Philippine Stock Exchange index (PSEi) 6,975.63 ▲172.44 PTS. ▲2.53%

WEDNESDAY, NOVEMBER 20, 2024 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P647.00	-P4.00	-0.61%
ACEN	ACEN Corp.	P4.48	+P0.23	+5.41%
AEV	Aboitiz Equity Ventures, Inc.	P34.30	+P0.05	+0.15%
AGI	Alliance Global Group, Inc.	P8.82	-P0.02	-0.23%
ALI	Ayala Land, Inc.	P30.30	+P1.05	+3.59%
BDO	BDO Unibank, Inc.	P154.00	+P8.50	+5.84%
BLOOM	Bloomberry Resorts Corp.	P5.65	-P0.34	-5.68%
BPI	Bank of the Philippine Islands	P138.00	-P0.10	-0.07%
CNPF	Century Pacific Food, Inc.	P41.70	+P1.10	+2.71%
CNVRG	Converge ICT Solutions, Inc.	P16.12	-P0.34	-2.07%
DMC	DMCI Holdings, Inc.	P10.42	-P0.18	-1.70%
EMI	Emperador, Inc.	P18.20	——	
GLO	Globe Telecom, Inc.	P2,160.00	+P26.00	+1.22%
GTCAP	GT Capital Holdings, Inc.	P655.00	+P1.00	+0.15%
ICT	International Container Terminal Services, Inc.	P399.00	+P5.20	+1.32%
JFC	Jollibee Foods Corp.	P274.00	+P6.60	+2.47%
JGS	JG Summit Holdings, Inc.	P22.30	-P0.05	-0.22%
LTG	LT Group, Inc.	P10.32	——	
MBT	Metropolitan Bank & Trust Co.	P77.50	+P3.70	+5.01%
MER	Manila Electric Co.	P500.00	+P21.00	+4.38%
MONDE	Monde Nissin Corp.	P9.90	——	
NIKL	Nickel Asia Corp.	P3.19	——	
PGOLD	Puregold Price Club, Inc.	P30.20	+P0.35	+1.17%
SCC	Semirara Mining and Power Corp.	P31.90	-P0.10	-0.31%
SM	SM Investments Corp.	P959.50	+P63.50	+7.09%
SMC	San Miguel Corp.	P88.00	——	
SMPH	SM Prime Holdings, Inc.	P29.20	+P0.60	+2.10%
TEL	PLDT Inc.	P1,350.00	+P17.00	+1.28%
URC	Universal Robina Corp.	P88.00	-P0.20	-0.23%
WLCON	Wilcon Depot, Inc.	P13.94	-P0.12	-0.85%

Meralco sets P25-B budget to storm-proof power systems

POWER distributor Manila Electric Co. (Meralco) is setting aside P25 billion next year for the "storm-hardening" of its distribution systems, according to its chief operating officer (COO).

"For 2025, we have a P25-billion budget," Meralco Executive Vice-President and COO Ronnie L. Aperocho told reporters last week, noting that this only covers the distribution business.

Meralco needs to strengthen its power distribution networks due to the "parade of storms" the country is facing, he said.

"The integrity of our distribution system is really, *parang* (kind of) in danger if our system is not really that storm-hardened."

Meralco Chairman and Chief Executive Officer Manuel V. Pangilinan said the company expects to increase its overall budget for 2025.

"I believe so," Mr. Pangilinan said when asked if the company would allocate a higher capital expenditure (capex) budget next year, noting that the increase will be primarily driven by the P200-billion Terra Solar project.

Meralco, through its unit Terra Solar Philippines, Inc., is developing a project consisting of a 3,500-megawatt-peak solar power plant and a 4,500-megawatt-hour battery energy storage system.

MERALCO'S FACEBOOK ACCOUNT

"THE INTEGRITY of our distribution system is really, *parang* (kind of) in danger if our system is not really that storm-hardened" — Meralco Executive Vice-President and Chief Operating Officer Ronnie L. Aperocho.

The group took over the project after acquiring a controlling stake in SP New Energy Corp. through MGen Renewable Energy, Inc., the renewable energy development arm of Meralco Power Gen Corp. The latter is a unit of Meralco.

