

US ties up with Lopez-led EDC to study geothermal potential

A UNITED States agency is providing Lopez-led Energy Development Corp. (EDC) a grant of \$413,120 to do a feasibility study for the development of a geothermal power plant in Mindanao.

In a press release published on its website, the United States Trade and Development Agency (USTDA) said it launched along with US Vice President Kamala Harris the grant — valued at P23.56 million in the local currency — to study the geothermal potential of the southern island's Amacan area.

It said the power plant, with a potential capacity of 50 megawatts (MW), “will support the Philippines’ clean energy transition and reduce greenhouse gas emissions.”

USTDA Director Enoch T. Ebon said in the release that the agency's assistance “will catalyze private sector investment in geothermal technologies that US companies are well positioned to supply.”

“The Philippines is already among the world's renewable energy leaders. Its potential



MINDANAO geothermal facility located in Kidapawan City
EDC

capacity for geothermal, wind, solar, and hydroelectric power is significant,” Ms. Ebon said.

“By partnering with EDC, USTDA is enthusiastic about bringing additional renewable energy resources online so that people across the Philippines have a clean and reliable source of power,” she added.

The agency quoted Richard B. Tantoco, president and chief operating officer of EDC, as saying that the Philippines needs to develop more geothermal energy to ensure its energy security.

“Geothermal energy has been providing the Philippines with baseload renewable energy and helping our country avoid at least

a million tons of carbon emissions each year compared to coal,” Mr. Tantoco said.

Alberto R. Dalusung III, the energy transition advisor of non-profit group Institute for Climate and Sustainable Cities, said in a Viber message to *BusinessWorld* that geothermal energy provides the highest capacity factor of power resources in the Philippines.

“We hope this will lead to a long-term partnership to enhance and expand existing geothermal fields, while developing new geothermal fields,” Mr. Dalusung said.

Gerry C. Arances, executive director of Center for Energy, Ecology, and Development, said in a

message: “A transition to 100% renewable energy is urgently needed in our country. Even still, we remain cautious and note that not all forms of renewable energy are created equal.”

Mr. Arances said that while the group welcomes the initiative, it is highly cautious about the impact of bringing in technologies, and prefers the development of sources that are “easily deployable.”

Separately, the USTDA published on its website an invitation from EDC for the submission of proposals from interested US companies that are qualified “on the basis of experience and capability” to execute the feasibility study.

The deadline for submission is set on Dec. 9 at 5:00 p.m. The selected US company will receive the grant provided by the agency.

On its website, EDC said that it has an installed renewable energy capacity of 1,476.59 MW. It also said geothermal energy is the company's major power source at an installed capacity of 1,181.8 MW or 61.3% of the country's total. — **Ashley Erika O. Jose**

DMCI Mining posts 56% profit drop in Q3

DMCI Mining Corp. reported a 56% decline in net income for the third quarter on the back of fewer shipments.

In a stock exchange disclosure on Wednesday, DMCI Mining's parent firm DMCI Holdings, Inc. reported that the unit's net income reached P80 million in the third quarter, down from P181 million previously.

It cited the “combined effect” of a 50% fall in shipments, a flattish 1% decline in nickel grade sold, 31% higher selling prices, and a 10% rise in average foreign exchange rates.

For the nine months ending September, DMCI Mining's net income dropped 17% to P1.17 billion from P1.41 billion due to lower nickel ore shipments and nickel grade sold.

“We expected a severe profit decline because of the depletion of our Berong mine late last year. Fortunately, the bullish nickel market allowed us to ship even the low-grade inventory of Berong,” DMCI Mining President Tulsi Das C. Reyes said.

“Strong nickel prices and local currency weakness also moderated the impact of lower shipments on our bottom line,” he added.

Overall shipments dropped during the January-to-September period as its Berong mine “did better than expected in the first half.”

The company said consequently, nickel ore shipments fell by only 25% to 1.09 million wet metric tons (WMT) from 1.45 million WMT. It added that in end-September, total inventory plunged by 76% to 109,000 WMT from 450,000 WMT, of which 81% came from Zambales.

DMCI Mining said that despite a 4% drop in the average nickel grade sold to 1.33% from 1.38%, it posted a 16% improvement in the nine-month average selling price to \$50 from \$43.

It said the impact of higher selling prices was magnified by a 10% increase in foreign exchange rates to P53 from P49 per US dollar. — **Revin Mikhael D. Ochave**

Aboitiz Equity Ventures secures permit to sell P20-billion bonds

ABOITIZ Equity Ventures, Inc. (AEV) received a permit on Tuesday from the Securities and Exchange Commission (SEC) to sell fixed-rate retail bonds worth P20 billion.

The permit will allow the holding firm to issue a base offer of P745 billion bonds from its P30-billion shelf registration in 2019 and a base offer of P550 million bonds under its P30-billion shelf registration program in 2022.

