

Balisacan open to expanded funding for RCEF

By Diego Gabriel C. Robles

SOCIOECONOMIC PLANNING Secretary Arsenio M. Balisacan said he is open to increasing the allocation for the P10-billion-a-year Rice Competitiveness Enhancement Fund (RCEF), provided that the use of the funds is well-targeted.

"It's not just about the amount of money, but also how that money is used, and (identifying) where that problem of low productivity (and) low profitability is coming from," Mr. Balisacan told reporters after the European Chamber of Commerce of the Philippines (ECCP) luncheon meeting on Thursday.

"If (the problems are) properly understood, then I would not mind putting more money there... It's not likely that those critical problems and issues are uniform across areas of the country because the situation of farmers differs. There are areas where the problem is really about access to market because they don't have a decent road. They are isolated in islands or where the market is so far away," he added.

RCEF is a component of the Rice Tariffication Law of 2019 (Republic Act 11203), which liberalized rice importing to allow private parties to ship in the staple.

Importers must pay tariffs of 35% on Southeast Asian grain, and of these tariffs P10 billion a year over six years is set aside for RCEF.

RCEF supports the modernization of the rice industry via mechanization, the promotion of high-yield seed, the dissemination of farming best-practices, and other support activities. Funding for the modernization effort is effectively a quid pro quo for exposing farmers to more foreign competition.

Senator Robinhood Ferdinand C. Padilla last week filed a bill proposing to increase the RCEF allocation to P15 billion annually.

The bill also proposed to set aside "10% of the RCEF... for scholarships, health and other similar benefits for the rice fund beneficiaries," Mr. Padilla said.

Leonardo A. Lanzona, Director of the Ateneo Center for Economic Research and Development, said the Senate proposal might be contrary to one of the goals of the tariffication law, which is to persuade farmers to switch to higher-value crops.

"The RCEF is intended to assist the affected farmers to shift to more lucrative crops and economic activities," he said in an e-mail.

"Furthermore, scholarships should be a totally different issue and not tied to RCEF. Whether or not tariff revenues are generated,

the government should have a separate program for scholarships, health and other social protection. These are altogether different goals from RCEF," he added.

He called RCEF "a necessary measure to address the negative effects of expanding trade, particularly imports of rice and other agri products," though he noted that RCEF funding already has a natural mechanism for expansion, and should grow hand-in-hand with the actual volume of imports.

"The only limits (on funding) should be the volume of imports emerging from the markets, and the associated tariffs from these imports... the concept of the Rice Tariffication Law... is, the sectors of society who benefit from the imports pay for the loss the farmers incur in the form of tariffs. The more benefits the consumers receive from the imports, the greater the total tariffs that the farmers should receive."

Currently, Congress must identify via legislation appropriate uses of the funding should tariffs exceed the P10-billion target.

University of the Philippines Professor Emeritus Rene E. Ofreneo called for a review of the Rice Tariffication Law, which he considers a "failure."

"After the failure of the Rice Tariffication Law and RCEF to stabilize rice production after more

than three years, it is time for the Senate to focus on reviewing and overhauling the law," he said.

Mr. Balisacan also reiterated his support for the ratification of the Regional Comprehensive Economic Partnership (RCEP) as soon as possible to send the right signal to investors.

"If your neighbors are already members and you are not a member, we're going to lose. Benefits have to be seen from a broader perspective. It shouldn't be 'will rice be hit? If so, I don't want it.' You know you'll lose the benefits of the whole exercise," Mr. Balisacan said during the question-and-answer portion of the ECCP event.

Speaking to reporters on the sidelines, Mr. Balisacan said RCEP has been discussed multiple times in the cabinet, with President Ferdinand R. Marcos, Jr. being in support of the trade deal.

"The President has been briefed about the advantages and disadvantages of the ratification of the RCEP... He is in favor now because he does now see that agriculture is not shown to be adversely affected by the ratification of RCEP," Mr. Balisacan said.

Mr. Marcos has said he wants a review of the RCEP to determine whether the deal unduly disadvantages of agriculture.

In the context of the global disruption to the food supply,

"(there is) very strong pressure to go back to this old doctrine of self-sufficiency... We do think that we should, as much as possible, resist those pressures and we should not go back to that. I think there are large opportunities in expanding trade, not only without neighbors but across other countries," Mr. Balisacan said.

"There is pressure for protectionism everywhere. The truth is the global economy is still expanding, trade is still ongoing fast. So, if you could identify those areas where we can have a good chance (of being competitive). Trade has changed significantly over the last couple of decades," he added.

Mr. Balisacan said the trade deal should have been approved "noon pa (a long time ago)."

"Kasi tayo na lang ata at Indonesia ang naiwanan (Only the Philippines and Indonesia are left), and Myanmar. In the meantime, we are telling our investors 'please come in.' (but the investors reply) 'Tekla muna, 'yung neighbor mo Vietnam nag-iinvite din sa amin, mas klaro ang rules nila sa inyo. Eh di punta na lang kami doon (Wait a minute, your neighbor Vietnam is also inviting us and has clearer rules than you, so maybe we might go there instead.'"

