

Aboitiz allots P800M for West Cebu Estate expansion

By Patricia B. Mirasol
Reporter

BALAMBAN, Cebu — Aboitiz InfraCapital Economic Estates is investing P800 million for the industrial expansion of West Cebu Estate (WCE) this year.

“We are excited about our ongoing expansion, which will diversify our locator mix to include light to medium manufacturing, as well as a central business district with commercial lots for sale, anchored by a new neighborhood mall with a transport terminal and a communal park, that will support the everyday needs of the Estate, and of the growing population in Balamban,” Rafael Fernandez de Mesa, president of Cebu Industrial Park Developers, Inc. (CIPDI) and head of Aboitiz InfraCapital Economic Estates, said at a May 25 briefing here.

The expansion will cover 39 hectares of the 540-hectare mixed-use development.

“This expansion will attract investments and generate new jobs, potentially increasing the working population from 14,000 to 30,000,” Mr. De Mesa said.

Aboitiz InfraCapital Economic Estates is focused on making its developments more sustainable.

“What’s become very important to — not just companies but

people — is the sustainability and the tech angle of it. Other than providing a built environment that has their basic needs in terms of infrastructure and complementary components, we realized that it’s very important to add sustainability and smart technology [to the mix],” Mr. De Mesa told *BusinessWorld* in an interview during WCE’s 30th anniversary event.

The Aboitiz executive said the company’s estates are not just up against local competitors, but also industrial parks in Southeast Asian neighbors Vietnam, Thailand, and Indonesia.

“It’s always important to continue to upgrade (your offerings),” he added.

Together with the Philippine Green Building Council, Aboitiz InfraCapital Economic Estates established the BERDE District Certification which sets a local standard for assessing the environmental compliance of industrial estates.

“Working with them to create this pilot program to certify entire districts, we’re [now] able to quantify and communicate to the market how we are sustainable,” Mr. De Mesa said.

The company’s LIMA Estate in Batangas is the first and only industrial estate in the country to secure BERDE District certification with a maximum 5-star rating.



THE SHIPYARD at West Cebu Estate in Balamban, Cebu.

“An interesting project we’re working on right now in LIMA, and want to replicate in Cebu, is taking all the plastic waste within the estate and producing that to make ecobricks,” Mr. De Mesa said.

West Cebu Estate is currently undergoing the BERDE District certification process and is ex-

pects to get its certification in 2024.

Established in 1993, West Cebu Estate is a joint venture between the Aboitiz Group and Tsuneishi Holdings of Japan. It is an industrial-anchored mixed-use economic estate with 11 locators, and has attracted P32 billion in investments to date.

“Mutual trust and respect. I think it’s just one of the factors that have made this partnership successful. We are happy and very much satisfied of the service and assistance that CIPDI has provided to Tsuneishi in the past 30 years,” said Yasuaki Seto, president of Tsuneishi Heavy Industries (Cebu), Inc. (THI).

THI has a shipyard that manufactures about 13 to 22 ships a year.

“When THI just started its operation here, it was difficult to receive orders from customers. Now, we have received many orders from loyal customers around the world. We were able to expand our business, and, through this achievement, we are recognized as one of the biggest yards in the world,” Mr. Seto said.

Mr. Seto also said THI has received orders for four new Kamax, the world’s first methanol-fueled bulk carrier.

“Towards the realization of a zero-emission vessel, we will build the vessel using green methanol here in Balamban with delivery schedule around end of 2025,” he said.

Cosette V. Canilao, Aboitiz InfraCapital president and chief executive officer, said the company wants to attract more foreign direct investments through the company’s economic estates.

“As we go along our journey of becoming the Philippines’ first techglomerate, we remain committed to expanding and transforming West Cebu Estate, and other economic estates, into future-ready, master-planned developments by leveraging on the synergies and capabilities with the bigger Aboitiz Group,” she added.

DB Schenker to lease facility in ALogis Calamba

GLOBAL logistics company DB Schenker has signed an agreement with AyalaLand Logistics Holdings Corp. (ALLHC) to lease the latter’s ready-built facility in ALogis Calamba in Laguna.

DB Schenker will take up 18,000 square meters of space that will be used “primarily for contract logistics servicing an automotive company.”

ALLHC has already turned over the space. DB Schenker is expected to start operations by June 2023.

