Global instant-noodle demand seen at 120 billion servings this year

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DEMAND for instant noodles is projected at 120 billion servings at least in 2025, according to the World Instant Noodle Association (WINA).

"We are in the process of putting together the statistics for 2024 as we speak, but we are expecting the number to exceed that of 2023 — not significantly, but that is just our estimate," WINA Chairman Koki Ando said at the WINA Summit on Wednesday.

"With regard to 2025 ... we are expecting it to reach at least 120 billion servings, but in terms of prices, they have increased, so we are expecting the value to go up compared to 2023," he added.

The 2025 instant-noodle forecast is little changed from the 2023 serving total of 120.21 billion.

The Philippines is expected to maintain its spot as the seventh-largest instant-noodle market according to 2023 totals, when its consumption was 4.39 billion servings.

Monde Nissin Corp. Chief Executive Officer and Executive Vice-President Henry Soesanto said in the Philippines, instant noodles are treated as snacks.

"In a year, people in the Philippines consume only 40 packs per capita," Mr. Soesanto said, lagging many other countries.

WINA said its top market is China and Hong Kong, which accounts for 42.21 billion servings, followed by Indonesia (14.54 billion servings), India (8.68 billion), Vietnam (8.13 billion), Japan (5.84 billion), and the US (5.1 billion).

Mr. Soesanto described growth in the Philippines as "slow" due to negative perceptions of the product.

On the final day of the summit, WINA issued the Manila Declaration, outlining its policy direction and targets related to nutrition and health, environmental sustainability, food safety, and addressing social issues. — **Justine Irish D. Tabile**

Finance department sees FDI exceeding pre-2019 levels

FOREIGN direct investment (FDI) is on track to exceed 2019 levels this year, with investors drawn in by reforms that have made the Philippines a more attractive investment destination, the Department of Finance (DoF) said.

"FDI levels are seen to be on track to exceed pre-pandemic levels. In order to further expand this promising growth story, we have carefully designed strategic initiatives that maintain a fiscal sector that is supportive of this goal," Finance Assistant Secretary Neil Adrian S. Cabiles said at the BusinessWorld Insights: Stock Market Outlook 2025 conference.

In the first 11 months of 2024, FDI net inflows rose 4.4% to $8.58 billion, the DoF said, accounting for 95.3% of the BSP's full-year forecast of $9 billion.

In 2019, the last year before the pandemic, FDI net inflows amounted to $8.671 billion.

In November, FDI net inflows fell 19.8% year on year to $901 million.

Mr. Cabiles said reforms like the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act will improve ease of doing business, upgrade the tax code, and clarify the value-added tax refund rules.

BusinessWorld insights

"This would mean streamlined compliance, reducing the administrative burdens and making transactions more efficient. CREATE MORE also enhances tax incentive competitiveness and strengthens governance and accountability in the granting and monitoring of these tax incentives, creating greater transparency and a more predictable investment environment. We expect that the CREATE MORE will particularly draw investments in infrastructure, heavy industry, the export-oriented manufacturing sector, and services," he said.

The Real Property Evaluation and Assessment Reform Act and the rationalization of the mining fiscal regime will also enhance transparency and accountability in the real estate and mining industries, respectively, he added.

The passage of the Capital Markets Efficiency Promotion Act is also expected to boost FDI net inflows by increasing the competitiveness of the capital markets.

"We anticipate greater financial market activity through streamlined taxes on passive income and reduced taxes on stock transactions and financial intermediaries," Mr. Cabiles said.

The Philippines' recent exit from the Financial Action Task Force's (FATF) grey list also improves its' profile and could boost its credit rating.

The FATF on Friday removed the Philippines from the category of jurisdictions requiring increased monitoring for "dirty money" on Friday following a "successful" on-site visit. The Philippines had been on the list since June 2021. — **Aaron Michael C. Sy**

Sugar regulator to set up soil lab in Bukidnon to help drive production

THE Sugar Regulatory Administration (SRA) said it will sign an agreement to establish a 40-hectare soil laboratory at Central Mindanao University (CMU) in Bukidnon.

