

Philippine Stock Exchange index (PSEi)

7,165.42

▼ 92.52 PTS.

▼ 1.27%

WEDNESDAY, NOVEMBER 6, 2024

BusinessWorld

PSEi MEMBER STOCKS

AC

Ayala Corp.

P705.00

-P5.00 -0.7%

ACEN

ACEN Corp.

P4.84

-P0.06 -1.22%

AEV

Aboltiz Equity Ventures, Inc.

P35.80

+P0.40 +1.13%

AGI

Alliance Global Group, Inc.

P9.24

+P0.07 +0.76%

ALI

Ayala Land, Inc.

P33.00

-P1.50 -4.35%

BDO

BDO Unibank, Inc.

P150.00

-P6.00 -3.85%

BLOOM

Bloomberry Resorts Corp.

P7.77

+P0.08 +1.04%

BPI

Bank of the Philippine Islands

P143.80

+P0.30 +0.21%

CNPF

Century Pacific Food, Inc.

P42.00

+P0.80 +1.94%

CNVRG

Converge ICT Solutions, Inc.

P15.30

-P0.18 -1.16%

DMC

DMCI Holdings, Inc.

P11.22

+P0.02 +0.18%

EMI

Emperador, Inc.

P18.40

-P0.08 -0.43%

GLO

Globe Telecom, Inc.

P2,186.00

+P18.00 +0.83%

GTCAP

GT Capital Holdings, Inc.

P713.00

-P3.00 -0.42%

ICT

International Container Terminal Services, Inc.

P395.20

-P13.80 -3.37%

JFC

Jollibee Foods Corp.

P271.20

-P3.80 -1.38%

JGS

JG Summit Holdings, Inc.

P24.00

—

LTG

LT Group, Inc.

P10.32

—

MBT

Metropolitan Bank & Trust Co.

P77.80

+P0.80 +1.04%

MER

Manila Electric Co.

P498.00

-P1.00 -0.2%

MONDE

Monde Nissin Corp.

P10.88

—

NIKL

Nickel Asia Corp.

P3.41

+P0.03 +0.89%

PGOLD

Puregold Price Club, Inc.

P31.75

—

SCC

Semirara Mining and Power Corp.

P32.20

-P0.70 -2.13%

SM

SM Investments Corp.

P962.00

—

SMC

San Miguel Corp.

P88.70

—

SMPH

SM Prime Holdings, Inc.

P29.80

-P1.05 -3.4%

TEL

PLDT Inc.

P1,413.00

-P7.00 -0.49%

URC

Universal Robina Corp.

P100.90

-P0.10 -0.1%

WLCON

Wilcon Depot, Inc.

P16.00

-P0.04 -0.25%

House OKs Meralco franchise extension on final reading

By Kenneth Christiane L. Basilio *Reporter*

THE HOUSE of Representatives on Wednesday approved on third and final reading a bill granting Manila Electric Co. (Meralco) a 25-year franchise extension.

In a 186-7-4 vote, congressmen agreed to extend Meralco's franchise to construct, operate, and maintain its electric distribution systems in the greater Metro Manila area, including Bulacan, Cavite, Rizal, and parts of Batangas, Quezon, Laguna, and Pampanga.

House Bill No. 10926 outlines that Meralco must offer at least 30% of its outstanding capital stock to Filipinos. Failing to do so would result in its franchise revocation.

The power distributor is also mandated to provide an annual report of its operations, including the rollout, development, and expansion of its operations to Congress. Meralco would incur a P1 million fine per working day of noncompliance to this requirement.

Congressmen approved Meralco's franchise to operate four years ahead of its initial concession's expiry.

Its counterpart measure, Senate Bill No. 2824, filed by Senator Emmanuel Joel J. Villanueva on Sept. 12, is currently pending at the Senate rules committee.

In a statement, Albay Rep. Jose Ma. Clemente S. Salceda said he expects the franchise bill to breeze through the Senate, even floating the possibility of

Congress no longer needing to convene in a bicameral conference committee to discuss the measure.

Bills seeking to provide a legislative franchise to companies first originate at the House, undergoing the same legislative process as regular bills, according to the Energy department.

