

Philippine Stock Exchange index (PSEi)

6,897.36

▲ 42.70 PTS.

▲ 0.62%

WEDNESDAY, FEBRUARY 21, 2024

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P714.50 +P4.50 +0.63%	ACEN ACEN Corp. P4.30 +P0.08 +1.9%	AEV Aboitiz Equity Ventures, Inc. P46.30 +P0.75 +1.65%	AGI Alliance Global Group, Inc. P10.80 ---	ALI Ayala Land, Inc. P35.55 +P0.65 +1.86%	BDO BDO Unibank, Inc. P157.00 +P2.00 +1.29%	BLOOM Bloomerry Resorts Corp. P11.30 -P0.14 -1.22%	BPI Bank of the Philippine Islands P120.00 +P2.20 +1.87%	CNPF Century Pacific Food, Inc. P35.05 -P0.35 -0.99%	CNVRG Converge ICT Solutions, Inc. P9.68 -P0.02 -0.21%
DMC DMCI Holdings, Inc. P10.66 -P0.14 -1.3%	EMI Emperador, Inc. P19.22 ---	GLO Globe Telecom, Inc. P1,755.00 +P12.00 +0.69%	GTCAP GT Capital Holdings, Inc. P690.00 +P2.00 +0.29%	ICT International Container Terminal Services, Inc. P280.00 -P10.00 -3.45%	JFC Jollibee Foods Corp. P261.00 +P2.00 +0.77%	JGS JG Summit Holdings, Inc. P39.55 -P0.05 -0.13%	LTG LT Group, Inc. P9.35 -P0.30 -3.11%	MBT Metropolitan Bank & Trust Co. P58.70 -P0.20 -0.34%	MER Manila Electric Co. P369.00 +P1.00 +0.27%
MONDE Monde Nissin Corp. P10.14 -P0.02 -0.2%	NIKL Nickel Asia Corp. P4.60 -P0.04 -0.86%	PGOLD Puregold Price Club, Inc. P28.00 ---	SCC Semirara Mining and Power Corp. P31.85 +P0.20 +0.63%	SM SM Investments Corp. P916.00 +P8.00 +0.88%	SMC San Miguel Corp. P106.30 -P0.70 -0.65%	SMPH SM Prime Holdings, Inc. P33.80 +P0.90 +2.74%	TEL PLDT Inc. P1,288.00 +P7.00 +0.55%	URC Universal Robina Corp. P114.00 +P1.70 +1.51%	WLCON Wilcon Depot, Inc. P22.85 -P0.15 -0.65%

SEC says corporate registration suspended for 117,885 firms

THE Securities and Exchange Commission (SEC) has suspended the corporate registration of 117,885 corporations for failing to submit their annual reports for over five years.

The suspension order also encompasses corporations that initiated business operations but subsequently remained inactive for over five consecutive years, according to a SEC order dated Feb. 16.

The suspended corporations have a 30-day window, starting from the publication of the order, to avail themselves of existing remedies.

The suspension order was issued almost two months after the SEC's amnesty program ended on Dec. 31 last year.

The program, which started in March, allowed noncompliant and suspended or revoked corporations to achieve good standing by paying lower fees.

The amnesty program allowed noncompliant corporations to pay a fixed amnesty rate of P5,000, regardless of the number of reports and years they failed to submit, while suspended and revoked corporations would pay 50% of their total assessed fines, in addition to a P3,060 petition fee.

SEC-registered corporations are mandated to submit annual financial statements and general information sheets under Republic Act No. 11232, also known as the Revised Corporation Code of the Philippines (RCC).

The law also stipulates that corporations could be tagged as delinquent if they fail to submit their reportorial requirements three times, either consecutively or intermittently, within five years.

A corporation could also be placed under delinquent status if it commenced business but became inoperative for a period of at least five consecutive years.

"The commission may also suspend, after due notice and hearing, the franchise or certificate of incorporation of corporations, in accordance with Presidential Decree 902-A, Republic Act No. 8799, or the Securities Regulation Code, and Section 179 of the RCC," the SEC said.

Previously, the SEC issued Memorandum Circular No. 19, which contained guidelines for purging corporations under delinquent status as it strictly enforces the reportorial requirements of corporations. — **Revin Mikhael D. Ochave**

Climate,
from SI/1

The report also highlighted the need to develop climate-resilient social protection systems and ensure these build adaptive capacity.

"The Philippines has been making rapid progress in broadening social protection systems since 2009," it said, citing the Pantawid Pamilyang Pilipino Program.

