

# PHL poised to become China's No. 2 market for solar panels

THE PHILIPPINES is emerging as the second-largest market for Chinese solar panels, as more households and businesses turn to solar power to cushion high electricity prices, according to energy think tank Ember.

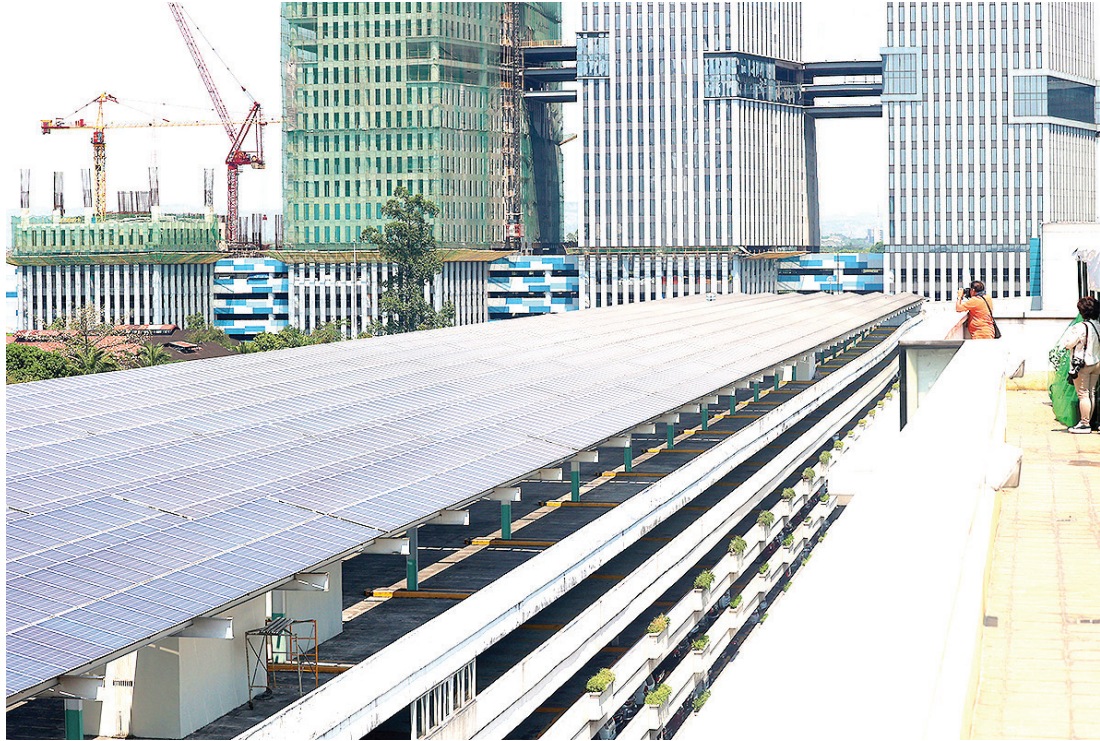
In a report, Ember said China exported the equivalent of about 4,000 megawatts (MW) of solar panels to the Philippines in the first four months, the most of any export destination other than the Netherlands.

Ember said the Philippines has displaced Pakistan as China's No. 2 market for solar panels.

Chinese solar panel exports to the Philippines in March and April hit record levels, with over 3,000 MW worth of panels seen heading for the country.

Last year, the Philippines' solar panel imports were equivalent to five times the capacity of utility-scale solar farms, indicating a massive buildup of inventory intended for rooftop and decentralized power generation use, Ember said.

The think tank cited the consumer potential of rooftop solar, which can also stabilize the grid, and reduce fossil fuel imports.



ROWS of solar panels are seen on the roof deck of a parking building of a mall in Quezon City.

PHILIPPINE STAR/MIGUEL DE GUZMAN

"The economics of rooftop solar are more attractive than ever, and its rapid rise is inevitable. The government has an opportunity to carve its own path on rooftop solar, to bring the Philippines out of fossil dependency, and onto

a path of cheap, abundant electricity," according to Dave Jones, Ember chief analyst.

Ember said that households can now recover installation costs of rooftop solar systems in 3.1 years.

"The payback times for rooftop solar have hit levels that should encourage mass uptake. This is made more likely by concerns about future electricity price rises, and made easier by recent policy changes," it said. — **Sheldeen Joy Talavera**



JCOMP/MAGNIFIC

## Air passenger fuel surcharge reduced for first half of June

THE Civil Aeronautics Board (CAB) said it reduced the air passenger fuel surcharge for a third consecutive period, setting the rate at Level 13 for June 1-15 from Level 15 in the second half of May.

