

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 7,304.62 HIGH: 7,304.62 LOW: 7,242.28 CLOSE: 7,261.54 82.42 PTS. 1.12% VOL.: 0.859 B 30 DAYS TO JANUARY 19, 2022 VAL(P): 5.295 B	JANUARY 19, 2022 JAPAN (Nikkei 225) 27,467.23 ▼-790.02 -2.80 HONG KONG (Hang Seng) 24,127.85 ▲15.07 0.06 TAIWAN (Weighted) 18,227.46 ▼-151.18 -0.82 THAILAND (SET Index) 1,658.44 ▼-1.83 -0.11 S. KOREA (KSE Composite) 2,842.28 ▼-21.96 -0.77 SINGAPORE (Straits Times) 3,278.75 ▼-1.29 -0.04 SYDNEY (All Ordinaries) 7,332.50 ▼-76.30 -1.03 MALAYSIA (KLC Composite) 1,530.33 ▼-12.59 -0.82	JANUARY 18, 2022 Dow Jones 35,368.470 ▼-543.340 NASDAQ 14,506.897 ▼-386.856 S&P 500 4,577.110 ▼-85.740 FTSE 100 7,563.550 ▼-47.680 Euro Stoxx50 3,802.490 ▼-28.500 <small>* CLOSING PRICES AS OF JAN. 14, 2022</small>	FX OPEN P51.470 HIGH P51.410 LOW P51.500 CLOSE P51.500 W.AVE. P51.458 VOL. \$754.20 M SOURCE: BAP	JANUARY 19, 2022 LATEST BID (0900GMT) JAPAN (YEN) 114.460 ▲ 114.570 HONG KONG (HK DOLLAR) 7.792 ▲ 7.793 TAIWAN (NT DOLLAR) 27.610 ▲ 27.610 THAILAND (BAHT) 33.030 ▲ 33.090 S. KOREA (WON) 1,189.620 ▲ 1,191.620 SINGAPORE (DOLLAR) 1.348 ▲ 1.349 INDONESIA (RUPIAH) 14,360 ▲ 14,335 MALAYSIA (RINGGIT) 4.191 ▼ 4.182	JANUARY 19, 2022 US\$/UK POUND 1.3607 ▼ 1.3628 US\$/EURO 1.1345 ▼ 1.1391 \$/AUSTRALIAN DOLLAR 0.7200 ▲ 0.7186 CANADA DOLLAR/US\$ 1.2480 ▲ 1.2523 SWISS FRANC/US\$ 0.9151 ▲ 0.9149	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$86.60/BBL ▲ \$1.70 30 DAYS TO JANUARY 18, 2022

VOL. XXXV • ISSUE 128 THURSDAY • JANUARY 20, 2022 • www.bworldonline.com 51/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 19, 2022 (PSEi snapshot on S1/2; article on S2/2)

SPNEC	P1.610	EMP	P19.200	AP	P33.550	ALI	P35.000	MONDE	P16.580	ICT	P204.400	SM	P959.000	ACEN	P9.500	SECB	P107.000	SMPH	P34.350
Value	P349,118,720	Value	P326,493,558	Value	P306,645,630	Value	P257,328,585	Value	P234,195,462	Value	P219,028,066	Value	P197,768,660	Value	P196,310,072	Value	P189,803,990	Value	P166,126,660
P0.010	▲ 0.625%	-P0.200	▼ -1.031%	P1.750	▲ 5.503%	-P0.950	▼ -2.643%	-P0.120	▼ -0.719%	-P7.000	▼ -3.311%	-P9.000	▼ -0.930%	-P0.060	▼ -0.628%	-P5.000	▼ -4.464%	-P0.500	▼ -1.435%

PHL seen to remain a laggard in ASEAN

By Luz Wendy T. Noble
Reporter

THE PHILIPPINE ECONOMY is likely to be among the laggards in Southeast Asia this year as policy direction in pandemic management remains unclear, analysts said.

