



BANGKO SENTRAL
NG PILIPINAS

Report on

ECONOMIC AND FINANCIAL DEVELOPMENTS

Third Quarter 2023

The quarterly Report on Economic and Financial Developments is prepared by the Department of Economic Research, in coordination with various BSP Departments.

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Report on Economic and Financial Developments

Third Quarter 2023

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Executive Summary

The Philippine economy performed better than expected in Q3 2023. The country's real gross domestic product (GDP) grew by 5.9 percent due mainly to sustained household consumption and a pick-up in public spending. This growth rate is lower than the year-ago expansion of 7.7 percent but an improvement from the previous quarter's 4.3 percent. The favorable GDP outturn was driven primarily by the broad-based expansion of services (i.e., wholesale and retail trade; repair of motor vehicles and motorcycles), industry (i.e., construction), and agriculture sectors.

Labor market conditions turned slightly sluggish. Based on the preliminary results of the September 2023 Labor Force Survey (LFS), employment conditions weakened as the number of employed persons declined by 2.4 percent to 47.7 million from 48.8 million in June 2023. Nonetheless, the national employment rate remained at 95.5 percent in September 2023, the same as that posted in the previous quarter. The unemployment rate in September 2023 remained at 4.5 percent, equal to 2.3 million unemployed persons, the same as that posted in June 2023.

NG yields a higher deficit in Q3 2023. The cash operations of the NG yielded a deficit of ₱431.8 billion in Q3 2023. This was higher than the deficit level recorded in the same period the previous year of ₱338.6 billion. Consequently, the fiscal deficit as a percent of GDP widened to 7.5 percent in Q3 2023 from the 6.5 percent deficit ratio registered in Q3 2022. The increase in spending for the period was accounted for mainly by higher interest payments, subsidies, and NG disbursements.

Inflation moderates in Q3 2023. Headline inflation further moderated to 5.4 percent in Q3 2023 from 6.0 percent in the previous quarter. This brought the average inflation rate for the first three quarters of the year to 6.6 percent, which is above the NG's average inflation target range of 3.0 percent \pm 1.0 ppt for the year.

The domestic economy remains liquid. Money supply or M3 grew by 8.2 percent (preliminary) y-o-y as of end-September 2023 to about ₱16.7 trillion, faster than the 6.3-percent expansion as of end June 2023 (Table 5). The expansion in M3 was due in part to the growth in claims on the private sector, reflecting the moderate expansion in bank lending. In particular, credit extended to the private sector grew, albeit slower, by 6.5 percent in September, following an 8.2-percent expansion in the previous quarter.

The BSP maintains its monetary policy settings. At its monetary policy meetings on 17 August 2023 and 21 September 2023, the BSP decided to maintain the target Reverse Repurchase (RRP) rate (or the key policy interest rate) at 6.25 percent.¹ Accordingly, the corresponding interest rates on the overnight deposit and lending facilities were also kept at 5.75 percent and 6.75 percent, respectively. The BSP deemed it appropriate to maintain its pause amid the emerging upside risks to the inflation outlook. Looking ahead, the BSP highlighted that it stands ready to resume its tightening actions in the face of upside risks and potential second-round effects that could dislodge inflation expectations.

The Philippine banking system generally improves. During the review period, banks' assets and deposits grew y-o-y. Asset quality generally improved while capital adequacy ratios remained above international standards. Banks continued to make up the bulk of the financial sector, with U/KBs accounting for about 94.0 percent of the total banking system's resources. The remaining 6.0 percent is

composed of thrift banks (4.4 percent), as well as rural banks and cooperative banks (1.6 percent). Meanwhile, non-bank financial institutions (NBFIs) have the largest network of head offices and branches or agencies, comprised mainly of pawnshops.

PhilPaSS^{plus} transactions increase. In Q3 2023, the total number of transactions settled and processed by the *PhilPaSS^{plus}* reached 374,986, or a 3.2-percent y-o-y growth. This was higher than the 1.9-percent y-o-y growth in Q2 2023. The expansion in the volume of *PhilPaSS^{plus}* transactions in Q3 2023 was driven by the 10.1 percent and 8.4 percent y-o-y increase in transactions made through financial market infrastructures (FMIs) and clearing switch operators (CSOs) and between financial institutions (FIs), respectively.

The BOP position registers a lower deficit. The country's balance of payments (BOP) position registered a deficit of US\$524 million in Q3 2023, markedly lower than the US\$4.7 billion deficit recorded in the same quarter of the previous year.¹ This development was due to the decline in the current account deficit, which resulted from the narrowing of the trade in goods deficit and increase in net receipts of trade in services, and primary and secondary income accounts.

Gross international reserves decrease. The country's gross international reserves (GIR) amounted to US\$98.1 billion as of end-September 2023, lower than the US\$99.4 billion recorded in end-June 2023. At this level, the GIR remains adequate as it can cover 7.3 months' worth of imports of goods and payments of services and primary income. It is also equivalent to 5.7 times the country's short-term external debt based on original maturity and 3.6 times based on residual maturity.

¹ 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

External debt increases. The Philippines' outstanding external debt stood at US\$118.8 billion as of end-September 2023, up by US\$915 million (or 0.8 percent) from the US\$117.9 billion level as of end-June 2023. As of end-September 2023, the maturity profile of the country's external debt remained predominantly medium- to long-term (MLT) in nature (i.e., those with original maturities longer than one year) with its share to total recorded at 85.6 percent (US\$101.7 billion) which implies that FX requirements for debt payments are well spread out and thus, reduces roll-over risks. The debt service ratio (DSR), which relates principal and interest payments 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.

The Philippine peso continues to depreciate amid broad U.S. dollar strength. The peso averaged ₱55.96/US\$1 in Q3 2023, depreciating by 0.55 percent q-o-q. On a y-t-d basis, the peso likewise depreciated against the US dollar by 1.45 percent to close at ₱56.58/US\$1 on 29 September 2023 from ₱55.76/US\$1 at the end of December 2022. The peso's depreciation was due partly to broad US dollar strength amid the rise in US Treasury yields following stronger-than-expected US economic data and hawkish remarks from the US Federal Reserve (US Fed) that it will keep rates higher for longer to contain inflation.

Global economic activities remain subdued. The global economy continued to recover from the COVID-19 pandemic but has struggled to gain momentum due to the Russia-Ukraine conflict and tightening financial conditions. Economic activity in emerging market and developing economies (EMDEs) has mostly declined in Q3 2023, with growing

components were computed based on partial and preliminary data and estimates using various sources.

divergence among regional economies. Meanwhile, concerns on China's slower growth momentum following the property sector downturn may lead to possible global spillovers particularly for commodity exporting countries. Amid these developments, the IMF forecasts global growth to slow down to 3.0 percent in 2023 and 2.9 percent in 2024, lower than 3.5 percent growth in 2022.

Introduction

The country's better-than-expected economic performance in Q3 2023 with GDP growing by 5.9 percent was due mainly to sustained household consumption and a strong pick-up in public spending. Growth was broad-based driven by the expansion in the services, industry, and agriculture sectors.

Labor market conditions generally weakened as the number of employed persons in the country declined during the review period. Domestic liquidity and credit conditions continue to expand, albeit at a slower pace. Further, the Philippine banking system continuously improves in terms of resources and asset quality. Asset quality generally improved while capital adequacy ratios remained above international standards.

On the external front, the country's external position posted a lower deficit in Q3 2023. The GIR level declined but remained more than adequate to cover import duties and external liabilities. Moreover, external debt remained manageable. Meanwhile, the Philippine peso depreciated on a quarter basis amid broad US dollar strength.

The economy's growth prospects remain intact despite economic challenges. Risks to growth remain on the downside amidst dissipating pent-up demand and tightening financial conditions. Economic activities will be bolstered in Q4 2023 as seasonal demand is expected to ramp up in conjunction with the holidays. Nevertheless, policy interventions of the NG (particularly on infrastructure spending) will direct output growth within the NG's growth target of 6-7 percent for 2023 and 6.5-8.0 percent for 2024-2025. Given the predominance of upside risks to inflation, the BSP highlighted that it stands ready to resume its tightening actions in the face of upside

risks and potential second-round effects that could dislodge inflation expectations.

On the part of the BSP, the latest set of information as of 17 August 2023 points to the appropriateness of maintaining monetary policy settings. However, emerging shocks to prices, particularly for rice and oil, as well as the recent depreciation of the peso would require close monitoring as these could contribute to inflationary pressures. The balance of risks to the inflation forecast continues to lean towards the upside. In view of this, the BSP remains prepared to respond as necessary to safeguard the inflation target, in keeping with its primary mandate to ensure price stability.

At its monetary meeting on 17 September 2023, the BSP decided to maintain the Target Reverse Repurchase (RRP) rate (or the key policy interest rate) at 6.25 percent. Emanating increases in prices, particularly electricity rates and transport prices, as well as the peso depreciation drive inflation forecast to skew toward the upside. Given these considerations, the BSP deemed it appropriate to maintain its pause amid the emerging upside risks to the inflation outlook.

Real Sector

Aggregate Supply and Demand

The Philippine economy performed better-than-expected in Q3 2023 as the country's real gross domestic product (GDP) grew by 5.9 percent.² This growth rate is lower than the year-ago expansion of 7.7 percent but an improvement from the previous quarter's 4.3 percent. The country's Q3 2023 GDP growth outturn is, so far, the fastest among major emerging market economies in ASEAN that have released Q3 2023 GDP figures (real GDP growth in Vietnam was at 5.3 percent, Indonesia and China at 4.9 percent, and Malaysia at 3.3 percent).

Philippine economy performs better-than-expected in Q3 2023

The favorable GDP outturn was driven primarily by the broad-based expansion of services (i.e., wholesale and retail trade; repair of motor vehicle and motorcycles), industry (i.e., construction) and agriculture sectors. On the demand side, the Q3 2023 growth was driven by sustained household consumption as well as the strong pick-up in public spending.

With an average GDP growth rate of 5.5 percent in the first three quarters of 2023, the country will need to grow by at least 7.2 percent in the last quarter of the year to reach the lower bound of the national government's growth target range of 6.0 – 8.0 percent for 2023.

Chart 1. Gross Domestic Product and Gross National Income
at constant 2018 prices
annual growth rate in percent



Source: Philippine Statistics Authority (PSA)

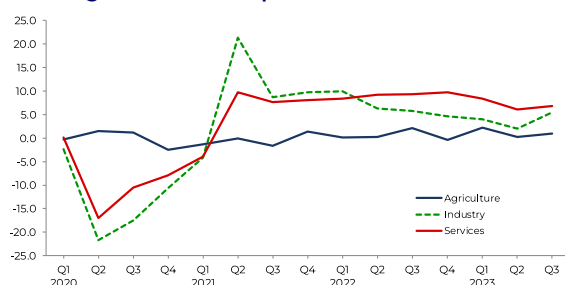
GDP by Industry

The services sector continued to dominate the domestic economy on the production side. The sector posted a 6.8 percent expansion in Q3 2023, lower than the 9.3 percent increase in Q3 2022 but higher than the 6.1 percent growth in Q2 2023. Accounting for 65.1 percent of total GDP, the sector managed to contribute almost a third of the total aggregate output growth in Q3 2023 at 4.4 percentage points (ppts). The expansion of the service sector was supported mainly by the robust performance of wholesale and retail trade; repair of motor vehicles and motorcycles, which grew by 5.0 percent during the period, and contributed 1.1 ppt to the total GDP growth during the review period. In terms of year-on-year (y-o-y) growth rate, the accommodation and food services sub-sector has recorded the fastest increase of 20.0 percent, indicating continued recovery in hotel services as well as restaurant dining following the lifting of the country's Public Health Emergency status on 21 July 2023 under Proclamation No. 297.

² A BusinessWorld poll of 18 economists and analysts yielded a median GDP growth estimate for Q3 2023

of 4.9 percent

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



Source: PSA

The industry sector grew by 5.5 percent in Q3 2023, a moderation from the 5.8 percent growth in Q3 2022 but an improvement from the 2.1 percent posted in Q2 2023. The acceleration in the sector was attributed to the double-digit growth of the construction sub-sector. Construction activities during the quarter grew by 14.0 percent, faster than the year-ago and quarter-ago growth rates of 11.4 percent and 3.6 percent, respectively. Public sector construction activities posted a 26.9 percent expansion driven by the accelerated implementation of government projects in line with its expenditure catch-up plans. This partially tempered the slower growth in private sector construction of 2.8 percent (from 14.5 percent in Q3 2022) as higher interest rates weigh on commercial activities.

The agriculture, forestry and fishing (AFF) sector output went up by 0.9 percent, albeit lower than the 2.1 percent increase recorded during the same period last year. Palay production, which accounted for 17.5 percent of the total AFF sector, grew by a mere 0.2 percent (from 1.0 percent in Q3 2022). According to the Department of Agriculture (DA), the agriculture sector sustained P4.66 billion in losses due to the combined effects of typhoons Egay and Falcon (September 2023), which wiped out P1.79 billion worth of rice, or almost 40

³ DA News Clippings from Philippine Daily Inquirer. "Palay output forecast to hit record high this year", dated 23 October 2023

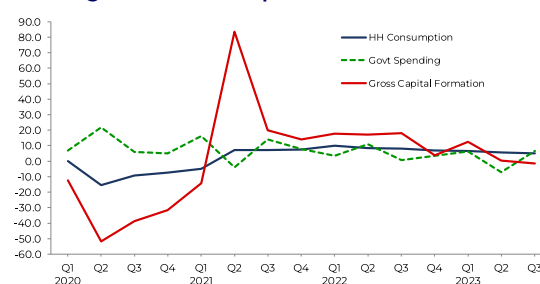
⁴ DA News. "Agriculture helps GDP growth, DA moves to ensure larger share", dated 4 November 2023.

percent of total losses.³ Meanwhile, livestock continued to post expansion for six consecutive quarters, with its Q3 2023 growth at 2.7 percent even amid lingering effects of African Swine Fever.⁴

GDP by expenditure

On the expenditure side, the Q3 2023 GDP outturn was driven by household and government final consumption due to continued improvements in labor market conditions as well as acceleration in government spending. This was, however, partly tempered by the contraction in gross capital formation amid the prevailing high interest rate environment.

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



Source: PSA

Household spending expanded by 5.0 percent in Q3 2023, lower than the growth of 8.0 percent and 5.5 percent in Q3 2022 and Q2 2023, respectively. This marked the sixth consecutive quarter of deceleration in household consumption following the waning of pent-up demand amid still elevated, though decelerating, inflation. Nevertheless, household consumption was able to pitch in 3.7 ppts to the total GDP output of 5.9 percent. The sustained solid performance of household spending may be attributed to the increase in minimum wage as well as improved consumer sentiment during the quarter.⁵ These developments supported

⁵ The National Capital Region wage board grants the Php40 increase in the daily wages for private sector worker, a seven (7) percent increase from the prevailing daily minimum wage rates in the region.

the double-digit growth in recreation and culture (15.4 percent), restaurant and hotels (14.9 percent), and transport (14.5 percent) subsectors.

Government expenditures rose by 6.7 percent, a rebound from the 0.7 percent growth rate in Q3 2022 and 7.1 percent contraction in Q2 2023. This recovery is seen as a response to the government's call for national government agencies as well as local government units to accelerate spending under the 2023 disbursement program to support economic growth.

Meanwhile, gross capital formation declined by 1.6 percent, a reversal from the year-ago and quarter-ago expansions of 18.2 percent and 0.3 percent, respectively. This may be attributed to the slowdown in durable equipment to 1.7 percent from its double-digit growth of 11.9 percent in Q3 2022 and 10.5 percent in Q2 2023. Nevertheless, investments in construction grew by 12.4 percent in Q3 2023, faster than the 10.8 percent growth recorded in the previous year and 2.4 percent in the last quarter. Public construction significantly increased by 26.9 percent alongside the growth in household construction of 7.8 percent. However, growth in private sector construction decelerated to 2.8 percent amid increased borrowing cost.

While the country's domestic demand remained firm in Q3 2023, international trade continued to face a challenging environment. Total exports of goods and services rose by 2.6 percent, lower compared to the 13.6 percent growth in Q3 2022 and 4.4 percent in Q2 2023. While exports of goods contracted by 0.7 percent, services exports grew by 11.7 percent driven by the increase in travel (57.3 percent). Imports, on the other hand, declined by 1.3 percent following expansions of 18.5 percent in Q3 2022 and

0.2 percent in Q2 2023. Imports of goods contracted by 8.1 percent, pulled down by the fall in importation of electronic products by 15.5 percent. In contrast, services imports continued to post strong growth of 27.7 percent attributable to the continued increase in travel (103.0 percent).

Looking ahead, the economy's growth prospects remain intact despite economic challenges. However, risks to growth remain on the downside given dissipating pent-up demand and tighter financial conditions. Nevertheless, domestic activity in Q4 2023 will be supported by seasonal demand in conjunction with the Christmas holidays. Additional policy intervention (particularly the ongoing NC initiatives to ramp up programmed fiscal spending) will also help bring output growth within the NC's growth target of 6-7 percent for 2023 and 6.5-8.0 percent for 2024-2025.

Labor and Employment

Based on the preliminary results of the September 2023 Labor Force Survey (LFS), employment conditions weakened as the number of employed persons declined by 2.4 percent to 47.7 million from 48.8 million in June 2023. Nonetheless, the national employment rate remained at 95.5 percent in September 2023, the same as that posted in the previous quarter. This resulted from the decline in the labor force participation rate (LFPR)⁶ by 2.0 percentage points (ppts) to 64.1 percent from 66.1 percent in June 2023.⁷

Labor conditions weaken

By production sector, the decline in overall employment was accounted for largely by the 11.8 percent reduction in the number of employed persons in the agriculture

⁶ 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.

⁷ Released on 08 November 2023.

sector, equivalent to about 1.4 million workers. Similarly, employment in the industry sector decreased by 2.3 percent, equivalent to 202,000 persons, due to the reduction of workers in construction (-283,000), mining and quarrying (-30,000) and manufacturing (-10,000) subsectors. Meanwhile, employment in the services sector recorded a 1.4-percent increase, equivalent to 397,000 persons, due to additional workers in following subsectors: transportation and storage (+488,000), accommodation and food service activities (+221,000), professional, scientific and technical activities (+137,000), information and communication (+133,000), administrative and support service activities (+110,000), and activities of extraterritorial organizations and bodies (+9,000). Of the total employed persons, the services sector accounted for the largest share at 60.4 percent, followed by the agriculture sector at 21.5 percent, and the industry sector at 18.1 percent.

Employment by class of workers⁸ showed mixed results. Those that registered employment gains were wage and salary workers (+822,000) as well as employer in own family-operated farm or business (+306,000). Among the wage and salary workers, which grew by 2.7 percent, those who worked for private establishment and those who worked with pay in own-family operated farm or business posted increments of 895,000 and 6,000 workers, respectively. Largely offsetting these gains, however, were those who worked without pay in own family-operated farm or business which dropped by 30.7 percent (-1.4 million workers) as well as those who are self-employed without any paid employee, which registered a decrease of

6.7 percent (-883,000 workers). Wage and salary workers made up 64.7 percent of total employed persons, self-employed comprised 25.9 percent, unpaid family workers accounted for 6.7 percent, and employers in own family-operated farm or business comprised 2.6 percent.⁹

Chart 4. Unemployment, Underemployment and Employment Rates in percent



Workers are also classified into full-time, part-time, and those with jobs but not at work.¹⁰ Comparing the September 2023 LFS versus the June 2023 LFS, the number of full-time workers continued to increase by 2.3 percent, representing an additional 721,000 workers. On the other hand, the number of workers with jobs but not at work significantly dropped to a double-digit rate of 46.0 percent or 298,000 workers, as well as the number of part-time workers which declined by 9.7 percent or 1.6 million workers. Of the 47.7 million employed, 68.0 percent were full-time workers, 31.3 percent were part-time workers, and 0.7 percent were those with job but not at work.

The unemployment rate in September 2023 remained at 4.5 percent, equal to 2.3 million unemployed persons, the same as

⁸ 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).

⁹ Totals may not add up due to rounding.

¹⁰ 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 work" are those who have a job or business but are not at work because of temporary illness/injury, on vacation, or other reasons.

that posted in June 2023. Most of the unemployed were males (52.7 percent), aged between 15 to 24 years old (38.6 percent), and were college graduates (34.0 percent).

Meanwhile, the underemployment rate in September 2023 was estimated at 10.7 percent equivalent to 5.1 million persons, 1.3-ppts lower compared to June 2023 rate of 12.0 percent equivalent to 5.9 million persons. Of the total underemployed, those belonging to the services sector comprised 52.3 percent, the agriculture sector at 28.6 percent and the industry sector at 19.1 percent.

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 63.9 percent of the total underemployed, while the invisibly underemployed persons comprised 36.1 percent.

Fiscal Sector

National Government Cash Operations

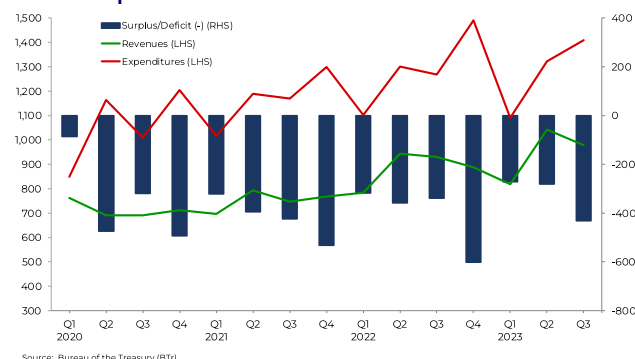
The cash operations of the NG yielded a deficit of ₱431.8 billion in Q3 2023. This was higher than the deficit level recorded in the same period the previous year of ₱338.6 billion. Consequently, the fiscal deficit as a percent of GDP widened to 7.5 percent in Q3 2023 from the 6.5-percent deficit ratio registered in Q3 2022 (Table 3).

NG cash operations yield higher deficit in Q3 2023

Total NG revenues in Q3 2023 reached ₱977.7 billion, 5.1 percent higher than the Q3 2022 level of ₱929.9 billion. Total revenues as a share of GDP stood at 17.0

percent in Q3 2023, lower than the 17.7 percent share in Q3 2022.

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



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 Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC), which combined, increased by 3.1 percent y-o-y to reach ₱873.7 billion.

Meanwhile, total NG expenditures in Q3 2023 reached ₱1,409.4 billion, 11.1 percent higher than the ₱1,268.4 billion expenditures in Q3 2022. Relative to the size of the economy, total NG disbursements were recorded at 24.5 percent of GDP in Q3 2023, a slight increase from the previous year's ratio of 24.2 percent. The increase in spending for the period was accounted for mainly by higher interest payments, subsidies, and NG disbursements.

Netting out the interest payments from total expenditures, the resulting primary deficit amounted to ₱254.1 billion, representing 4.4 percent of GDP during the review quarter. In terms of financing the deficit, the NG incurred net borrowings of ₱334.8 billion in Q3 2023, mostly coming from domestic sources. The country's fiscal consolidation plan underscores the need to outgrow the country's pandemic-induced debt, ensure job-generating infrastructure investments, and mitigate any deep economic scarring.

Monetary Sector

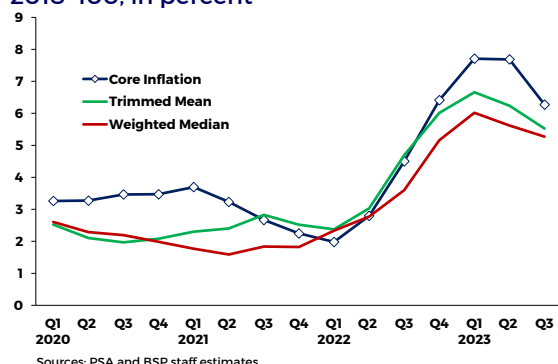
Prices

Headline inflation

Headline inflation further moderated to 5.4 percent in Q3 2023 (*Table 4*) from 6.0 percent in the previous quarter. This brought the average inflation rate for Q1-Q3 2023 to 6.6 percent, which is above the National Government's average inflation target range of 3.0 percent \pm 1.0 ppt for the year.

Energy- and service-related CPI items drive overall inflation downward in Q3 2023

Chart 6. Core Inflation Measures
2018=100; in percent

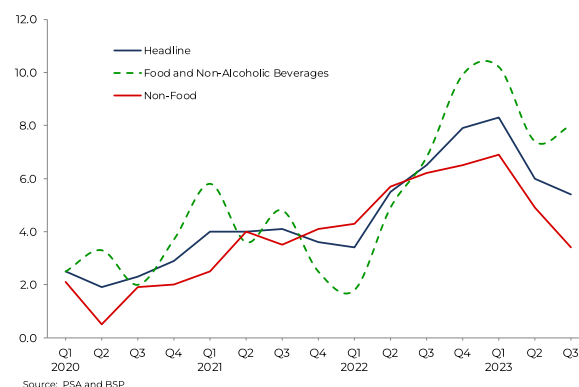


Meanwhile, the official core inflation in Q3 2023 decelerated to 6.3 percent y-o-y relative to the previous quarter. Similarly, the BSP-computed alternative core inflation measures also moderated during the quarter.

Nationwide headline inflation slowed down driven mainly by easing non-food inflation. By contrast, food inflation rose in Q3 2023 as rice inflation increased, reflecting higher international rice prices. Vegetables inflation also contributed to

the uptrend, still posting double-digit inflation rate during the quarter.

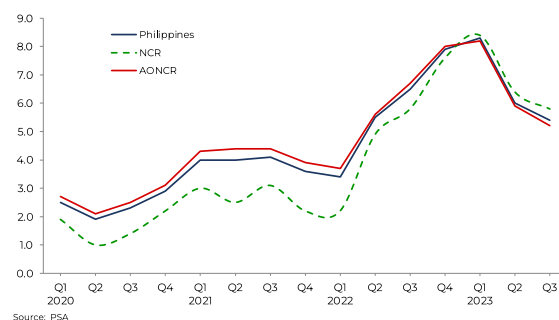
Chart 7. Food and Non-Food Inflation in the Philippines
2018=100; y-o-y in percent



Non-food inflation fell in Q3 2023 due to slower price increases for housing, water, electricity, gas, and other fuels. Likewise, transport inflation also remained negative while services inflation particularly, housing and restaurants also eased, further contributing to the moderation.

Headline inflation in the National Capital Region (NCR) also slowed down to 5.8 percent y-o-y in Q3 2023 from 6.4 percent in the previous quarter (*Table 4a*). The moderation can be traced to the slowdown in inflation for housing, water, electricity, gas and other fuels, along with easing inflation for education as well as restaurants and accommodation services.

Chart 8. Inflation Rate by Region
2018=100; y-o-y in percent



Inflation in areas outside NCR (AONCR) decelerated in Q3 2023 to 5.2 percent y-o-y from 5.9 percent in the previous quarter (*Table 4b*). Slower price increases of selected non-food items such as,

housing, water, electricity, gas and other fuels, as well as the decline in transport inflation were the main drivers of the moderation. Meanwhile, food inflation increased in Q3 2023 driven mainly by higher rice and vegetables inflation rates.

Domestic Liquidity¹¹

Money supply or M3 grew by 8.2 percent (preliminary) y-o-y as of end-September 2023 to about ₱16.7 trillion, faster than the 6.3-percent expansion as of end-June 2023 (Table 5). The expansion in M3 was due in part to the growth in claims on the private sector, reflecting the moderate expansion in bank lending. In particular, credit extended to the private sector grew, albeit slower, by 6.5 percent in September, following an 8.2-percent expansion in the previous quarter. Meanwhile, net claims on the central government increased by 19.5 percent in September from 17.4 percent as of end-June with the slower expansion in deposits by the National Government with the BSP.

Domestic liquidity grows at a faster pace

Table A. Domestic Liquidity (M3)

Particulars	Levels (in billion pesos)			Growth Rates (in percent)		
	Sep-2022	June-2023 ¹¹	Sep-2023 ¹¹	Q-o-Q (Q3 2023)	Y-o-Y (Q2 2023)	Y-o-Y (Q3 2023)
Domestic Liquidity (M3)	15,399	16,411	16,660	1.5	6.3	8.2
of which:						
Net Foreign Assets	6,342	6,339	6,403	1.0	-2.8	1.0
Domestic Claims	16,090	17,226	17,652	2.5	10.3	9.7
of which:						
Net Claims on Central Government	4,051	4,627	4,840	4.6	17.4	19.5
Claims on the Private Sector	10,389	10,904	11,062	1.5	8.2	6.5

Source: BSP

Net foreign assets (NFA) in peso terms expanded by 1.0 percent y-o-y in Q3 2023 after declining by 2.8 percent in the previous quarter. Similarly, the BSP's NFA position rose y-o-y as of September 2023. Meanwhile, the NFA of banks contracted on account of higher bills payable and foreign deposit liabilities.

¹¹ The indicators used for money supply are: M1 (or narrow money), comprised of currency in circulation and demand deposits; M2, composed of M1 plus

M4, a broader concept of domestic liquidity comprising broad money liabilities and foreign currency deposits of residents, increased by 8.4 percent y-o-y in September 2023 from 6.5 percent in June 2023.

Bank Lending

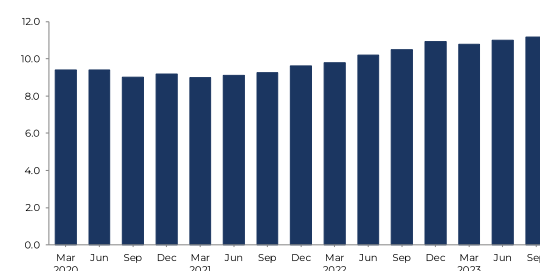
Outstanding loans of U/KBs, net of RRP placements with the BSP, expanded by 6.5 percent y-o-y in September 2023.

Bank lending improves further

Bank lending continued to rise, providing the needed funding support to the country's expanding economic activity.

Outstanding loans to residents, net of RRP, increased by 6.6 percent y-o-y in September driven mainly by loans for production activities, which grew by 4.9 percent, attributed to the expansion in the following key sectors: real estate (5.0 percent); electricity, gas, steam, and air-conditioning supply (9.2 percent); wholesale and retail trade, and repair of motor vehicles and motorcycles (6.6 percent); financial and insurance activities (4.9 percent); and information and communication (8.1 percent).

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



Source: BSP

Similarly, consumer loans to residents continued to remain strong, expanding by 23.5 percent in September. Credit card

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

and motor vehicle loans contributed the most to the rise in consumer loans, reflecting higher household consumption alongside banks' attractive financing terms.¹² Meanwhile, outstanding loans to non-residents¹³ rose, albeit marginal, by 0.3 percent in September 2023.

Monetary Policy Developments

At its monetary policy meetings on 17 August 2023 and 21 September 2023, the BSP decided to maintain the Target Reverse Repurchase (RRP) rate (or the key policy interest rate) at 6.25 percent.¹⁴ Accordingly, the corresponding interest rates on the overnight deposit and lending facilities were also kept at 5.75 percent and 6.75 percent, respectively.

BSP maintains monetary policy settings during the quarter

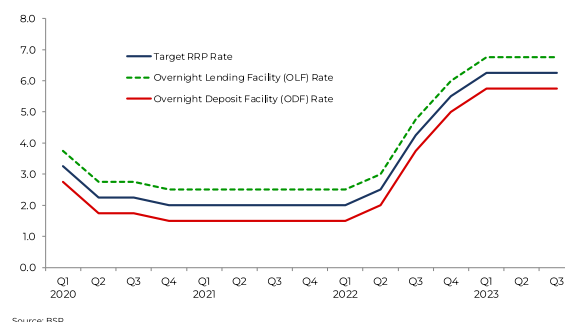
The BSP's decision to maintain the policy interest rate during the review period was based on the sum of new information. While the latest BSP baseline projections during the 21-September policy meeting show a slightly higher inflation path, inflation is still projected to revert to the 2 to 4 percent target range by Q4 2023 in the absence of further supply-side shocks. Food and transport prices continue to drive headline inflation; however, core inflation has moderated further, implying an easing in underlying pressures. In addition, inflation expectations remain anchored to the target range over the policy horizon.

¹² Source: [Results of the Q3 2023 Senior Bank Loan Officers' Survey \(SLOS\)](#).

¹³ Outstanding loans to non-residents include loans by U/KBs' foreign currency deposit (FCD) units to non-residents.

¹⁴ With the shift to a variable-rate RRP auction on 8

Chart 10. BSP Policy Rates in percent



Average inflation is now seen to reach 5.8 percent in 2023 from 5.6 percent previously, while the forecast for 2024 likewise rose to 3.5 percent from 3.3 percent. For 2025, the forecast is unchanged at 3.4 percent. The upward adjustments in the 2023 and 2024 projections reflect the spillovers from weather disturbances, rising global crude oil prices, and the recent depreciation of the peso.

The balance of risks to the inflation outlook remains skewed toward the upside. The major upside risks to the inflation outlook are the potential impact of further adjustments in transport fares and electricity rates.

Equally important, the BSP noted that recent indicators of domestic economic activity pointed to waning pent-up demand, even as the impact of prior monetary policy tightening continues to weigh on credit.

Given these considerations, the BSP deemed it appropriate to maintain its pause amid the emerging upside risks to the inflation outlook. Looking ahead, the BSP highlighted that it stands ready to resume its tightening actions in the face of upside risks and potential second-round

September 2023, two key changes were implemented as follows: (1) The BSP's monetary policy rate is now called the "Target RRP Rate"; and the BSP introduced a formal operational target, which is called the "Overnight (ON) RRP Rate".

effects that could dislodge inflation expectations.

The BSP also reiterated the need for non-monetary interventions, including the temporary reduction of import tariffs with calibrated volumes and timely arrival of import commodities. The BSP reassures the public of its commitment to steer inflation towards a target-consistent path over the medium term, in line with its primary mandate to ensure price stability.

Monetary Operations

As of end-Q3 2023, total outstanding amount absorbed in the BSP liquidity facilities stood at about ₱1.8 trillion. Bulk of the BSP's liquidity-absorbing monetary operations had been through the BSP Securities facility (BSP-SF), comprising about 37.0 percent of the combined outstanding amount of liquidity absorbed through the BSP liquidity facilities. Meanwhile, placements in the overnight reverse repurchase (ON RRP) facility, term deposit facility (TDF), and overnight deposit facility (ODF) made up 26.0 percent, 25.8 percent, and 11.1 percent, respectively.

The average weekly total offer volume in the TDF auctions was higher at about ₱296.2 billion in Q3 2023 relative to around ₱253.1 billion average weekly volume offered in the previous quarter. The average weekly bid-to-cover ratios for the 7-day and 14-day in Q3 2023 were recorded at 1.1x and 1.2x, respectively.¹⁵

For the weekly auctions of BSP Securities, following the offering of the 56-day BSP Bill (BSPB), the average weekly total offer volume in the BSPB auctions was higher at about ₱150.8 billion in Q3 2023 relative to around ₱131.7 billion average weekly volume offered for the 28-day BSPB in the

previous quarter.¹⁶ The average weekly bid-to-cover ratios for the 28-day and 56-day BSPBs for the quarter were recorded at 0.9x and 1.0x, respectively.

