



SEC News Service

SERIES OF 2014

MARCH 20, 2014

PH MOST BULLISH IN ASIA Malaya Business Insight, p. A1/4	[1]
GUARANTEE FUND FOR MICRO ENTERPRISES Jimmy Calapati, Malaya Business Insight, p. A1/4	[3]
BIR LISTS TOP TAX PAYERS AND WONDERS Malaya Business Insight, p. A1/4	[5]
BIR ZEROES IN ON BIG CORPORATE TAXPAYERS'RECORD Michelle V. Remo, Philippine Daily Inquirer, p. B1/2	[7]
PRENEED FIRMS GREW MODERATELY IN 2013 Michelle V. Remo, Philippine Daily Inquirer, p. B6	[8]
SENATE MULLS NEW PROBE OF "PORK" DEALINGS WITH NABCOR Marvin Sy, Philippine Star, p. 7	[9]
BIR BARES TOP CORPORATE TAXPAYERS FOR 2012 Zinnia Dela Pena, Philippine Star, p. 9	[10]
INDEX SNAPS 2-DAY GAIN ON PROFIT TAKING Neil Jerome C. Morales, Philippine Star, p. B2	[11]
METRO PACIFIC BREACHES P7-B INCOME MARK Neil Jerome C. Morales, Philippine Star, p. B3	[12]
SMC NOT SELLING GINEBRA Neil Jerome C. Morales, Philippine Star, p. B3	[13]
MEGAWORLD LAUNCHES P15-B TOWNSHIP PROJECT IN DAVAO Neil Jerome C. Morales, Philippine Star, p. B5	[14]

Thursday, March 20, 2014

BUSINESS SENTIMENT

PH most bullish in Asia

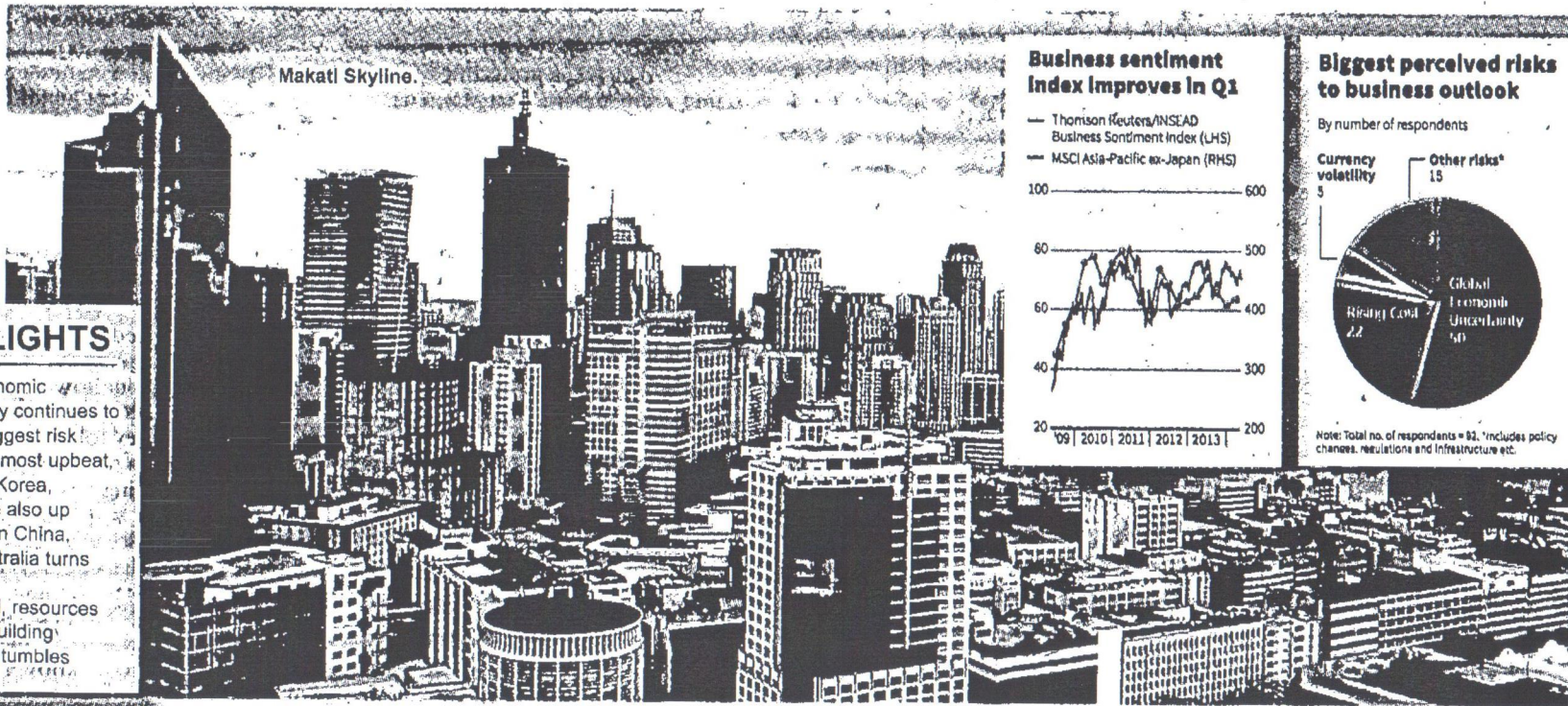
BUSINESS sentiment among Asia's top companies edged up in the first quarter, as solid improvement in the Philippines and South Korea outweighed weakness in China, India and Australia amid persistent concerns over the global economy, a ThomsonReuters/INSEAD survey showed.

