Philippine Stock Exchange index (PSEi) 6,566.80 ▼48.27 PTS. ▼0.73%

THURSDAY, DECEMBER 15, 2022 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P700.00	——	
ACEN	ACEN Corp.	P7.50	+P0.04	+0.54%
AEV	Aboitiz Equity Ventures, Inc.	P54.30	-P0.55	-1.00%
AGI	Alliance Global Group, Inc.	P10.38	+P0.20	+1.96%
ALI	Ayala Land, Inc.	P29.00	-P0.50	-1.69%
AP	Aboitiz Power Corp.	P34.15	——	
BDO	BDO Unibank, Inc.	P110.50	-P3.10	-2.73%
BPI	Bank of the Philippine Islands	P100.00	+P1.00	+1.01%
CNVRG	Converge ICT Solutions, Inc.	P14.28	-P0.32	-2.19%
EMI	Emperador, Inc.	P20.30	-P0.20	-0.98%
GLO	Globe Telecom, Inc.	P2,196.00	-P28.00	-1.26%
GTCAP	GT Capital Holdings, Inc.	P422.00	+P2.00	+0.48%
ICT	International Container Terminal Services, Inc.	P204.00	-P3.00	-1.45%
JFC	Jollibee Foods Corp.	P233.00	-P0.80	-0.34%
JGS	JG Summit Holdings, Inc.	P49.00	+P0.05	+0.10%
LTG	LT Group, Inc.	P8.88	-P0.12	-1.33%
MBT	Metropolitan Bank & Trust Co.	P54.00	-P1.10	-2.00%
MEG	Megaworld Corp.	P2.16	-P0.02	-0.92%
MER	Manila Electric Co.	P286.80	-P0.20	-0.07%
MONDE	Monde Nissin Corp.	P11.10	-P0.30	-2.63%
MPI	Metro Pacific Investments Corp.	P3.42	+P0.06	+1.79%
PGOLD	Puregold Price Club, Inc.	P33.80	+P0.70	+2.11%
RLC	Robinsons Land Corp.	P15.64	-P0.32	-2.01%
SCC	Semirara Mining and Power Corp.	P33.45	-P0.10	-0.30%
SM	SM Investments Corp.	P930.00	+P2.00	+0.22%
SMC	San Miguel Corp.	P94.10	+P0.10	+0.11%
SMPH	SM Prime Holdings, Inc.	P34.70	-P0.35	-1.00%
TEL	PLDT, Inc.	P1,541.00	-P69.00	-4.29%
URC	Universal Robina Corp.	P133.40	——	
WLCON	Wilcon Depot, Inc.	P30.75	+P0.75	+2.50%

Meralco secures needed power from Aboitiz firm

MANILA Electric Co. (Meralco) has secured a 300-megawatt (MW) emergency power supply deal with Aboitiz Power Corp. (AboitizPower) to partly replace the capacity that a unit of San Miguel Corp. (SMC) stopped supplying, but only for a short period.

In a statement on Thursday, Meralco said that the emergency power supply agreement (EPSA) is effective on Dec. 15 until Jan. 25 for a rate of P5.96 per kilowatt-hour (kWh). The power will be sourced from AboitizPower's plant under GNPower Dinginin Ltd. Co.

Meralco said the emergency supply will mitigate the impact of higher rates as the power distributor has been sourcing from the Wholesale Electricity Spot Market (WESM) since Dec. 7.

"[The EPSA] will lessen Meralco's exposure to WESM and in turn partly shield its customers from volatile and potentially higher generation costs," Meralco said.

The Energy Regulatory Commission (ERC) earlier said that Meralco's contract with a subsidiary of SMC Global Power Holdings Corp. was priced at only P4.2455 per kWh.

The unit, South Premiere Power Corp. (SPPC), terminated its power supply agreement (PSA) with Meralco on Dec. 7, prompting the latter to buy power from the spot market where the average price for November was placed by the ERC at P8.47 per kWh.

Meralco's supply deal with SPPC covers 670 MW of capacity for 10 years.

SPPC stopped supplying power to Meralco after the ERC denied a petition jointly filed by the contracting parties for temporary relief through a rate increase. The regulator said the petition had no basis as their PSA is a fixed-rate contract.

The parties filed the petition as the SMC group claimed to have incurred losses amounting to P15 billion, of which it wanted to recover P5 billion through the rate increase. The losses, it said, were a result of extraordinary circumstances caused by commodity supply disruptions. It said the resulting surge in fuel costs was way beyond the price range and long-term outlook contemplated at the time of the PSA execution in 2019.

SPPC is the administrator of the natural gas-fired power plant in Ilijan, Batangas. SMC Global Power's other unit San Miguel Energy Corp., the administrator of the coal power plant in Sual, Pangasinan, also sought a rate increase for a similar reason.

