

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,677.24 HIGH: 6,695.85 LOW: 6,630.52 CLOSE: 6,635.86 VOL.: 1.918 B VAL(P): 6.642 B 85.07 PTS. 1.26% 30 DAYS TO MAY 11, 2022	<b>MAY 11, 2022</b> JAPAN (NIKKEI 225) 26,213.64 ▲ 46.54 0.18 HONG KONG (HANG SENG) 19,824.57 ▲ 190.88 0.97 TAIWAN (WEIGHTED) 16,006.25 ▲ 55.45 -0.35 THAILAND (SET INDEX) 1,613.71 ▼ -9.07 -0.56 S.KOREA (KSE COMPOSITE) 2,592.27 ▼ -4.29 -0.17 SINGAPORE (STRAITS TIMES) 3,229.14 ▼ -5.05 -0.16 SYDNEY (ALL ORDINARIES) 7,064.70 ▲ 13.50 0.19 MALAYSIA (KLSE COMPOSITE) 1,555.93 ▲ 1.35 0.09	<b>MAY 10, 2022</b> Dow Jones 32,160.740 ▼ -84.960 NASDAQ 11,737.671 ▲ 114.423 S&P 500 4,001.050 ▲ 9.810 FTSE 100 7,243.220 ▲ 26.640 Euro Stoxx50 3,508.470 ▲ 25.010	<b>FX</b> OPEN P52.320 HIGH P52.222 LOW P52.350 CLOSE P52.275 W.AVE. P52.267 VOL. \$898.90 M SOURCE : BAP 9.50 CTS 30 DAYS TO MAY 11, 2022	<b>MAY 11, 2022</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 129.660 ▲ 130.150 HONG KONG (HK DOLLAR) 7.850 — 7.850 TAIWAN (NT DOLLAR) 29.637 ▼ 29.656 THAILAND (BAHT) 34.620 ▼ 34.520 S. KOREA (WON) 1,272.760 ▲ 1,274.530 SINGAPORE (DOLLAR) 1.385 — 1.390 INDONESIA (RUPIAH) 14,555 — 14,555 MALAYSIA (RINGGIT) 4.375 ▲ 4.380	<b>MAY 11, 2022</b> US\$/UK POUND 1.2378 ▲ 1.2304 US\$/EURO 1.0559 ▲ 1.0540 \$/AUSTRALIAN DOLLAR 0.7008 ▲ 0.6960 CANADA DOLLAR/US\$ 1.2963 ▼ 1.3001 SWISS FRANC/US\$ 0.9881 ▼ 0.9962	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$103.09/bbl</b> 118.00 114.00 110.00 106.00 102.00 98.00 94.00 90.00 86.00 82.00 78.00 74.00 70.00 66.00 62.00 58.00 54.00 50.00 46.00 42.00 38.00 34.00 30.00 26.00 22.00 18.00 14.00 10.00 6.00 2.00 30 DAYS TO MAY 10, 2022 <b>\$4.85</b>

VOL. XXXV • ISSUE 206 THURSDAY • MAY 12, 2022 • www.bworldonline.com SI/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 11, 2022 (PSEi snapshot on SI/3; article on SI/2)

SM	P825.000	ALI	P30.600	SMPH	P34.250	BDO	P129.000	ICT	P218.000	TEL	P1,885.000	ACEN	P6.920	AC	P704.000	CNVRG	P27.300	BLOOM	P6.580
Value	P520,267,380	Value	P417,132,670	Value	P408,911,055	Value	P385,071,134	Value	P317,181,934	Value	P314,512,165	Value	P283,330,071	Value	P233,323,040	Value	P208,988,655	Value	P187,625,662
	-P20.000 ▼ -2.367%		-P0.900 ▼ -2.857%		-P0.250 ▼ -0.725%		P0.000 — 0.000%		-P1.800 ▼ -0.819%		P37.000 ▲ 2.002%		-P0.280 ▼ -3.889%		-P36.000 ▼ -4.865%		-P0.300 ▼ -1.087%		P0.390 ▲ 6.300%

## Agricultural output shrinks in Q1

By Luisa Maria Jacinta C. Jocson Reporter

THE COUNTRY'S overall agricultural output shrank by an annual 0.3% by value in the first quarter, due to a decline in fisheries, livestock and crop production, government data showed.

