



BANGKO SENTRAL
NG PILIPINAS

Report on
**ECONOMIC AND FINANCIAL
DEVELOPMENTS**

Third Quarter 2022

Report on Economic and Financial Developments Third Quarter 2022 Table of Contents

Executive Summary	3
Introduction	6
Real Sector	7
Aggregate Supply and Demand	7
Labor and Employment.....	9
Fiscal Sector	11
National Government Cash Operations	11
Monetary Sector	12
Prices.....	12
Domestic Liquidity	13
Monetary Policy Developments	15
Monetary Operations.....	16
Domestic Interest Rates	16
Financial Sector	18
Banking System.....	18
Banking Policies	21
Capital Market Reforms.....	22
Stock Market	22
Bond Market	23
Credit Rating Assessment.....	26
Payments and Settlements System	27
External Sector	29
Balance of Payments	29
International Reserves.....	34
Exchange Rate.....	35
External Debt	36
Foreign Interest Rates	38
Global Economic Developments.....	39
Financial Condition of the BSP	42
Balance Sheet	42
Income Statement	43
Conclusion, Challenges, and Policy Directions	44
Annexes	46

Executive Summary

Domestic economy grows firmly in Q3 2022. The real gross domestic product (GDP) in Q3 2022 expanded by 7.6 percent, higher than the quarter- and year-ago outturns of 7.5 percent and 7.0 percent, respectively. For the first nine months of the year, average growth stood at 7.7 percent. All three major production sectors grew during the review quarter. Services accelerated by 9.1 percent, whereas the agriculture, forestry and fishing (AFF) sector improved to 2.2 percent. Meanwhile, the industry sector moderated to 5.8 percent. Based on expenditure, real GDP was supported by strong household spending which grew by 8.0 percent, investments which sustained its growth momentum at 21.7 percent, and government expenditures which increased albeit at a slower rate of 0.8 percent. The better-than-expected economic growth could be attributed to the further easing of mobility restrictions, resumption of face-to-face classes and more simplified travel protocols.

Labor market conditions generally improve. The unemployment rate in September 2022 was estimated at 5.0 percent, lower than in June at 6.0 percent and a year ago at 8.9 percent. Moreover, employment rate improved to 95 percent, from 94 percent in June and 91.1 percent a year ago. The improvement in labor conditions may be attributed mainly to the further relaxation of mobility rules which allowed for higher operating capacities in key employment sectors.

Government cash operations showed less deficit. For Q3 2022, the cash operations of the National Government (NG) stood at a deficit amounting to ₱338.6 billion or about -6.5 percent of GDP. This was 20 percent lower compared to

the year-ago shortfall. Majority of the NC's spending during the quarter was on the continued implementation of various COVID-19 mitigation measures and key economic recovery programs.

Inflation continues to rise amid higher prices for food and services. The nationwide headline inflation increased further to 6.5 percent year-on-year (y-o-y) in Q3 2022 from 5.5 percent and 4.5 percent a quarter and year ago, respectively. This brought the year-to-date (y-t-d) average inflation in the first three quarters of 2022 to 5.1 percent, exceeding the NC's annual inflation target of 3.0 percent \pm 1.0 percentage point (ppt) for the year. Food inflation continued to accelerate during the review quarter due to higher input costs and weather disturbances. Non-food inflation, particularly under services-related categories, also accelerated.

Domestic liquidity growth eases. Money supply as of end-September 2022 increased by 5.2 percent which was slower compared to the 7.2-percent expansion as of end-June. Nonetheless, the sustained increase was due in part to higher claims on the private sector which reflected the continued improvement in bank lending activity. As of end-September, outstanding loans of universal and commercial banks (UKBs) rose by 13.4 percent, faster than 12 percent recorded as of end-June. Bank lending continued to gain traction as the country continues to recover from the effects of the pandemic.

The BSP continues its policy tightening stance during the quarter. The BSP raised the key policy interest rate by 75 basis points (bps) in an off-cycle policy decision on 14 July 2022 and further by 50 bps each in its policy meetings on 18 August and 22 September. This brought the interest rate for the overnight reverse repurchase (RRP) facility to 4.25 percent. Accordingly, the interest rates for the

overnight deposit and lending facilities (ODF and OLF) rose to 3.75 percent and 4.75 percent, respectively. The further tightening stance of the BSP was necessary as price pressures continued to broaden and data on core inflation indicated emerging demand-side pressures on inflation.

The Philippine banking system

maintains growth and stability. As of end-September 2022, banks' resources and deposits continued to grow, rising by 9.4 percent and 5.8 percent, respectively. Non-performing loans of the banking system also improved markedly during the review quarter. The gross non-performing loans (GNPL) ratio improved to 3.4 percent from 3.6 percent a quarter ago and 4.4 percent a year ago. Similarly, the net non-performing loans (NNPL) ratio improved to 1.7 percent from 1.8 percent a quarter ago and 2.4 percent a year ago. In terms of the capital adequacy ratios of UKBs, latest data as of end-June showed marginal declines on solo basis to 16 percent from 16.2 percent in the previous quarter, and on consolidated basis to 16.5 percent from 16.8 percent a quarter ago. Moreover, the capital adequacy ratios continued to be well above regulatory and international standards.

The volume of PhilPaSS^{plus} transactions continues to rise. In Q3 2022, the total number of transactions settled and processed by the Philippine Payments and Settlements System^{Plus} (*PhilPaSS^{plus}*) grew by 5.5 percent quarter-on-quarter (q-o-q) and 8.4 percent y-o-y. Similarly, the total value of transactions increased by 5.4 percent q-o-q but declined by 5.5 percent y-o-y.

The BOP position reverses to a deficit. The country's balance of payments (BOP) position registered a deficit of US\$4.7 billion in Q3 2022, a reversal from the US\$1.3 billion surplus recorded in the same quarter last year. The BOP deficit was due to a wider current account

deficit, which was driven by the higher trade in goods deficit. The higher current account deficit reflects the country's sustained post-pandemic recovery momentum as well as the effect of higher import prices, stemming from global supply side constraints.

Gross international reserves decline. As of end-September 2022, gross international reserves (GIR) decreased to US\$93.0 billion from US\$100.85 billion in end-June. Nevertheless, the GIR continued to exceed adequacy metrics. At the end-September level, the GIR can cover 7.0 months' worth of imports of goods and payments of services and primary income. It was also equivalent to 5.7 times the country's short-term external debt based on original maturity and 3.7 times based on residual maturity. The decrease in GIR was due in part to lower BSP income from its investments abroad and lower holdings of foreign exchange (FX) due to the fewer foreign currency deposits of the NG.

External debt decreases. The Philippines' outstanding external debt stood at US\$107.9 billion as of end-September 2022, higher by 0.2 percent to US\$218 million from the US\$107.7 billion recorded as of end-June 2022. Nevertheless, the maturity profile of the country's external debt remained predominantly medium- to long-term (MLT) in nature (original maturities longer than one (1) year), with share to total at 84.8 percent. Debt service ratio for the period January to September 2022 decreased to 5.4 percent from 8.2 percent recorded for the same period last year.

Peso depreciates amid the US' continued aggressive monetary policy tightening. The peso averaged ₱56.36/US\$1 in Q3 2022, depreciating by 6.61 percent on q-o-q basis and by 11.09 percent on y-o-y basis. The depreciation of the peso was due largely to the aggressive policy tightening by the US Federal Reserve (US Fed), which led to the narrowing of the interest rate

differential between the Philippines and the US.

Global economic activity moderates.

Global growth slowed down in Q3 2022 which could be attributed to the lingering effects of Russia's invasion of Ukraine, persistent and broadening inflation pressures, tightening financial conditions and the growth slowdown in China. On the other hand, central banks in advanced economies (AEs) continued to implement tighter monetary policy to address upward pressures on inflation due to soaring commodity prices and supply-demand imbalances. Moreover, the global economic outlook moderated. The International Monetary Fund (IMF) downgraded further its full-year economic growth projection for 2023 by 0.2 ppt to 2.7 percent. Meanwhile, the growth forecast for 2022 was retained at 3.2 percent.

Introduction

The Philippine domestic economy expanded faster than expected in Q3 2022, due mainly to the further easing of mobility restrictions and simplified travel protocols. This allowed businesses and offices to operate at full capacity. In turn, employment conditions improved during the review quarter. Meanwhile, the unemployment rate in September 2022 declined and was already lower than the pre-pandemic rate of 5.3 percent.

The brisk domestic growth was achieved amid increasing inflation. For the first three quarters of the year, inflation has breached the government's target range. The faster price increases could be attributed to the continued acceleration in food inflation, due to higher input costs and weather shocks, and non-food inflation particularly under services-related categories.

Amid this backdrop, the BSP carried an aggressive monetary policy tightening in Q3 2022 to prevent inflation expectations from being dislodged from the target and bring down inflation over the policy horizon. The successive tightening of monetary settings was necessary as price pressures continued to broaden and data on core inflation indicated emerging demand-side pressures on inflation.

The tighter financial conditions were quietly absorbed by the financial system. Domestic banks continued to exhibit growth and stability. Moreover, various measures of banks' non-performing loans showed improvement during the review period. Capital adequacy ratios, likewise, continued to be well above regulatory and international standards.

However, as the reopening boost to the economy wanes and the impact of tighter monetary settings take hold, domestic demand and investments could be dampened going forward. The deteriorating global economic prospects could likewise spillover to the domestic environment.

Looking ahead, the country's sustained economic recovery will depend on the decisive and timely actions of the government. For monetary policy, this means staying the course to restore price stability. On the other hand, the priority of fiscal policy is to carefully balance its post-pandemic recovery programs amid an increasingly narrowing fiscal space.

Real Sector

Aggregate Supply and Demand

The Philippine economy performed better-than-expected in Q3 2022 as the country's real gross domestic product (GDP) grew by 7.6 percent. This growth outturn was higher than both the quarter-ago expansion of 7.5 percent and the previous year's 7.0 percent, marking the sixth consecutive quarterly growth since Q2 2021.

Domestic economy sustains growth momentum

The country sustained its recovery owing to the further easing of mobility restrictions, resumption of face-to-face classes and more simplified travel protocols. The third quarter GDP also exceeded analysts' median forecast of 6.3 percent.¹

The favorable GDP outturn in Q3 2022 was driven by the broad-based expansion of services (i.e., accommodation and food service activities, other services and transportation and storage), industry (i.e., construction) and agriculture sectors. Notably, the Q3 2022 performance of the agriculture sector represented the fastest growth since Q4 2019, supported by improved performance of the livestock subsector. On the expenditure side, the Q3 2022 growth was driven largely by household consumption and investments following more favorable consumer and business sentiments along with more relaxed quarantine restrictions.

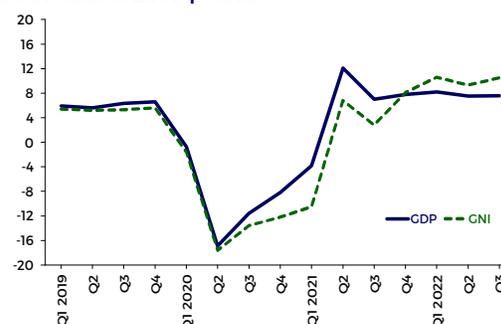
The average year-to-date (y-t-d) growth performance of the domestic economy

¹ Statement of Secretary Arsenio M. Balisacan on the Philippine Economic Performance for the third

stood at 7.7 percent for the first nine months of the year, suggesting that the Philippines remains one of the most resilient and fastest growing economies in the ASEAN region. The country's Q3 2022 growth ranked third behind Malaysia's 14.2 percent and Vietnam's 13.7 percent but was higher than Indonesia's 5.7 percent. To achieve the low-end of the NG's 2022 growth target of 6.5-7.5 percent, the economy needs to expand by at least 3.3 percent in the last quarter of the year, which the economic managers believe is attainable.

Chart 1. Gross Domestic Product and Gross National Income

annual growth rate in percent at constant 2018 prices



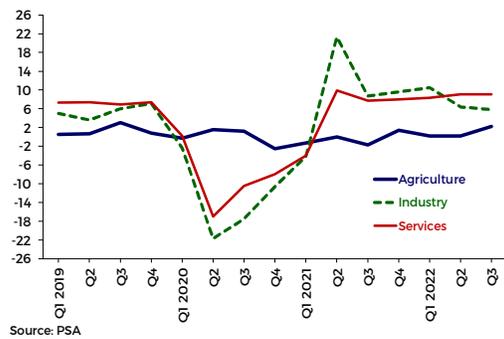
Source: Philippine Statistics Authority (PSA)

GDP by Industry

On the production side, the services sector continued to dominate the domestic economy in Q3 2022. The sector posted a 9.1-percent expansion, unchanged from the previous quarter but higher than the 7.7-percent expansion in the same period a year ago (*Table 1*). Accounting for 64.6 percent of total GDP, the sector contributed more than a third of the total aggregate output growth in Q3 2022 of 5.8 percentage points (ppts). All the sub-industries under services continued to expand for six consecutive quarters.

quarter of 2022.

Chart 2. Gross Domestic Product, by Industry
annual growth rate in percent
at constant 2018 prices



Wholesale and retail trade; repair of motor vehicles and motorcycles contributed the most to the services sector with a share of 3.0 ppts, driven mainly by the sustained increase in retail trade (9.8 percent) attributed to the rise in foot traffic in retail establishments. Meanwhile, accommodation and food services recorded the fastest growth among the services subsectors, up by 40.6 percent, following looser restrictions which led to increased corporate and leisure event bookings in hotels as well as dine-in services in restaurants. Other services and transportation and storage subsectors also posted double-digit growth rates of 38.3 percent and 24.3 percent, respectively.

The industry sector expanded by 5.8 percent in Q3 2022, albeit slower than its quarter-ago and year-ago growth rates of 6.4 percent and 8.7 percent, respectively. The deceleration of growth in the sector was attributed to the slower growth in construction (12.2 percent from 19.5 percent in Q2 2022 and 18.0 percent in Q3 2021) due mainly to the increase in the prices of construction materials. Meanwhile, the manufacturing sub-sector, which accounted for 59.4 percent of the total industry output in Q3 2022 grew by 3.6 percent, an improvement from its quarter-ago performance of 2.2 percent but slower relative to its year-ago growth rate of 7.0 percent. Based on the

September 2022 S&P Global Philippines Manufacturing PMI, the country's PMI stood at 52.9 in September 2022 as demand conditions continued to improve, resulting in a further rise in output and new orders received by private sector firms.

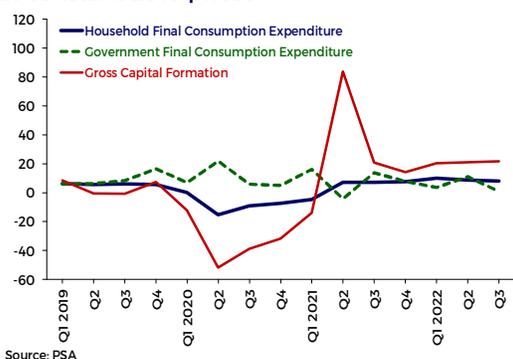
Meanwhile, the agriculture, forestry and fishing (AFF) sector grew by 2.2 percent in Q3 2022, higher than the 0.2-percent expansion in Q2 2022 and a reversal of the 1.7-percent contraction in Q3 2021. The Q3 2022 performance in AFF represented the fastest growth for the sector since Q4 2019. Lending support to this growth is the continued recovery of the livestock subsector (4.8 percent in Q3 2022 from 2.3 percent in Q2 2022 and a contraction by 15.7 percent in Q3 2021) as there were fewer cases of African Swine Fever (ASF). To further help combat the spread of ASF, the United States (US) and the Philippines launched a project in July 2022 aimed at strengthening local veterinary services through training to better understand the disease.² In addition, the production of corn (2.5 percent in Q3 2022 from -18.2 percent in Q3 2021), poultry (6.4 percent from 1.5 percent), and other animals (5.0 percent in Q3 2022 from 1.0 percent in Q3 2021) also improved during the reference quarter. Along with the goal of strengthening the country's food security, the government highlights the importance of the agriculture sector in fueling growth and employment in the country.

GDP by expenditure

On the expenditure side, the Q3 2022 GDP growth outturn was driven mainly by sustained domestic demand as indicated by the positive performance of household consumption and investments. This can be attributed mainly to improved mobility of people, goods and services amid more relaxed COVID-related quarantine measures.

² Department of Agriculture

Chart 3. Gross Domestic Product, by Expenditure
annual growth rate in percent
at constant 2018 prices



Household spending expanded by 8.0 percent in Q3 2022, an acceleration from its year-ago growth rate of 7.1 percent (*Table 1a*). Food and non-alcoholic beverages, which hold a 34.9-percent share of total household expenditure, grew at a faster pace of 3.9 percent compared with the 2.9 percent increase in Q3 2021. Higher spending was also recorded in the following subsectors: restaurants and hotels (38.2 percent in Q3 2022 from 12.5 percent in Q3 2021); transport (20.5 percent from 17.3 percent); and recreation and culture (46.0 percent from 21.6 percent). The positive performance of the sector may be attributed to the resumption of face-to-face classes, easing of mobility restrictions and simplified travel protocols.

Government expenditures rose by 0.8 percent. This was lower than the 13.8-percent expansion in Q3 2021, which was then driven mainly by expenditures related to the procurement of COVID-19 vaccines. According to the National Economic and Development Authority (NEDA), the government may have frontloaded its spending in the first half of 2022, leading to lower expenditure in the review quarter.

Gross capital formation sustained its growth momentum at 21.7 percent from 21.1 percent in Q2 2022 and 20.8 percent

in Q3 2021. Construction grew by 11.6 percent due largely to the pick-up in construction activities by corporations (16.5 percent in Q3 2022 from -10.8 percent in Q3 2021). Meanwhile, durable equipment continued to post double-digit growth at 11.6 percent, driven by higher spending on road and water transport.

On international trade, despite the challenges in the global economy, both exports and imports posted double-digit growth outturns of 13.1 percent and 17.3 percent, respectively. While merchandise exports grew only by 4.5 percent during the quarter due to weak global demand, exports of services managed to expand by 32.5 percent owing to the significant increase in travel (313.2 percent in Q3 2022 from 58.1 percent in Q3 2021), business services (18.2 percent from 1.3 percent), and transport (40.4 percent from 24.2 percent). On the other hand, total imports grew at a faster pace attributed to strong domestic demand. Imports of services increased by 55.2 percent, due largely to the growth in travel (77.6 percent) following the easing or lifting of travel restrictions (86 countries had no COVID-19 related restrictions as of 19 September 2022)³.

Labor and Employment

Employment conditions continued to improve in September 2022 as the number of employed persons increased by 2.1 percent to 47.6 million from 46.6 million registered in June 2022. This may be attributed mainly to further relaxation of mobility rules which allowed for higher operating capacities in key sectors. The employment rate in September 2022 was estimated at 95.0 percent, 1.0-ppt higher compared to the June 2022 rate of 94.0 percent (*Table 2*).

³ United Nations World Tourism Organization's World

Tourism Barometer (September 2022)

Labor market conditions improve

The labor force participation rate (LFPR)⁴ likewise rose slightly by 0.4 ppt to 65.2 percent from 64.8 percent in June 2022, based on the preliminary results of the September 2022 Labor Force Survey (LFS).⁵

Employment in the services sector registered an increase of 6.4 percent, equivalent to 1.7 million persons, more than half of which was accounted for by the additional 985,000 workers joining the wholesale and retail trade, repair of motor vehicles and motorcycles subsector. Other services subsectors registering additional employment were transportation and storage (+336,000); public administration and defense, compulsory social security (+276,000); financial and insurance activities (+175,000); accommodation and food service activities (+172,000); education (+127,000); information and communication (+51,000); real estate activities (+43,000), as well as professional, scientific and technical activities subsectors (+13,000). On the contrary, employment in the agriculture sector decreased by 6.0 percent, equivalent to about 689,000 persons, attributed mainly to the 20.1-percent and 4.1-percent contractions in the number of employed workers in fishing and aquaculture (-283,000), and agriculture and forestry subsectors (-406,000), respectively. Similarly, the industry sector recorded a 0.1-percent decline in employment, representing 7,000 persons, as losses were registered in the following subsectors: construction (-656,000); mining and

quarrying (-130,000); water supply, sewerage, waste management and remediation activities (-15,000); as well as electricity, gas, steam and air conditioning supply (-14,000). Offsetting a larger decline in industry sector employment was the gain of 807,000 workers in the manufacturing subsector. Of the total employed persons, the services sector accounted for the largest share at 58.9 percent, followed by the agriculture sector at 22.5 percent, and the industry sector at 18.6 percent.

By class of workers⁶, the employment gains made during the review period have been broad based. Among the wage and salary workers, those employed by government or government corporation registered an additional 324,000 workers, as well as those employed by private establishment (+245,000), and those who worked for private household (+29,000). Other classes of workers likewise posted employment gains such as employer in own family-operated farm or business (+209,000); unpaid family workers (+165,000); and self-employed without any paid employee (+24,000). Partly offsetting these gains, however, was the 3.0-percent decline in the number of those who worked with pay in own-family operated farm or business which declined by 5,000 workers. Wage and salary workers made up 62.2 percent of total employed persons; self-employed comprised 27.4 percent; unpaid family workers accounted for 8.2 percent; and employers in own family-operated farm or business comprised 2.2 percent.

Workers are also classified into full-time, part-time, and those with jobs but not at work.⁷ Comparing the September 2022

⁴ LFPR refers to the percentage of the total number of persons in the labor force to the total population 15 years old and over. The labor force consists of employed and unemployed persons.

⁵ Released on 08 November 2022

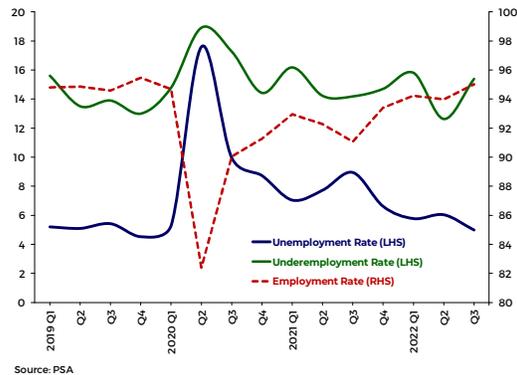
⁶ Major class of workers: (1) wage and salary workers consisting of those who worked for private households, for private establishment, for government or government corporation, and those who worked with pay in own-family operated farm

or business; (2) self-employed workers without any paid employee; (3) employers in own family-operated farm or business; and (4) those who work without pay in own family-operated farm or business (unpaid family workers).

⁷ Those who worked for 40 hours or more during the reference week are considered full-time workers, while those who worked for less than 40 hours are considered part-time workers. "With a job but not at

LFS vs June 2022 LFS, the number of full-time workers rose by 0.8 percent, representing an additional 234,000 workers, as well as the number of part-time workers and workers with jobs but not at work which increased by 3.7 percent (+587,000) and 45.4 percent (+171,000), respectively. Of the 47.6 million employed, 64.7 percent were full-time workers, 34.2 percent were part-time workers, and 1.1 percent were those with jobs but not at work.

Chart 4. Unemployment and Underemployment Rates in percent



The unemployment rate in September 2022 was estimated at 5.0 percent, lower by 1.0 ppt compared to the previous quarter's rate of 6.0 percent, reflecting the reduction in the number of unemployed persons to 2.5 million from 3.0 million in June 2022. Most of the unemployed were males (53.0 percent), aged between 25 to 34 years old (34.9 percent), and were college graduates (34.3 percent).

Meanwhile, the underemployment rate in September 2022 was estimated at 15.4 percent representing 7.3 million. Of the total underemployed, those belonging to the services sector comprised 51.5 percent, the agriculture sector at 29.1 percent and the industry sector at 19.5 percent.⁸

work* are those who have a job or business but are not at work because of temporary illness/injury, on

Underemployment can be categorized by hours worked in a week and considered as either visibly underemployed persons (part-time workers) and invisibly underemployed persons (full-time workers). The visibly underemployed persons comprised 63.8 percent of the total underemployed, while the invisibly underemployed persons comprised 36.2 percent.

Fiscal Sector

National Government Cash Operations

The cash operations of the NG yielded a deficit of ₱338.6 billion (-6.5 percent of GDP) in Q3 2022. This reflected a 20-percent decline from the year-ago deficit level of ₱423.0 billion (-9.2 percent of GDP) (Table 3).

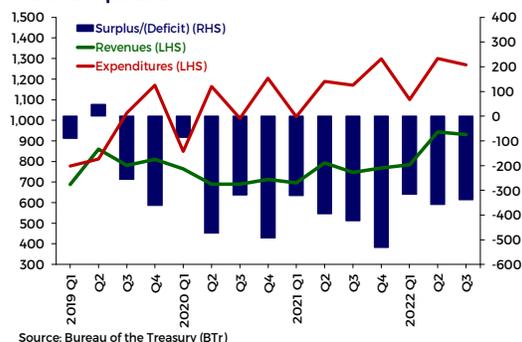
NG cash operations yield lower deficit in Q3 2022

Total NG revenues in Q3 2022 reached ₱929.9 billion (17.7 percent of GDP), 24.5 percent higher than the Q3 2021 level of ₱746.8 billion (16.2 percent of GDP). The y-o-y increase in aggregate revenues was due mainly to the higher level of tax revenues, which consisted of the collections made by the BIR and BOC, which increased by 22.9 percent y-o-y to reach ₱843.6 billion during the review period.

vacation, or other reasons.

⁸ May not add up to totals due to rounding.

Chart 5. Cash Operations of the National Government
in billion pesos



Source: Bureau of the Treasury (BTr)

Meanwhile, total NG expenditures in Q3 2022 reached ₱1,268.4 billion (24.2 percent of GDP), which was 8.4 percent higher than ₱1,169.8 billion (25.4 percent of GDP) in Q3 2021. The increase in spending during the review period was due to the continued implementation of various COVID-19 mitigation measures and key economic recovery programs by the NG.

Netting out the interest payments from total expenditures, the resulting primary balance registered a deficit of ₱195.8 billion (-3.7 percent of GDP) in Q3 2022. In terms of financing the deficit, the NG incurred net borrowings amounting to ₱653.9 billion in Q3 2022, mostly coming from domestic sources.

By ensuring fiscal discipline and pursuing fiscal consolidation, the NG continues to maintain sufficient fiscal space which can be allocated into funding priority areas such as education, health, and social protection programs as well as other measures aimed at addressing the widespread and lingering impact of the COVID-19 pandemic.

⁹ Core inflation excludes ten (10) volatile food and energy CPI items from the headline CPI equivalent to around 29.6 percent of total basket. This includes: (1) cereals (rice and corn); (2) meat, fresh, chilled and frozen; (3) fish, live, fresh, chilled and frozen; (4) dates,

Monetary Sector

Prices

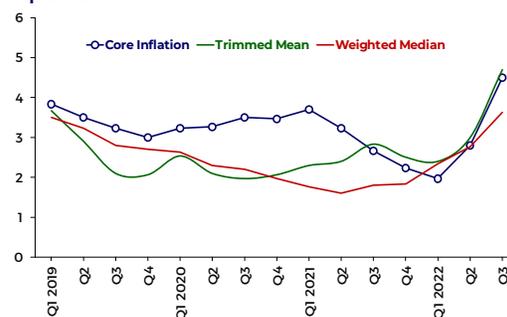
Headline inflation

Headline inflation nationwide increased further to 6.5 percent y-o-y in Q3 2022 from 5.5 percent in the previous quarter (Table 4). This brought the y-t-d average inflation in the first three quarters of 2022 to 5.1 percent, exceeding the NG's annual inflation target of 3.0 percent \pm 1.0 ppt for the year.

Inflation rise further due to higher food and services inflation

The official core inflation measure⁹ based on the 2018-based CPI series, rose to 4.5 percent y-o-y in Q3 2022 from 2.8 percent in Q2 2022. Similarly, the BSP-computed alternative core measures increased during the quarter compared to Q2 2022.

Chart 6. Core Inflation Measures (2018=100)
in percent



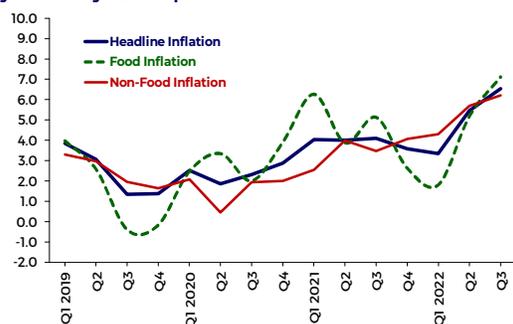
Sources: PSA and BSP staff calculations

figs, and tropical fruits, fresh (5) other vegetables, fresh and chilled; (6) fruit-bearing vegetables, fresh or chilled; (7) electricity; (8) liquefied hydrocarbons; (9) diesel; and (10) gasoline.

Food inflation continued to accelerate in Q3 2022 compared to the previous quarter. Meat inflation went up amid higher input costs such as feeds. At the same time, weather disturbances during the quarter had an adverse impact on fishing activities, contributing to the uptick in food inflation. Sugar inflation also rose significantly in Q3 2022, rising to double-digit rates amid lingering effects of low supply and high production cost.

Chart 7. Food and Non-Food Inflation in the Philippines (2018=100)

year-on-year in percent

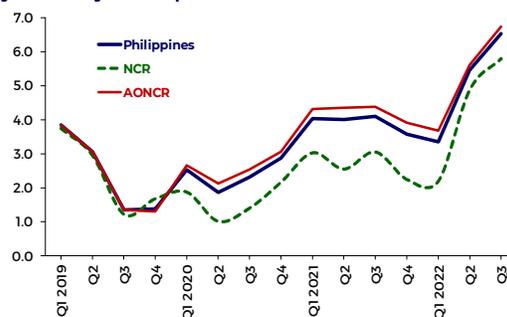


Source: PSA

Meanwhile, non-food inflation also increased during the quarter due to higher services inflation. Despite rollbacks in domestic petroleum price, transport inflation continued to increase during the quarter following jeepney fare hikes. At the same time, inflation for service-related categories such as, restaurants and accommodation services along with education also accelerated compared to the previous quarter.

Chart 8. Inflation Rate by Region (2018=100)

year-on-year in percent



Source: PSA

Headline inflation in the National Capital Region (NCR) also accelerated to 5.8 percent y-o-y in Q3 2022 from 4.9 percent in the previous quarter (Table 4a). Inflation pressures in NCR was traced to faster price increases of food. Services inflation also increased during the quarter, driven by transport, restaurant, and accommodation, as well as education services inflation.

Headline inflation in areas outside NCR (AONCR) climbed to 6.7 percent y-o-y in Q3 2022 from 5.6 percent in the previous quarter (Table 4b). Inflation for food and non-alcoholic beverages increased further while most major commodity groups under non-food registered higher inflation rates in Q3 2022 compared to the previous quarter.

Domestic Liquidity¹⁰

Money supply or M3 grew by 5.2 percent (preliminary) y-o-y as of end-September 2022 to about ₱15.4 trillion, slower than the 7.2-percent expansion as of end-June 2022 (Table 5).

Domestic liquidity growth eases

savings and time deposits (quasi-money); M3, consisting of M2 plus deposit substitutes; and M4, consisting of M3 plus foreign currency deposits.

¹⁰ The indicators used for money supply are: M1 (or narrow money), comprised of currency in circulation and demand deposits; M2, composed of M1 plus

Albeit slower, the continued expansion in M3 was due in part to the growth in claims on the private sector, reflecting improved bank lending activity. In particular, credit extended to the private sector rose by 10.3 percent in September, following an 8.7-percent expansion in the previous quarter.

Table A. Domestic Liquidity (M3)

PARTICULARS	Levels (in billion pesos)			Growth Rates (in percent)		
	Sep 2021	Jun 2022	Sep 2022	Sep 2022 vs Jun 2022	Jun 2022 vs Jun 2021	Sep 2022 vs Sep 2021
	Domestic Liquidity (M3)	14,622	15,434	15,385	-0.3	7.2	5.2
<i>of which:</i>						
Net Foreign Assets	6,478	6,523	6,341	-2.8	5.6	-2.1
Domestic Claims	14,454	15,612	16,077	3.0	9.7	11.2
<i>of which:</i>						
Net Claims on Central Government	3,478	3,943	4,052	2.8	15.4	16.5
Claims on the Private Sector	9,406	10,078	10,375	2.9	8.7	10.3

Source: BSP

Meanwhile, net claims on the central government grew by 16.5 percent in September from 15.4 percent (revised) as of end-June 2022 with the sustained borrowing by the National Government.

Net foreign assets (NFA) in peso terms contracted by 2.1 percent y-o-y in September 2022 after expanding by 5.6 percent in Q2 2022. The NFA of banks declined on account of higher bills payable. Meanwhile, the BSP's NFA position was broadly steady y-o-y as of September 2022.

Similarly, growth in M4, a broader concept of domestic liquidity comprising broad money liabilities and foreign currency deposits of residents, increased by 6.8 percent y-o-y in September 2022 from 8.3 percent in June 2022.

Bank Lending

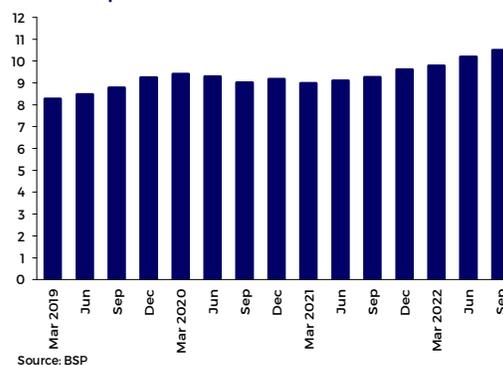
Outstanding loans of U/KBs, net of RRP placements with the BSP, rose y-o-y by 13.4 percent in September 2022. Bank lending has gained traction as the country

continues to recover from the effects of the pandemic, supporting further the expansion in economic activity.

Bank lending further improves

Outstanding loans to residents, net of RRPs, increased y-o-y by 13.1 percent in September as loans for production continue to expand. Outstanding loans for production activities rose by 12.3 percent in September due mainly to the rise in lending to key sectors such as real estate activities (16.4 percent); manufacturing (16.2 percent); information and communication (25.3 percent); and wholesale and retail trade, repair of motor vehicles and motorcycles (10.9 percent).

Chart 9. Loans Outstanding of Commercial Banks (Net of RRPs) in trillion pesos



Source: BSP

Similarly, consumer loans to residents went up by 20.6 percent in September, traced to the y-o-y rise in credit card loans,¹¹ motor vehicle loans, and salary-based general purpose consumption loans.

At the same time, outstanding loans to non-residents¹² rose by 26.6 percent in September, faster than the 16.3 percent expansion in the previous month.

¹¹ Pertains to credit card receivables of U/KBs, net of RRP placements with the BSP.

¹² Outstanding loans to non-residents include loans

by U/KB's foreign currency deposit units to non-residents.

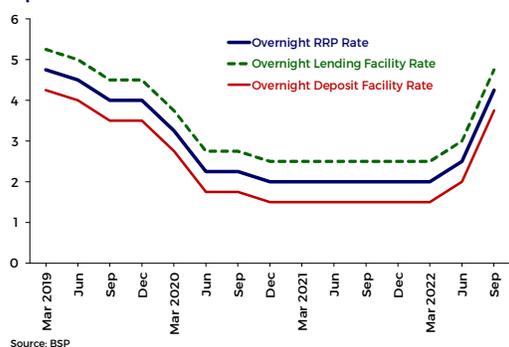
Monetary Policy Developments

On 14 July 2022, during its regular meeting, the BSP decided to increase the key policy interest rate by 75 bps. This brought the interest rate for the overnight reverse repurchase or RRP facility to 3.25 percent. Accordingly, the interest rates on the overnight deposit and lending facilities (ODF and OLF) rose to 2.75 percent and 3.75 percent, respectively.

BSP increases monetary policy rate by 175 bps during the quarter

Moreover, in its monetary policy meetings on 18 August 2022 and 22 September 2022, the BSP decided to further raise the policy rate by 50 bps each. The cumulative 100-bp increase brought the interest rate for the RRP facility to 4.25 percent. The corresponding interest rates on the ODF and OLF also increased accordingly to 3.75 percent and 4.75 percent, respectively.

Chart 10. BSP Policy Rates
in percent



In deciding to raise the policy rate off-cycle as well as in the succeeding two scheduled policy meetings, the BSP noted the sustained and broadening price pressures. The rise in core inflation likewise indicated emerging demand-side pressures on inflation. Moreover, second-round effects continued to

manifest, with inflation expectations remaining elevated in September following the approved minimum wage and transport fare increases. Nonetheless, inflation expectations continued to be broadly anchored over the medium term.

Equally important, the risks to the inflation outlook remained tilted toward the upside until 2023 and broadly balanced in 2024. Price pressures may continue to emanate from the potential impact of higher global non-oil prices, pending petitions for further transport fare hikes, the impact of weather disturbances on prices of food items, as well as the sharp increase in the price of sugar. Meanwhile, the impact of a weaker-than-expected global economic recovery continues to be the main downside risk to the outlook.

Given elevated uncertainty and the predominance of upside risks to the inflation environment, the BSP recognized the need for follow-through actions to anchor inflation expectations and prevent price pressures from becoming further entrenched. The domestic economy was seen to be able to accommodate a reasonable tightening of the monetary policy stance, as demand generally held firm owing to improved employment outturns and ample liquidity and credit. At the same time, the BSP underscored that it continues to urge the National Government to implement timely non-monetary interventions to mitigate the impact of persistent supply-side pressures on food and other commodity prices.

The BSP reiterated its commitment to take all necessary actions to steer inflation towards a target-consistent path over the medium term, consistent with its primary mandate to promote price and financial stability.

Monetary Operations

As of end-Q3 2022, total outstanding amount absorbed in the BSP liquidity facilities stood at about ₱1.3 trillion. The bulk of the BSP's liquidity-absorbing monetary operations had been through the BSP Securities facility (BSP-SF), comprising about 31.5 percent of the combined outstanding amount of liquidity absorbed through the BSP liquidity facilities. Meanwhile, placements in the term deposit facility (TDF), overnight reverse repurchase (RRP) facility, and overnight deposit facility (ODF) made up 25.1 percent, 23.5 percent, and 19.8 percent, respectively.

