Employers say time to deliver on RCEP promises to farmers

THE Employers Confederation of the Philippines (ECoP) said the approval of the Regional Comprehensive Economic Partnership (RCEP) means the focus must now turn to delivering on the safeguards promised to farmers and other businesses exposed to more foreign competition.

"What we should really address now are the safeguards that we have promised the farmers... our support for the interest of the farmers in terms of supply of better seed and fertilizer and... water the whole year round... so our farmers can really be competitive," ECoP President Sergio R. Ortiz-Luis, Jr. said in a statement on Tuesday.

"The treaty itself is okay, but the way we implement things sometimes is different (and) whatever we say in black and white sometimes doesn't happen especially in the area of smuggling," he added.

Billed as the world's largest free trade agreement (FTA), RCEP was ratified by the Senate on Feb. 21. Participating countries are entitled to trade goods with minimal to zero restrictions on quantity, tariffs, or import taxes.

RCEP started taking effect on Jan. 1, 2022. The participating countries include the 10 members of the Association of Southeast Asian Nations (ASEAN), Australia, China, Japan, New Zealand, and South Korea.

The FTA involves about a third of the global economy and will remove 90% of tariffs charged by the participating countries before the trade deal took effect.

Mr. Ortiz-Luis said that the government should also address smuggling after signing up for RCEP.

"Smuggling will still be a problem with or without tariffs. This can make the lives of the farmers difficult," Mr. Ortiz-Luis said.

He added that he expects exporters will find it easier to comply with the requirements for accessing preferential tariffs following the consolidated of the ASEAN rules of origin.

"In the export sector, we are looking at opening up markets because of the lower tariffs; we are expecting that it would help us," Mr. Ortiz-Luis said.

Separately, Philippine Competition Commission Chairman Michael G. Aguinaldo said in a Feb. 27 briefing that the government needs to provide further support to farmers with the advent of RCEP.

"One of the concerns would be... that (farmers) might be on the losing end because there's the fear that agricultural products might flood the market. It would depress prices. Good for the consumer but bad for the farmer," Mr. Aguinaldo said.

"The solution doesn't lie in not ratifying the RCEP but in the government providing the needed support in terms of financing and technology so our farmers can upgrade their operations and be able to compete with other countries," he added. — **Revin Mikhael D. Ochave**

NEDA's Balisacan warns Congress not to pursue legislated wage hikes

THE National Economic and Development Authority (NEDA) does not support proposals to legislate higher wages, Secretary Arsenio M. Balisacan said at a House hearing on Tuesday.

"Increasing wages by legislation does more damage," Mr. Balisacan said at a hearing of the appropriations committee in the presence of the government's other economic managers.

He was responding to remarks by Deputy Minority Leader France L. Castro.

"Inflation keeps increasing, but our wages remain small. Our people's purchasing power does not increase... so what can our economic managers do to increase people's wages?" Ms. Castro told the panel.

Mr. Balisacan said that the expanding economic activity through investment can help increase wages.

"The safest thing to do is to increase wages by way of expanding economic activity, and that means a lot of investment in labor," he said.

"It's harmful to the economy if wages are forced to increase by legislation. If wages rise not because the demand for labor is high compared to the supply of labor, then the Philippines will be hurt (in terms of) competitiveness," he added.

"If wages rise not because of productivity, how can we export and how can our products become more competitive? if we cannot export, we cannot increase economic activity," he added.

Mr. Balisacan said that agriculture needs to be made more productive "by investing in the right places, farm to market roads, tech, access to markets, and not forcing increase in wages by legislation."

Mr. Balisacan told *BusinessWorld* that Congress should focus on passing priority measures to address growth and inflation concerns.

"There are priority measures that need legislation. We have 10 that are supposed to be passed by end of session and 20+ more after that. (Through this we hope to) shape the next budget for 2024 in ways that are very responsive to the constraints to growth," he said.

