

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi AUGUST 24, 2022 CLOSE: 6,618.86 HIGH: 6,677.69 LOW: 6,614.84 CLOSE: 6,643.45 VOL.: 0.603 B VAL(P): 5,444 B 25.07 PTS. 0.37% 30 DAYS TO AUGUST 24, 2022	AUGUST 24, 2022 JAPAN (NIKKEI 225) 28,313.47 ▼ -139.28 -0.49 HONG KONG (HANG SENG) 19,268.74 ▼ -234.51 -1.20 TAIWAN (WEIGHTED) 15,069.19 ▼ -26.70 -0.18 THAILAND (SET INDEX) 1,631.85 ▼ -1.72 -0.11 S.KOREA (KSE COMPOSITE) 2,447.45 ▼ 12.11 0.50 SINGAPORE (STRAITS TIMES) 3,237.68 ▼ -8.53 -0.26 SYDNEY (ALL ORDINARIES) 6,998.10 ▼ 36.30 0.52 MALAYSIA (KLSE COMPOSITE) 1,467.26 ▼ -15.31 -1.03	AUGUST 23, 2022 Dow Jones 32,909.590 ▼ -154.020 NASDAQ 12,381.301 ▼ -0.272 S&P 500 4,128.730 ▼ -9.260 FTSE 100 7,488.110 ▼ -45.680 Euro Stoxx50 3,637.060 ▼ -18.430	FX OPEN P56.250 HIGH P56.050 LOW P56.260 CLOSE P56.070 W.AVE. P56.201 VOL. \$864.05 M SOURCE : BAP	AUGUST 24, 2022 LATEST BID (0900GMT) JAPAN (YEN) 136.380 ▲ 137.370 HONG KONG (HK DOLLAR) 7.846 ▲ 7.847 TAIWAN (NT DOLLAR) 30.248 ▲ 30.196 THAILAND (BAHT) 36.020 ▲ 36.130 S. KOREA (WON) 1,341.500 ▲ 1,340.550 SINGAPORE (DOLLAR) 1.393 ▲ 1.397 INDONESIA (RUPIAH) 14,845 ▲ 14,835 MALAYSIA (RINGGIT) 4.484 ▲ 4.487	AUGUST 24, 2022 US\$/UK POUND 1.1810 ▲ 1.1761 US\$/EURO 0.9951 ▲ 0.9921 \$/AUSTRALIAN DOLLAR 0.6916 ▲ 0.6870 CANADA DOLLAR/US\$ 1.2969 ▲ 1.3026 SWISS FRANC/US\$ 0.9616 ▼ 0.9662	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$96.35/bbl 115.00 108.00 101.00 94.00 87.00 80.00 30 DAYS TO AUGUST 23, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 24, 2022 (PSEi snapshot on SI/3; article on SI/2)

ICT	P185.000	BDO	P127.000	ALI	P28.800	CNVRG	P18.700	SPNEC	P1.650	SMPH	P36.500	SECB	P91.000	TEL	P1,730.000	JFC	P231.000	EMI	P20.650
Value	P345,196,426	Value	P234,347,284	Value	P166,252,720	Value	P127,780,862	Value	P126,700,770	Value	P122,991,785	Value	P117,284,597	Value	P115,226,125	Value	P110,350,240	Value	P108,668,085
PO.800	▲ 0.434%	P2.000	▲ 1.600%	PO.950	▲ 3.411%	-PO.100	▼ -0.532%	-PO.020	▼ -1.198%	PO.300	▲ 0.829%	P2.500	▲ 2.825%	-P4.000	▼ -0.231%	PO.000	— 0.000%	-PO.050	▼ -0.242%

New mining fiscal regime approved

By Alyssa Nicole O. Tan
Reporter

THE HOUSE Ways and Means Committee on Wednesday approved the new fiscal regime for the mining sector, as well as the fourth package of the Comprehensive Tax Reform Program (CTRP)

that includes the removal of the excise tax exemption on pickup trucks.

