Base Bahay targets to build 400 homes in Negros Occidental

BASE BAHAY said it plans to construct at least 400 houses using bamboo technology by the end of 2024, primarily in Negros Occidental.

The organization has completed around 180 socialized houses, Base Bahay Head of Technology Luis Felipe Lopez said in an interview on June 7.

"The trend is showing that probably 300 to 400 is the number that we're going to get in the Philippines," he also said.

The organization, which has established six bamboo supply facilities nationwide, said it focuses on providing sustainable, disaster-resilient, and environmentally friendly homes to poor families and disaster victims.

These homes are built using cement bamboo frame technology (CBFT), a method where a bamboo framework is covered with a thin layer of cement cladding to prevent decay, it said.

CBFT is accredited by the National Housing Authority's Accreditation of Innovative Technologies for Housing.

Bamboo walls are elevated by 30, 40, and 50 centimeters to prevent contact with floods, Mr. Lopez said.

"We have been doing projects even in Metro Manila; we have 50 houses in Quezon City, in Bagong Silangan," he added.

He said that the beneficiaries of The Bagong Silangan Kaway-an Housing's 25 single-story duplex units are families who previously resided in a dump site in Payatas and include members with disabilities.

"We have a livelihood component because they have a piece of land. They are producing vegetables for the food of all the families and the *talipapa* we built there also is to sell the excess of those vegetables," he added.

Base also built houses for those affected by Typhoon Yolanda in the Visayas.

"The main idea is to build these houses maintenance-less. You don't require any special maintenance, at least for the first 10 years. And then after 10 years, it's the minimum maintenance as any conventional house," Mr. Lopez said. — **Aubrey Rose A. Inosante**

BASE-BUILDS.COM

DON JOSE BERENGUER BAMBOO VILLAGE in Sorsogon.

DMITRY BERDNYK-UNSPLASH

Metro Manila office vacancy to hit 5.7% by 2027 — CBRE

THE OFFICE SPACE vacancy rate in Metro Manila is now projected to drop to 5.7% by 2027, driven by the growth of the information technology and business process management (IT-BPM) sector, according to real estate services and investment firm CBRE.

This revised estimate is slightly higher than the 5.4% vacancy rate projected in the fourth-quarter briefing in February.

CBRE Philippines Country Head Jie C. Espinosa said that this projection is based on the Information Technology and Business Process Association of the Philippines forecast of an 8.5% annual increase in full-time employees.

"It will also be contingent on the traditional office space takers or non-business process outsourcing segment not dropping in terms of share of demand quarter on quarter, which usually is roughly around 30%," Mr. Espinosa told *BusinessWorld* during a video call on June 8.

CBRE maintained its forecast of an 18.8% vacancy rate for 2024 and adjusted its projections to 14.9% from 15.1% for 2025 and 10.9% from 10.6% for 2026.

Mr. Espinosa said CBRE assumes that 30% of the market activity each quarter will continue to be driven by non-business process outsourcing companies making flight-to-quality decisions.

For the first quarter, IT-BPM led the demand with 52%, followed by 29% of traditional offices, 13% of Philippine Offshore Gaming Operators (POGOs), 4% for agile, and 2% for others, respectively.

CBRE reported that the office vacancy rate dropped to 19% in the first quarter of this year, down from 20.4% in the same period last year.

Mr. Espinosa said this was buoyed by transactions from shared services companies or global in-house centers setting up their back-office operations in the country, rather than typical third-party outsourcers.

"They then go for premium office space and that's why if you look at most of those transactions happened in grade A buildings mostly in Fort Bonifacio but also in Makati," he added.

Vacant office space decreased to 822,500 square meters (sq.m.) in the first quarter, with Makati accounting for 204,200 sq.m. and Fort Bonifacio for 127,900 sq.m.

For the first quarter, the firm recorded 128 transactions totaling approximately 1,536 sq.m., down from 133 transactions in the previous quarter.

According to CBRE, the Bay Area, which had a vacancy rate of 30.1%, has rebounded from its lowest occupancy point in the first quarter of 2023 and is no longer considered an underperforming area of Metro Manila. "The steady re-infusion of close to 80,000 sq.m. of POGO demand in this sub-district is bringing it close to sub-30 levels."

In the first quarter, the firm observed the largest transaction in both provincial and Metro Manila areas was POGO occupying 17,900 sq.m. in the Bay Area.

However, Mr. Espinosa noted that POGO transactions still account for less than 10% of the market share. While they will have an impact on certain subdistricts, particularly in the Bay Area, it is not expected to create a "very seismic impact" as it did at the start of the pandemic, he said.

Currently, Metro Manila has a total supply of 1.707 million sq.m. and anticipates an additional 528,300 sq.m. in new developments for 2024, including the completion of projects like One Filinvest in Ortigas, Southfield in the Bay Area, and Park Triangle North in Fort Bonifacio.

"Focusing on the headline rates, it's been mostly steady. Of course, there will be certain areas that will see a drop because you know vacancy will continue to be a factor," Mr. Espinosa said. — **Aubrey Rose A. Inosante**

PHL fruit competitiveness may be key to expanding agri exports

THE GOVERNMENT should focus on expanding production of crops where it enjoys a competitive advantage, such as fruit, to boost agricultural exports, analysts said.

"There is evidence that we are competitive in certain products, particularly fruit," Ateneo de Manila economics professor Leonardo A. Lanzona said in a Messenger chat.

He added that the government's role is to facilitate these growers' expansion to achieve adequate scale to service export markets.

Agricultural exports rose 10.7% to $1.72 billion during the first quarter, according to the Philippine Statistics Authority.

