

Pinoy entrepreneurs urged to join, form industry associations

FILIPINO ENTREPRENEURS should join industry groups so they can be part of a strong lobby and get involved in crafting state policies aside from find business solutions, according to a local restaurant association.

"Being a part of a business organization like ours helps you represent your business when it comes to policy making," Maria Cristina H. Antonio, executive secretary of the San Juan Resort Restaurant Hotel Association, Inc., said in an interview.

"It's also a mediation if certain policies are inapplicable to your situation. We have had to negotiate, renegotiate, or plan out the working process for something

as basic as solid waste management," she added.

The waste management guidelines issued by the Environment department are "up for translation by your local government unit," said Ms. Antonio, who owns Urbiz Garden Bed & Breakfast in La Union province in northern Philippines. "How the local government translates it is through grassroots consultancy... and that's where business organizations like ours come in."

The restaurant association was founded in 2004 to foster a business climate that encourages investment, stimulates tourism and promotes sustainable development. From just 11 members, the group has grown

to more than 90 establishments, most of which are microenterprises with not more than three employees.

The association had lobbied for several local laws and campaigns including one against a coal-fired power plant from 2018 to 2021, and another advocating an environmental fee in San Juan last year.

It is also lobbying for a free market in power distribution and water supply since the province only has one supplier for each.

The group likewise functions as a collective, Ms. Antonio told *BusinessWorld*.

"We push for each other's events, especially if it's on sustainability," she said. They also

direct excess customers to each other when one is fully booked.

Members also get opportunities for free training such as on pollution control and safety.

"Some of them are paid, some of them are funded by the government as part of a certain project, but when it is paid, it's usually at a lower price," Ms. Antonio said.

She said the initial purpose of the association was to put San Juan on the tourism map.

Now that establishments have come in to provide tourists with different experiences, the question for each one becomes "How do we keep surviving as a business?," she added. — **Patricia B. Mirasol**

Einhorn pioneers new market for solar power

BERLIN-BASED condom producer Einhorn has promoted its mission to protect the environment with products like its vegan, fair-trade rubbers. Now, it's taking that ambition out of the bedroom and onto the balcony.

In a fundraising video for the company's solar panels — modules roughly the size of a beach blanket that can be draped like a towel over a railing — bare-chested co-founder Waldemar Zeiler touts the devices and declares his goal to sell enough to replace a coal-fired power plant.

But with a planned retail price of €550 (\$588) each, that could be a challenge.

Thanks to cheap Chinese panels flooding the European market after the US stopped imports, the cost of individual solar modules has plunged, to an average of €300. In Germany, affordable balcony panels are now a trend. More than 360,000 have been registered since 2023, according to the national energy regulator, with Berlin as a hot spot.

That's good news for Europe's biggest economy, which is still struggling to replace the natural gas supply that was cut off after Russia invaded Ukraine. Germany added 14 gigawatts of solar capacity last year, more than any other country in the region.

Veranda installations represent just 150 megawatts, or one percent of added capacity, but they also signal an important shift. Solar, once the domain of anyone with a rooftop or wide-open fields, is now available to far more urban consumers.

"Solar for the first time affects city dwellers and not only the countryside," according to Christoph Kost, head of energy systems at Fraunhofer ISE, an

industry research group in Freiburg, Germany. "The trend is particularly strong in Germany as the country still has high power prices."

It was less energy prices than climate consciousness and curiosity that made Stefan Martin, a 53-year-old father and homeowner in Berlin, an early adopter. Almost 100 owners live in his multistory apartment building, and it would have been "endlessly complicated" to convince all of them to install rooftop solar.

That's one of the reasons why rooftop installations have been dragging in Germany, which needs to nearly triple its solar output to reach its 2030 climate goals. To speed up the process, parliament passed a package last week that also targets balcony solar: such modules can now reach up to 800 watts and be registered more easily. It's also getting harder for landlords to object to the installations.

After seeing a neighbor put up a balcony panel, Mr. Martin also installed three modules totaling 500 watts from PlugInEnergy GmbH, a German startup. "I had to negotiate with my wife, as we had to remove some flower pots," Mr. Martin said. "We hid the cables inside bamboo, and now it looks quite decent."

Mr. Martin ordered his solar module in April 2023 for €820, meaning he missed the fall in unit prices. Still, he calculates that the plant covers about 10% of his power consumption, which includes his fridge, standby devices and the two computers he and his wife use to work remotely. "We've saved about €115 in the first year on our electricity bill," Mr. Martin says, "which means the panels will have amortized in seven to eight years."

— **Bloomberg News**

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Crypto startups turbocharge valuations as investment picks up

CRYPTO STARTUPS are putting valuations in the fast lane with an aggressive form of fundraising that reflects the digital-asset industry's recovery as well as a desire among venture funds to put money to work.