The average weekly total offer volume in the TDF auctions was lower at about ₱278.5 billion in Q3 2022 relative to around ₱315.4 billion average weekly volume offered in the previous quarter. The average weekly bid-to-cover ratios for the 7-day and 14-day in Q2 2022 were recorded at 1.1x and 1.3x the offer volume, respectively.¹³

For the weekly auctions of BSP Securities, results continued to reflect strong demand from the market reflecting ample liquidity in the financial system. The average bid-to-cover ratio for the quarter stood at 1.4x from 1.2x for Q2 2022.

For the daily RRP offerings for Q3 2022, the average bid-to-cover ratio stood at 2.6x, lower than the average bid-to-cover ratio of 2.9x for the previous quarter.

Domestic Interest Rates

The weighted average interest rates (WAIR) for Treasury bills (T-bill) significantly rose in Q3 2022 from the previous quarter as investors continue to seek higher rates owing to expectations

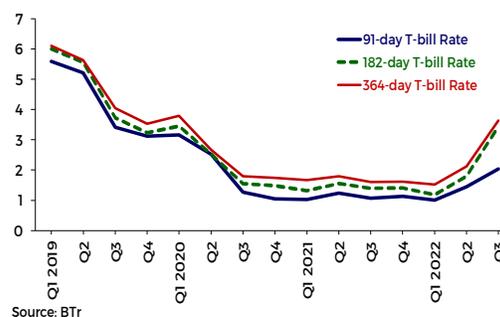
¹³ There were no 28-day term deposits offered during the quarter as the BSP started migrating funds from

of more aggressive monetary policy tightening by the BSP and the US Fed amid rising inflation. During the covered period, the BSP raised the policy rate thrice, a cumulative increase of 175 bps, setting the RRP rate at 4.25 percent. Meanwhile, the Fed funds target range was raised to 3.00 – 3.25 percent, a cumulative 150-bp hike.

Primary market interest rates rise further in Q3 2022

The 91-day, 182-day, and 364-day T-bill rates increased to 2.0619 percent, 3.2662 percent, and 3.3621 percent in Q3 2022 from 1.4465 percent, 1.7960 percent, and 2.1213 percent, respectively, in the previous quarter (Table 6).

Chart 11. Treasury Bill Rates
in percent



Similarly, the average rate in interbank call loan (IBCL) market went up by 136 bps to 3.3610 percent in Q3 2022 from the 1.9986 percent recorded in Q2 2022.

Interbank call loan rate also increases in Q3 2022

Banks accessed the IBCL market to fund loan releases, client withdrawals, and GS purchases.

the 28-day TDF to 28-day BSP Securities starting with the 16 October 2020 auction.

In the secondary market, yields rose from the previous quarter, with the change in rates ranging from 0.3 bp for the 10-year tenor to 167 bps for the 6-month maturity.

Yields in secondary GS market track the uptick in primary market rates

The upward movement of the secondary market yield curve likewise reflected the expectations of interest rate hikes by the US Fed and the BSP amid broadening inflation pressures.

Compared to end-June 2022, interest rates in the 7-day and 14-day term deposit facilities (TDF) increased by 163 bps to settle at 4.2959 percent and 4.3428 percent, respectively, as of end-September 2022.

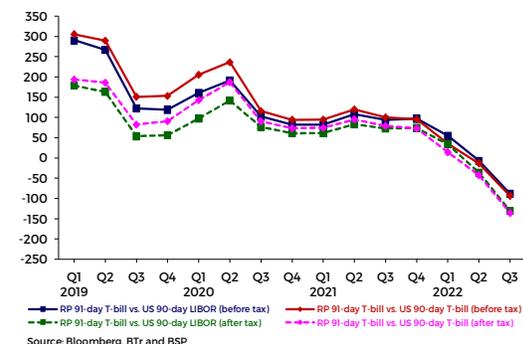
Interest rates in BSP facilities rise in end-September 2022

The 28-day BSP Bill WAIR likewise rose to 4.5301 percent in end-September 2022 from 2.8523 percent in end-June 2022. The higher rates in the BSP facilities tracked the general uptick in rates during the quarter and reflected the pass-through of the BSP policy rate hikes on 14 July, 18 August, and 22 September 2022. Further rate hikes were warranted owing to signs of sustained and broadening price pressures amid the ongoing normalization of monetary policy settings, as well as elevated inflation expectations arising from potential second-round effects.

The differentials between the RP 90-day T-bill and the US 90-day T-bill and 90-day LIBOR widened in end-September 2022 relative to end-June 2022, owing to the larger increase in the US rates compared to the increase in domestic rates.

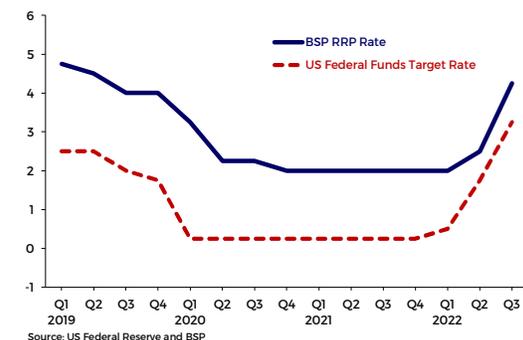
Interest rate differentials widen in end-September 2022

Chart 12. Interest Rate Differentials quarterly averages; in basis points



Similarly, the differential between the BSP policy rate and the US Federal Funds target rate widened to 100 bps as of end-September 2022.

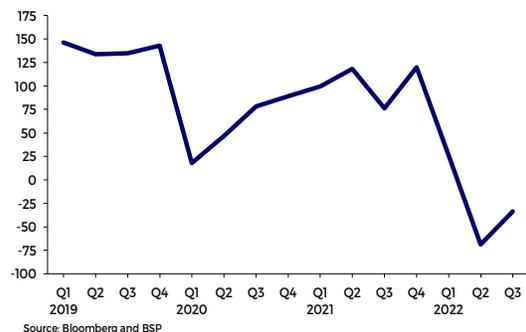
Chart 13. BSP RRP Rate and US Federal Funds Target Rate end of period; in percent



In contrast to the three-month rates, the wider spread reflected the greater cumulative increase in the BSP's overnight RRP rate amounting to 175 bps against the cumulative 150-bp increase in the US Fed's target rate in the same period.

Meanwhile, the risk-adjusted spread narrowed in end-September 2022, albeit remained in the negative territory.

Chart 14. Risk-Adjusted Differentials
end of period; in basis points



While the overnight rate differential went up to 100 bps in end-September 2022 from 75 bps in the previous period, the risk premium (measured as the difference between the 10-year ROP and the 10-year US note) declined by 14 bps in the same period. The lower risk premium was mainly driven by the larger increase in the 10-year US note yield by 81 bps, while the 10-year ROP note yield only increased by 67 bps.

Financial Sector

Banking System

The Philippine banking system continued to improve amid the continued recovery in the domestic economic activity.

Banking system assets and deposits sustain growth

During the review period, banks' assets and deposits continued to grow. At the same time, asset quality generally improved while capital adequacy ratios stayed above international standards. Banks continued to make up the bulk of the financial sector, with universal and commercial banks (UKBs) accounting for

about 94.2 percent of total banks' resources. Meanwhile, non-bank financial institutions (NBFIs) have the largest network of head offices and branches or agencies, with pawnshops comprising for the majority of NBFIs.

Performance of the Banking System

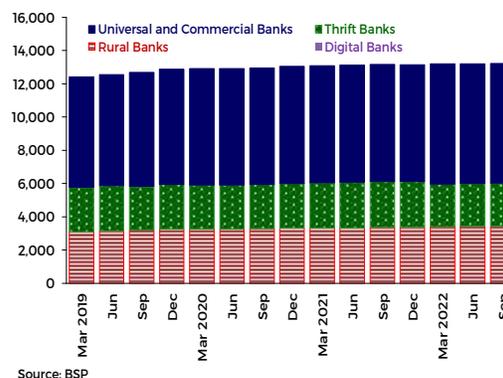
Market Size

The number of head offices of banking institutions in the Philippines decreased to 498 offices in September 2022 from 517 offices the year before and was unchanged from the previous quarter as the banking sector continued to consolidate (*Table 7*). The head offices of banks consisted of 45 U/KBs, 43 thrift banks, 404 rural banks, and 6 digital banks.

Banks' operating network continues to expand

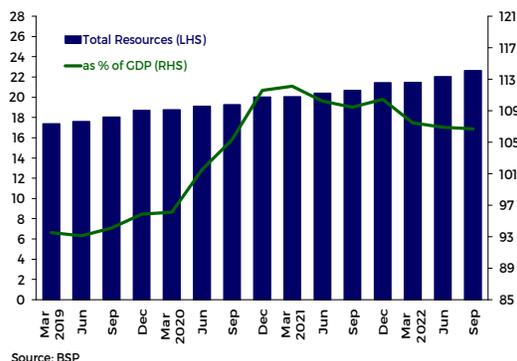
During the same period, the banking system's operating network, consisting of head offices as well as branches and agencies, expanded to 13,218 offices from 13,175 offices in the preceding year and 13,190 offices recorded a quarter before.

Chart 15. Number of Banking Institutions



As of end-September 2022, the banking system's total resources rose by 9.4 percent from the year before and by 2.9 percent from the previous quarter (Table 8). Total resources stood at 106.7 percent of GDP.¹⁴

Chart 16. Total Resources of the Banking System
levels in trillion pesos; share in percent



Source: BSP

Savings Mobilization

Meanwhile, banks' total deposits reached ₱13.0 trillion as of end-September 2022, 5.8-percent higher than the previous year's level and was unchanged compared to the preceding quarter.¹⁵

Deposits show moderate rise

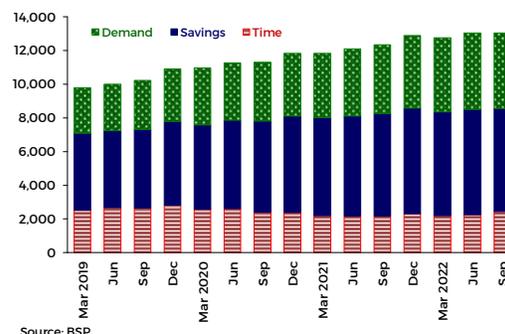
For the same period, the level of demand and savings deposits decreased quarter-on-quarter (q-o-q) by 1.1 percent, and 2.2 percent, respectively, while time deposits grew by 8.2 percent. Foreign currency deposits (FCDs) owned by residents likewise grew q-o-q by 6.1 percent to reach ₱2.5 trillion.¹⁶

¹⁴ Based on annualized GDP as of end-September 2022 (at current prices)

¹⁵ This refers to the total peso-denominated deposits of the banking system.

¹⁶ FCD-Residents, along with M3, forms part of a money supply measure called M4. Meanwhile, M3

Chart 17. Deposit Liabilities of Banks
in trillion pesos



Source: BSP

Credit Card Receivables

The credit card receivables (CCRs) of the banking system reached ₱478.4 billion as of end-June 2022, rising by 18.9 percent from the year before and 7.2 percent from the previous quarter.

Credit card receivables sustain strong growth

The ratio of CCRs to the total loan portfolio (TLP) increased to 4.4 percent as of end-June 2022 from 3.9 percent the previous year and 4.3 percent in the preceding quarter. In terms of loan quality, the ratio of non-performing CCRs to total CCRs declined to 5.8 percent from 8.6 percent the year before and 6.5 percent in the previous three-month period.

Motor Vehicle Loans¹⁷

As of end-June 2022, the banking system's motor vehicle loans (MVLs) significantly decreased to ₱439.2 billion, registering a y-o-y decline of 12.3 percent. Relative to the previous quarter, MVLs likewise contracted by 1.3 percent.

consists of savings deposits, time deposits, demand deposits, currency in circulation, and deposit substitutes.

¹⁷ Formerly "Auto Loans", renamed effective September 2015.

Vehicle loans register double-digit y-o-y decline

The share of total MVLS to TLP decreased to 4.1 percent from the 4.9 percent the year before and 4.3 percent in the previous quarter. In terms of loan quality, the ratio of non-performing MVLS to total MVLS improved to 10.6 percent relative to the 12.4 percent in the preceding year and 11.4 percent the previous quarter.

Salary-Based General-Purpose Consumption Loans¹⁸

The banking system's salary-based general-purpose consumption loans (SBGPCL) increased to ₱207.8 billion as of end-June 2022, 25.3 percent and 18.1 percent higher than the previous year and preceding quarter, respectively.¹⁹

Salary loans rebound

The share of total SBGPCLs to TLP increased to 1.9 percent, up from 1.6 percent the year before and 1.7 in the previous quarter. In terms of loan quality, the ratio of non-performing SBGPCLs to total SBGPCLs declined to 5.2 percent from the 7.3 percent the year before and 6.4 percent the previous quarter.

Residential Real Estate Loans

As of end-June 2022, the total residential real estate loans (RRELS) of the banking system reached ₱914.7 billion, 8.1 percent and 4.3 percent higher than the level a year and a quarter before, respectively.

Residential real estate loans continue to rise

¹⁸ Formerly "Salary Loans"

Total RRELS to TLP inched up to 8.4 percent from 8.2 percent in the previous year but declined from 8.5 percent the quarter before. In terms of loan quality, non-performing RRELS to total RRELS declined to 8.6 percent from 9.4 percent, the same figure in the previous year and quarter.

Asset Quality and Capital Adequacy

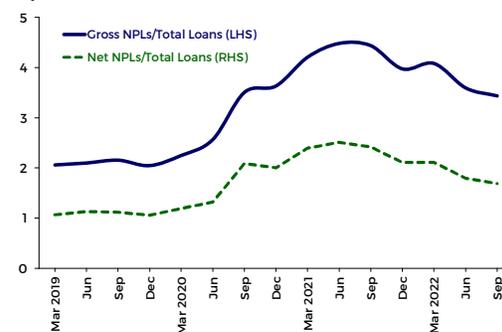
The Philippine banking system's gross non-performing loans (GNPL) ratio improved to 3.4 percent as of end-September 2022 relative to the 4.4 percent and 3.6 percent posted a year and a quarter before, respectively (*Table 9*).

Non-performing loans exhibit marked improvement

Similarly, the net non-performing loans (NNPL) ratio improved to 1.7 percent as of end-September 2022 compared with the 2.4 percent and 1.8 percent in the preceding year and quarter, respectively.

Chart 18. Ratios of Gross NPLs and Net NPLs to Total Loans of the Banking System

in percent



Source: BSP

In computing for the NNPLs, specific allowance for credit losses on NPLs are deducted from the GNPLs. These allowances decreased to ₱211.0 billion as of end-September 2022 from ₱221.2 billion

¹⁹ Data collection started with June 2014 data.

the year before and ₱211.1 billion the previous quarter.²⁰

Across regional counterparts, the Philippine banking system's GNPL ratio was higher with respect to Thailand's (2.9 percent), Indonesia's (2.6 percent), Malaysia's (1.1 percent,) and South Korea's (0.4 percent).²¹

Loan exposures of banks remained adequately covered as the banking system's NPL coverage ratio reached 102.3 percent as of end-September 2022, higher than the 84.4 percent and 97.1 percent recorded in the previous year and quarter, respectively.

The capital adequacy ratio (CAR) of UKBs at end-June 2022, on a solo basis, decreased slightly to 16.0 percent from the 16.2 percent posted a quarter before.

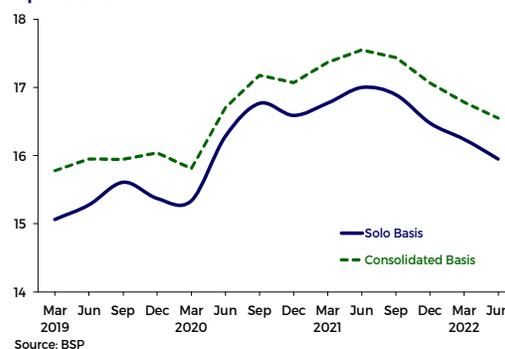
UKBs' CAR remains well above international and regulatory standards

Similarly, on a consolidated basis, the CAR of UKBs eased to 16.5 percent from 16.8 percent registered in the preceding quarter. Nonetheless, these figures remained well above the BSP's regulatory threshold of 10.0 percent and international standard of 8.0 percent.

²⁰ This type of provisioning applies to loan accounts classified under loans especially mentioned, substandard-secured loans, substandard-unsecured loans, doubtful accounts and loans considered as loss accounts.

²¹ Sources: Thailand (Total Commercial Banks' Gross NPL ratio, June 2022); Indonesia (Commercial Banks' Nonperforming Loans to Gross Loans Ratio, June 2022); Malaysia (Banking System's Ratio of net impaired loans to net total loans, September 2022),

Chart 19. Capital Adequacy Ratio of UKBs in percent



The CAR of Philippine U/KBs, on a consolidated basis, was higher than of South Korea's 15.3 percent but lower than those of Malaysia's 17.8 percent, Thailand's 19.2 percent, and Indonesia's 21.4 percent.²²

Banking Policies

Banking policies implemented during the review quarter were aimed at enhancing/providing guidelines/regulations in the following areas: (1) adoption of the standard business loan application form (SBLAF); (2) alternative compliance with the reserve requirements of banks and non-bank financial institutions with quasi-banking functions (NBQBS); (3) prudential requirements applicable to digital banks, and amendments to relevant provisions of the manual of regulations for banks and non-bank financial institutions and manual of regulations on foreign exchange transactions; (4) amendments to the regulations on unit investment trust funds (UITFs); (5) Regulatory Sandbox Framework; (6) minimum capitalization of

and South Korea (Domestic Banks' Substandard or Below Loans Ratio, June 2022).

²² Sources: South Korea (Domestic Banks' Total Capital Ratio, June 2022); Malaysia (Banking System's Total Capital Ratio, September 2022); Thailand (Commercial Banks' Capital Funds Percentage of Risk Assets, September 2022); and Indonesia (Commercial Banks' Regulatory Capital to Risk-Weighted Assets Ratio, June 2022).

rural banks; (7) integration of sustainability principles in investment activities of bank; and (8) prudential framework for large exposures monitoring threshold (*Annex A*).

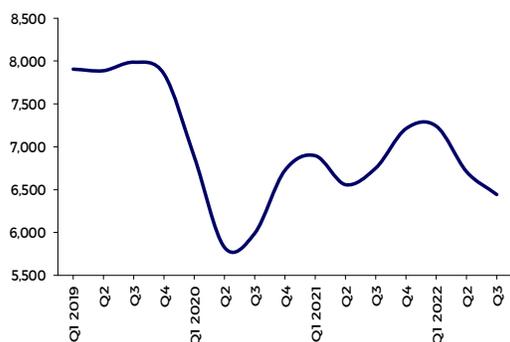
Capital Market Reforms

In Q3 2022, the BSP pioneered the implementation of reforms that were focused on supporting developments in the areas of sustainable finance, digitalization, and cybersecurity (*Annex B*).

Stock Market

The Philippine Stock Exchange Index (PSEi) averaged 6,444.1 index points in Q3 2022, lower by 3.9 percent compared to the previous quarter and by 4.6 percent relative to the comparable period in 2021.

Chart 20. PSEi
end of period; in index points



Source: Philippine Stock Exchange (PSE), BSP

The decline in the PSEi could be attributed largely to investor uncertainties from a tightening global condition and weakening growth outlook. In particular, the more aggressive policy rate adjustments of the US Fed led to periodic episodes of outflows from the local

equities market. Nonetheless, positive investor sentiment arising from the country's gradual economic recovery tempered the index's decline.

On a month-on-month (m-o-m) basis, the PSEi showed mixed trends during the quarter in review. In July, the index declined by 2.5 percent to average 6,284.3 index points amid continuing concerns over high domestic and global inflation; monetary policy tightening of major economies; and possible slowdown in economic activity.

The PSEi recovered in August, rising by 5.3 percent to average 6,615.7 index points. The recovery was supported by favorable corporate earnings reports and GDP outturn in the first half of 2022.²³ The optimistic outlook on the domestic economy, as evidenced by the: (1) recognition of Moody's Analytics that the Philippines is likely to achieve its full-year growth target; and (2) upward revisions in the growth forecasts of the Asian Development Bank (ADB)²⁴ and the World Bank²⁵ for the country, likewise contributed to the rise in the index.

However, the upward trend was not sustained in September with the PSEi declining anew by 2.9 percent to average 6,424.2 index points, owing to market concerns over persistent inflation pressures and continued interest rate hikes from the US Fed and from other advanced and emerging economies. Against this backdrop, multilateral agencies such as the ADB and the International Monetary Fund (IMF) revised their growth projections downwards for emerging Asia²⁶ and the Philippines,²⁷ respectively. Investor sentiment was also dampened by the aftereffect of Typhoon

²³ GDP growth for HI 2022 was at 7.4 percent, which is within the government's target range of 6.5-7.5 percent for 2022.

²⁴ ADB forecasted that Philippine GDP would grow by 6.5 percent in 2022, up from its April forecast of 6.0 percent.

²⁵ Based on the World Bank's forecast, the country's GDP will grow by 6.5 percent in 2022, up from the

5.7-percent forecast in April.

²⁶ ADB expected the region's economy to grow by 4.3 percent in 2022, compared to its projection in April of a 5.2-percent expansion.

²⁷ The IMF revised downwards its 2022 growth forecast for the Philippines to 6.5 percent from 6.7 percent in July after noting the impact of global economic slowdown.

Karding, the continued depreciation of the peso, and the National Government's fiscal deficit, which reached its historic high as of end-July 2022. Other stock market indicators showed a similar decline q-o-q. Price-to-earnings (P/E) ratio of firms included in the PSEi averaged at 16.7 times in Q3 2022, significantly lower than the previous quarter's 19.3 times. Total capitalization of the stock market also fell by 3.6 percent to ₱15.3 trillion pesos by end of the quarter. Meanwhile, net foreign selling eased to ₱25.7 billion from the ₱34.6 billion in Q2 2022.

On a regional perspective, selected ASEAN stock indices likewise decreased q-o-q. Quarterly averages of Malaysia's FBM KLCI, Indonesia's JCI, Singapore's STI and Thailand's SET decreased within the range of 0.3-4.7 percent, with Malaysia's FBM KLCI declining the most.

Bond Market

Local Currency Bond Market

Size and Composition²⁸

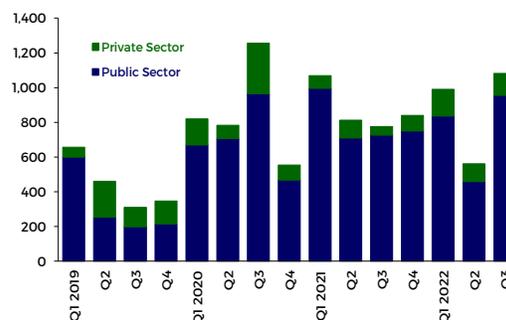
Local currency (LCY) bonds issued by both the public and private sectors amounted to ₱1,081.2 billion in Q3 2022. This was 92.8 percent higher than the ₱560.7 billion registered in the previous quarter and up by 39.4 percent compared to the ₱775.5 billion recorded in the same period last year.

Government and private sectors increase issuances of local currency bonds

²⁸This refers to the peso-denominated bond issuances by both public and private sectors. Public sector issuances of LCY bonds include issuances in the primary market and rollovers of maturing series

The bulk of the increase can be traced to higher issuances from the private sector and from the National Government (NG) with its issuance of Retail Treasury bonds (RTBs) during the quarter.

Chart 21. LCY Bond Issuances
in billion pesos



Source: BTr, Bloomberg, and BSP Staff Calculation

The NG-issued Treasury bills (T-bills), Fixed-rate Treasury bonds (T-bonds) and RTBs (peso denominated) reached a total of ₱955.7 billion, 108.9 percent higher than the ₱457.5 billion recorded in Q2 2022 and up by 31.6 percent in the same period in 2021. The increase in government debt issuances reflects NG's continued funding needs for pandemic recovery response while ensuring prudent fiscal management.

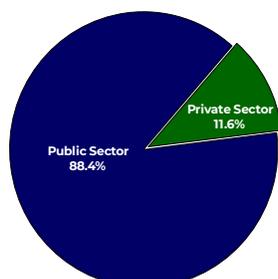
Similarly, the private sector issuance of LCY bonds rose to ₱125.5 billion, 21.6 percent higher than the ₱103.2 billion in Q2 2022 and up by 154.0 percent from the same period in the previous year. Proceeds from these debt issuances were noted to fund corporates' business and expansion strategies as the economy continues to recover during the quarter.

In terms of market share, issuances from the public sector comprised 88.4 percent of the total bond issuances while the private sector accounted for the remaining 11.6 percent. Bonds issued by the Bureau of the Treasury (BTr) comprised for the entire public sector

which were issued by the Bureau of the Treasury (BTr) and Government Owned and Controlled Corporations (GOCCs). This excludes issuances by the central bank.

issuance while issuers from the private sector came from banks, real estate companies and holding firms.

Chart 22. LCY Bond Issuances as percent of market share; Q3 2022



Source: BTr, Bloomberg and BSP Staff Calculation

Primary Market²⁹

In the primary auctions conducted for both T-bills and T-bonds, the NG offered a total of ₱580.0 billion short- and long-term debt securities during the quarter in review. Demand was robust as tenders were oversubscribed by about 2.1 times.

The NG partially awards auction offerings

The market showed preference for long-term dated debt securities as tenders for T-bonds reached ₱951.3 billion as against the NG's offering of ₱385.0 billion, or an oversubscription of 2.5 times. For T-bills, tenders reached ₱397.7 billion against the ₱195.0 billion offering or an oversubscription of 2.0 times. Investors' preference for long-term debt was strong despite the expected rate hikes by the US Fed and the BSP. Investors appear to stretch their portfolio duration to capture relatively higher yields as analysts expect that inflation in the US may have peaked. Nonetheless, preference to hold short term-dated debt securities is still robust albeit at a lower rate compared to the appetite seen in long-term dated instruments, largely reflecting the

²⁹The discussion includes primary market for government issuances only.

risk-averse attitude amid lingering uncertainties over global inflation, geopolitical risks and growth concerns.

The NG partially awarded the ₱195.0 billion offering for T-bills, accepting only ₱130.4 billion in Q3 2022. Similarly, ₱315.0 billion worth of T-bonds were accepted from the ₱385.0 billion offering, indicating that some bid rates were found to be above the NG's preferred rates.

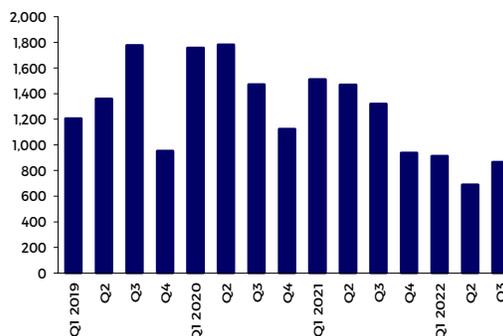
Secondary Market

Trading of both government and private corporate bonds in the secondary market increased by 25.3 percent to ₱865.2 billion from ₱690.5 billion registered in the previous quarter. On a y-o-y basis, trading in the secondary market decreased by 34.4 percent in Q3 2022.

Trading increases at the secondary market

Trading was dominated mostly by Fixed Income Treasury Notes (FXTNs), Retail Treasury Bonds (RTBs), and T-bills which accounted for 52.0 percent, 26.7 percent and 19.9 percent, respectively, of the total trading at the Philippine Dealing and Exchange Corporation (PDEX).

Chart 23. Secondary Market Volume in billion pesos



Source: Philippine Dealing and Exchange Corporation (PDEX)

Meanwhile, the share of corporate bonds traded at the Exchange remained marginal at 1.4 percent. The overall q-o-q increase in activity at the secondary market partly reflected the return to normalcy and reopening of businesses in the economy.

Foreign Currency Bond Market

During the quarter, the government refrained from sourcing funds in the international market after successive issuances of global bonds in the first half of the year.

The NG and the private sector refrain tapping the international bond market in sourcing funds

Similarly, for the private sector, firms relied more on domestic financing sources than on foreign creditors, thereby limiting exposure to foreign exchange risks.

Holders of Government Securities

Foreign holdings of peso-denominated government securities (GS) issued onshore remained marginal at 2.0 percent as of end-September 2022, albeit higher than end-June holdings of 1.3 percent.

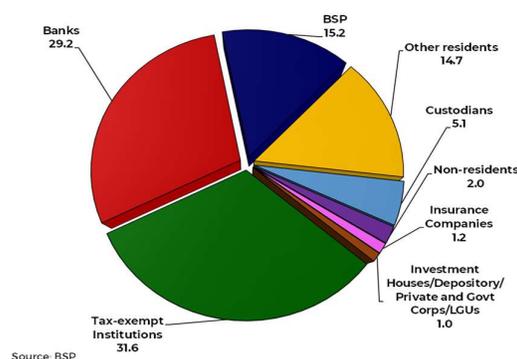
Resident investors continue to hold majority of GS debt issued onshore

³⁰ Includes Social Security System (SSS), Government Service Insurance System (GSIS), Home Development Mutual Fund (HDMF), and own holdings of Philippine Deposit Insurance Corporation (PDIC). Tax-exempt Institutions only trade among themselves.

³¹ Refers to securities custodian, a financial institution accredited by the Bangko Sentral that is designated by investors to perform the functions of safekeeping, holding title to the securities in a nominee capacity, reports rendition, mark-to-market valuation, collection and payment of dividends, interest earnings or proceeds from the sale/redemption/maturity of securities held under custodianship, and representation of the client in

Resident investors hold the 98.0 percent of the issued GS, which were mostly held by tax-exempt institutions³⁰ at 31.6 percent. This is followed by banks, BSP, and other resident investors which hold 29.2 percent, 15.2 percent and 14.7 percent of the outstanding GS, respectively. Meanwhile, custodians³¹, investment houses, depository³², private and government corporations and local units represent the remaining 7.3 percent.

Chart 24. Holders of Outstanding GS Onshore
as percent of share to total; September 2022



For foreign currency-denominated bonds issued offshore³³, holdings of non-residents stood at 63.1 percent as of end-August 2022³⁴, marginally lower than the 63.9 percent holdings in end-June 2022.

Foreign investors' GS holdings issued offshore decline slightly

For resident holders, the private³⁵ and public³⁶ sectors hold 26.7 percent and

corporate actions, per BSP Circular No. 1121, Series of 2021.

³² Refers to the depository account of the Philippine Depository and Trust Corporation starting February 2013

³³ This includes peso denominated bonds issued offshore.

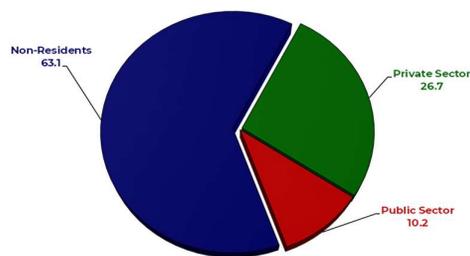
³⁴ There is a one-month lag in the release of onshore and offshore GS data.

³⁵ Private sector includes banks, trust departments and non-bank financial institutions.

³⁶ Public sector includes the NG, BSP, GOCCs, and Government Financial Institutions.

10.2 percent respectively. Among the private sector, banks were the primary holders with a 23.7 percent share, followed by banks' trust departments and non-bank financial institutions with 1.5 percent share each. Meanwhile, for the public sector, government financial institutions and the BSP hold 5.3 percent and 3.3 percent, respectively. The National Government has the remaining 1.7 percent of the total public sector holders of foreign currency-denominated GS.

Chart 25. Holders of Outstanding GS Offshore
as percent of share to total; August 2022



Source: BSP

Non-Resident Demand

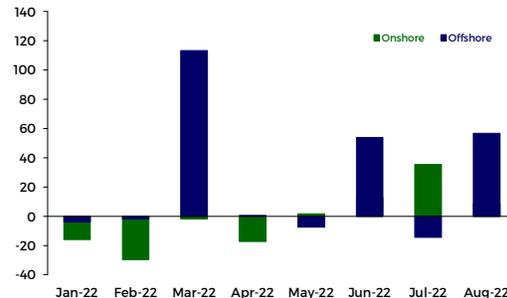
Overall, foreign investors' holdings of government securities remained stable, reflecting positive investor sentiment amid continuing recovery of the domestic economy.

Demand for GS from non-residents remain stable

Foreign holdings of GS issued onshore and offshore rose by ₱65.4 billion in August 2022, albeit slightly lower compared to the ₱67.0 billion increase in holdings registered in June 2022.

³⁷ The Baa2 rating for the Philippines has been kept by Moody's since December 2014 while the "stable" outlook means that the rating will likely be

Chart 26. Net Changes of Non-Resident GS Holdings
In billion pesos



Source: BSP

Credit Rating Assessment

On September 15, 2022, Moody's Investors Service has affirmed the Philippines' investment rating at Baa2, with a "stable" outlook.³⁷

Moody's affirms the Philippines' investment-grade credit rating of "Baa2" with a "stable" outlook

The affirmation is in view of the following factors: 1) the banking system is strong and well-capitalized; and 2) the government has adequate capacity to service external debt repayments despite downward pressures on the country's balance of payments and exchange rate. Moody's noted that the ongoing economic recovery of the country will not be derailed by the challenging global credit conditions and risks arising from the Covid-19 pandemic. However, Moody's cautioned that long-term growth can be curtailed if economic scarring from the pandemic, including the "prolonged shutdown of schools and rise in poverty", will not be addressed.

maintained in the next six months to two years. Source: Trading Economics Philippines - Credit Rating (tradingeconomics.com)

Bond spreads

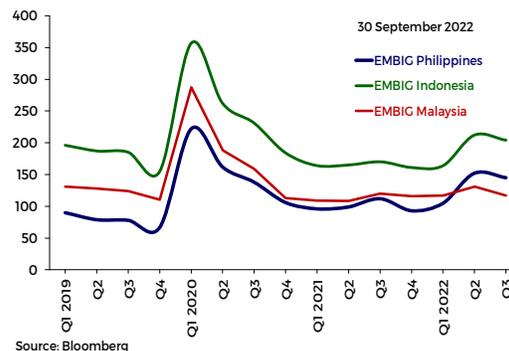
Debt spreads remained elevated as market participants continue to demand a higher risk premium in holding the country's sovereign debt. Concerns over the sustained US Federal Reserve policy rate increases and the pace and magnitude of policy rate adjustments from other advanced and emerging market economies, alongside the sharper-than-expected slowdown in global economic activity contributed to the widening of the country's debt spread.

Debt spreads remain elevated on rising market uncertainties

On the domestic front, elevated inflation and the depreciation of the peso against the US dollar likewise added to the widening of the country's debt spreads. On the other hand, the affirmation of Moody's on the country's investment grade ratings, upward revisions in the Philippines' growth forecast by ADB and IMF, and positive corporate earnings report partly tempered the widening trend.

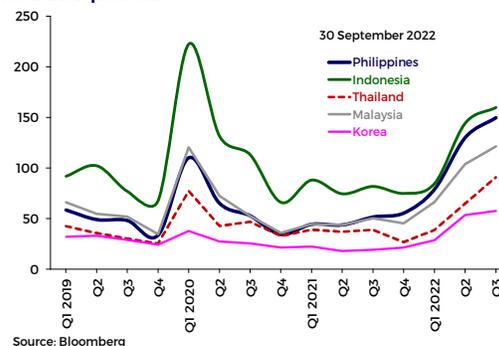
As of 30 September 2022, the Emerging Market Bond Index Global (EMBIG) Philippines spread, the extra yield investors demand to hold Philippine sovereign debt relative to US Treasuries narrowed to 145 basis points (bps). This was marginally lower than end-June level of 152 bps.

Chart 27. EMBIG Spreads of Selected ASEAN Countries
in basis points



In contrast, the country's five-year sovereign credit default swap (CDS) expanded to 149 bps from end-June's 130 bps. Against neighboring economies, the Philippine CDS was narrower than Indonesia's 160 bps but wider than Malaysia's 121 bps, Thailand's 91 bps and Korea's 58 bps spread. Meanwhile, on average, EMBIG Spreads narrowed to 128 bps in Q3 2022, slightly lower than the 129-bps average in Q2 2022. For CDS, spreads widened to 115 bps in Q3 2022, 7.3 percent higher than the 107-bps average in Q2 2022.

Chart 28. 5-Year CDS Spreads Selected ASEAN Countries
in basis points



It may be noted that the Philippines is at the higher end of the pack against similarly rated economies in Asia (e.g., Thailand and Malaysia)³⁸, though still at the low end compared with countries in Latin America (e.g., Uruguay, Peru,

³⁸ As of January 2022, South Korea is rated AA- by

Fitch and Aa2 by Moody's and S&P.

Panama, and Mexico)³⁹ with investment grade rating of at least BBB- or Baa3.

Payments and Settlements System⁴⁰

In Q3 2022, the total number of transactions settled and processed by the Philippine Payments and Settlements System plus (*PhilPaSS^{plus}*) reached 363,277 or 5.5 percent higher than the previous quarter's level of 344,330 transactions. The higher volume of *PhilPaSS^{plus}* transactions was driven mainly by the q-o-q 7.8-percent increase in transactions among financial institutions (FIs)⁴¹ and the 8.4-percent rise in those made through financial market infrastructures (FMIs) and clearing switch operators (CSOs).⁴² The growth in FMI and CSO transactions was attributed to the growth in delivery-versus-payment transactions, which registered a 35.8-percent q-o-q increase.

The volume and value of *PhilPaSS^{plus}* transactions increase

The total value of transactions reached ₱128.3 trillion, up by 5.4 percent from ₱121.7 trillion in the previous quarter. The increase in the q-o-q value of transactions was due largely to the uptick in transfers between financial institutions, transactions made through FMIs and CSOs, and BSP's transactions related to its monetary operations, which increased

³⁹ As of end-September 2022, CDS of Uruguay, Peru, Panama, and Mexico stood at 154 bps, 168 bps, 184 bps, and 196 bps, respectively.

