

Kadiwa stores to continue until food inflation eases

THE government wants to keep its low-cost Kadiwa food outlets in operation until February or March, when it expects food inflation to ease, President Ferdinand R. Marcos, Jr. told reporters in chance remarks on Thursday.

"Once we get to a point where it's no longer necessary, where the prices in the markets are the same as what we can give in the Kadiwa, then we don't need the Kadiwa anymore," he said.

"Maybe, just for distribution of goods in far-flung areas, that is where we can revive the old pro-

gram of mobile Kadiwa stores," he added. "But we're not there yet; for now we are still trying to propagate (the store network)."

Kadiwa stores are an ad-hoc network of outlets run by the Department of Agriculture (DA). They can offer lower prices because the DA can buy in bulk, bypasses middlemen, and pays for transport.

Mr. Marcos is concurrently the Agriculture agency.

"We go directly to the suppliers. The government does not need to earn anything, that is why the goods are cheaper," the Presi-

dent said. "This is the advantage of the Kadiwa."

Mr. Marcos said he wants the Kadiwa project to expand through partnerships with local government units.

The agriculture program is supported by the Department of Trade and Industry, Department of the Interior and Local Government, Department of Social Welfare and Development and Department of Labor and Employment.

Headline inflation rose to 7.7% in October from 6.9% a month earlier. Economists said higher

prices of food and non-alcoholic beverages reflect the crop damage caused by recent typhoons.

Three storms hit the country in early October and their corresponding agricultural damage costs were as follows: Super Typhoon Karding, P3.12 billion and a combined P594.02 million for Tropical Depression Maymay and Typhoon Neneng.

In the last four days of October, Severe Tropical Storm Paeng also caused agricultural damage of over P6.4 billion. — **Kyle Aristophere T. Atienza**



PHILIPPINE STAR/WALTER BOLLOZOS

Fix for education setbacks during pandemic expected to cost P25B each year

SETBACKS to the education system will require remedies which are expected to cost P25 billion a year, just to bring future graduates to a job-ready skill level, an Education department official said.

"It would take at least P25 billion per year. We have to spend more. We're very far away from the intended spending needed for our students,"

Department of Education Undersecretary and Chief of Staff Epimaco V. Densing III said at the BusinessWorld Economic Forum in Taguig City on Tuesday.

He said the 2023 education budget of P710.6 billion implies spending of P25,000 or \$400 per student, well below the spending of about \$2,000 to \$3,000 per capita spending in comparable countries.

According to Mr. Densing, the Philippines has three to five years to reverse the declining trend in education, which was worsened by the long school closures during the pandemic, coupled with a lack of access to technology.

The World Bank tagged the Philippines as among the worst in the region in learning poverty, with nine of 10 Filipinos unable to read and understand short, age-appropriate texts by age 10.

A 2020 study by the Philippine Institute for Development Studies also found that just a little over 20% of K-12 senior high school graduates were adequately equipped to enter the workforce.

Mr. Densing recommended that the private sector help the government develop a curriculum suited to industry demands.

Cris T. Ngo, learning design manager at Phinma Education, sees a "large underserved market that wants to study," from children in remote areas lacking learning resources to working

students or employees with little time to take classes.

"Who do we traditionally exclude from our learning systems? Maybe we weren't asking that question as much before the pandemic but now we saw that

if we want to be inclusive in education, we have to meet where our learners are," Ms. Ngo said.

Students, regardless of level, should be trained to study independently, said Maria Cynthia B. Bautista, vice-president for academic affairs at the University of the Philippines.

"Industry must recognize competence and forget the diploma. We also have to enhance technical education," she said. While these points are already part of both public and private institutions' plans to improve the Philippine education system, they have not been executed fully, she said.

"We are not an implementing culture. We are a planning culture. We plan all sorts of things but when we translate what we plan we don't really follow through," she added.

According to Ina Jacinto-Gervasio, entrepreneur-in-residence for KodeGo and EdVenture of Globe Telecom, Inc., the current learning gap is due to a lack of access to technology, which the private sector can help improve.

"We're trying to step in as much as we can ... to provide internet and hardware to students, but it's not nearly enough," she said.

KodeGo, an online tech bootcamp, and EdVenture, an online tutorial platform, are both arms of 917Ventures, Globe's venture incubator.

"We have a term in startups called bias toward action. Maybe that's the same thing we need in education," said Ms. Jacinto-Gervasio. — **Brontë H. Lacsamana**

Luzon grid placed on yellow alert once more after five power plants report forced outages

THE National Grid Corp. of the Philippines (NGCP) issued a yellow alert over the Luzon grid on Thursday after five power plants experienced forced outages while three others were operating at less than their rated capacities.

