Philippine Stock Exchange index (PSEi) 6,897.54 ▲5.99 PTS. ▲0.08%

FRIDAY, AUGUST 30, 2024 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P605.00	-P7.00	-1.14%
ACEN	ACEN Corp.	P5.44	——	
AEV	Aboitiz Equity Ventures, Inc.	P33.20	-P0.15	-0.45%
AGI	Alliance Global Group, Inc.	P9.08	+P0.20	+2.25%
ALI	Ayala Land, Inc.	P35.30	+P0.45	+1.29%
BDO	BDO Unibank, Inc.	P152.80	-P0.70	-0.46%
BLOOM	Bloomberry Resorts Corp.	P7.87	+P0.17	+2.21%
BPI	Bank of the Philippine Islands	P124.70	+P0.30	+0.24%
CNPF	Century Pacific Food, Inc.	P36.65	+P0.30	+0.83%
CNVRG	Converge ICT Solutions, Inc.	P15.00	+P0.28	+1.9%
DMC	DMCI Holdings, Inc.	P11.70	+P0.20	+1.74%
EMI	Emperador, Inc.	P18.78	+P0.04	+0.21%
GLO	Globe Telecom, Inc.	P2,200.00	-P38.00	-1.7%
GTCAP	GT Capital Holdings, Inc.	P624.00	-P1.00	-0.16%
ICT	International Container Terminal Services, Inc.	P396.20	-P6.80	-1.69%
JFC	Jollibee Foods Corp.	P259.80	+P2.20	+0.85%
JGS	JG Summit Holdings, Inc.	P23.50	+P0.45	+1.95%
LTG	LT Group, Inc.	P10.22	+P0.06	+0.59%
MBT	Metropolitan Bank & Trust Co.	P73.50	+P2.00	+2.8%
MER	Manila Electric Co.	P425.20	+P10.80	+2.61%
MONDE	Monde Nissin Corp.	P9.45	-P0.08	-0.84%
NIKL	Nickel Asia Corp.	P3.37	-P0.08	-2.32%
PGOLD	Puregold Price Club, Inc.	P27.75	+P0.35	+1.28%
SCC	Semirara Mining and Power Corp.	P33.90	+P0.55	+1.65%
SM	SM Investments Corp.	P885.00	-P19.00	-2.1%
SMC	San Miguel Corp.	P99.00	+P2.90	+3.02%
SMPH	SM Prime Holdings, Inc.	P30.95	+P0.95	+3.17%
TEL	PLDT Inc.	P1,500.00	-P11.00	-0.73%
URC	Universal Robina Corp.	P91.00	-P1.85	-1.99%
WLCON	Wilcon Depot, Inc.	P18.80	+P0.80	+4.44%

Converge rules out Sky acquisition

By Ashley Erika O. Jose
Reporter

CONVERGE ICT Solutions, Inc. is considering expanding its partnership with Lopez-led Sky Cable Corp., but has no plans to acquire the company at this time, its chief operations officer (COO) said.

"Probably not at this time, as the financials are quite challenging," Converge COO Jesus C. Romero told reporters on the sidelines of a forum last week, referring to Sky Cable.

"What we are doing with the network sharing agreement is helping them dramatically reduce their cost then of course improve the product," he added.

In July, Converge and Sky Cable announced a commercial agreement to upgrade Sky Cable's network and services. Under this partnership, Sky Cable will use Converge's network to enhance its offerings.

Mr. Romero noted that acquiring a company involves the challenge of assuming all its liabilities and debt components.

"We have a good balance sheet; it would be a heavy burden," he said.

"So, instead [of an acquisition] we can just further cooperate," he added.

Following the denial of its parent company ABS-CBN Corp.'s franchise renewal in 2020, Sky Cable could no longer provide direct-to-home service, forcing it to focus on its broadband subscriber base.

According to its financial report, Sky Cable's debt stood at P4.5 billion to date.

"The reluctance to pursue an outright acquisition in the near term probably stems from Sky's debt burden," Chinabank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message.

Pursuing an acquisition would not make sense for Converge considering the risks, especially since their partnership with Sky Cable is at an early stage, he said.

Earlier this year, Converge expressed interest in acquiring Sky Cable after Pangilinan-led PLDT Inc. withdrew its plan to acquire the unit of ABS-CBN.

"The parties are more focused on exploring ways to expand their collaboration so that Sky has a viable opportunity to grow its business, pay down debt, and return to profitability," Mr. Colet said.

For Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce, Sky Cable is anticipated to expand its reach without incurring significant capital expenditure under its current partnership with Converge.

"This is especially important for a company like Sky, which might lack the financial strength to undertake such an expansion on its own," Mr. Arce said in a Viber message.

"Converge's decision to explore further partnerships with Sky while ruling out an acquisition suggests caution on their part. Acquiring Sky, which is burdened with debt, could introduce financial risks to Converge," he added.

