



Ms. CHIT U. JUAN

“MAPping the Future” *Column in INQUIRER*

“WHY WORRY?”

March 14, 2022

When fuel prices go up, why worry? Because it is a sign of worse times coming. For a motorist, lining up at a gas station before midnight when fuel prices are set to increase gives you a sense of “short-lived” control that you saved maybe P300-P500 on a full tank of diesel. But it is also a foreboding that soon, everything else will rise in price from rice to eggs, and other essentials.

This is why financial pundits have given all sorts of comments like:

- 1. Take a bicycle to work.** Or take a scooter. Did you know that scooter sales rose dramatically during the pandemic? A dealer of a popular Italian-made scooter revealed to me that his sales surprisingly went on an uptick even if this brand he carries belongs to the luxury sector. Call it revenge spending, or just being practical, scooter sales are on the upswing and may stay that way for a longer time.
- 2. Do not go to work.** Work from Home (WFH) or Work from Anywhere (WFA) has become the norm. So office spaces have been vacated, reduced in size or carry only a skeleton force or staff on rotation.
- 3. Shrink your staff size.** While some staff have chosen the “resignation” trend happening globally, many rank-and-file workers still look for a daily wage and thus risk the public commute to get to their place of work. Employers may want to shrink the team and pay off the others whose work can be replaced by virtual employees or AI.
- 4. Reduce inventory.** Many retailers have closed stores, dealt with expiring inventories, and never replaced them. Now, order for drop ship (supplier does not carry inventory) has

become popular with retailers buying either “just in time” or not having inventory at all.

The past two years was also a good time for business owners to rethink their business models and reassess or even reengineer their company. Maybe the needs of the market have changed. Maybe you now must address a different market.

Together with International Labor Organization (ILO), we at Great Women Philippines (GWPH) have a project for women entrepreneurs who wish to “FLIP THEIR BIZ” or flip their businesses into new formats and apply new strategies. And ILO is the perfect partner for such a project, given that labor will definitely take a hit with businesses looking for their new beginning or reorganizing themselves into a new style of business.

Women entrepreneurs signed up to have mentors brainstorm with them on innovation, marketing and finance. With women handling home duties and balancing these with business planning, it has been so important to have a group to discuss with.

Even men who used to be so adept at managing now find themselves adjusting to many variables and global changes that affect even the smallest of businesses. So we find men crossing over to a baking business (my suki bakers are 90% male), and other ideas that used to be female-dominated, like salons and spas.

So, why should we worry about fuel prices rising? Because it puts yet another spin to our already stressed lives, given the pandemic and the looming world war started by Russia.

It really is time to do the UNTRADITIONAL.

1. **Think digital.** This may mean not having a physical retail store but going 100% online. This may mean manufacturing elsewhere and closing down your production line.
2. **Think Nature.** Where we used to fancy nice offices and fancy cars, we now have to think country and bicycles. And maybe even hiking and camping.
3. **Think Sustainable.** Check your age and if you think you will be here another 30 years, think about the future. Your future depends on what you do now.
4. **Think investment for the future.** Nothing beats real estate. While we are still understanding cryptocurrency, this is where we choose the old reliable investment ideas: gold, real estate and blue chip equities.

It has been a long hard time we went through but there is always hope for the future and in the future. The future looks green and blue to me. More green grass, more green tech and more green investment opportunities. It also looks blue like the sky and the sea. Choose blue skies with more wind energy, blue seas with sustainable fishing.

Unless we plan for the near future, we are doomed to repeat our mistakes of the past. The future is here and it's calling us to change our old ways and think new, think forward.

So why worry about fuel prices? Because it is just the start of a series of price increases, wage adjustments and increased prices of rice, eggs and even coffee! And if we do not recalibrate and reengineer our business, if we do not change our usual practices, we will be consumed by these economic developments and find ourselves with no business, no people and no future.

I am painting a doomsday scenario to wake us up. Because we thrived during the pandemic, we think business will go back to normal. Because it is alert level 1, we think it will be business as usual.

Many people are still thinking of the past – going back to Face-to-Face classes, stores opening up to the public, dining like we used to. I think it will be a revised version of the past and so we must also be revised versions of ourselves. Not to be a pessimist but this is the new optimism. To hope that we can survive and thrive in the coming years as we deal with all the changes and roll with the punches.

I would rather think of the worst and prepare for it to come. Then be prepared with an alternative. Because as the old saying goes- "if you fail to plan, you plan to fail" And that's from Benjamin Franklin.

(This article reflects the personal opinion of the author and does not reflect the official stand of the Management Association of the Philippines or MAP. The author is Member of the MAP Diversity and Inclusion Committee, Chair of the Philippine Coffee Board, Councilor of Slow Food (www.slowfood.com) for Southeast Asia and is an advocate for organic agriculture. Feedback at <map@map.org.ph> and <pujuan29@gmail.com>.



Mr. RAFAEL "Raffy" M. ALUNAN III

"MAP Insights" Column in BUSINESSWORLD
"God help us"
March 15, 2022

Unless Mr. Putin's madness is taken off the equation, the world's hurtling towards a world war which humanity can't afford and doesn't want for all the obvious reasons.

Since communism's demise in 1991, the West's and Putin's struggle for power has placed all the countries under their influence, and those countries caught in between them, at grave risk.

In the past 30 years, many of the former Soviet republics joined EU and NATO that increasingly alarmed Russia. Putin views this "encirclement" and "containment" by US-led NATO as a grave threat to its national security and interests. It's also monkey wrenching his widely-viewed attempt to cobble back the old Soviet empire and Warsaw Pact to serve as Russia's buffer zone and security belt.

