

SM Hotels eyes composting 80% of food waste by 2040

SM HOTELS and Conventions Corp. (SMHCC), the hospitality arm of property developer SM Prime Holdings, Inc., aims to compost 80% of its food waste by 2040 as part of its push for sustainable dining across its properties.

"[The] strategy also includes expanding partnerships with local producers and MSMEs (micro, small, and medium enterprises) to promote inclusive sourcing and integrating more local produce into menus," it said in a statement on Wednesday.

The goal aligns with the company's "Plate for the Planet" initiative, which incorporates circular economy principles into daily hotel operations.

The program tracks food use from sourcing to serving through green procurement, support for MSMEs and local farmers, showcasing heri-

tage and regional cuisine, encouraging responsible consumption, reducing plastic use, and managing food waste efficiently.

Since the initiative's launch in 2019, SMHCC has diverted 323 tons of food waste — equivalent to the amount of waste produced by more than 500 Filipino households in a year, the company said.

The program was first implemented at Pico Sands Hotel in Batangas and Taal Vista Hotel in Cavite.

It now operates across 10 hotel properties and three convention centers.

SMHCC sites participating in the program include Taal Vista Hotel, Pico de Loro Beach and Country Club, Pico Sands Hotel, Radisson Blu Cebu, Conrad Manila, Park Inn by Radisson branches in North EDSA, Clark, Davao, Iloilo, and Bacolod, as well as Lanson Place Mall of Asia, SMX Con-

vention Center Manila, SMX Aura, and Megatrade Hall.

The company said SMHCC kitchens practice accurate forecasting, mindful production, and cooking techniques to reduce waste and maintain food freshness.

It added that food waste is converted into soil-enriching material used to grow vegetables, herbs, and fruits.

In the second quarter, SM Prime's net income rose by 10% to P12.8 billion. Hotels and convention centers accounted for 3% of total income, contributing P635 million, up 20% from P527 million, driven by strong room bookings and higher demand from the meetings, incentives, conferences, and exhibitions (MICE) market.

SM Prime shares closed flat at P22.80 apiece on Wednesday. — **Beatrix Marie D. Cruz**

Flood control, from SI/1

despite solid economic and corporate fundamentals and valuations," he said in a Viber message.

AP Securities, Inc. Research Head Alfred Benjamin R. Garcia said there is increasing negative sentiment towards companies and sectors that could be potentially affected by the widening corruption probe such as banks, casinos, luxury property developers, automotives and car dealerships.

"In particular, there are growing calls to demand accountability from banks as they serve as conduits for misappropriated funds. Casinos were also mentioned as establishments

frequented by personalities connected to the scandal and there's speculation that demand for luxury property and cars were propped up by money from corruption," Mr. Garcia said in a Viber message.

He said there could be over-correction in the infrastructure sector as increased oversight could slow the implementation of projects.

"This would have a negative impact on GDP and more broadly speaking, on economic development," Mr. Garcia said.

On Wednesday, the PSEi rose by 0.24% or 14.91 points to close at 6,098.74, while the broader all shares index increased by 0.31% or 11.43 points to end at 3,684.65. — **Alexandria Grace C. Magno**

Jobless, from SI/1

UNDEREMPLOYMENT FALLS

Meanwhile, underemployment eased to 10.7% in August from 11.2% a year prior and 14.8% a month before.

This was equivalent to 5.38 million Filipino workers that wanted more working hours or an additional job in August.

Of the underemployed workers in August, 62.4% worked less than 40 hours a week, while 37.6% worked 40 hours or more a week.

For the January-to-August period, the underemployment rate rose to 12.7% from 12.1% a year ago.

Also, the employment rate improved to 96.1% in August from 94.7% in July, with the total employed persons rising to 50.1 million.

This brought the eight-month average employment rate to 95.9%, down from 96% a year ago.

Wage and salary workers accounted for 64.4% of employed persons, followed by self-employed without any paid employees (27%), unpaid family workers (7%) and employers in own family-operated farm or business (1.6%).

Among wage and salary workers, those employed by private establishments accounted for 78%, followed by those employed in government or government-controlled corporations (14.1%).

The labor force participation rate climbed to 65.1% in August from 60.7% in July, equivalent to 52.13 million Filipinos aged 15 and older either working or seeking work.

PSA data showed the service sector remained the country's biggest employer in August, accounting for 61.5% of total jobs, followed by agriculture at 20.4% and industry at 18.1%.

Wholesale and retail trade, agriculture and forestry, and construction were the top sub-sectors.

