

ESCAP upgrades Philippine GDP growth forecast to 6%

THE Philippine economy is expected to grow 6% this year, according to the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), upgrading a 5.7% forecast issued in April.

If borne out, the ESCAP projection would fall within the government's revised 6-7% growth target for 2024.

Based on ESCAP's estimates, the Philippines and Vietnam (6%) would be the second fastest growing economies in Southeast Asia this year, behind Cambodia (6.2%).

For 2025, Philippine gross domestic product (GDP) growth is estimated at 6.1%, which is also within the government's 6.5-7.5% forecast range.

In its Economic and Social Survey of Asia and the Pacific report, ESCAP expects growth in the Asia-Pacific region to slow to 4.4% in 2024.

"The moderation is most notable in East and Northeast Asia, in contrast to an expected economic rebound in Southeast Asia and a relatively stable trend in other

subregions. Overall, supported by declining inflation, household consumption would continue to drive output growth in the near term amid weak external demand," according to the report.

Meanwhile, Philippine headline inflation is projected at 3.8% this year, falling within the Bangko Sentral ng Pilipinas (BSP) target range of 2-4%, before slowing to 3.5% next year.

The Southeast Asian inflation average is forecast at 2.8% and 2.6% in 2024 and 2025.

"Caution continues to be required from monetary authorities in terms of deciding the path of monetary policy to ensure that inflation is effectively tamed," ESCAP said.

The BSP maintained interest rates at a near 17-year high 6.5% in February, standing pat for a third straight meeting. To tame inflation, the central bank raised borrowing costs by 450 basis points from May 2022 to October 2023. — **Beatriz Marie D. Cruz**

New SRP list expected by May

THE Department of Trade and Industry (DTI) said that it will be moving the target release date of the suggested retail price (SRP) bulletin to May to give manufacturers more time to prepare their price adjustment requests.

The DTI had initially hoped to release the updated bulletin in the first quarter.

"We will probably publish it in May, because the advisories from manufacturers are still not complete," DTI-Consumer Protection Group Assistant Secretary Amanda F. Nograles told *BusinessWorld* in a Viber message.

Early this year, the DTI said that it would be reviewing



the price adjustments for 63 SKUs (stock keeping units), 18 of which the department had announced in January.

For 2024, the DTI expects price increases to average 6%, against the 10% average in 2023. — **Justine Irish D. Tabile**

DTI to consult with canners after fish import freeze

THE Department of Trade and Industry (DTI) said it is set to meet with canners to discuss concerns about access to supply after the suspension of import permits for types of fish they use as raw material.

Undersecretary for Communications Jose Edgardo G. Sunico told reporters on Thursday that the meetings are routine consultations with the industry, though the potential for disrupted supply will be top of the next session's agenda.

On Monday, the Department of Agriculture (DA) halted the issuance of sanitary and phytosanitary import clearances for fish intended for institutional buyers.

The DA reported that imported round scad (*galunggong*), mackerel, and bonito, meant for the use of canners and processors, are being diverted to public markets.

Mackerel intended for canning was exempted from the import permit freeze.

"There will be a special focus (at the next meeting) to see about needed interventions from the DTI," Mr. Sunico said.

Other topics will include possible price increases, he said.

The Canned Sardines Association of the Philippines has warned earlier that the supply of canned mackerel may be disrupted due to the import freeze and raised the possibility of higher prices.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. said about 90,000 to 100,000 metric tons of imported fish were being diverted each year.

Separately, Mr. Laurel said he does not expect any supply concerns for canned mackerel as imports of the fish were exempt from the freeze.

Volumes of imported mackerel are to be based on the VATable sales of the canned product during the prior year, plus an additional 10%.

"Technically, they should be able to import 10% more of what they are using now. So I don't see any reason (to fear for supply)," he said in an interview with government network PTV. — **Adrian H. Halili**

Rice imports seen dropping below 4M MT on stronger-than-expected domestic output

THE Department of Agriculture (DA) said on Thursday that rice imports are expected to come in below 4 million metric tons (MT) as domestic producers are picking up the slack despite El Niño.

