

Philippine Stock Exchange index (PSEi)

7,362.62

▼ 69.59 PTS.

▼ 0.93%

WEDNESDAY, SEPTEMBER 25, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P692.50 -P7.50 -1.07%	ACEN ACEN Corp. P5.15 -P0.15 -2.83%	AEV Aboltiz Equity Ventures, Inc. P36.50 -P1.15 -3.05%	AGI Alliance Global Group, Inc. P9.47 +P0.01 +0.11%	ALI Ayala Land, Inc. P38.40 +P0.10 +0.26%	BDO BDO Unibank, Inc. P164.60 -P2.40 -1.44%	BLOOM Bloomerry Resorts Corp. P8.07 -P0.23 -2.77%	BPI Bank of the Philippine Islands P132.00 -P5.50 -4%	CNPF Century Pacific Food, Inc. P39.00 +P0.50 +1.3%	CNVRG Converge ICT Solutions, Inc. P16.48 +P0.06 +0.37%
DMC DMCI Holdings, Inc. P11.70 ---	EMI Emperador, Inc. P18.74 -P0.02 -0.11%	GLO Globe Telecom, Inc. P2,222.00 -P38.00 -1.68%	GTCAP GT Capital Holdings, Inc. P713.00 +P1.00 +0.14%	ICT International Container Terminal Services, Inc. P410.00 -P3.00 -0.73%	JFC Jollibee Foods Corp. P269.00 -P3.80 -1.39%	JGS JG Summit Holdings, Inc. P26.70 -P0.20 -0.74%	LTG LT Group, Inc. P10.00 -P0.10 -0.99%	MBT Metropolitan Bank & Trust Co. P80.20 +P0.20 +0.25%	MER Manila Electric Co. P449.00 -P1.00 -0.22%
MONDE Monde Nissin Corp. P9.99 -P0.01 -0.1%	NIKL Nickel Asia Corp. P3.66 ---	PGOLD Puregold Price Club, Inc. P30.60 +P0.20 +0.66%	SCC Semirara Mining and Power Corp. P33.85 ---	SM SM Investments Corp. P995.00 ---	SMC San Miguel Corp. P84.35 -P0.85 -1%	SMPH SM Prime Holdings, Inc. P32.25 -P0.55 -1.68%	TEL PLDT Inc. P1,481.00 -P19.00 -1.27%	URC Universal Robina Corp. P104.20 +P2.20 +2.16%	WLCON Wilcon Depot, Inc. P17.92 -P0.06 -0.33%

House OKs Meralco franchise on second reading

By Kenneth Christiane L. Basilio
Reporter

THE HOUSE of Representatives approved on second reading late Tuesday a bill extending Manila Electric Co.'s (Meralco) franchise for another 25 years, acting on it four years before its current franchise expires.

House Bill (HB) No. 10926, which extends Meralco's operation beyond 2028, was approved by voice vote. The bill retains a provision preventing Meralco from expanding its service area outside Metro Manila, Bulacan, Cavite, Rizal, and parts of Pampanga, Laguna, Quezon, and Batangas.

The House also adopted amendments to the bill's consumer interest provisions, requiring Meralco to include its social responsibility initiatives in its annual

report, specifically efforts to provide electricity access to unenergized areas.

"Meralco's mandates under its current franchise were clear. It has met its mandates, hence its franchise merits renewal," Albay Rep. Jose Ma. Clemente S. Salceda said in plenary during his sponsorship of the bill.

Mr. Salceda said Meralco has complied with its "least cost, efficiency, and reasonable price mandates," observing all government regulations. "It complies with all the rules of competitive selection, obliged by ERC (Energy Regulatory Commission) rules on maximum rates, as evidenced by the ERC itself."

"It is among the lowest system losses and is highly dependable," he added. "It is on the lower end of rates among its neighboring [distribution utilities] in the region."

Meralco is the main power distributor for Metro Manila and nearby areas,

covering 39 cities and 72 municipalities, delivering electricity to at least 7.75 million Filipinos. It provides power to a region responsible for half of the country's gross domestic product output.

