P25
IN METRO MANILA, PHILIPPINES

# BusinessWorld

33rd EJAP-AYALA Business Journalism Awards
The 2023 Business News Source of the Year Award

**STOCK MARKET**

**PSEi**

| | |
|---|---|
| OPEN: | 6,314.40 |
| HIGH: | 6,315.49 |
| LOW: | 6,222.04 |
| CLOSE: | 6,252.73 |
| VOL.: | 0.903 B |
| VAL(P): | 7.852 B |

▼ 65.50 PTS. 1.03%

30 DAYS TO JULY 31, 2025

**ASIAN MARKETS**

JULY 31, 2025

| | CLOSE | | NET | % |
|---|---|---|---|---|
| Japan (Nikkei 225) | 41,069.82 | ▲ | 415.12 | 1.02 |
| Hong Kong (Hang Seng) | 24,773.33 | ▼ | -403.60 | -1.60 |
| Taiwan (Weighted) | 23,542.52 | ▲ | 80.80 | 0.34 |
| Thailand (SET Index) | 1,243.99 | ▼ | -0.15 | -0.01 |
| S.Korea (Kse Composite) | 3,245.44 | ▼ | -9.03 | -0.28 |
| Singapore (Straits Times) | 4,183.17 | ▼ | -36.24 | -0.86 |
| Sydney (All Ordinaries) | 8,742.80 | ▼ | -13.60 | -0.16 |
| Malaysia (Klse Composite) | 1,513.25 | ▼ | -11.25 | -0.74 |

**WORLD MARKETS**

JULY 30, 2025

| | CLOSE | | NET |
|---|---|---|---|
| Dow Jones | 44,461.280 | ▼ | -171.710 |
| NASDAQ | 21,129.674 | ▲ | 31.383 |
| S&P 500 | 6,362.900 | ▼ | -7.960 |
| FTSE 100 | 9,136.940 | ▲ | 0.620 |
| Euro Stoxx50 | 4,518.560 | ▲ | 2.710 |

**PESO-DOLLAR RATES**

**FX**

| | |
|---|---|
| OPEN | P57.860 |
| HIGH | P57.850 |
| LOW | P58.400 |
| CLOSE | P58.320 |
| W.AVE. | P58.186 |
| VOL. | $2,599.57 M |

▼ 74.00 CTVS

30 DAYS TO JULY 31, 2025

SOURCE : BAP

**ASIAN MONIES-US$ RATE**

JULY 31, 2025

| | LATEST BID (0900GMT) | | PREVIOUS |
|---|---|---|---|
| Japan (yen) | 149.750 | ▼ | 147.970 |
| Hong Kong (HK dollar) | 7.850 | — | 7.850 |
| Taiwan (NT dollar) | 29.948 | ▼ | 29.725 |
| Thailand (baht) | 32.630 | ▼ | 32.450 |
| S. Korea (won) | 1,393.190 | ▼ | 1,382.240 |
| Singapore (dollar) | 1.296 | ▼ | 1.287 |
| Indonesia (rupiah) | 16,450 | ▼ | 16,385 |
| Malaysia (ringgit) | 4.262 | ▼ | 4.235 |

**WORLD CURRENCIES**

JULY 31, 2025

| | CLOSE | | PREVIOUS |
|---|---|---|---|
| US$/UK pound | 1.3238 | ▼ | 1.3373 |
| US$/Euro | 1.1434 | ▼ | 1.1552 |
| US$/Aust dollar | 0.6450 | ▼ | 0.6498 |
| Canada dollar/US$ | 1.3843 | ▲ | 1.3779 |
| Swiss Franc/US$ | 0.8131 | ▲ | 0.8042 |

