Kaliwa Dam construction progress hits 22%

THE Metropolitan Waterworks and Sewerage System (MWSS) said on Tuesday that the Kaliwa Dam in Rizal and Quezon provinces is now 22% complete.

"(Including) detailed engineering design… the Kaliwa Dam is now 22% complete," Leonor C. Cleofas, MWSS administrator, told reporters.

Ms. Cleofas said that MWSS hopes to complete the Kaliwa Dam, which will serve as the new source of water for Metro Manila, by the end of 2026, with operations commencing by 2027.

Last year, the MWSS said a memorandum of agreement was concluded with the indigenous peoples around the Kaliwa river, a waterway in Rizal and Quezon provinces.

The Dumagat-Remontado indigenous peoples who have an ancestral domain claim, received a P160-million "disturbance fee" for the construction of the dam.

"It was a recognition that they are the owners of the ancestral domain; again, there is no transfer of ownership. Their ownership for the land is being recognized through the disturbance fee," Josefina R. Agusti, regional hearing officer of the National Commission on Indigenous Peoples Calabarzon, told reporters.

She said P80 million each was distributed to Tanay Dumagat-Remontado Ancestral Domain Development, Inc. and to Pinagtaanan ne Dumagat-Remontado de General Nakar, the two IP organizations will also receive a share of the revenue, known as the "benefit share," once the dam starts operations.

"After the awarding of P80 million, of course we will be expecting their yearly benefit share which is P36 million for General Nakar, Quezon. For Tanay, Rizal, that is another P10 million per year," Ms. Agusti said.

The Kaliwa Dam is a bulk water supply project which is a component of the New Centennial Water Source program of the MWSS. It is expected to supply 600 million liters per day of water. — **Ashley Erika O. Jose**

PHILSTAR FILE PHOTO

BENJAMIN KNOX-UNSPLASH

Segment of South Commuter Railway line awarded to Leighton joint venture

THE GOVERNMENT has awarded the civil engineering, tunnel and building works contract for a segment of the South Commuter Railway (SCR) to the joint venture of Leighton Contractors (Asia) Ltd. and First Balfour, Inc., the Department of Transportation (DoTr) said.

Leighton Contractors (Asia), a Hong Kong-based unit of Australia's CIMIC Group Ltd., and its Philippine partner First Balfour, were named the successful bidder for Contract Package S-03b (CP S-03b) of the SCR, the DoTr said.

In a notice of contract award, issued on Monday, the Transportation department said that the contract has an estimated total value, inclusive of provisional sums and value-added tax, of P23.92 billion.

The notice also provided a breakdown of the project cost by currency as follows: P21.92 billion, $14.63 million, and €21.38 million, with the duration of the contract set at 2,160 calendar days.

The contract covers the civil engineering, tunnel and building works for the 6.1-kilometer (km) railway, 4.7-km underground railway and 1.4-km at-grade railway.

CP S-03b will also include the building of station where the railway stops at the Food Terminal, Inc. property, as well as tunneling works to connect to the Metro Manila Subway Project Senate Station.

Once completed, the 54.6-km railway line connecting Metro Manila and Calamba, Laguna will help ease road congestion and contribute to the reduction of greenhouse gas emissions.

SCR will have 18 stations in total starting from Blumentritt, Manila and ending in Calamba.

On Feb. 17, the Transportation department issued the notices of award for CPs S-01 and S-02 to the joint venture of Indonesian firms PT Adhi Karya (Persero) Tbk. and PT PP (Persero) Tbk. and the Acciona Construction Philippines, Inc. and D.M. Consunji, Inc. joint venture, respectively.

CP S-01, worth P11.62 billion, covers the civil engineering works for a 1.2-km railway viaduct, including an elevated station at Blumentritt, while the P28.3-billion CP S-02 covers a 7.9-km railway viaduct as well as the España, Santa Mesa, and Paco, Manila stations. — **Justine Irish D. Tabile**

BIR firms up definition of ecozone logistics providers eligible for zero VAT

THE Bureau of Internal Revenue (BIR) said it has more clearly defined which economic zone logistics service enterprises (ELSE) are entitled to the zero value-added tax (VAT) incentive.

In a memorandum circular, the BIR said it published a clarification of eligible logistics providers as those engaged in "activities in support of exporters."

"Despite its issuance, there are still some questions that need to be addressed," it added.

It said ELSEs must be registered business enterprises supplying production-related raw materials and equipment catering exclusively to the requirements of export manufacturing enterprises registered with the Philippine Economic Zone Authority (PEZA), Clark Development Corp., Subic Bay Metropolitan Authority, Authority of the Freeport Area of Bataan or other special economic zones and freeports outside PEZA administration.

The industry "provides critical support, particularly to export manufacturing companies with their requirements for logistics support to facilitate their import and export shipments, sourcing raw materials, inventory management, just-in-time deliveries, localization, and process customization," it added.

It also clarified that ELSEs that render at least 70% of their output or services to another registered export enterprise are covered by the definition of "export enterprise."

The circular also affirmed that purchases by registered ELSEs from VAT-registered suppliers are subject to VAT at a zero rate, but this only applies to goods and services directly and exclusively used in the registered project or activity of the ELSE.

The BIR also issued guidelines on the requirements for the availment of the VAT at zero rate. — **Luisa Maria Jacinta C. Jocson**

House approves bills barring LGU interference in Bataan economic zone

A HOUSE panel has approved bills clarifying the powers of the Authority of the Freeport Area of Bataan (AFAB) to manage the economic zone free of local government interference.

During the House joint meeting of the economic affairs and trade and industry committees, Bataan Rep. Albert S. Garcia said that while AFAB's autonomy gives it the power to respond to its locators' immediate needs, "the management of AFAB has noted that it still encounters certain regulatory and investment promotion challenges."

