchmark rate steady at a near 17-year high of 6.5% for a third-straight meeting in February. It raised borrowing costs by 450 basis points (bps) from May 2022 to October 2023.

The Monetary Board will hold its next policy review on April 8.

### World Bank, from SI/1

#### POVERTY TO DECLINE

Meanwhile, the World Bank expects Philippine GDP growth to average at 5.9% from 2024 to 2026, driven by strong domestic demand.

"The medium-term outlook will be driven by robust private consumption activity, supported by declining inflation, a healthy labor market and steady remittance inflows," it said in its Macro Poverty Outlook for the Philippines.

It expects poverty in the Philippines to decline despite risks from extreme climate events.

"Poverty incidence using the World Bank's poverty line for lower middle-income countries of \$3.65/day, PPP (purchasing power parity) is projected to

decrease from 17.8% in 2021 to 12.2% in 2024 and further decrease to 9.3% in 2026," it said.

The World Bank said risks to this outlook include high inflation that would "dampen economic activity by keeping the policy rate higher for longer, erode purchasing power and threaten to deepen poverty and worsen economic vulnerability."

"The possibility of higher-than-expected global inflation, still tight global financing conditions, a further slowdown in the growth of China and escalating geopolitical tensions could cause a sharper-than-expected growth slowdown which would further dampen external demand," it added. — **B.M.D.Cruz**

### Budget gap, from SI/1

"Note that interest payments also were up 40% year on year, and this is also within our expectation of NG's push for fiscal consolidation and debt payments," he added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort noted that high inflation and elevated interest rates had driven up expenditures.

Inflation accelerated for the first time in five months to 3.4% in February.

The Bangko Sentral ng Pilipinas (BSP) kept its benchmark rate steady for a third straight meeting at a near 17-year high of 6.5% in February.

#### TWO-MONTH DEFICIT

In the first two months of 2024, the budget deficit swelled by 26.56% to P76.7 billion from P60.6 billion in the year-ago period as revenue collection and expenditures grew by double digits.

Government revenues jumped by 15.32% to P645.8 billion from P560 billion a year earlier.

Tax revenues jumped by 18.66% to P596.5 billion as BIR and Customs collections increased by 22.58% to P446.4 billion and 7.84% to P144 billion, respectively.

Nontax revenues, on the other hand, dropped by 13.95% to P494 billion. This as BTR income slid by 3.8% to P23.2 billion, while revenues from other offices fell by 21.33% to P26.1 billion.

The BTR said the income drop was "mainly on account of lower interest income on NG deposits and BTR investments."

Meanwhile, expenditures rose by 16.42% to P722.5 billion in January-February from P620.7 billion a year ago.

Interest payments surged by 50.53% to P122 billion, while primary expenditures went up by 11.29% to P600.5 billion.

"For the coming months, a further pickup in business and other economic activities would still lead to higher government tax revenue collections amid intensified tax collection efforts, as well as other priority tax reform measures," Mr. Ricafort said.

This year, the NG's deficit ceiling is capped at P1.39 trillion or 5.1% of gross domestic product (GDP).

As of end-2023, the deficit as a share of GDP stood at 6.2%. The government is targeting to bring this further down to 3% by 2028. — **Luisa Maria Jacinta C. Jocsion**

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