Cebu Landmasters firms up entry in Luzon, sets mid-2024 launch

CEBU LANDMASTERS, Inc. (CLI) targets to start its first project in Luzon by the middle of next year, or just after marking its 20th year as a property developer largely focused on the Visayas and Mindanao markets.

"The plan begins as early as next year, with intentions to break ground in the country's biggest island cluster by mid-2024. The much-anticipated move forms part of CLI's strategy of driving the company's capital, expanding its portfolio, and striving for sustainability," the company said in a statement on Tuesday.

Previously, CLI said that it was aiming to first introduce its economic housing brand Casa Mira as part of the company's Luzon expansion.

"Investing in real estate carries a significant societal responsibility as it directly impacts the challenge of bridging the housing gap and the overall development of our country," CLI Chairman and Chief Executive Officer Jose R. Soberano III said.

"As developers, our role's impact to the community is huge, and I am here to serve however I can through Cebu Landmasters," he added.

CLI, founded in 2003, recently celebrated its 20th anniversary. The company's portfolio consists of residences, offices, hotels and resorts, mixed-use developments, and townships.

The real estate developer has over 100 real estate projects in various stages of development across 16 cities in Visayas and Mindanao.

"We value where we come from as we continue to grow and learn to give our best in serving our customers," Mr. Soberano said in a recent company town hall meeting.

"Twenty years is the time when a person is starting to blossom but has yet to grow into full maturity. As CLI celebrates two decades of real estate development, I can say that we have only started to bring CLI to its future," he added.

Meanwhile, CLI announced that Mr. Soberano won the Real Estate Personality of the Year at the 11th Annual PropertyGuru Philippines property awards.

The company's first-half consolidated net income improved 32% to P2.1 billion versus the P1.6 billion posted a year ago.

On Tuesday, shares of CLI at the local bourse fell one centavo or 0.38% to close at P2.63 apiece. — **Revin Mikhael D. Ochave**

SEC backs reduced taxes on stock transactions

THE Securities and Exchange Commission (SEC) has backed a proposed legislative measure to reduce the taxes on stock transactions, which it expects to help boost the domestic capital market.

In a statement on Tuesday, the SEC said it supports House Bill (HB) No. 9277 filed on Sept. 21 which seeks to lower the stock transaction tax (STT) to 0.1% of the stock value from the current rate of 0.6%. The bill also aims to reduce the tax on dividends of foreign nonresidents to 10% from 25%.

"The SEC welcomes the efforts of our legislators to boost the capital market, as this recognizes the contribution and potential of the financial sector to help in the development of the Philippine economy, toward easing and improving the lives of all Filipinos," SEC Chairperson Emilio B. Aquino said.

"We will work closely with our lawmakers to ensure that new laws and policies will be reflective of the needs and demands of the market and investors, while still balancing the commission's role as regulator," he added.

HB 9277, which is pending at the committee level, is a substitute bill to HB 8958 filed by Albay Rep. Jose Ma. Clemente S. Salceda on Aug. 23. HB 8958 also proposed lower taxes on stock transactions to encourage greater participation of local and foreign investors in the Philippine capital market.

Meanwhile, the SEC said it had been implementing initiatives to urge more investors into the capital market such as the shorter settlement cycle to two days from three days.

The corporate regulator also empowered funding portals to act as registrars of qualified institutional and individual buyers of securities, removing the need to use third-party institutions and helping potential investors with their application as qualified buyers.

"Further, the SEC has cited the potential of short selling to boost trading activity in the Philippines as shown by the approval of the Philippine Stock Exchange guidelines on short selling transactions in 2018," the commission said. — **Revin Mikhael D. Ochave**

First Gen says LNG terminal to run before yearend

LOPEZ-LED First Gen Corp. aims to start operating its offshore liquefied natural gas (LNG) terminal in Batangas before yearend and to complete the commissioning process by October, its president said.

