

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
<b>PSEi</b> OPEN: 6,053.96 HIGH: 6,094.71 LOW: 6,043.13 CLOSE: 6,094.71 53.67 pts. 0.88% VOL: 0.622 B VAL(P): 5,978 B	<b>SEPTEMBER 21, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (Nikkei 225)</td><td>32,571.03</td><td>-452.75 -1.37</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>17,655.41</td><td>-230.19 -1.29</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,316.67</td><td>-218.08 -1.32</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,514.96</td><td>7.06 0.47</td></tr> <tr><td>S. KOREA (KSE COMPOSITE)</td><td>2,514.97</td><td>-44.77 -1.75</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,203.52</td><td>-38.48 -1.19</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,065.20</td><td>-98.10 -1.37</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,448.21</td><td>-3.35 -0.23</td></tr> </table>	CLOSE	NET	%	JAPAN (Nikkei 225)	32,571.03	-452.75 -1.37	HONG KONG (HANG SENG)	17,655.41	-230.19 -1.29	TAIWAN (WEIGHTED)	16,316.67	-218.08 -1.32	THAILAND (SET INDEX)	1,514.96	7.06 0.47	S. KOREA (KSE COMPOSITE)	2,514.97	-44.77 -1.75	SINGAPORE (STRAITS TIMES)	3,203.52	-38.48 -1.19	SYDNEY (ALL ORDINARIES)	7,065.20	-98.10 -1.37	MALAYSIA (KLSE COMPOSITE)	1,448.21	-3.35 -0.23	<b>SEPTEMBER 20, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>34,440.880 -76.850</td></tr> <tr><td>NASDAQ</td><td>13,469.128 -209.058</td></tr> <tr><td>S&amp;P 500</td><td>4,402.200 -41.750</td></tr> <tr><td>FTSE 100</td><td>7,731.650 71.450</td></tr> <tr><td>Euro Stoxx50</td><td>4,007.100 28.260</td></tr> </table>	CLOSE	NET	Dow Jones	34,440.880 -76.850	NASDAQ	13,469.128 -209.058	S&P 500	4,402.200 -41.750	FTSE 100	7,731.650 71.450	Euro Stoxx50	4,007.100 28.260	<b>FX</b> OPEN P56.900 HIGH P56.820 LOW P56.950 CLOSE P56.855 W.AVE. P56.908 VOL. \$815.28 M 4.50 ctyvs SOURCE: BAP	<b>SEPTEMBER 21, 2023</b> <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>148.180 148.040</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.820 7.825</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>32.120 32.022</td></tr> <tr><td>THAILAND (BAHT)</td><td>36.140 36.080</td></tr> <tr><td>S. KOREA (WON)</td><td>1,340.100 1,328.290</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.368 1.364</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,370 15,375</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.687 4.685</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	148.180 148.040	HONG KONG (HK DOLLAR)	7.820 7.825	TAIWAN (NT DOLLAR)	32.120 32.022	THAILAND (BAHT)	36.140 36.080	S. KOREA (WON)	1,340.100 1,328.290	SINGAPORE (DOLLAR)	1.368 1.364	INDONESIA (RUPIAH)	15,370 15,375	MALAYSIA (RINGGIT)	4.687 4.685	<b>SEPTEMBER 21, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2303 1.2368</td></tr> <tr><td>US\$/EURO</td><td>1.0659 1.0693</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6406 0.6465</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3492 1.3443</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9068 0.8973</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2303 1.2368	US\$/EURO	1.0659 1.0693	US\$/AUSTRALIAN DOLLAR	0.6406 0.6465	CANADA DOLLAR/US\$	1.3492 1.3443	SWISS FRANC/US\$	0.9068 0.8973	<b>SEPTEMBER 21, 2023</b> FUTURE PRICE ON NEAREST MONTH OF DELIVERY \$95.55/BBL \$0.00 30 DAYS TO SEPTEMBER 20, 2023
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S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 21, 2023 (PSEi snapshot on S1/4; article on S2/2)

AP	P30.000	CNPF	P31.000	BLOOM	P11.000	BDO	P131.000	SMPH	P29.950	SM	P793.500	BPI	P107.000	ALI	P27.500	ICT	P202.800	MBT	P53.500
Value	P1,416,703,545	Value	P875,498,540	Value	P498,488,390	Value	P466,919,283	Value	P243,053,445	Value	P212,089,335	Value	P173,757,996	Value	P139,282,825	Value	P110,298,858	Value	P108,159,743
	-P0.750 ▼ -2.439%		P0.600 ▲ 1.974%		-P0.120 ▼ -1.079%		P3.200 ▲ 2.504%		P1.000 ▲ 3.454%		P4.000 ▲ 0.507%		P0.000 — 0.000%		P0.700 ▲ 2.612%		-P1.200 ▼ -0.588%		P0.950 ▼ 1.808%

# BSP extends pause on rate hikes

By Keisha B. Taasan  
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) maintained key interest rates for a fourth straight meeting on Thursday but signaled it might resume tightening at its next meeting in November if inflation pressures persist.

