Philippine Stock Exchange index (PSEi) 6,644.75 ▲ 13.78 PTS. ▲ 0.2%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P656.00	-P3.00	-0.46%
ACEN	ACEN Corp.	P6.37	-P0.05	-0.78%
AEV	Aboitiz Equity Ventures, Inc.	P53.90	+P2.40	+4.66%
AGI	Alliance Global Group, Inc.	P12.50	-P0.16	-1.26%
ALI	Ayala Land, Inc.	P28.50	-P0.40	-1.38%
AP	Aboitiz Power Corp.	P37.45	+P0.35	+0.94%
BDO	BDO Unibank, Inc.	P128.50	——	
BPI	Bank of the Philippine Islands	P103.00	+P1.90	+1.88%
CNVRG	Converge ICT Solutions, Inc.	P13.10	-P0.16	-1.21%
DMC	DMCI Holdings, Inc.	P11.66	-P0.20	-1.69%
EMI	Emperador, Inc.	P20.70	+P0.10	+0.49%
GLO	Globe Telecom, Inc.	P1,860.00	+P16.00	+0.87%
GTCAP	GT Capital Holdings, Inc.	P506.00	+P2.00	+0.4%
ICT	International Container Terminal Services, Inc.	P218.00	+P4.00	+1.87%
JFC	Jollibee Foods Corp.	P224.00	+P5.00	+2.28%
JGS	JG Summit Holdings, Inc.	P53.20	+P0.70	+1.33%
LTG	LT Group, Inc.	P9.95	+P0.03	+0.3%
MBT	Metropolitan Bank & Trust Co.	P58.50	+P0.15	+0.26%
MER	Manila Electric Co.	P310.00	+P7.00	+2.31%
MONDE	Monde Nissin Corp.	P11.06	-P0.18	-1.6%
MPI	Metro Pacific Investments Corp.	P3.78	-P0.07	-1.82%
PGOLD	Puregold Price Club, Inc.	P33.10	+P0.10	+0.3%
SCC	Semirara Mining and Power Corp.	P33.05	——	
SM	SM Investments Corp.	P902.50	-P6.50	-0.72%
SMC	San Miguel Corp.	P105.00	——	
SMPH	SM Prime Holdings, Inc.	P33.65	-P0.35	-1.03%
TEL	PLDT Inc.	P1,376.00	-P4.00	-0.29%
UBP	Union Bank of the Philippines	P85.00	-P0.20	-0.23%
URC	Universal Robina Corp.	P147.00	——	
WLCON	Wilcon Depot, Inc.	P28.30	——	

Monde Nissin incurs P13-billion net loss in 2022

MONDE NISSIN CORP. suffered a net loss of P13.03 billion in 2022, a reversal of its P3.12-billion net income a year earlier, due to a one-off charge the company incurred in Marlow foods.

"The impairment was caused by the application of a higher discount rate due to the prevailing higher interest rates and risk premiums, some margin compression, and rationalization of the trend in the meat alternative category," the company said in a disclosure to the stock market on Tuesday.

For 2022, Monde Nissin reported a 6.6% increase in net sales to P73.88 billion from the P69.28 billion reported the previous year.

"Despite the challenges we faced this past year with inflation headwinds and our noodles recall in the third quarter, we finished the year with strong topline growth across all of our categories in Asia Pacific branded food and beverage (APAC BFB)," said Monde Nissin Chief Executive Officer Henry Soesanto.

Cost of goods sold increased by 16.55% to P50.92 billion from P43.69 billion in 2021, while sales and general expenses more than doubled to P36.46 billion from P16.19 billion.

Sales for Monde Nissin's APAC BFB segment increased by 8.4% to P58.55 billion. Sales for its domestic unit rose by 9.3% to P55 billion, driven by volume growth in its biscuits, beverage, and culinary products.

International revenues declined by 4.1% to P3.5 billion, which the company attributed to a temporary slowdown as ii takes measures "to ensure global compliance were strengthened."

Additionally, sales from its alternative meat business, Quorn Foods, reached P15.39 billion, a 1% increase compared with the previous year.

The company's core attributable net income declined by 19.6% to P6.59 billion while its core gross profits also declined by 9.6% to P23.15 billion in 2022.

Meanwhile, the company reported its fourth-quarter core net income at P958 billion, a decline of 10.4% from the previous year.

Its net sales for the period were at P19.04 billion, up 11.8% growth, with APAC contributing P14.88 billion and Quorn contributing P4.17 billion, a 15% and 1.3% increase, respectively.

The company said in a media briefing that it will move most of its operating expenditures in its alternative meat business into capital expenditures (capex) for its APAC segment.

"You could say we are quite bullish in our capex projection for APAC, the volume momentum is there," said Monde Nissin Chief Financial Officer Jesse C. Teo in a media briefing on Thursday.

