



## NEWS ROUNDUP

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### ABS CBN

#### [PH-China agreement on oil exploration only for resumption of talks: DOE](#)

By: Warren De Guzman

MANILA - The Department of Energy on Monday clarified that the agreement between Manila and Beijing to cooperate on oil exploration was still preliminary.

## **BUSINESS MIRROR**

### **[China firms want to invest in renewable energy–DOE](#)**

By: Lenie Lectura

The Philippines has attracted nine Chinese energy companies that will invest a total of about \$13.76 billion to participate in the country's development of renewable energy (RE), energy storage systems, and off-grid power supply systems.

## **BUSINESS WORLD**

### **[\[Opinion\] F2F with reality](#)**

By: Amelia H. C. Ylagan

Firecrackers cackled hellish laughter at their delight in defying the “no fireworks” rule for the New Year's Eve celebrations. Gunpowder-charged homemade bombs whistled mocking warnings, careening mindlessly towards unpredictable targets — not necessarily the sky — sometimes exploding in the hands of some hapless person launching them. Exuberant fireworks danced their giddy extravaganza, lighting up the evening canopy with the blindingly bright Hope for the new year, 2023.

### **[Philippine wages, skill gaps remain top concerns this year](#)**

By: John Victor D. Ordoñez

JANNELLE MICA D. VIDEZ plans to leave her job as a business analyst in the Philippine capital and move to Australia to work in public relations.

## **MALAYA BUSINESS INSIGHT**

### **[Creating space vs single-use plastics](#)**

By: Anton De los Reyes

Environmental pollution and the climate change crisis have grown to become major points of concern by the international community. Several efforts have been made in order to curb waste generation by government agencies and public institutions but many environmentalists believe that there is more that can be done.

## MANILA BULLETIN

### [French winter sport events cancelled over 'lack of snow'](#)

By: Agence France Presse

LYON (AFP) — Several winter sport events in France have been cancelled, postponed or moved because abnormally warm temperatures have stripped mountain slopes of their snow covering, organizers have said.

### [Manila Bay's water quality continues to improve—DENR](#)

By: Jel Santos

The Department of Environment and Natural Resources said the water quality at the Manila Bay continues to improve this year, suggesting that the government's continuous restoration efforts are beginning to bear fruit.

### [Villafuerte highlights \\$14-B RE investor pledges Marcos brought home from China](#)

By: Ellson Quismorio

Camarines Sur 2nd district Rep. LRay Villafuerte has hailed President Ferdinand "Bongbong" Marcos Jr. for his big achievement in connection with climate change mitigation during the latter's just-concluded state visit to China.

### [SAP, Globe share how tech helps ensure sustainable future](#)

By: MST Tech

Nowadays, more and more consumers and businesses take on sustainability as a strategic imperative to unlock competitive and growth opportunities. In a recent report, PricewaterhouseCoopers noted that 43 percent of CEOs in the Philippines included climate change and environmental damage in their strategic risk management activities.

## **MONGABAY**

### **[For Philippines' unprotected hotspots, new conservation window beckons](#)**

By: Keith Anthony S. Fabro

After hours of wading through raging rivers and braving the steep, slippery slopes of the Victoria-Anepahan Mountain Range (VAMR) on a rainy morning in October 2022, wildlife specialist Aubrey Jayne Padilla and her Indigenous Tagbanua parabiologist companions breathed sighs of relief as they reached Atabay Lake, one of their three research stations and base camp for the next five days.

## **PHILIPPINE DAILY INQUIRER**

### **[Nauru and its investment program should serve as cautionary tale for the Philippines](#)**

By: Antonio Calipjo Go

The island country of Nauru, a raised coral island located in the southwestern Pacific Ocean 25 miles south of the equator, is known for what it does not have or has little of. With a land area of only 8.1 square miles, it is the smallest country in the world after Vatican City and Monaco. Its population of about 10,000 makes it the world's smallest republic, as well as the smallest island nation. It has no rivers or streams and virtually all of its water, food, and manufactured goods have to be imported. There are no harbors or protected anchorages, and no sizable arable land fit for farming. Nauru has no official capital. Because of its heavy dependence on financial aid from Australia, Nauru is considered by some sources as a client state of Australia.

### **[Philippines launches \\$3-B new overseas bond offer](#)**

By: Ronnel W. Domingo

The Marcos administration returns to the global debt market with a goal of raising up to \$3 billion from an offering of US dollar-denominated bonds, proceeds from which will support the government budget, according to joint bookrunner BofA Securities.

## **PHILIPPINE NEWS AGENCY**

### **[World in transition to new economic order amid multiple crises](#)**

LONDON – The right word to describe the current period of multiple convergent crises surrounding the global economy is a “transition” and action by central banks in tandem with the resilience of labor markets and the re-balancing of supply chains will be among the factors deciding what kind of economic order this transition will result in, World Economic Forum (WEF) Managing Director Mirek Dusek told Anadolu Agency in an interview.

## **SUNSTAR**

### **[Shifting fossil fuel divestment talks: from financial to political](#)**

By: John Leo Algo

DESPITE the imperative of addressing the climate crisis, there still remains tremendous support for fossil fuels.

## **THE MANILA TIMES**

### **[\[Opinion\] Philippine onion: Most expensive in the world](#)**

THE retail price of red onions ranging from P550 to P700 per kilo in markets around Metro Manila on New Year's Eve made unpleasant headlines during the festive season. Red onion was sold at P90 to P120 in mid-2021 and P120 to P170 four months ago. Onion prices hover around P85 in Singapore, P55 in Vietnam, P35 in China and in India.

### **[Pledges to help PH achieve RE goals – DTI](#)**

By: Eireene Jairee Gomez

INVESTMENT pledges secured during President Ferdinand "Bongbong" Marcos Jr.'s state visit to China will help the Philippine achieve its renewable energy (RE) goals, the Department of Trade and Industry (DTI) said on Friday.

## **THE PHILIPPINE STAR**

### **[BSP eyes participation in UN-backed investment scheme](#)**

By: Lawrence Agcaolli

MANILA, Philippines — The Bangko Sentral ng Pilipinas (BSP) wants to be a signatory to the world's leading proponent of responsible investment supported by the United Nations (UN).

### **[Cooperation amid the evolving security challenges of 2023](#)**

By: Alynna Carlos

Geopolitical tensions among states will continue to reshape and disrupt the security environment in the Indo-Pacific. Parallel to this, foreign policies and security strategies of states are expected to evolve as traditional and non-traditional security issues persist alongside the emergence of new challenges.

**Information and Knowledge Management Division**

## **ABS CBN**

### **PH-China agreement on oil exploration only for resumption of talks: DOE**

By: Warren De Guzman

MANILA - The Department of Energy on Monday clarified that the agreement between Manila and Beijing to cooperate on oil exploration was still preliminary.

Energy Secretary Raphael Lotilla said the agreement reached when President Ferdinand Marcos Jr met with Chinese President Xi Jinping in Beijing last week was to “resume negotiations, or resume talks.”

“So we do not have any agreement on moving forward yet with the actual, actual carrying out of activities in the Recto Bank. But in the meantime we are proceeding with the oil and gas development in other areas of the country,” Lotilla said.

Before the end of former President Rodrigo Duterte’s term, the Philippines pulled out of talks with China to explore and exploit possible oil and gas reserves in the West Philippine Sea.

In June last year, former Foreign Affairs Secretary Teodoro Locsin Jr said the Philippines canceled the talks because the government cannot renounce Constitutional limits.

In December last year, Marcos said that the country needed to find ways to explore for oil in the South China Sea other than government-to-government talks with Beijing, whose sweeping claims to the waterway serve as a “roadblock” in reaching a deal.

In 2016, the Philippines won a ruling from a UN-backed court that invalidated Beijing’s sweeping claims over the South China Sea.

Lotilla meanwhile said nine Chinese firms have “pledged” to invest in the Philippines’ renewable energy sector, the Department of Energy said on Monday.

“They have responded positively to the country’s policy direction on renewable energy,” Lotilla said.

The 9 Chinese companies are:

- China Energy International Group (Energy China)
- China Power International Development (CPID)

- SPIC Guangxi Electric Power Company
- China Machinery Engineering Corporation (CMEC)
- China General Nuclear Power Group (CGN)
- China Huadian Engineering Co., Ltd (CHEC)
- China Tianying, Incorporated (CNTY)
- Dajin Heavy Industry Co. (DHI)
- Mingyang Smart Energy Group

The total pledged investments of the Chinese firms was \$13.7 billion or more than half of the total \$22.8 billion pledges received by Marcos during his state visit to China, the DOE said.

Energy China and SPIC Guangxi are already present in the Philippines. The DOE said their investments in renewable energy could help the country achieve its goal of increasing renewables share in the overall energy mix to 50 percent by 2040.

A total of 52,000 MW of additional renewable energy is needed to hit the goal, with 27,000 MW coming from solar and 16,000 MW coming from wind.

Lotilla, however, said these investments are not expected to immediately contribute to power generation within the year.

## **BUSINESS MIRROR**

### **China firms want to invest in renewable energy–DOE**

By: Lenie Lectura

The Philippines has attracted nine Chinese energy companies that will invest a total of about \$13.76 billion to participate in the country's development of renewable energy (RE), energy storage systems, and off-grid power supply systems.

According to Department of Energy (DOE) Secretary Raphael P.M. Lotilla, the interested firms have responded positively to the country's policy directions on RE. He said they personally conveyed their interest to invest in the country to President Ferdinand R. Marcos Jr. during a roundtable meeting on RE held last January 5.