In a report released on Wednesday, the Philippine Statistics Authority (PSA) said the value of agricultural production at constant 2018 prices dipped by 0.3%, a slight improvement from the 3.4% contraction seen in the first quarter of 2021.

"Poultry registered expansion during the period while crops, livestock, and fisheries posted declines in the value of production," the PSA said.

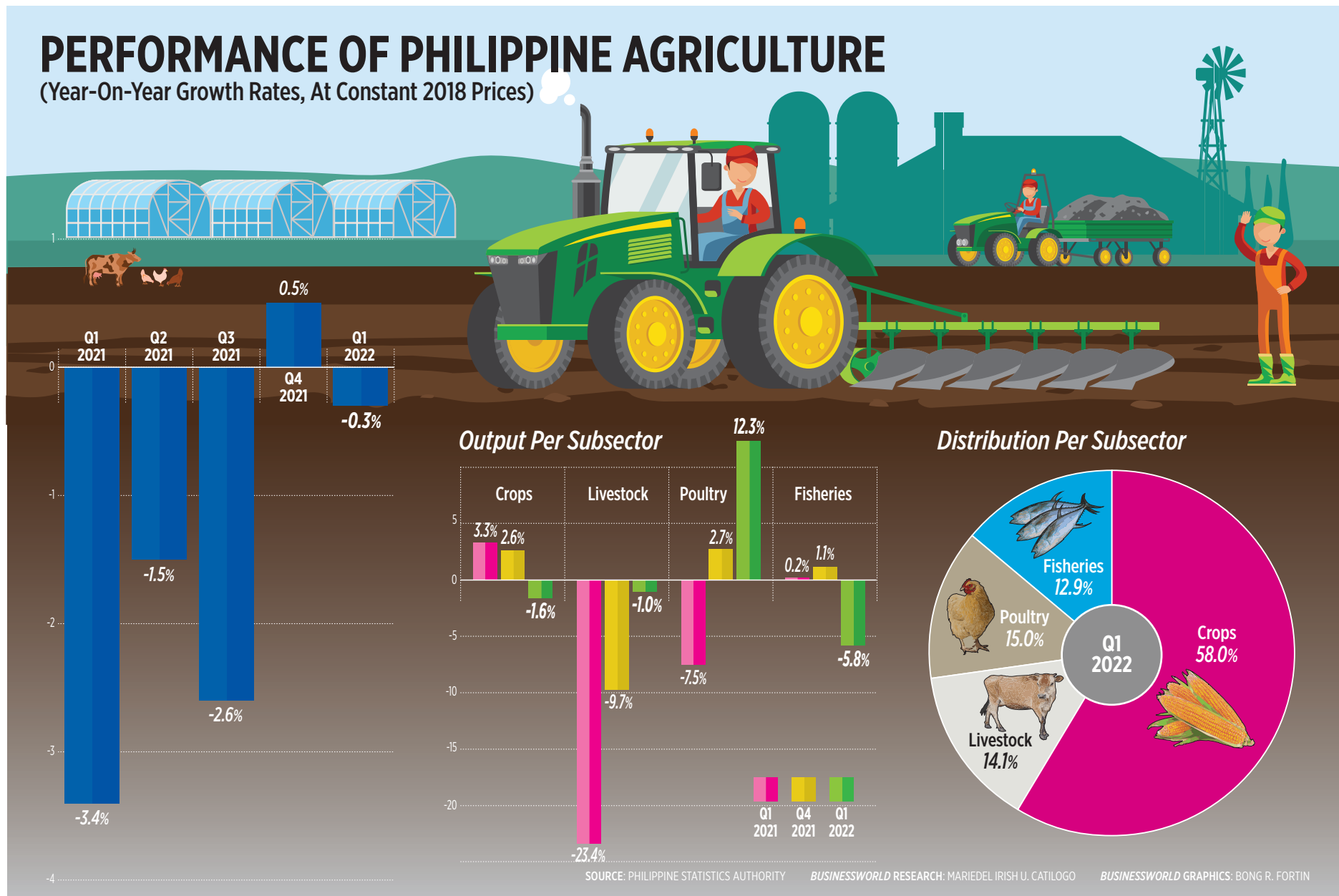
Quarter on quarter, farm output worsened from the 0.5% growth seen in the last three months of 2021.