AEV will also offer an oversubscription option of up to P12 billion, which will also come from its P30-billion shelf registration program in 2022. The base offer and the oversubscription option are set to be issued on Dec. 7 with the offer period starting on Nov. 22 until Nov. 28.

AEV tapped BDO Capital & Investment Corp., BPI Capital Corp.,

China Bank Capital Corp., and First Metro Investment Corp. as the offer's joint issue managers, bookrunners and underwriters.

It also tapped BDO Unibank, Inc.-Trust and Investments Group as its trustee, while Philippine Depository & Trust Corp. was appointed as the registrar and paying agent.

AEV said it intends to list the 2022 bonds — the P550 million base offer plus the P12 billion oversubscription option — with the Philippine Dealing and Exchange Corp.

According to a press release from the SEC, proceeds from the offer are expected to amount to P19.76 billion if the oversubscription option is fully exercised.

The company intends to use the funds for the acquisition by its wholly owned subsidiary, Aboitiz

InfraCapital, Inc., of GMR-Mega-wide Cebu Airport Corp.

A portion of the proceeds will also be used to refinance the company's maturing debt, the company added.

Previously, the bond issuance received the highest issue credit rating of PRS Aaa with a stable outlook from the Philippine Rating Services Corp.

A rating of PRS Aaa means that the issuance is of the highest quality and has minimal credit risk. It also means that the obligor has the capacity to meet its financial commitment on the obligation.

Meanwhile, a stable outlook means that the rating is likely to be maintained in the next 12 months.

On the stock market on Wednesday, shares in AEV lost P1.45 or 2.54% to P55.55 apiece. — **Justine Irish P. Tabile**

Bayer launches P750-M integrated office in Taguig City

BAYER Philippines, Inc. inaugurated on Wednesday its integrated office worth P750 million in Taguig City as part of efforts to centralize its operations in the country.

In a launch event, Bayer Chief Operating Officer in ASEAN Ernst Coppens said that the new office is the largest office project of the group in the Association of Southeast Asian Nations (ASEAN) region.

The new office occupies four floors at the Science Hub 1 in McKinley Hill Cyberpark, Taguig City and centralizes the operations of Bayer's crop science, pharmaceuticals, and consumer health divisions and its global business services.

Bayer currently has over 1,800 employees in the Philippines.

“This is the biggest office project of Bayer in ASEAN. Since Bayer started the global transformation program in 2021, over 70 projects at Bayer sites are adopting the next normal office concept. Coming out of the pandemic, five out of six main offices in ASEAN have completed this transformation,” Mr. Coppens said.

The office features a variety of formal and informal work areas with sit-to-stand ergo-

nomous desks and chairs, stationary bike desks, stand-alone pods, huddle spaces for quick group catch-ups, and meeting rooms.

It also has a multi-faith room, deaf-friendly safety alarms, braille on key signatures, a mother's room for nursing moms, and gender-neutral toilets. The new office has recreational facilities such as chess, air hockey, football, sub-soccer tables, a dedicated game room and nap areas, and a gym with free fitness classes.

Meanwhile, Bayer said its “Bayer Kubo” program offers support for smallholder farming communities such as capacity-building programs on reproductive health and family planning, self-care, nutrition, and agri-oriented financial management and best practices.

“We are celebrating our 60th year with a P750-million new office investment from where we will continue to deliver our innovative products, solutions, and services for Filipino farmers, patients, and consumers. This is in line with Bayer's vision of Health for All, Hunger for None,” Bayer Philippines Managing Director Angel Michael Evangelista said. — **Revin Mikhael D. Ochave**

MERALCO reaffirms support for DOTr infra projects

The Manila Electric Company (Meralco) committed anew its support for the government's transportation infrastructure development efforts crucial to the country's pandemic recovery and economic growth.

In a meeting with the Department of Transportation (DOTr), Meralco President and CEO Atty. Ray C. Espinosa affirmed the power distributor's assistance through continuing pole relocation and energization activities in support of the agency's ongoing and planned transportation projects geared towards greatly benefiting the public.

“As the country's largest power distribution utility, Meralco is cognizant of the importance of stable and reliable electric service in the timely completion and effective operations of DOTr's infrastructure projects. The government can always count on Meralco's continued and full support for these initiatives which will help spur the Philippines' post-pandemic recovery and renewed drive towards economic progress,” Atty. Espinosa said.

Among the new transportation projects requiring substantial power supply are the LRT-1 Cavite Extension Packages 2 and 3, North-South Commuter Railway (NSCR) Extension from Calamba to Batangas; MRT-4; LRT-2 East Cogen Extension; LRT-2 West Extension; LRT-6 Cavite Line A; MRT-7 Extension Project; EDSA Greenways; EDSA Bus Rapid Transit-Busway Concourse; Pasig River Expressway; Southern Access Link Expressway; and Northern Access Link.