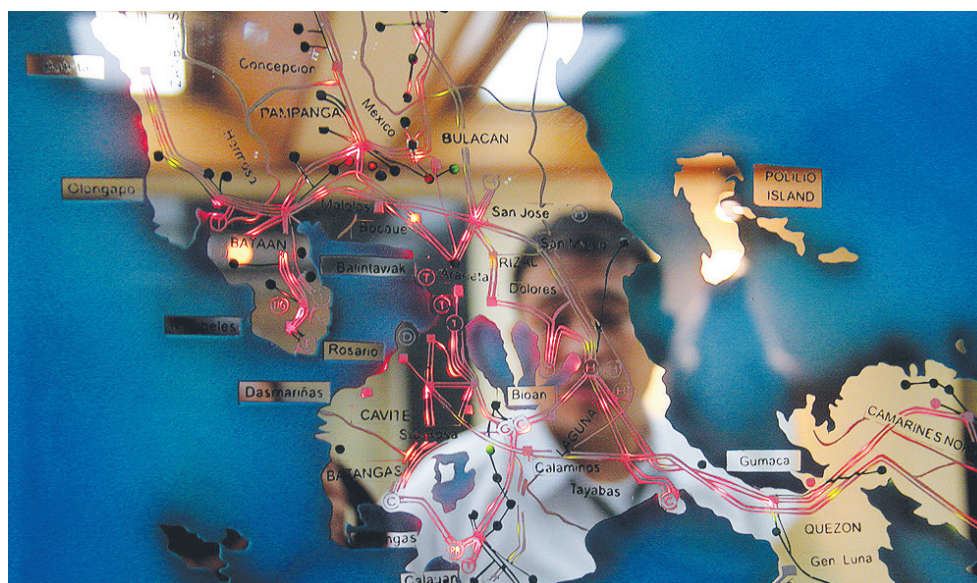
The NGCP initially raised the yellow alert for the 1 p.m. to 8 p.m. period. The grid operator said capacity available was 11,166 megawatts (MW) while peak demand was 10,455 MW.

The NGCP said that a total of 2,115 MW worth of power was rendered unavailable to the grid.

The grid operator lifted the alert at 1 p.m. due to increase in generation capacity.

On Monday, NGCP also declared yellow and red alerts on the Luzon grid after the forced outages of six power plants, which prompted the Department of Energy to ask the Energy Regulatory Commission (ERC) to investigate.

"The red and yellow alerts that occurred last Monday are under evaluation. We expect an updated report from our team next week. For this set of outages today, report will be submitted to the Commission in two weeks," ERC Chairperson and Chief Executive Officer



BW FILE PHOTO

Monalisa C. Dimalanta said in a Viber message to *BusinessWorld* on Thursday.

Yellow alerts are issued when reserves fall below a designated safety margin. Red alerts are issued when the supply-demand balance deteriorates further, signaling the possibility of rotational brownouts.

Ms. Dimalanta noted that the ERC will issue a show cause order if warranted.

"Penalties are issued if explanation is not valid, but more importantly we see how causes can be addressed to avoid further outages," she added. — **Ashley Erika O. Jose**

Wet-market ban on sale of imported salmon, pompano under review

THE Department of Agriculture (DA) is reviewing the ban on selling salmon and pompano in wet markets, a spokesman said on Thursday.

"We will revisit FAO 195 (to determine whether) we have to amend or improve (the fisheries order). We do not have a confirmation yet but we are considering a moratorium (on the sale of the fish)," Rex C. Estoperez, DA deputy spokesperson, said on Thursday.

Fisheries Administrative Order (FAO) No. 195, issued in 1999, only allows hotels, restaurants, and other companies to sell fish like salmon and pompano. The policy was intended to reduce wet-market competition from imports for fishermen.

The Bureau of Fisheries and Aquatic Resources (BFAR) last week gave vendors until Dec. 3 to sell their imported pompano and salmon inventory. The BFAR said that starting Dec. 4, pompano and salmon sold in wet markets are subject to confiscation.

Mr. Estoperez said a final policy on confiscation will be announced "before Dec. 4."

"We decided to consider a moratorium, considering the clamor of consumers, and legislators, (and review) FAO 195 and other regulations... we need to check if this policy is still suitable for us now," he said.

"These imported fish... hurt the tilapia and bangus industry," he added.

Separately, Mr. Estoperez said the pork supply is sufficient, which does not appear to be reflected in the market prices.

"We have enough pork, but the question is... why are prices continuing to rise," he said, adding that the price behavior might reflect other costs such as transport and feed.

