

Notice issued of second green energy auction round

THE Department of Energy (DoE) said Tuesday that it posted a notice of auction (NoA) for qualified bidders interested in joining the second round of the green energy auction (GEA).

GEA-2 will have 11,600 megawatts (MW) in capacity on offer, with 3,600 MW allocated for 2024; 3,600 MW for 2025; and 4,400 MW for 2026.

The DoE said GEA-2 has been scheduled for June.

The department is set to issue the terms of reference and the auction round procedures 20 days after the issuance of the NoA.

The DoE said that the auction will encourage more investment in power generation and promote the growth of renewable energy (RE).

The auction round will “facilitate transparent and competitive selection of RE facilities to support the major goal of the government of attaining energy

security through the entry of new capacity on the grid,” the DoE said.

Separately, the DoE said it will also review the status of several ongoing run-of-river hydro projects to help determine the capacity to be offered in future GEA rounds.

The NoA is set to offer renewable energy capacity of 7,715 MW in Luzon, 2,695 MW in the Visayas, and 1,190 MW in Mindanao. — **Ashley Erika O. Jose**

Inflation likely to have peaked after retreating in Feb. — Diokno

FINANCE Secretary Benjamin E. Diokno said Tuesday that inflation is likely to have peaked, after the 8.6% reading in February slowed from January's 8.7%.

“In fact, (economic managers have) changed the forecast of when (inflation) will hit the upper end of the 2-4% range,” he said in a news conference.

February inflation came in towards the lower end of the central bank's 8.5%-9.3% forecast range for the month.

The Philippine Statistics Authority is scheduled to release March inflation data on Wednesday, April 5.

A *BusinessWorld* poll of 16 analysts yielded a median estimate of 8.1% for March headline inflation, near the upper end of the 7.4% to 8.2% forecast of the Bangko Sentral ng Pilipinas (BSP) for the month.

The March 2022 inflation reading was 4%. If the analyst poll pans out, March 2023 would be the 13th straight month that

inflation exceeded the BSP's 2-4% target for the year.

Mr. Diokno's outlook on inflation reinforces the BSP's recent confidence index (CI) results, which revealed that 26% of companies surveyed were planning to expand in the next 12 months, up from 22.9% previously.

“Based on the BSP's recently released business expectations survey, the overall business outlook is more upbeat amid improving expectations of consumer sentiment not only in the first quarter but also the next 12 months,” Mr. Diokno said.

The CI, compiled from the results of the first quarter Business Expectations Survey, rose to 34% during the period from 23.9% in the fourth quarter of 2022.

Mr. Diokno also cited the BSP's outlook for a Purchasing Managers' Index (PMI) reading of around 52.5%.

A reading of above 50 on the PMI signals healthier activity among manufacturers, who must

procure raw materials in advance. Expanded orders indicate confidence in the strength of markets by the time the raw materials are ready to be processed and sold.

Separately, Mr. Diokno said the Interagency Committee on Inflation and Market Outlook (IAC-IMO) will be chaired by the National Economic and Development Authority (NEDA) and co-chaired by the Department of Finance (DoF).

The Department of Budget and Management will also serve as vice-chair, with the Department of Agriculture, Department of Energy, Department of Science and Technology, and Department of Trade and Industry sitting as members.

The DoF will provide the committee secretariat.

The IAC-IMO will also use satellite and radar technology to monitor the state of various crops like rice, corn, sugarcane, coconut, and tree cover, among other economic activities, Mr. Diokno said.

The committee will monitor

crops every two weeks and will have a budget of P150 million for its operations.

Partners in the monitoring activity are State Universities and Colleges, the Sugar Regulatory Administration, and the Philippine Statistics Authority (PSA).

“What we need is information, hard data, timely information so that appropriate interventions or policy responses can be undertaken proactively,” Finance Undersecretary Zeno Ronald R. Abenoja said.

