Yellow alert declared Tuesday on Luzon grid as four plants suffer outages

THE LUZON grid was placed on yellow alert for a few hours on Tuesday, after four power plants with a total generating capacity of 1,331 megawatts (MW) went on forced outage, the grid operator said.

In a message to reporters early on Tuesday, the National Grid Corp. of the Philippines (NGCP) said the Luzon grid was placed on yellow alert between 10 a.m. and 11 a.m. and between 1 p.m. and 8 p.m.

A yellow alert signifies a thinning of power reserves to below levels deemed safe. Once reserves fall below the power requirement, the alert level moves to red, which signals rolling blackouts.

The NGCP said the power requirement for Tuesday was 9,536 MW, while available capacity on the grid was 10,278 MW, for a reserve of 388 MW.

The Monday reserve level was 1,604.04 MW.

The grid operator said GNPower Ltd. Co.'s GNPower Dinginin Ltd. Co. Unit 1 (668 MW) and Unit 2 (316 MW), Semirara Mining and Power Corp.'s Calaca Power Plant Unit 2 (300 MW), and First Gen Corp.'s Avion 1 gas-fired plant (47 MW) reported outages.

Five other power plants were operating under reduced capacity, taking a combined 944 MW off the grid.

Korea Electric Power Corp.'s Ilijan power plant derated by 505 MW, Masinloc Power Partners Co. Ltd.'s Masinloc power plant Unit 1 and 2 by 49 MW, SN Aboitiz Power, Inc.'s Magat power plant by 180 MW, and First NatGas Power Corp.'s San Gabriel power plant by 210 MW.

In September 2021, Energy Undersecretary Felix William B. Fuentebella said at a budget hearing that he does not expect yellow alerts or power interruptions during the May elections.

BusinessWorld sought out Mr. Fuentebella for comment on the Tuesday yellow alert but he has not replied at the deadline.

The Luzon grid was also placed under yellow alert late Monday at 5 p.m. with the same four power plants reporting forced outages, and the same five power plants derating their capacities. The alert was lifted after three hours when demand receded. — **Marielle C. Lucenio**

DoF, NEDA raise objections to Senate economic zone bills

THE Department of Finance (DoF) and the National Economic and Development Authority (NEDA) have ruled out granting local governments the power to organize their own special economic zones, saying that badly-organized zones have a mixed record in job creation and generating economic benefits.

At a Senate hearing, economic managers representing the DoF, NEDA, the Department of Budget and Management, and the Bangko Sentral ng Pilipinas, were testifying on the issue of whether local government units (LGUs) should be allowed to establish economic zones now that they have adequate guidance from new legal frameworks like the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

"The Department of Finance recognizes the intent of these economic bills to create jobs, attract investments and spur economic growth in various parts of the country. With these same objectives, the Senate has approved key economic reforms that aim to enhance our socio-economic fundamentals such as the CREATE law and the three economic liberalization bills," Finance Assistant Secretary Valery Joy A. Brion of the Domestic Finance Group said at a hearing on Tuesday of the Senate's Economic Affairs committee.

"Our consistent view on these bills is that we currently do not support the creation of more economic zones," Ms. Brion said. "We will object to these bills."

The hearing was tackling proposals for special economic zones in Cebu, Marinduque, Metro Iloilo, Occidental Mindoro, Oriental Mindoro, Ilocos Sur, Bislig, Bacolod, Northern Bohol, and the municipality of Paluan in Occidental Mindoro.

The push for more economic zones has gathered momentum in the wake of the Supreme Court's Mandanas ruling, which allocated a greater share of the national taxes to LGUs, possibly providing them with the resources to branch out into more activities.

"We can... work hard on this measure, we can subject this to a debate on the floor, but if the DoF and NEDA veto (it), then we are wasting our time," Minority Leader Franklin M. Drilon said at the hearing.

Senator Maria Imelda Josefa Remedios R. Marcos, who chairs the committee, said that since July 2016, no economic zone measure has passed due to such objections.

Asked to explain her department's reluctance to support more economic zones, Ms. Brion said the DoF's concerns center on the uncertain prospects they will succeed in generating economic returns or alleviate poverty, the cost to taxpayers, and the absence of master planning and cost-benefit analyses to justify their establishment.

Ms. Marcos said the economic managers' positions would seem to suggest that "local executives have no capacity whatsoever to exert or to promulgate programs that will create economic success." She also rejected as "utterly false" the contention that "eco zones do not alleviate poverty or improve jobs."

Mr. Drilon said the newly-created Fiscal Incentives Review Board (FIRB) should be in a good position to evaluate a proposed zone's master plan and expected costs and benefits.

"I assume that concern will be addressed precisely because we have given the FIRB in the CREATE law... the power to approve the incentives granted by the IPAs (Investment Promotion Agencies)," Mr. Drilon said.

