P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET		
PSEi		
OPEN:	6,683.15	
HIGH:	6,763.74	
LOW:	6,683.15	
CLOSE:	6,746.33	▲ 86.28 PTS. 1.29%
VOL.:	2.923 B	
VAL(P):	7.156 B	

30 DAYS TO MAY 20, 2022

ASIAN MARKETS — MAY 20, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	26,739.03	▲	336.19	1.27
Hong Kong (Hang Seng)	20,717.24	▲	596.56	2.96
Taiwan (Weighted)	16,144.85	▲	124.53	0.78
Thailand (SET Index)	1,622.95	▲	16.97	1.06
S.Korea (Kse Composite)	2,639.29	▲	46.95	1.81
Singapore (Straits Times)	3,240.58	▲	49.87	1.56
Sydney (All Ordinaries)	7,145.60	▲	81.10	1.15
Malaysia (Klse Composite)	1,549.12	▼	-0.29	-0.02

WORLD MARKETS — MAY 20, 2022

	CLOSE		NET
Dow Jones	31,261.900	▲	8.770
NASDAQ	11,354.617	▼	-33.878
S&P 500	3,901.360	▲	0.570
FTSE 100	7,389.980	▲	87.240
Euro Stoxx50	3,564.810	▲	25.120

PESO-DOLLAR RATES — FX

OPEN	P52.300
HIGH	P52.111
LOW	P52.370
CLOSE	P52.230
W.AVE.	P52.271
VOL.	$1,291.20M

▲ 22.00 CTVS — 30 DAYS TO MAY 20, 2022 — SOURCE : BAP

ASIAN MONIES-US$ RATE — MAY 20, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	127.850	▼	127.770
Hong Kong (HK dollar)	7.847	—	7.847
Taiwan (NT dollar)	29.713	▲	29.771
Thailand (baht)	34.390	▲	34.570
S. Korea (won)	1,273.590	▲	1,279.880
Singapore (dollar)	1.380	▲	1.387
Indonesia (rupiah)	14,650	▲	14,730
Malaysia (ringgit)	4.387	▲	4.403

WORLD CURRENCIES — MAY 20, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.2487	▲	1.2374
US$/Euro	1.0560	▲	1.0490
$/Aust dollar	0.7033	▲	0.6986
Canada dollar/US$	1.2836	▲	1.2835
Swiss Franc/US$	0.9750	▼	0.9772

DUBAI CRUDE OIL — FUTURES PRICE ON NEAREST MONTH OF DELIVERY — $108.00/BBL — ▲ $2.45 — 30 DAYS TO MAY 20, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 20, 2022 (PSEi snapshot on *S1/8*; article on *S2/2*)

		Value			
SMPH	P37.800	P601,620,740	P1.550	▲	4.276%
ALI	P29.000	P439,761,570	P1.050	▲	3.757%
CNVRG	P28.050	P401,561,200	P0.050	▲	0.179%
MONDE	P15.980	P400,066,630	P0.280	▲	1.783%
BDO	P128.900	P360,201,407	-P2.900	▼	-2.200%
ICT	P210.200	P292,485,456	-P1.200	▼	-0.568%
SCC	P32.500	P277,548,355	P1.000	▲	3.175%
TEL	P1,982.000	P260,165,150	P31.000	▲	1.589%
URC	P108.000	P233,405,184	P2.000	▲	1.887%
GLO	P2,506.000	P216,388,700	P8.000	▲	0.320%

BIR falls short of Q1 collection goal

THE BUREAU of Internal Revenue (BIR) missed its collection target by 8.9% in the first quarter, as businesses made use of tax credits for raw materials under the Tax Reform for Acceleration and Inclusion (TRAIN) law, the Department of Finance (DoF) said on Sunday.

According to a DoF statement, the BIR collected P485.4 billion in the first three months of 2022, below the Development Budget Coordination Committee's (DBCC) P532.6-billion target.

However, the tally was 7.2% higher than the P452.9 billion collected by the BIR in the first quarter of 2021.

"(The) shortfall was due to businesses deciding to fully utilize their input value-added tax (VAT) credits on purchases available to them under Section 35 of the TRAIN law," BIR Deputy Commissioner Arnel SD. Guballa was quoted as saying.

Before Jan. 1 this year, the Tax Code required that input VAT from purchased capital goods with an aggregate acquisition cost of P1 million and above should be spread out over a 60-month period.

