

## SPIK 2<sup>nd</sup> GMM TACKLES ISSUES ON POWER

The Samahan sa Pilipinas ng mga Industriyang Kimika (SPIK) recently concluded its 2<sup>nd</sup> General Membership Meeting (GMM) held last June 10, 2008 at the Manila Elk's Club of the Corinthian Plaza, Makati City. This quarter's GMM tackled the issues on power with Ms. Irma Exconde from the Department of Energy and Mr. Allen Padua from N-Viro Tech Pilipino Corporation, who talked about the biomass energy conversion as an alternative source of energy.

Ms. Exconde, Assistant director of Electric Power Industrial Management Bureau, talked about the "Key Developments in the Philippine Power Sector". In her presentation, she said that the DOE would direct the path of ensuring consistent, comprehensive and integrated energy policy as part of their energy strategic directions. They would also take the lead in promoting green and clean energy.

She also discussed the current power situation in the country, as well as gave an outlook of energy demand & supply in Luzon, Visayas and Mindanao grid. These reports are very crucial for decision-makers to ensure adequate information crucial to sector planning, investment opportunities and business strategies. (*cont'd to page 4*)

### CUSTOMS IMPOSE TOTAL BAN ON BONDED WAREHOUSE

Despite strong protests aired by end-users, total ban on bonded warehouse importation of resins for the domestic and export markets took effect last June 20.

The ban was covered by customs administrative order No. 4-2008 signed by Customs Commissioner Napoleon Morales last May 23 purportedly to curb technical smuggling through the bonded warehouse system.

Customs Commissioner Napoleon Morales ordered to put a stop to the only incentive enjoyed by most exporters which is the tax-free importation of raw materials, parts and packaging materials through customs bonded warehouses. The warehouse system was originally set up for exporters that imported their raw materials but was later abused when non-exporters were allowed to set up their own bonded warehouses.

All resin imports, starting June 20, were to be slapped with about 10% import duties plus 12% value added tax upon arrival in Philippine ports. On the other hand, a tax refund or duty drawback will be enjoyed by exporters upon showing to the BOC proofs that an imported shipment has been re-exported.

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## LEGARDA VOWS TO REVISE ENVIRONMENTAL ASSESSMENT SYSTEM

Senator Loren Legarda vowed to work closely to strengthen the environmental impact assessment system that had been enacted into law in 1978.

The senator said, the Philippine Environmental Impact Statement System (PEISS) is "a work in progress" and would file a bill to plug loopholes in the PEISS.

While citing argument from the PEISS and the weakness of the system as identified by the World Bank and the Asian Development Bank, Legarda said the system must meet the demands of these changing times.

Under the system, public and private entities are tasked to mitigate, address or prevent the possible environmental impact of a project or economic undertaking through regulation and improved project planning.

"In reality, PEISS is a work on progress. With the intent of more advanced techniques and highly sophisticated technologies, and with the onslaught of more devastating natural calamities and disasters, it is only fitting that the Philippines government exert tremendous effort to respond to the changing times," Legarda said.

## CHA-RO CUTS \$76 FOR EXPORTERS

As much as \$ 76 can be saved by exporters once the chassis-container (Cha-Ro) becomes part of the RORO (Roll-on Roll-off) service.

The National Competitiveness Council (NCC) Infrastructure Working Group is teaming up with the Department of Transportation and Communications (DOTC) to make sure that the proposed Executive Order be approved which will pave the way for Cha-Ro operation.

Cha-Ro refers to the method of shipping a container transported domestically through Ro-Ro vessels at a lower cost both for export and import. This means containers on the chassis of a truck would be treated as cargoes on a self-driven truck. This type of truck could be charged lesser when it goes through the ports.

The NCC said that the proposed EO, once issued, will reduce the cost of exporting a container because domestic cargo handling and wharfage are eliminated. Today, exporters based in the provinces outside Luzon have to pay higher cost of exporting a container as domestic transshipment, which is subjected to cargo handling fees, has to be factored in. *(cont'd to page 4)*

## RP TO BENEFIT FROM EU-ASEAN FREE TRADE AGREEMENT

Once the European Union and ASEAN member comprehensive free trade agreement (FTA) is signed, Philippines will gain benefit from the increased two-way trade and investment flows.

Department of Trade and Industry International Trade Group Assistant Secretary Ramon Vicente Kabigting said the FTA is very good way to make it easier for the country's service providers to do business with EU countries. "But not so much in exporting services or goods to them. I foresee they bring in money into the Philippines and the investments they make can generate more exports of goods and services," he added.

"If we do the FTA and the FTA consists of opening up trade and investments, we can provide them trade and services as well. That's business for us," he said. Moreover, Kabigting said more Filipinos would also have the opportunities to work abroad.

On the same light, European Commission Ambassador Alistair who said trade in services has played an increasingly important role in EU-ASEAN trade, with EU imports of services growing by an average six percent.

