

Philippine Stock Exchange index (PSEi)

5,847.37 ▲ 14.79 PTS. ▲ 0.25%

TUESDAY, OCTOBER 11, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P596.50 -P13.50 -2.21%	ACEN ACEN Corp. P5.70 +P0.06 +1.06%	AEV Aboitiz Equity Ventures, Inc. P56.80 +P2.20 +4.03%	AGI Alliance Global Group, Inc. P8.03 -P0.01 -0.12%	ALI Ayala Land, Inc. P22.70 -P0.30 -1.30%	AP Aboitiz Power Corp. P31.05 -P0.15 -0.48%	BDO BDO Unibank, Inc. P114.80 +P3.70 +3.33%	BPI Bank of the Philippine Islands P93.35 +P0.40 +0.43%	CNVRG Converge ICT Solutions, Inc. P12.44 +P0.24 +1.97%	EMI Emperador, Inc. P19.68 -P0.04 -0.20%
GLO Globe Telecom, Inc. P2,230.00 +P60.00 +2.76%	GTCAP GT Capital Holdings, Inc. P393.00 +P3.00 +0.77%	ICT International Container Terminal Services, Inc. P178.00 +P0.50 +0.28%	JFC Jollibee Foods Corp. P233.00 +P5.00 +2.19%	JGS JG Summit Holdings, Inc. P42.30 +P0.30 +0.71%	LTG LT Group, Inc. P7.92 +P0.11 +1.41%	MBT Metropolitan Bank & Trust Co. P48.50 ---	MEG Megaworld Corp. P2.00 +P0.01 +0.50%	MER Manila Electric Co. P290.00 +P5.00 +1.75%	MONDE Monde Nissin Corp. P11.72 -P0.46 -3.78%
MPI Metro Pacific Investments Corp. P3.35 -P0.01 -0.30%	PGOLD Puregold Price Club, Inc. P27.50 +P0.60 +2.23%	RLC Robinsons Land Corp. P15.88 +P0.36 +2.32%	SCC Semirara Mining and Power Corp. P40.00 -P0.25 -0.62%	SM SM Investments Corp. P759.00 -P1.00 -0.13%	SMC San Miguel Corp. P99.00 +P0.95 +0.97%	SMPH SM Prime Holdings, Inc. P31.00 -P0.15 -0.48%	TEL PLDT, Inc. P1,402.00 -P48.00 -3.31%	URC Universal Robina Corp. P110.40 +P1.40 +1.28%	WLCON Wilcon Depot, Inc. P26.80 -P0.60 -2.19%

Gov't expects early production in Cadlao oil field

THE Marcos administration expects an offshore oil field north-west of Palawan island to bring “recoverable” volumes of five to six million barrels of oil in early production towards the second half of 2023.

Its optimism comes after the Department of Energy (DoE) allowed Nido Petroleum Philippines Pty. Ltd. to proceed with an on-site survey for drilling locations under Service Contract (SC) 6B in the Palawan basin by the fourth quarter of this year.

In a statement on Tuesday, President Ferdinand R. Marcos, Jr. said the plan to conduct the

survey in the Cadlao oil field will encourage investors to enter the country’s oil and gas sector.

He said the go-signal to Nido Petroleum, the operator of SC 6B, paves the way for the drilling of two wells — one exploration and one appraisal — during the first quarter of next year. The appraisal well could lead to early oil production into the second half of next year, he added.

Mr. Marcos said the plan signals the Philippine government’s “intent to maximize indigenous resources and has attracted strong interest from foreign investors in the Philippine upstream oil and gas sector.”

In his statement, he described the Cadlao oil field to have last produced in the early 1990s with more than 11 million barrels.

In February 2022, the “operatorship” of the oil field was taken over by Nido Petroleum from Forum Energy Philippines Corp.

Nido Petroleum committed to funding 100% of the development costs, “which include drilling, extended well tests, and subsequent development of the said oil field,” Mr. Marcos said.

On Monday, Energy Secretary Raphael P.M. Lotilla said in a forum organized by the Economic Journalists Association of the Philip-

ines that “to maximize the use of indigenous natural gas and oil resources, the DoE underlined to local and foreign investors the Philippines’ firm commitment to preserve investment incentives for service contractors that are provided for under PD (Presidential Decree) 87.”

PD 87 was issued to revamp petroleum legislation by introducing the service contracting system. It provides financial incentives to contractors, including tax-free importation of equipment and supplies, exemption from all taxes except income tax, income tax assumption, accelerated depreciation, free market determination of

crude oil price, and easy repatriation of investments and profits.

The DoE has yet to respond to *BusinessWorld’s* questions regarding details of oil exploration under SC 6B.

In July, Mr. Lotilla said Mr. Marcos instructed him to prioritize addressing uncertainties regarding investment incentives in the upstream sector.

Last month, the Department of Trade and Industry (DTI) said that Australian energy firm Sagasco Ltd. is planning more offshore oil development in the country.

It said Sagasco, which is locally operating as Nido Petroleum,

was set to get a drilling rig in 2023 to conduct an extended well test in the Cadlao field, which is under SC 6B. A successful test would lead to the redevelopment of the Cadlao oil field, it added.