Moreover, in Q3 2023, the BSP completed the phased implementation of the RRP reforms in line with the plan for an eventual shift to a variable-rate RRP auction format. For recall, Phase 1 of the reform was the change in the timing of the daily RRP operations to a morning schedule starting on 29 May 2023.¹⁷

Phase 2 of the reforms was the shift from a fixed-volume to a full-allotment auction format for the RRP facility. Effective 14 July 2023, all bids received from the counterparties of the BSP will be awarded in full. The full-allotment auction format for the daily ON RRP facility allowed the BSP the flexibility to absorb changes in the level of excess liquidity from the financial system by accepting all tenders. The daily RRP operation likewise ensured stronger traction of the policy rate on short-term market rates.

Demand for the RRP facility remained when the BSP shifted to a full-allotment auction format starting on 14 July 2023. The average awarded amount for the period 14 July – 7 September 2023 for the daily RRP was at ₱407.133 billion, significantly higher than the ₱305-billion fixed offer volume under the fixed-rate and fixed-volume auction format for the RRP facility.

Phase 3 of the reforms was the shift from a fixed-rate to a variable-rate RRP auction format with pre-determined offer volume. Transforming the RRP facility into a variable-rate auction format allows more room for interbank market price discovery. The resulting daily RRP rate from the auctions will be a market-determined

¹⁵ There were no 28-day term deposits offered during the quarter as the BSP started migrating funds from the 28-day TDF to 28-day BSP Securities starting with the 16 October 2020 auction.

¹⁶ It should be noted that the BSP started offering the 56-day BSPB alongside the 28-day BSPB during the

auction for BSP Securities on 30 June 2023 with an offer volume of ₱20 billion.

¹⁷ Starting on 29 May 2023, the schedule of the daily RRP auctions was moved to 11:00-11:30AM (from 4:30-5:00 PM).

rate, which is seen to foster the price-discovery process of banks and other financial institutions and thereby support further money market activity. Consequently, this change is expected to promote the more efficient functioning of the transmission mechanism for monetary policy.

For the period 8-29 September 2023, the average bid-to-cover ratio was at 1.1x. The weighted average daily ON RRP rate settled at 6.1664 percent, lower by 8.4 bps than the Target RRP rate at 6.25 percent in end-Q3 2023.

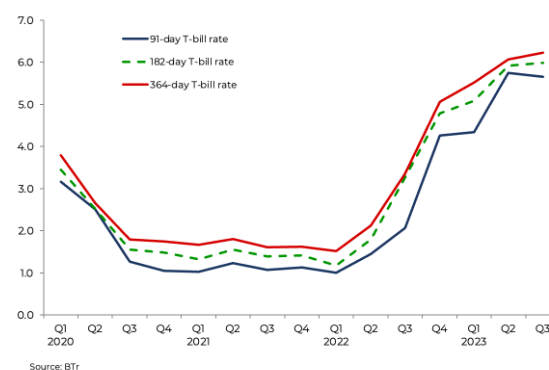
Domestic Interest Rates

The weighted average interest rates (WAIR) for Treasury bills (T-bill) increased generally in Q3 2023, except for the 91-day T-bill. The average 182-day and 364-day T-bill rates increased to 5.9898 percent and 6.2321 percent in Q3 2023 from 5.9225 percent and 6.0718 percent, respectively, in the previous quarter (*Table 6*).

Primary market interest rates increase generally in Q3 2023

Meanwhile, the 91-day T-bill rate declined to 5.6518 in Q3 2023 from 5.7481 in the previous quarter. Primary market players showed stronger preference for government securities (GS) with shorter tenors amid elevated inflation expectations and unlikely prospects for policy rate cuts by the BSP and the US Fed in the near term. During the quarter, the BSP kept the RRP rate at 6.25 percent while the US Fed funds target range increased by 25 bps to 5.25–5.50 percent.

Chart 11. Treasury Bill Rates in percent



The average rate in the interbank call loan (IBCL) market went down by 5 basis points (bps) from 6.3565 percent in Q2 2023 to 6.3097 percent in Q3 2023. Banks availed of loans in the IBCL market to fund GS purchases, client withdrawals, deposit maturities, and loan releases.

Interbank call loan rate declines in Q3 2023

The secondary GS market yield curve leaned slightly upward in end-September 2023 relative to end-June 2023 levels. Like the primary market, the movement in rates reflected market concerns over the persistence of high inflation and expectations that the BSP and the US Fed will keep their policy rates higher for longer.

Yield curve in secondary GS market increases slightly

The yields of shorter-tenor GS declined, with the reduction in rates ranging from 2 bps (1-year GS) to 41 bps (3-month GS). Meanwhile, yields at the longer end of the curve inched up with the change in rates ranging from 3 bps (3-year GS) to 32 bps (20-year GS).

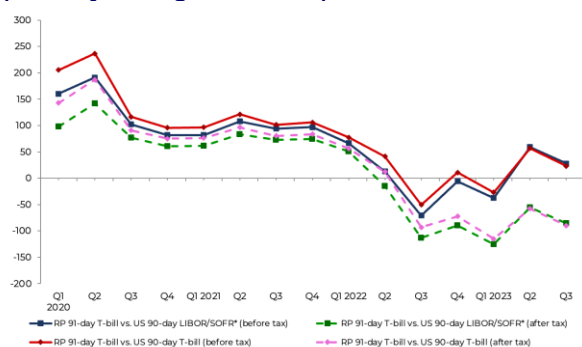
Interest rates in BSP facilities show mixed trends

Compared to end-June 2023, interest rates in the 7-day and 14-day term deposit facilities (TDF) declined in end-September 2023 by 14 bps and 13 bps to settle at 6.4449 percent and 6.4649 percent, respectively. Meanwhile, the 28-day and 56-day BSP Bill WAIR increased to 6.7290 percent and 6.7643 percent in end-September 2023 from 6.6562 percent and 6.6442 percent in end-June 2023, respectively. The mixed trends in rates of the shorter- and longer-termed BSP facilities reflected the BSP's action of maintaining the policy settings in Q3 2023 and market expectations that the policy rate could stay higher for longer.

The differentials between the RP 90-day T-bill and the US 90-day T-bill and 90-day SOFR¹⁸ narrowed in Q3 2023 relative to Q2 2023, owing to the larger increase in US rates compared to the decline in domestic rates.

Interest rate differentials narrow in Q3 2023

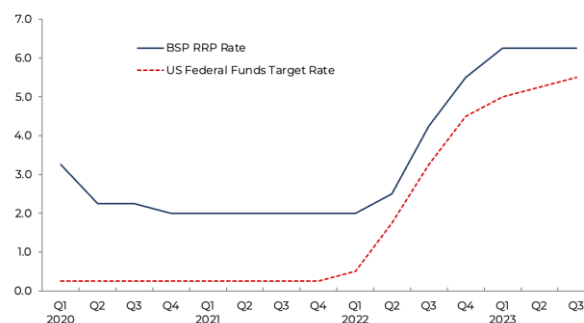
Chart 12. Interest Rate Differentials
quarterly averages; in basis points



¹⁸ Secured Overnight Financing Rate (SOFR) replaces the London Interbank Offered Rate (LIBOR) as the benchmark for loan rates starting July 2023. To

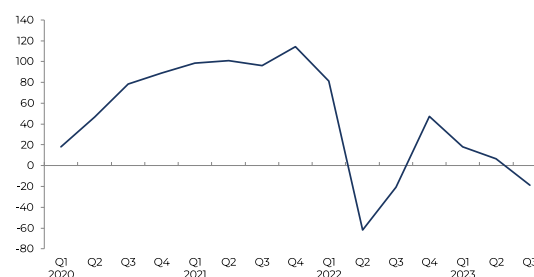
Similarly, the positive differential between the BSP policy rate and the US Federal Funds target rate narrowed to 75 bps as of end-September 2023. This reflected the 25-bp increase in the US Fed's target rate during the quarter while the BSP kept its overnight RRP rate unchanged in the same period.

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



Meanwhile, the risk-adjusted spread continued to narrow as of end-September 2023 owing to the 25-bp decline in interest rate differential and 1-bp increase in the risk premium (measured as the difference between the 10-year ROP and the 10-year US note). The slight increase in risk premium was driven by the 74-bp increase in the 10-year ROP note yield against the 73-bp increase in the 10-year US note yield.

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



determine trends, the differentials using SOFR are computed from Q1 2022 to Q3 2023.

Financial Sector

Banking System

The Philippine banking system continued to improve, particularly in terms of resources and asset quality, amid better GDP outturn in Q3 2023.

Banking system assets and deposits expand

During the review period, banks' assets and deposits grew y-o-y. Asset quality generally improved while capital adequacy ratios remained above international standards. Banks continued to make up the bulk of the financial sector, with U/KBs accounting for about 94.0 percent of the total banking system's resources. The remaining 6.0 percent is composed of thrift banks (4.4 percent), and rural banks and cooperative banks (1.6 percent). Meanwhile, non-bank financial institutions (NBFIs) have the largest network of head offices and branches or agencies, comprised mainly of pawnshops.

Performance of the Banking System

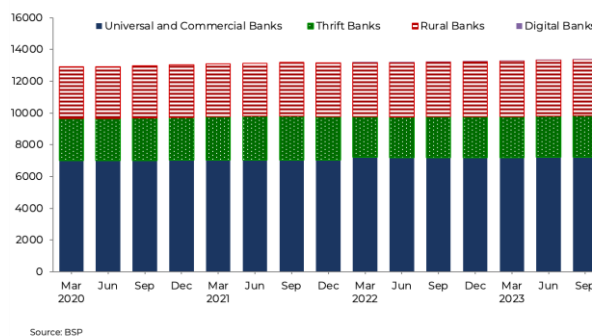
Market Size

The number of head offices of banking institutions in the Philippines decreased to 485 offices in September 2023 from 498 offices a year ago and 490 offices during the previous quarter (*Table 7*) due mainly to the mergers and consolidation in the banking sector. The head offices of banks

consisted of 45 U/KBs, 43 thrift banks, 391 rural banks, and 6 digital banks.¹⁹

Banks' operating network continues to grow

Chart 15. Number of Banking



Despite the decline in the number of banking institutions, the banking system's operating network, consisting of head offices as well as branches/agencies, continued to expand to 13,380 offices from 13,219 offices a year ago and 13,335 offices recorded a quarter ago.

The leaner yet stronger banking network reflects the growing efforts of the industry to provide efficient financial intermediation to support the expansion of economic activity.

As of end-September 2023, the banking system's total resources rose by 9.0 percent from the previous year and by 3.1 percent from the previous quarter (*Table 8*). Total resources stood at 104.6 percent of GDP.²⁰

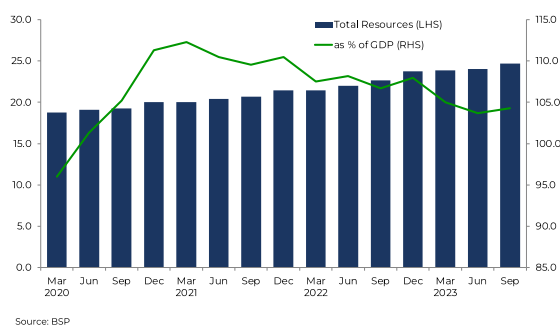
¹⁹ In the first quarter of 2022, the BSP authorized Tonik Digital Bank, Inc. (TONDB) and Maya Bank, Inc. (MAYA) to operate as digital banks, while Overseas Filipino Bank, Inc., a digital bank of LANDBANK (OFBDB), and UNObank, Inc. (UBI) were authorized during the second quarter of 2022. Meanwhile, UnionDigital

Bank, Inc. (UDB) and GoTyme Bank Corporation (GTyme) obtained their certificates in third quarter of the same year.

²⁰ Based on annualized GDP as of end-September 2023 (at current prices).

Chart 16. Total Resources of the Banking System

levels in trillion pesos; share in percent



Savings Mobilization

The rise in the banking system's total resources was financed mainly by deposits, which reached ₱14.2 trillion as of end-September 2023, 8.6 percent and 1.6 percent higher than the previous year and quarter level.²¹ The continued y-o-y expansion in deposits reflected the sustained confidence in the Philippine banking system despite periods of uncertainty in the global financial market amid the reported failure of US and European banks early this year.

Bank deposits post continued growth

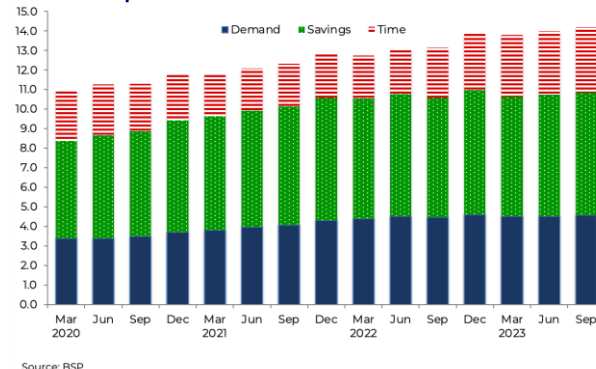
The rise in deposits was traced to higher time deposits which grew by 3.6 percent q-o-q and by 34.6 percent y-o-y, an indication of consumers locking in funds for higher returns amid the rise in interest rate environment.²² Demand and savings deposits likewise grew by 1.3 percent and 0.9 percent, respectively. Meanwhile, FCDs owned by residents increased q-o-q by 8.1 percent to reach ₱2.8 trillion.²³

²¹ This refers to the total peso-denominated deposits of the banking system.

²² For July 2023, interest rates for short-term time deposits reached 4.32 percent, higher than the average rates posted in Q2 2023 and Q3 2022 of 4.25 percent and 1.80 percent, respectively.

²³ FCD-Residents, along with M3, forms part of a money supply measure called M4. Meanwhile, M3 consists of savings deposits, time deposits, demand deposits, currency in circulation, and deposit

Chart 17. Deposit Liabilities of Banks
in trillion pesos



Credit Card Receivables

The credit card receivables (CCRs) of the banking system reached ₱662.0 billion as of end-September 2023, rising by 30.4 percent in the same period a year ago and by 7.0 percent from the previous quarter. The rise in CCRs could indicate firm demand for this revolving credit as the BSP retained interest rate ceilings for credit card transactions.²⁴

Credit card receivables maintain double-digit growth

The ratio of CCRs to the total loan portfolio (TLP) increased to 5.6 percent as of end-September 2023 from 4.6 percent the previous year and 5.3 percent in the preceding quarter. In terms of loan quality, the ratio of non-performing CCRs to total CCRs improved, declining to 4.1 percent from 5.0 percent the year before but slightly higher than the 3.8 percent registered in the previous quarter.

Motor Vehicle Loans²⁵

As of end-September 2023, the banking system's motor vehicle loans (MVLs) rose

substitutes.

²⁴ The Monetary Board decided to retain the existing ceilings on credit card transactions under Circular No. 1165 dated 19 January 2023. The maximum interest rate or finance charge on the unpaid outstanding credit card balance of a cardholder remains at 3 percent per month or 36 percent per year.

²⁵ Formerly "Auto Loans", renamed effective September 2015.

to ₱492.5 billion, registering a y-o-y increase of 12.6 percent. Similarly, relative to the previous quarter, MVLs rose by 4.8 percent, traced to increased consumer demand for motor vehicles.²⁶

Vehicle loans increase

The share of total MVLs to TLP increased to 4.1 percent from the 3.9 percent and 4.0 percent registered a year and a quarter ago, respectively. In terms of loan quality, the ratio of non-performing MVLs to total MVLs improved to 7.0 percent from 9.3 percent in the preceding year and 7.5 percent in the previous quarter.

Salary-Based General-Purpose Consumption Loans²⁷

The banking system's salary-based general-purpose consumption loans (SBGPCL) increased to ₱325.4 billion as of end-September 2023, 29.6 percent and 7.1 percent higher than the previous year and preceding quarter, respectively, supporting households' consumption expenditures.²⁸

Salary loans continue to support household expenditures

The share of total SBGPCLs to TLP increased to 2.7 percent from 2.3 percent, and 2.6 percent recorded a year and a quarter ago, respectively. In terms of loan quality, the ratio of non-performing SBGPCLs to total SBGPCLs increased slightly to 4.9 percent from 4.7 percent a year ago, but was unchanged relative to the previous quarter.

²⁶ Sales of automotive vehicles in the first nine (9) months of 2023 reached 314,843 units, which was 26.9 percent higher than the 248,154 units sold during the same period last year. Source: Joint report of the Chamber of Automotive Manufacturers of the

Residential Real Estate Loans

As of end-September 2023, the total residential real estate loans (RREs) of the banking system reached ₱982.5 billion, 6.0 percent and 7.4 percent higher than the level a year and a quarter ago, respectively.

Residential real estate loans were steady

Total RREs to TLP reached 8.3 percent as of end-September 2023, unchanged relative to the level registered a year ago, but was higher than the 7.8 percent in the previous quarter. In terms of loan quality, non-performing RREs to total RREs declined to 7.1 percent from 7.9 percent registered in the previous year and 7.6 percent recorded in the previous quarter.

Asset Quality and Capital Adequacy

The Philippine banking system's gross non-performing loans (GNPL) ratio as of end-September 2023 remained unchanged at 3.4 percent relative to the ratios posted a year and a quarter ago (*Table 9*).

Non-performing loans improve

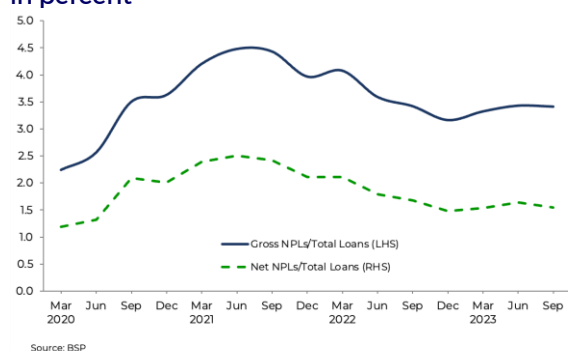
On the other hand, the net non-performing loans (NNPL) ratio improved to 1.5 percent as of end-September 2023 compared with the 1.7 percent and 1.6 percent recorded a year and a quarter ago, respectively.

Philippines, Inc. (CAMPI) and Truck Manufacturers Association (TMA) released on 23 October 2023.

²⁷ Formerly "Salary Loans"

²⁸ Data collection started with June 2014 data.

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



In computing for the NNPLs, specific allowance for credit losses on NPLs are deducted from the GNPLs. These allowances increased to ₱243.3 billion as of end-September 2023 from ₱211.3 billion a year ago and ₱229.0 billion in the previous quarter.²⁹

Across regional counterparts, the Philippine banking system's GNPL ratio was higher than those of Thailand (2.7 percent), Indonesia (2.2 percent), Malaysia (1.1 percent) and South Korea (0.4 percent).³⁰

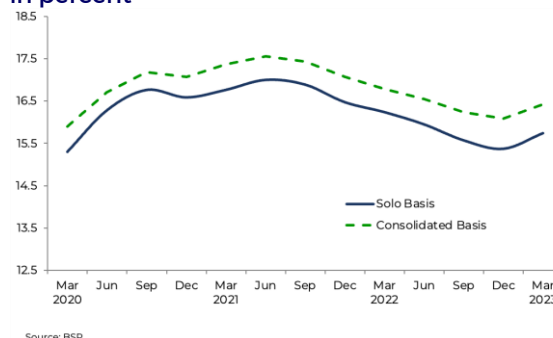
Loan exposures of banks remained adequately covered as the banking system's NPL coverage ratio reached 103.6 percent as of end-September 2023, higher than the 102.5 percent and 101.7 percent recorded in the previous year and quarter, respectively.

The CAR of U/KBs at end-March 2023, on a solo basis, increased to 15.7 percent from 15.4 percent posted a quarter ago.

U/KBs' CAR remains well above international and regulatory standards

Similarly, on a consolidated basis, the CAR of UKBs rose to 16.4 percent from 16.1 percent registered in the preceding quarter.³¹ Nonetheless, these figures remained well above the BSP's regulatory threshold of 10.0 percent and international standard of 8.0 percent.

Chart 19. Capital Adequacy Ratio of UKBs in percent



The CAR of Philippine U/KBs, on a consolidated basis, was higher than that of South Korea's 15.6 percent but lower than Indonesia's 21.7 percent, Thailand's 20.0 percent and Malaysia's 18.1 percent.³²

Banking Policies

Banking policies implemented during the quarter in review were aimed at enhancing/providing guidelines/regulations in the following areas: (1) use of benchmarks for unit investment trust funds (UITFs); and (2) change in the category and submission

²⁹ 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.

³⁰ Sources: Thailand (Total Commercial Banks' Gross NPL ratio, June 2023); Indonesia (Commercial Banks' Nonperforming Loans to Gross Loans Ratio, March 2023); Malaysia (Banking System's Ratio of net impaired loans to net total loans, September 2023), and South Korea (Domestic Banks' Substandard or Below Loans Ratio, June 2023).

³¹ Liquidity Coverage Ratio (LCR) of U/KBs on a solo

and consolidated bases stood at 185.7 percent and 185.4 percent, respectively in 2022, slightly lower than the 200.9 percent and the 200.6 percent recorded in 2021 but remained significantly higher than the 100 percent minimum threshold.

³² Sources: South Korea (Domestic Banks' Total Capital Ratio, June 2023); Indonesia (Commercial Banks' Regulatory Capital to Risk-Weighted Assets Ratio, March 2023); Thailand (Commercial Banks' Capital Funds Percentage of Risk Assets, August 2023); and Malaysia (Banking System's Total Capital Ratio, September 2023).

deadline of prudential reports (*Annex A*).

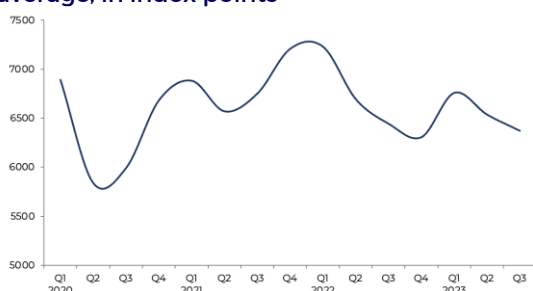
Capital Market Reforms

In Q3 2023, the BSP and SEC implemented the following reforms that were focused on boosting participation in the capital markets, increasing price discovery and supporting developments in risk management (*Annex B*).

Stock Market

The Philippine Stock Exchange Index (PSEi) averaged 6,372.2 index points in Q3 2023, lower by 1.1 percent and 2.5 percent, y-o-y and quarter-on-quarter (q-o-q), respectively. The decline in the PSEi could be attributed largely to investors' concerns over growth prospects and expectations of further tightening of financial conditions.

Chart 20. PSEi average; in index points



Source: Philippine Stock Exchange (PSE), BSP

On a month-on-month (m-o-m) basis, the PSEi showed mixed movements. In July, the PSEi rose after reports of slower June inflation in the Philippines and in the US. Moreover, favorable growth outlooks by the Asian Development Bank (ADB)³³ and the International Monetary Fund (IMF)³⁴

³³ The ADB, in its July 2023 Asian Development Outlook (ADO), projected that the Philippines will be the fastest growing economy for 2023 and 2024 in Southeast Asia.

³⁴ The IMF raised its global growth estimates in 2023 under its July 2023 World Economic Outlook (WEO), projecting a real GDP growth of 3.0 percent, higher by 0.2 percentage point from its 2.8-percent forecast in April.

³⁵ Fitch Ratings downgraded the US credit rating a notch lower to AA+ from top-level AAA, citing the US' "expected fiscal deterioration over the next three years, a high and growing general government debt

provided support to the PSEi.

However, the upward trend was not sustained in August as market sentiment was dampened following: (1) the US credit rating downgrade by Fitch Ratings³⁵; (2) hawkish nuances by US Federal Reserve (US Fed) officials³⁶; and (3) data releases which reflected a lower-than-expected Q2 2023 GDP growth for the Philippines and weaker leading indicators for China, including a substantial drop in its trade data.³⁷

In September, the decline in the PSEi continued. The index fell to its monthly intraday low of 5,998.3 index points on 20 September 2023, a day before the announcement of the US Fed and the BSP's policy decisions. Contributing also to investors' risk-off sentiment was the rise in global oil prices following announcements of production cuts by Saudi Arabia and Russia.

Similarly, price-to-earnings (P/E) ratio of PSEi member firms averaged lower at 12.9 times in Q3 2023 from 14.6 times last year and 13.8 times a quarter ago.

Meanwhile, other stock market indicators showed resilience during the quarter. Total capitalization of the stock market increased to ₱16.7 trillion, 9.0 percent and 0.6 percent higher from the previous year and quarter, respectively. Net foreign sales declined to ₱15.6 billion from ₱25.7 billion in Q3 2022.

On a regional perspective, selected ASEAN stock market indices declined, except for the Singapore's Straits Times Index (STI)

burden, and the erosion of governance relative to 'AA' and 'AAA' rated peers over the last two decades that has manifested in repeated debt limit standoffs and last-minute resolutions." Source: [Fitch Ratings](#)

³⁶ The US Fed July minutes highlighted the significant upside risks to inflation, with inflation still above target and labor market remaining tight, which may warrant further monetary tightening.

³⁷ China's exports and imports dropped by 14.5 percent and 12.4 percent, y-o-y, respectively. Source: [General Administration of Customs People's Republic of China](#)

which increased marginally by 0.9 percent, y-o-y. Stock Exchange Index of Thailand (SET) posted the largest decline of 4.7 percent, followed by FTSE Bursa Malaysia Kuala Lumpur Composite Index with -2.0 percent and Jakarta Stock Price Index (JCI) with -1.9 percent.

Bond Market³⁸

Local Currency Bond Market

Primary Market

Local currency (LCY) bonds issued by both the public and private sectors amounted to ₱506.0 billion in Q3 2023, lower by 6.6 percent, q-o-q, and 53.2 percent, y-o-y. The decline could be traced largely to the National Government's (NG) non-issuance of peso Retail Treasury Bonds (RTB) during the quarter relative to the ₱465.5 billion issued in Q3 2022.

LCY bonds decrease mainly on reduced issuances by the NG

Government securities (GS) issuances totaled to ₱462.6 billion in Q3 2023, declining by 3.0 percent from the preceding quarter and 51.6 percent from same quarter last year. Out of the total public sector issuances, the share of Treasury Bills (T-Bills) increased to 39.5 percent from 33.0 percent last quarter and 14.6 percent last year. Towards the end of the quarter, GS issuances of NG shifted to shorter maturity, partially awarding longer dated T-bonds to cap the rise in interest rates following the pause in the BSP's and US Fed's monetary tightening during the quarter.

³⁸ This refers to primary issuances, secondary trading, and investors' holdings of bonds issued by both public and private sectors, excluding the central

Chart 21. LCY Bond Issuances in billion pesos



Sources: BTr, Bloomberg, and BSP staff calculations

Similarly, private sector issuances of LCY bonds decreased to ₱43.4 billion in Q3 2023, smaller by 32.8 percent and 65.4 percent from their levels in the previous quarter and year. The decline in private sector issuances was reflective of tightening financial conditions as borrowing costs increased.

Out of the total LCY debt security issuances in Q3 2023, the share of the public sector stood at 91.4 percent while the private sector accounted for the remaining 8.6 percent. Debt securities issued by the Bureau of the Treasury (BTr) and the Land Bank of the Philippines (LBP) comprised the entire public sector issuances. Meanwhile, banks and holding firms were the top issuers from the private sector.

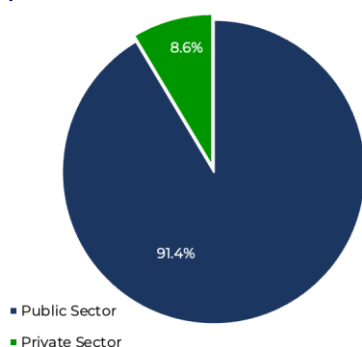
Private sector bond issuances decline due to higher borrowing costs

In the BTr auctions, offerings for both T-Bills and T-Bonds totaled to ₱585.0 billion and were oversubscribed by 2.1 times. The market showed preference for T-Bills given a bid-to-cover ratio of 2.9 times, higher than the 1.6 times for Regular Fixed-Rate Treasury Bonds (T-Bonds). This strong preference for short-term GS could be attributed to market uncertainty

bank. Detailed discussions on bond yields, debt spreads and central bank issuances are found in other sections of the report.

brought about by geopolitical tensions and tightening financial conditions.

Chart 22. LCY Bond Issuances as percent of market share



Sources: BTr, Bloomberg, and BSP staff calculation

NG partially awards auction offerings

Despite the oversubscription of GS in the primary market, the BTr partially awarded ₱182.6-billion (93.6 percent) T-Bills and ₱319.5-billion (71.7 percent) T-Bonds from their respective program offerings of ₱195.0 billion and ₱390.0 billion.

Secondary Market

Trading of public and private debt securities at the Philippine Dealing and Exchange Corporation (PDEX) increased to ₱1,070.7 billion, up by 19.9 percent (q-o-q) and 23.7 percent (y-o-y) in Q3 2023.

Trading increases in the secondary market

GS accounted for 98.9 percent of secondary trades, with T-Bonds accounting for 51.2 percent share; T-Bills at 30.8 percent; and RTBs at 16.9 percent. The share of corporate bonds traded at the

³⁹ This includes Social Security System (SSS), Government Service Insurance System (GSIS), Home Development Mutual Fund (HDMF), and Philippine Deposit Insurance Corporation (PDIC).

⁴⁰ This refers to securities custodian, a financial institution accredited by the BSP that is designated by investors to perform the functions of safekeeping, holding title to the securities in a nominee capacity,

secondary market remained minimal at 1.1 percent.

Chart 23. Secondary Market Volume in billion pesos



Source: Philippine Dealing and Exchange Corporation

Foreign Currency Bond Market

NG refrained from tapping the offshore bond market in Q3 2023. Nonetheless, the BTr issued onshore dollar RTBs amounting to US\$611.2 million.

NG refrains from sourcing funds in the offshore bond market

Similarly, there were no recorded offshore issuances from the private sector for the reporting period, similar to the previous quarter.

Holders of Government Securities

Out of the ₱9,734.2-billion outstanding onshore peso GS as of end-September 2023, foreign holdings declined to 1.7 percent from 2.0 percent in end-June 2023. The remaining 98.3 percent was held by residents, with banks holding the most at 33.4 percent, followed by tax-exempt institutions³⁹ (31.1 percent), other residents (14.0 percent), and the BSP (13.1 percent). Custodians⁴⁰ and insurance companies accounted for 4.8 percent and

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

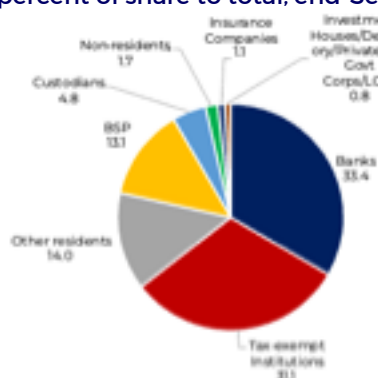
1.1 percent, respectively. The residual share of 0.8 percent was held by investment houses, depository⁴¹, private and government corporations, and local government units (LGUs).

Resident investors continue to hold majority of onshore GS

Meanwhile, foreign currency (FCY)-denominated offshore bonds amounted to ₱2,484.2 billion and were largely held by non-residents with a 62.4-percent share as of end-August 2023, lower than 62.9 percent in end-June 2023. Resident investors, which held 37.6 percent of the total, could be decomposed into public (9.1 percent) and private (28.5 percent) sectors. Among private sector holders, banks had the largest share of 25.1 percent, followed by banks' trust departments (1.9 percent) and non-bank financial institutions (1.4 percent). In the public sector, government financial institutions (GFIs), the BSP, and the NG held 5.1 percent, 3.1 percent, and 1.0 percent, respectively.

Chart 24. Holders of Outstanding GS Onshore

as percent of share to total; end-Sep 2023

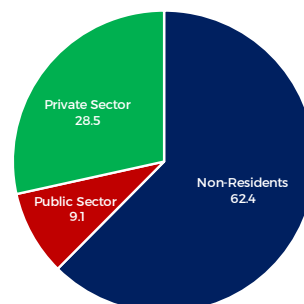


Foreign investors' holdings of offshore GS declined

Foreign investors' holdings of Philippine GS registered a positive net change of ₱22.8 billion in August 2023, a reversal from -₱3.4 billion registered in June 2023 and -8.9 billion in August 2022.

Chart 25. Holders of Outstanding GS Offshore

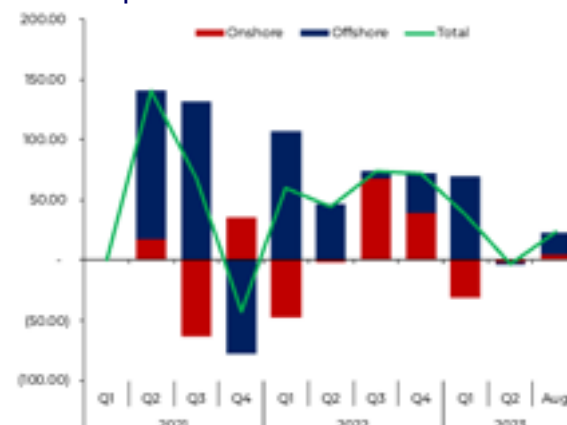
as percent of share to total; end-Aug 2023



Non-resident demand for GS increases

Chart 26. Net Changes in Non-Resident GS Holdings

in billion pesos



Credit Rating Assessment

On 7 August 2023, Rating and Investment Information, Inc. (R&I) has affirmed the Philippines' credit rating of "BBB+" and revised its outlook to "positive" from "stable", which R&I attributed to the country's robust macroeconomic fundamentals, improving fiscal position, sound banking system, comfortable external payments position, and stable

starting February 2013.

⁴¹ This refers to the depository account of the Philippine Depository and Trust Corporation (PDTC)

political environment. The R&I noted that the Philippine economy performed well amid global economic uncertainties. This was supported by decelerating inflation, as well as strong private consumption and investments.

PH maintains investment-grade rating with a “positive” outlook

The “BBB+” rating is two notches higher than the minimum investment grade and a notch below the “A-” rating. A “positive” outlook by R&I reflects the country’s favorable medium-term economic growth prospects under the Philippine Development Plan 2023-2028 and the improving trend of fiscal consolidation.

The investment-grade rating indicates lower credit risk for the Philippines allowing the country to access funding from development partners and international debt capital markets at lower costs. This also enables the national government to channel funds that would have otherwise been allotted for interest payments to socially beneficial programs and projects.

Bond spreads

Credit risk premiums narrowed for the month of July 2023 on account of the US Federal Reserve and the BSP pausing monetary tightening cycles amid easing inflation.

Debt spreads were broadly stable amid easing market conditions

Debt spreads recorded mixed signals in August. In the first half of the month, there

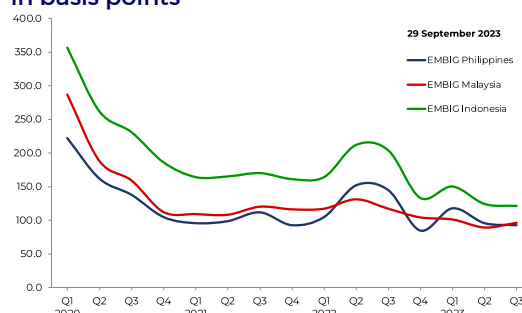
⁴² The US Federal Reserve raised interest rates by 25 bps to 5.5 percent on 26 July 2023. US Headline Inflation rose to 3.2 percent in July 2023, from the 3.0 percent in June.

