

Strong 3rd quarter metals output points to solid 2022

THE Department of Environment and Natural Resources (DENR) said metallic minerals production for the second half of the year is continue the sector's strong performance in the third quarter.

"It's very promising as you know for this year. We don't have the exact figures for the final semester yet but in the first semester, we have noticed the uptick in revenue," Environment Secretary Ma. Antonia Yulo-Loyzaga told reporters on Wednesday.

In the third quarter, metallic mineral production rose 29.2%

year on year to P39.79 billion, according to the Mines and Geosciences Bureau (MGB).

The increase was driven by strong nickel ore and gold prices as well as increased volumes of gold, silver, chromite, and iron in the third quarter. Nickel ore prices rose 47.2% year on year to \$11.97 per pound.

The Bangko Sentral ng Pilipinas said gold prices rose 1.36% year on year to \$1,826.47 per troy ounce during the period. However, prices of silver and copper

declined 14.8% and 0.64%, respectively.

Nickel ore and its nickel by-products, nickel-cobalt sulfide, and scandium oxalate accounted for much of the metal output at P86.94 billion or 49.4%, gold took up a 38.3% share with P67.45 billion; copper 10.8% at P18.99 billion; and silver, chromite, and iron 1.5% at P2.63 billion.

In the nine months to September, prices of nickel surpassed the 2018 to 2021 levels, peaking in March at \$17.14 per round.

"We need to be able to enjoy this economic gain while also balancing the environmental side of the mining industry. For our outlook for the final semester, I cannot give you the figures yet but it is quite positive," Ms. Yulo-Loyzaga said.

In a report, the MGB said that it is relying on small-scale mining to boost the industry, Ms. Yulo-Loyzaga said the DENR is hoping that the review of mining laws will help small-scale miners. — **Ashley Erika O. Jose**

Maharlika still flawed after pensions ruled out as funders

By Beatriz Marie D. Cruz

THE proposed Maharlika Wealth Fund (MWF) continues to be saddled with governance "red flags" even after the withdrawal from participation of chief funders the Government Service Insurance System (GSIS) and Social Security System (SSS).

Filomeno S. Sta. Ana III, co-founder and coordinator of the Action for Economic Reforms think tank, told *BusinessWorld Live* that House Bill 6398 creating the MWF retains "very controversial provisions which are inconsistent with good institutions, good governance, potential care, (and) good oversight regulations."

Mr. Sta. Ana said that the Philippines currently isn't suited for a sovereign wealth fund. "Even if we get the concept right, we just don't have the right conditions. It depends on the surplus that we have, and it has to be a very huge surplus," he said.

On Wednesday, House committee on appropriations senior

vice chair Stella Luz A. Quimbo said that the GSIS and SSS have been excluded as Maharlika funding sources.

David Michael M. San Juan, a professor at De La Salle University and convener of the Professionals for a Progressive Economy (PPE), said some reservations were addressed somewhat by the withdrawal of the two pension funds.

However, another proposal to use central bank profits will reduce funding for education, healthcare, and housing.

As alternatives, Mr. San Juan proposed "imposing a wealth tax on Filipino billionaires and trimming down/reducing the salaries of BSP, GSIS, SSS bureaucrats, senators, and Palace executives. Ending corruption and wasteful expenditure in government must be also done," he said in an e-mail.

He also proposed the "abolition of agencies like NTF-ELCAC (for which P10 billion was allotted for next year) and the reduction, if not total removal of confidential funds."

He was referring to the National Task Force to End Local Communist Armed Conflict.

Jose Enrique A. Africa, executive director of IBON Foundation, said that the changes "(do not) remedy so many other deficiencies of the proposal," calling it "maliciously opaque."

In a text message, he said, "There are no real safeguards and, with the sweeping mandate on the use of funds, it seems designed to be used for narrow self-serving purposes beyond public scrutiny."

"The proposal clearly isn't supported by any proper staff work, wasn't consulted with key stakeholders, and was just railroaded at the committee level. This is apparent from the muddled explanations about the fund's objectives where there are public justifications by proponents that are inconsistent with the bill's provisions," Mr. Africa said.