Meralco is the main power distributor for the National Capital Region and nearby areas, covering 39 cities and 72 municipalities, delivering electricity to at least 7.6 million Filipinos. It provides power to a region responsible for half of the country's gross domestic product output.

"A stable and affordable power sector is necessary for economic growth, and Meralco has the burden of providing electricity to the nation's most important economic hub," Terry L. Ridon, a public investment analyst and convenor of think-tank InfraWatch PH, said in a Viber message before the bill's approval.

"Extending Meralco's franchise would erase uncertainty of Meralco in investing for expansion and improvement of its infrastructure and facilities," Calixto V. Chikiamco, Foundation for Economic Freedom president, said in a Viber message also before the bill's approval.

Earlier this year, Meralco announced that it committed to course P100 billion in investments to "critical projects" seen improving its power distribution infrastructure as part of its long-term sustainability strategy.

Meralco and its unit SP New Energy Corp. entered into a strategic partnership with global investment firm Actis for the Terra



CONGRESSMEN APPROVED Meralco's franchise to operate four years ahead of its initial concession's expiry.

PHILIPPINE STAR / JESSE BUSTOS

Solar Project, a P200-billion solar power plant in Central Luzon that is expected to generate more than five billion kilowatt-hours of electricity yearly.

The granting of an extended franchise to Meralco could lead to cheaper electricity for consumers, said Antonio A. Ligon, a law and business professor at De La Salle University in Manila. "One advantage, of course, is that Meralco's adjustment on electric bills will lean toward providing ease to consumers," he said before Meralco's legislative franchise approval.

The approval of Meralco's franchise could also drive down the generation prices of its power supply agreements with electricity generation firms, said Mr. Ridon, citing their need to "offer the lowest price"

to secure deals with the power distributor.

In October, Meralco sought the Energy Regulatory Commission's approval for 600-megawatt power supply deals, seen to result in P11.75 billion in consumer savings.

The bill needed more time for thorough review, said Gerry C. Arances, convenor of the Power for People Coalition, in a Facebook Messenger chat before the bill's approval.

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.

Ayala Land expects 2024 launches to reach P80B

AYALA LAND, Inc. (ALI) expects P80 billion in project launches by yearend, the company's president said on Wednesday.

"The ALI business line continued with its strong performance... We expect to end the year with a total of P80 billion in launches," Ayala Land President and Chief Executive Officer Anna Ma. Margarita B. Dy said during the company's nine-month financial and analysts' briefing.

Of the company's planned launches for the remainder of the year, approximately 90% are awaiting licenses to sell, she noted, adding that half of these projects are in the company's core segments.

"Given the unique position of our inventory, almost half of the projects for launch in the coming months are in our core segment, bringing fresh products to the market," she said.

More than 70% of the company's planned launches will be horizontal projects.

Only one of the projected project launches is located in Metro Manila, while the rest will be in Laguna and Cavite, Ms. Dy noted.

For the first nine months of the year, Ayala Land reported an attributable net income of P21.16 billion, up by 15.1% from the P18.39 billion recorded in the same period last year.

The company has yet to release its financial statement for the third quarter.

For the first semester, the company logged an at-

tributable net income of P13.13 billion, marking an increase of 15.3% from the P11.39 billion in the same period in 2023.

For January to September of 2024, Ayala Land recorded total revenues of P125.21 billion, surging by 26.6% from the P98.92 billion in the comparable period a year ago.

Revenues from real estate accounted for the bulk of its top line for the period after generating revenue of P122.69 billion, or 97.9% of its gross revenues.

Property development generated P76.6 billion in revenue, driven by strong residential bookings and commercial lot sales. The leasing and hospitality segment earned P33.23 billion, while construction, property management, and ancillary services brought in P12.77 billion.

"We realize that in certain parts of the market, there is an oversupply. Fortunately, we are not geographically in those areas. We believe that the products that we will be launching in the core will actually be very strong, and we will restart our launches in the core in the fourth quarter of the year," said Ms. Dy.

Ayala Land said that its full-year capital expenditure spending is projected to be P85 billion, down from the previous forecast of P100 billion.

