

# Maynilad moves to augment summer water supply

By **Ashley Erika O. Jose**  
Reporter

MAYNILAD Water Services, Inc. has started to implement supply augmentation measures to meet the expected surge in demand this summer, a company official said.

“The water level at Angat Dam is still at a healthy level but given the expected El Niño by the latter half of 2023, Maynilad is concerned that there will be less rainfall to replenish the Angat and Ipo dams,” Maynilad Spokesperson Jennifer C. Rufo told *BusinessWorld* in a Viber message on Sunday.

Maynilad’s supply augmentation measures include the reactivation of deep wells and the commissioning of modular treatment plants. But these measures are only expected to mitigate the impact of a supply shortage if the dams’ water level continues to decline.

The latest available data from the Metropolitan Waterworks and Sewerage System (MWSS) showed that Angat dam is currently at 204.96 meters, higher than the normal operating level of 192 meters, but lower than 212 meters, which is considered the ideal level to provide an adequate safety margin for supply during dry months.

Angat Dam is the main source of water for Metro Manila, ac-

counting for about 90% of the capital’s potable water.

The west-zone water concessionaire said that it is building a new treatment plant that would bring additional supply starting this year, addressing the possible water supply deficit as population growth continues amid a lack of new water sources.

“Maynilad is now building a new water treatment plant in Muntinlupa, which will yield an additional supply of 150 million liters per day (MLD),” Ms. Rufo said, adding that the facility will produce an initial 50 MLD by year-end. She was referring to the Poblacion water treatment plant in Muntinlupa City.

“For the next five years, we plan to build five new water treatment plants, including some that will source raw water from our sewage treatment plants,” she said.

Ms. Rufo said these new water treatment plants will source supply either from new water or used water that will be treated and made potable again.

Maynilad is also planning to source raw water from Kaliwa Dam, which is currently being facilitated by the MWSS.

As of February, MWSS said that the construction of Kaliwa Dam, a crucial dam project that will augment water supply in Metro Manila, is 22% complete. The dam is expected to be com-

pleted by the end of 2026, with water supply expected starting in 2027.

MWSS said the Philippine capital’s two water concessionaires, Maynilad and Manila Water Co., Inc., would develop a water treatment plant in Teresa, Rizal once the dam and tunnel are finished.

“That is the latest timeline they have given us so we will construct the necessary treatment plant and conveyance lines to use the expected additional raw water from Kaliwa Dam as it becomes available,” Ms. Rufo said.

Maynilad, a concessionaire of the MWSS, serves the cities of Manila, except portions of San Andres and Sta. Ana. It also op-

erates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon.

It serves the cities of Cavite, Bacoor and Imus, and the towns of Kawit, Noveleta, and Rosario in Cavite province.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls.

## OUTLIER

### PLDT rises as capex findings soothe investors

PLDT Inc. inched up last week as worries over its budget overrun were eased while news of its Sky Cable Corp. acquisition boosted optimism amid an expected wider market share.

Data from the Philippine Stock Exchange (PSE) showed a total of 551,025 shares of the Pangilinan-led telco worth P746.3 million were traded from March 20 to 24.

PLDT shares closed at P1,350 apiece on Friday, up 3% from the P1,310 close on March 17. For the year, however, the stock was down by 25.5%.

On March 23, PLDT said it found no wrongdoing over the P48-billion capital expenditure (capex) overrun last year. It also announced this year’s capex at P80 billion to P85 billion, or below the P96.8 billion it spent last year.

Globalinks Securities and Stocks, Inc. Head of Electronic Trading Mark Crismon V. Santarina said in a Viber message that the spending report was good for investors and the announcement of a lower capex “may ease concerns” about the year’s finances.

“However, the company’s stock price [was] still affected by the overall market [performance] and investors’ feelings,” he said, referring to Thursday’s net selling of the stock by foreign investors that may also impact PLDT’s price.

