Electricity spot prices rise in April as demand peaks

THE Independent Electricity Market Operator of the Philippines (IEMOP) said the average electricity spot market price in early April rose by P1.11 per kilowatt-hour (kWh) to P7.68 as power demand in Luzon surpassed the 2022 high recorded in May.

In a virtual briefing on Tuesday, Isidro E. Cacho, Jr., IEMOP's head of Corporate Strategy and Communications, said Luzon's peak demand came in at 12,221 megawatts (MW) in April, the high for the year so far, and exceeding the 2022 peak of 12,103 MW recorded in May.

"Year-to-date peak demand for all regions has breached its previous year's peak demand level," according to Christian Karla A. Rica, an IEMOP assistant manager for Knowledge Management Services.

Peak demand in the Visayas was 2,380 MW in April, exceeding the 2022 high of 2,297 MW recorded in September. Mindanao's peak demand in April was 2,363 MW, exceeding the region's 2022 peak of 2,167 MW recorded in June.

As of April 23, IEMOP said average supply was 14,612 MW against average demand of 11,033 MW. In March, average supply was 14,226 MW and average demand 10,244 MW.

Power distributors turn to the spot market when their contracted power supply is insufficient for their customers' needs. Power generators sell their excess capacity at spot, which commands a premium over power sold via long-term contracts.

"While demand for electricity increased due to rising temperatures brought about by the summer season, the market remained stable, with ample supply levels across all grids," IEMOP said in a statement.

Mr. Cacho said that with only two trading days remaining, spot market prices will likely settle at P7 per kWh in April, a trend possibly continuing next month.

"Given the current trends, especially with El Niño... the probability of prices remaining at the P7 per kWh level in May is high," he added. — **Ashley Erika O. Jose**

ECCP pins hopes for improving logistics on maritime dev't plan

THE European Chamber of Commerce of the Philippines (ECCP) said the 10-year Maritime Industry Development Plan (MIDP) holds promise for further improving the country's logistics.

The MIDP is the government's plan for modernizing domestic shipping, improving ports, enhancing transport safety and security, and upgrading seafarer training.

The ECCP made the remarks after the Philippines moved up 17 places in the World Bank's Logistics Performance Index to 43 out of 139 countries.

"Seamless and sustainable trade are essential. The Chamber further supports measures that will aid logistical efficiency as well as customs and trade facilitation," the ECCP said in a statement.

Aside from the timely implementation of the MIDP, the ECCP said that the full operation of the National Single Window for trade and integrating it with the ASEAN Single Window "can also help the country's logistics performance." — **Justine Irish D. Tabile**

Hog industry water demand limited, pressure from El Niño seen unlikely


CRECENCIO I. CRUZ

THE swine industry's water demand is lower compared to crops, and is thus less likely to be pressured during the El Niño dry spell, industry officials said.

"Unlike crops, (livestock) does not require huge amounts of water as compared to crops," Jayson H. Cainglet, executive director of the Samahang Industriya ng Agrikultura, said in a phone interview.

Mr. Cainglet said that both commercial and backyard farmers have easier access to water compared to crops.

Rolando E. Tambago, president of the Pork Producers Federation of the Philippines, Inc., said separately that large commercial operation farms are also climate controlled to optimize growing conditions.

"They have controlled or air-conditioned buildings for piggeries. But smallholders will be affected... I cannot say by how many percent," he said.

Mr. Tambago said the industry is still feeling the effects of African Swine Fever (ASF), which reduced supply, and the coronavirus disease 2019 (COVID-19) pandemic, which lowered demand.

The hog industry lost about 5 million head since the outbreak of ASF in 2019.

Last year, hog output rose 2.4% to 1.74 million metric tons on a liveweight basis, according to the Philippine Statistics Authority.

"Hogs are in short supply because of the large reduction in hog population so prices have risen," he said, adding that future price increases could be muted, Mr. Tambago said.

Mr. Cainglet said there is no shortage of pork, with 60 million kilograms parked in accredited cold storage facilities, according to the National Meat Inspection Service.

"*Totoong may pagbaba sa* local production, but the imports from the past three years, *sobra-sobra kasi hindi pa gumagalaw ang nasa* cold storage (It's true that domestic production has dropped, but imports over the past three years have been excessive and cold storage inventory has not moved)," he said.

The Bureau of Animal Industry estimates pork imports of 710,362 tons in 2022.