The nine firms are China Energy International Group Co. Ltd (Energy China); China Power International Development (CPID) Ltd.; SPIC Guangxi Electric Power Co. Ltd., a subsidiary and a secondary unit of State Power Investment Corp. Ltd. or SPIC; China Machinery Engineering Corp. (CMEC); China General Nuclear Power Group (CGN); China Huadian Engineering Co., Ltd (CHEC); China Tianying, Inc. (CNTY); Dajin Heavy Industry Co., Ltd (DHI); and Mingyang Smart Energy Group Ltd.

"We are very pleased with the enthusiasm we have received from these Chinese companies during our roundtable meeting. They were upbeat with our policy reforms and directions on RE, especially on the opening of 100 percent foreign ownership on wind and solar projects," Lotilla said.

"I have now instructed our Renewable Energy Management Bureau [REMB] and Investment Promotions Office [IPO] to start communicating with them and provide the full support to hasten this particular cooperation between the Philippines and China," he added.

During the roundtable meeting, Lotilla echoed to the Chinese company representatives the Marcos administration's objectives of attaining a 35 percent RE share by 2030 and 50 percent by 2040.

To meet those targets, he said an additional 52,000 megawatts (MW) of RE by 2040 will be needed. Of the 52,000 MW, 27,000 MW will be from solar and another 16,000 MW from wind. However, this does not take into account the total offshore wind potential of 178 gigawatts or 178,000 megawatts for the Philippines as a whole.

Some of these companies already have a presence in the Philippines.

Energy China has been in the Philippines for more than 20 years and has project locations all over the country. In Northern Luzon, they provide power generation, substation, transmission, cell site, and fiber to home and data center projects.

CPID is involved in the development of solar, wind, hydroelectric, geothermal and biomass power. They are also into green energy emerging industries, such as energy storage, hydrogen energy, green electric transportation and integrated smart energy. CPID intends to establish corporations with local entities to invest in these industries.

SPIC Guangxi Electric Power Co., meanwhile, is a subsidiary and a secondary unit of SPIC, focusing on the development, investment, construction, and operation of electric power. Its presence in the Philippines includes the 230 kV substation EPC project in Navotas, the 500 kV Substation EPC project in Pagbilao, Taguig-Baras 500 kV overhead transmission line EPC and the Abuyog 230 kV substation EPC project.

CMEC, a subsidiary of the China National Machinery Industry Corp. (SINOMACH), is among the world's top 500 companies.

CGN is the third-largest nuclear power producer worldwide and China's first-largest nuclear power producer. It also has a total wind power capacity of more than 35,000 MW and 10,000 MW worldwide for solar projects. CGN is also the pioneer in developing offshore wind in China with its largest single capacity.

China Huadian Engineering Co. is active in investing in RE projects in Indonesia and Vietnam and is now looking at expansion in the country.

CNTY is engaged in smart urban services, resource recycling and recovery and RE while DHI is a publicly listed company focusing on renewable business with global operations.

Lastly, Mingyang Smart Energy Group is the world's leading renewable energy solution provider and wind turbine generator manufacturer. Its wind turbine generators have reached accumulative installation of over 45 GW.

The Department of Trade and Industry organized investors' meetings on RE, agribusiness, nickel processing and electric vehicle manufacturing as part of the President's state visit activities in Beijing, China.

## BUSINESS WORLD

### [Opinion] F2F with reality

By: Amelia H. C. Ylagan

Firecrackers cackled hellish laughter at their delight in defying the “no fireworks” rule for the New Year’s Eve celebrations. Gunpowder-charged homemade bombs whistled mocking warnings, careening mindlessly towards unpredictable targets — not necessarily the sky — sometimes exploding in the hands of some hapless person launching them. Exuberant fireworks danced their giddy extravaganza, lighting up the evening canopy with the blindingly bright Hope for the new year, 2023.

But in the lethargy of the morning after, still-sleepy eyes wakened to reality. “Chaos erupted on New Year’s Day in the Philippines after a severe power outage temporarily impacted air traffic control at the country’s largest airport, disrupting hundreds of flights and leaving tens of thousands of travelers stranded in the Southeast Asian hub,” CNN News blared out. A total of 282 flights were either delayed, canceled or diverted to other regional airports, while around 56,000 passengers were affected as of 4 p.m. local time on New Year’s Day (cnn.com, Jan. 3). How much more descriptive can this be, of a face-to-face (F2F) with reality, after the revelry of a conceptual worry-free world?

What happened? A Babel of know-it-alls proffering technical explanations or conspiracy theories loudly suggesting graft and corruption in procurement might eventually explain the New Year’s Day disaster at the Ninoy Aquino International Airport (NAIA). But perhaps the most real explanation would be that from the Director General of the Civil Aviation Authority of the Philippines (CAAP), retired Captain Manuel Tamayo, a licensed pilot with more than 42 years of experience in the aviation industry:

“The flight delays and cancellations were caused by both the commercial and backup uninterruptible power supply (UPS) of the Communications, Navigation and Surveillance Systems for Air Traffic Management (CNS/ATM) malfunctioning. The CNS/ATM allows planes to communicate their position with each other and to the Air Traffic Management System of the country or the Manila flight information region (FIR). Without this, the CAAP would not be able to direct traffic in the Philippine airspace.” (Ibid.)

According to Tamayo, one of the blowers of the main power supply conked out, leading them to switch to the backup UPS. However, it also malfunctioned when they tried to switch to the standby power supply. Technicians tried to override the power supply by placing an automatic voltage regulator instead, but they received another error message stating that instead of 220 volts, 380 volts were being supplied to the system. This

forced a shutdown of the CNS/ATM, but some components were already damaged (Ibid.).

It was not the air traffic management system itself that caused the issue, but the failed backup uninterruptible power supply (UPS) and the complicating human error of plugging the incorrect voltage for the replacement UPS were what wrecked the ATM system and what caused the flight delays and cancellations! Rep. Joey Salceda, chair of the House of Representatives Committee on ways and means, immediately challenged the CAAP and the Department of Transportation (DoTr) for accountability on the airport technical disaster, threatening the government administrative agencies that “at least P660 million would be needed to reimburse 66,000 passengers affected — 56,000 on Jan. 1 and 10,000 on Jan. 2 — if their tickets were worth P10,000 each” (cebudailynews.com, Jan. 3). Of course, Salceda’s charge is impractical and unimplementable, perhaps only incendiary to panic and false hopes. Delayed passengers who waited a day (some, overnight) for re-booking or reimbursement vouchers had to be content with meal tickets and/or short-time hotel stay given by the airlines. The nightmare of re-scheduling flights and re-booking stranded and delayed passengers persists to this day, one week later.

Lesson learned from the airport’s New Year’s Day bog down is to focus on Today, and to concentrate on performing and accomplishing what must be done Now. It is coming face-to-face with Reality, now that the seclusion and isolation from the shackling three-year COVID pandemic has conditionally relaxed. Have less of the introspective musings about the unreliable, conditional Future with its tentative scenarios and often-inapplicable motherhood guiding principles: Act Now. Just do it!

Start with a blank page, from “Square One.” Acts of nature usually force attention back to basics: “Across the Philippines, the 2022 holiday season was meant to be a time for celebration and a relief after two Christmases tarnished by the punishing coronavirus lockdowns. But on the southern Philippine island of Mindanao, families faced tragedy on Christmas Day when rains triggered flooding and landslides, killing at least 51 people and displacing thousands,” the authorities said (nytimes.com, Jan. 3). As of Jan. 2, at least 19 people were still missing, and thousands of others were living in emergency shelters on Mindanao.

“Imagine losing your home on Christmas Day,” one flood victim cried. Damage to infrastructure and crops has been estimated at P1.36 billion (\$24.4 million), the Disaster Relief Center said in a bulletin. Heavy rains mostly affect Northern Mindanao, an area that is less prepared for such disasters than other regions in the Philippines. This is the second straight year that extreme weather has caused death and destruction over the

holidays in the Philippines. In December 2021, Super Typhoon Rai lashed Bohol Province with the same intensity as that of a Category 5 hurricane, killing hundreds of people and forcing millions of others from their homes (Ibid.).

Survival is the basic “Square One” in the honest face-to-face with reality. Ominously, the natural environment ultimately decides this bottom line of survival — look at those storms and floods that vengefully decry climate change wrought by the abuse of Nature by humans. It seems even technical glitches, such as the New Year’s Day airport shut-down, say something about the habitual cumulative stealing of Man from Nature. Airplanes emit around 100 times more CO<sub>2</sub> per hour than a shared bus or train ride, and the emissions of global aviation are around 1 billion tons of CO<sub>2</sub> per year — more than the total emissions of most countries individually. In a recent study published in the journal *Environmental Research Letters*, scientists calculated that aviation (mostly commercial) contributes around 4% to human-induced global warming and is projected to cause about 0.1° Celsius (0.2° Fahrenheit) of warming by 2050 if aviation continues growing at pre-pandemic rates (news.mongabay.com/2022/04).

But of course, the world cannot now do without air travel. Environmental scientist Milan Klöwer recommends that individuals should consciously try to travel by air less for pleasure, prioritizing necessary flights for business and responsibilities — after all, communications and interaction is not difficult on the internet. Klöwer recommends focused development of alternative fuels for the airline industry. In 2018, there were 4.3 billion passenger journeys recorded. The COVID-19 pandemic halted global travel and reduced aviation by 45% in 2020, but CO<sub>2</sub> emissions persist for hundreds of years, so all emissions from all past flights are still at play (Ibid.).

Sins of the past. Steady carbon emissions that last for years are from human activities supposedly made easier and more efficient by the new technologies. But the tradeoffs — global warming and climate change — are expensive. People, plants, and animals living under the ozone hole are harmed by the solar radiation now reaching the Earth’s surface — where it causes health problems, ranging from eye damage to skin cancer (ucsusa.org, July 16, 2008). Don’t people make New Year’s resolutions every year to drop the bad habits of the past, start with a clean slate of to-do’s and vow to one’s self to stick to commitments through hell or high water?

