



Market summary table including Stock Market (PSEi), Asian Markets (Japan, HK, Taiwan, Thailand, Korea, Singapore, Sydney, Malaysia), World Markets (Dow Jones, NASDAQ, S&P 500, FTSE 100, Euro Stoxx50), Peso-Dollar Rates (FX), Asian Monies-US\$ Rate, World Currencies, and Dubai Crude Oil.

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### PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 29, 2023 (PSEi snapshot on SI/3; article on SI/2)

Table of 10 most active stocks by value turnover in the Philippines as of June 29, 2023, including stock symbols (SM, BDO, BPI, etc.), values, and percentage changes.

# 'Hot money' exit continues in May

MORE FOREIGN CAPITAL left the Philippines for a fourth straight month in May, although significantly lower than a year ago as investor sentiment improved.

Data from the Bangko Sentral ng Pilipinas (BSP) showed transactions on foreign portfolio investments registered with the

central bank through authorized agent banks posted a net outflow of \$124.49 million in May.

This is a 54% drop from the \$270.42-million net outflow in the same month last year. Month on month, it was 64.6% lower than the \$351.87-million net outflow in April.

Foreign portfolio investments are commonly referred to as "hot money" due to the ease by which these funds enter or leave the economy.

The lower hot money outflows in May were likely due to the better economic landscape, China Banking Corp. Chief Economist

Domini S. Velasquez said in a Viber message.

"The US debt ceiling impasse was resolved and at that time the Fed was expected to pause in its hiking cycle. The slightly depreciated peso could have also helped," she said.

Meanwhile, the peso depreciated by 77 centavos or 1.37%

to P56.15 on May 31 from its April 28 close of P55.38 against the dollar.

"The narrower net foreign selling could have been attributed to the easing inflation trend in recent months amid the decline in global crude oil prices," Rizal Commercial Banking Corp. Chief

Economist Michael L. Ricafort said in a Viber message.

Philippine inflation cooled to 6.1% in May — its slowest level in a year — from 6.6% in April. Still, this is the 14th straight month inflation breached the BSP's 2-4% target. To date, inflation has averaged 7.5%.

