PRESENT at the official opening of the country's first Center for Transboundary Animal Diseases were (L-R) the center's Project Leader Virginia M. Venturina, Agriculture Secretary William D. Dar, and Central Luzon State University President Edgar A. Orden.

DA launches P234-million center for animal diseases

THE Department of Agriculture (DA) has launched the country's first Center for Transboundary Animal Diseases (CenTrAD) in Central Luzon State University (CLSU) worth P234 million.

The center will focus on the emergency management of transboundary animal diseases through surveillance, detection, mapping, diagnosis, analysis, prevention and control, following international standards.

During the inauguration ceremony on June 11, Agriculture Secretary William D. Dar pointed out that African Swine Fever (ASF) nearly wiped out the country's hog industry in 2019.

"Let us learn from ASF. We cannot anymore put our animal industry at risk like that. We have to have a mindset that another outbreak can always come anytime like the ASF, so we must be prepared," he said.

CenTrAD will also serve as the country's "premier hub for animal health innovation," focusing on accelerating the development of vaccines against transboundary and emerging animal diseases.

Mr. Dar also recommended other strategies in operationalizing CenTrAD, which include building a network of partners involving other academic and scientific institutions to expand human capital; putting up a fellowship program for various research activities; and establishing adjunct scientist appointments, comprised of willing and able retired experts and scientists within and outside the university.

The center also has P90 million worth of cutting-edge equipment to provide "timely, rapid, and accurate disease reporting to institute early response from detection to containment."

CenTrAD is a joint project between the DA through its Bureau of Animal Industry and the CLSU.

Major academic partners of CLSU in the implementation of CenTrAD include Cavite State University, Central Bicol State University, Central Mindanao University, Isabela State University, Visayas State University, Tarlac State University, Cagayan State University, Don Mariano Marcos Memorial State University, and Pampanga State Agricultural University. — **Luisa Maria Jacinta C. Jocson**

Fertilizer subsidies seen as solution to rising rice prices

FERTILIZER SUBSIDIES can help temper the possibility of higher rice prices amid rising input costs, according to the Department of Agriculture (DA).

"If rice prices go up in the global market, local rice prices will follow. If production declines this main wet season due to high fertilizer and petrol prices, and global rice price rise, we will see significant increases in rice prices by the end of this year," DA Undersecretary Fermin D. Adriano said in a statement.

"Thus, it is imperative for the government to give fertilizer and petrol subsidies to farmers now, to prevent productivity decline," he added.

Agriculture Secretary William D. Dar said that the department currently has P3 billion in fertilizer subsidies for rice and corn farmers, but that it requires more than this to accommodate the needs of farmers during the wet planting season.

"We need more, and that's why we have requested the National Government to give us about P6 billion more — so a total of P9 billion is needed to give us [a] fertilizer subsidy this wet season planting... any opportunity to level up local rice production is necessary," he said in a virtual briefing on Thursday.

"Otherwise, the decrease in production may happen because the farmers are not able to apply the levels of fertilization they had last year," he added.

Mr. Dar said the DA is also working on broadening its sources of rice imports to meet demand.

"So that we can still buy the same prices now that are very affordable. India is one of the markets where we can buy [that] price," he added.

JCOMP/FREEPIK

P20/KILO RICE

The agriculture secretary said that President-elect Ferdinand R. Marcos, Jr.'s proposal to lower the price of one kilo of rice to P20 would be supported by the department, though this would require time and research to accomplish.

"I like the aspiration of our President-elect and we are looking at every possibility we have to work this out with various stakeholders. We have to identify the gaps, the challenges, and put up a program designed towards that," he said.

"It will take some time before we can go to the near P20. I am saying publicly, I am for working for the program design and solutions through a value chain approach to go near the P20," he added.

REDUCED TARIFF

In May, President Rodrigo R. Duterte signed Executive Order (EO) No. 135, which reduces the tariffs on rice imports from non-ASEAN countries from 50% to 35% for a period of one year in order to reduce the country's dependence on Vietnam and other ASEAN rice exporters.

The farmers group the Federation of Free Farmers (FFF) said in a statement that the reduced tariffs will not result in lower prices for rice.

"There was no urgent need to issue the EO. Rice prices and inventories have been stable. Imports have continued to come in and even increased during the first quarter of the year. Clearly, Mr. Duterte, at the instance of his economic managers, simply wanted to preempt Congress before it resumed its sessions," FFF National Manager Raul Q. Montemayor said.

UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said that these tariff policies can affect rice prices and subsequently, inflation.

"Rice has been a major component of inflation and has caused huge increases in inflation levels in the past. So far, rice inflation has been stable and has not been a major factor in recent spikes in inflation. Although controlling prices is not the end-all be-all, we have to look at the impact of this kind of policy especially during these very volatile times in the global economy," he said in an e-mail.

"The government has to be very careful and be product-specific in its responses to the change in policy. However, I still believe that the government has to go to longer-term solutions versus quick-fix responses like this," he added. — **Luisa Maria Jacinta C. Jocson**

Tax breaks,
from S1/1

She added that some BPO firms have been enjoying these incentives "for a long time."

For her part, Ms. Plaza said the FIRB's stance is "sending wrong signals that the government is only after taxes."

"Successful economies use strategies that provide both fiscal and non-fiscal incentives and even provide subsidies to investors. Foreign direct investments and multinational companies who have branches in many countries of the world weigh the efficiency factors that contribute in lowering the cost of production, of profitability, and in doing business," Ms. Plaza said.

Incentives granted to BPO companies located in economic zones are tied to how much work they perform on-site. The on-site work rules were eased during the pandemic, but the relaxed regime expired in March, mandating all businesses to implement a 100% on-site work arrangement in order to keep their incentives.

On the other hand, the PEZA is allowing its registered firms to implement a 70% on-site and 30% remote work arrangement until Sept. 12, or the end of the declared national state of calamity, as long as they apply for letters of authority.

Under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law, companies registered with investment promotion agencies like the PEZA are eligible for perks like an option to pay a 5% special corporate income tax in lieu of other taxes, an income tax holiday, and enhanced deductions.

These incentives are subject to compliance with Section 309 of the Tax Code, which requires that the company's business must be conducted "within the geographical boundaries of the zone or freeport" in which the project or activity is registered. — **Revin Mikhael D. Ochave**

Dispute,
from S1/1

"Taking into account the progress made in the implementation of their cooperation, it should ideally lead to the notification by the parties of a mutually agreed solution under Article 3.6 of the Dispute Settlement Understanding," the WTO said.

It said the understanding can still be terminated by either party up to 60 days after its signing.

Philippine Trade Secretary Ramon M. Lopez said in a statement on Sunday that the understanding shows the countries' "good faith and strong commitment...to resolve their differences and support the WTO's rules-based dispute settlement system."

"Thailand and its agencies of government including its judicial branch, have shown positive progress towards upholding WTO rules and the Customs Valuation Agreement," Mr. Lopez said.

He said the Thailand Appellate Court recently affirmed with finality the acquittal of Philip Morris Thailand employees in a case related to cigarette imports from the Philippines while also lowering the civil penalties and other fines that could deter improved trade between the two countries. — **Revin Mikhael D. Ochave**

Debt service,
from S1/1

From January to April, the National Government's total debt service bill stood at P356.625 billion, falling by nearly 40% from P585.80 billion a year ago, as it spent less on repaying the principal amount of its obligations.

Principal debt payments made up 47.66% of the total bill for the period, while interest expense cornered the remaining 52.33%.

Broken down, amortization for the period slumped by 61% to P170 billion from P436.12 billion in the previous year.

Payments made for domestic debt totaled P153 billion in the first four months of 2022, a 47% decline from P291 billion a year prior, while spending on repaying foreign obligations stood at P16.98 billion, down by 88% from the P145.10 billion recorded in the same period last year.

Meanwhile, interest payments for the four-month period went up by 24.69% to P186.632 billion.

The government plans to spend P1.298 trillion for debt payments this year, with P785.21 billion to go to repaying the principal amount of its borrowings and the remaining P512.59 billion programmed for interest expense.

The Philippines logged a debt-to-gross domestic product (GDP) ratio of 63.5% as of the first quarter. This is higher than the 60% debt-to-GDP ratio considered manageable by multilateral lenders for developing economies.

Finance Secretary Carlos G. Dominguez III has said it would take 10 years to bring this ratio back to pre-pandemic levels.

The government expects the economy to grow by 7-9% this year. Philippine GDP expanded by a faster-than-expected 8.3% in the first quarter. — **T.J. Tomas**