"In this particular case, we already have the CREATE bill, there are already guidelines imposed," he added.

NEDA Undersecretary Mercedita A. Sombilla said the economic planning agency concurs with the DoF, but is willing to work with the committee to find middle ground.

She said however that the master plan and cost-benefit analyses remain crucial to any such project, because they will point to the benefits to be generated within the host communities.

"We'll try to sit down with whoever, the technical working group, with the FIRB, to see to it that we have all those documents in place to evaluate, to analyze, and see how all these bills... can be considered," Ms. Sombilla said.

She said according to DoF data, many economic zones did not generate much income for their communities.

"I'm very familiar with many ecozones in the past that have not generated any income, revenue, or jobs," Ms. Marcos said, "but those are the past mistakes, and now we're going to impose that on the new potential areas?"

Ms. Sombilla replied, "That's what we really want to ensure, that all these ecozones will really (achieve their) objectives... that's why we need to see all of these documents and to go through all the necessary reviews."

The Senators asked for both DoF and NEDA to submit before the end of the week their position papers to guide the committee in amending the economic zone bills in a manner that will address the economic managers' concerns. — **Alyssa Nicole O. Tan**

Local governments urged to extend Jan. tax, permit deadlines

LOCAL GOVERNMENT units (LGUs) need to consider extensions for paying real property tax and obtaining business permits due to a fresh coronavirus surge, Senator Maria Lourdes Nancy S. Binay-Angeles said.

"Given the current spike in COVID-19 cases, the extension of deadlines will help decrease the movement of the people," Ms. Binay-Angeles said in a statement on Tuesday, adding that the LGUs should be accommodating by not imposing penalties.

The Health department reported 33,169 new coronavirus infections on Monday, with a 46% positivity rate after testing 73,234 on Saturday.

Ms. Binay said LGUs in the capital region and other areas with high positivity rates should consider replicating the city of Manila's decision to extend the business permit deadline to March 31 instead of the usual Jan. 20.

The Senator also recommended the use of digital payment options that enable more convenient modes of payment. "LGUs should definitely look at integrating electronic modes of payment in the collection of payment of taxes and fees," she said.

As for those required to be physically present to file and sign documents, she proposed that LGUs temporarily accept digital or electronic copies pending verification or submission of original documents.

"This will be more convenient for their constituents and will help to avoid long lines or gatherings," Ms. Binay said.

She also called for utilities to suspend disconnections to give customers more time to settle unpaid bills. — **Alyssa Nicole O. Tan**

MRT-3 rail car overhaul passes halfway milestone

THE Department of Transportation (DoTr) said on Tuesday that more than half of the light rail vehicles of the Manila Metro Rail Transit System Line 3 (MRT-3) have been overhauled and deployed.

The number of the overhauled light rail vehicles, or LRVs, rose to 39 this month, the department said in a statement. A newly-overhauled LRV was deployed on Jan. 6.

"*Sa kasalukuyan,* 33 *na lamang sa* 72 *na bagon ng* MRT-3 *ang naka*-schedule *ma*-overhaul *ng* maintenance provider *ng linya*" (Currently, the maintenance provider has only 33 of 72 LRVs left to overhaul), the DoTr said.

"*Ang* general overhauling *ng mga bagon ng* MRT-3 *ay bahagi ng malawakan at komprehensibong rehabilitasyon ng linya*" (the general overhaul of LRVs is part of MRT-3's comprehensive rehabilitation), it added.

The government imposed a 30% cap on rail passenger capacity during the strictest phases of the community quarantine. It was raised to 70% starting Nov. 4, 2021.

MRT-3 service providers Sumitomo Corp., Mitsubishi Heavy Industries Engineering, Ltd., and TES Philippines, Inc. (Sumitomo-MHI-TESP) have been contracted to overhaul all 72 LRVs.

They were also tasked to replace mainline tracks, rehabilitate power and overhead catenary systems, upgrade signaling, communications and CCTV systems, and repair all escalators and elevators.

The DoTr has said replacement of rails was completed in December 2020.

The MRT-3 rehabilitation project has reduced travel time from the North Avenue Station to the Taft Avenue Station to 45 minutes from the previous one hour and 15 minutes, the department said. — **Arjay L. Balinbin**

Gov't to cap purchases of paracetamol, other OTC drugs

THE GOVERNMENT said it is rationing purchases of paracetamol and other over-the-counter medicines as a result of increased demand during the latest surge in coronavirus disease 2019 (COVID-19) cases.

Joint Memorandum Circular (JMC) No. 22-01 series of 2022 was issued by Health Secretary Francisco T. Duque III and Trade Secretary Ramon M. Lopez on Jan. 10 which covers Paracetamol, Phenylephrine hydrochloride, Carbocisteine, and Chlorphenamine Maleate Paracetamol.

