

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,738.93 HIGH: 6,767.05 LOW: 6,730.52 CLOSE: 6,761.33 VOL.: 1.854 B VAL(P): 6.894 B 42.83 PTS 0.63% 30 DAYS TO JANUARY 5, 2023	JANUARY 5, 2023 JAPAN (NIKKEI 225) 25,820.80 ▲ 103.94 0.40 HONG KONG (HANG SENG) 21,052.17 ▲ 259.06 1.25 TAIWAN (WEIGHTED) 14,301.05 ▲ 101.92 0.72 THAILAND (SET INDEX) 1,663.99 ▼ -9.26 -0.55 S.KOREA (KSE COMPOSITE) 2,264.65 ▲ 8.67 0.38 SINGAPORE (STRAITS TIMES) 3,286.03 ▲ 43.57 1.34 SYDNEY (ALL ORDINARIES) 7,063.60 ▲ 4.40 0.06 MALAYSIA (KLSX COMPOSITE) 1,480.93 ▲ 11.38 0.77	JANUARY 4, 2023 Dow Jones 33,269.770 ▲ 133.400 NASDAQ 10,458.762 ▲ 71.777 S&P 500 3,852.970 ▲ 28.830 FTSE 100 7,585.190 ▲ 31.100 Euro Stoxx50 3,780.070 ▲ 49.120	FX OPEN P55.920 HIGH P55.750 LOW P56.025 CLOSE P55.750 W.AVE. P55.898 VOL. \$1,061.10 M 16.00cms 30 DAYS TO JANUARY 5, 2023 SOURCE : BAP	JANUARY 5, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 132.550 ▼ 130.370 HONG KONG (HK DOLLAR) 7.812 ▼ 7.818 TAIWAN (NT DOLLAR) 30.667 ▼ 30.632 THAILAND (BAHT) 33.930 ▼ 34.020 S. KOREA (WON) 1,269.880 ▼ 1,270.470 SINGAPORE (DOLLAR) 1.340 ▼ 1.339 INDONESIA (RUPIAH) 15,605 ▼ 15,585 MALAYSIA (RINGGIT) 4.388 ▼ 4.399	JANUARY 5, 2023 US\$/UK POUND 1.2016 ▼ 1.2066 US\$/EURO 1.0613 ▼ 1.0626 \$/AUST DOLLAR 0.6819 ▼ 0.6881 CANADA DOLLAR/US\$ 1.3507 ▼ 1.3553 SWISS FRANC/US\$ 0.9279 ▼ 0.9265	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$77.06/BBL 84.50 81.20 77.90 74.60 71.30 68.00 30 DAYS TO JANUARY 4, 2023

VOL. XXXVI • ISSUE 117

FRIDAY • JANUARY 6, 2023 • www.bworldonline.com

S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 5, 2023 (PSEi snapshot on S1/3; article on S2/2)

Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change												
BDO	P114,000	▲	TEL	P1,424,000	▼	BLOOM	P8,860	▲	SM	P915,000	▼	ICT	P198,700	▲	URC	P139,300	▲	GTCAP	P448,000	▲	AC	P690,500	▲	GLO	P2,164,000	▼	CNVRG	P17,400	▲
	P605,919,548			P601,846,225			P325,221,648			P276,495,715			P248,843,026			P242,190,065			P217,217,782			P208,122,320			P201,940,980			P193,574,546	
	P2,500	▲ 2.242%		-P24,000	▼ -1.657%		P0.370	▲ 4.358%		-P6,000	▼ -0.651%		P1.200	▲ 0.608%		P5.200	▲ 3.878%		P5,000	▲ 1.129%		P3,500	▲ 0.509%		-P54,000	▼ -2.435%		P0.600	▲ 3.571%

Inflation speeds up to 8.1% in Dec.

By Keisha B. Ta-asan Reporter

INFLATION ACCELERATED to a fresh 14-year high in December, as prices of food, particularly vegetables, surged during the holiday season, the Philippine Statistics Authority (PSA) said on Thursday.

Preliminary PSA data showed annual inflation quickened to 8.1% in December, from 8% in

November and 3.1% in December 2021. This was the fastest since the 9.1% print in November 2008.

Inflation was below the 8.3% median estimate in a *BusinessWorld* poll of 11 analysts conducted last week and within the 7.8-8.6% estimate given by the Bangko Sentral ng Pilipinas (BSP).

December also marked the ninth month in a row that inflation breached the BSP's 2-4% target range.

"This is consistent with the assessment of elevated inflation could peak in December 2022 before decelerating in the succeeding months due to easing global oil and non-oil prices, negative base effects, and as the impact of BSP's cumulative policy rate adjustments work its way to the economy," the central bank said in a statement.

