

## Philippine industrial sector on growth trajectory — Colliers

By Joey Roi Bondoc and Brent Respicio

THE Philippine economy is starting to recover. With a 5.5% growth in 2023, the country was the fastest-growing in Southeast Asia. The Philippines is projected to achieve sustained growth for the remainder of the year and this is likely to make the country one of the fastest if not the fastest growing Southeast Asian economy.

But while the Philippines is receiving more investment pledges from Asian and European countries, particularly those funneled into manufacturing and renewable sectors, the country still lags behind its Southeast Asian peers. In 2022, for instance, the Philippines attracted \$9.4 billion in foreign direct investments (FDIs), much less than the FDIs attracted by Thailand (\$11.2 billion), Malaysia (\$14.7 billion), Indonesia (\$24.7 billion), and Singapore (\$140.8 billion).

The Philippines definitely has a lot of catching up to do. But if we want to attract more foreign investments that will eventually absorb industrial space and warehouses, we need to ensure that the Philippines is open for business, that is, the business registration process is streamlined; corruption is minimized or eliminated; and infrastructure network is comparable to what our progressive nations boast of.

The Philippines must ensure its competitiveness globally. In the latest

IMD Global Competitiveness Report, the Philippines ranked 52<sup>nd</sup> while Thailand and Singapore placed 30<sup>th</sup> and 4<sup>th</sup> respectively out of 64 countries surveyed. The Philippines needs to improve in terms of infrastructure and government efficiency if it wants to improve its global ranking.

Colliers Philippines has highlighted a number of recommendations for developers and locators to capture the industrial segment's low-hanging fruits.

### EXPAND INDUSTRIAL FOOTPRINT IN CENTRAL LUZON

The Department of Trade and Industry (DTI) is currently pitching Central Luzon as a manufacturing and logistics hub, highlighting growth opportunities in Pampanga's New Clark City, Bataan's Freeport Area, and Tarlac's Luisita Industrial Park. Singaporean firms are also keen on investing in the Filinvest Innovation Park in New Clark City. The first phase of the industrial hub is now accepting locators, particularly companies involved in logistics, e-commerce, light manufacturing, and data center operations. Colliers believes that the modernization of Clark International Airport is likely to raise the attractiveness of Central Luzon for more manufacturing and logistics investments. The development of public projects such as the Manila-Clark Railway, as well as cargo railway systems should also spur growth in the region.

#### FULL STORY



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# Japan's NRE says Philippines to boost overseas profit by 2031

By Arjay L. Balinbin  
Corporate Editor

JAPAN's Nomura Real Estate (NRE) Development Co. Ltd. said it expects the Philippines, a primary investment focus in Southeast Asia after Vietnam, to contribute up to 30% of its total overseas profit by 2031.

"With our current projections and assuming stable market conditions, we estimate that around 2031, the share of profit from FNG would be somewhere between 20-30% of the total profit of our overseas business we make, which is a substantial share," Atsushi Ogata, executive officer of NRE's overseas business division, said in an interview in Tokyo last week.

In 2022, NRE and Federal Land, Inc., the property arm of the Ty-led conglomerate GT Capital Holdings, Inc., established Federal Land NRE Global (FNG) to develop real estate in the Philippines permanently.

FNG, which hopes to create 6,000 job opportunities in the Philippines within the first five years of its operations, said it aims to integrate NRE's innovation, technology, and design with Federal Land's knowledge of the Philippine market.

Federal Land's projects include GT Tower International in Makati, Marco Polo Plaza and Marco Polo Residences in Cebu. They also include the Metro Park, a 36-hectare integrated community in the Bay Area, and the Grand Central Park, a 10-hectare township in Bonifacio Global City (BGC), featuring the Grand Hyatt Manila and Grand Hyatt Manila Residences.

Federal Land's first project with NRE is The Seasons Residences, a four-tower high-end residential development in BGC.



"FNG has four development sites in Metro Manila and Cebu Island, with a total project cost of approximately \$5 billion," said Masato Yamauchi, director and head of NRE's overseas business division. The FNG project encompasses an initial lineup of residential, office, commercial, and industrial facilities.

The partnership has also brought the first MITSUKOSHI, an international department store chain headquartered in Tokyo, to the Philippines.

NRE, currently the largest developer in Japan in terms of condominium unit turnover and the fifth largest in consolidated sales, regards its global business as a significant driver of growth.

