GOCC dividends seen topping 2024 collections

STATE-RUN FIRMS remitted P76 billion worth of dividends to the Treasury as of May, with the Department of Finance (DoF) expecting the final amount this year to exceed the 2024 total of P138.46 billion.

"The amount is expected to exceed… the level in 2024," the DoF said in a statement on Wednesday.

The DoF said dividend collections were from 50 government-owned or -controlled corporations (GOCCs), with around 13 firms contributing at least P1 billion each.

Citing preliminary data, the DoF said the top contributors were the Land Bank of the Philippines (P26 billion), the Philippine Amusement and Gaming Corp. (P12.68 billion), the Philippine Deposit Insurance Corp. (P10.13 billion), and the Philippine Ports Authority (P5.20 billion).

This was followed by the Manila International Airport Authority (P3.32 billion), the Philippine National Oil Co. (P2.43 billion), the Bases Conversion and Development Authority (P2.04 billion), the Philippine Charity Sweepstakes Office (P1.77 billion), the Subic Bay Metropolitan Authority (P1.47 billion), and the Maharlika Investment Corp. (P1.45 billion).

"These nontax revenues allow us to support the government's expenditure program for the year, enabling the DoF to stay on track with its fiscal program and mobilize funds for our priority programs and projects," Finance Secretary Ralph G. Recto said.

In order to boost nontax revenue, the DoF earlier requested GOCCs to increase the share of its net earnings that goes to the National Government to 75%.

This was higher from the "at least 50%" required by Republic Act No. 7656 or the Dividend Law.

In March, nontax revenue declined 69.36% to P19.6 billion, bringing the total to P66.7 billion in the first quarter. — **Aubrey Rose A. Inosante**

CAB lowers air passenger fuel surcharge for June

THE Civil Aeronautics Board (CAB) said it will reduce the airline passenger fuel surcharge for June.

The June surcharge has been downgraded to Level 3 from Level 4 the previous month, the CAB said in a May 19 advisory.

The Level 3 fuel surcharge is P83 to P300 for domestic flights and P273.36 to P2,032.54 for international flights originating from the Philippines.

The CAB said the applicable conversion rate for airlines collecting the fuel surcharge in foreign currency is P56.42 to the dollar.

The Level 4 surcharge ranges from P117 to P342 for domestic flights and P385.70 to P2,867.82 for international flights originating from the Philippines.

"Airlines wishing to impose or collect a fuel surcharge for the period must file applications with this office on or before the effectivity period, with fuel surcharge rates not exceeding the above-stated levels," CAB Executive Director Carmelo L. Arcilla said.

Fuel surcharges are triggered by the movement of jet fuel prices, using a benchmark known as Mean of Platts Singapore.

"We welcome the decision of the CAB to lower the fuel surcharge for the month of June. This recent adjustment supports our efforts to offer more affordable travel to even more destinations, as seen by our increase in routes — especially in our hubs outside of Manila such as Clark, Iloilo, Cebu, and Davao," Cebu Pacific President and Chief Commercial Officer Alexander G. Lao said in a statement. — **Revin Mikhael D. Ochave**

Expanded P20 rice program targets 14M beneficiaries

THE Department of Agriculture (DA) said it hopes to expand the coverage of its P20-per-kilo rice pilot test to reach about 14 million beneficiaries by September.

The program will be expanded to parts of Luzon and Mindanao, after having been initially launched in selected Visayan provinces on May 1,the DA said in a statement.

The pilot test for the subsidized-rice program, targeted at vulnerable segments of society like the poor, persons with disabilities, senior citizens, and single parents — is scheduled to run until December.

The second phase of the rollout, which begins in July, will target Zamboanga del Norte, which has a poverty incidence of 37.7%; as well as Basilan, Cotabato City, Tawi-Tawi, the Maguindanao provinces, and Davao Oriental. It will also be offered in Sorsogon, on Luzon.

The third phase, starting in September, will extend coverage to Sultan Kudarat, Lanao del Norte, Agusan del Sur, Sarangani, and Dinagat Islands. Also included in this phase is Catanduanes.

The subsidized rice is sourced from the National Food Authority, whose current inventory is equivalent to around 8 million 50-kilo bags of milled rice.

In locations where local government units (LGUs) share the subsidy, it will be up to the LGUs to determine eligibility, with the limit set at 30 kilos per household. — **Kyle Aristophere T. Atienza**

5 RE projects endorsed for grid impact study

THE Department of Energy (DoE) said it endorsed five renewable energy (RE) projects to undergo a system impact study (SIS) with the National Grid Corp. of the Philippines.