High water, meaning floods and natural calamities from climate change. Nature will tell us, in no uncertain terms, what our reality is and what we have done to ourselves by our greedy taking from our natural resources. “Hell” might be the punishment that COVID has scourged the world with for the past three years, hopefully to be more forgiving in 2023.

Life we have mangled in a world we have abused — that is the reality we face today.

There is time to cleanse the collective soul. We start in 2023.

## Philippine wages, skill gaps remain top concerns this year

By: John Victor D. Ordoñez

JANNELLE MICA D. VIDEZ plans to leave her job as a business analyst in the Philippine capital and move to Australia to work in public relations.

“While it’s true that the cost of living is also more expensive there, workers are paid better than in Manila,” the 22-year-old Filipina said in a Facebook Messenger chat. “Price tags only keep getting higher here, but the quality of life remains stagnant.”

Josua T. Mata, a Filipino labor activist, said the government of President Ferdinand R. Marcos, Jr. should boost its public employment program this year.

“Given the lingering effects of the coronavirus pandemic, skyrocketing inflation and a recession that many fear is inevitable, it is unrealistic to count on the private sector to generate all the jobs that we need,” the secretary-general of the Sentro ng mga Nagkakaisa at Progresibong Manggagawa said in a Viber message.

The Labor department’s emergency employment program is inadequate because beneficiaries don’t get permanent jobs, he said. It should instead push green jobs in the renewable energy sector and rehabilitation of coastal areas where workers are badly needed to ease the effects of climate change, he added.

Mr. Mata dismissed the claim of Mr. Marcos, who has said the Philippines is unlikely to experience a recession given the country’s improving jobless rate. “Rather than make baseless conclusions that completely deny our exposure to the global economy, we should be preparing our society to weather a possible economic storm.”

Philippine unemployment eased to 4.2% in November, the lowest in over 17 years, as firms hired more workers ahead of the holiday season.

However, job quality deteriorated as underemployment, which shows Filipinos seeking more work, slightly rose to 14.4% in November from 14.2% in October.

The government seeks to deploy more Filipino workers overseas as it explores more labor markets, said Migrant Workers Undersecretary Hans Leo J. Cacdac.

“We are optimistic about next year since the number of deployments increased by 320% in 2022 compared with 2021,” he said in an interview on Zoom. His agency plans to set

up more offices in China, Thailand and Eastern Europe to help Filipinos find work, he added.

Land- and sea-based overseas Filipino workers fell to 1.77 million in 2020 from 2.18 million a year earlier amid a coronavirus pandemic, according to data from the local statistics agency.

Cash remittances from migrant workers, a major dollar source for the Philippines, rose to \$2.91 billion in October from \$2.84 billion a month earlier, according to the Philippine central bank.

Julius H. Cainglet, vice-president of the Federation of Free Workers, urged the government to review its regional wage-setting mechanism.

“The current wages are not enough to deal with inflation, and workers are not getting an adequate slice of the pie to enjoy the fruits of their labor,” he said by telephone.

Labor Secretary Bienvenido E. Laguesma earlier said the National Wages and Productivity Commission and Regional Tripartite Wages and Productivity Board were closely monitoring spiraling prices of basic goods, as labor groups continue to ask for higher pay.

Inflation quickened to a 14-year record of 8.1% in December from 8% in November.

The International Labour Organization (ILO) has said inflation continues to reduce the purchasing power of minimum wage workers.

Labor markets in the Asia-Pacific region have partially rebounded from the coronavirus pandemic, but full recovery remained uncertain, it said. The region lacks 22 million jobs to return to pre-pandemic employment levels.

In January last year, the United Nations agency said unemployment levels would likely remain above pre-pandemic levels until 2023. Global wages fell in real terms in the first half of 2022, the first time in the 21st century, it added.

“The coronavirus crisis, the cost-of-living crisis and the war in Ukraine are all creating enormous uncertainty,” Manuela Tomei, assistant director-general for governance, rights and dialogue at the ILO, told a livestreamed briefing on Nov. 30.

The Kapatiran ng mga Unyon at Samahang Manggagawa trade union on Dec. 5 said low-paid workers spend more than they earn due to inflation.

Minimum wage earners who work five days a week earn P11,400 monthly, which is lower than the average monthly expenses of P15,666, it said, citing 2018 government data.

“The best way to ensure a more equitable way of setting wages is by removing all restrictions for workers to organize, collectively bargain and to strike, whenever it is needed,” Mr. Mata said.

## **UPSKILLING**

Mr. Cainglet said the government should focus on boosting jobs in the manufacturing sector instead of seeking to create a sovereign wealth fund.

“The Philippines is cash-strapped,” he said. “If the government can pool money together to invest, why can’t they address the problems of the everyday worker?”

On Dec. 15, the House of Representatives quickly approved on final reading the proposed Maharlika Investment Fund, which has been criticized over the alleged lack of transparency and safeguards.

The ILO has said the Philippines could boost jobs in manufacturing while it recovers from the pandemic. There were 3.667 million workers in the sector in October, lower than 4.45 million a month earlier.

Mr. Marcos said he plans on boosting employment in manufacturing and strengthening local production to reduce the country’s reliance on imports.

Domini S. Velasquez, chief economist at China Banking Corp., said the government should prioritize arming the country’s workforce with skills in new technologies to improve job quality.

“In this new normal where we rely more on digital technology, the government can work on expanding the physical and digital infrastructure,” she said in a Viber message. “Retooling and reskilling the Filipino workforce will help them adjust quickly to this new environment.”

Students should be trained in Science, Technology, Engineering and Mathematics (STEM) courses to make the Philippine workforce more regionally competitive, said Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp.

“Students who take more STEM courses could help position the Philippines on the higher end of the global value chain,” he said in a Viber message.

In April, the Makati Business Club said 2.4 million jobs could go unfilled if the private sector fails to pursue reforms seeking to upskill workers.

The Labor department would hold more job fairs and skill-building programs this year as part of state efforts to boost jobs, Mr. Laguesma said in a Viber message.

“In light of the current and emerging challenges in the labor market, we will further strengthen our efforts to raise the quality of human resources and ensure that current and future workforce can adapt to the changing demands of the labor market,” he said.

The government would offer more training programs for Filipino entrepreneurs this year, Mr. Laguesma said. Micro, small and medium enterprises account for 99.6% of the country’s 1.08 million businesses.

The Labor department is also working with the Department of Migrant Workers and Technical Education and Skills Development Authority to craft upskilling programs, Mr. Cacdac said.

“The government should improve its healthcare and public transportation systems and come up with reasonable employment laws to improve the quality of life and ease the burden on workers,” said Ms. Videz, the aspiring overseas worker. “Everything seems to be fixed by band-aid solutions. There are no long-term plans.”

## MALAYA BUSINESS INSIGHT

### [Creating space vs single-use plastics](#)

By: Anton Delos Reyes

Environmental pollution and the climate change crisis have grown to become major points of concern by the international community. Several efforts have been made in order to curb waste generation by government agencies and public institutions but many environmentalists believe that there is more that can be done.

The Global Alliance for Incinerator Alternatives (GAIA), Zero Waste youth, and their allies recently expressed their call to eliminate the use of single-use plastics (SUP) through a flash mob event held last January 6 at Trinoma Mall in Quezon City.

The group said that continued plastic production and consumption heats up global climate temperatures, depletes the planet's resources, intoxicates the environment, creates public health issues, and chokes landfills and oceans. And, the most problematic form of plastic is SUP meant for one-time use such as cups, cutleries, plastic bottles, stirrers and bags.

Refuse Single Use Day is the opening of the International Zero Waste Month (IZWM) as GAIA, together with its members and allies, doubled down on their commitment to create a global movement that puts an end to waste pollution. The IZWM is a historic moment for the movement, built on decades-long campaigns to design and manage products and to avoid and eliminate the volume and toxicity of waste materials.

In 2014, then President Benigno "Noynoy" Aquino III designated the month of January of every year as the National Zero Waste Month through Presidential Proclamation No. 760. The observance also coincides with the signing anniversary of the Philippine Republic Act 9003 known as the "Ecological Solid Waste Management Act of 2000". Both efforts were envisioned to address waste pollution.

Kicking off the month-long celebration of Zero Waste, the first-ever Refuse Single-Use Day is envisioned to galvanize leaders to declare a phase-out of SUPs and craft an ambitious Global Plastics Treaty. Refuse Single-Use Day is designed to coincide with the IZWM to underscore the importance of paving the path towards a Zero Waste future.

With the theme Zero Waste to Zero Emissions, this month-long celebration hopes to highlight the connection between waste and climate, and highlight proven Zero Waste

solutions as powerful climate action. Implementing Zero Waste strategies can reduce overall greenhouse gas emissions from waste of up to an average of 84 percent.

## MANILA BULLETIN

### [French winter sport events cancelled over 'lack of snow'](#)

By: Agence France Presse

LYON (AFP) — Several winter sport events in France have been cancelled, postponed or moved because abnormally warm temperatures have stripped mountain slopes of their snow covering, organizers have said.

Milder weather and rain since mid-December have melted the little snow already on France's ski slopes, forcing many resorts to close in regions that depend on their income.

Only those at the highest altitudes in the French Alps have managed to keep most ski runs open.

In the Alps, the Tignes resort has been forced to cancel the Andros Trophy, a car and motorbike race on ice, on January 13 and 14.

"The warm weather of recent weeks and the weather forecast for the coming days with no cold spell or fresh snow predicted for next week are not favourable to preparing the track" at 1,550 metres altitude, organisers have said.

