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KAGAWARAN NG PANANALAPI
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(BUREAU OF THE TREASURY)
Intramuros, Manila



Press Release

FSCC Identifies Global Risks Relevant to PH Financial System

MANILA, Philippines, 05 June 2024 – The Financial Stability Coordination Council (FSCC) held its 39th Executive Committee meeting to review offshore market developments and assess their impact on the stability of the country's financial system.

The Council recognized that global indicators of market volatility have remained low. However, it also underscored the volatility in global oil prices. US inflation has come down but remains stubbornly high by the Fed's own characterization. This suggests a high-for-long policy rate environment, which will likely affect the global economy. In addition, geo-political risks have been protracted and, in recent cases, escalated.

For the Philippines, economic growth remains strong, and among the highest in the world. Latest data suggests that the full year inflation is unlikely to breach the upper end of the band. These are reassuring indicators that allows the Philippines greater control over its macro-financial path forward.

"We find comfort in the broad indications of stability and their effects on the economy. These are issues that the FSCC will continue to monitor," said FSCC Chairman and Bangko Sentral ng Pilipinas (BSP) Governor Dr. Eli M. Remolona, Jr.

The BSP Governor added that "the volatility in the price and supply of energy-related products can affect economic activity, while a high-for-long global interest rate situation will weigh on debt servicing in general. These are issues that the FSCC will closely monitor and may address in due course, if warranted."

The FSCC is an inter-agency Council composed of the BSP, the Department of Finance, the Insurance Commission, the Philippine Deposit Insurance Corporation, and the Securities and Exchange Commission as member institutions. It started as a voluntary body right after the Global Financial Crisis and has since been institutionalized under Executive Order No. 144.

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