⁴⁰ Starting Q1 2022, due to commencement of operation of the *PhilPaSS^{plus}*, reporting of the transactions was changed to be more accurate and consistent with the account classifications based on ISO 20022.

⁴¹ Refers to the general FI to FI transfers or credit transfer messages from a debtor FI to a creditor FI.

⁴² Refers to transactions in the automated teller machine (ATM), automated clearing houses (ACH) (PESONet and InstaPay), checks, payment-vs-payment, delivery-vs-payment or National Registry of

by 31.1 percent, 13.7 percent, and 3.2 percent, respectively.

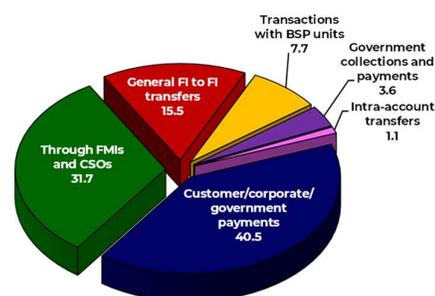
Table B. *PhilPaSS^{plus}* Transactions

	2021		2022		Growth Rates	
	Q3	Q2	Q3	Q-o-Q	Y-o-Y	
Volume	335,017	344,330	363,277	5.5	8.4	
Value (in trillion pesos)	135.78	121.70	128.32	5.4	-5.5	
Transaction Fees (in million pesos)	195.97	17.68	4.55	-74.3	-97.7	

Source: Payment and Settlements Department (PSD)

During the quarter, payments among individuals, corporates, and government accounted for 40.5 percent of the volume of transactions at *PhilPaSS^{plus}*, followed by transactions made through FMIs and CSOs at 31.7 percent, and transfers among financial institutions at 15.5 percent. The remaining 12.3 percent came from transactions with BSP units,⁴³ government collections and payments,⁴⁴ and intra-account transfers.⁴⁵

Chart 29. Volume of *PhilPaSS^{plus}* as share to total; in percent



Source: PSD

In terms of value, transactions with BSP units (70.2 percent), FMIs and CSOs (17.8 percent), and payments among individuals, corporations, and government

Scripless Securities (NROSS), e-delivery-vs-payment, and interbank repo.

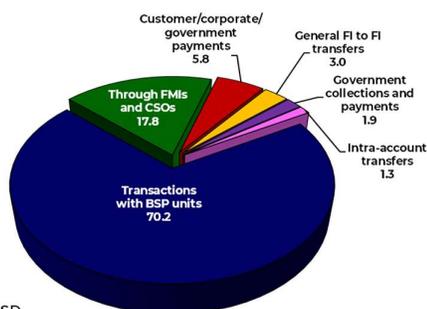
⁴³ Transactions related to the BSP's monetary operations made up 74.7 percent of the total volume of transactions with BSP units.

⁴⁴ Refers to transactions with the BIR and the BOC, as well as transactions related to non-tax collections and government disbursements.

⁴⁵ Intra-account transfer is a new transaction category that reflects mostly top ups and defunding of PESONet and InstaPay. Prior to this reporting, top ups and defunding were included in the PESONet and InstaPay accounts.

(5.8 percent) made up 93.8 percent of the total value of transactions.⁴⁶

Chart 30. Value of PhilPaSS^{plus} as share to total; in percent



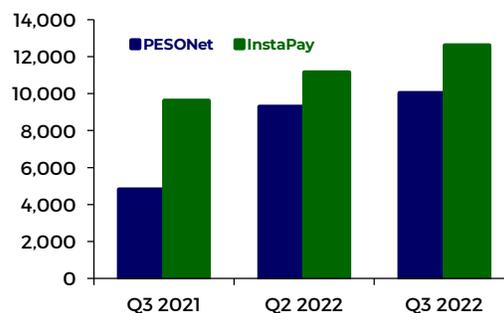
Source: PSD

In particular, the volume of retail transactions—composed mainly of customer payments to government, businesses, and individuals; transactions at the ATM and ACH; as well as check payments—reached 185,115, up by 4.7 percent from the previous quarter. The total value of transactions in these categories increased, reaching ₱12.69 trillion, higher by 8.2 percent compared with the previous quarter. The sustained increase in PESONet and InstaPay transactions supported the rise in the volume of retail transactions, albeit partly offset by the decline in check transactions. This may reflect the continued increase in the use of digital payment instruments in the retail segment of the payment system.

⁴⁶ General FI to FI transfers, government collections and payments, and intra-account transfers transactions comprised the rest of the share.

⁴⁷ The BSP issued Memorandum No. M-2022-019 dated 30 March 2022 extending the waiver of fees on fund transfers through the *PhilPaSS^{plus}*. Revenues were mainly derived from fees on the issuances of Smart Card kits. These consisted of a Smart Card and a Smart Card reader. The Smart Card stores the digital certificates of authorized users of PhilPaSS

Chart 31. Volume of PESONet and InstaPay Transactions



Source: PSD

Meanwhile, total revenues earned by the BSP from PhilPaSS^{plus} operations fell by 74.3 percent to ₱4.5 thousand in Q3 2022 from the previous quarter's ₱17.7 thousand, due to the continued suspension of BSP fees on fund transfers through the platform.⁴⁷

External Sector

Balance of Payments

The country's balance of payments (BOP) position registered a deficit of US\$4.7 billion in Q3 2022, a reversal from the US\$1.3 billion surplus recorded in the same quarter last year (*Table 11*).⁴⁸

Q3 2022 BOP position records a deficit

The reversal emanated from a wider current account deficit, which was driven by a higher trade in goods deficit. This development broadly reflects the

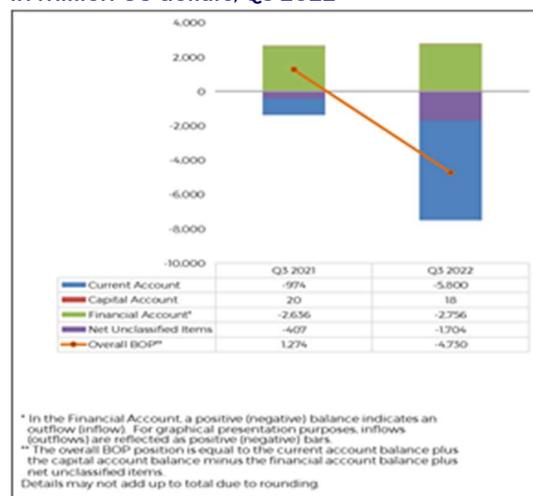
and the profile of users including information on their passwords and role in the system.

⁴⁸ The overall BOP position was computed based on the final data on the country's Gross International Reserves (GIR), while the balances of the current, capital, and financial accounts and their components were computed based on partial and preliminary data and estimates.

Philippine economy's sustained post-pandemic recovery momentum. Moreover, the higher current account deficit includes the effect of higher import prices, stemming from global supply side constraints.

Chart 32. Balance of Payments

in million US dollars; Q3 2022



Meanwhile, the financial account posted higher net inflows in Q3 2022 due mainly to the uptrend in net inflows of other investments. The increase in net inflows, however, was tempered in part by the decline in net inflows in the direct investment account, alongside higher net outflows in the portfolio investment account. The sustained net inflows in the financial account was underpinned by non-residents' continued appetite for Philippine investments, despite various economic headwinds, such as the unresolved conflict between Ukraine and Russia, monetary policy tightening in advanced and developing economies, volatile currency markets, and the lingering COVID-19 situation.

Current Account

The current account registered a deficit of US\$5.8 billion (equivalent to -6.2 percent of the country's GDP) in Q3 2022, higher

⁴⁹ Primary Income account (formerly the Income account) shows the flows for the use of labor and financial resources between resident and non-resident institutional units. Secondary Income

than the US\$974 million deficit (equivalent to -1.1 of the country's GDP) in Q3 2021.

Current account posts wider deficit

This development resulted mainly from the widening trade in goods deficit, which was partly muted by the increase in net receipts in the primary income, trade in services, and the secondary income accounts.⁴⁹

Trade-in-Goods

Trade in goods posted a wider deficit of US\$19.4 billion in Q3 2022, 47.1 percent higher than the US\$13.2 billion deficit recorded in Q3 2021 as imports grew at a significantly faster rate than exports during the period.

Trade in goods register wider deficit

Exports of Goods

Exports of goods reached US\$14.6 billion in the third quarter of 2022, higher by 1.9 percent than the US\$14.3 billion level recorded in the same period in the previous year.

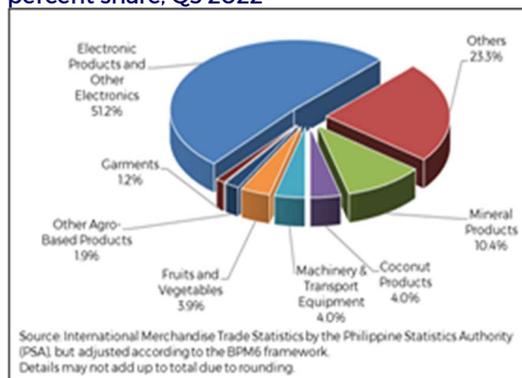
Exports of goods post modest expansion

The growth in exports was primarily driven by demand for electronic products, other manufactures, and coconut (largely coconut oil) products which grew by 8.2 percent, 6.4 percent and 8.6 percent, respectively. On a by country basis, the

account (formerly the Current Transfers account) shows current transfers, in cash or in kind, for nothing in return, between residents and non-residents, e.g., overseas Filipino workers' remittances.

United States, Japan, and Hong Kong were the Philippines' top export markets in terms of level. However, export growth during the period mostly emanated from higher demand from the Netherlands, Malaysia and South Korea.

Chart 33. Exports by Major Commodity Group⁵⁰
percent share; Q3 2022



Imports of Goods

Imports of goods continued to rise, posting a 23.6 percent growth to US\$34.0 billion in Q3 2022 from US\$27.5 billion in Q3 2021 as most commodity groups registered increases.

Growth of goods imports continue to rise

Imports of mineral fuels and lubricant (particularly coal, petroleum crude and other mineral fuels and lubricant) rose by 80 percent year-on-year to US\$6.5 billion during the period from US\$3.6 billion due largely to the increase in global prices.⁵¹ Imports of consumer goods of both durable and non-durable products also increased by 33.4 percent to US\$6.3 billion from US\$4.7 billion. Shipments of capital goods (particularly telecommunication

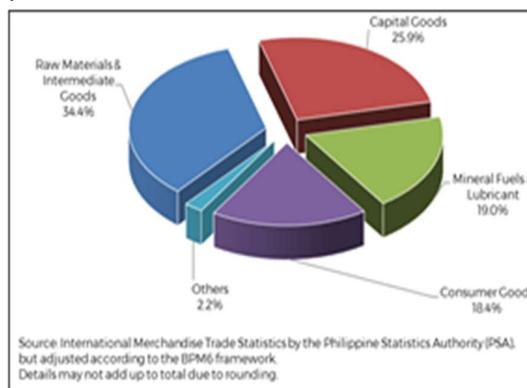
⁵⁰ Based on the BPM6 concept, trade in goods is computed from the PSA foreign trade statistics, excluding the following items: 1) goods that did not involve change in ownership), 2) consigned goods, 3) returned/replacement goods, and 3) temporarily imported/exported goods.

⁵¹ As reported in the World Bank Commodity Price

equipment and electric machines) increased by 20.7 percent from US\$7.3 billion to US\$8.8 billion in the third quarter of 2022.

On a by country basis, imports mostly came from China, Indonesia, and Japan. Meanwhile, in terms of growth, higher upticks were recorded in shipments mainly from Indonesia, South Korea, and Singapore.

Chart 34. Imports by Major Commodity Group
percent share; Q3 2022



Trade-in-Services

Net receipts of trade in services reached US\$4.4 billion in Q3 2022, 12.5 percent higher than the US\$3.9 billion net receipts recorded in the same period a year ago as services receipts grew by 26.7 percent.

Trade in services records higher net receipts

Higher services receipts were driven by the growth in exports of travel (by 718.3 percent to US\$1.3 billion), technical, trade-related, and other business services (by 13.9 percent to US\$5.6 billion), and passenger transport (by 206.4 percent to

Data (The Pink Sheet), average crude oil prices increased by 34.6 percent to US\$96.43/barrel in July to September of 2022 from US\$71.65/barrel in the comparable period in 2021. The price of coal, particularly from South Africa, likewise surged year-on-year by 138.6 percent to US\$323.19/metric ton from US\$135.43 in the same period last year.

US\$339 million).⁵² This was partly tempered by the increase in payments for technical, trade-related, and other business services (by 51.3 percent to US\$1.7 billion), freight transport (by 31.8 percent to US\$1.6 billion), and travel services (by 38.1 percent to US\$1.2 billion).⁵³

Primary Income

Net receipts of primary income increased from US\$586 million in Q3 2021 to US\$1.4 billion in Q3 2022 as receipts grew by 11.5 percent, while payments declined by 15.5 percent.

Net receipts of primary income increase

In particular, increases were recorded in interest income receipts on direct investments (to US\$346 million from US\$169 million), other investments (to US\$209 million from US\$33 million), and on reserve assets (to US\$509 million from US\$385 million). Meanwhile, the decline in primary income payments emanated from lower dividend payments on non-residents' direct investments (to US\$465 million from US\$1.2 billion) and the decrease in interest payments on their equity and debt security holdings under portfolio investments (to US\$656 million from US\$700 million).

Secondary Income

The secondary income account posted higher net receipts in Q3 2022 at US\$7.9 billion from US\$7.7 billion in the same period last year.

⁵² Exports of technical, trade-related and other business services are comprised largely of earnings from business process outsourcing (BPO) related transactions. Total estimated BPO export revenues, consisting of computer and other business services, amounted to US\$7.1 billion in Q3 2022, 11.7 percent higher than the US\$6.4 billion total revenues registered in Q3 2021.

⁵³ Imports of technical, trade-related, and other business services are predominantly accounted for

Net receipts of secondary income sustain increase

This was driven mainly by the 3.8 percent rise in remittances from non-resident overseas Filipino workers to US\$7.3 billion from US\$7.0 billion in Q3 2021. This, however, was slightly tempered by the 39.6 decline in net receipts of other current transfers to US\$205 million in Q3 2022 from US\$340 million in Q3 2021.

Capital Account

The capital account recorded net receipts of US\$18 million in Q3 2022, slightly lower by 8.8 percent than the US\$20 million net receipts recorded in the same quarter in the previous year.

Capital account posts lower net receipts

Gross acquisitions of non-produced non-financial assets (e.g., patents, trademarks, and copyrights) were higher at US\$5 million than the US\$2 million recorded in Q3 2021. Meanwhile, net capital transfers increased to US\$23 million from the US\$22 million recorded in Q3 2021.

Financial Account⁵⁴

The financial account registered net inflows (or net borrowing by residents from the rest of the world) of US\$2.8 billion in Q3 2022, 4.6 percent higher than the US\$2.6 billion net inflows posted in Q3 2021.

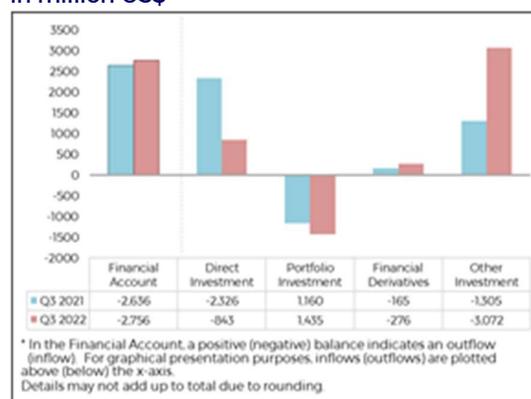
by imports of professional, engineering, and other business services. Other components of the account include operational leases, rental fee of equipment, and payments for leases on buildings and other real estate properties.

⁵⁴ Residents' investments abroad pertain to acquisition of financial assets, while non-residents' investments in the Philippines refer to incurrence of liabilities.

Financial account registers higher net inflows

This outcome resulted mainly from the sustained net inflows in the other investment, direct investment, and financial derivatives accounts, notwithstanding the higher net outflows in the portfolio investment account.

Chart 35. Financial Account
in million US\$



Direct Investments

Net inflows of direct investments during the third quarter of 2022 amounted to US\$843 million, representing a 63.8 percent decline from the US\$2.3 billion net inflows in the previous year.

Net inflows of direct investments decline

The decline was attributable to the combined impact of lower net inflows of foreign direct investments (FDI) and higher outflows from residents' net investments in their foreign affiliates. In particular, FDI contracted by 35.7 percent to US\$1.9 billion in the third quarter of 2022 as borrowings by residents from their non-resident direct investors declined by 52.9 percent to US\$1.1 billion.

By country source, non-residents' gross equity capital placements emanated mostly from Singapore, Japan, and the United States. These were channeled primarily to the financial and insurance, electricity, gas, steam, and air conditioning supply, and real estate industries. Meanwhile, residents' direct investments abroad rose by 67.3 percent to US\$1.1 billion from US\$633 million due to the 101.6 percent increase in their net investments in debt instruments issued by their foreign affiliates (intercompany lending by residents to non-residents).

Portfolio Investments

Net outflows in the portfolio investment account increased by 23.7 percent to US\$1.4 billion in Q3 2022 from the US\$1.2 billion net outflows recorded in the same period last year.

Net portfolio investments post net outflows

In particular, foreign portfolio investments (FPI) posted higher net outflows of US\$670 million in Q3 2022 from US\$154 million in Q3 2021 due to the rise in non-residents' net withdrawals of placements in equity and debt securities. Meanwhile, residents' net investments in foreign portfolio assets decreased by 23.9 percent to US\$765 million from US\$1.0 billion recorded in the same period last year.

Other Investments

Net inflows of other investments expanded by 135.5 percent from US\$1.3 billion in Q3 2021 to US\$3.1 billion in Q3 2022.

Net inflows of other investments expand

This stemmed mainly from residents' net disposal of foreign financial assets, amounting to US\$452 million, from net acquisition of US\$1.0 billion in Q3 2021. In particular, banks registered net withdrawals of currency and deposits amounting to US\$739 million during the quarter from net deposits of US\$901 million in Q3 2021. In addition, non-residents' net repayment of loans extended by residents reached US\$48 million during the quarter, which was a reversal from net availments of US\$402 million a year ago. Meanwhile, residents' net incurrence of liabilities posted higher net inflows of US\$2.6 billion from US\$2.3 billion in Q3 2021 on account of the 520.9 percent increase in residents' net availment of external loans to US\$2.2 billion in Q3 2022 from US\$357 million in Q3 2021.

Financial Derivatives

Net gains from trading in financial derivatives were recorded at US\$276 million in Q3 2022, higher by 67.1 percent than the US\$165 million net gains posted in Q3 2021.⁵⁵

Net gains from trading in financial derivatives rise

International Reserves

The country's gross international reserves (GIR) amounted to US\$93.0 billion as of end-September 2022, lower than the US\$100.85 billion recorded in end-June 2022 (Table 12). At this level, the GIR remains adequate as it can cover 7.0 months' worth of imports of goods and payments of services and primary income. It is also equivalent to 5.7 times the

⁵⁵ BOP transactions on financial derivatives are mainly in the form of fuel hedging gains and losses, gains and losses from settlement of spot and forward

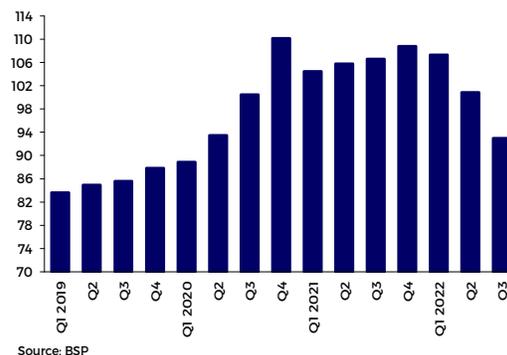
country's short-term external debt based on original maturity and 3.7 times based on residual maturity.

Reserves settle lower

The decrease in the level of reserves was due mainly to lower BSP income from its investments abroad, lower holdings of foreign exchange (FX) due to the fewer foreign currency deposits of the National Government, downward adjustment in the value of the BSP's gold holdings due to the decrease in the price of gold in the international market, as well as lower BSP's holdings of Special Drawing Rights (SDRs) and reserve position in the International Monetary Fund (IMF).

The bulk of the country's total reserves or 84.63 percent was held in foreign investments. Meanwhile, 8.96 percent of the end-September GIR were in gold and the remaining 6.41 percent were in holdings of SDRs, the BSP's reserve position in the IMF, as well as FX.

Chart 36. Gross International Reserves in billion US dollars



Net international reserves (NIR), which refer to the difference between the BSP's GIR and total short-term liabilities, amounted to US\$93.0 billion as of end-September 2022, a decrease of US\$7.87

transactions, and Interest received or paid on interest rate swaps.

billion from US\$100.85 billion as of end-June 2022.

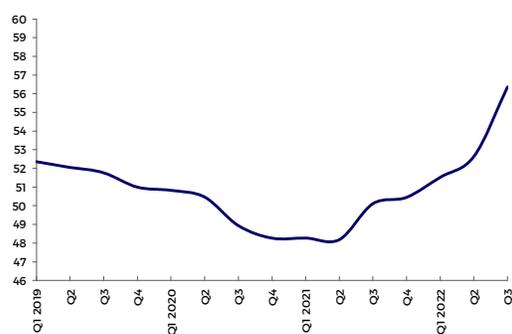
Exchange Rate

The peso averaged ₱56.36/US\$1 in Q3 2022, depreciating by 6.61 percent q-o-q (Table 13). On a y-o-y basis, the peso likewise depreciated by 11.09 percent relative to the ₱50.11/US\$1 average in Q3 2021.⁵⁶

Peso depreciates over aggressive US policy tightening and elevated domestic inflation

The depreciation of the peso was largely due to the aggressive policy tightening by the US Federal Reserve (US Fed), which led to the narrowing of the interest rate differential between the Philippines and the US, reinforcing safe-haven trade towards the US dollar. Dampened risk sentiment stemming from concerns on protracted Russia-Ukraine conflict, decline in global growth outlook, and rising domestic price pressures likewise weighed down the peso.

Chart 37. Quarterly Peso-Dollar Rate ₱/US\$



Source: BSP

⁵⁶ Dollar rates (per peso) or the reciprocal of the peso-dollar rates were used to compute the percentage change.

⁵⁷ The International Monetary Fund (IMF) global growth forecast in October 2022 was maintained at 3.2 percent for 2022, but lowered to 2.7 percent in 2023, relative to its forecast in July of 3.2 percent and 2.9 percent, respectively. Source: <https://www.imf.org/en/Publications/WEO/Issues/>

In July, the peso averaged ₱55.89/US\$1, depreciating by 4.16 percent from the ₱53.57/US\$1 average in June. The peso depreciated due partly to risk-off sentiments amid (i) expectations of more aggressive rate hikes from the US Fed; and (ii) the country's higher-than-expected headline inflation in June 2022 at 6.1 percent.

The peso saw some relief in August as the peso appreciated to an average of ₱55.75/US\$1, 0.26 percent higher than the average in July. The peso appreciated partly on account of positive market sentiment over (i) the decline in global oil prices; (ii) expectations of monetary policy tightening by the BSP following rising headline inflation for July, and (iii) strong gains in the local stock market amid favourable Q2 2022 corporate earnings. However, the appreciating trend was not sustained as the peso depreciated anew in September, averaging at ₱57.43/US\$1, which was 2.93 percent lower than the average during the previous month. The depreciation of the peso partly reflected broad dollar gains amid the sizeable 75-bp policy rate hike by the US Federal Reserve (US Fed) during its 20-21 September policy meeting. The peso was also weighed down by concerns over the protracted conflict between Russia and Ukraine as well as global growth concerns.⁵⁷ On the domestic front, the widening of the country's trade and current account deficit likewise added to the downward pressure on the peso.⁵⁸

On a y-t-d basis, the peso depreciated against the US dollar by 13.01 percent to close at ₱58.63/US\$1 on 30 September

2022/10/11/world-economic-outlook-october-2022

⁵⁸ Current account deficit of US\$7.9 billion (equivalent to -7.7 percent of the country's GDP) in Q2 2022 was wider compared with the US\$1.3 billion deficit (equivalent to -1.3 percent of the country's GDP) recorded in the same quarter in 2021. This development was driven by the widening of the trade in goods deficit, which was partly muted by

2022 from ₱51.00/US\$1 at the end of December 2021.⁵⁹

Meanwhile, the volatility of the peso's daily closing rates (as measured by the coefficient of variation) stood at 1.81 percent in Q3 2022, slightly higher than the 1.76 percent registered in the previous quarter.⁶⁰ Compared with currencies of neighboring economies, the volatility of the peso remained to be in the middle of the pack, lower than those of the Japanese yen, Chinese yuan and South Korean won, comparable to the Thai baht, but higher than those of the Malaysian ringgit, Indonesian rupiah and Singaporean dollar.

On a real trade-weighted basis, the peso gained external price competitiveness in Q3 2022 against the basket of currencies of all trading partners (TPI) and trading partners in advanced (TPI-A) and developing (TPI-D) countries relative to Q2 2022, due mainly to the combined effects of the nominal depreciation of the peso and the narrowing inflation differential.⁶¹ This was indicated by the q-o-q decrease in the real effective exchange rate (REER) index of the peso by 4.68 percent, 4.53 percent and 4.77 percent, respectively (*Table 13b*).⁶²

Relative to Q3 2021, the peso also gained external price competitiveness against

the increase in net receipts in the primary and secondary income, and trade in services accounts. Source: <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6446>

⁵⁹ Based on the last done deal transaction in the afternoon.

⁶⁰ The coefficient of variation is computed as the standard deviation of the daily closing exchange rate divided by the average exchange rates during the period.

⁶¹ The TPI measures the nominal and real effective exchange rates of the peso across the currencies of 14 major trading partners (MTPs) of the Philippines, which include the US, the euro area, Japan, Australia, China, Singapore, South Korea, Hong Kong, Malaysia, Taiwan, Indonesia, Saudi Arabia, the United Arab Emirates and Thailand. The TPI-A measures the effective exchange rates of the peso across currencies of trading partners in advanced countries consisting of the US, Japan, the euro area and Australia. The TPI-D measures the effective exchange rates of the peso across 10 currencies of partner developing countries, which include China,

the TPI and TPI-D countries as indicated by the decrease in the REER index of the peso against these currency baskets by 1.92 percent and 1.05 percent, respectively. This developed mainly on account of the nominal depreciation of the peso, which more than offset the impact of widening inflation differential. Meanwhile, against TPI-A countries, the REER index of the peso increased by 1.01 percent, indicating a loss in external price competitiveness against the said currency basket as the nominal appreciation of the peso offsets the impact of narrowing inflation differential.

External Debt⁶³

The Philippines' outstanding external debt stood at US\$107.9 billion as of end-September 2022, up by 0.2 percent to US\$218 million from the US\$107.7 billion recorded as of end-June 2022 (*Table 14*).

External debt increases

The increase in external debt in Q3 2022 was due to net availments of US\$3.1 billion, partly offset by:

- (a) US\$1.2 billion negative foreign exchange (FX) revaluation;
- (b) US\$893 million transfer of Philippine

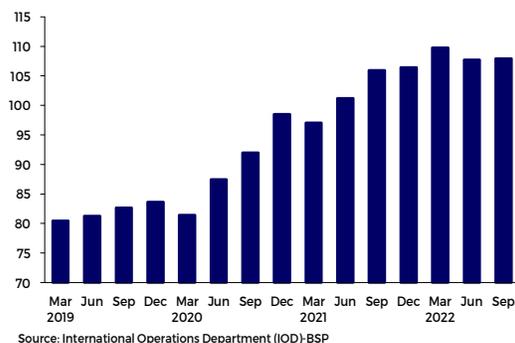
Singapore, South Korea, Hong Kong, Malaysia, Taiwan, Indonesia, Saudi Arabia, the United Arab Emirates and Thailand.

⁶² The REER index represents the Nominal Effective Exchange Rate (NEER) index of the peso, adjusted for inflation rate differentials with the countries whose currencies comprise the NEER index basket. A decrease in the REER index indicates some gain in the external price competitiveness of the peso, while a significant increase indicates the opposite. The NEER index, meanwhile, represents the weighted average exchange rate of the peso vis-à-vis a basket of foreign currencies.

⁶³ External debt refers to all types of borrowings by Philippine residents from non-residents, following the residency criterion for international statistics. Outstanding external debt is valued at exchange rates as of end-December 2021; while transaction amounts (e.g., avilment, repayment, interest payment) are converted to US Dollar equivalent based on exchange rates prevailing on transaction dates.

debt papers issued offshore from non-residents to residents; and (c) US\$778 million negative prior periods' adjustments. Bulk of the recorded availments during the quarter were from the increase in the reported short-term (ST) liabilities of banks as they sought the offshore market to meet funding requirements for relending, investments, and other FX transactions. Meanwhile, the strengthening of the US Dollar against other currencies brought down the US Dollar equivalent of borrowings denominated in other currencies, offsetting the availments recorded for the quarter.

Chart 38. Philippine External Debt in billion US dollars



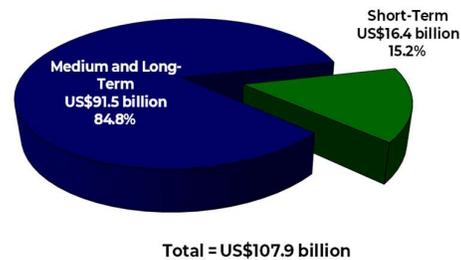
On a y-o-y basis, the country's debt stock rose by US\$2.0 billion driven mainly by net availments of US\$9.9 billion, of which US\$5.5 billion by the National Government. Meanwhile, the transfer of Philippine debt papers from non-residents to residents of US\$4.9 billion as well as the negative FX revaluation of US\$4.5 billion partially tempered the increase in the debt stock for said period.

By Maturity

As of end-September 2022, the maturity profile of the country's external debt remained predominantly medium- to long-term (MLT) in nature (original maturities longer than one (1) year), with share to total at 84.8 percent. Such maturity profile implies that FX

requirements for debt payments are still well spread out and manageable.

Chart 39. Philippine External Debt by Maturity as of end-September 2022



Source: IOD-BSP

The weighted average maturity for all MLT accounts remained at 16.9 years with public sector borrowings having a longer average term of 20.5 years compared to 6.8 years of the private sector.

Meanwhile, ST liabilities comprised the 15.2 percent balance of debt stock and consisted of bank liabilities, trade credits and others.⁶⁴

By Borrower

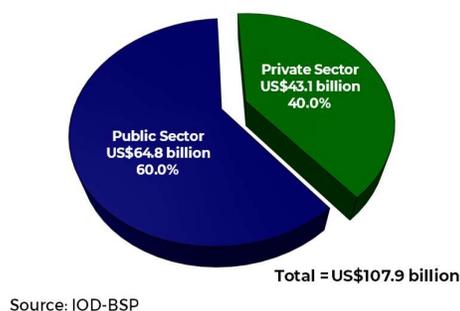
Public sector external debt declined to US\$64.8 billion (or by US\$928 million) as of end-September 2022 from US\$65.7 billion as of end-June 2022, with share to total likewise decreasing to 60.0 percent from 61.0 percent. The decrease in public sector debt is largely due to the negative FX revaluation of US\$1.1 billion and the US\$652 million transfer of Philippine debt papers issued offshore from non-residents to residents, outweighing net availments of US\$595 million and prior periods' adjustments of US\$243 million in the quarter. About US\$56.8 billion (87.7 percent) of public sector obligations were NG borrowings while the remaining US\$8.0 billion pertained to debt of government-owned and controlled

⁶⁴ Others refer to short-term loans, revolving

credit, among others.

corporations, government financial institutions and the BSP.

Chart 40. Philippine External Debt by Borrower
as of end-September 2022



Meanwhile, private sector debt grew from US\$42.0 billion as of end-June 2022 to US\$43.1 billion as of end-September 2022, with share to total increasing from 39.0 percent to 40.0 percent. The rise in private sector debt was mainly due to an increase in the ST liabilities reported by banks, which offset prior periods' adjustments of negative US\$1.0 billion, transfer of Philippine debt papers from non-residents to residents of US\$240 million and negative FX revaluation of US\$128 million.

By Creditor

The country's major creditors were Japan (US\$13.1 billion), United Kingdom (US\$3.3 billion), and the United States of America (US\$3.1 billion). Creditor mix continues to be well-diversified.

Loans from official sources (multilateral and bilateral creditors) had the largest share (37.7 percent) of total outstanding debt. This was followed by borrowings in the form of bonds/notes (33.1 percent) and obligations to foreign banks and other financial institutions (22.5 percent); while the rest (6.7 percent) were owed to other creditors (mainly suppliers/exporters).

The country's debt stock remained largely denominated in US Dollar (US\$62.2 billion

or 57.6 percent of total) and Japanese Yen (US\$8.9 billion or 8.3 percent of total) while the 34.1 percent balance (US\$36.8 billion) pertained to 15 other currencies, including the Euro (5.5 percent), Philippine Peso (3.7 percent), and Special Drawing Rights (3.4 percent).

Of the MLT accounts, 56.7 percent (US\$51.9 billion) have fixed interest rates, 42.4 percent (US\$38.9 billion) carry variable coupon rates, and 0.9 percent balance (US\$826 million) are non-interest bearing.

Key external debt indicators remain manageable. GIR stood at US\$93.0 billion as of end-September 2022 from the US\$106.6 billion level as of end-September 2021. The decline in the GIR which was accompanied by an increase in ST debt, resulted in a lower GIR to ST ratio of 5.7 times as compared to the end-September 2021 figure of 8.6 times. Similarly, the ratio under the remaining maturity concept decreased to 3.7 times.

The debt service ratio (DSR), which relates principal and interest payments (DSB) to exports of goods and receipts from services and primary income, is a measure of adequacy of the country's FX earnings to meet maturing obligations. For the period January to September 2022, the ratio decreased to 5.4 percent from 8.2 percent recorded for the same period last year due to lower repayments accompanied by higher receipts.

Foreign Interest Rates

In Q3 2022, advanced economies (AEs) continued to implement monetary policy tightening to address upward pressures on inflation due to soaring commodity prices and supply-demand imbalances.

