Adjustments to next PHL Energy Plan expected to reflect rapid developments in renewables

POSSIBLE adjustments to the Philippine Energy Plan are in the works, with the Department of Energy (DoE) acknowledging that developments in the power industry are taking place faster than anticipated.

Patrick T. Aquino, director of the DoE's Energy Utilization Management Bureau, made the remarks to reporters on the sidelines of Philippine Electric Vehicle Summit on Thursday, after being asked whether the new plan will include higher renewable energy (RE) targets.

"As mentioned by (Secretary Raphael P.M. Lotilla), there might be slight adjustments, tweaks... I would like to reiterate the developments (in the energy sector) are happening faster than we envisioned," Mr. Aquino said.

The current share of RE in the power generation mix is 29.3%, Mr. Aquino said, adding that the DoE is optimistic of achieving its RE growth targets.

The latest edition of the Philippine Energy Plan has a 35% target for RE share by 2030, with a 50% target set for 2040.

"We will do the necessary revisions, and work with private sector partners to reflect what is really happening. There are consultations ongoing," he added.

The upcoming Philippine Energy Plan will seek to cover the years to 2050. The current plan only runs until 2040.

The DoE has said that it is considering a target of 2,400 megawatts for nuclear power capacity by 2035 when it issues the next energy roadmap. — **Ashley Erika O. Jose**

FREEPIK

PHL pinning hopes on Indian rice to help plug deficit in early 2024

THE rice export quota assigned to the Philippines by India could be tapped to address the expected shortage in January, when the supply of grain typically diminishes as planting season starts, an agriculture official said.

"If (the Indian rice) comes in, that will definitely provide us with the supply that we will be needing at the end of the harvest," Agriculture Undersecretary Mercedita A. Sombilla told reporters on the sidelines of the International Rice Congress.

Ms. Sombilla said Indian shipments will add to the supply during January and February, when planting season begins.

"Hopefully the impact of El Niño will not be severe; that volume will be very important and necessary for us to be able to get through," she added.

India's Director of Foreign Trade announced on Wednesday a rice export quota for the Philippines of 250,000 metric tons (MT). It also approved smaller quotas for Nepal, Cameroon, the Ivory Coast, Guinea, Malaysia, and the Seychelles.

Earlier, India had banned the export of non-basmati white rice to ensure adequate domestic supply. Basmati is the preferred domestic variety in India, while non-basmati white rice is the most-traded international variety.

India is the world's largest rice exporter, and its export ban had exerted upward pressure on international rice prices. The Philippines is the world's largest rice importer.

Philippine rice imports totaled 2.49 million MT as of Sept. 21, according to the Bureau of Plant Industry, with India accounting for 13,493.39 MT, equivalent to 0.6% of the total.

Vietnam remained the Philippines' top source of rice, shipping 2.24 million MT or 89.96% of Philippine imports for the period.

The government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), expects El Niño to strengthen towards late 2023, persisting until the first quarter of 2024.

Ms. Sombilla said imports will help curb surging retail prices of the staple grain.

High retail prices of rice prompted President Ferdinand R. Marcos, Jr. to order price controls on Sept. 5. This fixed the maximum price at P41 per kilogram for regular-milled rice and P45 for well-milled rice, caps which have since been withdrawn.

The Samahang Industriya ng Agrikultura (SINAG) cited the need to re-impose the P45 per kg price cap on well-milled rice in November, alleging that traders are creating "artificial" supply conditions to justify high prices.

"Rice farmers and millers have reported to us that some millers and traders are offering to buy palay between P21-23.50 per kilo of fresh palay (unmilled rice) and between P26-29 per kilo of dry palay," SINAG Chairman Rosendo O. So said.

"While this is positive for our farmers, we are all worried about a possible repeat of the rice price spikes last August," Mr. So added.

Asked to comment, Ms. Sombilla said that there are other measures available to curb any increases in rice prices.