With the ERC's rejection of the rate increase, SMC Global Power sought and secured a 60-day temporary restraining order (TRO) from the Court of Appeals, suspending the implementation of SPPC's PSA with Meralco in November.

"We are hoping it will be resolved sooner because the TRO's effectivity is 60 days, and it is a very long time. It covers at least two billing periods. We are expecting that the case will be resolved with a motion to lift the TRO filed by the OSG (Office of the Solicitor General)," ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta told reporters on Tuesday.

Meanwhile, Meralco vowed that it would "exhaust all measures to continue supplying its customers with sufficient and reliable power, while mitigating the impact of the TRO."

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**

ALI sees new Bulacan estate as trade, commerce center

AYALA LAND, Inc. (ALI) has broken ground for its 49th estate development, which it targets to turn into a center for trade and commerce in Plaridel, Bulacan.

The integrated mixed-use master-planned estate named Crossroads will sit in an 83-hectare lot in the province.

ALI put a P5.2-billion initial investment in the estate to develop the first 20 hectares into a commercial node that it plans to complete within five years.

The commercial area will be the first phase of development in Crossroads. It is expected to house quick-service restaurants, a supermarket, and restaurants.

"As we complete the planning for the residential [area], you can expect that our investment will increase," ALI Project Development Head For Crossroads John R. Estacio said on the sidelines of the groundbreaking event on Thursday.

The residential segment of the estate is expected to be launched next year and will initially include ALI brands Alveo, Avida, and Amaia.

According to Mr. Estacio, ALI will kick-start the commercial node by building retail spaces to fill the need of the surrounding residential and industrial projects.

"Everything would come in phases, so the office could come at a later date," Mr. Estacio said.

Commercial spaces will be sold at P75,000 per square meter (sq.m.) with the lots ranging from 300 sq.m. to over 1,000 sq.m.

Also included in the first phase of the development is the transportation hub, which is planned to link the estate to different areas.

"It is part of our program to bring more people here," Mr. Estacio said, adding that aside from the private terminal, "we will also have a public transport terminal that will link the area to the province center and Quezon City."

Crossroads is the second estate of the company in Bulacan after the master-planned Altaraza estate in San Jose Del Monte. It will be ALI's final launch in 2022.

Bernard Vincent O. Dy, president and chief executive officer of ALI, said that the company is planning to launch more projects in the area.

"ALI is slightly underrepresented in terms of product offering in Bulacan, so we want to be able to do more in Bulacan," Mr. Dy said.

"We want to bring something new to the area and enrich the lives of the people here in Plaridel," he added. — **Justine Irish D. Tabile**

Flight fuel surcharge to drop in January

THE Civil Aeronautics Board (CAB) is lowering the applicable fuel surcharge for domestic and international flights to Level 7 from Level 8 currently.

The CAB cited the lower average price of jet fuel (P41.50 per liter) between Nov. 10 and Dec. 9.

Level 7 on the CAB matrix permits a fuel surcharge per passenger of between P219 and P739 for domestic flights and between P722.71 and P5,373.69 for international flights.

Under Level 8 currently, the fuel surcharge per passenger ranges from P253 to P787 for domestic flights and from P835.05 to P6,208.98 for international flights.

"Airlines wishing to impose or collect fuel surcharge for the same period must file their application with this office on or before the effectivity period, with fuel surcharge rates not exceeding [Level 7]," CAB Executive Director Carmelo L. Arcilla said in an advisory.

In a statement, flag carrier Philippine Airlines (PAL) said the move will ease the financial impact on consumers brought about by fuel surcharges.

"The lowering of fuel surcharge levels is coming in at a time when we are expanding our flight route network, mounting new flights and restoring our flight capacity to pre-pandemic levels," PAL noted.

"We have restored flights between Cebu and Bangkok, opened the Cebu — Baguio route, and Cebu — Cotabato. Soon, we will operate flights to Borongan via Cebu," it added.

Budget carrier Cebu Pacific said the decrease in fuel surcharge for January 2023 is a "welcome development, especially as we see a continuous increase in passenger traffic and forward bookings."

"We are excited to offer even lower fares for everyJuan," said Xander Lao, Cebu Pacific chief commercial officer.

For its part, low-cost airline AirAsia Philippines said the lowering of fuel surcharge level will help "all airline companies to cushion the effects of the volatile fuel pricing and the weakening value of the peso versus the US dollar."

"While we all share the optimism on a more stable fuel price in the days ahead, we at AirAsia stay committed to providing our guests with best value deals that will allow them to travel more during the holidays," it added. — **Arjay L. Balinbin**

Message solutions provider targets to reach more PHL industries

CLOUD communications platform Infobip Philippines, which now covers 80% of the local banking industry, said it aims to expand its reach to other verticals as demand for automated messaging remains strong.