In Contamines, further north along the Swiss border, the Telemark World Cup due to be held this month has been postponed to February.

In Chatillon-de-Michaille, a dog sled race called the Retordica due to be held this weekend has been cancelled due to a "lack of snow", the French federation of dog sledding has said.

In Megeve, organisers of another dog sledding competition — the Grande Odyssee VVF — said they would still hold the 13-day event to start on Saturday, but would have to move the route several kilometres (miles) away to a higher altitude.

In late December, the last stage of the French cross-country skiing championship had to be relocated from Meaudre to the snowier Arvieux, a more than 200-kilometre (120-mile) drive away by car.

In the Pyrenees too, a lack of snow cover has thwarted winter plans.

The Font-Romeu Freestyle Skiing World Cup, originally planned for January 12 to 14, has also been postponed.

In the Peyragudes resort in southwestern France on Thursday, cannons spewed artificial snowflakes onto small white patches on a vast brown slope.

The World Meteorological Organization on Thursday reported record-breaking heat in several European countries on New Year's Eve and New Year's Day.

In the eastern French city of Besancon, temperatures hit a new all-time high of 18.6 degrees Celsius (65.4 degrees Fahrenheit) for a January 1, 1.8C above the previous record, dating back to January 1918, the UN body said.

The problem is not limited to France.

The Alpine skiing World Cup season has been heavily hit by cancellations with events in the Italian, Austrian and Swiss Alps all wiped out by unsuitable weather.

The women's World Cup slalom in Zagreb was cancelled on Thursday because of "high temperatures and wind".

Wednesday's race in the Croatian capital, as well as a men's World Cup race in another low-altitude resort at Garmisch, in the Bavarian Alps, were skied on deteriorating pistes, amid snowless mountains.

The UN Intergovernmental Panel on Climate Change has said the frequency of cold spells and frost days is expected to decrease with global warming.

Man-made climate change also means low-altitude ski resorts will increasingly have to rely on expensive snowmaking to survive, it has warned.

## Manila Bay's water quality continues to improve—DENR

By: Jel Santos

The Department of Environment and Natural Resources said the water quality at the Manila Bay continues to improve this year, suggesting that the government's continuous restoration efforts are beginning to bear fruit.

In a statement, the DENR attributed it to the inter-agency Manila Bay Task Force (MBTF) for its diligent and effective implementation of the Operational Plan for the Manila Bay Coastal Strategy (OPMBCS) and its many geo-engineering efforts.

The task force is led by the DENR.

According to the DENR, the so-called "Battle for Manila Bay" brought about a major improvement in the water quality within the bay region after almost four years of rehabilitation operations, as seen by the gradual decline in fecal coliform level since January 2019.

"As of October 2022, the fecal coliform level in the National Capital Region (NCR) went down to 51,300 most probable number per 100 milliliters (MPN/100mL) from a high of 126,000 MPN/100mL in 2019, according to the Manila Bay Coordinating Office (MBCO)," the agency said in a statement.

As such, the DENR noted that other parts of Manila Bay also experienced notable drops in coliform levels, noting that the coliform level in Region IV-A's bathing beaches dropped to 643 MPN/100mL from 3,040 MPN/100mL.

"In Region III, the coliform level fell to 1,243 MPN/100mL from 5,099 MPN/100mL. It also went down in the river mouths or outfalls in Region IV-A from 94,000 MPN/100mL to 47,000 MPN/100mL," it said.

"At the same time, the coliform level in the famous Manila Baywalk area has significantly decreased to 658,000 MPN/100mL from a high of 5.75 million MPN/100mL."

In terms of liquid waste management, MBCO reported that as of the third quarter of 2022, a total of 1,202 establishments had been surveyed and mapped, while 5,919 had been monitored, with 61 receiving cease and desist orders and 949 receiving notices of violation.

According to the MBCO, more than 125,000 cubic meters of solid waste were collected through trash traps, trash boats, and cleanup activities as of September 2022.

To comply with the 20-meter easement across the three Manila Bay regions, a total of 128.47 kilometers were delineated in the management of informal settler families and illegal structures.

Alternative livelihoods for resettled individuals were provided by Region III through the construction of floating restaurants and the development of an ecotourism area.

The MBCO reported that during the third quarter of 2022, 13,535 mangroves and 24,730 bamboo propagules were planted throughout the bay region under habitat and resource management.

In addition, the DENR reported 9,248 birds of 197 different species, while the Bureau of Fisheries and Aquatic Resources recorded a total of 1,694 metric tons of fish harvest.

The DENR offices in the NCR and Regions III and IV-A, the Pasig River Coordinating and Management Office, the Metropolitan Manila Development Authority (MMDA), and other member agencies, on the other hand, reported that 22,453.02 cubic meters of water hyacinths were collected and disposed of within their respective areas of jurisdiction.

The DENR said cleanup activities were conducted at the river system choke points to strategically eliminate the influx of water hyacinths due to the onset of Habagat season.

## Villafuerte highlights \$14-B RE investor pledges Marcos brought home from China

By: Ellson Quismorio

Camarines Sur 2nd district Rep. LRay Villafuerte has hailed President Ferdinand “Bongbong” Marcos Jr. for his big achievement in connection with climate change mitigation during the latter’s just-concluded state visit to China.

According to Villafuerte, President Marcos “pulled off a coup” in securing almost \$14 billion worth of pledges from renewable energy (RE) investors in his three-day state visit.

“The President has walked the talk on decarbonization with his coup in Beijing of hauling in close to \$14 billion in investment pledges from Chinese companies, which will give a big boost to our country’s ambitious goal of GHG (greenhouse gas) emission reduction and avoidance,” the veteran solon said in a statement.

Villafuerte, the National Unity Party (NUP) president, said Marcos’s push for RE investments to achieve a greener economy and reduce our country’s carbon footprint “was in sync with his steady pitch in all his foreign trips since he assumed the presidency for climate justice”.

He praised the Filipino leader for securing funding support from the world’s affluent economies—which are usually the big GHG emitters—for programs that would help high-risk developing nations like the Philippines shift to cash-intensive RE sources and better adapt to worsening natural disasters set off by planet heating.

He said this is significant “given that no such financial aid for climate justice is apparently coming anytime soon from the world’s biggest GHG emitters or carbon polluters, judging from the agreement—or lack of it—that was reached at the end of last year’s COP27 in Egypt”.

Villafuerte was referring to the outcome of the 27th session of the Conference of the Parties (COP27) to the United Nations Framework Convention on Climate Change (UNFCCC). The COP27 summit was held last Nov. 6 to 18 at the resort city of Sharm el-Sheik in Egypt.

At the end of that summit, wealthy countries agreed for the first time ever to put up a “loss and damage” fund for vulnerable nations like the Philippines that bear the brunt of climate change, but avoided making firm commitments on how much exactly would be

given and when such would be released to the intended beneficiary-countries like the Philippines.

COP27 ended with an agreement for country-participants to create a “transitional panel” that would work on the “loss and damage” details in time for formal presentation at COP28, which is due on Nov. 30 to Dec. 12, h in Dubai, United Arab Emirates (UAE), Villafuerte said.

## SAP, Globe share how tech helps ensure sustainable future

By: MST Tech

Nowadays, more and more consumers and businesses take on sustainability as a strategic imperative to unlock competitive and growth opportunities. In a recent report, PricewaterhouseCoopers noted that 43 percent of CEOs in the Philippines included climate change and environmental damage in their strategic risk management activities.

But what does innovation have to do with sustainability? How does it help enable companies to become more sustainable?

In the recently held Globe InnoTalks, in collaboration with SAP SE (NYSE: SAP), Simone Pigason, Head of Digital, Resilient, and Sustainable Supply Chain of SAP Southeast Asia, and Ivan Curada, Cloud Engineer at Globe's Information Systems Group (ISG), shared how innovations can help Philippine businesses pursue sustainability in today's world.

Nowadays, most greenhouse gas (GHG) emissions originate from businesses' supply chains. A 2020 study by non-profit charity CDP revealed that emissions from the supply chain are about 11.4 times greater than those from operations, making up at least 92 percent of the whole GHG emitted by a business.

Simone Pigason noted that digitalizing supply chains help organizations reduce their carbon emissions to become more sustainable. What's more, this enables supply chains to be agile, productive, and connected, thus resilient to future disruptions.

"The global health crisis has shown businesses the importance of having resilient supply chains. And as various disruptions still happen globally, resilient supply chains are a must to provide consumers consistently with the goods and services they need," said Pigason.

Pigason added that SAP has two sustainability enablers that allow businesses to track their sustainability efforts.

First, the Sustainability Control Tower automates the report of environmental, social, and governance (ESG) impacts and GHG emissions of businesses. Operating in a single dashboard, it also keeps track of emission levels from various areas. Through the Sustainability Control Tower, businesses can see what parts of the Philippines have the most carbon emissions.

Secondly, the Plastics Warrior is a gamification process by SAP, which motivates consumers to recycle more. Aside from notifying supermarket shoppers about their plastic use, it utilizes advanced analytics to learn about a retail company's plastic waste. With the help of Plastics Warrior, businesses can enable Filipino citizens to recycle more.

### **Innovation in the Workplace**

According to Curada, Globe generates at least 4,000 memos each month, with an average of five pages. If these are printed on paper, it consumes around 20,000 sheets or 40 reams per month. Recent research by Benoit Cushman-Roisin and Bruna Tanaka Cremonini revealed that 16.67 reams of paper are produced from a single tree, which takes years to grow.

To minimize paper consumption and enable faster approval processes, Curada explained how Globe digitalized its memos through its own system called memo.ph. This system drastically cut paper use in the company.

