Philippine Stock Exchange index (PSEi) 6,281.08 ▲192.02 PTS. ▲3.15%

WEDNESDAY, FEBRUARY 5, 2025 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P569.50	+P12.50	+2.24%
ACEN	ACEN Corp.	P3.45	——	
AEV	Aboitiz EquityVentures, Inc.	P33.20	+P1.00	+3.11%
AGI	Alliance GlobalGroup, Inc.	P7.39	+P0.27	+3.79%
ALI	Ayala Land, Inc.	P25.90	+P1.30	+5.28%
AREIT	AREIT, Inc.	P40.00	——	
BDO	BDO Unibank, Inc.	P147.00	+P2.50	+1.73%
BLOOM	Bloomberry Resorts Corp.	P3.81	+P0.06	+1.60%
BPI	Bank of the Philippine Islands	P127.80	+P3.50	+2.82%
CBC	China Banking Corp.	P90.00	-P2.00	-2.17%
CNPF	Century Pacific Food, Inc.	P41.50	-P0.25	-0.60%
CNVRG	Converge ICT Solutions, Inc.	P17.06	+P0.12	+0.71%
DMC	DMCI Holdings, Inc.	P11.04	-P0.06	-0.54%
EMI	Emperador, Inc.	P14.74	+P0.30	+2.08%
GLO	Globe Telecom, Inc.	P2,258.00	+P14.00	+0.62%
GTCAP	GT Capital Holdings, Inc.	P549.00	+P19.00	+3.58%
ICT	International ContainerTerminal	P378.00	+P11.00	+3.00%
JFC	Jollibee Foods Corp.	P244.60	+P9.60	+4.09%
JGS	JG Summit Holdings, Inc.	P16.50	+P0.50	+3.13%
LTG	LT Group, Inc.	P11.00	+P0.10	+0.92%
MBT	Metropolitan Bank& Trust Co.	P73.40	+P1.60	+2.23%
MER	Manila Electric Co.	P485.00	+P6.80	+1.42%
MONDE	Monde Nissin Corp.	P7.78	+P0.58	+8.06%
PGOLD	Puregold Price Club, Inc.	P26.00	+P0.15	+0.58%
SCC	Semirara Mining and Power Corp.	P36.10	+P0.30	+0.84%
SM	SM Investments Corp.	P830.00	+P44.00	+5.60%
SMC	San Miguel Corp.	P80.00	+P5.00	+6.67%
SMPH	SM Prime Holdings, Inc.	P26.00	+P1.75	+7.22%
TEL	PLDT Inc.	P1,377.00	+P27.00	2.00%
URC	Universal Robina Corp.	P61.65	+P3.70	+6.38%

PHL may need 50M sq.m. of industrial space by 2035

LIMA Estate's 30-hectare commercial area in Batangas.

BW FILE PHOTO

THE PHILIPPINES may need at least 50 million square meters (sq.m.) of industrial space by 2035, with an estimated average price of P30,000 per sq.m., to accommodate surging demand from the manufacturing, logistics, and data center sectors, according to commercial real estate consultancy firm PRIME Philippines.

"By 2035, the major backbone of the Philippine economy will be the industrial sector. Industrial real estate is no longer just an asset — it's the key to unlocking the Philippines' economic future. The demand is here; the supply must follow," PRIME Philippines Founder and Chief Executive Officer Jet Yu said during a briefing on Wednesday.

Warehouse supply grew by 4% to 37.6 million sq.m. in 2024, driven by new developments in Laguna, Batangas, and Cebu.

PRIME Philippines projected that supply would breach 40 million sq.m. this year, with upcoming expansions in Rizal, Cavite, Laguna, Pampanga, Cebu, and Davao.

Mr. Yu noted that about a third of the projected demand will come from the development of data centers, with over 100 data centers expected to go live in the country within the next three years.

"The 50 million sq.m. is a conservative-to-optimistic estimate. In just one or two years, we're going to see many countries, including the Philippines, localizing and housing their own data domestically," he said.

Mr. Yu added that the country's manufacturing and logistics sectors are also expected to fuel industrial space demand.

"There has been a rapid decentralization across the Philippines. Logistics players have strategically positioned themselves over the past three to four years," he said.