Ukraine was Russia's ultimate "red line."

Ukraine is Europe's second largest country next to Russia. It's mineral-resource rich and strategically positioned. Mr. Putin repeatedly sought security guarantees from the West that Ukraine stay neutral, like Finland, to serve as buffer between the West and Russia. Ukraine has been lobbying for membership in EU and NATO since 2008. Ironically, Ukraine has not been accepted to this day, unable to hurdle certain requirements to merit approval and acceptance.

I suppose Putin decided to step in before the EU and NATO did, which would have estopped him from attacking a NATO member country. The flurry of visits to Moscow to keep the dialogue going amounted to nothing when Putin concluded that the West was not interested in providing him with security guarantees. He closed the doors on diplomacy paving the way for Ukraine's invasion. It's pretty clear from years of geopolitical observation that when core interests clash, hot conflicts are inevitable.

His rush to war produced instant consequences. It united the people of Ukraine and united a divided Europe. It spurred the U.S. to action, which had been waffling about Ukraine's application and hesitant in stopping Putin based on its lame statements, until the invasion. Biting sanctions were swiftly applied. Sovereign nations and global businesses stopped dealing with Russia. Financial assets and properties were frozen and embargoed. Oil and gas prices have spiked. Cost of goods and supply chain dislocations are shaking the global economy.

Putin's invasion hasn't gone well, forcing him to engage in nuclear terrorism. His forces have attacked 3 nuclear stations already and occupied two. If they blow up, Europe will be a wasteland. He has become the world's No. 1 villain. His own people are openly protesting his invasion. Ukraine's heroic leader, Volodymyr Zelensky, on the other hand, has become the world's hero. Ukrainian patriotism and heroism has caught the world's attention.

Tens of thousands are volunteering to join his International Legion. Sympathetic countries are sending arms, munitions and supplies. Unarmed combat aerial vehicles have been destroying major Russian military assets. Mig-29 jet fighters may soon reduce the military imbalance with Russia. Almost 20,000 anti-tank and anti-aircraft missiles and rockets have been delivered, with more on the way. One thing is clear: the peace dividend that flowed from the end of communism in 1991 has ended. War, death and destruction are back on the table.

Despite modern technologies to reduce collateral damage through smart and precision weapons, Russian and surrogate forces are now targeting civilian populations indiscriminately. His scorched earth tactics are meant to bludgeon Ukraine to its knees. If the Russian people themselves don't stop him, who knows where all this will lead to? Moldova? Georgia? Europe's overall situation is fast eroding. It's hurtling toward a larger

conflict with more countries being sucked into it. Mankind's facing a potential global economic depression and world war.

Yet, here at home, I see no effort to inform the public of the worsening situation abroad and how it could impact the country in many ways. Government's vacuity assures us of long-term suffering. We should be hearing from government - national and local - what we need to focus on and do as one united nation to survive, and how to go about it. So far, it's been the sound of silence. We're on our own as government is hung up, as always, on self-serving politics that's getting in the way of exceptional governance required for perilous times like we're in now.

There are valuable lessons from Ukraine that the government can capitalize on to educate and energize the nation. For example, Zelensky's courageous leadership that's galvanizing his nation and inspiring the world; the Ukrainian's selfless patriotism placing national defense and security above personal safety and family considerations; their military's guts and skill to engage a better-equipped and much stronger foe in combat; total warfare – economic, geopolitical, financial, cyber, information, kinetic; the imperatives for preparedness and self-reliance.

Government is perceived to be divided on Ukraine. Despite one public institution condemning Russia's invasion of Ukraine by voting for the UNGA resolution, other institutions are calling for neutrality or prefer to remain silent. Yet, they report to the same ultimate power that determines foreign policy, which drives our international relations. The disconnect is obvious and distressing. China's taking note for sure. As Russian Garry Kasparov, former world chess champion, echoes: "Neutrality between good and evil, sides with evil, always."

My antennas are pointing towards preparations for my family's survival, safety and security, including all our kasambahays and their families. Emergency and crisis plans top the list. It starts with austerity measures to conserve cash for diversion to fundamental needs - shelter options, transport options, food security, medical security, documents security, financial security. It includes networking with like-minded individuals and groups whom we could learn from and reciprocate with our own knowledge. The more the better.

Underlying all that is a personal commitment to pro-actively work for peace in whatever venue I may be in, and a deep abiding faith that God helps those who fight for a higher cause and the common good.

(This article reflects the personal opinion of the author and does not reflect the official stand of the Management Association of the Philippines or MAP. The author is member and former Governor of the MAP, Chair of Philippine Council for Foreign Relations, Vice Chair of Pepsi-Cola Products Philippines, Inc. and sits on the boards of other companies as Independent Director. Feedback at <map@map.org.ph> and <rmalunan@gmail.com>.)