"We may not reach 4 million MT this year since production seems to be (on track) even with El Niño," Agriculture Secretary Francisco P. Tiu Laurel, Jr. said on government network PTV.

The US Department of Agriculture (USDA) had estimated Philippine rice imports at 4 million MT, which Mr. Laurel called a "worst-case scenario" should domestic production falter.

"The estimate (from) the USDA might be too high," he added.

The 4 million MT USDA estimate itself is a downgrade from an earlier projection of 4.1 million.

Citing the Philippine Statistics Authority, Mr. Laurel said that harvest of palay, or unmilled rice, may hit 4.78 million MT in the first quarter, which if borne out would represent a 1.1% increase from a year earlier.



REUTERS

He said that the estimates are also in line with the projections of the Philippine Rice Research Institute and PRISM (Philippine Rice Information System).

"Total production (for the first quarter) should reach about 4.78 million MT. Also...there seems to be an incremental increase in production," he added.

Mr. Laurel said that harvest for the second quarter could still be affected by El Niño.

The government weather service known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), has said that El Niño is starting to weaken, though its effects may run until August.

"But after El Niño, we expect that the harvest will be okay," he said, adding that the effect of La Niña, which will bring about higher-than-

usual rainfall, may not be significant.

The likelihood of La Niña occurring is at 62% by June, the Department of Science and Technology said.

"We're hoping there is a slight increase in production of rice for this year," he added.

The DA is projecting palay product to top 20 million MT this year. Production in 2023 had been 20.06 million MT. — **Adrian H. Halili**

SSS sees net profit topping P100B this year

THE Social Security System (SSS) said it expects net profit to surpass P100 billion this year.

SSS President and Chief Executive Officer Rolando L. Macasaet said in a briefing on Thursday that bottom-line profit will be "over P100 billion" in 2024.

Last year, the pension fund booked a record net profit of P83.13 billion, up 58% from 2022.

SSS revenue increased 15.6% to P353.82 billion in 2023.

Contribution collections rose 18.2% to P309.12 billion.

Mr. Macasaet said this year's earnings will be driven by increased member contri-

butions, stepped-up collection efforts and prudent management.

"We have receivables of over P60 billion... though it's already in accounts receivable, that exact amount will go to income," he said.

He also noted the strong performance of the stock market. "The stock market today is almost at 7,000 points. We will hit 7,000. If we hit 8,000 by year end and they are predicting a little over 8,000 by year's end, we have almost P500 billion in the Philippine Stock Exchange (PSE), so you can imagine the income we'll make," he added.

On Thursday, the Philippine Stock Exchange Index declined 0.53% to 6,827.06

while the broader all-shares index dropped 0.25% to 3,580.32.

The SSS is also pushing to expand its membership, Mr. Macasaet said.

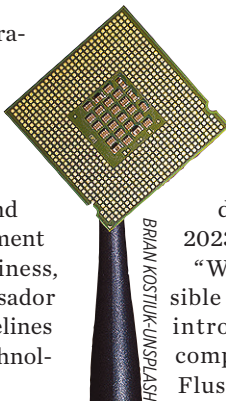
"I've given instructions that we increase the number of SSS members from say 1 million to 1.5 million to at least 2 million a year to exceed the population growth rate. Otherwise, over time the number of Filipinos having pensions will decrease as a percentage of population," he said.

"Our target this year is 2 million, and I'm happy to inform you for the first quarter, I think we have hit half a million new members. I'm told we might hit 2.5 million instead of 2 million," he added. — **Luisa Maria Jacinta C. Jocson**

Israel sees potential tie-ups with PHL in electronics, BPOs

ISRAEL said it sees areas of collaboration with the Philippines in electronics, information technology and business process outsourcing (IT-BPO).

"The expectation (is for trade relations) to grow. We have to wait and see... But when you look at the investment from companies creating new business, that is an indicator," Israel Ambassador Ilan Fluss told reporters on the sidelines of the Israel-Philippines Water Technology Innovations forum on Thursday.



Israel is "very optimistic" about the trade relationship, Mr. Fluss said, adding that two-way trade in 2022 topped \$500 million.

Tradeline Philippines estimates two-way trade to have dropped 14.9% to \$478.2 million in 2023.

