P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

A NEWSPAPER IS A PUBLIC TRUST

FOLLOW US ON:
facebook.com/bworldph
twitter.com/bworldph
anchor.fm/businessworld

STOCK MARKET

PSEi

OPEN:	6,593.57
HIGH:	6,629.29
LOW:	6,586.72
CLOSE:	6,606.00
VOL.:	0.787 B
VAL(P):	4.270 B

▲ 12.26 PTS. 0.18%

30 DAYS TO SEPTEMBER 9, 2022

ASIAN MARKETS

SEPTEMBER 9, 2022	CLOSE		NET	%
Japan (Nikkei 225)	28,214.75	▲	149.47	0.53
Hong Kong (Hang Seng)	19,362.25	▲	507.63	2.69
Taiwan (Weighted) *	14,583.42	▲	173.37	1.20
Thailand (SET Index)	1,654.62	▲	14.62	0.89
S.Korea (Kse Composite) *	2,384.28	▲	7.82	0.33
Singapore (Straits Times)	3,262.95	▲	29.34	0.91
Sydney (All Ordinaries)	6,894.20	▲	45.50	0.66
Malaysia (Klse Composite)	1,496.53	▲	1.80	0.12

*CLOSING PRICE AS OF SEPTEMBER 8, 2022

WORLD MARKETS

SEPTEMBER 9, 2022	CLOSE		NET
Dow Jones	32,151.710	▲	377.190
NASDAQ	12,112.307	▲	250.178
S&P 500	4,067.360	▲	61.180
FTSE 100	7,351.070	▲	89.010
Euro Stoxx50	3,539.610	▲	49.890

PESO-DOLLAR RATES

FX

OPEN	P57.050
HIGH	P56.780
LOW	P57.070
CLOSE	P56.820
W.AVE.	P56.918
VOL.	$1,151.53 M

▲ 36.00 CTVS

30 DAYS TO SEPTEMBER 9, 2022

SOURCE : BAP

ASIAN MONIES-US$ RATE

SEPTEMBER 9, 2022	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	142.520	▲	144.060
Hong Kong (HK dollar)	7.848	▲	7.850
Taiwan (NT dollar)	30.860	▲	30.909
Thailand (baht)	36.320	▲	36.420
S. Korea (won)	1,379.770	▲	1,382.770
Singapore (dollar)	1.398	▲	1.406
Indonesia (rupiah)	14,828	▲	14,895
Malaysia (ringgit)	4.496	▲	4.499

WORLD CURRENCIES

SEPTEMBER 9, 2022	CLOSE		PREVIOUS
US$/UK pound	1.1587	▲	1.1485
US$/Euro	1.0039	▲	1.0000
$/Aust dollar	0.6841	▲	0.6726
Canada dollar/US$	1.3026	▼	1.3136
Swiss Franc/US$	0.9599	▼	0.9747

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$90.40/BBL

▲ $2.40

30 DAYS TO SEPTEMBER 9, 2022

VOL. XXXVI • ISSUE 34 | MONDAY • SEPTEMBER 12, 2022 • www.bworldonline.com | S1/1-12 • 2 SECTIONS, 20 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 9, 2022 (PSEi snapshot on *S1/4*; article on *S2/2*)

Stock	Price	Value	Change		%
SMC	P98.500	P497,009,811	-P0.200	▼	-0.203%
ALI	P27.800	P375,675,490	P0.000	—	0.000%
URC	P129.000	P355,839,947	P0.600	▲	0.467%
PHN	P19.900	P268,451,826	P0.000	—	0.000%
ABA	P2.770	P209,507,880	P0.040	▲	1.465%
EMI	P20.100	P198,755,815	-P0.750	▼	-3.597%
SMPH	P36.400	P188,605,550	-P1.000	▼	-2.674%
GLO	P2,090.000	P136,639,400	-P34.000	▼	-1.601%
DMC	P10.500	P121,470,330	P0.200	▲	1.942%
AC	P717.000	P120,668,170	-P7.000	▼	-0.967%

July debt service bill jumps to P156B

THE NATIONAL Government saw its debt service bill more than double in July from a year ago, as amortization payments surged.

Preliminary data from the Bureau of the Treasury (BTr) showed the government paid P156.2 billion for debt servicing in July, 158% up from P60.54 billion in the same month a year ago.

Month on month, debt payment tripled from P44.29 billion in June.

In July, around 66.65% of debt repayments went to amortization, while the rest went to interest, the BTr said.

