P25
IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET

PSEi

OPEN:	5,869.85
HIGH:	5,914.73
LOW:	5,841.57
CLOSE:	5,895.64
VOL.:	0.459 B
VAL(P):	3.653 B

▲ 42.01 PTS. 0.71%
30 DAYS TO OCTOBER 13, 2022

ASIAN MARKETS

OCTOBER 13, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	26,237.42	▼	-159.41	-0.60
Hong Kong (Hang Seng)	16,389.11	▼	-311.92	-1.87
Taiwan (Weighted)	12,810.73	▼	-270.51	-2.07
Thailand (SET Index) *	1,560.78	▼	-1.90	-0.12
S.Korea (Kse Composite)	2,162.87	▼	-39.60	-1.80
Singapore (Straits Times)	3,047.41	▼	-35.78	-1.16
Sydney (All Ordinaries)	6,642.60	▼	-4.90	-0.07
Malaysia (Klse Composite)	1,373.36	▼	-7.21	-0.52

* CLOSING PRICE AS OF OCTOBER 12, 2022

WORLD MARKETS

OCTOBER 12, 2022

	CLOSE		NET
Dow Jones	29,210.850	▼	-28.340
NASDAQ	10,417.099	▼	-9.092
S&P 500	3,577.030	▼	-11.810
FTSE 100	6,826.150	▼	-59.080
Euro Stoxx50	3,344.870	▼	-3.390

PESO-DOLLAR RATES

FX

OPEN	P58.900
HIGH	P58.850
LOW	P59.000
CLOSE	P59.000
W.AVE.	P58.950
VOL.	$524.08 M

▼ 3.50 CTVS
30 DAYS TO OCTOBER 13, 2022
SOURCE : BAP

ASIAN MONIES-US$ RATE

OCTOBER 13, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	146.760	▼	146.270
Hong Kong (HK dollar)	7.850	—	7.850
Taiwan (NT dollar)	31.850	—	31.850
Thailand (baht)	37.840	▲	38.030
S. Korea (won)	1,428.620	▼	1,426.420
Singapore (dollar)	1.433	▲	1.436
Indonesia (rupiah)	15,360	▼	15,355
Malaysia (ringgit)	4.690	▼	4.680

WORLD CURRENCIES

OCTOBER 13, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.1149	▲	1.1079
US$/Euro	0.9734	▲	0.9712
$/Aust dollar	0.6296	▲	0.6272
Canada dollar/US$	1.3794	▲	1.3762
Swiss Franc/US$	0.9971	▲	0.9952

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$92.90/BBL
▼ $0.80
30 DAYS TO OCTOBER 12, 2022

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S1/1-12 • 2 SECTIONS, 18 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 13, 2022 (PSEi snapshot on *S1/2*; article on *S2/2*)

Stock	Price	Value	Change		%
ALI	P22.800	P245,948,245	P0.100	▲	0.441%
ICT	P178.000	P223,758,500	P3.000	▲	1.714%
BDO	P118.000	P190,388,073	P2.000	▲	1.724%
CNVRG	P12.520	P187,270,280	P0.040	▲	0.321%
URC	P108.100	P144,860,988	-P1.100	▼	-1.007%
TEL	P1,438.000	P143,351,925	P18.000	▲	1.268%
AC	P597.000	P140,452,375	-P13.000	▼	-2.131%
JFC	P231.600	P133,074,586	-P1.400	▼	-0.601%
SMPH	P31.400	P122,443,475	P0.200	▲	0.641%
SM	P788.500	P120,537,330	P24.500	▲	3.207%

Lower pork tariffs to be extended

THE MARCOS administration is planning to extend lower tariff rates on key commodities such as pork, corn, rice, and coal to next year, Finance Secretary Benjamin E. Diokno said, as the government seeks to curb rising food inflation.

"[The] economic managers have repeatedly raised the needed measures to address food inflation. In the last Cabinet meeting, a comprehensive set of measures including the extension of EO (executive order) 171 has been put forward by the Department of Finance (DoF), with inputs from across the Cabinet," Mr. Diokno told reporters in a Viber message on Wednesday.

"Hopefully, the guidance from President [Ferdinand R. Marcos, Jr.] during that meeting will translate to EOs, circulars, and administrative orders soon," he added.

Mr. Diokno said there is a plan to issue a joint memorandum on EO 171 "for the economic managers to highlight the latest food supply demand assessment and options to anticipate price shocks moving forward."

In May, President Rodrigo R. Duterte issued EO 171 which extended lower tariffs on pork and rice until end-2022, as well as slashed duties on corn and coal.

Under the EO, tariff rates on pork for in-quota and out-quota shipments were kept at a reduced rate of 15% (from 30%) and 25% (from 40%). Rice tariffs were also kept at a lower rate of 35% for in-quota and 50% for out-quota.

