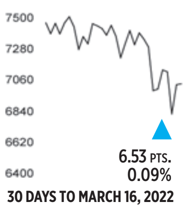
P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET



PSEi

OPEN:	7,004.57
HIGH:	7,026.45
LOW:	6,957.46
CLOSE:	7,026.45
VOL.:	1.321 B
VAL(P):	7.756 B

ASIAN MARKETS

MARCH 16, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	25,762.01	▲	415.53	1.64
Hong Kong (Hang Seng)	20,087.50	▲	1,672.42	9.08
Taiwan (Weighted)	16,940.83	▲	14.77	0.09
Thailand (SET Index)	1,667.29	▲	22.93	1.39
S.Korea (Kse Composite)	2,659.23	▲	37.70	1.44
Singapore (Straits Times)	3,294.76	▲	58.72	1.81
Sydney (All Ordinaries)	7,175.20	▲	77.80	1.10
Malaysia (Klse Composite)	1,571.32	▲	13.91	0.89

WORLD MARKETS

MARCH 15, 2022

	CLOSE		NET
Dow Jones	33,544.340	▲	599.100
NASDAQ	12,948.621	▲	367.401
S&P 500	4,262.450	▲	89.340
FTSE 100	7,175.700	▼	-17.770
Euro Stoxx50	3,518.010	▼	-1.620

PESO-DOLLAR RATES

FX

OPEN	P52.375
HIGH	P52.200
LOW	P52.375
CLOSE	P52.310
W.AVE.	P52.285
VOL.	$1,046.40 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

MARCH 16, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	118.320	▼	117.940
Hong Kong (HK dollar)	7.823	▲	7.825
Taiwan (NT dollar)	28.523	▲	28.591
Thailand (baht)	33.410	▲	33.510
S. Korea (won)	1,234.630	▲	1,246.160
Singapore (dollar)	1.361	▲	1.366
Indonesia (rupiah)	14,310	▲	14,325
Malaysia (ringgit)	4.196	▲	4.205

WORLD CURRENCIES

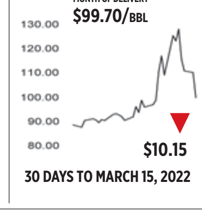
MARCH 16, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.3065	▲	1.3017
US$/Euro	1.0987	▼	1.0997
$/Aust dollar	0.7226	▲	0.7186
Canada dollar/US$	1.2720	▼	1.2865
Swiss Franc/US$	0.9396	▲	0.9381

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$99.70/bbl



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S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 16, 2022 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
SMPH	P37.950	P708,146,780	-P1.050	▼	-2.692%
ALI	P35.600	P436,184,840	P0.200	▲	0.565%
ICT	P218.000	P426,104,104	-P2.000	▼	-0.909%
BDO	P129.200	P402,243,122	-P0.500	▼	-0.386%
SM	P900.000	P396,036,375	-P11.000	▼	-1.207%
TEL	P1,739.000	P394,951,035	-P1.000	▼	-0.057%
BPI	P95.000	P369,808,055	-P1.000	▼	-1.042%
CNVRG	P23.700	P313,754,105	P1.700	▲	7.727%
MBT	P52.250	P296,974,620	-P0.750	▼	-1.415%
JGS	P58.000	P266,601,082	-P0.750	▼	-1.277%

Duterte nixes fuel tax suspension

By Kyle Aristophere T. Atienza
Reporter

PHILIPPINE President Rodrigo R. Duterte rejected calls to suspend the excise tax on fuel products amid soaring pump prices, and instead approved the Finance chief's recommendation to extend the P200 in monthly aid to poor families for a year.

Acting Presidential Spokesperson Jose Ruperto Martin M. Andanar made the announcement at a regular news conference on Wednesday, just hours after Finance Secretary Carlos G. Dominguez III made the proposals.

Mr. Dominguez told a Cabinet meeting on Tuesday that the fuel excise tax imposed under a highly opposed tax reform program must be retained "because we already budgeted it for salaries of school teachers; "Build, Build, Build" program; and other expenses."

Calls to suspend the excise tax on petroleum products have grown louder, especially after fuel retailers on Tuesday raised gasoline and diesel prices by P7.10 and P13.15 per liter, respectively.

Mr. Dominguez said the government is expecting to collect P147 billion in taxes this year from fuel products, of which P131.4 billion is from excise taxes. The rest would be from value-added tax (VAT) imposed on oil imports.

The current excise tax rate is P10 per liter for gasoline, P6 per liter for diesel, P5 per liter for kerosene, and P3 per liter for liquefied petroleum gas (LPG).

