

Palace reviewing application to extend Malampaya service contract

THE Department of Energy (DoE) said on Tuesday that the Malampaya gas field concession, known as Service Contract 38, is currently under review by the Office of the President in the wake of an application to extend the concession.

In a statement, the DoE declined to elaborate on the extension applica-

tion while the Palace is evaluating it, other than to say: "the Philippine government retains at all times its full control over all aspects of gas and oil exploration and development. The service contractor is exactly that: Contractor."

Prime Infrastructure Capital, Inc. (Prime Infra) is seeking a 15-year exten-

sion for the concession, which is set to expire next year.

Prime Infra, through its subsidiary Prime Energy Resources Development BV (Prime Energy) is a member of the Malampaya consortium operating SC 38.

Prime Energy holds a 45% stake in the Malampaya project. The other members of the consortium, UC38 LLC

and PNO Exploration Corp., own 45% and 10% stakes, respectively.

The DoE described the Malampaya project as a successful public-private partnership.

"PD (Presidential Decree) 87 embodies an early example of public-private partnerships (where the private sector bears all the risk) and, in the

case of the Malampaya deepwater Gas-to-Power Project, a successful one," the DoE said.

PD 87 governs the development of the petroleum industry, and introduced the service contracting system, through which blocks of Philippine territory are allocated to private parties for exploration.

Last week, Prime Infra President and Chief Executive Officer Guillaume Lucci said the company is optimistic about the Malampaya gas field and expects to extract gas from a new well by 2026.

The Malampaya project supplies power plants on Luzon which account for 20% of the Philippines' power requirement. — **Ashley Erika O. Jose**

IEMOP backs review of secondary price cap amid high fuel prices

THE Independent Electricity Market Operator of the Philippines (IEMOP) said the Energy Regulatory Commission (ERC) needs to review the secondary price cap as market participants grapple with high fuel and power generation costs.

"As the market operator we see the merit of the call to review the price cap especially now that fuel prices and the production cost of power plants continue to increase, yet the price cap is low," Robinson P. Descanzo, chief operating officer of IEMOP said in a virtual briefing on Feb. 10.

Power plant generators are entitled to additional compensation once the secondary price cap is triggered, according to an ERC resolution.

The secondary price cap limits the price that can be charged for power after certain price levels are breached within a short period. It is used by regulators to dampen volatility. The ERC set the secondary price cap at P6.245 per kilowatt-hour (kWh) after the breach of a P9 per kWh rolling average of the generator-weighted average price over a three-day period.

"What is happening here is the power plants recover their expenses through additional compensation, which is also provided by a mechanism of the secondary price cap," he added.

ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said that Philippine Independent Power Producers Association (PIPPA) has filed a position paper seeking a review of the secondary price cap.

"We are studying how to balance it because the cap is



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helpful. It provides consumers with some protection but it also distorts (market) signals. The WESM (Wholesale Electricity Spot Market) is there to send us signals but if we have the cap, the signals are distorted," she told reporters on the sidelines of an energy forum last week.

Anne Estorco Montelibano, president of PIPPA, said that the secondary price cap should be examined as it discourages investment in the power sector.

"We have been shouldering the cost; the government need to examine policies that would encourage investment," Ms. Montelibano said.

"Since the ERC allows additional compensation claims, I think it is right to increase the price cap set; at the same time the additional compensation claims would be reduced significantly," Mr. Descanzo said.

Energy Secretary Raphael P.M. Lotilla has also said that the Energy department would have to raise the secondary price cap to encourage more investment in the energy sector. — **Ashley Erika O. Jose**

Sugar import volumes set at 440,000 MT await approval

THE Sugar Regulatory Administration (SRA) said on Tuesday that it is waiting a "go signal" from President Ferdinand R. Marcos, Jr. to formally release a sugar order authorizing the imports of 440,000 metric tons (MT) of refined sugar.

"In all the SRA Sugar Board meetings, the President, if he is not available, is represented by (Senior Undersecretary Domingo F.) Panganiban. In yesterday's meeting, we all signed the Sugar Order (which was) sent to Malacañang for the go-signal from the President, in his capacity as Secretary of Agriculture," SRA Board Member and Planter's Representative Pablo Luis S. Azcona told reporters in a virtual briefing.

According to Mr. Azcona, the sugar imports will come in three

tranches — 100,000 MT and 100,000 MT, with the remaining 240,000 MT to be held back as buffer stock.

The first tranche is cleared for arrival "as soon as possible" while the second shipment will be admitted into the country starting April 1.

The remaining 240,000 MT, per order of Mr. Marcos, will be classified as "reserve" sugar. The SRA will re-classify the reserve for release to the domestic market as needed.

