P16.71-B Agus-Pulangi rehab set to be implemented by DoF

THE Department of Finance (DoF) said it expects to serve as the implementing agency for rehabilitating the Agus-Pulangi hydropower complex in Mindanao, which is expected to cost P16.71 billion.

"Under the proposed memorandum of agreement (MoA), the DoF will be the main implementing agency, loan borrower and budget holder... for the rehabilitation projects, while the (Power Sector Assets and Liabilities Management Corp.) and the National Power Corp., as owner and operator, respectively... will both serve as the implementing units," the DoF said in a statement on Tuesday.

The Agus-Pulangi complex, located in and around Lake Lanao, consists of seven hydropower plants originally rated at 1,001 megawatts (MW), though only 600 to 700 MW are available due to the inefficiency of the aging facilities.

Six of the facilities are located along the Agus River on a stretch of 36.5 kilometers between the lake and Iligan Bay. The seventh is on the Pulangi River to the south of the lake.

The first phase of rehabilitation targets the Agus IV, V, VI, and VII plants, which are expected to generate 417.1 MW after they are upgraded.

Awaiting approval from the National Economic and Development Authority and still being evaluated by the DoF, phase one is estimated to cost P10.19 billion.

The second phase involves the Agus I, II, and Pulangi IV plants, which will produce 515 MW after the works are complete. It is estimated to cost P6.52 billion, according to a World Bank study. — **Diego Gabriel C. Robles**

PHILSTAR FILE PHOTO

FINN MUND-UNSPLASH

Gov't hopes to contain rising poultry prices by easing import bans

THE Department of Agriculture (DA) said it is relaxing import bans, allowing vaccine imports, and exploring new types of feed to help contain the rising prices of poultry products, including eggs.

"Tactical intermediation is needed to tackle this 'double-edged sword.' On one hand, we see (pent-up) demand for poultry products... resulting from the pandemic. On the other hand, we see a drop in output as poultry producers hold back on production due to several factors, including rising prices of inputs and poultry diseases," Agriculture Secretary William D. Dar said in a statement.

"The DA is conducting dialogues with other countries for the possible sourcing of alternative feed ingredients to lower production costs for the poultry sector," he added.

The Bureau of Animal Industry (BAI) has also issued special import permits for vaccines against poultry diseases like inclusion body hepatitis.

An easing of the poultry import ban on Belgian products is also in the works.

The DA will also soon allow the import of poultry from non-infected parts of Spain, Denmark and the Czech Republic to bolster the breeding stocks.

BAI Director Reildrin G. Morales said in a report to Mr. Dar that the local and national governments must ensure the smooth flow of farm products from production areas to markets.

Mr. Morales said producers are holding back production to minimize losses and are experiencing increased competition as hog raisers shifted to poultry and egg production after their herds were reduced by African Swine Fever.

"Their entry created surplus production, and that the high cost of inputs, notably feed ingredients, has added to the pressure on poultry producers," Mr. Morales said.

"(The) opening of the economy led to increased spending by families on meat and poultry products. However, restrictions on the movement of live birds, poultry products and by-products due to avian influenza outbreaks have caused imbalances in the supply chain from region to region," he added. — **Revin Mikhael D. Ochave**

'Bikol Pili' branding approved by trademark bureau

THE Intellectual Property Office of the Philippines (IPOPHL) said a collective mark registration for pili products, which will be identified as "Bikol Pili" to differentiate them in the market, was approved by the Bureau of Trademarks (BoT).

The IPOPHL said in a statement on Tuesday that the certificate of registration was awarded to the Orgullo Kan Bikol Association, Inc. (OKB) of Legazpi City, a group of about 100 entrepreneurs.

"The mark will be used for a total of 13 classes of goods and services based on the Nice Classification. This will include raw and processed pili food products, as well as non-food products, such as garments, fashion accessories and wearables, cosmetics and beauty products and essential oils, among others," the IPOPHL said.

Collective marks are meant to highlight the origin and authenticity of distinctive products, patterned on the appellation d'origine controlee system for labeling French wines.

