



BusinessWorld

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,294.97 HIGH: 6,351.77 LOW: 6,263.99 CLOSE: 6,274.80 VOL.: 0.734 B VAL(P): 5.035 B 11.44 PTS. 0.18% 30 DAYS TO JULY 20, 2022	JULY 20, 2022 JAPAN (Nikkei 225) 27,680.26 ▲ 718.58 2.67 HONG KONG (HANG SENG) 20,890.22 ▲ 229.16 1.11 TAIWAN (WEIGHTED) 14,733.22 ▲ 39.14 0.27 THAILAND (SET INDEX) 1,537.56 ▲ 4.13 0.27 S.KOREA (KSE COMPOSITE) 2,386.85 ▲ 15.88 0.67 SINGAPORE (STRAITS TIMES) 3,162.82 ▲ 45.03 1.44 SYDNEY (ALL ORDINARIES) 6,759.20 ▲ 109.60 1.65 MALAYSIA (KLSE COMPOSITE) 1,436.98 ▲ 8.22 0.58	JULY 19, 2022 Dow Jones 31,827.050 ▲ 754.440 NASDAQ 11,713.147 ▲ 353.099 S&P 500 3,936.690 ▲ 105.840 FTSE 100 7,296.280 ▲ 73.040 Euro Stoxx50 3,562.090 ▲ 44.500	FX OPEN P56.180 HIGH P56.180 LOW P56.350 CLOSE P56.290 W.AVE. P56.277 VOL. \$710.05 M SOURCE : BAP 3.50 CTVS 30 DAYS TO JULY 20, 2022	JULY 20, 2022 LATEST BID (0900GMT) JAPAN (YEN) 138.150 ▼ 137.630 HONG KONG (HK DOLLAR) 7.850 — 7.850 TAIWAN (NT DOLLAR) 29.906 ▼ 29.870 THAILAND (BAHT) 36.670 ▼ 36.560 S. KOREA (WON) 1,310.310 ▼ 1,310.020 SINGAPORE (DOLLAR) 1.392 — 1.392 INDONESIA (RUPIAH) 14,985 ▼ 14,975 MALAYSIA (RINGGIT) 4.450 ▼ 4.448	JULY 20, 2022 US\$/UK POUND 1.2019 ▼ 1.2023 US\$/EURO 1.0241 ▼ 1.0253 \$/AUST DOLLAR 0.6912 ▲ 0.6901 CANADA DOLLAR/US\$ 1.2863 ▼ 1.2933 SWISS FRANC/US\$ 0.9684 ▼ 0.9686	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$104.80/bbl \$2.20 30 DAYS TO JULY 19, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 20, 2022 (PSEi snapshot on S1/3; article on S2/2)

SCC P40.700 Value P472,159,465 P1.450 ▲ 3.694%	ALI P25.200 Value P413,089,820 P0.800 ▲ 3.279%	BDO P118.000 Value P325,742,239 P0.500 ▲ 0.426%	SMPH P36.750 Value P314,737,585 -P1.100 ▼ -2.906%	DMC P9.310 Value P247,117,537 P0.310 ▲ 3.444%	TEL P1,669.000 Value P244,119,340 P15.000 ▲ 0.907%	SM P788.000 Value P235,621,430 -P8.000 ▼ -1.005%	ICT P182.000 Value P205,542,100 -P4.000 ▼ -2.151%	CNVRG P20.850 Value P191,778,220 P0.600 ▲ 2.963%	AC P610.000 Value P151,068,375 P0.000 — 0.000%
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BoP deficit hits \$1.57 billion in June

THE PHILIPPINES' balance of payments (BoP) position remained in a deficit for a third straight month in June, as more dollars flowed out of the country to pay for the government's foreign debt.

Data released by the Bangko Sentral ng Pilipinas (BSP) late on Tuesday showed the BoP deficit widened to \$1.57 billion in June, from the \$312-million deficit in the same month last year.

However, the June deficit slightly narrowed from the \$1.61-billion gap in May, which was the widest since \$2.019 billion in February 2021.

