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Information and Knowledge Management Division

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In a statement, BMI said it is keeping its 5.2 percent 2026 growth outlook for the Philippines. But given the low base of 2025, this is a more pessimistic projection.

The Philippine economy grew by 4.4 percent in 2025, lower than an already lowered 5.5-6.5 percent projection, as the country fought a corruption scandal and climate change-fueled weather woes.

"Beyond rhetoric from government officials pledging catch-up capital spending, we have not seen any indication of when the Senate investigation into corruption will conclude or when delayed infrastructure projects will be restarted," the think-tank said in its report.

"We would however, be surprised if policymakers allowed the probe to drag on public capex for much longer – a quick recovery in infrastructure spending is necessary to hit the government's 5-6 percent growth target for 2026," it stressed.

BMI also said it expects private investment to grow because of the lagged effects of the cumulative 200 basis points (bps) in policy rate cuts since August 2024. It also sees the BSP cutting rates by 50 bps this year, further boosting investment.

The Fitch arm also said it expects private consumption to grow as the Philippines recovers from storms that battered the country in 2025.

"Moreover, a weaker peso will lift remittances, which should in turn boost domestic consumption," BMI said.

BMI also said it expects the peso to weaken to an average of P58.50 to the dollar in 2026 because of a narrow US-Philippines policy rate differential and weak FDI inflows.

ECO BUSINESS

What is lost when mangroves are replaced with road

By: Aisiri Amin

Dipti Dheeraj Bhandari, a fisherwoman from Mumbai's Charkop village, has been worried for weeks. In mid-December 2025, the Bombay High Court granted permission for the Versova-Bhayandar Development Plan (DP) road, an approximately 26 kilometre arterial corridor that will cut through western Mumbai and impact more than 45,000 mangrove trees.

"My entire family depends on fishing in these mangroves," she says. "Without them, our life comes to a standstill."

The proposed road, which will run from Versova through the city's western suburbs to Mira Bhayandar, is planned as the northern extension of Mumbai's coastal road network, which currently runs from Marine Lines in South Mumbai to Worli.

The Brihanmumbai Municipal Corporation (BMC) says the ₹18,000-crore project (₹1,802 billion), will relieve traffic on the Western Express Highway and significantly reduce travel time.

However, the court's clearance has triggered opposition from environmentalists, fisherfolk and citizens, who say that the loss of mangroves will severely affect the environment, their livelihoods and increase climate risks in one of India's busiest cities.

In its submission to the court, the BMC said that 103 hectares of forest land, mostly mangroves, will be affected by the project. Of the 60,000 mangrove trees in the area, the civic body proposed diverting more than 45,000 mangrove trees and the felling of 9,000 mangrove trees.

Diversion means that land classified as forest land for mangroves will open up for non-forest use such as road construction which could lead to cutting of the trees in the area that intend to be compensated with afforestation in another area.

The High Court, while granting permission, directed that the BMC's plea remain pending for 10 years, during which the civic body must file yearly updates on compensatory tree planting.

Development versus climate risks

In recent years, Mumbai has been at the receiving end of severe climate change: from rising sea levels to worsening air pollution. A 2024 study by the Centre for Study of Science, Technology and Policy (CSTEP), a Bengaluru-based think tank, revealed that Mumbai has experienced the maximum rise in sea levels (4.44 cm) from 1987 to 2021. It also stated that more than 10 per cent of the land in Mumbai will be submerged by 2040 due to rising sea levels.

In December 2025, Mumbai's air quality index (AQI) slipped into the hazardous range, following which, residents of Bandra's Carter Road held a peaceful protest and formed a human chain to voice their concerns.

"In the past few decades, Mumbai has experienced extreme rainfall, heavy precipitation, and heat waves," says Praveen Kumar, assistant professor at the Centre for Climate Change and Sustainability Studies, Tata Institute of Social Sciences (TISS). "In such situations, cutting mangroves, which are among the most ecologically productive systems along the western coast of India, will cause massive social, economic, and ecological damage.

Natasha Pereira, an environment activist, who has started a petition to stop the felling of mangrove trees, points to a report by the World Meteorological Organisation (WMO), which showed that Mumbai's sea levels rose by 4.5 mm a year between 2013 and 2022. "If you go to Carter Road (a coastal promenade with mangroves) and neighbouring areas during a high tide, the waves are already crashing across the shore," she says. "In such a scenario, cutting mangroves, which are the first line of defence, puts citizens at high risk."

She adds that with the proposed project, the city "will lose 75 per cent of the mangrove forest at the Manori Creek area between the Versova and Dahisar wetlands." Her focus is now on filing a review petition with the High Court, and then taking the matter to the Supreme Court.

