P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

OPEN:	6,778.20
HIGH:	6,778.20
LOW:	6,696.72
CLOSE:	6,699.23
VOL.:	1.340 B
VAL(P):	4.933 B

▼ 101.73 PTS. 1.49%

30 DAYS TO FEBRUARY 22, 2023

ASIAN MARKETS

FEBRUARY 22, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	27,104.32	▼	-368.78	-1.34
Hong Kong (Hang Seng)	20,423.84	▼	-105.65	-0.51
Taiwan (Weighted)	15,418.77	▼	-144.23	-0.93
Thailand (SET Index)	1,657.80	▼	-10.83	-0.65
S.Korea (Kse Composite)	2,417.68	▼	-41.28	-1.68
Singapore (Straits Times)	3,297.83	▼	-9.03	-0.27
Sydney (All Ordinaries)	7,314.50	▼	-21.80	-0.30
Malaysia (Klse Composite)	1,464.00	▼	-10.01	-0.68

WORLD MARKETS

FEBRUARY 21, 2023

	CLOSE		NET
Dow Jones	33,129.590	▼	-697.100
NASDAQ	11,492.301	▼	-294.971
S&P 500	3,997.340	▼	-81.750
FTSE 100	7,977.750	▼	-36.560
Euro Stoxx50	3942.21	▲	4.360

PESO-DOLLAR RATES

FX

OPEN	P55.070
HIGH	P55.050
LOW	P55.240
CLOSE	P55.180
W.AVE.	P55.133
VOL.	$1,006.45 M

▼ 9.50 CTVS

30 DAYS TO FEBRUARY 22, 2023

SOURCE : BAP

ASIAN MONIES-US$ RATE

FEBRUARY 22, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	134.910	▼	134.650
Hong Kong (HK dollar)	7.845	▼	7.844
Taiwan (NT dollar)	30.516	▼	30.462
Thailand (baht)	34.550	▲	34.650
S. Korea (won)	1,305.600	▼	1,300.940
Singapore (dollar)	1.340	▼	1.339
Indonesia (rupiah)	15,200	▼	15,185
Malaysia (ringgit)	4.439	▼	4.431

WORLD CURRENCIES

FEBRUARY 22, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2070	▲	1.1995
US$/Euro	1.0641	▼	1.0650
$/Aust dollar	0.6817	▼	0.6878
Canada dollar/US$	1.3555	▲	1.3482
Swiss Franc/US$	0.9280	▲	0.9263

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$82.40/BBL

— UNCHANGED

30 DAYS TO FEBRUARY 21, 2023

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S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 22, 2023 (PSEi snapshot on *S1/3*; article on *S2/2*)

		Value			
GLO	P1,939.000	P436,913,200	-P51.000	▼	-2.563%
SM	P890.000	P390,943,570	-P7.500	▼	-0.836%
ALI	P28.200	P279,899,580	-P0.750	▼	-2.591%
ACEN	P6.670	P266,035,783	-P0.190	▼	-2.770%
SMPH	P36.700	P254,957,330	-P0.750	▼	-2.003%
BDO	P124.000	P242,314,168	P0.100	▲	0.081%
BPI	P104.000	P239,407,175	-P4.800	▼	-4.412%
TEL	P1,335.000	P221,089,765	-P52.000	▼	-3.749%
MBT	P60.200	P208,779,890	-P1.500	▼	-2.431%
AC	P660.000	P116,980,725	-P15.000	▼	-2.222%

RCEP may take effect as early as May

By Revin Mikhael D. Ochave
Reporter

THE PHILIPPINES is hoping to attract more foreign investments and boost its exports once the Regional Comprehensive Economic Partnership (RCEP) trade deal takes effect as early as May, according to Trade department officials.

At the same time, top business groups cheered the Senate's approval of the Philippines' participation in the world's largest trade deal which includes Australia, China, Japan, South Korea, New Zealand and members of the Association of Southeast Asian Nations (ASEAN).

"Next step is that we will have to deposit the instrument of ratification to the Secretary General of ASEAN. Sixty days after receipt of the instrument of ratification, the RCEP agreement will take effect in the Philippines," Trade Assistant Secretary and RCEP Lead Negotiator Allan B. Gepty said at a virtual briefing on Wednesday.

Mr. Gepty said an executive order (EO) containing the schedule of the Philippines' tariff commitments will be drafted, and submitted to President Ferdinand R. Marcos, Jr. for his signature. This EO will be used by the Bureau of Customs as the basis to implement the tariffs under the trade deal.

