

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEI</b> OPEN: 6,633.59 HIGH: 6,703.00 LOW: 6,617.58 CLOSE: 6,682.78 VOL.: 0.513 B VAL(P): 5.797 B 64.09 PFS. 0.96% 30 DAYS TO MAY 20, 2024	<b>MAY 20, 2024</b> JAPAN (NIKKEI 225) 39,069.68 ▲ 282.30 0.73 HONG KONG (HANG SENG) 19,636.22 ▲ 82.61 0.42 TAIWAN (WEIGHTED) 21,271.63 ▲ 13.16 0.06 THAILAND (SET INDEX) 1,378.73 ▼ -3.95 -0.29 S. KOREA (KSE COMPOSITE) 2,742.14 ▲ 17.52 0.64 SINGAPORE (STRAITS TIMES) 3,310.07 ▼ -3.41 -0.10 SYDNEY (ALL ORDINARIES) 7,863.70 ▲ 49.30 0.63 MALAYSIA (KLCSE COMPOSITE) 1,627.50 ▲ 10.88 0.67	<b>MAY 17, 2024</b> DOW JONES 40,003.590 ▲ 134.210 NASDAQ 16,685.966 ▼ -12.355 S&P 500 5,303.270 ▲ 6.170 FTSE 100 8,420.260 ▼ -18.390 EURO STOXX50 4,521.920 ▲ 0.500	<b>FX</b> OPEN P57.680 HIGH P57.680 LOW P57.900 CLOSE P57.900 W.AVE. P57.763 VOL. \$1,206.50 M SOURCE : BAP 28.00 CTVS 30 DAYS TO MAY 20, 2024	<b>MAY 20, 2024 LATEST BID (0900GMT)</b> JAPAN (YEN) 155.650 — 155.650 HONG KONG (HK DOLLAR) 7.798 ▲ 7.802 TAIWAN (NT DOLLAR) 32.238 ▲ 32.146 THAILAND (BAHT) 35.980 ▲ 36.060 S. KOREA (WON) 1,358.400 ▲ 1,351.760 SINGAPORE (DOLLAR) 1.345 ▲ 1.345 INDONESIA (RUPIAH) 15,970 ▲ 15,950 MALAYSIA (RINGGIT) 4.683 ▲ 4.685	<b>MAY 20, 2024</b> US\$/UK POUND 1.2700 ▲ 1.2699 US\$/EURO 1.0868 ▲ 1.0870 US\$/AUSTRALIAN DOLLAR 0.6691 ▲ 0.6692 CANADA DOLLAR/US\$ 1.3612 ▲ 1.3609 SWISS FRANC/US\$ 0.9085 ▼ 0.9089	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$84.65/BBL</b> 30 DAYS TO MAY 17, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 20, 2024 (PSEI snapshot on SI/5; article on SI/2)

ALI	P29.700	BDO	P140.000	ICT	P339.400	GLO	P2,020.000	SM	P875.000	SMPH	P29.200	TEL	P1,463.000	AEV	P37.350	CNVRG	P10.000	AC	P621.500
Value	P656,837,965	Value	P540,772,097	Value	P379,671,440	Value	P346,768,195	Value	P319,138,550	Value	P297,496,655	Value	P234,016,515	Value	P161,339,845	Value	P123,919,879	Value	P115,643,820
P0.300	▲ 1.020%	P1.300	▲ 0.937%	P5.400	▲ 1.617%	P20.000	▲ 1.000%	P0.000	— 0.000%	P0.000	— 0.000%	P7.000	▲ 0.481%	P0.000	— 0.000%	P0.260	▲ 2.669%	P1.500	▲ 0.242%

## Senate OKs VAT on digital services

THE PHILIPPINE Senate on Monday approved on third and final reading a bill that seeks to impose a 12% value-added tax (VAT) on digital services provided by companies with no physical presence in the Philippines. All 23 senators voted in favor of Senate Bill No. 2528, which requires nonresident digital service providers to collect and remit VAT on all digital transactions of customers in the Philippines.

Under the measure, nonresident digital service providers and electronic marketplaces must register with the Bureau of Internal Revenue (BIR) for the remittance of VAT on their services.

