

Japan to support construction of second Samar-Leyte bridge

By Arjay L. Balinbin
Senior Reporter

THE GOVERNMENT has obtained a commitment from Japan to support the construction of a second bridge linking Samar and Leyte, according to the Department of Public Works and Highways (DPWH).

The Japan International Cooperation Agency (JICA) committed its support for the project at the most recent high-level meeting between the Philippines and Japan, Public Works Senior Undersecretary Emil K. Sadain told *BusinessWorld* last week.

“Nasa concept pa lang (It is still in the concept stage). It was

committed to by JICA during the high-level discussions between the Philippines and Japan. It is going to be JICA-funded,” Mr. Sadain said.

The proposed project is a 1.24-kilometer bridge connecting Babatngon in northeastern Leyte to Sta. Rita, Samar, which is on the west coast of that island on the shoreline nearest Leyte.

The 2.16-kilometer San Juanico Bridge, which links Tacloban City, Leyte, and Santa Rita was completed in 1973 through Japanese official development assistance.

A Babatngon landing for the second bridge would place the crossing north of San Juanico bridge, which crosses the San Juanico Strait.

“Traffic cannot be properly addressed by one bridge; a second bridge has to be constructed to lessen the load,” Mr. Sadain said.

He said the second bridge, which has yet to undergo a full feasibility study, is among the priority projects of the Marcos administration.

JICA said in a report posted on its official website that it has conducted a pre-feasibility study with the DPWH on the project.

“Based on the result of the traffic demand forecast, the second San Juanico Bridge can accommodate 9,100 vehicles per day,” the report noted.

The existing bridge had daily traffic of 7,200 vehicles as of 2019, approaching its capacity of 10,000 vehicles, according to state-run Philippine News Agency.

A study is “suggested to explore the possibility of constructing a four-lane bridge, prioritizing steel arch design, with a 50-year term and with the capability to carry a train load to serve as an alternate link to the San Juanico Bridge,” the National Economic and Development Authority (NEDA) Region VIII said on its website.

The agency noted that the existing San Juanico Bridge has issues such as “aging and high maintenance cost.”

“We cannot repair the first one without building the second one,” DPWH’s Mr. Sadain said.

“We need to do some massive repairs, not just on the deck. I think we need to do some retrofitting work on the foundations all the way up to the superstructure,” he added.



PHILIPPINE STAR/ MIGUEL DE GUZMAN

AUTHORITIES seized more than a thousand sacks of illegally imported white onions during an inter-agency operation by the PNP National Capital Region Police Office-Regional Special Operations Group, Bureau of Customs and Bureau of Plant Industry at a stock room in Divisoria, Manila on Dec. 2.

Onion import decision imminent as DA assesses supply-demand situation

By Ashley Erika O. Jose

THE DEPARTMENT of Agriculture (DA) said it is assessing the state of the onion inventory ahead of a decision to import the commodity, which has seen a spike in prices.

“We will decide next week whether we need to import onions and other agricultural produce,” Rex C. Estoperez, DA deputy spokesperson, told *BusinessWorld* by phone Sunday.

In October, the DA set a suggested retail price of P170 per kilogram for red onion in the National Capital Region (NCR), Mr. Estoperez said this month prices of red onion sold in wet markets averaged P280 per kilo.

“Our projection of course is if more supply will come in, then the price will go down. Supposedly, we are anticipating more supply to come in by the last week of December,” Mr. Estoperez told reporters Friday.

Mr. Estoperez said that based on Bureau of Plant Industry (BPI) projections, the current supply of onions can meet the holiday demand.

“Based on BPI’s inventory, we have at least 10,000 metric tons of onion in the markets. This is the latest inventory. The BPI said this is enough until the holiday season, but demand usually rises this month,” Mr. Estoperez said Friday.

Meanwhile, Mr. Estoperez said that the DA will clamp down on smuggling of agricultural products.

In a statement Friday, the DA said the Bureau of Customs (BoC) seized smuggled white and red onion mislabeled as frozen lobster balls and crab sticks. The combined value of seized agricultural products was estimated at P20.19 million.

“The department will intensify its campaign against (smuggling). We are in coordination with the BoC,” Mr. Estoperez told *BusinessWorld*.

He added that DA will also assess the sugar inventory ahead of any further import decision, with prices for the commodity also surging.

“We have imported 150,000 metric tons of sugar and the price is still high. We are determining the cause (and) whether or not we need (more imports),” he said.

South Korea expresses interest in renewables dev’t after PHL opens up foreign investment

THE DEPARTMENT of Energy (DoE) said South Korea is exploring “practical ways to cooperate” with the Philippines to help the latter achieve energy security via renewable energy, which was recently opened up to 100% foreign investment.

