Harmonized requirements seen critical for streamlining mining permits

By Adrian H. Halili
Reporter

MINERS said the Environment department's plan to streamline the mining permit process will require the National Government (NG) to work closely with local government units (LGUs) to avoid conflicting or redundant requirements.

Philippine Nickel Industry Association President Dante R. Bravo called for a "harmonized position between the local and National Governments."

Mr. Bravo, speaking to *BusinessWorld* at a mining industry event on Thursday, said miners still need to conduct consultations at NG and LGU levels as a prerequisite for applying for mining permits.

The Department of Environment and Natural Resources is preparing an administrative order (AO) streamlining applications for mining exploration permits, mineral agreements, and financial or technical assistance agreements (FTAA).

The proposed AO will also allow the parallel processing of submissions in lieu of the old method of serial approvals.

Mr. Bravo also called for easing the process miners need to go through before obtaining signoff from the National Commission on Indigenous Peoples (NCIP) for projects on tribal land.

Mining firms seeking to operate in areas inhabited by Indigenous Peoples (IP) are required to submit a comprehensive project profile, conducting community consultations, and demonstrate an understanding of the local culture and potential impacts on the IP community, among others.

Under the draft AO, the requirements of the NCIP will be processed in parallel with other requirements.

"When it comes to exploration permits, since we don't have an income generating activity yet, maybe we can ask for a slightly lighter requirement, and even from the local government," he said.

Economic zone on BuCor land targeted for launch by 2028

By Justine Irish D. Tabile
Reporter

THE Philippine Economic Zone Authority (PEZA) said an economic zone (ecozone) it plans to establish at a penal colony in Palawan is expected to be operational by the time President Ferdinand R. Marcos, Jr. steps down in 2028.

The so-called "mega ecozone" will be established after PEZA signed a memorandum of agreement (MoA) with the Bureau of Corrections (BuCor) covering more than 2,000 hectares on the Iwahig Prison and Penal Farm in Puerto Princesa, Palawan.

The Palawan Mega Economic Zone (PMEZ) is expected to be "proclaimed within the year," PEZA said.

PEZA and BuCor had entered into a memorandum of understanding on Jan. 30, 2024 to facilitate the due diligence process for converting various BuCor sites into ecozones.

"We are proud to share that we have now entered the next important step for our ecozone development in Palawan," PEZA Director General Tereso O. Panga said.

"We look forward to beginning the master planning and immediately starting the development of this ecozone, which will create more employment opportunities for Filipinos, most especially for persons deprived of liberty (PDLs)," he added.

BuCor estimates that it controls 32,000 hectares of idle land with ecozone potential, including 25,000 hectares in Iwahig, 7,000 hectares in Sablayan, Mindoro, and 300 hectares at the national penitentiary complex in Muntinlupa City.

"Palawan is the new frontier, and we want to generate income for social development and food security," said BuCor Director General Gen. Gregorio Pio P. Catapang, Jr.

According to Mr. Panga, the 2,000 hectares allocated for the PMEZ could be expanded.

"We are eyeing a bigger area for our megazone project... But we will work on the proclamation of the 2,000 hectares initially," Mr. Panga said via Viber.

"By next year, we can start accepting locators upon the initial area's proclamation," he added.

The target industries for PMEZ include electric vehicles, advanced manufacturing, green ore processing, nanotechnology, knowledge-based and artificial intelligence-driven industries, and medical-related industries.

"The impact of this project will be felt all across the region, to include an immediate heightened trade within the context of the BIMP-EAGA international framework," Mr. Panga said, referring to the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area.

New clearance fees for other sweeteners delayed

THE Sugar Regulatory Administration (SRA) has deferred a new set of fees it had planned to collect starting this weekend for clearances to import a number of non-sugar sweeteners.

Sugar Order (SO) No. 6 had originally been set to take effect on Feb. 1 but encountered resistance from food and beverage manufacturers who objected to the additional cost.

The order imposes a P60 per metric ton clearance fee on sucrose, lactose, glucose, maltose, maple syrup, honey and caramel, and flavored syrups, among others.

