

Moody's lowers Panasonic's ratings by 2 notches

The Associated Press

TOKYO, Nov. 20 (Kyodo) — Moody's Investors Service Inc. said Tuesday it has lowered its long-term debt ratings for Panasonic Corp. by two notches to Baa3 on concern about the adverse impact on earnings of slowing demand and declining prices for digital products.

The Baa3 rating is just above speculative grade. The ratings outlook for the Japanese electronics maker is negative, the U.S. rating agency said.

The downgrade reflects "increasing concern that structural challenges in the consumer electronics industry...as well as adverse economic conditions will continue to pressure the earnings and cash flow of Panasonic," Moody's said in a statement.

The rating agency added that Panasonic's competitiveness will "continue to erode" due to the strong yen, fierce competition with South Korean and Chinese manufacturers, and its relatively weak presence in emerging markets.

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