

Philippine Stock Exchange index (PSEi)

6,618.38 ▼ 86.03 PTS. ▼ 1.28%

TUESDAY, AUGUST 23, 2022
BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P719.50 -P17.00 -2.31%	ACEN AC Energy Corp. P8.38 -P0.17 -1.99%	AEV Aboltiz Equity Ventures, Inc. P56.00 -P1.50 -2.61%	AGI Alliance Global Group, Inc. P10.38 -P0.30 -2.81%	ALI Ayala Land, Inc. P27.85 -P1.05 -3.63%	AP Aboltiz Power Corp. P31.05 -P0.95 -2.97%	BDO BDO Unibank, Inc. P125.00 -P1.50 -1.19%	BPI Bank of the Philippine Islands P93.90 +P1.55 +1.68%	CNVRG Converge ICT Solutions, Inc. P18.80 -P0.40 -2.08%	EMI Emperador, Inc. P20.70 -P0.80 -3.72%
GLO Globe Telecom, Inc. P2,300.00 ---	GTCAP GT Capital Holdings, Inc. P490.00 -P15.00 -2.97%	ICT International Container Terminal Services, Inc. P184.20 -P0.60 -0.32%	JFC Jollibee Foods Corp. P231.00 -P2.00 -0.86%	JGS JG Summit Holdings, Inc. P53.80 -P1.10 -2.00%	LTG LT Group, Inc. P9.15 -P0.18 -1.93%	MBT Metropolitan Bank & Trust Co. P52.00 -P0.10 -0.19%	MEG Megaworld Corp. P2.53 -P0.04 -1.56%	MER Manila Electric Co. P322.00 -P4.00 -1.23%	MONDE Monde Nissin Corp. P16.20 ---
MPI Metro Pacific Investments Corp. P3.75 -P0.04 -1.06%	PGOLD Puregold Price Club, Inc. P34.90 -P0.85 -2.38%	RLC Robinsons Land Corp. P19.28 -P0.22 -1.13%	SCC Semirara Mining and Power Corp. P42.20 -P1.00 -2.31%	SM SM Investments Corp. P842.00 -P8.00 -0.94%	SMC San Miguel Corp. P102.00 ---	SMPH SM Prime Holdings, Inc. P36.20 -P0.35 -0.96%	TEL PLDT, Inc. P1,734.00 -P35.00 -1.98%	URC Universal Robina Corp. P124.00 ---	WLCON Wilcon Depot, Inc. P29.55 -P0.55 -1.83%

SMC unit warns of power price surge starting Oct.

Ang says notices of PSA termination issued to Meralco

SMC GLOBAL POWER Holdings Corp. warned on Tuesday that electricity prices in Metro Manila and nearby provinces could go up by as much as 30% starting in October if the energy regulator fails to act on its petition for a temporary rate hike.

The petition was jointly filed with the Energy Regulatory Commission (ERC) by the power arm of San Miguel Corp. (SMC) and the country's largest electricity distributor Manila Electric Co. (Meralco). It covers the companies' two power supply agreements (PSAs).

"We just hope the ERC will not merely try to prevent a temporary increase, but will take a whole-of-industry approach. No company or business can sustain operations with these unprecedented and continuing rises in costs," said Ramon S. Ang, president and chief executive officer of SMC, in a statement.

On Aug. 1, SMC Global Power disclosed that its coal power plant in Sual, Pangasinan, and natural gas-fired power plant in Ilijan, Batangas had incurred combined losses of P15 billion. The company is seeking the energy regula-

tor's approval for a rate increase to continue supplying baseload power to Meralco.

If the ERC approved the petition for temporary relief, which was filed in May, SMC Global Power said electricity prices in Luzon would rise by 30 centavos per kilowatt-hour (kWh) over a period of six months.

Without it and with a termination of the PSA, the company said Meralco estimated that energy prices would rise by 80 centavos per kWh up to P1.30 per kWh for the next three to four months, as it

will need to find alternative sources of energy which is said to be more expensive including the Wholesale Electricity Spot Market.