Meanwhile, in its 2025 writ petition, the BMC argued that the proposed project will have a "significant and direct beneficial impact on the public". It stated that the overall road travel distance between Versova and Bhayandar will be reduced by over 10 kilometres, and travel time by road will be reduced to around 18 minutes from 120 minutes.

"The coastal road will ensure faster vehicle movement and save people's time," a state government official told Mongabay-India, on condition of anonymity as they were not authorised to speak to the media. "This will also save diesel and petrol, which will benefit the environment. "The BMC has already paid about ₹300 crore (₹3 billion) for the restoration plan to the Mangrove Foundation." Mangrove Foundation is an entity under the Maharashtra Forest Department focussed on protecting mangroves and coastal biodiversity in the western state.

Debi Goenka, an environmentalist, calls out the unnecessary construction of the road. "Under the guise of development, the government is cutting mangrove [trees] and saying it is building essential infrastructure, which everybody will pay for, but only a small fraction of the population will benefit from."

What happens if the mangrove trees are cut?

Rupesh Bhomia, an independent researcher and former senior scientist at Centre for International Forestry Research and World Agroforestry (CIFOR-ICRAF), sees the impacts in three broad brackets: immediate, short-term, and long-term. "As the project begins, there will be direct habitat loss where mangrove trees are actually cut down, and the root mass may be excavated or removed, which will lead to fragmentation and gaps."

He further explains that a healthy mangrove ecosystem thrives on constant tidal flushing. Twice daily, a cyclic pattern of tides brings water in during high tide and takes water out during low tide, creating a continuous rhythmic flushing.

“This dynamic creates unique biodiversity assemblages of microbes, plants, and animals, including many crustaceans, crabs, snails, mudskippers, fish, and all kinds of birds,” he adds. “All these species are interconnected, and their survival is very much interdependent. The construction work, including excavation, earthwork, and tree uprooting, will damage the existing linkages between species, causing loss.”

Furthermore, disruptions at the ground level will impact how water flows and how tides come in and go out. “These changes will create local stressors, so even the trees that may not be cut down will experience much higher stress and will eventually not be able to cope,” he says.

Elaborating on the cascading impacts, Bhomia says that they will be noticeable within one to five years or longer. “In the case of any cyclone or storm surge, the network of roots and stems creates a barrier that reduces the energy of waves, protecting everything behind the mangroves, including landward areas, other trees, housing, or people,” he says. “The city might lose this natural barrier, called the bioshield function, when the mangroves are cut.”

More than carbon storage loss

One of nature’s most effective ecosystems that can significantly help in reducing carbon dioxide in the atmosphere is the mangrove forests. According to the World Wildlife Fund, mangroves store about three to four times more carbon per acre than tropical forests, and their loss contributes to a tenth of global greenhouse gas emissions from deforestation.

Experts have also pointed out that it’s not just about carbon sequestration, but also emissions. Kumar and Bhomia both stated that the felling of mangroves will also add more emissions to the environment. “When they [mangrove trees] are cut down, the carbon stored in their biomass and soil is also released as the soil is exposed to air,” Bhomia says. “This adds more emissions per unit area. That is why protecting mangroves makes more sense from a climate change standpoint.”

While civic body officials have argued that the time saved due to reduced traffic will help the environment, Goenka says it might actually lead to more emissions. “This could result in induced traffic, which means the moment you create new infrastructure, within six to 12 months, even that gets saturated,” he adds. “So, the new road ends up encouraging more people to use their cars.”

Livelihoods at risk, Koli community raise concern

For the Koli community in Charkop and surrounding areas, the proposed project is a matter of grave concern as it directly impacts their livelihood.

Fisherwoman Dipti Bhandari, who is also the founder of the Charkop Koliwada Machhimar Sahakari Society, a fisherfolk cooperative, says 90 per cent of the fish that her family sells every day comes from these mangrove-associated waters. Every morning, around 6 a.m. , the fisherfolk head out into these mangrove waters to catch fish, which takes them approximately four hours.

“The mangroves have been part of the Koli community’s daily life for decades,” Bhandari adds. “If they cut the mangroves and we do not get fish, what will we survive on?”

With rising unemployment and shrinking incomes, she worries for her family. “We have school fees to pay, put food on the table and take care of basic necessities,” she says. “The entire community depends on fishing for their livelihood.”

The community had sent in written objections to the BMC for the proposed project. However, Bhandari says, they haven’t received a reply yet. “This road is for people with cars,” she adds. “Nobody is thinking about those who live here.”