Mr. Pangilinan also said that the company is likely to allocate "some degree of capex" to San Miguel Global Power Holdings Corp.'s (SMGP) gas power plant, which is expected to become operational next year.

To recall, Meralco, through its subsidiary Meralco PowerGen Corp., signed a $3.3-billion landmark deal with Aboitiz Power Corp. and SMGP to launch an integrated liquefied natural gas project.

For 2024, Meralco set a capex amounting to about P40 billion, the bulk of which is for distribution utility and power generation.

As of the end of September, the company has spent P26 billion on capex, of which P15.3 billion was used for distribution network projects. The rest was utilized for the development of solar power plants and facilities for the telco tower business.

"I think it will be a better year next year for Meralco," Mr. Pangilinan said.

For the January-to-September period, Meralco registered an attributable net income of P11.13 billion, higher by 7.2% from last year's P10.55 billion.

Meralco expects to exceed its P43-billion profit target for 2024, driven by its strong financial and operating results for the nine months, accompanied by a continuing positive outlook.

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**

TRB sees implementation of 3 SMC toll road projects next year

THE Toll Regulatory Board (TRB) expects the implementation of at least three toll road projects proposed by San Miguel Corp. (SMC) next year, according to the regulator's executive director.

"By 2025, hopefully we can implement these three projects," TRB Executive Director Alvin A. Carullo told reporters on the sidelines of a recent transport forum.

Mr. Carullo was referring to the P148.30-billion Northern Access Link Expressway (NALEX); P152.39-billion SALEX, also known as the Southern Access Link Expressway; and Segment 1 of the South Luzon Expressway (SLEX) TR5, which is valued at P28.15 billion.

The projects' proponents have already submitted a final engineering design (FED), which is now under review by the Department of Public Works and Highways (DPWH), Mr. Carullo said.

"They have already submitted their FED, we will submit it to the DPWH, which is TRB's technical arm," he said.

Mr. Carullo said the project may begin immediately after securing the notice to proceed.

"By 2025, I think we can implement at least three or four projects. I think PAREX (Pasig River Expressway) will be last because of some issues," he added.

Mr. Carullo said the PAREX project is delayed because SMC must realign it with the government's Pasig River Esplanade.

SALEX is a proposed 40.65-kilometer elevated expressway network being developed by SMC Southern Access Link Expressway Corp.

NALEX, being undertaken by SMC Northern Access Link Expressway Corp., is divided into two phases: the first phase is a proposed 136.4-kilometer expressway connecting Metro Manila, the New Manila International Airport, and Central Luzon, while its second phase involves a demand-driven expansion from Pampanga to Tarlac City.

SLEX TR5 is about a 417-kilometer toll road, data from the Public-Private Partnership Center showed. The project is designed to have eight segments, it added. — **Ashley Erika O. Jose**

Filinvest REIT eyes 95% office occupancy by 2026

LISTED Filinvest REIT Corp. (FILRT) targets an expansion of the occupancy rate of its office portfolio to 95% by 2026 as the company looks to sustain growth, its president said.

"FILRT aims to reach an occupancy of 95% before 2026 driven by tenant diversification. We are now focusing our efforts on signing up more new tenants as we endeavor to further improve FILRT's occupancy," FILRT President and Chief Executive Officer Maricel Brion-Lirio said during a recent online briefing.

Ms. Lirio said the company's office portfolio, consisting of 17 buildings, had an 83% occupancy rate as of the end of September, led by new leases from traditional companies and business process outsourcing (BPO) tenants.

"As of the end of September, we have a total of over 22,800 square meters (sq.m.) of new leases alone. These are a mix of new, traditional companies, BPO tenants, and expansions of existing BPO tenants," she said.

"Over 42,400 sq.m. or 75% of expiring leases for 2024 have been renewed, year to date," she added.

Ms. Lirio said FILRT is looking at asset infusions to diversify its portfolio and increase its current gross leasable area (GLA) spanning 330,000 sq.m.

"FILRT targets to double its current GLA of 330,000 sq.m. and diversify its assets through asset infusions from its sponsor, Filinvest Land, Inc., and parent firm Filinvest Development Corp.," she said.

"We have a lot of properties or assets that we are looking into, including the fund manager's assets, retail, hotels, and industrials," she added.

Ms. Lirio also said the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) law will help FILRT's growth since it will spur more office demand.

