



ARTA targets water project approvals for streamlining

THE ANTI-RED TAPE Authority (ARTA) said it plans to streamline the permit approval process for water and wastewater pipe laying works as well as leak repairs.

In a statement on Tuesday, ARTA said it is currently consulting the water industry and government agencies.

The third meeting, which was conducted on April 3, was also attended by Israel's Ambassador to the Philippines Ilan Fluss who expressed his support for ARTA's plans.

"What we bring to the table is our experience, our approach, and our regulations and legislation. We share it in the Philippine context," Mr. Fluss said.

"At the end of the day, it is an internal Philippine process that we are happy to contribute to with our best practices," he added.

ARTA said that Israel uses sustainable water technologies to overcome water scarcity.

"We aspire to achieve several key outcomes, particularly in mirroring Israel's sustainable

water industry practices and ensuring that the permitting process does not unduly burden stakeholders and citizens alike," ARTA Deputy Director General for Operations Gerald Divinagracia said.

"The Israeli Embassy's contributions will guide us in formulating strategies to enhance efficiency and minimize bureaucratic obstacles," he added.

During the meeting, Tahel Brandes, Israeli Water and Sewage Authority Senior Deputy

Legal Adviser, presented Israel's Water Law, the Water Council, and the regulatory reforms that are helping implement a sustainable water system.

The Development Academy of the Philippines, which also attended the meeting, was tasked with updating its review of the water utility industry, while ARTA is set to conduct a business process mapping workshop for the National Water Resources Board. — **Justine Irish D. Tabile**

Philippines urged to seek exploration partners from US, India to deter harassment from China

By **John Victor D. Ordoñez**
Reporter

THE PHILIPPINES should seek out South China Sea energy exploration partners from regional or global powers like India or the US, according to maritime analysts.

"Working with large companies from important countries who might be harder for China to harass is one tactic that's been used before," Raymond M. Powell, a fellow at Stanford University's Gordian Knot Center for National Security Innovation, told *BusinessWorld* in a message on X, formerly Twitter.

"Previously, US company ExxonMobil had an oil contract off Vietnam's coast, and its size and US ties made it also harder to bully," he added.

The Philippines is under pressure to find other sources of indigenous energy as its Malampaya gas field, which supplies a fifth of the country's power requirements, nears depletion. PXP Energy Corp.'s exploration work at Reed Bank, another potential source of gas in disputed waters, remains suspended due to tensions with China.

Last month, the US and India promised to boost maritime security ties with the Philippines with China continuing to aggressively assert its territorial claims.

China has said, any plan for resource exploitation in the South China Sea should not involve countries outside the region.

Philippine Ambassador to the US Jose Manuel D. Romualdez

has said Manila is "working closely with our allies, not only the US but also Japan and Australia" to exploit the resources available to it in the South China Sea.

The main venue for China-Philippines confrontation remains the BRP Sierra Madre outpost at Second Thomas Shoal. The Chinese Coast Guard routinely attempts to obstruct Philippine resupply missions to the grounded ship.

The Malampaya gas field is the country's only indigenous commercial source of natural gas. It is expected to run out of easily recoverable gas using current techniques by 2027.

President Ferdinand R. Marcos, Jr. extended Malampaya Service Contract 38 to February 2039, allowing operators to exploit the field beyond the initial Feb. 22, 2024 expiration date.

Lucio B. Pitlo III, a research fellow at the Asia-Pacific Pathways to Progress Foundation, said many prominent multinational oil companies are still reluctant to do gas work in the South China Sea due to the political and security risk.

"However, there may be opportunities for collaboration in less fraught areas, like tapping renewable energy (RE) through floating solar or offshore wind farms and wave energy," he said via Messenger chat.

He also noted that "Chinese capital, technology, and experience in this field can benefit the Philippines."

On the other hand, Infrawatch PH convenor and public investment analyst Terry L. Ridon said



the government must ensure it does not conduct exploration activities in areas of the sea with overlapping claims.

"For areas with overlapping claims, it is unwise to undertake exploration as it will only raise tensions in disputed waters," he said via Messenger chat.

The government aims to increase the share of RE in the power generation mix to 35% by 2030 and to 50% by 2040. Renewables currently account for 22% of the Philippine energy mix.