This approach involves an open-ended, rolling fundraiser that keeps the cash coming in and quickly lifts valuations, a contrast to the traditional venture-capital model of discrete rounds spaced over a number of years. An open-ended funding round rewards earlier investors as they benefit from a rapid uplift in a startup's value, courtesy of commitments from later backers.

"When a deal is very oversubscribed, it's becoming more common to see this type of structure," said Michael Heinrich, co-founder of OG Labs, a blockchain startup focused on the buzzy topic of decentralized artificial intelligence. "Investors are still willing to pay higher prices because it is seen as a signal of market success, even if in rapid succession."

Last year, crypto outfits struggled to access capital after a deep bear market in 2022 that sparked

an industrywide crisis. But companies and digital-asset prices have rebounded, highlighted by a doubling in Bitcoin's value over the past 12 months. While a selloff in tokens in April highlighted the crypto sector's inherent volatility, the overall backdrop is healthier than in the recent past.

OG Labs brought in \$35 million in March — a substantial amount for a pre-seed stage — via a rolling fundraiser. Mr. Heinrich said the company had been fielding investment offers that collectively exceeded its planned raise by 20 times.

Depending on the investor, OG's valuation ranged from less than \$40 million to hundreds of millions of dollars, according to investment documents seen by Bloomberg News. People familiar with the matter also confirmed the range, while asking not to be identified as the information is private. Hack VC, OKX Ventures, GSR and Animoca Brands all participated in the round.

The average Series A round in crypto hit \$26 million in the first quarter, the highest since the tail-

end of the last crypto bull market in early 2022, data from The Block Research shows. Overall venture investment in the sector ticked up to \$2.5 billion in January through March.

Mezo, a platform based on the Bitcoin network, recently used the rolling structure to raise capital, people familiar with the matter said, asking not to be identified as the information is private. Backers committed at valuations ranging from less than \$50 million up to nine-figures, the people said.

"Capital formation in crypto is always evolving — governance, liquidity, and other important concepts that we've figured out in traditional startups are often a little different," said Matt Luongo, chief executive at Thesis, which helped develop Mezo.

Crypto startups IO Research and Zeus Network also reportedly used rolling, open-ended fundraising. Neither replied to a request for comment.

Such funding structures are uncommon outside of the digital-asset industry, said Amy Wu, part-

ner at Menlo Ventures. The situation reflects a supply-demand imbalance in part because crypto funds have a big pool of unspent cash raised in 2021 and 2022, according to Ray Hindi, head of crypto-investment firm LI Digital.

"Disciplined investors won't do it," Mr. Hindi said.

The notion of fluid valuations would certainly be perplexing to veteran venture capitalists. Some surging web3 valuations are "riding on the recent crypto bull run; it's hard to see the underlying fundamentals driving the upswing," said Rajive Keshup, partner at Cathay Innovation.

Others argue the traditional approach to venture investing isn't necessarily ideally suited to digital-asset companies.

Priced rounds with a single, large, lead investor, while typical in the wider venture space, are poorly suited to crypto startups that generally prefer "decentralized cap tables" to help with governance, said Ed Roman, managing partner at Hack VC. — **Bloomberg News**

MPIC, Aboitiz, and SMC commit to conserve Verde Island Passage

THREE of the Philippines' largest conglomerates have teamed up to conserve the Verde Island Passage, a significant marine ecosystem in the country.

San Miguel Corp. (SMC), Metro Pacific Investments Corp. (MPIC), and Aboitiz Equity Ventures, Inc. signed a memorandum of understanding (MoU) with the Department of Energy (DoE) and the Department of Environment and Natural Resources on Tuesday.

The MoU covers a period of five years with funding from each of the companies, and will ensure Verde Island Passage and its nearby province will continue to thrive as a marine protected area.

The Verde Island Passage is a strait between Batangas and Mindoro Island noted for its high concentration of fish, coral, crustacean, mollusk, seagrass, and mangrove species, making it a leading biodiversity site.

The MoU follows a \$3.3-billion deal by the conglomerates to set up an integrated liquefied natural gas (LNG) facility in Batangas.

This LNG partnership is expected to augment the country's power supply with over 2,500 megawatts of generation capacity once fully operational.

"Right now, there have been comments about the greater dan-



PHILIPPINE STAR/JESSE BUSTOS

ger that the introduction of LNG would bring to the Verde Island Passage. But in the event of any accidents or spills, in contrast to an oil spill or spill of a cargo of coal,

LNG is in fact much safer because the liquified form evaporates and does not affect the marine environment," Energy Secretary Raphael P.M. Lotilla said.

