

US looking into nickel ore processing projects in PHL



PAUL ALAM HINTI-INA-NSPLASH

THE US government is looking into opportunities to process nickel ore in the Philippines, the US Trade and Development Agency (USTDA) said.

At an online media briefing late Tuesday, USTDA Director Enoch T. Ebong said the US is currently working on critical minerals projects in the Philippines.

"We are working in the Philippines currently through a project with Eramen Minerals, seeking to modernize and increase processing of nickel ore here," Ms. Ebong said.

"We will always look for opportunities for more, but it is a sector that we are working in and look forward to doing more," she added.

US Senior Official for Asia-Pacific Economic Cooperation Matt Murray said that there have been a number of economic engagements between the Philippines and the US, including the Trade and Investment Mission led by Commerce Secretary Gina M. Raimondo.

"And I think through that there is certainly going to be

expanded discussions on a whole range of issues, including critical minerals, and we look forward to continuing to have those engagements both bilaterally and in some of these regional mechanisms like IPEF (Indo-Pacific Economic Framework) and APEC (Asia-Pacific Economic Cooperation)," Mr. Murray said.

The Department of Trade and Industry (DTI) said that the Philippines has proposed to accede to the US-Japan Critical Minerals

Agreement instead of entering a bilateral critical minerals agreement with the US.

"This has been part of our discussions ... We are already included in the CHIPS and Science Act, so that area is open for us. In terms of critical minerals, we are still looking for a way to do it without a bilateral agreement," Trade Secretary Alfredo E. Pascual said on the sidelines of the Indo-Pacific Business Forum on Tuesday. — **Justine Irish D. Tabile**

Luzon Economic Corridor committee holds first meeting, plans to convene quarterly

A COMMITTEE overseeing infrastructure investment and development along the Luzon Economic Corridor held its inaugural meeting on Tuesday, the first of what are planned to be quarterly sessions.

The US State Department said on Tuesday that the first Luzon Corridor Steering Committee meeting took place on the sidelines of the Indo-Pacific Business Forum in Manila.

The meeting was chaired by US Senior Advisor to the President for Energy and Investment, Amos Hochstein, and Acting Special Coordinator for the Partnership for Global Infrastructure (PGI) and Investment, Helaina Matza.

It was also co-chaired by Secretary Frederick D. Go, senior advisor to the President for Investment and Economic Affairs, and Ishizuki Hideo, Japanese Foreign

Affairs Ministry director general of the International Cooperation Bureau.

"The steering committee aims to implement the Trilateral Leaders' commitment in April to develop the Luzon Economic Corridor under the PGI Indo-Pacific Economic Framework Investment Accelerator," the State Department said, referring to the recent meeting of US, Japanese, and Philippine leaders.

"The partners discussed priority sectors for engagement and reviewed potential projects and areas of interest, committing to future meetings on a quarterly basis," it added.

The Luzon Economic Corridor is the first PGI economic corridor in the Indo-Pacific region and is expected to support connectivity projects linking Subic Bay, Clark, Manila, and Batangas.

The economic corridor also aims to attract investments in rail, port modernization, agribusiness, clean energy, and semiconductor supply chains.

At the Indo-Pacific Business Forum, the US government also announced new support initiatives for the Indo-Pacific region, which includes a grant from the US Trade and Development Agency (USTDA) to Philippine company Responsible Internet Sustainability Effort, Inc. (RISE).

The grant funds a feasibility study that will help internet service providers in the Philippines advance the expansion of carrier-neutral internet exchange infrastructure.

"USTDA partners with companies like RISE to improve access to affordable and reliable internet connectivity for underserved communities in the Indo-Pacific.

Planning the deployment of innovative technology is part of our strategy to promote inclusive economic growth," according to Enoch T. Ebong, USTDA's director.

"USTDA is pleased to launch this project at the Indo-Pacific Business Forum. It is just one demonstration of our unwavering commitment to promote trade, investment, and economic cooperation with the Philippines," she added.

