

Regulator seeking power to order GOCC restructuring

THE Governance Commission for Government-Owned or -Controlled Corporations (GCG) said it is proposing that it be given the authority to restructure companies that it oversees.

In a statement outlining its proposals to amend its charter on Tuesday, the GCG said the authority it is seeking would give it "the express power to consolidate, rationalize, and integrate GOCCs into National Government agencies (NGAs)."

It said it will also propose to Congress that it be given the power to issue subpoenas or cite respondents in contempt.

"In the performance of its duties and functions during the past years, several issues have been raised regarding the scope and even

legality of the GCG's powers and functions under its charter," the GCG said on Tuesday.

The commission said the power to impose various forms of discipline on the GOCCs will "strengthen its oversight powers."

GCG Chairperson Alex L. Quiroz, a former Sandiganbayan justice, said the proposals will take the form of amendments to Republic Act No. (RA) 10149, or the GOCC Governance Act of 2011.

"In order to efficiently operate as a regulatory body for the GOCC sector, RA 10149 is proposed to be amended to address issues and clarify and strengthen the powers and functions of the GCG."

The GCG also "seeks to be granted the authority to determine the appropriate incen-

tive programs for all employees affected by any rationalization, reorganization, merger, consolidation, integration into an NGA, abolition, or privatization of GOCCs."

Mr. Quiroz noted that some GOCCs' operations are "duplicative of what is already being carried out by NGAs or other GOCCs."

"We can recommend to the Office of the President that it would be economical for those GOCCs which are not financially viable, but are performing vital public service, to be converted into or transferred to NGAs," he added.

The GCG said draft bills that are being submitted to Congress also address its proposed amendments. — **Luisa Maria Jacinta C. Jocsen**

MWSS proposes no change to Angat water allocation in June

THE Metropolitan Waterworks and Sewerage System (MWSS) said it is seeking to retain its 52 cubic meters per second (CMS) water allocation from the National Water Resources Board (NWRB) for June.

Patrick James Dizon, head of the MWSS Angat/Ipo operations management division, said the MWSS has requested an extension of its current 52 CMS allocation to next month.

"We sent a letter to NWRB, I think that was two weeks ago.

That is proposing to maintain 52 CMS from Angat Dam because in the previous months this was the allocation needed to supply Metro Manila and nearby provinces," Mr. Dizon told reporters by phone on Tuesday.

He said that the extension of the 52 CMS is crucial as it will ensure uninterrupted water supply in areas served by MWSS' concessionaires, Maynilad Water Services, Inc. and Manila Water Co., Inc.

Earlier in May, MWSS announced that the NWRB extended

the 52 CMS water allocation covering until the end of this month.

In April, the NWRB approved the 52 CMS allocation for the April 16-30 period.

The NWRB had temporarily raised the allocation for the MWSS to 50 CMS between April 1 and 15. The MWSS normally draws 48 CMS from Angat.

Mr. Dizon warned that an NWRB rejection may result in water service interruptions.

"Tomorrow (Wednesday) we will have a special board meet-

ing with NWRB to discuss this request," he said.

Mr. Dizon said that its June water requirement is typically 48 CMS, but due to increasing demand and population growth, the allocation needs to be raised to address shortages in some areas.

"Right now there are portions of Cavite, Pasay, Muntinlupa (in the south of Metro Manila) that are currently experiencing water service interruptions," he said. —

Ashley Erika O. Jose



NICOLAS HIPPERT/UNSPASH

Nuclear suppliers quote \$1 billion for 160-MW small modular reactor

NUCLEAR reactor suppliers Holtec International and partner Hyundai Engineering & Construction Co., Ltd. (Hyundai E&C), said they expect small modular reactors of up to 160 megawatts to cost \$1 billion each.

Speaking before the House committee on nuclear energy, Jinwoo Choi, a business manager with Hyundai E&C, said: "We are well aware of the need of the stable supply of electricity in the Philippines... Hyundai and Holtec intend to contribute to the promotion of the nuclear power business in the Philippines."

Haizhen Pan, a senior program manager for Holtec International and executive director of Holtec Japan, told the legislators, "When you start and don't have money to build a 1-gigawatt plant, then we can just build one SMR-160, and then, with one unit under operation, we can collect the income and then use that money to build a second."

"The cost of one unit... depends on the country we go to...

but roughly... for one unit of SMR, it's about a billion dollars," Ms. Pan said. The suppliers said SMR construction in the Philippines needs to start by the end of 2024 to be fully operational by 2030.

