BUSINESS GROUPS said that the Department of Energy's (DoE) pursuit of a balanced energy mix is suitable for achieving energy security while keeping power affordable.

In a joint statement on Tuesday, nine business groups led by the Management Association of the Philippines expressed support for Energy Secretary Raphael P.M. Lotilla's policies, which they said were appropriate to the country's particular context.

"As an emerging market, the country must balance energy security and affordability with climate change concerns to support its economic progress," they said.

According to the groups, energy supply per capita is the third lowest in ASEAN, highlighting the need to prioritize the need to augment power capacity quickly amid growing energy demand.

"Even with the government's goal of a 50% renewable energy share in the country's power generation mix by 2040, it has left a sizable proportion for fossil fuelbased sources," they said.

Criminal and administrative complaints have been filed against Mr. Lotilla by the Power for People Coalition (P4P) for endorsing the expansion of Aboitiz-controlled Therma Visayas, Inc. Unit 3 in Cebu.

In a statement last month, P4P said that the endorsement of the project violates the moratorium on greenfield coal-fired power projects declared by the previous administration.

Meanwhile, the business groups said: "The DoE has repeatedly made it clear that its own advisory on the moratorium on coal-fired power plants applies to greenfield projects."

It added that the DoE is also working on the development of indigenous resources to reduce dependence on imported fossil fuels, to lower power costs, and to pursue energy efficiency to maximize energy resources.

"Energy insecurity is expensive. The power outage on Panay Island in January this year was estimated to have led to about P3.8 billion in economic losses for the Province of Iloilo alone," the groups added.

The other signatories to the statement were the Makati Business Club, the Employers Confederation of the Philippines, the Federation of Philippine Industries, the Financial Executives Institute of the Philippines, and the Foundation for Economic Freedom.

Also signing were the Blockchain Council of the Philippines, Fintech Alliance.PH, and the Women's Business Council Philippines.

On Aug. 5, the Philippine Chamber of Commerce and Industry (PCCI) also expressed support for Mr. Lotilla, noting that the allegations have the potential to push investors away.

"We are competing against other countries in the region in enticing foreign direct investment (FDI) to come to our shores; let us not create an air of uncertainty that could dissuade these investments," the PCCI said in a statement on Monday. — JustineIrish D. Tabile

Largest solar project eligible for green lane treatment – BoI

THE Board of Investments (BoI) said on Tuesday that it awarded green lane certification to the P185-billion project of Terra Solar Philippines, Inc. (TSPI), which is expected to be the world's largest solar farm.

In a statement, the BoI said that the certification covers TSPI's 3,500-hectare Terra Solar project located across Nueva Ecija and Bulacan.

TSPI is a subsidiary of SP New Energy Corp. and MGen Renewable Energy, Inc., the renewable energy unit of Meralco PowerGen Co.

BoI Managing Head and Trade Undersecretary Ceferino S. Rodolfo said TSPI's project will help in the Philippine transition to greener sources of power.

"The basic objective of the Philippines now under this administration is not just to grow — we are already the fastestgrowing economy in the region — but more importantly, to transform the Philippine economy into a smart and sustainable hub for manufacturing and services," he said.

The Solar PV (photovoltaic) and battery energy storage system project will be executed in two phases, with the first phase expected to supply 600 megawatts (MW) of output and the second phase adding 250 MW.

It was awarded an 850-MW Mid-Merit Power Supply Agreement from Manila Electric Co. (Meralco), under which it is required, upon completion, to supply 850MW of power.

MGen President and Chief **Executive Officer Emmanuel** V. Rubio expects the endorsement to fast-track projects that will accelerate the Philippines' low-carbon transition.

"Having the green lane certificate is a testament to our commitment to excellence, innovation, and environmental stewardship," Mr. Rubio said.

TSPI targets commercial launch for the first phase of the project by February 2026, with the second phase set to launch by February 2027.

Late last month, the company reported that the project is 56% complete.

The project last month was also certified by the Department of Energy as an Energy Project of National Significance, which is given to projects with capital investment exceeding \$59 million.

Executive Order (EO) No. 18 established the "green lane" system in all government agencies to speed up the approval and registration process for priority or strategic investments. Justine Irish D. Tabile

Oct. delivery expected for 30,000 MT of imported fish

THE Department of Agriculture (DA) said that it plans to grant permits for imports of 30,000 metric tons (MT) of fish, for October delivery.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. said that the DA is set to release the import order by next week.

