Offshore wind permits to get one-stop shop treatment — DoE

THE Department of Energy (DoE) said an Executive Order (EO) calling for streamlined approval of permits for offshore wind (OSW) projects will likely be implemented via its current system for expedited processing of applications, known as the Energy Virtual One-Stop Shop (EVOSS).

Energy Secretary Raphael P.M. Lotilla said in a statement that EO 21 will be operationalized via EVOSS, promising another avenue for substantial investment to enter the Philippines.

"With heightened investor interest in energy projects, especially in renewable energy, it is crucial to have a clear framework that would speed up the development of OSW and speed up approvals of necessary permits," he said.

President Ferdinand R. Marcos, Jr. signed EO 21 last week, calling for a draft framework to fast-track the rollout of OSW projects

"We will work together with the concerned government agencies, local government units, and the transmission concessionaire to implement the President's directive," Mr. Lotilla said.

The EO 21 also required the Department of the Interior and Local Government to submit a complete list of permits required by local government units.

To date, the DoE has awarded 63 OSW contracts with a combined potential capacity of 49.93 gigawatts (GW).

Under the Philippine Offshore Wind Roadmap, the Philippines has an estimated potential capacity of 178 GW OSW resources.

The DoE said OSW resources will help increase the share of renewables in the Philippine energy mix to 35% by 2030 and 50% by 2040. — **Ashley Erika O. Jose**

USTR presses Philippines on Greenhills 'notorious market' status

THE United States Trade Representative (USTR) expressed an interest in continuing to work with the Philippines on counterfeit and pirated goods on sale at the Greenhills Shopping Center in San Juan City.

"I know that this is not a new issue in terms of this particular shopping center. We remain very interested in working with the Philippine government to address the concerns (on the Greenhills Shopping Center)," USTR Katherine Tai said during a roundtable in Makati City last week.

The Greenhills Shopping Center was among the markets flagged by the USTR's Notorious Markets for Counterfeiting and Piracy report released on Jan. 31, which singles out online and physical markets that "reportedly engage in or facilitate substantial trademark counterfeiting or copyright piracy."

"Currently, many of the storefronts in this mall sell counterfeit goods, including electronics, perfumes, watches, shoes, accessories, and fashion items... Rights holders report enforcement activity in the form of warning letters and subsequent suspension of business, but the targets of enforcement often evade such efforts by moving the location of their stalls," the report said.

"The notorious markets report is part of our IP (intellectual property) enforcement. The purpose of the report is not to embarrass our partners, but really to provide specific details where we see problems and concerns," Ms. Tai said.

"That then leads to our ability to focus on where the concerns are so that we can then work to make progress," she added.

Rowel S. Barba, IP Office of the Philippines (IPOPHL) director general, said in early April that the work plan to address counterfeiting and piracy in Greenhills is in the final stages of preparation.

Aside from Greenhills, Mr. Barba said the work plan will cover other establishments like Cartimar Shopping Center in Pasay City and Baclaran in Parañaque City. — **Revin Mikhael D. Ochave**

Phase 2 of NLEX Connector Road now 46% complete

THE three-kilometer Sta. Mesa section of the NLEX Connector Road, being built by a Metro Pacific Tollways Corp. (MPTC) unit, is now 46% complete, the company said Saturday.

The project, operated by NLEX Corp., is the final section of the eight-kilometer connector road, which aims to cut the travel time between NLEX and SLEX to 15-20 minutes from more than an hour.

"NLEX is also ramping up the completion of the next three-kilometer section of the NLEX Connector from España to Sta. Mesa. Construction progress of the said segment is at 46%," the company said in a statement.

The second section will traverse España Blvd. up to the vicinity of Polytechnic University of the Philippines in Sta. Mesa, Manila.

More than 800,000 motorists have used the first section of the NLEX Connector Road, NLEX Corp said.

The toll road, which is currently free for a limited time, provides motorists with an alternative route from C3 Road in Caloocan City to the Sampaloc district of Manila.

NLEX Corp. said that it has received testimonials from users citing the benefits to businesses in the University Belt and nearby areas.

"The comments we received from the motorists only prove that indeed NLEX Connector has been serving its purpose of increasing productivity as it helps ease the travel of motorists and commuters," NLEX Corp. President J. Luigi L. Bautista said.

Mr. Bautista has said that the company hopes to complete the whole project by the end of June, assuming the company acquires all the right of way needed.

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. — **Justine Irish D. Tabile**

USDA sees PHL sugar output falling to 1.9 MMT

THE Philippines is expected to produce 1.9 million metric tons (MMT) of raw sugar for the marketing year (MY) 2024, which starts in September, the United States Department of Agriculture (USDA) said.

It said the projection reflects optimistic planting expectations for the upcoming crop but would represent a decline from its estimate for the ongoing 2022-2023 marketing year of 2 MMT.

"With the high prices... farmers planted more sugarcane and provided better fertilization by leveraging profits from the previous market year," the USDA said in a report.