Ms. Pan called SMRs "a fraction of the size of conventional nuclear power reactors."

"Safety is a key feature of the design. It's easier for public acceptance, (and) we simplify the systems (thereby reducing) cost," Ms. Pan added.

Holtec International is a US company that designs and manufactures SMRs. Hyundai E&C serves as Holtec's contractor with 17 nuclear plants currently operating.

Hyundai E&C claims an accident-free record over 50 years of plant operation.

Holtec and Hyundai E&C's estimate is subject to an in-depth feasibility study and the final price could vary, Committee Chairman and Pangasinan Rep. Mark O. Cojuangco told reporters after the hearing. — **Beatriz Marie D. Cruz**



CHUTERSNAP-W/UNSPASH

\$100-M engineered-bamboo facility to rise in Cagayan de Oro

A FLORIDA-based building materials company, Rizome, has invested \$100 million in an engineered-bamboo manufacturing facility in Cagayan de Oro, its Philippine unit said on Tuesday.

Former Agriculture Secretary Luis P. Lorenzo, Jr., an investor in Rizome Philippines, said the investment was executed via Bamboo Ecologic Export Corp.

In a statement, Mr. Lorenzo said the company is "progressively infusing" the capital in the Cagayan de Oro plant.

"I became a global investor (because) I want to bring the best technology here. I don't want the Philippines to be second-class. The investment is big. But (even now) our business is already a billion-peso industry. And it employs thousands," Mr. Lorenzo said.

The investment announcement follows third-reading approval in the House of Representatives of House Bill 7941, or the proposed Philippine Bamboo Industry Development Act.

"Currently, we are the fifth largest bamboo exporter in the world. With smart planning and *malasakit* (concern) especially for our bamboo planters, the Philippine bamboo industry could be a behemoth a few years down the road," Speaker Ferdinand Martin G. Romualdez said in a statement on Monday.

Mr. Lorenzo pushed for the use of bamboo as a building material. "Government is technically pushing housing (so) why not import-substitute all the components of housing construction," he said.

The US-based parent Rizome grows bamboo in Florida as well as the Philippines, touting the crop's sustainability and potential for carbon sequestration. Its manufactured products include panels, boards, and veneers.

The Philippine unit buys bamboo from agrarian reform beneficiaries in Bukidnon, North Cotabato, and the Agusan and Surigao provinces, as well as from communities in mining areas.

"An important priority policy is to make bamboo a recognized construction material in the implementation of the Building Code," Rizome International said.

"This, an engineered bamboo is a proven technology strong as steel, tough as concrete, fire resistant, water resistant, pest-free, and as beautiful as hardwood," it added.

Mr. Lorenzo said the new passenger terminal at the Mactan Cebu International Airport is the first terminal in Asia made of lamellar wood.

"The beams and all that — we make all of those; we make these bullet proof. We can make beams as long as you like. No more steel, no more concrete," he said. — **Sheldeen Joy Talavera**

Manufacturing PPI growth slows to 2.3% in April

PRICE GROWTH in manufactured products slowed to 2.3% in April, the Philippine Statistics Authority (PSA) said.

Citing preliminary data, the PSA said the producer price index (PPI) for manufacturing declined from the 2.5% posted in March. The year-earlier growth rate had been 6.3%.

The April reading was the lowest since the 0.36% increase in December 2021.

The price index for food products rose 4.4%, lower than the 5.5% in the preceding month.

"The manufacture of food products accounted for 44.6% of the slowdown in the PPI

growth for manufacturing in April 2023," the PSA said.

Other factors in slowing price growth were chemicals and chemical products. The sub-index for this category fell 1.7%, deepening the 0.05% contraction from the preceding month.

Basic metal prices also contracted 4.9% during the month.

The categories reporting higher price growth were led by furniture with 5.9%, exceeding the previous record of 5.6%.

Beverage price growth was 5.5%, as was the rate for leather and related products, including footwear. — **Sheldeen Joy Talavera**



JOSE BECHT/UNSPASH

DoE claims P205 million in savings from energy efficiency drive at gov't agencies

THE Department of Energy (DoE) said the Government Energy Management Program (GEMP) has yielded electricity savings of P205 million.

"We commend the efforts of our government agencies in implementing energy efficiency measures," Energy Secretary Raphael P.M. Lotilla said in a statement on Tuesday.