At Level 13, fuel surcharges range between P423 and P1,237 for domestic flights and P1,396.74 and P10,385.42 for international flights, depending on distance.

For airlines collecting fuel surcharges in a foreign currency, the applicable conversion rate for the June 1-15 period is P61.45 to the dollar, the CAB said.

Fuel surcharges are additional fees imposed by airlines to offset movements in jet fuel prices and are adjusted using the Mean of Platts Singapore benchmark.

The CAB started lowering fuel surcharge starting May 1. The surcharge hit an all-time high of Level 19 for April 16-30, just one level below the maximum allowable rate of Level 20.

According to the International Air Transport Association, jet fuel prices dropped 1.7% week on week to \$159.85 per barrel as of May 22, though prices remained 77.5% higher year on year.

The Department of Energy estimated Philippine average daily jet fuel demand at 5.65 million liters, with current inventory sufficient for 66 days' use as of May 22.

In April, the CAB started to shift from a monthly review of fuel surcharges to a 15-day monitoring cycle to respond more quickly to movements in fuel prices following the fighting in the Middle East.

The shorter cycle will remain in effect until conditions in the Middle East stabilize or until revised or revoked, CAB Executive Director Carmelo L. Arcilla has said previously. — **Ashley Erika O. Jose**

## Cooperatives bat for role in developing agriculture

THE Philippine Chamber of Cooperatives, Inc. (Coop Chamber) said agricultural cooperatives will play a key role in addressing the challenges faced by the farming industry.

The chamber made the remarks as the House of Representatives discussed bills last week aimed at developing agricultural cooperatives.

"The proposed bills are very important, especially since the agriculture sector needs a boost — not only in terms of policy enhancement, but more importantly through the participation and collaboration of all stakeholders," it said in a statement.

"This is essential in addressing the dire situation of our farmers, fisherfolk, and other key actors in the sector," it added.

The group also cited the need for a clear agricultural roadmap aimed at positioning the Philippines as "one of the top producers of rice and high-value crops," ensuring domestic food security while enabling the country to compete in global markets.

Citing President Ferdinand R. Marcos, Jr.'s 2023 State of the Nation Address, the Coop Chamber said the government has recognized the crucial role of cooperatives in strengthening the production and market power of the agriculture sector.

"Hence, (Mr. Marcos) emphasized the need to amend the provisions of Republic Act 9520 or the Cooperative Code of the Philippines," it said.

"Another meeting will be called to finalize these bills and hopefully to come up with a Committee Report, together with the substitute bill that will be eventually discussed in the plenary," it added.

The bills discussed during hearings last week include House Bill Nos. 1023, 2417, 3249, 3466, 5130, and 5315. — **Justine Irish D. Tabile**

## Revised PHL Dev't Plan assumes greater gov't spending until 2028

THE Department of Economy, Planning, and Development (DEPDev) said the updated Philippine Development Plan (PDP) 2023-2028 targets reflect higher government spending and revised fiscal and macroeconomic goals through 2028.

In the PDP 2023-2028 Midterm Update Results Matrices released on May 20, DEPDev estimated that primary expenditure will account for 18.4% of gross domestic product (GDP) in 2026, up from the 17.6% previous estimate.

Officials have said they expect a pickup in disbursements this year following last year's underspending as a result of the infrastructure corruption scandal.

However, the government expects primary expenditure to ease to 17.6% of GDP in 2027 and 17.3% in 2028.

Primary expenditure, or spending net of interest payments, rose 2.98% year on year to P1.66 trillion in the first four months, according to the cash operations report of the Bureau of the Treasury.

Including interest payments, expenditure totaled P1.996 trillion, up 5.12% year on year, which was equivalent to 31% of disbursements as approved by the Development Budget Coordination Committee (DBCC) in December.

On the revenue side, the report projected a revenue-to-GDP ratio of 16.2% in 2026, 16% in 2027, and 16.3% in 2028, unchanged from the projections outlined in the midterm update released in August 2025.

These projections are higher than those outlined in the medium-term fiscal program approved by the DBCC in December, where the revenue-to-GDP ratio was projected at 15.8% in 2026, 15.6% in 2027, and 15.7% in 2028.

In the first four months, revenue collection rose 9.99% to P1.67 trillion, representing 34.66% of the P4.82-trillion program for the year.

Tax revenue is expected to account for 15.5% of GDP by 2028, while value-added tax revenues are projected to increase to P24.4 billion by the same year, the recently released matrices showed.

The updated matrices also projected a National Government (NG) fiscal deficit-to-GDP ratio of 5.3% in 2026 before easing to 4.8% in 2027 and 4.3% in 2028.