Most AEs continue to tighten monetary policy stance

The US Federal Reserve raised the target range for the Federal funds rate by a cumulative 150 bps to 3.00–3.25 percent, 75 bps each during its July and September 2022 meetings. The US Fed's actions were based on the assessment that inflation remained elevated, reflecting supply and demand imbalances, higher energy prices, and broader price pressures. The US Fed also noted that the ongoing Ukraine and Russia conflict will continue to add upward pressure on inflation while COVID-related lockdowns in China are likely to worsen supply chain disruptions. Moreover, the Fed will continue to reduce its holdings of Treasury securities and agency debt and mortgage-backed securities, reflecting its strong commitment to achieve the 2 percent inflation objective.⁶⁵

Similarly, the Bank of England (BOE) raised the bank rate by 0.5 percentage points (ppts) each to 2.25 percent during its August and September 2022 meetings. In both meetings, the BOE decided to reduce its purchases of UK government bonds by ceasing to reinvest proceeds from maturing assets to government bonds.⁶⁶

The Bank of Japan (BOJ) announced the continuation of its new monetary policy framework called “Quantitative and Qualitative Monetary Easing with Yield Curve Control” to achieve its price stability target of 2 percent. During its July and September 2022 meetings, the BOJ maintained its negative interest rate of 0.1 percent for current accounts that are held by financial institutions at the Bank. To manage long-term interest rates, the BOJ decided to buy the necessary amount

of Japanese government bonds (JGBs) without setting an upper limit on the volume in order for the 10-year JGB yields to remain at around zero percent. In terms of asset purchases, the BOJ will continue to actively purchase exchange-traded funds and Japanese real estate investment trusts as necessary with the upper limit of about ¥12 trillion and ¥180 billion, respectively, and that their outstanding amount will increase at annual paces. The BOJ also decided that it will purchase commercial papers (CP) and corporate bonds such that their outstanding amount will be similar to pre-pandemic levels (i.e., around ¥2 trillion for CP and ¥3 trillion for corporate bonds).⁶⁷

Global Economic Developments

Global economic activity continued to experience slow growth in Q3 2022, which could be attributed to the lingering effects of the Russia and Ukraine conflict, persistent and broadening inflation pressures, tightening financial condition and the growth slowdown in China. Moreover, the periodic spikes in COVID-19 cases in China has likewise weigh down global growth prospects as this could lead to another disruption in the global supply chain. In this environment, the IMF projects global growth to remain unchanged at 3.2 percent in 2022, and to ease at 2.7 percent in 2023.⁶⁸

In the US, the economy grew by 1.9 percent in Q3 2022, slightly higher from the previous quarter's growth following an acceleration in nonresidential fixed

⁶⁵Press Release, “Federal Reserve issues Federal Open Market Committee (FOMC) statement”, 27 July 2022 and 21 September 2022, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220727a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220921a.htm>

⁶⁶Press Release, “Monetary Policy Summary and minutes of the Monetary Policy Committee meeting”, 4 August 2022 and 22 September 2022, [https://www.bankofengland.co.uk/monetary-policy-](https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2022/august-2022)

[summary-and-minutes/2022/august-2022](https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2022/august-2022) and <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2022/september-2022>

⁶⁷ Press Release “Statement on Monetary Policy” 21 July 2022 and 22 September 2022, https://www.boj.or.jp/en/announcements/release_2022/k220721a.pdf and https://www.boj.or.jp/en/announcements/release_2022/k220922a.pdf

⁶⁸ International Monetary Fund (2022). World Economic Outlook. October 2022

investment, low unemployment rate, and an expansion in federal government spending, which were partly offset by declines in residential fixed investment and consumer spending. A steady uptick in growth was recorded amid high inflation, a strengthening dollar, low unemployment, supply chain disruptions, and rising interest rates.⁶⁹ Meanwhile, GDP growth in the Euro area slowed down to 2.1 percent during the quarter in review, due mainly to the decline in economic activity in Latvia, Austria and Belgium. High energy prices and ongoing geopolitical tension between Russia and Ukraine likewise contributed to the deceleration in the region's GDP growth.⁷⁰

In Japan, the economy grew by 1.8 percent in Q3 2022, marginally up from the 1.7 percent posted in the preceding quarter due to an improvement in the exports sector.⁷¹

Most Asian economies posted higher economic growth compared to the previous quarter except for Hong Kong, which posted a contraction of 4.5 percent in Q3 2022 amid the conditions in external front and continued disruptions to cross-boundary land cargo that significantly affected the exports sector.⁷²

Meanwhile, the South Korean economy grew by 3.1 percent, which could be attributed to the expansion in consumer spending and the exports sector.⁷³ The Singaporean economy grew by 4.1 percent in Q3 2022, albeit lower than the 4.5 percent in Q2 2022. This was attributed mainly to the slower expansion

in the manufacturing and accommodation sectors.⁷⁴

In China, GDP growth continued to expand by 3.9 percent in Q3 2022, up from 0.4 percent posted in Q2 2022, due mainly to faster increases in the output of both manufacturing and construction sectors.⁷⁵ Meanwhile, India's GDP posted a slower growth of 6.3 percent in Q3 2022 from its 13.5 percent growth in the previous quarter, due to contractions in the manufacturing and mining and quarrying sectors.⁷⁶

Table C. Real GDP in Selected Economies

y-o-y growth, in percent

Country Grouping ¹	Q3 2021	Q2 2022	Q3 2022
Advanced Economies			
US	5.0	1.8 [†]	1.9 [†]
Japan	1.2	1.7 [†]	1.8
Euro Area	3.9	4.3 [†]	2.1
Hong Kong	5.4	-1.3	-4.5
South Korea	4.0	2.9	3.1
Singapore	7.5	4.5 [†]	4.1 [†]
Emerging and Developing Asia			
China	4.9	0.4	3.9
India	8.4	13.5	6.3
ASEAN-5			
Indonesia	3.5	5.5 [†]	5.7
Malaysia	-4.5	8.9	14.2
Philippines	7.0	7.5 [†]	7.6
Thailand	-0.2	2.5	4.5
Vietnam	-6.0	7.7	13.7

¹ Country grouping is based on the IMF World Economic Outlook (WEO) Database, April 2020

[†] revised

Sources: Bloomberg and Country Websites

In ASEAN-5 region, most of the economies expanded during the quarter in review. The Malaysian economy grew further by 14.2 percent, driven mainly by the country's robust domestic and external demand as well as improvement

Administrative Region, 11 November 2022

⁷³ Press release on "Real Gross Domestic Product (Advance Estimate)," Bank of Korea, 27 October 2022

⁷⁴ "MTI Forecasts GDP Growth of "around 3.5 percent" in 2022 and "0.5 to 2.5 percent" in 2023" Ministry of Trade and Industry Singapore, 23 November 2022

⁷⁵ "Preliminary Accounting Results of the GDP for the Third Quarter of 2022," National Bureau of Statistics of China, 25 October 2022

⁷⁶ Government of India, Ministry of Statistics and Programme Implementation, Press Note on "Estimates of Gross Domestic for the Second Quarter (July-September) of 2022-23, 30 November 2022

⁶⁹ Bureau of Economic Analysis "Gross Domestic Product (Second Estimate) Corporate profits (Preliminary Estimate) Third Quarter 2022," 30 November 2022

⁷⁰ "GDP and employment flash estimates for the third quarter of 2022," Eurostat, 15 November 2022

⁷¹ Quarterly Estimates of GDP for July-September 2022 (First Preliminary Estimates)," Economic and Social Research Institute, Cabinet Office, Government of Japan, 15 November 2022

⁷² Press Release "Economic Situation in the Third Quarter of 2022 and latest GDP and Price Forecasts for 2022," The Government of the Hong Kong Special

in the labor market following the reopening of international borders.⁷⁷ Similarly, the Vietnamese economy improved by 13.7 percent in Q3 2022 owing mainly to the robust performance in the manufacturing and exports sectors.⁷⁸ The Indonesian economy likewise registered a higher growth of 5.7 percent in Q3 2022, on the back of higher private consumption and exports activities.⁷⁹ Thailand's economy expanded by 4.5 percent in Q3 2022 driven mainly by reopening of business operations and increased tourist arrivals.⁸⁰

Rising inflation persisted during the quarter due to the faster price increases in food, oil and other goods. In the Euro area, average consumer prices during the quarter increased by 9.3 percent, which could be attributed to the ongoing conflict between Russia and Ukraine and the energy crisis within the EU. In contrast, average consumer price in the US eased by 8.3 percent following the lower energy prices as well as petrol costs. Meanwhile, Japan's average inflation was higher at 2.9 percent driven mainly by the surge in energy prices and depreciation of the yen.

High consumer prices were also observed among emerging and developing economies in Asia. In South Korea, average inflation rose to 5.9 percent due mainly to high energy and food prices. Likewise, average inflation in Singapore climbed to 7.3 percent owing to increases in the prices of services, food, retail and other goods. Similarly, Hong Kong's consumer prices rose to 2.7 percent due to an uptick in the prices of food, clothing, footwear and energy-related items.⁸¹

In China, inflation rate rose to 2.7 percent following price increases for food, tobacco and alcohol. Meanwhile, India's average

inflation eased to 7.0 percent which could be attributed to the slower increase in the prices food and other goods.

Table D. Inflation in Selected Economies
quarterly average, in percent

Country Grouping ¹	Q3 2021	Q2 2022	Q3 2022
Advanced Economies			
US	5.4	8.7	8.3
Japan	-0.2	2.5	2.9
Euro Area	2.9	8.0	9.3
Hong Kong	2.2	1.4	2.7
South Korea	2.5	5.4	5.9
Singapore	2.5	5.9	7.3
Emerging and Developing Asia			
China	0.8	2.2	2.7
India	5.1	7.3	7.0
ASEAN-5			
Indonesia	1.6	3.8	5.2
Malaysia	2.1	2.8	4.5
Philippines	4.1	5.5	6.5
Thailand	0.7	6.5	7.3
Vietnam	2.5	3.0	3.3

¹ Country grouping is based on the IMF World Economic Outlook (WEO) Database, April 2020

Sources: Bloomberg and Country Websites

In the ASEAN-5, higher inflation was seen in Q3 2022. Indonesia's average inflation rate climbed to 5.2 percent due the rise in food and transport costs. Thailand's average inflation also rose to 7.3 percent, which could be attributed to higher energy price movements. Similarly, Malaysia and the Philippines observed an uptrend in average inflation during the quarter in review as well as Thailand and Vietnam.

Conditions in the global labor market were favorable during the review quarter. Unemployment in advanced economies (AEs) such as US, Euro area and Japan were unchanged in Q3 2022. A lower unemployment rate was registered in Hong Kong, South Korea and Singapore. The same downtrend was likewise posted by emerging markets (EMs) as well as in ASEAN-5 economies such as in Malaysia, Thailand and Vietnam.

⁷⁷ Press Release "Malaysia Economic Performance Third Quarter 2022," Department of Statistics Malaysia, 11 November 2022.

⁷⁸ Press Release "Socio-Economic Situation in Third Quarter and nine months of 2022," Vietnam General Statistics Office, 29 September 2022.

⁷⁹ 'Indonesia posts fastest economic growth in over a

year, outlook uncertain,' Reuters, 7 November 2022.

⁸⁰ GDP in Q3/2022-Office of the National Economic and Social Development Council, 21 November 2022

⁸¹ "Consumer Price Indices for September 2022" The Government of the Hong Kong Special Administrative Region, 21 October 2022.

Table E. Unemployment Rates¹ in Selected Economies
in percent

Country Grouping ²	Q3 2021	Q2 2022	Q3 2022
Advanced Economies			
US	5.1	3.6	3.6
Japan	2.8	2.6	2.6
Euro Area	7.5	6.7	6.6
Hong Kong	4.7	5.1	4.1
South Korea	3.2	2.8	2.7
Singapore	2.6	2.1	2.0
Emerging and Developing Asia			
China	3.9	n.a.	n.a.
India	6.9	7.8	6.4
ASEAN-5			
Indonesia	n.a.	n.a.	n.a.
Malaysia	4.6	4.1	3.7
Philippines	8.9	6.0	5.0
Thailand	2.3	1.4	1.2
Vietnam	2.4	3.6	2.5

¹ Unemployment rate is the proportion (in percent) of the total number of unemployed as a percentage of the labor force.

² Country grouping is based on the IMF World Economic Outlook (WEO) Database, April 2020

n.a. - not available

Sources: Bloomberg, CEIC and Country Websites

Financial Condition of the BSP

Balance Sheet

Preliminary data as of end-September 2022 showed that the BSP's total assets decreased by 1.5 percent to ₱7,338.3 billion from the quarter-ago level of ₱7,449.4 billion, traced to lower international reserves which declined by 1.6 percent q-o-q. Similarly, against its year-ago balance, total assets decreased by 8.1 percent from ₱7,984.4 billion (Table 16).

During the review period, the BSP's total liabilities declined by 2.0 percent to ₱7,228.7 billion from the previous quarter's balance of ₱7,373.0 billion, due to lower domestic net bills payables and deposits from overnight deposit facility (ODF) and

term deposit facility (TDF). Relative to the year-ago level of ₱7,831.1 billion, total liabilities likewise dropped by 7.7 percent.

BSP's net worth improves in Q3 2022

Consequently, the BSP's net worth as of end-September 2022 improved by 43.5 percent to ₱109.6 billion from the quarter-ago level of ₱76.4 billion amid higher surplus account which rose by 125.8 percent q-o-q. In contrast, the resulting net worth was lower by 28.5 percent relative to the ₱153.3 billion posted in the same period last year.

The BSP's financial condition remains relatively strong despite the decreasing level of international reserves which comprises the bulk of the central bank's total assets, amounting to ₱5,412.4 billion as of end-September 2022, or lower by 1.6 percent or ₱90.3 billion from the quarter-ago balance of ₱5,502.7 billion.

Meanwhile, the BSP's liabilities during the review period were comprised mostly of deposits and currency issues. The deposits were supported largely by reserve deposits of Other Depository Corporations (ODCs), placements from the Bureau of the Treasury, term deposit facility (TDF), and overnight deposit facility (ODF).

Table F. Balance Sheet of the BSP
in billion pesos

	2022 ^P		2021
	Sep	Jun	Sep
Assets	7,338.3	7,449.4	7,984.4
Liabilities	7,228.7	7,373.0	7,831.1
Net Worth	109.6	76.4	153.3

Note: Details may not add up to total due to rounding.

^PBased on the unaudited preliminary BSP Financial Statements (FS).

Source: BSP

Income Statement

Based on preliminary data, the BSP registered a net income of ₱40.0 billion for the review quarter, significantly higher from the previous quarter's and year's net income of ₱31.1 billion and ₱13.0 billion, respectively.

BSP registers improved net income in Q3 2022

The q-o-q increase in net income was attributed mainly to the resulting gain in foreign exchange related transactions (Table 17).

Table G. Income Position of the BSP in billion pesos

	2022 ^P		2021
	Q3	Q2	Q3
Revenues	36.253	43.342	35.942
Less: Expenses	34.711	33.373	29.932
Net Income/(Loss) Before Gain/(Loss) on FX Rate Fluctuations and Income Tax Expense/(Benefit)	1.542	9.969	6.010
Net Gain/(Loss) on FX Rate Fluctuations	38.429	21.104	6.995
Income Tax Expense/(Benefit)	0.007	0.020	0.022
Net Income/(Loss) After Tax	39.964	31.053	12.984

Note: Details may not add up to total due to rounding.
^PBased on the unaudited preliminary BSP Financial Statements (FS).
Source: BSP

Total revenues for Q3 2022 amounted to ₱36.3 billion or lower by 16.4 percent from the revenue posted in the previous quarter. Total revenues were mostly comprised of interest income from international reserves and domestic securities. Meanwhile, total expenditures slightly rose by ₱1.3 billion q-o-q, or 4.0 percent to reach ₱34.7 billion.

Conclusion, Challenges, and Policy Directions

The domestic economy grew faster than expected in Q3 2022, reflecting the reopening boost following two years of stringent COVID-19 restrictions. Real GDP growth on the production side was driven by broad-based expansions in services, industry and agriculture sectors while, on the expenditure side, the Q3 expansion was due primarily to household consumption and investments. Several measures of mobility point to a pickup in workplace, recreation and other activities, as businesses and offices begin to operate at full capacity. This, in turn, led to improvements in employment conditions during the review quarter. In particular, employment in the services sector rose, with majority of the increase joining the wholesale and retail trade, repair of motor vehicles and motorcycles subsector. Moreover, the unemployment rate in September 2022 decreased and was slightly lower than the pre-pandemic rate of 5.3 percent.

Amid a brisk domestic activity during the review quarter, inflation rose further, resulting in average inflation for the first three quarters of 2022 breaching the government's target range. The BSP has kept to its tightening bias to bring inflation down while managing the economic recovery and preserving financial stability. The successive policy rate hikes have not yet been fully translated in credit activity as bank lending continued to gain traction even as liquidity growth has slightly decelerated. Meanwhile, the BSP's rate hikes were already seen in the higher primary and secondary market yields during the period.

Domestic economic prospects going forward into the next quarter remain firm. Growth is estimated to be within the DBCC target in 2022 and is expected to remain in line with the government's objectives in 2023 and 2024. The continued improvements in the industry and services sectors due to the further easing of mobility restrictions as well as full resumption of face-to-face classes in November are seen to drive the sustained expansion.

However, as the impact of tighter monetary settings take hold, domestic demand and investments could be dampened in 2023. The deteriorating global economic prospects could also weigh down on the outlook for domestic growth. Geopolitical fragmentation, including the ongoing invasion of Russia on Ukraine, could impede trade in goods as well as capital and investment flows. In addition, amid tighter financial conditions, some weaknesses and spillover effects in the financial system could emerge.

Nevertheless, providing support to the Philippine economic recovery story into the years ahead is the eight-point socioeconomic agenda of the government which aims to guide the economy back to its high-growth track. It seeks to address both the short-term challenges confronting the country such as rising prices and lingering effects of the COVID-19 pandemic, and longer-term constraints to economic growth by creating more and high-quality jobs and ensuring sound macroeconomic management. Furthermore, the Philippine Development Plan 2023-2028 will be ready for implementation at the start of 2023 and is expected to help guide the economy to sustain its high growth trajectory, accelerate poverty reduction, and attain its identified medium-term

socioeconomic goals.⁸² Meanwhile, in the immediate term, the implementation of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, Financial Institution Strategic Transfer (FIST) Act, and the second tranche in the reduction of personal income taxes are seen to further bolster the domestic outlook in 2023 and 2024.

For its part, the BSP's recent policy decisions were aimed at safeguarding the inflation target over the policy horizon. The 75-bp off-cycle policy rate hike and the further 100-bp cumulative policy rate increases in Q3 2022 were meant to anchor businesses and households' expectations on the inflation target and not on transitory factors including exchange rate movements. The risks to the inflation outlook still lean heavily toward the upside for 2022 and 2023, but remain broadly balanced for 2024. Major upside risks to the inflation outlook are the potential impact of higher global non-oil prices, tricycle fare hikes, increased prices of fruits and vegetables owing to weather disturbances, and sharp rise in sugar prices. On the other hand, the impact of a weaker-than-expected global economic recovery is the primary downside risk to the outlook.

The BSP is also cognizant of the likely pressure on the domestic financial system as the impact of successive policy tightening gain traction on market interest rates. Nonetheless, macroprudential and supervisory measures currently in place are seen to mitigate the risk. The BSP likewise regularly conducts stress-test scenario analyses on the performance of banks and corporates to ensure their continued resilience to withstand unexpected credit shocks.

Equally important, the role of supply-side non-monetary measures is crucial to mitigate the supply shocks to growth and

inflation. In the short run, fiscal authorities need to provide adequate support to the most vulnerable sectors of the economy to help offset rising living costs. Time-bound measures to ensure adequate and affordable domestic food supply through timely importation of key food items could be sustained to abate further supply-side pressures on inflation. Temporary lowering of tariff rates, increasing import volumes, and expanding import sources for key commodities were among the immediate interventions implemented by the NG to augment domestic supply and stabilize prices. Over the longer term, strengthening structural reforms geared toward improving productivity and economic capacity are seen to ease supply constraints and, in doing so, support monetary policy in fighting inflation.

Looking ahead, the path toward sustained economic recovery rests on the decisive and timely actions of the government. For monetary policy, this means staying the course to restore price stability. On the other hand, the priority of fiscal policy is the continued protection of vulnerable groups through targeted near-term support to alleviate the burden of the cost-of-living crisis, however, this should be balanced to allow monetary policy to remain on target. In addition, addressing growing government debt concerns caused by lower growth and rising borrowing costs requires meaningful improvements in debt resolution frameworks.⁸³

⁸² National Economic and Development Authority.

⁸³ IMF WEO October 2022

Annexes

Annex A. Banking Policies

Guidelines on the Adoption of the Standard Business Loan Application Form (SBLAF) (BSP Circular No. 1156 dated 30 September 2022)

In line with the BSP's thrust to promote broad and convenient access to high quality financial services and consider the interest of the general public, the BSP mandated the adoption of a standard business loan application form or SBLAF templates by covered entities in accordance with the parameters and guidelines specified under MB Circular No. 1156.

The SBLAF is designed to make the loan application process streamlined and borrower-friendly for its target users, the micro, small, and medium enterprises (MSMEs). The adoption of the SBLAF templates by covered entities supports the MSMEs' access to financial products and services by facilitating transparency, ease of understanding, and efficiency in loan application and processing. It is also expected to enable the covered entities to improve their risk assessment, hasten turnaround time, and facilitate transition to digital loan application platforms. Moreover, the use of SBLAF will likewise support data requirements for improved and consistent credit information services.

The guidelines shall be applicable to BSFIs offering business loans to applicant-borrowers such as banks and their subsidiary/affiliate financing and leasing companies, government Non-Bank Financial Institutions (NBFIs), and financing/leasing companies with Quasi-Banking (QB) license that are not subsidiaries of banks.

Amendments to the Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBS) (BSP Circular No. 1155 dated 21 September 2022)

The Monetary Board, in its Resolution No.1378 dated 16 September 2022, approved the following amendments to the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial institutions (MORNBFI) on the allowable modes of alternative compliance with the reserve requirements.

The following alternative modes of compliance with the required reserves against deposit and deposit substitute liabilities shall be allowed:

- Peso-denominated loans that are granted to MSMEs, excluding banks and NBQBs that meet the definition of a small- and medium-sized enterprise. The use of MSME loans as allowable alternative compliance with the reserve requirement shall be available to banks/NBQBs from 24 April 2020 to 30 June 2023.
- Peso-denominated loans that are granted to large enterprises, excluding banks and NBQBs that meet the definition of a large enterprise. The use of loans to a large enterprise as allowable alternative compliance with the reserve requirements shall be available to banks/NBQBs from 29 May 2020 to 30 June 2023.

Prudential Requirements Applicable to Digital Banks, and Amendments to Relevant Provisions of the Manual of Regulations for Banks and Non-Bank Financial Institutions and Manual of Regulations on Foreign Exchange Transactions (BSP Circular No. 1154 dated 14 September 2022)

The BSP issued Circular No. 1154 approving a set of guidelines for digital banks following the release of the Digital Bank Framework in December 2020.

The approved guidelines set out the BSP's supervisory expectations with regard to corporate and risk governance of digital banks as well as the applicable prudential regulations on capital, leverage, and liquidity. The guidelines also prescribe the prudential limits on equity investments in allied undertakings, required reserves against deposit and deposit substitute liabilities, and reporting requirements of digital banks.

Digital banks, unlike brick-and-mortar banks, have minimal or zero-reliance on physical touchpoints as their products and services are processed end-to-end through digital platforms or electronic channels. Due to its nationwide market reach resulting from the use of digital platforms or mobile applications in the banking services delivery, and ability to rapidly expand operations, this category of banks is considered as *complex* banks. Consistent with this, the governance expectations, Basel III standards, and prudential reporting requirements applicable to universal and commercial banks shall also apply to digital banks. The new rules provide that the BSP may require existing thrift, rural and cooperative banks to maintain a minimum capital of ₱1.0 billion, if said banks primarily offer financial products and services that are processed end-to-end through a digital platform and/or electronic channels similar to digital banks. This is to ensure that banks maintain sufficient capital to cover the risks that they assume. It also provides a

level playing field among banks that leverage on digital platforms in delivering their financial products and services. Banks concerned shall be given ample time to build up capital and meet the new minimum capital.

Regulatory Sandbox Framework (BSP Circular No. 1153 dated 05 September 2022)

The BSP issued the Regulatory Sandbox Framework, which formalizes the Test and Learn (T&L) approach, a system that allows BSP Supervised Financial Institutions (BSFIs), third-party service providers of BSFIs, and new players to offer financial products and services using new technology to a limited number of customers in a controlled environment. The framework enables the participants in the sandbox to explore the potential of new technologies without posing significant risks to financial stability or harming the consumers.

Under this framework, each sandbox shall undergo a four-stage process, namely: application, evaluation, testing, and exit stages. The sandbox project will run for 12 months and after the said period, the BSP will determine whether the sandboxed product/service is "fit for broader or mass adoption." Insights from the regulatory sandbox projects will inform the development of policies necessary to regulate the activities within and around new or emerging financial solutions.

Applicants for regulatory sandbox experiments may also be advised to use a simplified approach known as the "Regulatory Sandbox Lite," which runs on a shorter timeline. This approach is only available to BSFIs involving financial products or services that are already within the scope of existing regulations. The BSP has adopted the T&L approach since 2004, which gave rise to one of the first mobile wallets and e-money regulations in the world and brought

about the successful implementation of the country's first cloud-based core banking system. With the Regulatory Sandbox Framework in place, a careful balance between the perceived benefits of emerging technologies while managing attendant risks can be achieved by providing a controlled environment for these digital players to harness technology and determine their limits and scope. This will also promote a level playing field for relevant stakeholders who share the BSP's goal of promoting the welfare of Filipinos by maintaining a safe, secure, and inclusive financial system.

Amendments to the Regulations on Unit Investment Trust Funds (UITFs)

(BSP Circular No. 1152 dated 05 September 2022)

The BSP, in its Resolution No. 1218 dated 18 August 2022, approved the amendments to Sections 403, 414 and Appendix 134 of the MORB, and Sections 405-Q, 414-Q and Appendix Q-87 of the MORNBFI. These cover the licensing framework on the creation of UITFs and amendments to their features, definition of fund classifications, distribution of income for distributing funds, enforcement actions, and other provisions on the administration of UITFs.

According to the circular, a trust entity (TE) may create, administer, and manage the investments of a UITF, provided that it has the competence and appropriate processes, systems, and infrastructure to administer and market UITFs and to manage the related risks. The TE shall likewise have in place a sound client suitability assessment process and a system for the adequate disclosure of risks to clients. The administration of UITFs shall be consistently performed in accordance with these guidelines and other applicable laws, rules and regulations.

Trust entities shall be given a period of one year from the effectivity of this circular to make appropriate changes to their plan rules, policies, processes, and procedures in order to comply with the above requirements.

A TE that has previously obtained approval from the BSP on the establishment of a particular UITF and is able to launch the fund within one year from receipt of the approval letter from the BSP shall be considered as having effectively been granted approval to create the UITF in accordance with Section 2 of BSP Circular 1152.

Amendments to the Minimum Capitalization of Rural Banks (BSP Circular No. 1521 dated 24 August 2022)

The BSP approved the amendments to the minimum capitalization of rural banks which will enable them to enhance their risk management systems, upgrade resources and manage operational costs, meet prudential standards, and accelerate digital transformation. This is part of the initiatives under the Rural Bank Strengthening Program (RBSP) which aims to enhance the operations, capacity and competitiveness of rural banks. The revised minimum capital requirements shall result in stronger and well-capitalized rural banks underpinning a Philippine banking system that is stable, sound, resilient and inclusive for Filipinos. With a strengthened capital base, rural banks would be able to withstand adverse financial shocks and at the same time, tap opportunities to enhance income potential, expand banking operations, and provide better credit facilities and services responsive to the needs of their clients and the banking public.

The minimum capital levels of rural banks are: (i) ₱50 million for head office only and those with up to five (5) branches⁸⁴; (ii) ₱120 million for those with six (6) to 10

⁸⁴ Branches - inclusive of head office

branches⁸⁵; and (iii) ₱200 million for those with more than 10 branches.⁸⁶ In view of the liberalization in branching regulations and digitalization of banking services, the tiering of the new minimum capital requirements for rural banks only considers the RB's network size as indicated in the number of branches (including head office) and no longer considers their area of operations.

Affected rural banks, including those which were already authorized by the Monetary Board to establish a rural bank, shall be given five years to comply with the new minimum capital requirements by referring to the available options under the RBSP such as:

- (i) merger/consolidation,
- (ii) acquisition/third party investment,
- (iii) voluntary exit/upgrade of banking license, (iv) capital build-up program (CBUP), and (v) supervisory intervention.

Rural banks availing of the capital build-up track under the RBSP must submit to the BSP an acceptable CBUP within prescribed timelines.

Prudential Framework for Large Exposures Monitoring Threshold *(BSP Circular No. 1150 dated 23 August 2022)*

The BSP issued amendments to the prudential guidelines on large exposures as embodied under Section 361 of the MORB and Section 341-Q of the MORNBFI.

The BSP is cognizant that risks arising from large exposures of banks/quasi-banks (QBs) or covered banks/QBs to a single counterparty or group of connected counterparties could pose concerns to the stability of each bank/QB and the financial system. In this light, covered banks/QBs shall identify, measure, monitor and control large exposures to protect covered banks/QBs' solvency from maximum possible losses in the event of sudden counterparty failure.

The large exposures framework is applicable to all universal and commercial banks (UBs/KBs) and their subsidiary banks and QBs or covered banks/QBs. Large exposures of covered banks/QBs shall be computed and compared with Tier 1 capital on both solo and consolidated bases.

Large exposure shall now refer to exposures to a single counterparty or a group of connected counterparties equal to or greater than ten percent of a covered banks/QB's Tier 1 capital as defined under applicable and existing capital adequacy framework.

The guidelines also expanded the coverage of connected counterparties which are a group of counterparties that are connected through direct or indirect control of one of the counterparties over the other or economic interdependencies treated as a single counterparty.

The BSP also set additional criteria in assessing economic interdependencies. Economic interdependence refers to a situation where counterparties are reliant on each other, such that if one of the counterparties experiences financial problems in repaying its obligations, the creditworthiness of the other would also likely deteriorate. Covered banks/QBs shall define in their credit policy criteria in determining connectedness based on economic interdependence, which shall consider, among others, significant dealings or transactions of one or more counterparty/ies that impact the financial capacity or ability to repay the obligations of the other counterparty/ies. In establishing connectedness, the BSP has set several criteria such as fifty percent or more of a counterparty's annual gross receipt or gross expenditures is derived from transactions with the other counterparty or that one counterparty has

⁸⁵ Branches - inclusive of head office

⁸⁶ Branches - inclusive of head office

fully or partly guaranteed the exposure of the other counterparty, or is liable by other means, and the exposure is significant that the guarantor is likely to default if a claim occurs. The other criteria are detailed in the circular.

Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks (*BSP Circular No. 1149 dated 23 August 2022*)

The BSP issued the Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks.

The guidelines cover banking book investments or debt and equity securities portfolios that are not being traded by the bank as part of its proprietary position. Banks are expected to consider their sustainability objectives in their investment activities and ensure that such investment contributes to sectors considered to have beneficial impact to environment or society.

This regulatory issuance will cover the investment process, which is another significant area of banking operations that will complement the earlier issued circular of the BSP covering the lending operations of banks. This circular is expected to further facilitate financing to sectors aligned with the sustainability agenda.

The guidelines provide sample approaches such as exclusionary screening or best-in-class selection and allow banks to adopt practices and policies implementing the sustainability objectives of investment activities. Under the circular, banks are expected to assess if the investment and the issuing company are exposed to material environmental and social (E&S) risks, and to analyze potential exit strategies if the said investment is found to have high E&S risks. The banks' due diligence review may be supplemented with the use of results of assessment of external review

providers. It also refers banks to the guidelines of the Securities and Exchange Commission governing the issuance of green, social, and sustainability bonds. The Bangko Sentral earlier issued Circular Nos. 1085 and 1128 on the Sustainable Finance Framework (April 2020) and the Environmental and Social Risk Management Framework (October 2021), respectively. The frameworks provide banks a three-year transition period from May 2020 to incorporate sustainability principles in their strategic objectives, corporate governance, and risk management system.

Annex B. Capital Market Reforms

Accelerating QR Ph P2M⁸⁷

The QR Ph Person-to-Merchant (P2M) payment facility has been fully implemented and is expected to further enhance financial consumers' access to safe, efficient, and reliable digital payments.

QR Ph P2M enables interoperable digital payments between customers and merchants even if they maintain accounts with different financial service providers. It may also be used for bills payment in the future where it is expected to be convenient and cost-effective since it does not require expensive point of sale or data capture terminals to facilitate digital payments for individuals and businesses

As of April 2022, QR Ph P2M may be used in 473,000 merchant locations nationwide. This is almost double the 243,000 merchant locations in the previous month. There are 17 financial institutions participating in QR Ph P2M as of end-June 2022.

⁸⁷ BSP Press Release, July 2022.

The implementation of QR Ph P2M is aligned with the BSP's Digital Payments Transformation Roadmap 2020-2023 (DPTR), which aims to digitalize at least 50 percent of total retail payments in the country and onboard at least 70 percent of Filipino adults into the financial system by 2023.

Recalibrating Approach in Licensing Virtual Asset Service Providers (VASPs)⁸⁸

The Monetary Board approved a modified approach to the grant of Virtual Asset Service Provider (VASP) license to intensify the integrity and stability of the financial system and strengthen consumer confidence in the digital ecosystem.

Under the modified approach, there will be a closure of the regular application window for new VASP licenses for a period of three (3) years while the grant of new VASP licenses will only be available to existing BSP supervised financial institutions (BSFIs). Existing BSFIs with strong risk management systems including appropriate client suitability assessment and customer onboarding practices, and intensified financial consumer education and awareness programs may still apply for a VASP license.

Applications received from non-BSFIs that have completed/passed Stage 2 of the licensing process on or before 31 August 2022 will be processed and assessed for completeness and sufficiency of documentation/information based on Stage 3 requirements. Applications with incomplete requirements as of 31 August 2022 will be returned and considered closed. New applications beginning 1 September 2022 will no longer be entertained nor accepted.

⁸⁸ BSP Press Release, August 2022

⁸⁹ BSP Press Release, September 2022

Pushing Industry-Wide Initiatives for Cyber Resilience⁸⁹

The BSP completed the Advanced SupTech Engine for Risk-Based Compliance (ASTERisC*), which will soon be deployed among selected BSFIs.

ASTERisC* is a unified regulatory and supervisory technology (RegTech and SupTech) solution that streamlines and automates regulatory supervision, reporting, and compliance assessment of BSFIs' cybersecurity risk management.

The BSP as lead in the Computer Emergency Response Team (CERT) covering all BSFIs, a Financial Services Cyber Resilience Plan will be issued, spearheaded by the central bank's Financial Supervision Sector-Technology Risk and Innovation Department.

The plan, which will serve as the primary framework for policies and strategies to strengthen cyber defense in the financial services industry, is expected to bolster the regulatory and supervisory environment for cyber security.

Promoting Sustainability Principles on Investments⁹⁰

The Monetary Board approved the guidelines on the Integration of Sustainability Principles in Investment Activities of Banks. This is the third set of regulations issued by the BSP aimed at promoting the sustainability agenda in the financial system.

Banks are expected to assess if the investment and the issuing company are exposed to material environmental and social (E&S) risks, and to analyze potential exit strategies if the said investment is found to have high E&S risks. The banks' due diligence review may be supplemented with the use of results of

⁹⁰ BSP Press Release, September 2022

assessment of external review providers. It also refers banks to the guidelines of the Securities and Exchange Commission (SEC) governing the issuance of green, social, and sustainability bonds.

The guidelines also cover banking book investments or debt and equity securities portfolios that are not being traded by the bank as part of its proprietary position. Banks are expected to consider their sustainability objectives in their investment activities and ensure that such investment contributes to sectors considered to have beneficial impact to environment or society.

This regulatory issuance will cover the investment process, which is another significant area of banking operations that will complement the earlier issued Circular of the BSP covering the lending operations of banks.⁹¹

In line with this, banks should adopt policies implementing the sustainability objectives of investment activities. The guidelines provide sample approaches such as exclusionary screening or best-in-class selection and allow banks to adopt other practices considering their sustainability objectives and investment policy.

Formalizing Regulatory Sandbox Framework⁹²

The Monetary Board approved the Regulatory Sandbox Framework, which formalizes the Test and Learn (T&L) approach, a system that allows BSFIs, third-party service providers of BSFIs, and new players to offer financial products and services using new technology to a limited number of customers in a controlled environment.

The Framework enables the participants in the sandbox to explore the potential of new technologies without posing significant risks to financial stability or harming the consumers. Each sandbox shall undergo a four-stage process, namely application, evaluation, testing, and exit stages. The sandbox project will run for 12 months and after the said period, the BSP will determine whether the sandboxed product/service is "fit for broader or mass adoption". Insights from the regulatory sandbox projects will inform the development of policies necessary to regulate the activities within and around new or emerging financial solutions.

Applicants for regulatory sandbox experiments may also be advised to use a simplified approach known as the "Regulatory Sandbox Lite", which runs on a shorter timeline. This approach is only available to BSFIs involving financial products or services that are already within the scope of existing regulations.

It may be noted that the Bangko Sentral has adopted the T&L approach since 2004, which gave rise to one of the first mobile wallets and e-money regulations in the world and brought about the successful implementation of the country's first cloud-based core banking system.

