

Permit, accreditation rules issued for rabbit importers

THE Department of Agriculture (DA) said it issued rules for importing rabbits which are designed to minimize the spread of animal diseases across borders.

In a memorandum circular, the department said it “recognizes the increasing interest of many Filipino farmers in raising rabbits for meat production due to the ease in propagation and minimal production costs.”

The rules require accreditation as a live-rabbit importer from the Bureau of Animal Industry-National Veterinary Quarantine Services Division.

Importers will also need to be registered with the Department of Trade and Industry and the Securities and Exchange Commission.

Rabbit farms, including livestock transport vehicles, must be accredited while proposed quarantine sites are subject to inspection.

“The growing awareness and local acceptance of rabbit meat as an alternative protein source amid the rising prices of major livestock commodities such as pork and poultry meat have ignited a subsequent increase in the Sanitary and Phytosanitary (SPS) Import Clearance request for meat-type rabbit breeds,” it added.

“The proposed quarantine site must have sufficient cages and ventilation. It should be thoroughly cleaned and disinfected before the arrival of the imported rabbits. There shall also be no other animals other than the rabbits to be imported,” the circular read.

Only the products of certified rabbit farms and authorized exporters endorsed by the source country will be accepted. Any applicant intending to import rabbits must also apply for SPS import clearance. — **Luisa Maria Jacinta C. Cjcon**

Bigger DA budget seen needed prior to RCEP market opening

By Alyssa Nicole O. Tan
Reporter

SENATORS who will serve in the next Congress said agriculture budgets must be enlarged to make farmers more competitive in preparation for the market opening contemplated under the proposed Regional Comprehensive Economic Partnership (RCEP).

Francis Joseph G. Escudero, a recently proclaimed Senate candidate, told *BusinessWorld* in a Viber message that the agriculture industry can only be made more competitive “by increasing the budget of agriculture which, for 2022, is only 10% of the budget of the DPWH (Department of Public Works and Highways).”

About P786.6 billion was allocated to the DPWH in the 2022 General Appropriations Act, while the Department of Agriculture (DA) and National Irrigation Administration were provided P102.5 billion.

Business groups that support RCEP have backed bigger agriculture budgets that are more closely aligned with the spending levels of other ASEAN economies.

“We see our membership in RCEP as an important challenge to our government to step up genuine and meaningful support for Filipino producers, especially in the agriculture sector, which is the backbone of the Philippine economy. We, therefore, urge the government to provide a substantial increase in the agriculture budget commensurate to that provided in our comparable ASEAN neighbors,

as we urge our Senators to ratify the RCEP Agreement without delay,” various chambers of commerce said in a joint statement.

Re-elected Senator Ana Theresia N. Hontiveros-Baraquel told *BusinessWorld* in a Viber message also pointed to the need for increased budget utilization and measures against the smuggling of farm goods.

“According to the farmers and fishermen themselves, the government must first prove that it is monitoring the DA budget because its unliquidated expenses have reached P22 billion, according to the 2020 report of the CoA (Commission on Audit),” she said.

“We also need an oversight committee against smuggling and strict trade safeguard mechanisms to ensure that the sales of our producers are not affected,” she added, noting that she agreed with demands for stronger quarantine and border control measures to prevent the entry of viral diseases such as African Swine Fever.

The best indicator that the Philippines is strengthening and developing the industry is if the budget set aside for the DA is at least 8% of total appropriations, or about P424 billion of the proposed P5.3-trillion 2023 budget, Ms. Hontiveros said.

“Pushing for this marked increase is a strong signal of institutional support for all farmers, fisherfolk, and various producers,” she added.

Senate Foreign Relations Committee Chairman Senator Aquilino Martin L. Pimentel III has said it would be up to Presi-

dent-elect Ferdinand R. Marcos, Jr. to endorse the trade deal to the Senate when the 19th Congress opens next month.

