

Portfolio investments bounce back in January

by DES FERRIOLS
Philstar.com

MANILA—Portfolio investments posted a significant recovery in January, bouncing back from the \$237.9-million outflow in January last year to a net inflow of \$221.6 million this year.

Data from the Bangko Sentral ng Pilipinas (BSP) indicated that portfolio investments came in strong in the first month of the year, spurred mainly by the optimism that accompanied the inauguration of a new President in the US.

"There was some optimism on the inauguration and the deceleration of the inflation rate in December may also have contributed to the low level of capital withdrawal for the period," said BSP Governor Amando M. Tetangco Jr.

The BSP report showed that gross investment inflows or registered foreign portfolio investments totaled \$502.1 million in January—56 percent lower than the previous year's \$1.2 billion.

However, outflows were also drastically lower last month at only \$280.5 million, 80 percent lower than last year's outflow of \$1.4 billion.

The BSP report showed

that the bulk of gross inflows went to investments in shares listed at the Philippine Stock Exchange (PSE) amounting to \$321.1 million. About 63 percent of these inflows into the stock market went to mining and telecommunications.

Hot money flows into the stock market accounted for 64 percent of the total but the BSP said these inflows were actually 47 percent lower than gross inflows recorded in January last year.

On the other hand, investments in peso-denominated government securities amounted to \$181 million, falling by 67 percent from last year's level.

The BSP report showed that the Netherlands, the United Kingdom and Singapore were the largest investor countries, contributing three-quarters of total gross inflows during the one-month period.

On the other hand, outflows were mainly from money market instruments and peso bank deposits which accounted for 90 percent of total outflows. The rest were withdrawal of investments from listed shares and government securities.

These data supported Tetangco's statement that hot money investments that would have left the Philippine market have actually already left and

there would be little funds left to pull out this year.

After soaring to \$3.5 billion in 2007, foreign portfolio investments drained out of the country in 2008 with over \$1.4 billion in net outflows as sentiments reversed dramatically over the 12-month period.

"The global financial turmoil has led to recession in many countries across the globe and heightened risk-aversion," said Tetangco. "But the funds that would leave have already left so I do not think we will see outflows as bad as last year."

Portfolio inflows are most susceptible to investor sentiments and Tetangco said the 2008 figures indicate that this susceptibility is reflected in the massive pull-out from emerging markets, including the Philippines.

Even with the decline in hot money inflows in 2008, however, the country's reserves still soared to \$37.1 at the end of last year, sustaining the recovery that foreign exchange inflows made in November as a result of inflows from government borrowing and other inflows.

The BSP had projected that the country's GIR would reach only \$37.5 billion this year, only slightly higher than the \$37.1-billion total at the end of 2008. ■

Solons review poll automation law

MANILA—A review of Republic Act 9369 or the poll automation law is underway as the filing of a separate bill that will include amendments is being considered at the House of Representatives in anticipation of the computerization of the 2010 elections.

Makati Representative Teodoro Locsin Jr., chairman of the committee on suffrage and electoral reforms, told *Inquirer.net* that they would "revisit" RA 9369 to determine which provisions should be amended to conform to the poll automation plans of the Commission on Elections.

Locsin cited Section 31 of RA 9369 providing for "manual counting simultaneous with the automated counting of voting results."

This means that the chairman of the board of election officers in a precinct would "take out from the ballot box and read the filled-up ballots publicly" in the presence of poll watchers and interested public after the voting results stored in the precinct voting machine would have been electronically transmitted to the Comelec main office in Manila, Locsin said.

Locsin said that this "manual redundancy" provision was added because "some paranoid representatives clamored for manual counting to be done alongside the automated canvassing."

"There was a clamor for [election] automation and there was

a clamor fearing for automation. So what we did is compromise and add features of both," said Locsin.

Thus, the law mandates that the Comelec should implement simultaneous manual and automated canvassing, he added.

But Locsin said after the ARMM elections, "which I think was successful, we are a little more comfortable with automating [election procedures] procedures."

"This redundancy might be removed to reduce the burden imposed to the Comelec," he said.

House Deputy Speaker Pablo Garcia echoed Locsin, saying that amendments will have to be introduced "so there will be no conflict between the process and the law itself."

Garcia also cited Section 32 of RA 9369 where the board of election officers (BEIs) would prepare the election results manually. But in the automation plan released by the Comelec, the machines would print the election results and the BEIs would only sign them, he said.

He added that there was also a plan to amend the Omnibus Election Code, specifically the provision on voting hours. In the automation plan released by the Comelec, polls would close at 6 p.m., three hours after the original time for close of polls.

Garcia noted that these proposed amendments to RA 9369 and the Omnibus Election Code would be drafted in a bill specifically for the 2010 automated elections.

"We agreed that this bill will only be for [the] election for May 2010 so that we will still preserve the provisions on manual voting," said Garcia.

Garcia said other officials would draft the "2010 automated election bill" would be Representatives Edcel Lagman, Herminando Mandanas and Jesus Remulla.

Garcia said other provisions to be included in the "2010 automated election bill" would be on "election contest and credibility of automated results."

He added that they would also consider if expulsion or substitution by a party could be considered as a ground for disqualification of candidates.

Locsin said he met with the Commission on Elections last Feb. 11 to update them on the "manual redundancy" provision in RA 9369.

"I asked the Comelec Chairman Jose Melo if they can do it [implement both manual and automated canvassing] and the he said, 'Yes, we can.'"

He said he also requested the Comelec to review RA 9369 and submit their proposed amendments.

Locsin said the poll body would also submit a study to Locsin's committee its capacity to "get the job done based on the original provision of manual redundancy in RA 9369."

Locsin said his committee would report on the amendments next Tuesday.

RA 9369 was passed in Jan. 23, 2007. (*Inquirer.net*)

Malacañang downplays China's ban on RP pork

by MARVIN SY
Philstar.com

MANILA—Malacañang said last Feb. 12 that the reported ban imposed by the government of China on the import of pork from the Philippines because of the discovery of pigs infected with the ebola-reston virus should not cause too much concern since the exportation of pork has been suspended for some time already.

Deputy presidential spokesperson Anthony Golez noted that the Philippine government has implemented a self-imposed ban on pork exports since December when the first case of the ebola-reston found in pigs was reported.

Golez pointed out that the Philippine government was even given credit for taking swift action even when the World Health Organization and other related organizations were still investigating the cases.

"We acted swiftly. So even before these countries announced the ban, we already did it," Golez said.

The Chinese government has announced a ban on the importation of pork products following the reports of the ebola-reston virus infection of pigs from Luzon.

The ban also covers pork products brought in by travelers as well as those delivered from the Philippines. ■

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