Corporate sentiment in the Philippines rebounded the most in the first quarter of

2014, with all 12 respondents reporting positive sentiment that pushed the sentiment index to 100, even as the majority of them were concerned about the uncertain global economy.

Most companies in the country reported higher new orders and employment levels as massive rebuilding efforts, including the government's \$3.1 billion spending plan after a devastating typhoon in early

See PH Page A4

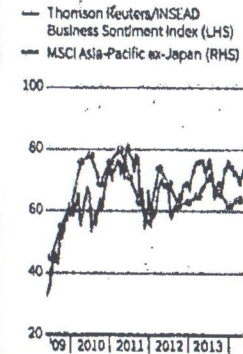


Makati Skyline

HIGHLIGHTS

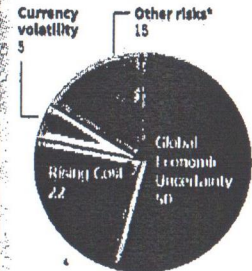
- Global economic uncertainty continues to remain biggest risk
- Philippines most upbeat, Japan, S.Korea, Singapore also up
- Sentiment in China, India, Australia turns weaker
- Autos, retail, resources recover, building sentiment tumbles

Business sentiment Index Improves in Q1



Biggest perceived risks to business outlook

By number of respondents



Note: Total no. of respondents = 82. *Includes policy changes, regulations and infrastructure etc.

November, are set to help sustain strong economic growth this year.

Overall sentiment in Southeast Asia's \$15 trillion economy was mostly positive, with Thailand being the only country in negative territory due to the lingering political turmoil.

The ThomsonReuters/INSEAD Asia Business Sentiment Index snapped two consecutive quarterly declines and rose to 64 in the first quarter of this year from 62 in the fourth quarter of 2013. A reading above 50 indicates an overall positive outlook.

Uncertainty about the global economic outlook and rising costs remained the biggest risk factors for the region's firms, according to the survey, which also found sentiment in the autos, retail and resource sectors improved, while confidence among companies in the building sector tumbled.

Solid gains in Japan, South Korea and regional trading hub Singapore supported the index, but weaker sentiment from China, Australia and India underscored fragile prospects for an improvement in global demand.

PH

China's exports unexpectedly dropped 18 percent in February, fueling investor concerns over cooling growth in the world's second-biggest economy.

Chinese premier Li Keqiang said the economy faced "severe challenges" in 2014 and hinted Beijing would tolerate a slower expansion while it pushes through reforms aimed at providing more sustainable growth in the future.

"The sentiment in China is not great... There isn't a lot of transparency on what happens next," said Stephen Green, head of China research at Standard Chartered.

The poll, conducted by ThomsonReuters in association with INSEAD, a global management and business school, was compiled between March 3-14.

The index surveyed more than 200 of Asia's top companies in 11 economies across sectors including property, financials and tech. Companies participating in the survey included Hyundai Heavy Industries, Fast Retailing Co Ltd and International Container Terminal Services.

Of the 102 Asian companies that responded, 65 percent reported a neutral outlook, 31 percent were positive and 3.92 percent were negative in their prospects.

In export-reliant north Asia, Japan and South Korea showed a solid recovery as they reported increased orders. Yet, 14 out of 17 respondents in Japan were neutral on business sentiment as they brace for a hike in consumption tax from April, which may ease a recent recovery in domestic consumption.

By sector, the retail industry showed a big improvement, with half of the eight respondents neutral and

the other half positive, taking the reading up 17 points to 75 from 58 in the fourth quarter of 2013.

In a sign of growing confidence in the sector, Asia's top apparel retailer, Japan's Fast Retailing Co is among global retailers expanding aggressively in Asia, with plans to boost sales in greater China by more than 30 percent this year.

"A recovering economy has contributed to the rosier performance of retailing in developed countries in Asia," said Euromonitor International analyst Honey Lim.

"In addition, the completion of new and revamped malls in the city centre and suburbs has supported value growth of retailing in Singapore in 2014. High rental costs, particularly in Singapore and Hong Kong, also drove prices upwards as retailers pass increasing costs to end-consumers."