⁹¹ The Bangko Sentral earlier issued Circular Nos. 1085 and 1128 on the Sustainable Finance Framework (April 2020) and the Environmental and Social Risk Management Framework (October 2021), respectively. The frameworks provide banks a three-

year transition period from May 2020 to incorporate sustainability principles in their strategic objectives, corporate governance, and risk management system.
⁹² BSP Press Release, September 2022

Acronyms, Abbreviations, and Symbols

ADB	Asian Development Bank	FPI	Foreign Portfolio Investment
AE	Advanced Economies	FRTB	Fixed-Rate Treasury Bond
AFF	Agriculture, Fishery, and Forestry	FX	Foreign Exchange
AONCR	Areas Outside the National Capital Region	FXTN	Fixed-Income Treasury Note
APP	Asset Purchase Program	GCF	Gross Capital Formation
ASEAN	Association of Southeast Asian Nations	GDP	Gross Domestic Product
ASF	African Swine Fever	GNI	Gross National Income
BEA	US Bureau of Economic Analysis	GNPL	Gross Non-Performing Loan
BIR	Bureau of Internal Revenue	GOCC	Government Owned- and Controlled- Corporation
BOC	Bureau of Customs	GS	Government Securities
BOE	Bank of England	GUIDE	Government Financial Institutions' Unified Initiatives to Distressed Enterprises for Economic Recovery Act
BOJ	Bank of Japan	HLA	Higher Loss Absorbency
BOP	Balance of Payments	IBCL	Interbank Call Loan Rate
BPO	Business Process Outsourcing	IMF	International Monetary Fund
bp	Basis Point	IRC	Interest Rate Corridor
BSFI	Bangko Sentral - Supervised Financial Institutions	IRR	Implementing Rules and Regulations
BSP	Bangko Sentral ng Pilipinas	JGB	Japan Government Bond
BSP-SF	Bangko Sentral ng Pilipinas - Securities Facility	J-REIT	Japanese Real Estate Investment Trust
BTr	Bureau of the Treasury	LC	Lending Company
CAR	Capital Adequacy Ratio	LCY	Local Currency
CDS	Credit Default Swap	LEM	Loans Especially Mentioned
CGFD	Corporate Governance and Finance Department	LFPR	Labor Force Participation Rate
CIT	Corporate Income Tax	LFS	Labor Force Survey
COCREE	Comprehensive Credit and Equity Exposures	MB	Monetary Board
COVID-19	Corona Virus Disease	MLT	Medium- to Long-Term
CP	Commercial Paper	MORB	Manual of Regulations for Banks
CPI	Consumer Price Index	MORNBF	Manual of Regulations for Non-Bank Financial Institutions
CREATE	Corporate Recovery and Tax Incentives for Enterprises	MTP	Major Trading Partner
CREDEX	Credit and Equity Exposures	MPC	Monetary Policy Committee
CRIS	Credit Information System	MSME	Micro, Small and Medium Enterprises
DA	Department of Agriculture	MVL	Motor Vehicle Loan
DBCC	Development Budget Coordination Committee	NCR	National Capital Region
DOF	Department of Finance	NEER	Nominal Effective Exchange Rate
DSB	Debt Service Burden	NFA	Net Foreign Assets
DSR	Debt Service Ratio	NFC	Non-Financial Corporation
E&S	Environment and Social	NG	National Government
ECB	European Central Bank	NIR	Net International Reserves
EDT	Total External Debt	NNPL	Net Non-Performing Loan
E/FCDU	Expanded Foreign Currency Deposit Unit	NPA	Non-Performing Asset
EMBIG	Emerging Market Bond Index	OCL	Overdraft Credit Line
EMI	Electronic Money Issuer	ODC	Other Depository Corporation
ETF	Exchange-Traded Fund	ODF	Overnight Deposit Facility
FC	Financing Company	OF	Overseas Filipino
FCD	Foreign Currency Deposit	OFW	Overseas Filipino Worker
FCDU	Foreign Currency Deposit Unit	OLF	Overnight Lending Facility
FDI	Foreign Direct Investment	OLP	Online Lending Platform
FINTECH	Financial Technology	PDEx	Philippine Dealing and Exchange Corporation
FIST	Financial Institution Strategic Transfer	P/E	Price-to-Earnings Ratio
FISTC	Financial Institution Strategic Transfer Corporation	PEPP	Pandemic Emergency Purchase Program
FOMC	Federal Open Market Committee	PhilPass	Philippine Payments and Settlements System

Acronyms, Abbreviations, and Symbols

PMI	Purchasing Manager's Index
ppt	Percentage Point
PSA	Philippine Statistic Authority
PSEI	Philippine Stock Exchange Index
q-o-q	Quarter-on-Quarter
QQE	Quantitative and Qualitative Easing
RA	Republic Act
RB	Rural Bank
RBU	Regular Banking Unit
REER	Real Effective Exchange Rate
RL	Rediscounting Line
ROP	Republic of the Philippines
RREL	Residential Real Estate Loan
RRP	Reverse Repurchase
RTB	Retail Treasury Bond
SBL	Substandard or Below Loan
SBGPCL	Salary-Based General-Purpose Consumption Loan
SDR	Special Drawing Rights
SEC	Securities and Exchange Commission
ST	Short Term
TB	Thrift Bank
T-bill	Treasury Bill
T-bond	Treasury Bond
TDF	Term Deposit Facility
TLP	Total Loan Portfolio
TPI	Trading Partners Index
TPI-A	Trading Partners Index - Advanced Countries
TPI-D	Trading Partners Index - Developing Countries
UK	United Kingdom
U/KB	Universal and Commercial Bank
WB	World Bank
y-o-y	Year-on-Year
y-t-d	Year-to-Date

Report on Economic and Financial Developments Third Quarter 2022 Statistical Tables

1	Gross National Income and Gross Domestic Product by Industrial Origin
1a	Gross National Income and Gross Domestic Product by Expenditure Shares
2	Selected Labor, Employment and Wage Indicators
3	Cash Operations of the National Government
4	Consumer Price Index in the Philippines (2018=100)
4a	Consumer Price Index in the National Capital Region (2018=100)
4b	Consumer Price Index in Areas Outside the National Capital Region (2018=100)
5	Monetary Indicators
6	Selected Domestic Interest Rates
7	Number of Financial Institutions
8	Total Resources of the Philippine Financial System
9	Ratios of Non-Performing Loans and Loan Loss Provisions to Total Loans of the Banking System
9a	Non-Performing Loans, Total Loans and Loan Loss Provisions of the Banking System
10	Stock Market Transactions
11	Balance of Payments
12	International Reserves of the Bangko Sentral ng Pilipinas
13	Exchange Rates of the Peso (Peso per Unit of Foreign Currency)
13a	Exchange Rates of the Peso (Unit of Foreign Currency per Peso)
13b	Effective Exchange Rate Indices of the Peso
14	Total External Debt
15	Selected Foreign Debt Service Indicators
16	Balance Sheet of the Bangko Sentral ng Pilipinas
17	Income Statement of the Bangko Sentral ng Pilipinas

I GROSS NATIONAL INCOME AND GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN
for periods indicated

	LEVELS (in billion pesos, at constant 2018 prices)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agriculture, Forestry and Fishing	440.9	409.8	400.1	533.1	439.7	416.0	404.9	519.8	434.0	416.1	398.1	527.1	434.8	417.0	407.1
Industry	1,371.6	1,509.2	1,351.2	1,655.9	1,338.6	1,181.4	1,114.5	1,480.8	1,282.8	1,433.0	1,211.0	1,622.7	1,417.3	1,524.8	1,280.7
Mining and Quarrying	45.6	56.9	29.0	37.4	35.9	44.5	25.9	31.2	36.6	46.4	26.9	34.5	44.1	43.3	29.3
Manufacturing	908.3	915.5	765.8	1,030.9	878.2	721.7	686.0	980.4	885.3	883.3	734.1	1,052.1	971.7	902.5	760.9
Electricity, Steam, Water and Waste Management	129.5	152.2	167.0	142.6	135.9	142.5	167.3	143.6	137.4	156.0	172.4	149.8	145.1	163.9	179.1
Construction	288.1	384.7	389.3	445.1	288.6	272.7	235.3	325.8	223.5	347.4	277.6	386.4	256.4	415.0	311.3
Services	2,650.7	3,066.9	2,924.3	3,069.2	2,655.5	2,545.5	2,616.2	2,825.0	2,548.5	2,796.5	2,816.6	3,051.7	2,761.1	3,050.9	3,074.2
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	713.6	867.1	934.8	973.9	723.5	744.6	876.1	931.3	698.8	784.6	933.2	997.8	747.6	860.6	1,018.0
Transportation and Storage	189.7	211.3	168.7	172.6	168.7	88.9	118.4	139.2	135.1	110.5	136.7	165.3	170.6	140.8	170.0
Accommodation and Food Service Activities	106.5	98.8	106.6	113.8	89.6	32.5	48.4	61.3	69.4	50.9	54.4	73.7	83.5	66.5	76.5
Information and Communication	131.5	140.6	120.8	164.0	137.7	155.7	124.4	167.3	146.8	175.3	135.1	181.8	157.7	193.9	145.6
Financial and Insurance Activities	409.0	442.9	411.1	413.4	445.2	464.1	428.2	432.4	464.5	488.3	444.8	455.6	500.5	506.4	478.8
Real Estate and Ownership of Dwellings	296.1	315.6	329.7	297.1	287.5	221.2	266.5	256.0	254.0	258.3	276.8	264.8	268.9	269.7	285.5
Professional and Business Services	249.7	325.3	301.5	305.6	244.7	275.6	269.1	279.4	236.0	302.2	297.6	299.4	255.6	325.8	325.4
Public Administration and Defense; Compulsory Social Activities	181.5	238.4	203.6	248.1	191.5	255.3	213.0	251.4	205.8	268.4	224.6	264.0	207.4	292.8	226.2
Education	180.6	224.1	183.0	178.4	184.0	192.9	153.3	157.4	184.5	217.1	174.1	168.8	200.1	229.1	183.2
Human Health and Social Work Activities	78.3	86.9	76.9	81.1	80.1	72.7	73.7	80.4	90.4	82.9	85.6	91.3	91.7	84.3	90.7
Other Services	114.2	115.9	87.5	121.2	103.0	42.1	44.9	68.8	63.1	57.9	53.7	89.1	77.4	81.1	74.7
Gross Domestic Product	4,463.2	4,985.9	4,675.5	5,258.1	4,433.8	4,142.9	4,135.5	4,825.6	4,265.3	4,645.5	4,425.7	5,201.5	4,613.2	4,992.7	4,761.9
Net Primary Income from the Rest of the World	507.3	468.1	479.4	461.5	457.3	351.4	316.4	195.0	110.1	155.5	150.6	226.2	226.2	257.2	293.1
Gross National Income	4,970.5	5,454.1	5,154.9	5,719.6	4,891.1	4,494.3	4,451.9	5,020.6	4,375.4	4,801.1	4,576.3	5,427.7	4,839.3	5,249.8	5,055.0

	ANNUAL CHANGE (in percent)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agriculture, Forestry and Fishing	0.5	0.7	3.0	0.8	-0.3	1.5	1.2	-2.5	-1.3	.	-1.7	1.4	0.2	0.2	2.2
Industry	5.0	3.6	6.0	7.1	-2.4	-21.7	-17.5	-10.6	-4.2	21.3	8.7	9.6	10.5	6.4	5.8
Mining and Quarrying	3.8	14.3	-3.1	-5.8	-21.3	-21.7	-10.9	-16.6	2.0	4.2	4.0	10.7	20.3	-6.6	9.1
Manufacturing	5.0	2.7	1.4	5.6	-3.3	-21.2	-10.4	-4.9	0.8	22.4	7.0	7.3	9.8	2.2	3.6
Electricity, Steam, Water and Waste Management	3.4	8.1	7.3	5.4	4.9	-6.4	0.2	0.7	1.1	9.5	3.0	4.3	5.6	5.1	3.9
Construction	6.3	2.7	16.8	12.8	0.2	-29.1	-39.6	-26.8	-22.6	27.4	18.0	18.6	14.7	19.5	12.2
Services	7.3	7.4	6.9	7.4	0.2	-17.0	-10.5	-8.0	-4.0	9.9	7.7	8.0	8.3	9.1	9.1
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	7.0	8.6	8.3	7.2	1.4	-14.1	-6.3	-4.4	-3.4	5.4	6.5	7.1	7.0	9.7	9.1
Transportation and Storage	6.8	6.1	7.9	4.9	-11.1	-58.0	-29.8	-19.3	-19.9	24.3	15.5	18.7	26.3	27.4	24.3
Accommodation and Food Service Activities	6.0	4.9	6.0	5.3	-15.9	-67.1	-54.6	-46.1	-22.5	56.7	12.4	20.2	20.3	30.8	40.6
Information and Communication	9.9	5.6	5.5	10.4	4.7	10.7	3.0	2.0	6.6	12.6	8.6	8.7	7.4	10.6	7.8
Financial and Insurance Activities	12.1	10.7	12.8	12.1	8.8	4.8	4.2	4.6	4.3	5.2	3.9	5.4	7.7	3.7	7.7
Real Estate and Ownership of Dwellings	4.5	4.3	5.5	2.0	-2.9	-29.9	-19.2	-13.8	-11.7	16.8	3.9	3.4	5.9	4.4	3.1
Professional and Business Services	4.2	2.8	0.9	0.5	-2.0	-15.3	-10.8	-8.6	-3.6	9.7	10.6	7.2	8.3	7.8	9.3
Public Administration and Defense; Compulsory Social Activities	11.8	11.5	8.7	21.4	5.5	7.1	4.6	1.3	7.5	5.1	5.4	5.0	0.8	9.1	0.7
Education	3.8	10.5	0.8	3.0	1.9	-13.9	-16.2	-11.8	0.3	12.5	13.6	7.3	8.5	5.5	5.2
Human Health and Social Work Activities	3.8	0.1	6.6	9.8	2.2	-16.3	-4.2	-0.9	13.0	14.0	16.1	13.6	1.4	1.7	5.9
Other Services	6.7	6.6	5.2	8.0	-9.8	-63.7	-48.7	-43.2	-38.7	37.6	19.6	29.6	22.7	40.0	38.3
Gross Domestic Product	5.9	5.6	6.3	6.6	-0.7	-16.9	-11.6	-8.2	-3.8	12.1	7.0	7.8	8.2	7.5	7.6
Net Primary Income from the Rest of the World	1.6	0.9	-3.7	-5.0	-9.8	-24.9	-34.0	-57.7	-75.9	-55.7	-52.4	16.0	105.4	65.3	94.6
Gross National Income	5.4	5.2	5.3	5.6	-1.6	-17.6	-13.6	-12.2	-10.5	6.8	2.8	8.1	10.6	9.3	10.5

	CONTRIBUTION TO GDP GROWTH (in percentage point)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agriculture, Forestry and Fishing	0.1	0.1	0.3	0.1	.	0.1	0.1	-0.3	-0.1	.	-0.2	0.2	.	.	0.2
Industry	1.6	1.1	1.8	2.2	-0.7	-6.6	-5.1	-3.3	-1.3	6.1	2.3	2.9	3.2	2.0	1.6
Mining and Quarrying	.	0.2	.	.	-0.2	-0.2	-0.1	-0.1	.	.	.	0.1	0.2	-0.1	0.1
Manufacturing	1.0	0.5	0.2	1.1	-0.7	-3.9	-1.7	-1.0	0.2	3.9	1.2	1.5	2.0	0.4	0.6
Electricity, Steam, Water and Waste Management	0.1	0.2	0.3	0.1	0.1	-0.2	.	.	.	0.3	0.1	0.1	0.2	0.2	0.2
Construction	0.4	0.2	1.3	1.0	.	-2.2	-3.3	-2.3	-1.5	1.8	1.0	1.3	0.8	1.5	0.8
Services	4.3	4.5	4.3	4.3	0.1	-10.5	-6.6	-4.6	-2.4	6.1	4.8	4.7	5.0	5.5	5.8
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.1	1.4	1.6	1.3	0.2	-2.5	-1.3	-0.8	-0.6	1.0	1.4	1.4	1.1	1.6	1.9
Transportation and Storage	0.3	0.3	0.3	0.2	-0.5	-2.5	-1.1	-0.6	-0.8	0.5	0.4	0.5	0.8	0.7	0.8
Accommodation and Food Service Activities	0.1	0.1	0.1	0.1	-0.4	-1.3	-1.2	-1.0	-0.5	0.4	0.1	0.3	0.3	0.3	0.5
Information and Communication	0.3	0.2	0.1	0.3	0.1	0.3	0.1	0.1	0.2	0.5	0.3	0.3	0.3	0.4	0.2
Financial and Insurance Activities	1.0	0.9	1.1	0.9	0.8	0.4	0.4	0.4	0.4	0.6	0.4	0.5	0.8	0.4	0.8
Real Estate and Ownership of Dwellings	0.3	0.3	0.4	0.1	-0.2	-1.9	-1.4	-0.8	-0.8	0.9	0.2	0.2	0.3	0.2	0.2
Professional and Business Services	0.2	0.2	0.1	.	-0.1	-1.0	-0.7	-0.5	-0.2	0.6	0.7	0.4	0.5	0.5	0.6
Public Administration and Defense; Compulsory Social Activities	0.5	0.5	0.4	0.9	0.2	0.3	0.2	0.1	0.3	0.3	0.3	0.3	.	0.5	.
Education	0.2	0.5	.	0.1	0.1	-0.6	-0.6	-0.4	.	0.6	0.5	0.2	0.4	0.3	0.2
Human Health and Social Work Activities	0.1	.	0.1	0.1	.	-0.3	-0.1	.	0.2	0.2	0.3	0.2	.	.	0.1
Other Services	0.2	0.2	0.1	0.2	-0.3	-1.5	-0.9	-1.0	-0.9	0.4	0.2	0.4	0.3	0.5	0.5
Gross Domestic Product	5.9	5.6	6.3	6.6	-0.7	-16.9	-11.6	-8.2	-3.8	12.1	7.0	7.8	8.2	7.5	7.6

Notes:
1) The PSA released the revised and rebased to 2018 National Accounts of the Philippines (NAP) on 20 April 2020. The salient features of the revision and rebasing are as follows: adoption of the 2008 System of National Accounts (SNA) recommendations and latest classification systems; inclusion of new industries and expenditure commodities; and updating of the base year to 2018.
2) Total may not add up due to rounding.
Source of basic data: Philippine Statistics Authority (PSA)

1a GROSS NATIONAL INCOME AND GROSS DOMESTIC PRODUCT BY EXPENDITURE SHARES
for periods indicated

	LEVELS (in billion pesos, at constant 2018 prices)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Household Final Consumption Expenditure	3,308.7	3,445.7	3,337.2	3,935.8	3,314.6	2,917.7	3,030.1	3,648.9	3,156.7	3,131.0	3,244.9	3,923.9	3,473.4	3,399.1	3,504.5
Government Final Consumption Expenditure	523.6	697.0	575.7	603.5	560.1	848.9	609.1	633.8	650.1	813.5	693.1	683.3	673.2	903.9	698.6
Gross Capital Formation	1,130.7	1,297.4	1,238.0	1,466.3	991.9	625.1	757.2	1,001.6	853.7	1,148.2	915.0	1,144.1	1,028.0	1,390.0	1,113.4
Gross Fixed Capital Formation	1,115.1	1,307.9	1,310.9	1,441.7	1,095.2	842.8	813.4	1,010.3	895.6	1,177.1	943.5	1,119.9	1,001.5	1,337.6	1,038.9
Construction	641.5	839.5	807.2	917.8	630.9	580.0	441.9	589.8	471.7	784.8	552.1	682.8	541.1	912.7	617.1
Durable Equipment	352.7	336.9	372.3	362.6	344.5	136.8	246.4	273.9	306.6	266.1	261.8	288.9	336.9	297.7	292.1
Breeding Stocks & Orchard Development	92.3	97.7	91.7	122.0	90.7	99.9	90.2	109.1	87.8	97.2	88.3	103.7	90.9	96.5	86.2
Intellectual Property Products	28.6	33.8	39.6	39.3	29.2	26.2	34.9	37.5	29.5	29.0	41.4	44.5	32.7	30.7	43.6
Changes in Inventories	15.4	-11.0	-73.3	24.3	-103.4	-217.9	-56.5	-8.9	-42.0	-29.2	-28.6	23.9	26.5	52.2	74.4
Valuables	0.2	0.5	0.4	0.3	0.2	0.2	0.2	0.2	0.1	0.3	0.1	0.3	0.1	0.2	0.1
Exports of Goods and Services	1,392.6	1,513.7	1,457.2	1,300.5	1,342.2	1,010.8	1,234.8	1,161.8	1,229.6	1,299.7	1,347.8	1,251.0	1,357.7	1,356.2	1,524.0
Less: Imports of Goods and Services	1,907.4	2,001.9	1,933.6	1,998.0	1,769.9	1,257.5	1,536.2	1,587.3	1,636.8	1,764.8	1,731.6	1,814.1	1,888.3	2,009.1	2,031.5
Statistical Discrepancy	14.9	34.0	1.1	-50.0	-5.1	-2.2	40.6	-33.3	12.1	18.0	-43.5	13.3	-30.8	-47.3	-47.0
Gross Domestic Product	4,463.2	4,985.9	4,675.5	5,258.1	4,433.8	4,142.9	4,135.5	4,825.6	4,265.3	4,645.5	4,425.7	5,201.5	4,613.2	4,992.7	4,761.9
Net Primary Income from the Rest of the World	507.3	468.1	479.4	461.5	457.3	351.4	316.4	195.0	110.1	155.5	150.6	226.2	226.2	257.2	293.1
Gross National Income	4,970.5	5,454.1	5,154.9	5,719.6	4,891.1	4,494.3	4,451.9	5,020.6	4,375.4	4,801.1	4,576.3	5,427.7	4,839.3	5,249.8	5,055.0
	ANNUAL CHANGE (in percent)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Household Final Consumption Expenditure	6.2	5.6	6.0	5.7	0.2	-15.3	-9.2	-7.3	-4.8	7.3	7.1	7.5	10.0	8.6	8.0
Government Final Consumption Expenditure	5.9	6.3	8.3	16.5	7.0	21.8	5.8	5.0	16.1	-4.2	13.8	7.8	3.6	11.1	0.8
Gross Capital Formation	8.5	-0.6	-0.7	7.4	-12.3	-51.8	-38.8	-31.7	-13.9	83.7	20.8	14.2	20.4	21.1	21.7
Gross Fixed Capital Formation	7.2	-2.0	5.3	5.8	-1.8	-35.6	-37.9	-29.9	-18.2	39.7	16.0	10.8	11.8	13.6	10.1
Construction	8.4	2.9	13.7	11.7	-1.7	-30.9	-45.3	-35.7	-25.2	35.3	24.9	15.8	14.7	16.3	11.8
Durable Equipment	5.8	-15.5	-8.7	-6.4	-2.3	-59.4	-33.8	-24.5	-11.0	94.5	6.2	5.5	9.9	11.9	11.6
Breeding Stocks & Orchard Development	2.1	3.0	-0.5	1.4	-1.7	2.2	-1.6	-10.5	-3.2	-2.7	-2.2	-5.0	3.5	-0.7	-2.4
Intellectual Property Products	13.6	33.0	14.0	17.7	1.9	-22.7	-11.9	-4.4	1.1	10.7	18.4	18.7	10.8	5.8	5.3
Changes in Inventories	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Valuables	-76.9	-14.1	182.9	-68.9	-37.2	-58.2	-54.8	-43.9	-18.1	29.2	-35.1	56.0	-40.3	-13.4	11.2
Exports of Goods and Services	4.3	4.1	1.5	0.5	-3.6	-33.2	-15.3	-10.7	-8.4	28.6	9.1	7.7	10.4	4.4	13.1
Less: Imports of Goods and Services	9.0	0.2	.	0.9	-7.2	-37.2	-20.6	-20.6	-7.5	40.3	12.7	14.3	15.4	13.8	17.3
Gross Domestic Product	5.9	5.6	6.3	6.6	-0.7	-16.9	-11.6	-8.2	-3.8	12.1	7.0	7.8	8.2	7.5	7.6
Net Primary Income from the Rest of the World	1.6	0.9	-3.7	-5.0	-9.8	-24.9	-34.0	-57.7	-75.9	-55.7	-52.4	16.0	105.4	65.3	94.6
Gross National Income	5.4	5.2	5.3	5.6	-1.6	-17.6	-13.6	-12.2	-10.5	6.8	2.8	8.1	10.6	9.3	10.5
	CONTRIBUTION TO GDP GROWTH (in percentage point)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Household Final Consumption Expenditure	4.6	3.9	4.3	4.3	0.1	-10.6	-6.6	-5.5	-3.6	5.1	5.2	5.7	7.4	5.8	5.9
Government Final Consumption Expenditure	0.7	0.9	1.0	1.7	0.8	3.0	0.7	0.6	2.0	-0.9	2.0	1.0	0.5	1.9	0.1
Gross Capital Formation	2.1	-0.2	-0.2	2.1	-3.1	-13.5	-10.3	-8.8	-3.1	12.6	3.8	3.0	4.1	5.2	4.5
Gross Fixed Capital Formation	1.8	-0.6	1.5	1.6	-0.4	-9.3	-10.6	-8.2	-4.5	8.1	3.1	2.3	2.5	3.5	2.2
Construction	1.2	0.5	2.2	1.9	-0.2	-5.2	-7.8	-6.2	-3.6	4.9	2.7	1.9	1.6	2.8	1.5
Durable Equipment	0.5	-1.3	-0.8	-0.5	-0.2	-4.0	-2.7	-1.7	-0.9	3.1	0.4	0.3	0.7	0.7	0.7
Breeding Stocks & Orchard Development	.	0.1	.	.	.	.	.	-0.2	-0.1	-0.1	.	-0.1	0.1	.	.
Intellectual Property Products	0.1	0.2	0.1	0.1	.	-0.2	-0.1	.	.	0.1	0.2	0.1	0.1	.	.
Changes in Inventories	0.3	0.4	-1.7	0.5	-2.7	-4.1	0.4	-0.6	1.4	4.6	0.7	0.7	1.6	1.8	2.3
Valuables	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Exports of Goods and Services	1.4	1.3	0.5	0.1	-1.1	-10.1	-4.8	-2.6	-2.5	7.0	2.7	1.8	3.0	1.2	4.0
Less: Imports of Goods and Services	3.7	0.1	.	0.4	-3.1	-14.9	-8.5	-7.8	-3.0	12.2	4.7	4.7	5.9	5.3	6.8
Statistical Discrepancy	0.8	-0.1	0.7	-1.3	-0.4	-0.7	0.8	0.3	0.4	0.5	-2.0	1.0	-1.0	-1.4	-0.1
Gross Domestic Product	5.9	5.6	6.3	6.6	-0.7	-16.9	-11.6	-8.2	-3.8	12.1	7.0	7.8	8.2	7.5	7.6

Notes:
1) The PSA released the revised and rebased to 2018 National Accounts of the Philippines (NAP) on 20 April 2020. The salient features of the revision and rebasing are as follows: adoption of the 2008 System of National Accounts (SNA) recommendations and latest classification systems; inclusion of new industries and expenditure commodities; and updating of the base year to 2018.

2) Total may not add up due to rounding.

. Rounds off to zero

- Blank

Source of basic data: PSA

2 SELECTED LABOR, EMPLOYMENT AND WAGE INDICATORS end-of-period¹

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Employment Status²															
Labor Force (in thousands)	43,660	44,529	45,387	45,194	44,934	41,058	45,871	43,649	48,772	48,846	47,873	49,546 ^P	49,850 ^P	49,581 ^P	50,080
Employed	41,376	42,242	42,952	43,144	42,543	33,830	41,302	39,837	45,332	45,076	43,593	46,274 ^P	46,975 ^P	46,592 ^P	47,583
Employment Created	-379	1,346	2,302	1,819	1,619	-7,940	-1,220	-3,307	....	....	....	....	1,643 ^P	1,516 ^P	3,990
Agriculture	-1,703	-378	713	168	813	-305	1,136	-360	....	....	....	....	709 ^P	457 ^P	461
Industry	606	66	150	236	-164	-2,338	-270	-840	....	....	....	....	-635 ^P	692 ^P	682
Services	717	1,658	1,439	1,415	970	-5,297	-2,086	-2,107	....	....	....	....	1,569 ^P	367 ^P	2,847
Unemployed	2,284	2,286	2,435	2,050	2,391	7,228	4,569	3,813	3,441	3,770	4,280	3,272 ^P	2,875 ^P	2,990 ^P	2,497
Underemployed	6,452	5,709	5,957	5,616	6,299	6,398	7,136	5,747	7,335	6,410	6,183	6,811 ^P	7,422 ^P	5,888 ^P	7,326
Labor Force Participation Rate (%)	60.2	61.4	62.1	61.5	61.7	55.7	61.9	58.7	65.0	65.1	63.3	65.1 ^P	65.4 ^P	64.8 ^P	65.2
Employment Rate (%)	94.8	94.9	94.6	95.5	94.7	82.4	90.0	91.3	92.9	92.3	91.1	93.4 ^P	94.2 ^P	94.0 ^P	95.0
Unemployment Rate (%)	5.2	5.1	5.4	4.5	5.3	17.6	10.0	8.7	7.1	7.7	8.9	6.6 ^P	5.8 ^P	6.0 ^P	5.0
Underemployment Rate (%)	15.6	13.5	13.9	13.0	14.8	18.9	17.3	14.4	16.2	14.2	14.2	14.7 ^P	15.8 ^P	12.6 ^P	15.4
Labor Turnover Rate ³ (%)															
Philippine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCR	0.5	1.1	2.8	1.9	-1.4	-7.6	0.1	-0.3	-3.1	-1.2	0.7	0.6	-	-	-
Overseas Employment (Deployed, in thousands)	-	-	-	-	62,274	8,218	27,781	31,273	59,508	61,062	70,041	59,708 ^P	91,577 ^P	84,578 ^P	94,313
Land-based	-	-	-	-	46,110	2,061	6,473	10,809	35,492	20,097	34,532	41,585 ^P	49,736 ^P	58,774 ^P	70,306
Sea-based	-	-	-	-	16,164	6,157	21,308	20,464	24,016	40,965	35,509	18,123 ^P	41,841 ^P	25,804 ^P	24,007
Strikes															
Number of New Strikes	2	2	1	3	1	0	0	0	0	0	0	1	2	2	0
Number of Workers Involved	160	408	212	584	2,010	0	0	0	0	0	0	56	38	59	0
Nominal Daily Wage Rates⁴ (in pesos)															
Non-Agricultural															
NCR	537.0	537.0	537.0	537.0	537.0	537.0	537.0	537.0	537.0	537.0	537.0	537.0	537.0	570.0	570.0
Regions Outside NCR	400.0	400.0	400.0	400.0	420.0	420.0	420.0	420.0	420.0	420.0	420.0	420.0	420.0	450.0	450.0
Agricultural															
NCR															
Plantation	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	533.0	533.0
Non-Plantation	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	533.0	533.0
Regions Outside NCR															
Plantation	391.0	391.0	391.0	391.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	425.0	425.0
Non-Plantation	391.0	391.0	391.0	391.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	425.0	425.0
Real Daily Wage Rates⁵ (in pesos), 2012=100															
Non-Agricultural															
NCR	527.5	524.9	524.9	516.8	519.8	518.3	517.3	505.6	507.1	505.2	502.3	495.4	490.4	508.0	500.4
Regions Outside NCR	392.9	390.6	386.5	382.8	401.5	401.1	398.5	386.7	385.0	385.7	378.0	374.7	368.1	389.6	383.0
Agricultural															
NCR															
Plantation	491.2	488.8	488.8	481.2	484.0	482.6	481.7	470.8	472.1	470.4	467.7	461.3	456.6	475.0	468.0
Non-Plantation	491.2	488.8	488.8	481.2	484.0	482.6	481.7	470.8	472.1	470.4	467.7	461.3	456.6	475.0	468.0
Regions Outside NCR															
Plantation	384.5	382.2	380.7	377.8	384.8	381.0	384.4	381.0	379.2	375.6	376.0	372.8	361.1	383.2	375.1
Non-Plantation	384.5	382.2	380.7	377.8	384.8	381.0	384.4	381.0	379.2	375.6	376.0	372.8	361.1	383.2	375.1

Notes: Details may not add up to totals due to rounding.

¹ Data refers to the end-of-period monthly estimates (i.e., March, June, September and December), except for the quarterly estimates on Employment Status prior to 2021 and the Labor Turnover Rate.

² The Labor Force Survey (LFS) was originally conducted on a quarterly basis (i.e., January, April, July and October), with a sample size of approximately 44,000 households. From April 2016 to October 2019, the LFS adopted the population projections based on the 2010 Census of Population and Housing (CPH) and 2013 Master Sample (MS) Design. Beginning January 2020, the LFS results, including the final 2019 LFS, have been estimated using the 2015 Population Census (POPCEN) and 2013 MS. Starting February 2021, the monthly LFS, with a sample size of approximately 11,000 households, has been conducted in between the regular quarterly LFS. As such, data on employment created by sector, which is estimated as the difference in the number of employed persons by sector in the current and previous periods, cannot be computed in 2021 due to the unavailability of comparable monthly estimates in 2020.

³ The Q1-Q4 2018 Labor Turnover Survey covered establishments based in and outside the NCR. Meanwhile, other survey rounds covered enterprises located in NCR only.

⁴ Wage rate includes the basic minimum wage and cost of living allowance (COLA). Figures for regions outside the NCR represent the highest nominal regional rates in a given category and their corresponding values in real terms.

⁵ Starting 10 November 1990, adjustments in the minimum legislated wage rates were being determined by the Regional Tripartite Wages Productivity Board. Real terms were computed using 2018 as base year.

^P Preliminary

- Not available

-- Not computed

Sources of data: Philippine Statistics Authority (PSA), Department of Labor and Employment (DOLE) - Bureau of Local Employment (BLE), Philippine Overseas Employment Administration (POEA), National Conciliation and Mediation Board, and National Wages and Productivity Commission (NWPC).

3 CASH OPERATIONS OF THE NATIONAL GOVERNMENT

for periods indicated; in billion pesos

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenues	687.7	859.8	780.4	809.6	763.1	690.2	690.1	712.5	696.5	793.9	746.8	768.4	784.4	943.1	929.9
<i>Ratio to GDP (in percent)</i>	<i>15.5</i>	<i>17.7</i>	<i>16.5</i>	<i>14.7</i>	<i>17.2</i>	<i>16.7</i>	<i>16.4</i>	<i>13.8</i>	<i>15.9</i>	<i>16.6</i>	<i>16.2</i>	<i>13.6</i>	<i>15.9</i>	<i>17.5</i>	<i>17.7</i>
Tax	616.0	764.8	709.5	737.3	620.7	597.0	636.5	650.2	623.7	719.7	686.5	712.8	697.7	843.5 †	843.6
Non-tax including Grants	71.7	95.0	70.9	72.3	142.4	93.2	53.6	62.3	72.7	74.2	60.3	55.6	86.7 †	99.6 †	86.3
Expenditures	778.0	812.2	1,036.7	1,170.8	849.2	1,164.5	1,008.9	1,204.8	1,017.9	1,188.5	1,169.8	1,299.4	1,101.2	1,300.5	1,268.4
<i>Ratio to GDP (in percent)</i>	<i>17.6</i>	<i>16.7</i>	<i>21.9</i>	<i>21.3</i>	<i>19.1</i>	<i>28.1</i>	<i>24.0</i>	<i>23.4</i>	<i>23.3</i>	<i>24.9</i>	<i>25.4</i>	<i>22.9</i>	<i>22.3</i>	<i>24.1</i>	<i>24.2</i>
Interest Payments	107.8	72.3	113.7	67.1	119.9	67.8	125.3	67.4	125.9	82.7	130.8	90.1	149.3	107.9	142.8
Equity	.	0.5	1.1	1.6	0.0	0.6	0.8	11.4	45.3	0.6	0.8	0.8	0.5	0.2	0.2
Net Lending	3.5	15.3	-2.9	1.2	4.8	6.1	5.6	5.6	5.7	1.1	5.2	5.9	0.7	10.8	8.5
Subsidy	9.3	17.4	130.4	44.5	22.4	106.2	30.1	70.3	11.4	76.9	57.6	38.9	19.3	25.5 †	69.5
Allotment to LGUs	149.5	146.2	162.6	159.6	187.6	221.6	197.5	197.8	206.9	241.6	215.2	229.0	267.4	264.0	291.7
Tax Expenditures	4.0	7.6	10.5	5.2	2.0	4.5	13.3	13.3	6.7	8.9	14.0	7.1	6.6	12.1	9.2
NG Disbursements	503.8	552.9	621.3	891.6	512.5	757.8	636.3	838.9	616.1	776.7	746.2	927.7	657.4	880.0 †	746.5
Surplus/Deficit (-)	-90.2	47.6	-256.3	-361.2	-86.2	-474.3	-318.8	-492.2	-321.5	-394.6	-423.0	-531.0	-316.8	-357.4	-338.6
<i>Ratio to GDP (in percent)</i>	<i>-2.0</i>	<i>1.0</i>	<i>-5.4</i>	<i>-6.6</i>	<i>-1.9</i>	<i>-11.5</i>	<i>-7.6</i>	<i>-9.5</i>	<i>-7.4</i>	<i>-8.3</i>	<i>-9.2</i>	<i>-9.4</i>	<i>-6.4</i>	<i>-6.6</i>	<i>-6.5</i>
Primary Balance¹	17.5	119.9	-142.7	-294.1	33.7	-406.5	-193.5	-424.8	-195.6	-311.9	-292.2	-440.9	-167.5	-249.5	-195.8
<i>Ratio to GDP (in percent)</i>	<i>0.4</i>	<i>2.5</i>	<i>-3.0</i>	<i>-5.3</i>	<i>0.8</i>	<i>-9.8</i>	<i>-4.6</i>	<i>-8.2</i>	<i>-4.5</i>	<i>-6.5</i>	<i>-6.3</i>	<i>-7.8</i>	<i>-3.4</i>	<i>-4.6</i>	<i>-3.7</i>
Financing²	582.0	150.1	65.5	78.6	800.6	747.4	500.2	446.9	1,187.0	532.9	610.7	-78.4	1,070.1	-48.4	653.9
Foreign Borrowings	91.8	25.7	55.0	12.4	51.3	248.7	127.1	173.7	-63.4	188.3	162.6	43.9	221.7	59.9	-17.5
Domestic Borrowings	490.3	124.4	10.5	66.2	749.3	498.7	373.1	273.2	1,250.3	344.6	448.1	-122.3	848.4	-108.2	671.5
Total Change in Cash: Deposit/Withdrawal (-)	355.0	156.5	-269.6	-466.5	655.0	45.1	55.6	-54.0	602.5	-25.9	184.4	-694.8	650.2	192.5	-124.7

Details may not add up to total due to rounding.

¹ Primary balance is the government fiscal balance excluding interest payments.

