

Metro Pacific begins initial work on Candaba Viaduct expansion

By Justine Irish D. Tabile
Reporter

METRO PACIFIC Investments Corp.'s tollway unit said it has started preliminary work on the 5-kilometer Candaba Third Viaduct project worth P6.1 billion.

"We are already in the design stage," Metro Pacific Tollways Corp. (MPTC) President and Chief Executive Officer Rodrigo E. Franco told *BusinessWorld*.

The project is being implemented by MPTC's unit, NLEX

Corp., with Hong Kong-based Leighton Asia the main contractor. The additional viaduct is covered by North Luzon Expressway Concession Agreement.

The viaduct allows vehicles to traverse the Candaba Swamp, a major bottleneck to north-south travel in Central Luzon, between Pulilan, Bulacan and Apalit, Pampanga.

The third viaduct, to be built between the northbound and southbound portions, is set to be completed by the end of 2024, according to Mr. Franco.

Separately, MPTC is also targeting the completion of the entire length of the NLEX Connector Road between the Calocan Interchange on C3 Road Dimasalang and Polytechnic University of the Philippines in Sta. Mesa, Manila by May.

The first segment of the NLEX Connector Road is set to open to the public March 27 with toll rates yet to be finalized by the Toll Regulatory Board (TRB).

"There is a tollway application about to be submitted to the TRB. We anticipate that in the next two

weeks, the TRB will set the toll fees at least for the first section to be opened," Mr. Franco said.

MPTC is the tollways unit of Metro Pacific Investments Corp., one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls.

Doubt cast on PHL GDP target due to high interest rates

THE government's 6-7% gross domestic product (GDP) target will be difficult to hit this year due to rising interest rates amid inflationary pressure, a ReFinity analyst said.

"It's difficult to reach the 6-7% target this year, it's more for next year. With a policy rate this high, when the sea doesn't rise, the boat doesn't rise as well. If everywhere around the world policy rates are high and economies aren't doing well, the global economy won't (do well either). Who will buy exports? Who will do business with you? You have to consider those," Wilson Teo, ReFinity senior customer learning manager for Investment Banking & Academia, said in a virtual briefing on Friday.

The Bangko Sentral ng Pilipinas (BSP) has increased borrowing costs by a total of 400 basis points since May 2022, bringing the key policy rate to a near 16-year high of 6% with the goal of taming inflation.

"It's expected the central bank will hike rates fast and (keep them high) for longer. Hopefully it will not lead to a hot landing for the Philippines. The central bank will be able to skillfully revise down its policy when it feels like it's time to do so," he added.

Inflation slowed to 8.6% in February from 8.7% in January. It marked the 11th consecutive month inflation exceeded the central bank's 2-4% target.

For the first two months of the year, inflation averaged 8.6%. The BSP expects inflation to average 6.1% this year.

"Next year, there will be growth. Inflation will come down by the end of this year so by the start of next year, the policy rate will be revised downwards in every country and this will enable growth when everything normalizes," he added.

However, Mr. Teo said that a bright spot this year is China's reopening.

"In a lot of research reports, they have all painted a bright spot in a gloomy landscape and that comes from China's reopening. China's economy can help support the gloomy outlook for the global economy. That comes with the (caveat) that it does not go back on its reopening," he said.

"China is the world's largest consumer of commodities. China is very important to developing countries. Developing countries have a close interconnection with China; they look to China in terms of exports. If exports to China were to slow down for whatever reason, you will feel the impact on developing countries," he added.

China was the top export destination of the Philippines, accounting for 17.3% of total exports in December. — **Luisa Maria Jacinta C. Jocsan**

Interconnection last issue holding back two Cavite to Batangas toll roads — DPWH

THE Department of Public Works and Highways (DPWH) said the Cavite-Batangas Expressway (CBEX) and Cavite-Tagaytay-Batangas Expressway (CTBEX) projects will go ahead pending the resolution of interconnection issues.

"Both of the projects will continue as the two of them passed concession agreements. But we will have to iron out the pending issues so both of them can start," DPWH Secretary Manuel M. Bonoan told reporters.

"I don't think there will be a conflict in alignment because they have separate concessions," he added.

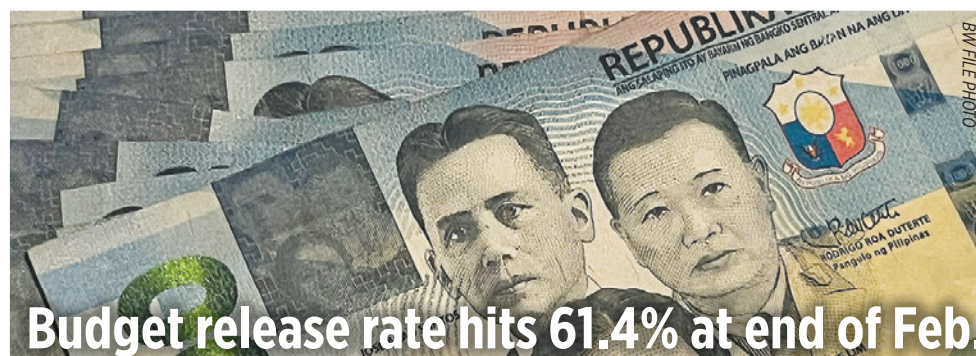
On Feb. 7, San Miguel Holdings, Inc. and the Cavite province signed a joint venture and a 35-year tollway concession agreement which involves the construction,

financing, operations, and maintenance of CBEX.

