Cebu BRT phase 1 contract awarded to Chinese company

By Arjay L. Balinbin
Senior Reporter

CHINA's Hunan Road and Bridge Construction Group Ltd. bagged the contract for the first phase of the World Bank-funded bus rapid transit (BRT) project in Cebu City, according to the Department of Transportation (DoTr).

The notice of award was issued on Nov. 2 to Guo Yangxiao, the general manager of Hunan Road and Bridge, according to a copy of the document obtained by *BusinessWorld*. The company is based in Changsha City, Hunan Province.

The contract, which is worth P919.658 million, has two major components: the construction of the BRT infrastructure, including trunklines, sidewalk improvements, stations, and other appurtenances, from the Cebu Capitol to the existing South Bus Terminal and an urban realm enhancement, consisting of a link to the port, along Osmeña Boulevard.

"You are requested to furnish the performance security within 28 days," Transportation Undersecretary for Administration and Finance Kim Robert C. de Leon said in his letter to the Chinese company.

According to the Philippine Information Agency, Hunan Road and Bridge is also undertaking the P2.43-billion Camalaniugan Bridge project, which will connect Aparri and Camalaniugan in Cagayan Province. The company's Philippine partner is Agafer Construction and Trading.

The prospective bidders that attended the pre-bid conference for the first package of the Cebu BRT project in March 2021 were Aboitiz Construction, Inc., Megawide Construction Corp., Makati Development Corp., Socor Construction Corp., Marubeni Corp., China Civil Engineering Construction Corp., and Ascentia Construction, Inc.

The full Cebu BRT project, which is also funded by the Agence Française de Développement, and the Philippine government, has three packages. The first package, which will start in 2023, will have four stations.

According to the DoTr, the BRT project is part of the "basket of solutions" for Metro Cebu's transport situation.

Such solutions include "pedestrian access and urban realm revitalization for the city," the department said.

The objective of the project is "to improve the overall performance of the urban passenger transport system in the project corridor in terms of the quality and level of service, safety, and environmental safety," it added.

Visitor arrivals exceed 2 million since February reopening of borders

VISITOR arrivals since the Philippines eased its border restrictions exceeded 2 million two weeks into November, according to the Department of Tourism (DoT).

The DoT said in a statement on Tuesday that it tallied 2.025 million visitor arrivals as of Nov. 14, consisting of 1.487 million foreign tourists and 538,078 returning overseas Filipinos.

The DoT added that visitor arrivals in the February to September period generated P100.7 billion in visitor spending, much higher than the year-earlier P4.94 billion.

The government removed many entry requirements for foreign visitors starting Feb. 10.

Tourism Secretary Maria Esperanza Christina G. Frasco said the arrival totals exceed the DoT's forecast of 1.7 visitors for 2022.

"This goes to show that there is huge demand for travel into our beautiful country and that the Marcos administration's prioritization of tourism is placing our country on the right track to recovery," Ms. Frasco said.

"We therefore must (continue to) convey not only the country's openness to welcome more tourists but also conduciveness to tourism business and livelihood opportunities for our fellow Filipinos," she added.

According to the DoT, visitors' countries of origin were led by the US at 385,121, equivalent to 19.01% of the total, followed by South Korea with 285,583 (14.10%), Australia 96,297 (4.75%), Canada 89,248 (4.41%), and the UK 77,267 (3.81%).

Other leading nationalities were Japanese at 75,564 (3.73%), Indian 41,292 (2.04%), Singaporean 39,801 (1.97%), Malaysian 35,128 (1.73%), and Vietnamese 32,970 (1.63%). — **Revin Mikhael D. Ochave**

PHL poverty reduction strategy focused on job quality, safety nets

THE government's approach to reducing poverty will focus on enhancing the quality of jobs and expanding social protections, the Palace said.

Acting Press Secretary Cheloy Velicaria-Garafil added that the government remains confident that it can reduce the poverty rate to 9% by the end of President Ferdinand R. Marcos, Jr.'s six-year term.

"The 9% goal by 2028 will be accomplished by bringing growth to a higher level, (creating) quality jobs and improving the social protection system, among others," Ms. Velicaria-Garafil said in a statement after Mr. Marcos met with the National Economic and Development Authority.

