P25 IN METRO MANILA, PHILIPPINES

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S1/1-12 • 2 SECTIONS, 20 PAGES

STOCK MARKET

PSEi	
OPEN:	6,621.17
HIGH:	6,727.60
LOW:	6,607.98
CLOSE:	6,727.60
VOL.:	1.596 B
VAL(P):	7.749 B

ASIAN MARKETS

MAY 18, 2022

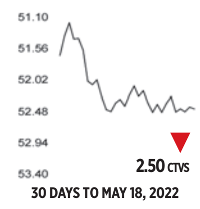
	CLOSE		NET	%
Japan (Nikkei 225)	26,911.20	▲	251.45	0.94
Hong Kong (Hang Seng)	20,644.28	▲	41.76	0.20
Taiwan (Weighted)	16,296.86	▲	240.77	1.50
Thailand (SET Index)	1,621.30	▲	6.81	0.42
S.Korea (Kse Composite)	2,625.98	▲	5.54	0.21
Singapore (Straits Times)	3,234.08	▲	32.19	1.01
Sydney (All Ordinaries)	7,182.70	▲	70.20	0.99
Malaysia (Klse Composite)	1,554.91	▲	6.31	0.41

WORLD MARKETS

MAY 17, 2022

	CLOSE		NET
Dow Jones	32,654.590	▲	431.170
NASDAQ	11,984.523	▲	321.732
S&P 500	4,088.850	▲	80.840
FTSE 100	7,518.350	▲	53.550
Euro Stoxx50	3,642.770	▲	39.480

PESO-DOLLAR RATES



FX	
OPEN	P52.350
HIGH	P52.350
LOW	P52.465
CLOSE	P52.450
W.AVE.	P52.422
VOL.	$805.90 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

MAY 18, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	129.160	▲	129.300
Hong Kong (HK dollar)	7.849	—	7.849
Taiwan (NT dollar)	29.698	▼	29.660
Thailand (baht)	34.580	▼	34.510
S. Korea (won)	1,266.650	▲	1,271.790
Singapore (dollar)	1.386	—	1.386
Indonesia (rupiah)	14,685	▼	14,645
Malaysia (ringgit)	4.394	▼	4.389

WORLD CURRENCIES

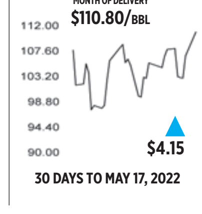
MAY 18, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.2390	▼	1.2478
US$/Euro	1.0518	▲	1.0478
$/Aust dollar	0.7013	▼	0.7030
Canada dollar/US$	1.2841	▲	1.2816
Swiss Franc/US$	0.9961	▼	0.9962

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$110.80/BBL



PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 18, 2022 (PSEi snapshot on *S1/3* ; article on *S2/2*)

Stock	Price	Value	Change		% Change
SM	P870.000	P561,669,825	P38.000	▲	4.567%
SMPH	P36.700	P512,599,850	-P0.100	▼	-0.272%
ICT	P217.800	P461,958,272	P14.800	▲	7.291%
CNVRG	P28.000	P448,921,035	P0.150	▲	0.539%
ALI	P28.800	P386,838,710	-P0.650	▼	-2.207%
BPI	P97.000	P375,504,581	P4.200	▲	4.526%
TEL	P1,971.000	P361,499,480	P6.000	▲	0.305%
BDO	P127.000	P317,658,462	P0.500	▲	0.395%
MONDE	P14.940	P273,606,342	P0.340	▲	2.329%
AC	P678.000	P265,547,375	P3.000	▲	0.444%

Space for accommodative policy narrowing, Diokno says

BSP set to begin tightening cycle

BANGKO SENTRAL ng Pilipinas (BSP) Governor Benjamin E. Diokno on Wednesday said the space for keeping an accommodative policy is shrinking, amid rising inflation risks and the economy's return to pre-pandemic level in the first quarter.

"The space for maintaining an accommodative policy stance has considerably narrowed given how the April 2022 inflation of 4.9% settled near the higher end of the BSP's forecast range of 4.2% to 5% [for the month]," he said at an online briefing.

Mr. Diokno said the better-than-expected 8.3% gross domestic product (GDP) growth in the first quarter, and ongoing downside risks "strengthen the case for a withdrawal of monetary policy accommodation."

"While the BSP stands ready to deal with these risks to inflation and economic growth, any adjustments in the monetary policy stance will be done in a timely manner so as not to disrupt the growth momentum while preventing price pressures from becoming entrenched," he said.

The BSP chief's more hawkish signals on policy came a day before the third rate-setting meeting of the Monetary Board for the year.