In August, Converge revised its revenue growth forecast for 2024 to between 12% and 14%, up from the earlier estimate of 7-8%, driven by market optimism after stronger second-quarter earnings.

For the second quarter, Converge registered an attributable net income of P2.74 billion, up 29.8% from the P2.11 billion in the same period last year.

Despite posting increased gross expenses for the April-to-June period at P6.18 billion, 15.1% higher than the P5.37 billion previously, the company managed to register higher earnings on elevated revenues.

FULL STORY
Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/25m6259t>

OUTLIER

ACEN shares up after Indonesia wind deal

INVESTORS snapped up ACEN Corp. last week after the Ayala-led renewable company partnered with an Indonesian firm to develop over 300 megawatts (MW) of wind energy projects in that country.

Data from the Philippine Stock Exchange showed ACEN was one of the most actively traded stocks in terms of value turnover, with P556.73 million worth of 102.02 million shares exchanging hands from Aug. 27 to 30.

Local financial markets were closed on Aug. 26 due to National Heroes Day.

The Ayala-led firm's shares closed at P5.44 apiece on Friday, 4.6% higher than its Aug. 22 close of P5.20. Year to date, the stock has increased by 24.2%.

Arielle Anne D. Santos, equity analyst at Regina Capital Development Corp., said that the public viewed the partnership of ACEN with PT Barito positively.

"Such move would enhance ACEN's regional expansion, leading to upward pressure on the stock," Ms. Santos said in a Viber message.

Last week, ACEN entered into a partnership with renewable energy company PT Barito Renewables Energy Tbk to advance the development of wind projects with a capacity of 320 MW in Indonesia. — **C.W.E. Laureta**

FULL STORY
Read the full story by scanning the QR code or by typing the link <tinyurl.com/mt8dsvcf>

OPINION

Mindful consumption: A closer look at SM's green retail initiative

SHARED VALUES
RON F. JABAL

The retail industry, once equated with consumption and unabated waste, is experiencing significant transformation. Today, there is a growing consciousness among vigilant consumers about the industry's environmental impact and social responsibility. As observed in recent years, this shift is not merely a trend but is fast becoming necessity, driven by evolving consumer preferences, regulatory pressures, and the urgent need to protect the environment and the planet. The need for a more sustainable future is real and a felt need among consumers.

Central to a more sustainable retail is the idea of a circular economy — a system focused on eliminating waste and keeping products and materials continue to be in use and useful. This approach contrasts sharply with the traditional "take, make, dispose" model of past retail regime. By embracing circular principles, retailers can significantly reduce their environmental impact, conserve resources, and unlock new economic opportunities.

And fortunately, the retail industry is taking heed of this global call to change its old business practices. Sustainability is no longer just a buzzword; it's becoming an integral part of global retail practices. As we can observe, businesses are beginning to adopt these sustainable methods not only to reduce their environmental footprint but also to meet the increasing demand for eco-friendly products.

In the Philippines, an exemplary example of an initiative that promotes circularity is the collaboration between SM Store's green retail initiative "Green Finds," and Zarah Juan, a well-known artisanal designer and social entrepreneur. Together, they repurposed used tarpaulins from SM Store into tote bags and pouches, promoting a circular economy while empowering local communities and setting a strong example for sustainable retail practices.

The partnership between SM Green Finds and designer Zarah Juan is a highly commendable project that transforms discarded tarpaulins — once seen as garbage or waste — into stylish and functional tote bags and pouches. This green initiative is giving new life to waste materials even as it showcases the potential of retail to drive positive social impact by providing employment opportunities for marginalized communities.

THE CIRCULAR ECONOMY: TURNING WASTE INTO VALUE

The concept of circular economy is not very difficult to understand: it is an economic system that is aimed to reduce waste and make the most out of existing resources. Unlike the traditional linear economy, which follows a "take, make, dispose" model, the circular economy emphasizes reuse, repair, refurbishment, and recycling. The SM Green Finds x Zarah Juan tarp project is a very good example of illustration of this concept: the initiative made use of 34,000 square feet of used tarpaulins to produce reusable shopping bags. This effort not only diverts waste from landfills but also conserves resources by reducing the need for new materials, thus lowering the environmental impact.

The success of this project lies in its ability to combine sustainability with aesthetic appeal — which to some may be difficult but this project is proving this to be otherwise. With dedication and full intent to protect the environment through circularity, wastes can be made into something not just beautiful but also functional for reuse of all. As the product of this initiative shows, the bags are not just functional; they are also fashionable, demonstrating that eco-friendly products can be both desirable and commercially viable. One thing is for sure: by making sustainable choices attractive to consumers, businesses can encourage a broader shift toward conscious consumption.