“The 19th Congress (will) wait for (Office of the President) to endorse the said treaty again to the Senate,” he said in a mobile message to *BusinessWorld*, noting that previous deliberations on the free trade deal will be made part of the committee’s records while new hearings will be held by the appropriate Senate committee in the incoming administration.

Mr. Pimentel said there was no vote on the RCEP since only 17 senators were present during plenary. The trade deal needed 16 affirmative votes to be ratified by the Senate.

“Two senators were abroad, one quarantined, two went out. In short, many members were not on the floor. We didn’t want to deprive them the chance to participate and or vote on the measure,” he said.

The RCEP, which came into force on Jan. 1 in other signatory countries, involves Australia, China, Japan, South Korea, New Zealand and the 10 members of the Association of Southeast Asian Nations (ASEAN).

The Philippines is one of three ASEAN countries that have not signed on to RCEP, along with Indonesia and Myanmar.

“The only question that needs to be answered is what is the real benefit of RCEP for Filipinos? Because we seem to be on the losing side,” Ms. Hontiveros said.

She noted that the agreement is predicted to worsen the Philip-

piners’ trade balance, leading to job losses and a \$58 million or a P3 billion drop in annual tariff revenue. Under the RCEP, the Philippines only made concessions on 33 tariff lines, which are equivalent to 0.8% of total imports and 1.9% of all agriculture tariff lines.

Although net exporters of intellectual property may benefit more due to the increased protection under the treaty, Ms. Hontiveros said the Philippines is a net importer.

She also said the treaty is not likely to benefit small and medium enterprises as cooperation mechanisms between developed countries and developing countries are voluntary and not enforceable.

“Virtually all agricultural groups in the Philippines have opposed RCEP — from small farmers to big agriculture groups,” she said. “We must listen to why there is an overwhelming consensus because they are the ones who will experience the first wave of impact after its implementation.”

Mr. Escudero said: “The playing field between our farmers and that of other countries is clearly not level and will only result in benefits to the more competitive country and its farmers, not ours.”

“Putative future gains should never outweigh definite losses and suffering by our farmers given the imbalance I mentioned above,” he added.

The DA has recommended that its budget be reoriented towards diversification, value addition and consolidation of production to improve volume and productivity.

UN aid chief had ‘frank, constructive’ talks in Moscow on Ukraine grain

UNITED NATIONS — UN aid chief Martin Griffiths “had frank and constructive discussions” with Russian officials in Moscow on facilitating exports of Ukraine grain from Black Sea ports, a UN spokesman said on Friday.

Griffiths met with Russian foreign affairs and defense officials on Thursday and Friday, UN spokesman Stephane Dujarric said.

Since Russia’s Feb. 24 invasion of Ukraine, Ukrainian grain shipments from its Black Sea ports have stalled and more than 20 million tons of grain are stuck in silos.

“We’ve said clearly what we can do and what we cannot do,” Russian UN Ambassador Vassily Nebenzia

told Reuters on Friday. “We have not installed mines in the coastal area, that was the Ukrainians. If they demine the area we are prepared to provide the safe passage for the ships carrying grain.”

When asked if a security arrangement could be reached to allow for the demining, Nebenzia said Russian Foreign Minister Sergei Lavrov planned to discuss the issue when he visits Turkey next week. — **Reuters**

FULL STORY

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AI’s big potential in the Philippines

BCG Manila at the forefront of AI’s growth in the country

Artificial intelligence, or simply known as AI, is one of the technologies that is beginning to reshape organizations and businesses in this time of rapid digitalization. With its numerous capabilities, AI is starting to be applied in various sectors, and its potential is being recognized and maximized in many markets.

Here in the Philippines, as businesses and organizations are starting to pay attention to the benefits of AI, there is no doubt that AI has a growing potential that should not be missed. For Julian Cua, Principal at Boston Consulting Group (BCG) Manila, the country’s strength in the technology field, coupled with emerging talent, sets a good foundation for AI’s growth in the Philippine market.

“We are able to have a lot of talents in things like programming, machine learning, engineering, data analytics, and many more,” Mr. Cua told *BusinessWorld* in an interview. “I do think as well that we have a good advantage when it comes to [learning] the English language, which is important for some AI applications such as natural language processing. That gives us an edge over other countries.”