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Criteria and Selection Process

The program is open to:

- MAP members, not more than 50 years old by the time of the completion of the program (November 2022)
- Committed to complete and attend all program activities with estimated personal time commitment of about 120 hours for the entire program

Application process

Interested members should submit the following to the MAP Secretariat via (map@map.org.ph) not later than 18 March 2022

- Your latest Resume
- Your latest photo
- Write-up on your organization
- Latest audited FS of your organization

Selected applicants will be notified via email and announced by the MAP secretariat by 23 March 2022

Calendar of activities

- March 23
Announcement of Participants
- April 21
Program Kick Off
- April 28
Thinking Traps: A NextGen CEOs Survival Kit
- May 19
Leading with Purpose
- May 26
Purpose 1:1
- June 16
Humans@Center
- June 23
Case Study Debrief
- July 21
Tech@Speed
- July 28
Tech@Watch
- August 18
Innovation@Scale
- August 25
Capstone Project Launch
- September 15
Project Checkpoint
- September 29
Socials Event
- October 20
Project Checkpoint
- October 27
Presentation Prep
- November 4
Project Presentation
- November 25
Closing Event

*Dates may be subject to change

FORTHCOMING EVENTS

**A Customs Transformation:
It Can Be Done**

March 17, 2022 | 10AM-12NN

Keynote Speaker
Hon. Rey Leonardo B. Guerrero
Commissioner of Customs

- Learn about the Bureau's promising Performance Governance System (PGS) journey
- Discover BOC's Governance Culture Code and other tools developed under the PGS
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MAP General Membership Meeting

RCEP: Should we get in now?

A Panel Discussion on the Regional Comprehensive Economic Partnership (RCEP)

March 24, 2022, Thursday, 10:00 AM to 12:00 Noon via ZOOM
(not second Thursday this time)

*A Joint Project of MAP Trade, Investment & Tourism Committee
and MAP Agribusiness Committee*

Speakers/Panelists



Sec. WILLIAM D. DAR
Department of Agriculture (DA)



Sec. RAMON M. LOPEZ
Department of Trade and Industry (DTI)



Dr. RAMONETTE B. SERAFICA
*Senior Research Fellow, Philippine Institute
for Development Studies (PIDS)*



Mr. ARTHUR R. TAN
*CEO, Integrated
Micro-Electronic, Inc.*

Moderator:



Ms. CHIT JUAN
*President, Philippine Coffee Board, Inc.
Member, MAP Agribusiness Committee*

This GMM is FREE for
MAP Members and Guest.

MAP Circular No. 009-2022

Meeting ID : 834 17476789
Passcode : MAPGMM0324

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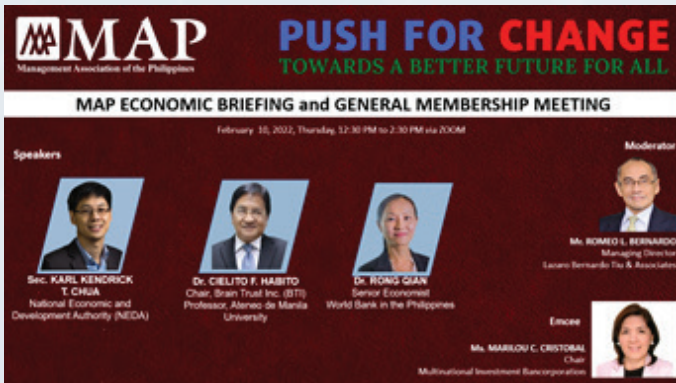
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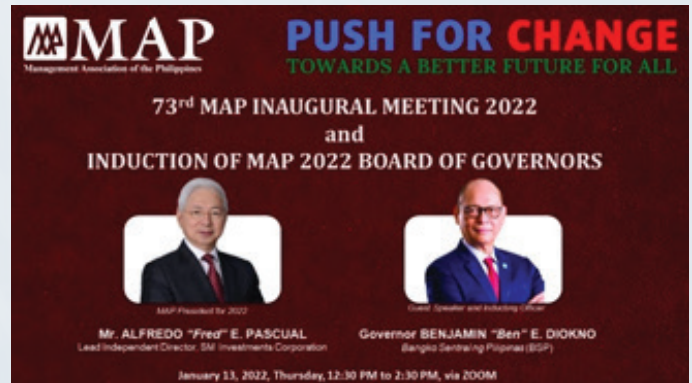
MAP Talks on Youtube

<https://www.youtube.com/user/TheMAPph>
<https://web.facebook.com/map.org.ph>

Video Recording of February 10, 2022
 MAP Economic Briefing and General Membership Meeting



Video Recording of January 13, 2022
 MAP Inaugural Meeting and Induction of MAP 2022 Board of Governors



<https://www.youtube.com/watch?v=gzfmOPOZ0k>

Video Recording of November 22, 2021
 "MAP Management Man of the Year 2021" Awarding Ceremony and MAP Annual General Membership Meeting



<https://www.facebook.com/map.org.ph/videos/326360865554281>
<https://www.youtube.com/watch?v=wlwo8hGMTpo>

