Raslag inks deal to supply 15-MW solar power to Pampanga

LISTED renewable energy developer Raslag Corp. has entered into a power supply agreement (PSA) with Pampanga I Electric Cooperative, Inc. (PELCO I) to provide 15 megawatts (MW) of electricity for 10 years.

Under the agreement, Raslag will deliver electricity to PELCO I from a portion of the renewable energy generated by its 36.65-MW Raslag-4, the company said in a stock exchange disclosure on Wednesday.

"This partnership aims not only to strengthen the local energy supply but also to reinforce both parties' commitment to promoting energy security and sustainability in the region," the company said.

The parties will jointly file an application to seek approval from the Energy Regulatory Commission for the PSA.

In October last year, Raslag energized the solar farm located in the municipality of Magalang in Pampanga. It is designed to produce 53 gigawatt-hours of electricity and power 24,000 homes annually.

Raslag develops, owns, and operates solar power plants to provide utility-scale renewable energy to on-grid customers.

To date, the company has a total installed capacity of 77.84 MW from four facilities in Pampanga. It is currently developing the Raslag 7 and 8 solar projects, with a combined capacity of 140 MW.

Raslag has estimated an investment of up to P37 billion to achieve its goal of expanding its portfolio to 1,000 MW by 2035. — **Sheldeen Joy Talavera**

Emirates, PAL plan expansion of tie-up to boost market reach

DUBAI-BASED carrier Emirates said it is exploring further expansion of its partnership with Philippine Airlines (PAL) to serve more passengers and enhance cargo operations.

In a media release on Wednesday, Emirates said PAL has agreed to consider the potential of a reciprocal codeshare agreement for flights between the Philippines and Dubai, as well as on select routes beyond the gateways of the two carriers.

Codeshare agreements are arrangements between airlines to sell seats on each other's flights, allowing them to reach a wider network.

The two airlines are also exploring the possibility of enhancing their cargo interline cooperation, Emirates said, adding that it will also exchange best practices with PAL in ground handling, maintenance, and technical training.

In 2023, Emirates and PAL signed an enhanced interline agreement to connect travelers to at least ten domestic points via Cebu and Clark, as well as nine international routes via Dubai.

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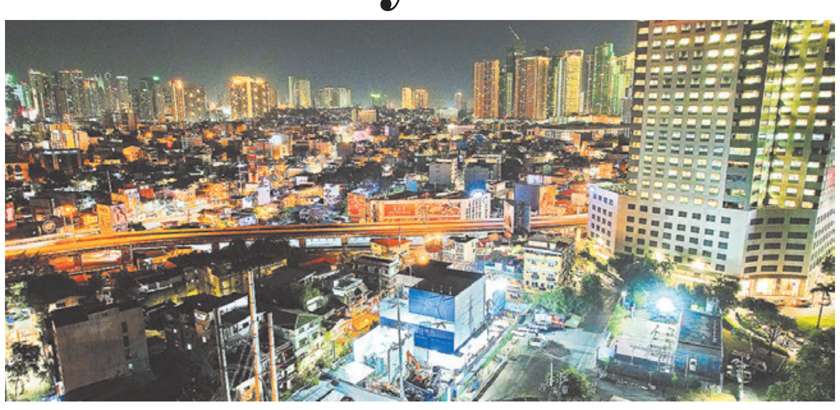
Currently, Emirates serves the Philippines with 28 weekly flights, offering up to 22,700 weekly seats to and from Dubai.

Currently, PAL operates a global network of nonstop flights out of hubs in Manila, Cebu, Clark, and Davao to 31 destinations in the Philippines and 37 destinations across Asia, North America, Australia, and the Middle East.

Last week, PAL said it is anticipating a wider international footprint with the appointment of British aviation executive Richard Nutall as the company's new president, effective May 29. — **Ashley Erika O. Jose**

Meralco says P683.74 million spent in Q1 for substation upgrades



MANILA ELECTRIC COMPANY (Meralco) said it recently expanded its Fort Bonifacio Global City-2 Gas-Insulated Switchgear Substation to meet the growing power requirements of commercial establishments and residential customers in Taguig City and Makati City.