**DUBAI CRUDE OIL**

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$74.95/BBL

▲ $2.45

30 DAYS TO JULY 30, 2025

VOL. XXXIX • ISSUE 5

FRIDAY • AUGUST 1, 2025 • www.bworldonline.com

S1/1-14 • 2 SECTIONS, 18 PAGES

**PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 31, 2025** (PSEi snapshot on *S1/2*; article on *S2/2*)

| | | Value | | | |
|---|---|---|---|---|---|
| PLUS | P25.200 | P1,667,133,070 | -P10.750 | ▼ | -29.903% |
| ICT | P448.000 | P874,751,060 | P2.400 | ▲ | 0.539% |
| BDO | P142.700 | P814,918,457 | -P4.300 | ▼ | -2.925% |
| BPI | P118.200 | P379,180,403 | -P2.500 | ▼ | -2.071% |
| ALI | P25.000 | P260,050,455 | -P0.800 | ▼ | -3.101% |
| MBT | P74.200 | P232,653,281 | P0.800 | ▲ | 1.090% |
| SM | P816.000 | P218,787,730 | -P14.000 | ▼ | -1.687% |
| TEL | P1,317.000 | P202,278,495 | P9.000 | ▲ | 0.688% |
| RCR | P7.850 | P188,766,041 | P0.060 | ▲ | 0.770% |
| SMPH | P23.200 | P174,146,205 | P0.000 | — | 0.000% |

# SSS to hike pensions starting Sept.

THE SOCIAL Security System (SSS) is implementing a landmark pension reform program starting this September, which will gradually increase the monthly pensions of all pensioners over a three-year period.

The Social Security Commission (SSC) approved the SSS Pension Reform Program, which features a structured, three-year increase in pensions for all SSS pensioners, on July 11.

This is the first multi-year adjustment of pensions in the SSS' 68-year history.

"After careful actuarial review, we are rolling out a rational and sustainable pension increase that uplifts all pensioners without compromising the fund's actuarial soundness," SSS President and Chief Executive Officer Robert Joseph M. De Claro said in a statement.

Starting this year, all pensioners as of Aug. 31, 2025, will receive annual pension increases every September until 2027.

The pension for retirement and disability pensioners will be raised by 10% every September until 2027. The pension for death or survivor pensioners will be increased by 5%.

"After three years, pensions will have increased by approximately 33% for retirement/disability pensioners and 16% for death/survivor pensioners," the SSS said.

Around 3.8 million pensioners will benefit from the pension reform. This includes 2.6 million retirement/disability pensioners and 1.2 million survivor pensioners.

The SSS said the pension reform program "will not necessitate any contribution increase."

Mr. De Claro said the actuarial team confirms that the pension fund "remains financially sound."

Quoting its chief actuary, the SSS said the reform will slightly shorten the fund's lifespan — to 2049 from 2053 previously, but this is offset by strong cash flow from previous contribution reforms and better collection efforts.

Mr. De Claro said they are "committed to restoring fund life back to 2053 through coverage expansion and improved collection efficiency."

Finance Secretary Ralph G. Recto, who chairs the SSC, said the pension hike will help spur economic growth as pensioners will have additional spending power.

*SSS, S1/11*

## BSP sees July inflation settling at 0.5% to 1.3%

**By Luisa Maria Jacinta C. Jocson** *Senior Reporter*

THE BANGKO SENTRAL ng Pilipinas (BSP) on Thursday said it expects headline inflation to settle below 2% in July.

The central bank's month-ahead forecast showed that inflation likely fell within the 0.5%-to-1.3% range in July. If realized, July inflation would be slower than the 1.4% print in June and the 4.4% clip a year ago.

"Upward price pressures for the month are likely to be driven by higher meat and vegetable prices partly due to unfavorable weather conditions, increased electricity rates, elevated domestic fuel costs, and the depreciation of the peso," it said.

Manila Electric Co. (Meralco) hiked rates by P0.4883 per kilowatt-hour (kWh) in July, bringing the overall rate for a typical household to P12.6435 per kWh from P12.1552 per kWh a month earlier.

The peso fell to P58.32 against the greenback at end-July from its finish of P56.33 at end-June. The peso's close at end-July was its weakest in almost six months or since its P58.34 finish on Feb. 4.

"These price pressures, however, could be partially offset by the continued decline in rice prices," the BSP added.

