

## US chip firm ON Semiconductor seeking to expand PHL footprint

THE Department of Finance (DoF) said US chipmaker ON Semiconductor Corp. (onsemi) has floated plans to scaling its operations in the Philippines.

In a statement on Monday, the DoF said onsemi President and Chief Executive Officer Hassane El-Khoury discussed plans to expand at its current sites.

"The company highlighted its brown-field expansion strategy, focusing on scaling operations in locations where it has an established manufacturing footprint, positioning the Philippines for further investment," the DoF said.

The company has been operating in the Philippines for 30 years with staffing of over 6,000. According to its website, the company's three sites are in Carmona, Cavite, Tarlac City, and Cebu City.

Mr. El-Khoury said that onsemi's operations in the Philippines support global demand for power chips that enable hyperscale data centers, artificial intelligence infrastructure and advanced storage systems.

"The continued support of the Philippine government has enabled onsemi to establish a strong presence in the Philippines as an integral part of our global manufacturing network," he said, adding that the support has been instrumental in advancing the company's business plans and long-term investments in the country.

Finance Secretary Frederick D. Go welcomed the company's expansion strategy and reaffirmed the government's support for reinvestment.

"The Marcos Jr. administration remains committed to creating an enabling environment where businesses can expand efficiently and competitively," he said. "My office stands ready to assist businesses in accelerating their expansion plans in the Philippines."

In a statement on Sunday, Mr. Go said he considers the semiconductor and electronics industry to be among the drivers of job creation in the Philippines, alongside business process outsourcing and renewable energy. — **Justine Irish D. Tabile**

# Transport association PISTON files for P10 provisional fare increase

TRANSPORT GROUP Pinagkaisang Samahan ng mga Tsuper at Operators Nationwide (PISTON) said it filed a petition with the Land Transportation Franchising and Regulatory Board (LTFRB) seeking a P10 provisional fare hike to P23, citing soaring fuel prices.

"I hope the LTFRB will hear that our drivers are losing so much from these fuel price increases," PISTON President Modesto T. Floranda told *BusinessWorld* by phone on Monday.

In March, the regulator approved fare increases for public utility vehicles (PUVs) following soaring pump prices, but President Ferdinand R. Marcos, Jr. suspended the increase a day before it was set to take effect.

The March fare increase would have brought the base fare for legacy public utility jeepneys to P14, plus 20 centavos more for every succeeding kilometer to P2. The current minimum jeepney fare is P13.

Starting Tuesday, fuel prices are expected to retreat after fuel retailers announced that diesel prices will drop by P24.94 per liter, gasoline by P3.41 per liter, and kerosene by P2 per liter.

Still, prices have remained elevated since the war in the Middle East erupted, with fuel costs surging to nearly P150-P160 per liter or more than double their previous levels.

If the petition is approved, fare increases will feed into inflation, according to Ser Percival K. Peña-Reyes, director of the Ateneo Center for Economic Research and Development.

"(It could) indirectly push up food and goods prices through logistics costs, weaken household purchasing power, and potentially reinforce a wage-price spiral if fuel prices remain elevated," Mr. Peña-Reyes said via Viber.



PHILIPPINE STAR/MIGUEL DE GUZMAN

TRANSPORT GROUP PISTON led by group President Modesto T. Floranda files a petition for a P10 provisional and permanent adjustment in the minimum jeepney fare.

Philippine dependence on fuel imports makes it vulnerable to price shocks, and transport operators are among the most affected, he said, adding that operators typically respond with fare hike petitions and trip reductions, measures that reduce transport efficiency and raise costs for commuters and businesses.

In March, elevated oil prices due to the war drove inflation to a near two-year high of 4.1%, exceeding the Bangko Sentral ng Pilipinas' 3.1%-3.9% forecast range and its 2%-4% target for the year.

"If fuel prices remain high and fare increases proceed, several macroeconomic effects tend to appear: higher overall inflation, reduced household consumption, lower business competitiveness, and labor market pressures," Mr. Peña-Reyes said.

Jonathan L. Ravelas, senior adviser at Reyes Tacandong & Co., said a P10 fare hike would not immediately drive

up inflation but could add to the risk of longer-lasting pressure.

"Higher transport costs ripple through food, wages, and small businesses — making targeted fuel support a better fix than repeated fare hikes," he said.

The possible increase in PUV fares could exert modest upward pressure on inflation, especially through transport and logistics costs, according to John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies.

"Rising fuel prices are straining operators, so some adjustment or support is needed to keep services viable. But higher transport costs can erode purchasing power and dampen demand so the key is balancing fare increases with targeted support to limit broader inflationary impact," he said.

IBON Foundation Executive Director Jose Enrique A. Africa said the fare

hike sought by PISTON would give average jeepney drivers just enough earnings to cover for the fuel price hikes.

"The administration could have mitigated this additional burden on poor, low-income, and lower middle-class families with larger fuel subsidies," he said.

According to Mr. Africa, the group's petition is a clear indicator of the administration's lack of support to transport amid the unprecedented oil price shocks.

"PISTON has been among the jeepney groups that have always moderated their fare hike demands out of consideration for the mainly poor, low-income, and lower middle-class commuters they service. If they are driven to ask for a P10 fare hike, this is because their net incomes have collapsed by so much since the US attack on Iran and their families are being driven into poverty or greater distress," he said.

PISTON's Mr. Floranda said recent fuel price hikes have slashed drivers' daily earnings by about 70%, with many taking home only P200 after 12 hours of operations compared to P700 previously.

Mr. Africa said that if the LTFRB approves the fare hike petition, it would mark the government's latest move to pass the burden onto the public.

"It really needs to make a much greater effort to moderate overpricing by the oil companies, cut fuel taxes that just amplify global oil price hikes, and give greater fuel subsidies and cash assistance to the majority of Filipinos who were distressed even before oil price shocks," he said.

Meanwhile, another transport group, Manibela, will stage another three-day strike starting Tuesday, its second this month, to protest soaring fuel prices and what it calls the government's failure to ease the burden on drivers. — **Ashley Erika O. Jose**

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