AVID
ASSOCIATION OF VEHICLE IMPORTERS AND DISTRIBUTORS

DASHBOARD

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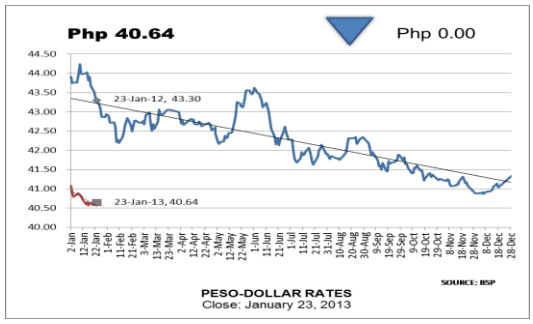

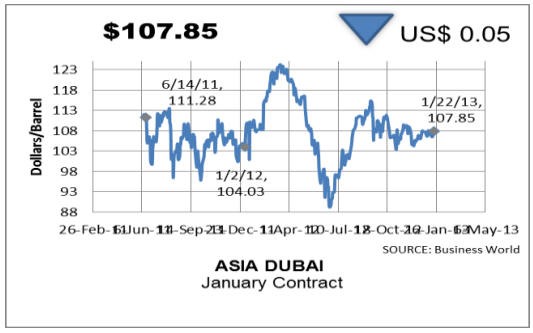

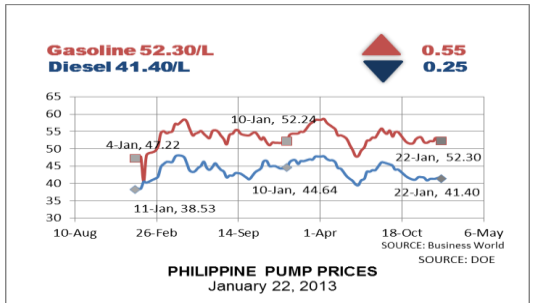

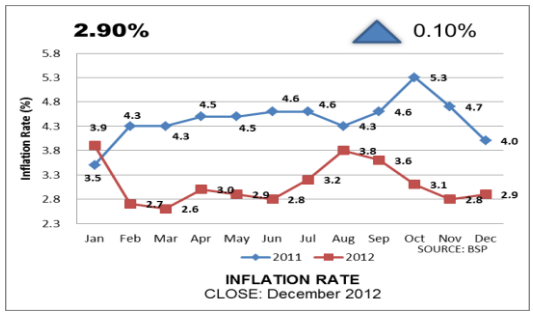

	Tueday, 22 January 2013	Last Week	Year ago
Overnight Lending, RP	5.50%	5.50%	6.50%
Overnight Borrowing, RRP	3.50%	3.50%	4.50%
91 day T Bill Rates	0.05%	0.20%	3.85%
Lending Rates	7.14%	7.10%	7.79%

MACROECONOMIC SNAPSHOT

Fitch hints at ratings upgrade soon

International credit watchdog Fitch Ratings has cited the much-improved debt profile of the Philippines and public-sector reforms that were helping boost its credit-worthiness. In a report released Tuesday, Fitch hinted at a ratings upgrade for the country soon, noting that the debt burden of the Philippine government has declined over the years and was now comparable to countries enjoying investment grade. "The Philippines' public finances have become less of a drag on the sovereign credit profile," it said. But while the Philippines' debt burden has improved significantly, Fitch said there was room for improvement as far as collection of taxes and other revenues was concerned. Nonetheless, Fitch said the recently enacted law raising excise taxes on cigarettes on alcohol was expected to help improve the revenue-to-GDP ratio. (Philippine Daily Inquirer)

Gov't debt hits P5.38 trillion

The national government's outstanding debt rose by P22 billion to P5.38 trillion as of November last year from P5.359 trillion a month ago due mainly to higher domestic borrowings, the Bureau of Treasury reported yesterday. The bulk of total debt or P3.41 trillion came from domestic creditors while P1.975 trillion came from foreign entities. Domestic debt went up by P33 billion to P3.41 trillion from the end-October level due to net issuance of government securities. (The Philippine Star)

Foreign equity investments grow 20%

Foreign equity investments have improved to 20 percent from only six percent in the past as they contribute P72 billion investments of the P360 billion total investments registered by the Board of Investments in 2012. Outgoing Trade and Industry undersecretary Cristino L. Panlilio told reporters that although the BOI investments dropped by 2.2 percent in 2012 to P360 billion from P368 billion in 2011, what was most notable was the significant improvement in the foreign equity contribution in its approved projects. "Foreign equity investments used to be very small but it has started to grow significantly to 20 percent of total approved projects," he pointed out noting this is a good indication that foreign investments have started pouring into the country. (Manila Bulletin)

FINANCIAL TRENDS

Bourse slips below 6,100

Stocks extended losses yesterday, with the main index closing below the 6,100 mark for the first time since Jan. 18 on continued profit taking. The Philippine Stock Exchange index (PSEi) dropped by 12.37 points or 0.20% to close at 6,092.53, while the broader all-share index slipped by 0.91 of a point or 0.02% to 3,850.26. Most sectoral indices ended the day with losses. (BusinessWorld)

P/$ rate closes at P40.62/$1

The peso exchange rate closed slightly lower at P40.62 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEx) from P40.61 the previous day. The weighted average rate appreciated to P40.626 from P40.644. Total volume amounted to $602.7 million. (Manila Bulletin)

INDUSTRY BUZZ

BMW dominates premium automotive segment

Asian Carmakers Corp. (ACC), the official importer and distributor of BMW in the Philippines, solidifies its No. 1 position in the luxury segment, achieving the lion's share of the market for 10 straight years. BMW finished 2012 with a 33-percent market share in the luxury segment, mirroring a global trend that saw the BMW Group, which posted an 11-percent increase year on year, in its highest record ever. "We thank the Filipino market for embracing BMW, granting us the honor to be the undisputed leader in the luxury-vehicle segment for a decade. This gives us a reason to celebrate and strive more to give the best that BMW has to offer to the Philippines," said Maricar Parco, ACC president. 2012 is a banner year for BMW as it broke new grounds and set new records. (Philippine Daily Inquirer)

New Mazda distributor starts Philippine operations

After the formal signing ceremony held last September with Mazda Motor Corporation (Japan), Berjaya Auto Philippines, Inc. officially begins its business operations in the country as the sole distributor of Mazda vehicles, parts, and accessories as of this month. "Our success in Malaysia as the Mazda distributor gave us the confidence and experience to push forward in terms of expanding into ASEAN. Our business within this region is diverse, and this latest Mazda distribution business continues to build on the tremendous synergy across the group of companies. We have a team here comprised of professionals with regional and local experience," said Dato' Francis Lee, Executive Director of Berjaya Corporation Berhad. (The Philippine Star)