

Philippine Stock Exchange index (PSEi)

6,625.08

▲ 41.40 PTS.

▲ 0.62%

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BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P639.00 +P6.00 +0.95%	ACEN ACEN Corp. P6.01 +P0.01 +0.17%	AEV Aboitiz Equity Ventures, Inc. P54.75 +P0.45 +0.83%	AGI Alliance Global Group, Inc. P13.80 +P0.86 +6.65%	ALI Ayala Land, Inc. P26.65 +P0.70 +2.7%	AP Aboitiz Power Corp. P38.00 +P0.75 +2.01%	BDO BDO Unibank, Inc. P144.00 -P0.60 -0.41%	BPI Bank of the Philippine Islands P107.60 -P1.40 -1.28%	CNVRG Converge ICT Solutions, Inc. P11.80 -P0.10 -0.84%	DMC DMCI Holdings, Inc. P9.81 +P0.01 +0.1%
EMI Emperador, Inc. P20.90 +P0.05 +0.24%	GLO Globe Telecom, Inc. P1,700.00 -P25.00 -1.45%	GTCAP GT Capital Holdings, Inc. P478.00 -P2.00 -0.42%	ICT International Container Terminal Services, Inc. P217.00 -P2.00 -0.91%	JFC Jollibee Foods Corp. P225.00 +P6.00 +2.74%	JGS JG Summit Holdings, Inc. P50.70 +P1.45 +2.94%	LTG LT Group, Inc. P10.16 +P0.14 +1.4%	MBT Metropolitan Bank & Trust Co. P58.60 +P0.20 +0.34%	MER Manila Electric Co. P339.00 +P9.00 +2.73%	MONDE Monde Nissin Corp. P9.35 +P0.10 +1.08%
MPI Metro Pacific Investments Corp. P4.43 +P0.17 +3.99%	PGOLD Puregold Price Club, Inc. P32.60 -P0.15 -0.46%	SCC Semirara Mining and Power Corp. P27.00 -P0.40 -1.46%	SM SM Investments Corp. P895.00 +P7.00 +0.79%	SMC San Miguel Corp. P106.20 +P0.60 +0.57%	SMPH SM Prime Holdings, Inc. P33.95 +P0.05 +0.15%	TEL PLDT Inc. P1,204.00 -P6.00 -0.5%	UBP Union Bank of the Philippines P82.90 -P0.90 -1.07%	URC Universal Robina Corp. P147.00 +P2.50 +1.73%	WLCON Wilcon Depot, Inc. P28.95 -P0.30 -1.03%

Power outage cancels NAIA flights; probe ensues

By **Justine Irish D. Tabile**
Reporter

UP TO 48 flights were canceled while some were delayed on Monday because of a power outage at Terminal 3 of the Ninoy Aquino International Airport (NAIA), authorities said.

“As a result of the power interruption, there were 24 roundtrip flights which were canceled. There were also some flights

delayed but there were no international flights which were canceled,” Transportation Secretary Jaime J. Bautista said in a media briefing on Monday.

The power outage, which started at 1:05 a.m. on May 1 Labor Day holiday, resulted in the cancellation of 48 Cebu Pacific (5J) flights, the Manila International Airport Authority (MIAA) said. Among the canceled flights are those going and coming from Tuguegarao, Daraga, Cagayan, Cauayan, Di-

polog, Puerto Princesa, Caticlan, Cebu, Panglao, Bacolod, Davao, Butuan, and Zamboanga.

“The MIAA, working with Meralco (Manila Electric Co.), was able to put up the regular power by around 8:46 in the morning. And since then, the operations at NAIA Terminal 3 have commenced using the regular Meralco power,” Mr. Bautista said.

Alexander G. Lao, chief commercial officer of Cebu Pacific, said that around 9,391 passen-

gers were affected by the outage. They were provided free rebooking, refund, or travel fund, he added.

