

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,121.07 HIGH: 6,121.16 LOW: 6,034.36 CLOSE: 6,047.97 VOL.: 0.597 B VAL(P): 3.650 B 76.60 pts. 1.25% 30 DAYS TO SEPTEMBER 19, 2023	SEPTEMBER 19, 2023 JAPAN (NIKKEI 225) 33,242.59 ▼ -290.50 -0.87 HONG KONG (HANG SENG) 17,997.17 ▲ 66.62 0.37 TAIWAN (WEIGHTED) 16,636.32 ▼ -61.92 -0.37 THAILAND (SET INDEX) 1,524.37 ▼ -3.20 -0.21 S.KOREA (KSE COMPOSITE) 2,559.21 ▼ -15.51 -0.60 SINGAPORE (STRAITS TIMES) 3,238.71 ▼ -24.68 -0.76 SYDNEY (ALL ORDINARIES) 7,196.60 ▼ -33.80 -0.47 MALAYSIA (KLSE COMPOSITE) 1,457.66 ▼ -0.33 -0.02	SEPTEMBER 18, 2023 Dow Jones 34,624.300 ▲ 6.060 NASDAQ 13,710.237 ▲ 1.902 S&P 500 4,453.530 ▲ 3.210 FTSE 100 7,652.940 ▼ -58.440 Euro Stoxx50 3,984.090 ▼ -37.400	FX OPEN P56.710 HIGH P56.700 LOW P56.830 CLOSE P56.755 W.AVE. P56.770 VOL. \$1,173.00 M 11.10 cTWS 30 DAYS TO SEPTEMBER 19, 2023 SOURCE : BAP	SEPTEMBER 19, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 147.700 ▼ 147.610 HONG KONG (HK DOLLAR) 7.817 ▼ 7.820 TAIWAN (NT DOLLAR) 32.007 ▼ 31.966 THAILAND (BAHT) 35.970 ▼ 35.710 S. KOREA (WON) 1,326.620 ▼ 1,325.360 SINGAPORE (DOLLAR) 1.363 ▼ 1.364 INDONESIA (RUPIAH) 15,375 ▼ 15,365 MALAYSIA (RINGGIT) 4.694 ▼ 4.690	SEPTEMBER 19, 2023 CLOSE PREVIOUS US\$/UK POUND 1.2383 ▼ 1.2388 US\$/EURO 1.0686 ▼ 1.0668 US\$/AUSTRALIAN DOLLAR 0.6453 ▼ 0.6439 CANADA DOLLAR/US\$ 1.3446 ▼ 1.3505 SWISS FRANC/US\$ 0.8965 ▼ 0.8959	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$95.55/BBL 30 DAYS TO SEPTEMBER 18, 2023

VOL. XXXVII • ISSUE 40 WEDNESDAY • SEPTEMBER 20, 2023 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 19, 2023 (PSEi snapshot on S1/2; article on S2/2)

AP	P30.400	BDO	P129.800	ALI	P26.800	SMPH	P28.700	CNPF	P29.000	GTCAP	P565.000	BPI	P106.300	MBT	P52.500	SCC	P34.800	MER	P360.000
Value	P622,158,630	Value	P305,811,381	Value	P244,004,790	Value	P209,973,910	Value	P160,859,525	Value	P148,935,510	Value	P111,413,121	Value	P102,778,116	Value	P102,557,935	Value	P99,614,142
	-P1.300 ▼ -4.101%		P0.300 ▲ 0.232%		-P1.000 ▼ -3.597%		-P0.550 ▼ -1.880%		P0.050 ▲ 0.173%		-P21.500 ▼ -3.666%		-P1.700 ▼ -1.574%		P0.500 ▲ 0.962%		-P0.200 ▼ -0.571%		-P2.600 ▼ -0.717%

Key MUP pension reform clause out

THE House of Representatives on Tuesday approved on second reading a bill that seeks to reform the pension system for Philippine military and uniformed personnel (MUP), but removed a key provision requiring active personnel to make mandatory contributions.

During the Tuesday plenary session, lawmakers approved

through voice vote House Bill No. 8969 or the proposed Military and Uniformed Personnel Pension System Act.

