Philippine Stock Exchange index (PSEi) 6,153.47 ▼43.41 PTS. ▼0.70%

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BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P552.50	-P7.50	-1.34%
ACEN	ACEN Corp.	P3.48	——	
AEV	Aboitiz EquityVentures, Inc.	P33.75	-P0.65	-1.89%
AGI	Alliance GlobalGroup, Inc.	P7.90	-P0.39	-4.70%
ALI	Ayala Land, Inc.	P24.65	——	
BDO	BDO Unibank, Inc.	P142.00	+P3.00	+2.16%
BLOOM	Bloomberry Resorts Corp.	P4.00	+P0.09	+2.30%
BPI	Bank of the Philippine Islands	P125.50	+P1.00	+0.80%
CNPF	Century Pacific Food, Inc.	P39.85	-P0.65	-1.60%
CNVRG	Converge ICT Solutions, Inc.	P16.90	+P0.30	+1.81%
DMC	DMCI Holdings, Inc.	P11.30	+P0.10	+0.89%
EMI	Emperador, Inc.	P17.86	-P0.24	-1.33%
GLO	Globe Telecom, Inc.	P2,280.00	-P10.00	-0.44%
GTCAP	GT Capital Holdings, Inc.	P549.00	-P17.00	-3.00%
ICT	International ContainerTerminal	P349.20	-P25.80	-6.88%
JFC	Jollibee Foods Corp.	P242.00	+P3.80	+1.60%
JGS	JG Summit Holdings, Inc.	P17.30	+P0.02	+0.12%
LTG	LT Group, Inc.	P11.28	+P0.02	+0.18%
MBT	Metropolitan Bank& Trust Co.	P70.20	-P0.50	-0.71%
MER	Manila Electric Co.	P474.00	-P1.00	-0.21%
MONDE	Monde Nissin Corp.	P6.99	+P0.18	+2.64%
NIKL	Nickel Asia Corp.	P3.02	-P0.02	-0.66%
PGOLD	Puregold Price Club, Inc.	P27.75	-P0.65	-2.29%
SCC	Semirara Mining and Power Corp.	P36.20	-P0.20	-0.55%
SM	SM Investments Corp.	P822.00	+P2.00	+0.24%
SMC	San Miguel Corp.	P82.00	-P1.20	-1.44%
SMPH	SM Prime Holdings, Inc.	P23.50	——	
TEL	PLDT Inc.	P1,311.00	+P6.00	+0.46%
URC	Universal Robina Corp.	P64.80	-P0.70	-1.07%
WLCON	Wilcon Depot, Inc.	P8.40	-P0.74	-8.10%

Energy giants seal $3.3-B LNG deal

THE SUBSIDIARIES of Manila Electric Co. (Meralco), Aboitiz Power Corp. (AboitizPower), and San Miguel Corp. (SMC) have finalized their $3.3-billion deal to build an integrated liquefied natural gas (LNG) facility in Batangas.

In separate announcements, the energy giants said that Meralco PowerGen Corp. (MGen), Therma NatGas Power, Inc. (TNGP), and San Miguel Global Power Holdings Corp. (SMGP) have successfully completed all the financial arrangements required for the deal.

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MGen is the power-generation arm of Meralco, while TNGP is a wholly owned subsidiary of AboitizPower through Therma Power, Inc. SMGP is the power arm of conglomerate SMC.

Under the deal, MGen and TNGP, through their 60:40 joint venture Chromite Gas Holdings, Inc. (CGHI), will invest in South Premiere Power Corp. (SPPC), Excellent Energy Resources, Inc. (EERI), and Ilijan Primeline Industrial Estate Corp. (IPIEC).

SPPC is the owner-operator of the 1,278-megawatt (MW) Ilijan Combined Cycle Gas Power Plant, while EERI is the owner-operator of the 1,320-MW combined cycle gas power plant under construction. IPIEC is the owner of the plant sites of SPPC and EERI.

