

Inflation,
from S1/1

Makoto Tsuchiya, an economist from Oxford Economics, said in an e-mail that inflation may have climbed to 3.1% in February.

“Despite likely lower price momentum, less favorable base effects will push up the annual rate,” he said. “This will prompt the BSP to stay put at the next meeting, as the central bank carefully assesses where prices are heading to amid geopolitical and weather-related events.”

The BSP is trying to strike a delicate balancing act to support an economy that is expected to grow by 6.5-7.5% this year, while ensuring that any interest rate decisions do not stoke inflation or put pressure on the peso and lead to capital outflows.

The BSP kept the key rate at 6.5% — the highest in nearly 17 years — for a third straight meeting at its Feb. 15 meeting. The BSP was one of the most aggressive in the region, hiking the policy rate by 450 basis points (bps) from May 2022 to October 2023.

“For the year as a whole, we expect inflation to average 3.5%. Risks are tilted towards the upside given the uncertainty over the supply chain disruptions and the extent of the minimum wage hikes,” Mr. Tsuchiya said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said inflation may have picked up to 3% in February and in the coming months due to easing base effects and El Niño risks, which could reduce rice production.

However, barring any supply-side shocks, inflation may stay within the 2-4% target for the whole year.

Meanwhile, the high cost of rice may remain one of the main drivers of inflation this year, ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

“We understand that we are now experiencing El Niño, however, we note that other crops appear to have prices either falling or more behaved. If authorities can find a way to lower the cost of rice, we could see inflation well under control,” he said.

Authorities have been wary over the impact of El Niño on the agriculture sector, which is expected to intensify until May.

“As for policy, we expect BSP to remain on hold for as long as the Fed opts to keep rates unchanged and cut as soon as the Fed does,” Mr. Mapa said.

The US Federal Reserve raised its policy rate by 525 bps to 5.25-5.5% from March 2022 to July 2023. Fed members earlier said they want convincing evidence that inflation would sustain its downturn before they consider cutting borrowing costs.

BSP Governor Eli M. Remolona, Jr. has also said the Monetary Board will likely consider cutting borrowing costs in the second half, but it may need to keep rates tight in the first half amid risks to the inflation outlook.

The Monetary Board will have its second policy review on April 4. — **Keisha B. Ta-asan**

Maharlika,
from S1/1

The MIC has an authorized capital stock of P500 billion. Its initial capital of P125 billion comes from contributions from the Land Bank of the Philippines (P50 billion), Development Bank of the Philippines (P25 billion) and the National Government (P50 billion).

In July last year, President Ferdinand R. Marcos, Jr. signed into law Republic Act No. 11954, which created the Maharlika Investment Fund, the Philippines’ first sovereign wealth fund. — **Luisa Maria Jacinta C. Jocson**



PHILIPPINE STAR/EDD GUMBAN

MWSS,
from S1/1

If the water allocation is lower than 50 cms, Mr. Dizon said this may result in “reduction in water pressure and some interruption for minimal hours in some areas, especially at high elevated areas.”

He said the MWSS and its water concessionaires have prepared augmentation measures through water treatment plants and deep wells that will provide additional water supply.

Maynilad Water Services, Inc. and Manila Water Co, Inc., said if the allocation would be reduced to 48 cms, they may make some adjustments to ensure continuous water supply for their customers.

“We would have to make some system adjustments so that service levels would not be unduly affected. At most, pressure management would be done to manage supply distribution and losses,” Jennifer C. Rufo, head of Maynilad’s corporate communications, said in a Viber message.

She said Maynilad can meet the water requirements of its customers due to the supply generated from its augmentation projects.

Dittie L. Galang, head of Manila Water’s corporate communications, said that the company may implement pressure reduction during off-peak demand hours.

“Manila Water has been planning for contingencies way ahead of the onset... through regular maintenance of facilities, water lines and equipment and continuous non-revenue water... recovery through aggressive leak repairs

and pipe replacement projects,” she said in a Viber message.

However, customers in Metro Manila may expect water service interruptions if the water allocation were reduced to 46 cms.

“Ultimately, the impact will also depend on the level of demand, reason why we encourage all consumers to manage their water consumption as early as now. Prioritize water use for activities that are critical for maintaining health and sanitation,” Ms. Rufo said.

Manila Water serves the east zone network of Metro Manila, covering parts of Marikina, Pasig, Makati, Taguig, Pateros, Mandaluyong, San Juan, portions of Quezon City and Manila, and several towns in Rizal province.

Maynilad serves the cities of Manila, except 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.

MREIT says income hits P2.8 billion

MEGAWORLD Corp.’s MREIT, Inc. said on Thursday that it recorded a 13% jump in its distributable net income to P2.8 billion last year from P2.5 billion in 2022 due to higher revenues.

The Tan-led real estate investment trust company saw a 14% increase in revenues to P4.2 billion, led by the full-year contribution of four additional Grade-A office towers from January 2023, as well as steady rental escalations among current tenants, it said in a stock exchange disclosure.

