

Retail-farmgate divergence may trigger pork price caps

THE Department of Agriculture (DA) said price controls on pork are under consideration in the event that the price difference at the retail and farmgate levels continues to widen.

“That’s what we have to look at, after rice. The problem is... why it is higher in the markets,” DA Spokesperson and Assistant Secretary Arnel V. de Mesa told reporters on Tuesday, referring to the retail-farmgate divergence.

He added that the DA may consider price caps on pork if retail prices continue to rise, or if any “manipulation” is found.

The DA projects the supply of domestic pork to decline to a deficit equivalent to 10 days’ demand at the height of the yearend holidays.

“There might be a need to import during the last quarter where demand is much higher,” he added.

Mr. De Mesa said there is a need to balance local production with imports.

“It is still a priority of our government to strengthen local production; this is the only way to ensure that there is a balance and avoid an increase in prices,” he said.

“We need to consider the welfare of our producers and at the same time that of the consumers, as well,” he added.

The Philippines imported about 59.13 million kilograms of pork in the eight months to August, according to the Bureau of Animal Industry.

“When the imported pork meat comes in, they will keep (supply and demand) in balance,” he said.

Mr. De Mesa said the pork surplus will be equivalent to 10 days’ demand at the end of the third quarter.

He said that African Swine Fever (ASF) is still affecting the supply of pork.

“There are about 19 provinces with active cases of ASF,” he added.

He said the disease remains present in 98 barangays, though the outbreak has subsided to a level where case numbers are nowhere near their peaks.

On Monday, Oriental Mindoro province detected its first case of ASF. — **Adrian H. Halili**

PCCI urges education system to stay up to speed on tech developments

THE Philippine Chamber of Commerce and Industry (PCCI) said the education system must keep up to date on technological developments that will raise businesses competitiveness when their students enter the workforce.

“Our educational system should be able to keep up with the rapid advances in technology and innovation for us to create a future of skilled and technology-savvy workforce,” PCCI President George T. Barcelon said in a statement.

He cited the need to review and upgrade the Philippines’ competencies and skill sets to stay regionally competitive.

He said this will be one of the discussions in the upcoming 49th Philippine Business Conference and Expo (PBC&E) on Oct. 25-26.

PBC&E Chairman Felino A. Palafox, Jr., said education plays a key role in making work opportunities fair, alleviating poverty and enhancing communities.

“Education is a long-term investment for the growth and prosperity of the country. There is an unmistakable correlation between access to quality education and economic and social progress,” he added.

The PCCI said that the Philippines has been slipping behind its Southeast Asian neighbors in reading, writing and arithmetic, citing a 2019 survey conducted by the Southeast Asian Ministers of Education Organization and the United Nations Children’s Fund.

It said that the educational disparities were further exacerbated by school closures during the pandemic as the abrupt shift to online learning disrupted access to education.

“The biggest obstacles stem from the inability to adapt to online learning owing to a lack of resources, as well as access to digital equipment and internet connectivity, particularly in remote regions,” the PCCI said.

“Given this, institutions and businesses must redesign, rethink, and invest in present and future workforce education and training,” it added.

Mr. Barcelon said that PCCI believes in the value of education in improving the Philippine economy.

“(We) are working hard and continuously collaborating with the government and other private organizations to assist the Philippines in meeting the changing demands of the labor market,” he added.

The PBC&E session, which will discuss the ways the public and private sectors can contribute to shaping the future of earning and learning in the country on education, will be led by Senator Sherwin T. Gatchalian. — **Justine Irish D. Tabile**

Fitch Ratings downgrades PHL growth forecast to 4.8%

FITCH RATINGS said it downgraded its gross domestic product (GDP) growth forecast for the Philippines to 4.8% this year from the 6.8% issued in May.

“We have revised down our forecast for 2023 growth to 4.8% from 6% at the time of the Outlook revision in May 2023,” Fitch Ratings said in a brief dated Oct. 9.

If borne out, the growth indicator would come in well below the government’s 6-7% growth target for the year.

“Headwinds to growth include high interest rates, the weak external sector as well as adverse weather conditions,” Fitch Ratings said in a follow-up e-mail.

However, it noted that these obstacles to growth are “temporary.”

According to Fitch Ratings, growth is expected to accelerate to 6.2% next year and further to 6.3% in 2025. These are both below the government’s 6.5-8% targets for 2024 to 2028.

“We forecast real GDP growth of above 6% over the medium term, considerably stronger than the ‘BBB’ median of 3%, after a record outturn of 7.6% in 2022, reflecting normalization of activity after the pandemic and the government’s investment program,” it added.

The Philippine economy grew 4.3% in the second quarter, the weakest reading for the indicator in over two years. Third-quarter GDP data will be released on Nov. 9.

