STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL	
PSEi 6980 OPEN: 6,722.73 HIGH: 6,722.73 LOW: 6,653.41 CLOSE: 6,686.83 VOL: 0.852 B 30 DAYS TO JUNE 2, 2022 VAL(P): 5.063 B	JUNE 2, 2022 CLOSE JAPAN (NIKKEI 225) HONG KONG (HANG SENG) TAIWAN (WEIGHTED) THAILAND (SET INDEX) S.KOREA (KSE COMPOSITE) SINGAPORE (STRAITS TIMES) MALAYSIA (KLSE COMPOSITE) MALAYSIA (KLSE COMPOSITE) JUNE 2, 44.01 1,647.57 1,547.57 1,547.50 1,549.90	JUNE 1, 2022 CLOSE NET Dow Jones 32,813.230 ▼ -176.890 NASDAQ 11,994.460 ▼ -86.931 S&P 500 4,101.230 ▼ -30.920 FTSE 100 7,532.950 ▼ -74.710 Euro STOXX50 3,638.030 ▼ -34.130	52.00 FX 52.20 OPEN P52.470 HIGH P52.455 LOW P52.800 CLOSE P52.800 W.AVE. P52.580 32.00 crvs VOL. \$1,099.50 M SOURCE: BAP	JUNE 2, 2022 LATEST BID (0900GMT) JAPAN (YEN) HONG KONG (HK DOLLAR) TAIWAN (NT DOLLAR) S. KOREA (WON) SINGAPORE (DOLLAR) 1,249.210 TIAJLAND (BAHT) SINGAPORE (DOLLAR) TIAJLAND (BAHT) SINGAPORE (DOLLAR) TIAJLAND (AHT) TIAJLAND	US\$/UK pound 1.2542 ▼ 1.2580 US\$/EURO 1.0687 ▼ 1.0717 \$/AUST DOLLAR 0.7196 ▲ 0.7186 CANADA DOLLAR/US\$ 1.2649 ▼ 1.2648 SWISS FRANC/US\$ 0.9599 ▼ 0.9619	FUTURES PRICE ON NEAREST MONTH OF DELIVERY 117.00 \$112.70 / BBL 112.20 107.40 102.60 97.80 \$3.55 30 DAYS TO JUNE 1, 2022	

VOL. XXXV • ISSUE 222 FRIDAY • JUNE 3, 2022 • www.bworldonline.com PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 2, 2022 (PSEi snapshot on S1/4; article on S2/2) \$1/1-10 • 2 SECTIONS, 14 PAGES

AC	P700.000	GLO	P2,350.000	CNVRG	P25.600	SMPH	P37.150	BD0	P128.100	SCC	P35.950	ALI	P29.550	BPI	P94.100	DMC	P9.180	MOND	E P13.980
Valu	P315,064,940	Value	P281,403,770	Value	P280,997,955	Value	P274,207,835	Value	P265,459,603	Value	P245,417,925	Value	P236,226,650	Value	P168,890,038	Value	P166,830,894	Value	P166,576,554
P0.0	0.000%	-P54.000	▼ -2.246 %	-P0.450	▼ -1.727 %	P0.100	Δ 0.270%	-P3.800	▼ -2.881 %	P0.700	1.986 %	P0.000	— 0.000 %	-P1.700	▼ -1.775 %	P0.190	2.113 %	-P0.360	▼ -2.510 %

NG debt rises to record P12.76 trillion

PHL likely to miss out on RCEP opportunities as ratification deferred

By Revin Mikhael D. Ochave

THE PHILIPPINES is likely to lose investment opportunities to other Southeast Asian countries if it continues to delay the ratification of the Regional Comprehensive Economic Partnership (RCEP), Trade Secretary Ramon M. Lopez said on Thursday.

"Any delay in ratification means that we run the risk of losing some export markets and the good opportunities in new investments as they shift to participating countries who are already part of the RCEP system," he said in a Viber message to reporters.

"There may be lost opportunities in investments, and jobs for our people, investments such as in agribusiness, manufacturing for exports, and services."

The Trade chief made the statement after the Senate on Wednesday failed to give its concurrence to the RCEP before it adjourned sine die despite repeated appeals from economic managers and business groups.

