

Philippine Stock Exchange index (PSEi)

6,165.35 ▲ 9.92 PTS. ▲ 0.16%

FRIDAY, JULY 1, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P625.00 +P25.00 +4.17%	ACEN AC Energy Corp. P7.94 -P0.10 -1.24%	AEV Aboitiz Equity Ventures, Inc. P48.50 +P0.95 +2.00%	AGI Alliance Global Group, Inc. P8.80 ---	ALI Ayala Land, Inc. P26.00 +P0.50 +1.96%	AP Aboitiz Power Corp. P29.50 ---	BDO BDO Unibank, Inc. P112.10 +P1.60 +1.45%	BPI Bank of the Philippine Islands P86.00 +P1.20 +1.42%	CNVRG Converge ICT Solutions, Inc. P20.95 -P0.20 -0.95%	EMP Emperador, Inc. P18.86 -P0.18 -0.95%
GLO Globe Telecom, Inc. P2,180.00 -P88.00 -3.88%	GTCAP GT Capital Holdings, Inc. P493.00 +P4.00 +0.82%	ICT International Container Terminal Services, Inc. P191.00 +P7.00 +3.80%	JFC Jollibee Foods Corp. P205.00 +P1.40 +0.69%	JGS JG Summit Holdings, Inc. P48.05 -P0.65 -1.33%	LTG LT Group, Inc. P8.27 +P0.17 +2.10%	MBT Metropolitan Bank & Trust Co. P47.80 ---	MEG Megaworld Corp. P2.08 -P0.08 -3.70%	MER Manila Electric Co. P353.00 -P7.00 -1.94%	MONDE Monde Nissin Corp. P13.04 +P0.04 +0.31%
MPI Metro Pacific Investments Corp. P3.46 -P0.07 -1.98%	PGOLD Puregold Price Club, Inc. P30.90 +P0.80 +2.66%	RLC Robinsons Land Corp. P17.30 +P0.06 +0.35%	SECB Security Bank Corp. P87.30 -P4.10 -4.49%	SM SM Investments Corp. P770.00 -P12.00 -1.53%	SMC San Miguel Corp. P107.00 -P0.90 -0.83%	SMPH SM Prime Holdings, Inc. P36.30 -P0.25 -0.68%	TEL PLDT, Inc. P1,670.00 -P10.00 -0.60%	URC Universal Robina Corp. P109.00 -P2.00 -1.80%	WLCON Wilcon Depot, Inc. P24.00 +P0.20 +0.84%

Filinvest starts making precast concrete products

CALAMBA, LAGUNA – Gotianun-led, Filinvest Land, Inc. (FLI) expects to boost product delivery as it launched along with Dreambuilders Pro, Inc. its first precast and batching plant in its township development Ciudad de Calamba on Saturday.

“The addition of concrete batching into the portfolio of our construction arm Dreambuilders Pro will allow us to strengthen our product delivery ability and enhance our expertise in serving the growing housing demand in the Philippines,” FLI President Tristaneil D. Las Marias said.

The concrete batching plant has a total capacity of up to 60 cubic meters (cu.m.) per hour or a total of 90,000 cu.m. of concrete per year. The precast plant has a total capacity of 288 square meters per day equivalent to 2.5 housing units per day.

FLI aims to minimize the cost of construction by manufacturing its own concrete. The company also believes that the plant will answer delay issues caused by the lack of construc-

tion materials, freeing it from being at the mercy of its suppliers.

The concrete batching plant and precast plant are collocated here in Calamba, Laguna. The facility will set the requirements of FLI throughout its business units.

The launch marks the start of the group’s production of ready-mixed concrete and precast concrete products that will be used internally for all FLI projects, particularly, residential development.

Dreambuilders Pro President and General Manager Arnulfo N. Delos Reyes said the products “will set the highest quality standard, efficiency in terms of cost and speed for housing projects.”

The plant generated over 300 new jobs and was designed to be eco-friendly by recycling waste and virtually producing no noise, air, debris, and water pollution.