"The price cap should really be a short-term (measure). I don't think we will resort to that... *Napilitan lang talaga mag*-price cap *noon* (we were forced to impose price controls at the time)," she added. — **Adrian H. Halili**

Energy-efficiency projects eligible for more incentives

THE Board of Investments (BoI) has issued a memorandum circular (MC) that will allow self-financed energy-efficiency projects (EEPs) to avail of duty-free equipment imports and other incentives.

In an online briefing on Thursday, Trade Undersecretary and BoI Managing Head Ceferino S. Rodolfo said MC 2023-006 was signed on Monday.

The new MC amends the BoI's MC 2022-008, which BoI Director Sandra Marie Recolizado said only offered renewable energy projects for the proponent's own use the incentive of "duty-free importation of capital equipment."

Citing Executive Order 226 or the Omnibus Investments Code of 1987, the BoI said it holds the authority to attract investment in desirable activities through an investment incentives scheme.

Under MC 2023-006, the self-financed EEP will also be entitled to an income tax holiday (ITH) and a duty exemption on imported raw materials, spare parts and accessories.

"The ITH incentive shall be limited to the prescribed ITH entitlement period under the CREATE Act or until the recovery of 50% of its capital investment, whichever comes first," according to the MC, referring to the Corporate Recovery and Tax Incentives for Enterprises Act.

The new MC will take effect after publication in a newspaper of general circulation.

During the briefing, Mr. Rodolfo said that Japan's MinibeaMitsumi will be the first private entity to avail of the additional incentives.

On Thursday, the Japanese electronics manufacturer inaugurated a P500-million solar power farm in Danao City, Cebu.

The project is located on a 6.8-hectare site and is expected to generate 12.8 gigawatts of energy annually, equivalent to 6,833 tons of carbon dioxide reduction per year.

"Even though this is a very big solar farm, it can cover only 8% of our total consumption here in the Danao factory. The savings amount will fully depend on the costs of the power which is fluctuating," Minibea President Tatsuya Mori said.

Minibea Group Executive Officer Caesar Augusto said that the company spends close to P8 billion a year on energy costs.

According to Mr. Rodolfo, the Japanese company is considered a major investor, employing 18,500 at its facility in Danao, 3,000 in Bataan and 1,000 in Batangas.

"We are now studying solar panels on the roof of our factory in Bataan ... It is the direction of the group, to be more renewable and to be more carbon-neutral towards 2030," Mr. Mori said. — **Justine Irish D. Tabile**

FREEPIK

Airlines cleared to increase fuel surcharge in November

THE Civil Aeronautics Board (CAB) said it increased the fuel surcharge that airlines can collect from passengers in November.

In an advisory on Thursday, the CAB said the passenger fuel surcharge for domestic and international flights will reset to Level 7 next month from Level 6 in October.

At Level 7, the domestic passenger surcharge is between P219 and P739. For international flights, the surcharge is between P722.71 and P5,373.69.

At Level 6, the domestic passenger surcharge was between P185 and P665, while the international surcharge was between P610.37 and P4,538.40.

The Level 7 setting also applies to air cargo services, it said.

Airlines are allowed to collect a fuel surcharge according to a matrix approved by the CAB.

The surcharge is an optional fee charged by airlines to recover fuel costs. It is set based on the movements of jet fuel prices. — **Ashley Erika O. Jose**

Philippines elected to UNWTO vice presidency for East Asia

THE Department of Tourism (DoT) said on Thursday that the Philippines was elected to the vice presidency for East Asia and the Pacific at 25th United Nations World Tourism Organization (UNWTO) general assembly.

Tourism Secretary Maria Esperanza Christina G. Frasco represented the Philippines at the meeting on Wednesday in Uzbekistan.

In a statement, the DoT said the Philippines will help the UNWTO achieve its goal of promoting responsible, sustainable and universally accessible tourism.

