

Selective buying behavior noted in PHL FMCG segment as inflation bites

THE fast-moving consumer goods (FMCG) market has been marked by more selective purchasing behavior because of inflation, according to data and analytics firm Kantar.

Laurice Padlan-Obana, Kantar Philippines Worldpanel Division shopper insight director, said in a virtual media briefing on Tuesday that value is becoming more of a consideration for buyers.

"While value can be as straightforward as cheaper goods or paying less

for the same quantity, other factors such as the increase in gas prices, traffic and uncomfortable modes of transportation have redefined value in more encompassing terms when it comes to shopping," Ms. Padlan-Obana said.

"What we have seen is that, in general for packaged goods, shoppers are coping with rising prices by being more open to value brands. To some extent, however, they also take into consider-

ation where to shop. Nowadays, with multiple retailers and channel options within reach, shoppers can easily adapt to what would best fit their budgets and lifestyle that will address their needs at the moment," she added.

Inflation surged to 7.7% in October, driven by higher food costs.

Ms. Padlan-Obana said 41% of FMCG purchases in 2022 were accounted for by neighborhood stores, known as *sari-sari* stores.

"There is a bit of pressure on hypermarkets and supermarkets as most Filipinos who are feeling the economic strain are buying their basic FMCG needs in smaller proximity stores. Meanwhile, a 6% value share decline in hypermarkets and supermarkets was noted from 34% in 2020 to 28% in 2022," Ms. Padlan-Obana said.

Ms. Padlan-Obana added that Filipino shoppers are also growing more conscious of convenience and availability.

"Value delivery in forms of rewards, lower prices or promotions is a given. Convenience or the ease of access and availability of options are also important factors that shoppers now consider," Kantar said.

Kantar said the top 10 most chosen retailers in 2022 were Puregold, SM Supermarket, Mercury Drug, Robinsons Supermarket, CSI Supermarket, Prince Hypermart, Alfamart, Gaisano, LCC Supermarket, and 7-Eleven.

The list was compiled based on a study of where shoppers made purchases within the past 12 months.

"The more a retailer is able to check most if not all the boxes that Filipino shoppers consider when purchasing their FMCG needs, the more retailers become the shopper's choice. When retailers are able to understand and address those needs, shoppers will keep coming back," Ms. Padlan-Obana said.

— **Revin Mikhael D. Ochave**

Palace orders DENR to ensure small-miner safety net coverage

PRESIDENT Ferdinand R. Marcos, Jr. ordered the Department of Environment and Natural Resources (DENR) to more closely regulate smaller miners to ensure their safety practices are compliant with regulations, and that their workers are adequately covered in terms of social protections.

Mr. Marcos issued the instructions in a meeting with DENR officials in Malacañang, the Office of the Press Secretary (OPS) said in a statement.

"We want to legalize small-scale mining firms because many of them are illegal, therefore the miners do not have protections," he said. "We

want to strengthen the regulatory framework so that they can legally operate and we can give our miners assistance and protection."

"They might be able to access financing (and) social protections" if brought within the regulator's purview, he added.

The OPS said the President may certify some bills on small-scale mining, including amendments to Republic Act (RA) No. 7076, to offer incentives to the industry and "to provide social assistance and labor protection as well as government assistance programs."

Under RA 7076, the small-scale mining category refers

to mines that rely heavily on manual labor, without the use of explosives or heavy equipment.

"I think for now the need is for the regulatory capabilities, especially over small scale (miners)," the President told the DENR officials.

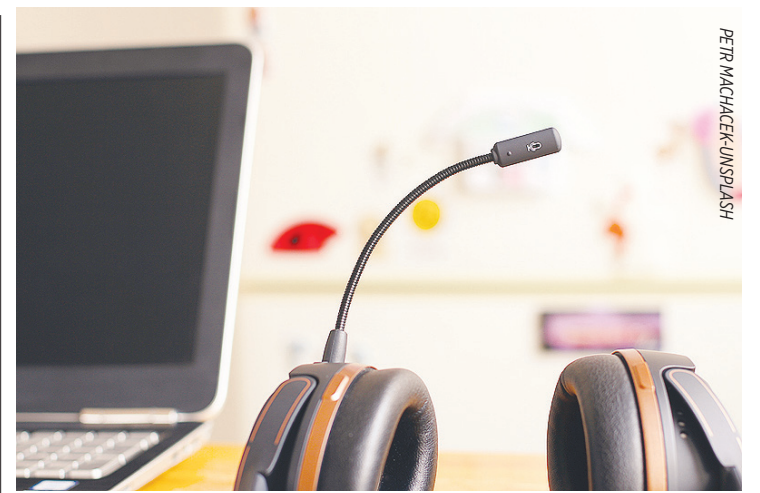
Finance Secretary Benjamin E. Diokno earlier said the mining industry can support the Philippines' long-term expansion.