The Monetary Board kept its target reverse repurchase (RRP) rate at 6.25%, as expected by 14 of 17 analysts at a *BusinessWorld* poll last week.

Interest rates on the overnight deposit and lending facilities were also left unchanged at 5.75% and 6.75%, respectively.

"The Monetary Board deemed it appropriate to maintain its pause amid the emerging upside

risks to the inflation outlook," BSP Governor Eli M. Remolona, Jr. said in a press briefing.

"Looking ahead, the BSP stands ready to resume its tightening actions in the face of upside risks and potential second-round effects that could dislodge inflation expectations."

Mr. Remolona said the Monetary Board might hike

borrowing costs at its policy review on Nov. 16 should inflationary pressures persist.

"A rate hike is on the table in November. How big it will be will depend on the data, (or) how bad the data are with respect to inflation," he said.

The BSP has raised borrowing costs by 425 basis points (bps) from May 2022 to March 2023 to tame inflation.

## NEW FORECASTS

Meanwhile, the BSP raised its average inflation forecast for 2023 to 5.8% (from 5.6%) and to 3.5% (from 3.3%) for 2024. It kept its 2025 forecast unchanged at 3.4%.

Mr. Remolona said the hike in the inflation projections this year and 2024 reflect "spillovers from weather disturbances, rising global crude oil prices and the recent depreciation of the peso."

BSP Senior Assistant Governor Iluminada T. Sicat said the adjustments were due to the faster-than-expected August inflation, and a higher "nowcast" print for September.

Headline inflation unexpectedly rose for the first time in seven months to 5.3% in August from 4.7% in July. Inflation averaged 6.6% in the eight-month period.

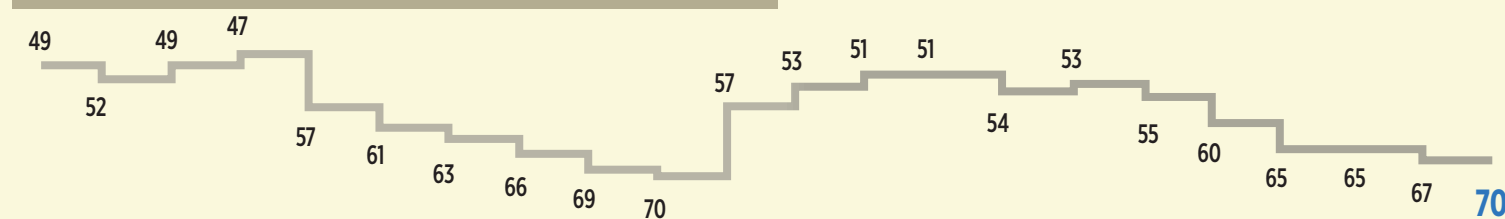
BSP, S1/5

## PHILIPPINES' ECONOMIC FREEDOM RANK SINKS TO RECORD LOW

The Philippines' ranking dropped three notches to 70<sup>th</sup> out of 165 countries in the Economic Freedom of the World 2023 by Canada-based think tank Fraser Institute. It matched the same placement in 2009 and the lowest on record since the available yearly data dating back to 2000.\* The latest edition of the report, which used 2021 data, showed the Philippines' overall score went down a bit to 7.01 out of 10 from 7.02 in 2020. The annual index assesses the degree of economic freedom based on five areas: size of government, legal system and property rights, soundness of money, freedom to trade internationally, and regulation.

>>> Read related story "PHL global economic freedom rating slips" on S1/2

### Philippines' Economic Freedom of the World Annual Rankings (Out of 165)



### Philippines' Profile (2021)

2021 Rank (/165)	Area	Rank Changes from 2020	2021 Overall Score (/10)
23	Size of Government	2	7.91
108	Legal System and Property Rights	1	4.49
20	Sound Money	2	9.51
97	Freedom to Trade Internationally	0	6.53
79	Regulation	8	6.62

Notes: \*The index's data are available annually from 2000 to 2021 and in a five-year interval from 1970 to 1995. Including the five-year intervals, the Philippines' 2021 ranking was the lowest since it ranked at 87<sup>th</sup> place in 1985.

### 2021 Economic Freedom Index Ranks and Scores of East Asia & Pacific Countries

2021 Rank (/165)	Countries	Rank Changes from 2020	2021 Overall Score (/10)
1	Singapore	1	8.56
2	Hong Kong SAR, China	1	8.55
4	New Zealand	1	8.43
8	Australia	1	8.05
11	Taiwan	2	7.97
20	Japan	6	7.79
42	South Korea	1	7.47
56	Malaysia	3	7.19
59	Brunei Darussalam	5	7.12
64	Thailand	8	7.07
67	Mongolia	9	7.04
70	Philippines	3	7.01
74	Indonesia	1	6.93
78	Cambodia	3	6.82
101	Fiji	14	6.32
106	Vietnam	4	6.26
107	Laos	1	6.24
111	China	0	6.18
118	Papua New Guinea	0	6.05
130	Timor-Leste	7	5.82
150	Myanmar	10	5.33

Source: Fraser Institute's Economic Freedom of the World 2023 Annual Report  
BusinessWorld Research: Andrea C. Abastano  
BusinessWorld Graphics: Greencio I. Cruz

## House version of MUP reform may still pose fiscal risks

By Luisa Maria Jacinta C. Jocson  
Reporter

THE LATEST VERSION of the military and uniformed personnel (MUP) reform bill, which does not include mandatory contributions from all active personnel, may still pose fiscal risks, analysts said.

