

# Visitor arrivals expected to approach pre-pandemic levels in 2023

THE Philippine Travel Agencies Association (PTAA) is expecting international visitor arrivals in 2023 to approach pre-pandemic levels if no further global disruptions materialize.

Michelle G. Taylan, chair of the PTAA 30<sup>th</sup> Travel Tour Expo 2023, told *BusinessWorld* on the sidelines of a briefing in Quezon City on Tuesday that the group projects international visitor arrivals of about 7 million this year.

In 2019, the Philippines admitted 8.26 million international visitors,

according to the Department of Tourism (DoT).

"I am very positive since with all the developments like continuous increase in travel spending, especially with the reopening of countries like China, Japan, and Korea, I think we can record more or less 7 million tourist arrivals, nearing pre-pandemic levels," Ms. Taylan said.

The DoT's own target for international visitors this year is at least 4.8 million. The Philippines did away with most of its pandemic-related border restrictions

in February 2022, resulting in 2.65 million international arrivals last year.

"Our tourism stakeholders... keep on promoting the Philippines. The Tourism Promotions Board and the DoT are joining international events and expos. The effort (helps) travel agencies, to sell our various destinations," Ms. Taylan said.

"I am confident since we are more than ready to assist and to give the best service to our foreign tourist arrivals, with the support of the govern-

ment especially in terms of safety," Ms. Taylan said.

The United Nations World Tourism Organization (UNWTO) said in its latest World Tourism Barometer that the reopening of other Asian markets and destinations, including China, will aid in the recovery of international tourism in 2023.

"International tourism is expected to consolidate its recovery in 2023, backed by pent-up demand, particularly in Asia-Pacific (APAC) region," the UNWTO said.

"The recent reopening of several Asian source markets and destinations will contribute to consolidating the recovery in 2023. The removal of COVID-19 travel restrictions in China, the world's largest outbound market in 2019, is a significant and much welcomed step to the recovery of the tourism sector in APAC and worldwide," it added.

According to the UNWTO, international tourist arrivals are projected to hit 80% to 95% of pre-pandemic levels in

2023. It estimated that over 900 million tourists traveled internationally in 2022, down 37% from 2019 levels.

Ms. Taylan said the PTAA will stage the 30<sup>th</sup> Travel Tour Expo 2023 and the 8<sup>th</sup> International Travel Trade Expo at the SMX Convention Center in Pasay City between Feb. 3 and 5.

She said the PTAA is targeting foot traffic of 80,000 to 100,000 during the three-day event, which is anticipated by consumers because of the travel deals on offer. — **Revin Mikhael D. Ochave**

# Marcos says red tape tops foreign investor concerns

PRESIDENT Ferdinand R. Marcos, Jr. cited red tape and power costs as the top issues raised by foreign investors.

Responding to a question from a media panel on Monday about transparency concerns surrounding his administration, Mr. Marcos said: "They bring up ease of doing business, they bring up the cost of energy, they bring up the problems of legislative guarantees. Those who are actually contemplating putting good money in the Philippines have other issues," he said. "Accountability and transparency are not an issue."

Nonetheless, Mr. Marcos said it was "axiomatic" that governments should uphold accountability and transparency, adding, "Who's going to argue with that?"

"Problems relating to the ease of doing business and legislative guarantees fall squarely within investor concerns on accountability and transparency," Terry L. Ridon, a public investment analyst, said via chat when asked to comment.

"These are major governance issues which make the country less desirable for foreign investment, despite the assurances of the President during his international roadshows."

Mr. Ridon said ease of doing business concerns do not only include delays in securing regulatory permits and licenses but also include "the intentional delay in various agencies and local governments with the expectation of grease money to expedite proceedings."

He said concerns about legislative intervention are serious governance and accountability concerns, citing legislators' refusal to renew the franchise of broadcaster ABS-CBN Corp. during the previous administration.

"We had seen in recent years the intentional revision and expiration of legislative franchises as a result not of business losses but due to political considerations," Mr. Ridon said.

"Foreign investment cannot have a governance climate under these conditions, and it is the President's role to untangle these issues, if he hopes for an expansion in foreign investment."

Leonardo A. Lanzona, who teaches economics at Ateneo De Manila, said the issues cited by foreign investors "all require accountability and transparency."

"A country that has all the necessary requirements for develop-

ment is a country that has already achieved the optimal level of accountability and transparency," he said via chat.

The Marcos administration should learn from its predecessor whose goals, according to Mr. Lanzona, "were precisely to ease the cost of business, reduce energy costs and create a unified legislative system (but) without transparency and accountability."

"The former administration did not generate enough investment for the country. More than axioms, these are key ingredients to the country's development."

Mr. Marcos returned from the Swiss mountain resort of Davos where he attended the World Economic Forum. He announced upon his arrival that the government has secured new investment pledges as a result of its efforts in Davos.

At the Monday briefing before the media panel, Mr. Marcos said "the bureaucracy has to be streamlined" to meet the government's ease of doing business goals.

"Let's digitalize the government... that will take us a long way (in terms of) ease of doing business."

