MPIC income up 15% as toll traffic, power use rise

By Justine Irish D. Tabile
Reporter

METRO Pacific Investments Corp. (MPIC) reported a 15% jump in its consolidated core net income to P14.2 billion in 2022 from P12.3 billion a year earlier amid the recovery of toll road traffic and the growth in power consumption.

"The improved financial and operating results at MPIC's operating companies delivered a 10% increase in contribution from operation mainly driven by the strong recovery in toll roads traffic and consistent growth in power consumption," MPIC Executive Vice-President and Chief Financial Officer Cheryl A. Cabal-Revilla said during the company's financial briefing on Wednesday.

The group's power segment contributed 65% to MPIC's net operating income, while toll roads shared 30%, and water contributed 14%. Its other businesses — light rail, healthcare, agribusiness, real estate, and fuel storage — incurred a loss of P1.8 billion.

"These losses include those of light rail and the other losses are actually characteristic of the startup nature of our new businesses. This also includes the last tranche of our winding down costs related to our logistics business, which we started to close down in the fourth quarter of 2021," Ms. Cabal-Revilla said.

Total revenues of the power business, Manila Electric Co. (Meralco) and its subsidiaries, rose by 34% to P426.5 billion on higher volumes and pass-through generation charges.

Meralco energy sales grew by 6% to a record high of 48,916 gigawatts per hour as businesses and public confidence recovered from the pandemic.

Its core net income increased by 10% to P27.1 billion after Meralco PowerGen Corp. posted a P5.5 billion income, up by more than four times its previous year's P1.2 billion.

Revenues in toll roads business Metro Pacific Tollways Corp. increased by 31% to P22.9 billion for a 46% rise in its core net income to P5.7 billion.

Maynilad Water Services, Inc., MPIC's water business, recorded a 4% jump to P22.9 billion. However, its core net income declined by 7% to P6 billion.

The group's light rail business, Light Rail Manila Corp., booked a 58% increase in revenues to P1.8 billion but recorded a core net loss of P472 million due to the start of the amortization of concession assets and borrowing costs.

Its healthcare segment through Metro Pacific Health (MPH) recorded P20 billion in revenues, a decline of 1% versus the 2021 level.

MPH's consolidated core net income declined 24% to P1.1 billion on fewer coronavirus disease-2019 cases, investments in network integration and digitalization, and higher depreciation expense from completed projects.

Ms. Cabal-Revilla said MPIC this year is likely to maintain its 2022 income growth of 15%, which is expected to be driven by the toll road, power and water businesses.

"Likely, we should be able to maintain the 15% growth [in 2023]. We actually have good metrics coming from our toll road business and also the power consumption in Meralco. If these pan out and do well, with respect to the first two months' results, we would be able to hit more or less the same," she said.

In 2022, the group ventured into agribusiness through Metro Pacific Agro Ventures, Inc. (MPAV), which Ms. Cabal-Revilla said had a minimal impact on the company's results last year.

"For 2022, the impact was very minimal because we only have Carmen's Best at that time. Revenue from Carmen's Best was at P150 million, not much of an impact to MPIC," she said.

"But for 2023, [MPAV's impact] would depend on our acquisitions, timing, and planned new ventures of MPAV," she added.

CAPITAL EXPENDITURE IN 2023

MPIC is earmarking P80 billion for capital expenditure (capex) in 2023, which according to Ms. Cabal-Revilla is slightly higher compared with what the company spent in 2022.

"For the rest of the MPIC group, [the capex] is going to aggregate to almost P80 billion. The biggest chunk of it will come from power and then next would be toll roads given their existing projects that need to be completed," she said.

When asked about how much the group spent in 2022, Ms. Cabal-Revilla said: "Last year was slightly lower."

For 2023, MPIC is earmarking about P8 billion for its two acquisitions under its agribusiness, which Ms. Cabal-Revilla did not disclose.

"For this year alone, [our budget is] close to about P8 billion on agri. The projects and programs we will go into will really depend on the partnership with the LR Group," she said, referring to the MPIC unit's Israel-based partner in a vegetable greenhouse facility.

The capex is expected to be funded through internally generated funds and some through borrowings, said Ms. Cabal-Revilla.

On Tuesday, MPIC shares fell by 4.56% or 20 centavos to close at P4.19 apiece at the stock exchange.

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 MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls.

Megaworld township to house commuter railway station

MEGAWORLD Corp.'s township project is set to house a commuter railway station, a company official said on Tuesday, as the development of the 85-hectare property in Bulacan begins.

"I take so much pride to bring excitement and dynamism of a Megaworld township development in the province," Megaworld Executive Vice-President for Sales and Marketing Noli D. Henandez said during the project's launch.

"In just a few years you would be able to see how we transform this landscape into a private development that carries the same dynamism as our other developments," he added.

Northwin Global City is the company's newest 85-hectare township. It will feature the Marilao-Bagong Ilog station, which is part of the 147-kilometer North-South Commuter Railway project or the Manila-Clark Railway.

