Aurora economic zone says airport funding could help attract commercial air services

THE Aurora Pacific Economic Zone and Freeport Authority (APECO) said its 2026 budget contains funds that could go towards upgrading its airport and ultimately help attract commercial air services.

"The (budget approved by the) Department of Budget and Management was only P262 million," APECO President Gil Taway IV told reporters late Tuesday, adding that requests for additional funding during budget deliberations brought its 2026 General Appropriations Act (GAA) allocation to P381.54 million, up 49% from its 2025 GAA budget.

"It looks like we'll get something for the airport. For the airport project, currently, we can currently welcome chartered flights under a one-time permit," he said.

He added that the increased funding will also help complete infrastructure projects like the Corporate Campus development, the APECO Legacy Villas, and a central expressway.

"The moment we complete the corrective measures (for the airport) we will be issued a permit to operate. The Civil Aviation Authority of the Philippines (CAAP) said that if we can do the terminal building ... we can transition from chartered flights to commercial operations," he added.

The corrective measures include the delivery of fire trucks, apron markings, and fencing. The terminal is expected to cost around P31 million, according to a study in 2022 which had evaluated the requirements to accommodate a 40-60 seat turboprop aircraft.

"We also hope to save funding for an air traffic control tower," he said.

The tower is estimated to cost P39 million, which APECO hopes to finance from savings last year.

"According to our engineering team, if we can bid out the terminal building in February, we can complete it by August to September," he said.

Meanwhile, he said that APECO's proposed port is not yet included in the 2026 budget, though the agency's South Korean partner, Yooshin Engineering Corp. could end up raising funds for the project.

"They will be back here in January ... They have had preliminary talks with potential funders (including) Korean banks and private equity funds," he said.

Mr. Taway said APECO is seeking to finalize the terms for the project this year and hopes to start construction as early as the last quarter of 2027.

"The plan is (to make sure) it can accommodate the Panamax ships," he said, referring to vessels certified to transit the Panama Canal. — **Justine Irish D. Tabile**

Ports regulator forecasts stronger cargo, passenger volumes

THE Philippine Ports Authority (PPA) said it is projecting stronger growth in cargo and passenger traffic this year, driven by investments in port efficiency.

The forecast reflects "continued investments in port modernization, operational efficiency, and service excellence," PPA General Manager Jay Daniel R. Santiago told *BusinessWorld*.

For 2026, the PPA said it is expecting cargo volume to come in 4.03% stronger at 320.94 million metric tons, driven mainly by higher foreign cargo shipments.

The PPA said foreign cargo volume is expected to rise 4.28% to 202.73 million metric tons in 2025. Domestic cargo volume is seen rising 3.61% to 118.22 million metric tons.

"We remain focused on delivering measurable results that translate to safer, more reliable, and more accessible port services," Mr. Santiago said.

Container throughput is forecast to increase 3.94% to 8.88 million twenty-foot equivalent units.

For this year, passenger traffic is expected to grow 5.78% to 87.26 million, the PPA said, after logging 82.49 million passengers in the first 11 months of 2025.

PPA logged a record of 6.28 million passengers during the Christmas and New Year travel season, the highest volume since its establishment in 1974. The surge was logged between Dec. 15, 2025 and Jan. 5, 2026.

About 12 ports are set to be privatized in 2026, the PPA added.

In 2024, the PPA said it earmarked up to P16 billion for infrastructure projects until 2028. The funds will go towards enhancing port efficiency and capacity, including 14 big-ticket projects targeted for completion within the period. — **Ashley Erika O. Jose**

NGCP sees risks to grid stability from overdependence on intermittent RE

THE National Grid Corp. of the Philippines (NGCP) said excessive reliance on "intermittent" renewable power sources could result in power interruptions if not properly managed.

"Any new power source introduced into the system will help keep supply stable. However, not all renewable energy technologies are equal. Some technologies (such as wind or solar) are, by nature, variable or supply intermittently, and therefore need to be handled more carefully," NGCP said in a statement on Wednesday.

The NGCP cited recent voltage fluctuations in northern Luzon, which it blamed on "unstable output of renewable energy sources."

The grid operator said the sudden variability in renewable energy (RE) generation prompted it to take action to prevent further disturbances.

"While such variability can be effectively managed with fast-acting resources, conventional generation (such as coal-fired power plants) has limited capability to respond quickly due to longer ramping times," it added.

The NGCP said that battery energy storage systems play a crucial role in providing rapid support to maintain frequency stability as they serve as a "fast-acting resource."


FREEPIK

With the anticipated entry of new renewable energy capacity such as the Terra Solar Power Project, the NGCP cautioned about the strain on grid stability in the form of frequency and voltage fluctuations, which may lead to load shedding or rotating power interruptions if not properly managed.

"There are operational considerations that must be carefully managed on both the side of the transmission, and more importantly, on the side of the generating plant," the company said. "Doing so will help grid stability and mitigate any fluctuations inherent in variable renewable energy sources."

The NGCP said all required facilities for power plants, as determined in the system impact study, must be fully complied with.

In a separate statement, Meralco PowerGen Corp. (MGEN) said that challenges associated with variable renewable energy sources are "real and must be addressed through proper planning, technology, and coordination."

MGEN said the Terra Solar Power Project, now known as MTerra Solar, was designed taking these concerns into consideration.

"We agree that the entry of large renewable energy projects should be complemented by solutions that contribute to grid stability," the company said.

"MTerra Solar reflects this system-based approach and is being developed in close coordination with NGCP and in compliance with existing grid rules, with the shared objective of delivering reliable, cleaner power to consumers," it added.

