

## Duterte nuclear shift seen as admission of failure to achieve energy security

THE government's decision to incorporate nuclear power into the energy mix points to the government's failure to achieve energy security via building coal-fired plants and other power facilities running on fossil fuels, a sustainability think tank said.

President Rodrigo R. Duterte's signing of an executive order (EO) authorizing a nuclear energy policy "makes no sense (because) the energy the government is now entertaining as (a) solution is one that will again put the lives of Filipino communities at risk. The entry of nuclear facilities and our vulnerability to calamities and disasters can easily lead to accidents," CEED Executive Director Gerry C. Arances said in a statement.

The EO is "a clear admission that decades of coal and other fossil fuels did not bring us energy security," he said.

On Thursday, Mr. Duterte signed EO 164, adopting a national position for nuclear energy, a go signal for the government to begin exploring nuclear energy as a power source, more than a year after an interagency body submitted its recommendation.

Mr. Arances also said the move is untimely as Russia's invasion of Ukraine has revealed how it can be bad for the country to rely on imported fuel, a scenario which also applies to nuclear energy.

He added that the prices of plutonium and uranium are likely to rise.

"It's not wise to turn our energy sector more vulnerable than it already is to global shocks when we have an abundant supply of renewable energy just waiting to be developed," he said.

Since its release, the EO has had a mixed reception, raising the prospect that the final decision to adopt nuclear energy has been kicked down the road to the next government. — **Marielle C. Lucenio**

# Supermarket industry warns of rising prices due to higher materials costs

By **Revin Mikhael D. Ochave**  
Reporter

THE supermarket industry said prices of many goods started rising this month in response to higher fuel prices, and advised consumers to explore substitutes for their usual favorite brands.

Steven T. Cua, Philippine Amalgamated Supermarkets Association president, said via mobile phone that the prices of some grocery items have increased at the beginning of March.

"Because of unceasing and huge oil price increases, the increase in price has accelerated. Prices of basic necessities and prime commodities (increased) around 3% to 6%. For nonessentials, as high as 8% to 15%," Mr. Cua said.

According to Mr. Cua, the more expensive goods include powdered milk, canned meat, canned fish, fresh milk, biscuits, toothpaste, lotion, children's formula, liquor, most imported items, bread spreads, and condiments.

Mr. Cua advised consumers to shift to smaller sizes of the same product or alternative brands, and to take advantage of items on sale.

"Consumers can also shop during lean hours, 1 p.m. to 3 p.m. even on weekends, to have more time to check on prices and labels. For fresh produce, shop early in the mornings so price-off items have not been snatched away yet," Mr. Cua said.

Since the start of the year, the prices of gasoline, diesel, and kerosene have risen by P9.65, P11.65, and P10.30 per liter, respectively.

Trade Undersecretary Ruth B. Castelo told *BusinessWorld* that the DTI has received requests to adjust the prices of basic goods. However, Ms. Castelo said the reason for the proposed increase is not directly related to high fuel prices.

"We have (received requests), but not due directly to fuel prices," Ms. Castelo said in a mobile phone message.

On Jan. 27, the Department of Trade and Industry (DTI) issued a new suggested retail price list for basic and prime commodities, which reflected higher prices for 73 stock keeping units (SKUs) out of 216 SKUs.

Some of these products include bottled water, processed canned meat and canned beef, instant noodles, salt, and canned sardines. According to the DTI, the increase was due to the increase in the global prices of raw materials and materials used in packaging.

## Delayed impact expected from economic liberalization bills

THE BENEFITS of economic reforms such as amendments to the Foreign Investment Act, Retail Trade Liberalization Act, and Public Service Act will not be immediately felt, an economist said.

University of Asia and the Pacific Senior Economist Cid L. Terosa said in an e-mail interview with *BusinessWorld* that other conditions need to be in place before the economic reforms gain traction.

"These conditions include the following: strong economy with growth potential; excellent transport, physical infrastructure, and business support conditions; pro-investment political leadership; and local government's capability to facilitate investment and ensure smooth and easy implementation of investments," Mr. Terosa said.

On March 2, President Rodrigo R. Duterte signed Republic Act No. 11647 which amended the Foreign Investments Act. He also signed Republic Act No. 11595 on Dec. 10, which amended the Retail Trade Liberalization Act.

A measure seeking to amend the Public Service Act is awaiting Mr. Duterte's signature.

The three measures have been pushed by the government in a bid

to ease restrictions and boost foreign investment to help drive the economic recovery.

According to Mr. Terosa, potential investors will be cautious in making investments due to the conflict between Ukraine and Russia.

"Investors will keep their cards close to their chest and refrain from making risky moves. Hence, the conflict between Russia and Ukraine will contribute to a slow and muted flow of investments around the world," Mr. Terosa said.

"Developing countries like the Philippines will find it challenging to entice foreign investment with a war raging," he added.

Foundation for Economic Freedom President Calixto V. Chikiamco said in a mobile phone message that amendments to the Public Service Act will have the biggest impact of the liberalization measures once signed by Mr. Duterte.

