

| STOCK MARKET | | | ASIAN MARKETS | | | | WORLD MARKETS | | | | PES0-DOLLAR RATES | | | | ASIAN MONIES-US\$ RATE | | | | WORLD CURRENCIES | | | | DUBAI CRUDE OIL | |
|---|--|--|--|--|--|--|--|--|--|--|---|--|--|--|---|--|--|--|---|--|--|--|---|--|
| PSEi OPEN: 6,463.01 HIGH: 6,674.38 LOW: 6,456.81 CLOSE: 6,674.38 VOL.: 0.583 B VAL(P): 6.039 B | | | DECEMBER 6, 2022 JAPAN (NIKKEI 225) 27,885.87 ▲ 65.47 0.24 HONG KONG (HANG SENG) 19,441.18 ▼ -77.11 -0.40 TAIWAN (WEIGHTED) 14,728.88 ▼ -251.86 -1.68 THAILAND (SET INDEX) 1,633.76 ▼ -7.87 -0.48 S. KOREA (KSE COMPOSITE) 2,393.16 ▼ -26.16 -1.08 SINGAPORE (STRAITS TIMES) 3,249.11 ▼ -18.43 -0.56 SYDNEY (ALL ORDINARYS) 7,291.30 ▼ -34.30 -0.47 MALAYSIA (KLSE COMPOSITE) 1,471.55 ▼ -0.01 0.00 | | | | DECEMBER 5, 2022 Dow Jones 33,947.100 ▼ -482.780 NASDAQ 11,239.937 ▼ -221.560 S&P 500 3,998.840 ▼ -72.860 FTSE 100 7,567.540 ▲ 11.310 Euro Stoxx50 3,793.470 ▼ -11.990 | | | | FX OPEN P56.060 HIGH P55.950 LOW P56.110 CLOSE P55.975 W.AVE. P56.018 VOL. \$776.56 M SOURCE: BAP | | | | DECEMBER 6, 2022 LATEST BID (0900GMT) JAPAN (YEN) 136.710 ▼ 135.280 HONG KONG (HK DOLLAR) 7.779 ▼ 7.765 TAIWAN (NT DOLLAR) 30.634 ▼ 30.441 THAILAND (BAHT) 35.100 ▼ 34.730 S. KOREA (WON) 1,320.460 ▼ 1,296.050 SINGAPORE (DOLLAR) 1.357 ▼ 1.348 INDONESIA (RUPIAH) 15,615 ▼ 15,465 MALAYSIA (RINGGIT) 4.391 ▼ 4.363 | | | | DECEMBER 6, 2022 US\$/UK POUND 1.2174 ▼ 1.2275 US\$/EURO 1.0486 ▼ 1.0554 \$/AUSTRALIAN DOLLAR 0.6719 ▼ 0.6807 CANADA DOLLAR/US\$ 1.3601 ▲ 1.3422 SWISS FRANC/US\$ 0.9428 ▲ 0.9333 | | | | DECEMBER 6, 2022 FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$80.80/bbl 30 DAYS TO DECEMBER 5, 2022 | |

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 6, 2022 (PSEi snapshot on S1/2; article on S2/2)

| STOCK | VALUE | CHANGE |
|-------|------------|-----------|
| BDO | P131.600 | ▲ 3.622% |
| ICT | P188.400 | ▲ 2.225% |
| SM | P943.000 | ▲ 5.481% |
| URC | P138.000 | ▲ 4.151% |
| ALI | P29.900 | ▲ 2.048% |
| JFC | P246.600 | ▲ 4.315% |
| GTCAP | P450.600 | ▲ 1.716% |
| TEL | P1,669.000 | ▲ 4.182% |
| AC | P712.000 | ▲ 5.325% |
| ACEN | P7.610 | ▼ -0.262% |

Inflation hits 14-year high of 8%

RISING FOOD PRICES pushed inflation to a 14-year high in November, the Philippine Statistics Authority (PSA) said on Tuesday. Preliminary data from the Philippine Statistics Authority (PSA) showed headline inflation accelerated 8% in November, the

most since the 9.1% print during the Global Financial Crisis in November 2008. The latest print was faster than the 7.7% in October, and 3.7% in November 2021. It was also higher than the median estimate of 7.8% in a *BusinessWorld* poll of 15 analysts

conducted last week, but within the 7.4-8.2% forecast range of the Bangko Sentral ng Pilipinas (BSP). November inflation also breached the BSP's 2-4% target range for an eighth straight month. President Ferdinand R. Marcos, Jr. on Tuesday said that while

