

# Korea's KEPCO expects to sell PHL energy assets in 1<sup>st</sup> half

KOREA Electric Power Corp. (KEPCO) targets to finalize the sale of two energy assets in the Philippines within the first semester of this year as shortlisted bidders are set to submit their final offers for these investments, which include a stake in a 200-megawatt (MW) power plant in Cebu.

In a statement on Wednesday, the South Korean state-owned energy group said the second round of the sale process of its two "non-core" assets has started.

"Since the distribution of a teaser in October, several domestic and foreign bidders expressed high interest in the assets and subsequently submitted preliminary bids," KEPCO said.

It said shortlisted bidders are now undergoing due diligence

and site visits. They are expected to submit final offers in the first quarter. The company said it aims to enter into a sale agreement within the first half.

The energy firm said that it will still be in the Philippines as it still has an existing investment in Solar Philippines Calatagan Corp.

"As the marketing process drew more than the expected interests, the potential sale process has gained further traction towards a successful closing," KEPCO said.

Up for the sale is its 60% stake in a thermal power plant in Cebu, KEPCO SPC Power Corp. (KSPC), and its stake in listed firm SPC Power Corp. KEPCO in June 2022 appointed Samil PwC as its financial advisor for the sale.

KSPC is a joint venture between KEPCO Philippines Hold-

ings, Inc. and SPC Power. It owns and operates the 200-MW circulating fluidized bed coal-fired power plant in Naga, Cebu.

"Since its operation in 2011, the plant has been supplying stable and efficient power to the Visayas region," KEPCO said.

KEPCO Philippines Holdings also directly owns a 37.96% stake in SPC Power, it said, citing regulatory filings last year.

"Despite the worldwide ESG (environmental, social, and corporate governance) movement, the country's rising electricity demands and reliance on coal, as power source, allowed for competitive bids," KEPCO said.

The company said a key factor for the interest in the Cebu power plant is its technology, "regarded as the environmentally optimized

combustion process among coal-fired power plants."

It said the move to place the assets on sale aims to strengthen its commitment to carbon neutrality and to completely phase out coal by 2050. SPC Power earlier expressed interest in KEPCO's stake and assets.

Meanwhile, KEPCO said that it is looking to invest in more renewable energy (RE) projects.

In 2022, the Department of Energy opened the Philippines' RE sector to full foreign ownership, after Energy Secretary Raphael P.M. Lotilla signed a circular amending the implementing rules and regulations of the Renewable Energy Act of 2008 to allow 100% foreign capital in RE projects. — **Ashley Erika O. Jose**



MINETTE NAVARRETE, co-founder and president of Kickstart Ventures

## Globe group's Kickstart Ventures president enters *Forbes*' '50 Over 50' list

ANNA Irmina "Minette" B. Navarrete, co-founder and president of Globe group's Kickstart Ventures, Inc., is among *Forbes*' "50 Over 50: Asia 2023" list.

This year's list features 50 women over age 50 from the Asia-Pacific region who are "reaching new heights in their industries and inspiring the region's next generation," the magazine said.

Ms. Navarrete sees herself as "a bridge between established Philippines conglomerates and startups in the country," it added.

She was "a particular help to Philippine startups during the pandemic, when her work placed an emphasis on sustainable tech."

In an e-mailed statement, Ms. Navarrete said: "We've seen the world go through a massive

change and it will take all our collective efforts to rebuild the social, environmental, economic, and moral structures that make life safe, productive, fair, and enjoyable for everyone."

According to Globe Telecom, Inc., Ms. Navarrete leverages the resources and networks of her corporate parent company and key shareholders Ayala Corp. and Singtel to provide capital and commercial support to startups and address key issues in the Philippines, "with portfolio companies originating in eight countries and operating in more than 60 countries worldwide."

The *Forbes* list was produced in partnership with Mika Brzezinski and Know Your Value. — **Arjay L. Balinbin**

## Ookla: Smart delivered fastest download speed in Q4; Globe 'most consistent'

SMART Communications, Inc., the wireless arm of PLDT Inc., delivered the fastest median download speed at 32.16 megabits per second (Mbps) in the fourth quarter (Q4) of 2022, according to global benchmarking firm Ookla.

In its fourth-quarter mobile performance report for the Philippines released on Wednesday, Ookla said that Globe Telecom, Inc. had a median download speed of 21.30 Mbps for the period, followed by DITO Telecommunity Corp.'s 17.66 Mbps.

Smart also "registered the lowest median multi-server latency in the Philippines at 47 ms (milliseconds)," it added.

Ookla said its multi-server latency is "designed to represent the latency the user

should expect to encounter more generally when their network is not under heavy load."

It is computed from the multiple pings conducted during server selection. "During server selection, the application pings several on- and off-net servers, multiple times each, to determine which servers to use during the test," Ookla said.

