

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,323.62 HIGH: 6,445.01 LOW: 6,312.09 CLOSE: 6,445.01 VOL.: 0.916 B VAL(P): 5.322 B 135.02 PTS. 2.14% 30 DAYS TO JULY 6, 2022	JULY 6, 2022 JAPAN (NIKKEI 225) 26,107.65 ▼ -315.82 -1.20 HONG KONG (HANG SENG) 21,586.66 ▼ -266.41 -1.22 TAIWAN (WEIGHTED) 13,985.51 ▼ -363.69 -2.53 THAILAND (SET INDEX) 1,540.08 ▼ -1.22 -0.08 S.KOREA (KSE COMPOSITE) 2,292.01 ▼ -49.77 -2.13 SINGAPORE (STRAITS TIMES) 3,102.04 ▼ -2.07 -0.07 SYDNEY (ALL ORDINARIES) 6,594.50 ▼ -34.80 -0.52 MALAYSIA (KLSE COMPOSITE) 1,420.85 ▼ -19.96 -1.39	JULY 5, 2022 Dow Jones 30,967.820 ▼ -129.440 NASDAQ 11,322.238 ▲ 194.393 S&P 500 3,831.390 ▲ 6.060 FTSE 100 7,025.470 ▼ -207.180 Euro Stoxx50 3,389.690 ▼ -80.930	FX OPEN P55.420 HIGH P55.420 LOW P55.720 CLOSE P55.670 W.AVE. P55.574 VOL. \$1,245.07 M SOURCE: BAP	JULY 6, 2022 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 135.370 ▲ 135.740 HONG KONG (HK DOLLAR) 7.847 ▼ 7.847 TAIWAN (NT DOLLAR) 29.821 ▼ 29.815 THAILAND (BAHT) 36.060 ▼ 35.820 S. KOREA (WON) 1,306.810 ▲ 1,309.750 SINGAPORE (DOLLAR) 1.403 ▼ 1.402 INDONESIA (RUPIAH) 14,995 ▼ 14,985 MALAYSIA (RINGGIT) 4.423 ▼ 4.418	JULY 6, 2022 CLOSE PREVIOUS US\$/UK POUND 1.1941 ▼ 1.2042 US\$/EURO 1.0229 ▼ 1.0311 \$/AUSTRALIAN DOLLAR 0.6796 ▼ 0.6801 CANADA DOLLAR/US\$ 1.3035 ▼ 1.2917 SWISS FRANC/US\$ 0.9693 ▼ 0.9633	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$111.01/BBL \$2.61 30 DAYS TO JULY 5, 2022

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S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 6, 2022 (PSEi snapshot on S1/3; article on S2/2)

URC P118.200 Value P517,202,200 P4.200 ▲ 3.684%	ALI P26.900 Value P423,313,125 P0.500 ▲ 1.894%	SM P839.000 Value P309,842,915 P47.000 ▲ 5.934%	SMPH P37.750 Value P285,661,735 P0.250 ▲ 0.667%	BDO P119.500 Value P215,787,216 P0.800 ▲ 0.674%	TEL P1,758.000 Value P212,012,050 -P17.000 ▼ -0.958%	AC P650.000 Value P198,402,915 P30.000 ▲ 4.839%	SCC P36.350 Value P183,357,255 -P0.750 ▼ -2.022%	JGS P52.500 Value P137,875,530 P1.250 ▲ 2.439%	CNVRG P20.950 Value P120,526,050 P0.050 ▲ 0.239%
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Gov't tempers 2022 growth target

THE PHILIPPINE government tempered its economic growth target for this year, as rising inflation and ballooning debt threaten to hamper the economy's recovery from the pandemic.

Finance Secretary Benjamin E. Diokno on Wednesday said

they are now aiming for gross domestic product (GDP) growth of 6.5-7.5% for this year.

This is slightly lower than the 7-8% target set by the Development Budget Coordination Committee (DBCC), but faster than the 5.7% GDP expansion in 2021.

