



## PHL-Korea FTA signing target set for June or July

THE signing of the free trade agreement (FTA) between the Philippines and South Korea is expected by June or July, according to the Department of Trade and Industry (DTI).

"Our target is June/July for the signing (of the FTA)," Trade Assistant Secretary Allan B. Gepty told reporters via Viber on Thursday in response to a request for updates on the FTA.

In November, the DTI had set a signing target of the first quarter of 2023.

According to Mr. Gepty, the legal groundwork to clear the way for signing has been completed, and lacks only a few more steps prior to signing.

"Before the signing, Trade Secretary Alfredo E. Pascual needs authority from President Ferdinand R. Marcos, Jr. We will coordinate with the Department of Foreign Affairs on this. In support of the request, we will attach the text of the agreement, advantages, benefits, and other salient points of the agreement," he added.

The FTA negotiations between the Philippines and South Korea began in June 2019 and ended in October 2021.

Some of the Philippine products expected to benefit from the FTA are banana, pineapple, and other tropical fruits, while South Korean vehicles and auto parts

are expected to gain more access to the Philippine market.

The DTI said October 2021 that Philippine banana exports to South Korea will go to zero tariffs in five years while processed pineapple exports will be duty-free in seven. Currently, Philippine banana exports to South Korea are charged a 30% tariff.

The tariff on some South Korean auto parts will also be removed in five years under the FTA.

Mr. Gepty said that the Philippines is also working on other trade deals, such as the Philippines-United Arab Emirates comprehensive economic partnership agreement and upgrades to the Association of Southeast Asian Nations (ASEAN)+1 trade agreements such as the ASEAN-China free trade area and ASEAN-Canada FTA.

He said negotiations have concluded for the ASEAN-Australia-New Zealand FTA, which was finalized in November and is also expected to be signed this year.

"The other FTAs also in the ASEAN... are now being studied and evaluated for possible upgrades. In other words, for the ASEAN region and the Philippines as far as trade policy direction is concerned, it is very clear that we want to expand our FTA network. — **Revin Mikhael D. Ochave**

## Coconut, ube products proposed for export diversification push

ANY EFFORT to diversify exports starts with agricultural products, preferably those unique to the Philippines, an official with the exporters' association said.

Senen M. Perlada, Philippine Exporters Confederation, Inc. executive vice-president, said at a BusinessWorld Insights forum on trade on Wednesday that "when it comes to exports, (the opportunities are in) products that have high local content... These are really agriculture-based."

Mr. Perlada said products based on coconut, purple yam (*ube*), cacao, banana and fisheries have untapped export potential, especially if processed into high-value products like coconut water, banana flour, chocolate, and virgin coconut oil.

"Diversification, innovation, and creativity are very important. But even with the basic commodities where we are strong in, we really have to take advantage of any innovation in these products," Mr. Perlada said.

He said focusing on agri-marine products "will help us address a lot of the trade deficit."

According to the Philippine Statistics Authority, the trade deficit widened to \$58.3 billion last year compared to \$42.2 billion in 2021 as import growth outpaced that of exports. Exports grew 5.6% to \$78.8 billion while imports rose 17.3% to \$137.2 billion.

At the end of January, the trade deficit had expanded to \$5.74 billion from \$4.51 billion a year earlier.

Ruben Carlo O. Asuncion, Union Bank of the Philippines, Inc. chief economist, said at the forum that focusing on agricultural exports would also improve food security.

"It actually can hit two birds with one stone. We're having problems with food security and how technology and innovation can come in and advance food security at the same time increase our food production so that we can export specific products

that can only be found in the Philippines," Mr. Asuncion said.

Mr. Asuncion cited the need to "retool" the workforce in order to explore more export and trade opportunities.

Clifford Academia, Aboitiz InfraCapital Economic Estates vice-president for operations, called for improvements in trade and business regulation to boost exports.

"We need to do something for our leap to be exponential. We need to work on the basics of regulation, making it easier to open business here, (lower the) cost of doing business, and all the related regulations," Mr. Academia said.

Mr. Academia added that ecozones could also help upskill workers across the country as industrial parks branch out into the various regions.

