Philippine Stock Exchange index (PSEi) 6,842.79 ▼80.29 PTS. ▼1.16%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P700.00	-P14.00	-1.96%
ACEN	ACEN Corp.	P7.30	-P0.10	-1.35%
AEV	Aboitiz Equity Ventures, Inc.	P56.95	+P0.45	+0.80%
AGI	Alliance Global Group, Inc.	P12.92	——	
ALI	Ayala Land, Inc.	P29.10	-P0.10	-0.34%
AP	Aboitiz Power Corp.	P37.75	+P0.05	+0.13%
BDO	BDO Unibank, Inc.	P125.00	-P1.00	-0.79%
BPI	Bank of the Philippine Islands	P106.50	-P2.00	-1.84%
CNVRG	Converge ICT Solutions, Inc.	P17.12	-P0.48	-2.73%
DMC	DMCI Holdings, Inc.	P11.86	-P0.04	-0.34%
EMI	Emperador, Inc.	P20.80	-P0.05	-0.24%
GLO	Globe Telecom, Inc.	P2,080.00	-P10.00	-0.48%
GTCAP	GT Capital Holdings, Inc.	P515.00	-P4.00	-0.77%
ICT	International Container Terminal Services, Inc.	P211.40	-P0.60	-0.28%
JFC	Jollibee Foods Corp.	P240.80	-P1.20	-0.50%
JGS	JG Summit Holdings, Inc.	P53.60	-P0.40	-0.74%
LTG	LT Group, Inc.	P10.28	+P0.08	+0.78%
MBT	Metropolitan Bank & Trust Co.	P60.20	+P0.40	+0.67%
MER	Manila Electric Co.	P283.00	-P11.00	-3.74%
MONDE	Monde Nissin Corp.	P12.24	-P0.48	-3.77%
MPI	Metro Pacific Investments Corp.	P4.23	+P0.08	+1.93%
PGOLD	Puregold Price Club, Inc.	P33.80	+P0.10	+0.30%
SCC	Semirara Mining and Power Corp.	P31.30	-P0.45	-1.42%
SM	SM Investments Corp.	P895.00	-P14.00	-1.54%
SMC	San Miguel Corp.	P110.00	-P2.70	-2.40%
SMPH	SM Prime Holdings, Inc.	P37.50	-P0.80	-2.09%
TEL	PLDT, Inc.	P1,380.00	-P15.00	-1.08%
UBP	Union Bank of the Philippines	P89.75	-P1.25	-1.37%
URC	Universal Robina Corp.	P143.00	-P4.00	-2.72%
WLCON	Wilcon Depot, Inc.	P33.05	+P0.30	+0.92%

Globe sets 5% revenue growth, allots $1.3-B capex this year

GLOBE Telecom, Inc. aims to reach a middle-single-digit or around 5% revenue growth this year as it hopes the inflation rate will ease for the rest of the year.

"We can see that the mobile business remains very very strong and I would say the only wrinkle would be the growing inflation numbers," Globe President Ernest L. Cu said during the listed firm's briefing on Thursday to present its fourth-quarter results.

He said that higher inflation, which reached 8.7% in January, could impact the lower end of the market.

"Absent that, I think things are quite stable. There will be a mid-single digit growth that we are expecting and hopefully, there will be an upside with the easing of the inflation throughout the year," Mr. Cu said.

Globe's Chief Finance Officer Rosemarie Maniego-Eala said the company is set to maintain a 50% margin for earnings before interest, taxes, depreciation and amortization (EBITDA).

"We have a guidance of a revenue growth of mid-single-digit in 2023. It is the same guidance that we had in 2022. We also gave a guidance of wanting to maintain a 50% EBITDA margin," said Ms. Maniego-Eala, who is also the company's treasurer and chief risk officer.

"You can use the growth rates of 2022 as a basis for estimating 2023, stocking up to the 5% growth guidance for 2023," she added.

In 2022, Globe's service revenues reached P157.98 billion, 3.8% higher than the P152.26 billion revenues it booked in 2021.

Despite this, the company's core net income was 9.8% lower at P19.17 billion in 2022 from P21.25 billion previously.

Meanwhile, Ms. Maniego-Eala said Globe is keeping its capital expenditure (capex) lower for the next two years.

"We plan to maximize our partnerships with the different tower companies. We have 15 total partners and three of which have purchased some of our towers," she said.

The company closed last year with a capex of $1.9 billion, 9% higher than the earlier year, marking Globe's record investment in its mobile and fixed network.