The project will be followed with a plan to drill another prospect, through SC 54A, also offshore Palawan, the department said.

The DTI quoted Sagasco as saying that the initial investments for the oil projects in SC 6B and SC 54A are about \$15 million each for the drilling and testing of oil production. — **Kyle Aristophere Atienza and Ashley Erika O. Jose**

Mega Global creates unit for entire product portfolio

CANNED sardines maker Mega Global Corp. has created a subsidiary that will serve multiple functions, including as an incubator for new initiatives as well as a sales and distribution unit for the group’s product portfolio.

Michelle Tiu Lim-Chan, Mega Global chief operating officer, said during a media briefing in Quezon City on Tuesday that the new unit, Mega Prime Foods, Inc. (MPFI), will be the largest among the company’s subsidiaries.

“As the largest subsidiary, MPFI will house all of the products currently known under Mega and will also serve as an incubator for the new releases in the future. This will be the hub of our research and development group. It will also be in charge of the sales and distribution of the entire portfolio,” Ms. Lim-Chan said.

With the launch of MFPI, Mega Global now has a third subsidiary after fishing and canning unit Mega Fishing Corp. (MFC) and social responsibility arm Mega Tiu-Lim Foundation.

“This is just a change in structure because we aim to professionalize our entire business ecosystem so that we can deliver the highest quality products to Filipinos better and faster,” Ms. Lim-Chan said.

She also said that Mega Global has set the launch of its P1-billion manufacturing plant in Sto. Tomas, Batangas by January 2023. The plant is expected to boost the company’s production and presence in Luzon.

Ms. Lim-Chan said that the Batangas plant will source its fish from nearby fishing grounds, while fishing arm MFC

will supply Visayas, Mindanao, and some parts of Luzon. MFC handles fishing and canning in Zamboanga.

“MFC’s business covers fishing, can-making, shipbuilding, ice production, and sardines canning through the Ayala and Talisayan plants (in Zamboanga),” she said.

“We assure everyone of the consistent freshness and highest quality in the products that we serve,” she added.

Ms. Lim-Chan said that Mega Global has no immediate plan to increase the price of its products amid the impact of the Philippine peso’s depreciation against the US dollar.

“We import a lot of raw materials,” she said. “The raw materials include tomato paste and tin can. No price increases yet because we are trying to hold it for the Filipino people. But when you

look at the dollar increases, we are feeling the crunch of the price increases.”

Meanwhile, Mega Global Chief Growth and Development Officer Marvin Tiu Lim said the company remains optimistic about its plan for an initial public offering (IPO) by 2025.

“That is something that we’re aiming for. We cannot say for sure because we don’t know what 2025 will be. Hopefully, the markets will rebound. We want 2025 because it is our 50th year anniversary. But that won’t dictate when or why we will go IPO. But that is our target. We will see,” Mr. Lim said.

“We want to share the company with the public. It is a household name. Everybody knows it. More and more people are getting into investments and stocks,” he added. — **Revin Mikhael D. Ochave**

DoTr: No need to review Grab’s acquisition of Move It

THE Department of Transportation (DoTr) said it is not reviewing Grab Philippines’ acquisition of motorcycle taxi firm Move It as it is a private transaction.

“No because it’s a private transaction,” Transportation Secretary Jaime J. Bautista told reporters on Monday on the sidelines of the Economic Journalists Association of the Philippines Economic Forum 2022.

“What we are looking into is how they can operate more safely and efficiently,” he added.

A group of motorcycle taxi drivers recently asked the House of Representatives to probe Grab Philippines’ acquisition of Move It, saying appropriate regulations should first be established for such a transaction.

“I don’t think it is,” Mr. Bautista told reporters when asked if the transaction was illegal.

Grab Philippines announced its acquisition of Move It in August, paving the way for its entry into motorcycle taxi operations. A company official has said the deal complied with existing rules.

“What the driver groups want is for the pilot study under the Department of Transportation that began three years ago with the purpose of drafting a law that governs the operation of motorcycle taxis be concluded first,” Arangkada Riders Alliance National Chairman Rod Cruz said during a recent dialogue with Manila Rep. Joel R. Chua.

Currently, only three motorcycle firms are allowed to operate and participate in the motorcycle taxi pilot program. These are Angkas, Joyride, and Move It.

“Grab, by acquiring Move It, does not become a fourth player,” Francis Juan, Move It chairman, said in a statement.

“Move It, since it has its own legal personality, owns its accreditation as a motorcycle taxi business and this accreditation stays with it regardless of who owns the company,” he also said. — **Arjay L. Balinbin**

Starlink PHL operation moved to middle of 2023

STARLINK Internet Services Philippines, Inc. of Elon Musk’s Space Exploration Technologies Corp. (SpaceX) is expected to start serving remote communities in the Philippines by the middle of 2023, the Department of Information and Communications Technology (DICT) said.

“Starlink will be operational here in the Philippines by middle of next year,” DICT Assistant Secretary Philip A. Varilla said at the Economic Journalists Association of the Philippines Economic Forum 2022 on Monday.