Soonchang Hong, Minister Counselor of the Korean Embassy, said during the 2022 Korea-Philippines Energy Forum Friday that the government of South Korea is deepening its understanding of Philippine energy policy and suitable technologies to further its participation in the energy industry’s development here.

In November, the DoE, citing a legal opinion from the Department of Justice (DoJ), announced that the renewable energy industry is open to full foreign ownership.

Energy Undersecretary Felix William B. Fuentebella said at the forum that the DoE is hoping that South Korea can help the Philippines achieve energy security through renewables.

“Our collaboration in this opportunity is very important. We see more potential,” Mr. Fuentebella added.

“The importance of energy has recently been highlighted due to the global supply chain

disruption, climate change,” Mr. Hong added. In July, the Philippines and South Korea discussed possible cooperation in nuclear technology and renewables.

“Energy is emerging as a core factor in national security and carbon neutrality, and the Korean government is (hoping to come up with) a feasible and reasonable energy mix to include nuclear power and renewable energy and to secure strong resources and energy security,” said Sanglim Lee, Research Fellow of the Korea Energy Economics Institute (KEEI).

Regarding the Bataan Nuclear Power Plant, “almost everything

is complete. Our recommendation is we would like to support Bataan’s rehabilitation and reinforce safety requirements,” Sebin Cheon, senior manager at Korea Hydro and Nuclear Power Corp. told reporters on the sidelines of the forum.

President Ferdinand R. Marcos, Jr. has discussed the possibility of including nuclear power in the energy mix to enhance energy security.

The DoE has estimated a timeline of 10 years before nuclear power can be integrated into the energy mix. — **Ashley Erika O. Jose**

SBCorp. approves P8.20 billion worth of loans to 50,003 applicants

THE SMALL Business Corp. (SBCorp.), has approved P8.20 billion worth of loans for micro, small, and medium enterprises (MSMEs) affected by the coronavirus disease 2019 (COVID-19) pandemic.

“(As of December), P8.20 billion worth of loans have been approved to 50,003 MSMEs under the COVID-19 Assistance to Restart Enterprises (CARES) Program and for SBCorp.’s other lending programs targeted to assist MSMEs adversely affected by the

COVID-19 pandemic,” the Department of Trade and Industry (DTI), which controls SBCorp., said in a statement over the weekend.

“Given this, SBCorp. has in fact exceeded the P8.08 billion in funds downloaded to it under the Bayanihan II Act,” it added.

According to the DTI, the Bayanihan II Act provided a P10-billion capital infusion to SBCorp. to help finance pandemic-affected MSMEs. However, the Department of Budget and Management

(DBM) only released P8.08 billion, of which P7.93 billion consisted of loanable funds. The remainder was meant to cover mobilization and operating expenses.

“Of the P7.93 billion in loan funds, P4 billion was set aside for travel and tourism-related loans. The remaining P3.93 billion (was to be lent to) multi-sectoral MSMEs or businesses in the trading, manufacturing, services, agriculture, and other sectors,” the DTI said.



SMALL BUSINESS CORPORATION
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SBCorp., in partnership with Department of Tourism, also has a loan program for tourism enterprises known as CARES for Travel.

As of Nov. 30, SBCorp. has disbursed P329 million worth of loans to 735 tourism enterprises.

“Unfortunately, uptake of tourism loans was and remains sluggish. As of December 2022, only the amount allotted for tourism MSMEs remains from the original DBM disbursement. Most established tourism related

enterprises acquire loans from banks as they require bigger amounts,” the DTI said.

“SBCorp. looks forward to disbursing funds previously set aside for tourism MSMEs to multisectional MSMEs starting January 2023. It is worth noting that tourism MSMEs and other tourism-related establishments may still avail of loans under the terms for multisectional MSMEs beginning January 2023,” it added. — **Revin Mikhael D. Ochave**

OPINION

Clark, ready for takeoff as the Philippines’ city of the future

On Nov. 7, SGV Clark successfully launched the inaugural publication of *Doing Business in Clark: 2023 Edition* to key officers of Clark-based organizations, such as the Bases Conversion Development Authority (BCDA) and Clark Development Corp. (CDC), representatives of embassies, as well as the Clark business community. The publication is an iteration of SGV’s *Doing Business in the Philippines* brochure series, which highlights the excellent investment opportunities in the country and in various localities.

Clark, which rose from the ashes of the 1991 Mount Pinatubo eruption and became a prime investment destination in the Philippines, is composed of the Clark Special Economic Zone (CSEZ) and Clark Freeport Zone (CFZ). Clark is further subdivided into four main districts: the CFZ, Clark International Airport, Clark Global City, and New Clark City (NCC). Administered by the BCDA and CDC, Clark has registered more than a thousand export and domestic market enterprises in manufacturing, information technology and business process management (IT-BPM), aviation, logistics and tourism sectors, among others. The CDC has disclosed on its website that it is a home to key investors from South Korea, the US, Australia, and Japan.