On an annual basis, construction gained 540,000 workers, followed by fishing and aquaculture (448,000), administrative and support service activities (307,000), agriculture and forestry (300,000), and other service activities (239,000).

In contrast, wholesale and retail trade; repair of motor vehicles and motorcycles posted the largest annual decline in workers at 788,000, followed by public administration and defense, compulsory social security (1.6%).

(-220,000); education (-151,000); human health and social work activities (-134,000); and real estate activities (-75,000).

Youth employment also improved, with the employment rate among those aged 15 to 24 rising to 88.3% from 81.9% in July, the local statistics agency said.

On average, employees worked 41 hours a week, up from 40.7 hours in August last year.

THREAT OF BAD WEATHER

Department of Economy, Planning, and Development Secretary Arsenio M. Balisacan called for continued investment in workforce development, infrastructure and digitalization — especially for micro, small, and medium enterprises — to build resilience in vulnerable sectors.

"We aim to enhance resilience in sectors vulnerable to disruptions, such as retail trade and agriculture, by prioritizing improvements in logistics, infrastructure, digitalization, and workforce development," he noted.

"The government is also ramping up investments in climate-resilient infrastructure and proactive measures, alongside timely emergency employment programs to support workers affected by disruptions."

In a note, Chinabank Research said the threat of bad weather conditions persists and continues to pose a risk to job opportunities, especially in agriculture and fisheries, retail trade and construction.

"On a more positive note, seasonal demand due to the upcoming holidays should provide some support to the labor market this quarter," it added.

University of the Philippines School of Labor and Industrial Relations Benjamin B. Velasco said historical data show an up-tick in employment as the holiday season approaches.

"It can still be dampened by the impact of climate events on vulnerable sectors like agriculture," he said via Facebook Messenger.

Mr. Velasco said the drop in unemployment and rise in labor force participation are positive developments as more people who were out of work or discouraged from working are now employed.

"Hopefully, more of them are in full-time work and good jobs, as shown in [a] slight decrease in the underemployed."

PSA's Mr. Mapa said the labor market in September may have been affected by the series of typhoons and the recent 6.9-magnitude earthquake that hit southern Philippines.

trillion by 2028, the latest Budget of Expenditures and Sources of Financing said.

Meanwhile, the Bureau of Customs is projected to generate P589.5 billion from VAT on imports in 2025, with collections reaching P695.77 billion by 2028.

Earlier, the World Bank said that the Philippines can boost its revenue collections by expanding its VAT base and improving tax administration.

World Bank Country Director for the Philippines, Malaysia, and Brunei Zafer Mustafaoglu said the country has "substantial space to increase VAT revenues by improving compliance and reducing exemptions and special rates." — with **Kenneth Christiane L. Basilio**

VAT, from SI/1

"Congress can look at lowering the VAT rate and compare it with our peers in the ASEAN (Association of Southeast Asian Nations) region if they are looking for ways to help the taxpayers," she said in a Viber message.

The Philippines' 12% VAT rate is relatively higher compared with Southeast Asian countries. For instance, Indonesia's VAT is at 12%, while Cambodia, Malaysia, Vietnam and Laos are at 10%; Singapore at 9% and Thailand at 7%.

Jose Enrique "Sonny" A. Africa, executive director at think tank IBON Foundation, said scrapping VAT would "ease the

disproportionate tax burden on ordinary Filipinos."

"Abolishing it and compensating with stronger billionaire wealth, corporate and wealthy family income taxes will make the tax system much fairer and more equitable," he said in a Viber message.

Mr. Africa said that implementing a "billionaire wealth tax" could yield P500 billion to P600 billion in government revenues annually, and would be enough to supplement the funding shortfalls from the removal of VAT.

However, proposals to abolish VAT or amend the VAT law are unlikely to get the support of Finance Secretary Ralph G. Recto, who authored the legislation that raised the VAT rate to 12% in 2005.

Meanwhile, the BIR said it collected P487.12 billion in VAT as of end-August period, up 8.87% from P447.42 billion a year ago. However, this was 1.64% short of the BIR's P495.26-billion VAT collection goal for the January-to-August period.

VAT collection accounted for 22.77% of the agency's total revenues of P2.14 trillion during the eight-month period.

In an e-mailed document to *BusinessWorld*, the BIR said VAT collection from "government investments in healthcare, infrastructure and agriculture" helped drive overall revenue collection so far this year.

The BIR is expected to collect P796.87 billion from net of VAT refunds this year, climbing to P1.3

Oil imports, from SI/1

"These service contracts signify not only our determination to secure new energy sources, but also our readiness to embrace innovation and sustainability while reducing import dependence," said Energy Secretary Sharon S. Garin.

