GOCC reforms have improved performance since 2011 — ADB

GOVERNMENT-OWNED and -controlled corporations (GOCCs) performed better following reforms that centralized governance and enhanced transparency, the Asian Development Bank (ADB) said.

"The effect of the centralization of GOCC ownership and the associated performance management, transparency, and accountability reforms have been significant," the ADB said in its state-owned enterprise (SOEs) reform handbook issued on Feb. 12.

The bank said 50 GOCCs were abolished, merged, or deactivated as of 2022.

At the same time, GOCCs posted improved income and dividends.

The Bureau of the Treasury reported that P136.29 billion in dividends were remitted by 52 GOCCs as of Dec. 9.

This exceeded the P100 billion target for 2024 and were up 35% year on year.

The ADB also said that during the pandemic, GOCC revenue grew to $27.25 billion in 2021 from $11.3 billion in 2011.

"There were also increases in performance on nonfinancial measures. Stakeholder satisfaction surveys showed an improvement in GOCC performance among key stakeholders, presumably because of the performance scorecard system," it said.

BW FILE PHOTO

It was referring to the corporate governance scorecards issued to 84 SOEs by the Institute for Corporate Directors.

It said the performance of GOCCs was "on par or even better than private sector equivalents."

In addition, the state-run firms also became more effective implementors of government programs by drawing on private sector expertise and capital through public-private partnerships (PPPs), the ADB said.

These projects included health, water, airport, and electricity works.

Additionally, PPP projects are planned to include GOCC port, urban development, and renewable energy initiatives.

"GOCCs have had a history of poor performance, being directed by multiple ministries and subject to political and noncommercial directives, creating inefficiencies and substantial debt burdens for the economy," it said.

The ADB said that the state-run firms were "compelled to refrain from increasing prices for their services such as public transportation fares — and to be lenient in collecting unpaid fees — like agricultural water usage charges — to avoid public backlash."

These were later addressed through the GOCC Governance Reform Act or Republic Act No. 101049 in 2011.

It led to the creation of the Governance Commission for GOCCs (GCG), which oversees and sets policy and management guidance for the state-run firms.

The current issue involving GOCC governance involves how the government accesses the corporations' funds over and above the dividends, it said.

The Supreme Court issued a restraining order against the transfer of P89.9 billion from the reserves of the Philippine Health Insurance Corp. (PhilHealth) to the Treasury, after the P60 billion had been remitted.

The High Court will hear oral arguments on the transfers until Feb. 25. — **Aubrey Rose A. Inosante**

AI, finance to remain high-demand fields

THE JOB MARKET will feature strong demand for technology-driven roles, finance professionals, and healthcare workers, according to JobStreet by SEEK.

Henry Jose C. Yusingco, Head of Marketing at JobStreet by SEEK, said that candidate shortages persist in those fields, as well as in business processing outsourcing (BPO).

"There is still a huge demand for information technology (IT) talent, which includes programming, artificial intelligence (AI), machine learning, and productivity software applications. Data science and analytics are also emerging as key areas of focus," he told *BusinessWorld*.

Finance remains strong due to the rise of financial technology (fintech) applications, like e-wallets, GCash and Maya.

Beyond purely tech roles, Mr. Yusingco noted a growing need for professionals adept in AI-powered tools.

"Marketing, for example - some people are already looking for marketers that have an AI background," he said. "Let's say, an AI artist. That's usually part of the marketing sphere. A graphic artist or a designer is usually skilled in Adobe or Canva. But now, they're slowly moving towards roles that have an inclination towards AI."

Soft skills remain a key component of employability, in addition to technical expertise, Mr. Yusingco noted.

With the Department of Education (DepEd) set to integrate soft skills into the new K-12 curriculum this June, he highlighted the importance of critical thinking, communication, and adaptability.

Employers value workers who can think critically, communicate effectively, and work collaboratively, he noted, adding that such skills set humans apart from computers. — **Chloe Mari A. Hufana**

Market operator expecting power spot price hike during dry season

THE INDEPENDENT Electricity Market Operator of the Philippines, Inc. (IEMOP) is projecting an increase in power prices at the Wholesale Electricity Spot Market (WESM) during the dry season due to higher demand.

