Lotilla welcomes rising RE interest

BY FRANCIS EARL CUETO

ENERGY Secretary Raphael Lotilla on Monday said he was pleased with the increasing enthusiasm of local and international investors for unlocking the country's renewable energy (RE) potential.

This came after Spanish firm BlueFloat Energy announced its entry in the Philippine market through the acquisition of Wind Energy Service Contracts in sites to be located in Bataan, Batangas, Cagayan, Ilocos Norte and Mindoro.

The Department of Energy (DoE) also received an overwhelming response for the second round of the Green Energy Auction Program with 118 pre-qualified companies that will inject capital for the 11,600 megawatts of RE capacities targeted for addition in the country's energy mix between 2024 and 2026.

"We are pleased with the positive response from local and foreign investors eyeing our RE potential. We are working on policies that would minimize roadblocks, especially for offshore wind (OSW) installations," said Lotilla.

He also said that the DoE will work with the concerned government agencies, local government units and concessionaires to implement the directives of President Ferdinand Marcos Jr.

Besides policy enhancements, there are available incentives for RE projects under the 2022 Philippine Strategic Investment Priority Plan.

Lotilla added that OSW investments from foreign companies would bring cutting-edge technology as BlueFloat Energy plans to leverage its floating wind expertise and experience to develop projects and will be working with local partners.

More importantly, the Spanish firm will work with coastal communities in enhancing the local livelihood opportunities and environmental protection.

AI to unlock PH output potential – study

GLOBAL public policy consultancy Access Partnership released a study which states that generative artificial intelligence (AI) will unlock a potential of $79.3 billion worth of production in the Philippines.

"We expected to have effects across work activities and groups of industries. In the Philippines, we see that it will unlock significant productive capacity," said Access Partnership Director of Economic Strategy Marcus Ng in the recorded version of the event released by the Makati Business Club on June 2.

The study, titled "The Economic Impact of Generative AI: The Future of Work in the Philippines," stated that generative AI will unlock a big potential in the Philippines.

Ng stated that the work activities in the Philippines could be transformed by generative AI. The industries that would be affected are wholesale and retail trade; agriculture, hunting, forestry and fishing; construction, manufacturing and transport services.

"The potential of generative AI could transform the work experience for local workers. If we adopted generative AI economy wide, the wholesale and retail trade, and agriculture sector, who are among the largest employers in the Philippines economy, would see a large number of their workers who are potentially new, potentially burdensome and potentially more effective work experiences," he said.

However, this would entail upskilling the workforce, focusing on critical-thinking, reading and writing as key parts to input-and-output equation.

JENICA FAYE GARCIA

PEZA FROM B1

Investment approvals up

Socioeconomic Planning Secretary Arsenion Balisacan and Commission on Elections Chairman George Garcia "to discuss the concerns of our investors and present our initiatives in support of the investment attraction and facilitation strategy of the government…" the PEZA said.

Panga said the agency had also signed a memorandum of understanding with the Department of Information and Communications Technology to "ramp up digitalization in government to ensure fast and efficient delivery of services to the public and to carry out Trade Secretary Alfredo Pascual's directive to adopt digital transformation to boost the country's competitiveness as an investment destination, particularly for high-tech and innovator accelerator companies."

The government's investment and export-led growth strategy, the PEZA said, has led to almost all registered business enterprises being focused on servicing overseas markets.

"Out of the total 3,431 registered business enterprises (excluding multi-sites), 98 percent are export-oriented; only 2 percent are domestic-oriented (into manufacturing)," the agency said. "In terms of sales ratio, 94 percent are export sales while 6 percent are local sales."

PEZA locators, it added, account for 82 percent of the country's total annual commodity exports and 60 percent of services exports.

OIL FROM B1

Saudi

economy, and has been shipping oil to India and China as the Asian giants soak up the cheap crude.

On the other hand, Saudi Arabia's break-even price is currently "at a good $80 per barrel," according to Commerzbank analysts.

In March 2020, the alliance was pushed to the brink of collapse when Moscow refused to cut oil production even as the Covid pandemic sent prices into free fall.

After negotiations broke down, Riyadh flooded the market by boosting exports to record levels before the two countries came to an agreement.

Asked if there was disagreement with Saudi Arabia this weekend, Novak said: "No, we had no disagreements, it is a common decision."

Analysts said oil prices were expected to rise in the short-term following Riyadh's move.

"The question mark is the demand side of the oil equation. If protracted inflationary pressure leads to a downward revision in global oil demand the cut in supply might be neutralized," warned Tamas Varga, analyst for PVM Energy.

