P25
IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET

PSEi

OPEN:	7,090.22
HIGH:	7,115.09
LOW:	7,062.72
CLOSE:	7,115.09
VOL.:	0.788 B
VAL(P):	4.867 B

▼ 19.27PTS. 0.27%
30 DAYS TO MARCH 29, 2022

ASIAN MARKETS

MARCH 29, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	28,252.42	▲	308.53	1.10
Hong Kong (Hang Seng)	21,927.63	▲	242.66	1.12
Taiwan (Weighted)	17,548.66	▲	28.65	0.16
Thailand (SET Index)	1,689.72	▲	5.42	0.32
S.Korea (Kse Composite)	2,741.07	▲	11.51	0.42
Singapore (Straits Times)	3,425.00	▼	-6.99	-0.20
Sydney (All Ordinaries)	7,464.30	▲	51.90	0.70
Malaysia (Klse Composite)	1,583.42	▼	-14.53	-0.91

WORLD MARKETS

MARCH 28, 2022

	CLOSE		NET
Dow Jones	34,955.890	▲	94.650
NASDAQ	14,354.902	▼	185.602
S&P 500	4,575.520	▲	32.460
FTSE 100	7,473.140	▼	-10.210
Euro Stoxx50	3,698.920	▲	4.960

PESO-DOLLAR RATES

FX

OPEN	P52.070
HIGH	P51.990
LOW	P52.130
CLOSE	P52.075
W.AVE.	P52.069
VOL.	$1,047.40 M

▲ 5.50 CTVS
30 DAYS TO MARCH 29, 2022
SOURCE : BAP

ASIAN MONIES-US$ RATE

MARCH 29, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	123.630	▲	124.580
Hong Kong (HK dollar)	7.828	▲	7.829
Taiwan (NT dollar)	28.783	▼	28.774
Thailand (baht)	33.680	▲	33.780
S. Korea (won)	1,217.770	▲	1,223.760
Singapore (dollar)	1.360	▲	1.361
Indonesia (rupiah)	14,363	▼	14,362
Malaysia (ringgit)	4.216	▼	4.215

WORLD CURRENCIES

MARCH 29, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.3080	▼	1.3128
US$/Euro	1.1022	▲	1.0970
$/Aust dollar	0.7491	▼	0.7516
Canada dollar/US$	1.2492	▼	1.2494
Swiss Franc/US$	0.9364	▲	0.9361

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$110.65/BBL
▼ $1.25
30 DAYS TO MARCH 28, 2022

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S1/1-10 • 3 SECTIONS, 20 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 29, 2022 (PSEi snapshot on *S1/4*; article on *S2/2*)

Stock	Price	Value	Change		%
ALI	P35.250	P370,513,480	-P0.750	▼	-2.083%
ICT	P216.000	P331,694,178	-P2.000	▼	-0.917%
AC	P786.000	P284,634,555	-P20.000	▼	-2.481%
ACEN	P8.390	P242,861,422	P0.010	▲	0.119%
CNVRG	P29.200	P237,861,755	P0.700	▲	2.456%
SM	P896.000	P215,563,625	-P4.000	▼	-0.444%
BDO	P132.000	P211,799,274	P0.400	▲	0.304%
SMPH	P37.950	P207,261,135	P0.450	▲	1.200%
TEL	P1,841.000	P206,335,455	-P29.000	▼	-1.551%
SPNEC	P2.030	P183,562,610	P0.010	▲	0.495%

PEZA orders BPOs to return to offices

By Revin Mikhael D. Ochave
Reporter

ALL REGISTERED information technology-business process outsourcing (IT-BPO) firms should comply with the government's return-to-office order starting April 1, the Philippine Economic Zone Authority (PEZA) said on Tuesday.

In a statement, PEZA Director-General Charito B. Plaza acknowledged the concerns raised by investors and workers who will be affected by the Fiscal Incentives Review Board (FIRB) order for 100% on-site work for registered IT-BPO firms, but said they should follow the law or risk losing tax incentives.

Under Republic Act No. 7916 or PEZA law, all registered companies should operate within the ecozones to be entitled to tax incentives.

"At present, PEZA cannot change the ratio unless the laws will be amended to incorporate the adaptation of the hybrid schemes. In the future, we hope to follow the practice of India and the other countries and provide specific ratio on work-from-home (WFH) and on-site work arrangements," Ms. Plaza said.

She said there is a need to review and establish a legal framework to implement a hybrid work model for IT-BPM firms that operate within PEZA ecozones.

"PEZA supports the hybrid work scheme as it's been proven effective in the last three years of the pandemic. What we can do is to recommend this for the next administration to address. As of now, we have to abide by the existing laws and the decision of the FIRB and help to put back the economy to normal," Ms. Plaza said.