Meralco is also currently undertaking a pole relocation project in support of the ongoing construction of NAIAX-EDSA Tramo Connecting Ramp and Skyway Stage 4.



DOTr Sec. Jaime J. Bautista (5th from left) and Meralco President and CEO Atty. Ray C. Espinosa (5th from right), led officials from DOTr and Meralco in a strategic meeting to advance the government's infrastructure development efforts.

In May 2019, Meralco and DOTr signed a memorandum of agreement (MOA) underscoring the parties' close coordination for the timely completion of Common Station, LRT-1 Cavite Extension, MRT-7, Metro Manila Subway, PNR South Long Haul (from Manila to Sorsogon), and the three phases of North-South Commuter Railway System, namely PNR North 1 (from Tutuban to Malolos, Bulacan), PNR North 2 (from Malolos to Clark, Pampanga), and PNR South Commuter (from Solis to Calamba, Laguna).

Meralco and DOTr are likewise working together to ensure the timely grant of necessary permits and rights-of-way (ROW), clearances, access and authority for properties within their jurisdiction, in order for Meralco to fully implement the related relocation projects and to continuously operate its electrical facilities.

Since 2020, Meralco has relocated more than 2,500 poles and has energized 21 facilities to support the government's infrastructure projects.

“We are grateful to Meralco for their renewed commitment to support our projects. Long before these projects become operational, Meralco has been and remains a loyal partner in supplying power critical for these projects to prosper,” DOTr Secretary Jaime J. Bautista said.

Budget, from SI/1

“Tens of millions [of pesos] is still tens of millions,” she said. “The exceptions to this must be very strict, that is our vow to the people.”

Mr. Pimentel said he had proposed to realign P3 billion worth of confidential and intelligence funds in the 2023 budget.

“The Office of the President... is not a uniformed or military agency, and also is not an intelligence practitioner,” he said.

“We respect that, unfortunately we cannot agree,” Mr. Angara said in response.

Backing Mr. Pimentel, Ms. Hontiveros said: “I would like to place on record my continuing objection to the propriety of lodging confidential funds in agencies not involved in national security, and the propriety, not just the amount, is important.”

“We have agencies that are more in need of funds for the surveillance and other programs for the security of the country,” including those against human trafficking and child abuse, she added.

The Senate increased the budgets of several other programs including those on financial assistance, cooperative support, enhancing micro, small and medium enterprises and national electrification.

Housing, from SI/1

University of Asia and the Pacific President Winston Conrad B. Padojinog, another panelist at the PIDS forum, cited the need for private sector investment to cut the local housing backlog.

“Local government units can provide the land, extend tax incentives, identify beneficiaries, conduct social preparation activities and collect housing rent or fees,” he said. “The private sector can undertake the development, construction and management services of the property.” — **Luisa Maria Jacinta C. Jocoson**

Poverty, from SI/1

The World Bank study cited a shift to less productive work in occupational categories.

From January 2020 to April 2021, employment in high- and middle-skilled routine occupations fell, while employment in middle-skilled nonroutine and in low-skilled occupations rose, with the latter rising slightly faster.

“Considering wage occupations only, employment seems to have been shifting from middle-skilled to low- and high-skilled occupations, which suggests that the polarization in wage employment that apparently started in the mid-2010s will persist during the recovery and may worsen in the next few years,” the World Bank said.

The digital economy would probably expand and job transformation would quicken during the post-coronavirus era, it said.

“These changes may further the transition of workers from middle-skilled to low- and high-skilled occupations,” according to the report. “Concerns have been raised in many countries about heightened job polarization and income inequality with the transformation of jobs post-COVID-19.”

The government can reduce inequality by creating jobs, improving education access and quality, promoting inclusive rural development and strengthening social protection.

“The Philippines can still leverage the crisis generated by the pandemic to promote necessary reforms,” the World Bank said. “The pandemic has

exposed areas of high vulnerability in both advanced and developing economies, but it has also opened an opportunity to address these weaknesses through commitment to policies to build back better.”

State policies should support vulnerable population and ensure macroeconomic and fiscal sustainability, it added. The government should boost vaccination against the coronavirus, support schools in assessing student learning, provide learning recovery programs, strengthen social protection, provide well-targeted help and develop a fiscally viable unemployment insurance program.

Labor policies should support worker reskilling, redeployment and resilience especially for those most affected by disruptions.

“Use education and training to build pathways to better jobs and help the workforce to adapt to a rapidly changing labor market and make the business environment supportive of entrepreneurship,” according to the report.

It also cited the need to address gender inequality in the labor market and promote inclusive rural development. Health and education programs should also be expanded.

These include increasing access to quality and affordable healthcare in the countryside, bringing more skilled teachers to the provinces and providing incentives to poor households so they could send their kids to school, the World Bank said.