

Peso,
from SI/1



Year to date, the local unit depreciated by P2.34 from its P55.37 finish on Dec. 29, 2023.

"We already predicted last year that the peso-dollar exchange rate would reach P58 in 2024," De La Salle University School of Economics professor Jesus Felipe said in an e-mail.

Mr. Felipe said that the peso will likely stay in the P57-to-P58 range this year.

Latest Development Budget Coordination Committee assumptions show that the peso may range from P55 to P57 for 2024.

The exchange rate is also directly affected by the current account balance, ratio of Philippine export prices to world import prices and the current policy rate, Mr. Felipe said.

Ateneo de Manila economics professor Leonardo A. Lanzona said the US dollar's recent strength is also due to the strong performance of the US economy.

"Unless the Philippine economy matches with the US economic growth, the value of the peso will continue to decline. Now, this is not necessarily bad for the economy because it incentivizes greater exports," he said in an e-mail.

INTERVENTION?

Mr. Remolona has said that the central bank "stands ready" to defend the currency if needed, after the peso closed at its weakest level in nearly 17 months against the dollar on Thursday.

"Nonetheless, the BSP continues to monitor the market and stands ready to manage any unnecessary movement and excessive volatility," he said on Thursday evening.

In October 2022, the peso reached a record low of P59 against the dollar. This added to inflationary pressures and prompted the BSP to intervene in the foreign exchange (forex) market and raised interest rates.

Mr. Remolona also said that the BSP allows adjustments to happen unless the forex movements are "very sharp."

Enrico P. Villanueva, a senior lecturer at the University of the Philippines Los Baños Economics Department, said that the BSP is correct to allow forex adjustments to happen.

"It is BSP's mandate to ensure financial stability, but not dictate or control the level of the exchange rate of peso against

dollar," he said via Facebook Messenger.

Mr. Felipe also noted that the BSP is unlikely to intervene. "Not at this level and as long as movements are very smooth," he added.

The BSP would intervene if necessary to maintain stability, Mr. Roces said.

"Although, what these interventions are remain vague, based on the recent gross international reserves (GIR) we have ample external cover for this," he said.

"As such, recent movements have been market driven and there aren't any inherent weakness in the peso. The main catalyst has been the signal out of the US Fed about the need to maintain elevated rates for longer, and likely a knee-jerk reaction regionally following Indonesia's surprise rate hike," he added.

Policy makers at the US Federal Reserve have signaled that they are not rushing to cut rates anytime soon due to persistent inflation.

The Fed is set to have its next meeting this week (April 30-May 1).

Mr. Remolona earlier said that the peso's recent drop has been due to signals of policy easing delays by the Fed. He also said that the peso weakness is unlikely to impact the BSP's monetary decisions.

Finance Secretary Ralph G. Recto also said last week that the peso depreciation is not enough reason to raise rates.

From May 2022 to October, the Monetary Board has hiked borrowing costs by 450 basis points to bring the benchmark rate to a near 17-year high of 6.5%. At its April meeting, the BSP stood pat for a fourth straight meeting.

The Monetary Board is set to have its next policy meeting on May 16. — **Luisa Maria Jacinta C. Jocsos**

Pure Energy subsidiary eyes IPO

NEXGEN Energy Corp., a wholly owned subsidiary of Pure Energy Holdings Corp., said it is eyeing to go public as it aims to develop solar and wind power projects with a capacity of over 2,350 megawatts (MW).

"We are excited about NexGen's role in helping to secure the country's energy supply needs. We support the Department of Energy's (DoE) goal of achieving a 35% renewable energy share by 2030,"

NexGen President Eric Y. Roxas said in a statement over the weekend.

The company is preparing to list its initial public offering (IPO) in July this year and expecting to raise P500 million. The proceeds will be used to fund the projects and develop the said renewable energy capacity over the next 10 years.

NexGen has three main subsidiaries, one of which is SPARC-Solar Powered Agri-Rural Communities Corp., which operates

three solar farms in Zambales, Bataan, and Bulacan.

5Hour Peak Energy Corp. has a pipeline of over 1,000 MW-peak of solar projects, while Airstream Renewables Corp. has a pipeline of up to 1,330 MW of onshore and offshore wind projects.

Currently, NexGen has eight wind energy service contracts (WESCs) under Airstream, with four more WESCs "in the process of being consolidated."

The company is also applying for solar energy service contracts with the DoE under 5Hour Peak Energy, "as well as big ticket unsolicited proposals currently being reviewed at several government agencies."

