




33rd EJAP-AYALA Business Journalism Awards  
The 2023 Business News Source of the Year Award

STOCK MARKET		ASIAN MARKETS				WORLD MARKETS				PESO-DOLLAR RATES				ASIAN MONIES-US\$ RATE				WORLD CURRENCIES				DUBAI CRUDE OIL				
 <b>PSEi</b> OPEN: 6,856.28 HIGH: 6,856.28 LOW: 6,771.37 CLOSE: 6,780.13 VOL.: 0.605 B VAL(P): 3.153 B 82.88 PTS. 1.20% 30 DAYS TO NOVEMBER 22, 2024	NOVEMBER 22, 2024				NOVEMBER 22, 2024								NOVEMBER 22, 2024				NOVEMBER 22, 2024									
													FX				LATEST BID (0900GMT)				PREVIOUS					
																	JAPAN (YEN)				US\$/UK POUND					
																	HONG KONG (HK DOLLAR)				US\$/EURO					
																	TAIWAN (NT DOLLAR)				US\$/AUST DOLLAR					
																THAILAND (BAHT)				CANADA DOLLAR/US\$						
																S. KOREA (WON)				SWISS FRANC/US\$						
																SINGAPORE (DOLLAR)										
																INDONESIA (RUPIAH)										
																MALAYSIA (RINGGIT)										

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • NOVEMBER 22, 2024 (PSEi snapshot on S1/4; article on S2/2)																	
BPI	P134.300	SM	P883.000	BDO	P152.000	SMPH	P27.500	ICT	P397.000	URC	P83.000	JFC	P265.000	ALI	P30.000	AC	P642.000
Value	P422,716,495	Value	P290,677,010	Value	P213,754,668	Value	P162,922,560	Value	P144,860,196	Value	P131,324,407	Value	P119,808,708	Value	P119,345,175	Value	P114,647,010
-P1.200	▼ -0.886%	-P21.000	▼ -2.323%	-P0.300	▼ -0.197%	-P0.500	▼ -1.786%	-P11.000	▼ -2.696%	-P2.000	▼ -2.353%	-P4.400	▼ -1.633%	P0.050	▲ 0.167%	-P17.500	▼ -2.654%
MBT	P76.500																
Value	P87,618,112																
-P0.400	▼ -0.520%																

# Infrastructure spending jumps 17%

STATE SPENDING on infrastructure went up by 16.9% in September fueled by disbursements for finished transport projects, the Department of Budget and Management (DBM) said.

In the latest National Government disbursement report, spending on infrastructure and other capital outlays rose by P19.8 billion to P137.1 billion in September from P117.3 billion in the same month last year.

Month on month, infrastructure spending went up by 26.24% from P108.6 billion in August.

The DBM attributed the uptick in September disbursement to the payment for completed road network and bridge programs of the Department of Public Works and Highways (DPWH).

Higher disbursements were also made for various foreign-assisted projects of the Department of Transportation.

It also noted capital outlays for local counterpart requirements for implementing the Metro Manila Subway Project Phase 1, North-South Commuter Railway System, and the Davao Public Transport Modernization Project.

Funds were also used for the Department of National Defense's (DND) Armed Forces of the Philippines modernization program, as well as the construction and repair of justice halls nationwide and implementation of the Department of Education's computerization program.

In the January-to-September period, infrastructure spending rose by 14.6% to P982.4 billion from P857.6 billion in the same period in 2023.

"The robust spending growth for the period was largely credited... to infrastructure and other capital outlays with significant disbursements recorded in the DPWH for its banner infrastructure projects and the DND for its defense modernization projects," the DBM said.

Overall infrastructure disbursements, which included transfers to local government units and subsidies to government-owned and -controlled corporations, went up by 12% to P1.14 trillion as of end-September.