“There's a lag in which they become available, but if we can get more hard data, and then bring to bear developments in data science, including AI and machine learning to extract information from these images, then we can identify possible disruptions in these commodities. That's how we think the IAC could improve the way we respond to policy pressures,” he added. — **Aaron Michael C. Sy**

PHL, China preliminary joint energy exploration talks to start in May

THE PHILIPPINES and China will hold preparatory talks in May ahead of further expected discussions on joint oil and gas exploration in the South China Sea, the Department of Foreign Affairs (DFA) said Tuesday.

In a statement, the DFA said both sides will discuss “parameters and terms of reference” for the proposed joint exploration.

The South China Sea is subject to overlapping territorial claims involving China, Brunei, Malaysia, the Philippines, Taiwan and Vietnam. It is a key global shipping route that is believed to be rich in fish and gas.

Senator Francis N. Tolentino, vice-chairman of the senate foreign relations committee, has said the DFA should ensure that agreements with China do not result in more Chinese vessels intruding into Philippine waters.

The DFA replied that Mr. Tolentino will be given updates on the preparatory talks.

The Philippines filed a diplomatic protest in February after accusing China of trying to block a resupply ship at the Second Thomas Shoal in the South China Sea.

Foreign Affairs Secretary Enrique A. Manalo told a House of Representatives hearing last year that China was pushing for a 50-50% or 51-49% division instead of a 60-40 sharing agreement in favor of the Philippines.

He said no agreement was reached because China wanted any disputes to be resolved under Chinese law, which was unacceptable to the Philippines.

In January, President Ferdinand R. Marcos, Jr. and Chinese President Xi Jinping agreed to find a compromise and to peacefully resolve issues in the disputed waters.

The Philippines is eyeing security partnerships with other countries, including a tripartite security pact with Japan and the US. The Philippines is also in talks to include Australia and Japan in planned joint South China Sea patrols with the US.

The Supreme Court in January voided a 2005 oil deal with China and Vietnam on joint exploration, saying it was illegal to allow foreigners to explore for natural resources in Philippine territory without full government supervision.

The Joint Maritime Seismic Undertaking had been signed by the state oil firms of China Vietnam, and the Philippines.

Last month, the Department of Energy said it would work with the Office of the Solicitor General on how the tribunal's ruling affects resource exploration involving foreign partners.

Energy Secretary Raphael P.M. Lotilla has said that the Philippines and China both agreed to resume talks on exploration in Recto Bank, which is covered by Service Contract 72.

Foreign Affairs Undersecretary Theresa P. Lazaro said on March 24 that Manila and Beijing had agreed that their maritime issues “should be addressed through diplomacy and dialogue and never through coercion and intimidation.” — **John Victor D. Ordoñez**

CAAP drafting drone safety rules for agriculture

THE Civil Aviation Authority of the Philippines (CAAP) said Tuesday that it is working with various government agencies to ensure the safe use of drones in agriculture.

“CAAP is committed to enhancing drone regulations for the betterment of the public and the agriculture sector. We are working tirelessly with various government agencies to ensure that regulations on RPAS (remotely piloted aircraft systems) use are up to date and safe for everyone,” CAAP Director General Manuel Antonio L. Tamayo said in a statement.

The CAAP said that it has been working with the Civil Aeronautics Board to update RPAS regulations and policies following discussions with the International Civil Aviation Organization's Air Transport Regulation Panel.

On March 29, the CAAP also held a consultation meeting with the Department of Agriculture (DA) to harmonize regulations on RPAS used for agriculture.

The regulator said that it is currently in the process of amending Philippine Civil Aviation Regulations governing remotely-piloted vehicles.

“An initial draft, which will substantially affect the current regulations that the CAAP has, has been created and is being improved to meet recent developments in the international aviation community to ensure safety,” it said.

The CAAP aims to release the amended regulations by mid-2023.

Throughout 2023, the CAAP said that it will conduct information campaigns on the use of drones.