Video Recording of 2nd MAP NextGen Conference



<https://www.youtube.com/watch?v=zMd6j1EqXgA>



Video Recordings of MAP GMMs

- 1. February 10, 2022 MAP Economic Briefing and General Membership Meeting** with the Socioeconomic Planning Secretary and the Director-General of the National Economic and Development Authority (NEDA) KARL KENDRICK CHUA, Brain Trust, Inc. Chair and Ateneo de Manila University Professor CIELITO F. HABITO, and World Bank in the Philippines Senior Economist, Dr. RONG QIAN
- 2. October 25, 2021** MAP Special General Membership Meeting on **"Ensuring Clean, Honest, Accurate, Meaningful and Peaceful Elections"** with COMELEC Commissioner MA. ROWENA AMELIA V. GUANZON and Parish Pastoral Council for Responsible Voting (PPCRV) Chair MYLA C. VILLANUEVA as speakers and Mr. AUGUSTO "Gus" C. LAGMAN, National Chair of National Citizens' Movement for Free Elections (NAMFREL), Atty. CHRISTIAN "Chris" S. MONSOD, Chair of Eleksyon 2022 Koalisyon, and Dr. RONALD "Ron" U. MENDOZA, Dean of Ateneo de Manila University - School of Government (ASOG)
- 3. October 12, 2021** MAP General Membership Meeting on **"Addressing the Learning (Education) Crisis"** with Secretary LEONOR M. BRIONES of the Department of Education (DepEd), Ms. RINA LOPEZ BAUTISTA, Co-Founder and President of Knowledge Channel Foundation, and Mr. RAMON R. DEL ROSARIO, JR., Chair of Philippine Business for Education (PBEd)
- 4. September 7, 2021** MAP-PMAP Annual Joint General Membership Meeting (GMM) on **"Leap-frogging Digital Talent Development"** with Ms. JO ANN ROSARY ASETRE, APAC Customer Success Manager of Lee Hecht Harrison, Usec. EMMANUEL REY R. CAINTIC, Undersecretary for Digital Philippines of the Department of Information and Communications Technology (DICT), Sec. FORTUNATO T. DE LA PEÑA of the Department of Science and Technology (DOST), Mr. REX WALLENTAN, General Manager of Hopkins International Partners, Inc., and Eurlng. HENRY K. H. WANG, International Advisor and Author, President of Gate International and Member of G20/B20 Global Taskforce, as speakers
- 5. August 25, 2021** MAP Special GMM on **"ADDRESSING THE COUNTRY'S HUNGER PROBLEM"** with Cabinet Secretary KARLO A.B. NOGRALES, Philippine Business for Social Progress (PBSP) President REYNALDO ANTONIO D. LAGUDA, and Ms. MARGOT TORRES, Private Sector Lead of *Pilipinas Kontra Gutom!* As speakers; and Tanging Yaman Foundation Chair, Fr. MANUEL V. FRANCISCO, S.J.I., Brain Trust, Inc. Chair, Dr. CIELITO F. HABITO, and Maginhawa Community Pantry Founder ANA PATRICIA NON as Reactors
- 6. August 18, 2021** MAP Arts & Culture Lecture and Virtual Tour of **"HERITAGE AND ANCESTRAL HOMES"** featuring Ms. JOVY ACUZAR, Corporate Marketing Director of *Las Casas Filipinas de Acuzar*, and Mr. DEXTER MANANSALA, Arts & Culture Director of *Las Casas Filipinas de Acuzar*
- 7. August 10, 2021** MAP General Membership Meeting on **"ENSURING THE COUNTRY'S ENERGY SECURITY"** with Sen. SHERWIN T. GATCHALIAN, Chair of Senate Committee on Energy, as the main speaker and Atty. RAY C. ESPINOSA, President and CEO of MERALCO, Atty. JOSE M. LAYUG, JR., President of Developers of Renewable Energy for AdvanceMent, Inc. (DREAM), and Atty. ANNE E. MONTELIBANO, President of Philippine Independent Power Producers Association (PIPPA), as Reactors
- 8. July 13, 2021** MAP General Membership Meeting on **"Governance Champions: HOW INDEPENDENT DIRECTORS CREATE VALUE?"** with Atty. ANGELICA "Nenet" LAVARES, Director of Metrobank and Prulife UK; Mr. ALFREDO "Fred" E. PASCUAL, Lead Independent Director of SM Investments Corporation, Ms. FLORENCIA "Flor" G. TARRIELA, Former Independent Director and Board Chairwoman of the Philippine National Bank (PNB) and the first and only Independent Director Chairwoman in the Commercial Banking Industry; and Mr. ROMAN ZYLA, Senior Corporate Governance Officer and currently the Regional Corporate Governance Lead for East Asia Pacific of the International Finance Corporation; as Panelists; and Mr. JONATHAN JUAN "JJ" DC. MORENO, Co-Vice Chair of the MAP Corporate Governance Committee and Chief Strategy and Governance Officer of Metro Retail Stores Group, Inc. (MRSGL), as Emcee/Moderator.
- 9. June 8, 2021** MAP General Membership Meeting on **"ADDRESSING THE CLIMATE CRISIS"** with Deputy Speaker LOREN LEGARDA, Representative of Lone District of Antique of House of Representatives, Mayor ANDRES "Andy" D. DANGERO, Mayor of Municipality of Sablayan, Occidental Mindoro, and Mr. ILLAC ANGELO "Illac" A. DIAZ, Founder and Executive Director, Liter of Light and MyShelter Foundation



FACEBOOK - <https://www.facebook.com/map.org.ph/videos/914003119213053>

YOUTUBE – www.youtube.com/TheMAPph

Speakers' presentations <https://mapceoconference.ph>

Articles/Papers from MAP Members

1. **"Re-regulate the oil industry?"** from MAP Governor **CIELITO "Ciel" F. HABITO's** **"No Free Lunch" Column in the PHILIPPINE DAILY** **INQUIRER on March 8, 2022**

Those who cannot remember the past are condemned to repeat it," wrote George Santayana well over a century ago. I quote the Spanish philosopher here not in the context of the coming elections (though it very well applies too), but in response to the new round of calls—for the nth time in so many years—to bring back oil industry regulation.

I wouldn't be too surprised to hear it from those too young to know how things were back when the industry was regulated. But coming from people who saw how it was like then, I find it puzzling, to say the least. Either shortness of memory or some other inexplicable reason leads them to push for an idea that had long been shown to be counterproductive and had actually worked against the interests of the Filipino public.

