P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET		
PSEi		
OPEN:	6,580.09	
HIGH:	6,612.08	
LOW:	6,574.98	
CLOSE:	6,597.76	▲ 20.31 PTS. 0.30%
VOL.:	1.030 B	
VAL(P):	5.986 B	

30 DAYS TO MAY 25, 2022

ASIAN MARKETS MAY 25, 2022	CLOSE		NET	%
Japan (Nikkei 225)	26,677.80	▼	-70.34	-0.26
Hong Kong (Hang Seng)	20,171.27	▲	59.17	0.29
Taiwan (Weighted)	16,104.03	▲	140.40	0.88
Thailand (SET Index)	1,626.60	▲	0.37	0.02
S.Korea (Kse Composite)	2,617.22	▲	11.35	0.44
Singapore (Straits Times)	3,187.39	▼	-7.65	-0.24
Sydney (All Ordinaries)	7,155.20	▲	26.40	0.37
Malaysia (Klse Composite)	1,535.56	▲	4.26	0.28

WORLD MARKETS MAY 24, 2022	CLOSE		NET
Dow Jones	31,928.620	▲	48.380
NASDAQ	11,264.448	▼	-270.827
S&P 500	3,941.480	▼	-32.270
FTSE 100	7,484.350	▼	-29.090
Euro Stoxx50	3,577.150	▼	-34.980

PESO-DOLLAR RATES	FX
OPEN	P52.340
HIGH	P52.300
LOW	P52.380
CLOSE	P52.355
W.AVE.	P52.349
VOL.	$804.20M

▼ 3.50 CTVS

30 DAYS TO MAY 25, 2022

SOURCE : BAP

ASIAN MONIES-US$ RATE MAY 25, 2022	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	126.980	▲	127.170
Hong Kong (HK dollar)	7.850	▼	7.849
Taiwan (NT dollar)	29.535	▲	29.592
Thailand (baht)	34.220	▼	34.140
S. Korea (won)	1,265.570	▼	1,264.620
Singapore (dollar)	1.375	▼	1.374
Indonesia (rupiah)	14,630	▲	14,655
Malaysia (ringgit)	4.393	▼	4.390

WORLD CURRENCIES MAY 25, 2022	CLOSE		PREVIOUS
US$/UK pound	1.2505	▲	1.2489
US$/Euro	1.0672	▼	1.0705
$/Aust dollar	0.7077	▲	0.7071
Canada dollar/US$	1.2839	▲	1.2800
Swiss Franc/US$	0.9621	▼	0.9628

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY $107.90/BBL

▼ $1.49

30 DAYS TO MAY 24, 2022

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S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 25, 2022 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
CNVRG	P25.500	P721,460,515	-P0.300	▼	-1.163%
BDO	P122.700	P416,026,403	-P0.800	▼	-0.648%
SMPH	P37.000	P395,254,770	-P0.700	▼	-1.857%
ICT	P210.600	P323,808,292	-P3.200	▼	-1.497%
TEL	P1,950.000	P303,347,995	P34.000	▲	1.775%
MONDE	P15.780	P246,299,756	-P0.140	▼	-0.879%
ALI	P28.300	P224,494,860	P0.600	▲	2.166%
DMC	P9.050	P189,953,397	P0.180	▲	2.029%
SCC	P33.500	P161,368,900	P0.500	▲	1.515%
SM	P847.000	P158,157,410	P17.000	▲	2.048%

Marcos urged to impose new taxes

By Tobias Jared Tomas

THE FINANCE department is pressing the incoming Marcos administration to impose new tax measures, defer personal income tax reductions and repeal some tax exemptions to raise much-needed revenues and reduce the Philippines' debt.

President-elect Ferdinand R. Marcos, Jr. is scheduled to assume office on June 30, inheriting a record amount of debt incurred by the Duterte administration to fund its pandemic response.

Finance Secretary Carlos G. Dominguez III in a press conference on Wednesday said a fiscal consolidation and resource mobilization plan is vital to "ensure that the government can continue to effectively manage its increased budget deficit while spending on investments in infrastructure, education and healthcare for economic growth and recovery."

The Bureau of the Treasury has estimated the government needs to raise P249 billion every year in revenues to avoid resorting to borrowings to pay the P3.2-trillion additional debt incurred during the pandemic. As of end-March, the National Government debt stood at a record P12.68 trillion.

Mr. Dominguez said the government could cover existing debt by borrowing more or reducing spending by P249 billion each year.

Instead, he said the government has to raise revenues, improve tax administration and cut unnecessary spending with fiscal reforms.

The Department of Finance (DoF) proposed three tax reform packages that it described as "fair, efficient and corrective," which will be implemented from 2023 to 2025.

