



Philippines Weekly Report

WEEK 15 OF 2002

Covering Events in the Philippines from 08 to 14 April, 2002

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What's New Online?

Our special report outlining the new ASEAN Harmonized Tariff Nomenclature is being released this week and circulated to subscribers.

This report can be accessed this week online from our Philippines Home Page at <http://www.virtual-asia.com/ph> and will be available to subscribers through our special report archives.

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HEADLINE NEWS

Questions have been raised regarding the constitutionality of the government's plan to move all legal holidays that fall in the middle of the week to a Monday. The Arroyo administration says this would boost domestic tourism but others view it as a political ploy to avert a massive street demonstration on May 1, the first anniversary of a thwarted mob rebellion.

[See: Holiday Economics](#)

With two years before the next presidential election, the opposition party is considering three names as potential candidates to stand against President Gloria Macapagal-Arroyo who is expected to seek an extension of term, which she inherited from deposed President Joseph Estrada in January 2001.

[See: Opposition Party Eyes Another Actor as President](#)

According to the latest country report from the World Bank, low growth figures from 1998 to 2001, largely as a result of the Asian financial crisis, has kept the Philippine government from improving the lives of poor Filipinos.

[See: Poverty Reduction Stagnant in the Philippines](#)

BusinessWorld, a Manila-based broadsheet, reported that business sentiments in the country, as measured by the consumer confidence index, climbed to a 12-month high in March, on expectations of higher economic growth this year.

[See: Daily Says Business Confidence on a 12-Month High](#)

In an expression of concern over the role played by the Philippine courts in businesses and investments, the American Chamber of Commerce of the Philippines (Amcham) has asked President Gloria Macapagal-Arroyo to look into local court practice of issuing temporary restraining orders (TROs) affecting foreign investments.

[See: AmCham Concerned About Court's TROs](#)

A 5 percent pickup in sales of passenger cars led to a slower year-on-year decline in overall sales of cars in the Philippines in the first quarter of the year.

[See: Car Sales Contraction Slows to 0.2 Percent](#)

Domestic expenditure on electronic appliances has yet to show signs of recovery, as the National Statistical Coordination Board (NSCB) reported a 13.5 percent YoY drop in volume of major appliances sold in January this year.

[See: Sales of Appliances Slide 13.5 Percent in January](#)

The total value of stocks traded on the local bourse improved by some three percent to about P112.12 billion in the first quarter of the year from P108.624 billion a year earlier, the Philippine Stock Exchange said.

[See: Value of Stocks Traded Climb 3 Percent in Q1](#)

Foreign portfolio investments in the country resulted in a net inflow of US\$96.9 million by the end of March, a reversal from US\$1.7 million net outflow a year earlier.

[See: Foreign Portfolio Investments on Upward Trend](#)

The non-performing loan (NPL) ratio of the country's 44 commercial banks deteriorated to 18.4 percent of total loans as of end of February from 18.3 percent in end of January.

[See: Bad Loans Rise in February](#)

Plus: [News In Brief](#), [Investment News](#) as well as [Currency](#) and [Stock](#) information.

MAIN STORIES

Holiday Economics – Again!

Questions have been raised regarding the constitutionality of the government's plan to move all legal holidays that fall in the middle of the week to a Monday. The Arroyo administration says this would boost domestic tourism but others view it as a political ploy to avert a massive street demonstration on May 1, the first anniversary of a thwarted mob rebellion.

After declaring Monday April 8 as a non-working holiday in place of April 9 which is the traditional "Araw ng Kagitingan" (Day of Valor), President Gloria Macapagal-Arroyo is now thinking of declaring April 29, a Monday, as a holiday, replacing May 1 which is recognized worldwide as Labor Day.

Legal holidays in the Philippines are legislated by Congress, and because of this some solons are questioning the president's prerogative in transferring the dates of holidays. Opposition legislators were particularly concerned that moving the dates of holidays would tone down the significance of the occasion.

For the administration's part, the move would benefit government and private employees who would have a longer weekend vacation. The tourism department describes this strategy as "Holiday Economics", which is aimed at encouraging people to troop to beach resorts and other tourist spots on weekends, thereby contributing to the recovery of the moribund tourism sector.

