Stagnation,
from S1/1

economy" particularly with economic reforms such as amendments to the Retail Trade Liberalization Act, Foreign Investments Act, and Public Service Act.

"I think prolonged economic stagnation can be avoided. Growth can return if the right actions are taken. There's always a risk but there is also always an opportunity. Everything can be mitigated and managed with the right action," Mr. Nelson said via mobile phone interview.

President Rodrigo R. Duterte recently signed Republic Act (RA) No. 11595 that amended RA No. 8762 or the Retail Trade Liberalization Act, which reduced the required paid-up capital for foreign retailers setting up shop in the country.

"The key is if the Philippines continues to take the right actions, certifying these bills, passing legislations, signing to the Regional Comprehensive Economic Partnership (RCEP), it will greatly assist the economy and mitigate these risks," Mr. Nelson said.

Danilo C. Lachica, president of the Semiconductor and Electronics Industries in the Philippines, Inc., said via mobile phone message that the biggest factor to consider in terms of the risks faced by the country is the results of the May elections.

"The biggest factor to consider is how the elections will turn out. That could be the biggest risk if the wrong person is voted. If an honest and competent president is elected, then economic recovery and regaining global credibility will happen sooner," Mr. Lachica said.

Philippine Chamber of Commerce and Industry (PCCI) President George T. Barcelon said via mobile phone message that the other risks are already being worked on by the government and the private sector.

"Out of the five risks, natural calamity is beyond our control but resiliency and continuity are human endeavors," Mr. Barcelon said.

Makati Business Club Executive Director Francisco "Coco" Alcuaz, Jr. said in mobile phone message that the risks identified in the survey can be mitigated by accelerating vaccination and booster shots against COVID-19.

"The risk can be mitigated by speeding up vaccination and boosters, in large part by allowing the vaccination of five to 11 year olds and allowing boosters for 12 to 17 year olds. Also, by keeping people employed or 'whole' by giving businesses breaks or wage support to keep paying workers who can't work," Mr. Alcuaz said.

"For the Philippines, we still have a large, young population and our overseas workers, but recovery and catch up will need massive investment, including investment from abroad," he added.

Mr. Alcuaz also said the country needs to fix its healthcare system to address COVID-19 surges and other future emergencies.

Meanwhile, WEF's Global Risks Report showed that 84% of respondents were either concerned or worried about the global outlook amid the pandemic.

"With another spike in COVID-19 cases towards the end of 2021, the pandemic continues to stifle countries' ability to facilitate a sustained recovery," WEF said in the report.

Most respondents also see the next three years to be characterized by either "consistent volatility and multiple surprises or fractured trajectories that will separate relative winners and losers."

"Economic challenges flowing from the pandemic persist. The outlook remains weak: at the time of writing, the global economy was expected to be 2.3% smaller by 2024 than it would have been without the pandemic," WEF said.

RFM says sales up 7% to nearly P17 billion, net income 'flattish'

RFM Corp. said on Wednesday that its sales last year rose by 7% to more than P16.8 billion, based on initial estimates, while it expects income to be "flattish" compared with P1.29 billion previously.

"Our unaudited, internal estimates of topline for 2021 at over P16.8 billion show a decent 7% growth from 2020 while income is expected to be flattish versus 2021's P1.29 billion," said Jose Ma. A. Concepcion III, the company's president and chief executive officer, in a disclosure to the stock exchange.

RFM previously reported a net income of P940 million as of the third quarter of 2021, or 5.3% higher than the P893 million recorded in the same period a year earlier.

"Our ice cream business joint venture with Unilever saw a better year in 2021 despite cost pressures from raw materials while our Selecta Milk as well as Fiesta and Royal Pasta and sauces sustained sales growth momentum with a good lift from local government unit demand in the last quarter. White King mixes and our institutional flour and bun-line businesses also remain in growth mode," Mr. Concepcion said.

However, he said inflation from wheat, milk, and other raw materials slowed the expansion of the company's net income.

"The good thing with our brands especially in the ice cream unit, is that even if we experience cost pressures from raw materials and operating expenses this year, we have been able to pass on in the past the impact on margins," Mr. Concepcion said.