"For meat alternative, we will have a more modest capex budget a lot of this will be primarily geared towards cost savings projects, possible insourcing if the financials are warranted," Mr. Teo added.

For the year, the company has allotted about P7.42 billion for capex, P6.05 billion will go to its APAC BFB segment and P1.37 billion will go to its alternative meat unit.

Shares in Monde Nissin fell by 1.6% or 18 centavos to close at P11.06 apiece, on Thursday. — **Adrian H. Halili**

DTI, Amazon tie up for entrepreneurs' digital shift

THE Department of Trade and Industry (DTI) partnered with Amazon Web Services (AWS) to help the digital transition of local entrepreneurs and businesses.

In a statement on Thursday, the DTI said that it signed a memorandum of understanding with AWS in February for the training of local entrepreneurs and innovators.

Under the partnership, the DTI seeks to utilize the cloud capabilities of AWS such as artificial intelligence (AI), machine learning (ML), and the internet of things (IoT) to boost innovation and drive economic growth in the country.

AWS will also conduct training for micro, small, and medium enterprises (MSMEs), startups, and public sector agencies to improve their digital skills.

"It is critical to forge partnerships with leading global innovators that would promote innovation among Philippine businesses and accelerate their adoption of digital technologies," Trade Secretary Alfredo E. Pascual said.

"With the government's support and the private sector's participation, we are confident that we can meet the President's medium-term socioeconomic agenda by encouraging research and development, innovation, and enhancing the digital economy," he added.

Aside from training, individual learners will also be able to access AWS programs such as AWS Educate, which provides self-training; AWS Academy, which provides industry certifications; and AWS re/Start, which prepares individuals for cloud careers.

MSMEs will also have access to AWS Activate and AWS re/Start, which provide technical support and training to assist the growth of startups.

"The Philippines has a wealth of entrepreneurs and innovators who are driven by their desire to do things better, provide solutions, create value, and address customer demands. We believe that with the right collaborators like AWS, they can boost their businesses through digital technologies and serve as a primary engine of economic development," Trade Undersecretary Rafaelita M. Aldaba said. — **Revin Mikhael D. Ochave**

CTA partially grants refund claim of Kuwait Airways

THE Court of Tax Appeals (CTA) has granted part of Kuwait Airways Corp.'s appeal to refund its overpaid income taxes in the amount of P12.3 million for the year 2017.

In a 17-page decision dated March 28 and made public on March 29, the CTA Special Third Division said the firm was entitled to a preferential tax rate of 1.5 % of its gross Philippine billings (GPBs) as an international carrier, citing a 2014 tax treaty with Kuwait.

"Bearing in mind the rationale of tax treaties, there is no reason to deprive petitioner (Kuwait Airways) of its availment of the preferential tax of 1.5% on its GPBs in accordance with the Philippines-Kuwait tax treaty," Associate Justice Maria Belen M. Ringpis-Liban said in the ruling.

Under the country's tax code, an international air carrier doing business in the Philippines shall pay 2.5% of its GPBs. An airline may avail of a preferential rate on the basis of an applicable tax treaty or international agreement with the Philippines.

Kuwait Airways is licensed under the Securities and Exchange Commission to do business in the Philippines. It is primarily engaged in the air transport services industry.

The court said the firm erroneously paid its income tax liabilities since it applied the 2.5% tax rate instead of the 1.5% provided for in the Philippines-Kuwait tax treaty.

It said the airline company sufficiently proved its entitlement to the refund by submitting verified certificates of creditable tax withheld at source forms.

"Apropos, the government of the Philippines is obligated to observe the terms and conditions of the Philippines-Kuwait tax treaty to keep the agreement between the parties in good faith," the tribunal said.

"The application of the provisions of the National Internal Revenue Code must be subject to the provision of tax treaties entered into by the Philippines with foreign countries." — **John Victor D. Ordoñez**

Sika Philippines said it expects 20% sales growth in 2023

THE Philippine unit of Switzerland-based construction chemicals company Sika Group said it is expecting its topline to grow by 20% this year amid the increase in infrastructure projects.

In 2022, Sika Philippines, Inc. General Manager Christophe Lejeune said that the company recorded a 20% revenue growth last year which he expects to be the same this year.

"This year, we are expecting the same, 20% revenue growth again," he said.

To support this growth, Mr. Lejeune said they are eyeing to expand their presence in the Philippines through acquisitions and collaborations.

"We are looking to expand our presence in the Philippines and also in other countries in the world. We grow organically, that's internal growth, but we also grow by acquiring companies," he said.

The company's last acquisition was in 2019 when it acquired Parex which helped to improve the businesses' distribution network, retail sales and product offering.

"In the Philippines, we have very strong good companies that are involved in the construction industry. And these are companies that eventually we could approach to see if there could be any way to join forces in the future," Mr. Lejeune said.

