P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

VOL. XXXV • ISSUE 140

MONDAY • FEBRUARY 7, 2022 • www.bworldonline.com

S1/1-10 • 2 SECTIONS, 16 PAGES

STOCK MARKET

PSEi

OPEN:	7,407.97
HIGH:	7,470.13
LOW:	7,394.44
CLOSE:	7,456.35
VOL.:	1.749 B
VAL(P):	8.640 B

73.58 PTS. 0.99%

30 DAYS TO FEBRUARY 4, 2022

ASIAN MARKETS

FEBRUARY 4, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	27,439.99	▲	198.68	
Hong Kong (Hang Seng)	24,573.29	▲	771.03	
Taiwan (Weighted) *	17,674.40	▼	-26.72	
Thailand (SET Index)	1,674.22	▲	5.17	
S.Korea (Kse Composite)	2,750.26	▲	42.44	
Singapore (Straits Times)	3,331.41	▲	15.42	
Sydney (All Ordinaries)	7,120.20	▲	42.20	
Malaysia (Klse Composite)	1,522.76	▼	-2.97	

* CLOSING PRICES AS OF JAN. 26, 2022

WORLD MARKETS

FEBRUARY 4, 2022

	CLOSE		NET
Dow Jones	35,089.740	▼	-21.420
NASDAQ	14,098.007	▲	219.189
S&P 500	4,500.530	▲	23.090
FTSE 100	7,516.400	▼	-12.440
Euro Stoxx50	3,694.120	▼	-42.920

PESO-DOLLAR RATES

FX

OPEN	P51.000
HIGH	P50.950
LOW	P51.140
CLOSE	P51.140
W.AVE.	P51.029
VOL.	$892.50 M

9.00 CTVS

30 DAYS TO FEBRUARY 4, 2022

SOURCE : BAP

ASIAN MONIES-US$ RATE

FEBRUARY 4, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	115.200	▼	114.680
Hong Kong (HK dollar)	7.788	▲	7.795
Taiwan (NT dollar)	27.799	▲	27.824
Thailand (baht)	32.980	▲	33.130
S. Korea (won)	1,198.250	▲	1,203.770
Singapore (dollar)	1.346	▲	1.348
Indonesia (rupiah)	14,378	▼	14,375
Malaysia (ringgit)	4.178	▲	4.182

WORLD CURRENCIES

FEBRUARY 4, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.3529	▼	1.3558
US$/Euro	1.1447	▲	1.1290
$/Aust dollar	0.7076	▼	0.7123
Canada dollar/US$	1.2764	▲	1.2697
Swiss Franc/US$	0.9254	▲	0.9215

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$86.65/BBL

$2.80

30 DAYS TO FEBRUARY 4, 2022

PHILIPPINE STOCK EXCHANGE’S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 4, 2022 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
SPNEC	P2.060	P952,773,140	-P0.150	▼	-6.787%
CNVRG	P28.000	P646,075,825	-P1.600	▼	-5.405%
BPI	P100.000	P497,212,423	P0.250	▲	0.251%
ICT	P202.000	P486,329,232	-P1.000	▼	-0.493%
TEL	P1,880.000	P342,500,940	P10.000	▲	0.535%
MONDE	P16.060	P298,591,782	P0.060	▲	0.375%
MER	P345.000	P296,704,442	P8.200	▲	2.435%
SECB	P114.700	P275,061,067	P3.300	▲	2.962%
BDO	P136.500	P268,475,074	-P2.500	▼	-1.799%
NIKL	P6.340	P267,296,013	P0.350	▲	5.843%

BSP unlikely to issue digital currency

THE Bangko Sentral ng Pilipinas (BSP) is unlikely to issue its own central bank digital currency (CBDC) in the near term, according to BSP Governor Benjamin E. Diokno.

“The BSP has no plans to introduce a CBDC in the near term primarily because the population remains heavily cash reliant given the country’s efficient and effective payment and settlement systems,” Mr. Diokno told Global Source Partners in a report.

Mr. Diokno said the BSP’s technical working group has done consultations with other central banks, technical service providers, other institutions and even small businesses in relation to the use cases of a possible CBDC.

For now, he said they are strengthening the domestic retail payment system.

“Exploratory works on identified uses cases for CBDC in the Philippines are currently being undertaken for cross-border payments, settlement of equity securities, and intraday liquidity facility,” Mr. Diokno said.