Sought for additional comment, Ms. Plaza said via mobile phone message that the return-to-office order is unlikely to affect potential investments or expansion of IT-BPO firms in the country.

"(There is) no effect because we're just going back to the regular regime of work and incentives," Ms. Plaza said.

Jack Madrid, IT and Business Process Association of the Philippines (IBPAP) president and chief executive officer, said in a Viber message that the group supports the government's efforts to reopen the economy.

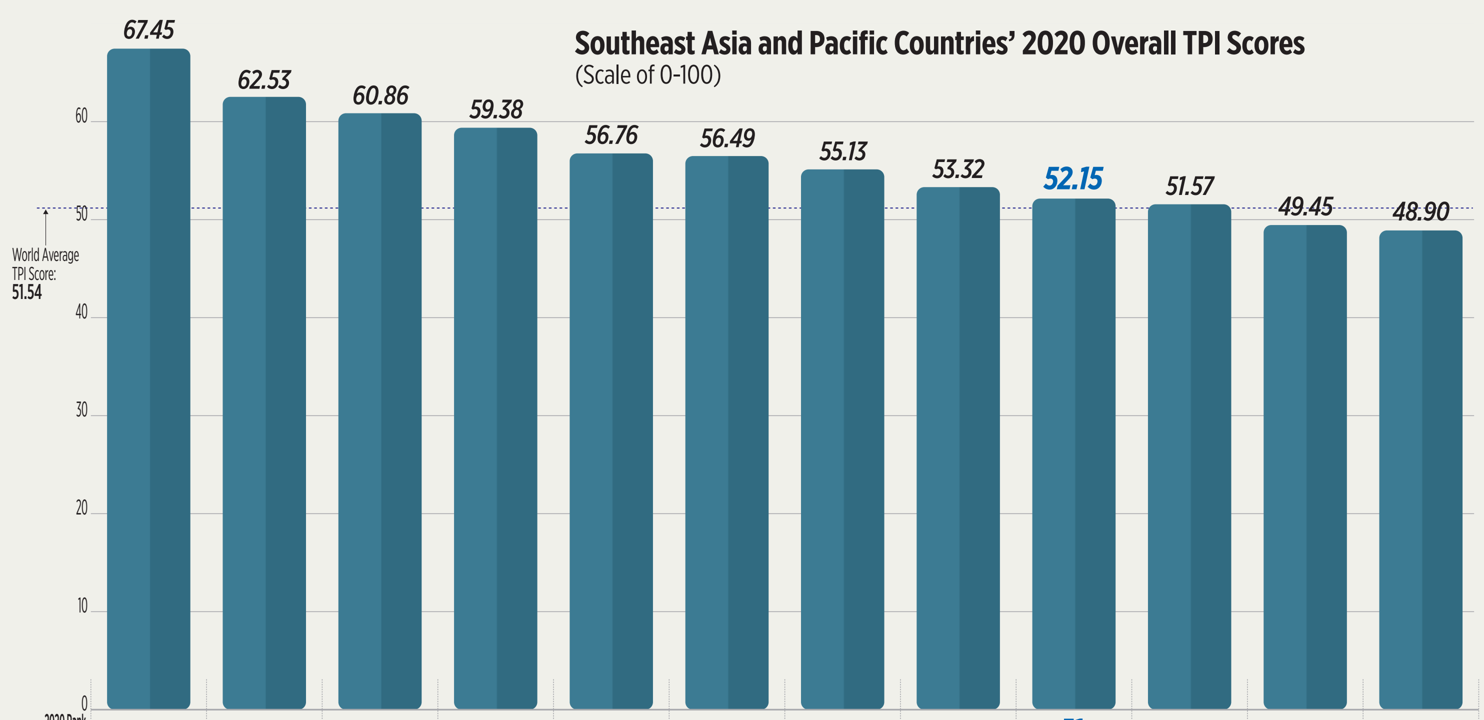
"We are currently working with all our stakeholders to ensure that our member companies are able to transition into the work arrangement that best suits their operational needs and capabilities and addresses their employees' welfare and well-being while remaining compliant with government mandates," Mr. Madrid said.

At the height of the coronavirus disease 2019 (COVID-19) pandemic, the FIRB allowed IT-BPOs located in economic zones to implement a WFH arrangement for up to 90% of its total workforce until March 31, while still enjoying tax incentives.