The company, with a diverse portfolio including residences, offices, retail spaces, logistics facilities, and hotels, plans to invest approximately JPY 550 billion in its overseas ventures by March 2031 and aims to generate more than 15% of its total profit from its international operations.

As of last year, NRE had an investment balance of JPY 140 billion in its overseas business — 19% for the Philippines, 5% for China, 10% for the United Kingdom, 1% for the United States, and 50% for Vietnam. This makes the Philippines the second largest recipient of NRE's investments in Southeast Asia.

NRE is currently expanding its overseas portfolio into additional countries.

In Southeast Asia, Mr. Ogata said that Vietnam's earlier market entry and larger population "naturally" led to higher investment there.

"We started the Vietnam business many years before the Philippines, so it's natural to have a larger amount of investment. Also, the population of Vietnam is larger, making it a big market," he said.

Mr. Ogata also noted the need to recognize the distinct differences between the Philippine and Vietnamese markets when comparing NRE's ventures in both countries.

"Both are rapidly developing but with unique characteristics.

For instance, in Vietnam, we don't have any capital restrictions, so if we would like, we can invest hundreds of percent into a foreign project," he said.

NRE's projects in Vietnam include Zen Plaza, Sun Wah Tower, Phu My Hung Midtown, and Vinhomes Grand Park, all in Ho Chi Minh City, as well as the Ecopark Project in Hanoi.

The Philippines holds significant potential, Mr. Ogata noted. "The Philippine market, with its large population, is strategically important for us."

The company employs the Japanese principle of "kaizen," or continuous improvement, to refine its business practices and product offerings.

"Through kaizen, we've refined sophisticated methods in Japan that we can apply to the Philippine market," Mr. Ogata said, highlighting the company's tailored strategy to meet local needs at every project stage, from planning and design to construction and delivery, aiming to enhance overall value and quality.

## Netplates Corp. says P200-million budget earmarked for next 3 years

NETPLATES Corp., the company behind the La Parillada restaurant, has earmarked P200 million in investment for the expansion of its food service business in the next three years.

In a statement on Monday, Netplates said it is targeting to open a total of 20 La Parillada outlets in the next three years, which will be funded by its retained earnings and third-party investors.

La Parillada serves a fusion of American and Mexican cuisine under the supervision of internationally renowned chef Pablo "Boy" Logro.

"It is a venue for consumers to enjoy old-fashioned barbecue ribs and similar products," said Mr. Logro.

On Saturday, the company opened its eighth La Parillada outlet on the second floor of the Royale Palace Mall, which is beside the Ever Commonwealth Mall.

"The opening of the new La Parillada outlet signifies the company's serious expansion into the food service and franchising sectors," said Jeff Agudelo, general manager of Netplates.

"We are offering the La Parillada brand as a franchise opportunity for entrepreneurs," he added.

The company pegged franchise investment at P3.5 million per outlet.

With the newly opened store, the restaurant chain now has branches at

eight sites, including Gateway and SM Megamall.

According to Mr. Agudelo, the new store openings at La Parillada will help make Netplates a major player in the food service industry.

This is also why the company is planning to launch a public offering in the future to further fuel its growth, he said.

Netplates is a company that has business interests in service contracting, business outsourcing, management services, security services, construction, cloud kitchens, restaurant information technology, and financial services. — **Justine Irish D. Tabile**

## Data centers need more engineers — Vertiv

THE Philippines is in need of engineers equipped to handle data center facilities amid growing demand, infrastructure and data center firm, Vertiv said.

"We don't have enough technical people to support all these builds. There are times that the client would be turning to us since they don't have those engineers yet at their facility," Vertiv Sales Director Pamela May Lagra Albar told *BusinessWorld* during its office launch on May 28.

Ms. Albar said its Vertiv Academy, located on the 18<sup>th</sup> floor of the newly opened Mandaluyong office, exposes interested professionals to the latest cooling, power, and environmental monitoring system.

"I have a case, we employed someone who is not familiar with the data center cooling, but they're more familiar with the normal cooling system like in the mall," she said.

According to Vertiv Chief Human Resource Officer Cheryl Lim, the company offers a six-month accelerated Vertiv engineering program that takes early grants and a 12-month customer engineering training program dedicated to services.

Currently, it is in talks with universities for partnerships where educational institutions are allowing access to its equipment.

The New York Stocks Exchange-listed company has 3,000 service

engineers worldwide in more than 130 countries, Chief Financial Officer David Fallon said.

