BPI celebrates 172nd anniversary

The Bank of the Philippine Islands (BPI) celebrated on Tuesday its 172nd anniversary with a thanksgiving mass at the Ayala Triangle Gardens Tower 2, Makati City. In photo are: (starting fourth from left) BPI Directors of the Board Romeo L. Bernardo, Rizalina G. Mantaring, Advisory Council Members Mercedita S. Nolledo, Maria Dolores B. Yuvienco, former Supreme Court Chief Justice Artemio Panganiban, BPI Chairman Jaime Augusto Zobel de Ayala, Antipolo Archbishop Francis de Leon, Rev. Fr. Keith Buenaventura, BPI President and CEO Jose Teodoro K. Limcaoco, Directors Ignacio R. Bunye and Rene G. Bañez.

Factory,
from S1/1

The survey also showed capacity pressures eased in July as the overall volume of work-in-hand dropped for the first time in five months.

This allowed Philippine manufacturers to cut jobs for the second straight month.

Vendor performance also worsened during the month. Ms. Baluch said that if this continues to deteriorate, it may pose a headwind for the manufacturing sector.

"After shortening for the first time in nearly four years during May, average lead times have been extended for two consecutive months. Moreover, the rate at which delivery times worsened was the most pronounced since December 2022," S&P Global said.

Inflationary pressures also picked up slightly in July.

"Moreover, though July data reported a slight intensification of price pressures, rates of both input price and output charge inflation have eased considerably from the highs seen over the last three years," Ms. Baluch said.

S&P Global noted almost half of Philippine manufacturing firms expect growth in production in the next 12 months.

"Though business expectations regarding future output eased from June's five-month high, they remained optimistic in July," it added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the improved manufacturing conditions last month can be attributed to the continued downtrend in inflation.

"Other positive factors that kept the local manufacturing PMI better than other countries at expansion mode or above 50 despite some slowdown in recent months may partly have to do with the recent easing trend in prices," he said in a Viber message.

Headline inflation likely settled within the 4.1-4.9% range in July, according to the Bangko Sentral ng Pilipinas' (BSP) latest forecast.

If realized, July would be the first time that inflation would fall below the 5% mark since April 2022.

The central bank expects inflation to average 5.4% this year, still above its 2-4% target.

"President Ferdinand R. Marcos, Jr. lifted the COVID-19 state of public health emergency throughout the country on July 22, thereby could lead to more business and economic activities, as well as faster expansion in manufacturing," Mr. Ricafort added.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said that the latest PMI reading signals further improvement in the coming months.

"This is a welcome development given the current dour outlook on global trade and could give hope for a recovery down the road," he said in a Viber message.

"Meanwhile, the reduction in payrolls numbers was a bit disappointing but given that a portion of the decline was tagged to resignation could signal workers shift to more lucrative opportunities," he added.

Mega Prime Foods' sardines museum set to be part of DoT's offering for Batangas

By Justine Irish D. Tabile
Reporter

MEGA PRIME Foods, Inc. (MPFI) partnered with the Department of Tourism's (DoT) Calabarzon office to put its newly launched museum under must-visit locations in Batangas.

On Tuesday, MPFI held the grand opening of its Senses of the Sea: The Mega Sardines Museum, a catching-to-canning experience tour.

"The Mega Sardines Museum also aims to stimulate growth in the economy of Batangas and Calabarzon Region as it gears up to become one of the newest tourist attractions in the province and the region," said MPFI Chief Executive Officer Michelle Tiu Lim-Chan.

Ms. Lim-Chan said the museum is seen to attract up to 5,000 tourists per month or around 60,000 guests a year.

"The tour is bound to boost the local tourism of Santo Tomas and the Batangas province with the presence of guests from educational and business institutions taking interest in the process of food production," she added.

MPFI and the DoT-Calabarzon signed a partnership agreement that will allow the museum to get the agency's endorsement and be recommended as an itinerary in educational tours.