² Based on the revised data on financing, which are sourced from the National Government Cash Operations of the Bureau of the Treasury (BTr) to conform with the Government Finance Statistics Manual (GFSM) 2014 concept where reporting of debt amortization reflects the actual principal repayments to creditor including those serviced by the Bond Sinking Fund (BSF), while financing includes gross proceeds of liability management transactions such as bond exchange

. Rounds off to zero

† Revised

Source of Data: Bureau of the Treasury (BTr) and PSA

4 CONSUMER PRICE INDEX IN THE PHILIPPINES (2018=100)

for periods indicated; quarterly averages

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	101.6	102.1	102.5	103.3	104.2	104.0	104.9	106.3	108.4	108.2	109.2	110.1	112.0	114.1	116.3
Food and Non-Alcoholic Beverages	101.4	100.9	101.6	102.7	103.9	104.3	103.6	106.5	110.0	108.0	108.6	109.2	112.0	113.3	116.0
Food Items	101.2	100.7	101.4	102.5	103.7	104.0	103.4	106.5	110.2	108.1	108.7	109.3	112.2	113.7	116.4
Alcoholic Beverages and Tobacco	106.7	108.9	112.5	119.7	124.9	127.5	130.3	134.0	139.1	141.4	142.5	143.7	146.1	151.0	155.7
Non-Food	101.5	102.6	102.7	103.0	103.6	103.0	104.7	105.1	106.2	107.1	108.4	109.4	110.8	113.2	115.1
Clothing and Footwear	101.6	102.1	103.1	103.7	104.4	104.8	105.3	105.6	106.1	106.7	107.2	107.6	108.2	108.9	110.2
Housing, Water, Electricity, Gas and Other Fuels	102.0	102.9	102.3	102.6	103.7	103.0	103.1	103.0	104.2	104.7	106.5	107.9	109.6	111.7	113.5
Electricity, Gas and Other Fuels	101.4	102.9	98.9	98.7	100.4	97.1	96.2	95.8	98.2	99.3	104.1	108.2	112.1	118.1	120.3
Furnishings, Household Equipment and Routine Maintenance of the House	101.9	102.5	103.3	104.0	105.2	106.1	106.6	107.0	107.6	108.3	108.8	109.3	110.2	111.1	112.4
Health	102.3	103.1	104.9	105.7	106.7	107.5	108.7	109.5	110.9	111.8	112.8	113.3	113.9	114.5	115.5
Transport	99.4	102.3	101.4	101.5	100.5	97.3	106.0	107.1	109.3	111.2	113.0	115.6	118.9	127.7	130.7
Operation of Personal Transport Equipment	95.2	102.3	99.5	99.6	95.7	81.1	92.0	89.6	95.9	100.8	106.8	115.0	125.2	149.9	148.2
Information and Communication	100.2	100.3	100.4	100.5	100.6	100.7	101.0	101.1	101.3	101.4	101.6	101.7	101.9	102.0	102.1
Recreation, Sport and Culture	102.6	103.0	103.9	104.3	104.9	105.1	104.3	103.7	104.3	104.6	105.0	105.4	105.9	106.4	107.5
Education Services	101.8	102.6	105.4	105.6	105.6	105.6	105.9	106.6	106.7	106.7	106.8	107.3	107.3	107.3	109.6
Restaurants and Accommodation Services	102.6	103.2	103.9	104.4	104.9	105.3	106.0	106.6	107.9	109.3	110.1	110.3	111.1	112.3	114.6
Financial Services	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	143.3	143.3	143.3	143.3	143.3	143.3
Personal Care and Miscellaneous Good and Services	101.5	102.0	102.8	103.2	104.0	104.4	105.1	105.6	106.5	106.9	107.5	107.9	108.8	109.6	110.9

	Quarter-on-Quarter Inflation Rates (in percent)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	-0.3	0.5	0.4	0.8	0.8	-0.2	0.8	1.3	2.0	-0.2	0.9	0.8	1.8	1.8	2.0
Food and Non-Alcoholic Beverages	-1.3	-0.4	0.7	1.1	1.2	0.3	-0.6	2.8	3.2	-1.8	0.5	0.6	2.5	1.2	2.4
Food Items	-1.4	-0.6	0.7	1.2	1.2	0.3	-0.6	3.0	3.5	-2.0	0.6	0.6	2.7	1.3	2.4
Alcoholic Beverages and Tobacco	3.7	2.0	3.3	6.5	4.3	2.1	2.2	2.8	3.8	1.6	0.8	0.8	1.7	3.3	3.1
Non-Food	0.1	1.1	0.2	0.3	0.5	-0.5	1.6	0.4	1.1	0.8	1.2	0.9	1.3	2.2	1.6
Clothing and Footwear	0.7	0.5	0.9	0.6	0.6	0.4	0.5	0.3	0.5	0.5	0.5	0.3	0.5	0.7	1.2
Housing, Water, Electricity, Gas and Other Fuels	0.4	0.9	-0.6	0.3	1.0	-0.7	0.1	0.0	1.1	0.5	1.7	1.3	1.6	1.9	1.6
Electricity, Gas and Other Fuels	-0.5	1.4	-3.9	-0.2	1.7	-3.3	-0.9	-0.5	2.5	1.1	4.8	4.0	3.6	5.4	1.9
Furnishings, Household Equipment and Routine Maintenance of the House	0.7	0.6	0.8	0.6	1.2	0.8	0.5	0.4	0.5	0.7	0.5	0.4	0.9	0.8	1.2
Health	0.9	0.8	1.8	0.8	0.9	0.7	1.1	0.7	1.3	0.8	0.9	0.4	0.6	0.5	0.9
Transport	-1.8	2.9	-0.8	0.1	-1.0	-3.2	9.0	1.0	2.1	1.7	1.6	2.3	2.8	7.5	2.3
Operation of Personal Transport Equipment	-5.8	7.5	-2.8	0.1	-3.9	-15.3	13.4	-2.6	7.0	5.2	6.0	7.6	8.9	19.8	-1.1
Information and Communication	0.0	0.1	0.2	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.2	0.1	0.2	0.1	0.1
Recreation, Sport and Culture	0.4	0.5	0.8	0.4	0.6	0.2	-0.8	-0.5	0.5	0.3	0.4	0.4	0.5	0.5	1.0
Education Services	0.1	0.8	2.8	0.2	0.0	0.0	0.3	0.7	0.1	0.0	0.1	0.4	0.0	0.0	2.1
Restaurants and Accommodation Services	0.9	0.6	0.7	0.4	0.5	0.3	0.7	0.5	1.3	1.3	0.8	0.2	0.7	1.1	2.0
Financial Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.3	0.0	0.0	0.0	0.0	0.0
Personal Care and Miscellaneous Good and Services	0.6	0.4	0.8	0.5	0.7	0.4	0.7	0.5	0.8	0.4	0.5	0.4	0.8	0.8	1.2

	Year-on-Year Inflation Rates (in percent)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	3.9	3.1	1.4	1.4	2.5	1.9	2.3	2.9	4.0	4.0	4.1	3.6	3.4	5.5	6.5
Food and Non-Alcoholic Beverages	4.1	2.7	-0.1	0.0	2.5	3.3	2.0	3.7	5.8	3.6	4.8	2.5	1.8	4.9	6.8
Food Items	4.0	2.6	-0.4	-0.2	2.5	3.3	2.0	3.9	6.3	3.9	5.1	2.6	1.8	5.2	7.1
Alcoholic Beverages and Tobacco	11.8	9.0	10.6	16.3	17.0	17.1	15.9	11.9	11.4	10.9	9.4	7.3	5.0	6.8	9.2
Non-Food	3.3	3.0	2.0	1.6	2.1	0.5	1.9	2.0	2.5	4.0	3.5	4.1	4.3	5.7	6.2
Clothing and Footwear	2.6	2.5	2.8	2.8	2.7	2.6	2.1	1.8	1.7	1.8	1.9	1.9	1.9	2.1	2.7
Housing, Water, Electricity, Gas and Other Fuels	4.0	3.5	1.4	1.1	1.7	0.0	0.7	0.4	0.5	1.7	3.3	4.7	5.2	6.7	6.6
Electricity, Gas and Other Fuels	5.1	3.3	-3.1	-3.1	-1.0	-5.6	-2.7	-3.0	-2.2	2.2	8.2	13.0	14.2	19.0	15.6
Furnishings, Household Equipment and Routine Maintenance of the House	3.2	3.0	2.9	2.7	3.2	3.5	3.1	2.9	2.2	2.1	2.1	2.1	2.4	2.6	3.3
Health	3.8	3.8	4.3	4.2	4.3	4.2	3.6	3.5	3.9	4.0	3.8	3.5	2.8	2.5	2.4
Transport	1.7	2.4	0.3	0.3	1.1	-4.9	4.5	5.5	8.8	14.3	6.6	8.0	8.7	14.9	15.7
Operation of Personal Transport Equipment	0.9	1.6	-4.2	-1.5	0.6	-20.7	-7.5	-10.0	0.1	24.3	16.1	28.4	30.6	48.7	38.7
Information and Communication	0.3	0.4	0.3	0.4	0.4	0.4	0.6	0.6	0.6	0.7	0.6	0.6	0.7	0.6	0.5
Recreation, Sport and Culture	4.4	4.4	3.0	2.1	2.3	2.0	0.4	-0.6	-0.6	-0.5	0.7	1.6	1.6	1.8	2.4
Education Services	4.2	3.8	3.7	3.8	3.7	2.9	0.4	0.9	1.0	1.0	0.9	0.7	0.6	0.6	2.6
Restaurants and Accommodation Services	4.6	3.6	3.2	2.7	2.3	2.0	2.0	2.1	2.8	3.8	3.9	3.5	2.9	2.8	4.1
Financial Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.3	43.3	43.3	43.3	0.0	0.0
Personal Care and Miscellaneous Good and Services	2.5	2.3	2.4	2.3	2.4	2.4	2.3	2.3	2.4	2.4	2.2	2.1	2.2	2.5	3.2

Source of basic data: PSA

4a CONSUMER PRICE INDEX IN THE NATIONAL CAPITAL REGION (2018=100)

for periods indicated; quarterly averages

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	101.6	102.3	102.4	103.2	103.5	103.3	103.8	105.5	106.7	106.0	107.0	107.8	109.0	111.1	113.2
Food and Non-Alcoholic Beverages	101.2	101.4	102.4	104.7	105.0	104.8	104.4	109.8	111.9	108.2	109.0	109.4	110.7	113.3	116.6
Food Items	101.0	101.2	102.3	104.8	105.1	104.9	104.4	110.3	112.6	108.5	109.4	109.7	111.2	114.0	117.4
Alcoholic Beverages and Tobacco	102.7	103.4	105.0	110.2	112.8	114.1	115.5	118.5	123.3	124.2	125.2	126.7	128.5	131.9	134.9
Non-Food	101.7	102.6	102.3	102.4	102.7	102.4	103.2	103.3	103.9	104.5	105.6	106.7	107.7	109.7	111.1
Clothing and Footwear	101.5	101.6	101.9	102.2	102.6	102.7	103.0	103.3	103.5	103.8	103.7	103.9	104.4	105.0	106.1
Housing, Water, Electricity, Gas and Other Fuels	102.0	103.1	101.7	101.9	102.0	101.4	101.0	101.2	102.3	102.0	103.5	105.4	106.6	107.8	108.2
Electricity, Gas and Other Fuels	102.2	103.2	96.2	96.5	95.2	91.2	89.5	89.8	92.2	91.6	96.3	102.7	105.2	111.5	105.7
Furnishings, Household Equipment and															
Routine Maintenance of the House	101.3	101.7	101.9	102.2	104.1	105.8	105.9	106.0	106.1	106.7	107.0	107.2	108.6	109.8	110.4
Health	101.3	101.6	102.3	102.4	103.3	103.5	104.4	104.7	105.4	105.7	106.7	107.0	107.1	107.6	107.8
Transport	100.4	102.1	101.3	101.1	100.1	98.9	105.1	104.5	106.1	107.5	109.2	111.5	114.9	123.1	126.1
Operation of Personal Transport Equipment	95.6	101.1	98.6	98.0	94.3	81.0	90.6	87.7	93.8	98.6	104.8	112.6	124.0	149.3	146.4
Information and Communication	100.2	100.2	100.4	100.4	100.4	100.5	100.6	100.6	100.6	100.7	101.0	101.0	101.2	101.1	101.0
Recreation, Sport and Culture	101.8	102.0	102.1	102.2	102.6	102.6	102.3	101.6	101.7	101.8	101.9	101.9	102.2	102.8	103.3
Education Services	102.3	103.3	105.9	106.2	106.3	106.3	106.4	106.3	106.6	106.6	106.5	106.5	106.5	106.5	112.2
Restaurants and Accommodation Services	102.8	103.9	104.3	104.7	105.3	105.4	105.9	106.2	105.7	108.2	109.1	109.1	109.5	111.3	114.4
Financial Services	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	146.0	146.0	146.0	146.0	146.0	146.0
Personal Care and Miscellaneous Good and Serv	101.2	101.3	102.1	102.5	103.5	103.8	104.0	104.2	105.2	105.2	105.8	106.0	106.8	107.4	108.1

Quarter-on-Quarter Inflation Rates (in percent)

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	0.1	0.7	0.1	0.8	0.3	-0.2	0.5	1.6	1.1	-0.7	0.9	0.8	1.1	2.0	1.8
Food and Non-Alcoholic Beverages	-0.8	0.2	1.0	2.2	0.3	-0.1	-0.4	5.1	1.9	-3.3	0.7	0.3	1.2	2.4	2.9
Food Items	-0.9	0.2	1.1	2.4	0.3	-0.2	-0.4	5.6	2.1	-3.6	0.8	0.3	1.3	2.5	3.0
Alcoholic Beverages and Tobacco	0.8	0.7	1.5	4.9	2.3	1.2	1.3	2.5	4.1	0.7	0.9	1.1	1.5	2.6	2.2
Non-Food	0.4	0.9	-0.4	0.2	0.3	-0.3	0.7	0.1	0.6	0.6	1.0	1.0	1.0	1.8	1.3
Clothing and Footwear	0.6	0.1	0.3	0.3	0.4	0.1	0.3	0.2	0.2	0.3	-0.1	0.2	0.4	0.6	1.0
Housing, Water, Electricity, Gas and Other Fuels	0.8	1.0	-1.4	0.2	0.1	-0.6	-0.3	0.2	1.1	-0.3	1.5	1.8	1.1	1.2	0.3
Electricity, Gas and Other Fuels	0.3	1.0	-6.8	0.3	-1.4	-4.1	-1.9	0.3	2.7	-0.7	5.2	6.6	2.4	6.0	-5.2
Furnishings, Household Equipment and															
Routine Maintenance of the House	0.5	0.4	0.2	0.4	1.8	1.6	0.1	0.1	0.1	0.5	0.3	0.2	1.3	1.2	0.5
Health	0.2	0.3	0.7	0.1	0.8	0.2	0.9	0.3	0.7	0.3	0.9	0.3	0.1	0.5	0.2
Transport	-1.2	1.7	-0.8	-0.2	-1.0	-1.1	6.3	-0.6	1.6	1.3	1.6	2.1	3.0	7.1	2.5
Operation of Personal Transport Equipment	-4.5	5.7	-2.5	-0.6	-3.7	-14.1	11.9	-3.2	6.9	5.2	6.3	7.5	10.1	20.3	-1.9
Information and Communication	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.3	0.0	0.2	-0.1	-0.1
Recreation, Sport and Culture	0.3	0.1	0.1	0.2	0.4	0.0	-0.3	-0.7	0.1	0.1	0.1	0.1	0.3	0.6	0.5
Education Services	-0.1	1.0	2.5	0.3	0.1	0.0	0.1	-0.1	0.3	0.0	-0.1	0.0	0.0	0.0	5.4
Restaurants and Accommodation Services	0.8	1.0	0.4	0.4	0.6	0.1	0.5	0.3	-0.5	2.4	0.9	0.0	0.3	1.7	2.8
Financial Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46.0	0.0	0.0	0.0	0.0	0.0
Personal Care and Miscellaneous Good and Serv	0.6	0.1	0.8	0.3	1.0	0.2	0.3	0.1	1.0	0.0	0.6	0.2	0.7	0.6	0.6

Year-on-Year Inflation Rates (in percent)

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	3.7	3.0	1.2	1.7	1.9	1.0	1.4	2.2	3.0	2.5	3.1	2.2	2.2	4.9	5.8
Food and Non-Alcoholic Beverages	3.6	3.3	0.3	2.6	3.7	3.4	2.0	4.9	6.6	3.2	4.4	-0.4	-1.1	4.7	7.0
Food Items	3.3	3.3	0.1	2.8	4.0	3.6	2.1	5.2	7.1	3.5	4.8	-0.5	-1.3	5.0	7.3
Alcoholic Beverages and Tobacco	7.2	2.5	3.5	8.2	9.8	10.3	10.0	7.5	9.4	8.8	8.4	6.9	4.2	6.2	7.7
Non-Food	3.7	2.8	1.6	1.1	1.0	-0.2	0.9	0.8	1.2	2.1	2.3	3.3	3.7	4.9	5.2
Clothing and Footwear	2.5	1.8	1.6	1.3	1.1	1.1	1.1	1.1	0.9	1.1	0.7	0.6	0.8	1.2	2.3
Housing, Water, Electricity, Gas and Other Fuels	4.1	3.0	1.0	0.7	-0.1	-1.7	-0.7	-0.7	0.4	0.6	2.4	4.2	4.1	5.7	4.5
Electricity, Gas and Other Fuels	7.1	2.6	-5.8	-5.2	-6.9	-11.6	-7.0	-6.9	-3.1	0.4	7.6	14.4	14.1	21.7	9.8
Furnishings, Household Equipment and															
Routine Maintenance of the House	2.4	1.6	1.5	1.5	2.8	4.1	4.0	3.7	2.0	0.8	1.0	1.1	2.3	3.0	3.2
Health	2.8	2.1	1.5	1.3	1.9	1.9	2.1	2.2	2.0	2.2	2.2	2.2	1.6	1.8	1.0
Transport	2.8	2.6	0.1	-0.5	-0.3	-3.1	3.8	3.4	6.1	8.7	3.9	6.7	8.2	14.4	15.4
Operation of Personal Transport Equipment	0.4	-0.1	-4.8	-2.1	-1.4	-19.9	-8.0	-10.5	-0.6	21.8	15.6	28.4	32.3	51.3	39.7
Information and Communication	0.5	0.3	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.4	0.4	0.6	0.4	0.0
Recreation, Sport and Culture	3.3	2.8	1.4	0.7	0.8	0.6	0.3	-0.6	-0.8	-0.8	-0.5	0.3	0.5	1.0	1.4
Education Services	5.9	4.9	3.4	3.7	3.9	2.9	0.5	0.1	0.3	0.3	0.1	0.2	-0.1	-0.1	5.4
Restaurants and Accommodation Services	5.3	4.1	3.7	2.6	2.4	1.4	1.5	1.4	0.3	2.7	3.0	2.8	3.6	2.9	4.9
Financial Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46.0	46.0	46.0	46.0	0.0	0.0
Personal Care and Miscellaneous Good and Serv	2.1	1.4	1.9	1.9	2.3	2.4	1.9	1.7	1.6	1.3	1.7	1.8	1.5	2.1	2.1

Source of basic data: PSA

4b CONSUMER PRICE INDEX IN AREAS OUTSIDE THE NATIONAL CAPITAL REGION (2018=100)

for periods indicated; quarterly averages

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	101.6	102.0	102.5	103.3	104.3	104.2	105.1	106.5	108.8	108.7	109.7	110.6	112.8	114.8	117.1
Food and Non-Alcoholic Beverages	101.4	100.8	101.5	102.4	103.7	104.1	103.5	105.9	109.6	108.0	108.5	109.2	112.2	113.3	115.9
Food	101.3	100.6	101.2	102.1	103.5	103.9	103.2	105.8	109.8	108.0	108.6	109.2	112.4	113.6	116.3
Alcoholic Beverages and Tobacco	107.6	110.0	114.0	121.7	127.4	130.3	133.4	137.3	142.5	145.0	146.2	147.3	149.9	155.0	160.1
Non-Food	101.5	102.5	102.9	103.2	103.9	103.2	105.2	105.6	106.9	107.9	109.2	110.2	111.7	114.3	116.3
Clothing and Footwear	101.6	102.2	103.3	104.0	104.7	105.2	105.7	106.1	106.7	107.3	107.9	108.3	109.0	109.7	111.0
Housing, Water, Electricity, Gas and Other Fuels	101.9	102.8	102.6	102.9	104.3	103.5	103.8	103.7	104.8	105.6	107.5	108.8	110.7	113.0	115.4
Electricity, Gas and Other Fuels	101.2	102.8	99.5	99.3	101.7	98.7	98.0	97.3	99.8	101.3	106.1	109.7	113.9	119.9	124.2
Furnishings, Household Equipment and Routine Maintenance of the House	102.1	102.7	103.7	104.5	105.5	106.1	106.8	107.3	108.0	108.7	109.3	109.8	110.6	111.5	113.0
Health	102.5	103.4	105.4	106.4	107.3	108.2	109.5	110.4	111.9	113.0	114.0	114.5	115.3	115.9	117.0
Transport	99.2	102.3	101.4	101.6	100.5	96.9	106.2	107.6	110.1	112.0	113.8	116.5	119.8	128.8	131.8
Operation of Personal Transport Equipment	95.1	102.6	99.7	99.9	96.0	81.2	92.3	89.9	96.3	101.3	107.2	115.4	125.4	150.0	148.5
Information and Communication	100.2	100.3	100.4	100.6	100.7	100.8	101.2	101.3	101.5	101.6	101.8	102.0	102.2	102.3	102.5
Recreation, Sport and Culture	102.7	103.3	104.3	104.8	105.4	105.7	104.7	104.1	104.8	105.2	105.7	106.1	106.7	107.2	108.4
Education Services	101.6	102.3	105.3	105.4	105.4	105.4	105.8	106.7	106.7	106.7	106.9	107.6	107.6	107.6	108.7
Restaurants and Accommodation Services	102.5	102.9	103.7	104.2	104.8	105.2	106.1	106.7	108.7	109.7	110.5	110.8	111.7	112.7	114.7
Financial Services	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	142.7	142.7	142.7	142.7	142.7	142.7
Personal Care and Miscellaneous Good and Services	101.6	102.1	102.9	103.4	104.1	104.6	105.4	106.0	106.8	107.4	107.9	108.3	109.3	110.1	111.5

	Quarter-on-Quarter Inflation Rates (in percent)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	-0.4	0.4	0.5	0.7	1.0	-0.1	0.9	1.3	2.2	-0.1	0.9	0.8	2.0	1.8	2.0
Food and Non-Alcoholic Beverages	-1.4	-0.6	0.6	0.9	1.3	0.4	-0.6	2.4	3.5	-1.4	0.5	0.6	2.8	1.0	2.3
Food	-1.5	-0.7	0.6	0.9	1.4	0.4	-0.7	2.6	3.7	-1.6	0.5	0.6	2.9	1.0	2.3
Alcoholic Beverages and Tobacco	4.3	2.3	3.6	6.8	4.7	2.2	2.4	2.9	3.8	1.8	0.8	0.8	1.7	3.4	3.3
Non-Food	0.1	1.1	0.3	0.4	0.6	-0.6	1.9	0.4	1.2	0.9	1.2	0.9	1.4	2.3	1.7
Clothing and Footwear	0.6	0.6	1.0	0.7	0.7	0.4	0.5	0.3	0.6	0.6	0.6	0.4	0.6	0.7	1.2
Housing, Water, Electricity, Gas and Other Fuels	0.3	0.9	-0.3	0.3	1.4	-0.8	0.3	-0.1	1.1	0.8	1.8	1.2	1.7	2.1	2.1
Electricity, Gas and Other Fuels	-0.7	1.5	-3.1	-0.3	2.5	-3.0	-0.7	-0.6	2.5	1.5	4.8	3.4	3.9	5.2	3.6
Furnishings, Household Equipment and Routine Maintenance of the House	0.7	0.6	1.0	0.7	1.0	0.6	0.6	0.5	0.7	0.7	0.6	0.5	0.8	0.8	1.3
Health	1.0	0.9	2.0	0.9	0.9	0.8	1.2	0.8	1.4	0.9	0.9	0.4	0.7	0.5	1.0
Transport	-1.9	3.1	-0.8	0.2	-1.0	-3.6	9.6	1.4	2.3	1.7	1.6	2.4	2.8	7.5	2.3
Operation of Personal Transport Equipment	-6.1	7.9	-2.9	0.2	-3.9	-15.4	13.6	-2.6	7.1	5.2	5.8	7.7	8.6	19.6	-1.0
Information and Communication	0.0	0.1	0.1	0.2	0.1	0.1	0.4	0.1	0.2	0.1	0.2	0.2	0.2	0.1	0.1
Recreation, Sport and Culture	0.4	0.5	1.0	0.4	0.6	0.3	-1.0	-0.5	0.7	0.3	0.4	0.4	0.6	0.5	1.1
Education Services	0.1	0.7	2.9	0.1	0.0	0.0	0.3	0.9	0.0	0.0	0.2	0.6	0.0	0.0	1.0
Restaurants and Accommodation Services	1.0	0.4	0.8	0.5	0.5	0.4	0.8	0.6	1.8	1.0	0.7	0.3	0.8	0.9	1.7
Financial Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42.7	0.0	0.0	0.0	0.0	0.0
Personal Care and Miscellaneous Good and Services	0.6	0.5	0.8	0.5	0.6	0.5	0.8	0.5	0.8	0.5	0.5	0.4	0.9	0.8	1.2

	Year-on-Year Inflation Rates (in percent)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	3.9	3.1	1.4	1.3	2.7	2.1	2.5	3.1	4.3	4.4	4.4	3.9	3.7	5.6	6.7
Food and Non-Alcoholic Beverages	4.2	2.6	-0.2	-0.4	2.3	3.3	2.0	3.5	5.7	3.7	4.9	3.1	2.4	4.9	6.8
Food	4.1	2.4	-0.5	-0.7	2.2	3.3	2.0	3.7	6.1	3.9	5.2	3.2	2.4	5.2	7.1
Alcoholic Beverages and Tobacco	12.8	10.4	12.1	18.0	18.4	18.4	17.0	12.8	11.8	11.3	9.6	7.3	5.2	6.9	9.5
Non-Food	3.2	3.0	2.1	1.8	2.4	0.7	2.2	2.3	3.0	4.6	3.8	4.3	4.5	5.9	6.5
Clothing and Footwear	2.6	2.6	3.0	3.0	3.1	2.9	2.4	2.0	1.8	2.0	2.1	2.1	2.2	2.3	2.8
Housing, Water, Electricity, Gas and Other Fuels	4.0	3.6	1.5	1.2	2.4	0.6	1.2	0.8	0.5	2.1	3.6	4.9	5.6	7.0	7.3
Electricity, Gas and Other Fuels	4.5	3.4	-2.4	-2.6	0.5	-4.0	-1.6	-1.9	-1.9	2.6	8.3	12.7	14.2	18.4	17.1
Furnishings, Household Equipment and Routine Maintenance of the House	3.4	3.3	3.2	3.1	3.4	3.3	3.0	2.7	2.3	2.4	2.4	2.4	2.5	2.5	3.4
Health	4.0	4.1	4.9	4.9	4.7	4.6	3.9	3.8	4.3	4.4	4.1	3.7	3.0	2.6	2.6
Transport	1.6	2.3	0.3	0.5	1.3	-5.3	4.7	5.9	9.5	15.5	7.2	8.2	8.8	15.0	15.8
Operation of Personal Transport Equipment	1.0	2.0	-4.1	-1.3	1.0	-20.9	-7.4	-10.0	0.3	24.8	16.2	28.4	30.2	48.1	38.6
Information and Communication	0.3	0.4	0.4	0.4	0.5	0.5	0.8	0.7	0.8	0.8	0.6	0.7	0.7	0.7	0.6
Recreation, Sport and Culture	4.7	4.7	3.3	2.4	2.6	2.4	0.4	-0.6	-0.5	-0.5	0.9	1.9	1.8	1.9	2.6
Education Services	3.6	3.4	3.8	3.9	3.7	3.0	0.5	1.2	1.2	1.2	1.1	0.8	0.8	0.8	1.7
Restaurants and Accommodation Services	4.3	3.4	3.0	2.7	2.2	2.2	2.2	2.4	3.8	4.3	4.2	3.8	2.8	2.7	3.8
Financial Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42.7	42.7	42.7	42.7	0.0	0.0
Personal Care and Miscellaneous Good and Services	2.6	2.6	2.5	2.4	2.4	2.4	2.4	2.4	2.6	2.7	2.3	2.2	2.3	2.6	3.4

Source of basic data: PSA

5 MONETARY INDICATORS¹

as of end periods indicated; in billion pesos

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ^P	Q2 ^{P*}	Q3 ^P
A. Liquidity															
1. M4 (2 + 7)	13,565	13,787	14,025	14,950	15,138	15,585	15,584	16,244	16,183	16,466	16,797	17,541	17,520	17,832	17,932
2. M3: Broad Money Liabilities (3 + 6)	11,584	11,802	12,028	12,976	13,065	13,523	13,498	14,222	14,171	14,399	14,622	15,343	15,267	15,434	15,385
% to GDP	62.3	62.5	62.8	66.5	66.9	71.9	73.8	79.2	79.3	77.8	77.3	79.0	76.5	74.9	72.5
3. M2 (4 + 5)	10,977	11,181	11,408	12,293	12,379	12,808	12,832	13,564	13,486	13,737	14,010	14,770	14,622	14,882	14,895
% to GDP	59.0	59.2	59.5	63.0	63.3	68.1	70.2	75.6	75.4	74.2	74.1	76.1	73.2	72.3	70.2
4. M1: Currency Outside Depository Corporations and Transferable Deposits (Narrow Money)	3,889	3,940	4,097	4,500	4,805	4,950	5,029	5,456	5,474	5,620	5,758	6,200	6,270	6,379	6,301
% to GDP	20.9	20.9	21.4	23.1	24.6	26.3	27.5	30.4	30.6	30.4	30.5	31.9	31.4	31.0	29.7
a. Currency Outside Depository Corporations (Currency in Circulation)	1,189	1,182	1,181	1,396	1,420	1,542	1,533	1,732	1,647	1,640	1,681	1,877	1,864	1,843	1,821
b. Transferable Deposits (Demand Deposits)	2,701	2,758	2,916	3,105	3,385	3,407	3,496	3,724	3,828	3,980	4,077	4,323	4,406	4,536	4,479
5. Other Deposits Included in Broad Money	7,088	7,241	7,311	7,793	7,574	7,859	7,803	8,108	8,011	8,117	8,252	8,569	8,351	8,503	8,594
a. Savings Deposits	4,571	4,576	4,667	4,969	4,994	5,252	5,396	5,718	5,825	5,948	6,075	6,252	6,157	6,242	6,111
b. Time Deposits	2,517	2,665	2,644	2,824	2,580	2,606	2,407	2,390	2,186	2,169	2,177	2,318	2,194	2,261	2,483
6. Securities Other Than Shares Included in Broad Money	607	621	620	683	686	714	666	658	685	661	612	574	646	552	490
7. Transferable and Other Deposits in Foreign Currency - Residents	1,982	1,985	1,998	1,974	2,073	2,062	2,085	2,023	2,012	2,068	2,175	2,197	2,253	2,398	2,547
8. Liabilities Excluded from Broad Money	2,942	2,959	3,220	3,226	3,127	3,400	3,657	3,794	3,754	3,934	4,135	4,035	4,039	4,303	4,486
B. Domestic Claims	11,789	12,007	12,415	13,318	13,116	13,504	13,419	13,943	13,855	14,226	14,454	15,082	14,979	15,612	16,077
1. Net Claims on Central Government	1,782	1,751	1,924	2,364	2,166	2,675	2,795	3,087	3,189	3,417	3,478	3,762	3,710	3,943	4,052
Claims on Central Government	2,940	3,039	2,991	2,953	3,448	4,011	4,212	4,431	5,220	5,430	5,707	5,327	5,893	5,757	6,044
Less: Liabilities to Central Government	1,158	1,288	1,067	589	1,282	1,337	1,417	1,345	2,031	2,013	2,229	1,565	2,184	1,815	1,992
2. Claims on Other Sectors	10,007	10,256	10,491	10,954	10,949	10,829	10,624	10,856	10,666	10,808	10,976	11,320	11,269	11,669	12,026
Claims on Other Financial Corporations	1,111	1,125	1,175	1,232	1,171	1,165	1,177	1,145	1,121	1,155	1,185	1,231	1,169	1,174	1,236
Claims on State and Local Government	92	95	97	99	99	98	99	104	105	109	117	128	139	149	157
Claims on Public Nonfinancial Corporations	261	243	240	260	255	231	232	266	257	270	268	268	260	267	257
Claims on Private Sector	8,543	8,793	8,979	9,363	9,424	9,335	9,116	9,341	9,183	9,275	9,406	9,694	9,701	10,078	10,375
C. Net Foreign Assets	4,718	4,739	4,831	4,858	5,150	5,481	5,821	6,096	6,082	6,175	6,478	6,493	6,580	6,523	6,341
1. Bangko Sentral ng Pilipinas	4,326	4,280	4,364	4,399	4,476	4,663	4,876	5,303	5,234	5,319	5,449	5,574	5,583	5,548	5,447
Claims on Non-Residents	4,411	4,361	4,446	4,479	4,556	4,742	4,952	5,379	5,311	5,397	5,670	5,794	5,809	5,775	5,682
Less: Liabilities to Non-Residents	84	81	82	80	80	78	76	76	77	77	221	219	226	227	235
2. Other Depository Corporations	392	459	467	459	674	818	945	793	848	856	1,029	919	997	975	894
Claims on Non-Residents	1,513	1,583	1,694	1,655	1,678	1,667	1,781	1,773	1,712	1,741	1,869	1,883	1,895	1,895	2,018
Less: Liabilities to Non-Residents	1,121	1,125	1,227	1,196	1,004	849	836	980	864	885	841	965	898	920	1,124

	YEAR-ON-YEAR CHANGE (in percent)														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
A. Liquidity															
1. M4 (2 + 7)	6.0	6.4	6.8	9.8	11.6	13.0	11.1	8.7	6.9	5.7	7.8	8.0	8.3	8.3	6.8
2. M3: Broad Money Liabilities (3 + 6)	6.1	6.6	7.6	11.5	12.8	14.6	12.2	9.6	8.5	6.5	8.3	7.9	7.7	7.2	5.2
3. M2 (4 + 5)	4.7	5.3	6.5	10.9	12.8	14.6	12.5	10.3	8.9	7.3	9.2	8.9	8.4	8.3	6.3
4. M1: Currency Outside Depository Corporations and Transferable Deposits (Narrow Money)	6.1	5.5	10.2	15.7	23.5	25.6	22.8	21.2	13.9	13.5	14.5	13.6	14.5	13.5	9.4
a. Currency Outside Depository Corporations (Currency in Circulation)	12.5	12.5	10.8	13.3	19.4	30.5	29.9	24.1	16.0	6.4	9.6	8.4	13.2	12.4	8.4
b. Transferable Deposits (Demand Deposits)	3.5	2.8	10.0	16.8	25.4	23.5	19.9	20.0	13.1	16.8	16.6	16.1	15.1	14.0	9.9
5. Other Deposits Included in Broad Money	4.0	5.2	4.6	8.4	6.9	8.5	6.7	4.0	5.8	3.3	5.8	5.7	4.2	4.8	4.1
a. Savings Deposits	2.1	-0.1	-0.5	6.4	9.3	14.8	15.6	15.1	16.6	13.3	12.6	9.3	5.7	4.9	0.6
b. Time Deposits	7.7	15.8	15.0	12.1	2.5	-2.2	-8.9	-15.3	-15.3	-16.8	-9.6	-3.0	0.4	4.3	14.0
6. Securities Other Than Shares Included in Broad Money	38.4	37.6	31.2	21.4	13.1	15.1	7.5	-3.7	-0.1	-7.4	-8.1	-12.7	-5.7	-16.5	-19.9
7. Transferable and Other Deposits in Foreign Currency - Residents	5.6	4.8	2.2	0.3	4.6	3.9	4.4	2.5	-2.9	0.3	4.3	8.6	12.0	16.0	17.1
8. Liabilities Excluded from Broad Money	12.3	6.4	12.3	11.8	6.3	14.9	13.5	17.6	20.1	15.7	13.1	6.3	7.6	9.4	8.5
B. Domestic Claims	9.2	7.2	7.6	10.7	11.3	12.5	8.1	4.7	5.6	5.3	7.7	8.2	8.1	9.7	11.2
1. Net Claims on Central Government	0.2	-3.6	5.4	23.7	21.6	52.8	45.3	30.6	47.2	27.8	24.4	21.9	16.3	15.4	16.5
Claims on Central Government	18.3	18.9	15.4	9.8	17.3	32.0	40.9	50.1	51.4	35.4	35.5	20.2	12.9	6.0	5.9
Less: Liabilities to Central Government	63.6	74.3	39.4	-24.4	10.7	3.8	32.8	128.1	58.4	50.6	57.3	16.4	7.5	-9.9	-10.6
2. Claims on Other Sectors	11.0	9.2	8.0	8.2	9.4	5.6	1.3	-0.9	-2.6	-0.2	3.3	4.3	5.7	8.0	9.6
Claims on Other Financial Corporations	26.3	17.5	12.8	13.2	5.4	3.6	0.2	-7.1	-4.3	-0.9	0.6	7.5	4.3	1.7	4.3
Claims on State and Local Government	12.3	16.7	16.0	13.3	7.3	2.5	1.6	4.8	6.0	11.2	18.2	23.0	33.3	37.6	34.5
Claims on Public Nonfinancial Corporations	-7.0	-10.9	-3.6	-0.4	-2.3	-4.7	-3.2	2.4	0.8	16.7	15.7	0.8	1.1	-1.1	-4.3
Claims on Private Sector	9.9	8.9	7.7	7.8	10.3	6.2	1.5	-0.2	-2.6	-0.6	3.2	3.8	5.6	8.7	10.3
C. Net Foreign Assets	2.1	4.4	8.3	8.9	9.1	15.7	20.5	25.5	18.1	12.7	11.3	6.5	8.2	5.6	-2.1
1. Bangko Sentral ng Pilipinas	4.7	5.3	9.7	7.6	3.5	9.0	11.7	20.5	16.9	14.1	11.8	5.1	6.7	4.3	.
Claims on Non-Residents	4.6	5.1	9.4	7.4	3.3	8.7	11.4	20.1	16.6	13.8	14.5	7.7	9.4	7.0	0.2
Less: Liabilities to Non-Residents	-2.6	-4.8	-6.1	-3.8	-5.1	-3.5	-6.7	-5.1	-3.6	-1.7	190.0	187.7	192.3	194.2	6.5
2. Other Depository Corporations	-20.3	-3.4	-3.2	23.3	71.9	78.3	102.3	72.8	25.9	4.6	8.9	15.9	17.5	13.9	-13.1
Claims on Non-Residents	10.6	15.2	16.9	10.2	10.9	5.3	5.1	7.2	2.0	4.4	5.0	6.2	10.7	8.8	7.9
Less: Liabilities to Non-Residents	28.0	25.1	27.0	5.9	-10.4	-24.5	-31.9	-18.0	-14.0	4.3	0.6	-1.6	3.9	3.9	33.7

Details may not add up to total due to rounding.

¹ Based on the Standardized Report Forms (SRFs), a unified framework for reporting monetary and financial statistics to the International Monetary Fund (IMF).

