

STOCK MARKET

6700 PSEi

0PEN: 5,930.74

HIGH: 6,094.00
LOW: 5,930.74

CLOSE: 6,089.06
206.02 pts.
3,50% VOL: 0,700 B

30 DAYS TO FEBRUARY 4, 2025 VAL(P): 7.351 B

**FEBRUARY 4, 2025** CLOSE 38,798.37 NET % 278.28 0.72 Japan (Nikkei 225) Hong Kong (Hang Seng) 20,789.96 572.70 2.83 22,793.96 99.25 0.44 THAILAND (SET INDEX) 1,304.17 -0.22 -0.02 27.74 S.KOREA (KSE COMPOSITE) 2,481.69 -4.99 -0.13 -5.40 -0.06 SINGAPORE (STRAITS TIMES) 3,821.48 SYDNEY (ALL ORDINARIES) 8.374.00 MALAYSIA (KLSE COMPOSITE) 1,564.56 10.93 0.70

WORLD MARKETS

FEBRUARY 3, 2025
CLOSE
Dow Jones 44,421.910 ▼ -122.750

NASDAQ 19,391.955 ▼ -235.486
S&P 500 5,994.570 ▼ -45.960

FTSE 100 8,583.560 ▼ -90.400

EURO STOXX50 4,572.430 ▼ -35.310

57.80 FX

58.10 OPEN P58.450
HIGH P58.280
LOW P58.555
CLOSE P58.340
W.AVE. P58.407

59.30 32.00 ctvs VOL. \$2,129.00 M

30 DAYS TO FEBRUARY 4, 2025 SOURCE : BAP

FEBRUARY 4, 2025 LATEST BID (0900GMT) **PREVIOUS** Japan (yen) 155.160 Hong Kong (HK dollar) 7.788 155.160 155.010 7.793 TAIWAN (NT DOLLAR) 32.903 THAILAND (BAHT) 33.820 34.010 1,457.680 1,465.640 S. KOREA (WON) INDONESIA (RUPIAH) 16.340 16.430 4.445 MALAYSIA (RINGGIT)

US\$/UK POUND 1.2434 1.2288
93
92
10
10
10
U\$\$/UK POUND 1.2434 1.2288
U\$\$/EURO 1.0342 1.0227
U\$\$/AUST DOLLAR 0.6206 0.6139
CANADA DOLLAR/U\$\$ 1.4436 1.4692
SWISS FRANC/U\$\$ 0.9088 0.9175

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 4, 2025 (PSEI snapshot on S1/4; article on S2/2)

P144.500 P57.950 P92.000 P124.300 P273,844,057 P222,621,173 P1,598,448,937 P662,230,338 P499,885,920 P467,096,214 P327,999,833 P220,934,070 P220,213,850 P7.500 **▼** -1.075% 7.625% **5.474**% **7.004**% **0.086**%

## Outstanding NG debt hits P16.05T

THE NATIONAL Government's (NG) outstanding debt hit P16.05 trillion at the end of 2024 amid higher debt issuances and a stronger dollar, the Bureau of the Treasury (BTr) reported on Tuesday.

Data from the Treasury showed outstanding debt rose by 9.8% or P1.44 trillion from P14.62 trillion at the end of 2023.

Month on month, the debt slipped by 0.2% from the record

high P16.09 trillion as of end-November.

"The year-end debt level closely aligned with the 2025 Budget of Expenditures and Sources of Financing projections of P16.06 trillion, reflecting a minimal variance of only 0.03%," the BTr said.

Outstanding debt as a share of gross domestic product (GDP) inched up to 60.7% as of end-2024 from 60.1% a year earlier, the Treasury said.

the 60% threshold considered by multilateral lenders to be manageable for developing economies.

This was still slightly above

It was also a tad higher than the government's 60.6% debt-to-GDP ratio target for 2024, mainly due to the "lower-than-expected full-year real GDP growth outcome of 5.6%," the BTr said.

"Nevertheless, the minimal deviation from the programmed

debt underscores NG's effective cash and debt management strategies, including its proactive management of the level and timing of its external debt issuances amidst the volatile exchange rate environment," it added.

The Treasury attributed the year-on-year increase in the debt stock to the "P1.31-trillion net issuance of debt instruments in line with the government's deficit program, as well as the P208.73-

billion valuation effect of US dollar strengthening."

The Philippine peso in 2024 closed at P57.845 versus the dollar, weakening by P2.475 or 4.28% from its end-2023 finish of P55.37.

