

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,693.61 HIGH: 6,693.61 LOW: 6,577.45 CLOSE: 6,577.45 VOL.: 1.539 B VAL(P): 20,200 B 110.40 PTS. 1.65% 30 DAYS TO MAY 24, 2022	MAY 24, 2022 JAPAN (NIKKEI 225) 26,748.14 ▼ -253.38 -0.94 HONG KONG (HANG SENG) 20,112.10 ▼ -357.96 -1.75 TAIWAN (WEIGHTED) 15,963.63 ▼ -192.78 -1.19 THAILAND (SET INDEX) 1,628.29 ▼ -6.99 -0.43 S.KOREA (KSE COMPOSITE) 2,605.87 ▼ -41.51 -1.57 SINGAPORE (STRAITS TIMES) 3,198.47 ▼ -15.18 -0.47 SYDNEY (ALL ORDINARIES) 7,128.80 ▼ -20.10 -0.28 MALAYSIA (KLSE COMPOSITE) 1,531.30 ▼ -11.23 -0.73	MAY 23, 2022 Dow Jones 31,880.240 ▲ 618.340 NASDAQ 11,535.275 ▲ 180.658 S&P 500 3,973.750 ▲ 72.390 FTSE 100 7,513.440 ▲ 123.460 Euro Stoxx50 3,612.130 ▲ 47.320	FX OPEN P52.320 HIGH P52.230 LOW P52.390 CLOSE P52.320 W.AVE. P52.329 VOL. \$1,024.85M SOURCE: BAP	MAY 24, 2022 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 127.170 ▲ 127.490 HONG KONG (HK DOLLAR) 7.849 ▼ 7.849 TAIWAN (NT DOLLAR) 29.592 ▼ 29.576 THAILAND (BAHT) 34.140 ▼ 34.240 S. KOREA (WON) 1,264.620 ▼ 1,263.220 SINGAPORE (DOLLAR) 1.374 ▼ 1.374 INDONESIA (RUPIAH) 14,655 ▼ 14,670 MALAYSIA (RINGGIT) 4.390 ▼ 4.387	MAY 24, 2022 US\$/UK POUND 1.2489 ▼ 1.2579 US\$/EURO 1.0705 ▼ 1.0666 \$/AUSTRALIAN DOLLAR 0.7071 ▼ 0.7110 CANADA DOLLAR/US\$ 1.2800 ▼ 1.2784 SWISS FRANC/US\$ 0.9628 ▼ 0.9678	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$109.39/BBL \$1.39 30 DAYS TO MAY 23, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 24, 2022 (PSEi snapshot on S1/2; article on S2/2)

CNVRG	P25.800	BDO	P123.500	SMPH	P37.700	ICT	P213.800	ALI	P27.700	MONDE	P15.920	AC	P660.000	GLO	P2,530.000	TEL	P1,916.000	SGP	P12.640
Value	P1,211,790,250	Value	P583,312,377	Value	P399,312,515	Value	P336,130,126	Value	P302,910,850	Value	P260,332,378	Value	P252,440,985	Value	P214,976,380	Value	P207,443,220	Value	P169,360,468
	-P0.500 ▼ -1.901%		-P3.300 ▼ -2.603%		-P0.250 ▼ -0.659%		P3.800 ▲ 1.810%		-P0.800 ▼ -2.807%		P0.000 — 0.000%		-P20.000 ▼ -2.941%		-P20.000 ▼ -0.784%		-P44.000 ▼ -2.245%		P0.240 ▲ 1.935%

DBCC lowers growth target for 2022

Philippines' situation is 'very different' from Sri Lanka — economists

By Tobias Jared Tomas

THE PHILIPPINES is unlikely to face an economic crisis such as the one being experienced by Sri Lanka right now, economists said, citing the country's relatively strong fiscal position and economic reforms.

Socioeconomic Planning Secretary Karl Kendrick T. Chua said in a Viber message that the Philippines and Sri Lanka are in "two very different situations."

"Our country is on the way to further growth and development," he said.

The Philippine economy grew by 8.3% in the first quarter, on track to meet the government's revised 7-8% target this year.

Department of Finance (DoF) Chief Economist Gil S. Beltran called the prospect of a Sri Lanka-like crisis in the Philippines "outlandish," noting the country has far healthier gross international reserves (GIR) than Sri Lanka.