At current prices, the value of agricultural production went up by 2.1% to P498.61 billion in the January to March period.

The PSA is scheduled to release first-quarter gross domestic product (GDP) data on Thursday morning. Agriculture usually contributes around a tenth to GDP.

Agriculture Secretary William D. Dar said first-quarter agricultural production was affected by the spike in oil and fertilizer prices that began in late February after Russia's invasion of Ukraine.

Agricultural, SI/8



## Manufacturing grows at its fastest pace in 7 months

By Ana Olivia A. Tirona Researcher

FACTORY OUTPUT in March grew at its fastest pace in seven months as manufacturers propped up inventories after restrictions eased.

Preliminary data from the Philippine Statistics Authority's Monthly Integrated Survey of Selected Industries showed manufacturing, as measured by the volume of production index (VoPI), surged more than four times or 336.3% year on year in March.

This was faster than February's revised 75.5% growth and a turnaround from the 73.3% contraction recorded in March 2021.

March marked the 12<sup>th</sup> straight month that the manufacturing output was in positive territory. March's print was also the highest year-on-year growth in seven months or since the 521% surge in August last year.

Manufacturing growth averaged 80.9% in the first quarter.

Philippine Chamber of Commerce and Industry President George T. Barcelon said in a Viber message the factory output growth in March was mostly driven by the need to build up inventory.

Security Bank Corp. Chief Economist Robert Dan J. Rocas said the manufacturing's rise was further fueled by the looser lockdown in March.

"We can attribute this surge to robust output and new or-

ders growth, as validated by the PMI (purchasing managers' index) reading as well," Mr. Rocas said in a separate Viber message.

"Easing mobility had a profound effect on output, which both improved the consumption footprint and ability to move raw materials for production purposes," he said.

The government placed Metro Manila and most parts of the country under the most lenient alert level in March, allowing businesses to become fully operational.

S&P Global Philippines Manufacturing PMI jumped to a three-year high of 53.2 in March, signaling improvement in operating conditions.

Fifteen of 22 industry divisions posted VoPI growth in March, led by manufacture of coke and refined petroleum products, which grew almost 23 times (2,175.6%) annually — faster than the revised 482.1% growth in February.

Other industry segments that showed growth included machinery and equipment except electrical (43.2% in March from 37.2% in February); textiles (24.2% from 25.8%); other manufacturing and repair and installation of machinery and equipment (24% from 15.3%); and tobacco products (17.1% from 24.9%).

### FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link [bit.ly/Manufacturing051222](http://bit.ly/Manufacturing051222)

### WHAT'S INSIDE

**CORPORATE NEWS**  
Refund cuts Meralco power rates in May SI/4

**WORLD SPORTS**  
Padios wins first Philippine gold in 31<sup>st</sup> SEA Games in pencak silat SI/9

**THE NATION**  
Marcos Jr. visits father's grave as he widens lead SI/10

A NEWSPAPER IS A PUBLIC TRUST



FOLLOW US ON:  
facebook.com/bworldph  
twitter.com/bworldph  
anchor.fm/businessworld

## FDI inflows surge in February

By Keisha B. Ta-asan

NET INFLOWS of foreign direct investments (FDI) jumped by 46.3% year on year in February, as the further reopening of the economy lifted investor confidence.

