



Sual Power submits lowest bid for Meralco's 200-MW supply

SAN MIGUEL Group's Sual Power, Inc. is advancing to the final review stage after submitting the lowest offer to supply Manila Electric Co.'s (Meralco) 200-megawatt (MW) baseload requirement.

Sual Power emerged as the leading bidder among six generation companies that submitted proposals with a combined offering capacity of 531 MW, the power distributor said in a statement on Tuesday.

The power generator offered P4.2955 per kilowatt-hour (kWh) for the entire 200-MW requirement, which was declared the best bid.

Sual Power, a subsidiary of San Miguel Global Power Holdings Corp., operates the 1,200-MW thermal plant in Pangasinan province. The plant is the largest coal-fired power facility in the

Philippines by installed capacity and has been supplying power to the Luzon grid since 1999.

Other bidders included Mariveles Power Generation Corp., which offered P4.3805 per kWh for the full supply; Bac-Man Geothermal, Inc., which submitted P4.5187 per kWh for 35 MW; and San Manuel Solar, Inc., which offered P4.5787 per kWh for 25 MW.

Next on the list were ACEN Corp., offering P5.2087 per kWh for 25 MW, and First Gen Hydro Power Corporation, with P5.4906 per kWh for 25 MW.

Mariveles Power is another unit of San Miguel Global Power and is developing a 600-MW coal-fired plant in Mariveles, Bataan. Bac-Man Geothermal and First Gen Hydro are renewable energy firms under the Lopez group, while ACEN is the listed energy platform of the Ayala group.

"As in previous years, this CSP has successfully secured the required power supply for customers at the lowest possible cost, achieved through an open and transparent process," Meralco Bids and Awards Committee for Power Supply Agreements (BAC-PSA) Chairman Lawrence S. Fernandez said.

The BAC-PSA will conduct a post-qualification evaluation before issuing a notice of award and executing the power supply agreement with the winning bidder.

Distribution utilities hold a competitive selection process (CSP) to secure power supply agreements (PSA) at the lowest cost.

The resulting PSA from this CSP will cover Meralco's 200-MW baseload requirement over four years to comply with the

Renewable Portfolio Standards (RPS), which require distribution utilities to source a portion of their energy supply from eligible renewable energy sources.

The deal remains subject to approval by the Energy Regulatory Commission (ERC).

"As a highly regulated entity, Meralco conducted the CSP in full compliance with the rules and regulations issued by the ERC and the Department of Energy," the company said.

Meralco's controlling shareholder, 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**

IWG aims for 80% occupancy as flexible workspaces gain demand

By **Beatriz Marie D. Cruz**

Reporter

MULTINATIONAL OFFICE space provider International Workplace Group Plc (IWG) is looking to maintain 80% occupancy across its locations, as flexible workspaces cater to "work-near-home" trends while supporting business continuity during disasters.

"A flexible workspace is no longer a luxury during uncertain times, it's actually a survival strategy," IWG Country Manager for the Philippines Rowena Bravo-Natividad said in a virtual interview with *BusinessWorld* last week.

Global economic uncertainties are expected to increase demand for hybrid work formats as part of companies' risk management plans, she said.

She also cited the company's business-continuity management solutions, which allow companies to access any of its locations nationwide in case of work disruptions caused by disasters or power outages.

"That is also one of the drivers for the provincial sites," Ms. Bravo-Natividad added.

At present, IWG has 47 locations nationwide under the brands Regus, Spaces, and Signature by Regus. The company is planning to launch 29 more branches in 2026 and expects to operate 76 locations by year-end.

The company hosts a mix of tenants, including global capability centers, small and medium-sized enterprises, and information technology-business process management firms.

She also noted that many Filipinos, who typically live in multi-

generational households, prefer to work in a flexible workspace nearby to ensure productivity.

