

Philippine Stock Exchange index (PSEi)

6,571.60

▼48.29 PTS.

▼0.72%

MONDAY, MAY 27, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P620.00 +P3.00 +0.49%	ACEN ACEN Corp. P4.99 -P0.02 -0.4%	AEV Aboitiz Equity Ventures, Inc. P37.70 ---	AGI Alliance Global Group, Inc. P8.95 -P0.13 -1.43%	ALI Ayala Land, Inc. P28.45 -P0.40 -1.39%	BDO BDO Unibank, Inc. P135.00 -P0.70 -0.52%	BLOOM Bloomberry Resorts Corp. P10.82 +P0.02 +0.19%	BPI Bank of the Philippine Islands P121.10 -P1.90 -1.54%	CNPF Century Pacific Food, Inc. P36.00 -P0.05 -0.14%	CNVRG Converge ICT Solutions, Inc. P10.30 -P0.38 -3.56%
DMC DMCI Holdings, Inc. P11.04 +P0.04 +0.36%	EMI Emperador, Inc. P18.74 +P0.10 +0.54%	GLO Globe Telecom, Inc. P2,000.00 -P6.00 -0.3%	GTCAP GT Capital Holdings, Inc. P624.00 +P2.00 +0.32%	ICT International Container Terminal Services, Inc. P350.00 -P3.00 -0.85%	JFC Jollibee Foods Corp. P229.80 -P0.20 -0.09%	JGS JG Summit Holdings, Inc. P32.10 +P0.10 +0.31%	LTG LT Group, Inc. P10.20 -P0.02 -0.2%	MBT Metropolitan Bank & Trust Co. P68.00 -P1.00 -1.45%	MER Manila Electric Co. P371.60 +P2.60 +0.7%
MONDE Monde Nissin Corp. P11.24 +P0.24 +2.18%	NIKL Nickel Asia Corp. P4.03 -P0.26 -6.06%	PGOLD Puregold Price Club, Inc. P24.60 ---	SCC Semirara Mining and Power Corp. P33.20 +P0.15 +0.45%	SM SM Investments Corp. P880.00 -P16.00 -1.79%	SMC San Miguel Corp. P102.90 +P0.60 +0.59%	SMPH SM Prime Holdings, Inc. P27.20 -P0.30 -1.09%	TEL PLDT Inc. P1,408.00 -P12.00 -0.85%	URC Universal Robina Corp. P108.00 +P0.10 +0.09%	WLCON Wilcon Depot, Inc. P19.00 -P0.46 -2.36%

Web attacks on PHL companies more than triple

ONLINE attacks targeting Philippine companies more than tripled last year from 2022, Kaspersky said on Monday, highlighting the urgency of boosting cyber defenses against web threats that can reverse the benefits of digitalization.

In a statement, the global cybersecurity company said the number of web threats on local companies jumped to 1.69 million in 2023 from almost 500,000 a year earlier.

Web threats detected and blocked among Southeast Asian

companies only increased by 0.03% to 13.34 million.

These numbers were calculated using Kaspersky's business-to-business products installed in companies of various sizes, it said.

Cybercriminals launched an average of 36,552 daily online attacks targeting businesses in the region last year, Kaspersky said, adding that the growth in the region's digital economies has opened opportunities for both people and companies.

"As most governments in the region build and boost their policies to foster their digital economy and infrastructure, it is urgent for local businesses to prioritize strengthening their cyber defenses against threats lurking online which can hamper their efforts to harness the benefits digitalization brings about," Yeo Siang Tiong, general manager for Southeast Asia at Kaspersky, said in the statement.

Web-based or online threats are a category of cybersecurity risks

that may cause an undesirable event or action via the internet.

Web threats occur through end-user vulnerabilities, web service operators and web services themselves.

"Regardless of intent or cause, the consequences of a web threat may damage both individuals and organizations," Kaspersky said.

Singaporean companies faced 86% more web threats last year at 1.65 million, while Thai companies had a 24% jump to 1.53 million, it said.

On the other hand, web threats on Indonesian companies fell by 23% to 4.97 million, while Malaysian businesses had 15% fewer attacks at 1.54 million. Vietnamese companies had 21% fewer attacks at 1.96 million.

Mr. Yeo expects companies to take their cybersecurity a step forward beyond installing basic firewalls and endpoint solutions this year.

