

SteelAsia, Chinese group to build P108-billion integrated facility

STEELASIA Manufacturing Corp. said it entered into an agreement with a Chinese steel-maker to construct a P108-billion integrated steel facility at a location yet to be decided.

In a statement over the weekend, SteelAsia said that the facility will produce three million tons of liquid steel for construction, automobile, appliance, and shipbuilding applications.

The deal between SteelAsia and Baowu Group was a product of the three-day visit of President Ferdinand R. Marcos, Jr. to China in early January.

SteelAsia Chairman and Chief Executive Officer Benjamin O. Yao and Baowu Group Zhongnan Iron and Steel Co. Senior Vice-President Li Huaidong signed the deal.

Baowu was formed from the merger of the BaoSteel Group and Wuhan Iron and Steel in 2016.

"This project will spawn new industries and wean the country from its perennial dependence on imports. It will generate about 2,000 jobs, including for professionals who in the past have had to work abroad and leave their families," Mr. Yao said.

Baowu will send a team to the Philippines next month to jointly explore with SteelAsia possible locations for the plant.

SteelAsia operates six manufacturing plants in five locations: Bulacan, Batangas, Cebu, Davao, and Misamis Oriental.

The company is scheduled to open a seventh plant this year, in Compostela, Cebu. The new plant will increase its annual capacity to 3 million metric tons (MT) from 2 million MT. — **Revin Mikhael D. Ochave**

DPWH seeking China grants for Visayas, Mindanao bridges

By **Arjay L. Balinbin**
Senior Reporter

THE Department of Public Works and Highways (DPWH) is hoping to obtain "grant assistance" from the Chinese government for bridges in the Visayas and Mindanao.

"I have had active discussions with them," DPWH Secretary Manuel M. Bonoan told *BusinessWorld* on Friday on the sidelines of the ceremonial opening of the Binondo-Intramuros Bridge linear park and pedestrian stairs project.

He said that the grants being proposed will be for bridges outside the capital region. The Chinese government has provided various grants for projects in the capital, including \$75 million for the Binondo-Intramuros Bridge and the Estrella-Pantaleon Bridge during the previous administration.

"We are trying to get some more grant assistance for other bridges like in Bohol and Mindanao," Mr. Bonoan said.

He added that one of the bridges being proposed for a Chinese grant is the one connecting Panglao Island and Tagbilaran City in Bohol to ease access to a top tourist destination.

"There is an existing bridge that we built, so we are going to request a more permanent structure that will connect Panglao island and Tagbilaran," Mr. Bonoan said.

The project is expected to cut travel time from Tagbilaran City seaport to

Panglao Island to 15 minutes from 45 minutes during peak periods.

The Philippines and China have a current agreement for the China Aid Localized Project for Davao River Bridge or Bucana Bridge, a coastal road intended to provide an alternate route to the Pan-Philippine Highway in southern Davao City, which has been experiencing heavy road congestion.

During the recent visit of President Ferdinand R. Marcos, Jr. to Beijing, the two governments signed an updated memorandum of understanding on the Belt and Road Initiative and the framework agreement on bridges crossing the Pasig-Marikina River and the Mangahan Floodway Bridges Construction Project.

Chinese President Xi Jinping and Mr. Marcos also discussed loan agreements for Philippine infrastructure development.

"Both sides will further strengthen infrastructure cooperation with big projects such as the Davao-Samal Island Bridge. Both sides will explore means to further strengthen cooperation, at the locations to be mutually agreed, with the purpose of promoting innovative economic development and maintaining stability in production and supply chains," they said in a joint statement on Jan. 5.

According to the Finance department, the cumulative loan commitments with China for ongoing Philippine projects now stand at \$1.06 billion after the recent signing of loan agreements worth \$201.8 million.

DBM considering 'green' standards for gov't procurement

THE Procurement Service (PS) of the Department of Budget and Management (DBM) is planning to impose a green public procurement (GPP) standard to ensure that the government spends in a sustainable manner.

"The establishment of an inter-agency technical specifications review committee is one of the reform initiatives we spearheaded to take government procurement to a sustainable track," PS Executive Director Dennis S. Santiago said in a statement.

The committee will be formed to implement GPP and assess, review and evaluate the sustainability of common-use supplies and equipment technical specifications.

The specifications will need to comply with Philippine and international standards, as well as address environmental, social and economic aspects of government purchasing.

"Under a GPP regime, the government shall procure goods and services with reduced environmental impact throughout their life cycle," the DBM said.

Budget Secretary Amenah F. Pangandaman said that integrating "green choices in public procurement puts the Philippines closer to its ultimate goal of ensuring sustainable management and use of natural resources by 2030."

"GPP provides the opportunity for government agencies to infuse environmentally-friendly parameters and requirements in the products that we procure, and in the process avoid the use of toxic substances; prioritize alternative green materials; reduce energy and water consumption during use; and recycle at the end of the useful life of the product," Mr. Santiago added.