At Fitch Ratings' Credit Outlook Asia Pacific 2022 forum, the debt watcher said it will continue to monitor the country's debt

metrics and the fiscal policy of the upcoming administration.

"When you think about Indonesia, Thailand, the Philippines, these are countries that have been deeply hurt by the pandemic, and still don't see any clear light as to how they will approach 2022, in opening up their economy, drawing foreign tourists to come back, which is such a critical component of their economy," Taimur Baig, managing director and chief economist, Group Research at DBS Bank said at the virtual forum on Wednesday.

Mr. Baig said the Philippines, along with Thailand, Indonesia and Malaysia, will face "substantial scarring" to economic output from the coronavirus disease 2019 (COVID-19) pandemic.

"These countries in the last two decades have invested so much on tourism, high-end tourism, low-end tourism, mass Chinese tourism, fancy European and US tourism," he said.

However, the continued surge in COVID-19 infections has dampened tourists' interest in these

markets, Mr. Baig said. He noted these countries, which heavily rely on international tourism, are missing Chinese tourists as China continues to keep its borders shut in line with its zero-COVID policy.

The Philippine economy contracted by a record 9.6% in 2020. For the first nine months of 2021, gross domestic product (GDP) grew by 4.9%. Economic managers raised their GDP growth forecast to 5-5.5% for 2021, after mobility curbs were eased and business capacity increased as COVID-19 cases fell.

Nomura Holdings, Inc. Chief ASEAN (Association of Southeast Asian Nations) Economist Euben Paracuelles said the Philippines and Indonesia would be "laggards" in the region as they continue to struggle to contain COVID-19 and face the threat of emerging variants.

"Vaccination is important. Healthcare infrastructure is important. And for Indonesia and Philippines, I think they've struggled a lot [in these areas]," Mr. Paracuelles said.

The Philippines has fully vaccinated more than 56 million

Filipinos, based on data from the Department of Health. The government now aims to fully vaccinate 77 million people against COVID-19 by the end of March.

The Health department reported 22,958 new COVID-19 infections on Wednesday, bringing active cases to 270,728. It also confirmed the first local deaths caused by the highly infectious Omicron variant — two unvaccinated people with existing medical conditions.

ASEAN, S1/3

Only 5 FIST corporations set up since law signed in 2021

ONLY FIVE Financial Institutions Strategic Transfer (FIST) corporations have been set up in the Philippines since a law allowing financial institutions to offload bad loans accumulated during the pandemic took effect in 2021, the Department of Finance (DoF) said.

The FIST Act, or Republic Act 11523, signed in February last year helps financial institutions clean their balance sheets by selling nonperforming assets to FIST corporations that are registered with the Securities and Exchange Commission (SEC).

The SEC in a report to the Finance department said the slow rollout of FIST corporations could be attributed to "the continuing strength of the Philippine banking system despite the pandemic."

Two of the five FIST corporations in the country are 100% owned by Filipinos, while the others include the participation of Japanese and Swiss investors, the DoF said in a press release on Wednesday.

Both Philippine Equitable Recovery FIST-Asset Management Corp. and Philippine Recovery Co. FISTC-AMC, Inc. are 100% Filipino owned, while Argo Global Servicing Philippines (FIST-AMC), Inc. is under a Japanese corporation.

Collectus FISTC-AMC Private Ltd. Corp. is wholly owned by a Switzerland-based firm, while Resurgent Capital (FISTC-AMC), Inc. includes an investment banking subsidiary of China Banking Corp. among its incorporators.

"Unlike during the Asian (financial) crisis, in general, Philippine banks remain well-capitalized and liquid. Hence, there is less pressure for banks to liquidate nonperforming loans or nonperforming assets for cash," the SEC said.

The SEC added that proponents of special purpose vehicles during the Asian financial crisis in the late 1990s were foreign investors looking into distressed Asian debt, including the nonperforming loans and assets of Philippine banks.

