Roadmap,
from S1/1

"We want hear his plans on strictly implementing (ease of doing business) to eliminate corruption, removing bureaucracy, red tape, and transparency," he added.

EXIT FROM PANDEMIC

Philippine Retailers Association (PRA) President Rosemarie B. Ong told *BusinessWorld* via mobile phone that they want to hear about Mr. Marcos' economic programs, as well as the plan to exit from the coronavirus disease 2019 (COVID-19) pandemic.

"In particular (we want to hear) the prioritization of the proposed online taxation, which is important for retailers as it aims to level the playing field for online and offline retailers," she said.

Steven T. Cua, Philippine Amalgamated Supermarkets Association, Inc. president, said in a mobile phone message that he wants Mr. Marcos to provide a roadmap or development plans for different industries over the next decade.

"We also wish to hear on the development of employment-generating backyard industries that produce raw materials for commercial and industrial customer, which promotes entrepreneurship and helps diminish reliance on importation as well as unemployment. We also want to hear effective solutions versus smuggling," he added.

Ferdinand I. Raquelsantos, Electric Vehicle Association of the Philippines chairman emeritus, said in a Viber message the electric vehicle (EV) industry is hoping to see more support from the Marcos administration.

"We need government support in terms of subsidies, for the manufacturing, sales, promotions and use of EVs. An example is giving rebates if you buy EVs, and a loan subsidy if jeepney operators buy EVs and replace their dilapidating jeepneys," Mr. Raquelsantos said.

Chris Nelson, British Chamber of Commerce Philippines (BCCP) executive director, said they want to hear Mr. Marcos express support for the Regional Comprehensive Economic Partnership (RCEP) trade deal.

"(The ratification of RCEP would) send a clear signal to investors. This would be a very good time now because Congress will resume (session)," Mr. Nelson said in a mobile phone interview.

The Philippines has yet to ratify its membership in RCEP, a multilateral trade agreement involving Australia, China, Japan, South Korea, New Zealand and the 10 members of the Association of Southeast Asian Nations (ASEAN).

Mr. Nelson said the BCCP also wants Mr. Marcos to provide details on what he plans to do to further open up the economy to foreign investments.

CLEAR PLANS

During the campaign period, Mr. Marcos promised cheaper food, more jobs, more roads and better public facilities, and urged overseas workers to return to the country.

But in making such promises, he needs to inform Filipinos about the country's fiscal status and engage them on how he would handle public finances in the next six years, Zyza Nadine M. Suzara, an economist and public finance analyst, said.

"He should squarely talk about his plans to shore up financing for government services not only for the rest of 2022, but also for 2023 and beyond. He would need to talk about specific courses of action, such as whether taxes would increase, or if more debt would be incurred," she said via Messenger.

The Philippine economy is expected to grow by 6.5-7.5% this year. The National Government's budget deficit stood at P458.7 billion as of end-May, narrower by 19% from the same period a year ago.

Outstanding debt stood at P12.5 trillion at the end of May, as the Duterte administration ramped up borrowings to finance its pandemic response.

As of the first quarter of 2022, the Philippines' debt-to-GDP ratio stood at 63.5%, the highest since 65.7% in 2005. This surpassed the 60% threshold considered as manageable by multilateral lenders for developing economies.

"The bigger debt in itself is not a serious problem. But the President must show credible commitment that we can sustain our capacity to pay," Filomeno Sta. Ana, coordinator of Action for Economic Reforms, said in a Messenger chat.

Mr. Sta. Ana also said he expects the President to push for "smart taxes" that have popular support and that could generate significant revenues, such as the proposed excise duties on vape products, cigarettes, and alcohol.

At the same time, Mr. Marcos needs to assure the business sector that he would address rising inflation and the peso's depreciation against the US dollar, Benvenuto N. Icamina, vice-president and chief operating officer at The Wallace Business Forum, said.

Inflation rose to a nearly four-year high of 6.1% in June, bringing average inflation to 4.4% so far this year. The peso earlier this month dropped to its weakest level in nearly 17 years.

The Bangko Sentral ng Pilipinas earlier this month raised its key policy rates by 75 basis points in an off-cycle move as it sought to contain broadening price pressures and rescue the peso.