"On manufacturing, when many companies from China sought to diversify their operations to other ASEAN neighbors, we somewhat missed that opportunity. However, over the next ten years, we expect significant demand," he added.

Meanwhile, Mr. Yu said the country's manufacturing sector could continue to thrive amid geopolitical tensions.

"As long as we play it strategically and carefully, it's safe to say that the manufacturing sector will continue to thrive in the Philippines," he said.

"In 2025 alone, we have already received interest from companies looking to expand their existing manufacturing facilities in the Philippines. These are secondary hubs as a way for manufacturers to diversify and mitigate potential risks," he added.

The United States paused its planned 25% tariffs on Mexico and China in exchange for concessions on border and crime enforcement.

However, US President Donald J. Trump said he is not rushing efforts to defuse a trade war with China, which was triggered by a 10% tariff on all Chinese imports.

In response, China imposed targeted tariffs on US imports and placed several companies, including Google, on notice for possible sanctions. — **Revin Mikhael D. Ochave**

ICTSI expands MICT capacity

INTERNATIONAL Container Terminal Services, Inc. (ICTSI) said it is enhancing its Manila International Container Terminal (MICT) through capacity expansion and infrastructure upgrades.

In a media release on Wednesday, ICTSI announced that MICT is building Berth 8 to accommodate large container vessels with capacities of up to 18,000 twenty-foot equivalent units (TEUs).

This expansion will add 200,000 TEUs to the capacity, raising the terminal's total volume handling capability to 3.5 million TEUs annually.

Operated by ICTSI, MICT is one of three terminals in the Port of Manila and has the largest crane fleet to date.

ICTSI said the additional yard space will support the new berth while also mitigating yard utilization for increased maneuverability.

The company is also planning to expand its sustainability efforts by continuing to incorporate hybrid and near-zero-emissions equipment into its operations.

MICT said it recently deployed eight zero-emission rubber-tired gantries (RTGs) to complement its fleet.

ICTSI added that it is also planning to acquire electric trucks and establish electric vehicle charging infrastructure.

"MICT's expansion and modernization efforts align with the country's economic needs and goals. These efforts further underline the terminal's central role in the country's logistics and supply chain resilience, as well as its prominence as a gateway for global trade," ICTSI said.

In 2024, ICTSI announced that the Manila terminal will begin the second phase of its Berth 8 expansion, which includes the construction of a 300-meter wharf and a 10-hectare container yard.

Berth 8 will be equipped with three quay cranes for handling large-capacity vessels with a capacity of up to 18,000 TEUs, ICTSI said. The new cranes are expected to arrive in 2027.

In 2023, the company estimated that adding a new berth in Manila would cost P15 billion, enabling it to serve more large foreign vessels.

ICTSI operates 33 terminals in 20 countries across six continents. At the local bourse on Wednesday, shares in the company gained P11, or 3%, to end at P378 apiece. — **Ashley Erika O. Jose**

BW ONE-ON-ONE

How AirAsia Philippines is tackling recovery challenges

By Ashley Erika O. Jose
Reporter

AIRASIA PHILIPPINES is focusing on expanding domestic routes and tackling key industry challenges as part of its recovery strategy, its chief executive officer (CEO) said.

"Now five years in AirAsia, it has been a very good balance between the challenging pandemic years and the years of recovery," AirAsia Philippines CEO Ricardo P. Isla said in an interview with *BusinessWorld*.

Before joining AirAsia Philippines in 2019, Mr. Isla spent nearly 20 years in the telecommunications industry, where he led the international retail sales and distribution for one of the country's major telecom companies.

PATH TO RECOVERY

"First of all, the pandemic presented a very challenging situation for us. We had to be very resourceful and resilient. Actually, we are still on the path to full recovery," he said.

Mr. Isla said that AirAsia Philippines' domestic routes have fully recovered, but its international network will only fully recover by the second half of the year.

"It is because of China. It used to account for 30% of our international capacity. Right now, it is not really delivering, and we just have to catch up," Mr. Isla said.

As a result, AirAsia Philippines will focus on maximizing its domestic destinations, particularly in areas where the airline has a strong presence.

"For 2025, we are maximizing our domestic [network], especially in leisure destinations. We'll stay focused and further strengthen our strong territories. We expect to boost our capacity by about 10-15% in these very popular destinations," he said.

