

Investment pledges expected to be 'sluggish' due to Iran war

SLUGGISH investment activity is expected to be one of the consequences of the fighting in the Middle East, Trade Secretary Ma. Cristina A. Roque said.

Speaking to reporters late Monday, Ms. Roque said investment will "definitely... be affected" because of the crisis. "Everything will be at a stand still."

"If this continues, we expect sluggish (investment pledges)," Ms. Roque added.

When asked if the government is ready to amend its export and investment approvals targets, she said: "Definitely, we will have to meet regarding that... But for now, our main priority is to maintain food prices... to at least keep them stable."

The DTI (Department of Trade and Industry) was projecting BoI (Board of Investments) invest-

ment approvals of P1 trillion this year, which falls below the P1.75-trillion target in 2025.

BoI-approved investments hit P1.56 trillion last year, falling short of the 2025 target and 4% lower than the record P1.62-trillion 2024 approvals.

One possible offsetting factor could be renewable energy (RE) investments, which could receive a boost from high oil prices, Ms. Roque said.

"(We expect a) jumpstart from RE pledges (and) electric vehicles," she noted.

According to the BoI data, the energy industry, which includes RE, accounted for the largest share of approved investments at P22.4 billion, or 47.7% of the total, in the first two months of 2026.

In the first two months, the BoI approved P47 billion worth of investments for 35 projects, up 338% from a year earlier.

The DTI is assigning a lower priority to foreign travels to attract investment, Ms. Roque said, adding that "making sure everything is stable here" is the top agenda item.

On the export side, the target was set at between \$110.8 billion and \$113.4 billion this year, according to government estimates, downgraded from the previous target of \$163.6 billion.

Last year, exports rose 15.2% to \$84.41 billion in 2025 from \$73.27 billion in 2024.

John Paolo R. Rivera, senior research fellow at the Philippine Institute for Development Studies, said the ongoing war in the

Middle East may dampen investor sentiment in the coming months.

"We may see some moderation or normalization in approvals in the coming months, rather than a sharp slowdown," he said via Viber.

Despite external uncertainties, investments in strategic sectors like RE are likely to stay resilient, Mr. Rivera added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said global trade disruptions could weigh on the growth of exports and investment approvals.

"Since some FDI (foreign direct investments) are export-oriented; foreign investment approvals could slow down as well to adjust to the weaker demand in the Middle East and other parts of the world," he said via Viber. — **Beatriz Marie D. Cruz**

No disruptions to P20 rice logistics despite higher fuel prices — DA

THE Department of Agriculture (DA) said it does not expect any disruption to deliveries of rice for its P20-per-kilo rice program despite rising fuel prices that have increased logistics and transportation costs.

Genevieve E. Velicaria-Guevarra, assistant secretary for agribusiness, marketing, and consumer affairs, said the program had sufficient logistical funding to absorb such cost increases.

"While we acknowledge that the recent rise in fuel prices has increased transportation and logistics costs, the P20 rice program was designed with adequate logistical allotments to address these

operational requirements," she told *BusinessWorld* via Viber.

The DA has said the program was allocated P23 billion in 2026, with the aim of serving 15 million qualified beneficiaries by the end of the year.

Ms. Guevarra said that while higher fuel costs "may have affected the timeframe" for utilizing the program's budget, the DA does not expect an impact on the continuity of operations.

The DA added that rice deliveries to Kadiwa centers and other accredited distribution outlets nationwide are proceeding as scheduled. — **Vonn Andrei E. Villamiel**

Negros legislator bats for 15% ethanol in gasoline

A NEGROS OCCIDENTAL legislator urged the government to increase the ethanol blend in gasoline to 15% (E15) from the current 10% (E10), citing supply security and the benefits to the domestic sugar industry.

In a statement on Tuesday, the province's 5th District Rep. Emilio Bernardino L. Yulo said raising the blend from 10% to 15% could help cushion the impact of rising fuel prices and support demand for domestically produced bioethanol.

The Biofuels Act of 2006 requires that all liquid fuels for use in motors and engines be blended with biofuels. Since 2012, gasoline has been sold as a 10% bioethanol blend, known as E10.

Mr. Yulo said increasing the blend to E15 would raise the ethanol component and expand the demand for bioethanol, primarily derived from molasses.

"Increasing the ethanol blend from E10 to E15 can create stronger domestic demand for sugarcane-based ethanol and provide a needed market for sugar byproducts at a time when our farmers are under tremendous pressure and the general public is reeling from rising prices," Mr. Yulo said.

The House Committee on Agriculture had been looking into sugar millgate prices, which recently fell to about P2,000 to P2,100 per 50-kilogram bag, below estimated production costs of roughly P2,500.

In the statement, Mr. Yulo said the Philippines has 14 accredited bioethanol plants with a combined installed capacity of 508 million liters per year, although effective output is estimated at 396 million liters annually.

Around 80% of the country's molasses supply is also used for ethanol production, according to US Department of Agriculture estimates.

