PHL minerals seen playing key role greening US economy

By Justine Irish D. Tabile
Reporter

A PARTNERSHIP with the Philippines covering critical minerals is deemed critical for the US push to make its economy greener, the US Chamber of Commerce (USCC) said.

John Patrick Goyer, USCC executive director for Southeast Asia, said both the US and the Philippine government have been discussing such an agreement for some time.

"I don't really have a good sense of how far those conversations have gone. But I think that in order for, certainly for the US, to move forward effectively on its climate agenda, it is going to require access to certain critical minerals and rare earth elements (and) the Philippines has some of these," Mr. Goyer told *BusinessWorld*.

However, he said there are still concerns in the US government and Congress about the impact of extracting green minerals on the environment and mine workers.

"I think there is a way to come up with some sort of cooperation, whether it's through technical assistance, upgrading standards in that sector, or providing help on best practices," he said.

"But those minerals are necessary to combat climate change. And while the process and the extraction itself has many risks, I don't think there's any choice but to try to move forward in the best way possible," he added.

He added nickel and cobalt are needed to produce electric vehicle (EV) batteries and other components that the US needs to produce cleaner energy.

"Companies worldwide are increasingly having to price in climate risk as they consider investment plans," he added.

Earlier this year, the US and Japan signed a critical minerals agreement to strengthen and diversify supply chains and promote the adoption of EV battery technology.

Trade Secretary Alfredo E. Pascual said in September that a critical minerals agreement with the US is being discussed in the context of the Indo-Pacific Economic Framework (IPEF).

IPEF is an economic bloc launched in 2022 with 14 participating founding members — Australia, Brunei, Fiji, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand, US and Vietnam.

FREEPIK

BIR sees threat of site blocking as first step in taxing digital economy

THE Bureau of Internal Revenue (BIR) is exploring technologies to help it monitor the digital economy, and has determined that it needs the power to shut down sites for a taxation campaign or a crackdown on other abuses to be effective.

"The first thing the Commissioner is doing is to look for the means to shut down websites... We need to be equipped with that kind of technology before we go after them," BIR Assistant Commissioner Jethro M. Sabariaga told reporters last week.

Mr. Sabariaga noted the difficulty of generating revenue from the digital economy.

Last year, the digital economy was estimated at P2.08 trillion, equivalent to 9.4% of gross domestic product.

The BIR has said it is looking for ways to improve the tax compliance of social media influencers, noting inadequate levels of tax registration in that trade.

"We're engaging (with) the social media influencers. We're trying to win them over... the more you can (bring about) voluntary compliance, (the) better," he said.

Under Revenue Memorandum Circular No. 97-2021, influencers are defined as "all taxpayers, individuals or corporations, receiving income, in cash or in kind, from any social media sites and platforms in exchange for services performed as bloggers, video bloggers or as influencers, in general, and from any other activities performed on such social media sites and platforms."

The circular noted that influencers were liable to pay income tax and business tax, which can come in the form of percentage tax or value-added tax.

The BIR is also looking to start imposing a creditable withholding tax on partner-merchants of online platforms by December.

This year, the BIR aims to collect P2.64 trillion. It collects about 70% of government revenue.

BIR collections rose 7.25% year on year to P1.86 trillion in the nine months to September period, but missed the P1.93-trillion target for the period. — **Luisa Maria Jacinta C. Jocson**

Clark Dev't Corp. seeking to attract more EV locators

CLARK Development Corp. (CDC) said it hopes to attract more electric vehicle (EV) manufacturers to the Clark Freeport Zone.

"Right now, we have one. It's an American company. But we need more," CDC President and Chief Executive Officer Agnes VST Devanadera told reporters last week.

"We have available area and you know, they don't really require big sites. That is why we want manufacturing and the information technology investment — they only require small areas," she added.

She said that some foreign investors have expressed interest in investing in the freeport, "but again, some are looking at our policies."

She also added that Filipino investors in the EV industry have also indicated interest in Clark.

"There is one that expressed interest. I think it's serious about manufacturing electric motorcycles and also electric golf cars," she said.

"We are shifting from just inviting foreigners to also inviting Philippine entrepreneurs," she added.

Earlier this year, US EV maker Envirotech Vehicles, Inc. signed a lease agreement with Berthapil, Inc., a real estate developer in the freeport, to build a plant in the zone.


FREEPIK

"They want to move to Asia and they think that politically and in everything else the Philippines is more stable than other Asian locations," Ms. Devanadera said.

Envirotech hopes to start operating its assembly plant in Clark this year, Ms. Devanadera said.

"We have existing facilities ... (so locators can) plug and play," she said.

The facilities, she said, were used by previous locators who closed during the pandemic.

Asked about the size of Envirotech's site, she said: "It is not big, that is why we were so encouraged to invite more because they don't really need big facilities." — **Justine Irish D. Tabile**

Relex AI pitched to food retailers seeking supply chain efficiencies

By Adrian H. Halili
Reporter

FINLAND's Relex Solutions said its artificial intelligence (AI) platform holds the potential to improve supply chain efficiencies for food retailers.

