

High rates seen dulling residential market as investors favor office, industrial property

HIGH RATES are taking the shine off the residential market, with property investors expected to lean more towards office, industrial, and logistics projects, Colliers Philippines said.

Paul Chua, director for capital markets and investment services of Colliers Philippines, said that although the residential sector has seen a recovery in the high-rise condominium segment

in Metro Manila, rate pressures, which affect the affordability of mortgages, are expected to continue affecting the market next year.

"We saw the uptick in horizontal developments outside of the major business districts, where prices remain competitive in all market segments... we see this continuing in 2023," Mr. Chua said.

In its 2023 Global Investor Outlook, Asia-Pacific investors surveyed by Colliers cited interest rates, increased construction costs and higher asset operating costs as the top risks for next year.

According to Colliers, investors see these challenges to have the most negative impact on their ability to execute their investment strategies next year.

At the global level, 88% of the investors cited interest rates as the top risk, followed by inflation and supply chain disruptions at 77% and 68%, respectively.

The report also indicated that Asia-Pacific investors have expressed a preference for office, industrial and logistics, and build-to-rent projects next year. The Philippine office market take-up

rate was up 72% growth in the first nine months, said Colliers.

"This year, (the segment) posted the first positive net take-up of offices which was driven mostly by the information technology-business process outsourcing sector," Mr. Chua said.

Colliers said that it expects the demand for horizontal residential housing and industrial property in the Philip-

pinos to remain solid in 2023.

The 2023 Colliers Global Investor Outlook report, which surveyed over 750 investors worldwide, was conducted in October and November.

It also contains input from 30 Colliers Capital Markets global and regional experts. It is the third edition of Colliers' annual outlook for global property investors. — **Justine Irish D. Tabile**

Estonian expertise to be tapped in e-government, cybersecurity push

THE PHILIPPINES and Estonia have agreed to collaborate in digitization and e-governance projects, the Office of the President said in a statement.

During a bilateral meeting on the sidelines of the Association of Southeast Asian Nations-European Union Commemorative Summit in Brussels, President Ferdinand R. Marcos, Jr. noted that Estonia "seemed to have managed the technologies so well" to resist cyber-attack or disruption.

"We are currently in the midst of our digitalization of government... both the national and the local levels," he said. "Since we are digitalizing... the issues of cybersecurity has come up, and we know the reputation of Estonia in terms of being able to resist the attacks that had been made to its digital systems."

Estonia's e-government set-up, known as e-Estonia, is considered one of the world's most advanced, having transferred most citizen interactions with government to the online sphere.

Mr. Marcos said one possible drag on the Philippine digitalization effort is the potential for cyber-attack, which he hopes Estonia can assist with.

Estonia Prime Minister Kaja Kallas invited Mr. Marcos to visit Tallinn to learn more about Estonia's e-government set-up.

"Everything is connected... we have invested a lot in cybersecurity, of course," she said. "99% of our e-governance services, or actually all the public services, are digital."

"You don't have like one big database, but you have very many small ones that are connected to each other, so if one of these is cyberattacked, it goes down, but all the others stay," she added.

Information and Communications Technology Secretary Ivan John E. Uy, who was present at the meeting, said that the successful incorporation of technology will make government more efficient. — **Alyssa Nicole O. Tan**

Feasibility studies for EDSA busway, north rail, Pasig ferry to start in Jan.

THE Transportation department said it hopes to start feasibility studies for the EDSA busway, North Long Haul Inter-Regional Railway (National Capital Region-Ilocos Norte and Cagayan), and the Manila Bay-Pasig River-Laguna Lake Ferry projects in January.

"The feasibility studies will be bid out to international consulting firms," the Department of Transportation (DoTr) told *BusinessWorld* on Thursday when asked for an update.

The Public-Private Partnership (PPP) Center, which manages the Project Development and Monitoring Facility or PDMF, which supports feasibility studies for PPP projects, recently approved funding for the studies.

"Estimated budget for the three studies is around P300 million," the DoTr said.

The consultants are to prepare the pre-feasibility and feasibility studies and propose a PPP project structure, assist in securing all required government approvals, prepare bid documents, assist in the PPP bidding process, and provide post-PPP contract signing assistance and advisory services, the PPP Center said in a separate statement.

