## Philippine Stock Exchange index (PSEi) 6,318.23 ▼ 7.19 PTS. ▼ 0.11%

WEDNESDAY, JULY 30, 2025
BusinessWorld

### PSEi MEMBER STOCKS

| | | | | |
|---|---|---|---|---|
| AC | Ayala Corp. | P589.50 | -P6.50 | -1.09% |
| ACEN | ACEN Corp. | P2.53 | -P0.01 | -0.39% |
| AEV | Aboitiz EquityVentures, Inc. | P32.30 | -P0.30 | -0.92% |
| AGI | Alliance GlobalGroup, Inc. | P7.89 | -P0.09 | -1.13% |
| ALI | Ayala Land, Inc. | P25.80 | +P0.60 | +2.38% |
| AREIT | AREIT, Inc. | P41.90 | -P0.10 | -0.24% |
| BDO | BDO Unibank, Inc. | P147.00 | -P1.50 | -1.01% |
| BLOOM | Bloomberry Resorts Corp. | P4.10 | -P0.05 | -1.20% |
| BPI | Bank of the Philippine Islands | P120.70 | -P0.30 | -0.25% |
| CBC | China Banking Corp. | P64.50 | -P1.40 | -2.12% |
| CNPF | Century Pacific Food, Inc. | P37.00 | —— | |
| CNVRG | Converge ICT Solutions, Inc. | P17.90 | -P0.58 | -3.14% |
| DMC | DMCI Holdings, Inc. | P10.36 | -P0.02 | -0.19% |
| EMI | Emperador, Inc. | P15.90 | -P0.12 | -0.75% |
| GLO | Globe Telecom, Inc. | P1,664.00 | -P5.00 | -0.30% |
| GTCAP | GT Capital Holdings, Inc. | P633.00 | -P7.00 | -1.09% |
| ICT | International ContainerTerminal | P445.60 | -P1.40 | -0.31% |
| JFC | Jollibee Foods Corp. | P219.00 | —— | |
| JGS | JG Summit Holdings, Inc. | P21.85 | +P0.15 | +0.69% |
| LTG | LT Group, Inc. | P13.10 | —— | |
| MBT | Metropolitan Bank& Trust Co. | P73.40 | +P0.40 | +0.55% |
| MER | Manila Electric Co. | P547.00 | +P8.50 | +1.58% |
| MONDE | Monde Nissin Corp. | P7.59 | -P0.01 | -0.13% |
| PGOLD | Puregold Price Club, Inc. | P39.00 | +P0.60 | +1.56% |
| SCC | Semirara Mining and Power Corp. | P33.00 | +P0.15 | +0.46% |
| SM | SM Investments Corp. | P830.00 | —— | |
| SMC | San Miguel Corp. | P72.20 | -P0.30 | -0.41% |
| SMPH | SM Prime Holdings, Inc. | P23.20 | -P0.05 | -0.22% |
| TEL | PLDT Inc. | P1,308.00 | +P18.00 | +1.40% |
| URC | Universal Robina Corp. | P91.95 | +P0.45 | +0.49% |



# SC: Malampaya contractors' income taxes part of government share

THE Supreme Court (SC) has ruled that the income taxes of private contractors in the Malampaya natural gas project are included in the government's 60% share of the project's net proceeds, effectively reversing a Commission on Audit (CoA) finding that flagged over P53 billion in alleged underpaid taxes.

In a decision dated July 30, 2025, the Court resolved the dispute between Shell Philippines Exploration B.V., Chevron Malampaya LLC, and PNOC Exploration Corp. and the CoA in favor of the contractors.

The SC held that under Presidential Decree (PD) No. 87, or the Oil Exploration and Development Act, income taxes paid by or on behalf of petroleum contractors form part of the government's guaranteed 60% share of net proceeds from petroleum operations.

It noted that the law aims to encourage private investment by allowing the state to assume contractors' income tax obligations.

This policy is reinforced by Presidential Decree Nos. 1206 and 1459, which affirm that the government's share encompasses all applicable taxes.

