P25 IN METRO MANILA, PHILIPPINES

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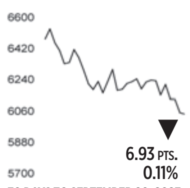
STOCK MARKET



PSEi

OPEN:	6,049.02
HIGH:	6,061.65
LOW:	5,998.31
CLOSE:	6,041.04
VOL.:	0.543 B
VAL(P):	5.260 B

ASIAN MARKETS

SEPTEMBER 20, 2023

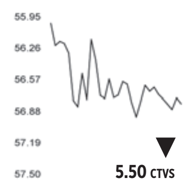
	CLOSE		NET	%
Japan (Nikkei 225)	33,023.78	▼	-218.81	-0.66
Hong Kong (Hang Seng)	17,885.60	▼	-111.57	-0.62
Taiwan (Weighted)	16,534.75	▼	-101.57	-0.61
Thailand (SET Index)	1,507.22	▼	-15.74	-1.03
S.Korea (Kse Composite)	2,559.74	▲	0.53	0.02
Singapore (Straits Times)	3,243.34	▲	2.59	0.08
Sydney (All Ordinaries)	7,163.30	▼	-33.30	-0.46
Malaysia (Klse Composite)	1,451.56	▼	-6.10	-0.42

WORLD MARKETS

SEPTEMBER 19, 2023

	CLOSE		NET
Dow Jones	34,517.730	▼	-106.570
NASDAQ	13,678.186	▼	-32.051
S&P 500	4,443.950	▼	-9.580
FTSE 100	7,660.200	▲	7.260
Euro Stoxx50	3,978.840	▼	-5.250

PESO-DOLLAR RATES



FX

OPEN	P56.700
HIGH	P56.700
LOW	P56.824
CLOSE	P56.810
W.AVE.	P56.780
VOL.	$835.50 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

SEPTEMBER 20, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	148.040	▼	147.700
Hong Kong (HK dollar)	7.823	▼	7.817
Taiwan (NT dollar)	32.022	▼	32.007
Thailand (baht)	36.080	▼	35.970
S. Korea (won)	1,328.290	▼	1,326.620
Singapore (dollar)	1.364	▼	1.363
Indonesia (rupiah)	15,375	—	15,375
Malaysia (ringgit)	4.683	▲	4.694

WORLD CURRENCIES

SEPTEMBER 20, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2368	▼	1.2383
US$/Euro	1.0693	▲	1.0686
US$/Aust dollar	0.6465	▲	0.6453
Canada dollar/US$	1.3443	▼	1.3446
Swiss Franc/US$	0.8973	▲	0.8965

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

VOL. XXXVII • ISSUE 41
THURSDAY • SEPTEMBER 21, 2023 • www.bworldonline.com
S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 20, 2023 (PSEi snapshot on *S1/5*; article on *S2/2*)

		Value			
AP	P30.750	P672,843,780	P0.350	▲	1.151%
SMPH	P28.950	P432,331,635	P0.250	▲	0.871%
CNPF	P30.400	P403,360,075	P1.400	▲	4.828%
BDO	P127.800	P385,077,259	-P2.000	▼	-1.541%
SM	P789.500	P362,928,670	-P11.500	▼	-1.436%
DNL	P6.270	P228,893,191	P0.060	▲	0.966%
BPI	P107.000	P219,360,664	P0.700	▲	0.659%
ALI	P26.800	P198,934,615	P0.000	—	0.000%
TEL	P1,138.000	P186,490,670	P38.000	▲	3.455%
URC	P113.000	P133,635,622	-P1.500	▼	-1.310%

ADB cuts PHL growth outlook to 5.7%

THE ASIAN Development Bank (ADB) cut its gross domestic product (GDP) growth forecast for the Philippines this year, as elevated inflation dampens consumer spending.

In its latest Development Outlook report, the ADB trimmed its GDP growth outlook to 5.7% this year from the 6% projection it gave in April.

If realized, this would be below the government's 6-7% target for this year, and slower than the 7.6% GDP expansion in 2022.

"We have downgraded our (Philippine growth) forecast for this year mainly due to the weakening in domestic demand," ADB Senior Regional Cooperation Officer for Southeast Asia Dulce Zara said in a webinar discussing the report on Wednesday.

She noted last year's economic performance reflected the reopening of the economy, strong pent-up demand and election-related spending.

"Spending, investments were also high (last year). This year, they have gone down. Another factor is the decline in exports. That's the reason for the downgrade," she said.

The Philippine economy expanded by 4.3% in April to June, the slowest growth in over two years, amid weak household consumption and a contraction in government spending.

