

Philippine Stock Exchange index (PSEi)

6,700.49

▼ 69.15 PTS.

▼ 1.02%

TUESDAY, APRIL 30, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P615.00 +P5.50 +0.9%	ACEN ACEN Corp. P4.15 +P0.13 +3.23%	AEV Aboltiz Equity Ventures, Inc. P42.00 +P0.70 +1.69%	AGI Alliance Global Group, Inc. P10.08 +P0.06 +0.6%	ALI Ayala Land, Inc. P28.75 -P0.75 -2.54%	BDO BDO Unibank, Inc. P148.20 -P1.60 -1.07%	BLOOM Blossom Resorts Corp. P10.40 -P0.20 -1.89%	BPI Bank of the Philippine Islands P127.50 -P1.50 -1.16%	CNPF Century Pacific Food, Inc. P38.00 +P0.50 +1.33%	CNVRG Converge ICT Solutions, Inc. P9.40 -P0.03 -0.32%
DMC DMCI Holdings, Inc. P11.08 -P0.02 -0.18%	EMI Emperador, Inc. P19.04 -P0.02 -0.1%	GLO Globe Telecom, Inc. P1,774.00 +P6.00 +0.34%	GTCAP GT Capital Holdings, Inc. P639.50 +P28.50 +4.66%	ICT International Container Terminal Services, Inc. P331.00 -P5.20 -1.55%	JFC Jollibee Foods Corp. P235.40 -P4.60 -1.92%	JGS JG Summit Holdings, Inc. P33.75 -P0.80 -2.32%	LTG LT Group, Inc. P10.16 -P0.02 -0.2%	MBT Metropolitan Bank & Trust Co. P70.00 ---	MER Manila Electric Co. P369.00 +P2.00 +0.54%
MONDE Monde Nissin Corp. P10.68 +P0.10 +0.95%	NIKL Nickel Asia Corp. P4.02 -P0.03 -0.74%	PGOLD Puregold Price Club, Inc. P23.70 -P0.05 -0.21%	SCC Semirara Mining and Power Corp. P32.95 +P0.15 +0.46%	SM SM Investments Corp. P950.00 -P19.00 -1.96%	SMC San Miguel Corp. P105.00 +P0.50 +0.48%	SMPH SM Prime Holdings, Inc. P27.95 -P0.85 -2.95%	TEL PLDT Inc. P1,340.00 -P40.00 -2.9%	URC Universal Robina Corp. P103.20 -P1.70 -1.62%	WLCON Wilcon Depot, Inc. P16.70 +P0.70 +4.37%

SEC yet to implement fee hikes, awaits assessment

THE Securities and Exchange Commission (SEC) said its proposed higher fees and charges have not yet been implemented as it is awaiting a third-party assessment.

"We just have the increased fines and penalties," SEC Commissioner McJill Bryant T. Fernandez told reporters on the sidelines of a forum in Taguig City on April 29.

"We have not implemented the fees and charges yet," he added.

SEC Chairperson Emilio B. Aquino said the commission had already sent a regulatory impact assessment of the proposal to the Anti-Red Tape Authority (ARTA).

"If it passes, we will implement whatever gets passed. That's the agreement. We're waiting for ARTA," Mr. Aquino said.

"We referred it there. There's still continuing conversations

about it, but it's not about us imposing. In fact, we're listening. It should be both ways," he added.

In August last year, the SEC released the proposed schedule of new fees and charges for stakeholders' comments.

The regulator said the proposed hike aims to develop its digital services for the transacting public. The current rates have not been changed since 2017.

However, business groups led by the Philippine Chamber of Commerce and Industry and Philippine Exporters Confederation, Inc. opposed the proposal, describing it as "obscene" and "unconscionable."

Among the SEC's proposed changes is the charge of one-fourth of 1% of total indebtedness to corporate issuers when creating bonded indebtedness.

Meanwhile, Mr. Aquino reminded businesses to comply with the SEC's reportorial requirements or face penalties.

"Businesses should comply with their submissions and reportorial requirements because they're going to get hit by high penalties," he said.

"We're not happy penalizing them at all. There is an exercise of good corporate governance, submitting

your financials, general information sheet to your regulators, complying with orders of the SEC," he added.

In March, the SEC issued Memorandum Circular No. 6 that increased the fines and penalties for the late and non-filing of reportorial requirements by corporations.

The previous scale of fines was implemented in July 2002, prior to the increase. — **Revin Mikhael D. Ochave**

2GO Group eyeing additional routes by third quarter

LOGISTICS company 2GO Group, Inc. plans to add more routes this year in anticipation of increased sea travel, a company official said.