The House of Representatives on Tuesday approved on second reading House Bill No. 8969 or the proposed Military and Uniformed Personnel Pension System Act but removed the provisions on personnel

contributions and indexation. The bill may be approved on third reading by next week.

University of the Philippines economics professor Cielo D. Magno said the version approved by the House would ensure there is a sustainable fund to support the MUP pensions.

"In 20 years, the retirement of MUP will be fully funded by the fund and not by the General Appropriations Act (GAA) anymore. However, it would have been helpful in managing our fiscal constraints if active personnel will contribute and the indexation is removed," she said in a text message.

During Tuesday's plenary, lawmakers approved several amendments to the bill such

as requiring only new entrants to contribute to the pension fund.

New entrants must contribute 9% of their base pay to their pension fund, while the government will shoulder 12%.

Lawmakers also agreed to restore the full indexation of pensions to the salary increase of active personnel, after objections from Defense Secretary Gilbert C. Teodoro.

This was a departure from the Department of Finance's (DoF) original proposal to require contributions from active personnel and new entrants, and to cap the indexation of the MUP pension at 50%.

MUP, S1/5

## NEDA Board prepares EO to expedite flagship projects

THE NATIONAL Economic and Development Authority (NEDA) Board has given the go signal for an executive order (EO) that will expedite the processing of requirements for flagship infrastructure projects, Secretary Arsenio M. Balisacan said.

At a Palace briefing on Thursday, Mr. Balisacan said the order would "enable the expeditious processing of licenses, clearances, permits, certifications and authorizations for the IFP (infrastructure flagship projects)."

"The primary goal of this proposed EO is to minimize if not eliminate delays in the implementation of IFPs," he said.

Mr. Balisacan said the Office of the Executive Secretary would still have to check the draft EO for "technicalities," but he expects it to be issued "very soon."

Under the order, all government agencies and concerned offices would be required to streamline the procedures and requirements for the flagship projects.

"The simplified requirements will be applicable to both pending and new applications within the NEDA Board approved list of IFPs, as well as any additions to the updated IFP list," he added.

There are 197 approved flagship projects worth P8.71 trillion. By the end of this year, 12 of these are expected to be completed.

The order would also promote the automation of databases for more efficient data-sharing among agencies, as well as facilitate electronic application submissions.

Meanwhile, Mr. Balisacan said the NEDA Board approved the inclusion of the Department of Environment and Natural Resources (DENR) and Department of Information and Communications Technology (DICT) to the NEDA Board Committee on Infrastructure as integral members.

The NEDA Board also confirmed the updated framework for the proposed National Government-Local Government Unit cost-sharing schemes for infrastructure projects. — Luisa Maria Jacinta C. Jocson

## Philippines slumps to near bottom of IMD's global talent ranking

By Justine Irish D. Tabile  
Reporter

THE PHILIPPINES dropped six spots in an annual global ranking of countries' ability to attract and retain a skilled workforce, a report by the Institute for Management Development (IMD) World Competitiveness Center showed.

In the IMD's World Talent Ranking (WTR) 2023, the Philippines ranked 60<sup>th</sup> out of 64 countries, falling six places from 54<sup>th</sup> out of 63 economies last year.

The country's talent competitiveness continued to lag other Asia-Pacific countries. It ranked 13<sup>th</sup> out of 14 Asia-Pacific countries, better only than Mongolia.

Singapore (8<sup>th</sup> overall) was the highest-ranking Asia-Pacific country, followed by Hong Kong (16<sup>th</sup>), Australia (18<sup>th</sup>), Taiwan (20<sup>th</sup>) and New Zealand (31<sup>st</sup>).

European countries dominated the talent index this year, with Switzerland, Luxembourg, Iceland, Belgium and the Netherlands in the top five.

The WTR rankings are based on three factors: "appeal" or the extent to which an economy attracts foreign and retains local talent, "investment and development" which refers to the measurement of resources allotted to develop a homegrown workforce, and "readiness" or the quality of the skills in a country's talent pool.

José Caballero, a senior economist at IMD World Competitiveness Center, said in an e-mail interview that the drop in the Philippines' talent ranking was due to the decline in the appeal and readiness factors.

"In terms of readiness, results indicate that the effectiveness of the talent pool to provide needed competencies has declined. For example, the Philippines' performance in the indicators that capture the availability of senior managers with significant international experience and the availability of competent senior managers declined," he said.

The Philippines' readiness ranking slumped to 51<sup>st</sup> in the latest WTR, from 35<sup>th</sup> in 2022.

Talent, S1/5