Philippine Stock Exchange index (PSEi) 6,889.87 ▲ 42.50 PTS. ▲0.62%

MONDAY, AUGUST 19, 2024
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P619.50	-P5.50	-0.88%
ACEN	ACEN Corp.	P5.64	-P0.17	-2.93%
AEV	Aboitiz Equity Ventures, Inc.	P35.45	+P0.95	+2.75%
AGI	Alliance Global Group, Inc.	P8.90	——	
ALI	Ayala Land, Inc.	P34.30	+P1.20	+3.63%
BDO	BDO Unibank, Inc.	P147.00	+P5.30	+3.74%
BLOOM	Bloomberry Resorts Corp.	P7.70	+P0.40	+5.48%
BPI	Bank of the Philippine Islands	P120.70	+P0.20	+0.17%
CNPF	Century Pacific Food, Inc.	P36.00	-P0.50	-1.37%
CNVRG	Converge ICT Solutions, Inc.	P14.32	+P0.04	+0.28%
DMC	DMCI Holdings, Inc.	P11.48	+P0.40	+3.61%
EMI	Emperador, Inc.	P18.88	-P0.02	-0.11%
GLO	Globe Telecom, Inc.	P2,290.00	+P8.00	+0.35%
GTCAP	GT Capital Holdings, Inc.	P626.00	-P10.00	-1.57%
ICT	International Container Terminal Services, Inc.	P396.00	+P1.00	+0.25%
JFC	Jollibee Foods Corp.	P248.00	-P4.20	-1.67%
JGS	JG Summit Holdings, Inc.	P24.20	——	
LTG	LT Group, Inc.	P10.10	+P0.20	+2.02%
MBT	Metropolitan Bank & Trust Co.	P70.05	+P0.05	+0.07%
MER	Manila Electric Co.	P421.60	-P3.40	-0.8%
MONDE	Monde Nissin Corp.	P9.60	——	
NIKL	Nickel Asia Corp.	P3.13	+P0.02	+0.64%
PGOLD	Puregold Price Club, Inc.	P27.20	+P0.95	+3.62%
SCC	Semirara Mining and Power Corp.	P33.00	+P0.85	+2.64%
SM	SM Investments Corp.	P925.00	-P5.50	-0.59%
SMC	San Miguel Corp.	P96.10	-P0.40	-0.41%
SMPH	SM Prime Holdings, Inc.	P30.65	+P0.15	+0.49%
TEL	PLDT Inc.	P1,608.00	+P29.00	+1.84%
URC	Universal Robina Corp.	P94.10	+P0.70	+0.75%
WLCON	Wilcon Depot, Inc.	P18.00	——	

DigiPlus unit seeking gaming license in Brazil

LISTED DigiPlus Interactive Corp. is targeting an expansion into Brazil's digital gaming sector, citing the recent legalization of betting activities in the country.

The company's subsidiary, DigiPlus Brazil Interactive Ltda., expects the result of its license application filed in Brazil to be issued on or before the end of November, DigiPlus said in a regulatory filing on Monday.

On Aug. 18, DigiPlus Brazil applied for a Licença Para Loterias De Apostas De Quota Fixa, a federal license that allows the operation of land-based and online sports betting, electronic games, live game studios, and other fixed-odds betting activities in Brazil.

"DigiPlus is exploring opportunities in Brazil's iGaming market following the recent legalization of gaming and betting activities in the country," the company said.

"Currently in its preliminary stages, DigiPlus is looking to diversify its portfolio into new markets with an enabling regulatory environment for iGaming," it added.

Last year, Brazil passed legislation that formed a regulatory framework for its online betting market, which included a condition that operators should have a Brazilian partner with at least a 20% stake in the business.

"DigiPlus recognizes Brazil's strong potential as one of the fastest-growing gaming markets in Latin America. The country has a population of over 200 million, with internet penetration at 87%," the company said.

Despite the planned expansion, DigiPlus said it envisions the Philippines to remain its "core market."

For the first half, DigiPlus saw a 377% increase in its net income to P5.2 billion from P1.1 billion last year as revenues surged by 263% to P32.5 billion from P8.9 billion a year ago.

The listed gaming group attributed the growth to higher user traffic and fresh contributions from new game offerings.

Some of the company's platforms include BingoPlus, ArenaPlus, Perya Game, and BingoPlus Poker.