Meanwhile, Fitch Ratings expects the National Government’s (NG) outstanding debt as a share to GDP to decline to 53.7% this year, 53.1% in 2024, and 52.3% in 2025.

It said this was due to “strong nominal growth and narrowing fiscal deficits.”

The government is hoping to reduce the debt-to-GDP ratio to below 60% by 2025.

At the end of June, the NG’s debt-to-GDP ratio stood at 61%, still above the 60% threshold considered by multilateral lenders to be manageable for developing economies.

It cited risks that could hamper the reduction of the debt-to-GDP ratio, including slowing fiscal consolidation in order to support growth.

Meanwhile, Fitch Ratings also noted that inflation will continue to remain a cause for concern.

“Inflation has fallen to more comfortable levels in many places, although El Niño is a risk, particularly for sovereigns that have food as a large weight in the consumer price index (CPI), such as India, the Philippines and Thailand,” it added.

Headline inflation accelerated to 6.1% in September. This marked the 18th straight month that inflation exceeded the central bank’s 2-4% target.

In the nine months to September, inflation averaged 6.6%, still above the central bank’s revised 5.8% full-year forecast. — **Luisa Maria Jacinta C. Jocsen**

Green energy Round 2 winners given more time to submit post-auction requirements

THE Department of Energy (DoE) said it provided another deadline extension to winners of the second Green Energy Auction (GEA-2) program to submit their post-auction requirements.

In an advisory, winners were given until Nov. 13 to comply with the requirements. The DoE had originally set the deadline at Sept. 10, and then extended it to Oct. 10.

It said work suspensions due to inclement weather and holidays were partly behind the latest extension, though it was also responding “to the findings in the focus group discussion where the participants in GEA 1 found the timelines to be too strict,” Energy Undersecretary Felix William B. Fuentebella, the official who signed the advisory, said in a Viber message.

The DoE said it will issue the certificates of award to post-auction qualified winning bidders on or before Dec. 13.

Winning bidders that fail to submit post-auction requirements before Oct. 25 are re-

quired to extend the validity of their bid bond from Oct. 31 to Nov. 31, the DoE said. Proof of bond extension must be submitted not later than Oct. 27.

“Failure to submit such proof of bid bond validity extension within the prescribed timeline shall result in the post-auction disqualification of the bid and the corresponding forfeiture of the bid bond,” the DoE said.

GEA-2 was conducted on July 3, after which the DoE issued notices of award for 105 winning bids, covering projects generating 3,440 megawatts (MW), well below the 11,600-MW capacity on offer.

The project timelines are between 2024 and 2026.

The GEA program aims to promote renewable energy (RE) as a primary source of energy through competitive selection.

The DoE said that it will also help the government reach its goal of increasing the RE share of the energy mix to 35% by 2030 and 50% by 2040. — **Sheldeen Joy Talavera**

Australia’s Fortescue declares interest in PHL hydrogen energy investment

AUSTRALIA’S Fortescue Metals Group Ltd. has expressed interest in investing in the Philippines’ hydrogen energy industry, the Department of Trade and Industry (DTI) said.

In a statement, the DTI said Trade Secretary Alfredo E. Pascual encouraged Fortescue to partner with Philippine companies with geothermal projects as a starting point.

“With a conducive business environment in place ... Fortescue ... can also partner with companies with existing projects such as geothermal, while also considering hydrogen as an energy option for the longer term,” Mr. Pascual said.

The DTI said that during Mr. Pascual’s meeting with the Australian company on Monday, Fortescue said it will explore “prospective investment opportunities in the Philippines.”

“They highlighted interest in utilizing hydrogen, particularly for transport given the proven technology in this area. They also said that they look forward to partnering with experts and local partners in their potential investment in the country,” the DTI said.

Yesterday, the DTI said that Australian companies have expressed interest in a public-private partnership for a 40-megawatt thorium-fueled simple-high-temperature gas-cooled reactor.

In a Viber message, Mr. Pascual said that the project in which Australia’s Southern Infrastructure Pty Ltd. and Kai-zen ANZ Pty Ltd. expressed interest in carries potential advantage against uranium-based nuclear reactors.

“Thorium reactors have some potential advantages such as greater abundance of thorium in the Earth’s crust, reduced nuclear waste production, and enhanced inherent safety features,” Mr. Pascual said.

“While not renewable, the energy from nuclear power plants is considered clean. Thorium reactors represent a promising alternative for nuclear energy generation,” he added.

On Tuesday, Mr. Pascual and Foreign Affairs Secretary Enrique A. Manalo attended the sixth Philippines-Australia Ministerial Meeting (PAMM) in Adelaide.