The DoE said since the signing of Republic Act No. 11285 or the Energy Efficiency and Conservation (EEC) Act of 2019, the govern-

ment has saved the equivalent of 20 million kilowatt-hours.

"The regular conduct of energy audits and spot checks also increased the awareness of government entities which encouraged them to adopt energy efficiency and conservation by reducing expenditures on fuel and electric utility services," the DoE said.

GEMP seeks to reduce the government's electricity and fuel consumption by at least 10% via efficiency and conservation strategies as well as the use of renewable energy.

"Small acts ... could indeed drive significant impact, especially when the entire bureaucracy, including the local government units and State Universities and Colleges adopt behavioral changes and imbibe energy conservation as a way of life," Mr. Lotilla said.

The EEC Act also formed the Inter-Agency Energy Efficiency and Conservation Committee which prepares a yearly assessment of opportunities for energy cost reduction in state-owned and leased buildings and facilities. — **Ashley Erika O. Jose**



DONNIE/UNSPASH

'Rapid' growth in PHL economy seen driving construction industry

THE construction industry and a few others will grow rapidly over the next decade on expectations of robust economic expansion, S&P Global Market Intelligence Asia-Pacific Chief Economist Rajiv Biswas said.

Speaking at a FinTech Alliance meeting on Monday, Mr. Biswas said: "There's going to be very rapid growth in a number of sectors in the economy, notably in the construction sector (due to the) rapid growth of the Philippines expected in the next decade," Mr. Biswas said.

He said Philippine gross domestic product (GDP) will double by 2030, putting the country on track to become a \$1-trillion economy by 2033.

"One of the fastest-growing sectors will be construction, but many other sectors including electronics (and) automotive will be growing strongly. The pharmaceuticals industry will also be showing rapid growth," he said.

Speaking to *BusinessWorld* by phone, Colliers Philippines Associate Director for Research Joey Roi H. Bondoc said his firm is bullish on the growth of the construction sector over the next 10 years.

"In our view, what will really drive the growth in the construction sector in the Philippines is the development of more offices, residential projects such as condominiums and (detached houses), malls, and hotels," he said.

Infrastructure projects will also boost growth in the public construction sector, even if these projects take around five to seven years to be completed, Mr. Bondoc said.

However, elevated inflation and high interest rates will continue to be a challenge in the near term.

"If we will have geopolitical tensions between China, Taiwan, and US, and the ongoing Russia-Ukraine crisis, or any other political turmoil that will likely erupt moving forward, that will have a significant impact on global supply chains, and that will again have an adverse impact on prices of construction materials," he said.

Inflation hit a 14-year high of 8.7% in January, before easing to 6.6% in April. Still, April marked the 13th straight month that inflation breached the central bank's 2-4% target range.

The Philippine Statistics Authority reported that inflation in product cat-

egories like furnishings and household equipment rose to 6.1% in April, from 2.6% a year earlier.

"Disruptions in the global supply chain will raise the prices of construction materials, and these elevated prices will likely slow the growth of private construction here in the Philippines," Mr. Bondoc said.

High interest rates will also have a "detrimental impact" on the industry, making it more expensive to borrow money to finance projects and mortgages.

"On the commercial side, if these hikes continue again, we'll likely see a tempered appetite in terms of completion of new projects across the Philippines. As it is, we see developers slowing down in terms of launches," Mr. Bondoc added.

The central bank has raised borrowing costs by 425 basis points since May last year. Earlier this month, it paused its policy tightening cycle due to easing inflation.

According to S&P's Mr. Biswas, the medium-term outlook for the electronics industry remains strong even though

it has faced challenges in the last 12 months.

Rapid technological development in electronics and increased demand due to the digital transformation of the global economy are driving growth in the industry, he said.

Mr. Biswas said the services sector will grow at a faster rate in the next 10 years, notably financial services and the information technology-business process outsourcing (IT-BPO) industry.

He said the IT-BPO industry has become "one of the most dynamic" in the Philippines. The industry is also expected to contribute significantly to economic output and support employment growth.

"There's a lot of room for great optimism about the future prospects for the services sector in Philippine economy," Mr. Biswas said.

"The Philippines is going to be one of the fastest-growing emerging markets in the next decade and will become an increasingly big focus for global multinationals, both in the manufacturing sector and in the services economy," he added. — **Keisha B. Ta-asan**