Clark solar farm contract expected to be awarded this year

THE Bases Conversion and Development Authority (BCDA) said it expects to award the contract for a solar farm in New Clark City within the year, with the bid process currently in the post-qualification evaluation stage.

"We're just doing post-qualification for a 25-megawatt (MW) solar farm," BCDA President and Chief Executive Officer Aileen R. Zosa said on the sidelines of the BusinessWorld Economic Forum 2023 in Taguig City on Thursday.

"We will award (the project) within the year," she added.

Ms. Zosa estimated that the post-qualification process will be complete by the end of June, adding that up to eight companies bought the terms of reference (ToR) indicating potential interest in bidding.

The Philippines opened its renewable energy industry to 100% foreign ownership following the issuance of Department Circular No. 2022-11-0034 by the Energy department in November.

In March, the BCDA announced the auction for the 25-MW solar farm, which will be located in a 37-hectare site in the north of New Clark City in Tarlac.

The ToR stipulates a lease period of 25 years, renewable for another 25 years subject to mutual agreement.

"In line with the renewable energy thrust of the Marcos administration, the BCDA is pushing for the development of sustainable energy sources in New Clark City. This solar farm is one of the crucial projects in New Clark City as it will supplement energy sources and lower energy costs for our locators, while also ensuring reduced carbon emissions," Ms. Zosa said.

"With the aggressive development of New Clark City, the demand for electricity will also grow. Our prospective partner for this project will be able to tap this huge market consisting of industrial, retail, and residential customers. Not only that, they may be able to service nearby communities, as well," she added. — **Revin Mikhael D. Ochave**

Productivity improving but still below 2019 levels — BSP

PRODUCTIVITY growth is improving but remains below pre-pandemic levels, pointing to the need for more effective policy action to encourage rising productivity, the central bank said.

In its latest Monetary Policy Report, the Bangko Sentral ng Pilipinas (BSP) said: "Given the upward trend in the quarterly path of trend TFP growth, the average range of TFP growth recovered to about minus 1.9% to 0.8% in 2022. However, these estimates remain below pre-pandemic values, suggesting the need for more effective policy actions to boost productivity," the BSP said.

TFP (total factor productivity) measures residual growth in the total output of a company, industry or economy that is not attributed to traditional inputs such as labor and capital.

The BSP also cited a study which found that slower economic growth in middle-income countries during the 1975-2014 period was linked to declining TFP growth, while capital and labor growth had less impact.

"Thus, examining the recent trends in TFP growth... the key factors driving productivity gains are essential in the development of policies toward robust and sustainable economic growth," the central bank said.

According to the BSP, Philippine TFP contracted to between minus 4.3% and 0.3% in the 2020-2021 period, at the height of the coronavirus disease 2019 (COVID-19) pandemic.

"The drop in overall productivity reflected the significant decrease in operational capacity of firms when the government implemented strict community quarantine protocols to curb the spread of COVID-19 cases," it said.

Due to the mobility restrictions in 2020-2021, business operations declined, workers were laid off, and work hours were reduced in contact-intensive industries.

"The decline in TFP estimates also provides an indication of the extent of economic scarring from the pandemic and the possible depth of long-term economic damage from lost productivity," the BSP said.

The slowdown in TFP was also mainly driven by the contraction of gross domestic product (GDP) and the drop in stock market capitalization in 2020-2021, the BSP said.

The economy contracted 9.5% in 2020, before bouncing back to 5.7% growth in 2021.

Meanwhile, shares bottomed out on March 19, 2020, with the benchmark Philippine Stock Exchange index dropping 711.95 points or 13.34% to 4,623.42.

In 2022, TFP growth improved amid continued normalization of business activity, resumption of physical classes, and easing of mobility restrictions, the BSP said.

"Improvements in the industry and services sectors pointed to the strong momentum of economic recovery. At the same time, labor market conditions continued to improve as various economic sectors normalized business operations with the full reopening of the economy," the BSP said.

The economy grew by 7.6% in 2022, posting its strongest growth since 1976.

"However, the fall in health and social work spending as well as terms of trade amid higher global oil prices and peso depreciation posed a drag on TFP growth during the year," it added.

Further improvements in economic activity and trade could help boost productivity moving forward, the BSP said.

"Moving forward, sustained domestic economic growth and labor market improvements could help improve the country's overall productivity. However, there may be a need to catch up due to lost productivity during the pandemic," it said.

The government targets 6.5-8% GDP growth between 2023 and 2028. It also aims to reduce the unemployment rate to 4-5% by 2028.

Aside from sustaining growth momentum, the government should also push for wider financial inclusion, accelerate financial innovation, and invest in human capital development to improve productivity.

The BSP noted that government programs to improve human capital, especially education, healthcare, and social work, could also boost the quality of labor and in turn, overall productivity.

The government increased the budget for education, culture, and manpower development by 8% to P865.7 billion in 2023. It also raised the budget for health by 11.6% to P405.3 billion.

"This must be matched by greater spending efficiency," it added. — **Keisha B. Ta-asan**

NGCP says it invested P300 billion in grid since 2009

THE National Grid Corp. of the Philippines (NGCP) said it invested about P300 billion in improving the power transmission system since taking it over in 2009.

