Axelum Resources on track for record production

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Reporter

LEADING coconut products exporter Axelum Resources Corp. said it is on track to achieve record production this year with the recovery of consumption.

It added that it is diversifying its markets and pursuing operational efficiencies in the face of climate change.

Axelum Resources, a listed company, said it has built resiliency into its operations following the coronavirus pandemic, during which shipping was disrupted and inventory levels were "bloated."

Axelum President and Chief Operating Officer Henry J. Raperoga said in an e-mail that since 2020, "We have leveraged the unique learnings brought about by these unprecedented challenges to emerge as a stronger company."

He said the record production is a response to resurgent consumption and a more favorable macroeconomic environment.

He said at the moment, the company is exploring "advanced methods" that will complement current manufacturing capability and enable the development of new products.

"In addition, we are in the process of migrating into cleaner energy by tapping into renewable power sources to support manufacturing operations," he added.

Axelum said climate change continues to pose threats to supply chains across various industries, with extreme weather occurrences particularly prolonged dry and wet spells constraining nut sourcing.

"As a result, we have extended our nut buying areas to ensure sufficient raw materials to meet our daily operational requirements," he said.

"In the long term, our ongoing reforestation program aims to help boost the population of young coconut trees in our area, aligned with the government's massive tree planting project, to improve overall productivity," he added.

Climate change compels the company to devote additional resources to decarbonization and prepare for business contingencies especially on the front of resource availability, Mr. Raperoga said.

"On logistics, we work closely with our shipping partners to gain priority container space and negotiated freight rates," Mr. Raperoga said.

"We are confident about the long-term growth prospects of the global coconut products industry due to increasing preferences for plant-based diets and expanding non-food commercial applications," Mr. Raperoga said.

Axelum ended at P2.00 on Friday.

Parched southern Greece highlights EU water conservation challenges

NAFPLION, Greece — In the Argolida region of southern Greece, water escapes through cracks in an irrigation canal feeding a plain of orange trees. Underground, old pipes lose more than half the water that is pumped through them, officials say.

In summer, when reservoir levels tumble, authorities in the regional capital Nafplion advise residents not to drink the contaminated brackish water that is pumped from backup sources into their homes.

"You can smell the difference in the water, feel the dryness on your clothes," said Lydia Sarakinioti, a jeweler in Nafplion who uses bottled water even to cook.

This month, the Europen Union (EU) launched a campaign to combat a climate change-driven water crisis that it says already affects 38% of its population. It has given EU countries until next year to assess leakage levels before a legal threshold is imposed.

The program to increase water security is expected to cost hundreds of billions of euros and comes as countries across southern Europe experience more erratic rainfall and hotter temperatures linked to climate change.

The situation in Greece, which lies on Europe's baking southern frontier, shows just how complex and costly change will be. Last summer and winter were the warmest on record and many places saw no rainfall for months.

Moreover, a crippling 2009-18 debt crisis has led to years of underinvestment. Greece loses around half its drinking water to leaky pipes and theft, government figures show — nearly twice the EU average of 23%. Most maps of its underground pipeline network are either not digitized or do not exist, experts and officials said. — ***Reuters***

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Indian refiners cancel orders for palm oil after price surge

MUMBAI — Indian refiners have canceled orders for 100,000 metric tons of crude palm oil (CPO) scheduled for delivery between March and June, because of a surge in benchmark Malaysian prices and negative refining margins in India, trade sources said.

Refiners in the world's largest importer of palm oil canceled the quantity over the last four days, including 30,000 metric tons on Friday, after Malaysian palm oil futures rose more than 11% over four weeks.

The Indian cancellations could limit the rally in Malaysian palm oil prices, although they could also support soy oil prices as some refiners shift to soy oil.

The trade sources spoke on condition of anonymity because they were not authorized to speak to the media.

One Indian buyer, who operates a refinery on the east coast and canceled palm oil shipments for March delivery, said the combination of negative refining margins in India and high overseas prices meant it made sense to lock in profits by selling palm oil back to suppliers, rather than importing it.