⁴³ The rise in global oil prices was attributed to the production cuts implemented by Saudi Arabia and

was an uptick following the decision of the US Federal Reserve to increase policy rates anew amid elevated inflation along with rising global oil prices, which normalized in the latter half of the month following signs of cooling in the US labor market.^{42,43,44} On the domestic front, the BSP’s decision to keep policy rate unchanged for three consecutive meetings amid the sustained decline in headline inflation provided support to investor sentiment and contributed to the recovery of domestic risk premiums.⁴⁵

Debt spreads widened again by the end of the quarter amid renewed broadening of price pressures both domestically and abroad which fueled expectations of a higher-for-longer interest rate environment.

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



Source: Bloomberg

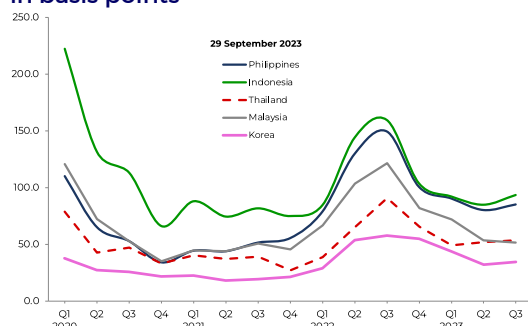
As of 29 September 2023, the Emerging Market Bond Index Global (EMBIG) Philippines spread (i.e., the extra yield investors demand to hold Philippine sovereign debt relative to US Treasuries) narrowed to 93 basis points (bps), from the end-June level of 96 bps.

Russia.

⁴⁴ Source: <https://www.cbsnews.com/news/us-job-creation-slowed-august-adp-inflation/>

⁴⁵ The BSP held the key policy rate unchanged for the May, June and August 2023 policy meetings.

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



Source: Bloomberg

Meanwhile, the country's five-year sovereign credit default swap (CDS) widened to 85 bps from end-June's 80 bps. Against neighboring economies, the Philippine CDS spread was narrower than that of Indonesia (93 bps), but wider than Malaysia (51 bps), Thailand (53 bps), and Korea (34 bps). While the Philippines is at the higher end of the pack against similarly rated economies in Asia⁴⁶, it is at the low end compared with countries in Latin America (e.g., Panama and Mexico) with investment grade rating of at least BBB- or Baa3.⁴⁷

Overall, EMBIG spreads registered an average of 90 bps in Q3 2023, lower than the 104-bp average in Q2 2023. For the same period, CDS spreads likewise narrowed to 76 bps, lower than the 88-bp average in the previous quarter.

Payments and Settlements System⁴⁸

In Q3 2023, the total number of transactions settled and processed by the

⁴⁶ As of September 2023, South Korea is rated AA- by Fitch, Aa2 by Moody's, and AA by S&P.

⁴⁷ As of 29 September 2023, the CDS spreads of Peru, Panama and Mexico stood at 86 bps, 135 bps and 127 bps respectively. Meanwhile, the CDS spread of Uruguay is lower at 75 bps.

⁴⁸ 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.

⁴⁹ Refers to transactions in the automated teller machine (ATM), ACHs (PESONet and InstaPay), checks, payment vs payment (PvP), DvP/NROSS,

PhilPaSS^{plus} reached 374,986, or a 3.2-percent y-o-y growth. This was higher than the 1.9-percent y-o-y growth in Q2 2023. The expansion in the volume of *PhilPaSS^{plus}* transactions in Q3 2023 was driven by the 10.1 percent and 8.4 percent y-o-y increase in transactions made through financial market infrastructures (FMIs) and clearing switch operators (CSOs)⁴⁹ and between financial institutions (FIs),⁵⁰ respectively.

Volume and value of PhilPaSS^{plus} transactions increase

The increase in FMI and CSO transactions was due mainly to the growth in Delivery vs Payment (DvP)/National Registry of Scripless Securities (NROSS) and automated clearing houses (ACHs) transactions, which expanded y-o-y by 41.0 percent and 8.3 percent, respectively. The increase in DvP/NROSS transactions partly reflected the rise in the volume of transactions in the GS market amid greater preference for safer assets given lingering uncertainties from domestic and external markets. Moreover, the increase in ACHs transactions (i.e., transactions done via PESONet and InstaPay) can be attributed to the BSP's continued efforts in digitalizing retail payments through the launching of "Paleng-QR Ph Plus" in two cities⁵¹ and the waiver of fund transfer fees charged by three banks for small-value transactions during the quarter.⁵²

However, the increases were partly offset by the decline in other accounts, namely,

e-delivery-vs-payment (eDvP), and interbank repo.

⁵⁰ Refers to the general FI to FI transfers or credit transfer messages from a debtor FI to a creditor FI.

⁵¹ During the quarter, Paleng-QR Ph Plus was launched in Victorias City and Mandaue City, promoting the adoption of digital payments in markets, public transport, and other establishments. Sources:

<https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6791>

<https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6828>

⁵² The Bank of the Philippine Islands, Metropolitan

government collections and payments,⁵³ customer payments to individuals, corporates, and government, and transactions related to BSP's monetary operations.

Meanwhile, the total value of transactions in Q3 2023 reached ₱129.0 trillion, higher by 0.5 percent y-o-y. This was a reversal from the previous quarter's y-o-y decline of 5.5 percent. The increase in the value of transactions in Q3 2023 was due largely to the 36.7 percent y-o-y increase in transactions made between FIs (*Table B*).

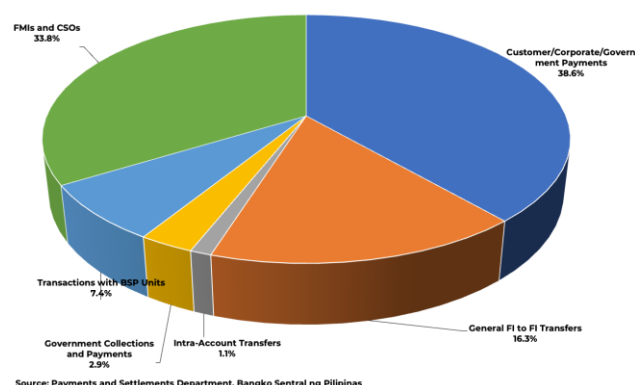
Table B. *PhilPaSS*^{plus} Transactions

	2022		2023		Growth rates year-on-year in percent 2023	
	Q2	Q3	Q2	Q3	Q2	Q3
Volume	344,330	363,277	351,013	374,986	1.9	3.2
Value (in trillion pesos)	121.70	128.32	115.01	128.98	-5.5	0.5
Transaction Fees (in thousand pesos)	17.68	4.55	48,115.39	49,706.81	272,085.1	1,093,407.6

Source: Payment and Settlements Department (PSD), BSP

During the quarter, payments among individuals, corporates, and government accounted for 38.6 percent of the volume of transactions at the *PhilPaSS*^{plus}, followed by transactions made through FMs and CSOs at 33.8 percent, and transfers among FIs at 16.3 percent. The remaining 11.3 percent came from transactions with BSP units,⁵⁴ government collections and payments, and intra-account transfers⁵⁵.

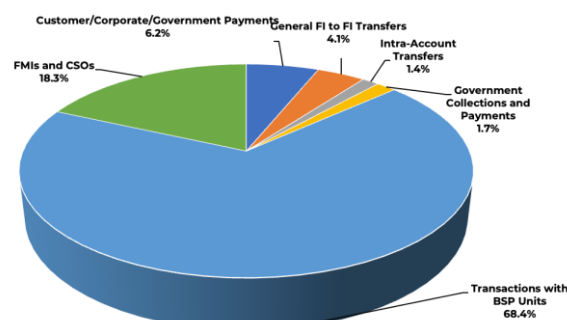
Chart 29. Volume of *PhilPaSS*^{plus} Transactions
percent share; as of Q3 2023



Source: Payments and Settlements Department, Bangko Sentral ng Pilipinas

In terms of value, transactions with BSP units (68.4 percent), FMs and CSOs (18.3 percent), and payments among individuals, corporations, and government (6.2 percent) made up about 92.8 percent of the total value of transactions.

Chart 30. Value of *PhilPaSS*^{plus} Transactions
percent share; Q3 2023



Source: Payments and Settlements Department, Bangko Sentral ng Pilipinas

The volume of retail transactions—composed of customer payments to government, businesses, and individuals; transactions at the ATMs and ACHs; as well as check payments—was recorded at 184,240, down by 0.5 percent on a y-o-y basis, slower compared with the 3.2

Bank & Trust Co., and Union Bank of the Philippines waived fund transfer fees for transactions worth up to ₱1,000. See also https://www.bsp.gov.ph/PaymentAndSettlement/Fee_s.pdf on transfer fees through digital channels. Source: <https://www.bworldonline.com/top-stories/2023/09/15/545687/more-banks-urged-to-remove-fees-on-small-transfers/>

⁵³ Refers to transactions with the BIR and the BOC, as well as transactions related to non-tax collections

and government disbursements.

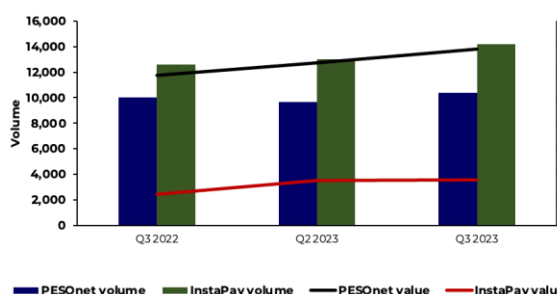
⁵⁴ Transactions related to the BSP's monetary operations made up 71.3 percent of the total volume of transactions with BSP units.

⁵⁵ 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 under ACH.

percent y-o-y decline recorded in the previous quarter.

On a y-o-y basis, customer payments to government, business, and individuals, ATM transactions, and check payments declined by 1.6 percent, 2.8 percent, and 3.5 percent, respectively. Meanwhile, transactions with ACHs recorded a y-o-y growth of 8.3 percent. The y-o-y growth in ACHs transactions may be attributed to the BSP's initiatives in promoting digital retail payments across the country, which include among others Paleng-QR, Bills Pay PH, and QR Ph⁵⁶. While there was lesser volume of retail transactions recorded in Q3 2023, the total value of transactions in these categories increased to ₱13.3 trillion, higher by 4.8 percent y-o-y, albeit slower than the 13.6-percent y-o-y growth recorded in the previous quarter.

Chart 31. Volume and Value of PESONet and InstaPay Transactions



Source: Payments and Settlements Department, Bangko Sentral ng Pilipinas

Meanwhile, total revenues earned by the BSP from *PhilPaSS^{plus}* operations grew to ₱49.7 million in Q3 2023. This was higher than the ₱48.1 million revenues recorded in Q2 2023 and ₱4,545 in Q3 2022. The significant y-o-y increase in revenues in Q3 2023 was traced to the resumption of BSP's collection of fees on

⁵⁶ Paleng-QR promotes cashless payments in markets and transportation hubs to capture a broader market. Meanwhile, Bills Pay PH provides an interoperable payment facility between payers and billers with different payment system providers. Lastly, QR Ph enables the use of interoperable QR codes when transferring funds via InstaPay.

⁵⁷ The BSP issued Memorandum No. M-2022-053 dated 16 December 2022 re-extending the waiver of fees on fund transfers through the *PhilPaSS^{plus}* until the end of January 2023 only.

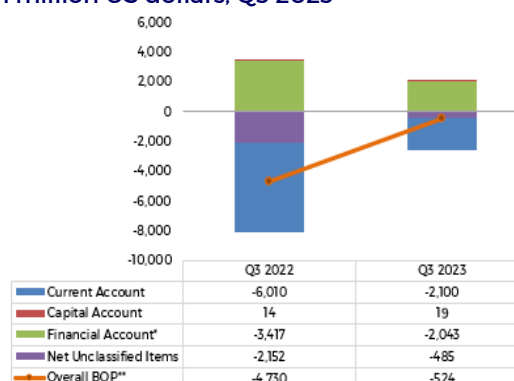
fund transfers through the platform starting in February 2023.⁵⁷

External Sector

Balance of Payments

The country's balance of payments (BOP) position registered a deficit of US\$524 million in Q3 2023, markedly lower than the US\$4.7 billion deficit recorded in the same quarter of the previous year.⁵⁸ This development was due to the decline in the current account deficit, which resulted from the narrowing of the trade in goods deficit and increase in net receipts of trade in services, and primary and secondary income accounts.

Chart 32. Balance of Payments
in million US dollars; Q3 2023



* In the Financial Account, a positive (negative) balance indicates an outflow (inflow). For graphical presentation purposes, inflows (outflows) are plotted above (below) the x-axis.
** The overall BOP position is equal to the current account balance plus the capital account balance minus the financial account balance plus net unclassified items.
Details may not add up to total due to rounding.

Q3 2023 BOP position posts lower deficit

Trading of goods moderated during the period amid lingering geopolitical

⁵⁸ 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 using various sources.

tensions and rising trade barriers. The growth in net receipts of trade in services, however, was supported by a strong rebound in international tourist arrivals. Meanwhile, the financial account posted lower net inflows in Q3 2023 due mainly to the decline in net inflows of other investments following the domestic banks' repayment of their foreign loans. Further, net inflows from the direct investment account and trading in financial derivatives declined. The portfolio investment account, however, posted lower net outflows during the quarter.

Current Account. The current account registered a deficit of US\$2.1 billion (equivalent to -2.0 percent of the country's GDP) in Q3 2023, lower than the US\$6.0 billion deficit (equivalent to -6.5 percent of the country's GDP) recorded in the same quarter in 2022.

Current account deficit narrows

This development resulted mainly from the narrowing of the trade in goods deficit as well as the expansion in net receipts in the trade in services, and primary and secondary income accounts.⁵⁹

Trade-in-Goods. Trade in goods posted a deficit of US\$16.7 billion in Q3 2023, lower by 14.4 percent than the US\$19.5 billion deficit recorded in Q3 2022 as imports declined at a faster rate than the exports during the period.

Trade-in-goods deficit tightens

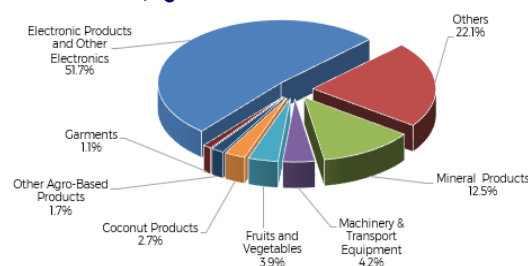
Exports of Goods. Exports of goods declined slightly by 0.7 percent to

US\$14.5 billion in Q3 2023 from US\$14.6 billion in Q3 2022.

Exports of goods slightly decline

The decrease in exports was driven primarily by lower shipments of coconut products (largely coconut oil) at US\$400 million, which was 32.4 percent lower than the US\$592 million recorded in Q3 2022. In addition, exports of manufactured products (largely other manufactures) and other mineral products declined by 1.8 percent (to US\$11.0 billion) and 9.2 percent (to US\$815 million), respectively. The demand for exports of goods continued to decline due mainly to subdued global economic activity. On a by country basis, the slowdown in export growth emanated from lower demand mostly from Singapore, Japan, and Thailand.

Chart 33. Exports by Major Commodity Group
percent share; Q3 2023



Source: International Merchandise Trade Statistics by the Philippine Statistics Authority (PSA), but adjusted according to the BPM6 framework. Details may not add up to total due to rounding.

Imports of Goods. Imports of goods contracted by 8.5 percent to US\$31.2 billion in Q3 2023 from US\$34.1 billion in Q3 2022 on the back of declining commodity prices.⁶⁰

Goods imports contract

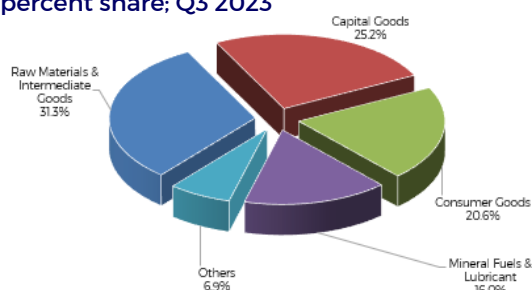
⁵⁹ Primary Income account (formerly the Income account) shows the flows for the use of labor and financial resources between resident and nonresident institutional units. Secondary Income account (formerly the Current Transfers account) shows current transfers, in cash or in kind, for nothing in return, between residents and

nonresidents, e.g., overseas Filipino (OF) workers' remittances.

⁶⁰ By using a Price-Volume Analysis on all import commodity groups, about 99.6 percent of the decrease in value was due to price changes while the remaining 0.4 percent was due to volume changes.

In particular, imports of raw materials and intermediate goods (largely semi-processed raw materials, such as iron and steel) declined by 16.9 percent to US\$9.8 billion from US\$11.7 billion amid moderating manufacturing activity. Shipments of mineral fuels and lubricants (largely coal and coke) and capital goods (largely telecommunications equipment and electric machines) also declined by 23.1 percent to US\$5.0 billion (from US\$6.5 billion) and 11.2 percent to US\$7.9 billion (from US\$8.9 billion), respectively. Meanwhile, consumer goods grew by 2.6 percent to US\$6.4 billion (from US\$6.3 billion).

Chart 34. Imports by Major Commodity Group
percent share; Q3 2023



Source: International Merchandise Trade Statistics by the Philippine Statistics Authority (PSA), but adjusted according to the BPM6 framework. Details may not add up to total due to rounding.

On a by country basis, the lower shipments from Indonesia, South Korea, and Singapore contributed to lower imports growth for the period.

Trade-in-Services. Net receipts of trade in services rose by 18.4 percent to reach US\$5.2 billion in Q3 2023 from the US\$4.4 billion net receipts in the same period a year ago.

Trade-in-services post double-digit growth

⁶¹ 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\$7.4 billion in Q3 2023, 4.0 percent higher than the US\$7.1 billion total revenues registered in Q3 2022.

This developed as the growth in export receipts (by 15.8 percent to US\$12.6 billion) outpaced that of import payments (by 14.1 percent to US\$7.5 billion). In particular, travel receipts rose by 96.6 percent to US\$2.5 billion during the quarter from US\$1.3 billion a year ago due to the fast recovery of the tourism sector following the pent-up demand in travel activities. Furthermore, the higher receipts was driven by the technical, trade-related, and other business services (which grew by 2.7 percent to US\$5.8 billion), computer services (by 9.0 percent to US\$1.7 billion), and passenger transport services (by 20.7 percent to US\$409 million).⁶¹ The increase in net receipts was partly tempered by the increase in payments for technical, trade-related, and other business services (by 29.4 percent to US\$2.2 billion), travel services (by 33.8 percent to US\$1.7 billion), and financial intermediation services indirectly measured (FISIM) (by 109.9 percent to US\$263 million).⁶²

Primary Income. The primary income account net receipts increased by 7.6 percent to US\$1.3 billion in Q3 2023 from US\$1.2 billion net receipts in Q3 2022.

Primary income posts higher net receipts

This was due largely to the rise in interest income receipts on direct investments (to US\$685 million from US\$346 million), reserve assets (to US\$621 million from US\$509 million), and other investments (to US\$235 million from US\$151 million). In addition, compensation receipts from short-term resident overseas Filipino (OF) workers (most of whom are sea-based) rose by 1.6 percent (to US\$2.39 billion from

⁶² Imports of technical, trade-related, and other business services are predominantly accounted for 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.

US\$2.35 billion). These increases in net receipts, however, were mitigated partly by interest income payments on direct investments (to US\$728 million from US\$448 million), and other investments (to US\$303 million from US\$114 million).

Secondary Income. The secondary income account net receipts rose by 2.6 percent to US\$8.1 billion in Q3 2023 from US\$7.9 billion in the same period of the previous year.

Net receipts in secondary income record modest growth

This was driven mainly by the 2.9 percent rise in remittances from nonresident OF workers (to US\$7.5 billion from US\$7.3 billion) and the 23.8 percent increase in receipts of other current transfers (to US\$473 million from US\$382 million) in Q3 2023. This was partly tempered by the 30.4 percent increase in net payments from other current transfers (to US\$231 million from US\$177 million).

Capital Account. The capital account recorded net receipts of US\$19 million in Q3 2023, higher by 30.9 percent than the US\$14 million net receipts recorded in Q3 2022.

Capital account registers robust net receipts

This was due mainly to the reversal of the US\$5.0 million net payments from gross acquisition of non-produced non-financial assets (e.g., patents, trademarks, and copyrights) in Q3 2022 to US\$0.4 million net receipts from net disposals in the third quarter of 2023.

Financial Account.⁶³ The financial account registered net inflows (or net borrowing

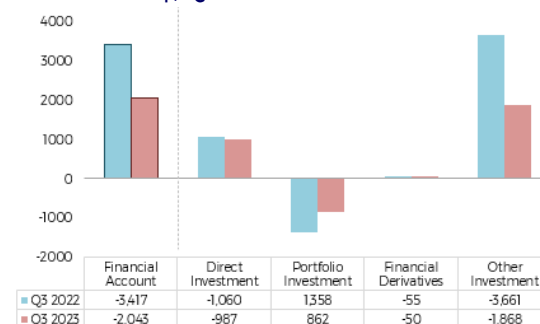
⁶³ Residents' investments abroad pertain to acquisition of financial assets, while non-residents' investments in the Philippines refer to incurrence of

by residents from the rest of the world) amounting to US\$2.0 billion in Q3 2023, a 40.2 percent decline from the US\$3.4 billion net inflows recorded in the same period of the previous year.

Financial account records lower net inflows

This outcome resulted mainly from the decline in net inflows of other investments, and to a slighter degree, direct investments, and trading in financial derivatives. Meanwhile, net outflows of portfolio investments declined.

Chart 35. Financial Account
in million US\$; Q3 2023



* In the Financial Account, a positive (negative) balance indicates an outflow (inflow). For graphical presentation purposes, inflows (outflows) are plotted above (below) the x-axis. Details may not add up to total due to rounding.

Direct Investments. Net inflows of direct investments during the third quarter of 2023 amounted to US\$987 million, representing a 6.9 percent decline from the US\$1.1 billion net inflows in the same period in the previous year.

Direct investments net inflows decline

This development was the result of the decline in net inflows of foreign direct investments (FDI), which offset the lower net outflows from residents' net investments in their foreign affiliates. In

liabilities.

particular, FDI dropped by 5.7 percent to US\$2.0 billion in Q3 2023 from US\$2.1 billion in Q3 2022 due to lower net equity investments (other than reinvestment of earnings) by foreign affiliates in the resident enterprises. By country source, nonresidents' gross equity capital placements emanated mostly from Japan, Singapore, and the United States. These were channeled primarily to the manufacturing, financial and insurance, and real estate industries. Meanwhile, residents' direct investments abroad dropped by 4.5 percent to US\$972 million during the quarter, mainly on the back to lower intercompany lending to affiliates abroad.

Portfolio Investments. Net outflows in the portfolio investment account dropped by more than a third year-on-year to US\$862 million in Q3 2023 from US\$1.4 billion.

Net portfolio investments post lower net outflows

This was mainly buoyed by the reversal of residents' net investments in foreign portfolio assets from US\$713 million net outflows in Q3 2022 to US\$714 million net inflows in Q3 2023. This was due to residents' net withdrawals of their investments in foreign debt securities, particularly the other sectors (at US\$576 million, from net placements of US\$131 million) and local banks (at US\$226 million, from net placements of US\$478 million).⁶⁴ This offset the 144.6 percent increase in net outflows of foreign portfolio investments (FPI) to US\$1.6 billion during the period from US\$645 million a year ago, which resulted from

⁶⁴ Other sectors cover the following economic sectors: (a) other financial corporations, which include private and public insurance corporations, holding companies, government financial institutions, investment companies, other financial intermediaries except insurance, trust institutions/corporations, financing companies, securities dealers/brokers, lending investor, Authorized Agent Banks (AAB) forex corporations, investment houses, pawnshops, credit card companies, offshore banking units (OBUs); (b) non-

higher net withdrawals of nonresidents' investments in Philippine debt papers.⁶⁵

Other Investments. Net inflows in the other investment account in Q3 2023 dropped by 49.0 percent to US\$1.9 billion from US\$3.7 billion in the same quarter of the previous year as residents resorted to net repayment of their foreign borrowings as well as net placements of currency and deposits abroad.

Net inflows of other investments drop

This stemmed mainly from the 57.7 percent decline in net inflows from residents' net incurrence of financial liabilities to US\$1.2 billion from US\$2.9 billion. This was brought about by the domestic banks' net repayment of their short-term foreign borrowings amounting to US\$320 million from net availment of US\$2.0 billion. In addition, net inflows from residents' net disposal of their foreign financial assets declined by 17.7 percent to US\$660 million in the third quarter of 2023 from US\$801 million net inflows in the same period last year. This developed as the deposit-taking corporations and other sectors shifted to net placements of currency and deposits during the period from net withdrawals a year ago.

Trading in financial derivatives records lower net gains

Financial Derivatives. Net gains from trading in financial derivatives were

financial corporations, which refer to public and private corporations and quasi-corporations, whose principal activity is the production of market goods or non-financial services; and (c) households and non-profit institutions serving households (NPISHs).

⁶⁵ Among the big-ticket private sector debt issuances that matured during the quarter are the Bank of the Philippine Islands' and Security Bank Corporation's five-year bonds with principal amounts of US\$600 million and US\$300 million, respectively.

recorded at US\$50 million in Q3 2023, lower by 8.6 percent than the US\$55 million net gains posted in the same period of the previous year.⁶⁶

International Reserves

The country's gross international reserves (GIR) amounted to US\$98.1 billion as of end-September 2023, lower than the US\$99.4 billion recorded in end-June 2023. At this level, the GIR remains adequate as it can cover 7.3 months' worth of imports of goods and payments of services and primary income. It is also equivalent to 5.7 times the country's short-term external debt based on original maturity and 3.6 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, downward adjustment in the value of the BSP's gold holdings due to the decrease in the price of gold in the international market, lower BSP holdings of Special Drawing Rights (SDRs) and reserve position in the International Monetary Fund (IMF), as well as the lower holdings of foreign exchange (FX).

The bulk of the country's total reserves or 84.58 percent was held in foreign investments. Meanwhile, 9.98 percent of the end-September 2023 GIR were in gold and the remaining 5.44 percent were in holdings of SDRs, the BSP's reserve position in the IMF, as well as FX.

⁶⁶ 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 transactions, and interest received or paid on interest rate swaps.

Chart 36. Gross International Reserves
in billion US dollars



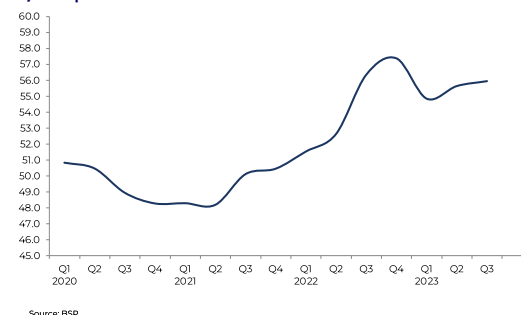
Net international reserves (NIR), which refer to the difference between the BSP's GIR and total short-term liabilities, amounted to US\$98.1 billion as of end-September 2023, a decrease of US\$1.3 billion from US\$99.4 billion as of end-June 2023.

Exchange Rate

The peso averaged ₱55.96/US\$1 in Q3 2023, depreciating by 0.55 percent q-o-q.⁶⁷ On a y-t-d basis, the peso likewise depreciated against the US dollar by 1.45 percent to close at ₱56.58/US\$1 on 29 September 2023 from ₱55.76/US\$1 at the end of December 2022.⁶⁸

Peso depreciates amid broad US dollar strength

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



⁶⁷ Dollar rates (per peso) or the reciprocal of the peso-dollar rates were used to compute the percentage change. On a y-o-y basis, the peso depreciated by 6.06 percent relative to the ₱51.53/US\$1 average in Q1 2022.

⁶⁸ Based on the last done deal transaction in the afternoon.

The peso's depreciation was due partly to broad US dollar strength amid the rise in US Treasury yields following stronger than expected US economic data and hawkish remarks from the US Federal Reserve (US Fed) that it will keep rates higher for longer to contain inflation.

In July, the peso averaged ₱54.92/US\$1, appreciating by 1.77 percent from the ₱55.90/US\$1 average in June. The peso strengthened on broad US dollar softness following expectations that the US Fed is nearing the end of its monetary policy tightening cycle amid easing inflation,⁶⁹ as well as positive market sentiment after China signalled more policy support measures for the economy. On the domestic front, i) optimistic growth prospects for the country in 2023;⁷⁰ ii) strong manufacturing data in July; iii) increased inbound tourism receipts in the first half of the year; and iv) narrower balance of payments (BOP) and trade deficit in June and May, respectively, provided further support to the peso.

Meanwhile, the peso weakened in August, depreciating by 2.21 percent m-o-m to an average of ₱56.16/US\$1. The depreciation of the peso partly reflected US dollar strength amid the sustained robustness of the US labor market.⁷¹ Moreover, rising global oil prices following the extension of voluntary output cuts by Saudi Arabia and Russia, along with concerns over China's

real property sector⁷² contributed to the depreciation of the peso. On the domestic front, dampened market sentiment amid weaker-than-expected Gross Domestic Product growth in Q2 2023, as well as renewed geopolitical tensions between the Philippines and China⁷³ likewise weighed on the peso.

The peso depreciated further in September by 1.10 percent m-o-m to an average of ₱56.79/US\$1. The rise in US Treasury yields⁷⁴ amid the US Fed's rhetoric of a high-for-longer interest rate environment, sustained increase in global oil prices, as well as the deepening real property sector crisis and dampened growth outlook in China⁷⁵ exerted upward pressure on the peso. On the domestic front, dampened sentiment due to i) subdued economic growth prospects in 2023;⁷⁶ ii) slower manufacturing activity in August; iii) rising outstanding government debt and lower foreign investment inflows in July; as well as iv) weaker foreign direct investment (FDI) inflows in June likewise weighed on the peso.

Meanwhile, the volatility of the peso's daily closing rates (as measured by the coefficient of variation) stood at 1.59 percent in Q2 2023, higher than the 0.89 percent registered in the previous quarter.⁷⁷ The Japanese yen registered the

⁶⁹ US Consumer Price Index (CPI) registered a two-year low y-o-y rate in June at 3.0 percent, lower than the 3.1 percent forecast and the posted rate in May at 4.0 percent. (Reuters)

⁷⁰ Based on the July 2023 World Economic Outlook, the growth forecast for the Philippines in 2023 increased to 6.2 percent from 6.0 percent in April. Meanwhile, the Asian Development Bank (ADB), the ASEAN+3 Macroeconomic Research Office (AMRO), and Moody Analytics forecast the Philippines to post the fastest growth in the region.

⁷¹ US Nonfarm payrolls increased by 187,000 in July, higher than revised figures for June at 185,000. (Reuters)

⁷² Zhongrong International Trust Company, a leading trust firm with real estate exposure, missed payments on investment products. Country Garden, one of China's largest property developers, also experienced delays in the payment of onshore bonds. (Reuters)

⁷³ Philippine vessels undergoing a resupply mission to the stranded BRP Sierra Madre reported an alleged use of water cannons and blocking by Chinese ships, which the latter responded to by accusing the former's maritime activity to be in "violation of

Chinese sovereignty." (BusinessWorld Online)

⁷⁴ Benchmark 10-year US Treasury yields averaged at 4.364 percent in September, higher than the 4.162 percent in August and the 3.506 percent in the same month last year. (Bloomberg)

⁷⁵ The failure of China's Evergrande Group to make regular bond payments alongside a Reuters poll showing a decline in the expected growth in China at 5.0 percent in 2023, lower than previous forecasts at 5.5 percent, weighed down currencies in the region including the peso.

⁷⁶ Several international institutions made downward revisions to the country's growth outlook in 2023: the Organization for Economic Cooperation and Development (OECD) from 5.7 percent to 5.6 percent; AMRO from 6.2 percent to 5.9 percent; ADB from 6.0 percent to 5.7 percent; S&P Global Ratings from 5.9 percent to 5.2 percent; and the World Bank (WB) from 6.0 percent to 5.6 percent.

⁷⁷ 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.

highest volatility followed by the South Korean won. during the review period.⁷⁸

On a real trade-weighted basis, the peso gained external price competitiveness in Q3 2023 against the basket of currencies of all trading partners (TPI), trading partners in advanced (TPI-A), and developing (TPI-D) countries relative to Q2 2023, as the impact of the narrowing inflation differential offsets the nominal appreciation of the peso.⁷⁹ This was indicated by the q-o-q decrease in the real effective exchange rate (REER) index of the peso against these currency baskets by 0.21 percent, 0.49 percent, and 0.06 percent, respectively.⁸⁰

Relative to Q3 2022, the peso lost external price competitiveness against the TPI, TPI-A, and TPI-D countries as indicated by the increase in the REER index of the peso against these currency baskets by 4.69 percent, 2.10 percent, and 6.02 percent, respectively, resulting from the combined impact of the nominal appreciation of the peso and the widening inflation differential.

External Debt

The Philippines' outstanding external debt stood at US\$118.8 billion as of end-September 2023, up by US\$915 million (or 0.8 percent) from the US\$117.9 billion level as of end-June 2023 (*Table 14*).

External debt increases

⁷⁸ These currencies include the Japanese yen, Chinese renminbi, Malaysian ringgit, Singaporean dollar, Korean won, Indonesian rupiah, and Thai baht. The volatility of Japanese yen and the South Korean won stood at 2.20 percent and 1.93 percent, respectively.

⁷⁹ The TPI measures the nominal and real effective exchange rates of the peso across 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

The rise in the debt level was due to prior periods' adjustments (i.e., borrowings made in previous quarters) amounting to US\$2.0 billion, of which US\$1.9 billion were borrowings by private sector non-bank firms. The said increase was partially tempered by: (a) negative FX revaluation of US\$655 million; (b) the sale of Philippine debt papers to residents by non-residents of US\$220 million; and (c) net repayments of US\$200 million, mostly maturing medium-term notes by local banks.

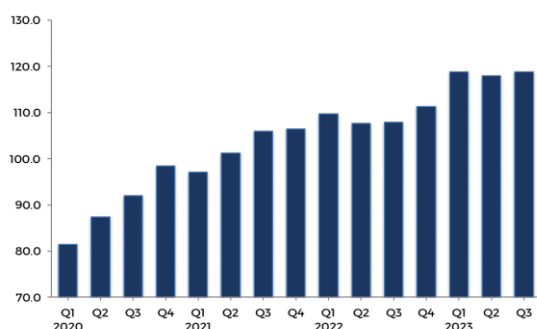
Meanwhile, on a year-on-year basis, the country's debt stock rose by US\$10.9 billion (or 10.1 percent). The increase was driven by: (a) total net availments of US\$6.0 billion, bulk of which were borrowings by the National Government (NG, US\$7.8 billion); (b) the change in the scope of the external debt to include non-residents' holdings of Peso-denominated debt securities issued onshore reported in the first quarter to 2023 (US\$3.3 billion⁸¹); (c) prior periods' adjustments of US\$1.5 billion; and (d) positive FX revaluation of US\$291 million.

across 10 currencies of partner developing countries, which include China, Singapore, South Korea, Hong Kong, Malaysia, Taiwan, Indonesia, Saudi Arabia, the United Arab Emirates and Thailand.

⁸⁰ 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.

⁸¹ Amount outstanding as of end-September 2023.