Senate Minority Leader Aquilino Martin D. Pimentel III said in a statement that the changing proposals for the Maharlika funding set-up indicates that the bill remains "an idea which... hasn't been thought out well and was rushed (and) will have a difficult time in the Senate."

Sen. Emmanuel Joel J. Villanueva welcomed the changes in the bill, but proposed the plastics and mining industry as alternative sources of seed money for the fund. He said in a statement that there is a need "to be circumspect about the sources of the funds and how it will be managed."

House Senior Deputy Minority Leader Rep. Paul R. Daza said there should be no hurry to pass the bill. In a statement, Mr. Daza said, that "there is a proper way to execute this fund. Let us please not rush this through Congress. We must study this carefully and create a working MWF that would suit our current economic situation."

According to Ms. Quimbo, the House committee on appropriations will meet on Friday to discuss how much the central bank should contribute to the P275-billion fund.

As originally written, the bill called for the GSIS to provide P125 billion in capital to the fund, the SSS and Land Bank of the Philippines P50 billion each, and the Development Bank of the Philippines P25 billion.

Mayors see building up staff, irrigation as major hurdles to post-Mandanas devolution

By Luisa Maria Jacinta C. Jocsen Reporter

LOCAL government units (LGUs) face an uphill task in staffing up to implement devolution and taking charge of irrigation in the wake of the Supreme Court's Mandanas-Garcia ruling, mayors said.

"We are supportive of devolution. It's just that there are limitations on the part of the local government unit," Real, Quezon Mayor Diane D. Aquino said in an interview on Wednesday.

Ms. Aquino said that devolving the functions from the National Government (NG) in a short period may be "too much," due to the challenge of hiring more personnel.

"We have to hire more technical personnel and there is a cap or ceiling when it comes to creating new positions in the LGU... a big factor is salary, (which) takes up 40-50%. If you add the job orders from the municipality, more than 50% of the funds goes to personnel," she said.

"All in all, it's all right for (devolution) to proceed as long as the financial resources are commensurate with the (devolved functions)," she added.

She also cited the readiness or capacity of barangays to take on certain frontline services.

The ruling granted LGUs a larger share of the national taxes by expanding their 40% cut of NG revenue to also include revenue from Customs duties.

"In the next two years, I hope there will be a slow transition. I hope we will not be rushed," Ms. Aquino added.

Last year, President Rodrigo R. Duterte signed Executive Order No. 138, which transfers some basic services to LGUs by 2024 to offset the reduced share of revenue retained by the NG.

In November, the Department of Budget and Management (DBM) said it plans to delay the devolution of

some National Government functions to 2027 from 2024.

"They are suspending the implementation to 2027, so hopefully by that time, we are fully recovered and we have proper income when it comes to the functions devolved," Gumaca, Quezon Mayor Webster D. Letargo said.

As a result of the Mandanas-Garcia ruling, LGU allocations rose 37.89% to P959 billion in 2022.

LGUs by law are given 40% of NG revenue. The ruling clarified that LGUs are also entitled to a cut of Customs revenue. The original wording of the Local Government Code defined the LGU share as the "Internal Revenue Allotment (IRA)," which the NG interpreted to mean 40% of the collections of the Bureau of Internal Revenue (BIR).

The court rejected that interpretation and ordered the law to be rewritten to redefine the LGU allocation as based on all taxes. The IRA is now known as the National Tax Allotment (NTA).

However, because of decreased revenue collections in 2020 due to the pandemic, the allotment for next year is estimated to decrease by 14.47% to P820 billion. The NTA is 40% of NG collections from three years prior.

"Although we support this ruling and our (NTA) got bigger, because of collections during the lockdown, it went down by 14%. Agriculture, health, education have all been delegated to us. There are so many devolved functions," Mr. Letargo added.

"We need to spend so much. Personnel for agriculture, school buildings, bridges, all of that. It's heavy. Next year we expect belt-tightening," he said.

Mr. Letargo cited irrigation as one challenge among the devolved functions.

"That was given to us and it's a bit out of reach for us. It takes hundreds of millions to construct irrigation," he said.

