



Manabat Sanagustin & Co., CPAs

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Newsletter

Consumer Markets

January 8, 2010 – January 22, 2010



This industry update from Manabat Sanagustin & Co. CPAs is a biweekly collection of the latest news and developments from the country's Consumer Markets segment. We hope that you will find this service, which the Firm provides its clients for the different Lines Of Business (LOB), interesting and useful.

DTI to mediate in CDO-Century Tuna row but won't stop promos

The Trade and Industry department has ruled that it would not interfere in a Century Tuna promotion that seeks to deter supermarkets from purchasing competing canned tuna brands. This comes after CDO Foodsphere, Inc. complained to the department over the Century Pacific Group of Companies' "voluntary loyalty program." "The department's main concern is compliance to fair trade laws, healthy competition and value for money. Marketing and promo strategies are left with the companies, with government not interfering with buyer-seller relationships," Trade and Industry Undersecretary Zenaida C. Maglaya said in a statement released yesterday. Ms. Maglaya went on to say, however, that the government would continue to mediate between the two firms to ensure that consumers' welfare is protected. Century Pacific is the manufacturer of Century, 555, Blue Bay and Fresca canned tuna brands, while CDO Foodsphere is behind the CDO processed meat and San Marino corned tuna brands. CDO Foodsphere also complains that Century Pacific had restricted the production, supply and distribution of canned tuna in the market.
<http://bworldonline.com/main/content.php?id=4850>

Fisheries industry expected to grow 5%

The Fisheries sector is seen to grow by at least 5% this year amid increased presence of pelagic fish on the eastern side of the country as a result of El Niño. The Bureau of Fisheries and Aquatic Resources (BFAR) is targeting 5%-7% production growth, BFAR Director Malcolm I. Sarmiento, Jr. told reporters at the sidelines of The Coral Triangle Initiative Business Summit in Makati yesterday. "In our experience with El Niño, production of pelagic fishes increases...it is good for fishing. There have been increases... especially in sardines and skipjack tuna," Mr. Sarmiento said. This, as such fishes tend to migrate to the cooler, deeper parts of the sea like the Philippine deep off the shores of Surigao del Norte, Mr. Sarmiento explained. Aquaculture, commercial and municipal fisheries account for about 45%, 25% and 30%, respectively, of total fisheries output, Mr. Sarmiento said. This year, BFAR aims to put up five to 10 mariculture parks -- fenced off areas in the sea that can host fish cages breeding high-value fish like milkfish, siganid, grouper and red snapper -- in a bid to drive a further rise in fisheries output. To date, there are 46 mariculture parks nationwide. At the same time, BFAR warned that it expects more algal bloom that trigger red tide due to warmer waters. But Mr. Sarmiento

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said "it does not affect really fin fishes. It affects shellfish, mussels and oysters that account for less than a tenth of output." Sought for comment, Michael P. Lim, immediate past president of the Southern Philippines Deep Sea Fishing Association, said his group has yet to peg targets this year. But he said increase in oil prices might challenge the industry. "Right now oil prices look like they are increasing again," he said in a telephone interview yesterday.
<http://bworldonline.com/main/content.php?id=4860>

DA allows imports of black tiger shrimps

Government has allowed the importation of broodstock and post-larvae of black tiger shrimps. The Department of Agriculture (DA), through the Bureau of Fisheries and Aquatic Resources (BFAR), has issued three administrative orders to cover the importation and culture of black tiger shrimps (sugpo) subject to certain conditions. BFAR opted for importations to develop better quality shrimps that are resistant to diseases. The bureau said the importations will be limited to the broodstock and post-larvae of Specific Pathogen Free/Specific Pathogen Resistant (SPF/SPR) black tiger shrimp, which is scientifically known as *Penaeus monodon*. According to Fisheries Administrative Order (FAO) No. 230, "only shrimp hatcheries accredited by the BFAR shall be allowed to import SPF or SPR *Penaeus monodon* broodstock and postlarvae." Furthermore, BFAR would permit the culture of the crustacean only to farms that the bureau has certified. BFAR Assistant Director Gil Adora said the bureau lifted the ban on the importation and culture of Pacific white shrimp or *Peneaus vannamei* three years ago in a bid to revive the country's once-robust shrimp industry. Adora said the high- selling price of black tiger shrimps in the domestic market will encourage local growers to raise the crustacean. Black tiger shrimps sell for about P700 to P800 a kilo while Pacific white shrimps sell for about P300 to P400 a kilo.
<http://www.mb.com.ph/articles/239227/da-allows-imports-black-tiger-shrimps>

