Petrochemical firms seen at risk without duties

THE local petrochemicals industry is seen to struggle after the government's decision not to impose safeguard duties on the importation of linear low-density polyethylene (LL-DPE) pellets and granules.

JG Summit Olefins Corp. President Patrick Henry C. Go said that the recommendation of the Tariff Commission (TC) to not grant safeguard duties will be detrimental to the local petrochemicals industry.

LLDPE resin is used for various products such as food, beverage, consumer products, and packaging.

"The TC recommendation not to grant safeguard duties on imported LLDPE will be detrimental to the local petrochemical industry and will only benefit foreign resin manufacturers as they continue to increase the volume of their exports of resin products into the country," Mr. Go said in a statement over the weekend.

"In the long run, if this influx of foreign resins remains unabated, a different environment will possibly materialize where the biggest drivers in the country's petrochemical industry will be foreign companies instead of the local petrochemical players, which are struggling to survive and compete with much larger foreign petrochemical companies who continue to flood our markets with their oversupply of products," he added.

Further, Mr. Go said the local petrochemicals industry needs government support such as trade remedies to become competitive and attain long-term viability.

"In order for many local industries, including the domestic petrochemical industry, to become globally competitive and achieve long-term viability, the support of the government in the form of trade remedies is needed in areas where trade imbalances adversely affect the particular local industry who is still in the process of catching up to foreign competition," Mr. Go said.

In 2021, the Department of Trade and Industry (DTI) asked the TC to conduct an investigation on the safeguard duties for LLDPE resins. This is after the DTI found out in its preliminary investigation that there was a "causal link" between the higher LLDPE imports and serious injury to the local industry.

The TC issued a summary report dated May 23 in its website saying that it recommends "no definitive general safeguard measure be imposed on the importations of the LLDPE pellets and granules subject to this investigation."

"There was no increase in imports of LLDPE pellets and granules, both in absolute terms and relative to domestic production, during the period of investigation from 2015 to June 2021," the TC report said.

"Since it has been established that LLDPE pellets and granules were not imported in increased quantities (whether absolute or relative to domestic production) during the period of investigation, the determination of serious injury or threat thereof, causation, and unforeseen developments has become moot and academic," it added.

The TC has yet to release its summary report for the ongoing petition of safeguard measures against high-density polyethylene pellets and granules imports, which was also previously requested by the DTI. The resin is used in the production of consumer and industrial packaging. —

Revin Mikhael D. Ochave

Analysts see potential drags to upcoming IPOs

INVESTOR appetite for upcoming initial public offerings (IPOs) is seen by some analysts to be weaker than before amid uncertainties, including those that come with the transition to a new administration.

"Demand might not be as strong for IPOs given the weak performance of the market and the recent IPOs. Investors might prefer to just buy stocks that are already listed given that many are already trading at very cheap valuations," COL Financial Group First Vice-President April Lynn C. Lee-Tan said in a Viber message.

Raslag Corp. is the first company to list this month. The solar energy developer will debut on Monday, June 6, and offer up to 350 million primary shares and up to 52.50 million overallotment option shares at P2.00 per share.

Balai ni Fruitas, Inc., VistaREIT, Inc., and North Star Meat Merchants, Inc. have also been given the go signal by the Philippine Stock Exchange (PSE) for their respective IPOs.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the sentiment on these IPOs would be taken on a per-company or case-to-case basis, based on fundamentals and future industry prospects.

"However, both external and local risk factors could be potential drags on market sen-

timent, including the still waitand-see attitude," he added.

Mr. Ricafort said that the policy and reform priorities of the incoming administration, especially in tackling debt management, could lead to some pickup in prices, with higher inflation as an unintended consequence.



Read the full story by scanning the QR code or by typing the link

President-elect Ferdinand R. Marcos, Jr. has chosen Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno to be his Finance secretary, with Monetary Board member Felipe M. Medalla taking over as central bank head. Alfredo E. Pascual, former president of the University of the Philippines, was tapped as Trade secretary.

Mr. Ricafort said he sees market sentiment to be partly supported after Mr. Diokno signaled that the government would target a narrower budget deficit of about 3% of gross domestic product

signaled that the government would target a narrower budget deficit of about 3% of gross domestic product by 2028 as part of efforts to improve its fiscal performance. This was after the country reached a new record high outstanding national government debt of P12.76 trillion as of April 2022.

— Luisa Maria Jacinta C. Jocson

Tesla's Elon Musk feels 'super bad' about economy, needs to cut 10% of salaried staff

SAN FRANCISCO — Tesla, Inc. CEO Elon Musk has a "super bad feeling" about the economy and needs to cut about 10% of salaried staff at the electric carmaker, he said in emails seen by Reuters.