When finished, the township will offer residents, workers, and visitors convenient access to and from the Clark International Airport.

The project is located along the North Luzon Expressway. Bulacan is also the location of the proposed New Manila International Airport.

According to Christina C. Tuzon of the Bulacan Chamber of Commerce and Industry, Bulacan has been attracting investors as the province has been creating more desirable locations for investment opportunities.

"With this huge project we will expect economic growth that will help us create more jobs, promote tourism, decrease our unemployment rate, improve quality of life, and increase and protect our purchasing power," Ms. Tuzon said.

Meanwhile, Megaworld has begun construction and development of the P98-billion mixed-use township.

The township will feature commercial, retail, and residential areas for use by various businesses. It was initially proposed in 2021. It will have a 16-hectare central business district called the Northwin Main Street, which will feature corporate offices, retail shops, hotels, and mixed-use commercial towers.

Megaworld previously announced its plans to build a 23-storey high-rise condominium in the township, which will house 478 "smart home" units and feature wireless systems that will allow residents to control various functions in the home.

Northwin Global City project is expected to be finished by 2027.

At the stock market on Wednesday, Megaworld shares fell by 3.32% or P0.07 to close at P2.04 apiece. — **Adrian H. Halili**

AboitizPower expects to maintain growth in 2023

ABOITIZ Power Corp. said on Wednesday that the company is optimistic about maintaining this year its previous year's growth to support the country's transition to cleaner energy.

"As we move into 2023, we must maintain and build on this momentum. This year, we are ready to ride the waves of transformation as we leverage digitalization and innovation to improve our operations further," AboitizPower President and Chief Executive Officer Emmanuel V. Rubio said in a media release.

In 2022, the energy company of the Aboitiz group reported a core net income of P26.5 billion, 27.4% higher than the P20.8 billion posted a year earlier due to fresh contributions from its coal-fired plants.

Including one-off gains, the energy company registered a net income of P27.5 billion in 2022, higher by 32.2% than the P20.8 billion recorded a year earlier.

Mr. Rubio said that the energy company will reinvest its gains to drive the company's growth and to balance its renewable and thermal energy portfolio by 2030.

AboitizPower is targeting to spend about P190 billion to expand its clean energy capacity to 4,600 megawatts (MW).

To date, AboitizPower has 1,000 MW or 1 gigawatt of clean energy projects in the pipeline.

"In today's digital age, we are driven to maximize new technologies to enhance our services and business performance to ultimately provide enjoyable and exceptional customer experiences," Mr. Rubio said.

AboitizPower said it plans to explore emerging technologies such as distributed energy resources, mobile energy storage, and microgrids.

At the stock exchange on Wednesday, shares in the company closed unchanged at P38 apiece. — **Ashley Erika O. Jose**

LPS.1

META Platforms headquarters complex in Menlo Park, California

Meta plans to cut thousands of jobs as soon as this week

META Platforms, Inc. will cut thousands of jobs as soon as this week in a fresh round of layoffs, Bloomberg News reported on Monday, only a few months after the Facebook — parent reduced more than 11,000 people from its workforce.

The new round of job cuts is being driven by financial targets and is separate from the "flattening," the report said, citing people familiar with the matter.

Meta declined to comment on the Bloomberg report when contacted by Reuters.

Last month, the *Washington Post* newspaper had reported that Meta was planning to cut jobs in a reorganization and downsizing effort.

Meta, at that time, declined to comment, but spokesperson Andy Stone in a series of tweets cited several previous statements by Chief Executive Officer Mark Zuckerberg suggesting that more cuts were on the way.

Meta's mass layoffs in November that cut more than 11,000 jobs was among the biggest last year and the first in the company's history. Other tech companies, including Google-parent Alphabet, Inc. and Microsoft Corp. have also cut thousands of jobs. — ***Reuters***

Yellen warns climate change could trigger asset value losses, harming US economy

WASHINGTON — Climate change is already having a major economic and financial impact on the United States and may trigger asset value losses in coming years that could cascade through the US financial system, Treasury Secretary Janet Yellen has warned on Tuesday.

Ms. Yellen will tell a new advisory board of academics, private sector experts and non-profits there has been a five-fold increase in the annual number of billion-dollar disasters over the past five years, compared to the 1980s, even after taking into account inflation.

"As climate change intensifies, natural disasters and warming temperatures can lead to declines in asset values that could cascade through the financial system. And a delayed and disorderly transition to a net-zero economy can lead to shocks to the financial system as well," she said in remarks prepared for delivery at the advisory board's first meeting.

She said severe storms and wildfires in states like California, Florida, and Louisiana, tornadoes across the South and intensifying storms on the West Coast show how climate change is accelerating.

The US government in January reported that 2022 tied 2017 and 2011 for the third-highest number of billion-dollar disasters, with a total price tag of at least $165 billion.

FEDERAL RESERVE

TREASURY Secretary Janet Yellen

There were 18 weather and climate disasters each costing at least $1 billion in the year, including two tornado outbreaks in the south and southeast in March and April, and massive wildfires across the west.