DA reviews proposed RP-Thai bilateral rice deal

Agriculture Secretary Arthur Yap said Tuesday that he is reviewing a proposed bilateral agreement with Thailand that would provide for the supply of an unspecified volume of rice imports to Manila from the world's largest rice exporter. "There are two volumes that we are looking at, a country-specific quota volume and another volume for a g to g (government-to-government deals)," Yap told reporters, without providing details. The supply agreement would serve as a concession to Thailand as a tradeoff for Manila's planned imposition of a 40% tariff on all rice imports from 2010-2014, Yap said. (Dow Jones)
<http://www.mb.com.ph/articles/239202/da-reviews-proposed-rpthai-bilateral-rice-deal>

Gov't reviews rice import plan

The government is reviewing whether it needs to import more rice given the shrinking local palay production. After the closing ceremonies of the Coral Triangle Initiative Business Summit, Agriculture Secretary Arthur Yap said he had directed the Interagency Committee on Rice and Corn to decide whether the country should change its programmed import volume of 2.4 million tons for 2010. "I told them, 'give me a number because conventional wisdom does not hold.' The BAS (Bureau of Agricultural Statistics) was saying the expected robust yields in the dry months may not be achieved," Yap said. Yap declined to say whether the Philippines—the world's top rice importer—may call for fresh supply contracts, although he did not rule out the possibility. "They (interagency committee) may say we are comfortable, or we need more or status quo," he said, referring to the current rice import cap of 2.4 million tons. BAS assistant director Maura S. Lizarondo said in November that the last time rice production contracted was in 1998—a year when El Niño struck.
<http://business.inquirer.net/money/topstories/view/20100121-248646/Govt-reviews-rice-import-plan>

Industrial users to get allocation from sugar imports - Favila

Trade and Industry Secretary Peter Favila is in favor of allocating a portion of the planned 150,000 metric ton (MT) importation of sugar for industrial users, contrary to the Sugar Regulatory Administration's position not to do so. In an exclusive interview with The STAR, Favila said that the government would import the whole 150,000 MT and would allocate a portion for industrial users who have been clamoring for sugar. According to Favila, the government would evaluate the food product that would need the sugar allocation. The Board of the SRA agreed to endorse the duty-free importation of between 60,000 to 150,000 tons of preferably raw sugar to arrive starting April to July this year, to ease rising domestic sugar prices. According to SRA head Rafael Coscolluela, the SRA prefers the importation of raw sugar, rather than refined sugar, to give some benefit to local millers. He added that the imported sugar is intended first for consumers. Coscolluela is against allocating the imported

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sugar to industrial users, warning that "it would ruin industry." Coscolluela feels that industrial users have the capacity to import their own sugar. The Government, he said, would ensure the proper distribution of the imported sugar so that "no special area benefits." The sugar to be imported would initially be sourced from the Philippines' ASEAN (Association of South East Asian Nation) neighbors. The National Food Authority (NFA) would do the importations.
<http://www.philstar.com/Article.aspx?articleId=541595&publicationSubCategoryId=66>

Neda urges private firms to go into halal food production

THE National Economic and Development Authority (Neda) urged the private sector to explore prospects of going into halal food production, which is also in step with the goals set in the updated Medium-Term Philippine Development Plan (MTPDP). In a statement, Neda Acting Director General Augusto Santos explained that halal products are food and non-food items that are sanctioned under Islamic law as "ritually fit" to be sold or served to Muslims. Santos said that in the MTPDP, Mindanao is envisioned to be the center for halal food production, with the intention of tapping the emerging export markets for halal food products. "We are encouraging the Philippine private sector to find out if there are opportunities for Philippine businesses to go into the global halal market," Santos said during the recent visit of new Pakistan Ambassador to the Philippines Mohsin Razi in Neda. Santos said Pakistan is the second-largest Muslim country in the world, and as such, one of the potential markets for the export of halal products.
<http://businessmirror.com.ph/home/economy/20873-neda-urges-private-firms-to-go-into-halal-food-production.html>

Philippine Stock Exchange Weekly Top Gainers January 11 - 15, 2010

Last Trade Price, Comparative Price Change & Total Value

Rank	Stock	Last Traded Price (in P)	Comparative Price Change (%)		Total Value (in P'000)
			1 Week	4 Weeks	
1	Manchester International Holdings Unlimited Corporation "A"	1.6	116.22	150	485
2	Manchester International Holdings Unlimited Corporation "B"	1.6	81.82	90.48	2,140
3	Polar Property Holdings Corporation	4.5	80	73.08	32,366
4	MJC Investments Corporation	2.65	47.22	-11.67	40
5	Bogo Medellin Milling Company	45	45.16	50	40
6	IPVG Corporation	1.84	16.46	19.48	11,275
7	DFNN Inc.	10.75	13.16	34.38	203,199
8	F & J Prince Holdings Corporation "B"	2	12.36	66.67	4
9	Federal Resources Investment Group, Inc.	12.25	11.36	11.36	112
10	MRC Allied Industries, Inc.	0.69	11.29	102.94	66,862

