P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET

PSEi

OPEN:	6,096.48
HIGH:	6,217.56
LOW:	6,096.48
CLOSE:	6,217.56
VOL.:	0.604 B
VAL(P):	4.526 B

▲ 152.33 PTS. 2.51%

30 DAYS TO JUNE 24, 2022

ASIAN MARKETS

JUNE 24, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	26,491.97	▲	320.72	1.23
Hong Kong (Hang Seng)	21,719.06	▲	445.19	2.09
Taiwan (Weighted)	15,303.32	▲	126.88	0.84
Thailand (SET Index)	1,568.76	▲	11.15	0.72
S.Korea (Kse Composite)	2,366.60	▲	52.28	2.26
Singapore (Straits Times)	3,111.65	▲	18.85	0.61
Sydney (All Ordinaries)	6,578.70	▲	50.30	0.77
Malaysia (Klse Composite)	1,436.70	▲	5.65	0.39

WORLD MARKETS

JUNE 24, 2022

	CLOSE		NET
Dow Jones	31,500.680	▲	823.320
NASDAQ	11,607.620	▲	375.427
S&P 500	3,911.740	▲	116.010
FTSE 100	7,208.810	▲	188.360
Euro Stoxx50	3,488.170	▲	103.020

PESO-DOLLAR RATES

FX

OPEN	P54.650
HIGH	P54.600
LOW	P54.999
CLOSE	P54.985
W.AVE.	P54.839
VOL.	$1,401.46 M

SOURCE : BAP

▼ 28.50 CTVS

30 DAYS TO JUNE 24, 2022

ASIAN MONIES-US$ RATE

JUNE 24, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	135.170	▲	135.450
Hong Kong (HK dollar)	7.849	—	7.849
Taiwan (NT dollar)	29.695	▲	29.795
Thailand (baht)	35.450	▲	35.480
S. Korea (won)	1,288.890	▲	1,303.680
Singapore (dollar)	1.386	▲	1.390
Indonesia (rupiah)	14,845	▼	14,835
Malaysia (ringgit)	4.400	▲	4.405

WORLD CURRENCIES

JUNE 24, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.2262	▲	1.2216
US$/Euro	1.0554	▲	1.0510
$/Aust dollar	0.6948	▲	0.6888
Canada dollar/US$	1.2893	▼	1.2969
Swiss Franc/US$	0.9578	▼	0.9657

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$106.65/BBL

▲ $0.20

30 DAYS TO JUNE 24, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 24, 2022 (PSEi snapshot on *S1/4*; article on *S2/2*)

Stock	Price	Value	Change		%
ALI	P26.850	P334,976,965	P1.200	▲	4.678%
CNVRG	P18.500	P315,887,238	-P0.200	▼	-1.070%
BDO	P117.800	P312,821,264	P1.300	▲	1.116%
ICT	P185.000	P266,870,069	P5.000	▲	2.778%
BPI	P88.000	P263,616,159	P1.500	▲	1.734%
EMP	P19.700	P246,040,360	P0.300	▲	1.546%
TEL	P1,700.000	P236,516,040	P3.000	▲	0.177%
MER	P357.000	P230,723,242	-P13.000	▼	-3.514%
SMPH	P36.350	P223,591,430	P1.350	▲	3.857%
SM	P801.500	P215,846,710	P32.000	▲	4.159%

New taxes needed, Balisacan says

NEW TAXES may have to be introduced to fund the incoming Marcos administration's priority projects, but the timing would have to be carefully considered, Socioeconomic Planning Secretary-designate Arsenio M. Balisacan said.

"If you want more public services, if you want to invest a lot into our health and education, and social sector, and to our farmers, you must have sources of money for that. Obviously, you can only go so far with an improved tax administration," he said in a June 16 roundtable with *BusinessWorld* editors.

Asked if new taxes would be introduced in the next six years, Mr. Balisacan replied: "I think we should. Part of the fiscal consolidation is to eventually also come up with new sources of tax."

Incoming Finance Secretary Benjamin E. Diokno has said that he wants to avoid new taxes for now, preferring to focus on improving tax administration via digital processes.