The central bank is hoping that half of all transactions will be done online by 2023. In 2020, about 20% of payments were done digitally.

A CBDC is centralized, issued, and regulated by a central bank, and can serve as a medium of exchange or store of value. Unlike other digital assets, it is regulated by the central bank, making it less prone to price volatility unlike decentralized cryptocurrencies like Bitcoin.

Central banks in China and Europe have started working on developing their CBDCs. Just last week, India said it will soon launch a digital rupee that will be regulated by the Reserve Bank of India.

Currency, S1/7

Local gov’ts urged to ramp up spending

By Jenina P. Ibañez
Senior Reporter

LOCAL government units (LGUs) need to set up a strong pipeline of projects and improve their implementation processes to support spending as their share in national taxes expands this year, the Department of Finance (DoF) said.

“LGUs need to brush up on project planning and implementation so that projects are efficiently implemented and finished on time,” Finance Undersecretary and Chief Economist Gil S. Beltran said in a Viber message.

“They should also keep a good pipeline of projects so that resources are not kept idle. The Development Academy of the Philippines offers courses relevant to this for LGU executives and managers.”

The DoF has said the Supreme Court’s Mandanas ruling that expands local governments’ share in national taxes starting this year would lead to lower economic growth.

The department noted that the higher tax allocation for LGUs would dampen spending efficiency — which measures the share of funds that create jobs or stimulate demand to total spending — because the National Government usually spends at double the pace.

Romeo L. Bernardo, a trustee for the Foundation for Economic Freedom and former Finance undersecretary, said that the LGUs should explore more private public partnerships due to constraints in fiscal space and the need to tap private sector expertise.

In an e-mail, he said LGUs have limited ability to spend capital, which ends up being “either unspent or worse, wasted.” “Thus, the lack of local technical capacity perpetuates the dependence of local governments on the National Government,” he added.

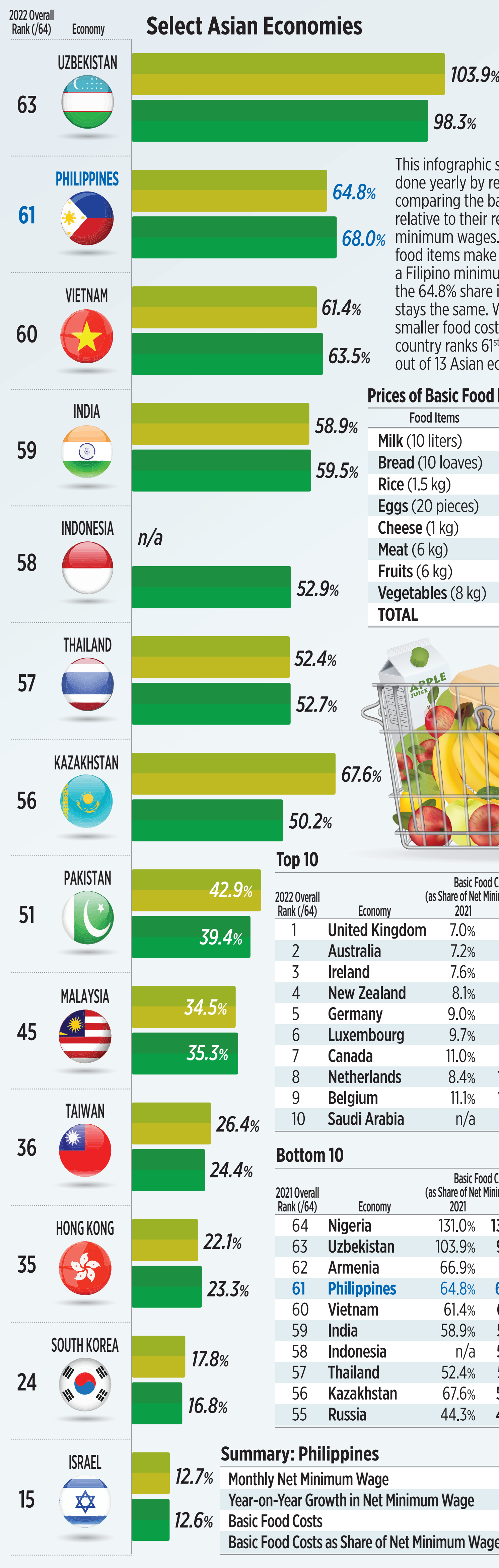
He suggested that the National Government provide capacity-building support to LGUs and channel the higher internal revenue allotments to local coronavirus response.