Mr. Ang said that South Premiere Power Corp. and San Miguel Energy Corp., the administrators of the Ilijan and Sual plants, had already issued notices of termination of their PSAs to Meralco, blaming the unexpected and unprecedented "change in circumstance," including the global surge of fuel prices. The termination is effective starting Oct. 4, if no relief is given.

Because of this, Mr. Ang urged the ERC for a "fair and objective" assessment of the joint petition, adding that the power plants account for 25% of the Luzon grid's net reliable capacity.

"They are a major part of the country's already fragile power supply. We ask that in this time of extraordinary circumstance and difficulty, let's not cripple them," he said.

SMC Global Power also said that if Meralco opts for emergency power supply procurement, the increase is expected to go higher

due to the weakening peso and the volatility of global fuel prices.

"Coal prices in the world market continue to hover beyond \$400 [per metric ton] threatening to push electricity bills even higher," the company said further.

SMC Global Power also warned that it is expecting hefty price increases until 2030 if the temporary relief is not acted upon. The company is looking to recover from P5.2 billion in losses for the period of January to May 2022, after it had absorbed losses of P10 billion last year. — **Ashley Erika O. Jose**

PAL plans to seek gov't help to make air travel more affordable

FLAG carrier Philippine Airlines, Inc. (PAL) said it plans to seek government help to make air travel more affordable for the public by either deferring or reducing airport fees.

"[This is] to make travel more affordable," PAL President and Chief Operating Officer Capt. Stanley K. Ng told reporters recently.

He said such fees include terminal fees, take-off and landing fees, and navigational charges.

When asked if they would request deferral or reduction of fees, he responded, "That one I have to check with them *anong kaya nilang ibigay* (to see what they can give us)."

PAL is expanding its Cebu hub in mid-September, the airline an-

nounced on Tuesday, citing growing demand for travel.

This means that there will be more domestic flights from Mactan to cities in Luzon and Visayas.

"The Philippine Airlines Cebu Hub is our investment in the revival of domestic tourism and our national economy. Our goal is to build up more flights out of our hub at Mactan Cebu International Airport, improving connectivity among points in Luzon, Visayas and Mindanao," the flag carrier said in an e-mailed statement.

Local airlines have said they would lower their fuel surcharges next month.

The Civil Aeronautics Board (CAB) has lowered the applicable passenger and cargo fuel surcharge for domestic and international flights to Level 9 from Level

12 in September. It cited the lower average price of jet fuel (P46.73 per liter) between July 10 and Aug. 9, against the P54.73 average between June 10 and July 9.

Level 9 on the CAB matrix permits a fuel surcharge per passenger of between P287 and P839 for domestic flights and between P947.39 and P7,044.27 for international flights.

Currently, the fuel surcharge per passenger runs between P389 and P1,137 for domestic flights and P1,284.40 and P9,550.13 for international flights.

AIRASIA PHILIPPINES

For its part, low-cost carrier Philippines AirAsia, Inc. (AirAsia Philippines) said it is working to return to its pre-pandemic domestic capacity next month.

"Our goal is to really achieve our pre-pandemic capacity as early as September for domestic," AirAsia Philippines Spokesperson Steve F. Dailisan said in an appearance on One News PH's Agenda program on Tuesday.

"We're really having a hard time achieving 100% for international because some of the markets are not yet open," he noted.

The airline aims to open more domestic routes in the second half of the year.

"We are trying to get all our aircraft back flying to accommodate the pent-up demand for the 'Ber' months, and hopefully, we get to open more domestic routes before the year ends," Mr. Dailisan said.

"We're looking at Butuan, Laoag, and Tawi-Tawi via Zamboanga, and also Legaspi," he added. — **Arjay L. Balinbin**

RLC prepares its workspaces for 'better normal'

ROBINSONS Land Corp. (RLC) has put in place a work environment that aims to address the needs of employees, including their mental health, ahead of a "new normal" in the office.

