

# Thailand's Charoen Pokphand weighing more PHL investments

THAILAND'S Charoen Pokphand Group Co. Ltd. (CP Group) has expressed interest in investing in Philippine aquaculture and hog production, the Office of the President said in a statement.

The approach was made in a meeting in Bangkok between President Ferdinand R. Marcos, Jr. and the company, which is already a major investor in Philippine agriculture.

The Thai firm also expressed interest in projects developing the Philippine value chain to better link food production to consumers, the Palace added.

Mr. Marcos met with officials of CP Group officials on the sidelines of the Asia-Pacific Economic Cooperation Summit late Wednesday.

CP Group is Thailand's largest private company with \$2 billion worth of investment in the Philippines.



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"The largest and the most significant Thai investment in Philippine Agriculture is Charoen Pokphand Foods Philippines Corp. (CPFPC), a subsidiary of Charoen Pokphand Foods Public Co. Ltd. (CPF)," the Palace said.

CPFPC started operations in the Philippines in 2010 with

a rented feed mill in Guiguinto, Bulacan.

Aside from shrimp and fish hatcheries, CPFPC has built one of the most modern aquaculture feed mills in the country, the Palace said. The feed mill produces feed for tilapia, catfish, milkfish, and shrimp.

The company made additional investments in 2012, it added.

Mr. Marcos pledged to improve the aquaculture industry, which he deems critical for achieving food security, according to the Palace statement.

Separately, Mr. Marcos touted his push for more public-private partnerships (PPPs) in meeting with Thai business executives, the Palace said.

"The centerpiece (program) is our private and public partnerships... this is something we feel we will need to encourage for the simple reason that it cannot be done just by the government," Mr. Marcos was quoted as saying. "It's something that we need to encourage to gain that synergy that we are all looking for as we find our way in the new economy."

As of August, the government tallies 74 PPP projects in the pipeline, worth a combined P2.25 trillion. — **Kyle Aristosphere T. Atienza**

## PEZA sees Japanese interest in renewables, electric vehicle projects

THE Philippine Economic Zone Authority (PEZA) said Japanese manufacturers are considering investing in Philippine renewable energy and electric vehicle (EV) projects.

"We have seen serious and heightened interest in the areas of renewable energy, EVs, as well as the agro-industrial sector," PEZA Officer-in-Charge Tereso O. Panga said in a Laging Handa briefing on Thursday.

"We continue to attract more Japanese investment because they committed to invest more in the Philippines and in economic zones under PEZA," he added.

Mr. Panga and other government and private-sector officials are currently in Tokyo for meetings with potential investors.

"Japanese investors lead the country in terms of investment in economic zones (ecozones) under PEZA. We have 898 Japanese companies with P740 billion worth of investment that employ 352,000 employees directly," Mr. Panga said.

PEZA added in a Facebook post on Thursday that it has signed investment partnerships with two Japanese companies.

PEZA signed a memorandum of understanding with IT firm Junca Global Partner, Inc. The agreement is intended to kickstart investment attraction efforts by Japanese manufacturers and startups.

"Junca Global Partner is into stem cell biotech, financial technology and blockchain technology," PEZA said.

PEZA also signed a registration agreement with Kurabe Industrial Philippines, Inc., which is seeking classification as an ecozone export enterprise.

According to PEZA, Kurabe will manufacture and assemble car seat heaters and wiring and steering wheel heaters and wiring at the Lima Technology Center-Special Economic Zone in Lipa, Batangas.

"Kurabe will operate in a five-hectare lot in Lima Technology Center-Special Ecozone," the PEZA said. — **Revin Mikhael D. Ochave**

## National strategy for logistics industry due in December

THE government is drafting a national strategy for the logistics sector for launch next month, with the goal of attracting more investment into the industry, the Department of Trade and Industry (DTI) said.

Assistant Secretary Mary Jean T. Pacheco said on Thursday on the sidelines of the Procurement and Supply Institute of Asia (PASIA) World Global Annual Educational Conference 2022 in Pasay City that the national logistics strategy is expected to be launched on Dec. 19.