In July, Starlink said its broadband service would be commercially available in the Philippines by December.

According to Mr. Varilla, the reason for the delay is the number of satellites that Starlink is working on.

“They need to launch [more than] 4,400 satellites,” he said. “It’s really difficult to launch so many satellites.”

“But they’re saying that they can complete it and service the Philippines by that time,” the official added.

The Philippines is set to be the first country in Southeast Asia to experience Starlink’s service.

The company’s broadband service uses a low-Earth orbit satellite system designed to deliver broadband internet connectivity with speeds of 100 to 200 Megabits per second to isolated and disadvantaged areas where laying fiber cables is difficult. Major telecommunications service providers regard such areas as commercially unviable because of the significant investment needed to put up infrastructure.

With Starlink’s broadband service, it will be cheaper to provide connectivity to unserved and underserved areas such as mountains, islands, and remote villages, according to the DICT.

The Starlink kit will be offered for \$599, while the monthly service will be \$99, SpaceX Government Affairs Senior Manager Rebecca Hunter said during a briefing in July.

DICT Secretary Ivan John E. Uy has said people in remote areas, especially farmers and fisherfolk, may not be able to afford such amounts, so the DICT, in partnership with local government units, will initially cover the cost of providing Starlink service. — **Arjay L. Balinbin**

MPIC bags Finance for the Future Award on sustainability strategy

METRO Pacific Investments Corp. (MPIC) bagged a coveted award at the 10th Finance for the Future Awards after going through a three-stage judging process and besting seven international listed companies.

The infrastructure investment company clinched the Finance for the Future Award for Embedding an Integrated Approach (Listed Companies) during an event held on Oct. 4.

“People, planet, and long-term impact are at the core of our work,” said MPIC Chairman, President, and Chief Executive Officer Manuel V. Pangilinan in a statement. “We view this as an obligation to future generations of Filipinos. We will never stop pursuing sustainable growth.”

The Finance for the Future Awards recognized organizations and individuals that support the integration of sustainability into financial decision-making. It is a partnership among Accounting for Sustainability, Deloitte, and the Institute of Chartered Accountants in England and Wales.

Finalists numbering 33 from 13 countries were recognized at the awards ceremony, which was held in London with hybrid attendance by businesses around the world. MPIC participated and received the award online.

“At MPIC, we do sustainability as part of our overall stakeholder value creation, along with our purpose of improving the lives of the Filipinos and communities we serve,” said MPIC Chief Finance, Risk, and

Sustainability Officer June Cheryl A. Cabal-Revilla. “This recognition will inspire and push us all, not just to continue what we are doing, but to do much, much more.”

Created in 2012, the Finance for the Future Awards recognize leadership within the finance function to drive sustainable economies.

The category “Embedding an Integrated Approach (Listed Companies)” acknowledges publicly listed firms where sustainability is embedded in the overall strategy and decision-making processes, as well as finance teams that play a critical role in delivering this.

Winners of the category are said to not only embed sustainability into their

overall strategy and decision-making process and consider it as the core of the organization’s activities but also generate tangible environmental or social benefits.

MPIC has holdings in Manila Electric Co., Maynilad Water Services, Inc., MetroPac Water Investments Corp., Metro Pacific Tollways Corp., Metro Pacific Hospital Holdings Inc., Light Rail Manila Corp., and mWell PH.

MPIC is one of three key Philippine units of First Pacific, the others being Philex Mining Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary Media-Quest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls.

US-based Snowflake enters Philippines, partners with Globe

DATA cloud company Snowflake is expanding into the Philippines, where it intends to promote data-driven decision-making among organizations.

“Today, we are thrilled to bring the ability to harness the power of the world’s data to the Philippines,” said Sanjay Deshmukh, senior regional vice-president for Snowflake Southeast Asia and India, during a briefing on Tuesday.

The US-based company hopes to expand its business across Southeast Asia, he added. The goal is “to bring the power of the Snowflake Data Cloud to more organizations.”

The company described its platform as powering the data cloud, the global network where Snowflake customers, partners, and data providers “can break down data silos and derive value from rapidly growing data sets in secure, governed, and compliant ways.”

Philippine telecommunications company Globe Telecom, Inc. and Snowflake have teamed up “to raise data-driven decision-making through data democratization,” the US-based technology company said.

“We want to make decision-making powered by data possible to as many job functions in the least possible time with the least dependency from others,” said Dan Noel Natindim, vice-president at the Enterprise Data Office of Globe Telecom.

“While we’re happy with 68% of our ad-hoc reports being fulfilled via self-service, it is not enough. Users and executives always want to get deeper into data and have more questions,” he added.

Snowflake noted that the telco has embarked on a data modernization effort to take advantage of the cloud for high performance, resiliency, and speed.

“Globe has already migrated its massive enterprise data warehouse from on-premises to Snowflake’s Data Cloud in 53 days,” the company said.

“Snowflake’s cloud-native platform facilitated Globe’s migration to a public cloud architecture, enabling a 50% rise in annual cost savings,” it added. — **Arjay L. Balinbin**