“This serverless application digitalizes our memo approval processes to allow us to save at least two trees every month. It also offers templates to make memo creation as easy as possible while using an open-source library, so you are not paying for any license to make this application possible,” added Curada.

Pigason could not agree more about utilizing technology in innovating the workplace.

“To become more sustainable, organizations must be able to digitalize their traditional processes. All these solutions and applications prove how technologies can help build a sustainable future in today’s world,” she said.

## **MONGABAY**

### **[For Philippines' unprotected hotspots, new conservation window beckons](#)**

By: Keith Anthony S. Fabro

After hours of wading through raging rivers and braving the steep, slippery slopes of the Victoria-Anepahan Mountain Range (VAMR) on a rainy morning in October 2022, wildlife specialist Aubrey Jayne Padilla and her Indigenous Tagbanua parabiologist companions breathed sighs of relief as they reached Atabay Lake, one of their three research stations and base camp for the next five days.

“The lake is very magical,” Padilla, a National Geographic explorer and research project coordinator of the environmental organization Centre for Sustainability (CS), told Mongabay in a video interview. “It’s tucked away in an enchanting forest where a wide range of wildlife abounds.”

Straddling the central-southern part of the Philippines’ Palawan province, the 164,789-hectare (407,202-acre) mountain range is a Key Biodiversity Area, defined by global wildlife conservation authority the IUCN as greatly contributing to the planet’s biodiversity and overall health.

While setting up wildlife camera traps, Padilla says she gained a deeper appreciation of how Indigenous stewardship and prohibitions on extractive industries have been vital in conserving Victoria-Anepahan, particularly Kensad mountain. The 8,063-hectare (19,924-acre) Kensad is part of the Tagbanua’s ancestral domain and home to an array of Philippine endemic species, including pangolins and cockatoos.

Yet, despite the local government’s promise to conserve the area, VAMR remains poorly protected from illegal logging, swidden farming and mining. This mountain range is emblematic of what the Philippines has overlooked for years: 137 of the country’s 228 identified Key Biodiversity Areas don’t fall within the national network of protected areas, known as NIPAS, despite advocacy efforts by conservationists and Indigenous peoples.

As of 2022, this megadiverse archipelago has 248 protected areas, including seven newly legislated ones, covering 7.8 million hectares (3.2 million acres), or about 15.4% of the country’s land area and 1.4% of its territorial waters.

With the adoption of the new Global Biodiversity Framework (GBF) at the December 2022 U.N. Biodiversity Conference, which commits signatories to protecting 30% of terrestrial and marine ecosystems by 2030, conservationists see a renewed opportunity to push for the expansion of the Philippines’ protected area system. However, experts also caution that truly protecting critical ecosystems isn’t as simple as demarcating them on paper.

### **Safeguarding KBAs**

A signatory to the Convention on Biological Diversity, the Philippine government renewed its commitment to expand its protected area coverage following the identification of more potential areas, including KBAs. “We must now look beyond restoration, and together work towards investing in the regeneration of life on land and below water to achieve a nature-positive world,” Environment and Natural Resources Secretary Maria Antonio Yulo-Loyzaga said in a statement.

There’s much to celebrate in the announcement, experts say.

More protected areas mean more venues for research and more opportunities for conservation funding, says Rogelio Andrada II, a protected area management professor at the University of the Philippines Los Baños, in an instant message to Mongabay.

Scientists say they hope the government’s pronouncement translates into affording the highest legal protection status to the VAMR and other unprotected key biodiversity hotspots, which collectively serve as habitats for 855 globally important terrestrial and marine species.

“Science was not driving the selection of protected areas; [their] selection was mostly political,” says Neil Aldrin Mallari, lead author of a recent study that found the current protected areas network doesn’t fully cover suitable habitats of threatened and endemic species.

“If we protect all of these [terrestrial KBAs], we can surely hit more than 30% of our total land area,” adds Mallari, who is also president of the nonprofit Center for Conservation Innovations and regional focal point of the IUCN World Commission on Protected Areas.

Because setting up protected areas is a nature-based solution that helps maintain ecosystem integrity and reduce climate extreme impacts, “this initiative ... can contribute to the climate resilience of the Philippines,” which is among the countries considered highly vulnerable to climate change, says Lourdes Tibig, climate science adviser at the nonprofit think tank Institute for Climate and Sustainable Cities.

### **Potential pitfalls**

Despite generally favoring the expansion of protected areas, experts caution about the potential pitfalls.

“[There’s] danger that these PAs will not be managed well and will just be protected areas on paper because we currently don’t have enough human resources to manage existing PAs as it is,” Andrada says. “Management of new PAs can eat up a portion of the national budget that can be used for other purposes.”

In its country statement for the 2022 Biodiversity Conference, the Philippine government said public expenditure for biodiversity is increasing, but identified a funding gap of at least 14 billion pesos (\$250 million) annually, “particularly for protection and restoration.”

“We expect this gap to remain deeply significant, if not larger than previously determined,” Yulo-Loyzaga said, calling for private sector investment interventions.

For traditional communities heavily reliant on natural resources for survival, expansion of national parks may not be well received. “In our haste to establish new PAs, there is a danger that it may not be done properly and not take into account other perspectives,” Andrada says, such as having “less land or water that are available for food production.”

These are among the concerns raised by Bukluran, a coalition of Indigenous peoples campaigning for government recognition and respect for their traditional governance over their ancestral domains and natural resources. The group is lobbying for the passage of the Indigenous Communities Conserved Territories and Areas (ICCAs) bill.

The proposed law upholds sustainable traditional resources rights and recognizes ICCAs as a protected area category under Indigenous ownership, control and governance. Since 2011, 16 Philippine ICCAs covering a combined 349,423 hectares (863,442 acres) have been registered with the U.N. Environment Programme’s World Conservation Monitoring Centre, which maps ICCAs worldwide.

In protecting the Philippines’ last remaining wild places within territories that are still occupied and stewarded by Indigenous peoples, one key challenge is reconciling NIPAS with the Indigenous Peoples Rights Act, ensuring that a rights-based approach is considered, said KM Reyes, co-founder of the Centre for Sustainability.

“So incorporated in these should definitely be traditional knowledge and practices,” Reyes tells Mongabay in an instant message. “[Indigenous communities] need to be a key stakeholder and hopefully their governance systems are not displaced by any kind of government management systems thereafter.”

### **Still not enough**

Even the newly adopted Global Biodiversity Framework is “still inadequate” to reverse biodiversity decline, Tibig says. “Halting biodiversity loss will need more than just a 30×30 target,” she tells Mongabay in an email.

Besides expanding protected areas and other effective area-based conservation measures, governments must vigorously reduce or avoid carbon emissions to slow down climate change that has shifted species distribution, Tibig says. They should also tackle overexploitation and overconsumption, the compounding factors contributing to biodiversity collapse, she adds.

Mallari says that beyond broadening the NIPAS coverage, he hopes to see further improvements in the management effectiveness of existing protected areas. “All of the protected areas have improved [from poor to fair from 2013 to 2017 as per our study] but they’re below the passing score,” he says. “Can the government achieve [its new targets] given that these [protected areas] were not faring very well?”

The government needs to resolve key issues, including politics that dictate the inappropriate design of protected areas, and low capacity of staff to maximize the use of available cutting-edge conservation technologies, Mallari says, adding that doing so is possible and the urgency justifies it.

“The more we look at the vulnerability of biodiversity to the deleterious effects of climate change, or the many anthropogenic pressures, the more we see evidence that our vulnerability increases as species decline,” he says.

## PHILIPPINE DAILY INQUIRER

### [Nauru and its investment program should serve as cautionary tale for the Philippines](#)

By: Antonio Calipjo Go

The island country of Nauru, a raised coral island located in the southwestern Pacific Ocean 25 miles south of the equator, is known for what it does not have or has little of. With a land area of only 8.1 square miles, it is the smallest country in the world after Vatican City and Monaco. Its population of about 10,000 makes it the world's smallest republic, as well as the smallest island nation. It has no rivers or streams and virtually all of its water, food, and manufactured goods have to be imported. There are no harbors or protected anchorages, and no sizable arable land fit for farming. Nauru has no official capital. Because of its heavy dependence on financial aid from Australia, Nauru is considered by some sources as a client state of Australia.

What Nauru once did have plenty of was found inland, on a plateau 30 to 65 meters above sea level, which was largely composed of rock phosphate, leached from guano or bird droppings that accumulated over thousands of years. This high-grade mineral deposit used to cover more than two-thirds of the island.

Phosphate has been mined on Nauru since 1907, and for decades was its sole export and economic resource. Before its independence in 1968, the phosphate industry was owned by a corporation jointly managed by the British, Australian, and New Zealand governments. It was only in 1970 that Nauru gained full control of mining operations.

In the 1980s, Nauru was one of the richest countries in the world in terms of gross domestic product per capita, earning for it the sobriquet "Kuwait of the Pacific." A major portion of its earnings from mining phosphate was invested abroad by means of a sovereign wealth fund. The envisioned economic well-being of the country depended on the success of this investment program.

Unfortunately, its public officials irresponsibly exploited and abused Nauru's trust funds for decades. Fund assets were even used as collateral to finance the budget deficit. Because of mismanagement and depredation of capital, high government expenditures, fraud, and risky investments in real estate, shipping, and air services, the fund lost much of its value.

By 1990, its phosphate deposits had been depleted and Nauru experienced a severe drop in earnings, leading to bankruptcy in the early years of the 21st century. To

generate income, Nauru became a tax haven, an offshore banking center, and a conduit for the illegal money laundering activities of organized crime groups and terrorist organizations.

Since 2001, Nauru has been accepting aid from Australia in exchange for its hosting an offshore Australian refugee processing facility.