Meanwhile, its main office hosts 1,200 workers in various fields from engineers to customer service.

"To help fuel that talent recruitment need that we have, we've invested in our talent acquisition team here and moved the talent acquisition leader for the whole of Asia, but specifically for the Philippines, to here in Manila," she said.

Ms. Lim added that the company tries to hire new graduates and move them around as far as we can before we hire them as engineers or somewhere else within the region. — **Aubrey Rose A. Inosante**

## First Atkins expands facility in Ayala's Cavite Technopark

FIRST Atkins Holdings Corp. (FAHC) said it is expanding its facility within the AyalaLand Logistics Holdings Corp.'s (ALLHC) Cavite Technopark.

FAHC, a player in the wholesale and retail meat industry, inaugurated its facility within Cavite Technopark last year.

The company sees the Cavite Technopark location as advantageous due to the upcoming Bataan-Cavite Interlink Bridge, FAHC President and

Chief Executive Officer Gabriel J. Ang said in a statement on May 31.

He said it would transform regional travel, reducing the time from four to five hours to just 45 minutes.

He added that this would contribute to the company's objective of providing "high-quality meat products" to Filipino consumers.

FAHC supplies various traditional and modern trade channels, hotels, restaurants, meat shops,

commissaries, and meat traders across Luzon.

FAHC is currently expanding its reach in the south of Metro Manila, including Cavite, Laguna, and the rest of Regions IV and V.

The company said it distributes over 120,000 metric tons of meat, including pork, chicken, and beef, through more than 150 trucks and with a workforce of over 900 individuals. — **Aubrey Rose A. Inosante**



### Lopez-led First Gen reelects board

MEMBERS of the board of directors of First Gen Corporation, led by its Chairman and CEO Federico R. Lopez (center), are reelected by the company's stockholders for another one-year term during the company's annual stockholders' meeting and election on May 31, 2024. Also in photo are (from left) Edgar O. Chua, Alicia Rita L. Morales, President and COO Francis Giles B. Puno, Manuel L. Lopez, Jr., Maria Presentacion L. Abello, and Manolo Michael T. De Guzman. Also re-elected are Elvira L. Bautista, Cielito F. Habito, and Richard Raymond B. Tantoco (not in photo). Chua, Morales and Habito are independent directors of the company. First Gen stands out as the country's leading clean and renewable energy (RE) provider with an installed capacity of at least 3,639 megawatts. These include the largest array of power plants running RE resources — geothermal, hydro, solar and wind — with 1,622 MW of total installed capacity. Other First Gen power plants, with 2,017 MW of additional installed capacity, run on natural gas, considered the cleanest form of fossil fuel. During the annual meeting, First Gen bared its program to expand its total installed capacity to 13,000 MW by year 2030. Of this target capacity, roughly 7,500 MW will come from new RE projects.

## Filinvest allocates P1.1 billion for San Mateo residential project

PRESTIGE by Filinvest said it has allocated P1.1 billion in Celestia, a residential project in Timberland Heights in San Mateo, Rizal.

The project is scheduled for turnover in 2027.

"Under the top-end portfolio of Prestige by Filinvest, Celestia is designed to attract high-end investors and homebuyers," First Vice-President under Prestige by Filinvest Bong Gonzales said in an e-mail on May 31.

Mr. Gonzales added that the company aims to break ground for the project by the end of this year.

Celestia will offer 273 expansive lots, located at the highest point within the township giving its residents a "panoramic scene of the Sierra Madre Mountain Range and the sparkling cityscape," according to the company.

Celestia Phase 1 offers lots ranging from 351 to 708 square meters (sq.m.), with prices starting at 14 million, Mr. Gonzales said.

"We put people at the core of our work, so we design our towns with their comfort and convenience in mind," he said.

"With how fast-paced city life could be, a home close to nature but still easily accessible from the city is a dream to many but made possible with Celestia."

Celestia, Mr. Gonzales also said, offers a combination of tranquility and accessibility, where the bypass road ensures that residents are just 20 minutes from Quezon City.

"We are thrilled to launch Celestia at Timberland Heights because this is for people who worked their way to the top and deserve the best home and community where they can fully enjoy both nature and the city," Filinvest Alabang, Inc. Senior Vice-President for Residential and Estates Daphne Mae Odra-Sanchez said. — **Aubrey Rose A. Inosante**