

BSP,
from SI/1

Mr. Dacanay expects the Monetary Board (MB) to cut by 25 bps at its next four policy meetings.

"We maintain our policy rate forecasts and expect the BSP to cut its policy rate again by 25 bps during the last rate-setting meeting for 2024. We then expect the BSP to cut its policy rate by 25 bps in each of the first three Monetary Board meetings of 2025," he said.

"This also implies that the easing cycle will likely end in the second quarter of 2025 with the policy rate at 5% — a rate that is higher than pre-pandemic levels and a rate higher than what the BSP mentioned (on Wednesday). This is because we expect growth in 2025 to be strong when lower rice prices significantly boost household consumption."

Ms. Chutchotitham also expects 25-bp cuts at the MB meeting in December, as well as the meetings in February, May and August next year. This would bring the policy rate to 5% by end-2025.

"We maintain our expectation of an additional 50-bp cut in 2026, to 4.5%. This would bring the policy rate slightly closer (but still a tad higher) to the pre-COVID average long-term policy rate," she said.

"With the economy in a more 'Goldilocks' scenario, the BSP has options to remain flexible in its easing decisions, which may also include consideration of future Fed decisions and impact on the foreign exchange market," she added.

RISKS

BPI's Mr. Neri also sees the policy rate ending at 5.75% by end-2024, but warned of risks that could change this outlook.

"However, this outlook may evolve depending on what happens now until then, especially abroad. Recent developments have shown how economic data can surprise the markets and

quickly lead to a shift in sentiment," he said.

Mr. Neri cited risks such as the possibility of a pause by the US Federal Reserve in December, rising global oil prices and peso depreciation.

He said inflation should remain manageable in the next 12 months but warned of potential supply shocks.

"However, upside risks remain, particularly with the possibility of La Niña and the increase in cases of African Swine Fever... Inflation in the Philippines remains sensitive to climate conditions, and another extreme weather event could trigger a spike. On the other hand, stable commodity prices amid China's economic slowdown may offset these risks," he said.

Both Citi and BPI expect headline inflation to settle at 3.2% this year, before easing to 2.8% next year.

The BSP chief on Wednesday said the balance of risks to the inflation outlook for next year until 2026 has shifted to the upside.

The BSP trimmed its baseline inflation forecast to 3.1% (from 3.4%) for 2024 but raised the projection to 3.2% (from 3.1%) for 2025 and 3.4% (from 3.2%) for 2026.

Mr. Neri also cautioned the BSP against easing aggressively as the country's external position is "not as strong as before."

"(This) makes the peso less resilient to external risks and developments, which could spill over into domestic inflation... Moreover, the outlook for inflation can change quickly given the current global environment and the domestic supply shocks that can easily materialize. A cautious approach to rate cuts might be needed in order to offset these risks and ensure stability in the markets."

Mr. Neri also flagged the possibility of a pause, though small, if the peso continued to be under pressure.

BPO,
from SI/1

In 2023, CCAP members' revenue stood at \$29.5 billion, accounting for the bulk or 83% of the \$35.5-billion revenue posted by the Information Technology and Business Process Management (IT-BPM) industry.

BMI said the Philippines is also among the countries that are less likely to benefit from the transition to AI.

According to BMI, lower-income countries are "much slower to adopt AI at a meaningful scale and the developmental gap between these countries and the rest in Asia will probably widen."

"The Philippines, Indonesia and Thailand are in a worse position compared with the high-income group," Mr. Tay said.

A quarter of these countries' workforces are involved in high exposure and low complementarity jobs, such as elementary sales positions, he said.

"And they have a much smaller proportion of workers that are in high complementarity jobs, leaving them less able to benefit from AI-driven productivity gains" he added.

In 2023, the Philippines ranked 65th out of 193 countries in the Government AI Readiness Index by Oxford Insights.

The National Economic and Development Authority (NEDA) earlier said that the Philippine economy could generate P2.6 trillion annually if local businesses adopt AI.

BMI said workers in developed economies are more exposed to AI versus developing countries.

"The International Monetary Fund (IMF) argues that lower income countries could eventually leapfrog older technologies using AI and catch up developmentally with richer countries," it said.

"However, we think the high cost of building the required infrastructure and highly skilled labor force makes achieving such a feat highly unlikely," it added.

WIDER INCOME INEQUALITY

Generating the necessary invest-

ments to aid in the transition to AI may be increasingly difficult if AI "cuts off existing development paths," BMI said.

"Furthermore, the proportion of workers who could benefit from AI is much smaller than those who stand to lose in these economies, which means there could well be strong public opposition to adopting AI," it added.

BMI also noted how AI adoption can lead to a wider income inequality.

"AI will increase income and wealth inequality much like previous disruptive technologies like the internet," Mr. Tay said.

Though AI has the capacity to boost productivity and incomes, the gap between the rich and the poor will likely widen as a result, BMI said.

This potential widening inequality can also hinder coordination and cooperation between countries.

"Social stability and international cooperation will probably deteriorate insofar as intra-country and inter-country inequality rises because of AI adoption."