Chart 38. Philippine External Debt
in billion US dollars

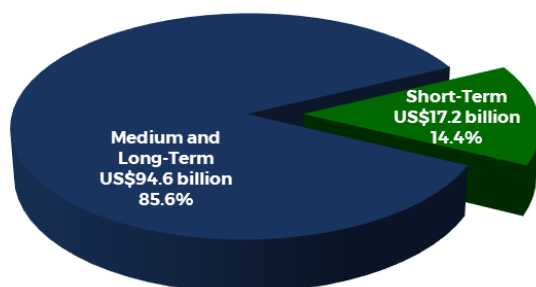


Source: International Operations Department (IOD)-BSP

By Maturity

As of end-September 2023, the maturity profile of the country's external debt remained predominantly medium- to long-term (MLT) in nature (i.e., those with original maturities longer than one year) with its share to total recorded at 85.6 percent (US\$101.7 billion) which implies that FX requirements for debt payments are well spread out and thus, reduces roll-over risks.

Chart 39. Philippine External Debt by Maturity
as of end-September 2023



Total = US\$118.8 billion

Source: IOD-BSP

Relative to the end-June 2023 figure, the weighted average maturity for all MLT accounts slightly declined to 17.2 years from 17.3 years with public sector borrowings having longer average tenor of 20.3 years compared to 7.2 years for private sector borrowings.

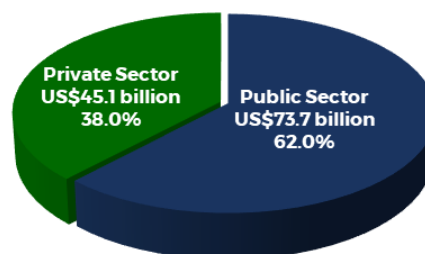
⁸² Others refer to short-term loans, revolving credit,

Meanwhile, short-term (ST) liabilities accounted for the 14.4 percent (US\$17.2 billion) of the debt stock, comprising mainly of: (a) bank liabilities (US\$12.2 billion); (b) trade credits (US\$3.4 billion); and (c) other liabilities (US\$1.5 billion).⁸²

By Borrower

Public sector external debt decreased to US\$73.7 billion (by US\$776 million or 1.0 percent) in the third quarter of 2023 from the previous quarter's US\$74.5 billion level. Its share to total likewise dropped to 62.0 percent from 63.2 percent a quarter ago. The decline in the public sector's debt level was due largely to negative FX revaluation of US\$553 million and the sale of public sector debt papers from non-residents to residents of US\$451 million which offset prior periods' adjustments of US\$123 million and net availments of US\$105 million.

Chart 40. Philippine External Debt by Borrower
as of end- September 2023



Total = US\$118.8 billion

Source: IOD-BSP

About US\$67.2 billion (91.1 percent) of public sector obligations were NC borrowings, while the remaining US\$6.5 billion pertained to borrowings of government-owned and controlled corporations, government financial institutions and the BSP.

Meanwhile, private sector debt rose by US\$1.7 billion (3.9 percent) from US\$43.4

among others.

billion as of end-June 2023 to US\$45.1 billion as of end-September 2023. The increase in the debt level was driven mainly by: (a) prior periods' adjustments of US\$1.9 billion arising from the late registration application/reporting of borrowings by various private sector borrowers; and (b) the transfer of debt securities from residents to non-residents of US\$231 million. Meanwhile, net repayments of US\$305 million and negative FX revaluation of US\$102 million partially tempered the rise in the private sector debt level.

By Creditor

The country's major creditors were Japan (US\$14.8 billion), the United Kingdom (US\$4.1 billion), Singapore (US\$3.3 billion), the United States of America (US\$3.2 billion), and Taiwan (US\$3.0 billion).

Loans from official sources [multilateral (US\$32.1 billion) and bilateral creditors (US\$13.4 billion)] had the largest share (US\$45.5 billion or 38.3 percent) out of the total outstanding debt, followed by borrowings in the form of bonds/notes (US\$38.8 billion or 32.7 percent) and obligations to foreign banks and other financial institutions (US\$26.7 billion or 22.5 percent). The remaining US\$7.8 billion (6.6 percent) were owed to other creditors (mainly suppliers/exporters).

The country's debt stock remained largely denominated in US dollar (US\$91.5 billion or 77.0 percent of total) and Japanese yen (US\$9.5 billion or 8.0 percent of total). The rest (US\$17.7 billion or 14.9 percent) pertained to 14 other currencies, including the Philippine peso (6.4 percent), the Euro (4.8 percent), and Special Drawing Rights (3.2 percent).

Of the MLT accounts, 54.6 percent (US\$55.5 billion) have fixed interest rates, 43.5 percent (US\$44.3 billion) carry variable rates, and 1.8 percent (US\$1.9 billion) are non-interest bearing.

Key external debt indicators remained at prudent levels indicating the sustained capability of the country to service foreign obligations in the medium to long term. GIR stood at US\$98.1 billion as of end-September 2023 from US\$93.0 billion in end-September 2022 and represented 5.7 times cover for ST debt based on the original maturity concept. This GIR-to-ST ratio is about the same as the end-September 2022 figure.

The debt service ratio (DSR), which relates principal and interest payments 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 2023, the ratio increased to 10.3 percent from 4.8 percent for the same period last year due to the higher recorded principal and interest payments in 2023.

Meanwhile, the external debt ratio, which refers to EDT expressed as a percentage of annual aggregate output (GNI or GDP), is a solvency indicator. EDT-to-GDP ratio decreased to 28.1 percent which is an improvement from the reported 28.5 percent a quarter ago (*Table 15*). The same trend was observed using GNI as denominator.

Foreign Interest Rates

In Q3 2023, most AEs continued to tighten monetary policies to address persistent inflationary pressures amid modestly robust economic growth and still tight labor market conditions.

The US Federal Reserve (US Fed) raised the target range for the Federal funds rate by 25 bps to 5.25–5.50 percent during the review period. In particular, the US Fed decided to raise policy rates by 25 bps during its July 2023 meeting but maintained the Federal funds target range during its September 2023 meeting. The US Fed's decisions were based on the assessment that inflation remained

elevated, economic activity continued to expand, unemployment rate remained low, and the US banking system continued to be sound and resilient. Moreover, the US Fed will continue to reduce its holdings of Treasury securities and agency debt and mortgage-backed securities, reflecting its strong commitment to achieve the maximum employment and two percent inflation objectives. The US Fed continues to be highly cognizant of inflation risks and is prepared to adjust its monetary policy stance when warranted.⁸³

Most AEs tighten monetary policy stance

Similarly, the Bank of England (BOE) raised its policy rate by 0.25 ppts to 5.25 percent in Q3 2023. In particular, the BOE raised its policy rate by 0.25 ppts during its August 2023 meeting, while it maintained the Bank Rate during its September 2023 meeting. The BOE's decisions were based on persistent inflationary pressures, resilient outlook on United Kingdom's economy, and a tight domestic labor market during the review period, although these indicators already showed signs of easing. The BOE also decided to reduce the stock of government bond purchases held for monetary policy purposes during its September 2023 meeting. Similar with the US Fed, the BOE is committed to accordingly adjust its monetary policy stance in order to return to its two percent inflation target.⁸⁴

Meanwhile, the Bank of Japan (BOJ) announced the continuation of its monetary policy framework called

"Quantitative and Qualitative Monetary Easing with Yield Curve Control" to achieve its price stability target of two percent during its July and September 2023 meetings. In particular, the BOJ kept its negative interest rate of 0.1 percent for accounts currently held by financial institutions at the BOJ. Moreover, in managing long-term interest rates, the BOJ continued with its policy to purchase 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. Nonetheless, it still allowed the 10-year JGB yields to fluctuate in the range of plus or minus 0.5 ppts from the target level to address volatility in financial markets caused by upward movements in prices. In terms of asset purchases, the BOJ will continue to actively purchase exchange-traded funds (ETFs) and Japanese real estate investment trusts (REITs) as necessary with the upper limit of about ¥12 trillion and ¥180 billion, respectively. Also, the BOJ 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).⁸⁵

Global Economic Developments

The global economy continued to recover from the COVID-19 pandemic but has struggled to gain momentum due to the Russia-Ukraine conflict and tightening financial conditions. Economic activity in emerging market and developing economies (EMDEs) has mostly declined

⁸³Press Release, "Federal Reserve issues Federal Open Market Committee (FOMC) statement", 26 July 2023 and 20 September 2023. Sources: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230726a.htm> <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230920a.htm>

⁸⁴Press Release, "Monetary Policy Summary", 3 August 2023 and 21 September 2023. Sources: <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2023/august-2023>

<https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2023/august-2023>

⁸⁵ Press Release "Statement on Monetary Policy" 28 July 2023 and 22 September 2023. Sources: https://www.boj.or.jp/en/mopo/mpmdeci/mpr_2023/k230728a.pdf https://www.boj.or.jp/en/mopo/mpmdeci/mpr_2023/k230922a.pdf

in Q3 2023, with growing divergence among regional economies. Meanwhile, concerns on China's slower growth momentum following the property sector downturn may lead to possible global spillovers particularly for commodity exporting countries. Amid these developments, the IMF forecasts global growth to slow down to 3.0 percent in 2023 and 2.9 percent in 2024, lower than 3.5 percent growth in 2022.⁸⁶

The US economy grew by 3.0 percent in Q3 2023, higher than the previous quarter's growth of 2.4 percent. The increase was attributed to the acceleration in consumer goods and government spending, which were partly offset by deceleration in nonresidential fixed investment.⁸⁷ Meanwhile, Japan's economy grew by 1.5 percent in Q3 2023, lower than the 2.2-percent expansion in the previous quarter. The slowdown in Japan's economy was due to the decline in consumer demand brought by higher inflation, albeit partly tempered by higher government consumption.⁸⁸ In the Euro area, economic growth eased to 0.0 percent in Q3 2023 from 0.6 percent in Q2 2023, due to weaker manufacturing and services sectors across the Eurozone. The slowdown was most notable in Ireland and Estonia, while Malta and Poland posted the highest growth in the region.⁸⁹

In most Asian economies, growth generally improved in Q3 2023. In Singapore, the economy grew by 1.1 percent in Q3 2023, higher than the 0.5-percent growth in the preceding quarter, attributed to improvements in the information and communications and

finance and insurance services and manufacturing sectors.⁹⁰ Similarly, South Korea economy grew by 1.4 percent in Q3 2023, up from the 0.9-percent growth in Q2 2023, driven mainly by acceleration in exports, manufacturing and construction sectors.⁹¹ The Hongkong economy grew by 4.1 percent, higher than the 1.5-percent growth recorded in the previous quarter. The growth was supported by significant inbound tourism and private consumption.⁹²

Table C. Real GDP in Selected Economies y-o-y growth, in percent

Country Grouping ^{1/}	Q3 2022	Q2 2023	Q3 2023
Advanced Economies			
US	1.7	2.4	3.0
Japan	1.5 ^{r/}	2.2 ^{r/}	1.5
Euro Area	2.4	0.6 ^{r/}	0.0
Hong Kong	-4.6	1.5	4.1
South Korea	3.2	0.9	1.4
Singapore	4.0	0.5	1.1
Emerging and Developing Asia			
China	3.9	6.3	4.9
India	6.2	7.8	7.6
ASEAN-5			
Indonesia	5.7	5.2	4.9
Malaysia	14.1	2.9	3.3
Philippines	7.7	4.3	5.9
Thailand	4.6	1.8	1.5
Vietnam	8.8	3.7	4.2

^{1/} Country grouping is based on the IMF World Economic Outlook Database, October 2023

r/ revised data

Sources: Bloomberg, Country Websites

In EMDEs, China's economy grew by 4.9 percent in Q3 2023, down from the 6.3-percent growth posted in the preceding quarter. The slowdown was attributed to the brief post-COVID recovery as well as the property downturn, which has resulted in lower real estate investments during the quarter.⁹³ The Indian economy grew by 7.6 percent in Q3 2023, albeit lower than the 7.8-percent growth in Q2 2023, following the sharp rebound in

⁸⁶ International Monetary Fund (2023). "World Economic Outlook Update." October 2023

⁸⁷ U.S. Bureau of Economic Analysis. "Gross Domestic Product (Second Estimate) Corporate Profits (Preliminary Estimate) Third Quarter 2023." 29 November 2023

⁸⁸ Japan Cabinet Office. "Quarterly Estimates of GDP for July – September 2023 (Second Preliminary Estimates)." 8 December 2023

⁸⁹ Eurostat. "GDP down by 0.1% and employment up by 0.2% in the euro area." 7 December 2023

⁹⁰ Ministry of Trade and Industry Singapore. "MTI Forecasts GDP Growth of "Around 1.0 Per Cent" in 2023

and "1.0 to 3.0 Per Cent" in 2024." 22 November 2023

⁹¹ Bank of Korea Press Release. "Real Gross Domestic Product: Third Quarter of 2023 (Advance Estimate)." 26 October 2023

⁹² The Government of the Hong Kong Special Administrative Region Press Release. "Economic situation in third quarter of 2023 and latest GDP and price forecasts for 2023." 10 November 2023.

⁹³ National Bureau of Statistics of China. "National Economy Sustained the Momentum of Recovery and Improvement with Solid Progress in High-quality Development in the First Three Quarters." 18 October 2023

government spending, gross fixed capital formation and recovery in the export sector.⁹⁴

Members of the ASEAN-5 economies generally reported improved economic performance. In Malaysia, economy expanded by 3.3 percent, higher than the 2.9-percent growth recorded in the previous quarter, driven mainly by significant growth in wholesale and retail trade, transportation and storage and business services sub-sectors.⁹⁵ Meanwhile, the Indonesian economy grew by 4.9 percent in Q3 2023, albeit lower than the 5.2-percent expansion in the previous quarter, attributed to slower pace in the exports as well as softened household spending.⁹⁶ Vietnam's economy grew by 4.2 percent, higher than the 3.7-percent growth in Q2 2023, due mainly to the consistent improvement in the agriculture, forestry and fishery sector, and stable growth in the industrial and construction sector.⁹⁷ In Thailand, the economy grew by 1.5 percent, a marginal slowdown from the 1.8-percent growth in the previous quarter. The expansion was attributed to the increase in tourism receipts which was partially offset by decline in exports.⁹⁸

Consumer prices have cooled down but remained elevated in most economies. Inflation eased in most advanced economies (AEs) in Q3 2023. Average consumer prices in the US eased to 3.5 percent following the downward trend in energy prices as natural and fuel oil prices decreased. Similarly, in the Euro area, lower average inflation was recorded at 4.9 percent due to the further slowdown in food and energy prices. Likewise, Japan's consumer prices eased to 3.2

percent due to declines in energy, furniture and household, and food prices.

In South Korea, average inflation in Q3 2023 decreased to 3.1 percent due to weaker demand-side inflationary pressures and base effects. Average inflation in Singapore eased to 4.1 percent in Q3 2023, mainly due to downward pressure on prices for food and moderating price pressures for housing and utilities. Similarly, Hong Kong's average inflation decreased to 1.9 percent in Q3 2023 due mainly to the slowdown in energy, transport, and durable goods prices.

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

Country Grouping ^{1/}	Q3 2022	Q2 2023	Q3 2023
Advanced Economies			
US	8.3	4.0	3.5
Japan	2.9	3.3	3.2
Euro Area	9.3	6.2	4.9
Hong Kong	2.7	2.0	1.9
South Korea	5.9	3.2	3.1
Singapore	7.3	5.1	4.1
Emerging and Developing Asia			
China	2.7	0.1	-0.1
India	7.0	4.6	6.4
ASEAN-5			
Indonesia	5.2	4.0	2.9
Malaysia	4.5	2.8	2.0
Philippines	6.5	6.0	5.4
Thailand	7.3	1.1	0.5
Vietnam	3.3	2.4	2.9

^{1/} Country grouping is based on the IMF World Economic Outlook Database, October 2023
r/ revised data

Sources: Bloomberg, Country Websites

In China, the average deflation rate eased to 0.1 percent, attributed mainly to the decline in food prices, particularly pork as supply for meat has outstripped demand. Meanwhile, India's average inflation rose to 6.4 percent due to higher food prices such as cereals and milk products.

⁹⁴ Government of India, Ministry of Statistics and Programme Implementation. "Estimates of Gross Domestic Product for the Second Quarter (July-September) 2024-2024." 30 November 2023.

⁹⁵ Department of Statistics Malaysia (DOSM)-Advance Estimates. 11 November 2023

⁹⁶ Statistics Indonesia Press Release. "Indonesia's

Economic in Quarter 3-2023." 6 November 2023.

⁹⁷ Vietnam General Statistics Office Press Release. "Socio-Economic Situation in the 3rd Quarter and the 9 Months of 2023." 29 September 2023

⁹⁸ Office of the National Economic and Social Development. "2024 The Thai Economy in Q3/2023." 20 November 2023

Member countries in the ASEAN-5 region likewise reported slowdown in average inflation in Q3 2023. Indonesia's average inflation rate decelerated to 2.9 percent, attributed to lower food, beverage, and tobacco prices. Malaysia's average inflation moderated to 2.0 percent, driven by slowdown in food, rental, and discretionary services. Thailand's average inflation eased to 0.5 percent attributed to the ease in energy and goods prices due to government support measures. Meanwhile, Vietnam's average inflation increased to 2.9 percent in Q2 2023, following increase in the price of food and drink, services, transport, and rice, as well as household appliances.

Labor market conditions were generally steady in most economies in Q3 2023. Improvements in labor conditions were recorded in most economies except in US, Japan, and Singapore. Likewise, labor conditions remained unchanged in South Korea, China and Vietnam. For Malaysia and Thailand, unemployment rates slightly declined at 3.4 percent and 1.0 percent respectively, while a minimal uptick was recorded in the Philippines at 4.6 percent.

Table E. Unemployment Rates¹ in Selected Economies
in percent

Country Grouping ^{1/}	Q3 2022	Q2 2023	Q3 2023
Advanced Economies			
US	3.6	3.6	3.7
Japan	2.6	2.6	2.7
Euro Area	6.7	6.5	6.5
Hong Kong	4.1	3.0	2.8
South Korea	2.8	2.6	2.6
Singapore	2.1	1.9	2.0
Emerging and Developing Asia			
China	n.a.	5.2	5.2
India	6.4	7.7	
ASEAN-5			
Indonesia ^{2/}	5.9	n.a.	5.3
Malaysia	3.7	3.5	3.4
Philippines	5.2	4.4	4.6
Thailand	1.2	1.1	1.0
Vietnam	2.3	2.3	2.3

^{1/} Country grouping is based on the IMF World Economic Outlook Database, October 2023

^{2/} Unemployment rate in August 2023 and August 2022.

Sources: Bloomberg, Country Websites

⁹⁹ Consist of 1) surplus account, which pertains to the unrestricted retained earnings of the BSP; 2) capital

Financial Condition of the BSP

Balance Sheet

Preliminary data as of end-September 2023 showed that the BSP's total assets increased by 0.5 percent to ₱7,330.8 billion from the quarter-ago level of ₱7,294.1 billion, due mainly to higher international reserves. Meanwhile, against its year-ago balance, total assets slightly decreased by 0.1 percent from ₱7,338.3 billion (*Table F*).

During the review period, the BSP's total liabilities increased by 0.9 percent to ₱7,193.8 billion from the previous quarter's balance of ₱7,126.7 billion, driven by higher reverse repurchase transactions and net bills payable-domestic accounts. Meanwhile, compared to the year-ago level of ₱7,228.7 billion, total liabilities decreased by 0.5 percent.

BSP's net worth declines in Q3 2023

Consequently, the BSP's net worth as of end-September 2023 decreased by 18.1 percent to ₱137.0 billion from the quarter-ago level of ₱167.3 billion, traced mainly to the 28.2 percent q-o-q decline in surplus/reserves⁹⁹ account. The resulting net worth was higher by 25.0 percent relative to the ₱109.6 billion posted in the same period last year.

The BSP's financial condition remained strong with its international reserves comprising the bulk of the central bank's total assets. International reserves amounted to ₱5,515.3 billion as of end-

reserves, which pertains to the funds set aside for

September 2023, higher by 1.0 percent or ₱56.3 billion from the quarter-ago balance of ₱5,459.0 billion.

Table F. Balance Sheet of the BSP
in billion pesos

	2023 ^P		2022
	Sep	Jun	Sep
Assets	7,330.8	7,294.1	7,338.3
Liabilities	7,193.8	7,126.7	7,228.7
Net Worth	137.0	167.3	109.6

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

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

Source: BSP

Meanwhile, the BSP's liabilities during the review period consisted mostly of deposits and currency issued. The deposits were largely from reserve deposits of other depository corporations (ODCs), Bureau of the Treasury and term deposit facility, which comprised about 46.4 percent, 20.9 percent, and 16.1 percent of total deposits, respectively.¹⁰⁰

Income Statement

Based on preliminary data, total revenues of the BSP amounted to ₱40.5 billion for Q3 2023, lower by 22.3 percent from the level posted in the previous quarter. Total revenues were mostly comprised of interest income from international reserves and domestic securities. Meanwhile, total expenses increased by ₱1.1 billion q-o-q or by 2.1 percent to ₱54.0 billion from the ₱52.9 billion recorded during the previous quarter. Interest expense accounted for the bulk or 81.1 percent of the BSP's total expenditures (*Table G*).

Net income amounted to ₱2.5 billion for the third quarter, down by 88.3 percent or ₱18.8 billion from the preceding quarter. Also, this is lower by ₱37.5 billion from the ₱40.0-billion net income posted a year ago.

various contingencies; and 3) unrealized gains(losses) on investments in government securities, stocks and other securities.

¹⁰⁰ See also Table 16

BSP registers lower net income in Q3 2023

The lower net income for the review period was due to the contraction in miscellaneous income¹⁰¹, which recorded a net loss of ₱10.3 billion, a reversal from the ₱476-million net gains from the previous quarter. The higher interest expense, which rose by 6.2 percent q-o-q, likewise contributed to the decline in the BSP's net income.¹⁰²

Table G. Income Position of the BSP
in billion pesos

	2023 ^P		2022
	Q3	Q2	Q3
Revenues	40.5	52.1	36.3
Less: Expenses	54.0	52.9	34.7
Net Income/(Loss) Before Net Gain/(Loss) on FX Rate Fluctuations and Income Tax Expense/(Benefit)	(13.5)	(0.9)	1.5
Net Gain/(Loss) on FX Rate Fluctuations	16.0	22.1	38.4
Income Tax Expense/(Benefit)	0.0	0.0	0.0
Capital Reserves	0.0	0.0	0.0
Net Income/(Loss) After Tax and Capital Reserves	2.5	21.3	40.0

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

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

Source: BSP

¹⁰¹ This includes trading gains/losses, fees, penalties and other operating income, among others.

¹⁰² See also Table 17

Conclusion, Challenges, and Policy Directions

The Philippine economy's growth momentum remained intact as it registered 5.9 percent in Q3 2023, performing better-than-expected and propelling it among the most dynamic in the region. Growth was broad-based, with all major economic sectors posting positive performances, led by services. On the demand side, it was driven by the pick-up in public spending as well as sustained household consumption.

The unemployment rate was steady from the previous quarter while underemployment improved. Nevertheless, the labor force participation rate declined as employment fell in the agriculture sector as well as in the industry sector, particularly in construction.

The country's growth turned out better-than-expected while labor conditions stayed tentative

While headline inflation further moderated in Q3 2023 driven mainly by easing non-food inflation, it has stayed elevated as supply-side pressures have led to second-round effects (i.e., higher food and transport prices). Food inflation rose as rice prices increased due in part to export restrictions and higher international prices from the impact of El Niño. Similarly, core inflation moderated further implying an easing in underlying pressures. However, the inflation numbers remained above-target thus far in 2023.

As it projected inflation to continue moderating and return to the target range

by Q4 2023 in the absence of further supply-side shocks, the BSP decided to maintain its key policy interest rate for the quarter. It has also noted that inflation expectations were still anchored to the target range over the policy horizon. Despite the pause, the BSP highlighted that the balance of risks to the inflation outlook skewed toward the upside, with the risks being the potential impact of further adjustments in transport fares and electricity rates.

BSP maintained key policy rate as inflation moderated further

The Philippine banking system remained on solid footing, as evidenced by continued growth in assets, deposits and profits, as well as liquidity buffers and ample provisioning, amid better GDP outturn in Q3 2023. Bank lending rose, providing the needed funding support to the country's expanding economic activity, especially for production activities. Consumer loans likewise remained strong, reflecting robust household consumption and attractive financing terms. Domestic liquidity stayed adequate to support the needs of the economy, with the expansion in M3 reflecting the moderate expansion in bank lending. This moderation in credit activity reflected the impact of the BSP's previous policy rate adjustments.

Banks maintained capital well-above the regulatory and international thresholds, giving confidence that previous policy rate adjustments were done without risking financial stability. Banking policies implemented during the quarter contributed to further enhancement of guidelines/regulations, which added to the years of implementation and enforcement of BSP's comprehensive policy tools and regulations which had been the backbone of the banking system's position of strength.

The country's external sector showed resilience, continuing to cushion against potential global spillovers. The structural source of foreign exchange inflows, including OF remittances and BPO revenues, were stable despite ongoing global uncertainties and geopolitical risks. The country's international reserves provided an ample liquidity for external headwinds as it continued to be adequate.

However, it should be noted that several risks remain going forward. Risks to growth tilt on the downside given dissipating pent-up demand in the near-term amid tighter financial conditions and a weaker-than-expected global recovery. Global economic recovery is dampened by ongoing geopolitical conflicts, tightening financial conditions, and concerns on growth momentum of some major economies.

Meanwhile, risks to the inflation outlook lean significantly on the upside, brought about by the potential impact of higher transport charges, electricity rates, and international oil prices, as well as of higher-than-expected minimum wage adjustments in areas outside NCR. The risk-adjusted inflation forecasts remain above-target at 6.1 percent for 2023 and 4.4 percent for 2024, while it is expected to fall within target at 3.4 percent for 2025.

Risks to growth tilt on the downside while risks to the inflation outlook lean significantly on the upside

Looking ahead, the country's economic prospects stay hopeful despite economic challenges. The economy's productive workforce, combined with strong demand for IT-BPM services and electronic exports, is expected to support jobs creation and boost economic output. Digitalization and promotion of innovation in business, coupled by expansion of training and re-

skilling of employees, will help open up opportunities. The impact of the pursuit of structural reforms through amendments to key legislations could further spur investments in the near-term. Additionally, the government's commitment to fast track its flagship infrastructure projects will amplify the multiplier effect of government spending. These will help the NG achieve its growth target of 6.0-7.0 percent for 2023 and 6.5-8.0 percent for 2024-2025.

Looking ahead, economic prospects stay hopeful despite a host of challenges

The BSP reiterates that non-monetary measures, including the short-term strategies of temporary reduction in import tariffs with calibrated volumes and the timely arrival of import commodities, are crucial in addressing persistent supply-side pressures on inflation. The Interagency Committee on Inflation and Market Outlook (IAC-IMO) will likewise be instrumental in overseeing implementation of measures to mitigate inflation and ensure food and energy security in the country.

The BSP stays prepared to steer inflation towards a target-consistent path in support of its price stability mandate

In its conduct of monetary policy, the BSP will continue to be guided by an array of economic data and will stay prepared to resume policy tightening as necessary to steer inflation towards a target-consistent path, in support of its price stability mandate.

Annexes

Annex A. Banking Policies

Amendments in the Category and Submission Deadline of Prudential Reports Submitted through the Application Programming Interface (BSP Circular No. 1177 dated 12 July 2023¹⁰³)

The Monetary Board issued the amendments to the Manual of Regulations for Banks (MORB) changing the category and due date of prudential reports submitted using Extensible Markup Language (XML) format through the Application Programming Interface (API).

The category of all prudential reports submitted using the XML format through the API, as shown in Annexes A and B of BSP Circular no. 1177, were amended as Category A-1. As such, reports covered under this Section shall be considered as a single report for the purpose of determining compliance with the prescribed submission requirements and the computation of the corresponding penalty for reporting violations. Moreover, the equivalent penalties (under Section 171 of the MORB on Reporting Governance) and appropriate authorized signatories (under Section 173 of the MORB on Reports, Categories and Signatories) of bank reports shall apply.

The submission deadline and submission procedure of the reports in FRP version 15 submitted through the API are also amended, as shown in Annex B of Circular 1177.

Guidelines on the Use of Benchmarks for Unit Investment Trust Funds (UITFs) (BSP Circular 1178 dated 9 August 2023¹⁰⁴)

The Monetary Board issued the amendments to MORB/Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) to provide

guidelines on the use of benchmarks in presenting the returns of UITFs.

Benchmarks allow UITF participants to fairly assess whether a fund is overperforming or underperforming vis-a-vis a relevant market index or a portfolio with a comparable return-risk profile. As such, the trustee's presentation of fund performance shall be based on the principles of fair representation and full disclosure. The trustee shall include in its policies and procedures the following: a) process for the selection and approval of a benchmark; b) process for the periodic review of the continuing appropriateness of the chosen benchmark and the criteria for changing the benchmark; and c) contingency plan in the event that the benchmark becomes unavailable or is fundamentally changed (i.e., there has been a change that would result in a significantly different benchmark value).

A valid benchmark for a UITF has the following characteristics: a) has a clearly defined objective; b) appropriately reflects the market or sector it aims to represent; c) is comprised of sufficiently diversified financial instruments that are liquid; d) is objectively and consistently calculated; e) is a total return benchmark; and f) reflects returns that are net of taxes.

In cases when the appropriate benchmark for UITF does not indicate the total return benchmark and the net return, the trustee must disclose the same in the Key Information and Investment Disclosure Statement (KIIDS).

The KIIDS shall contain the key features of the UITF, the fund performance against a benchmark, and the fund's prospective and outstanding investments. It shall use plain language presented in a concise manner and shall comply with the guidelines. This document shall be updated and made available to participants at least every calendar quarter and made publicly available not

¹⁰³ BSP Website: [1177\(corrected copy\).pdf \(bsp.gov.ph\)](https://www.bsp.gov.ph/1177(corrected%20copy).pdf)

¹⁰⁴ BSP Website: [1178.pdf \(bsp.gov.ph\)](https://www.bsp.gov.ph/1178.pdf)

later than forty-five (45) calendar days from the reference period.

During the benchmark selection and approval process, the trustee must ensure that the underlying securities of the benchmarks must be identifiable and priced in accordance with BSP guidelines or international financial reporting standards on the valuation of assets. In addition, they must ascertain that the chosen benchmark reflects the investment mandate, objective, or strategy of the UITF and possesses the characteristics of a valid benchmark. In cases when there are misalignments between the risk-return profile and/or characteristics of the UITF and those of the benchmark, the choice of the benchmark in view of the misalignments must be reasonably justified and duly approved by the trustee's board of directors.

The trustee may also use a benchmark managed or administered by its related party provided that the trustee is able to ascertain that there are effective arrangements in place to manage conflicts of interest. These include controls to ensure that neither party exerts influence over the activities of the other party. The trustee shall likewise determine that the benchmark administrator has an effective governance structure, and adequate policies and procedures to manage existing and potential conflicts of interest. The trustee shall also conduct a periodic assessment of the continued effectiveness of the established arrangements and make available, upon request of the BSP, the documents used by the trustee to verify the compliance of the benchmark administrator with the guidelines.

¹⁰⁵ BSP Press Release, July 2023 Retrieved from <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6785>

Annex B. Capital Market Reforms

Launching of the BSP Official Overnight Reference Rate¹⁰⁵

The Bangko Sentral ng Pilipinas (BSP) has published on its website an overnight (ON) rate, which can serve as market reference amid the cessation of the global use of the London Interbank Offered Rate (LIBOR).

This rate uses, as reference, the secondary market rate on the 28-day BSP bill to compute an ON equivalent. This starts a broader initiative to enhance the BSP ON Reverse Repurchase (RRP) Agreement facility. Once the enhancements are fully completed, the new rate from the RRP facility will become the ON reference rate.

Under the existing framework, the RRP facility auctions a pre-announced amount at a fixed rate. The enhancements, such as the change in the auction window from 4 p.m. to 11 a.m., however, are designed to encourage more active liquidity management by the banks.

Shifting to a Variable-Rate Auction Format for the BSP Overnight Reverse Repurchase Facility¹⁰⁶

In September, the BSP shifted to a variable-rate format with a pre-determined offer volume in the auction for the overnight reverse repurchase (RRP) facility.

These changes in the RRP facility are part of the BSP's set of planned reforms dating back to the adoption of the interest rate corridor (IRC) framework in 2016. These initiatives are geared towards enhancing the transmission of monetary policy by strengthening the link between monetary policy strategy and implementation.

The shift to the variable-rate auction format is expected to strengthen the price

¹⁰⁶ BSP Press Release, September 2023 Retrieved from <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6785>

discovery process by providing market participants and monetary authorities alike a market-determined interest rate that conveys the prevailing cost of and demand for overnight funds in the financial system. With these changes, the BSP further aligns its implementation of monetary policy with the best practices in other jurisdictions.

Shortening settlement cycle for securities trades¹⁰⁷

The Securities and Exchange Commission (SEC), through Memorandum Circular (MC) No. 11, Series of 2023, has approved a shorter settlement cycle for securities trades starting August 24 to facilitate more efficient transactions and spur activity in the Philippine capital market.

The amendments in the MC shortened the settlement cycle to T+2, referring to the transaction date plus two days, from the previous T+3 settlement cycle provided in the 2015 SRC Rules and SEC Memorandum Circular No. 16, Series of 2004 (MC 16).

This will reduce the credit and market risks of unsettled trades, as well as liquidity risks in the payment system, thus reducing the overall systemic risk for the capital market. It will also encourage greater efficiency in the clearing and settlement process for securities trades. Accordingly, it will promote the development of the Philippine capital market and protection of investors.

Filing of the Capital Markets Efficiency Promotion Act¹⁰⁸

Albay Rep. Joey Salceda has filed House Bill No. 8958 or the proposed Capital Markets Efficiency Promotion Act, which seeks to reduce taxes on stock

transactions from 0.6 percent to 0.1 percent of the value of the stock, and dividends to non-resident foreigners from 25 percent to 10 percent. The bill likewise seeks to impose a 0.1 percent tax on debt instruments (excluding government securities) to align with the lowered rate for stock transactions.

The Capital Markets Efficiency Promotion Act aims to encourage more local and foreign investors to participate in the Philippine capital market by bringing down the stock transaction tax, at par with regional counterparts.

Empowering Crowdfunding Intermediaries and Funding Portals¹⁰⁹

The SEC, through MC No. 12 Series of 2023, issued amendments to Section 39.1.4.1 of the Implementing Rules and Regulations (IRR) of Republic Act No. 8799, or the Securities Regulation Code (SRC).

The amendment appends funding portals registered under SEC Memorandum Circular No. 14, Series of 2019 (MC 14), or the Rules and Regulations Governing Crowdfunding, to the list of authorized registrars, provided they have applied and complied with the registration requirements of the SRC IRR.¹¹⁰ By being listed as an authorized registrar, crowdfunding intermediaries and funding portals will no longer be reliant on third party institutions to assist potential investors with their application as qualified buyers.