Full-year average inflation settled at 5.8%, matching the BSP's forecast, but faster than the 3.9%

average in 2021. It also marked the highest since 2008's 8.2%.

Meanwhile, December core inflation, which discounted volatile prices of food and fuel, picked up to 6.9% from 6.5% in November. This was the fastest pace since the 7.2% print in November 2008.

For the entire year, core inflation averaged 3.9%, quicker than the 3% print in 2021.

At a press briefing, National Statistician Claire Dennis S. Mapa noted

a slowdown in inflation on a monthly basis. Month on month, the consumer price index (CPI) inched up by 0.3%. Stripping out the seasonality effects on prices, inflation slipped to 0.3% in December from November's 0.7%.

"We are really seeing a slowdown in terms of incremental increases both in the raw form and the seasonal adjusted form... That seems to be good news. However, there are still threats like the price of vegetables that contributed really substantially

in the inflation, as well as other food items," Mr. Mapa said.

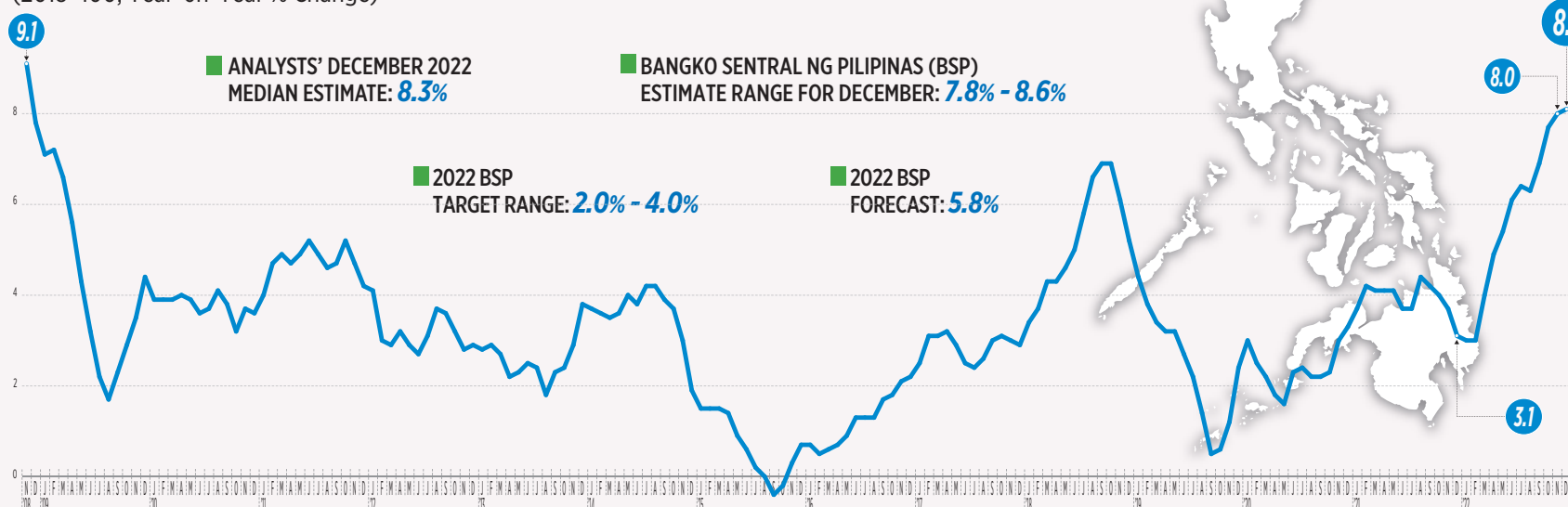
December inflation was driven by the 10.2% year on year growth in the food and non-alcoholic beverages index, faster than the 10% seen in November.

Food inflation quickened to 10.6% in December, from 10.3% in November and 1.6% a year ago, as vegetable prices skyrocketed amid supply shortages due to typhoon damage.

