

## Price hike applications for noodles, canned sardines enter final review

THE Trade department is in the final stages of reviewing petitions to raise prices from producers of canned sardines and instant noodles, among others, an official said.

Trade Undersecretary Ruth B. Castelo said during BusinessWorld Live on One News Channel on Tuesday said price hike proposals were also received by the Department of Trade and Industry (DTI) from manufacturers of canned meat, coffee, bread, and detergent.

"We are still in the final stages of reviewing our recommendations for the Secretary (Alfredo E. Pascual). We are not saying that we are definitely increasing prices because we're not yet done with the study," Ms. Castelo said.

"It could take us probably a couple of weeks for us to complete and submit our recommendation for approval, and another couple of weeks probably for the Secretary to approve and for us to (move to) publication," she added.

According to Ms. Castelo, the DTI only allows 30% of the 218 shelf keeping units that are included in its suggested retail price (SRP) bulletin to implement price increases at any one time. The DTI issued the latest SRP bulletin in May.

"We limit it to 30%... so that the consumers will find it easier to do, and will have other choices also to buy, when they go out to the supermarket," Ms. Castelo said.

Ms. Castelo said the price hike proposals cited the higher cost of raw materials



PNA/GOVPH

such as wheat, as well as the weak peso and higher logistics costs.

"We negotiate with the manufacturers, we appeal to their corporate social responsibility, so that they will agree to (raise price sin) tranches, if ever, or agree to negotiate a lower price increase, if ever," Ms. Castelo said.

Under Republic Act No. 7581 or the Price Act, the Trade Secretary is authorized to issue suggested retail prices for any or all basic necessities and prime commodities to serve as guide for consumers, producers, manufacturers, traders, dealers, sellers, and retailers. — **Revin Mikhael D. Ochave**

# Second Cabinet meeting focused on DPWH budget

PRESIDENT Ferdinand R. Marcos, Jr. on Tuesday held his second Cabinet meeting, which was focused on preparations for the 2023 budget, specifically that of the Department of Public Works and Highways (DPWH).

The meeting was held virtually after the President caught the coronavirus, Press Secretary Rose Beatriz Cruz-Angeles said in a message to reporters.

Citing the Department of Budget and Management's (DBM) presentation at the meeting, Ms. Cruz-Angeles said the national budget for 2023 will promote a "broad-based and inclusive" economic recovery. She did not elaborate.

Last week, Budget Secretary Ameh Pangandaman said the DBM is aiming to submit a P5.268-trillion budget to Congress on Aug. 22.

The DBM is keeping the 2023 spending plan within ceilings proposed by the previous administration.

The DBM has said that the 2023 budget would be geared towards agriculture and food security, climate change adaptation, economic recovery, improved healthcare and education, and enhanced infrastructure projects including digital infrastructure, among others.

At the second Cabinet meeting of the Presidential term, the DPWH dis-

cussed its plans for continuing Build, Build, Build program, Ms. Cruz-Angeles said, without discussing any possible revisions of the previous government's flagship project lineup.

Public Works Secretary Manuel M. Bonoan has said that Mr. Marcos instructed the department to weigh its priority project list towards works that improve food security.

Mr. Marcos, who heads the Agriculture department, has signaled that he will boost domestic production and rely less on food imports to address the impending food crisis, and promised to significantly raise production of rice and corn.

The Department of Transportation also discussed its priority programs and projects at the meeting, Ms. Cruz-Angeles said.

Mr. Marcos, 64, tested positive for COVID-19 on Friday. On Monday, his lead physician said in a note sent to reporters that the President was still experiencing "very mild nasal stuffiness and nasal itchiness" but his cough had disappeared.

"Additional medications were given to address his concerns and all other medicines were advised to be continued," according to the note. "He is still with no fever and body malaise."

In a separate statement released late on Tuesday, Ms. Cruz-Angeles said

concerns about workers' skills were also raised during the Cabinet meeting.

"Among the suggestions to address these standing issues include a reform of the current curriculum since the rise of automation has posed a threat to many jobs," she said.

In his presentation, Trade Secretary Alfredo E. Pascual underscored the need for a review of education curricula, Ms. Cruz-Angeles said.

Mr. Pascual said the Department of Trade and Industry (DTI) is ramping up efforts to help universities develop micro-credentialing systems to catch up with technological developments, according to the statement.

"We're developing or helping universities develop this system of micro-credentialing because technology is changing very fast. There is a need for workers to update themselves, to reskill or upskill," Mr. Pascual was quoted as saying.

Mr. Pascual also proposed to send teachers overseas for training. "Vietnam, for example, sends teachers to the United States and Europe for advanced studies," he said.