Albay Rep. Jose Maria Clemente S. Salceda, who chairs the committee, said the measure will generate an additional P37.5 billion in revenues for the government in the first full year of its implementation.

In a statement, he said the committee adopted the Department of Finance (DoF) proposed version, which would

“bring the country’s effective tax rate on mining (considering all taxes) to 51%, up from 38% under the current system.”

“That brings us closer to the middle of the pack among major mining countries, instead of near the bottom of the list. The 51% is a good number, because it brings us closer to Australia’s effective tax rate, at around 51% as well, counting royalties...This proposal brings us closer

to Australia and Indonesia, which are our regional comparatives,” Mr. Salceda said.

Under the approved version, a royalty tax of 5% will be slapped on the market value of gross output of all large-scale mining operations.

“A minimum government share of 60% of net mining revenues, including all government taxes, fees, and charges, will be imposed on mining operations,” Mr. Salceda said.

A 10% export tax will also be levied on the market value of mineral ore exports, Mr. Salceda said, a move aimed at encouraging domestic processing of mineral products.

The bill also seeks to improve transparency through a government system for the public disclosure and scrutiny of all mining tax and revenue data in the extractives value chain.

Mining, SI/9

Pandemic inflicts damage on students’ future earnings

THE DISRUPTION of schooling due to the coronavirus disease 2019 (COVID-19) pandemic inflicted lifetime earning losses in developing Asia, most particularly for those in lower income brackets, the Asian Development Bank (ADB) reported.

“The pandemic has further exacerbated the learning crisis for today’s student cohort. Globally, estimates suggest that 70% of 10-year-olds are unable to read and understand a simple text, and this contributes to a loss in potential lifetime earnings by today’s generation of students equivalent to 17% of current gross domestic product (GDP) level,” the ADB said in its *Key Indicators for Asia and the Pacific 2022* released on Wednesday.

The multilateral lender estimated lifetime earning losses among developing Asia’s students may range from 3.9% to 8.8% of pre-pandemic earnings.

Based on ADB data, the Philippines had one of the highest expected losses per capita earning due to learning losses.

In the Philippines, the poorest are expected to lose as much as \$590.69 in per capita future earnings, while the richest would lose as much as \$443.42 in per capita future earnings.

“The Philippines has to address the challenges and barriers to access health and education services. Otherwise, there will be an impending human capital crisis,” said Rhodora G. Alday, director of the Policy Development and Planning Bureau of the Department of Social Welfare and Development (DSWD).

“Unless there [are] very aggressive efforts to address the problem with urgency, with resource commitments, then any delay would certainly affect labor productivity going forward,” ADB Chief Economist Albert Park added.

The multilateral lender estimated lifetime earning losses among developing Asia’s students may range from 3.9% to 8.8% of pre-pandemic earnings.

“Within each economy, inequality may also further expand due to differences in access to remote learning tools. Under a medium-efficacy scenario of remote learning, estimates show that students from the poorest wealth quintile are expected to have losses in future earnings that are 47% higher than those of the richest students in their economy, while girls may lose about 28% more in future earnings,” it said.

“How it will unfold depends on a number of factors such as effectiveness of remote education and how socioeconomic institutions react to undo the damage to children’s learning and well-being,” said Melissa Pascua, Senior Statistics Officer from the ADB, in the same event.

While growth in the region is expected to reduce extreme poverty to pre-pandemic goals, people with lower pre-pandemic levels of social mobility may find it harder to progress as they experience longer lasting setbacks.

Students, SI/9

FUTURE EARNING LOSSES OF POOREST PHILIPPINE STUDENTS SEEN 33% HIGHER THAN RICHEST

A Filipino student belonging in the poorest wealth quintile is expected to lose \$591 (under constant 2020 prices) from his or her future income as a result of learning losses due to the coronavirus pandemic, according to the Asian Development Bank’s (ADB) *Key Indicators for Asia and the Pacific 2022*. On the other hand, a Filipino student in the richest quintile is seen to lose \$443. This means that expected losses in future earnings of Filipino students from the poorest wealth quintile are 33.4% higher than those of the richest students. This, however, is lower than the 127.3% wealth gap estimated in the Developing Asia, which includes the Philippines.

