P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET

PSEi	
OPEN:	7,419.58
HIGH:	7,425.44
LOW:	7,368.67
CLOSE:	7,418.79
VOL.:	1.185 B
VAL(P):	7.424 B

▼ 20.14 PTS. 0.27%

30 DAYS TO FEBRUARY 18, 2022

ASIAN MARKETS

FEBRUARY 18, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	27,122.07	▼	-110.80	-0.41
Hong Kong (Hang Seng)	24,327.71	▼	-465.06	-1.88
Taiwan (Weighted)	18,232.35	▼	-36.22	-0.20
Thailand (SET Index)	1,713.20	▲	1.62	0.09
S.Korea (Kse Composite)	2,744.52	▲	0.43	0.02
Singapore (Straits Times)	3,428.90	▼	-12.67	-0.37
Sydney (All Ordinaries)	7,221.70	▼	-74.50	-1.02
Malaysia (Klse Composite)	1,603.05	▼	-1.97	-0.12

WORLD MARKETS

FEBRUARY 18, 2022

	CLOSE		NET
Dow Jones	34,079.180	▼	-232.850
NASDAQ	13,548.066	▼	-168.653
S&P 500	4,348.870	▼	-31.390
FTSE 100	7,513.620	▼	-23.750
Euro Stoxx50	3,714.540	▼	-21.130

PESO-DOLLAR RATES

FX	
OPEN	P51.340
HIGH	P51.280
LOW	P51.360
CLOSE	P51.350
W.AVE.	P51.314
VOL.	$546.20 M

▼ 2.00 CTVS

30 DAYS TO FEBRUARY 18, 2022

SOURCE : BAP

ASIAN MONIES-US$ RATE

FEBRUARY 18, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	115.000	▲	115.050
Hong Kong (HK dollar)	7.800	▲	7.802
Taiwan (NT dollar)	27.840	▲	27.851
Thailand (baht)	32.150	▲	32.180
S. Korea (won)	1,195.000	▲	1,198.170
Singapore (dollar)	1.346	▼	1.344
Indonesia (rupiah)	14,325	▼	14,315
Malaysia (ringgit)	4.184	▲	4.185

WORLD CURRENCIES

FEBRUARY 18, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.3590	▼	1.3602
US$/Euro	1.1321	▼	1.1359
$/Aust dollar	0.7173	▼	0.7196
Canada dollar/US$	1.2749	▲	1.2702
Swiss Franc/US$	0.9215	▲	0.9213

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$90.31/BBL

▼ $1.56

30 DAYS TO FEBRUARY 18, 2022

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S1/1-10 • 3 SECTIONS, 18 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 18, 2022 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value		
ALI	P39.650	P588,098,195	P0.950 ▲	2.455%
RLC	P19.500	P516,542,964	P0.300 ▲	1.563%
GLO	P2,700.000	P361,738,510	-P88.000 ▼	-3.156%
TEL	P1,782.000	P356,382,200	-P48.000 ▼	-2.623%
SM	P921.000	P336,907,195	-P6.000 ▼	-0.647%
SMPH	P38.200	P327,295,555	P0.200 ▲	0.526%
CNVRG	P27.800	P277,379,985	-P0.700 ▼	-2.456%
ICT	P217.000	P246,895,364	P1.400 ▲	0.649%
MPI	P3.860	P228,893,100	-P0.020 ▼	-0.515%
MBT	P60.300	P197,793,726	P0.100 ▲	0.166%

Policy normalization seen in 2nd half

THE BANGKO SENTRAL ng Pilipinas (BSP) may start normalizing policy rates towards the second half of this year as it expects the economy's output gap to close, a central bank official said.

"Our estimate is that the output gap could close in the second half of this year, and then it will turn positive thereafter," Deputy Governor Francisco G. Dakila, Jr. said at a Thursday briefing.

"There is enough headroom for continued accommodative monetary policy in the near term with possible normalization to begin towards the second half of 2022."

Mr. Dakila said that while inflation is likely to stay within the target 2-4% range, rising demand as the economy improves could cause faster price increases.

The BSP last week kept its key rate unchanged for its 10th straight meeting, with the overnight repurchase rate still at 2%. But it hinted at an "eventual normalization" once economic recovery is sustained or inflation risks rise. The Monetary Board will have its next policy review on March 24.