A message sent to executives on Thursday laid out his concerns and told them to "pause all hiring worldwide." The dire outlook came two days after the billionaire told staff to return to the workplace or leave and adds to a growing chorus of warnings from business leaders about the risks of recession.

Tesla shares fell 9% in US trade on Friday after the Reuters report. The tech-heavy Nasdaq was down

In another email to employees on Friday, Mr. Musk said Tesla will be reducing salaried headcount by 10%, as it has become "overstaffed in many areas." But "hourly headcount will increase," he said.

"Note, this does not apply to anyone actually building cars, battery packs or installing solar," Mr. Musk wrote in the email seen by Reuters.

Almost 100,000 people were employed at Tesla and its subsidiaries at the end of 2021, its annual SEC filing showed. It did not break down numbers of salaried and hourly workers.

The Texas-based company was not immediately available for comment.

Mr. Musk has warned in recent weeks about the risks of recession, but his email ordering a hiring freeze and staff cuts was the most direct and high-profile message of its kind from the head of an automaker, with others describing sky high demand.

"Elon Musk has a uniquely informed insight into the global economy. We believe that a message from him would carry high credibility," Adam Jonas, an analyst Morgan Stanley, said in a report.

SHANGHAI LOCKDOWN

So far, demand for Tesla cars and other electric vehicles (EV) has remained strong and many traditional indicators of a downturn — including increasing dealer inventories and incentives in the United States — have not materialized.



TESLA CEO ELON MUSK

But Tesla has struggled to restart production at its Shanghai factory after COVID-19 lockdowns forced costly outages.

"It is always better to introduce austerity measures in good times than in bad times. I see the statements as a forewarning and a precautionary measure," said Hanover-based NordLB analyst Frank Schwope.

Mr. Musk's gloomy outlook echoes recent comments from executives including JPMorgan Chase & Co. CEO Jamie Dimon and Goldman Sachs President John Waldron.

A "hurricane is right out there down the road coming our way," Mr. Dimon said this week.

Inflation in the United States is hovering at 40-year highs and has caused a jump in the cost of living for Americans, while the Federal Reserve faces the difficult task of dampening demand enough to curb inflation while not causing a recession.

It was also not immediately clear what implication, if any, Mr. Musk's view would have for his \$44-billion bid for Twitter. US antitrust regulators cleared the way for the deal on Friday, sending Twitter shares up 2%.

Several analysts have cut price targets for Tesla recently, forecasting lost output at its Shanghai plant, a hub supplying electric vehicles (EVs) to China and for export.

China accounted for just over a third of Tesla's global deliveries in 2021, according to company disclosures and data released on sales there. On Thursday, Daiwa Capital Markets estimated Tesla had about 32,000 orders awaiting delivery in China, compared to 600,000 vehicles for BYD, its larger EV rival in that market.

'PAUSE ALL HIRING'

Before Mr. Musk's warning, Tesla had about 5,000 job postings on LinkedIn from sales in Tokyo and engineers at its new Berlin gigafactory to deep learning scientists in Palo Alto. It had scheduled an online hiring event for Shanghai on June 9 on its WeChat channel.

Mr. Musk's demand that staff return to the office has already faced pushback in Germany.

And his plan to cut jobs would face resistance in the Netherlands, where Tesla has its European headquarters, a union leader said.

"You can't just fire Dutch workers," said FNV union spokesperson Hans Walthie, adding Tesla would have to negotiate with a labor union on terms for any departures.

In a Tuesday email, Mr. Musk had said Tesla employees were required to be in the office for a minimum of 40 hours per week, closing the door on any remote work. "If you don't show up, we will assume you have resigned," he said.

Jason Stomel, founder of tech talent agency Cadre, said that the return-to-office memo could be a way to get people to leave.

"(Musk) knows there's a percentage of workers who are just not going to come back," which he said would be cheaper for Tesla because no severance would be needed.

Mr. Musk has referred to the risk of a recession repeatedly in recent comments.

Remotely addressing a conference in mid-May in Miami Beach, he said: "I think we are probably in a recession and that recession will get worse." — **Reuters**



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Republika ng Pilipinas **LUNGSOD NG MAKATI**SANGGUNIANG PANLUNGSOD OF MAKATI

PRESENT:

Vice Mayor
Councilor
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HON. DENNIS B. ALMARIO
Councilor
HON. MARIA DOLORES M. ARAYON
HON. MARTIN JOHN PLO O. ARENAS

HON. MARTIN JOHN PIO Q. ARENAS Councilor Councilor HON. SHIRLEY C. ASPILLAGA HON. BENEDICT B. BANIQUED Councilor HON. ARNOLD J. CRUZ Councilor HON. ISRAEL S. CRUZADO Councilor Councilor HON. VIRGILIO V. HILARIO, JR. HON. LUIS S. JAVIER, JR. Councilor Councilor HON. LEONARDO M. MAGPANTAY HON. ARMANDO P. PADILLA Councilor HON. TOSCA CAMILLE T. PUNO-RAMOS Councilor HON, RENE ANDREI O. SAGUISAG, IR.