Mr. Ofreneo said that there should be no rush to ratify the RCEP.

"The problem is most farmer organizations are against it. They see mostly the perils and very little opportunity for the farm sector," he said.

Mr. Ofreneo said the "illegal" attempt to import 300,000 metric tons of sugar last week illustrates how "trade liberalization (is) being used by big importers, smugglers, and corrupt officials to justify unwarranted imports. Local industries are silent because we're mostly focused on the services sector."

He was referring to a sugar import order issued in the President's name, which the Palace asserts was unauthorized by Mr. Marcos.

Mr. Lanzona said he agrees that RCEP must be ratified immediately.

"The goal of trade is to generate more competition, and thus more efficiency and growth. This forces the state to identify areas of comparative advantage or product differentiation and to institute the proper institutions, regulations and incentives to make this happen," he said.

"However, as in RCEF, the state should use part of benefits and growth generated by trade to compensate the adversely affected sectors. The right combination of taxes and subsidies should do the trick," he added.

'Market failure' warrants gov't intervention to upgrade sugar production

By Luisa Maria Jacinta C. Jocson
Reporter

SUGAR FARMING and milling practices need to be overhauled because yields are well below those of other countries, the head of the agriculture industry chamber said, with an analyst saying that the sector's current predicament constitutes "market failure."

"Other countries have great yields. There is room for improvement in the productivity of our yield per hectare. To do that, you need proper

irrigation... varieties, and fertilizer utilization. We need better farming methods," Philippine Chamber of Agriculture and Food, Inc. President Danilo V. Fausto said by phone.

"Some countries are able to more than double our current production yield. We can also do that if we improve the efficiency of our production," he said.

Mr. Fausto supports sugar imports allocated exclusively to food processors that intend to export their production.

"Our exporters cannot compete in the market (for) chocolate, candy, bakery goods, for the simple reason that sugar is so expensive. If we allow imports of sugar (for food processors), that would

be better. It cannot be open-ended that anyone can import. It needs to be selective," he said.

"Before we open up imports, we have to support our production efficiency, mechanization, fertilizer utilization, and good varieties of planting...if we can increase our yield through new methods, we can reach local self-sufficiency and we can (even) export. We will go for imports only for the use of (exporters). We are fighting in the export market. We can't compete because of high sugar prices," he said.

Roy S. Kempis, a retired Pampanga State Agricultural University professor, said that sugar production requires government intervention

because the necessary corrective measures will be expensive and time consuming.

"Putting up sugar mills to run again and constructing new ones take time," he said in a Viber message.

According to Mr. Kempis, the government must jump-start production by upgrading sugar mills and providing more land for sugar farmers.

"There have been massive market failures of late. Government intervention is needed to underwrite restarting mothballed sugar mills and/or constructing new sugar mills; and creating an

environment where sugarland produces cane again," he said.

He called for "long-term planning, investment, and incentives" to ensure that "prices are attractive for private investors and planters and land owners. This can be done with public policy improvements, new or strengthened laws, and no-nonsense enforcement. All these are important," he added.

Mr. Kempis said that the government must move forward with a "holistic and unifying goal" to achieve food security.

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link bit.ly/Sugar081522

Vietnam eyes \$58.7-B railway

HANOI — Vietnam is considering building a high-speed railway that runs along the country's length with a possible price tag of up to \$58.7 billion, the government said on Sunday.

The Southeast Asian country's transport ministry will next month submit a proposal to build the 1,545 km (960 miles) railway to the Politburo, the powerful decision-making body of the ruling Communist Party of Vietnam, the government said in a news release.

Vietnam, a regional manufacturing hub, is ramping up its investment in transport infrastructure to support its fast-growing economy.

The first two sections with combined length of 665 kms (413 miles) and total investment of \$24.72 billion would be open to traffic by 2032, the government said, adding that the entire project would be completed by 2045-2050. — Reuters

Shanghai to reopen all schools on Sept. 1

SHANGHAI — China's financial hub Shanghai said on Sunday it will reopen all primary, middle and high schools, kindergartens and nurseries on Sept. 1 after months of coronavirus disease 2019 (COVID-19) closures.

The city will require all teachers and students to take nucleic acid tests for the coronavirus every day before leaving campus, according to a statement published by the Shanghai Municipal Education Commission.

It also called for teachers and students to carry out a 14-day "self-health management" within the city ahead of the school reopening.

Shanghai shut all schools in mid-March before the city's two-month lockdown to combat its worst COVID outbreak in April and May.

It allowed some students of high school and middle school to return to classrooms in June while most of the rest continued home study for the remainder of the semester.

