

# Gov't investment target from Japan trip P150B

THE PHILIPPINES is expected to obtain P150 billion in investment pledges during President Ferdinand R. Marcos, Jr.'s official visit to Japan.

"We are expecting that substantial returns in terms of new projects, the value of which we currently estimate at P150 billion, and we estimate too these will generate employment for 8,000 Filipinos," Philippine Ambassador to Japan Mylene J. Garcia-Albano

told ABS-CBN News Channel on Tuesday.

Ms. Albano said Mr. Marcos is set to meet executives from electronics, semiconductor, printer and wiring harness manufacturing companies.

Companies from these industries "comprise the bulk of our industrial relations with Japan," she said, adding, "They will discuss how the private sector, the Japanese investor companies, the government and other

stakeholders can work more closely together to ensure the success of these businesses in the Philippines."

Foreign Affairs Assistant Secretary for Asia and Pacific Affairs Nathaniel Imperial in an earlier briefing said Mr. Marcos will be attending roundtable and business meetings, as well as a business conference to be held on Feb. 9 and 10.

Ms. Albano also noted the expected "signing of several letters

of intent and agreements which are expected to significantly expand Japanese investments."

Mr. Marcos is expected to sign seven key bilateral deals.

"During the visit, we anticipate the signing of seven key bilateral documents or agreements covering cooperation in infra development, defense, agriculture and information and communications technology — areas that are in the President's priority agenda," Mr. Imperial said.

The government is set to sign the exchange of notes on loan agreements for the North-South Commuter Railway project from Malolos, Bulacan to Clark International Airport, and from Manila's Tutuban station to Calamba, Laguna.

"This will involve around \$3 billion worth of loans that will be later signed also by the Department of Finance (DoF)," Mr. Imperial said.

Also on the list are agreements on humanitarian assistance

and disaster relief cooperation between the Department of National Defense and its Japanese counterpart.

Japan is the only country with which the Philippines has a bilateral free trade agreement — the Japan Economic Partnership Agreement. Japan is the Philippines' second-largest trading partner, third-largest export market and third-largest source of exports. — **Alyssa Nicole O. Tan**

# Farmers call for gov't-backed push to make industry competitive under RCEP

AGRICULTURE industry representatives said the government has not adequately supported farmers in achieving competitiveness against imports, which they called a necessary step before opening up the market under the terms of the Regional Comprehensive Economic Partnership (RCEP).

During a Senate hearing on the world's largest free trade agreement on Tuesday, United Broiler Raisers Association President Elias Jose M. Inciong said: "What will provide true protection is competitiveness... the reason why we did not become competitive, the reason why we are so prone to imports, the reason why the agriculture sector cannot provide adequate supply is because of the dereliction of duty of the NEDA (National Economic and Devel-

opment Authority and the DA (Department of Agriculture) in the implementation of the overall design of the WTO (World Trade Organization)," he said.

He was referring to the trade regime the Philippines signed on to in 1995, which guarantees market access for foreign commodities up to a minimum volume.

"There is no path for development for the sector; however, the path is very wide for import development," he added.

Mr. Inciong compared the current pitch to join the RCEP with the campaign to join the WTO, noting that only features benefiting importers were implemented while provisions specifying domestic support were neglected.

The last major commodity to be opened up to imports was rice. The Rice Tariffication Law

opened up rice imports to private parties, who had to pay tariffs of 35% on Southeast Asian grain.

Of these tariffs, P10 billion a year is allocated to the Rice Competitiveness Enhancement Fund (RCEF), which supports the industry's modernization by funding mechanization, upgraded seed, and rice cultivation know-how, among other things.

Mr. Inciong said the rest of the farm industry as well as fisheries have yet to undergo modernization, and added that database support for the industry remains inadequate.

"Whenever we have hearings here and at the House, on tariffs and the like, 30% of the time, there is a debate on the correctness of the data," Mr. Inciong said.

"We could produce all of these products but because we

did not do our homework, we become more and more reliant on imports, and that will be the scenario in RCEP," Raul Q. Montemayor, national manager of the Federation of Free Farmers, said.

He noted that the agricultural trade deficit continues to grow despite claims of adequate protection provided by trade deals.

"They told us that there was nothing to worry about because tariffs will not go down, but we have seen over the past few years that the agricultural trade deficit has ballooned to \$90 billion," he said.

Under RCEP, he added, 84% of agricultural tariff lines will have zero tariff protection.

Trade Assistant Secretary Allan B. Gepty said the trade deal only calls for the additional liberalization of 33 tariff lines to four

trade partners, with most other commodities already subject to other free trade agreements.