"Even if people are going back to physical stores now, the digital setups will be retained and upgraded depending on customer demand," Infobip Philippines Country Manager Charist B. Montenegro said during a virtual briefing.

"We are really aggressive on expanding further not just by verticals but also the utilization of different channels that we have and the use of the solutions that we offer," she added.

She noted that Infobip, which entered the Philippine market in 2016, currently covers 80% of the banking industry in the Philippines.

The company now seeks to cover the retail, e-commerce, transportation, and medical industries.

Citing Infobip's global research, Ms. Montenegro said that chat apps such as WhatsApp are becoming crucial channels for customer communications.

This demonstrates the growing importance of conversational experiences, she added.

"Infobip's data shows an 80% and 62% increase in WhatsApp and rich communication services (RCS) interactions respectively in the first half of 2022 compared to the same period in 2021," the company said in a statement.

It said that customers now have access to more channels and devices than before.

"Customer communications today are more digital than ever, with a 68% increase in interactions across all digital channels. Second, alongside the growth in chat app interactions, some 99% of customer support and chatbot interactions are now on WhatsApp," the company noted.

At the same time, the company pointed out that while newer channels are gaining momentum, its study shows the continued growth of more traditional channels, such as SMS and email.

"Interactions on these channels increased by 75% and 91% respectively with Infobip seeing emerging uses around timely alerts and security solutions such as two-factor authentication," Infobip said.

Conversational customer experiences are quickly becoming the new normal, according to Ivan Ostojić, Infobip chief business officer. "Customers don't want a one-way interaction with a brand."

"They want a conversation – whether for support, sales, or marketing. But, as our data shows, to meet customer needs, businesses and brands must first embed global real-time omnichannel communications." — **Arjay L. Balinbin**

ICTSI says Mexico subsidiary undertakes expansion project

LISTED ports operator International Container Terminal Services, Inc. (ICTSI) on Thursday said its subsidiary in Mexico recently started its third phase expansion project.

The project is expected to boost ICTSI-Contecon Manzanillo's (CMSA) capacity to two million twenty-foot equivalent units (TEUs) from 1.4 million within the next five years, the company said in an e-mailed statement.

"Manzanillo is the most important node of international logistics in the Pacific Coast of Mexico and it will continue to be so," CMSA Chief Executive Officer José Antonio Contreras said.

CMSA is spending $230 million on the project, mainly to upgrade shipping and terminal infrastructure, storage yards, and equipment.

The company noted that the capacity increase will position Contecon as the "largest terminal in Mexico's Pacific coast."

"We are convinced that this expansion, as well as the construction of land access to the northern zone of the terminal and the acquisition of new inspection equipment for Customs, will consolidate and strengthen the port's position among competitors," Mr. Contreras said.

"This port is designed to meet present and future needs, as well as handle 400-meter ships. If the port wins, we all win – from our clients to the families of our employees," he added.

The project is expected to create more than 600 new direct jobs, in addition to the existing 1,200, along with 11,600 indirect jobs.

ICTSI is involved in 34 terminal concessions and port development projects in 20 countries worldwide. It has nine terminal operations in the Philippines, including an inland container terminal, a barge terminal, and combined terminal operations in Subic.

For the nine months that ended September, the company saw its net income attributable to equity holders increase by 47% to $465.1 million from $316.4 million previously.

Revenues from port operations climbed 20.1% to $1.64 billion from $1.37 billion last year. — **Arjay L. Balinbin**

Villar-led PREIT closes higher on its market debut

PREMIERE Island Power REIT Corp. (PREIT) closed at P1.6 apiece on its market debut on the Philippine Stock Exchange (PSE) on Thursday.

"With the stock market debut of PREIT, we hope that more energy-themed real estate investment trusts (REITs), especially those based in the provinces will also consider listing their shares in the stock market," said PSE President and Chief Executive Officer Ramon S. Monzon.

PREIT is envisioned to be the power and infrastructure REIT platform of Villar-led Prime Asset Ventures, Inc.

The company's initial portfolio includes the land and power plant assets that are used by its sponsors: S.I. Power Corp. and Camotes Island Power Generation Corp.

These assets, which the sponsors also operate, supply power to the islands of Siquijor and Camotes with a total combined capacity of 21.2 megawatts.

Funds from the initial public offering will be given to selling shareholders and will be reinvested in the Philippines.

PREIT is eyeing to expand its assets to include solar farms that are located in various provinces in Luzon, said PSE.

On its listing day, shares in PREIT opened at P1.47 apiece, which was also its average price. Its lowest was at P1.37 each.

PREIT is the second REIT offering of the Villar group of companies after the listing of VistaREIT, Inc. in June 2022. — **Justine Irish D. Tabile**