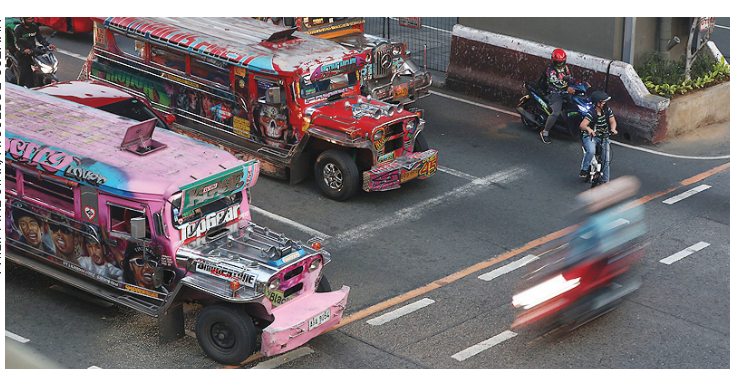
"The collective mark serves to distinguish the origin and quality of pili products made and marketed by OKB members. It symbolizes OKB's collective philosophy of supporting the pili industry to reach its potential and contribute to the socio-economic empowerment of the Bicol Region," OKB President Nona Nicerio said.

According to the IPOPHL, the "Bikol Pili" mark adds to the list of registered collective marks like Guimaras Mangoes, Cordillera Heirloom Rice, Lake Sebu T'nalak cloth, as well as the Aklan Quality Seal.

It added that collective marks will be registered as geographical indications (GIs) once the BoT finalizes a registration system for GIs this year.

GIs are defined by IPOPHL 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 process of registering "Bikol Pili" was undertaken with the input of the World Intellectual Property Organization, and the Department of Trade and Industry, with the support of the Departments of Agriculture and Science and Technology. — **Revin Mikhael D. Ochave**



PHILIPPINE STAR/MIGUEL DE GUZMAN

Jeepney associations file appeal with LTFRB for new fare increase

TRANSPORT GROUPS are asking the Land Transportation Franchising and Regulatory Board (LTFRB) to allow jeepney operators and drivers to raise fares again, calling the last increase ordered in three regions inadequate.

1-United Transport Koalisyon, Pangkalahatang Sanggunian Manila and Suburbs Drivers Association Nationwide, Inc., Alliance of Transport Operators and Drivers Association of the Philippines, and Alliance of Concerned Transport Organization filed their omnibus motion on June 25, according to a copy of the appeal distributed by the LTFRB on Tuesday.

The petitioners noted that while the transport regulator on June 8 granted a P1 provisional increase to the minimum fare for jeepneys in three regions, including the National Capital Region, bringing it to P10 from P9 for the first four kilometers, the cost of diesel has since risen, offsetting any relief the fare hike might have provided.

They said the increase is "grossly insufficient" and can "hardly be felt" by jeepney operators.

"The increase of P3.10 on June 21 in the price of diesel... will (bring) the price to P88.65 per liter," they noted.

"There is great urgency for another provisional increase of the jeepney minimum fare," the petitioners said.

The increase previously implemented in some regions and further fare adjustments to be granted by the LTFRB should also be "implemented in all other regions," they added.

The LTFRB said it is still studying the petition, particularly the inflationary implications of the fare adjustment. — **Arjay L. Balinbin**

LGU Q1 revenue rises by 19.4% after SC ruling

REVENUE reported by local government units (LGUs) rose by 19.4% year on year in the first quarter to P319.42 billion, after they started taking an additional share of the national taxes in the wake of the Supreme Court's (SC) Mandanas ruling, the Bureau of Local Government Finance (BLGF) said.

Income from external sources, including their newly enlarged share of national taxes, amounted to P184.45 billion, outweighing the income they generated from local taxes and fees of P134.97 billion, according to preliminary data compiled by the BLGF.

The Mandanas ruling, so named after the petitioner, Batangas Governor Hermilando I. Mandanas, granted LGUs a larger share of the national taxes after the Supreme Court liberally interpreted the Local Government Code in the LGUs' favor.

The code had originally made LGUs eligible to receive an "internal revenue allotment (IRA)," which National Governments had interpreted to mean a 40% share of the collections of the Bureau of Internal Revenue. The court ruled that LGUs are entitled to a 40% share of all national taxes, including those collected by other agencies like the Bureau of Customs.

The IRA has since been renamed the national tax allotment (NTA).

Local taxes and fees, also known as locally sourced revenue, rose by 8.6% in the first quarter.

BLGF Executive Director Niño Raymond Alvina said in a statement that most LGUs remained reliant on the IRA/NTA, which was equivalent to 64% of their operating income.