"The biggest impact will be felt when the Public Service Act amendment is passed into law. Big foreign telco and transport

players are already indicating a desire to invest in the Philippines. The impact will be immediate. All three laws signal the government's plan of boosting foreign investment as a driver of economic growth," Mr. Chikiamco said. — **Revin Mikhael D. Ochave**

**FULL STORY**



Read the full story by scanning the QR code [bit.ly/EcoLib030722](https://bit.ly/EcoLib030722)

## Power rates headed upward due to more expensive coal

POWER GENERATORS expect higher coal and fuel prices driving power rates upward, after the price of thermal coal hit \$446 per ton on March 3, the Department of Energy (DoE) said after consultations with the industry.

In a statement on Sunday, the DoE said it met with power generators to seek ways to address the impact of higher costs.

"According to the Philippine Independent Power Producers Association (PIPPA), their initial estimates indicate that the price of fuel may (drive rates to) P9/kWh, (after) the price of coal (on March 3 hit) \$446 per ton," the DoE said.

PIPPA members include SMC Global Power Holdings Corp.; Aboitiz Power Corp.; Semirara Mining and Power Corp.; First Gen Corp.; Quezon Power Philippines Ltd. Co.; AC Energy Corp.; Team Energy Corp.; Filinvest Development Corp.; and Meralco PowerGen Corp.

The industry has recommended a suspension of the secondary price

cap on the Wholesale Electricity Spot Market; staggered fuel price increases; suspending the value-added tax (VAT) and excise taxes on coal and oil; and relaxing the 30-day coal inventory requirement for generation companies to better manage their scheduling of coal deliveries.

The DoE told PIPPA it will bring the VAT and excise tax matter before the government's economic managers at the National Economic and Development Authority-Economic Development Committee meeting on Monday.

Pump prices increased for a ninth consecutive time last week: 90 centavos per liter for gasoline; 80 centavos for diesel; and 75 centavos for kerosene.

Since the start of the year gasoline, diesel, and kerosene prices per liter have risen by P9.65, P11.65, and P10.30, respectively.

Fuel prices are expected to increase on Tuesday by P5.35-P5.50 for diesel and P3.60-P3.75 for gasoline.

— **Marielle C. Lucenio**

**PURCHASING COORDINATOR - MANDARIN SPEAKING**

**Job Description:**  
Perform research activities to determine a list of possible suppliers

**Job Qualification:**  
Strong analytical, decision-making, and negotiation skills

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**FINANCE SUPERVISOR - MANDARIN SPEAKING**

**Job Description:**  
Supervise financial and accounting processes and ensure adherence to company

**Job Qualification:**  
Excellent verbal and written communication skills

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- With expertise in forecasting, estimation and operational analysis
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- Highly proficient in Chinese and English language

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- Communicate with regional ecosystem development team in APAC, LATAM and Russia to track the development progress and collect problems as well as requirements

**Qualifications:**

- With Degree in Bachelor of Science in Business Analytics
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- With good communication skills and able to handle the difficulty during operation process, and find out the appropriate solution
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- Have expertise in Data Visualization: Tableau, PowerBI
- Highly proficient in Chinese and English language

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**NETWORK CONSULTANT FOR CARRIER NETWORK TRANSPORT NETWORK TRANSFORMATION (TNT) PROJECT**

**Job Description:**

- Responsible in upgrading data servers and network equipment such as router, switches
- Implement network solutions, troubleshooting performance issues, configuring security systems, and maintaining the network infrastructure for maximum performance for clients
- Assist in managing customers' problems and meet the SLA commitment in contracts
- Provide a stable network and maintain servers for a consistent connection
- Perform disaster recovery operations, protecting data, software and hardware from attacks
- In charge of maintenance of computer networks, hardware, software, and other related systems

**Qualifications:**

- Have experience in onsite survey, planning, installation, commissioning, acceptance testing and network upgrade on related network products and solutions
- With Bachelor's Degree in Chemical Engineering
- With at least 2 years work experience as Network Consultant/Transport Network Transformation
- Have expertise in Huawei network products for data communication series including routers, switches and firewalls
- Hands-on experience in network activities in IP/RAN and IP/CORE carrier network such as node integration, network equipment swap/migration, network equipment upgrade, network services provisioning, and so on
- Highly proficient in Chinese and English language

**PROJECT MANAGER FOR CARRIER NETWORK TRANSPORT NETWORK TRANSFORMATION (TNT) PROJECT**

**Job Description:**

- Review existing network High level design (HLD) and Low level design (LLD)
- Review operation for network changes/tuning such as site integration, migration, upgrade, and so on
- Coordinate with different vendors for IP-related network operations
- In charge in planning 5G solution for a client's IP network
- Ensure network security for a client's IP network

**Qualifications:**

- With Bachelor Degree in Telecommunications Engineering
- Have at least 2 years work experience as Project Manager/Transport Network Transformation
- Have expertise in Huawei network products for data communication series including routers, switches and firewalls
- Hands-on experience in network activities in IP/RAN and IP/CORE carrier network such as node integration, network equipment swap/migration, network equipment upgrade, network services provisioning, and so on
- Highly proficient in Chinese and English language

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**OPINION**

## Opportunities for tech companies to seize in 2022

(First of two parts)

With the world now able to control the ongoing pandemic better thanks to vaccines and other health and safety measures, the technology sector will more likely continue to grow as the digitalization of the economy further accelerates. In line with this, EY shares its annual report, **Value Realized**, ranking the top ten opportunities that technology companies should seize this year. Companies who act on these may find opportunities for growth while navigating volatility and risks in 2022.