"It will be set for arrival by October... this is lower than the 45,000 MT from last year," Mr. Laurel told reporters.

The Philippines typically allows fish imports during the fourth quarter, coinciding with the closed fishing season imposed in some areas to restore fish populations.

Republic Act No. 8550 or the Fisheries Code, authorizes closed seasons in certain fisheries as a conservation measure, to allow commercially significant fish species to regenerate.

Asked which fish species are to be imported, Mr. Laurel said

the order will cover shipments of round scad or galunggong, bonito, and mackerel.

He added that the DA had initially proposed imports of 35,000 MT of fish to the National Fisheries and Aquatic Resources Management Council (NFARMC).

"The NFARMC recommended 25,000 MT. So, I just decided to be on the safe side in the middle," Mr. Laurel said.

In April, the DA issued Memorandum Order (MO) No. 17, which solicited applications to import 25,000 MT of frozen small pelagic fish for wet markets in the fourth quarter.

MO 17 allocated 80%, or 20,000 MT to commercial fishing companies, with the remaining 20%, or 5,000 MT, for award to fishing associations or cooperatives. - Adrian H. Halili

2023 healthcare spending rises to 5.9% of GDP from 5.6% a year earlier

HEALTHCARE SPENDING in relation to the size of the economy rose to 5.9% in 2023 from a revised 5.6% a year earlier, the Philippine Statistics Authority (PSA) reported on Tuesday.

Citing preliminary data, the PSA said the ratio of national health expenditure to gross domestic product (GDP) was the highest since the 6.4% posted in 2021.

Current health expenditure grew 9.2% to P1.24 trillion in 2023, while gross health capital formation expenditure more than doubled to P197.07 billion last

This brought total health spending to P1.44 trillion in 2023, up 17%. Spending was at its highest level since the PSA began to track health spending in 1991.

Out-of-pocket payments by households accounted for 44.4% of current health expenditure last year amounting to P550.19 billion,

Government schemes and compulsory contributory healthcare financing rose 2.2% to P528.75 billion. These categories accounted for 42.6% of current health spending in 2023.

Spending by voluntary healthcare payment schemes rose 44.6% to P161.35 billion last year, accounting for 13% share of current health spending last year.

Robert Dan J. Roces, chief economist at Security Bank Corp., said the increase in health spending last year was due to inflation, an aging population, and rising cases of chronic disease.

"Higher healthcare costs may strain household budgets, impacting consumption and economic growth," Mr. Roces said via Viber.

Inflation averaged 6% last year, accelerating from a revised 5.8% in 2022. It was the strongest reading since the 8.2% posted in 2008 at the height of the global financial crisis.

The economy grew by a revised 5.5% last year, slowing from 7.6% in 2022.

On a per capita basis, healthrelated spending rose 8.3% to P11,082.68 last year.

Hospitals received 46.1% of all health spending last year, against 48.9% in 2022.

In absolute terms, hospitals took in P571.77 billion, up from P554.98 billion a year earlier.

Retailers and other providers of medical goods took in 29% of spending (P360.05 billion in 2023 from P331.92 billion in 2022) while providers of healthcare system administration and financing accounted for 9% (P111.47 billion from P56.90 billion).

"In this case, it may be that healthcare costs are rising. But in the long run, in an inflationary environment, healthcare spending gets a smaller allocation in the budget of the consumer, favoring instead spending on other items such as food," said Mr. Roces. — Charles Worren E. Laureta

Sugar harvest seen peaking late due to El Niño

THE Sugar Regulatory Administration (SRA) said the height of the sugar harvest as well as milling operations will be delayed due to the impact of El Niño on the cane crop.

"We are expecting an almost two-month delay in the peak of harvest season because the cane damaged by El Niño had to be replanted," SRA Administrator Pablo Luis S. Azcona told reporters late Monday.

"By November we could be at our peak. Last year El Niño hit during the harvest season, which was good because harvesting conditions were dry," he added.

During the second quarter, cane production $dropped\,42.3\%\,year\,on\,year\,to\,1.63\,million\,metric$ tons (MMT), according to the Philippine Statistics Authority, making sugar the crop most affected by El Niño during the three-month period.

