



# KRN UPDATE NEWSLETTER

BANGKO SENTRAL NG PILIPINAS KNOWLEDGE RESOURCE NETWORK  
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## BSP PUBLICATIONS

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### BANGKO SENTRAL NG PILIPINAS. MANUAL OF REGULATIONS ON FOREIGN EXCHANGE TRANSACTIONS. MANILA, PHILIPPINES : BANGKO SENTRAL NG PILIPINAS, 2021.

This manual is a consolidation of all regulations governing foreign exchange transactions. It replaces Circular No. 1389 dated 13 April 1993, as amended, which was the first consolidation of foreign exchange regulations. This is an enhanced and complete version of Circular No. 1389, as amended, as it incorporates all amendments made since 1993 and consolidates all regulations on foreign exchange and related transactions.



### BANGKO SENTRAL NG PILIPINAS. RECENT TRENDS IN THE PHILIPPINE FINANCIAL SYSTEM, ISSUE NO. 2022-01. MANILA, PHILIPPINES : BANGKO SENTRAL NG PILIPINAS, 2022.

This report highlights the recent trends in the Philippine financial system, as of end-January 2022. The Philippine banking system sustained its solid footing amid the pandemic. Total assets of the Philippine banking system (PBS) grew by 7.2 percent year-on-year (YoY) to P20.6 trillion as of end-January 2022. This growth rate was higher than the 5.7 percent rate in January 2021.



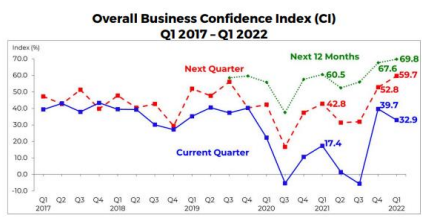
### BANGKO SENTRAL NG PILIPINAS. WITHIN REACH WEEKLY, ISSUE NO. 06, 2022. MANILA, PHILIPPINES : BANGKO SENTRAL NG PILIPINAS, 2022.

This issue featured the following articles: (1) Supervisory College for Financial Conglomerates on Pilot Run in Q2 2022; (2) BSP: A Thought Leader on Financial Stability; and (3) Central Banking Made Easy: D-SIBS: Banks that are "Too-Big-To-Fail".



### BANGKO SENTRAL NG PILIPINAS. MONETARY AND ECONOMIC SECTOR. DEPARTMENT OF ECONOMIC STATISTICS. BUSINESS EXPECTATIONS SURVEY, FIRST QUARTER 2022. MANILA, PHILIPPINES : BANGKO SENTRAL NG PILIPINAS, 2021.

Business sentiment is less optimistic in Q1 2022 as the overall confidence index (CI) decreased to 32.9 percent from 39.7 percent in Q4 2021. The respondents' less buoyant outlook was largely affected by the resurgence of cases from the new Omicron variant and the consequent reimposition of stricter quarantine restrictions in many areas at the beginning of the year. Other factors that contributed to the weaker business confidence for Q1 2022 were as follows: (a) increase in prices of raw materials and fuel; (b) decrease in sales/demand for certain goods and services (such as motor vehicles, education services, and construction); (c) weakening peso; and (d) adverse impact of natural calamities, i.e., Typhoon Odette (in December 2021). Countries such as Brazil, China, Greece, Mexico, Netherlands, and the United States of America also recorded less optimistic business sentiments in Q1 2022. In contrast, business sentiment in Bulgaria, Croatia, euro area, France, Germany, Hungary, and Israel was more optimistic. Meanwhile, the business sentiment of Australia, Canada, and Chile turned optimistic. Moreover, the view of businesses in Denmark and the United Kingdom turned pessimistic while that of New Zealand and Thailand was more pessimistic.



### BANGKO SENTRAL NG PILIPINAS. MONETARY STABILITY SECTOR. MONETARY POLICY SUB-SECTOR. DEPARTMENT OF ECONOMIC RESEARCH. SELECTED PHILIPPINE ECONOMIC INDICATORS, MARCH 2022. MANILA, PHILIPPINES : BANGKO SENTRAL NG PILIPINAS, 2022.

This report presents the latest data on various economic indicators on the country's external accounts, financial system, fiscal, prices and other real sector accounts. Latest data released on 18 April 2022.



### TUAÑO-AMADOR, MARIA ALMASARA CYD N., BAYANGOS, VERONICA B., ROMARATE, MARIE EDELWEISS G., & MALIWAT, CARL FRANCIS C. REMITTANCES FROM OVERSEAS FILIPINOS IN THE TIME OF COVID-19 : SPILLOVERS AND POLICY IMPERATIVES. BRAC DISCUSSION PAPER, NO. 10. MANILA, PHILIPPINES : BANGKO SENTRAL NG PILIPINAS, 2022.

This study traces the impact of the pandemic on overseas remittances and the spillover effects of a shock in remittances on the monetary, financial, and labor markets. The study also looks into the role of the government in helping to manage the impact of the pandemic on overseas workers and their beneficiaries. Policy imperatives and the prospects for overseas remittances are then examined.

## NEWS, ADVOCACIES & LEARNING PROGRAMS

### MONETARY POLICY REPORT

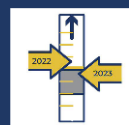
MAY 2022  
Visual Summary



The BSP decided to raise the key policy interest rate to 2.25%.



Inflation is expected to settle above the target range of 2-4% in 2022 and could average near the upper band of the target in 2023.



Several factors could push inflation higher in 2022 and 2023.



Private sector economists also expect inflation to be higher than target range in 2022 and could settle close to the upper end of the target in 2023 before decelerating in 2024.



