

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,640.33 HIGH: 6,694.36 LOW: 6,640.33 CLOSE: 6,655.37 VOL.: 0.829 B VAL(P): 6.481 B 32.92 PTS. 0.49% 30 DAYS TO MARCH 3, 2023	<b>MARCH 3, 2023</b> JAPAN (NIKKEI 225) 27,927.47 ▲ 428.60 1.56 HONG KONG (HANG SENG) 20,567.54 ▲ 138.08 0.68 TAIWAN (WEIGHTED) 15,608.42 ▲ 9.70 0.06 THAILAND (SET INDEX) 1,606.88 ▼ -5.76 -0.36 S.KOREA (KSE COMPOSITE) 2,432.07 ▲ 4.22 0.17 SINGAPORE (STRAITS TIMES) 3,232.02 ▼ -2.88 -0.09 SYDNEY (ALL ORDINARIES) 7,283.60 ▲ 28.20 0.39 MALAYSIA (KLSE COMPOSITE) 1,453.55 ▼ -1.94 -0.13	<b>MARCH 3, 2023</b> Dow Jones 33,390.970 ▲ 387.400 NASDAQ 11,689.006 ▲ 226.024 S&P 500 4,045.640 ▲ 64.290 FTSE 100 7,947.110 ▲ 3.070 Euro Stoxx50 3,924.590 ▲ 25.390	<b>FX</b> OPEN P54.950 HIGH P54.745 LOW P54.980 CLOSE P54.820 W.AVE. P54.833 VOL. \$1,286.80 M 19.00 cts 30 DAYS TO MARCH 3, 2023 SOURCE : BAP	<b>MARCH 3, 2023</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 135.860 ▲ 136.430 HONG KONG (HK DOLLAR) 7.849 ▲ 7.850 TAIWAN (NT DOLLAR) 30.498 ▲ 30.591 THAILAND (BAHT) 34.470 ▲ 34.800 S. KOREA (WON) 1,295.730 ▲ 1,309.060 SINGAPORE (DOLLAR) 1.344 ▲ 1.347 INDONESIA (RUPIAH) 15,295 ▼ 15,275 MALAYSIA (RINGGIT) 4.473 ▼ 4.472	<b>MARCH 3, 2023</b> US\$/UK POUND 1.2040 ▲ 1.1992 US\$/EURO 1.0632 ▲ 1.0629 \$/AUSTRALIAN DOLLAR 0.6768 ▲ 0.6737 CANADA DOLLAR/US\$ 1.3593 ▼ 1.3607 SWISS FRANC/US\$ 0.9358 ▼ 0.9418	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$83.30/BBL</b> 86.00 83.00 81.00 79.00 77.00 75.00 30 DAYS TO MARCH 3, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 3, 2023 (PSEi snapshot on S1/4; article on S2/2)

BDO	P125.800	MPI	P4.500	GLO	P1,850.000	ICT	P200.000	BPI	P107.900	ACEN	P6.640	MEG	P1.980	SECB	P96.000	SMPH	P35.500	SM	P896.000
Value	P579,793,417	Value	P501,765,570	Value	P428,188,235	Value	P344,541,801	Value	P270,463,313	Value	P266,441,427	Value	P237,266,720	Value	P215,741,977	Value	P191,472,185	Value	P181,264,345
PO.800	▲ 0.640%	PO.310	▲ 7.399%	P43.000	▲ 2.380%	PO.100	▲ 0.050%	P3.800	▲ 3.650%	PO.150	▲ 2.311%	PO.000	— 0.000%	-P2.000	▼ -2.041%	PO.000	— 0.000%	P5.500	▲ 0.618%

# Feb. inflation likely hit 8.9% — poll

By Keisha B. Ta-asan  
Reporter

PHILIPPINE INFLATION likely further quickened in February, with upward pressure expected from higher prices of cooking gas and food, analysts said.

A *BusinessWorld* poll of 17 analysts yielded a median estimate of 8.9% in February, within the 8.5% to 9.3% forecast range given by the Bangko Sentral ng Pilipinas (BSP) last week. If realized, it would be faster than the 14-year high of 8.7% in January and the 3% a year earlier. February would also mark the 11<sup>th</sup> consecutive month inflation exceeded the BSP's 2-4% target.

The Philippine Statistics Authority will release February consumer price index (CPI) data on March 7. Inflationary pressures likely remained strong in February, which would be "enough to prevent inflation from peaking," Hongkong and Shanghai Banking Corp. economist for the Association of Southeast Asian Nations (ASEAN) Aris Dacanay said.