Apart from the PS, the committee will also include the departments of Environment and Natural Resources, Trade and Industry, Science and Technology, Information and Communications Technology; and Energy. — **Luisa Maria Jacinta C. Jocson**

Maharlika fund billed as means of addressing power, food security

By **Beatriz Marie D. Cruz**

SPEAKER Ferdinand Martin G. Romualdez said on Sunday that the Maharlika Investment Fund (MIF) bill will help address rising electricity and fuel prices.

"Filipinos cannot wait. We have to bring down the cost of electricity, the cost of power, the cost of oil," Mr. Romualdez told Manila-based reporters at Zurich, Switzerland.

Mr. Romualdez was at the World Economic Forum in Davos last week, where President Ferdinand R. Marcos, Jr. had sought to attract interest in Maharlika from potential investors.

The bill has generated backlash because of the proposed sources of the fund's capital. The bill had originally designated the two major government pension funds as suppliers of capital to the fund, but these provisions were withdrawn, at one point leaving the Bangko Sentral ng Pilipinas (BSP) as the main funder from its own profits.

Albay Rep. Jose Ma. Clemente S. Salceda, who chairs the House ways and means committee, told *BusinessWorld* that the latest version of the bill has removed the BSP as a funder.

Michael Henry Li. Yusingo, a lawyer and policy analyst, said that the House version of the bill endorsed to the Senate cannot be revised.

"The House can withdraw that, revise it by repeating the process, and then endorse the revised bill to the Senate. Alternatively, a senator can file his own bill incorporating those revisions," Mr. Yusingo said via chat.

The current MIF bill proposes government-owned and -controlled corporations (GOCCs) as funders, which Albay Rep. Edcel C. Lagman said could crowd out some basic services funded from GOCC profits.

"It must be recalled that dividends from GOCCs have been used for budgetary support. These dividends must not be parked in long-term contingent investments as they are urgently needed for immediate utilization to address the requirements of basic services like education, health, employment,

food security and infrastructure," Mr. Lagman said in a statement.

Percival K. Peña-Reyes, director of the Ateneo Center for Economic Research and Development, said by phone, "Those who are tasked to manage (the fund) incentivized but if they lose, who foots the bill?"

IBON Foundation Executive Director Jose Enrique A. Africa said in a Viber message, "The worst-case scenario would be the fund attracting dubious private investors who perceive the fund as having political advantages from being so eagerly pushed by high government officials predisposed to self-interested interventions."

"You do not have to gamble this much (and) take on such a huge risk," Mr. Peña Reyes said, citing foreign direct investment (FDI) channeled into exports as an alternative.

"That's what our neighbors in ASEAN are doing. They are able to export more because they are able to attract more FDI. And we have the potential also to do that, if only we had the political will," Mr. Peña-Reyes said.

Mr. Africa added, "The haste with which it is evolving to adapt to public criticism is actually a little suspicious and raises the question (asking) why the administration is in such a hurry to create a Maharlika fund in whatever form."

Senator Juan Miguel F. Zubiri told DWIZ radio on Saturday that a counterpart measure has been filed in the Senate by Sen. Mark A. Villar, chairman of the Senate Banks, Financial Institutions and Currencies committee.

Sen. Sherwin T. Gatchalian, who chairs the Senate ways and means committee, told DZBB on Sunday that funding sources remain the Maharlika bill's main sticking point.

"My main concern is where the funds for the Maharlika Investment Fund will come from," Mr. Gatchalian, told DZBB on Sunday.

"There should be substantial funding for the investment fund in order to have a large return."

Mr. Romualdez called on the Senate to work out all their concerns on the bill.

"For all those senators who may have contrary thoughts, just read the bill and deliberate it in the Senate and let's take it from there," he said.

OPINION

Digital government: Creating real connections

(First of two parts)

As people increasingly look to the government to defend their lives and means of subsistence during times of crises, most recently under the pandemic, public policy and the provision of services are now under unprecedented pressure. There is widespread demand among citizens for more digitally enabled public services, and many of them want more control over how these services are provided. However, a sizable portion of the populace lacks the ability or resources to use digital services.

To better understand how people's lives are changing in the connected world, EY launched a new research study with over 12,000 working-age respondents called Connected Citizens. This global study looked at what these respondents value, their top concerns, and how they feel about the impact of technology. The study then aimed to examine their expectations of the function of the government, the provision of public services, and the nature of the interaction between those in power and those under it.

TECHNOLOGY IN A MORE PERVASIVE ROLE

The increased use of technology in daily life has been one of the most noticeable changes catalyzed by the pandemic. It changed how people work, play, shop, study, and socialize in mere months. According to the study, a majority anticipate using technology even more in the future than they would have otherwise. As much as 64% of the respondents anticipate that the pandemic will result in an increase in the use of technology.

Although governments worldwide have sped up the process of digitalizing many public services, many still fall behind private sector offerings like online banking and shopping in terms of anticipated gains in service delivery (although healthcare services are viewed more positively). Over half of the people globally

(53%) believe that governments and public services have used digital technology to successfully combat the pandemic. This shows that governments still need to make progress in their digital transformation before they can live up to the expectations of the citizens they serve.

