Marcos plans to deploy more nurses overseas

PRESIDENT Ferdinand R. Marcos, Jr. told a nurses' organization on Thursday that he plans to allow more nurses to work overseas, marking a further easing on mobility restrictions imposed on the profession during the pandemic.

The government will also strive "to improve opportunities domestically," Mr. Marcos said at a gathering organized by the Philippine Nurses Association (PNA).

In December, the Philippines raised its limit for nurse deployments to 7,000 after setting a cap of 5,000 in 2020 to head off a shortage of medical workers during the pandemic.

The President also backed the passage of a law improving the profession's domestic career prospects and access to "relevant nursing education."

"I have taken special note of the clamor to address issues in the nursing profession by the passage of the new Philippine Nursing Practice Act," Mr. Marcos said in his speech.

As the healthcare system came under strain during the pandemic, hospitals faced potential walkouts by overworked personnel.

"Among the commonly cited reasons for the resignation was low wages," physician and researcher Rowalt Alibudbud said in a study published by the *Journal of Global Health* in May.

Mr. Marcos promised to address the wage gap between nurses in state hospitals and those in the private sector and distribute healthcare workers more evenly across the country by addressing issues like health facilities, benefits, and security of tenure.

"Let us join hands to maintain our country's position as the gold standard when it comes to providing healthcare workers to hospitals and health facilities globally," he added.

Entry-level nurses working in public hospitals start with a monthly salary of P33,575, while those in the private sector may receive as little as P8,000, according to Mr. Alibudbud, the health researcher.

"These wages may not be enough to cover the cost of living in the Philippines," he said. "Some of the nurses even go to work without benefits and hazard pay, despite the heightened health risks and threats during the pandemic."

The PNA has a membership roll of about 40,000.

Last month, the Philippine leader proposed a "ladderized" program laying out a more attractive career path for nurses.

Fifty-one percent of about 617,000 licensed nurses in the Philippines have migrated while only 28% or about 172,000 were active in both the private and public sectors, the Palace said in a statement last month, citing data from the Department of Health. It added that 21% "are working in areas other than healthcare."

In July, the Commission on Higher Education lifted a ban on the opening of new nursing undergraduate programs.

The ban was imposed in 2011 due to an "oversupply" that left graduates hard-pressed to find work. — **Kyle Aristophere T. Atienza**


PHILIPPINE STAR/MICHAEL VARCAS

BPI expects PHL to avoid recession with region-leading growth

THE PHILIPPINES is likely to be bypassed by the wave of recessions expected to hit developed countries and lead Southeast Asia in terms of growth this year, the Bank of the Philippine Islands (BPI) said in a report.

"We don't think there will be a recession in the Philippines," BPI Lead Economist Emilio S. Neri, Jr. said in his presentation, "Recovery Prospects Amid Mounting Headwinds: The Economy in the Next 18 Months," delivered during BPI's BizTalk Online.

"There might be a recession in the developed world because of high inflation and aggressive rate hikes but we don't think there will be a recession in the Philippines unless the COVID-19 pandemic resurges or monkeypox cases rise, or some other unexpected event. But if things move along as is, I think the Philippines will easily be able to avoid a recession," he explained.

The Philippines is also expected to post the strongest growth levels within the Association of Southeast Asian Nations, according to Mr. Neri.

"This year, we will be the valedictorian," he said, adding that the Philippines will grow faster than other countries in the region.

Preliminary estimates by the Philippine Statistics Authority indicate that gross domestic product (GDP) grew 7.4% year on year in the three months to June, bringing first-half growth to 7.8%, above the government's 6.5-7.5% target this year.

"We will be strongest in terms of GDP growth. Next year, we will be salutatorian, second to Vietnam, which will be growing by 7.2%."

Downside risks in the second half include "rapid inflation in the US. The last time this happened was in 1981, and there doesn't seem to be any clear evidence that this is already the peak."

Mr. Neri said supply chains and freight costs will continue to affect businesses in the Philippines and pose a drag on the economic recovery. He added that elevated coal prices may keep electricity costs high.

"With high coal prices, expect your electricity bills to continue going up because our understanding is these (high coal prices) have not been fully factored in with the way our electrical suppliers have been pricing their products," Mr. Neri said.

He also cited the worsening threat of food protectionism, with India banning exports of wheat, Malaysia's partial ban on exports of chicken to Singapore, and Indonesia's palm oil export ban.

Monetary policy geared towards addressing high inflation could also present a shock to businesses after a long period of low rates.

Central banks "lowered interest rates significantly during the pandemic. Now they are adjusting them," Mr. Neri said.