"In April 2025, the DoE issued five SIS endorsements, which are all new applications," the DoE said in a posting on its website.

Such studies are conducted to determine the adequacy and capability of the grid to accommodate the new connection.

The DoE issued SIS endorsements to JBD Water Power, Inc.'s 200-MW Abra-Kalinga Wind Power Project in Kalinga; Freya Renewables, Inc.'s 160-MW E.B. Magalona Wind Power Project in Negros Occidental; and Amihan Power, Inc.'s 80-MW Presentacion 3 Wind Power Project in Camarines Sur; PAVI Green Camsur Renewable Energy, Inc.'s 50.104-MWp PAVI Green Naga Solar Power Project in Camarines Sur; and Energy Development Corp.'s 30-MW Botong-Rangas Geothermal Project in Sorsogon.

This year, the department has issued 40 SIS endorsements — 30 to renewable energy projects, two to conventional power projects, and eight to energy storage systems.

Meanwhile, the DoE has endorsed four power projects to the Energy Regulatory Commission.

The biggest project of the four was Isabel Ancillary Services Co. Ltd.'s 86.320-MW Isabel Modular Diesel Power Plant in Leyte.

The DoE also endorsed National Power Corp.'s 0.3-MW Jintotolo Diesel Power Plant in Masbate and 0.19-MW Sibolo Diesel Power Plant in Antique; and Amatera Renewable Energy Corp.'s 65.012-MWdc Vista Alegre Solar Power Project in Negros Occidental.

A certificate of endorsement (CoE) is a prerequisite for generation facilities to be issued a certificate of compliance, a license issued by the ERC that grants permission to operate.

In the first four months, the DoE issued 32 CoEs, of which 14 are conventional projects and 18 renewable energy projects. — **Sheldeen Joy Talavera**

Negros sugar farms report pest infestation

SUGAR FARMS in northern Negros Occidental reported an infestation of red-striped soft scale insects (RSSI), which have the potential to reduce sugar content in cane by almost 50%, the Sugar Regulatory Administration (SRA) said on Wednesday.

The infestation might have been brought to Negros from Luzon, "where RSSI infestation…is still present in some farms," it said.

SRA Administrator Pablo Luis S. Azcona said:

"We cannot afford to have an infestation, as some farmers are already starting to plant their cane for the next crop year," he said.

"We made a good showing this year despite the challenges brought about by the long drought, and I hope we can maintain the momentum and even exceed our targets for next year if we all help one another in containing this infestation," he added.

The SRA said earlier this week that sugar production for crop year 2024-2025 could total 1.837 million metric tons (MMT), exceeding the initial estimate of 1.782 MMT but lower than the actual output of 1.92 MMT in the preceding crop year. The new estimate, if realized, would come in just below the US Department of Agriculture's 1.85-MMT forecast.

PHILSTAR FILE PHOTO

The SRA said it will quarantine the farms, following protocols previously practiced by the coconut industry in containing a cocolisap infestation.

It said the spread of the cocolisap was effectively contained by ensuring that agricultural products would not be shipped out of Calabarzon (Cavite, Laguna, Batangas, Rizal and Quezon) while the infestation was active.

Citing the National Crop Protection Center at the University of the Philippines Los Baños, the SRA said insecticides such as dinotefuran, phenthoate,pymetrozine, and thiamethoxam have shown potential in limiting the RSSI infestation.

The process of testing the insecticides will require an emergency-use permit from the Fertilizer and Pesticide Authority, the SRA said, noting that the insecticides are "not yet registered for sugarcane."

The SRA said it will propose trials to be conducted in Negros. — **Kyle Aristophere T. Atienza**

Lotte among Korean firms planning PHL investments

THE Department of Trade and Industry (DTI) said South Korean companies led by Lotte Group are planning food service and retail investments in the Philippines.

In a statement on Wednesday, the DTI said it heard expressions of intent from the Korean companies at a May 19 meeting.

"Central to the discussion were the South Korean firms' plans to leverage their operational expertise and advanced retail models to contribute to the Philippines' economic growth," the DTI said.

"These companies aim to invest in joint ventures, master franchise agreements, and localized operations that will generate employment, strengthen supply chains, and modernize retail distribution in the country, progressing beyond exporting their brands," it added.

It said Lotte Group's restaurant service arm, Lotte GRS, is preparing to launch its Lotteria flagship brand in the Philippines.