CBEX is a 27.06-kilometer toll road traversing Silang, Amadeo, Tagaytay, Indang, Mendez and Alfonso, Cavite, ending in Nagsuibo, Batangas.

In a disclosure to the Philippine Stock Exchange, San Miguel Corp. said that the project aims to improve the connectivity between the National Capital Region and the Cavite, Laguna, Batangas, Rizal and Quezon region, enhance the mobility of people and goods, and mitigate road congestion in the area.

CTBEX is a project of Metro Pacific Tollways Corp. unit MPCALA Holdings, Inc., running through Silang, Tagaytay, Amadeo, Alfonso, and Magallanes, Cavite and Nagsuibo. — **Justine Irish D. Tabile**



THE Department of Budget and Management (DBM) said 61.4% of the 2023 national budget has been released as of the end of February.

In its Status of Allotment release report, the DBM said that P3.23 trillion of the budget has been released to national agencies and local government units.

This leaves P2.033 trillion remaining undistributed from the P5.268-trillion budget for the year.

The pace of releases was slightly ahead of the 60.8% rate posted a year earlier.

At the end of February, releases to government agencies and departments amounted to P2.7 trillion or 85.9% of the total.

Special Purpose funds released totaled P101.9 billion, a utilization rate of 19.8%.

Automatic Appropriation releases totaled P313.2 billion or 19.5% of the budgeted funds for the year.

These include the P80.64 million for retirement and life insurance premiums of various National Government agencies and P10 billion for the Rice Competitiveness Enhancement Fund. — **Luisa Maria Jacinta C. Jocsan**

Health impact added to nuclear plant objections

HEALTH impacts have been added as another potential objection to nuclear power plants, with an Australian anti-nuclear advocate and doctor calling such facilities "cancer factories."

"Nuclear power plants are cancer factories. Nuclear power plants (using) uranium produce over 200 radioactive elements, some which last seconds, and some which last millions of years," according to Helen Mary Caldicott, founder of Physicians for Social Responsibility and Women's Action for Nuclear Disarmament, speaking in a Zoom interview with *BusinessWorld*.

Ms. Caldicott, an Australian who has been nominated for the Nobel Peace Prize, added that radioactive waste, which needs to be isolated from the ecosystem for one million years, will also come up as an issue, she added.

Ms. Caldicott said that "as we put (radioactive waste) in the Earth,... the containers that hold radioactive elements will rust, break, and the radiation and elements will leak into the water supply," thereby affecting the food chain.

"It only takes one beta particle, an electron or gamma radiation to kill you," she added.

Genetic mutations also have the potential to affect reproduction, passing on mutations to future generations of humans, plants and animals.

A South Korean company has offered to rehabilitate the nuclear power plant in Bataan within five years for a cost of \$1.19 billion, Philippine Nuclear Research Institute (PNRI) Director Carlo A. Arcilla said early in February.

The 621-megawatt Bataan Nuclear Power Plant was constructed as a response to the 1973 oil crisis. It was completed in 1984 at a cost of \$1.9 billion but never loaded with fuel or operated due to financial issues and safety concerns.

"It's never been operated, and it's very old now in terms of technical (specifications). I would be very hesitant to open it up, and I would have to know everything about it from the structural capacity, the physics, are there any fuel rods there?" Ms. Caldicott said.

"But anyway, you don't want a nuclear reactor because... studies have shown that children under the age of five living within five kilometers of nuclear power plants have doubled the incidence of leukemia."

She said proximity to spent radioactive fuel rods for even a few seconds can be deadly.

"When they recharge the reactor and take out the spent fuel, there's always a huge release of radioactive elements into the air and water. The water that is used to cool reactors goes back into the lake, the river, or the sea relatively radioactive, and as I've told you, it re-concentrates back in the food chain," she said.

"You don't want to increase the incidence of cancer in your country," she added. "We're talking about life and death now, and how sacred life is. Nuclear power plants are antithetical to the sanctity of life."

The Catholic Church has posed its own objections, with Ruperto Cruz Santos, Bishop of Balanga, writing a pastoral letter calling the repurposing of the Bataan Nuclear Power Plant "neither right nor good."

"We do not want to put life on the brink of danger, and we do not want a future without the certainty of goodness, safety and beauty," he said. "We do not want our sea to be made uninhabitable for marine life, resulting in the destruction of our ecosystem."

"We do not want our soil to be poisoned and no longer cultivable. We do not want our livelihoods destroyed," he added.

The Department of Energy has estimated a timeline of 10 years before nuclear power can be integrated into the Philippine energy mix.