"The BoP deficit in June 2022 reflected outflows arising mainly from the National Government's payments of its foreign currency debt obligations," the BSP said in a statement.

The BoP measures the country's transactions with the rest of the world at a given time. A deficit means more funds fled the economy than what went in, while a surplus shows that more money entered the Philippines.

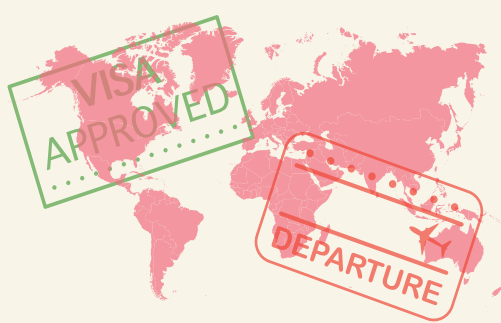
In the first half of the year, the BoP deficit widened to \$3.1 billion, from the \$1.9-billion deficit in the same period in 2021.

"Based on preliminary data, this cumulative BoP deficit reflected the widening trade in goods deficit," the central bank said.

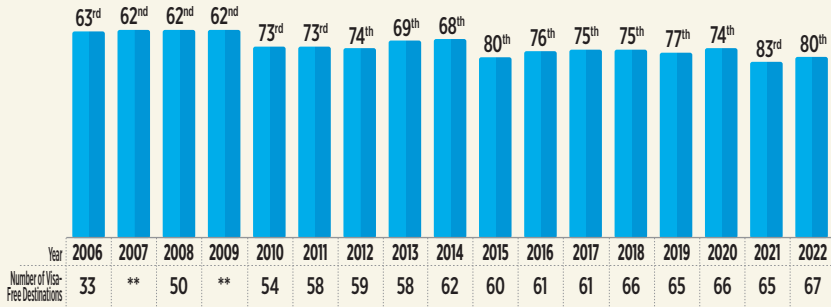
BoP, S1/2

HOW TRAVEL-FRIENDLY IS THE PHILIPPINE PASSPORT?

A Philippine passport holder can travel to 67 visa-free or visa-on-arrival locations out of 227 possible travel destinations. With this, it moved up three spots to 80th out of 199 passports in the third quarter release of the Henley Passport Index, which ranks passports according to the number of destinations their holders can access without prior visa. The Philippine passport tied with Cape Verde Islands and Uganda.



