

Philippine Stock Exchange index (PSEi)

6,094.71

▲53.67 PTS.

▲0.88%

THURSDAY, SEPTEMBER 21, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P613.00 +P3.00 +0.49%	ACEN ACEN Corp. P4.70 ---	AEV Aboitiz Equity Ventures, Inc. P45.80 -P0.20 -0.43%	AGI Alliance Global Group, Inc. P12.50 -P0.08 -0.64%	ALI Ayala Land, Inc. P27.50 +P0.70 +2.61%	AP Aboitiz Power Corp. P30.00 -P0.75 -2.44%	BDO BDO Unibank, Inc. P131.00 +P3.20 +2.5%	BPI Bank of the Philippine Islands P107.00 ---	CNVRG Converge ICT Solutions, Inc. P8.52 -P0.28 -3.18%	DMC DMCI Holdings, Inc. P10.20 -P0.24 -2.3%
EMI Emperador, Inc. P20.95 ---	GLO Globe Telecom, Inc. P1,775.00 +P3.00 +0.17%	GTCAP GT Capital Holdings, Inc. P561.50 -P8.50 -1.49%	ICT International Container Terminal Services, Inc. P202.80 -P1.20 -0.59%	JFC Jollibee Foods Corp. P226.20 +P1.00 +0.44%	JGS JG Summit Holdings, Inc. P35.75 +P0.70 +2%	LTG LT Group, Inc. P8.93 ---	MBT Metropolitan Bank & Trust Co. P53.50 +P0.95 +1.81%	MER Manila Electric Co. P363.80 +P1.40 +0.39%	MONDE Monde Nissin Corp. P8.81 +P0.37 +4.38%
MPI Metro Pacific Investments Corp. P5.10 -P0.01 -0.2%	PGOLD Puregold Price Club, Inc. P28.90 ---	SCC Semirara Mining and Power Corp. P35.00 -P0.25 -0.71%	SM SM Investments Corp. P793.50 +P4.00 +0.51%	SMC San Miguel Corp. P105.00 -P0.90 -0.85%	SMPH SM Prime Holdings, Inc. P29.95 +P1.00 +3.45%	TEL PLDT Inc. P1,155.00 +P17.00 +1.49%	UBP Union Bank of the Philippines P69.20 -P0.60 -0.86%	URC Universal Robina Corp. P113.90 +P0.90 +0.8%	WLCON Wilcon Depot, Inc. P21.90 +P0.05 +0.23%

Maynilad studies ceramic-based filtration solutions to treat water

MAYNILAD Water Services, Inc. is tapping a foreign expert to explore advanced filtration solutions to treat deteriorated water quality, particularly in Laguna Lake.

"We have started in choosing and making a distinct trial for this advanced membrane technologies, so we're doing a pilot now," Ramoncito S. Fernandez, president and chief executive officer of Maynilad, said in BusinessWorld One-on-One interview.

Maynilad, the water concessionaire for most of Metro Manila's west zone and areas in Cavite province, plans to use a new membrane technology for rapid sand filtration called ceramic ultrafiltration (UF) membrane.

The technology will allow the company to operate with less pre-treatment, resulting in lower chemical costs.

"[We're] looking forward to more of this because as we all know, the water quality has to be addressed and also the changes in climate patterns are supposed to be addressed," he added.

The interview with Mr. Fernandez will be streamed on *BusinessWorld* and the *Philippine Star's* Facebook pages, as well as the BusinessWorldTV Youtube page on Sept. 22.

Maynilad's ceramic ultrafiltration has a longer life span of around 20 years compared with the conventional polymeric UF membrane's five years that it currently uses for treating raw water from Laguna Lake.

The company has entered into a purchase agreement with a local consortium that will tap US-based company Nanostone Water, Inc.'s ceramic manufacturing facility in Germany.

"We're looking at the ceramic membrane technology. We're also looking at other technologies like iron ionization," Mr. Fernandez said.

The Metropolitan Waterworks and Sewerage System is currently reviewing the agreement to ensure it is "a prudent and efficient way" to deliver water to customers.

Meanwhile, Mr. Fernandez said that he is bullish that the company would end the year with better results. Maynilad plans to spend P26 billion this year and another P30 billion next year on infrastructure projects.