The first package, which is targeted to be in place by 2023, is estimated to have an average yearly revenue impact of P247.8 billion.

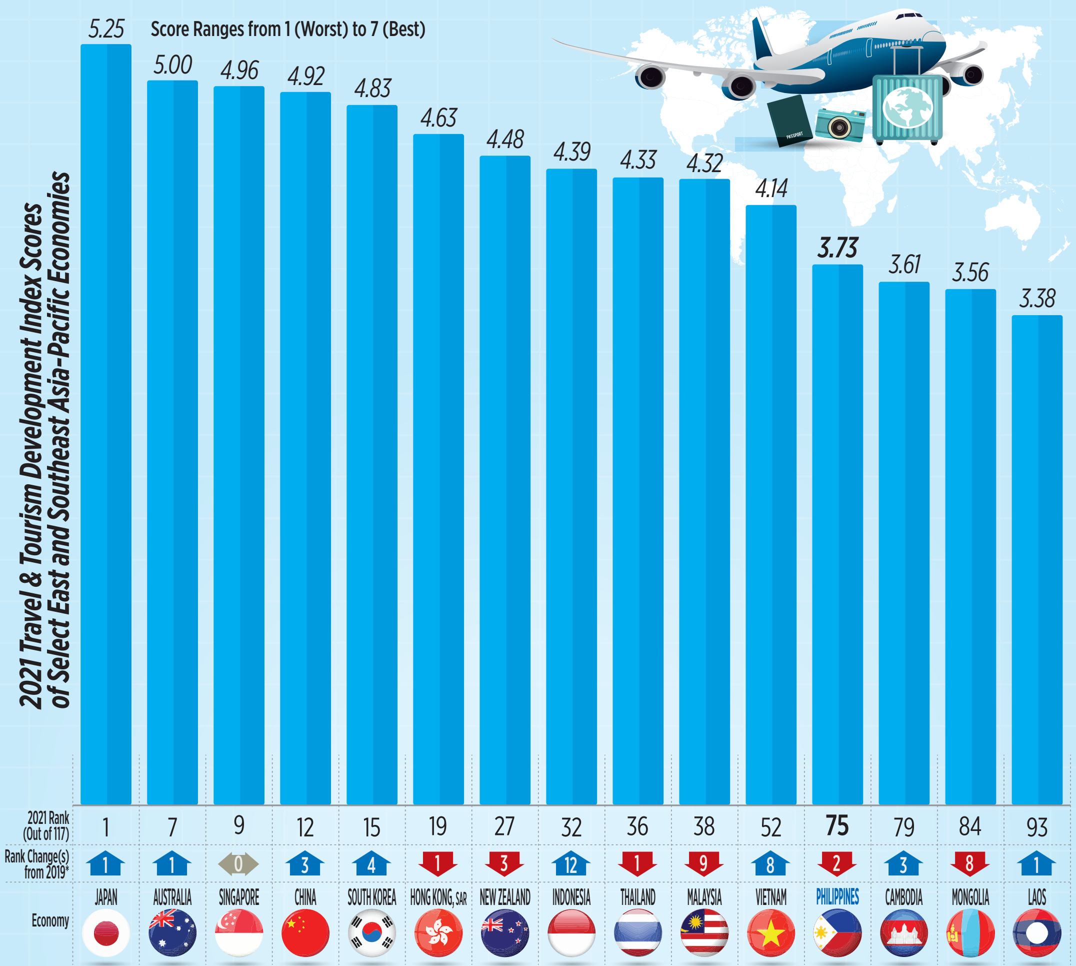
It includes a three-year deferment of the reduction of personal income tax under the Tax Reform for Acceleration and Inclusion (TRAIN) law, which will have an estimated average revenue impact of P97.7 billion per year.

Under TRAIN, individual taxpayers earning over P250,000 but not more than P8 million must pay lower tax rates of 15-30% starting Jan. 1, 2023.

The DoF also proposed the expansion of the value-added tax (VAT) base, and a possible reduction in the VAT rate. It also suggested a repeal of some VAT exemptions, excluding education, agricultural products, health, financial sector and raw food.

Taxes, S1/9

PHILIPPINES PLACES 75TH IN REVAMPED 2021 TRAVEL AND TOURISM INDEX



The Philippines slipped two notches to 75th out of 117 economies in the World Economic Forum's (WEF) Travel & Tourism Development Index (TTDI) 2021. The latest edition of the index was the revised version of the Travel & Tourism Competitiveness Index (TTCI) released biennially by WEF. The TTDI ranked economies on their potential drivers in the travel and tourism sector development. With an overall TTDI score of 3.73 (out of 7), the Philippines lagged compared with its peers in the East and Southeast Asia region, just ahead of Cambodia (79th overall), Mongolia (84th), and Laos (93rd).