In the first part of this article, we discuss the first five opportunities: attracting and retaining more motivated people in a hybrid workplace, strengthening your growth profile with M&A, securing business continuity by de-risking supply chains, embedding security in new activity designs, and leading in environmental, social, and governance (ESG) to strengthen stakeholder relations.

### ATTRACT, RETAIN MORE MOTIVATED PEOPLE IN A HYBRID WORKPLACE

Although finding capable talent has always been a challenge and major concern in the tech sector, the pandemic only increased the urgency in addressing this issue. Companies who are investing in growth will need more salespeople to strengthen their salesforce and more engineers in their research centers.

Most tech companies are discussing a partial and staged return to the physical office while trying to balance the preferences and needs of a modern workforce and manage the costs involved. A recent EY survey also cites that nine out of 10 employees demand flexibility in when and where they work and are prepared to resign if this demand isn't met.

However, although employees have mastered working from home, the hybrid model will pose new challenges related to motivating employees and work culture. Companies will need to be able to optimize flexibility, rewards and experience to present a package that can attract the best talent as well as retain them.

### STRENGTHEN GROWTH PROFILE WITH M&A

A little over half of the technology executives surveyed in the **23<sup>rd</sup> EY Global Capital**

**Confidence Barometer** acknowledge that organic growth can be difficult in the near term, with 51% saying that they intend to pursue mergers and acquisitions (M&A) in 2022 to sustain growth. The deal market is expected to stay healthy despite increased financial uncertainty and regulatory scrutiny.

Acquisitions will be able to reignite growth through the addition of technologies, distribution channels, business solutions and end markets to a company portfolio. Moreover, divestments can help compa-

nies veer away from solutions that require different capabilities from what the company possesses, as well as from market segments with slower growth. The right M&A strategy will result in a better growth profile, while divesting of non-core businesses will help reshape portfolios out of declining businesses.

### SECURE BUSINESS CONTINUITY BY DE-RISKING SUPPLY CHAINS

Supply chains came under massive pressure from geopolitical events and market volatility, with tech companies dealing with two major bottlenecks in the past months: the availability of components and logistics. Though it can be argued that these issues are temporary and have also hit the entire industry, some have managed them better than others.

Tech companies will need to carefully assess and de-risk their supply chains, all the way from the vendors of their vendors down to the customers of their customers. There is no one size solution for this; different risk profiles in the supply chain will require different policies surrounding sourcing contracts and inventories. Issues in logistics can also lead to changes in preferred manufacturing and distribution footprints, but real-time visibility can help identify bottlenecks at an early stage. Furthermore, new technologies such as digital twins, which are virtual representations that serve as real-time digital counterparts of physical objects or processes, and 3D printing could also reduce the degree of disruption.

### EMBED SECURITY IN NEW ACTIVITY DESIGNS

Data security and integrity have never been more important than during the pandemic, with more flexible ways of working introducing more sources of risk. A large number

of companies had to change their IT structures in rapid response to the pandemic but were not able to sufficiently consider cybersecurity in advance. This resulted in more disruptive attacks and led to increased concerns with regulation compliance.

In order to turn data integrity into a business driver and avoid major disruptions, tech companies must embed security and privacy in the design of any new activities. This includes the cyber team in the startup phase of new projects, realigning business objectives with data security, and reviewing the necessary talent profiles to do so.

### LEAD IN ESG TO STRENGTHEN STAKEHOLDER RELATIONS

While tech companies have traditionally focused on sustainability, stakeholders and consumers want more, with rising expectations to drive positive environmental and social outcomes. Employees want to make a meaningful impact, and investors demand sustainable investments. Moreover, enterprise customers look to the technology sector to implement new technologies that can help drive sustainable outcomes of their own.

This is why tech companies should lead by example, drawing up long-term value propositions and communicating them with their stakeholders. This includes ESG commitments supported by transparency, top-down organizational changes, and reporting on relevant key performance indicator (KPIs).

In the second part of this article, we discuss the other five opportunities tech companies can seize in 2022: transforming the business for consumption-based sales, realigning tax organizations with digital business models, streamlining operations and increasing agility, cultivating customer trust to drive digital engagement, and preparing for the shift to 5G.

*This article is for general information only and is not a substitute for professional advice where the facts and circumstances warrant. The views and opinions expressed above are those of the author and do not necessarily represent the views of SGV & Co.*

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