

Philippine Stock Exchange index (PSEi) 6,286.24 ▲ 17.46 PTS. ▲ 0.27%

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BusinessWorld

PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P610.00 +P10.50 +1.75%	<b>ACEN</b> AC Energy Corp. P8.25 +P0.02 +0.24%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P51.00 -P0.90 -1.73%	<b>AGI</b> Alliance Global Group, Inc. P9.70 -P0.02 -0.21%	<b>ALI</b> Ayala Land, Inc. P24.40 -P0.45 -1.81%	<b>AP</b> Aboitiz Power Corp. P31.50 ---	<b>BDO</b> BDO Unibank, Inc. P117.50 -P3.50 -2.89%	<b>BPI</b> Bank of the Philippine Islands P89.40 -P0.10 -0.11%	<b>CNVRG</b> Converge ICT Solutions, Inc. P20.25 ---	<b>EMI</b> Emperador, Inc. P18.76 +P0.12 +0.64%
<b>GLO</b> Globe Telecom, Inc. P2,242.00 -P10.00 -0.44%	<b>GTCAP</b> GT Capital Holdings, Inc. P473.00 -P2.00 -0.42%	<b>ICT</b> International Container Terminal Services, Inc. P186.00 +P8.00 +4.49%	<b>JFC</b> Jollibee Foods Corp. P210.20 -P2.20 -1.04%	<b>JGS</b> JG Summit Holdings, Inc. P52.05 +P1.15 +2.26%	<b>LTG</b> LT Group, Inc. P8.31 +P0.02 +0.24%	<b>MBT</b> Metropolitan Bank & Trust Co. P45.70 -P1.20 -2.56%	<b>MEG</b> Megaworld Corp. P2.23 +P0.05 +2.29%	<b>MER</b> Manila Electric Co. P369.60 +P6.60 +1.82%	<b>MONDE</b> Monde Nissin Corp. P13.90 -P0.12 -0.86%
<b>MPI</b> Metro Pacific Investments Corp. P3.69 -P0.07 -1.86%	<b>PGOLD</b> Puregold Price Club, Inc. P28.55 -P0.60 -2.06%	<b>RLC</b> Robinsons Land Corp. P17.00 +P0.12 +0.71%	<b>SECB</b> Security Bank Corp. P89.50 -P0.50 -0.56%	<b>SM</b> SM Investments Corp. P796.00 +P15.00 +1.92%	<b>SMC</b> San Miguel Corp. P104.00 -P2.20 -2.07%	<b>SMPH</b> SM Prime Holdings, Inc. P37.85 +P0.40 +1.07%	<b>TEL</b> PLDT, Inc. P1,654.00 -P32.00 -1.90%	<b>URC</b> Universal Robina Corp. P115.40 +P0.60 +0.52%	<b>WLCON</b> Wilcon Depot, Inc. P22.50 +P0.70 +3.21%

# PAL, AirAsia to increase fuel surcharge next month

## Cebu Pacific 'still assessing the situation'

By Arjay L. Balinbin  
Senior Reporter

FLAG carrier Philippine Airlines, Inc. (PAL) and low-cost carrier Philippines AirAsia, Inc. (AirAsia Philippines) said they have filed an application with the Civil Aeronautics Board (CAB) to impose a higher fuel surcharge in the coming month.

The CAB said it now allows airlines to impose a Level 12 fuel surcharge in August from Level 11

currently, citing a higher average price of jet fuel from June 10 to July 9 of P54.73 per liter.

"Airlines wishing to impose or collect fuel surcharge for the same period must file their application with this office on or before the effectivity period," CAB Officer-in-Charge Maria Elben SL Moro said in an advisory.

"We filed our application for authority to adjust fuel surcharge on passenger tickets to Level 12, the applicable fuel surcharge rate for August 2022 as authorized by CAB," PAL Spokesperson Cielo C. Villaluna

said in a phone message to *BusinessWorld* on Tuesday, when asked for an update.

Fuel surcharge is a tool used by airlines globally to transparently reflect the impact of fuel price volatility, she noted.

The flag carrier, she also said, will "remain faithful to the CAB matrix on fuel surcharge implementation."

Under Level 12 of the CAB matrix, the fuel surcharge per passenger ranges from P389 to P1,137 for domestic flights and from P1,284.40 to P9,550.13 for international flights.

Under Level 11 currently, the fuel surcharge per passenger ranges from P335 to P1,038 for domestic flights and from P1,172.07 to P8,714.84 for international flights.

AirAsia Philippines Spokesperson and Head of Communications and Public Affairs Steve F. Dailisan said the low-cost airline has also "applied" for a higher fuel surcharge.

The airline will "continue to be true to its promise of affordable world-class flights, notwithstanding the adjustments in fuel surcharge cost."

"AirAsia understands that this slight movement in the fuel surcharge cost might be of concern to some guests. This is why we complement this uptick with regular sale promos, such as the ongoing P77 base fare in select domestic and international routes and the upcoming AirAsia BIG Sale happening next week," Mr. Dailisan said in a phone message.

