Cement industry sees prospects improving with signing of budget

By Justine Irish D. Tabile
Reporter

CEMENT manufacturers said the timely signing of the budget is clearing up some uncertainty over infrastructure spending in 2026, after many projects underwent stricter review following last year's corruption scandal.

Cement Manufacturers Association of the Philippines, Inc. (CEMAP) President John Reinier H. Dizon told reporters.: "We are cautiously optimistic."

"It is a good sign that the national budget was approved, I think that is important. And I understand that the Philippine Contractors Accreditation Board (PCAB) is in place; that is crucial for public infrastructure," he added.

Last year, the PCAB temporarily stopped issuing licenses after its board resigned in the wake of the government's investigation into corruption in public infrastructure projects.

"There was a little bit of a lull in the last quarter; now that (the budget) is in place, fingers crossed, we just need to build confidence," he said.

"Once the government projects kick in, I think that will also (revive private construction)," he added.

He said government projects have a multiplier effect on the housing and commercial segments.

Housing and commercial will be stimulated "once they build the roads and all the necessary infrastructure," he added.

He said the industry's fundamentals remain promising due to strong demand for infrastructure and housing.

"It is only January, so let's see. Usually, the construction peaks around March and April," he said."Hopefully the demand grows. Right now, we are not seeing it yet. We have seen a little bit of decline, particularly in the last quarter," he added.

Last year, he said demand for cement was estimated to have declined by 2-3%.

"As for the industry's trajectory — we should be tracking gross domestic product (GDP). As GDP grows, construction should also grow," he added.

Manufacturers of most price-controlled goods not seeking to raise prices — DTI

THE Department of Trade and Industry (DTI) said it has not received requests to raise prices from manufacturers whose products account for 91% of the basic necessities and prime commodities (BNPC) list.

In a statement on Wednesday, the DTI said there will be no price increase for canned sardines in tomato sauce, instant mami noodles, laundry soap, candles, bread, toilet soap, and batteries.

"These widely consumed goods account for 91%, or 186 out of 205 stock-keeping units on the BNPC list, as manufacturers did not request any increase in their suggested retail prices," the DTI said.

It said many manufacturers are holding prices steady despite the higher cost of raw materials, packaging, logistics, and toll-packing.

"The DTI stays committed to protecting consumers while recognizing the economic realities faced by manufacturers. Through regular price monitoring and open dialogue with manufacturers, the agency helps ensure that any price adjustments are fair and properly justified," Trade Secretary Cristina A. Roque said.

"At the same time, it provides consumers with timely guidance to support informed choices while encouraging businesses to uphold ethical and competitive pricing practices," she added.

Among the manufacturers that are keeping their prices steady were Unilever Philippines, Inc., Monde Nissin Corp., P&G Philippines, Inc., Green Cross, Inc., Colgate Palmolive Philippines, Inc., JG Summit Holdings, Inc., Asia Brewery, Inc., CDO Foodsphere, Inc., Virginia Foods, Inc., Zest-O Corp., Uni-President Corp., and Nutri Asia.

Other such manufacturers include Universal Canning, Maunlad Canning, Uptrade Resource, Chattra Enterprise, Permex, Aquatic Food and Manufacturing, Slord Development, Tosen Foods, Philbaking, Wellmade, Peerless, Vayao Wax, Manila Wax, Singkee, Sevilla Candles, Energizer, LTH Food Industries, Snow Mountain Dairy, Commonwealth Foods, Eccossential Foods, Billie's Marketing, Philippine Spring Water Resources, and First PGMC. — **Justine Irish D. Tabile**

P11.86-B Siargao subtransmission facility approved for construction

THE National Grid Corp. of the Philippines (NGCP) said it obtained approval from the Energy Regulatory Commission (ERC) to build a P11.86-billion interconnection facility to meet growing power demand on Siargao Island.

In an order promulgated Jan. 14, the ERC authorized and directed the NGCP to finish the Claver-Siargao Interconnection Project on or before June 30, 2030.

The regulator noted that the approval is "subject to optimization based on actual use and verified expenses incurred, based on invoices and other supporting documents."

Currently, Siargao Island gets its electricity from the Mindanao grid by tapping NGCP's Cagdianao 69-kilovolt (kV) Substation via a 34.5-kV submarine and overhead lines owned and maintained by Siargao Electric Cooperative, Inc. (Siarelco).

Due to the absence of local generation and reliance on Mindanao, low voltage has emerged as an issue on the island.

Siarelco has appealed to the NGCP, ERC, and the Department of Energy (DoE) for an extension of the NGCP line to Dapa, Siargao via submarine cable.