Data released by the Bangko Sentral ng Pilipinas (BSP) on Wednesday showed that FDI net inflows climbed by 46.3% to \$893 million in February from \$611 million in the same month in 2021.

This was the highest monthly FDI inflow recorded since the \$10.5 billion in December last year.

In February, FDI net inflows rose by 9.03% from \$819 million in January.

"The sustained improvement in FDI flows reflect improving sentiment towards the Philippines as coronavirus disease 2019 (COVID-19) cases slip and the economy reopens," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

"However, just as in January, the bulk of FDI was in debt instruments while equity and reinvestment of earnings was actually negative," he added.

The government placed Metro Manila and some provinces under Alert Level 2 in February amid the decline in COVID-19 infections.

The BSP said the higher FDI reflected the "continued infusion of funds by non-resident direct investors to their local subsidiaries."

February data showed a 40.8% increase in foreign firms' investments in debt instruments of local affiliates to \$722 million from \$513 million a year ago.

Foreigners' net investments in equity capital also surged by 320% to \$97 million from \$23 million in February 2021. Equity capital placements jumped by 26.5% to \$116 million, while withdrawals declined by 72.4% to \$19 million.

The equity placements were mainly from Japan, the United States, and Kuwait. These were invested mostly in manufacturing, financial and insurance, and real estate industries.

Reinvestment of earnings stood at \$74 million in February, slightly lower than \$75 million in the same month in 2021.

FDI, SI/8

## Marcos likely to focus on infrastructure but funding remains unclear

By Kyle Aristophere T. Atienza Reporter

THE INCOMING ADMINISTRATION of Ferdinand R. Marcos, Jr. is expected to focus on infrastructure development to drive the Philippine economy's recovery from the pandemic, but questions remain on how these projects will be funded.

Mr. Marcos, the only son and namesake of the late dictator, is poised to become the country's 17<sup>th</sup> president after a landslide win in Monday's election.

"(Mr. Marcos) did, however, pledge to continue with President Duterte's economic policies, particularly the 'Build, Build, Build' infrastructure program that was the flagship project of the Duterte administration and helped boost the Philippines' economic growth prior to the pandemic," MUFG Bank analyst Sophia Ng said in a note.

In a commentary, Fitch Solutions said Mr. Marcos's victory bodes well for policy continuity in the country,

as his economic and foreign policy stances are similar to those implemented by Mr. Duterte.

"Marcos is likely to continue to focus on infrastructure development on the economic front, while striving to maintain a delicate balancing act between the US and China in terms of foreign policy," Fitch Solutions said.

Infrastructure spending hit P895.1 billion in 2021, growing by a nearly a third from a year earlier.

Under the P5-trillion 2022 budget, about a fifth is allocated for capital outlays which includes infrastructure projects.

Terry L. Ridon, convener of infrastructure think tank InfraWatchPH, said Mr. Marcos has not identified potential funding sources for his infrastructure plan. He said it is also not clear if Mr. Marcos would continue the Duterte administration's shift from public-private partnership (PPP) to official development assistance (ODA) funding for major infrastructure projects.

"This is a policy which he must decide on in the coming days, and we hope he will decide considering mainly our debt position at the moment and the least

cost to the public or end users of PPPs," Mr. Ridon said in a Messenger chat.

"He should really put more meat on his pronouncement regarding the continuity of the 'Build, Build, Build' program because he has never provided specific details during the entire campaign," he said.

Mr. Ridon urged the incoming Marcos administration to consider a shift to PPP projects to avoid incurring more debt.

As of end-March, the National Government's (NG) total outstanding debt stood at a record P12.68 trillion.

### BALANCING ACT

"(Mr.) Marcos faces a tricky balancing act between supporting the economic recovery and containing the Philippines' burgeoning fiscal deficit," Oxford Economics Lead Economist Sian Fenner and Assistant Economist Makoto Tsuchiya said in a note.

The Philippines' budget deficit has sharply widened during the pandemic, as revenue collections remained lackluster.

Infrastructure, SI/8