As if the economic downturn is not enough, Nauru is slowly sinking back into the ocean from whence it came, a result of rising waters brought about by climate change. In the last 10 to 15 years, there has been an acceleration in the rates of both temperature rise and sea-level rise. There has also been a general escalation in the frequency and intensity of the tropical cyclones that visit Nauru regularly.

Already sinking as we are in a very real sense—many of our coastal towns and cities remain flooded even during the dry season—why can't we see the writing on the wall, the omen in the water? Deeply mired as we are in rampant and runaway corruption in all aspects of our daily lives, be it political, social, cultural, or moral, why then are we blind to the clear and present danger of the Philippines going the wrong way of the islands of Nauru and Sri Lanka? Corruption is like the Hydra—cut off one head and another immediately grows back to replace it.

What is it that gentlemen wish? What would they have? When shall we be stronger? Will it be when we are totally disarmed and our enemies shall have bound us hand and foot? When all the phosphate shall have been extracted and extruded from out of the bedrock of our souls? When all our aquatic, marine, forest, mineral, and human resources shall have been exhausted and depleted, pillaged and plundered by our own local as well as foreign governments?

This is a cautionary tale about islands adrift in parlous tide and perilous time, going south, going, gone. There's a smell of something not quite right, something soiled and dirty, something very evil, about the business of the proposed Maharlika Sovereign Investment Fund.

## [Philippines launches \\$3-B new overseas bond offer](#)

By: Ronnel W. Domingo

The Marcos administration returns to the global debt market with a goal of raising up to \$3 billion from an offering of US dollar-denominated bonds, proceeds from which will support the government budget, according to joint bookrunner BofA Securities.

Launched through the New York bond market, this latest sovereign offering involves at least \$500 million each of 5.5-year, 10-year and 25-year tenor of debt securities.

Based on medium-term macroeconomic assumptions and fiscal program, government disbursements in 2023—the first full year of the Marcos administration—will reach P5.18 trillion or P1.47 trillion more than expected revenues of P3.7 trillion.

The budget deficit this year is expected to account for 6.1 percent of gross domestic product (GDP), smaller than the estimated 6.9 percent or P1.5 trillion share in 2022.

Proceeds from the 25-year issuance, which are “sustainability bonds,” are also intended to support the “sustainable finance framework.” Initial price guidance for this tenor is 5.95 percent per annum, based on a term sheet from BofA.

Under the Philippine Sustainable Finance Roadmap, the government intends to mobilize financing for climate action initiatives, facilitate investments in climate-resilient public infrastructure and develop projects that promote sustainable development.

The 5.5-year tenor is targeted to be priced at a spread of 155 basis points over benchmark securities and the 10.5-year tenor, at a spread of 195 basis points.

The administration made this move just three months after raising a total of \$2 billion from the same venue in October 2022.

### **Timely foray**

BofA Securities told the Inquirer this latest bond offering came a week after the US dollar primary markets had seen one of the highest volumes out of Asia, excluding Japan.

The Philippines “capitalized on a positive Asia market open and consecutive days of market stability to announce their [bond offers],” the company said.

For this latest exercise, BofA Securities is working with joint lead managers and joint bookrunners Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley, Standard Chartered Bank and UBS.

Further, this offering is rated investment grade by global credit watchdogs Moody's Investor Service (Baa2), S&P Global (BBB+) and Fitch Ratings (BBB).

Fitch Ratings said the key driver for its rating was governance, in the context of environment, social and governance metrics, which are nonfinancial factors.

Moody's Investor Service said its rating had taken into consideration high potential growth and a moderate government debt burden compared with peers. It noted a sufficiently strong external position to meet cross-border payment obligations and weather volatility.

"Even as it [the Philippines] emerges from the pandemic with a degree of economic scarring, Moody's expects the recovery in real GDP growth to persist amid the deterioration in global credit conditions in the near-term, and converge toward potential rates of around 6 percent per annum beyond 2022," the company said.

## PHILIPPINE NEWS AGENCY

### World in transition to new economic order amid multiple crises

LONDON – The right word to describe the current period of multiple convergent crises surrounding the global economy is a “transition” and action by central banks in tandem with the resilience of labor markets and the re-balancing of supply chains will be among the factors deciding what kind of economic order this transition will result in, World Economic Forum (WEF) Managing Director Mirek Dusek told Anadolu Agency in an interview.

Dusek’s remarks came ahead of the WEF’s Annual Meeting 2023 which will take place from Jan. 16-20 in Davos, Switzerland with the theme "Cooperation in a Fragmented World."

"The WEF's Annual Meeting 2023 in Davos will convene against the backdrop of a challenging economic outlook, and the program will reflect that reality in focusing on the dual imperatives of making the right decisions for economies, companies and communities to get through these complex times while simultaneously maintaining the ability to make major investments in the future," he said.

The global economy has been under pressure due to multiple crises involving food, energy supply security, the cost of living, high inflation and the climate.

Supply shortages in energy markets have been reaching record levels for more than a year globally, while Russia's war on Ukraine has deepened the problems in the supply and demand balance, leading to further skyrocketing prices in energy markets, particularly for natural gas.

Dutch Title Transfer Facility (TTF) natural gas prices had skyrocketed to €342 (\$364) per megawatt-hour as of Aug. 26, 2022, a dramatic rise from the €30/MWh level a year earlier.

After sharp increases during the last year, prices had fallen to €69/MWh as of Jan. 6, thanks to a milder winter and high storage levels in Europe.

The price increases in food and energy markets are the main drivers of the decades-high inflation around the world.

According to Dusek, the multiple convergent crises with interconnected causes are affecting millions worldwide, especially those living in the most vulnerable regions.

"Just as the causes of these crises are interconnected, so too are their solutions, and we must converge on identifying and acting on measures that will not only mitigate the

risk of such crises moving forward, but even more important, enable us to articulate and implement a new growth, jobs and security agenda for the future," he said.

Focusing on sustainable transition to address crises

Dusek said accelerating the transition to clean energy, mainstreaming breakthrough technological innovations and introducing effective diplomatic mechanisms for a more competitive world are among the action areas that can help the world emerge from this period of uncertainty with increased resilience.

He described the current situation as a "transition."

"Action by central banks in tandem with the resilience of labor markets and the nature of supply chains' reshuffling will be among the factors deciding what kind of economic order this transition will result in," Dusek said, while calling for effective government policies to recognize the current conditions as an opportunity to implement "much-needed policy reform."

"First and foremost, policy should support the transition to more sustainable energy sources with the aim of decoupling economic growth from energy consumption as well as reducing carbon emissions to address climate change," he said.

"In this regard, the recent deep concern around energy insecurity stemming from economic and geopolitical shocks should provide momentum to accelerate movement towards a more sustainable energy model."

The crises are global in their impact in an unprecedented way, and policies should also be pursued in as cooperative a manner as possible among governments worldwide, Dusek said.

"We have already seen central banks worldwide working in tandem to combat inflation, and wider government policy to address systemic global issues should also maximize opportunities for coordinated action," he added.

Central banks have adopted a policy of hiking rates in a bid to tame surging inflation.

Dusek said that amid these crises, the WEF's mission of fostering public-private cooperation has never been more important or urgent, both to navigate the present crises and to drive tangible, system-positive change moving forward.

"Bringing together a wide range of stakeholders is key to forging understanding and alignment, scaling innovation and finding proactive solutions to our common issues through tangible action," he added.

## SUNSTAR

### [Shifting fossil fuel divestment talks: from financial to political](#)

By: John Leo Algo

DESPITE the imperative of addressing the climate crisis, there still remains tremendous support for fossil fuels.

In the Philippines, the current administration has actively pushed for the expansion of the fossil gas industry, claiming it is a transitional energy source while waiting for renewable energy (RE) to mature to meet the nation's energy demands.

Elsewhere in the world, global coal demand reached an all-time high in 2022 and is projected to stay at similar levels in the near-term. This was significantly driven by the Russia-Ukraine conflict, which affected the supply of gas from Russia to European countries that forced the latter to increase their reliance on coal. The three largest coal producers, China, India, and Indonesia, all hit new highs in coal production last year.

This is not to mention that at the most recent climate negotiations in Egypt, nations failed to scale up the ambition to reduce human-induced greenhouse gas emissions, which largely comes from the burning of fossil fuels. This is despite the need to enhance current solutions due to the worsening impacts of the climate crisis, which would greatly impact vulnerable nations such as the Philippines.

Even with these recent developments, there are still a few notable signs for optimism regarding fossil fuel divestment.

#### **An inevitable decline**

The traditional energy sector dependent on coal, oil, and gas remains on a long-term decline. This can be attributed to several factors, including the growing urgency across different sectors to deal with the climate crisis, as highlighted through numerous extreme weather events that left many nations, including the Philippines, devastated in the past decade.

Yet it should be noted that the climate crisis has now become a financial issue as well. Many market trends have favored the boom of RE, backed by the recognition by more companies that sustainability generates profitability. For instance, technological innovations on the power and transport sectors favor the growth of solar and wind energy use.

Petrochemical industries (i.e., plastics production) are also losing ground as the worldwide calls to address plastics pollution are more amplified.

To counter this, the fossil fuel industry has increasingly banked on carbon capture and storage (CCS) to remain relevant in the sustainability sphere. However, many of these

technologies remain at the demonstration level, backed by the pronouncement of scientists that they do not work at scale. Without promising results, financiers would lose confidence that these corporations can overcome the many associated risks, including potential social and environmental impacts.

With crisis comes opportunities; this may also apply to the economics of the global energy sector. The Russia-Ukraine conflict has undeniably impacted prices of fossil fuels, which has brought about higher inflation on energy products and other commodities in the Philippines and other developing countries.

