Philippine Stock Exchange index (PSEi) 6,379.03 ▼95.23 PTS. ▼1.47%

FRIDAY, JULY 7, 2023
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P605.00	-P9.50	-1.55%
ACEN	ACEN Corp.	P5.20	-P0.09	-1.7%
AEV	Aboitiz Equity Ventures, Inc.	P54.00	-P2.00	-3.57%
AGI	Alliance Global Group, Inc.	P13.26	+P0.06	+0.45%
ALI	Ayala Land, Inc.	P24.00	-P0.45	-1.84%
AP	Aboitiz Power Corp.	P35.60	-P0.40	-1.11%
BDO	BDO Unibank, Inc.	P135.90	-P1.00	-0.73%
BPI	Bank of the Philippine Islands	P105.90	-P2.90	-2.67%
CNVRG	Converge ICT Solutions, Inc.	P10.68	-P0.12	-1.11%
DMC	DMCI Holdings, Inc.	P9.20	-P0.03	-0.33%
EMI	Emperador, Inc.	P20.95	+P0.05	+0.24%
GLO	Globe Telecom, Inc.	P1,810.00	+P6.00	+0.33%
GTCAP	GT Capital Holdings, Inc.	P500.00	-P8.00	-1.57%
ICT	International Container Terminal Services, Inc.	P198.40	——	
JFC	Jollibee Foods Corp.	P240.20	-P0.80	-0.33%
JGS	JG Summit Holdings, Inc.	P44.95	-P1.15	-2.49%
LTG	LT Group, Inc.	P9.62	+P0.09	+0.94%
MBT	Metropolitan Bank & Trust Co.	P54.70	-P1.25	-2.23%
MER	Manila Electric Co.	P328.00	-P3.60	-1.09%
MONDE	Monde Nissin Corp.	P8.20	+P0.20	+2.5%
MPI	Metro Pacific Investments Corp.	P4.96	+P0.01	+0.2%
PGOLD	Puregold Price Club, Inc.	P29.20	-P0.10	-0.34%
SCC	Semirara Mining and Power Corp.	P27.90	-P0.15	-0.53%
SM	SM Investments Corp.	P910.50	-P21.50	-2.31%
SMC	San Miguel Corp.	P106.50	-P0.50	-0.47%
SMPH	SM Prime Holdings, Inc.	P31.90	-P0.85	-2.6%
TEL	PLDT Inc.	P1,300.00	-P5.00	-0.38%
UBP	Union Bank of the Philippines	P74.70	-P0.30	-0.4%
URC	Universal Robina Corp.	P137.50	-P1.50	-1.08%
WLCON	Wilcon Depot, Inc.	P24.90	-P0.15	-0.6%

TV networks' ties seen to boost their finances

RECENT partnerships among television (TV) networks are expected to improve the media companies' financial performance and widen their audience reach, but questions remain such as on revenue sharing and content rights.

"For the past few years, the landscape of TV has really changed, and so there are businesses, including us, that have realized that to partner with people who or companies who are very good at their craft will also benefit us," TV5 Network, Inc. President and Chief Executive Officer Guido Xavier R. Zaballero told *BusinessWorld* in a recent interview.

"We are all running our businesses. At the end of the day, we are going to perform in terms of our profit-and-loss statements," he added.

Last month, ABS-CBN Corp. and TV5 forged a content supply agreement that will run for the next five years.

Mr. Zaballero said the longer contract is a way for both networks to show their commitment to each other. The networks' previous deal needed to be renewed every three or six months.

Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said the partnership could boost ABS-CBN's financial showing after the company lost its franchise.

"Following the loss of its franchise in 2020, ABS-CBN has indeed been adapting its operations to remain viable in the industry. One of the strategies they pursued was forming partnerships with other local networks, including GMA Network and TV5, to supply and share content," said Mr. Arce.

ABS-CBN has also inked several partnership deals with GMA Network, Inc. such as the one in January when they signed a co-producing deal for television and streaming provider Viu and the one signed in April, which allowed GMA to stream its programs via ABS-CBN International, Inc.'s iWantTFC.

"These partnerships allowed ABS-CBN to continue reaching a wider audience and maintain a presence in the broadcasting landscape," he added.

For Mr. Arce, the direction and extent of future collaborations will depend on factors such as the evolving media landscape, market conditions, and individual company strategies.

"However, it is not uncommon for media companies to engage in partnerships to leverage their resources and expand their reach," Mr. Arce said.

