Japan's Nidec plans P40-billion expansion of Subic facility — DTI

THE Department of Trade and Industry (DTI) said Japan's Nidec Corp., a maker of electric motors, is planning a P40-billion expansion of its manufacturing site in Subic.

Trade Secretary Ramon M. Lopez said in a statement on Thursday that the expansion targets a 50,000-unit augmentation to the monthly capacity of its line making strain wave gears.

The company is planning to break ground on a new facility in the third quarter in addition to its current 3.5-hectare production space.

"As robotic systems and automation-related technology are increasingly defining the configuration and operational systems of factories around the world, DTI is grateful that Nidec has poured resources to training Filipino engineers in developing skills related to the production of precision motors and reducers," Mr. Lopez said.

Nidec, which first established a factory in the Philippines 1995, also has a facility in Laguna.

"Nidec said that it is riding on the increased market demand for harmonic systems. Four hundred new jobs will be added to Nidec's workforce, targeted to reach a total of 1,000. The added investments will bring the factories' total combined monthly exports to the US, European Union, India, South Korea, China, and Brazil to 80,000 units," the DTI said.

"The company's operations in the Philippines were previously devoted mainly to the production of spindle motors and related products. It has since expanded to products with more technology content to be used in the aerospace, robotics and solar tracking industries," it added.

According to Dita Angara-Mathay, special trade representative and commercial counselor of the Philippine Embassy in Tokyo, Nidec initially planned to increase production of components for hard disk drives.

However, the company shifted its corporate strategy due to a contraction in the global market for small-sized spindle motors.

"The company has relocated all its planetary gear business from China to the Philippines. Subsidiary and sister company Nidec Shimpo, one of the biggest global innovators for precision gearing solutions, started mass producing robotic components developed in Japan in the Philippines. The components have been described by developers as extremely silent with zero backlash and smooth rotation," Ms. Mathay said. — **Revin Mikhael D. Ochave**

Gov't debt at end March hits 63.5% of GDP at P12.68-T

THE National Government's debt at the end of March was P12.68 trillion, equivalent to 63.5% of gross domestic product (GDP), the Bureau of the Treasury said on Thursday.

The debt level in GDP terms is 3.1 percentage points than the year-earlier level, and exceeds the 60% threshold considered manageable by multilateral lenders for developing economies.

The 63.5% level compares with 60.5% at the end of 2021 and the 65.7% posted at the end of 2005.

Some 44.4% of the debt-to-GDP ratio was accounted for by domestic debt, and 19.1% foreign debt.

Of the domestic debt, Treasury bonds accounted for P7.91 trillion, or over 89%. Some P656.60 billion was raised via Treasury bills.

The debt stock is equivalent to 61% of gross national income. The debt service bill was equivalent to 6.4% of GDP.

In the first quarter, the government made debt payments of P313.65 billion, down 39.85% from a year earlier. In March, the government paid P67.39 billion, down nearly 75%.

Principal payments for the first quarter amounted to P164.32 billion, or 52% of the total, while interest payments came in at P149.33 billion.

Guaranteed debt totaled P411.04 billion at the end of March, accounting for 2.1% of GDP. It declined 5.5% from a year earlier.

Separately, the Bureau of Local Government and Finance reported that it issued 13 certificates of net debt service ceiling and borrowing capacity in April, bringing the running total for 2022 to 86 certificates.

These certificates are sought by local government units (LGUs) to demonstrate their debt-paying capacity.

The 11 municipalities and two cities that were issued certificates have a combined borrowing capacity of P4.47 billion.

LGUs borrow to finance the construction of roads, public markets, and the procurement of heavy equipment, including trucks, buses, and excavators.

Funds were also applied to the construction of a municipal hall, transport terminals, a water system, and a sanitary landfill.

An infrastructure spending ban was imposed on March 25, the start of the campaign period. — **Tobias Jared Tomas**

Draft IRR outlines special IP protections for indigenous weaves, distinctive domestic foods

THE Intellectual Property Office of the Philippines (IPOPHL) said its draft rules for the Intellectual Property Code includes special protections for the products of indigenous peoples, in particular their food and woven goods, as well as other domestic items based on their geographic origins.