Mr. Tambago said demand is unpredictable "because we are now in the post pandemic era, so we cannot be certain of the strength of the economic recovery," he said.

According to Mr. Tambago, the average farmgate price of a liveweight pig has been stable in the last two weeks, averaging P220 per kilo.

"I think it will be stable in the next maybe two to three weeks. We have not yet confirmed but there are areas in Luzon where farmgate prices went down," he said.

Mr. Cainglet noted the "disconnect" between farmgate prices and retail prices across all commodities."

He called for separate retail pricing for domestic and imported pork.

"The rule of thumb is farmgate price plus P90 and maximum of P100 (to get the suggested retail price). So, if the farmgate price is between P200-P220, the retail price should be P300-P310," he said.

He said the P150 per kilo landed price of imported pork suggests a retail price of about P260.

The prevailing price of pork shoulder (*kasim*) as of Tuesday was between P300 and P360 while pork belly (*liempo*) sold for between P360 and P420, according to price monitoring reports from the Department of Agriculture. — **Sheldeen Joy Talavera**

Hitachi Rail issued notice to proceed with NSCR project

THE Department of Transportation (DoTr) has issued a notice to proceed to Hitachi Rail S.T.S. SpA for the North-South Commuter Railway (NSCR) Tutuban to Malolos, Bulacan segment.

"Notice is hereby given to Hitachi Rail S.T.S. SpA., to commence the implementation of the project in accordance with item 8.1(c) section VIII of the Particular Conditions of the Contract," the DoTr said in its notice.

Contract package 04 involves the electrical and mechanical systems and track work of the NSCR valued at P13.13 billion, 361.96 million euros, $153.88 million, and 7.89 billion yen.

The Tutuban-Malolos segment is part of the 163-kilometer NSCR urban rail transit system from Calamba in South Luzon to Clark in Central Luzon.

The project is co-financed by the Japan International Cooperation Agency and the Asian Development Bank.

Under the notice, Hitachi Rail is directed "to mobilize, deliver an advance payment security, and submit an invoice for advance payment upon receipt of notice.

The notice was signed by Kim Robert C. de Leon, head of the procuring entity and Transportation undersecretary for administration and finance. — **Justine Irish D. Tabile**

Newly proclaimed ecozones in Batangas, Bacolod expected to generate investment of P1.64 billion

THE Philippine Economic Zone Authority (PEZA) said new economic zones in Batangas and Bacolod City proclaimed by President Ferdinand R. Marcos, Jr. are expected to generate P1.64 billion worth of investment.

"The two economic zones will certainly bolster and spread economic growth outside the National Capital Region," PEZA Director General Tereso O. Panga said.

The zone in Bacolod is on Lacson Street in the Banago district, and will be known as Robinsons Cyberpark Bacolod. It is expected to attract P777.35 million worth of investment.

It was proclaimed on April 14.

On April 19, the President proclaimed a site in Malvar, Batangas on which will rise the expansion component of Lima Technology Center Special Economic Zone. The expansion is expected to bring in P862.22 million worth of investment.

"With our 10% target growth for 2023, we remain on track in... establishing at least 30 ecozones every year that create centers of economic progress outside the National Capital Region to spur countryside development," Mr. Panga said.

As of April 19, PEZA has 20 proposed ecozones awaiting proclamation — 11 of which are IT centers, eight manufacturing location, and one agro-industrial site.

Mr. Panga said that the recent zone approvals are needed for "inclusive economic development where thousands of jobs are created in the respective jurisdictions." — **Justine Irish D. Tabile**

Automated fare collection system launch plan geared towards expanding consumer choice

THE Department of Transportation (DoTr) said the rollout of the automated fare collection system (AFCS) will feature an expanded choice for commuters to encourage competition among potential vendors of fare media.

"In the long run *sana mabigyan po natin ng pagkakataon na tayong mga mananakay ang mamimili kung ano ang gusto nating gamitin na* [fare media] (we want to give our commuters the chance to choose the fare media they want to use)," Randolph Ian V. Clet, the DoTr's AFCS Program Office project manager, said in a webinar on Tuesday.

"*Ang gusto po natin marami tayong* issuers *na pagpipilian at mag*-create *ng* competition (We want to have more fare media issuers to choose from and create competition)," he added.

Mr. Clet said the AFCS is safe and secure, future-proof, provides revenue protection for operators, environment-friendly, and helps improve governance.

Mr. Clet said added that AFCS use can help operators collate mass transport passenger data.

