

| STOCK MARKET | ASIAN MARKETS | WORLD MARKETS | PESO-DOLLAR RATES | ASIAN MONIES-US\$ RATE | WORLD CURRENCIES | DUBAI CRUDE OIL |
|---|--|---|---|--|--|--|
| PSEi OPEN: 6,524.31 HIGH: 6,529.99 LOW: 6,507.10 CLOSE: 6,529.99 VOL.: 1.768 B VAL(P): 4,084 B 30.31 pts, 0.46% 30 DAYS TO APRIL 3, 2023 | APRIL 3, 2023 JAPAN (NIKKEI 225) 28,188.15 ▲ 146.67 0.52 HONG KONG (HANG SENG) 20,409.18 ▲ 9.07 0.04 TAIWAN (WEIGHTED) 15,868.06 ▲ 18.63 0.12 THAILAND (SET INDEX) 1,600.37 ▼ -8.80 -0.55 S.KOREA (KSE COMPOSITE) 2,472.34 ▼ -4.52 -0.18 SINGAPORE (STRAITS TIMES) 3,281.08 ▲ 22.18 0.68 SYDNEY (ALL ORDINARIES) 7,223.00 ▲ 45.20 0.63 MALAYSIA (KLSE COMPOSITE) 1,433.39 ▲ 10.80 0.76 <small>* CLOSING PRICE AS OF MARCH 31, 2023</small> | MARCH 31, 2023 Dow Jones 33,274.150 ▲ 415.120 NASDAQ 12,013.471 ▲ 87.235 S&P 500 4,109.310 ▲ 58.480 FTSE 100 7,620.430 ▲ 56.160 Euro Stoxx50 3,914.120 ▲ 25.570 | FX OPEN P54.400 HIGH P54.400 LOW P54.770 CLOSE P54.730 W.AVE. P54.591 VOL. \$1,201.45 M SOURCE: BAP 37.00 CTVS 30 DAYS TO APRIL 3, 2023 | APRIL 3, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 133.410 ▼ 132.790 HONG KONG (HK DOLLAR) 7.850 ▼ 7.850 TAIWAN (NT DOLLAR) 30.606 ▼ 30.535 THAILAND (BAHT) 34.400 ▼ 34.160 S. KOREA (WON) 1,316.280 ▼ 1,306.110 SINGAPORE (DOLLAR) 1.331 ▼ 1.331 INDONESIA (RUPIAH) 14,965 ▼ 14,990 MALAYSIA (RINGGIT) 4.417 ▼ 4.410 | APRIL 3, 2023 US\$/UK POUND 1.2339 ▲ 1.2333 US\$/EURO 1.0849 ▲ 1.0839 \$/AUST DOLLAR 0.6710 ▲ 0.6685 CANADA DOLLAR/US\$ 1.3481 ▼ 1.3515 SWISS FRANC/US\$ 0.9168 ▲ 0.9148 | DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$78.05/BBL 30 DAYS TO MARCH 31, 2023 |

VOL. XXXVI • ISSUE 179 TUESDAY • APRIL 4, 2023 • www.bworldonline.com S1/1-14 • 2 SECTIONS, 18 PAGES

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

| MONDE | P9.000 | SM | P885.000 | TEL | P1,337.000 | ALI | P27.400 | ICT | P213.600 | AC | P667.500 | SMPH | P32.950 | JGS | P51.000 | BDO | P128.200 | GLO | P1,825.000 |
|-------|-------------------|-------|-------------------|-------|--------------------|-------|-----------------|-------|-----------------|-------|------------------|-------|-----------------|-------|-----------------|-------|-------------------|-------|--------------------|
| Value | P408,107,809 | Value | P360,582,840 | Value | P283,808,655 | Value | P220,653,660 | Value | P219,107,100 | Value | P185,672,085 | Value | P167,814,210 | Value | P163,484,315 | Value | P148,201,635 | Value | P125,348,760 |
| | -P0.810 ▼ -8.257% | | -P4.000 ▼ -0.450% | | -P83.000 ▼ -5.845% | | P0.900 ▲ 3.396% | | P0.200 ▲ 0.094% | | P17.500 ▲ 2.692% | | P0.150 ▲ 0.457% | | P3.100 ▲ 6.472% | | -P0.300 ▼ -0.233% | | -P39.000 ▼ -2.092% |

March manufacturing growth slows

Budget gap widens in February as revenue collections decline

By Keisha B. Ta-asan
Reporter

THE NATIONAL GOVERNMENT'S (NG) budget deficit slightly widened in February as revenue collection slipped and spending was flat, the Bureau of the Treasury (BTr) reported on Monday.