Overall amortization payments surged by 6,789.94% to P104.11 billion in July from P1.5 billion in the same month last year.

The BTr settled P103.46 billion with domestic lenders, while principal payments to foreign creditors amounted to P647 million.

Interest payments dropped by 11.75% year on year to P52.09 billion in July, with interest paid on domestic debt 12.09% down year on year to P32.42 billion. This consisted of P27.9 billion for Treasury bonds, P3.58 billion for retail Treasury bonds, and P567 million for Treasury bills.

Interest paid on foreign debt slipped by 11.18% to P19.67 billion in July.

For the seven-month period, the debt service bill dropped by 26.33% year on year to P614.55 billion, with around 50.33% going towards interest payments, and the rest to amortization.

Principal payments from January to July stood at P305.25 billion, down by 46.13% from a year earlier. This consisted of P256.84 billion in domestic debt and P48.41 billion in foreign obligations.

Debt service, S1/8

Proposed changes to BOT rules may burden public with higher fees

By Diego Gabriel C. Robles

THE PROPOSED new revisions to the implementing rules and regulations (IRR) of the Build-Operate-Transfer (BOT) Law may give private sector proponents more leeway in imposing higher fees and charges to the detriment of consumers, a public investment analyst said.

"There is nothing in the rules which prevent PPPs (public-private partnerships) from imposing automatic increases in fees and charges. In fact, the rules allow initial and future fees and charges to be implemented even without regulatory approval," convenor of think tank InfraWatch PH Terry L. Ridon told *BusinessWorld*.

"This will be a red line for the public, and maybe for government as well, because while the old rules greatly favored government, these new rules allow unbridled private sector power over public services," he added.

The National Economic and Development Authority (NEDA) last week released the proposed changes to the IRR of the BOT Law.

Under the draft rules, Section 12.19 states that tolls, fees and charges can be adjusted during the life of the contract, based on an approved formula included in the contract. Prior to bidding, concerned agencies and local government units (LGUs) should consult and seek approval from the regulator for such a formula.

The draft rules had removed a clause stating a regulator has the power to approve or reject adjustments to tolls, fees, rentals and other tariffs. Also removed was the clause that prevented project proponents from including an automatic increase in tolls, fees and other charges in the contract.

Instead, the draft rules now stipulate that if the regulator disapproves the proposed amount under the contract, the agency or LGU may allow the private sector to recover the difference between the fees stipulated in the contract and the amount approved by the regulator through measures that were previously agreed upon.

"If the agency/LGU fails to implement the adjustment of tolls/fees/rentals/charges approved by the appropriate regulator, then the project proponent shall recover such adjusted tolls/fees/rentals/charges through measures allowed in the contract," the rules stated, noting that it should not be interpreted as direct government subsidy.

