

Philippine Stock Exchange index (PSEi)

7,175.36▲ 71.16 PTS.▲ 1%

TUESDAY, SEPTEMBER 17, 2024BusinessWorld

PSEi MEMBER STOCKS

AC

Ayala Corp.

P660.00

+P26.00 +4.1%

ACEN

ACEN Corp.

P5.03

-P0.08 -1.57%

AEV

Aboltiz Equity Ventures, Inc.

P35.90

-P0.50 -1.37%

AGI

Alliance Global Group, Inc.

P8.93

-P0.03 -0.33%

ALI

Ayala Land, Inc.

P35.00

+P0.30 +0.86%

BDO

BDO Unibank, Inc.

P161.00

+P1.10 +0.69%

BLOOM

Bloomerry Resorts Corp.

P8.50

-P0.10 -1.16%

BPI

Bank of the Philippine Islands

P126.80

+P1.00 +0.79%

CNPF

Century Pacific Food, Inc.

P38.70

-P0.40 -1.02%

CNVRG

Converge ICT Solutions, Inc.

P16.14

-P0.48 -2.89%

DMC

DMCI Holdings, Inc.

P11.70

-P0.04 -0.34%

EMI

Emperador, Inc.

P18.76

—

GLO

Globe Telecom, Inc.

P2,276.00

+P66.00 +2.99%

GTCAP

GT Capital Holdings, Inc.

P722.00

+P12.00 +1.69%

ICT

International Container Terminal Services, Inc.

P405.00

-P8.40 -2.03%

JFC

Jollibee Foods Corp.

P260.00

+P5.00 +1.96%

JGS

JG Summit Holdings, Inc.

P26.05

+P0.15 +0.58%

LTG

LT Group, Inc.

P9.97

+P0.09 +0.91%

MBT

Metropolitan Bank & Trust Co.

P74.35

+P1.20 +1.64%

MER

Manila Electric Co.

P435.00

+P15.00 +3.57%

MONDE

Monde Nissin Corp.

P10.44

+P0.14 +1.36%

NIKL

Nickel Asia Corp.

P3.31

+P0.10 +3.12%

PGOLD

Puregold Price Club, Inc.

P29.00

-P0.20 -0.68%

SCC

Semirara Mining and Power Corp.

P33.95

+P0.45 +1.34%

SM

SM Investments Corp.

P970.00

+P21.50 +2.27%

SMC

San Miguel Corp.

P94.95

-P0.05 -0.05%

SMPH

SM Prime Holdings, Inc.

P32.55

+P0.75 +2.36%

TEL

PLDT Inc.

P1,453.00

-P7.00 -0.48%

URC

Universal Robina Corp.

P94.60

+P1.80 +1.94%

WLCON

Wilcon Depot, Inc.

P17.74

-P0.12 -0.67%

# Developers seen confident in local tourism with P250-B investment

DEVELOPERS have committed about P250 billion to construct 158 accommodation projects, totaling 40,084 room keys, signifying strong confidence in the tourism sector, according to the 2024 Philippine Accommodation Pipeline Report.

“That 40,000 room keys equate to approximately P250-billion commitment over the following years,” Alfred Lay, director for hotels, tourism, and leisure at Leechiu Property Consultants, said during the launch of the 2024 Philippine Accommodation Pipeline Report on Tuesday. The study was conducted in partnership with the Philippine Hotel Owners Association, Inc. (PHOA).

The developers include Megaworld Corp., Double Dragon Properties Corp., SM Prime Holdings, Inc., the Hann Group in Clark, Ayala Corp., Cebu Landmasters, Inc., Filinvest Development Corp., AppleOne Properties, Inc., and Robinsons Land Corp.

“We released surveys to various brand operators, to developers, to design consultants, to the Department of Tourism (DoT), and local government units... to gather knowledge about upcoming hotels,” Mr. Lay said.

He said that once these keys are completed and operational, they will generate 57,000 direct jobs in the hotel industry.

