

# Imports drop within target following December uptick

DOUBLE-DIGIT growth in merchandise imports for December allowed a forgone contraction for the year to fall within forecasts, with a rebound in electronic product shipments – the first in 22 months – bolstering industry optimism.

Imports, which snapped a 13-month slump in November with a 4.1% growth, surged by a year-on-year 17.9% in December to \$3.89 billion, the National Statistics Office (NSO) yesterday reported.

The result put the 2009 tally at \$43 billion for a full-year contraction of 24.2%, a tad better than the government's -25% estimate. In 2008, the country imported \$56.7 billion worth of goods. Growth that year was 2.2%.

With exports amounting to \$38.3 billion, the country clocked in a trade deficit of \$4.7 billion for 2009, narrower than the previous year's \$7.7 billion.

The strong imports data for December was supported by an 8.5% rebound in shipments of electronic products, valued at \$1.23 billion. The sector, which accounted for about a third of total imports, had been in the pits since March 2008 amid a global downturn.

"Because of the global economic recovery in the last quarter, we saw strong demand from our key market destinations," Semiconductor and Electronics Industries in the Phils., Inc. (SEIPI) Chairman Arthur J. Young, Jr. said.

## Imports

from S1/1

"Since imports data translate to how exports will perform, we see strong and bullish demand for electronic products in the first three quarters."

The industry, which is initially looking at 10-15% growth in electronics exports this year, could gun for a 15-20% uptick, Mr. Young said.

"Given several developments in our major trading partners we might revise our forecast to 15% to 20% in our next board meeting this March," he said.

The industry is banking on sustained demand from China, Japan, India, and South America,

Mr. Young said.

Smart phones, mobile applications, automotive electronic products, high definition televisions, notebooks and mini notebooks are some of the products that are selling, he added.

Sergio R. Ortiz-Luis, Jr., president of the Philippine Exporters Confederation, Inc., similarly forecast import and export growth to be both in the double-digits this year.

"I see export growth at no less than 10%, the same with imports as the two come together," he said.

The government target of a 13-15% import rebound this year

is attainable, an economist said, pulling up exports by a pace more than its 7-9% goal.

"Our market destinations, especially Europe and the US, are already showing signs of recovery, so expect stronger demand for this year," University of Asia and the Pacific economist Winston Conrad B. Padojinog said.

Asked if the government would consider revising its 7-9% export growth target for 2010 given favorable prospects for imports, Socioeconomic Planning Secretary Augusto B. Santos said in a text message: "We will revisit macro targets." — G. K. L. Gallezo