No net-zero target in Philippine Energy Plan

By Ashley Erika O. Jose
Reporter

THE Department of Energy's (DoE) upcoming edition of the Philippine Energy Plan will not commit to a net-zero emission target as yet, with the focus on exceeding the goals for deploying emerging clean technologies.

"We have no commitment and we are not going to commit in a net zero by 2050 because we are looking at several options. What we are going to do is to over-achieve our targets without necessarily having a commitment on net zero," Michael O. Sinocruz, director of the Energy Policy and Planning Bureau, said in a virtual forum last week.

The DoE is hoping to finish the Philippine Energy Plan within the year. It is expected to feature a higher target for the share of renewable energy in the power mix, Mr. Sinocruz said.

"We are targeting a higher share of renewables — more than 50%, and the entry of other emerging technologies," he said.

Net zero refers to reducing greenhouse gas emissions to as close as zero as possible while offsetting any remaining greenhouse gases in the atmosphere.

Mr. Sinocruz said that the DoE is considering in its revised energy-mix targets the entry of offshore wind and other clean emerging technologies.

To date, the DoE has awarded 73 offshore wind service contracts with a combined capacity of about 58,531 megawatts (MW), he said.

"We are looking at the development of hydrogen for co-firing and eventually 100% hydrogen depending on the cost as well as its derivative, ammonia which we can use for co-firing coal," Mr. Sinocruz added.

Currently, the DoE hopes to increase the share of renewable energy to 35% by 2030 and 50% by 2040.

Aside from increasing the share of renewables, the new Philippine Energy Plan will also include a target for nuclear energy capacity of about 2,400 MW by 2035.

The DoE has said that its updated energy plan will discuss the policy direction for renewable energy, downstream oil, natural gas, energy efficiency, electric vehicles, and the clean energy transition.

House expects budget passage by end of Sept.

THE House of Representatives aims to pass the P5.77-trillion 2024 national budget before the recess on Sept. 30, Speaker Ferdinand Martin G. Romualdez said.

"We will surely finish (deliberating on) the budget before our October break. We average five weeks of solid work on budget deliberations, consideration, review, and approval through third reading," Mr. Romualdez said in a briefing on Saturday.

Mr. Romualdez said the 2024 budget is expected to "sustain the country's economic growth, create more income and job opportunities... and improve their quality of life through the timely delivery of basic social service like education, healthcare and infrastructure."

He added that budget deliberations will also focus on how the annual budget is used as well as the implementation of existing laws.

The House will open its second regular session on Monday and will go on a break at the end of September.

Once it hurdles the chamber, the budget will be deliberated in the Senate. A document harmonized in conference committee will then be passed on to Malacañang afterwards for the President's signature.

Budget Secretary Amenah F. Pangandaman said that the 2024 National Expenditure Program (NEP) is expected for submission to Congress a week after President Ferdinand R. Marcos, Jr.'s second State of the Nation Address (SONA) on Monday.

The NEP contains the National Government's spending plan and details its programs for the next year. Once it is signed into law, the spending plan will be known as the General Appropriations Act.

Under the Constitution, the NEP must be submitted to Congress within 30 days after the SONA.

The proposed 2024 national budget is P500 billion or 9.5% higher than this year's P5.268-trillion budget.

Mr. Romualdez said legislators will "be setting clear priorities and make informed decisions" on the 2024 budget. — **Beatriz Marie D. Cruz**

Building permit approvals fall 6.4% in 2nd quarter

APPROVED building permit applications fell 6.4% year on year to 39,638 in the second quarter, against the 6.5% decline in the previous quarter, the Philippine Statistics Authority (PSA) reported on Friday.

Preliminary data from the PSA indicated that the building projects covered by the permits were equivalent to 8.54 million square meters (sq.m.) of floor area valued at P99.60 billion.

"This may mathematically already reflect the normalization of the base effects, as there are no more large lockdowns in 2022 compared to 2020-2021, thereby also consistent with the normalization of base effects as well in other economic data, such as GDP growth," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in an e-mail.

Permits for residential projects, which accounted for 71.7% of the total, declined 5.7% to 28,411. These projects were valued at P49.27 billion with a floor area of 4.40 million sq.m.

Single homes, which accounted for 87% of residential applications, fell 1.2% to 24,727.

Meanwhile, applications for duplex or quadruplex homes increased 50.6% to 533. This was followed by apartment buildings and residential buildings at 3,111 (down 33.6%) and 10 (down 74.4%), respectively.