The Bangko Sentral ng Pilipinas (BSP) on Aug. 18 raised benchmark interest rates by 50 basis points (bps) and signaled room for more hikes to battle inflation. July inflation accelerated to 6.4%, exceeding the central bank's 2-4% target band.

The Monetary Board has increased rates by a total of 175 bps since May. BSP Governor Felipe M. Medalla has cited the need to respond if the Federal Reserve's tightening moves remain aggressive.

The Fed has raised rates by 225 bps since March, including back-to-back 75-bp increases in June and July. Fed Chairman Jerome H. Powell said last week that the US could experience a slowdown and higher unemployment as the central bank pushes rates higher.

"Interest rates will probably continue going up to defend the weakening peso, and it's not just because the US is hiking rates. It's because our economy is recovering rather fast — local demand is picking up fast, unemployment is low, we are borrowing more, our loan growth is 10% — all of these point to a strong recovery in domestic demand, seen in tourism, restaurants demand but they're contributing to the weakening of the peso, and therefore higher interest rates," Mr. Neri said.

The peso remained at the P56 level against the dollar in August, closing the month at P56.145 on Wednesday, down 10.08% from its P51 finish on Dec. 31, 2021.

The peso closed at P56.42 on Thursday, down 27.5 centavos, according to the Bankers Association of the Philippines. — **Keisha B. Ta-asan**

Document snags delay P63B in COVID benefits

THE Department of Budget and Management (DBM) said the release of P63 billion worth of allowances for pandemic frontliners is awaiting the fulfilment of documentary requirements by the Department of Health (DoH).

"We cannot release funding if there are no documentary requirements given to us," Budget Secretary Amenah F. Pangandaman said in a television interview with CNN Philippines on Thursday.

The DBM said that, on June 8, it requested that the DoH address deficiencies in the documentation accompanying its request to release funds for the One COVID-19 Allowance (OCA), for which all pandemic frontliners are eligible.

"Essentially, we requested them to substantiate their request by sending us the budget breakdown, segregation, actual names of claimants, and other relevant documents for us to clearly determine the universe of eligible beneficiaries," the DBM said in a statement on Thursday.

Despite subsequent meetings between the two departments, the DoH was unable to fully comply as of July 15.

"They were only able to address and substantiate documents that are related to unpaid COVID-19 sickness and death claims for fiscal year 2020 and 2021 worth P570 million, which enabled us to release the same amount in August," the DBM said.

On Wednesday, Officer-in-Charge Health Secretary Maria Rosario S. Vergeire said talks with the DBM are ongoing, adding that the DoH has received a request from the Philippine General Hospital (PGH) for the release of its OCA.

"For the longest time since these benefits were mandated… we have been able to provide them to the PGH. What happened is that our MOOE (maintenance and other operating expenses) from the National Government through DoH has been used up and we have nothing more to issue," Ms. Vergeire said.

"We would like to inform the PGH and other hospitals that we are not choosing any hospital to give a certain budget. When we have a budget… we release it to them. It just happened that now we have long been requesting for this budget from the DBM and up until now we had not been approved for release."

Ms. Pangandaman said that the DBM reminded the DoH last week of the pending items for submission.

In February, the DBM released P7.92 billion to the DoH for the OCA of pandemic frontliners, as authorized by Republic Act No. 11712 or the Public Health Emergency Benefits and Allowances for Health Care Workers Act, signed in April by President Rodrigo R. Duterte.

"As long as the DoH can address the deficiencies in the documentary requirements, DBM will immediately process the request to release funds, based on available budget," the DBM said. — **Diego Gabriel C. Robles**

Share of RE in energy mix declines to 28.9% at end of 2021

THE share of renewable energy (RE) in the power generation mix fell to 28.9% at the end of 2021 from 32% in 2016, according to a Department of Energy (DoE) accomplishment report issued by the previous Secretary.

The report indicated that coal-fired power plants remain the top source of power in terms of installed capacity, with a 57.5% share at 11,684 megawatts (MW) in 2021 from 7,419 MW in 2016.

RE capacity at the end of 2021 was 7,965 MW, up from 6,994 MW in 2016.

According to the DoE's National Renewable Energy Program, the department is targeting an RE share of capacity of 30% by 2030 and 50% by 2040.

At the end of 2021, oil-fired power facilities accounted for 16.1% or 4,417 MW of the energy mix in terms of capacity and natural gas with 12.5% or 3,453 MW. In 2016, oil-fired facilities accounted for 18.3% of the power mix by capacity, or 3,986 MW and natural gas 15.7% or 3,431 MW.

