

Philippine Stock Exchange index (PSEi)

6,528.80

▼21.96 PTS.

▼0.33%

TUESDAY, JULY 18, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P615.00 +P4.00 +0.65%	ACEN ACEN Corp. P5.40 +P0.04 +0.75%	AEV Aboitiz Equity Ventures, Inc. P53.00 -P0.70 -1.3%	AGI Alliance Global Group, Inc. P12.70 -P0.06 -0.47%	ALI Ayala Land, Inc. P25.70 +P0.25 +0.98%	AP Aboitiz Power Corp. P34.00 -P1.65 -4.63%	BDO BDO Unibank, Inc. P139.50 -P5.30 -3.66%	BPI Bank of the Philippine Islands P116.10 +P0.10 +0.09%	CNVRG Converge ICT Solutions, Inc. P10.58 +P0.12 +1.15%	DMC DMCI Holdings, Inc. P9.24 -P0.19 -2.01%
EMI Emperador, Inc. P21.00 ---	GLO Globe Telecom, Inc. P1,816.00 -P30.00 -1.63%	GTCAP GT Capital Holdings, Inc. P525.00 +P6.00 +1.16%	ICT International Container Terminal Services, Inc. P207.00 +P2.00 +0.98%	JFC Jollibee Foods Corp. P250.00 ---	JGS JG Summit Holdings, Inc. P44.00 -P0.40 -0.9%	LTG LT Group, Inc. P9.46 -P0.23 -2.37%	MBT Metropolitan Bank & Trust Co. P56.50 -P0.15 -0.26%	MER Manila Electric Co. P351.00 +P1.40 +0.4%	MONDE Monde Nissin Corp. P8.35 -P0.45 -5.11%
MPI Metro Pacific Investments Corp. P4.92 ---	PGOLD Puregold Price Club, Inc. P29.80 +P0.45 +1.53%	SCC Semirara Mining and Power Corp. P27.95 +P0.05 +0.18%	SM SM Investments Corp. P929.00 +P4.00 +0.43%	SMC San Miguel Corp. P106.00 +P1.50 +1.44%	SMPH SM Prime Holdings, Inc. P33.00 +P0.20 +0.61%	TEL PLDT Inc. P1,289.00 -P16.00 -1.23%	UBP Union Bank of the Philippines P72.50 +P0.50 +0.69%	URC Universal Robina Corp. P132.30 -P0.40 -0.30%	WLCON Wilcon Depot, Inc. P24.70 +P0.20 +0.82%

Razon's ICTSI wins bid to run South African port

AFRICA'S biggest harbor will be partly owned and operated by the Philippines' International Container Terminal Services, Inc. (ICTSI), a first for South Africa's national ports company.

The company has been selected as an equity partner to run and expand Durban Container Terminal Pier 2.

Almost three-quarters of the freight volume moved through the eastern port goes through the terminal and it accounts for 46% of South Africa's total

port traffic, according to state logistics company, Transnet SOC Ltd.

This agreement "is a key catalyst for repositioning the Port of Durban as a container hub port," Transnet said in a statement on Monday.

South Africa is seeking to boost private participation in its ports, the poor performance of which is a drag on the economy. In a 2021 World Bank index of container port performance, Durban ranked 364th out of 370 and two other

Transnet ports were in the bottom 10.

Transnet will own a 50% plus one share in a new company that will manage the terminal for 25 years and will seek to boost its annual capacity to 2.8 million twenty-foot equivalent units, or TEUs, from two million, it said. TEUs are used to measure trade volumes at container ports.

ICTSI, whose chairman and chief executive officer is Filipino billionaire Enrique K. Razon, Jr., will make an "up front" payment to Transnet

for the stake, the South African company said in a response to queries, declining to give a figure. Mr. Razon is a major shareholder in ICTSI.

Ultimately, Transnet wants to boost Durban's total container capacity to 11.4 million TEUs from 3.3 million.

ICTSI, which operates terminals across six continents, was one of six bidders for the contract, Transnet said.

An announcement on the port of Ngqura will follow, Transnet said. — **Bloomberg**



VESSELS unload cargo at a port operated by ICTSI.

Globe completes P1.4-B initial tower deal with Unity Digital

GLOBE Telecom, Inc. has closed the first tranche of its tower sale to Unity Digital Infrastructure, Inc. numbering 115 towers for around P1.4 billion.

