ANDREW KARN-UNSPLASH

Mindanao Railway phase 3 study due for completion by 1st quarter

THE Public-Private Partnership (PPP) Center said it expects the completion of the feasibility study for the third phase of the Mindanao Railway project by the first quarter.

"Phase 3 of the Mindanao Railway project will be for PPP. Right now, it is in the feasibility study stage. Our target to complete this is by the first quarter," PPP Center Deputy Executive Director Jeffrey I. Manalo told reporters on the sidelines of a briefing last week.

Only phase three of the Mindanao Railway project is being considered for PPP, Mr. Manalo said, noting that phases one and two will still be funded through official development assistance.

"The next step is, based on the study, (finalizing) the project documents and then submit it to the appropriate approving body depending on the final terms," he said, noting that projects costing more than P15 billion require approval from the National Economic and Development Authority.

Last month, Transportation Secretary Jaime J. Bautista said his department is currently reviewing the alignment of the rail line.

He said the Department of Transportation is looking for other sources of funds including a possibility of tapping the private sector.

The Mindanao Railway Project phase 3 is a 54.8-kilometer high-capacity, inter-city passenger and cargo railway system linking the industrial and commercial centers of Cagayan de Oro, according to the PPP Center website.

Phase 3 of the Mindanao Railway project has an estimated project cost of P100.64 billion and will be procured via a solicited mode, according to the PPP Center.

The rail line will link critical infrastructure like Laguindingan International Airport, the port of Cagayan de Oro City, and the Mindanao Container port.

The Philippines dropped China as a funding source for the Mindanao Railway project, the South Long-Haul railway, and the Subic-Clark Railway, due to lack of progress on financing decisions by Beijing.

Earlier this year, the Transportation department said that it is finalizing the revision of the Mindanao Railway's original study to make the project more modern and environment-friendly. — **Ashley Erika O. Jose**

Large-scale bird flu vaccine trial could kick off by March

THE Department of Agriculture (DA) said it is seeking to start large-scale trials of an Avian Influenza (AI) vaccine by March.

"The vaccine will probably come out by March... We are trying to find funding of P300 million," Agriculture Secretary Francisco P. Tiu Laurel, Jr. told reporters.

He added that this amount will procure about 30 million doses of the approved AI vaccine.

Last year, the DA released guidelines on the commercial use of the avian flu vaccine, with priority given to commercial farms for layer chicken, layer chicken breeders, broiler chicken breeders, free-range breeders, grandparent broiler breeders, as well as smallhold layer/native chicken, duck, game fowl, turkey, and goose farms.

Commercial broiler chicken, smallhold broiler, quail, pigeon, and exotic bird farms were ineligible.

The Food and Drug Administration (FDA) has not yet issued its approval for the commercial or large-scale use of any AI vaccine.

Separately, Mr. Laurel said the approval for commercial use of the African Swine Fever (ASF) vaccine could come by February or March.

Only the AVAC ASF Live vaccine from Vietnam has been approved by the FDA for a limited government-controlled rollout. It has issued a Certificate of Product Registration for AVAC, valid for two years and subject to annual review.

The DA allocated P350 million to procure 600,000 doses for hog farmers initially targeted. The rollout started on Aug. 30 in Lobo, Batangas.

Some 88 municipalities across 19 provinces had active ASF cases, according to a Bureau of Animal Industry report. — **Adrian H. Halili**

Satellite imaging tapped in drought mapping project

THE Philippine Space Agency (PhilSA) said it will collaborate with the Philippine Rice Research Institute (PhilRice) to create drought maps using satellite imaging.

"This agreement aims to create crop-specific drought maps from satellite data, with a focus on rice," PhilSa said in a statement on Tuesday.

"The signing of this agreement formalizes secure and efficient data sharing between the two agencies for enhanced drought mitigation," PhilSa said.

The project is expected to assist PhilRice — an arm of the Department of Agriculture — in improving plans to make farming more resilient.

"This collaboration with PhilRice underpins the importance of integrating satellite and ground data, emphasizing how ground data is used to validate, calibrate, and enhance the accuracy of satellite-derived insights and models," Gay Jane P. Perez, deputy director general for space science and technology, said during the memorandum of agreement signing on Dec. 16.

The collaboration will help maximize the impact of PhilSA's Satellite Mission Analysis, Planning, Product Enhancement and Development project.

As of August, agricultural damage due to the El Niño dry spell was reckoned at P15.3 billion. — **Beatriz Marie D. Cruz**

Tourism development plan subject to 'recalibration'

THE Department of Tourism (DoT) said it will conduct a midterm review of the National Tourism Development Plan (NTDP) next year.