Budget carrier Cebu Pacific, operated by Cebu Air, Inc., said it was still studying the situation.

"We are still assessing the situation. In the meantime, we

are encouraging our customers to take advantage of Cebu Pacific seat sales which provide great value to passengers," Cebu Pacific Chief Commercial Officer Xander Lao said in a statement to *BusinessWorld*.

Cebu Pacific Chief Financial Officer Mark V. Cezar said recently that the budget airline is still able to keep its fares lower this year than they were before the pandemic despite the higher levels of fuel surcharge being imposed.

The budget carrier absorbs some of the costs, he told reporters.

# PLDT: Gov't should address connectivity in remote areas

FINANCIALLY unviable areas fall under the purview of the government, according to the PLDT group, in response to a Senate bill that seeks to require public telecommunications entities and internet service providers to cover all unserved and underserved areas within a three-year period.

"Projects in remote or missionary areas — including areas where armed conflict exists — that are not financially viable are the natural domain of government as provider of basic infrastructure and social services for development and the citizens' well-being," PLDT, Inc. and Smart Communications, Inc. President and Chief Executive Officer Alfredo S. Panlilio told *BusinessWorld* in an e-mailed reply to questions on Tuesday.

"PLDT has built extensive connectivity and fiber infrastructure that currently covers 96% of the entire country," he added.

Senator Mary Grace S. Poe-Llamanzares' Senate Bill No. 329, or the Better Internet Act,

seeks to require all public telecommunications entities and internet service providers to extend and expand the service coverage of fixed and mobile internet service in all unserved and underserved areas "within three years from the effectivity of the measure."

"PLDT will continue to partner with the government in enhancing connectivity for the Philippines and hopes that such partnership will maintain the distinct roles of government and the private sector separate so that the private sector can continue to serve the Filipino people and the country using private funds, while the government continues its role of providing the basic infrastructure and social services, including missionary projects," Mr. Panlilio said.

The proposed measure requires the Department of Information and Communications Technology to identify unserved and underserved areas in the Philippines. The goal is to provide fast, reliable, secure, and affordable internet to Filipinos all over the country.

The bill also wants service providers to adhere to minimum standards for connection, reception, pricing, and billing practices to uphold and protect consumer rights.

"Our mission is to keep our countrymen connected by ensuring that our network is reliable and accessible to more Filipinos, wherever they may be in the country," Mr. Panlilio said.

"With price points that provide real value for money, our fixed and wireless internet services are also designed to cater to all segments of the market," he added.

The group said it has the country's most extensive fiber network, at 803,000 kilometers as of March 2022.

PLDT's mobile arm Smart Communications has deployed, as of end-March, around 76,600 base stations nationwide to serve its users, it noted.

"Network-related initiatives made up the bulk of the P89 billion spend for 2021. This brings total capex (capital expenditure) spent over the last 10 years to P518.5 billion. Capex

guidance for 2022 is P85 billion," the group also said.

Citing a report from Ookla, the network testing company behind Speedtest, the group said it swept the Ookla Speedtest Awards in all the quarters of 2021.

"Ookla declared Smart as the winner of its Speedtest Awards for (third quarter and fourth quarter of) 2021 with a speed score of 201.95, median download speed of 218.82 megabits per second (Mbps) and a median upload speed of 22.46 Mbps," it noted.

"Ookla also found that PLDT is the country's fastest broadband for the same period with a speed score of 77.24, top download speeds of 203.97 Mbps and top upload speeds of 217.07 Mbps."

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — Arjay L. Balinbin

# GCash says app now has 1,500 partner billers nationwide

GCash, operated by Globe Fintech Innovations, Inc. (Mynt), said it has made its payment feature available to more than 1,500 partner billers nationwide, allowing customers to pay bills remotely.

"Basic utilities, such as electricity, water, cable TV, internet and telecom services, can all be paid through the app as GCash has partnered with Meralco, Meralco Kuryente Load, Maynilad, Manila Water, Globe Postpaid and other local billers across the country," GCash said in an e-mailed statement.

The e-wallet company said its application also allows eligible users with limited cash on hand to pay bills by using GCredit, the mobile credit line of GCash.

"GCredit is only available for fully-verified users who have enough GScore," it noted.

On security concerns, GCash said all billers are verified to be legitimate because the e-wallet company is regulated by the Philippine central bank.

"With stringent security measures in place, paying bills through GCash means users don't have to worry about losing their hard-earned money to unverified payment agents," it said.

GCash said users can also settle condominium bills and housing mortgages through its application.

It also processes payments for government services, including settling taxes with the Bureau of Internal Revenue and paying for real property and business taxes with select local government units.

"Aside from one-time payments, monthly contributions for SSS and Pag-IBIG Fund can also be done through Pay Bills feature," it said. — Arjay L. Balinbin

# AbaCore enters coal operating deal with ORVI

ABACORE Capital Holdings, Inc. said on Tuesday that it upgraded an existing venture with Oriental Vision Mining Philippines Corp. (ORVI) from exploration and development to a coal operating agreement.