Meanwhile, AirAsia said eight of its flights were slightly delayed due to the power interruption. These include flights to Seoul, Osaka, Taipei, Cebu, and Caticlan.

MIAA General Manager Cesar M. Chiong said his group along with airline operators made sure that the impact of the

power outage was minimized. “It was confined to domestic flights,” he said.

“There were over 9,000 domestic passengers that were affected and there were some delays for both international and domestic flights. But so far, as of 1:00 p.m., we were able to operate about 247 flights out of all the flights that we have in NAIA,” he added.

Mr. Chiong said that MIAA normally operates 750 to 760

flights at NAIA and that the 24 roundtrip flights that were canceled represent 6.5% of the total flights.

“Right now, both MIAA and Meralco have yet to drill down on the real cause of the power outage,” Mr. Chiong said.

FULL STORY



Read the full story by scanning the QR code or by typing the link bit.ly/NAIA050223

SM Prime name, size seen to bode well for REIT listing

SM PRIME Holdings, Inc.’s real estate investment trust (REIT) may be well received by investors due to the potential size of the offering and the strong reputation of the company, analysts said.

“Investors are likely to receive this news positively, given the potential size of the offering and the strong reputation of SM Prime Holdings as one of the largest property developers in the Philippines,” Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

If the REIT’s launch turns successful it might boost investor confidence in the property market and attract more

foreign investments in the Philippines, Mr. Arce said.

The outlook for SM Prime’s REIT could also be positive given the strong demand for income-generating assets amid the elevated interest rate environment, he added.

“Listing its REIT unit is a strategic move for SM Prime Holdings to unlock the value of its real estate assets and raise capital for future investments,” Mr. Arce said.

BDO Securities Corp. First Vice-President and Chief Operating Officer Bernhard Aloysius G. Tsai said in a media briefing that listing SM Prime’s REIT unit would be a “strategic move... to unlock

the value of its real estate assets and raise capital for future investments.”

“With more foreign participation and because of its liquidity they will garner more support, and this is assuming that the price is relatively acceptable in the market,” Mr. Tsai added.

SM Prime stated earlier that it was targeting to launch its first REIT portfolio by the second half of the year as it expects to raise \$1 billion from its initial offering.

The total valuation of SM Prime’s REIT could be around \$3.5 billion to \$4 billion, according to Jeffrey C. Lim, the listed property developer’s president

and executive director, in a media briefing.

The company’s REIT portfolio will initially be composed of 12 to 15 centers, which will come from the 82 malls it currently has as 30 to 35 malls are now fully matured.

Mr. Lim added that the company is still doing an evaluation with bankers and that the listing of its REIT will be subject to market conditions.

SM Prime is one of the remaining property developers in the country that does not have a REIT.

Shares in SM Prime closed 0.15% or P0.05 higher to close at P33.95 apiece. — **Adrian H. Hallii**

Spain’s Acciona keen on more water, transportation projects

SPANISH infrastructure company Acciona aims to secure more contracts from the government’s transportation and water treatment projects, its regional official said.

“Yes, definitely, we are looking at transportation rails and the big transportation projects that will be launched by the administration of the Philippines,” Acciona Southeast Asia Regional Director Ruben Camba told *BusinessWorld*.

“We are also looking at water projects. There are different water projects happening in Manila and the rest of the country and we think that water is very important to the Philippines,” he said.

He added that Acciona is “very keen” to see more public-private partnership (PPP) projects in the market, which he said is another target for the company to explore.

When asked if the company is interested in the Metro Rail Transit lines 10 and 11, Mr. Camba said: “Yes. We are really interested in looking at railways. When we say transportation, we mean roads, bridges, railways, ports. So those are key points that we will be looking at.”

At present, the company has been awarded three transportation projects and one water treatment project. These projects are package 2 of the South Commuter Railway (SCR) project, the Cebu cable-stayed bridge, the Malolos-Clark Railway project, and the Putatan II brackish water treatment plant.

