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International

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Fitch Affirms Philippines at “BBB-”

- On 17th March 2015, Fitch Ratings affirmed the Philippines' long-term Foreign and Local Currency Issuer Default Ratings at “BBB-” and “BBB” respectively. The country's credit outlook remains “stable”.
- The rating agency expressed confidence in the country's strong macroeconomic performance. There was particular mention of the steady inflow of worker remittances and the growth of the country's process outsourcing industry.
- Fitch forecasts that the country is expected to grow by 6.3% in 2015 and 6.2% in 2016.
- Moreover, external finances remain a key strength for Philippines' economy as sustained current account surpluses since 2003 has led to a build-up in foreign exchange reserves.
- The agency cited that while the country's governance standards have strengthened under the Aquino administration since 2010, there is still much needed reform to take place as it relates to the ease of doing business to boost Foreign Direct Investment (FDI).
- Philippines is rated Baa2 (Stable) by Moody's and BBB (Stable) by Standard & Poor's.

Selected Indicators	2013	2014e	2015f	2016f
Real GDP growth (%)	7.2	6.6	6.0	6.1
General government balance/GDP (%)	(0.1)	(0.7)	(0.8)	(1.0)
General government debt/GDP (%)	44.2	42.7	41.6	40.5
Net general government debt/GDP (%)	27.6	25.8	24.4	23.1
General government interest expenditure/revenues (%)	13.1	10.4	9.0	8.1
CPI growth (%)	3.0	3.9	3.5	3.7
Current account balance/CARs (%)	9.8	7.1	5.7	4.8

Source: Standard & Poor's



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