

Philippine Stock Exchange index (PSEi)

6,790.24

▲122.27 PTS.

▲1.83%

MONDAY, JANUARY 9, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P712.00 +P28.00 +4.09%	ACEN ACEN Corp. P7.60 +P0.11 +1.47%	AEV Aboltiz Equity Ventures, Inc. P60.00 +P1.30 +2.21%	AGI Alliance Global Group, Inc. P11.80 +P0.40 +3.51%	ALI Ayala Land, Inc. P30.70 +P0.45 +1.49%	AP Aboltiz Power Corp. P35.00 +P1.10 +3.24%	BDO BDO Unibank, Inc. P112.40 +P1.40 +1.26%	BPI Bank of the Philippine Islands P106.00 +P5.40 +5.37%	CNVRG Converge ICT Solutions, Inc. P18.00 +P0.50 +2.86%	EMI Emperador, Inc. P20.35 +P0.10 +0.49%
GLO Globe Telecom, Inc. P2,132.00 +P6.00 +0.28%	GTCAP GT Capital Holdings, Inc. P446.00 +P6.20 +1.41%	ICT International Container Terminal Services, Inc. P198.00 +P2.00 +1.02%	JFC Jollibee Foods Corp. P242.00 ---	JGS JG Summit Holdings, Inc. P56.10 +P2.35 +4.37%	LTG LT Group, Inc. P9.68 +P0.16 +1.68%	MBT Metropolitan Bank & Trust Co. P57.40 +P0.50 +0.88%	MEG Megaworld Corp. P2.10 +P0.03 +1.45%	MER Manila Electric Co. P309.80 +P8.80 +2.92%	MONDE Monde Nissin Corp. P12.48 +P0.12 +0.97%
MPI Metro Pacific Investments Corp. P3.60 +P0.09 +2.56%	PGOLD Puregold Price Club, Inc. P35.20 +P0.05 +0.14%	RLC Robinsons Land Corp. P15.08 +P0.22 +1.48%	SCC Semirara Mining and Power Corp. P35.90 +P0.30 +0.84%	SM SM Investments Corp. P900.00 ---	SMC San Miguel Corp. P95.00 +P1.30 +1.39%	SMPH SM Prime Holdings, Inc. P37.50 +P0.75 +2.04%	TEL PLDT, Inc. P1,412.00 +P27.00 +1.95%	URC Universal Robina Corp. P140.00 +P3.00 +2.19%	WLCON Wilcon Depot, Inc. P29.80 +P0.10 +0.34%

DoE says China firms pledge \$13.76-B energy investments

NINE Chinese companies have pledged \$13.76 billion worth of investments in the Philippine energy sector, the Energy department said on Monday, citing the positive response to the country's policy directions on renewable energy (RE).

"The Chinese companies have pledged to invest in the country's renewable energy, energy storage systems and off-grid supply systems," Energy Secretary Raphael P.M. Lotilla said in a virtual press briefing.

Some of the companies already have a presence in the Philippines such as China Energy International Group Co. Ltd., which Mr. Lotilla described as having local project locations for more than 20 years.

"In Northern Luzon, they provide power generation, substation, transmission, cell site, and fiber to home and data center projects," the Department of Energy (DoE) said in a separate media release.

Mr. Lotilla also identified China General Nuclear Power Group (CGN), which he said is the third-largest nuclear power producer in the world and China's largest nuclear power producer.

"We are very pleased with the enthusiasm we have received from these Chinese companies during our roundtable meeting. They were upbeat with our policy reforms and directions on RE, especially on the opening of 100 percent foreign ownership on wind and solar projects," he said.

He enumerated the other companies as China Power International Development Ltd. (CPID); SPIC Guangxi Electric Power Co., Ltd.; China Machinery Engineering Corp. (CMEC); China Huadian Engineering Co., Ltd. (CHEC); China Tianying, Inc. (CNTY); Dajin Heavy Industry Co., Ltd. (DHD); and Mingyang Smart Energy Group, Ltd.

CPID intends to establish corporations with local entities to invest in renewables, the DoE said, adding that the company is involved in developing solar, wind, hydroelectric, geothermal and biomass projects.

"They are also into green energy emerging industries such as energy storage, hydrogen

energy, green electric transportation and integrated smart energy," the department added in the statement.

The DoE said SPIC has interests in the development, investment, construction, and operation of electric power while CHEC invests in RE projects and is looking to expand its investments in the country.

DHI is also into RE development while Mingyang is an energy solutions provider and wind turbine manufacturer.

"I have now instructed our Renewable Energy Management Bureau and Investment Promotions Office to start communicating with them and provide the full support to hasten this particular cooperation between the Philippines and China," Mr. Lotilla said.

Under the Philippine Energy Plan, the DoE targets to increase the share of renewables in the power generation mix to 35% by 2030 and 50% by 2040. To achieve these targets, Mr. Lotilla said the country needs an additional 52,000 megawatts (MW) of RE by 2040.