The distribution utility's franchise should be renewed as it performed better than average power companies, according to Mr. Salceda, citing data on Meralco's outage frequency and duration.

"[Meralco's] frequency of outages in minutes is 123.7 minutes per year. The national baseline is 214 [minutes], the world median is 168 [minutes], Meralco was better," he said.

"In terms of systems loss 5.8%, national baseline 9.4%, the world median is 8%," he added.

Mr. Salceda said Meralco's kilowatt-hour (kWh) rate for consumers is lower than the national and global baseline of

electric distribution utilities. "Meralco's at \$0.175 versus the national baseline of \$0.20 and the world median of \$0.198."

"The reason electricity from Meralco is expensive is because of taxes, while in other countries, it is cheaper due to subsidies," he said in Filipino.

Meralco in early September said the overall rate will climb by P0.1543 per kWh to P11.7882 per kWh in September. The adjustment will result in an increase of around P31 in the total electricity bill of residential customers consuming at least 200 kWh.

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.

Manulife

Single Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Unit Price	
	Current Week, September 24, 2024	Previous Week, September 17, 2024
Peso Secure Fund	1.795	1.768
Peso Diversified Value Fund	2.015	1.974
Peso Growth Fund	3.296	3.151
Peso Dynamic Allocation Fund	1.108	1.073
Peso Target Distribution Fund	0.793	0.775
Peso Cash Fund	1.114	1.113
Peso Wealth Optimizer 2026 Fund	1.013	0.986
Peso Wealth Optimizer 2031 Fund	0.996	0.961
Peso Wealth Optimizer 2036 Fund	1.000	0.960
Powerhouse Fund	0.953	0.910
Emperor Fund	0.992	0.943
USD Secure Fund	1.673	1.592
USD Asia Pacific Bond Fund	1.097	1.097
USD Global Target Income Fund	0.768	0.765
USD ASEAN Growth Fund	1.665	1.613
USD Asia Pacific Property Income Fund	0.758	0.768
PHP Asia Pacific Property Income Fund	0.791	0.800
PHP Tiger Growth Fund	0.560	0.537
USD Tiger Growth Fund	0.469	0.450
PHP Global Preferred Securities Income Fund	0.975	0.965
USD Global Preferred Securities Income Fund	0.822	0.814
PHP US Growth Fund	1.412	1.394
USD US Growth Fund	1.186	1.172
PHP Global Health Fund	1.246	1.277
USD Global Health Fund	1.169	1.201
PHP Global Multi-Asset Income Fund	1.141	1.133
USD Global Multi-Asset Income Fund	1.067	1.060
PHP Global Market Leaders Fund	1.422	1.411
USD Global Market Leaders Fund	1.400	1.391

These investment funds are specific to variable life insurance contracts and are not considered mutual funds. Life insurance products are regulated by the Insurance Commission.

Manulife

Dual Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Unit Bid Price	
	Current Week, September 24, 2024	Previous Week, September 17, 2024
Peso Bond Fund	3.073	3.025
Peso Stable Fund	3.071	3.008
Peso Equity Fund	2.475	2.366
Peso Balanced Fund	1.140	1.103
Peso Target Income Fund	0.812	0.793
U.S. Dollar Bond Fund	2.404	2.288

Fund	Unit Offer Price	
	Current Week, September 24, 2024	Previous Week, September 17, 2024
Peso Bond Fund	3.120	3.072
Peso Stable Fund	3.118	3.054
Peso Equity Fund	2.513	2.402
Peso Balanced Fund	1.157	1.120
Peso Target Income Fund	0.824	0.805
U.S. Dollar Bond Fund	2.441	2.323

These investment funds are specific to variable life insurance contracts and are not considered mutual funds. Life insurance products are regulated by the Insurance Commission.