MREIT ended 2023 with a 96% occupancy rate, exceeding

Metro Manila office industry’s average occupancy rate of around 81% to 82%, based on figures from property consultants.

“MREIT’s success in 2023 reflects the quality of our assets and our strong tenant relationships. Our approach to focusing on top-tier properties within Megaworld townships was crucial to our unparalleled success, allowing us to maintain elevated occupancy rates and keeping our growth momentum through the year,” MREIT President and CEO Kevin L. Tan said.

Mr. Tan said that MREIT is looking to expand its portfolio this year.

“As we look ahead, the focus on growth and quality will continue to be the pillars of our company. We are actively working on expanding our portfolio through the strategic asset acquisition announced last year, allowing MREIT to remain at the forefront of the industry in delivering sustained value to our stakeholders,” he said.

MREIT’s portfolio covers 18 office properties to date. These are 1800 Eastwood Ave., 1880 Eastwood Ave., and E-Commerce Plaza in Eastwood City; One World Square, Two World Square,

Three World Square, 8/10 Upper McKinley, 18/20 Upper McKinley, and World Finance Plaza in McKinley Hill.

Also included in the company’s portfolio are One Techno Place, Two Techno Place, Three Techno Place, One Global Center, Two Global Center, Festive Walk 1B, and Richmond Tower in Iloilo Business Park; and One West Campus and Five West Campus in McKinley West.

On Thursday, MREIT shares fell by 0.61% or eight centavos to P13.10 apiece. — **Revin Mikhael D. Ochave**

IMI, Lithos Energy seal manufacturing partnership

AYALA-LED INTEGRATED Micro-Electronics, Inc. (IMI) has partnered with US-based lithium-ion battery systems manufacturer Lithos Energy, Inc. to produce electronics systems for the latter’s battery products in the Philippines.

In a statement on Thursday, IMI said that mass production of the electronics systems for Lithos Energy’s battery products is projected to begin by the fourth quarter.

“We look forward to such an amazing collaboration to help bring their innovative battery systems to the world. This partnership aligns with our commitment to supporting world-leading manufacturers in their growth and sustainability efforts while providing high-quality manufacturing services,” IMI Chief Executive Officer Arthur R. Tan said.

“It will be our small but meaningful contribution in boosting our country’s economic recovery and help provide more jobs,” he added.

The manufacturing collaboration between IMI and Lithos Energy involves the design for manufacturability to ensure high volume consistency, manufacturing of printed circuit boards, box builds and the solid global footprint that will allow regional expansion in the marketplace.

In 2023, Lithos Energy introduced its latest generation of high voltage and low voltage battery pack solutions at its Silicon Valley production facility.

The company manufactures various battery packs and is developing next-generation technology for industry-leading original equipment manufacturers.

“We are very pleased to have found the right partner in IMI. Their manufacturing experience and proven performance with electrified products will further accelerate Lithos’ capacity expansion,” Lithos Energy CEO James Meredith said.

“We’re excited to launch this relationship and, together, build a cleaner electrified future for the construction, mining, marine, and off-road industries,” he added.

IMI, the manufacturing arm of AC Industrial Technology Holdings, Inc., is a wholly owned subsidiary of Ayala Corp. The company produces electronics for various markets such as automotive, industrial electronics, and aerospace.

On Thursday, IMI shares closed unchanged at P2.48 apiece. — **Revin Mikhael D. Ochave**

AyalaLand Logistics sees higher revenue for 2024 with project milestones

AYALALAND LOGISTICS Holdings Corp. (ALLHC), a subsidiary of Ayala Land, Inc., announced on Thursday that it anticipates completing at least four projects within the year, aiming to boost the company’s revenue.

“ALLHC will further augment growth with the construction of a warehouse facility in Metro Manila, a cold storage facility in Luzon, and two more in the Visayas, and Mindanao regions within the year. All these are efforts of increasing the company’s recurring revenue businesses,” the company said in a statement.

ALLHC is also undertaking development work for its two industrial township projects: the Pampanga Technopark and Batangas Technopark.

“Anchored by the industrial parks, both developments will integrate commercial and mixed-use components such as transport terminals, gas stations, retail and quick service restaurants, and a *bagsakan* or agricultural wholesale market,” the company said.

Without disclosing comparative figures, ALLHC said it booked a net income of P635 million covering the 2023 period.

Ayala Land, Inc. recorded consolidated revenues of P3.51 billion last year.

Based on its previously disclosed financial statements, the company reported an attributable net income of P354.13 million for January to September last year, down by 37.4% from P565.36 million in the same period earlier. Its gross revenue for the nine-month period reached P2.14 billion, marking a 22.2% decline from the P2.75 billion previously.

The demand for industrial lots remained strong in 2023 which allowed the company to sell a total gross revenue of a record high of P2.6 billion for the period, the company said.

