

LNG terminal in Batangas in 'final stages,' ready by yearend, says Tokyo Gas

A LIQUEFIED natural gas (LNG) terminal constructed south of the capital region is in the "final stages" of completion and is expected to operate at the end of the year, a senior official of gas utility company Tokyo Gas Co., Ltd. said on Tuesday.

"Construction is currently in the final stages, and we are aiming to start operations in the fourth quarter of this year," Michiaki Hirose, senior corporate advisor of Tokyo Gas, said after the signing of a memorandum of understanding (MoU) between the Philippine Chamber of Commerce and Industry (PCCI) and the Japan Chamber of Commerce and Industry.

Tokyo Gas partnered with Philippine-listed energy firm First Gen Corp. in 2020 to develop a floating receiving terminal for imported LNG in Batangas.

"The challenge to achieve carbon neutrality is a significant trial for Japan, as a country with limited energy resources and is losing its industrial competitiveness," he said.

"Both countries (Philippines and Japan) also face common challenges in the energy sector," Mr. Hirose added. "Therefore, we are looking forward to the possibility of enhanced cooperation as strategic partners."

He noted Tokyo Gas could help the Philippines achieve its decarbonization targets through synthetic methane, which recycles carbon dioxide and is combined with hydro-

gen, and through floating offshore wind power.

The government aims to increase the share of renewable sources in the country's energy mix by 35% and 50% in 2030 and 2040, respectively.

The Philippines would need to invest \$62 billion in its energy industry by 2040 to fast-track its decarbonization plan, according to the World Bank.

PCCI President George T. Barcelon said investments in LNG and other renewables would help the Philippines meet the goal of limiting global temperature to 1.5 degrees Celsius, as prescribed by the 2016 Paris Agreement.

"Having more clean and competitive energy would allow us to attract more foreign investments," Mr. Barcelon told reporters after the MoU signing.

The MoU seeks to strengthen economic cooperation between Philippine and Japanese businesses. "This dialogue is an opportunity for us to share ideas, insights, and best practices," Mr. Barcelon said.

He added that the MoU is the Japanese chamber's first with the PCCI, which is said to be the largest business organization in the Philippines.

"This is an opening for us to look into some of the many sectors that would benefit us," he said, adding that he is hoping the signing would strengthen deals in the agriculture, livestock, innovations and engineering sectors. — **Beatriz Marie D. Cruz**

Cebu Pacific works on long-term deal for sustainable aviation fuel

By Ashley Erika O. Jose
Reporter

NARITA, JAPAN — Cebu Pacific is working to establish a long-term supply agreement with green fuel suppliers as the budget carrier targets to operate more flights powered by sustainable aviation fuel (SAF).

"The first stage is really to try and integrate these into our operations. A lot of the delivery flights have been partly powered by SAF," Alexander G. Lao, president and chief commercial officer of Cebu Pacific, told reporters in a press briefing here.

On Wednesday, Cebu Pacific will fly its Japan (Narita) to Manila flight powered by blended or around 40% SAF, marking its second commercial flight powered by green fuel after the launch of its Singapore to Manila flight late last year.

"Some of the commercial flights that we're deploying are using SAF as well. The other thing is can we establish supply agreements with

partners like Neste, Itochu as well as Shell," Mr. Lao said.

Last week, Cebu Pacific said it had partnered with Neste, an oil refining and marketing company, to explore the availability of SAF supply in Asia Pacific.

In 2022, the company signed a memorandum of understanding with Shell Aviation for the supply of SAF between 2026 and 2031.

"In terms of the supply arrangements, [they] are, as of this time, more exploratory by nature. We are looking at sufficient production. We are looking at how both Shell and Neste will ramp up their aviation fuel production," Mr. Lao said.

SAF can help reduce emissions from air transportation as it is made from nonpetroleum feedstock like agricultural waste and used vegetable oil. Although SAF is seen as a sustainable fuel, it is not a zero carbon but a lower carbon emissions fuel compared with conventional jet fuel.

SAF PRICE STILL AT PREMIUM

At this stage, SAF production remains low and the cost remains at a premium or about three

times higher than the cost of traditional jet fuel.

Fuel accounts for 40-50% of Cebu Pacific's total cost, Mr. Lao said, adding that integrating SAF into its operations will be quite "prohibitive."

For this year, Cebu Pacific has allocated P42 billion for capital expenditure, the bulk of which is set aside for aircraft-related expenses, the company said in a previous statement.

"We're hopeful that the cost of SAF would come down as more production facilities come online," he said.

Cebu Pacific is expecting the cost of green fuel to eventually drop in the coming years as supply will be more available.

"Effectively, there are a couple of things that we need to look at. First, overall production of SAF will increase, which would drive down the cost of SAF," he said.

WORKING WITH GOVERNMENT AGENCIES

In September, the Department of Energy (DoE) said it was planning to issue guidelines and regula-

tions for the use of SAF to accelerate the decarbonization of commercial aviation in the country.

"[We are] working with many government authorities in particular in trying to increase the supply of raw materials for SAF, making that available," Mr. Lao said, also citing subsidies or support from government agencies to encourage airlines to move toward SAF.

Meanwhile, the company is currently in talks with Philippine companies for the supply of raw materials for SAF.

"There is no refining capacity in the Philippines. So, we've started discussions with the DoE and [the Department of Transportation] with regards to the availability of SAF," Mr. Lao said.

The International Air Transport Association has estimated that SAF will contribute 65% of carbon emissions reduction.

For this year, Cebu Pacific said that it is targeting to assess market acceptance and engage with stakeholders to develop future SAF supply ahead of its planned integration into regular commercial flights by 2030.

Puregold logs 2.1% jump in nine-month income

LISTED retailer Puregold Price Club, Inc. posted a 2.1% year-on-year increase in consolidated net for the nine months to September amid higher revenue and store traffic.

In a stock exchange disclosure on Tuesday, Puregold said its consolidated net income from Janu-

ary to September reached P6.61 billion, an improvement from P6.47 billion a year ago.

Puregold's revenue increased 9.2% to P139.3 billion compared to P127.6 billion last year, citing higher store traffic.

It said the enterprise posted "positive" same-store sales

growth of 4.8% from Puregold Stores and 4.1% from S&R Warehouse clubs, "driven primarily from higher traffic."

The company added that same-store sales growth trends "continued to normalize starting in the second quarter as a contrast to the more flattering base

effects felt in the first quarter of this year." — **Revin Mikhael D. Ochave**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/5bdure58>



GMA CAVITE NOW OPEN

TO EMPOWER YOUR BUSINESS!



FOTON Philippines officially opens the FOTON GMA Cavite showroom and service facility to bring FOTON's complete line-up of mobility and aftersales solutions closer to the businesses and families in the Region IV A.