The Philippine Confectionery Biscuit Snack Food Association and the Beverage Industry Association of the Philippines had written to the SRA, citing concerns over the fees.

The decision to defer had been arrived at during a Jan. 23 board meeting, pending consultations with industry, the SRA said.

In a statement on Thursday, the Federation of Philippine Industries (FPI) warned of the sugar order's possible impact on prices.

FPI President Jesus L. Arranza said SO 6 could also increase the "cost of doing business and adversely affect consumers."

"The SRA order has the potential to trigger ripple effects, like congestion at the ports, leading to additional demurrage fees that would hurt the makers of confectioneries and beverages in terms of production delays and additional costs," he added.

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The SRA has said that the order is intended to help document and better monitor the entry of imported non-sugar sweeteners, and not to restrict their entry, while domestic sugar producers have long agitated for limits on imports of non-sugar sweeteners.

"There is no need to add another bureaucratic layer if the goal is only to gather data because import records are already available from the Bureau of Customs," Mr. Arranza said.

SRA Administrator Pablo Luis S. Azcona said by telephone: "The Department of Agriculture (DA) took it upon itself to sit down with the people who wrote us letters and to see if their concerns are valid or speculative."

Mr. Azcona said that the order will not cause delays in the processing of import clearances.

"We have been issuing import clearances for fructose under Tariff Code 1702 since 2017, and there have been no reports of delays or disruptions to business operations," he added.

He called the clearance fees "minimal" and estimated them to account for about 0.08% of manufacturers' costs.

He added that the SRA is also set to implement an online portal for import clearance applications.

"We welcome the opportunity to sit with them and find solutions to their concerns," Mr. Azcona added. — **Adrian H. Halili**

First offshore wind production by 2028 'doable' if all goes well

By Sheldeen Joy Talavera
Reporter

GETTING production out of the first offshore wind farms by 2028 is considered "doable" with close coordination between regulators and project proponents, according to Danish technical consultancy firm K2 Management (K2M).

"The 2028 completion of the first offshore wind sounds aggressive but it is also doable, but that does require all the stakeholders to closely collaborate (to achieve) the 2028 targets," Scott Hsu, K2M director for Taiwan and the Philippines, told *BusinessWorld*.

The Philippines is hoping to generate its first output from offshore wind by 2028 as it bids to diversify its energy mix and reduce dependence on fossil fuels.

"If all the resources (from the) government and private sector are in place, I think the Philippines, with all that sea area, has a lot of potential to play a major role in the future electricity production," he said. "But that (depends on the speed of) the auctions... (and whether) the authorities and the private sector come together."

The Department of Energy (DoE) is planning to hold its fifth green energy auction (GEA-5) focused on offshore wind by the third quarter of 2025.

The auction is expected to ensure market access for offshore wind developers, to establish to their funders that they can tap long-term demand.

As of October 2024, the government has awarded 92 offshore wind contracts with 68 gigawatts (GW) of potential capacity. Of the total, 21 contracts representing 19.2 GW were awarded to foreign-owned companies.

The DoE said it is assisting 16 offshore wind frontrunners who have committed to deliver a total of more than 16 GW of new capacity.

"The offshore wind success requires all stakeholders' efforts. And then transparent and supportive policy is very important from the government side," Mr. Hsu said.

The banking industry also plays a crucial role in offshore wind development, he said.

"It is very important for (the banks) to be actively participating in the financing... That will be the only way to turn this financial investment into a successful project," he said.

He said ports are also needed to serve as logistics hubs throughout the life cycle of the projects.

The DoE has said that the Philippine Ports Authority has committed and allocated funds for repurposing and expanding Currimao port in Ilocos Norte, the Port of Batangas, and the Jose Panganiban port in Camarines Norte.

These ports were identified as critical to offshore wind development due to their proximity to high-potential wind energy sites.

According to the World Bank's 2022 Offshore Wind Roadmap for the Philippines, the country's offshore wind resources are estimated at a potential 178 GW.

CAAP to focus navigation system upgrades on hardware this year

THE Civil Aviation Authority of the Philippines (CAAP) said it will focus on hardware upgrades to its communications, navigation, surveillance and air traffic management (CNS/ATM) systems this year.