According to Mr. Lejeune, they will continue to be involved in various public-private partnership projects (PPP).

"Normally we are involved in all those projects. We are not owners, we don't build, we manufacture products that will then be going to be used by all these PPP projects," he said.

"This administration is really reviving the PPP projects which help in accelerating the growth of the infrastructure industry in the Philippines," he added.

Mr. Lejeune said the rise of infrastructure projects will participate in the development of Sika's activities in the Philippines which is why they want to increase their manufacturing capacity locally.

"Today we have an approximate 40,000-50,000 metric tons of capacity for construction chemicals products. And we are expanding this capacity in the future," he added.

Its factories are located in Taguig and Las Piñas which is where the company's starting point is in the Philippines. — **Justine Irish D. Tabile**

ACEN subscribes to P5-billion shares in Santa Cruz Solar unit

AYALA-LED ACEN Corp. announced on Thursday that it had executed a subscription agreement with its wholly-owned subsidiary Santa Cruz Solar Energy Inc. (SCSEI) to fund the construction of the latter's solar project in Zambales.

In a stock exchange disclosure, ACEN said it subscribed to 50 million common A shares and 449.98 million redeemable preferred A shares for a subscription price of P5 billion.

The renewable energy company of the Ayala group said the subscription will fund the ongoing construction of phases one and two of the San Marcelino solar power plant project in Zambales.

ACEN said the shares are priced at P10 each. The renewable energy company noted that an initial payment of P2 billion was already made.

The company is targeting to reach 20 gigawatts of renewable capacity by 2030. To date, it has 4,000 megawatts of attributable capacity spread across the Philippines, Vietnam, Indonesia, India, and Australia.

At the local bourse on Thursday, shares in the company declined by five centavos or 0.78% to end at P6.37 per share. — **Ashley Erika O. Jose**

Manila's colorful jeepneys make way for carbon-free minibuses

THEY vanished from Philippine roads in the thick of one of the world's strictest pandemic lockdowns. Now, Manila's colorful jeepneys may disappear for good as the government seeks to cut planet-warming emissions.

The Southeast Asian nation is pursuing a plan to replace highly polluting jeepney models with modern minibuses that run on cleaner fuels or electricity. But the program is facing pushback from drivers who need more financial support to make the shift, putting at risk the country's goal of cutting greenhouse gas emissions by 75% by the end of the decade from 2020 levels.

Only 4% of the Philippines' 158,000 jeepneys have been replaced with a more climate-friendly alternative since the government's program began in 2017, according to official data. President Ferdinand Marcos Jr., who took office in 2022, has given drivers until the end of the year to form or join cooperatives to help them fund the transition or risk losing their permits to operate.

The mandate is a major worry for drivers like Roger del Monte, who returned to Manila's roads last year after the pandemic halted his main source of income for almost two years. Jeepney drivers like him typically earn about 650 pesos ($12) a day, putting the cost of a modern jeepney — which can go for as much as 2.8 million pesos — far out of reach.

"We won't be able to shoulder the cost," the 46-year-old said as he waited for passengers to board the rickety jeepney he's driven for seven years so he could send his two children to school. "We'll be deep in debt."

Called the "king of the road" because of their bulky frames, flashy designs and notoriously aggressive drivers, jeepneys are the cheapest mode of transport for many of the Philippines' 110 million people. The 20-seater vehicles, often decorated with graffiti-inspired spray paint, evolved from the army jeeps used during World War II and run on diesel, one of the dirtiest fuels available. A study from De La Salle University in Manila said replacing old models in the capital may reduce carbon monoxide and dangerous particulate matter emissions by 90%.

The problem for the Marcos administration is finding the money to back up its green plans. State resources remain scarce as the economy recovers from a Covid-induced slowdown. The government currently offers a subsidy of 160,000 pesos per jeepney, and didn't set aside funding specifically for the jeepney modernization program in this year's budget. Last year, it allocated 1.8 billion pesos for subsidies and social safety programs for drivers — a fraction of the 64.2 billion pesos that the land transport agency estimates is needed to raise the subsidy per jeepney to 360,000 pesos.

"This is torture for drivers," said Modesto Floranda, who heads Piston, one of the transport groups that organized a strike against the jeepney modernization policy this month. Some 900,000 drivers may lose their jobs if the government removes old jeepneys from roads, he warned. "The government left us on our own to carry out this program."

The government's end goal is to transition drivers to zero-emission electric vehicles, but the Philippines still lacks sufficient charging infrastructure. It's more common right now for those able to make the shift to buy minibuses with "Euro-4 compliant" diesel engines, which have catalytic converters that are more efficient at filtering out pollutants such as sulfur and carbon monoxide. — ***Bloomberg***

FULL STORY

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