Tour and travel operators claim that such strategy is paying off, as more foreign and local tourists visited the country's tourist spots in the first months of the year. Without citing any statistical figures, they said that Tourism Secretary Richard Gordon's international marketing programs, complemented by the government's declaration of long weekends, are beginning to bring in positive results.

Political analysts, however, believe that the recent announced move was specifically designed to prevent more people from joining political and labor strikes scheduled by followers of deposed President Joseph Estrada and leftist militant labor unions on May 1.

Not everyone may be benefiting however. With the government encouraging people to get into a vacation mindset, this may in fact be having a detrimental effect on overall productivity. A number of major factories are temporarily standing down workers because of constant disruptions to their supply chain and inability to obtain timely delivery of parts.

Interestingly, the Arroyo administration has said it would not move to Monday the celebration of "Araw ng Kalayaan" (Day of Freedom) on June 12, which falls on a Wednesday.

On May 1 last year, some 20,000 urban poor residents attacked the gates of Malacañang Palace in an attempt to overthrow the Arroyo administration and reinstall former President Estrada who himself was ousted by a similar political rally in January 2001 and was eventually detained on charges of plunder.

President Arroyo had to declare Metro Manila under a state of rebellion in the first week of May until the tension subsided. While it was apparent that the Estrada camp incited the protesters to attack the palace, the Arroyo administration was not able to imprison any protester, because it was not clear if the May 1 mob attack was "sedition" or a "political rally." The past two people's revolts, which paved the way for the assumption to office of two women presidents, apparently were not considered as sedition.

Estrada's followers are threatening to mount another people's revolt in May though enthusiasm for mass action has clearly waned in recent months. What complicates the matter at the moment is the plan of the militant labor groups to stage their own street demonstrations to demand higher wages and denounce a new series of oil price hikes.

By moving Labor Day to April 29, the Arroyo administration hopes to dissuade Filipino workers from joining rallies on May 1. Apparently, the president would rather see people in beach resorts than in the street, which is now a powerful political platform in the Philippines.

Opposition Party Eyes Another Actor as President

With two years before the next presidential election, the opposition party is considering three names as potential candidates to stand against President Gloria Macapagal-Arroyo who is expected to seek an extension of term, which she inherited from deposed President Joseph Estrada in January 2001.

Of the three names frequently mentioned in meetings of the opposition party that of Fernando Poe Jr., a movie actor and a longtime friend of Estrada is the current talk of the town. Considered as "King of Philippine Movies", Poe's popularity could possibly land him the job. The other two prospective candidates are opposition politicians: Senator Edgardo Angara, who served as Estrada's vice-presidential bet in the 1998 elections and Senator Panfilo Lacson, the former chief of police under the Estrada watch.

Aware of such a possibility, President Arroyo is now starting to have herself surrounded with movie and music personalities, including those who campaigned for Estrada in the 1998 presidential poll. She recently opened Malacañang Palace to actors and actresses and vowed help for the domestic film and music industries.

In the Philippines, movie and music personalities are highly regarded by those with an escapist mindset. Many have risen to political office on the basis of their popularity. This was most evident in the landslide victory of Estrada, a former actor, in the 1998 presidential election. At present, the 24-man Philippine Senate has two former actors, one former basketball player and two former broadcasters among its members.

President Arroyo's new publicity campaign involving movie and music personalities came on the heels of a local survey that showed the president's popularity declining. In its latest report, the local poll group Social Weather Stations (SWS) Inc. said President Arroyo's popularity dropped to +16 in March this year from +27 in November last year.

In particular, the report said the president's net approval rating in Metro Manila plunged to +1 from +19. Ironically, another local survey firm, Pulse Asia, said the president's approval rating actually improved.

Such polls are an anathema to any politician and a declining level of popularity translates into danger for President Arroyo's bid to have her term extended. Like Estrada, Fernando Poe Jr. is known in the movies as the defender of the poor. Yet he has accumulated a level of popularity over four decades that surpasses even that of the former President.

Poe and Estrada have been close friends since their days together in the early '60s as stars of action movies. It was Poe who first used the word "Erap" to refer to Estrada. President Estrada once even admitted that his friend is the more popular actor. "He's been the king of Philippine movies even before. I think I was only second to him," he was quoted as saying.