The government also set a 6.5-8% GDP target for 2023 to 2028, higher than the DBCC's 6-7% goal for 2023 to 2025.

"This is the highest growth rate among all ASEAN+3 countries this year and next year," Mr. Diokno said at a Palace briefing.

The DBCC is set to review the economic assumptions on Friday.

Mr. Diokno said the new targets are part of a medium-term fiscal framework for 2023-2028, which was approved during the first Cabinet meeting on Tuesday.

"This framework will set the tone, our game plan for the next six years," he said. "We're more ambitious."

The government is targeting to bring down the poverty rate to 9% by the end of President Ferdinand R. Marcos, Jr.'s term in 2028, Mr. Diokno said.

The Duterte administration had initially aimed to bring down poverty rate to 13-15% by 2022, but this was revised to 15-17.5% due to the pandemic. As of the first semester of 2022, the poverty rate stood at 23.7%.

Target, S1/5

PHL bad loan ratio falls to 16-month low

By Keisha B. Ta-asan

SOURCED LOANS held by Philippine banks declined for a third straight month in May, bringing the nonperforming loan (NPL) ratio to its lowest in 16 months amid improved economic conditions.

Preliminary data released by the Bangko Sentral ng Pilipinas (BSP) on Wednesday showed the banking industry's gross NPL ratio stood at 3.75%, falling from 4.49% a year ago and 3.93% in April.

The May NPL ratio is the lowest since 3.72% in January 2021.

Bad loans declined by 10.5% to P429.106 billion in May from P479.481 billion a year ago. It was also 4.09% lower than P447.438 billion in April.

Loans are considered nonperforming once they are unpaid for at least 30 days after the due date. They are deemed as risk assets given borrowers are unlikely to settle such loans.

"Improved economic conditions helped firms and households generate enough cash flow to service debt obligations. This in turn helped lower overall NPL," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

Bad loan, S1/5

Diokno wants local gov't units to tap Mandanas funds for agriculture

THE NATIONAL Government is hoping local government units (LGUs) will channel their expanded budgets into raising agricultural output, Finance Secretary Benjamin E. Diokno said.

Mr. Diokno said in an interview with ANC on Wednesday that LGUs "incidentally have a lot more money now because of the Mandanas ruling," referring to a Supreme Court (SC) decision that ordered the National Government to make bigger transfers to local governments.

In effect, "there will be a friendly competition among LGUs to boost agricultural products," Mr. Diokno added.

The Supreme Court's Mandanas-Garcia ruling granted LGUs a larger share of the national taxes

after the SC liberally interpreted the Local Government Code in the LGUs' favor. The Code requires that any doubt in interpretation must be resolved in favor of more decentralization.

The National Government's old interpretation of the Code was that LGUs were entitled to 40% of the National Government's "internal revenue," which is reflected in the old name of the fund transfers from the National Government to LGUs, the "Internal Revenue Allotment (IRA)."

The Supreme Court ruled that LGUs are entitled to a share of all national taxes, including customs duties, and not just the collections generated by the Bureau of Internal Revenue (BIR). As a result,

Mandanas, S1/5

PHILIPPINES RANKS 30TH IN GLOBAL BUSINESS COMPLEXITY INDEX

Business environment in the Philippines worsened as it climbed seven notches to 30th out of 77 jurisdictions in the 2022 edition of the Global Business Complexity Index. Produced by the multinational professional services firm TMF Group, the index ranked jurisdictions around the globe based on the complexity of their business environments, covering three areas: accounting and tax; global entity management; and payroll and human resources. The higher the rank, the more complex its business environment. Among the 14 jurisdictions in the Asia-Pacific, the Philippines had the sixth most complex business environment with a "medium" complexity rating. It is likely to become more appealing to operate in and likely to introduce greater laws and regulations relating to economic substance requirements, the report said.