Fermin D. Adriano, former Agriculture Undersecretary for Policy, Planning, and Research, said despite the expansion during the previous quarter, production for exportable farm goods is still facing funding constraints.

"The agri budget provides inadequate support as 60% of (the Department of Agriculture's) funding goes to supporting rice," Mr. Adriano said via Viber.

Leading farm exports during the period were edible fruit and nuts, as well as peel of citrus fruit and melons, valued at $517.96 million or 30.1% of the total.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said improved foreign ties may have contributed to the increase in exports.

"Diversifying further to more export markets, as well as more free trade agreements (FTAs) with more countries on top of the (Regional Comprehensive Economic Partnership) and the South Korea-Philippines FTA will help boost (exports)," Mr. Ricafort said via Viber.

RCEP involves the Association of Southeast Asian Nations, China, Japan, South Korea, New Zealand, and Australia. It took effect in June last year.

It allows minimal to zero restrictions in terms of quantities and seeks to minimize import taxes.

Mr. Lanzona said the Philippines continues to show a deficit in agricultural trade due to its reliance on imports.

The deficit in agricultural trade narrowed to 6.5% during the first quarter, with an increase in exports offsetting a 0.3% decline in imports.

"This suggests we continue to struggle because the economy continues to be import dependent in food products," he added.

The DA had said that it is seeking to improve agricultural exports, especially tropical fruit like banana, mango, and pineapple.

In January, the DA said it is preparing a Philippine Agricultural Export Development Plan. — **Adrian H. Halili**

PHILIPPINE STAR/KJ ROSALES

Philippine dairy imports to rise by 7.33% — FAO

PHILIPPINE dairy imports are projected at 2.49 million metric tons (MT), milk equivalent, this year due to higher demand from the food industry, according to the Food and Agriculture Organization (FAO).

The FAO said that this year's estimates are 7.33% higher than its 2023 projections.

"Food services sales are expected to improve in several leading dairy-importing countries, notably Mexico, the Philippines, Saudi Arabia, Algeria, and Japan," the FAO added.

It said that imports of skim milk powder (SMP) are projected to increase mainly due to higher demand from food processors and lower prices.

"More positive demand prospects are expected in the Philippines and Indonesia, especially after last year's drops, induced by higher demand from the food processing and services sectors and relatively lower international SMP prices," it added.

SMP exports from countries like the US, India, Argentina and the UK, are expected to increase due to the higher import demand.

Global trade in SMP is estimated at 2.7 million MT, up 0.7% from a year earlier.

FREEPIK

The FAO added that Philippines is expected to import less butter this year.

The Philippines can meet less than 1% of its milk demand from domestic production, with the rest needing to be imported.

The government is aiming to increase dairy production to 80 million liters of milk per year by 2028.

Domestic production is projected at 30 thousand MT in 2024, unchanged from the estimates posted a year earlier. — **Adrian H. Halili**

PHL halal exports constrained by certification bottlenecks, says body

THE PHILIPPINES will need more accredited certifying organizations to support the growth of halal exports, according to a United Arab Emirates-headquartered halal certification body.

In a chance interview last week, Prime Group Chief Executive Officer Mary Jane Alvero-Al Mahdi said that their company is the lone certification body for Philippine halal exports.

"There is a need to push for more certification bodies. Right now, we only have 10 or 11 for local, and then for international. It is only us," Ms. Alvero-Al Mahdi told *BusinessWorld*.

"We need to have more certification bodies, and these must have the capacity to put up branches in the countries where they have a market," she added.

She added that the certification bodies must also be accredited by the Gulf Cooperation Council Standardization Organization or by any other countries that have their own standards.

She said international accreditation has helped increase Philippine halal exports; however, she said exporters face higher costs when exporting to some markets.

"Now, in Qatar, aside from being halal-certified, (exporters) need to ... provide a certificate of compliance (CoC) requirement," she said.

"How you get this certificate is through a loading inspection. So, even though they already have a loading inspection in halal-conformity, there is still a requirement for a product-specific inspection," she added.

She said the additional requirement has been costly to Philippine exporters, especially since there only two accredited certification bodies can issue a CoC.

The Philippines usually exports processed meat, which some exporters see as a challenge as some markets have specific requirements that are not required under Philippine standards, she added.

Early this year, the Department of Trade and Industry launched the Philippine Halal Development Strategic Plan 2024-2028 which aims to double the number of halal-certified products to 6,000.

The plan also hopes to attract P230 billion in foreign investment and generate 120,000 new jobs.

On Friday, the Department of Tourism opened the first Salaam Halal Travel and Trade Expo in Cubao, to highlight halal-certified and Muslim-friendly products, services, and tourism establishments.

Tourism Secretary Ma. Esperanza Christina G. Frasco said that the event helps bring forward President Ferdinand R. Marcos, Jr.'s ambition of building a reputation for the Philippines as a halal and Muslim-friendly destination.

"We are partnering with our halal certifiers, and we are continuing our efforts to expand the halal tourism portfolio of the Philippines," she said.

"We saw that if we expand our halal and Muslim friendly tourism offerings, livelihood and employment opportunities will increase even more," she added.

Malaysian Ambassador to the Philippines Dato' Abdul Malik Melvin Castelino said that the expo will help put the Philippines on the map for Muslim tourism.

"Malaysia is ready to support the Philippines in this endeavor to, of course, ensure that we continue to grow this very lucrative and, of course, sustainable market," he said.

"One last thing I'd like to say is that halal is for all. It's not only for Muslims, but it's also for every brother and every sector of the Philippines. So even those of the Catholic faith or the other faiths can also enjoy the food and the various products offered by the halal industry," he added. — **Justine Irish D. Tabile**