Mr. Pascual said the DTI will collaborate closely with the Department of Education, Commission on Higher Education, and TESDA to address the issue of job skills mismatches. — **Kyle Aristophere T. Atienza**

## Ports agency studying ways to implement DoTr directive to cut shipping, travel costs

THE Philippine Ports Authority (PPA) is looking into reducing port costs by reviewing statutory and regulatory expenses paid by users, Officer-in-Charge General Manager Manuel A. Boholano said, noting that the agency is under orders to effect such reductions from the Department of Transportation (DoTr).

"Our first order of business is to comply with the directive of (Transportation Secretary Jaime J. Bautista) to lower travel and shipping costs," Mr. Boholano said in his anniversary message delivered during the 48<sup>th</sup> anniversary of the agency on Tuesday.

Port users have been complaining about increasing shipping costs and the impact of higher fuel oil prices.

Shipping companies have raised their freight charges by an average of 25% starting March, logistics companies said.

"Fuel prices continued to increase with the Ukraine conflict and this pushed the group's bunkering cost to P486 million, a 43% increase year on year. Consequently, cost of sales and services escalated to P1.22 billion," Chelsea Logistics and Infrastructure Holdings Corp. said in its first quarter report.

Lorenzo Shipping Corp. said in its report for the first quarter that it saw "an increase in direct cost amounting to P796 million from last year of P711 million mainly due to soaring fuel prices."

Industrial designer Kenneth Cobonpue said during *The Chiefs* on One News program last

week that cargo shipping rates have risen significantly.

"In terms of exports, shipping, logistics (are) a big problem. Before, a 40-foot (container) shipping from Cebu to Los Angeles used to cost \$3,000. Now the price is anywhere from \$15,000 to \$18,000. That price really wipes out all the margins. That's the problem with exports," Mr. Cobonpue said.

The PPA said that any possible reduction in port-related costs will come on top of the current terminal fee exemptions enjoyed by students, senior citizens, differently-abled persons, uniformed personnel, and Medal of Valor awardees and their first-degree kin.

"Since its first application prior to the pandemic, the free

terminal fee is equivalent to a benefit (that costs) P7 million a month (on) average," it noted.

The agency also said that its ports "continue to climb out" of the pandemic, citing an increase of 130% to 20.87 million passengers handled from January to May 2022, from 9.07 million passengers a year earlier.

Containerized cargo traffic grew by 3.84% to 3.12 million twenty-foot equivalent units (TEUs) from 3 million TEUs previously.

Meanwhile, ship calls rose 13.4% for the period compared to 153,007 ship calls in the same period last year.

Total cargo volume remains flat at 101.74 million metric tons, the PPA said. — **Arjay L. Balinbin**



ZENNER BURIAL/UNSP/ASA

## PCCI notes deteriorating business conditions due to energy costs, logistics

THE Philippine Chamber of Commerce and Industry (PCCI) said business conditions have deteriorated for exporters due to rising energy costs and logistics bottlenecks.

PCCI Vice-President for Industry Affairs Ferdinand A. Ferrer said during the launch of the 48<sup>th</sup> Philippine Business Conference and Expo (PBC&E) in Manila on Tuesday that "Exporters have been hit with high energy costs, high logistics costs, as well as supply chain disruption. It's very taxing now, very challenging for exporters. It is not only in the Philippines that it is happening. It is happening globally. So, whether you are in Asia, Europe, or in other parts of the world, every manufacturing or export-oriented business is experiencing (this)," Mr. Ferrer said.

"The cost of doing business now has increased. We have to find ways to be more competitive versus our neighbors. Our neighbors are also in the same boat in trying to attract investors. We have Vietnam, Thailand, and Indonesia. That's where we really need to gear up," he added.

Mr. Ferrer, who is also the chairman of the Expo, added that many exporters are on the lookout for measures to soften the blow from their energy and logistics bills.

"The impact of high fuel charges has significantly increased the cost of manufacturing not just in the Philippines, but all over the whole world. We're on a level playing field, but for companies, it is a painful burden to pay. Everybody is trying to look for innovative ways on how to save," Mr. Ferrer said.

"Logistics costs are also very expensive. Not just the fuel. To send cargo... from here to the US... it is three and a half times (pre-pandemic levels)," he added.

"We hope that in the next six months, conditions ease up. But right now... we don't see any relief

from the Ukraine-Russia conflict," Mr. Ferrer said.

Separately, Mr. Ferrer projected the gross domestic product will grow by 6% to 6.5% in the second half, with 8% growth attainable if face-to-face classes resume.

"We're really opening up already. More businesses are confident. We are all traveling locally now. We are all spending again. All of us. I think the comfort level is getting better and better," Mr. Ferrer said.

Mr. Ferrer added that the chamber "wants to work with the new administration as partners. It cannot be government alone or businesses alone. It should be together."

"The weight of boosting the economy shall not be carried solely by the government. The business community will be its trusted anchor to keep the Philippine economy afloat as we have always been," he added.