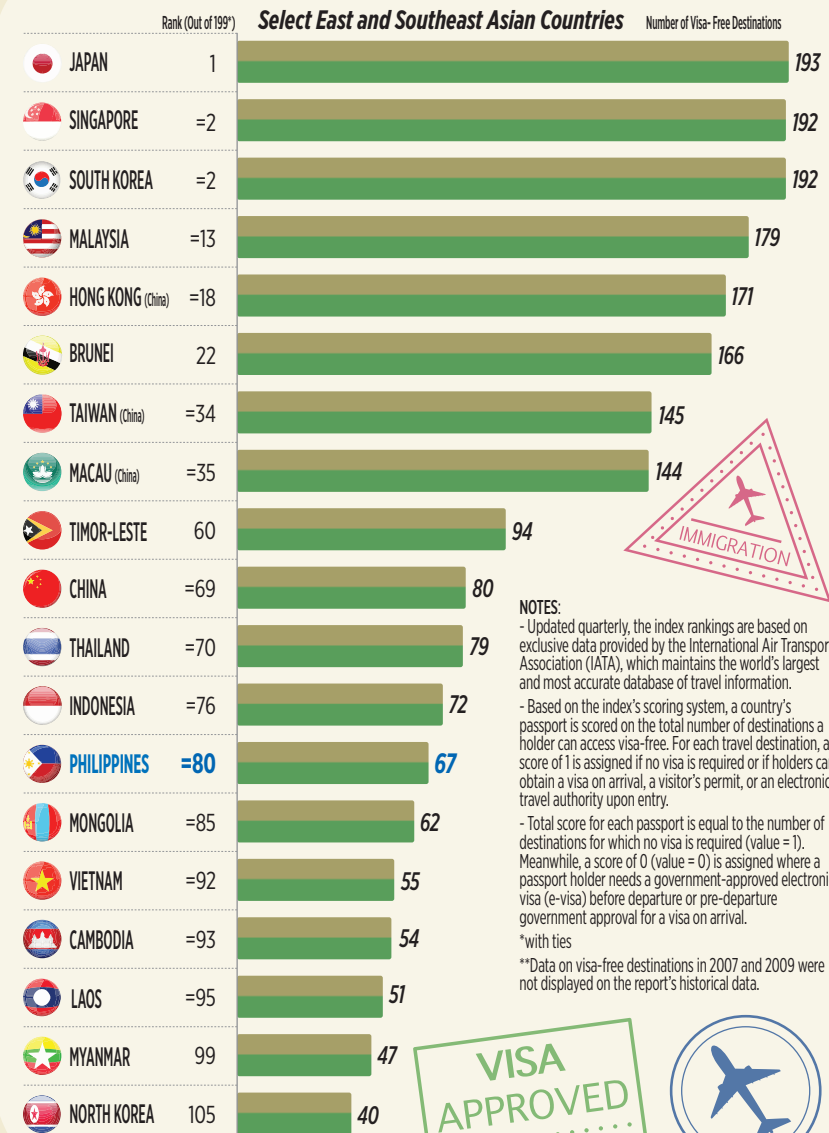
Historical Rankings: Philippines



SOURCE: THE HENLEY PASSPORT INDEX: Q3 2022 GLOBAL RANKING
BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRACOLA BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Top 10	Rank (Out of 199)	Number of Visa-Free Destinations
Japan	1	193
Singapore	=2	192
South Korea	=2	192
Germany	=3	190
Spain	=3	190
Finland	=4	189
Italy	=4	189
Luxembourg	=4	189
Austria	=5	188
Denmark	=5	188

Bottom 10	Rank (Out of 199)	Number of Visa-Free Destinations
Afghanistan	112	27
Iraq	111	29
Syria	110	30
Pakistan	109	32
Yemen	108	34
Somalia	107	35
Nepal	=106	38
Palestinian Territory	=106	38
North Korea	=105	40
Libya	=104	41



NOTES:
- Updated quarterly, the index rankings are based on exclusive data provided by the International Air Transport Association (IATA), which maintains the world's largest and most accurate database of travel information.
- Based on the index's scoring system, a country's passport is scored on the total number of destinations a holder can access visa-free. For each travel destination, a score of 1 is assigned if no visa is required or if holders can obtain a visa on arrival, a visitor's permit, or an electronic travel authority upon entry.
- Total score for each passport is equal to the number of destinations for which no visa is required (value = 1). Meanwhile, a score of 0 (value = 0) is assigned where a passport holder needs a government-approved electronic visa (e-visa) before departure or pre-departure government approval for a visa on arrival.
*with ties
**Data on visa-free destinations in 2007 and 2009 were not displayed on the report's historical data.

Robust growth needed to mitigate pandemic scarring

THE SCARRING IMPACT of the coronavirus pandemic on the Philippines can be significantly reduced if the economic growth remains strong this year and in 2023, the ASEAN+3 Macroeconomic Research Office (AMRO) said.

"The scarring effects caused by the pandemic have raised the urgency to take action to build resilient, sustainable, and inclusive long-term growth... Otherwise, it would take longer time to mitigate scarring effects," Heung Chun "Andrew" Tsang, an economist at AMRO, said during the think tank's briefing on its 2021 Annual Consultation Report on the Philippines, on Wednesday.

AMRO expects Philippine gross domestic product (GDP) to expand by 6.9% this year, within the government's

recently revised 6.5-7.5% target. For 2023, GDP growth is forecast at 6.5%, at the lower end of the government's 6.5-8% goal.

According to the AMRO report, some lasting scarring effects of the pandemic have become "increasingly visible" and may be difficult to reverse.

