

Philippine Stock Exchange index (PSEi)				6,693.83		▲ 74.74 PTS.		▲ 1.12%		THURSDAY, AUGUST 1, 2024		BusinessWorld							
PSEI MEMBER STOCKS																			
AC Ayala Corp. P591.50 +P5.00 +0.85%		ACEN ACEN Corp. P5.49 —		AEV Aboitiz Equity Ventures, Inc. P35.55 +P0.10 +0.28%		AGI Alliance Global Group, Inc. P9.14 +P0.16 +1.78%		ALI Ayala Land, Inc. P29.40 -P0.10 -0.34%		BDO BDO Unibank, Inc. P143.70 +P6.70 +4.89%		BLOOM Bloomberry Resorts Corp. P8.22 -P0.05 -0.6%		BPI Bank of the Philippine Islands P124.80 +P3.50 +2.89%		CNPF Century Pacific Food, Inc. P34.70 +P0.20 +0.58%		CNVRG Converge ICT Solutions, Inc. P11.66 +P0.12 +1.04%	
DMC DMCI Holdings, Inc. P11.48 +P0.12 +1.06%		EMI Emperador, Inc. P18.56 -P0.02 -0.11%		GLO Globe Telecom, Inc. P2,162.00 +P10.00 +0.46%		GTCAP GT Capital Holdings, Inc. P600.00 +P10.00 +1.69%		ICT International Container Terminal Services, Inc. P360.00 +P4.00 +1.12%		JFC Jollibee Foods Corp. P232.80 +P2.80 +1.22%		JGS JG Summit Holdings, Inc. P28.05 +P0.25 +0.9%		LTG LT Group, Inc. P10.04 +P0.19 +1.93%		MBT Metropolitan Bank & Trust Co. P68.00 -P0.70 -1.02%		MER Manila Electric Co. P390.00 —	
MONDE Monde Nissin Corp. P9.30 +P0.13 +1.42%		NIKL Nickel Asia Corp. P3.42 +P0.07 +2.09%		PGOLD Puregold Price Club, Inc. P26.30 —		SCC Semirara Mining and Power Corp. P33.70 +P0.25 +0.75%		SM SM Investments Corp. P907.00 -P1.00 -0.11%		SMC San Miguel Corp. P98.00 -P1.85 -1.85%		SMPH SM Prime Holdings, Inc. P29.55 +P0.75 +2.6%		TEL PLDT Inc. P1,539.00 +P24.00 +1.58%		URC Universal Robina Corp. P117.00 -P2.00 -1.68%		WLCON Wilcon Depot, Inc. P17.30 -P0.20 -1.14%	

DoE pushes 22 green energy projects for NGCP impact study

THE Department of Energy (DoE) said it endorsed 22 renewable power projects to the National Grid Corp. of the Philippines (NGCP) in June for a system impact study (SIS).

“In June 2024, the DoE issued 22 SIS endorsements to the NGCP which are all new applications,” the department said in a document posted on its website.

Such studies are conducted to determine the adequacy and capability of the grid to accommodate the new connection.

The government aims to increase the share of renewable energy in the country’s power generation mix to 35% by 2030 and 50% by 2040.

Data from the Energy department showed that it has issued SIS endorsements for 13 solar power projects and nine wind power projects.

Among the notable projects is the Terra Solar Project under SP New Energy Corp., which consists of a 3,500-megawatt (MW) solar-power plant and a 4,500-megawatt-hour battery-energy storage system.

The projects also include the 516.10-MW Suncastle Baao Solar Farm Project, 421.97-MW Medellin Solar Power Project, 365.46-MW Cabiao Solar Power Project, 304.06-MW Tinang Tarlac Solar Power Project, 300-MW San Jose Wind Power Project, and the 280-MW GigaWind1 Floating Solar Power Project.

The list also includes the 229-MW San Luis Solar Power Project, 169.55-MW Iguig Solar Power Project, 131.79-MW Calamba Floating Photovoltaic Solar Power Project, 86.74-MW San Marcelino Solar Power Project, 61.31-MW Cabcaban Solar Power Project, and the 67-MW Magat Floating Solar Power Project.

The DoE has also issued SIS endorsements for the 300-MW Botolan Wind Power Project, 300-MW San Jose Wind Power Project, and the 50-MW Mabini Wind Power Project.

The department has also endorsed the Ubay Wind Power Project, Quezon Wind Power Project, Butuan 1 Wind Power Project, Gumaca-Pitogo Wind Power Project, Butuan Wind Power Project, and Palayan-Laur Wind Power Project for the study, all of which have a capacity of 100 MW.