"Hopefully, before the end of the year, it's already complete, it's already operational. What we need to do is to figure out how to [sustain] our regular LNG supply," First Gen President and Chief Operating Officer Francis Giles B. Puno told reporters on the sidelines of a conference on Tuesday.

He said the sourcing of the supply would depend on the market, but preferably during summer months when LNG is more affordable.

Mr. Puno said First Gen had received its first LNG shipment last month.

"We have the floating storage and regasification unit [FSRU], then we have the onshore facilities. Both of them are going through commissioning, so they are not yet connected. So, sometime by mid-October, hopefully, they will be connected," he said.

In July, First Gen told the local bourse that it had secured an LNG cargo from Shell Eastern Trading Pte. Ltd. for the delivery of 154,500 cubic meters of LNG.

An LNG carrier will facilitate the gassing-up and cooling-down of the BW Batangas FSRU at Subic Bay before the cargo's transfer into storage tanks on board.

The BW Batangas is the FSRU of First Gen's wholly owned subsidiary FGEN LNG Corp. and floating gas infrastructure developer BW LNG.

It will provide LNG storage and regasification services to First Gen's existing and planned gas-fired power plants and third-party terminal users.

After the LNG transfer into the storage tanks, the BW Batangas will then return to FGEN LNG's terminal in Batangas to complete commissioning activities.

The cargo will be used by the company's four natural gas-fired power plants in Batangas with a combined capacity of 2,017 megawatts that are currently supplied by the Malampaya gas field.

LNG is seen as the answer to the country's power needs amid a looming power crisis with the expected depletion by 2027 of the Malampaya field, the country's only indigenous source of natural gas.

On Tuesday, First Gen shares went up by 34 centavos or 1.86% to close at P18.58 apiece. — **Sheldeen Joy Talavera**

AYALA LAND and IFC signed an MOU to achieve by 2025 EDGE Zero Carbon certification across the developer's office leasing portfolio. At the historic signing were L-R: Angelo Tan, IFC country lead for the Philippines and the Pacific Islands; Jean-Marc Arbogast, IFC country manager for the Philippines; Diep Nguyen-van Houtte, IFC Climate Business department senior manager; Meean Dy, executive vice-president, chief operating officer (COO), and incoming president of Ayala Land, Inc.; Carol Torres-Mills, president and CEO of AREIT, Inc., and head of Ayala Land Offices; Francis Roxas, COO of Ayala Land Offices.

Ayala Land, IFC agree on zero carbon certification by 2025

AYALA LAND, Inc. (ALI) signed an agreement with International Finance Corp. (IFC) to secure EDGE Zero Carbon certification by 2025 in line with the listed developer's sustainability efforts and the property sector's transition towards net zero.

ALI said in a statement on Tuesday that it would seek to achieve EDGE Zero Carbon certification, along with its real estate investment trust unit AREIT, Inc., across its 1.5-million-square-meter portfolio, with advisory support from IFC as part of the signed memorandum of understanding.

According to ALI, the agreement aims to establish the country's largest EDGE Zero Carbon portfolio, consisting of 900,000 square meters to be certified by 2024, and an additional 600,000 square meters by 2025.

"We believe achieving zero carbon in our buildings will yield not only for ourselves but also for our valued office locators the most substantial, relevant, and much-needed contribution towards long-term sustainability and environmental responsibility," AREIT President and Chief Executive Officer (CEO) and Head of ALI Offices Carol T. Mills said.

To reach EDGE Zero carbon certification, a building must demonstrate a 40% improvement in energy efficiency compared with the base case and it should incorporate renewable energy sources, carbon offsets, or both, for its overall energy demand.

ALI Incoming President and Chief Executive Officer Anna Ma. Margarita B. Dy said the group is "committing to reduce embodied carbon in our buildings beyond what is required through efficient design and use of construction materials."