Senate Foreign Relations Committee Chairman Senator Aquilino Martin L. Pimentel III said it would be up to Presidentelect Ferdinand R. Marcos, Jr. to endorse the mega-trade deal to the Senate when the 19^{th} Congress opens next month.

"The 19th Congress (will) wait for (Office of the President) to endorse the said treaty again to the Senate," he said in a mobile message to BusinessWorld.

Mr. Pimentel said there was no vote on the RCEP since only 17 senators were present during plenary on Wednesday. The trade deal needed 16 affirmative votes to be ratified by the Senate.

"Two senators are abroad, one quarantined, two went out. In short, many members were not on the floor. We didn't want to deprive them the chance to participate and or vote on the measure," he said.

The RCEP, which entered into force on Jan. 1, is a trade agreement involving Australia, China, Japan, South Korea, New Zealand and the 10 members of the Association of Southeast Asian Nations (ASEAN).

The Philippines is one of three countries that have not ratified the RCEP, along with ASEAN members Indonesia and Myanmar.

Mr. Marcos previously said he wanted to review the trade agreement to protect the local agriculture sector.

While it was "unfortunate" the Senate failed to act on the RCEP, Mr. Lopez remained optimistic that incoming senators will ratify the trade deal.

"RCEP has the support of the incoming economic team and we understand that it will be in their priority agenda... I can only hope for the early gress. We leave this for the next administration and next Congress," he said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message the delay in the RCEP's ratification could slow economic recovery, in terms of lower foreign direct investments and exports.

"Since RCEP is the world's largest free trade agreement RCEP, S1/5

NATIONAL GOVERNMENT OUTSTANDING DEBT

(in Billion Pesos)

As of end-April

THE NATIONAL Government's (NG) outstanding debt rose to a record-high P12.76 trillion at the end of April, as it continued to ramp up borrowings to support economic recovery from the pandemic.

Preliminary data from the Bureau of the Treasury (BTr) showed outstanding debt inched up by 0.7% from end-March's P12.68 trillion "due to the net issuance of government securities to both local and external lenders and the depreciation of the local currency against the US dollar."

Year on year, the debt stock jumped by 16.1% from P10.99 trillion.

The BTr said the debt pile has risen by 8.8% since the year started, after the government borrowed P1 trillion more.

Of the outstanding debt, the bulk or 70% was obtained domestically, while the rest was from foreign creditors.

> Domestic debt stood at P8.94 trillion at end-April, 0.8% up from end-March due to P66.3 billion in net availment of domestic financing. This was 14.4% higher than P7.8 trillion a year earlier, and 9.4% higher than the end-December 2021 level of P8.17 trillion.

Most of the domestic debt stock still came from government securities with P8.64 trillion in April, up 18.8% year on year and 0.8% month on month.

Meanwhile, outstanding external debt jumped by 20.4% year on year to P3.83 trillion at end-April. It inched up 0.4% month on month, and increased by 7.6% from the end-December 2021

"For the period, the increment to external debt was due to the net availment of external loans amounting to P28.56 billion and the effect of peso depreciation against the US dollar amounting to P31.5 billion. This was tempered by adjustments in third currencies amounting to P43.86 billion," the Treasury said.

The National Government's guaranteed debt rose by 0.6% month on month to P413.43 billion at end-April due to the net availment of both domestic and external guarantees.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the record debt reflected government borrowings made before the elections to fund infrastructure projects, support fuel subsidies and other pandemic response programs.

"In view of the streak of record highs in the government's outstanding debt in recent months, the intensified tax collections from existing tax laws may not be enough and would inevitably require new tax/fiscal reform measures to curb additional borrowings/debt by the government, especially for the incoming administration," he added.

Institute for Leadership, Empowerment and Democracy (iLEAD) Executive Director Zy-zya Nadine Suzara said the higher debt might be due to the outgoing administration's infrastructure push.

"It's hard to say if the ongoing external issues affected the country's debt,

Customs exceeds May collection target by 21%

THE BUREAU of Customs (BoC) on Thursday said it exceeded its May collection target by a fifth due to improved valuation and collection efforts as the economy continues to rebound.