“(This would) mitigate budget execution risks while providing much needed support to local constituents. Especially in the transition as their capacity is being developed,” he said.

LGUs, S1/7

SHARE OF FILIPINOS’ FOOD COSTS TO NET MINIMUM WAGE RISES

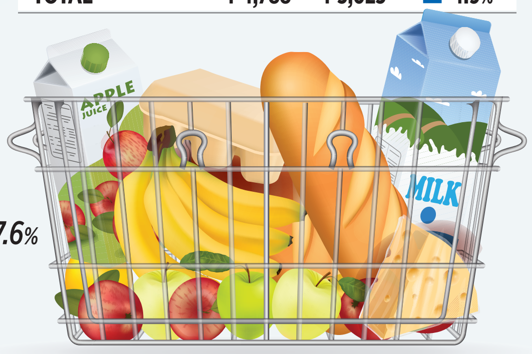
Select Asian Economies



This infographic shows the results of a survey done yearly by research firm Picodi.com comparing the basic food costs in economies relative to their respective monthly net take-home minimum wages. In the latest result, essential food items make up 68% of net take-home pay of a Filipino minimum wage earner in 2022, up from the 64.8% share in 2021. However, minimum wage stays the same. With a higher ranking denoting smaller food costs relative to minimum wage, the country ranks 61st out of 64 economies (and 12th out of 13 Asian economies).

Prices of Basic Food Products in the Philippines (in pesos)

Food Items	2021	2022	Growth Rate
Milk (10 liters)	₱864	**₱881**	▲ 2.0%
Bread (10 loaves)	₱577	**₱611**	▲ 5.9%
Rice (1.5 kg)	₱76	**₱75**	▼ 1.3%
Eggs (20 pieces)	₱147	**₱149**	▲ 1.4%
Cheese (1 kg)	₱296	**₱332**	▲ 12.2%
Meat (6 kg)	₱1,507	**₱1,595**	▲ 5.8%
Fruits (6 kg)	₱651	**₱682**	▲ 4.8%
Vegetables (8 kg)	₱670	**₱698**	▲ 4.2%
TOTAL	**₱4,788**	**₱5,023**	▲ 4.9%



Top 10

2022 Overall Rank (/64)	Economy	Basic Food Costs (as Share of Net Minimum Wage) 2021	2022
1	United Kingdom	7.0%	6.6%
2	Australia	7.2%	7.1%
3	Ireland	7.6%	7.3%
4	New Zealand	8.1%	7.6%
5	Germany	9.0%	8.9%
6	Luxembourg	9.7%	9.4%
7	Canada	11.0%	9.8%
8	Netherlands	8.4%	10.0%
9	Belgium	11.1%	10.9%
10	Saudi Arabia	n/a	11.4%

Bottom 10

2021 Overall Rank (/64)	Economy	Basic Food Costs (as Share of Net Minimum Wage) 2021	2022
64	Nigeria	131.0%	136.6%
63	Uzbekistan	103.9%	98.3%
62	Armenia	66.9%	71.0%
61	Philippines	64.8%	68.0%
60	Vietnam	61.4%	63.5%
59	India	58.9%	59.5%
58	Indonesia	n/a	52.9%
57	Thailand	52.4%	52.7%
56	Kazakhstan	67.6%	50.2%
55	Russia	44.3%	45.9%

NOTES:
- Product prices and minimum wage are as of January 2022 and January 2021.
- The mean value of all net wages are calculated in economies where minimum wages differ by region (USA, Philippines, Thailand, Vietnam).
- According to Picodi.com, product prices came from *numbeo.com*, where the data were gathered by internet users from all over the world.
- The shopping basket for essential food items is said to meet only the minimum nutritional needs of one adult person per month.
- For the conversion to local currencies, Picodi.com used the average Google Finance rates for the fourth quarter of 2021.