OPEC+ countries produce about 60 percent of the world's oil. The next meeting of the group is scheduled for November 26.

AFP

'Que sera, sera' in entrepreneurship

MANAGING FOR SOCIETY

ADRIAN MABALAY

WHEN I was just a little boy, I asked my mother what will I be. She said I'm handsome. Will I be rich? Here's what she said to me, "Que sera, sera. Whatever will be, will be. Your future's not ours to see. Que sera, sera. What will be, will be."

As the melody envelops you, transporting you back to the innocent days of childhood, the lyrics resonate with a newfound significance. "Que sera, sera," a Spanish phrase that translates to "Whatever will be, will be" in English, echoes the uncertainties and dreams that fuel the entrepreneurial spirit. It is a popular saying that expresses a sense of acceptance and resignation toward the future's uncertainty.

However, in the ever-evolving world of entrepreneurship, success often seems like an elusive butterfly, fluttering just out of reach. Rather, carefully cultivating specific personality traits propels individuals to achieve remarkable feats. While some may be inclined to embrace the "Que sera, sera" philosophy, suggesting that outcomes are beyond our control, a closer examination reveals the undeniable influence of personality traits in the journey toward entrepreneurial success.

Contrary to the notion that success is arbitrary, researchers have uncovered a compelling relationship between personality traits and entrepreneurial achievements. Numerous studies have highlighted the importance of determination, resilience and creativity in driving entrepreneurial success. They also found that entrepreneurs are more likely to be high in personality traits, such as extraversion, conscientiousness and openness to experience. Studies also found that entrepreneurs are likely to be low in neuroticism, a trait disposition to experience negative emotions, including anger, anxiety, worry, self-doubt, irritability, emotional instability and depression. These traits are the foundation upon which entrepreneurs build their visions, navigate challenges and shape their destinies.

Entrepreneurship is a journey that demands courage, perseverance and a healthy dose of motivation. Just as the story of turning rice into a symbol of inspiration captivated the hearts of many, we must find our cupfuls of motivational rice, the fuel that ignites our passion and propels us forward.

But beyond motivation lies an equally vital ingredient in the entrepreneurial recipe: luck. While we cannot control or predict the twists and turns that await us, luck can sometimes lend a serendipitous hand. The push propels us toward unexpected opportunities, fortuitous encounters and the chance to transform our dreams into reality.

While some may argue that success is purely a matter of luck or circumstance, it is clear that personality traits play a pivotal role in the entrepreneurial realm. These traits provide the foundation for entrepreneurs to build their ventures, enabling them to persevere, adapt, innovate and connect with others. They are not whims of fate but intentional qualities that can be nurtured and developed.

Success is not a mere roll of the dice. The "que sera, sera" philosophy embraces both the power of human agency and the acceptance of life's uncertainties. It results from unwavering determination, resilience in adversity, creative thinking and the ability to build meaningful connections. It encourages us to take calculated risks, embrace failures as stepping stones to success and remain adaptable in the face of ever-changing circumstances. These traits form the bedrock of the Schumpeterian and Kirznerian entrepreneurial triumphs, enabling individuals to shape their destinies and create lasting impacts in the ever-evolving business landscape.

As you embark on your entrepreneurial journey, armed with determination, resilience and a touch of creativity, it is essential to remember the wisdom encapsulated in the timeless song. With an extra cupful of motivational rice and a push of luck, this anthem serves as a reminder that the future is yours to shape and embrace, and so — when I grew up and fell in love, I asked my dear friends what will I be. They said I'm handsome. Will I be rich? Here's what they said to me, "Que sera, sera. Whatever you do will be. Your future's for you to see. Que sera, sera. What you do will be."

Adrian A. Mabalay, while listening to "Que Sera, Sera," realized a somewhat antithesis to the song based on several entrepreneurial research. He is interested in the simple complexities of business, economics, public finance, sustainability and governance. Connect with him on Facebook, LinkedIn, Twitter, Instagram or email adrian_mabalay@dlsu.edu.ph.

UNCHANGED FROM B1

Spending

enough food in our country, enough produce," she said.

The 2024 Budget Priorities Framework, which outlines the spending focus for the year, includes infrastructure development; food security; digital transformation; enterprise development; human capital development; climate action and disaster resilience; strategic directions for full devolution; and research, development and innovation.

NIÑA MYKA PAULINE ARCEO

PESO FROM B1

PSEI

tempered by the jump in crude oil prices after Saudi Arabia's decision to cut production by one million barrels per day," he added.

Regina Capital Development Corp. Managing Director Luis Limlingan said investors were also considering the US Federal Reserve's likely policy action next week.

