

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI 7/25/2022 OPEN: 6,239.35 HIGH: 6,241.66 LOW: 6,163.26 CLOSE: 6,209.53 VOL: 0.518 B VAL(P): 4,298 B 53.86PTS. 0.86% 30 DAYS TO JULY 25, 2022	JULY 25, 2022 JAPAN (Nikkei 225) 27,699.25 HONG KONG (HANG SENG) 20,562.94 TAIWAN (WEIGHTED) 14,936.33 THAILAND (SET INDEX) 1,561.39 S.KOREA (KSE COMPOSITE) 2,403.69 SINGAPORE (STRAITS TIMES) 3,181.93 SYDNEY (ALL ORDINARIES) 6,789.90 MALAYSIA (KLSE COMPOSITE) 1,469.22	JULY 22, 2022 Dow Jones 31,899.290 NASDAQ 11,834.112 S&P 500 3,961.630 FTSE 100 7,276.370 Euro Stoxx50 3,565.350	FX OPEN P56.200 HIGH P56.100 LOW P56.250 CLOSE P56.100 W.AVE. P56.184 VOL. \$722.20 M SOURCE : BAP	JULY 25, 2022 LATEST BID (0900GMT) JAPAN (YEN) 136.370 HONG KONG (HK DOLLAR) 7.849 TAIWAN (NT DOLLAR) 29.887 THAILAND (BAHT) 36.610 S. KOREA (WON) 1,308.930 SINGAPORE (DOLLAR) 1.385 INDONESIA (RUPIAH) 14,995 MALAYSIA (RINGGIT) 4.451	WORLD CURRENCIES JULY 25, 2022 CLOSE PREVIOUS US\$/UK POUND 1.2044 1.2002 US\$/EURO 1.0240 1.0210 \$/AUSTRALIAN DOLLAR 0.6947 0.6925 CANADA DOLLAR/US\$ 1.2878 1.2914 SWISS FRANC/US\$ 0.9628 0.9613	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$102.69/bbl 30 DAYS TO JULY 22, 2022

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

Stock	Value	Change	Stock	Value	Change	Stock	Value	Change	Stock	Value	Change																			
BDO	P115.600	-P5.600 -4.620%	ALI	P24.000	-P0.900 -3.614%	TEL	P1,611.000	-P61.000 -3.648%	SM	P789.000	P1.000 0.127%	ICT	P180.500	-P2.200 -1.204%																
	Value P904,198,059			Value P330,538,910			Value P235,225,160			Value P208,134,935			Value P141,210,630			Value P136,702,170			Value P136,459,430			Value P120,794,195			Value P100,236,465			Value P96,122,710		

Marcos vows tax system overhaul

By Kyle Aristophere T. Atienza
Reporter

PHILIPPINE PRESIDENT Ferdinand R. Marcos, Jr. on Monday vowed to overhaul the tax system and unveiled a 19-point legislative agenda designed to

spur growth and make the Philippines an investment destination, as the economy recovers from the coronavirus disease 2019 (COVID-19) pandemic.

Mr. Marcos began his first State of the Nation Address (SONA) with a promise to implement sound fiscal management and tax administration reforms to boost revenue collections.

"Our tax system will be adjusted in order to catch up with the rapid development of the digital economy," Mr. Marcos told Congress on Monday, proposing a value-added tax on digital services, which would generate P11.7 billion in revenues if implemented in 2023.

The Marcos administration is targeting 6.5-7.5% gross domestic product

(GDP) growth this year, and 6.5-8% GDP expansion through 2028.

Mr. Marcos pledged to bring down the poverty rate to 9% by the end of his term in 2028, and the National Government deficit-to-GDP ratio to 3%. The government also aimed to lower the debt-to-GDP ratio to less than 60% by 2025, and to attain upper middle-income status by 2024.

The President said the administration's expenditure priorities will be realigned and spending efficiency will be improved to address the scarring effect of the pandemic and prepare the country for future shocks.

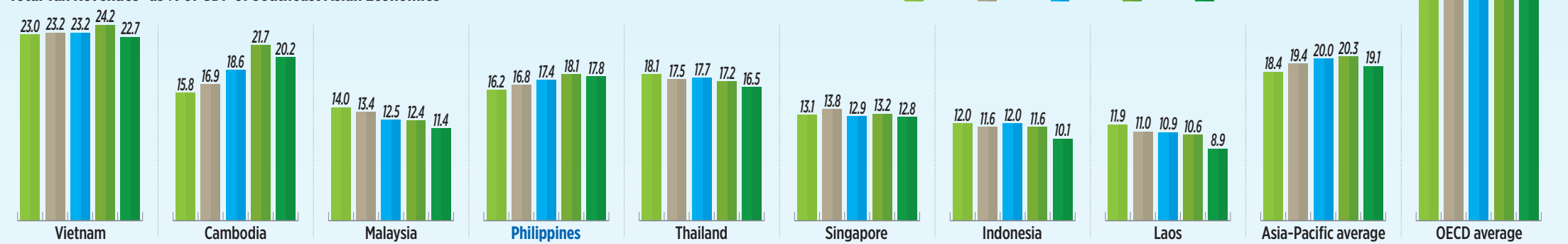
"Our country must become an investment destination," he added.