IPOPHL said the implementing rules and regulations (IRR) for Republic Act No. 8293, or the IP Code, drafted by the Bureau of Trademarks, recognize a mechanism for protecting products via a system of Geographical Indications (GIs) that will render such products protectable.

Expected beneficiaries of the GI scheme are Guimaras mangoes and the Tau Sebu T'nalak weaves, which are registered as collective marks, it said in a statement.

"Others are Bicol pili, Davao pomelo, Cordillera heirloom rice; Camiguin lanzones; Davao cacao; Kalinga coffee; Antique bagtason loom products; Aurora sabutan weaves; Samar basey banig mats; Basilan and Zamboanga Yakan cloth; and Masbate beef and Baguio strawberries," IPOPHL said.

The draft IRR defines GIs as "any indication which identifies a good as originating in a territory, region or locality, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin and/or human factors."

The IRR added that the protection of GIs builds competitive advantage for indigenous and other domestic products.

The IRR draft underwent a first round of stakeholder consultations on Thursday.

"We hope we can finalize and implement the IRR soon so we can make our unique and high-quality Philippine products more attractive. Supporting these goods (in gaining) the global spotlight they deserve, will make a tangible difference in the lives of our farmers, our weavers and all who make up our GI landscape," IPOPHL Director General Rowel S. Barba said.

The IRR also outlines a registration and application process. Protection for a GI will remain valid unless its registration is cancelled.

According to the IPOPHL, GIs are protected under the trademarks section of the IP Code. — **Revin Mikhael D. Ochave**

Lamudi reports spike in CBD rental inquiries as on-site work resumes

RESIDENTIAL RENTERS seeking dwellings in the central business districts (CBDs) of Makati, Pasig, and Taguig spiked in the first quarter after companies availing of fiscal incentives in economic zones were ordered to return to on-site work by April 1, online real estate marketplace Lamudi said.

It said in a statement that the challenge for landlords that will house workers returning to the office will be to match the conditions the workers had grown accustomed to after up to two years of working from home.

"While this offers promising opportunities for real estate players, it also presents challenges, primarily in making commercial spaces appealing to employees who have become used to working from home," Lamudi CEO Kenneth Stern said in the statement.

In a report on the data it had compiled from the first quarter, Lamudi found that prospective CBD renters were split 60-40 between Metro Manila residents and those originating from outside of the capital, with the prime renting demographic aged 18 to 34.

The top generator of rental leads for the CBDs were hinterland cities of Mega Manila like Angeles, Antipolo, Bacoor, Calamba, and Lipa. Cebu City was the ninth-largest source of leads for Taguig, and Baguio City was in the top 10 for Pasig.

Lamudi said the majority of rental inquiries from Bacoor, Calamba, and Lipa were for rooms to rent, bed spaces, and studio units, while inquiries from Metro Manila-based renters were mainly for one-bedroom, two-bedroom, and studio units.

Metro Manila-based renters were most interested in condominiums, whereas Luzon-based renters were more evenly distributed between apartments and condominium units.

Rooms for rent in Quezon City ranged from P3,500 for a 15-square meter space. The same space averaged P3,800 in Pasig and P4,990 in Makati.

It said the main driver of the residential rental market was job opportunities in the information technology- business process outsourcing industry, as well as corporate headquarters located in the CBDs. — **Patricia B. Mirasol**

Converge says SEA-HK cable running by 2024

LISTED FIBER internet provider Converge ICT Solutions, Inc. said on Thursday that the Southeast Asia-Hong Kong submarine cable project in which it is a member is expected to be operational by 2024.

"The system is targeted to be ready for service in 2024, which (will) help businesses and consumers benefit from increasing digital ties," the company told the stock exchange.

Companies involved in the South East Asia Hainan — Hong Kong Express Cable System project are China Mobile International Ltd., China Unicom Global, Converge, and PPTEL SEA H2X Sdn.

The submarine cable system will connect Hong Kong, Hainan, the Philippines, Thailand, East Malaysia, and Singapore, with options to extend to Vietnam, Cambodia, West Malaysia and Indonesia.