"This is a development that will deliver long-term value to the holding company's shareholders," the company said in a press release.

Abacus Coal Exploration Development Corp. (Abacoal), a subsidiary of AbaCore, will provide three coal blocks that it owns in Surigao Del Norte for ORVI to develop.

The agreement allows ORVI to develop a total of 3,000 hectares of coal blocks — 84, 85 and 86 — that Abacoal owns in the municipalities of Tago and Marihatag.

AbaCore said that ORVI agreed to commercially operate coal block 85 within six months after signing and coal blocks 84 and 86 within a year.

As part of the agreement, ORVI paid P10 million to Abacoal as advance royalty which will be deducted from the royalties Abacoal will receive from ORVI throughout the agreement.

"We are pleased to enter into the next phase of our partnership with ORVI that will allow us to

fully unlock the strategic value of the assets that we own in Surigao del Sur," AbaCore President and Chief Executive Officer Raul B. de Mesa said.

Mr. De Mesa added that the venture will help AbaCore in increasing its revenue and in strengthening its liquidity amid the price inflation of coal in the world market.

Abacoal will generate revenue from its coal assets through the royalty fees ORVI will pay out. The fee is set at 8% of the gross selling price of coal per metric ton.

Abacoal will pay a royalty fee amounting to 5% of the gross price per ton of other minerals aside from coal that ORVI will find during its exploration.

Mr. De Mesa said that AbaCore is confident in ORVI's expertise and experience in the industry, thus it allowed the operation of its coal assets.

"We look forward to a productive partnership that will provide long-term benefits to our stakeholders and the communities we serve," he added.

On Tuesday, AbaCore shares ended higher by 2.34% or P0.04 to close at P1.75 apiece on the stock market. — Justine Irish D. Tabile

# CLI bonds rated PRS Aa plus by PhilRatings

PROPERTY developer Cebu Landmasters, Inc. (CLI) said on Tuesday that its peso-denominated fixed-rate P8-billion bond issuance received an issue credit rating of PRS Aa plus with a stable outlook.

Philippine Rating Services Corp. (PhilRatings) has also upgraded the issue credit rating for CLI's outstanding series A to C corporate notes worth P5 billion to PRS Aa plus, with a stable outlook, from PRS Aa.

The proposed bond issuance has a principal amount of up to P5 billion with a P3-billion over-subscription option. This is the initial tranche of the company's shelf-registered P15-billion debt securities program to be utilized within three years.

CLI said it is planning to use the profit from the issuance to support its growth plans, primarily for market investments and land banking activities.

A credit rating of PRS Aa means that the issuance is of high quality and is subject to very low credit risk. It also indicates that CLI's capacity to meet its financial commitment is very strong. It may also include a plus or a minus to further qualify its ratings.

A stable outlook means CLI's rating of PRS Aa is likely to be maintained or to remain unchanged in the next 12 months.

PhilRatings' outlook and rating reflect an obligor's sound management and strategy, improved

profitability, adequate coverage of interest even with a higher debt position and threats from a highly competitive market, and a substantial land bank — counterbalanced by the company's ability to form strategic joint venture partnerships.

The firm said that the ratings were based on available information and projections at the time that the rating review was performed and might change should circumstances warrant a change.

CLI is a Cebu-based company engaged in the development, sale, leasing, and management of real estate. Its portfolio includes residential condominium units, subdivision houses and lots, townhouses, hotels, office projects, retail spaces, and townships.

As of March 31, CLI had completed 36 projects, which were a mix of residential, office, hotel, retail, and mixed-use. It also has 55 ongoing projects, with a combined total of 19,833 units, situated in strategic locations in Visayas and Mindanao.

CLI has a pipeline of 21 projects for the next two years, including 19 residential, one office condo, and the beginning of lot sales in Davao Global Township.

At the stock exchange on Tuesday, CLI shares remained unchanged at P2.50 apiece. — Justine Irish D. Tabile

# Tax court denies IT firm Ammex I-Support's refund claim

THE Court of Tax Appeals (CTA) denied Ammex I-Support Corp.'s refund claim worth P626,151.31 traced to its excess unutilized input value-added tax (VAT) for the third quarter of 2015.

In a 15-page decision on July 14 and made public on July 18, the court's special third division ruled that the petition lacked merit since the company failed to prove that it was engaged in zero-rated sales.

"Petitioner (Ammex I-Support) failed to submit in evidence the service agreement between petitioner and its clients that would establish the nature of services to be performed," according to the ruling penned by CTA Associate Justice Maria Rowena Modesto-San Pedro.

The court added that based on the company's records, it failed to prove that its foreign clients were not doing business in the Philippines.

A company may establish that its foreign clients are not doing business in the Philippines by submitting certificates of incorporation, memoranda of association, or any equivalent document, it added.

"In essence, petitioner's sales to its alleged foreign clients fail to qualify for VAT zero-rating under the tax code, as amended," it ruled.

Under the country's revenue code, if a sale is subject to 0% value-added tax, the term "zero-rated sale" must be written or printed on the receipt. — John Victor D. Ordoñez

**FULL STORY**



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