"It is targeting at least 30 store openings across five years. This initiative has a strong focus on local sourcing and workforce development," the DTI said.

Another potential investor outlined plans to introduce modern convenience store formats following successful tests in Vietnam and Mongolia.

The DTI said this potential investor committed to 95% local sourcing,.

"These include fresh items such as fruits, vegetables, sandwiches, and salads," it said, adding that the potential investor expressed interest in digital commerce platforms and last-mile delivery services.

"In addition to food service and retail ventures, South Korean firms are also exploring opportunities in restaurant expansion and import-export channels for Philippine agricultural and seafood products," the DTI said.

"One company, which recently signed a partnership with a Philippine firm, is set to open its first store in Manila by August," it added. — **Justine Irish D. Tabile**

More investments needed to support EPR law due to dearth of recyclers

THE DISTANCE to recycling centers is keeping plastic waste in the provinces from being processed, according to a fintech offering a global plastic deposit program.

Rene Guarin, Plastic Bank vice-president for the Asia-Pacific region, said the dearth of recycling centers points to an opportunity to tap public-private partnerships (PPP) and blended finance to enable broader compliance with the Expanded Producer Responsibility (EPR) law.

There's a lot of plastics in the provinces. They just stay there because the main constraint is, "How do I bring this to recyclers if they're far?" he added.

The expense of transporting plastics to processing facilities could exceed the value of the waste, he noted.

The EPR law requires companies to manage the entire life cycle of their plastic packaging, including disposal. It set a recovery rate target of 80% for all plastic packaging.

"I think if you take a look at recycling industry, not much investment is really coming in," he said on the sidelines of an EPR event with Philippine companies.

"If there are no bailing machines or crushers, the cost of transport is really higher than the market value," he said, citing feedback from waste collectors.

"Then the recyclers say, we have the machines, but sometimes our machines need to be upgraded so that they would meet international standards," Mr. Guarin said.

"For each market, there are different standards, different kinds of machines are needed," he added.

Mr. Guarin said PPPs and blended finance — which involves pooling public funds and private philanthropy — are key to helping recyclers upgrade their facilities and equipment, as an alternative to commercial bank financing.

"Right now, their investment is really coming from their own funds. If there's a PPP, that would reduce the cost of money for them to upgrade and expand their capacity," he said. "That would bring in more recycling in the Philippines."

Mr. Guarin also cited the need to mainstream blended finance to reduce the burden of loan financing with grants.

"It's been practiced in other countries," he added.

"But if you talk to processors, they don't have any idea because nobody has approached them (with such a scheme) in the Philippines."

Plastic Bank has a traceable recycling system supported by the blockchain. Garbage collectors, for instance, can exchange the plastic they collect for either cash or social benefits such as health insurance, grocery vouchers and school supplies.

Plastic Bank, a Canadian fintech, sells on the materials it collects to large brands for use as recycled materials.

"We add value to the plastic we sell. We call our material social plastic," Founder and Chief Executive Officer David Katz said.

"It's collected by everybody. It's for everybody."

Plastic Bank offers solutions in the form of plastic credits to help Philippine companies achieve their 80% recovery rate by 2028.

The EPR law requires all companies with assets exceeding P1 billion to implement EPR programs.

Mr. Guarin said companies may not be able to meet the 80% recovery rate if they do not pay equal attention to waste reduction or using recycled plastic in their packaging.

"This is the experience of other countries. They say that once it hits around 60%, it's hard to collect that volume for compliance," he said.

"That's where the other part of the approach comes in, which is the reduction side."

"Part of that reduction is you use recycled materials so that that would be deducted from the plastic that was asked of you to recover," he explained.

"A good combination of recovery and using recycled materials would allow companies to meet that 80% requirement," he added.

Meanwhile, Canadian Chamber of Commerce of the Philippines President Christopher A. Ilagan called for more incentives for EPR activities including tax deductions for conducting research and development, in order to aid in compliance.

He backs a duty-free import scheme for equipment and green lanes for sustainable inputs, among others.

"Building material recovery facilities, upgrading waste management systems, and deploying traceability technologies are capital intensive," he said.

"Incentivizing infrastructure investment ensures that EPR is not just a compliance exercise, but also a catalyst for industrial transformation," he added.

"True circularity begins with design. Companies that invest in packaging that is recyclable, reusable, or made from recycled content should be recognized." — **Kyle Aristophere T. Atienza**