The centerpiece of that failed price regulation policy, which some so-called "progressives" would like to see revived, was to establish an Oil Price Stabilization Fund (OPSF) administered by the Department of Energy. For the headaches it gave us economic managers at that time, we felt it more apt to call it the Oil Price Stabilization Fiasco or Oil Price Destabilization Fund. In theory, the OPSF seemed a good idea, aimed to smoothen frequent movements in domestic petroleum prices by fixing prices over given periods even as the world crude oil price moved up and down. When that price went below the assumed price on which the fixed petroleum

product prices were based, oil companies paid the difference into the OPSF. When crude oil prices went above the basis price, the fund compensated the oil companies for the difference. With proper management and timing of domestic petroleum price adjustments, payments into and out of the fund should balance out over time.

But the devil came (and I'm certain will again come) in its implementation. For one thing, a former energy official observed how the OPSF became the government's "cash cow," especially when it found itself saddled with large fiscal deficits—which in the late '80s and early '90s was practically all the time, as it is again now. That is, when the OPSF was in surplus, the government would dip its fingers into the fund that was solely meant for the gas price smoothing mechanism.

Worse, the government consistently failed to adjust petroleum prices upward when it was time to do so, i.e. when sustained world crude price hikes depleted the OPSF. Adjusting domestic petroleum prices became a political decision, rather than the objective and technical mechanism it was supposed to be. The government delayed needed upward price adjustments for populist reasons, especially during election season, leading the OPSF to run into huge deficits in billions of pesos. The deficits were eventually paid for by general taxpayers, forcing even nonpetroleum consumers to bear the burden. And what we saw were even more drastic price increases when the mounting OPSF deficits made further postponement untenable—sometimes when world oil prices were actually moving in the opposite direction. This only served to fuel strong public

protests and discontent, often accompanied by violent demonstrations. Stabilization was certainly not the word to describe those outcomes. On top of all that, the system discouraged further investments in petroleum refining, as oil companies got burned by long delays in OPSF payments to compensate them for losses when world prices were high and rising.

We addressed all these issues with the decisive move we made in 1998 to have petroleum prices reflect true market conditions, like most of the world does, while we also fostered greater market competition. There's a new proposal to set up a Strategic Petroleum Reserve to be filled when world prices are low, and drawn from when prices get destabilizingly high. But high storage costs and cost of tying up money, plus similar issues on politicized management of the reserve (as with the OPSF) raise serious questions on its viability. By all means, let's help the badly hit sectors with prompt and targeted assistance. But to bring back long-discredited price regulation now would be the exact opposite of progress, and condemn us to reliving our troubled past.

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**2. "Power struggles"
from MAP Governor ROMEO "Romy" L. BERNARDO's
"Introspective" Column in the BUSINESSWORLD on
January 23, 2022**

I am pleased to share with readers a brief we posted to GlobalSource Partners (GSP) subscribers on the looming power shortage this summer. GSP (globalsourcepartners.com) is a network of independent analysts in emerging market countries. Christine Tang and I assisted by Shane Sia) are their local partners.

"The country entered 2022 with typhoon-related damage to power facilities that could lead to reserve shortfalls (yellow alerts) in the Luzon and Visayas grids. This came on top of outstanding issues related to the contracting of reserve power and the looming expiry of the supply agreement of the 1,200-megawatt (MW) Ilijan power plant fueled by Malampaya gas. Now two weeks in, power sector players are again in crisis management mode following Indonesia's coal export ban, with the energy department joining other countries in the region in urging Indonesia to lift the ban.

"Indonesia supplies over 95% of the Philippine's coal imports. Coal-based plants, which comprise 44% of the power sector's dependable capacity in 2020 and close to 60% of power generation, rely mainly on Indonesian coal. Although Indonesia has started to allow coal shipments to other countries in the region, industry players tell us that the Philippines is not among the priority destination countries. Reports indicate that with some plants scheduled

for maintenance shutdown, available coal stocks may still last three weeks to two months, which from an aggregate perspective would tide the country over until the lifting of the export ban at end-January. (See the figures.)

"That however has not stopped understandably concerned power plant operators from planning for contingencies associated with logistical delays through purchases of coal in the spot market. There is after all no assurance at this time that the ban will not be extended nor that their orders will be placed ahead of the queue of countries trying to secure their own supplies; buyers that include heavyweights China and Japan. Although sourcing coal supplies from other countries is always an option, technical experts tell us that the closest alternative, Australian coal, costs more because of the higher quality, and is not even a perfect substitute, i.e., the plants were not designed to run on it.

"There is also the worry that this episode will be a precedent that will be repeated in the future considering all the uncertainties related to global climate change policy. Hence, the more policy-oriented are also urging government to make good use of strong neighborly ties to formalize an energy cooperation agreement with Indonesia or under the ASEAN framework to bolster Philippine energy security. As it is, concerns over medium-term energy security are growing with the Malampaya service contract ending in 2024 and estimates suggesting that remaining reserves would last only a few more years thereafter.

"The government has rightly stressed attracting new investments as a necessary condition for the economy's post-pandemic recovery. Survey after survey of investment climates reveal the importance of quality infrastructure, including power supply stability, for attracting FDI.

"Yet, this early in the new year, private players, including the transmission company NGCP (National Grid Corporation of the Philippines), the power sector's system operator, are already again warning of thin supplies in the summer months and calling for demand side management." (End of GSP post.)

There are short term demand management measures to mitigate the impact of a possible summer power shortage, such as tapping the backup generation capacity of big firms, voluntary shifting of operations (peak/off peak pricing), interruptible load programs (first employed by Veco [Visayan Electric Company], now Meralco), and in the worst case, rotating brownouts for non-critical areas.