"With the massive data all types of organizations are handling now and the immense reputational and financial damages an attack can result in, an adaptive

and intelligence-led security solutions and service portfolio is the need of the hour," he said.

Kaspersky cited a 2023 PwC study that found that 28% of businesses in the region confirmed that they were more exposed to cyberattacks because of their digitalization efforts.

"The external pressure to disclose cyber-incidents and comply with cybersecurity practices is also higher now for 16% of the respondents surveyed," Kaspersky said. — **Aubrey Rose A. Inosante**

Meralco eyes bids for 500MW of RE capacity

MANILA Electric Co. (Meralco) on Monday said it has started seeking bids for 500 megawatts (MW) of renewable energy (RE) capacity to comply with a state requirement.

In a statement on Monday, the power distributor said the competitive selection process is pursuant to the Energy department's policy on renewable portfolio standards.

It also "forms part of Meralco's commitment to source an increasing portion of its supply requirements from RE sources," it added.

The renewable portfolio standards mandate distribution utilities, generation companies and retail electricity suppliers to get a portion of their energy supply from eligible renewable energy sources.

In 2022, the Department of Energy raised the share requirement of on-grid power suppliers to 2.52% from 1%.

The 10-year power supply agreement resulting from the competitive selection process will cover Meralco's 350-MW mid-merit requirement starting February 2025, which will increase by 150 MW a year later.



PHILSTAR FILE PHOTO

The government requires distribution utilities to choose the cheapest electricity supply via a competitive bid. Bidders have until June 7 to express interest.

A pre-bid conference will be held on June 17, while the deadline to submit bids was set for July 17.

"As part of its long-term sustainability strategy, Meralco has already contracted 1,880 MW of RE capacity from various suppliers, exceeding its initial target of 1,500 MW," the company said.

Renewable energy is expected to account for 22% of Meralco's supply portfolio by 2030.

Meralco has failed to secure bids for its 260-MW peak requirement in the absence of interest for the second round of the competitive selection process.

Based on the rules of the Energy Regulatory Commission, the company may engage in negotiated procurement after two failed bids, Meralco said.

Meralco negotiated with San Roque Hydropower, Inc., one of the bidders in the first round, for the supply.

But Meralco said San Roque Hydropower withdrew because "will not be able to generate the required portion of the target 260-MW peaking capacity due to El Niño."

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by 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. — **Sheldeen Joy Talavera**

Philippine companies told to 'bake' ESG into their operations

By **Revin Mikhael D. Ochave**
Reporter

PHILIPPINE companies should start adopting environmental, social, and governance (ESG) practices to thrive, according to an IBM Consulting official.

ESG is "no longer a choice but a necessity for Philippine businesses to thrive in today's environment," Arun Biswas, IBM Consulting managing partner for Asia-Pacific strategic sales and sustainability consulting, said in an e-mailed reply to questions.

"Prioritizing ESG helps organizations operate in accordance with regulations, identify potential opportunities and risks and act in the best interest of their stakeholders," he added.

Three-quarters of executives agree that sustainability drives better business results, while 72% view ESG as a revenue enabler, he said, citing an IBM Institute for Business Value study published on Feb. 27.

The study, co-authored by Mr. Biswas, was based on a survey done in the second half of 2023 covering 5,000 C-suite executives across 22 industries and 22 countries, including the Philippines.

Mr. Biswas said IBM Consulting has seen growing interest from Philippine clients on how to use technology to address sustainability issues.

"Though the market data show that more businesses are incorporating sustainability across their organizations, the key is to embed it throughout the business — truly bake it

into operations — rather than treat it as an add-on," he said.

"Sustainability must become a business transformation accelerator versus what it is in so many organizations — a reporting or accounting exercise," he added.

He said Philippine companies should prioritize ESG because it promotes transparency and trust amid increased scrutiny from stakeholders.

He added that being transparent about business operations could help an organization's bottom line by promoting a positive company reputation.

"Consumers are paying more attention to sustainability issues and have become more intentional with spending money on products or services that are aligned with their values," he said.

"Additionally, investors are also demanding for more ESG information to ensure that the companies they invest in are not only sound, but also act responsibly towards pressing issues such as climate change, social development, transparency in business practices, etc.," he added.

Mr. Biswas said focusing on ESG gives Philippine businesses a better value. It also allows them to comply with regulations and other international standards.

