

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,286.92 HIGH: 6,291.04 LOW: 6,212.39 CLOSE: 6,212.39 VOL: 0.392 B VAL(P): 4.787 B 77.88 PTS. 1.23% 30 DAYS TO AUGUST 22, 2023	AUGUST 22, 2023 JAPAN (NIKKEI 225) 31,856.71 ▲ 291.07 0.92 HONG KONG (HANG SENG) 17,791.01 ▲ 167.72 0.95 TAIWAN (WEIGHTED) 16,437.61 ▲ 56.12 0.34 THAILAND (SET INDEX) 1,547.76 ▲ 21.91 1.44 S.KOREA (KSE COMPOSITE) 2,515.74 ▲ 6.94 0.28 SINGAPORE (STRAITS TIMES) 3,159.88 ▲ 5.85 0.19 SYDNEY (ALL ORDINARIES) 7,121.60 ▲ 6.10 0.09 MALAYSIA (KLSX COMPOSITE) 1,451.53 ▲ 0.96 0.07	AUGUST 21, 2023 DOW JONES 34,463.690 ▼ -36.970 NASDAQ 13,497.590 ▲ 206.814 S&P 500 4,399.770 ▲ 30.060 FTSE 100 7,257.820 ▼ -4.610 EURO STOXX50 3,893.920 ▲ 8.530	FX OPEN P56.300 HIGH P56.085 LOW P56.400 CLOSE P56.380 W.AVE. P56.215 VOL. \$1,440.75 M SOURCE : BAP 20.00 CTVS 30 DAYS TO AUGUST 22, 2023	AUGUST 22, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 145.690 ▲ 145.790 HONG KONG (HK DOLLAR) 7.837 ▼ 7.836 TAIWAN (NT DOLLAR) 31.936 ▲ 31.949 THAILAND (BAHT) 34.960 ▲ 35.180 S. KOREA (WON) 1,337.150 ▲ 1,342.060 SINGAPORE (DOLLAR) 1.355 ▲ 1.357 INDONESIA (RUPIAH) 15.310 ▲ 15.320 MALAYSIA (RINGGIT) 4.646 ▲ 4.647	AUGUST 22, 2023 US\$/UK POUND 1.2774 ▲ 1.2727 US\$/EURO 1.0898 ▲ 1.0895 US\$/AUSTRALIAN DOLLAR 0.6441 ▲ 0.6406 CANADA DOLLAR/US\$ 1.3530 ▲ 1.3524 SWISS FRANC/US\$ 0.8781 ▼ 0.8796	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$86.95/BBL 30 DAYS TO AUGUST 21, 2023 \$1.55

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 22, 2023 (PSEi snapshot on S1/2; article on S2/2)

BDO	P139.000	BPI	P112.900	SM	P30.600	URC	P113.400	ALI	P28.300	AC	P585.000	JGS	P36.300	SM	P829.500	ICT	P205.800	JFC	P239.000
Value	P412,082,593	Value	P396,085,567	Value	P365,493,740	Value	P342,573,441	Value	P330,078,290	Value	P274,928,330	Value	P273,199,315	Value	P240,446,335	Value	P239,214,140	Value	P129,008,574
PO.800	▲ 0.579%	PL.800	▲ 1.620%	PO.600	▲ 2.000%	-P4.200	▼ -3.571%	-P1.200	▼ -4.068%	-P5.000	▼ -0.847%	-P1.750	▼ -4.599%	-P30.500	▼ -3.547%	-P8.000	▼ -3.742%	-P4.800	▼ -1.969%

Oil prices seen to remain elevated

House to accommodate DND chief's proposals in MUP pension reform bill

By Beatriz Marie D. Cruz
Reporter

CONGRESSMEN will debate proposed changes to a bill seeking to reform the pension system for the Philippine military and police, including fully indexing pensions to the salary increases of active personnel and exempting all active members from making contributions, according to Albay Rep. Jose Maria Clemente S. Salceda.

This comes after Defense Secretary Gilberto C. Teodoro, Jr. objected to key provisions of the military and uniformed personnel (MUP) pension reform bill that was approved by a House ad hoc committee last week.

"As chairman of the ad hoc committee, I would like to assure the (Defense) secretary that his requests are acceptable," Mr. Salceda, who also heads the

House of Representatives Ways and Means Committee, said in a statement.

