

IPOPHL considering enlisting brand owners to help monitor counterfeit goods sold online

THE Intellectual Property Office of the Philippines (IPOPHL) said it is studying more ways to take down listings for counterfeit products sold in online platforms, including tapping brand owners to aid in monitoring.

On the sidelines of an event last week, IPOPHL Director-General Teodoro C. Pascua said: "We need the brand owners to support that," he told reporters.

While the sale of counterfeit goods online is increasing, Mr. Pascua noted the lack of sufficient data, which is necessary for authorities to pursue takedown action.

"We need the data on how big the violations are of intellectual property online," he said.

Mr. Pascua added that the value of counterfeit goods sold online is increasing compared to the growth of fakes carried by physical stores.

"In terms of value, you get more counterfeits in online platforms, rather than physical stores," he said.

The IPOPHL is seeking measures to strengthen its powers in taking down counterfeit items sold online.

This includes a bill that seeks to expand the IPOPHL's enforce-

ment powers against distributors of pirated goods and content, which the House Committee on Trade and Industry approved recently.

Currently, the IPOPHL implements a voluntary site-blocking mechanism. Under the authority of Memorandum Order No. 2023-025, it may request internet service providers to disable public access to infringing content.

"I'm still going to meet with the NCIPR (National Committee on Intellectual Property Rights) to see how we can ramp that up," Mr. Pascua said.

The IPOPHL has also obtained the commitment of electronic commerce (e-commerce) platforms like TikTok Shop, Lazada, and Shopee to take down merchandisers that support the proliferation of counterfeit goods.

"They (e-commerce platforms) voluntarily agreed that the moment we notify them that this and that advertiser or merchandiser carries counterfeits, they'll take it down," Mr. Pascua said.

About P472.6 million worth of counterfeit items were seized as of the end of March, IPOPHL reported. — **Beatriz Marie D. Cruz**

El Niño conditions are present, US forecaster says

EL NIÑO conditions are present and expected to strengthen into the Northern Hemisphere winter of 2026-27, the US Climate Prediction Center said.

The US government forecaster added that El Niño conditions developed over the past month.

The El Niño is a phenomenon that occurs naturally, when weakening trade winds cause warmer ocean waters to build up in the central and eastern equatorial Pacific. This typically leads to higher global temperatures and altered weather patterns, bringing drought to some regions and heavy rainfall to others.

"El Niño is likely to have a negative impact on crop yields in Southeast Asia and India, where El Niño is typically associated with below-normal rainfall," said Kyle Tapley, enterprise sales executive at Vaisala Xweather's WeatherDesk.

The monsoon delivers nearly 70% of India's rainfall and is vital for the agricultural sector, which accounts for about 18% of the nearly \$4-trillion economy. Below-normal rainfall could mean smaller harvests of crops such as rice, cotton and soybeans, while also weighing on winter crops.

Meanwhile, Indonesian rice farmers are racing to get ahead of the usual planting schedule as they battle the threat of a lengthy dry spell this year. Malaysia's economic minister warned that El Niño could cause crop yields to fall by an average of between 8% and 10% this year.

"El Niño typically leads to a less-active US hurricane season and we expect a below-normal Atlantic hurricane season this year. However, it is important to remember that a strong hurricane is still possible even in a less-active hurricane season," Mr. Tapley said. — **Reuters**

DoE: Pre-bid conference for coal auction set for this month

THE Department of Energy (DoE) said it plans to conduct another pre-bid conference for its planned auction of coal resources this month.

"Right now, we are scheduled to have a pre-bid conference, we hope within the month," Energy Secretary Sharon S. Garin told reporters last week.

Ms. Garin said the department is hoping to set the deadline to submit bid documents for the coal auction for July or August.

The DoE has postponed the coal auction to ensure that all issues raised during the pre-submission conferences are "fully considered and addressed" before announcing the revised deadline.

Launched in February, the bid round is offering three coal areas, which are estimated to hold around 207 million metric tons of coal reserves.

The auction includes the Semirara blocks in Antique, which carries about 160 million metric tons of reserves. The site

is currently operated by Semirara Mining and Power Corp. (SMPC), which failed to renew its 50-year coal operating contract.

SMPC is the country's largest coal producer, accounting for 97% of domestic output.

Ms. Garin said the DoE aims to grant a 25-year term for the contract to manage the mine site on Semirara Island.

She said there will be a final consultation on the terms of reference, which the DoE is trying to "simplify and make more objective."