Socioeconomic Planning Secretary Arsenio M. Balisacan was quoted in the statement as saying that "growth and jobs and paying attention to social protection to address shocks like typhoons and crises (will) enable us to achieve faster reduction of poverty from where it is today to the single digits."

Bringing down the poverty rate to 9% by 2028 is achievable even with the uncertain global economy and the challenges of inflation, Mr. Balisacan said.

The poverty reduction target was first announced by Finance Secretary Benjamin E. Diokno in July, when inflation rose to 6.4% from 6.1% in June. In August, Mr. Balisacan said the government was on track to meet the poverty goal.

The World Bank forecast in October a Philippine poverty rate of 17.1% this year, against 18.1% in 2021.

In a separate statement, the Office of the Press Secretary said the government will present the Philippine Development Plan (PDP) for 2023 to 2028 next month. This is the first time the PDP will be presented before the start of the first full year of a sitting President.

"It will come out next month and we already briefed (the President) on the major elements... the key elements of those plans, and he provided comments, suggestions moving forward," Mr. Balisacan was quoted as saying.

The plan involves "actionable strategies" to develop the domestic market considering its potential for attracting investment, according to Ms. Velicaria-Garafil.

Mr. Marcos asked that the plan "address the concerns of... local markets," Mr. Balisacan said, to ensure "that they receive the same assistance."

Mr. Marcos told Cambodian business leaders in a roundtable discussion last week that domestic markets and manufacturers are among his priorities.

Last month, Mr. Balisacan said sustained "inflation shock" could cut gross domestic product by 0.6 percentage points in 2023. Inflation rose to 7.7% in October from 6.9% a month earlier.

The Global Multidimensional Poverty Index of the United Nations and Development Program and the Oxford Poverty and Human Development Initiative indicates that the "multidimensional" poor in the Philippines or those who "suffer from multiple disadvantages" aside from low income, accounted for 5.8% of the population in 2020, equivalent to 6.503 million people.

The monetary poverty index, meanwhile, came in at 2.7% of the population. Monetary poverty refers to those living below the $1.90-per-day poverty threshold in 2011 purchasing power parity terms. — **Kyle Aristophere T. Atienza**

Customs exceeds 2022 collection target

THE Bureau of Customs (BoC) said on Tuesday that it has surpassed its 2022 revenue collection target, based on preliminary estimates.

As of Nov. 11, the bureau collected a record P745.5 billion, exceeding its 2022 target by 3.32%.

All 17 collection districts hit their respective collection targets, the bureau said.

The BoC exceeded its target for a 10th straight month in October, when collections for the month hit P75.5 billion.

During the 10-month period, collections hit P714.3 billion.

The BoC said it continues to focus on streamlining its processes to encourage trade flows and thereby attracting investment in the Philippines, while minimizing revenue leakage and upgrading border security. — **Luisa Maria Jacinta C. Jocson**

New BIR commissioner sworn in

ROMEO D. Lumagui, Jr. has been sworn in as the Commissioner of Internal Revenue, after having served as the agency's deputy commissioner of operations, the Palace announced.

Mr. Lumagui, a tax lawyer, took his oath on Tuesday, the Office of the Press Secretary (OPS) said in a statement.

Mr. Lumagui headed various task forces at the Bureau of Internal Revenue (BIR), such as the Assets Recovery Task Force, which generated collections of P833.69 million, and the Task Force on Direct Selling/Multi-Level Marketing and Investment Scams, where assessments totaled P792.56 million, the OPS said.

He has served as technical assistant to the commissioner, and tax fraud head for Revenue Region No. 6 (Manila), Revenue Region No. 4 (Pampanga), and Revenue Region No. 7B (East National Capital Region).

He also served with the BIR's project management and implementation service, which develops and oversees the BIR's modernization program. — **Kyle Aristophere T. Atienza**

MAP urges Senate to act on RCEP after 10-month delay

THE Management Association of the Philippines (MAP) said the Senate must immediately ratify the Regional Comprehensive Economic Partnership (RCEP) agreement, citing the risk of losing out on foreign investment should further delays ensue.