Separately, Mr. Marcos cited the need to upskill and reskill seafarers in preparation for the expected shift of ocean-going vessels to green hydrogen between 2030 and 2040.

The President said Filipino seafarers would need additional training in handling alternative fuels.

At the 27th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP27), leading shipping organizations and major producers of green hydrogen signed a joint statement committing to the rapid production and use of low-carbon fuels based on green hydrogen to accelerate the decarbonization of global shipping.

The shipping sector accounts for 3% of global greenhouse gas emissions but is expected to grow rapidly without intervention. — **Kyle Aristophere A. Atienza**



Cebu health info project worth P143.4M approved for registration by BoI

THE Board of Investments (BoI) has approved a new contact center project involving an investment of P143.4 million in Cebu City, which will focus on health-care information management services (HIMS).

In a statement on Tuesday, the BoI said that it has approved the registration of Optum Global Solutions (Philippines), Inc.'s contact center project, which is expected to create 350 full-time direct and indirect jobs. Workers will be allowed to work from home.

According to the BoI, the project will provide coding, testing, and maintenance services, as well as help-desk troubleshooting support.

The project will also offer call center services, back-office operations as well as transaction processing, clinical process services, analytics services, trending and reporting.

"The approval of this project in Cebu City proves that we are persistent in our efforts to enhance the growth of the country's information technology and business process management (IT-BPM) industry, particularly in the HIMS sector," Trade Undersecretary and BoI Managing Head Ceferino S. Rodolfo said.

Optum Global has seven projects registered with the Philip-

pine Economic Zone Authority in Taguig City, Quezon City, Cebu City, and Muntinlupa City.

The company mainly supports a group company, Optum Technology, LLC, a US unit of United-Health Group, Inc.

"We are further advancing the IT-BPM industry, and this is just the beginning of more investments being injected into the economy. We are on track to making more investment opportunities happen in the Philippines," he added.

The BoI said that the proposed project is also expected to help create jobs in Cebu City, where the poverty rate was 26.9% in 2021.

"Maximizing the country's valuable resources, the company picked the Philippines as the site for its new project because of the Filipino workforce that is recognized as competitive with high technical skills and a level of English proficiency," the BoI said.

"As of 2021, the HIMS industry accounted for (around \$3.1 billion in revenue), providing jobs to over 200,000 Filipinos. The persisting pandemic did not hamper the positive outlook for the HIMS industry, as revenue is projected to grow by 7.3% to 10%," it added.

— **Revin Mikhael D. Ochave**

CONCEPCION ELATED AS ASEAN LEADERS PRIORITIZE MSMES, DIGITALIZATION



Leaders of the ASEAN nations, including President Ferdinand Marcos Jr. (first row, leftmost) together with the ASEAN Business Advisory Council at the ASEAN 2022 Summit in Cambodia. Members of the ASEAN BAC are (second row, from left: Gil Gonzales, Executive Director; Joey Concepcion, Philippines Chair; Dr. Robert Yap, Singapore Chair; Khun Visit Limlurcha, Thailand Chair; Dr. Nguyen Quang Vinh, Vietnam Chair; ASEAN BAC 2022 Chair Neak Oknha Kith Meng and Cambodia Chair; Maspiyono, Indonesia Council member; Haslina Taib, Brunei Chair; Oudet Souwamavong, Laos Chair, and; Tan Sri Dr. Munir Majid, Malaysia Chair.

Entrepreneurship is a key driver of the ASEAN economy and their digitalization will be vital in achieving inclusive growth in the region. This appeared to be the view of the leaders of the ASEAN as it wrapped up two days of top-level meetings at the ASEAN 2022 Summit in Phnom Penh, Cambodia, according to Go Negosyo founder and ASEAN Business Advisory Council (BAC) Chair for the Philippines Joey Concepcion.

