#### P25 BusinessVorld N METRO MANILA. PHILIPPINES

STOCK MARKET	ASIA	N MARKETS	WORLD MARKETS	PES	O-DOLLAR RATES	ASIAN MONIES-US	\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
6880 6700 6520 6340 6160 13.78 prs. 5980 0.2% 30 DAYS TO MARCH 30, 2023 B OPEN: 6,632.56 HIGH: 6,644.75 LOW: 6,610.76 CLOSE: 6,644.75 VOL.: 0.574 B VAL(P): 4.027 B	MARCH 30, 2023 Japan (Nikkei 225) Hong Kong (Hang Seng) Taiwan (Weichted) Thailand (SET Index) S.Korea (Kse Composite) Singapore (Straits Times) Sydney (All Ordinaries) Malaysia (Klee Composite)	CLOSE NET %   27,782.93 ▼ -100.85 -0.33   20,309.13 ▲ 116.73 0.54   15,849.43 ▲ 79.67 0.5   1,604.64 ▼ -5.88 -0.33   2,453.16 ● 9.24 0.34   3,254.15 ▼ -8.39 -0.24   7,122.30 ▲ 72.00 1.03   1,4224.61 ▲ 4.26 0.36	Dow Jones 32,717.000 ▲ 33   NASDAQ 11,926.236 ▲ 2   S&P 500 4,027.810 ▲ 5   FTSE 100 7,564.270 ▲ 8   Euro Stoxx50 3,888.550 ▲ 4	NET 25.350 54.10 223.350 54.48 210.156 54.86 30.020 55.24 MV 46.760 55.62 56.00 30 DAYS TO M	CLOSE P54.390 HIGH P54.390 LOW P54.495 CLOSE P54.415 W.AVE. P54.415 W.AVE. P54.429 3.50 CTVS VOL. 1,009.55 M ARCH 30, 2023 SOURCE : BAP	Hong Kong (HK dollar) 7.850   Taiwan (NT dollar) 30.470   Thailand (Baht) 34.240   S. Korea (won) 1,298.680   Singapore (dollar) 1.328	PREVIOUS   ▼ 131.700   ▼ 30.397   ▼ 30.397   ▼ 34.160   ▲ 1,301.800   CANADA E	ro 1.0865 🔺 1.0852	PUTURES PRICE ON NEAREST MONTH OF DELIVERY 87.500 \$77.509 /BBL 82.00 76.50 71.00 65.50 60.00 \$0.19 30 DAYS TO MARCH 29, 2023
VOL. XXXVI • ISSUE 177			FRIDAY • MAR	CH 31, 2023	• www.bworldo	nline.com		S1/1-	12 • 2 SECTIONS, 18 PAGES
PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 30, 2023 (PSEi snapshot on S1/4; article on S2/2)									
	P128.500 SM 2300,084,776 Valu - 0.000% -P6.	le P253,921,690	CT P218.000 ALI alue P229,361,636 Value 4.000 ▲ 1.869% -P0.4		Value P200,423,195	ACEN P6.370 TE Value P137,706,129 Valu P0.050 ▼ -0.779% -P4	,	SCC P33.050   Value P113,338,170   P0.000 — 0.000%	URC P147.000 Value P105,553,158 P0.000 — 0.000%

# NG debt hits P13.75T as of end-Feb.

By Keisha B. Ta-asan Reporter

THE NATIONAL Government's (NG) outstanding debt hit a record-high P13.75 trillion as of end-February as domestic borrowings increased, the Bureau of the Treasury (BTr) said on Thursday.

Preliminary data from the BTr showed outstanding debt inched up by 0.4% or P54.26 billion from the P13.698 trillion as of end-January "primarily due to the net issuance of domestic securities."

Overall debt grew by 13.7% from P12.09 trillion as of end-February 2022. Year to date, debt rose by 2.5% from the P13.42 trillion as of end-December 2022.

Of the total, 68.7% of the debt portfolio was from domestic lenders while the rest were from external sources.

Domestic debt stock jumped by 12.2% to P9.442 trillion from P8.413 trillion a year ago. Month on month, it inched up by 0.6% from the P9.384 trillion as of end-January.

The BTr attributed the higher domestic debt mainly to "net availment of domestic financing amounting to P55.88 billion and the P1.34-billion effect of local currency depreciation against the US dollar on onshore foreign denominated securities."

Based on figures from the BTr, the peso depreciated by 1.2% to P55.21 against the dollar from the P54.57 at end-January.