We are seeing similar trends in the Philippines, where the government is increasingly focused on implementing and sustaining digital transformation strategies to bring about a true e-government that would strengthen connections with citizens by using digital and technology to

achieve economic transformation and more efficient delivery of services to citizens. However, both government and stakeholders alike need to understand the deeper issues around technology in order to truly make the most of it.

BROADER CONCERNS REGARDING TECHNOLOGY IMPACT

Despite the prevalence of technology, the study found complex attitudes towards it. Most respondents (72%) believe it improves life and will be necessary in the future to help address ever-more complicated challenges. However, there are concerns about its broader effects.

Growing socioeconomic inequality.

The most disadvantaged people frequently lack the resources to access new technology and the digital literacy skills necessary to use it. Another issue is the use of algorithms for decision-making, which some believe may be biased. Nearly a third of people worldwide (32%) believe that not all segments of society will equally benefit from technology. And 34% believe that people who are already wealthy and powerful gain more influence as a result of technology.

Diminished human interaction.

Concerns have been raised about how using communication technology can affect social cohesion, with 32% believing that technology

will cause people to feel less connected to their community. Some of the most vulnerable groups may experience increased isolation in a more virtualized society where there is less physical interaction.

Digital security and personal privacy.

The quantity and variety of data produced and the rate at which it is gathered will grow as more people and devices are linked. This creates public anxiety over personal privacy and a lack of choice over how data is used. More than 4 out of 10 people oppose the sharing of data with both the government and the business sector, while 72% oppose government selling their personal information to the private sector.

Additionally, governments can do more to explain the advantages of data sharing and reassure the public that it will be used responsibly. The study reveals some support for data use when people are aware of the use case, and if it presents advantages for them personally or for society as a whole. This is especially true when it comes to matters of public health. For instance, 52% of people worldwide favor utilizing personal data to track and prevent disease, while 47% support using it to set priorities for healthcare.

Building trust in government institutions will be crucial in increasing the effectiveness and efficiency of government operations as well as utilizing public efforts to help design and provide better services. The study shows that citizens are willing to participate more in the delivery of public services in the future, with more than a third identifying more performance transparency as one of their top priorities to improve public service quality. Additionally, 42% said they would like to have a greater say in how public services are delivered in their community.

THE SEVEN CITIZEN PERSONAS

With the study showing how complicated global citizen beliefs, values, needs, and behaviors are, understanding these identities can assist governments in forging more reliable ties with their

constituents. It identified seven different citizen personas through survey data analysis: Diligent Strivers, Capable Achievers, Privacy Defenders, Aspirational Technophiles, Tech Skeptics, Struggling Providers, and Passive Outsiders.

Diligent Strivers are young proactive self-improvers keen to advance in life. They expect seamless digital government services to help them achieve their aims, are comfortable sharing their data with governments, and strongly believe in equal opportunities.

Capable Achievers have an older age profile and are independent, successful and satisfied with their life. Pragmatic technophiles who embrace digital innovation, they trust governments to use their data appropriately but worry about it getting into the wrong hands.

Privacy Defenders tend to be older, independent and comfortably off. They value technology and the benefits it provides them, but are extremely cautious when it comes to sharing their personal data with governments or private companies.

Aspirational Technophiles are younger, well-educated city-dwellers. Motivated by success and new opportunities, they incorporate technology and data into every facet of their lives. They are excited by the potential for new digital innovations to empower people and improve society.

Tech Skeptics are older, on lower incomes and relatively dissatisfied with their lives. Distrustful of governments and skeptical about the benefits of technology, they tend to be opposed to data sharing, even with a clear purpose.

Struggling Providers are younger and tend to be in low paying, less secure work. They are above-average users of welfare services and are ambivalent toward technology, lacking the access and skills for it to significantly impact their lives.

Passive Outsiders have lower levels of income and education. Detached from the connected world around them and generally reluctant to embrace change, they are relatively ambivalent on data sharing but tend to feel the risks outweigh the benefits.

The attitudes each persona has toward technology and their level of access and comfort with digital services are significant. Despite being representative of the online population, the survey participants vary in their comfort level while utilizing new technologies on their own. This indicates that governments should shift away from a one-size-fits-all approach towards service delivery and increase the level of personalization to improve public policy design, deliver more efficient and effective public services, and deepen the relationship between government and citizens.

For instance, Struggling Providers, who would require the most assistance, would likely be unable to utilize services and miss opportunities if some services can only be accessed through digital channels. This leads to a worsening of the structural inequality they already experience.

We have seen this ourselves during the pandemic particularly in the education sector where students were given the option to participate in online classes, yet a significant percentage did not have access to devices or the internet and had to resort to analog options such as printed learning modules.

In the second part of this article, we discuss four key areas government can focus on to better engage with the public: inclusive digitization, responsible data use, innovative and agile policymaking, and public participation and engagement.

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