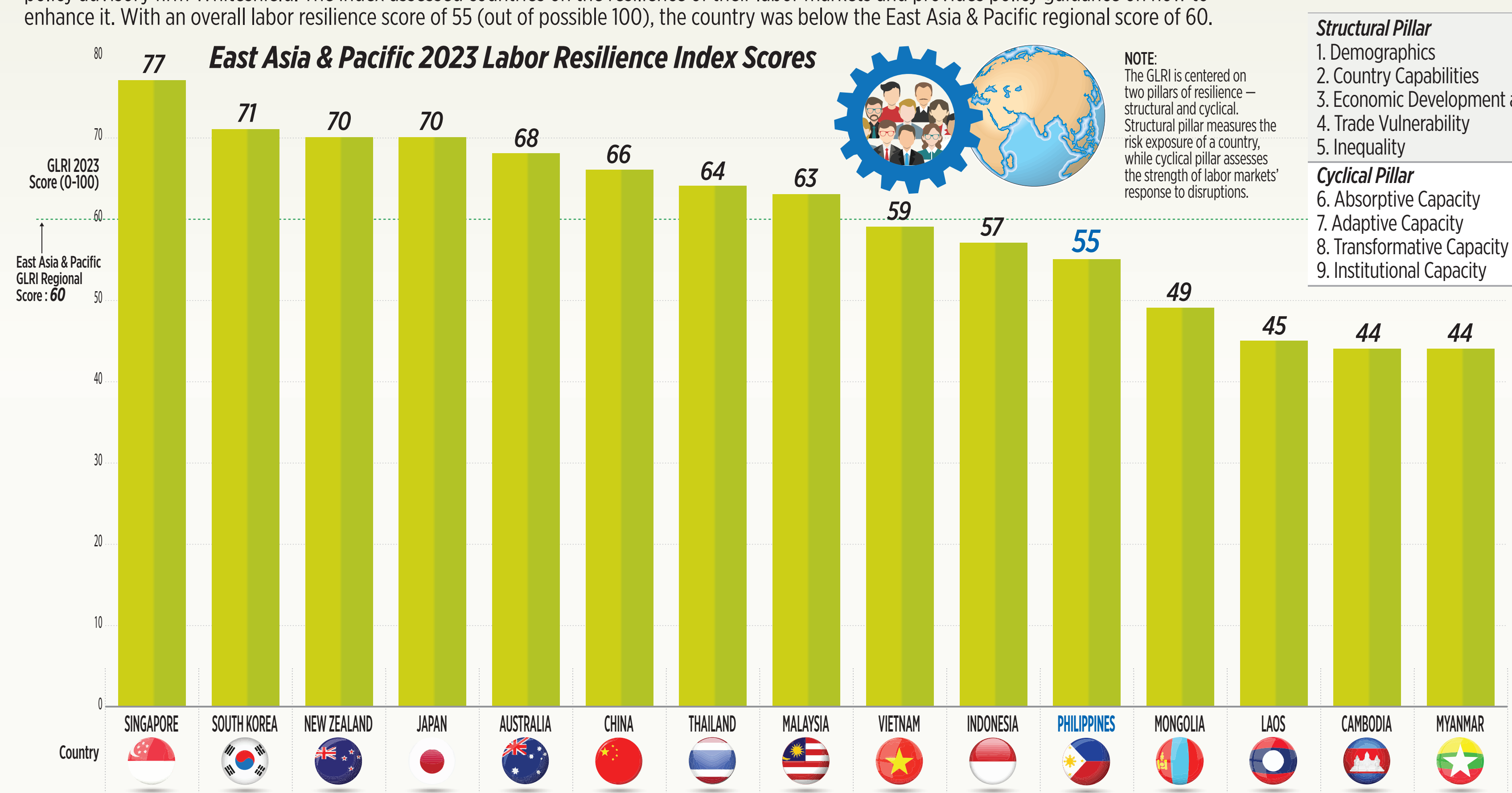
"We have to make sure that all of those are finished so that after the 60 days from receipt of the instrument of ratification, we are ready to fully implement the RCEP agreement," he added.

On Tuesday evening, the Senate voted to concur with the ratification of the mega-trade deal, over two years since it was signed in November 2020.