In January last year, the Philippine Supreme Court voided a 2005 government deal with China and Vietnam for joint gas and oil exploration.

It said the agreement violated the Constitution for allowing foreigners to explore for natural

resources in 142,886 square kilometers of Philippine territory without full supervision from the Philippine government.

Mr. Pitlo said the ruling may complicate Manila's oil partnerships in the South China Sea.

Legislators have been pushing for measures seeking to ease the process of importing liquefied natural gas (LNG) amid the dwindling reserves of the Malampaya field.

Senator and chairman of the Ways and Means Committee Sherwin T. Gatchalian said last year that LNG will set the stage for the transition to RE.

China claims more than 80% of the South China Sea, which is believed to contain substantial oil and gas deposits and through which billions of dollars in trade passes each year.

A United Nations-backed arbitration court in July 2016 voided China's claims, which were based on a 1940s map.

China has ignored the ruling, which has failed to stop its island-building activities in areas also claimed by the Philippines, Vietnam, Brunei, Malaysia, and Taiwan.

"Since the Philippines has the sovereign rights to explore and exploit natural resources including gas exploration in its exclusive economic zone (in the South China Sea), Manila has the prerogative to collaborate with foreign actors," Chester B. Cabalza, founding president of Manila-based International Development and Security Cooperation, said via Messenger chat.

PCC validating initial ERC findings on energy industry competition concerns

THE Energy Regulatory Commission (ERC) said it has delivered its initial findings on power industry competition to the Philippine Competition Commission (PCC), which is currently validating its report.

"We have our own set of questions (on industry competition), our own preliminary findings," ERC Chairperson Monalisa C. Dimalanta told reporters recently.

"We referred them to PCC for their validation. They view things from a purely competition lens and they have more data, more (expertise) in understanding market behavior," she added.

In February, the ERC and the PCC formed a joint task force to monitor and investigate allegations of anti-competitive practices in the energy sector.

The task force stems from a 2019 memorandum of agreement between the two regulators

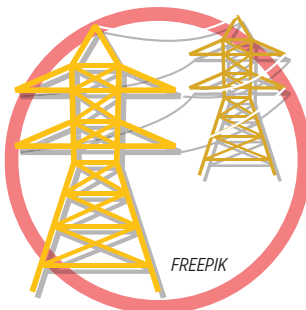
to foster competition in the power industry. The agreement was signed in response to concerns about power outages and corresponding increases in electricity prices.

The joint fact-finding inquiries seek to uncover anti-competitive conducts that harm consumer welfare, the ERC said in its February statement.

Asked if the coordination of regulators also includes the investigation into the power outages in Panay in January, Ms. Dimalanta said they are finalizing the findings of the Interim Grid Management Committee.

"We already finished the clarificatory hearings on the Panay outage, now we're finalizing," she said.

Multiple power plants tripped on Jan. 2 on Panay Island, which triggered power outages in the Western Visayas. Power was restored three days after. — **Sheldeen Joy Talavera**



Soy imports expected to increase on growing PHL demand for animal feed

THE Philippines is expected to import more soybeans this year due to increased demand from the livestock, poultry, and aquaculture industries, the US Department of Agriculture (USDA) said.

According to a report by the USDA's Foreign Agricultural Service, soybean meal imports for the feed industry are expected to grow 4% to 3.2 million metric tons (MT) in the marketing year 2024-2025.

The Philippines imports most of its soy to meet domestic demand, especially for animal feed.

Due to the limited land set aside for production, mostly in the Caraga and Ilocos Regions, the local harvest may likely be unchanged at 1,000 MT.

"The United States is the preferred source with an 85% market share. About 15-40% of the feed ration of animal and aquaculture feeds is soybean meal," it said.



It added that imports of soybean meal will help offset the 16% decline in copra meal production, mainly due to the ongoing effects of El Niño on coconut production.

Copra meal is a by-product of the coconut oil extraction process.

The government weather service, known as PAGASA, has said that El Niño is starting to weaken, though its effects may last until August.

"The El Niño weather disturbance will affect coconut production... Copra crushing will decline by 15%, which will also result in a 15% reduction in coconut oil supply," the report said.