This will facilitate the process for qualified investors in accessing alternative investment opportunities, without the need to reach out to several different institutions. This is in line with the commission's efforts to encourage more people to tap alternative sources of

¹⁰⁷ SEC Memorandum Circular No. 11, August 2023 Retrieved from <https://www.sec.gov.ph/pr-2023/sec-boosts-capital-market-with-shorter-settlement-cycle/#gsc.tab=0>

¹⁰⁸ House Bill No. 8958

¹⁰⁹ SEC Memorandum Circular No. 12, September 2023 Retrieved from [https://www.sec.gov.ph/pr-2023/sec-](https://www.sec.gov.ph/pr-2023/sec-empowers-crowdfunding-portals-to-boost-capital-market/#gsc.tab=0)

[empowers-crowdfunding-portals-to-boost-capital-market/#gsc.tab=0](https://www.sec.gov.ph/pr-2023/sec-empowers-crowdfunding-portals-to-boost-capital-market/#gsc.tab=0)

¹¹⁰ A funding portal is an intermediary which facilitates transactions involving the offer and sale of crowdfunding securities through an online electronic platform.

funding and investment. It may be noted that the SEC has been pitching crowdfunding as a source of capital for MSMEs and start-ups through nationwide roadshows.

Relaxing Disclosure Requirements for Public Offerings¹¹¹

The SEC, through MC No. 13 and 14 Series of 2023, has issued guidelines streamlining the requirements for companies seeking to raise funds in the capital market.

MC 13 clarifies that registrants are required to disclose financial information for only two comparative periods for the last three fiscal years. For instance, financial statements for the year ended December 31, 2022 must contain line items showing comparative balances only for December 31, 2022 and December 31, 2021. In addition, the financial statements must contain line items for the comparative balances only for the fiscal years ended December 31, 2021 and December 31, 2020.

Meanwhile, MC 14 relaxes the requirement for a registrant to provide mitigating factors in the Risk Factors section of its prospectus, making the disclosure optional.

The streamlined procedures are part of the Commission's efforts to encourage more companies to tap the capital markets for their business expansion needs.

¹¹¹ SEC Memorandum Circular No. 13 and 14, September 2023. Retrieved from <https://www.sec.gov.ph/pr-2023/sec-relaxes->

[disclosure-requirements-for-public-offerings/#gsc.tab=0](https://www.sec.gov.ph/pr-2023/sec-relaxes-disclosure-requirements-for-public-offerings/#gsc.tab=0)

Acronyms and Abbreviations

ACHs	Automated Clearing Houses	CSO	Clearing Switch Operator
AEs	Advanced Economies	DA	Department of Agriculture
AFF	Agriculture, Forestry, and Fishing	DBP	Development Bank of the Philippines
AFRD	Agriculture, Fisheries and Rural Development	DSB	Debt Service Burden
AONCR	Areas Outside the National Capital Region	DSR	Debt Service Ratio
ASEAN	Association of Southeast Asian Nations	DvP	Delivery vs Payment
ATM	Automated Telling Machine	EDT	External Debt Ratio
BES	Business Expectations Survey	e-DvP	e-Delivery vs Payment
BIR	Bureau of Internal Revenue	EMBIG	Emerging Market Bond Index Global
BOC	Bureau of Customs	EMDEs	Emerging Market and Developing Economies
BOE	Bank of England	EO	Executive Order
BOJ	Bank of Japan	ETF	Exchange-Traded Fund
BOP	Balance of Payments	FCD	Foreign Currency Deposit
BPO	Business Process Outsourcing	FCDU	Foreign Currency Deposit Unit
bp	basis point	FCPAM	Financial Consumer Protection Assistance Mechanism
BSP	Bangko Sentral ng Pilipinas	FI	Financial Institution
BSPB	BSP Bill	FISIM	Financial Intermediation Services Indirectly Measured
BSP-SF	BSP-Securities Facility	FMI	Financial Market Infrastructure
BTr	Bureau of the Treasury	FNTN	Fixed-Income Treasury Note
CAMPI	Chamber of Automotive Manufacturers of the Philippines, Inc.	FOMC	Federal Open Market Committee
CAR	Capital Adequacy Ratio	FPI	Foreign Portfolio Investment
CCR	Credit Card Receivable	FPSCPA	Financial Products and Services Consumer Protection Act
CDS	Credit Default Swap	FRTB	Fixed-Rate Treasury Bond
CES	Consumers Expectations Survey	FTSE	Financial Times Stock Exchange
CIS	Collective Investment Scheme	FX	Foreign Exchange
COVID-19	Corona Virus Disease	GCF	Gross Capital Formation
CP	Commercial Paper	GDP	Gross Domestic Product
CPI	Consumer Price Index	GFI	Government Financial Institution
CPRMS	Consumer Protection Risk Management System	GIR	Gross International Reserves
CRD	Credit Risk Database	GNI	Gross National Income
CRRPP	Currency Rate Risk Protection Program	GNPL	Gross Non-Performing Loan

Acronyms and Abbreviations

GOCC	Government Owned- and Controlled- Corporation	MORNBFI	Manual of Regulations for Non-Bank Financial Institutions
GS	Government Securities	MSMEs	Micro, Small and Medium Enterprises
GSIS	Government Service Insurance System	MTP	Major Trading Partner
GTyme	GoTyme Bank Corporation	MVL	Motor Vehicle Loan
HDMF	Home Development Mutual Fund	NBFI	Non-Bank Financial Institution
IAC-IMO	Interagency Committee on Inflation and Market Outlook	NBQB	Non-Bank Financial Institution with Quasi-Banking Function
IBCL	Interbank Call Loan	NCR	National Capital Region
IBU	Islamic Banking Unit	NDF	Non-Deliverable Forward
ICA	Investment Company Act	NEER	Nominal Effective Exchange Rate
IMF	International Monetary Fund	NFA	Net Foreign Assets
IRC	Interest Rate Corridor	NG	National Government
IRR	Implementing Rules and Regulations	NIR	Net International Reserves
JCI	Jakarta Stock Price Index	NNPL	Net Non-Performing Loan
JGB	Japanese Government Bond	NROSS	National Registry of Scripless Securities
JICA	Japan International Cooperation Agency	ODC	Other Depository Corporation
J-REIT	Japanese Real Estate Investment Trust	ODF	Overnight Deposit Facility
KPI	Key Performance Indicator	OECD	Organization for Economic Co-operation and Development
LBP	Land Bank of the Philippines	OF	Overseas Filipino
LCR	Liquidity Coverage Ratio	OFBDB	Overseas Filipino Bank, Inc.
LCY	Local Currency	OFW	Overseas Filipino Worker
LEM	Loans Especially Mentioned	OLF	Overnight Lending Facility
LFPR	Labor Force Participation Rate	ON RRP	Overnight Reverse Repurchase
LFS	Labor Force Survey	OPEC+	Organization of Petroleum Exporting Countries and its Partner Countries
LRF	Legal Research Fee	PDEx	Philippine Dealing and Exchange Corporation
MAYA	Maya Bank, Inc.	PDIC	Philippine Deposit Insurance Corporation
MB	Monetary Board	P/E	Price-to-Earnings Ratio
MC	Memorandum Circular (MC)	PhilPass	Philippine Payments and Settlements System
MLT	Medium- to Long-Term	ppt	percentage point
m-o-m	month-on-month	PSA	Philippine Statistics Authority
MORB	Manual of Regulations for Banks	PSE	Philippine Stock Exchange

Acronyms and Abbreviations

PSEi	Philippine Stock Exchange Index	TPI-A	Trading Partners Index - Advanced Countries
PvP	payment vs payment	TPI-D	Trading Partners Index - Developing Countries
q-o-q	quarter-on-quarter	UBI	UNObank, Inc.
R.A.	Republic Act	UDB	UnionDigital Bank, Inc.
RB	Rural Bank	UK	United Kingdom
REER	Real Effective Exchange Rate	U/KBs	Universal and Commercial Bank
RoP	Republic of the Philippines	USBEA	US Bureau of Economic Analysis
RREL	Residential Real Estate Loan	US Fed	US Federal Reserve
RR	Reserve Requirement	WAIR	Weighted Average Interest Rates
RRP	Reverse Repurchase	WB	World Bank
RTB	Retail Treasury Bond	WEO	World Economic Outlook
SBL	Substandard or Below Loan	y-o-y	year-on-year
SBGPCL	Salary-Based General-Purpose Consumption Loan	y-t-d	year-to-date
SCCP	Securities Clearing Corporation of the Philippines		
SDRs	Special Drawing Rights		
SEC	Securities and Exchange Commission		
SET	Stock Exchange Index of Thailand		
SLBP	Sustainability-Linked Bond Principles		
SLBS	Sustainability-Linked Bond Standards		
SPT	Sustainability Performance Target		
SRC	Securities Regulation Code		
SRFS	Sustainable and Responsible Fund Standards		
SRIF	Sustainable and Responsible Investment Funds		
SSS	Social Security System		
ST	Short Term		
STI	Singapore's Straits Times Index		
TB	Thrift Bank		
TLP	Total Loan Portfolio		
TMA	Truck Manufacturers Association		
TONDB	Tonik Digital Bank, Inc.		
TPI	Trading Partners Index		

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1 GROSS NATIONAL INCOME AND GROSS DOMESTIC PRODUCT BY INDUSTRY															
for periods indicated															
	LEVEL (in billion Philippine Pesos; at constant 2018 prices)														
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3
Agriculture, Forestry and Fishing	439.7	416.0	404.9	519.8	434.1	415.9	398.2	527.1	434.9	416.8	406.6	525.3	444.6	417.7	410.3
Industry	1,338.6	1,181.4	1,114.5	1,480.8	1,282.9	1,433.0	1,210.9	1,624.8	1,410.7	1,523.7	1,281.2	1,699.1	1,466.7	1,554.9	1,351.0
Mining and Quarrying	35.9	44.5	25.9	31.2	36.6	46.4	26.9	34.6	44.1	43.3	29.6	35.2	43.1	42.0	31.0
Manufacturing	878.2	721.7	686.0	980.4	885.3	883.3	734.1	1,053.8	968.5	903.7	763.0	1,095.2	986.9	913.5	775.7
Electricity, Steam, Water and Waste Management	135.9	142.5	167.3	143.6	137.4	156.0	172.4	149.9	145.1	164.4	179.5	158.3	155.6	172.2	192.0
Construction	288.6	272.7	235.3	325.8	223.6	347.3	277.5	386.6	253.0	412.3	309.0	410.5	281.1	427.2	352.4
Services	2,655.5	2,545.5	2,616.2	2,825.0	2,549.8	2,793.0	2,817.6	3,052.9	2,764.6	3,050.3	3,079.8	3,350.7	2,996.2	3,235.1	3,289.3
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	723.5	744.6	876.1	931.3	698.8	784.6	933.2	997.3	748.0	860.6	1,017.6	1,084.6	799.2	905.2	1,068.4
Transportation and Storage	168.7	88.9	118.4	139.2	135.1	110.5	136.7	165.5	170.4	141.0	170.2	196.9	195.3	165.7	190.0
Accommodation and Food Service Activities	89.6	32.5	48.4	61.3	69.4	50.9	54.4	73.7	83.7	66.6	77.2	100.7	106.9	84.7	92.6
Information and Communication	137.7	155.7	124.4	167.3	146.8	175.3	135.1	181.7	157.6	193.9	145.5	192.9	165.1	201.1	151.9
Financial and Insurance Activities	445.2	464.1	428.2	432.4	464.5	488.3	444.8	456.7	501.0	506.4	480.0	499.3	545.0	533.4	525.4
Real Estate and Ownership of Dwellings	287.5	221.2	266.5	256.0	254.0	258.3	276.8	265.1	268.9	269.7	286.8	284.8	277.4	277.5	298.7
Professional and Business Services	244.7	275.6	269.1	279.4	238.3	299.5	298.8	299.9	258.7	324.6	327.5	329.3	278.9	346.4	349.2
Public Administration and Defense; Compulsory Social Activities	191.5	255.3	213.0	251.4	205.2	267.5	223.9	263.1	206.7	293.1	225.5	273.0	209.8	286.2	233.5
Education	184.0	192.9	153.3	157.4	184.3	216.9	173.9	169.1	200.1	228.9	184.2	186.0	213.4	244.7	195.5
Human Health and Social Work Activities	80.1	72.7	73.7	80.4	90.3	83.2	86.3	91.6	91.9	84.5	90.6	97.4	99.0	91.5	97.1
Other Services	103.0	42.1	44.9	68.8	63.1	57.9	53.7	89.2	77.5	81.1	74.6	105.8	106.2	98.8	86.8
Gross Domestic Product	4,433.8	4,142.9	4,135.5	4,825.6	4,266.8	4,641.8	4,426.6	5,204.8	4,610.2	4,990.8	4,767.6	5,575.1	4,907.5	5,207.7	5,050.6
Net Primary Income from the Rest of the World	457.3	351.4	316.4	195.0	111.5	155.9	150.0	221.9	226.1	260.0	292.7	354.9	412.5	495.6	622.0
Gross National Income	4,891.1	4,494.3	4,451.9	5,020.6	4,378.3	4,797.7	4,576.7	5,426.7	4,836.3	5,250.7	5,060.3	5,930.0	5,320.0	5,703.4	5,672.6
	ANNUAL CHANGE (in percent)														
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3
Agriculture, Forestry and Fishing	-0.3	1.5	1.2	-2.5	-1.3	.	-1.7	1.4	0.2	0.2	2.1	-0.3	2.2	0.2	0.9
Industry	-2.4	-21.7	-17.5	-10.6	-4.2	21.3	8.7	9.7	10.0	6.3	5.8	4.6	4.0	2.1	5.5
Mining and Quarrying	-21.3	-21.7	-10.9	-16.6	2.0	4.2	4.0	10.9	20.4	-6.8	10.2	1.8	-2.2	-2.9	4.5
Manufacturing	-3.3	-21.2	-10.4	-4.9	0.8	22.4	7.0	7.5	9.4	2.3	3.9	3.9	1.9	1.1	1.7
Electricity, Steam, Water and Waste Management	4.9	-6.4	0.2	0.7	1.1	9.5	3.0	4.4	5.6	5.4	4.1	5.7	7.2	4.7	7.0
Construction	0.2	-29.1	-39.6	-26.8	-22.5	27.4	18.0	18.7	13.1	18.7	11.4	6.2	11.1	3.6	14.0
Services	0.2	-17.0	-10.5	-8.0	-4.0	9.7	7.7	8.1	8.4	9.2	9.3	9.8	8.4	6.1	6.8
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.4	-14.1	-6.3	-4.4	-3.4	5.4	6.5	7.1	7.0	9.7	9.1	8.8	6.8	5.2	5.0
Transportation and Storage	-11.1	-58.0	-29.8	-19.3	-19.9	24.3	15.5	18.9	26.2	27.6	24.5	18.9	14.6	17.5	11.6
Accommodation and Food Service Activities	-15.9	-67.1	-54.6	-46.1	-22.5	56.7	12.4	20.1	20.5	30.9	41.8	36.7	27.8	27.2	20.0
Information and Communication	4.7	10.7	3.0	2.0	6.6	12.6	8.6	8.6	7.3	10.6	7.7	6.2	4.7	3.7	4.4
Financial and Insurance Activities	8.8	4.8	4.2	4.6	4.3	5.2	3.9	5.6	7.9	3.7	7.9	9.3	8.8	5.3	9.5
Real Estate and Ownership of Dwellings	-2.9	-29.9	-19.2	-13.8	-11.7	16.8	3.9	3.5	5.9	4.4	3.6	7.4	3.2	2.9	4.2
Professional and Business Services	-2.0	-15.3	-10.8	-8.6	-2.6	8.7	11.0	7.4	8.6	8.4	9.6	9.8	7.8	6.7	6.6
Public Administration and Defense; Compulsory Social Activities	5.5	7.1	4.6	1.3	7.1	4.8	5.1	4.7	0.8	9.6	0.7	3.7	1.5	-2.4	3.6
Education	1.9	-13.9	-16.2	-11.8	0.2	12.4	13.4	7.4	8.6	5.5	5.9	10.0	6.6	6.9	6.1
Human Health and Social Work Activities	2.2	-16.3	-4.2	-0.9	12.8	14.5	17.0	13.9	1.7	1.5	5.0	6.3	7.7	8.3	7.1
Other Services	-9.8	-63.7	-48.7	-43.2	-38.7	37.6	19.6	29.7	22.9	39.9	38.9	18.6	37.0	21.9	16.3
Gross Domestic Product	-0.7	-16.9	-11.6	-8.2	-3.8	12.0	7.0	7.9	8.0	7.5	7.7	7.1	6.4	4.3	5.9
Net Primary Income from the Rest of the World	-9.8	-24.9	-34.0	-57.7	-75.6	-55.6	-52.6	13.8	102.7	66.8	95.1	59.9	82.4	90.7	112.5
Gross National Income	-1.6	-17.6	-13.6	-12.2	-10.5	6.7	2.8	8.1	10.5	9.4	10.6	9.3	10.0	8.6	12.1
	CONTRIBUTION TO GDP GROWTH (in percentage point)														
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3
Agriculture, Forestry and Fishing	.	0.1	0.1	-0.3	-0.1	.	-0.2	0.2	.	.	0.2	.	0.2	.	0.1
Industry	-0.7	-6.6	-5.1	-3.3	-1.3	6.1	2.3	3.0	3.0	2.0	1.6	1.4	1.2	0.6	1.5
Mining and Quarrying	-0.2	-0.2	-0.1	-0.1	.	.	.	0.1	0.2	-0.1	0.1	.	.	.	.
Manufacturing	-0.7	-3.9	-1.7	-1.0	0.2	3.9	1.2	1.5	2.0	0.4	0.7	0.8	0.4	0.2	0.3
Electricity, Steam, Water and Waste Management	0.1	-0.2	.	.	.	0.3	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Construction	.	-2.2	-3.3	-2.3	-1.5	1.8	1.0	1.3	0.7	1.4	0.7	0.5	0.6	0.3	0.9
Services	0.1	-10.5	-6.6	-4.6	-2.4	6.0	4.9	4.7	5.0	5.5	5.9	5.7	5.0	3.7	4.4
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	0.2	-2.5	-1.3	-0.8	-0.6	1.0	1.4	1.4	1.2	1.6	1.9	1.7	1.1	0.9	1.1
Transportation and Storage	-0.5	-2.5	-1.1	-0.6	-0.8	0.5	0.4	0.5	0.8	0.7	0.8	0.6	0.5	0.5	0.4
Accommodation and Food Service Activities	-0.4	-1.3	-1.2	-1.0	-0.5	0.4	0.1	0.3	0.3	0.3	0.5	0.5	0.5	0.4	0.3
Information and Communication	0.1	0.3	0.1	0.1	0.2	0.5	0.3	0.3	0.3	0.4	0.2	0.2	0.2	0.1	0.1
Financial and Insurance Activities	0.8	0.4	0.4	0.4	0.4	0.6	0.4	0.5	0.9	0.4	0.8	0.8	1.0	0.5	1.0
Real Estate and Ownership of Dwellings	-0.2	-1.9	-1.4	-0.8	-0.8	0.9	0.2	0.2	0.3	0.2	0.2	0.4	0.2	0.2	0.3
Professional and Business Services	-0.1	-1.0	-0.7	-0.5	-0.1	0.6	0.7	0.4	0.5	0.5	0.6	0.6	0.4	0.4	0.5
Public Administration and Defense; Compulsory Social Activities	0.2	0.3	0.2	0.1	0.3	0.3	0.3	0.2	.	0.6	.	0.2	0.1	-0.1	0.2
Education	0.1	-0.6	-0.6	-0.4	.	0.6	0.5	0.2	0.4	0.3	0.2	0.3	0.3	0.3	0.2
Human Health and Social Work Activities	.	-0.3	-0.1	.	0.2	0.3	0.3	0.2	.	.	0.1	0.1	0.2	0.1	0.1
Other Services	-0.3	-1.5	-0.9	-1.0	-0.9	0.4	0.2	0.4	0.3	0.5	0.5	0.3	0.6	0.4	0.3
Gross Domestic Product	-0.7	-16.9	-11.6	-8.2	-3.8	12.0	7.0	7.9	8.0	7.5	7.7	7.1	6.4	4.3	5.9
. Rounds off to zero															
¹ revised															
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) Details may not add up to totals due to rounding.															
Source of basic data: Philippine Statistics Authority (PSA)															

¹ Rounds off to zero

² revised

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) Details may not add up to totals due to rounding.

Source of basic data: Philippine Statistics Authority (PSA)

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

	LEVEL (in billion Philippine pesos; at constant 2018 prices)											
	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Final Consumption Expenditure	3,314.6	2,917.7	3,030.1	3,648.9	3,156.8	3,130.1	3,245.6	3,922.6	3,471.8	3,396.9	3,505.5	4,196.1
Government Final Consumption Expenditure	560.1	848.9	609.1	633.8	650.7	814.2	693.8	684.0	673.7	902.9	698.5	706.7
Gross Capital Formation	991.9	625.1	757.2	1,001.6	852.2	1,148.3	908.5	1,142.7	1,002.9	1,346.4	1,073.5	1,186.5
Gross Fixed Capital Formation	1,095.2	842.8	813.4	1,010.3	895.9	1,177.8	941.0	1,117.4	993.6	1,325.4	1,031.0	1,184.4
Construction	630.9	580.0	441.9	589.8	472.0	784.8	551.8	681.7	535.7	905.0	611.5	740.5
Durable Equipment	344.5	136.8	246.4	273.9	306.5	266.9	259.6	288.1	334.2	293.9	290.4	295.5
Breeding Stocks & Orchard Development	90.7	99.9	90.2	109.1	87.8	97.2	88.3	103.1	91.1	96.5	86.2	104.3
Intellectual Property Products	29.2	26.2	34.9	37.5	29.5	29.0	41.4	44.6	32.6	29.9	42.9	44.0
Changes in Inventories	-103.4	-217.9	-56.5	-8.9	-43.8	-29.7	-32.6	25.0	9.1	20.9	42.4	1.8
Valuables	0.2	0.2	0.2	0.2	0.1	0.3	0.1	0.3	0.1	0.2	0.1	0.3
Exports of Goods and Services	1,342.2	1,010.8	1,234.8	1,161.8	1,231.0	1,297.9	1,348.9	1,251.8	1,361.3	1,361.0	1,531.7	1,434.7
Less: Imports of Goods and Services	1,769.9	1,257.5	1,536.2	1,587.3	1,636.5	1,763.0	1,729.9	1,809.8	1,900.9	2,017.9	2,050.5	1,936.9
Statistical Discrepancy	-5.1	-2.2	40.6	-33.3	12.6	14.1	-40.3	13.5	1.5	1.5	8.9	-11.9
Gross Domestic Product	4,433.8	4,142.9	4,135.5	4,825.6	4,266.8	4,641.8	4,426.6	5,204.8	4,610.2	4,990.8	4,767.6	5,575.1
Net Primary Income from the Rest of the World	457.3	351.4	316.4	195.0	111.5	155.9	150.0	221.9	226.1	260.0	292.7	354.9
Gross National Income	4,891.1	4,494.3	4,451.9	5,020.6	4,378.3	4,797.7	4,576.7	5,426.7	4,836.3	5,250.7	5,060.3	5,930.0
	ANNUAL CHANGE (in percent)											
	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Final Consumption Expenditure	0.2	-15.3	-9.2	-7.3	-4.8	7.3	7.1	7.5	10.0	8.5	8.0	7.0
Government Final Consumption Expenditure	7.0	21.8	5.8	5.0	16.2	-4.1	13.9	7.9	3.5	10.9	0.7	3.3
Gross Capital Formation	-12.3	-51.8	-38.8	-31.7	-14.1	83.7	20.0	14.1	17.7	17.2	18.2	3.8
Gross Fixed Capital Formation	-1.8	-35.6	-37.9	-29.9	-18.2	39.7	15.7	10.6	10.9	12.5	9.6	6.0
Construction	-1.7	-30.9	-45.3	-35.7	-25.2	35.3	24.9	15.6	13.5	15.3	10.8	8.6
Durable Equipment	-2.3	-59.4	-33.8	-24.5	-11.0	95.1	5.3	5.2	9.0	10.1	11.9	2.6
Breeding Stocks & Orchard Development	-1.7	2.2	-1.6	-10.5	-3.2	-2.7	-2.2	-5.5	3.7	-0.7	-2.4	1.2
Intellectual Property Products	1.9	-22.7	-11.9	-4.4	1.1	10.7	18.4	18.8	10.5	3.2	3.7	-1.2
Changes in Inventories	...	...	...	...	...	...	...	...	...	...	...	...
Valuables	-37.2	-58.2	-54.8	-43.9	-18.1	29.2	-35.1	56.0	-38.9	-20.5	15.1	33.5
Exports of Goods and Services	-3.6	-33.2	-15.3	-10.7	-8.3	28.4	9.2	7.7	10.6	4.9	13.6	14.6
Less: Imports of Goods and Services	-7.2	-37.2	-20.6	-20.6	-7.5	40.2	12.6	14.0	16.2	14.5	18.5	7.0
Gross Domestic Product	-0.7	-16.9	-11.6	-8.2	-3.8	12.0	7.0	7.9	8.0	7.5	7.7	7.1
Net Primary Income from the Rest of the World	-9.8	-24.9	-34.0	-57.7	-75.6	-55.6	-52.6	13.8	102.7	66.8	95.1	59.9
Gross National Income	-1.6	-17.6	-13.6	-12.2	-10.5	6.7	2.8	8.1	10.5	9.4	10.6	9.3
	CONTRIBUTION TO GDP GROWTH (in percentage point)											
	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Final Consumption Expenditure	0.1	-10.6	-6.6	-5.5	-3.6	5.1	5.2	5.7	7.4	5.7	5.9	5.3
Government Final Consumption Expenditure	0.8	3.0	0.7	0.6	2.0	-0.8	2.0	1.0	0.5	1.9	0.1	0.4
Gross Capital Formation	-3.1	-13.5	-10.3	-8.8	-3.2	12.6	3.7	2.9	3.5	4.3	3.7	0.8
Gross Fixed Capital Formation	-0.4	-9.3	-10.6	-8.2	-4.5	8.1	3.1	2.2	2.3	3.2	2.0	1.3
Construction	-0.2	-5.2	-7.8	-6.2	-3.6	4.9	2.7	1.9	1.5	2.6	1.3	1.1
Durable Equipment	-0.2	-4.0	-2.7	-1.7	-0.9	3.1	0.3	0.3	0.6	0.6	0.7	0.1
Breeding Stocks & Orchard Development	.	.	.	-0.2	-0.1	-0.1	.	-0.1	0.1	.	.	.
Intellectual Property Products	.	-0.2	-0.1	.	.	0.1	0.2	0.1	0.1	.	.	.
Changes in Inventories	-2.7	-4.1	0.4	-0.6	1.3	4.5	0.6	0.7	1.2	1.1	1.7	-0.4
Valuables	.	.	.	.	.	.	.	.	.	.	.	.
Exports of Goods and Services	-1.1	-10.1	-4.8	-2.6	-2.5	6.9	2.8	1.9	3.1	1.4	4.1	3.5
Less: Imports of Goods and Services	-3.1	-14.9	-8.5	-7.8	-3.0	12.2	4.7	4.6	6.2	5.5	7.2	2.4
Statistical Discrepancy	-0.4	-0.7	0.8	0.3	0.4	0.4	-2.0	1.0	-0.3	-0.3	1.1	-0.5
Gross Domestic Product	-0.7	-16.9	-11.6	-8.2	-3.8	12.0	7.0	7.9	8.0	7.5	7.7	7.1

. Rounds off to zero

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' revised

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) Details may not add up to totals due to rounding.

Source of basic data: Philippine Statistics Authority (PSA)

2 SELECTED LABOR, EMPLOYMENT AND WAGE INDICATORS end-of-period ¹

	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Employment Status ²															
Labor Force (in thousands)	44,934	41,058	45,871	43,649	48,772	48,846	47,873	49,558	49,852	49,581	50,080	51,222 ^P	50,998 ^P	51,169 ^P	49,929 ^P
Employed	42,543	33,830	41,302	39,837	45,332	45,076	43,593	46,274	46,975	46,592	47,583	49,002 ^P	48,581 ^P	48,842 ^P	47,666 ^P
Employment Created	1,619	-7,940	-1,220	-3,307	....	....	....	....	1,643	1,516	3,990	2,728 ^P	1,606 ^P	2,250 ^P	83 ^P
Agriculture	813	-305	1,136	-360	....	....	....	....	708	458	460	-70 ^P	-430 ^P	224 ^P	-457 ^P
Industry	-164	-2,338	-270	-840	....	....	....	....	-646	712	674	147 ^P	357 ^P	-67 ^P	-233 ^P
Services	970	-5,297	-2,086	-2,107	....	....	....	....	1,581	346	2,855	2,651 ^P	1,679 ^P	2,093 ^P	773 ^P
Underemployed	6,299	6,398	7,136	5,747	7,335	6,410	6,183	6,811	7,422	5,888	7,326	6,197 ^P	5,442 ^P	5,875 ^P	5,112 ^P
Unemployed	2,391	7,228	4,569	3,813	3,441	3,770	4,280	3,284	2,877	2,990	2,497	2,220 ^P	2,417 ^P	2,327 ^P	2,263 ^P
Labor Force Participation Rate (%)	61.7	55.7	61.9	58.7	65.0	65.1	63.3	65.1	65.4	64.8	65.2	66.4 ^P	66.0 ^P	66.1 ^P	64.1 ^P
Employment Rate (%)	94.7	82.4	90.0	91.3	92.9	92.3	91.1	93.4	94.2	94.0	95.0	95.7 ^P	95.3 ^P	95.5 ^P	95.5 ^P
Underemployment Rate (%)	14.8	18.9	17.3	14.4	16.2	14.2	14.2	14.7	15.8	12.6	15.4	12.6 ^P	11.2 ^P	12.0 ^P	10.7 ^P
Unemployment Rate (%)	5.3	17.6	10.0	8.7	7.1	7.7	8.9	6.6	5.8	6.0	5.0	4.3 ^P	4.7 ^P	4.5 ^P	4.5 ^P
Labor Turnover Rate ³ (%)															
Philippines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCR	-1.4	-7.6	0.1	-0.3	-3.1	-1.2	0.7	0.6	-	-	-	-	-	-	-
Overseas Employment (Deployed)															
Land-based	62,274	8,218	27,781	31,273	59,508 ^P	61,062 ^P	70,041 ^P	59,708 ^P	102,295 ^{P,†}	94,236 ^{P,†}	105,133 ^{P,†}	123,021 ^{P,†}	186,390 ^{P,†}	195,842 ^{P,†}	187,951 ^P
Sea-based	46,110	2,061	6,473	10,809	35,492 ^P	20,097 ^P	34,532 ^P	41,585 ^P	55,249 ^{P,†}	65,453 ^{P,†}	78,401 ^{P,†}	86,268 ^{P,†}	132,318 ^{P,†}	147,213 ^{P,†}	140,710 ^P
	16,164	6,157	21,308	20,464	24,016 ^P	40,965 ^P	35,509 ^P	18,123 ^P	47,046 ^{P,†}	28,783 ^{P,†}	26,732 ^{P,†}	36,753 ^{P,†}	54,072 ^{P,†}	48,629 ^{P,†}	47,241 ^P
Strikes															
Number of New Strikes	1	0	0	0	0	0	0	1	2	2	0	0	0	0	0
Number of Workers Involved	2,010	0	0	0	0	0	0	56	38	59	0	0	0	0	0
Nominal Daily Wage Rates ⁴ (in pesos)															
Non-Agricultural															
NCR	537.0	537.0	537.0	537.0	537.0	537.0	537.0	537.0	537.0	570.0	570.0	570.0	570.0	570.0	610.0
Regions Outside NCR	420.0	420.0	420.0	420.0	420.0	420.0	420.0	420.0	420.0	450.0	450.0	470.0	470.0	470.0	470.0
Agricultural															
NCR															
Plantation	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	533.0	533.0	533.0	533.0	533.0	573.0
Non-Plantation	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	533.0	533.0	533.0	533.0	533.0	573.0
Regions Outside NCR															
Plantation	394.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	425.0	425.0	429.0	438.0	438.0	438.0
Non-Plantation	394.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	394.0	425.0	425.0	429.0	438.0	438.0	438.0
Real Daily Wage Rates ⁵ (in pesos, 2018=100)															
Non-Agricultural															
NCR	519.8	518.3	517.3	505.6	507.1	505.2	502.3	495.4	490.4	508.0	500.4	488.9	483.1	481.2	505.0
Regions Outside NCR	401.5	401.1	398.5	386.7	385.0	385.7	378.0	374.7	368.1	389.6	383.0	393.3	387.8	386.8	379.0
Agricultural															
NCR															
Plantation	484.0	482.6	481.7	470.8	472.1	470.4	467.7	461.3	456.6	475.0	468.0	457.1	451.7	450.0	474.4
Non-Plantation	484.0	482.6	481.7	470.8	472.1	470.4	467.7	461.3	456.6	475.0	468.0	457.1	451.7	450.0	474.4
Regions Outside NCR															
Plantation	384.8	381.0	384.4	381.0	379.2	375.6	376.0	372.8	361.1	383.2	375.1	359.0	357.8	358.1	350.7
Non-Plantation	384.8	381.0	384.4	381.0	379.2	375.6	376.0	372.8	361.1	383.2	375.1	359.0	357.8	358.1	350.7

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

¹ Figures refer 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 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. Beginning January 2020, the LFS results, including the final 2019 LFS, have been estimated using the 2015 Population Census (POPCEN) and 2013 Master Sample (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 the 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 have been determined by the Regional Tripartite Wages Productivity Board. Real terms were computed using 2018 as base year.

^P Preliminary

[†] Revised

- Not available

- Not computed

Sources of basic 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 (NCMB), and National Wages and Productivity Commission (NWPC)

3 CASH OPERATIONS OF THE NATIONAL GOVERNMENT

for periods indicated; in billion pesos

	2020				2021				2022				2023 ^P		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenues	763.1	690.2	690.1	712.5	696.5	793.9	746.8	768.4	784.4	943.1	929.9	888.1	818.7	1,041.4	977.7
<i>Ratio to GDP (in percent)</i>	<i>17.2</i>	<i>16.7</i>	<i>16.4</i>	<i>13.8</i>	<i>15.9</i>	<i>16.7</i>	<i>16.2</i>	<i>13.6</i>	<i>15.9</i>	<i>17.5</i>	<i>17.7</i>	<i>13.8</i>	<i>14.6</i>	<i>17.7</i>	<i>17.0</i>
Tax	620.7	597.0	636.5	650.2	623.7	719.7	686.5	712.8	697.7	843.6	847.6	831.3	727.1 ^r	940.5 ^r	873.7
Non-tax including Grants	142.4	93.2	53.6	62.3	72.7	74.2	60.3	55.6	86.7	99.5	82.2	56.8	91.5 ^r	101.0 ^r	104.0
Expenditures	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	1,489.5	1,089.6	1,322.3	1,409.4
<i>Ratio to GDP (in percent)</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>	<i>23.1</i>	<i>19.5</i>	<i>22.5</i>	<i>24.5</i>
Interest Payments	119.9	67.8	125.3	67.4	125.9	82.7	130.8	90.1	149.3	107.9	142.8	102.9	142.0	140.5	177.7
Equity	0.0	0.6	0.8	11.4	45.3	0.6	0.8	0.8	0.5	0.2	0.2	10.2	0.1	0.1	0.1
Net Lending	4.8	6.1	5.6	5.6	5.7	1.1	5.2	5.9	0.7	10.8	8.5	7.2	0.6	11.6	5.5
Subsidy	22.4	106.2	30.1	70.3	11.4	76.9	65.6	38.9	26.3	26.5	69.5	78.2	21.3	42.4	73.4
Allotment to LGUs	187.6	221.6	197.5	197.8	206.9	241.6	215.2	229.0	267.4	264.0	291.7	280.2	230.9	230.5	233.2
Tax Expenditures	2.0	4.5	13.3	13.3	6.7	8.9	14.0	7.1	6.6	12.1	9.2	11.8	4.3	8.8	7.2
NG Disbursements	512.5	757.8	636.3	838.9	616.1	776.7	738.2	927.7	650.4	879.0	746.5	999.0	690.4	888.4	912.4
Surplus/Deficit (-)	-86.2	-474.3	-318.8	-492.2	-321.5	-394.6	-423.0	-531.0	-316.8	-357.4	-338.6	-601.4	-270.9	-280.8	-431.8
<i>Ratio to GDP (in percent)</i>	<i>-1.9</i>	<i>-11.5</i>	<i>-7.6</i>	<i>-9.5</i>	<i>-7.3</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>	<i>-9.3</i>	<i>-4.8</i>	<i>-4.8</i>	<i>-7.5</i>
Primary Balance¹	33.7	-406.5	-193.5	-424.8	-195.6	-311.9	-292.2	-440.9	-167.5	-249.5	-195.8	-498.5	-128.9	-140.4	-254.1
<i>Ratio to GDP (in percent)</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>	<i>-7.7</i>	<i>-2.3</i>	<i>-2.4</i>	<i>-4.4</i>
Financing²	800.6	747.4	500.2	446.9	1,187.0	532.9	610.7	-78.4	1,070.1	-48.4	653.9	290.7	900.8	425.9	334.8
Foreign Borrowings	51.3	248.7	127.1	173.7	-63.4	188.3	162.6	43.9	221.7	59.9	-17.5	125.6	248.2	54.2	15.2
Domestic Borrowings	749.3	498.7	373.1	273.2	1,250.3	344.6	448.1	-122.3	848.4	-108.2	671.5	165.1	652.6	371.6	319.7
Total Change in Cash: Deposit/Withdrawal (-)	655.0	45.1	55.6	-54.0	602.5	-25.9	184.4	-694.8	650.2	192.5	-124.7	-837.1	909.4	-132.4	-575.8

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 concept of the Government Finance Statistics Manual 2014 wherein reporting of debt amortization reflects the actual principal repayments to creditor including those serviced by the Bond Sinking Fund; while financing includes gross proceeds of liability management transactions such as bond exchange.