RCEP, S1/5

PHILIPPINES FALLS IN LABOR RESILIENCE INDEX

The Philippines slipped three spots to rank 65th out of 136 countries in the latest report of the Global Labor Resilience Index (GLRI) by public policy advisory firm Whiteshield. The index assessed countries on the resilience of their labor markets and provides policy guidance on how to enhance it. With an overall labor resilience score of 55 (out of possible 100), the country was below the East Asia & Pacific regional score of 60.



Country	SINGAPORE	SOUTH KOREA	NEW ZEALAND	JAPAN	AUSTRALIA	CHINA	THAILAND	MALAYSIA	VIETNAM	INDONESIA	PHILIPPINES	MONGOLIA	LAOS	CAMBODIA	MYANMAR
GLRI 2023 Rank (Out of 136)	6	17	22	23	26	34	38	39	48	59	65	92	106	109	112
Rank Change(s) from 2022	▼1	▲5	▲2	▼4	▼1	▲3	0	▼3	▲4	▼3	▼3	▼10	▲8	▼1	▼3

Philippines' Profile 2023

	Score (0-100)	Score Change(s) from 2022
Rank (Out of 136)	65	
Overall GLRI Score (0-100)	55	
Structural Pillar	***65***	▼2
1. Demographics	84	0
2. Country Capabilities	71	▼4
3. Economic Development and Macroeconomic Stability	73	▼1
4. Trade Vulnerability	51	▼3
5. Inequality	52	▼2
Cyclical Pillar	***50***	▼2
6. Absorptive Capacity	52	▼1
7. Adaptive Capacity	47	▲1
8. Transformative Capacity	40	▼6
9. Institutional Capacity	60	▲17

Top 5

Country	GLRI 2023 Rank (Out of 136)	Rank Change(s) from 2022	GLRI 2023 Score (0-100)
Denmark	1	0	80
Switzerland	2	0	79
Germany	3	0	78
Netherlands	4	0	78
Sweden	5	▲1	78

Bottom 5

Country	GLRI 2023 Rank (Out of 136)	Rank Change(s) from 2022	GLRI 2023 Score (0-100)
Chad	136	0	28
Yemen	135	0	32
Angola	134	0	32
Haiti	133	0	35
Venezuela	132	▼5	35

SOURCE: WHITESHIELD'S GLOBAL LABOR RESILIENCE INDEX 2023 (HTTPS://WHITESHIELD.COM/INSIGHTS/RESILIENCE-OF-JOBS/GLOBAL-LABOUR-RESILIENCE-INDEX-2023-UNEVEN-RECOVERY/)
BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRAOLA
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

NG sets P200-B domestic borrowing plan for March

THE NATIONAL GOVERNMENT (NG) plans to borrow P200 billion from the domestic market in March, the Bureau of the Treasury (BTr) said on Wednesday.

For March, the BTr plans to raise P75 billion from the issuance of Treasury bills (T-bills) and P125 billion from Treasury bonds (T-bonds).

The short-dated T-bills will be offered at P5 billion each with benchmark tenors of 91, 182, and 364 days. Auctions will be held on Feb. 27, March 6, 13, 20, and 27.

For the long-term securities, the Treasury is looking to raise P25 billion from six-year T-bonds on Feb. 28, and P25 billion from 10-year T-bonds on March 7.

It also plans to generate P25 billion from the offer of 13-year instruments on March 14; P25 billion from 20-year bonds on March 21; and P25 billion from seven-year papers on March 28.

"The National Government's borrowing program of P200 billion for the month of March 2023 is the same as the target for February 2023," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

However, the February borrowing plan was reduced to P130 billion from the original P200 billion after the government launched a retail Treasury bond (RTB) offer and canceled two auctions worth P35 billion each.

This month, the government raised P127.65 billion from domestic borrowings.

"The BTr is still in 'good shape' following the recent RTB offering," a trader said in a Viber message.

Earlier this month, the government raised P283.711 billion from its offering of five-and-a-half-year RTBs. Of this total, the government raised P31.671 billion from the bond exchange offer program.

The bonds carry a coupon rate of 6.125% and are set to mature on Aug. 22, 2028.

However, the trader noted that the planned borrowing is still higher than expected maturities for March, and the current policy rate is still higher than those for the shorter tenors. — **Aaron Michael C. Sy**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <bit.ly/Borrowing022323>

PHL economy seen to expand by 4.1% this year

PHILIPPINE ECONOMIC GROWTH is expected to slow to 4.1% this year, as external headwinds and elevated inflation are seen to dampen domestic demand, Oxford Economics said.

