

Tourism, agro-processing seen as critical for post-pandemic growth

THE Asian Development Bank (ADB) and the ASEAN+3 Macroeconomic Research Office (AMRO) said five industries are candidates to become growth drivers after the pandemic — tourism, agro-processing, electronics, garments, and digital trade.

At a webinar organized by the bank and the research office, ADB Senior Economist James P. Villafuerte said the recovery in these industries will depend on cooperation within the Association of Southeast Asian Nations (ASEAN), as well as their major trading partners Japan, China, and South Korea.

He said tourism all over the region took a major hit during the pandemic, with the Philippines seeing visitor arrivals declining 84% in 2020.

“Therefore, to rebuild the industry, it is essential that governments in the region work together to restore tourism demand, through strong marketing and information campaign(s),” Mr. Villafuerte said. “They have also to focus to make travel safer with clear health and entry protocols.”

The agro-processing sector, on the other hand, is overly reliant on simple processing methods, with low utilization of automation and technology.

To this end, Mr. Villafuerte recommended “...harmonizing food standards within the region, creat-

ing more transparent and efficient supply chains, adopting technologies and improving processes to enhance product quality.”

“Electronics is very important to Southeast Asia... in the Philippines, electronics comprised about 53% of its exports,” Mr. Villafuerte said.

However, countries need to upgrade from low-value electronics, involving mostly assembly, to higher-value segments, which include “innovation and product design.”

Digital trade is a new area for growth in the region, comprising about 5.4% of exports, but 89% of Filipino business process outsourcing (BPO) workers are at risk of automation, which would lead to a loss of jobs. Internet speeds in the Philippines are also among the lowest in the region, at an average of 49.5 mbps.

Mr. Villafuerte said that “In the Philippines, e-commerce exports are relatively small, but we think that they could expand.”

“We think it is important to really enhance digital connectivity in the region,” he added. “I think one of the most important (jobs) is to rethink regulations that protect consumers, particularly in terms of identity and cybersecurity.”

Upgrading the garments sector, which employs a large number of female workers, is also critical.

“We suggest improving competitiveness in the garments sec-

tor, through simplified business regulations, faster digital technology adoption, stronger research and development,” Mr. Villafuerte said, adding that there should be “a greater focus on culture-related garments.”

AMRO Group Head and Lead Economist Ling Hui Tan said that “the biggest threat is the fact that the pandemic support and stimulus packages of the past two years have consumed a lot of fiscal resources and these could have been used for public investment.”

Loans raised by the Philippines as of Jan. 14 for pandemic response totaled P1.31 trillion, helping swell the government’s indebtedness at the end of March to P12.68 trillion.

“So the first step for rebuilding fiscal space will be to unwind emergency support measures that were put in place.”

However, she cautioned that withdrawing these policies too soon may cause a rebound effect, stressing that this process should be done selectively, keeping the most essential policies first.

Meanwhile, economists said that household consumption as the economy reopens will remain the main growth driver going into the second quarter.

“I still think that continuing the reopening (of the economy) would be the biggest driver,” Ruben Carlo O. Asuncion, Chief Economist of

the Union Bank of the Philippines, Inc., said.

“Another important factor is being able to control inflation, and this is where the Bangko Sentral ng Pilipinas (BSP) comes in (with) the timely raising of key interest rates to help cool down inflation on the demand side.”

BSP Governor Benjamin E. Diokno earlier signaled the intention to raise policy rates sometime in June, a departure from the previous rate hike stance, though the latest inflation data may have led the monetary authorities to act sooner rather than later.

The central bank’s Monetary Board will meet on Thursday.

Mr. Asuncion also cautioned that while resuming face-to-face classes was important, aggressive vaccination efforts and minimum health standards should still be followed.

“The growth drivers may remain those we saw in the first quarter of 2022 — private consumption and capital formation,” Security Bank Corp. Chief Economist Robert Dan J. Roces said. “Rebounding consumption will remain the key factor on the back of improved mobility amid sustained looser curbs.”

He added that looser restrictions are dependent on whether or not the country is able to manage its coronavirus disease 2019 (COVID-19) cases as new variants emerge. — **Tobias Jared Tomas**

Fil-Chinese chamber says DoF, DTI, Agri appointments being closely watched

THE incoming secretaries of the Departments of Finance (DoF), Trade and Industry (DTI), and Agriculture (DA) will be critical for the incoming Marcos administration, the head of a major chamber of commerce said.

Henry Lim Bon Liong, president of the Federation of Filipino Chinese Chambers of Commerce & Industry, Inc., said in a radio interview on Sunday that these appointments will be key to the running of the next government.

“This is important, including during the transition. It is important to find good Secretaries for the departments,” he said.

Mr. Lim Bon Liong said the Finance Secretary should have the standing to manage the national debt, which climbed by 17.7% to P12.68 trillion at the end of March.

“Finance Secretary Carlos G. Dominguez III is doing a good job. *Kung pwede i-retain ay okay din sa amin ’yun.* And another one, Trade Secretary Ramon M. Lopez is also doing a good job for DTI. *Nakikita rin namin itong dalawa kung puwede ma-retain muna* in the meantime (If only Mr. Dominguez were kept on, we will be fine with that. Mr. Lopez also... We hope these two can be retained in the meantime),” he said.