Rice inflation has been steadily declining for the past few months amid several government interventions for the staple grain. In June, rice inflation contracted for the sixth straight month to a record 14.3%, the biggest drop since 1995.

"Going forward, the BSP will continue to monitor developments affecting the outlook for inflation and growth in line with its data-dependent approach to monetary policy decision-making."

The local statistics agency is set to release the July inflation data on Aug. 5 (Tuesday).

**IMF FORECAST**

Meanwhile, the International Monetary Fund (IMF) projects Philippine headline inflation to settle below 2% this year, giving the central bank more space to ease policy rates further.

Following the release of its World Economic Outlook (WEO), the IMF said it expects inflation to average 1.8% this year, below the central bank's 2-4% target.

"The headline inflation projections have been revised down by 0.8 percentage point (ppt) and 0.6 ppt for 2025 and 2026 respectively, reflecting lower-than-expected inflation outturn in the first half of 2025," an IMF spokesperson said in an e-mail.

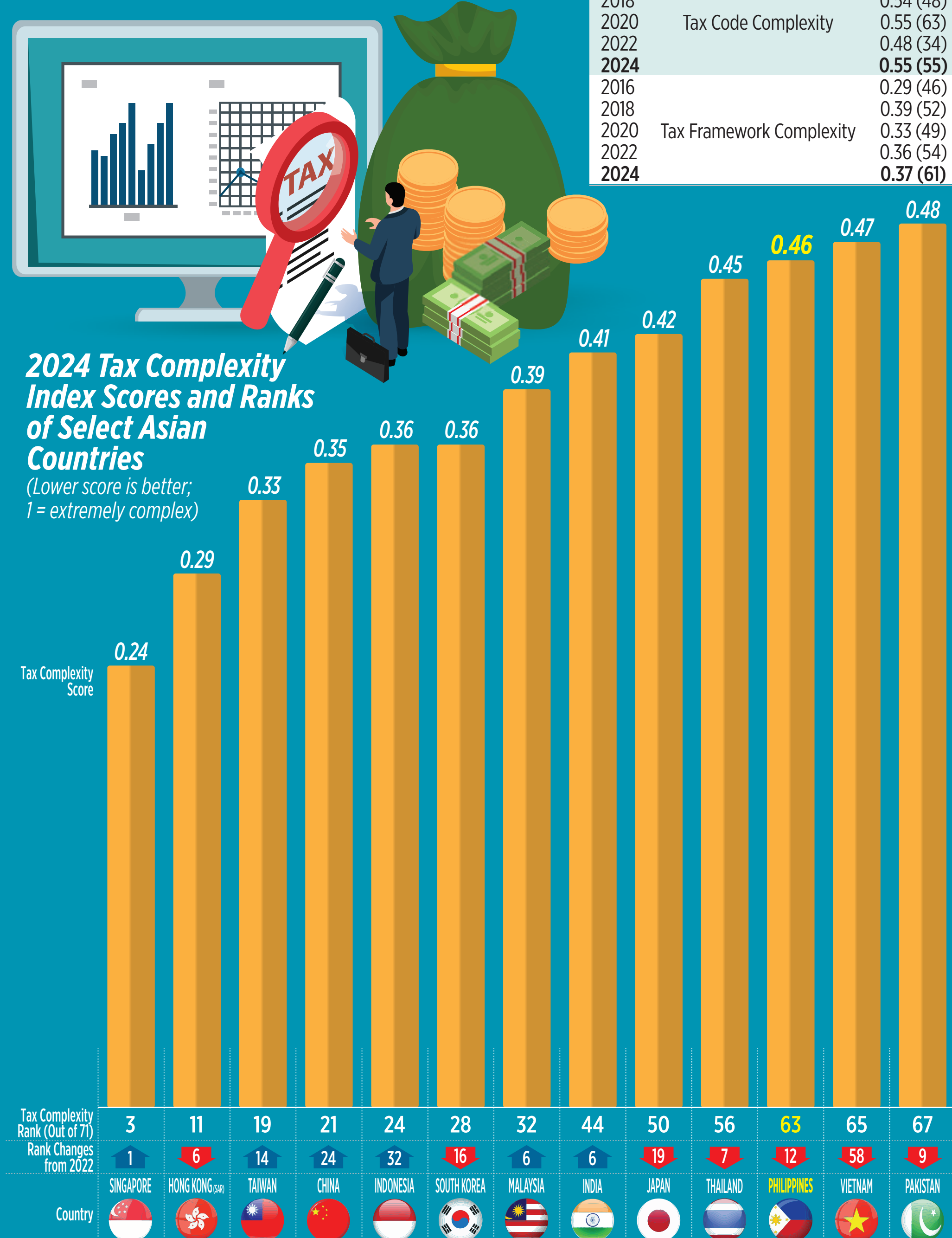
*Inflation, S1/12*

## PHILIPPINE CORPORATE TAX SYSTEM RANKS THIRD-MOST COMPLEX IN ASIA FOR MNCs

The Philippines slid 12 places to 63rd out of 71 countries, scoring 0.46 (0 = not complex; 1 = extremely complex), in the 2025 edition of the biennial Tax Complexity Index by Accounting for Transparency. The country now ranks as Asia's third-most complex corporate tax system for multinational companies (MNCs), based on 20 indicators across tax code and framework.

**Philippines' Historical Data**

| Year | Indicator | Score (Rank) |
|---|---|---|
| 2016 | Tax Complexity Index | 0.46 (91) |
| 2018 | | 0.47 (53) |
| 2020 | | 0.44 (62) |
| 2022 | | 0.42 (51) |
| **2024** | | **0.46 (63)** |