Meanwhile, the company is targeting the groundbreaking for the 7.9-kilometer elevated railway from Blumentritt to San Andres Bukid in Manila that has three stations — España, Sta. Mesa, and Paco — of the SCR.

“I think the groundbreaking will be definitely this year,” Mr. Camba said. Assuming that everything will be ironed out, including the acquisition of the right of way, the project could be completed in four years, he said.

The package was awarded to the joint venture between Acciona Construction Philippines, Inc. and D.M. Consunji, Inc.

Meanwhile, Mr. Camba said that public-private partnerships and support from the government and multilateral banks could further boost the infrastructure sector.

“The drivers have to be government investments supported many times by multilateral banks and the PPP working altogether,” he said.

He noted that the government is cautious about managing the ratio of its debt to the gross domestic product (GDP), while the private sector invests only in projects suitable to them.

“If you want to meet the targets of development, you need to invest at least 5% to 6% of the total GDP [to infrastructure development],” he said.

Mr. Camba said the private sector could not cover the entire infrastructure spending, with only a portion of it under PPP projects.

“The rest will be government efforts to develop the country’s infrastructure. And that’s what other countries do,” he said.

He said that Acciona has a bullish outlook on the infrastructure market in the Philippines.

“I think there’s a lot of work and we’ll need to overcome the challenges,” he said. “If you see how the Philippines has dramatically invested in it, that’s very positive news.”

“If the past administration and this administration will be keeping that pace and if we will see continuous effort, the Philippines in 2040 is going to be dramatically different to the Philippines in 2020,” he said.

“We are very bullish. We want to be here helping the country in doing the infrastructure,” he added.

On Friday, Acciona and more than 200 public and private sector leaders gathered for the company’s first “Health and Safety Day” in the Philippines, which aims to promote the prevention of occupational accidents, diseases and deaths.

“What we will try to show new technologies and ways of managing safety. The overarching idea is to have a safe environment at work,” Mr. Camba said. — **Justine Irish D. Tabile**

ENEX looks at joining Meralco power auction

ACEN Corp. said its subsidiary ENEX Energy Corp. is looking to participate in Manila Electric Co.’s (Meralco) power auction.

“We have a joint venture, which is a 1,100 megawatts (MW) gas-fired plant that is under development in Batangas. That is in very advanced stages of development and we believe it can participate in the upcoming CSP (competitive selection process) of Meralco for instance,” Eric T. Francia, president and chief executive officer of ACEN, said in a media briefing last week.

Mr. Francia, who is also the chairman of ENEX, was referring to Batangas Clean Energy, Inc. (BCE), which is a 50-50 joint venture between ENEX and Gen-X Energy LLC, a subsidiary of Blackstone, Inc.

“The BCE team continues to execute on the project and is currently awaiting a competitive selection process in order to secure a customer offtake contract,” he said.

BCE is developing the 1,100 MW or 1.1-gigawatt natural gas-fired power plant in Batangas Bay, Batangas City.

ENEX, formerly ACE Enexor, Inc., is involved in the exploration and production of crude oil and natural gas, while ACEN has recently affirmed its commitment to transition the company’s power generation portfolio to full renewables by 2025.

“This is a clarification that while ACEN has supported ENEX to help develop this joint venture company, ACEN has already committed to only invest in 100% renewables. I just want to make it clear that it is not the

intent of ACEN to invest in the construction equity of a gas-fired power plant,” Mr. Francia said.

This means, according to Mr. Francia, that ENEX and its partner will have to source for the capital once the project gets to a financial close.

“We are not yet in financial close. We would like the project to win a long-term contract,” he said, adding that BCE is working on a long-term fuel supply contract.

“We hope that the BCE project will be able to contribute to the much-needed capacity in the Luzon power grid,” Mr. Francia said.

Mr. Francia said the group is eyeing a reasonable pass-through mechanism and given the “immense volatility” of fuel prices, it would require reasonable long-term contracts that would enable investments.