The EDSA busway project is expected to enhance the current EDSA Carousel.

"New stations will be developed and existing facilities will be enhanced to be universally accessible, gender responsive, and climate resilient. Capacity, comfort, and reliability of transport services will likewise be upgraded and aligned with international standards," the DoTr said.

Meanwhile, the North Long Haul Inter-Regional Railway will be built to connect the National Capital Region to the Ilocos and Cagayan Valley regions. It will be part of the Luzon Railway Network along with the Subic-Clark Railway and the South Long Haul.

"It is envisioned to cater to long-distance passengers and cargoes, which shall then improve access to major economic centers and strengthening supply chains for agricultural products. The project includes the construction of new stations and cargo terminals," the DoTr said.

The Manila Bay-Pasig River-Laguna Lake Ferry will be designed to be "a high-capacity and high-quality mass transit ferry system."

The project will benefit commuters, students, and tourists in the capital region, Region III, and Region IV-A, the DoTr said.

"New ferry stations will also be built and existing facilities will be improved with intermodal transfers with other transit systems and active mobility networks," it added.

The department also noted that the Marcos Administration sees "great potential" in PPPs to strengthen regional logistics networks and make commuting "more comfortable, reliable, and affordable."

The government has revised the Build-Operate-Transfer Law Implementing Rules and Regulations to attract more private investors and streamline processes. — **Arjay L. Balinbin**

Marcos pitches young PHL workforce to potential EU investors

PRESIDENT Ferdinand R. Marcos, Jr. touted the young, trainable Philippine workforce to European executives, the Palace said.

In a statement on Wednesday, the Office of the Press Secretary said Mr. Marcos also assured the executives of an improving business climate at a roundtable discussion in Brussels.

"Apart from being young, the Philippine workforce is distinguished by high trainability... proficiency in English language, technological skill, cost-efficiency, cultural adaptability and a low turn-over or attrition rate," he said.

The President noted that partnering with the Philippines would give investors favorable access to the Southeast Asian market, which has a population of about 600 million.

The Philippine labor force is nearly 50 million strong, and its education system produces 800,000 graduates in various fields each year, the Palace said.



AKSON-UNSPASH

Job quality in October improved as the underemployment rate — defined as the proportion of employed people looking for more work — eased to 14.2% from 15.4% in September, according to the Philippines Statistics Authority.

The jobless rate fell to 4.5% in October, the lowest since October 2019, before the pandemic hit.

The President also updated the executives on his administration's plan to establish green lanes in government

agencies to fast-track applications for strategic investment projects.

Last month, he said the measure will reduce delays in government approvals and ensure the smooth entry of foreign direct investment.

The Philippines ranked 95th out of 190 countries in the World Bank Doing Business Report in 2020.

At the roundtable, Mr. Marcos said the Philippines remains committed to participating in the European Union's

(EU) Generalized Scheme of Preferences Plus (GSP+), which allows the duty-free entry of over 6,000 products from the country to EU member states.

GSP+ requires the Philippines to uphold its commitments to 27 international conventions on labor, human rights, good governance, and climate action.

The European Parliament in 2019 approved a resolution asking the previous Philippine administration to address human rights and labor violations, which threatened the country's GSP+ beneficiary status.

In October, Trade Secretary Alfredo E. Pascual said the Philippines will seek to renew its participation in the trade scheme.

"I would like to assure you that the Philippine government will continue to provide support for businesses and investments to continuously grow and prosper," Mr. Marcos said. — **John Victor D. Ordoñez**

PHL hospitals see foreign investment as key to upgrading management practices

By **Alyssa Nicole O. Tan**
Reporter

INCREASED foreign investment will allow the medical industry to incorporate more advanced technology and management practices, according to a hospital industry official.

"I think for healthcare in the Philippines, the only problem probably is financing," Private Hospitals Association of the Philippines, Inc. President Jose Rene D. de Grano told *BusinessWorld* on the sidelines of the Taiwan Healthcare Expo held in Taipei.

If the Philippines is able to strengthen ties with Taiwan, it could lead to more Taiwan investment in Philippine hospitals, he added.

