

Nestlé says it will try to avoid price hikes

NESTLÉ Philippines, Inc. said it will try to avoid raising prices this year despite geopolitical risks that could disrupt supply.

"Price is the last thing that we want to touch," Nestlé Philippines Head of Corporate Affairs José T. Uy III said at a briefing on Tuesday. "As long as we can absorb it, we will try to absorb it."

The company said it remains cautiously optimistic about its revenue outlook, as it works to manage cost pressures through efficiency measures and sustainability initiatives.

"We always try to find efficiencies in our operations in order to compensate for the fluctuations," Mr. Uy said.

Nestlé Philippines generated \$2.5 billion in revenues in 2025, making it the Swiss company's sixth-largest market globally.

In terms of revenue size, the Philippines is only behind the United States, China, Brazil, the United Kingdom, and Mexico.

The company said it is managing price pressures as the war in the Middle East affects global supply chains.

Kasia Gryzbowska, zone head of sustainability for Nestlé's Asia, Oceania, and Africa region, said investing in sustainability "makes sense in the longer term" amid external uncertainties.

"Sustainability is not just doing good for the bigger good. It is very much the essence of survival for the company," she told the briefing.

Nestlé Philippines has reduced its net greenhouse gas (GHG) emissions by 20%, mainly due to a shift to renewable energy (RE), according to Meg Anne Santos, the company's sustainability head.

Ms. Santos said all Nestlé manufacturing sites, as well as its head office in Makati City, now operate on 100% renewable energy, mainly sourced from hydroelectric and geothermal sources.

Five of the company's six distribution centers are powered by renewable energy, and it aims to transition all centers by yearend.

Ms. Santos said investments in renewable energy have become more practical due to increased availability and more competitive pricing in the market.

The company's top brands in the Philippines include Nescafé, Milo, Bear Brand, and Maggi.

Nestlé Philippines is also exploring regenerative agriculture practices through new technologies, Ms. Santos said.

At its factory in Cabuyao, Laguna, the company is converting locally sourced wooden pallets into biomass fuel to reduce fossil fuel use.

Last year, Nestlé partnered with Mober Technology Pte., Inc. to transport products across the Greater Manila area using electric vehicles.

The company has also shifted to paper straws for its ready-to-drink products, reducing about three million kilograms of plastic.

Looking ahead, Nestlé plans to further integrate circular economy practices into its production processes.

"The dream really for us is to change the design for recycling to be recyclable, but we cannot do that without the infrastructure development," Ms. Santos said. "We're a long way to go, but that doesn't mean we stop trying."

Nestlé Philippines operates manufacturing facilities in Cabuyao and Canlubang, Laguna; Cagayan de Oro; and Lipa and Tanauan, Batangas. — **Beatriz Marie D. Cruz**

CREIT keeps PRS Aa+ rating from PhilRatings with stable outlook

SAAVEDRA-LED Citicore Energy REIT Corp. (CREIT) has retained its PRS Aa+ issuer credit rating from the Philippine Rating Services Corp. (PhilRatings) for the sixth consecutive year.

In a statement on Tuesday, CREIT said it maintained the rating with a stable outlook.

The company also retained the same rating for its P4.5-billion ASEAN green bonds.

"Maintaining the PRS Aa+ rating both for CREIT as an issuer and for our maiden ASEAN green bond signals continued confidence in our business model, our stability, and our long-term value creation as the Philippines' foremost renewable energy REIT," said CREIT President and Chief Executive Officer Oliver Tan.

PhilRatings said the issuer credit rating reflects the "overall creditworthiness of a company, evaluating its ability to meet all its financial obligations within a time horizon of one year," while the stable outlook indicates that

the rating is expected to remain unchanged over the next 12 months.

It added that issue credit ratings of PRS Aa are of high quality and subject to very low credit risk, with the obligor's capacity to meet financial commitments considered very strong.

CREIT issued its ASEAN green bonds in February 2023, with the offer oversubscribed. Proceeds were used to acquire renewable energy properties.

These acquisitions expanded the company's green land portfolio to 7.1 million square meters.