^r revised

^p preliminary

^{*} Rounds off to zero

Source: Bangko Sentral ng Pilipinas (BSP)

6 SELECTED DOMESTIC INTEREST RATES

for periods indicated; in percent per annum

	NOMINAL INTEREST RATES														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Bank Interest Rates															
Interbank Call Loans	5.1365	5.0769	4.5025	4.0458	3.6567	3.1745	1.9038	1.8982	1.5517	1.5643	1.8303	1.9397	1.8904	1.9986	3.3610
Savings Deposits ^{1,2}	1.3480	1.3090	1.2780	0.9890	0.2106 ^P	0.2173 ^P	0.2115 ^P	0.1643 ^P	0.1119 ^P	0.1130 ^P	0.1213 ^P	0.1432 ^P	0.1211 ^P	0.1206 ^P	-
Time Deposits (All Maturities) ¹	4.7470	4.5340	3.5270	3.1280	1.9967 ^P	1.4036 ^P	0.6331 ^P	0.4866 ^P	0.4494 ^P	0.4551 ^P	0.4683 ^P	0.4686 ^P	0.4407 ^P	0.6716 ^P	-
Lending Rates¹															
High	8.3720	8.5076	7.8361	7.3549	10.9953 ^P	10.6378 ^P	10.5084 ^P	9.7973 ^P	9.4673 ^P	9.8961 ^P	9.9204 ^P	10.5724 ^P	10.5796 ^P	10.1452 ^P	-
Low	5.6607	5.8173	5.4369	5.0724	6.0356 ^P	6.2042 ^P	6.0424 ^P	5.5743 ^P	5.5042 ^P	5.6089 ^P	5.5603 ^P	5.6425 ^P	5.4175 ^P	5.2079 ^P	-
All Maturities ³	7.1230	7.2950	7.1590	6.7960	7.0853 ^P	7.2156 ^P	7.2358 ^P	6.6338 ^P	6.1089 ^P	6.3235 ^P	5.9943 ^P	5.8471 ^P	5.7456 ^P	5.7120 ^P	-
Bangko Sentral Rates⁴															
Overnight Lending Facility (OLF)	5.2500	5.0000	4.5000	4.5000	3.7500	2.7500	2.7500	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	3.0000	4.7500
Overnight Reverse Repurchase (RRP) Facility	4.7500	4.5000	4.0000	4.0000	3.2500	2.2500	2.2500	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.5000	4.2500
Overnight Deposit Facility (ODF)	4.2500	4.0000	3.5000	3.5000	2.7500	1.7500	1.7500	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	2.0000	3.7500
Term Deposit Facility (TDF)															
7-day	5.0076	4.6621	4.4166	4.3206	3.7583	2.2505	1.8433	1.7040	1.8597	1.7889	1.7498	1.7759	1.9609	2.6867	4.3143
14-day	4.9831	4.6240	4.3589	4.2776	3.7557	2.2504	1.8377	1.7115	1.8280	1.7261	1.7371	1.7428	1.9325	2.6647	4.2959
28-day	5.0567	4.7002	4.4391	4.3337	3.7757	2.2508	1.8485	1.7003	1.8727	1.8114	1.7443	1.8011	1.9806	2.7102	4.3428
BSP Securities⁵															
28-day	..	..	4.4577	4.3542	3.7436	..	1.8426	..	..	..	..	..	..	..	..
Rate on Government Securities															
Treasury Bills (All Maturities)															
35-Day	5.9415	5.4743	3.7611	3.3083	3.5066	2.4743	1.5377	1.4921	1.3996	1.5810	1.3598	1.3994	1.2221	1.7424	2.8875
91-Day	5.5836	5.2038	3.4150	3.1183	3.1608	2.5157	1.2641	1.0461	1.0241	1.2344	1.0668	1.1294	1.0015	1.4465	2.0619
182-Day	5.9998	5.5521	3.7227	3.2289	3.4498	2.5228	1.5482	1.4817	1.3183	1.5547	1.3963	1.4085	1.1785	1.7960	3.2662
364-Day	6.0978	5.6268	4.0402	3.5284	3.7887	2.6641	1.7883	1.7450	1.6668	1.7978	1.6086	1.6170	1.5140	2.1213	3.3621

	REAL INTEREST RATES ⁶														
	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Bank Interest Rates															
Interbank Call Loans	1.2365	1.9769 ^f	3.1025	2.6458	1.1567 ^f	1.2745	-0.3962	-1.0018	-2.4483	-2.4357	-2.2697 ^f	-1.6603	-1.5096	-3.5014	-3.1390
Savings Deposits ^{1,2}	-2.5520	-1.7910 ^f	-0.1220	-0.4110	-2.2894 ^P	-1.6827 ^P	-2.0885 ^P	-2.7357 ^P	-3.8881 ^P	-3.8870 ^P	-3.9787 ^P	-3.4568 ^P	-3.2789 ^P	-5.3794 ^P	-
Time Deposits (All Maturities) ¹	0.8470	1.4340 ^f	2.1270	1.7280	-0.5033 ^P	-0.4964 ^P	-1.6669 ^P	-2.4134 ^P	-3.5506 ^P	-3.5449 ^P	-3.6317 ^P	-3.1314 ^P	-2.9593 ^P	-4.8284 ^P	-
Lending Rates¹															
High	4.4720	5.4076 ^f	6.4361	5.9549	8.4953 ^P	8.7378 ^P	8.2084 ^P	6.8973 ^P	5.4673 ^P	5.8961 ^P	5.8204 ^P	6.9724 ^P	7.1796 ^P	4.6452 ^P	-
Low	1.7607	2.7173 ^f	4.0369	3.6724	3.5356 ^P	4.3042 ^P	3.7424 ^P	2.6743 ^P	1.5042 ^P	1.6089 ^P	1.4603 ^P	2.0425 ^P	2.0175 ^P	-0.2921 ^P	-
All Maturities ³	3.2230	4.1950 ^f	5.7590	5.3960	4.5853 ^P	5.3156 ^P	4.9358 ^P	3.7338 ^P	2.1089 ^P	2.3235 ^P	1.8943 ^P	2.2471 ^P	2.3456 ^P	0.2120 ^P	-
Bangko Sentral Rates⁴															
Overnight Lending Facility (OLF)	1.8500	2.3000	4.0000	2.1000	1.5500	0.4500	0.5500	-0.8000	-1.6000	-1.2000	-1.7000	-0.6000	-1.5000	-3.1000	-2.1500
Overnight Reverse Repurchase (RRP) Facility	1.3500	1.8000	3.5000	1.6000	1.0500	-0.0500	0.0500	-1.3000	-2.1000	-1.7000	-2.2000	-1.1000	-2.0000	-3.6000	-2.6500
Overnight Deposit Facility (ODF)	0.8500	1.3000	3.0000	1.1000	0.5500	-0.5500	-0.4500	-1.8000	-2.6000	-2.2000	-2.7000	-1.6000	-2.5000	-4.1000	-3.1500
Term Deposit Facility (TDF)															
7-day	1.6076	1.9621	3.9166	1.9206	1.5583	-0.0495	-0.3567	-1.5960	-2.2403	-1.9111	-2.4502	-1.3241	-2.0391	-3.4133	-2.5857
14-day	1.5831	1.9240	3.8589	1.8776	1.5557	-0.0496	-0.3623	-1.5885	-2.2720	-1.9739	-2.4629	-1.3572	-2.0675	-3.4353	-2.6041
28-day	1.6567	2.0002	3.9391	1.9337	1.5757	-0.0492	-0.3515	-1.5997	-2.2273	-1.8886	-2.4557	-1.2989	-2.0194	-3.3898	-2.5572
BSP Securities⁵															
28-day	..	..	3.9577	1.9542	1.5436	..	-0.3574	..	..	..	..	..	..	..	..
Rate on Government Securities															
Treasury Bills (All Maturities)															
35-Day	2.0415	2.3743 ^f	2.3611	1.9083	1.0066 ^f	0.5743	-0.7623	-1.4079	-2.6004	-2.4190	-2.7402	-2.2006	-2.1779	-3.7576	-3.6125
91-Day	1.6836	2.1038 ^f	2.0150	1.7183	0.6608 ^f	0.6157	-1.0359	-1.8539	-2.9759	-2.7656	-3.0332	-2.4706	-2.3985	-4.0535	-4.4381
182-Day	2.0998	2.4521 ^f	2.3227	1.8289	0.9497 ^f	0.6228	-0.7518	-1.4183	-2.6817	-2.4453	-2.7037	-2.1915	-2.2215	-3.7040	-3.2338
364-Day	2.1978	2.5268 ^f	2.6402	2.1284	1.2887 ^f	0.7641	-0.5118	-1.4550	-2.3332	-2.2022	-2.4914	-1.9830	-1.8860	-3.3787	-3.1379

¹ Starting 1 January 2020, universal and commercial banks (U/KBs) are required to submit the amended reporting templates on banks' lending and deposit rates or Interest Rates on Loans and Deposits (IRLD) in accordance with Circular Nos. 1029 and 1037, series of 2019.

Data beginning January 2020 are preliminary estimates as of 25 October 2022. Bank submissions with interest rates of 100% and above were excluded per account code from the computation per the Department of Supervisory Analytics (DSA) and Supervisory Policy and Research Department's (SPRD) definition of outliers.

² Refers to the interest rate based on reporting U/KBs' interest expense and outstanding peso-denominated deposits

³ Refers to the interest rate based on reporting U/KBs' interest income and outstanding peso-denominated loans

⁴ End-of-Period: Beginning 3 June 2016, the BSP has shifted its monetary operations to an interest rate corridor (IRC) system. The Overnight Lending Facility (OLF) and Overnight Deposit Facility (ODF) served as the upper and lower bounds, respectively, of the IRC system. The repurchase (RP) and Special Deposit Account (SDA) windows were replaced by standing OLF and ODF, respectively. The reverse repurchase (RRP) facility was modified to a purely overnight RRP. In addition, the term deposit facility (TDF) served as the main tool for absorbing liquidity.

⁵ End-of-Period: Beginning 18 September 2020, the BSP has offered BSP Securities as part of its initiative to shift to more market-based monetary operations. The inclusion of BSP Securities' issuance in the standard monetary operations of the BSP provides an additional instrument for managing liquidity in the financial system and supports the implementation of monetary policy under the Interest Rate Corridor (IRC) framework. For its initial offering, the BSP auctioned 28-day BSP Bills with an indicative offer volume of about P20 billion, subject to confirmation two days before the actual auction date.

⁶ Nominal interest rate less inflation rate with base year 2018. Starting 2019 onwards CPI was rebased to 2018=100 only.

- Not available

.. No Transaction/No Quotation/No Issue

.. Blank

^f Preliminary

^P Revised

Sources: BSP and BTR

7 NUMBER OF FINANCIAL INSTITUTIONS¹
as of period indicated

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 [†]	Q3 [‡]
TOTAL	25,849	26,287	26,747	27,217	24,613	27,841	28,067	28,240	28,548	28,915	29,111	29,111	29,274	29,399	29,421
Head Offices	1,868	1,866	1,881	1,870	1,880	1,881	1,874	1,879	1,894	1,913	1,917	1,920	1,920	1,929	1,930
Branches/Agencies	23,981	24,421	24,866	25,347	22,733	25,960	26,193	26,361	26,654	27,002	27,194	27,191	27,354	27,470	27,491
A. BANKS	12,427	12,543	12,688	12,870	12,905	12,912	12,964	13,044	13,089	13,126	13,175	13,154	13,195	13,190	13,218
Head Offices	569	554	552	547	542	541	537	535	528	523	517	506	499	498	498
Branches/Agencies	11,858	11,989	12,136	12,323	12,363	12,371	12,427	12,509	12,561	12,603	12,658	12,648	12,696	12,692	12,720
1. Universal and Commercial Banks	6,660	6,676	6,865	6,915	6,991	6,995	7,008	7,029	7,039	7,041	7,048	7,038	7,223	7,181	7,187
Head Offices	46	46	46	46	46	46	46	46	46	46	46	46	45	45	45
Branches/Agencies	6,614	6,630	6,819	6,869	6,945	6,949	6,962	6,983	6,993	6,995	7,002	6,992	7,178	7,136	7,142
2. Thrift Banks	2,666	2,720	2,616	2,683	2,656	2,654	2,667	2,685	2,735	2,770	2,751	2,738	2,568	2,575	2,583
Head Offices	53	51	51	50	49	48	48	48	48	48	47	47	45	43	43
Branches/Agencies	2,613	2,669	2,565	2,633	2,607	2,606	2,619	2,637	2,687	2,722	2,704	2,691	2,523	2,532	2,540
a. Savings and Mortgage Banks	1,921	1,988	1,879	1,948	1,893	1,895	1,905	1,918	1,960	1,991	2,004	2,013	1,843	1,851	-
Head Offices	23	23	22	22	21	21	21	21	21	21	21	21	20	19	-
Branches/Agencies	1,898	1,965	1,857	1,926	1,872	1,874	1,884	1,897	1,939	1,970	1,983	1,992	1,823	1,832	-
b. Private Development Banks	435	422	426	429	457	457	460	463	465	467	434	436	439	446	-
Head Offices	17	15	16	16	16	16	16	16	16	16	15	15	15	15	-
Branches/Agencies	418	407	410	413	441	441	444	447	449	451	419	421	424	431	-
c. Stock Savings and Loan Associations	305	305	306	306	306	302	302	304	310	312	313	289	286	278	-
Head Offices	12	12	12	12	12	11	11	11	11	11	11	11	10	9	-
Branches/Agencies	293	293	294	294	294	291	291	293	299	301	302	278	276	269	-
d. Microfinance Banks	5	5	5	0	0	0	0	0	0	0	0	0	0	0	-
Head Offices	1	1	1	0	0	0	0	0	0	0	0	0	0	0	-
Branches/Agencies	4	4	4	0	0	0	0	0	0	0	0	0	0	0	-
3. Rural Banks	3,101	3,147	3,207	3,272	3,258	3,263	3,289	3,330	3,315	3,315	3,376	3,378	3,402	3,430	3,442
Head Offices	470	457	455	451	447	447	443	441	434	429	424	413	407	406	404
Branches/Agencies	2,631	2,690	2,752	2,821	2,811	2,816	2,846	2,889	2,881	2,886	2,952	2,965	2,995	3,024	3,038
4. Digital Banks ²	0	0	0	0	0	0	0	0	0	0	0	0	0	2	4
Head Offices	0	0	0	0	0	0	0	0	0	0	0	0	0	2	4
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. NON-BANKING FINANCIAL INSTITUTIONS³	13,420	13,742	14,058	14,346	14,707	14,928	15,102	15,195	15,458	15,788	15,935	15,956	16,078	16,208	16,202 [‡]
Head Offices	1,297	1,310	1,328	1,322	1,337	1,339	1,336	1,343	1,365	1,389	1,399	1,413	1,420	1,430	1,431 [‡]
Branches/Agencies	12,123	12,432	12,730	13,024	13,370	13,589	13,766	13,852	14,093	14,399	14,536	14,543	14,658	14,778	14,771 [‡]
1. Investment Houses	24	24	24	14	14	14	14	14	14	14	14	14	14	14	3
Head Offices	14	14	14	13	13	13	13	13	13	13	13	13	13	13	3
Branches/Agencies	10	10	10	1	1	1	1	1	1	1	1	1	1	1	0
2. Finance Companies	171	174	180	180	179	179	179	180	181	181	176	176	176	176	17
Head Offices	23	23	24	24	23	23	23	24	25	25	25	25	25	25	3
Branches/Agencies	148	151	156	156	156	156	156	156	156	156	151	151	151	151	14
3. ABB Forex Corporations	4	4	4	2	2	2	2	2	2	2	2	2	2	2	-
Head Offices	4	4	4	2	2	2	2	2	2	2	2	2	2	2	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4. Investment Companies	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-
Head Offices	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
5. Securities Dealers/Brokers	13	13	13	13	13	13	14	13	13	13	13	13	13	13	-
Head Offices	13	13	13	13	13	13	14	13	13	13	13	13	13	13	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
6. Pawnshops	12,879	13,190	13,497	13,801	14,162	14,381	14,553	14,641	14,899	15,228	15,369	15,388	15,506	15,632	15,632
Head Offices	1,051	1,062	1,076	1,077	1,092	1,092	1,088	1,090	1,108	1,131	1,139	1,152	1,156	1,162	1,162
Branches/Agencies	11,828	12,128	12,421	12,724	13,070	13,289	13,465	13,551	13,791	14,097	14,230	14,236	14,350	14,470	14,470
7. Lending Investors	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-
Head Offices	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
8. Non-Stock Savings and Loan Associations	200	200	200	200	200	200	200	200	201	200	199	198	199	199	199
Head Offices	63	63	63	63	63	63	63	63	63	62	61	60	60	60	60
Branches/Agencies	137	137	137	137	137	137	137	137	138	138	138	138	139	139	139
9. Government Non-Banks ⁴	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2
Head Offices	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Venture Capital Corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Head Offices	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
11. Credit Card Companies	5	5	5	5	5	5	4	4	4	4	4	4	4	4	-
Head Offices	5	5	5	5	5	5	4	4	4	4	4	4	4	4	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
12. Other Non-Bank with QBF	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Head Offices	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Electronic Money Issuer	10	18	21	24	25	27	29	34	37	38	50	53	56	59	-
Head Offices	10	12	15	18	19	21	22	27	30	31	34	36	39	42	-
Branches/Agencies	0	6	6	6	6	6	7	7	7	7	16	17	17	17	-
14. Remittance Agent	1	1	1	0	0	0	0	0	0	0	0	0	0	0	-
Head Offices	1	1	1	0	0	0	0	0	0	0	0	0	0	0	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
15. Credit Granting Entities	9	9	9	9	9	9	9	9	9	9	9	9	9	9	-
Head Offices	9	9	9	9	9	9	9	9	9	9	9	9	9	9	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
16. Trust Corporations ⁵	3	3	3	4	4	4	4	4	4	5	5	5	5	6	-
Head Offices	3	3	3	4	4	4	4	4	4	5	5	5	5	6	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
17. Private Insurance Companies ⁶	94	94	94	87	87	87	87	87	87	87	87	87	87	87	87
Head Offices	94	94	94	87	87	87	87	87	87	87	87	87	87	87	87
Branches/Agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. OFF-SHORE BANKING UNITS	2	2</													

8 TOTAL RESOURCES OF THE FINANCIAL SYSTEM ¹

as of periods indicated; in billion pesos

Institutions	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ^{p,r}	Q1 ^{p,r}	Q2 ^{p,r}	Q3 ^p
TOTAL	21,206	21,596	22,189	23,155	23,048	23,494	23,671	24,555	24,572	25,028	25,392	26,226	26,267	26,791	27,421
Banks	17,387	17,589	18,030	18,712	18,781	19,093	19,264	20,028	20,039	20,403	20,695	21,440	21,461	22,016	22,646
Universal and Commercial Banks ²	15,814	16,019	16,568	17,216	17,346	17,620	17,786	18,527	18,544	18,823	19,091	19,761	20,135	20,652	21,325
Thrift Banks ²	1,298	1,288	1,177	1,204	1,144	1,176	1,177	1,192	1,177	1,256	1,269	1,338	968	988	945
Rural Banks ²	275	283	285	291	291	298	301	308	318	324	334	341	359	375	375 ^a
Non-Banks ³	3,819	4,006	4,159	4,443	4,267	4,400	4,407	4,527	4,532	4,626	4,698	4,786	4,805	4,775	4,775 ^a

Notes: Details may not add up to total due to rounding.

Data on Rural and Cooperative Banks are based on Financial Reporting Package (FRP).

¹ Excludes the Bangko Sentral ng Pilipinas

² Data from March 2008 onwards are derived from the sectoral balance sheet, which are reported to the IMF using the Standardized Report Forms (SRFs). Assets are reported gross of allowance for probable losses and depreciation.

³ Include BSP-supervised Investment Houses, Financing Companies, Investment Companies, Securities Dealers/Brokers, Pawnshops, Lending Investors, Non-Stock Savings and Loan Associations (NSSLAs), Credit Card Companies, Government Non-bank Financial Institutions (i.e., Philippine Guarantee Corporation and Small Business Corporation), and Authorized Agent Banks (AAB) Forex Corporations, wherein assets are reported gross of allowance for probable losses and net of depreciation. Data on non-banks are based on Consolidated Statement of Condition (CSOC), except for NSSLAs which is based on Financial Reporting Package (FRP). Non-bank institutions also include Social Security System (SSS), Government Service Insurance System (GSIS), and private insurance companies (i.e., life insurance companies, non-life insurance companies, and professional reinsurers), wherein assets are reported net of allowance for probable losses and depreciation.

^p Preliminary

^r Revised

^a As of end-June 2022

Source: BSP

9 RATIOS OF NON-PERFORMING LOANS (NPL) AND LOAN LOSS PROVISIONS (LLP) TO TOTAL LOANS OF THE BANKING SYTEM¹

as of periods indicated; in percent

	GROSS NPL/TOTAL LOANS ²				NET NPL/TOTAL LOANS ²				LLP/TOTAL LOANS			
	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks
2019												
Mar	2.061	1.509	5.881	11.636	1.069	0.675	4.310	4.605	1.972	1.776	2.786	8.842
Jun	2.099	1.562	5.901	11.385	1.132	0.743	4.387	4.713	1.958	1.769	2.764	8.572
Sep	2.154	1.661	6.009	11.431	1.119	0.767	4.345	4.963	1.979	1.794	2.910	8.391
Dec	2.044	1.573	6.006	10.477	1.056	0.719	4.341	4.577	1.892	1.713	2.886	8.007
2020												
Mar	2.246	1.854	5.500	11.210	1.192	0.923	3.867	4.987	2.052	1.895	2.865	8.261
Jun	2.568	2.148	5.793	13.473	1.321	1.061	3.497	7.109	2.800	2.647	3.621	8.631
Sep	3.505	2.947	8.072	15.550	2.088	1.687	5.627	9.355	3.175	3.032	3.918	8.470
Dec	3.632	3.113	7.908	14.670	2.004	1.605	5.705	8.452	3.377	3.253	3.975	8.140
2021												
Mar	4.206	3.725	8.103	14.354	2.394	2.041	5.613	8.077	3.501	3.352	4.363	8.368
Jun	4.482	4.035	8.187	14.126	2.510	2.206	5.323	7.679	3.692	3.536	4.701	8.398
Sep	4.436	3.991	8.194	14.240	2.419	2.128	5.217	7.240	3.745	3.569	4.972	8.794
Dec	3.972	3.554	7.741	12.844	2.109	1.850	4.735	6.312	3.484	3.298	4.920	8.522
2022												
Mar	4.082	3.735	8.122	12.638	2.112	1.933	4.422	5.855	3.608	3.443	5.214	8.612
Jun	3.596	3.255	7.779	10.869	1.794	1.616	4.250	4.774	3.491	3.342	4.919	7.844
Sep	3.434 ^p	3.097	7.539	10.869 ^a	1.689 ^p	1.511	4.129	4.774 ^a	3.512 ^p	3.373	4.808	7.844 ^a

Note: Details may not add up to total due to rounding.

¹ Includes transactions of local banks' foreign offices but excludes banks under liquidation.

² Starting January 2013, NPL data are based on BSP Circular No. 772. Gross NPL represents the actual level of NPL without any adjustment for loans treated as "loss" and fully provisioned.

As a complementary measure to computing gross NPL, banks shall likewise compute their net NPLs, which shall refer to gross NPLs less specific allowance for credit losses on the total loan portfolio.

^p Preliminary

^a As of end-June 2022

Source: BSP

9a TOTAL LOANS, NON-PERFORMING LOANS (NPL) AND LOAN LOSS PROVISIONS (LLP) OF THE BANKING SYSTEM ¹

as of periods indicated; in billion pesos

	TOTAL LOANS				GROSS NON-PERFORMING LOANS (GNPL) ²				NET NON-PERFORMING LOANS (NNPL) ²				LOAN LOSS PROVISIONS (LLP)			
	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks
2019																
Mar	9,989.163	8,918.522	925.944	144.697	205.858	134.564	54.458	16.836	106.745	60.169	39.912	6.663	196.974	158.379	25.801	12.794
Jun	10,288.556	9,204.615	935.267	148.674	215.907	143.793	55.187	16.927	116.419	68.377	41.034	7.008	201.421	162.826	25.852	12.744
Sep	10,564.232	9,552.943	860.726	150.563	227.604	158.671	51.723	17.210	118.178	73.308	37.397	7.473	209.070	171.386	25.049	12.634
Dec	10,966.112	9,953.964	860.307	151.840	224.105	156.527	51.670	15.908	115.848	71.552	37.347	6.949	207.507	170.518	24.831	12.158
2020																
Mar	11,092.659	10,137.354	803.596	151.709	249.184	187.980	44.197	17.007	132.256	93.616	31.075	7.566	227.630	192.078	23.020	12.532
Jun	10,818.834	9,883.909	786.993	147.933	277.807	212.283	45.593	19.931	142.959	104.918	27.524	10.517	302.927	261.662	28.496	12.769
Sep	10,678.788	9,736.050	791.193	151.545	374.304	286.877	63.862	23.565	222.925	164.225	44.523	14.177	339.028	295.195	30.997	12.836
Dec	10,872.565	9,919.479	795.353	157.732	394.867	308.832	62.895	23.140	217.876	159.172	45.373	13.332	367.165	322.713	31.613	12.840
2021																
Mar	10,660.782	9,718.023	782.618	160.141	448.440	362.039	63.414	22.987	255.204	198.345	43.925	12.934	373.282	325.734	34.147	13.401
Jun	10,775.713	9,843.688	771.877	160.148	482.991	397.178	63.190	22.623	270.510	217.122	41.089	12.298	397.790	348.054	36.288	13.449
Sep	10,964.317	10,039.796	759.829	164.693	486.362	400.649	62.260	23.453	265.201	213.634	39.644	11.924	410.606	358.346	37.777	14.482
Dec	11,391.128	10,457.131	767.285	166.711	452.453	371.645	59.396	21.413	240.295	193.439	36.334	10.523	396.823	344.864	37.751	14.207
2022																
Mar	11,280.548	10,566.577	540.460	173.512	460.458	394.631	43.898	21.929	238.292	204.234	23.897	10.160	406.975	363.854	28.178	14.943
Jun	11,715.927	10,960.620	567.419	187.889	421.311	356.752	44.137	20.422	210.210	177.124	24.116	8.970	409.000	366.350	27.913	14.737
Sep	12,090.994 ^P	11,314.629	588.476	187.889 ^a	415.226 ^P	350.436	44.368	20.422 ^a	204.250 ^P	170.981	24.299	8.970 ^a	424.643 ^P	381.610	28.296	14.737 ^a

Note: Details may not add up to total due to rounding.

¹ Includes transactions of local banks' foreign offices but excludes banks under liquidation.

² Starting January 2013, NPL data are based on BSP Circular No. 772. Gross NPL represents the actual level of NPL without any adjustment for loans treated as "loss" and fully provisioned.

As a complementary measure to computing gross NPL, banks shall likewise compute their net NPLs, which shall refer to gross NPLs less specific allowance for credit losses on the total loan portfolio.

^P Preliminary

^a As of end-June 2022

Source: Bangko Sentral ng Pilipinas

10 STOCK MARKET TRANSACTIONS

volume in million shares; value in million pesos
for periods indicated

	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
VOLUME	118,437.27	68,292.75	94,723.73	50,850.46	65,360.84	58,308.42	227,395.93	1,111,456.22	2,345,286.98	201,823.42	112,485.34	96,592.18	131,151.85	98,882.93	52,487.86
Financials	988.08	849.69	948.76	707.92	894.66	1,110.29	1,544.96	1,720.23	1,350.63	723.74	942.35	928.30	888.52	656.61	645.44
Industrial	8,503.59	11,244.40	6,961.13	6,795.33	8,505.36	8,932.34	9,586.76	15,068.73	32,976.97	14,143.04	13,153.67	23,184.48	23,095.87	10,697.37	11,025.29
Holding Firms	15,166.19	8,336.65	8,209.33	8,993.59	6,511.73	6,837.23	4,727.80	8,092.88	14,319.64	5,935.71	5,554.15	5,859.38	5,125.50	3,615.71	5,001.55
Property	10,488.32	10,661.23	11,569.70	8,124.49	8,775.65	7,017.17	10,250.43	21,317.21	28,198.17	26,496.03	21,169.91	9,725.57	10,067.67	9,828.11	7,646.22
Services	22,320.22	10,736.35	12,499.88	5,679.05	9,838.84	10,370.52	16,028.72	56,854.96	196,525.03	57,374.31	49,315.70	32,261.81	71,894.09	66,639.06	19,267.72
Mining and Oil	59,639.12	25,970.92	53,799.51	20,170.32	30,638.17	21,218.37	182,401.93	1,005,670.39	2,069,633.42	96,579.08	21,882.35	24,264.45	18,811.41	5,320.09	7,370.37
SME (in thousand shares)	1,331,137.77	493,010.10	734,728.79	379,173.63	192,707.49	2,821,206.14	2,854,207.59	2,730,315.40	2,281,162.52	569,661.68	465,856.66	367,003.90	1,267,688.07	2,124,539.54	1,529,988.14
ETF (in thousand shares)	615.90	504.87	689.96	593.11	3,731.60	1,305.85	1,126.42	1,519.46	1,948.67	1,856.85	1,341.72	1,198.48	1,091.47	1,443.14	1,276.99
VALUE	488,944.71	443,994.24	442,192.02	397,447.97	400,594.39	390,596.08	394,547.48	585,161.03	670,374.41	422,653.23	475,354.26	664,138.39	495,937.53	421,415.84	414,108.50
Financials	71,699.61	69,698.97	67,156.74	61,878.65	58,705.13	63,509.14	46,145.28	104,624.24	63,543.45	46,667.51	40,869.00	60,541.33	66,721.36	50,197.05	51,702.19
Industrial	83,951.13	88,542.93	84,172.39	60,437.96	74,440.53	74,463.46	85,602.88	81,652.88	144,567.01	96,417.73	127,131.56	251,615.82	122,724.75	83,607.12	96,506.76
Holding Firms	127,680.38	97,898.87	103,251.91	134,980.92	98,857.38	92,863.59	100,533.81	111,229.96	119,811.99	66,980.56	78,048.77	99,067.28	88,776.17	68,403.27	89,100.67
Property	95,409.31	101,224.12	98,445.18	68,185.02	102,444.66	64,214.23	71,695.25	86,561.06	85,032.36	98,899.45	98,195.52	86,084.10	83,519.43	88,716.34	88,696.64
Services	101,331.64	77,768.03	70,051.23	63,291.93	61,278.24	82,590.90	68,851.03	168,864.41	213,961.01	98,975.77	118,170.52	153,948.54	111,535.53	113,956.73	67,703.84
Mining and Oil	6,453.15	8,090.87	14,772.38	7,280.99	4,105.81	4,169.97	11,052.12	19,849.22	28,122.28	11,760.50	10,160.58	11,535.39	20,757.41	14,288.18	18,898.11
SME (in thousand pesos)	2,347,074.10	710,905.94	4,259,331.31	1,323,137.39	420,402.32	8,669,032.86	10,564,737.92	12,224,699.14	15,134,539.44	2,768,166.37	1,843,299.99	1,214,738.26	1,782,993.83	2,099,822.82	1,375,310.08
ETF (in thousand pesos)	72,405.52	59,547.11	82,847.94	69,350.11	342,221.15	115,749.35	102,373.35	154,568.69	201,772.46	183,541.56	137,270.61	131,188.25	119,897.94	147,333.74	124,985.50
Composite Index (end of period)	7,920.93	7,999.71	7,779.07	7,815.26	5,321.23	6,207.72	5,864.23	7,139.71	6,443.09	6,901.91	6,952.88	7,122.63	7,203.47	6,155.43	5,741.07

Note: Details may not add up due to rounding.
Source: Philippine Stock Exchange (PSE)

11 PHILIPPINES: BALANCE OF PAYMENTS

in million US dollars

	2019				2020				2021 ^P				2022 ^P			Growth Rates (in %)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3 2022 ^P
Current Account	-1,728	-785	-192	-342	57	5,242	3,095	3,185	-83	-1,263	-974	-3,689	-4,187	-7,828	-5,800	-495.2
<i>(Totals as percent of GNI)</i>	<i>-1.8</i>	<i>-0.8</i>	<i>-0.2</i>	<i>-0.3</i>	<i>0.1</i>	<i>5.9</i>	<i>3.3</i>	<i>2.9</i>	<i>-0.1</i>	<i>-1.2</i>	<i>-1.0</i>	<i>-3.1</i>	<i>-4.2</i>	<i>-7.2</i>	<i>-5.9</i>	
<i>(Totals as percent of GDP)</i>	<i>-2.0</i>	<i>-0.8</i>	<i>-0.2</i>	<i>-0.3</i>	<i>0.1</i>	<i>6.4</i>	<i>3.6</i>	<i>3.0</i>	<i>-0.1</i>	<i>-1.3</i>	<i>-1.1</i>	<i>-3.3</i>	<i>-4.4</i>	<i>-7.6</i>	<i>-6.2</i>	
Export	32,117	33,767	35,461	35,543	31,412	25,068	31,289	32,097	30,915	31,063	34,114	34,093	33,252	33,501	37,180	9.0
Import	33,845	34,552	35,654	35,885	31,355	19,826	28,194	28,913	30,998	32,325	35,088	37,782	37,439	41,328	42,980	22.5
Goods, Services, and Primary Income	-8,438	-7,517	-7,243	-7,798	-6,556	-887	-4,211	-4,153	-7,087	-8,142	-8,722	-11,519	-11,461	-14,952	-13,670	-56.7
Export	25,188	26,817	28,244	27,894	24,564	18,732	23,799	24,531	23,625	23,931	26,167	26,051	25,760	26,189	29,112	11.3
Import	33,625	34,334	35,488	35,692	31,121	19,620	28,010	28,684	30,712	32,072	34,889	37,570	37,222	41,141	42,782	22.6
Goods and Services	-9,759	-8,689	-8,487	-9,338	-7,646	-1,761	-5,127	-5,375	-7,656	-9,251	-9,308	-12,503	-12,620	-16,253	-15,040	-61.6
<i>(Totals as percent of GNI)</i>	<i>-10.4</i>	<i>-8.5</i>	<i>-8.4</i>	<i>-8.0</i>	<i>-7.9</i>	<i>-2.0</i>	<i>-5.5</i>	<i>-4.8</i>	<i>-8.2</i>	<i>-9.0</i>	<i>-9.8</i>	<i>-10.7</i>	<i>-12.6</i>	<i>-15.0</i>	<i>-15.2</i>	
<i>(Totals as percent of GDP)</i>	<i>-11.5</i>	<i>-9.3</i>	<i>-9.3</i>	<i>-8.7</i>	<i>-8.7</i>	<i>-2.1</i>	<i>-6.0</i>	<i>-5.0</i>	<i>-8.5</i>	<i>-9.3</i>	<i>-10.1</i>	<i>-11.1</i>	<i>-13.2</i>	<i>-15.9</i>	<i>-16.2</i>	
Export	21,953	23,475	24,972	24,341	21,397	16,142	20,857	21,638	20,829	21,032	22,927	23,002	22,808	23,144	25,499	11.2
Import	31,712	32,164	33,459	33,678	29,042	17,904	25,984	27,013	28,486	30,283	32,235	35,505	35,428	39,397	40,540	25.8
Goods	-12,293	-12,126	-12,339	-12,553	-10,671	-4,676	-8,979	-9,450	-11,123	-12,187	-13,207	-16,290	-15,744	-19,205	-19,427	-47.1
<i>(Totals as percent of GNI)</i>	<i>-13.1</i>	<i>-11.8</i>	<i>-12.2</i>	<i>-10.7</i>	<i>-11.1</i>	<i>-5.2</i>	<i>-9.7</i>	<i>-8.5</i>	<i>-12.0</i>	<i>-11.9</i>	<i>-13.9</i>	<i>-13.9</i>	<i>-15.7</i>	<i>-17.8</i>	<i>-19.6</i>	
<i>(Totals as percent of GDP)</i>	<i>-14.5</i>	<i>-13.0</i>	<i>-13.5</i>	<i>-11.6</i>	<i>-12.2</i>	<i>-5.7</i>	<i>-10.4</i>	<i>-8.8</i>	<i>-12.3</i>	<i>-12.3</i>	<i>-14.4</i>	<i>-14.5</i>	<i>-16.5</i>	<i>-18.7</i>	<i>-20.9</i>	
Credit: Exports	12,375	13,634	14,123	13,345	12,183	9,902	12,856	13,270	12,904	13,286	14,290	13,747	14,208	13,971	14,558	1.9
Debit: Imports	24,668	25,760	26,462	25,899	22,855	14,578	21,835	22,719	24,027	25,473	27,497	30,037	29,953	33,177	33,984	23.6
Services	2,534	3,438	3,852	3,216	3,025	2,914	3,852	4,075	3,467	2,936	3,899	3,787	3,124	2,952	4,386	12.5
Credit: Exports	9,578	9,842	10,849	10,996	9,213	6,240	8,000	8,368	7,925	7,746	8,637	9,255	8,599	9,173	10,942	26.7
Debit: Imports	7,044	6,404	6,997	7,780	6,188	3,326	4,149	4,294	4,459	4,810	4,738	5,468	5,475	6,221	6,555	38.4
Primary Income	1,321	1,171	1,244	1,540	1,090	874	916	1,222	569	1,110	586	984	1,159	1,301	1,371	133.9
Credit: Receipts	3,235	3,341	3,273	3,553	3,168	2,590	2,942	2,893	2,796	2,899	3,240	3,049	2,953	3,045	3,613	11.5
Debit: Payments	1,914	2,170	2,029	2,013	2,078	1,716	2,026	1,672	2,226	1,789	2,654	2,065	1,794	1,743	2,242	-15.5
Secondary Income	6,710	6,732	7,051	7,456	6,613	6,129	7,306	7,337	7,004	6,879	7,748	7,830	7,274	7,124	7,870	1.6
Credit: Receipts	6,930	6,950	7,217	7,649	6,848	6,336	7,490	7,566	7,290	7,132	7,947	8,042	7,491	7,312	8,068	1.5
Debit: Payments	220	218	166	193	235	207	184	229	285	253	200	212	218	188	199	-0.6
Capital Account	35	32	30	29	12	13	18	20	17	20	20	24	-19	22	18	-8.8
Credit: Receipts	41	36	34	36	22	21	21	23	22	22	26	29	28	27	26	-0.6
Debit: Payments	6	4	4	7	10	8	4	3	5	3	6	6	46	4	8	25.7
Financial Account	-5,049	-916	-440	-1,630	2,399	-373	-1,365	-7,567	4,321	-2,938	-2,636	-5,831	-4,526	-3,038	-2,756	-4.6
Net Acquisition of Financial Assets	1,033	2,758	3,244	262	2,628	2,620	5,188	2,850	3,060	2,987	2,385	1,311	296	-1,633	946	-60.3
Net Incurrence of Liabilities	6,082	3,674	3,683	1,892	229	2,993	6,553	10,416	-1,261	5,925	5,021	7,142	4,822	1,405	3,702	-26.3
Direct Investment	-1,094	-1,047	-1,007	-2,172	-868	-930	-963	-498	-2,042	-1,604	-2,326	-4,038	-1,484	-1,422	-843	63.8
Net Acquisition of Financial Assets	906	1,011	801	653	770	499	1,081	1,212	364	492	633	912	1,077	827	1,059	67.3
Net Incurrence of Liabilities	2,000	2,057	1,809	2,805	1,639	1,429	2,044	1,710	2,406	2,096	2,959	4,951	2,561	2,250	1,902	-35.7
Portfolio Investment	-2,586	-2,079	732	1,459	223	179	1,331	-3,412	8,153	-749	1,160	1,684	435	119	1,435	23.7
Net Acquisition of Financial Assets	636	-190	1,947	10	-346	1,846	3,718	1,349	4,542	1,868	1,006	382	1,278	-965	765	-23.9
Net Incurrence of Liabilities	3,223	1,889	1,214	-1,449	-569	1,667	2,387	4,761	-3,611	2,616	-154	-1,302	843	-1,084	-670	-334.9
Financial Derivatives	-40	-42	-60	-31	-74	-10	-45	-70	-99	-144	-165	-195	-219	-273	-276	-67.1
Net Acquisition of Financial Assets	-235	-233	-235	-171	-260	-168	-173	-195	-247	-288	-294	-276	-325	-414	-427	-45.2
Net Incurrence of Liabilities	-195	-192	-175	-140	-186	-159	-127	-125	-148	-144	-129	-81	-106	-141	-151	-17.2
Other Investment	-1,328	2,252	-104	-886	3,119	387	-1,687	-3,586	-1,690	-441	-1,305	-3,281	-3,258	-1,462	-3,072	-135.5
Net Acquisition of Financial Assets	-274	2,171	731	-210	2,464	442	562	484	-1,599	916	1,040	293	-1,733	-1,082	-452	-143.5
Net Incurrence of Liabilities	1,054	-81	835	676	-655	55	2,250	4,070	92	1,357	2,344	3,574	1,525	380	2,620	11.8
Net Unclassified Items	441	828	501	959	2,262	-1,451	-1,709	-1,627	1,543	-789	-407	-156	175	1,172	-1,704	-318.6
Overall BOP Position	3,797	991	778	2,277	-68	4,177	2,769	9,144	-2,844	905	1,274	2,009	495	-3,596	-4,730	-471.2
<i>(Totals as percent of GNI)</i>	<i>4.0</i>	<i>1.0</i>	<i>0.8</i>	<i>1.9</i>	<i>-0.1</i>	<i>4.7</i>	<i>3.0</i>	<i>8.2</i>	<i>-3.1</i>	<i>0.9</i>	<i>1.3</i>	<i>1.7</i>	<i>0.5</i>	<i>-3.3</i>	<i>-4.8</i>	
<i>(Totals as percent of GDP)</i>	<i>4.5</i>	<i>1.1</i>	<i>0.9</i>	<i>2.1</i>	<i>-0.1</i>	<i>5.1</i>	<i>3.2</i>	<i>8.6</i>	<i>-3.1</i>	<i>0.9</i>	<i>1.4</i>	<i>1.8</i>	<i>0.5</i>	<i>-3.5</i>	<i>-5.1</i>	
Debit: Change in Reserve Assets	3,808	980	789	2,266	-58	4,165	2,780	9,133	-2,834	895	1,285	1,999	506	-3,603	-4,713	-466.7
Credit: Change in Reserve Liabilities	11	-11	10	-11	10	-12	11	-11	11	-11	11	-11	11	-7	17	53.2

Details may not add up to total due to rounding

^P Preliminary

Technical Notes:

1. Balance of Payments Statistics are based on the IMF's Balance of Payments and International Investment Position Manual, 6th edition.