"After registering respectable growth of 7.6% in 2022, we expect the Philippines' economy to slow to 4.1% amid global headwinds, elevated inflation, and a fading reopening boost. With monetary tightening set to continue, the economy could use a hand from the fiscal side, but chances are slim," Makoto Tsuchiya, assistant economist at Oxford Economics, said in a research note released on Wednesday.

Oxford Economics' gross domestic product (GDP) projection is well below the government's 6-7% target.

It expects GDP to expand by 4.5% next year, still outside the 6.5-8% target set by the government.

"We expect GDP growth to slow materially amid softer external demand as the global economy enters a recession, led by weakness in major advanced economies. We don't think China's reopening will be enough to offset this weakness, with the recovery in private consumption there likely to be lackluster," Mr. Tsuchiya said.

There is a widely anticipated global recession this year, with the World Bank projecting global growth to slow to 1.7%.

Rising inflation is also seen to "substantially" slow the Philippine economy, Mr. Tsuchiya said.

In January, inflation soared to a 14-year high of 8.7%, marking the 10th consecutive month inflation was above the Bangko Sentral ng Pilipinas' (BSP) 2-4% target range.

The central bank also raised its average inflation forecast to 6.1% this year from 4.5% previously.

Oxford Economics said that the BSP will continue to hike rates to tame inflation and keep in step with the US Federal Reserve.

"Elevated inflation means policy makers will not be able to react by lowering interest rates. Indeed, we expect tightening to continue for at least the next two meetings, albeit at a slower pace — in contrast to other Asian central banks who can afford to pause," Mr. Tsuchiya said.

Oxford Economics also cited the lack of policy support as a factor contributing to slower growth this year.

"We think significant support is unlikely given limited policy space on both the monetary and fiscal front. Ideally, fiscal policy would take over the burden of supporting growth. But debt accumulated during the pandemic era means the focus is instead on fiscal consolidation," Mr. Tsuchiya said, noting that the Philippine government may adopt a more restrained approach in spending.

Oxford Economics expects the budget deficit will reach 2.7% of GDP by 2028, better than the 3% projection given by the Development Budget Coordination Committee (DBCC).

The government projects the fiscal deficit to hit 6.9% of GDP or around P1.5 trillion this year. In the 11 months to November, the budget deficit shrank by 7.2% to P1.24 trillion.

Economy, S1/5

Marcos orders abolition of tax credit center

PRESIDENT Ferdinand R. Marcos, Jr. has ordered the abolition of a one-stop shop center that simplified the processing of tax credits, upon the recommendation of Finance Secretary Benjamin E. Diokno who claimed it was "plagued by corruption allegations."

The functions of the One-Stop-Shop Inter-Agency Tax Credit and Duty Drawback Center (OSS Center), such as processing and issuing tax clearance certificates and duty drawbacks, will be transferred to the Bureau of Internal Revenue (BIR) and Bureau of Customs (BoC), according to Administrative Order No. 4, which was signed by Executive Secretary Lucas P. Bersamin on Feb. 20 and released on Wednesday.

Other assets and liabilities of the OSS Center will be transferred to the Department of Finance (DoF).

The center was created through an administrative order signed by the late president Corazon C. Aquino in 1992. It was formed to expedite the processing of tax credits and duty drawbacks under various laws.

"The operations of the OSS Center, which had been plagued by corruption allegations over the years and had been defunct since 2016, is now rightfully under the BIR and the BoC. This will streamline revenue operations and reduce administrative expenses," Mr. Diokno said in a DoF statement.

A separate Palace statement quoted Mr. Diokno as saying some officials and employees of the OSS Center "have been found to have committed a series of several tax credit scams involving billions of pesos over the years."

"Its abolition and transfer of functions under the BIR and the BoC are in line with the Marcos Jr. administration's push to rightsize government. This will streamline revenue operations and reduce administrative expenses," the DoF chief was quoted as saying.

Mr. Diokno also said the OSS Center had not processed and issued any tax credit certificates since 2016. "It is not practical for the government to provide for its budget every year since it does not perform its functions anymore," he added.

According to the order, the center's personnel that would be affected by the move will "receive separation benefits... unless they are appointed to other positions in the government." — **Kyle Aristophere T. Atienza**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <bit.ly/Tax022323>