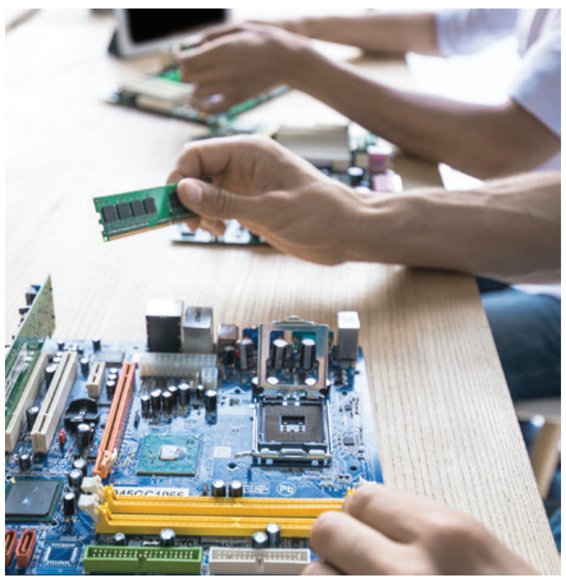
PEZA says prospective investors shrugging off corruption concerns


FREEPIK

THE Philippine Economic Zone Authority (PEZA) said potential investors have not yet let the infrastructure corruption scandal affect their plans, adding that it still expects the economic zones it administers to generate 100,000 new jobs this year.

"We do not see any signs of slowing down as long as the government can immediately resolve all its issues so that finally we can tell the global community that we are open for business and that we are ready to welcome their investments into the Philippines," PEZA Director General Tereso O. Panga told *Money Talks with Cathy Yang* on One News on Tuesday.

"Right now, we are at 1.8 million in direct jobs. We are projecting 100,000 new jobs this year. The big bulk of that will be coming from information technology and business process management (IT-BPM)."

For this year, PEZA is hoping to approve P300 billion worth of investment pledges, up from P262 billion it approved in 2025.

The top three industries operating in PEZA-administered zones are manufacturing, economic zone (ecozone) development, and IT-BPM.

"These investments that we attract, once realized, will then translate into the generation of the much-needed jobs, not just in terms of numbers, but quality jobs," he said.

"The two main drivers of growth are our electronics and IT-BPM sectors. And so the strategy of PEZA is if we can create more ecozones in rural and new growth areas, then we can provide more livelihoods, support communities, and generate more jobs," he added.

Nevertheless, Mr. Panga said that PEZA harbors some concerns about how the corruption scandal has been impacting the country's viability as an investment destination.

"It is a cause for concern. I think all these political risks and all this noise about corruption in government are definitely impacting our viability as an investment destination," he said.

"We can see from the pronouncements of the President and the cabinet that they are well-meaning (and want) to finally achieve closure on this; only when we can hold those really responsible for this mess accountable for their actions can we show the global community that we are (serious)," he added.

He said the ecozone advantage is being somewhat insulated from the impact of the corruption scandal.

"What we usually tell them is that in PEZA, at least in the ecozones, they can be in a safer haven for their investments," he added.

After the government announced a reform package to boost investor confidence, Mr. Panga cited the need to be "consistent and harmonized with how we implement the law... that is the only way we can really grant the fiscal incentives as promised in the law and in our registration agreements," he added. — **Justine Irish D. Tabile**

Rice output 'disappointing' even after surpassing DA's downgraded 2025 target

PHILIPPINE production of palay (unmilled rice) rose 3.01% to 19.68 million metric tons (MMT) in 2025, recovering from the previous year's decline but below an original official projection of over 20 MMT, analysts said.

Danilo V. Fausto, president of the Philippine Chamber of Agriculture and Food, Inc., told *BusinessWorld* that despite more favorable weather, last year's rice output was still "below expectations."

"Rice output of 19.68 MMT is a disappointment since the Department of Agriculture's (DA) (earlier) projected output for 2025 of around 20.3 MMT to 20.4 MMT," he said via Viber.

The DA has since downgraded its 2025 goal to 19.61-19.89 MMT.

The Philippine Statistics Authority (PSA) reported that palay output last year exceeded the 2024 total of 19.09 MMT, which had declined 4.85% from 2023.

The PSA also recorded a 2.22% increase in the harvest area to 4.75 million hectares in 2025.

Mr. Fausto said that while the harvested area expanded and support to the rice industry increased, output did not meet the early projection, warranting a review of the DA's programs and performance.

Raul Q. Montemayor, national manager of the Federation of Free Farmers, said last year's rice output was still below production levels seen in recent years.

"The 2025 result is actually lower than in 2021 to 2023 in terms of production, harvest area, and yield. So we are not really progressing, and in the meantime, population and rice requirements are increasing," he told *BusinessWorld* via Viber.

The PSA reported palay output of 19.96 MMT in 2021, 19.76 MMT in 2022, and 20.06 MMT in 2023.