2. Financial Account, including Reserve Assets, is calculated as sum of net acquisitions of financial assets less net incurrence of liabilities.

3. Balances in the current and capital accounts are derived by deducting debit entries from credit entries.

4. Balances in the financial account are derived by deducting net incurrence of liabilities from net acquisition of financial assets.

5. Negative values of Net Acquisition of Financial Assets indicate withdrawal/disposal of financial assets; negative values of Net Incurrence of Liabilities indicate repayment of liabilities.

6. Overall BOP position is calculated as the change in the country's net international reserves (NIR), less non-economic transactions (reevaluation and gold monetization/demonetization). Alternatively, it can be derived by adding the current and capital account balances less financial account plus net unclassified items.

7. Net unclassified items is an offsetting account to the overstatement or understatement in either receipts or payments of the recorded BOP components vis-à-vis the overall BOP position.

8. Data on deposit-taking corporations, except the central bank, consist of transactions of commercial banks, thrift banks and offshore banking units (OBUs).

Source: BSP

12 INTERNATIONAL RESERVES

as of periods indicated; in million US dollars

	2019				2020				2021				2022		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
Gross International Reserves	83,613	84,932	85,582	87,840	88,861	93,470	100,443	110,117	104,484	105,763	106,596	108,794	107,309	100,854	93,000
Gold	8,214	8,016	8,016	8,016	8,016	8,016	11,595	11,605	9,113	8,875	8,849	9,333	9,403	8,937	8,334
SDRs	1,183	1,186	1,164	1,182	1,168	1,177	1,205	1,233	1,214	1,221	3,965	3,939	3,891	3,737	3,604
Foreign Investments	71,409	72,541	72,971	75,304	76,480	80,891	84,298	93,645	89,727	92,222	89,704	91,625	91,458	84,703	78,708
Foreign Exchange	2,283	2,665	2,870	2,747	2,619	2,655	2,598	2,822	3,636	2,646	3,292	3,097	1,768	2,721	1,637
Reserve Position in the Fund	525	524	561	590	578	731	748	813	794	798	786	802	790	756	716
Net International Reserves¹	83,598	84,927	85,567	87,836	88,848	93,468	100,431	110,115	104,471	105,761	106,583	108,792	107,296	100,848	92,977
Reserve Adequacy Measures															
Import Cover ²	7.2	7.3	7.4	7.6	7.8	9.2	10.5	12.3	11.7	10.6	10.1	9.7	9.1	8.0	7.0
Short-Term External Debt Cover ³															
Original Maturity ⁴	497.6	545.1	537.9	510.5	666.6	870.6	896.3	775.0	765.1	748.3	862.5	721.0	766.6	725.2	567.8
Residual Maturity ⁵	351.2	400.5	391.0	396.5	455.7	553.4	565.7	524.6	595.1	578.6	658.4	552.9	507.2	456.9	365.3

Details may not add up to total due to rounding

¹ Inclusive of gold monetization and revaluation of reserve assets and reserve-related liabilities which are excluded in the calculation of the balance of payments (BOP).

Net International Reserves (NIR) refer to the difference between Gross International Reserves (GIR) and the total of the Bangko Sentral's short-term liabilities and the Use of Fund Credits (UFC). UFC refers to the sum of outstanding drawings from the IMF under various policies and facilities, other than drawings under the reserve tranche.

² Number of months of average imports of goods and payment of services and primary income that can be financed by reserves.

³ Based on latest available outstanding short-term external debt.

⁴ Refers to adequacy of reserves to cover outstanding external short-term debt based on original maturity plus principal payments on medium-and long-term loans of the public and private sectors falling due in the next 12 months. Figures reflect data based on debt service schedule on outstanding external debt and outstanding short-term external debt as of 30 September 2022.

Source: BSP

13 EXCHANGE RATES OF THE PESO

period averages; pesos per unit of foreign currency

Period	US Dollar	Japanese Yen	Euro	Pound Sterling	Australian Dollar	Singapore Dollar	Hongkong Dollar	Malaysian Ringgit	Thailand Baht	Indonesian Rupiah	New Taiwan Dollar	South Korean Won	Chinese Yuan	Saudi Rial	Emirati Dirham	
2019	Ave	51.7958	0.4752	57.9894	66.1447	36.0008	37.9748	6.6105	12.5106	1.6686	0.0037	1.6767	0.0445	7.5021	13.8112	14.1026
	Q1	52.3571	0.4754	59.4752	68.2126	37.2996	38.6528	6.6732	12.8023	1.6562	0.0037	1.6993	0.0466	7.7609	13.9610	14.2556
	Q2	52.0591	0.4738	58.4750	66.8978	36.4156	38.1884	6.6405	12.5591	1.6475	0.0036	1.6738	0.0447	7.6297	13.8823	14.1744
	Q3	51.7676	0.4824	57.5713	63.8264	35.4755	37.6554	6.6118	12.4355	1.6863	0.0037	1.6608	0.0434	7.3796	13.8028	14.0949
	Q4	50.9993	0.4692	56.4359	65.6419	34.8126	37.4025	6.5164	12.2454	1.6842	0.0036	1.6728	0.0434	7.2381	13.5987	13.8857
2020	Ave	49.6241	0.4647	56.5701	63.6620	34.1983	35.9761	6.3982	11.8175	1.5866	0.0034	1.6853	0.0421	7.1897	13.2260	13.5112
	Q1	50.8290	0.4666	56.0530	65.1249	33.5008	36.7322	6.5413	12.1848	1.6280	0.0036	1.6892	0.0427	7.2866	13.5470	13.8393
	Q2	50.4626	0.4695	55.5438	62.6375	33.1070	35.7417	6.5104	11.6796	1.5785	0.0034	1.6886	0.0414	7.1201	13.4387	13.7395
	Q3	48.9388	0.4609	57.1669	63.1725	34.9487	35.5950	6.3144	11.6515	1.5628	0.0033	1.6688	0.0412	7.0705	13.0498	13.3247
	Q4	48.2660	0.4619	57.5167	63.7130	35.2365	35.8357	6.2267	11.7541	1.5772	0.0034	1.6944	0.0432	7.2814	12.8686	13.1415
2021	Ave	49.2546	0.4490	58.2917	67.7712	37.0012	36.6687	6.3371	11.8948	1.5425	0.0034	1.7648	0.0431	7.6363	13.1325	13.4108
	Q1	48.2800	0.4564	58.2353	66.5575	37.2906	36.2585	6.2244	11.8887	1.5972	0.0034	1.7208	0.0434	7.4521	12.8724	13.1452
	Q2	48.1806	0.4406	58.1135	67.3945	37.1194	36.1733	6.2048	11.6797	1.5372	0.0033	1.7237	0.0430	7.4612	12.8481	13.1183
	Q3	50.1065	0.4552	59.0865	69.0939	36.8303	37.0573	6.4423	11.9480	1.5230	0.0035	1.8004	0.0433	7.7444	13.3605	13.6427
	Q4	50.4513	0.4440	57.7314	68.0389	36.7645	37.1857	6.4771	12.0627	1.5126	0.0035	1.8142	0.0426	7.8875	13.4490	13.7369
2022	Ave	53.5081	0.4194	56.9467	67.2906	37.8154	38.9030	6.8310	12.3318	1.5479	0.0037	1.8311	0.0423	8.1076	14.2563	14.5693
	Q1	51.5300	0.4438	57.8860	69.2034	37.2824	38.1264	6.6032	12.2991	1.5606	0.0036	1.8431	0.0428	8.1158	13.7341	14.0309
	Q2	52.6354	0.4065	56.1059	66.2083	37.6314	38.2261	6.7086	12.1095	1.5327	0.0036	1.7918	0.0418	7.9689	14.0323	14.3318
	Q3	56.3588	0.4079	56.8483	66.4599	38.5325	40.3566	7.1813	12.5869	1.5505	0.0038	1.8584	0.0422	8.2380	15.0026	15.3453

Source: BSP

13a EXCHANGE RATES OF THE PESO

period averages; units of foreign currency per peso

Period	US Dollar	Japanese Yen	Euro	Pound Sterling	Australian Dollar	Singapore Dollar	Hongkong Dollar	Malaysian Ringgit	Thailand Baht	Indonesian Rupiah	New Taiwan Dollar	South Korean Won	Chinese Yuan	Saudi Rial	Emirati Dirham
2019 Ave	0.0193	2.1047	0.0173	0.0151	0.0278	0.0263	0.1513	0.0800	0.5994	273.1630	0.5965	22.4860	0.1334	0.0724	0.0709
Q1	0.0191	2.1036	0.0168	0.0147	0.0268	0.0259	0.1499	0.0781	0.6038	269.5659	0.5885	21.4654	0.1289	0.0716	0.0701
Q2	0.0192	2.1108	0.0171	0.0149	0.0275	0.0262	0.1506	0.0796	0.6070	274.1912	0.5975	22.3788	0.1311	0.0720	0.0705
Q3	0.0193	2.0731	0.0174	0.0157	0.0282	0.0266	0.1512	0.0804	0.5930	272.7659	0.6021	23.0442	0.1355	0.0724	0.0709
Q4	0.0196	2.1315	0.0177	0.0152	0.0287	0.0267	0.1535	0.0817	0.5937	276.1289	0.5978	23.0556	0.1382	0.0735	0.0720
2020 Ave	0.0202	2.1520	0.0177	0.0157	0.0293	0.0278	0.1564	0.0846	0.6304	292.4244	0.5934	23.7589	0.1391	0.0756	0.0740
Q1	0.0197	2.1434	0.0178	0.0154	0.0299	0.0272	0.1529	0.0821	0.6143	278.6507	0.5920	23.4217	0.1372	0.0738	0.0723
Q2	0.0198	2.1299	0.0180	0.0160	0.0302	0.0280	0.1536	0.0856	0.6335	294.4950	0.5922	24.1700	0.1404	0.0744	0.0728
Q3	0.0204	2.1698	0.0175	0.0158	0.0286	0.0281	0.1584	0.0858	0.6399	298.6283	0.5992	24.2758	0.1414	0.0766	0.0750
Q4	0.0207	2.1648	0.0174	0.0157	0.0284	0.0279	0.1606	0.0851	0.6340	297.9236	0.5902	23.1683	0.1373	0.0777	0.0761
2021 Ave	0.0203	2.2275	0.0172	0.0148	0.0270	0.0273	0.1579	0.0841	0.6486	290.5398	0.5670	23.2171	0.1310	0.0762	0.0746
Q1	0.0207	2.1910	0.0172	0.0150	0.0268	0.0276	0.1607	0.0841	0.6261	293.0476	0.5811	23.0461	0.1342	0.0777	0.0761
Q2	0.0208	2.2697	0.0172	0.0148	0.0269	0.0276	0.1612	0.0856	0.6505	299.1990	0.5802	23.2553	0.1340	0.0778	0.0762
Q3	0.0200	2.1968	0.0169	0.0145	0.0272	0.0270	0.1552	0.0837	0.6566	286.5116	0.5554	23.1134	0.1291	0.0748	0.0733
Q4	0.0198	2.2525	0.0173	0.0147	0.0272	0.0269	0.1544	0.0829	0.6611	283.4008	0.5512	23.4536	0.1268	0.0744	0.0728
2022 Ave	0.0187	2.3882	0.0176	0.0149	0.0264	0.0257	0.1466	0.0811	0.6461	272.3038	0.5462	23.6660	0.1234	0.0702	0.0687
Q1	0.0194	2.2533	0.0173	0.0145	0.0268	0.0262	0.1514	0.0813	0.6408	276.6253	0.5426	23.3630	0.1232	0.0728	0.0713
Q2	0.0190	2.4598	0.0178		0.0266	0.0262	0.1491	0.0826	0.6524	275.5802	0.5581	23.9179	0.1255	0.0713	0.0698
Q3	0.0177	2.4514	0.0176	0.0150	0.0260	0.0248	0.1393	0.0794	0.6450	264.7059	0.5381	23.7172	0.1214	0.0667	0.0652

Note: Annual data may not equal to the average of monthly data due to rounding.

Source: Bangko Sentral ng Pilipinas

13b EFFECTIVE EXCHANGE RATE INDICES OF THE PESO

1980=100; period averages

	NOMINAL			REAL ^r		
	Overall Trading Partners ¹	Advanced Trading Partners ²	Developing Trading Partners ³	Overall Trading Partners ¹	Advanced Trading Partners ²	Developing Trading Partners ³
2019	13.77	11.15	22.04	89.20	84.90	116.01
Q1	13.51	11.02	21.55	89.37	86.45	115.19
Q2	13.70	11.11	21.91	89.48	85.00	116.52
Q3	13.83	11.12	22.24	88.43	83.39	115.62
Q4	14.04	11.36	22.49	89.65	84.88	116.95
2020	14.31	11.50	23.02	94.26	89.19	122.99
Q1	14.10	11.42	22.59	93.78	90.74	120.89
Q2	14.34	11.45	23.14	94.95	89.03	124.50
Q3	14.48	11.55	23.38	94.14	88.11	123.57
Q4	14.34	11.58	23.00	94.16	88.90	123.01
2021	14.10	11.55	22.45	94.76	91.02	122.67
Q1	14.20	11.55	22.69	97.60	94.77	125.62
Q2	14.34	11.72	22.86	96.98	92.98	125.67
Q3	13.94	11.38	22.21	92.55	88.15	120.34
Q4	13.93	11.54	22.05	92.18	88.50	119.36
2022	13.70	11.59	21.45	93.39	91.63	122.49
Q1	13.69	11.44	21.56	94.17	92.59	123.37
Q2	13.94	11.83	21.79	95.23	93.26	125.04
Q3	13.48	11.50	21.00	90.77	89.04	119.07

¹ Australia, Euro Area, US, Japan, Hong Kong, Taiwan, Thailand, Indonesia, Malaysia, Singapore, South Korea, China, Saudi Arabia and United Arab Emirates (UAE)

² US, Japan, Euro Area and Australia

³ Hong Kong, Taiwan, Thailand, Indonesia, Malaysia, Singapore, South Korea, China, Saudi Arabia and UAE

^r Revised

Source: BSP

14 TOTAL EXTERNAL DEBT¹

as of periods indicated; in million US dollars

	31 December 2019				31 December 2020				31 December 2021				31 March 2022				30 June 2022				30 September 2022			
	Short-Term		Medium & Long-Term	Total	Short-Term		Medium & Long-Term	Total	Short-Term		Medium & Long-Term	Total	Short-Term		Medium & Long-Term	Total	Short-Term		Medium & Long-Term	Total				
	Trade	Non-Trade			Trade	Non-Trade			Trade	Non-Trade			Trade	Non-Trade			Trade	Non-Trade			Trade	Non-Trade		
Grand Total	3,417	13,792	66,410	83,618^a	2,219	11,989	84,279	98,488^a	2,431	12,658	91,339	106,428^a	3,048	10,950	95,755	109,753^a	3,519	10,388	93,785	107,692^a	3,646	12,732	91,532	107,910^a
Public Sector		633	42,162 ^b	42,794		414	57,706 ^b	58,119		538	63,396 ^b	63,934		843	66,531 ^b	67,374		814	64,900 ^b	65,714		1,151	63,636 ^b	64,786
Banks		633	3,174	3,807		414	3,199	3,613		538	5,823	6,361		843	5,677	6,520		814	5,361	6,175		1,151	5,165	6,315
Bangko Sentral ng Pilipinas			1,306 ^c	1,306			1,336 ^c	1,336			4,033 ^c	4,033			3,980 ^c	3,980			3,839 ^c	3,839			3,679 ^c	3,679
Others		633	1,868	2,501		414	1,864	2,277		538	1,789	2,327		843	1,697	2,541		814	1,523	2,337		1,151	1,485	2,636
Non-Banks			38,987	38,987			54,506	54,506			57,573	57,573			60,854	60,854			59,539	59,539			58,471	58,471
NG and Others			38,987	38,987			54,506	54,506			57,573	57,573			60,854	60,854			59,539	59,539			58,471	58,471
Private Sector	3,417	13,159	24,248	40,824	2,219	11,576	26,574	40,369	2,431	12,120	27,942	42,494	3,048	10,107	29,225	42,379	3,519	9,574	28,885	41,978	3,646	11,582	27,896	43,124
Banks		12,557	7,580	20,136		10,584	7,363	17,947		10,867	6,312	17,179		8,783	6,473	15,256		8,330	5,975	14,304		10,554	5,881	16,435
Foreign Bank Branches		5,078	151	5,228 ^d		5,140	71	5,211 ^d		5,703	215	5,918 ^d		4,691	227	4,918 ^d		3,948	152	4,100 ^d		4,179	168	4,346 ^d
Domestic Banks		7,479	7,429	14,908		5,444	7,291	12,736		5,164	6,097	11,261		4,092	6,246	10,338		4,381	5,823	10,204		6,375	5,714	12,089
Non-Banks	3,417	602	16,669 ^e	20,687	2,219	992	19,211 ^e	22,422	2,431	1,253	21,631 ^e	25,315	3,048	1,324	22,751 ^e	27,123	3,519	1,244	22,911	27,674	3,646	1,028	22,015 ^e	26,688

¹Covers debt owed to non-residents, with classification by borrower based on primary obligor per covering loan/rescheduling agreement/document

	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022
Exclusions:						
^a Residents' holdings of Philippine debt papers issued offshore:	17,382	15,548	19,216	20,261	20,873	21,766
Non-residents' holdings of peso-denominated debt securities	5,185	4,450	3,510	2,536	2,355	3,388
Inclusions:						
^b Cumulative foreign exchange revaluation on US \$-denominated multi-currency loans from Asian Development Bank and World Bank	-16	80	9	-6	-57	
^c Accumulated SDR allocations from the IMF	1,154	1,208	3,913	3,868	3,727	3,567
^d "Due to Head Office/Branches Abroad" (DTHOBA) accounts of branches and offshore banking units of foreign banks operating in the Philippines	3,802	3,597	3,913	2,453	2,031	3,029
^e Loans without BSP approval/registration which cannot be serviced using foreign exchange from the banking system:	6,395	5,794	8,355	8,915	7,855	7,649
Obligations under capital lease agreements	869	736	690	666	650	631

Source: BSP

15 SELECTED FOREIGN DEBT SERVICE INDICATORS

for periods indicated; in million US dollars

	2019				2020				2021 ^P				2022 ^P		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Debt Service Burden (DSB) ¹	1,734	3,104	1,357	2,506	3,008	1,579	1,508	1,441	4,136	1,373	1,908	1,524	1,265	1,866	2,136
Principal	846	2,350	530	1,907	2,220	966	881	880	3,441	953	1,276	1,114	560	1,197	962
Interest	888	754	827	599	788	613	627	560	696	420	632	409	705	669	1,175
Export Shipments (XS) ²	12,375	13,634	14,123	13,345	12,183	9,902	12,856	13,270	12,904	13,286	14,290	13,747	14,208	13,971	14,558
Exports of Goods and Receipts from Services and Income (XGSI) ^{2,3}	30,350	31,937	33,578	33,584	29,793	23,402	29,501	30,285	29,028	29,211	32,074	32,053	31,322	31,683	35,241
Current Account Receipts (CAR) ²	32,117	33,767	35,461	35,543	31,412	25,068	31,289	32,097	30,915	31,063	34,114	34,093	33,252	33,501	37,180
External Debt	80,431	81,259	82,674	83,618	81,421	87,453	91,979	98,488	97,047	101,186	105,929	106,428	109,753	107,692	107,910
Gross Domestic Product (GDP)	84,536	93,470	91,291	107,843	87,532	82,009	85,926	106,886	90,557	99,037	91,891	112,237	95,647	102,538	92,974
Gross National Income (GNI)	93,995	102,759	100,964	117,150	96,417	89,324	92,758	111,139	92,897	102,541	95,189	117,128	100,328	108,130	99,072
RATIOS (%):															
DSB to XS	14.01	22.77	9.61	18.78	24.69	15.95	11.73	10.86	32.05	10.34	13.35	11.08	8.90	13.36	14.67
DSB to XGSI	5.71	9.72	4.04	7.46	10.10	6.75	5.11	4.76	14.25	4.70	5.95	4.75	4.04	5.89	6.06
DSB to CAR	5.40	9.19	3.83	7.05	9.58	6.30	4.82	4.49	13.38	4.42	5.59	4.47	3.80	5.57	5.75
DSB to GNI	1.84	3.02	1.34	2.14	3.12	1.77	1.63	1.30	4.45	1.34	2.00	1.30	1.26	1.73	2.16
External Debt to GDP ⁴	22.88	22.71	22.58	22.19	21.42	23.71	25.30	27.23	26.60	26.47	27.29	27.01	27.52	26.77	26.81
External Debt to GNI ⁴	20.69	20.55	20.47	20.17	19.51	21.65	23.23	25.31	25.16	25.35	26.38	26.07	26.43	25.59	25.46

¹ Debt service burden represents principal and interest payments after rescheduling. In accordance with the internationally-accepted concept, debt service burden consists of: (a) principal and interest payments on fixed MLT credits including IMF credit; the Paris Club and Commercial Banks rescheduling, and New Money Facilities; and (b) interest payments on fixed and revolving short-term liabilities of banks and non-banks but excludes (i) prepayments of future years' maturities of foreign loans and (ii) on fixed and revolving ST liabilities of banks and non-banks.

² Based on the accounting principle under the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)

³ Includes cash remittances of overseas Filipino workers that were coursed through and reported by commercial banks which are reflected under Compensation of Employees in the Primary Income account and workers' remittances in the Secondary In

⁴ GNI and GDP figures were annualized by taking the sum over the past 4 quarters of the GNI and GDP, respectively.

^P Preliminary

Source: BSP

16 BALANCE SHEET OF THE BANGKO SENTRAL NG PILIPINAS

as of periods indicated; in billion pesos

	2019				2020				2021				2022 ^P		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
Assets	5,145.2	5,064.5	5,096.0	5,084.0	5,441.1	6,295.4	6,608.3	7,074.9	7,558.7	7,685.6	7,984.4	7,576.2	7,837.0	7,449.4	7,338.3
International Reserves	4,375.2	4,326.7	4,405.8	4,434.1	4,484.2	4,618.6	4,828.5	5,249.9	5,034.2	5,112.8	5,384.0	5,505.4	5,529.4	5,502.7	5,412.4
Domestic Securities	224.2	224.9	226.1	226.1	237.7	897.8	1,306.0	1,380.9	1,394.6	1,434.6	1,459.6	1,470.6	1,418.0	1,389.9	1,371.9
Loans and Advances	329.7	301.5	248.8	200.2	162.6	172.8	163.7	130.9	665.4	664.9	661.4	121.7	422.0	94.5	94.4
Government Securities Purchased Under Repurchase Agreements	-	-	-	-	300.0	300.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank Premises and Other Fixed Assets	23.9	24.2	24.3	24.4	23.5	23.4	23.2	23.1	22.9	22.7	22.4	22.5	22.1	21.9	21.7
Derivative Instruments in a Gain Position	0.0	0.1	0.0	.	0.1	0.0	0.0	.	1.7	0.0	0.1	0.1	3.4	1.0	1.2
Other Assets	192.2	187.1	190.9	199.2	233.1	282.8	286.9	290.1	439.9	450.6	456.8	455.9	442.0	439.4	436.8
Liabilities	5,018.3	4,920.2	4,959.9	4,938.9	5,305.5	6,130.9	6,455.3	6,904.0	7,432.4	7,529.4	7,831.1	7,439.9	7,738.5	7,373.0	7,228.7
Currency Issue	1,382.6	1,383.0	1,386.6	1,679.0	1,697.7	1,807.2	1,760.7	2,038.9	1,889.9	1,886.7	1,918.3	2,175.9	2,107.5	2,089.4	2,053.5
Deposits	2,709.5	2,659.1	2,642.0	2,411.2	2,729.8	3,593.5	3,720.2	3,735.4	4,429.1	4,395.7	4,288.1	3,816.5	4,058.9	3,443.5	3,369.6
Reserve Deposits of Other Depository Corporations (ODCs) ¹	1,841.0	1,725.9	1,700.3	1,550.5	1,442.0	1,317.4	1,241.0	1,331.0	1,369.2	1,311.9	1,209.0	1,391.9	1,059.0	1,112.6	1,309.6
Reserve Deposits of Other Financial Corporations (OFCs) ²	0.7	0.7	0.4	0.4	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.3	0.4	0.4
Secured Settlement Accounts	2.7	4.3	3.5	8.1	22.6	17.4	17.5	31.5	31.5	20.6	21.1	30.4	120.8	131.3	122.0
Overnight Deposit Facility ³	59.9	26.8	82.3	266.2	312.3	1,096.4	719.2	1,119.3	638.9	592.5	442.0	717.8	598.0	454.9	257.3
Term Deposit Facility ³	70.1	42.9	174.7	283.2	80.1	200.1	720.1	320.1	820.1	910.1	880.2	630.1	610.1	430.1	326.3
Bureau of the Treasury ⁴	575.1	709.7	533.9	159.9	722.5	825.5	889.5	798.6	1,434.5	1,426.1	1,598.4	907.6	1,534.9	1,179.5	1,223.2
Foreign Financial Institutions	120.0	115.6	113.2	107.7	107.7	99.2	99.2	97.0	97.0	97.3	97.3	97.1	97.1	97.2	96.7
Other Foreign Currency Deposits	1.3	1.1	1.1	1.1	1.2	3.7	3.6	4.6	4.6	2.4	4.6	8.1	5.5	4.7	3.5
Other Deposits ⁵	38.7	32.2	32.7	34.1	41.0	33.5	29.6	32.9	32.9	34.4	35.3	33.0	33.0	32.8	30.6
Foreign Loans Payable	.	.	.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Bonds Payable	26.9	25.6	26.5	25.4	25.9	24.9	24.7	24.0	24.8	24.4	26.0	25.5	26.5	27.5	30.0
Derivative Instruments in a Loss Position	0.1	0.0	.	0.0	0.0	0.4	1.1	0.0	0.0	.	0.0	0.0	0.0	0.0	0.0
Derivatives Liability	0.0	0.0	0.0	0.0	0.0	0.0	.	0.0	.	.	.	0.0	.	.	0.0
Allocation of SDRs	61.3	59.8	59.3	58.9	58.1	57.4	57.1	58.0	57.7	58.2	200.4	199.5	200.7	204.3	210.4
Revaluation of Foreign Currency Accounts ⁶	569.7	471.0	511.7	425.9	474.2	414.8	495.2	478.4	385.4	417.3	609.1	617.3	588.0	698.7	811.3
Reverse Repurchase Facility ³	250.7	305.1	302.1	305.1	305.0	200.0	305.0	305.0	305.0	305.0	305.0	305.0	305.0	305.0	305.0
Net Bills Payable - Domestic	-	-	-	-	-	-	49.9	219.9	297.2	399.7	439.7	259.9	409.6	566.5	409.3
Other Liabilities	17.5	16.5	31.7	33.2	14.7	32.7	41.3	44.5	43.2	42.4	44.5	40.4	42.3	38.1	39.6
Net Worth	126.8	144.3	136.0	145.1	135.6	164.5	153.0	170.9	126.3	156.2	153.3	136.2	98.5	76.4	109.6
Capital	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Surplus/Reserves ⁷	76.8	94.3	86.0	95.1	85.6	114.5	103.0	120.9	76.3	106.2	103.3	86.2	48.5	26.4	59.6

Note: Details may not add up to total due to rounding

¹ ODCs include universal and commercial banks (U/KBs), thrift banks (TBs), rural banks and cooperative banks (R/CBs), and non-banks with quasi-banking functions (NBQBs) only.

² OFCs include trust units of banks only.

³ Starting 3 June 2016, the Reverse Repurchase Agreement and Special Deposit Account have been replaced by the Reverse Repurchase Facility and Overnight Deposit Facility, respectively, and the Term Deposit Facility was introduced in line with the implementation of the Interest Rate Corridor (IRC) system. Include accrued interest payables.

⁴ Previously named Treasurer of the Philippines. Includes foreign currency deposits

⁵ Include GOCC deposits

⁶ Previously named Revaluation of International Reserves

⁷ Consist of Surplus, Capital reserves and Unrealized gain(losses) on investment in government securities, stocks and other securities

^P Based on the preliminary unaudited BSP FS

- Not applicable

. Rounds off to zero

Source: Bangko Sentral ng Pilipinas

17 INCOME POSITION OF THE BANGKO SENTRAL NG PILIPINAS

for periods indicated; in billion pesos

	2019					2020					2021					2022 ^P				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Jan-Sep	Q4	FY	Q1	Q2	Q3	Jan-Sep
Revenues	26.410	38.906	30.005	26.396	121.717	26.124	20.786	34.254	38.030	119.195	47.960	47.970	35.942	131.873	34.014	165.887	41.618	43.342	36.253	121.212
Interest Income	25.675	27.546	25.070	22.127	100.418	20.799	18.051	23.332	23.231	85.413	24.022	30.542	32.255	86.820	28.627	115.447	31.195	39.699	43.633	114.527
International Reserves	20.195	20.761	19.925	17.814	78.695	17.198	12.369	13.358	12.080	55.004	11.988	17.936	19.287	49.211	15.146	64.357	17.460	26.004	29.359	72.822
Domestic Securities	3.051	3.232	2.712	2.401	11.396	1.962	3.818	8.103	9.394	23.277	9.728	10.131	10.431	30.289	10.875	41.165	10.869	11.131	11.490	33.490
Loans and Advances	1.509	2.370	1.510	0.831	6.220	0.615	0.581	0.541	0.368	2.104	0.326	0.293	0.293	0.913	0.291	1.204	0.572	0.082	0.126	0.780
Others	0.920	1.183	0.923	1.081	4.107	1.024	1.283	1.331	1.390	5.028	1.980	2.182	2.244	6.406	2.315	8.721	2.295	2.482	2.658	7.435
Miscellaneous Income ¹	0.711	11.221	4.848	4.214	20.994	5.296	2.713	10.883	14.744	33.636	23.882	17.395	3.663	44.940	4.938	49.878	10.393	3.563	-7.349	6.607
Net Income from Branches	0.024	0.139	0.087	0.055	0.305	0.029	0.022	0.039	0.055	0.145	0.056	0.033	0.024	0.113	0.449	0.562	0.029	0.080	-0.031	0.078
Expenses	18.950	22.483	20.851	25.391	87.675	18.225	16.405	19.023	28.471	82.124	23.486	27.055	29.932	80.473	28.858	109.331	24.160	33.373	34.711	92.243
Interest Expenses	10.330	11.162	12.224	10.972	44.688	10.957	10.274	11.918	13.286	46.435	13.799	15.976	15.231	45.006	15.333	60.339	13.821	15.688	23.780	53.288
National Government Deposits	4.452	6.668	5.822	3.041	19.983	2.514	2.965	3.758	3.803	13.040	4.092	6.121	5.400	15.613	5.927	21.540	4.557	6.309	9.140	20.007
Reverse Repurchase Facility ²	3.176	2.801	3.241	3.040	12.258	2.843	1.001	1.701	1.667	7.212	1.525	1.542	1.559	4.626	1.556	6.181	1.525	1.641	2.652	5.818
Bills Payable - Domestic	-	-	-	-	-	-	-	0.010	1.135	1.145	1.339	1.684	1.828	4.851	1.856	6.708	1.650	2.795	4.662	9.106
Overnight Deposit Facility ²	0.601	0.241	0.605	1.101	2.548	1.704	5.017	3.243	2.334	12.298	2.509	2.081	1.563	6.153	1.737	7.890	1.944	1.288	2.389	5.621
Term Deposit Facility ²	1.153	0.545	1.698	2.976	6.372	3.077	0.577	2.533	3.685	9.872	3.676	3.893	4.189	11.757	3.552	15.310	3.363	2.619	3.359	9.341
Loans Payable and Other Foreign Currency Deposits	0.886	0.850	0.837	0.774	3.347	0.756	0.686	0.669	0.662	2.773	0.657	0.654	0.687	1.998	0.703	2.702	0.782	1.034	1.577	3.392
Other Liabilities	0.062	0.057	0.021	0.039	0.179	0.063	0.028	0.004	0.001	0.096	0.001	0.002	0.005	0.008	0.001	0.009	-	0.002	0.001	0.003
Cost of Minting/Printing of Currency	3.544	3.082	2.611	3.236	12.473	2.442	2.123	2.549	4.495	11.609	2.952	2.529	2.379	7.860	3.650	11.510	3.170	3.319	2.074	8.563
Taxes and Licenses	0.774	3.868	0.753	3.671	9.066	0.320	-0.037	-0.532	0.367	0.118	1.898	0.842	0.003	2.744	1.871	4.615	0.017	0.007	1.002	1.025
Others	4.302	4.371	5.263	7.512	21.448	4.506	4.045	5.088	10.322	23.961	4.836	7.708	12.318	24.863	8.003	32.866	7.153	14.359	7.854	29.366
Net Income/(Loss) Before Net Gain/(Loss) on FX Rate Fluctuations and Income Tax Expense/(Benefit)	7.460	16.423	9.154	1.006	34.043	7.899	4.381	15.231	9.559	37.071	24.474	20.915	6.010	51.400	5.156	56.556	17.457	9.969	1.542	28.969
Net Gain/(Loss) on Foreign Exchange Rate Fluctuations ³	5.670	3.330	5.365	0.360	14.725	2.021	-0.441	-6.132	-1.226	-5.779	0.927	-0.876	6.995	7.047	-3.788	3.258	6.106	21.104	38.429	65.638
Income Tax Expense/(Benefit)	0.000	3.000	5.753	-5.798	2.955	0.005	0.141	0.003	-0.082	0.067	0.000	0.001	0.022	0.023	-0.203	-0.179	0.000	0.020	0.007	0.027
Capital Reserves ⁴	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-25.272	-25.272	-	0.000	0.000	0.000	0.000
Net Income/(Loss) After Tax Capital Reserves	13.130	16.753	8.766	7.164	45.813	9.915	3.799	9.096	8.415	31.225	25.401	20.038	12.984	58.423	-23.702	34.721	23.563	31.053	39.964	94.581

Note: Details may not add up to total due to rounding

¹ This includes trading gains/losses, fees, penalties and other operating income, among others.

² Starting 3 June 2016, the Reverse Repurchase Agreement and Special Deposit Account have been replaced by the Reverse Repurchase Facility and Overnight Deposit Facility, respectively, and a Term Deposit Facility was introduced in line with the implementation of the Interest Rate Corridor (IRC) system.

³ This represents realized gains or losses from fluctuations in foreign exchange rates arising from foreign currency-denominated transactions of the BSP.

⁴ The Capital Reserves for 2021 pertain to provision for BSP Complex - New Clark City (NCC) Project.

^P Based on the unaudited preliminary BSP Financial Statements (FS)

- Rounds off to zero

-Not applicable

Source: Bangko Sentral ng Pilipinas