"One of the challenges that have been raised from the work-from-home [setup] is that it's been quite difficult [because] sometimes people feel isolated. We are social beings and more often than not, we need to interact with fellow human beings," said Jericho P. Go, RLC vice-president and business unit general manager of the office buildings division.

RLC responded to this need by creating "a home away from home" in its new workspaces in time for a better normal, Mr. Go said during Tuesday's BusinessWorld One-on-One Online Interview Series: Innovations Reshaping the Future of Key Industries.

"We wanted to make sure that there are opportunities to create and increase productivity through the office rooms, the internet connection, the backup generators, in short [providing] continuity of work [...] when you're already on site," he said.

RLC has put up amenities that will cater to its employees' need for socialization and relaxation, one of which is through incorporating a living room into its office space.

"So we put in what we refer to as the *sala* or living room in our workspace so these people when they say 'we want to step out from the office for the time being to be able to unwind a bit or to relax or to be in a fresh perspective,' [there is] that space for them in the office," Mr. Go said.

Workspaces in RLC also have billiard tables, ping-pong tables, and board games like chess and Games of the General, which help in creating an environment that makes work fun.

Mr. Go also mentioned that RLC has a Friday get-together where employees can enjoy pizza parties and open mics within its offices. — **Justine Irish D. Tabile**

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link https://bit.ly/3pETWPE

Meralco adopts scorecard for sustainability agenda

MANILA Electric Co. (Meralco) vowed to strengthen and operationalize its sustainability agenda with the adoption of a sustainability scorecard covering the company's entire value chain.

"Our aim is to inculcate sustainability in all we do, placing it at the core of our strategy and operations as a company," said Raymond B. Ravelo, first vice-president and chief sustainability officer of Meralco, in a media release on Tuesday.

He described the Meralco Supplier Sustainability Scorecard, or MS3, as "a breakthrough step in broadening the reach and impact of our sustainability efforts as we collaborate closely with our vendor partners in powering the good life for all."

MS3 was created as a tool to assess suppliers and contractors on various environmental, social, and governance criteria, using the United Nations' Sustainable Development Goals and the Global Reporting Initiative Standards as its guidelines.

Meralco said that MS3 will provide the company with a comprehensive view of its business partners' ESG performance and is now incorporated into its accreditation process.

Through the company's supply chain management (SCM) office, Meralco said that it maintains a network of active suppliers and contractors integral to its ability to deliver high-quality and reliable electric service to customers.

"With the implementation of MS3, Meralco is making headway in increasing awareness on the importance of sustainability among our external stakeholders. Working with different suppliers, we, at SCM, are in a distinctive position to influence and inspire other companies to also embed sustainability in their operations," said Maria Luisa V. Alvendia, Meralco's chief of staff to the president and chief executive officer and supply chain advisor.

MS3 will cover all of Meralco's active suppliers as the company moves towards sustainability excellence throughout its supply chain.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

Universal Robina ventures into spiked spirit drink

UNIVERSAL Robina Corp. (URC) is expanding into the spiked spirit category with its new product, Chill Spiked Spirit, the firm said on Tuesday.

"Chill Spiked Spirit will offer a refreshing, laid back drinking experience, with just the right kick, minus the heavy feeling," URC Chief Marketing Officer Anna Milagros D. David said in a press release.

Ms. David added that people are now looking for "the same relaxing, light, per-

sonal moments they experienced when drinking at home" during the pandemic, which URC tries to mimic through Chill.

"In URC, our purpose is to delight consumers with better food and beverage choices. Chill is an embodiment of that purpose. It's a delightful drink that's refreshing and delicious. It's better than others because

it contains real fruit juice and just the right level of alcohol plus zero added sugar," she added.

Chill Spiked Spirit is said to have 5% double distilled alcohol, real fruit extract, and soda water, which the company said will give the drink the same alcohol strength with a more refreshing taste. — **Justine Irish D. Tabile**

FULL STORY



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