In addition, firm contracting of ancillary services (to protect us from potential blackouts resulting from a lack of supply because it ensures that ancillary services are allocated

from a separate pool of capacity), prioritization by NGCP of critical transmission lines, i.e., Dinginin, Negros-Cebu interconnection upgrading, Viz-Min interconnection, etc. will allow stranded generation to be dispatched.

The medium to long term solutions lie with creating the incentive framework and enforcing the regulations for needed transmission facilities and new power plants to be built. This includes lifting the caps on WESM (Wholesale Electricity Spot Market) pricing and allowing more imbedded generation, bypassing the high voltage transmission lines. Due to the influx of more variable renewable energy into the grid, regulators must revisit generation capacity, the mix of energy technologies, and energy storage requirements to ensure uninterrupted supply of power.

I have written on the subject in two earlier columns (“Red Alert and EPIRA,” June 13, 2021, <https://www.bworldonline.com/red-alert-and-epira/> and “It’s not easy being green: balancing energy security and de carbonization in an emerging economy,” Nov. 7, 2021, <https://www.bworldonline.com/its-not-easy-being-green-balancing-energy-security-and-decarbonization-for-an-emerging-economy/>).

EXCERPTING SOME KEY POINTS: On the regulatory regime (from “Red Alert and EPIRA”):

1.) “Our regulators play an important role in seeing to it that the rules are properly enforced. On this front, I can only describe our regulator’s approach as schizophrenic, where they have tended to over-regulate the competitive part of the industry and under-regulate the regulated part of the industry.

“EPIRA designed the power generation side to be competitive, and allow competition to yield lower prices and higher reliability. There are rules in place, including market power restrictions, to keep any one player from unfairly prejudicing the consumer. Unfortunately, since then, the regulators have churned out regulation after regulation to curb the activities of generators. Each regulation is designed with the consumer in mind, but, as with many regulations and laws, they often carry unintended consequences that distort the behavior and incentives of market participants. When investors do not build new plants or do so slowly because the business environment has been riddled with regulatory uncertainty and risks, end consumers and our entire economy lose.”

2.) “On the other hand, the regulators have fallen short in its responsibility to enforce the rules over NGCP, which has the monopoly over the transmission lines in the country. Our regulators should focus on regulating the regulated business of transmission of power and consider simplifying

the rules for gencos to allow the market to work, to de-risk the environment and to attract more long-term private capital. In order to ensure that we have adequate reserves, the regulators should compel the Systems Operator to contract the full, firm reserve requirement. This can be done within 30 days, as there are genco offers today sitting on the desks at NGCP. This would ensure that we have the spare reserves the next time that the supply of power thins.

“Lastly, we need to fast track the implementation of the transmission line network. A three to four-year year lag creates significant uncertainty and an imbalance in the market. Correcting this will de-risk the investment environment and will encourage the entry of more power capacity into the grid.”

On the managing de-carbonization and the energy transition for the Philippines (from “It’s not easy being green...”):

1.) “A key consideration is intermittency of new solar and wind. Given the current state of technology and cost of battery storage, only fossil fuels can provide the Philippine base load capacity needed to drive industry. Especially required now as we try to recover from this pandemic — we need secure and affordable power to attract investment and quality jobs to lift the quarter of our people who are jobless and in absolute poverty.

2.) “...We are expected to be hard hit by adverse effects of climate change and therefore will need to invest considerably in adapting to what is a global crisis that we alone cannot solve. All of this points to the conclusion that we should bear considerably less of the cost of the transition than other countries. To his credit, Finance Secretary Carlos Dominguez III has recently publicly taken developed countries to task on this matter. Ultimately, we all share a common goal but our responsibilities will vary. Let’s learn from the experiences in the developed world and avoid quick-fix pathways and craft an energy transition with the Filipino people in mind and that the Filipino people can afford.”

3.) “Our power regulators, financial regulators, and other public stewards should be mindful of the tradeoffs and high stakes in climate-related decisions. We all dislike coal and other carbon intensive industries, but we should dislike seeing our people in abject poverty even more.”

Romeo L. Bernardo was finance undersecretary during the Cory Aquino and Fidel Ramos Administrations. He serves as a trustee/director in the Foundation for Economic Freedom, the Management Association of the Philippines, and the FINEX Foundation. He is an independent director in a diversified publicly listed holding company with major investments in power generation (both fossil fuels and renewables) and distribution. The views herein are his.

Happy Birthday to the following MAP Members who are celebrating their birthdays within March 1 to 31, 2022

MARCH 1

1. **Arch. BENJAMIN "Bing" S. AVILA**
Principal Architect, Avila Architect
2. **Atty. RAYMUND JOSEPH IAN "Raji" O. MENDOZA**
Managing Partner, Mendoza Calnea Mangundayao and Associates
3. **Atty. EDUARDO "Ed" M. PANGAN**
Partner, Mendoza and Pangan Law Offices
4. **Mr. PHILIP G. SOLIVEN**
Vice Chair, Multico Prime Power Inc.

MARCH 2

5. **Mr. EDMUN H. LIU**
Chief Finance Officer, LH Paragon Group of Companies
6. **Mr. FAUSTO R. PREYSLER JR.**
President and Chair, Smith Bell Corporation
7. **Mr. SIMPLICIO "Jun" P. UMALI JR.**
President and General Manager, Gardenia Bakeries (Phils.), Inc.

MARCH 3

8. **Ms. MELESA "Elsie" D. CHUA**
President and CEO, CDC Quadrillion
9. **Mr. JUAN CARLOS "Carlos" G. DEL ROSARIO**
Chair Emeritus
Amalgamated Investment Bancorporation
10. **Mr. ENRIQUE "Ricky" K. RAZON JR.**
Chair and President
ICTSI (International Container Terminal Services, Inc.)

