

Philippine Stock Exchange index (PSEi)

6,961.96

▲ 61.34 PTS.

▲ 0.88%

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BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P633.50 +P18.00 +2.92%	ACEN ACEN Corp. P5.20 -P0.26 -4.76%	AEV Abotiz Equity Ventures, Inc. P35.20 -P0.15 -0.42%	AGI Alliance Global Group, Inc. P8.88 +P0.01 +0.11%	ALI Ayala Land, Inc. P32.75 -P0.45 -1.36%	BDO BDO Unibank, Inc. P154.00 +P5.50 +3.70%	BLOOM Bloomberry Resorts Corp. P7.70 -P0.25 -3.14%	BPI Bank of the Philippine Islands P124.80 +P3.20 +2.63%	CNPF Century Food, Inc. P36.45 +P1.10 +3.11%	CNVRG Converge ICT Solutions, Inc. P14.98 +P0.52 +3.6%
DMC DMCI Holdings, Inc. P11.10 --	EMI Emperador, Inc. P18.72 --	GLO Globe Telecom, Inc. P2,228.00 +P8.00 +0.36%	GTCAP GT Capital Holdings, Inc. P626.00 +P5.00 +0.81%	ICT International Container Terminal Services, Inc. P417.20 +P6.20 +1.51%	JFC Jollibee Foods Corp. P254.00 +P4.00 +1.6%	JGS JG Summit Holdings, Inc. P24.20 +P0.10 +0.41%	LTG LT Group, Inc. P10.12 +P0.08 +0.8%	MBT Metropolitan Bank & Trust Co. P74.80 +P1.15 +1.56%	MER Manila Electric Co. P418.00 +P2.00 +0.48%
MONDE Monde Nissin Corp. P9.21 -P0.09 -0.97%	NIKL Nickel Asia Corp. P3.18 +P0.02 +0.63%	PGOLD Puregold Price Club, Inc. P27.35 -P0.30 -1.08%	SCC Semirara Mining and Power Corp. P32.70 +P0.15 +0.46%	SM SM Investments Corp. P935.00 +P3.00 +0.32%	SMC San Miguel Corp. P96.00 --	SMPH SM Prime Holdings, Inc. P29.70 -P0.05 -0.17%	TEL PLDT Inc. P1,570.00 -P27.00 -1.69%	URC Universal Robina Corp. P96.25 +P0.40 +0.42%	WLCON Wilcon Depot, Inc. P17.98 --

MPTC targets to finalize gov't toll road stake deal soon — president

By Ashley Erika O. Jose

Reporter

PANGILINAN-LED Metro Pacific Tollways Corp. (MPTC) hopes to wrap up the deal for the government's shares in two major toll roads soon, the company's president said.

"SCTEx (Subic-Clark-Tarlac Expressway) is next, but I wanted to complete the Cavitex (Manila-Cavite Expressway) first due to its ongoing issues," MPTC President and Chief Executive Officer Rogelio L. Singson said on the sidelines of a recent forum.

In April, MPTC's unit Cavitex Infrastructure Corp. (CIC) said it was aiming to acquire the government's residual shares in Cavitex.

This follows a case filed by a unit of the Philippine Reclamation Authority (PRA) with the Court of Appeals to take over toll road operations.

Under the Public Estates Authority Tollway Corp.'s (PEATC)

petition dated April 8, the PRA unit is asking the Court of Appeals to operate, maintain, and collect toll fees over Cavitex. PEATC is a non-chartered government-owned and -controlled corporation.

He said the initial offer to acquire the government's share in Cavitex stands around P4.5 billion.

"But because they should put in P2 billion in equity which they did not, we will get that, so the net will be around P2.5 billion," he said.

Under the joint venture agreement, CIC's role is the design, financing, and construction of the Manila-Cavite toll expressway project covering a total of 23.8 kilometers.

The joint venture agreement outlines a revenue-sharing model of 90:10, with CIC receiving 90% and the remainder going to PEATC.

"We are hoping we can do it soon because otherwise we cannot do interoperability, we cannot upgrade the system. We

cannot maintain it properly because that is not our responsibility; that is the responsibility of PEATC," he said.

Mr. Singson said tollway operators are hoping to implement the interoperability between toll collection systems by October.