"The Philippine retail market... can benefit by increasing margins, reducing waste, and increasing efficiency," Relex Solutions Philippines Head of Sales Donald Felbaum said in an interview with *BusinessWorld*.

"One of the core things that we do is we use a lot of AI machine-learning based technologies to automate a lot of repetitive tasks and make more intelligent decisions," Mr. Felbaum added.

He said retailers can be assisted with demand forecasting, which in turn "helps you figure out how much stock and space you have and how much people actually want."

Mr. Felbaum said that the proprietary software can also project spoilage in fresh produce, eliminating waste and improving margins.

"What we do is give (businesses) better understanding of demand; looking at things like seasonality, previous sales history, and future external factors," he added.

"A lot of the buying within the marketplace today is inefficient leading to scarcity," he said.

Mr. Felbaum said Relex is seeking out new partnerships with retailers to expand its business.

"We're talking to some of the big players in the Philippines," he added.

Cebu-based Prince Retail Group has tapped Relex Solutions to automate demand forecasting across its supermarket chain.

"The Philippines has a huge opportunity to offer more value to consumers... with the (country) being archipelagic, supply chains can be more complex," he said.

"Even without software, better planning can have a positive impact on the environment and to the consumer," he added.

Relex Solutions specializes in software that assists retailers and consumer goods brands in optimizing operations, including supply chain and space management.

NGO wants nuclear project estimates to reflect cost of radioactive waste disposal

COST PROJECTIONS for electricity generated by proposed nuclear power plants need to reflect the cost of storing radioactive waste material, a non-government organization (NGO) said.

Gerry C. Arances, convenor of People for Power Coalition and executive director of the Center for Energy, Ecology and Development, said nuclear power proponents who put forward affordability arguments are not accounting for the cost of storing nuclear waste.

"(We need to) see the pricing when the nuclear proponents incorporate waste disposal and waste management because that's one of the largest (expenses)," he said in an interview on the sidelines of a briefing.

Energy Secretary Raphael P.M. Lotilla said in a forum last month that the government is laying the groundwork to "satisfy the competency requirements" based on the milestone approach of the International Atomic Energy Agency (IAEA).

Mr. Lotilla said the Department of Energy has started drafting the national policy and strategy for safety in nuclear energy, which will set out the government's commitment to achieve the fundamental safety objectives and to adopt the safety principles established by the IAEA.

The policy document is intended to foster transparency in all activities related to the nuclear energy program, particularly on the protection of people and the environment, he said.

Mr. Arances said that unlike nuclear energy, renewable energy has "already proven" its low cost.

With renewable energy, "there is no risk, no need to import," he added.

The government hopes to increase the share of renewable energy in the power mix to 35% by 2030 and to 50% by 2040.

"In all the studies that have been released, those have not incorporated the financials of waste materials. Who will ensure the security of waste materials? National Government? Does that (include) all the risks and financial requirements?" Mr. Arances said. — **Sheldeen Joy Talavera**


FREEPIK

Agri council: Salt industry revival to hinge on public, private collaboration

THE Philippine Council for Agriculture and Fisheries (PCAF) said public-private collaboration will be critical in the revival of the salt industry.

In a statement, PCAF said it is seeking to generate policy recommendations to boost salt production from a series of consultations.

The PCAF said the consultations arrived at a consensus supporting the passage of Philippine Salt Industry Development Act.

The proposed measure seeks to implement a Philippine Salt Industry Development Roadmap which will create programs, projects, interventions, and incentives to increase production. — **Adrian H. Halili**

World Bank extends validity of PHL COVID-19 loans to late 2024

PHILIPPINE STAR/WALTER BOLLOZOS

RESIDENTS of Marikina receiving booster shots at Marikina Sports Complex.

THE World Bank said it adjusted the terms for loans issued as part of the Philippine COVID-19 Emergency Response project, including extending closing dates.

In a letter to Finance Secretary Benjamin E. Diokno and uploaded on the World Bank website, the bank said it extended the closing date for the project's original and first additional financing loan agreement to Dec. 29, 2024.

It also canceled a $14.82-million additional loan (Loan No. 9220-PH) as well as $300 million from the second additional financing agreement (Loan No. 9328-PH).

The respective amounts were canceled as of Sept. 15.

The closing date for the second additional financing loan agreement was also amended to Oct. 31, 2023.

The amendments to the loan agreement were made in response to a request to restructure the project, according to the document.

The COVID-19 Emergency Response project aims to "strengthen the Philippines' capacity to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness."

The project finances the procurement of medical supplies and equipment; strengthens laboratory capacity; and improves emergency response plans, among others.

The project has commitment funds worth $900 million. It was approved in April 2020.

The Philippines currently has a total of 18 ongoing loans with the World Bank worth $5.701 billion.

Last year, the bank was the country's third-largest source of official development assistance (ODA). It accounted for 21.18% of the ODA portfolio, equivalent to $6.86 billion across 29 projects and programs. — **Luisa Maria Jacinta C. Jocson**