Since outright crediting of input VAT on capital goods is now allowed, the BIR was P17.4 billion short of the VAT collection target and P9.4 billion short of the income tax collection goal, Mr. Guballa said.

By region, the National Capital Region (NCR) accounted for the bulk of the first-quarter collections with P399.779 billion. The NCR collection includes the P285.99 billion collected by the BIR's Large Taxpayers' Service in the three-month period.

Among cities, Makati had the biggest collection with P26.09 billion, followed by Quezon City with P19.72 billion, Taguig with P18 billion and Manila with P11.56 billion.

Region IV-A (Calabarzon) collected P19.1 billion in revenues, followed by Region VII (Central Visayas) with P15.21 billion, and Region III (Central Luzon) with P12.88 billion.

Meanwhile, revenue from non-BIR operations for the first three months of the year amounted to P18.1 billion.

This brought the BIR's total revenue for the quarter to P503.5 billion, jumping by 7% from P470.5 billion in the same period in 2021. However, the total revenues fell 8.8% short of the DBCC's target of P551.78 billion for the January to March period.

The government borrowed heavily to finance its pandemic response, as revenues dropped during the lockdown and economic slowdown.

The BIR, the government's largest collecting body, is tasked to collect P2.43 trillion this year.

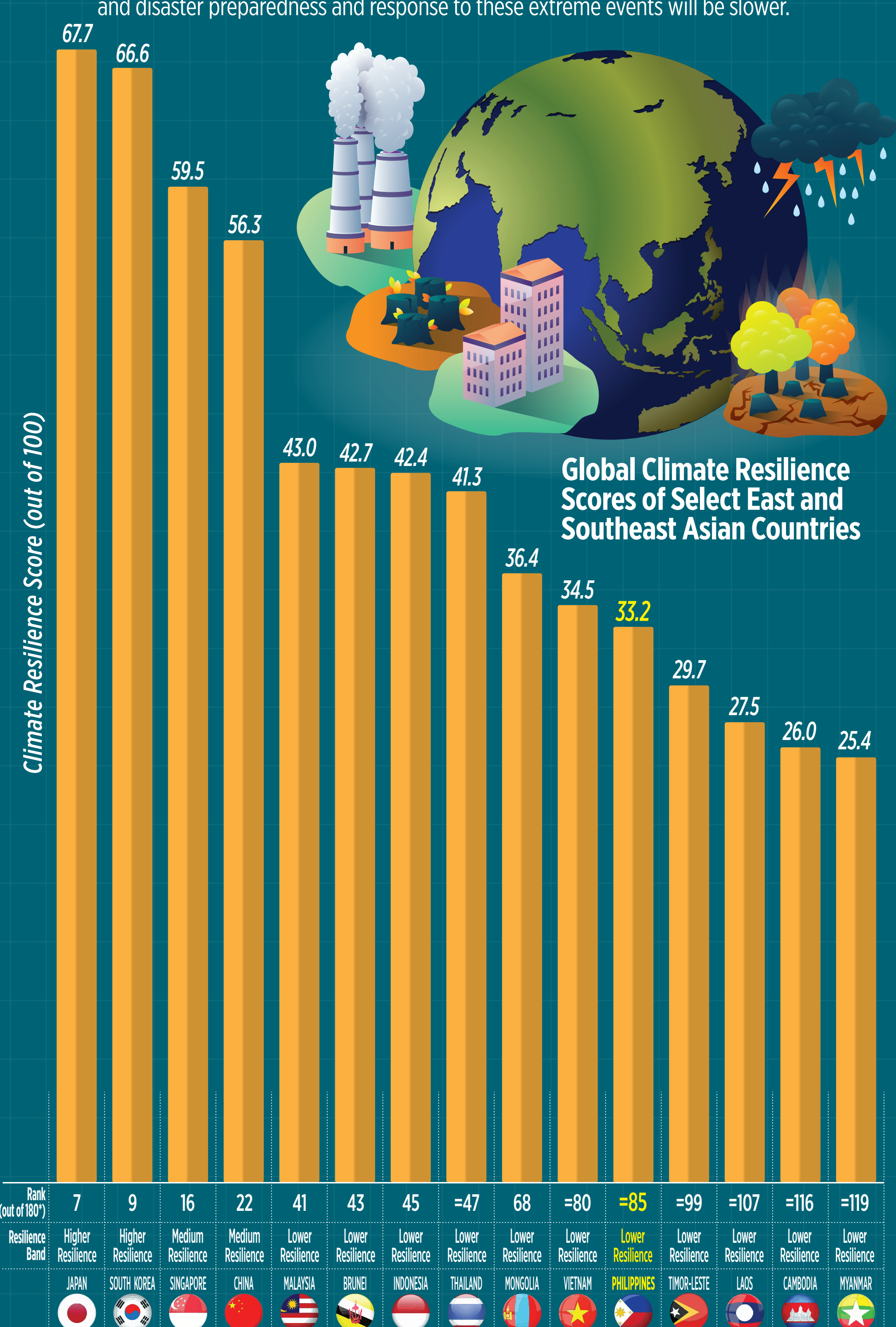
On Saturday, the DoF said it ordered the BIR to suspend the creation of special audit task forces to prevent duplication of functions of BIR offices, and reduce confusion among taxpayers.