Asked if the closing would happen within the year, Mr. Singson said: "Hopefully, the offer is there. It is up to them."

Aside from Cavitex, the government, through the Bases Conversion and Development Authority, had previously expressed its intention to sell its 50% stake in the Subic-Clark-Tarlac Expressway to MPTC for at least P20 billion.

Mr. Singson said that MPTC is negotiating the value of the offer.

"The discussion is ongoing; our offer is lower than P20 billion. If they really wanted P20 billion, we might be the ones selling to them," he said.

"Our offer is around P8 billion," Mr. Singson said.

Earlier this month, MPTC acquired the government's 2.61% stake in NLEX Corp. for P2.5 billion, increasing its total ownership of the toll road to 73.39%.

Aside from these, the company is also wrapping up another tollway acquisition after it signed a strategic investment cooperation with its unit along with its partner Singapore's GIC Pte. Ltd. to acquire a 35% stake valued at approximately \$1 billion in Jasamarga Trans-Jawa Tol, a subsidiary of PT Jasa Marga (Persero) Tbk, Indonesia's state-owned toll road operator.

MPTC is the tollways unit of Metro Pacific Investments Corp., one of three key 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 majority stake in BusinessWorld through the Philippine Star Group, which it controls.

OUTLIER

Meralco share price rises on dev'ts despite profit taking

MANILA ELECTRIC Co.'s (Meralco) share price rose last week due to positive developments, including a planned acquisition of a larger stake in SP New Energy Corp. (SPNEC) and its 1,000-megawatt (MW) power supply bidding, according to analysts.

Data from the Philippine Stock Exchange showed 940,050 Meralco shares worth P396.19 million were traded from Aug. 19 to 22, making the listed power distributor the 16th most actively traded stock last week.

Local financial markets were closed on Aug. 23 due to a nonworking holiday.

Meralco shares closed at P418 each on Friday.

The stock price inched down by 1.6% from a week earlier. A year ago, the stock grew by 4.8%.

Meralco's share price grew, as it was likely influenced by investor optimism, Rastine Mackie D. Mercado, research director at China Bank Securities Corp., said in an e-mail, adding that the sideways movement last week indicated some profit taking after the recent rally to a new all-time high.

He added that the share price of the listed power distributor grew due to investor optimism and was influenced by its strong first-semester performance and the central bank's first rate cut in nearly four years or since November 2020, when it last delivered a 25-basis-point (bp) cut amid the coronavirus disease 2019 pandemic.

FULL STORY


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Similarly, Aniceto K. Pangan, a trader at Diversified Securities, said that the listed power distributor hit a new high of P425 per share, which led to profit taking due to the overbought condition.

In the latest Monetary Board meeting, the Bangko Sentral ng Pilipinas (BSP) reduced policy rates for the first time since 2020 by 25 bps to 6.25% from the over 17-year high of 6.5%.

For the second quarter, Meralco's attributable net income rose 31.3% to P12.84 billion, while consolidated revenues grew 11.5% to P132.93 billion.

For the first half of the year, its bottom line rose 25.7% to reach P22.44 billion, while revenues amounted to P237.48 billion, 5.6% higher than a year ago.

Mr. Pangan said estimated earnings for Meralco are between P43 billion and P48 billion for the entire year, with the easing of interest rates likely to further boost economic activity, enhancing growth and contributing broadly to the company's business components.

Last week, Meralco, through its subsidiary MGen Renewable Energy, Inc. (MGreen), was considering acquiring a larger stake in integrated solar developer SPNEC.

MGreen is the renewable energy development arm of Meralco unit Meralco Powergen Corp. — **Abigail Marie P. Yraola**

SMC still finalizing PAREX detailed design — Ramon Ang

SAN MIGUEL Corp. (SMC) is still finalizing the detailed engineering design (DED) for the P95-billion Pasig River Expressway (PAREX) and remains committed to proceeding with the project, the company's president said.

"We are still working on the DED; it is a requirement of the TRB (Toll Regulatory Board) for us to continue and finish all of that," SMC President and Chief Executive Officer Ramon S. Ang told reporters last week.

"Once finished, when it's ready to be built, there will be a public consultation. If the public says it is a go, then it is a go, but if not, we will address all the issues," he added.