It added that exports of coconut oil are estimated to decline to 900,000 MT.

Citing the Philippine Coconut Authority, it said that El Niño is not showing significant effects as of March. Its effect is expected to manifest 13 months after the conclusion of the weather phenomenon.

The USDA said that El Niño's effects on copra supply for milling will be seen in areas that have been affected by drought or dry spells.

"Coconut areas affected by dry conditions, dry spells, and drought will report low coconut production, which will affect the coconut supply to oil mills located in these areas," it added. — **Adrian H. Halili**

Farm subsidy reform seen potentially raising agri production by 17%

REPURPOSING agricultural subsidies to infrastructure could help countries like the Philippines boost agricultural output and exports while ensuring food security, participants said at a forum organized by the Asian Development Bank (ADB).

"This repurposing benefits not just those countries, but the entire ADB region, increasing agricultural output by 17%, reducing hunger by 51 million people, or 30% in 2025," Mark Rosegrant, research fellow emeritus at the International Food Policy Research Institute, told the ADB Food Security Forum.

Countries urged to repurpose their agricultural subsidies were the Philippines, China, India, Kazakhstan, Indonesia, Thailand, Bangladesh, and Vietnam.

"Investments in broad-based rural infrastructure cuts post-harvest losses by about 50% in the region," Mr. Rosegrant said.

The resulting lower food prices could reduce the hungry by 16 million people in 2035, he added.

Tetsushi Sonobe, ADB Institute dean, said that agricultural subsidies should be minimized, and are better allocated to research, infrastructure and irrigation to insure long-term gains for the sector.

Mr. Rosegrant also cited the need to invest in irrigation and water use efficiency.

"When you have the same trajectory of investment in irri-

gation together with investment in water use efficiency, you can actually reduce water use by about 7.5% while maintaining the growth in irrigated areas," he told the forum.

Countries should also invest in agricultural research and design as well as reducing greenhouse gas emissions, he said.

"By 2050, we would have reduced the initial emissions in Asia Pacific by a third here, and that's because of landscape productivity growth, together with generation adoption of technologies such as conservation tillage, precision agriculture, and improved management of rice and livestock among others."

Xianbin Yao, director general of the ADB's Economic Research and Regional Cooperation Department, said investment in all segments of the agricultural food chain, especially for rice, is crucial.

"There is still a challenge to increase the productivity for the rice yield in countries where there is high demand... that can resist the heat the water and flood and then at the same time to manage it minimize post-harvest loss," he said on the sidelines of the forum.

"One has to carry out a very thorough assessment to decide where to allocate the resources," Mr. Yao said. — **Beatriz Marie D. Cruz**

PhilRice seeks increased seed budget from RCEF

By **Adrian H. Halili**
Reporter

THE PHILIPPINE Rice Research Institute (PhilRice) said it is seeking more funding from the Rice Competitiveness Enhancement Fund (RCEF) for seed to be distributed to farmers.

"We are also proposing to increase the seed volume so that more farmers can be served. We hope there will also be an increase (in funding)," PhilRice Director for RCEF Program Management Office Flordeliza H. Bordey, told *BusinessWorld*.

The RCEF is intended to modernize the rice industry and is funded by import tariffs generated as a result of Republic Act 11203, or the Rice Tariffication Law.

A Senator has proposed another six-year extension to RCEF with an increased budget of P20 billion a year.

"We welcome that development, because we are (an) implementer of the program... what we have done through the program

has really helped our farmers," Ms. Bordey said.

The fund supports the supply of machinery, seed, and fertilizer, among others, to farmers. The rice tariffs support RCEF with P10 billion annually. The tariff allocations are set to expire in June.

The law, which took effect in 2019, allowed private traders to bring in rice shipments without restriction. At the time, they had to pay a 35% tariff on Southeast Asian grain.

PhilRice handles the distribution of certified inbred seed to farmers.

She added that the agency's seed distribution will be little changed this year with RCEF funding of P3 billion.

She added that the Department of Agriculture's National Rice Program has also allotted P700 million for seed distribution.

PhilRice's inbred seed yielded an average of 4.36 metric tons (MT) per hectare last year, against 3.63 MT per hectare in 2022.

RCEF has set an aspirational target of five MT per hectare by 2025.