Philippine Stock Exchange index (PSEi) 6,089.06 ▲206.02 PTS. ▲3.50%

TUESDAY, FEBRUARY 4, 2025
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P557.00	+P10.00	+1.83%
ACEN	ACEN Corp.	P3.45	+P0.19	+5.83%
AEV	Aboitiz Equity Ventures, Inc.	P32.20	+P0.80	+2.55%
AGI	Alliance Global Group, Inc.	P7.12	+P0.22	+3.19%
ALI	Ayala Land, Inc.	P24.60	+P0.60	+2.50%
AREIT	AREIT, Inc.	P40.00	——	
BDO	BDO Unibank, Inc.	P144.50	+P7.50	+5.47%
BLOOM	Bloomberry Resorts Corp.	P3.75	+P0.05	+1.35%
BPI	Bank of the Philippine Islands	P124.30	+P4.30	+3.58%
CBC	China Banking Corp.	P92.00	-P1.00	-1.08%
CNPF	Century Pacific Food, Inc.	P41.75	+P1.25	+3.09%
CNVRG	Converge ICT Solutions, Inc.	P16.94	+P0.54	+3.29%
DMC	DMCI Holdings, Inc.	P11.10	+P0.18	+1.65%
EMI	Emperador, Inc.	P14.44	-P0.50	-3.35%
GLO	Globe Telecom, Inc.	P2,244.00	+P34.00	+1.54%
GTCAP	GT Capital Holdings, Inc.	P530.00	——	
ICT	International Container Terminal Services, Inc.	P367.00	+P26.00	+7.62%
JFC	Jollibee Foods Corp.	P235.00	+P9.00	+3.98%
JGS	JG Summit Holdings, Inc.	P16.00	——	
LTG	LT Group, Inc.	P10.90	+P0.14	+1.30%
MBT	Metropolitan Bank & Trust Co.	P71.80	+P4.70	+7.00%
MER	Manila Electric Co.	P478.20	+P28.20	+6.27%
MONDE	Monde Nissin Corp.	P7.20	+P0.40	+5.88%
PGOLD	Puregold Price Club, Inc.	P25.85	+P0.85	+3.40%
SCC	Semirara Mining and Power Corp.	P35.80	+P0.35	+0.99%
SM	SM Investments Corp.	P786.00	+P17.00	+2.21%
SMC	San Miguel Corp.	P75.00	+P3.00	+4.17%
SMPH	SM Prime Holdings, Inc.	P24.25	+P0.85	+3.63%
TEL	PLDT Inc.	P1,350.00	+P40.00	+3.05%
URC	Universal Robina Corp.	P57.95	+P0.05	+0.09%

Corporate registrations up 6% to 52,304 last year


PHILIPPINE STAR/MIGUEL DE GUZMAN

NEW COMPANY registrations reached 52,304 in 2024, a 6% increase from 49,506 in 2023, supported by digital platforms that streamlined applications, the Securities and Exchange Commission (SEC) said.

Stock corporations accounted for 75% or 39,146 of newly registered companies, followed by non-stock corporations at 21% or 10,782, the SEC said in an e-mailed statement on Tuesday.

The remaining 5% or 2,376 were partnerships. New registrations of one-person corporations grew by 27% to 8,640 in 2024 from 6,794 the previous year.

The SEC recorded 527,710 active registered companies as of the end of 2024.

"Digital transformation has always been one of the top priorities of the SEC to improve the efficiency of our services. Surpassing the 50,000 mark in company registrations serves as a testament that we are on the right track in encouraging entities to legitimize their operations through registration with the commission," SEC Chairperson Emilio B. Aquino said.

In terms of location, the SEC said about 40% or 20,231 were based in Metro Manila, followed by Calabarzon (Cavite, Laguna, Batangas, Rizal, and Quezon) at 16% or 8,226, and Central Luzon at 12% or 6,141.

The services sector led new registrations at 86% or 44,872, with the wholesale and retail trade, and repair of motor vehicles and motorcycles segment recording 12,479 new registrants.

"In 2025, we will capitalize on the success of our digital transformation journey and explore other strategies that will bring our services closer to the public to contribute to the further improvement of ease of doing business in the Philippines," Mr. Aquino said.

The SEC said its digitalization initiatives, launched in 2021, reduced the registration process to three days from 34 days.

In July last year, the corporate regulator launched the third wave of digital initiatives aimed at making company registration more efficient, including the creation of a platform that eliminated the need for wet signatures and the submission of hard copies of registration requirements.

