DoE expects offshore wind rules to help bring down power rates

THE Department of Energy (DoE) said its policy framework for offshore wind (OSW) projects is ultimately expected to accelerate the industry's development while reducing power rates.

This offshore wind policy and administrative framework identifies seven priority activities to accelerate the roll-out of projects, the DoE said in a statement.

The framework includes "a set of rules and procedures for permitting agencies with respect to the issuance of permits and licenses for OSW projects," it added.

The DoE said the goal is "streamlined, effective and efficient permitting activity" that will lower the development costs of offshore wind resources which in turn will lower electricity rates.

The framework proposes the establishment of the Philippine Offshore Wind Databank to house all submitted information and documents on offshore wind projects.

The framework calls for a review of current DoE guidelines on the awarding of offshore wind energy service contracts; a requirement on the network service provider to prepare a smart and green grid plan; and the drafting of foreshore lease regulations for the transmission system serving OSW projects.

The framework also directs the Philippine Ports Authority to prepare a long-term port development plan to accommodate vessels servicing the industry and ensure the security of offshore wind projects.

To date, the department said it had awarded 66 offshore wind contracts with a combined potential capacity of 53.85 GW, which it deems sufficient to service the country's future energy demand.

Under the Philippine Offshore Wind Roadmap, the Philippines has a potential capacity of 178 GW from offshore wind resources. This is expected to help the Philippines meet its goal of increasing the share of renewables to 35% of the energy mix by 2030 and 50% by 2040.

Last month, the DoE issued the implementing rules and regulations for Executive Order 21, which governs offshore wind development.

The DoE will harmonize and streamline the process by integrating the processes in its Energy Virtual One-Stop Shop (EVOSS).

EVOSS is the DoE's current system for expediting the processing of applications for energy projects. — **Ashley Erika O. Jose**

Imports raise inventory levels of dressed chicken at mid-June; demand still weak

INVENTORY levels of dressed chicken rose in the second week of June, with imports accounting for most of the total, the National Meat Inspection Service (NMIS) said.

The NMIS said dressed chicken in cold storage as of June 12 hit 61,006.94 metric tons (MT), up 1.46% from a week earlier.

On a month-on-month basis, inventory rose 25.34%.

Imports accounted for 37,487.88 MT of the dressed chicken inventory while domestically grown poultry totaled 23,519.05 MT.

The NMIS noted that the report does not include fresh chilled chicken and mechanically deboned meat.

Cold storage facilities in Central Luzon had 17,699.97 MT or 29.01% of the total. This was followed by Calabarzon (16,790.69 MT), and the National Capital Region (8,856.34 MT).

"Supply continues to outstrip low demand conditions. Current inventory of imports is more than double of last year," Elias Jose M. Inciong, president of the United Broiler Raisers Association, said in a Viber message.

"This is concerning as it is indicative of both poor demand and displacement caused by imports," he added.

The inventory of frozen pork during the period was 74,916.09 MT, up 6.30% from a week earlier. This was up 53.92% month on month.

Imports accounted for 70,534.63 MT, while domestically grown pork in cold storage totaled 4,381.46 MT, according to the NMIS.

The pork inventory in Calabarzon represented 21,837.7 MT or 29.14% of the total, followed by Central Luzon (17,058.59 MT) and the NCR (14,836.3 MT).

Alfred Ng, vice-president of the National Federation of Hog Farmers, Inc., said that the volume of imports has "caused the liveweight price to drop continuously, and at a much faster rate than retail prices."

"As consumers still do not have disposable income to increase their pork consumption, market vendors are keeping their prices high to compensate for the lower volume of purchase to be able to earn enough for their families' needs," he said via chat.

"Other big integrator farms have also increased their hog production so local production is also more than enough to supply the market," he added. — **Sheldeen Joy Talavera**

MUP pension proposal ditches indexation vs active-duty pay

THE Department of Finance (DoF) said it is fine-tuning its proposal to reform military and uniformed personnel (MUP) pensions, with payouts to retirees now subject to annual review rather than escalating automatically under an indexation system.