The BIR also ordered a halt to all field audit and other field operations under the task forces authorized to conduct examinations and verifications of taxpayers' books of account, records and other transactions.

The agency had created special audit task forces on real estate developers and direct selling/multi-level marketing, as well as task forces for Philippine Offshore Gaming Operators and electronic sabong (e-sabong) to check their tax compliance. — **T. J. Tomas**

HOW DOES THE PHILIPPINES FARE IN CLIMATE CHANGE RESILIENCE IN BUSINESS?

The Philippines ranked 85th out of 180 countries* in citizenship consultant Henley & Partners' Investment Migration Climate Resilience Index that assesses the countries' climate change resilience. In partnership with the Deep Knowledge Analytics, the index was geared toward global investors proactively looking where to build future-ready, climate-resilient portfolios. To further help investors decrease their exposure to high climate change risk, the countries in the index were grouped into three resilience bands — higher, medium, and lower resilience. With a climate resilience score of 33.2 (out of 100), the Philippines was classified into "lower resilience," which means it is more at risk from extreme environmental events such as forest fires, hurricanes, heat waves, floods, droughts, and storms. Infrastructure will be both weaker and more exposed, and disaster preparedness and response to these extreme events will be slower.



Top 10

Rank (out of 180*)	Country	Climate Resilience Score (out of 100)	Resilience Band
1	USA	70.6	Higher Resilience
2	Germany	70.3	Higher Resilience
3	United Kingdom	69.4	Higher Resilience
4	Switzerland	68.4	Higher Resilience
5	Canada	68.3	Higher Resilience
6	France	68.2	Higher Resilience
7	Japan	67.7	Higher Resilience
8	Australia	67.5	Higher Resilience
9	South Korea	66.6	Higher Resilience
10	Norway	64.1	Higher Resilience

Bottom 10

Rank (out of 180*)	Country	Climate Resilience Score (out of 100)	Resilience Band
136	Chad	19.1	Lower Resilience
135	Central African Republic	19.3	Lower Resilience
134	Eritrea	20.8	Lower Resilience
133	Guinea-Bissau	21.4	Lower Resilience
=132	Sudan	22.0	Lower Resilience
=132	Dem. Rep. of the Congo	22.0	Lower Resilience
131	Niger	22.2	Lower Resilience
=130	Liberia	22.6	Lower Resilience
=130	Afghanistan	22.6	Lower Resilience
129	Somalia	22.7	Lower Resilience

NOTES:
*with ties
-The Global Climate Resilience study included 180 countries, which were assessed in terms of their climate resilience to arrive at a Climate Resilience score of between 0 and 100. The countries were classified into three resilience bands based on their scores:
-**Higher Resilience** - countries scoring between 60.0 and 100.0 (15 countries)
-**Medium Resilience** - countries scoring between 45.0 and 59.9 (23 countries)
-**Lower Resilience** - countries scoring between 0 and 44.9 (142 countries)
-The Climate Resilience score consists of three parameters:
Readiness Score: evaluates a country's preparedness to make effective use of investments for adaptation actions by having a safe and efficient business environment.
Vulnerability Score: represents the predisposition of human society to the negative impact of climate hazards.
GDP Score: the average of a country's normalized GDP and GDP per capita scores. The latest data (i.e. 2020 data) is used, with the exception of four countries, where pre-2020 data was used owing to the lack of more recent data: Eritrea (2011), Syrian Arab Republic (2019), Turkmenistan (2019), and Venezuela (2014).