Digital services refer to those provided over the internet or other electronic networks using information technology. These include online search engines, online marketplaces, cloud services, online media and advertising, online platforms and digital goods.

If signed into law, the measure may cover e-commerce firms such as Amazon, Shein, Rakuten, Taobao, AliExpress and Temu, which do not have physical presence in the Philippines. The BIR commissioner can order the blocking or suspension of the services of digital providers if they fail to withhold and remit the 12% VAT.

The bill exempts online courses, seminars and training programs offered by private educational institutions accredited by the Department of Education and Commission on Higher Education from remitting the tax.

The services of banks and non-bank financial intermediaries including those delivering services through digital platforms are also exempt from remitting the VAT, according to a copy of the bill sponsored by Senator Sherwin T. Gatchalian.

Digital services, SI/9

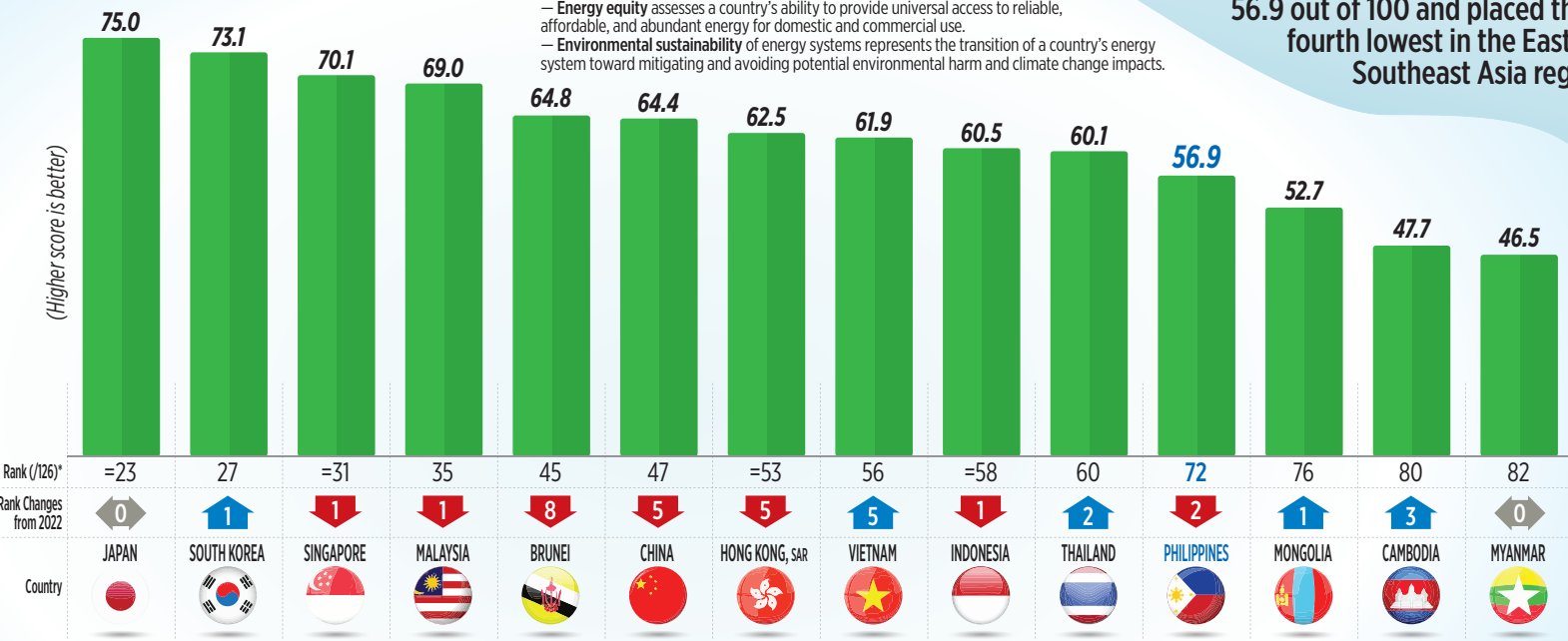
## HOW WELL DOES THE PHILIPPINES BALANCE ENERGY NEEDS WITH ENVIRONMENTAL SUSTAINABILITY?