According to Mr. Azcona, the imports will address strong demand and contain prices.

He projected domestic sugar production at around 1.83 million MT. He noted that demand "is a lot more" and called the imports a mechanism for ensuring that "consumers get a good retail price."

"We have more Filipinos every year so the demand should be going up," he said.

"However, the data for actual consumption of big sugar users is not very accurate because they don't really share with us their actual usage. We can monitor this through their taxes... so I think the import volume of 200,000 plus 240,000 buffer is very safe," he added.

Mr. Azcona said that the import volume was arrived at after "careful calibration," to ensure farmers can obtain reasonable prices even in the presence of imports.

He said the buffer stock is a mechanism to keep some control over supply with the SRA.

"We cannot 100% control the traders; however, the SRA Board controls when the (reserve) sugar

will be made available to the market," he said.

Separately, the MAV Management Council has approved the entry of 64,050 MT of sugar through the minimum access volume (MAV) mechanism.

The MAV allows trading partners guaranteed access to the Philippine market, up to a certain volume, as part of the Philippines' World Trade Organization commitments.

According to Mr. Azcona, the details of the MAV shipments are still being studied, with the SRA having little involvement in the process.

The arrival of MAV sugar is between mid-April and the end of August, for consumption before the start of the next crop year. — **Sheldeen Joy Talavera**

Onion farmers say millions worth of produce lost in cold storage

A FARMING cooperative from Bongabon, Nueva Ecija said it lost 128,000 bags of onions which were improperly stored, rendering the crop unsellable and possibly contributing to the onion shortage.

Israel Reyugal, president of the Bonena Multi-Purpose Cooperative in Bongabon, told the House committee on agriculture and food that the onions,

which he valued at P168 million, were rendered unmarketable after being exposed to temperatures that were too low at a cold storage facility in Bulacan.

He named the cold storage company in his remarks to the committee. *BusinessWorld* is withholding identification of the company while seeking comment from its representatives.

Mr. Reyugal said the cooperative is currently pursuing legal action against the privately-owned cold storage facility.

"Onions are sensitive," he said, adding that "in May or June, we saw that the temperature (at the facility) was between minus 3 and minus 5 Celsius," he told the panel, by which time the produce could not be saved.

According to the Bureau of Agriculture and Fisheries Standards, onions must be stored at between 0.5 degrees Celsius and minus 0.5 degrees.

He said that the loss of the crop may have contributed to the high onion prices that happened late last year. — **Beatriz Marie D. Cruz**

Philippines still not free of H5N1 bird flu

THE Bureau of Animal Industry (BAI) said the Philippines is still subject to outbreaks of type H5N1 avian influenza, first detected in February 2022.

The BAI said it has detected six cases overall since the first outbreak. The cases were reported in Candaba and Masantol, Pampanga; Sta. Maria, Bulacan; the Cagayan Valley; Sultan Kudarat, and Sampaloc, Manila.

"We had our first case... in February 2022. Since then, *hindi naman po tayo nag-declare na naging AI-free na uli tayo* (we have not declared ourselves AI-free). We haven't recovered our AI-free status," BAI Assistant Secretary Arlene Asteria V. Vytico said.

Previous outbreaks, according to Ms. Vytico, were recorded in 2017 and 2020.

She said the outbreak at a commercial farm in Sta. Maria, Bulacan resulted in the cull of 17,425 chickens.

Culling is resorted to when the BAI wishes to contain the spread of avian influenza to a certain area.

She said the impact of the cull on the egg supply is not significant.

"Not all of these were in the active laying stage as they ranged from 16 to 22 weeks old," she said.

The BAI said the Bulacan farm got its stock from Pangasinan but it is still testing birds from the source farm.

The outbreaks involve quail in Pampanga, backyard gamecocks in the Cagayan Valley and Manila, ducks in Sultan Kudarat, and chickens in Bulacan.

All of the farms involved have been depopulated to prevent further spread, Ms. Vytico said.

One of the likely sources of bird flu is migratory birds mingling with farmed birds.

Ms. Vytico said the BAI grants cash assistance of up to P300,000 per poultry farm. — **Sheldeen Joy Talavera**



FINN MUND--UNSPASH

ECCP backs water council to ease path for PPP investment

THE European Chamber of Commerce of the Philippines (ECCP) said it supports the establishment of an advisory panel to the Water Resource Management Office (WRMO), which it hopes will result in seamless cooperation with the private sector in developing water projects.

"This interim structural reform will hopefully provide more synergy with public-private partnerships (PPPs) as it leads and encourages the establishment of investments, technology, benchmarking, and sharing of best practices resulting to the improvement of the water sector and for the benefit of our people," the ECCP said in a statement on Tuesday.