The EO also cut corn tariff rates to 5% for in-quota imports (from 35%) and 15% (from 50%) for out-quota, and temporarily removed the 7% duty on coal imports.

The Foundation for Economic Freedom (FEF) earlier said the Marcos administration should extend EO 171 in order to ensure prices remain stable and to fight inflation. FEF noted that the country continues to face headwinds such as supply chain disruptions, the Russia-Ukraine conflict, and the African Swine Fever outbreak, and intense typhoons.

"It is arguable that conditions have aggravated since the passage of EO 171, with inflation now hovering just short of 7% versus the 4% level back in May 2022," the FEF said.

"In the backdrop of all of these is a weakening economy and higher interest rate environment, which will cause sluggish economic recovery into at least 2023."

Headline inflation hit a four-year high of 6.9% in September from 6.3% the previous month and 4.2% last year, driven mostly by the increase in food prices.

Inflation for food rose to 7.7% in the same month from 6.5% in August and 5.2% year on year.

"Although agriculture's contribution to the gross domestic product (GDP) is only around 10%, the food manufacturing industry depends highly on agriculture for its raw materials," the FEF added. "Taken together, both agricultural and the food manufacturing industries contribute around a third of our total GDP. In addition, around 50% of our manufacturing sector is agriculture- and food-based."

Pork tariffs, S1/9

Central bank faces tough balancing act — economists

THE BANGKO Sentral ng Pilipinas (BSP) still has room to raise borrowing costs, but it will be tough to balance growth while ensuring price stability, economists said.

"BSP is fully aware of the need to preserve price stability but it also recognizes that it must never put the horse before the cart. Wielding its double-edged sword of a policy rate will be effective in snuffing out demand side inflation, possibly halving headline inflation, but also at the cost of decimating its own growth story," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail note.

Since May, the Monetary Board has raised interest rates by 225 basis points (bps), as inflation continued to quicken beyond the BSP's 2-4% target band.

Inflation rose to 6.9% in September, bringing the nine-month average to 5.1%. The BSP expects inflation to average 5.6% this year, before easing to 4.1% in 2023 and 3% in 2024.

BSP Governor Felipe M. Medalla on Wednesday said the central bank's monetary policy settings "remain accommodative," pledging to do all that is needed to bring down inflation.

"Real policy rate is still quite low. Achieving a target consistent path of inflation is of paramount concern to us," Mr. Medalla had said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort agreed that the policy rate is still considered accommodative and the BSP can further increase borrowing costs to maintain a comfortable rate differential with the US Federal Reserve.

Central bank, S1/9

BUSINESSWORLD B-SIDE

The danger of dynasties

ANTONIO G. M. LA VIÑA, a constitutional law professor at the University of the Philippines, thinks that the Philippine Constitutional Commission of 1986 made a mistake in giving Congress the power to decide on the prohibition of political dynasties instead of imposing limitations right then and there.

In this B-Side episode, Mr. La Viña talks to *BusinessWorld* reporter Patricia B. Mirasol about family dynasties, federalism, and structural change.

This is third and final episode in an Explainer series that previously featured Bernardo M. Villegas, an economist and one of the framers of the 1987 Constitution, and Norberto B. Gonzales, a former Defense Secretary and National Security Adviser who ran for president in the 2022 elections. >>> *https://spoti.fi/3yBwTdv*

Gov't budget utilization hits 98% as of end-Sept.

GOVERNMENT AGENCIES raised their cash utilization rate to 98% at the end of September, as the economy continued to reopen, the Department of Budget and Management (DBM) reported on Thursday.

The DBM said the National Government, local governments and state-owned firms used 98% of the P3.11 trillion in Notice of Cash Allocation (NCA) issued to them in the first nine months of the year, leaving P52.15 billion unused.

This was an improvement from the year earlier usage rate of 95%, while utilization as of end-August was also at 95%.

NCAs are a quarterly disbursement authority from the DBM issued to agencies, allowing the latter to withdraw funds from the Bureau of the Treasury to support their spending needs.

"Government agencies have been very active in disbursement most likely in the financing of programs and projects since the economy is more open now," Asian Institute of Management economist John Paolo R. Rivera said in a Viber message, citing expenditures on relief operations after recent typhoons and the continuation of programs from the previous administration such as the "Build, Build, Build" infrastructure program.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort likewise attributed the improved cash utilization rate to the continued reopening of the economy. He noted there are less disruptions this year, compared with the lockdowns and mobility restrictions in 2021.

"Government spending was expedited, especially before the election ban and some elected officials also rushed the completion of some government projects before the elections," Mr. Ricafort said in a Viber message.