“Our commitment is to be a green facility, to be environment friendly and compliant. We will contain our carbon footprint [and] aim to be a model [for] other

industries,” Dreambuilders Pro’s Equipment Management Head Cornelio D. Padua said.

The plant will provide a stable supply of concrete mix to FLI’s developments not just within Laguna but also in Cavite, Bulacan, Batangas, and Metro Manila.

“We look forward to growing our concrete batching portfolio and eventually expanding to other areas across the country,” added Mr. Las Marias.

The city government of Calamba also supported the FLI-Dreambuilders Pro project.

“With the recent addition of this innovative precast and concrete batching plant, we look forward to seeing more developments. We hope in continuing and furthering the good relationship with Filinvest for the betterment of Calamba City,” Calamba City Mayor Roseller H. Rizal said.

FLI, one of the country’s leading full-range property developers, has built for more than 50 years a diverse project portfolio spanning

the archipelago. The projects include large-scale townships, namely: Havila, Timberland Heights, and Manna East in Rizal; Ciudad de Calamba; City di Mare in Cebu; and Palm Estates in Talisay City.

Through the years, FLI has built more than 200 residential developments across the country.

FLI owns 20% of Filinvest Alabang, developer of Filinvest City, a central business district in southern Metro Manila. It is also developing two townships in the Clark Special Economic Zone: its industrial and logistics park and mixed-use development at New Clark City and Filinvest Mimosa+ Leisure City in partnership with Filinvest Development Corp.

On Thursday last week, FLI successfully raised P11.9 billion from its oversubscribed bond offering, which will be used to partially finance its capital expenditure program and refinance maturing debt.

On Friday, shares in the company closed 2.27% or two centavos lower at P0.86 apiece. — **Justine Irish DP. Tabile**

Cebu Pacific resumes direct flights to Sydney

BUDGET carrier Cebu Pacific announced that it resumed its direct flights between Manila and Sydney as of July 1 amid the easing of travel restrictions in the Philippines and Australia.

“With this route resumption, we are pleased to fly once again to and from this destination after more than two years,” Cebu Pacific Chief Commercial Officer Alexander G. Lao said in an advisory.

“This also allows Filipinos to reunite with friends and family. We will continue working on boosting seamless connections across our network to address demand.”

The airline will offer flights between Manila and Sydney three times per week on Monday, Wednesday and Friday.

According to the advisory, Flight 5J 39 departs Manila at 11:20 p.m. and arrives at Sydney Kingsford Smith Airport at 9:50 a.m. (local time) the following day. Its return flight, 5J 40 flies out of Sydney at 11:20 a.m. (local time), and arrives in Manila at 5:50 p.m. every Tuesday, Thursday and Saturday.

Sydney-bound tourists must present printed copies of their coronavirus disease 2019 (COVID-19) vaccination certificate upon check-in. Travelers must also complete and submit their digital passenger declaration form at least 72 hours before departure.

“Coming home, boosted Filipinos no longer need to take a COVID test pre-departure. For more information, passengers may refer to the Cebu Pacific Travel reminders page for the latest updates and complete travel guidelines to their destination,” the firm added.

Cebu Pacific said it will continue to offer its guaranteed low fares to stimulate travel across its flight network, which covers the widest Philippine destinations.

It added that it will implement “a multi-layered approach to safety, while it operates with a 100% fully vaccinated crew, 95% of whom have been boosted.” — **Luisa Maria Jacinta C. Jocsos**

Meralco, ERC, UP Diliman pilot Retail Aggregation



On June 24, Meralco, ERC and UP Diliman signed a Memorandum of Understanding for the pilot implementation of Retail Aggregation. Present during the event held in Quezon City were (from L-R) Meralco Vice President and Head of Corporate Business Group Engr. Ma. Cecilia M. Domingo, UP Vice President for Development Elvira A. Zamora, UP President Atty. Danilo L. Concepcion, ERC Chairperson and CEO Atty. Agnes VST Devanadera, ERC Commissioner Atty. Alexis M. Lumbatan, and Meralco First Vice President and Head of Regulatory Management Office Atty. Jose Ronald V. Valles. (Note: Public health standards were strictly followed during the event and face masks were only removed for the photo opportunity.)