He said the plan is to push capital expenditure and infrastructure investments to obtain "service improvement in our obligations."

In November last year, Maynilad announced that it was planning to invest around P163 billion from 2023 to 2027 in infrastructure projects.

Mr. Fernandez said that part of Maynilad's business plan is to sustain its services to its coverage area with the projected increase in population and demand.

"We are on stream to move to 2024 with volume increases relative to the population growth and demand increase with the economic activity more intense,

especially from the commercial and industrial sectors," he said.

BRACING FOR EL NIÑO

With the onset of the El Niño phenomenon, Mr. Fernandez said that among the preparations to mitigate the impact of reduced allocation is commissioning modular treatment plants that use local rivers as a source of raw water, as well as fast-tracking pipe replacement.

Maynilad is constructing four facilities in Cavite — two each in the cities of Imus and Bacoor — worth P3.2 billion in investments that will have a combined water output

of 47 million liters per day (MLD).

"We are also reactivating deep wells and also commissioning new ones," Mr. Fernandez said, adding that the move is a "temporary solution" since deep wells are not a sustainable water source for the Philippines.

In June, Maynilad said that it was spending P1 billion to reactivate deep wells in Caloocan, Quezon City, Las Piñas, Muntinlupa, Parañaque, Bacoor, Cavite City, Kawit, and Imus. It is expected to provide 32-MLD additional supply to some 175,000 customers.

Among its latest innovations is its "new water" treatment plants, which convert treated used water from sewerage treatment plants into potable water.

"Maynilad is the first utility in the Philippines to successfully attempt the conversion of used water to drinking water,"

Mr. Fernandez said in a mix of English and Filipino.

Maynilad's "new water" facility in Parañaque currently produces 5 MLD. The company is targeting to complete building six facilities to reach 97 MLD to supply the needs of almost 400,000 customers.

Meanwhile, Mr. Fernandez said the company "fully supports" the proposed creation of the Department of Water as it will "orchestrate" and "push" flagship projects.

"Basically, its objective is to implement the much-needed institutional reforms, then bring cohesion to our flagship projects, especially in a fragmented water and water sanitation sectors," he said.

Maynilad serves Manila, except portions of San Andres and Sta. Ana. It also operates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon.

It also supplies the cities of Cavite, Bacoor, and Imus, and the towns of Kawit, Noveleta, and Rosario, all in Cavite province.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldene Joy Talavera**

Businesses see the Philippines as key entry to Southeast Asia

BUSINESSES see the Philippines as a key target for entering the Southeast Asian market due to competitive wages and the opportunity to develop and test new products and solutions, a study issued by HSBC Bank plc said.

Of the 3,509 businesses surveyed in the study, 21% of those without a current Philippine presence said they plan to enter the market over the next two years.

The Philippines ranked third in Southeast Asia, along with Indonesia and Malaysia, at 25%.

Meanwhile, 19% of those already active in the Philippines said they plan to prioritize expanding their operations in the country over the next two years.

The businesses also expect sales in the region to grow by 23.2% over the next 12 months, higher than the 20.1% forecast from last year's survey.

"These findings confirm what we have been seeing from our own customers: that businesses around the world are increasingly confident about scaling up in Southeast Asia, especially the Philippines," HSBC Philippines President and Chief Executive Officer Sandeep Uppal said in a statement.

"We are on fertile ground and as excited as our clients about the growth prospects of the Philippines and in Southeast Asia and focused on connecting local and international businesses in this dynamic region to opportunities across the globe," he added.

"Competitive wage prices and the opportunity to develop and test new products and solutions ranked equally as the key drivers for business expansion, with 28% of firms with operations in the Philippines selecting each attribute," the study said.

The foreign companies also cited a supportive government and regulatory environment (27%), increasing domestic consumer income/wealth (27%), and growing digital economy (26%).

However, only 29% of the firms with exposure in the country "expect substantially increased economic growth through technology in the

coming 10 years" due to a lack of skilled personnel to drive implementation.

The study also showed that 31% of the surveyed firms saw macro-economic issues and cultural differences as the top challenges in conducting business.