Prospects of a rate hike pause remain uncertain after latest US jobs data indicated that the US central bank's tightening efforts have so far failed to cool the economy.

Limlingan said that back home, investors were also looking forward to gross international reserves and trade data for May plus April unemployment and factory output reports due later this week.

Ricafort, meanwhile, said market sentiment was also boosted by a surge in Board of Investments project approvals and the start of the Philippines' participation in the Regional Comprehensive Economic Partnership.

The peso began trading at P56.01 to $1 and ranged from P56 to P56.245. Volume was $1.077 billion, up from $898 million last Friday/previous day.

At the stock market, most sectoral indices closed in the green with industrial up the most by 1.36 percent. Financials and services fell by 0.38 percent and 0.92 percent, respectively.

A total of 1.73 billion shares worth P3.38 billion were transacted.

Advancers led decliners, 114 to 64, while 37 remained unchanged.

THE MANILA TIMES

Balisacan upbeat on PH growth

BY NIÑA MYKA PAULINE ARCEO

SOCIOECONOMIC Planning Secretary Arsenio Balisacan is still upbeat on the Philippine economy's recovery pace, affirming that the country will expand faster than many of its peer nations.

During a bilateral discussion and business roundtable with Israeli Foreign Minister Eli Cohen, Israeli Ambassador Ilan Fluss and members of the Israeli business sector, Balisacan emphasized that the country's growth is still strong.

"I note that the momentum remains strong," Balisacan asserted.

"Various multilateral institutions project that the country will be among emerging Asia's brightest economies this year despite the external headwinds of the global economic slowdown. We expect to grow faster than many of our peers in the region," he added.

Balisacan stated that the economy is resilient, rebounding swiftly in 2022 with a record 7.6-percent annual expansion rate and returning to the high-growth track with a 6.4-percent growth increase in the first quarter of 2023.

He stressed that the Philippine Development Plan (PDP) 2023-2028 incorporates strategies, key objectives and programs targeted at bringing the country to profound economic and social change in the medium term, maintaining the country's economic growth momentum.

The PDP consists of measures for enhancing the country's overall business climate, the National Economic and Development Authority said, including reforms on investment policies.

"The proper implementation of these reforms will ensure that the regulatory constraints that hinder the location and expansion of foreign business operations in the Philippines are relaxed," said Balisacan, who is also the NEDA secretary general.

The agency also said the reforms will address investor concerns, such as making public policies and regulations accessible and effective.

Open and eager for business

Meanwhile, the Philippine economy has never been more open and eager for business.

"The continued investment policy reform momentum, including efforts to improve the ease of doing business through digitalization, shall ensure that the country remains competitive and dynamic," Balisacan said.

The NEDA chief urged Israeli business leaders to explore investing in the country's economic drivers including energy, water, logistics, transportation, agribusiness, manufacturing, tourism, health, education and digital connectivity.

Balisacan underscored the country's potential market of about 110 million consumers, as well as its young and skilled workforce, which is increasing faster than the entire population.

"This large market is expanded even further by the Regional Comprehensive Economic Partnership, which extends the country's market access to approximately 680 million more people from the agreement's trading partners," Balisacan said.

For his part, Cohen welcomed the opportunities in the Philippines, stressing that Israel was willing to help the country in key fields in order for the country to achieve economic progress.

"Today's engagement only signifies the strengthening relations between the Philippines and Israel," Cohen said.

"There is a lot of potential in your beautiful country, and I hope that my visit here enacts a bridge connecting our business community to your country in the hopes of increasing investments, trade volume, innovation, and more importantly, prosperity for both nations," he added.

The Israel-Philippines Business Forum brought together members from the Filipino and Israeli business communities to discuss investment potential in the Philippines, notably in agricultural technology, water and cybersecurity.

DELIST FROM B1

MPIC still

and then we will have to submit that again to the PSE and the Securities and Exchange Commission."

Asked why the PSE did not approve of the initial report, Pangilinan said "the issue was, is the hired independent financial advisor independent enough?"

"Because as I understand it, they had done work for the shareholders of Metro Pacific, with [Metro Pacific parent firm] First Pacific [Co. Ltd.], with myself and with [Metro Pacific shareholder] GT Capital [Holdings Inc.]."

First Pacific's Metro Pacific Holdings Inc. and GT Capital, along with Japan's Mit-Pacific Infrastructure Holdings Inc. and Pangilinan-led MIG Holdings Inc., have offered to buy out MPIC's minority shareholders at a price of P4.63 per share.

Analysts have said the price was too low and that shareholders should wait for a revised offer. Had voters approved the delisting plan on Tuesday, a 20-day tender offer would have been triggered.