As an actor, Poe has mastered the role of a kind-hearted, selfless and invisible super hero who defends the aggrieved people against the forces of evil. Filipino viewers look up to him because – at least on the screen - he represents the good and noble in Filipino culture.

One possible stumbling block in Poe's bid to have Malacañang Palace reclaimed by the movie industry is his lack of experience in politics. Unlike Estrada who had first served as municipal mayor, senator and vice president before testing the presidency, Poe has made acting and directing his fulltime career.

Poe was once the largest endorser of beer in the country, having been paid millions of pesos for a series of commercials he did for San Miguel Corp. He is described as the richest actor in the Philippines and has millions of pesos at his disposal for the election should he choose to run.

Whether the opposition party would field Poe against President Arroyo in the 2004 elections remains to be seen. However, the fact that the opposition is even considering such a move points to a mindset among some that places winning at all costs ahead of the ability to field a competent administration.

Poverty Reduction Stagnant in the Philippines

According to the latest country report from the World Bank, low growth figures from 1998 to 2001, largely as a result of the Asian financial crisis, has kept the Philippine government from improving the lives of poor Filipinos.

The World Bank said that when measured on a per capita basis, the Philippine economy barely grew during the period. Real per capita income in fact declined by almost 2 percent in 1998, after the country caught the Asian financial contagion.

According to the World Bank, because of the high birth rate in the Philippines, a minimum of 5 percent GDP growth is needed to make even a dent on the country's poverty incidence, which is estimated to affect 26.1 percent of Filipino families. In terms of individual Filipinos, the poverty incidence affects around 40 percent of the population.

The Bank said that should the government manage to increase economic growth to at least five percent, the poverty incidence could be trimmed down to 18 percent of Filipino families by 2005. Such a level of growth would rescue some 5 million Filipinos out of poverty.

Citing the country's case under the Ramos watch, the World Bank said higher economic growth helped the Philippine government slash the poverty incidence from 34.3 percent in 1991 to 25.1 percent in 1997. The Philippine economy grew by an average of 5 percent from 1994 to 1997.

World Bank data also shows that in the current period from 1998 to 2001, about 12.7 percent of Filipinos were classified as "poor", a term it assigned to those who live on less than US\$1 a day while 45.9 percent were "near poor" or those who live on less than US\$2 a day.

Contributing elements to the stagnation of poverty reduction in the Philippines include the Asian financial crisis of 1998, the global export slump in 2001, political crises of 2000 and 2001, a burgeoning fiscal deficit, and domestic banks' high level of bad debts.

In its recommendation, the World Bank said a 5 percent economic growth rate would be possible in the Philippines with the implementation of the following reforms:

- ✍ Fiscal management, to shore up savings for increased public investments in infrastructure and social services;
- ✍ Governance, to achieve better law and order needed to encourage investments;
- ✍ Structural reforms, especially in infrastructure development, to reduce business costs and improve farm productivity;
- ✍ Financial sector strengthening, to mobilize savings; and
- ✍ Social sector programs on education and health services aimed at empowering and protecting the poor.

At the same time, it warned the Philippine government against the following:

- ✍ Slippages in the implementation of key reforms;
- ✍ Poor progress in solving peace and order problems;
- ✍ Occurrence of another El Niño-induced drought; and
- ✍ A prolonged global economic downturn

Business Confidence on a 12-Month High

BusinessWorld, a Manila-based broadsheet, reported that business sentiments in the country, as measured by the consumer confidence index, climbed to a 12-month high in March, on expectation of higher economic growth this year.

In a survey conducted by New York-based Roper ASW Asia Pacific for BusinessWorld, the consumer confidence index reached 119 points in March this year, from a low of 75.7 points in November. The index was at 125.5 points in March 2001, when President Gloria Macapagal-Arroyo tightened her grip on power following her takeover of government in January 2001.

At the same time, the survey's Present Situation Index, a measure of consumers' current sentiments, improved to 130.3 points in March from 124.3 points in February while the Future

Expectation Index, a gauge of consumers' prospects on the economy went up to 112.1 points from 104.1 points.

According to the survey, 40.8 of the respondents consider the present state of business in the country as "good" while 23.5 percent deem it "bad." The rest were uncertain of the situation. About 45.7 percent of the respondents believe that the economy will improve in the next six months while only 10.9 percent think the situation would worsen.