The memorandum of agreement for the proposed soil laboratory at CMU, a state university, could be signed by March, Director Pablo Luis S. Azcona told *BusinessWorld* late Tuesday.

"We are still waiting on a counter-offer," he said.

The soil laboratory will help Bukidnon, which accounts for 20% of Philippine sugar production, plant a wider range of cane varieties that are higher-yielding than current varieties.

The SRA is positioning Bukidnon as another possible center for sugar production alongside Negros, where sugarland is rapidly being converted by developers. — **Kyle Aristophere T. Atienza**

Sustainable fisheries, aquaculture to support coastal livelihoods — ADB

THE Asian Development Bank (ADB) said sustainable fisheries and aquaculture are crucial to supporting coastal livelihoods and food security in the Philippines.

"These key blue-economy sectors are vital for supporting coastal livelihoods and ensuring food security, especially in countries like Bangladesh, Indonesia, the Maldives, the Philippines, Vietnam and Pacific small-island developing states," the ADB said in its 2025 Asia-Pacific Sustainable Development Goals (SDGs) Partnership report.

The ADB projected that with sustainable management, the economic value of coastal tourism in the Asia-Pacific region could more than double by 2030.

"This growth underscores the sector's dynamism, especially as an engine of job growth, and highlights the critical need for targeted investment in workforce training. However, many jobs in the sector are seasonal or informal, with issues ranging from variable working hours and low wages to limited social protection."

The ADB estimates that the Philippine coastal destinations accounted for 4 million tourism-related jobs, against India's 9.6 million and Indonesia's 10.7 million.

The bank said coastal tourism has become "indispensable" for these economies, providing a critical source of income and fostering service-oriented skills at the community level.

"As such, the blue economy, a subset of the green economy, requires specific attention. Sustainable fisheries are projected to grow rapidly, with the region's fish farms anticipated to produce over 60% of global fish supplies by 2030," it said.

The region's renewable energy industry, which leads job creation in key sectors driving the green and blue transition, is estimated to support 10.5 million jobs, with "upward potential."

The ADB noted the launch of 380 electric buses in Davao City which have helped reduce emissions and spurred employment.

Overall, the Asia-Pacific region has made insufficient progress with none of the 17 SDGs on track to be achieved by 2030, it said. — **Aubrey Rose A. Inosante**

Honda sees growing PHL market for high-powered outboard engines

DEMAND for high-powered outboard motors in the Philippines is expected to grow alongside sustained growth in the economy, Honda Philippines, Inc. (HPI) said.

HPI estimates the current market for high-powered outboard motors in the Philippines at around 2,000 units.

"Given the economic growth and the country being an island nation, demand for outboard (motors) in the Philippines is expected to increase year by year," it said.

On Wednesday, HPI, in partnership with Propmech Corp., launched its flagship marine outboard engine, the Honda BF350.

"As boats become larger, global demand for high-power outboard engines is increasing. Here in the Philippines, we also see the market growth in the high-powered range," HPI President Sayaka Arai said.

According to Ms. Arai, demand for such engines has more than doubled in the last few years.

The target customers for the Honda BF350 include resort owners, private users, and the government. The unit cost is between P2 million and P2.5 million.

The Honda BF350 is a V8, making for smoother running, Honda said.

"HPI's partnership with Propmech began over a decade ago with a distributorship agreement, and since then, we have delivered close to 1,000 outboard engines to the commercial market and key government agencies," Ms. Arai said.

These agencies include the Bureau of Fisheries and Aquatic Resources, the Philippine Coast Guard, and the Philippine National Police.

"Honda and Propmech have built a strong partnership to deliver reliable marine solutions to the Philippine market. The BF350 provides advanced marine technology suited for the country's waters and climate, ensuring performance and value for vessel owners," Propmech President Glenn Tong said.

HPI hopes to sell at least 100 units of the BF350 in the Philippines this year.