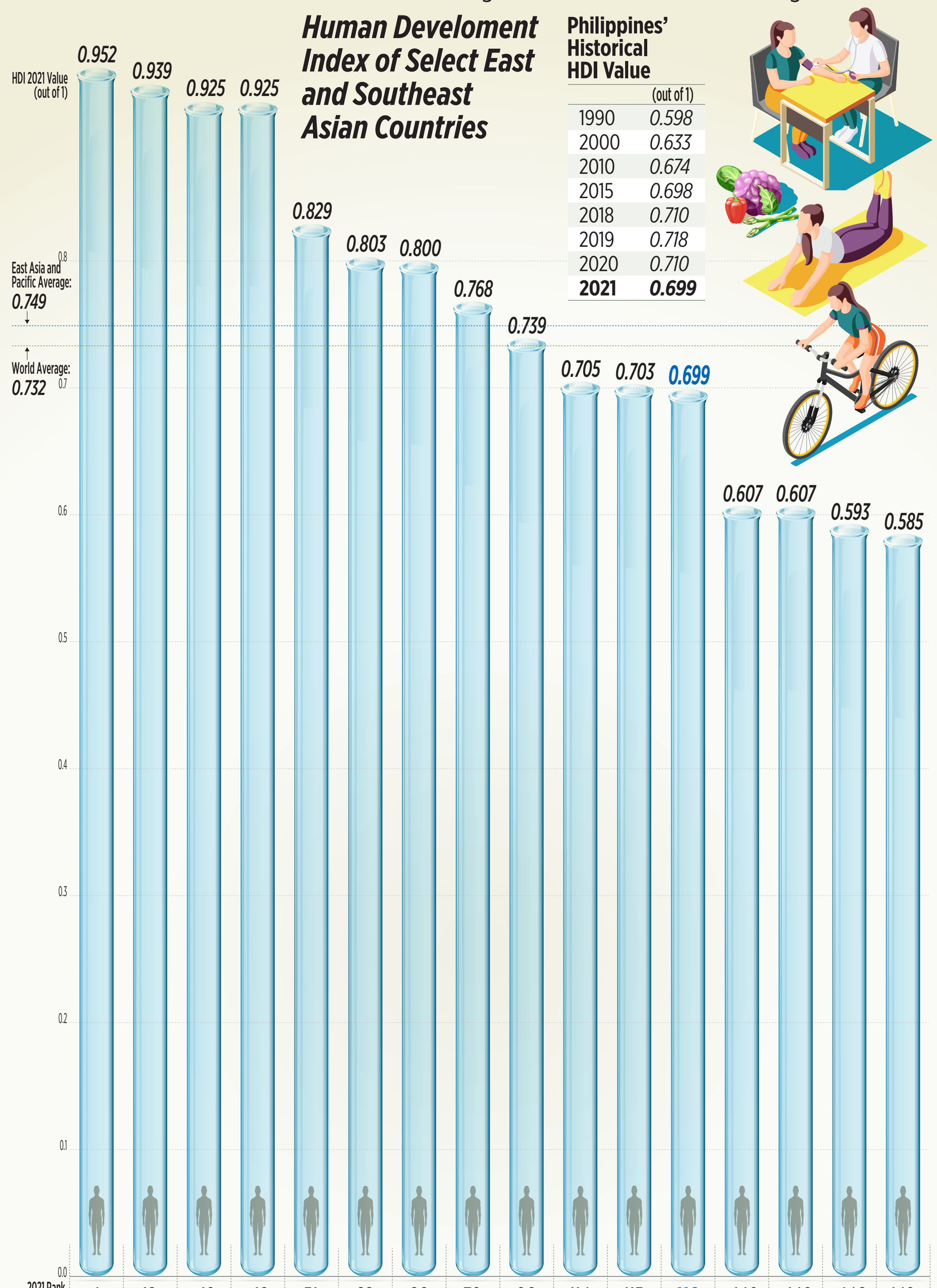
The current rules absolve the agency and LGU from liability for the non-approval of increasing fees by the regulator concerned.

BOT, S1/8

PHILIPPINES SLIPS IN HUMAN DEVELOPMENT INDEX

The Philippines ranked 116th out of 191 countries, down three places from 113th previously, in the latest Human Development Index (HDI) by the United Nations Development Program. The index ranks countries based on three dimensions of human development: a long and healthy life, knowledge, and a decent standard of living. With a score of 0.699 out of 1, the Philippines was only ahead of Laos and Timor-Leste (both 140 overall), Cambodia (146), and Myanmar (149) in select East and Southeast Asian countries included in the index. The Philippines' HDI score was also below the East Asia and the Pacific's average of 0.749 and the World's average of 0.732.

Human Develoment Index of Select East and Southeast Asian Countries



Philippines' Historical HDI Value

	(out of 1)
1990	0.598
2000	0.633
2010	0.674
2015	0.698
2018	0.710
2019	0.718
2020	0.710
2021	**0.699**

Country	2021 Rank (out of 191)	Rank Change(s) from 2020	Human Development Level
HONG KONG	4	0	Very High
SINGAPORE	12	▼2	Very High
JAPAN	=19	0	Very High
S. KOREA	=19	▲1	Very High
BRUNEI	51	▼2	Very High
MALAYSIA	62	▼1	Very High
THAILAND	66	▼2	Very High
CHINA	79	▲3	High
MONGOLIA	96	▼6	High
INDONESIA	114	▲2	High
VIETNAM	115	▼2	High
PHILIPPINES	116	▼3	Medium
LAOS	=140	▲2	Medium
TIMOR-LESTE	=140	0	Medium
CAMBODIA	=146	▲2	Medium
MYANMAR	149	▼4	Medium

Philippines' Profile (2021)

HDI Rank	116 out of 191
HDI Value	0.699
Life expectancy at birth	69.3
Expected years of schooling	13.1
Mean years of schooling	9.0
Gross national income (GNI) per capita (2017 PPP $)	8,920

Group and Regional Average (2021)

Very High (HDI Value of 1-0.800)	0.896
High (0.799-0.700)	0.754
Medium (0.699-0.550)	0.636
Low (0.549-0)	0.518
Developing Countries	0.685
East Asia and the Pacific	0.749

Top 10

2021 Rank (out of 191)	Country	HDI 2021 Value (out of 1)	Rank Change(s) from 2020	Human Development Level
1	Switzerland	0.962	+2	Very High
2	Norway	0.961	-1	Very High
3	Iceland	0.959	-1	Very High
4	Hong Kong, China (SAR)	0.952	0	Very High
5	Australia	0.951	0	Very High
6	Denmark	0.948	-1	Very High
7	Sweden	0.947	+2	Very High
8	Ireland	0.945	0	Very High
9	Germany	0.942	-2	Very High
10	Netherlands	0.941	0	Very High

Bottom 10

2021 Rank (out of 191)	Country	HDI 2021 Value (out of 1)	Rank Change(s) from 2020	Human Development Level
191	South Sudan	0.385	0	Low
190	Chad	0.394	0	Low
189	Niger	0.400	0	Low
188	Central African Republic	0.404	0	Low
187	Burundi	0.426	0	Low
186	Mali	0.428	0	Low
185	Mozambique	0.446	-1	Low
184	Burkina Faso	0.449	+1	Low
183	Yemen	0.455	0	Low
182	Guinea	0.465	0	Low

SOURCE: UNITED NATIONS DEVELOPMENT PROGRAM'S HUMAN DEVELOPMENT REPORT 2021/22: *UNCERTAIN TIMES, UNSETTLED LIVES: SHAPING OUR FUTURE IN A TRANSFORMING WORLD*

BUSINESSWORLD RESEARCH: BERNADETTE THERESE M. GADON *BUSINESSWORLD* GRAPHICS: BONG R. FORTIN

Marcos' independent foreign policy push faces test with IPEF

By Kyle Aristophere T. Atienza *Reporter*

THE LEVEL of the Philippines' participation in the Washington-led Indo-Pacific Economic Framework (IPEF) would be a litmus test for the Marcos administration's independent foreign policy push, according to experts.

It would also determine the extent of the Philippine leader's protectionist bent, they said.

"It will be an indicator of to what extent our government has a genuine economically independent policy," academic Hansley A. Juliano, who has written on global political economy, said in an e-mail.

"Can they play that balancing act because their masters are ultimately the Philippine state's interest?" he asked. "Or are they already neocolonial subjects of either the US or China anyway?

Reuters reported last week that the first IPEF talks included ministers from the Philippines, Australia, Brunei, Fiji, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Singapore, Thailand, and Vietnam. Along with the US, these countries account for 40% of the global economic output.

During the meeting, ministers agreed on a set of negotiating targets covering digital trade, supply chains, decarbonization and other issues.

The IPEF is seen as the US' latest attempt to counter China's growing economic influence in the Indo-Pacific region.

Mr. Juliano said it has been a "norm" for most middle-income countries like the Philippines to participate in multiple international frameworks and agreements to avoid geopolitical tensions.

"Even the ones with most connected economic ties to mainland China, such as Thailand, Vietnam, Cambodia and Lao, have ties on both sides of the US-China competition. The only real concern is what industries are covered in any deal or agreement," he said.

The US-led trade engagement has already angered China, with Chinese newspaper *Global Times* saying IPEF excluded a "country ubiquitous in industrial chains."

IPEF, S1/8

IBPAP chief warns workers may quit if WFH scrapped

THE INFORMATION Technology and Business Process Association of the Philippines (IBPAP) warned that many employees of IT and business process management (IT-BPM) firms may leave their jobs if the government pushes for a return to 100% on-site work.

This as the Fiscal Incentives Review Board (FIRB) temporarily extended the current arrangement allowing IT-BPM enterprises in Philippine Economic Zone Authority's (PEZA) economic zones to have 30% of their employees work from home (WFH), which would have expired today (Sept. 12).

Jack Madrid, IBPAP president and chief executive officer, said the temporary extension is a "relief" for IT-BPM investors and employees.

"We're relieved and we are also looking forward to a more permanent and much-needed solution. We are glad the Department of Finance (DoF) finally listened to the voice of the industry, the voice of the investors, and most importantly, the voice of the employees, who have been working very effectively from a location-independent setup since the onset of the pandemic," he said during an interview on ANC's *Dateline Philippines* over the weekend.

WFH, S1/8

FOLLOW US ON:
facebook.com/bworldph
twitter.com/bworldph
anchor.fm/businessworld