LGUs' ban on mining ruled unconstitutional

By Kyle Aristophere T. Atienza
Reporter

LOCAL government units (LGUs) are prohibited by the Constitution and a 1995 law from declaring blanket bans on mining, the Supreme Court (SC) ruled.

The ruling nullified a 25-year moratorium on large-scale mining by Occidental Mindoro and the municipality of Abra de Ilog in that province, which was found to have violated Republic Act (RA) No. 7942 or the Philippine Mining Act of 1995.

It stemmed from a case filed by Agusan Petroleum and Mineral Corp., which argued that the ban violated its exclusive rights to mine in Mamburao and Abra de Ilog under a government-approved Financial or Technical Assistance Agreement (FTAA).

The ordinances interfered with the State's ownership and control over the exploration, development, and use of mineral resources, Agusan Petroleum also argued.

RA 7942 prescribes environmental safeguards that render a total ban unnecessary, it added.

Occidental Mindoro brought the case to the SC after a regional trial court declared the ordinances void.

The province argued that the ordinances were a valid exercise of its police power since their purpose was to protect the environment and the lives and safety of its residents.

The SC said large-scale mining and exploration of mineral resources are legal under the Constitution and the Philippine Mining Act of 1995, adding that it is the State's duty to promote such activities "to support national development, while also ensuring environmental protection and safeguarding the rights of affected communities."

Local ordinances are not considered "laws" that can bar mining activity under Section 19 of RA 7942, according to the ruling.

The power of LGUs to issue ordinances comes from Congress, and interpreting "laws" to include local ordinances would, in effect, allow LGUs to override Congressional authority to regulate mining, it said.

RA 7942 gives LGUs the power to approve or deny individual mining applications based on their effects on the environment, livelihoods, and land rights.

"However, the law does not authorize them to impose a blanket ban on all large-scale mining in their area," the court said.

"Each mining application must be evaluated on a case-by-case basis," it added.

The High Court noted that all mining applications must undergo environmental impact assessments, which include prior consultation with LGUs.

PAGCOR remits P12.67-B dividend to Treasury

THE Philippine Amusement and Gaming Corp. (PAGCOR) said it remitted P12.67 billion worth of dividends to the Bureau of the Treasury (BTr).

In a statement on Wednesday, PAGCOR said the dividend is equivalent to 75% of its earnings last year.

"Our 75% dividend remittance is in line with Finance Secretary Ralph Recto's directive to government-owned and -controlled corporations (GOCCs) to advance an additional 25% dividend to support government spending," PAGCOR Chairman and Chief Executive Officer Alejandro H. Tengco said.

Republic Act No. 7656 or the Dividends Law requires government companies to remit dividends equivalent to at least 50% of their earnings.

Mr. Tengco turned over the dividends check to Deputy National Treasurer Eduardo Anthony Mariño at the PAGCOR Corporate Office in Pasay City.

"This substantial dividend contribution will go a long way in boosting our fiscal resources and furthering the administration's development agenda," Mr. Mariño said. — **Aubrey Rose A. Inosante**

37 generating firms cited for not disclosing fuel costs

THE Energy Regulatory Commission (ERC) said it has issued show-cause orders to 37 generation firms for failing to disclose their fuel costs, which the regulator uses to validate the reasonableness of their generation charges.

In a statement on Wednesday, the ERC said the power firms were singled out for allegedly "failing to act on ERC's letter-orders issued between December 2022 and March 2024."

The orders required the submission of complete sets of fuel cost data and documents covering the period from January to October 2022 "to ensure that only reasonable and justifiable fuel expenses are charged to consumers in the exercise of its regulatory mandate."

Among the firms issued show-cause orders were subsidiaries of San Miguel Corp. (SMC), Aboitiz Power Corp. (AboitizPower), and DMCI Power Corp.

SMC units Masinloc Power Partners Co. Ltd., San Miguel Energy Corp., SMC Consolidated Power Corp., and San Miguel Consolidated Power Corp. were served show-cause orders.

The ERC also sought explanations from AboitizPower units Therma Luzon, Inc., Toledo Power Corp., GNPower Dinginin, Ltd. Co., and GNPower Mariveles Energy Center, Ltd. Co.

The DMCI Power subsidiary DMCI Masbate Power Corp. (DMPC) was also issued the order.

SMC and AboitizPower have yet to release statements on the matter.

DMCI Power and DMPC said they have yet to receive the show-cause orders but are "in the process of verifying from their records the alleged non-compliance with the ERC directive."

"We remain fully committed to regulatory compliance and transparency in our operations and will cooperate with the ERC to address the matter accordingly," they said.

The ERC directed the generation firms to submit the required documents and a verified explanation within 15 days from receipt of the decision.

Power generators were asked to explain why no administrative penalty should be imposed on them. The ERC is authorized to seek such disclosures by the Electric Power Industry Reform Act.