Higher interest rates could affect private contractors in government projects, said Terry L. Ridon, convenor of InfraWatchPH.

"This is a hard cap on infrastructure firms on undertaking more projects or capital expansion, as previous profit projections based on old interest rates may not be the same anymore," he said in a Messenger chat. "The rate hike will compel them to look for other sources of funding."

INFRASTRUCTURE

Mr. Marcos may use the SONA to unveil the blueprint for his infrastructure plan.

"Expect the President to focus on a new 'Build, Build, Build' plan as a way to project that the government is output-driven," Arjan P. Aguirre, who teaches political science at the Ateneo de Manila University, said in a Messenger chat.

Bernardo M. Villegas, an economist at the University of Asia and the Pacific, said the government should focus the "Build, Build, Build" program "on farm-to-market roads, irrigation systems and other infrastructures that will help the small farmers improve their productivity and incomes.

Mr. Villegas said the country could easily achieve infrastructure resilience once the "prerequisites of agricultural development and food security are achieved."

Terry L. Ridon, convenor of InfraWatchPH, said Mr. Marcos' infrastructure talk will "ring hollow without considering the current limitations in our fiscal space and general economic situation."

"We are expecting typically general statements rather than concrete plans, with a focus on feel-good promises of delivering on its commitment to an infrastructure-focused agenda," he said.

Mr. Ridon said Mr. Marcos should also assure the public that his projects would not favor only a few countries, including China. "The Marcos government should not fall under this trap."

Also the President might fall short of discussing much-needed good governance and political reforms, said Mr. Aguirre.

"He will not be mentioning anything related to human rights, previous corruption scandals, and political repression cases," he added.

EU plans to ease crop rotation rules as global food risks mount

BRUSSELS — The European Commission on Friday proposed a suspension of EU crop rotation rules to increase cereal production and help head off a global food security crisis due to the impact of the war in Ukraine.

The European Union (EU) executive said in a statement that its plan, which followed a request from the bloc's member states, said the short-term derogation would put 1.5 million hectares of land back into production compared to today.

"The global food system faces strong risks and uncertainties stemming in particular from the war in Ukraine where in the near future also issues of food security may arise," it said. "Every ton of cereals produced in the EU will help to increase food security worldwide."

If formally adopted by EU member states, the measure will apply only in 2023 for land that would be set aside under Common Agriculture Policy rules and would exclude the planting of crops typically used for feeding animals such as maize and soy.

The Commission proposal said that, with the proposal, it had sought a careful balance between global food availability and affordability on the one hand, and protection of biodiversity and soil quality on the other. — ***Reuters***

Top position at sugar regulator contested after OIC designation

A ROW over the leadership of the Sugar Regulatory Administration (SRA) has broken out after the designation of an officer-in-charge (OIC), according to a letter signed by SRA officials and members backing the OIC.

"For the record, the OIC-administrator is now Ignacio S. Santillana on the strength of the Joint Memorandum dated July 4 which we had jointly issued in compliance with the directive of the Office of the President under (its) Memorandum Circular No. 1," according to the letter.

President Ferdinand R. Marcos, Jr.'s first memorandum circular declared vacant certain positions in the executive department.

"The former administrator, Mr. (Hermenegildo R.) Serafica, is no exception. The memorandum provides that all presidential appointees whose appointment is classified as 'co-terminous.' Certainly this applies to him," the officials added.

The letter, addressed to Agriculture (DA) Undersecretary for Operations Leocadio S. Sebastian, asserted that the administrator is a Presidential appointee.

"Therefore, the position is co-terminous with the tenure of the President. Being an appointee of the President, the tenure of Mr. Serafica ended the moment the tenure of former President Rodrigo R. Duterte being the appointing authority ended. The spring cannot rise above its source," it added.

According to the SRA corporate governance manual, the administrator position is elected annually by members of the board from within its ranks.

"But no election annually was ever held to appoint him as administrator, much less as 'appointive director,' thus his original appointment as administrator of SRA that was co-terminous to the former President remains," the officials said.

"We only acknowledge one leadership now at the SRA in the person of Mr. Santillana," it added.

The DA has also issued its own memorandum, signed by Mr. Sebastian, stating that Mr. Serafica "shall continue to hold office until their respective successors are appointed."