SOURCE: PICODI.COM (MINIMUM WAGE AROUND THE WORLD IN 2022) *HTTPS://WWW.PICODI.COM/PH/BARGAIN-HUNTING/MINIMUM-WAGE-2022*

***BUSINESSWORLD* RESEARCH**: BERNADETTE THERESE M. GADON
***BUSINESSWORLD* GRAPHICS**: BONG R. FORTIN

Summary: Philippines

	2021	2022
Monthly Net Minimum Wage	₱7,385 ($153)	**₱7,385 ($146)**
Year-on-Year Growth in Net Minimum Wage	▲ 3.4%	◆ 0.0%
Basic Food Costs	₱4,788.00	**₱5,023.00**
Basic Food Costs as Share of Net Minimum Wage	64.8%	**68.0%**

PSE eyes dividend yield index

THE Philippine Stock Exchange (PSE) is planning to launch a dividend yield index within the first half of 2022, as more publicly listed companies (PLCs) are now issuing dividends to common shareholders.

“With around 40% of PLCs giving out dividends to their common shareholders, we deemed it necessary to showcase companies that provide high dividend income to investors by coming up with a Dividend Yield Index,” PSE President and Chief Executive Officer Ramon S. Monzon said in a statement.

“This thematic index will be one of the new indices that we will be introducing within the semester,” Mr. Monzon added.

The PSE said 108 out of 276 listed companies distributed a total of P402.18 billion in cash dividends in 2021. This was 17.3% higher than the P342.88 billion in dividends issued by 105 firms out of 271 in 2020.

The PLCs’ dividend yield stood at 2.58% in 2021, inching up from 2.50% from the previous year.

“The gradual reopening of the local economy allowed companies to generate better income, which resulted in bigger dividends for shareholders. We hope that earnings growth among PLCs continues to improve to ensure steady dividend income for stock market investors,” Mr. Monzon said.

Mr. Monzon also noted that real estate investment trusts (REITs) “have become a preferred asset class among investors because of its dividend mandate.”

In 2021, AREIT, Inc.; DDMP REIT, Inc.; Filinvest REIT Corp.; RL Commercial REIT, Inc.; and MREIT, Inc. paid out a total of P5.77 billion with a dividend yield of 2.16%. The PSE noted that this was achieved even as three REITs were only listed for an average of four months.

“With more REITs expected to list this year, including non-property REITs, investors will have a wider selection of companies that can provide passive income,” Mr. Monzon said.

The country’s first energy-focused REIT, Citicore Energy REIT Corp., kicked off its offer period last week for its P6.4-billion initial public offering and is expected to list at the main board of the exchange by Feb. 17.

Meanwhile, Jollibee Foods Corp. and DoubleDragon Properties Corp. are planning to launch an industrial REIT this year through DoubleDragon’s CentralHub Industrial Centers, Inc.

For the 30-member Philippine Stock Exchange index (PSEi), the cash dividends paid by 28 of its members to common shareholders totaled P157.8 billion with a dividend yield of 1.72% last year, inching up from the P157.05 billion disbursed by 29 firms with a dividend yield of 1.76% in 2020. — **Keren Concepcion G. Valmonte**

WHAT’S INSIDE

CORPORATE NEWS
SEC flags 6 firms’ unauthorized investment taking *S1/2*

THE NATION
Undecided voters could be swayed by debates — analysts *S1/8*

A NEWSPAPER IS A PUBLIC TRUST

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

Repatriated OFWs face tight job market in PHL

REPATRIATED Filipino workers faced a tight job market in the Philippines and savings losses, exposing gaps in the government’s reintegration programs, an Asian Development Bank (ADB) report said.

Thousands of overseas Filipino workers (OFWs) were repatriated to the Philippines during the coronavirus disease 2019 (COVID-19) pandemic, after most of their employers laid them off or did not renew their contracts.

“Although aggregate figures indicate that in 2020, remittance inflows to the Philippines declined much less than initially anticipated, implications of this decline could differ and might even be severe for some households, depending upon their income and financial conditions,” the ADB said.

Cash remittances fell for the first time in two decades in 2020, slipping by 0.8% year on year to $29.903 billion. However, the decline was better than the 2% contraction forecast by the central bank for the full year.

The World Bank in April 2020 projected a 20% global decline in remittances for that year as many migrants lost jobs.

Despite the lower-than-expected drop in remittances, many returning Filipinos were affected by the loss of wages. A third of male and 17% of female workers earned over P50,000 a month overseas.

“For these return migrants, the pandemic put an end to this inflow,” the report by ADB economist Jong Woo Kang and consultant Ma. Concepcion G. Latoja said.

Many also did not receive their final wages or separation pay after their contracts were terminated, reducing the money they brought back home. This loss of income put at risk their households’ consumption and savings, which they had mostly spent on food, education, and health.

OFWs, S1/7