"From conventional petroleum to native hydrogen, we are expanding the frontiers of Philippine energy exploration," she added.

Asked about the potential interference by China in the contracted areas, specifically those located in west of Palawan, the Energy chief said that all projects are well coordinated with the Department of National Defense "whether near the disputed areas or not."

The DoE said that all the awarded contracts have undergone a transparent and competitive selection process under the

Philippine Conventional Energy Contracting Program.

PSC Nos. 80 and 81 located in the southern Sulu Sea were awarded to a consortium comprising of Australia's Triangle Energy (Global) Limited, United Kingdom's Sunda Energy Plc., Pangilinan-led PXP Energy Corp. and The Philodrill Corp.

PSC 80 spans about 780,000 hectares, while PSC 81 covers 532,000 hectares. These contracts will be co-managed by the DoE and the Ministry of Environment, Natural Resources, and Energy of the Bangsamoro Autonomous Region in Muslim Mindanao.

Separately, PSC No. 82 was awarded to Triangle Energy, allowing it to proceed with petroleum exploration across 480,000 hectares in Cagayan basin.

For native hydrogen exploration in Central Luzon, the government awarded PSC Nos. 83 and 84 to US-based Koloma, Inc. SC 83

covers 126,645 hectares while SC 84 covers 85,082 hectares.

Gas 2 Grid Pte. Ltd. secured PSC No. 85 to explore 127,475 hectares in onshore Cebu.

A consortium of Filipino companies composed of Philodrill, Anglo Philippine Holdings Corp., PXP Energy, and Forum Energy Philippines Corp. received PSC No. 86, which covers 132,000 hectares in the Northwest Palawan Basin.

Situated in the East Palawan Basin, PSC No. 87 was awarded to Israel's Ratio Petroleum Ltd.

With contracts in place, the companies can commence their respective work programs, which include geological and geophysical studies, seismic surveys, and drilling activities, as appropriate, to assess the potential of the contract areas.

Aside from exploration, service contractors will fund and undertake educational scholarships, capacity-building, and community development programs.

Edgar Benedict C. Cutiongo, president of the Philippine Petroleum Association, said that the PSCs unlock the potential of indigenous hydrocarbon resources to offer "a cost-effective and competitive energy supply" for consumers.

He said that reducing reliance on imported fuels "directly contributes to price stability and economic resilience."

"The timely execution of these PSCs is expected to catalyze exploration and discovery activities, ensuring a reliable and secure energy supply for the future," Mr. Cutiongo told *BusinessWorld*.

"The success of these initiatives will depend on the industry's collective commitment to responsible and efficient resource development."

Former Energy Undersecretary Jose M. Layug, Jr. said that the signing of eight PSCs is "a good signal for revival of oil and gas exploration in the Philippines."

SEC to ramp up outreach as FARMS program draws no participants

NO COMPANY has joined the Securities and Exchange Commission's (SEC) Financing Agribusiness through Responsible Market Solutions (FARMS) program since its launch in 2023, the commission said.

"There is currently no company that has availed of the SEC FARMS program since its launch in 2023. However, the commission has seen a growing interest from the sector, with one agribusiness already expressing its interest in availing of the program," the SEC Markets and Securities Regulation Department said in an e-mailed reply to questions on Tuesday.

"We [are] focusing on building a strong foundation for the program by raising awareness, strengthening partnerships, and ensuring that the program's benefits are well-communicated and accessible to qualified agribusinesses," it added.

Formalized under SEC Memorandum Circular No. 8, Series of 2023, the FARMS program allows agribusiness companies to raise up to P500 million per project, with a 28-day review period from filing.

Under the memorandum, a corporation must be specifically established for agri-based

projects and register securities not exceeding P500 million per project, either through a single registration or a series of registrations. Proceeds from the sale of registered securities must not exceed 50% of the total project cost.

To qualify for the program, companies must have secured seed money equivalent to the remaining 50% of the total project cost.

If the project has already begun, the company must report its completion percentage and show that available funds amount to at least half of the total project cost.

The SEC said it aims to boost participation in the FARMS program by encouraging more agribusinesses and micro, small, and medium enterprises (MSMEs) to tap capital markets. These efforts include offering a 50% discount on securities registration fees valid until June 30 next year, implementing the "Call a Friend and Engage with SEC" (CAFE SEC) program that provides consultations to assist with regulatory filings, and conducting webinars and seminars to promote financial inclusion and access to capital for rural and agricultural enterprises. — **Alexandria Grace C. Magno**