Mr. Marcos added that the key to resolving the issue of power costs is understanding that the power supply is not keeping pace with demand.

"The demand for power far exceeds the supply that we are producing. And there is also a problem in distribution which is why the prices are so high," he said. "That has to be fixed also."

Mr. Marcos said he sought to attract power investors during his foreign trips. "Of course, we are stressing renewables because we're trying to improve the mix of power generation between traditional (power sources) and renewables."

The President defended his foreign trips, asking journalists to consider the problem from the point of view of return on investment — "Do we bring something back or do we not?"

When pressed whether his government would disclose how much his foreign trips cost, Mr. Marcos said it will happen "once we've calculated everything."

The President confirmed he will attend the Asia-Pacific Economic Cooperation summit, scheduled for November in the US. — **Kyle Aristophere T. Atienza**

# US touts possible role in PHL nuclear transition

US AMBASSADOR Mary Kay L. Carlson said Washington is moving forward with talks that would unlock US assistance for the Philippines' transition to nuclear energy.

In a speech before the Makati Business Club (MBC) on Tuesday, Ms. Carlson said signing a "123 agreement" — referring to Section 123 of the US Atomic Energy Act — would pave the way for US assistance in starting up a Philippine nuclear power industry.

According to the US Department of Energy, 123 Agreements with US partners facilitate the transfer of US nuclear material and equipment, and permit cooperation in technology transfer, scientific research, and safeguards discussions.

Section 123 is mainly concerned with ensuring that foreign nuclear programs are for "peaceful use," and not intended to lead to a nuclear weapons program.

"Our governments agreed to hold in the coming weeks the first official consultations to prepare for 123 agreement negotiations," she said. "Completing a 123 agreement will allow for greater civil nuclear cooperation, including the export of nuclear technology."

"This will be the first step in bringing nuclear power to help address the Philippines' energy needs," she added.

The US is also planning multiple trade missions in 2023, Ms. Carlson said.

"These will bring US exporters involved in agriculture, energy, technology and other industries to the Philippines to explore business opportunities," she said.

"In May, we will also take Philippine companies interested in investing in the US to the SelectUSA Investment Summit," she added, inviting members of the MBC to participate.

She said a US company is currently exploring setting up in the Philippines a service center that would generate company that had plans to invest in a Philippine-based service center, creating over 1,000 jobs. She did not provide details.

"They credited, in their words, the positive tone of the relationship, particularly President Marcos' outreach, as one reason for their investment plans," she said, referring to Philippine President

Ferdinand R. Marcos, Jr.'s investment promotion efforts in a visit to New York last year.

US Embassy Counselor for Economic Affairs David Gamble, speaking at the forum, said US companies already in the Philippines are continuously trying to find ways to expand their operations, adding though that their main concerns remain high electricity costs, red tape and difficult logistics in an archipelago of over 7,000 islands.

"Just that alone to a foreign investor is daunting, right? And so is getting people... through that initial red tape with the LGUs (local government units) and getting all their various business permits," he said. "We're ready to work with the Marcos administration to find ways... to ease getting that business up for the first time... Their first successes are really key to trade investment," he added.

Ms. Carlson noted that government-to-government collaboration goes hand-in-hand with private-sector engagement.

"Economic relationships between countries are not determined by governments alone," she said. "Governments like to take credit for things like trade and investment, but the fact is, our countries would not have either without the private sector."

Ms. Carlson also pitched the Indo-Pacific Economic Framework (IPEF), noting that its pillars and its collaborative assessment method is "a better way to address some of the same issues because a lot of the problems with trade are not simply the actual tariffs, but the non-tariff barriers that are usually not as clearly addressed in a trade agreement and can be very problematic."

Mr. Gamble added: "When we look at where the Philippines wants to go and where it's going already, looking at things like... data centers and the digital economy, existing trade mechanisms don't really address some of these issues really well."

The IPEF, launched in May, counts as participants the US, Australia, Brunei, Fiji, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Vietnam. — **Alyssa Nicole O. Tan**



# Net metering proposed to address rising power prices

THE Energy Regulatory Commission (ERC) said on Tuesday that the aggressive implementation of a net metering program will help insulate customers from rising electricity prices.

"While the program demonstrates potential savings in electricity cost and protection from bill shock, actual data shows the need for more aggressive efforts to promote and implement the program in many parts of the country," the ERC said in a statement.

Net metering allows power users that generate their own electricity via renewable energy to sell some of their excess power to the grid, credited against their power bills. The program is open to users with a capacity of up to 100 kilowatts (kW).

"Through the installation of solar photovoltaic (PV) panels up to 100 kW, house owners and commercial establishments can enroll in the program with their respective distribution utility to realize savings while providing in part for their own consumption," the ERC said.

At the end of 2021, the ERC tallied 7,583 net metering participants — 6,120 in Luzon, 1,168 in the Visayas, and 295 in Mindanao. The net metering program has been running since 2013.

"The ERC is confident that there will be a significant increase in the net metering program," it said.

The ERC said it has no specific targets for net metering participants this year.