“It is still yet to be determined where the particular source of funding will come from but we have various sources for that, notwithstanding the fact that ACEN will not be the source of construction equity,” he said.

Mr. Francia said the country needs reliable baseload power generation, which at this point could come “realistically” from gas-fired power plants.

“So, I think, realistically, for us to really address the country’s energy needs... we would need a combination of RE (renewable energy), energy storage and new gas-fired power plants,” he said.

BCE’s natural gas-fired thermal project is expected to commence operations by 2026. — **Ashley Erika O. Jose**

Tax appellate court partially grants Maersk’s refund claim

THE COURT of Tax Appeals (CTA) has granted part of Maersk Global Services Centres (Philippines) Ltd.’s tax refund claim in the amount of P34.61 million representing its excess input value-added tax (VAT) for the taxable year 2015.

In a 25-page petition made public on April 28, the CTA said the shipping firm was able to comply with invoicing requirements under the Tax Code.

In a 2021 decision, the CTA granted Maersk’s claim in the amount of P34.5 million and disallowed P1.84 from its initial claim due to an alleged lack of evidence to substantiate its claim.

“The courts cannot impose any additional requirement that is not provided for by law or merely required by any of the parties to the transaction for the latter’s convenience,” according to the ruling penned by Associate Justice Roman G. Del Rosario.

The tribunal noted the firm’s receipts do not need to be signed by a buyer or client for them to be valid, adding the purpose of a signed receipt is only for the convenience of the seller.

“It is clear that the purpose of the signature is for the buyer to acknowledge the receipt of the goods delivered by the seller,” it said.

The tax court also affirmed the firm’s disallowed zero-rated sales worth P213.64 million due to discrepancies found in the official receipts. It said receipts did not show that they were traced to zero-rated sales.

Under the Tax Code, taxpayers that engage with foreign firms doing business outside the Philippines are entitled to zero-rated sales that do not translate to output tax.

The term “zero-rated sale” must be written on the taxpayer’s official receipts.

The commissioner of internal revenue argued that Maersk’s claimed input tax should have been directly traced to its zero-rated sales for its claim hold ground, which the court disagreed with.

“Nowhere is it stated in Section 112 (A) of the National Internal Revenue Code of 1997 does input tax claimed must be directly attributable to the taxpayer’s zero-rated sales.”

Under Section 112 (A) of the Tax Code, input tax subject to a tax refund claim must not have been applied against output tax.

“It must be stressed that compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory.” — **John Victor D. Ordoñez**

PSE aims to provide platform for listed companies

PHILIPPINE Stock Exchange, Inc. (PSE) is hosting another “investor day” program as it aims to provide a platform to discuss the first-quarter earnings and projects of publicly listed companies or PLCs, it said on Monday.

“PSE STAR (Strengthening Access and Reach) had two runs last year and both were well-received. We are continuing this activity to provide more PLCs an av-

enue to share their earnings performance and growth prospects to a bigger audience,” Ramon S. Monzon, PSE president and chief executive officer said.

“We also want to give investors and analysts access to the top executives and investor relations teams of the featured PLCs through this activity,” Mr. Monzon added.

The companies that will discuss their earnings, projects, and growth

strategies are Aboitiz Power Corp., Alliance Global Group, Inc., Cebu Landmasters, Inc., Filinvest REIT Corp., JG Summit Holdings, Inc., MacroAsia Corp., Manila Electric Co., Raslag Corp., and Wilcon Depot, Inc.

The local bourse operator will also discuss economic prospects and sector outlook, which will be given by Bloomberg analysts.

The virtual program is co-hosted by Bloomberg L.P., with the Fund Managers Association of the Philippines and Trust Officers Association of the Philippines as event partners.

The event is set to return on May 9 to 10. PSE STAR is free of charge and is open to equity analysts, fund managers, and institutional and retail investors. — **Adrian H. Hallii**