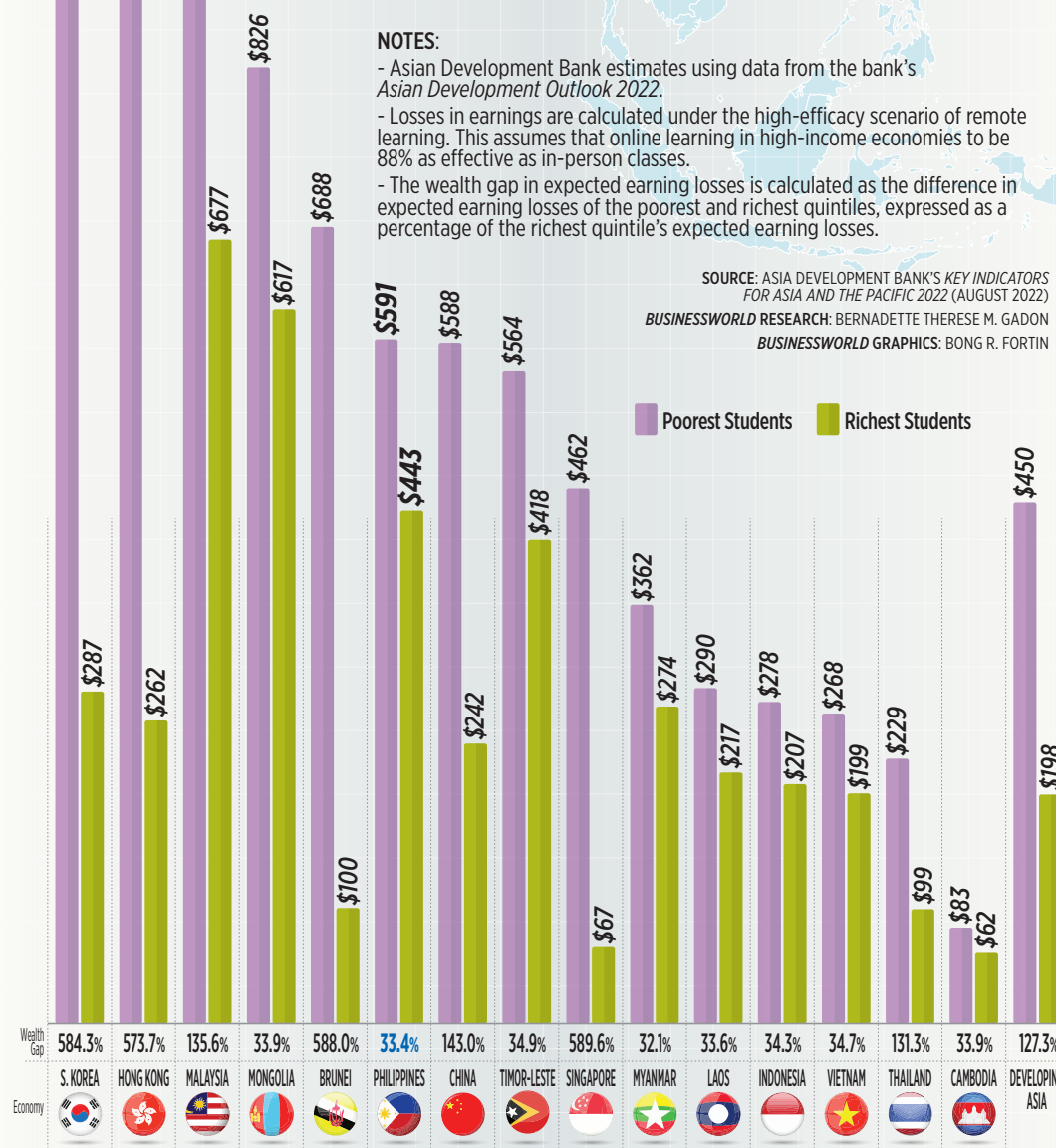
Expected Losses in Per Capita Earnings Between Richest and Poorest Students in Select Economies in East and Southeast Asia (High-Efficacy Scenario; At Constant 2020 Prices, in \$)