"We're studying other routes; there are other routes that would complement those near those areas," William Howell, chief financial officer of 2GO, told reporters last week.

Mr. Howell declined to identify the new routes other than describing the company planned areas as "tourist destinations that have surfing" activities.

For now, 2GO is just going through regulatory and clearance processes before launching its planned new routes, Mr. Howell said.

"It should be, if not before the end of the second quarter, maybe the third quarter. The vessels already arrived, we are just going through the regulatory clearances before we can get in," he said.

Last week, the logistics company launched its newest roll-on roll-off vessel — the MV Masigla sailing to Iloilo, Bacolod, and Cagayan.

Since 2021, the company has invested in five vessels, with the MV Masigla being the fourth of the company's five investments.

The fifth vessel is expected to be announced in the next two months, he said.

Meanwhile, 2GO will not be acquiring new fleets this year following the expected launch of its fifth vessel within the year.

"For now, we're probably set this year with our fleet. But in the future, as we continue to grow the business. We will certainly study those plans to expand even further," Mr. Howell said.

For the year, the company is setting aside up to P2 billion for its capital expenditures

(capex) budget mainly allocated for new containers, machine handling equipment, and service enhancements.

"In our financials for 2023, we probably did a billion and a half to P2 billion and we are going to continue that... It should be very comparable," he said.

For 2024, 2GO expects to continue its growth from the previous year.

"The freight business remains strong. It is not just about shipping. We do have a special container and projects business that continues to do very well," he said, adding that the shipping business is just one component of its business.

2GO is an end-to-end transportation, logistics, and distribution provider in the country under Sy-led conglomerate SM Investments Corp. — **Ashley Erika O. Jose**

PHINMA Corp. says it's boosting capacity of cement business with new facilities in Mindanao

LISTED conglomerate PHINMA Corp. is set to increase the capacity of its cement business with new facilities in Mindanao, a company official said.

The company is putting up a cement plant in Davao valued at around P2 billion, said Eduardo A. Sahagun, PHINMA Corp. director and executive vice-president for the construction materials group (CMG), during a briefing last week.

"We're putting (up) our Davao plant, which is almost similar to Mariveles, Bataan. That is a joint venture with some of our partners in Davao. That will bring our total capacity to like five million tons if all those things will be completed in a couple of years," he said.

"The Davao plant is about to start. We're just working on its environmental clearance certificate," he added.

PHINMA Corp. has presence in the cement business through its subsidiary Philcement Corp., which is part of the conglomerate's CMG consisting of Union Galvasteel Corp. and PHINMA Solar Energy Corp.

The company's Mariveles plant, located at the Freeport Area of Bataan, has an initial annual capacity of two million tons.

In addition, Mr. Sahagun said Petra Plant in Zamboanga del Norte has also started and is expected to help boost the company's cement business.

Philcement signed a manufacturing and sale agreement with Petra Cement,

Inc. in January, allowing the former to operate the latter's Petra Plant.

"It has started and after that, we're almost there for the actual purchase of the Petra Plant. We actually look at that as an opportunity. When we look at where it is located, it is almost like we're the only one there serving Northern Mindanao," he said.

"We think that has a good potential for us. And bring us closer to where we want to be as we actually put in together our model of being more sustainable for our cement business," he added.

The Petra Plant has a cement grinding facility with a capacity of 500,000 metric tons per annum.

Meanwhile, PHINMA Properties said in a separate statement that it plans to explore the provision of socialized housing to the underserved and low-income sector.

"What we hope to do is develop a successful model for this, finding a balance between serving our mission of making lives better and compliance with the price ceiling for these properties as set by the government," PHINMA Properties President and Chief Executive Officer (CEO) Raphael B. Felix said.

PHINMA Hospitality, Inc. President and CEO Jose Mari R. del Rosario said the company is exploring expansion and more franchising opportunities for the Microtel brand, along with a Visayas venture for TRYP. — **Revin Mikhael D. Ochave**

BAP says selling PDS to PSE hinges on 'right conditions'

THE Bankers Association of the Philippines (BAP) said it is open to selling the Philippine Dealing System Holdings Corp. (PDS Group) to the Philippine Stock Exchange (PSE) under the right conditions.

"We're willing to sell at the right conditions," BAP President Jose Teodoro K. Limcaoco told reporters on the sidelines of a media briefing last week.