"This is lower as we reduced our launches and staggered the start of mall and hotel reinvention to minimize disruption in our operations," she said. — **Ashley Erika O. Jose**

FULL STORY

Read the full story by scanning the QR code or by typing the link <tinyurl.com/37zcsrd4>

Sustainability for MSMEs

In the photo are (from left) Rene Meily of Philippine Disaster Resilience Foundation, Timothy Mark Daniels of SM Investments, Roberto Batongbacal of the Makati Business Club, Melissa Vergel de Dios of PLDT and Smart Communications; Fatima Yasmin of the Asian Development Bank, U.N. Deputy Secretary-General Mohammed, Go Negosyo's Concepcion, Dandan Chen of The World Bank Group, Bayo Manila's Lagon, and Jaime Urquijo of Ayala Corp.

Go Negosyo founder Joey Concepcion met with UN Deputy Secretary General Amina Mohammed last October 29, 2024, together with members of the private sector and international finance institutions to mobilize support and financing to accelerate progress on Sustainable Development Goals.

Joining them was 2023 Go Negosyo Inspiring Filipina awardee Anna Marie Lagon of Bayo Manila Inc., a Philippines-based MSME that has committed to sustainability through various practices, such as designing to minimize waste, using sustainable materials, carbon offsetting, and repurposing waste materials, and working with local communities.

Higher gold, copper prices propel Philex Mining's third-quarter income

PHILEX Mining Corp. saw its third-quarter attributable net income more than double to P306.6 million from P139.84 million a year earlier, driven by higher gold and copper prices.

In a disclosure on Wednesday, the company reported a 22.6% increase in its core net income to P199.79 million in the three months ended September from P163 million last year.

"Average realized gold prices in the third quarter were higher at \$2,336 per ounce compared with the \$1,927 per ounce in the third quarter of 2023," the company said.

"Realized copper prices for the third quarter stood at \$4.59 per pound, higher than the \$3.73 in the third quarter of 2023," it added.

This brought the company's top line to P2.12 billion in the July-to-September period, up 17.9% from P1.8 billion.

However, the company incurred higher costs in the third quarter, totaling P1.89 billion. This represents a 15.67% increase from P1.63 billion in the same period last year, which may be attributed to the company's higher tonnage milled this year.

For the July-to-September period, the company milled 1.77 million tons,

up 4.5% from 1.693 million tons last year. Gold output was at 7,801 ounces, while copper output was at 4.951 million pounds.

Meanwhile, the company saw a decline in attributable net income to P636.03 million in the first nine months. This was 24.6% lower than the P843.98 million seen in the same period last year.

This was also reflected in the 29.4% decrease in its core net income to P610.13 million from P864.34 million a year prior.

The company's nine-month revenues were higher at P6.1 billion, representing a 2.4% increase from P5.96 billion a year ago. This was dampened by a 7.8% increase in costs to P5.36 billion from P4.97 billion in 2023.

SILANGAN PROJECT

There is a need to expedite the development of the Silangan Copper and Gold Project in Surigao del Norte to take advantage of current market conditions, according to Philex Mining President and Chief Executive Officer Eulalio B. Austin, Jr.

"We have a responsive metals market brought about by the demand for

critical metals necessary for the green energy transition and a favorable regulatory environment due to the support from the current administration," said Mr. Austin.

"We are still on track to see our first metal output during the process plant's debugging stage starting Feb. 2026, with the target of starting commercial operation within the first quarter of 2026," he added.

Philex Minings said that the Silangan project is already in its final stages as "the main access decline to the Boyongan Ore Body is less than 50 meters."

Once finished, Philex Mining subsidiary Silangan Mindanao Mining Co., Inc. is said to commence production on the first mining level, while works at the ventilation exhaust shaft and other ancillary services are continuing as planned, according to the company.

Civil works for the construction of the process plant have already commenced, while works on the Tailings Storage Facility are on track to finish by June 2025, it added.

Mr. Austin also said the company is evaluating the possible extension of Padcal's mine life beyond 2027. — **Justine Irish D. Tabile**