Mr. Dominguez said suspending excise taxes on fuel products would only force the government to borrow more money and would result in P105.9-billion revenue losses in 2022 or around 0.5% of the country's gross domestic product (GDP) this year. If implemented over the next 10 years, he said losses are projected to reach P1.76 trillion.

Instead, the Finance chief proposed the government provide direct aid to the most vulnerable sectors, allocating P33 billion for unconditional cash transfers to the bottom 50% of all households or an estimated 74.7 million Filipinos. This would mean each qualified household would receive P200 a month or a total of P2,400 as aid.

Mr. Dominguez admitted the P200 monthly aid might not be enough to cushion the impact of fuel price hikes on poor families, but said this is what the government can afford at this time.

The Finance chief said the funds for the targeted subsidies would be sourced from VAT collections on oil imports.

Fuel tax, S1/8

PHILIPPINES FALLS IN GLOBAL 'SOFT POWER' RANKING

The Philippines dropped by seven notches to place 60th out of 120 nations in the index that measures "soft power" or a nation's ability to influence various actors in the global arena through attraction or persuasion rather than "hard power," which involved using military and economic means. Its score also fell by 0.2 point to 33.2 out of possible 100. It placed 13th out of 23 nations in the Asia and Oceania region.

Philippines' Historical Overall Ranks and Scores

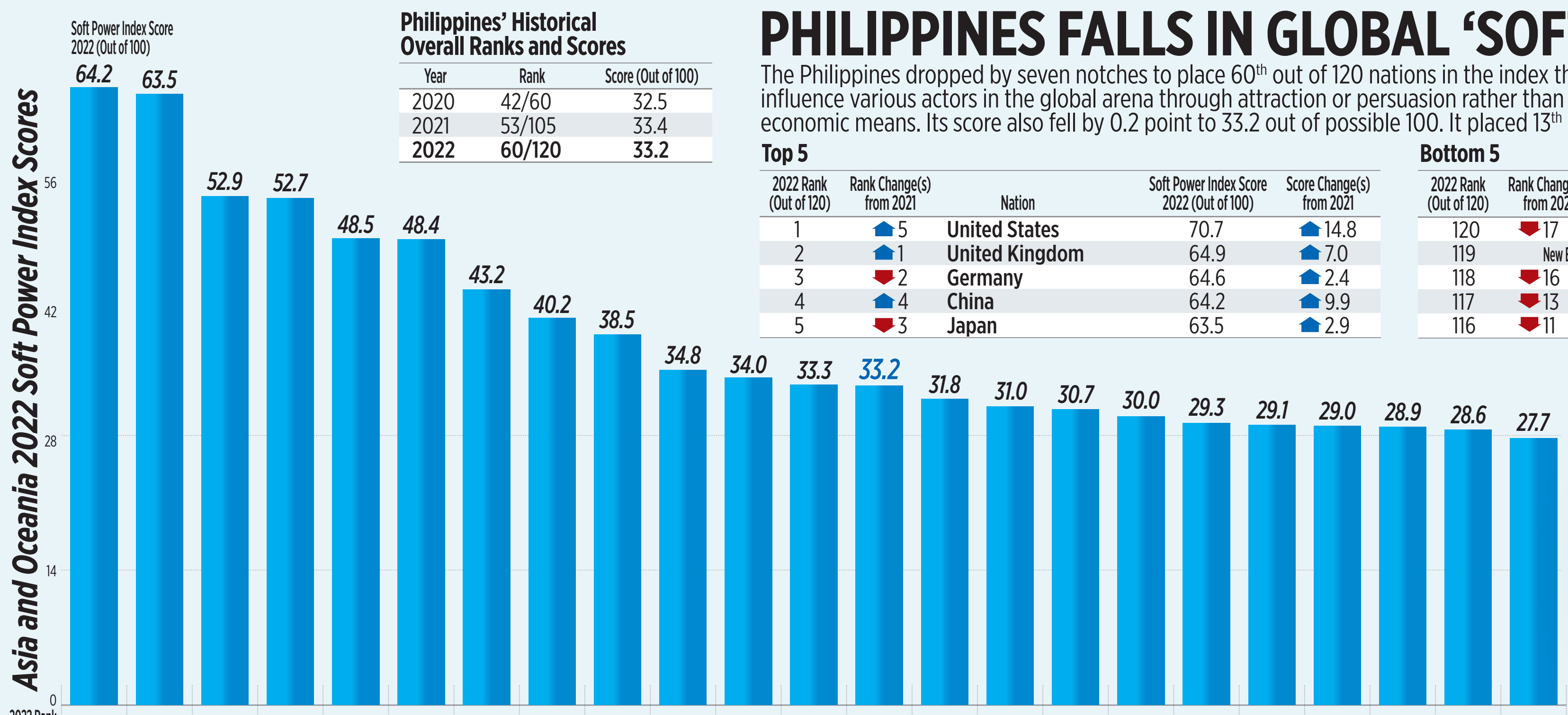
Year	Rank	Score (Out of 100)
2020	42/60	32.5
2021	53/105	33.4
2022	60/120	33.2