NGCP's proposed transmission project will expand the grid and ensure reliable power delivery to power consumers in Siargao Island and the Siarelco coverage area.

The project involves the construction of a new 69-kV interconnection facility from the Cagdianao NGCP Line to Siargao Island.

The NGCP will install a 42-kilometer submarine cable with a 58MWA capacity to link two new switching stations in Claver, Surigao del Norte, and Dapa.

"The project will increase transmission capacity to support growing load demand, provide a higher-voltage interconnection facility to the island, and maintain the voltage at Siarelco's new grid connection point within its normal operating levels," the company said.

The Claver-Siargao Interconnection Project was certified by the DoE as an energy project of national significance, making it eligible for expedited approvals.

NGCP capital expenditure projects must be approved by the ERC under Republic Act No. 9136 or the Electric Power Industry Reform Act.

Under a congressionally granted 50-year franchise, the company holds the right to operate and maintain the transmission system and related facilities, and to exercise the right of eminent domain as needed to construct, expand, maintain, and operate the transmission system. — **Sheldeen Joy Talavera**

PHILIPPINE STAR/RYAN BALDEMOR

Davao ranks 12th, Manila 40th in index of worst road congestion

TWO Philippine cities made world's most-congested rankings, with Davao City's roads deemed the country's busiest in 2025.

The TomTom Traffic Index also rated the Philippines the Asian country with the worst road congestion in 2025, which it quantified as 45%.

Davao City was rated 66.2%, landing it in 12th position out of 492 cities worldwide. Manila was 40th with a congestion level of 57%.

TomTom Traffic Index's congestion level reflects the extra time a trip takes in typical conditions as opposed to when traffic is light or non-existent.

Commuters in Davao City averaged 34 minutes and 17 seconds in travel time for a 10-kilometer drive, adding 23 seconds to the 2024 average, according to the report.

Meanwhile, commuters in Manila posted an average travel time of 31 minutes and 45 seconds for every 10-kilometer drive, 10 seconds more than in 2024.

In 2024, Davao City was the eighth-most congested city out of 500 cities, with an average 33 minutes to travel 10 kilometers. Manila was 14th globally that year, with a corresponding travel time of 32 minutes.

"TomTom's data gives us a clear signal: mobility demand in Davao is rising faster than the road network can absorb. This is exactly why ongoing transport modernization and better traffic management are essential to ensure safer, faster, and more reliable travel for everyone," Transportation Acting Secretary Giovanni Z. Lopez told *BusinessWorld* via Viber.

The Department of Transportation (DoTr) is working with Davao City on better transportation solutions, Mr. Lopez said, such as modern buses and smart traffic systems through the Davao Public Transport Modernization Project (DPTMP).

The DPTMP will modernize bus lines on 32 routes across a 653-kilometer road network. Two of the routes are scheduled to begin operating partially by the third quarter of 2027, serving around 110,000 passengers a day.

Mr. Lopez said full operations are expected by the fourth quarter of 2028, with projected ridership of up to 800,000 a day.

The lack of a modern and efficient transportation system in Davao City has resulted in the worsening of road congestion, according to Rene S. Santiago, an international consultant on transport development and former president of the Transportation Science Society of the Philippines.

"There is a public transport modernization project for Davao City. It is a BRT, except in labelling. As usual, it is delayed... there are (other) traffic management solutions that can be done immediately," he said via Viber.

Mr. Lopez said the DoTr has started construction on the first driving school in the country specializing in training bus drivers and is expected to be completed by the fourth quarter.

Meanwhile, Mr. Lopez said the DoTr is fast-tracking the construction of the Cebu Bus Rapid Transit project, with partial operations of Package 1 expected this quarter. — **Ashley Erika O. Jose**

OPINION

The rise of *de minimis* benefit ceilings

TAXWISE OR OTHERWISE
CLARISSA MAE SY

At the start of every year, we write down resolutions — promises to change habits we know are no longer working. More often than not, those resolutions are postponed, recycled, and quietly carried over from one year to the next.

Philippine tax policy has not been immune to this pattern. Although the need to revisit the ceilings for *de minimis* benefits has long been apparent due to inflation pressures and the rising cost of living, these thresholds remained mostly unchanged for years.

With the issuance of Revenue Regulations (RR) No. 29-2025, the Bureau of Internal Revenue (BIR) has finally moved to update the non-taxable ceilings for these benefits effective Jan. 6, 2026. The regulation marks a modest but meaningful change — and a timely way to begin the year.

