Nickel ore export ban ruled out; PHL seeking to draw processors

THE Department of Trade and Industry (DTI) said the government has no plan to ban the export of nickel ore but is focused on attracting mineral processing investment.

"There is no proposal to ban the export of nickel ore. We will encourage the processing of nickel ore in the Philippines. We always go by market mechanisms," Trade Secretary Alfredo E. Pascual told reporters at a virtual briefing late Wednesday.

Mr. Pascual was responding to a query on a critical minerals agreement (CMA) with the US. Recently, Mr. Pascual urged the US to consider such a deal with the Philippines akin to the US-Japan CMA signed on March 28.

CMAs are designed to diversify supply chains for critical minerals, by which means the Philippines hopes to develop its electric vehicle (EV) battery industry, among others.

In January, Mr. Pascual said the DTI launched an industrial policy study to investigate options like an export tax on nickel exports or an outright export ban.

"The whole world is moving towards EVs and the supply of critical green metals like nickel because they are used to produce batteries (and) will become very much in demand. The big profit is in the finished product, not in the raw minerals," Mr. Pascual said.

"We want the further processing of these raw minerals so that we can produce out of these minerals, the metals like nickel that are essential ingredients or components of batteries, which are in turn needed for EVs," he added.

According to Mr. Pascual, the Philippines has received interest from miners in the US, Europe, China, and Japan for potential investments in nickel ore processing.

"The government doesn't have control over mineral ores. At the end of the day, it will be the decision of private companies that produce the mineral ores to decide who they will partner with. We can only provide the enabling environment so that they can do it," Mr. Pascual said.

"We are pursuing discussions with foreign partners that will provide the technology for further processing of nickel ores," he added.

Separately, Mr. Pascual said the proposed inclusion of electric motorcycles in the list of EVs covered by the zero import tariff rules could be reviewed by February, one year after the Executive Order (EO) No. 12 was issued.

EO 12 was released in January and implemented 30 days later. It contains a mechanism for reviewing tariffs after a year.

"We have provision in the EO, which said that the EVs that are not included (in the zero tariff rules) like two-wheeled vehicles such as motorcycles, (will be subject to review)," Mr. Pascual said.

EO 12 reduced tariffs on certain EVs to zero for five years. These include cars, buses, vans, trucks, kick scooters, self-balancing cycles, bicycles, and pocket motorcycles with auxiliary motors not exceeding 250 watts and with a maximum speed of 25 kilometers per hour. Those excluded from the EO, such as electric motorcycles, will be charged a 30% tariff.

Private sector groups such as Stratbase ADR Institute have pressed for the inclusion of e-motorcycles in the zero-tariff coverage, saying that such a move would boost EV adoption overall. — **Revin Mikhael D. Ochave**

Marcos lobbies for renewal of US GSP

PRESIDENT Ferdinand R. Marcos, Jr. has asked the US to readmit the Philippines to its Generalized System of Preferences (GSP) program.

"We would like to request reauthorization... to boost trade and to make US products that are made in the Philippines more competitive in the global market," he said, according to a transcript of a speech provided by the Palace at a forum organized by the US-ASEAN Business Council and US Chamber of Commerce at Blair House in Washington, DC.

Mr. Marcos said it has been more than two years since the Philippines' GSP deal expired.

The Philippine delegation at the forum included Ayala Corp. Chairman Jaime Augusto Zobel de Ayala, International Container Terminal Services, Inc. President Enrique K. Razon, Jr., SM Investments Corp. Vice Chairperson Teresita Sy-Coson, and Alliance Global Group, Inc. CEO Kevin L. Tan.

"We are particularly excited and we look forward to welcoming projects such as business process outsourcing, healthcare, semiconductors, energy including nuclear power, and battery and electric vehicle manufacturing," Trade Secretary Alfredo E. Pascual said at the forum, according to a separate statement issued by the Department of Trade and Industry (DTI).

US companies represented at the forum were lobbying firm Akin Gump, ExxonMobil Corp., Citibank NA, Tenet Healthcare Corp., FedEx Corp., Kimberly-Clark Corp., and PepsiCo, Inc, the DTI said.

In his speech, Mr. Marcos said the Philippines' ties with the US are "front and center right now," after overcoming "some bumps and scrapes" in recent years.

"Security and defense are top of mind... we also have to see that because our economies and our societies have grown more complex, everything, impinges on everything else and... it is very hard for us to separate and say that this is a discrete sector that does not affect any other sector," he added.

The President called on US companies to invest more in the Philippines, saying that his government has stepped up efforts to "create an atmosphere that is attractive to potential investors and we continue that process."

The President also touted Philippine companies' digital transformation, which he said could elevate "the competitiveness of the semiconductor and electronics sector."