“Luzon, as we would expect, maintains the largest pipeline that’s sitting at about 50% today, and that’s heavily driven by the economic hub being Manila,” he said, adding that this leads to 85 new accommodations and 20,116 room keys.

Visayas followed with 57 accommodations and 16, 830 room keys, accounting for 42% of the pipeline.

Meanwhile, Mindanao is expected to have 16 new accommodations and 3,138 room keys, or 8% of the total pipeline.

In terms of pipeline keys in the top 10 areas by opening years, Lapu-Lapu City led with 4, 786 keys in the pipeline across 10 projects, averaging 435 keys per accommodation.

Mr. Lay said Panglao Island, a top accommodation investment destination, came in second with 4,401 keys planned across 16 projects. This was followed by Boracay with 3, 625 keys in the pipeline.

“But it’s interesting to see that there are still quite a lot of keys coming into Boracay. Despite



JBDODANE-FLICKR

various infrastructure issues they may have, it still sits very much at the forefront of our development pipeline,” Mr. Lay said.

Cebu City (1,929 keys), New Clark City (1,550 keys), and Clark (2,098 keys) are also significant, with Clark’s growth attributed to its international airport and the increasing influx of Korean arrivals.

“In Clark, we’ll be driven by a lot of gaming-related keys. There are quite a lot of casino announcements lately and all of those have to be supported by a good number of room keys,” Mr. Lay said.

He also said that outside of Metro Manila, the real growth

story sits in Palau and Mactan Island due to being coastal destinations and served by international connectivity.

“This information becomes especially crucial as our hotel rules inventory is invariably compared to our competitors in the region and is often used as a gauge of our competitiveness,” PHOA President Arthur M. Lopez said.

From January to August 2024, the Philippines welcomed more than four million international visitors and generated visitor receipts amounting to approximately P362.58 billion, the Tourism department reported.

— **Aubrey Rose A. Inosante**

## PLDT names Menardo Jimenez, Jr. as COO

PANGILINAN-LED PLDT Inc. has named Menardo G. Jimenez, Jr. as executive vice-president and chief operating officer (COO).

In a regulatory filing on Tuesday, PLDT said its board of directors has approved the appointment of Mr. Jimenez as the company’s executive vice-president and COO, effective Sept. 17.

Mr. Jimenez has served as PLDT’s senior vice-president and network head. He has also served as the consumer business home advisor

from 2022 to 2023, head of consumer business home from 2019 to 2022, and deputy business transformation office head from 2017 to 2019, the telecommunications company said.

Further, PLDT said the search for the replacement of Alfredo S. Panlilio as the company’s president and chief executive officer is still ongoing, after his retirement in January 2024 due to health reasons.

PLDT Chairman Manuel V. Pangilinan currently holds Mr. Panlilio’s vacated posts.

Mr. Pangilinan said earlier that there are two to three potential candidates for the role.

At the stock exchange on Tuesday, shares in the company closed P7, or 0.48% lower, at P1,453 each.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

## Leviste-led Provincia investing P15B in Batangas, Tarlac, Nueva Ecija

LEANDRO Antonio L. Leviste, founder of Solar Philippines Power Project Holdings, Inc., is investing over P15 billion in land development projects in Batangas, Tarlac, and Nueva Ecija.

The investment will be made through Mr. Leviste’s Provincia Investments Corp., Solar Philippines said in a statement posted on its Facebook page on Tuesday. Provincia is an affiliate of Solar Philippines.

Provincia, which is engaged in making investments in real estate and equities for industrial, commercial, energy- and infrastructure-related developments, will collaborate with Solar Philippines to develop its landbank in the three provinces.

The P15 billion is on top of the P5-billion investment previously made by Mr. Leviste’s Countryside Investments Holdings Corporation in Batangas.

Recently, Provincia acquired JJPNM Agro Industrial Corp., the owner of the largest poultry farm in Nueva Ecija spanning approximately 60 hectares.

The value of the transaction was not disclosed, but Provincia said the land was valued at an “attractive price net of the value of the poultry structures.”