MARCH 4

11. **Mr. WILLIAM N. CHUA CO KIONG**
President, Wills International Sales and Corporation
12. **Ms. GENEROSA "Gigi" PIO DE RODA REYES**
President and CEO, FPG Insurance Co., Inc.
13. **Dr. HAZEL P. ZUELLIG**
President, Z Healthcare Asia Holdings Corporation

MARCH 5

14. **Ms. JOANNA THERESE "So-bee" CUYEGKENG DUENAS CHOA**
General Manager, Mary Kay Philippines
15. **Mr. TEOFILO "Pilo or Theo" S. EUGENIO**
Former President, Asia Pacific Chartering Phil., Inc.
16. **Mr. CONRADO "Conrad" G. MARTY**
Vice Chair, Hyundai Asia Resources Inc.
17. **Mr. EDWIN "Ed" V. MATULIN**
SVP and Board Director, Synchrony Global Services Philippines, Inc.

MARCH 6

18. **Mr. ALOYSIUS "Nonoy" B. COLAYCO**
Country Chair, Jardine Matheson
Group of Companies - Philippines
19. **Mr. ALFREDO "Al" S. PANLILIO**
President and CEO, PLDT and
Smart Communications, Inc.
20. **Mr. JAIME AUGUSTO "Jaime" ZOBEL DE AYALA II**
Chair and CEO, Ayala Corporation

MARCH 7

21. **Mr. REYNALDO "Rey" C. CENTENO**
President and CEO
General Life Assurance Philippines, Inc.
22. **Cong. FELICITO "Tong" C. PAYUMO**
Chair, University of Nueva Caceres

MARCH 8

23. **Mr. VITALIANO "Lanny" N. NAÑAGAS II**
President, Organizational Systems, Inc.

MARCH 9

24. **Ms. MARIE KIMBERLY "Kim" S. BENEDICTO**
COO, CLB Engineering and Supply, Inc.
25. **Ms. CORAZON "Cora" S. DE LA PAZ BERNARDO**
Honorary President (former President - 2004 to 2010)
International Social Security Association
26. **Atty. ARNEL PACIANO "Arnel" D. CASANOVA**
Country Representative, AECOM Philippines, Inc.
27. **Engr. WILFREDO "Will" L. DECENA**
CEO, Will Decena & Associates, Inc.
28. **Amb. KOJI HANEDA**
Ambassador Extraordinary and Plenipotentiary of Japan,
Embassy of Japan
29. **Mr. DANIEL GLENN "Glenn" C. SAN LUIS**
Executive Director - Inquirer Academy
Linq Academy Education Services Inc.
30. **Mr. JEFFREY "Jeff" O. TARAYAO**
President, One Meralco Foundation

MARCH 10

31. **Mr. AFTAB AHMED**
CEO, Citibank, N.A.
32. **Ms. HAIDEE C. ENRIQUEZ**

MARCH 11

33. **Atty. ARNEL JOSE "Arnel" S. BAÑAS**
Deputy Secretary for Administration and Financial Services
Senate of the Philippines
34. **Mr. RAINERIO "Bong" M. BORJA**
President, Alorica
35. **Mr. EDUARDO "Ed" V. FRANCISCO**
President and CEO, BDO Capital & Investment Corporation
36. **Ms. CIELITO "Cielo" L. GARRIDO**
CEO, San Dionisio Credit Cooperative
37. **Mr. DEXTER CHUA LEE**
Chief Strategy and Planning Officer, Philippine Airlines (PAL)

MARCH 12

38. **Mr. JOSE RENE GREGORY "Rene" D. ALMENDRAS**
President & CEO, AC Infrastructure Holdings Corporation
39. **Mr. DANTE FRANCIS "Klink" M. ANG II**
Executive Editor, President and CEO, The Manila Times
40. **Mr. RODRIGO "Rod" E. FRANCO**
President and CEO, Metro Pacific Tollways Corporation
41. **Mr. FRANCISCO "Kaiku" H. LICUANAN III**
Chair, Geostate Development Corporation

MARCH 13

42. **Mr. ROLANDO "Rolly" S. NARCISO**
Independent Director, Wilcon Depot, Inc.

MARCH 14

43. **Dr. CYNTHIA R. MAMON,**
COO, Enchanted Kingdom, Inc.
44. **Mr. JOSE "Joe" R. SOBERANO III**
President and CEO, Cebu Landmasters, Inc.
45. **Mr. FERNANDO ZOBEL DE AYALA**
President and COO, Ayala Corporation

MARCH 15

46. **Ms. ANNA JERMAINE “Jermaine” V. BOMBASI**
Managing Director, Empire Centre for Regenerative Medicine
47. **Mr. WILSON CHU**
Chair and President, Breadtalk Philippines, Inc.
48. **Mr. ROLAND ENRIC “Roland Enric” L. DELA CRUZ**
Vice Chair, ANR Unlimited MPC
49. **Mr. ROLANDO “Rolly” A. JAURIGUE**
ButterflyHouse at KM 89 Garden

MARCH 16

50. **Arch. FELINO “Jun” A. PALAFOX JR.,**
Founder, President and Principal Architect -
Urban Planner, Palafox Associates

MARCH 17

51. **Ms. COSETTE V. CANILAO**
President and CEO, Aboitiz InfraCapital, Inc.
52. **Dr. CORAZON “Cora” PB. CLAUDIO**
Convenor- Chair
Climate Action and Sustainability Alliance (CASA)
53. **Mr. RENATO “Rene” A. FLORENCIO**
Chair, GolconDIA Jewelry and TechnoMarine
54. **Dr. NICETO “Nick” S. POBLADOR**
Retired Professor of Economics and Management
University of the Philippines (UP)

