

Wanted: Women Directors

Women directorship — is this a career path for women in the C Suite?

Did you know that only 17% of board seats in publicly listed corporations or PLCs are held by women directors?

The new group we formed would like to see that grow to 30% in the next few years.

Diversity means including women, and also younger directors who may be more familiar with current concerns, such as Fintech and Sustainability.

The NOWCD is now affiliated with Women Corporate Directors International or WCD (www.womencorporatedirectors.org).

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nance Corp. (IFC), may also open opportunities for independent directorships in projects around Asia, given the same time zone it would be convenient for Filipina directors.

In the Philippines, we hope to advocate and also encourage companies with public interest to recruit women directors even though they are not listed at the Philippine Stock Exchange (PSE).

Another tip given by Datuk Shireen is for women to come to the fore and promote each other so companies that keep saying there

is a lack of women directors will have access to a list or a directory of qualified women. There is really a pressing need to recruit more women into our pipeline given the rule that one director can only hold a maximum of five directorships.

The first step would be to enroll in a Professional Director Program (PDP), such as the one offered by the Institute of Corporate Directors (www.icd.ph).

Next would be to practice and earn your stripes in private corporate boards or even NGOs. As Datuk Shireen shared, it need not be a PLC right away.

Third would be to master a subject like Risk, Sustainability, or Audit. Just like a college degree moving on to a doctorate one, there are steps and specializations.

Fourth would be to network and be involved in business organizations or federations like the Philippine Women's Economic Network (PhilWEN, www.philwen.org) which has six member organizations, exposing one to a myriad of opportunities in the women empowerment sector, especially through business.

also have the Filipina CEO Circle, a robust group of over 100 Women CEOs and COOs, whose next career move would be to be a Board director. And that network experience makes one useful to PLCs, NGOs, and other companies with public interest as mentioned.

Many women CEOs think that the next step after one has reached the pinnacle of power and authority in a corporation, big or small, is retirement. What will one do with all that experience and knowledge gained over the years in corporate life?

So, whether you want to stay in the country or travel the world attending board meetings, like what Ambassador Delia Albert does, and other powerful women desire to do, you can start now.

Remember today's mantra for companies: "Diversity and Inclusion. Sustainability. Risk Management." Only the fearful will set this opportunity slide. And



women, regardless of age, can take a stab at it. Be fearless. This is the time for lifelong learning.

As for the men? Our message is for you to include women in your boards and you may be surprised at the different ideas they can contribute to your company's bottom line, among other benefits they may bring to the proverbial table.

Yes, we want more women to be in boards. And we want them now.

This article reflects the personal opinion of the author and does not reflect the official stand of the Management Association of the Philippines or MAP.

CHIT U. JUAN is a member of the MAP Diversity & Inclusion Committee, and the MAP Agribusiness Committee. She is chair of the Philippine Coffee Board, and councilor of Slow Food for Southeast Asia.



Power demonopolization, privatization, and smuggling

Last week, on Sept. 12, the National Grid Corp. of the Philippines (NGCP) made a big announcement of red and yellow alerts in the Luzon grid. It was a bad situation for three reasons.

One, it came just five days after a successful business roadshow by the Marcos Jr. administration in Jakarta and Singapore where some \$14.4 billion of pledged investments to the Philippines were announced.

Two, the main reason was not power generation deficiency but the tripping of transmission lines of the NGCP — two 500 kilovolt (kv) lines connecting Kaampat (Bolo) to San Manuel (Nagsaag) tripped on the morning of Sept. 11, but the NGCP and some sectors blamed the affected power plants.

There were three other plants that were already out prior to the grid tripping incident — Calaca 2, Dinginin, and Quezon Power — with a combined 1,428 MW. And, three, it highlighted once again NGCP's non-compliance with Department of Energy (DoE) Circulars on contracting ancillary services (AS) to help ensure grid stability when there are unforeseen generation or transmission problems.

See these reports in BusinessWorld: "DoE to investigate forced outages that raised red alert over Luzon" (Sept. 12), and "NGCP 'in discussions' with DoE to ensure adequate power supply" (Sept. 14).

The NGCP is the only remaining national private monopoly in the country. It is a very privileged and pampered company.

MY CUP OF LIBERTY
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2022). The other national monopolies are government-owned corporations like SSS, PhilHealth, and Pag-IBIG.

Transmission should be demonopolized but this will require legislation. Meantime the monopoly should be strictly monitored by the Energy Regulatory Commission (ERC), penalized for acts or inaction that lead to frequent yellow-red alerts due to transmission line defects, and/or expensive transmission charges.

Also last week, the Independent Electricity Market Operator of the Philippines (IEMOP) held a media briefing on power supply demand and pricing in the Wholesale Electricity Spot Market (WESM). There are three things I want to highlight from the IEMOP data.