"This work is particularly crucial right now, at a time when through the DDA (Doha Development Agenda) and complemented by the EU-ASEAN FTA, we have a window of opportunity to set a favorable course for our international trading relations for many countries to come," he said.

## Responsible Care Updates



### RC DAY '08 HELD IN BATAAN

**Limay, Bataan** – This year's Responsible Care (RC) Day and Coordinator's Summit was held at the Petron Bataan Refinery last June 6, 2008. A total of 49 participants from 26 SPIK-RC member companies participated in the event, with Consolidated Industrial Gases, Inc. (CIGI) sending the largest delegation of 9 attendees representing their different on-sites in Luzon.

Different updates on government regulatory bodies were presented in the said event. Mr. Wilfredo Rafanan, Chief of Chemical & Hazardous Waste Management, Environmental Management Bureau discussed the "Updates on the Chemical Regulation Law (RA6969)". On the other hand, "Updates on the Dangerous Drug Act" were imparted by Ms. Helen Reyes, OIC-Compliance Service of the Philippine Drug Enforcement Agency (PDEA). She also distributed DVD's entitled "Suppressing Illicit Drug Manufacture – Role of chemical Industry" from UNODC to member companies present.

Mr. Antero Libanan of United Coconut Chemicals Inc. presented an overview on REACH, which stands for "Regulation, Evaluation, Authorization and Restriction of Chemicals". REACH is European Union's (EU) new regulation on chemicals and their safe use. It has implications for all chemical substances, manufactured in or exported to EU, be registered or if not, they will not have access to the European market. Meanwhile, Ms. Tess Corpuz, current RC Chair, gave the participants an update on Globally Harmonized System (GHS) implementation in the country.



**Nestor Evaristo of Petron Corp. sharing the company's environmental management system.**



Petron Corporation's Mr. Nestor Evaristo shared their company's Environmental Management System. A guided tour within the Bataan Refinery followed, with Petron showcasing their newly constructed petrochemical plant. Petro Fluidized Catalytic Cracker (PetroFCC) is the first "cracking" unit of its kind in the world with a capacity of 180,000 barrels per day. PetroFCC will allow for the conversion of fuel oil to more high value products such as gasoline, diesel and LPG and enables the extraction of the petrochemical feedstock propylene. From the PetroFCC, the propylene stream is purified in the PRU, which will produce petrochemical grade propylene.

**FREE AD SPACE** (articles or photos) for members in every issue of SPIK News. Members will be allotted up to a page of ad or article contribution at the member's page.

We hope to be of greater service to our members by giving your products greater exposure through this newsletter which we circulate not only among members but also to government partners, affiliates, association and the press.

**SPIK tackles... (From page 1)**

Meanwhile, Padua presented High Temperature Conversion of Waste (HTCW) Technology from Germany that uses a gassing reactor to convert biomass waste into other useful form of matter. Such end-product includes synthesis gas, electricity, metal slag, thermal energy, methanol or even drinking water. The whole process operates under oxygen-free system which shuns the formation of dioxins and furans.

Another exemplary feature of this technology is that no pre-treatment of waste is required. Household waste, industrial waste, hazardous waste, used tyres and rubbers, scrap metals, compound materials, etc. could be fed directly to the reactor without sorting out the materials.

**CHA-RO cuts \$76 ... (From page 2)**

Aside from this effort, the group is also pushing for issuance of the proposed EO No. 170-C "designating all roads that are part of the Road Ro-Ro Terminal System (RRTS) or the Strong Republic Nautical Highway (SRNH) routes as national roads." The EO ensures that the development of nautical highway is integrated to the national road network.

**Responsible Care ANNOUNCEMENTS****RC Awareness Seminar**

*July 18, 2008 Du Pont Conference Room*

**Verifier's Training**

*July 25, 2008 Mabuhay Vinyl Conference Room*

**Rezcoat Verification**

*August 4, 2008*

**Globally Harmonized System – Advance Training**

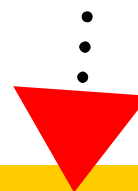
*August 29-30, 2008 3M Innovation Center, Gen. Lim St. cor. South Super Highway, Bangkal, Makati City*

**SPIK connects...**

Starting Aug. 18, 2008, the Secretariat will use the following contact details.

**Tel. No. (632) 753-1752    Telefax. (632) 814-0970**

**Email: [kimika@spik-ph.org](mailto:kimika@spik-ph.org)    URL: [www.spik-ph.org](http://www.spik-ph.org)**



SPIK News is a publication of the Samahan sa Pilipinas ng mga Industriyang Kimika (SPIK). Please forward inquiries, comments or requests to:

**Mr. Agustin Christian Guanco**  
**Secretary-General**

**SPIK Secretariat**

Unit 2201 Cityland 10 Tower 1, HV  
dela Costa St. 6815 Ayala Ave.  
North, Makati City  
Tel. No. 753-1752 / 814-0970  
Email: [kimika@spik-ph.org](mailto:kimika@spik-ph.org)