Mr. Santarina said PLDT, as a member of the PSE index (PSEI), could have been affected by the current international financial situation and was not exempted

from the effects of the recent collapse of Silicon Valley Bank and Signature Bank in the US.

He added that news of the US Federal Reserve’s and the Bangko Sentral ng Pilipinas’ rate hikes also influenced market players’ decisions to buy or sell.

The US Fed hiked rates by 0.25 percentage points to lower inflation.

As the market expected, the local central bank hiked rates by 25 basis points as core inflation continued to climb and to keep headline inflation on a downward trend.

Meanwhile, PLDT’s acquisition of Sky Cable is another news that gained positive sentiments from investors as this is expected to widen the telco’s market share and bring in more revenue.

“However, it’s hard to predict the exact impact of the acquisition on PLDT’s overall income given current market conditions. Investors may also be staying on the sidelines due to the uncertainties in the market that can influence market and investor sentiment,” Mr. Santarina said.

For the week, Mr. Santarina sees PLDT moving sideways as investors await another “significant event that could trigger a breakout.”

He expects PLDT’s first-quarter earnings before interest, taxes, depreciation, and amortization to reach P25.8 billion, higher than the P20.9 billion recorded in the first quarter of 2022, and a full-year net income of P30.4 billion. — **Bernadette Therese M. Gadon**

#### FULL STORY



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## CTA sets aside MRT operator’s P9.7-B taxes

THE Court of Tax Appeals (CTA) has granted Metro Rail Transit Corp.’s (MRTC) refund claim worth P9.69 billion allegedly representing its deficiency taxes for the fiscal year 2012.

In a 16-page decision on March 23, the CTA Special Third Division said the tax agents that audited the firm were not authorized through a letter of authority (LoA).

“An LoA is a jurisdictional requirement of a valid audit and therefore a valid assessment,” according to the ruling penned by Associate Justice Maria Rowena Modesto-San Pedro.

“The resulting tax assessments are consequently null and void and the same bears no valid fruit.”

The Bureau of Internal Revenue’s (BIR) assessment covered MRTC’s alleged deficiencies of income tax, improperly accumulated earnings tax, expanded withholding tax, withholding tax on compensation, and documentary stamp tax inclusive of interests and penalties.

The petitioner is the firm tasked to build, lease, and maintain the Metro Rail Transit Line 3 (MRT-3). It also has an

agreement with the Department of Transportation to manage phase 1 of the Light Rail Transit System (LRT) Line 3.

Under the country’s revenue code, only the commissioner of internal revenue (CIR) or his duly authorized representative may authorize an examination of a taxpayer’s tax liabilities. Revenue officers can only conduct audits and assessments through an LoA issued by the CIR.

Citing Supreme Court jurisprudence, the CTA said an LoA must be issued to afford taxpayers due process during the assessment process.

It said the revenue officers that conducted the audit were only authorized through a memorandum of assignment, which the court said is not a substitute for an LoA.

“To reiterate, the absence of an LoA is fatal to the validity of the respondent’s (CIR) deficiency assessment against the petitioner (MRTC) and the memorandum of assignment issued to the petitioner is not equivalent to an LoA,” the tribunal said.

“Being a void assessment, no valid fruit can be derived therefrom.” — **John Victor D. Ordoñez**

## SEC warns on unregistered frozen foods trader

THE Securities and Exchange Commission has warned the public not to invest in Davao-Prime Summit Frozen Products Trading as it is not authorized to solicit investment from the public.

In an advisory, the regulator found out that the entity has been soliciting investments in social media for its supposed frozen products business.

On its Facebook page, the entity stated that it is a “legit distributor and wholesaler of frozen dim sum and other frozen products.”

Investors are asked to place their investments online at an amount that ranges from P10,000 to P500,000 through its “Profit Share Program.”

The entity promises a 120% profit within the lock-in period of six months or 20% profit for every month.

It also said in a separate post that it was, supposedly, registered with the Davao office of the Department of Trade and Industry and has a mayoral permit from Davao City.

The commission also stated that it utilizes an investment contract as a security measure, a prominent measure “when there is an investment or placement of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others.”