Occupying a 3,500-hectare site in Nueva Ecija and Bulacan, MTerra Solar consists of a 3,500-megawatt-peak solar power plant and a 4,500-megawatt-hour energy storage system.

The project's first phase will be completed by early 2026 and the second phase a year later. — **Sheldeen Joy Talavera**

ODA talks for farm bridge project targeted to conclude by March

THE Department of Agriculture (DA) said it hopes to complete negotiations with France for 350 million euros in official development assistance (ODA) within the first quarter.

The funding will cover the construction of 300 such bridges, for which "procurement is already ongoing. Maybe we can conclude the loan negotiations by March. So, we can start the implementation by April," according to Arnel V. De Mesa, agriculture assistant secretary for special concerns and ODA, told *BusinessWorld* by phone.

In June, the Economy and Development Council approved the DA's P28-billion farm-to-market bridges development program, which laid down plans to build 300 modular steel-panel bridges.

The DA has said that the bridges will include four standard single-lane and 296 extra-wide single-lane spans, with a combined length of about 11,400 linear meters.

The DA added that the bridges, which will accompany its farm-to-market roads, are bring planned for 52 provinces across 15 regions.

Mr. De Mesa said about half of the bridges are expected to be constructed in Mindanao.

Meanwhile, the DA said it expects to complete by February the concept notes for possible ODA projects with Canada.

"The projects will cover high-value crops and dairy. That's what we're looking at, including coffee, potato, and cacao. There are also possible logistics projects," Mr. De Mesa said.

In November, the DA met with representatives of the Canadian government to discuss potential collaboration in high-value crop and dairy development, climate-resilient farming, and the monitoring of illegal, unreported, and unregulated fishing.

The DA added that it is also seeking Canadian guidance on expanding fortification in food products, as well as in dairy technology and knowledge transfer. — **Vonn Andrei E. Villamiel**

Jobless rate,
from S1/1

Year to date, the average underemployment rate stood at 12.26%, inching up from 12% a year earlier.

Labor force participation rate rose to 64% in November from 63.6% in October but slipped from 64.6% a year earlier. This translated to a labor force of 51.52 million in November, higher than the 51.16 million in October and 51.2 million in November 2024.

PSA data showed job losses were concentrated in industries directly affected by adverse weather conditions and weaker consumer activity in November.

Accommodation and food service activities had the largest year-on-year decline, shedding 309,000 jobs. Losses were concentrated on restaurants and mobile food service activities, which cut 191,000 positions, followed by short-term accommodation activities with a reduction of 76,000 jobs, and event catering services, which declined by 23,000.

Wholesale and retail trade, including the repair of motor vehicles and motorcycles, also saw jobs drop by 258,000 year on year.

Employment declines were also recorded in retail sales in stalls and markets dealing in food, beverages, and tobacco, as well as buyer stalls and motor vehicle sales. Other service activities shed 250,000 jobs, driven largely by cuts in personal wellness services and domestic services.

Jobs in manufacturing fell by 150,000, reflecting continued weakness in the sector. Mr. Mapa said the semiconductor and electronics sector, in particular, lost 106,000 jobs year on year in November.

He said that manufacturing of other food products and the processing and preserving of fruits and vegetables also posted notable job losses, partly due to supply-chain disruptions and reduced operating days following the typhoons.

"These sectors — accommodation and food service activities, wholesale and retail trade, other service activities, and manufacturing — contributed to the decline in the number of employed persons, which in turn pushed unemployment higher year on year," Mr. Mapa said.

Some sectors, however, recorded employment gains. Public administration and defense, including compulsory social security, added 185,000 jobs year on year, while education employment increased by 176,000, partly reflecting continued hiring in government and public institutions.

BETTER IN DECEMBER?

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., told *BusinessWorld* that the relatively higher unemployment rate in November was "partly due to the series of typhoons, storms, flooding that led to weather-related disruptions that reduced business days, sales, incomes for some businesses, consumers, and other institutions."

For Chinabank Research, the decline in manufacturing jobs, particularly those in the production of semiconductors and other electronic components, reflected the impact of recent typhoons on business operations.

"Looking ahead, the sector continues to face risks from the challenging external environment, though a pickup in domestic demand could help support factory activity and improve job prospects," it said.

Chinabank Research said it expects holiday demand in December to have provided support to employment and consumption at the end of 2025.

"December might show better data with stronger holiday-driven demand, though this seasonal boost will likely wane this month. This year, we expect the labor market to remain generally robust and support a recovery in consumption growth," it added.

Mr. Ricafort said the labor market may have improved in December 2025 amid peak seasonal demand, better weather conditions, and increased economic activity.

"Nevertheless, unemployment rate at 3%-4% levels is still considered among the best in about 20 years or since revised records started in 2005," he said.

Mr. Ricafort also pointed to the government's planned catch-up spending in 2026, anchored on governance reforms and anti-corruption measures, as a potential boost to investor confidence, economic growth, and employment going forward.

In a statement, the Department of Economy, Planning, and Development (DEPDev) said the latest LFS results underscore the need to strengthen workforce competitiveness and business resilience amid persistent disruptions.

"The government is prioritizing investments in skills development, lifelong learning, and social protection systems to enable workers to transition across sectors and withstand economic shocks. Strengthening workforce competitiveness is one of the key elements to attract investments that generate quality jobs," DEPDev Secretary Arsenio M. Balisacan said in a statement.

For his part, Mr. Laguesma said the Department of Labor and Employment, in collaboration with the private sector, will ramp up efforts to come up with "better employment results" in the coming months.