"Because Outsourced Semiconductor Assembly and Test (OSAT) is vulnerable to disruptive technologies, we need to undertake research and development that will help us improve business for OSAT firms in the country," Mr. Marcos said.

Citing the advent of electric vehicles (EVs), Mr. Marcos said the Philippines can focus on exporting wire harnesses, rubber tires, and automotive electronics.

The Philippines could also benefit from the expected increase in exports of solar and photovoltaic-related products as many countries strive to comply with their decarbonization targets, Mr. Marcos added.

Mr. Marcos is on a five-day US visit which started on Sunday, during which he has met with US President Joseph R. Biden and other US officials. — **Kyle Aristophere T. Atienza**

Egg farmers exporting amid weak PHL demand

THE egg industry has shipped more than four million eggs to Taiwan since April following of weak demand in the Philippines, egg farmers said.

"For now, temporary *'yan, kasi nga ang baba ng* demand *dahil nga siguro sa* bird flu. *Kaya nga kahit mura, okay na rin para* at least *nababawasan 'yung* supply (It's temporary. Demand is low maybe because of bird flu. (Exports are) a good thing because they reduce supply)," Gregorio A. San Diego, Jr., chairman of the Philippine Egg Board Association, told reporters.

According to Mr. San Diego, exporters were able to obtain a price of about P5.60 each for medium or large egg. The current farmgate price for eggs is between P5 and P6.

He estimated that about 10 million chickens were culled last year due to avian influenza.

The Bureau of Animal Industry (BAI) has identified six barangays across two separate regions with active cases as of April 28.

Dating from January 2022, bird flu cases have been recorded in 160 barangays.

"There is a global shortage of eggs, and our production has declined. But despite decreased production, consumption fell by more so we have a surplus," he said.

In March, the Taiwan Council of Agriculture and the Executive Yuan decided to tap suppliers in the Philippines to meet the island's egg requirement.

The BAI invited egg farms in a March 10 memorandum circular to submit accreditation documents to participate in the export trade.

Mr. San Diego called the system of accrediting exporters a "long process" involving various clearances.

Agriculture Spokesperson Kristine Y. Evangelista told reporters separately that the department is trying to help prospective exporters obtain the needed technical documents.

"I think this is the first time we are exporting. So, *kung ano 'yung mga kailangan* (Whatever is needed from the) BAI and the FDA (Food and Drug Administration), like clearances and permits, we are (trying to help the) stakeholders," she said.

"We are looking at the need to lower taxes and other incidentals when it comes to export, so that producers won't need to drop their prices," Ms. Evangelista added.

Mr. San Diego said of the export trade: "*Hindi naman kikita sa* export *gaano pero malaking bagay na 'yon kaysa mabulukan ng itlog* (The profits are small but they are better than holding on to rotten eggs)." — **Sheldeen Joy Talavera**

Meralco projects adequate supply of power during dry season, invites more to join ILP

MANILA ELECTRIC Co. (Meralco) said it expects the supply of power during the dry season to be adequate, but asked more companies to participate in the interruptible load program (ILP).

In a statement on Thursday, Meralco said it is working with the Department of Energy (DoE) to ensure reliable electricity services during the hot months.

On May 2, the government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), raised its probability estimate for an El Niño dry spell in the next three months.

Meralco and the DoE urged the public to conserve electricity, with the power company saying more ILP participation will ensure sufficient power.

ILP participants are large power users that maintain their own backup power generators. When supply is tight, they stop drawing power from the grid and use their own facilities, reducing overall demand on the grid.

To date, Meralco said 117 companies are enrolled in the ILP within its franchise area.

The DoE has discouraged power plants from scheduling outages and conducting testing throughout the dry season.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT, Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

BW FILE PHOTO

ADB reworking capital adequacy norms to boost lending resources

THE Asian Development Bank (ADB) said it is reviewing its capital adequacy standards in order to expand lending to vulnerable countries, while also letting private-sector financing shoulder more of the burden in development projects.

"The ongoing review of our Capital Adequacy Framework will prepare us to optimize our balance sheet and, potentially, boost our lending capacity," ADB President Masatsugu Asakawa said at the bank's annual meeting in Incheon.

"Under ADB's new operating model, our 'private sector development shift' will promote market-based development. We will catalyze even more private capital through deeper coordination between our sovereign and non-sovereign operations," he added.

The focus of support for developing member countries (DMCs) facing challenges in the current economy will center on social safety nets, including protection for women and girls, Mr. Asakawa said.

"The ADB will continue to prioritize our developing members and populations most in need. Social protection measures for poor and vulnerable groups, and a focus on the needs of women and girls, are essential... To better support our DMCs, ADB is actively evolving our mission, increasing our resources, and undertaking organizational reforms. We are especially committed to investing in global and regional public goods, to help mitigate the increasing global threats," he added.