Domestic economic activity is seen to remain strong, returning to its pre-pandemic level by mid-2022.



The timely increase in the key policy rate, based on the latest outlook on inflation and economic growth, is expected to help slow down further price increases from second-round effects and manage inflation expectations.



Click [here](#) to view the full report of the May 2022 Monetary Policy Report.

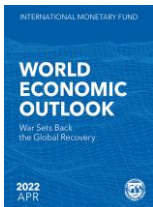
## BOOKS

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**GAYARES, RHEA MOLATO & THOMAS, MILAN. FALLING FURTHER BEHIND : THE COST OF COVID-19 SCHOOL CLOSURES BY GENDER AND WEALTH. MANDALUYONG CITY, PHILIPPINES : ASIAN DEVELOPMENT BANK, 2022.**

Special topic of the Asian Development Outlook 2022 on the cost of COVID-19 school closures which lead to losses equivalent to over half a year's worth of learning. This foregone learning will hamper students' productivity and ability to earn income in the future. This, learning losses for students from the poorest quintile are 33% more than those for students from the richest quintile. These will translate into losses in expected earnings that are 47% more for the poorest students, exacerbating income inequalities. While supply-side improvements in the quality of remote education reduce aggregate losses from school closures, inequality will grow if improvements largely benefit those who have more access to educational resources. Investments are necessary to ensure improvements benefit all students, including poor children and girls.



**INTERNATIONAL MONETARY FUND. WORLD ECONOMIC OUTLOOK, APRIL 2022 : WAR SET BACK THE GLOBAL RECOVERY. WASHINGTON, DC : INTERNATIONAL MONETARY FUND, 2022.**

Global economic prospects have been severely set back, largely because of Russia's invasion of Ukraine. This crisis unfolds even as the global economy has not yet fully recovered from the pandemic. With this, global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, may prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.



**PARK, CYN-YOUNG, VILLAFUERTE, JAMES & YAP, JOSEF T. (EDS.). MANAGING THE DEVELOPMENT OF DIGITAL MARKETPLACES IN ASIA. MANDALUYONG CITY, PHILIPPINES : ASIAN DEVELOPMENT BANK, 2021.**

The coronavirus disease (COVID-19) pandemic is accelerating digital transformation across Asia and the Pacific. Digital platforms have become prominent intermediaries or marketplaces that allow the exchange of goods, services, and information. They are opening new transaction channels while lowering service costs and enhancing market efficiency. Thus, this book examines the scope, potential benefits, and challenges of digital platforms in Asia and the Pacific. It proposes measures and policies to help maximize social and economic gains while alleviating adverse effects.



**SERAFICA, RAMONETTE B. & OREN, QUEEN CEL A. EXPLORING POLICIES AND INITIATIVES FOR ONLINE WORKERS IN THE PHILIPPINES. PIDS DISCUSSION PAPER, NO. 2022-01. QUEZON CITY, PHILIPPINES : PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES, 2022.**

In understanding the policy environment shaping online work, this paper examines existing and proposed laws in the Philippines and various initiatives relevant to online work using Heeks' overlapping domains of decent work as an organizing framework. It also discusses the issues surrounding platform work, particularly the vagueness of the employment status of online work, which complicate access to social protection and other benefits, as well as tax contribution. Recommendations are also provided to help in the formulation of policies and programs that will benefit online workers. These include updating existing social protection programs to accommodate various types of online workers, collaboration between education and training institutions and public-private partnerships to equip online workers for employment, collection of data on the digital economy to guide government programs, and greater social dialogue between the government and stakeholders to improve working conditions of online workers.

## JOURNAL PUBLICATIONS

[To download the full text of the publication, please click the title of the article]



**BANKS AND BANK SYSTEMS | VOL. 17, ISSUE 2 (2022)**

- Do microfinance banks' activities affect Nigeria's economic development?
- Does the efficiency of banks adversely affect financial stability? A comparative study between traditional and Islamic banks: Evidence from Egypt
- Loan loss provision index and bank risk: An empirical study in Indonesia
- Determinants of Indonesian banking profitability: Before and during the COVID-19 pandemic analysis
- Institutional culture and staff performance: A case study of the banking industry in South Africa



**INTERNATIONAL JOURNAL OF FINANCIAL STUDIES | 10(2), 24-32 (MARCH-MAY 2022)**

- Corporate Governance, Financial Innovation and Performance: Evidence from Taiwan's Banking Industry
- The Value of Social Capital for the Success of SPAC IPOs
- Financial Distress Prediction of Cooperative Financial Institutions—Evidence for Taiwan Credit Unions
- The Dynamic Typology in the Development Process of Credit Union Movements
- Markowitz Mean-Variance Portfolio Selection and Optimization under a Behavioral Spectacle: New Empirical Evidence
- Comovement across BRICS and the US Stock Markets: A Multitime Scale Wavelet Analysis
- The Moderating Effects of Host Country Governance and Trade Openness on the Relationship between Cultural Distance and Financial Performance of Foreign Subsidiaries in Latin America
- A Textual Analysis of Logograms in Chinese IPO Roadshows: How Agreement between Investors and Management Relates to Pricing and Performance
- Quantifying Foreign Exchange Risk in the Selected Listed Sectors of the Johannesburg Stock Exchange: An SV-EVT Pairwise Copula Approach

The links to the full text of the publications were checked/confirmed as of 26 May 2022. In case some links are broken or do not work, please let us know via e-mail at [library@bsp.gov.ph](mailto:library@bsp.gov.ph).