“ALogis is viewed by DB Schenker as one of our strategic partners in this market... We are confident that ALogis can build strategic facilities that intend to showcase the quality of operations of DB Schenker in contract logistics,” DB Schenker Contract Logistics Director Irma Diaz-Guevara said in a statement.

ALLHC Chief Operating Officer Patrick Avila said ALogis aims to support businesses like DB Schenker.

“As we continue to create effective and impactful solutions in real estate and supply chains respectively, we look forward to a great synergy that benefits communities,” he said.

Aside from ALogis Calamba, other ALogis sites are in Biñan, Laguna; Naic, Cavite; Porac, Pampanga; and Santo Tomas, Batangas.

Office real estate looks dicey with REITs plunging to 2009 low

OFFICE real estate investment trusts (REITs) are trading at their lowest level since 2009 as the trend toward remote work leaves desks empty and economic pressures tighten corporate budgets.

The S&P Composite 1500 Office REITs index is down 27% in 2023, plunging to its worst reading since July 22, 2009. Office landlords comprise just 6% of the REIT sector, which explains why the broader S&P Composite Equity REITs index is down just 5.2% year to date and the S&P 500 Real Estate sector has dropped 4.5%. Offices are what’s weighing on the group.

“There’s two ways to lose money: You can own a boat, or you can own an office building,” Piper Sandler analyst Alexander Goldfarb said. “At least with the boat you can take your friends out on a sunset cruise.”

While the stress on the office sector may not be new, the shift to working from home has exacerbated the problem. However, much of the damage could already be priced into the stocks after this latest selloff, analysts said.



In addition, fears about commercial real estate have added to the woes of regional bank stocks that typically fund local projects like strip malls and small office buildings. The sector has been pressured since the collapse of Silicon Valley Bank in March sparked industry-wide turmoil. Now some investors fear that its exposure to office weakness could be the next shoe to drop. However, those worries may be overblown.

“There’s probably going to be some heartburn in the bank space and probably some charge-offs,” said Ben Gerlinger, an analyst at Hovde Group. “But I think a lot of smaller and community regional banks are well-positioned.”

QUALITY COUNTS

What’s more, the outlook for office landlords could improve as companies encourage workers to return to their desks and restrict remote work policies.

“We’re starting to see some of that reversal,” RBC Capital Markets analyst Michael Carroll said. “You’re seeing the first steps of people starting to reutilize their office spaces when they weren’t just a few years ago.”

The age and quality of each building will be a key differentiator in which offices succeed over the long term and which don’t. Newer office buildings with modern amenities will likely benefit the

most as companies seek out spaces that will entice workers back into the office.

And of course, the financial makeup of each office landlord is key. Industrial and senior housing landlords could prove to be potential bright spots due to their healthy fundamentals and strong cash flow generation, according to Mr. Carroll.

Similarly, Piper Sandler’s Mr. Goldfarb recently upgraded Douglas Emmett, Inc. to overweight because of its small tenant focus and lower cost of leasing. On the opposite end of the spectrum, he slapped an underweight rating on New York-based Vornado Realty Trust due to its struggling balance sheet and development exposure around Manhattan’s Penn Station expansion project.

So identifying winners and losers among office REITs remains a stock-picker’s game. But in the end, the damage may not turn out to be as bad as investors’ angst.

“There are a lot of headwinds out there,” Mr. Goldfarb said. “But when you really look into it, the fear is much bigger than reality.” — *Bloomberg*

Prime Media-ABS-CBN venture not into free TV

THE joint venture between Prime Media Holdings, Inc. and ABS-CBN Corp. will focus mainly on the content creation and production for radio and cable television (TV), a top official said.

“The objective of the joint venture is to provide accurate and balanced news and information to the country and public service,” Prime Media President Manolito A. Manalo said in a regulatory filing on Monday.

The content that will be produced by the joint venture will be distributed to radio, cable TV, and on other platforms including the stations under the Philippine Collective Media Co. (PCMC).

“The business model is similar to various local studios and production companies but the content we will produce is not for free TV broadcast,” he said.

Under the joint venture, PCMC will still be an independent organization and will only just be one of the distribution channels.

“ABS-CBN will not be involved in Prime’s or PCMC’s operations. The parties will create a joint venture company,” Mr. Manalo said.

Prime Media said that it has chosen radio as it has means to connect people, raise awareness, and influence positive social change via its wide reach, affordability, and accessibility.