It said 40.4 percent of respondents thought the Arroyo administration was "doing a better job" while 18.2 percent thought otherwise. Around 50.9 percent of respondents said they were satisfied with President Arroyo's performance while 25.9 percent said they are not. The rest of the respondents would not comment.

AmCham Concerned about Court's TROs

In an expression of concern over the role played by the Philippine courts in business and investment decisions, the American Chamber of Commerce of the Philippines (Amcham) has asked President Gloria Macapagal-Arroyo to look into local court practice of issuing temporary restraining orders (TROs) affecting foreign investments.

Local courts have the right to issue a TRO, or an order temporarily restraining an establishment from operating whenever a case has been filed against such establishment. The TRO seeks to protect the claimant's rights from immediate and irreparable injury caused by an act or operation of an establishment in such circumstances.

Under Philippine law, the TRO is effective only for 72 hours from issuance but can be extended until a hearing for a preliminary injunction can be conducted. The TRO is not supposed to exceed a total period of 20 days, including the original 72 hours.

In a statement, AmCham said "TROs are being issued too frequently and haphazardly as an obstructive measure against foreign investors who have received the approval of national and local authorities to proceed with their businesses".

Citing a study conducted by the US State department, AmCham said Philippine courts and regulators have a "propensity to stray beyond matters of legal interpretation into policymaking functions." American investors, the report added, were complaining that "these officials rarely have any background in economics, business, or a competitive economic system."

"Entrenched economic interests are able to manipulate the legal system and regulatory process to protect market position," the chamber said.

The Philippine executive department, however, does not have the right to intervene in the affairs of the court. At best, President Arroyo can only clarify and stress the government's goal of attracting foreign investment for the good of the nation.

Car Sales Increase as Contraction Slows to 0.2 Percent

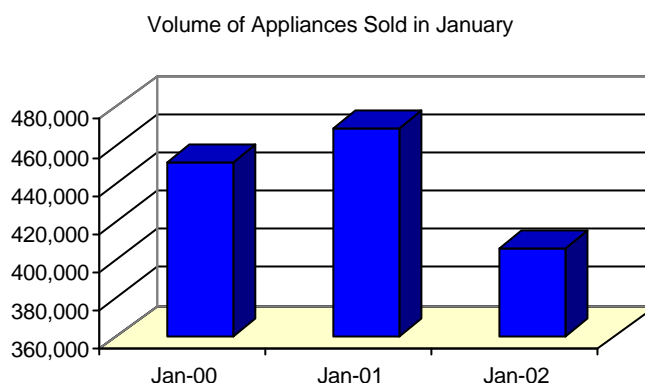
A 5 percent pickup in sales of passenger cars led to a slower year-on-year decline in overall sales of cars in the Philippines in the first quarter of the year.

According to the Chamber of Automotive Manufacturers of the Philippines, Inc., sales of passenger cars rose to 5,697 units in the first quarter of the year from 5,418 units a year earlier. This, however, was offset by a 2.4 percent drop in sales of commercial vehicles to 12,288 units from 12,596 units.

Combined sales of passenger cars and commercial vehicles fell by a measly 0.2 percent to 17,985 units in the first three months of the year from 18,014 units during the same period last year.

Top seller is Toyota's Corolla, with 1,962 units sold during the period.

Sales of Appliances Slide 13.5 Percent in January



Domestic expenditures on electronic appliances have yet to show signs of recovery, as the National Statistical Coordination Board (NSCB) reported a 13.5 percent YoY drop in volume of major appliances sold in January this year.

Quoting figures from the Philippine Electrical Electronics and Allied Industries Federation, the NSCB said sales of appliances slid to 405,600 units in January this year from 468,800 units a year earlier. This follows a 7.6 percent drop in sales to 6,077,500 units in the whole of 2001 from 6,574,000 units in 2000.

Of the 18 major electronic items in the list, sales of 11 appliance groups saw a contraction in January. These include VCR/VCP units, sales of which fell 77.6 percent; radio cassette, 46.7 percent; cooking ranges, 46.2 percent; electric fans, 28.9 percent; music centers, 26.6 percent; air-conditioning units, 23 percent; VCD players, 21 percent; toasters, 12.6 percent; stoves, 8.9 percent; color televisions, 5.8 percent; and karaoke units, 3.6 percent.