The Bureau of Animal Industry has said that it expects a minor shortage in the domestic pork supply before the holidays. — **Ashley Erika O. Jose**

Investment pitches target Japan pharma, agriculture companies

THE Department of Trade and Industry (DTI) said it is seeking to attract more Japanese pharmaceuticals and life sciences investments, while also inviting more Japanese participation in modernizing Philippine agriculture.

In a statement on Thursday, the DTI said its Philippine Trade and Investment Center (PTIC) in Osaka and the Board of Investments held a roadshow for potential investors on Nov. 18.

The PTIC is also seeking to attract investment in auto and electric vehicle manufacturing, innovation and research and development, and infrastructure development.

The PTIC added that it met with firms based in the Kansai region involved in making precision metal parts and components, high-end garments manufacturing, precision plastics and components, and software.

According to the PTIC, its investment promotion efforts are also being directed at small and medium

enterprises, which account for 99.7% of all companies in Japan. Many of these firms belong to the supply chains of larger groups.

"This is particularly important as there is a pressing need to significantly improve the country's manufacturing supply and value chain ecosystem to support the presence of major manufacturing conglomerates already operating in the country, as well as to attract the entry of new players and reduce dependence on imports in the sourcing of manufacturing imports and raw materials," the PTIC said.

The Philippine Statistics Authority lists Japan as having the third-most approved foreign investments in the Philippines in the second quarter with P6.51 billion. The Netherlands posted P19.04 billion and Singapore P15.89 billion during the period. — **Revin Mikhael D. Ochoa**

Philippines slips in budget transparency ranking

By **Luisa Maria Jacinta C. Jocson**
Reporter

THE Philippines placed 19th out of 120 countries in the Open Budget survey, which gauges the transparency of government spending, falling nine places from the previous survey in 2019.

"The survey assesses transparency of how public resources are raised and spent; opportunities for participation in budget policy decisions; and oversight by independent legislatures and audit institutions," Suad Hasan, program officer of the Open Budget Initiative, said in a virtual briefing on Thursday.

In terms of transparency, the Philippines earned a grade of 68 out of 100.

Transparency measures the ability of the public to access information on how the government raises and spends resources. It assesses the availability, timeliness and comprehensiveness of budget documents.

"A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget. The Philippines has a score of 68; we are above this performance standard," Francisco A. Magno, who teaches development stud-

ies and political science at De La Salle University, said.

"The Philippines is no longer in the top 10, but we all understand that the country has been champion in the region. There are some really clear and simple measures that would put it back in the top ten performers," Ms. Hasan said.

Mr. Magno said that the government failed to publish on time its mid-year budget review, one of the eight budget documents assessed under the transparency criteria.

"We should prioritize publishing the mid-year review on time and in terms of content and provide more detailed information in the year-end report," he added.

The Philippines scored 35 out of 100 in the public participation indicator, which gauges the opportunities for the public to engage during the various cycles of the budget process.

"We scored 35, but we are still better than others. We are the leader in Southeast Asia, ahead of Malaysia at 26," Mr. Magno said.

He recommended that the government expand mechanisms during budget formulation and implementation to engage civil society organizations or members of the public who wishes to participate in the process.

He also added that Congress should allow any member of the public to testify during its budget proposal hearings and audit report hearings.

The pandemic impacted the public participation mechanisms of governments, Ms. Hasan said.

"While we note as far as transparency is concerned, there was little impact (from) the pandemic, which could be attributed to digitalization and resilience; this has not happened in participation," she said.

"In-person participation spaces were impacted by the pandemic," she added, noting that digital spaces for participation should be pushed to take advantage of the region's high level of internet penetration.

In the budget oversight category, the Philippines scored 74 out of 100. The indicator examines the role that legislatures and audit institutions provide in the budget process and the extent that they exercise oversight.

"To improve further oversight, the legislature should debate budget policy before the executive budget proposal is tabled and approved. It's also important for offices to be active in this process of studying the budget so policy can be studied and discussed even before approval," Mr. Magno said.

Ms. Hasan noted that important gaps remain worldwide.

"No country in the survey meets the minimum standards for adequate accountability on all three measures," she said.

"Only eight countries out of 120 have formal channels to engage with underserved communities in the budget process. This was seriously compromised in the pandemic," she added.

In a pre-recorded message, Budget Secretary Amenah F. Pangandaman said the government is working on further digitalizing the budget process.

"In all previous budget engagements, in all the reforms the DBM has initiated, and in all fiscal policies formulated, we have always underscored the importance of having an open budget system, one that is transparent, fosters public participation, and has adequate budget oversight from the legislative and audit institutions," Ms. Pangandaman said.

"We hope to fast-track our initiatives to digitize government processes and transactions through the implementation of the Integrated Financial Management Information System, as well as the enactment of the Progressive Budgeting for Better and Modernized Governance Bill, which shall institutionalize the Cash Budgeting System," she added.

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