Philippine Stock Exchange Weekly Top Gainers January 11 - 15, 2010

PER, EPS & BPV

Rank	Stock	PER	EPS	PBV
1	Manchester International Holdings Unlimited Corporation "A"	4.54	0.35	0.78
2	Manchester International Holdings Unlimited Corporation "B"	4.54	0.35	0.78
3	Polar Property Holdings Corporation	10,912	0.00	4.16
4	MJC Investments Corporation	-20.22	-0.13	3.13
5	Bogo Medellin Milling Company	-15.99	-2.81	2.01

6	IPVG Corporation	-3.76	-0.49	1.51
7	DFNN Inc.	-10.3	-1.04	5.72
8	F & J Prince Holdings Corporation "B"	35.46	0.06	1.04
9	Federal Resources Investment Group, Inc.	21.56	0.57	16.11
10	MRC Allied Industries, Inc.	-3.05	-0.23	-1.93

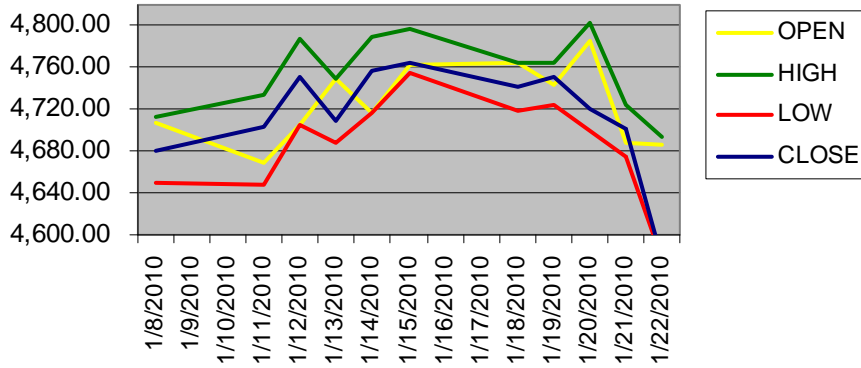
Source: Philippine Stock Exchange, Weekly Market Watch,

Philippine Stock Exchange Index Composition for Industrials As of January 22, 2009

SECURITY NAME	PRICE	OUTSTANDING SHARES	FREE FLOAT LEVEL	FREE FLOAT - ADJUSTED MARKET CAPITALIZATION	% WT.
Aboitiz Power Corporation	8.70	7,358,604,307	23.0 %	14,724,567,218.31	5.90
SOUTHEAST ASIA CEMENT HOLDINGS, INC.	0.85	6,449,920,939	16.0 %	877,189,247.70	0.35
CHEMREZ TECHNOLOGIES, INC.	2.26	1,321,889,472	33.0 %	985,865,168.22	0.39
ENERGY DEVELOPMENT (EDC) CORPORATION	4.55	18,750,000,000	60.0 %	51,187,500,000.00	20.51
EEL CORPORATION	2.55	1,036,281,485	44.0 %	1,162,707,826.17	0.47
FIRST GEN CORPORATION	10.00	3,362,559,806	33.0 %	11,096,447,359.80	4.45
FIRST PHILIPPINE HOLDINGS CORPORATION	46.50	594,326,513	55.0 %	15,199,900,569.98	6.09
HOLCIM PHILIPPINES, INC.	4.70	6,452,099,144	15.0 %	4,548,729,896.52	1.82
JOLLIBEE FOODS CORPORATION	57.50	1,033,001,519	38.0 %	22,571,083,190.15	9.04
MANILA ELECTRIC COMPANY	201.00	1,127,368,743	29.0 %	65,714,324,029.47	26.32
MUSX CORPORATION	0.12	2,450,000,000	94.0 %	276,360,000.00	0.11
MANILA WATER COMPANY, INC.	15.50	2,004,895,466	71.0 %	22,063,874,603.33	8.84
PETRON CORPORATION	5.20	9,375,104,497	9.4 %	4,582,551,078.13	1.84
Pepsi-Cola Products Philippines, Inc.	2.36	3,693,772,279	38.0 %	3,312,574,979.81	1.33
San Miguel Brewery, Inc.	9.50	15,410,478,960	0.7 %	1,024,796,850.84	0.41
SAN MIGUEL CORPORATION "A"	68.00	1,448,527,927	10.0 %	9,849,989,903.60	3.95
SAN MIGUEL CORPORATION "B"	68.50	840,477,102	11.0 %	6,332,994,963.57	2.54
Splash Corporation	3.45	710,290,326	29.0 %	710,645,471.16	0.28
ALLIANCE TUNA INTERNATIONAL, INC.	2.02	598,989,522	84.0 %	1,016,365,420.93	0.41
UNIVERSAL ROBINA CORPORATION	15.75	2,071,048,733	38.0 %	12,395,226,667.00	4.97

Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices

Mining and Oil Historical Index January 8, 2010 to January 22, 2010



Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices

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