It is hard to explain the drop in sales of these appliances but among the frequently mentioned reasons are changing technology, the influence of the weather, buying habits of the consumers, declining income and the influx of imported but used electronic items from Japan.

One interesting snippet of data is the 77.6 percent drop in sales of videocassette recorders and players to around only 1,100 units in January this year from 4,900 units a year earlier. Analysts used to attribute such declines in sales to the introduction into the market of video compact disk (VCD) players. Ironically, sales of VCD players also dropped by 21 percent to 17,300 units from 21,900 units. A related and supporting figure is the 5.8 percent drop in the sale of color televisions to 66,400 units from 70,500 units. People, it seems, are deferring their purchases in a time of economic uncertainty.

Among the appliances that registered higher sales in January this year are freezers, with 133 percent in sales growth; microwave ovens, 91.7 percent; rice cookers, 25.4 percent; vacuum cleaners, 25 percent; washing machines, 2.4 percent; and flat irons, 1.9 percent. The sale of refrigerators had a flat growth.

The list excludes sales of computers and accessories.

Sales of Appliances in January				
Product	Jan-00	Jan-01	Jan-02	% Change
Total	451,000	468,800	405,600	-13.50%
Color TV	63,400	70,500	66,400	-5.80%
VCR/VCP	15,300	4,900	1,100	-77.60%
VCD Player	5,100	21,900	17,300	-21.00%
Music Center	21,200	31,600	23,200	-26.60%
Radio Cassette	25,100	27,400	14,600	-46.70%
Karaoke	11,400	8,400	8,100	-3.60%
Refrigerators	25,500	32,400	32,400	0.00%
Freezers	600	600	1,400	133.30%
Washing Machine	40,500	41,400	42,400	2.40%
Microwave Oven	3,000	1,200	2,300	91.70%
Vacuum Cleaner	2,800	800	1,000	25.00%
Aircon	12,500	17,400	13,400	-23.00%
Rice Cookers	21,200	17,700	22,200	25.40%
Flat Iron	26,200	37,300	38,000	1.90%
Toasters	11,500	14,300	12,500	-12.60%
Stoves	57,300	54,200	49,400	-8.90%
Range	7,300	10,600	5,700	-46.20%
Electric Fan	101,100	76,200	54,200	-28.90%
Source: National Statistical Coordination Board				

Value of Stocks Traded Climb 3 Percent in Q1

The total value of stocks traded on the local bourse improved by some three percent to about P112.12 billion in the first quarter of the year from P108.624 billion a year earlier, the Philippine Stock Exchange said.

In the absence of the political chaos that pulled down stocks in the same quarter of 2001, the local exchange saw the Phisix, the main barometer of stock trading in the country, gain 249 points from 1168 at the end of 2001 to 1417 at end of March this year.

Such an upbeat mood in the stock market also drew inspiration from positive corporate economic announcements including mergers and expansion plans. The extension of the trading period to 2:30 p.m. also contributed to the uphill movement of the Phisix, which last fell below 1000 points in November last year.

