

Semirara profit falls 33% on weaker coal, power prices

EARNINGS of Consunji-led Semirara Mining and Power Corp. (SMPC) fell 33% to P13.1 billion, mainly due to weaker coal and electricity prices, lower shipments, and higher production costs.

For the fourth quarter alone, the company reported consolidated net income of P3.2 billion, down 19% from the same period a year earlier.

"Prices were softer this year, but our operations still delivered record coal production and electricity sales," SMPC President and Chief Operating Officer Maria Cristina C. Gotianun said in a statement on Wednesday.

In 2025, coal output reached a record-high 19.9 million metric tons (MMT), driven by improved access to coal seams at the Narra mine and government approval to increase annual production capacity to 20 MMT.

The company shipped 15.4 MMT, up 7% from the previous year, mainly due to the timing of export shipments and softer demand for some lower-calorific coal during the period.

The average selling price of Semirara coal fell 19% year on year to P2,302 per metric ton, reflecting lower global coal benchmarks and a higher share of lower-calorific shipments.

The decline mirrored the 22% drop in the average Newcastle Index to \$105.60, as well as the 15% decrease in the Indonesian Coal Index 4 to \$46.10.

"We're also working to broaden our markets while keeping our mines and power plants running well," Ms. Gotianun said.

Meanwhile, energy sales reached a record-high 5,296 gigawatt-hours, up 7% and supported by improved plant reliability.

However, the average electricity selling price dropped 8% to P4.38 per kilowatt-hour (kWh), reflecting wider supply margins in the Wholesale Electricity Spot Market (WESM).

According to SMPC, average WESM prices fell 27% to P3.73 per kWh as supply improved.

As of end-2025, 42% of the company's 860-megawatt (MW) dependable capacity was contracted, with 422.3 MW available for spot market sales after accounting for station service requirements.

SMPC is the largest coal producer in the Philippines, accounting for 97% of domestic production.

However, operations at its main revenue-generating asset on Semirara Island in Antique province face uncertainty as its coal operating contract is scheduled for auction this year.

Semirara Island, located in Antique province, covers an area of about 55 square kilometers and can produce at least 16 MMT of coal annually.

SMPC has held the coal operating contract for the area for nearly 50 years, allowing it to explore, develop, and mine coal.

The contract is set to expire in July 2027, but the government has opted to bid it out this year along with other confirmed mineable reserves.

In preparation, SMPC said it is finalizing its mine plan while aiming to fulfill the remaining term of its current contract.

At the local bourse on Wednesday, shares in the company closed unchanged at P28.40 each. — **Sheldeen Joy Talavera**

Carlyle to sell Colombian oil firm SierraCol to Razon-led Prime Infra

PRIVATE equity group Carlyle has agreed to sell its Colombian oil producer SierraCol to Prime Infrastructure Capital, Inc., (Prime Infra) the infrastructure unit of Filipino businessman Enrique K. Razon, Jr., for an undisclosed sum, the US company said on Wednesday.

Carlyle, which set up SierraCol in 2020 after buying assets from Occidental Petroleum Corp., had sought around \$1.5 billion for the Colombian firm, sources had told Reuters in 2025.

Elsewhere in the oil and gas sector, Carlyle in January reached a non-binding, initial agreement to buy most international assets from sanctioned Russian firm Lukoil and merge its European refining vehicle Moeve with Portuguese energy firm Galp's downstream business.

"This is where our track record is strong and I expect to continue that. We have a clear playbook for executing complex carve-outs and strengthening these businesses," said Bob Maguire, co-head of Carlyle International Energy Partners (CIEP).



SIERRACOLENERGY.COM

He said CIEP had no fixed views on how much investment to allocate to downstream or upstream acquisitions.

CIEP Managing Director Parminder Singh told Reuters that it has been tough to extract assets from the bigger players in the current market as majors are keen to boost their own oil and gas reserves while retrenching on low-carbon projects.

Carlyle said it has invested around \$1 billion in SierraCol since 2020, mainly spending on the firm's existing assets to stabilize its net production

at around 45,000 barrels of oil equivalent per day and reduce operational emissions.

SierraCol's gross output of 77,000 barrels of oil equivalent per day makes up around 10% of Colombia's overall production.

SierraCol had \$205 million in free cashflow for the 12 months to October 2025 and net debt of \$618 million, according to its website.

Prime Infrastructure runs energy, waste and water infrastructure. — **Reuters**

Maynilad eyes further investments in New Clark City

WEST ZONE concessionaire Maynilad Water Services, Inc. plans to increase its investments in New Clark City over the next five years as part of its long-term expansion strategy.

