

Farmers, fisherfolk press gov't for fuel subsidy

FARMERS and fisherfolk said they will need fuel subsidies if the government is to meet its agriculture production targets, noting that the higher cost of fuel is hindering their operations.

In a statement on Tuesday, the agriculture organizations asked the government to roll back fuel prices and to subsidize their industries.

"The cumulative increases in fuel prices have taken their toll on the marginalized sectors, who are still reeling from the economic impact of the pandemic and successive natural calamities. Specifically, the rural sectors are being pushed to bankruptcy and

chronic poverty due to increases in production expenses following unabated oil price hikes," Anakpawis Party-list President Ariel B. Casilao said.

Mr. Casilao said that according to Pamalakaya an organization of small fishermen, diesel fuel currently accounts for 80% of their production costs, limiting them to four to six hours of fishing a day instead of eight, and three days a week of fishing instead of the usual four.

In a news conference early on Tuesday, Acting Presidential Spokesman Karlo Alexei B. Nograles said the government has appropriated P500

million from its 2022 national budget to provide fuel discounts for farmers and fisherfolk.

Mr. Nograles was referring to the Fuel Discount for Farmers and Fisherfolk Program, which was authorized by Special Provision No. 20 of the General Appropriations Act for Fiscal Year 2022 or Republic Act 11639.

Under the program, qualified fishermen and farmers who operate and own their own equipment can avail of 1.5% discount on fuel purchase, with the trigger event for the discounts being a Dubai crude oil price, as reflected in the Mean of Platts Singapore index

for the region, in excess of \$80 per barrel for three months.

BusinessWorld asked the Department of Agriculture to comment on possible fuel subsidies, but it had not replied at the deadline.

On Monday, domestic fuel prices increased by P1.20 for gasoline, P1.05 for diesel, and 65 centavos for kerosene. This is the seventh consecutive time fuel prices have risen.

Since the start of the year, prices of gasoline, diesel, and kerosene products have risen by P7.95, P10.2, and P9.10, respectively. — **Marielle C. Luceno**

DA official says additional fertilizer subsidy subject to budget constraints

THE Department of Agriculture (DA) is limited by the current budget from offering additional fertilizer subsidies, an official said, but subsidies are still available to rice farmers, including a larger subsidy for those that plant high-yield hybrid rice, a variety it is incentivizing to meet output targets.

"Let us put it this way. We need fertilizer in agriculture. It is what farmers are looking for every cropping season. But as regards giving additional cash above what is budgeted is beyond our power," according to Narciso A. Edillo, regional executive director for the DA in the Cagayan Valley.

The subsidy program currently in place provides a P2,000 fertilizer voucher for registered farmers planting inbred rice varieties and P3,000 for those planting hybrid rice.

In December, the DA estimated that P2.78 billion worth of fertilizer subsidies were claimed by farmer-beneficiaries, representing 93.45% of the total funds available.

In February, the DA entered negotiations with China for fertilizer price concessions.

The Philippines will need 600,000 metric tons (MT) of fertilizer for the first rice planting season, according to department estimates. The DA inventory currently holds 200 MT.

"There is a tremendous increase in the price of fertilizers,

because the increased transport expenses in the delivery of fertilizers from the country of origin to local dealer level also affected local fertilizer prices," Mr. Edillo said.

"Fertilizer is a recurring problem as producing countries have (restricted exports). Because of the demand, transport costs are expensive and moreover, the countries producing fertilizers are prioritizing their constituents in domestic agriculture," he added.

Some of the overhead expenses in the transport of fertilizer include duties, arrastre, wharfage checkage, stevedoring, weighing, and trucking, which "will be incurred upon the landing of fertilizers from port to its transport to the distributor's warehouse and to the different dealers nationwide. An increase in freight cost in Southeast Asia has been also recorded in recent months," Mr. Edillo said.

Qualified farmers can receive a supply of free fertilizer from the DA, provided they are registered with the department's Registry System for Basic Sectors in Agriculture, which contains basic information on legitimate farmers, farm laborers, and fisherfolk.

The fertilizer subsidy program will be sustained to prepare for the upcoming dry planting season. — **Luisa Maria Jacinta C. Jocoson**

WB sees end of PHL pandemic relief heightening default risk

THE Philippines is among several middle-income countries whose finance industries are at risk of rising loan defaults once pandemic-relief measures are wound down, the World Bank (WB) Group said in a report.