BPOs, S1/5

PHILIPPINES DROPS IN SUSTAINABILITY TRANSITION RANKING

The Philippines dropped by a notch to 51st out of 72 countries in the latest European Commission report that measures a country's transition to fair and prosperous sustainability. With an overall Transitions Performance Index (TPI) score of 52.15 (out of possible 100 points) in 2020, the Philippines was above the world average of 51.54. It was the fourth lowest in the Southeast Asia and Pacific region, only ahead of Vietnam, China, and India.



Country	JAPAN	SOUTH KOREA	NEW ZEALAND	SINGAPORE	AUSTRALIA	INDONESIA	THAILAND	MALAYSIA	PHILIPPINES	VIETNAM	CHINA	INDIA
2020 Rank (Out of 72)	17	28	33	35	38	40	42	47	51	54	60	63
Rank Change(s) from 2019	▲ 2	▲ 1	▼ 1	◄►	◄►	◄►	▲ 1	▲ 2	▼ 1	◄►	▲ 2	◄►
TPI Score Change(s) from 2019	▲ 0.06	▼ 0.04	▼ 0.32	▼ 0.48	▼ 0.15	▲ 0.16	▲ 0.16	▼ 0.07	▼ 0.62	▲ 0.01	▲ 0.34	▼ 0.04
Transition Group	Strong Transition	Good Transition	Good Transition	Good Transition	Good Transition	Good Transition	Good Transition	Moderate Transition	Moderate Transition	Moderate Transition	Moderate Transition	Moderate Transition

Philippines' Profile

Overall TPI Score (Out of 100)	52.15
Overall 2020 Rank (Out of 72)	51

Dimensions/Pillars	2020 Score	Score Change(s) from 2019	2020 Rank (/72)	Rank Change(s) from 2019
Economic transition	26.81	▼ 0.75	70	◄►
Social transition	55.08	▼ 0.14	62	▲ 1
Environmental transition	70.30	◄►	8	◄►
Governance transition	44.65	▼ 1.78	63	▼ 1

Top 5

2020 Rank (Out of 72)	Country	Rank Change(s) from 2019	2020 Overall TPI Score (Out of 100)	TPI Score Change(s) from 2019	Transition Group
1	Switzerland	◄►	78.39	▼ 0.08	Transition Leader
2	Denmark	◄►	78.36	▲ 0.03	Transition Leader
3	Ireland	◄►	75.93	▲ 0.63	Transition Leader
4	Netherlands	◄►	73.58	▼ 0.04	Strong Transition
5	United Kingdom	◄►	73.26	▼ 0.36	Strong Transition

Bottom 5

2020 Rank (Out of 72)	Country	Rank Change(s) from 2019	2020 Overall TPI Score (Out of 100)	TPI Score Change(s) from 2019	Transition Group
72	South Africa	◄►	39.43	▼ 0.07	Weak Transition
71	Iran	◄►	40.79	▲ 0.08	Weak Transition
70	Nigeria	▼ 1	43.41	▲ 0.05	Weak Transition
69	Russia	▲ 1	43.67	▲ 0.36	Weak Transition
68	Brazil	◄►	43.79	▼ 0.28	Weak Transition

NOTES:
- The latest report covered 2020 data. The index score is computed as the weighted arithmetic average of pillar scores, which are computed as weighted averages of sub-pillar scores.
- The four main pillars and their corresponding index weights were as follows:
1. Economic transition (0.20) - education, wealth, labor productivity and research and development intensity, industrial base;
2. Social transition (0.20) - health life, work and inclusion, free or non-remunerated time, equality;
3. Environment transition (0.35) - greenhouse gas emissions reduction, biodiversity, material use, energy productivity; and
4. Governance transition (0.25) - fundamental rights, security, transparency, sound public finances.
- Overall TPI scores were classified according to "transition groups": transition leader (TPI score 75-100); strong transition (65-75); good transition (55-65); moderate transition (45-55); and weak transition (0-45).

SOURCE: EUROPEAN COMMISSION'S TRANSITIONS PERFORMANCE INDEX 2021
BUSINESSWORLD RESEARCH: BERNADETTE THERESE M. GADON
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Higher energy, commodity prices threaten PHL growth

THE PHILIPPINES is one of the Asia-Pacific countries that would be most affected by the surge in energy and commodity prices due to the Russia-Ukraine war, S&P Global Ratings said.

"Higher energy and commodity prices, exacerbated by the Russia-Ukraine conflict, are increasing regional inflation pressures. The hit would be most keenly felt by the largest net energy importers (relative to gross domestic product) of India, the Philippines, Korea, Taiwan, and Thailand," S&P Global Ratings analysts Eunice Tan and Terry Chan said in a note.

S&P earlier this month cut its gross domestic product (GDP) growth estimate for the Philippines this year to 6.5%, as it expects a wider current account deficit and higher inflation.