The USTDA also approved funding to support the modernization and buildout of electricity transmission and distribution networks in the Philippines.

To advance this initiative, the US government will bring a Philippine delegation of government and private sector utilities officials to observe innovations and best practices in smart grid technology. — **Justine Irish D. Tabile**



BATAAN-CAVITE Interlink Bridge

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AIIB approves \$1-B loan for Bataan-Cavite bridge

THE Asian Infrastructure Investment Bank (AIIB) has approved a \$1.14-billion loan to finance the construction of the Bataan-Cavite Interlink Bridge.

"The approval of the AIIB loan for the Bataan-Cavite Interlink Bridge project signifies a significant step towards realizing our vision of fostering inclusive and sustainable growth within the Greater Manila Area," Rajat Misra, AIIB acting vice-president for Investment Operations for Region I, said in a statement.

"By prioritizing climate-resilient infrastructure and leveraging technology, we aim to not only enhance connectivity but also contribute to the region's economic development while mitigating and adapting to environmental impact," he added.

The 32.15-kilometer marine bridge connects Central Luzon to the Southern Tagalog regions. The Asian Development Bank (ADB) is co-financing the project.

The bridge is expected to cut travel time from Mariveles, Bataan to Naic, Cavite to 1.5 hours from 5 hours. It is expected to be

one of the longest marine bridges in the world.

The first phase of the project is expected to require funding of \$350 million.

"This marks a milestone support to the Marcos administration's Build Better More Program, encouraging enhanced connectivity and promoting sustainable infrastructure development within the greater Manila area," Beijing-based AIIB said.

The bridge will also help "unlock the potential of Bataan and Cavite in facilitating trade and serving as viable tourist destinations."

The bridge features energy-efficient street lights and climate resilient bridge alert systems, the AIIB said.

"By adapting to natural hazards, incorporating green building criteria and utilizing lower carbon concrete and asphalt, the project emphasizes environmental responsibility while ensuring long-term resilience," it added.

Last year, the ADB approved a \$2.11-billion loan to finance the Bataan-Cavite Interlink Bridge. — **Beatriz Marie D. Cruz**

Broader tariff exemptions for 'green' vehicles seen helping Philippines meet sustainability goals

THE expansion of tariff exemptions to more types of electric vehicles (EVs) and hybrids will help the Philippines meet its sustainability goals and promote investment, the Department of Finance (DoF) said.

"This strategic move puts the Philippines at the forefront of green technology, attracting more sustainable investment," Finance Secretary Ralph G. Recto said in a statement.

"It will spur the creation of high-quality jobs, foster innovation, and offer Filipinos more eco-friendly vehicle choices. Ultimately, it will bring us closer to reaching our goal of reducing greenhouse gas emissions by 75% in 2030," he added.

The National Economic and Development Authority Board last week approved the expansion of the coverage of Execu-

tive Order No. 12, which had temporarily reduced tariffs on EVs to zero until 2028.

It now grants zero tariffs to e-motorcycles, e-bicycles, nickel metal hydride accumulator batteries, e-tricycles and quadricycles, hybrid EVs and plug-in hybrid EV jeepneys or buses.

The DoF said that the expansion of the tariff exemption will "further enhance the ease of doing business in the Philippines, advance the country's climate ambitions by promoting more sustainable investments, and generate more jobs in the area of green technology for Filipinos."

"With the expanded measure, EVs will be more accessible and affordable to consumers, thereby accelerating the country's transition to environment-friendly transportation solutions," it added. — **Luisa Maria Jacinta C. Jocsos**



PHILIPPINE STAR/RYAN BALDENOR

OPINION

Embracing ESG today and tomorrow

Our world is grappling with global challenges such as climate change, social and gender inequality, economic disparity, and the threat of pandemics. These pressing issues have led to an increased awareness and concern for both humanity and the planet, prompting the private sector, governments and the general public to prioritize Environmental, Social, and Governance (ESG) practices.