The current fare media market entrants include Beep Card, Green Frog, BayadCard, BeepRides, TripKo, Star8, Squidpay, ePLUS, and Filipay.

"The lack of government regulations and clear policies for AFCS has made the environment conducive for non-interoperability," Mr. Clet said.

On average, Mr. Clet said users in the Philippines spend 33% more in purchasing or reloading multiple transit cards.

Mr. Clet said that the Philippines should aim for an open AFCS ecosystem with low entry barriers and universal usability across all forms of transport.

The DoTr plans to implement AFC National Standards (NS) to reduce market fragmentation.

"With the implementation of the NS, DoTr will be able to consolidate the fragmented set up of AFCS brought about by closed loop systems," Mr. Clet said. — **Justine Irish D. Tabile**

Drought, heat-resistant crops in pipeline as El Niño looms

CROP VARIETIES adapted to drought and hotter temperatures are being developed to help farmers deal with climate change, the Bureau of Plant Industry (BPI) said.

"These are varieties that can live despite minimal (access to) water or excessive heat," BPI Spokesman Jose Diego E. Roxas said at a Laging Handa briefing on Tuesday.

"Even though El Niño is threatening, these varieties (are available) because of expected severe changes in climate," he said, adding that some of them are also resistant to pests and disease that may emerge due to the changing climate.

"Plant breeders have a lot of strategies for adapting crops to climate change," Mr. Roxas said.

Asked whether the El Niño will have an outsized impact on certain parts of the country, he said the BPI is awaiting the evaluation of the government weather service, known as PAGASA.

"In the succeeding months, we will know from them what areas will be severely affected, but it is safe to say that we need to prepare for the effects on the whole country," he said.

The Department of Agriculture, through the High Value Crops Development Program, will be providing pump irrigation and seed for affected farmers, said Mr. Roxas.

Mr. Roxas also advised adjusting the crop calendar depending on the supply of water available. — **Sheldeen Joy Talavera**

Pandemic recovery seen driving growth in private infra investment

THE rise of private participation in infrastructure (PPI) in East Asia and the Pacific last year was driven by economic recovery from the pandemic, the World Bank said.

Investment commitments in the region rose 57% year on year to $43.4 billion in 2022.

"This indicates a full recovery to pre-pandemic investment, with levels reaching 18% higher than the previous five-year average of $36.9 billion," it said in a report.

"Association of Southeast Asian Nations (ASEAN) member states have fared relatively well, with PPI investments increasing to pre-pandemic levels. Vietnam, Indonesia and the Philippines were among the top 10 destinations for PPI in 2022," it added.

However, the World Bank said that the number of projects in the region hit a 10-year low.

Overall, total PPI hit $91.7 billion last year, equivalent to 0.25% of the gross domestic product of all low- and middle-income countries.

In terms of investment commitments in infrastructure projects in low-and middle-income countries, the Philippines ranked fifth with 3% of the total. China was the top recipient of investment (33%), followed by Brazil (19%), India (13%) Vietnam (5%), and Indonesia (5%).

Last year, the transport sector bagged the most PPI investment with $66.2 billion or 68% of the total.

In particular, investment commitments in airports amounted to $6.5 billion across seven projects in Brazil, India, Peru, and the Philippines.

"With the easing of most travel restrictions, these private sector-led airport projects began to show growth in the post-pandemic period in 2021. Investment commitments in airport projects through public-private partnerships recorded a notable level in 2022, albeit not as high as in 2021," it said.

Investment commitments in information and communication technology (ICT) also rose to $545 million across eight projects in six countries.

"However, this is a significant decrease from the previous five-year average of $1.1 billion. Investment commitments in ICT were made in the Democratic Republic of Congo, Jordan, Maldives, Nigeria, the Philippines and South Africa," it added.

Meanwhile, investment commitments in the water supply and sanitation sector fell 48% to $2.3 billion across 25 projects in nine countries.

Investment commitments in WSS were made in Benin, Brazil, Cambodia, China, Gabon, India, Indonesia, Mali, and the Philippines.

The World Bank also noted an increase in development and export finance institution (DEFI) support.

"This accounted for 26% of all PPI projects, marking an increase from both 2020 and 2021. By investment value, projects with DEFI support accounted for 22% of total investment commitments. There were four megaprojects that received DEFI support as well, in Brazil, the Philippines, Senegal and Colombia," it added. — **Luisa Maria Jacinta C. Jocson**