

Yellow, red alerts raised over Luzon, Visayas grids

YELLOW and red alerts were declared on the Luzon and Visayas power grids Tuesday, with power reserves thinning after a number of generating plants announced forced outages.

In a statement Tuesday, the National Grid Corp. of the Philippines (NGCP) said red alerts were raised over Luzon between 3-4 pm and 6-10 pm.

The grid operator said a yellow alert was also in place at 4-6 pm and 10 pm and 12 midnight.

Yellow alerts are issued when the supply available to the grid falls below a designated safety threshold. If the supply-demand balance deteriorates further, a red alert is declared.

The NGCP said Luzon's peak demand hit 12,671 megawatts (MW) with the available capacity at only 12,832 MW.

In its initial statement, NGCP said 18 power plants went offline, while two are running on derated capacity for a total of 1,518.9 MW unavailable to the grid.

The Visayas power grid was also placed under yellow alert between 1-8 pm, the NGCP said, with 20 power plants on forced outage and nine derated.

A total of 604.4 MW worth of capacity was unavailable to the grid, the NGCP said.

Last week, both Luzon and Visayas power grids were placed under red and yellow alerts for three

consecutive days after several power plants, mostly hydropower plants, went offline.

Energy Regulatory Commission (ERC) Chairperson Monalisa C. Dimalanta said the regulator is investigating the power outages the generating plants.

"Based on preliminary findings we will determine if... sanctions and penalties (are warranted)," Ms. Dimalanta said in a Viber message.

Manila Electric Co. (Meralco) said it has resorted to automatic load dropping — the reduction of power in selected areas — due to low supply.

In a statement, Meralco and the Energy department also called on participating compa-

nies to activate the Interruptible Load Program (ILP) reduce the draw from the grid.

Meralco said the support of ILP participants helped avoid rotating power interruptions in its franchise area last week.

"We call for your support and cooperation for the country's objective of having continuous power supply by participating in the ILP and being part of the solution to the power supply challenges," Irma C. Exconde, director of the Department of Energy's (DoE) Electric Power Industry Management Bureau of DoE, said in a statement.

ILP participants are large power users that have their

own generating facilities. These entities stop drawing power from the grid for a time by tapping their own generators, reducing overall power demand. Meralco activates its ILP participants when a red alert is declared by the grid operator, reducing electricity drawn from the system.

The Institute for Climate and Sustainable Cities (ICSC) said the shortfall at the Luzon power grid will likely continue until May as the majority of hydroelectric power plants are expected to run at derated capacity.

The Luzon power grid is projected to be the most affected by the looming deficiency, ICSC said.

ICSC said that around 1,435 MW or 70% of the 2,050-MW hydroelectric capacity will be unavailable to the Luzon grid during the dry season.

"As long as the 19 to 20 power plants remain on forced outages, the yellow alerts will continue indefinitely. Unless a substantial number of these power plants go back online to augment supply, government and distribution utilities can only resort to the Interruptible Load Program and implement stricter energy conservation and efficiency initiatives," Pedro H. Maniego, Jr., senior policy advisor of ICSC, said in a Viber message. — **Ashley Erika O. Jose**

PHL looking to join US-Japan critical minerals agreement

THE Philippines has proposed to Japan and the US ministers its accession to the US-Japan Critical Minerals Agreement.

"Critical minerals were one of the topics we covered in our trilateral ministerial meeting. We emphasized the fact that we are a major producer of critical minerals," Trade Secretary Alfredo E. Pascual told reporters at a recent briefing.

He said that China, the destination of 90% of Philippine nickel ore exports, has de facto control on the nickel market after Indonesia banned the export of nickel ore.

"China now has a major hold on the nickel market, particularly the downstream products coming out of nickel, like battery precursors and batteries, and from a strategic standpoint, it would affect the supply needed by countries like Japan and eventually the US," he added.

The approach was made at the Japan-US-Philippines Trilateral Economic Ministers Meeting on April 11.

"To tie things more tightly among the three countries that are working together to ensure resiliency of supply, we need to be part of that agreement," Mr. Pascual said.

"I told them during our meeting that if it's difficult to have a one-on-one or bilateral critical minerals agreement between the Philippines and the US, what we can do is just accede to what is in

place now, which is the Japanese and American Critical Minerals Agreement," he added.

If realized, the Philippines will no longer need to enter into a separate bilateral critical minerals agreement with the US, Mr. Pascual said.

"They will have to mull it over, so we have not reached any common agreement yet," he said.

"The Japanese are open to it. And well, since US Secretary of Commerce Gina M. Raimondo, of course, doesn't have a full say on this, she'll take it up within the US government," he added.

Joining will give the US priority access to Philippine critical minerals and possibly attract US investments in Philippine mineral processing operations.

Mr. Pascual noted that the US is currently trying to move companies operating in China out of that country.

