Green lane-eligible projects top P4.55 trillion

THREE more projects worth P15.35 billion have been endorsed by the One-Stop Action Center for Strategic Investments (OSAC-SI) for green lane treatment this month, bringing the total value of such projects to P4.552 trillion, a Board of Investments (BoI) official said.

BoI Investment Assistance Service and OSACSI Director Ernesto C. delos Reyes, Jr. said that three projects in the renewable energy (RE) industry were endorsed this month.

"Most of these are solar projects," he told reporters on the sidelines of a European Chamber of Commerce of the Philippines (ECCP) event on Thursday.

The recent endorsements brought the total number of green lane-certified projects to 179.

Of the total, 144 are RE projects worth P4.15 trillion. These accounted for 80.45% of the certified projects.

Investments in RE projects increased after the government allowed full foreign ownership in the

industry. Foreign ownership had previously been capped at 40%.

Eight digital infrastructure projects were also endorsed for green-lane treatment worth P352.13 billion. These accounted for 7.74% of total endorsements.

Meanwhile, 23 projects involved food security and were valued at P14.37 trillion.

Completing the list were four manufacturing projects worth P36.91 billion.

According to Mr. Delos Reyes, six of the green lane-certified proj-

ects are already operational. Three of which are in the RE sector, two are digital infrastructure projects, and one is in food security.

Three of the projects are in the preoperational stages — two in RE and one in food security.

Meanwhile, 37 of the projects are undergoing construction. These comprise 19 RE projects, four digital infrastructure projects, 10 projects in food security, and four manufacturing projects.

Bulk, or 133 of the projects, are still in pre-development stages.

These are 120 RE projects, two digital infrastructure projects, and 11 projects in food security.

In February 2023, the government established Executive Order (EO) No. 18, the "green lane" system at all government offices, expediting approvals and permits for strategic investments.

"Inspired by the valuable feedback from our investors, particularly our foreign partners, we are excited to see green lane's activities taking shape. The dedicated hand-holding assistance offered by our Greenlane focal persons across various agencies is a significant driver of our progress," said Mr. Delos Reves.

"With the government's strategic approach guiding us, we believe in our collective ability to accomplish the goals of EO 18. Together, we aspire to achieve the target timelines for the start of commercial operations of these strategic projects or even sooner than expected," he added. - Justine Irish D. Tabile

Over P56 million budgeted for Surigao Airport feasibility study

THE Department of Transportation (DoTr) is set to commission a feasibility study for the Surigao Airport development project for P56.53 million.

In the DoTr's procurement plan, P56.53 million has been allocated to hire consultants to develop the feasibility study and master plan; the environmental impact assessment study; and the detailed engineering design for the New Surigao Airport.

It said an auction is scheduled for sometime in the first quarter, with awarding targeted for the second quarter.

The New Surigao Airport will be a solicited project, according to the Public-Private Partnership (PPP) Center.

Last year, the PPP Center reported that 11 PPP aviation projects are in the pipeline including the New Surigao Airport.

The DoTr has said that it will pursue several PPP airport

projects in 2025, which include the modernization and rehabilitation of airports in Basco, Batanes: Busuanga, Coron, Palawan; Cauayan City, Isabela; Tuguegarao City, Cagayan; Bacolod City; Calbayog and Catbalogan, Samar; Catarman, Northern Samar; Ormoc, Leyte; Davao City; General Santos City and Surigao City.

Last year, DoTr completed its biggest PPP project, the takeover of the San Miguel-led New NAIA Infra Corp. of the operations and maintenance of Ninoy Aquino International Airport.

The DoTr has also awarded the contract for the operations and maintenance of two regional airports in 2024 - the New Bohol-Panglao International Airport and the Laguindingan International Airport — to Aboitiz InfraCapital, Inc.

- Ashley Erika O. Jose

Tariff war will cut global GDP by double digits — WTO

By Justine Irish D. Tabile Reporter

WORLD TRADE ORGANIZA-TION (WTO) Director General Ngozi Okonjo-Iweala has called on all sides to "chill" and not retaliate should the US follow through on its threat to impose tariffs on most imports, citing the potential economic fallout.

Speaking at a town hall session at the World Economic Forum in Davos, Thursday, Ms. Okonjo-Iweala said that a similar event in the 1930s, which deepend the Great Depression.

"Even if a tariff is levied, please keep calm. Don't wake up and, without laying the necessary groundwork, levy your own. If there's a 25% tariff, I'll do 40 and so on. That's why I'm very intent (that the threat of a trade wardoes not become) a self-fulfilling prophecy," she said.

"We have done the numbers. We have tit-for-tat retaliation, whether it's 25% or 60% tariffs,

and if we go to where we were in the 1930s, we are going to see double-digit global gross domestic product (GDP) losses," she added.

She said 80% of the world trade today is performed under WTO terms.

She added that world trade is at a peak of \$30.4 trillion, which is higher than the pre-pandemic peak.

"So there's resilience. Does that mean I'm not concerned? No, I'm not trying to say that, but I just sense a lot of hyperventilation, and we need to take a deep breath," she said.

However, she added that even in the absence of tit-fortat retaliation, under a scenario of two trading blocs that minimize trading with each other, major setbacks to GDP are also in store.

"We have done that work too; we are going to lose 6.4% of real global GDP in the longer term. That is like losing the economies of Japan and South Korea combined, \$6.75 trillion; that is far from trivial, and that will hurt everyone also," she said.

She expressed the hope that countries use the WTO process to settle disputes. Member countries are entitled to launch a series of investigations if they think they are being harmed and request consultation from the economy that is harming them.

Meanwhile, Ambassador of Brazil to the WTO Guilherme de Aguiar Patriota said that using tariffs politically may hurt the international rules-based system.

In particular, he said that the tariffs may imply that the commitments that everyone has made at the WTO after so many years of its existence, which everybody abides by, are suddenly "no longer important or relevant from a legal or commitment standpoint."

"I think that's a bad message. It kind of ruins the chessboard a little bit and leaves countries wondering what is valid, what are the rules, and what is the common reference point for everyone to interact," he said.

In the Philippines, Foundation for Economic Freedom President Calixto V. Chikiamco said that the Philippines may fare better than others due to its small trade deficit with the US.

"The Philippines in the Age of Trump 2.0 may fare better than other nations. The country's trade deficit with the US remains relatively small at \$10 billion. Compare that with Vietnam, whose trade deficit with the US has soared to more than \$110 billion. Vietnam may be the target of Trump tariffs," he said via Viber.

"On the other hand, during Trump's first term, his administration indicated a desire to forge a free trade agreement with the Philippines, something that former US President Biden refused to do," he added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the Philippines could be indirectly affected by the import tariffs that President Donald J. Trump will impose.

"More protectionist or America-first policies by Trump could slow down economies (subject to) higher import tariffs such as those of China, Mexico, and Canada, among others," he said via Viber.

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