DAR nominee Estrella to focus on increasing farmer incomes

CONRADO M. ESTRELLA III, President-elect Ferdinand R. Marcos, Jr.'s nominee for the Department of Agrarian Reform (DAR), said on Thursday that his policy will focus on boosting the purchasing power of farmers.

"*Ang ating hinahangad, syempre, unang una, na ang ating mga magsasaka, ang ating* agrarian reform beneficiaries *ay maging parte ng ating* consumer group *na mayroong malakas o* strong purchasing power" (Our goal, first of all, is to turn our farmers and agrarian reform beneficiaries into consumers with strong purchasing power), he told state-run People's Television Network (PTV).

"*Sapagka't kung lumaki ang ating* consumer group with strong purchasing power, *e susunod sunod na 'yan kahit na anong negosyo ang ipatayo mo dyan, kikita tayo*" (If we grow the consumer base and ensure they have strong purchasing power, many businesses will benefit and we will prosper), he added. "'*Pag ganun pati presyo ng pagkain* either *mapababa natin ng kaunti o kung hindi man, mayroon pera sa bulsa ang ating mamamayan upang ipambili ng pagkain nila*" (We will either bring down food prices a bit or ensure ordinary people have money to buy food with).

Mr. Conrado's nomination to DAR was announced late Wednesday. He will assume the same post held by his grandfather, Conrado Estrella, Sr., who served under the late President Ferdinand E. Marcos, Sr.

One avenue for increasing farmer incomes is to encourage them to "embark on livestock," Mr. Estrella said. "That's one of the things we are looking at."

He said that the DAR will seek to accelerate the distribution of titles to farmers, a number of whom have only received Certificates of Land Ownership Award under the Comprehensive Agrarian Reform Program.

"We will try to issue more land titles so that farmers would be able to fully utilize their land," he said, noting that titles may be monetized by being offered as collateral for bank loans.

Mr. Estrella, an outgoing deputy Speaker, is a member of the ABONO party-list that represented agriculture sector in the 18th Congress. — **Kyle Aristophere T. Atienza**

VIKI MOHAMAD-UNSPLASH

Country seen paying price of dependence on food imports

By Luisa Maria Jacinta C. Jocson *Reporter*

THE government's economic managers pursued an inappropriate import-heavy model for achieving food sufficiency, which is now being disrupted by the fallout from the Russia-Ukraine crisis, a poultry industry executive said.

"Our economic managers and the Department of Agriculture (DA) believe that the template for us is Singapore, which is 90% dependent on food imports and yet is food-secure," United Broiler Raisers Association (UBRA) President Elias Jose M. Inciong said in a phone interview.

The economic managers assumed that "we can depend on imports for food security. That's why the agri-fisheries sector has been neglected since we got into the World Trade Organization. In short, the template is to depend on imports. Now, we are vulnerable and at risk. We are being made to pay for that policy in the coming months and years," he added.

The Philippine Statistics Authority reported this week that the price of food and non-alcoholic beverages rose by 4.9% year on year in May, fueled by a 15.2% increase in vegetables and tubers and a 6.2% jump in fish and seafood.

Mr. Inciong said that the incoming administration can forestall a supply crisis by supporting domestic production.

"Our advantage is since we still have the resources to produce, if the incoming administration will focus on production and support income-generating projects, we can minimize our risk of a really major food crisis," he said.

"Producers are being made to compete with subsidized products; since imports have become more expensive, everyone is at risk now. Best way to solve this is for the government to support production in more creative ways," he added.

The food crisis triggered by the war between Ukraine and Russia has led governments to restrict the export of food commodities to secure their domestic supply. Ukraine is a major producer of grain and edible oils, while Russia is also a major grain and fertilizer producer, apart from being a leading energy exporter. The war has turned the Black Sea into a conflict zone, restricting both countries' exports through that body of water.

According to Moody's Analytics, protectionism is surfacing throughout the Asia-Pacific in response to the food crisis.

"Protectionist policies tend to be short-lived and isolated. But in 2022, we are seeing an unusual convergence of protectionist policies on multiple food staples. This comes against the backdrop of disrupted supply chains and geopolitical uncertainties related to Russia's invasion of Ukraine, which pose a longer-term threat to global food security," it said in a report.

Moody's Analytics said that the food crisis will continue over the next two to three years if substitutes cannot be found.

"For example, the variants of wheat grown in Ukraine are winter wheats, which are harvested in late June to July. Today, much of the country is in turmoil, there is limited capacity to move what little harvestable crops are left, and many silos to store the harvest have been destroyed," it said.

The report projected a significant food shortage in 2023, with underdeveloped economies most exposed.