| 2016 | Tax Code Complexity | 0.63 (99) |
| 2018 | | 0.54 (48) |
| 2020 | | 0.55 (63) |
| 2022 | | 0.48 (34) |
| **2024** | | **0.55 (55)** |
| 2016 | Tax Framework Complexity | 0.29 (46) |
| 2018 | | 0.39 (52) |
| 2020 | | 0.33 (49) |
| 2022 | | 0.36 (54) |
| **2024** | | **0.37 (61)** |




**Least Complex Countries**

| Tax Complexity Rank (Out of 71) | Country | Tax Complexity Score |
|---|---|---|
| 1 | Estonia | *0.17* |
| 2 | Liechtenstein | *0.22* |
| 3 | Singapore | *0.24* |
| 4 | South Africa | *0.26* |
| 5 | Tanzania | *0.26* |
| 6 | Uruguay | *0.26* |
| 7 | Mauritius | *0.27* |
| 8 | Finland | *0.27* |
| 9 | Malta | *0.29* |
| 10 | Switzerland | *0.29* |

**Most Complex Countries**

| Tax Complexity Rank (Out of 71) | Country | Tax Complexity Score |
|---|---|---|
| 71 | Brazil | *0.56* |
| 70 | Peru | *0.51* |
| 69 | Kenya | *0.49* |
| 68 | Mexico | *0.48* |
| 67 | Pakistan | *0.48* |
| 66 | Tunisia | *0.47* |
| 65 | Vietnam | *0.47* |
| 64 | Poland | *0.47* |
| 63 | Philippines | *0.46* |
| 62 | Colombia | *0.46* |

**Source**: Accounting for Transparency's 2024 Tax Complexity Index *(https://www.taxcomplexity.org/)*
***BusinessWorld* Research**: Leigh Patrick Q. Batoon and Matthew Miguel L. Castillo ***BusinessWorld* Graphics**: Bong R. Fortin

## Details of PHL-US trade deal still being finalized

THE PHILIPPINES' reciprocal trade agreement with the US is still being finalized a day before its expected implementation, the Department of Trade and Industry (DTI) said.

"Our talks are still ongoing. We just have to see what will happen on Aug. 1," said Trade Undersecretary Allan B. Gepty on the sidelines of the British Chamber of Commerce Philippines 2025 Midyear Economic Briefing.

"The announcement is 19% but let us see what will happen. There are still a lot of things that we are ironing out," he added.