Eight out of 17 analysts in a *BusinessWorld* poll last week expect the central bank to begin its tightening cycle by raising interest rates by 25 basis points (bps) today in order to address rising inflationary pressures.

A rate hike on Thursday will be the BSP's first since 2018.

Mr. Diokno said second-round effects are "starting to manifest."

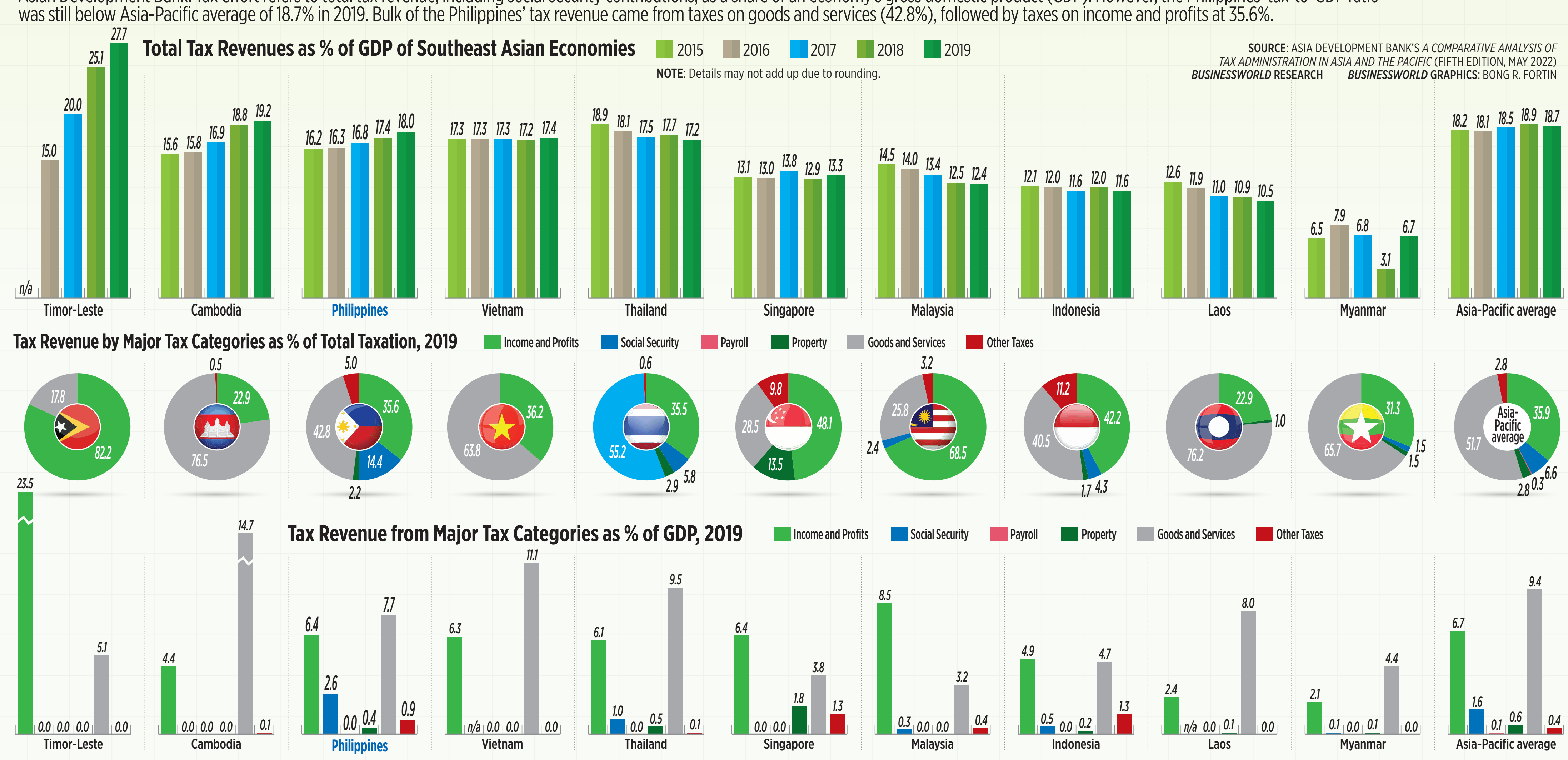
The recent approval of wage hikes in the National Capital Region and Western Visayas may signal further increases in other regions. Wage petitions have been put on hold since the pandemic began in 2020.

The Labor department said the recently approved wage hikes in Metro Manila and Western Visayas will take effect on June 3.