"I am elated that the leaders were unanimous in saying that MSMEs are the true engine of growth in ASEAN," said Concepcion, as he reiterated that, in the region, MSMEs comprise 99 percent of all establishments, contribute 85 percent of jobs, and 45 percent of GDP. He also expressed optimism as the leaders recognized the role of governments in helping MSMEs.

"We're all moving in the same direction," said Concepcion, noting how the ASEAN leaders affirmed how digitalization among MSMEs can enhance competitiveness and productivity across the region.

"To upgrade, upskill and upsize our MSMEs, digital transformation is vital," said Philippine President Ferdinand Marcos Jr. in his address at the ASEAN Business and Investment Summit (BIS). "This is in addition to our efforts to enable our systems to catch up with the rapid development of the digital economy," the President said.

MSMEs are also most vulnerable to the uncertainties, said Neak Oknha Kith Meng, Chair of the ASEAN BAC during his opening statement at the summit. He recommended to make economic integration a priority to achieve faster economic resilience at national and regional levels.

"Otherwise, we are helpless amid all the uncertainty, especially our workforce and our MSMEs," he said.

Concepcion shared that digitalization and cooperation are central to the regional mentorship program called the

ASEAN Mentorship for Entrepreneurs Network (AMEN) program. AMEN aims to share best practices and know-how among MSMEs in the ASEAN. It is the legacy project of the Philippines's 2017 chairmanship of the ASEAN, which also coincided with the 50th anniversary of the union.



ASEAN BAC chair for the Philippines Joey Concepcion (second from left) at the CEO Roundtable meeting between Cambodia and the Philippines.

"With AMEN, MSMEs can learn from other small entrepreneurs and mentors across the region. Mentors can also exchange knowledge and learn from each other on a regional scope," said Concepcion, whose non-profit mentors thousands of MSMEs in the Philippines every year.

"Our goal is to scale up our MSMEs through access to what we call the three M's of MSME development – that is, mentorship, money and market – using both traditional and digital platforms," he said.

Phase 1 of AMEN was piloted in Indonesia, Malaysia and the Philippines in 2019, with 127 entrepreneurs and 48 mentors participating. Phase 2 is now on its build up stage and is set to be implemented across the ASEAN. Both phases were funded by the Japan-ASEAN Integration Fund.

"AMEN plans to train, in each ASEAN country, between 1,000 to 2,000 MSMEs each year. This we hope will one day grow to a network of thousands of confident entrepreneurs, able to grow and generate more jobs in the ASEAN, creating an inclusive economy and bringing prosperity for all," said Concepcion.

Thailand, PHL top Asia corporate sustainability reporting rankings

THAILAND and the Philippines came out on top in a study of Asian corporate sustainability reporting practices, National University of Singapore (NUS) said.

The NUS study, "Nature-related Reporting in Asia-Pacific Corporations," found that Thai and Philippine companies were further along in their adoption of climate-related financial disclosures.

"Given the interconnectedness of climate and nature issues, it is possible that the provisions from the governments in Thailand and Philippines accelerated the awareness of nature-related issues among its listed companies," NUS said.

Listed companies in these countries were found to have received high-quality training on climate disclosure from the United Nations Sustainable Stock Exchange and the International Finance Corp., among others.

Philippine listed companies are currently required to file a sustainability report employing an internationally recognized framework or a template offered

by the Securities and Exchange Commission (SEC).

The SEC is currently looking to introduce mandatory sustainability reporting for non-listed companies.

NUS singled out Ayala Corp. for its governance reporting, which is prepared by a sustainability committee with input from its risk management and related party transactions committee.

The other top performing companies in biodiversity and nature disclosures in the Philippines were Aboitiz Equity Ventures, Inc., AC Energy Corp., Ayala Land, Inc., First Gen Corp., First Philippine Holdings Corp., International Container Terminal Services, Inc., Manila Electric Co., Manila Water Co., Inc., Nickel Asia Corp., Rizal Commercial Banking Corp., and Semirara Mining and Power Corp.

The study focused on the top 50 listed companies by market capitalization across 13 jurisdictions in the Asia-Pacific. It reviewed the sustainability reports available from 2021 to 2022. — **Justine Irish D. Tabile**