But the global effects of the coronavirus disease 2019 (COVID-19) pandemic meant that foreign investors did not need to go far to invest in distressed debt.

SEC said FIST corporations may need to turn to other Philippine credit granting institutions — including financing, lending, and microfinance companies — instead of banks.

The commission plans to discuss this with the Investment House Association of the Philippines and the Philippine Finance Association.

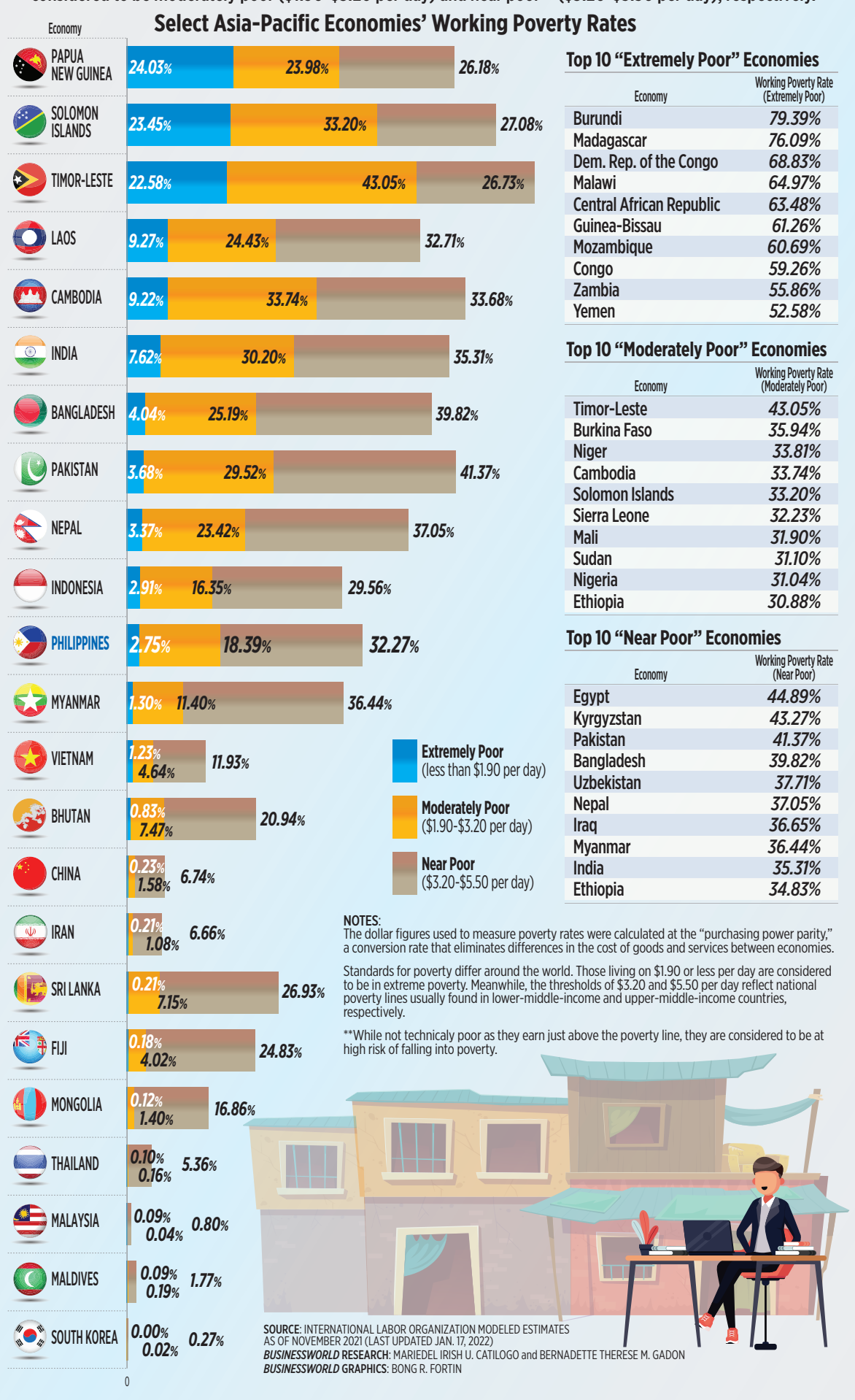
Bad loans as of November 2021 fell by 0.43% to P481.879 billion from P483.98 billion a month earlier. Still, this was 19% higher than the P404.687 billion logged in the same month in 2020.