The central bank raised its average inflation forecast for 2022 to 3.7% from 3.4% previously. It also increased the 2023 inflation estimate to 3.3% from 3.2%.

Shortages of pork and fish supply, along with the effect of higher oil prices on transport fares, remain risks to the inflation outlook, the BSP said.

Mr. Dakila said the timing of normalizing policy support will depend on the outlook for inflation and output, liquidity and credit conditions, financial sector risks, global developments, and public health.

Although the economy grew faster than expected in the fourth quarter last year, he noted that the stricter lockdown rules in response to an Omicron-driven surge in coronavirus disease 2019 (COVID-19) cases could negatively impact first-quarter expansion this year.

Policy, S1/9

PHILIPPINES 43RD IN TOBACCO INDUSTRY INFLUENCE LIST

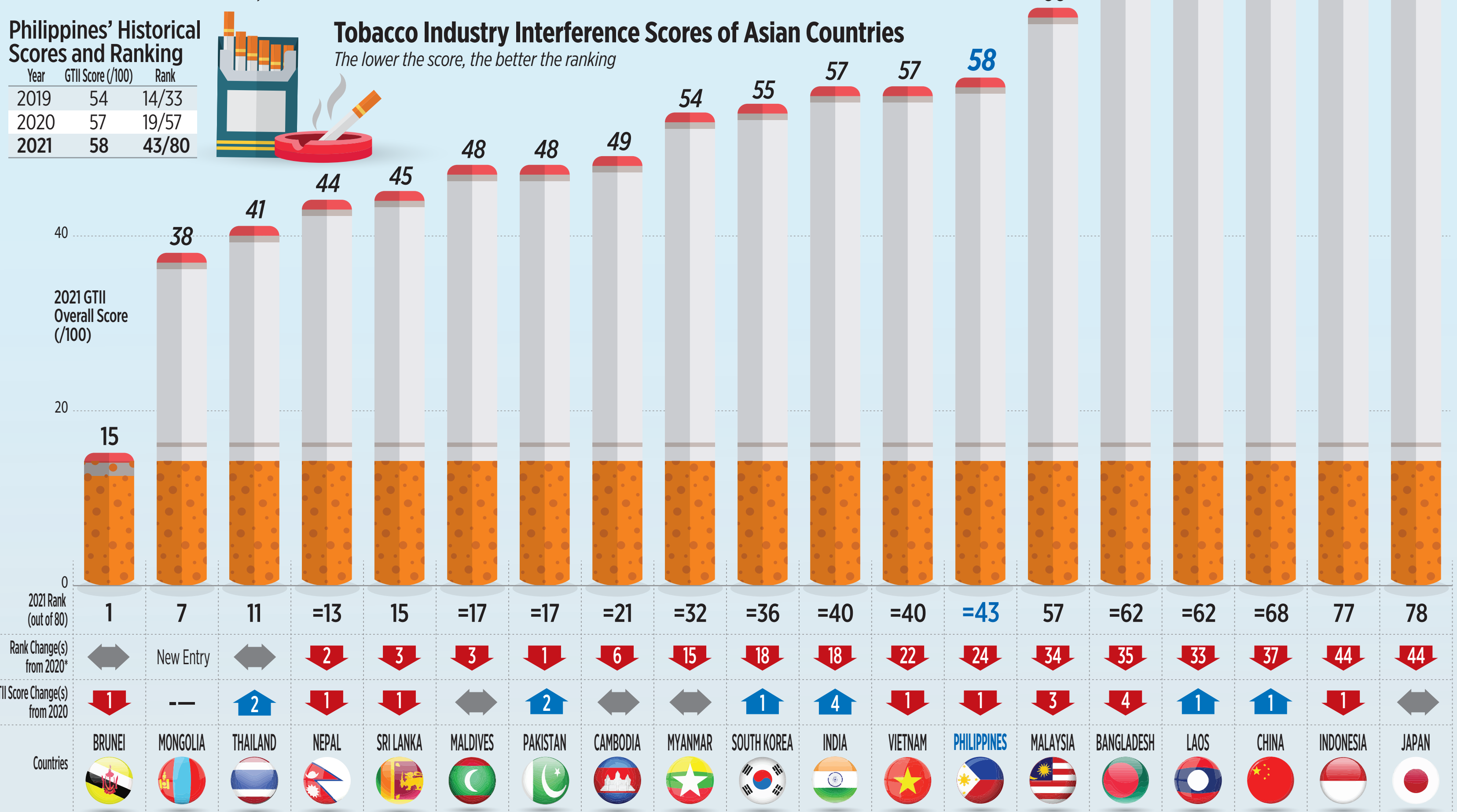
The Global Tobacco Industry Interference Index (GTII) by the Global Center for Good Governance in Tobacco Control surveys on how governments are responding to tobacco industry interference. It looks at the status of government efforts in implementing the World Health Organization Framework Convention on Tobacco Control Article 5.3 which aims to protect tobacco control policies from commercial and other vested interests of the tobacco industry. The lower the score out of 100, the lower the overall level of interference, which augurs well for a country. Alongside Brazil, Fiji, and Panama, the Philippines has an overall score of 58, placing 43rd out of 80 countries in the 2021 edition of the index. In Asia, it ranks 13th out of 19 Asian countries.