Provincia’s investment will be funded by the sale of secondary shares of listed SP New Energy Corp. (SPNEC), which was also founded by Mr. Leviste.



PIXABAY

Pangilinan-led Meralco PowerGen Corp. recently paid P6.7 billion for 5.8 billion shares of SPNEC that were held by Solar Philippines.

To date, Solar Philippines has raised about P15 billion from the sold SPNEC shares. It continues to own about 29% of SPNEC after the share sale.

SPNEC has solar projects in Batangas, Tarlac, and Nueva Ecija, which are also the locations of Provincia’s initial investments.

“We are grateful to our partners who have helped our business grow. Now that we have this capital, it is our responsibility to invest

it to benefit as many of our countrymen as we can,” Mr. Leviste said.

In 2021, Provincia forged a P1-billion loan agreement with Ayala-led AC Energy Corp. to acquire land in Tarlac for solar projects. The loan has since been fully repaid.

Meralco’s majority owner, 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. — **Revin Mikhael Ochave**

## Analysts see mixed outlook for Philippine ICT and telco firms

By **Ashley Erika O. Jose**  
Reporter

PHILIPPINE telecommunications and information and communications technology (ICT) companies are expected to face challenges in the second half of the year due to increased competition and ongoing technological investments, but sustained demand for data services, lower borrowing costs, and the growth of adjacent services could help mitigate these challenges, according to analysts.

The growing digital landscape will continue to drive the demand for data and telco services, favoring companies in the telco and ICT industry, Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message to *BusinessWorld* on Tuesday.

“We expect the sector to generally do well and post better earnings for the second half on sustained demand for data, lower borrowing costs, and the growth of adjacent services like data centers and fintech services,” Chinabank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message.

However, the growing competition in the sector, followed by ongoing technological investments amid a challenging economic environment can limit companies’ earnings growth, Mr. Arce said.

“An unexpected pickup in business activity and consumption on the back of lower inflation, dovish monetary policy are broad tailwinds for the major telco and ICT companies,” Mr. Colet said.

Inflation rate slowed in August due to a moderate rise in food and a dropped in transport costs, the Philippine Statistics Authority (PSA) said.

Philippine inflation cooled to 3.3% in August from 4.4% in July, data from the PSA showed.

Most of the listed telco and ICT companies posted flat profits for the second quarter and the first half.

For instance, telco giant PLDT Inc. saw a 9% decrease in its attributable net income for the second quarter, dropping to P8.59 billion from last year’s P9.44 billion due to higher expenses for the period.

For the first half, PLDT registered an attributable net income of P18.41 billion, lower by 0.21% from P18.45 billion previously despite posting higher revenues for the first six months of the year.

Globe Telecom, Inc., on the other hand, managed to post an attributable net income of P7.74 billion for the second quarter, representing a 9.5% increase from the same period last year.



UNSPASH

The Ayala-led telco company reported earnings of P14.55 billion for the first half, a slight increase of 1.6% from last year’s P14.32 billion.

Meanwhile, Converge ICT Solutions, Inc. registered an attributable net income of P2.74 billion, up 29.8% from P2.11 billion in the same period last year, its financial statement showed.

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

For the first semester, Converge’s attributable net income climbed to P5.29 billion, marking an increase of 23.6% from P4.28 billion in the same period last year.

DITO CME Holdings, Inc. (DITO), the operator of DITO Telecommunity Corp., widened its attributable net loss for the second quarter to P7.94 billion from last year’s P1.1 billion on higher expenses for the period.

“Overall, while there could be steady growth, earnings may not rise as dramatically as expected given the balancing act between operational costs and market demands,” Globalinks Securities’ Mr. Arce said.

He said the ongoing digital expansion of listed telco and ICT companies will offer revenue opportunities through broadband, mobile services, and ICT infrastructure development.

For its part, Converge has 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 delivering stronger earnings in the second quarter.

Further, market watchers said previously that the plan of PLDT to sell at least 49% of its data center business is expected to improve the company’s data center operations and its financial position.

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