Kumar added that marginalised communities, particularly fisherfolk and those in informal settlements will bear the brunt of this project.

“Even now, there is significant urban flooding happening in informal settlements,” he says. “In Mumbai, around 50 per cent of the population lives in informal or vulnerable housing, meaning flood impacts a very large segment of the city.” he says, adding that there is growing evidence that multiple infrastructure projects in areas like the Thane Creek have contributed to declining fish availability, which has directly affected fishing-dependent communities. This could further exacerbate the impact on their livelihoods.

Is compensatory afforestation enough?

The BMC has proposed planting over 1.3 lakh (130,000) saplings, three times the number of mangroves proposed to be cut, as compensation.

“The compensatory land can be given anywhere; it’s not necessary that it has to be in Mumbai,” the state government official told Mongabay-India. “The forest department is taking areas in Palghar and Thane. Mangroves have already been planted over 31 hectares in Thane. More will be planted in the 250 hectares set aside for this in Palghar.”

Kumar says that while planting trees is a good move, this is about cutting down 40 or 50-year-old mature mangrove ecosystems and then starting from the beginning, which is “ecologically inefficient and not productive”.

He further adds that Palghar has a different environment with a slightly different climate. Therefore, it is unclear how the mangroves will fare in the area.

According to a 2025 study, between 2012 and 2022, more than ₹45 crore (₹450 million) was invested in the restoration of Mumbai's mangrove forests. The study assessed 25 sites in the city through remote sensing and time-series analysis and found that restoration failed at 52 per cent (13 out of 25) of the sites, with no mangrove growth from their restoration year.

Pereira emphasises that mangroves grow in estuarine regions where rivers meet the sea, in brackish waters. "They just cannot survive any area."

Bhomia says that mangroves around urban areas such as Mumbai are already under extreme stress. "They are facing much higher pollution loads and disrupted hydrology," he adds. "When these remaining stretches or patches are lost, and we try to restore them, the probability of success is generally very low. Hence restoration projects in urban settings often fail."

Bhomia further says that one of the key questions often overlooked in compensatory afforestation efforts is whether it has resulted in biodiversity restoration. "It should not just be about structural restoration, which means trees are growing again in an area. The real test is whether functional connectivity is restored, he says "This means whether critical foundational species, such as crabs, bird populations, and fish have returned."

On January 2, the Ministry of Environment, Forest and Climate Change (MoEFCC) sought an action taken report from the Maharashtra State Wetland Authority regarding the loss of mangroves for the coastal road project.

Bhomia adds that there should be collaboration between Mumbai's citizens, planners, civic authorities, and researchers to come up with "more contextual, local solutions". "It cannot simply be about building roads; we may need to reimagine transportation and movement through these areas while minimising environmental damage."

MANILA BULLETIN

Philippines seeks World Bank loan to clean up Metro Manila plastic trash

By: Ben Arnold de Vera

The Philippine government plans to borrow from the World Bank to address the problem of plastic waste in Metro Manila.

A concept environmental and social review summary (ESRS) disclosed on Jan. 30 showed that the Philippines is seeking World Bank financing for the proposed $1.072-billion Clean Metro Manila project.

The document has yet to disclose the amount of investment project financing (IPF) or concessional loan to be extended by the Washington-based multilateral lender, as well as how much the government will shell out as counterpart funding for this project.

The World Bank is targeting loan approval on Nov. 27, 2026.

To be jointly implemented by the departments of Environment and Natural Resources (DENR) and of the Interior and Local Government (DILG) as well as the Metropolitan Manila Development Authority (MMDA), the project aims to "improve solid waste management, including reducing plastic pollution in selected local government units (LGUs) across the National Capital Region (NCR) of the Philippines."

The World Bank said the first phase of the Clean Philippines multiphase programmatic approach will cover Metro Manila, encompassing all 17 LGUs in the capital region, and will be led by the MMDA with support from the DENR and the DILG.

The project will focus on strengthening policies and institutions, improving local service delivery and waste infrastructure, advancing plastic waste management for a circular economy, and promoting innovation and public awareness to improve solid waste management and reduce plastic pollution in the NCR, the lender said.

The document noted that Metro Manila is "one of the country's solid waste management hotspots."

"Solid waste management issues in the country and in Metro Manila show a distinctive pattern: increasing waste volumes projected at 23.6 million tons by 2025, especially organic waste and plastics; poor waste disposal methods; declining waste management capacities; and low plastic processing capacity," the World Bank said.

The lender noted that solid waste management infrastructure investments in Philippine urban areas face major challenges due to land shortages, health and safety risks in blighted communities, and differing fiscal priorities among LGUs.