For 2022, the food and beverage company will most likely continue to experience "margin stresses," he said, even as it plans to improve its warehouse and production capacity to support rising demand and new product releases.

But he said RFM's parent company remains debt-free and has used its excess cash to implement share buybacks and increased dividend payouts, while fully funding its capital expenditure.

Mr. Concepcion said the recent surge in coronavirus infections is a concern to most businesses.

"We hope the infections are indeed mild although RFM is prepared for the worst. We just need everyone to be protected by vaccines and boosters," he said.

Meanwhile, RFM announced the approval by its board of directors of a cash dividend worth P394 million or P0.116936 per share payable on Feb. 22 with a record date as of Jan. 26, 2022.

"RFM is looking into more dividend payments, perhaps quarterly instead of twice a year and also targeting about 5% dividend yield. RFM paid out 60% of its net income in the previous year but we will revisit in late 2022 if we can further improve our payout, given the cash accumulation and performance of the brands," Mr. Concepcion said in the disclosure.

On Wednesday, RFM shares rose three centavos or 0.65% to close at P4.65 apiece. — **Luisa Maria Jacinta C. Jocson**

Philex sees 81 million MT reserve in Silangan mine

PHILEX Mining Corp. has estimated 81 million metric tons (MT) of mineable reserve for the Boyongan deposit of its Silangan copper-gold project in Surigao del Norte, it told the stock exchange on Wednesday.

"After incorporating standard mining factors to the mineral resource, the competent person for this report has delineated 81 million tons as mineable reserve," the listed mining company said in a disclosure.

Philex announced the estimated reserve after it completed the feasibility study of the in-phase mine plan, which calls for a starter sub-level cave mine.

Philex said the initial capital cost to develop the starter mine is estimated to be $224 million, which will be spent within a development period of two years and six months. It said the starter sub-level cave mine has an annual ore production of 700,000 MT or 2,000 MT per day.

"Mining will commence at the East sub-level cave because it has the highest grade ore. A new decline will be developed to access the East sub-level cave while the existing exploration decline will be rehabilitated to serve as an alternative mine access and a ventilation exhaust for mine air," Philex said in the disclosure.

The 2,000-MT-per-day starter mine will last for five years. On the sixth year, the mining and processing rate will increase to 4,000 MT per day or 1.3 million MT annually.

By the ninth year, rates will increase again to 8,000 MT per day or 2.7 million MT annually. A copper flotation circuit will also be added to the plant by the ninth year as ore will consist of oxide and sulfide minerals.

The final ramp up will occur on the twelfth year, where ore production rate will be up to 12,000 MT per day or 4 million MT annually.

In 2019, the company released a feasibility study for a 4 million-MT-per-year sub-level cave mining plan for the Boyongan copper deposit, which has a mine life of 28 years. This consisted of a starter sub-level cave mine with an annual ore production of 700,000 MT or 2,000 MT per day.

Philex shares rose 3.56% or 18 centavos to finish at P5.24 apiece in the stock exchange on Wednesday.

Philex is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Metro Pacific Investments Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Luisa Maria Jacinta C. Jocson**

Vehicle,
from S1/1

"The industry remains optimistic for a continued recovery this year from the COVID-19 pandemic downturn as progress on inoculation has provided hopes for a better outlook for the wider economy, but 'business as usual' is still unlikely as challenges remain at hand," Mr. Gutierrez said.

Toyota Motors Philippines Corp. (TMP) still had the largest market share at 48.30%, after selling 129,667 vehicles.

Mitsubishi Motors Corp.'s market share stood at 13.98%, with 37,548 units sold.

Ford Motor Co. ranked third in terms of market share with 7.45%, after selling 20,005.

Ranked fourth and fifth are Nissan Philippines, Inc. and Suzuki Phils., Inc. with market shares of 7.30% and 7.22%, respectively.

The industry outlook may be dimmed by the ongoing surge in coronavirus infections, driven by the more transmissible Omicron variant.

In a note, ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said consumers may have smaller budgets for vehicle purchases in the near term as the Omicron variant is expected to disrupt business activity.