"Our platform is built not only on securing resilient investments but is anchored on trust and confidence of our investors. As we continue to grow and expand our green asset portfolio, we remain fully committed to empower your sustainable investments and ensuring that the expectations and obligations to our shareholders are met," Mr. Tan said. — **Sheldeen Joy Talavera**

D&L sees limited impact from proposed biofuel suspension

LISTED specialty food ingredients and oleochemicals manufacturer D&L Industries, Inc. said a proposed temporary suspension of biofuel blending is not expected to have a material impact on its business under current market conditions.

"Based on prevailing market conditions, the price differential between biodiesel-blended diesel and pure diesel remains well below the five percent threshold indicated in the proposed legislation. As such, we do not expect any material impact under current market conditions," D&L President and Chief Executive Officer Alvin D. Lao said in a statement on Tuesday.

The company said the price differential currently stands at about 1.33%, with diesel priced at approximately P90 per liter.

The Senate is debating a bill, certified as urgent by President Ferdinand R. Marcos, Jr., that would allow the President to suspend the biofuel blending mandate under the 2006 Biofuels Act for up to one year during periods of abnormal fuel price increases.

The proposed measure would allow the government to manage pump prices amid

volatility in global oil markets. The suspension would apply only if blended fuel costs at least 5% more than pure fuel.

D&L's biodiesel operations are conducted through Chemrez Technologies, Inc., a Philippine producer of coconut-based biodiesel.

"The proposed measure is intended as a temporary price stabilization mechanism and does not repeal the Biofuels Act or alter the country's long-term policy direction toward renewable fuels. We therefore expect the long-term fundamentals of the biodiesel industry to remain intact," he said.

"Chemrez has the flexibility to redirect production toward higher-value coconut-based oleochemical exports should domestic biodiesel demand temporarily soften. Global demand for sustainable specialty ingredients remains robust. The operational flexibility and resilience we have built over the years allow us to navigate evolving market conditions while continuing to deliver stable growth," Mr. Lao added. — **Alexandria Grace C. Magno**



SMGP gets SEC nod for up to P30-B bond offer

ANG-LED San Miguel Global Power Holdings Corp. (SMGP) has received approval from the Securities and Exchange Commission (SEC) to proceed with a bond offering of up to P30 billion.

In a statement on Tuesday, the SEC said its Commission En Banc approved SMGP's registration statement covering P20 billion in fixed-rate bonds, with an oversubscription option of up to P10 billion.

The issuance remains subject to the company's compliance with certain remaining requirements, the regulator said.

The bonds consist of 5.25-year Series N bonds due 2031, seven-year Series O bonds due 2033, and 10-year Series P bonds due 2036, and will be offered at face value.

If the oversubscription option is fully exercised, SMGP could raise as much as P29.64 billion from the offering. The proceeds will be used to refinance existing debt and partially fund the company's renewable energy projects.

Based on the latest timeline submitted to the SEC, the offer period is scheduled from March 30 to April 10, with listing on the Philippine Dealing & Exchange Corp. set for April 17.

SMGP has appointed Bank of Commerce, BDO Capital & Investment Corp., and China Bank Capital Corp. as joint issue managers. They will join Land Bank of the Philippines, Philippine Commercial Capital, Inc., PNB Capital and Investment Corp., and Security Bank Capital Investment Corp. as joint lead underwriters and bookrunners.

SMGP is the power generation arm of San Miguel Corp. (SMC), led by Ramon S. Ang. The company is among the country's largest power producers, with a diversified portfolio that includes natural gas, coal, hydroelectric power, and battery energy storage systems. — **Sheldeen Joy Talavera**

Oil shock, from S1/1

Mr. Abenoja noted that the BSP is open to supporting the economy through monetary policy amid looming economic risks from the ongoing war.

"We continue to be very much aware of the impact of the sharp and sustained increase in oil prices over the past three weeks. And in particular for us, we are watchful for the spillover effects of this increase in oil prices," the deputy governor said.

"If needed, we should be able to respond in terms of monetary policy in terms of supporting financial markets in our economy," he added.

INFLATION TO HEAT UP

In a separate report, ING Think said prolonged oil shocks could push Philippine inflation towards 4% or the upper end of the central bank's target range.

"The Philippines remains one of the most oil-exposed economies in the region and is likely to feel higher oil prices sooner than most Asian counterparts such as Thailand or Indonesia, given its modest fuel buffers, rapid domestic price pass-through and a structurally wider current account deficit," ING Regional Head of Research for Asia-Pacific Deepali Bhargava, Senior Economist for South Korea and Japan Min Joo Kang, and Chief Economist for Greater China Lynn Song said late Monday.