The JMC cited "unusual demand" and the need to deter possible hoarding, which has left many drug retailers to run out of such items.

"The objective of this JMC is to prevent artificial shortages and price escalation of over-the-counter (OTC) flu medicines, and strictly ensure the availability of the same until such time that their supplies become stable," the JMC said.

"This JMC shall be effective immediately upon singing hereof and shall continue to be effective until (the Department of Health) declares the supply (to be stable), the declaration of which shall automatically revoke this JMC," it added.

Under the JMC, the limit on Paracetamol 500 milligram (mg) tablet purchases is 20 units per individual and 60 per household. Paracetamol 120 mg/5 milliliter (ml), 60 ml suspension was capped at five units per individual and 10 per household; and Paracetamol 250 mg/5 ml, 60 ml five per individual and 10 per household.

The cap for Carbocisteine 500 mg capsule was 20 per individual and 60 per household, Carbocisteine 500 mg/5 ml, 60 ml suspension five pieces per individual and 10 per household, and Carbocisteine 200 mg/5 ml, 60 ml five pieces per individual and 10 per household.

The purchase limit for Phenylephrine hydrochloride and Chlorphenamine Maleate Paracetamol 2.5 mg/500 microgram/125 mg per 5ml, 60 ml suspension was set at five per individual and 10 per household. For the 10 mg/2mg/ 500 mg tablet, the limit is 20 per individual and 60 per household.

"Retailers are hereby directed to post notices in conspicuous places within their outlets, advising consumers of the quantity of medicines they are allowed to purchase," the JMC said.

"Unless otherwise allowed by the Food and Drug Administration (FDA) under existing rules and regulations, all establishments and the public are reminded that online selling of medicines is not permitted," it added. — **Revin Mikhael D. Ochave**

World Bank flags difficulty in accessing trade info

INFORMATION on cross-border trade rules and penalties is largely inaccessible to trade companies and customs brokers in the Philippines, with possible detrimental effects on key stakeholders like women, the World Bank Group said in a report.

The report, Trade Facilitation Challenges for Women Traders and Customs Brokers released on Monday, said almost a quarter of traders and more than a third of customs brokers find it hard to find information on border process rules.

They also need to go to multiple sources to find this information.

"Personal networks and customs brokers are a primary source of information on official regulations for traders," the World Bank said.

A third of traders and customs brokers said that guidance on penalties is unclear, while most say they are not regularly consulted on changes to official procedures.

As they try to expand their businesses internationally, trade companies face burdensome border processes, expensive logistics services, and lack of information on international markets.

"The majority of traders and customs brokers businesses' were impacted by the pandemic, reportedly largely because of delays for goods to be cleared and less demand for their products and services," the report said.

The World Bank said the gap between men and women respondents is small.

"In fact, the findings demonstrate only minor differences between genders in some areas of trade facilitation, which is a testament to the government of the Philippines' efforts to deliver trade facilitation initiatives that benefit men and women traders and customs brokers quite similarly," the report said.

But more women customs brokers face challenges when it comes to getting information on border rules, with 44% of women saying official government websites and enquiry points are not responsive compared to 31% of men.

More women than men reported unclear information on pandemic-related border rules changes.

At the same time, more women find that their feedback is not taken into consideration when consulted about trade processes.

Fewer women traders — or 56% — are members of trade and industry associations, compared to 63% of men.

The report said that access to official border rules should be improved by promoting the use of the Philippine national trade repository and making sure that official legislation is easy to understand.

"Making sure the official regulations and processes are written in clear and simple language is important, particularly among women traders who, according to the survey, face a greater disadvantage in accessing information." — **Jenina P. Ibañez**

Digital payments legislation expected to expand unbanked access

A BILL seeking to promote the use of digital payments was intended to help expand the economic participation of the unbanked, one of its principal authors said.

Representative Ferdinand L. Hernandez, a deputy Speaker, was discussing via e-mail House Bill 8992, which if passed will be known as the Promotion of Digital Payments Act.

"Widening the access to digital payment systems will help us reach members of the population that have otherwise been excluded or unreached by the formal financial system," Mr. Hernandez told *BusinessWorld*.

The Bangko Sentral ng Pilipinas estimated that in 2019, the percentage of adults with access to a formal account was 28.6%, a total which may have expanded since the expansion in digital services that accompanied the pandemic.

"During the pandemic, more and more consumers were also looking for ways to transact with businesses that minimize contact. Any small business that has a digital payment option will likely (attract more patronage)," he added.

He said the bill will help the public transact more conveniently with government agencies, which will be required to set up digital payment channels.

The bill was approved by the House on Dec. 3. Its Senate counterpart is currently pending at committee level.

"We hope that the bill can be enacted before the end of the 18th Congress," Mr. Hernandez said. — **Jaspearl Emerald G. Tan**