DITO had the second lowest median multi-server latency during the period at 48 ms, followed by Globe at 56 ms.

In terms of consistency, Ookla said that Globe had the highest consistency in the Philippines during the quarter, with 83.1% of results showing at least a 5 Mbps minimum download speed and 1 Mbps minimum upload speed.

Consistency is the metric used by Ookla to identify fixed broadband or mobile net-

works that provide a consistent quality of service.

"It reflects the percentage of a provider's data samples that meet minimum thresholds for download and upload speeds, depending on the type of network. The higher a provider's consistency, the more likely a consumer will enjoy acceptable internet performance and quality," Ookla said.

Smart was the second most consistent mobile network provider in terms of quality during the period, with 80.8%, followed by DITO with 72.6%, according to Ookla.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Arjay L. Balinbin**

Digital currency,  
from SI/1

### CROSS-BORDER PAYMENTS

"We are currently talking to other central banks in Asia to make cross-border payments more affordable and efficient," Monetary Board Member Eli M. Remolona, Jr. said in Filipino.

The BSP earlier signed a memorandum of understanding (MoU) with other central banks in the Association of Southeast Asian Nations to strengthen collaboration on payment connectivity.

The MoU on Cooperation in Regional Payment Connectivity was signed on the sidelines of the G20 Leaders' Summit with the Bank of Indonesia, Bank Negara Malaysia, Monetary

Authority of Singapore, and Bank of Thailand on Nov. 14 in Bali, Indonesia.

The memo is expected to contribute in accelerating economic recovery and promoting growth as it aims to foster a more inclusive financial ecosystem by enabling fast, seamless, and cheaper cross-border payments across the region.

The cross-border payment connectivity will support and facilitate international trade, investment, and other economic activities, the BSP earlier said.

By this year, the central bank hopes 50% of payments, both in volume and in value, will be done online, while increasing the number of adults with bank accounts to 70%. — **Keisha B. Ta-asan**

Marcos,  
from SI/1

Maria Ela L. Atienza, who teaches political science at the University of the Philippines, said the premature launch of the sovereign wealth fund is a "display of power" meant to pressure senators into approving the proposed law.

"It is interesting to see how senators will respond," she said in a Viber message. "Will they readily capitulate and therefore show publicly that the Senate is a mere rubberstamp of the president or will there be senators who, for either personal reasons and political ambitions or principles, respond in defiance?"

The proposal faced public backlash last year, with critics questioning the Philippines' readiness for a sovereign wealth fund, which has drawn mixed results in other countries. For instance, Malaysia's former Prime Minister Najib Razak was implicated in a multibillion-dollar graft scandal involving the 1Malaysia Development Berhad fund.

Critics of the fund have cited the government's widening budget deficit and ballooning debt, which hit a record of P13.644 trillion at the end of November.

"Investors are no fools," Leonardo A. Lanzona, who teaches economics at the Ateneo de Manila University, said in a Facebook Messenger chat. "They know that there is no substantial basis or source for setting up these funds."

Mr. Lanzona said investors are aware the wealth fund is still being discussed in Congress.

The fund would boost infrastructure projects, the Palace said in a statement, citing Finance Secretary Benjamin E. Diokno.

"We have many projects that need funding such as infrastructure projects... Now, if we have such a fund, we can use it to fund these projects," he said.

### 7% GROWTH THIS YEAR

Meanwhile, the Philippine economy will probably grow about 7% this year, according to Mr. Marcos. He said the nation could weather a dimmer global outlook to come up with what could be the fastest expansion in Asia.

"There is so much space, room to grow, in the sense that we are starting very many new things now," Mr. Marcos said in an interview with Bloomberg Television's Hasinda Amin on the sidelines of the WEF in Davos.

The economy has been "rather stable" and unemployment is continu-

ing to decline, he said. Mr. Marcos said the domestic economy "will be able to manage at least 7% growth for last year" and expand by a similar pace in 2023.

Mr. Marcos has faced numerous economic challenges in his first six months as the country's leader, including tight public finances and rising borrowing costs. Soaring prices of essential goods from sugar to onions have driven inflation to a 14-year high and Mr. Marcos, who heads the Agriculture department, has said farm production would be ramped up to rein imports and prices.

"The long-term solution of course will be to increase production. That is what we are working on," the Philippine leader said. He added that his government has "started to rationalize the system because illegal imports have been a problem."

Mr. Marcos also spoke about geopolitical tensions during interview, where he said trying to break an "impasse" with Beijing on South China Sea oil exploration talks was "a difficult thing."

"We may find a way around that if we limit it to exploration, and hopefully, I think there's still some give and take possible there," the president said.

Like most in Southeast Asia, Mr. Marcos has sought to balance interests between the US and China. He has tried to cooperate with China in agriculture and infrastructure and met with President Xi Jinping earlier this month, agreeing to pursue South China Sea energy exploration talks.