'Hot money,' SI/5

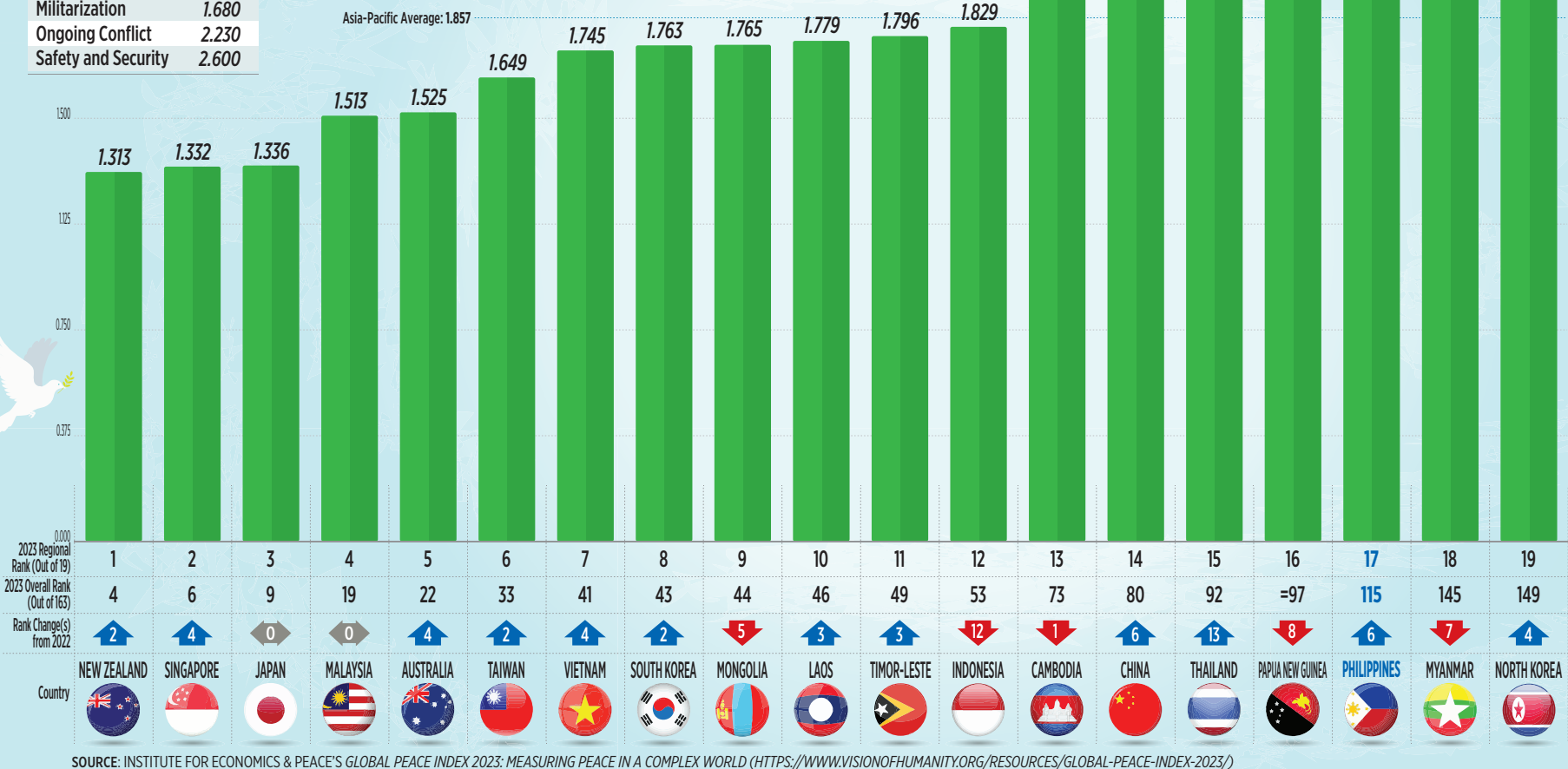
## PHILIPPINES CLIMBS 6 NOTCHES TO 115<sup>TH</sup> IN 2023 GLOBAL PEACE INDEX

The Philippines' rank improves six places to 115th out of 163 countries in the 2023 edition of the Global Peace Index (GPI) published by think tank Institute for Economics & Peace. It was the highest ranking of the country since the report first came out in 2008. However, the Philippines' overall GPI score of 2.229 (where 1 is the most peaceful) was worse than the Asia-Pacific average score of 1.857. It was also the third-worst score in the region after Myanmar and North Korea.



Philippines' Profile (2023) table with columns for Domain and Score (1=best).

### 2023 Overall GPI Scores and Rankings of Asia-Pacific Countries (Out of 5, where 1 = most peaceful)



### Philippines' Historical Rankings

Table showing the Philippines' GPI ranking from 2008 to 2023.

NOTE: The annual index assesses countries based on their level of peacefulness using three domains: ongoing conflict, safety and security, and militarization.

### Top 10

Table of the top 10 most peaceful countries in the world in 2023, led by Iceland.

### Bottom 10

Table of the bottom 10 least peaceful countries in the world in 2023, led by Afghanistan.

## PHL gets \$1-B loan for Davao electric buses

THE ASIAN Development Bank (ADB) on Thursday approved a \$1-billion loan to modernize the public transportation system in Davao City through the procurement of over a thousand electric buses.

"The Davao Public Transport Modernization Project, ADB's largest road-based public transport project in the Philippines, is expected to serve as a pilot for overhauling the country's public road transport system," the ADB said in a media release.

The multilateral institution said this would be the first project in the Philippines to deploy electric buses at scale, which would drastically cut greenhouse gas emissions.

"It will support the procurement of a modern fleet of about 1,100 buses with operations managed by the private sector under performance-based contracts. The new fleet is expected to reduce 60% of annual greenhouse gas emissions from public transport in Davao City, the country's third-largest city by population," the ADB said.