In a joint statement, the trade and foreign affairs ministers of both countries welcomed the elevation of the Philippines-Australia bilateral relationship to a strategic partnership.

“The Ministers and Secretaries reinforced our countries’ commitment to striving for a region that is open, stable and prosperous. They reaffirmed our shared interests in preserving peace in the Indo-Pacific and recognized the sta-

bility of the region is anchored in respect for sovereignty and agreed rules and norms, and commitment to upholding international law,” the joint statement read.

Australian Foreign Minister Penny Wong said at the PAMM Joint Media Conference that Australia shares a special connection with the Philippines through its long friendship, deep partnership and 77 years of diplomatic relations.

“We are really pleased with what we are doing together, the practical steps we are taking and the importance of this relationship both bilaterally and also for the region we share,” she said.

Mr. Manalo said PAMM underscores the commitment of both countries to deepen existing and explore new areas of cooperation as strategic partners.

“As strategic partners, we are determined to seek alignment as we pursue cooperation across various sectors including defense, security, law and justice, trade and investment, development, people-to-people, and matters of regional significance,” he said.

He also added that the Philippines is now recognizing the growing importance of cybersecurity and looks forward to advancing cooperation with Australia.

Donald Edward Farrel, Australia’s Minister for Trade and Tourism, said there is more to explore in expanding the two-way trade between the Philippines and Australia.

“The Philippines is an extremely important economic partner to Australia. It is one of the fastest growing economies in this part of the world and the region,” Mr. Farrel said.

“We can do better, with less than 10 billion Australian dollars worth of two-way trade, the Philippines is our 17th largest trading partner,” he added.

He said that this could be further improved through the business mission Australia plans to send next year and the establishment of an Australian investment deal team in Manila.

“These efforts will make an important contribution to ensuring that we can expand our trade and investment connections,” he said.

Mr. Pascual said that the countries will work together to enhance collaboration in areas of mutual interests such as agriculture, education, critical minerals and clean energy.

“There is a lot of room for doing these enhancements. The Philippines is committed to work with Australia in finding mutually beneficial gains as we move forward to our strategic partnership,” he said. — **Justine Irish D. Tabile**

Petroleum database made open-access to encourage exploration, investment

THE Department of Energy (DoE) has authorized access to all data and reports on the Philippines’ petroleum resources.

The DoE said in a circular that it “desires to attract more Exploration and Production (E&P) companies to spur exploration activities which may provide new discoveries of oil and gas fields leading to their development and production by declassifying petroleum data and providing free access.”

The circular was signed by Energy Secretary Raphael P.M. Lotilla on Sept. 29.

The data and reports covered by the circular are those stored in the Energy Data Center of the Philippines (EDCP) — the sole repository of petroleum, coal, and geothermal energy data in the Philippines.

The DoE has also given access to petroleum data and reports that were submitted in accordance with active petroleum service contracts and multi-client agreements upon the expiration of their respective exclusivity periods.

“This Circular shall apply to all petroleum data and reports stored in the EDCP and all other petro-

leum data and reports that are in the possession, control, and custody of third persons, whether as owners, interest partners or otherwise,” the DoE said.

The DoE said that all petroleum data and reports that are required to be submitted to the DoE must be received and stored in the EDCP.

Those allowed free data access are government agencies and instrumentalities, service contractors, potential investors, researchers, students, and others that may be allowed by the DoE upon written request. — **Sheldeen Joy Talavera**

Regulator announces incentive scheme favoring use of eco-friendly pesticides

THE Fertilizer and Pesticide Authority (FPA) said that it is planning an incentive scheme to help farmers reduce the use of harmful pesticides.

The FPA said that the United Nations-backed project, “Promoting eco-friendly crop protection solutions for persistent organic pollutant and highly hazardous pesticide reduction in Asia,” seeks to reduce the use of persistent organic pollutants (POP) and highly hazardous pesticides (HHP).

“The project aims to establish sustainable financing, investment, and incentive mechanisms in the formulation, production, and application of eco-friendly crop protection solutions for the reduction of POPs and HHPs, enhancing livelihood, food safety, and protection,” it added.

The FPA is currently in talks with the United Nations Industrial Development Organiza-

tion and “other stakeholders” to implement the project.

It is funded by the Global Environment Facility and will run until Oct. 31, 2028.

The project is also aimed at enhancing finance and investment in the development, production, and application of biopesticides, safe chemical alternatives, and other biocontrol agents.

The project is also expected to raise capacity building and awareness of alternative pest controls.

The FPA’s Pesticide Regulatory Division will serve as the project’s national coordinating entity.

“Coordinating agencies include the member agencies of the Department of Agriculture and Local Government Units of selected farmer groups,” it added.

Other participants include the Department of Science and Technology. — **Adrian H. Halili**