Metro Pacific initially said it was extending the deadline for submission of proxies ahead of the June 6 stockholders' meeting. It later announced that the delisting vote would be deferred upon request of the bidders.

The company's share price went up by 2 centavos, or 0.45 percent, to P4.46 on Tuesday amid a 0.64-percent drop for the benchmark Philippine Stock Exchange index.

THE MANILA TIMES

Today's ACPAPP Corner column will be carried online due to space constraints.

PSEi FROM B1

Peso up two centavos;

inflation hitting the consensus forecasts, investors chose to look for trading catalysts.

The peso opened trading at P56.19:$1 and ranged from P56.15 to P56.27. Volume narrowed to $917 million from $1.077 billion the previous day.

At the stock market, only property, mining and oil closed in the green, gaining by 0.93 percent and 0.13 percent, respectively.

Holding firms fell the most by 1.32 percent.

A total of 1.803 billion shares worth P3.88 billion changed hands.

Decliners edged out advancers, 109 to 70, while 49 remained unchanged. THE MANILA TIMES

CUTS FROM B1

Analysts: Rate cuts

"That said, the central bank will likely be in defensive mode by maintaining an appropriate policy rate buffer above the Fed rate."

Dacanay said the US central bank, which has yet to pause its tightening cycle, could begin cutting rates in the second quarter of 2024.

The May inflation print means the BSP will likely keep key interest rates unchanged this month "but even in the many meetings after," he continued.

"Our baseline view is for the BSP to be on hold until the second half of 2024."

The Bank of the Philippine Islands (BPI) also said that the central bank had room to keep interest rates steady considering the improving inflation outlook.

"Keeping an appropriate interest rate differential between the US and the Philippines is still important as this could affect the exchange rate," it said.

"With the country becoming more reliant on imports, the depreciation of the peso may prevent inflation from declining faster," BPI added.

"We maintain our view that a policy rate cut is premature at this time, especially considering the possibility of another Fed hike."

NIÑA MYKA PAULINE ARCEO

6.1% FROM B1

Inflation drops

other dairy products and eggs, which recorded a lower inflation rate of 12.1 percent in May 2023 from 13.0 percent in the previous month," it added.

Inflation in the National Capital Region (NCR) moderated to 6.5 percent from 7.1 percent due to a "slower year-on-year increment in the transport index at 1.1 percent during the month from 4.3 percent in April 2023."

Inflation in areas outside the NCR fell to 6.0 percent in May from 6.5 percent the previous month, also owing principally to an annual decline in the transport index of -0.8 percent from 2.3 percent in the previous month.

The latest inflation print will be considered by the BSP's policymaking Monetary Board when it meets on June 22. A pause in interest rate hikes was ordered last May 18 as inflation moderated from January's 14-year high of 8.7 percent.

On Tuesday, the BSP said the balance of risks to the 2023 and 2024 inflation outlook remained tilted to the upside given "persistent constraints in the supply of key food items, the potential impact of El Niño on food prices and utility rates, as well as the effects of possible additional adjustments in transportation fares and wages."

"The BSP stands ready to adjust the monetary policy stance as necessary to prevent the further broadening of price pressures as well as the emergence of additional second-order effects," it added.

Socioeconomic Planning Secretary Arsenio Balisacan, meanwhile, expressed confidence that the government's upwardly revised 2023 inflation target of 5.0 to 7.0 percent would be met.

"As the risks to the inflation outlook lean toward the upside due to potential increases in transport fares, wage adjustments, higher electricity rates and domestic prices of key food items resulting from the impact of El Niño, the government is working to implement the necessary interventions as we aim to keep prices low and stable for Filipino consumers," he added.

During its last meeting in May, the Monetary Board kept the BSP's policy rate at 6.25 basis points (bps), a 16-year high. Key interest rates have been raised by a total of 425 bps since May last year in a bid to temper inflation.

Monetary authorities also trimmed their outlook for 2023 inflation to 5.5 percent from 6.0 percent. The forecast for next year was also lowered to 2.8 percent from 2.9 percent.

SEC renews membership in Asean Taxonomy Board

SEC MATTERS

KELVIN LESTER LEE

THE Securities and Exchange Commission (SEC) reaffirmed its commitment to sustainability initiatives in the Association of Southeast Asian Nations (Asean) by renewing its membership in the Asean Taxonomy Board (ATB) until 2025.

The ATB is a dedicated body formed under the auspices of the Asean Finance Ministry and Central Bank Governor's Meeting, which aims to develop, maintain and promote the Asean Taxonomy for Sustainable Finance (Asean Taxonomy).