"We are pushing as many as possible trade delegations and working on introductions and facilitating Israeli company visits to the Philippines," Mr. Fluss said.

"The Israeli private sector is very interested in the Philippine market. Companies in the BPO, electronic (electronics manufacturing services) are moving into the Philippines to do their processes here," he said.

The head of Israel's Economic and Trade Mission to the Philippines Tomer Heyvi said the recently ratified IPPA will also spur investment in the Philippines.

"The IPPA... will also provide an avenue to increase bilateral trade and investment," Mr. Heyvi said. — **Ashley Erika O. Jose**

DoE considering AS charge for WESM members responsible for forced outages

THE Department of Energy (DoE) is proposing to require members of the Wholesale Electricity Spot Market (WESM) to pay for ancillary services (AS) if their forced outages are found to have been their responsibility.

"The DoE deemed it necessary to provide price mitigating measures in the Reserve Market such as the causer pays mechanism (CPM) to ensure consumer protection and accountability of market participants in ensuring grid reliability," the DoE said in a draft circular.

The proposed policy will apply to all WESM members forced to turn to

ancillary services, a form of reserve that companies keep on contractual standby should supply prove inadequate. This includes generation companies, the transmission network service provider, and customers of the spot market.

The cost of ancillary reserves that will be recovered via CPM will depend on the generating capacity allocated to stabilize or restore the system.

Ancillary services are tapped by grid operators to support the transmission of power from generators to consumers to maintain reliable operations.

Despite significant improvement in the reliability of the grid operations with the launch of the reserve market, the market operator, however, observed a "high market clearing price" for ancillary services, the DoE said.

In the February billing period, this manifested in an increased transmission charge collected from consumers.

"(The CPM aims) to have a sharing of cost of reserve between generators and consumers, considering that reliability is affected by changes in supply and demand," according to Luningning Baltazar, assistant director of the DoE's Electric Power Industry Management Bureau.

She said that the CPM will enable generators who frequently report outages to pay for a bigger share of ancillary service costs, as determined by a formula for reserve responsibility sharing.

According to the DoE, reserve responsibility sharing will be calculated by the market operator through a "runway model" based on the real-time dispatch schedule and reliability performance of the generation companies.

Separately, in an advisory, the DoE directed the distribution utilities and the National Grid Corp. of the Philippines (NGCP) to be ready to implement the

interruptible load program (ILP) during the dry months.

The DoE has requested updates on the registered ILP participants. It has also asked the entities to submit "any concerns and request for support for distribution utilities which are new to the implementation of the ILP."

The ILP asks large power consumers to use their generators or shift their operations instead of sourcing power from the grid.

This is meant to spare households from power interruptions during red alerts — when supply is insufficient to meet demand. — **Sheldeen Joy Talavera**

Gen Z work preferences lean towards entrepreneurship, gig jobs — PhilCare



CHANG DUONG-UNSP/ASA

GENERATION Z has expressed a preference for running their own business and participating in the gig economy, according to health maintenance organization PhilCare, Inc. (PhilCare).

The 2024 PhilCare Wellness Index, said 70.3% of Gen Z listed entrepreneurship over employment as their top, compared to 80.5% for Gen X and millennials, also known as Gen Y.

"The younger (generation) wants to be entrepreneurs but there are timelines. Previous research suggests that (people work) to save capital and then go into business," Fernando dIC. Paragas, PhilCare Wellness Index lead researcher, said.

Gen Z's work preferences include flexible schedules, independent work, taking on gigs, and working overseas.

"I guess that's why there is some kind of a correlation between entrepreneurship and taking risks. The restrictions to being an employee are no longer there," PhilCare Chairman Monico V. Jacob said.

The study noted that 53% of its Gen Z respondents prefer multiple part-time jobs over just one full-time job. This compares to 48% for Generation X and Y.

Some 58.1% of Gen Zs said they feel the double burden of earning for themselves and for family, including parents. %.

"Gen Z's significant part of work life so far was during the pandemic, in comparison to the older generations, whose work experience was in the office," he said. — **Aubrey Rose A. Inosante**