"Industrial parks can undertake some interventions on talent development since we are not in the city centers. We can develop talent in these locations so that we can cater to companies that offer higher-value jobs," Mr. Academia said. — **Revin Mikhael D. Ochave**



## Danish fund awarded first 100%-foreign RE contracts

By Sheldeen Joy Talavera

DENMARK's Copenhagen Infrastructure New Markets Fund (CINMF) on Thursday signed agreements to develop three offshore wind sites, becoming the first company to obtain concessions after the renewable energy (RE) industry was opened up to full foreign ownership.

The sites, each covered by a Service Contract, are in Camarines Norte and Camarines Sur, with capacity projected at 1,000 megawatts (MW); Northern Samar (650 MW); and Pangasinan and La Union (350 MW).

Przermek Lupa, associate partner in Copenhagen Infrastructure Partners (CIP), which manages the fund, said the investment involved is \$5 billion, with each service contract running for 25 years.

"As the first fully foreign entity to the renewable energy sector in the Philippines, we want to grow with the country. We want to be a catalyst for deploying large volumes of capital in sustainable projects," Mr. Lupa said at the signing ceremony.

The projects are targeted to be completed within the tenure of President Ferdinand R. Marcos, Jr.

"If we can look at achieving COD (commercial operations date) by 2028, (it) means starting construction a couple of years earlier. That is the goal," he said.

He said that the company will seek to conduct its dealings with the Department of Energy as a "one-stop shop," and indicated the need to collaborate with the National Grid Corp. of the Philippines and other stakeholders.

"CIP believes that bold moves, scale, and speed (are critical in

mitigating) the impacts of climate change. Of course, we know how the Philippines is particularly vulnerable to the effects of climate change," he said.

Energy Secretary Raphael P.M. Lotilla said the projects will help accelerate the Philippines' shift to indigenous and renewable sources of energy.

"These agreements represent an additional strategic investment and a firm commitment to strengthen the renewable energy sector, particularly the development of offshore wind," he said.

"They provide a significant contribution towards a low carbon future as well as encourage the development of the local supply chain," he added.

Danish Ambassador to the Philippines Franz-Michael Melbin said foreign investors "are more comfortable taking 100% control of projects."

He said that the Philippines' target capacity of 40 gigawatts will depend on the availability of sites investors are interested in.

Mr. Melbin added that red tape has been a challenge for foreign investors. "Cut the red tape and we can cut the red ribbons," he said, referring to the ribbon-cutting ceremonies at the launch of projects.

"The government can do a lot more for foreign investment by cutting red tape," he said.

Niels Holst, a CIP partner and head of the CINMF, was quoted as saying in a statement that the removal of foreign ownership restrictions on renewable energy projects was a "positive signal" for entry of investments.

"We believe the Philippines holds great potential for low-cost power delivery from high-quality renewable energy projects that would deliver local employment and skills," he said.

## PHL touted as potential hub for EV battery production

THE Department of Trade and Industry (DTI) said it is seeking to establish the Philippines as a production hub for battery manufacturing for electric vehicles (EV), to tap the country's mineral reserves.

"Aside from our commitment to combat climate change through the use of EVs, the DTI also aims to aggressively position the Philippines in the battery segment of the global market," Trade Secretary Alfredo E. Pascual said during his speech at the lease signing ceremony between Envirotech Vehicles and Berthaphil in Taguig City on March 28.

"Given the presence of abundant nickel and cobalt reserves, the Philippine government is consistently promoting the country as a potential manufacturing hub for battery production," he added.

The Mines and Geosciences Bureau estimates that the value of metallic output rose 31.7% to P238.05 billion in 2022 as production rose.

According to Mr. Pascual, the EV industry is vital in generating more investment and employment.

"The growth and development of the EV industry is crucial in making green invest-

ments and jobs happen in the Philippines as we aim to generate stable, high-quality, and better-paying jobs for Filipinos, while achieving shared prosperity for all," Mr. Pascual said.

"We seek to create an end-to-end value chain from the mining and processing of green metals to the local manufacture of batteries, charging stations or units, and EVs," he added.

Under the EV Industry Development Act, the government and private sector are required to maintain vehicle fleets with EVs accounting for 5%.

The DTI will also recommend an EV incentive strategy for the approval of the Fiscal Incentives Review Board, akin to the Comprehensive Automotive Resurgence Strategy (CARS) program, to create an enabling business environment for the EV industry.

The CARS program, signed in 2015, seeks to improve domestic vehicle manufacturing by providing incentives. The program participants are Toyota Motor Philippines Corp. and Mitsubishi Motors Philippines Corp. — **Revin Mikhael D. Ochave**

## Well-milled rice prices rise in mid-March

THE average retail price of well-milled rice increased in six trading centers in the middle of March, the Philippine Statistics Authority (PSA) said.