The main issue, Mr. Balisacan said, would be timing the imposition of new taxes, especially with the country still recovering from a pandemic-induced recession.

"You don't want to raise, I suppose, taxes when economic conditions are difficult," the incoming National Economic and Development Authority (NEDA) director-general said.

Economic managers are aiming for a 7-8% gross domestic product growth this year, but high inflation threatens to slow the country's recovery.

The Bangko Sentral ng Pilipinas last week raised its average inflation forecast for this year to 5% from 4.6% previously, well above the 2%-4% target band.

The Department of Finance (DoF) last month unveiled a fiscal consolidation plan which aims to raise an average of P284 billion in fresh revenues every year for the next 10 years to repay the P3.2-trillion additional debt incurred during the pandemic.

The plan involves new tax measures such as value-added tax (VAT) on digital service providers; excise tax on single-use plastics, motorcycles and luxury goods; and tax on gaming and cryptocurrency.

Mr. Balisacan noted that some sectors are still undertaxed.

"I suspect that mining is one [where] there are scopes for improving the royalty that can be charged to ensure that these mining resources are properly managed and sustained," he said.

Taxes, S1/8

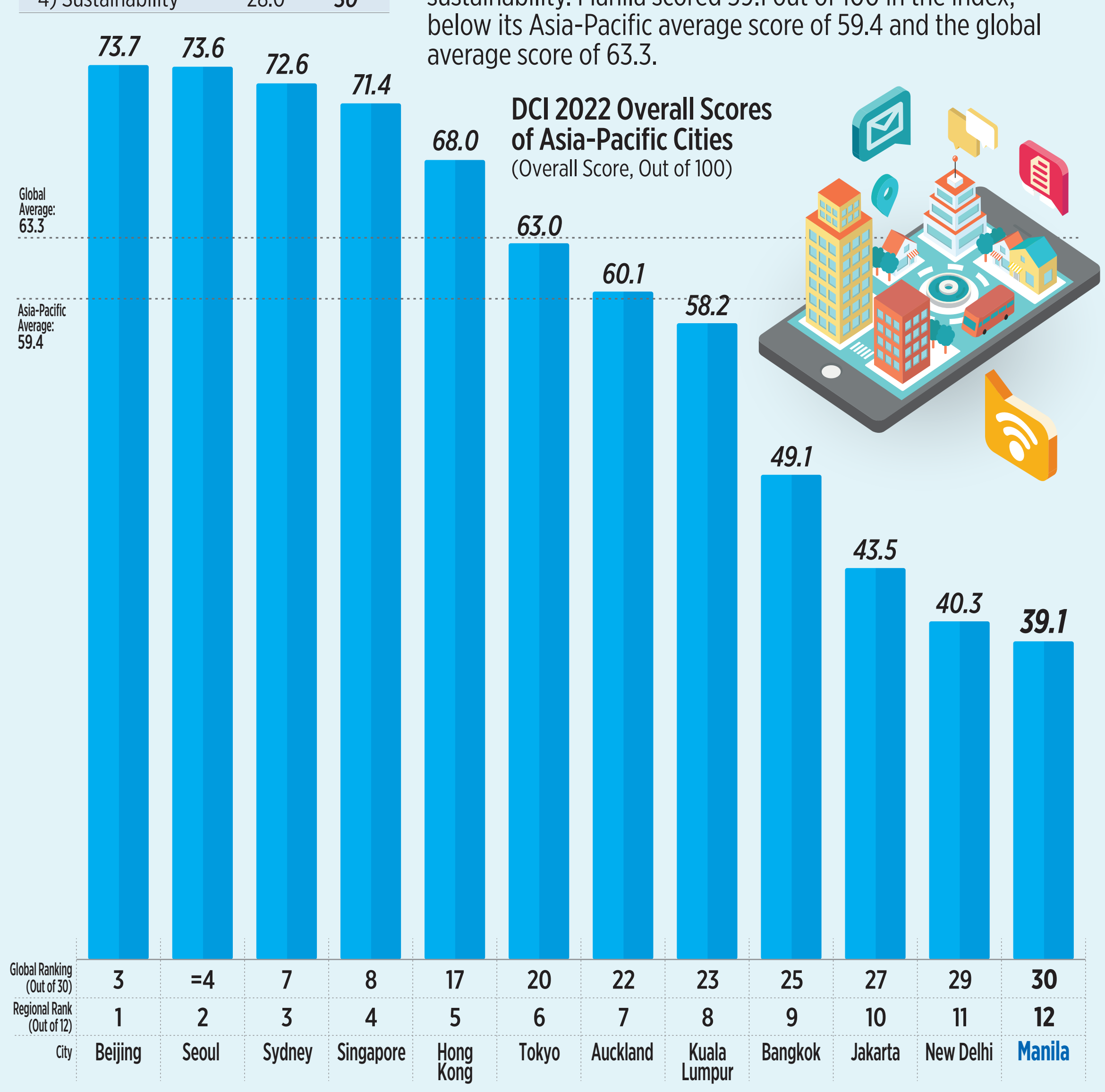
MANILA LAGS IN DIGITAL CITIES INDEX

City Scorecard-Manila

Indicators	Score	Rank (/30)
Overall Score	39.1	30
1) Connectivity	43.8	28
2) Services	36.5	29
3) Culture	46.8	28
4) Sustainability	28.0	30

The Philippines' capital, Manila, placed last in the inaugural 2022 Digital Cities Index (DCI), developed by Economist Impact and supported by NEC. The index assessed the extent and impact of digitization in 30 cities while considering four thematic pillars: digital connectivity, services, culture, and sustainability. Manila scored 39.1 out of 100 in the index, below its Asia-Pacific average score of 59.4 and the global average score of 63.3.

DCI 2022 Overall Scores of Asia-Pacific Cities
(Overall Score, Out of 100)



Global Top 5

Global Ranking (Out of 30)	City	Overall Score (out of 100)