"Although fuel prices have eased, this was likely offset by elevated food prices as trade restrictions on food continued to put pressure on supply," he said, citing elevated prices of onions, eggs and *galunggong* (round scad). Refined sugar prices reached as high as P110 per kilogram in February, nearly double the P65 per kilogram seen a year ago. Egg prices

have also gone up to P8-9 per piece from just P6 in February 2022. Meanwhile, prices of red onions have fallen to P100-P180 a kilo as of end-February, from P200-P330 a kilo as of end-January. Inflation last month could also have been driven by higher prices of liquefied petroleum gas (LPG) and "strong economic activity,"

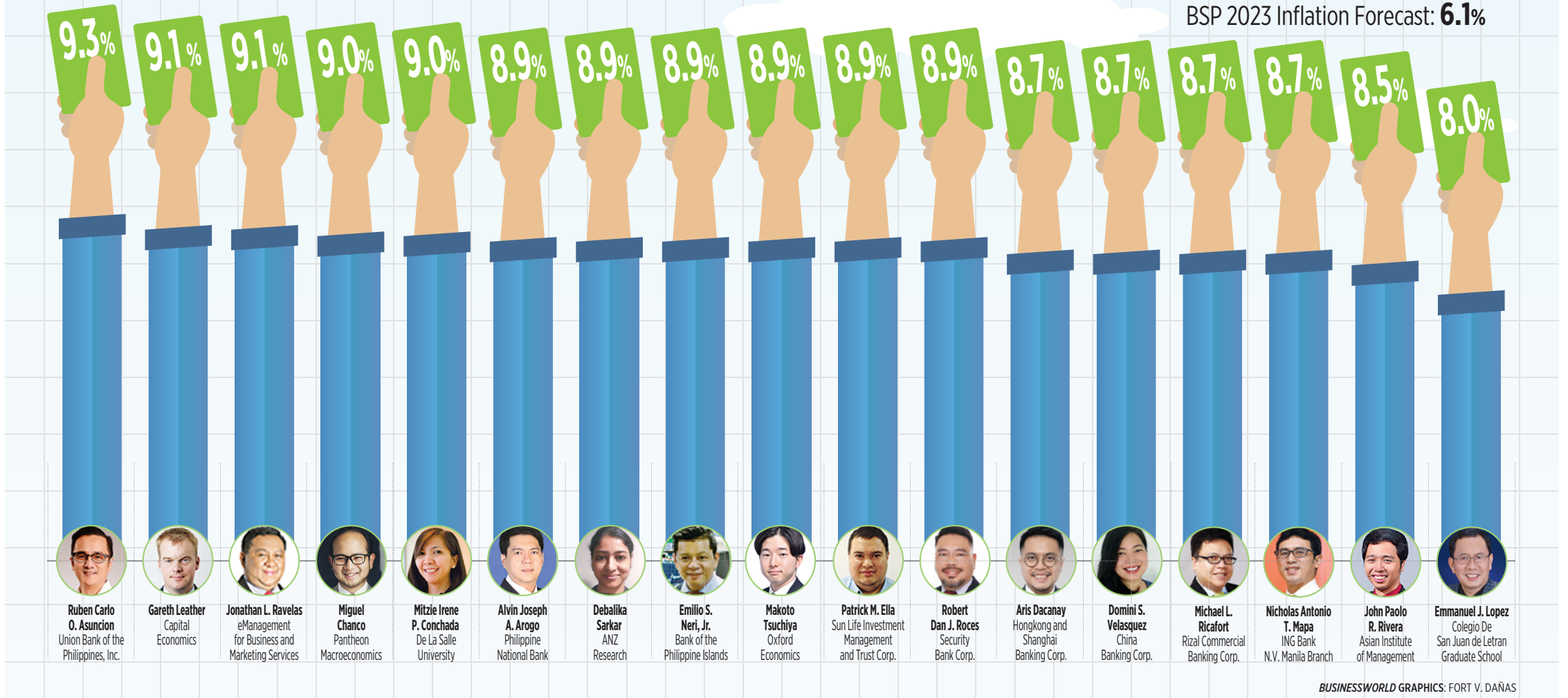
ANZ Research economist Debalika Sarkar said in an e-mail. Cooking gas prices increased by P10.00-11.20 per kilogram in February. "The reduction in retail pump prices and lower electricity tariffs set by the Manila Electric Company (Meralco), however, were sources of partial relief," Ms. Sarkar said. *Poll, S1/2*

## ANALYSTS' FEBRUARY 2023 INFLATION RATE ESTIMATES

Bangko Sentral ng Pilipinas (BSP) 2023 Inflation Target Range: **2.0% - 4.0%**

BSP February 2023 Inflation Estimate Range: **8.5% - 9.3%**

BSP 2023 Inflation Forecast: **6.1%**



BUSINESSWORLD GRAPHICS: FORT V. DANAS

## Subsidies extended to GOCCs up 8.5% in 2022

SUBSIDIES extended to government-owned and -controlled corporations (GOCCs) reached P200.41 billion in 2022, with the Philippine Health Insurance Corp. (PhilHealth) being the top recipient. Data from the Bureau of the Treasury (BTr) showed that budgetary support to GOCCs last year increased by 8.5% from P184.767 billion in 2021. In December alone, subsidies surged by 419.9% to P32.07 billion from P16.169 billion in November and by 50.2% from P21.356 billion in the same month in 2021. The government extends subsidies to GOCCs to help cover expenses that are not supported by their revenues. In 2022, PhilHealth received P80.048 billion in subsidies, or nearly 40% of all

subsidies last year. However, PhilHealth subsidies were 1.15% lower than the P80.979 billion it received in 2021. The National Irrigation Administration (NIA) took in P40.662 billion in government subsidies, up by 6.1% from P38.311 billion in 2021. Subsidies for the National Housing Authority (NHA) declined by 33.4% to P17.125 billion last year from P25.713 billion in 2021. Also receiving significant subsidies were the Power Sector Assets and Liabilities Management Corp. (P8 billion), the National Power Corp. (P6.587 billion), and the Philippine Fisheries Development Authority (P5.603 billion).

