

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,607.05 HIGH: 6,616.26 LOW: 6,475.80 CLOSE: 6,483.28 VOL.: 0.787 B VAL(P): 4.225 B 110.52 pts, 1.67% 30 DAYS TO AUGUST 2, 2023	AUGUST 2, 2023 JAPAN (NIKKEI 225) 32,707.69 ▼ -768.89 -2.30 HONG KONG (HANG SENG) 19,517.38 ▼ -493.74 -2.47 TAIWAN (WEIGHTED) 16,893.73 ▼ -319.14 -1.85 THAILAND (SET INDEX) 1,548.74 ▼ -7.32 -0.47 S.KOREA (KSE COMPOSITE) 2,616.47 ▼ -50.60 -1.90 SINGAPORE (STRAITS TIMES) 3,325.02 ▼ -48.77 -1.45 SYDNEY (ALL ORDINARIES) 7,354.60 ▼ -96.10 -1.29 MALAYSIA (KLSE COMPOSITE) 1,444.56 ▼ -6.68 -0.46	AUGUST 1, 2023 DOW JONES 35,630.680 ▲ 71.150 NASDAQ 14,283.913 ▼ -62.111 S&P 500 4,576.730 ▼ -12.230 FTSE 100 7,666.270 ▼ -33.140 EURO STOXX50 4,015.640 ▼ -37.890	FX OPEN P54.840 HIGH P54.840 LOW P55.200 CLOSE P55.190 W.AVE. P54.987 VOL. \$1,106.80 M SOURCE: BAP	AUGUST 2, 2023 LATEST BID (0900GMT) JAPAN (YEN) 142.630 ▲ 142.640 HONG KONG (HK DOLLAR) 7.799 ▼ 7.793 TAIWAN (NT DOLLAR) 31.592 ▼ 31.546 THAILAND (BAHT) 34.240 ▲ 34.250 S. KOREA (WON) 1,295.710 ▲ 1,286.850 SINGAPORE (DOLLAR) 1.337 ▼ 1.333 INDONESIA (RUPIAH) 15,170 ▼ 15,110 MALAYSIA (RINGGIT) 4.541 ▼ 4.517	AUGUST 2, 2023 US\$/UK POUND 1.2777 ▼ 1.2818 US\$/EURO 1.0977 ▼ 1.0971 US\$/AUSTRALIAN DOLLAR 0.6578 ▼ 0.6634 CANADA DOLLAR/US\$ 1.3312 ▼ 1.3253 SWISS FRANC/US\$ 0.8773 ▼ 0.8749	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$85.84/bbl \$0.20 30 DAYS TO AUGUST 1, 2023

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

STOCK	VALUE	CHANGE	PERCENTAGE
BDO	P144,000	P350,377,855	-P2,000 ▼ -1.370%
ICT	P206,000	P341,682,372	-P4,200 ▼ -1.998%
SM	P904,500	P340,898,640	-P10,500 ▼ -1.148%
ALI	P27,650	P338,517,960	-P0,450 ▼ -1.601%
SMPH	P32,500	P296,857,725	-P0,750 ▼ -2.256%
BPI	P112,300	P264,370,484	-P2,200 ▼ -1.921%
CNVRG	P9,200	P189,142,975	-P0,700 ▼ -7.071%
URC	P122,000	P175,631,920	-P4,000 ▼ -3.175%
MBT	P58,000	P170,558,013	-P0,650 ▼ -1.108%
AC	P611,500	P165,739,450	-P1,500 ▼ -0.245%

Panel OK's mining fiscal regime bill

THE HOUSE Ways and Means Committee approved on Wednesday a new substitute bill establishing a fiscal regime for the mining sector, which will impose a margin-based royalty and windfall profits tax on miners.

Under the approved substitute bill, large-scale metallic mining operations within mineral reservations will be subject to a 3% royalty rate of the gross output of minerals or mineral products extracted. Large-scale metallic mining operations outside mineral res-

ervations will be slapped with a margin-based royalty on income from metallic mining operations. For instance, miners with margins of 1% up to 10% will be subject to a 1% rate. The royalty rate can go up to as high as 5% for those with margins above 70%.

Under the bill, small-scale mining operations will be imposed a royalty rate equivalent to 1/10 of 1% of gross output of minerals or mineral products extracted or produced pursuant to the People's Small-scale Mining Act of 1991.

A windfall profits tax will also be slapped on metallic mining operations based on their respective margins. Miners with margins of more than 35% up to 40% will be imposed a rate of 1%, while those with margins of more than 80% will be imposed a 10% rate.