In a statement, NGCP added that it paid $3.95 billion for the concession, formerly held by state-owned National Transmission Corp. (TransCo concession).

The NGCP issued the statement amid proposals to renationalize the power grid, with proponents of government control citing the private company's unreliable services and delayed projects.

Between 2009 and 2022, the NGCP said it completed about 56 projects deemed vital to the energy industry, including about 3,729 circuit-kilometers worth of new transmission lines, 28 new substations with a combined capacity of 31,190 megavolt amperes (MVA) and about 4,091 MVA-reactive power capacitor and reactor installations.

In a Senate hearing on Wednesday, legislators questioned the NGCP's high dividend payout amid alleged service shortcomings.

Senator Sherwin T. Gatchalian also urged the Energy Regulatory Commission (ERC) to penalize the company over long-delayed transmission projects.

"I strongly suggest that the commission (impose) fines and penalties (to) discipline NGCP. We are not seeing discipline because a lot of projects are delayed," Mr. Gatchalian, vice-chairman of the Senate's energy committee, said in a statement.

ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said the Commission is currently conducting a review of complaints against and possible violations committed by NGCP.

"We are prepared to enforce the full force of the law as appropriate based on the findings," Ms. Dimalanta said in a Viber message on Thursday.

At the Senate hearing, legislators were told that 66 transmission projects are currently delayed, not counting another six which are classified as energy projects of national significance.

"The bottom line is that the projects are delayed and what are the penalties involved because we can't just let this go. The reason why there is impunity is that there are no penalties imposed. The delayed projects are affecting the entire electric power industry and pose risks for the future of the country," Mr. Gatchalian said.

"From where we stand, our consumers are greatly disadvantaged because we are not seeing the projects, we are not enjoying the benefits and yet they are mandated to pay for those uncompleted projects," he said.

Separately, the NGCP has committed to fully energize the Mindanao-Visayas Interconnection Project by the third quarter.

NGCP also said that it hopes to complete the Hermosa-San Jose 500-kilovolt transmission line project and the third stage of the Cebu-Negros-Panay backbone project within the year.

Apart from the pandemic, the NGCP has cited right of way issued and the delayed delivery of parts and equipment as main factors holding back the completion of many projects.

Meanwhile, Mr. Gatchalian also urged the ERC to complete the reset process for transmission rates.

Ms. Dimalanta said the ERC hopes to issue its decision on the fourth regulatory rate reset by August.

"Our target is I think August for the issuance of the decision. Then as you know, we're also doing the fifth," she said. — **Ashley Erika O. Jose**

Palay output rises 2.6% in Q1

PRODUCTION of palay, or unmilled rice, rose 2.6% year on year to 5.02 million metric tons (MT) in the first quarter, according to the Philippine Statistics Authority (PSA).

"Year on year, this quarter's palay production when deseasonalized was higher by 157.01 thousand (MT) or by 3.2% compared with the previous year's same quarter level of 4.87 million (MT)," the PSA said.

The PSA said the seasonally adjusted farmgate price of palay was P17.49 per kilogram, down 4.7% from the previous quarter.

"On the contrary, compared with its previous year's same period farmgate price of P17.25 per kilogram, the deseasonalized average farmgate price for this quarter expanded by 1.4%," it said.

In a separate report, the PSA said that the farmgate price of dry palay in February rose 2.7% year on year to P18.19 per kilogram.

On a month-on-month basis, prices rose 2.6% compared to January.

"The highest farmgate price of palay in February 2023 was recorded in Ilocos Region at P19.58 per kilogram, while the lowest was registered in Calabarzon at P16.84 per kilogram," the PSA said.

The Eastern Visayas posted the highest year-on-year growth rate at 25.7%.

"The highest month-on-month growth was recorded in Caraga at 8.6%," the PSA said. — **Sheldeen Joy Talavera**

Fish port volumes up nearly 8% in 1st quarter

FISH landed at regional fish ports grew 7.98% by volume quarter on quarter in the first three months of the year, the Philippine Fisheries Development Authority (PFDA) said.

In a bulletin, the PFDA said volumes amounted to 118,419.49 metric tons (MT).

The General Santos Fish Port Complex posted the top volume of 54,886.40 MT, equivalent to 46.35% of the national total.

Average daily unloading volume rose 231% to 3,947.3 MT.

"During Q1, all PFDA RFPs (regional fish ports) maintained a positive trend both in the quarterly number of vessel arrivals and the number of clients served," the PFDA said.

"The ports opened their doors to 25,200 vessels and attended to 10,869 clients throughout the quarter," it added.

Asis G. Perez, former director of the Bureau of Fisheries and Aquatic Resources and convenor of Tugon Kabuhayan, attributed the performance to favorable weather and the end of closed fishing seasons in most areas.

"Whatever's happening to these PFDA ports is reflective of what's happening also in other areas," he added.