Budget, S1/9

PHILIPPINES RANKS 46TH OUT OF 85 IN 'BEST COUNTRIES' LIST

The Philippines placed 46th out of 85 countries with an overall score of 23.1 out of possible 100 in the latest annual Best Countries report by Washington, D.C.-based digital media company U.S. News and World Report. The rankings are based on how global perceptions define countries in terms of a number of qualitative characteristics — impressions that have the potential to drive trade, travel, and investment, and directly affect national economies. The more a country was perceived to exemplify a certain characteristic in relation to the average, the higher that country's attribute score. In the East and Southeast Asia region, the Philippines placed ahead of Vietnam (47th), Cambodia (63rd), and Myanmar (76th).

2022 Overall Scores and Rankings of Select East and Southeast Asia Countries

2022 Rank (Out of 85)	Rank Changes from 2021	Score Changes from 2021	Country	2022 Overall Score (Out of 100)
6	▼ 4	-3.5	JAPAN	95.6
17	0	-0.9	CHINA	77.1
19	▼ 5	-8.9	SINGAPORE	74.1
20	▼ 5	-10.8	S. KOREA	70.6
28	0	+1.4	THAILAND	47.7
39	▼ 3	-1.6	MALAYSIA	31.8
41	▼ 4	-0.2	INDONESIA	26.5
46	▼ 2	+0.7	PHILIPPINES	23.1
47	▼ 43	-2.5	VIETNAM	22.0
63	▼ 8	-1.5	CAMBODIA	10.3
76	▼ 18	-4.8	MYANMAR	4.6

Philippines' Historical Score

Year	Score
2016	21.7
2017	20.8
2018	18.9
2019	16.9
2020	20.0
2021	22.4
2022	**23.1**

Philippines' Profile (2022)

Subranking (Weights)	Rank	Score
Quality of life (14.52%)	37	19.3
Entrepreneurship (14.17%)	48	10.3
Agility (13.96%)	46	15.6
Social Purpose (13.49%)	54	6.2
Movers (10.57%)	37	23.2
Cultural influence (10.36%)	44	15.5
Open for business (9.35%)	18	64.5
Adventure (5.48%)	25	47.2
Power (5.02%)	45	7.6
Heritage (3.09%)	42	29.7

NOTES:
~ The latest report surveyed more than 17,000 respondents across the globe from April 30 to July 13.
~ The 85 countries in the 2022 Best Countries rankings had to meet four benchmark criteria to be included in the study: gross domestic product (2016-2020), foreign direct investment inflows (2016-2020), international tourism receipts or tourism arrivals (2016-2020), and the UN's Human Development Index (2015-2019).
~ To determine the weight each subranking score had in the overall score, most were correlated to 2021 gross domestic product (GDP) at purchasing power parity per capita, as reported by the World Bank.
~Subrankings that demonstrated a stronger relationship with the wealth category were weighted more heavily, and all weights were standardized to total 100.
~ The latest subrankings' weights differ slightly from previous years, as they are tied to more recent GDP data. They may not add up precisely to 100 due to rounding.
~ Four countries made their first appearance in the 2022 edition of the report: Bangladesh, Cameroon, Paraguay and Zambia. Meanwhile, five countries have been added back into the analysis: Algeria, Bahrain, Ghana, Iran and Luxembourg. On the other hand, El Salvador and Iraq dropped out of the rankings.

Top 10

2022 Rank (Out of 85)	Country	Rank Changes from 2021	2022 Overall Score	Score Changes from 2021
1	Switzerland	▲ 3	100.0	+2.7
2	Germany	▲ 1	98.0	0.0
3	Canada	▼ 2	97.8	-2.9
4	United States	▲ 2	97.1	+2.4
5	Sweden	▲ 4	95.7	+5.1
6	Japan	▼ 4	95.6	-3.5
7	Australia	▼ 2	94.3	-2.3
8	United Kingdom	0	92.4	+0.1
9	France	▲ 2	90.5	+3.4
10	Denmark	▲ 2	89.8	+6.3

Bottom 10

2022 Rank (Out of 85)	Country	Rank Changes from 2021	2022 Overall Score	Score Changes from 2021
85	Belarus	▼ 10	0.0	-2.5
84	Uzbekistan	▼ 11	0.5	-2.9
83	Iran	New Entry	1.0	-
82	Kazakhstan	▼ 10	1.7	-2.9
81	Serbia	▼ 5	1.7	0.0
80	Algeria	New Entry	2.6	-
79	Lebanon	▼ 5	2.8	+0.2
78	Oman	▼ 8	3.8	-1.7
77	Zambia	New Entry	4.0	-
76	Myanmar	▼ 18	4.6	-4.8

SOURCE: US NEWS & WORLD REPORT BEST COUNTRIES 2022 *(HTTPS://WWW.USNEWS.COM/NEWS/BEST-COUNTRIES/RANKINGS)*
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