Inflation, S1/5

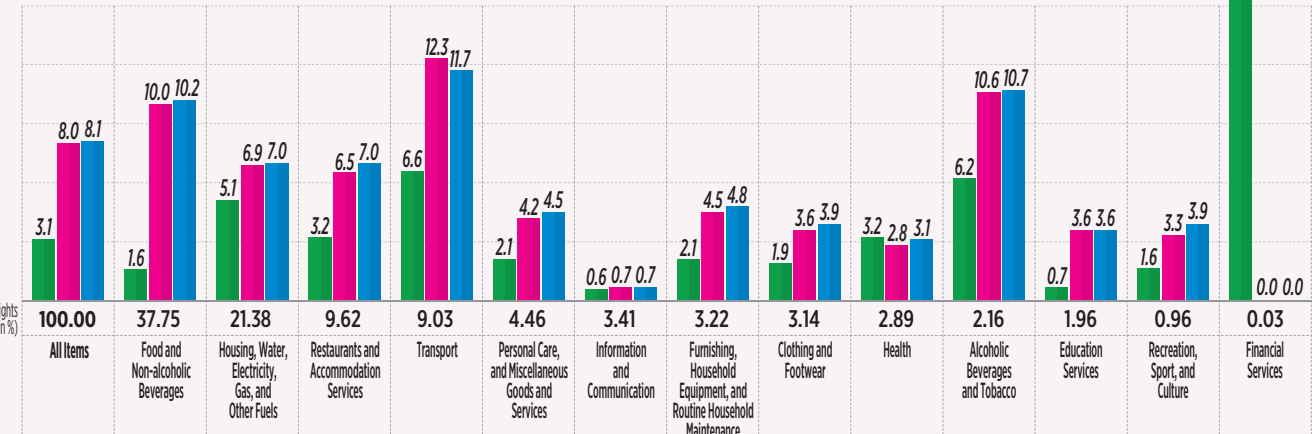
HEADLINE INFLATION RATES IN THE PHILIPPINES

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



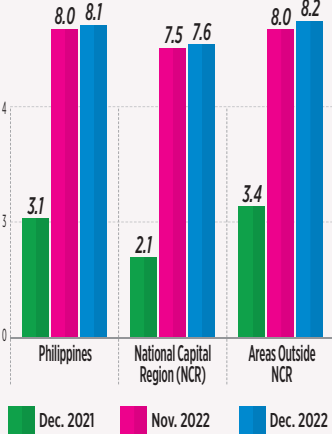
BY COMMODITY GROUP

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



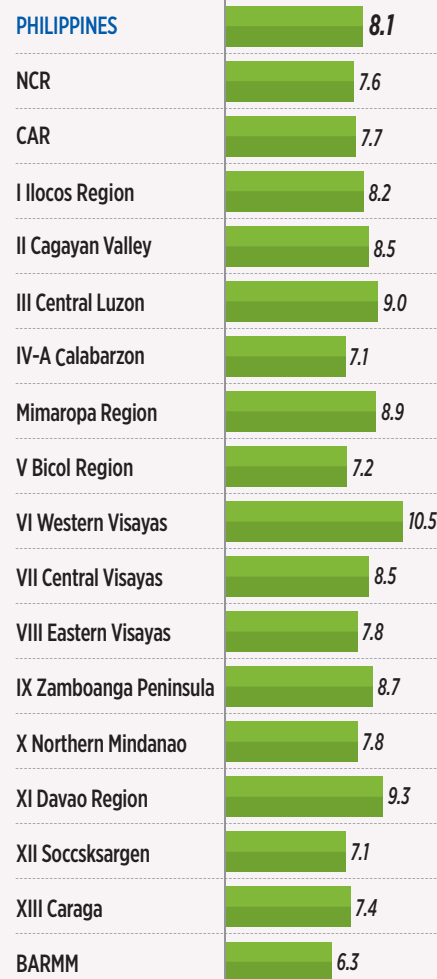
BY AREA

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



BY REGION (December 2022)

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



SOURCE: PHILIPPINE STATISTICS AUTHORITY (PRELIMINARY DATA AS OF JAN. 5, 2023)
BUSINESSWORLD RESEARCH; MARIEDEL IRISH U. CATALILOGO
BUSINESSWORLD GRAPHICS; BONG R. FORTIN

Gov't seeks WB funding for new rural dev't project

THE PHILIPPINE government is looking to obtain a \$550-million loan from the World Bank (WB) to boost its rural development program.

A document uploaded on the World Bank website showed the Philippine government is seeking funding for the proposed Philippine Rural Development Project (PRDP) Scale-up.

"The PRDP Scale-up aims to improve farmers' and fisherfolk's access to markets and profitability in selected value chains," the multilateral lender said.

However, the design of the proposed project would mean a "significant refocusing" of the approach adopted by the ongoing PRDP.

The current PRDP aims to increase rural incomes and enhance farm and fishery productivity in targeted areas. It has a total project cost of \$1.1 billion, of which the World Bank has committed to finance \$871.89 million.

"Whereas the ongoing PRDP focused on catalyzing the startup, expansion and business orientation of micro- to medium-scale agri-fishery enterprises, along with support for market access infrastructure, the proposed PRDP Scale-up project would involve a greater focus on more strategic approach through public infrastructure interventions to improve supply chain connectivity and efficiencies, while supporting for private sector led common service facility development and operations," it said.

The new project would be implemented nationwide and cater to poor rural farmers, fisherfolk, and agricultural small and medium enterprises.

"Like its predecessor, the project will identify and assess risks and impacts on people and farmlands," the World Bank said.