The Philippines fell by two notches to 72<sup>nd</sup> spot out of 126 countries\* in the 2023 World Energy Trilemma Index by the World Energy Council. The report takes a look on the countries' energy systems in terms of their performance in balancing the "trilemma" of ensuring energy security, providing access to affordable energy, and achieving environmental sustainability. The country scored 56.9 out of 100 and placed the fourth lowest in the East and Southeast Asia region.

Philippines	Score (/100)
Energy Security	59.3
Energy Equity	49.4
Environmental Sustainability	64.4

**NOTES:**  
 \*With ties  
 — Trilemma score represents national results, which are a weighted average of indicators within each dimension. Top scores are 100, while bottom scores are 0. If countries' overall scores differ by less than 0.1, they share the rank position.  
 — Energy security measures a nation's capacity to meet current and future energy demand reliably, withstand and bounce back swiftly from system shocks with minimal disruption to supplies.  
 — Energy equity assesses a country's ability to provide universal access to reliable, affordable, and abundant energy for domestic and commercial use.  
 — Environmental sustainability of energy systems represents the transition of a country's energy system toward mitigating and avoiding potential environmental harm and climate change impacts.

### 2023 World Energy Trilemma Index Scores of Select East and Southeast Asian Countries



### Top 5

Rank (/126)*	Country	Rank Changes from 2022	Index score (/100)
=1	Denmark	▲ 2	83.2
=1	Sweden	● 0	83.1
2	Finland	▲ 2	82.7
3	Switzerland	▼ 1	82.1
4	Canada	▲ 3	81.0
5	Austria	▲ 1	80.9

### Bottom 5

Rank (/126)*	Country	Rank Changes from 2022	Index score (/100)
99	Niger	● 0	27.7
98	Dem. Rep. of the Congo	▼ 1	33.5
97	Benin	▲ 1	35.4
96	Chad	▼ 1	35.6
95	Malawi	▲ 1	36.6

Source: World Energy Council's World Energy Trilemma 2024 (https://trilemma.worldenergy.org/)  
 BusinessWorld Research: Lourdes O. Pilar  
 BusinessWorld Graphics: Bong R. Fortin

## DBCC set to review revenue targets

THE GOVERNMENT is keeping its revenue targets for now, although a review by the Development Budget Coordination Committee (DBCC) is scheduled next month.

"We're keeping the targets. [We] will make a review [by the] end of June," Finance Secretary Ralph G. Recto told reporters in a Viber message on Monday.

This comes as the Department of Finance (DoF) reiterated that it would not push new tax measures to avoid fanning inflation.

Finance Undersecretary and Chief Economist Domini S. Velasquez over the weekend said the DoF would rely on nontax revenue to meet collection targets.

"Nontax revenue is actually a short-term solution... We were expecting that this year. I think the intent is not to impose new taxes," she said during a forum organized by the Economic Journalists Association of the Philippines and San Miguel Corp. at the weekend.

The DoF has been looking for ways to generate much-needed revenue as Mr. Recto earlier said he does not plan to introduce any new taxes this year.

Ms. Velasquez said the DoF is not planning to push "inflation-inducing" taxes.

"We do recognize that (the targets are) challenging. That's why we have in place the nontax revenues," she added.

Nontax revenues refer to collections from government services, including regular fees and service charges, the privatization of state assets and dividends from government-owned and -controlled corporations (GOCC).

Latest data from the DoF showed that nontax revenues stood at P206.4 billion as of April.

The agency has been proposing initiatives to boost nontax revenues. Last week, Mr. Recto suggested selling the government's stake in the Subic-Clark-Tarlac Expressway (SCTEX) to state pension funds.