PHL expecting healthcare technology transfer from Taiwan after MoU signing

By Alyssa Nicole O. Tan Reporter

THE Philippine healthcare industry could benefit from technology transfer following the signing of an agreement between Taiwan's Institute for Biotechnology and Medicine Industry (IBMI) and hospitals in the Asia-Pacific, a Philippine hospital industry official said.

"Initially, it is more of establishing relationships between the hospitals and of course, the Taiwan group of companies and then from there, we will see what benefits we will get eventually from having this relationship," Private Hospitals Association of the Philippines, Inc. (PHAPI) President Jose Rene D. de Grano told *BusinessWorld* on the sidelines of the Taiwan Healthcare Expo held in Taipei.

"Most probably, it's going to be more of a transfer of technology, transfer of artificial intelligence, those things and that will probably improve, by a lot, the healthcare system in our country, because you know, our technology in the Philippines is (far behind)," he added.

Mr. De Grano said the memorandum of understanding (MoU) will facilitate Taiwan-Philippines collaboration in the fields of smart hospitals, cancer treatment, and biotechnology.

"The Philippine Hospital Association welcomes any initiative that paves the way to building a strong operation and collaboration with medical industry stakeholders in Taiwan," Philippine Hospital Association (PHA) President Edmundo B. Lopez said in a speech. "This will surely benefit those in our respective health centers in pursuit in our attainment of our health reform agenda, with the continuous development and improvement of our healthcare system."

Mr. Lopez said the MoU will help improve the standard of care and safety in the Philippine healthcare.

"On behalf of the Philippine Hospital Association, I am delighted to sign this

MoU with IBMI to collectively facilitate collaboration and initiatives to name a few, in the field of smart hospitals, safe and quality healthcare innovations, advancement in prevention, diagnostics and treatment technologies, friendly hospitals, and digitalization enhancements," he said.

"The Healthcare Expo is an important platform for public-private cooperation in the development of our next-generation health industry. It is also a key venue for showcasing the impressive results of Taiwan's cross-disciplinary collaboration across healthcare, biotechnology, and digital technology," Taiwan President Tsai Ing-wen said during her opening speech at the expo.

She noted that Taiwan has conducted exchanges in medicine and public health in accordance with its New Southbound Policy partners across the region, including the Association of Southeast Asian Nations (ASEAN), South Asia, Australia and New Zealand.

"Our Ministry of Health and Welfare recently announced that it will loosen regulations to let hospitals in Taiwan more easily establish overseas branches in Southeast Asia, helping further expand Taiwan's regional healthcare," she said.

The Taiwan government, industry and academics, she added, will work with its biotechnology industry "to further improve public welfare, create more business opportunities, and continue to distinguish itself on the international stage."

IBMI President Chi-Huey Wong told *BusinessWorld* at the forum that "the next step probably (will involve) hospitals here and (continuing the discussion) about what is the best business model for collaboration."

The information technology industry must work with healthcare professionals to come up with more efficient and cost-effective ways of managing hospitals, he added, noting that this may be of "great interest" to the Philippines.

"I think it's important to know each other, and then to understand,

for example, the difference in culture between the two countries, and we may come up with a good business model," Mr. Wong said.

He underscored the importance of understanding the needs of partners before arriving at a mutually acceptable compromise.

Mr. Wong said that the IBMI first reached out to the Philippines in 2017, but described the rate of progress as slow.

"We want to speed up these kinds of collaboration, we need to have more interactions," he said.

Philippine Medical Association President Jose P. Santiago, Jr. told *BusinessWorld* that the Philippine healthcare environment has changed since the pandemic hit.

"We're now aware of COVID, and continuously question how we can deal with COVID in the future, just in case there's another surge," he said.

Mr. Santiago said that the Philippines should take advantage of the interest expressed by Taiwan, since "we have to really redirect our healthcare system and accelerate the course of its development."

He noted interest in improving the Philippines' capabilities in artificial intelligence, biotechnologies, and stem cell therapy, calling the expo a venue for finding partners that can help elevate the standard of care in the Philippines.

"Our organization will strive to encourage opportunities for further cooperation in the expansion of our networks overseas, especially here in Taiwan," Mr. De Grano said.