He expected sugarcane production to be flat "or may drop tayo ng konti (output could fall slightly)."

"Right now, there are three mills confirmed to be opening by Sept. 15 in Negros, and they are not hopeful about the cane supply. Others will open by Oct. 1 or 15. In Bukidnon, mills are expected to open by Nov. 15," he said.

"Batangas... might be delayed also. So, the season will be a bit delayed," he added.

The government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), declared the start of El Niño weather event in June last year, bringing below-normal rainfall conditions, dry spells and droughts.

El Niño ended in early June 2024, PAGASA added, but dry conditions are expected to

"We had five months or more of dry conditions in Negros, where the majority of the sugar comes from. Batangas was also hit so they're expecting a drop. Mindanao, I'm not so sure of the data yet because they had the biggest increase last year," Mr. Azcona said. - Adrian H. Halili

PHL rice import forecast cut to 4.6 MMT — USDA

THE US Department of Agriculture (USDA) said it lowered its Philippine rice import forecast by 2.13% to 4.6 million metric tons (MMT) this year due to weaker-than-expected purchases of Vietnamese rice. In its latest Grain: World Markets and

Trade report, the USDA said it downgraded its 4.7 MMT estimate issued in July.

Rice imports have totaled 2.49 MMT as of Aug. 1, according to the Bureau of Plant Industry. It added that global production may likely be lower due to reduced

output in Myanmar, Malaysia, Vietnam, and the Philippines. The USDA is projecting milled rice

production for the Philippines of 12.3

At a budget hearing on Monday, Agriculture Secretary Francisco P. Tiu Laurel, Jr, said that the Department of Agriculture (DA) is projecting rice imports of 4 MMT in 2024.

For 2025, the USDA has a Philip-

pine rice import estimate of 4.6 MMT. In June, President Ferdinand R. Marcos, Jr. signed Executive Order (EO) No. 62 which lowered the tariff on imported rice to 15% from 35% until 2028. The new tariff regime is subject to review every four months.

— Adrian H. Halili

NEDA warns of consequences if peso breaches P58 level

THE GOVERNMENT needs to ensure that the peso does not breach the P58to-the-dollar level next year to ensure that the goal of becoming an uppermiddle income country is not delayed, according to the National Economic and Development Authority (NEDA).

At a Senate finance committee hearing with the Development Budget Coordination Committee on next year's P6.352trillion national budget, NEDA Secretary Arsenio M. Balisacan said attaining uppermiddle income status could slide to 2026 if the peso weakens past this threshold.

"For as long as we do not exceed P58 per dollar next year, among the other indicators, we expect to hit or to be reclassified as an upper-middle income country," he told senators.

The World Bank defines an upper middle-income country as one having a gross national income (GNI) per capita of between \$4,516 and \$14,005.

The Philippines is classified as a lower middle-income country with a GNI per capita of \$3,950. It has been at this income level since 1987, according to the World Bank.

Mr. Balisacan told reporters on the sidelines of the hearing that interest rates and inflation could affect the Philippines' nominal income.

"It's just one of the factors, because there's interest rate differential and the inflation differential between us and our trading partners."

Inflation accelerated to a ninemonth high of 4.4% in July, which ended seventh straight months of inflation being confined to the central bank's 2-4% target band.

"The full impact of foreign exchange rates depends on various other economic factors and policies, chief of which are offshore developments, which are beyond the control of both the central bank and the National Government," Security Bank Corp. Chief Economist Robert Dan J. Roces, said via Viber.

Leonardo A. Lanzona, who teaches economics at the Ateneo de Manila, said the government should focus on expanding exports if it wants to improve its income status.

"We need to develop our domestic resources if we are to expand the economy," he said via Messenger chat.

"Overvaluing the currency just to bring in the imports is not going to be efficient."

The peso closed at P56.96 on Tues-

day from P57.316 previously, its strongest finish since hitting P56.808 on In May, the peso breached the P58

level for the first time since November 2022. The peso has been trading in the P57-P58 range since then. Diwa C. Guinigundo, country ana-

lyst for the Philippines at GlobalSource Partners and a former central bank deputy governor, said:

"Per capita income is driven by good growth and employment dynamics, and stable inflation." - John Victor