Top 5

2022 Rank (Out of 120)	Rank Change(s) from 2021	Nation	Soft Power Index Score 2022 (Out of 100)	Score Change(s) from 2021
1	▲5	United States	70.7	▲14.8
2	▲1	United Kingdom	64.9	▲7.0
3	▼2	Germany	64.6	▲2.4
4	▲4	China	64.2	▲9.9
5	▼3	Japan	63.5	▲2.9

Bottom 5

2022 Rank (Out of 120)	Rank Change(s) from 2021	Nation	Soft Power Index Score 2022 (Out of 100)	Score Change(s) from 2021
120	▼17	Trinidad and Tobago	25.3	▼0.3
119	New Entry	Sudan	26.0	-
118	▼16	Honduras	26.5	▲0.5
117	▼13	Mozambique	26.5	▲1.1
116	▼11	Dem. Rep. of the Congo	27.1	▲1.9



Nation	2022 Rank (Out of 120)	Rank Change(s) from 2021	Score Change(s) from 2021
CHINA	4	▲4	▲9.9
JAPAN	5	▼3	▲2.9
SOUTH KOREA	12	▼1	▲1.6
AUSTRALIA	13	▼3	▲0.5
SINGAPORE	20	↔	▲0.6
NEW ZEALAND	21	▼5	▼0.9
INDIA	29	▲7	▲5.6
THAILAND	35	▼2	▲1.5
MALAYSIA	39	↔	▲1.5
INDONESIA	47	▼2	▲0.5
MALDIVES	52	New Entry	-
VIETNAM	59	▼12	▼0.5
PHILIPPINES	60	▼7	▼0.2
SRI LANKA	73	▼3	▲0.7
PAKISTAN	83	▼20	▼0.8
UZBEKISTAN	85	▼4	▲1.5
KAZAKHSTAN	88	▼13	▼0.2
CAMBODIA	100	▼11	▲0.7
NEPAL	102	▼7	▲1.1
BANGLADESH	105	▼27	▼1.0
LAOS	106	New Entry	-
MYANMAR	108	▼18	↔
TURKMENISTAN	113	▼14	▲0.4

Philippines' Snapshot (2022)

	Score (Out of 10)	Score Change(s) from 2021
Familiarity	5.7	▲0.6
Reputation	5.5	▼0.1
Influence	3.2	▼0.1
Business & Trade	2.7	▲0.3
Governance	2.0	▲0.2
International Relations	2.3	▲0.6
Culture & Heritage	2.3	▼0.1
Media & Communication	2.3	▲0.5
Education & Science	2.0	▲0.4
People & Values	2.7	▼0.3
COVID-19 Response	3.3	↔

NOTES:
- The research was conducted in the autumn of 2021 and did not account for the impact of Russia's invasion of Ukraine.
- The Global Soft Power Index incorporates a broad range of measures, which in combination provide a balanced and holistic assessment of nations' presence, reputation, and impact on the world stage. It is expressed across three main indicators and based on the seven soft-power pillars and the survey of public opinion on nations' handling of the COVID-19 pandemic.
- 3 Main indicators:
1. Familiarity: nation brands which people know, have mental availability of, and have greater soft power.
2. Reputation: is this country deemed to have a strong and positive reputation globally?
3. Influence: the degree to which a nation is seen to have influence in the respondent's country as well as on the world's stage.
- 7 Soft-Power Pillars:
1. Business and Trade: easy to do business in and with, a strong and stable economy, products and brands the world loves, future growth potential.
2. Governance: internationally admired leaders, politically stable and well governed, high ethical standards and low corruption, safe and secure and respects law and human rights.
3. International Relations: influential in diplomatic circles, helpful to other countries in need, acts to protect the environment, good relations with other countries.
4. Culture & Heritage: influential in arts and entertainment, food the world loves, a great place to visit, rich heritage an appealing lifestyle, and leaders in sports.
5. Media & Communication: easy to communicate with, affairs one follows closely, influential media and trustworthy media.
6. Education & Science: a leader in science, strong educational system, and innovative technology and tech companies.
7. People & Values: generous, fun, friendly, trustworthy, tolerant, and inclusive.
- COVID-19 Response: how nations have handled the COVID-19 pandemic and results of their efforts in terms of supporting economic recovery, protecting the health and wellbeing of citizens.