President Ferdinand R. Marcos, Jr. has expressed interest in exploring the feasibility of adding nuclear power to the grid.

"He's wrong," Ms. Caldicott said, saying that he needs to learn more about the impact of nuclear power.

She recommended that the Philippines focus on growing its renewable energy industry.

"You are one of the hottest countries in the world, so why don't you cover all your buildings with solar panels and make solar farms so that huge areas of the country are covered with solar panels," she said.

"You should have windmills everywhere," she added.

She added that these two energy sources have become more affordable over the years, with the developing energy storage technology addressing the problem of intermittency plaguing solar and wind.

"The money that you put into a nuclear power plant could be billions and billions; it's up to I think nearly \$20 billion to build one," she added.

— **Alyssa Nicole O. Tan**

OPINION

Accelerating sustainability with emerging technology

(First of two parts)

With sustainability and digitalization increasingly becoming a business imperative, organizations are relying more and more on 5G, the Internet of Things (IoT), and emerging technologies to advance their sustainability initiatives. The advantages these technologies provide include improved measurement, increased efficiency, and the capacity to create virtual goods and processes.

These are some of the key findings of the most recent EY Reimagining Industry Futures Study, which examined executive attitudes and intentions toward 5G, IoT, and other emerging technologies from 1,325 global firms across a range of industries. The study offers Chief Information Officers (CIOs) crucial solutions and steps to help their organizations rethink their future, with findings demonstrating significant convergence between business technology and sustainability strategy.

EMERGING TECH AS SUSTAINABILITY DRIVERS

More than half of surveyed businesses at 54% believe that emerging technology can significantly speed up their path toward sustainability,

while 41% agree that new technologies play a mostly positive function but with some risks. This knowledge of potential drawbacks is in line with a 2021 study by Science Direct indicating that information and communication technology (ICT) as a whole accounts for 1.8% to 2.8% of greenhouse gas emissions and an even larger percentage of electricity usage.

Interestingly, organizations in Asia are more likely to emphasize the importance of new technology than businesses based in Europe (62% versus 49%, respectively).

This regional variation may be a result of the historical attention paid by European governments to the potential energy consumption problems posed by data centers and cloud computing.

SUSTAINABILITY-RELATED BENEFITS OF EMERGING TECH

Respondents believed that emerging technologies such as AI, automation, 5G and IoT can provide a variety of beneficial contributions to long-term sustainability plans. Topping the list of these benefits are decreased energy use, improved measurement and planning, and decreased waste output. The use of virtual

services and workforce tools is another significant trend.

Only around a quarter of respondents highlighted the advantages of adopting circular business models and renewable energy sources, suggesting that these might be areas that require more attention from the CIO community in the future. Nonetheless, the variety of positive results highlights the multifaceted potential of these technologies from a sustainability perspective.

ESG A KEY FACTOR IN EMERGING TECH INVESTMENT

When considering all emerging technologies, 35% of respondents identified environmental, social, and governance (ESG) as a leading factor in their decision-making, while 41% saw it as important. 5G investments were most likely to involve ESG as a key factor, with IoT close behind.

ENTERPRISE SUSTAINABILITY BENEFITING FROM 5G, IOT

Compared to other emerging technologies, the ESG implications of 5G and IoT tend to weigh more heavily on business investment decisions. Organizations investing in these two technologies are more likely to already see current benefits compared to other organizations who looked at a broader scope.

As a result, 5G and IoT are even more directly tied to many of the ESG advantages associated with emerging technologies as a whole, with 48% highlighting the increased productivity benefits from 5G and IoT, compared to just 22% for all developing technologies. More than half (55%) of those currently investing in 5G and IoT said that these investments assist in improving sustainability planning and forecasting compared to 39% of organizations who believed that the same could be said of emerging technologies in general.

SUSTAINABILITY IMPERATIVES CHANGING PERSPECTIVES

The qualities that businesses are looking for in their IT vendors are evolving as sustainability takes center stage in the technology strategy of many CIOs. More than 75% of businesses claimed to give priority to vendors who can explain how emerging technologies affect the environment. Companies also considered that suppliers need to do more to include sustainability into their service offerings.

These viewpoints are reflected in the qualities that businesses look for in their technology vendors, where respondents prioritized speed of deployment and execution, end-to-end solution capabilities and sustainability credentials and capabilities. However, corpora-

tions predict that sustainability credentials and competencies will be even more sought-after in the future.

Business ecosystem strategies that facilitate the acquisition of new skills and competencies through partnerships with vendors and other businesses will also be able to provide sustainability benefits. Eighty percent of businesses concurred that, over the next five years, working with other groups and sectors to develop circular business models will become significantly more crucial.

The second part of this article will discuss differing industry perspectives on emerging technology and sustainability, and considerations organizations can make to ensure expectations translate into long-term value creation.

This article is for general information only and is not a substitute for professional advice where the facts and circumstances warrant. The views and opinions expressed above are those of the author and do not necessarily represent the views of SGV & Co.

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