The Court said that the tax assumption clause under the Malampaya contract does not constitute a tax exemption.

"The contractors are not exempt from income tax. Rather, the Government assumes the same as part of its share in the net proceeds," the decision read.

"The Court is on all fours with CoA to zealously ensure that the Government is never placed at a disadvantage and that it rightfully receives what is due it in all its transactions," Associate Justice Japar B. Dimaampao wrote in the 19-page ruling.

"Nevertheless, remaining bound by the Constitution and the laws of the land, the Government cannot be allowed to renege on its obligation, especially when such has been distinctly outlined in the contract it freely entered into and agreed to."

In 1990, the government entered into a service contract with Shell, Chevron, and PNOC for the development of the offshore gas field. Under the contract, the contractors were to remit 60% of the project's net proceeds to the state.

While they were exempt from all taxes except income tax, the agreement included a tax assumption clause, specifying that their income taxes from 2002 to 2009 would be covered by the government's share.

Following a post-audit, the CoA found that over P53 billion in income taxes had been deducted from the state's share. The agency ruled that the contractors were liable for the amount, citing the absence of an express legal provision stating that the government should cover their tax obligations.

While the case was pending, the International Chamber of Commerce (ICC) issued an arbitral ruling upholding the validity of the tax assumption clause. The SC acknowledged the ruling, citing the state's policy favoring arbitration, but emphasized that it would have reached the same conclusion based on Philippine law alone.

"Even sans the ICC award, the Court will still rule the same," the decision said.

The justices issued several separate opinions. In his dissenting opinion, Senior Associate Justice Marvic M.V.F. Leonen argued: "PD 87 does not expressly state that the Government's share shall include the contractors' income tax."

In contrast, Justice Alfredo Benjamin S. Caguioa said the tax assumption provision is "clearly supported by the text of PD 87."

Justice Ramon Paul L. Hernando, in a separate concurring opinion, said arbitral rulings "should be given the highest respect."

Justice Jhosep Y. Lopez added that "nothing in the Constitution prohibits arbitration, even in matters under the jurisdiction of the Commission on Audit." — **Chloe Mari A. Hufana**

UNSPLASH/RAMON KAGIE

# More office space coming; condo launches slow

OFFICE VACANCY levels in Metro Manila may rise with the completion of new projects from this year through 2030, according to property services firm JLL Philippines.

"For upcoming (office) stock, we have a total of 1.8 million square meters (sq.m.) of new stock coming in between 2025 and 2030," JLL Philippines Head of Research and Strategic Consulting Janlo C. De Los Reyes said during a media briefing on Wednesday.

"The majority of that new stock will come in the second half of 2025, at 568,000 sq.m., before dropping to around 300,000 sq.m. and 200,000 sq.m. levels between 2026 and 2030. What we're expecting is for vacancy levels to increase, while rentals remain soft in the medium to long term," he added.

Mr. De Los Reyes said Metro Manila's office vacancy is expected to reach 18% by yearend, with the current total office supply now at 11.1 million sq.m.

He added that office vacancy for the second quarter slightly declined to 18.2% from 18.4% in the previous quarter.

"What we expect for the remainder of the year is for overall vacancy to remain elevated at around 18%, still within that range, due to the large volume of new stock coming in," he said.

"Bonifacio Global City and the Makati central business district (CBD) still recorded the lowest vacancies during the quarter, again due to solid demand and interest from both business process outsourcing (BPO) companies and corporate occupiers," he added.

In terms of new supply, Mr. De Los Reyes said Makati City leads all business districts in Metro Manila, with 557,000 sq.m. of upcoming office space, largely driven by demand from banks.

"This includes around 368,000 sq.m. from these banks alone, and they are expected to complete [their buildings] between 2029 and 2030," he said.

"Most banks are in the Makati CBD. They're either redeveloping or constructing their buildings there," he added.

Meanwhile, Mr. De Los Reyes said gross office leasing volume in Metro Manila rose by 80.2% to 582,000 sq.m. in the first half, from 323,000 sq.m. in the same period last year.