“The partnership with ABS-CBN is, without a doubt, a great business opportunity. More importantly, it is an ideal example of corporate social responsibility; meant to address information gaps and provide public service,” Mr. Manalo said.

“For the shareholders of Prime, the transaction will enhance their shares’ value through the revenue stream expected to be generated from its equity investment in the joint venture,” he added.

On Monday, Prime Media shares climbed 29 centavos or 14.5% to P2.29 each, while ABS-CBN shares added four centavos or 0.57% to P7.09 apiece. — **Justine Irish D. Tabile**

Customers, stakeholders ask for sustainability goals

BUSINESSES should embed sustainability in their corporate goals with the use of technology as there would only be increasing demand from customers and shareholders, company officials said.

Melissa V. Vergel De Dios, first vice-president, chief sustainability officer and head of investor relations at PLDT Inc., said that digital transformation and sustainability are the way forward.

“The customers, the younger ones, will look for sustainability that the company must provide or pursue otherwise they won’t buy. Digital transformation is no longer an option, the future is digital. The

sooner you build, the sooner you evolve, the better it is for you,” Ms. De Dios said at the BusinessWorld Economic Forum 2023 at the Grand Hyatt Manila on Thursday.

“The customers will ask for it, the investors will ask for it, the communities where they operate will ask for it. So, it’s very, very important for the business,” she said.

Ana Margarita Hontiveros-Malvar, first vice-president and chief sustainability and regulation officer at the Aboitiz group of companies, said that although there is still a negative connotation attached to artificial intelligence (AI), it is simply a tool that makes things efficient.

“Technology in sustainability can be an enabler if we all embrace it,” she said. “Because we also want to be able to innovate better, we want to experiment with the kind of solutions that we are using for the future, we want to be able to move faster.”

Ms. Hontiveros-Malvar said that the Aboitiz group also asks their clients to make use of an AI tool “because it really helps you to move faster and to do things faster. Because at the end of the day, it creates more value for yourselves.”

Kerwin Max S. Tan, chief financial officer and chief risk officer of Robinsons Land Corp., said that being publicly listed

requires the company to embed sustainability to meet shareholders’ demands.

“We have a commitment to provide sustainability activities,” he said. “So, you set a sustainability target that is achievable. Once we have that goal, the second part is to measure where you are at, how far you are from the target.” — **Justine Irish D. Tabile**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <<https://rb.gy/dhe87>>



NOTICE OF ANNUAL MEETING OF THE STOCKHOLDERS

Notice is hereby given that the annual meeting of the stockholders of SSI GROUP, INC. for the year 2023 will be held and conducted via virtual meeting on Wednesday, 21 June 2023 at 11:00 A.M. via <https://livenow.ph/ssigroupasm2023/>

The Agenda for the meeting shall be as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of the Annual Meeting held on 22 September 2022
4. Approval of Annual Report for the Year 2022
5. General ratification of all acts of the Board of Directors and management from the date of the last annual meeting up to the date of this meeting
6. Election of Directors for 2023-2024
7. Appointment of External Auditors
8. Other Matters
9. Adjournment

The minutes of the 2022 Annual Meeting of Stockholders is available at the website of the Company, <https://www.ssigroup.com.ph>.

The Board of Directors has fixed the end of trading hours of the Philippine Stock Exchange on 24 May 2023 as the Record Date for the determination of stockholders entitled to notice of and vote at such meeting.

Given the current circumstances, and to ensure the safety and welfare of the Company’s stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and voting in absentia, or by appointing the Chairman of the meeting.

Stockholders who intend to participate in the meeting should register on or before 11 June 2023 via <https://livenow.ph/ssigroupasm2023/>. All registrations shall be validated by the Corporate Secretary in coordination with the Stock and Transfer Agent. Successful registrants will receive an e-mail with instructions on how to access an online web address which will allow them to join the meeting and cast votes in absentia or by proxy.

Stockholders who intend to appoint a proxy should submit duly accomplished proxy forms on or before 11 June 2023 at the Office of the Corporate Secretary at 6F Midland Buendia Bldg., 403 Sen. Gil Puyat Ave., Makati City and/or by email to corporatesecretary@rgoc.com.ph.

The procedures for participating in the meeting through remote communication and for casting their votes in absentia are set forth in the Information Statement.

8 May 2023, Makati City.

MA. ALICIA G. PICAZO-SAN JUAN
Corporate Secretary