Mr. Yulo said government support will be needed to expand production capacity, including incentives for fuel-grade ethanol. He also said ethanol imports could be considered to supplement supply, provided they do not displace domestic production.

He called on the departments of Energy and Agriculture, along with the Sugar Regulatory Administration, to study the feasibility of increasing the blend and to ensure that any policy shift would benefit domestic producers and consumers. — **Vonn Andrei E. Villamiel**

Round 5 of RE auctions attracts nine bids

NINE valid bids for development projects that could generate at least 42 megawatts were received in the fifth auction round for pre-determined renewable energy (RE) resource areas, the Department of Energy (DoE) said.

In a statement on Tuesday, the DoE said the open and competitive selection process (OCS) round attracted bids for six sites.

The OCS is a mode for the selection and award of RE contracts particularly for pre-determined areas (PDAs) offered by the DoE through a bidding process. PDAs refer to locations with potential RE resources that are suitable for further development.

Following the opening of bids, the OCS Review and Evaluation Committee has moved to endorse

these to the legal, technical, and financial evaluation stage.

The DoE said all nine bid submissions were found complete with the documentary requirements and shall proceed to detailed evaluation upon payment of the prescribed fees.

The bids cover the 6.70-megawatt (MW) Guinoba-an No. 1 and 2.90-MW Guinoba-an No. 2 projects in Albay, the 8.3-MW Pacuan Hydroelectric Power Projects in Negros Oriental, the 25-MW Southern Leyte Geothermal power project, the Cabusao wind project in Camarines Sur and the San Isidro wind project in Samar. The last two projects have capacities that are yet to be determined.

The potential power projects are expected to contribute to the

Philippines' goal to increase RE share to 35% by 2030 and 50% by 2040.

The government expects RE investments to strengthen long-term energy security in the face of periodic disruptions due to conflicts in the Middle East.

"Expanding renewable energy capacity is one of our key strategies to strengthen the Philippines' energy independence as tensions in the Middle East continue to affect global markets," Energy Secretary Sharon S. Garin said.

In the first two months, the Board of Investments approved 35 projects worth P47 billion. Of the total, the energy industry, which includes RE, accounted for the largest share at P22.4 billion or 47.7%.

The DoE said the energy investment approvals signal sustained investor confidence in the energy transition.

"Our response is two-pronged: we are managing immediate risks while accelerating long-term structural reforms," Ms. Garin said.

Around 1,471 MW of committed renewable and energy storage projects are expected to be injected onto the grid within the month.

"Every additional megawatt of renewable energy we bring online strengthens our ability to withstand global volatility," Ms. Garin said. "This is how we convert investment momentum into real energy security: more stable supply and greater resilience." — **Sheldene Joy Talavera**

Investments granted 'green lane' treatment hit P6.4T at end-March

ABOUT P6.43 trillion worth of projects have been approved for expedited processing via the "green lane" certification system as of March, the Board of Investments (BoI) said on Tuesday.

The BoI reported that 244 projects worth P6.43 trillion have been granted a green lane certification as authorized by Executive Order No. 18.

Many of these projects are focused on renewable energy (RE) and related infrastructure, Trade Secretary and BoI Chair-

man Ma. Cristina A. Roque said in a statement.

About 171 projects involving investment of P5.79 trillion are in the pre-development stage; 46 projects worth P359.64 billion are under construction; and eight projects valued at P6.99 billion are in the pre-operation stage.

The BoI noted that 19 projects worth P266.85 billion are operational, covering industries like RE, digital infrastructure, and energy.

"Accelerating their implementation is important to help

address energy supply requirements, stabilize costs, and support continued economic activity," Ms. Roque said.

"This is why streamlining permitting and improving coordination across agencies remains a priority," she added.

Executive Order No. 18, which created the Green Lane program, streamlined the processing of permits and clearances for investments deemed strategic.

Beneficiaries of the initiative include Nanchao Renewable

Energy Corp.'s 100-megawatt Pasuquin Solar Power Project in Ilocos Norte, which received a decision from the Energy Regulatory Commission in four months, compared to the usual nine-month processing time.

"The DTI and BoI expect the Green Lane Initiative to support the timely implementation of investments in key sectors, contributing to job creation, improved infrastructure, more reliable energy supply, and enhanced access to essential services," it said. — **Beatriz Marie D. Cruz**

Feb. manufacturing output rises to 8-month high

MANUFACTURING output growth expanded to an eight-month high in February, driven by sustained local demand, with a boost provided by the US Supreme Court's cancellation of impending tariffs that month, analysts said.

However, the analysts warned that demand for domestically manufactured products may dim in the medium term as volatile economic conditions dampen the growth outlook.

Citing preliminary data, the Philippine Statistics Authority (PSA) said its Monthly Integrated Survey of Selected Industries indicated that manufacturing output by volume of production index (VoPI) grew 3.2% year on year in February.