The agency also reported that production of ice, which is used to preserve, dropped 36.54% to 5,327.53 MT. — **Sheldeen Joy Talavera**

DBM to release P25 billion for indigent PhilHealth premiums

THE Department of Budget and Management (DBM) said it approved the release of P25.16 billion for the insurance premiums of qualified indigents enrolled with the Philippine Health Insurance Corp. (PhilHealth).

The release will cover one year of premiums for around 8.4 million indigents.

"Indigent persons are those that have no visible means of income, or whose income is insufficient for family subsistence, as identified by the Department of Social Welfare and Development (DSWD), based on specific criteria," the DBM said.

The funds will be drawn from the 2023 General Appropriations Act.

In April, the DBM approved the release of P42.93 billion to cover one year of health insurance premiums of over 8.5 million senior citizens.

The DBM has said it allocated over P100 billion to implement the National Health Insurance Program this year. — **Luisa Maria Jacinta C. Jocson**

Leads generated from tourism trade fair participation

TOURISM trade fair participation has generated over P3 billion in business leads, the Department of Tourism (DoT) said.

"We have ushered in no less than P3.33 billion in estimated sales leads generated out of the various international expos that we have participated in," Tourism Secretary Maria Esperanza Christina G. Frasco said in a statement on Thursday.

"Domestically, we have also tried to connect our regions to each other in terms of promotions and access to connectivity and travel opportunities such as our North Luzon Travel Expo, our Mindanao Travel Expo, and soon, our Central Philippines Travel Expo," she added.

Ms. Frasco noted that tourism enterprise zones (TEZs) are currently ready for investment in San Vicente, Palawan; Panglao Island; Bohol, Corregidor Island; Mount Samat, Bataan; the Clark economic zone; the Rizal Park area; and 15 others.

Ms. Frasco added that the replacement of the "It's More Fun in the Philippines" branding for the tourism industry is still being developed.

The "enhanced slogan" will, according to reports, seek to highlight previously untapped aspects of the visitor experience, like culture.

The "It's More Fun in the Philippines" slogan was launched in 2012. — **Revin Mikhael D. Ochave**

Speaker Romualdez says House has passed 31 of 42 Marcos priority bills

THE House of Representatives has passed 31 out of 42 priority measures identified by the Marcos administration, Speaker Ferdinand Martin G. Romualdez said.

"We are proud of our collective accomplishment — 31 out of 42 and counting. As of today, we have achieved a significant part of our goal in less than a year of session," Mr. Romualdez said in a statement.

Mr. Romualdez cited House Bill (HB) No. 8078, which was approved on third reading on Monday, would institutionalize the President's Building Better More program.

"It will be an all-encompassing program covering not only public works like roads, bridges and expressways, which we commonly refer to as infrastructure, but also energy, water resources, information and technology, agri-fisheries, food logistics, and socially oriented structures such as school buildings and other educational facilities," he said.

In a briefing, Assistant Minority Leader and Gabriela Party-list Rep. Arlene D. Brosas, one of the legislators who voted in opposition to the measure, said HB 8078 "institutionalizes infrastructure projects that are vulnerable to corruption and (generate only) contractual jobs."

Ms. Brosas said she would rather that funding be redirected to develop industries and bring forward agrarian reform.

Mr. Romualdez also cited the National Land Use Act (HB 8162), which was approved on third reading on Monday.

"This is a long-awaited measure and the President knows its importance," Mr. Romualdez said. HB 8162 seeks to optimize the proper use of land.

Bills that the House approved on third reading are the E-Governance/E-Government bill, the creation of the Negros Island region, the Passive Income and Financial Intermediary Taxation Act, as well as measures creating the Philippine Center for Disease Prevention and Control, the Medical Reserve Corps and the Virology Institute of the Philippines.

The House also passed measures that would, with a corresponding Senate vote, become the Philippine Passport Act, the Internet transactions/E-Commerce Law, the Waste-to-Energy Act, the Apprenticeship Act, amendments to the Build-Operate-Transfer Law, and a law providing for free legal assistance for police and soldiers.

Also approved were bills outlining the rights of seafarers and barangay health workers, as well as those creating the Eastern Visayas Development Authority and the Leyte Ecological Industrial Zone.

The House also passed the Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery bill, the real property valuation reform bill, the measure proposing to set up the National Citizens Service Training Program, and the national right-sizing program bill.

The House has yet to approve on third reading measures reviving the Philippine salt industry and modernizing the Immigration bureau.

Priority measures awaiting second-reading approval are the proposed National Employment Action Plan, an enabling law for the natural gas industry, and the Philippine Ecosystem and Natural Capital Accounting System bill.

Measures proposing to create a Water Resources department, as well as amendments to the Electric Power Industry Act and the Anti-Agricultural Smuggling Act are currently being evaluated at committee or by technical working groups.

Also up for committee discussion are the Budget Modernization and National Defense bills, and a measure creating a unified system of separation, retirement and pension for uniformed personnel.

Priority bills signed into law were the SIM Registration Act, the measure postponing the village and youth council elections, and the measure amending the fixed terms of Armed Forces of the Philippines chiefs of staff and other senior officers. — **Beatriz Marie D. Cruz**