This brought the November bad loan ratio to 4.35%, the lowest in eight months or since the 4.21% seen in March 2021, data from the Bangko Sentral ng Pilipinas (BSP) showed. —

Jenina P. Ibañez

WHICH ECONOMIES HAVE THE HIGHEST WORKING POVERTY RATES?

The working poor refers to employed individuals who live in households that fall below an accepted poverty line of \$1.90 a day. According to the International Labor Organization (ILO), much of the poverty in developing economies is prevalent among the employed as opposed to developed economies wherein poverty is often associated with unemployment. The infographic shows the working poverty rates of select economies in Asia and the Pacific based on ILO modeled estimates for 2021. In the Philippines, around 3% of the working population are in extreme poverty, or living in less than \$1.90 per day. Meanwhile, 18.39% and 32.27% of employed Filipinos are considered to be moderately poor (\$1.90-\$3.20 per day) and near poor** (\$3.20-\$5.50 per day), respectively.



Taxation, social protection gaps in online gig economy flagged

THE FLUID NATURE of online work has led to gaps in taxation and social protection, issues that have become more urgent with the increased adoption of remote work during the pandemic, a report from the Philippine Institute for Development Studies (PIDS) found.

In the report "Exploring Policies and Initiatives for Online Workers in the Philippines," PIDS Senior Research Fellow Ramonette B. Serafica and Research Analyst Queen Cel A. Oren found that the overlapping classification of online workers has affected their tax payments to the Bureau of Internal Revenue (BIR).

"Even if Filipino online workers want to register with the BIR and pay their fair share, anecdotal evidence reveal confusion with respect to their proper category. The registration requirements and procedures could also be problematic," the authors said.

Online workers are often freelancers hired on a per project basis, which means income is not always steady.

Some work depends on the availability of clients and contracts. They can fall under varying categories — entrepreneurs, part-time workers, freelancers, or independent contractors — at different times.

For instance, freelancers are not among the list of individuals who should file an income tax return (ITR) under the National Internal Revenue Code. But a freelancer can be classified as self-employed professional, mixed-income individual or sole proprietor, depending on their profession.

"Even if Filipino online workers want to register with the BIR and pay their fair share, anecdotal evidence reveal confusion with respect to their proper category," PIDS researchers said.

Some online workers are not able to register at the BIR because they cannot submit a residence certificate without the required storefronts.

"Platform workers have a different perception of their employment status. Depending on the nature of their work, they may be recognized by the BIR as individual and non-individual taxpayers," the authors said.

At the same time, freelance workers are able to tap social insurance programs, but they often fall into overlapping employment status categories.

"Online workers might find it challenging to make regular contributions or may not be motivated to voluntarily do so," PIDS said. "Thus, the current social protection schemes will have to be reviewed and updated to be responsive to the needs of new types of workers and work arrangements."

Social Security System and Pag-IBIG benefits have contribution-based eligibility rules, which means online workers that have not paid contributions over a certain number of months will not be able to avail of benefits.

The government should help simplify social protection registration processes and using online payment systems, the PIDS researchers said.

Online gig, S1/3



CORPORATE NEWS
Megaworld to buy prime Manila property for P1.89B S1/2

BANKING & FINANCE
Peso sinks to two-year low on geopolitical tensions S2/3

WORLD BUSINESS
Millionaires group calls for wealth tax at virtual Davos S2/3



FOLLOW US ON:
facebook.com/bworldph
twitter.com/bworldph
anchor.fm/businessworld