Other residential applications dropped 3.2% to 30.

Non-residential projects amounted to 6,646 approved permits during the period, up 5.7%.

Commercial construction accounted for 4,584 approvals, up 5.9%; industrial projects 520, up 14.5%; and other non-residential works 175, up 1.2%.

Institutional building permits rose 5.9% to 1,167.

Agricultural projects fell 12.3% to 200.

Permits for additions to existing structures rose 0.1% to 1,244 in 2022, while alteration and repair permits dropped 28.9% to 3,337.

The Calabarzon region — composed of the provinces of Cavite, Laguna, Batangas, Rizal, and Quezon — accounted for 25.4% of all approved building permits in 2022 with 10,071, followed by Central Luzon with 12.9% or 5,122 and Central Visayas with 12.2% or 4,846.

By value, construction projects in the National Capital Region amounted to P21.445 billion. This was followed by Calabarzon with P19.486 billion, and Central Luzon P13.883 billion.

Mr. Ricafort expects the number of approved building permits to rise following the sustained economic recovery but noted, however, that higher inflation and borrowing costs may offset any growth. — **Mariedel Irish U. Catilogo**

PASCUAL, CONCEPCION: PH MUST UPSKILL, UPSIZE, UPGRADE MSMES

INSPIRING MSMES: The 2023 National MSME Summit last July 18, 2023 gave recognition to 20 outstanding MSMEs who inspire others to pursue entrepreneurship. The winners of the Most Inspiring MSME awards include one-person enterprises or nanopreneurs, as well as micro-, small and medium enterprises, all of whom were chosen for their inspiring entrepreneurial journeys and their good business practices. Awarding the winners were Executive Secretary Lucas Bersamin, Dept. of Trade and Industry Sec. Alfredo Pascual, and Go Negosyo founder and MSME Development Council Vice Chair Joey Concepcion.

From left: Executive Secretary Lucas Bersamin (representing President Ferdinand Marcos Jr.), Go Negosyo founder and MSME Development Council Vice Chair Joey Concepcion, and Dept. of Trade and Industry Secretary Alfredo Pascual at the 2023 National MSME

MSMEs are the bedrock of the Philippine economy, and their success is the Philippine economy's gain. This was the message of leading voices supporting Filipino entrepreneurs as outstanding MSMEs were given recognition at the recently concluded National MSME Summit last July 18, 2023.

President Ferdinand Marcos Jr., who was represented at the event by Executive Secretary Lucas Bersamin, said, "It is only by forging lasting partnerships with different sectors of society that we can give rise to viable, effective, and efficient solutions to the various issues encountered by our MSMEs, such as financial and market access, skills development, and technology adoption."

Department of Trade and Industry Sec. Alfredo Pascual joined Go Negosyo founder and MSME Development Council Vice

Finance companies tackled issues surrounding MSMEs' access to financing, a crucial pillar of successful MSME development.

The country's leading tech platforms examined what opportunities are presented by digital technologies in helping MSMEs become competitive.

Key enablers from the national government and the heads of some of the country's largest corporations explore how to create a more inclusive ecosystem for Filipino MSMEs.

Chair Joey Concepcion as 20 nano, micro, small, or medium entrepreneurs were named Most Inspiring MSMEs.

Sec. Pascual said MSMEs "keep the economy vibrant, diverse and inclusive," and emphasized how digitalization, the upskilling of human capital, and the upsizing of MSMEs to achieve growth will be crucial in moving the Philippine economy forward.

"Collaboration is essential in helping MSMEs," said Concepcion, noting how the country's largest corporations are now coming together to support the sector. "Those who have been successful want to give back, and the best way is for them to integrate [MSMEs] into their value chain," he said .

The 20 nanopreneurs, as well as micro-, small and medium enterprises were recognized for inspiring other entrepreneurs and demonstrating good business practices.

Both also noted how important it is to give due recognition to successful MSMEs in order to inspire others to pursue entrepreneurship. Named among the Most Inspiring MSMEs as nanopreneurs were artist Abner Marca Aler, makeup artist Azizah Talusan, motorcycle rider Ryan Rillera, and computer technician Larry Caasi. Other winners were microentrepreneurs Di Anne Mendoza, Elvira Docasao Dupli, Jocelyn Barite, Veberly Jubilo Uyaan, Dean Michael Cuanso, and Lynn Sheryl Reasol; small

Go Negosyo founder Joey Concepcion (right) chats with Executive Secretary Lucas Bersamin, who delivered President Ferdinand Marcos Jr.'s message for all sectors to forge partnerships that can deliver solutions to the various issues facing MSMEs.

entrepreneurs Rowena Hachaso, Maria Helen Lising, Mark Sultan Gersava, Princess Diana Rosario, and Roma Padua; and medium entrepreneurs Dominador Subang, Cecille Adueza-Virtucio, Julieta Austria, Ralph Ray Dacay Chua, and Reysheil Pascua.