"If you look at Philippine data, the Philippines has outstanding external debt of \$106.4 billion and its GIR as of end-March is \$107.3 billion," Mr. Beltran said in an

e-mail. "We have more GIR than debt. We can pay off all of it immediately."

In comparison, Sri Lanka had a GIR of \$1.6 billion, while its debts totaled \$7 billion, or nearly 5 times their reserves.

Sri Lanka is currently experiencing the worst economic crisis in its history. It defaulted on its sovereign debt earlier this month and is facing a shortage of foreign exchange, fuel and medicine.

"At this point, I do not think that the Philippines will end up in the same economic position as Sri Lanka," UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said in an e-mailed message. "Pre-pandemic, the Philippines and Sri Lanka were far from being the same as well."

Mr. Asuncion said that the country's GIR was sufficient to cover import costs for an extended period.

"Debt stock is predominantly in local currency, mitigating currency risk to some extent," he added.

As of end-March, the National Government's outstanding debt stood at a record P12.68 trillion. Of this, P8.8 trillion is owed to domestic lenders, while the remaining P3.8 trillion is owed to foreign lenders.

Sri Lanka, S1/8

Dominguez says no basis for BIR closure order vs Megaworld

A BUREAU of Internal Revenue (BIR) regional office's plan to issue a closure order against listed developer Megaworld Corp. had no basis, Finance Secretary Carlos G. Dominguez III said.

"There was a threat to close down a publicly listed company without any basis. There is no finding that they (Megaworld) did not pay the tax, there is none," Mr. Dominguez said to reporters on the sidelines of a Department of Finance (DoF) event in Manila on Monday.

Shares of Megaworld plunged on May 17 after the BIR Revenue Region 8B - South NCR sent a media advisory regarding its plan to issue a closure order against the company the next day.

The order was withdrawn later that day, after Megaworld said it would comply with the audit.

"I'm just saying I haven't seen an assessment and charge sheet. I haven't seen it. By announcing it publicly like that on a publicly listed company, you are not affecting the shareholders. It is not correct," the Finance chief said, noting the Social Security Service (SSS) and the Government Service Insurance System (GSIS) are shareholders of Megaworld.

In a separate Viber message to reporters, Mr. Dominguez said shareholders of Megaworld collectively lost about P111 million in value between May 17 to 23. Of this total, the paper losses of SSS and GSIS are around P37 million.

The BIR Revenue Region No. 8B - South NCR had claimed the closure order stemmed from Megaworld's refusal to comply with an audit to check if the company paid taxes on one-time transactions on the sale of properties in Taguig City.

However, Mr. Dominguez said Megaworld did not deny the BIR access to its books, but was only questioning the regional office's jurisdiction.

"Settle the jurisdictional issue first before you go out. Don't be stupid. It was the left hand not knowing what the right hand is doing. Come on, that's not professional thought," he said, adding that the BIR closure order never reached his desk.

Mr. Dominguez said the audit on Megaworld would now be conducted by the Large Taxpayers Service of the BIR National Office, not the regional office.

On Saturday, the DoF ordered the suspension of orders creating special audit tax forces on real estate developers and multilevel marketing firms, as well as task forces for Philippine Offshore Gaming Operators and electronic sabong firms. It also ordered a halt on all field audit and other operations under these task forces.

"I stopped these investigations because I don't want something like that, a legitimate thing to do to be used to harass people for false pretense, for nothing," Mr. Dominguez said. — **Tobias Jared Tomas**