"We will adopt the Teodoro proposal of indexation for all retired and retirees and a transitioned contribution scheme... And I will heed the request for full indexation for those who are retired and due for retirement."

Mr. Teodoro had opposed the bill's provision that capped the indexation of pensions to 50% of the salary increase of active personnel, from the 100% automatic indexation.

Under the current pension system, pension payments to retired MUPs are automatically indexed to the current salaries of personnel in active service.

"Of course, the proposal will add some P1.2 trillion more to the actuarial reserve deficiency, from the current P2.2 trillion under the current substitute bill," Mr. Salceda said.

MUP, S1/9

BSP keeps 3% interest rate ceiling on credit card transactions

THE BANGKO SENTRAL ng Pilipinas' (BSP) policy-setting Monetary Board has kept the 3% interest rate ceiling on credit card transactions unchanged.

"The BSP's decision to maintain the current ceilings on credit card transactions strikes a balance between providing consumers with access to credit card financing at steady rates and ensuring long-term viability of banks/credit card issuers so that they can continue to provide quality service to their clients," BSP Governor Eli M. Remolona, Jr. said in a statement on Tuesday.

The maximum interest rate on unpaid outstanding card balance of a cardholder was maintained at 3% per month or 36% a year.

Meanwhile, the monthly add-on rate that credit card users can charge on installment loans is still at 1%.

The maximum processing fee for credit card cash advances will remain at P200 for each transaction.

The BSP will review the ceilings on credit card transactions after six months.

The move followed the earlier decision of the Monetary Board in January, where it hiked the credit card cap to 3% from 2% previously. This was meant to reflect the BSP's policy tightening and to mitigate the impact of inflationary pressures on banks and credit card issuers.

The BSP hiked its benchmark interest rate by 425 basis points to a near 16-year high of 6.25% from May 2022 to March 2023.

Under the Republic Act (RA) No. 10870 or the Philippine Cred-

it Card Industry Regulation Law, the BSP has supervisory authority over all credit card issuers.

As of end-May, credit card receivables grew by 29% annually, higher than the 17.1% year-on-year growth registered a year ago.

Credit card billings surged by 34.6% as of end-March, from the 28.5% growth a year ago, reflecting the firm demand for credit cards, the BSP said.

Banks and credit card issuers also maintained the quality of their credit card portfolio amid the expansion in receivables.

Nonperforming credit card receivables reached P23.4 billion as of end-May, lower than P29.3 billion in the previous year.

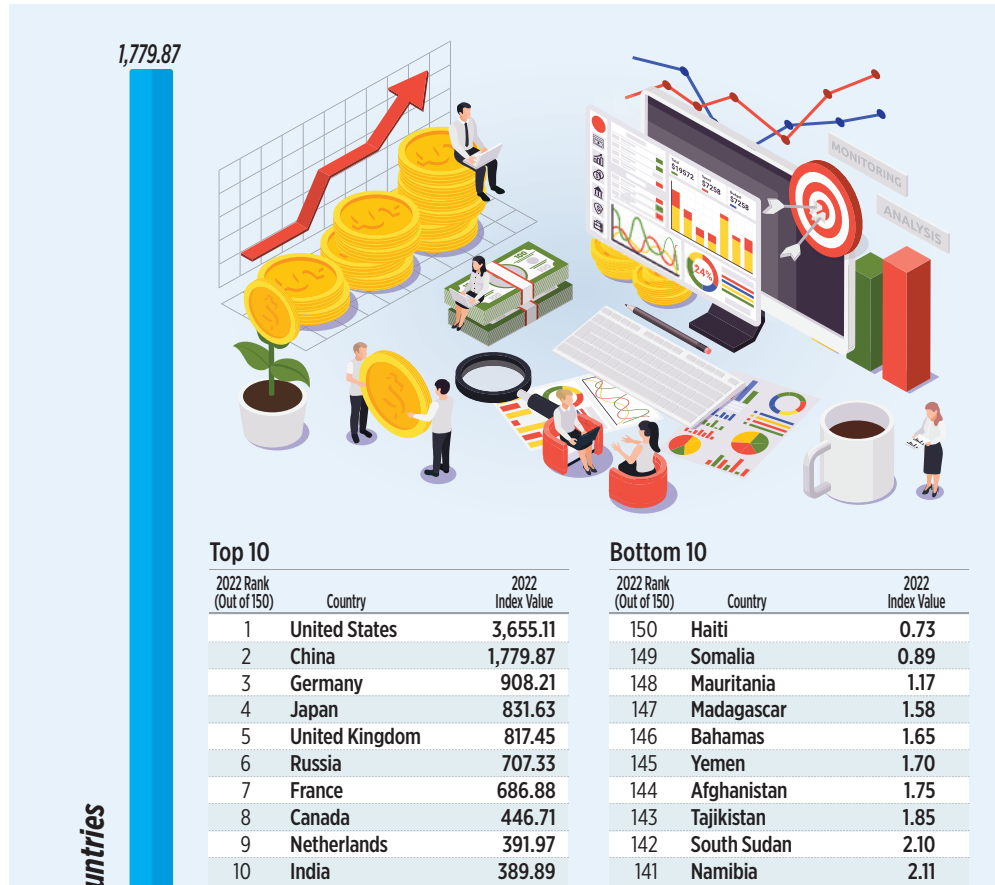
The ratio of nonperforming credit card receivables to credit card receivables also declined to 3.9% as of end-May from 6.3% as of end-2022.