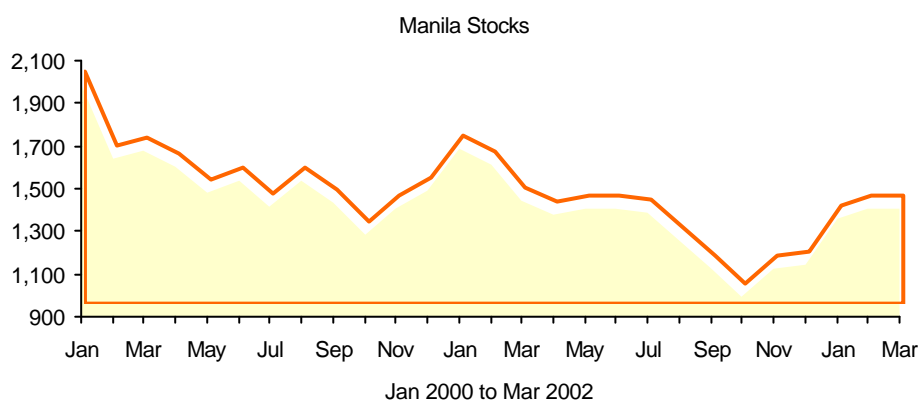
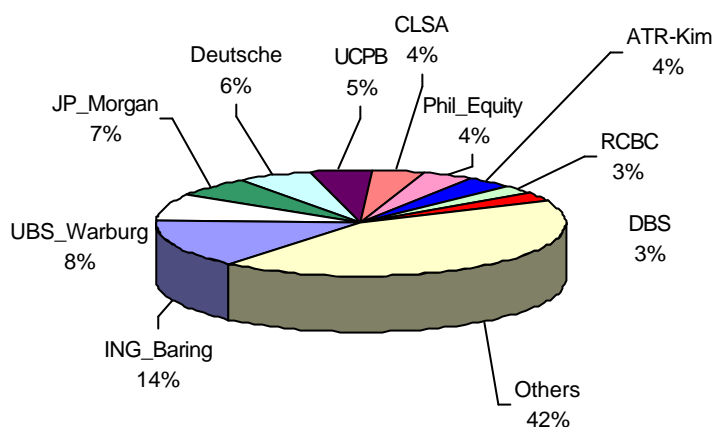
Among the brokerage houses, Dutch firm ING Baring Securities currently leads the pack by cornering P16.3 billion or 14.6 percent of total trades in the first quarter of the year. Following ING Baring are three other foreign brokers: UBS Warburg Securities, with 8.14 percent share of total trades; JP Morgan Securities, 6.56 percent; and Deutsche Regis Partners, 5.87 percent.

The top local brokerage house is UCPB Securities, whose 4.6 percent share of total trades in the quarter, mostly came from the sale of San Miguel Corporation's "B" shares to Japanese firm Kirin Brewery Co. Ltd. in March.

Other brokers in the top 10 list are CLSA Philippines, with 4.15 percent share of total trades; Philippine Equity Partners, 4.02 percent; ATR-Kim Eng Securities, 3.52 percent; RCBC Securities 2.9 percent; and DBS Vickers Securities, 2.9 percent.

Last year's top broker, Merrill Lynch Philippines, had packed up its operation in the country because of thin profit and sold its business to a local company.

Top Brokers and Their Share of the Pie (Q1 2002)



Foreign Portfolio Investments, on Upward Trend

Foreign portfolio investments in the country resulted in a net inflow of US\$96.9 million by the end of March, a reversal from US\$1.7 million net outflow a year earlier.

Citing data from the country's five largest custodian banks – Citibank N.A., Standard Chartered Bank, Deutsche Bank, HSBC, and ING Bank – the Central Bank said some US\$375.5 million in portfolio investments or hot money entered the country in the first quarter of the year while only US\$278.6 million were eventually pulled out.

In March alone, some US\$146 million in funds entered the country but US\$120.9 million were eventually repatriated, resulting in a net inflow of US\$25.1 million.

In the first quarter last year, the five largest custodian banks recorded a gross inflow of US\$464.7 against a capital flight of US\$466.4 million.

The Central Bank said that the increase in net inflow this year is a manifestation of fund managers' growing confidence in the Philippine economy.

Portfolio investments refer to funds invested in stocks listed at the Philippine Stock Exchange (PSE), government securities or in the money market. A high level of foreign portfolio investments influences the asset price appreciation in stocks.

Bad loans rise in February

The non-performing loan (NPL) ratio of the country's 44 commercial banks deteriorated to 18.4 percent of total loans as of end of February from 18.3 percent in end of January.

The Central Bank of the Philippines said that while total loan portfolio increased by 1.4 percent to P1.61 trillion, the NPLs or bad loans also rose to P295.6 billion as of end February this year.

"Loan quality was slightly impaired as the 1.4 percent rise in total loan portfolio fell short of the 1.9 percent rise in NPL levels last month," the Central Banks said in a statement.

In the first two months of the year alone, some P5.6 billion or 26 percent of P21.4 billion loans incurred were considered bad loans.

At the same time, the ratio of non-performing assets (NPAs) to gross assets, a measure of overall asset quality, also deteriorated to 14.6 percent, amounting to about P457.1 billion.