"For 2024, ... we completed the software upgrade. What we want to happen now is to complete the hardware upgrade," CAAP Director General Manuel Antonio L. Tamayo said.

He said CAAP is planning to tap the loan extended by Japan International Cooperation Agency (JICA) for this upgrade program.

"The primary concern is funding. However, we have savings from the JICA fund that was supposed to be used in constructing the existing CNS/ATM. JICA extended the loan; now we have approximately P2.1 billion (available)," he said.

This system upgrade, which was integrated last year — is part of CAAP's program to enhance the air traffic management system, making air traffic operations more efficient and reducing delays.

The CAAP embarked on the system upgrades following the power outage that hit CAAP facilities in 2023, which affected thousands of passengers. — **Ashley Erika O. Jose**

Textile industry revival seen starting with developing tropical fabric niche

By Justine Irish D. Tabile
Reporter

THE PHILIPPINES could revive its textile industry by establishing a niche in "tropical fabrics," the Board of Investments (BoI) said.

BoI Executive Director for Industry Development Services Ma. Corazon H. Dichosa added that the garments and textile industry roadmap is making slow progress following the disruptions of the pandemic.

"We launched it prior to the pandemic, and the implementation was a bit slow because, first of all, we do not have textiles," she said on the sidelines of the 2025 National Textile Convention.

She said the lack of capacity is what opens the door to imports.

"I think it is very critical that we revitalize our textile industry ... So right now what we are looking at is to start with creating a niche for a lot of tropical fabrics," she said.

"If we scale it up, (tropical fabrics will be) premium and higher-value ... We think that if we want to create a market for our garments again, it could be a starting point," she added.

Garments from the Philippines used to have a ready market in the US before 1995 due to the Quota Regime, she said. However, the Philippines lost share to China after quotas were removed.

"We have a higher cost of production here, but if we start with tropical fabrics, which are something only available to us and have unique designs, that's something that we can actually create a niche in," she said.

"And hopefully that also establishes the Philippines again as another garment player globally and regionally. And then from there, we expand," she added.

January is Philippine Tropical Fabrics month, organized by the Department of Science and Technology's Philippine Textile Research Institute (PTRI). This year, the observance centers on circularity and sustainable fashion.

"Circularity is actually our (pathway) to attain a level of sustainability for the textile industry ... The use of natural fibers is one step by which we actually eliminate and reduce our dependence on synthetics," PTRI Director Julius L. Leaño, Jr. said.

"When you talk about exports, you talk about volume, quality, and sustainability. Right now, you won't be able to export handwoven products if they're made of polyester," Mr. Leaño said.

He said the market is evolving, and the Philippines needs to ensure it is not be "caught flat-footed."

"This is our strategic competitive advantage, and together with our colorful products and weave patterns, we really have our own niche in global markets," he added.

He said consumers are part of the solution, because without prodding they tend to buy cheap products.

"Economies of scale are really our arbiter for this kind of industry, particularly for textiles, because as long as your production is small, it is really more expensive," he said.

Raymond Girard R. Tan, De La Salle University's Vice Chancellor for Research and Innovation, said the sustainability of the textile industry will not only protect the Philippine environment but make exports more competitive.

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"The Philippines exports only about 20% of the output of its textile and allied industries. By comparison, if you look at nearby countries of similar size and gross domestic product, Vietnam exports 50 times as much in terms of dollar value from its textile sector," he told a panel discussion.

"And what that tells us, even though it seems like bad news at first, is it gives us a sense of how much we can scale up and cause economic growth if we get our act together. There is plenty of potential to create new livelihood opportunities if we can tap into this lucrative export market," he added.

He said that adapting circularity in textiles will be crucial, as export markets will eventually close their doors to companies that cannot prove that their products are at least minimally green.

"The premium will become smaller and smaller, to the point, for example, that if you're trying to export to the European Union, companies there are going to have to vet their supply chains (to favor) those that have better practices," he said.

"I would encourage everybody to think not in terms of sustainability as hindering economic growth, but (as something that) will open doors if we consider just how big the export market is," he added.