It also noted the need to promote employment in nature-

based sectors, developing institutional capacity for climate risk assessment and governance, and utilizing regional cooperation, among other initiatives.

"Governments in the region (must) take steps to better integrate nexus approaches in climate policies, sustainable development strategies and climate actions," it added. — **Luisa Maria Jacinta C. Jocsos**

Wage,
from SI/1

HSBC Global Research expects the BSP to cut policy rates by 25 bps in June, after the US Federal Reserve starts its own policy easing in the same month.

Mr. Dacanay sees the BSP slashing rates by a total of 75 bps this year, and by another 75 bps in 2025.

HSBC Global Research projects Philippine inflation to hit 3.5% this year, before picking up to 3.8% in 2025.

Last week, the BSP lowered its baseline inflation forecast for this year to 3.6% from 3.7%, but kept its projection for next year at 3.2%. Should risks materialize, inflation may hit 3.9% in 2024 before easing to 3.5% in 2025.

BSP Senior Assistant Governor Iluminada T. Sicat has said the BSP's baseline inflation projections did not take the most recent wage hike proposals into account.

Based on the BSP's latest monetary policy report, the baseline forecast includes the P40 minimum wage hike in the National Capital Region in July last year and the 8.7% average wage increase for non-agricultural workers in areas outside Metro Manila.

The central bank also factored in possible wage adjustments of P28 in August this year, and P29 in September 2025. If realized, this would be equal to an annual increase of 4.6% for both years, in line with historical wage increases.

"(If) the assumed increase in minimum wage is beyond what we have incorporated in the baseline... this could pose a threat to the inflation outlook in the future," Ms. Sicat had said.

The BSP has also flagged other upside risks to inflation such as higher transport charges, increased electricity rates, higher oil and domestic food prices, and the additional impact on food prices of a strong El Niño episode.

BUSINESS GROUP REACTS

Meanwhile, the Philippine Chamber of Commerce and Industry (PCCI) said a legislated wage hike could discourage foreign investors from entering the country.

"No one would ever try to look at the Philippines once they see that legislators can enact wage hikes anytime, even disregarding the authority of the National Wage Board," PCCI President Enunina V. Mangio said in a statement.

The country's last legislated wage hike was enacted in 1989. Republic Act No. 6727 or the Wage Rationalization Act raised the minimum wage by P25 to P89. The law also created the regional wage boards, which currently review and approve wage hike proposals.

Ms. Mangio said the Senate's proposed P100 wage hike bill is unlikely to benefit the around 47 million workers in the informal sector.

"The P100 proposed wage will not even be enough when inflation goes up. Why don't we instead legislate measures to address the rising cost in food prices and other issues that hamper our economic growth?" she added.

IMPACT OF WAGE HIKE

Trade Secretary Alfredo E. Pascual said the government is still studying the impact of the proposed wage hikes.

"We're studying the impact on our end. I've not received the report yet of our analysts," he told reporters on the sidelines of an economic forum on Wednesday.

For her part, Ms. Quimbo said lawmakers will consider the varied effects of wage hikes per region in their deliberations.

"A P100 wage hike in the National Capital Region is equivalent to a 16% increase, but in regions like the Zamboanga Peninsula, the increase would be about 26%," she said in Filipino.

Metro Manila's daily minimum wage rose by P40 to P610 in June, much lower than the P570 increase sought by some labor groups.

A family of five would need at least P13,797 a month or P460 a day to meet their basic needs, according to the Philippine Statistics Authority.

Meanwhile, Manila Rep. Joel R. Chua proposed a three-year staggered wage increase to offset its possible costs to employers.

"Under this format, hikes would be scheduled. Businesses, as well as the entire economy, wouldn't be shocked," he said in a statement in Filipino.

GoNegosyo founder Jose Ma. "Joey" A. Concepcion III said he also supports a staggered implementation of wage hikes, but expressed concern it may affect many enterprises.

"Not everybody can afford the P100 wage increase. Maybe the large corporations and those who are doing well but many are also not doing well. The micro might be exempted, but what about the medium-sized enterprises? They will be affected," he said in a statement.

Deputy Minority Leader and Party-list Rep. Bernadette Herrera-Dy said wage hike proposals must include subsidies to ensure that employers would comply.

"A government wage subsidy covering most or all of the Cost of Living Allowance (COLA) component of wage orders can be among the incentives," she said in a statement.

