PHL in talks for sustainable jet fuel plant — Transport chief

THE Department of Transportation said it is in talks with some groups to put up a sustainable aviation fuel (SAF) plant in the country. "We are encouraging the private sector because it is not the government that will put up the plant, it is the private sector. In fact we have some groups, encouraging them to get involved in the production of SAF," Transportation Secretary Jaime J. Bautista told reporters on the sidelines of a forum last week.

Mr. Bautista did not identify the groups involved.

"There are many materials from the Philippines (used for SAF) and these are being exported to Singapore to use for SAF. Although we cannot identify these groups yet, we have discussions with them and they will look at it," he said.

In March, President Ferdinand R. Marcos, Jr. said that the Philippines secured a commitment from Airbus, an aerospace company, to collaborate with the Transportation department on sourcing energy from landfills for biofuels and its eventual use in the aviation sector.

The Department of Energy said it is still working on the draft regulations governing SAF to help accelerate the adoption of green fuel.

SAF can help reduce emissions from air transportation, being made from nonpetroleum feedstock like agricultural waste and used vegetable oil.

The International Air Transport Association has estimated that SAF will contribute around 65% of the reduction in carbon emissions needed by the aviation sector to reach net zero by 2050.

In the Philippines, only Cebu Pacific currently operates SAF-powered flights. The budget airline has expressed its aspiration to integrate SAF across its network by 2030.

Meanwhile, flag carrier Philippine Airlines said it is working to secure a green fuel supply deal as it aims to operate SAF-powered flights to Singapore by 2026. — **Ashley Erika O. Jose**

KFC targets to open over 50 stores in PHL this year

RAMCAR Food Group's KFC Philippines said it plans to open over 50 stores this year to bring the brand closer to more provincial markets.

"In 2023, we ended with 382 stores, and we are bound to open more than 50 stores this year because our thrust is to bring KFC closer to our market," said Charmaine Pamintuan, chief marketing officer of KFC, on the sidelines of the KFC Kentucky Town Music and Arts Festival on Saturday.

"These will be located in the National Capital Region, and some will be opened in provincial areas too," she added.

To date, the company has already opened about ten stores. Last Friday, it opened a new store at SM Caloocan.

"One of our biggest strengths is actually in malls, and we know that SM is one of our biggest mall partners," she said.

Ms. Pamintuan also said the Ramcar group plans to expand its farm in Bulacan to support the expansion of the company's store portfolio.

"We are vertically integrated so that we can assure that from farm to table, it is actually monitored at the highest quality," she said.

"There are plans, especially as we open more businesses in the Visayas and Mindanao areas. It's part of something that we are looking at because expansion is one of our thrusts," she added.

Last year, she said that the company was able to hit its target growth rate, which it aims to replicate this year.

"Coming from the two-year pandemic, we can still see people being excited to go out. So we still see revenge eating and revenge get-together," Ms. Pamintuan said.

"We know that every time Filipinos get together, it is always with a meal, and we are fortunate that they enjoy having a meal together because KFC has offerings like our bucket meals," she added.

Other brands under the Ramcar group are Mister Donut, Malcolm's Place, and Tokyo Tokyo, among others. — **Justine Irish D. Tabile**

Metro Retail profit falls 16% with lower general merchandise sales

LISTED Metro Retail Stores Group, Inc. saw a 16% decline in its first-quarter net income to P50.3 million, attributed to narrower profit margins resulting from a reduced contribution from the general merchandise segment.

Net sales rose by 4.8% to P8.7 billion, the highest recorded first-quarter sales since Metro Retail's public listing in 2015, Metro Retail said in a statement to the stock exchange on Monday.

Comparable sales during the period were also up by 2.8%.

Among sectors, food retail climbed by 7.9% on strong sales of basic groceries while general merchandise dropped by 2.9% amid spending constraint on discretionary items due to persistent high inflation.

With the reduced share to business of general merchandise, Metro Retail's first-quarter blended gross margin fell to 20.8% from 21.9% last year.

Earnings before interest, taxes, depreciation, and amortization declined by 5.1% to P389.2 million from P410.2 million on lower margins.

In January, Metro Retail opened a Metro Value Mart in Lapu-Lapu City, Cebu, bringing its current network to 64 stores. It also had the groundbreaking of five supermarkets in Cebu and Leyte to boost its presence in Visayas.