"We're operating deep wells for New Clark City for the immediate locators that are already there inside New Clark City, and I guess the main investments will come within five years," Maynilad President and Chief Executive Officer Ramonito S. Fernandez said on *Money Talks with Cathy Yang* on One News on Wednesday.

He said the company continues to focus on serving commercial and industrial consumers in its west concession area while exploring opportunities in emerging urban centers.

Maynilad and its partner, Korean Water Resources Corp., have submitted a P15-billion unsolicited proposal to the Public-Private Partnership Center to develop a water supply and management system for New Clark City.

The proposal remains subject to approval by the Bases Conversion and Development Authority (BCDA).

"It's a medium to long-term investment that we're putting in once the BCDA will approve our unsolicited proposal," Mr. Fernandez said.

He also said the company is exploring partnerships with water districts that require sustainable and potable water supply within and outside the Bulacan and Cavite areas.

"These are the growth areas that we're looking at for the future, creating long-term value for Maynilad," Mr. Fernandez said.

Maynilad provides water and wastewater services in the West Zone, which covers 11 cities in Metro Manila, three of which have partial coverage, as well as parts of Cavite province.

Metro Pacific Investments Corp., Maynilad's majority shareholder, is one of three Philippine subsidiaries of First Pacific Co. Ltd., alongside Philex Mining Corp. and 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**

First Gen starts construction of 54-MW Batangas solar farm

LOPEZ-LED power producer First Gen Corp. has started construction of a 54-megawatt (MW) solar farm in Batangas, marking the company's entry into utility-scale solar projects.

In a statement on Wednesday, the company said it had broken ground on the Inara Solar Power Plant Project in Tanauan, with the project cost estimated at P2.1 billion.

Batangas Gov. Vilma Santos-Recto and other local government officials joined First Gen President and Chief Operating Officer Francis Giles B. Puno and other company officials at the project's groundbreaking ceremony.

First Gen's first utility-scale solar power project will cover a 36-hectare property, which includes space for a potential expansion to 100 MW and the possible integration of a battery energy storage system to support operational flexibility and grid stability.

"Solar brings accessibility, scalability, and abundance — allowing clean energy to be deployed more rapidly and across many locations. Through this project, we aim to expand renewable energy in a way that continues to create opportunities for both communities and industries," Mr. Puno said.

Aside from supplying electricity to the grid, the company plans to in-

corporate a provision for agri-photovoltaics (agri-PV) in the facility's design, which combines agriculture and solar power generation within the same area.

"This [agri-PV approach] means farmers can continue cultivating crops even as solar panels generate electricity above," Mr. Puno said. "Energy production does not have to displace agriculture; the two can work together, allowing the same land to support both food production and clean energy."

Once completed, the solar farm will supply electricity to First Philippine Industrial Park, a 520-hectare economic zone that hosts more than 150 locators.

The facility is also expected to help improve the quality and reliability of services provided by the Batangas Electric Cooperative (Batelec) II by embedding the project within its distribution system.

The Inara project is scheduled for completion by the summer of next year and forms part of the First Gen Group's plan to expand its capacity to 13,000 MW by 2030.

First Gen currently has about 1,700 MW of generating capacity from 30 hydropower, geothermal, solar, and wind facilities across the country. — **Sheldeen Joy Talavera**

PHINMA swings to loss as property, materials units weaken

PHINMA CORP. recorded an attributable net loss of P308.83 million for 2025 despite generating consolidated net income of P326.65 million.

The difference between the consolidated profit and the attributable loss came during a year of higher capital spending. Capital expenditures rose to P5 billion from P3.14 billion in the previous year, the company said in a statement on Wednesday.

PHINMA reported consolidated revenues of P22.84 billion and earnings before interest, taxes, depreciation, and amortization (EBITDA) of P3.48 billion. In the fourth quarter alone, the company posted a consolidated net loss of P49.39 million on revenues of P6.54 billion.

The group's financial results reflected varied performance across its core business units.

PHINMA Education remained the group's main growth

driver, posting P7.19 billion in revenues and consolidated net income of P1.61 billion. The segment's results were supported by a record enrollment of 177,851 students across the Philippines and Indonesia for the 2025-2026 school year.

Other business segments faced headwinds during the period. The Construc-

tion Materials Group posted a net loss of P265.38 million on revenues of P13.33 billion as macroeconomic pressures and market uncertainty weighed on performance following the fallout from flood control corruption issues. The company said the group had no direct exposure to those projects. — **Alexandria Grace C. Magno**

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Excise tax, from S1/1

Any suspension or cut in the fuel excise tax rate could be extended beyond six months through a joint congressional resolution, according to HB No. 8418. Any extension cannot last longer than a year, it added.