"Mr. Montemayor is correct to say that we have trade deficits, that's the reality. In fact,... as early as the '60s, deficit in trade and goods has been creeping in," he said.

However, "before we characterize deficits, we have to consider that importing is not outrightly wrong," he added. "As long as what you're importing is being used for consumption, like food security, then it's good since you're giving food to the people."

Mr. Gepty said that between 2018 and 2020, the Philippines mostly imported, at a deficit, cereals including rice, prepared animal fodder, miscellaneous edible preparations, meat and edible meat offal, and dairy products.

"We are at a deficit because we need them and we don't have them here, so we import them," he said. "Importing is good if you will use these inputs to farms or for further production."

Trade Secretary Alfredo E. Pascual, speaking at the hearing, said that while he recognizes the concerns raised, "it is important to understand the bigger picture and view RCEP in terms of the opportunities it can bring to us."

"We are situated in a dynamic region of the world and we cannot afford to remain out of its further economic integration," he said. — **Alyssa Nicole O. Tan**

## FULL STORY

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## ASEAN MENTORSHIP FOR ENTREPRENEURS NETWORK KICKS OFF ITS REGION-WIDE IMPLEMENTATION



The Philippine delegation to the ASEAN Business Advisory Council presented updates on the ASEAN Mentorship for Entrepreneurs Network (AMEN), its legacy program from the Philippines chairmanship in 2017. AMEN is the regional version of Go Negosyo's Kapatid Mentor ME program, scaled up to be implemented in all ten ASEAN countries and now translated into seven languages. In the photo are (first row, left to right) Go Negosyo Senior Adviser Engr. Merly T. Cruz, HE Siti Azizah, HE Kiya Masahiko, Go Negosyo founder Joey Concepcion, Arsjad Rasjid PM, HE Kao Kim Hourn, and HE Sidiharto R. Suryodipuro. The presentation was held at the Handover Ceremony Dinner of the ABAC chairmanship from Cambodia to Indonesia, held simultaneously with the 95th ABAC meeting and the 21st Joint Business Council Meeting.

A region-wide entrepreneur mentoring program is set to be rolled out across the ASEAN this February, bringing formal training to millions of micro-, small and medium enterprises in the region.

The ASEAN Mentorship for Entrepreneurs Network (AMEN) is a modules-based training program facilitated by accredited mentors and designed for MSMEs. "It can be likened to an MBA program for MSMEs," said Joey Concepcion, the founder of the Philippine Center for Entrepreneurship — Go Negosyo. The non-profit originated the blueprint for AMEN, and patterned it after its Kapatid Mentor Micro-Enterprises (KMME), which it implements together with the country's Department of Trade and Industry. The KMME program has been



Go Negosyo founder Joey Concepcion addresses the ASEAN Business Advisory Council during the Handover Ceremony held in Jakarta last January 30.

implemented in the Philippines since 2016, and has since produced more than 12,000 graduates. AMEN is the legacy project from the Philippines chairmanship of the ASEAN in 2017, where Concepcion serves as chair.

At the Handover Ceremonies of the ASEAN Business Advisory Council (ABAC) held in Jakarta Indonesia last January 30, Concepcion reiterated the importance of MSMEs in achieving inclusive economic prosperity in the region, and the role of AMEN in making this possible.

"We must embrace these MSMEs," he told the gathering of ASEAN officials, diplomats and some of the region's most successful businessmen. "It is our responsibility as big business to help [MSMEs] move up the ladder," he said. "As we scale them up, your businesses will also scale up," he said. Upgrading and upskilling MSMEs, he said,

"As we scale them up, your businesses will also scale up," he said. Upgrading and upskilling MSMEs, he said, can have a great impact on the region's economies, and help achieve greater equality and prosperity for all.

There are more than 70 million MSMEs in the ASEAN, and they are estimated to be responsible for generating 85 percent of the jobs and 45 percent of the GDP in the region.

AMEN aims to certify and train at least ten mentors from each ASEAN member state, and mentor at least 30 MSMEs from each ASEAN member state. AMEN was first piloted in Malaysia, Indonesia and the Philippines. For its ASEAN-wide implementation, AMEN will be translated into seven languages, namely Khmer, Indonesian, Lao, Bahasa Malay, Burmese, Thai and Viet.

In his speech before the ABAC, Concepcion thanked the Government of Japan, which funded AMEN through two grants: US\$347,396 in March 2019 for its pilot phase, and US\$333,943 in March 2022. Both grants were made through the Japan-ASEAN Integration Fund (JAIF).

The Japanese Ambassador of Mission to ASEAN Kiya Masahiko congratulated AMEN's proponents for the success of its pilot implementation and the commencement of its second phase. He also expressed his support of the prioritization of MSMEs as beneficiaries of ABAC, adding that the ASEAN is Japan's largest investment destination in the East Asian region.