NEWS IN BRIEF

A devastating **fire hit a passenger ferry** in Tayabas Bay off Quezon province (southeast of Manila), leaving 27 of the 243 passengers and 47 crewmen dead last April 11. The ill-fated ferry, the MV Maria Carmella, was bound from the island-province of Masbate for Lucena City in Quezon when it caught fire. Reports said the boat had insufficient life preserving equipment and many victims drowned after jumping overboard to escape. The Philippines, an archipelago of 7,107 islands, has seen a depressing number of marine disasters in recent years, the worst of which was in 1987 when some 4,000 people died when a passenger ferry collided with an oil tanker near Manila.

Of the 111 criminal cases filed against the Marcos family, 92 were dismissed, the **Presidential Commission on Good Government** (PCGG) has disclosed. The PCGG was formed in 1986 to recover the ill-gotten wealth of the late President Ferdinand Marcos and his cronies. These cases were heard at the Sandiganbayan or anti-graft court, with the Ombudsman taking the PCGG side. The latest setbacks suffered by the PCGG was a Swiss magistrate's ruling unfreezing the Marcos assets in banks in Switzerland and the acquittal of former First Lady Imelda Marcos on a graft case regarding a housing project.

The country's **gross international reserves** rose to an all-time high of US\$17.352 billion as of end-March, the Central Bank reported. The reserve level, which is 6.9 percent higher than its February level, is reportedly enough to cover 55 months' worth of imports and payment for services and income. The Central Bank forecasts that the international reserves would end the year at a range of US\$14 billion to US\$15 billion.

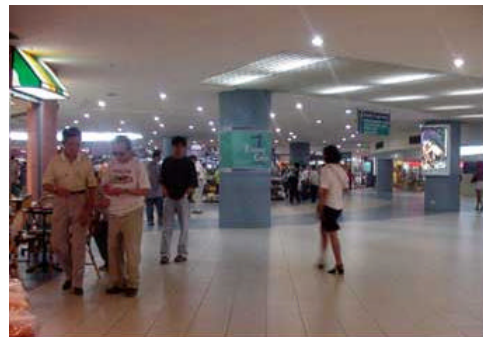
The US Department of Agriculture (USDA) is asking the Philippine Department of Agriculture to scrap its recent administrative order requiring **meat imports from the US** to be accompanied by a food safety compliance certificate and a chain of custody certification check list. US agriculture attaché Michael D. Woolsey said the additional requirement, on top of a certificate of wholesomeness, which is issued in the US, is "unnecessary" because this would only cause delay in shipment of US meat imports to the Philippines.

The US Department of Agriculture (USDA) has permitted three Filipino companies to **export mangoes** to the United States. The Philippine agriculture department said Marsman Drysdale Food Corp., Diamond Star Agro Production Corp. and DHM Corp. got the go signal to ship fresh mangoes from the Philippines' southern island of Guimaras, to the United States starting this month.

INVESTMENT NEWS

The **Cebu Investment Promotion Center** said three Japanese companies have expressed their intention outsource their information and communication technology (ICT) requirements in the Philippines. One of these three companies was identified as Marubeni Corp., which is reportedly interested in setting up call centers in Cebu City, the prime city in the Visayas region.

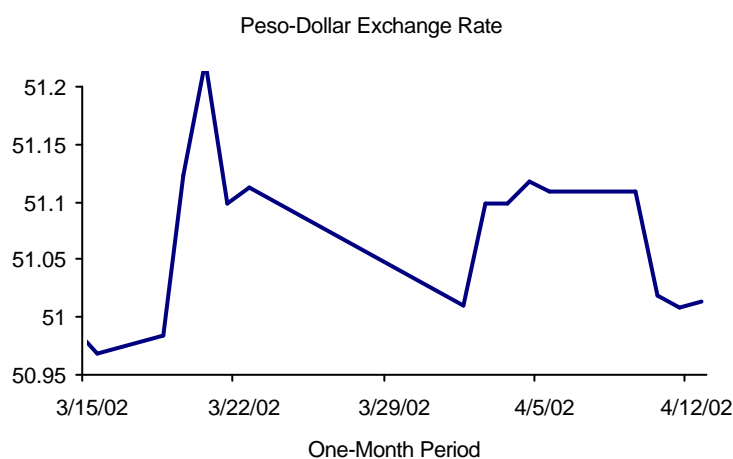
Local retail giant **SM Group** announced that it would start building Mall of Asia, which is designed to be the largest shopping mall in the country, in the fourth quarter of the year. The mall, which would have a floor area of 500,000 square meters, would rise on a part of the 90 hectare-property in the Manila Bay reclaimed area, which the SM group owns. Completion of the project is targeted at 2005.