MANILA ELECTRIC CO. (Meralco) spent a total of P683.74 million in the first quarter (Q1) for the upgrade and development of three substations to help meet growing power requirements in its service areas, the power distributor said on Wednesday.

Meralco allocated P268.84 million for the development of the Mesaland 115-34.5 kilovolt (kV) substation, which was energized in March, based on the company's presentation.

The development, which involves the installation of a new power transformer and gas-insulated switchgear, provides additional capacity to serve load growth in parts of the provinces of Laguna and Cavite, it added.

With a budget of P188.41 million, the company expanded its Malinta Substation to accommodate increasing demand in the cities of Valenzuela and Malabon.

Meralco also said it commissioned a new power transformer and gas-insulated switchgear for the switchgear substation located in Bonifacio Global City at a total cost of P226.49 million.

The improvement aims to accommodate additional demand and enhance flexibility and reliability in Bonifacio Global City and parts of Makati, it said.

"With these three projects, we are effectively providing additional capacity to support local and rural areas," Meralco First Vice-President and Head of Networks Froilan J. Savet said in a recent briefing.

The company said that it "continuously invests heavily on projects aimed to improve its electricity distribution system and ensure safe, stable and reliable electricity service to its customers."

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**

Airports,
from S1/1

At present, the airports under PPP include Ninoy Aquino International Airport (NAIA) which is operated by San Miguel Corp.-led New NAIA Infra Corp; and the New Manila International Airport and Caticlan Airport which are under SMC's units San Miguel Aerocity Inc. and Trans Aire Development Holdings Corp., respectively.

Other airports being managed by private operators include Mactan-Cebu International Airport by Aboitiz InfraCapital Cebu Airport Corp., Laguindingan International Airport, New Bohol-Panglao International Airport by Aboitiz InfraCapital, Inc., and Clark International Airport operated by Luzon International Premiere Airport Development Corp.

Sought for comment, PPP Center Deputy Executive Director Jeffrey I. Manalo said the Transportation department is still preparing the requirements for approval of the Department of Economy, Planning, and Development (DEPDev) for the Iloilo International Airport.

To recall, Villar-led Prime Asset Ventures, Inc.'s (PAVI) unsolicited proposal for the operations and maintenance of the Iloilo International Airport is now awaiting the approval of the Investment Coordination Committee of DEPDev. Once approved, it will then undergo a Swiss challenge.

PAVI holds the original proponent status for the P21.16-billion rehabilitation, expansion, operation, and maintenance of the Iloilo International Airport. The project needs to be endorsed and recommended for final DEPDev approval as the project's cost is above P15 billion.

Mr. Manalo said the unsolicited proposal for the operations and maintenance of the Davao International Airport is still pending assessment.

According to the PPP Center website, the project is still being evaluated by the implementing agency.

The P12.9-billion project was submitted by Davao International Airport Consortium composed of Asian Infrastructure and Management Corp.; Filinvest Infra-Solutions Ventures, Inc.; and JG Summit Infrastructure Holding Corp.

For Rene S. Santiago, former president of the Transportation Science Society of the Philippines, the agency's goal to privatize more airports is quite ambitious and may not be feasible within the timeline.

"It took more than five years to bid for privatization of three airports," he said in a Viber message, referring to the privatization of NAIA, Laguindingan and New Bohol-Panglao airports.

The viability of airports under PPP arrangement would likely depend on the airports' capacity, as some smaller regional airports are better off under the management of the government through Civil Aviation Authority of the Philippines (CAAP), Nigel Paul C. Villarete, senior adviser on PPP at the technical advisory group Libra Konsult, Inc., said.

"Some airports would have sufficient passenger volumes that would warrant sufficient income streams to generate profitability, but there are the smaller ones which won't be and are better with the government which can provide subsidies. In general, PPP arrangements would be beneficial for the public inasmuch as it invites efficiency, which will redound to better services to our traveling public," he said.

Inflation,
from S1/1

Manila Electric Co. (Meralco) hiked the overall rate by P0.7226 per kilowatt-hour (kWh) to P13.0127 per kWh in April from P12.2901 per kWh in March.

"Going forward, the Monetary Board will continue to take a measured approach in adjusting the monetary policy stance in line with its price stability objectives conducive to balanced and sustainable growth of the economy and employment," the BSP said.