1	Copenhagen	81.5
2	Amsterdam	74.6
3	Beijing	73.7
=4	London	73.6
=4	Seoul	73.6

Global Bottom 5

Global Ranking (Out of 30)	City	Overall Score (out of 100)
30	Manila	39.1
29	New Delhi	40.3
28	Mexico City	42.6
27	Jakarta	43.5
26	Buenos Aires	45.1

NOTES:
- All data are normalized to a scale of 0 to 100, where 100 = optimal score.
- The DCI used the following domains and corresponding weights:
1. Connectivity (30%) - Digital Infrastructure; Quality; Affordability
2. Services (28%) - E-gov services for residents & businesses; Digital finance; Transportation; Healthcare; Education; Retail and Hospitality
3. Culture (21%) - Digital inclusion; Government support; Innovation Ecosystem; Public Attitude and Engagement
4. Sustainability (21%) - Efficient Resource Management; Emissions Reduction; Pollution; Circular Economy

SOURCE: ECONOMIST IMPACT'S DIGITAL CITIES INDEX 2022 *MAKING DIGITAL WORK FOR CITIES: A GLOBAL BENCHMARK OF URBAN TECHNOLOGY*
BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA and ABIGAIL MARIE P. YRAOLA
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Business groups bare wish list for Marcos' first hundred days

By Revin Mikhael D. Ochave *Reporter*

AS FERDINAND R. MARCOS, JR. is poised to assume office on June 30, business groups are hoping the new president will focus on ensuring food security, creating new jobs, and eliminating corruption in his first hundred days.

George T. Barcelon, Philippine Chamber of Commerce and Industry (PCCI) president, told *BusinessWorld* via mobile phone interview that Mr. Marcos should prioritize addressing issues related to food security, public transport, and education.

"(We hope he can address) health protocols for school reopening, public transport normalization, and food security," he said.

Mr. Barcelon noted that supply chain issues may disrupt the food sector, so the Marcos administration should prepare for this.

Mr. Marcos is set to be sworn in as the 17th President of the Philippines on June 30. He takes office at a time when Filipinos are grappling with soaring food and fuel prices, joblessness, public transportation problems, and a possible surge in coronavirus infections.

