Sumitomo Mitsui to help steer more Japanese locators to PHL

THE Philippine Economic Zone Authority (PEZA) said it signed a partnership with Sumitomo Mitsui Banking Corp. (SMBC), which holds a minority share in Rizal Commercial Banking Corp. (RCBC), to help steer Japanese investors to the Philippines.

"This (memorandum of understanding) is a continuing program of PEZA partnering in industries, banks, even bank associations because they'll be our extension and support group when it comes to attracting investments," PEZA Director General Tereso O. Panga said on the sidelines of the signing on Tuesday.

"With the SMBC and RCBC, obviously we are looking at Japan, being our number one source of investments, exports, and jobs for the longest time," he added.

Mr. Panga said PEZA will be more "aggressive" in signing up more investors from Japan.

"In fact, immediately after the signing, I think in the first week of March, we will have our first investment seminar for our SMBC clients," he added.

Japan accounts for 807 of all PEZA-registered business enterprises (RBEs) with combined investments of P797.84 billion as of October.

"With its acclaimed global presence, the partnership with SMBC could help PEZA tap into a broader network of international investors, potentially attracting more foreign direct investment (FDI) and reinvestment into the economic zones," Mr. Panga said.

"On the other hand, the collaboration with RCBC could streamline processes within the economic zones, making it more efficient and attractive for potential investors," he added.

SMBC Managing Executive Officer and Co-Head of Asia-Pacific Yuichi Nishimura said that under the partnership, SMBC will be hosting events in Tokyo to attract investors.

"I am sure this tri-party MoU would further facilitate our corporation activities to attract additional investors into the Philippines," Mr. Nishimura said.

Eugene S. Acevedo, president and chief executive officer of RCBC, said RCBC has been actively servicing Japanese clients since 1974.

"So it is a great way to celebrate the occasion by actively participating in sourcing new investors from Japan together with our partners in SMBC," Mr. Acevedo said.

"We (will support) delegations visiting Tokyo and other cities," he added.

Mr. Nishimura sees opportunities in the Philippines for high tech and pharmaceuticals investments.

"We want to contribute to the Philippines as a country, so (we will follow) whatever the government initiatives are, for example to further enhance high techs, or pharmaceutical and medical equipment. These value-adding areas could be among them," he said.

He added that the role of RCBC, which is 15% owned by SMBC, will be to offer retail products to investors' employees.

"SMBC is historically very good at providing corporate finance ... but having RCBC as our partner, we could focus on the new areas, like employee financing needs," he said.

"We cannot provide these services because we are foreign. So we need a very trustworthy local partner... Going forward, we can together provide a one-stop shop gateway that can provide everything from corporate needs to employee needs," he added. — **Justine Irish D. Tabile**


PEXELS

Cement industry warns of layoffs amid dumping by Vietnam competitors

THE cement industry warned of further layoffs and reduced operations, citing declining demand and competition from imports being "dumped" onto the Philippine market from Vietnam.

"As it stands, the Philippine cement industry has been forced to downscale operations as imports continue to cannibalize the market, and in certain cases lay off workers due to the worsening market situation," said Cement Manufacturers Association of the Philippines (CEMAP) in a statement on Tuesday.

"With the projected increase of cement imports, manufacturers will be forced to further downscale operations until demand recovers or importers cease dumping and exploiting the local market," it added.

According to CEMAP, the production capacity of the cement industry far exceeds expected demand in 2024.

The industry increased capacity by 17 million tons per annum over the last five years, bringing capacity to 53 million tons in 2024.

Meanwhile, CEMAP said demand continues to contract and is currently forecast at 34.5 million tons in 2024.

"Despite the more than adequate supply, the industry continues to be plagued by continuing influx of imports, mostly from Vietnam, despite the imposition of dumping duties on certain manufacturers and exporters," it added.

In 2023, importers brought in 7 million tons, which CEMAP said is expected to increase amid the 6% contraction of the Vietnamese cement market, which could result in the shipment of more of Vietnamese output to the Philippines in the coming months.

According to CEMAP, the cement industry accounts for at least 1% of gross domestic product and employs 130,000 directly and indirectly. — **Justine Irish D. Tabile**

Philippines seeks to double halal industry output

THE Department of Trade and Industry (DTI) said it is aiming for a doubling in the halal industry's output with the launch of the Philippine Halal Industry Development Strategic Plan 2024-2028.