In turn, ESG has become and remains a hot topic in the current business environment. ESG provides a framework for stakeholders to evaluate an organization's environmental impact, societal contributions, and governance practices.

Today, some of the countries in Europe and territories under European jurisdiction are compelling businesses to report their ESG practices. In 2021, a study conducted by Harvard Law School Forum on Corporate Governance identified 25 countries that enacted legislation requiring organizations to disclose their ESG information. Widespread adoption is expected to grow in the years to come. And it's here to stay.

ESG IN THE PHILIPPINES

The ESG framework has made its mark in the Philippines. Aside from being widely recognized across various industries, the framework now applies to publicly listed companies (PLCs). The Government re-

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quires all PLCs that have a public float of at least 50% to submit and file annual ESG reports. These reports must adhere to the guidelines set forth by the Securities and Exchange Commission (SEC) in 2019. The guidelines provide a framework for sustainability reporting, outlining the template of what information companies should disclose. While small and medium-sized enterprises (SMEs) are not yet subjected to the mandate, there are many benefits to compliance such as fostering a motivated workforce, increasing investor interest, and gaining a competitive advantage.

UNDERSTANDING ESG FACTORS

The environmental pillar measures how an organization impacts the environment through factors such as greenhouse gas emissions, the influence of business operations on natural resources, and the organization's resilience to natural disasters like global warming, floods, and fires. For instance, a company that discharges large amounts of harmful chemicals into the ocean can cause long-term water pollution, negatively affecting marine resources. As the

aquatic ecosystem provides food, energy and climate regulation, such actions are detrimental. ESG reporting is a crucial framework for highlighting such environmental issues, giving investors and the public a transparent view. Consequently, investors' confidence in such companies depends on such information and use this information to make informed decisions.

The social pillar of the framework focuses on how organizations manage their relationships with their stakeholders. It covers human capital, diversity, equity, and inclusion, corporate citizenship and data security. Sustainable companies evaluate their relationships with employees, customers, and suppliers, as well as their community engagement. Social performance is often closely linked to a company's reputation. Considerations such as human rights protection, workplace safety, staff development opportunities, and fair labor practices play a vital role in assessing a company's social aspects.

The governance pillar refers to corporate governance. It evaluates how a company is led and managed to best serve its shareholders' interests. This covers the board of directors and management structure, internal controls, accounting and auditing practices, and corporate ethics, among other factors. Corporate governance is subject to strong regulations

in many countries. In the US, all publicly traded companies, wholly-owned subsidiaries and foreign publicly traded companies operating in their home countries must comply with the Sarbanes-Oxley Act. This law includes regulations related to corporate governance, risk management, audit and financial reporting. The societal concern about the ethical conduct of businesses underpins the need for ESG disclosure on governance.

DRIVING SUSTAINABLE ESG PERFORMANCE

While awareness and adoption of ESG standards have been observed globally, Philippine companies must make additional efforts to improve their ESG performance. According to the 11th Corporate Governance (CG) Watch report published by the Asian Corporate Governance Association (ACGA), the Philippines placed 11th among the 12 countries in the Asia-Pacific region.

The ACGA, in collaboration with Credit Lyonnais Securities Asia (CLSA), a capital markets and investment group, conducts a survey every two years to assess the overall corporate governance quality across twelve markets. Seven categories are considered in the ranking, including government and public governance, regulators, corporate governance rules, listed companies, investors, auditors and audit regulators, and civil society and media.

Philippine companies should not just merely comply with sustainability reporting as required by the SEC. There is a need to actively promote ESG awareness across all organizational levels and to incorporate the ESG framework into business planning, implementation, and evaluation. While ESG initiatives may initially incur costs, it should be seen as a long-term investment. They generate sustainable value for all stakeholders and promote the organization's long-term success.

Beyond ESG compliance and achieving high governance rankings, organizations should view their sustainability efforts as a roadmap to environmental protection, societal transformation, and improved quality of life, in addition to supporting strategic success.

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