Tourism Secretary Christina G. Frasco said on the sidelines of a briefing late Tuesday that the review will involve a "recalibration" of the numbers in the plan, "taking into consideration the various factors that were not present at the time that the NTDP was released."

The NTDP targets include 51.9 million international arrivals by 2028 and the creation of about 34.7 million tourism-related jobs.

As of Dec. 17, the DoT logged 5.65 million international visitors, well behind the pace needed to achieve the 7.7 million target for the year. The mid-December total is equivalent to 73.4% of the target for 2024.

Ms. Frasco said the measures taken in pursuit of the plan's objectives include the expansion of tourism infrastructure, increased connectivity, upgraded accommodations, digitalization, human capital development, diversification of the tourism portfolio, and the development of multidimensional experiences.

"While it is traditional to look at the number of people arriving into the country, an expanded view (should) look at the tourism numbers that matter to the economy, that matter to the lives of the Filipino people," she added.

She said tourism receipts as of Dec. 15 amounted to P712 billion, exceeding the P697 billion booked a year earlier.

Projects the DoT is pursuing in 2025 include the launch of the Layover Tours component of the Hop-on Hop-off Bus Tours program, the development of tourist rest areas, and the targeting of golf travelers.

The DoT has also proposed the establishment of Tourist Courts aimed at the quick resolution of crimes involving tourists. — **Adrian H. Halili**

Power distributors set to refund P1.18 billion

THE Energy Regulatory Commission (ERC) said it will order private distribution utilities (PDUs) to refund unspent fees collected during the regulatory rate reset process totaling P1.18 billion.

In a statement on Wednesday, the ERC said it found that regulatory reset fees continued to be included in the rates collected by PDUs.

As such, the regulator directed 17 PDUs to refund the amounts collected from consumers, ranging from P0.0476 per kilowatt-hour (kWh) to P0.3190 per kWh.

The ERC said that the amounts were initially approved to engage technical experts for the periodical regulatory rate reset conducted by the ERC.

"However, no actual payments were made as the PDUs did not engage said technical experts and amounts were provided to the ERC under the annual government budget for these purposes," the regulator said.

The ERC also resolved to order PDUs to cease from collecting regulatory reset fees from consumers.

"We are targeting the release of the resolution within the month so it can

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be implemented early 2025," ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said.

Distribution utilities such as Manila Electric Co. (Meralco) are subject to a performance-based regulation, under which they are required to undergo a rate reset process prior to the start of the next regulatory year.

The rate reset process is usually a forward-looking exercise that requires the regulated entity to submit forecasted expenditures and proposed projects for the ERC to review and adjust rates.

Meralco, the largest distribution utility in the country, was ordered to refund P987.16 million, equivalent to P0.2264 per kWh.

Asked to comment, the power distributor said it will wait for the resolution and will be ready to comply. — **Sheldeen Joy Talavera**

Meralco brings 'spay it forward' campaign to pateros

In line with its animal welfare advocacy, the Manila Electric Company (Meralco) has partnered with the Pateros local government unit (LGU) and the Philippine Veterinary Medical Association (PVMA) for the provision of free spaying and neutering services.

Meralco's Spay it Forward initiative benefitted over 120 cats and dogs in Pateros, the lone municipality in Metro Manila without its own veterinarian office. The pets also received anti-rabies vaccinations during the one-day activity held at Pateros Elementary School.

PMVA, along with Biyaya Animal Care, extended support through their expertise to make the initiative a success.

This initiative aligns well with their thrust to address pet overpopulation and rabies, and promote responsible pet ownership.

"Meralco's animal welfare advocacy is very much aligned with our PVMA Rabies Elimination initiative and we believe it will be synergistic with our program. If we align and combine our efforts and resources, we will be able to do more both for the animals and the pet owners alike," said PVMA President Dr. Harris Constantino.

"The humane approach to animal control is spay/ neuter, vaccinations, and education. Planned Pet Parenthood is a key factor that contributes to a healthier community that is inclusive of cats and dogs," Biyaya Animal Care Co-Founder and President Rina Ortiz, for her part said.

Meralco, which has been advocating for community-driven animal welfare activities, recently conducted trap, neuter, vaccinate, and release (TNVR) activities within its own compound in Pasig City.