Marcos, S1/5

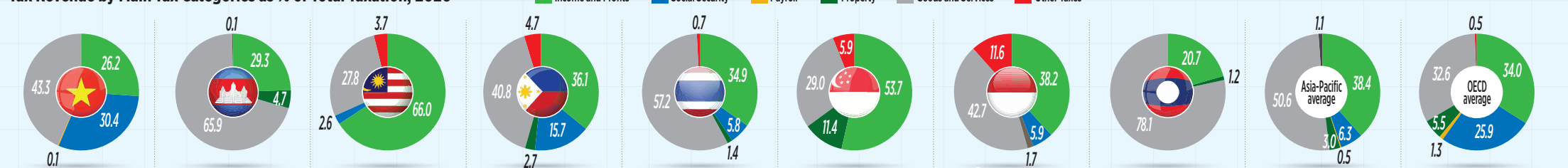
PHILIPPINES' TAX EFFORT EASED IN 2020

As a result of the coronavirus disease 2019 pandemic, the Philippines' tax effort eased to 17.8% in 2020 from 18.1% in 2019, data from the Organisation for Economic Co-operation and Development's (OECD) latest *Revenue Statistics in Asia and the Pacific* showed. Tax effort refers to total tax revenue, including social security contributions, as a share of an economy's gross domestic product (GDP). The country has the fourth highest tax-to-GDP ratio among the eight Southeast Asian economies covered in the July 2022 report. However, the Philippines' tax effort was still below Asia-Pacific average of 19.1%, and the OECD's average of 33.5% in 2020. The bulk of the Philippines' tax revenue came from taxes on goods and services (40.8%), followed by taxes on income and profits at 36.1%.

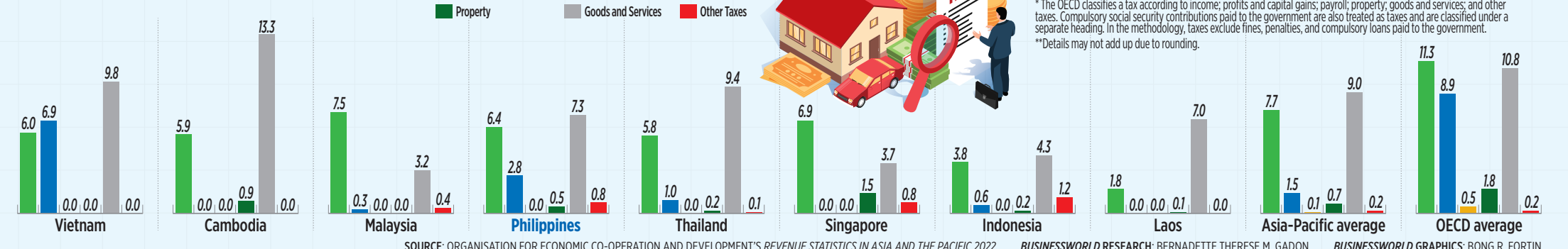
Total Tax Revenues* as % of GDP of Southeast Asian Economies



Tax Revenue by Main Tax Categories as % of Total Taxation, 2020**



Tax Revenue from Main Tax Categories as % of GDP, 2020



SOURCE: ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT'S REVENUE STATISTICS IN ASIA AND THE PACIFIC 2022

BUSINESSWORLD RESEARCH: BERNADETTE THERESA M. GADON

BUSINESSWORLD GRAPHICS: BONG R. FORTIN

PHL below Asia-Pacific average in tax revenues

THE PHILIPPINES' tax effort eased in 2020 due to the coronavirus disease 2019 (COVID-19) lockdowns, falling below the Asia-Pacific average, a study showed.

The Philippines' tax-to-gross domestic product (GDP) ratio stood at 17.8% in 2020, slightly lower than the 18.1% recorded in 2019, according to the Organisation for Economic Co-operation and Development (OECD) in a report released on Monday.

The Philippines' tax-to-GDP ratio was the fourth highest among eight Southeast Asian economies.

However, it was below the Asia-Pacific regional average of 19.1% in 2020, which was skewed by the above-average ratios of 12 of the 28 economies involved in the study. This includes Japan (31.4% in 2019), South Korea (28%), Vietnam (22.7%), Mongolia (21.2%), Cambodia (20.2%), and China (20.1%).