"The country's digital landscape continues to evolve so we build relationships that allow us to address industry changes and pain points in the market that will effectively improve our bottomline," said Rizza Maniego-Eala, Globe's chief finance officer, in a statement on Tuesday.

"Our deal with Unity and corresponding first closing of tower sale today are aligned with our efforts to

enhance customer experience and to develop operational agility and efficient calibration of resources," she added.

In a regulatory filing, the telecommunications company said the transaction marks the first tranche of the 447 sale-and-leaseback deal with the Aboitiz-backed tower company.

Unity is a joint venture telecommunications infrastructure platform of Aboitiz Infracapital, Inc. and global private markets firm Partner Group.

"Unity's partnership with Globe is a testament to our commitment in bridging the digital gap in our coun-

try and promoting digital inclusion," said Cosette V. Canilao, president and chief executive officer of Aboitiz Infracapital.

Ernest L. Cu, president and chief executive officer of Globe, said the company's purpose has always been to create digital solutions that will improve the lives of Filipinos.

"This collaboration between Globe and Unity is crucial to achieving that objective and is one of the transactions underpinning growth and its expanding portfolio of companies," he added.

After the recent closing, Globe raised P49.3 million from the sale of its towers. The company has already turned over 51% of towers under sale-and-leaseback deals or 3,826 towers out of the 7,596 total towers it sold.

"Subsequent closings will happen as and when closing conditions are met. Globe will make relevant announcements in accordance with the rules of the Philippine Stock Exchange as and when appropriate," the company said.

On Tuesday, Globe shares closed lower by P30 or 1.63% to P1,816 apiece. — **Justine Irish D. Tabile**

AEV seeks SEC nod for P17.45-billion retail bond offer

ABOITIZ Equity Ventures, Inc. (AEV) is seeking regulatory approval for the issuance of P17.45 billion worth of fixed-rate retail bonds, which it plans to offer in the third quarter of the year.

In a stock exchange filing, the company said it had filed an application with the Securities and Exchange Commission (SEC) for its fixed-rate bonds inclusive of an oversubscription option.

"Subject to market conditions, the 2023 Bonds are expected to be offered to the general public during the third quarter of 2023," the company said.

It said the bonds will be the second tranche of its P30-billion shelf-registered debt securities program, which was approved by the SEC on Nov. 22, 2022.

Last year, the company issued the first tranche of its fixed-rate retail bonds together with the final tranche of its 2019 bonds amounting to about P20 billion.

The company said the 2023 bonds will be listed with the Philippine Dealing & Exchange Corp.

AEV earlier disclosed its board's approval of the bond issuance and delegated to its management the appointment of an issue manager, bookrunner, underwriter, and trustee.

Its management will also approve the final interest rate, offer price, tenors, and other terms and conditions of the second tranche bonds.

During the first quarter, AEV reported an attributable net income of P4.01 billion, up 1.8% from P3.98 billion in the same period last year.

AEV's core businesses, conducted through its subsidiaries and affiliates, are grouped into five main categories: power generation, distribution, and retail electricity supply; financial services; food manufacturing; real estate; and infrastructure.

On Tuesday, its shares fell by 1.3% or 70 centavos to close at P53 each. — **Adrian H. Halili**

Tax court affirms denial of Melco Resorts' VAT refund claim of P81M

THE COURT of Tax Appeals (CTA) has stood by its ruling that rejected Melco Resorts Leisure Corp.'s P81.12-million refund claim allegedly representing illegally collected excess input value-added tax (VAT) for the first quarter of 2016.

In a 29-page decision dated July 11 and made public on July 17, the CTA full court said the firm failed to prove that it filed a timely claim for a refund, despite finding it entitled to tax privileges under the law.

"The records are miserably bereft of any proof of the date of the filing of VAT returns and payment of the VAT purportedly passed on the petitioner by its suppliers," according to the ruling written by Associate Justice Lanee S. Cui-David.

"Hence, this court cannot determine whether a petition for review praying for a refund or credit of erroneously or illegally collected taxes under the Tax Code is timely and properly filed."

Citing the Tax Code, the tribunal said taxpayers must file their claim for a refund or tax credit within two years after the alleged payment of the tax, which Melco Resorts failed to prove.

The two-year period would start from the day the firm supposedly paid the taxes.

The petitioner is a domestic corporation that handles the operation of the City of

Dreams Manila resort and casino in Parañaque City.

