OPINION

Union appoints management expert to CBA panel

We have an upcoming negotiation with the employees' union for a new Collective Bargaining Agreement (CBA). Last week, the union president sent us a list of their negotiating panel members, including a management expert from a high-end business school. I checked on the expert with my industry colleagues, who could provide no information. As the human resource head, I'm weighing the pros and cons of this new development. What are your thoughts? — Rainbow Connection.

There's nothing new under the sun. Even the preceding statement is not new as it comes from Ecclesiastes 1:9, which reads: "What has been will be again, what has been done will be done again as there's nothing new under the sun." The world is round and everything will come to us in different forms and times, but the substance will remain the same.

IN THE WORKPLACE
REY ELBO

ELBONOMICS: Fools don't know their situation unless confronted by some fools.

But that's not the issue. A management expert sitting on a union panel indicates that the union appears to be distrustful of management and line executives. It's a bad start. Why would they hire an outsider to validate your claims and counter-proposals in the upcoming CBA negotiation?

Another thing to consider is whether the union is trying to play a psychological trick upon management.

FOUR OPTIONS

The outcome of the CBA will depend on a well-crafted management plan faithfully executed during the negotiation process. That means having a good roadmap that identifies potential hazards along the way. Speaking of hazards, what damage could an external management expert do to your negotiation process?

Such a union expert could derail the negotiating process if the expert decides to start lecturing the management panel and treat them like students. The expert's behavior can be circumscribed by the negotiation ground rules, but there are no guarantees.

It's very important to understand the underlying circumstances. The following suggestions may be helpful:

One, acknowledge the union proposal. Do it without delay. Request clarification of the union's decision to involve an external management expert. I'm sure they have a reason. The question is whether the reason is valid to management. You must understand the entire picture and prepare a considered reply or offer a better option.

Two, reject the union proposal. If management is not convinced, it might be better to reject the proposal, but without being blunt. It might be necessary to initiate an informal discussion with union officials before finalizing your reply. You might bring up the potential for endless debate when an outsider is involved, resulting in unreasonable delays to the conclusion of the CBA.

Three, agree but limit the expert's participation. This can be easily justified by the need for confidentiality in the negotiation process. Any information accessed by an outsider, no matter how professional, must be restricted, limited, or even denied in certain cases.

If necessary, accept only economic experts on a one-time engagement, who can talk about the consumer price index and inflation forecasts for the next three to five years. The trouble is that there is no consensus even among economic experts about the course of future events. This newspaper can attest to that.

Last, hire your own expert. If the union insists on the participation of its expert, management may propose its own third-party expert from the University of the Philippines School of Labor and Industrial Relations, the National Wages and Productivity Commission, or the National Conciliation and Mediation Board.

You may be tempted to propose hiring an expert from a competing trade federation. Don't even think about it unless you want to antagonize the union negotiating panel.

BAD PRECEDENT

In conclusion, reject the proposal as best you can. Let the union agonize about justifying its proposal. If management is firm in its position and has explained it well, the union will surely come around to the folly of its position. Whatever you do, be professional and respectful in dealing with the union to avoid antagonizing the other side and complicating the negotiations.

Keep the discussion to what's practical, right and inexpensive. Labor and management don't need external experts unless they're discussing technical issues; such experts are freely available from independent and reputable sources.

If you'll agree, the presence of experts could be taken as precedent, and might embolden the union to propose more meaningless ideas.

Chat your questions with REY ELBO on Facebook, LinkedIn or Twitter or send your feedback to **elbonomics@gmail.com** or via **https://reyelbo.com**

Higher tech content in agri demands skills upgrades

TECHNICAL SKILLS among agricultural workers need to be upgraded to make the industry future-ready and more attractive to tech-savvy younger people, the Philippine Chamber of Commerce and Industry (PCCI) said.

"What we have seen in agricultural processing plants is the need to prioritize both the volume of agricultural output and worker skills. We know that skills are important in everything," PCCI President George T. Barcelon said.

"We'd really like to attract younger people into the sector. To attract them, we must make agriculture relevant. It should be updated with the latest technologies because international agricultural standards are now using electronics and the Internet of Things (IoT)," he added.

Mr. Barcelon made the remarks as PCCI Human Resources Development Foundation, (HRDF) Inc. was launching a study on developing the workforce for the fruit and vegetable processing industry, supported by the Australian Government and implemented by Philippine Business for Education (PBEd).

According to PBEd, skills upgrades are "in line with the Philippine government's priority to improve the agriculture sector through collaboration between the government and private stakeholders."

Australian Embassy Deputy Head of Mission Richard Sisson said that the Australian government supported the study to ensure that Philippine industries and the workforce are prepared for the future.