Mr. Asakawa said that low-income and small-island developing members were most vulnerable to external headwinds such as the pandemic, geopolitical tensions, and high inflation.

"The midterm review of Strategy 2030 will address the multilateral development bank evolution agenda. This will enable ADB to invest in global public goods," he said.

The ADB will also provide countercyclical support and emergency assistance, to "help DMCs manage crises and undertake reforms that build resilience — for example, through improved domestic resource mobilization."

On Thursday, the ADB said its Board of Governors approved a $1.1-billion net income allocation from its ordinary capital resources.

This consists of $716.5 million to ADB's ordinary reserve to support the bank's capital growth and provide an earnings base to generate income; $292.4 million to the Asian Development Fund; and $90 million to the Technical Assistance Special Fund.

In 2022, the ADB committed $20.5 billion in loans, grants, equity investments, guarantees, and technical assistance.

Last year, the ADB extended $3 billion in financial assistance to the Philippines, the fifth-highest in the region. It is earmarking $4 billion worth of loan financing to support development projects this year. — **Luisa Maria Jacinta C. Jocson**

Lack of charging stations seen as main objection to EV adoption

GASOLINE and diesel-powered vehicles remain overwhelmingly preferred in the Philippines, with reluctance to adopt electric vehicles (EVs) based on the dearth of charging stations, consulting firm Deloitte said, citing the results of a survey.

The survey indicated that 72% of respondents in the Philippines preferred internal combustion engine (ICE) vehicles, Deloitte said in a statement on Thursday.

The 72% level of support for ICE on Thursday is down 10 percentage points from a year earlier but remains the highest in the region, ahead of Indonesia (59%), and Vietnam (49%), according to the company's 2023 Global Automotive Consumer Study.

Only 25% of respondents in the Philippines indicated interest in EVs. The highest level of interest was recorded in Singapore (62%) and Thailand (60%).

According to Deloitte, the study was conducted between September and October and involved over 26,000 consumers in 24 locations including Southeast Asia. At least 1,000 responses were incorporated into the study for each country in the region.

Fredieric B. Landicho, Deloitte Philippines managing partner and chief executive officer, said the survey results showed that there is a need for "robust infrastructure" to support EVs before expecting consumers to make the switch.

"We're not just talking about convenient charging sites. We have to consider if we have the right workforce to service these vehicles wherever the owners may need that assistance," Mr. Landicho said.

The Philippines has been pushing for increased EV adoption following the issuance of Executive Order (EO) No. 12 in January, which reduced the tariff on certain EVs to zero for five years to make prices more accessible.

The vehicles covered by the order are cars, buses, vans, trucks, kick scooters, self-balancing cycles, bicycles, and pocket motorcycles with auxiliary motors not exceeding 250 watts and with a maximum speed of 25 kilometers per hour. Excluded from the EO were electric motorcycles, which remain subject to the 30% tariff.

Republic Act No. 11697 or the EV Industry Development Act, lapsed into law in April 2022. The law requires vehicle fleet owners, including the government, to observe a 5% EV quota. — **Revin Mikhael D. Ochave**

Legislator pushes for removal of e-travel registration for arrivals

A LEGISLATOR is calling for the removal of eTravel registration for incoming international passengers, saying that removing the requirement will help attract more visitors.

"A lot more people can be enticed to go to the Philippines, whether for pleasure or business, if we were to get rid of the eTravel document that is so tedious and time-consuming for inbound passengers to accomplish," Camarines Sur Rep. Luis Raymund F. Villafuerte, Jr. said in a statement.

International travelers are required to register prior to departure and arrival with the Immigration bureau's eTravel system not earlier than 72 hours. The system facilitates border controls, health surveillance, and economic data analysis.

The easing of the inbound requirement will mark full transition to the post-pandemic "new normal," helping accelerate the economy's rebound, he said, adding that more international mobility is expected as more COVID-19 (coronavirus disease 2019) barriers to travel fall.

The COVID-19 positivity rate in the National Capital Region increased to 18.8% on May 1, according to OCTA research group.

Health department officer-in-charge Maria Rosario S. Vergeire said utilization of healthcare facilities remains low, citing the level of immunity achieved via vaccination.

The Department of Health said on Tuesday that the daily average of COVID cases has risen 42% from a week earlier.

The Philippines last week detected its first case of Omicron subvariant XBB.1.16, which is spreading in more than 30 countries.

Also called Arcturus, the subvariant is considered highly contagious. The World Health Organization has classified XBB.1.16 as a variant of interest.

Mr. Villafuerte s aid that "the (next) logical step for Malacañang's policy of relaxing anti-COVID health protocols and reopening our economy to global business and travel is the ditching of the eTravel document as an entry prerequisite." — **Beatriz Marie D. Cruz**