Go Negosyo conducted free entrepreneurship mentoring as part of the 2023 National MSME Summit. Access to mentoring is one of the pillars of successful entrepreneurship, in addition to access to markets and money.

The 2023 National MSME Summit was an opportunity to discuss issues that affect the role of MSMEs in the country's economic development, specifically access to financing and markets, skills development, and technology adoption.

Proposed tax hike on sweetened drinks seen affecting many MSMEs

THE proposed tax increase on sweetened beverages needs to be canceled because it will disadvantage many small businesses, Go Negosyo Founder Jose Ma. A. Concepcion III said.

"I think they should junk the whole thing because it will affect a lot of people," Mr. Concepcion told reporters on the sidelines of the National MSME (micro-, small-, and medium-sized enterprises) Summit 2023 in Manila last week.

Mr. Concepcion is also the chief executive officer of listed food and beverage manufacturer RFM Corp.

"I think the lawmakers also need to think it through because many small businesses will be affected," Mr. Concepcion said.

Last month, Finance Secretary Benjamin E. Diokno announced a joint proposal by the Finance and Health departments to impose a P10 tax per 100 grams or a P10 tax per 100 milliliters on "pre-packaged foods lacking nutritional value" including confectioneries, snacks, and desserts that breach the government thresholds for fat, salt, and sugar content.

The proposal is also hoping to increase the tax on sweetened beverages to P12 per liter for any kind of sweetener used in production. The top rate used to apply only to those sweetened by high fructose corn syrup (HFCS).

Drinks that use caloric or non-caloric sweeteners are currently charged a P6 excise tax per liter while drinks that use HFCS or any such sweeteners in combination are charged P12 per liter under Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion Law.

The government pitched the proposal as a way to address health problems like diabetes, obesity and non-communicable diseases attributed to poor diet. The higher taxes are expected to generate P76 billion in revenue in the first year of implementation.

In early July, food manufacturers expressed their opposition to the proposal, saying it could result in higher prices and could "disproportionately target the most vulnerable segments of society."

"We firmly believe that there are more effective and less disruptive ways to raise government revenue without resorting to discriminatory tax schemes," Philippine Chamber of Food Manufacturers, Inc. (PCFMI) President Rita Imelda B. Palabyab said.

"The PCFMI highlights the potential negative repercussions of this proposed tax and emphasizes the importance of exploring alternative interventions to promote positive health outcomes and revenue generation," she added.

The Joint Foreign Chambers (JFC) also opposed the proposal, saying that it would hinder small businesses.

"The proposal would affect micro and small enterprises that rely on selling these products as a source of income," the JFC said in a previous statement.

"Imposing additional taxes will only strain the capacity of businesses in affected sectors to continue operations and grow their businesses, especially when issues related to the supply of certain raw materials remain unresolved," they added. — **Revin Mikhael D. Ochave**

DoF's Diokno says PAGCOR cannot remain a gaming operator

THE Philippine Amusement and Gaming Corp. (PAGCOR) cannot continue in its dual role of gaming industry operator and regulator, the Department of Finance (DoF) said.

"The best practice is to separate... they cannot be both an operator (and regulator). That is conflicting," Finance Secretary Benjamin E. Diokno said in a briefing on Friday.

When asked about President Ferdinand R. Marcos, Jr.'s position on PAGCOR's dual role, Mr. Diokno said that Mr. Marcos "knows it's not smart to have the same operator and (regulator). That's a conflict of interest."

The DoF has previously proposed to privatize PAGCOR's gaming operations.

In March, Senator Mary Grace Poe-Llamanzares pushed a proposal to relieve PAGCOR of its role as a casino operator so it can focus on regulating the gaming sector.

PAGCOR has said it expects to generate about $1.47 billion from the sale of its 41 casinos. — **Luisa Maria Jacinta C. Jocson**

FULL STORY
Read the full story by scanning the QR code with your smartphone or by typing the link <rebrand.ly/PAGCOR072423>