Price-sensitive Asian buyers traditionally rely on palm oil due to its low cost and quick shipping times. However, the recent price rise has pushed palm oil to a premium over soy oil on the global market.

An influx of soy oil into India between February and March, priced slightly lower than palm oil, has prompted some refiners to cancel their palm oil purchases to switch to soy oil, Sandeep Bajoria, chief executive of Sunvin Group, a vegetable oil brokerage, said.

A Mumbai-based dealer with a global trade house said buyers and sellers were mutually agreeing to cancel contracts, with buyers accepting a slightly lower price than the current market rate for cancellations.

Crude palm oil is being offered at about $1,210 a ton, including cost, insurance and freight, in India for March delivery, compared to around $1,120 to $1,130 a month ago.

India's palm oil imports, which are primarily from Indonesia and Malaysia, in January fell 45% from a month ago to 275,241 metric tons, the lowest in nearly 14 years, as refiners turned to cheaper soy oil. The soy oil is imported mostly from Argentina and Brazil.

Market speculation India will raise its import duty on palm oil to support local oilseed farmers has also prompted some refiners to cancel contracts and book profits, said a New Delhi-based dealer with a global trade house. — ***Reuters***

Trump orders use of CFIUS to restrict Chinese investments

WASHINGTON — President Donald J. Trump signed a memorandum on Friday that directs the Committee on Foreign Investment in the United States (CFIUS) to restrict Chinese investments in strategic areas, a White House official said.

The national security memorandum is aimed at promoting foreign investment while protecting US national security interests from threats posed by foreign adversaries like China, the official said.

The order says that China is "exploiting our capital and ingenuity to fund and modernize their military, intelligence, and security operations, posing direct threats to United States security," the official said.

Under the directive, the United States will establish new rules "to curb the exploitation of its capital, technology, and knowledge by foreign adversaries such as China to ensure that only those investments that serve American interests are allowed," the official said.

The official also said the Trump administration will consider new or expanded restrictions on US outbound investment to China in sensitive technologies, including semiconductors, artificial intelligence, quantum, biotechnology, aerospace and more.

The United States should stop "politicizing" and "weaponizing" economic issues, the Chinese Commerce Ministry said in a statement on Saturday, adding that China would closely monitor the situation and take necessary measures to defend its legitimate rights and interests.

The steps threaten to heighten economic tensions with China after the president increased tariffs on Chinese imports as one of his first moves in office.

CFIUS, which scrutinizes foreign investment in the United States for national security risks, has already overseen a sharp decrease in Chinese investment in the United States.

According to the Rhodium Group, annual Chinese investment has dropped from $46 billion in 2016 to less than $5 billion in 2022.

The order noted that foreign entities and individuals hold roughly 43 million acres of US agricultural land, which is nearly 2% of all land in the United States, the official said.

China owns more than 350,000 acres of farmland across 27 states, the official said.

Farm groups and lawmakers have expressed concerns in recent years that land buys by investors and foreign countries are driving up farmland prices and threatening national security.

The White House official also noted that Chinese hackers have repeatedly targeted US entities, including recently breaching the Treasury Department's CFIUS office, the entity responsible for reviewing foreign investments for national security risks.

The outbound regime could expand on an executive order, unveiled in 2023 by the Biden administration, to start prohibiting some US investments in certain sensitive technologies in China, and requiring government notification of other investments. — ***Reuters***

Seven & i Holdings picks Bain as preferred buyer in asset sale

TOKYO — Japan's Seven & i Holdings, operator of the 7-Eleven convenience store chain, has picked Bain Capital as its preferred buyer for a stake of its noncore assets, local media reported on Saturday.

Bain has been competing against rival private equity firm KKR and local buyout firm Japan Industrial Partners in bidding since late last year for a major stake in York Holdings, an entity that the retailer plans to spin off.

Bain is believed to have offered a valuation of more than ¥700 billion ($4.7 billion) for York Holdings, the *Nikkei* newspaper and Jiji news agency reported. *Nikkei* cited a person it did not name, while Jiji did not specify where it received the information.

Seven & i, KKR and Japan Industrial Partners could not be immediately reached for comment on Saturday, while Bain said it could not comment. — ***Reuters***