In April, the BSP resumed its rate-cutting cycle with a 25-basis-point (bp) rate cut. This brought the benchmark to 5.5%.

The Monetary Board had delivered a pause at its first policy review of the year in February as it waited to see how global trade policies would unfold.

BSP Governor Eli M. Remolona, Jr. has said there is room for further easing this year, but this will likely be delivered in "baby steps."

The central bank earlier said risks to the inflation outlook have also eased and remained "broadly balanced" until 2027.

Accounting for risks, inflation is expected to average 2.3% in 2025, 3.3% in 2026, and 3.2% in 2027.

For the first quarter, inflation averaged 2.2%. — **Luisa Maria Jacinta C. Jocson**

Trade gap,
from S1/1

The United States remained the top destination for Philippine-made goods in March, with exports valued at $1.11 billion accounting for 16.8% of the total.

This was followed by Hong Kong with $1.01 billion (15.3% share), Japan with $960.5 million (14.6%), China with $762.78 million (11.6%), and Singapore with $273.74 million (4.2%).

Sergio R. Ortiz-Luis, Jr., president of Philippine Exporters Confederation, Inc., said in a phone interview that exports are "inching up slowly but surely."

"Unfortunately, we are still not able to meet our original targets for exports, but we hope to make at least $110 billion. The original target is $120 billion," he said.

RECOVERY IN RAW MATERIALS

Meanwhile, imports of raw materials and intermediate goods, which had the biggest share of total imports at 36.5%, jumped by 22.4% to $3.92 billion in March from $3.2 billion a year earlier.

Imports of capital goods grew by 12.2% to $3.16 billion, while consumer goods increased by 25.8% to $2.3 billion.

"We saw a healthy recovery in imports of raw materials and capital goods, possibly as firms were able to finally restart their capacity building after the BSP (Bangko Sentral ng Pilipinas) decided to support the economy by cutting rates," Nicholas Antonio T. Mapa, a senior economist at the Metropolitan Bank & Trust Co., said.

Mr. Mapa noted the rebound in capital and raw materials imports was accompanied by "sustained consumer imports, reflecting healthy household consumption, which points to a decent first-quarter GDP (gross domestic product) print."

By commodity group, electronic products had the highest import value at $2.52 billion, up 24.8% in March from $2.02 billion a year ago.

Imports of semiconductors, which accounted for the bulk of electronic products, jumped by 21.4% to $1.69 billion.

Imports of mineral fuels, lubricants and related materials, on the other hand, declined by 23.1% year on year to $1.31 billion, while transport equipment rose by 12.1% to $1.06 billion.

China was the biggest source of imports in March with $3.1 billion worth of goods, accounting for 28.9% of the total import bill.

It was followed by Indonesia with $888.27 million (8.3% share), Japan with $834.38 million (7.8%), South Korea with $728.94 million (6.8%), and Thailand with $627.65 million (5.9%).

"We'll need to see how trade flows perform in the coming months as the pickup in both imports and exports could have been frontloading activity carried out by traders in anticipation of Trump's trade war. If exports continue while imports sustain their growth on investment activity by firms despite the Trump trade war, this could bode well for overall Philippine economic growth prospects," Mr. Mapa said.

In April, US President Donald J. Trump implemented a 10% blanket tariffs on all its trading partners. However, his plan to impose higher reciprocal tariffs on most countries, including the Philippines, has been suspended until July.

Philippine exports to the US are facing a 17% tariff, the second lowest among Association of Southeast Asian Nations member countries after Singapore's baseline rate of 10%.

Mr. Mapa said the trade outlook is uncertain but imports of raw materials, capital goods and consumer goods are expected to continue.

"Exports, meanwhile, may face a challenging year; however, the Philippines could find alternative markets for outbound shipments," he added.

For his part, Mr. Ortiz said exports may sustain growth this year although there will be some challenges.

He said he does not think exports and imports will achieve the original growth targets for this year.

"We'll probably fall short by a little, not much. It's hard to predict the next few months because of the uncertain and very volatile US policies... Hopefully at this stage, it won't be too negative on us. We may also find opportunities," Mr. Ortiz said. — **JPGV**