The city, the most populous in China, reported five new local infections of COVID, all asymptomatic, for Saturday, while 2,467 domestically transmitted cases were reported nationwide.

It has extended its weekly COVID-19 test requirement and extended free testing until the end of September in a bid to keep the virus in check, authorities announced on Saturday. — Reuters

N. Korea official criticizes UN chief's support for the North's complete denuclearization

SEOUL — North Korea's foreign ministry on Sunday criticized the United Nations (U.N.) Secretary-General's recent comment on his support for the North's complete denuclearization, calling the remarks lack impartiality and fairness.

North Korea's state news agency KCNA released a statement from the foreign ministry after U.N. chief Antonio Guterres on Friday said he fully supports efforts to completely denuclearize North Korea when he met with South Korean President Yoon Suk-yeol.

"I cannot but express deep regret over the said remarks of the U.N. secretary-general that grossly lack impartiality and fairness and go against the obligations of his duty, specified in the UN Charter, as regards the issue of the Korean peninsula," Kim Son Gyong, vice minister for international organizations of North Korea's foreign ministry said in a statement.

Mr. Kim added that the U.N. secretary-general should not request or accept orders

from the government of a specific country but refrain from doing any act that may impair his or her position as an international official who is liable only to the U.N. Mr. Kim said the North's "complete, verifiable and irreversible denuclearization" (CVID) was "an infringement upon the sovereignty of the DPRK," referring to North Korea by the initials of its official name, the Democratic People's Republic of Korea (DPRK).

"It demands the unilateral disarmament, and Secretary-General Guterres perhaps knows well that the DPRK has totally rejected it without any toleration," said Mr. Kim, adding that Mr. Guterres should be careful when uttering "dangerous words" amid the extremely acute situation on the Korean peninsula.

North Korea has test fired a record number of missiles this year, and officials in Seoul and Washington say that it appears to be preparing to test a nuclear weapon for the first time since 2017, amid stalled denuclearization talks. — Reuters

Ahunan launches 'Tayo Na Pakil' community development program



Tayo Na Pakil launch. DENR-CENRO Sta. Cruz Laguna OIC Venerando Garcia (seated left) and Ahunan Power Inc. President Rafael Bueno, Jr. sign the Letter of Intent for a proposed partnership on tree planting and watershed management in support of the government's National Greening Program. Standing as witnesses are local government officials of Pakil.

As part of its development agenda for Pakil in Laguna, Ahunan Power Inc. (Ahunan) launched a corporate social responsibility (CSR) program dubbed "Tayo Na Pakil," a celebration of what the future holds for the municipality. Ahunan is a subsidiary of Prime Infrastructure Capital, Inc. (Prime Infra), the infrastructure arm of Enrique K. Razon, Jr.

Tayo Na Pakil takes on a community-centered approach focused on education, environment, heritage, and wellness, and will benefit thousands of Pakil residents.

"Ahunan's CSR program reflects the commitment of Prime Infra for its host communities, to build better lives and resilient economies. It also highlights the cooperation and partnership between Ahunan and the Pakileños working towards the development and progress of the municipality," said Guillaume Lucci, President and CEO of Prime Infra.

Present at the launch held August 3, 2022 at the Pakil Elementary School were Department of Environment and Natural Resources - Community Environment and Natural Resources Office (DENR-CENRO) Sta. Cruz, Laguna Officer-in-Charge Venerando Garcia, Pakil Mayor Vincent Soriano, Pakil Central School Principal Arnel Macabasco, Ahunan President Rafael Bueno, Jr., barangay officials and health workers, elementary public school teachers, and community facilitators, among others.

As part of its greening efforts, Ahunan and DENR-CENRO Sta. Cruz, Laguna signed a letter of intent for a proposed partnership on tree planting and watershed management in support of the government's National Greening Program.

"We are pleased to be part of this celebration—the Tayo Na Pakil community development partnership. As we know, (Ahunan's) project aims to supply energy not just in Pakil, but in the whole province of Laguna as well...The municipality of

Pakil is very fortunate because of this project; and on our part, we fully support this undertaking," said Garcia.

Ahunan is in the pre-development stage of its 1,400-megawatt pumped storage hydroelectric power project in Laguna. In June, the company was granted Original Proponent status by the Manila Electric Company in relation to its offer to supply 500 megawatts of mid-merit power.

Ahunan also donated materials and supplies for facility repairs to Pakil Elementary School to kick off its educational assistance through the Brigada Eskwela program.

Other planned activities under the five-year Tayo Na Pakil program are medical missions, livelihood and technical skills training, and sports and youth development.

Pakil Mayor Soriano said he is grateful for the thousands of livelihood and employment opportunities that will be created out of Ahunan's projects and programs.

"Within three or five years and beyond, Pakileños will no longer have problems in sending their kids to school or having access to medical care because they will have sources of income" he said.

"We are thankful to Ahunan Power Inc. because you included Pakil in your corporate social responsibility program," Soriano added.