MGen and TNGP, along with SMGP, will acquire the Batangas-based LNG import and regasification terminal owned by Linseed Field Corp. (LFC), which will "process, handle, and deliver the LNG requirements of the power plants of SPPC and EERI."

SPPC, EERI, and IPIEC were previously wholly owned subsidiaries of SMGP, said SMC.

With the completion of the transactions, CGHI will own 67% of the three firms. SMGP retains a 33% equity stake in SPPC, EERI, IPIEC, and LFC.

The financial close came a month after the Philippine Competition Commission approved the mega deal, allowing the parties to proceed with their joint acquisition of power facilities and the LNG terminal, subject to certain conditions.

In a regulatory filing last week, Meralco said it would borrow P75 billion from BDO Unibank, Inc., Bank of the Philippine Islands, and Metropolitan Bank & Trust Co., which is payable over 12 years.

Meralco Chief Finance Officer Betty C. Siy-Yap said via Viber that the credit facility is intended for the "acquisition of investments in Project Chromite" and will be drawn "within the week."

First Grade Finance, Inc. Managing Director Astro C. del Castillo said that the landmark deal is expected to "boost the generation capacity of the two gas-fired power plants, contributing to a more stable and reliable power supply for the country."

"However, the venture could unsettle the public and regulators as a few dominant players will control a significant portion of the energy supply," he said via Viber.

"Regulatory oversight is critical to ensure a level playing field in the energy sector and that consumer protection measures are in place."

Monalisa C. Dimalanta, chairperson and chief executive officer of the Energy Regulatory Commission, earlier said that the commission needs to review the LNG deal to ensure that the companies comply with market share limitations and to review power supply deals.

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. — **Sheldeen Joy Talavera**

URC earmarks over P8 billion for 2025 capex

UNIVERSAL ROBINA Corp. (URC) is earmarking over P8 billion for its 2025 capital expenditures (capex) to sustain growth, the company's president said.

"We expect to be steady in our capex investments. In the past few years, we've been spending capex somewhere between P8 billion to P10 billion, including some landbanking for future growth opportunities," URC President Irwin C. Lee told reporters on the sidelines of the Business Manual CEO Awards 2025 in Taguig City late Monday.

Mr. Lee said URC is eyeing to record single-digit growth in top line and bottom line for this year, as the company is "cautiously optimistic" about its financials.

He added that URC is expected to see "good profit growth" as the company works to recover margins and deal with high prices of inputs due to inflation.

"We're looking for about mid-to-high single-digit top line growth. That will be driven by the return to growth in the Philippines, but also a continuation of our very good growth internationally. We'll continue to see good profit growth. We're going to accept a profit growth that is a few points behind top line growth," he said.

"A lot of us are sort of very cautiously optimistic. The past three years have been a period of high inflation and therefore high price increases, which have been passed on to the consumers. We're beginning to see the impact of that over the last year and a half or so," he added.

With this, Mr. Lee said that URC is focusing on resuming volume growth, led by bolstering the value of its products as well as investing in new infrastructure.

"We're focusing on best-value interventions, giving more value to the consumers, whether that's in the form of better prices or just better offerings to consumers," he said.

"We're doing a lot of expansions in our infrastructure and capacity. We're opening up some new factories and some infrastructure developments in the Philippines as well as outside of the country. The combination of these efforts will hopefully lead us to better volume growth," he added.

However, Mr. Lee said that URC remains affected by inflationary pressures, which resulted in higher prices for its products.

"There are still selected commodities and ingredients that still have high inflationary pressure. Some of those still need to be addressed, both by internal cost savings and with some very selective pricing moves," he said.

"But seeing what has happened over the last two to three years, I think those will be a little bit more muted and more deliberate in how we execute those so that the priority continues to be top line growth," he added.

Mr. Lee said the company is also seeing a boost from the elections.