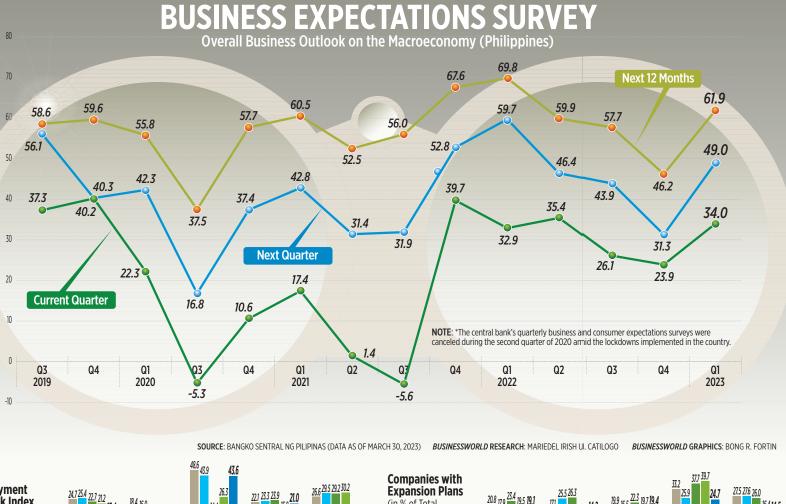
The government mainly borrows from domestic sources to mitigate foreign currency risk.

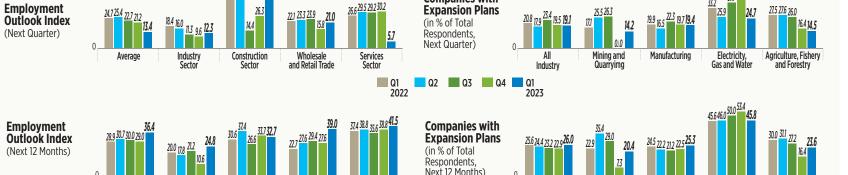
Meanwhile, external debt increased by 17.1% to P4.31 trillion at end-February from P3.68 trillion a year ago. Month on month, it dipped by 0.1%from P4.313 trillion.

Broken down, external debt consisted of P1.883 trillion in loans and P2.427 trillion in global bonds.

The month on month increase in foreign debt was "due to the P21.15-billion net repayment of foreign loans and P32.32-billion impact of third-currency adjustments against the US dollar." the BTr said.

"These outweighed the effect of local currency preciation against the US dollar, which amount ed to P50.51 billion," it added.





NG debt, S1/11

## Infrastructure spending jumps 13% in 2022

Average

STATE SPENDING on infrastructure rose by 13.4% in 2022, as the government ramped up public works and transportation-related projects.

According to the Department of Budget and Management (DBM), infrastructure and other capital outlays jumped to P1.02 trillion last year, from P895.1 billion in 2021.

The DBM said infrastructure spending also exceeded the government's P979.3-billion program by 3.7% due to higherthan-expected disbursements by the Department of Public Works and Highways (DPWH) and Department of Transportation (DoTr).

The bulk of the DPWH spending went to implementation and payment of regular infrastructure projects, such as national roads, bridges and flood control projects.

Disbursements by the DoTr, on the other hand, went to the Cebu Bus Rapid Transit (BRT) project and other account payables.

Full-year infrastructure spending was equivalent to 5.8% of gross domestic product (GDP), a tad higher than the 5.6% target and unchanged from 2021.

ndustry

Construction

Sector

and Retail Trade

"The sizable expansion in infrastructure and other capital outlays was on account of the higher spending of DPWH which they attributed to the following factors: fast-tracked implementation of carryover projects and payment of prior years' accounts payables; adoption of streamlined policies for project

implementation and processing of documents in order to ensure that bottlenecks are resolved and spending targets are achieved," DBM said.

ervices

Sector

Direct payments made by development partners for the foreign-assisted rail transport projects, such as Metro Manila Subway Project and Malolos-Clark Railway Project. the Metro Manila Subway Project, also helped boost infrastructure spending, DBM said.

Infrastructure, S1/8

### Agri stakeholders oppose LANDBANK-DBP merger

SEVERAL former government officials are opposing the plan to merge Landbank of the Philippines (LANDBANK) with the Development Bank of the Philippines (DBP), saying it will further disenfranchise farmers and other agriculture stakeholders.