The report mentioned economic challenges such as inflation and high interest rates and cultural issues such as language and ways of doing business.

"The top sustainability concerns for businesses operating in the Philippines remain unchanged from our 2022 survey, with 40% selecting tackling climate change and improving human rights as the most important issues to address," HSBC said.

Less than half, or 45% of businesses with operations in the Philippines are reviewing the sustainability credentials of their suppliers, making this the top priority on the sustainability agenda.

Both nature-positive supply chains and reviewing the use of energy, plastic and water resources (43%) are also a focus of the respondents.

In terms of policy, 27% of the respondents said there is a lack of subsidies or government support, while 28% said new regulations on carbon reduction could impact their business.

"Our survey demonstrates that international businesses are accelerating their growth in the ASEAN region. To do so, they are embracing M&A (mergers and acquisition) activity, expanding into new markets, and investing heavily in technological innovation. The Philippines appeals to international businesses on both the supply and demand side making it one of the top new destinations in the region for those planning market expansion," the report said.

The study was conducted from July 25 to Aug. 2, surveying firms from major markets including China, India, the United Kingdom, France, Germany, the US, Australia, Hong Kong, the United Arab Emirates, Saudi Arabia, Bahrain, Qatar, Oman, and Kuwait. — **Aaron Michael C. Sy**

SteelAsia's P19.3-B mill endorsed for green lane

THE Department of Trade and Industry (DTI) endorsed the P19.3 billion section mill project of steel manufacturer SteelAsia Lemery Works, Inc. for green lane.

"Green lane will be very helpful to the company. We consider it as a 'win' for the country and we will convert this privilege into action," said Benjamin Yao, chairman and chief executive officer of SteelAsia, in a statement.

In a press release, the DTI said that the 500,000-metric ton

project was endorsed through the Board of Investment's (BoI) one-stop action center for strategic investments.

The project is expected to start its operation in July next year and to employ personnel and workers from the host town and nearby areas.

It involves the greenfield design, erection and commissioning of a hot-rolling production line with an upstream integrated recycling-based steelmaking.

According to the BoI, the country has ranked 20th among the top importers of steel globally due to the lack of steel manufacturing players in the country.

In 2022, the Philippines imported around \$5.25 billion worth of steel.

"Local steel manufacturing is deemed insufficient to address the growing demand for the product, especially with the increasing consumption of sections from

both infrastructure projects and private developments," the BoI said.

SteelAsia's project is seen to offer an import-substitution strategy that will target the domestic market for the sale of the mill's output.

Using electric arc furnace technology, the plant will manufacture steel sections such as H-beams, I-beams, I-channels, and unequal leg angle bars. — **Justine Irish D. Tabile**

Eastern Communications to provide connectivity to Digital Edge's data center



EASTERN COMMUNICATIONS has partnered with a Singapore-based data center company Digital Edge to provide connectivity solutions to the latter's data centers.

"Our recent partnership with Digital Edge is aligned with our strategic plan to expand hyperscale data center services to Philippine businesses. This collaboration allows us to provide robust connectivity solutions at NARRA1 and gradually improve our overall data center capabilities to meet both local

and global market demands," said Eastern Communications Vice-President and Head of Sales Michael Castañeda.

This partnership aims to also accelerate the growing demand for digital infrastructure in the country, Eastern Communications said.

The telecommunications and ICT solutions company said it also targets to advance hyperscale and data services by co-locating at Digital Edge's NARRA1 — its largest opera-

tional data center located at Laguna Technopark.

"Through this partnership, customers can take advantage of a breadth of choices from various network service options, flexible colocation solutions, interconnected platform services, and a dedicated customer support team," Eastern Communications said.

Mr. Castañeda said that the company will continue to enter partnerships to help attain its goal of digital infrastructure transformation.

"As the largest carrier-neutral data center operator in the Philippines, partnerships like this one are vital for building a diverse digital ecosystem that enables our customers to thrive," Digital Edge Country Manager for the Philippines Victor F. Barrios said.

"We look forward to working with Eastern to provide a range of interconnection solutions at our NARRA1 facility that will further enhance Manila's critical digital infrastructure," he added. — **Ashley Erika O. Jose**