The government also extended subsidies to the Bases Conversion and Development Authority (P4.581), the Philippine Crop Insurance Corp. (P4.366 billion), the National Electrification Administration (P3.613 billion), the Civil Aviation Authority of the Philippines (P2.439 billion), the Philippine Coconut Authority (P2.073 billion), and Small Business Corp. (P2 billion). In December alone, PhilHealth received nearly half or 45% of the subsidies with P14.606 billion. This was followed by the NHA with P3.092 billion and the National Electrification Administration with P2.736 billion. Other firms that received more than P1 billion in December were the NIA

(P2.261 billion), Philippine Crop Insurance (P1.932 billion), Social Housing Finance Corp. (P1.783 billion), the Philippine Fisheries Development Authority (P1.665 billion), and the Philippine Coconut Authority (P1.075 billion). The National Food Authority was the only major nonfinancial GOCC that did not receive subsidies in December. Other GOCCs that received no subsidies in December were the Bases Conversion and Development Authority, the Cagayan Economic Zone Authority, Duty Free Phils. Corp., the National Tobacco Administration, the Power Sector Assets and Liabilities Management Corp., and the Sugar Regulatory Administration. — **Luisa Maria Jacinta C. Jacson**

## DBM hopeful Congress will approve rightsizing plan within the year

THE BUDGET department is confident that Congress will approve the government's rightsizing program within the year. "Hopefully this year (it will be passed). I think next week it will be passed in the House of Representatives, then we'll try to push it in the Senate," Department of Budget and Management (DBM) Secretary Amenah F. Pangandaman told reporters on Thursday. The National Government Rightsizing Act, which is one of the Marcos administration's priority measures, is currently pending at the committee level in the House of Representatives. It seeks to "minimize, if not eliminate, redundancies, overlaps, and duplications in its operations and simplify its rules and processes, while protecting the welfare of civil servants and other government workers."

Analysts said that the government should ensure that its rightsizing program focuses on ramping up productivity and efficiency and not just scrapping workers. "The conventional wisdom that the government bureaucracy is somehow too big and should be rightsized or reduced is actually inaccurate. If anything, our public

sector is actually among the smallest in the world and correspondingly doesn't provide as much of the government services that it could and should," Sonny A. Africa, executive director of think tank Ibon Foundation said in a Viber message. The DBM earlier said that slashing the government workforce by 5% would result in P14.8 billion in savings. "It's always useful to eliminate redundancy, overlaps and duplication and to promote efficiency and economy — but doing this does not necessarily make the government more effective. Trimming fat is necessary but, with the considerable development challenges facing the country, it's actually more important to build muscle," Mr. Africa said. Based on latest data from the DBM, the total number of permanent positions for fiscal year 2023 is at around 1.94 million, not including ex-officio positions. Of this, about 1.77 million positions are filled and the remaining 170,668 are unfilled. Leonardo A. Lanzona, who teaches economics at the Ateneo de Manila University, said the government should not rightsize "just for the sake of saving costs or reducing the redundancies." *Rightsizing, S1/2*

## Food imports may help tame prices in short term — analysts

By Luisa Maria Jacinta C. Jacson  
Reporter

IMPORTS of key agricultural commodities may help tame prices in the short term, but the government should address supply-side constraints to ensure inflation eases from recent 14-year highs, analysts said. This as the Philippine government recently approved imports of onions and sugar to address

supply shortages that have pushed prices higher. "Imports can decrease inflation in the short run, but it can never be a solution in the long run. Once import prices rise, due to global stagflation and higher oil prices, these imports will only contribute to greater inflation," Leonardo A. Lanzona, who teaches economics at the Ateneo de Manila University, said in an e-mail. Soaring food prices have fueled inflation in recent months. Inflation accelerated to a 14-year high of 8.7% in January, from 8.1%

in December amid higher prices of vegetables, eggs and fish. Analysts in a *BusinessWorld* poll last week expect inflation to further quicken to 8.9% in February. "Anything, really, that the Philippines can do now to better facilitate food imports should go a long way in addressing the country's inflation problem. The potential certainly is there for food imports to provide a relatively quick fix, too," Pantheon Chief Emerging Asia Economist Miguel Chanco said in an e-mail.

Makoto Tsuchiya, assistant economist at Oxford Economics, said that non-monetary measures such as importation will be able to rein in supply-push inflation. "Given the lack of supply of food is pushing up prices, it makes sense that importation should bring down inflation by boosting supply. At the same time, it is important to make sure such a policy is implemented appropriately, as the inability to get them where they are most needed will render the policy less effective," he said in an e-mail. *Food imports, S1/2*