PCCI President George T. Barcelon said that he is hoping that the first State of the Nation address of President Ferdinand R. Marcos, Jr. on July 25 will reveal the outlines of the government's plan.

"We hope that we can hear more specific deliverables... on the side of job creation and how we can attract more foreign investment not only in manufacturing but even in the agriculture sector," Mr. Barcelon said.

"The other issue that we would really like to hear is ease of doing business, streamlining (transactions with government) to make operating business easier," he added.

The PCCI will be hosting the 48<sup>th</sup> PBC&E on Oct. 19 and 20 at the Manila Hotel.

"The 48<sup>th</sup> PBC&E will be looking at how the new government will build on reform measures to strengthen the country's economic gains... and make a real difference to the economy and the Filipino people," the PCCI said. — **Revin Mikhael D. Ochave**

## Agricultural and biosystems engineering law IRR signed

THE GOVERNMENT has signed the Implementing Rules and Regulations (IRR) of Republic Act No. 10915, also known as the Philippine Agricultural and Biosystems Engineering (ABE) Act of 2016, according to an official whose board regulates the ABE profession.

"The implementation of the IRR of ABE will greatly help in increasing the food production thrust of President Ferdinand R. Marcos, Jr.'s administration," Professional Regulations Board of Agricultural and Biosystems Engineering (PRABE) Director Ariodear C. Rico said in a statement.

Mr. Rico said that the signing of the IRR will help with future partnerships and collaboration in agriculture, fisheries, veterinary medicine and foresters.

He said that the IRR has been subjected to several rounds of consultation with various Professional Regulations Boards (PRBs).

"The main issues raised during these meetings focused on overlaps and encroachment in the practice of the profession. The PRABE has taken these into consideration and addressed these concerns," Mr. Rico said.

These include a rule in the IRR which states "the board, may, after due consultations with the appropriate boards and subject to the approval of the commission, enter into a joint resolution and/or appropriate memorandum of agreement to clarify, delineate or define the interface of the activities constituting their respective professional practice."

The PRABE added that it entered a joint resolution with the PRB of Real Estate Service on Valuation. It also signed a memorandum of agreement with the PRB of Fisheries and the PRB of Foresters. — **Luisa Maria Jacinta C. Jocson**



PHILIPPINE STAR/RUSSELL PALMA

## Former DA chief says rice law made smuggling easier

THE Rice Tariffication Law must be amended to re-establish the role of the National Food Authority (NFA) as industry regulator, after the liberalization of imports opened the doors to rampant smuggling of the staple grain, former Agriculture Secretary Emmanuel F. Piñol said.

"We don't need to repeal the law. We only need to amend it. Number one, we need to bring back the regulatory and supervisory powers of the NFA over the rice industry," Mr. Piñol said on One News.

"While the government was able to collect a lot from tariffs, there is so much technical smuggling. No one is supervising what kind of rice is being brought in," he added.

Signed in 2019, the law, also known as Republic Act No. 11203, allowed private parties to freely import the grain, on which they paid tariffs of 35% on shipments originating from Southeast Asia. It also reduced the role of the NFA, formerly the primary importer of rice via government-to-government deals, to maintaining emergency rice stocks.

The Federation of Free Farmers (FFF) urged President Ferdinand R. Marcos, Jr. and the new Congress to review the law and propose amendments as necessary.

"Officials of the Department of Finance (DoF) have been insisting that law made rice more affordable by cutting the retail price by P7 per kilo, from its alleged peak of P46 per kilo during the rice crisis in 2018," the FFF has said.

"These figures were deceptive because they compared current rice prices to their levels in 2018, when prices were abnormally high due to the rice crisis," it added.

FFF National Manager Raul Q. Montemayor said that although the law allowed the entry of cheaper imported rice, the savings were mostly captured by importers and traders and were not passed on to consumers.

"Also, most of the imports were for premium rice grades for sale to well-off consumers, not the more affordable grades that NFA used to import for the poor. That is why poor consumers today are actually paying almost the same as in 2016 and 2017. To top it off, the P27 per kilo rice that the NFA used to distribute has disappeared from the market," he added.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said that he hopes the law is retained.

"The law was an important legislation passed by the previous administration and was instrumental in helping lower prices in the Philippines. Part of the law was the Rice Competitiveness Enhancement Fund (RCEF), which funds the improvement of domestic rice production," he said in an e-mail.

"Given the short-term benefits, like lower rice prices, and medium-term benefits, which is improved rice production domestically, we hope that the law will not be touched," he added.

Mr. Piñol added that he supported the decision of Mr. Marcos to take over the Department of Agriculture (DA) which would "get things going."

"I really believe that if Mr. Marcos would like agriculture to develop and flourish during his term, he should hold on to that position until the end of his term," he said. — **Luisa Maria Jacinta C. Jocson**