"We can encourage more end-users to sign up via information campaigns so consumers will be aware of what net metering is all about, how to join and highlight the benefits," the ERC said. — **Ashley Erika O. Jose**

# Feed millers bat for corn industry modernization

THE Philippine Association of Feed Millers, Inc. (PAFMI) said the government needs to modernize the corn industry in light of increasing demand for animal feed.

"A national corn development program that encompasses the whole value chain starting from the farm until the produce reaches the market and industrial users will allow the country to reduce its dependence on imports," PAFMI said in a statement on Tuesday.

The group said it welcomes the Department of Agriculture's Corn Production Enhancement Project, which has a yield improvement target of 3% a year.

PAFMI, composed of over 30 feed millers, said: "Corn is an integral ingredient in the manufacture of feed for the livestock and poultry industry," adding that corn imports have risen over the last decade, crowding out domestic corn from the market.

Last month, President Ferdinand R. Marcos, Jr. signed Executive Order No. 10, ex-

tending lower tariffs on pork, rice, corn and coal until Dec. 31.

The import dependency rate "needs to be substantially trimmed to single digits to insulate the country from the adverse effects of any (supply disruptions)," which "leaves the country vulnerable to global supply imbalances," PAFMI said.

The association cited a 2022-2023 corn supply outlook issued by the National Corn Program, indicating that domestic production is expected to account for 57% of the country's needs.

PAFMI said that a "comprehensive long-term corn development program" needs to modernize farming practices and develop harvest and post-harvest infrastructure.

This year, PAFMI said the Agriculture department is estimating domestic corn output to hit 7.56 million metric tons (MMT), of which 6.35 MMT is expected to be used in animal feed. — **Ashley Erika O. Jose**

# Agencies' budget utilization rate rises to 98% in 2022

THE cash utilization rate posted by government agencies hit 98% at the end of December, the Department of Budget and Management (DBM) said.

In a report on Tuesday, the DBM said the National Government, local governments and state-owned firms used 98% of the P4.42 trillion in funding allocated to them based on the year-end tally for Notices of Cash Allocation

(NCAs). The year-earlier utilization rate was 96%.

The remaining unused NCAs totaled P82.63 billion at the end of December.

According to the DBM, line departments used 97% of their NCAs, leaving P81.58 billion unused.

The departments of National Defense and Transportation, Office of the Ombudsman, Commission on Audit, Commission on Human Rights, and the

Judicial branch were at 100% usage for the year.

Meanwhile, the Department of Information and Communications Technology posted the lowest utilization rate of 72%.

Budgetary support to government-owned companies as well as allotments to local government units were 100% used. During the year, local governments were issued P225.96 billion.

NCAs represent approval from the DBM to disburse funds allocated to agencies. NCA utilization is deemed a proxy for effective spending on programs and projects.

At the end of November, the budget release rate was 97.4%.

The government initially planned a P5.024-trillion budget for the year, but subsequently raised it to P5.15 trillion. — **Luisa Maria Jacinta C. Jocsnon**

# Births, deaths decline in nine months to September

REGISTERED births and deaths declined 20.6% and 38.6% year on year respectively in the nine months to September, the Philippine Statistics Authority (PSA) said on Tuesday.

According to preliminary data from the Vital Statistics Report births totaled 783,199 during the period, with the Calabarzon region (Cavite, Laguna, Batangas, Rizal, Quezon) accounting for the largest share of 15.2%.

Central Luzon and the National Capital Region (NCR) followed with 12% and 11.2% shares, respectively.

Registered deaths declined to 418,027 during the period, led by Calabarzon (15.2%), Central Luzon (12.2%), and the NCR (11.8%).

In a separate statement, the statistics authority reported that Ischaemic heart diseases remained the leading cause of death during the period, with 77,173 cases (18.5% of all deaths), against 117,503 a year earlier.

Cerebrovascular diseases and neoplasms followed with a 10.3% and 10.2% shares of the total, respectively.

Deaths associated with coronavirus disease 2019 (COVID-19), declined further to 9,749 or 2.3% of the total, making it

the 11<sup>th</sup> leading cause of death in the nine months.

A year earlier COVID-19 was the cause of death in 63,182, or 9.6% of the total. That year it was the third leading cause of death.

Metro Manila had the most number of deaths related to COVID-19 with 3,444 cases, or 24.8% of the total.

The Bangsamoro Autonomous Region in Muslim Mindanao reported the least number of COVID-19 deaths with 38 cases during the period.

Within the NCR, Quezon City had the most COVID-19 deaths, accounting for 19.1%

of the 659 cases. This was followed by the City of Manila (16%); and Pasig (10.1%).

Deaths in which COVID-19 was not verified totaled 4,134, or 1%.

Vital Statistics data also reported that the number of registered marriages increased 13.1% in the nine months to September to 286,555. Calabarzon accounted for 14.7% of the total, followed by Central Luzon (11.9%) and Metro Manila (11.8%).

The PSA's COVID-19 death tally was based on death certificates lodged with health officers at the local government unit level. — **Bernadette Therese M. Gadon**The Vital