"We expect future cooperation and coordination to have matchmaking events like this and conferences between the two countries and other ASEAN countries," he added. "Probably by next year, we will have to communicate with them. I hope it will happen sooner than later."

The Philippines can hold events to exchange ideas and technologies with businesses, hospital and industry experts from Taiwan, Mr. De Grano said, noting as well opportunities to exchange manpower through training.

RCEP seen signed by early 2023

THE Department of Trade and Industry (DTI) said the Philippines could finally sign on to the Regional Comprehensive Economic Partnership (RCEP) trade agreement by early next year.

Trade Undersecretary Ceferino S. Rodolfo told reporters on the sidelines of the recent National Export Congress 2022 in Pasay City that the DTI is hoping that the Senate will give its concurrence to RCEP by the first quarter.

"We have been in constant coordination with the senators with respect to the RCEP and other free trade agreements (FTAs) that we are negotiating... Given the importance of the RCEP and the urgency, we remain optimistic that this will be considered positively by the Senate. Hopefully first quarter of next year," Mr. Rodolfo said.

According to Mr. Rodolfo, the RCEP paperwork is currently with the Senate Committee on Foreign Relations following the transmission of the instrument of ratification from President Ferdinand R. Marcos, Jr.

"On Dec. 6, the Senate read the RCEP into the record. They calendared it and essentially passed it to the Senate Committee on Foreign Relations. The President has already transmitted the instrument of ratification to the Senate," Mr. Rodolfo said.

"We will work with the Senate Committee on Foreign Relations so that we can respond to

whatever questions they may still have about the RCEP with the view towards facilitating the Senate concurrence to the ratification," he added.

Trade Secretary Alfredo E. Pascual has said that the Cabinet approved and requested the concurrence of the Senate, adding that Mr. Marcos has reviewed and given the go-ahead for RCEP ratification.

"When I asked President Marcos about the RCEP, he said that he has already reviewed it and that it is okay with him. In October... the Cabinet, as a whole, made a decision to request the concurrence of the Senate," Mr. Pascual said.

The RCEP, billed as the world's largest FTA, started taking effect in the various jurisdictions on Jan. 1. Participants include the 10 members of the Association of Southeast Asian Nations (ASEAN), Australia, China, Japan, South Korea, and New Zealand.

The Philippines and Myanmar are the only remaining countries that have yet to finalize their participation in RCEP.

The previous Congress failed to give its concurrence as some senators raised concerns about the lack of safeguards for the agriculture sector. Former President Rodrigo R. Duterte ratified the RCEP in September 2021. — **Revin Mikhael D. Ochave**

LGUs must step up crisis communication capacity

LOCAL government units (LGUs) must ramp up their crisis and risk communication efforts through digitalization and technology upgrades in order to make them better prepared against the pandemic and other emergencies, according to the Philippine Institute for Development Studies (PIDS).

"Local governments have been at the forefront of the pandemic response since the COVID-19 crisis started in 2020. One of the most critical aspects of a pandemic response is risk communication and crisis communication," PIDS said in a study written by Sheila V. Siar and Pauline Joy M. Lorenzo.

"The role of LGUs in crisis and risk communication is crucial to manage the risks of the COVID-19 pandemic and mitigate its negative impacts. However, with or without a pandemic, local officials are the government actors directly closest to citizens; thus, they play a prominent role in communication tasks. This responsibility becomes more crucial when a disaster strikes as its impacts and effects are

felt most strongly at the local level," it added.

The study said improving the information and communications technology infrastructure must leverage modern communication tools to improve government responsiveness.

"Affordable, fast, and reliable internet connection is also vital for government offices to use internet-based tools for service delivery and for the public to access government services," it said.

The study cited the need for social media and messaging platforms to improve their responsiveness to citizen concerns, make them more accessible to the public, and increase organizational transparency and accountability.

"Hiring dedicated personnel for social media is essential to fully exploit the capabilities of different platforms and respond to public inquiries and concerns," it added.

Social media analytics can also help promote effective communication, according to the study. — **Luisa Maria Jacinta C. Jocsen**

FULL STORY



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