Cities received an NTA of P102.27 billion, while municipalities and provinces took in P97.82 billion and P63.12 billion, respectively. — **Diego Gabriel C. Robles**

Clark airport authority dividends at P176.74M

CLARK International Airport Corp. (CIAC) said it remitted P176.74 million representing 2022 dividends due to the National Government to the Bureau of the Treasury.

CIAC, a government-owned and -controlled corporation (GOCC), said P156.74 million was remitted on May 5 while P20 million was remitted on May 16.

CIAC generates revenue from managing the Clark Aviation Complex.

"Despite the overwhelming challenges at the Clark Aviation Complex brought about by the pandemic, CIAC's operational flexibility and fiscal discipline has generated... profit margins (of) 16% to 27% and thereafter to 46% from 2019 to 2021," CIAC President Aaron N. Aquino said in a statement on Tuesday.

According to Mr. Aquino, 2022 remittances are up 35%, with aviation activity rebounding from the pandemic, which stifled the travel market starting 2020.

"In the coming years, we hope to sustain and even increase CIAC's modest contribution to the National Government funds by improving the business climate here at the Clark Aviation Complex, encourage more foreign investment, and (support the) post-pandemic economic recovery," Mr. Aquino said.

GOCCs are required by Republic Act 7656 to remit at least 50% of their net earnings to the National Treasury. — **Revin Mikhael D. Ochave**

Emerging markets seen under pressure from expanded debt burdens

EMERGING MARKETS (EMs) will bear the brunt of the economic fallout as interest rates are driven higher to contain inflation, after their governments took on additional debt during the pandemic, Fitch Solutions Country Risk and Industry Research said.

While real gross domestic product growth has also been trending downward in developed markets since January, EMs are carrying far more debt than is typical due to the spending required to deal with the global public health crisis, it said in a report.

Cedric Chehab, the global head of Country Risk for Fitch Solutions, said elevated inflation is driving monetary authorities everywhere to tighten their policy stance.

The Federal Reserve is expected to hike rates by another 50 to 75 basis points in July, which might weaken other currencies even further, Mr. Chehab said in a webinar on Tuesday.

And while the Chinese economy is expected to grow by 3.6%, it is still below the Fitch Solutions target of 5.5%. China is also grappling with the economic consequences of its Zero-COVID policy, which dictates lockdowns for even minor outbreaks, as well as risks in its property market, also heavily indebted.

According to the report, demand for energy and shelter is expected to keep inflation elevated.

The energy crisis is expected to go on as long as the Ukraine war continues, Mr. Chehab said. The war has led the West to sanction Russia, a major energy exporter; Moscow has retaliated by cutting gas exports to Europe, setting off a scramble for other fuels and driving prices higher.

Fitch Solutions added that political risk has become elevated in various parts of the world as government finances weaken, with inflation threatening social stability.

EMs are also at risk of capital flight due to the pressure on their currencies, he said.

Mr. Chehab expects a sharp slowdown in the US economy, driven by declining housing prices as financing costs rise.

Within Asia, in particular, Fitch Solutions has downgraded its outlook for some countries deemed at risk for unrest, though some uncertainty has been mitigated by "the conclusion of several key elections" which strengthens the case for policy continuity, the report added. — **Diego Gabriel C. Robles**

TransCo to manage revenue claims of Green Energy Auction RE participants

THE National Transmission Corp. (TransCo) will be managing the revenue claims of renewable energy (RE) developers participating in the Green Energy Auction Program (GEAP), the Department of Finance (DoF) said in a statement on Tuesday.

"This is an expansion of its role as the Feed-In Tariff Allowance (FIT-All) Fund Administrator," the DoF said.

Finance Secretary Carlos G. Dominguez III chairs the TransCo board. GEAP is run by the Department of Energy (DoE).

Under the GEAP, the government aims to broaden the participation of RE in the power generation mix to 35% by 2030.

"The target is to cover about 2,000 megawatts (MW) of RE capacity; the bulk of which will be from solar energy, with a 1,260 MW allocation target," TransCo President Jainal Abidin Bahjin said. "The remaining capacity is allocated to hydropower (130 MW), biomass (230 MW), and wind (380 MW)," the DoF said.

DoE Department Circular 2021-11-0036, which set the guidelines for the GEAP, was issued on Nov. 3, 2021. A Notice of Auction for the RE capacity was issued on Feb. 9, 2022.

The DoE launched the auction on June 17, with participants offering 1,966.3 MW of indigenous energy between 2023 and 2025. — **Diego Gabriel C. Robles**