SOURCE: HENLEY & PARTNERS' INVESTMENT MIGRATION CLIMATE RESILIENCE INDEX (*HTTPS://WWW.HENLEYGLOBAL.COM/PUBLICATIONS/INVESTMENT-MIGRATION-CLIMATE-RESILIENCE-INDEX*)
***BUSINESSWORLD* RESEARCH**: BERNADETTE THERESE M. GADON ***BUSINESSWORLD* GRAPHICS**: BONG R. FORTIN

Freight fees expected to climb further

By Arjay L. Balinbin
Senior Reporter

SHIPPING COMPANIES in the Philippines are likely to raise freight fees even more to cushion the impact of rising fuel costs on their operations, analysts said.

"There is a limit to cutting cost. The lines will have no choice but to pass on the cost to the cargo owners," Philippine Liner Shipping Association (PLSA) President Mark Matthew F. Parco told *BusinessWorld* in a phone message on May 19.

Asked if freight fees are projected to increase further, he responded, "Yes, not only fuel but everything else is rising such as forex, parts, wages, etc."

"Certainly, there will be another round. Maybe similar quantum," he added, noting that shipping lines "face the same problems."

Freight fees have already gone up by an average of 25% this year, reflecting the impact of the rise in oil prices.

As of May 17, year-to-date adjustments are at a net increase of P21.60/liter for gasoline, P31.40/liter for diesel and P27.65/liter for kerosene.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said higher costs are widely expected to be passed on to passengers and cargo customers.

"(The) ability to pass on higher costs would be a function of competition or even potential demand destruction or lower demand due to higher shipping prices/fees that lead to lower demand," he said in an e-mailed reply to questions.

Cost-cutting measures would be the firms' "second layer of defense," Mr. Ricafort said, adding that they may need to adopt better technologies to increase operational efficiency and prevent operating losses.

"Higher costs, largely due to higher oil/energy/fuel prices, which comprise a large chunk of the cost structure of shipping companies would lead to either higher prices (but could be mitigated/limited by competition) and/or cost-cutting measures to make up for the narrower profit margins," he said.

The International Monetary Fund has said the rise in global shipping costs would likely cause quicker inflation in import-dependent economies until the end of the year.

The Philippines is a net oil importing country. Inflation quickened to a three-year high of 4.9% in April, the highest in more than three years as food and energy prices soared.

"Main culprit remains to be coronavirus and the war in Ukraine. Insofar as COVID is concerned, it's still biting.

Freight, S1/2

BusinessWorld Virtual Economic Forum to tackle 'new normal' revolution

THE CORONAVIRUS pandemic pushed individuals and organizations to reevaluate their lives, work, priorities and values. These changes are now bringing "revolutions" that can unlock new opportunities for businesses, government, institutions and the workforce.

BusinessWorld, the Philippines' most trusted business newspaper and multimedia content provider, will gather leaders and experts to discuss these "new normal" revolutions in this year's BusinessWorld Virtual Economic Forum on May 25 and 26.

With the theme "Revolutions 2022: Navigating the Changed World," the economic forum will highlight the changes shaping the world after the pandemic. It will be hosted by One News Anchor Regina Lay.

The two-day forum will feature a keynote from a thought leader on the "new normal" economy, as well as discussions moderated by *BusinessWorld* editors and journalists that will take a closer look into the transformations brought about by the pandemic, lessons learned and most effective ways to thrive in this new landscape.

DAY 1

On May 25, Albert Park, chief economist at Asian Development Bank, will deliver a keynote speech on the global economic outlook for this year.

The chief executive officer (CEO) panel discussion, "Rethinking the Role of Corporate Leaders in an Era of Change," will feature Martha M. Sazon, president and CEO, Mynt - Globe Fintech Innovations, Inc.; and Alfredo E. Pascual, president of the Management Association of the Philippines. It will be moderated by *BusinessWorld* Editor-in-Chief Wilfredo G. Reyes.

Kalpana Seethepalli, director of ESG for Asia-Pacific at Deutsche Bank, will make a presentation on "Sustainability Revolution: Investing in Green Economy."

The panel discussion on "Accelerating the Journey to a Net-Zero Future" follows, with Torbjørn Kirkeby-Garstad, general manager for Southeast Asia of renewable power producer Scatec; Raymond Rufino, CEO of top green buildings developer NEO; and Yoly Crisanto, chief sustainability & corporate communications officer of Globe Telecom. It will be moderated by One News Anchor Jester Delos Santos.

Angelo Tan, country lead for climate business at IFC Philippines, will join a fireside chat on "Making Green Infrastructure More Accessible" with *BusinessWorld* Managing Editor Cathy Rose A. Garcia.

Forum, S1/2

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