Top 10

2021 Rank (Out of 117)	Economy	Rank Change(s) from 2019*	2021 Score (Out of 7)
1	Japan	▲ 1	5.25
2	United States	▼ 1	5.20
3	Spain	▲ 2	5.15
4	France	▲ 2	5.13
5	Germany	▼ 1	5.06
6	Switzerland	▲ 1	5.02
7	Australia	▲ 1	5.00
8	United Kingdom	▼ 5	4.97
9	Singapore	0	4.96
10	Italy	▲ 2	4.93

Bottom 10

2021 Rank (Out of 117)	Economy	Rank Change(s) from 2019*	2021 Score (Out of 7)
117	Chad	0	2.49
116	Yemen	0	2.62
115	Mali	▼ 1	2.75
114	Sierra Leone	▲ 1	2.76
113	Angola	0	2.92
112	Cameroon	0	2.94
111	Lesotho	▼ 2	2.96
110	Nigeria	▲ 1	3.02
109	Malawi	▼ 1	3.02
108	Venezuela	▼ 1	3.06

Philippines' Historical TTDI Performance

Year	Score (Out of 7)	Rank
2013	3.93	82/140
2015	3.63	74/141
2017	3.60	79/136
2019*	3.72	75/140
2021	**3.73**	**75/117**

Philippines' 2021 Subindex Performance

Subindex	2021 Score (Out of 7)	2021 Rank (Out of 117)	Rank Change(s) from 2019*
Enabling Environment	4.02	87	▼ 1
Travel and Tourism Policy and Enabling Conditions	4.38	61	▲ 13
Infrastructure	3.17	75	0
Travel and Tourism Demand Drivers	3.05	35	▼ 2
Travel and Tourism Sustainability	3.83	85	▼ 8

NOTES:
* Due to the update of the report, scores from 2011 to 2017 are not comparable with the latest edition. The 2019 results were recalculated using the new framework to compare scores and rank between 2019 and 2021.
- The TTDI 2021 is a "direct evolution" of TTCI with increased coverage of travel and tourism development concepts. The revised TTDI does not measure the level of travel and tourism development that an economy possesses, but the potential drivers of such development.
- The TTDI framework has 5 subindices, 17 pillars, and 112 individual indicators:
Enabling Environment: Business Environment (9 indicators), Safety and Security (6), Health and Hygiene (6), Human Resources and Labor Market (9), ICT Readiness (8)
Travel and Tourism Policy and Enabling Conditions: Prioritization of Travel and Tourism (5), International Openness (4), Price Competitiveness (5)
Infrastructure: Air Transport Infrastructure (4), Ground and Port Infrastructure (7), Tourist Service Infrastructure (5)
Travel and Tourism Demand Drivers: Natural Resources (5), Cultural Resources (6), Non-Leisure Resources (4)
Travel and Tourism Sustainability: Environmental Sustainability (15), Socioeconomic Resilience and Conditions (7), Travel and Tourism Demand Pressure and Impact (7)
- The countries not included in the 2021 edition were Algeria, Brunei, Burkina Faso, Burundi, Democratic Republic of the Congo, Ethiopia, Eswatini, Gambia, Guinea, Haiti, Iran, Jamaica, Liberia, Mauritania, Mozambique, Norway, Oman, Russian Federation, Seychelles, Uganda, Ukraine, Zimbabwe, and Taiwan, China.

SOURCE: WORLD ECONOMIC FORUM'S TRAVEL & TOURISM DEVELOPMENT INDEX 2021: *REBUILDING FOR A SUSTAINABLE AND RESILIENT FUTURE*
***BUSINESSWORLD* RESEARCH**: BERNADETTE THERESE M. GADON
***BUSINESSWORLD* GRAPHICS**: BONG R. FORTIN

Congress proclaims Marcos as winner of presidential election

By Kyle Aristophere T. Atienza *Reporter*

FERDINAND "BONGBONG" R. MARCOS, JR. became the 17th president of the Philippines on Wednesday when Congress declared him the winner of the May 9 election, succeeding Rodrigo R. Duterte whose six-year term ends next month.

"We proclaim Ferdinand R. Marcos, Jr. and Sara Duterte-Carpio as the duly elected president and vice-president," Speaker Lord Allan Q. Velasco told a joint session of Congress that validated election results.

Mr. Marcos ran in tandem with Ms. Duterte-Carpio in the national elections, which academics considered as a make-or-break moment for the Philippines.

Both came from political clans with a national following and joined forces to secure the first landslide victory in four decades, although observers said it remains to be seen if they can stay united in the next six years.