"Road vehicle sales is a key indicator that measures the ability of consumers to invest in durable equipment. Without a meaningful rise in capital goods spending, the overall economy will likely have to rely on already exhausted household consumption and to some extent stingy government spending to push growth to hit 7-9% this year," Mr. Mapa said. — **R.M.D.Ochave**

Roxas Blvd,
from S1/1

"Currently, 887 cargo trucks and 1,029 trailers per day are traversing the Roxas Boulevard southbound direction alone," it noted.

As an alternate route for affected motorists, the MMDA said light vehicles from Bonifacio Drive/Roxas Boulevard can take the Roxas Boulevard-Buendia Avenue service road, turn right at Buendia Avenue Extension, and then left at Diosdado Macapagal Boulevard to reach their destination.

They can also turn right at the HK Sun Plaza access road then left at Diosdado Macapagal Boulevard to their destination, or left at President Quirino Avenue to their destination.

As for trucks and trailers and other vehicles from Bonifacio Drive going to Roxas Boulevard southbound, the agency said they can turn left to P. Burgos Avenue, then straight towards Finance Road and Ayala Boulevard, then right to San Marcelino Street, and then P. Quirino Avenue to South Luzon Expressway to their destination.

"According to DPWH, because of the structural integrity of their project, the structure might weaken," MMDA Chairman Benjamin D. Abalos, Jr. said, referring to the need to close the Roxas Boulevard southbound portion.

Additional traffic enforcers will be deployed during the 60 days of repair work.

The MMDA also plans to implement a zipper lane or counterflow scheme for light vehicles "on a case-to-case basis."

Mr. Abalos and officials from the Department of Transportation, DPWH, Philippine Ports Authority, and International Container Terminal Services, Inc. met last month to discuss solutions for trucks and trailers which will be affected by the closure. — **Arjay L. Balinbin**

Outlook,
from S1/1

The Philippine government was looking at reopening its borders to some foreign tourists on a trial basis for two weeks in December. The plan was scrapped as border controls were tightened due to the emergence of the highly transmissible Omicron variant.

The Health department reported 32,246 new COVID-19 cases on Wednesday, with active cases hitting 208,164.

GLOBAL OUTLOOK DIMS

Meanwhile, the World Bank said global GDP will likely rise by 4.1% this year, lower than the 4.3% forecast previously given in June, as the world grapples with a widespread surge in COVID-19 infections.

"After rebounding to an estimated 5.5% in 2021, global growth is expected to decelerate markedly to 4.1% in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks," the multilateral lender said.

"The near-term outlook for global growth is somewhat weaker, and for global inflation notably higher, than previously envisioned, owing to pandemic resurgence, higher food and energy prices, and more pernicious supply disruptions."

For 2023, global economic growth is forecast to decelerate further to 3.2% "as pent-up demand wanes and supportive macroeconomic policies continue to be unwound."

Output and investment in advanced economies are forecast to return to pre-pandemic levels in 2023, while emerging and developing economies will likely remain below these levels due to lower vaccination rates, tighter fiscal and monetary policies, and "substantial" economic scarring, the World Bank added.

It identified downside risks to the outlook such as "simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers."

The World Bank expects growth of 5.1% for East Asia and the Pacific this year, slower than the 5.3% previously given.

"The region faces a risk of more severe and longer-lasting effects from the pandemic than assumed in the baseline projections, particularly in those countries that have suffered most from severe outbreaks of COVID-19 and from the collapse of global tourism and trade," it said.

"The recurrent mobility restrictions in the context of pandemic resurgence, incomplete vaccinations, and insufficient testing, could disrupt activity, weigh on consumer confidence, and delay the recovery of tourism and travel," it added.

More than 53.3 million Filipinos have been fully vaccinated as of Jan. 11, according to the Health department. Separate data from the Johns Hopkins University showed 48.88% of the country's population are fully vaccinated.

Natural disasters may also impede recovery in the East Asia and Pacific region, the World Bank said.

"Disruptions and damage resulting from natural disasters and weather-related events are associated with another important downside risk for many economies in the region," the World Bank said.

Parts of Visayas and Mindanao were ravaged by Typhoon Odette last month. Latest data from the Department of Agriculture showed crop damage reached P12.7 billion as of Jan. 12. — **L.W.T.Noble**