Makati Business Club (MBC) Executive Director Francisco "Coco" Alcuaz, Jr. said in a mobile phone interview the economy will be hard to manage but Mr. Marcos is "off to a good start" after putting together an experienced and well-respected economic team.

"The Marcos administration can attract more job-creating investment if they make it clear business is again welcome to do its part in increasing investment and creating jobs," he said.

"(He should) reduce corruption, take politics out of biddings, franchises and contracts, switch from making it harder to making it easier to do business and create jobs in this difficult environment. We would applaud such statements in his inaugural and cheer if he implements them," he added.

MBC is also urging the incoming economic team to undo recent changes to Republic Act No. 6957 or the Build-Operate-Transfer (BOT) Law implementing rules and regulations (IRR), and to reverse the Fiscal Incentives Review Board's (FIRB) decision on remote work for business process outsourcing (BPO) firms, Mr. Alcuaz said.

Marcos, S1/9

Weak peso to further bloat PHL debt stock

THE PHILIPPINES may find it more costly to service its foreign debts, as the peso slumped to its weakest value against the US dollar in over 16 years, economists said.

"There's no question that a weaker peso would make it more costly to service the country's foreign debts," Miguel Chanco, Pantheon Macroeconomics chief emerging Asia economist, said in an e-mail.

The local unit closed at P54.985 on Friday, its weakest against the US dollar since the P55.08 close on Oct. 27, 2005.

"Weaker peso exchange rate also increases the peso equivalent of the government's foreign debts/loans, thereby could bloat the debt stock," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a note.

The National Government debt currently stands at P12.76 trillion as of end-April, of which 30% or P3.83 trillion are owed to foreign creditors.

As of end-April, the external debt inched up by 0.4% from the previous month, due to the P28.56-billion net availment of external loans and the effect of the peso depreciation against the US dollar amounting to P31.50 billion. However, this was tempered by the P43.86-billion adjustments in third currencies.

Some of these foreign loans were long term and had low interest rates, enabling the government to pay them over extended periods of time.

"Fortunately, about 75% of our national debt is dominated in [peso], while 25% is foreign-currency dominated," UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said in an e-mail. "This ratio of domestic and foreign debt was by design… and I think that this will do us good in the longer run."

From January to April, the National Government's total debt service bill stood at P356.625 billion, falling by nearly 40% from a year ago.

Peso, S1/8

Next DICT chief cool to lowering spectrum user fees

By Arjay L. Balinbin *Senior Reporter*

SPECTRUM USER FEES (SUF), which telecommunications companies described as excessive, are unlikely to be lowered under the Marcos administration, as the government needs to boost revenue collection to cope with the crisis, the next chief of the Department of Information and Communications Technology (DICT) said.

"That's part of revenue generation for our government. We're a bit short of funds due to the pandemic and since we're in a fuel crisis, the prices of goods are rising. We're expecting an energy crisis also soon," DICT Secretary-designate Ivan John E. Uy said in a mix of Filipino and English during a recent *BusinessWorld* interview.

The country's major telecommunications services providers PLDT, Inc., its wireless arm Smart Communications, Inc., and Globe Telecom, Inc. said last year that the spectrum fees were becoming excessive.

Spectrum user fees are collected annually from public telecommunications entities (PTEs), or those engaged in the provision of telecommunications services to the public for compensation.

For Mr. Uy, the government has to maximize income generation. "The spectrum is a limited asset. Once it is given or sold to one group, it cannot be sold or used by others. Of course with the limited resource, the government has to maximize the generation of those income," he added.

PLDT and Smart expected to spend P2.4 billion on spectrum user fees in 2021, similar to the previous year's expenditure, according to Roy Cecil D. Ibay, Smart Communications vice-president for regulatory affairs.

The proposed measure, which was approved by the House of Representatives and transmitted to the Senate on Sept. 22 last year, seeks to adopt a license-free, zero SUF policy in line with "best international practices."

It also aims to protect public interest by limiting the use of outdoor Wi-Fi frequency access

DICT, S1/9

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