The Sugar Regulatory Administration said raw sugar output fell 14.57% to 1.82 MMT in the previous crop year.

The USDA also expects refined sugar imports to hit 250,000 MT as the government resorted to foreign sugar markets to stabilize consumer prices. The government is also seeking to build up a two-month buffer stock as ordered by President Ferdinand R. Marcos, Jr., who is also the Secretary of Agriculture.

"The high volume of refined sugar imports in MY 2023 translates to high carryover stocks in MY 2024 of refined sugar and leaves ample supplies of raw sugar," the USDA said. — **Sheldeen Joy Talavera**

Financial industry enlisted into SIM registration effort

THE Bangko Sentral ng Pilipinas (BSP) called on financial institutions to urge their clients to register their subscriber identification module (SIM) cards by April 26 to head off any disruption in digital payment transactions.

In a memorandum letter dated April 22 and signed by Deputy Governor Mamerto E. Tangonan, BSP-Supervised Financial Institutions (BSFIs) were urged to support Republic Act No. 11934 or the SIM Registration Act.

"BSFIs are advised to take proactive measures to ensure that their clients are aware of and comply with the registration requirement on or before said deadline in order for their access to payments and financial services to proceed smoothly," the BSP said.

The SIM Registration Act requires mobile phone users to register their SIM cards as a fraud and cybercrime prevention measure.

"Failure to register will result in automatic deactivation of existing SIM cards. The deactivation may cause unnecessary interruptions in the access and use by a client of a BSFI's electronic payments and financial services," the central bank said.

Deactivation of SIM cards may also hinder the generation of one-time passwords for access and transaction authorization, as well as the issuance of advisories and transaction alerts, the BSP said.

The measure was signed into law on Oct. 10 and taking effect Dec. 27, 2022.

The Department of Information and Communications Technology (DICT) rejected appeals to extend the SIM registration deadline by Smart Communications, Inc., Globe Telecom, Inc., and DITO Telecommunity Corp.

The DICT estimates that only 43.4% or 73 million of the 168.9 million SIM card users have registered.

Of the SIMs registered, 36.11 million are Smart subscribers. Globe accounted for 31.59 million and DITO 5.33 million. — **Keisha B. Ta-asan**

Social services expected to take up 39% of 2024 budget

AROUND 39% of the 2024 budget will be dedicated to social services, roughly in line with the allocation in the 2023 spending plan, Budget Secretary Amenah F. Pangandaman said.

"Education, health, and of course, human capital development, that's on top. This is the social services sector. For 2023, it takes up almost 39% of our budget. More or less, it will be the same for 2024," Ms. Pangandaman said in a roundtable session with *BusinessWorld* editors and reporters last week.

She expressed hopes for solid utilization of the social services budget because of the importance of education, manpower development, training, health, and cash assistance to the marginalized.

According to the latest Development and Budget Coordination Committee (DBCC) report, the proposed 2024 budget is estimated at P5.8 trillion, up 10% from this year's budget.

"This proposed budget will continue to provide the necessary funding requirements to support the administration's overarching goal of economic recovery and prosperity towards inclusivity and sustainability," the DBCC said.

Ms. Pangandaman said that the Department of Budget and Management (DBM) has asked agencies to prepare their budgets for submission by April 30.

"We'll have a series of consultations with them. By May 7 or the second week of May, we will have our estimated budget. Our priority is the same with this year- aligned with the eight-point socioeconomic agenda and the Philippine Development Plan," she added.

The proposed 2024 national budget is due to be submitted to Congress on July 24.

The DBM said that the 2024 budget will prioritize infrastructure, human capital development, and food security.

"Food security will be a focus. The real problem is, we haven't provided enough funds for (agriculture)... hopefully we can give them more money at least until 2028," Ms. Pangandaman said.

"Our constitution mandates that education should be the highest priority in terms of budget. That's an important factor to increase productivity," she said.

"There was a huge learning loss because of the lockdowns. We will put more funding in the education sector and of course, the health sector. We'll try to invest more. If there is ever another pandemic or any virus, sickness, disease, then we will be prepared," she added. — **Luisa Maria Jacinta C. Jocson**

OPINION

The changing nature of workforce mobility

SUITS THE *C*-SUITE
CZARINA R. MIRANDA

Given the volatility of the labor market, organizations are grappling with a talent-related conundrum — balancing their global talent investment while maintaining a degree of flexibility amid uncertainty. The pandemic introduced novel ways of working, bringing renewed expectations regarding technological innovation, workforce adaptability, and talent-related opportunities. Leaders today need solutions that allay risks and yield rewards to build and sustain value, measures that could enrich employee experience and facilitate cross-border growth.

According to the recent EY 2023 Mobility Reimagined Survey, which shares insights from more than 1,000 global mobility professionals and employees recently posted on international assignments, workforce mobility has failed to reach its full potential. While lucrative workforce mobility programs are imperative for the global talent race, with respondents voicing that these programs facilitate growth for individuals and their organizations, the survey showed a discrepancy between mobility programs offered by organizations and talent demand.

