

European chamber calls on next gov't to focus on anti-corruption reforms

THE NEXT administration needs to focus on reforms addressing corruption, according to the European Chamber of Commerce of the Philippines (ECCP).

ECCP President Lars Wittig said in a roundtable discussion on Monday that such reforms benefit all businesses.

"I would like us to look at reforms that can curb the increase in corruption. Corruption has not

got any better. It got worse," Mr. Wittig said.

"When there is a very high trust level and transparency, that really makes business very adaptable and very willing to make investments," he added.

Recently, Transparency International reported that the Philippines declined to a "historic low" in its 2021 Corruption Perceptions Index (CPI).

According to the 2021 CPI, the Philippines fell two spots to 117th place out of 180 countries and territories. The Philippines scored 33 out of 100 in a scale that measures perceived levels of public sector corruption. The scale ranges from 0 which means "highly corrupt" and 100 which means "very clean."

Mr. Wittig said the next administration also needs to address the

need for reforms in education, agriculture, human capital, and nutrition.

The ECCP supports the passage of amendments to the Public Service Act before Congress goes on break this week for the upcoming national elections.

Mr. Wittig said amendments to the law will provide "billions of dollars of incremental investments."

"The passage of the amendments to the Public Service Act will leverage the country's potential to achieve comparable levels of foreign investment in other Association of Southeast Asian Nations (ASEAN) member states," Mr. Wittig said.

"The European Union (EU) is by far the largest investor in the ASEAN region. However, only 4.6% of the EU's 2019 foreign di-

rect investment (FDI) stock has been invested in the Philippines," he added.

Amendments to the Public Service Act seek to allow 100% ownership in telecommunications, air carriers, domestic shipping, railways and subways, and canals and irrigation. Currently, foreign ownership in these industries is capped at 40%. — **Revin Mikhael D. Ochave**

Inflation seen easing to 3.7% in 2022 as food prices stabilize

INFLATION this year could ease to 3.7% as food prices stabilize even as oil prices remain elevated, First Metro Investment Corp. (FMIC) and University of Asia and the Pacific (UA&P) said in a joint report on Tuesday.

FMIC and UA&P in their market call report noted that inflation in December eased to 3.6% as food and transport price hikes decelerated.

"Despite elevated crude oil prices, we still project (2022) full-year inflation at 3.7%, as food prices have stabilized in the recent months," the two institutions said.

This estimate is higher than the Bangko Sentral ng Pilipinas (BSP) projection of 3.4% for this year.

Inflation is expected to have decelerated in January, as a favorable base effect offset the rise in oil prices and the impact of Typhoon Odette on food supply.

A *BusinessWorld* poll of 16 analysts last week yielded a median estimate of 3% for January inflation.

If that projection is realized, this would be the second consecutive month that inflation fell within the 2-4% target band set by the BSP. Inflation was 3.6% in December.

The Philippine Statistics Authority (PSA) will release the January consumer price index (CPI) report on Feb. 4, Friday. The PSA will change the base year for the CPI to 2018 starting in the January report to reflect

changing household consumption patterns.

Meanwhile, FMIC and UA&P expect gross domestic product (GDP) growth to expand between 6-7% this year as remittances improve and the outsourcing industry generates more revenue. The estimate is more conservative than the government's 7-9% target range.

Caveats include the continued impact of COVID-19 on poverty levels and supply chain disruptions, UA&P Economist Victor A. Abola said in a briefing last month.

Economic momentum from Christmas spending in December and more spending ahead of the elections should back growth in the first half of this year, according to the report.

Strong remittances from overseas Filipino workers are a source of temporarily support for the peso, it added.

"However, the widening trade deficits due to high crude oil prices and stronger economic growth in 2022 should keep the peso in depreciation mode."

Cash remittances from migrant Filipino workers increased by 5.1% year on year to \$2.5 billion in November, according to the central bank.

GDP in the fourth quarter grew 7.7%, bringing 2021 growth to 5.6%.

This reverses the 9.6% contraction in 2020, but is still lower than the pre-pandemic 6.1% growth posted in 2019. — **Jenina P. Ibañez**

January tax deadlines extended in areas observing Alert Level 3

TAX PAYMENT deadlines for January in areas that observed the Alert Level 3 quarantine setting have been extended, the Bureau of Internal Revenue (BIR) said.

The bureau, in Revenue Regulations No. 1-2022 issued on Jan. 27, said the deadlines for filing tax returns and paying the corresponding taxes have been extended by 30 calendar days from their original due dates.

The extension also applies to the filing of position papers, replies, protests, and other documents related to audit investigations, while applications for tax refunds and issuances for deficiency tax collections also receive 30-day extensions.