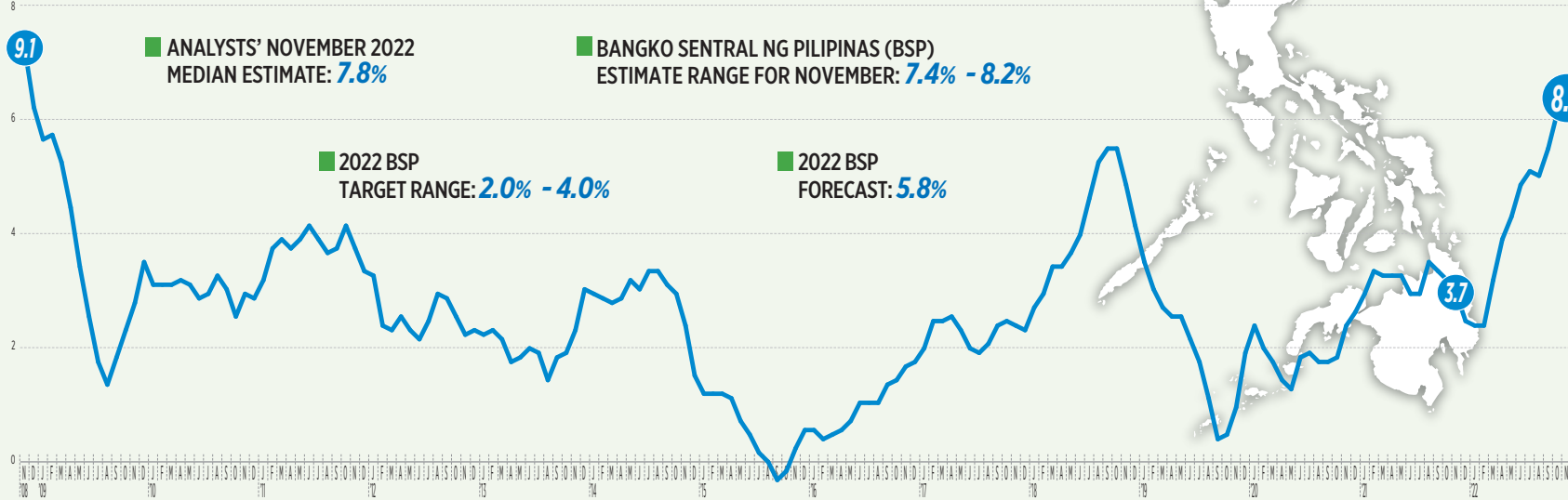
the economic growth is healthy, inflation is "running rampant and out of control." "The main drivers of that inflation, unfortunately, are still imported... So again, import substitution is still a good idea not only for foreign exchange reserves but also

so that we can keep our inflation rate down," he said in a speech at the Arangkada Philippines Forum after the release of inflation data. For the January-to-November period, inflation averaged 5.6%, faster than the 4% in the same period a year ago. However, this

was still below the BSP's full-year forecast of 5.8%. Month on month, the consumer price index (CPI) inched up by 0.9%. Stripping out the seasonality effects on prices, inflation dipped 0.7% in November from October's 1%. *Inflation, SI/5*

HEADLINE INFLATION RATES IN THE PHILIPPINES

(2018=100, Year-on-Year % Change)