"Of the 52,000 MW, 27,000 MW will be from solar and another 16,000 MW from wind. However, this does not take into account the total offshore wind potential of 178 gigawatts or 178,000 megawatts for the Philippines as a whole," he said.

As of 2020, RE accounted for 21.2% of the power generation mix.

Mr. Lotilla said the Chinese companies made the investment pledge during President Ferdinand R. Marcos Jr.'s Jan. 3-5 visit to China where Mr. Lotilla was also present together with former President Gloria Macapagal-Arroyo, House Speaker Ferdinand Martin G. Romualdez, Senator Maria Imelda R. Marcos and Department of Trade and Industry Secretary Alfredo E. Pascual.

Aside from the investments in the energy sector, Mr. Lotilla said discussions with China included the resumption of talks for joint exploration in the West Philippine Sea.

"The agreement was to resume negotiation or resume talks, so we don't have an agreement

moving forward yet with the actual carrying out of activities in the Recto Bank," he said.

In the meantime, Mr. Lotilla said the department continues to encourage oil and gas development in other areas of the country.

"We will be open to foreign and domestic investors carrying out the development activities," he said.

He cited state-led PNO Exploration Corp., which recently announced an invitation to potential farm-ins for other service contracts (SC) under its control.

"As far as those are concerned, we will be able to go ahead," he added.

In December 2022, privately owned PXP Energy Corp. said it was time to resume discussions on joint exploration in the West Philippine Sea as it hoped Mr. Marcos' visit to China would pave the way for the resumption of talks. The company also wanted to be guided by the government on the next steps in developing the company's service contracts in the disputed waters.

The listed oil and gas company's subsidiary Forum (GSEC 101) Ltd. is the operator of SC 72 at Recto Bank. Within its block is the Sampaguita gas discovery, which is estimated to contain about 2.6 trillion cubic feet of contingent gas resources. PXP Energy also holds a 50% interest in SC 75 in northwest Palawan. These areas are also in contested waters.

The DoE in April last year ordered the suspension of exploration activities in the West Philippine Sea due to the maritime dispute. This led to the suspension of all exploration work in SC 72 and 75.

In October, the DoE approved the declaration of force majeure covering the two service contracts in response to a PXP Energy request made in April.

"That is the reason why the talks are being resumed — to discuss the problems in the past," Mr. Lotilla said. He added that the China visit established a healthy environment for both countries "to move forward the discussion." — **Ashley Erika O. Jose**



PHILIPPINE STAR/EDD GUMBAN

APPLICANTS attend a job fair in Tondo, Manila, Nov. 21, 2022.

Wages, from SI/1

The International Labour Organization (ILO) has said inflation continues to reduce the purchasing power of minimum wage workers.

Labor markets in the Asia-Pacific region have partially rebounded from the coronavirus pandemic, but full recovery remained uncertain, it said. The region lacks 22 million jobs to return to pre-pandemic employment levels.

In January last year, the United Nations agency said unemployment levels would likely remain above pre-pandemic levels until 2023. Global wages fell in real terms in the first half of 2022, the first time in the 21st century, it added.

"The coronavirus crisis, the cost-of-living crisis and the war in Ukraine are all creating enormous uncertainty," Manuela Tomei, assistant director-general for governance, rights and dialogue at the ILO, told a livestreamed briefing on Nov. 30.

The Kapatiran ng mga Unyon at Samahang Manggagawa trade union on Dec. 5 said low-paid workers spend more than they earn due to inflation.

Minimum wage earners who work five days a week earn P11,400 monthly, which is lower than the average monthly expenses of P15,666, it said, citing 2018 government data.

"The best way to ensure a more equitable way of setting wages is by removing all restrictions for workers to organize, collectively bargain and to strike, whenever it is needed," Mr. Mata said.

UPSKILLING

Mr. Cainglet said the government should focus on boosting jobs in the manufacturing sector instead of seeking to create a sovereign wealth fund.

"The Philippines is cash-strapped," he said. "If the government can pool money together to invest, why can't they address the problems of the everyday worker?"

On Dec. 15, the House of Representatives quickly approved on final reading the proposed Maharlika Investment Fund, which has been criticized over the alleged lack of transparency and safeguards.

The ILO has said the Philippines could boost jobs in manufacturing while it recovers from the pandemic. There were 3.667 million workers in the sector in October, lower than 4.45 million a month earlier.

Mr. Marcos said he plans on boosting employment in manu-

facturing and strengthening local production to reduce the country's reliance on imports.

Domini S. Velasquez, chief economist at China Banking Corp., said the government should prioritize arming the country's workforce with skills in new technologies to improve job quality.

"In this new normal where we rely more on digital technology, the government can work on expanding the physical and digital infrastructure," she said in a Viber message. "Retooling and reskilling the Filipino workforce will help them adjust quickly to this new environment."