Last week, the central bank raised its inflation forecast for 2022 to 4.3%. This is already above its 2-4% target range as it acknowledged the impact of the rising oil and commodity prices.

Meanwhile, a report by Nomura Global Markets Research analysts Rob Subbaraman and Si Ying Toh showed the Philippines was classified as among the commodity-dependent group of emerging markets that have "relatively sound fundamentals and will benefit once commodity prices decline." Also included are China, South Korea, India, and Thailand.

"The Russia-Ukraine war has led to an extraordinary surge in commodity prices that is set to drive a wedge between emerging market losers (large net importers of commodities) and emerging market winners (large net importers of commodities)," Nomura said.

"Most emerging countries are large net importers of energy and some — South Korea, the Czech Republic, China, Romania, Egypt and the Philippines — are also sizable net importers of food, making them doubly exposed," it added.

However, Nomura said the Philippines is among resilient emerging markets due to its limited trade exposure to Russia and Ukraine.

However, the analysts warned that emerging markets are more prone to the impact of higher commodity prices, as their consumer price index baskets have larger weights for food prices compared with their counterparts in developing economies. In this scenario, Nomura warned that more emerging economies may then experience-double digit inflation that is already seen in Turkey.

"Even in Asia, where inflation has been relatively low, prices are set to accelerate," it said.

Nomura also noted that the impact of the war in Eastern Europe comes at a time when some emerging economies are still far from a full economic rebound from the pandemic. It noted that emerging markets that have the "weakest recoveries" include the Philippines, Peru, the Czech Republic, Thailand, Indonesia, and Romania.

"If they have weak fundamentals, high exposure to Russia and suffer from high commodity prices, then their economies can become more fragile (e.g. Czech Republic, Romania and the Philippines)," it said.

Nomura expects the Philippine economy to grow this year by 6.3%. — **L.W.T.Noble**

COVID-19 is third leading cause of death in 2021

CORONAVIRUS DISEASE 2019 (COVID-19) was the third leading cause of death in the country in 2021, preliminary data from the Philippine Statistics Authority (PSA) showed.

Of the 766,126 total deaths in 2021, the top causes were ischaemic heart diseases (136,575) and cerebrovascular diseases (74,262).

Deaths associated with COVID-19 are classified into "virus identified" and "not identified" at the time of death.

There were 74,008 deaths from COVID-19 "virus identified," representing 9.7% of the total deaths, making it the third leading cause of death in the country last year.

When including those who died from COVID-19 "not identified" at the time of death — 31,715 cases — this would total 105,723, making it the second leading cause of death.

COVID-19, S1/5

Measures eyed to help airlines, shipping firms as fuel prices rise

MACTAN, Cebu — The Transportation department is preparing measures to help airlines and shipping firms cope with the continued spike in fuel prices.

Transportation Secretary Arthur P. Tugade opposed the airlines' collection of higher fuel surcharges, which will drive up airfares at a time when the travel industry is still recovering from the pandemic.

"As much as possible, let's avoid the fuel surcharge... The cost will be passed on to passengers. The cost of travel will go up. My position is that we maintain the cost of travel — no increase. Let's study this carefully," he told reporters at the Mactan-Cebu Airport.

The Civil Aeronautics Board (CAB), which is chaired by Mr. Tugade, raised the passenger fuel surcharge for domestic and international flights to Level 4 in March and April, from Level 3 in January and February, due to the increase in jet fuel prices.

Under Level 4, fuel surcharge rates per passenger for domestic flights range from P108 to P411.

Instead of allowing airlines to impose a fuel surcharge, Mr. Tugade said airport fees for airlines should be waived.

In a separate interview, Civil Aviation Authority of the Philippines Chief of Staff Danjun G. Lucas said aeronautical fees are still waived until December.

Philippine Airlines President and Chief Operating Officer Capt. Stanley K. Ng recently said that the flag carrier was "working with the CAB to put some fuel surcharge for the fares." "However, we'll make sure that it's still going to be reasonable for passengers to fly," he told reporters.

At the same time, Mr. Tugade said the department is looking at providing subsidies for shipping firms to offset the impact of higher fuel prices on their operations.

"We will take a look at how to lessen the operational costs of shipowners," he told reporters at the Mactan-Cebu International Airport, when asked about the assistance being extended to the domestic shipping companies.

Mr. Tugade met with the department's maritime sector officials on Monday to discuss the matter.

Mr. Tugade said Philippine Ports Authority (PPA) General Manager Jay Daniel R. Santiago was directed to urge the PPA board to continue waiving the port terminal fee for another two to three months.

Fuel prices, S1/5