^r Revised

^P Preliminary

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

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

for periods indicated; quarterly averages

	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	104.2	104.0	104.9	106.3	108.4	108.2	109.2	110.1	112.0	114.1	116.3	118.8	121.3	121.0	122.5
Food and Non-Alcoholic Beverages	103.9	104.3	103.6	106.5	110.0	108.0	108.6	109.2	112.0	113.3	116.0	120.0	123.4	121.7	125.4
Food Items	103.7	104.0	103.4	106.5	110.2	108.1	108.7	109.3	112.2	113.7	116.4	120.5	124.1	122.1	125.9
Alcoholic Beverages and Tobacco	124.9	127.5	130.3	134.0	139.1	141.4	142.5	143.7	146.1	151.0	155.7	158.9	162.8	169.4	171.6
Non-Food	103.6	103.0	104.7	105.1	106.2	107.1	108.4	109.4	110.8	113.2	115.1	116.5	118.4	118.7	119.0
Clothing and Footwear	104.4	104.8	105.3	105.6	106.1	106.7	107.2	107.6	108.2	108.9	110.2	111.4	113.3	114.5	115.4
Housing, Water, Electricity, Gas and Other Fuels	103.7	103.0	103.1	103.0	104.2	104.7	106.5	107.9	109.6	111.7	113.5	115.6	118.6	118.6	117.0
Electricity, Gas and Other Fuels	100.4	97.1	96.2	95.8	98.2	99.3	104.1	108.2	112.1	118.1	120.3	124.1	128.1	125.9	119.7
Electricity	96.1	94.1	91.6	90.2	90.8	92.7	97.5	99.8	104.2	110.0	115.6	121.5	124.6	124.2	115.8
Gas	108.0	97.3	100.1	101.9	111.1	109.2	117.0	130.4	134.4	143.3	133.1	130.4	138.9	129.1	124.1
Liquid Fuels	92.3	72.1	80.3	80.9	90.4	95.4	101.3	109.9	122.6	157.9	164.9	158.7	151.3	140.8	151.7
Solid Fuels	111.7	113.6	115.2	116.4	118.2	119.1	119.6	119.9	120.3	121.6	124.1	127.3	129.4	130.1	131.4
Furnishings, Household Equipment and															
Routine Maintenance of the House	105.2	106.1	106.6	107.0	107.6	108.3	108.8	109.3	110.2	111.1	112.4	114.0	116.6	117.9	118.7
Health	106.7	107.5	108.7	109.5	110.9	111.8	112.8	113.3	113.9	114.5	115.5	116.5	118.2	119.2	120.1
Transport	100.5	97.3	106.0	107.1	109.3	111.2	113.0	115.6	118.9	127.7	130.7	129.6	128.8	127.3	129.3
Operation of Personal Transport Equipment	95.7	81.1	92.0	89.6	95.9	100.8	106.8	115.0	125.2	149.9	148.2	136.1	130.3	123.0	129.5
Information and Communication	100.6	100.7	101.0	101.1	101.3	101.4	101.6	101.7	101.9	102.0	102.1	102.4	102.7	102.7	102.7
Recreation, Sport and Culture	104.9	105.1	104.3	103.7	104.3	104.6	105.0	105.4	105.9	106.4	107.5	109.0	110.6	111.5	112.8
Education Services	105.6	105.6	105.9	106.6	106.7	106.7	106.8	107.3	107.3	107.3	109.6	111.1	111.2	111.2	113.3
Restaurants and Accommodation Services	104.9	105.3	106.0	106.6	107.9	109.3	110.1	110.3	111.1	112.3	114.6	117.4	120.0	121.7	123.1
Financial Services	100.0	100.0	100.0	100.0	100.0	143.3	143.3	143.3	143.3	143.3	143.3	143.3	143.3	143.3	143.3
Personal Care and Miscellaneous															
Good and Services	104.0	104.4	105.1	105.6	106.5	106.9	107.5	107.9	108.8	109.6	110.9	112.3	114.5	115.9	117.0
Quarter-on-Quarter Change (in percent)															
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	0.8	-0.2	0.8	1.3	2.0	-0.2	0.9	0.8	1.8	1.8	2.0	2.1	2.1	-0.3	1.3
Food and Non-Alcoholic Beverages	1.2	0.3	-0.6	2.8	3.2	-1.8	0.5	0.6	2.5	1.2	2.4	3.4	2.9	-1.4	3.0
Food Items	1.2	0.3	-0.6	3.0	3.5	-2.0	0.6	0.6	2.7	1.3	2.4	3.5	3.0	-1.6	3.2
Alcoholic Beverages and Tobacco	4.3	2.1	2.2	2.8	3.8	1.6	0.8	0.8	1.7	3.3	3.1	2.1	2.5	4.1	1.3
Non-Food	0.5	-0.5	1.6	0.4	1.1	0.8	1.2	0.9	1.3	2.2	1.6	1.2	1.7	0.3	0.3
Clothing and Footwear	0.6	0.4	0.5	0.3	0.5	0.5	0.5	0.3	0.5	0.7	1.2	1.1	1.7	1.1	0.8
Housing, Water, Electricity, Gas and Other Fuels	1.0	-0.7	0.1	0.0	1.1	0.5	1.7	1.3	1.6	1.9	1.6	1.8	2.7	-0.1	-1.3
Electricity, Gas and Other Fuels	1.7	-3.3	-0.9	-0.5	2.5	1.1	4.8	4.0	3.6	5.4	1.9	3.2	3.2	-1.7	-5.0
Electricity	-0.8	-2.0	-2.7	-1.5	0.6	2.1	5.2	2.3	4.4	5.6	5.1	5.0	2.6	-0.4	-6.7
Gas	9.8	-9.9	2.9	1.8	9.1	-1.8	7.1	11.5	3.0	6.6	-7.1	-2.0	6.6	-7.1	-3.9
Liquid Fuels	-5.5	-21.9	11.3	0.8	11.7	5.6	6.1	8.5	11.6	28.9	4.4	-3.8	-4.6	-7.0	7.8
Solid Fuels	2.9	1.7	1.3	1.1	1.5	0.8	0.4	0.3	0.3	1.1	2.1	2.6	1.6	0.5	1.0
Furnishings, Household Equipment and															
Routine Maintenance of the House	1.2	0.8	0.5	0.4	0.5	0.7	0.5	0.4	0.9	0.8	1.2	1.4	2.3	1.1	0.7
Health	0.9	0.7	1.1	0.7	1.3	0.8	0.9	0.4	0.6	0.5	0.9	0.8	1.5	0.8	0.8
Transport	-1.0	-3.2	9.0	1.0	2.1	1.7	1.6	2.3	2.8	7.5	2.3	-0.8	-0.6	-1.2	1.5
Operation of Personal Transport Equipment	-3.9	-15.3	13.4	-2.6	7.0	5.2	6.0	7.6	8.9	19.8	-1.1	-8.2	-4.2	-5.6	5.3
Information and Communication	0.1	0.1	0.3	0.1	0.1	0.1	0.2	0.1	0.2	0.1	0.1	0.3	0.3	0.0	0.0
Recreation, Sport and Culture	0.6	0.2	-0.8	-0.5	0.5	0.3	0.4	0.4	0.5	0.5	1.0	1.4	1.4	0.9	1.1
Education Services	0.0	0.0	0.3	0.7	0.1	0.0	0.1	0.4	0.0	0.0	2.1	1.4	0.1	0.0	1.9
Restaurants and Accommodation Services	0.5	0.3	0.7	0.5	1.3	1.3	0.8	0.2	0.7	1.1	2.0	2.4	2.2	1.5	1.1
Financial Services	0.0	0.0	0.0	0.0	0.0	43.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personal Care and Miscellaneous															
Good and Services	0.7	0.4	0.7	0.5	0.8	0.4	0.5	0.4	0.8	0.8	1.2	1.3	2.0	1.2	0.9
Year-on-Year Change (in percent)															
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	2.5	1.9	2.3	2.9	4.0	4.0	4.1	3.6	3.4	5.5	6.5	7.9	8.3	6.0	5.4
Food and Non-Alcoholic Beverages	2.5	3.3	2.0	3.7	5.8	3.6	4.8	2.5	1.8	4.9	6.8	9.9	10.2	7.4	8.0
Food Items	2.5	3.3	2.0	3.9	6.3	3.9	5.1	2.6	1.8	5.2	7.1	10.2	10.6	7.4	8.2
Alcoholic Beverages and Tobacco	17.0	17.1	15.9	11.9	11.4	10.9	9.4	7.3	5.0	6.8	9.2	10.6	11.4	12.2	10.3
Non-Food	2.1	0.5	1.9	2.0	2.5	4.0	3.5	4.1	4.3	5.7	6.2	6.5	6.9	4.9	3.4
Clothing and Footwear	2.7	2.6	2.1	1.8	1.7	1.8	1.9	1.9	1.9	2.1	2.7	3.5	4.7	5.1	4.8
Housing, Water, Electricity, Gas and Other Fuels	1.7	0.0	0.7	0.4	0.5	1.7	3.3	4.7	5.2	6.7	6.6	7.1	8.2	6.2	3.1
Electricity, Gas and Other Fuels	-1.0	-5.6	-2.7	-3.0	-2.2	2.2	8.2	13.0	14.2	19.0	15.6	14.7	14.3	6.6	-0.6
Electricity	-5.5	-8.2	-7.1	-6.9	-5.5	-1.6	6.4	10.6	14.8	18.7	18.6	21.8	19.6	12.8	0.2
Gas	9.1	-5.3	5.6	3.6	2.9	12.2	16.8	28.0	20.9	31.2	13.8	-0.1	3.4	-9.9	-6.7
Liquid Fuels	-4.7	-28.3	-18.3	-17.2	-2.0	32.4	26.2	35.8	35.6	65.5	62.8	44.4	23.5	-10.8	-8.0
Solid Fuels	7.9	8.4	8.5	7.2	5.8	4.8	3.8	3.0	1.8	2.1	3.7	6.2	7.6	7.0	5.9
Furnishings, Household Equipment and															
Routine Maintenance of the House	3.2	3.5	3.1	2.9	2.2	2.1	2.1	2.1	2.4	2.6	3.3	4.4	5.8	6.1	5.6
Health	4.3	4.2	3.6	3.5	3.9	4.0	3.8	3.5	2.8	2.5	2.4	2.8	3.7	4.0	4.0
Transport	1.1	-4.9	4.5	5.5	8.8	14.3	6.6	8.0	8.7	14.9	15.7	12.1	8.4	-0.3	-1.1
Operation of Personal Transport Equipment	0.6	-20.7	-7.5	-10.0	0.1	24.3	16.1	28.4	30.6	48.7	38.7	18.4	4.1	-17.9	-12.6
Information and Communication	0.4	0.4	0.6	0.6	0.6	0.7	0.6	0.6	0.7	0.6	0.5	0.6	0.7	0.7	0.7
Recreation, Sport and Culture	2.3	2.0	0.4	-0.6	-0.6	-0.5	0.7	1.6	1.6	1.8	2.4	3.4	4.4	4.8	4.9
Education Services	3.7	2.9	0.4	0.9	1.0	1.0	0.9	0.7	0.6	0.6	2.6	3.5	3.6	3.6	3.4
Restaurants and Accommodation Services	2.3	2.0	2.0	2.1	2.8	3.8	3.9	3.5	2.9	2.8	4.1	6.4	8.0	8.4	7.4
Financial Services	0.0	0.0	0.0	0.0	0.0	43.3	43.3	43.3	43.3	0.0	0.0	0.0	0.0	0.0	0.0
Personal Care and Miscellaneous															
Good and Services	2.4	2.4	2.3	2.3	2.4	2.4	2.2	2.1	2.2	2.5	3.2	4.1	5.3	5.7	5.5

Source of basic data: Philippine Statistics Authority (PSA)

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

for periods indicated; quarterly averages

	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	103.5	103.3	103.8	105.5	106.7	106.0	107.0	107.8	109.0	111.1	113.2	116.0	118.1	118.2	119.8
Food and Non-Alcoholic Beverages	105.0	104.8	104.4	109.8	111.9	108.2	109.0	109.4	110.7	113.3	116.6	121.7	122.8	121.6	125.7
Food Items	105.1	104.9	104.4	110.3	112.6	108.5	109.4	109.7	111.2	114.0	117.4	122.8	124.0	122.4	126.9
Alcoholic Beverages and Tobacco	112.8	114.1	115.5	118.5	123.3	124.2	125.2	126.7	128.5	131.9	134.9	136.1	137.5	141.6	143.2
Non-Food	102.7	102.4	103.2	103.3	103.9	104.5	105.6	106.7	107.7	109.7	111.1	113.0	115.6	116.2	116.6
Clothing and Footwear	102.6	102.7	103.0	103.3	103.5	103.8	103.7	103.9	104.4	105.0	106.1	106.5	107.5	108.0	108.4
Housing, Water, Electricity, Gas and Other Fuels	102.0	101.4	101.0	101.2	102.3	102.0	103.5	105.4	106.6	107.8	108.2	109.6	114.6	115.4	114.6
Electricity, Gas and Other Fuels	95.2	91.2	89.5	89.8	92.2	91.6	96.3	102.7	105.2	111.5	105.7	107.4	117.0	118.7	114.8
Electricity	91.3	88.9	86.2	85.9	86.6	86.3	90.7	95.0	96.9	102.5	97.8	100.5	110.5	115.4	111.4
Gas	110.4	100.4	102.9	104.9	114.3	112.1	118.4	133.1	138.0	146.4	136.1	133.8	142.5	131.8	127.7
Liquid Fuels	87.0	66.2	76.0	77.5	87.2	92.1	98.3	107.3	122.3	159.5	162.1	155.2	146.6	135.8	150.4
Solid Fuels	103.9	104.3	104.3	104.3	105.2	106.8	106.7	106.7	106.7	106.0	106.3	107.8	110.1	111.7	111.7
Furnishings, Household Equipment and															
Routine Maintenance of the House	104.1	105.8	105.9	106.0	106.1	106.7	107.0	107.2	108.6	109.8	110.4	111.6	115.0	116.6	117.1
Health	103.3	103.5	104.4	104.7	105.4	105.7	106.7	107.0	107.1	107.6	107.8	108.3	109.3	110.0	110.6
Transport	100.1	98.9	105.1	104.5	106.1	107.5	109.2	111.5	114.9	123.1	126.1	128.1	126.2	124.3	126.4
Operation of Personal Transport Equipment	94.3	81.0	90.6	87.7	93.8	98.6	104.8	112.6	124.0	149.3	146.4	136.4	128.7	120.9	128.8
Information and Communication	100.4	100.5	100.6	100.6	100.6	100.7	101.0	101.0	101.2	101.1	101.0	101.2	101.5	101.5	101.5
Recreation, Sport and Culture	102.6	102.6	102.3	101.6	101.7	101.8	101.9	101.9	102.2	102.8	103.3	105.0	105.9	106.4	106.8
Education Services	106.3	106.3	106.4	106.3	106.6	106.6	106.5	106.5	106.5	106.5	112.2	115.1	115.1	115.1	117.6
Restaurants and Accommodation Services	105.3	105.4	105.9	106.2	105.7	108.2	109.1	109.1	109.5	111.3	114.4	118.9	121.3	122.7	124.3
Financial Services	100.0	100.0	100.0	100.0	100.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0
Personal Care and Miscellaneous															
Good and Services	103.5	103.8	104.0	104.2	105.2	105.2	105.8	106.0	106.8	107.4	108.1	108.7	110.2	111.5	112.4
Quarter-on-Quarter Change (in percent)															
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	0.3	-0.2	0.5	1.6	1.1	-0.7	0.9	0.8	1.1	2.0	1.8	2.5	1.8	0.1	1.3
Food and Non-Alcoholic Beverages	0.3	-0.1	-0.4	5.1	1.9	-3.3	0.7	0.3	1.2	2.4	2.9	4.3	0.9	-1.0	3.4
Food Items	0.3	-0.2	-0.4	5.6	2.1	-3.6	0.8	0.3	1.3	2.5	3.0	4.6	1.0	-1.2	3.7
Alcoholic Beverages and Tobacco	2.3	1.2	1.3	2.5	4.1	0.7	0.9	1.1	1.5	2.6	2.2	0.9	1.0	3.0	1.1
Non-Food	0.3	-0.3	0.7	0.1	0.6	0.6	1.0	1.0	1.0	1.8	1.3	1.8	2.2	0.5	0.4
Clothing and Footwear	0.4	0.1	0.3	0.2	0.2	0.3	-0.1	0.2	0.4	0.6	1.0	0.4	0.9	0.5	0.4
Housing, Water, Electricity, Gas and Other Fuels	0.1	-0.6	-0.3	0.2	1.1	-0.3	1.5	1.8	1.1	1.2	0.3	1.4	4.5	0.7	-0.7
Electricity, Gas and Other Fuels	-1.4	-4.1	-1.9	0.3	2.7	-0.7	5.2	6.6	2.4	6.0	-5.2	1.5	9.0	1.4	-3.3
Electricity	-4.4	-2.6	-3.1	-0.3	0.8	-0.3	5.1	4.8	1.9	5.8	-4.6	2.8	10.0	4.4	-3.5
Gas	10.0	-9.1	2.5	1.9	9.0	-1.9	5.6	12.4	3.6	6.1	-7.0	-1.7	6.5	-7.6	-3.1
Liquid Fuels	-7.9	-23.9	14.9	1.9	12.6	5.6	6.7	9.2	13.9	30.5	1.6	-4.2	-5.6	-7.3	10.7
Solid Fuels	0.1	0.4	0.0	0.0	0.9	1.5	-0.1	0.0	0.0	-0.6	0.3	1.4	2.1	1.4	0.0
Furnishings, Household Equipment and															
Routine Maintenance of the House	1.8	1.6	0.1	0.1	0.1	0.5	0.3	0.2	1.3	1.2	0.5	1.0	3.1	1.4	0.5
Health	0.8	0.2	0.9	0.3	0.7	0.3	0.9	0.3	0.1	0.5	0.2	0.4	0.9	0.7	0.5
Transport	-1.0	-1.1	6.3	-0.6	1.6	1.3	1.6	2.1	3.0	7.1	2.5	1.6	-1.5	-1.5	1.7
Operation of Personal Transport Equipment	-3.7	-14.1	11.9	-3.2	6.9	5.2	6.3	7.5	10.1	20.3	-1.9	-6.9	-5.7	-6.0	6.5
Information and Communication	0.0	0.1	0.1	0.0	0.0	0.1	0.3	0.0	0.2	-0.1	-0.1	0.2	0.3	0.0	0.0
Recreation, Sport and Culture	0.4	0.0	-0.3	-0.7	0.1	0.1	0.1	0.1	0.3	0.6	0.5	1.6	0.9	0.5	0.4
Education Services	0.1	0.0	0.1	-0.1	0.3	0.0	-0.1	0.0	0.0	0.0	5.4	2.6	0.0	0.0	2.2
Restaurants and Accommodation Services	0.6	0.1	0.5	0.3	-0.5	2.4	0.9	0.0	0.3	1.7	2.8	4.0	2.0	1.2	1.3
Financial Services	0.0	0.0	0.0	0.0	0.0	46.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personal Care and Miscellaneous															
Good and Services	1.0	0.2	0.3	0.1	1.0	0.0	0.6	0.2	0.7	0.6	0.6	0.6	1.3	1.2	0.8
Year-on-Year Change (in percent)															
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	1.9	1.0	1.4	2.2	3.0	2.5	3.1	2.2	2.2	4.9	5.8	7.6	8.4	6.4	5.8
Food and Non-Alcoholic Beverages	3.7	3.4	2.0	4.9	6.6	3.2	4.4	-0.4	-1.1	4.7	7.0	11.3	11.0	7.3	7.8
Food Items	4.0	3.6	2.1	5.2	7.1	3.5	4.8	-0.5	-1.3	5.0	7.3	11.9	11.5	7.4	8.1
Alcoholic Beverages and Tobacco	9.8	10.3	10.0	7.5	9.4	8.8	8.4	6.9	4.2	6.2	7.7	7.5	7.0	7.4	6.2
Non-Food	1.0	-0.2	0.9	0.8	1.2	2.1	2.3	3.3	3.7	4.9	5.2	6.0	7.3	5.9	5.0
Clothing and Footwear	1.1	1.1	1.1	1.1	0.9	1.1	0.7	0.6	0.8	1.2	2.3	2.5	3.0	2.9	2.2
Housing, Water, Electricity, Gas and Other Fuels	-0.1	-1.7	-0.7	-0.7	0.4	0.6	2.4	4.2	4.1	5.7	4.5	4.0	7.5	7.0	5.9
Electricity, Gas and Other Fuels	-6.9	-11.6	-7.0	-6.9	-3.1	0.4	7.6	14.4	14.1	21.7	9.8	4.5	11.3	6.4	8.6
Electricity	-11.0	-13.9	-10.0	-10.0	-5.1	-2.9	5.3	10.6	11.9	18.8	7.8	5.7	14.1	12.5	13.9
Gas	9.9	-2.8	5.0	4.4	3.5	11.7	15.0	27.0	20.7	30.6	15.0	0.5	3.3	-10.0	-6.2
Liquid Fuels	-7.7	-32.4	-20.4	-17.9	0.3	39.2	29.3	38.6	40.2	73.2	64.9	44.6	19.9	-14.9	-7.2
Solid Fuels	-0.2	0.4	0.5	0.5	1.3	2.4	2.3	2.3	1.4	-0.7	-0.4	1.0	3.2	5.3	5.1
Furnishings, Household Equipment and															
Routine Maintenance of the House	2.8	4.1	4.0	3.7	2.0	0.8	1.0	1.1	2.3	3.0	3.2	4.1	6.0	6.2	6.1
Health	1.9	1.9	2.1	2.2	2.0	2.2	2.2	2.2	1.6	1.8	1.0	1.2	2.0	2.2	2.6
Transport	-0.3	-3.1	3.8	3.4	6.1	8.7	3.9	6.7	8.2	14.4	15.4	14.8	9.9	1.0	0.2
Operation of Personal Transport Equipment	-1.4	-19.9	-8.0	-10.5	-0.6	21.8	15.6	28.4	32.3	51.3	39.7	21.1	3.7	-19.0	-12.0
Information and Communication	0.2	0.3	0.2	0.2	0.2	0.2	0.4	0.4	0.6	0.4	0.0	0.2	0.3	0.4	0.5
Recreation, Sport and Culture	0.8	0.6	0.3	-0.6	-0.8	-0.8	-0.5	0.3	0.5	1.0	1.4	3.0	3.6	3.5	3.4
Education Services	3.9	2.9	0.5	0.1	0.3	0.3	0.1	0.2	-0.1	-0.1	5.4	8.1	8.1	8.1	4.8
Restaurants and Accommodation Services	2.4	1.4	1.5	1.4	0.3	2.7	3.0	2.8	3.6	2.9	4.9	9.0	10.8	10.2	8.7
Financial Services	0.0	0.0	0.0	0.0	0.0	46.0	46.0	46.0	46.0	0.0	0.0	0.0	0.0	0.0	0.0
Personal Care and Miscellaneous															
Good and Services	2.3	2.4	1.9	1.7	1.6	1.3	1.7	1.8	1.5	2.1	2.1	2.5	3.2	3.8	4.0

Source of basic data: Philippine Statistics Authority (PSA)

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

for periods indicated: quarterly averages

	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	104.3	104.2	105.1	106.5	108.8	108.7	109.7	110.6	112.8	114.8	117.1	119.4	122.1	121.6	123.2
Food and Non-Alcoholic Beverages	103.7	104.1	103.5	105.9	109.6	108.0	108.5	109.2	112.2	113.3	115.9	119.7	123.5	121.7	125.3
Food	103.5	103.9	103.2	105.8	109.8	108.0	108.6	109.2	112.4	113.6	116.3	120.1	124.1	122.0	125.8
Alcoholic Beverages and Tobacco	127.4	130.3	133.4	137.3	142.5	145.0	146.2	147.3	149.9	155.0	160.1	163.7	168.1	175.3	177.7
Non-Food	103.9	103.2	105.2	105.6	106.9	107.9	109.2	110.2	111.7	114.3	116.3	117.5	119.3	119.5	119.8
Clothing and Footwear	104.7	105.2	105.7	106.1	106.7	107.3	107.9	108.3	109.0	109.7	111.0	112.4	114.5	115.8	116.9
Housing, Water, Electricity, Gas and Other Fuels	104.3	103.5	103.8	103.7	104.8	105.6	107.5	108.8	110.7	113.0	115.4	117.6	120.1	119.7	117.9
Electricity, Gas and Other Fuels	101.7	98.7	98.0	97.3	99.8	101.3	106.1	109.7	113.9	119.9	124.2	128.6	131.1	127.9	120.9
Electricity	97.7	95.8	93.4	91.6	92.1	94.7	99.7	101.3	106.5	112.5	121.4	128.3	129.2	127.0	117.3
Gas	107.3	96.4	99.3	101.1	110.3	108.3	116.6	129.7	133.3	142.4	132.2	129.4	137.9	128.4	123.1
Liquid Fuels	93.2	73.2	81.0	81.5	91.0	96.0	101.8	110.3	122.6	157.7	165.4	159.3	152.2	141.7	152.0
Solid Fuels	111.8	113.7	115.3	116.6	118.4	119.2	119.8	120.1	120.5	121.8	124.3	127.5	129.6	130.3	131.6
Furnishings, Household Equipment and Routine Maintenance of the House	105.5	106.1	106.8	107.3	108.0	108.7	109.3	109.8	110.6	111.5	113.0	114.7	117.0	118.3	119.2
Health	107.3	108.2	109.5	110.4	111.9	113.0	114.0	114.5	115.3	115.9	117.0	118.1	119.9	120.9	121.9
Transport	100.5	96.9	106.2	107.6	110.1	112.0	113.8	116.5	119.8	128.8	131.8	130.0	129.4	128.0	130.0
Operation of Personal Transport Equipment	96.0	81.2	92.3	89.9	96.3	101.3	107.2	115.4	125.4	150.0	148.5	136.0	130.6	123.4	129.7
Information and Communication	100.7	100.8	101.2	101.3	101.5	101.6	101.8	102.0	102.2	102.3	102.5	102.8	103.1	103.2	103.2
Recreation, Sport and Culture	105.4	105.7	104.7	104.1	104.8	105.2	105.7	106.1	106.7	107.2	108.4	109.9	111.6	112.6	114.1
Education Services	105.4	105.4	105.8	106.7	106.7	106.7	106.9	107.6	107.6	107.6	108.7	109.7	109.9	109.9	111.8
Restaurants and Accommodation Services	104.8	105.2	106.1	106.7	108.7	109.7	110.5	110.8	111.7	112.7	114.7	116.8	119.5	121.3	122.6
Financial Services	100.0	100.0	100.0	100.0	100.0	142.7	142.7	142.7	142.7	142.7	142.7	142.7	142.7	142.7	142.7
Personal Care and Miscellaneous															
Good and Services	104.1	104.6	105.4	106.0	106.8	107.4	107.9	108.3	109.3	110.1	111.5	113.2	115.6	117.0	118.1

	Quarter-on-Quarter Change (in percent)														
	2020				2021				2022							2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	1.0	-0.1	0.9	1.3	2.2	-0.1	0.9	0.8	2.0	1.8	2.0	2.0	2.2	-0.4	1.3
Food and Non-Alcoholic Beverages	1.3	0.4	-0.6	2.4	3.5	-1.4	0.5	0.6	2.8	1.0	2.3	3.2	3.2	-1.5	3.0
Food	1.4	0.4	-0.7	2.6	3.7	-1.6	0.5	0.6	2.9	1.0	2.3	3.3	3.3	-1.7	3.1
Alcoholic Beverages and Tobacco	4.7	2.2	2.4	2.9	3.8	1.8	0.8	0.8	1.7	3.4	3.3	2.3	2.7	4.3	1.4
Non-Food	0.6	-0.6	1.9	0.4	1.2	0.9	1.2	0.9	1.4	2.3	1.7	1.1	1.5	0.2	0.2
Clothing and Footwear	0.7	0.4	0.5	0.3	0.6	0.6	0.6	0.4	0.6	0.7	1.2	1.3	1.8	1.2	0.9
Housing, Water, Electricity, Gas and Other Fuels	1.4	-0.8	0.3	-0.1	1.1	0.8	1.8	1.2	1.7	2.1	2.1	1.9	2.1	-0.3	-1.5
Electricity, Gas and Other Fuels	2.5	-3.0	-0.7	-0.6	2.5	1.5	4.8	3.4	3.9	5.2	3.6	3.5	1.9	-2.4	-5.4
Electricity	0.3	-1.9	-2.5	-1.9	0.6	2.8	5.3	1.6	5.2	5.6	7.9	5.7	0.7	-1.8	-7.6
Gas	9.7	-10.2	3.1	1.7	9.1	-1.8	7.6	11.2	2.8	6.8	-7.1	-2.2	6.6	-6.9	-4.1
Liquid Fuels	-5.1	-21.5	10.7	0.6	11.6	5.6	6.0	8.3	11.1	28.6	4.9	-3.7	-4.5	-6.9	7.2
Solid Fuels	2.9	1.7	1.3	1.2	1.5	0.7	0.5	0.3	0.3	1.1	2.1	2.6	1.6	0.5	1.0
Furnishings, Household Equipment and Routine Maintenance of the House	1.0	0.6	0.6	0.5	0.7	0.7	0.6	0.5	0.8	0.8	1.3	1.5	2.0	1.1	0.7
Health	0.9	0.8	1.2	0.8	1.4	0.9	0.9	0.4	0.7	0.5	1.0	0.9	1.6	0.8	0.8
Transport	-1.0	-3.6	9.6	1.4	2.3	1.7	1.6	2.4	2.8	7.5	2.3	-1.3	-0.4	-1.1	1.6
Operation of Personal Transport Equipment	-3.9	-15.4	13.6	-2.6	7.1	5.2	5.8	7.7	8.6	19.6	-1.0	-8.4	-4.0	-5.5	5.0
Information and Communication	0.1	0.1	0.4	0.1	0.2	0.1	0.2	0.2	0.2	0.1	0.1	0.3	0.3	0.1	0.0
Recreation, Sport and Culture	0.6	0.3	-1.0	-0.5	0.7	0.3	0.4	0.4	0.6	0.5	1.1	1.4	1.5	1.0	1.3
Education Services	0.0	0.0	0.3	0.9	0.0	0.0	0.2	0.6	0.0	0.0	1.0	0.9	0.2	0.0	1.8
Restaurants and Accommodation Services	0.5	0.4	0.8	0.6	1.8	1.0	0.7	0.3	0.8	0.9	1.7	1.9	2.3	1.5	1.0
Financial Services	0.0	0.0	0.0	0.0	0.0	42.7	0.0	0.0	0.0	0.0	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	0.8	0.5	0.5	0.4	0.9	0.8	1.2	1.6	2.1	1.2	0.9

	Year-on-Year Change (in percent)														
	2020				2021				2022							2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All Items	2.7	2.1	2.5	3.1	4.3	4.4	4.4	3.9	3.7	5.6	6.7	8.0	8.2	5.9	5.2
Food and Non-Alcoholic Beverages	2.3	3.3	2.0	3.5	5.7	3.7	4.9	3.1	2.4	4.9	6.8	9.6	10.1	7.4	8.1
Food	2.2	3.3	2.0	3.7	6.1	3.9	5.2	3.2	2.4	5.2	7.1	9.9	10.4	7.4	8.2
Alcoholic Beverages and Tobacco	18.4	18.4	17.0	12.8	11.8	11.3	9.6	7.3	5.2	6.9	9.5	11.1	12.2	13.1	11.0
Non-Food	2.4	0.7	2.2	2.3	3.0	4.6	3.8	4.3	4.5	5.9	6.5	6.7	6.8	4.6	3.0
Clothing and Footwear	3.1	2.9	2.4	2.0	1.8	2.0	2.1	2.1	2.2	2.3	2.8	3.8	5.0	5.6	5.3
Housing, Water, Electricity, Gas and Other Fuels	2.4	0.6	1.2	0.8	0.5	2.1	3.6	4.9	5.6	7.0	7.3	8.1	8.5	5.9	2.2
Electricity, Gas and Other Fuels	0.5	-4.0	-1.6	-1.9	-1.9	2.6	8.3	12.7	14.2	18.4	17.1	17.2	15.1	6.7	-2.6
Electricity	-3.7	-6.4	-6.1	-5.9	-5.7	-1.1	6.8	10.6	15.6	18.8	21.8	26.7	21.3	12.9	-3.4
Gas	8.9	-6.0	5.8	3.3	2.7	12.4	17.3	28.3	20.9	31.4	13.4	-0.2	3.4	-9.8	-6.9
Liquid Fuels	-4.2	-27.6	-18.0	-17.0	-2.4	31.3	25.7	35.4	34.8	64.2	62.5	44.4	24.1	-10.1	-8.1
Solid Fuels	7.9	8.5	8.6	7.3	5.8	4.8	3.9	3.0	1.8	2.1	3.7	6.2	7.6	7.0	5.9
Furnishings, Household Equipment and Routine Maintenance of the House	3.4	3.3	3.0	2.7	2.3	2.4	2.4	2.4	2.5	2.5	3.4	4.5	5.8	6.1	5.5
Health	4.7	4.6	3.9	3.8	4.3	4.4	4.1	3.7	3.0	2.6	2.6	3.1	4.0	4.4	4.2
Transport	1.3	-5.3	4.7	5.9	9.5	15.5	7.2	8.2	8.8	15.0	15.8	11.6	8.1	-0.6	-1.4
Operation of Personal Transport Equipment	1.0	-20.9	-7.4	-10.0	0.3	24.8	16.2	28.4	30.2	48.1	38.6	17.8	4.2	-17.7	-12.7
Information and Communication	0.5	0.5	0.8	0.7	0.8	0.8	0.6	0.7	0.7	0.7	0.6	0.8	0.8	0.8	0.7
Recreation, Sport and Culture	2.6	2.4	0.4	-0.6	-0.5	-0.5	0.9	1.9	1.8	1.9	2.6	3.6	4.6	5.0	5.2
Education Services	3.7	3.0	0.5	1.2	1.2	1.2	1.1	0.8	0.8	0.8	1.7	2.0	2.1	2.1	2.9
Restaurants and Accommodation Services	2.2	2.2	2.2	2.4	3.8	4.3	4.2	3.8	2.8	2.7	3.8	5.4	7.0	7.6	6.9
Financial Services	0.0	0.0	0.0	0.0	0.0	42.7	42.7	42.7	42.7	0.0	0.0	0.0	0.0	0.0	0.0
Personal Care and Miscellaneous															
Good and Services	2.4	2.4	2.4	2.4	2.6	2.7	2.3	2.2	2.3	2.6	3.4	4.6	5.8	6.2	5.9