The next moves for the country to take, he continued, should center on building an ecosystem that allows AI and AI-related talent to thrive and stay in the Philippines. “There needs to be good local demand and adoption for AI applications. This fuels the demand in the job market,” he added.

Mr. Cua notes that this ecosystem has started and is expected to develop in three areas, namely, 1) big companies and conglomerates that invest in advanced analytics and incubate them within their own companies; 2) startups and tech companies which are digital by nature, know the power of AI, and have the capabilities to attract and train talent; and 3) the government, as it has started pushing for digitalization through programs such as QR code interoperability and the national ID system.

Yet, to further gear AI to be a growth driver for the country, Mr. Cua states that a link should be established between AI and fueling the Philippine economy. To build such a link, sectors and individuals must determine how they can make Filipino’s lives easier,

make Filipino companies more competitive, and start attracting talent to make the country more competitive.

A key factor in the building of an AI ecosystem lies in training and cultivating talent. “If you want to be an AI powerhouse, then it means that the country has to create an environment where Filipinos who are experts in AI stay and work for services and products that really support the local economy,” he stressed.

With a thriving ecosystem, AI can be optimized in various applications such as personalizing consumer interactions with companies, making them more engaging and meaningful for everyone. For instance, in the supply chain, AI is seen to solve big structural issues, while in manufacturing and service industries, AI can also help optimize processes to boost competitiveness.

“Imagine a plant that uses machine vision to spot quality defects. The plant doesn’t even have to be fully robotics. It could [have] human actors that work harmoniously with AI-driven recommendations,” Mr. Cua illustrated.

STARTING IN AI

With its widespread and apt applications, how can our businesses start utilizing AI? Mr. Cua said they must first understand that deploying AI-related capabilities, based on their experience at BCG, is 70% people and 30% the technology itself.

“One of the common pitfalls we see is when a company looks at AI as a solution for technology. That is a common fallacy we see because AI is indeed a technology, but it’s only one of the tools needed to help solve real world problems,” he said.

The first thing to do with people is align on their expectations of AI. They should also be clear about their objectives, identifying the specific problems they want to solve with the help of AI. “The more specific the company can get, the better it is in terms of deploying things,” Mr. Cua said. This should be followed by getting the right technical talent “who will actually help build the brains for these applications.”

On the technology front, businesses should consider whether the data fed into AI is stored



Julian Cua, Principal, Boston Consulting Group

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in the right place, updated correctly, and encoded properly. They should also make sure that the platforms and infrastructure for the technology are set up to scale.

Another way for businesses to understand AI comes from BCG’s study in 2020, which suggests that “in order to see significant financial returns, organizations need a multidimensional, complex relationship with AI.”

This, Mr. Cua explained, means that AI and humans form bionic links where they basically learn from each other. “For an organization, it’s about understanding what those bionic links are, areas where AI and people can actually work with each other; [as well as identifying] when can people intervene and, if they intervene, how do we design the system so that it correctly interprets the intervention,” Mr. Cua explained.

For its part, BCG has been helping clients across the globe, including the Philippines, make the most out of AI — and it is set to expand its reach in this area.

“We now have a team called BCG GAMMA, [composed] of the best data scientists and data engineers out there; and they work alongside industry experts to unlock the potential of AI in specific applications for different companies,” Mr. Cua shared.

BCG GAMMA’s services are offered as a holistic package, the BCG Partner added. “We’re not just here to deploy technology. We’re looking at solving real world problems of different companies. We take a look at the engineering side, the data science side, and also the business side [in order to] make sure that we have the right initiatives to... build that transformation journey for them.”

Moreover, the global firm will expand its AI expertise with an upcoming training ground for AI talent in the country.

“We are also opening up a BCG GAMMA Hub in Manila soon to attract, retain, and recruit some of these talents to serve markets not just in the Philippines but across Asia,” Mr. Cua shared.