"In our scenario of sustained oil disruptions for a month, CPI inflation for the Philippines is expected to inch closer to (the) upper end of 4% of Bangko Sentral ng Pilipinas' target range," they added.

Local fuel retailers hiked pump prices anew on Tuesday, with gasoline up by P12.90 to P16.60 per liter, diesel by P20.40 to P23.90 per liter and kerosene by P6.90 to P8.90 per liter.

This could bring gasoline prices to as much as P91.60 per liter, diesel up to P114.90 per liter and kerosene to P143.79 per liter, according to the Department of Energy.

The country sources about 98% of its crude oil from the Middle East, making it vulnerable to sharp price swings caused by disruptions from the war in the region.

Now in its third week, the Middle East war continues to jolt global oil markets, especially amid ongoing attacks and Iran's move to block the Strait of Hormuz, a vital oil transit point for almost a fifth of global oil shipments, from the US, Israel and their allies.

Emerging price pressures, the bank's think tank added, may force the BSP to stand pat despite a still sluggish economy.



SOME FUEL pumps display "out of stock" signs for diesel.

WEAK PESO

Meanwhile, ING said the Philippine peso will likely stay in the P59-a-dollar level over the next year as energy shocks from the Middle East war continue to weigh on the local currency.

ING economists noted that the peso may trade at P59.80 against the greenback in the month ahead before strengthening to settle at P59 by yearend.

"Risk of further oil disruptions should keep peso weaker versus the USD (US dollar)," they said.

Oil price hikes amid the escalating Iran-Israel-US war dragged the peso 13.50 centavos lower to close at a new all-time low of P59.87 versus the greenback on Monday, Bankers Association of the Philippines data showed. It also hit its worst intraday low after peaking P59.95 during the late session.

BSP Governor Eli M. Remolona, Jr. told Bloomberg News that the central bank intervened in the foreign exchange market, preventing the local unit from plunging to the P60-a-dollar level.

The central bank chief earlier said that they only step in the foreign exchange market when the peso's depreciation triggers inflation concerns.

ING also noted that it now sees the Philippines' current account deficit settling at -4% of its GDP.

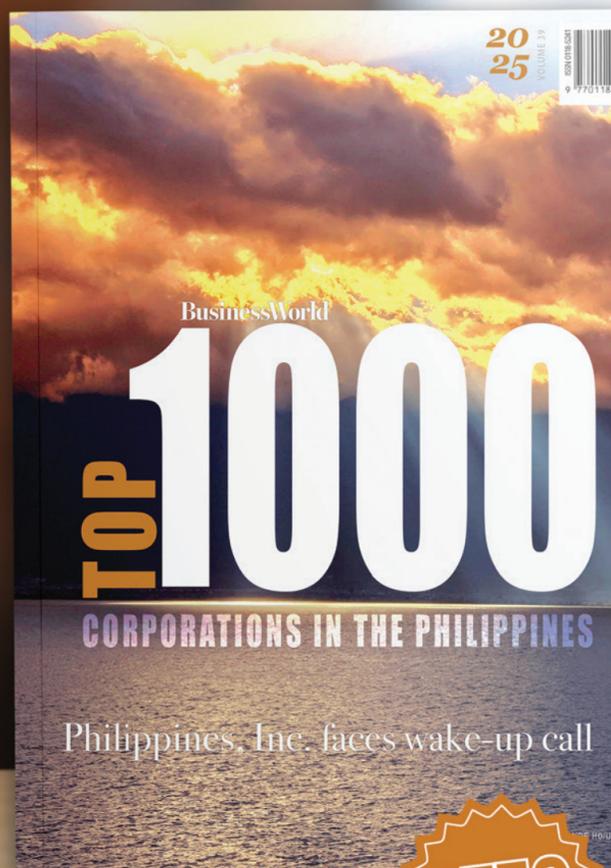
Latest BSP data showed that the country's current account gap narrowed to \$16.291 billion in 2025, or -3.3% of GDP, from the \$18.565-billion deficit recorded in 2024.

If ING's estimate holds true, the Philippines' current account deficit will be wider than the central bank's projected \$15.3-billion gap or -3% of GDP for the year.

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