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Economy

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MSMEs key to "green growth"

HELPING MICRO, small and medium-sized enterprises (MSME) make their businesses more environmentally friendly is key to achieve a "green" economy, speakers at a symposium said in Friday.

"Greening the economy involves major transformation which needs to include all sectors of society," Volker Steigerwald, private sector promotion program manager of the German International Cooperation (GIZ), said during the "Greening the Philippine Economy: Getting Ready for the Future Today" forum.

For her part, Rhodora M. Leño, director of the MSME development bureau at the Department of Trade and Industry, said MSMEs -- which comprise about 99.6% of businesses in the country -- "may be the least conscious of the effects of climate change."

"The first ones to degrade the environment is the industry," she said at the sidelines of the event, adding that "we're just in the stage of building up their [MSME] awareness to this theme."

"[Business owners should be informed] that as you go into production, you don't degrade the natural resources that you use to take your business to greater heights," Ms. Leño said.

If businesses will exert effort in energy conservation, she added, they can significantly reduce production costs and raise their level of competitiveness.

For his part, Paul Lazaro, Development Bank of the Philippines vice-president, said that the bank supports green business initiatives.

"We can support both public and private enterprises, up to 80-90% of project cost, on fixed rate, for a repayment period of up to 15 years with five years grace period," he said.

"You just have to give us good projects [proposals] and we [will finance] them," he said, adding that project sustainability is a key factors in evaluating projects for financing.

At the same event, Climate Change Commission Vice-Chairman Mary Anne Lucille Sering said in her keynote speech that "climate change is also about opportunity. In exploiting the opportunity, we should be mindful to promote inclusive growth."

"Filipinos are a resilient people. However, our infrastructures and sources of livelihood are not," she said.

Discussing the roles of government in greening the economy, one of the speakers -- Jung Tae Yong, deputy executive director of the Seoul-based Global Green Growth Institute -- said that there are three pillars of green growth: a good leadership to

facilitate green growth; technology, which can be acquired through better knowledge sharing; and an informed public who participate in efforts to take care of the environment.

Asked how the country fares in terms of the three pillars, Ms. Sering said in a text message: "Leadership is there and our institutional response is in place as well. But we lag in technology, especially local technology, and awareness especially of the poor remains insufficient."

She said that the country still needs "technology that will help reduce greenhouse gas emission such as solar [power harnessing and] windmill."

Mr. Steigerwald agreed, saying that the country will do well to tap its hydrothermal, wind, biomass, and solar energy sources.

He said that solar energy use is a major opportunity for the Philippines to provide electricity to 25% of the population that still have no access to electricity.

MSME EARNINGS

Meanwhile, earnings of MSMEs under the One Town, One Product (OTOP) program could reach nearly P80 million following the National Expo last month as more negotiations for bulk orders are concluded, the Trade department said in a statement on Friday.

The pioneer exhibit held at a mall in Metro Manila generated partial sales reaching P45.1 million, a 37% increase from last year's revenues from three separate fairs in Luzon, Visayas and Mindanao, the Bureau of Domestic Trade reported.

As more cash sales and booked orders are concluded, participating entrepreneurs could see sales rise to P79.8 million, showing a 68% growth from last year's shows.

Marking the relaunch of the countryside development initiative, the OTOP Expo featured over 280 entrepreneurs nationwide engaged in specialty food, furniture, home decor, fashion and footwear, and tourism services.

Initiated in 2004, the local project was modeled after Japan's "One Village, One Product" project to help MSMEs flourish by providing the business owners with...

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Product: project to help MSMEs flourish in rural areas by providing business counseling, skills and entrepreneurial training, product design and development, technological assistance, and marketing services.

Products and services developed under OTOP are determined based on the competitive advantage and local culture and tradition that could help communities set themselves apart in terms of quality and branding. Local government units, together with the Tourism, Technology and Agriculture departments also provide technical expertise to the project.

"We are not only able to help the countryside entrepreneurs, but most especially we are able to converge, to work harmoniously and effectively with the different partners from the local government units, our congressmen, and the private sector," Trade Undersecretary Merly M. Cruz, head of the Regional Operations and Development Group, said in a statement.

Since its inception, the program has been implemented in 1,518 municipalities and cities and covers almost 99% of the country, the Trade agency said earlier. It has also generated \$667 million in export sales, P16.6 billion in domestic sales and P11.2 billion in investments between 2005 and 2010.

The Trade department decided to run OTOP for another five years with assurance from congressmen that a budget will be given for its implementation in a bid to deepen supply chain linkages and expand existing entrepreneurial networks.

"For [MSME] development alone, the House approved a total budget of P402 million which shall be used for, among others, entrepreneurship and skills training, policy studies formulation, and MSME development advocacy," Bataan Rep. Albert Raymond S. Garcia (2nd district) said in his keynote speech at the exhibition. -- **Aubrey E. Barrameda and E. J. Diaz**

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