Taxes on goods and services were the main source of tax revenue in the Philippines, representing 7.3% of GDP, or 40.8% of the total taxes in 2020. This declined from 7.7% of GDP and 42.5% of the total logged in 2019 or before the COVID-19 pandemic.

Taxes on goods and services included contributions from value-added tax (VAT), which accounted for 21.1% of the total or 3.8% of GDP. This was also lower than the 23.6% of the total or 4.3% of GDP recorded the previous year.

The Philippines' lower tax-to-GDP ratio can be attributed to the slowdown in economic activity as the government imposed among the longest and strictest lockdowns in the world to curb COVID-19 infections in 2020.

In 2020, the Philippine economy shrank by a record 9.6%.

In the Asia-Pacific region, revenues from taxes on goods and services also decreased in 20 other economies, but were still the top source of tax revenues in 2020, amounting to 50.6% of the total. The share of VAT was at 23.1%.

Meanwhile, tax revenues for income and profits in the Philippines was 6.4% of GDP in 2020, or 36.1% of total taxation. There were minimal increases from 2019, when it was also at 6.4% of GDP and 35.7% of the total then.

In 2020, corporate income tax revenue declined by 9.77% in 2020, according to PSEI.

FUEL PRICE TRACKER

(week-on-week change)

Fuel Type	July 12	July 19	July 26
GASOLINE	P5.70	P5.00	P0.40
DIESEL	P6.10	P2.00	P1.85
KEROSENE	P6.30	P0.70	P1.30

- July 26, 12:01 a.m. - Caltex Philippines
- July 26, 6 a.m. - Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- July 26, 8:01 a.m. - Cleanfuel (Shaw Autogas, Inc.)

Business groups welcome Marcos' economic promises, online VAT

By Revin Mikhael D. Ochove
Reporter

LOCAL BUSINESS GROUPS welcomed President Ferdinand R. Marcos, Jr.'s plans for economic recovery, as well as the proposed legislative measures that include the imposition of a value-added tax (VAT) on digital transactions.

"We are glad his proposal to tax online transactions which will put online merchants on equal footing with in-store retailers on tax burdens. Big opportunity for new government revenue source and will level the playing field with traditional retailers," Roberto S. Claudio, Philippine Retailers Association

(PRA) vice-chairman, told *BusinessWorld* via mobile phone message.

In his first State of the Nation Address, Mr. Marcos pushed for a VAT on digital services, which he said would initially generate P11.7 billion in revenues if implemented in 2023.

British Chamber of Commerce Philippines Executive Director Chris Nelson said in a mobile phone interview that they are "very satisfied" with the plans of Mr. Marcos, adding this is a "good start."

He said they welcomed Mr. Marcos' pronouncement that there will be no further lockdowns to curb the coronavirus disease 2019 (COVID-19) infections.

"I think it is very good to hear that there will be no further lockdowns. It's

clear that those lockdowns had a significant impact on the economy. It's good to hear that," Mr. Nelson said.

Jose Maria A. Concepcion III, Go Negosyo founder and member of Mr. Marcos' Private Sector Advisory Council, said in a Viber message that the private sector will be able to recover from the pandemic if there are no more lockdowns, which have disrupted business activity.

"We are grateful to President Marcos for his assurance that there will be no more lockdowns that will be imposed in the country. This is what the private sector and MSMEs need as it will allow for full recovery from the pandemic," Mr. Concepcion said.

Promises, S1/5

New Customs chief to crack down on smuggling

THE NEW Bureau of Customs (BoC) chief said he will intensify the agency's efforts against smuggling, particularly of drugs, guns, and agricultural products, as well as improve revenue collection.

Former BoC and Philippine Drug Enforcement Agency (PDEA) official Yogi Filemon Ruiz formally assumed office as acting Customs commissioner on Monday, taking over from Rey Leonardo B. Guerrero.

In a speech at the turnover ceremony at the BoC head office, Mr. Ruiz said his

top priorities are "zero tolerance for drug smugglers," curbing gun smuggling, and eliminating the smuggling of agricultural products.

In the six months to June, the BoC confiscated P8.37 billion worth of smuggled items across 293 joint seizure operations, which included the seizure of P1.67 billion worth of illegal drugs.

As of end June, the BoC also apprehended smuggled agricultural products valued at P284 million.

Mr. Ruiz said he will also focus on increasing much-needed revenues for the government.

In the six months to June, the BoC already collected P396.80 billion, which is already 21.05% more than its midyear target of P327.81 billion due to high oil prices and the peso's depreciation against the US dollar. The Customs bureau set a collection target of P671.66 billion for 2022.

Smuggling, S1/9