"Our strategic plan is to transform the Philippines into a premier halal hub in the Asia-Pacific over the coming four years," Trade Secretary Alfredo E. Pascual said at the launch event at the World Trade Center on Tuesday.

"The execution of our Halal Strategic Plan will see a doubling of our current 3,000 halal-certified products and services to 6,000, catering to both the burgeoning domestic demand and the global halal market," he added.

"Last year, we imported halal products worth $120 million, indicating a substantial market we could satisfy domestically," he added.

The plan also includes a P230-billion foreign-investment target and a 120,000 new-jobs target over the four years.

"Our approach invites global participation in Philippine industry development and encourages major local manufacturers to produce halal goods, thus meeting the rising demand at home and abroad," said Mr. Pascual.

"The confidence in our plan stems from undeniable statistics that tell a compelling story of growth and potential," he added.

Muslims currently account for 25% of the global population, or 1.9 billion people. This is projected to grow to 2.8 billion by 2050.

"The halal market is poised for remarkable growth, expected to reach a staggering $7.7 trillion by 2025, (against) $3.2 trillion in 2015," said Mr. Pascual. — **Justine Irish D. Tabile**

Ernst and Young unit to increase PHL headcount to 7,500

ERNST and Young unit EY Global Delivery Services (EY GDS) said it is planning to increase staffing to 7,500 in the next few years.

"We have a two- to three-year target of getting to 7,500 here in the Philippines. That would be across all of the service lines here," EY GDS Philippines Tax Co-Leader EY Asia-Pacific and EY Global Compliance and Reporting (GCR) Lead Andrea Catte told reporters on Tuesday.

EY GDS is a knowledge process outsourcing firm delivering tax, assurance, strategy, and consulting services to EY member firms.

The firm currently employs 5,000, mainly located in Metro Manila.

Ms. Catte added that the firm will also focus on upskilling and reskilling its workforce during the next few years.

"But the key focus for 2024 is adaptability and growing the skill sets and services that we are offering," she said.

In October, the firm opened a Cebu office to increase its capacity to deliver more services to member firms.

"More and more opportunities are being directed to us here... definitely the growth will happen. But it is not only the growth in terms of numbers but what we can (provide)," Raymond Go, EY GDS Philippines consulting leader, said.

"The company also plans to leverage emerging technologies (artificial intelligence, automation, data analytics) for better service delivery, strengthen industry partnerships, and cultivate a culture of continuous learning, innovation, and adaptability," it said.

Mr. Go said that close to 50% of its business is mainly business assurance, while 20–25% is consulting services, with its tax practice accounting for the remainder is for its taxation services.

He described consulting as one of its "fastest-growing" segments by headcount. — **Adrian H. Halili**


CHARLESDELUVIO-UNSPLASH

Legislators seek more funding, bigger role for industry in upgrading vocational programs

LEGISLATORS said they support more funding and industry participation in developing technical-vocational education and training (TVET) to improve enrollees' job prospects.

A report by the Second Congressional Commission on Education (EDCOM II), a panel composed of legislators and educators tasked to review the education industry after the pandemic, cited the need to review TVET scholarship policies to be more responsive to the needs of learners, and to rationalize enterprise-based learning policies.

EDCOM II also sought increased funding for training programs and scholarships.

At a House plenary session on Monday, Pasig Rep. Roman T. Romulo said that community-based training programs for 3.7 million TVET learners are non-compliant with training regulations, citing the absence of proper government assessment and certification standards.

He added that less than 15% of the Technical Education and Skills Development Authority's (TESDA) 2,203 programs lead to a national certification.

"This underscores the critical gap in aligning skills acquisition with recognized standards, hindering the advanced of our large — but mostly uncertified — skilled workforce," Mr. Romulo said.

EDCOM II called for an "industry-driven incentive framework" for industry to help in enhancing the skills of TVET learners.

"Industry participation remains limited and prohibitive," Mr. Romulo told the plenary, citing stakeholders' issues on paperwork and delays by government agencies.

"We must invest in higher-level qualifications that align with the dynamic demands of the labor market. This requires a transformation in bureaucratic systems, making them more agile and responsive to the rapidly changing needs of industry," he added.

The report also called on TESDA to centralize its management information system to track its respective programs and trainees.

TESDA had 1.26 million enrollees and 1.23 million graduates last year, according to its 2022 annual report. — **Beatriz Marie D. Cruz**

Insurance regulator collections up nearly 4% to P518.69M

THE INSURANCE regulator said fee collections rose 3.83% in 2023 to P518.69 million, citing strong growth in product registration fees.