Data from the BTr showed the bulk or 68.1% of total debt stock came from domestic debt, while 31.9% came from external sources.

Domestic debt rose by 9.1% to P10.93 trillion as of end-Decem-

ber from P10.02 trillion at the end of 2023. This was composed mostly of government securities.

"The net issuance of domestic securities contributed P905.31 billion to the annual increase, while local currency depreciation increased the peso valuation of outstanding foreign currency-denominated domestic securities by P7.18 billion," the Treasury

Debt, S1/8

## Busuanga Airport runway extension contract to be awarded by Q2

THE TRANSPORTATION department is set to award the contract for the extension of the Busuanga Airport's runway by the second quarter.

The project, which is valued at P308.62 million, will extend and improve the existing runways of the Busuanga Airport, according to the document obtained by *BusinessWorld*.

The existing airport, also known as the Francisco B. Reyes airport, is the gateway to Coron, Palawan.

The project is set to undergo competitive bidding this quarter, the Department of Transportation (DoTr) said.

The project development will be funded by the 2025 General Appropriations Act (GAA).

The government is looking to undertake the New Busuanga Airport development project, which costs P15.15 billion. The new airport complex, which will cover 282.5 hectares, will be located next to the existing airport.

The New Busuanga Airport will involve the construction of a new runway and expansion of the passenger terminal to accommodate increasing traffic.

The airport can only accommodate 263,505 annual passengers. The New Busuanga Airport is expected to serve over 2.5 million passengers annually as more tourists flock to Coron.

Nigel Paul C. Villarete, senior adviser on public-private partnerships at the technical advisory group Libra Konsult, Inc. and former chief executive officer at Mactan-Cebu International Airport Authority, said the Busuanga Airport development project would significantly improve airport operations.

"Longer runways and better airport facilities would mean more flights to and from farther airports and destinations," Mr. Villarete said.

He said airport operations usually take into account the flights and which other airports are planned to be serviced. "Each flight aircraft identified will need minimum runway lengths for takeoff and landing. The planning, construction and improvements of airports will be based on that."

Mr. Villarete said expanding and upgrading the airport's runways would also encourage airlines to expand their operations because it would allow them to use larger aircraft while also expanding their routes.

"We need to improve and upgrade many of our aviation facilities to be competitive with neighboring countries. But we need to be strategic about it,"

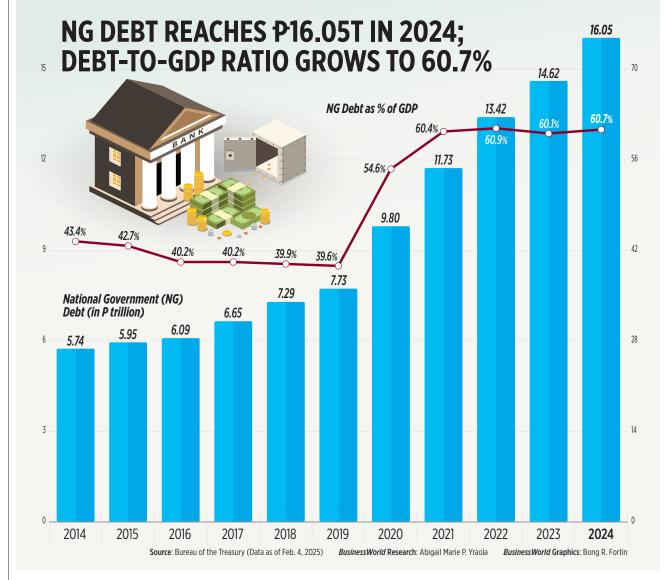
Meanwhile, the DoTr is also working on the construction of a parallel taxiway at the Laoag International Airport in Ilocos Norte.

The P109.4-million project is also targeted for awarding by the second quarter. However, the project cost will be charged to the 2024 General Appropriations Act.

The DoTr is also set to commission a feasibility study for the Surigao Airport development project.

The agency has allocated P56.53 million to hire consultancy services to develop the feasibility study and master plan; environmental impact assessment study and detailed engineering design for the New Surigao Airport.

The DoTr last year said it is allocating P14 billion to fund the upgrade and development of regional airports in the country amid growing demand for air travel. — **Ashley Erika O. Jose** 



## Philippines urged to take advantage of opportunities amid US-China trade war

By Justine Irish D. Tabile and Aubrey Rose A. Inosante Reporters

THE PHILIPPINES could be an alternative investment destination for export-oriented firms amid a trade war between the United States and China.