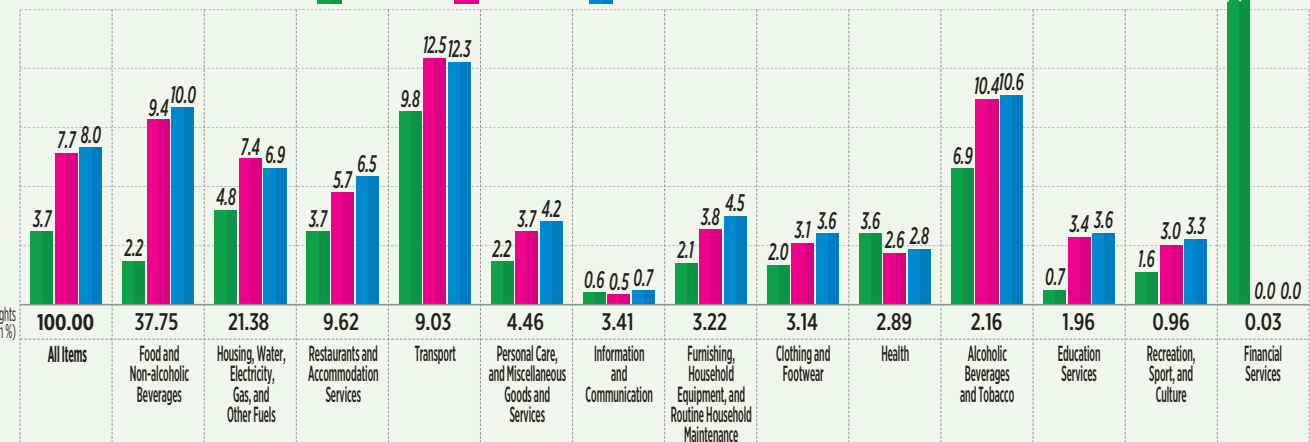
BY REGION (November 2022)

(2018=100, Year-on-Year % Change)

| Region | Inflation Rate (%) |
|------------------------|--------------------|
| PHILIPPINES | 8.0 |
| NCR | 7.5 |
| CAR | 7.6 |
| Ilocos Region | 7.7 |
| II Cagayan Valley | 7.8 |
| III Central Luzon | 8.8 |
| IV-A Calabarzon | 7.1 |
| Mimaropa Region | 8.6 |
| V Bicol Region | 7.5 |
| VI Western Visayas | 9.6 |
| VII Central Visayas | 8.3 |
| VIII Eastern Visayas | 7.9 |
| IX Zamboanga Peninsula | 8.9 |
| X Northern Mindanao | 7.4 |
| XI Davao Region | 9.7 |
| XII Soccsksargen | 7.0 |
| XIII Caraga | 7.3 |
| BARMM | 6.0 |

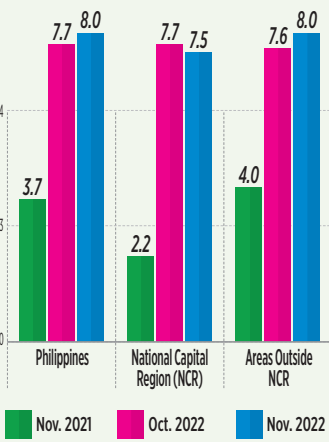
BY COMMODITY GROUP

(2018=100, Year-on-Year % Change)



BY AREA

(2018=100, Year-on-Year % Change)



SOURCE: PHILIPPINE STATISTICS AUTHORITY (PRELIMINARY DATA AS OF DEC. 6, 2022)
 BUSINESSWORLD RESEARCH: BERNADETTE THERESA M. GADON
 BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Bill seeks to require NEDA Board OK only for projects over P5B

By Arjay L. Balinbin
Senior Reporter

A PROPOSED MEASURE seeks to require National Economic and Development Authority (NEDA) Board approval only for projects worth over P5 billion. Newly filed House Bill (HB) No. 6527 states that "upon favorable recommendation" of the NEDA Investment Coordination Committee (ICC), only projects that cost more than P5 billion will be submitted to the NEDA Board for approval.

The substitute bill, which seeks to amend the Build-Operate-Transfer (BOT) Law, was filed on Tuesday by House Ways and Means Committee Chairman and Albay Rep. Jose Ma. Clemente S. Salceda. Under the current BOT Law's implementing rules and regulations, projects that cost more than P300 million need to be submitted to NEDA Board for approval upon the recommendation of NEDA ICC. The NEDA Board is chaired by the president of the Philippines. This would remove a significant bottleneck for many projects as these would no longer need the president's approval, Public-Private Partnership Cen-

ter Deputy Executive Director Jeffrey I. Manalo said in an interview on the sidelines of the Arangkada Philippines Forum in Pasay City on Tuesday. Mr. Manalo said President Ferdinand R. Marcos, Jr. wants to improve PPP policies "to address bottlenecks and ambiguities and improve competition." Under HB 6527, projects that cost between P2.5 billion to P5 billion only need to be submitted to the NEDA-ICC for approval. For projects that cost below P2.5 billion, it would only require approval from heads or boards of implementing agencies. The proposed measure also allows NEDA-ICC to update the amounts "when the need arises." This is to "future-proof" the law, according to PPP Center's Mr. Manalo. "This is so we do not need to change the law if we need to update the numbers." At the same time, he noted that the bill recognizes the autonomy of local government units. Under the bill, local governments will approve their own projects "regardless of project cost." "Prior to approval, projects implemented by LGUs (local government units) shall be confirmed by the respective local development council," it said. *NEDA Board, SI/5*