Sentiment among Asian automakers also improved considerably, with all 11 respondents saying they were neutral on the outlook. The sector reported a reading of 50 in the first quarter compared to the 33 score it turned in the fourth quarter of 2013.

Despite the improvement, the survey showed that automakers were the least optimistic companies in Asia along with builders, with most respondents citing global economic uncertainty as the biggest business risk even though 64 percent of those surveyed reporting an increase in new orders and sales.

Sentiment among Asian builders, which were the most bullish last quarter, turned neutral, ending two consecutive quarters of gains. -Reuters

Guarantee fund for micro enterprises

BY JIMMY CALAPATI

BANGKO Sentral ng Pilipinas yesterday said that monetary and finance officials are studying the possibility of creating a "guarantee fund" to protect lenders to the country's micro, small and medium enterprises (MSMEs).

This developed as the Chamber of Thrift Banks (CTB) yesterday called on the government to amend the MSME and Agri-Agra laws to help them continue serving the sector.

Amando Tetangco, BSP Governor, said that the guarantee fund will act as "some kind of protection" to encourage financial institutions to extend loans to MSMEs.

"Lending to MSMEs is different from ordinary commercial bank lending or commercial lending. So to encourage financial institutions to extend loans to small and medium enterprises as well as microenterprises, there has got to be some kind of protection. In other words, improve the risk profile of the borrower and a guarantee can do this," Tetangco said.

"So a fund will be set up, well this is the proposal, it

has not been approved, this is just a proposal."

Tetangco did not elaborate further but added other government agencies like the Departments of Trade and Industry, Finance and Budget and Management are "looking at this together."

"We are still studying, including the concepts. We are still looking at how we can set-up a system that will be effective," Tetangco said.

CTB, the umbrella organization for 55 of country's thrift banks, hopes to see changes in the MSME law being adopted to ease the required credit allocation for member-banks.

Under RA 9501 or the Magna Carta for MSMEs which was implemented in 2008, banks are required to allot 10 percent of their loanable funds to MSMEs.

Failure to comply would mean paying a fine of not less than P500,000.

Jose Teodoro Limcaoco, CTB president, said there are still member-banks who find it difficult to comply with the required credit allocation simply because the "MSME is not their niche market." "Rather than

See GUARANTEE > Page A4

GUARANTEE

imposing penalties, the government should provide a window for other alternative compliance, so that under-complied banks will not be heavily burdened by penalties which small banks may not be in a position to handle given their limited capital or resources," said Limcaoco.

CTB proposes a general compliance by banks to the mandatory credit allocation provision of the law (viz, 10 percent with no distinction as to micro/small (8 percent) and medium (2 percent).

At present the provision requires banks to set aside at least 8 percent for micro and small enterprises and at least two 2 percent for medium enterprises of their total loan portfolio based on their balance sheet as of the end of the previous quarter, and make it available for MSME credit.

At yesterday's annual convention of CTB, Limcaoco reports that the confidence in the industry remain high in the past year despite the challenges.

"Deposit liabilities growing by 19.3 percent year-on-year to reach P623.431 billion as of December 2013," he said.

CTB First Vice President Rommel Latinazo projects that thrift banks expect the same kind of performance for 2014, where total loans grew by 14 percent.

"We are diverse in terms of focus, some of us are into consumers, the independent thrift tend to be more of the MSME type of clientele. Both these sectors have continued demand for financing and that would be the outlet for the thrift bank industry."

Limcaoco added that the loan growth which came

from multinational and top corporates in 2013 will eventually trickle down to the MSME sector because the MSMEs provide a lot of the top products and services to these corporates.

"You should see the same expansion going forward to the MSMEs. That's why we're very positive about the prospects for MSME lending in 2014 and forward," he further stated.

Latest data from the BSP showed total value of micro-finance loans and savings have breached the P8-billion mark as more lending institutions see the importance of addressing the needs of the country's micro, small and medium enterprises (MSMEs).

There were 186 banks with microfinance operations reaching out to more than 1 million clients.

Their combined savings have reached P8.2 billion, higher than the P8 billion they have borrowed. In 2012, the savings component of microfinance loans totaled only P6.4 billion while total loans reached P8.4 billion.

But an earlier survey on Financial Access done by the World Bank estimated that only around 20 percent Philippine-based MSMEs are being serviced by financial institutions.

This pales in comparison to other countries in the region like Malaysia where this figure is around 60 percent.

In the Philippines, MSMEs account for 99.6 percent of our total enterprises, employs 61 percent of our total employed population, and contributes 32 percent to the GDP.

BIR lists top tax payers and wonders

TAX WATCH

Are the top 100 corporations in terms of gross revenues also top taxpayers?