While informal waste workers (IWWs) divert about 32 percent of plastics and other recyclable materials from landfills, they remain marginalized in solid waste management planning, as barangays—tasked with waste collection—are constrained by limited funding and a lack of collection trucks, leaving informal settlements only partly served by waste services, it added.

As Manila Bulletin earlier reported, the World Bank reported last December that the Philippines is among the world's leading contributors to marine plastic pollution, with nearly nine percent of its mismanaged plastic waste ending up in the ocean each year.

QC LGU adopts ordinance to cut textile waste, create green jobs
By: Hannah Nicol

The Quezon City government has approved a new ordinance aimed at reducing textile waste while creating livelihood opportunities for residents.

According to the City Ordinance SP-3472, S-2025, also known as the Textile Sustainability and Circularity Ordinance of Quezon City, institutionalizes a citywide program that promotes the reuse, repair, and recycling of discarded fabrics as part of the city's sustainability efforts.

Under the ordinance, the city government will establish textile circularity hubs where fabric waste will be collected, sorted, repurposed, and recycled.

It added that the hubs are expected to help divert textile waste from landfills and support small-scale entrepreneurs and artisans.

The measure builds on the existing circularity hub in Barangay Payatas, which was launched in Oct. 2025 in partnership with Cebu-based social enterprise ANTHILL Fabric Gallery.

The facility allows artisans to transform textile scraps into new products using shared equipment and workspaces.

Mayor Joy Belmonte said the ordinance supports the city's zero-waste goals by ensuring that fabric waste is reused instead of discarded, while also opening opportunities for livelihood and small businesses.

The ordinance also strengthens partnerships with government agencies, civil society groups, and academic institutions to promote sustainable textile production and consumption. Incentives will be given to businesses that support the circular textile economy.

A Textile Sustainability and Circularity Committee will oversee the program and prepare a five-year action plan to guide implementation.

The committee will be chaired by the city mayor, with the Climate Change and Environmental Sustainability Department and the Small Business Cooperatives Development and Promotions Office as co-vice chairpersons.

The ordinance was authored by Councilors Aly Medalla, Dorothy Delarmente, and Vito Sotto Generoso and was passed by the Quezon City Council led by Vice Mayor Gian Sotto in December 2025.

NIKKEI ASIA

Japan becomes 1st country to join Trump's Genesis Mission innovation plan

By: Dai Kumawura

Japan has agreed to be the first international partner in a Trump administration project to speed up scientific research through the use of artificial intelligence.

Officials from the Ministry of Education, Culture, Sports, Science and Technology and the U.S. Department of Energy signed and announced a statement of intent on the Genesis Mission project this week at a supercomputing conference in Osaka.

By joining forces in critical fields, the U.S. and Japan can remain world leaders in science and technology, said Dario Gil, the Energy Department's undersecretary for science, at the event.

The Genesis Mission was launched in November 2025 by an executive order from U.S. President Donald Trump. It aims to build a new AI platform to accelerate research and development in biotechnology, nuclear fusion energy, quantum computing and other cutting-edge fields.

The project is premised on sharing such government resources as supercomputers and data. Around two dozen American tech companies are already on board under collaboration agreements announced in December, including Microsoft, Google and Nvidia.

The project comes as the U.S. and China vie for supremacy in AI. Through its participation, Japan will gain access to the America's high-performance supercomputers and troves of scientific data.

"To compete globally in AI for science, we need to work with strong partners," a representative of the Japanese ministry said.

Details of what Japan will contribute to the project have yet to be decided. The two governments have been building frameworks for cooperation in AI-based research since 2024.

Japan's Riken research institute, the U.S. Energy Department's Argonne National Laboratory, Japanese technology group Fujitsu and Nvidia have signed a memorandum of understanding in AI and computer science as part of Japan-U.S. collaboration for the Genesis Mission. Riken, Fujitsu and Nvidia are working to develop a successor to Japan's Fugaku supercomputer.

"Genesis Mission is the largest marshaling of federal scientific resources since the Apollo mission towards a scientific endeavor," said Michael Kratsios, head of the White House Office of Science and Technology Policy, in a recent NBC News interview. The Energy Department, the project's leader, has announced more than $320 million in related funding for national laboratories across the U.S.

But critics say the second Trump administration has retreated from supporting science and technology in other areas.

The administration has canceled or frozen a total of more than 7,800 research grants at the National Institutes of Health and the National Science Foundation in the past year, according to Nature. Roughly 25,000 scientists and other personnel are gone from federal agencies that oversee research, and a total of $32 billion in nondefense budget cuts have been proposed, the British science journal reported.