"Farmers, bank employees and other stakeholders are seriously concerned about this decision, which came about without any public consultations," former Agriculture secretary Leonardo Q. Montemayor, former LANDBANK vice-president Pablito Malabanan Villegas, and CENTRO Saka, Inc. Executive Director Romeo C. Royandoyan said in a statement.

They noted the government can streamline the two state-run banks

and boost their operations without a merger.

LANDBANK and DBP were created under separate laws and given mandates "to perform specific missions to achieve balanced national socioeconomic and agro-industrial development," they said.

There may be a need to pass a bill amending the existing charters of LANDBANK and DBP to pave the way for a merger, Messrs. Montemayor, Villegas and Royandoyan said.

"All this will cause uncertainties, delays and other unwanted consequences in the operations of LANDBANK and DBP," they said.

Earlier this week, Finance Secretary Beniamin E. Diokno said President

Ferdinand R. Marcos, Jr. approved the plan to merge LANDBANK and DBP, which would create the country's biggest bank in terms of assets. The merger is expected to be completed before the end of the year.

LANDBANK, which has 752 branches nationwide, will be the surviving entity. DBP currently has 147 branches, but only 22 branches will be retained after the merger, Mr. Diokno said.

Messrs. Montemayor, Villegas and Royandoyan said that since LANDBANK became a universal bank through a 1970s presidential decree, "its commercial operations have dwarfed loans to small farmers and rural entrepreneurs."

"Many of them complain of great difficulty in accessing LANDBANK's services.

They are unconvinced that the merger with LANDBANK as the dominant entity - will make a major difference for them," they said, noting that the lender has veered from its principal duty of servicing small agricultural producers.

"Merged or not, it will be hard pressed to deliver on the current administration's goals of food security, farmers' prosperity and poverty reduction."

and fisherfolk, they said any new laws should ensure the two banks will adhere to their original mandates.

"The main rationale of the planned merger appears to be "bigger is better," they said. "But our question is: better for whom?"

Merger, S1/8

#### Businesses more upbeat on economy – BSP survey

Mining and

Quarrying

BUSINESSES NOW have a more optimistic economic outlook this year, amid a return to pre-pandemic normalcy and increased consumer demand, a survey by the Bangko Sentral ng Pilipinas (BSP) showed.

Industr

The BSP confidence index (CI) rose to 34% in the current quarter, improving from the 32.9% a year ago and 23.9% in the fourth quarter.

Businesses are more upbeat for the second quarter, as the CI jumped to 49% from 31.3% previously.

Firms' outlook on the economy for the next 12 months also improved, as the index rose to 61.9% from 46.2% previously.

"The overall confidence indices during these periods significantly increased from the previous quarter's survey result," the BSP said in a statement.

The BSP survey was held from Jan. 13 to March 6, and covered 1,554 firms.

"For Q1 2023, the more upbeat outlook of respondents was attributed to expectations of: (a) higher consumer demand for products and services, (b) full reopening of the economy and return to prepandemic normalcy as more CO-VID-19 restrictions are lifted, (c) increased business activities and sustained economic recovery, and (d) expansion and new business opportunities in healthcare, manufacturing, and construction subsectors," the BSP said.

lectricity

Gas and Water

Agriculture, Fishery

and Forestry

The business sentiment for all sectors is more optimistic in the first quarter, while the outlook for all types of trading firms were generally more upbeat, the BSP said.

In the first quarter, the average capacity utilization in the construction and industry sectors grew to 74.8% from 72.1% a quarter earlier.

Firms also expect financial conditions and access to loans to be "less tight," as the indices improved but remained negative.

According to the BSP, businesses also anticipate higher borrowing costs, elevated inflation and a stronger peso in the near term.

"For Q1 and Q2 2023, and the next 12 months, businesses expect that the peso may appreciate against the US dollar and the peso borrowing (costs) and inflation rates may rise," the BSP said.

Even as firms still see inflation breaching the upper end of the 2-4% target range for 2023-2024, the survey showed a number of respondents who expect higher inflation declined versus the previous quarter.

"Particularly, businesses are expecting that inflation for first quarter 2023, second quarter 2023 and the next 12 months may average at 7%, 6.9%, and 6.6%. respectively," the BSP said.

BSP survey, S1/8



**OPINION** Inflation is unjust *S1/6*  LABOR & MANAGEMENT Flexible work seen in favor across industries S1/9

**BANKING & FINANCE** BSP looking to ease SBL rules to help boost sustainable financing S2/1



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Citing concerns of small farmers