The US on Tuesday began implementing an additional 10% tariff on goods from China, although US President Donald J. Trump postponed steep tariffs on Mexico and Canada for 30 days

days.

China quickly retaliated, saying it would impose 15% levies on US coal and liquefied natural gas, and 10% on crude oil, farm equipment and some vehicles, Reuters reported. The new tariffs on US exports will start on Feb. 10, the ministry said. (Read related story on S1/10: "China hits back with tariffs on US goods as new levies take effect")

Former Trade Secretary Ramon M. Lopez said the tariff increases on the three countries would make their goods more expensive for US importers, which could present an opportunity for the Philippines.

"The tariff increases on these countries will make their goods more expensive entering the US and may reduce imports from these countries, which means US businesses will seek alternative suppliers," he said in a Viber message

"This could present more export opportunities for the Philippines, especially if such products are competitively supplied by the country," he

George N. Manzano, who teaches political economy at the University of Asia and the Pacific, said the Philippines could attract investors that are looking for other countries to use as export platforms "in order to circumvent the tariffs on China."

"One would expect a lot of investments that are export-oriented originally destined for China looking for alternative locations. The Philippines, with its labor force supply, can tap this opportunity," he told *BusinessWorld* on Monday.

However, the aggressive US tariffs could "disrupt the existing supply chains of various goods and destabilize world trade," Mr. Manzano said.

Meanwhile, GlobalSource Partners Country Analyst Diwa C. Guinigundo said the Philippines could benefit from a possible shift in demand.

"Depending on the similarities of our exports with other affected countries, we could, of course, benefit from a possible shift in demand in favor of Philippine-made products, but this is of course an empirical question," he told *Business World* in a Viber message.

However, Mr. Guinigundo warned that due to interconnected external trade and value chains, higher tariffs could eventually come to the Philip-

pines' doorstep.

"We could indirectly suffer from shrinking markets should overall exports to these economies are flatly im-

posed higher tariffs," he said.

Ateneo School of Government Dean and Economics Professor Philip Arnold P. Tuaño said the US tariffs would be strongly felt in motor vehicle production, motor vehicle parts, oil and petroleum products, computers and mobile phones, which the Philippines could take advantage of.

"We are one of the major exporters of motor vehicle parts, and we can take advantage of suppliers who wish to move from China to take advantage of lower tariffs," Mr. Tuaño told *Business-World* in an e-mail.

"With potential tariffs on Chinese computers and phones, US firms may seek alternative suppliers for electronic components, which we are producing in the country," he added.

Mr. Tuaño also said the Philippines could invite Japanese motor vehicle manufacturers and South Korean suppliers in the country to increase their investments in the Philippines.

Citing data from UN Comtrade, Mr. Tuaño said that cars, crude petroleum, phones, computers, and motor vehicle parts are the top five US import products from Canada, Mexico, and China in 2023.

Opportunities, S1/8

## Trump policies pose risks for PHL economy

By Luisa Maria Jacinta C. Jocson Reporter

THE PHILIPPINE ECONOMY may face pressure amid President Donald J. Trump's policies, which could impact the currency, inflation and remittances, Fitch Ratings said.

"Shifting economic and foreign policies in the US pose risks for the Philippines, as well as for other sovereigns," Krisjanis Krustins, director at Fitch Ratings' Asia-Pacific Sovereigns team and primary sovereign rating analyst for the Philippines, said in a report.

Mr. Trump began making good on his threat to impose higher import tariffs on major trading partners. A 10% tariff on all Chinese imports to the US took effect on Tuesday, but steep tariffs on imports from China and Mexico were postponed.

"Further strengthening of the US dollar from trade protectionism could put further pressure on the Philippine peso and inflation, although weaker global growth and diversion of Chinese exports could offset this to some extent," Mr. Krustins said.

The peso has been under pressure in the past months amid the dollar surge. It fell to a record-low P59 level thrice last year.

The central bank expects inflation to average 3.3% this year and 3.5% in 2026 but warned the balance of risks to the inflation outlook remains tilted to the upside.

"The Philippines would be vulnerable to a change in US immigration policy, given the importance of remittances for domestic consumption, although these are fairly diversified," Mr. Krustins said.

The United States typically accounts for about 40% of cash remittances to the Philippines.

Apart from tariffs, Mr. Trump also sought to impose harsher immigration measures.

Mr. Trump, a Republican, has taken an array of executive actions to deter illegal immigration, and ramping up arrests and deportations of illegal migrants, Reuters reported.

Trump policies, S1/8