Among those surveyed, 92% believe that workforce mobility opportunities help organizations drive growth by supporting organizational goals while investing in top talent. However, most respondents were unsure as to whether organizations can handle the potential tax, immigration, and regulatory risks.

ADAPTING TO A VOLATILE TALENT LANDSCAPE

The Organization for Economic Co-operation and Development projects gross domestic product growth to be 2.2% in 2023, which is symptomatic of lagging economic growth. Much like the situation under the pandemic, where employees gained more leverage due to the need to retain talent, this slow growth could prompt organizations to renew their priorities to adapt to continually changing conditions.

Organizations can focus on retaining key employees to save on costs and establish hierarchical stability. One way would be to develop ways to build on the preexisting employee experience to enhance talent and improve skills and capabilities.

The EY 2022 Work Reimagined Survey reveals that mobility professionals believe they significantly influence the talent landscape. As much as 88% believe that mobility is one way to manage global talent shortages, while 76% assert that mobility could affect organizational strategy and 74% think that mobility is fundamental to business continuity. The study also shows that employee priorities have evolved to focus on flexible work arrangements, expansive total rewards offerings, and overall career goals and values.

An overwhelming majority of respondents (93%) believe international assignments are lucrative career-building opportunities, with other benefits that include career development, training, and intercultural exchange. Joint research from EY and Oxford University also shows that prioritizing employee concerns regarding workforce mobility results in organizational transformation, making it more important for organizations to view mobility as an integral component of talent strategy, not a siloed transaction.

WORKFORCE MOBILITY ACROSS FUNCTIONS

The study presents a disconnect in the strategic and operational identities of workforce mobility. While 42% of respondents believe mobility is highly centralized, mobility practitioners still have to coordinate with various stakeholders to accomplish tasks such as immigration compliance and technology enablement.

The strategic potential of workforce mobility increases with the seniority of mobility professionals. More senior mobility professionals view their function to be influential towards business operations and strategy, and believe that a lack of visibility from other functions hinders them from capitalizing on mobility programs to achieve business objectives.

This presents an opportunity for organizations to better determine their priorities regarding talent attraction and career development. The mobility function can transform to cover the organization's overall strategy and business needs such as hybrid work arrangements and both short- and long-term relocation opportunities.

MOBILE WORKFORCE DIGITALIZATION

There is a greater need for technologies that help streamline employee workflows, such as task automation and the simplification of tax, relocation, and immigration procedures that come with cross-border work. Technology is therefore pivotal in transforming workforce mobility programs by alleviating traditional burdens while increasing employee productivity.

Most respondents (92%) believe that digitizing processes is advantageous, whereas only 35% believe their organizations have started doing so for various mobility processes. The discrepancy is notable as most believe digitalization investments will increase in the next five years. Respondents agreed that mobility systems are fundamental, with 79% saying they have used two or more when relocating. Organizations with global operations often require multiple vendors to deliver services in select jurisdictions.

Streamlining the user experience is especially important when working across borders, as the same tools should function regardless of location. Organizations will benefit from having complete visibility over specific legal, tax and regulatory processes to be aware of accompanying risks.

MINIMIZING RISKS

The ever-changing work climate has made international work more complex, and organizations should focus on building capability pipelines to adapt as they scale. Additionally, geopolitical instability has driven organizations to place a premium on risk visibility. An overwhelming majority (97%) of CEO respondents from the EY CEO Outlook Pulse have shared that they have halted investment strategies due to geopolitical issues.

While organizational leaders have started assimilating geopolitical risks into their strategic equation, mobility professionals are wary of their organizational capacity to handle risks. Only 29% of respondents believed that their organization could withstand changing geopolitical circumstances.

Organizations must know where their professionals are at all times to safeguard against physical or cybersecurity threats and be knowledgeable of potential immigration, tax, or regulatory risks. Most respondents believed their organization have a policy or procedure concerning hybrid mobility (e.g., temporary and permanent remote work, cross-border work, and virtual assignments). However, less than half of the mobility professionals (47%) said the policies were consistent across borders, and an even smaller percentage (41%) believed that the policies tackled significant issues.

LEVERAGING WORKFORCE MOBILITY FOR LONG-TERM GROWTH

Amid the unsteady geopolitical climate and intense race for talent, mobility programs can facilitate long-term growth and sustainability. Capitalizing on cross-border work entails reimagining mobility programs to gain an advantage in the race for talent.

In the Philippines, the pandemic has brought to the fore certain realizations for companies that would allow its workforce to be mobile, where applicable, driving hybrid or flexible work arrangements, virtual teaming, and cross-border work and services to address recruitment and retention concerns.

However, not all organizations are mindful of the tax, immigration and other regulatory risks and issues that arise under these arrangements which impact both the company and its mobile employees. More often than not, employers are observed to be more reactive rather than proactive in addressing these risks. Much therefore has yet to be done for companies to create value that will help strengthen corporate strategy for cross-border expansion and facilitate a better employee mobile experience.

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

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