He added that the low-cost carrier plans to concentrate on its strong territories such as Boracay, Kalibo, Palawan, and other leisure destinations.

"However, for international, we would still like to focus on our positioning as a low-cost carrier. We have to go back to basics, meaning rebuild the trust and confidence of our passengers," he said.

Mr. Isla noted that the airline is banking on its parent company's plans, as AirAsia Philippines stands to benefit heavily from the consolidation of Capital A Berhad (Capital A) and AirAsia X Berhad (AAX).

Earlier in January, AAX announced a mutual agreement with Capital A to extend the timeline for the completion of the proposed acquisition of the group's aviation business.

Last year, Capital A Berhad disclosed that it had entered into a non-binding agreement with its unit, AirAsia X, for the sale of its aviation businesses — AirAsia Berhad and AirAsia Aviation Group Ltd.

"Let us also consider the status of our parent company with regard to the proposed regularization plan," Mr. Isla said, adding that the transaction is expected to be completed soon.

According to Mr. Isla, this will be followed by its parent company's order for over 600 more aircraft.

"We have overbooked around 647 aircraft, with a good spread of Airbus A320s and mostly Airbus A321NEOs. This will serve all countries, including Philippines AirAsia, Malaysia, Indonesia AirAsia, Thailand AirAsia, and Cambodia AirAsia," he said.

RICARDO P. ISLA

REVIVAL OF ROUTES

The low-cost carrier is confident about the recovery of air travel, and AirAsia Philippines aims to capture that momentum, Mr. Isla said, adding that the company will assess which of its pandemic-affected routes to revive.

"We must be willing to sail through the uncharted waters of the travel industry. By that, we want to further widen our network. And at the same time, when we widen our network, we want to go back to where we used to fly during the early parts of 2019," he said.

For AirAsia Philippines, the challenges in the aviation industry remain, Mr. Isla said, identifying these as manpower, supply chain issues, and the need to catch up with infrastructure.

"There are many challenges, but three key elements—people, availability of parts and resources—are particularly pressing, and now we are running out of MROs (maintenance, repair, and overhaul) facilities," he said.

Many Middle Eastern companies are after Filipino talent, Mr. Isla noted, adding that AirAsia Philippines is further strengthening the perks it offers its employees.

He added that supply chain disruption continues to be a major challenge in the aviation industry.

"We are actively mitigating this. We are an ASEAN company, and all the other airlines within the AirAsia group. So we have the muscle when it comes to procurement of parts," he said.

Additionally, Mr. Isla said that due to the limitations of MROs, the company has launched Asian Digital Engineering.

"This is our MRO prioritizing the Philippines. So, we've addressed that. These are the resources we need to maintain, namely the resources and parts," he added.

PREMIUMMEGASTRUCTURES.COM

PremiumLands to conduct P255.2-M tender offer for Asiabest shares

REAL ESTATE company PremiumLands Corp. (PLC) is preparing a P255.2-million tender offer for Asiabest Group International Inc. shares as part of its planned backdoor listing.

PLC and Industrial Holdings and Development Corp. (IHDC) intend to conduct a tender offer involving up to 100 million Asiabest common shares, representing a 33.33% stake, at P2.552 per share.

The tender offer will run from March 10 to April 7, Asiabest said in a regulatory filing on Wednesday.

Asiabest cited the P510.4-million share purchase agreement between PLC and Okada-Manila operator Tiger Resort Asia Ltd. (TRAL) in December last year. The deal involved 200 million Asiabest shares, representing a 66.67% stake, priced at P2.55 per share.

In January, PLC stated that Asiabest could become an infrastructure group if its planned backdoor listing is completed.

Under the deal, Asiabest will continue to function as a holding company, while PLC aims to inject and merge interests in the infrastructure industry.

The proposed business plan includes Asiabest's acquisition of PLC unit Kabalayan Housing Corp. and the initial infusion of several land assets across various provinces into Kabalayan for mass housing projects.

The business plan also involves a proposal to consolidate IHDC's interests in Concrete Stone Corp., Industry Movers Corp., and a minority interest in EEI Corp. with Asiabest.

PLC is part of a consortium that includes IHDC.

Trading of Asiabest shares has been suspended since December 16 after the Philippine Stock Exchange determined that PLC's move was covered by backdoor listing rules due to the change in control. — **Revin Mikhael D. Ochave**