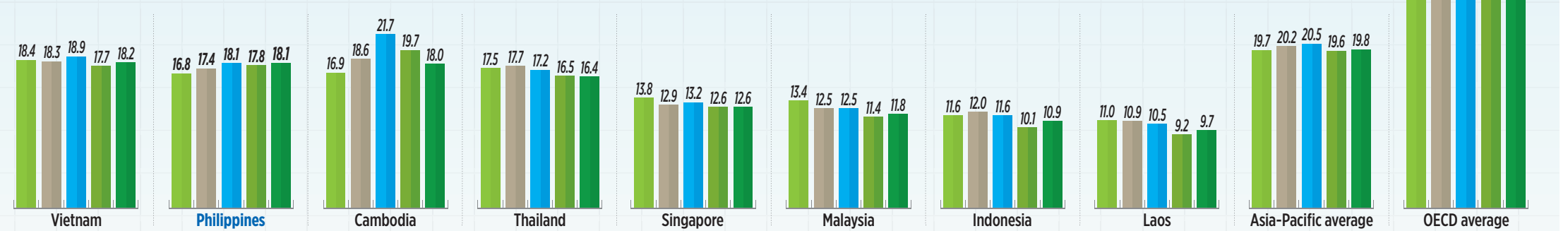
Ronald S. Recidoro, executive director of the Chamber of Mines of the Philippines, said its members representing large-scale contractors "feel that further increases (in tax) may not be necessary at this time."

Mining, S1/9

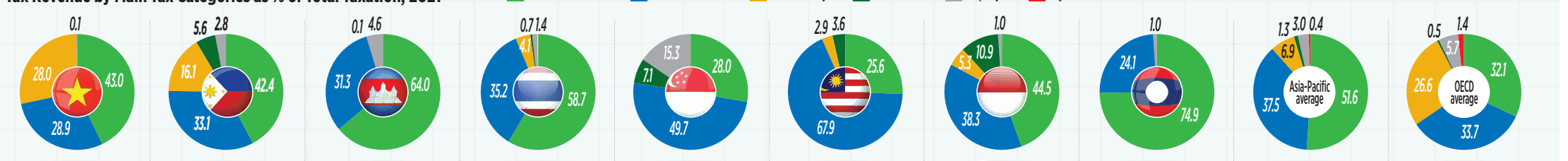
PHILIPPINES' TAX EFFORT ROSE IN 2021

The Philippines' tax effort expanded to 18.1% in 2021, the second highest among eight Southeast Asian economies covered in the July 2023 edition of Revenue Statistics in Asia and the Pacific by the Organization for Economic Cooperation and Development (OECD). Tax effort refers to total tax revenue, including social security contributions, as a share of an economy's gross domestic product (GDP). However, the Philippines' tax effort remained below Asia-Pacific average of 19.8% and the OECD's average of 34.1% in 2021. Bulk of the Philippines' tax revenue came from taxes on goods and services (42.4%), followed by taxes on income and profits at 33.1%.

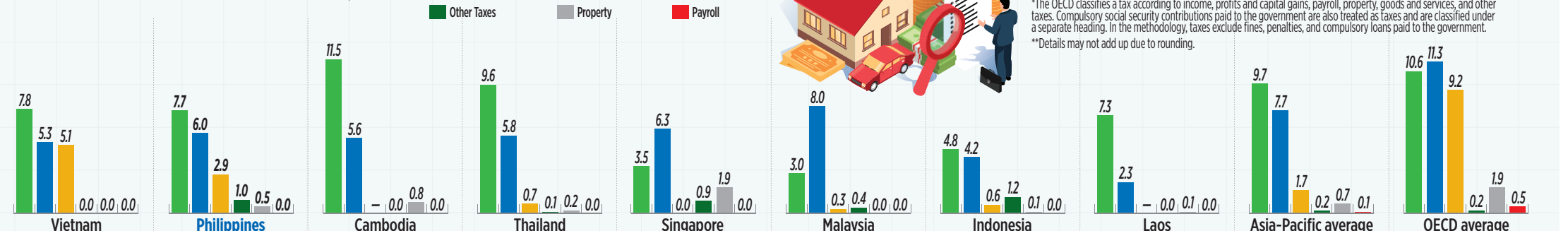
Total Tax Revenues* as % of GDP, 2017-2021



Tax Revenue by Main Tax Categories as % of Total Taxation, 2021**



Tax Revenue from Main Tax Categories as % of GDP, 2021



SOURCE: OECD'S REVENUE STATISTICS IN ASIA AND THE PACIFIC 2023: STRENGTHENING PROPERTY TAXATION IN ASIA (1990-2021)

BUSINESSWORLD RESEARCH: LOURDES O. PILAR

BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Outstanding debt seen to hit P15.8-T in 2024

THE NATIONAL Government's (NG) outstanding debt is expected to reach a record P15.84 trillion in 2024, according to the Department of Budget and Management (DBM).