The bill also requires the President to submit to Congress within 15 days of issuing such an order a "factual basis" for halting or cutting the excise tax of petrol, including estimates of foregone revenue and the impact on inflation, fuel prices and economic activity, with monthly reports to follow.

The President may only suspend or reduce excise tax collections on fuel products until Dec. 31, 2028, it added.

During the plenary, Marikina Rep. Romero "Miro" S. Quimbo, who heads the House Committee on Ways and Means, said lawmakers opted to give the President power to suspend fuel excise taxes until 2028 so they would have standby authority to quickly mitigate oil crises.

"We do not know how long wars in the Middle East will last," he said in Filipino.

Projections from the Finance department showed suspending excise tax collections could result in P136 billion in foregone revenue, which may further widen the government's budget deficit and raise the country's debt.

Department of Economy, Planning, and Development Secretary Arsenio M. Balisacan had said revenue losses from the suspension of excise taxes on petrol could reach P43.3 billion if the suspen-



PHILIPPINE STAR/RYAN BALDEMOR

AN ATTENDANT fills up the tank of a vehicle at a gas station in Manila.

sion lasts three months, and P106 billion if extended until September.

"The loss of government revenue, even if painful, will not immediately bring down our economy," Mr. Quimbo said. "This is for the well-being of the people."

Funding for government programs, particularly aid for groups vulnerable to the Middle East conflict, will take an initial hit under the proposal, with the impact on state finances expected to deepen the longer the war drags on, said Leonardo A. Lanzona, an economics professor at the Ateneo de Manila University.

"The key is how long this crisis will be," he said in a Facebook Messenger chat. "If this is short, the excise suspension can provide some temporary but mainly marginal relief."

"But if the crisis becomes longer, the negative effects of reducing or suspending the excise tax will be significant," he added.

John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said the government should pursue targeted tax relief instead of sweeping measures, warning broad tax cuts could widen the budget deficit.

"The best response is to limit the tax relief to periods of extreme oil shocks, pair it with spending reprioritization, and strengthen collection efficiency in other areas such as value-added tax, customs and digital taxation," he said in a Viber message. "It would also help to focus support on the most affected sectors such as public transport and agriculture rather than subsidizing all fuel users."

FDI, from S1/1

THREE-MONTH LOW IN DECEMBER

In December, FDI net inflows stood at a three-month low of \$560 million but was up 31.2% from the \$427-million inflows seen in the same month in 2024.

This was the lowest monthly tally since \$316 million in September.

Month on month, inflows fell by 37.4% from \$894 million in November.

"Japan was the leading source of FDI, with most inflows directed to the financial and insurance activities during the month," the BSP said.

Year-end seasonality and postponed investment decisions likely led to the three-month low level in December, SM Investments Corp. Group Economist Robert Dan J. Roces said.

Meanwhile, Mr. Rivera said investors' cautious stance amid global shocks may have dampened flows toward the end of the year.

"December's dip likely reflects year-end timing effects, profit repatriation, and cautious investor sentiment amid peso volatility and global uncertainty," he said.

BSP data showed that investments in equity and investment fund shares more than doubled (165.3%) to \$260 million from \$98 million a year earlier.

Net investments in equity capital other than the reinvestment of earnings also soared by over ninefold (802.8%) to \$180 million in December from \$20 million in the previous year.

Broken down, equity placements jumped by 29.3% to \$243 million in De-

cember from \$188 million a year ago, while withdrawals slumped by 61.9% to \$64 million from \$168 million.

Meanwhile, reinvestment of earnings reached \$80 million, rising by 2.7% from \$78 million in the same month in 2024.

However, net investments in debt instruments were only \$300 million in December, falling by 8.7% from \$329 million in the comparable year-ago period.

For 2026, FDI net inflows may still rebound despite potential drags from the ongoing Middle East crisis, Mr. Roces said.

"While the Iran conflict adds uncertainty through higher oil prices and market volatility, we still expect FDI to gradually recover in 2026, particularly in manufacturing, renewable energy, and logistics, as global financial conditions ease and supply-chain diversification continues," he said.

For 2026, the central bank sees FDI net inflows reaching \$7.5 billion by year-end.

FDIs account for foreign investors' investments in local businesses where they hold at least a 10% equity capital, as well as investments by a nonresident subsidiary or associate in its resident direct investor. It can be in the form of equity capital, reinvestment of earnings or borrowings.

The BSP's FDI data cover actual investment flows, compared to the Philippine Statistics Authority's foreign investments data which include investment commitments that may not be fully realized in a given period.