The digital initiatives also included the creation of a unit for the registration of entities covered by the Foreign Investment Act and foreign multinational firms; the establishment of an online portal to process amendment applications of corporations; and data sharing with other regulatory and enforcement agencies for improved tax administration. — **Revin Mikhael D. Ochave**

JLL Philippines: Adjust rates to boost office demand

By Beatriz Marie D. Cruz
Reporter

OFFICE BUILDING developers may need to adjust rental rates or offer more favorable lease terms to attract tenants and stimulate demand in the current market, according to property services firm JLL Philippines.

"[Developers need] to make sure it's more attractive to tenants, so there might be an option to either lower rates or optimize their lease terms—maybe offering favorable tenant terms to attract tenants," Janlo C. De Los Reyes, JLL Philippines head of research and strategic consulting, told *BusinessWorld* on the sidelines of a briefing on Tuesday.

According to JLL, the Metro Manila market continues to face pressure amid high office vacancies and upcoming supply.

"Vacancy levels [as of the fourth quarter of 2024] rose to around 19.7% due to the moveouts that we're seeing," Mr. De Los Reyes said.

In 2024, the Metro Manila office market recorded 407,010 square meters (sq.m.) of moveouts, a 21.54% increase from 334,890.68 sq.m. in 2023.

By sector, the highest moveouts came from the business process outsourcing (BPO) sector at 46.3%, followed by corporate occupiers at 30.8%, and Philippine offshore gaming operators at 22.9%.

"It's really a mix of different sectors that have downsized, moved out, or even exited the market, contributing to that vacancy level," he said.

Office vacancy levels may still increase by the end of the year, according to JLL.

"We might see a bit of an increase again by the end of the year, not only from moveouts but also from vacant spaces in existing buildings and new supply coming in."


PHILIPPINE STAR FILE PHOTO

In 2025, JLL Philippines expects around 682,023 sq.m. of new office supply with low pre-commitment levels, adding to the total existing supply of 11.1 million sq.m.

Most of the upcoming supply will come from Quezon City (408,001 sq.m.), Taguig City (194,108 sq.m.), Bonifacio Global City (110,582 sq.m.), Makati City (188,821 sq.m.), and the Makati CBD (122,839 sq.m.).

Despite the challenges, JLL remains optimistic about the Metro Manila office sector, citing inquiries from firms looking to enter the market.

"These large inquiries are coming from both BPOs and corporate occupiers, particularly from Southeast Asia and Australia," Mr. De Los Reyes said.

Last year, gross leasing volumes rose by 27.3% to 583,728 sq.m. from 458,470 sq.m. in 2023.

Corporate and traditional demand (44.6%) led 2024 transactions, driven by the 67,000 sq.m. space take-up from government agencies such as the National Bureau of Investigation, Department of Trade and Industry, and Department of Foreign Affairs.

The BPO sector followed at 40.7% of office demand, with POGOs accounting for 19%.

The Metro Manila office market currently has a total existing supply of 11.1 million sq.m., with about 1.1 million sq.m. of additional space expected through 2028.

RETAIL

For the retail sector, JLL noted that the holiday surge and lack of supply drove down prime mall vacancies by an annual 60 basis points to 6.2%.

This also pushed rents up by 2.1% year-on-year to P1,791 per sq.m. per month from P1,755 per sq.m. per month last year.

The Metro Manila retail sector anticipates about 129,380 sq.m. of new supply this year and 283,000 sq.m. through 2028.

"We project vacancy levels to increase to around 7% by the end of 2025. Nonetheless, we expect this to moderate in 2026 as we see a ramp-up in mall development take-up," Mr. De Los Reyes said.

Meanwhile, international tourist arrivals rose by an annual 9.2% to 5.9 million in 2024, falling short of the government's 7.7-million target.

From 2019, JLL noted a sharp annual decline of 81.96% in Chinese tourist arrivals to 313,856 in 2024 amid stricter visa rules.

From 2025 through 2029, JLL expects about 2,587 units in the hotel pipeline, with 74% of new supply coming from foreign operators and 26% from the local sector.

Fruitas board OKs P100-M share buyback program

FRUITAS HOLDINGS, Inc. board has approved a share buyback program of up to P100 million to boost shareholder value, the company announced on Tuesday.

The proposed creation and implementation of the share buyback program for the company's common shares secured board approval on Feb. 3, Fruitas said in a regulatory filing on Tuesday.