"The ERC continues to conduct rigorous fuel audits to make sure that only fair and reasonable costs are being charged by our regulated entities. We owe it to consumers to protect them from unnecessary charges and ensure that they're not paying more than they should for electricity," ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said.

"We likewise remind gencos (generation companies) to fully cooperate and comply with these requirements, so we can uphold transparency and deliver power at the least cost possible," she added. — **Sheldeen Joy Talavera**

Addressing teaching quality is first job in reforming education, says World Bank

THE GOVERNMENT needs to focus on improving teaching quality and make up for school days lost to weather disturbances as the immediate priorities in improving literacy and educational outcomes, the World Bank said.

"I would think that the low-hanging fruit (include) focusing on the quality of the teaching profession," according to Zafer Mustafaoğlu, World Bank country director for the Philippines, Malaysia, and Brunei.

At a briefing on Wednesday, Mr. Mustafaoğlu was responding to a query by Secretary Arsenio M. Balisacan of the Department of Economy, Planning, and Development, who noted the "sad state" of literacy in the Philippines.

According to the 2024 Functional Literacy, Education, and Mass Media Survey, about 90% of Filipinos aged five years or older were found to have had a basic standard of literacy.

Mr. Mustafaoğlu said: "We have to look at the overall teaching system, teaching methods, and again, one important part is class size and the continuity of schooling days," he said.

In November, the World Bank approved a $500-million package to finance the construction of climate-resilient schools in a program known as the Infrastructure for Safer and Resilient Schools Project.

Mr. Mustafaoğlu added that the government should also address the school days lost to excessive heat or flooding.

About 53 teaching days were lost in school year 2023-2024 as teachers performed non-teaching tasks and also due to climate-related disruptions, according to a preliminary finding from the Second Congressional Commission on Education and the Philippine Institute for Development Studies.

In a report last year, the World Bank said education systems in lowest-income countries remain the most vulnerable to the climate crisis with 18 school days lost annually on average, compared to 2.4 days in wealthier nations. — **Aubrey Rose A. Inosante**

Banking, tobacco lift LT Group's Q1 profit by 13% to P7.24 billion

LT GROUP, Inc. reported a 13% increase in first-quarter (Q1) attributable net income to P7.24 billion from P6.42 billion a year earlier, driven by its banking, tobacco, liquor, and beverage units.

The company's first-quarter performance represents its highest result since its follow-on public offering in 2013, LT Group said in a stock exchange disclosure on Wednesday.

Among its business units, Philippine National Bank (PNB) was the largest contributor, accounting for 47% of the total, or P3.42 billion. Fortune Tobacco Corp. (FTC) followed with 39%, contributing P2.8 billion.

Tanduay Distillers, Inc. (TDI) and Asia Brewery, Inc. (ABI) posted P525 million and P178 million in net income, respectively, accounting for 7% and 3% of the total.

Eton Properties Philippines, Inc. contributed 2% or P143 million, while Victorias Milling Co., Inc. added 2% or P154 million.

For the banking business, PNB's net profit under the pooling method increased by 15% to P6.09 billion.

Gross interest income rose by 7% to P17.17 billion, supported by higher yields and increased volumes in trading and investment securities, as well as loans and receivables.

In the tobacco sector, FTC saw a 6% increase in net income to P2.81 billion, driven by higher equity in net earnings from PMFTC, Inc.

Despite a flat industry volume of 11.9 billion sticks, PMFTC's volume increased to 5.6 billion sticks from 5.5 billion in the same period last year.

Tanduay Distillers, Inc. posted a 107% growth in net income to P528 million, with net revenue rising 22% to P7.19 billion, fueled by higher sales volume and increased selling prices.

TDI continued to perform strongly in the Visayas and Mindanao regions, holding market shares of 67.5% and 81.6%, respectively.

Its nationwide market share for distilled spirits rose to 38.1%, up from 32.9% last year.

Asia Brewery, Inc. saw its net income grow to P178 million, although revenues for the beverage segment declined by 2% to P4.31 billion, attributed to lower sales volume of the Cobra energy drink brand.

In the property segment, Eton Properties posted P144 million in net income, up from P116 million last year.

Leasing revenue was essentially flat at P473 million, while real estate sales reached P102 million as the company continued to sell remaining inventory from previously launched projects in 68 Roces in Quezon City and Eton City, Laguna.

Eton's leasing portfolio includes 269,400 square meters, with approximately 192,000 square meters allocated to office space.

Shares of LT Group dropped by 3.06% or 38 centavos to P12.02 per share on Wednesday. — **Revin Mikhael D. Ochave**

Vitarich Q1 net income jumps to P241.6 million

LISTED poultry integrator Vitarich Corp. saw its first-quarter (Q1) attributable net income jump to P241.6 million from P620,959 a year earlier, supported by higher chicken prices and a new revenue stream.