The catchphrase coined by the BCDA and CDC, “Clark: It Works. Like a Dream” sums up what they say Clark stands for: efficiency, processes that actually work, convenience and

ease of doing business. While locators continue to face challenges, mainly due to changes in tax rules and the pandemic, they say that Clark remains attractive to investors because of the ease of doing business, tax incentives, a rich talent pool, and infrastructure connectivity, to name a few.

To ensure ease of doing business, the CDC operates a one-stop shop that promotes efficiency in the registration process. It is currently working on automating and streamlining processes that promise application approvals in less than three weeks. Unlike in

other locations, businesses have to deal with only the CDC to locate in Clark. This removes the need for dealing with a number of government agencies, which can delay permits and licenses.

From a tax perspective on fiscal incentives, the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act) now allows the CDC to grant an income tax holiday (ITH) for a number of years depending on the project’s classification in the Strategic Investment Priority Plan (SIPP) subject to approval of the Fiscal Incentives Review Board for investments of more than P1 billion. The SIPP supports technological advancement, research, and innovation on top of the current SIPP-eligible activities in Clark. Existing locators continue to enjoy incentives under the 10-year transitory provision of the CREATE Act. Exporters can opt for a 5% special corporate income tax or

enhanced deductions after the ITH period. Clark also ensures free flow of goods and grants duty and VAT exemption to qualified imports.

To better attract local talent, the BCDA promotes a “Live, Work, Play” lifestyle in Clark that fosters innovation and inspiration. A number of Metro Manila businesses have recently expanded to Clark to cater to talent demand and take advantage of the talent pool in Central Luzon. Clark’s accessibility to nearby cities also makes it an excellent choice for hosting international and local athletic competitions.

The BCDA has also lauded Clark’s accessibility with its infrastructure network that promises a strategic international and domestic location for investors. On Sept. 28, President Ferdinand R. Marcos, Jr. formally inaugurated the new world-class and state-of-the-art terminal of the Clark International Airport (CRK). CRK can welcome eight million additional passengers annually and is equipped with the latest technologies to make travel easier. The Philippine National Railways Clark (PNR Clark), the northern section of the North-South Commuter Railway, is also expected to significantly reduce travel time from Clark to Metro Manila to less than an hour.

The iconic Sacobia Bridge, the cover photo of *Doing Business in Clark: 2023 Edition*, connects the present CSEZ to the NCC. The NCC envisions itself as the future smart city in the Philippines. It is currently home to the National Government Administrative Center, Athletes’ Village, Aquatics Center, Athletics Stadium,

and the Filinvest Innovation Park. The NCC has announced that it will soon have an integrated luxury mountain resort that will host golf courses, ultra-luxury hotels, premium villas, an international school, and a public park. It will also benefit from the Luzon Bypass Infrastructure Project, which will equip it with digital connectivity comparable to South Korea and Japan.

All of these developments support the CDC’s vision for Clark to become a modern sustainable aerotropolis and a premier business destination. As a haven for meetings, incentives, conferences and exhibitions (MICE) and home to major investors in the semiconductor, IT-BPM, and tourism sectors, Clark is developing to be the Philippines’ city of the future.

In fact, in September, the BCDA signed a Memorandum of Understanding with Enterprise Singapore to create a framework for affordable housing, estate management, transportation, solid waste management, waste-to-energy technology, smart cities, sustainability, green data centers, urban development and people-centric programs. Businesses in these sectors would benefit from the incentives of a future Clark registration. There are also pending bills in Congress that support Clark’s development as a priority investment destination in the Philippines, and in Asia.

The launch of *Doing Business in Clark*, therefore, supports the government’s efforts to promote Clark as Asia’s investment haven. Borrowing the words of Finance Secretary Benjamin E. Diokno in his message for *Doing Business in Clark*, “The best time to do business

in the Philippines is now.” Indeed, and one of the best places to do this is in Clark.

The history of Clark, starting from a US military base and becoming a prime investment hub, demonstrates its resilience and high potential. It is, perhaps, best represented by the Sacobia bridge, which was somewhat whimsically described in one of the BCDA’s 2020 newsletters as connecting not just the old and the new Clark, but also linking the nation’s heritage to promising times ahead.

Certainly, setting up new business operations, or moving existing ones, is a complex process. However, investors and businesses who can meet the requirements set out in the CREATE Law and other legislation would do well to consult with trusted business advisors on whether the advantages of doing business in Clark will make it worth their while and present long-term strategic opportunities for their enterprises.

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