The bank, in its World Development Report 2022: Finance for an Equitable Recovery released on Tuesday, said the impact of the coronavirus disease 2019 (COVID-19) on the financial sector, at least in the short term, has been muted because of the emergency support programs to contain loan defaults.

"Although extensive income support and debt forbearance policies have helped to insulate the financial sector from a wave of loan defaults in the short run, few if any countries have the resources to keep these policies in place in the longer term," the report said.

"Therefore, financial institutions around the world are likely to come under significant stress as debt moratoria and other sup-

port policies for borrowers are scaled back."

Loan defaults have been increasing in India, Kenya, and the Philippines, along with more middle-income countries, according to the report.

"These emerging credit risks are also reflected in the worsening outlooks of the main international rating agencies for financial institutions as forbearance policies are lifted."

Developing countries may expect hidden risks to emerge even though global banking systems have been reformed to ensure that they are well-capitalized after the 2008 financial crisis.

"Given that the global financial crisis affected primarily advanced economies, many emerging economies did not enact such reforms. As a result, their financial sectors are poorly prepared to withstand a crisis of the magnitude of the COVID-19 recession," according to the report.

Financial risks in developing countries may be hidden because

of the interrelated balance sheets of households, businesses, and banks — the share of nonperforming loans during the pandemic are lower than expected possibly because of delayed debt repayments and relaxed accounting standards.

Philippine banks' nonperforming loan (NPL) ratio at the end of December fell to 3.99%, the lowest level in 11 months, following the reopening of the economy, according to preliminary data from the Bangko Sentral ng Pilipinas (BSP). However, it was still higher than the 3.63% at the end of 2020.

The industry's NPL ratio had hit a 13-year high of 4.51% in July and August 2021.

Meanwhile, restructured loans grew by 70.6% to P356.35 billion at the end of December from P208.86 billion a year earlier.

Support measures introduced during the pandemic, included loan moratoria and relaxed accounting standards for recognizing distressed loans, have already lapsed. BSP Governor Benjamin E. Diokno has said the central

bank will not be extending some regulatory relief measures because doing so would affect the viability of banks and limit their lending capacity.

High levels of nonperforming loans and hidden debt hamper credit access, which results in disproportionately reduced access to financing for low-income households and small businesses, the World Bank said.

"The risk is that the economic crisis of inflation and higher interest rates will spread due to financial fragility. Tighter global financial conditions and shallow domestic debt markets in many developing countries are crowding out private investment and dampening the recovery," World Bank Group President David Malpass said.

"It is critical to work toward broad-based access to credit and growth-oriented capital allocation. This would enable smaller and more dynamic firms — and sectors with higher growth potential — to invest and create jobs." — **Jenina P. Ibañez**

PEZA pitches UAE on setting up PHL refineries, storage

THE Philippine Economic Zone Authority (PEZA) said it has invited oil companies from the United Arab Emirates (UAE) to establish and operate oil refineries in Philippine economic zones (ecozones).

PEZA Director-General Charito B. Plaza said during a virtual Global Biz with PEZA presentation conducted in Dubai on Tuesday that UAE investors are being invited to explore the Philippines' ecozones for refineries.

PEZA's proposals also involve petroleum products storage in the Philippines to make it "their distribution hub for Southeast Asian countries," Ms. Plaza said.

Ms. Plaza said PEZA is also inviting Emirati investors in other industries, including Islamic banks and halal food producers.

"I am encouraging our Emirati stakeholders and businessmen to come and to take their operations and enterprises to our ecozones. We are targeting Emirati enterprises who are into manufacturing, information technology business process outsourcing (IT-BPO), tourism, medical tourism, agro-industry, and refining," Ms. Plaza said.

Ms. Plaza said the Dubai Islamic Bank will soon establish a branch in the Philippines in partnership with PEZA and the Bangko Sentral ng Pilipinas.

"The Dubai Islamic Bank will soon sign a memorandum of understanding with PEZA and with the Central Bank (to) put up a branch in the Philippines. Dubai investors and Muslim investors, even local investors, are now welcomed by the Dubai Islamic Bank (which will provide) credit facilities," Ms. Plaza said.

Ms. Plaza added that PEZA has identified candidate sites for ecozones in Mindanao, including locations in Bukidnon, Agusan del Norte, Davao City, Sulu, Sultan Kudarat, Surigao del Sur, Misamis Occidental, Lanao del Norte, Davao del Norte, North Cotabato, Zamboanga del Norte, Zamboanga del Sur, Zamboanga Sibugay, Agusan del Sur, Basilan, Tawi Tawi, Lanao del Sur, and Maguindanao.

