P25
IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

OPEN:	6,204.30
HIGH:	6,278.18
LOW:	6,204.30
CLOSE:	6,225.78
VOL.:	0.415 B
VAL(P):	3.307 B

46.15 PTS. ▲ 0.74%
30 DAYS TO AUGUST 24, 2023

ASIAN MARKETS

AUGUST 24, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	32,287.21	▲	276.95	0.87
Hong Kong (Hang Seng)	18,212.17	▲	366.25	2.05
Taiwan (Weighted)	16,770.87	▲	193.97	1.17
Thailand (SET Index)	1,559.57	▲	10.56	0.68
S.Korea (Kse Composite)	2,537.68	▲	32.18	1.28
Singapore (Straits Times)	3,184.78	▲	10.60	0.33
Sydney (All Ordinaries)	7,182.10	▲	33.70	0.47
Malaysia (Klse Composite)	1,444.67	▲	4.56	0.32

WORLD MARKETS

AUGUST 23, 2023

	CLOSE		NET
Dow Jones	34,472.980	▲	184.150
NASDAQ	13,721.033	▲	215.160
S&P 500	4,436.010	▲	48.460
FTSE 100	7,320.530	▲	49.770
Euro Stoxx50	3,943.760	▲	21.260

PESO-DOLLAR RATES

FX

OPEN	P56.580
HIGH	P56.570
LOW	P56.830
CLOSE	P56.760
W.AVE.	P56.702
VOL.	$1,133.16 M

▼ 3.00 CTVS
30 DAYS TO AUGUST 24, 2023
SOURCE : BAP

ASIAN MONIES-US$ RATE

AUGUST 24, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	145.390	—	145.390
Hong Kong (HK dollar)	7.841	—	7.841
Taiwan (NT dollar)	31.727	▲	31.939
Thailand (baht)	34.960	▲	35.050
S. Korea (won)	1,318.340	▲	1,338.540
Singapore (dollar)	1.354	▲	1.357
Indonesia (rupiah)	15,240	▲	15,290
Malaysia (ringgit)	4.643	▲	4.654

WORLD CURRENCIES

AUGUST 24, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2682	▲	1.2659
US$/Euro	1.0852	▲	1.0817
US$/Aust dollar	0.6450	▲	0.6425
Canada dollar/US$	1.3541	▼	1.3565
Swiss Franc/US$	0.8806	▲	0.8801

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$85.31/BBL
▼ $0.44
30 DAYS TO AUGUST 23, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 24, 2023 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
BDO	P142.800	P472,699,238	P4.800	▲	3.478%
ALI	P28.250	P246,633,775	P0.000	—	0.000%
ICT	P205.000	P228,642,634	P0.000	—	0.000%
BPI	P108.200	P225,722,052	P0.000	—	0.000%
SMPH	P30.350	P201,773,750	P0.250	▲	0.831%
AC	P595.000	P175,204,120	P2.000	▲	0.337%
MBT	P54.700	P112,005,606	P0.250	▲	0.459%
JFC	P243.000	P101,989,288	P2.000	▲	0.830%
BLOOM	P11.100	P98,659,520	-P0.040	▼	-0.359%
ACEN	P5.070	P84,547,793	P0.020	▲	0.396%

June bank lending slows further

LOAN GROWTH slowed for the third straight month in June, reflecting the impact of the Philippine central bank's aggressive monetary tightening to curb inflation.

Preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed outstanding loans of big banks expanded by 7.8% to P10.99 trillion in June from P10.19 trillion a year earlier.

The growth in bank lending was slower than 9.4% in May and 12.1% in June 2022.

"The continued moderation of bank lending highlights the impact of the tightening carried out by the BSP since mid-2022," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

He noted that interest rate hikes are designed to slow economic growth and help ease demand-side pressure on inflation.

From May 2022 to March 2023, the BSP raised the benchmark interest rate by 425 basis points (bps) to a near 16-year high of 6.25%.

While rates were left unchanged for a third straight meeting on Aug. 17, the Monetary Board signaled it is ready to resume tightening, if necessary, amid risks to the inflation outlook.

Security Bank Corp. Chief Economist Robert Dan J. Roces said the weaker expansion in bank lending could be traced to economic uncertainties from elevated inflation.

Headline inflation declined to 5.4% in June from 6.1% in May. Despite the decline, it marked the 15th straight month of inflation exceeding the BSP's 2-4% target band.

"This might have made businesses more cautious about borrowing, leading to a decline in production loans. Additionally, tightened lending standards reflected market risks," Mr. Roces said.

BSP data showed outstanding loans to residents grew by 7.8% to P10.67 trillion in June from P9.89 trillion a year earlier. However, growth was slower than 9.3% in May and 11.8% in June 2022.

Credit for productive activities declined by 6.3% to P9.55 trillion, slower than 7.9% in May and 11.9% a year earlier.

"With loan growth slower for the [production] sector, we can expect smaller investment outlays, fewer workers hired and overall, less economic activity," Mr. Mapa said.

Annual loan growth was recorded in several sectors such as electricity, gas, steam and air-conditioning supply (11.8%), information and communications (11.2%), and wholesale and retail trade, and repair of motor vehicles and motorcycles (9.6%).

However, there was an annual decline in loans for professional, scientific and technical activities (-29.2%), education (-5.8%), and arts, entertainment and recreation (-1.6%).

"On the other hand, the surge in consumer loans indicates a shift in where credit is flowing, perhaps due to increased consumer confidence and economic sectors reopening," Mr. Roces said.

Consumer credit jumped by 23.7% to P1.12 trillion from P906.3 billion a year ago. This was slightly faster than the 22.6% in May.

Credit card loans expanded by 29.3% in June, while salary-based general purpose consumption loans surged by 48.8%. Motor vehicle loans rose by 6.4%.

"Consumer loans remained on the uptick, largely because consumer loans are not generally based on the BSP policy rate. Just recently, the BSP opted to retain the 3% cap on credit card lending, so we do not expect this sector to slow anytime soon," Mr. Mapa said.

Lending, S1/5

TAX JUSTICE NETWORK

PHILIPPINES' ANNUAL TAX LOSSES HIT 0.93% OF GDP

The Philippines' annual tax losses amounted to $3.22 billion, according to latest estimates by advocacy group Tax Justice Network released in the 2023 edition of the State of Tax Justice. This was equivalent to 0.93% of the country's gross domestic product (GDP), the third-highest share in the region after Taiwan (1.52% of GDP) and Cambodia (1.05%). The report monitors the amount of money lost per country in tax to multinational corporations and wealthy individuals using tax havens to underpay tax.

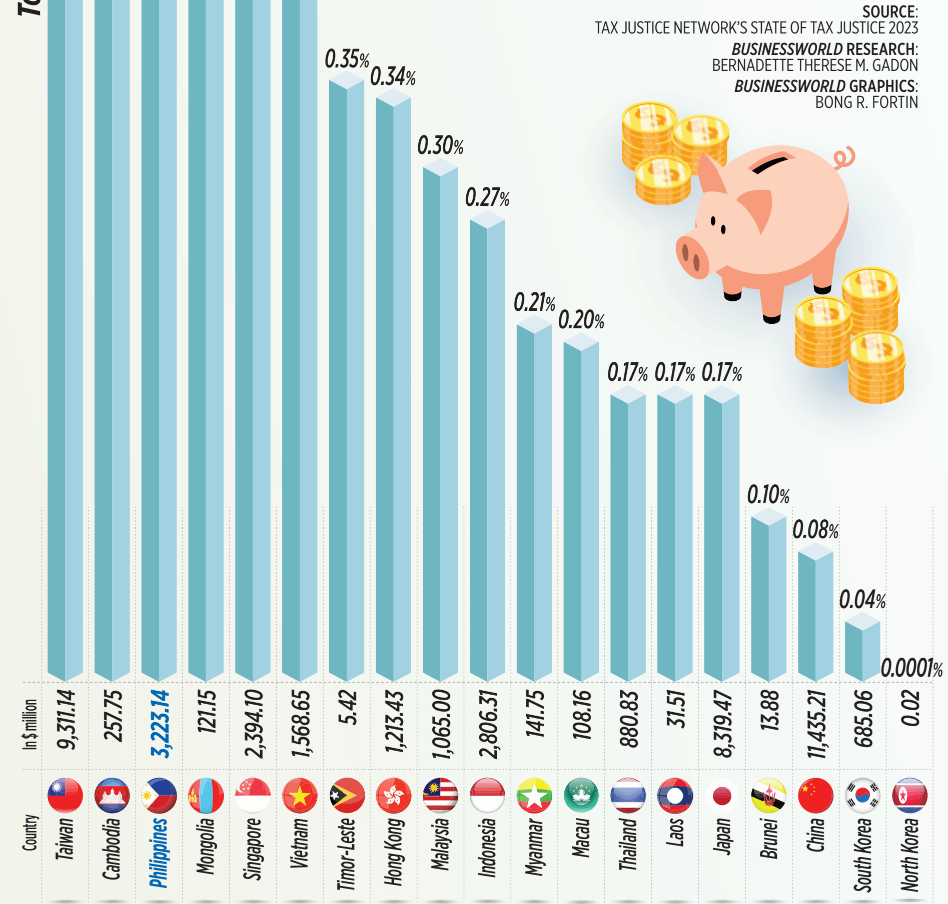
Countries with the Largest Annual Tax Loss as % of GDP

Country	in $ million	% of GDP
Marshall Islands	70.66	32.22%
Jersey	1,411.53	28.21%
Cook Islands	74.60	20.57%
Guernsey	410.85	16.74%
Samoa	142.31	16.20%
Luxembourg	11,183.49	15.75%
Gibraltar	226.09	12.86%
Curaçao	350.28	11.60%
Seychelles	121.49	7.42%
Liberia	205.80	6.01%

Countries with the Largest Annual Tax Loss by Value

Country	in $ million	% of GDP
United States	177,270.09	0.86%
United Kingdom	44,684.20	1.55%
France	33,024.65	1.18%
India	31,703.63	1.17%
Germany	26,046.22	0.66%
Ireland	13,589.86	3.52%
China	11,435.21	0.08%
Luxembourg	11,183.49	15.75%
Netherlands	10,094.14	1.10%
Taiwan	9,311.14	1.52%

SOURCE: TAX JUSTICE NETWORK'S STATE OF TAX JUSTICE 2023
BUSINESSWORLD RESEARCH: BERNADETTE THERESE M. GADON
BUSINESSWORLD GRAPHICS: BONG R. FORTIN



Nearly 68M Asians plunged into extreme poverty in 2022

By Luisa Maria Jacinta C. Jocson
Reporter

ALMOST 68 million people in developing Asia were pushed into extreme poverty last year, as many people struggled with the impact of the coronavirus pandemic and rising cost of living, the Asian Development Bank (ADB) said.

"Compared to pre-pandemic estimates for 2022, an extra 67.8 million people were estimated to be extremely poor in developing Asia in 2022," the ADB said in the latest Key Indicators for Asia and the Pacific report released on Thursday.

The report looks at developing Asia's progress in achieving Sustainable Development Goal (SDG) 1, which is to end poverty in all its forms everywhere by 2030.

Data from the ADB report showed 3% of the Philippine population was living in extreme poverty in 2021, lower than 6.5% in 2015. Extreme poverty is defined as living on less than $2.15 (P122) a day based on 2017 purchasing power parity figures.

The report also showed 17.8% of the Philippine population was living in moderate poverty (or less than $3.65 a day), lower than 27.1% in 2015.

The ADB said developing Asia's progress in reducing poverty has been hampered by the COVID-19 pandemic and further aggravated by the cost-of-living crisis caused by elevated inflation.

"Previous forecasts based on available data hinted that the COVID-19 pandemic initially set back progress in reducing poverty in developing Asia by at least two years," ADB Statistician Arturo Martinez, Jr. said in a webinar.

Last year, inflation in developing Asia accelerated to 4.4%, which the ADB said is a "level unseen in almost a decade." In 15 economies, food and nonalcoholic drink prices rose by at least 10% while fuel prices were up by at least 8%.

"Cost of living pressures also rose across the region as prices of food, energy and housing hit all-time highs as 2022 unfolded. This stalled developing Asia's economic performance which only managed to grow by 4.2% by the end of the year, lower than initial forecasts suggested," it added.

Poverty, S1/5

Solar panel manufacturing can boost Philippine GDP by as much as $175 million

THE DEVELOPMENT of the solar photovoltaic (PV) manufacturing industry in the Philippines could boost its gross domestic product (GDP) by as much as $175 million in seven years, the Asian Development Bank (ADB) said.

In its Renewable Energy Manufacturing report, the ADB said the Philippines could aspire to establish a 3-5 gigawatt (GW) scaled module assembly facilities by 2030. Half of the output would supply domestic demand.

"To achieve this, investment of $150 million to $250 million would be required over three to five years," it said. "Realization of this ambition has the potential to generate in 2030 $100 million to $175 million uplift in GDP."

The solar PV manufacturing industry could potentially generate between 8,000 and 12,000 new jobs, 4,000 to 7,000 of which would be direct jobs, the ADB said.

The industry would also result in about $100 million to $140 million in cost savings annually.

"It is estimated that workforce training and operational excellence, together with advanced manufacturing of 3-5 GW scale, could enable a 5% to 10% reduction in the Philippines' production cost to a level comparable with regional leaders," the ADB said.

"Achieving this cost competitiveness would be key to the viability of the industry and to unlocking its potential benefits for the country," it added.

Southeast Asia is a solar PV manufacturing hub, but production is mainly in Cambodia, Laos, Thailand and Vietnam.

In the Philippines, Maxeon manufactures cells.

The ADB noted that solar PV demand in the Philippines is mainly hindered by its grid infrastructure.

"While the Philippines has a supportive regulatory environment for renewables and strong near-term renewable energy (RE) targets, its grid would require investment in capacity expansion to accommodate solar PV capacity additions," it said.

"The Philippines' grid infrastructure is constrained and unable to accommodate additional solar generation. Government permits for project development and grid connection take a long time to obtain."

Another barrier to boosting solar PV demand is the Philippines' low supply of quick-start generation and energy storage solutions.

On the other hand, the ADB said the Philippines' supportive regulatory environment would help support demand for solar PV manufacturing. The country recently opened the renewable energy sector to full foreign ownership.

However, the ADB said to attract more investments in solar PV manufacturing, the Philippines must also improve ease of doing business by designating zones for the industry, create conducive policies for imports and exports and streamline Customs processes.

The ADB also recommended partnering with industry leaders to train workers in solar PV manufacturing, reducing costs to original equipment manufacturers through fiscal incentives and expanding grid capacities for higher renewable penetration.

Solar, S1/5