Under the proposal, a geographic information system (GIS) tool will be used to formulate strategies that would improve the climate resilience of production and investments.

The project would be expanded to include remote communities, it added.

Sub-projects under the program will prioritize sustainable, climate-smart agricultural strategies and technologies supported by cost effective public infrastructure. These include farm-to-market road and bridge networks, potable water supply and communal facilities such as food supply distribution hubs, logistics systems, and service facilities.

The program will also offer community and livelihood sub-projects to include crop, fishery and animal production and the establishment and operation of common service facilities in production, post-harvest and marketing such as market stalls, cold chain and fish landings.

The World Bank said that the Department of Agriculture (DA) will be the lead agency for the proposed project's implementation. The DA will coordinate with local government units at the provincial level, where the project will be implemented. — **Luisa Maria Jacinta C. Jocson**

Analysts wary of Philippine deals with China

By Kyle Aristophere T. Atienza Reporter

THE PHILIPPINES and China inked 14 bilateral agreements covering infrastructure, agriculture, trade, and tourism, among others, during President Ferdinand R. Marcos, Jr.'s meeting with Chinese President Xi Jinping on Wednesday.

But the implications of these bilateral deals should be studied carefully given the Philippines' ongoing sea dispute with China and Beijing's failure to deliver on its investment pledges in the past, some observers noted.

In a statement, the Presidential Communications Office (PCO) said the two countries renewed an agreement on the Belt and Road Initiative — Beijing's overseas infrastructure development strategy.

Finance Secretary Benjamin E. Diokno and Chinese Minister of Commerce Wang Wentao signed the handover certificate of two China-funded bridge projects in the capital Manila — the Binondo-Intramuros bridge and the Estrella-Pantaleon bridge.

The Department of Finance (DoF) in a separate statement said the cumulative loan commitments with China for ongoing Philippine projects now stand at \$1.06 billion after four individual loan agreements worth \$201.8 million were co-signed by Export-Import Bank of China Chairman Wu Fulin. The new loans will fund bridge projects crossing the Pasig-Marikina River and Manggahan Flyway.

The signing of a framework agreement for the implementation of the said projects "gives the Philippines access to the renminbi (RMB)-

denominated government concessional loan facility portion of the loan," the DoF added.

Filipino foreign policy experts have viewed the meeting between Mr. Marcos and Mr. Xi with skepticism, citing China's failure to deliver on its investment promises to the Duterte administration.

"Together, let's deepen cooperation and draw out a blueprint with China-Philippines cooperation in the new era," Mr. Xi told Mr. Marcos during their bilateral meeting. "This way, we will bring more benefits to our people and contribute to peace and stability in the region."

In his response, Mr. Marcos committed to pursue more joint ventures with China. "We are hoping that after the pandemic becomes more manageable, that we will not only return to the path that we were on before the pandemic but that we even build up to greater heights."

Terry L. Ridon, convener of infrastructure think tank InfraWatch, said these are "modest loans" which can be funded through government revenues.

"While every opportunity for assistance should be welcomed, government should ensure competitive interest rates in undertaking these development loans," he said in a Viber message.

The government should also ensure that the agreements would not affect its territorial claims in the South China Sea, which is being claimed by China almost entirely, Mr. Ridon said.

"In terms of substance, most of the 14 bilateral agreements signed between the two countries this time around are very similar to the 2016 agreements brought home by his predecessor six years ago in a similar trip," Enrico V. Gloria, who teaches foreign relations at the University of the Philippines said in a Facebook Messenger chat.

But the standout for this trip, "which makes the visit successful on its own," is the signing of a bilateral agreement between the Philippine foreign affairs department and its Chinese counterpart for a communication mechanism on maritime issues, Mr. Gloria said.

"Overall, the trip is both symbolic and substantial in terms of what it was able to achieve. The trip represents how a close Philippines-China bilateral relationship matters substantially to both leaders' priorities," he said.

"It is also substantial since it saw the signing of agreements that bode well for the Philippine's development priorities, bringing in China's intent to cooperate with the country in achieving the administration's objectives in this regard," he added.

MORE DEALS

According to the PCO, Mr. Marcos received a commitment from Mr. Xi "to address the trade deficit gap as China readies to accept high-value Philippine agricultural products."

"I'm very glad that we are in the process of finalizing the rules and regulations for the import by China of fruits from the Philippines," Mr. Marcos said. "And I believe that very soon now, we will be able to see the different fruits... the high-quality agricultural products coming from the Philippines start to come into China to balance the trade situation that we have."

The Department of Agriculture (DA) and its Chinese counterpart also signed a joint action plan for 2023-2025 on agricultural and fisheries cooperation, and agreed on a list of phytosanitary requirements for the export of fresh durians from the Philippines to China.

China, S1/5