Philippines' Performance (2022)

Business Areas	Rating	Score (/70)
Accounting and Tax	Medium	5
Payroll and Human Resources	Medium	5
Rules, Regulations and Penalties	High	7

SOURCE: TMF GROUP'S 2022 GLOBAL BUSINESS COMPLEXITY INDEX
BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRAOLA
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Business Complexity Rankings (out of 77) of Asia-Pacific Economies

CHINA 2 14

INDIA 5 25

THAILAND 5 49

MALAYSIA 0 22

SINGAPORE 8 58

VIETNAM 21 42

SOUTH KOREA 5 16

JAPAN 8 51

TAIWAN 11 43

HONG KONG 2 74

PHILIPPINES 7 30

INDONESIA 5 11

AUSTRALIA 3 65

NEW ZEALAND 3 70

Global 10 Least Complex Jurisdictions

2022 Rank (Out of 77)	Jurisdictions	Rank Changes from 2021
77	Cayman Islands	▼ 2
76	Curaçao	▼ 3
75	Denmark	▲ 2
74	Hong Kong	▲ 2
73	British Virgin Islands	▼ 1
72	Jersey	▼ 27
71	United States	▲ 0
70	New Zealand	▼ 3
69	Norway	▼ 18
68	United Kingdom	▼ 15

Global 10 Most Complex Jurisdictions

2022 Rank (Out of 77)	Jurisdictions	Rank Changes from 2021
1	Brazil	▲ 0
2	France	▲ 0
3	Peru	▲ 21
4	Mexico	▼ 1
5	Colombia	▼ 1
6	Greece	▼ 7
7	Turkey	▼ 2
8	Italy	▼ 7
9	Bolivia	▼ 1
10	Poland	▲ 0

NOTES:
- The index was generated from an in-depth survey across 77 countries. The data was compared to the results used in the previous report which covers three areas of business operations: accounting and tax; global entity management; and payroll and human resources.
- Data for each jurisdiction was statistically weighted and combined to get the overall complexity score as well as scores in the three areas.



WORKERS FIX an electric line in Payatas, Quezon City, March 13.

Businesses concerned over rising electricity rates

THE MARCOS administration should immediately address power supply shortages and high electricity rates, which are affecting businesses in the country, the Philippine Chamber of Commerce and Industry (PCCI) said.

In a statement, PCCI President George T. Barcelon said businesses are concerned over the continued increase in electricity rates and the power supply shortages especially during the summer months.

"But a more pressing concern is our power rate. Industries such as steel, cement and glass have expressed their apprehension to us over how much electricity rates are forecast to increase as supply

for reliable baseload like coal, oil and liquefied natural gas (LNG) are becoming scarce commodity," he said.

Global oil prices soared this year due to the Russia-Ukraine war and tight global supply. LNG prices have also recently jumped.

Mr. Barcelon noted that electricity rates in the Philippines are already much higher than other Southeast Asian countries.

"Studies have shown that electricity rates for residential, commercial and the industrial sectors in the Philippines have been significantly higher from between 25% to as high as 87% than its Association of Southeast Asian Nations (ASEAN) neighbors,

namely Malaysia (87.5%), Indonesia (87.5%), Vietnam (50%) and Thailand (36%)," the PCCI said.

Only Japan and Singapore have higher power rates than the Philippines.

Mr. Barcelon said soaring power rates have affected manufacturing industries, who say that fuel and power costs account for 60% of their operational expenses.

The government should ensure that there is "reasonably priced" and steady power supply to be able to attract foreign investments that will create more jobs, the PCCI said.

"For legislation such as CRE-ATE (Corporate Recovery and

Tax Incentives for Enterprises) and the amendments to the Public Service Act and Foreign Investment Act to succeed in their intended results to bring back a dynamic production/manufacturing sector, we must effectively solve that 'high cost of electricity' impediment soonest, and ensure that there is enough supply to support businesses and industries," PCCI Chairman for Energy and Power Jose S. Alejandro said.

Mr. Marcos had included energy as one of his administration's main priorities, along with agriculture, digital infrastructure, and the "Build, Build, Build" program.

Electricity, S1/5