The **SM Group** and **Robinsons Land Corp.** are planning to build shopping malls in the 150-hectare Global City central business district in the town of Taguig (eastern Metro Manila). The SM Group operates the SM chain of shopping malls, while Robinsons owns the Robinsons chain of department stores. Reports said foreign retailers **Wal-Mart Stores Inc.** of the US and **Tesco PLC** of the UK were being lured to set up their branches in the Global City. The only retailer in the area so far is S&R membership store of California-based Pricemart Inc.

CURRENCY MOVEMENTS

The Philippine peso traded stronger against the US dollar in last week's first three days but breached the 51-to-a-dollar resistance near the weekend. The peso was trading at 51 against the greenback in the afternoon of April 12, slightly down from its previous week's (April 5) close of 50.95 against the dollar.



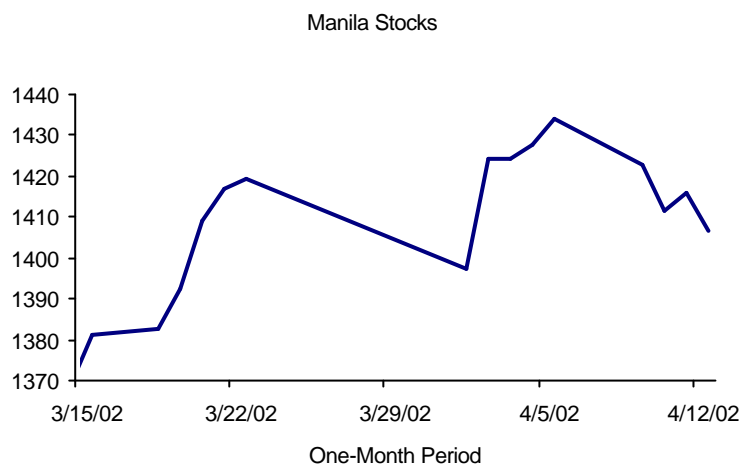
LATEST: 51.066/US\$ (Ave. Mar 2002)

HIGH: P26.1588/US\$ (Ave. Feb 1996)

LOW: P53.224/US\$ (Ave. July 2001)

STOCK MOVEMENTS

The Phisix, the main barometer of the 30-company Philippine Stock Exchange (PSE), lost 27 points over the four-day trading period last week, in the absence of fresh corporate and market news. After peaking at 1432 points on April 5, the Phisix trekked downward to settle at 1405 points at last week's final market trading on April 12.



LATEST: 1403.62 (Ave. Mar 2002)
HIGH: 2,621.67 (Ave. Jul 1999)
LOW: 996.14 (Ave. Oct 2001)

ONLINE RESOURCES

MCA Limited has prepared this background report as a general reference document. Subscribers may download this and previous documents (HTML, or PDF) from the Weekly Archive Section of the Virtual Philippines website. To access, click on the hyperlink below.

<http://www.virtual-asia.com/ph/weekly/downloads.htm>

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To obtain our political and economic outlook overviews for the Philippines as well as a table of key economic indicators go to:

<http://www.virtual-asia.com/ph/bizpak/bizbriefs/index.html>

For our Philippine statistical reference library, a comprehensive resource of monthly as well as annual statistical series in chart and spreadsheet form, go to:

<http://www.virtual-asia.com/ph/bizpak/statistics/statistics.htm>

Comparative regional statistics are available at:

<http://www.virtual-asia.com/statistics/statistics.htm>

To read our online Business Survival Guide go to:

<http://www.virtual-asia.com/ph/bizpak/bizguides/>

FURTHER INFORMATION

MCA Limited has prepared this background report as a general reference document. Subscribers may download this and previous documents (PDF) from the Weekly Archive Section of our website.

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