Tensions between Manila and Beijing in the disputed sea have risen recently, with the Southeast Asian nation expressing "great concern" over Chinese vessels massing off its western coast. China is building up several unoccupied land features in the South China Sea, Bloomberg News reported in December.

Mr. Marcos said he would not concede the Philippines' territorial claims in the disputed sea. "That is the red line. That's something that will not move and it's something that we cannot cross because it's a very slippery road from there."

He also said the US has committed to give security support in the South China Sea. "When there are certain reports that come in, some of the American ships come down and make their presence felt. We were hoping that we keep and maintain that at that level." — **Kyle Aristophere T. Atienza and Bloomberg**

Don Papa Rum,  
from SI/1

Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message that Diageo's acquisition of Don Papa Rum bodes well for the company and the brand.

Mr. Arce noted Diageo's network and proven track record will be "a great opportunity" for Don Papa to grow and expand into more markets.

Diageo is a global leader in beverage alcohol with brands, such as Johnnie Walker, Tanqueray, Ciroc, and Guinness, that are distributed in more than 180 countries.

"Diageo has a strong track record in nurturing founder-led brands. They believe in our unique story and have genuinely embraced our brand idea. We believe this acquisition is a great opportunity to take Don Papa into the next exciting chapter of its development," Mr. Carroll said in a statement.

Mr. Carroll will continue to be involved in Don Papa Rum, which is currently distributed in 30 countries. France, Germany and Italy are the brand's biggest markets.

"We are excited by the opportunity to bring Don Papa into the Diageo portfolio to complement our existing rums. This acquisition is in line with our strategy to acquire high-growth brands with attractive margins that support premiumization, and enables us to participate in the fast-growing super-premium plus segment," John Kennedy, Diageo Europe and India president, said in a statement.

Diageo said that Don Papa Rum, which registered a compound annual growth rate (CAGR) of 29% from 2016-2021, has outperformed the CAGRs of super premium rum segments in Europe and US at 18% and 27%, respectively.

"While the spirits segment in the Philippines is expected to grow at CAGR of 6% from 2023 to 2025, at par with Southeast Asian region, and 8% globally, we note that for the company, it is projected to grow at double digits given that it is still in the early stages of premiumization," Mr. Temporal said.

He noted the valuation for Don Papa Rum also takes into account its growth potential as it expands to other markets.

Mr. Arce said the outlook for alcoholic drinks in the Philippines remains positive as sales, in total volume terms, are on track to return to pre-pandemic levels by 2024.

While the acquisition is seen to boost Diageo's presence locally, Mr. Arce said domestic players such as Emperor, Inc., San Miguel Brewery, Inc. and Ginebra San Miguel, Inc. continue to dominate the Philippine market.

"Established brands will see greater resilience moving forward," Mr. Arce added.

## Pag-IBIG releases record-high P118B home loans in 2022: Over 100,000 members with new homes

Pag-IBIG Fund released a record-high P117.85 billion in home loans to finance the housing units of 105,212 members in 2022, its top officials announced January 18 (Wednesday).

For 2022, the amount of home loans released by the agency increased by 21% or P20.57 billion compared to the P97.28 billion released in 2021. With the amount, Pag-IBIG financed the acquisition and construction of 105,212 homes for its members, or an increase of 11% from the 94,533 homes financed in 2021.

"We are happy to report that Pag-IBIG Fund has once again set a new record-high in home loan releases in 2022. This is very good news because as the amount of home loans we release increases, so does the number of Filipinos who now have homes of their own. Pag-IBIG Fund's performance is a testament to our united and unwavering efforts to resolve the country's housing backlog, in line with the objective of President Ferdinand Marcos, Jr. under the Pambansang Pabahay Para sa Pilipino Program," said Secretary Jose Rizalino L. Acuzar, who heads the Department of Human Settlements and Urban Development (DHSUD) and the

11-member Pag-IBIG Fund Board of Trustees.

Pag-IBIG Fund Chief Executive Officer Marilene C. Acosta, meanwhile, noted that the 105,212 housing units financed in year 2022 is also a record-high, and marks the first time that the agency has financed more than 100,000 housing units in a single year. She further stated that out of the total housing units financed by the agency last year, 18,657 or 18% were socialized housing units which are now owned by members from the minimum-wage and low-income sectors.

"We at Pag-IBIG Fund have always strived to provide our members – the Filipino workers, the means to have their own homes through affordable shelter financing. That is why we take great pride in achieving a record-high number of housing units financed in 2022 because it means that we have empowered even more Filipinos in gaining their own homes. And, as we embark on yet another year, our members can continue to rely on Pag-IBIG Fund to provide them the most affordable home loan in the market, so that they too can achieve their dream of homeownership. That is the Lingkod Pag-IBIG pledge," Acosta added.