— **Justine Irish D. Tabile**

Safeguard measures investigation initiated after surge in LPG steel cylinder imports

THE Department of Trade and Industry (DTI) said it has found adequate evidence to consider imposing safeguard duties on imported liquefied petroleum gas (LPG) steel cylinders.

Trade Secretary Alfredo E. Pascual said in a notice posted on the DTI's website dated March 29 that the department received an application from Ferrotech Steel Corp. to initiate a preliminary safeguard duties investigation, claiming that a surge in imports of LPG steel cylinders is harming domestic industry.

“The DTI, acting under Section 6 of Republic Act 8800 or the Safeguard Measures Act, has made an evaluation of the application and found the existence of a prima facie case that will justify the initiation of a preliminary safeguard measures investigation on imports of LPG steel cylinders falling under ASEAN Harmonized Tariff Nomenclature Code 73.11 from various countries,” Mr. Pascual said.

According to the DTI, the period covered by the investigation on steel cylinder imports is between 2017 and 2021.

Ferrotech said in its application that it is proposing ten years of safeguard measures.

“This is in order for us to be competitive with imported LPG cylinders to remain viable and for the continuity of operations,” the company said.

Citing the Bureau of Customs, the DTI said in a separate report that imports of such cylinders rose 24% to 15,942 metric tons (MT) in 2019 and 45% to 23,058 MT in 2020. Import volume dropped 13% to 19,990 MT in 2021.

It added that imported cylinders landed in the Philippines totaled 10,827 MT in the seven months to July 2022, of which 98.26% came from China. The seven-month total is equivalent to 54% of 2021 imports.

Between 2017 and 2021, the DTI said that China accounted for 98.9% of the 85,172 MT imported into the Philippines. The remainder came from Thailand, Vietnam, Japan, Australia, South Korea, and Mexico.

The Philippines imposes a 10% most-favored-nation tariff rate on imported LPG cylinders.

“Increased imports of LPG steel cylinders are the substantial cause of serious injury to the domestic industry in terms of declining market

share, production, sales, capacity utilization, employment profitability and even losses, and existence of price depression and price undercutting,” the DTI said.

“Total Philippine apparent consumption of LPG steel cylinders grew during the period of investigation from approximately 16,000 MT to 25,000 MT,” it added.

The DTI said that correspondingly, the share of domestic LPG steel cylinders declined from 30% in 2018 to 10% in 2021.

It added that domestic sales volume fell 32% in 2019, 36% in 2020, and 8% in 2021.

“The condition of competition showed that the market share of domestic products decreased during the period of investigation. Imports continued to displace the domestic market and continued to cut into the industry's sales and market share from 30% in 2018 to 10% in 2021,” it added.

Ferrotech, based in Valenzuela City, sells steel cylinders to the domestic and Southeast Asian markets. — **Revin Mikhael D. Ochave**

AboitizPower, Frabelle Cold Storage donate medical supplies and equipment to Caloocan community

Aboitiz Power Corporation (AboitizPower) and Frabelle Cold Storage Corporation (Frabelle Cold Storage), a subsidiary of Frabelle Group of Companies, donated medical supplies and equipment to the barangay officials of Barangay 22 in Caloocan City on March 22 to further boost the community's health system.

The two companies joined forces to help meet the health needs of the host community by providing much-needed vitamins, medicines, and medical equipment. Barangay Captain Ronald Bautista expressed his gratitude to AboitizPower and Frabelle Cold Storage for their unrelenting service and support to their barangay health practitioners.

“Our health workers need sufficient supplies and reliable equipment to provide quality health services to patients and residents of Barangay 22,” Bautista said. “These donations will help strengthen our barangay's health system [as we are] able to better respond to the health needs of our community.”

“We are honored to have been selected as the recipient of such a beneficial project,” he added. “We thank AboitizPower and Frabelle Cold Storage for empowering our community through this initiative and being our partners in safeguarding the health of the residents of Barangay 22.”