EMPOWERING COMMUNITIES THROUGH SUSTAINABLE PRACTICES

Sustainability in retail goes beyond environmental concerns — it also encompasses the adoption and promotion of social value — a good indicator of positive social performance and a clear example of transformative social investment. The partnership between SM Green Finds and Zarah Juan is a clear example of the retail giant's social investment because it provides additional livelihood and income to nearly 100 women, including independent artisans and people deprived of liberty (PDL) in Quezon City. This initiative is especially meaningful for the PDLs because they do not just gain valuable artistic and economic skills but can also ensure a more positive future when they are fully reintegrated to society. According to Quezon City officials, the project is giving more than 30 female PDLs a renewed sense of purpose and dignity.

Clearly, the SM Green Finds x Zarah Juan project demonstrates how retail can contribute to social upliftment by creating job opportunities for marginalized communities. This collaboration underscores the power of partnerships in driving systemic change within the industry.

DESIGN WITH PURPOSE AND LONGEVITY

As current practice shows, sustainable product design involves more than just using eco-friendly materials. More than anything else, it also requires creating items that are functional, attractive, and durable. And this is embodied in the tote bags designed by the SM Green Finds x Zarah Juan tarp project. Armed with a vision, a passion and a lot of creativity, Juan did not just focus on longevity and enduring appeal, she also ensured that these bags serve a practical purpose with the goal of encouraging consumers to adopt a more sustainable lifestyle. This philosophy challenges the culture of fast fashion and disposable goods, encouraging consumers to invest in items with a longer life cycle.

Retailers also have the opportunity to create significant social impact: the SM Green Finds x Zarah Juan tarp project is an excellent example of this as proceeds from the bag sales supports the SM Foundation's youth and education initiatives. This not only furthers education but also reinforces the idea that sustainability is about a broader commitment to social responsibility.

THE ROLE OF CONSUMER SUPPORT

Consumer patronage is vital for the success of any sustainable initiative. Retail businesses can generate and promote this support through transparent sustainability practices. The SM Green Finds x Zarah Juan tarp project did this effectively, communicating the environmental and social advantages of their products. By purchasing these bags, consumers contribute to waste reduction, support local artisans, and help fund education initiatives. This empowers consumers to make informed choices that align with their values.

The shift towards sustainability in retail is not only necessary but also beneficial for businesses, consumers, and the environment. Projects like SM Green Finds x Zarah Juan show how businesses can embrace sustainable practices that promote a circular economy, empower communities, and drive social impact. By repurposing materials, supporting local artisans, and raising consumer awareness, retailers can play a crucial role in creating a more sustainable future. As more businesses adopt these practices, the collective impact could lead to significant positive changes for the economy and society.

While the SM Green Finds x Zarah Juan project is a highly commendable initiative, it is also important to recognize that sustainability is a complex challenge that requires multifaceted and multi-sectoral approach. For one, retailers must address various aspects of their operations, including sourcing materials, packaging, and waste management. This involves reducing carbon emissions, minimizing water usage, and promoting ethical labor practices.

As in all sustainability initiative, transparency and accountability are also crucial, as consumers increasingly demand information about the sustainability of their purchases. Retailers need to be more proactively open about their supply and value chains, environmental impact, and social performance. By providing clear and credible information, businesses can build trust with consumers and enhance their reputation. But it is also accepted truism that transitioning to a more sustainable retail is fraught with some challenges. Implementing new practices often requires substantial investments in research, supply chain management, and employee training, and sometimes social acceptability. While some consumers may be willing to pay more for sustainable products, others are not; thus, it has become imperative for retail businesses to constantly communicate the value of sustainable lifestyle, products and practices. Moreover, businesses also need to ensure that these sustainable products remain accessible to a wider audience.

Overcoming these challenges requires collaboration among governments, businesses, and consumers. Policy makers can support the transition by providing incentives for sustainable practices, investing in research, and establishing clear regulations. Businesses can lead by example, demonstrating the business case for sustainability. Consumers, armed with information, can make conscious choices and support retailers committed to sustainability.

But at the end of the day, the long-term benefits of adopting sustainable practices outweigh the costs. By embracing sustainability, retailers can mitigate risks, improve brand image, and attract environmentally conscious consumers.

Today, the retail industry stands at a crossroads: the choices and decision points for retail businesses, consumers and other pertinent stakeholders are very clear: either continue with the unsustainable practices of the past or embrace a future defined by circularity, social responsibility, and environmental stewardship.

Indeed, the SM Green Finds x Zarah Juan tarp project is a clear example of how retail business can help manage environmental degradation and social inequality. The project is a proof point that sustainability can be a powerful driver and promoter of innovation, job creation, and community development. And as consumers become increasingly aware of the environmental and social impact of the goods and services they buy, retailers that embrace and promote more sustainable business will surely gain a competitive advantage.

Clearly and understandably, the future of retail lies in circularity, transparency, and social responsibility. By adopting sustainable practices, retailers can not only contribute to a healthier planet but also build stronger, more resilient businesses. The SM Green Finds x Zarah Juan tarp project is a compelling case study that inspires us to imagine a future where consumption is aligned with conservation.

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