Mr. Montemayor also questioned the inability of production to keep up with demand despite the billions of pesos poured into the rice industry.

"Why is output not catching up with demand, why is the harvested area going down despite investments in irrigation, and why are yields not improving significantly despite seed, fertilizer, mechanization, and other subsidies?" he said.

Jayson H. Cainglet, executive director of the Samahang Industriya ng Agrikultura, said the increase in production and harvested areas last year was a direct result of good farmgate prices in 2024.

"2024 was a good year for rice farmers, farmgate prices ranged from P18 to P27 per kilo, thus encouraging more farmers to plant palay," he told *BusinessWorld* via Viber.

However, Mr. Cainglet said that output this year will be weighed down by the sharp decline in farmgate prices over the past two cropping seasons, which may discourage farmers from increasing production.

"The same goes for other crops and the livestock sector. Positive farmgate prices will encourage more small planters to plant, and more backyard growers to raise hogs and poultry," he added.

Former Agriculture Undersecretary Fermin D. Adriano told *BusinessWorld* that with palay output of close to 20 MMT, the Philippines would still need to import around 4 MMT of rice this year.

"The 20 MMT of palay will convert to around 13 MMT of rice. Our rice consumption is above 16 MMT annually. In other words, we need to import around 4 million MT (including shipments to strengthen our rice inventory) this year to ensure price stability," he said in a Viber message.

The DA said that with the palay production target set at 20.3 MMT this year, rice imports are projected between 3.6 MMT and 3.8 MMT, levels it considers sufficient to meet demand without depressing farmgate prices. — **Vonn Andrei E. Villamiel**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BoI approves Isabela, Pangasinan solar projects

THE Board of Investments (BoI) said it approved the registration of two renewable energy (RE) projects worth a combined P2 billion in Isabela and Pangasinan.

"RE remains a top priority sector for investment promotion," Trade Undersecretary and BoI Managing Head Ceferino S. Rodolfo said in a statement on Tuesday.

"These approvals signal a strong start for 2026 in terms of investment generation, particularly in the RE sector, and reinforce investor confidence in the Philippines' clean energy transition," he added.

The BoI greenlit the P1.99-billion Gamu Solar Power Project of Intramuros Solar Energy Corp. in the municipalities of Gamu and Naguilian, Isabela.

With an expected capacity of 70.786 megawatts (MW) peak, the project is set to begin commercial operations in March.

The other project was the P17.42-million Richbake, Inc. Solar Power Project in Pangasinan.

To be developed by PI Energy, Inc., the solar project will have a 0.494-MW peak capacity and begin operations by March.

"These projects support the Philippine Energy Plan 2023-2050, which aims to increase the share of renewable energy in the power generation mix to at least 35% by 2030, 50% by 2040, and more than 50% by 2050," the BoI said.

"Once operational, the two solar facilities will contribute to meeting the additional capacity requirement of 984 MW needed to achieve the targeted 694 MW of installed solar capacity under the Clean Energy Scenario by 2050," it added.

Meanwhile, the BoI is expecting the registration of more RE projects after it endorsed 81 projects worth P1.96 trillion for green lane treatment.

Of the 81, 74.5% were in the RE sector, which is expected to generate over 163,000 jobs.

Since February 2023, 232 projects have been endorsed for green-lane treatment, which makes them eligible for expedited processing. These are projected to generate P6.11 trillion in investments and 398,567 jobs. — **Justine Irish D. Tabile**

GOCCs ordered to prepare 2027 budget proposals

THE Department of Budget and Management (DBM) ordered state-run firms to start preparing their budget proposals for 2027.

Acting Budget Secretary Roland U. Toledo issued Corporate Budget Memorandum No. 48 for heads of government-owned or -controlled corporations (GOCCs), kicking off another one of the preparatory stages for drafting the National Expenditure Program for next year.

He said the budget seeks to "intensify optimization of budgetary support to GOCCs in response to the call to reform the public corporate sector in light of the tight fiscal resources of the government."

The DBM said the government disbursed P122.83 billion to GOCCs as of the end of November, equivalent to 96.4% of the allocations budgeted for 2025.

Mr. Toledo said proposals from state-run firms will be assessed based on value for money, performance indicators, and consistency with the government's fiscal consolidation agenda.

"It is emphasized that the agency's performance, specifically the progress of implementation of funded programs/projects and its corresponding budget utilization, will be a key review factor," he said.

Mr. Toledo added that the 2027 budget should focus on the efficient use of government resources for nation-building and closing market gaps.

"It aims to maintain the principle of non-preferential treatment, which requires that government resources shall not be used to finance advantages or benefits that directly or indirectly enable GOCCs/GFIs to compete with the private sector," he said.

Earlier this month he had notified the heads of departments and agencies to start preparing their budget proposals.

For the 2026 budget, the DBM said government agencies' budget proposals surged to P11 trillion from P9.2 trillion in funding requests for the 2025 spending plan. — **Aubrey Rose A. Inosante**