In June 2024, the Philippines will host the Joint Regional Meetings of the Committee for East Asia and the Pacific and South Asia in Cebu. — **Justine Irish D. Tabile**

IRRI signs on as partner to develop yield-based crop insurance program using satellite mapping

THE Philippine Rice Research Institute (PhilRice) and the Philippine Crop Insurance Corp. (PCIC) said they entered into a partnership with the International Rice Research Institute (IRRI) to develop a satellite-enhanced crop insurance program which will compile a map of riceland yields.

"This partnership is a step towards making insurance protection available to Filipino farmers at a crucial time when we are facing severe weather challenges," PhilRice Executive Director John C. de Leon said.

The yield database will help the PCIC assign a value to policies taken out by rice farmers.

The three organizations intend to collaborate in bringing crop insurance to about 2.4 million rice farmers.

The program will use data from the rice mapping and monitoring system known as PRISM (Philippine Rice Information System) to design and test an Area-Based Yield (ARBY) index.

ARBY considers historical yields of plots of land to help determine insurance payouts in the event of losses.

"The fusion of satellite technology and advanced modeling is revolutionizing how we can insure crops," IRRI Interim Director-General Ajay Kohli said.

"(The) satellite-based ARBY index insurance for rice can help simplify the much-needed coverage for small farmers," Mr. Kohli added.

PCIC President Jovy C. Bernabe said technology has the potential to help improve insurance products and services.

"(It) can bring efficiencies to our operations compared to traditional indemnity-based crop insurance models which involve site visits and verification of every claim," Mr. Bernabe added.

The PCIC said about 1.6 million rice farmers carried insurance in 2022. — **Adrian H. Halili**

NEWS ONLINE BW

Vice President and Department of Education Secretary Sara Duterte meets with Go Negosyo founder Joey Concepcion to explore the possibility of incorporating entrepreneurship training to support or complement the Senior High School curriculum. Joining Concepcion at the meeting last October 17, 2023 were Go Negosyo's senior advisers.

Urgency of investing in agriculture, food grows as climate change threat looms

THE agrifood sector was identified as a priority area for global investment, though investment prospects currently offer limited visibility going forward, the United Nations Conference on Trade and Development (UNCTAD) said.

In a report, UNCTAD said high debt levels and a volatile investment climate are key obstacles to attracting global investment.

Philippine Chamber of Commerce and Industry (PCCI) President George T. Barcelon said global economies are facing supply chain disruptions caused by geopolitical uncertainties.

"Even among ASEAN countries, we rely heavily on imported fertilizer ... geopolitical tensions will impact the supply of this key ingredient," he said.

UNCTAD estimated the global investment gap in developing countries at $4 trillion a year.

Mr. Barcelon said ministers at UNCTAD's 8th World Investment Forum are also now seeing the implication of climate change.

"Some countries used to have predictable harvests of rice and wheat ... but now we are seeing droughts," he said.

Michael L. Ricafort, chief economist of Rizal Commercial Banking Corp., said that prioritizing agrifood is crucial for food security, citing the particular need to invest in improving productivity.

He noted the availability of technology to raise the level of mechanization, as well as the presence of higher-yielding varieties of crop, and cited the potential of improved irrigation and infrastructure.

"(These will) further bring down costs and prices of food and other agricultural products," he said.

He added that assigning priority to the sector is a "more effective and a more structural approach in improving the supply chains of food and other agricultural products in a more sustained manner over the long term."

"It would also force competitors to adopt the best available technologies (funded by) foreign direct investment," he added.

UNCTAD said that the ministers attending the forum reached a consensus on the need for a business-friendly environment, attracting environmentally responsible investment, and establishing strategic public-private partnerships.

"They deemed investment in transformative and sustainable technologies to be crucial for a paradigm shift in global food security and environmental sustainability," UNCTAD said.

"This involves accelerating the transition to renewable energy, harnessing green technologies and promoting supportive business environments," it added. — **Justine Irish D. Tabile**