The Bureau of Internal Revenue releases the list of Top 500 Non-Individual Taxpayers for Taxable Year 2012 Based on Income Tax Returns Filed. Comparing with the preliminary list of the top 1000 SEC corporations in the Philippines, only which companies and corporations made it to BIR's list? The Department of Finance and BIR find out in this week's Tax Watch. Here are the top 50 SEC Corporations:

COMPANY	Rank in Sec Top 100 Corporations (Based on gross revenues)	Rank in BIR Top 500 Taxpayers	2012 Income Tax Due (in PHP thousands)
Manila Electric Company	1	1	9,345,674.90
Petron Corporation	2	99	299,303.47
Pilipinas Shell Petroleum Corp.	3	59	543,447.14
TI (Philippines), Inc.	4	-	-
Malayan Integrated Industries Corporation	5	-	-
Nestlé Philippines Inc.	6	7	5,311,781.70
Toshiba Information Equipment (Philippines), Inc.	7	-	-
Mercury Drug Corporation	8	43	727,184.42
Smart Communications, Inc.	9	2	7,937,906.95
San Miguel Foods Inc.	10	78	379,041.80

CONTINUED ON PAGE 4

THE Bureau of Internal Revenue in its latest shame campaign against perceived tax evaders listed the top corporate revenue grossers monitored by the Securities and Exchange Commission.

Then, it said that only 39 out of the top 100 corporations identified by the Securities and Exchange Commission are part of the Bureau of Internal Revenue's list of top 500 corporate taxpayers for 2012.

The BIR list maker forgot to consider that taxes are paid on income not gross revenues. Just like Petron Corp. which grossed billions of pesos in revenues but netted only millions, it will naturally be ranked lower as a taxpayer.

The SEC's list of top 100 corporations which was based on the companies' gross revenues, was compared to the BIR's ranking of top 500 non-individual taxpayers for taxable year 2012 which was based on income tax returns filed.

The advertisement showed that the Manila Electric Company placed first in both the SEC's and the BIR's list.

The country's largest power distributor paid P9.346 billion in income tax for taxable year 2012:

Petron Corp., which ranked second in the SEC's list, placed 99th in the BIR's ranking with income tax payments of P299,303 million.

See BIR > Page A4

BIR

Pilipinas Shell Petroleum Corp. was in the third spot in the top 100 corporations, but ranked 59th in the BIR's list with income tax due of P543.447 million in 2012.

PTI (Philippines) Inc. and the Malayan Integrated Industries Corp. placed fourth and fifth respectively in the SEC's list, but were not included in the BIR's top 500 taxpayers.

"BIR did not release the 2012 income tax dues of corporations exceeding their Top 500 Non-Individual Taxpayers for Taxable Year 2012 Based on Income Tax Returns Filed," the DOF said.

Nestle Philippines Inc. was in the SEC list's 6th spot, while it placed 7th in the ranking of top 500 corporate taxpayers, with income tax due of P5.312 billion.

Toshiba Information Equipment (Philippines) Inc. was in 7th place in the SEC's ranking, but was not included in the top 500 non-individual taxpayers for 2012.

Mercury Drug Corp. came in next in the SEC list, and placed 43rd in the BIR ranking with income tax payments of P727.164 million.

Smart Communications Inc. and San Miguel Foods Inc. ranked 9th and 10th in the SEC list respectively.

Smart placed 2nd in the BIR's ranking with income tax due of P7.938 billion, while San Miguel was in 78th place in the list of top corporate taxpayers with income tax payments of P379.042 million.