The TRB has said that SMC is likely to start construction of PAREX next year or once the company receives an environmental compliance certificate.

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.

SMC did not provide a timetable for completing the final engineering design of PAREX.

The TRB said that SMC must first provide the final DED for PAREX so that the

company can proceed with the development of the project and must also redesign the project to ensure heritage structures are not affected.

In March, the company said it would abandon the 19.37-kilometer, six-lane, all-elevated expressway that traverses the Pasig River amid public opposition due to its impact on the environment.

However, two months after the announcement, the company said it would not abandon the project and was working to address concerns to advance PAREX. — **Ashley Erika O. Jose**

BW ONE-ON-ONE

Packworks seeks to upgrade sari-sari stores with more services

By Revin Mikhael D. Ochave

Reporter

TECHNOLOGY STARTUP Packworks is pushing to revolutionize the traditional sari-sari store model by transforming these small neighborhood shops into multifunctional hubs that offer a variety of new services.

"Our aspiration is that what you see as the sari-sari store now is not the sari-sari store of the future," Hubert T. Yap, Packworks co-founder and chief platform officer, said in an interview with *BusinessWorld*.

"It's about making them relevant. Managing their current business is just the stepping stone so that we can give them the advantage of emerging business models," he added.

Trade department data showed that there are over 1.3 million sari-sari stores nationwide. They are categorized under the micro, small, and medium enterprises sector, which accounts for over 99% of business establishments in the country.

Mr. Yap said that in the future, sari-sari stores could go beyond their role as convenience stores, also functioning as pharmacies, banks, and power sources, thereby driving economic growth in their communities.

He said the vision for the future of sari-sari stores could become a reality within the next two years.

"We see sari-sari stores of the future as pharmacies, power plants, and banks. Imagine if we are able to give medicine access to remote areas. Sari-sari stores can also provide electricity with our solar panels, while with our collaboration to bring Starlink, they can get internet," Mr. Yap said.

"We also aspire for sari-sari stores to be able to do banking without having to go to the city center. The money will recirculate within the local economy. We always believe that keeping money circulating in one locality is still better, like a decentralized economic system," he added.

Recently, the startup partnered with Help.NGO, a global humanitarian organization specializing in emergency response and technology solutions, to offer SariLink, a digital connectivity initiative that provides internet to sari-sari stores through Starlink, the satellite-based internet service developed by SpaceX.

Mr. Yap, along with co-founders Bing G. Tan and Ibia B. Bernardo, established Packworks in 2018 as part of their corporate social responsibility initiative to ini-

tially help 5,000 sari-sari stores in remote areas nationwide.

Six years later, the startup has evolved into business-to-business fast-moving consumer goods (FMCG) marketplace.

It offers various apps to help digitize the day-to-day operations of sari-sari stores, from pricing and inventory management to sales and revenue tracking, as well as access to working capital loans. The partner stores also earn more income through discounts from partner FMCG brands and companies.

The startup's network now covers over 300,000 sari-sari stores nationwide as of the end of June, and it is eyeing 350,000 stores by year-end.

"We level up the existing entrepreneurs since a sari-sari store is one of the easiest businesses to open, but also one of the hardest to sustain. We'd like to shine the light on our stores," he said.

"We have sari-sari stores nationwide, except in far-flung areas such as Batanes and Jolo," he added.

According to Mr. Yap, the advent of artificial

intelligence (AI) is an opportunity to support the growth of sari-sari stores since it could be used in various aspects of managing the business.

However, he said that there are still challenges hindering the increased adoption of AI and technology across sari-sari stores.

"We need store owners to experience the app first. The goal is for them to become comfortable using the app. Our mindset is to make them feel or even just try it. Once they overcome that mental barrier, they will see the benefits," he said.

"Over time, we've seen that it became a digital advocacy and journey for the stores. The approach is that we are digitally nurturing the sari-sari stores. It can't be the usual straightforward usage like those teaching franchisees of other well-known convenience stores," he added.

Mr. Yap added that store owners can benefit from AI since it provides specific information that can be used to improve their businesses.

"We want to enable and empower them with information and insights without doing it manually. With AI, we can hyper-customize solutions that are very relevant to the individual market," he said