The US is expected to implement the 19% tariff on Philippine goods starting today (Aug. 1), slightly lower than the 20% rate that US President Donald J. Trump threatened to impose.

While this is the second-lowest rate in Southeast Asia, the rate is still higher than the 17% announced in April.

Philippine government officials have justified the modest tariff shift to the few concessions it had offered. The Philippines had agreed to grant zero tariffs on automobiles, wheat, soy, medical equipment, and pharmaceutical products from the US.

"Well, maybe what I can say is that we are working on the details. So, the details, of course, cover other terms and conditions of the agreement because it's not just market access," said Mr. Gepty.

"So, there is a set of rules that we are negotiating. But of course, as I have mentioned before, it is covered by our nondisclosure agreement," he added.

Citing previous US pronouncements, Mr. Gepty said that Washington is also interested in a lot of measures that basically affect trade.

"So, that is why we also have to address those measures, like the nontariff barriers," he said. "Definitely there will be some announcements to be made once there is a set of parameters that will be agreed upon by both sides."

"What is really important is that we engage with the US. Because the US is a major trading and investment partner of the country. And of course, we're really advocating for a free trade agreement (FTA)," he added.

**LIMITED IMPACT**

Meanwhile, Finance Undersecretary and Chief Economist Domini S. Velasquez said the impact of the US tariff on the Philippine economy will likely be "very limited."

"It's not just the Philippines, but we compare it with others. Until we have that kind of clarity, we don't know. We know it's limited given that we have smaller exports compared to the rest of the world," she told reporters on the sidelines of an event on Thursday.

"(For) full-year GDP, (the impact is) very limited. For exports, of course, it will have an impact... but we need to see the whole picture," she added.

*Trade, S1/11*

## Government looks to raise P30 billion from RTBs

THE GOVERNMENT is looking to raise at least P30 billion from the sale of its first retail Treasury bond (RTB) offering this year.

In a notice on its website dated July 30, the Bureau of the Treasury (BTr) said it is planning to sell a minimum P30 billion worth of five-year peso-denominated RTBs due in 2030.

This will be the government's 31st RTB offering and the first time that small-denominated government securities will be available on an e-wallet.

The rate-setting auction is scheduled for Aug. 5.

"The interest rate shall be based on current market levels of comparable securities rounded down to the nearest one-eighth (1/8) of one percent (1%)," the BTr said.

The final interest rate will be determined through a Dutch auction with the government securities eligible dealers. In a Dutch auction, the rate for the bond is determined by starting with the highest rate and incrementally lowering it until it is accepted by the auction participants.

The public offer period will run from Aug. 5 to Aug. 15, unless ended earlier by the Treasury.

The RTBs are scheduled to be issued and settled on Aug. 20. It will also mature on Aug. 20, 2030.

The RTB 31 will be sold in minimum denominations of P5,000 and in multiples of P5,000 thereafter, with a maximum investment amount of P500,000, while each exchange offer will have a minimum amount of P5,000.

Due to the RTB offer, the BTr will cancel the scheduled auction for five-year Treasury bonds on Aug. 5.

The Treasury is also offering a bond exchange program for holders of government bonds maturing on Sept. 9, 2025 (FXTN 10-60), Feb. 4, 2026 (FXTN 03-01), and Feb. 14, 2026 (FXTN 07-62). The exchange offer also runs from Aug. 5 to 15.

"The purpose of the invitation is to present a reinvestment opportunity for holders of the Eligible Bonds given its forthcoming maturity dates. The Exchange Offer is likewise intended to manage refinancing risk in the debt portfolio of the Republic and is an integral part of its overall liability management program," the BTr said.

BTr set the repurchase price for eligible bondholders at 99.79% of the face value to be exchanged for the FXTN 10-60, 99.92% for FXTN 03-01, and at 100.42% for the FXTN 07-62.

The RTBs will be available through over-the-counter placement in bank branches and digital channels such as the BTr Online Ordering Facility, the Bonds.PH mobile app, the Overseas Filipino Bank mobile banking app, and the Land Bank of the Philippines mobile banking app.

*RTBs, S1/12*