In an e-mail, Mr. Serafica said that Memorandum Circular (MC) No. 1 covers only certain positions, which do not include the SRA administrator.

Citing the circular, Mr. Serafica said these positions include all Presidential appointees whose appointments are classified as co-terminous; all Presidential appointees occupying positions created in excess of the authorized staffing pattern; all non-career executive service officials occupying career executive service positions; and contractual and/or casual employees.

With regard to the position being co-terminous, Mr. Serafica said that SRA administrator is an appointed director of the SRA Board.

"By provision of Republic Act No. 10149 Section 17, 'the term of office of each appointive director shall be for one year, unless sooner removed for cause. Provided, however, that the appointive director shall continue to hold office until the successor is appointed.' Thus, the administrator of SRA has a specific term of office and therefore not co-terminous," he added.

Mr. Serafica said that the position was also not created in excess of the authorized staffing pattern as it is mandated by law and included in the approved plantilla positions of the SRA.

He also said it was not a career executive service position and not a contractual or casual employee.

With regard to Mr. Santillana's designation as OIC-administrator, Mr. Serafica said that this was erroneous.

"The designation of Mr. Santillana by the three deputy administrators of SRA hinges solely on their erroneous interpretation that the SRA administrator is included among the positions declared vacant by MC No. 1," he said.

"But the fact is, the SRA administrator position is not included and does not belong to the same category as any of the four positions enumerated by MC No. 1. Again, the SRA administrator is an appointive director, appointed by the President, with a fixed term and as specified in RA No. 10149 Sec. 17, appointive directors shall continue to hold office until their successors are appointed," he added.

Mr. Serafica said that it is the duty of the SRA board members including the administrator to remain in office until the new board and administrator are appointed by the President to "prevent public convenience from suffering caused by the non-performance of SRA key functions that are dependent on the approval of the board."

"As such the designation of Mr. Santillana as OIC-administrator by the three deputy administrators, is in fact null and void from the very beginning," he said.

"In fact, because of the insistence of the deputies of SRA to not honor the holdover capacity of the SRA board, several matters have been left pending for the past weeks since they issued their joint memorandum designating their own OIC," he added.

He also noted that the memorandums issued by the DA and SRA on the status quo of leadership were not circulated to all SRA employees, stakeholders, and the media. — **Luisa Maria Jacinta C. Jocson**

Lula courts Brazil's farmers ahead of vote, angering environmentalists

BRASILIA — Former President Luiz Inacio Lula da Silva is luring allies from Brazil's powerhouse farm sector to his presidential campaign, looking to fracture his rival's base in a move that risks tensions with his own environmental supporters.

Agribusiness made big strides under Lula's 2003-2010 government, but right-wing President Jair Bolsonaro has made a powerful connection with rural interests, vowing to push Brazil's farming frontier deeper into the Amazon rainforest.

In contrast, Lula has promised "net zero deforestation" in Brazil within four years, bringing his rhetoric in line with greener thinking in Latin America's leftist circles.

Still, in the capital Brasilia last week, Lula raised eyebrows by shoring up relationships with traditional farming interests, endorsing a Senate run by lawmaker Neri Geller, vice-president of the congressional farm caucus, and meeting with Senator Carlos Favaro, who also has strong agribusiness ties.

Mr. Geller, who was farm minister under Lula's chosen successor Dilma Rousseff, told Reuters he saw more farm industry allies coming out for him, including Brazil's "Soy King" Blairo Maggi, another ex-farm minister criticized as an apologist for deforestation.

Despite Lula's double-digit lead over Bolsonaro ahead of the October election, many big names in agribusiness remain shy about talks with the leftist leader. Several farm industry leaders declined to answer Reuters' questions about their conversations with the Lula campaign.

After meeting with Lula, Mr. Geller and Mr. Favaro took heat from a farm lobby group in their home state Mato Grosso, highlighting the hazards of breaking with Bolsonaro in farm country.

Lula also got blowback from the left over the meetings. Green advocates distrust Mr. Geller for trying to loosen environmental licensing and Mr. Favaro for pushing a bill to buy time for farmers and ranchers accused of invading public lands. — ***Reuters***