The ADB's 2023 growth forecast for the Philippines is still the second fastest among Southeast Asian economies, after Vietnam (5.8%) and ahead of Cambodia (5.3%), Indonesia (5%) and Malaysia (4.5%).

This is also higher than the 4.6% GDP growth projection for Southeast Asia, which was slightly lower than the previous forecast of 4.7%.

"The Philippines' growth story remains strong despite an expected moderation in 2023. Public investment and private spending fueled by low unemployment rate, sustained increase in remittances from Filipinos overseas, and buoyant services including tourism will support growth," ADB Philippines Country Director Pavit Ramachandran said in a statement.

For 2024, the ADB expects the Philippines to now be the fastest-growing economy in Southeast Asia with a 6.2% GDP growth projection. This after the ADB downgraded its growth forecast for Vietnam to 6% from 6.8% previously.

"Private consumption and investment will continue to underpin growth. A moderation in inflationary pressures next year bodes well for domestic demand," the multilateral lender said.

Public expenditure and infrastructure spending are expected to pick up in 2024.

"Moving forward, prospects remain positive for the Philippines. We are looking at investments from the government given its pipeline of infrastructure projects and as well as continued consumer spending, which is the main driver of growth for the Philippines," Ms. Zara said.

The ADB cited several risks to the Philippine growth outlook such as the expected slowdown in major economies, rising geopolitical tensions, and elevated global commodity prices.

"An intense and prolonged El Niño, other severe weather disturbances, and a continuation of the Russian invasion of Ukraine could elevate inflationary pressures," it added.

ELEVATED INFLATION

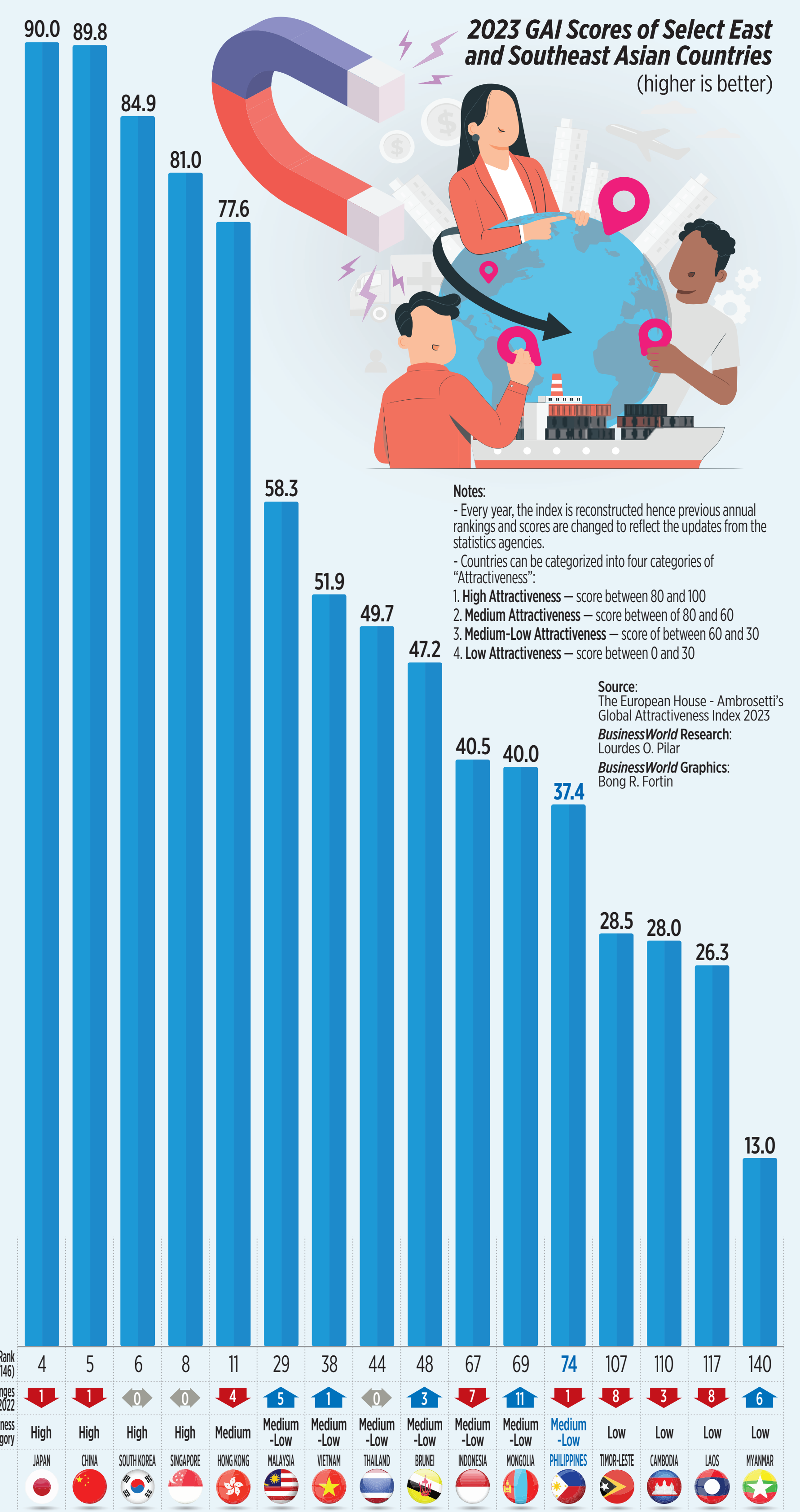
At the same time, ADB maintained its inflation outlook at 6.2% this year and 4% next year, which are both at the higher end of the Bangko Sentral ng Pilipinas' (BSP) 2-4% annual target range.