Metro Retail recently launched its 10-hectare Metro Distribution Center in Sta. Rosa, Laguna that seeks to strengthen the company's logistics system and lays the foundation for the expansion pipeline throughout Luzon in the next few years.

"Looking ahead to 2024, we are poised for growth with cautious optimism," Metro Retail President and Chief Operating Officer Manuel C. Alberto said.

"Our strategic plans are geared towards calibrated expansion, enhancing our online presence, and continuing to modernize our stores," he added.

Metro Retail operates various store formats such as Metro Supermarket, Metro Department Store, Super Metro Hypermarket, and Metro Value Mart.

On Monday, Metro Retail shares were unchanged at P1.30 apiece. — **Revin Mikhael D. Ochave**

Roxas Holdings secures PSE nod for trading halt from May 20-31

ROXAS Holdings, Inc. (RHI) has secured approval from the Philippine Stock Exchange (PSE) for a voluntary trading suspension starting Monday morning until May 31 following the planned takeover of Solar Philippines Power Project Holdings, Inc. Founder Leandro Antonio L. Leviste.

The voluntary trading suspension aims to avoid "speculative trading" when the investment agreement and other definitive agreements are indicated to be executed and completed as per the term sheet, RHI said in a stock exchange disclosure on Monday.

"Rest assured that the company will apprise the PSE of further developments on this matter as they arise," RHI added.

On May 16, RHI, First Pacific Natural Resources Holdings BV, First Agri Holdings Corp., and Leviste-led Countryside Investments Holdings Corp. signed a nonbinding term sheet.

The signed term sheet covers a plan to invest P5 billion for an initial 71.6% stake in RHI.

First Pacific Natural Resources Holdings BV, First Agri Holdings Corp. are wholly owned subsidiaries of Pangilinan-led First Pacific Co. Ltd., and collectively own 62.89% of RHI.

The term sheet sets indicative key terms and conditions for the proposed subscription by Countryside Investments to RHI primary shares in tranches.

RHI said that the term sheet is indicative only and does not create any legally binding obligations for any of the parties.

The term sheet is subject to the execution and delivery of definitive documentation and fulfillment or satisfaction of various closing conditions.

"Once the binding definitive documentation is executed, RHI will make the proper disclosure of material information relating to the proposed investment of Countryside Investments in RHI," the company said.

RHI is a unit of Roxas and Co., Inc., which has business interests in real estate through Roxaco Land Corp. and sugar milling through a minority interest in RHI.

Hong Kong-based First Pacific Co. Ltd. has three key Philippine units consisting of Metro Pacific Investments Corp., Philex Mining Corp., and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority share in *BusinessWorld* through the Philippine Star Group, which it controls. — **Revin Mikhael D. Ochave**

Debt service on foreign loans up 7.1% end-Feb.

THE debt service bill on foreign loans rose 7.1% year on year at the end of February, according to the Bangko Sentral ng Pilipinas (BSP).

Citing preliminary data, the BSP said external debt service rose to $2.384 billion at the end of February against $2.226 billion a year earlier.

The larger debt service bill was mainly driven by interest payments, which jumped 15.3% to $1.208 billion.

Meanwhile, principal payments declined 0.2% to $1.176 billion.

At the end of 2023, the debt service bill was equivalent to 3.4% of gross domestic product (GDP), up from 2.1% in 2022.

Outstanding external debt was at a record $125.4 billion at the end of 2023.

The external debt-to-GDP ratio stood at 28.7% in 2023. This was higher than the 27.5% ratio in 2022.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the rise in the debt service burden was due to higher global interest rates.

"Possible rate cuts by the Fed and other global central banks later in 2024 and in 2025 could somewhat help curb the National Government's debt servicing bill," he added.

Markets are expecting the Federal Reserve to begin easing by the fourth quarter.

The Fed kept its funds rate unchanged in the 5.25%-5.5% range for a sixth straight meeting. It has raised interest rates by 525 basis points between March 2022 and July 2023.

John Paolo R. Rivera, president and chief economist at Oikonomia Advisory & Research, Inc., also noted the impact of foreign exchange movements on debt servicing.