According to the central bank, it will continue to pursue strategies in promoting digitalization in the financial industry.

"Through the prudent use of innovation, banks/credit card issuers will be able to improve delivery of their services as well as enhance customer experience at lower operating cost," it said.

The BSP will also continue to highlight the importance of responsible credit card usage in its financial literacy programs. This will help consumers make appropriate personal financial decisions.

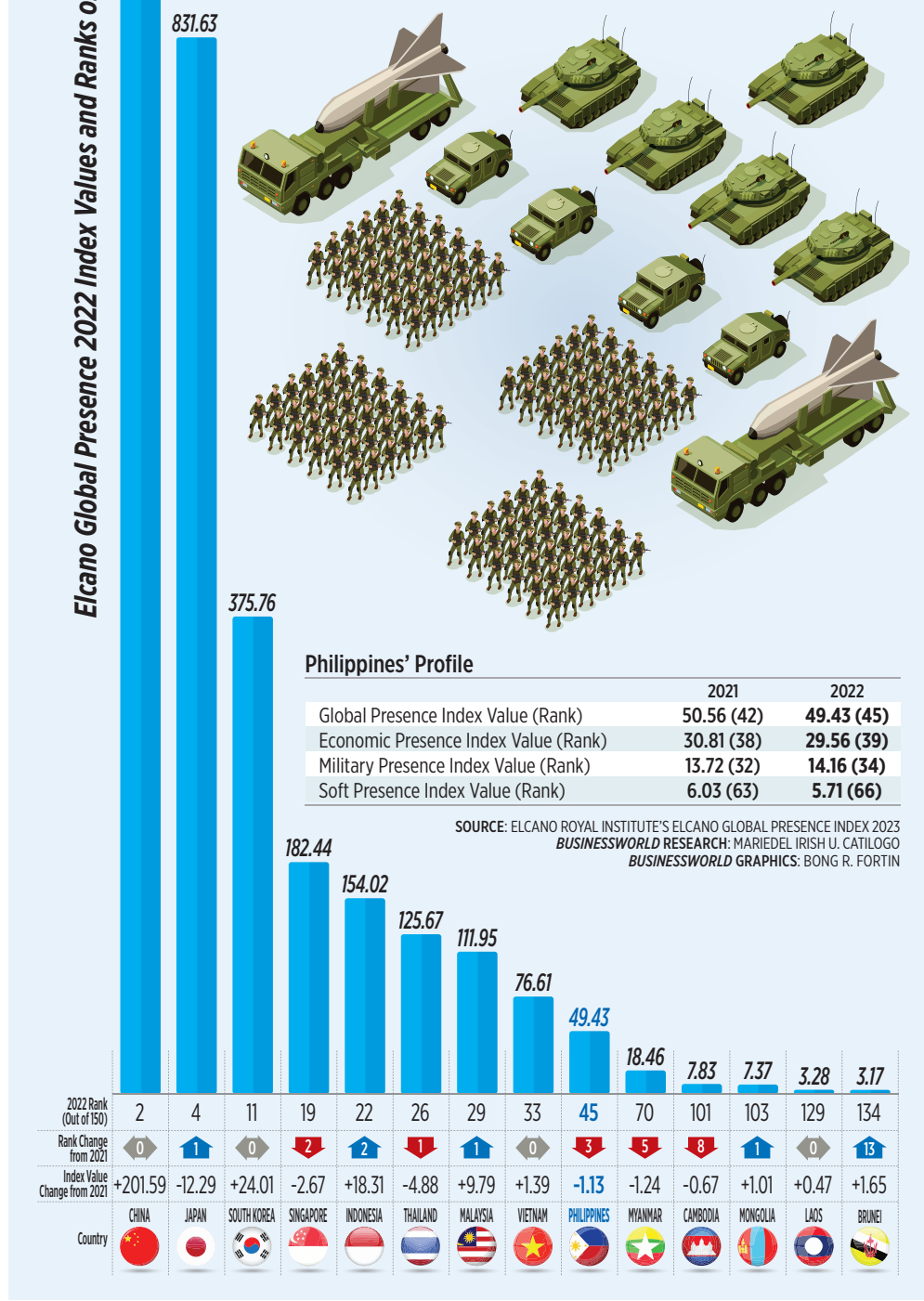
"All these efforts are geared towards ensuring a resilient, dynamic and inclusive financial system," the BSP said. — **Keisha B. Ta-asan**