"The objectives of the share buyback program are to enhance shareholder value and to manifest confidence in the company's value and prospects through the repurchase of the common shares and the return of a portion of the company's capital to its shareholders," Fruitas said.

As of end-2024, Fruitas has a 40.75% public float, equivalent to 869.38 million publicly owned shares.

Fruitas said the share buyback program could potentially acquire 163.93 million shares based on the company's closing share price of 61 centavos apiece on Jan. 31.

Once the share buyback program is completed, Fruitas said its public float could drop to 35.81%, corresponding to 705.45 million publicly owned shares.

Fruitas has 2.13 billion issued, outstanding, and listed shares. The share buyback program could potentially reduce the company's outstanding shares to 1.97 billion.

The share buyback program will have an initial term of one year, which could be extended upon approval by the company's board, Fruitas said.

It added that the program will be implemented in the open market through the trading facilities of the Philippine Stock Exchange.

Fruitas said in early January that it had earmarked P500 million for its capital expenditure (capex) budget this year to support its expansion plans. The company aims to open 100 stores in 2025.

According to the company, 50% of the capex budget will be allocated for commissary infrastructure and logistics upgrades, 40% will be for store expansions, and 10% for brand acquisitions and development.

Fruitas shares rose by 11.67%, or seven centavos, to 67 centavos per share on Tuesday. — **Revin Mikhael D. Ochave**

Power spot prices down in January

ELECTRICITY PRICES at the Wholesale Electricity Spot Market (WESM) declined in January due to a higher average system margin, according to the Independent Electricity Market Operator of the Philippines (IEMOP).

Preliminary data from IEMOP showed that the WESM price system-wide dropped by 14.3% to P2.96 per kilowatt-hour (kWh) in January, from P3.45 per kWh in December 2024.

Supply decreased by 0.2% to 20,110 megawatts (MW). Demand, on the other hand, fell by 5.6% to 12,529 MW. This resulted in a 10.26% increase in the average system margin to 7,581 MW.

"Due to the increase in the average system margin, the system average price decreased by 14.3%, dropping to P2.96 per kWh," said Arjon B. Valencia, manager for corporate planning and communications at IEMOP.

In Luzon, the spot price decreased by 8.5% month-on-month, falling to P2.98 per kWh from P3.26 per kWh.

Available supply dropped by 1.6% to 13,962 MW. Demand also decreased by 6.4% to 8,741 MW.

WESM prices in the Visayas declined by 19.1% to P3.13 per kWh from P3.87 per kWh the previous month.

The grid's supply dropped by 4.5% to 2,372 MW. Demand fell by 4.4% to 1,856 MW.

For Mindanao, IEMOP said that WESM prices decreased by 31.9% month-on-month to P2.65 per kWh from P3.88 per kWh.

Supply increased by 8.7% to 3,775 MW, while demand declined by 2.9% to 1,931 MW.

IEMOP operates the WESM, where energy companies can buy power when their long-term contracted supply is insufficient to meet customer needs. — **Sheldeen Joy Talavera**

Pryce sees 30.34% profit growth

PRYCE CORP. reported a 30.34% increase in net income for 2024, primarily driven by improved margins in its liquefied petroleum gas (LPG) products, with notable growth in the Luzon market.

The company's net income stood at P3.07 billion, up from P2.36 billion in 2023, it said in a media release on Tuesday.

Pryce said that its consolidated revenues grew by 6.3% to P20.47 billion from the previous year's P19.26 billion.

LPG revenues contributed a significant portion, increasing by 5.8% to P19.18 billion, supported by a rise in the average contract price by 5.5% to $608.38 per metric ton.

Part of the total revenues also came from industrial gases, which contributed P913.57 million, or 4.46%.

Revenues were further bolstered by the operation of its air separation plant in Mindanao, producing a total daily capacity of 7,200 equivalent standard cylinders (ESC) for oxygen, 1,500 ESC for nitrogen, and 200 ESC for argon. Consequently, industrial gas volume increased by 34% to 2.03 million cylinders.

Other business segments contributed as well: memorial park operations accounted for P326.78 million, or 1.60%, while pharmaceutical products represented P46.53 million, or 0.23%.

Pryce said its gross profit for 2024 rose by 16% to P6.48 billion, despite a 2.4% increase in its cost of sales and services to P13.99 billion.

"With all these developments, Pryce is committed to taking a more proactive approach to increase industrial gas sales volume, particularly with respect to the supply and distribution of its medical oxygen, nitrogen, argon, and other industrial gas products in the Visayas and Mindanao regions," the company said. — **Sheldeen Joy Talavera**