"And if the invasion drags on till September or November, there will not be enough time for planting wheat in Ukraine for the following year. Making matters worse, Russia is the largest exporter of fertilizer, which are necessary for reliable harvests," it said.

"The longer Russia's invasion of Ukraine continues, the higher food prices will go and the greater the risk of food shortages. Geopolitical forces are coming to bear on global food security. Whether it is palm oil from Indonesia, wheat and sugar from India, or chicken from Malaysia, major food producers are tightening export policies to tame inflation and shore up domestic supplies," it added.

PHL startups being matched with Israeli counterparts

ISRAEL has organized a networking event to match Philippine startups with potential Israeli partners, in a bid to develop solutions suitable for addressing problems particular to the Philippines, the Israeli embassy said.

During the networking event at QBO Innovation Hub late Tuesday, Israeli Ambassador Ilan Fluss said he hopes the partnerships will help the Philippines develop its own solutions via innovation.

"Many companies will develop something and then sell the technology here, but if you develop the technology from the beginning, Israel and the Philippines together, you (can) address local challenges," he said.

"The solution will probably be much better and more relevant for the challenges here. This is something we would like to see," he added.

Israel has over 6,000 active startups, built up through a support network involving the government, private sector, academic institutions, local governments, incubators, and venture capital firms.

Ideaspace Foundation, Inc. President Rene S. Meily expressed hope for further meetings among startups, investors, and government officials to learn from each other.

"If we can build those ties together, I think both economies will gain and grow," he said. "Our hope is that what we start today... will flourish like a strong, solid tree that will outlast what we start here."

Mr. Fluss also announced the signing of three agreements between the Israeli government and the Philippines' Trade department.

"One of which is an agreement to cooperate in technological innovation, research and development with the Israeli Innovation Authority, our government agency in charge of fostering industrial research and development," he said, adding that the other two were signed on Tuesday.

"With this, we are opening more bridges to partner with you and build a stronger startup industry," he added.

The event was the first physical engagement between the Israel Embassy and Philippine startups. Around 50 Filipino founders of startup companies and investors participated in the networking night. — **Alyssa Nicole O. Tan**

ADB approves $4.3-billion loans for South Commuter rail project

THE Asian Development Bank (ADB) has approved up to $4.3 billion in loans to finance the construction of the South Commuter Railway Project.

The railway runs for nearly 55 kilometers (km), and will connect Metro Manila with Calamba, Laguna. The project is part of the North-South Commuter Railway (NSCR) network, and is the ADB's largest infrastructure financing project to date.

After its construction, the South Commuter Railway is expected to offer fast public transport, ease road congestion, and contribute to the reduction of greenhouse gas emissions. It will also halve the travel time between Manila and Calamba from the 2.5 hours it would usually take by road.

"The South Commuter Railway Project will provide affordable, safe, reliable, and fast public transport for commuters," Ahmed M. Saeed, ADB Vice-President for East Asia, Southeast Asia, and the Pacific, said.

"This project represents ADB's biggest infrastructure investment and reflects our commitment to helping the Philippines attain its goals of reducing poverty, improving the lives of Filipinos, and achieving green, resilient, and high economic growth," he added.

The project will involve the construction of 18 stations, with provisions for accessibility to the elderly, women, children, and people with disabilities.

The line will connect to the future Metro Manila Subway system.

"The South Commuter Railway Project will be financed under a multitranche financing facility, with the first tranche of $1.75 billion to be made available starting this year," the ADB said.

The second and third tranche releases are expected in 2024 and 2026, respectively. The ADB will finance civil works for the railway viaduct, stations, bridges, tunnels, and depot buildings. The Japan International Cooperation Agency is also co-financing the loan, funding railway vehicles and railway systems.

The NSCR, which also includes the ongoing construction of the Malolos-Clark line, is expected to generate more than 35,500 jobs during construction, while providing another 3,200 permanent jobs during its operation.

The ADB's study on the South Commuter Railway Project found that cities and municipalities that have stations along the line will have access to more than 300,000 jobs on average, an average increase of 15.3% in the cities to the south of the capital, with the corresponding growth seen at 8.5% in Metro Manila.

"It will create a substantial growth multiplier effect in the economy through supplier contracts and new opportunities opened with better connectivity in the region," the ADB said. — **Tobias Jared Tomas**

FDI flows may be hindered by risk aversion

THE foreign direct investment (FDI) market will be beset by risk aversion in light of the war between Ukraine and Russia, the United Nations Conference on Trade and Development (UNCTAD) said.

UNCTAD said in its World Investment Report, carrying the title "International Tax Reforms and Sustainable Investment," that developing countries need help from the international community as FDI flows dry up.

In 2021, the report said global FDI flows improved 64% to $1.58 trillion, driven by a surge in merger and acquisition (M&A) activity and an increase in international projects.