MARCH 18

55. **Dr. ESTER ALBANO GARCIA**
President, University of the East (UE)
56. **Mr. LEANDRO “Lean” L. LEVISTE**
Founder and President, Solar Philippines
57. **Hon. FIDEL “Eddie” V. RAMOS**
Chair, Ramos Peace and Development Foundation

MARCH 19

58. **Mr. ARTHUR “Art” N. AGUILAR**
President, Negros Island Biomass Holdings, Inc.
59. **Mr. JOSE “Joe” P. BANTILING**
CEO, Trends and Concepts Total Interior Solutions, Inc.
60. **Mr. RAUL JOSEPH “Jojo” A. CONCEPCION**
President and CEO, Concepcion-Carrier
Air Conditioning Company
61. **Consul Gen. M. ISSAM “Sam” ELDEBS**
Consul, Consulate of the Syrian Arab Republic
62. **Mr. MUTSUHIRO “Mutsu” OSHIKIRI**
President and CEO,
Mitsubishi Motors Philippines Corporation (MMPC)
63. **Mr. RENATO “Rene” C. VALENCIA**
Chair, OmniPay, Inc.

MARCH 20

64. **Mr. ALEXANDER “Alex” M. GENIL**
President and CEO, ZMG Ward Howell
65. **Mr. JOSE MARCEL “Jocel” E. PANLILIO**
Chair and CEO, Boulevard Holdings
66. **Sr. ZETA “Sr. Zeta” R. RIVERO**
SPC, CEO, Perpetual Succour Hospital of Cebu, Inc.
67. **Mr. FREDRICK “Rick” M. SANTOS**
Chair and CEO, Santos Knight Frank Inc.
68. **Mr. MICHAEL “Mike” G. TAN**
COO, Asia Brewery Incorporated
69. **Dr. REYNALDO “Rey” B. VEA**
President and CEO, Mapua University

MARCH 21

70. **Atty. WALTER L. ABELA, JR.**
Partner and Head, Tax and Corporate Services
Navarro Amper & Co./Deloitte
71. **Mr. LEOPOLDO “Leo” P. DE GUZMAN**
Chair and CEO, Marigold Estate Ventures Company, Inc.
72. **Mr. WILLIAM CARLOS UY**
Chair and President, Parity Values, Inc.

MARCH 22

73. **Mr. MARK DAVID “Mark” C. ALVAREZ**
Managing Director Philippines, InSites Consulting
74. **Mr. CARL LESTER “Carl” S. ANG**
EVP, Multi-Rich Home Decors, Inc.
75. **Mr. WILSON T. LEI YEE**
CEO, Simply Moving Philippines, inc.

MARCH 24

76. **Mr. EUGENE “Eug” S. ACEVEDO**
President and CEO, Rizal Commercial Banking Corporation (RCBC)
77. **Ms. MA. LUNA “Luna” E. CACANANDO**
President and CEO, Small Business Corporation (SBCorp)

MARCH 25

78. **Ms. MARLETH S. CALANOG**
Executive Director, Ateneo de Manila University Graduate School of
Business Center for Continuing Education
79. **Mrs. VICTORIA “Vicky” P. GARCHITORENA-ARPON**
Consultant, Family Philanthropy and Corporate Social Responsibility
80. **Mr. JONATHAN JUAN “JJ” DC. MORENO**
President and CEO, AF Payments Inc.
81. **Mr. JESUS “Boboy” C. ROMERO**
COO, Converge ICT Solutions Inc.

MARCH 27

82. **Mr. RODRIGO SEGURA**
Partner and Senior Consultant, CMC Business Solutions, Inc.

MARCH 28

83. **Atty. J. ANDRES “Andy” D. BAUTISTA**
84. **Mr. MENELEO “Ito” J. CARLOS JR.**
President, RI Chemical Corporation
85. **Sec. HERMINIO “Sonny” B. COLOMA JR.**
Publisher, Manila Bulletin Publishing Corporation
86. **Mr. WOLFGANG KURT “Wolfgang” HARLE**
Managing Director, Harle Philippines, Inc.
87. **Mr. RAMON “Mon” S. MONZON**
President and CEO, The Philippine Stock Exchange (PSE)
88. **Ms. LYNETTE ORTIZ**
CEO, Standard Chartered Bank Inc.
89. **Mr. JOSE ARNULFO “Wick” A. VELOSO**
President and CEO, Philippine National Bank (PNB)

MARCH 29

90. **Mr. JOHN D. FORBES**
Senior Adviser, AMCHAM Philippines

MARCH 30

91. **Mr. JAIME “Jimmy” F. SINGSON**
President, USA BPO, Inc.
92. **Mr. VICTOR JOSE “Vic” TANCINCO**
President and CEO, St. Peter Life Plan, Inc.

MARCH 31

93. **Gov. BENJAMIN “Ben” E. DIOKNO**
Governor, Bangko Sentral ng Pilipinas (BSP)
94. **Mr. ROBERTO “Bobby” B. TAN**
President, Philippine Deposit Insurance Corporation (PDIC)



Condolence to the bereaved family of the following:

MAP Life Member VICTOR “Vic” H. RODRIGUEZ,
Former Chair Emeritus of Marinducare Foundation, Inc.,
who passed away on February 6, 2022 at the age of 93.

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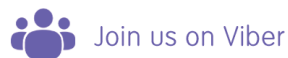
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