AirAsia studying PHL-India service

LOW-COST carrier AirAsia Philippines said it is studying the possibility of launching direct flights between the Philippines and India amid strong market demand.

"India is a great market... What AirAsia can do is we will market Philippine tourism to benefit the people of the Philippines and the economy," AirAsia's Deputy Group Chief Executive Officer for Airline Operations Chester Shee Soon Voo told reporters on Wednesday.

He noted that India's large population is boosting global tourism, presenting growth opportunities for low-cost carriers like AirAsia.

The Philippines is also working to further expand its bilateral air service agreements with India, Japan, Thailand, and the United States, Civil Aeronautics Board (CAB) Executive Director Carmelo L. Arcilla said, adding that it hopes to conclude these talks within the year.

The CAB previously said it aims to expand its air services agreement with India, as Air India is set to launch a Delhi-Manila service by October.

AirAsia is accelerating its fleet expansion through a planned purchase of 150 additional aircraft, with up to 20 expected to be delivered to AirAsia Philippines over the next five years.

Earlier, AirAsia Philippines said it was considering the launch of new hubs outside Manila, with Bohol, Clark, and Cebu identified as potential alternatives.

This year, AirAsia Philippines said it is confident it will surpass seven million passengers, after carrying over three million in the first half. — **Ashley Erika O. Jose**

SM Offices targets BPO growth with new Sta. Rosa, Laguna tower

SM PRIME HOLDINGS, Inc.'s commercial property arm, SM Offices, is expanding its regional footprint with the launch of The Core Tower Three office project in Sta. Rosa, Laguna.

The Core Tower Three is the 15th development by SM Offices outside Metro Manila, the company said in a statement on Thursday.

It forms part of the P1.6-billion, three-tower The Core Towers project located within the SM City Sta. Rosa complex, which offers more than 27,000 square meters of office space to the South Luzon market.

SM OFFICES

With the launch, SM Offices said its total leasable footprint has grown to over 1 million square meters, with more than a fifth located in key regional growth corridors.

"The Core Towers reflects the growing demand for future-ready office spaces in regional growth centers like Sta. Rosa," SM Prime Vice-President and SM Offices Head Alexis L. Ortiga said.

"We are seeing sustained interest from companies looking for scalable locations that combine operational efficiency with strong local talent pools," he added.

Each tower is equipped with 100% backup power, modern building systems, and direct connectivity to the South Luzon Expressway, Cavite-Laguna Expressway, and the Old National Highway.

The development offers flexible fit-out options, 24/7 building management, and high-speed telecom connectivity. Tenants also have access to retail, dining, and public transit options within the mall complex.

SM Offices said the project is designed to serve a growing base of business process outsourcing (BPO), technology, and professional services firms seeking workspaces in Calabarzon.

Leasing activity is ongoing, with several firms already in operation, the company said.

The Core Towers project is expected to generate over 6,000 local jobs through tenant operations and building services.

The project was designed by Architect Albert Yu of ASYA Design Partner, an architectural firm with projects in major Philippine cities and key markets in China, including Shanghai, Chengdu, and Suzhou.

SM Prime earlier said it had allocated P6 billion this year to develop new office towers and workspaces, including the Six E-Com Center in the Mall of Asia Complex.

On Thursday, SM Prime shares rose by 1.83% or 45 centavos to P25.05 apiece. — **Revin Mikhael D. Ochave**

FDI,
from S1/1

"Investors may reassess the Philippines' competitiveness compared with peers like Vietnam or Thailand, which may negotiate more favorable trade terms," Mr. Rivera said.

He urged the government to respond with "swift trade diplomacy," provide support to affected sectors and enhance the country's investment appeal through stable policies, incentives and improved logistics.

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said the April FDI was supported by the recent passage of a measure that expands fiscal incentives and reduces corporate income taxes on foreign investors.

Despite the FDI rebound in April, FDI net inflows for the first four months dropped 33.4% to $2.37 billion from a year ago.

Debt instrument investments slid 24.3% to $1.72 billion, while equity capital investments excluding reinvested earnings plunged 68.6% to $302 million.

Equity placements dropped 57.5% to $509 million, while withdrawals fell 11.8% to $207 million.

Major sources of equity investments during the period included Japan (40%), the US (17%), Singapore (14%), South Korea (7%) and Malaysia (6%).

Most investments flowed into the manufacturing sector (47%), followed by real estate (21%) and financial and insurance (14%).

Meanwhile, reinvestment of earnings for January to April rose 7.4% to $348 million from a year earlier. — **A.M.C. Sy**

NexGen seeks foreign partners for project pipeline

NEXGEN ENERGY CORP. is seeking foreign partners to help develop its pipeline of renewable energy projects, its president said.

"NexGen is continually in active discussions with investors from Japan, China, Europe, and the Middle East, who have expressed strong and serious interest in co-developing NexGen's pipeline project," NexGen President Eric Y. Roxas said in a statement on Thursday.