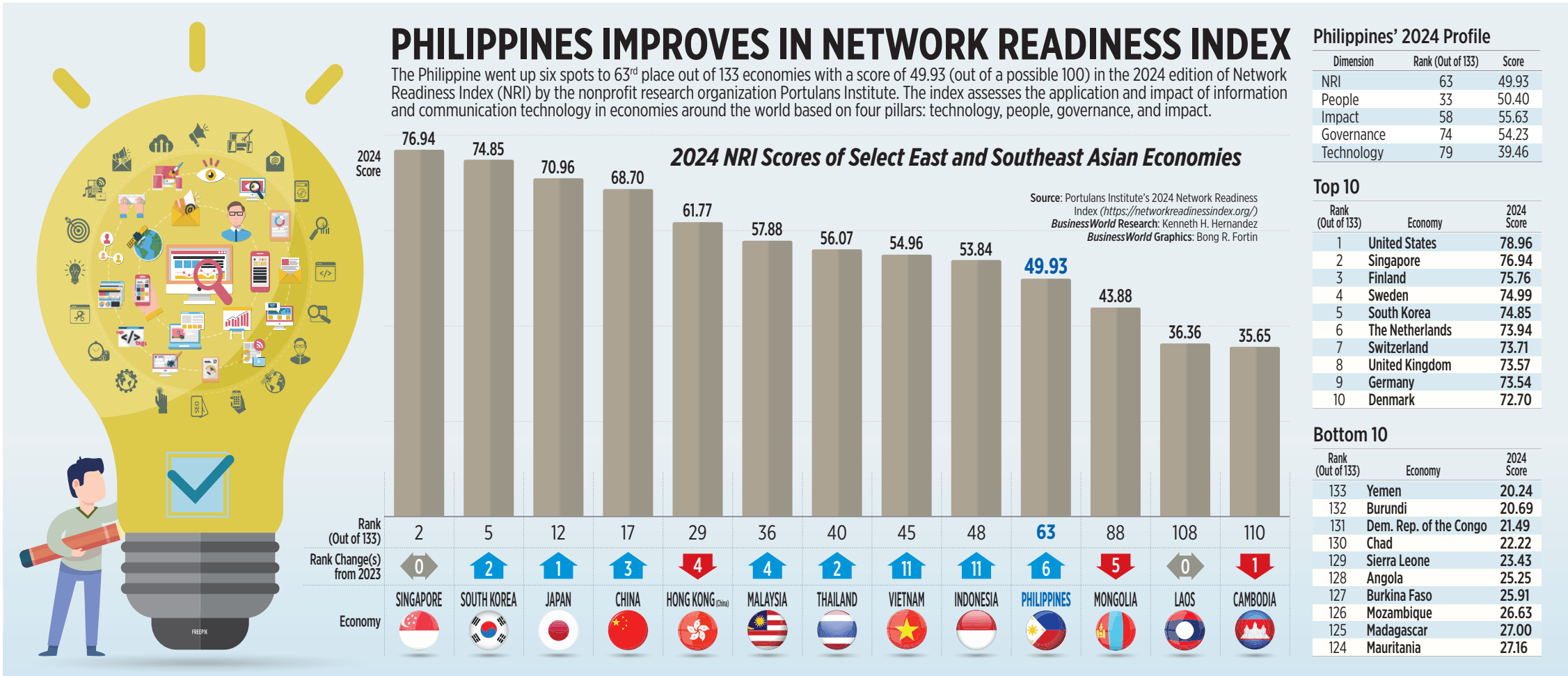
"This was equivalent to 6.1% of GDP (gross domestic product) vis-a-vis 5.9% outturn for the same period last year and the 5.6% full-year target this year," it said.

Philip Arnold "Randy" P. Tuaño, dean of the Ateneo School of Government, said the increase in infrastructure spending is likely to be sustained in the short term.

"(The increase was) due to a significant balance from various budget sources that remain available for release, and the prioritization of large-scale transport projects such as the Metro Manila Subway," Mr. Tuaño said in an e-mail over the weekend.

He also expects a surge in infrastructure spending given that the 2025 midterm election is five months away.

Infrastructure, S1/12



## Vehicle sales may top 500,000 next year as interest rates go down

By Justine Irish D. Tabile  
Reporter

AUTOMOTIVE SALES may hit 500,000 units next year as lower interest rates and upcoming elections spur economic activity, according to the Federation of Automotive Industries of the Philippines, Inc.