"This labor market intelligence study focuses on an important agricultural sector, the fruit and vegetable processing sector, and we are very happy to see strategies developed from the study recommendations," Mr. Sisson said.

"Agriculture is a priority for the Philippines, and we are happy to contribute to its development," he added.

Among the key recommendations of the study are incorporating digital solutions, warehousing and logistics, and soft skills into training programs for the industry.

For the current workforce, employers should also enroll employees for career development as well as the overall development of the industry, according to the study.

"As the country recovers from the pandemic, our efforts should focus on strengthening the country's agriculture sector to ensure that our people have food on the table. We propose creating a human resource training plan for the fruits and vegetables processing sector," HRDF President Alberto P. Fenix, Jr. said.

"We believe that a skilled and qualified workforce is an imperative for the growth and development of any sector or industry," he added.

PBEd said that the next step is to roll out the study's results to various parts of the country within the year to gather other possible inputs from stakeholders. — **Luisa Maria Jacinta C. Jocson**

Trade department urges education industry to offer degrees in less time

EDUCATIONAL institutions should work to reduce the time needed to earn degrees to push students into the workforce faster, the Department of Trade and Industry said.

"The trend now in higher education is to shorten the number of years needed to get a college degree. In some countries who have successful K to 12 programs, they award a college degree in two or three years, in Singapore and other countries… We have to move towards that direction," Trade Secretary Alfredo E. Pascual told the 43rd National Conference of Employers (NCE) organized by the Employers Confederation of the Philippines in Pasay City on Wednesday.

Mr. Pascual, a former University of the Philippines system president, called for the curriculum to be reworked to favor training in specific skills.

"There should be no more general education courses in college. General education courses should be taken care of in the K to 12 curriculum. Then in college, focus only on the major subjects. They have to be focused and job-oriented. We need to orient our graduates towards specific skills required by jobs," he added.

The K to 12 program (Kinder to Grade 12), rolled out during the 2012-2013 school year, added two years to secondary education to make graduates ready to enter the workforce if they so choose.

Mr. Pascual said employers should invest in developing skills as the benefits of the K to 12 program have yet to be fully felt.

"I think the employers should invest in the training of our people. We know very well that our educational system has yet to be reoriented towards the skills needed in our time. It is behind. We need digital skills, but these are not yet being developed," Mr. Pascual said. — **Revin Mikhael D. Ochave**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link **<bit.ly/Educ082622>**

Apple sends invites for Sept. 7 event, to unveil new iPhones

APPLE, INC. on Wednesday sent media invitations to a Sept. 7 event when analysts expect the company to unveil new iPhones, a week earlier than its traditional autumn event.

If Apple follows its pattern of shipping devices about a week and a half after it unveils them, it could add two weeks of iPhone sales to the company's fiscal fourth quarter.

Analysts expect Apple to introduce a new generation iPhone 14 model.

Reuters has previously reported that Apple told suppliers it expects the new generation of phones to sell better than its predecessors did.

Apple is also expected soon to unveil new models of the Apple Watch, iPad, and Mac computers, some perhaps at the September event.

While the company has largely insulated the iPhone from supply chain turbulence, it warned in an earnings call last month that parts shortages could hamper sales of some of those other products.

Apple plans to host the event at the Steve Jobs Theater at its headquarters in Cupertino, California.

The event would be the first in-person, indoor event since the coronavirus pandemic began in 2020.

Apple earlier this year held an event for developers, but the keynote presentation was given outdoors at its headquarters.

The invitation's artwork features the Apple logo surrounded by an outline of night-sky stars and the caption "far out." — ***Reuters***

Mitsubishi to apply for stake in Sakhalin-2 project

TOKYO — Japanese trading house Mitsubishi Corp. said on Thursday it has decided to apply for a stake in the new Russian entity that took over the Sakhalin-2 liquefied natural gas (LNG) project.

The move comes after the Japanese government asked Mitsubishi Corp. to "think positively" about joining the new entity as the Sakhalin-2 is a key source of stable energy supplies for Japan.

Shares in Mitsubishi were up more than 2% after the news, outperforming a broader Nikkei index which was up 0.5%.

"A resolution was passed this morning regarding the submission of a consent to take a stake. The consent will be filed by the deadline," a Mitsubishi spokesperson said, referring to the Sept. 4 deadline.

Another shareholder, Mitsui & Co., said it is still in talks with relevant parties, declining to elaborate.

THE Lun-A (Lunskoye-A) platform, located 15 km off the north eastern coast of Sakhalin Island.

RUSSIAN DISSIDENT

Russian President Vladimir Putin signed a decree in June to take charge of the Sakhalin-2 project in Russia's far east, raising the stakes in an economic war with the West and its allies.

