EU 'green' regulations to force overhaul of exporter practices

By Justine Irish D. Tabile
Reporter

THE Philippine Exporters Confederation, Inc. (Philexport) said the European Union's (EU) Green Deal will require exporters, particularly the coconut industry, to comply with the trading bloc's policies to remain competitive.

"We had been carrying out info sessions and rendering technical assistance mainly with and through the Department of Trade and Industry — Export Marketing Bureau and the International Trade Centre (ITC) ARISE Plus Philippines program," Philexport said via Viber.

"We hope to increase the competitiveness of the products affected by these EU policies, with particular interest in coconut and coco-based products that are not listed in the EU Deforestation Regulation (EUDR)," it added.

According to Philexport, the main exports to the EU in 2023 were office and telecommunications equipment, machinery, food products, and optical and photographic instruments.

"Most of these products may be indirectly or directly in the Carbon Border Adjustment Mechanism (CBAM) coverage," it added.

Citing ITC Green and Inclusive Value Chains Section Associate Expert Michaela Summerer, Philexport said that the Green Deal consists of more than 50 policies, initiatives and legislative proposals in support of climate neutrality.

These include the EUDR; CBAM; and the Ecodesign for Sustainable Products Regulation (ESPR).

The EUDR prohibits the export of commodities to the EU unless they are not the product of deforestation and have been produced in accordance with the "green" legislation of the country of origin.

These include cattle, cocoa, coffee, oil palm, rubber, soy, wood, and selected derived products like chocolate, leather, and furniture.

Companies are obliged to ensure compliance with EUDR rules, which include the provision of geolocation data and a declaration filed with the EU's Deforestation Diligence Registry.

Meanwhile, CBAM imposes a carbon tax on imported goods in high-emission industry based on the carbon intensity of production.

Ms. Summerer said that of the industries affected by CBAM, like steel, cement, aluminum, fertilizer, and electricity, the Philippines exported $22.5 million to the EU.

CBAM requires exporters to the EU to calculate the carbon emissions of their products, report their carbon content, and pay a fee based on the difference between their country's carbon price and the EU's.

The ESPR is a legislative framework setting design requirements for energy-related products, including household appliances, heating and cooling products, consumer electronics and lighting, textiles, furniture, building materials, and packaging.

"ESPR covers an array of product categories, including many products under Harmonized System (HS) Chapters 84 and 85, which combined are the largest exports of the Philippines to the EU, equaling $6.1 billion in 2023," Ms. Summerer said.

She said exporters need to understand their obligation to prepare for and comply with the EU Green Deal policies.

"Proactive action is needed. Suppliers to the EU market may be indirectly affected by the EU Green Deal policies, i.e., they might not have the reporting obligation under the respective legislation yet will be asked by their buyers for relevant documentation and evidence," she said.

Senate passes bill giving PSALM five more years of corporate life

THE SENATE approved on third and final reading on Monday a bill extending the corporate life of the Power Sector Assets and Liabilities Management Corp. (PSALM) for five years, ahead of its original expiration date of June 2026.

In a 20-0-0 vote, the chamber passed Senate Bill No. 2837, which would allow PSALM to continue managing the government's energy assets.

The five years "provide PSALM sufficient time to settle existing obligations," Senator Mark A. Villar, who sponsored the measure, said after the bill's approval.

"This will also enable PSALM to commence asset and management plans for several significant independent power producer facilities and real estate assets."

PSALM was created under the Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001, to lead the privatization of generation and transmission assets of the National Power Corp. and the National Transmission Corp.

Its corporate life was originally due to expire in June 2026. Should PSALM be dissolved, all of its assets and liabilities revert to the National Government.

Assets held by PSALM include the 796.64-megawatt Caliraya-Botocan-Kalayaan hydroelectric power plant complex in Laguna.

Finance Secretary Ralph G. Recto in March 2024 backed the measure, saying PSALM still has many debts and assets that need to be disposed of. — **John Victor D. Ordoñez**

BSP seeking to expand share of youth holding bank accounts

THE Bangko Sentral ng Pilipinas (BSP) said it is seeking to raise the level of financial inclusion for young people from the current 27% of 15 to 19-year-olds holding bank accounts.

The central bank launched on Monday the Youth Financial Inclusion Initiative (YFI), a component of the National Strategy for Financial Inclusion 2022-2028.

A recent report by the ASEAN+3 Macroeconomic Research Office estimated a Philippine median age of 24.5 years in 2021, the second-youngest population in the region.

"(The 15-19 cohort) is 31 million strong. That is nearly one-third of our population. With this strength in numbers, you can influence the economy in ways that are both significant and lasting," BSP Deputy Governor Bernadette Romulo-Puyat said.

"You are the most tech-savvy generation. You know how to turn likes and shares into movements. And that is exactly the kind of creativity we need," she added.

The YFI initiative covers account onboarding, financial education and consumer protection, advocacy, policy and regulatory support, and stakeholder engagement.

"However, what truly makes the YFI Initiative stand out is its advocacy component. This is where your voices and ideas take center stage," BSP Managing Director Charina B. De Vera-Yap said at the launch. — **Luisa Maria Jacinta C. Jocson**

Warning issued against unauthorized John Hay sales

THE Bases Conversion and Development Authority (BCDA) warned the public on Monday against individuals selling hotel units at the Manor and Forest Lodge in Camp John Hay.

In a social media post, the BCDA said it received reports that some individuals claiming rights to units at The Manor and Forest Lodge are selling their rights, even after the Supreme Court ruled that the properties are to be turned over to the government.

"The public is advised not to transact with individuals or parties who are without official authorization and purporting to have a contractual relationship with the BCDA," it said.

"The BCDA reminds the public that the state-run corporation has now regained control of The Manor and Forest Lodge," it added.

The BCDA recovered Camp John Hay after the Supreme Court issued a final resolution allowing the recovery of the 247-hectare property leased to CJH Development Corp. (CJH DevCo).

The order covered land and improvements, whether they were held by CJH DevCo and its subsidiaries or affiliates or occupied by other parties claiming rights to them.

"The BCDA calls on individuals or parties claiming rights to hotel units to respect the rule of law and the government's ownership of the properties," the BCDA said.

The BCDA has tapped Landco Pacific Corp. to be the interim manager of the Manor and Forest Lodge, for one year, extendable to two. — **Justine Irish D. Tabile**