Foundation for Economic Freedom President Calixto V. Chikiamco said that subsidizing wage hikes won't be enough, as smaller enterprises may just choose to lay off workers to cut costs or even close down. — **Beatriz Marie D. Cruz and Keisha B. Taasan**



UNSPPLASH

Movate expands presence in PHL, aims job growth

MOVATE, Inc. is hoping to boost job opportunities in the Philippines with its third global delivery center in the country, the digital technology services company said on Wednesday.

"We're excited to launch our new facility in Antipolo in the Manila region. The Philippines has been a strategic center of high-quality service delivery and growth for us. It has emerged as a top outsourcing hub," Sunil Mittal, chief executive officer of Movate, said in a statement.

US-based Movate, formerly CSS Corp., said the operations of its delivery center will help strengthen its regional presence and allow it to meet the rising demand of global enterprises serving US and European Union regions.

The company is targeting to hire over 1,000 Filipino professionals over the next few years, Movate said.

It also targets to partner with local universities to hire new graduates.

"Our new facility will strengthen our service capabilities as we structure ourselves for the next frontier of organizational growth and innovation. We are thankful to the government and the local bodies for their unwavering support, and we look forward to continuing the collaboration as we scale our operations in the region," Mr. Mittal said.

The newest delivery center located in East Gate Business Center sits on 35,000 square feet of land in Antipolo City.

"The center will provide a range of services, including multilingual customer care, revenue acceleration, tech support, and professional services," the company said.

To date, the company has two centers in Metro Manila and about 3,000 employees.

The digital technology and customer experience services provider company has operations in the US, Europe, Asia Pacific, and Africa. — **Ashley Erika O. Jose**

Maynilad to spend P11.4 billion on wastewater projects this year

MAYNILAD Water Services, Inc. announced on Wednesday a budget allocation of approximately P11.4 billion for wastewater management projects this year.

The amount covers the construction of new sewage treatment plants and the laying of new sewer lines, the company said in a statement.

Maynilad is currently operating 23 wastewater facilities located within its service areas, while five are under construction in the cities of Muntinlupa, Caloocan, and Las Piñas.

Meanwhile, approximately P8.72 billion will be dedicated to the implementation of water source projects that will enable Maynilad to tap alternate water sources and generate more water supply.

Some P6.27 billion has been allocated for operations support projects such as the upgrade and construction of key facilities, including pumping stations, water reservoirs, and primary lines, among others.

Maynilad also stated that more than P4 billion will be allocated to the company's program to reduce non-revenue water and to initiatives aimed at expanding services. The remaining budget for the year will be used for its customer service and information infrastructure, among other projects.

"Maynilad's massive infrastructure investment will be funded by a combination of internally generated funds and new debt," the company said.

The total amount is part of the capital expenditure that the company will invest this year, reaching more than P31 billion,

marking its "biggest capital investment" since water services in Metro Manila were privatized in 1997.

"Last year, we spent over P26 billion in capital investment, which is our highest annual capex (capital expenditure) spend in history. We are continuing to accelerate our service enhancement program so that our customers can enjoy the benefits sooner rather than later," said Maynilad President and Chief Executive Officer Ramoncito S. Fernandez said.

Under its approved 2023-2027 business plan, Maynilad has allocated a P227-billion total spending budget to sustain service enhancements and ensure water sustainability and security.

Maynilad serves Manila, except portions of San Andres and Sta. Ana. It also operates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon.

It also supplies the cities of Cavite, Bacoor, and Imus, and the towns of Kawit, Noveleta, and Rosario, all 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. — **Sheldene Joy Talavera**

PLDT targets mainstream adoption of its premium fiber internet service

PLDT Inc. is planning to extend its gigabit fiber plan to Cebu and Davao following its initial deployment in Metro Manila, a company official said.

"Yes, Cebu and Davao will also be actually in our rollout list," Jeremiah M. de la Cruz, PLDT senior vice-president and head of consumer business, told reporters on Monday.

For now, the Pangilinan-led company offers the service only in some areas in Metro Manila such as Makati City, Mr. De la Cruz said.

The offer, which ranges from P7,000 to P49,000 for one gigabit and 10 gigabits, respectively, is marketed to high-end customers, significantly higher than its P1,699 fiber plan offering.

Mr. De la Cruz said that the company expects the product to become more mainstream over time as more customers seek faster and more reliable internet connections in line with the expanding digital landscape.

"Gigabit fiber... is a little bit more expensive than the average. That's true. Like

all new technologies and all the changes, it starts off in a certain segment. It is something that will start off in the premium segment, but we are looking forward to it over time, actually making its way to becoming a very mainstream product," Mr. De la Cruz said.

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