Albay Rep. Joey Sarte Salceda, who chaired the ad hoc committee on the MUP pension system, said the latest version is "fiscally, politically, and morally acceptable."

"For active and retired personnel, the structure of the pension system was preserved in full," he said.

Mr. Salceda said lawmakers had accommodated the request of Defense Secretary Gilbert C. Teodoro, who had earlier objected to the mandatory contributions for all active personnel and the removal of the full indexation of

active personnel.

"(Mr. Teodoro) is now more or less satisfied," he added.

Lawmakers approved an amendment to the bill which would require only new entrants to contribute to the pension fund.

Under the bill, new entrants would contribute 9% of their sal-

ary, while the National Government counterpart is set at 12%.

During the plenary, lawmakers also agreed to restore the full indexation of MUP pensions. This amendment was proposed by House National Defense and Security Committee Chairman and Iloilo Rep. Raul C. Tupas.

Mr. Teodoro had earlier objected to the provision in the committee report that capped the indexation of the MUP pension at 50% of the salary increase of active personnel.

The bill would also authorize the President to adjust pensions during "adverse" fiscal or economic conditions.

MUP, S1/10

PHL urged to expand presence in global bond market

By Luisa Maria Jacinta C. Jocson
Reporter

THE Philippines should further diversify its borrowing sources and expand its presence in the global bond market, analysts said.

"Given the country's credit rating and its commitment to pursue its infrastructure program. Definitely, the government can still expand its borrowings," Jonathan L. Ravelas, senior adviser at professional services firm Reyes Tacandong & Co., said in a text message.

Last week, National Treasurer Rosalia V. de Leon said that the government is looking to issue Islamic bonds or Sukuk bonds by yearend or 2024. This would mark its first issuance in the Islamic bond market.

"The Philippine government's plan to debut in the Islamic bond market with a Sukuk issuance is a strategic move that could diversify its investor base and potentially offer more favorable terms. Coupled with its \$5-billion program for commercial bonds, the government is evidently keen on robust external financing," Security Bank Corp. Chief Economist Robert Dan J. Roces said in a Viber message.

This year, the government's borrowing plan is set at \$2.207 trillion, consisting of P1.654 trillion from domestic sources and P553.5 billion from foreign sources.

The government is planning \$5 billion (around P283 billion) in global bonds this year.

In January, the Philippines already raised \$3 billion from its first US dollar bond issuance for the year.

Mr. Roces said it could be beneficial to expand borrowing options beyond commercial and Sukuk bonds.

"Markets like Euro bonds and Samurai bonds offer low-interest rates, while green bonds could attract investors focused on sustainability," he said.

The government, under President Rodrigo R. Duterte, had raised €2.1 billion (P122.4 billion) from a triple-tranche offering of euro-denominated bonds in April 2021. In April 2022, it raised 70.1 billion Japanese yen from a four-tranche Samurai bond offer.

Mr. Roces said the sustainability of this borrowing strategy "will be a function of the country's overall debt level and fiscal health, which remain manageable."

The government had ramped up borrowings at the height of the coronavirus pandemic. As of end-June, the National Government's outstanding debt as a share of gross domestic product stood at 61%, lower than 62.1% from the same period a year ago.