"This program will potentially increase the return to on-site work from the current 70% work-from-home and 30% work-in-office setup to a 50%-50% split. We are also looking forward to increased demand coming from this CREATE MORE," she said.

Signed on Nov. 11, the CREATE MORE Act further reduces the corporate income tax to 20% from 25% for registered business enterprises (RBEs).

The law also institutionalizes flexible work arrangements for RBEs operating within economic zones and freeports without compromising their tax incentives.

On Wednesday, FILRT shares fell by 0.33% or one centavo to P3.04 apiece. — **Revin Mikhael D. Ochave**

Emirates sees high demand for premium travel from PHL

DUBAI-BASED carrier Emirates is optimistic about the Philippine travel market amid growing demand for leisure travel, a company official said.

"Our presence in the Philippines is very strong," Saeed Abdulla Miran, Emirates Philippines country manager, told reporters on Wednesday.

Mr. Miran said that the airline's passenger volume has surpassed pre-pandemic levels.

"I do not have the number now on hand, but we see growth, a yearly positive growth," he said.

He said travelers' preferences have also changed, with more Filipinos prioritizing premium travel.

"We've noticed especially after the pandemic that premium travel demand is high in the Philippines. We saw that the product that's missing is the first-class product. So today, we offer our passengers seamless connectivity through a first-class suite out of Manila to the world," he said.

Air passenger volume jumped by 21% in the first nine months, as international travelers surged by 40%, according to the Civil Aeronautics Board (CAB).

Data from CAB showed that overall passenger volume grew by 21.2% to 44.09 million for the January-to-September period.

EMIRATES.COM

On Wednesday, the Dubai-based carrier launched its Emirates World retail store in Manila, the company's first-ever retail store in Southeast Asia and its fourth in the world, next to its retail spaces in Hong Kong, London, and Nairobi.

Emirates World is a fully immersive retail store with smart technologies, allowing customers to book and manage trips, shop for essentials, and pick up gifts.

"The new Emirates World Store in Manila is designed to serve as a one-stop shop where customers can explore Emirates' best-in-class products and services and provides visitors a glimpse of our onboard hospitality and excellence, ensuring the bar is set high when it comes to retail experiences both in the Philippines and across our global network," said Emirates Deputy President and Chief Commercial Officer Adnan Kazim.

The company said it is planning to launch more retail spaces with an estimated investment of AED 100 million over the next three years.

Emirates started its services in the Philippines in 1990. The airline offers 28 weekly flights, or about 22,700 weekly seats, between the Philippines and Dubai.

The company has signed an interline agreement with flag-carrier Philippine Airlines to boost connectivity for both airlines through the sharing of networks. — **Ashley Erika O. Jose**

CTA: NLEX Corp. entitled to P3.8-M tax refund

THE COURT of Tax Appeals (CTA) has granted NLEX Corp., a unit of Metro Pacific Tollways Corp. (MPTC), a P3.8-million tax refund for local business taxes erroneously paid to the City of Valenzuela for taxable years 2012 to 2019, citing the local government unit's lack of tax jurisdiction.

In a Nov. 18 decision, the tax court's second division ruled the expressway operator is entitled to a P3.8-million refund for the regulatory and services taxes collected by Valenzuela City on signage placed along the company's road network within its jurisdiction.

The CTA determined that all transactions and income from the signage installation are accounted for at NLEX Corp.'s main office in Caloocan City, not in Valenzuela City, making the charges "erroneously collected."

"Respondents are ordered to refund to petitioner the amount of P3,814,290, representing erroneously collected and paid Local Business Tax for signage services, the related surcharge and interest, and tax credited, for taxable years 2012 to 2019," a part of the 34-page ruling of Associate Justice Corazon G. Ferrer-Flores read.

Ms. Flores, in her decision, noted that local government units can only levy charges on the main office, branches, sales outlets, and warehouses of companies where transactions and businesses are made.

"The foregoing proves that petitioner has no branch, sales outlet, or warehouse in Valenzuela City... and that all its activities or sales transactions pertaining to the income generated from such installations are consummated and recorded in petitioner's principal office located in Caloocan City," the ruling said.

MPTC is the tollways unit of Metro Pacific Investments Corp., one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc. 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. — **Kenneth Christiane L. Basilio**