Philippines' Historical Scores and Ranking

Year	GTII Score (/100)	Rank
2019	54	14/33
2020	57	19/57
2021	58	43/80

Tobacco Industry Interference Scores of Asian Countries

The lower the score, the better the ranking



Countries	2021 GTII Overall Score (/100)	2021 Rank (out of 80)	Rank Change(s) from 2020*	GTII Score Change(s) from 2020
BRUNEI	15	1	◆	▼1
MONGOLIA	38	7	New Entry	--
THAILAND	41	11	◆	▲2
NEPAL	44	=13	▼2	▼1
SRI LANKA	45	15	▼3	▼1
MALDIVES	48	=17	▼3	◆
PAKISTAN	48	=17	▼1	▲2
CAMBODIA	49	=21	▼6	◆
MYANMAR	54	=32	▼15	◆
SOUTH KOREA	55	=36	▼18	▲1
INDIA	57	=40	▼18	▲4
VIETNAM	57	=40	▼22	▼1
PHILIPPINES	58	=43	▼24	▼1
MALAYSIA	66	57	▼34	▼3
BANGLADESH	72	=62	▼35	▼4
LAOS	72	=62	▼33	▲1
CHINA	76	=68	▼37	▲1
INDONESIA	83	77	▼44	▼1
JAPAN	88	78	▼44	◆

Philippines' Performance (2021)

	2021 Score	Score Change(s) from 2020*
Overall Score	58	▼1
Indicators		
Participation in Policy Development	16	◆
Tobacco-related CSR Activities	5	▼1
Benefits to the Tobacco Industry	8	▼3
Forms of Unnecessary Interaction	11	◆
Transparency	3	◆
Conflict of Interest	8	▲3
Preventive Measures	7	◆

Least Interference

Country	2021 Rank (out of 80)	Rank Change(s) from 2020*	2021 GTII Overall Score (/100)	GTII Score Change(s) from 2020
Brunei	1	◆	15	▼1
New Zealand	2	▲3	30	▲3
United Kingdom	3	▲1	32	◆
France	4	▼2	33	▼6
Uganda	5	▼2	34	▼3

Most Interference

Country	2021 Rank (out of 80)	Rank Change(s) from 2020*	2021 GTII Overall Score (/100)	GTII Score Change(s) from 2020
Dominican Rep.	80	New Entry	96	--
Switzerland	79	New Entry	92	--
Japan	78	▼44	88	◆
Indonesia	77	▼44	83	▼1
Georgia	76	▼45	80	▼3

NOTES:
*The first index in 2019 surveyed 33 countries; the second index (2020), 57 countries; and third (2021), 80 countries.
- The latest index covers publicly available information on tobacco industry interference for the period of January 2019 to March 2021 for 23 new countries, and January 2020 to March 2021 for the 57 countries.

SOURCE: GLOBAL CENTER FOR GOOD GOVERNANCE IN TOBACCO CONTROL'S GLOBAL TOBACCO INDUSTRY INTERFERENCE INDEX 2021 (*HTTPS://GLOBALTOBACCOINDEX.ORG/*)

***BUSINESSWORLD* RESEARCH**: BERNADETTE THERESE M. GADON

***BUSINESSWORLD* GRAPHICS**: BONG R. FORTIN

DPWH proposes to move utility lines underground

By Arjay L. Balinbin
Senior Reporter

OVERHEAD UTILITY LINES in Metro Manila may soon be moved underground, according to a proposal by the Department of Public Works and Highways - National Capital Region (DPWH-NCR) office.