5 MONETARY INDICATORS ¹

as of end periods indicated; in billion pesos

	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ^P	Q1 ^{P, r}	Q2 ^{P, r}	Q3 ^P
A. Liquidity															
1. M4 (2 + 7)	15,138	15,585	15,584	16,244	16,183	16,466	16,797	17,541	17,520	17,835	17,946	18,937	18,769	18,987	19,446
2. M3: Broad Money Liabilities (3 + 6)	13,065	13,523	13,498	14,222	14,171	14,399	14,622	15,343	15,267	15,437	15,399	16,406	16,263	16,411	16,660
% to GDP	66.9	71.9	73.8	79.2	79.3	77.8	77.3	79.0	76.5	75.0	72.5	74.5	71.7	70.8	70.3
3. M2 (4 + 5)	12,379	12,808	12,832	13,564	13,486	13,737	14,010	14,770	14,622	14,885	14,905	15,918	15,777	15,961	16,175
% to GDP	63.3	68.1	70.2	75.6	75.4	74.2	74.1	76.1	73.2	72.3	70.2	72.3	69.5	68.8	68.3
4. M1: Currency Outside Depository Corporations and Transferable Deposits (Narrow Money)	4,805	4,950	5,029	5,456	5,474	5,620	5,758	6,200	6,270	6,379	6,302	6,623	6,467	6,459	6,498
% to GDP	24.6	26.3	27.5	30.4	30.6	30.4	30.5	31.9	31.4	31.0	29.7	30.1	28.5	27.9	27.4
a. Currency Outside Depository Corporations	1,420	1,542	1,533	1,732	1,647	1,640	1,681	1,877	1,864	1,843	1,821	2,020	1,935	1,927	1,908
b. Transferable Deposits (Demand Deposits)	3,385	3,407	3,496	3,724	3,828	3,980	4,077	4,323	4,406	4,536	4,481	4,603	4,532	4,532	4,590
5. Other Deposits Included in Broad Money	7,574	7,859	7,803	8,108	8,011	8,117	8,252	8,569	8,351	8,506	8,603	9,295	9,310	9,502	9,677
a. Savings Deposits	4,994	5,252	5,396	5,718	5,825	5,948	6,075	6,252	6,158	6,245	6,119	6,383	6,132	6,248	6,306
b. Time Deposits	2,580	2,606	2,407	2,390	2,186	2,169	2,177	2,318	2,194	2,261	2,483	2,911	3,179	3,254	3,371
6. Securities Other Than Shares Included in Broad Money	686	714	666	658	685	661	612	574	646	552	493	488	486	450	485
7. Transferable and Other Deposits in Foreign Currency - Residents	2,073	2,062	2,085	2,023	2,012	2,068	2,175	2,197	2,253	2,398	2,547	2,531	2,506	2,576	2,785
8. Liabilities Excluded from Broad Money	3,127	3,400	3,657	3,794	3,754	3,934	4,135	4,035	4,039	4,300	4,486	4,350	4,421	4,578	4,610
B. Domestic Claims	13,116	13,504	13,419	13,943	13,855	14,226	14,454	15,082	14,979	15,612	16,090	17,022	16,869	17,226	17,652
1. Net Claims on Central Government	2,166	2,675	2,795	3,087	3,189	3,417	3,478	3,762	3,710	3,943	4,051	4,544	4,502	4,627	4,840
Claims on Central Government	3,448	4,011	4,212	4,431	5,220	5,430	5,707	5,327	5,893	5,757	6,043	5,976	6,245	6,337	6,283
Less: Liabilities to Central Government	1,282	1,337	1,417	1,345	2,031	2,013	2,229	1,565	2,184	1,815	1,992	1,432	1,743	1,710	1,443
2. Claims on Other Sectors	10,949	10,829	10,624	10,856	10,666	10,808	10,976	11,321	11,269	11,669	12,040	12,478	12,368	12,599	12,813
Claims on Other Financial Corporations	1,171	1,165	1,177	1,145	1,121	1,155	1,185	1,231	1,169	1,174	1,237	1,272	1,260	1,259	1,315
Claims on State and Local Government	99	98	99	104	105	109	117	128	139	149	157	166	171	176	181
Claims on Public Nonfinancial Corporations	255	231	232	266	257	270	268	268	260	267	257	274	268	261	254
Claims on Private Sector	9,424	9,335	9,116	9,341	9,183	9,275	9,406	9,694	9,701	10,078	10,389	10,766	10,668	10,904	11,062
C. Net Foreign Assets	5,150	5,481	5,821	6,096	6,082	6,175	6,478	6,493	6,580	6,523	6,342	6,265	6,321	6,339	6,403
1. Bangko Sentral ng Pilipinas	4,476	4,663	4,876	5,303	5,234	5,319	5,449	5,574	5,583	5,548	5,448	5,384	5,535	5,517	5,571
Claims on Non-Residents	4,556	4,742	4,952	5,379	5,311	5,397	5,670	5,794	5,809	5,775	5,684	5,616	5,762	5,747	5,804
Less: Liabilities to Non-Residents	80	78	76	76	77	77	221	219	226	227	235	232	228	230	233
2. Other Depository Corporations	674	818	945	793	848	856	1,029	919	997	975	894	881	786	822	832
Claims on Non-Residents	1,678	1,667	1,781	1,773	1,712	1,741	1,869	1,883	1,895	1,895	2,018	1,980	1,797	1,842	1,829
Less: Liabilities to Non-Residents	1,004	849	836	980	864	885	841	965	898	920	1,124	1,098	1,011	1,019	997
YEAR-ON-YEAR CHANGE (in percent)															
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ^P	Q1 ^{P, r}	Q2 ^{P, r}	Q3 ^P
A. Liquidity															
1. M4 (2 + 7)	11.6	13.0	11.1	8.7	6.9	5.7	7.8	8.0	8.3	8.3	6.8	8.0	7.1	6.5	8.4
2. M3: Broad Money Liabilities (3 + 6)	12.8	14.6	12.2	9.6	8.5	6.5	8.3	7.9	7.7	7.2	5.3	6.9	6.5	6.3	8.2
3. M2 (4 + 5)	12.8	14.6	12.5	10.3	8.9	7.3	9.2	8.9	8.4	8.4	6.4	7.8	7.9	7.2	8.5
4. M1: Currency Outside Depository Corporations and Transferable Deposits (Narrow Money)	23.5	25.6	22.8	21.2	13.9	13.5	14.5	13.6	14.5	13.5	9.5	6.8	3.1	1.2	3.1
a. Currency Outside Depository Corporations	19.4	30.5	29.9	24.1	16.0	6.4	9.6	8.4	13.2	12.4	8.4	7.6	3.8	4.5	4.8
b. Transferable Deposits (Demand Deposits)	25.4	23.5	19.9	20.0	13.1	16.8	16.6	16.1	15.1	14.0	9.9	6.5	2.8	-0.1	2.4
5. Other Deposits Included in Broad Money	6.9	8.5	6.7	4.0	5.8	3.3	5.8	5.7	4.2	4.8	4.2	8.5	11.5	11.7	12.5
a. Savings Deposits	9.3	14.8	15.6	15.1	16.6	13.3	12.6	9.3	5.7	5.0	0.7	2.1	-0.4	0.0	3.1
b. Time Deposits	2.5	-2.2	-8.9	-15.3	-15.3	-16.8	-9.6	-3.0	0.4	4.3	14.1	25.6	44.9	43.9	35.7
6. Securities Other Than Shares Included in Broad Money	13.1	15.1	7.5	-3.7	-0.1	-7.4	-8.1	-12.7	-5.7	-16.5	-19.4	-15.0	-24.7	-18.5	-1.7
7. Transferable and Other Deposits in Foreign Currency - Residents	4.6	3.9	4.4	2.5	-2.9	0.3	4.3	8.6	12.0	16.0	17.1	15.2	11.2	7.4	9.3
8. Liabilities Excluded from Broad Money	6.3	14.9	13.5	17.6	20.1	15.7	13.1	6.3	7.6	9.3	8.5	7.8	9.5	6.5	2.8
B. Domestic Claims	11.3	12.5	8.1	4.7	5.6	5.3	7.7	8.2	8.1	9.7	11.3	12.9	12.6	10.3	9.7
1. Net Claims on Central Government	21.6	52.8	45.3	30.6	47.2	27.8	24.4	21.9	16.3	15.4	16.5	20.8	21.3	17.4	19.5
Claims on Central Government	17.3	32.0	40.9	50.1	51.4	35.4	35.5	20.2	12.9	6.0	5.9	12.2	6.0	10.1	4.0
Less: Liabilities to Central Government	10.7	3.8	32.8	128.1	58.4	50.6	57.3	16.4	7.5	-9.9	-10.6	-8.5	-20.2	-5.8	-27.6
2. Claims on Other Sectors	9.4	5.6	1.3	-0.9	-2.6	-0.2	3.3	4.3	5.7	8.0	9.7	10.2	9.7	8.0	6.4
Claims on Other Financial Corporations	5.4	3.6	0.2	-7.1	-4.3	-0.9	0.6	7.5	4.3	1.7	4.4	3.4	7.8	7.2	6.3
Claims on State and Local Government	7.3	2.5	1.6	4.8	6.0	11.2	18.2	23.0	33.3	37.6	34.5	30.0	23.0	17.9	15.5
Claims on Public Nonfinancial Corporations	-2.3	-4.7	-3.2	2.4	0.8	16.7	15.7	0.8	1.1	-1.1	-4.3	2.2	3.2	-2.4	-1.1
Claims on Private Sector	10.3	6.2	1.5	-0.2	-2.6	-0.6	3.2	3.8	5.6	8.7	10.5	11.1	10.0	8.2	6.5
C. Net Foreign Assets	9.1	15.7	20.5	25.5	18.1	12.7	11.3	6.5	8.2	5.6	-2.1	-3.5	-3.9	-2.8	1.0
1. Bangko Sentral ng Pilipinas	3.5	9.0	11.7	20.5	16.9	14.1	11.8	5.1	6.7	4.3	.	-3.4	-0.9	-0.6	2.3
Claims on Non-Residents	3.3	8.7	11.4	20.1	16.6	13.8	14.5	7.7	9.4	7.0	0.2	-3.1	-0.8	-0.5	2.1
Less: Liabilities to Non-Residents	-5.1	-3.5	-6.7	-5.1	-3.6	-1.7	190.0	187.7	192.3	194.2	6.5	5.7	1.0	1.4	-0.8
2. Other Depository Corporations	71.9	78.3	102.3	72.8	25.9	4.6	8.9	15.9	17.5	13.9	-13.1	-4.1	-21.1	-15.6	-6.9
Claims on Non-Residents	10.9	5.3	5.1	7.2	2.0	4.4	5.0	6.2	10.7	8.8	7.9	5.1	-5.2	-2.8	-9.4
Less: Liabilities to Non-Residents	-10.4	-24.5	-31.9	-18.0	-14.0	4.3	0.6	-1.6	3.9	3.9	33.7	13.9	12.6	10.8	-11.3

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

Source: Bangko Sentral ng Pilipinas (BSP)

6 SELECTED DOMESTIC INTEREST RATES
for periods indicated; in percent per annum

	NOMINAL INTEREST RATES														
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Bank Interest Rates															
Interbank Call Loans	3.6567	3.1745	1.9038	1.8982	1.5517	1.5643	1.8303	1.9397	1.8904	1.9986	3.3610	4.5770	6.0856	6.3565	6.3097
Savings Deposits ^{1,2}	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	0.1801 P	0.3212 P	0.4223 P	0.5439 P	-
Time Deposits (All Maturities) ¹	1.9967 P	1.4036 P	0.6330 P	0.4866 P	0.4494 P	0.4551 P	0.4683 P	0.4686 P	0.4407 P	0.6716 P	1.8412 P	3.3017 P	3.8669 P	4.2471 P	4.3156 P
Lending ¹															
High	11.0041 P	10.6378 P	10.5114 P	9.7973 P	9.4673 P	9.8961 P	9.9204 P	10.5724 P	10.5796 P	10.1452 P	10.6116 P	11.4509 P	11.8980 P	11.9906 P	12.0503 P
Low	6.0317 P	6.2040 P	6.0395 P	5.5743 P	5.5042 P	5.6089 P	5.5603 P	5.6425 P	5.4175 P	5.2079 P	5.5622 P	6.5721 P	7.5901 P	7.4910 P	7.4169 P
All Maturities ³	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	6.0212 P	6.4589 P	6.9853 P	7.5032 P	- P
Bangko Sentral Rates ⁴															
Overnight Lending Facility (OLF)	3.7500	2.7500	2.7500	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	3.0000	4.7500	6.0000	6.7500	6.7500	6.7500
Target Reverse Repurchase (RRP) Facility ⁵	3.2500	2.2500	2.2500	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.5000	4.2500	5.5000	6.2500	6.2500	6.2500
Overnight Deposit Facility (ODF)	2.7500	1.7500	1.7500	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	2.0000	3.7500	5.0000	5.7500	5.7500	5.7500
Term Deposit Facility (TDF)	3.7583	2.2505	1.8433	1.7040	1.8597	1.7889	1.7421 r	1.7763 r	1.9609	2.6867	4.3143	6.3273	6.6568	6.5896	6.4535
7-Day	3.7557	2.2504	1.8377	1.7115	1.8280	1.7261	1.7371	1.7428	1.9325	2.6647	4.2959	6.2860	6.6563	6.5847	6.4449
14-Day	3.7757	2.2508	1.8485	1.7003	1.8727	1.8114	1.7443	1.8011	1.9806	2.7102	4.3428	6.3803	6.6574	6.5961	6.4649
28-Day	3.7436	..	1.8426	..	...	...	...	...	...	...	...	...	...	...	...
BSP Securities ⁶															
28-Day	...	...	1.8423	1.6837	1.9343	1.8158	1.7227	1.8534	1.9978	2.8523	4.5301	6.4426	6.8199	6.6562	6.7290
56-Day	...	...	...	...	...	...	...	...	...	...	...	...	...	6.6442	6.7643
Rates on Government Securities															
Treasury Bills (All Maturities)	3.5066	2.4743	1.5377	1.4921	1.3996	1.5810	1.3598	1.3994	1.2221	1.7424	2.8875	4.5814	5.0299	5.92266	5.95728
35-Day	...	2.1050	1.1600	...	...	...	...	...	...	...	...	...	...	...	...
91-Day	3.1608	2.5157	1.2641	1.0461	1.0241	1.2344	1.0668	1.1294	1.0015	1.4465	2.0619	4.2598	4.3373	5.74811	5.6518
182-Day	3.4498	2.5228	1.5482	1.4817	1.3183	1.5547	1.3963	1.4085	1.1785	1.7960	3.2662	4.7818	5.0792	5.9225	5.9898
364-Day	3.7887	2.6641	1.7883	1.7450	1.6668	1.7978	1.6086	1.6170	1.5140	2.1213	3.3621	5.0568	5.5233	6.07182	6.2321

¹ Starting 1 January 2020, universal and commercial banks (UKBs) 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 23 October 2023 given the ongoing refinements of the IRLD reporting system. 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 UKBs' interest expense and outstanding peso-denominated deposits

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

⁴ End-of-Period: Beginning 3 June 2016, the BSP shifted its monetary operations to an interest rate corridor (IRC) system. The reverse repurchase (RRP) facility was modified to a purely overnight RRP. Meanwhile, the overnight lending facility (OLF) and overnight deposit facility (ODF) serve as the upper and lower bounds of the IRC system, respectively. In addition, the term deposit facility (TDF) serves as the main tool for absorbing liquidity.

⁵ End-of-Period: Beginning 08 September 2023, the Bangko Sentral ng Pilipinas (BSP) shifts to a variable-rate format with a pre-determined offer volume in the auction for the overnight reverse repurchase (RRP) facility. The BSP's monetary policy rate shall be called the "Target RRP Rate". The BSP will signal its monetary policy stance through the Target RRP Rate.

⁶ 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. On 30 June 2023, the BSP started offering 56-day BSP Bills. The introduction of the 56-day BSP Bill expands the range of BSP's term instruments and increases the BSP's flexibility to respond to changing liquidity conditions while providing additional guidance to short-term market interest rates.

- Not available

.. No Transaction/No Quotation/No Issue

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^P Preliminary

^r Revised

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Sources of basic data: Bangko Sentral ng Pilipinas (BSP), Bureau of the Treasury (BTr), and Philippine Dealing and Exchange Corporation (PDEx)

6 SELECTED DOMESTIC INTEREST RATES (CONT'D)

for periods indicated; in percent per annum

	REAL INTEREST RATES ⁷														
	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Bank Interest Rates															
Interbank Call Loans	1.1567	1.2745	-0.3962	-1.0018	-2.4483	-2.4357	-2.2697	-1.6603	-1.5096	-3.5014	-3.1390	-3.3230	-2.2144	0.3565	0.9097
Savings Deposits ^{1,2}	-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	-6.3199 ^P	-7.5788 ^P	-7.8777 ^P	-5.4561	-
Time Deposits (All Maturities) ¹	-0.5033 ^P	-0.4964 ^P	-1.6670 ^P	-2.4134 ^P	-3.5506 ^P	-3.5449 ^P	-3.6317 ^P	-3.1314 ^P	-2.9593 ^P	-4.8284 ^P	-4.6588 ^P	-4.5983 ^P	-4.4331 ^{P,T}	-1.7529	-1.0844
Lending ¹															
High	8.5041 ^P	8.7378 ^P	8.2114 ^P	6.8973 ^P	5.4673 ^P	5.8961 ^P	5.8204 ^P	6.9724 ^P	7.1796 ^P	4.6452 ^P	4.1116 ^P	3.5509 ^P	3.5980 ^P	5.9906	6.6503
Low	3.5317 ^P	4.3040 ^P	3.7395 ^P	2.6743 ^P	1.5042 ^P	1.6089 ^P	1.4603 ^P	2.0425 ^P	2.0175 ^P	-0.2921 ^P	-0.9378 ^P	-1.3279 ^P	-0.7099 ^P	1.4910	2.0169
All Maturities ³	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	-0.4788 ^P	-1.4411 ^P	-1.3147 ^P	1.5032	-
Bangko Sentral Rates⁴															
Overnight Lending Facility (OLF)	1.5500	0.4500	0.5500	-0.8000	-1.6000	-1.2000	-1.7000	-0.6000	-1.5000	-3.1000	-2.1500	-2.1000	-0.8500	1.3500	0.6500
Target Reverse Repurchase (RRP) Facility ⁵	1.0500	-0.0500	0.0500	-1.3000	-2.1000	-1.7000	-2.2000	-1.1000	-2.0000	-3.6000	-2.6500	-2.6000	-1.3500	0.8500	0.1500
Overnight Deposit Facility (ODF)	0.5500	-0.5500	-0.4500	-1.8000	-2.6000	-2.2000	-2.7000	-1.6000	-2.5000	-4.1000	-3.1500	-3.1000	-1.8500	0.3500	-0.3500
Term Deposit Facility (TDF)	1.5583	-0.0495	-0.3567	-1.5960	-2.2403	-1.9111	-2.4579 ^r	-1.3237 ^r	-2.0391	-3.4133	-2.5857	-1.7727	-0.9432	1.1896	0.3535
7-Day	1.5557	-0.0496	-0.3623	-1.5885	-2.2720	-1.9739	-2.4629	-1.3572	-2.0675	-3.4353	-2.6041	-1.8140	-0.9437	1.1847	0.3449
14-Day	1.5757	-0.0492	-0.3515	-1.5997	-2.2273	-1.8886	-2.4557	-1.2989	-2.0194	-3.3898	-2.5572	-1.7197	-0.9426	1.1961	0.3649
28-Day	1.5436	..	-0.3574	..	...	...	...	...	...	...	...	...	...	...	...
BSP Securities ⁶															
28-Day	...	...	-0.3577	-1.6163	-2.1657	-1.8842	-2.4773	-1.2466	-2.0022	-3.2477	-2.3699	-1.6574	-0.7801	1.2562	0.6290
56-Day	...	...	...	...	...	...	...	...	...	...	...	...	...	1.2442	0.6643
Rates on Government Securities															
Treasury Bills (All Maturities)	1.0066	0.5743	-0.7623	-1.4079	-2.6004	-2.4190	-2.7402	-2.2006	-2.1779	-3.7576	-3.6125	-3.3186	-3.2701	-0.0773	0.5573
35-Day	..	0.2050	-1.1400	...	...	...	...	...	...	...	...	...	...	...	...
91-Day	0.6608	0.6157	-1.0359	-1.8539	-2.9759	-2.7656	-3.0332	-2.4706	-2.3985	-4.0535	-4.4381	-3.6402	-3.9627	-0.2519	0.2518
182-Day	0.9498	0.6228	-0.7518	-1.4183	-2.6817	-2.4453	-2.7037	-2.1915	-2.2215	-3.7040	-3.2338	-3.1182	-3.2208	-0.0775	0.5898
364-Day	1.2887	0.7641	-0.5118	-1.1550	-2.3332	-2.2022	-2.4914	-1.9830	-1.8860	-3.3787	-3.1379	-2.8432	-2.7767	0.0718	0.8321

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⁶ 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. On 30 June 2023, the BSP started offering 56-day BSP Bills. The introduction of the 56-day BSP Bill expands the range of BSP's term instruments and increases the BSP's flexibility to respond to changing liquidity conditions while providing additional guidance to short-term market interest rates.

⁷ Nominal interest rate less inflation rate with base year 2018. Starting 2019 onwards CPI was rebased to 2018=100.

- Not available

.. No Transaction/No Quotation/No Issue

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7 NUMBER OF FINANCIAL INSTITUTIONS¹
as of periods indicated

	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3 ^P
Total	27,613	27,841	28,067	28,240	28,548	28,915	29,111	29,111	29,274	29,399	29,803	29,832	29,925	29,979	30,026
Head Offices	1,880	1,881	1,874	1,879	1,894	1,913	1,917	1,920	1,920	1,929	1,934	1,935	1,917	1,909	1,904
Branches/Agencies	25,733	25,960	26,193	26,361	26,654	27,002	27,194	27,191	27,354	27,470	27,869	27,897	28,008	28,070	28,122
Banks	12,905	12,912	12,964	13,044	13,089	13,126	13,175	13,154	13,195	13,190	13,219	13,269	13,293	13,335	13,380
Head Offices	542	541	537	535	528	523	517	506	499	498	498	497	493	490	485
Branches/Agencies	12,363	12,371	12,427	12,509	12,561	12,603	12,658	12,648	12,696	12,692	12,721	12,772	12,800	12,845	12,895
Universal and Commercial Banks	6,991	6,995	7,008	7,029	7,039	7,041	7,048	7,038	7,223	7,181	7,179	7,193	7,178	7,205	7,205
Head Offices	46	46	46	46	46	46	46	46	45	45	45	45	45	45	45
Branches/Agencies	6,945	6,949	6,962	6,983	6,993	6,995	7,002	6,992	7,178	7,136	7,134	7,148	7,133	7,160	7,160
Thrift Banks	2,656	2,654	2,667	2,685	2,735	2,770	2,751	2,738	2,568	2,575	2,584	2,592	2,605	2,609	2,648
Head Offices	49	48	48	48	48	48	47	47	45	43	43	43	43	43	43
Branches/Agencies	2,607	2,606	2,619	2,637	2,687	2,722	2,704	2,691	2,523	2,532	2,541	2,549	2,562	2,566	2,605
Savings and Mortgage Banks	1,893	1,895	1,905	1,918	1,960	1,991	2,004	2,013	1,843	1,851	1,855	1,861	1,872	1,876	-
Head Offices	21	21	21	21	21	21	21	21	20	19	19	19	19	19	-
Branches/Agencies	1,872	1,874	1,884	1,897	1,939	1,970	1,983	1,992	1,823	1,832	1,836	1,842	1,853	1,857	-
Private Development Banks	457	457	460	463	465	467	434	436	439	446	451	454	454	456	-
Head Offices	16	16	16	16	16	16	15	15	15	15	15	15	15	15	-
Branches/Agencies	441	441	444	447	449	451	419	421	424	431	436	439	441	441	-
Stock Savings and Loan Assns.	306	302	302	304	310	312	313	289	286	278	278	277	277	277	-
Head Offices	12	11	11	11	11	11	11	11	10	9	9	9	9	9	-
Branches/Agencies	294	291	291	293	299	301	302	278	276	269	269	268	268	268	-
Microfinance Banks	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	-
Rural Banks	3,258	3,263	3,289	3,330	3,315	3,315	3,376	3,378	3,402	3,430	3,450	3,478	3,504	3,515	3,521
Head Offices	447	447	443	441	434	429	424	413	407	406	404	403	399	396	391
Branches/Agencies	2,811	2,816	2,846	2,889	2,881	2,886	2,952	2,965	2,995	3,024	3,046	3,075	3,105	3,119	3,130
Digital Banks ²	-	-	-	-	-	-	-	-	2	4	6	6	6	6	6
Head Offices	-	-	-	-	-	-	-	-	2	4	6	6	6	6	6
Branches/Agencies	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0
Non-Banks³	14,707	14,928	15,102	15,195	15,458	15,788	15,935	15,956	16,078	16,208	16,583	16,562	16,631	16,643	16,645
Head Offices	1,337	1,339	1,336	1,343	1,365	1,389	1,399	1,413	1,420	1,430	1,435	1,437	1,423	1,418	1,418 ^a
Branches/Agencies	13,370	13,589	13,766	13,852	14,093	14,399	14,536	14,543	14,658	14,778	15,148	15,125	15,208	15,225	15,227 ^a
Investment Houses	14	14	14	14	14	14	14	14	14	14	14	14	13	13	3
Head Offices	13	13	13	13	13	13	13	13	13	13	13	13	12	12	3
Branches/Agencies	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0
Financing Companies	179	179	179	180	181	181	176	176	176	176	166	166	166	166	17
Head Offices	23	23	23	24	25	25	25	25	25	25	24	24	24	24	3
Branches/Agencies	156	156	156	156	156	156	151	151	151	151	142	142	142	142	14
AAB Forex Corporations	2	2	2	2	2	2	2	2	2	2	2	2	2	1	-
Head Offices	2	2	2	2	2	2	2	2	2	2	2	2	2	1	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
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	-
Securities Dealers/Brokers	13	13	14	13	13	13	13	13	13	13	12	12	12	12	-
Head Offices	13	13	14	13	13	13	13	13	13	13	12	12	12	12	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Pawnshops	14,162	14,381	14,553	14,641	14,899	15,228	15,369	15,388	15,506	15,632	16,014	15,999	16,025	16,038	16,038
Head Offices	1,092	1,092	1,088	1,090	1,108	1,131	1,139	1,152	1,156	1,162	1,168	1,172	1,169	1,165	1,165
Branches/Agencies	13,070	13,289	13,465	13,551	13,791	14,097	14,230	14,236	14,350	14,470	14,846	14,827	14,856	14,873	14,873
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	-
Non-Stock Savings and Loan Assns.	200	200	200	200	201	200	199	198	199	199	200	194	193	193	193
Head Offices	63	63	63	63	63	62	61	60	60	60	60	58	57	57	57
Branches/Agencies	137	137	137	137	138	138	138	138	139	139	140	136	136	136	136
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
Credit Card Companies	5	5	4	4	4	4	4	4	4	4	4	4	4	4	-
Head Offices	5	5	4	4	4	4	4	4	4	4	4	4	4	4	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
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
Electronic Money Issuers	25	27	29	34	37	38	50	53	56	59	62	62	116	116	-
Head Offices	19	21	22	27	30	31	34	36	39	42	43	43	43	43	-
Branches/Agencies	6	6	7	7	7	7	16	17	17	17	19	19	73	73	-
Remittance Agents	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	-
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	-
Trust Corporations ⁵	4	4	4	4	4	5	5	5	5	6	6	6	6	6	-
Head Offices	4	4	4	4	4	5	5	5	5	6	6	6	6	6	-
Branches/Agencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Private Insurance Companies ⁶	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87
Head Offices	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87
Branches/Agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Offshore banking Units	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

¹ Refers to the number of financial establishments which includes the head offices and branches; excludes the Bangko Sentral ng Pilipinas. Starting Q4 2009, data include other banking offices per Circular Nos. 505 and 624 dated 22 December 2005 and 13 October 2008, respectively. Other banking offices refer to any office or place of business in the Philippines other than the head office, branch or extension office, which primarily engages in banking activities other than the acceptance of deposits and/or servicing of withdrawals through tellers or other authorized personnel. In 2017, per Circular No. 987 dated 28 December 2017, the term "other banking offices" was replaced by "branch-lite units". A branch shall refer to any permanent office or place of business in the Philippines other than the head office where a bank may perform activities and provide products and services that are within the scope of its authority and relevant licenses. In this respect, a complete set of books and records shall be maintained in each branch. A branch-lite unit shall refer to any permanent office or place of business of a bank, other than its head office or a branch. A branch-lite unit performs limited banking activities and records its transactions in the books of the head office or the branch to which it is annexed.

² Inclusion of "Digital Banks" as a distinct classification of banks was approved by the Monetary Board in its Resolution No. 1536 dated 26 November 2020. Based on BSP Circular No. 1105, digital banks are defined as banks that offer financial products and services that are processed end-to-end through a digital platform and/or electronic channels with no physical branch/sub-branch or branch-lite unit offering financial products and services. The Monetary Board, in its Resolution No. 693 dated 3 June 2021, approved the conversion of the banking license of the first digital bank, Tonik Digital Bank, Inc. (Tonik Bank) from a rural bank. It started its operations as a digital bank on 14 February 2022.

³ Include Private Insurance Companies (i.e., life insurance companies, non-life insurance companies, and professional reinsurers) which only cover domestic and foreign companies (with more than 50% foreign participation).

⁴ Include Government Service Insurance System (GSIS) and Social Security System (SSS).

⁵ Trust Corporations started only in December 2016.

⁶ Cover only the head offices and their foreign branches.

^a The total number of head offices and branches includes all type of non-banks. However, the details of the Q3 2023 data do not add up to total since the number of non-bank financial institutions without quasi-banking functions such as investment houses, financing companies, AAB forex corporations, investment companies, securities dealers/brokers, lending investors, government NBFI, credit card companies, electronic money issuers (EMIs), remittance agents, credit granting entities (CGEs), and trust corporations are not yet completely available.

^P Revised

¹ Preliminary

² Not Available

Sources: Bangko Sentral ng Pilipinas and Insurance Commission

8 TOTAL RESOURCES OF THE PHILIPPINE FINANCIAL SYSTEM ¹

as of periods indicated
in billion pesos

Institutions	2020				2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ^r	Q2 ^r	Q3 ^r	Q4 ^{p,r}	Q1 ^{p,r}	Q2 ^{p,r}	Q3 ^p
Total	23,052	23,497	23,674	24,702	24,716	25,167	25,532	26,357	26,399	26,926	27,664	28,864	29,042	29,196	29,935
Banks	18,781	19,093	19,264	20,028	20,039	20,403	20,695	21,440	21,463	22,020	22,738	23,807	23,891	24,045	24,784
Universal and Commercial Banks (U/KBs) ²	17,346	17,620	17,786	18,527	18,544	18,823	19,091	19,761	20,136	20,657	21,373	22,376	22,397	22,546	23,228
Thrift Banks (TBs) ²	1,144	1,176	1,177	1,192	1,177	1,256	1,269	1,338	968	988	975	1,028	1,025	1,012	1,063
Digital Banks (DCBs) ^{2,3}	-	-	-	-	-	-	-	-	-	-	-	-	61	79	85
Rural and Cooperative Banks (R/CBs) ²	291	298	301	308	318	324	334	341	359	375	390	403	408	408 ^a	408 ^a
Non-Banks ⁴	4,270	4,404	4,411	4,674	4,677	4,764	4,837	4,917	4,936	4,906	4,926	5,057	5,151	5,151 ^a	5,151 ^a

¹ Exclude the Bangko Sentral ng Pilipinas (BSP)

² U/KBs, TBs, DCBs, and R/CBs data are based on the Financial Reporting Package (FRP); assets are reported gross of allowance for probable losses and depreciation.

³ Cover consolidated data starting March 2023 onwards

⁴ 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 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.

- Not available

^r Revised

^p Preliminary

^a As of end-March 2023

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

Sources: Bangko Sentral ng Pilipinas, Insurance Commission, GSIS and SSS

9 RATIOS OF NON-PERFORMING LOANS (NPL) AND LOAN LOSS PROVISIONS (LLP) TO TOTAL LOANS OF THE BANKING SYSTEM¹

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	Digital Banks ³	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Digital Banks ³	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Digital Banks ³
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	3.425	3.097	7.539	9.727	-	1.680	1.511	4.129	3.962	-	3.511	3.373	4.808	7.472	-
Dec	3.159	2.851	7.110	8.866	-	1.474	1.308	3.913	3.694	-	3.380	3.245	4.723	7.004	-
2023															
Mar	3.328	3.033	6.831	8.356	7.207	1.535	1.372	3.806	3.539	1.102	3.502	3.382	4.499	6.575	8.158
Jun ^r	3.434	3.132	7.160	8.271	6.100	1.637	1.470	3.970	3.536	3.236	3.493	3.373	4.542	6.469	5.682
Sep ^p	3.404	3.090	7.138	8.271 ^a	8.456	1.540	1.355	3.987	3.536 ^a	5.572	3.528	3.413	4.506	6.469 ^a	5.345

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.

³ Starting March 2023, Digital Banks are included in the computation of the Philippine Banking System.