Asean Taxonomy is a multi-tiered overarching guide and common language used to identify and classify sustainable projects and economic activities in Southeast Asia. It is envisioned to attract investments and financial flows into sustainable projects and activities in the region.

Yours truly, is the principal member representing the Philippines on the ATB, with Krizia Pauline Felice Ferrer of the SEC Markets and Securities Regulation Department as my alternate.

Other board members include representatives from the Non-Bank Financial Services Authority of Cambodia, Ministry of Economy and Finance Cambodia, Financial Services Authority of Indonesia, Bank of the Lao PDR, Bank Negara Malaysia, Securities Commission Malaysia, Ministry of Planning and Finance of Myanmar, Bank of Thailand, Office of Insurance Commission of Thailand and State Securities Commission of Vietnam.

Apart from its membership in the ATB, the SEC is also an active member of the ATB's Working Group on Market Facing and Resourcing.

The ATB published the first version of the Asean Taxonomy in November 2021, which laid out a broad framework for the living document. On March 27, 2023, the board published the Asean Taxonomy Version 2, which includes more guidance on the two main methodologies that may be used to determine whether or not an activity is green — the Foundation Framework and the Plus Standards. The second version also acknowledges coal phase-out efforts or the transition efforts from coal energy.

Prior to the renewal of SEC's ATB membership this year, the commission has been a consistent leader in promoting sustainability in the region. In 2018, the commission adopted the Asean Green Bonds Standards, which provides guidelines for tapping green finance to support sustainable regional growth and meet investor interest in green investments.

The SEC subsequently adopted the Asean Social Bond Standards and the Asean Sustainability Bond Standards in 2019, which intend to enhance transparency, consistency and uniformity of Asean Social Bonds.

As the SEC continues its membership in the ATB, so will it endeavor to improve its sustainability initiatives and practices in the region.

Kelvin Lester K. Lee is a commissioner of the Securities and Exchange Commission (SEC). The views and opinions stated herein are his own. You may email your comments and questions to oclee@sec.gov.ph.

HEADSET FROM B1

Apple

which the company announced a long list of product updates.

The product has been in development at Apple for years, and will focus on gaming, streaming video and conferencing.

Company executives insisted that the Vision Pro offers an unchallenged experience, making the hard sell on tech that has yet to win the hearts of the greater public.

Unlike its rivals, the Vision Pro delivers mixed reality technology that "clearly situates the user in their environment," said Insider Intelligence principal analyst Yory Wurmser.

"Whereas Meta Quest and other devices are virtual reality-first, Vision Pro keeps the user in the present and emphasizes the mixed reality features — unless they choose otherwise," he added.

Vision Pro allows wearers to twist a watch-like "crown" to go from having interactive imagery augment one's surroundings to being fully immersed in a rich 3-D experience that feels like being in a video or on a sports playing field, a hands-on demonstration showed.

Apple went to great lengths to preserve its signature design minimalism, at least to the extent that it could, given the technology squeezed into the Vision Pro.

The device has a glass front, an aluminum frame, five sensors, 12 cameras, a display for each eye and a computer that is cooled with a fan.

Smaller than a scuba diving mask, Vision Pro will run mainly by being plugged into a power source in a clear effort to preserve a sleek design. A cord-attached battery pack, which would slide into your pocket, would work for no more than two hours.

Vision Pro optics are tuned to each wearer's eyes, freeing them from eyeglasses during use and also providing optical identification to verify user identity, the demonstration showed.

Tech companies have struggled to sell virtual reality headsets to a wider audience that is uncomfortable with wearing a mask. In an effort to overcome that resistance, internal cameras on Apple's version will project the user's eyes on an external screen.

"As a non VR believer, I was actually blown away by how seamless the experience is," said tech analyst Carolina Milanesi of Creative Strategies.

While wearing Vision Pro one can see who is nearby, and even look them in the eyes and have a conversation.

Disney partnered with Apple for the launch, and the Mickey Mouse company teased content from Marvel, Star Wars and live sports that would be available on the device and provide an immersive experience.

Apple said that over 100 video games would be available from the day of release.

The release puts Apple on a collision course with Meta, which had taken a head start on doubling down on virtual worlds.

Just days before Apple's event, Meta ramped up its line of much cheaper Quest virtual reality headgear. A new-generation Quest 3 will be available later this year at a starting price of $500.

Meta's experience with the so-called metaverse has been humbling despite it being a leader in the emergent sector, and many questioned whether Apple would in the end jump in.

Less than two years after changing its name to Meta to reflect a metaverse priority, the Facebook giant has fired tens of thousands of staff and promised to get back to its social media basics. AFP