Last year, Honda sold 1,000 BF350 units worldwide. It is available in Japan, North America, Europe, other Asia-Oceania countries, and the Middle East. — **Justine Irish D. Tabile**

OPINION

The importance of precise documentation

TAXWISE OR OTHERWISE
CRYSTABELLE CRUZ-LUCAS

Pursuing tax refunds in the Philippines can be complex, but the process rewards the meticulous. A recent ruling by the Court of Tax Appeals (CTA) sitting en banc underscores the intricate process involved in claiming tax refunds and highlights the importance of adhering to the stringent requirements set forth by the Bureau of Internal Revenue (BIR).

The case in question involves a taxpayer-corporation that sought a tax refund for its unutilized creditable taxes withheld in previous years. The primary issue in this case was whether the Court in Division had erred in disallowing the full claim for a tax refund. The taxpayer argued that the withholding tax certificates or BIR Form No. 2307, used to prove the withholding of taxes by the payor, need not contain specific details of the payee, such as its name, taxpayer identification number (TIN), and address. The taxpayer contended that the certificates should focus solely on the payor's details, since the payee's information is not mandated by law or revenue regulations to establish the fact of withholding.

However, the court en banc upheld the decision of the court in division. It ruled that the applicant must prove not only its entitlement to the tax refund under the law but also emphasized the necessity of strict compliance with documentary and evidentiary requirements for such claims. The court highlighted the importance of including the identities of both parties in the withholding tax certificates.

It reiterated the principle that tax refunds are construed strictly against the taxpayer and liberally in favor of the state. Thus, the burden of proof lies with taxpayers to establish entitlement to a tax refund or credit, meaning they must be prepared to provide comprehensive and accurate documentation to substantiate their refund claims. This principle is rooted in the need to protect government revenue and prevent unwarranted refunds.

The court's ruling was based on the established requisites for claiming a tax credit or refund of creditable withholding taxes, which include: (i) filing of the claim with the Commissioner of Internal Revenue within the two-year period from the date of tax payment, (ii) demonstrating that the income received was declared as part of the gross income, and (iii) establishing the fact of withholding through a statement issued by the payor to the payee, showing the amount paid, and the tax withheld.

While the taxpayer had complied with the first two requisites, the court found deficiencies in the third requirement. The withholding tax certificates submitted contained defects such as incorrect TINs, missing addresses, and a lack of signatures from the payor's authorized signatory. These defects undermined the credibility of the certificates and justified the partial disallowance of the refund claim. As a result, the Court en banc found no grave abuse of discretion in the division's decision and affirmed its findings, denying the taxpayer's petition for review.

The case highlights the need for meticulous record-keeping, consistent diligence in tax compliance, and an awareness of the potential consequences of overlooking seemingly minor details in tax forms.

Regardless of whether a taxpayer intends to claim a tax refund or simply wants to use the tax withheld as a credit, it must ensure that withholding tax certificates issued by its customers are properly accomplished with the correct information. The identity and names of both the payee and the payor, along with all necessary details such as the TIN, address, and the signature of the payor's authorized signatory, must be clearly and correctly reflected in the withholding tax certificates to justify their credibility. This requirement is crucial for maintaining the integrity of the tax refund/credit process and preventing fraudulent claims.

Taxpayers should regularly review their tax documentation processes to ensure compliance and minimize the risk of disputes with tax authorities during an audit or a refund claim, as the BIR may rightfully disallow withholding tax credits claimed which are supported by noncompliant or defective forms during a tax investigation.

As the deadline for the annual tax return filing approaches for calendar-year ending taxpayers, corporations must conduct a thorough review of their withholding tax certificates and have any discrepancies corrected or incomplete details filled out by the withholding agent-customer, before submitting their annual income tax returns. This proactive approach ensures that all documentation is accurate and complete, thereby strengthening the taxpayer's position for any potential refund claim.

By adhering to regulatory requirements and maintaining precise tax documentation, taxpayers can better position themselves to successfully get through the tax refund process and avoid potential pitfalls. The recent CTA ruling serves as a reminder of the importance of compliance and precision within the intricate framework of corporate taxation in the Philippines.

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