Plant Manager of Frabelle Cold Storage Ralph Salazar explained that this medical donation aims to fortify the barangay's medical efforts.

“We hope that through the provision of these supplies and equipment, we do not just extend support for our beneficiary's needs, but also educate



AboitizPower and Frabelle Cold Storage donate medical supplies and equipment to Barangay 22, Caloocan City. Barangay Captain Ronald Bautista (2nd from right) receives the items from representatives of the two companies led by AboitizPower Account Supervisor Eduard Ybarbia (left) and Frabelle Cold Storage Plant Manager Ralph Salazar (3rd from left).

them to prioritize their health and safety,” he said.

“We would like to thank AboitizPower for helping us realize this goal in contributing to health security and wellness in Barangay 22. This collaboration is in line with our commitment to deliver better services and create meaningful impact for the residents who live here.”

AboitizPower Head of Retail James Byron Yu said it is an honor to conduct health-related programs in pursuit of a better world. Yu shared: “We believe that healthy communities are vital for the economic and social development of our country. We look forward to more opportunities like these with our partners and extend our help to our host communities to support more families and children.”

Rice, corn inventory fall in early January

THE rice inventory at the start of January fell 5.1% year on year to 1.77 million metric tons (MT), according to the Philippine Statistics Authority (PSA).

“Relative to the same period of the previous year's inventory level of 1.86 million metric tons, a decline of about 5.1% was recorded,” the PSA said in a report.

On a month-on-month basis, the rice inventory in early January fell 30.3%.

As of Jan. 1, rice held by households, accounting for 60.4% of the total inventory, rose 7.6 year on year to 1,066.85 thousand MT. Rice held by commercial warehouses, wholesalers, and retailers declined 11.5% to 583.73 thousand MT, accounting for a 33.1% share of the national inventory.

Rice held by the National Food Authority (NFA) decreased 44.8% to 114.91 thousand MT, for a 6.5% share of the national inventory.

The corn inventory as of Jan. 1 dropped 14% from a year earlier to 463.13 thousand MT.

On a month-on-month basis, corn stocks declined 44.3%.

Corn stocks held by households increased 6.6% year on year to 78.85 thousand MT.

Corn held by commercial warehouses, wholesalers, and retailers fell 59.8% year on year to 357.28 thousand MT. — **Sheldene Joy Talavera**

CoA calls for review of Pangasinan water JV after losses

THE COMMISSION on Audit (CoA) asked a water district in Pangasinan to review the terms of its joint venture (JV) with a private company after the JV caused it to incur a P1.81 million loss in 2021.

CoA flagged the JV after the district's bottom line deteriorated from a profit of P4.6 million a year earlier.

In a 2022 audit report dated March 30, the state auditor said that “the management and board of directors of the San Manuel Water District (SMWD) did not take into consideration the total impact on the operation of the district of the terms and conditions of the

joint venture agreement, thus, resulting in a net loss of P1.81 million for 2022.”

SMWD distributes water to 10 barangays in San Manuel, Pangasinan. On Sept. 10, 2021, it entered into a joint venture agreement with Panama Water Corp. (PAMANA) to develop the district's water supply.

CoA recommended that the SMWD renegotiate and increase its share of the JV as well as create a “realizable projection plan to address the impact of the joint venture agreement on its financial condition.”

CoA also noted that the PAMANA has not reimbursed the district for the P2.43 million cost

of a drilling project in Barangay Flores, reducing the funds SMWD had available for operations.

CoA also said SMWD's provisioning levels for impairment on its accounts receivable was inadequate at 5% because of the high percentage of receivables from inactive accounts as well as the “absence of specific guidelines in the computation of estimates.”

CoA said it is unable to audit the JV's activities because the SMWD did not submit a report on the water bill collections and expenses incurred by PAMANA. SMWD has 4,161 active service connections, while 395 remain inactive, CoA said. — **Beatriz Marie D. Cruz**