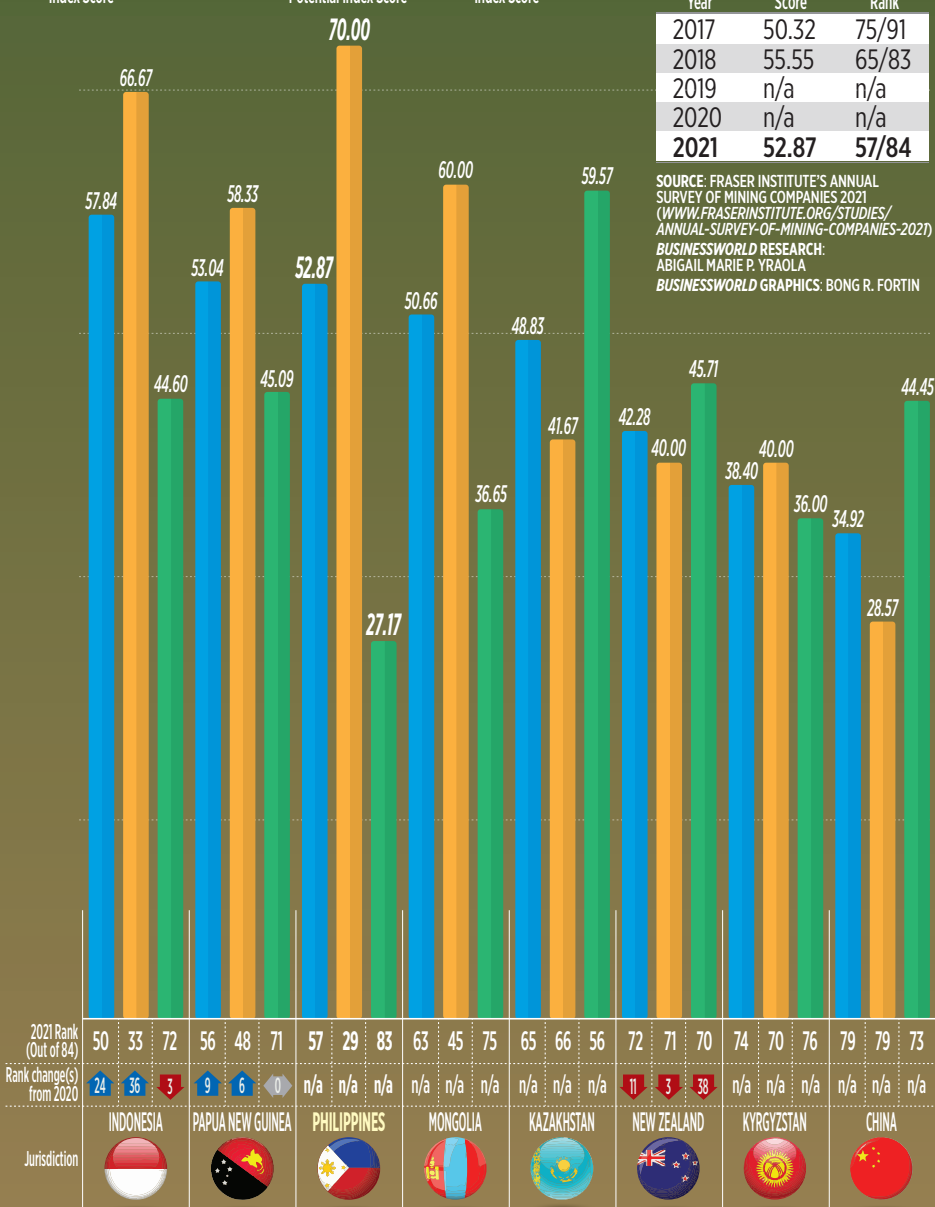


HOW DOES THE PHILIPPINES COMPARE WITH ITS NEIGHBORS IN MINING ATTRACTIVENESS?

In the latest edition of the annual survey of mining and exploration companies by Canadian policy think tank Fraser Institute, the Philippines ranked 57th in the Investment Attractiveness Index out of 84 jurisdictions (provinces, states, and countries). The survey assessed how mineral endowments and public policy factors such as taxation and regulatory uncertainty affect exploration investment. The Investment Attractiveness Index identified jurisdictions that have the most attractive policies for encouraging investment in mining exploration. It was a combination of a jurisdiction's geologic attractiveness (Best Practices Mineral Potential Index) and policy climate (Policy Perception Index or PPI). In terms of mineral potential, the Philippines placed 29th. However, it was of the least attractive jurisdictions based on PPI rankings (83rd). The report said the uncertainty concerning environmental regulations, regulatory inconsistencies, legal system, taxation, disputed land claims, political instability, and security were all policy factors that deter investment in the Philippines.