Trump administration officials have expressed skepticism of mainstream science on such topics as climate change and vaccines. The Genesis Mission does not include research in these areas. Instead, its focus is expected to be on strategic fields linked to national security and economic interests, with an eye to competing with China.

The Japanese government has also identified fusion and quantum computing as strategic technologies critical to national security.

MSN

PH gov't should shift to long-term planning, sustainability — think tank

The Stratbase Group on Sunday urged the Philippine government to end reactive governance and instead shift to long-term planning and policymaking, amid increasing security, economic, and climate risks.

In a statement, the think tank said, "The Philippines is in danger of remaining exposed to overlapping economic, security, and climate shocks unless it shifts from reactive governance to long-term national planning."

During Stratbase's "Politiká Beyond 2028: The Urgency for Resilient Growth, Inclusive Governance, and Geostrategic Thinking," its president, Prof. Victor Andres "Dindo" Manhit, pointed out that climate change, economic disruption, maritime tensions, and cyber threats are interconnected and require sustainable planning.

"We are seeing different risks come together at the same time […] When governance is fragmented or tied too closely to political cycles, the country ends up responding late and paying a much higher price," Manhit said.

In terms of environmental vulnerability, Manhit pressed that preparedness and recovery begin at a local level, saying, "Local governments that are prepared and supported by clear national policies recover faster and suffer fewer long-term losses."

Additionally, he said economic security isn't simply measured by growing numbers, but the ability of the country to go through external shocks without impacting important sectors.

"Economic security is about stability as much as it is about expansion… It means ensuring our energy, food, and technology sectors can absorb global disruptions without undermining livelihoods," Manhit explained.

Manhit also called on policies not only for more tangible security threats, but also those in virtual spaces.

"Security today goes beyond land, sea, and air… Cyber and information domains now directly affect national sovereignty and social cohesion," he continued.

Furthermore, Manhit highlighted that national resilience is affected by public trust, pressing that issues such as corruption, disinformation, and institutional weaknesses can push away development.

“Transparency and accountability are not abstract ideals… They directly affect whether we can attract investment, build infrastructure, and deliver services that people can rely on,” Manhit continued.

He also pointed out that the “recurring weakness” in policymaking in the Philippines lies in changes in priorities depending on the leadership, reiterating that sustainable laws are key to withstanding long-term issues as they come.

“Climate change, geopolitical competition, and technological disruption will outlast any single administration… The real challenge is whether we move from managing crises as they appear to preparing for them before they arrive,” Manhit further said.

PHILIPPINE NEWS AGENCY

QC ordinance to stop textile waste from ending up in landfills – exec
By: Marita Moaje

The Quezon City government has reinforced its commitment to a circular economy with the enactment of an ordinance seeking to cut textile waste and create sustainable livelihoods in the city.

“With a program on textile waste in place, we can ensure that scrap fabric will not end up in landfills but will be repurposed and upcycled to become more useful and fashionable products, and at the same time provide opportunities for aspiring entrepreneurs and artisans," Mayor Joy Belmonte said as quoted in a news release on Monday.

She said the city council approved the Textile Sustainability and Circularity Ordinance in December 2025 as a “great way” to commemorate the Zero Waste Month last January.

The city ordinance establishes the QC Textile Sustainability and Circularity Program, which promotes the reduction of textile waste through a citywide circular system that promotes reuse, repair, repurposing, and recycling, while creating livelihood opportunities for residents.

At the core of the measure is the establishment of Circularity Hubs that will serve as collection and processing centers for textile waste.

These hubs will handle the sorting, repair, upcycling, and recycling of fabric materials to prevent them from ending up in landfills and to support community-based enterprises.

In October 2025, a Circularity Hub was launched in Barangay Payatas, in partnership with Cebu-based social and cultural enterprise ANTHILL Fabric Gallery.

The facility, equipped with weaving looms, cutting machines, and production and showroom spaces, is used by local artisans to convert discarded textile scraps into new and marketable products.

The city government would also strengthen partnerships with national government agencies, civil society organizations, and academic institutions to advocate sustainable textile consumption and production.

Belmonte said incentives will be extended to businesses that actively promote and participate in the circular textile economy.

To oversee implementation, a Textile Sustainability and Circularity Committee will be formed, chaired by the city mayor, with the Climate Change and Environmental Sustainability

Department and the Small Business Cooperatives Development and Promotions Office as co-vice chairpersons.

The committee will also craft a five-year Textile Sustainability and Circularity Action Plan to guide the city's priorities and strategies.

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