"We generally would expect some degree of help from the elections. Historically, there's always been a bump whenever there's an election year," he said.

"We're very strong in ready-to-drink with C2. We have a good water business. We have some ready-to-drink chocolates. We have good ready-to-drink coffee. We're also number one in snacks. We're strong in biscuits and some confectionery," he added.

For the first nine months, URC saw a 17.6% drop in its attributable net income to P8.02 billion while sales improved by 1% to P118.88 billion.

URC shares fell by 1.07% or 70 centavos to P64.80 apiece on Tuesday. — **Revin Mikhael D. Ochave**

16 companies on SEC, PSE radar for IPO

THE SECURITIES and Exchange Commission (SEC) is tracking 16 potential companies that may go public, according to its chairman.

"As for public listing, we currently have 16 leads, which we are still monitoring together with the Philippine Stock Exchange (PSE)," SEC Chairperson Emilio B. Aquino said during his keynote message at the last leg of its Roadshow on Capital Formation for micro, small, and medium enterprises (MSMEs) and startups in Makati City on Tuesday.

The PSE is eyeing six initial public offerings (IPOs) this year.

"As overseer and regulator of the corporate sector and the capital market, we aim to create opportunities for businesses to realize their growth potential by availing of the limitless benefits of turning to the capital market for their capital needs," Mr. Aquino said.

The SEC has been pitching the capital market to micro, small, and medium enterprises (MSMEs) as a source of financing.

In a separate statement, the corporate regulator said it generated P2.24 billion in fresh funds for small businesses after a two-year MSME nationwide roadshow.

As of the end of 2024, the SEC said that 361 companies tapped crowdfunding intermediaries for 1,212 projects, reflecting the surging interest in the capital market among MSMEs.

The commission also saw at least 358 companies that have signified their interest in crowdfunding activities.

The roadshow, which began in February 2023, touted the capital market as an option for MSMEs to fund their operations and promote expansion via crowdfunding and IPO.

The last leg of the roadshow was held at the SEC's headquarters in Makati City on Tuesday.

The SEC visited 21 key cities, including Baguio, Tarlac, Legazpi, Cebu, Iloilo, Bacolod, Tacloban, Cagayan de Oro, and Zamboanga, catering to over 3,000 onsite participant MSMEs and 60,000 online participants.

"Catering to the needs of the country's MSMEs, especially their access to capital, has always been a priority of the Marcos administration," Mr. Aquino said.

"Aligning ourselves with this mandate of the government, the SEC sees the need for more financing instruments to be made available to our MSMEs who continue to face credit constraints," he added. — **Revin Mikhael D. Ochave**

Farm output,

from S1/1

"The primary reason for the (contraction) was due to the damage that was reported for El Niño, the series of typhoons from La Niña, other plant and pest diseases, the volcanic eruption, and other weather systems," DA spokesperson Arnel V. de Mesa said at a media briefing.

Data from the DA showed total agricultural damage from these events reached P57.78 billion, with total volume lost at 2.18 million metric tons (MT) covering 993,823 hectares of farmland.

Federation of Free Farmers National Manager Raul Q. Montemayor said the decline had been expected amid natural calamities and animal diseases that hit the farm sector.

"It points also to the lack of resiliency of the sector — slow growth during normal times, but vulnerable when calamities and disturbances arise," he added.

CROPS, LIVESTOCK

Crop output, which accounted for more than half of total agricultural production, declined 3.1% in the October-to-December period, a reversal of 0.3% growth a year ago.

For the full year, crop production shrank by 4.2%, reversing the 0.8% increase in 2023.

Former Agriculture Undersecretary Fermin D. Adriano said in a Viber message that crop production was severely affected by El Niño and La Niña.

PSA data showed that palay or unmilled rice production slipped by 0.1% in the fourth quarter from the 0.2% gain a year earlier. For 2024, palay production plunged by 5%, a reversal of 1.5% growth in 2023.