ANIMAL WELFARE ADVOCATE. *Meralco Vice President and Head of Corporate Communications Joe R. Zaldarriaga, who is among the champions animal welfare in Meralco, joined the Spay it Forward activity in Pateros on December 15, 2024.*

"We are grateful to Meralco for empowering our municipality to prioritize animal welfare through its Spay It Forward campaign. Together, we're building a more compassionate community," said Pateros Mayor Miguel "Ike" Ponce.

Aside from making Meralco properties a safe space for community animals, Meralco plans to further extend its Spay it Forward campaign through collaborations with other LGUs and City Veterinarian Offices.

"At the heart of Meralco's animal welfare advocacy, through the Spay It Forward campaign is our deep sense of malasakit and our commitment to care for the communities we serve. By empowering LGUs with accessible spaying and neutering services, we strive to create safer and healthier communities where both humans and animals can thrive," Meralco Vice President and Head of Corporate Communications Joe Zaldarriaga said.

Bond,
from S1/1

The Philippines last issued Samurai bonds in April 2022, raising ¥70.1 billion.

Mr. Recto said there is also demand from Middle East investors.

"Because there's an appetite from the Middle East. You want more people buying our bonds, our notes, and so on and so forth. If they're willing to finance government operations, why not?" he added.

The government first issued Islamic debt in December 2023, raising $1 billion from the sale of 5.5-year dollar-denominated Sukuk bonds.

The government set its borrowing program at P2.55 trillion for 2025, of which P507.41 billion will come from gross external borrowings.

The government could benefit from tapping the foreign debt market next year as the US Federal Reserve's further easing is expected to reduce borrowing costs, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

However, the benefits could be offset by a stronger dollar and higher US Treasury yields, Philippine Institute for Development Studies Senior Research Fellow John Paolo R. Rivera said in a Viber message.

"Timing is key in the issuance as the greenback and the 10-year US Treasury yields continue to rise. A Trump presidency is supportive of the greenback and 10-year yields," Reyes Tacandong & Co. Senior Adviser Jonathan L. Ravelas likewise said in a Viber message.

Mr. Rivera added that demand for bond issuances from the Philippines could be dampened due to heightened global economic uncertainty brought by Mr. Trump's proposed trade policies and potential tariffs on imports. — **Aaron Michael C. Sy**

Fitch,
from S1/1

The US accounted for 41.2% or the biggest share of the Philippines' overall cash remittances in the 10-month period, BSP data showed.

Meanwhile, the credit rater expects inflation to remain manageable, which would allow the BSP to further loosen monetary policy.

Headline inflation averaged 3.2% in the 11-month period. The central bank expects full-year inflation to settle at 3.1%.

"We forecast inflation to stay around these levels in 2025-2026, leading to a further 100 bps of rate cuts in 2025," Fitch said.

A *BusinessWorld* poll conducted last week showed that 13 out of 16 analysts expect the Monetary Board to reduce the key rate by 25 bps at its final meeting of the year.

If realized, the BSP would have reduced rates by a total of 75 bps at end-2024, bringing the benchmark rate to 5.75%.

"A credible inflation-targeting framework and flexible exchange-rate regime contribute to a sound economic policy framework and support the country's rating."

In June, Fitch Ratings affirmed the country's long-term foreign currency issuer default rating at "BBB" and retained its "stable" outlook.

DEFICIT, DEBT

Meanwhile, Fitch Ratings forecasts the central government's fiscal deficit to settle at 5.7% of GDP this year and narrow to 4.9% of GDP by 2026.

"Our forecasts are wider than targeted in the government's fiscal program, but still represent an improvement from deficits of 6.2% of GDP in 2023 and a peak of 8.6% in 2021," Fitch said.

"Our narrower general government deficit forecast of 4.4% of GDP for 2024 reflects social security and local government surpluses," it added.

Latest data from the Treasury showed that the deficit-to-GDP ratio fell to 5.1% at end-September from 5.7% a year earlier and 6.2% at the end of last year.

Meanwhile, the debt-to-GDP ratio is also seen to further decline.

"Central government gross debt reached 62% of annualized GDP in (the nine-month period), up from about 60% at end-2023."

"Debt/GDP is likely to fall towards the yearend as issuance activity subsides, as in the past, and remains consistent with our central government debt forecast of 61% of GDP by end-2024."

The National Government's debt as a share of GDP stood at 61.3% at the end of the third quarter. This was higher than the year-earlier 60.2% and the 60.1% posted at end-2023.

The threshold considered by multilateral lenders to be manageable for developing economies is 60%.

The government seeks to bring this to below 60% by 2028.