He projected gross office leasing volume to reach 800,000 to 900,000 sq.m. by yearend.

"In the first quarter of the year, we saw significant take-up from both BPO occupiers and corporate occupiers. Meanwhile, in the second quarter, we saw corporate demand weaken slightly, and that's when the BPO sector carried its momentum throughout the period," he said.

"What we expect for leasing volumes in the next couple of quarters is for them to remain stable," he added.

**RESIDENTIAL VACANCY**

The capital region's residential vacancy rate is expected to decline next year as developers scale back on launches, according to real estate consultancy firm Colliers Philippines.

"By 2026, we will see residential vacancy in Metro Manila's secondary market finally declining. From 25.8% [by end-2025], we are likely to see this fall to 25.3%," Colliers Philippines Director and Head of Research Joey Roi H. Bondoc said at a briefing on Wednesday.

"You have your supply and demand factors, but it's mainly because of limited supply — fewer completions in the Metro Manila condominium market are contributing significantly to this drop in vacancy," he said.

In its Second Quarter Property Market Report, Colliers noted that about 30,500 ready-for-occupancy (RFO) condominium units remained unsold as of end-June. Of this total, 32% came from the lower middle-income segment.

Metro Manila is facing an ongoing oversupply in the middle-income condominium market, primarily driven by the government's ban on Philippine offshore gaming operators last year.

According to Colliers, Metro Manila's pre-selling condo launches declined by 57% to 11,000 units in 2024, from 26,000 in 2023.

Likewise, pre-selling launches between 2022 and 2024 dropped by 58% compared to the 2017-2019 period, Colliers data showed.

As of the second quarter, Metro Manila's residential vacancy slightly rose to 24.5% from 24.3% in the previous quarter, Colliers said.

"One out of four condo units being leased or resold right now remains vacant — no taker, no buyer, no individual willing to lease those condominium units," Mr. Bondoc said.

Colliers also noted an 84% plunge in Metro Manila condo completions, averaging 5,800 units from 2025 to 2027, down from 13,000 units between 2017 and 2019.

Despite this, Colliers reported a 25% drop in backouts to 3,600 units in the second quarter from 4,800 units, indicating the effectiveness of developers' flexible payment terms.

"I think the promos introduced in the last quarter worked because we haven't seen promos this aggressive before. Previously, discounts were around 10%, but now they go up to 45% or 50%," Colliers Philippines Managing Director Richard Raymundo said at the briefing.

These buyer-friendly promos include discounts on select RFO projects, rent-to-own units, and minimal or no down payments for move-ins, Colliers said. — **Revin Mikhael D. Ochave** *and* **Beatriz Marie D. Cruz**

# 17 power projects endorsed for grid impact study

THE Department of Energy (DoE) endorsed 17 power projects to the National Grid Corp. of the Philippines (NGCP) in June to undergo a system impact study (SIS).

"In June 2025, the DoE issued 17 SIS endorsements, including 14 new applications and three amendments," the agency said in a document posted on its website.

The SIS determines the adequacy and capability of the grid to accommodate new connection.

The DoE approved SIS endorsements for 15 renewable energy projects, consisting of 10 wind, four solar, and one hydroelectric power project (HPP).

Among the large-scale wind projects are CI San Jose Corp.'s 1,246-megawatt (MW) Roxas Onshore Wind Power Project (WPP), 500-MW San Roque Onshore WPP, and 260-MW Mauban Onshore WPP.

The government also endorsed Philippine New Energy Development Inc.'s 500-MW Cebu WPP; Alba Renewables Philippines Corp.'s 300-MW Aurelius WPP; Econergy Renewable Power Philippines, Inc.'s 200-MW Sorsogon 2 WPP, 150-MW Camsur WPP, and 100-MW Northern WPP.

The DoE also issued SIS endorsements to SE Renewable Energy, Inc. for its 112-MW Lian Batangas WPP and to Mainstream Renewable Power Philippines Corp. for its 49.999-MW Panaon WPP.