"The extension applies to all taxpayers within the jurisdiction of the revenue regional and revenue district offices of the BIR classified under Alert Level 3 or higher," BIR said.

Extended due dates that fall on holidays will be moved to the next working day.

As the daily coronavirus disease 2019 (COVID-19) tally surged due to the Omicron variant, areas such as Metro Manila, Bulacan, Cavite, Laguna, and Rizal were placed under Alert Level 3 in January.

Economic managers estimate productivity losses of P3 billion a week due to the restrictions.

In Revenue Memorandum Circular No. 16-2022 issued on Jan. 31, the BIR further clarified that the extension applies to all required documents for tax payments, including inventory lists.

On value-added tax refunds, the extension applies even if the applicant is a registered tax payer in areas with more permissive alert settings, as long as the filing is done in an area observing Alert Level 3 or higher.

The BIR also encouraged taxpayers to file online and pay through online banking platforms. — **Jenina P. Ibañez**

Alternative fertilizers touted as import costs rise

THE FERTILIZER and Pesticide Authority (FPA) said farmers must explore non-traditional fertilizers after sharp increases in the price of imported fertilizer.

"The challenge is to (reduce) our dependence on imported chemical fertilizers by encouraging the use of non-traditional fertilizers like organic, microbial, and biorational fertilizers," FPA Executive Director Wilfredo C. Roldan said in a text message.

The Department of Agriculture (DA) has said that the pandemic will put further pressure on food production costs and the global supply chain.

"The agriculture sector this year will confront global challenges, such

as other countries stockpiling fertilizers and fuel prices going up," Agriculture Secretary William D. Dar said in a statement.

The DA cited the United Nations Index, which reported that global food prices hit record highs during the pandemic, with a 28% rise in many foods like grains and meat in the last two years.

Farmers group Samahang Industriya ng Agrikultura (SINAG) said that the government must provide more support to farmers to deal with rising input costs.

"The problem with the DA is that it keeps relying on imports. They never offer a pro-local farmer solution. The rest of the world is stockpil-

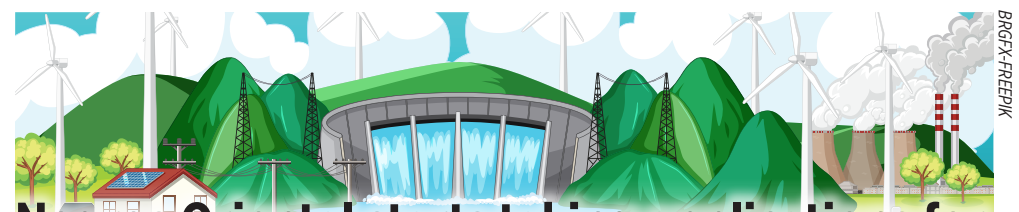
ing fertilizers to support the needs of their respective agriculture sectors," SINAG said in a statement.

SINAG urged the government to subsidize fertilizer using uncommitted funds generated by the Rice Tariffication Law.

SINAG reported that fertilizer prices nearly doubled to P1,600 per bag in August from P850 a year earlier. In December, fertilizer prices were at P2,500 per bag.

On average, 10 bags of fertilizers are needed for every hectare planted.

"We have been asking the DA since last year to provide subsidies to rice and corn farmers to cover the cost of fertilizer," SINAG said. — **Luisa Maria Jacinta C. Jocons**



Negros Oriental starts taking applications for companies seeking renewables incentives

THE FIRST local ordinance providing incentives for investing in renewable energy (RE) came into force on Jan. 28 in Negros Oriental, provincial officials said.

"The renewable energy ordinance is a landmark piece of local legislation that will surely boost the morale of our environmental warriors and champions in the field; most of all, this will give us more drive to sustain our efforts for a clean and sustainable world," Governor Roel R. Degamo said in a statement.

The province's RE Code awards carbon credits and a one-year tax holiday to renewable energy investors in the province.

Almana Power Corp. became the first entity to apply for incentives under the code.

"The RE Code (also) encourages all eligible institutions and companies to avail of the government's Green Energy Option Program (GEOP), which allows power consumers with monthly consumption of at least 100 kilowatts to source... renewable energy directly from licensed GEOP providers," the provincial government said in a statement.

In 2018, the province banned construction of new coal-fired power plant projects and declared March 5 Renewable Energy Day. — **Marielle C. Lucenio**

Abenson pushes for sustainability with Mayani through Go Green and Give Back

In an age where tackling global warming is becoming more felt by everyone than ever, responsible corporations are now putting this as a centerpiece of their sustainability agenda and brand DNA.

Leading this wave is retail giant Abenson, through its e-commerce arm Abenson.com, who activated the "Go Green and Give Back" campaign putting a primacy on its environment-friendly inverter technology.