Manulife China Bank
LIFE ASSURANCE CORPORATION

Single Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Unit Price	
	Current Week, September 24, 2024	Previous Week, September 17, 2024
Peso Secure Fund	1.795	1.767
Peso Diversified Value Fund	1.985	1.944
Peso Growth Fund	3.211	3.070
Peso Dynamic Allocation Fund	1.102	1.066
Peso Target Distribution Fund	0.788	0.768
Peso Cash Fund	1.095	1.094
Peso Wealth Optimizer 2026 Fund	0.954	0.929
Peso Wealth Optimizer 2031 Fund	0.929	0.897
Peso Wealth Optimizer 2036 Fund	0.920	0.884
Powerhouse Fund	0.952	0.909
USD Secure Fund	1.648	1.565
USD Asia Pacific Bond Fund	1.061	1.061
USD Global Target Income Fund	0.773	0.769
USD ASEAN Growth Fund	1.625	1.574
Chinabank Dollar Fund Income VUL Fund	1.105	1.059
USD Asia First Fund	1.266	1.239
USD Asia Pacific Property Income Fund	0.760	0.770
PHP Asia Pacific Property Income Fund	0.801	0.809
PHP Tiger Growth Fund	0.563	0.540
USD Tiger Growth Fund	0.476	0.456
PHP Global Preferred Securities Income Fund	0.974	0.964
USD Global Preferred Securities Income Fund	0.842	0.834
PHP US Growth Fund	1.389	1.371
USD US Growth Fund	1.186	1.172
PHP Global Health Fund	1.245	1.276
USD Global Health Fund	1.156	1.189
PHP Global Multi-Asset Income Fund	1.103	1.094
USD Global Multi-Asset Income Fund	1.174	1.167
PHP Global Market Leaders Fund	1.398	1.387
USD Global Market Leaders Fund	1.399	1.390

These investment funds are specific to variable life insurance contracts and are not considered mutual funds. Life insurance products are regulated by the Insurance Commission.

Manulife China Bank
LIFE ASSURANCE CORPORATION

Dual Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Unit Bid Price	
	Current Week, September 24, 2024	Previous Week, September 17, 2024
Peso Bond Fund	2.123	2.091
Peso Stable Fund	2.016	1.978
Peso Equity Fund	2.228	2.130
Peso Balanced Fund	1.119	1.083
Peso Target Income Fund	0.804	0.786
U.S. Dollar Bond Fund	1.729	1.642

Fund	Unit Offer Price	
	Current Week, September 24, 2024	Previous Week, September 17, 2024
Peso Bond Fund	2.155	2.123
Peso Stable Fund	2.047	1.999
Peso Equity Fund	2.262	2.162
Peso Balanced Fund	1.136	1.099
Peso Target Income Fund	0.816	0.798
U.S. Dollar Bond Fund	1.755	1.667

These investment funds are specific to variable life insurance contracts and are not considered mutual funds. Life insurance products are regulated by the Insurance Commission.

BW ONE-ON-ONE How Microsoft Philippines is shaping AI adoption

COMPANIES should not only embrace artificial intelligence (AI) but also ensure they have the right strategies and frameworks in place to use it effectively and ethically, according to Peter Maquera, chief executive officer of Microsoft Philippines.

This approach is crucial for achieving significant business impacts like faster revenue growth, higher productivity, and cost reduction, Mr. Maquera told Editor-in-Chief Cathy Rose A. Garcia during an episode of *BusinessWorld* One-on-One online interview series themed "The Reinvention of Business."

"People will use it anyway because it's already there. What we're talking about is, how do you use it



PETER MAQUERA

responsibly? How can you be more intentional about transforming your organization?" he said.

Mr. Maquera said the fastest AI adoption has been in the banking, financial, insurance, and telecommunications industries.

This is due to these sectors' customers dealing with a lot of content, where language models have the most impact.

Microsoft employs two approaches to transform banking and financial companies. The first is starting with internal use cases like human resource policies, which are low-risk and help organizations become comfortable with the technology.

The second approach involves more complex uses, such as customer service for external customers. This includes chatbots, sales augmentation, or customer service augmentation.

