

\$1/1-10 • 2 SECTIONS, 14 PAGES VOL. XXXV • ISSUE 157 WEDNESDAY • MARCH 2, 2022 • www.bworldonline.com

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 1, 2022 (PSEi snapshot on S1/2; article on S2/2)

P859.000 **BDO** P132.600 **ICT** P218.000 SM P947.000 ALI P39.000 P39.400 P58.000 MONDE P15.700 P8.000 BPI P98.500 Value Value Value P834,272,005 **Value** P651,655,820 P413,471,830 Value P385,679,950 P371,848,567 Value P322,772,992 P308,499,634 Value P246,065,484 Value P233,833,698 Value P229,659,983 P0.000 P9.000 **A** 1.059% P3.400 P0.900 0.000% -P0.400 ▼ -1.005% **2.632**% P7.400 3.514% **1.576**% -P0.820 ▼ -4.964% -P1.500 ▼ -1.500%

Oil spike could drive up Q2 inflation

THE SUSTAINED INCREASE in oil prices is likely to drive inflation beyond the Philippine central bank's target in the second quarter, Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said.

Despite the heightened global uncertainty, Mr. Diokno said the BSP has the policy space to support economic output, which is expected to go back to pre-pandemic levels in the second half.

"Prices are fairly stable. Our forecast is that we will be within the target range in the first quarter. And then maybe in the second quarter, it will be a little bit because of this oil prices, but it will go down again in the third and the fourth quarter," he told ABS-CBN News Channel on Tuesday.

The BSP said February inflation likely settled at 2.8% to 3.6%, while a poll of 15 analysts by Business World yielded a median estimate of 3.3%.

If realized, inflation could be faster than 3% in January but still within the 2-4% target of the BSP. Philippine Statistics Authority will report February inflation data

The BSP last month raised its inflation forecast for 2022 to 3.7% from 3.4% due to higher global oil and nonoil prices.

Oil prices have climbed in recent months due to persistent supply issues and geopolitical tensions. Last week, Brent crude exceeded \$100 a barrel for the first time since 2014 after Russia invaded Ukraine.

Latest data from the Department of Energy showed gasoline, diesel and kerosene prices have increased by P8.75, P10.85, and P9.55 per liter, respectively, since the start of 2022.

Mr. Diokno said they were closely monitoring developments in the Russia-Ukraine conflict and its impact on the Philippine economy. He noted both countries' investments in the Association of Southeast Asian Nations (ASEAN) region are minimal, but said the conflict is affecting domestic oil

"This is going to be hard for oil-importing countries like the Philippines," he said.

Oil spike, S1/8

2021 budget deficit falls below ceiling

By Jenina P. Ibañez Senior Reporter

THE GOVERNMENT fell short of its budget deficit ceiling in 2021, as it generated better-than-expected revenues but missed its spending target, data from the Bureau of the Treasury (BTr) showed.

This brought the full-year deficit to P1.7 trillion, up by 21.87% from the previous year but missing the P1.9-trillion ceiling by 10%.

The 2021 deficit is equal to 8.61% of gross domestic product (GDP), lower than the programmed 9.3% but higher than 7.65% in 2020.

In December alone, the fiscal gap ballooned to a record P338 billion, up by 11.7% from last year's P302.6 billion as revenues contracted by 3%.

Government spending rose by 5.21% year on year to P569.3 billion in December.

Primary payments — or total expenditures minus interest payments – grew by 5.08% to P542 billion. Interest payments increased by 7.87% to P27.3 billion during the month.

reached P231.3 billion, down by 3.03% from a year earlier.

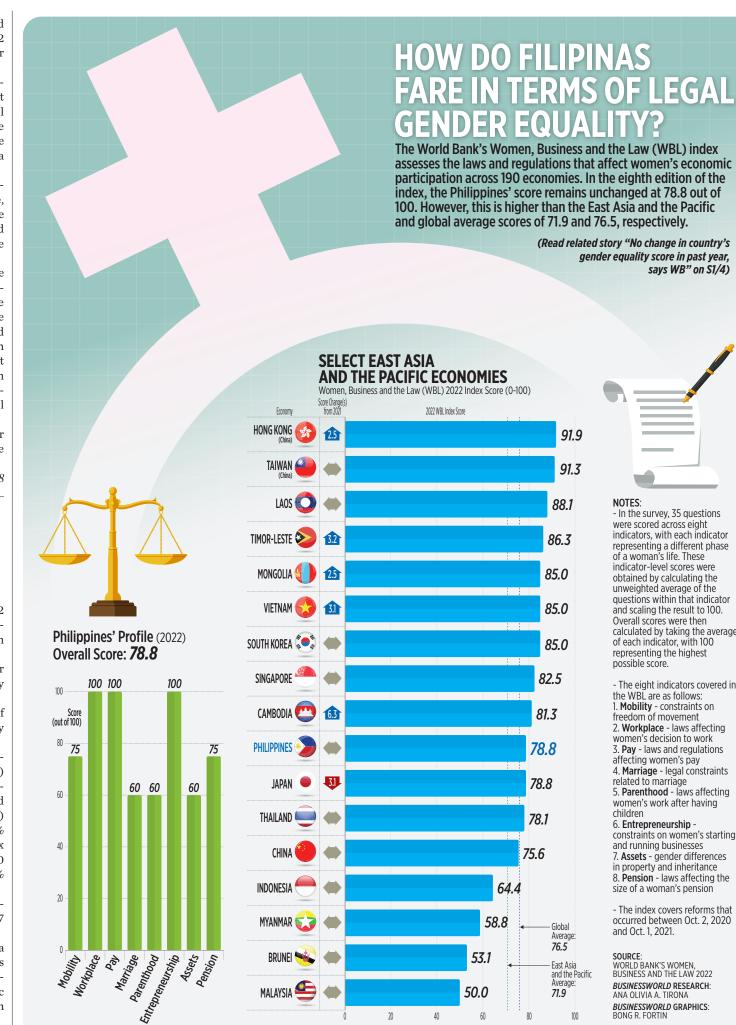
Accounting for over 96.6% of the total, tax revenues rose by 6.73% to P223.4 billion.