On Tuesday, ALI shares rose P1.05 or 3.69% to finish at P29.50 each while AREIT shares dropped 25 centavos or 0.77% to close at P32.15 apiece. — **Revin Mikhael D. Ochave**

Suntrust Resort's board approves increase in its capital stock to P28B

LISTED Suntrust Resort Holdings, Inc. said its board had given the green light for the increase in the company's authorized capital stock to meet regulatory and contractual obligations.

In a regulatory filing on Tuesday, Suntrust said its board approved on Sept. 25 the capital hike to P28 billion divided into 28 billion common shares with a par value of P1 each

Previously, the company's authorized capital stock was at P23 billion consisting of 23 billion common shares at P1 apiece.

"[The higher capital stock is meant to] ensure that there is a sufficient number of unissued shares in the event that convertible bonds issued by the company to Fortune Noble Ltd. and Summit Ascent Investments Ltd. are converted into shares by any or both of them," Suntrust said.

"[The move is also] pursuant to the requirement of the Philippine Stock Exchange, Inc. in connection with the previous listing of Fortune Noble's 2,550,000,000 shares in the company, that the company conduct a follow-on offering of at least 10% of its outstanding capital stock within one year from Feb. 10, 2023," the company added.

Aside from the higher capital stock, Suntrust's board also approved the inclusion of retail activities to the company's business purposes to expand its revenue sources.

"This is to enable the company to engage in retail activities, which is in line with its primary purpose of developing and operating tourism-related facilities such as hotels, resorts, private clubs, leisure parks, entertainment centers, restaurants, food and beverage outlets, other recreational facilities, and allied businesses, services, and facilities," Suntrust said.

On Tuesday, Suntrust shares at the local bourse closed unchanged at 84 centavos apiece. — **Revin Mikhael D. Ochave**

BSP,
from S1/1

"Despite BSP projections for inflation to dip back within target by November and (Mr. Remolona's) own indications that the peso is not at all under any undue pressure, he appears to be pining to hike rates to deal with projected risks to the inflation outlook," Mr. Mapa said.

However, an off-cycle rate hike may affect the BSP's reputation as an inflation fighter, especially when there are no "compelling reasons" to do so, as the central bank intends to hike rates amid supply-side price pressures, Mr. Mapa said.

"We will likely see rate hikes continue with little impact on the actual inflation path. Thus, we can say, the governor is clearly a hawk with real rates his primary objective, with less regard for the source of price pressure nor the impact of tightening on growth," he said.

On the other hand, an off-cycle rate increase may improve the central bank's credibility given many uncertainties in the outlook, Bank of the Philippine Islands (BPI) Lead Economist Emilio S. Neri, Jr. said in a Viber message.

"A relentless surge in commodity prices, or a rapid strengthening of the dollar, or a reacceleration of US inflation which could fuel inflationary expectations are just a few examples of what can trigger an off-cycle adjustment before November," he said.

Mr. Neri added that a more hawkish bias from the BSP will reduce the likelihood of panic, as it discourages excessive risk-taking among market players.

China Banking Corp. Chief Economist Domini S. Velasquez said the BSP may consider a possible off-cycle hike amid recent pressures on the peso against the dollar.

"However, as the fourth quarter nears, we think that remittances will relieve some of the pressure on the currency and that there would not be a need for an off-cycle rate hike," Ms. Velasquez said.

Remittances typically surge in December as migrant Filipinos usually send more money to their relatives during the holidays. Cash remittances jumped to a record-high of $32.54 billion in 2022.

"It would be prudent to wait for the regular policy meeting of the BSP than conduct an off-cycle hike to avoid market speculations, unless warranted by a sudden unanticipated shock," Ms. Velasquez said.

Meanwhile, Mr. Mapa said he expects Philippine GDP to slow to 4.8% this year and 4.7% for 2024. Both projections are below the government's growth target of 6-7% for 2023 and 6.5-8% for next year.

He also sees full-year inflation to settle at 6% this year, before easing to 3.7% in 2024. These estimates are also higher compared with the BSP's revised 5.8% and 3.5% forecasts.