On Monday, DigiPlus shares dropped by 4.69% or 95 centavos to P19.30 per share. — **Revin Mikhael D. Ochave**

Air travel demand at risk from inflation-driven spending cuts

RISING INFLATION in the Philippines, which reached 4.4% in July, is likely to reduce consumer spending on leisure travel and could weaken overall demand for air travel, according to analysts.

"Persistent inflation reduces purchasing power, so it can affect demand for leisure air travel," Enrico P. Villanueva, a senior lecturer at the University of the Philippines Los Baños Economics department, said in a Viber message to *BusinessWorld*.

He also said that airlines may face pressures to manage expenses and keep fares competitive.

In July, inflation rose to 4.4%, mainly due to higher electricity and food costs, according to the Philippine Statistics Authority. Household spending, which makes up over 70% of the economy, rose by 4.6% year on year in the second quarter, slowing from 5.5% in the same period last year. Despite this, the economy expanded by an annual 6.3% in the April-to-June period.

Mr. Villanueva noted that continued upward adjustments in inflation also affect input costs like fuel surcharges, leading to higher airfare costs.

"I think airline companies will try to hold off airfare increases as long as they can to support demand," he said. "The industry is still in the recovery phase after the pandemic."

The Civil Aeronautics Board has raised the fuel surcharge airlines may impose to Level 6 in August, up from Level 5 in July.

At Level 6, the domestic passenger surcharge ranges from P185 to P665, while the international surcharge ranges from P610.37 to P4,538.40.

The International Air Transport Association reported that jet fuel prices remained volatile despite a 2.6% decrease to $93.20 per barrel as of August 9.

John Paolo R. Rivera, senior research fellow at the Philippine Institute for Development Studies, said some consumers may still spend on travel if it is a "priority."

"It may not necessarily reduce their travel spending due to 'purchase priorities,' wherein consumers are willing to reduce spending on items that are not priorities," he said in a Viber message.

According to the Manila International Airport Authority, passenger volume at the Ninoy Aquino International Airport reached 29.54 million as of the end of July, marking an 11.8% increase from 26.42 million in the same period last year.

"As a pioneer in low-cost air travel, AirAsia Philippines [recognizes] that economic pressures like the recent inflation rate may influence travel behavior and could lead to adjustments in airfare pricing," Steve F. Dailisan, head of communications and public affairs at AirAsia Philippines, said in a Viber message.

The airline said it will continue implementing its monthly price drop to ensure air travel remains accessible and competitive for passengers.

Budget carrier Cebu Pacific, operated by Cebu Air, Inc. (CEB), said it is addressing cost increases by lowering expenses through high-frequency flights and optimal aircraft utilization.

"While we have seen specific cost increases as we deal with supply chain issues, CEB's business model focuses on maintaining affordable fares to achieve high load factors and reach more passengers," Cebu Pacific said in a statement.

"Inflation is a challenge faced by all businesses, and we address this proactively by implementing strategies to control costs," Cebu Pacific said.

The budget airline added that its transition to Airbus' new engine option (NEO) aircraft, known for its enhanced fuel efficiency, has allowed the company to lower costs.

BusinessWorld has sought comments from flag carrier Philippine Airlines, but it has yet to reply by the deadline.

Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said both listed airline companies will likely see lower income for the third quarter, mainly driven by rising fuel costs and accelerated inflation.

This may lead to cost-cutting measures such as reducing flight frequencies to maintain profitability.

"Volatile fuel prices remain a critical factor. If fuel costs decrease or stabilize, it could relieve pressure on operational expenses," Mr. Arce said.

He added that high competition in the region may limit pricing power, making it harder for airlines to pass increased costs to consumers.

"A recovery in travel demand, especially in international markets, could boost revenues. However, plans for fleet expansion or new route introductions could be delayed or scaled down if financial performance does not meet expectations," Mr. Arce said. — **Ashley Erika O. Jose**

SMC-led NAIA consortium eyes P5-B off-ramp, curb pricing

PNA

SAN MIGUEL-LED consortium New NAIA Infrastructure Corp. is on track to take over the operations of Ninoy Aquino International Airport (NAIA), with plans to spend between P3 billion and P5 billion on the construction of a new off-ramp from the NAIA Expressway to Terminal 3, while also considering the implementation of curb pricing at the airport.

"We have a better understanding of aviation. You will see a lot of improvements... All these issues can be fixed; it will be done," San Miguel Corp. (SMC) President and Chief Executive Officer Ramon S. Ang told reporters on Monday.