"It will will contribute to narrowing the gap, which is very important in this region," he said. "Growth is important, but equity and fairness and inclusivity, that is a priority for this year's ASEAN BAC," he said.

AMEN's approach is a Public-Private Partnership system to help micro- and small enterprises scale up their operations and make them profitable and sustainable through a region-wide sharing of entrepreneurship knowledge, and linking to markets and financial services. "With AMEN, we can help ASEAN MSMEs realize their potential to enhance and grow the region into a more united, cooperative and integrated economy," said Concepcion.

Overseeing the AMEN will be JAIF, together with the ASEAN Business Advisory Council (ASEAN BAC), and the ASEAN Coordinating Committee on MSMEs (ACCMSME).

## Nestlé concerned about RCEP impact on bulk of coffee growers

NESTLÉ Philippines said the Regional Comprehensive Economic Partnership (RCEP) may not be beneficial to the entire coffee industry, after specialty growers said the trade agreement could be an opportunity for the part of the sector that can successfully market its beans with distinctive geographical indications (GIs).

"We believe that overall, RCEP will boost free trade among its participants, especially those with competitive exports," Nestlé Philippines said in a statement.

"In the case of the Philippine coffee sector, however, our farmers are supplying only 15% of domestic demand, and the coffee sector as a whole currently cannot export green coffee beans or processed coffee. Alongside opening the market to free trade, it is imperative for government to continue supporting, as we are doing for the long term with our Nescafé Plan, the development of increased efficiencies, productivity, and incomes of Filipino coffee farmers beyond subsistence levels, and to adequately meet local demand."

Over the weekend, specialty coffee growers told *BusinessWorld* they see opportunity if the Philippines participates in the trade deal, with their beans likely to gain access to markets like Japan and South Korea, which are not covered by the Philippines' current free trade agreements.

They said the key to the specialty beans market is whether the Philippines can establish a system of GIs to differentiate their high-end beans from the rest of the market.

Nestlé Philippines, which supports growers that supply it with robusta beans, which are made into Nescafé instant coffee, said in a statement that the state of the industry currently cannot support exports, and that government

aid remains necessary if coffee farmers are to be exposed to foreign competition.

"Our farmers are supplying only 15% of domestic demand, and the coffee sector as a whole currently cannot export green coffee beans or processed coffee. Alongside opening the market to free trade, it is imperative for government to continue supporting, as we are doing for the long term with our Nescafé Plan, the development of increased efficiencies, productivity, and incomes of Filipino coffee farmers beyond subsistence levels, and to adequately meet local demand," it said.

It called on the government and the industry to continue to be "guided by the Philippine Coffee Roadmap, and with sustained interventions by the public and private sectors collaborating to address key challenges."

Such a development path will help the industry "rise to its full potential, including self-sufficiency and even exportation in the future."

It said it supports the industry via the Nescafé Plan, which it described as "a multi-year pilot project involving smallholder farmers has significantly increased their yields. Average production rose from 235kg/hectare in 2018 to close to 900kg/hectare in 2022. The project stands as a concrete example of a successful public-private partnership. With government and other coffee stakeholders, we will continue to work towards further increasing farmers' yields and incomes."

RCEP is a trade deal involving the 10 ASEAN countries, Australia, China, Japan, South Korea, and New Zealand. It started taking effect in the various member-countries on Jan. 1, 2022.

The Philippines has yet to join the trade deal, with the Senate yet to give its concurrence amid objections from most of the agriculture industry.

## Rice affordability to hinge on stronger ASEAN trade

THE PHILIPPINES needs to strengthen its trade relationships with the rest of the Association of Southeast Asian Nations (ASEAN) to ensure access to affordable rice, an agricultural economist said.

"We have to strengthen our ASEAN trade relations to ensure rice availability and affordability...," Karlo Fermin S. Adriano of the Ateneo de Manila University Economics department said. "Now, why do we need to ensure rice availability and affordability? Because we are basically a rice country."

"When rice prices increase, there's a panic (which is outsized in comparison to

other expensive commodities) Even if prices of onion are soaring, there's not much panic compared to rice," he added.

In a briefing before the Makati Business Club on Tuesday, Mr. Adriano, an advisor to the Department of Agriculture (DA), said the DA's "rice-centric budget" has led to the underperformance of the agriculture sector overall.

He said that an average of 50% of the DA budget was given over to rice in the 2017-2022 period, leading to the "neglect of the non-rice agriculture commodities." — **Sheldeen Joy Talavera**

## FULL STORY



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