"These are areas rich in agriculture, aquaculture, and agro-forestry," Ms. Plaza said.

According to Ms. Plaza, six Emirati enterprises are currently registered with PEZA, which are engaged in the BPO industry, fabricated metal products, engineering, and other design services. — **Revin Mikhael D. Ochave**

SEC generates over P119M in fines via online system

THE Securities and Exchange Commission (SEC) collected over P119 million in penalties and fees since March 2021 through its online system, following an initiative to end face-to-face transactions, the Department of Finance (DoF) said.

The SEC collected a total of P119.07 million between March 2021 and the end of January, from nearly 17,000 online transactions.

The commission's electronic payments system that collects fees, penalties, and other charges through credit cards and other cashless payment options, the DoF said in a statement on Tuesday.

The SEC's electronic submission tool for audited financial statements and general information sheets processed nearly 170,000 enrollments since its launch in March last year up to the end of January.

The electronic system for registrations processed over 48,000 applications.

SEC Chairman Emilio B. Aquino said the commission is working with the Development

Bank of the Philippines (DBP) to firm up cybersecurity measures for the financial sector.

"DBP and SEC will hold knowledge-sharing exercises on cybersecurity. And (DBP) President Manny (Emmanuel G. Herbosa) will report on the progress, as well as outcomes," Mr. Aquino said.

He added that the SEC will try to fully shift to online services and end face-to-face transactions towards the end of the Duterte administration.

Last week, the commission released its submission timetable for audited financial statements and general information sheets of stock and nonstock corporations.

This year, all stock and nonstock corporations are required to submit their annual reports through its online submission tool, adding that it no longer requires hard copies and will not process submissions sent through e-mail, courier, or in person.

Corporations and their authorized filers may enroll on the electronic submission tool until March 31. — **Jenina P. Ibañez**

DPWH says 394 projects in capital region completed in 2021



AMPHIBIOUS EXCAVATOR operating to dredge heavily-silted portions of Marikina River. DPWH.GOV.PH

THE Department of Public Works and Highways (DPWH) said on Tuesday that it completed a total of 394 projects in the National Capital Region (NCR) in 2021, including bicycle lanes and quarantine facilities.

"2021 is a year of many milestones for the DPWH-NCR. We were able to implement vital infrastructure projects and programs that are responsive to the special needs of the region with the biggest population." DPWH NCR Regional Director Nomer Abel P. Canlas said in a statement.

The department noted that the NCR projects for 2021 include dredging along the Marikina River near SM Marikina, Barangay Olandes, Marikina City; bike lanes along Roxas Boulevard, Osmeña Highway, Kalayaan Avenue, Shaw Boulevard, Araneta Avenue, Radial Road 8, Epifanio delos Santos Avenue, and C-5; and a bridge across Parañaque River adjacent to Parañaque Integrated Terminal Exchange.

The DPWH added that it also completed quarantine facilities in Las Piñas, as well as the Malacañang Park, the Pasig Modular Hospital, the Zapote River Drive, the Mandaluyong City Jail, the DENR Multi-Purpose Building, and the Marikina River Restoration Project.

"The DPWH-NCR and its District Engineering Offices, despite the challenges, achieved an overall absorptive capacity of 94.89% after obligating a total of P44.3 billion, and a prior year disbursement rate of 83.13% from disbursing a total of P46.6 billion," the department noted.

In terms of right-of-way acquisition, the department said it posted a 96.88% accomplishment for the North Luzon Expressway-South Luzon Expressway Connector project, with 690 families relocated, 81 families given housing or financial assistance, and 873 paid the replacement cost of their property.

For the Mindanao Avenue Project, the DPWH said 182 families were relo-

cated and seven families given financial assistance.

The DPWH-NCR also announced a plan to transfer all overhead cable lines underground.

Public Works Undersecretary Emil K. Sadain said last week that the department is targeting to finish "about 24" major projects this year, with 18 out of the 119 infrastructure flagship projects completed by the end of President Rodrigo R. Duterte's term in June.

He said that of the 18 projects, 11 projects have been finished and seven more are in the final stages of completion, including the Flood Risk Management projects for the Cagayan River, Tagoloan River, and Imus River; the Binondo-Intramuros Bridge; the Samar Pacific Coastal Road Project; the LRT-2 East Extension; the Motor Vehicle Recognition and Enhancement System; the Unified Grand Central Station or North Triangle Common Station; and the Malitubog-Maridagao Irrigation Project Stage 2. — **Arjay L. Balinbin**