"(The PSE) has given us a letter saying that they are interested, but there's no price," said Mr. Limcaoco, who is also the president and chief executive officer (CEO) of Ayala-led Bank of the Philippine Islands.

He noted that the BAP had engaged an adviser to assess the value of the potential sale to the PSE.

"That's where we are. There is no result yet," he said.

The PSE is eyeing the acquisition of up to 100% of the PDS, the operator of the Philippine Dealing & Exchange Corp. (PDEX), which caters to the fixed-income market, as part of merging the country's capital market infrastructure.

The PSE has a 20.98% stake of the issued and outstanding capital stock of the PDS

Group, while BAP members and institutions have a 21% stake.

Some of the other PDS shareholders include Singapore Exchange Ltd. (20% share), Whistler Technologies Services, Inc. (8% share), Tata Consultancy Services Asia (8% share), San Miguel Corp. (4% share), Financial Executives Institute of the Philippines Research and Development Foundation (3.08% share), and Social Security System (1.54% share).

PSE President and CEO Ramon S. Monzon said that the local bourse is hoping to finalize the planned takeover of PDS within the year.

He added that negotiations have not started because the power of attorney of the BAP has expired. The power of attorney allows BAP to decide on the merger on behalf of its member banks.

"I'm not sure if we're waiting for a power of attorney," Mr. Limcaoco said after being asked about the PSE's recent statement.

He said that they want to understand the governance structure of the proposed merger.

"If we were to sell PDS, we wouldn't understand how PDEX is governed. So we're trying to

understand how they are supposed to govern PDEX."

In December last year, the Securities and Exchange Commission (SEC) approved the application of the PSE for exemptive relief, allowing it to exceed the mandatory ownership in PDS.

This move allows the PSE to exceed the mandatory limit of 20% on ownership and voting rights in an exchange, permitting it to own up to 100% of PDS, subject still to certain conditions.

The SEC's move allows unified or integrated local bourses, referring to a financial market where assets like stocks and bonds are traded under a single entity as part of developing the country's capital market.

Under the Securities Regulation Code, no industry or business group may beneficially own or control, directly or indirectly, more than 20% of the voting rights of the exchange.

In 2017, the PSE almost finished its takeover of PDS. However, the SEC blocked the transaction as it would breach the individual ownership limit under the law. — **Revin Mikhael D. Ochave**

Meralco proceeds with feasibility study on micro modular reactors



PHILIPPINE STAR/MICHAEL VARCAS

MANILA Electric Co. (Meralco) said it has started conducting a full feasibility study with US-based company Ultra Safe Nuclear Corp. (USNC) for the installation of micro modular reactors (MMR) in the Philippines.

"On the formal feasibility study, we will need to deep dive more on the financial safety and other very important parameters as well as on the site-specific study like where do we install these micro modular reactors," Meralco Executive Vice-President and Chief Operating Officer Ronnie L. Apercho said during a recent briefing.

He noted that the company had decided to proceed with the formal feasibility study following the presentation of the pre-feasibility results.

The full-scale feasibility study would take approximately six months,

and they are already making progress, he added.

Meralco Chairman and Chief Executive Officer Manuel V. Pangilinan said that the pre-feasibility study identified five areas that are subject to a geological study.

The study is to ensure that the locations are safe places to build micro modular reactors, which would likely be completed before 2028.

"What's important is that given the circumstances around this nuclear in this country, it is important that we start today with a fairly modest proof-of-concept plan, and they're prepared to do that, whatever the size might be, 5, 10 megawatts (MW) and located in a safe place," he said.

In November last year, Meralco and USNC signed a cooperative agreement

to study the potential deployment of one or more micro modular reactor energy systems in the country.

Under the deal, USNC conducted a pre-feasibility study for four months.

"Our goal is to be able to start an operational plant perhaps in one of the island provinces to produce power and demonstrate that it's a safe mode of producing power," Mr. Pangilinan said.

An MMR unit or "nuclear battery" can "safely and reliably" provide up to 45 megawatt thermal of high-quality heat, delivered into a centralized heat storage unit, according to Meralco.

"One or more MMR nuclear batteries combine their heat in the heat storage unit, from where electric power or superheated steam can be extracted through conventional means to meet a

wide range of power requirements, from tens to hundreds of MW," the power distributor has said.

Meralco is sending five engineers to a two-year graduate program abroad this year to develop skilled professionals and help the country develop local nuclear energy experts.

The scholarship is part of the company's Filipino Scholars and Interns on Nuclear Engineering program that was launched in September last year.

Meralco's controlling stakeholder, 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**