The CTA full court agreed with its Third Division's conclusion that the firm was entitled to tax incentives under Philippine Amusement and Gaming Corp.'s charter and Presidential Decree 1869.

Under the decree, companies licensed by the agency are exempted from paying taxes besides a 5% franchise tax of the gross revenue derived from its operation under its franchise.

The Bureau of Internal Revenue (BIR) had informed the firm that its application for a tax refund could not be considered. The agency cited a 2013 BIR memo that said income related to gaming activities is subject to 12% VAT and not entitled to the tax credit.

Melco Resorts argued that it was exempted from paying taxes based on the presidential decree.

The tribunal also said the firm failed to prove that it was engaged in zero-rated sales that did not result in any output tax.

It said the firm's failure to establish that it timely filed its refund claim did not allow the CTA to gain authority to rule over the tax dispute.

"Strict compliance with the mandatory and jurisdictional conditions prescribed by law to claim such tax refund or credit is essential and necessary for such a claim to prosper," the tax court said. — **John Victor D. Ordoñez**

Anchanto targets to sustain Philippine growth, expansion

E-COMMERCE solutions provider Anchanto is aiming to sustain its growth in the Philippines this year on the back of more businesses opting to digitalize their operations.

Dennis De Jesus, Anchanto country head for the Philippines, gave an update on the company's performance and its target of further growth this year.

"In terms of performance and expansion, we are steadily growing here in the Philippines," Mr. De Jesus told *BusinessWorld* in a virtual interview.

"Last year, we were able to double our revenue production compared to the previous year. This year, we're setting out on the same path to try to hit our numbers," he added.

Mr. De Jesus disclosed that Singapore-based Anchanto added five new Philippine clients this year while planning to expand its operations in the country.

"We have plans to double our resources. We also partnered with industry associations like the Philippine Retailers Association and Supply Chain Management Association of the Philippines to increase our market presence and cover and connect with more industry players," he said.

Mr. De Jesus added that the Philippines is one of Anchanto's key markets across the world. Some of the company's partners include SM Retail, Stores Specialists Inc. of the Rustan's Group, Unilever, and Nestlé.

"Our plan has always been to increase our coverage and make sure that we tap more partners," he said.

Meanwhile, Mr. De Jesus said Anchanto is banking on sectors such as retail to boost its presence in the Philippines.

"We're looking at retail as one of our industrial targets. We also try to find brands that are looking into direct-to-consumer approach but we also work with many of their distributors that manage either their e-commerce operation or logistics services," he said.

Anchanto offers products and tools that could help companies improve their e-commerce operations as well as manage the orders made by their customers from various platforms.

"We have tools for online order aggregation, which means that typically if you sell online, you will have multiple online stores. That could be a nightmare if you need to consolidate all the orders that are coming into your various online channels," Mr. De Jesus said.

"We have the tools that will allow clients to have the ready network because on top of our solutions, we also provided integration to logistics partners outside the Philippines. We also work closely with companies like Amazon, which is a part of our network," he added. — **Revin Mikhael D. Ochave**

DTI says e-commerce platform to expand MSME reach

THE Department of Trade and Industry (DTI) on Tuesday launched an e-commerce platform that would prioritize Philippine products and expand the market access of micro, small, and medium enterprises (MSMEs).

"We are launching today the Philippine E-Commerce Platform (PEP), which will provide initially a national market reach for our MSMEs that are normally

just able to reach their localities or regions," Trade Secretary Alfredo E. Pascual said during the National MSME Summit 2023 in Manila on Tuesday.

According to Mr. Pascual, the PEP is a government omnichannel platform that would help promote Filipino businesses and help their online expansion.

"In the Philippines, MSMEs are not merely businesses. They

are the bedrock of our economy. It is the Filipino MSMEs who keep our economy vibrant, diverse, and inclusive. Our MSMEs offer opportunities to our communities, enrich our local culture, foster innovation, and enable equitable economic growth," Mr. Pascual said.

Mr. Pascual told reporters in a separate interview that the DTI is aiming to onboard "hundreds"

of MSMEs into the PEP within the year.

The PEP was launched by the DTI in collaboration with the National Development Co., which owns the platform, and the Department of Information and Communications Technology. It will onboard businesses registered with the DTI and will offer buyers a wider range of locally made products. — **Revin Mikhael D. Ochave**