Both forecasts are above the BSP's average inflation projections of 5.6% for this year, and 3.3% for 2024.

ADB, S1/9

PHILIPPINES SLIPS IN GLOBAL ATTRACTIVENESS INDEX

The Philippines slid a notch to 74th out of 146 countries in the Global Attractiveness Index (GAI) 2023, produced by The European House - Ambrosetti. The index measures the attractiveness of countries using four indicators: dynamicity, sustainability, growth expectations, and conflict exposure. The country got an overall GAI score of 37.4 with an attractiveness category of "medium-low."



Notes:
- Every year, the index is reconstructed hence previous annual rankings and scores are changed to reflect the updates from the statistics agencies.
- Countries can be categorized into four categories of "Attractiveness":
1. **High Attractiveness** — score between 80 and 100
2. **Medium Attractiveness** — score between of 80 and 60
3. **Medium-Low Attractiveness** — score of between 60 and 30
4. **Low Attractiveness** — score between 0 and 30

Source:
The European House - Ambrosetti's Global Attractiveness Index 2023
BusinessWorld Research:
Lourdes O. Pilar
BusinessWorld Graphics:
Bong R. Fortin

Top 10

GAI Rank 2023 (/146)	Countries	GAI Rank Changes from 2022	GAI Score 2023
1	Germany	0	*100.0*
2	USA	0	*94.7*
3	UK	▲ 2	*92.7*
4	Japan	▼ 1	*90.0*
5	China	▼ 1	*89.8*
6	South Korea	0	*84.9*
7	Australia	▲ 3	*83.1*
8	Singapore	0	*81.0*
9	France	▲ 2	*78.9*
10	UAE	▼ 1	*78.5*

Bottom 10

GAI Rank 2023 (/146)	Countries	GAI Rank Changes from 2022	GAI Score 2023
146	Yemen	▼ 1	*1.0*
145	Haiti	▼ 1	*4.5*
144	Sierra Leone	▼ 1	*6.7*
143	Mozambique	▼ 2	*9.9*
142	Lesotho	0	*10.0*
141	Puerto Rico	▼ 2	*12.7*
140	Myanmar	▲ 6	*13.0*
139	Tanzania	▼ 4	*13.6*
138	Madagascar	0	*14.8*
137	Rwanda	▼ 14	*15.9*

BoP deficit narrows in Aug.

THE PHILIPPINES' balance of payments (BoP) position remained in a deficit for a fifth straight month in August, albeit sharply narrower from a year ago, mainly due to the National Government's foreign debt payments, the central bank said late on Monday.

Based on data released by the Bangko Sentral ng Pilipinas (BSP), the country's BoP deficit stood at $57 million in August, 90% lower than the $572-million gap recorded in the same month a year ago.

Month on month, it rose by 7.5% from the $53-million deficit in July.

The August BoP gap was the highest deficit in two months or since the $606-million shortfall seen in June.

The BoP measures the country's transactions with the rest of the world at a given time. A deficit means more funds fled the economy than what went in, while a surplus shows that more money entered the Philippines.

"The BoP deficit in August 2023 reflected net outflows arising mainly from the National Government's (NG) payments of its foreign currency debt obligations," the BSP said in a statement.

For the first eight months of the year, the BoP position swung to a $2.15-billion surplus from the $5.49-billion deficit a year ago.