"This bill seeks to further clarify or strengthen its regulatory jurisdiction and investment promotion function as well as introduce other amendments that can help further realize its potential as an engine of growth for Bataan and the country as a whole," Mr. Garcia added.

House Bills No. 7058 and 7187 seek to amend the Republic Act (RA) No. 11453, known as An Act Strengthening the Powers and Functions of the AFAB, which itself amended RA No. 9728 or the Freeport Area of Bataan Act of 2009.

The bills seek to free AFAB from local government unit interference "pursuant to its autonomy and self-reliance."

They also propose space technology as one of the industries to be managed by the AFAB.

Emmanuel D. Pineda, AFAB administrator, said the expansion of AFAB registered enterprises resulted in P7 billion in new investment in 2022.

The panel also approved bills creating special economic zones in Marinduque, Surigao City, Southern Leyte, Iligan, Camarines Sur, Occidental Mindoro, Sarangani, Maguindanao and Cotabato City, Misamis Occidental, and West Aklan. — **Beatriz Marie D. Cruz**

Sugar planters reject proposal for further molasses imports

SUGAR planters on Tuesday said the supply of molasses is adequate following a surge in import volumes, rejecting reported claims by the ethanol industry that more imports are needed.

"As the figures of (the Sugar Regulatory Administration) show, we have sufficient production and supply of molasses at this time," Philippine Sugar Millers Association, Inc. (PSMA) Executive Director Jesus L. Barrera said in a Viber message.

According to Mr. Barrera, domestic production of molasses is "on upswing" while the demand has been "soft and slow."

He noted that any additional molasses imports will further affect demand for domestic molasses, which he said was down by 17% this year.

An association of ethanol producers reportedly asked the government to allow regulated imports of molasses for use in bioethanol due to a "shortage" of the raw material.

Citing SRA data, the PSMA said domestic molasses production was 471,046.18 metric tons (MT) as of late January, up 3.38% from a year earlier.

The PSMA also said imports of molasses for potable alcohol and animal feed in 2022 was 608,310 MT, up 80%.

In January 2023, the volume of imported molasses increased 80% year on year to 88,702 MT.

"We have sufficient supply. There is no national emergency or shortage of molasses. We do not need to import more molasses specifically for bioethanol production," the PSMA said in a statement on Monday.

Molasses is a by-product of sugarcane. — **Sheldeen Joy Talavera**

DBM issues warning over fund-release 'fixers'

BW FILE PHOTO

THE Department of Budget and Management (DBM) warned against individuals or organized groups claiming to have the power to effect fund releases.

"In view of the numerous reports, all government entities are again reminded that upon submission of requests for fund releases to the DBM, the same are acted upon consistent with pertinent laws and established procedures and budgeting rules and regulations," the department said in a Feb. 16 circular.

"It is to be emphasized that the DBM does not authorize any person or organized groups to facilitate or expedite fund releases for whatever purpose," it added, noting that it also does not solicit requests for fund releases.

The department also called on government agencies to regularly advise their respective clients or stakeholders to rely only on official DBM channels.

"We strongly advise all National Government agencies, local government units, and all others concerned to refrain from entertaining or transacting with private individuals or organized groups of dubious character and be cautious of individuals introducing themselves as DBM employees," it added.

The DBM added that it only deals with the agency head or local chief executive or their duly authorized representatives, who must be organic personnel of the government entity concerned. — **Luisa Maria Jacinta C. Jocson**

LANDBANK loans to agriculture, fisheries sectors top P261 billion in 2022

LAND BANK of the Philippines (LANDBANK) said on Tuesday that it granted loans to farmers and fisherfolk totaling P261.7 billion in 2022, supporting 3.5 million borrowers.

It added in a statement that more than 766,000 or 22% of these were in the Philippines' 20 poorest provinces.

The bank said it hopes to lend to 3.6 million farmers and fisherfolk this year.

The bank said it will be partnering with the Department of Agriculture (DA) and the Department of Agrarian Reform (DAR) to identify potential loan clients.

"LANDBANK continues to service the growth requirements of all players in the agribusiness value chain, making it the biggest lender to the agriculture sector. We remain committed to delivering timely and accessible credit to boost economic activities in the countryside and the country's overall food production," LANDBANK President and Chief Executive Officer Cecilia C. Borromeo said in a statement.

The areas with the most beneficiaries were Nueva Ecija, Maguindanao, Bohol, Leyte, Pangasinan, Cotabato, Isabela, Cagayan, South Cotabato, and Ilocos Sur, the bank said.

LANDBANK said it released P15.3 billion last year under programs jointly implemented with the DA which supported over 252,000 borrowers.

It also released P751.7 million to 229 agrarian reform beneficiaries' organizations under programs jointly implemented with the DAR.

LANDBANK said that of the P261.7 billion in outstanding loans posted in 2022, P46.6 billion directly benefited small farmers and fisherfolk. These included cooperatives, farmers' associations, rural financial institutions, and other conduits.

Meanwhile, P87.8 million was used to finance the construction of 953.7 kilometers of farm-to-market roads, 4.5 kilometers of bridges, 50 public markets, 14 irrigation systems, and more in collaboration with local government units (LGUs), LANDBANK said.

The bank also said that P66.5 billion of the total loans financed livestock and crop production, while P107.4 billion was deployed to agri-processing and trading projects.

It added that P166.8 billion was allocated to support small, medium, and large agribusiness enterprises, while P48.3 billion supported agri-aqua-related projects of LGUs and government-owned and -controlled corporations.

LANDBANK booked a net profit of P30.1 billion in 2022 on improved interest income, commissions, and foreign exchange gains. — **Aaron Michael C. Sy**

LANDBANK