When asked how much the company invested in creating the museum, MPFI Chief Growth and Development Officer Mavin Tiu Lim said: "It is a large investment, a multimillion investment."

"We had a hard time having it approved because it does not have return on investment as we will not be selling tickets. It is non-profit," he said.

"This is really a way for us to help the local governments and the students, so it is really a big investment on our part because we will not be able get what we invested," he added.

MPFI also tapped Philippine Amusement and Entertainment Corp., a creator and operator of indoor interactive tourism and education attractions, to curate and manage the museum.

"The said partnership will strengthen the support of both companies to the K-12 basic education and MATATAG Agenda of the Department of Education as well as the Department of Tourism's campaign to showcase the countless reasons to love the Philippines," the company said.

The 906-square-meter museum will officially open to interested groups and organizations starting September inside the company's manufacturing facility in Santo Tomas, Batangas.

Meanwhile, Ms. Lim-Chan said the company aims to further grow before going public by listing on the stock exchange.

"Actually, we have been preparing for it. We are ready for it, but again it depends on the market, it depends on how we grow with the public's help. If we grow as much as we need to grow, then we will do the initial public offering (IPO)," she said.

"I cannot tell you the exact figure as of this time, but rest assured that we are doing everything we can *para* (so that) we will be good with our governance, we will be transparent with everyone, we are safe and risk-free, and we control everything," she added.

She also said that the company's top officials together with its strategic team and some bank partners are handling the preparation for the IPO.

Debt,
from S1/1

"On a positive note, we think market interest rates are already on a downtrend as domestic inflation moves down and major central banks are near the end of the tightening cycle. This will help dampen debt growth," Ms. Velasquez added.

She expects debt to continue to rise as the government plans to ramp up spending in the second half.

"Moreover, next year's proposed budget is 9.5% higher than in 2023. Currently, the government has yet to fully roll out its infrastructure program and government agencies had underspent in the first semester compared with the fiscal program," she said.

However, government revenues are on track to exceed annual targets, which may also reduce the need for borrowings, she added.

As of end-March, the NG's outstanding debt as a share of gross domestic product (GDP) stood at 61%, slightly higher than the 60.9% seen as of end-December. This was also still above the 60% threshold considered manageable by multilateral lenders for developing economies.

The government aims to cut the debt-to-GDP ratio to less than 60% by 2025, and further to 51.5% by 2028.

The NG's borrowing plan this year is set at P2.207 trillion.

Appellate court denies Y-1's plea vs Clark Dev't, Filinvest over lease case

THE COURT of Appeals (CA) has denied Y-1 Wine Club, Inc.'s appeal to halt a trial court order for it to stop its restaurant's operations within the Mimosa Leisure Estate in Pampanga, over a lease dispute with Clark Development Corp. (CDC) and Filinvest Mimosa, Inc.

In a 46-page ruling made public on July 27, the CA Fifth Division said CDC legally terminated its lease deal with the firm due to a pre-termination clause included in the agreement.

Y-1 sought an injunction from the CA after an Angeles trial court ordered it to vacate the area, which had been privatized under another lease agreement between CDC and Filinvest.

"Y-1's possession of Building No. 1988 became illegal when CDC entered into a lease agreement with Filinvest, effectively transferring its rights over the Mimosa Leisure Estate, which covers the leased property, to the latter," Associate Justice Jennifer Joy C. Ong said in the ruling, referring to the building previously occupied by Y-1's restaurant.

The CA said the Angeles trial court did not err when it ordered the firm to vacate the building and surrender the property to Filinvest.

It affirmed the trial court's ruling that ordered Y-1 to pay Filinvest monthly rent of P41,895 for its use of the building and P20,000 in legal fees.

The firm alleged that CDC, the development authority of the Clark Special Economic Zone, violated a 2000 lease agreement for the operation of a food and wine restaurant club over a 417-square-meter plot of land located in the Mimosa Leisure Estate in Pampanga. — **John Victor D. Ordoñez**

FULL STORY

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