"Of course, it's warmer… we can see that there will be an increase in demand. So, therefore, there will be an increase in prices," Chris Warren C. Manalo, assistant manager at IEMOP's market simulation and analysis division, told reporters at a briefing.

Mr. Manalo said that spot prices for February will be level with January rates as the cold weather will keep demand in check.

However, compared with last year when the Philippines was experiencing El Niño, this year's power demand could be further dampened by La Niña, according to Isidro E. Cacho, Jr., IEMOP's head of trading operations.

"Generally, the demand will increase because of summer but compared with last year, possibly will not reach last year's peak," Mr. Cacho said.

With the economy growing, he said that the committed power plants coming online are expected to contribute to supply.

"That means more stable prices, especially now that the reserve market is also providing more secure and stable transmission and supply of power," he said.

IEMOP operates the WESM, where energy companies can buy power when their long-term contracted power supply is insufficient for customer needs. — **Sheldeen Joy Talavera**

PHILIPPINE STAR/NOEL PABALATE

Palay farmgate prices fall 17% in Jan.

THE FARMGATE PRICE of unmilled rice (palay) fell 17% year on year in January to an average of P20.69 per kilogram, after rice imports hit record levels last year.

Month on month, the palay farmgate price fell 0.05% to an average of P20.70, the Philippine Statistics Authority (PSA) said in a report.

The PSA said all regions except the Eastern Visayas reported falling prices on average in the 12 months to January 2025.

Month on month, only seven of the 16 regions posted growth in average farmgate prices — Cagayan Valley, Calabarzon, Mimaropa, Bicol, Central Visayas, Eastern Visayas, Soccsksargen, and Caraga.

The highest palay prices in January were posted by the Eastern Visayas, where palay prices rose 28.4% year on year and 7.0% month on month to P24.79 per kilo.

The lowest farmgate price was recorded in Calabarzon at P17.41 per kilo from P23.55 per kilo, down 26.1% year on year.

The biggest decline was logged by Cagayan Valley at 26.8%, with its average farmgate price falling to P20.37 from P27.84 per kilo.

The Department of Agriculture (DA) has said that it can "purchase more from farmers as palay prices this year averaged P21 to P23 per kilo compared with P27 per kilo in 2024.

The DA lowered the price of National Food Authority (NFA) rice to P35 per kilo, days after declaring a food security emergency due to an "extraordinary" spike in the price of the grain, despite lower tariffs for imports.

"That is expected given the huge inflow of imports in 2024 coupled with the reduction in tariffs and the softening of international prices," Raul Q. Montemayor, national manager of the Federation of Free Farmers Cooperatives, Inc., said via Viber.

"We hope that the DA will be as concerned about this as they are with rice retail prices."

The DA last month said it was expecting the palay harvest to exceed 20 million MT this year.

In 2024, rice imports hit a record 4.68 million metric tons (MMT), against 3.6 MMT a year earlier.

Mr. Montemayor said palay production in 2024 declined by 972,427 MT, equivalent to 612,628 MT of rice.

"But the country imported about 1.2 million MT more than what it bought abroad in 2023.

So, the decline in local production was more than offset by imports by around 600,000 tons."

The national rice inventory rose to 2.16 MMT in January, up 6.4% year-on-year.

Month on month, the rice inventory declined 15.7% from 2.56 MMT in December.

President Ferdinand R. Marcos, Jr. last year issued an executive order lowering the tariff on imported rice to 15% from 35%.

"One of our arguments in rejecting the order is its direct impact of reduced palay prices as traders and millers will have to contend with rice imports flooding the market," Samahang Industriya ng Agrikultura executive director Jayson H. Cainglet said via Viber.

"We hope that under the food security emergency declaration, the DA through the NFA can procure more than the 15-day mandate to about 30 days buffer stock at the guaranteed price of P23 per kilo," he said.

"A 30-day buffer stock would also be equivalent to 7-8% of rice consumption, and enhanced ability on the government's part to intervene in the market to reduce rice prices," he added.

The DA said Tuesday that economic managers owill soon review the tariff order to "assess whether it needs to be adjusted."

It said Secretary Francisco Tiu Laurel, Jr. is "only inclined to recommend a revision of the current tariff level if retail prices of imported rice ease to the P42-P45 per kilo range." — **Kyle Aristophere T. Atienza**