Outstanding NG debt-to-GDP ratio is projected at 60-63% in 2026, easing to 59-62% in 2027 and 58-61% in 2028.

The debt-to-GDP ratio hit 65.2% in the first quarter, the highest level since 2005.

The National Government's outstanding debt rose 1.8% to P18.49 trillion at the end of March from P18.16 trillion a month earlier.

Meanwhile, the results matrices projected the general government (GG) debt stock-to-GDP ratio to increase to 55.6% this year, before declining to 55.4% in 2027 and to 54.7% in 2028.

DEPDev described the GG debt stock-to-GDP ratio as a core indicator that "presents a more holistic view of the government's liabilities." — **Justine Irish D. Tabile**

## Property developers seen pivoting to horizontal, township projects

By **Juliana Chloe A. Gonzales**

THE construction industry is bracing for "immediate and pronounced" pricing pressure as a result of the fighting in the Middle East, leading them to concentrate on horizontal and township projects to better manage cost and logistics risks, according to Hearn & Hearn (HH) Consulting.

In its first-quarter building material market and price indices, HH noted that high fuel prices have pushed the cost of reinforcing steel to as much as P45 per kilogram, turning developers away from high-rise construction, where reinforcing steel is used more intensively.

Horizontal projects are deemed less risky because they allow construction companies to stop building when sales are slow or when material costs become unmanageable. In contrast, high-rise construction comes with a higher risk profile because developers are committed to completing buildings according to a timetable, regardless of cost behavior or sales performance.

"What we are seeing instead is a shift in developer behavior," according to Daryl Calapre, HH associate director for Hearn & Hearn Consulting in an e-mail responding to queries from *BusinessWorld* on Thursday.

Cost pressures are becoming more of a factor after inflation spiked to 7.2% in April.

The Department of Economy, Planning, and Development (DEPDev) has estimated that if global oil prices hit \$140 per barrel and remain elevated throughout September, inflation could average 4.5% to 4.8% for the year, including spikes from 6.3% to 7.3% over the short term.

"Uncertainty... is also causing developers to take a more cautious approach. Many are adopting a 'wait-and-see' stance before aggressively launching or expanding projects. The main concern is that prolonged geopolitical tensions could further increase fuel and material costs, which would place additional pressure on both developers and buyers," HH said.

"Materials with high import and petrochemical dependency such as metals and paint are likely to experience the largest increases, while others may see moderate escalation."

Construction material prices are projected to increase by 3.17% as raw material procurement costs rise. The segment's exposure is both direct, through fuel and transportation, and indirect, through energy-intensive materials like steel, cement, and glass, it said.

Material cost to build mid-rise residential projects was estimated at P35,640 to P54,215 per square meter, while high-rise costs ranging between P43,640 and P78,465.

## PPA working with GOCC regulator on possible revision of 2026 targets

THE Philippine Ports Authority (PPA) said it is working with its regulator on revised cargo and container volume targets for the year, which it expects to be affected by the fighting in the Middle East.

"The PPA has approved cargo and throughput targets for the year... However, the agency is currently coordinating with the GCG

(Governance Commission for Government-Owned and -Controlled Corporations) regarding the possible revision of these targets," the PPA said in a statement.

For the first quarter, the PPA said cargo volume at ports it oversees rose 1.53% to 66.96 million metric tons (MMT) in the first quarter, driven by growth in foreign shipments.

Citing preliminary data, the PPA said the ports handled 39.49 MMT of foreign cargo and 27.47 MMT of domestic shipments in the three months to March.

The PPA also recorded container throughput of 2.13 million twenty-foot equivalent units (TEUs) in the first quarter, up 4.41% from a year earlier.

Passenger traffic rose 1.97% to 19.69 million in the first quarter, even in the face of fewer ship calls during the period.

For this year, PPA said ahead of any possible revisions that it expects cargo volume to climb 4.03% to 320.94 MMT, driven mainly by foreign cargo.

The PPA said foreign cargo volume is expected to rise 4.28% to 202.73

MMT. Domestic cargo volume is seen rising 3.61% to 118.22 MMT.

Container throughput is forecast to increase 3.94% to 8.88 million TEUs. For this year, passenger traffic is expected to grow 5.78% to 87.26 million.

The PPA said it remains optimistic about cargo and passenger traffic growth due to continued investment in port upgrades.

The PPA added that it also implemented fuel savings and sustainability measures to help offset rising costs.

It said several port management offices have also shifted to fuel saving vessel schedules, trip consolidation, and strict monitoring of fuel consumption, with some offices also shifting to solar power. — **Ashley Erika O. Jose**