In its review, the commission stated that both entities are not authorized to solicit investments from the public. — **Adrian H. Halili**

### Borrowings, from S1/1

Meanwhile, gross domestic debt fell by 48.1% to P179.3 billion from P345.551 billion in the previous year.

The BTr raised P17.625 billion from Treasury bills and P161.675 billion from fixed-rate Treasury bonds.

The government borrows from domestic and foreign sources to fund a budget deficit capped at P1.47 trillion or 6.1% of gross domestic product (GDP) this year.

In January, the NG’s budget balance swung to a surplus of P45.75 billion.

Finance Secretary Benjamin E. Diokno on Friday said that the government is planning a retail dollar bond offering by next month.

“We plan to launch it maybe next month. We’re thinking along \$2-3 billion. This will be

treated as domestic debt. We are marketing this to our overseas Filipino workers and even residents in the country. You don’t even need to have a dollar account,” he told reporters on Friday.

“I’m confident it will get a good reception. It’s tax-free and it’s in dollars, so you don’t fear it will depreciate,” he added.

Proceeds from the bond offering will be used to finance the budget, Mr. Diokno said.

The Philippines’ last retail dollar bond sale was in 2021, when it raised \$1.6 billion.

This year, the government plans to borrow P2.207 trillion. Of this, P1.654 trillion will be sourced domestically and the remaining P553.5 billion will be borrowed from external sources. — **Luisa Maria Jacinta C. Joeson**

### Online sellers, from S1/1

As of 2022, the Trade department estimated there are around two million entities doing business as online sellers.

However, not all online sellers pay proper taxes. This has prompted the Bureau of Internal Revenue (BIR) to look for better ways to collect taxes from online sellers.

“Because taxes are the lifeblood of the government and that most business activities are undertaken online these days, it is a matter of government survival that the digital economy is taxed through an efficient tax system,” Ms. Doyaoen-Pagayatan said.

Richard R. Ibarra, tax director at P&A Grant Thornton, said the government should offer incentives in order to encourage online sellers to register and pay taxes.

“If online sellers register, they can be given a deduction, so they are encouraged to comply. Instead of giving out penalties, let’s find a suitable model,” he said in a phone interview.

Mr. Ibarra said that online platforms should also work as agents of the BIR, noting that the withholding tax system would work best to monitor online sellers.

“That way, the government can identify if the online seller is declaring properly. (The platform) can report on transactions. The online sellers would then be scared if they didn’t properly declare taxes,” he said.

The BIR currently has a number of measures and regulations to monitor collections from online platforms and sellers.

Under the Tax Reform for Acceleration and Inclusion Law, taxpayers engaged in e-commerce are required to use the BIR’s Electronic Invoicing/Receipting System. The system allows taxpayers to issue electronic receipts and invoices, which are then transmitted to the BIR.

As early as 2013, the BIR also issued Revenue Memorandum Circular No. 55, which reiterates that those involved in online businesses, including online shopping and online retailing, must still file and pay for taxes.

Under the same circular, persons who conduct business through online transactions must register their business with the BIR, issue registered invoice and receipts for every sale, and withhold required creditable or expanded withholding tax and remit these to the BIR.

Ms. Doyaoen-Pagayatan also said it is important that the Philippines is aligned with the worldwide efforts to improve taxation of online sellers, “otherwise, other countries could limit trade transactions with the country.”

She cited the Base Erosion and Profit Shifting project led by the Organization for Economic Cooperation and Development (OECD). It aims to promote tax planning strategies used by multinational enterprises that exploit gaps and mismatches in tax rules to avoid paying tax.

Under the project, the OECD also launched a framework that aims to address tax challenges arising from the digitalization economies worldwide.

“With some countries lacking the capability or system to tax online sellers, such as the Philippines, online sellers could shift the revenue for such online sales to such countries, like the Philippines, in order to avoid or minimize taxes. In the process, the efforts of other countries to tax online sellers are undermined,” Ms. Doyaoen-Pagayatan said.