The Manila Electric Company (Meralco), Energy Regulatory Commission (ERC), and University of the Philippines Diliman (UP Diliman), will pilot an implementation of Retail Aggregation that will allow the academic institution to choose its preferred supplier of electricity for the combined power requirements of the various buildings within the campus.

To formalize this partnership, key officials from Meralco, ERC, and UP Diliman signed a Memorandum of Understanding (MOU) at the UP campus in Quezon City on June 24.

Retail Aggregation Program is a scheme provided under the Electric Power Industry Reform Act (EPIRA) wherein two or more electricity end-users within a contiguous area can join together to pool their demand and be treated as a single Contestable Customer, thereby enabling it to participate in Retail Competition and Open Access (RCOA).

The state university signified its intent to explore retail choice mechanisms to comply with the directive of the Inter-Agency Efficiency and Conservation Committee (IAECC) under the Government Energy Management Program (GEMP), to reduce the government’s monthly electricity consumption.

To provide UP Diliman what it needs to participate in the retail supply market and minimize incremental costs, Meralco proposed the use of meters with remote data collection capability and electronic tabulation of individual readings of buildings within the campus.

This pilot implementation, which will be done in phases, will cover all 149 customer accounts within the campus with a combined demand of 4.27 MW.

The university, according to UP President Atty. Danilo L. Concepcion, has been identifying the best strategies to achieve energy efficiency and conservation in the University. The retail aggregation pilot, he said “will lead to lower electricity consumption costs, more savings, and a more efficient means of measuring the campus’ electricity consumption.”

“For the entire university system, this is a way for us to fulfill our mandate to harness our resources, including our campuses and academic community, toward our quest for national development, by supporting the initiatives of our government agencies, our private sector, and our communities,” he said.

Meralco and UP Diliman initiated this pilot implementation to ensure the smooth and orderly participation of the university in RCOA, consistent with the detailed rules on retail aggregation recently approved by the ERC.

Meralco First Vice President and Head of Regulatory Management Office Atty. Jose Ronald V. Valles said: “True to Meralco’s commitment and mandate to provide excellent and tailor-fit services to our customers, we are delighted to be part of this pilot to explore ways of expanding customer choice through retail aggregation.”

“We would like to recognize the ERC for its instrumental role in this partnership, particularly by the promulgation of the necessary rules and regulations governing retail aggregation. Their guidance and oversight have shaped both this pilot implementation and retail aggregation for the rest of the country. Beyond retail aggregation, we are hopeful that this project will be the first of many initiatives where Meralco can work with the ERC and University of the Philippines to bring innovation and customer empowerment to our kababayans,” added Atty. Valles.

For her part, ERC Chairperson and CEO Atty. Agnes VST Devanadera said: “The ERC would like to thank the UP and Meralco for their initiative in making possible this pilot implementation. With their partnership, we hope that the electricity consumers will be more enlightened about the benefits of retail aggregation which ultimately is for the consumers to have the power to choose from among the electricity suppliers that offer better rates and better services.”

RCOA is a policy provided under EPIRA that allows electricity end-users classified by the ERC as a Contestable Customer to directly negotiate its power rates and enter into retail electricity supply contract with its preferred supplier.

CTA grants property leasing company’s P21-M tax refund claim

THE Court of Tax Appeals (CTA) has granted the appeal of Basic Housing Solutions, Inc. to cancel and set aside its income tax liabilities for the year 2014 worth P21.41 million inclusive of interest.

In a 17-page decision on June 28 and made public on July 1, the CTA Special Second Division prohibited the commissioner of internal revenue (CIR) from collecting the company’s 2014 tax assessment.