"While they invest, we will promote their products," Mr. De Grano said. "At the same time, they will be improving the technology of the healthcare system in our country."

The president of Taiwan's Institute for Biotechnology and Medicine Industry, Chi-Huey Wong, said Philippine hospitals

could be on the radar for potential Taiwan investors.

"I'm sure the business people here will have great interest to invest in the Philippines in terms of hospital management and also the healthcare system," he told *BusinessWorld* at the forum.

"From that point of view, the managers of hospitals here should continue to discuss the regulatory system there (in the Philippines)," he added. "So, when you collaborate, you will know better about the system from each other, and then come up with a common acceptable business model."

Mr. De Grano said a delegation needs to be invited to visit the Philippines to survey the medical industry.

"We would like (for them) to come over to see how things are back in the Philippines. Right now, the investors are really serious (about the business side), and the technology that they are trying to promote, so that's what we need — to improve our own technology," he said.

"Maybe the Taiwan investors will (tap) the Philippines (to help promote their) technologies," he added.

Similarly, Philippine Medical Association President Jose P. Santiago, Jr. told *BusinessWorld* that he thinks "funding is really always the concern of our country."

If we are given adequate funding, the importation of innovative medical equipment will no longer be an issue, he added, "maybe we can improve the healthcare system."

Imports raise costs and hinder advances, Mr. Santiago said. He hopes the government offers more tax exemptions for developers of medical equipment.

He said one desirable outcome of collaboration with Taiwan is to upgrade artificial intelligence and medical technology.

Mr. Santiago noted confidence in the potential of the Philippines to develop and improve the technology of its neighbors.

"Definitely ingenuity, creativity, innovativeness (are) very characteristic of Filipinos. They're really good, very strategic, maybe they'll even be able to improve the craft, so that's why we want this collaboration... so we can share our expertise and knowledge (while also) improving our healthcare system," he said.

DoE to explore marine-based renewable energy

THE Department of Energy (DoE) said it is evaluating various marine renewable energy technologies.

Marissa P. Cerezo, director of the Renewable Energy Management Bureau, said in a virtual briefing on Wednesday that the Philippine clean energy strategy will involve harnessing ocean energy.

Michael Lonchivar Sim Abundo, director of Ocean Pixel Pte. Ltd., said at the briefing that the marine renewable energy segment

includes marine biomass and tidal energy, and called for them to be part of the Philippines' renewable energy transition.

"We just have to find a way around the financial and regulatory barriers," John Cotton, senior program manager of the Southeast Asia Energy Transition Partnership said.

The DoE in November opens the renewable energy sector to full foreign ownership after the "impressive amounts" of interest from local and

foreign investors in renewable energy development.

Secretary Raphael P.M. Lotilla has said that the Energy department is looking for potential partners to develop clean energy sources like hydrogen and ammonia fuel.

The Philippines is targeting to increase the share of renewable energy to 35% of its energy mix by 2030 and 50% by 2040. Currently, the share of renewable energy in power generation is 22%. — **Ashley Erika O. Jose**



BANGKO SENTRAL NG PILIPINAS
OFFICE OF THE GOVERNOR

CIRCULAR NO. 1162
Series of 2022

Subject: **Legal Tender Limit of Philippine Coins for Single Transaction**

Pursuant to Section 52 of Republic Act ("R.A.") No. 7653 (otherwise known as, "The New Central Bank Act"), as amended by R.A. No. 11211, the legal tender limit for coins is set, as follows.

Coin Denomination	Limit (in PhP)
0.01	200
0.05	200
0.10	200
0.25	200
1.00	2,000
5.00	2,000
10.00	2,000
20.00	2,000

The legal tender limit for single transaction of coins does not preclude transactions above the stated coin limit so long as both parties have prior and mutual agreement.

This Circular shall take effect after fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation, and supersedes BSP Circular No. 537, Series of 2006.

FOR THE MONETARY BOARD:

(Sgd) **EDUARDO G. BOBIER**
Officer-in-Charge

(Per Office Order No. 2372 Series of 2022)

01 December 2022

Note: This Circular can be accessed at the BSP website: <https://www.bsp.gov.ph/Regulations/Issuances/2022/1162.pdf>