De minimis benefits are facilities and privileges of relatively small value furnished by the employers to employees to promote health, goodwill, contentment, or efficiency. These benefits are exempt from income and withholding taxes; provided, they fall within the prescribed ceilings.

RR 29-2025 raises the ceilings for these tax-exempt *de minimis* benefits, specifically:

Monetized unused vacation leave (private employees): from 10 days to 12

Medical cash allowance to dependents: from P1,500 per semester (P250 per month) to P2,000

Rice subsidy: from P2,000 per month to P2,500 per month, or its equivalent in kind (one 50 kg. sack of rice)

Uniform and clothing allowance: from P7,000 per annum to P8,000

Actual medical assistance: from P10,000 per annum to P12,000 per annum

Laundry allowance: from P300 per month to P400

Employee achievement awards: from P10,000 per annum to P12,000

Gifts during Christmas and major anniversary celebrations: from P5,000 per employee per annum to P6,000

Meal allowance for overtime and night/graveyard shift: from 25% to 30% of the applicable basic minimum wage on a per region basis

CBA benefits and productivity incentives: from P10,000 per employee per taxable year to P12,000

While the adjustments to the individual ceilings may not appear particularly significant, when considered cumulatively — across multiple benefit categories and over the course of a year — the increase in allowable non-taxable amounts can translate into meaningful financial impact.

STRATEGIC BENEFITS DESIGN: A PLANNING OPPORTUNITY

For employers, RR No. 29-2025 presents a strategic opportunity to reassess how compensation is structured. While it does not increase wages per se, it expands the space for a more thoughtful wage and benefits structuring. This allows employers to better complement salary adjustments with tax-efficient, non-taxable benefits that boost overall employee welfare.

Across-the-board salary increases result in permanent and compounding payroll costs. These not only affect withholding taxes, but also statutory contributions and future compensation bases. In contrast, properly structured *de minimis* benefits — within prescribed ceilings — allow employers greater flexibility to provide targeted, non-taxable support without proportionately increasing withholding tax obligations.

Redirecting a portion of contemplated salary adjustments into allowable *de minimis* benefits can yield mutual benefits for employers and employees alike. For employees, this translates to higher effective take-home benefits and preserves the tax-exempt status of benefits that directly address their daily needs. For employers, this approach can help reduce other incremental payroll costs. Plus, a well-designed *de minimis* benefits program can support employee morale and retention and boost productivity.

For instance, benefits like medical cash allowances and rice subsidies can help ease daily expenses. In my view, making these benefits more accessible in a non-taxable form demonstrates a company's commitment to employee well-being.

SHOULD ADDITIONAL *DE MINIMIS* BENEFITS BE RECOGNIZED?

RR No. 29-2025 not only updates existing ceilings, but also raises a broader question: Should the *de minimis* framework expand to formally recognize other common benefits?

Examples could include transportation allowances, as well as technology or connectivity support that has become integral in an increasingly digital environment. Recognizing such items within the *de minimis* framework, subject to reasonable limits, would not create new forms of compensation, but rather acknowledges expenses that employees already regularly incur.

Given the challenges in passing minimum wage increases, expanding *de minimis* benefits to address such everyday needs may be seen as a pragmatic compromise. Adjustments to the *de minimis* framework offer a more flexible alternative that is comparatively easier to adopt than wage legislation. Although these measures are not a substitute for wider labor reforms or fair wage adjustments, they provide a practical way to deliver targeted support to employees.

A FINAL THOUGHT: INCREMENTAL BUT IMPORTANT

The adjustments under RR 29-2025 are practical and clearly welcome. However, the fact that these thresholds remained unchanged for several years, and were subsequently adjusted only to a limited extent, suggests that the updated ceilings may still fall short of fully reflecting prevailing inflation levels.

At the same time, although the regulation may not carry the sweeping impact of other recent measures like the VAT rules on digital services, its significance should not be underestimated. Changes to *de minimis* ceilings generally affect all employers and employees, cutting across industries and business sizes. Precisely because of this broad reach, even incremental adjustments carry meaningful implications for compensation planning, payroll compliance, and cost management.

Whether through periodic adjustments to existing ceilings or by recognizing additional benefits over time, I hope that the BIR will continue to revisit the *de minimis* framework on a regular basis, to avoid lagging behind economic realities. Much like a New Year's resolution, the real value of this change lies not only in making one adjustment, but also in the commitment to revisit and refine it over time.

The views or opinions expressed in this article are solely those of the author and do not necessarily represent those of Isla Lipana & Co. The content is for general information purposes only, and should not be used as a substitute for specific advice.

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