On one hand, the high fuel prices impact food and energy security, create budget deficits, and worsen trade imbalances that slows down economic growth of developing nations. On the other hand, the net income of global oil and gas producers reached USD4 trillion in 2022, double the amount from the previous year, largely driven by the Russia-Ukraine conflict and its ramifications on a global economy that refuses to significantly reduce its dependence on dirty energy.

Without a sound financial argument, fossil fuel industries are now relying more on political tactics to try to maintain its current hold on the global economy.

### **The right side of the coin**

Currently, there are two emerging narratives for the energy sector: one that depicts RE as the clean alternative on the rise, as the energy of the future; and one that shows fossil fuels as still being necessary for decades to come. This is an unsustainable set-up for which sooner or later, the world must pick the right side of the coin.

With the long-term decline of the fossil fuel sector comes the weakening of arguments against divestment from dirty energy. This strategy is not intended to make financiers and investors lose profits, but rather to protect them from losses of asset values, to be triggered directly and indirectly by the impacts of the climate crisis and other issues.

Advocates of fossil fuel divestment must now recognize that the battleground is shifting from financial to political. While arguments to counter the dismissal of divestment based on the financier's unwillingness to deviate their portfolios away from coal, oil, and/or gas must remain part of calls and actions, they must also turn their attention to influencing governments to avoid prolonging their nation's addiction to fossil fuels.

The previous statement is especially critical for countering the policymaking direction of the Philippine government that continues to shy away from fully investing in RE and, instead has found its latest distractions in the form of gas and even nuclear energy.

It must be emphasized that fiduciaries have the obligation to take action upon recognizing any risk. Investment strategies need to diversify to effectively address risks related to climate and other issues, but the message remains crystal clear: sustainable development is impossible without an urgent and just transition away from fossil fuels towards RE.

Nevertheless, given these global circumstances, it would be a surprise if the Philippines does not see more banks make stronger commitments to divesting from coal for 2023.

## THE MANILA TIMES

### [\[Opinion\] Philippine onion: Most expensive in the world](#)

THE retail price of red onions ranging from P550 to P700 per kilo in markets around Metro Manila on New Year's Eve made unpleasant headlines during the festive season. Red onion was sold at P90 to P120 in mid-2021 and P120 to P170 four months ago. Onion prices hover around P85 in Singapore, P55 in Vietnam, P35 in China and in India.

The onion was easily the inflation leader in 2022 and made Philippine onions the most expensive onion on Earth. Though the price is likely to drop significantly in the coming month as the annual harvest kicks in from February to May, and the Department of Agriculture has issued a P250 per kilo SRP and even threatened penalties for violators, the price volatility of a short-season crop this year should serve as a poignant reminder that the country's agriculture production system is not working well. Many industry players also question whether there are groups who are benefiting from a designed crisis.

### **Onion farming in the Philippines**

Onions are cool season plants, taking three to four months from planting to harvest. The key risk to onion growth is insect infestation and excessive soil moisture triggered by heavy rain that facilitates anthracnose from fungal growth. The 2016 onion crop failure was triggered by Typhoons "Lando" and "Nona" damaging standing crops in Central Luzon in the last quarter of 2015 and the armyworm infestation in the first quarter of 2016. As a result, onion production in 2016 dropped one-third, and it was the only time that imported onion at 135,000 metric tons was more than the domestic production at 122,000 MT in a given year.

The country planted 18,391 hectares of onion in 2020, and the average farm size was around half-a-hectare. Nueva Ecija accounted for more than 60 percent of production, with Northern Luzon and Mindoro for the balance.

Onions are planted from September to December and harvested earliest in December and ending in June. While onion production is seasonal during the dry month, consumption is all year round. Hence a good inventory system is important to smoothen out the supply-demand pattern during the July to November period.

2010 was the last time the country ran a surplus in onions. It exported a net of 7,000 MT when domestic demand was pegged at 181,000 MT. Since 2012, the country has been

a net importer. Moving from self-sufficiency to becoming a net importer is a microcosm in many agricultural products. Therefore, the issue of food security cannot be taken as a trivial issue.

### **From self-sufficiency to perennial importer**

The onion sector is considered one of the more progressive agricultural sectors in the country.

The annual growth in production from 2011 to 2020 was 10.7 percent, while the annual planted area grew at 4.9 percent. The government praised the onion farmers for being more adaptive to modern practices compared with other commodity crop producers.

However, the sector has faced subtle challenges since recovering from the 2016 crop failure. Foremost of which is the stagnating yield. Since yield peaked at almost 13 MT per hectare in 2014, the country never exceeded the figure and yield in 2010 is pegged at 11.13 MT/ha. The yield is much lower than the two leading producers that account for almost half of the world, China and India, which are 22.1 and 18.7 MT/ha. DA study noted that top onion-producing countries offer cheaper prices at \$ 0.11/kg to \$0.43/kg, while the Philippine domestic price averaged \$0.79/kg in 2019. The productivity and price discrepancy make onion smuggling a tempting proposition.

The government also noted that most traditional growing areas are degraded due to the excessive use of inorganic fertilizers. It is also reported that Central Luzon growers regularly lose 10 percent of their crop from armyworms and anthracnose annually.

The shifting pattern of typhoon season to extend to the end of the year adversely affects the planting schedule of the onion farmer. Moreover, the delay in planting complicates the government's effort to bring importation to stabilize the market during the lean month. The inventory and price swing this year seems to validate that worry anecdotally.

In addition to long-standing structural problems in the agriculture industry, onion growers today also face new challenges from climate change-induced production shocks that make new changes to the production system imperative.

### **Onion Industry Roadmap 2021-2025**

The Department of Agriculture published the 129-page "Philippine Onion Industry Roadmap 2021-2025" late last year under its High-Value Crops Subsector Roadmap Development Program. The multistakeholder Onion Industry Development Team

addresses three major challenges: achieving self-sufficiency while lifting farmers from poverty; preparing for the advent of the Asean Economic Community; and adapting to climate change.

The roadmap looks to increase onion production from 229,000 MT in 2021 to 279,000 MT by 2025 and attain self-sufficiency. The plan allocated a budget support of P721 million, with fertilizer-based production support taking 83 percent of the total budget.

The extensive roadmap will help stabilize onion production in the coming years, but it is doubtful whether it is enough to put the industry into high gear. The science element in the roadmap focuses on the earlier generation approaches, such as fertilizer subsidy, improved irrigation and better seed. The adoption of precision agriculture is discussed over a single page. The key strategy for precision farming, such as developing/optimizing drone-mediated fertilizer and pesticides, provides real-time weather, pest and disease forecasting, and recommendations were mentioned without elaboration. The precision farming adoption is not highlighted in the latest P100 million support fund earmarked for onion production.

### **Three waves of agricultural revolution**

Many experts agree that the first agricultural revolution was the increasing use of mechanization from 1900-1930. The second wave prompted the Green Revolution with new methods of genetic modification. Finally, the third wave today is focused on precision agriculture.

Precision agriculture is the farming management strategy based on observing, measuring, and responding to temporal and spatial variability to improve production sustainability. The concept started in the late 1980s and got a huge boost in recent years when complementary technologies such as drones, GPS and real-time sensors became available.

The new precision farming technology can better meet the onion farmers' challenges over the soil degradation problem affecting yield, the planting delay problem affecting the importation, and the farmers' perennial worry about controlling insects and soil moisture. And, of course, the mechanization of the field, plus better seed and fertilizer subsidy, will bring much better production efficiency to onion farmers.

### **Agriculture cooperation with China**

Agriculture cooperation is one of the 14 agreements signed by President Marcos Jr. during his China visit. China produces 25 million MT of onion a year; it is the largest onion producer worldwide, with much higher efficiency than the Philippines. The country is stepping up precision farming in all areas of agriculture, including onion production. It could be good if onion farming is included in future Philippine-China cooperation. The field is low-hanging fruit, and focusing the assistance on Nueva Ecija can already reverse the entire market supply situation and benefit all consumers in the Philippines.

A model to follow is the successful hybrid rice cooperation under the Sino-Philippine Center for Agricultural Technology-Technical Cooperation Program (Philscat), which is already benefiting thousands of farmers and countless Filipinos. The scientist who helped the Philippines, Yuan Longping, is regarded as a hero by the Chinese for helping China achieve rice self-sufficiency.

IDSi President George Siy in our recent forum advised: the average age of farmers in the Philippines is 57, and most young Filipinos do not view a career in agriculture as profitable. The government, academe and media can help promote more stories and support of scientists, engineers, farmers, including technology application; and legal and logistics impediments have to be significantly modernized if the country actually intends to improve its agriculture industry, beyond the onion crisis.

## Pledges to help PH achieve RE goals – DTI

By: Eireene Jairee Gomez

INVESTMENT pledges secured during President Ferdinand "Bongbong" Marcos Jr.'s state visit to China will help the Philippine achieve its renewable energy (RE) goals, the Department of Trade and Industry (DTI) said on Friday.

Commitments totaling \$13.76 billion were made during the state visit, the DTI noted in a statement, as Chinese RE companies conveyed their interest to invest and help the Philippines realize its National Renewable Energy Program 2020-2040.

The \$13.76 billion forms part of the \$22.8 billion in pledges announced by Marcos when he returned on Thursday. The others comprise a \$7.32-billion proposal involving electric vehicles and mineral processing and \$1.72 billion for agriculture.

Marcos, together with Trade Secretary Alfredo Pascual, Energy Secretary Raphael Lotilla and the rest of the Philippine delegation led a roundtable with Chinese company representatives earlier in the day.