The reformed pensions will also require MUPs to make contributions to their pension funds, the DoF said in a statement on Thursday.

"Our goal is to create a sustainable pension system for the military. We want to take care of soldiers from the day they enter service up to their retirement," Finance Undersecretary Maria Cielo D. Magno said.

Under the current pension system, MUPs are automatically promoted one rank higher upon retirement and can receive their pension after 20 years' service, with no minimum pensionable age. The monthly pension is also automatically indexed to the salary of active personnel.

The DoF has proposed that the MUP pension fund be managed by the Government Service Insurance System (GSIS), supervised by an oversight committee.

The committee will be composed of the Secretaries of Finance and Budget and Management, the Executive Secretary, and the President and General Manager of the GSIS as ex-officio members, as well as representatives from the MUP services.

Defense Secretary Gilberto C. Teodoro, Jr. also noted the need for "expert fund managers with good track records."

The DoF has also proposed three options for claiming pension benefits, including a lump sum upon retirement, payment after five years, or upon reaching age 57.

The Bureau of the Treasury has reported that total unfunded pension liabilities have hit P9.6 trillion.

The DoF also estimates that accumulating pension liabilities will likely increase public debt by as much as 25% by 2030. — **Luisa Maria Jacinta C. Jocson**

Agri dep't says pork production trending upward

THE Department of Agriculture (DA) said its outlook on pork production remains positive, contrary to more pessimistic forecasts issued by the US Department of Agriculture (USDA).

"(The) growth rate for pork… has started to become positive (continuing from) the last quarter of 2022. It's positive and continued in the first quarter, *mas higit pa* (deeper into positive territory)," Agriculture Undersecretary Mercedita A. Sombilla told reporters on Thursday.

Hog production rose 5.1% year on year to 437.99 thousand metric tons (MT) during the first quarter, according to the Philippine Statistics Authority (PSA).

The rise reverses a 1.2% drop a year earlier and outpaces the 3.4% gain in the fourth quarter of 2022.

The USDA downgraded its Philippine pork output forecast by 5.13% to 925,000 metric tons (MT), citing the continuous spread of African Swine Fever (ASF) in top-producing regions.

Ms. Sombilla said there is a chance production will revert to pre-ASF levels soon.

The Philippines was first hit by ASF in July 2019. The volume of hog production in 2018 was 2.3 million MT. Production was 1.74 million MT in 2022, according to the PSA.

"We're hoping that all the programs that are being implemented now are going to be implemented well and be successful," she said.

Among the programs implemented by the DA and its agencies is the Integrated National Swine Production Initiatives for Recovery and Expansion program — a repopulation program established in 2021.

"We hope that continues and it goes back to the point that we will be able to get that production level that we had before. That's probably the time we will be seeing prices to go down but then again you have to take into consideration also the fluctuation in other inputs," she said.

When asked about the increase in the price of corn, which is used as animal feed, she said "We cannot do anything, that is what the market dictates so we cannot really do anything." — **Sheldeen Joy Talavera**

Metro Manila retail price growth at 11-month low in May

RETAIL price growth in Metro Manila eased for a third straight month in May to its lowest level in 11 months, the Philippine Statistics Authority (PSA) said on Wednesday.

The general retail price index in the National Capital Region (NCR) rose 4.9% year on year in May, against 5.4% in April, according to preliminary PSA data. The May reading remained higher than the year-earlier 4.1%.

May marked the third straight of retreat from the 14-year peak of 6.6% in February.

It was also the lowest year on year since the 4.7% posted in June 2022.

In the five months to May, NCR average retail price growth hit 5.9%, still elevated relative to the 2.9% year-earlier average.

The PSA attributed the May slowdown to the heavily weighted food index, which eased to 10% from 10.6% in April.

The index of mineral fuels, lubricants and related materials also pulled down the May reading. It contracted 12.8% that month from an 8.4% drop in April.