SOURCE: BRAND FINANCE'S GLOBAL SOFT POWER INDEX 2022 (HTTPS://BRANDIRECTORY.COM/SOFTPOWER/REPORT)
BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRAOLA
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

BSP still plans to start rate hike cycle in 2nd half

THE PHILIPPINE central bank will remain patient and stick to its plan to raise its key policy rate in the second half of the year, despite heightened uncertainty caused by the war in Ukraine, its governor said.

Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said they are also factoring in the policy tightening of the US Federal Reserve.

The US Federal Reserve is widely expected to raise interest rates by at least 25 basis points amid surging prices later on Wednesday.

"Russian invasion of Ukraine is certainly going to change the mood among Fed members. We don't know yet. That's why we are waiting for their action. I think that it's necessary to be patient. For our part, we will be patient," he said at the Bloomberg ASEAN Business Summit held virtually on Wednesday.

Mr. Diokno is confident the Philippine economy is on the road to recovery.

"The [Philippine] economy grew at 5.6% last year. Assuming we meet our target this year of 7-9%, then I think we're on track [to recovery]. We plan to adjust in the second half of the year," he said.

Mr. Diokno has also previously said they would want to see four to six straight quarters of economic growth before considering increasing rates.

The Philippine economy expanded by 7.7% in the last three months of 2021, marking three straight quarters of growth.

First-quarter gross domestic product (GDP) data is scheduled to be released on May 12.

The BSP chief noted that central banks in Southeast Asia are "more patient" in retaining accommodative policies compared with their counterparts in Latin America, noting only South Korea and New Zealand have started increasing interest rates in the Asia-Pacific region.

The Monetary Board will have its next policy review on March 24.

Last month, the BSP kept rates steady as it vowed to continue supporting economic recovery.

While they are not yet keen to increase interest rates, Mr. Diokno said they have started policy normalization for other measures done to support the economy during the pandemic.

He cited that the latest zero-interest loan extended by the central bank to the National Government amounted to P300 billion, lower than the P540-billion previously.

"We expect that [financing] to be down to zero by the third quarter of this year," he said.

This gradual policy unwinding was also seen in the BSP's purchase of government securities (GS), Mr. Diokno said.

"We bought something like 19.4% of the GS portfolio [in 2020]. It's down to 4.8% in 2021 and now it's down to 0.7%. So we have started the unwinding," he said.

LESSONS FROM THE PANDEMIC

Two years into the pandemic, Mr. Diokno said the government should carry out responses beyond monetary policy to really drive recovery.

"The most important lesson I learned from the pandemic is that monetary policy has limitations. I think we [BSP] did very well, but there is a strong need for support from the National Government and from each individual and household," he said at a virtual forum organized by the Asian Development Bank on Wednesday.

Mr. Diokno, the former budget secretary, said international cooperations have been very crucial as well, especially in securing vaccinations against the coronavirus disease 2019.

He is hopeful that the legislation of the Retail Trade Liberalization Act, the Public Service Act, and the Foreign Investment Act would help to attract more foreign investments into the country that could strengthen economic recovery. — **Luz Wendy T. Noble**

Jan. remittances up despite virus surge

By Luz Wendy T. Noble
Reporter

MONEY sent home by Filipino migrants rose for an 11th consecutive month in January, reflecting improving employment prospects abroad despite the Omicron-driven surge in coronavirus disease 2019 (COVID-19) infections.

Data released by the Bangko Sentral ng Pilipinas (BSP) on Tuesday evening showed remittances increased by 2.5% to $2.668 billion in January from $2.603 billion a year earlier.

"The growth in cash remittances from the United States, Japan, and Singapore contributed largely to the increase in remittances in January 2022," the central bank said in a statement.

During the month, the US, Singapore, Japan, Saudi Arabia, the United Kingdom, the United Arab Emirates, Canada, Taiwan, Qatar, and Malaysia, were the 10 biggest sources of remittances. These countries accounted for 79.6% of the total inflows.

Remittances declined by 10.7% from the $2.987 billion in December, reflecting the seasonal dip in inflows as the holiday season ended.

Despite the spike in cases of the Omicron variant in many countries, remittances rose as economic reopening continued and more job opportunities opened up for overseas Filipino workers (OFWs), Rizal Commercial Banking Corp. (RCBC) Chief Economist Michael L. Ricafort said.

Remittances, S1/8