She said the BIR should make tax registration and other processes easier for taxpayers.

“Currently, tax registration and compliance, especially, are still difficult and time consuming that it discourages online businesses from registering and complying for tax purposes,” she said.

The BIR has been ramping up its digitalization efforts after it adopted a 10-year digitalization roadmap in 2019. In December, the agency launched its Online Registration and Update System, which allows taxpayers to fully register with the BIR online.

## ‘Don’t settle for less! Let your ears hear well again for a sound quality of life’

When a part of our body somehow struggles to fully function, we should not hesitate to have it checked.

Dr. Barrie Tan, an ear, nose, and throat (ENT) surgeon practicing at Gleneagles Hospital in Singapore, reminded in an interview with *BusinessWorld* that patients should not disregard deterioration in terms of the function of their organs.

This is very true with the ears, the organ that enables our hearing as well as brings us a sense of balance. When one gets to a point where they raise the volume of their devices to hear the sound, or when people have to speak louder to them, a possibility of hearing loss has to be considered.

collects the environmental sounds, and digital technology to process those sounds into electrical signals that are transmitted to the internal component. The internal component sends these electrical signals to several tiny electrical discharge plates along a slim electrode that is inserted into the cochlea. These then stimulate the endings of the hearing nerve located within the cochlea and the hearing nerve carries these electrical sound signals onwards towards the brain.

“Previously, patients used to wear very large speech processors. In fact, some of these processors were so large and contained in a box that had to be either slung and carried on the shoulder or worn on the belt. Thankfully through evolution in materials as well as in sound processing technology, everything has now been miniaturized and the entire speech processor can be worn just on a disc like magnet on the scalp,” Dr. Tan explained.



Dr. Barrie Tan

“I would argue that a loss of function deprives you of the opportunity to live life independently and to the fullest without having to require others to accommodate you,” Dr. Tan stressed.

There should be no hesitation in getting oneself checked when such conditions occur. The earlier this loss of function is diagnosed, the earlier an appropriate treatment be found. Furthermore, with the latest advances in surgery techniques and hearing implant technologies, almost every type of hearing loss can be fully restored to good hearing.

Dr. Tan recently treated a pair of boy twins from the Philippines who had delayed speech and language development. The twins’ parents discovered that the twins were not speaking well because they could not hear, and that their hearing loss was so severe that hearing aids were not sufficiently beneficial.

The twins were diagnosed to have problems with their cochlea, the hearing organ that transforms sound waves into electrical impulses which are sent onwards along the hearing nerve to the brain.

So, it was decided that the twins will undergo an advanced type of hearing implant surgery, known as cochlear implants. The implant consists of an external component and an internal component that is surgically implanted. The 2 components couple and attach to each other via magnets. The external component has a microphone that

bone behind the ear to reach the middle ear where the disease was.

“Instead of creating a very large bone cavity in order to reach the area of interest, we actually start at the area of interest for the surgery. So, it minimizes the incisions which are necessary,” the ENT specialist shared.

These advanced treatments can be availed at Gleneagles Hospital. With its investments in the state-of-the-art equipment, coupled with expertise like that of Dr. Tan’s, the hospital stands ready to help ENT patients have a better quality of life.

“Prior to my joining private practice, that investment in the latest ear surgery techniques and surgical hearing implants was not yet evident; but because I brought that surgical expertise with me into my practice in Gleneagles Hospital, the hospital has supported me and invested in buying the necessary endoscopes as well as microsurgical instruments in order to support the work that I do,” he said.

For inquiries, please contact our patient assistance center located at G/F-B, Marco Polo Hotel, Meralco Avenue and Sapphire Street, Ortigas Center, Pasig City 1600; e-mail manila.ph@ihhealthcare.com or call 0917-526-7576. Follow us at [facebook.com/MountElizabethHospitalsSGPhilippinesOffice](https://www.facebook.com/MountElizabethHospitalsSGPhilippinesOffice).



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