The DoE said that at the end of 2021, about 1.1 million households remained unserved, posting an electrification level of 95.41% households, equivalent to 25.02 million households enjoying electricity service.

Luzon posted an electrification level of 98.7% of households, with the Visayas at 96.8%, and Mindanao at 86%. The National Capital Region and Caraga have attained total electrification.

The DoE said in light of the depletion of the Malampaya gas field, it has approved six proposed Liquefied Natural Gas (LNG) import terminal projects, with operations expected to start in 2022 or 2023.

Currently, the DoE said that about 20% of the country's total power requirement and 27% of the Luzon Grid serviced by plants drawing gas from Malampaya.

Estimated investment for the terminal projects is P51.2 billion, among the approved projects expected to commence operations by 2022.

These include that of FGEN LNG Corp. and Linseed Field Corp. which is expected to service the natural gas requirements of the facilities depending on the Malampaya gas field. — **Ashley Erika O. Jose**

Diokno urges LGUs to embrace greater role post-Mandanas

LOCAL government units (LGUs) will be expected to take on a greater role in guiding the economy to a recovery, after LGUs gained a greater share of funds from the National Government in the wake of the Supreme Court's Mandanas ruling, Finance Secretary Benjamin E. Diokno said.

"When the pandemic hit, LGUs had to assume new and unfamiliar roles in the delivery of public services to their constituents, especially those in the most vulnerable sectors. As a result, the health crisis had a significant impact on the fiscal resources of many localities," Mr. Diokno was quoted as saying in a statement issued by the Department of Finance (DoF), detailing his remarks to local officials in Leyte and Samar on Aug. 25.

"Local government finance, in particular, will be even more important now as the revenue share of LGUs has increased with the implementation of the Supreme Court ruling… You are now primarily responsible and accountable for the provision of basic services and facilities fully devolved to LGUs," he added, calling for improvements in revenue collection and resource mobilization through digitalization, among others.

The Supreme Court granted LGUs a larger share of the national taxes after resolving a long-running dispute over their 40% share of the National Government's "internal revenue," as the Local Government Code of 1991 was originally worded. As a result, the National Government used to release to LGUs the Internal Revenue Allotment (IRA), based largely on the collections of the Bureau of Internal Revenue.

The court ruled instead that LGUs were entitled to a 40% share of all national taxes, including those collected by non-BIR agencies. The name of the IRA was duly changed to the National Tax Allotment.

The ruling raised the LGU allocation to P959 billion this year, up 37.89%.

In response, the National Government started devolving some of its functions, which will now be performed at the LGU level.

Mr. Diokno said the issue has become whether LGUs are able to spend their newly expanded take from the national taxes.

"Realistically, because you are giving LGUs more money, the problem pointed out by the World Bank, and I agree, is that many LGUs won't be able to spend the money. It's because of the lack of capacity. In fact, even before the crisis, local governments already had a surplus position. They usually have large surpluses because they are not able to spend their money," Mr. Diokno told the Senate committee on local government last month.

In his message to local leaders, Mr. Diokno called for greater professionalism in the management of LGU finances. He cited the Standardized Examination and Assessment for Local Treasury Service program of the Bureau of Local Government Finance as one such program that will build capacity within the local government treasury service.

He also called on local governments to implement a "just, equitable, and efficient real property valuation system. The measure will assist the LGUs in optimizing revenue collections, which in turn will promote genuine local autonomy."

Other items in the administration's legislative agenda for subnational governments include the LGU Income Classification bill and the LGU Property Insurance bill, the DoF said.

The former "seeks to adjust the income thresholds and regularize the review of the income classification of all provinces, cities, and municipalities," while the latter "proposes to widen the scope of the insurance coverage for local government assets."

"We are pushing for measures amending certain fiscal provisions of the Local Government Code. These amendments include simplifying the rate structure of local business taxes; assigning more revenue-productive taxes to LGUs; and providing a mechanism for administrative recourse in case of disputes related to LGU taxing powers," Mr. Diokno said.

Mr. Diokno also asked LGUs to take advantage of recent reforms such as amendments to the Public Service Act, Retail Trade Liberalization Act, and Foreign Investments Act, to achieve self-sufficiency.

"We have brought down the cost of doing business through the Corporate Recovery and Tax Incentives for Enterprises Act or CREATE. The law immediately cuts the corporate income tax rate by 10 percentage points for micro, small, and medium enterprises, and 5 percentage points for all other corporations," Mr. Diokno said.

"The modernized fiscal incentives system gives superior incentives to investments in the countryside to attract investors to set up their business in areas outside of Metro Manila," he added. — **Diego Gabriel C. Robles**