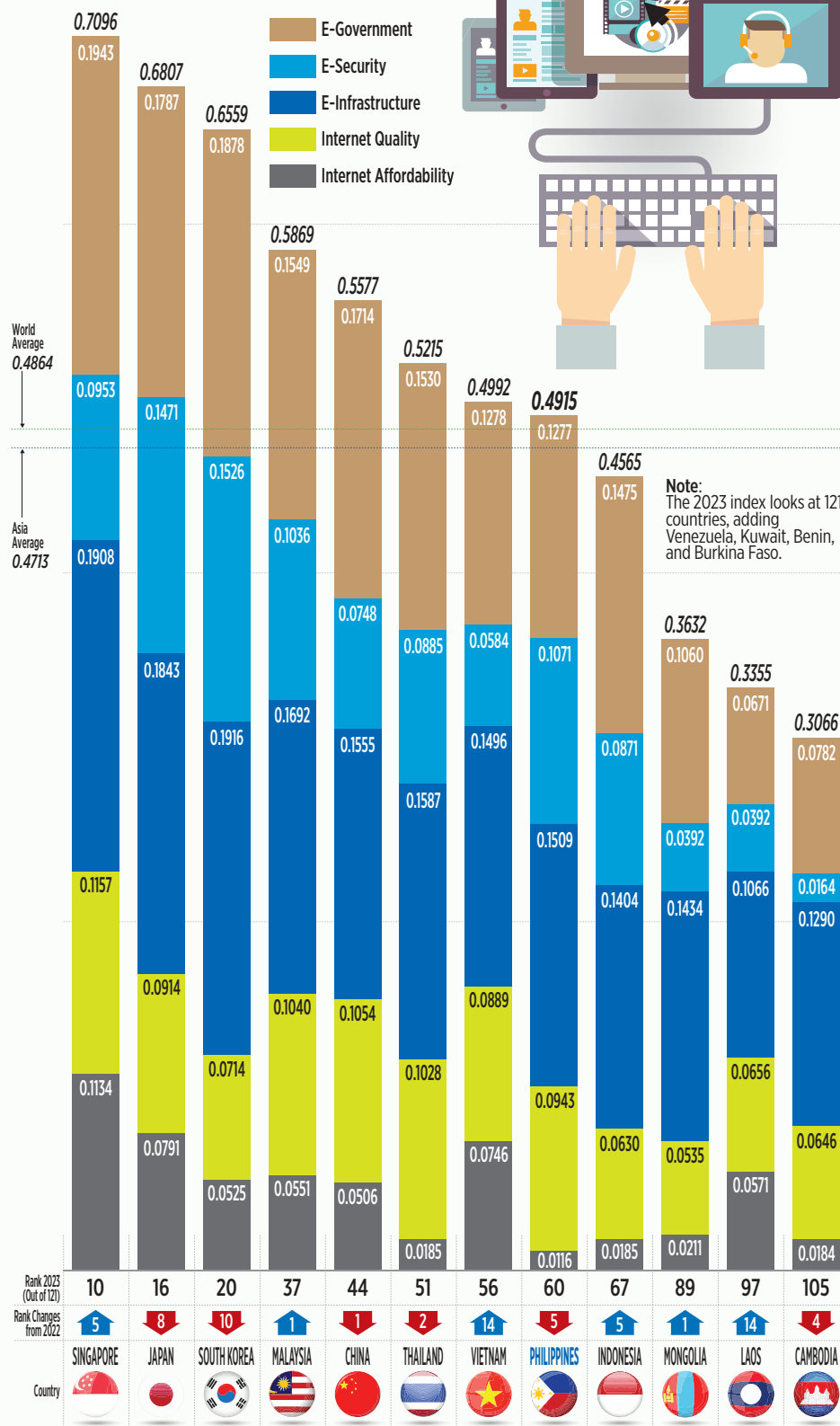
However, it is still slightly above the 60% threshold considered by multilateral lenders to be manageable for developing economies.

Bond, S1/10

PHILIPPINES SLIPS IN 'DIGITAL QUALITY OF LIFE' INDEX

The Philippines fell five places to 60th out of 121 countries in the 2023 edition of Digital Quality of Life (DQL) index by virtual private network (VPN) service provider Surfshark. The index assesses and compares the relative performance of countries in terms of digital well-being using five pillars. Despite slipping in the annual rankings, the Philippines scored 0.4915, better than the global average of 0.4864 and the Asian average of 0.4713.