Data from the BTr showed the Philippines' budget gap reached P106.4 billion in February, up by 0.5% from P105.8 billion recorded in the same month in 2022.

Month on month, the NG's fiscal balance swung back to a deficit in February from the P45.75-billion surplus in January.

"The fiscal performance was mainly attributed to a marginal 0.25% decrease in revenue collection, coupled with the flat expenditure outturn during the period," the BTr said.

State revenue collections dipped by 0.25% year on year to P211.9 billion in February as tax revenues declined.

In February, tax revenues fell by 3.01% to P192.3 billion, amid a 5.29% drop in collections by the Bureau of Internal Revenue (BIR) to P129.4 billion. The Bureau of Customs (BoC) reported a 5.83% rise in revenues to P62.9 billion for the month.

Nontax revenues, on the other hand, climbed by 38.37% to P19.6 billion in February, thanks to a 51.16% increase in income from the Bureau of the Treasury to P6.4 billion.

"The upturn was driven by the higher remittance of NG share from Philippine Amusement and Gaming Corp. (PAGCOR) earnings, as well as income from Bond Sinking Fund (BSF) investment and interest on NG deposits," the Treasury said.

Nontax collections from other offices such as privatization proceeds and fees and charges, grew by 32.93% to P13.2 billion.

Nicholas Antonio T. Mapa, a senior economist at ING Bank N.V. Manila, said February revenue collections have declined as base effects waned.

"BIR collections were benefiting from the positive base effects due to the economic reopening but that appears to be ebbing," Mr. Mapa said in an e-mail.

Union Bank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said Customs collections also grew at a softer pace in February.

"It may be a signal that the reopening narrative and its momentum may be starting to fade with easing domestic demand particularly on imports," Mr. Asuncion said.

Meanwhile, expenditures were flat, inching up by 0.01% to P318.2 billion in

February. Interest payments climbed by 20.83% to P34.1 billion.

"The growth of disbursements was dampened by the decline of the National Tax Allotment (NTA) shares of local government units (LGUs) resulting from the lower national tax collections in 2020," the BTr said, adding that this was due to the impact of the pandemic.

Mr. Asuncion said the sharply lower LGU revenue allocations on the expenditure side "may have mitigated the fiscal impact of the drop in tax collections."

According to Mr. Mapa, lower spending suggests that the government may not be a significant source of economic growth this year.

Primary spending — which refers to total expenditures minus interest payments — contracted by 2.01% to P284.1 billion from P290 billion a year ago.

TWO-MONTH GAP

For the first two months of the year, the fiscal deficit sharply narrowed to P60.6 billion, 53.07% lower than the P129.2-billion gap a year ago.

Total revenues jumped by 14.2% to P560 billion in the January-to-February period, 88.9% of which were from taxes.

Tax collection rose by 9.66% to P497.7 billion. Broken down, the BIR collections rose 9.6% to P364.2 billion, while Customs collections went up by 13.3% to P133.5 billion.

Nontax revenues surged by 70.3% to P62.3 billion, driven by an 80% surge in revenues from other offices to P38.2 billion. BTr income also jumped by 57.3% to P24.1 billion.

On the other hand, expenditures in the January-to-February period inched up by 0.16% to P620.7 billion as interest payments fell by 13.5% to P81.1 billion.

Primary expenditures rose by 2.6% to P539.6 billion.

Aside from the high base effect, Mr. Asuncion said disinflation and slower spending conditions may dampen total collections this year.