The solar projects include Embrace Nature Power1 Corp.'s 180-megawatt-peak (MWp) Agrovoltaic Solar Power Project (SPP); Aboitiz Solar Power, Inc.'s 168.953-MW direct current Calatrava SPP; RE Resources, Inc.'s 92.545-MWp San Manuel SPP; and Joy-Nostalg Solaris Inc.'s 62.010-MWp Ajuy 1 SPP.

The DoE also endorsed Alsons Energy Development Corp.'s 8.810-MW Siayan 1 HPP for grid impact study.

For other technologies, the DoE endorsed Upgrade Energy Philippines, Inc. for its 25-MW Upgrade Santiago and 25-MW Upgrade Samar battery energy storage systems (BESS).

Over the first six months of the year, the DoE approved 78 power projects to undergo grid impact studies. — **Sheldeen Joy Talavera**

Manulife

**Single Pricing Investment Funds of Variable Life Insurance Contracts**

| Fund | Unit Price: Current Week July 28, 2025 | Unit Price: Previous Week July 21, 2025 |
|---|---|---|
| Peso Secure Fund | 1.807 | 1.803 |
| Peso Diversified Value Fund | 1.981 | 1.972 |
| Peso Growth Fund | 2.977 | 2.933 |
| Peso Dynamic Allocation Fund | 1.032 | 1.023 |
| Peso Target Distribution Fund | 0.751 | 0.746 |
| Peso Cash Fund | 1.154 | 1.153 |
| Peso Wealth Optimizer 2026 Fund | 0.975 | 0.969 |
| Peso Wealth Optimizer 2031 Fund | 0.931 | 0.922 |
| Peso Wealth Optimizer 2036 Fund | 0.917 | 0.905 |
| Powerhouse Fund | 0.821 | 0.810 |
| Emperor Fund | 0.887 | 0.871 |
| USD Secure Fund | 1.588 | 1.580 |
| USD Asia Pacific Bond Fund | 1.119 | 1.117 |
| USD Global Target Income Fund | 0.781 | 0.773 |
| USD ASEAN Growth Fund | 1.547 | 1.537 |
| USD Asia Pacific Property Income Fund | 0.718 | 0.710 |
| PHP Asia Pacific Property Income Fund | 0.762 | 0.754 |
| PHP Tiger Growth Fund | 0.760 | 0.747 |
| USD Tiger Growth Fund | 0.626 | 0.615 |
| PHP Global Preferred Securities Income Fund | 0.947 | 0.947 |
| USD Global Preferred Securities Income Fund | 0.786 | 0.785 |
| PHP US Growth Fund | 1.517 | 1.504 |
| USD US Growth Fund | 1.247 | 1.236 |
| PHP Global Health Fund | 1.147 | 1.114 |
| USD Global Health Fund | 1.051 | 1.020 |
| PHP Global Multi-Asset Income Fund | 1.170 | 1.164 |
| USD Global Multi-Asset Income Fund | 1.073 | 1.067 |
| PHP Global Market Leaders Fund | 1.585 | 1.565 |
| USD Global Market Leaders Fund | 1.530 | 1.510 |

These investment funds are specific to variable life insurance contracts and are not considered mutual funds. Life insurance products are regulated by the Insurance Commission.

**Dual Pricing Investment Funds of Variable Life Insurance Contracts**

| Fund | Unit Bid Price: Current Week, July 28, 2025 | Unit Bid Price: Previous Week, July 21, 2025 |
|---|---|---|
| Peso Bond Fund | 3.099 | 3.093 |
| Peso Stable Fund | 3.024 | 3.010 |
| Peso Equity Fund | 2.241 | 2.208 |
| Peso Balanced Fund | 1.063 | 1.054 |
| Peso Target Income Fund | 0.770 | 0.766 |
| U.S. Dollar Bond Fund | 2.286 | 2.274 |

| Fund | Unit Offer Price: Current Week, July 28, 2025 | Unit Offer Price: Previous Week, July 21, 2025 |
|---|---|---|
| Peso Bond Fund | 3.146 | 3.140 |
| Peso Stable Fund | 3.070 | 3.056 |
| Peso Equity Fund | 2.275 | 2.242 |
| Peso Balanced Fund | 1.079 | 1.070 |
| Peso Target Income Fund | 0.782 | 0.778 |
| U.S. Dollar Bond Fund | 2.321 | 2.309 |