Inter-country inequality makes regional cooperation difficult, BMI said. It cited the challenges to climate change efforts due to the inequalities among countries.

"And in Asia, widening inter-country inequality can impede greater integration under such organizations as ASEAN (Association of Southeast Asian Nations). The counterargument is that developmental differences already exist and even if AI widened these gaps, the impediment to international cooperation may not increase appreciably."

"However, the income gaps between middle-income and low-income countries tend to be much narrower, and we think that widening those (between Thailand and the Philippines for example) will have a material impact on international cooperation." — **Luisa Maria Jacinta C. Jocsion**

Arthaland to inject P1.7B into subsidiary Pradhana Land



ARTHALAND Century Pacific Tower

LISTED property developer Arthaland Corp. is investing P1.7 billion in its subsidiary Pradhana Land, Inc. for a future project.

Arthaland will subscribe to 17 million preferred shares of Pradhana at P100 apiece, the property developer said in a regulatory filing on Thursday.

"This is the investment vehicle that will be used by the corporation for its future project, the details of which will be disclosed at the appropriate time," Arthaland said.

"Preferred shares are voting and have such features as the Pradhana board of directors prescribe, but in no case shall such shares be cumulative or redeemable at the option of the holder," it added.

Pradhana Land was incorporated in September 2019 with the primary purpose of engaging in the real estate development business.

Recently, Arthaland subscribed to 180,000 preferred shares of subsidiary Bhavya Properties, Inc. at P100 per share, equivalent to P18 million.

The additional equity will fund Bhavya's working capital requirements while ensuring compliance with its financial covenants.

Bhavya is developing the Eluria luxury residential condominium project in Makati. It is a 31-storey luxury residential project with large and limited edition designed residences.

Eluria will feature a heated saltwater leisure and lap pool, an indoor children's playroom, a function hall, a potager garden at the roof deck, and chauffeur shuttle services to select nearby destinations.

On Thursday, Arthaland shares were unchanged at 41 centavos per share. — **Revin Mikhael D. Ochave**