"This is also affected by currency depreciation increasing the cost of servicing debt," noting that the weaker peso increases the burden. — **Luisa Maria Jacinta C. Jocson**

Yellow alert raised over Luzon, Visayas

THE National Grid Corp. of the Philippines (NGCP) has placed the Luzon and Visayas grids on yellow alert on Monday, with more than 2,000 megawatts (MW) unavailable to the grid.

In an advisory early Monday, the NGCP said that the Luzon grid was on yellow alert between 2 p.m. and 4 p.m.

Available capacity was 13,867 MW while peak demand hit 13,125 MW.

The NGCP said that three power plants have been on forced outage since last year. Three power plants have been out between January and March, 13 power plants between April and May, and four plants on derated capacity.

A yellow alert is issued when the operating margin is insufficient to meet the transmission grid's contingency requirement.

The Visayas grid was on yellow alert between 1 p.m. and 9 p.m.

The grid operator said that peak demand was 2,575 MW, against available capacity of 2,675 MW.

One power plant has been on forced outage since 2022, two since 2023, and two between January and March.

The grid operator also said that 11 power plants have not been operating between April and May while seven have been derated.

Some 553.4 MW was unavailable to the grid. — **Sheldeen Joy Talavera**

PEXELS KAIQUE-ROCHA

Metro Pacific's P2-billion Laguna dairy farm secures BoI approval

THE Board of Investments (BoI) said on Monday that it approved the application for registration of Metro Pacific Dairy Farms, Inc., which plans to start operations in March 2025 at a site in Laguna.

In a statement, the BoI said that the project, which will require an initial investment of P2 billion, will make dairy products and plant-based beverages. It is due to start operations in March 2025 in Laguna.

"We at the BoI are excited about the introduction of advanced dairy farming technology, which promises to deliver superior quality and production efficiency while significantly boosting local dairy and plant-based beverage production," BoI Managing Head and Trade Undersecretary Ceferino S. Rodolfo said.

"This initiative is a crucial stride towards enhancing our food security and reducing our dependence on imported milk. Achieving greater self-sufficiency in our dairy supply likewise ensures that Filipino consumers have access to fresh, high-quality local products," he added.

Metro Pacific's facility will house a thousand cows producing up to 6.5 million liters of raw milk annually. It will use advanced dairy farming practices using Israeli technology.

"The project aims to address the gap in our local dairy production capacity while also catering to the rising interest in plant-based dairy alternatives," the BoI said.

The National Dairy Authority estimates that the Philippines imports 99% of its dairy requirement of 2.93 billion liters.

Production capacity for plant-based milk is estimated at 24.4 million liters, according to the Rapid Industry Appraisal of the Philippine Plant-Based Foods Industry commissioned by the investment promotion agency.

"Metro Pacific's project is expected to boost this capacity by 12%, reaching 27.4 million liters per year and enabling the local supply to meet 95% of the forecasted demand of 28.8 million liters by 2025," the BoI said. — **Justine Irish D. Tabile**

LANDBANK approves P2.68-B OFW loans

LAND BANK of the Philippines (LANDBANK) has approved P2.68 billion in loans to 1,504 overseas Filipino workers (OFWs) under the OFW Reintegration Program (OFW-RP).

The program, implemented jointly with the Overseas Workers Welfare Administration, aims to help returning OFWs pursue business opportunities in the Philippines as an alternative to overseas employment, LANDBANK said in a statement on Monday.

"We recognize the significant contributions of our OFWs to the economy, and through this Program, we are providing them access to affordable financing and essential support services. We hope to turn their hard-earned savings abroad into thriving businesses here in the Philippines for their families and beneficiaries," LANDBANK President and Chief Executive Officer Lynette V. Ortiz said.

Under the program, OFWs may avail of loans for working capital or to acquire fixed assets. Amounts range from P100,000 to P2 million with a fixed interest rate of 7.5% for a single proprietor borrower.

Meanwhile, a group of OFW borrowers may avail of a maximum of P5 million, also at 7.5%.

All loans are payable in one year.

Meanwhile, term loans of up to seven years will be approved based on project cash flows, inclusive of a maximum of two years grace period on the principal.

The OFW-RP funds business ventures like franchises, agricultural and non-agricultural production and marketing endeavors, construction projects, rental services, trading businesses, and transportation services, among others.

LANDBANK has also been facilitating the delivery of financial support under the social amelioration programs of the Department of Labor and Employment to support OFWs. — **Aaron Michael C. Sy**