One, there were many instances or periods from Aug. 25 to Sept. 10 when the secondary price cap of P6.25/kwh was imposed. Price control is said to protect the consumers but the opposite really happens. At forced low prices, someday the power supply will not be there when people need it most — blackout. Damaged appliances, darkness and heat, use of candles or gensets are more expensive than temporary price hikes if there is no price control.

Two, there was huge uptick in peak demand — the average increase in July-September 2022 over July-September 2021 was 6.6%. This shows consumer demand is high, investment optimism is high — this is good news. And since growth in power demand is a good proxy for GDP growth, my estimate of third quarter 2022 GDP growth would be about 8%, +/- 0.5%. In the second quarter of 2022, peak demand growth was 5.7% while GDP growth in Q2 was 7.4%.

And, three, intermittent, unstable and unreliable wind, solar, and biomass continue to generate very low power

Solar and wind generation, GDP growth

Table with 13 columns: Country, Solar+Wind, TWH/year (2004-2009, 2010-2015, 2016-2021), Total generation, TWH/year (2004-2009, 2010-2015, 2016-2021), (S+W)/Total, average %, GDP growth/year, % (2004-2009, 2010-2015, 2016-2021). Includes data for Denmark, Spain, Germany, UK, Italy, China, Japan, South Korea, Taiwan, Thailand, Vietnam, Philippines, Malaysia, Indonesia.

until today, only about 3% of total power generation in June-August 2022, 13 years after the Renewable Energy (RE) law of 2008 (RA 9513) was enacted.

But we frequently hear and read about the strong lobby by intermittent RE. See these recent reports in BusinessWorld:

- "IFC mobilizes financing for PHL firms' green projects" (Sept. 8), "PHL urged to decentralize power generation with more solar plants" (Sept. 11), "RE firms want reform of competitive selection" (Sept. 11).

In many countries in Europe, the inconvenient fact is that as more wind and solar are added to the grid, overall power generation declines, and GDP growth is low and anemic. This is because many non-intermittent and reliable fossil fuel and nuclear plants exit the market as they are not a priority in the grid and are being demonized regularly.

The opposite occurs in East Asia. In the ASEAN-5 especially, wind-solar share remains low in the total generation mix and countries grow fast (see Table 2). We

should keep business as usual, have more fossil fuel plants and limit the share of intermittent sources in the grid.

And then there are these two related reports in BusinessWorld: "DoE's Lotilla says gov't involvement in power will not bring rates down" (Sept. 8), and "Consistent application sought for key ERC ruling" (Sept. 15). I express my support for the positions taken by Energy Secretary Raphael Lotilla, and by ACEN Corp. that any ERC ruling on the SMC power companies' petition for a rate hike must apply to all other players that will seek similar petitions.

On the budget, taxes, and borrowings for 2023, there is one important revenue source to pay the P2+ trillion/year of net borrowings from 2020 to around 2024: privatize many government corporations and other assets. I propose three state enterprises that must be prioritized for privatization, and nearly 20 others over the long-term (see Table 3). Government-owned power plants and gambling companies should be at the top of the list. There is zero market failure being addressed by these state enterprises, they remain simply due to politics.

Finally, related to a recent piece in this column, "Motorcycle taxis, illicit tobacco, and electric cooperatives" (Aug. 8) where I noted that the estimated value of foregone tobacco taxes due to smuggling is P24-49 billion/year, House Bill (HB) 3917 was filed amending the Anti-Agricultural Smuggling Act of 2016 to classify cigarette smuggling as "economic sabotage" and imposing higher fines and penalties, and imprisonment.

This is a good bill authored by Ilocos Norte Representative Ferdinand "Sandro" Marcos and Party-list Representative Margarita "Migs" Nograles. The anti-smoking NGOs and activists should support moves to fight illicit tobacco be-

Government Corporations with good potentials for privatization

Table with 3 columns: Government corporations, Acronym, Total Assets 2022, P Billion. Includes candidates like Power Sector Assets & Liabilities Management Corp., Phil. Amusement and Gaming Corp., National Irrigation Administration, etc.

cause smuggled cigarettes are so cheap — the retail prices are lower than the tax alone of P55/pack this year — that they encourage more smoking, not less. When tax avoidance and smuggling are controlled, there will be less need to raise taxes elsewhere.

BIENVENIDO S. OPLAS, JR. is the president of Minimal Government Thinkers.



Table 1: Power generation mix, Luzon-Visayas grids. Columns: Source/Technology, 2022 % share (June, July, August), Jan.-Aug., GWh (2020, 2021, 2022), Jan.-Aug., % share (2020, 2021, 2022). Rows include Coal, Natural gas, Geothermal, Hydro, Oil-based, Solar+wind+biomass, and Total.