According to Ms. Maniego-Eala, the shift in the company's focus on its assets, which comes after previously investing in its network, bolsters its move to cut capital spending.

"It gives us confidence to start reducing our capex spend to $1.3 billion this year and further to $1 billion in 2024 without sacrificing customer experience and revenue opportunities," she added.

For 2023, the company said it will be focusing on the turnover of towers and getting the balance of those sold last year.

Globe raised a total of P29.8 billion from closing deals for a total of 2,410 towers with Frontier Tower Associates of the Philippines and MIESCOR Infrastructure Development Corp. (MIDC).

"We've actually sold quite a lot last year. But at the moment, we are really focusing on turning over the towers that we've sold. We received proceeds of over 30% last year and so the focus is really to get the balance," Ms. Maniego-Eala said.

In 2022, the company was able to get around 34% of the proceeds from the sale of the towers amounting to P29.8 billion, P10.3 billion of which is with MIDC and P19.5 billion with Frontier.

The company is planning to use proceeds from the tower sale to pay debt and to support the capex needed for its ongoing network expansion.

On Friday, Globe shares slipped 0.48% or P10 to close at P2,080 each. — **Justine Irish D. Tabile**

AirAsia to expand fleet; Philippine passengers seen to double this year

AIRASIA Philippines will be adding 10 planes this year to its existing 14, its top official said, as he expects the expanded fleet to double the low-cost carrier's Filipino passengers.

"The biggest job for me as chief executive officer has been to bring back planes, to make sure the schedule is the right schedule and not changing, to stop delays," said Anthony Francis "Tony" Fernandes, chief executive officer of Capital A Berhad, the holding firm for the travel and lifestyle group.

Since the pandemic halted the aviation industry in 2020, restoring AirAsia's 204 planes globally to full operational status has been a top priority, Mr. Fernandes told reporters. The carrier group has 50 more planes to go to achieve this goal.

"I'm now confident that we can get all the planes that we said we want to in the Philippines [this year]," he said.

AirAsia announced recently that it successfully opened its Tokyo via Narita route and resumed weekly flights to Chinese cities Guangzhou and Shenzhen, as well as the special administrative region of Macao.

Both Japan and China are important markets for the Philippines, Mr. Fernandes said.

"Our strength is international. We don't think domestic is really for us because it's well-served by Cebu Pacific and other airlines, but I've always said that the Philippines is the best-kept secret in the tourist world," he continued.

Though he declined to specify what international destinations AirAsia will be adding soon, he said that tourists, cargo services, and overseas Filipino workers make up much of the movement to and from the Philippines.

Mr. Fernandes said that post-pandemic recovery is well underway, with the tourism industry driving enough growth for the full restoration of AirAsia's flight capacity.

"We're not out of the woods yet, but we feel that there is light," he said. — **Brontë H. Lacsamana**

CTA upholds Davao City's fees on San Miguel Foods

LOCAL governments can collect slaughter fees as part of their regulatory powers, the Court of Tax Appeals (CTA) ruled, as it upheld the fee imposed on San Miguel Foods, Inc. (SMFI) by the Davao City Treasurer's Office in 2016.

In a 19-page decision dated Jan. 31 and made public on Feb. 7, the CTA full court said the local government unit had the jurisdiction and authority to collect the fees worth P625,023.30 for slaughtering birds and poultry for food products in 2016.

"Clearly, the regulation of the slaughter of live bird/poultry, which is the activity undertaken in SMFI's dressing plants, is covered within the standards of health and safety for the exercise of the city's regulatory powers," it said.

"All told the permit fee to slaughter, which petitioner SMFI paid under protest, is in the nature of a license fee and not a tax," it added.

It noted that the fees were not local taxes but were used to regulate a specific public interest business, including slaughtering livestock and poultry.

The Davao City revenue code requires private establishments to secure permits from the city veterinarian before they can slaughter animals for their food commodities.

The firm would then have to pay a fee to the city treasurer for the said permits.

Last year, the CTA affirmed a similar permit fee imposed by the Davao treasurer on SMFI worth P338,731.90.

SMFI, a subsidiary of a food conglomerate based in Pasig City, argued that the tax tribunal had jurisdiction over the regulatory fees and local taxes.

The tax court disagreed, saying it did not have jurisdiction over disputes involving the imposition of fees by local government units.