"We're trying to adjust to that fact and also review all the contracts to make sure that the interests of the government (are protected)," she said.

While financial stability is one of the factors in selecting a successful bidder, she said the evaluation places greater emphasis on technical capability.

"They must demonstrate that they know what they are doing. That is what we are still trying to determine," she said. — **Sheldeen Joy Talavera**

Analysts see limited near-term impact from PSE market-making proposal

By Alexandria Grace C. Magno
Reporter

MARKET PARTICIPANTS welcomed the Philippine Stock Exchange's (PSE) proposed market-making framework but said its immediate effect on market liquidity may be limited given the small number of products currently covered.

Juan Paolo E. Colet, managing director at China Bank Capital Corp., said the proposed framework provides clear rules governing the accreditation, operation and regulation of market makers, including specific provisions covering exchange-traded funds (ETFs) and global Philippine depository receipts (GPDs).

"The proposed general framework is fairly straightforward and offers clear and reasonable rules concerning the accreditation, operation, and regulation

of market makers," he said in a Viber message on June 6.

However, Mr. Colet said the proposal is unlikely to materially improve market liquidity in the near term because of the limited number of products that would initially fall under the framework.

"Since there is only one ETF and no GPDR listed on the PSE at the moment, the new rules won't have an immediate material impact on market liquidity," he said.

Mr. Colet added that the framework nonetheless lays out the groundwork for broader market-making initiatives that could eventually cover more actively traded securities.

"Hopefully the PSE is able to release those additional frameworks within the year," he said, referring to potential market-making rules for common and preferred shares.

The PSE earlier proposed a general market-making framework that would extend coverage beyond ETFs to other

exchange-traded products as it seeks to improve liquidity and standardize rules across the market.

Under the proposal, the framework would serve as a unified structure for market-making activities, with product-specific rules to be developed for instruments such as ETFs and GPDRs.

Market making refers to the continuous posting of buy-and-sell quotes to ensure liquidity and facilitate smoother trading activity.

Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said the proposal addresses one of the local market's longstanding challenges.

"The PSE's proposal to establish a broader market-making framework is one of the more meaningful market structure reforms in recent years because it directly addresses one of the Philippine market's most persistent weaknesses: inadequate liquidity," he said in a Viber message.

Mr. Arce said the framework could help improve price discovery, narrow bid-ask spreads and support the development of new exchange-traded products.

"The overall direction is positive because it moves the PSE closer to practices seen in more developed exchanges where liquidity provision is treated as a core market function rather than voluntary activity," he said.

Still, he noted that the effectiveness of the framework would ultimately depend on whether market makers find the activity economically viable.

"If spread limits are set too tightly relative to volatility or inventory risk, market makers may find it economically unattractive to participate aggressively," Mr. Arce said.

He added that while the proposal alone is unlikely to resolve broader issues such as low retail investor participation and limited institutional depth, it could provide a foundation for future market development.

Under the draft framework, applicants must be Securities and Exchange Commission-registered broker-dealers and PSE trading participants. They must also have at least P100 million in unimpaired paid-up capital and at least three years of continuous operation as a trading participant.

The proposal likewise sets operational requirements for market makers, including maximum bid-ask spreads, minimum quote sizes, and minimum quoting periods during trading sessions to help ensure continuous liquidity and efficient price formation.

The PSE said the framework forms part of its efforts to support market development as it expands its range of tradable products and seeks to attract greater institutional participation.

Stakeholders may submit comments on the proposal until June 23 before it is finalized and submitted to the Securities and Exchange Commission for approval.



Agus-Pulangi rehab award eyed by yearend

THE GOVERNMENT is targeting to award the rehabilitation contract for the Agus-Pulangi hydropower complex by yearend as it pushes to restore the aging Mindanao facility's full generating capacity through a public-private partnership, an energy official said.

"We hope to proceed by December," Energy Undersecretary Mario C. Marasigan said in an interview last week.

The Agus-Pulangi hydropower complex, which straddles the provinces of Lanao del Norte, Lanao del Sur and Bukidnon, is designed to generate 982 megawatts (MW) of electricity through seven run-of-river hydropower plants.

However, only about 700 MW of the facility's capacity is currently operational due to aging infrastructure.

To improve the reliability of clean energy generation in Mindanao, state-run Power Sector Assets and Liabilities Management Corp. (PSALM) is pursuing the rehabilitation of the Agus-Pulangi assets with private sector participation.

