
San Miguel eyeing local mining ventures in Philippines

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Business Inquirer reported that San Miguel Corporation is making big plans for Philippine mining, seen as an industry that can exponentially perk up domestic economic growth.

Mr Ramon Ang president of San Miguel said that Southeast Asia's biggest food and beverage conglomerate, which has been diversifying into heavy industries, was also starting to pare down its debts while keeping enough for future acquisitions.

Mr Ang said that "In the Philippines, the potential of mining is so huge because we have a good deposit of gold, nickel and iron ore. If you can develop it, it's big compared to existing players. We have so many ideas but we're doing everything quietly."

Mr Ang said that San Miguel was in talks with many groups and open to an array of opportunities but would like to keep details of its merger and acquisition strategy close to its chest.

Earlier, American investment banking giant Goldman Sachs offered a piece of Indonesia's second most valuable coal miner Adaro Energy, but Mr Ang said that the stake offered was too small.

The conglomerate had earlier looked into the biggest Indonesian coal miner PT Bumi Resources when its controlling stockholder, the Bakrie family was selling assets to restructure debts.

Mr Ang said that San Miguel had started to use excess cash to reduce its debt, both at the parent and subsidiary levels.

San Miguel had looked at offshore mining opportunities too, particularly in Indonesia.

San Miguel earlier obtained a foothold in the country's biggest power retailer Manila Electric Company and oil refiner Petron Corporation. It is also investing in dormant Liberty Telecom Holdings Inc, which it plans to use as its vehicle for its foray into the highly competitive telecommunications business.

(Sourced from Business Inquirer)

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