"At approximately 5,000 kilometers in length, the (submarine cable system) will consist of at least 8-fiber pairs between Hong Kong and Singapore, with a design capacity of 160 terabits per second to meet the growing bandwidth requirement in the region," Converge said.

The completion of the project "will respond to the high broadband demand between Hong Kong and Southeast Asia by providing needed capacity and faster transmission, and in preparation for the coming 5G era," it added.

Converge Chief Executive Officer and Co-Founder Dennis Anthony H. Uy said the project "will serve as a crucial infrastructure to add diversity and redundancy to our international network."

"We are truly diversifying our international capacity portfolio as transpacific demand will be served by the Bifrost, and now trans-Asia demand will be served by (this new submarine cable system)," he added.

Converge ICT shares closed 2.93% lower at P26.50 on Thursday. — **Arjay L. Balinbin**

EVs still expensive after waiving import tariffs, industry tells TC

A ZERO tariff scheme for imported electric vehicles (EVs) will not make them significantly more competitive on price relative to cars powered by internal combustion engines, the Electric Vehicle Association of the Philippines (EVAP) said.

EVAP Executive Director Jose Bienvenido Manuel M. Biona said at a Tariff Commission (TC) hearing on Thursday that the zero-tariff proposal will not make EVs less expensive than cars using conventional fuel.

"(The) removal of import tariffs on EVs (excluding tricycles and jeepneys since they are produced in the Philippines) would reduce the cost, although they would remain more expensive than internal combustion engine vehicles (ICEs)," Mr. Biona said.

"We've done already the math. The industry forecasts that it will not be competitive," he added.

The hearing was evaluating the Department of Trade and Industry's (DTI) proposal for zero-tariff EV imports, down from the current 30%.

The proposal was meant to hasten EV adoption in the face of high oil prices.

Mr. Biona said, however, that zero EV tariffs will not have a significant impact on government revenue.

"(The) impact... on revenue... will be minimal considering that the more popular ICE models are mostly sourced from Southeast Asia or locally produced, or from countries with which we have free trade agreements," Mr. Biona said.

Mr. Biona added that the government could consider granting tariff exemptions for electric motorcycles instead to boost demand.

"(Electric) motorcycles may be granted import tariffs exemptions over a limited period to help build up demand to attract manufacturing investors," Mr. Biona said.

"We believe that we have the capacity to produce the motorcycles here," he added.

Energy Utilization Management Bureau Director Patrick T. Aquino said a zero tariff is expected to be positive for EV adoption as well as jobs.

"It would encourage end-users to shift to EVs and aid in increasing the number of EVs in the current vehicle fleet of the country," Mr. Aquino said.

"It can generate employment opportunities for the workforce," he added.

According to the TC, the DTI's zero tariff proposal runs for five years. — **Revin Mikhael D. Ochave**

Manila Water Consortium controlling shareholder buys out minority owner

BW FILE PHOTO

MANILA WATER Philippine Ventures, Inc. (MWPV), the controlling shareholder of Manila Water Consortium, Inc. (MWCon), said 39% minority owner Metropac Water Investments Corp. (MWIC) was bought out, bringing its stake in the consortium to 84% and raising another minority partner's share to 16%.

In a disclosure to the exchange on Thursday, Manila Water Co., Inc. (MWC) said its wholly-owned unit MWPV acquired 107,601,639 shares formerly held by MWIC in the consortium for P1 per share.

Following the tripartite transaction, the other minority partner, Vis-cal, will own 16% of MWCon, up from 10% previously.

"The transaction is in line with MWC's strategic direction to maximize the potential of existing business and take on opportunities for growth and expansion in the Province of Cebu and eventually in the Visayas and Mindanao regions. The acquisition of the MWCon shares allows MWC to optimize project returns with its efficient execution and operation of the project, and sound regulatory and stakeholder management," MWC said.

"MWCon is the partner of the Province of Cebu in the implementation of the 2012 Joint Investment Agreement for the development and delivery of bulk water supply to the Cebu Province, which is being carried out by their joint venture company, Cebu Manila Water Development, Inc.," it added.

"The transaction will have no effect on project execution and operation of the project assets. Ultimately, the project retains its projected benefits to be provided to the customers of the Metro Cebu Water District," MWC said. — **Revin Mikhael D. Ochave**

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