2023 DQL Index and Pillar Scores of East and Southeast Asian Countries (higher is better)



Top 10				Bottom 10			
Rank 2023 (Out of 121)	Country	Rank Changes from 2022	2023 DQL Index score	Rank 2023 (Out of 121)	Country	Rank Changes from 2022	2023 DQL Index score
1	France	3	0.7902	121	Yemen	5	0.1705
2	Finland	5	0.7483	120	Dem. Rep. of the Congo	3	0.1824
3	Denmark	1	0.7377	119	Mozambique	5	0.2158
4	Germany	1	0.7357	118	Ethiopia	3	0.2205
5	Luxembourg	13	0.7357	117	Tajikistan	5	0.2315
6	Spain	10	0.7232	116	Cameroon	3	0.2347
7	Estonia	7	0.7185	115	Zimbabwe	6	0.2563
8	Austria	14	0.7166	114	Honduras	6	0.2587
9	Switzerland	4	0.7106	113	Tanzania	6	0.2695
10	Singapore	5	0.7096	112	Mali	10	0.2735

Source: Surfshark's 2023 Digital Quality of Life Index (https://surfshark.com/dqi2023)
BusinessWorld Research: Mariedel Irish U. Catilogo
BusinessWorld Graphics: Bong R. Fortin

Gov't to lose up to P73B from fuel tax suspension

DEPARTMENT of Finance (DoF) Secretary Benjamin E. Diokno on Tuesday warned against the suspension of the collection of value-added tax (VAT) and excise tax on petroleum products, saying the government stands to lose up to P73 billion in revenues in the fourth quarter alone.

Mr. Diokno in a statement said that this proposal is "short-sighted, ill advised, and (may) have serious consequences" on the government's finances and the economy.

"Any of the proposals will adversely affect our economic and fiscal recovery, our international credit ratings, and our overall debt management strategy, while benefiting primarily the rich and without providing lasting inflation relief," he added.

Mr. Diokno said revenue losses are expected reach up to P72.6 billion, or around 0.3% of gross domestic product (GDP),

in the October to December period. The government may lose P41.4 billion from excise tax revenues, and P31.2 billion from VAT revenues.

"Assuming no cut in spending (practically the entire General Appropriations Act 2023 has been released) the deficit-to-GDP will increase from 6.1% to 6.4%. This will also result in a higher public debt-to-GDP ratio from 61.4% to 61.7%," he said.

As of end-June, the deficit-to-GDP ratio stood at 4.8%, while the debt-to-GDP ratio was at 61%.

If the collection of fuel taxes are suspended for an entire year, Mr. Diokno said revenue losses would reach a "whopping" P280.5 billion or 1.1% of GDP for 2024.

He noted this would lead to a higher deficit-to-GDP ratio of 6.2% in 2024, from the projected 5.1%; and debt-to-GDP ratio of 61.3%, from a projected 60.2%.

Fuel tax, S1/10

WHAT'S INSIDE

LAUNCHPAD
Filipinas navigate entrepreneurship in Kathmandu S1/5

A NEWSPAPER IS A PUBLIC TRUST



ARTS & LEISURE
The art of time travel S2/4

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Rice import tariff cuts should not depress farmgate prices — NEDA

THE proposed tariff cut on rice imports should not impact farmgate prices for palay (unmilled rice), National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

"As I said, any proposal to reduce tariffs must not reduce farmgate prices. Farmers must be protected," he told BusinessWorld at the sidelines of the national budget plenary debates at the House of Representatives on Tuesday.

"Any proposal to reduce tariffs, we have to calibrate that particular issue, balancing the interests. Most importantly, protecting farmers (from) reduction in their farmgate prices," he added.

The Department of Finance earlier proposed to temporarily slash the 35% ASEAN (Association of Southeast Asian Nations) and MFN (Most Favored Nation) rice tariff rates to zero percent up to 10%.

Asked if NEDA had proposed a specific percentage for the tariff

cut, Mr. Balisacan said it is "too early to disclose anything."

However, he noted that the tariff cut would not even be considered if oil prices were not elevated.

"If oil prices were not rising sharply, there should be no discussion of tariff reduction," he said in a mix of English and Filipino.

Oil firms hiked pump prices on Monday by P2 per liter of gasoline, P2.50 per liter of diesel, and P2 per liter of kerosene.

Fuel prices have gone up by a total of P11.85 per liter for gasoline, P17.30 per liter for diesel, and P15.94 per liter for kerosene since the second week of July.

"Again, the context is that oil prices are rising, and sharply rising over the last couple of months. We would want to prevent that (from) spilling into the local economy, because we have quite high inflation still, especially for rice," Mr. Balisacan added.

Farmgate prices, S1/10