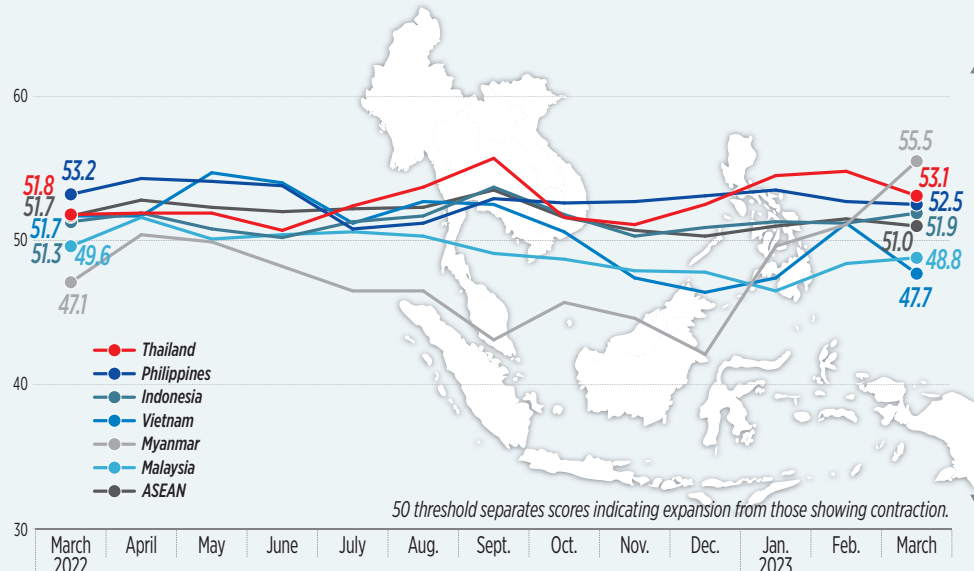
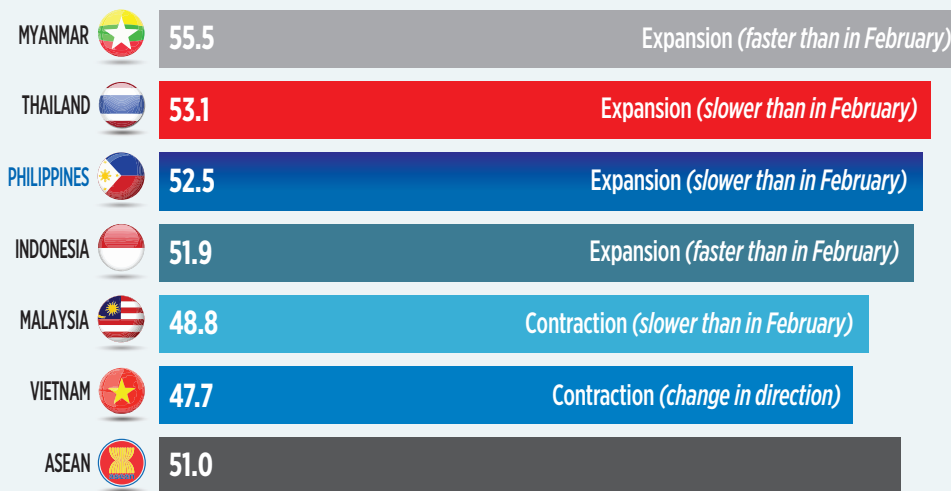
"Less upbeat revenues will restrain primary expenditure growth to 4% in our estimate. Next year, tax revenues may improve by 5-6% as economic growth heads back to potential with inflation back to the (2-4%) target range," he said.

Primary expenditure gain is also expected next year, but the government may decide to keep spending in line with revenue growth, he added.

Mr. Mapa said lower revenue collection may continue in the coming months due to the uncertain growth outlook.

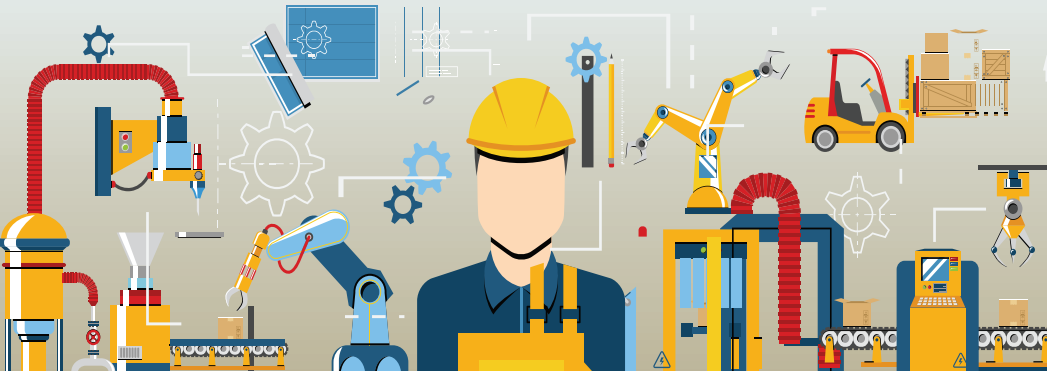
This year, the government has set a budget deficit ceiling of P1.47 trillion, equivalent to 6.1% of gross domestic product. The program consists of P3.71 trillion in revenues and P5.18 trillion in disbursements.