The most serious impact is on human capital, as seen with the sharp rise in unemployment and poverty rates during the pandemic. The quality of learning also suffered as schools shifted to online classes amid the strict lockdowns.

"One of the sectors that was hit badly is the education sector. A lot of schools were closed and, in the case of the Philippines, it was closed for quite a long time. [Students] had to go online

and it depends very much on the digital infrastructure to some extent. But not withstanding that, I think there was a lot of scarring in the education sector. Kids fell behind in terms of education," Hoe Ee Khor, chief economist of AMRO, said during the same briefing.

Mr. Tsang said the government's policy should focus on upgrading and upskilling the workforce amid the shift to a more technology-driven economy.

The services sector, particularly tourism, is also seen to bounce back as travel restrictions continue to ease.

Aside from scarring effects, the Philippine economy's recovery is also clouded by a potential outbreak of more virulent and vaccine-resistant coronavirus disease 2019 (COVID-19) variants

and impairment of private firms' balance sheets in the near term.

"The significance of these two risks may have somewhat abated. However, capital flow volatility is expected to rise in 2022 as global financial conditions are set to tighten significantly," AMRO said in the report.

AMRO also cited the prolonged Russia-Ukraine conflict, China's economic slowdown and capital flow volatility as other risks to the Philippines' recovery.

"The Philippine economy is well positioned to weather the adverse impacts, but tighter global financial conditions and heightened financial volatilities could add depreciation pressure on the peso," it added.

Scarring, S1/2

How coronavirus pandemic deepened the education crisis in the Philippines

By Kyle Aristophere T. Atienza
Reporter

NATIVIDAD ARAGO, 74, worries about the future of her seven-year-old grandson, who has barely learned anything in his two years of online classes amid a coronavirus pandemic.

"He still doesn't know how to read," she said by telephone. "I've been helping him with his learning modules, but I can only do so much."

Her grandson, who is now in second grade, was one of hundreds of thousands of Filipino students who were forced to study at home after schools were shuttered in 2020 amid lockdowns.

This generation of students worldwide now risks losing \$17 trillion in lifetime earnings in present value, or about 14% of today's

global gross domestic product, because of coronavirus-related school closures and economic shocks, according to the World Bank.

"This new projection far exceeds the \$10-trillion estimate released in 2020 and reveals that the impact of the pandemic is more severe than previously thought," it said in a January blog posted on its website.

The pandemic and school closures not only jeopardized children's health and safety with domestic violence and child labor increasing, but also affected student learning substantially, the multilateral lender said.

In low- and middle-income countries, the share of children living in learning poverty — already above 50% before the pandemic — could reach 70% largely as a result of the long school closures and the relative ineffectiveness of remote

learning, the World Bank added, citing an earlier report.

"Unless action is taken, learning losses may continue to accumulate once children are back in school, endangering future learning."

This could erode the quality of Philippine manpower, which experts said is now struggling to compete with foreign labor in the global market.

"There is a lot of anecdotal feedback that employers, despite high unemployment, have a hard time hiring because people don't have the right skills or skill level," Francisco Alcuaz, Jr., executive director of the Makati Business Club, said in an e-mail. "There are many reasons behind this."

Policy makers are backing calls to review the country's 10-year-old curriculum called the K-12 program, which



placed second to the last in science and mathematics.

Majority of Filipino learners in Grade 5 also did not meet the proficiency level expected in reading, writing, and math, according to the 2019 Southeast Asia Primary Learning Metrics.

Meanwhile, 24% of 3.6 million Grade 4 to 6 students were frustrated readers while 1% were nonreaders, according to the Philippine Education department's post-tests for school year 2018 to 2019.

Mr. Alcuaz said there's a link between malnutrition and poor cognitive ability among children that he said should be treated as an emergency.

"As many as a third of five-year-olds aren't getting proper nutrition," he said. "It may affect brain development and learning ability."

Education, S1/2



THE ECONOMY
Debt service bill seen rising when PHL refinances short-term loans S1/4

TECHNOLOGY
Digital risks may weigh on PHL banks' credit ratings — Fitch S1/5

OPINION
Good buy or goodbye? S1/7



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