^r Revised

^p Preliminary

⁻ Not available

^a Data as of end-June 2023

Source: Bangko Sentral ng Pilipinas

9a NON-PERFORMING LOANS (NPL), TOTAL LOANS AND LOAN LOSS PROVISIONS (LLP) OF THE BANKING SYSTEM ¹																				
as of periods indicated; in billion pesos																				
	TOTAL LOANS					GROSS NON-PERFORMING LOANS ²					NET NON-PERFORMING LOANS ²					LOAN LOSS PROVISIONS (LLP)				
	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Digital Banks ³	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Digital Banks ³	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Digital Banks ³	Total	Universal Banks and Commercial Banks	Thrift Banks	Rural and Cooperative Banks	Digital Banks ³
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	12,106.694	11,314.629	588.476	203.589	-	414.606	350.436	44.368	19.803	-	203.346	170.981	24.299	8.066	-	425.117	381.610	28.296	15.211	-
Dec	12,625.053	11,802.545	607.575	214.933	-	398.792	336.537	43.199	19.056	-	186.114	154.398	23.776	7.940	-	426.700	382.952	28.694	15.054	-
2023																				
Mar	12,470.422	11,590.917	644.790	218.154	16.560	414.979	351.510	44.046	18.230	1.194	191.449	159.004	24.542	7.720	0.183	436.672	391.966	29.012	14.343	1.351
Jun ^r	12,743.382	11,843.841	647.683	229.463	22.395	437.634	370.913	46.376	18.979	1.366	208.598	174.046	25.715	8.113	0.725	445.070	399.537	29.418	14.844	1.272
Sep ^p	13,053.485	12,114.132	680.468	229.463 ^a	29.422	444.313	374.272	48.574	18.979 ^a	2.488	201.022	164.141	27.130	8.113 ^a	1.639	460.513	413.435	30.662	14.844 ^a	1.572

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.

³ Starting March 2023, Digital Banks are included in the computation of the Philippine Banking System.

^r Revised

^p Preliminary

ⁿ Not available

^a Data as of end-June 2023

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

Source: Bangko Sentral ng Pilipinas

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.

³ Starting March 2023, Digital Banks are included in the computation of the Philippine Banking System.

^r Revised

^p Preliminary

⁻ Not available

^a Data as of end-June 2023

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

Source: Bangko Sentral ng Pilipinas

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

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

Source: Philippine Stock Exchange (PSE)

11 PHILIPPINES: BALANCE OF PAYMENTS
in million US dollars

	2020				2021				2022 ^P				2023 ^P			Growth (%)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3 2023 p
Current Account	57	5,242	3,095	3,185	-27	-1,238	-1,002	-3,675	-4,146	-7,974	-6,010	14	-4,820	-4,025	-2,100	65.1
<i>(Totals as percent of GNI)</i>	0.1	5.9	3.3	2.9	.	-1.2	-1.1	-3.1	-4.1	-7.4	-6.1	.	-4.4	-3.5	-1.8	
<i>(Totals as percent of GDP)</i>	0.1	6.4	3.6	3.0	.	-1.3	-1.1	-3.3	-4.3	-7.8	-6.5	.	-4.7	-3.8	-2.0	
Export	31,412	25,068	31,289	32,097	30,911	31,024	34,082	34,064	33,294	33,375	37,146	39,431	35,097	36,377	39,621	6.7
Import	31,355	19,826	28,194	28,913	30,938	32,263	35,084	37,739	37,439	41,349	43,156	39,417	39,917	40,403	41,721	-3.3
Goods, Services, and Primary Income	-6,556	-887	-4,211	-4,153	-7,042	-8,128	-8,759	-11,515	-11,425	-15,127	-13,901	-8,125	-12,203	-11,318	-10,200	26.6
Export	24,564	18,732	23,799	24,531	23,611	23,882	26,124	26,012	25,783	26,045	29,059	31,114	27,437	28,837	31,257	7.6
Import	31,121	19,620	28,010	28,684	30,653	32,010	34,884	37,527	37,208	41,172	42,960	39,239	39,640	40,155	41,457	-3.5
Goods and Services	-7,646	-1,761	-5,127	-5,375	-7,670	-9,262	-9,324	-12,511	-12,554	-16,365	-15,136	-9,748	-12,970	-12,237	-11,528	23.8
<i>(Totals as percent of GNI)</i>	-7.9	-2.0	-5.5	-4.8	-8.3	-9.0	-9.8	-10.7	-12.5	-15.1	-15.3	-8.1	-11.7	-10.5	-9.9	
<i>(Totals as percent of GDP)</i>	-8.7	-2.1	-6.0	-5.0	-8.5	-9.4	-10.1	-11.1	-13.1	-16.0	-16.3	-8.7	-12.7	-11.6	-11.2	
Export	21,397	16,142	20,857	21,638	20,832	21,034	22,929	23,004	22,886	23,068	25,534	27,365	23,580	24,975	27,165	6.4
Import	29,042	17,904	25,984	27,013	28,502	30,296	32,253	35,515	35,440	39,433	40,670	37,112	36,550	37,212	38,693	-4.9
Goods	-10,671	-4,676	-8,979	-9,450	-11,123	-12,187	-13,206	-16,290	-15,772	-19,324	-19,494	-15,093	-17,292	-16,281	-16,688	14.4
<i>(Totals as percent of GNI)</i>	-11.1	-5.2	-9.7	-8.5	-12.0	-11.9	-13.9	-13.9	-15.7	-17.9	-19.6	-12.6	-15.6	-14.0	-14.4	
<i>(Totals as percent of GDP)</i>	-12.2	-5.7	-10.4	-8.8	-12.3	-12.3	-14.4	-14.5	-16.5	-18.8	-20.9	-13.4	-16.9	-15.4	-16.3	
Credit: Exports	12,183	9,902	12,856	13,270	12,904	13,286	14,291	13,747	14,192	13,888	14,633	15,013	12,642	13,814	14,537	-0.7
Debit: Imports	22,855	14,578	21,835	22,719	24,027	25,473	27,497	30,037	29,964	33,212	34,126	30,106	29,934	30,095	31,225	-8.5
Services	3,025	2,914	3,852	4,075	3,453	2,925	3,882	3,779	3,218	2,958	4,358	5,345	4,322	4,045	5,160	18.4
Credit: Exports	9,213	6,240	8,000	8,368	7,927	7,748	8,638	9,257	8,694	9,180	10,901	12,351	10,938	11,161	12,628	15.8
Debit: Imports	6,188	3,326	4,149	4,294	4,475	4,823	4,756	5,478	5,477	6,222	6,544	7,006	6,616	7,116	7,467	14.1
Primary Income	1,090	874	916	1,222	628	1,135	565	995	1,129	1,238	1,235	1,623	766	919	1,328	7.6
Credit: Receipts	3,168	2,590	2,942	2,893	2,779	2,848	3,196	3,008	2,897	2,977	3,525	3,750	3,857	3,862	4,092	16.1
Debit: Payments	2,078	1,716	2,026	1,672	2,152	1,714	2,631	2,013	1,768	1,739	2,290	2,127	3,091	2,943	2,764	20.7
Secondary Income	6,613	6,129	7,306	7,337	7,015	6,889	7,758	7,840	7,279	7,153	7,891	8,139	7,383	7,293	8,099	2.6
Credit: Receipts	6,848	6,336	7,490	7,566	7,300	7,142	7,958	8,052	7,510	7,330	8,087	8,316	7,660	7,540	8,364	3.4
Debit: Payments	235	207	184	229	285	253	200	212	231	177	196	177	276	248	264	34.8
Capital Account	12	13	18	20	17	20	20	24	-22	19	14	-11	18	18	19	30.9
Credit: Receipts	22	21	21	23	22	22	26	29	24	23	22	22	22	22	22	-2.2
Debit: Payments	10	8	4	3	5	3	6	6	46	4	8	33	4	4	3	-64.3
Financial Account	2,399	-373	-1,365	-7,567	4,464	-2,727	-2,450	-5,720	-4,645	-3,044	-3,417	-1,789	-8,278	-2,578	-2,043	40.2
Net Acquisition of Financial Assets	2,628	2,620	5,188	2,850	3,180	3,073	2,533	1,476	89	-1,640	725	3,457	-2,616	-212	-618	-185.2
Net Incurrence of Liabilities	229	2,993	6,553	10,416	-1,285	5,800	4,983	7,196	4,733	1,404	4,142	5,246	5,662	2,365	1,425	-65.6
Direct Investment	-868	-930	-963	-498	-2,023	-1,521	-2,329	-3,859	-1,612	-1,411	-1,060	-1,297	-739	-1,306	-987	6.9
Net Acquisition of Financial Assets	770	499	1,081	1,212	348	442	589	872	1,037	854	1,018	1,078	1,324	551	972	-4.5
Net Incurrence of Liabilities	1,639	1,429	2,044	1,710	2,371	1,963	2,918	4,731	2,648	2,265	2,078	2,374	2,063	1,856	1,959	-5.7
Portfolio Investment	223	179	1,331	-3,412	8,164	-776	1,162	1,687	38	-174	1,358	-2,532	-1,980	-55	862	-36.5
Net Acquisition of Financial Assets	-346	1,846	3,718	1,349	4,568	1,849	1,008	384	881	-1,258	713	-647	-933	-782	-714	-200.1
Net Incurrence of Liabilities	-569	1,667	2,387	4,761	-3,596	2,625	-154	-1,303	843	-1,084	-645	1,885	1,047	-727	-1,576	-144.6
Financial Derivatives	-74	-10	-45	-70	9	11	22	7	1	-25	-55	31	20	-72	-50	8.6
Net Acquisition of Financial Assets	-260	-168	-173	-195	-137	-134	-104	-74	-106	-156	-206	-164	-195	-231	-216	-4.9
Net Incurrence of Liabilities	-186	-159	-127	-125	-146	-144	-127	-81	-106	-132	-151	-195	-215	-159	-166	-9.8
Other Investment	3,119	387	-1,687	-3,586	-1,685	-441	-1,305	-3,555	-3,072	-1,434	-3,661	2,008	-5,579	-1,145	-1,868	49.0
Net Acquisition of Financial Assets	2,464	442	562	484	-1,599	916	1,040	293	-1,723	-1,080	-801	3,190	-2,812	1,250	-660	17.7
Net Incurrence of Liabilities	-655	55	2,250	4,070	87	1,357	2,345	3,848	1,349	354	2,859	1,181	2,767	1,394	1,208	-57.7
Net unclassified items	2,262	-1,451	-1,709	-1,627	1,631	-603	-194	-59	18	1,316	-2,152	-1,224	-23	236	-485	77.5
Overall BOP position	-68	4,177	2,769	9,144	-2,844	905	1,274	2,009	495	-3,596	-4,730	568	3,453	-1,193	-524	88.9
<i>(Totals as percent of GNI)</i>	-0.1	4.7	3.0	8.2	-3.1	0.9	1.3	1.7	0.5	-3.3	-4.8	0.5	3.1	-1.0	-0.5	
<i>(Totals as percent of GDP)</i>	-0.1	5.1	3.2	8.6	-3.1	0.9	1.4	1.8	0.5	-3.5	-5.1	0.5	3.4	-1.1	-0.5	
Debit: Change in Reserve Assets	-58	4,165	2,780	9,133	-2,834	895	1,285	1,999	506	-3,603	-4,713	564	3,467	-1,201	-512	89.1
Credit: Change in Reserve Liabilities	10	-12	11	-11	11	-11	11	-11	11	-7	17	-4	14	-8	12	-28.0

Details may not add up to total due to rounding.

^P Preliminary

. Rounds off to zero

Technical Notes:

- Balance of Payments Statistics are based on the IMF's Balance of Payments and International Investment Position Manual, 6th Edition.
- Financial Account, including Reserve Assets, is calculated as sum of net acquisitions of financial assets less net incurrence of liabilities.
- Balances in the current and capital accounts are derived by deducting debit entries from credit entries.
- Balances in the financial account are derived by deducting net incurrence of liabilities from net acquisition of financial assets.
- 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.
- Overall BOP position is calculated as the change in the country's net international reserves (NIR), less non-economic transactions (revaluation and gold monetization/demonetization). Alternatively, it can be derived by adding the current and capital account balances less financial account plus net unclassified items.
- 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.
- Data on Deposit-taking corporations, except the central bank consist of transactions of commercial and thrift banks and offshore banking units (OBUs).

Source: Bangko Sentral ng Pilipinas

12 INTERNATIONAL RESERVES

as of periods indicated
in million US dollars

	2 0 2 0				2 0 2 1				2 0 2 2				2 0 2 3		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
Gross International Reserves	88,861	93,470	100,443	110,117	104,484	105,763	106,596	108,794	107,309	100,854	93,000	96,149	101,548	99,387	98,116
Gold	8,016	8,016	11,595	11,605	9,113	8,875	8,849	9,333	9,403	8,937	8,334	9,282	10,074	10,011	9,790
SDRs	1,168	1,177	1,205	1,233	1,214	1,221	3,965	3,939	3,891	3,737	3,604	3,765	3,797	3,761	3,726
Foreign Investments	76,480	80,891	84,298	93,645	89,727	92,222	89,704	91,625	91,458	84,703	78,708	81,370	85,400	83,660	82,988
Foreign Exchange	2,619	2,655	2,598	2,822	3,636	2,646	3,292	3,097	1,768	2,721	1,637	943	1,469	1,160	834
Reserve Position in the Fund	578	731	748	813	794	798	786	802	790	756	716	790	808	795	778
Net International Reserves¹	88,848	93,468	100,431	110,115	104,471	105,761	106,583	108,792	107,296	100,848	92,977	96,130	101,515	99,361	98,078
Reserve Adequacy Measures															
Import Cover ²	7.8	9.2	10.5	12.3	11.7	10.6	10.1	9.7	9.1	8.0	7.0	7.2	7.5	7.4	7.3
Short-Term External Debt Cover															
Original Maturity ³	666.6	870.6	896.3	775.0	765.1	748.3	862.5	721.0	766.6	725.2	567.8	578.5	585.2	573.9	571.8
Residual Maturity ⁴	455.7	553.3	565.5	520.2	589.3	573.1	651.5	545.8	509.6	478.4	380.9	385.4	411.6	395.0	360.1

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 short-term external debt based on original maturity plus principal payments on medium- and long-term external loans of the public and private sectors falling due in the next 12 months.

Figures reflect data based on debt service schedule outstanding external debt and outstanding external short-term debt as of 30 September 2023.

Source: Bangko Sentral ng Pilipinas

13 EXCHANGE RATES OF THE PHILIPPINE PESO

period averages; Philippine peso 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
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	54.4778	0.4160	57.3345	67.2851	37.7740	39.5102	6.9572	12.3874	1.5555	0.0037	1.8313	0.0422	8.0977	14.5096	14.8334
	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
	Q4	57.3869	0.4056	58.4980	67.2687	37.6496	41.3318	7.3358	12.5541	1.5783	0.0037	1.8318	0.0422	8.0680	15.2694	15.6255
2023	Ave	55.4862	0.4026	60.1302	69.0652	37.1226	41.4069	7.0834	12.3122	1.6098	0.0037	1.7958	0.0427	7.8950	14.7903	15.1090
	Q1	54.8566	0.4148	58.8856	66.6837	37.5448	41.1858	6.9992	12.5233	1.6197	0.0036	1.8055	0.0431	8.0213	14.6131	14.9370
	Q2	55.6460	0.4056	60.6077	69.6490	37.1797	41.5613	7.0986	12.3152	1.6164	0.0037	1.8137	0.0424	7.9402	14.8380	15.1539
	Q3	55.9559	0.3874	60.8973	70.8630	36.6433	41.4737	7.1524	12.0983	1.5933	0.0037	1.7681	0.0427	7.7234	14.9199	15.2362

Source: Bangko Sentral ng Pilipinas

13a EXCHANGE RATES OF THE PHILIPPINE PESO
period averages; units of foreign currency per Philippine 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
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	0.0184	2.4075	0.0174	0.0149	0.0265	0.0253	0.1440	0.0807	0.6429	271.9286	0.5462	23.6719	0.1235	0.0691	0.0676	
	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	0.0151	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	
	Q4	0.0174	2.4654	0.0171	0.0149	0.0266	0.0242	0.1363	0.0797	0.6336	270.8031	0.5459	23.6896	0.1239	0.0655	0.0640	
2023	Ave	0.0180	2.4858	0.0166	0.0145	0.0269	0.0242	0.1412	0.0812	0.6212	271.9533	0.5569	23.4181	0.1267	0.0676	0.0662	
	Q1	0.0182	2.4109	0.0170	0.0150	0.0266	0.0243	0.1429	0.0799	0.6174	277.4626	0.5539	23.2061	0.1247	0.0684	0.0669	
	Q2	0.0180	2.4653	0.0165	0.0144	0.0269	0.0241	0.1409	0.0812	0.6187	266.7987	0.5513	23.6117	0.1259	0.0674	0.0660	
	Q3	0.0179	2.5811	0.0164	0.0141	0.0273	0.0241	0.1398	0.0827	0.6276	271.5986	0.5656	23.4364	0.1295	0.0670	0.0656	
	Q4	0.0179	2.5811	0.0164	0.0141	0.0273	0.0241	0.1398	0.0827	0.6276	271.5986	0.5656	23.4364	0.1295	0.0670	0.0656	

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 PHILIPPINE PESO

1980=100; period averages

	N O M I N A L			R E A L		
	Overall Trading Partners ¹	Advanced Trading Partners ²	Developing Trading Partners ³	Overall Trading Partners ¹	Advanced Trading Partners ²	Developing Trading Partners ³
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	125.66
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	13.63	11.52	21.36	92.87 ^r	90.63	119.26 ^r
Q1	13.69	11.44	21.58	94.15 ^r	92.56	120.46 ^r
Q2	13.93	11.82	21.80	95.09 ^r	93.15	121.89 ^r
Q3	13.47	11.49	21.01	90.69 ^r	88.90	116.20 ^r
Q4	13.45	11.37	21.08	91.79 ^r	88.24	118.78 ^r
2023	13.59	11.46	21.33	95.69	92.28	123.64
Q1	13.55	11.43	21.25	96.99 ^r	94.84	124.43 ^r
Q2	13.52	11.39	21.23	95.14 ^r	91.22	123.28 ^r
Q3	13.71	11.56	21.50	94.95	90.77	123.20

¹ Australia, Euro Area, United States (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: Bangko Sentral ng Pilipinas

TOTAL EXTERNAL DEBT ^{1/} as of periods indicated in million US dollars																														
	31 December 2020					31 December 2021					31 December 2022					31 March 2023					30 June 2023					30 September 2023				
	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		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	2,219	11,989	84,279	98,488	^a	2,431	12,658	91,339	106,428	^a	2,860	13,759	94,649	111,268	^a	3,180	14,173	101,459	118,812	^a	3,315	14,002	100,602	117,918	^a	3,366	13,791	101,675	118,833	^a
Public Sector		414	57,706	^b 58,119			538	63,396	^b 63,934			936	66,471	67,406			644	74,519	75,163			322	74,155	74,477			350	73,351	73,701	
Banks		414	3,199	3,613			538	5,823	6,361			936	5,265	6,200			385	5,338	5,723			298	5,236	5,533			236	5,135	5,371	
Bangko Sentral ng Pilipinas			1,336	^c 1,336				4,033	^c 4,033				3,833	^c 3,833				3,860	^c 3,860				3,827	^c 3,827			0	3,764	^c 3,764	
Others		414	1,864	2,277			538	1,789	2,327			936	1,432	2,368			385	1,477	1,863			298	1,409	1,706			236	1,371	1,607	
Non-Banks			54,506	54,506				57,573	57,573				61,206	61,206			259	69,181	69,440			25	68,919	68,944			114	68,216	68,330	
NG and Others			54,506	54,506				57,573	57,573				61,206	61,206			259	69,181	69,440			25	68,919	68,944			114	68,216	68,330	
Private Sector	2,219	11,576	26,574	40,369	2,431	12,120	27,942	42,494	106,428	2,860	12,824	28,178	43,862	111,268	3,180	13,529	26,940	43,649	118,812	3,315	13,680	26,447	43,441	117,918	3,366	13,441	28,325	45,132		
Banks		10,584	7,363	17,947			10,867	6,312	17,179			11,699	5,774	17,472			12,195	5,222	17,417			12,392	5,098	17,490			12,012	5,013	17,026	
Foreign Bank Branches		5,140	71	5,211	^d		5,703	215	5,918	^d		4,413	127	4,540	^d		4,827	250	5,077	^d		4,708	237	4,945	^d		4,741	176	4,916	^d
Domestic Banks		5,444	7,291	12,736			5,164	6,097	11,261			7,286	5,646	12,932			7,368	4,972	12,340			7,684	4,862	12,546			7,272	4,838	12,109	
Non-Banks	2,219	992	19,211	^e 22,422	2,431	1,253	21,631	^e 25,315	106,428	2,860	1,125	22,405	^e 26,390	111,268	3,180	1,334	21,718	^e 26,233	118,812	3,315	1,288	21,349	^e 25,951	117,918	3,366	1,429	23,312	^e 28,107		

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

Exclusions	31 December 2020	31 December 2021	31 December 2022	31 March 2023	30 June 2023	30 September 2023
^a Residents' holdings of Philippine debt papers issued offshore	15,548	19,216	21,768	21,941	22,169	21,990
Non-residents' holdings of peso-denominated debt securities	4,450	3,510	4,251	3,803	3,726	3,327
Inclusions						
^b Cumulative foreign exchange revaluation on US\$-denominated multi-currency loans from Asian Development Bank and World Bank	80	9				
^c Accumulated SDR allocations from the IMF	1,208	3,913	3,721	3,763	3,730	3,666
^d "Due to Head Office/Branches Abroad" (DTHOBA) accounts of branches and offshore banking units of foreign banks operating in the Philippines	3,597	3,913	2,803	2,997	2,759	2,531
^e Loans without BSP approval/registration which cannot be serviced using foreign exchange from the banking system	5,794	8,355	7,293	6,811	6,563	8,704
Obligations under capital lease arrangements	736	690	613	610	600	637

Source: Bangko Sentral ng Pilipinas

15 SELECTED FOREIGN DEBT SERVICE INDICATORS

for periods indicated; in million US dollars

	2020				2021				2022 ^P				2023 ^P		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Debt Service Burden (DSB) ¹			1,508	1,441	4,138	1,371	1,912	1,695	1,183	1,740	1,779	2,990	4,360	3,134	3,352
Principal			881	880	3,444	952	1,278	1,285	562	1,291	929	2,059	2,779	1,412	1,670
Interest			627	560	694	419	634	410	620	449	850	931	1,581	1,721	1,682
Export Shipments (XS) ²	12,183	9,902	12,856	13,270	12,904	13,286	14,291	13,747	14,192	13,888	14,633	15,013	12,642	13,814	14,537
Exports of Goods and Receipts from Services and Income (XGSI)	29,793	23,402	29,501	30,285	29,014	29,162	32,032	32,014	31,345	31,540	35,188	37,402	33,181	34,489	37,569
Current Account Receipts (CAR) ²	31,412	25,068	31,289	32,097	30,911	31,024	34,082	34,064	33,294	33,375	37,146	39,431	35,097	36,377	39,621
External Debt	81,421	87,453	91,979	98,488	97,047	101,186	105,929	106,428	109,753	107,692	107,910	111,268	118,812	117,918	118,833
Gross Domestic Product (GDP)	87,532	82,009	85,926	106,886	90,598	98,961	91,886	112,276	95,627	102,530	93,128	112,422	102,101	105,801	102,683
Gross National Income (GNI)	96,417	89,324	92,758	111,139	92,969	102,473	95,172	117,074	100,312	108,192	99,224	119,659	110,678	116,550	116,257
Ratios (%):															
DSB to XS	24.69	15.95	11.73	10.86	32.07	10.32	13.38	12.33	8.33	12.53	12.16	19.92	34.48	22.68	23.06
DSB to XGSI	10.10	6.75	5.11	4.76	14.26	4.70	5.97	5.29	3.77	5.52	5.06	7.99	13.14	9.09	8.92
DSB to CAR	9.58	6.30	4.82	4.49	13.39	4.42	5.61	4.98	3.55	5.21	4.79	7.58	12.42	8.61	8.46
DSB to GNI	3.12	1.77	1.63	1.30	4.45	1.34	2.01	1.45	1.18	1.61	1.79	2.50	3.94	2.69	2.88
External Debt to GDP ⁴	21.42	23.71	25.30	27.23	26.59	26.47	27.29	27.01	27.52	26.77	26.80	27.52	28.95	28.51	28.08
External Debt to GNI ⁴	19.51	21.65	23.23	25.31	25.15	25.34	26.38	26.08	26.44	25.59	25.45	25.99	27.13	26.43	25.65

^P Preliminary

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 credits, loans covered by 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) Principal payments 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 Income account.

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

Source: BSP

16 BALANCE SHEET OF THE BANGKO SENTRAL NG PILIPINAS
as of periods indicated; in billion pesos

	2020				2021				2022				2023		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun ^P	Sep ^P
Assets	5,441.1	6,295.4	6,608.3	7,074.9	7,558.7	7,685.6	7,984.4	7,575.9	7,837.0	7,449.4	7,338.3	7,247.9	7,360.2	7,294.1	7,330.8
International Reserves	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	5,322.7	5,472.2	5,459.0	5,515.3
Domestic Securities	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	1,350.1	1,297.0	1,274.2	1,251.7
Loans and Advances	162.6	172.8	163.7	130.9	665.4	664.9	661.4	121.8	422.0	94.5	94.4	83.2	98.2	83.2	83.3
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	0.0	0.0	0.0	0.0
Bank Premises and Other Fixed Assets	23.5	23.4	23.2	23.1	22.9	22.7	22.4	22.2	22.1	21.9	21.7	21.3	21.7	21.4	21.2
Derivative Instruments in a Gain Position	0.1	0.0	0.0	.	1.7	0.0	0.1	0.1	3.4	1.0	1.2	0.6	0.0	0.0	2.7
Other Assets	233.1	282.8	286.9	290.1	439.9	450.6	456.8	455.9	442.0	439.4	436.8	470.0	471.1	456.2	456.6
Liabilities	5,305.5	6,130.9	6,455.3	6,904.0	7,432.4	7,529.4	7,831.1	7,440.5	7,738.5	7,373.0	7,228.7	7,136.9	7,216.5	7,126.7	7,193.8
Currency in Circulation	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	2,337.4	2,180.1	2,183.5	2,144.0
Deposits	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	3,049.6	3,267.2	3,242.5	2,913.4
Reserve Deposits of Other Depository Corporations (ODCs) ¹	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	1,293.1	1,326.6	1,250.7	1,351.7
Reserve Deposits of Other Financial Corporations (OFCs) ²	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.3	0.4	0.4	0.4	0.5	0.5	0.5
Secured Settlement Accounts	22.6	17.4	17.5	31.5	31.5	20.6	21.1	30.4	120.8	131.3	122.0	149.6	169.7	169.7	138.7
Overnight Deposit Facility ³	312.3	1,096.4	719.2	1,119.3	638.9	592.5	442.0	717.8	598.0	454.9	257.3	574.9	589.8	468.9	203.2
Term Deposit Facility ³	80.1	200.1	720.1	320.1	820.1	910.1	880.2	630.1	610.1	430.1	326.3	466.1	340.2	318.6	470.3
Bureau of the Treasury ⁴	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	431.8	708.7	899.0	608.2
Foreign Financial Institutions	107.7	99.2	99.2	97.0	97.0	97.3	97.3	97.1	97.1	97.2	96.7	100.3	99.5	102.2	102.6
Other Foreign Currency Deposits	1.2	3.7	3.6	4.6	4.6	2.4	4.6	8.1	5.5	4.7	3.5	2.8	3.5	4.2	4.3
Other Deposits ⁵	41.0	33.5	29.6	32.9	32.9	34.4	35.3	33.0	33.0	32.8	30.6	30.6	28.7	28.7	33.9
Net Bonds Payable	25.9	24.9	24.7	24.0	24.8	24.4	26.0	25.5	26.5	27.5	30.0	27.9	27.7	27.7	28.9
Derivative Instruments in a Loss Position	0.0	0.4	1.1	0.0	0.0	.	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.6	0.0
Derivatives Liability	0.0	0.0	.	0.0	.	.	.	0.0	.	.	0.0	0.0	.	.	.
Allocation of SDRs	58.1	57.4	57.1	58.0	57.7	58.2	200.4	199.5	200.7	204.3	210.4	209.4	205.4	207.2	209.7
Revaluation of Foreign Currency Accounts ⁶	474.2	414.8	495.2	478.4	385.4	417.3	609.1	617.3	588.0	698.7	811.3	689.2	638.1	655.6	711.9
Reverse Repurchase Facility ³	305.0	200.0	305.0	305.0	305.0	305.0	305.0	305.0	305.0	305.0	305.0	305.1	305.0	305.0	475.1
Net Bills Payable - Domestic	-	-	49.9	219.9	297.2	399.7	439.7	259.9	409.6	566.5	409.3	478.9	554.5	467.0	675.3
Other Liabilities ⁷	14.7	32.7	41.3	44.5	43.2	42.4	44.5	40.9	42.3	38.1	39.6	39.4	36.9	37.6	35.4
Net Worth	135.6	164.5	153.0	170.9	126.3	156.2	153.3	135.4	98.5	76.4	109.6	111.0	143.7	167.3	137.0
Capital	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	60.0	60.0	60.0	60.0
Surplus/Reserves ⁸	85.6	114.5	103.0	120.9	76.3	106.2	103.3	85.4	48.5	26.4	59.6	51.0	83.7	107.3	77.0

Details may not add up to total due to rounding.

¹ ODCs include universal and commercial banks (U/KBs), thrift banks (TBs), rural and cooperative banks (R/CBs), non-banks with quasi-banking functions (NBQBs) and digital banks 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 Include Due to Broker account in September 2022 data

⁸ Consist of 1) Surplus account, which pertains to the unrestricted retained earnings of the BSP; 2) Capital reserves, which pertains to the funds set aside for various contingencies; and 3) Unrealized gains(losses) on investments in government securities, stocks and other securities

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

- Not applicable

. Rounds off to zero

17 INCOME POSITION OF THE BANGKO SENTRAL NG PILIPINAS
for periods indicated; in billion pesos

	2020					2021					2022						2023			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Jan-Sep	Q4	FY	Q1	Q2 ^P	Q3 ^P	Jan-Sep ^P
Revenues	26.124	20.786	34.254	38.030	119.195	47.960	47.970	35.942	34.076	165.948	41.618	43.342	36.253	121.212	19.871	141.083	38.552	52.079	40.504	131.136
Interest Income	20.799	18.051	23.332	23.231	85.413	24.022	30.542	32.255	28.646	115.465	31.195	39.699	43.633	114.527	38.675	153.202	41.806	51.605	50.781	144.192
International Reserves	17.198	12.369	13.358	12.080	55.004	11.988	17.936	19.287	15.146	64.357	17.460	26.004	29.359	72.822	23.804	96.626	26.563	36.224	35.066	97.853
Domestic Securities	1.962	3.818	8.103	9.394	23.277	9.728	10.131	10.431	10.892	41.182	10.869	11.131	11.490	33.490	11.883	45.373	12.385	12.338	12.647	37.370
Loans and Advances	0.615	0.581	0.541	0.368	2.104	0.326	0.293	0.293	0.291	1.204	0.572	0.082	0.126	0.780	0.099	0.879	0.102	0.133	0.125	0.360
Others	1.024	1.283	1.331	1.390	5.028	1.980	2.182	2.244	2.316	8.722	2.295	2.482	2.658	7.435	2.889	10.325	2.756	2.910	2.944	8.610
Miscellaneous Income ¹	5.296	2.713	10.883	14.744	33.636	23.882	17.395	3.663	4.981	49.921	10.393	3.563	-7.349	6.607	-18.847	-12.240	-3.270	0.476	-10.271	-13.066
Net Income from Branches	0.029	0.022	0.039	0.055	0.145	0.056	0.033	0.024	0.449	0.562	0.029	0.080	-0.031	0.078	0.043	0.121	0.017	-0.002	-0.006	0.009
Expenses	18.225	16.405	19.023	28.471	82.124	23.486	27.055	29.932	29.664	110.137	24.160	33.373	34.711	92.243	52.892	145.135	49.630	52.947	53.997	156.574
Interest Expenses	10.957	10.274	11.918	13.286	46.435	13.799	15.976	15.231	15.333	60.339	13.821	15.688	23.780	53.288	32.346	85.634	38.894	41.255	43.799	123.948
National Government Deposits	2.514	2.965	3.758	3.803	13.040	4.092	6.121	5.400	5.927	21.540	4.557	6.309	9.140	20.007	12.072	32.079	12.845	15.896	14.613	43.354
Reverse Repurchase Facility ²	2.843	1.001	1.701	1.667	7.212	1.525	1.542	1.559	1.556	6.181	1.525	1.641	2.652	5.818	3.649	9.468	4.386	4.748	6.166	15.300
Bills Payable - Domestic	-	-	0.010	1.135	1.145	1.339	1.684	1.828	1.856	6.708	1.650	2.795	4.662	9.106	5.990	15.096	8.375	8.202	9.883	26.459
Overnight Deposit Facility ²	1.704	5.017	3.243	2.334	12.298	2.509	2.081	1.563	1.737	7.890	1.944	1.288	2.389	5.621	2.859	8.479	3.893	3.819	3.291	11.004
Term Deposit Facility ²	3.077	0.577	2.533	3.685	9.872	3.676	3.893	4.189	3.552	15.310	3.363	2.619	3.359	9.341	5.710	15.051	7.013	5.836	6.827	19.676
Loans Payable and Other																				
Foreign Currency Deposits	0.756	0.686	0.669	0.662	2.773	0.657	0.654	0.687	0.703	2.702	0.782	1.034	1.577	3.392	2.065	5.457	2.382	2.754	3.015	8.151
Other Liabilities	0.063	0.028	0.004	0.001	0.096	0.001	0.002	0.005	0.001	0.009	-	0.002	0.001	0.003	0.001	0.004	0.000	-	0.004	0.004
Cost of Minting/Printing of Currency	2.442	2.123	2.549	4.495	11.609	2.952	2.529	2.379	3.650	11.510	3.170	3.319	2.074	8.563	3.548	12.111	3.580	2.842	2.598	9.020
Taxes and Licenses	0.320	-0.037	-0.532	0.367	0.118	1.898	0.842	0.003	1.871	4.615	0.017	0.007	1.002	1.025	0.095	1.121	0.017	0.080	0.004	0.101
Others	4.506	4.045	5.088	10.322	23.961	4.836	7.708	12.318	8.810	33.672	7.153	14.359	7.854	29.366	16.903	46.269	7.138	8.771	7.595	23.504
Net Income/(Loss) Before Net Gain/(Loss) on FX Rate Fluctuations and Income Tax Expense/(Benefit)	7.899	4.381	15.231	9.559	37.071	24.474	20.915	6.010	4.412	55.812	17.457	9.969	1.542	28.969	-33.021	-4.051	-11.078	-0.867	-13.493	-25.438
Net Gain/(Loss) on Foreign Exchange Rate Fluctuations ³	2.021	-0.441	-6.132	-1.226	-5.779	0.927	-0.876	6.995	-3.788	3.258	6.106	21.104	38.429	65.638	2.017	67.656	9.677	22.135	15.983	47.796
Income Tax Expense/(Benefit)	0.005	0.141	0.003	-0.082	0.067	0.000	0.001	0.022	-0.203	-0.179	0.000	0.020	0.007	0.027	-0.153	-0.127	0.000	0.006	0.010	0.016
Capital Reserves ⁴	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	0.000	0.000	0.000	0.000	0.000	0.000
Net Income/(Loss) After Tax and Capital Reserves	9.915	3.799	9.096	8.415	31.225	25.401	20.038	12.984	-24.446	33.977	23.563	31.053	39.964	94.581	-30.850	63.731	-1.400	21.262	2.480	22.342

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 the 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