Other indices which posted slower annual growth were machinery and transport equipment (1.3% in May from 1.5% in April) and beverages and tobacco (6.9% from 7%). — **T.C.S. Migriño**

Customs bureau raises P748 million from post-clearance audits

THE Bureau of Customs (BoC) said revenue generated from post-audit clearances rose 49% year on year to P748.4 million in the Feb. 13-May 12 period.

"The Post-Clearance Audit Group (PCAG) is responsible for conducting audit examinations, inspections, verifications, and investigations of importation records to ensure the accuracy of goods declaration of importers," it said in an accomplishment report.

"As a result of their efforts, the PCAG has generated additional revenue from audit findings," it added.

Public auctions of forfeited goods also generated P25.1 million, with the Port of Manila accounting for P23.6 million. This was followed by the Port of Davao (P1.25 million) and Manila International Container Port (P241,600).

"The successful conduct of public auctions by various ports has been instrumental in augmenting the collection performance of the BoC," it said.

"The public auction acts as an additional means for the government to collect the rightful duties and taxes imposed on imports when importers fail to fulfill their obligations and comply with documentary requirements within the specified timeframe," it added.

At the end of May, the BoC had collected P359.175 billion, exceeding its target for the period by 3.82%.

This year, the BoC has been set a target to collect P901.3 billion. — **Luisa Maria Jacinta C. Jocson**

Government agencies ordered to draft asset management plans

GOVERNMENT agencies are being directed to draft asset management plans as their investment utilization practices come under scrutiny.

In a joint memorandum circular, the departments of Finance and Budget and Management, as well as the National Economic and Development Authority released guidelines for the preparation, submission, and review of asset management plans.

Asset management plans under the circular must be two-year roadmaps detailing each agency's investment strategy.

"It is the agency's written representation of intended capital, maintenance and operational programs for its existing asset base, and investment in new infrastructure which is based on its understanding of demand, customer requirements, and details of its network or portfolio of assets," it added.

The government's National Asset Management Plan aims to manage public non-financial assets, map investments in assets, and identify the resources and capacities needed to support agencies.

"Easy access and analysis of critical information on government assets, such as costs and implementation schedules, are the bare minimum requirements to generate useful insights that lead to good asset management," it said.

"The agency asset management plan will make the analysis of data easier and will ultimately improve the Philippine government's asset management practices," it added. — **Luisa Maria Jacinta C. Jocson**

Budget utilization rate hits 91% at end of May

THE cash utilization rate of government agencies hit 91% at the end of May, the Department of Budget and Management (DBM) said.

The DBM said the National Government, local governments and state-owned companies used P1.57 trillion of the P1.71 trillion worth of notices of cash allocation (NCAs) issued as of the end of May. This left P146.18 billion in unused allocations.

The utilization rate was behind the pace of the 93% rate set a year earlier.

NCAs are a quarterly disbursement authority that the DBM issues to agencies, allowing them to withdraw funds from the Bureau of the Treasury to support their spending needs.

At the end of May, line departments used P1.1 trillion or 88% of their allotments, leaving P144.1 billion unused.

The only agencies to post a 100% budget usage rate were the Joint Legislative-Executive Councils and the Commission on Elections.

The Department of Migrant Workers had the lowest usage rate of 42% at the end of May.

Meanwhile, budgetary support to government-owned companies was 100% used, while allotments to local government units (LGUs) posted a utilization rate of 99%.

Budget Secretary Amenah F. Pangandaman said agencies are improving their utilization this year.

"We're happy to note that the utilization rate of departments is higher, around 70-80%. They are getting used to procurement, planning of projects, and implementations," she said during the Kapihan sa Manila Bay forum earlier in the week.

However, she said the late budget of the Philippine Health Insurance Corp. (PhilHealth) affected utilization performance.

"The bulk of that amount is the budget of PhilHealth. Last year, they requested early. This year, the requests came in late," she added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the slower utilization rate was due to election-related spending in 2021.

"The faster budget utilization a year ago may have to do of election-related preparations especially before the election spending ban (which resulted in) speeding up the completion of various infrastructure and other projects," he said in a Viber message. — **Luisa Maria Jacinta C. Jocson**