“In this case, no letter of authority (LoA) was issued for the examination of petitioner’s (Basic Housing Solutions) books of accounts and other accounting records,” according to the ruling penned by CTA Associate Justice Marie A. Bacorro-Villena.

The petitioner is a domestic corporation engaged in the business of improving, developing, and leasing real estate properties.

The court noted that only a memorandum of the assignment (MoA) was issued by a revenue district officer to conduct an audit of the company’s books of accounting, which is not a valid substitute for an LoA.

It added that the MoA only gave notice and was not signed or issued by the CIR, which does not grant the assigned revenue officers authority to conduct the audit.

“However, a notice of the fact of reassignment and transfer of cases is one thing; proof of the existence of authority to conduct an examination and assessment is, another thing,” the court said, citing prior jurisprudence.

It ruled that the revenue officers assigned were not authorized to conduct the audit based on the absence of the LoA.

Under the country’s revenue code, only the CIR or his duly authorized representative may authorize an examination of a taxpayer’s tax liabilities. Revenue officers can only perform audits and assessments through a letter of authority issued by the CIR.

The CIR represented by Batangas Regional Director Maridur V. Rosario argued that the tax assessments were presumed correct and made in good faith and that the taxpayer has to prove otherwise.

“Well-entrenched are the principles that in the absence of such an authority, the assessment or examination is a nullity and a void assessment bears no fruit,” the tax court said.

“With the foregoing disquisition, due to the invalidity of the assessment against the petitioner, the court finds it unnecessary to tackle the other issues raised as their resolution could no longer change the outcome of the case.” — **John Victor D. Ordoñez**

OUTLIER

Jollibee’s near pre-pandemic operating income last year brings optimism to investors

INVESTORS have become optimistic about Jollibee Foods Corp. (JFC) after its top official told shareholders about the company’s strong business rebound as its operating income last year neared pre-pandemic levels.

Data from the Philippine Stock Exchange showed a total of 2.84 million shares worth P573.63 million were traded from June 27 to July 1, making it the 15th most actively traded stock last week.

Shares in Tony Tan Caktiong’s company grew by 2.5% week on Friday. Year to date, the stock has declined by 4.7%.

In a Viber message, Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said that the growth was mainly driven by the company’s “strong” first-quarter income report.

Timson Securities, Inc. Head of Online Trading Marc Kebinson L. Lood anchored the stock company’s upward trend to the investors’ and market players’ optimism.

During JFC’s annual stockholders’ meeting on June 24, President and Chief Executive Officer Ernesto Tanmantiong noted that the business turned around last year, calling it the company’s “defining achievement for 2021 — to have generated an operating income at par with pre-pandemic levels even as system-wide sales were behind by 13.2%.”

Mr. Lood said in a text message: “Investors are somewhat cheerful about this news, particularly in the long term, because JFC is focusing more on

international expansion, which has more room for exponential growth, and the strong rebound in operating income shows no sign of slowing the company’s goal of becoming one of the top five restaurant chains in the world.”

Last year, operating income amounted to P6.32 billion, nearly equal the P6.48 billion recorded in 2019.

In the first quarter of this year, JFC’s attributable net income surged more than tenfold to P2.31 billion in the first quarter last year from P152.65 million in the same period last year.

As mobility restrictions continue to ease while prices of basic commodities maintained their rise, Mr. Arce expects JFC’s second-quarter net income to reach P1.6-billion net income. He sees full-year 2022 and 2023 profits to hit P6.4 billion and P8.6 billion, respectively.

Mr. Lood expects JFC’s net income to reach P7.5 billion by yearend, as the store expansion continues.

For Mr. Arce, market players should monitor the country’s inflation rate as it can affect the company’s input prices, among others.

“For the immediate future, investors and businesses will be constantly monitoring inflation levels as accelerating inflation can raise input prices, [and] reduce consumer purchasing power unless incomes rise. Likewise, the monetary policies employed to contain inflation can damage growth and employment,” he said. — **Mariedel Irish U. Catilogo**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <https://bit.ly/SybYHEB>