"We are currently drafting a national logistics strategy that will identify and set the roadmap for the short term, medium term, and long term. It is akin to a roadmap but this is more like laying out the strategies," Ms. Pacheco said.

"It involves everything in logistics such as adopting technology, modernization, reducing costs, addressing issues, private and public investment, and workforce development," she added.

According to Ms. Pacheco, government agencies involved in developing the national logistics strategy include the DTI, the Department of Transportation, the Department of Agriculture, and the Department of Public Works and Highways.

"We need a long-term plan that will address logistics in the country. We are an archipelago. We need to make sure that the country is connected especially now in the era of e-commerce," Ms. Pacheco said.

"We need to have unimpeded movement and North to South connection," she added.

PASIA Chairman Jesus Carlos P. Villaseñor said the Philippines needs to become a member of the Regional Comprehensive Economic Partnership (RCEP) trade agreement.

"We need to be a part of the RCEP. We need to get it signed because economies are trying to position (around) regional blocs and we cannot just depend on big economies for output. We need to be self-reliant as well. The time to move is really now because the time is working against us," Mr. Villaseñor said.

RCEP, touted as the world's largest free trade agreement, started taking effect in the various member countries on Jan. 1. It involves Australia, China, Japan, South Korea, New Zealand and the 10 members of the Association of Southeast Asian Nations.

Philippine participation in the RCEP has yet to be decided following concerns regarding the lack of safeguards for the agriculture sector. The Philippines and Myanmar are the only remaining countries yet to ratify RCEP. — **Revin Mikhael D. Ochave**



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## Gov't gauging level of private interest in EDSA busway, north rail PPPs

THE government is consulting the private sector on how to make two key transportation projects more attractive to potential public-private partnership (PPP) investors, the Department of Transportation (DoTr) said.

The transportation projects up for PPP include the busway system project along Epifanio delos Santos Avenue (EDSA) in the National Capital Region (NCR) and the North Long Haul Inter-Regional Railway (NCR-Ilocos, Cagayan), the department said in a statement.

On its website, the PPP Center said it is supporting the DoTr in developing transport projects through PPPs.

"These projects are identified as priority PPP projects to contribute to the improvement of transportation infrastructure and establishment of livable and sustainable communities," the PPP Center said.

"As part of the initial stage of project development, the PPP Center and the DoTr are conducting the preliminary market-sounding activity to solicit insights and feedback on the project terms from interested private sector partners," it added.

The activity also aims to ascertain the level of interest of the private sector in undertaking the projects and identify potential issues that will deter investment.

The activity will run until Nov. 23 with responses taken via e-mail correspondence and questionnaires.

Following the two projects, the Manila Bay-Pasig River-Laguna Lake Ferry System will also be put through a market-sounding exercise by the PPP Center, according to the DoTr.

The department said the PPP Center manages the Project Development and Monitoring Facility or PDMF, which supports feasibility studies for PPP projects.

"The DoTr has applied to utilize these funds for its upcoming transportation PPP projects," it noted.

"The preliminary market sounding activity is part of the process of PPP's approval process of DoTr's application for funding. The cost estimate for the PPP projects will be (validated in) the feasibility study."

### UNSOLICITED PROPOSALS

On Wednesday, the Department of Public Works and Highways said the government is studying ways to improve the unsolicited proposal system.

"We will improve the unsolicited proposal system (to) allow more unsolicited proposals for priority projects," Undersecretary for Planning and Public-Private Partnership Maria Catalina E. Cabral said at a transport forum in Pasay City.

There are moves to amend the process of challenging the original project proponent, Ms. Cabral noted. "We are looking at revising the right-to-match process." — **Arjay L. Balinbin**

## Overspending on 2022 budget offset by strong gov't revenue, economists say

THE fiscal consolidation program remains on track with government revenue stronger than expected, economists said, ruling out the need for belt-tightening after the government exceeded its 2022 budget.