"Foreign investors will favor locating in other RCEP countries, including those already in the Philippines, who are likely to move their business out of the country the longer we delay ratification," MAP said in a statement on Tuesday.

"All told, we risk not only failing to attract new investments and trade opportunities; we are also likely to lose those we now have to those already in RCEP," it added.

The RCEP, which started coming into force in the various member countries on Jan. 1, is touted as the world's largest free trade agreement involving Australia, China, Japan, South Korea, New Zealand and the 10 members of the Association of Southeast Asian Nations (ASEAN).

The Philippines is one of two countries yet to ratify RCEP, along with fellow ASEAN member Myanmar. One of the other holdouts, Indonesia, signed on at the end of August.

"We have already lost 10 months of ability to compete on equal footing with our ASEAN and Asian partners already in RCEP in attracting foreign investment as they capitalize on the shift by a number of MNCs to seek alternative locations for their manufacturing sites," it said.

MAP noted that the delay in signing onto the agreement deprives domestic producers of easier access to global markets and easier trade flows due to the agreement's simplified rules of origin.

"The threat of likely diversion by their buyers of their business to other members already in RCEP is very real," it said.

The Philippines failed to sign on to RCEP in the previous Congress due to concerns by some Senators over the absence of safeguards for agriculture.

Federation of Free Farmers President Leonardo Q. Montemayor has said the RCEP approval effort "highlight(s) its benefits in terms of market access opportunities (but) conveniently downplays, if not deliberately conceals (a) crucial caveat that any tariff concession from our trading partners under RCEP will not be exclusive to the Philippines, and will in fact be available to all other RCEP member countries."

"This means that there is no guarantee that we will be able to avail of and benefit from such opportunities especially if competing countries who are also part of RCEP are more competitive, dependable, and efficient than us," he added.

MAP described as "misplaced" opposition from the agricultural sector, noting as well that sensitive agricultural products remain protected under the Philippines' commitments to RCEP. These products include rice, pork, poultry meat, potatoes, onions, garlic, cabbages, sugar, and carrots. "All will retain the restrictions they currently enjoy," it said.

"Both the DTI (Department of Trade and Industry) and the Department of Agriculture (DA) have explained that membership in the Agreement opens up further export opportunities for our agricultural products, without exposing ourselves to an imagined flood of farm imports feared by opponents," it added.

Senator Imelda Josefa Remedios R. Marcos, who chairs the Senate Foreign Affairs Committee, has said that the DA's track record of preferring imports instead of developing productive farms has been cited as a potential deal-breaker within the chamber.

The DA has "an unparalleled record of reckless importation, which is why stakeholders are very fearful," she said at a hearing.

Agriculture Assistant Secretary-designate for Policy, Research and Development Noel A. Padre contends that the DA's mandate of ensuring food security takes heed of the necessity of improving domestic productivity, describing one of the strategies being pursued as "distributing our domestic production from surplus areas to deficit areas."

"We encourage imports only when domestic production is not enough to address our demand," he added. "With respect to the agriculture and fishery sector under RCEP, we assure the committee that we will continue to engage our stakeholders."

Trade Secretary Alfredo E. Pascual said last week that the Marcos administration is determined to sign up to the agreement. "President Ferdinand R. Marcos, Jr. is committed to ratify it."

The chamber has asked the executive branch to send formal notice of its endorsement of the treaty.

"Apparently, there have been no formal letters or endorsement of RCEP with this admin except that the President was the one who asked me to pass it," Senate President Juan Miguel F. Zubiri said at the floor. "We can't act on anything that's not on our table."

Senator Juan Edgardo M. Angara has said key Senate officials commit to accelerating the process with colleagues in the executive branch.

"The Philippines cannot afford not to be in RCEP, as part of what promises to be the most important economic grouping in the world," MAP said.

"It is time that we got on board and proactively exploit the wealth of opportunities it offers the Filipinos in terms of expanded jobs, increased incomes, and better lives," it added. "We strongly urge our honorable Senators to ratify RCEP now." — **Alyssa Nicole O. Tan**