“In 2023, focus was placed on laying the groundwork for our ongoing and upcoming endeavors. We maintain a strong belief in the potential of our ongoing projects in our pipeline. The projects underway position


us well for growth, and their continued progress affirms our positive outlook for 2024 and the coming years,” said Robert S. Lao, president and chief executive officer of ALLHC.

Its industrial lot sales logged P1.55 billion revenues, marking a 34% decline from the previous year, pulled by the ongoing development works for its industrial estates in April.

Warehouse leasing revenues reached P659 million, up by 2%, the company said, adding that it was able to end 2023 with a total of 314,000 square meters of warehouse gross leasable area.

Cold storage revenues climbed by 46% to P176 million due to the full year operations of its ALogis Artico Mandaue and the overall higher occupancy rate.

“Our future deliveries enable us to follow through on our commitment to expand not just our network of Industrial properties nationwide but also our industry presence,” Mr. Lao said. — **Ashley Erika O. Jose**



Power Maintenance Updates

by **MERALCO ADVISORY**

The following are scheduled power interruptions necessary for the regular maintenance and upgrade of our power distribution facilities, to ensure the delivery of safe and reliable electricity to your areas. Rest assured that Meralco is doing everything to quickly restore your electricity according to schedule.

SUNDAY TO MONDAY, MARCH 3 - 4, 2024
<p>VALENZUELA CITY (MALINTA) BETWEEN 10:00PM AND 10:30PM (SUN., 03/03/24) AND THEN BETWEEN 3:30AM AND 4:00AM (MON., 03/04/24) – PORTION OF CIRCUIT MALINTA 44YB Portion of MacArthur Highway from Malinta Bridge to and including Capri Bldg. BETWEEN 10:00PM (SUN., 03/03/24) AND 4:00AM (MON., 03/04/24) – PORTION OF CIRCUIT MALINTA 44YB Portion of Maysan Road from MacArthur Highway to and including Llenado Compound and St. Luis Compound, and Christian Gospel Center. REASON: Line reconstruction work along MacArthur Highway in Bgy. Malinta, Valenzuela City.</p>
MONDAY, MARCH 4, 2024
<p>PASIG CITY (CANIOGAN) BETWEEN 10:00AM AND 3:00PM – PORTION OF CIRCUIT HILLCREST 423VZ The whole of United Glorietta Subd. REASON: Line reconducting work in United Glorietta Subd., Bgy. Caniogan, Pasig City.</p>
TUESDAY, MARCH 5, 2024
<p>LAGUNA (BIÑAN CITY) BETWEEN 10:00AM AND 2:00PM – PORTION OF CIRCUIT SOUTHWOODS 414SOU Portion of South Road from Su Won Garden Korean Restaurant in Silmer Village to and including Merifo Subd., San Agustin Village and Juana Complex Subd. Phase 6 in Bgy. San Francisco. REASON: Installation and retirement of facilities; and line maintenance work inside San Agustin Village and Juana Complex Subd. Phase 6 in Bgy. San Francisco, Biñan City, Laguna.</p>
TUESDAY TO WEDNESDAY, MARCH 5 - 6, 2024
<p>QUEZON CITY (BALINGASA AND APOLONIO SAMSON) BETWEEN 11:00PM (TUE., 03/05/24) AND 6:00AM (WED., 03/06/24) – PORTION OF CIRCUIT BANAWÉ 425BNW Portion of Balingasa Road: J. Aquino Cruz and Joy Sts. from A. Bonifacio Ave. to near Apacible St. including Grace Village, Bellevue Subd., M. Y. Homes, Sitio Tibagan and Marvex Legacy Homes; Acacia, Atis, Duhat, Guyabano, Harmony, Hope, Ipi-Ipi, Kakawate, Kamias, Langka, Macopa, Mangga, Mangsteen, Marvex, Molave, Narra Alley, Santol, Sto. Cristo and Yakal Sts.; Autokid Subic Trading Corp. (ASTC), Binondo Food Corp., Dei Skin Cosmetics & Drugs Laboratory Inc., Dynaplas Inc., Fedchem Mfg. & Distribution Inc., Grace Christian Church of the Philippines, Grace Christian College, JC Lucas Creative Products Inc., Regan Industrial Sales Inc., Star Paper Corp., Sycwin Coating & Wires Inc., Una Wire Products Inc., Valmarce Food Marketing Corp. and Avida Towers Cloverleaf in Bgys. Balingasa and Apolonio Samson. REASON: Line reconducting work and replacement of poles along J. Aquino Cruz St. and Balingasa Road in Bgy. Balingasa, Quezon City.</p>
THURSDAY TO FRIDAY, MARCH 7 - 8, 2024
<p>VALENZUELA CITY (BIGNAY) BETWEEN 11:00PM (THU., 03/07/24) AND 4:00AM (FRI., 03/08/24) – PORTION OF CIRCUIT CAMARIN 430TC Sam Lim Corporation along Bagumbong Road. REASON: Line maintenance work and relocation of facilities along Bagumbong Road in Bgy. Bignay, Valenzuela City.</p>

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