PHILIPPINES DROPS IN GLOBAL PRESENCE INDEX

The Philippines' overall external projection fell by three spots to 45th out of 150 countries in 2022, according to the latest edition of Elcano Global Presence Index by Madrid-based think tank Elcano Royal Institute. The index is an annual ranking of different countries' international projection under three main dimensions: economy, defense, and soft presence. With an index value of 49.43, the Philippines remained the sixth-lowest among its peers in the region, ahead of Myanmar (70th overall), Cambodia (101st), Mongolia (103rd), Laos (129th), and Brunei (134th).

Elcano Global Presence 2022 Index Values and Ranks of Select East and Southeast Asian Countries



PHILIPPINE INFLATION could again breach the target in 2024 and 2025, the Bangko Sentral ng Pilipinas (BSP) warned, as it raised forecasts for Dubai crude oil prices for the next three years.

The BSP in its latest monetary policy report said Dubai crude oil would average \$81.90 per barrel this year, higher than the previous forecast of \$77.20 per barrel given in May.

It also sees Dubai crude oil slightly higher at \$82.30 per barrel next year from \$72.70 per barrel previously, before easing to \$78 per barrel in 2025.

According to the BSP, the projections were based on the average futures path from July 31 to Aug. 9. This was because the Organization of the Petroleum Exporting Countries (OPEC) and its allies, also known as OPEC+, continued to reduce oil output this year.

"The sharp rise in the global crude oil price path reflects expectation of declining international oil inventories owing to the extended production cuts of OPEC+ countries announced in June and an extension of voluntary cuts through September by Saudi Arabia," the BSP said.

The BSP said global liquid fuel consumption may also increase this year and in 2024 due to robust demand from non-Organisation for Economic Co-operation and Development countries such as China and India.

The central bank also cited the US Energy Information Administration, which expects global oil inventories to transition to consistent inventory draws until the fourth quarter of 2024 from inventory builds in the first half this year. This may put upward pressure on global oil prices during the period, it added.

Oil, S1/9

Catch-up spending plans need to also boost productivity, say analysts

By Luisa Maria Jacinta C. Jocson
Reporter

GOVERNMENT AGENCIES' catch-up spending plans should also focus on boosting productivity and not just accelerating expenditures, analysts said.

"To justify more spending, the government must ensure that this program leads to higher productivity. 'Catch up' should be used as a synonym for matching the more productive countries and technologically advanced countries like Thailand and Vietnam, not to just expand government expenditures," Ateneo de Manila University economics professor Leonardo A. Lanzona said in an e-mail.

"The best way to do this is to improve the bureaucracy by increasing its absorptive capacity and to undertake an aggressive industrial policy that can challenge the capabilities of our people and result in greater production," he added.

The disappointing 4.3% gross domestic product (GDP) growth in the second quarter was partially attributed to a contraction in government spending. Government spending contracted by 7.1% in April to June, a reversal of the 6.2% growth in the first quarter and 10.9% a year ago.

Government agencies have been ordered to catch-up on spending plans amid low budget utilization in the first half.

Filomeno S. Sta. Ana III, coordinator of Action for Economic Reforms, said that there is a need to strengthen and improve capacities of local government units (LGUs) to improve spending.

Catch-up, S1/9



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DMW Secretary Ople dies at 61 S1/10



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