Mr. Marasigan said PSALM has engaged a third-party consultant to

serve as transaction adviser for the preparation of the terms of reference and other requirements for the project.

To facilitate the rehabilitation, PSALM is considering granting the winning bidder a concession agreement in line with Republic Act No. 11966, or the Public-Private Partnership Code of the Philippines.

Once awarded, the rehabilitation is expected to run from 2028 to 2032, beginning in the final year of the administration of President Ferdinand R. Marcos, Jr.

Energy Secretary Sharon S. Garin said the project would remain protected from political transitions once a contract is awarded.

"Once there is an award that they will do the rehabilitation, there's a contract with the government. You cannot just violate that because of change in the administration. There's a contractual obligation. That's the basic rule," she said.

Jericho B. Nograles, president and chief executive officer of National Power Corp. (Napocor), said the operation and maintenance of the hydropower complex would remain under

Napocor even after the rehabilitation project is awarded.

"Basically how it works like currently, PSALM is paying Napocor for operations and maintenance. So regardless of what happens, Napocor will still be paid to operate and maintain the Agus-Pulangi complex," he said.

Under the proposed arrangement, PSALM will enter into an agreement with a private firm that will undertake the rehabilitation and sell electricity generated by the facility.

PSALM President and Chief Executive Officer Dennis Edward A. Dela Serna earlier told *BusinessWorld* that two unsolicited proposals from power generation companies are currently being evaluated for the project.

Under Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001, PSALM is mandated to privatize government-owned power assets and use the proceeds to settle the financial obligations of Napocor.

The state-run firm has also prepared a 10-year plan to liquidate its remaining liabilities. — **Sheldeen Joy Talavera**

Airlines seen benefiting from travel demand in second quarter

LISTED airline companies are expected to benefit from stronger travel demand in the second quarter (Q2) despite reporting weaker profits in the first three months of the year, according to analysts.

"There is a very bright possibility for the aviation sector in the second quarter of the year owing to rising economic growth rates in many countries in the world," Nigel Paul C. Villarete, senior adviser on public-private partnerships (PPPs) at Libra Konsult, Inc., said in a Viber message last week.

"Travel, especially business and leisure related, is strongly associated with the economic growth rates, of both the origin and destination," he added.

Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said listed airlines are likely to see positive operational trends this quarter.

"The outlook for listed airline companies in the second quarter remains generally constructive, and there is a reasonable case for revenue growth across much of the sector," Mr. Arce said.

He said airlines are expected to benefit from a combination of leisure travel, school holidays and sustained demand for both domestic and international routes.

"For carriers with strong route networks and healthy load factors, Q2 should provide opportunities to sustain top-line growth, particularly if capacity additions are absorbed efficiently by the market," he said.

Mr. Villarete said the country's favorable economic outlook could help boost both business and leisure travel.

"We have fared fairly well and the economic outlook is looking bright, so I'm really expecting business and leisure travel to peak up," he said.

"This will surely boost the entire aviation industry, not just the airlines but all businesses associated with it."

The upbeat outlook comes even as the country's listed carriers posted weaker earnings in the first quarter.

Data from the Civil Aeronautics Board (CAB) showed air passenger volume rose 6.7% to 17.05 million in the January-to-March period, driven by a surge in domestic passenger traffic.

For the first three months of the year, both listed airlines — budget carrier Cebu Air, Inc. and PAL Holdings, Inc. — reported lower profits.

Cebu Air, operator of Cebu Pacific, posted a net loss attributable to shareholders of P419.94 million in the first quarter, reversing the P465.90-million net income recorded in the same period a year earlier amid higher expenses.

Meanwhile, PAL Holdings reported net income attributable to the parent company of P4.28 billion, down 1.15% from P4.33 billion a year ago.

Despite the expected improvement in travel demand, global headwinds continue to weigh on the airline industry's outlook.

In a June 7 report, the International Air Transport Association (IATA) said the ongoing conflict in the Middle East and higher fuel costs are expected to disrupt airline profitability.

The group projected airlines worldwide to post a combined net profit of \$23 billion in 2026, significantly lower than its earlier forecast of \$41 billion.

"War-related disruptions in the Middle East and rising fuel costs have shifted the outlook for airlines to the worse. Globally, airlines are expected to see profitability halve compared to 2025," IATA Director General William M. Walsh said.

Still, analysts said strong travel demand and improving economic conditions could help support revenue growth for local carriers in the second quarter, providing some cushion against broader industry challenges. — **Ashley Erika O. Jose**