"On the positive side, collaborations can potentially lead to cost-sharing and reduced production expenses, as well as increased advertising revenues through broader distribution channels. Additionally, partnerships may allow companies to tap into new markets or audience segments, which could contribute to revenue growth," he said.

"On the other hand, partnerships can also involve complexities and challenges. Companies need to carefully navigate issues such as revenue sharing, content rights, and brand positioning. Furthermore, depending on the terms of the partnerships, there may be financial implications related to revenue sharing and investment commitments," he added.

Mr. Arce said the financial impact of these partnerships will vary depending on the specific agreements and will ultimately depend on the success of the joint projects, and the overall market dynamics.

FIRST-HALF SHOWING

Meanwhile, Mr. Zaballero said TV5's first-half results improved versus the prior year in terms of daily ratings and advertising revenues.

"I think what I can share right now is that our overall day ratings have improved. We are actually making a lot of improvements across most of the days in our ratings," said Mr. Zaballero.

TV5 is currently showing on its network ABS-CBN's TV programs such as "Batang Quiapo," "Iron Heart," and "Dirty Linen."

Aside from the five-year content supply agreement, TV5 and ABS-CBN have separate coproduction deals, which are seen to help the latter in populating specific time blocks.

Asked how the advertising revenues of the network performed over the past six months, Mr. Zaballero said: "Our advertising revenues improved versus [the] previous year. We have really seen an improvement across most of our day parts in which some showed double-digit improvement."

However, TV5 is still operating in the red, which Mr. Zaballero said the network is planning to turn around in the next few years.

"We have also seen an improvement in our revenue delivery. What's critical now for us is that we maintain our cost base because as the chairman has always expressed, the goal really is to bring TV5 to a point, of course, we want to be profitable," he said.

MediaQuest Holdings, Inc. operates TV5. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Justine Irish D. Tabile**

Delayed approvals blamed for transmission project delays

PRIVATELY owned National Grid Corp. of the Philippines (NGCP) has cited late issuance of regulatory approvals as one of the reasons for delayed transmission projects ahead of the power grid operator's commitment to complete two vital projects this year.

Aside from right-of-way issues, prolonged permitting procedures are also causing delays in the completion of NGCP's projects, which the company said is already beyond its control.

"Late issuance of regulatory approvals may also be a reason for implementation schedules outside of those proposed in the TDP (transmission development plan)," said Cynthia P. Alabanza, NGCP spokesperson, in a Viber message last week.

On Thursday, the Energy Regulatory Commission (ERC) issued a show-cause order against the company over delays in 37 transmission projects.

In an order promulgated on June 14 and issued July 4, the ERC said NGCP failed to meet its proposed timelines to complete the projects and directed the system operator to explain within 15 days from receipt why no administrative penalty should be imposed on it.

The ERC also cited the TDP submitted by NGCP to the Department of Energy that indicated only an 8% increase in the transmission network since it took over the system from the government in 2009.

Ms. Alabanza said the TDP only provides a roadmap of transmission projects and that the company has fully committed to prioritizing operationally critical projects that have a real impact on the energy system.

She said currently, only two projects may be considered as having an urgent operational impact, "both of which are at varying levels of energization and are expected to be completed within the year."

"The goal of NGCP, as a transmission service operator, is to provide stable bulk power delivery services with minimal impact to the consumer. The measure for the transmission grid operator's ability to manage the power system is the ERC's transmission performance indicators, implementation schedules notwithstanding. NGCP's past performance shows that it has by far, successfully managed the transmission grid," she said.

Ms. Alabanza said the NGCP will continue to pursue all of its projects while also expecting the government's full support. — **Ashley Erika O. Jose**

OUTLIER

MPIC rises after bidders increase tender offer price

SHARES in Metro Pacific Investments Corp. (MPIC) rose last week after the consortium of companies planning to take the company private increased their offered price to P5.20 per share.

Data from the Philippine Stock Exchange (PSE) showed MPIC ranking fourth in value turnover with P883.74-million worth of 178.30 million shares exchanging hands from July 3 to 7.

On July 4, the Pangilinan-led company requested a voluntary trading suspension to allow market participants to assess the recent moves of MPIC before transacting its common shares.

MPIC shares closed at P4.96 apiece on Friday, 4% higher than its June 30 close of P4.77.

Year to date, the stock has increased by 45%.

Analysts attributed the conglomerate's price movement to the increase in tender offer price per share.

"We attribute the gap up last Wednesday to investors pricing in the updated tender offer price of P5.20. Succeeding price action was muted, as it traded a tight range between P4.94 to P5.00," Rastine Mackie D. Mercado, research director at China Bank Securities Corp., said in an e-mail.