"UNCTAD foresees that the growth momentum of 2021 cannot be sustained and that global FDI flows in 2022 will likely move on a downward trajectory, at best remaining flat. However, even if flows should remain relatively stable in value terms, new project activity is likely to suffer more from investor uncertainty," the report said.

"The need for investment in productive capacity, in the Sustainable Development Goals (SDGs) and in climate change mitigation and adaptation is enormous. Current investment trends in these areas are not unanimously positive. It is important that we act now. Even though countries face very alarming immediate problems stemming from the cost-of-living crisis, it is important we are able to invest in the long term," UNCTAD Secretary-General Rebeca Grynspan said.

UNCTAD said that the business and investment climate has changed due to the war, which caused food and fuel prices to rise and dried up financing.

"Signs of weakness are already emerging this year. Preliminary data for the first quarter shows greenfield project announcements down 21% globally, cross-border M&A activity down 13% and international project finance deals down 4%," UNCTAD said.

"Asia, which receives 40% of global FDI, saw flows rise in 2021 for the third straight year to an all-time high of $619 billion. FDI in China grew 21% and in Southeast Asia by 44% but South Asia went the other way, falling 26% as flows to India shrank to $45 billion," it added.

UNCTAD said international SDG investment rose 70% in 2021 to $371 billion.

"But most of the recovery growth came in renewable energy and energy efficiency, where project values reached more than three times the pre-pandemic level. While the 2021 recovery in value terms is positive, investment activity in most SDG-related sectors in developing economies, as measured by project numbers, remained below pre-pandemic levels," the report said.

UNCTAD said that the proposed minimum tax of 15% on the foreign profits of the largest multinational enterprises planned for 2023 or 2024 will have major implications for international investment and investment policy.

In October, more than 130 countries decided to implement a corporate tax rate of at least 15% to ensure that big companies pay a fairer share of tax.

"While the tax reforms are going to increase revenue collection for developing countries, from an investment attraction perspective they entail both opportunities and challenges," Ms. Grynspan said.

"Developing countries face constraints in their responses to the reforms, because of a lack of technical capacity to deal with the complexity of the tax changes, and because of investment treaty commitments that could hinder effective fiscal policy action. The international community has the obligation to help," she added. — **Revin Mikhael D. Ochave**

BoI compiling database on cold chain facilities

THE Board of Investments (BoI) said it is surveying the cold chain industry as it compiles an integrated supply chain database.

The BoI said the project is designed to make policy and investment decisions more "evidence-based," and will aid in selecting suitable locations for facilities and determining how industry participants can best be assisted.

The project "will map out existing cold chain service providers and estimate and forecast supply and demand for cold chain services," the BoI said in a statement on Thursday.

"Once completed, the project will provide a data-driven, location-specific and timely reference for policy formulation and investment promotion."

The Philippine Cold Chain Industry Roadmap estimated demand for an additional 50,000 pallet positions in cold storage facilities each year.

In February, the BoI signed a memorandum of understanding with the Environment department's Environmental Management Bureau and InsightSCS Corp. for the development of a cold chain integrated supply chain solution. — **Revin Mikhael D. Ochave**

PHL makes pitch for continued international aid to low, middle-income countries

THE Department of Finance (DoF) said the international community must continue to aid low- and middle-income countries, noting the need for further support coming out of the pandemic.

In a statement on Thursday, Finance Undersecretary Antonnette C. Tionko said the department sees the need to mitigate financial stability risks in such countries to help them achieve sustainable growth after the pandemic, and while they deal with other economic shocks.

"Rebuilding a stronger global economy amidst present and future external shocks will be arduous," Ms. Tionko was quoted as saying at a UN forum held in April. "It is imperative to strengthen international cooperation and endeavor to build a healthier and more sustainable world for future generations."

"The pandemic highlighted the importance of international cooperation in ensuring that we leave no one behind. The Philippines is grateful for the technical and financial assistance from our development partners in providing budgetary support and vaccine mobilization for our COVID-19 response."

The Philippines took on debt to fund its pandemic response, borrowing P1.31 trillion and receiving grants worth P2.7 billion, including coronavirus disease 2019 (COVID-19) vaccines. The DoF has said it would take 40 years to pay off these pandemic-related loans and grants. In total, the country received P4.05 trillion in budgetary support.

FULL STORY

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The Asian Development Bank was the country's biggest benefactor, providing P303.37 billion in loans. Other sources of financing were the Asian Infrastructure Investment Bank (P66.01 billion), the Japan International Cooperation Agency (P47.56 billion), and the Agence Française de Développement (P28.96 billion), among others. — **Tobias Jared Tomas**