"It is hard to convince US companies to invest here if we don't have that kind of agreement. The way I see it, American investors are still waiting for a certain signal that will say that the Philippines is a prime investment destination," he said.

The US and Japan signed their critical minerals agreement on March 28, 2023, in order to diversify critical minerals supply chains in support of developing electric vehicle battery technology. — **Justine Irish D. Tabile**

DA promises no abuse of import easing scheme

THE Department of Agriculture (DA) said the streamlined food import process under Administrative Order No. 20 will be open only to legitimate traders to prevent abuse of the rules by would-be smugglers.

"We will be giving all the necessary safeguards" to ensure that the system is not abused, Agriculture Assistant Secretary and Spokesperson Arnel V. de Mesa said by telephone.

"There are still 30 days for us to prepare the guidelines," he added.

Administrative Order No. 20 (AO 20) instructed the Departments of Agriculture (DA), Finance (DoF), and Trade and Industry (DTI) to remove nontariff barriers to imports of farm goods.

The DA was also tasked with simplifying administrative procedures for imports of sugar and fisheries products.

Mr. De Mesa added that AO 20 is mainly focused on making agricultural imports for legitimate importers easier.

The mandate also aimed at streamlining the requirements and procedures for the approval of importers.

"(The AO) is still subject to further study by the DA to ensure that we are protecting our farmers," he added.

Mr. De Mesa said that if domestic production were to increase, there would be less need to import, as happened with rice.

Palay (unmilled rice) production was 20.06 million metric tons (MT) in 2023, according to the Philippine Statistics Authority, against 19.76 million MT in 2022.

Rice imports, on the other hand, declined to 3.62 million MT last year from 3.83 million MT in 2022, according to the Bureau of Plant Industry.

Samahang Industriya ng Agrikultura Executive Director Jayson H. Cainglet said that the new import procedures will not open the country to more undervalued or misdeclared agricultural imports.

"We also hope that the same zest and commitment to ease (of) doing business for the importers pampered by the economic team will also be applied to domestic producers that continue to face stringent requirements," Mr. Cainglet said in a Viber message.

Senator Maria Imelda Josefa Remedios R. Marcos said that easing import restrictions will lead to reduced prices of onions, fish, pork, and sugar.

"But this will also impact local producers — particularly onion farmers even now selling well below their production cost. Frequent consultations between farmers, consumers and other stakeholders will be essential to monitor and evaluate the effects of AO 20," Ms. Marcos said in a statement.

She added that further investigation and intervention is needed to address the gap between farmgate and retail prices of farm goods.

AGRI Party-List Representative Wilbert T. Lee said that farmers and fisherfolk should also be provided more support to increase their production and address the high prices of food.

"We understand the purpose of AO 20 is to immediately lower the price of goods and reduce the burden on our consumers. But we can consider this as a short-term solution," Mr. Lee said in a statement. — **Adrian H. Halili**

Bol asserts authority to require incentive seekers to buy local

The Board of Investments (BoI) said it has the power to impose "buy local" rules on incentive seekers under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

In a newspaper notice, the BoI said its powers derive from amendments approved by its board to the general policies of the 2022 Strategic Investment Priority Plan (SIPP) governing the use of Philippine products by

project proponents applying for incentives under CREATE.

Citing Section 301 of the CREATE Act, the BoI said the amendments empower the agency to impose such conditions, in order to develop domestic supply chains servicing incentive-seekers' projects.

"(These include) purchase of critical parts and components that are domestically available in sufficient quantity, comparable

quality, or at reasonable prices," according to the memorandum circular (MC No. 2024-001) issued alongside the newspaper notice.

Section 301 of the CREATE Act authorizes the government to modify the mix, period, or manner of availment of incentives.

The MC outlining the buy-local rules takes effect immediately. The MC was signed on April 16.

Section 300 of the CREATE Act requires projects or activities seeking incentives to comply with requirements or conditions set by the BoI and the Fiscal Incentives Review Board.

The 2022 SIPP was approved by former President Rodrigo R. Duterte. The plan identifies priority industries for which the government hopes to attract investment via the offer of offering tax incentives. — **Justine Irish D. Tabile**

PAGEONE CEO and BW columnist is Thought Leader of the Year in Asia Pacific

The prestigious Stevie Awards has recognized Dr. Ron F. Jabal, APR again as one of the eminent thought leaders in Asia Pacific. He is the Chairman and CEO of PAGEONE Group — a global - award winning network of agencies that services clients in Asia Pacific. He is a regular columnist of BusinessWorld.

In an announcement, Asia Pacific Stevie Awards recognizes Dr. Jabal with a Bronze award in the Thought Leader of the Year category which awards innovative achievements of individuals who have demonstrated excellence in thought leadership on behalf of themselves and/or their organizations. The award will be presented in May to be attended by other winners in Asia Pacific.