Students should be trained in Science, Technology, Engineering and Mathematics (STEM) courses to make the Philippine workforce more regionally competitive, said Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp.

"Students who take more STEM courses could help position the Philippines on the higher end of the global value chain," he said in a Viber message.

In April, the Makati Business Club said 2.4 million jobs could go unfilled if the private sector fails to pursue reforms seeking to upskill workers.

The Labor department would hold more job fairs and skill-building programs this year as part of state efforts to boost jobs, Mr. Laguesma said in a Viber message.

"In light of the current and emerging challenges in the labor market, we will further strengthen our efforts to raise the quality of human resources and ensure that current and future workforce can adapt to the changing demands of the labor market," he said.

The government would offer more training programs for Filipino entrepreneurs this year, Mr. Laguesma said. Micro, small and medium enterprises account for 99.6% of the country's 1.08 million businesses.

The Labor department is also working with the Department of Migrant Workers and Technical Education and Skills Development Authority to craft upskilling programs, Mr. Caedac said.

"The government should improve its healthcare and public transportation systems and come up with reasonable employment laws to improve the quality of life and ease the burden on workers," said Ms. Videz, the aspiring overseas worker. "Everything seems to be fixed by band-aid solutions. There are no long-term plans."

DTI seeks more tech investments from US

THE Department of Trade and Industry (DTI) is eyeing more technology-related investments from the United States as part of efforts to improve the country's electronics industry.

"The Philippine mission aims to establish and strengthen trade and investments' linkages with global industry players, advance research and development, promote Philippine start-ups, and gain information on the latest consumer products, technologies, and innovations," the DTI said in a statement on Monday.

The Philippine delegation promoted the country's electronics sector in the Consumer Electronics Show (CES) 2023, spearheaded by the DTI and the Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI).

"Dubbed as the 'most influential tech event in the world', CES 2023 presents wide opportunities for the Philippines to promote its capabilities in the electronics industry and explore partnerships with academic and research institutions," the DTI said.

"CES 2023 features manufacturers, developers, and suppliers of consumer

technology hardware, content, technology delivery systems, and more; it also includes a conference program where the world's business leaders and pioneering thinkers address the industry's most relevant issues," it added.

Other activities attended by the Philippine delegation in the US include a business forum networking session on Jan. 6 at Las Vegas Convention Center, and the World Electronics Forum meeting on Jan. 7.

Meanwhile, the DTI said that the Philippine delegation is undergoing business meetings at Silicon Valley until Jan. 11.

Some of the members of the Philippine delegation are representatives from Airtel International Corp., Integrated Microelectronics Inc., Ionics EMS Inc., Kaertech Electronics Philippines, Manila Electric Co., the Department of Science and Technology, the Philippine Export Zone Authority, and the Department of Information and Communication Technology.

According to the DTI, the local electronics industry was the country's top exporter, accounting for 61.5% or \$45.9 billion of total Philippine merchandise exports in 2021. — **Revin Mikhael D. Ochave**

ACEN secures A\$277-M loan for its RE projects in Australia

ACEN Corp. said it had secured a total of 277 million Australian dollars to fund its renewable energy (RE) portfolio in Australia.

In a disclosure to the stock exchange, the Ayala-led listed energy company said its subsidiary ACEN Australia signed the syndicated green term-loan facility, its largest to date, with major international banks.

"This syndicated green term loan facility continues to build on the funding secured at the end of last year, and will be mobilized into our Australian portfolio. ACEN continues on the journey in decarbonizing Australia. It is exciting to work with quality financial institutions, and the appetite for quality investments is real," Anton Rohner, chief executive officer of ACEN Australia, said in a media release.

The lending banks are comprised of Bank of China (BOC) in Manila and Hong Kong, CTBC Bank in Manila and Singapore, and Standard Chartered Bank in Australia. ACEN said Bank of China (Hong Kong) Ltd. was the green loan structuring bank, while Commonwealth Bank of Australia served as the agent for the loan facility.

Herbert Smith Freehills was legal counsel for ACEN Australia, while King & Wood Mallesons was the counsel for the lenders.

The loan facility is part of ACEN's 600-million Australian dollar target for its renewables project in the foreign country. It will fund several projects in Australia, the first of which is the New England solar farm that is set to start operation by the middle of the year.

Once fully constructed, the solar farm project is expected to power approximately 250,000 households annually.

ACEN Australia represents ACEN's renewable energy assets in Australia. It has more than 1.5 gigawatts of projects in the pipeline, under construction, or at the advanced stage of development.

ACEN said it sees its renewable energy portfolio in Australia to be a significant contributor to the company's aspiration to expand its renewable energy capacity to 20 gigawatts by 2030. Its project pipeline in Australia encompasses solar, wind, battery storage, pumped hydropower and energy storage.

At the local bourse on Monday, shares in ACEN closed 1.47% higher or P7.60 apiece. — **Ashley Erika O. Jose**