Data from the DBM's Budget of Expenditures and Sources of Financing showed the debt stock is projected to increase by 8.3% at the end of 2024, from the P14.62-trillion debt level seen by the end of this year.

The government is projecting the NG debt-to-gross domestic product (GDP) ratio to settle at 60% by the end of 2024, and to 51.5% by 2028.

As of end-March, outstanding debt as a share of the GDP stood at 61%, still above the 60% threshold considered manageable by multilateral lenders for developing economies.

The NG is planning to borrow P3.08 trillion in 2024.

Of the planned borrowings, P2.47 trillion will come from domestic sources, while P606.85 billion will come from external sources.

Principal payments are expected to reach P1.86 trillion in 2024, composed of P1.62 trillion in local debt and P237.8 billion in foreign debt.

Meanwhile, the government set its debt servicing program

at P1.91 trillion next year, 19% higher than the P1.6 trillion this year.

Broken down, payments for domestic debt are programmed at P1.47 trillion while foreign debt payments are at P437.6 billion.

The DBM submitted on Wednesday the proposed P5.768-trillion National Expenditure Plan (NEP) for 2024 to the House of Representatives.

To address the debt burden, 12% or P699.2 billion of the proposed budget has been allocated for interest payments on domestic and foreign debt and net lending.

"While there has been an increase of P88.2 billion in interest payments, our debt burden for fiscal year 2024 will take up only 2.6% of gross domestic product (GDP) in fulfillment of this administration's policy to reduce the country's outstanding debt as a share of GDP," President Ferdinand R. Marcos, Jr. said in his budget message.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the government may have to consider tax reforms to boost revenues and service its growing debt.

Debt, S1/9

DBM submits P5.77-trillion national budget to House

By Beatriz Marie D. Cruz
Reporter

THE MARCOS administration submitted to Congress on Wednesday its proposed P5.768-trillion national budget for 2024, which sought to increase allocations for education, infrastructure, agriculture and defense.

The 2024 National Expenditure Plan (NEP) is 9.5% higher than this year's budget and is equivalent to 21.7% of the gross domestic product (GDP).

"The proposed budget seeks to provide the necessary funds for the operations of

government and for the continuing pursuit of our plan for economic transformation," President Ferdinand R. Marcos, Jr. said in his budget message.

As mandated by the Constitution, the education sector received the biggest allocation at P24.7 billion, 3.3% higher than this year's budget. This includes P51.12 billion for the implementation of the Universal Access to Quality Tertiary Education program, P12.04 billion for textbooks and other instructional materials and P11.71 billion for feeding programs in schools.

The Department of Education alone will see a 5.37% increase in its budget to P758.6 billion for 2024, as most public

schools are now implementing in-person classes.

"Infrastructure development is one of the key drivers of our continuing economic growth. As such, we will sustain this momentum through the 'Build, Better, More' program with P1.42 trillion, equivalent to 5.3% of gross domestic product," Budget Secretary Ameha F. Pangandaman said during a briefing at the House of Representatives.

She noted the program will prioritize physical connectivity infrastructure such as road networks and railway systems, particularly the North-South Commuter Railway System and the Metro Manila Subway Project Phase 1.

Budget, S1/9

BIR estimates P370-B revenue losses from 'ghost receipts'

AS MUCH AS P370 billion in tax revenue may have been lost to "ghost receipts," the Bureau of Internal Revenue (BIR) said.

BIR Commissioner Romeo D. Lumaguí, Jr. estimated the total value of ghost receipts issued has reached P1.3 trillion.

"We computed the total purchases (of those ghost receipts), we totaled the value-added tax (VAT) and income tax and that (P370 billion) is the revenue loss to date," Mr. Lumaguí told

reporters in an interview late on Tuesday.

"There are still many other groups that sell ghost receipts. It's a challenge to catch them," he added.

In June, the BIR filed criminal cases against buyers of fake receipts that led to losses worth P17.9 billion.

The agency also filed cases against the sellers of ghost receipts in March. These included four "ghost" corporations that cost the government about P25.5 billion in losses.

"Because of our task force on fake transactions, we have seen that many individuals are coordinating with us and are willing to pay their taxes. We have also heard from business groups that they are complying," Mr. Lumaguí added.

Meanwhile, the BIR said there has been a 11-20% shortfall in excise tax collections in the first half of the year.

"We are hoping to recover that. What we will try to do is run after those that are not

paying the excise tax on sugar-sweetened beverages and cigarettes. For vape products, we plan to release regulations on that," he added.

The BIR collected P1.22 trillion in the first half of the year, up by 7.65% from P1.13 trillion a year ago, data from the Treasury showed.

However, this was 2.57% lower than the agency's P1.25-trillion program for the period.

'Ghost receipts,' S1/9