"We highly encourage that a multistakeholder advisory panel be established under the WRMO with representation from the private sector, academics, and civil society to serve as an additional sounding board for the said office in the crafting and implementation of policies, programs and projects for the water sector in line with the Integrated Water Resource Management (IWRM) principle of participatory governance," the ECCP said.

The ECCP said that the government should also consider using the IWRM principles for water resource planning.

"The IWRM is an internationally recognized framework that is used to guide countries on their journey to water security. It is based on the idea that water issues should not be approached in isolation, but rather in a more holistic manner due to the interdependence of the uses of finite water resources," the ECCP said.

Earlier this month, the Presidential Communications Office (PCO) announced that President Ferdinand R. Marcos, Jr. approved the creation of the WRMO as an arm of the Department of Environment and Natural Resources.

The PCO said that the WRMO will serve as a transitory body pending the creation of a Water Resources department. The main functions of the WRMO include creating and ensuring the implementation of the Integrated Water Management Plan that will harmonize the plans of various agencies.

"The creation of the WRMO is a welcome first step in fully realizing this as it aims to strengthen collaboration among various agencies in implementing water management programs in accordance with the Integrated Water Management Plan, to be crafted by the said agency," the ECCP said. — **Revin Mikhael D. Ochave**

JOB OPENING

CHIEF FINANCIAL OFFICER

Leverages finance process and technology best practices; partnering with finance organizations as well as various corporate functions (HR, Procurement, Legal and so on) to support and improve existing business processes

- Degree in International Business Finance, Accounting, Finance and qualified by experience over 10 years.
- Experience with financial systems implementation
- Strong project management experience with a PMP preferred
- Experience in leveraging technology to improve finance processes
- Ability to communicate to management
- Ability to play both a strategic and tactical role as a leader and demonstrate an ownership mentality
- Strong & Fluent written, reading & verbal communication in English, German, Mandarin, Cantonese, Teochew, Hokkien and other Chinese dialects.

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JOB OPENING

SUPPLY CHAIN MANAGER

Responsible for overall supply chain and logistics management in terms of warehousing, transportation, import & export, inventory control & management.

- Degree in Supply Chain Management/ Logistics Management or related discipline.
- Minimum 5 years' working experience in Supply Chain, from e-commerce/FMCG/International Trade/retail environment / warehouse operations.
- Solid experienced in ERP & WMS & 3PL is a must
- Proficient in MS Word/Excel and PowerPoint
- Independent, hard working, responsible, self-motivated and good team work
- Results-oriented with strong negotiation & influencing skills
- Immediate available is an advantage
- Strong & Fluent written, reading & verbal communication in English, Mandarin, Cantonese, Teochew, Hokkien and other Chinese dialects.

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Wilcon Depot partners with Go Negosyo's Mentor Me on Wheels for MSMEs

Wilcon Depot, the Philippines' leading home improvement and construction supply retailer, supports Go Negosyo, a non-stock, non-profit organization, and the advocacy of the Philippine Center for Entrepreneurship (PCE) in their free mentoring sessions for active and aspiring entrepreneurs in the Philippines.

Mentorship, Money, and Market (3M) is an on-the-wheels program to help and encourage existing entrepreneurs in the country. Go Negosyo's 3M On Wheels is a free nationwide mentorship program designed as a quick-stop mentoring platform for the capacity-building development of entrepreneurs through onsite mentorship. This program helps thousands of micro-small and medium-sized enterprises (MSMEs) and aspiring entrepreneurs across the country.

Wilcon has effectively established itself as the most favored one-stop shop and trustworthy partner for every industry professional, homeowner, and builder in the country. The company comprehensively exhibited its wide array of product lines that include *Pazzi*, trusted bathroom solutions; *Rubi*, a partner when it comes to tile cutting necessities; *Hamden*, an ideal partner for your kitchen needs; *Alphalux*, an energy-efficient lighting solutions brand; *Grespania*, a high-quality ceramics Spanish tiles; *Herberia*, an Italian tile brand for a lavish home interior; *Kaze*, an appliance that will make your space clean and healthy; *Hills*, a trusted brand for constructions and electrical necessities; and *P.tech*, your companion in home building improvement.



Wilcon believes that this advocacy program with Go Negosyo, Mentor Me On Wheels, contributes to the country's business growth and development. This educates participants on how to improve the standards of work environments and provide design advice that will benefit their business venture.

Wilcon will continue to offer its world-class product selections to significant business exposures to provide the most excellent and most up-to-date construction materials and technologies to Filipino entrepreneurs and homeowners and will continue to support Go Negosyo's future events as it took part in the first two legs for this year's activity.

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