"Based on preliminary data, this development reflected mainly the improvement in the balance of trade and the sustained net inflows from personal remittances, trade in services, and foreign borrowings by the NG," the BSP said.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said the overall BoP was better than last year mainly due to the improvement in the trade balance.

"Last year we saw the trade deficit balloon to all-time lows, but we have seen a bit of an improvement this year," Mr. Mapa said in an e-mail.

The Philippines' merchandise trade deficit shrank to a $4.2-billion deficit in July amid falling imports and exports. This brought the first-half trade balance to a $32.18-billion gap, lower than the $35.84-billion shortfall in the comparable year-ago period.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort in a note said the year-to-date BoP surplus was due to the proceeds of the NG's foreign currency-denominated borrowings from commercial and multilateral sources this year.

These include global bond issuances and official development assistance (ODA), as well as the continued structural dollar inflows into the country via remittances, business process outsourcing revenues, and tourism receipts.

BoP, S1/9

Tech industry eyes more products under WTO's zero-tariff framework

By Norman P. Aquino
Special Reports Editor

GENEVA — The technology industries of dozens of countries including the Philippines are lobbying to bring more than 400 technology products under the World Trade Organization's (WTO) tariff-eliminating framework, which is expected to add almost $766 billion to the global economy over 10 years.

The global semiconductor and supply chain would be helped by an Information Technology Agreement 3 (ITA-3), which will also play a critical role in driving global sustainability across industries, Philippine Representative to the WTO Manuel Antonio J. Teehankee told a public forum at the WTO headquarters last week.

"We know the benefits," he told the forum attended by policy makers and representatives from various semiconductor companies worldwide, citing $49 billion worth of Philippine electronic exports in 2022, representing 36% growth over five years and accounting for almost 50% of the country's exports.

The Philippine electronics sector, including semiconductors, generated three million direct and indirect jobs that year, Mr. Teehankee said. "I have instructions from the capital, and I am convinced [about ITA-3]."

ICT merchandise exports account for 39% of Vietnam's, 32% of Malaysia's, 29.2% of South Korea's, 25.5% of China's and 16.1% of Thailand's total exports.

In contrast, ICT goods exports account for a much lower and incredibly meager share of goods exports for non-ITA countries, including for just 2.5% of Cambodia's goods exports, 0.7% of South Africa's and less than half a percent each for Brazil, Chile, Pakistan and Argentina.

Twenty-nine countries signed the ITA at the Singapore Ministerial Conference in December 1996. The participants committed to completely eliminate tariffs on eight broad categories of IT products such as semiconductors, computers and telecommunication equipment.

At the Nairobi Ministerial Conference in December 2015, more than 50 member nations concluded the expansion of the agreement, which now covers 201 more products valued at more than $1.3 trillion a year. Members have since grown to 82, representing about 97% of world trade in IT products, according to the WTO website.

Expanding the ITA for the second time could bring products such as 3D printers, industrial robots, commercial-use drones, patient-monitoring systems and other medical devices, lithium-ion batteries, solar cells and high-definition TVs into the agreement.

WTO, S1/11

Lawmaker calls for relaxation of biofuel requirement to ease oil prices

THE GOVERNMENT should provide P5.19 billion in fuel subsidies to the transport, farm and fisheries sectors in the next three months to avert runaway inflation that could hit 6.2% this year amid spiraling global crude prices, the chairman of the House of Representatives Ways and Means Committee said.

In a memo to House Speaker Ferdinand Martin G. Romualdez, Albay Rep. Jose Ma. Clemente S. Salceda also proposed the reduction of the biofuel requirement for gasoline to 5% to reduce prices by as much as P1.03 a liter.

To address the spike in pump prices, he said the government should implement fuel discounts for the transport, farm and fisheries sectors to prevent second-round effects.

"An increase in fuel prices, however, would have second-round effects on inflation. Historically, a P10 increase in fuel prices results in a one-percentage-point increase in overall consumer price index (CPI)," he added.

Inflation quickened for the first time in seven months to 5.3% in August, due to rising fuel and food costs.

If fuel and rice prices continue to increase, Mr. Salceda noted inflation could average 6.2% this year. This would be higher than the Bangko Sentral ng Pilipinas' 5.6% full-year projection.

Mr. Salceda estimated that P907 million would be needed to provide fuel discounts for 180,000 jeepneys or P5,040 per driver until the end of the year. He also proposed giving a subsidy of P2,800 per hectare for farmers, which would require a P3.36-billion budget; and a subsidy of P420 for a fisherman, which would need a P924-million budget.

Biofuel, S1/9