"This marked a record quarter that exceeded the company's internal forecasts," Vitarich said in a stock exchange disclosure on Wednesday.

Revenues rose by 8.8% to P3.2 billion from P2.94 billion, while gross profit more than doubled to P607.53 million from P245.99 million in the same period last year.

The company said revenue growth was partly offset by lower chicken volumes and "reduced pricing for feeds due to the limited supply of day-old chicks in the market."

Food products contributed 62.8% of total revenues, followed by feeds at 28.7% and farms at 8.5%.

Government data showed that full-dressed chicken prices in Metro Manila averaged P206.97 per kilogram in the last week of March, higher than P180.70 per kilogram from March 25 to 27.

In addition to nationwide price increases, Vitarich attributed its improved performance to the "addition of a new revenue stream from day-old pullets."

Its food segment includes chicken and dory fish products sold to hotels, restaurants, institutional clients, supermarkets, and wet markets.

In March, Vitarich signed an exclusive distribution agreement with French breeding company Novogen for NOVOgen White hens.

The company also said it is strengthening its food segment under the Cook's brand "by scaling up its fresh and ready-to-cook chicken products and investing in marketing."

Operating profit surged to P349.8 million from P24.1 million last year.

Operating expenses rose to 8.1% of revenues, driven by higher freight and handling costs, merchandiser salaries, and training and marketing expenses. — **Kyle Aristophere T. Atienza**

MacroAsia earnings climb 20% on aviation, food service growth

MACROASIA Corp. reported a 20.78% year-on-year increase in its first-quarter (Q1) attributable net income, reaching P313.91 million, driven by strong performance in its aviation services and food units.

For the January-to-March period, the company posted combined revenues of P2.35 billion, a 5.86% increase from P2.22 billion during the same period last year.

The majority of the company's revenue, P1.15 billion, came from in-flight and other catering services, reflecting an 8.49% growth from P1.06 billion in the previous year.

This increase was driven by a 13% rise in meal count, which reached 6.25 million from 5.53 million, the company said.

Ground handling and aviation services generated P1.02 billion in revenues, a 2% increase from P998 million in the prior period. Water distribution revenues reached P171.6 million, an 11.36% increase from P154.1 million last year, while revenues from other services grew by 38.38% to P13.7 million from P9.9 million in Q1 2024.

Despite the growth in revenues, MacroAsia noted that the slight increase in ground handling and aviation services revenue was attributed to a decrease in the number of flights handled, which dropped to 47,546 from 48,085 in the same period last year.

The company's total expenses rose by 11.34% to P2.16 billion, up from P1.94 billion in the first quarter of 2024.

MacroAsia further highlighted that passenger load and flight frequency continue to drive growth in its aviation services.

"[The] privatization of NAIA operations is expected to lead to increased flight volumes and passenger traffic as airport facilities expand and operational efficiency improves," it said, adding that it anticipates costs at the airport to rise as the country's primary gateway is now managed by a private operator.

The company is also exploring the expansion of its food catering services outside Metro Manila to increase production capacity at its Muntinlupa commissary. Contracts are being secured for the construction of facilities within MacroAsia-owned property.

"The Food Group's strategy to diversify its revenue base beyond aviation catering has yielded positive results, with several major accounts already secured and being served," the company said.

On the local stock exchange, shares of MacroAsia closed at P3.85 apiece, down by two centavos or 0.52%, on Wednesday. **— Ashley Erika O. Jose**

PLDT Global partners with Venio to boost digital services

PLDT INC., through its unit PLDT Global Corp., has entered into a partnership with US-based financial technology company Venio to enhance its digital services and extend its market reach, the Pangilinan-led telecommunications company announced on Wednesday.

"We are thrilled to partner with Venio to enhance our service offerings... This collaboration will not only increase the adoption of the TinBo app but also expand the availability of our digital and telecom services through Venio's established distribution network," PLDT Global President and Chief Executive Officer Albert V. Villa-Real said in a media release.

TinBo, PLDT Global's one-stop gateway, offers an expanded suite of digital services. PLDT Global is the technology services arm of PLDT, providing communication infrastructure and digital platforms to its global network of carriers.

Under the partnership, Venio will promote and facilitate the availability of the TinBo app in key international markets, including the US, Canada, Australia, and the United Arab Emirates.

"This includes collaborations with Filipino-focused businesses, retail channels, and fintech institutions to ensure that overseas Filipinos have easy access to the app and its services," PLDT said.

Additionally, PLDT Global's products will be integrated into Venio's platform, enabling retailers to expand their portfolios. Venio will serve as PLDT Global's business-to-business partner for the distribution of its products and services.

Hastings Holdings, Inc., a subsidiary of PLDT Beneficial Trust Fund and part of MediaQuest Holdings, Inc., holds a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**