NOTES:

- Asian Development Bank estimates using data from the bank’s *Asian Development Outlook 2022*.
- Losses in earnings are calculated under the high-efficacy scenario of remote learning. This assumes that online learning in high-income economies to be 88% as effective as in-person classes.
- The wealth gap in expected earning losses is calculated as the difference in expected earning losses of the poorest and richest quintiles, expressed as a percentage of the richest quintile’s expected earning losses.

SOURCE: ASIA DEVELOPMENT BANK’S KEY INDICATORS FOR ASIA AND THE PACIFIC 2022 (AUGUST 2022)
BUSINESSWORLD RESEARCH: BERNADETTE THERESA M. GADON
BUSINESSWORLD GRAPHICS: BONG R. FORTIN



IMF to hold Article IV Consultation with the Philippines in September

THE INTERNATIONAL Monetary Fund (IMF) will hold its Article IV Consultation with the Philippines in September, according to an official.

“The 2022 Article IV Consultation mission will take place in September 2022 and we have tentatively scheduled a press briefing for September 26th,” IMF Representative to the Philippines Ragnar Gudmundsson said in an e-mail.

Mr. Gudmundsson said the Executive Board meeting is being planned for November or December this year.

Under Article IV of the IMF’s Articles of Agreement, the IMF holds annual bilateral discussions with its members. A team from the IMF will visit the country to assess economic and financial developments, and hold meetings with government and central bank officials.

The team will then present its findings for discussion to the IMF Executive Board, which

represents all of IMF’s member countries. A summary of the IMF Board’s assessment is later given to the country’s government.

“In this way, the views of the global community and the lessons of international experience are brought to bear on national policies,” the IMF said on its website.

The IMF conducted its annual consultation with the Philippines from May to June in 2021. The last Article IV Executive Board Consultation was on July 23, 2021.

Last year, IMF executive directors commended the Philippines’ policy response to the coronavirus disease 2019 (COVID-19) pandemic, which has helped to cushion the pandemic’s socioeconomic impact.

In July, the multilateral lender raised its gross domestic product forecast for the Philippines to 6.7% this year from 6.5% previously, but expects slower growth in 2023 amid global uncertainties. — **Keisha B. Ta-asan**

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Demographic dividend to spur growth — NEDA

THE COUNTRY must capitalize on its demographic dividend through innovations in human capital and infrastructure development to sustain economic growth, its chief economist said.

“Between 2000 and 2020, the working-age population has grown faster than the total population, leading to increases in its overall share. Thus, a more substantial size of our workforce is supporting economic activity and contributing to growth,” Socioeconomic Planning Secretary Arsenio M. Balisacan said during the 43rd National Conference of Employers by the Employers Confederation of the Philippines on Wednesday.

Recent data from the Philippine Statistics Authority showed the working-age population, covering those 15 to 64 years old, accounts for 63.9% of Filipinos, up from the 63.3% in 2015 and 59.1% in 2000.

To sustain the economy’s high-growth targets, “the govern-

ment shall equip and provide our workforce with sufficient tools and infrastructure to raise productivity and enhance innovation capacity,” Mr. Balisacan said, citing the Marcos administration’s eight-point socioeconomic agenda which aims to reinvigorate job creation and reduce poverty.

The government intends to grow the economy by 6.5-7.5% this year and 6.5-8% next year until 2028. At the same time, it also plans to reduce poverty incidence to a single digit by the end of the Marcos administration.

“We must regain losses from the last two years and strengthen human capital even further in light of anticipated future disruptions such as automation and the effects of climate change,” Mr. Balisacan said in reference to the disruptions in learning amid the coronavirus disease 2019 (COVID-19) pandemic.

Demographic, SI/9