The order created a new Russian entity to take over all rights and obligations of the previous operator Sakhalin Energy Investment, in which Shell and two Japanese trading companies hold just under 50%.

A Russian government decree signed early in August gave the foreign investors a month to claim their stakes in the new entity.

Russia's state gas company Gazprom received just over 50% of the new entity, which is holding the remaining share until existing shareholders apply for a stake.

The Russian government will decide whether to approve any request from the foreign investors within three days.

The move by Mitsubishi Corp. was largely expected as the Japanese government has repeatedly said it would support the trading houses in their efforts to stay in the project. Japan imports about 10% of its LNG from Russia, mainly from Sakhalin-2.

Mitsui and trading house Mitsubishi together hold 22.5% in the project.

Separately, Japanese gas and electric utilities with long-term contracts to buy LNG from Sakhalin-2 received a new contract offer from the new Russian operator, which they are currently assessing. — ***Reuters***

German lender KfW prepared to extend credit line to Uniper as gas losses swell

FRANKFURT — German state lender KfW is prepared to extend a credit line to struggling gas importer Uniper as one way to offset losses that have accelerated with soaring fuel prices, two people familiar with the matter said on Wednesday.

Uniper, hit by the cost of trying to replace reduced Russian gas deliveries, struck an initial €15-billion ($14.9-billion) bailout deal with the German government in July, including a €9-billion credit line from KfW, €5 billion of which has already been drawn. That line could be increased as a backstop measure to account for a much more significant increase in gas prices than was expected at the start of the bailout talks in June, the sources said.

Details of the bailout are still under discussion and a term sheet is expected to be signed in mid-September, the people said, adding other options were also under discussion and that KfW may not need to increase the line.

Frankfurt-listed Uniper shares extended losses following the news and were down 4.2%.

Germany's economy ministry currently sees no need to adjust the Uniper rescue package, a spokesperson said, adding it was unclear how the situation would develop going forward.

KfW and Uniper both declined to comment.

Uniper has been forced to buy gas in the spot market where prices have soared to replace a shortfall in deliveries from Russia, which has reduced flows through the Nord Stream 1 pipeline since mid-June.

Uniper's gas losses stood at €3.8 billion as of Aug. 17 and, according to comments by finance chief Tiina Tuomela last week, are rising by roughly €100 million each day.

At the current rate this will amount to €8.2 billion by Oct. 1 when a gas levy kicks in that allows Uniper to pass on most of the higher gas costs to customers and massively cut losses.

That would be higher than a €7-billion threshold beyond which the German government has pledged to backstop losses, although the mechanism by which it would do so still needs to be clarified, the sources said.

They added that increasing the gas levy could also help cushion the blow.

"At the end of June, when we started the negotiations, we expected the backstop to not be reached at all," Uniper Chief Executive Klaus-Dieter Maubach told journalists last week after presenting a €12.3-billion first-half loss.

Mr. Maubach said the worst-case assumption at the time had been that the backstop threshold would be reached sometime after the gas levy kicks in. "But now it's clear that it will be reached earlier." — ***Reuters***

Exxon, Shell and Chevron end lawsuits against Nigeria's state-owned oil company

NEW YORK — Four major oil companies have agreed to end US lawsuits that together sought to enforce multibillion-dollar arbitration awards against Nigeria's state-owned oil company, after reaching new deepwater oil production sharing agreements.

Two federal judges on Aug. 22 granted requests by Exxon Mobil Corp., Royal Dutch Shell Plc, Chevron Corp. and Norway's state-owned Equinor ASA to put their lawsuits against Nigerian National Petroleum Co. (NNPC) on hold so the agreements could take effect, likely by late October.

The companies said they expect to terminate the litigation thereafter.

NNPC renewed its agreements with the four companies and France's TotalEnergies SE on Aug. 12.

Those agreements concerned five deepwater blocks that officials said could produce as many as 10 billion barrels over 20 years.

Exxon and Shell had been seeking to enforce an $1.8-billion arbitration award against NNPC from 2011, while Chevron and Equinor sought to enforce a $995-million award from 2015.

Both stemmed from accusations that NNPC drew more oil than permitted under contracts that dated from 1993, and which were designed to encourage oil companies to invest billions of dollars for exploration and development.

The awards have since grown in size, and together were recently worth closer to $4 billion, court papers show.

In their respective orders, US District Judge Lorna Schofield dismissed the Exxon-Shell case to allow time for the NNPC agreements to take effect, while US District Judge Kevin Castel stayed the Chevron-Equinor case for 45 days.

On July 8, a US appeals court said Exxon and Shell were entitled to enforce part of their award against NNPC, rejecting a lower court judge's refusal to enforce any of it. — ***Reuters***