TAX WATCH

COMPANY	Rank in Sec Top 100 Corporations (Based on gross revenues)	Rank in BIR Top 500 Taxpayers	2012 Income Tax Due (in PHP thousands)
Philippine Long Distance Telephone Company	11	45	722,326.27
PMFTC, Inc.	12	8	5,822,393.63
Chevron (Philippines), Inc.	13	4	341,445.51
Philippine Airlines, Inc.	14	7	...
BDO Unibank, Inc.	15	31	835,836.23
Globe Telecom, Inc.	16	9	3,677,004.17
Toyota Motor Philippines Corporation	17	18	1,360,878.14
San Miguel Brewery, Inc.	18	8	5,083,038.22
Zuelig Pharma Corporation	19	144	180,738.84
Coca-Cola Bottlers Philippines, Inc.	20	102	295,649.87
Philippines Associated Smelting and Refining Corp.	21	...	...
SunPower Philippines Manufacturing Ltd.	22	...	...
American Power Conversion Corporation (A.P.C.) B.V.	23	...	...
Bank of the Philippine Islands	24	24	1,063,278.50
National Grid Corporation of the Philippines	25	...	...
Puregold Price Club, Inc.	26	38	836,952.69
Tsunehashi Heavy Industries (Cebu), Inc.	27	100	288,425.77
South Premier Power Corp.	28	...	...
Metropolitan Bank & Trust Company	29	30	954,912.83
Unilever Philippines Inc.	30	26	1,035,147.49
Supervalu, Inc.	31	32	899,029.47
Cebu Air, Inc.	32	...	...
First Gas Power Corporation	33	118	1,459,927.72
San Miguel Energy Corp.	34	...	...
HHIC-Phil, Inc.	35	...	...
San Miguel Corp.	38	207	128,513.53
Jollibee Foods Corporation	37	131	199,655.76
Samsung Electronics Philippines Manufacturing Corp.	38	261	...
United Laboratories, Inc.	39	44	723,337.36
Wanda Nissin Corporation	40	20	1,189,231.08
Travellers International Hotel Group, Inc.	41	...	...
Dole Philippines, Inc.	42	...	...
Philippine American Life and General Insurance Company, The	43	...	...
Mitsubishi Motors Philippines Corporation	44	68	455,291.50
Chevron-Malampaya LLC	45	4	6,161,234.33
Robinson's Supermarket Corporation	46	161	165,136.23
Super Shopping Market, Inc.	47	62	487,749.50
Total (Philippines) Corporation	48	...	...
Accenture, Inc.	49	...	...
Holcim Philippines, Inc.	50	14	1,592,976.94

* BIR did not release the 2012 income tax dues of corporations exceeding their Top 500 Non-Individual Taxpayers for Taxable Year 2012 Based on Income Tax Returns Filed.

** List of Top 100 SEC corporations is preliminary. Rankings are based on gross revenues per AFS filed with the SEC.

*** List of Top 500 from BIR website, list of Top 100 is from SEC.

BIR zeroes in on big corporate taxpayers' record

By Michelle V. Remio

THE BUREAU of Internal Revenue (BIR) said less than half of the biggest corporate entities in the country did not make it to the list of top taxpayers.

In its latest "Tax Watch" advertisement, the BIR said only 39 of the country's Top 100 corporations in terms of gross revenues for 2012 belonged to the list of top taxpayers for the same year.

The release of the latest advertisement followed an earlier pronouncement by the Department of Finance (DOF), parent agency of the BIR, that tax evasion in the corporate sector could be rampant.

The DOF said tighter scrutiny of the tax compliance of the corporate sector had to be implemented.

Companies that landed in the Securities and Exchange Commission's list of Top 100 corporations in terms of gross revenues but failed to make it to the BIR's list of top taxpayers were led by Texas Instruments (Philip-

BIR/B2

BIR zeroes in on corporate...

From page B1

pines) Inc., Malayan Integrated Industries Corp., Toshiba Information Equipment (Philippines) Inc., Philippine Airlines, Philippine Associated Smelting and Refining Corp., SunPower Philippines Manufacturing Ltd., American Power Conversion Corp., National Grid Corp. of the Philippines, South Premier Power Corp., Cebu Air Inc., and San Miguel Energy Corp.

"Only 39 out of the Top 100 SEC corporations are part of the BIR's Top 500 non-individual taxpayers for 2012," the BIR said in the latest weekly print advertisement.

The latest BIR advertisement also showed that some companies that were part of the Top 100 corporations of the SEC also made it to the BIR's top taxpayers list.

These included Manila Electric Co., Smart Communications, Chevron (Philippines) Inc., Globe Telecom Inc., San Miguel Brewery Inc., Nestle Philippines Inc., PMFTC Inc., Chevron Malampaya LLC, Holcim Philippines Inc., First Gas Power Corp., and Toyota Motor Philippines Corp.

Finance Secretary Cesar Purisima earlier said there was a need to monitor the tax compliance of large corporations, citing the relatively few number of firms covered by the Large Taxpayers Service (LTS) of the BIR.

The LTS is the unit in charge of collecting taxes from "large corporations." By definition, large corporations or companies covered by the LTS are those that meet certain criteria such as at least P1 million in annual income tax and at least P1 million in annual excise tax.

Preneed firms grew moderately in 2013

By Michelle V. Remo

THE PRENEED industry registered modest growth in 2013 as the increase in demand for memorial and pension plans more than offset the drop in sales of educational plans, the Insurance Commission reported.

In an interview with the *INQUIRER*, Insurance Commissioner Emmanuel Dooc said the total value of preneed plans sold last year amounted to P24.49 billion, up by 3.92 percent from the previous year's sales.

"Some preneed firms are making inroads in the market. The industry as a whole is on an upward trajectory, although the growth is still not very significant," Dooc said Wednesday.

Among the three business lines in the preneed sector, memorial plans are the biggest. Value of sold memorial plans last year accounted for bulk, or P21.12 billion, of the total industry sales. This amount marked an annual rate of increase of 4.57 percent.

The increase in sales of memorial plans came amid observations that financial literacy of Filipinos was improving along the Philippine economy's robust expansion.

Pension plans, which are a far second to memorial plans in terms of sales, accounted for P3.095 billion of the total industry sales last year. This represented a 0.34-percent expansion year-on-year.

On the contrary, educational plans suffered a drop in sales amid a steep decline in number of industry players offering the said instruments.

Dooc said that last year, the number of preneed companies offering educational plans fell to just three from 21 the previous year.

He said many preneed firms offering educational plans stopped selling the said instruments given weak demand and losses carried over from the use of the old educational business model.

Some preneed firms also found it difficult to meet the capital requirements.

Under the old model, preneed firms were selling open-ended instruments. These instruments cover the cost of college education of beneficiaries of plan holders regardless of how high it rises.

One of the preneed firms that collapsed last year was Prudential Plans Inc. (PPI), which had about 245,000 policy holders. PPI was engaged in all three lines of preneed business, but its losses were largely driven by education plans.

Learning from the bad experience of the industry, the Insurance Commission now prohibits firms from selling open-ended instruments. What the regulator allows is sale of educational plans that state specific cost of coverage.

Dooc said the preneed industry was expected to continue posting at least a modest growth this year. He said the remaining industry members improve their business strategies and beef up their marketing campaign.

Also, Dooc added, the Insurance Commission intends to maintain more prudent regulatory standards to help the industry grow.

Senate mulls new probe of 'pork' dealings with NABCOR

By MARVIN SY

As it prepares to wrap up its investigation into the pork barrel scam, the Senate Blue Ribbon committee is considering taking another look at the issue after the congressional recess – with the National Agribusiness Corp. (NABCOR) in its crosshairs.

At least 79 members of the House of Representatives were said to have coursed some P1.7 billion of their Priority Development Assistance Fund (PDAF) – the official name of the congressional pork barrel – through NABCOR, which implemented their projects.

But committee chairman Teofisto Guingona III said no hearings would be held during the break, which would last until May 4.

Sen. Miriam Defensor-Santiago earlier filed a resolution calling on the Blue Ribbon committee to include the NABCOR issue in its probe into the pork barrel scam and to invite its former officials Rhodora Mendoza and Victor Roman Cacal as resource persons.

Guingona said that he would rather wait for Santiago's resolution to be taken up in plenary and referred to his committee before acting on it.

"In deference to the body, we need the resolution to be referred to the Blue Ribbon, then we can go ahead," Guingona told reporters yesterday. "We're inclined to hear it, why not?"

Santiago's call came at a time

when several senators were calling for an end to the hearings on the pork barrel scam as key witnesses had already testified and given the nation and concerned authorities a clearer picture of the issue. They said the panel should focus now on other issues, including the alleged misuse of the Malampaya Fund.

Guingona said that he still has to evaluate whether it is time to end the hearings on the pork barrel scam issue and stressed he is mindful of the sentiments of his colleagues.

"This break we're evaluating everything. We are not yet done with the evaluation," he said.

The committee conducted nine hearings on the issue, beginning in March last year.

Guingona has asked Senators Jinggoy Estrada, Ramon Revilla Jr. and Minority Leader Juan Ponce Enrile to submit their respective comments on allegations raised against them during the hearings in the spirit of fairness.

Enrile said he would submit to the committee a copy of his counter-affidavit he prepared for the Office of the Ombudsman, while Revilla has not yet responded to Guingona's request. Estrada, for his part, said he would not be submitting anything to the committee.

"We certainly have to look at what they give us, if they give us anything," Guingona

said.

On Estrada's and Revilla's possible failure to submit their positions to the committee, Guingona said he would "take it as a reinforcement of their stand that they do not wish to participate, that they inhibited themselves."

The three senators were respondents in the plunder complaint filed by the National Bureau of Investigation with the Office of the Ombudsman in connection with the pork barrel scam.

Probe agri loan fund

For Sen. Grace Poe, the Senate should also look into why only P117.37 million of the P8.851 billion in loan approved under Agricultural Competitiveness Enhancement Fund (ACEF) had been repaid as of June 2010.

In calling for a probe through Senate Resolution 549, Poe noted that growth rate in the agricultural sector has remained steady at a little over two percent despite efforts to improve the country's farm productivity levels through the ACEF.

"Despite the previous pronouncements that the Philippines would have attained rice self-sufficiency status last year and that locally produced rice would be exported, self-sufficiency target was pushed to 2016," Poe said in

her three-page resolution.

The senator stressed there is an urgent need for the government to focus its attention on agriculture as the sector currently employs 32.2 percent of the Philippine labor force, or 12.1 million people.

Had the ACEF program been implemented properly, it would have helped prepare farmers for trade liberalization under the ASEAN economic integration in 2015, Poe said.

Poe cited statements from Agriculture Secretary Proceso Alcala and undersecretary for administration and finance Antonio Fleta during a Senate finance committee hearing on the 2014 proposed budget that total tariff collected intended for ACEF was P12.26 billion.

She said the state-owned Quedan and Rural Credit Guarantee Corp. (Quedancor) alone has yet to settle about P1 billion it borrowed under ACEF. Quedancor is under the DA.

The fund releases through ACEF suffered a setback when holders of 216 of 316 accounts for loan structuring sought longer restructuring schedule in 2011.

The NBI, for its part, said it is checking allegations by former NABCOR employees that some media personalities had benefited from the diversion of PDAF coursed through the state agency. – With Christina Mendez, Michael Punongbayan, Edu Punay

BIR bares top corporate taxpayers for 2012

By ZINNIA DELA PEÑA

Only 39 out of the 100 biggest corporations in the country made it to the Bureau of Internal Revenue (BIR)'s 500 top corporate taxpayers for 2012, according to the government's latest Tax Watch campaign.

The infographic advertisement showed that while these corporations are the biggest in terms of revenues, some of them are not among the top taxpayers.

The BIR and the Department of Finance compared the list of the top 500 corporate taxpayers with the preliminary list of the Securities and Exchange Commission (SEC)'s top 100 corporations to determine whether these firms are paying the right taxes. The SEC comes out yearly with its list of top 100 corporations based on gross revenues.

Power utility giant Manila Electric Co. emerged as the number one corporate taxpayer after remitting P9.35 billion to the government in 2012.

Smart Communications, another company headed by the group of telecommunications magnate Manuel

V. Pangilinan, was the second highest taxpayer, after its income tax due reached P7.94 billion. It placed ninth on the SEC list.

Oil refiner Petron Corp., the country's second biggest corporation, ranked 99th on the BIR list. It remitted P299.3 million in income taxes to the BIR.

Third largest firm Pilipinas Shell Petroleum Corp. only remitted P543.45 million in income taxes to become the 59th highest taxpayer.

Nestlé Philippines, the sixth largest corporation, turned in P5.31 billion, representing its income tax payment, to rank seventh highest taxpayer.

Oil giant Chevron Philippines, operator of the natural gas field off Palawan, was the fourth highest taxpayer after remitting P341.44 million to the government. It was the SEC's 13th biggest corporation.

Index snaps 2-day gain on profit taking

Profit taking and the absence of leads snapped a two-day run-up of the bellwether index.

The Philippine Stock Exchange index eased 0.06 percent or 4.06 points to 6,462.49, while the broader all shares index added 0.07 percent or 2.63 points to 3,907.71.

Asian markets retreated yesterday as investors look into the developments in Ukraine while some stayed at the sidelines pending the conclusion of the US Federal Open Market Committee's policy meeting.

Hong Kong's Hang Seng index dropped 0.07

By **NEIL JEROME C. MORALES**

percent or 14.81 points to 21,568.69 while bourses in Shanghai, Singapore, Korea and Taiwan were in the red.

In contrast, Wall Street gained anew on Tuesday after Russian president Vladimir Putin said the country does not plan to secure more parts in Ukraine.

The Dow Jones industrial average improved 0.55 percent or 88.97 points to 16,336.19 while the broader Standard & Poor's 500 index rose 0.72 percent or 13.42 points to 1,872.25.

At home, most counters were in the red, paced

by property firms that shed 0.48 percent or 11.79 points to 2,431.06. But mining and oil climbed 1.32 percent or 190.28 points to 14,583.26.

Turnover value jumped to P10.19 billion from P7.82 billion on Tuesday.

Advancers slightly outplayed losers, 83 to 75, while 48 stocks did not change.

Most active stocks were mixed. The gainers were led by top-traded Aboitiz Power Corp. (+0.38 percent) and PLDT (+0.15 percent) while ICTSI (-0.88 percent) and BDO Unibank Inc. (-0.35 percent) led the decliners.

Metro Pacific breaches P7-B income mark

Infrastructure conglomerate Metro Pacific Investments Corp. (MPIC) breached the P7-billion income mark last year, driven by across-the-board growth in its operating units.

To ensure further growth,

parent firm Hong Kong's First Pacific Co. Ltd. allotted P81.5 billion for the local unit's vari-

ous projects this year, top executives said.

MPIC's core net income, which strips out currency and derivatives-related items, jumped 10 percent to P7.2 billion in 2013 from P6.6 billion a year ago, exceeding the profit guidance of P7 billion.

"The strong results for 2013 reflect continuing improvements in service levels as well as efficiency gains for all our operating companies," said MPIC chairman Manuel V. Pangilinan.

"All our businesses achieved strong growth in profitability for the year," added MPIC president and CEO Jose Ma. K. Lim.

The rise in core net income was attributed mainly to robust earnings at Metro Pacific Tollways Corp. (MPTC)

due to traffic growth and its acquisition of Cavite Expressway (Cavitex) at the start of the year, and growth at Maynilad Water Services Inc. and Manila Electric Co. (Meralco) due to a combination of tariff progression and higher volumes.

The company said it also benefited from the strong organic growth and its investments in the hospital group in 2013.

Maynilad accounted for 44 percent or P3.8 billion of the net operating income, followed by Meralco at P2.3 billion or 27 percent, MPTC at P1.9 billion or 22 percent and the health-care group at P581 million or seven percent.

In particular, Meralco's net income was flat at P17.2 billion but it recorded a four-percent growth in energy sales to

34,084 gigawatt-hours.

Maynilad, the biggest water utility in the Philippines, said its billed volume rose four percent while effective tariff picked up three percent.

Its total revenues rose six percent to P16.9 billion from P15.9 billion in 2012 "due to the combined effect of the increase in billed volume and an average effective year-on-year tariff increase of three percent, mainly inflation-driven," MPIC said.

For the tollroad business, MPTC's core net income climbed 25 percent to P2 billion "as a result of strong traffic growth and lower tax rates, interest and operating costs on the North Luzon Expressway (NLEX) as well as the first contribution from Cavitex in 2013," MPIC said.

SMC not selling Ginebra

Diversified conglomerate San Miguel Corp. (SMC) is not unloading its stake in liquor unit Ginebra San Miguel Inc., its top official said amid market speculation of another asset sale.

"SMC is not selling Ginebra," SMC president and chief operating officer Ramon S. Ang said in a text message.

Share prices of Ginebra jumped yesterday while parent firm SMC has been one of the hottest stock the past few days, as the market was filled with rumors the conglomerate might sell shares in the alcohol firm amid strong

growth in the consumer sector.

Shares in SMC gained 0.71 percent or 50 centavos to close at P71 each yesterday, the highest since closing at P71.80 on Dec. 5. For its part, Ginebra's shares surged 10.26 percent or P2 to P21.50, its highest since P22 on Jan. 9.

As of end-September 2013, the diversified conglomerate owned 77.35 percent of Ginebra.

In January to September last year, net sales of Ginebra slipped five percent to P9.91 billion from P10.47 billion while losses from operations hit P869 million from P302

million operating loss a year ago.

Ginebra said it sold 14.7 million cases in the nine-month period, down 17 percent from 17.8 million cases in the previous year.

Republic Act 10351 or the Sin Tax Law took effect last year, imposing higher excise tax on tobacco and alcohol products that aims to increase the government's revenues while discouraging heavy consumption of cigarettes, beer, liquor, wine, and other tobacco and alcohol products.

- Neil Jerome Morales

Megaworld launches P15-B township project in Davao

Megaworld Corp. is beefing up its mixed-use project portfolio with the launch of its first township project in Mindanao.

The Andrew Tan-led property firm said it will invest P15 billion in the next five to seven years to build and develop Davao Park District.

"Davao City is the economic center of Mindanao. This is the best place to build our very first township in Southern Philippines, which we envision to be Mindanao's new central business district," Tan said.

"Davao Park District is envisioned to be Davao City's central business district and a major center for information technology and business process outsourcing (BPO) in Mindanao," he added.

Tan said Mindanao residents can experience Megaworld's pioneering live-work-play-learn township concept through the planned devel-

By **NEIL JEROME C. MORALES**
opment.

Megaworld has partnered with the Dakudao family to develop an 11-hectare property along S.P. Dakudao Loop. This area was formerly the Lanang Golf and Country Club.

First to rise in the township will be office towers suited for BPO companies and other corporate offices. Megaworld is the largest office landlord in the country with around 712,000 square meters (sqm) of office space inventory.

"As the country's largest office developer and landlord, we will also be bringing our expertise and leadership in the development of state-of-the-art office towers to Davao City," said Megaworld first vice-president Jericho P. Go.

Aside from office towers, Davao Park District will also feature themed residential condominiums that will be built by Megaworld's affordable housing unit

Suntrust Properties. Megaworld will also put up a lifestyle mall, commercial and retail strips, and a school.

"This is like bringing Eastwood City to Mindanao," Go said.

Davao Park District will be Megaworld's 10th township in the Philippines. Megaworld is the company behind the 17-hectare Eastwood City; the 50-hectare McKinley Hill, the five-hectare Forbes Town Center, the 15.4-hectare Uptown Bonifacio, and the 34.5-hectare McKinley West in Fort Bonifacio.

In January to September last year, Megaworld's net income reached P6.55 billion up 15 percent from P5.7 billion a year ago due to growing sales from several township projects and revenues from office buildings.

In more than 20 years of operations, Megaworld has completed more than 240 residential and office buildings with a total floor area of around six million sqm.