In March, New NAIA Infrastructure (formerly SMC SAP & Co. Consortium) signed a P170.6-billion contract to operate, maintain, and upgrade the country's primary gateway for 25 years.

The group is expected to take over the operations of the Philippines' main gateway by Sept. 14.

The permit for the construction of the planned off-ramp from the NAIA Expressway to Terminal 3 has already been secured and will be constructed within one year, Mr. Ang said, adding that an underground option is also being considered to further ease traffic congestion in the area.

"If an underground option is not necessary, then it will be much cheaper. We are assessing if an underground (for the off-ramp) is still needed; then we will build it," he said.

SMC is also working on airline reassignment, which aims to improve passenger queues and enhance the overall passenger experience.

"It will be fine-tuned. We have not finalized it; there is no one silver-bullet solution. We can reassign some airlines by November... The realignment will immediately relieve," Mr. Ang said.

Aside from this, SMC is considering implementing curb pricing at the airport — a fee charged to vehicles using specific areas, such as curbsides, to manage traffic congestion and improve space efficiency — though Mr. Ang did not disclose the exact amount to be collected.

"In other countries, there's a curbside fee. In short, you are free to drop off your passenger for a while, but if you stay beyond [the allotted time], you will be charged. We are fine-tuning it; we are studying it," Mr. Ang said.

The New NAIA Infrastructure plans to construct a new passenger terminal building with a capacity of 35 million passengers annually as part of efforts to alleviate airport congestion.

"It has to be within the concession agreement; if it's over or under the agreement, they can sue us. We will follow the agreement up to the dot," Mr. Ang said.

Further, Mr. Ang said the anticipated increase in passenger service fees and the landing and take-off fees at NAIA are all included in the terms of reference of the NAIA project.

"We will not change anything; these are already included in the terms of reference provided by the government before the public bidding," he said.

In June, the Department of Transportation announced that the proposed increase in passenger service fees at NAIA is intended to enhance operational efficiency.

The department said that the planned rate hike is within the approved parameters, terms, and conditions specified in the tender documents for the NAIA rehabilitation project.

Passenger service charges, also known as terminal fees, are imposed on departing passengers. Landing and take-off fees, on the other hand, are charges levied for the use of airport facilities and services during aircraft landings and takeoffs. Both fees contribute to the total cost of airfares paid by passengers.

The government anticipates earning P900 billion from the project, equating to P36 billion per year. This figure is 20 times larger than the P1.17 billion annually remitted by the Manila International Airport Authority over the 13 years through 2023, according to the Department of Transportation. — **Ashley Erika O. Jose**

Gordon Ramsay Bar & Grill coming to Philippines

INTERNATIONALLY RENOWNED and multi-Michelin-starred British Chef Gordon Ramsay will open a restaurant at Newport World Resorts in Pasay City this month, the integrated resort announced on Monday.

The restaurant, called Gordon Ramsay Bar & Grill Philippines, will be located on the second floor of the Newport Grand Wing, Newport World Resorts said in an e-mailed statement.

The 400-square-meter restaurant, set to be one of the largest restaurants in Newport World Resorts, can accommodate up to 100 guests. It will be Mr. Ramsay's inaugural offering in the Philippines, following other restaurant concepts in major cities across the globe.

The restaurant is expected to attract diners from all over the region, as it is located across from Ninoy Aquino International Airport Terminal 3.

"Having personally met Chef Ramsay at The Londoner in Macao, his larger-than-life personality and our shared enthusiasm in opening one of the most sought-after restaurants in the culinary world, strengthens our position as the most multifaceted integrated resort in the country, leading the way in elevated dining experiences for all our guests," Newport World Resorts Chairman Kevin Andrew L. Tan said.

Newport World Resorts said the restaurant's menu will feature British cuisine, including Gordon Ramsay's Beef Wellington, steaks, fresh market seafood, and an array of sides and desserts.

The restaurant will also offer high-end wines from around the world, spirits, and handcrafted cocktails.

Bookings for Gordon Ramsay Bar & Grill Philippines will open on Aug. 20.

Newport World Resorts is home to five international hotel brands, comprising Marriott Hotel Manila, Sheraton Manila Hotel, Hotel Okura Manila, Hilton Hotel Manila, and Holiday Inn Express Manila-Newport City. — **Revin Mikhael D. Ochave**