The volume of palay production declined by an annual 4.84% to a four-year low of 19.09 million MT in 2024. This was the weakest production since the 19.29 million MT logged in 2020.

In the fourth quarter, corn output slipped by 0.6%, easing from the 1.8% drop a year ago. For the full year, corn production declined by 3.2%, a reversal of 1.8% growth in 2023.

Other crops that posted double-digit declines in the fourth quarter were mongo (-48.2%), sugarcane (-23.5%) and onion (-11.1%).

PSA data showed that livestock production plunged by 6.2% in the fourth quarter, a reversal of the 2.7% increase a year earlier.

In 2024, livestock output declined by 4.3%, a reversal of 2.5% growth a year prior.

In the fourth quarter, declines were seen in hogs (-7.3%), goat (-4.1%) and cattle (-2.7%).

On the other hand, dairy production rose by 4.8%, slowing from 16.4% growth a year ago.

In a Viber message, National Federation of Hog Farmers, Inc. (NatFed) Vice-Chairman Alfred Ng said the impact of the African Swine Fever (ASF) on hog production dragged the livestock sector. Hogs accounted for 14.6% of the total livestock production.

"Many farmers sold their pig inventory before ASF hit their animals. Some have not repopulated for fear of disease recurrence, and some are waiting for the monitored vaccine trial results," he added.

Mr. Ng said increased rains and flooding due to La Niña led to a spike in ASF cases "as viruses from shallow graves of previous pig mortalities may have resurfaced and infected the animals."

FISHERIES

Meanwhile, fishery production slumped by 2.1% in the fourth quarter, slower than the 5.3% decline a year ago. For 2024, fishery output slid by 1.1%, slower than the 6.6% drop in 2023.

For the October-to-December period, double-digit declines were seen in the production of mudcrab or *alimango* (-28.9%), cavalla or *talakitok* (-24.9%), big-eyed scad or *matangbaka* (-20.6%), Indian mackerel or *alumahan* (-20%), skipjack or *gulyasan* (-19.1%), slipmouth or *sapsap* (-17.7%), frigate tuna or *tulingan* (-17%), yellowfin tuna (15%), round scad or *galunggong* (-14.3%), seaweed (-12.7%), and squid (-12.4%).

Meanwhile, growth in production was recorded for P. Vannamei (59.4%), milkfish or *bangus* (10.9%), blue crab or *alimasag* (7.2%), threadfin or *bisugo* (4%), and bigeye tuna (0.1%),

Mr. Adriano said the decline in fishery output could also be attributed to "climate factors" and the slow development of the country's aquaculture industry.

"The closed fishing season is a necessity, hence the need to enhance more investments in aquaculture," Mr. Dar added.

Closed fishing seasons are declared over certain areas to help fish stocks to regenerate, as mandated by Republic Act No. 8550 or the Fisheries Code. These closures typically last for three months.

POULTRY

The PSA reported that poultry output grew by 6.1% in the fourth quarter, slower than 7.8% a year earlier.

For the full year, poultry production rose by 6.6%, better than 3.8% growth in 2023.

Higher production was seen for chicken (5%), chicken egg (9.8%) and duck (0.3%), while duck eggs declined by 3.1%.

"The poultry subsector was able to grow with efforts and investments of the private sector including medium-sized companies. There was a quicker turnaround in poultry," Mr. Dar said.

UA&P's Ms. Dacul said growth in the poultry sector was mainly due to stronger demand and shorter production cycles.

"Poultry is still in recovery mode, so as long as they keep diseases in check, the industry will keep on expanding. But excessive imports will put a brake on this growth trend," Mr. Montemayor said.

The agriculture sector accounts for about a tenth of the country's gross domestic product (GDP) and provides about a quarter of all jobs. The PSA is scheduled to release fourth-quarter GDP data on Jan. 30 (Thursday).