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, OCTOBER 20, 2024 | TUESDAY, OCTOBER 22, 2024 |
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| <p>CAVITE (GENERAL TRIAS CITY; NOVELETA; AND TANZA)</p> <p>BETWEEN 12:01AM AND 12:29AM AND THEN BETWEEN 8:31AM AND 9:00AM – PORTION OF CIRCUIT LANCASTER 413LAN</p> <p>Portion of Arnaldo Highway and General Trias Drive from near Open Canal Diversion Road to and including Heritage Village, Ecotrend Villas Subd., Suntera Place 1 & 2 Subds., Pacific Homes Navarro, Paramount Homes Subd., Peninsula Homes Subd., Richmond Park Townhomes Subd. Phase 2, Woodstock Homes Subd., Grand Riverside Subd. Phase 1, 2, 2A, Pennsylvania Executive Village, St. Francis Subd., Vee Jay Subd., San Antonio Village, Tejero Subd., Westwood Ville Subd.; F. Manalo and Viborra Sts. in Bgys. Navarro, Pasong Camachile 1 & 2, San Francisco, San Juan 1 & 2, Sta. Clara, Tejero and City Proper in General Trias City.</p> <p>Portion of A. Soriano Highway from Gen. Antonio St. in Bgy. Sta. Rosa 2, Noveleta to De Roman Subd. in Bgy. Amaya 1, Tanza including Buenceso Homes 4 Subd., St. Augustine Village Phases 1 & 2, Udasco Subd., Familyville Subd., Graceland Village 11, Promise Land Subd., Spring Green Village, Springtown Northgate 2 Subd., Springtown South Gate Subd. Phases 1 & 2, Springtown Villas North Gate Subd., Tanza Country Homes Subd., De Roman Subd., Bliss Subd., St. Agustin Village Phase 2, Avreemar Homes Subd. Phases 2 & 11, Hauskon Homes Tanza Subd., St. Anthony Subd.; A. Arvisu, Cenizul, D. Fojas, Hugo Arca, San Agustin, Sta. Cruz, Aplaya Del Sol, Florentino Julia, Dr. P. Solis, Dr. V. Solis, Camposanto, San Jose, San Miguel, Sta. Cruz, San Francisco and Sto. Domingo Sts. in Bgys. Amaya 1 & 3, Biwas, Bucal, Daang Amaya 1 – 3, Julugan 1 – 8, Santol and Town Proper in Tanza; Epza Diversion Road and Nawasa St. in Bgys. Sta. Rosa 1 & 2 in Noveleta; Lavanya Subd. Phase 3, Dream Homes Subd., Westwood Ville Subd.; New C-6 and Rosario – Noveleta Roads in Bgys. Bacao 1 & 2 and Tejero in General Trias City.</p> <p>REASON: Maintenance work inside Meralco - Lancaster substation.</p> | <p>CAVITE (ALFONSO; AND GEN. EMILIO AGUINALDO)</p> <p>BETWEEN 11:00AM AND 4:00PM – PORTION OF CIRCUIT TAGAYTAY WEST 313TGW</p> <p>Portion of Sta. Teresa – Narvaez Barangay Road from Patricias Patricios Events Place in Bgy. Sta. Teresa, Alfonso to and including portion of Bgy. Narvaez in Gen. Emilio Aguinaldo.</p> <p>REASON: Replacement of poles along Sta. Teresa – Narvaez Barangay Road in Bgy. Narvaez, Gen. Emilio Aguinaldo, Cavite.</p> |
| MONDAY, OCTOBER 21, 2024 | WEDNESDAY, OCTOBER 23, 2024 |
| <p>QUEZON CITY (BAGONG PAG-ASA)</p> <p>BETWEEN 12:15AM AND 12:45AM AND THEN BETWEEN 5:45AM AND 6:15AM – PORTION OF CIRCUIT ETON CENTRIS 413ECE</p> <p>Portion of North Ave. from Vertis Drive to and including Ayala Malls TriNoma and Ayala Malls Vertis North.</p> <p>BETWEEN 12:15AM AND 6:15AM – PORTION OF CIRCUIT ETON CENTRIS 412ECE</p> <p>Portion of North Ave. from City North Tower to and including Philippine Medical Association (PMA) Bldg., SM North EDSA Sky Garden and Informatics Professional Development Center.</p> <p>REASON: Relocation of facilities affected by MRT-7 North Avenue Station construction along North Ave. in Bgy. Bagong Pag-Asa, Quezon City.</p> | <p>CAVITE (MENDEZ-NUÑEZ; AND INDANG)</p> <p>BETWEEN 10:00AM AND 3:00PM – PORTION OF CIRCUIT TAGAYTAY WEST 325TGW</p> <p>Portion of Anuling Cerca II – Carasuchi - Pulo Road from Palocpoc Road in Bgy. Anuling Cerca II, Mendez – Nuñez to near Terra Linda Road in Bgys. Carasuchi and Pulo in Indang including J. Gatpandan St. in Bgy. Anuling Cerca II, Mendez – Nuñez.</p> <p>REASON: Replacement of pole and conversion of facilities in Bgy. Anuling Cerca II, Mendez - Nuñez, Cavite.</p> |
| THURSDAY, OCTOBER 24, 2024 | THURSDAY TO FRIDAY, OCTOBER 24 – 25, 2024 |
| <p>NAVOTAS CITY (TANGOS)</p> <p>BETWEEN 10:00AM AND 3:00PM - PORTION OF CIRCUIT MALABON 53YD</p> <p>Portion of B. Caseñas St. from near M. Naval St. to and including Buenaventura, J. Pascual, Oliveros, F. Ablola and M. Domingo Sts.; and Tangos Elementary School.</p> <p>REASON: Replacement of pole and line reconductoring work along B. Caseñas St. in Bgy. Tangos, Navotas City.</p> | <p>QUEZON PROVINCE (LUCENA CITY)</p> <p>BETWEEN 11:00PM (THU., 10/24/24) AND 4:00AM (FRI., 10/25/24) – PORTION OF CIRCUIT LUCENA 424LCN</p> <p>Portion of Merchan, Enriquez, Quezon and Granja Sts. from Rizal St. to near Don Queblar St. in Bgys. 6, 7 & 9.</p> <p>Portion of C. M. Recto St. from near Juarez St. to near Lakandula St. in Bgys. 6, 7 & 9.</p> <p>Portion of Bonifacio St. from Rizal St. to Juarez St. in Bgys. 6, 7 & 9.</p> <p>Portion of Rizal, Juarez and Magallanes Sts. from C. M. Recto St. to M. H. Del Pilar St. in Bgys. 6, 7 & 9.</p> <p>Portion of Zamora, Evangelista and Lakandula Sts. from C. M. Recto St. to Granja St. in Bgys. 6, 7 & 9.</p> <p>Portion of Profugo and Malvar Sts. from Allarey St. to P. Torres St. in Bgy. 5.</p> <p>Portion of M. H. Del Pilar St. from M. L. Tagarao St. to Magallanes St. in Bgys. 5 & 7.</p> <p>Portion of Sisa St. from M. H. Del Pilar St. to near Basilio St. in Bgy. 5.</p> <p>Portion of M. L. Tagarao St. from Abellanos St. to C. M. Recto St. in Bgys. 4 & 5.</p> <p>Portion of San Fernando St. from Granja St. to Saint Rosario St. in Bgys. 4 & 6.</p> <p>Portion of Cabana St. from Osmeña St. to C. M. Recto St. in Bgys. 3, 4 & 6.</p> <p>Portion of Enverga St. from near Granja St. to C. M. Recto St. in Bgys. 3, 4 & 6.</p> <p>Portion of Quezon, Enriquez, Merchan and C. M. Recto Sts. from near P. Gomez St. to near Profugo St. in Bgys. 3, 4 & 6.</p> <p>REASON: Replacement of poles along M. H. Del Pilar St. in Bgys. 4, 5 & 6 in Lucena City, Quezon Province.</p> |

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