He also endorsed the performance of Agriculture Secretary William D. Dar, who he said is being hampered by the limited funds set aside for agriculture.

Ferdinand R. Marcos, Jr. is set to win the Presidency by a landslide, according to the partial and unofficial tally of the Commission on Elections.

His spokesman, Victor D. Rodriguez, has said that Mr. Marcos has selected former Metropolitan Manila Development Authority Chairman Benjamin D. Abalos, Jr. as his Interior Secretary, while the top vote-getter in the vice-presidential field, Davao Mayor Sara Duterte-Carpio, has agreed to become the new government’s Education Secretary. — **Revin Mikhael D. Ochave**

CONCEPCION: UNITY CAN BRING PROSPERITY FOR ALL



Presidential Adviser and Go Negosyo founder Joey Concepcion with former Senator Ferdinand “Bongbong” Marcos Jr. during the Go Negosyo Vice Presidential Forum in 2016

With the dust now settling after the May 9 elections and more than 31 million votes cast in favor of Ferdinand “Bongbong” Marcos Jr., Presidential Adviser for Entrepreneurship and Go Negosyo founder Joey Concepcion is calling for the Philippines to come together and seize an opportunity for further economic growth. “Millions of Filipinos, united behind one leader, can do wonders for this country and bring prosperity for all,” said Concepcion.

Marcos received the first majority vote for a President of the Philippines since the time of the former Senator’s father, Ferdinand Marcos Sr. The number of votes, which has now exceeded 31 million according to the partial unofficial count of the Commission on Elections transparency server, is almost twice that of President Rodrigo Duterte, who still enjoys the public’s approval.

“With such a strong, historic mandate, there is a golden opportunity for successful economic reform, now that both the public and Congress are united behind a single leadership,” said Concepcion.

He said that this is especially important to the country’s MSMEs, who make up 99.5 percent of the enterprises in the country and employ almost 60 percent of Filipinos.

“Many of our countrymen continue to be underrepresented and underprivileged. Many of them see entrepreneurship as a way out of poverty. It is where industry, ingenuity, and grit can get them farther. Entrepreneurship is where people have a fair chance at social and economic mobility. It is a level field, very much like the elections, where a poor man’s vote counts as much as a rich man’s,” he said.

“Judging from how the country voted, it would be safe to say that many MSMEs believe Bongbong Marcos can help

them,” he said.

When he was interviewed during Go Negosyo’s Kanditalks series in the weeks leading up to the elections, Marcos said MSMEs deliver the most impact on society, because any effort

to help them will be felt immediately, even by the big corporations. He said many Filipinos are willing to work and become entrepreneurs, but they will need assistance.

Marcos also acknowledged how organizations like Go Negosyo can help mentor small entrepreneurs, and how the government can allocate a portion of the Internal Revenue Allotment for MSMEs. He said taxes must be rationalized for the benefit of small entrepreneurs, and believes that agriculture, given support in terms of loans and R&D and infrastructure, can become a foundation of the country’s industrialization. He also promised to continue President Duterte’s Build Build Build program, and extend it to the country’s information and power infrastructure.

Concepcion acknowledged that the elections were highly charged. “I understand that sentiments are high right now, but we cannot be a fragmented nation,” he said, especially as times have become more uncertain all over the world. Covid remains unpredictable, and the conflict in the Ukraine is feared to become protracted and continue to wreak havoc on the global economy.

“Everywhere there is uncertainty. However we may feel about our new president, we must get our act together, support this government and move forward. It is the wish of more than 31 million Filipinos and we must listen. It would be the responsible thing to do as a citizen,” he said.

“When we fail to unite and we refuse to carry on, we

ourselves sabotage our own progress and create a negative perception of the country. This never looks good to investors,” Concepcion said.

“I say this even as my family and the Marcoses have a shared history,” he said. “With our paths now crossing once more, I believe it is an opportunity for our generation to see how we can finally work together,” he said. Concepcion’s father, the industrialist Jose “Joecon” Concepcion Jr., was a political detainee during Martial Law, and worked to ensure free and honest elections by founding the election watchdog NAMFREL during the 1986 snap elections.

“He saw that the best way forward is to buckle down to work,” he recalled. Joecon continued to lead one of the country’s largest conglomerates during the Marcos administration, and eventually served in government several years later.

“Some of our countrymen still sit at the opposing end, but I believe they have something to contribute. For unity to become reality, we must reach out and include everyone,” he said. “Had they been the victors in this election, I believe they would expect to be extended the same conciliatory hand,” he said.

Concepcion said the majority vote represents the voice of the underprivileged and underrepresented. “Unlike before, social media now makes sure that those who have access to it will have their voices heard. But we have to listen to those who are truly at the margins of society. That’s democracy,” he said.

“For many of our kababayans, elections are the only time they can be heard. “The people have spoken and let known their decision; it is our duty to respect that, and we must let the new President do his part,” said Concepcion.