"What we're doing a lot right now, especially with our product called Copilot. The big idea is to give you a genius copilot, but you're still the pilot. If you're involved in sales, you're a copilot. We might be recommending to you what would be appropriate for that customer so that it's a much more engaging conversation with your customer," he said.

Citing the recent Work Trend Index 2024 report by Microsoft and LinkedIn, Mr. Maquera noted that employees

are already using AI without waiting for their companies to develop an AI strategy.

The report found that 86% of knowledge workers in the Philippines use generative AI at work, higher than the 83% regional and 75% global averages.

Additionally, 83% of Filipinos are practicing "Bring Your Own AI" in the workplace.

Mr. Maquera also said that half of the company leaders are not confident in their AI strategies.

"What happens is you have the employees using it anyway, and you don't have the framework and the guardrails in the company to practice AI responsibly," he said, which makes the company susceptible to data loss, privacy breaches, and more.

"When you think about what you need to have in place to have AI in your organization, you need to understand how AI impacts your business strategy and your return on investment. Because companies won't do AI just to do AI," he said.

Mr. Maquera cited the cost of deploying AI and modernizing technology as a reason some companies hesitate to use AI.

"It is fairly complex, and if you have a lot of legacy technology, it might cost you to modernize, or you might not have the right skill sets in your organization to develop that strategy. I think all those need to be in place for you to intentionally benefit from AI," he said. — **Aubrey Rose A. Inosante**

PPA seeks bidders for P733-M Opol Port project in Luyong, Misamis Oriental

THE PHILIPPINE Ports Authority (PPA) has started inviting interested parties to participate in the bidding for the expansion and restoration of Opol Port in Luyong, Misamis Oriental.

The PPA is allocating P732.77 million for the project.

The budget will be sourced from the agency's corporate budget for 2024, the PPA said in its invitation, adding that any bids received in excess of this amount will be rejected.

The contractor for the port and restoration project must have finished a similar contract, the PPA said.

Bids from interested parties will be accepted on or before Oct. 17. Late submission will also be automatically rejected, it said.

The country's port regulator earlier expressed its intention to enhance and develop ports to improve their efficiency and capacity, while also preparing some of them to receive cruise ships.

The contractor must complete the project within 720 days from the notice to proceed, the PPA said.

The winning bidder will upgrade the berthing facility in two phases and handle overall expansion and restoration.

Over the next four years, the PPA plans to allocate about P16 billion for infrastructure projects, including 14 flagship projects, which will undergo feasibility studies. — **Ashley Erika O. Jose**

Axelum board approves up to P500-M share buyback plan

AXELUM Resources Corp., a listed coconut product manufacturer and exporter, said its board has approved a share buyback program aimed at enhancing shareholder value.

The buyback program will run for six months, commencing on Wednesday, Sept. 25, and concluding on March 24 of the following year, the company said in a regulatory filing on Wednesday.

"The board of directors may, at its discretion and upon management's recommendation, extend the period by another six months to end on Sept. 24, 2025," Axelum said.

Axelum's board authorized the company to buy back up to P500 million worth of common shares.

"Such amount may be increased from time to time by the board of directors as the circumstances may warrant and subject to the availability of unrestricted retained earnings," Axelum said.

"The actual number of shares to be included in the buyback program cannot as yet be determined as this will depend on the total buy back price of the shares," it added.

Axelum said its capital structure remains undetermined, as the number of shares to be repurchased will depend on the buyback price.

The buyback program will be conducted in the open market through the Philippine Stock Exchange.

"The buyback program shall be implemented in an orderly manner and should not adversely affect the company's and its subsidiaries' prospective and existing projects," Axelum said.

For the first half, Axelum saw a P208.16-million net income, a reversal of the P125.97-million net loss in the same period last year.

Revenue during the period increased by 14% to P3.22 billion from P2.82 billion a year ago due to the strong volume growth of its white meat business including desiccated coconut, coconut milk powder, and sweetened coconut.

On Wednesday, Axelum shares were unchanged at P2.26 apiece. — **Revin Mikhael D. Ochave**