Ms. Yellen said the new Climate-related Financial Risk Advisory Committee, set up last October by the Financial Stability Oversight Council (FSOC), would boost US efforts to mitigate the risks that climate change poses to financial stability.

"The CFRAC is a clear indication of the seriousness with which US regulators are taking the threat of increasing climate-related risks in the financial system," said John Morton, Ms. Yellen's former climate counselor who rejoined Pollination, a climate change investment firm, in January.

With its broad range of experts, the board would advise FSOC as it grappled with what it has identified as an 'emerging risk to the stability of the US financial system,' Mr. Morton said.

The meeting comes amid a slew of new regulations on climate-related risk management issued by the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corp. (FDIC) and the Federal Reserve after FSOC, a top US regulatory panel, first identified climate change as an "emerging threat" to US financial stability in October 2021.

The Federal Insurance Office has also issued a proposal to collect data from insurers to assess climate risk, and the Fed in January said it would conduct a pilot climate scenario analysis to study the bank's climate risk-management practices.

And in April the US Securities and Exchange Commission is due to release a new rule on companies' climate-related disclosures.

But the Biden administration is facing stiff challenges from Republicans, who say the agencies have written rules outside of the legal process. Republican leaders want to use their slim control of the US House of Representatives to constrain administrative oversight of climate rules and other issues.

Ms. Yellen said climate-related events had already prompted insurers to raise rates or stop providing insurance in high-risk areas, which could have devastating consequences for homeowners and their property values. That in turn could spill over to other parts of the financial system, she said. — ***Reuters***

Kuwait Petroleum Corp. sees global crude oil mart in balance

HOUSTON — Kuwait Petroleum Corp. sees the global oil market in balance through at least the first half of this year, its chief executive said on Tuesday.

Demand from China is seeing a sustainable increase, Nawaf Al-Sabah told reporters at the CERAWeek energy conference in Houston.

The Chief Executive Officer (CEO) of the national oil company added that Kuwait has not lost any market share in China from discounted Russian oil barrels.

KPC's customers have not asked for reductions or increases in oil supply from the company, Mr. Al-Sabah said. He added that the company is staying mindful of the effect a potential recession could have on the global economy and oil market.

During a conference discussion, Mr. Al-Sabah referenced an announcement from earlier on Tuesday that second phase units for Kuwait's Al Zour refinery are now operating. State news agency KUNA previously reported the news, citing KIPIC CEO Waleed Al-Badr. The much delayed 615,000 barrel-per-day (bpd) refinery is one of several new complexes coming online this year across the world to churn out more oil products and cool refining margins from record levels last year following the disruption of supplies from top exporter Russia.

Kuwait is set to ramp up refined oil product exports from the Al Zour refinery in the second half of 2023 to plug Russian shortfalls in Europe and meet growing demand in Asia and Africa, Reuters previously reported in February, citing industry sources and analysts. — ***Reuters***

Alaska's Qilak LNG targets Asia with $5-B project to compete with Russia

TOKYO — Qilak LNG plans to invest $5 billion in a proposed liquefied natural gas (LNG) facility in Alaska's North Slope to compete with Russia's Yamal project for Asian customers towards the end of this decade, its chief executive said.

Major LNG importers such as Japan, South Korea and Taiwan are rethinking Russian supplies after sanctions on Moscow after it invaded Ukraine and more natural gas could be needed to produce lower emission and alternative fuels as nations try to reduce their carbon emissions.

Qilak is 2,000 nautical miles (3,700 km) closer to Asian markets than its biggest competitor, the Novatek-led Yamal LNG in the Russian Arctic. The Alaskan projects aims to ship a LNG cargo to Asia in 14 days, about twice as fast as shipments from the US Gulf Coast, Mead Treadwell, Qilak's CEO and chairman, told Reuters in an interview this week.

The company is banking on producing LNG at a lower cost compared with Yamal LNG.

Yamal LNG, which shipped its first cargo in 2017, cost $27 billion to liquify 16.5 million tons of LNG per annum, company data shows. That is about $1.6 billion per 1 million tons, according to Reuters calculations.

Qilak's annual output is set to be four million tons and at a cost of $5 billion, should be $1.3 billion per ton, according to Reuters calculations.

Qilak LNG is working with Lazard as investment bank to attract financing and also plans to offer an ownership stake to Alaska entities including indigenous investment groups, said Mr. Treadwell, a former Alaska governor.

The project, equal to 1% of global LNG demand, should be launched by 2030 when potential buyers see a shortage coming up, a delay from 2027 because of the COVID-19 pandemic, Mr. Treadwell said.

Qilak LNG is yet to chose engineering, procurement and construction, as well as shipping companies, but Nana Worley and Aker Arctic Technology are expected to lead the feasibility study, Mr. Treadwell said.

The project plans to use gravity-base structures — special weighted legs that support offshore platforms — set off the Arctic shore of Alaska and would deliver three to five tankers per month to Asia, according to Dubai-based Lloyds Energy, the project's owner. — ***Reuters***