World Bank lowers 2023 PHL growth forecast

THE WORLD BANK upgraded its growth forecast for the Philippines this year but expects the economy to expand at a weaker pace in 2023 amid a global slowdown and elevated inflation. In its Philippines Economic Update report, the multilateral lender raised the Philippines' gross domestic product (GDP) growth outlook to 7.2% this year, from the 6.5% given in September. This is at the upper end of the government's 6.5-7.5% goal this year. World Bank Country Director for the Philippines Ndiamé Diop said at a virtual briefing on Tuesday that strong domestic demand is driving economic

growth this year, contributing to the recovery in jobs and income. The economy expanded by 7.6% in the third quarter, bringing the nine-month average to 7.7%. "The Philippines economy has remained resilient despite a challenging global environment," World Bank Philippines Senior Economist Ralph van Doorn added. However, the World Bank warned growth momentum may slow starting next year, as it trimmed the GDP growth projection to 5.7% for 2023-2025, from 5.8% previously. "The growth slowdown in 2023 is premised on the fading of pent-up demand, alongside elevated infla-

tion and higher interest rate environment that will temper domestic demand," the World Bank said. Mr. Diop said this outlook is premised on a sharp slowdown in global growth, and moderate shocks that can push the world's economy into a recession, which "will have dire consequences in the recovery of emerging markets like the Philippines." The World Bank expects global growth to decelerate in 2023, due to global monetary tightening, worsening financial conditions and disruptions caused by the war in Ukraine. "These external challenges have channeled through the

Philippines in the form of high inflation, peso depreciation, and capital market volatility," it added. Inflation quickened to a 14-year high of 8% in November, bringing the 11-month average to 5.6%. The BSP's average inflation forecast is at 5.8% this year, 4.3% in 2023, and 3.1% in 2024. "We see inflation will continue to rise. We expect inflation to peak in 2023. This is premised on the second-round effects, not only has headline inflation increased through food and fuel prices, it has crept into core inflation," Mr. van Doorn added. *World Bank, SI/5*

MAP pushes for creation of public-private sector advisory council

THE MANAGEMENT ASSOCIATION of the Philippines (MAP) is seeking the creation of a public-private sector advisory council for various sectors, in order to improve transparency and accountability in terms of government contracts. "We suggest a strong joint public-private sector advisory council for specific areas like agriculture, trade and investment, infrastructure projects, energy, and water," MAP President Rogelio L. Singson said during his keynote speech at the Arangkada Philippines Forum in Pasay City on Tuesday. For instance, Mr. Singson said the government may discuss the draft concept of a project with the private sector and potential investors before the final terms of reference are published.

"This opens up for transparency and accountability," he added. Mr. Singson said collaboration between the public and private sectors is essential and "will definitely redound to the faster economic recovery of the Philippines." He noted there should be more cooperation among government infrastructure agencies, and that the roles and responsibilities are "clearly defined" in the review and approval process of public-private partnerships (PPP). "There are just too many reviews and government institutions involved in the review process... Another area of improvement is for government infrastructure agencies to get together and make sure

that all government infrastructure projects being implemented are coordinated according to a government infrastructure master plan," Mr. Singson said. "More often than not, many of the delays in PPP projects whether local or foreign investments are due to the delays in the delivery of government responsibilities," he added. Meanwhile, Shinichiro Shimada, Japanese Chamber of Commerce and Industry of the Philippines president, said the Philippines can maximize its potential if it continues to "reform, rebuild, and recover." "We believe in the enormous potential of the Philippines as a foreign direct investment destination and the

capability of the Philippine government with support from private sector to pursue and implement the necessary reforms and policies to improve the investment climate and competitiveness of the country," he added. Meanwhile, Chamber of Mines of the Philippines Chairman Michael T. Toledo said the mining industry could recover with the help of stable regulations. "As long as these minerals are on the ground, these are worthless. We need to bring them out of the ground... What we need is a stable regulatory and legal framework. A business cannot plan long term if after passing a law, suddenly after one or two years, you change," Mr. Toledo said. *R.M.D.Ochave*