"I'm not particularly concerned about this level of over-spend — for now — partly because the fiscal consolidation plan is broadly on track for a deficit of around 7.5% of GDP this year, and this owes in large part to revenue rising faster than the government projected for the 2022 budget," Pantheon Chief Emerging Asia Economist Miguel Chanco said in an e-mail.

The Department of Budget and Management (DBM) last week reported that budget releases as of the end of October hit P5.08 trillion, well over the P5.024-trillion budget for 2022.

Government overspending remains "acceptable," he said.

"It's impossible to know how much more the government will spend in the final months of the year, but what's clear to me is that there

isn't much pressure on them to tighten their belts, thanks to relatively healthy public coffers," he added.

Leonardo A. Lanzona, who teaches economics at Ateneo de Manila University, said that any overspending should be transparent.

"While these may seem improper, from an efficiency point of view, these can be acceptable. However, since it is the public who will pay for these loans, the government needs to make all of these negotiations and subsequent allocations known to the public," he said in an e-mail.

"Accountability and transparency should be required from the public officials as these additional funds can easily attract corruption. Government would need to set up the rules and guidelines regarding these excess funds," he added.

Meanwhile, the government announced its cash utilization rate was at 94% at the end of October, according to the DBM.

The National Government, local governments and state-owned firms used P3.36

trillion of the P3.56 trillion of Notice of Cash Allocation (NCA) issued to them in the 10-month period.

The usage rate was ahead of the year-earlier pace of 91%.

The DBM tallied P202.91 billion in unused NCAs.

The DBM distributes NCAs on a quarterly basis, authorizing agencies to withdraw funds from the Bureau of the Treasury.

According to the DBM, line departments used 92% or P2.27 trillion of their NCAs as of the end of October, leaving P201.42 billion unused.

Only the Commission on Human Rights recorded a budget usage rate at 100%.

On the other hand, the Department of Information and Communications Technology posted the lowest rate of 67%.

Budgetary support to government-owned companies as well as allotments to local government units were 100% used in the 10-month period, out of P176.78 billion NCAs issued. — **Luisa Maria Jacinta C. Jocsón**



GRIFFIN JENKINS-UNSPASH

## Energy dep't estimates offshore wind to require \$157.5 billion in capital

THE Department of Energy (DoE) said it expects investment in offshore wind (OSW) projects to require \$157.5 billion, based on a rule-of-thumb cost estimate of about \$5 million per megawatt.

"While floating offshore wind is still being developed all over the world the rule of thumb is about \$5 million per megawatt, but this is only for floating wind turbine. It will be a little cheaper for the ones that are not floating," Undersecretary Alessandro O. Sales said in a briefing on Thursday.

Offshore wind entails a significant cost premium over land-based wind projects because of the additional engineering required to generate power from water-based facilities. The capital cost of onshore wind power in Europe has been estimated at €1.23 million per megawatt by the Wind Energy advocacy organization.

Energy Secretary Raphael P.M. Lotilla said the department is currently reviewing its offshore wind policies in preparation for issuing future service contracts.

"The refinements to the existing policies, framework and guidelines governing the administration of wind

energy service contracts cover the technical, financial, operational, and administrative risks and challenges of OSW development," Mr. Lotilla said.

To date, the DoE has awarded 42 OSW service contracts with 31,500 MW of installed capacity which will be located in Northern Luzon, the Verde Island Passage, Northern Mindoro, and Southern Mindoro.

Mr. Lotilla said that the department has been receiving "considerable" investment interest, including from potential foreign investors, in OSW.

"A robust OSW requires a long-term vision, support infrastructure development, investment, and sound policy. Therefore, it is deemed critical to have a well-thought-out regulatory framework to enable successful growth of this newer technology," Mr. Lotilla said.

The DoE has said it is drafting an executive order to streamline the process for applying to develop OSW.

On Tuesday, Mr. Lotilla signed a circular which amended the implementing rules and regulations of the Renewable Energy (RE) Act of 2008 to allow full foreign ownership in the RE sector. — **Ashley Erika O. Jose**



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