"It bears stressing that the police power delegated to the local government unit under the local government code subsumes the promotion of health and safety within their territory," it said. — **John Victor D. Ordoñez**

ERC opposes consolidation of cases on power supply deals

THE Energy Regulatory Commission (ERC) is appealing the decision of the appellate court to consolidate the cases filed by units of SMC Global Power Holdings Corp.

"The OSG (Office of the Solicitor General) as our counsel filed a partial motion for reconsideration on the consolidation, so in a way, we are opposing the consolidation," ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta told reporters on the sidelines of an energy forum on Wednesday.

Ms. Dimalanta was referring to the decision of the Court of Appeals (CA) to consolidate the case of San Miguel Energy Corp. (SMEC) with that of South Premiere Power Corp. (SPPC). Both are units of SMC Global Power.

"There are many requirements for consolidation but the OSG argued that the two cases are different, the legal issue of the two cases, so it's not prime for consolidation," Ms. Dimalanta said.

Ms. Dimalanta said that while both cases cited a "change in circumstance," SPPC specifically cited the change in law due to the gas restriction notice on Malampaya, while SMEC cited economic conditions due to the supply chain disruption of the Russian-Ukraine war.

SPPC is the administrator of the natural gas-fired power plant in Ilijan, Batangas, while SMEC is the administrator of the coal power plant in Sual, Pangasinan.

In January, the 13th Division of the CA issued a writ of preliminary injunction (WPI), which indefinitely suspended the power supply agreement (PSA) of SPPC and Manila Electric Co. (Meralco).

However, the CA denied the issuance of a hold order sought by SMEC but granted its motion to consolidate the case with SPPC, which is currently pending before the 13th Division of the appellate court.

"The OSG is still studying the legal implications of the decision. As of now, we're tied with the injunction. We need to respect that," Ms. Dimalanta said, adding that the commission will just wait for what its counsel with say.

The decision of the ERC to oppose the CA ruling stemmed from SMC Global Power's decision to ask the CA to reverse the decision of the ERC in September last year.

To recall, SMC Global Power and Meralco jointly filed a petition for a rate increase in May last year, which the ERC denied in September.

The ERC decision prompted SMC Global Power to elevate the cases to the appellate court in November last year.

In August last year, SMC Global Power said its units SPPC and SMEC had incurred a combined loss of P15 billion. The rate increase was meant to recover part or P5 billion of the units' losses.

The company cited a change in circumstance when surging fuel costs breached the price range contemplated during the execution of the contracts with Meralco. However, the ERC denied the petition, saying this had no basis as the PSA is a fixed-rate contract. — **Ashley Erika O. Jose**

ICTSI's Mexico unit gets carbon-neutral certification

INTERNATIONAL Container Terminal Services, Inc. (ICTSI) announced on Thursday that its Mexican unit became the first organization in the Mexican port industry to be certified carbon neutral.

The concessionaire of the Specialized Container Terminal of the North Zone of the Port of Manzanillo — Contecon Manzanillo S.A. de C.V. — was recognized for its initiative in combating climate change, promoting renewable energy, and decarbonizing ports and maritime transport.

"We are proud to be the first terminal in Mexico verified under this regulation. At Contecon, we are quite clear about maintaining an agenda aligned with our business in which climate change is combatted and the use of renewable energy is encouraged," Contecon Chief Executive Officer Jose Antonio Contreras said in a press release.

Among the company's efforts include maintaining zero emission from its equipment, sponsorship of forests, initiating circular economies and incorporation of technologies that reduce the operational impact of the port it operates.

In 2021, the company's direct and indirect carbon dioxide equivalent emissions amounted to 25,368.67 tons, while its total offset emissions amounted to 25,369 tons.

A study by the Energy Transition of Maritime Transport shows that the shipping sector emits 2-3% of global greenhouse gas emissions and contributes around 13% of sulfur and nitrogen oxide emissions. Contecon sees this as a driver to increase sustainable practices within the industry.

"At Contecon, we know the transition of fuel in maritime transport and the commitment of more organizations in our sector to become zero-emission industries is a challenge," Mr. Contreras said.

"The sector will need to develop and build new ships, integrate and adopt innovative technological solutions, and develop new fuel supply chains and shore-based infrastructure while taking advantage of synergies with other sectors seeking to decarbonize their business activities," he added.

ICTSI is the parent to Contecon, which had signed a 34-year concession for the development and operation of the Second Specialized Container Terminal at the Port of Manzanillo in Mexico. — **Justine Irish D. Tabile**