DPWH-NCR Regional Director Nomer Abel P. Canlas told *BusinessWorld* that the office submitted to the DPWH Central Office a proposal for a feasibility study on making all electricity and communication lines underground in the capital region.

In an interview last Friday, Mr. Canlas said they are proposing to start the project along major roads such as Epifanio de los Santos Avenue (EDSA), Radial Road 10 (R-10), and Circumferential Road 3 (C-3).

"One of our visions for the NCR is to put all lines underground," he said, citing safety, convenience, and aesthetics.

"Let's look beyond 2022, and we may see more posts and cables, which are unsightly. It would be a lot nicer if we put them underground," he added.

Apart from the aesthetic advantages, underground cables also help avoid accidents like electrocution.

"Utility companies will no longer worry about acquiring road right-of-way for their utility posts," Mr. Canlas noted.

DPWH, S1/9

LGUs spent P118 billion for pandemic response

LOCAL GOVERNMENT UNITS (LGUs) spent P118.9 billion for their pandemic response up to June last year, the Department of Finance (DoF) said.

LGUs spent the total from April 2020 to June 2021, of which P76.44 billion came from their own funds, while another P35.44 billion came from the national budget through the Bayanihan to Heal as One Act (Bayanihan I).

The Bureau of Local Government Finance (BLGF) in its report to the DoF said LGUs also used P4.93 billion from unexpended cash balances of public funds.

Under the Bayanihan to Recover as One Act (Bayanihan II), the unexpended cash balances of public funds held in trust by the local governments can be used for their coronavirus disease 2019 (COVID-19) programs.

The remaining P2.14 billion spent by the LGUs came from grants and donations, the DoF said in a press release on Saturday.

The BLGF has developed an online reporting system for local government treasurers to track receipts and spending for COVID-19 programs.

"This reporting system was used to establish and assess baseline local finance data to serve as inputs in managing the COVID-19 response of the government," BLGF Executive Director Niño Raymond Alvina said.

Funds were used for operating expenses, food assistance and other relief goods, capital outlays, and financial assistance for students, drivers, and senior citizens.

Data gathered by the BLGF came from 1,715 LGU treasurers. — **Jenina P. Ibañez**

As prices spike, oil firms urged to shoulder excise tax

By Jenina P. Ibañez
Senior Reporter

EXCISE TAXES on fuel should be absorbed by oil companies to slow down price spikes shouldered by consumers without sacrificing government revenues, an analyst said.

"Oil companies should absorb the excise tax and not pass it on to consumers," Center for Energy, Ecology, and Development Executive Director Gerry C. Arances said in a Viber message.

"That is the most equitable solution, allowing revenues to be used for social services while at the same time lowering the price of petroleum products."

The Department of Energy (DoE) has renewed its call for the suspension of excise tax on fuel products in a bid to slow the rise in fuel prices.

But Mr. Arances said the call for suspension is a "false dilemma" because it secures company profits "at the expense of everyone else in the country."

Local oil firms last week raised gasoline prices by P1.20 per liter, diesel by P1.05, and kerosene by P0.65. Since the start of the year, prices of gasoline, diesel, and kerosene products have risen by P7.95, P10.2, and P9.10, respectively.

The Bangko Sentral ng Pilipinas (BSP) has indicated that it is monitoring global crude oil prices to the extent that they affect inflation prospects.

Current oil prices are caused by short supply and higher demand due to a global economic rebound, BSP Governor Benjamin E. Diokno said.

Mr. Arances said that fossil fuel volatility prompts a need for energy security backed by renewable sources and the use of electric vehicles.

"If we were even in the initial stages of the transition, oil companies themselves would be hesitant to raise prices for fear of accelerating the transition to renewables, exacerbating our current predicament altogether," he said.

Previously, the Department of Finance said a suspension of excise tax on fuel is inequitable because it would translate to higher income households benefiting at a faster pace than others. The Finance department also warned of foregone government revenue.

The government could only suspend excise taxes through new legislation amending the oil deregulation law.

Excise tax, S1/9

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