LNG is being proposed as a solution to the country's impending power crisis because the Malampaya gas field, the country's sole indigenous commercial source

of natural gas, is expected to start depleting this year.

The DoE has said it would increase the share of LNG in the country's power mix under its Philippine Energy Plan to support the country's energy security roadmap.

MPIC is one of the three key Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being 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. — **Ashley Erika O. Jose**

Balai ni Fruitas, Inc. completes acquisition of Sugarhouse brand

LISTED Balai ni Fruitas, Inc. said it has completed the acquisition of the Sugarhouse brand from Golden Spatula Corp., marking the company's entry into the cake business.

"On May 7, Balai completed the acquisition of the Sugarhouse business after execution of deeds of absolute sale of assets (deed of sale of assets, deed of sale of motor vehicle, deed of assignment of trademark registration) and fulfillment of agreed closing conditions," the listed company said in a stock exchange disclosure on Tuesday.

The transaction represents less than 10% of the company's total assets and book value as of Dec. 31 last year and will be paid in cash from its initial public offering (IPO) proceeds, the company said.

The acquisition will allow Balai to expand its product offerings in the cake category and tap a wider customer base, it noted.

The deal includes the transfer of registered intellectual property, manuals, recipes, and technical know-how, Sugarhouse

delivery, commissary and store equipment. Balai will also take over the catering business of Sugarhouse.

"Balai will also gain additional production capacity to fuel its growth. Balai also anticipates significant synergies with its existing brands," the company said.

Sugarhouse started in 1983. It offers baked goods such as chocolate truffle and French apple pie. The brand has since expanded its menu to include breads, pastries, and meals.

Balai is a 75%-owned subsidiary of Fruitas Holdings, Inc. The company has three brands in its portfolio consisting of Balai Pandesal, Buko ni Fruitas, and Fruitas House of Desserts. Balai ni Fruitas currently has more than 100 active stores across the three brands.

The company recorded a 58% jump in its net income to P59 million last year as revenues increased by 57% to P535 million.

On Tuesday, Balai shares dropped by 3.3% or P0.015 to 44 centavos apiece. — **Revin Mikhael D. Ochave**

Stonebridge buys 9% of Roxas and Co., Leandro Leviste increases stake to 10%

STONEBRIDGE Corp. has acquired a 9% stake in listed company Roxas and Co., Inc. (RCI) for P500 million.

Stonebridge bought 250 million treasury shares, equivalent to 9%, the listed company said in a stock exchange disclosure on Tuesday.

The shares were bought at P2 apiece and formed part of the 299.48 million treasury shares sold by RCI on May 3 as part of the company's fundraising program.

Stonebridge is a company engaged in real estate management.

"The acquisition of the securities of RCI will allow Stonebridge to increase its presence in the real estate sector," RCI said.

Stonebridge is chaired by Gizela "Ging" Madrigal Gonzalez-Montinola, the wife of former Bank of the Philippines President Chief Executive Officer Aurelio Luis "Gigi" R. Montinola III.

Mr. Montinola also sits as independent director of RCI.

The move makes the Montinola family the third largest group of shareholders in RCI, after the founding Roxas-Elizalde families and Solar Philippines Power Project Holdings, Inc. Founder Leandro Antonio L. Leviste.

"Stonebridge will seek the election of a nominee to RCI's board of directors... Stonebridge has the sole power to vote and dispose of the 250 million common RCI shares," RCI said.

RCI said in a separate disclosure that Solar Philippines' Mr. Leviste has increased his stake in the company to 10%.

In March, Mr. Leviste bought a 7.55% stake in RCI following his previous move to invest P5 billion in Batangas province for various projects.

On Jan. 30, the Department of Agrarian Reform issued a certificate of finality to end almost 40 years of legal battles between RCI and the recognized and qualified farmer agrarian reform beneficiaries (ARBs).

RCI owns 2,941 hectares of land in Nasugbu, Batangas that were placed under the Comprehensive Agrarian Reform Law.

The order mandated the transfer of 2,941 hectares into one title and segregated them into two equal shares. The 50-50 sharing arrangement between RCI and the ARBs apportioned 1,322 hectares to each party.

As a result, RCI secured ownership rights totaling 1,619 hectares, consisting of 1,322 hectares for its 50% share and an additional 297 hectares for areas previously recovered due to cases already resolved in its favor.

RCI is the holding company of the Roxas Group. It has business interests in real estate through Roxaco Land Corp. and sugar milling through a minority interest in Roxas Holdings, Inc.

On Tuesday, RCI shares dropped by 2.13% or eight centavos to P3.67 per share. — **Revin Mikhael D. Ochave**