This reversed the downwardly revised 2% decline in February 2025 and exceeded the upwardly revised 1.3% expansion in January.

The 3.2% reading was also the strongest since the 3.4% logged in June 2025.

The February indicator marked the 10th straight month the VoPI was in positive territory.

The performance of manufacturing was also reflected in the S&P's Purchasing Manager's Index, which returned a reading of 54.6, an eight-year high for the month.

PMIs reflect companies' raw material orders and are a leading indicator for future manufacturing activity. A reading above 50 on a PMI signals heightened manufacturing activity going forward, while a reading under 50 indicates deterioration.

Meanwhile, capacity utilization in February dipped to 77.5% compared with the 77.8% posted in the previous month. However, it was higher than the 76% logged a year earlier.

Marco Antonio C. Agonia, an economist at the University of Asia and the Pacific, said in an e-mail that VoPI growth in February



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was reflective of "base effects and broadly improved demand conditions."

The PSA attributed the VoPI reading that month to upticks in subindices for basic metals (18.7% in February from a 6.1% decline in January), food (3.4% from 1.5%), and computer electronic and electrical parts (16.5% from 19.4%).

Philippine Chamber of Commerce and Industry Honorary Chairman Sergio R. Ortiz-Luis, Jr., said by telephone that the continued growth in manufacturing activity up to February may have been due to spillovers of orders from the December holidays.

Mr. Agonia, added that the manufacturing of metals may have jumped as gold miners took advantage of elevated prices of precious metals in that month.

He said food and beverage production were boosted by domestic and export demand.

"We saw evidence from the same month's capital goods imports that businesses may have been riding a wave of optimism in February, leading to more orders for the manufacturing sector," Mr. Agonia added.

Among the remaining 19 subindices, 10 more posted growth in that month while nine declined year on year.

Mr. Agonia said foreign demand for Philippine-made goods may have been driven by the

US Supreme Court's move to block President Donald J. Trump's tariffs.

Mr. Trump initially declared his intent to impose tariffs not less than 10% on all imports from US trading partners on Feb. 1.

In a later threat, he proposed a blanket rate of 15%, which would have been lower than the 19% rate imposed on Philippine-made goods in August 2025.

However, on Feb. 23, the US Supreme Court ruled that Mr. Trump exceeded his authority to "regulate" the tariffs on exports to the US.

"Global supply chains took advantage of lower tariffs and thus securing supplies ahead of potential tariff policy uncertainty," Mr. Agonia added.

Both analysts said that the rising tensions between US and Iran did not affect Philippine manufacturing that month.

However, both acknowledged the now-active war as a negative catalyst to production in the following months.

The first attacks on Iran were launched by the US and Israel on Feb. 28.

Since then, fuel prices have gone through multiple rounds of increases amounting to P100.05 per liter for diesel, P52.30 for gasoline, and P82.40 for kerosene.

"Without the Iran war, I would have said that [growth in manufacturing] would have continued on its trend," Mr. Ortiz-Luis said.

Mr. Agonia added that the current conditions may "dim" the demand for Philippine goods as companies rein in their spending plans until the conflict subsides and oil price pressures ease.

"We see softer manufacturing output performance on the horizon, as the macroeconomic shocks of the Middle East war ripple through the global economy," Mr. Agonia said. — **Matthew Miguel L. Castillo**

Clark Dev't Corp. on track to hit P12.35-B investment goal

CLARK Development Corp. (CDC) said it is on track to meet its target of P12.35 billion in investment pledges this year, even in the face of the disruptions caused by the Middle East crisis.

"For 2026, our commitment to the GCG (Governance Commission for GOCCs) is P12.35 billion worth of investments," Noelle Mina D. Meneses, CDC vice-president for the business development and business enhancement group, said at a briefing late Monday.

"We're very happy that just after the first quarter, the CDC signed P9 billion to P10 billion worth of investment (pledges)," she said.

Ms. Meneses said this head start could allow CDC to "exceed our targets this year."

The CDC suspended its P1 per liter fuel royalty for two months starting April 1 to ease the impact on Clark Freeport locators of rising fuel costs.

CDC President and Chief Executive Officer Agnes VST Devanadera said it "does not waive government revenues and retains regulatory over-

sight within the zone, but (the freeze on royalties is) intended to help ease operating costs and support business continuity."

She also noted that Petron Corp. has agreed to ensure fuel supplies for Clark locators based on a prioritization system, with talks ongoing with other suppliers.

Petron's allocation system classifies locators into essentials, support services, and others, CDC said.

Locators have been encouraged to adopt work-from-home arrangements; install solar panels on their rooftops; adopt net-metering and distributed energy programs; and consider electric vehicle options, CDC said.

Last month, CDC signed a P4.4-billion deal with Korean developer Luxia Corp. to develop a mixed-use property within Clark Freeport.

This high-end development will include hotel and serviced apartments for the growing meetings, incentives, conferences, and exhibitions market. — **Beatriz Marie D. Cruz**