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Councilor HON. ANNA ALCINA M. YABUT
LnB President HON. MARIBEL F. VITALES
SK President HON. RODOLFO C. SAN PEDRO, JR.

ALSO IN ATTENDANCE:

Secretary to the

ATTY. DINDO R. CERVANTES

Sanggunian

Upon motion of Hon. A.J. Cruz, duly seconded, the Sangguniang Panlungsod of Makati, by a majority vote, approved City Ordinance No. 2022-077 on second and final reading.

CITY ORDINANCE NO. 2022-077

Authors: Hon. A.P. Padilla, Hon. R.A.Q. Saguisag, Jr., Hon. B.B. Baniqued, Hon. V.V. Hilario, Jr., Hon. L.S. Javier, Jr., Hon. D.B. Almario, Hon. A.J. Cruz, Hon. J.C. Villena, IV and Hon. R.C. San Pedro, Jr.

Co-Authors: Hon. M.D.M. Arayon, Hon. M.J.P.Q. Arenas, Hon. K.T. Sarosa, Hon. A.A.M. Yabut and Hon. M.F. Vitales

AN ORDINANCE DECLARING THE ANNUAL BUDGET FOR C.Y. 2022 OF BARANGAY RIZAL TO BE IN CONFORMITY WITH EXISTING LAWS, RULES AND REGULATIONS.

WHEREAS, Section 333 (a) of R.A. 7160, otherwise known as the Local Government Code of 1991, provides that the Sangguniang Panlungsod shall have the power to review barangay ordinances which relate to barangay budgets for the purpose of ensuring that the provisions of the aforementioned law are complied with;

WHEREAS, the Sangguniang Barangay of Rizal, by virtue of Barangay Appropriation Ordinance No. 03 Series of 2021, approved its Annual Budget for C.Y. 2022, a copy of such barangay ordinance, including its supporting documents, is hereto attached and made an integral part hereof as **Annex "A"**;

WHEREAS, the Honorable Members of the Sangguniang Panlungsod of Makati extensively reviewed the abovementioned document, including its attachments;

WHEREAS, after careful perusal of available documents, it was ruled upon by the Members of the Sangguniang Panlungsod of Makati that the proposed Annual Budget for C.Y. 2022 of Barangay Rizal is compliant with the minimum requirements as prescribed by existing laws, rules and regulations; hence, this Ordinance.

NOW, THEREFORE, BE IT ENACTED, AS IT IS HEREBY ENACTED BY THE SANGGUNIANG PANLUNGSOD OF MAKATI, METRO MANILA, BY VIRTUE OF THE POWERS VESTED IN IT BY LAW, IN SESSION ASSEMBLED, that:

<u>Section 1.</u> The Annual Budget for C.Y. 2022 of Barangay Rizal is hereby declared to be in conformity with existing laws, rules and regulations.

Section 2. The *Certification* issued by the Budget Department dated 24 May 2022, which attests that the Annual Budget for C.Y. 2022 of Barangay Rizal substantially complies with the provisions of pertinent laws, rules and regulations, is hereby adopted *in toto*, a copy of such *Certification* is hereto attached and made an integral part hereof as **Annex "B"**;

<u>Section 3</u>. The provisions of this Ordinance are hereby deemed separable. If any provision hereof should be declared invalid or unconstitutional, the remaining provisions shall remain in full force and effect.

<u>Section 4.</u> All ordinances, resolutions and executive orders which are inconsistent with any of the provisions of this Ordinance are hereby repealed or modified accordingly.

Section 5. Let copies of this Ordinance be furnished to the Office of the Mayor, Office of the City Administrator, Law Department, Budget Department, Accounting Department, Urban Development Department, Department of the Interior and Local Government (DILG)—Makati City, Liga ng mga Barangay, Sangguniang Barangay of Rizal and other departments, offices, and agencies concerned for their information, guidance and reference.

 $\underline{\textbf{Section 6}}. \ \textbf{This Ordinance shall take effect immediately upon its approval}.$

ENACTED BY THE SANGGUNIANG PANLUNGSOD OF MAKATI, METRO MANILA, in its Regular Session held on 1 June 2022.

ATTY. DINDO R! CERVANTES

Secretary to the Sangguniang Panlungsod

HON. MONIQUE YAZMIN MARIA Q. LAGDAMEO Vice Mayor & Presiding Officer

Attested by:

HON. MAR-LEN ABIGAIL S. BINAY

Approved by: