Regulator orders PhilHealth to detail impact of rate hike freeze

THE regulator for state-owned firms has ordered the Philippine Health Insurance Corp. (PhilHealth) to submit an analysis of how a hike suspension will affect its financial standing and operations.

The Governance Commission for GOCCs (GCG), which oversees government-owned and -controlled corporations (GOCCs), "strives to ensure that the GOCC sector, in this case PhilHealth, is fully compliant with the President's directives," the commission's Chairman Alex L. Quiroz said in a statement on Thursday.

The GCG said that the requested data will be used as an additional resource for evaluating PhilHealth's performance.

President Ferdinand R. Marcos, Jr. suspended the scheduled hike in public health insurance contributions this year amid rising prices and socioeconomic challenges.

PhilHealth was set to increase its premium rate to 4.5% from 4% to help fund the Universal Health Care Act.

By law, the premium rate should increase by 0.5 percentage points yearly starting from 3% in 2020 until it hits 5%.

The Home Development Mutual Fund or Pag-IBIG Fund, a government provider of mortgages, earlier this week confirmed that it is also not hiking its members' contributions this year. — **Luisa Maria Jacinta C. Jocson**

Palace decision clearing sugar officials must be respected, Agri dep't says

THE Department of Agriculture (DA) said officials implicated in issuing the unauthorized order to import sugar last year have been cleared after an investigation, and called on the public to respect the Palace decision relieving them of liability.

"The Executive Secretary has approved the decision and we have to respect that; the case went through an investigation. Let's just respect the decision," Agriculture Deputy Spokesperson Rex C. Estoperez said in a Laging Handa briefing on Thursday.

The Office of the President (OP) cleared former Agriculture and Sugar Regulatory Administration (SRA) officials who signed the "illegal" import order for 300,000 metric tons of refined sugar in 2022.

In a 10-page decision signed by Executive Secretary Lucas P. Bersamin, the Office of the President cleared former Agriculture Undersecretary Leocadio S. Sebastian, former SRA Administrator Hermenegildo R. Serafica, and former SRA Board Members Roland B. Beltran, and Aurelio Gerardo J. Vaderrama, Jr. of all liability in connection with the issuance of Sugar Order (SO) No. 4.

"From the totality of the evidence, this Office finds that the issuance of SO No. 4 was done in good faith absent any showing that the respondents were aware of their lack of authority. Here the respondents thought they were authorized because of miscommunication," according to the decision.

In a statement, Mr. Beltran welcomed the decision, saying: "I have always said from the very start that I am innocent of the charges against me. I faithfully performed my duties as a public servant in accordance with my oath of office. I did not betray public trust."

Separately, Mr. Sebastian said that he was pleased by the dismissal of the case as this will allow everyone to move forward from a "traumatic experience."

The issue stemmed from a "miscommunication" arising from a memorandum of then Executive Secretary Victor D. Rodriguez designating Mr. Sebastian as Undersecretary for Operations of the Department of Agriculture.

The memorandum issued by Mr. Rodriguez dated July 15, 2022 granted additional authority and functions to Mr. Sebastian including the "signing of contracts, memoranda of agreement, administrative and financial documents necessary to carry out department objectives, policies, functions, plans, programs, and projects, for the efficient and effective operations of the DA."

SO No. 4 was deemed illegal because it was issued without the consent of President Ferdinand R. Marcos, Jr., who is also the Agriculture Secretary and SRA chairman.

In August, Mr. Sebastian defended the order saying that it was necessary to import sugar. He added that he signed the order after meeting with Mr. Marcos.

In a hearing in September, the Senate blue ribbon committee recommended criminal and administrative charges against the four officials.

Senator Francis N. Tolentino, who heads the Senate blue ribbon committee, said on Thursday that the OP decision does not affect the committee's findings.

"The clearance given by the OP... does not affect the 97-page Senate Blue Ribbon Committee Report which was adopted unanimously by the Upper Chamber, in aid of legislation, and following several full-blown public hearings conducted," Mr. Tolentino said in a statement.

He cited the separation of powers distinguishing between the functions of the Executive and Legislative branches.

Senate Minority Leader Aquilino Martin D. Pimentel III said: "We are in agreement. Good that the Office of the President doesn't mind being on the same side as the Senate minority. Good too that the OP is being 'really objective' in this case." — **Ashley Erika O. Jose**

German chamber positive for PHL prospects as region deemed priority

THE German-Philippine Chamber of Commerce and Industry (GPCCI) said the prospects are positive for the Philippines in 2023, with German companies targeting Asia as a priority destination.

"(GPCCI is) optimistic... Germany is pushing companies to go to Asia and the Philippines is one of the destinations...," GPCCI Senior Vice-President Marie Antoniette Mariano said in a television interview on Thursday.

According to Ms. Mariano, the GPCCI has been receiving inquiries from German firms seeking to invest in the Philippines. She gave no details.

"In terms of German companies interested to go to the Philippines as investors, we've seen quite a number of inquiries. The sectors include renewable energy, energy efficiency, cosmetics, and food products," Ms. Mariano said.

"(The GPCCI) knows that the Philippines is ready for business. The GPCCI... will support and assist market entry," she added.

In November, the GPCCI said German companies currently in the Philippines are expecting their situation to improve in the next 12 months despite global economic headwinds, citing the results of its World Business Outlook survey for Fall 2022.

The survey also indicated that the top risks expected by German firms include disrupted supply chains, high energy prices, and weak exchange rates.

The GPCCI said that the advantages perceived by German companies in the Philippines were the skilled, low-cost workforce and the supplier network.

The Trade department ranks Germany as the Philippines' 12th largest trading partner, 7th largest export market, and 14th largest source of imports in 2021, with bilateral trade topping $2 billion.

The top Philippine exports to Germany are electronics and semiconductor products while the top Philippine imports are laboratory chemicals, vaccines, and aircraft. — **Revin Mikhael D. Ochave**

PLANETCARE-UNSPLASH

Energy label rules now cover laundry, kitchen, ICT devices

THE Department of Energy (DoE) said its energy-consumption labeling rules have been expanded to cover a range of laundry, kitchen, and cooling appliances.

The full list of appliances subject to the labeling rules includes cleaning and laundry, cooking and food processing, cooling, heating and ventilating, grooming and personal care, information and communications technology (ICT) equipment, and lighting devices, the DoE said in a statement on Thursday.

The Philippine Energy Labeling Program (PELP) requires that energy-consuming products (ECPs) disclose energy efficiency ratings.

The DoE said the initial coverage of the PELP was air conditioners, refrigerating appliances, television sets, and lighting products such as self-ballasted compact fluorescent lamps, linear fluorescent lamps, or double-capped fluorescent lamps, single-capped fluorescent lamps, lamp ballasts and light emitting diode lamps.

"With conservation and efficient utilization of energy among the major strategies of the government to realize energy self-sufficiency and reduce environmental impacts of energy generation and utilization, we are now expanding the coverage," Energy Secretary Raphael P.M. Lotilla said in a statement.

According to the DoE, PELP outlines product requirements and codes of practice for manufacturers and sellers with the aim of steering consumers to energy-efficient products.

"It aims to transform the market and encourage the shift in consumer behavior towards using energy-efficient products and technologies by empowering them through the information displayed on the labels at points of sale," the DoE said.

In a circular signed by Mr. Lotilla on Nov. 21, 2022, all importers, manufacturers, distributors, dealers, and retailers of ECPs with or without designated minimum energy performance products are now required to include energy labels specifying energy efficiency ratings.

The DoE warned that non-compliance with the labeling rules or removal, defacing, or altering the energy label will be subject to fines, penalties and criminal liability under the Energy Efficiency and Conservation Act, which prescribe fines starting at P100,000 for a first offense, escalating to P1 million for a third offense. — **Ashley Erika O. Jose**

HSBC sees Philippines remaining 'resilient' as growth slows to 4.4%

HSBC Holdings PLC said on Thursday that it expects Philippine growth to remain "resilient" even as it slows to 4.4% in 2023.

"We think that (the) Philippine economy will slow down but it will still be fairly resilient at around 4.4% for 2023. Of course, inflation is still going to be an issue," HSBC Southeast Asia Chief Investment Officer James Cheo said in a virtual briefing.

Mr. Cheo added that Philippine inflation is higher compared to the rest of Southeast Asia, though the Philippines retains high growth potential due to the young working population.

"I would say that the potential growth of the Philippines is always very high, potentially because the Philippines has a young working population. Because of that, potential growth is always higher than most countries," he said.

December inflation came in at 8.1% on Thursday, falling within the 7.8% to 8.6% forecast range given by the Bangko Sentral ng Pilipinas (BSP) last week.

December was the ninth straight month that inflation surpassed the BSP's 2-4% target range.

HSBC's market picks Thailand and Indonesia recorded December inflation of 5.51% and 5.89% respectively.

Mr. Cheo said that high inflation will result in more rate hikes from the central bank which is why HSBC has a neutral view on the Philippines as an investment destination.

"As of now, given where valuations are, we have kind of a neutral view for the Philippines, given that we don't see much kind of significant upside or catalyst in that sense," he said.

Mr. Cheo said that banks weighted towards consumption and infrastructure will be more resilient as those factors drove the Philippine economy last year.

"I think the Philippine economy very much last year was driven by consumption and infrastructure spending and I think those factors would still be fairly robust," he said. — **Aaron Michael C. Sy**

ERC cites rate reviews, CSP revision as 2023 priorities

THE Energy Regulatory Commission (ERC) said its 2023 priorities are reviewing distribution utility (DU) and transmission rates, as well as revising the guidelines for the competitive selection process (CSP).

ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said in a Viber message on Thursday that the ERC will work to mitigate expected rate increase this year.

The ERC hopes to complete the rate reset of the National Grid Corp. of the Philippines (NGCP) for the fourth regulatory period by the first quarter of 2023.

Last month, the NGCP filed its application to reset transmission rates. The ERC said that the rate reset will likely result in a lower transmission charge.

In September, the ERC promulgated Resolution No. 08, series of 2022 or the Amended Rules for Setting Transmission Wheeling Rates (RTWR), governing the rate reset process for the NGCP.

However, the ERC held back on ruling on an NGCP motion until the ERC completes a round of public consultations on the amended RTWR.

Ms. Dimalanta said that the ERC will conduct the hearings on the rate reset process this month. The Commission is also targeting the completion of the NGCP's transmission rate reset for the fifth regulatory period by the second or third quarter of this year.

The ERC is also hoping to work on the generation rate review for pass through charges until March including the power supply agreement (PSA) caravan and complete the review by the first half of 2023.

The ERC is reviewing the PSAs entered into by electric cooperatives to find ways to reduce power rates. By the second quarter, the regulator plans to go ahead with the rate reset for private DUs and electric cooperatives (ECs).

Another area of focus is to "complete with DoE (Department of Energy) the revised guidelines for CSP for PSA contracting by DUs/ECs," Ms. Dimalanta said.

The ERC will also issue before year's end pending rulings on PSAs affected by the Supreme Court's (SC) decision on the Alyansa Para sa Bagong Pilipinas, Inc. cases, she said.

In 2019, the SC affirmed its decision requiring all PSAs submitted by DUs to the ERC beginning June 30, 2015 to undergo CSP, rendering prior agreements ineffective as a basis for determining rates. The decision backed the DoE's 2015 order requiring all PSAs to undergo the CSP process. — **Ashley Erika O. Jose**

Fintech company JustPayto tapped for MSME digital payment system

THE Department of Trade and Industry (DTI) said it signed a partnership deal with financial tech firm JustPayto Philippines Corp. to provide digital payment services to micro, small, and medium enterprises (MSMEs).

The DTI said that the partnership with JustPayto, finalized in December, will onboard all interested DTI-registered businesses into the fintech's platform.

"We are very excited with this partnership as it will help accelerate the digitalization of MSMEs nationwide," Trade Undersecretary Blesila A. Lantayona said in a statement.

According to the DTI, registered merchants enrolled with JustPayto will have the ability to accept both online and in-store payments including Visa and Mastercard credit cards and debit cards, bank transfers, and electronic wallets.

It added that the MSMEs will have the ability to monitor their cash flow while building their credit history for taking on future loans.

JustPayto will also conduct entrepreneurship seminars and talks across various regions.

Trade Secretary Alfredo E. Pascual has said the department is seeking to bring about the economy's digital transformation, adding that MSMEs should be digitally-driven enterprises needing support during their transition.

JustPayto was founded in 2016 and is registered with the Securities and Exchange Commission and licensed and regulated by the Bangko Sentral ng Pilipinas. — **Revin Mikhael D. Ochave**