About 28% of Filipino households live in extended households, with relatives opting to cohabit to share housing and other costs, according to a 2025 study by the Philippine Institute for Development Studies (PIDS).

Ms. Bravo-Natividad cited the complex process for construction permits as a key challenge.

"What we plan to do is to emphasize earlier permitting engagement, while trying to improve schedule forecasting and flexibility to kind of mitigate the regulatory delays," she said.

In 2025, flexible office spaces accounted for 7% of demand in the country's office market, according to real estate services firm Savills Philippines.



SBMA,
from SI/1

The company has also committed to invest "considerable financial resources" and utilize its real estate management capabilities in developing the airport.

In its proposal the company said that it will maintain the existing leases but only for the "early years" of its concession period.

Cerberus plans to maintain the status quo of existing operations by honoring existing leases and retaining incumbent employees. In parallel, Cerberus will invest significant capital expenditure to improve SBIA's infrastructure and operations, whilst building new hangars and storage facilities to reestablish SBIA as a major hub for commercial cargo operations and to expand SBIA's government logistics operations," it said.

The company added that it will monitor and evaluate airport fees to optimize SBMA's returns under the revenue-sharing

agreement, while supporting efforts to attract and manage both existing and new airport tenants.

This revenue-sharing scheme would be the determining factor if the proposed 25-year concession agreement were extended, PPP Center said.

"This arrangement enables SBMA to share in the upside of the airport's growth while ensuring that SBMA remains entitled to receive the lion's share of annual revenues from airport fees until the concessionaire meets and exceeds agreed annual revenue targets," it said.

At present, the SBMA manages and operates the SBIA, which serves as the secondary and diversion airport for the country's primary airport, Ninoy Aquino International Airport. SBIA handles corporate jets, cargo, and general aviation.

Financial system,
from SI/1

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said the sustained growth in bank lending and deposits as well as the industry's continued profitability boosted the full-year financial resources.

"This is nearly twice the economic growth of 4.4% in 2025 (and was) again largely due to the continued double-digit growth in bank loans, sustained growth in bank deposits, continued net income growth of banks, which are among the most profitable industries in the country consistently for many years," he said in a Viber message.

Since May 2024, bank lending has grown at a double-digit pace monthly. The streak was only broken in December last year, when banks' loan growth eased to a 22-month low of 9.2%.

Meanwhile, the latest available BSP data showed that bank deposits rose by 7.58% year on year to P21.066 trillion as of September from P19.581 trillion previously.

Recent policy easing also allowed banks to benefit from higher trading gains and investment earnings, Mr. Ricafort noted.

Since August 2024, the central bank has so far reduced key borrowing costs by a total of 200 basis points (bps) to its lowest in over three years at 4.5%.

On the other hand, the US Federal Reserve's benchmark rate currently stands at

3.5%-3.75% range following a cumulative 175 bps in cuts since September 2024.

Jonathan L. Ravelas, a senior adviser at Reyes Tacandong & Co., also noted that the rise of banks and nonbanks' financial resources last year "reflected resilience and confidence in the system."

Mr. Ravelas said resources' growth this year will be driven by banks' lending to priority sectors such as infrastructure and consumption as well as the impact of capital market activity, trust funds and insurance on NBFIs.

"In 2026, growth will likely be more measured but still solid, with banks focusing on targeted lending to priority sectors like infrastructure and consumption, while nonbanks benefit from capital market activity, trust funds, and insurance," he said via Viber. "The story this year shifts from rapid accumulation to disciplined, higher-quality growth."

Meanwhile, Mr. Ricafort said further monetary policy easing would "lead to higher trading gains and other investment gains, as well as greater demand for loans, that would again be the major growth drivers for total assets and resources of the banking system and the overall financial system."

The Monetary Board is widely expected to trim the key policy rate by another 25 bps at its meeting on Thursday to bring it to 4.25%, based on a *BusinessWorld* poll of 16 analysts.

— **Katherine K. Chan**

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