Dr. Jabal received excellent commendations from all the judges making him one of the select few that will be given the prestigious recognition of Thought Leader in Asia Pacific.

One of the judges praised him for showcasing excellence across academia, professional practice, and digital innovation. "From pioneering crisis management strategies to spearheading digital transformation initiatives, his impact extends beyond PR into education and government communications. His accolades and achievements underscore his exceptional leadership in shaping the PR landscape, making him a trusted resource person and a driving force behind PAGEONE's success as the most awarded PR agency in the Philippines," the judge said.

Another judge said, "Clearly, Ron Jabal, a distinguished figure in the field of Public Relations (PR) and Reputation Management in the Asia-Pacific region, has established himself as a trailblazer through



his innovative approaches to PR, crisis management, and digital transformation. He furthered, "The nominee's accomplishments reflect an impressive blend of academic expertise, industry leadership, and innovative contributions to the fields of public relations, crisis management, and digital transformation."

Dr. Jabal attributed his accomplishments to the excellence of his team in the network of agencies he manages. At the same time, he expressed gratitude to his agency's clients and supporters.

"I share this award with all my colleagues in PAGEONE Group. They are the real heroes that enable us to produce excellent work for our clients. I share this as well to my peers in the PR and reputation management industry in the Philippine and Asia Pacific for continuously challenging us to come up with campaigns that are not only worthy of awards but also meet objectives of both business and society. Rest assured that we will continue to use PR as a tool for social good," Dr. Jabal stressed.

Supermarkets expect steady prices if manufacturers don't charge more

BASIC GOODS prices are not expected to rise at retail level if manufacturers continue to hold their prices steady, supermarket operators said.

"As long as there is no notice from manufacturers saying they will increase prices, then retailers won't do so," Steven T. Cua, Philippine Amalgamated Supermarkets Association (PAGASA) president, told BusinessWorld by phone. "(If) there are no increases (in costs) coming from the supplier side, then there is no reason to increase prices in supermarkets."

House legislators met with officials from the agriculture and retail industries to discuss potential measures to hold down food costs, after

March inflation accelerated to 5.7%, the strongest reading in four months.

"So far, manufacturers assured us they will not do a price increase (on basic commodities), Party-list Rep. Erwin T. Tulfo said on the sidelines of a media conference discussing potential measures to prevent prices of essential goods from increasing.

Basic commodities include canned meat, sardines, noodles, bread, and milk, according to the Department of Trade and Industry (DTI).

However, manufacturers did not say how long they will hold the line on prices of basic goods. "They did not provide a commitment," he said.

"I suppose supermarkets can hold off a price increase on the goods for a few more months," he added.

Mr. Cua said on the sidelines of the same conference that a wage hike could bring the cost of goods higher. "The next threat would be a legislated wage increase. It is a double-whammy; manufacturers would have to increase prices and when it comes to (supermarket operators), we will have to increase as well."

The House of Representatives is still deliberating at the committee level proposed measures seeking an across-the-board minimum wage hike ranging from P150 to P750. The Senate has approved its version of such a bill proposing a P100 wage increase in February. — **Kenneth Christiane L. Basilio**

NZ delegation cites interest in fintech tie-ups

NEW ZEALAND (NZ) companies accompanying visiting Prime Minister Christopher Luxon have indicated interest in participating in Philippine technology projects in the financial, environmental, and health industries, Mr. Luxon said.

In a statement, Mr. Luxon, who was in Manila last week, said: "Over the past decade, the New Zealand tech sector has more than doubled, making it the country's second-largest export earner after dairy. Fintech stands out as the fastest-growing and highest-grossing subsector," he added.

New Zealand companies are also looking to partner in renewable energy projects and develop Philippine hydrogen and geothermal capabilities.

He said other points of interest were green finance and investment, sustainable infrastructure, agriculture and agri-tech, and eco-tourism.

In a briefing, Trade Secretary Alfredo E. Pascual said after meetings with Mr. Luxon that the Department of Trade and Industry (DTI) pitched his delegation on Philippine market conditions.

"New Zealand producers are now thinking of investing here, but nothing specific yet," Mr. Pascual said. "We highlighted to them the selling points of the Philippines: the large population, growing middle class, young workforce, and rich natural resources."

"We just highlighted to them the areas where we want them to con-

sider investing, which are tourism, food and agribusiness, semiconductors, and critical minerals," he added.

Mr. Pascual said that New Zealand's strengths include agribusiness and resort development.

"They are strong in agribusiness... they also have resort developers who can develop here. Right now, there is also no direct (air) link between the Philippines and New Zealand... that is also something that they may look at," he added.

The Philippines was New Zealand's 23rd-largest trading partner, with two-way trade totaling New Zealand \$1.4 billion for 2023. — **Justine Irish D. Tabile**