Its parent company, Pure Energy, is a holding company which has assets in hydropower, solar, wind, geothermal, as well as bulk water and distribution facilities. — **Sheldeen Joy Talavera**

PHINMA Corp. says education unit eyeing school acquisitions in Metro Manila, Cavite, and Davao

PHINMA Corp. aims to further expand its education business through potential acquisitions of schools in Metro Manila, Cavite, and Davao, its president said.

"We're looking for schools in Cavite, Davao, and one more in Metro Manila," PHINMA Corp. President and Chief Operating Officer Chito B. Salazar, Jr. told reporters last week.

PHINMA Corp. has business interests in the education sector through its unit PHINMA Education Holdings, Inc.

Mr. Salazar, who also serves president and chief executive officer of PHINMA Education, said the company is eyeing to close the talks on the planned acquisition in Metro Manila by the third quarter.

Other expansion moves of PHINMA Education include a branch in San Pablo, Laguna, the entry of PHINMA University of Pangasin-

into Tarlac and La Union provinces, and the introduction of PHINMA Araullo University into Gapan, Nueva Ecija.

"We're really expanding aggressively," he said. On international expansion, Mr. Salazar said that PHINMA Education is looking to enter Vietnam to go along with the company's presence in Indonesia. The company manages Horizon Karawang in West Java.

"We're probably seriously looking at Vietnam by the end of this year. If ever we purchase it, maybe it would be late 2025 already," he said.

"We're looking at schools that are tertiary and probably at about three to five thousand students today. That's what we're looking at for us to grow," he added.

Mr. Salazar said that PHINMA Education is expected to have 50,000 students in Indo-

nesia within the next five years and 400,000 students within the next 10 to 15 years.

In contrast, PHINMA Education expects to have 350,000 students in its Philippine school network within the next five years.

PHINMA Education recorded an 18% increase in enrollment for the first semester of school year 2023-2024 at 146,546 students across the Philippines and Indonesia.

PHINMA Corp. has allocated a capital expenditure budget of P4.5 billion for 2024, with almost half earmarked for its education business.

In 2023, the conglomerate saw a 6.5% jump in its net income to P1.63 billion as consolidated revenues surged by 20% to P21.27 billion.

PHINMA Corp. shares were last traded on April 26 at P20.45 per share. — **Revin Mikhael D. Ochave**

SC upholds dismissal of 4 companies' frequency bid

THE Philippine Supreme Court (SC) has affirmed the dismissal of four telecommunications companies' frequency bid for the third-generation mobile communications technology or 3G radio frequency.

The High Court's Second Division upheld the 2005 and 2008 orders by the National Telecommunications Commission (NTC), which barred Next Mobile, Inc., currently operating as NOW Telecom, Bayan Telecommunications (BayanTel), Multi-Media Telephony, Inc. (MTI), and AZ Communications, Inc., from applying for a 3G radio frequency.

The tribunal cited Next Mobile's unpaid dues when it disqualified its bid, such as the supervision and regulation fee

of more than P126 million and a spectrum user fee of more than P9.68 million.

In its decision, the High Court said that an applicant must have "no outstanding unpaid supervision and regulations fees, spectrum user fees, radio station license fees, permit fees, and other fees" under Memorandum Circular No. 07-08-2005.

As of November 2019, the NTC named the consortium of Udenna Corp., Chelsea Holdings, and China Telecom, known as Mislattel, later DITO Telecom, as the new major player.

At the time of the NTC orders, it had already granted four out of five 3G frequency slots to Smart, Globe, Digitel, and Connectivity Unlimited Resources Enterprise.

"The grant of the remaining 3G bandwidth assignment of 10MHz x 2 shall be within the National Telecommunications Commission's discretion subject to the required application procedures as may be required under relevant laws, rules, and regulations," the 44-page decision penned by Senior Associate Justice Marvic M.V.F. Leonen said.

Mr. Leonen also cited in the decision the Public Telecommunications Policy Act (RA 7925), which declares radio frequency spectrum as a "scarce public resource."

Meanwhile, the top court granted a petition of the NTC assailing a 2010 decision of the Court of Appeals (CA) ordering the regulatory body to give the fifth and final 3G slot to BayanTel.

It said it was "peculiar" that the appellate court invalidated the point system used by the NTC in allocating 3G frequencies due to alleged noncompliance with requirements but still used it as an argument for assigning the final slot to BayanTel.

The NTC gave BayanTel zero points for failing to meet its cellular mobile telecommunications service provider obligations.

However, the CA suggested that BayanTel should have been awarded 6.5 points due to external factors affecting its compliance.

The top court said this reasoning is erroneous because BayanTel had the opportunity to operate since May 2000. — **Chloe Mari A. Hufana**

Which industries will push the nation's growth forward?



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