"By having a comprehensive ESG strategy, businesses can demonstrate their commitment to sustainability," he said. "Reporting the impact of their strategy enables companies to be more transparent to stakeholders about how they are meeting targets, which could better enhance their reputation, attract investment and gain the support of more consumers."

Coal Asia board OKs lower share par value

THE BOARD of publicly listed Coal Asia Holdings, Inc. has approved a proposal to lower the par value of its shares to improve liquidity and entice more investors.

The board on May 23 approved the cut to 10 centavos from P1 based on its articles of incorporation, the company said in a stock exchange filing on Monday.

Par value or the face value of a stock does not fluctuate unlike its market value.

"The proposed amendment to Article 7 shall reflect the decrease in the par value of shares of stock from P1 to P0.10 to improve the liquidity in the trading of the corporation's shares, as well as boost investor interest in and wider distribution of the corporation's shares of capital stock thereby shoring up its marketability," Coal Asia said.

It said the proposal to lower the par value of its shares would

be submitted for stockholders' approval during its annual stockholders' meeting on July 1.

"The foregoing amendments are subject to the approval of the shareholders and further approval of the Securities and Exchange Commission of the application for the amendment of Coal Asia's articles of incorporation," it said.

Coal Asia is a holding company that acquires companies

specializing in the exploration, development and mining of coal and other energy-related businesses in the Philippines and around Asia.

It owns Titan Mining and Energy Corp., which has 13,000 hectares of coal resources in Davao Oriental and Zamboanga Sibugay.

Coal Asia stocks were unchanged at 20 centavos each. — **Revin Mikhael D. Ochave**

P95-billion Pasig River Expressway project to proceed, San Miguel chief says

SAN MIGUEL Corp. (SMC) is proceeding with its P95-billion Pasig River Expressway (PAREX) project, its top official said on Monday.

"We cannot [withdraw]," San Miguel President and Chief Executive Officer Ramon S. Ang told reporters. "We are addressing the concerns, but it is currently on hold."

In March, Mr. Ang said the company would abandon the

project — a 19.37-kilometer six-lane, all elevated expressway that traverses Pasig River — amid public opposition given its impact on the environment.

The project is expected to provide an alternative and faster link to Metro Manila's largest business districts such as the Makati Business District, Ortigas Center and Bonifacio Global City.

Critics have said the project could compromise the river's functionality, cause air pollution and affect heritage structures and sites.

Last week, the Toll Regulatory Board (TRB) said San Miguel had not officially terminated the project.

The TRB said it could not terminate the project, adding that there are monetary consequences

under the supplementary toll operation agreement if the government ends it.

In 2023, the Environment department said it would study the project's environmental impacts.

The TRB said its study on the PAREX project was on hold after SMC in March said it would abandon the project. — **Ashley Erika O. Jose**

PHL told to subsidize power, explore oil reserves in South China Sea

By **Ashley Erika O. Jose**
Reporter

THE PHILIPPINES should start subsidizing power costs and explore oil reserves in the South China Sea to lower electricity rates, according to business tycoon Ramon S. Ang.

"There is a big natural gas field in the West Philippine Sea [and] we should concentrate

on developing that in the future," the San Miguel Corp. president and chief executive officer told reporters on the sidelines of an economic forum on Monday, referring to areas of the sea within the Philippines' exclusive economic zone. "The area is disputed but we should explore that in the future."

Mr. Ang said the country has high electricity costs in the absence of state subsidies aside from taxes on power and oil products.

The Electric Power Industry Reform Act of 2001 deregulated the Philippine power industry and privatized state-owned power generation and transmission assets.

The measure was enacted supposedly because government control of the industry inhibited private sector expansion.

But the Department of Energy sees no need to subsidize power costs.

"What is the need for it if we trust private sector investors to come in and invest in the Philippine energy sector?" Energy Assistant Secretary Mario C. Marasigan told *BusinessWorld* in an interview. "What's the need for a subsidy?"

The Center for Energy, Ecology and Development in a 2020 report said the Philippines has the second-highest electricity prices in Asia at P8.96 per kilowatt-hour on the average.

Meralco has said the rate for a typical household would rise to P11.41 per kilowatt-hour this month.

National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said the Philippines is leaning toward not subsidizing the oil and power sector.

"We should avoid subsidizing power, electricity and fuels generally because the biggest consumers of fuels are the rich," he said on the sidelines of the forum.