For the first half of the year, the DoE has endorsed a total of 88 power projects, of which three are energy storage systems. — **Sheldeen Joy Talavera**

Cebu Pacific targets Chiang Mai with low-cost strategy

CEBU PACIFIC said it expects its low-cost pricing strategy to generate a similar market response for Chiang Mai, Thailand, as it did with its Da Nang route in Vietnam.

The budget carrier will be the only airline offering direct flights from Manila to Chiang Mai, Cebu Pacific President and Chief Commercial Officer Alexander G. Lao said during a briefing on Thursday.

The airline will begin operating flights to Chiang Mai three times a week starting Oct. 29.

“We share the anticipation of many Filipino travelers as we prepare to launch the only direct flights between Manila and Chiang Mai,” Mr. Lao said.

In 2023, Cebu Pacific started operating direct Manila-Da Nang flights, with a frequency of three times a week.

“In fact, we were very surprised with the results of Da Nang, and we are actually looking to increase frequencies. I think Filipinos are always looking for newer destinations to explore,” Mr. Lao said.

Cebu Pacific is now hoping that Chiang Mai will yield results similar to those of Da Nang, he said.

“Whenever a low-cost carrier like Cebu Pacific comes in, we offer lower fares, we’re able to stimulate that market normally. So that’s one angle that we look at,” Mr. Lao said.

For the year, the company has initially set a target of 24 million passengers, significantly higher than its 2023 passenger volume.

Last year, Cebu Pacific flew over 20 million passengers and operated more than 140,000 flights, representing increases of about 41% and 30%, respectively, from the previous year.

“With the new routes and destinations, and also more importantly, more available aircraft that are going to be available in the fourth quarter of this year,” he said.

For 2024, Cebu Pacific expects to receive 17 aircraft, six of which have already arrived at Ninoy Aquino International Airport.

Additionally, the company has agreed to purchase up to 152 Airbus aircraft, with the finalization expected by the third quarter. These aircraft are scheduled to be delivered starting in 2028. — **A.E.O. Jose**

MGen eyes LNG deal financial close by September

MERALCO PowerGen Corp. (MGen), the power generation subsidiary of Manila Electric Co. (Meralco), said it expects to finalize the financial arrangements for its liquefied natural gas (LNG) project with Aboitiz Power Corp. (AboitizPower) and San Miguel Global Power Holdings Corp. (SMGP) by September.

“We are expecting that maybe by the end of September,” MGen President and Chief Executive Officer Emmanuel V. Rubio told reporters after a briefing on Monday, noting that they are awaiting approval from the Philippine Competition Commission (PCC).

In March, MGen entered into an investment agreement with AboitizPower’s subsidiary, Therma NatGas Power, holding 60% and 40% stakes, respectively, in Chromite Gas Holdings, Inc.

Chromite Gas plans to invest in two gas-fired power plants owned by SMGP: the 1,278-megawatt (MW) Ilijan power plant and a new 1,320-MW combined power facility.

MGen and AboitizPower signed a \$3.3-billion landmark deal with SMGP, the power arm of San Miguel Corp., to launch an integrated LNG facility in Batangas.

Together with SMGP, the joint venture company will also invest in an LNG import and regasification terminal owned by Linseed Field Corp.

While awaiting PCC approval, Meralco is on standby for approval from the Energy Regulatory Commission (ERC) for its power supply agreements, which is “critical to the consortium.”

In June, the ERC released an order granting provisional approval to implement Meralco’s contract with South Premiere Power Corp. (SPPC), which won the bidding for the 1,200-MW power supply.

However, of the total, the ERC only allowed 910 MW to be covered, pending the commission’s decision on the 290 MW capacity bound by an earlier contract it previously authorized.

Meralco and SPPC filed a joint motion for partial reconsideration, which has yet to be resolved by the ERC.

SPPC, a subsidiary of SMGP, is the administrator of the natural gas-fired power plant in Ilijan, Batangas.

Meralco’s majority owner, 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**

Over 70% of PHL industries hit by cyberattacks in 2023 — report

MORE THAN 70% of Philippine industrial organizations experienced cyberattacks in their operational technology (OT) environments in 2023, according to a report from cybersecurity firm Palo Alto Networks.

In the 2024 State of OT Security: A Comprehensive Guide to Trends, Risks, and Cyber Resilience report released on Thursday, 76.5% of the surveyed Filipino respondents reported that their organizations had at least one cyberattack in 2023.

Equally alarming is the frequency of these attacks, with about 48.7% of respondents experiencing attacks monthly or weekly, the report said.

Palo Alto Networks surveyed 1,979 OT and IT business leaders across 23 countries, including 51 respondents in the Philippines, in December 2023.

“The growing attacks on industrial operators highlight the urgent need for proactive risk mitigation and system resilience,” Oscar Visaya, Philippines Country Manager at Palo Alto Networks said.