In a statement, the bureau said it collected P68.245 billion in May, surpassing the P56.478billion target by 21%. May marked the fifth month in

a row that Customs has exceeded its monthly collection goals. Last month's Customs col-

lection was 38% higher than the same month in 2021.

Citing a preliminary report from the BoC-Finance Service, the bureau said 15 of the 17 collection districts surpassed their monthly target.

These were the ports of San Fernando, Manila, Batangas, Legazpi, Iloilo, Cebu, Tacloban, Cagayan de Oro, Zamboanga, Davao, Subic, Clark, Aparri and Limay, as well as the Manila International Container Port

For the first five months, the BoC collected P322.472 billion, nearly half or 47.5% of the P679.226 billion full-year target.

"Among the factors that contributed to the positive performance of the BoC since January this year include the improved valuation, intensified collection efforts, measures preventing revenue leakage and the recovering economy of the country," the bureau said.

The BoC said it continued to implement border security measures against "undervaluation, misdeclaration and other forms of technical smuggling and collect lawful revenues.'

In 2021, Customs collected P645.77 billion, 4.7% higher than its full-year target of P616.75 billion. This was also 20% higher than P537.69 billion in revenues generated amid the pandemic in 2020. -**K.B. Ta-asan**

TOTAL 10,991.32 8,935.85 7,812.38 **DOMESTIC** 2022 2021 540.95 300.16 Loans NG Direct 540.16 300.16 Availed by Agencies 540.16 300.16 **NG Other Domestic** 0.16 0.16 540.00 300.00 0.79 **Government Securities** 7,271.44 8,635.70 3,827.33 **EXTERNAL** 2022 1,380.53 1,675.25 Loans 1,380.53 1,675.25 NG Direct Availed by Agencies 1,363.32 1,661.31 Relent to GOCCs 17.21 13.93 **Assumed Loans** 1,798.40 2,152.09 **Government Securities** US Dollar Bonds/Notes 1,326.86 1,716.76 234.64 223.59 Euro Bonds 106.41 Japanese Yen Bonds 132.73 Chinese Yuan Bonds 18.60 19.75 Peso Global Bonds 85.57 85.57 SOURCE: BUREAU OF THE TREASURY BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRAOLA BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Supply snarls promise Southeast Asia bigger slice of trade pie

TRADE DISRUPTIONS from China's lockdowns and the war in Ukraine are seen doing for Southeast Asia what the US' spat with Beijing couldn't meaningfully do - redistribute supply chains.

"Much of the discussion around dependency on China has been linked to the US-China rivalry," according to a report by Hinrich Foundation. But the latest "disruptions have broadened the number of countries currently assessing the risks to their supplies."

This time around, Japan and

European Union (EU) mem-

bers are looking to secure sup-

Hinrich to promote sustainable global trade. The EU and Japan each account

ply linkages without increasing

cost, wrote Stewart Paterson, the

report's author and research fel-

low at the Asia-based foundation

set up by US entrepreneur Merle

for about 12% of total direct investment flows into Southeast Asia for the past five years, compared with China's 8% share, according to the report. With a per capita gross domestic product (GDP) of \$4,500, the 10-member bloc of the Association of Southeast Asian Nations (ASEAN) is also a "far less

costly source of labor than China," Mr. Paterson wrote.

Another reason that sets apart the US-led efforts earlier to reduce dependence on China from what's happening now is the relation between the state and the companies, he said. Unlike in the US where multinational corporations are "notoriously independent" from government-set agendas, the linkages run much deeper in the EU and Japan.

"The passing of Japan's new Economic Security Law and the EU's Global Gateway policy are the most recent manifestations

of close government-corporate cooperation in industrial policy," Mr. Paterson said.

Here are some more key points from the report:

ASEAN's export performance between 2016 and 2020 has more or less matched that of China. The bloc's exports grew by 21% to \$1.39 trillion during the period, while China's grew by 23% to \$2.59 trillion.

The ASEAN bloc has been enmeshed in the global trading system and has trade-to-GDP ratios well above the global average. Bloomberg



makers, threatens recovery \$1/8