"Pursuing and moving our pre-development phases forward, we generate more interest in our projects as well as enhance our shareholder value," he added.

The company is currently pursuing 14 renewable energy projects — two solar, seven offshore wind, and five onshore wind — all with awarded service contracts, Mr. Roxas said.

Four of these projects are already in advanced stages.

Among the company's solar initiatives, NexGen is expanding its solar farm in Palauig, Zambales, by developing another solar facility with a capacity of 9.9 megawatts (MW), which is targeted to begin operations by mid-2026.

For its wind projects, NexGen said it has successfully erected a 120-meter meteorological mast — a structure used to confirm wind resource potential — at the sites of its 2,000-MW Real and 300-MW Mauban offshore wind projects.

The company is also preparing to install the met mast for its 200-MW Pandan Onshore Wind Project.

"With these milestones being reached, the company has registered for the government's Green Energy Auction Program (GEAP) for the Palauig Solar Farm and plans to register for the upcoming GEAP 5 for its offshore wind projects," the company said.

The government is preparing to launch the fifth green energy auction, which will cater to offshore wind power.

NexGen currently owns and operates three solar farms and has a development pipeline totaling over 1.5 gigawatts of wind and solar projects. — **Sheldeen Joy Talavera**

Gambling tax,
from S1/1

Mr. Tengco said PAGCOR supports Senator Sherwin T. Gatchalian's bill seeking tighter regulation through minimum deposit and bet limits. He separately told DZMM radio on Tuesday a total ban on e-gaming is ill-advised, adding that regulation is the better path.

PAGCOR is also planning to launch a 24/7 counseling hotline to support those struggling with gambling addiction.

Analysts and advocates warned that a sweeping ban could lead to underground operations that are harder to regulate.

"If a total ban is pursued, it must be accompanied by strong enforcement mechanisms, public education, and transition support for displaced workers and businesses," John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said in a Viber message.

He said safeguards remain inadequate to protect vulnerable groups from financial distress, addiction and associated crimes.

Digital Pinoys national campaigner Ronald B. Gustilo said a more practical approach is stricter regulation instead of prohibition.

"The experiences with POGOs and e-sabong (e-cockfighting) have shown that prohibition often drives operators underground, making the industry harder to monitor and control," he said via Viber.

He urged the government to focus on restricting access to gambling content, including banning advertisements on social media, digital wallets and other platforms.

"Ultimately, we must strike a balance between public welfare, the regulated presence of both online and in-person gambling and the need to curb its harmful effects," he added. — **Aubrey Rose A. Inosante**

Debt ratio,
from S1/1

Jose Ma. Clemente S. Salceda, an economist and former congressman, said the debt ratio remains "manageable," especially since the bulk of obligations are obtained locally, limiting vulnerability to foreign exchange shocks.

"I'm not worried even if we stay at around 60% debt-to-GDP," the former Committee on Ways and Means chairman of the House of Representatives said via a Viber message. "Global expectations of debt sustainability evolved during COVID."

National Treasurer Sharon P. Almanza earlier said 80% of borrowings this year would be raised locally, while 20% will be sourced externally — a strategy meant to buffer the impact of a larger deficit ceiling.

As of end-May, the country's outstanding debt stood at P16.92 trillion, with 69.6% obtained domestically.

Still, Mr. Salceda flagged concerns over future shocks and fiscal space.

"The real question is whether our economy and tax base are growing fast enough to support another shock," he said, noting that from 2004 to 2019, the country reduced its debt-to-GDP to 39.6% from 71.6% by expanding the economy and improving tax revenue.

He warned that the proposed 2026 national budget of P6.793 trillion — only 7.4% higher than this year — would be "contractionary in real terms" when nominal GDP is expected to grow by about 8%.

"The government's role in driving growth will be more limited, so spending must be efficient and well-targeted," Mr. Salceda said, adding that sectors like infrastructure, food systems, education and digital services are key to widening the tax base and supporting long-term revenue resilience.

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said the Eurozone's Stability and Growth Pact sets a standard of 60% debt-to-GDP and a 3% deficit ceiling.

Rather than focusing solely on targets, Mr. Ricafort said improving recurring tax collections is crucial, particularly by maximizing existing laws and clamping down on tax evasion.

"In a worst-case scenario and as a final option, new taxes and higher tax rates, among other tax reform measures, [may be needed] to structurally increase the recurring sources of National Government tax revenue collections," he added.

Despite the concerns, multilateral organizations remain cautiously optimistic.

In its Philippine Economic Update on July 7, the World Bank projected that the country's debt-to-GDP ratio would fall to 60.2% by 2025 and 59.7% in 2026. The trend is expected to continue, dropping to 59.4% in 2027 and 59.1% by 2028, by the end of the Marcos administration.

"The projected decline in interest rates should also lower the cost of debt financing," the World Bank said, citing planned fiscal consolidation and recovering growth.