

## Philippine Stock Exchange index (PSEi)

7,165.42

▼ 92.52 PTS.

▼ 1.27%

WEDNESDAY, NOVEMBER 6, 2024

BusinessWorld

## PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P705.00 -P5.00 -0.7%	<b>ACEN</b> ACEN Corp. P4.84 -P0.06 -1.22%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P35.80 +P0.40 +1.13%	<b>AGI</b> Alliance Global Group, Inc. P9.24 +P0.07 +0.76%	<b>ALI</b> Ayala Land, Inc. P33.00 -P1.50 -4.35%	<b>BDO</b> BDO Unibank, Inc. P150.00 -P6.00 -3.85%	<b>BLOOM</b> Bloomberg Resorts Corp. P7.77 +P0.08 +1.04%	<b>BPI</b> Bank of the Philippine Islands P143.80 +P0.30 +0.21%	<b>CNPF</b> Century Pacific Food, Inc. P42.00 +P0.80 +1.94%	<b>CNVRG</b> Converge ICT Solutions, Inc. P15.30 -P0.18 -1.16%
<b>DMC</b> DMCI Holdings, Inc. P11.22 +P0.02 +0.18%	<b>EMI</b> Emperador, Inc. P18.40 -P0.08 -0.43%	<b>GLO</b> Globe Telecom, Inc. P2,186.00 +P18.00 +0.83%	<b>GTCAP</b> GT Capital Holdings, Inc. P713.00 -P3.00 -0.42%	<b>ICT</b> International Container Terminal Services, Inc. P395.20 -P13.80 -3.37%	<b>JFC</b> Jollibee Foods Corp. P271.20 -P3.80 -1.38%	<b>JGS</b> JG Summit Holdings, Inc. P24.00 —	<b>LTG</b> LT Group, Inc. P10.32 —	<b>MBT</b> Metropolitan Bank & Trust Co. P77.80 +P0.80 +1.04%	<b>MER</b> Manila Electric Co. P498.00 -P1.00 -0.2%
<b>MONDE</b> Monde Nissin Corp. P10.88 —	<b>NIKL</b> Nickel Asia Corp. P3.41 +P0.03 +0.89%	<b>PGOLD</b> Puregold Price Club, Inc. P31.75 —	<b>SCC</b> Semirara Mining and Power Corp. P32.20 -P0.70 -2.13%	<b>SM</b> SM Investments Corp. P962.00 —	<b>SMC</b> San Miguel Corp. P88.70 —	<b>SMPH</b> SM Prime Holdings, Inc. P29.80 -P1.05 -3.4%	<b>TEL</b> PLDT Inc. P1,413.00 -P7.00 -0.49%	<b>URC</b> Universal Robina Corp. P100.90 -P0.10 -0.1%	<b>WLCON</b> Wilcon Depot, Inc. P16.00 -P0.04 -0.25%
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# 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. Vilanueva 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 longer-term sustainability strategy.

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



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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.

## 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 damped by a 7.8% increase in costs to P5.36 billion from P4.97 billion in 2023.

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 Mining 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**

### 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.

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, and working with local communities.

FULL STORY



Read the full story by scanning the QR code or by typing the link [tinyurl.com/37zcsrd4](http://tinyurl.com/37zcsrd4)

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**