Prices rose in March 15-17 period, which the PSA refers to as the second phase of March, compared with the prices from March 1-5, or the first phase of the month.

Higher prices were recorded in Cebu City, where they rose by P2.13 to P52.38 per kilogram. In Baguio City they rose by P0.66 to P45.50, in Pagadian City by P0.59 to P41.59, in Cabanatuan City by P0.50 to P38.50, in Iloilo City by P0.39 to P48.27, and in the National Capital Region (NCR) by P0.19 to P43.14.

Prices fell in Legazpi City by P1.88 to P41.68, in Tacloban City by P1.50 to P48, and in Kidapawan City by P0.77 to P40.53.

The average retail price of pork *kasim* (shoulder) per kilogram also rose in nine trading centers during the period.

Prices increased in Calapan City by P12.50 to P350, in Butuan City by P10 to P340, in Pagadian City by P10 to P362.50, and in the NCR by P4.73 to 320.41.

Increases of P5 were reported in the following markets: Tuguegarao City to P275, Cabanatuan City to P325.00, Cebu City to P290, Digos City to P330, and Kidapawan City to P342.50.

Baguio City registered a decrease of P5 to P274.

During the period, the PSA reported decreases in the average retail price of *bangus* (milkfish) in six trading centers.

They fell by P10 to P200 in Cabanatuan City, by P10 to P190 in Butuan City, by P5 to P190 in Tuguegarao City, and by P5 to P230 in Cebu City.

Price declines were reported in the NCR and Baguio City of P0.35 to P208.70 and P2.50 to P222.50, respectively.

Milkfish prices rose by P15 to P225 in Kidapawan City and by P7.50 to P240 in Iloilo City. — **Sheldeen Joy Talavera**

## SECURITY BANK

March 23, 2023

Dear Stockholder,

You are hereby notified that this year's regular meeting of the stockholders of **Security Bank Corporation** will be held on **April 25, 2023 (Tuesday) at 9:00am via remote communication (virtual via online platform)**. The agenda for the meeting will be as follows:

1. Call to order
2. Proof of due notice of meeting and determination of a quorum
3. Approval of the minutes of the annual stockholders' meeting held on April 26, 2022
4. Annual report and ratification of acts of the Board of Directors, the Board Committees, the Management Committees, the Officers and Agents of the Bank for 2022
5. Election of Directors
6. Other Matters
7. Adjournment

For the purpose of determining the stockholders entitled to vote at the meeting, the record date is March 22, 2023. The Stock and Transfer Books of the Corporation will be closed from March 23, 2023 to April 25, 2023.

To ensure the safety and welfare of our stockholders and other stakeholders and as a precaution against the COVID-19 risk, SBC Board of Directors has approved on January 24, 2023 in accordance with SEC rules a virtual stockholders' meeting for 2023. The meeting will be held online by remote communication and voting will be in *absentia*. The specific procedures for participating in the meeting through remote communication and voting in *absentia* are available at [www.securitybank.com/asm](http://www.securitybank.com/asm).

Registration to participate in the virtual meeting can be done at [www.securitybank.com/asm](http://www.securitybank.com/asm) from **9:00 am on April 1, 2023 until 5:00 pm on April 11, 2023**. Provided that, for shareholders who will appoint a proxy, the duly accomplished proxy forms must be submitted on or before **5:00 pm on April 11, 2023**. Please note that corporate shareholders are required to submit a proxy.

By registering to participate in the virtual stockholders meeting, a stockholder or a proxy or a representative of the stockholder agrees that SBC and its service providers will process their sensitive personal information necessary to verify their identity and authority. Please review the data privacy policy in the registration platform. A stockholder who fails to comply with the registration requirement will not be able to participate in the virtual stockholders' meeting.

If you are unable to join the meeting but wish to vote on items in the agenda, you may appoint the Chairman of the meeting as your proxy with specific voting instructions which will be duly counted. Please email your proxy to the Office of The Corporate Secretary at [sbc-asm@securitybank.com.ph](mailto:sbc-asm@securitybank.com.ph) on or before **April 11, 2023 at 5:00 pm**.

Very truly yours,

(Sgd.) **ATTY. JOEL RAYMOND R. AYSON**  
Corporate Secretary