MANUFACTURING PURCHASING MANAGERS' INDEX (PMI) OF SELECT ASEAN ECONOMIES, MARCH 2023



Philippines' Manufacturing PMI
50 = no change from previous month

SOURCE: S&P GLOBAL'S ASEAN MANUFACTURING PMI (MARCH 2023)
BUSINESSWORLD RESEARCH: BERNADETTE THERESE M. GADON BUSINESSWORLD GRAPHICS: BONG R. FORTIN



MANUFACTURING ACTIVITY in the Philippines expanded at its slowest pace in seven months in March despite strong demand, S&P Global said.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) reading slipped to 52.5 in March from 52.7 in February. This was the lowest PMI reading since the 51.2 posted in August last year.

In its report, S&P Global said despite the softer pace of expansion, the headline figure still showed a "historically strong improvement in operating conditions."

March also marked the 14th straight month that the PMI reading was above the 50 mark, which indicates an improvement in conditions for the manufacturing sector. A reading below 50 means a deterioration.

"The first quarter of 2023 concluded on a solid note, with a further expansion reported across the Filipino manufacturing sector, according to the latest PMI data. Both output and new orders rose at historically strong rates," Maryam Baluch, economist at S&P Global Market Intelligence, said in a statement.

However, the slower expansion in March was partly due to the weaker rise in production and purchasing.

3RD IN ASEAN

The Philippines' PMI reading was the third fastest among six Association of Southeast Asian Nations (ASEAN) member countries, behind Myanmar (55.5) and Thailand (53.1). The Philippines was ahead of Indonesia (51.9) and also above the ASEAN average of 51.

Malaysia (48.8) and Vietnam (47.7) saw a contraction in manufacturing activity.

The headline PMI measures manufacturing conditions through the weighted average of five indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%).

For the Philippines, S&P Global said production rose for the seventh month in a row in March, largely due to the "strong upturn" in new orders.

"Firms noted that a stronger demand environment, new projects and a broader clientele helped boost sales. That said, foreign demand increased at a slower pace, with March data indicating only a fractional uptick in new business from abroad and suggesting that domestic demand propelled total new sales growth in the manufacturing sector," S&P Global said.

Purchasing activity rose at a slower pace in March as high input costs weighed on manufacturing firms.

Manufacturing, S1/5

PHL told to use UN climate ruling to demand more from polluters

By Kyle Aristophere T. Atienza Reporter

PHILIPPINE CLIMATE and good governance advocates urged the Marcos government to use the landmark United Nations (UN) ruling asking the world's top court to clarify states' obligations regarding climate change in demanding more action from top polluters.

On March 29, the United Nations General Assembly adopted a resolution led by the Pacific Island nation of Vanuatu seeking an International Court of Justice (ICJ) advisory opinion on the obligations of states to combat climate change.

The resolution asks the ICJ to outline the "legal consequences" for states which "have caused significant harm to the climate system and other parts of the environment" in consideration of climate change's impacts on small island states and peoples.

"This is really a historic move by the UN and a very important one for climate-impacted countries like ours," Lea Guerrero, country director of Greenpeace Philippines, said in a phone interview.

"We believe that the Philippine government can substantially contribute to the proceedings," she said.

It might take about 18 months for an ICJ opinion to be issued, which will in-

clude inputs from different countries, Ms. Guerrero said, citing Vanuatu's estimate.

She urged the administration of President Ferdinand R. Marcos, Jr. to use the decision in calling for more climate commitments from rich countries.

"This move should also be cited by the Philippine government as a basis to continue calling on rich countries to meet their targets in terms of reducing greenhouse gas emissions," Ms. Guerrero said.

The decision, she said, should also prompt the government to craft a coherent climate policy that would take into consideration the Commission on

Human Rights' (CHR) report indicting more than 40 companies for driving the climate crisis and causing harm to Filipinos.

The National Government has yet to formally acknowledge the CHR report.

"Through this landmark resolution, countries and corporations with high carbon emissions and those funding or supporting environmentally destructive projects in climate-vulnerable developing countries will be held accountable," Jerwin Baure, public information officer of Manila-based AGHAM, said in a Facebook Messenger chat.

Polluters, S1/5

FUEL PRICE TRACKER

(week-on-week change)

| Fuel Type | March 21 | March 28 | April 4 |
|-----------------|----------|----------|---------|
| GASOLINE | P1.20 | P0.85 | P1.40 |
| DIESEL | P1.85 | P1.30 | P0.50 |
| KEROSENE | P2.00 | P1.90 | P0.20 |

- April 4, 12:01 a.m. — Caltex Philippines
- April 4, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seacoil Philippines, Inc.
- April 4, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)