Mr. Visaya said that as industrial operations undergo digital transformation amid the AI (artificial intelligence) era, traditional security measures are “inadequate” against advanced threats.

Instead, he recommended adopting AI-driven defenses to analyze large data sets and detect patterns of impending threats, often before an attack occurs.

About 23.1% of Filipino organizations had to shut down industrial operations in the last year due to a successful attack, the firm said.

Meanwhile, 70.6% of respondents viewed security as a high priority, while 56.9% expected to increase spending on OT cybersecurity in the next two years.

The report also found that more than 70% of respondents identified AI attacks against OT as a critical issue, but four out of five agreed that AI will be key to stopping OT attacks.

Additionally, 92.2% believed that moving to the cloud would reinforce OT security, but 64.7% said it would also create increased cybersecurity challenges in the next two years. — **Aubrey Rose A. Inosante**

Analysts: Pangilinan group’s dairy expansion may spur investor interest

By Adrian H. Halili
Reporter

METRO PACIFIC Agro Ventures (MPAV), the agriculture unit of Metro Pacific Investments Corp. (MPIC), is investing in a Bukidnon dairy farm to bolster its dairy operations — a move that analysts expect will stimulate further investment in local dairy production.

“Establishing this strategic beachhead in Mindanao complements our dairy farms in Luzon, bringing us closer to our mission of achieving nationwide food security,” MPAV Chairman Manuel V. Pangilinan said in a statement on Thursday.

MPAV said that its acquisition of Universal Harvester Dairy Farms, Inc. (UHDFI) for more than P700 million is intended to support the Philippines’ dairy demand. The company will acquire 100% ownership of UHDFI.

In 2022, MPAV acquired a stake in The Laguna Creamery, Inc., which owns the brands Carmen’s Best ice cream and Holly’s Milk.

Mr. Pangilinan added that MPAV’s Laguna operations have improved the accessibility of fresh dairy and provided a stable market for dairy farmers.

“With our new investment in Bukidnon Milk Company, we anticipate replicating this success in Mindanao and other regions of the country,” he said.

MPAV President and Chief Executive Officer Juan Victor I. Hernandez said that the investment would enable the company to expand its distribution network.

“This is a significant step for us to achieve our aspiration of becoming a dairy master brand, where we will be providing the Filipino consumer with the full range of dairy products from ice cream, milk, yogurt, cheese, butter, and other milk derivative products,” Mr. Hernandez added.

UHDFI operates under the brand Bukidnon Milk Co., producing dairy products for the Visayas and Mindanao markets. The company also supplies milk for the National Dairy Authority’s (NDA) milk feeding program.

“We believe that MPAV is the right partner to take our vision to the next level. This partnership will not only expand our reach but also enhance the quality and range of dairy products available to Filipino consumers,” UHDFI Founder Milagros Ong-How said.

MPAV said that the completion of the acquisition is still subject to regulatory approval and other closing conditions.

Danilo V. Fausto, president of the industry group Philippine Chamber of Agriculture and Food, Inc., said that the company’s move to expand its dairy business could encourage other companies to invest in the dairy sector.

“But the effect of this will not be immediate. Dairy is a long-term business, so you need to increase your herd, improve your forage and nutrition, and so on before you can start producing milk,” Mr. Fausto said in a phone call.

“We would like to invite more investors to the industry. We’ve been importing 99% of our milk, and we welcome such initiative and investment from multinational companies,” he added.

The Philippines can meet less than 1% of its milk demand through domestic production, with the remainder needing to be imported.

Dairy imports are forecast to increase by 7.3% in 2024 to 2.49 million metric tons of milk equivalent, according to a report by the Food and Agriculture Organization of the United Nations.

AP Securities, Inc. Research Head Alfred Benjamin R. Garcia said that the acquisition would secure the supply for Metro Pacific’s dairy product business, Carmen’s Best.

“We hope more companies will follow MPIC’s lead and invest in the agriculture sector. There are very few companies that invest in this sector in a meaningful way, which is unfortunate because food security is one of the biggest concerns facing the Philippines,” Mr. Garcia said in a Viber message.

Chinabank Capital Corp. Managing Director Juan Paolo E. Colet said that investing in more dairy businesses could help boost local production and, over time, reduce the country’s dependence on imported dairy.

“The main challenge is to produce high quality, affordable local dairy products efficiently and at scale so that they can meet local demand,” Mr. Colet said in a Viber message.

He added that other companies might be hesitant to enter the dairy industry due to the substantial investment required in technology, infrastructure, and logistics.

The NDA aims to increase dairy production to 80 million liters per year by 2028.

MPIC is one of three key Philippine units of First Pacific, the others being Philex Mining Corp. and PLDT Inc.

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