Tax collections from the Bureau of Internal Revenue (BIR) slipped by 0.63% to P162.3 billion, while revenues generated by the Bureau of Customs (BoC) reached P60.3 billion, or 32.9% higher than last year. Other tax collecting offices posted P800 million in revenue, up by 28.53% from a year earlier.

Nontax revenues from the Bureau of the Treasury reached P4.7 billion, down by 43.41%

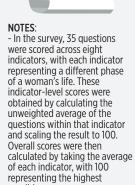
The government runs on a budget deficit when it spends more than it makes to fund programs that support economic growth. It borrows from foreign and local sources to plug the gap.

Deficit, S1/8



participation across 190 economies. In the eighth edition of the index, the Philippines' score remains unchanged at 78.8 out of 100. However, this is higher than the East Asia and the Pacific and global average scores of 71.9 and 76.5, respectively. (Read related story "No change in country's

gender equality score in past year, says WB" on S1/4)



- The eight indicators covered in the WBL are as follows:

1. **Mobility** - constraints on freedom of movement

2. **Workplace** - laws affecting women's decision to work 3. Pay - laws and regulations affecting women's pay
4. Marriage - legal constraints

5. **Parenthood** - laws affecting women's work after having 6. Entrepreneurship - constraints on women's starting

and running businesses 7. **Assets** - gender differences in property and inheritance 8. **Pension** - laws affecting the size of a woman's pension

- The index covers reforms that occurred between Oct. 2, 2020 and Oct. 1, 2021.

WORLD BANK'S WOMEN, BUSINESS AND THE LAW 2022 BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA BUSINESSWORLD GRAPHICS:

Philippines' manufacturing PMI highest in over 3 years

MANUFACTURING ACTIVITY in the Philippines rebounded to its highest level in over three years in February, as demand and production picked up amid the further easing of mobility restrictions.

The IHS Markit Philippine Manufacturing Purchasing Managers' Index (PMI) jumped to 52.8 in February, from 50 in January. This was the highest PMI reading since the 53.2 posted in December 2018.

A reading above 50 indicates an improvement in conditions for the manufacturing sector versus the previous month, and below the threshold means the

"February data revealed a return to growth for the Philippine manufacturing sector with the PMI rising to the highest in over three years. There were many key takeaways from the latest data but central to the improvement were solid expansions in both output and new orders," Shreeya Patel, an economist

at IHS Markit, said in the report released on Tuesday. She attributed the strong growth to looser restrictions in February.

Metro Manila and nearby provinces were under

a more relaxed Alert Level 2 in February, as the Omicron-driven surge in coronavirus infections subsided. Manufacturing companies' output and new orders

increased, IHS Markit said. Production grew at the guickest pace in more than three years, as restrictions eased and more raw materials were widely available,

New orders went up as companies enjoyed improved domestic demand. Exports also

expanded in February, ending four straight months of contraction.

IHS Markit noted a sharp rise in purchasing activity among manufacturers who are anticipating greater demand in the next few months.

However, Ms. Patel flagged concerns over high prices and employment levels at manufacturing companies.

"Inflationary pressures were historically elevated which forced firms to push through hikes in selling charges," she said. The higher prices of energy, raw materials, fuel and transport fueled a sharp rise in costs during the month.

Employment levels also continued to drop, with the latest decline the quickest in five months.

PMI, S1/8

Gov't raises P458 billion from latest RTB offering

THE GOVERNMENT raised P457.8 billion via its offer of five-year retail Treasury bonds (RTBs) that ended on Monday.

The Bureau of the Treasury (BTr) said P457.4 billion of the total amount raised was fresh funds or "new money." The remaining P259.5 million was from the bond exchange program. It was the 27^{th} issuance of

RTBs, and the first this year. "By our funding activities in the domestic space, we are shielding our debt portfolio from volatility in the global financial markets, all

while taking advantage of the commitment of the Bangko Sentral ng Pilipinas of supporting the country's economic recovery," National Treasurer Rosalia V. de Leon said in a statement on Tuesday.

The bond offer was launched on Feb. 15, with the Treasury raising an initial P120.764 billion from the rate-setting auction.

The retail Treasury bonds fetched a coupon rate of 4.875%, with settlement on March 4. The maturity date is March 4, 2027.

RTB, S1/8