He said the price actions mirror investors' pricing in the updated tender offer price and prospects of the voluntary delisting plan pushing through.

"The spread between prevailing market prices and the tender offer price reflects other considerations such as transaction fees and holding period returns," he said.

Last week, the conglomerate pushed through with its plan to privatize the company after securing its board's approval.

The consortium of companies that will acquire MPIC has sent a higher tender offer price of P5.20 per share, 12.3% higher than the initial offer of P4.63 apiece. — **Abigail Marie P. Yraola**

FULL STORY

Read the full story by scanning the QR code or by typing the link <https://bit.ly/3pNlaaq>

SEC tells lending firms: Submit basic credit data

THE Securities and Exchange Commission (SEC) has required financing and lending companies to register with Credit Information Corp. (CIC) and submit regulatory requirements after several entities have notably been using unfair debt-collecting practices.

In a notice issued by the regulator, it ordered financing and lending companies that operate online lending platforms and applications to submit the requirements under Republic Act (RA) No. 8556 or the Financing Company Act of 1998 and RA 9474 or the Lending Company Regulation Act of 2007.

"There is a need to improve differentiation among borrowers, and ensure that the creditworthiness of borrowers is the primary consideration for the pricing of the loan products offered," the SEC said.

CIC is mandated to receive and consolidate basic credit data and act as a central registry for credit information. It provides access to credit history information and the financial condition of a borrower.

The SEC said that to date, about 146 lending and financing firms have registered and have reported their online lending platforms or applications.

The SEC order comes after several entities have been noted to use abusive or threatening debt-collecting practices to their debtors.

A joint operation between the SEC Task Force on Online Lending Application and the Philippine National Police Anti-Cybercrime Group executed on May 16 resulted in the arrest of eight individuals identified as operators, managers, employees, and agents of an entity in Pasig City.

Under the financing company law, entities engaged in abusive debt collection practices may now be criminally prosecuted for violating Section 8(d) of RA 8556. Financial service providers as well as their collection agents and representatives are prohibited from using abusive collection or debt recovery practices against their consumers.

Additionally, violators of the law will be penalized with a maximum fine of P2 million or up to five years of imprisonment, or both. — **Adrian H. Halili**

Telco tower sale expected to cut costs, boost competition

THE SALE of inactive tower assets by mobile network operators (MNOs) will result in more carrier-neutral cell towers and lower costs to consumers, said advocacy coalition Better Internet PH.

Mary Grace Mirandilla-Santos, the lead advocate for Better Internet PH, said the divestment by MNOs of these assets "is something that's happening globally."

"If we are to look at what's happening in other countries, the practice is that the MNOs will now focus on active infrastructure," she said in a chance interview.

Ms. Mirandilla-Santos said the move lets MNOs be more concerned about the quality of services, the speed, or coverage.

"Then, the tower assets will now be managed and operated by an independent power entity," she said, describing the move as a "global best practice."

She said under an independent entity, the business model will be different because tower companies will be more profitable if there are multiple operators attaching their equipment.

"Ideally, this will result in more competition. So, in a location, you can have multiple operators coming in because there's a tower already there. This practice will ideally result in more competition, thereby better services and lower costs," she added.

Carrier-neutral towers allow multiple MNOs to share the tower and serve the communities.

"Because the asset is shared, it's supposed to lower the cost for the operators. Therefore, we should expect lower costs to be passed on to the consumers," she said.

Ms. Mirandilla-Santos said these benefits are the reason why the group is pushing for the passage of the Open Access bill that will institutionalize the Department of Information and Communications Technology's (DICT) Common Tower Policy.

She said the Open Access bill has a provision where passive infrastructure, including towers, poles, and underground ducts, can be shared by multiple broadband operators.

The common use of telecommunications infrastructure aside from towers will push for business and economic activities through the deployment of fiber broadband.

"And to do that, you need to make sure that it's easier and more affordable to deploy fiber broadband cables in those communities," she said.

"So, if you have shared underground, where different fiber broadband operators can actually put in their fiber inside those ducts, sharing the cost, sharing also the right of way, then we can expect that it's not only more efficient, and more affordable, it will also lessen the disruption to the communities," she added.

Ms. Mirandilla-Santos said the Open Access bill will provide a policy framework that the DICT and the National Telecommunications Commission can use to put out guidelines for sharing passive infrastructure. — **Justine Irish D. Tabile**