Also present were former president and now House Deputy Speaker Gloria Macapagal Arroyo, House Speaker Ferdinand Martin Romualdez, Sen. Maria Imelda Josefa "Imee" Marcos and other members of the Cabinet.

Pascual was said to have emphasized the importance of the RE sector in achieving economic development during the roundtable.

"The energy sector is a vital driver of Philippine industrialization and economic growth," the Trade department quoted him as having said.

"For industries to flourish in our country, we need a secure, resilient and competitive supply of energy. In the face of climate change and the worldwide shift to green development, the Philippine government finds renewable energy to be a long-term solution to our sustainable development," he added.

Pascual noted that under amendments to the rules governing the Renewable Energy Act, foreigners can take full control of solar, wind and tidal energy projects.

"This should help the Philippines increase renewable energy's share to 50 percent of its total energy supply by 2040," he said.

The lifting of ownership limits, Pascual claimed, led to a significant increase in investment interest, not only in solar and wind projects but also the manufacture of generator towers, foundations, blades and other turbine parts.

As issues involving climate change become even more pressing, the DTI added that investments in the RE sector would help the Philippines navigate the path toward a more sustainable business ecosystem.

## THE PHILIPPINE STAR

### [BSP eyes participation in UN-backed investment scheme](#)

By: Lawrence Agcaoili

MANILA, Philippines — The Bangko Sentral ng Pilipinas (BSP) wants to be a signatory to the world's leading proponent of responsible investment supported by the United Nations (UN).

BSP Governor Felipe Medalla said the central bank wants to be a signatory to the UN-backed Principles for Responsible Investment (PRI) as part of its Sustainable Central Banking strategy.

As a leading proponent for responsible investment, PRI works to understand the investment implications of environmental, social and governance factors, as well as to support its international network of investor-signatories in incorporating ESG factors into their investment and ownership decisions.

PRI has 5,179 signatories, representing \$121 trillion of assets under management (AUM), all over the world.

“We also are looking at developing a Responsible Investment Charter, which will guide the integration of sustainability tests with financial assessments,” he said.

The recently launched Sustainable Central Banking Strategy embodies the BSP's role as enabler, mobilizer and doer with respect to advocating sustainability in the financial system.

The BSP has adopted a phased approach in introducing sustainability-related guidelines, with due regard to the principle of proportionality via Circular 1085 or the Sustainable Finance Framework, Circular 1128, or the Environment and Social Risk Management Framework, and Circular 1149 or the Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks.

The regulator is preparing amendments to the disclosure requirement under Circular 1085 and enhancing prudential reports for data collection and surveillance analysis.

It is also incentivizing lending or financing of green or sustainable projects and developing sustainable finance taxonomy.

The central bank is also working with the World Bank, World Wide Fund for Nature Philippines, the Philippine Institute of Volcanology and Seismology as well as volunteer banks in the conduct of climate stress testing and vulnerability assessment to better understand climate and other environment-related risks, and estimate their potential impact on the banking system.

Aside from the issuance of enabling regulations, the BSP is also increasing awareness and capacity-building activities.

As a mobilizer, the investments of the BSP in green bond funds have reached \$500 million from an initial \$150 million in 2019.

Aside from being a signatory to the PRI, the BSP's 11-point strategy under the Sustainable Central Banking Roadmap includes the conduct of a comprehensive vulnerability assessment of the Philippine economy and financial system, enhancing mandatory disclosures of climate-related financial risks by all banks, issuance of guidance of mandatory climate stress testing for banks, exploration of the integration of environmental and social risks into prudential practices, and incorporation of macroeconomic effects of climate change into monetary policy analysis.

The regulator is also considering incentive schemes for the promotion of green lending, inclusion of sustainability considerations in its portfolio management and risk management, development of a task force for inclusive green finance, inclusion of climate-related financial disclosure in its annual report, adoption of sustainable practices for its own facilities and operations, as well as the rollout of a capacity-building program for all staff in relevant areas.

Despite BSP reserves being assessed as high under the metrics of the International Monetary Fund (IMF), Medalla stressed the need to maintain an adequate buffer against external shocks.

"Although by IMF metrics – the IMF Assessing Reserve Adequacy – our reserves are assessed as high, we do think that given all the things that are often happening, there is no reason to be complacent, to let our reserves go down too sharply," Medalla said.

Latest data showed the country's foreign exchange buffer declined for the second straight year to \$96.01 billion as of end-2022 from \$110.12 billion at end-2020.

The central bank strongly opposed the inclusion of the country's gross international reserves in the proposed Maharlika Investment Fund.

## Cooperation amid the evolving security challenges of 2023

By: Alynna Carlos

Geopolitical tensions among states will continue to reshape and disrupt the security environment in the Indo-Pacific. Parallel to this, foreign policies and security strategies of states are expected to evolve as traditional and non-traditional security issues persist alongside the emergence of new challenges.

These issues range from slow post-pandemic recovery, territorial disputes, climate change, to cyber-attacks, among others. Year after year, these security challenges are becoming even more complex.

To respond to these issues, governments aggressively pursue diplomatic initiatives, particularly with the resumption of in-person meetings, which are instrumental in reaffirming commitments related to foreign policy. Marking his first diplomatic engagement for 2023, President Ferdinand Marcos Jr. recently concluded his state visit to China.

Vowing to prioritize the national interest as the guide of his independent foreign policy, he met with Chinese President Xi Jinping and signed agreements on various sectors, emphasizing that the territorial disputes are not the only thing that define Philippine-China relations.

For foreign and security policy experts, the West Philippine Sea issue will continue to be a pressing matter. Experts and thought leaders weighed in on their predictions on security issues that will evolve or expand in 2023 during the Stratbase ADR Institute's recent hybrid forum entitled "Prioritizing the National Interest in Foreign Policy: Strengthening Alliances and Strategic Partnerships in the Indo-Pacific."

According to Col. Raymond Powell, US Air Force (Ret.), who leads Stanford University's Project Myoushu, the reclamation and construction projects in the disputed area are a "disturbing evolution" serving as a challenge to concerned states. He stressed that China's actions in the West Philippine Sea needs to be exposed so that the reputational cost to Beijing could be higher, and the Philippines' national resilience could be stronger.

Dr. Renato de Castro, ADRi trustee and program convenor, and professor of the De La Salle University – Manila, anticipates the Taiwan Strait issue to advance with the deeper involvement of the United States and China. He also sees that such an occurrence will test the relations of the Philippines with the US, its only formal treaty ally.

Aside from these geopolitical tensions, Dr. Ronald Holmes, president of Pulse Asia Research Inc., stated that the ongoing health crisis would continue, coupled with the travel restrictions imposed on travelers coming from and going to China as it reopens this year.

Other non-traditional security issues will also be the focus of cooperation among states, according to Dr. Chester Cabalza, president and founder of the International Development and Security Cooperation. With the signing of various agreements with China, we must look closely at how initiatives on energy, agriculture, infrastructure, people and cultural exchanges, and the digital economy are to be pursued under the current administration.

On the regional level, the serious attention given to the Indo-Pacific is reflected in the publication of policies and strategies focusing on the region.

In 2022, Canada and South Korea were the latest additions to the list of states with a formal Indo-Pacific strategy alongside the ASEAN, the European Union, the QUAD (United States, Japan, Australia, and India), Japan, France, and the United Kingdom. A point of convergence among these documents is the recognition of common security issues and the commitment to cooperation as a key strategy.

In these strategies, emphasis is given to maritime security, a tight thread linking the Philippines and Indo-Pacific states. The West Philippine Sea has become a source of dispute among claimants while offering a point of cooperation among states. In the implementation of Philippine foreign policy, public opinion becomes a solid basis for prioritizing the maritime territory.

To demonstrate this, the Pulse Asia survey commissioned by Stratbase from November 27 to Dec. 1, 2022, reveals that 84% of Filipinos believe that the government should strengthen security cooperation with the United States to defend national sovereignty in the West Philippine Sea.

53% of the respondents agree that protecting marine resources and the environment in Philippine territory is the most important reason to strengthen the country's ability to defend and protect the seas. Fifty percent said that the country must strengthen the military capability of the Philippines, especially the Navy and the Coast Guard. And then, 29% support the conduct of joint maritime patrols and military exercises with allied countries.

The survey also showed that Filipinos ranked the United States, Japan, and Australia as their top three most trusted countries. Respondents believe the Marcos administration should strengthen security cooperation with these countries in defending the country's sovereignty and territorial rights in the West Philippine Sea.

The survey results are timely, given Marcos' visit to China, and must therefore provide guidance on succeeding diplomatic visits. On the part of maritime initiatives, both sides agreed to establish a direct communication line between their foreign ministries to manage issues and reaffirmed the importance of the Declaration on the Conduct of Parties in the South China Sea. Marcos even discussed the possibility of resuming discussions of joint exploration in the West Philippine Sea.

As the Marcos administration continues to foster relations with China, it must do so without setting aside the maritime issues affecting the marine resources in our territorial waters.

For Filipino fishermen, these issues are not only a matter of national security for defense officials, but a serious livelihood concern for all fishing communities facing the West Philippine Sea. For our nation. It is a direct threat to our food resources.

More importantly, these diplomatic declarations and discussions between high-level officials must progress toward the actual resolution of the issue in a way that is consistent with the national interest and the overarching rules-based international order. The administration has already cleared the first step of putting the issue on the agenda, and Filipinos now eagerly wait for the next move.

With the expansion of security issues in an increasingly interconnected Indo-Pacific, the constant solution is cooperation in a bilateral, unilateral, or multilateral approach. In a truly independent foreign policy, building strategic partnerships and alliances must be free from external pressure and interference. It must be built on the collective willingness to cooperate with like-minded neighbors amidst the anticipated security challenges in 2023.

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