"The tradeoff is clear, we will need to brace for an extended period of higher rates and slower growth, something the new governor indicates he is willing to accept. Rate hikes and growth clearly do not mix," Mr. Mapa said. — **Keisha B. Ta-asan** ***with Bloomberg***

Mining,
from S1/1

"The supposed tax intake from the mining industry cannot also be a substitute for foregone mineral ores which are exported to other countries, and which will never be taken back," she said.

Maya Quirino, advocacy coordinator of research group Legal Rights and Natural Resources Center said mining tax rates in mineral reservations should be maintained, instead of reduced.

"On the other hand, the proposed graduated tax thresholds for windfall profits require stringent monitoring mechanisms to prevent companies from under-reporting revenue. Taxes should be applied on outputs instead of revenue," she said in a Viber chat.

The bill approved by the House on final reading is vastly different from the Department of Finance (DoF)-proposed version that sought to bring the country's effective tax rate on mining (considering all taxes) to 51%, up from 38% under the current system.

The DoF-backed version also sought to impose a royalty tax of 5% on the market value of gross output of all large-scale mining operations, and a 10% export tax on the market value of mineral ore exports.

Last week, the Legislative-Executive Development Advisory Council included the mining fiscal regime bill in the common legislative agenda of the 19th Congress.

In his State of the Nation Address last July, President Ferdinand R. Marcos, Jr. said the mining fiscal regime is one of his administration's priority measures.

Economy,
from S1/1

"We see this as a reflection of the simultaneous impact on household wealth and disposable incomes from the maturation of post-pandemic dissaving coupled with high inflation and the resulting rate hikes," Mr. Conti said.

The BSP's Monetary Board hiked borrowing costs by 425 basis points (bps) from May 2022 to March 2023. It opted to leave interest rates unchanged for a fourth straight time last week.

"These were also happening at the same time as fiscal consolidation, and together, these weigh on private investor sentiments," Mr. Conti said.

Meanwhile, Philippine Exporters Confederation, Inc. President Sergio R. Ortiz-Luis, Jr. said it may be hard for the Philippines to meet its 2023 and 2024 growth targets amid dampened investor sentiment.

In a phone interview, Mr. Ortiz-Luis said aside from elevated inflation and uncertainties in food and fuel prices, investors are concerned with higher-than-expected wage increases.

"The Senate is still threatening to pass the P150 minimum wage increase by December. So, our investors, even the local ones, adopted a wait-and-see approach," he said in mixed English and Filipino.

In March, Senate President Juan Miguel F. Zubiri filed a bill seeking to increase the minimum wage for all daily wage earners by P150.

Finance Secretary Benjamin E. Diokno and National Economic and Development Authority Secretary Arsenio M. Balisacan have warned against the proposed wage hike as this may stoke inflation.

Pension reform,
from S1/1

"It is not a valid reason to exempt MUPs from contribution because they die in line of duty because more employees in the civilian service and the private sector die of work-related causes. Moreover, if military morale matters, so does civilian morale. Why must civilian employees pay through their taxes the pension benefits of MUP retirees," Mr. Lagman said.

Party-list Rep. Raoul Danniel A. Manuel, who also voted against the bill, said exempting active MUPs from contributing to the pension will be "too burdensome" for the government.

The Department of Finance (DoF) had earlier pushed for a version of the bill that required contributions from all active personnel and new entrants, and removed the full indexation of pensions.

Finance Secretary Benjamin E. Diokno previously insisted that there is a need to overhaul the MUP pension system, noting that there is a risk of "fiscal collapse."

"It will not qualify as a reform if indexation will continue and the active members will not contribute. We have to reduce the fiscal impact of the MUP pension program and the contribution of active members will greatly help in managing that," Mr. Diokno said last month.

At present, all MUPs do not contribute to their pension fund, which is fully funded by the National Government. — **Beatriz Marie D. Cruz**