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Manulife | Chinabank
LIFE ASSURANCE CORPORATION

**Single Pricing Investment Funds of Variable Life Insurance Contracts**

| Fund | Unit Price: Current Week July 28, 2025 | Unit Price: Previous Week July 21, 2025 |
|---|---|---|
| Peso Secure Fund | 1.806 | 1.802 |
| Peso Diversified Value Fund | 1.951 | 1.942 |
| Peso Growth Fund | 2.900 | 2.858 |
| Peso Dynamic Allocation Fund | 1.026 | 1.018 |
| Peso Target Distribution Fund | 0.745 | 0.740 |
| Peso Cash Fund | 1.133 | 1.132 |
| Peso Wealth Optimizer 2026 Fund | 0.917 | 0.912 |
| Peso Wealth Optimizer 2031 Fund | 0.867 | 0.859 |
| Peso Wealth Optimizer 2036 Fund | 0.842 | 0.832 |
| Powerhouse Fund | 0.820 | 0.809 |
| USD Secure Fund | 1.556 | 1.549 |
| USD Asia Pacific Bond Fund | 1.080 | 1.078 |
| USD Global Target Income Fund | 0.787 | 0.779 |
| USD ASEAN Growth Fund | 1.510 | 1.500 |
| Chinabank Dollar Fixed Income VUL Fund | 1.036 | 1.031 |
| USD Asia First Fund | 1.375 | 1.368 |
| USD Asia Pacific Property Income Fund | 0.721 | 0.712 |
| PHP Asia Pacific Property Income Fund | 0.773 | 0.764 |
| PHP Tiger Growth Fund | 0.767 | 0.754 |
| USD Tiger Growth Fund | 0.635 | 0.624 |
| PHP Global Preferred Securities Income Fund | 0.947 | 0.946 |
| USD Global Preferred Securities Income Fund | 0.804 | 0.803 |
| PHP US Growth Fund | 1.493 | 1.480 |
| USD US Growth Fund | 1.246 | 1.234 |
| PHP Global Health Fund | 1.143 | 1.110 |
| USD Global Health Fund | 1.028 | 0.997 |
| PHP Global Multi-Asset Income Fund | 1.128 | 1.123 |
| USD Global Multi-Asset Income Fund | 1.181 | 1.174 |
| PHP Global Market Leaders Fund | 1.552 | 1.533 |
| USD Global Market Leaders Fund | 1.525 | 1.505 |

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**Dual Pricing Investment Funds of Variable Life Insurance Contracts**

| Fund | Unit Bid Price: Current Week, July 28, 2025 | Unit Bid Price: Previous Week, July 21, 2025 |
|---|---|---|
| Peso Bond Fund | 2.137 | 2.133 |
| Peso Stable Fund | 1.986 | 1.978 |
| Peso Equity Fund | 2.015 | 1.986 |
| Peso Balanced Fund | 1.042 | 1.033 |
| Peso Target Income Fund | 0.763 | 0.759 |
| U.S. Dollar Bond Fund | 1.635 | 1.627 |

| Fund | Unit Offer Price: Current Week, July 28, 2025 | Unit Offer Price: Previous Week, July 21, 2025 |
|---|---|---|
| Peso Bond Fund | 2.170 | 2.165 |
| Peso Stable Fund | 2.016 | 2.008 |
| Peso Equity Fund | 2.046 | 2.016 |
| Peso Balanced Fund | 1.058 | 1.049 |
| Peso Target Income Fund | 0.775 | 0.771 |
| U.S. Dollar Bond Fund | 1.660 | 1.652 |

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