2021 Investment Attractiveness Index Scores of Select Asia-Oceania Jurisdictions

■ 2021 Investment Attractiveness Index Score ■ 2021 Best Mineral Potential Index Score ■ 2021 Policy Perception Index Score



Top 10

2021 Overall Rank (Out of 84)	Jurisdiction	2021 Investment Attractiveness Index Score
1	Western Australia (Australia)	90.21
2	Saskatchewan (Canada)	88.32
3	Nevada (US)	87.64
4	Alaska (US)	87.18
5	Arizona (US)	86.38
6	Quebec (Canada)	83.12
7	Idaho (US)	82.72
8	Morocco	82.56
9	Yukon (Canada)	82.43
10	South Australia (Australia)	81.70

Bottom 10

2021 Overall Rank (Out of 84)	Jurisdiction	2021 Investment Attractiveness Index Score
84	Zimbabwe	26.55
83	Spain	29.55
82	Dem. Rep. of the Congo	29.67
81	Mali	33.05
80	Nicaragua	33.44
79	China	34.92
78	Panama	35.11
77	Mendoza (Argentina)	35.54
76	Venezuela	36.67
75	South Africa	37.88

NOTES:
- The 2021 survey was conducted electronically to approximately 2,200 respondents between Aug. 23 and Nov. 19, 2021. The responses have been tallied to rank provinces, states, and countries based on the extent that public policy factors encourage or discourage mining investment.
- 11 jurisdictions, including the Philippines, did not have data in 2020 edition.

ECONOMIC MANAGERS now expect gross domestic product (GDP) to expand by 7-8% this year, as the outlook may be clouded by the prolonged Russia-Ukraine war, economic slowdown in China and monetary policy tightening in the United States.

After a meeting on Tuesday, the Development Budget Coordination Committee (DBCC) said in a statement that it adjusted macroeconomic assumptions, fiscal program and growth targets for 2022 to 2025 "to take into account recent domestic trends and external developments."

The DBCC sets the official macroeconomic assumptions and fiscal program.

"The Philippine economy's strong recovery in the first quarter of 2022 has moved us closer to our goal of achieving at least 7% growth this year," the Cabinet-level committee said, referring to the 8.3% GDP in the January to March period.

"However, in light of heightened external risks such as the Russia-Ukraine conflict, China's slowdown, and monetary normalization in the United States, the full-year growth target was slightly revised from 7-9% to 7-8% for 2022."

Socioeconomic Planning Secretary Karl Kendrick T. Chua said the DBCC kept the lower bound of the original target since the domestic economy showed significant improvement in the first quarter, despite the external risks.

Growth, S1/8

World economy has 'buffer' against recession — IMF

DAVOS, Switzerland — While the world economy faces headwinds, current growth forecasts offer a buffer against a potential global recession, the International Monetary Fund's (IMF) No. 2 official said on Monday.

Among the major threats to economic growth, IMF First Deputy Managing Director Gita Gopinath told Reuters that the conflict in Ukraine could escalate, adding: "You could have sanctions and counter sanctions."

Ms. Gopinath said in an interview on the sidelines of the World Economic Forum in the Swiss resort of Davos that the other challenges included inflation, a tightening of interest rates by central banks and a slowdown in Chinese growth.

"So, all of these provide downside risks to our forecast," Ms. Gopinath said, with reference to the IMF's 2022 growth forecast issued last month of 3.6%, a downgrade from a 4.4% estimate in January.

"I would say at 3.6% there is a buffer," she said, conceding, however, that risks are uneven around the world.

"There are countries that are getting hit hard... countries in Europe that are getting hit hard by the war, where we could see technical recessions," Ms. Gopinath added.

Ms. Gopinath said inflation "will remain significantly above central bank targets for a while," adding: "It is very important for central bankers around the world to deal with inflation as a clear and present danger, that is something they need to deal with in a very forceful manner."

"Financial conditions could tighten much more rapidly than we've already seen. And growth in China is slowing," she added.

The US Federal Reserve is leading the charge among the largest central banks, with two rate hikes so far this year.

Its second, at half a percentage point, was the largest in 22 years. At least two more of that size are expected at the coming meetings.

"What is very important is for the Fed to watch the data carefully and respond at a scale that's needed to deal with the incoming data," Ms. Gopinath said.

"So, if it turns out that inflation is especially broad... is going up even more, they may need to react more strongly." — **Reuters**



CORPORATE NEWS
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THE ECONOMY
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WORLD BUSINESS
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