DBCC, SI/10



### Maya Bank, WeFund forge deal

PHILIPPINE digital banking leader Maya Bank and WeFund Lending Corp., through Lightning Financing Co., established a P2.75-billion loan channeling deal that will expand access to financial services for underserved communities. In the photo: (from left) WeFund and JuanHand Chief Operating Officer Joseph Ruan, WeFund and JuanHand President and Chief Executive Officer Francisco "Coco" Mauricio, Maya Group President and Maya Bank co-founder Shailesh Baidwan, and Maya Bank President Angelo Madrid. (Read related article on SI/5)

## Oil firms told to hike biodiesel blend by October

By Sheldeen Joy Talavera  
 Reporter

THE DEPARTMENT of Energy (DoE) directed oil companies to increase the coco biodiesel blend starting October, in a bid to help reduce pump prices and support the local industry.

In a circular, the DoE said all diesel fuel sold in the country should contain a biodiesel blend of 3% starting Oct. 1, from 2% now.

Oil firms should increase the coco biodiesel blend to 4% by Oct. 1, 2025, and to 5% by Oct. 1, 2026.

The Biofuels Act of 2006 mandates that all liquid fuels for motors and engines contain locally sourced biofuel components.

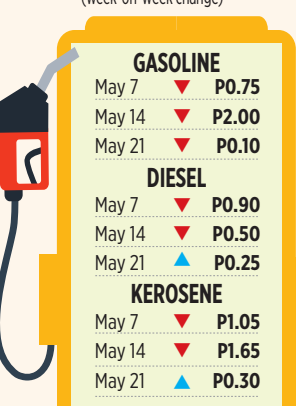
Since February 2009, oil companies have been required to implement a 2% biodiesel blend by volume in all diesel fuel sold and distributed in the country.

"Following the drastic increase in the cost of fuel over the past years as a consequence of the Ukraine-Russia conflict, production cuts by the Organization of the Petroleum Exporting Countries (OPEC) Plus and global inflation, the National Biofuels Board (NBB) has determined that an increase in the bioethanol blend will reduce pump price of diesel and gasoline fuel and help alleviate the burden of rising prices on consumers," according to the circular.

The increase in the coco methyl ester (CME) blend from 2% to 5% was supposed to have been implemented in 2020 but was delayed due to the coronavirus pandemic. At that time, there was a lack of assurance on the sufficiency of biodiesel supply, as well as logistical limitations.

Oil, SI/9

### FUEL PRICE TRACKER



\* May 12, 12:01 a.m. — Caltex Philippines  
 \* May 21, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seacol Philippines, Inc.  
 \* May 12, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)

## Muted remittance growth seen to further dampen consumption

MUTED REMITTANCE growth in the coming months will continue to dampen household spending in the Philippines, Pantheon Macroeconomics said.

"The support remittances are providing to private consumption in the Philippines remains subpar," it said in its weekly Emerging Asia economic monitor.

Pantheon Macroeconomics noted that the growth of remittance inflows in peso terms slowed to 4.6% year on year in March from 5.3% in February.

However, average growth rose to 4.9% in the first quarter from 0.9% in the fourth quarter.

"But this was down solely due to currency effects rather than an actual improvement in US dollar transfers, a year-over-year lift that is more likely to wane than grow in the second half," Pantheon Macroeconomics said.

It noted that remittance growth in peso terms is "now below the historical average for a 10<sup>th</sup> consecutive month."

"This underperformance is likely only to worsen, looking at the lackluster momentum since the start of the year," it added.

Data from the Bangko Sentral ng Pilipinas (BSP) showed cash remittances rose by 2.5%

to \$2.74 billion in March from \$2.67 billion a year ago. It was the slowest growth since 2.1% in June 2023.

In the first quarter, cash remittances grew by 2.7% to \$8.22 billion from \$8 billion a year earlier.

The BSP expects cash remittances to grow by 3% this year. Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said it is still possible to meet the central bank's remittance target this year.

"The higher US dollar-peso exchange rate by more than 4% since the start of 2024 and more than 13% over the past two years or since the Russia-Ukraine

conflict started in February 2022 could help reduce the need to send more remittances, with more peso equivalent, that are also needed to cope with higher prices locally from the point of view of overseas Filipino worker (OFW) families," he said.

Cash remittances that fuel household spending, account for about three-fourths of the economy.

Private consumption grew by 4.6% in the first quarter, slower than 5.3% in the previous quarter and 6.4% a year ago. This was the slowest since the 4.8% drop in the first quarter of 2021. — L.M.J.C. Jocsion