Mr. Marcos, who secured a remarkable comeback for his family after they fled a mass uprising decades ago, had refused to participate in major presidential debates. He offered a message of unity during the campaign, amid opposition from various groups, including Martial Law victims.

Ador R. Torneo, who teaches political science at De La Salle University (DLSU), said Mr. Marcos should allay the fears and concerns of civic groups and the international community for him to have a stable government, as the country recovers from the pandemic.

The president-elect should guarantee that his administration will protect human rights, preserve democratic space and ensure the proper functioning of institutions that promote check and balance, Mr. Torneo said in a Messenger chat. "He needs to mend fences, build bridges, and tone down the highly polarized political environment."

Marcos, S1/12

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Fate of Mindanao railway up to next administration

By Arjay L. Balinbin *Senior Reporter*

THE Transportation department on Wednesday said it will now be up to the next administration to start constructing the Mindanao railway project, as the government has yet to receive from China a shortlist of bidders for the design-and-build contract.

"Since we haven't received the shortlist of the design-build contractors yet from the China side, we are unable to proceed with the construction as originally scheduled," Transportation Undersecretary for Railways Timothy John R. Batan said during a briefing.

"Considering that we are about to undergo a transition into the next administration, one of the policy areas that we would like to defer to the incoming administration would be on the way forward for this," he added.

The Department of Transportation (DoTr) had to adjust the construction timeline of the P82-billion Mindanao railway project phase 1, a campaign promise of President Rodrigo R. Duterte.

The project's construction, which will be financed through an official development assistance package from the Chinese government, was first targeted to start in January 2019 with operations by 2021.

In its revised indicative timeline as of Sept. 2021, construction work was expected to begin in April this year. The government expected to start partial operations in October 2022 and full operations in October 2023.

Mr. Batan said the DoTr hopes China will provide the shortlist of bidders "soon," but this will depend on the policy direction of the incoming Marcos government.

President-elect Ferdinand "Bongbong" R. Marcos, Jr., who is seen to continue strengthening ties with China, had expressed support for the project during the campaign period.

A Chinese consortium composed of China Railway Design Corp. and Guangzhou Wanan Construction Supervision Co., Ltd. recently bagged the P3.08-billion project management consultancy contract for the first phase of the Mindanao railway project.

Apart from the Mindanao railway project, two other major large-scale rail projects with China are the PNR South Long-Haul Project, or PNR Bicol, and the Subic-Clark Railway Project.

"The Mindanao railway project phase 1 is 100 kilometers long. Right-of-way acquisition is ongoing. Of course, there are some issues along the way. We've already acquired some properties voluntarily, so we followed the procedures under our laws," Mr. Batan said.

Mindanao railway, S1/12

Developing Asia's recovery to continue despite headwinds

THE RECOVERY of developing Asia, which includes the Philippines, continues despite global headwinds brought by Russia's war on Ukraine, China's economic slowdown and central banks' aggressive policy tightening, the Asian Development Bank (ADB) said.

BusinessWorld VIRTUAL ECONOMIC FORUM REVOLUTIONS 2022 NAVIGATING THE CHANGED WORLD

"Asia still remains the most dynamic growth area of the world, and still is expected in all of the forecast, whether it's our own or the IMF (International Monetary Fund) or other organizations, most of global growth is still going to come from Asia," ADB Chief Economist Albert Park said in his keynote speech during the BusinessWorld Virtual Economic Forum on Wednesday.

Mr. Park said Russia's invasion of Ukraine in February brought "heightened uncertainty" for growth in the region as it drove global oil and commodity prices higher.

This pushed a number of central banks, including the US Federal Reserve, to raise interest rates in their inflation fight.

"The US Fed tightening is encouraging more money to kind of flow out of Asia especially away from countries perceived to have more fragile economic fundamentals," Mr. Park said, adding this could trigger market volatility and raise financial stability risks in the region.

The US Federal Reserve started raising its key rate by 25 basis points (bps) in March to arrest decades-high inflation. It was followed by an aggressive 50-bp increase in May.

The Bangko Sentral ng Pilipinas also started to tighten policy, raising its interest rates by 25 bps earlier this month.

Mr. Park also cited China's economic slowdown as it continues to pursue a zero-COVID strategy.

The ADB's chief economist said the latest surge in coronavirus infections had less of an economic impact in Asia compared with other regions owing to high vaccination rates. He noted foreign direct investments (FDIs) remained robust in Asia.

Mr. Park expressed concern about the scarring effects of learning losses of students after schools were shuttered for several months and even years during the pandemic. — **BTMG**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link **<bit.ly/Recovery052622>**