BSP, S1/10

PHILIPPINES' TAX EFFORT ROSE IN 2019 (But Still Below Regional Average)

The Philippines' tax effort improved to 18% in 2019, the third highest among 10 Southeast Asian economies in the latest edition of *A Comparative Analysis of Tax Administration in Asia and the Pacific* by the Asian Development Bank. Tax effort refers to total tax revenue, including social security contributions, as a share of an economy's gross domestic product (GDP). However, the Philippines' tax-to-GDP ratio was still below Asia-Pacific average of 18.7% in 2019. Bulk of the Philippines' tax revenue came from taxes on goods and services (42.8%), followed by taxes on income and profits at 35.6%.



Return-to-office orders could lead to stampede of top talent in Philippines

By Revin Mikhael D. Ochave
Reporter

FOCUS

JOHN GABRIEL GALANG-PILAPIL, 22, finally returned to his office on March 6 after working from home for the past two years amid a coronavirus pandemic.

Now, he's considering quitting his job, noting that he has to endure heavy traffic again on his way to work.

"The transition to working back on-site was really hard," the working student said in a Facebook Messenger chat. "I've been used to working alone in a quiet space at my house. Now, I easily lose focus because of the noise from my colleagues."

The drive to get people back into offices is clashing with employees who have embraced remote work as the new normal. Some have quit their jobs after their bosses required them to go back to the office.

While companies from Google to Ford Motor Co. and Citigroup, Inc. have promised greater flexibility, many other companies have praised the importance of being inside offices.

There are companies that say remote work diminishes collaboration and company culture.

But legions of workers think that if anything, the past two years have proven that much work can be done from anywhere, without the lengthy commutes on crowded trains or buses.

The government has advocated the return of employees, including business process outsourcing (BPO) workers, to on-site work to support economic recovery. People tend to spend more when outside their homes, which effectively sustains other businesses near offices.

The Fiscal Incentives Review Board (FIRB) has rejected a Philippine Economic Zone Authority (PEZA) proposal to extend an order allowing IT-BPO companies to continue their work-from-home arrangements while keeping their tax perks.

Return-to-office, S1/10

NCR wage hike takes effect June 3

A NEW MINIMUM WAGE in the National Capital Region (NCR) and Western Visayas will be implemented next month, the Labor department said on Wednesday, adding that workers in three other regions will soon see higher take-home pay.

The P33 wage hike in Metro Manila and the P55-P100 increase in Western Visayas will take effect on June 3 after their separate wage orders were affirmed by the National Wages and Productivity Commission (NWPC), the Department of Labor and Employment (DoLE) said in a statement.

DoLE said the wage boards in Ilocos, Cagayan Valley, and Caraga have also issued orders increasing minimum wages in these regions.

The Ilocos Region's wage board approved hikes ranging from P60-P90, bringing the minimum wage rate in the region to P372-P400 from P282-P340 previously.

The wage board in Ilocos also issued an order "granting P500 and P1,500 monthly wage increases for domestic workers in cities and first-class municipalities and for other municipalities, respectively, bringing the new monthly wage rate to P5,000," DoLE said.

The labor agency said after the implementation of the P50-P75 wage hikes in Cagayan Valley, which will be implemented in two to three tranches, the minimum wage rate in the region will range from P400-P420 from P345-P370 previously.

DoLE said the minimum wage in Caraga Region in southern Philippines will be raised to P350 after its wage board "integrated the P15 cost of living allowance to the P305 basic salary under the previous wage order and granted a P30-wage increase."

"The new daily minimum wage rate of P350 shall take effect upon the effectivity of the wage order for private establishments and their workers in Butuan City and the provinces of Agusan del Norte, Agusan del Sur, and Surigao del Sur," DoLE said.

Wage, S1/9

Business groups press Congress to pass key economic reform bills

LOCAL BUSINESS GROUPS and foreign chambers once again pressed the outgoing 18th Congress to pass the last of economic reform bills in its remaining session days.

In a joint statement issued on Wednesday, thirteen business groups and foreign chambers said they sent letters to Congress leaders to urge them to pass six measures that have been approved at the House of Representatives, and are still pending at the Senate.

"(We are) calling on Congress to pass additional achievable reforms in the remaining session days of the 18th Congress," they said.

The 18th Congress will resume session on May 23, before its sine die adjournment on June 3.

The business groups' list of key measures includes last two packages of the Comprehensive Tax Reform Program that is being pushed by the Duterte administration. Package 3 is the Property Valuation and Assessment Reform, while Package 4 is the Passive Income and Financial Intermediary Taxation, which seeks to simplify the taxation of passive income and financial instruments.

Other measures include the Ease of Paying Taxes bill, which aims to simplify and modernize tax compliance; Open Access in Data Transmission, which hopes to promote fair and open competition by lowering barriers to entry for the telecommunications industry; the Philippine Creative Industries Development Act, which would provide support for the creative sector; and the Promotion of Digital Payments Act.

Congress, S1/9