The modern bus transport system is expected to service about 800,000 passengers per day.

The project will also include the construction of around 1,000 bus stops with shelters, five bus depots, and three bus terminals.

Data on the ADB's website showed that the transport system will also rationalize about 670 kilometers of bus routes to 30 routes from more than 120 public utility jeepney routes.

Davao, SI/5

## In his first year, Marcos fails to pursue game-changing reforms

By Kyle Aristophere T. Atienza  
Reporter

PHILIPPINE President Ferdinand R. Marcos, Jr. failed to exploit his overwhelming mandate to pursue game-changing economic reforms during his first year in office, having used band-aid solutions to deal with persistent food shortages and spiraling prices, economists said on Thursday.

Mr. Marcos is unlikely to undo decades of neglect in the agriculture sector with unsustainable policies such as food caravans for the poor and easing import restrictions, while the country faces a widening funding gap, they added.

"We have more challenges coming than solutions as of now. We have headlines and promises, no clear results or even a direction how we'd get there," Emy Ruth D. Gianan, an economics professor at the Polytechnic University of the Philippines, said via Messenger chat.

"We could say it's just his first year, that is true. But even then, we need results because he has an overwhelming mandate from the elections," she added.

Mr. Marcos told reporters his government continues to ensure sound macroeconomic fundamentals and remains focused on fighting inflation, which he said is one of the Philippines' biggest economic problems.

Since peaking at 8.7% in January, inflation has eased to 6.1% in May. Inflation has averaged 7.5% this year, still above the Bangko Sentral ng Pilipinas' (BSP) 5.4% forecast.

"Persistent food shortages — food has the biggest weight in the inflation basket — have yet to be decisively addressed," Filomeno Sta. Ana III, coordinator of Action for Economic Reforms, said in an e-mail.

"The government has resorted to band-aid solutions like temporarily relaxing import restrictions on food, which, however, benefit only a few importers, thus retaining cartelization."

Mr. Marcos, who is also the agriculture secretary, has pushed for food self-sufficiency in a decidedly populist direction.

"We have to undo almost 40 years of neglect when it comes to the agricultural sector," Mr. Marcos said when asked to assess his first year in office, adding that "there is still a long way to go."

To tame inflation, the BSP has delivered 425 basis points of hikes since May 2022, bringing the key rate to a near 16-year high of 6.25%.

The BSP was good in trying to rein in inflation via interest rate hikes, "but it has limited success as the main problem lies in the supply of agricultural commodities, which is the direct responsibility of the President," said Enrico P. Villanueva, who teaches economics at the University of the Philippines Los Baños, via Messenger chat.

Marcos, SI/9

## Foreign chambers oppose 'junk food' tax

THE JOINT Foreign Chambers (JFC) urged the Philippine government to reconsider its plan to impose new taxes on "junk food" and higher taxes on sweetened beverages, saying this is "not the right time."

"We believe it is not the right time to introduce additional taxes on products primarily consumed by middle and lower middle-class households because the country is still recovering from the pandemic and a prolonged period of high inflation," the JFC said in a joint statement on Thursday.

Finance Secretary Benjamin E. Diokno earlier this month said the

government is pushing for taxes on junk food and sweetened beverage tax to address "diabetes, obesity, and non-communicable diseases related to poor diet," as well as raise P76 billion in additional revenues in the first year of implementation.

While acknowledging the need to boost revenues and improve the health of Filipinos, the JFC said the government should carefully reassess proposals for new taxes "that will be inflationary for Filipino consumers and discriminatory to certain businesses."

"The proposal would also affect micro and small enterprises that

rely on selling these products as a source of income," the foreign chambers said.

The Finance department is proposing a P10 tax per 100 grams or a P10 tax per 100 milliliters on "pre-packaged foods lacking nutritional value" including confectioneries, snacks, and desserts that exceed the Health department's thresholds for fat, salt, and sugar content.

The JFC, which includes the American and European chambers of commerce, said the new tax may also reduce market competition to the detriment of Filipino consumers.

'Junk food' tax, SI/5