"We can hit that (target) in 2025, and the growth factors will be the election, interest rates that are starting to go down, plus the economy is again most likely to grow by another 5-6%," Vicente T. Mills, the federation's president, told reporters last week.

"But the demand for vehicles is still there because the fleet is still old, so there's fleet replacement, and then, of course, fleet growth because gross domestic product will go up," he added.

The Bangko Sentral ng Pilipinas (BSP) started its easing cycle last August, cutting rates by 50 basis points to 6%. More cuts are expected in 2025 as inflation is expected to stay within the 2-4% target range.

Economic managers are targeting 6.5-7.5% gross domestic product growth for 2025, and 6.5-8% from 2026 to 2028.

Mr. Mills said that compared with Thailand and Indonesia, the

local vehicle density is still lower per population, which explains the still huge local demand.

"So, it will really go up; it is just that our countrymen do not have enough buying power... but now that the central bank is bringing down the interest rates, it will be more affordable," he said.

"And as business improves, they will start to buy. And naturally, as the economy improves, vehicle population improves because that's how it is. It goes together," he added.

Mr. Mills said sales growth next year will also be driven by commercial vehicles, which comprised 73.77% of the total industry sales as of October.

A joint report by the Chamber of Automotive Manufacturers of the Philippines, Inc. and the Truck Manufacturers Association showed that total industry sales reached 384,310 in the first 10 months, up 8.9% from 352,971 in the same period last year.

Broken down, sales of commercial vehicles reached 283,501 units as of October, up 7.8% from the 262,875 units sold in the same period last year, while the industry sold 100,809 units of passenger cars, which represented an 11.9% increase from 90,096 last year.

Vehicle sales, S1/12

## Military pension reform 'not dead' — DBM chief

By Aubrey Rose A. Inosante  
Reporter

THE GOVERNMENT is now crafting an improved version of the bill seeking to reform the pension system for military and uniformed personnel (MUP), Department of Budget and Management (DBM) Secretary Amenah F. Pangandaman said.

"MUP is not dead," she said during the Fiscal Policy Conference on Friday last week.

"It's a different version from what Secretary Ben [Diokno] has intended from the very beginning. Hopefully we'll be able to come up with a nice version that will still be a bit better version than what was expected."

Ms. Pangandaman made the statement after former Finance chief Benjamin E. Diokno said he does not think the current version of MUP reform is likely to make a difference.



A UNIFORMED personnel walks by a Philippine flag.

"I think the military pension bill is dead... The measure that they're coming up with is not what we wanted. It won't make any much difference. In fact, it might worsen the situation," Mr. Diokno said.

The Department of Finance (DoF) under Mr. Diokno had earlier pushed for a version of the bill that required contributions from all active personnel and new entrants and removed the full indexation of pensions.

Pension, S1/12

## Credit raters warn of possible spillovers of Trump policies on PHL

By Luisa Maria Jacinta C. Jocsen  
Reporter

CREDIT RATING AGENCIES are warning of the potential spillovers of US President-elect Donald J. Trump's economic policies on the Philippines, which could hurt growth and potentially its credit rating outlook.

"There are a few overlapping channels through which the in-

coming US administration's potential policies might affect the Philippines. Trade protectionism could affect Philippines' exports directly, and via lower global growth," Krisjanis Krustins, director at Fitch Ratings' Asia-Pacific Sovereigns team, said in an e-mail.

When Fitch Ratings affirmed the country's rating in June, it noted a few factors that could lead to a negative rating action, he said.

These include reduced confidence in strong, stable medium-term economic growth, failure to maintain a stable government debt-to-gross domestic product ratio and significant deterioration in foreign currency reserves.

"Although external developments, such as in the US, affect these factors, they also depend on the policies and policy responses of the Philippine authorities," Mr. Krustins said.

"A stable outlook generally indicates that we do not anticipate a rating change within one to two years, although we constantly reassess developments," he added.

Fitch Ratings in a separate report said that the re-election of Mr. Trump will have "ramifications for many sovereign credit profiles, but the scale of any effects on ratings will ultimately depend on the policies pursued by his administration."

Credit raters, S1/4