The Insurance Commission said the increase in fees collected is "attributable to the 10.04% increase in Registration Fees for Product Approvals and the 14.12% increase in Examination Fees."

Registration fees for product approvals amounted to P61.9 million, up from P56.25 million a year earlier.

Of the total, P52.57 million was generated by pre-need and health maintenance organizations (HMOs), while P9.34 million was paid by life and non-life insurers.

Meanwhile, examination fees amounted to P148.59 million last year, up from P130.21 million in 2022. All examination fees were collected from life and non-life companies.

Certificate of authority fees fell 3.39% to P188.31 million, with P180.19 million paid by life and non-life insurers and P8.13 million generated by pre-need companies and HMOs.

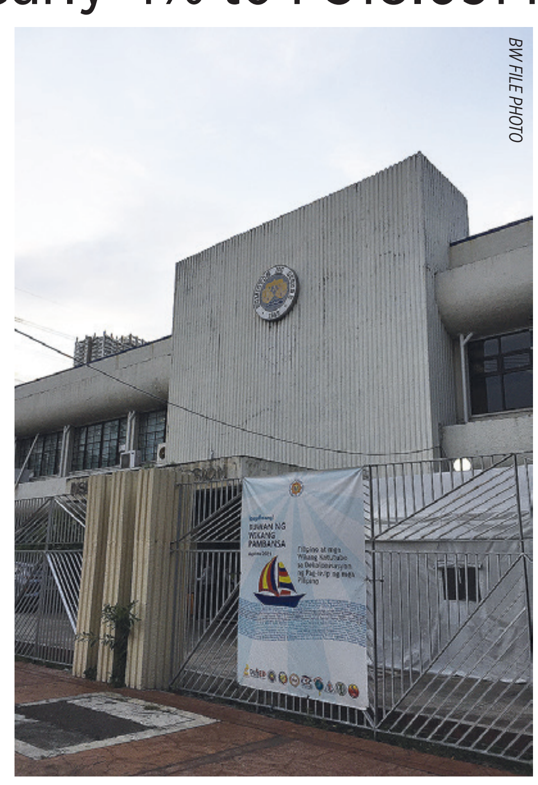
Processing fees declined 7.19% to P11.96 million. Of the total, P11.72 million came from life and non-life insurance companies, and P238,000 from pre-need companies and HMOs.

Meanwhile, supervision fees rose 3.02% year on year to P25.02 million. Some P22.1 million was generated by the life and non-life sector, while the remaining P2.92 million was raised from the pre-need and HMO industries.

Certification fees rose 2.01% to P73.66 million in 2023, of which P73.6 million were raised from life and non-life insurers, while P55.23 million came from the pre-need and HMO sector.

Filing fees rose 0.81% to P6.63 million, with P5.63 million collected from life and non-life insurers, and P995,000 from the pre-need and HMO industry.

Accreditation fees rose 22.53% to P1.8 million, with P1.71 million generated from life and non-life insurance companies and P82.5 million from pre-need and HMO firms. — **Aaron Michael C. Sy**


BW FILE PHOTO

UNDP touts 'sponge city' model amid looming regional water scarcity

THE "sponge city" model has been put forward as a possible strategy to deal with water scarcity in Southeast Asia, according to the United Nations Development Programme (UNDP).

"It is important to develop local urban climate adaptation strategies while ensuring national and provincial plans include cities. While doing so, it is important to be able to identify vulnerabilities of urban systems," it said in its 'Building climate-resilient and inclusive cities' policy brief.

"Early identification will help solve vulnerabilities enhancing synergies between solutions of these specific vulnerabilities and broader sustainable and low-carbon development plans," it added.

The Philippines continued to be the most at-risk country in the world in 2023, according to the latest World Risk Index.

The UNDP said that cities are now facing severe stress on resources; natural disasters; socio-economic issues such as inequality and unemployment; and uncertainty from other emerging risks.

It said sponge cities "enable draining systems that can make better use of rainwater thanks to porous areas and storage." This model can also help save water and reduce emissions.

"As countries, especially China and in Southeast Asia, are experiencing severe and increasingly pressing water scarcity, sponge cities can help in accumulating, storing, and reusing water," the UNDP said.

"In this way, cities are able to address increasingly urgent demand for external water resources. This would improve the city's water resilience, and also the water resource resilience of the entire region, a crucial and increasingly pressing issue," it added. — **Luisa Maria Jacinta C. Jocson**