Through the campaign, all online "green purchases" of its inverter-powered refrigerator — those that are energy-efficient and reduce electricity consumption — will automatically come with an Abenson-donated farmer pack from Mayani, a leading agricultural technology startup uplifting small farmers and boosting



rural livelihood. The packs will then be funneled towards various community pantries in the country.

"Bringing the good life to every Filipino's home — being Abenson's core mission —

has taken an expanded meaning through this collaboration. From helping our farmers to supporting local community pantries and preventing environmental degradation, this is truly a triple-bottom aspiration which Mayani shares and is galvanizing with them," said Ochie San Juan, who also leads a farmers cooperative

in Lian, Batangas and the Co-Founder & Chief Farmer of Mayani.

Abenson, now over 50 years as an institution, already breached the 120-mark in terms of its nationwide footprint of store branches and is known for its fast delivery and click-and-collect order fulfillment service.

Since 2021, they have been consistently providing Mayani-sourced food packs to different community pantries and even their employees as part of their corporate social responsibility and people engagement.

Full benefits of RCEP require more trade openness — PIDS

THE PHILIPPINES needs to improve its openness to trade to fully benefit from the Regional Comprehensive Economic Partnership (RCEP) agreement, according to a study issued by the Philippine Institute for Development Studies (PIDS).

Conducted by PIDS Senior Research Fellow Francis Mark A. Quimba, PIDS Supervising Research Specialist Mark Anthony A. Barral, and PIDS Research Analyst Abigail E. Andrada, the study concluded that the Philippines is less open to trade than other countries in the region.

The authors defined trade openness as the ability "to integrate into world trading patterns."

"(The Philippines) scored below 100% in trade openness in 2018. It has not followed a growth path similar to its neighbors in the region, particularly Thailand and Vietnam, which scored above 100 percent," the study found.

The study also concluded that the Philippines needs to diversify its exports and explore new products and markets.

"Patterns of concentration can be seen in the country's exports as (the bulk consists of) machinery and electronic equipment. The destinations are also

concentrated among the traditional partners in the region and the US," the study found.

"Innovation is important. Support for private sector innovation and exploration of new products and new markets should be optimized," it added.

According to the authors, the Philippines "is exploring new products to export, which is a good indication of innovation... However, the country still needs support to sustain exports of these products to the Philippines' current markets."

The authors also cited the need to improve trade complementarity within the Association of Southeast Asian Nations.

The study defined trade complementarity as the extent to which two countries are "natural trading partners," with one country's exports fulfilling another country's import needs and vice versa.

"The success of any trade agreement depends on utilization. The reduction in trade costs needs to be internalized by the Philippine businesses which, can be done by increasing the awareness and utilization of Philippine trade agreements," the authors said. — **Revin Mikhael D. Ochave**

Banana growers back RCEP ratification

THE PHILIPPINO Banana Growers and Exporters Association, Inc. (PBGEA) expressed its support for the Senate's ratification of the Regional Comprehensive Economic Partnership (RCEP) trade agreement.

The Senate has until Feb. 4 to decide on RCEP's ratification before it goes on break ahead of the national elections.

PBGEA Executive Director Stephen A. Antig said in a letter addressed to Senate Committee on Foreign Relations Chairman Aquilino Martin Pimentel III on Jan. 31 that RCEP will help ensure the sustainability of the banana industry, which is threatened by the surging cost of inputs such as fertilizer, packaging material, plastics, and freight.

"(The industry) is threatened by the unprecedented increase in prices of imported key inputs like fertilizer by 100%, kraft paper used for boxes by 53%, plastics by 65%, and maritime freight by more than 100% due to global shortages of containers and the movement of fuel prices," Mr. Antig said.

"Studies show that with RCEP, the Philippines along with Vietnam, a major competitor in supplying the foreign markets with fresh banana and other tropical fruits, would be winners because of the decline in trade costs. We cannot afford to miss out this opportunity of being a part of the world's most important regional economic bloc," he added.

Trade Secretary Ramon M. Lopez said via Viber that the Philippines should participate in RCEP because of the opened up for various industries.

"We should not be inward-looking. If we are not part of (RCEP), while our neighbors are, imagine which exporters will gain shares in those markets. Our market shares in exports of pineapples, bananas, canned tuna and fish products, coconut, cacao, garments, electronics and the like will erode," Mr. Lopez said.

"Opportunities for our professional service exports such as engineers and architects will not be maximized. We will lose the gains we had. Investors would rather go to those countries with more market access. This will be the effect of an inward-looking policy. (There's) no reason to delay," he added. — **Revin Mikhael D. Ochave**