The Legislative-Executive Development Advisory Council said that its priority measures include the Maharlika Investment Fund bill, the proposed Internet Transactions Act/E-Commerce Law, the Salt Industry Development bill; a bill condoning unpaid amortization and interest on loans of agrarian reform beneficiaries; and a bill amending the law allowing a three-year fixed term for Armed Forces of the Philippines senior officials.

The other priority measures include amendments to the Build-Operate-Transfer Law to increase engagement via Public-Private Partnerships; and bills creating a Philippine Center for Disease Prevention and Control, a Medical Reserve Corps and a Virology Institute.

Speaker Ferdinand Martin G. Romualdez told the House panel, "I reiterate the Congress' willingness to work hand-in-hand, to be marching in lockstep with the executive in pursuing the solutions to the economic challenges that the country faces." — **Beatriz Marie D. Cruz**

China durian export deal expected to generate $150M

THE Bureau of Plant Industry (BPI) said on Tuesday that a China durian export agreement is expected to generate $150 million this year from the 50,000-metric ton order.

"We are expecting about $150 million from our initial export of (fresh) durian this year. Of course, this depends on our good production and compliance with the requirements of the government of China," BPI Officer-in-Charge Director Gerald Glenn F. Panganiban said at a Laging Handa briefing.

He said the target is to generate around P240 million, but the final value will be determined by whether durian farmers can meet the volume requirements. He expects farms to expand to service Chinese demand.

According to Mr. Panganiban, the BPI has endorsed 59 registered farms, five licensed packing facilities, and five licensed exporters for the China trade and expects more to become compliant.

"We don't have limit on exports. As the durian exporters have said, the Chinese market is undersupplied relative to demand," he said.

Apart from durian, Philippine agricultural exports to China include banana, mango, avocado, young coconut, cocoa, coffee, okra and asparagus.

The Philippines has been exporting fresh durian to Hong Kong, Japan, Malaysia, Saudi Arabia, Singapore, Thailand, the United Arab Emirates, and Vietnam. — **Sheldeen Joy Talavera**

Planters call for seizure of Batangas sugar shipment

SUGAR planters said the Sugar Regulatory Administration (SRA) must seize the 5,000 metric tons of refined sugar landed in 260 containers at the port of Batangas on Feb. 9, which had arrived prior to the issuance of a formal sugar order.

In a joint statement on Monday, Aurelio J. Valderrama, Jr. of the Confederation of Sugar Producers Association, Enrique D. Rojas of the National Federation of Sugarcane Planters, and Danilo A. Abelita of the Panay Federation of Sugarcane Farmers said that the SRA needs to act with haste against the Batangas shipment, which they consider "an illegal importation of sugar."

"This case of smuggled sugar represents a clear threat to the Philippine sugar industry, because it opens the door for sugar imports, in violation of established procedures and guidelines under existing laws, rules, regulations and regulatory issuances," the planters groups said.

Agriculture Undersecretary Domingo F. Panganiban has said that he interpreted a memorandum from the Office of the Executive Secretary to mean that immediate sugar imports have been authorized, and that he had acted in response to the urgency of the supply situation.

Sugar imports typically must be covered by a sugar order issued by the SRA. Sugar Order No. 6 took effect on Feb. 18, authorizing imports of 440,000 metric tons of the commodity, part of which will serve as a buffer stock to dampen volatility in sugar retail prices.

"If left uncorrected, (the unauthorized imports) will encourage further abuse of discretion and the granting of undue advantage to favored individuals or businesses," the planters added.

The planters urged the SRA to exercise its mandate and file criminal charges over the Batangas imports, alleging violations under Republic Act 10845 or the Anti-Agricultural Smuggling Act of 2016.— **Sheldeen Joy Talavera**

NIA to work with DPWH to fast-track irrigation, flood control projects

THE National Irrigation Administration (NIA) said it will work with the Department of Public Works and Highways (DPWH) to fast-track flood mitigation and irrigation projects, as directed by President Ferdinand R. Marcos, Jr.

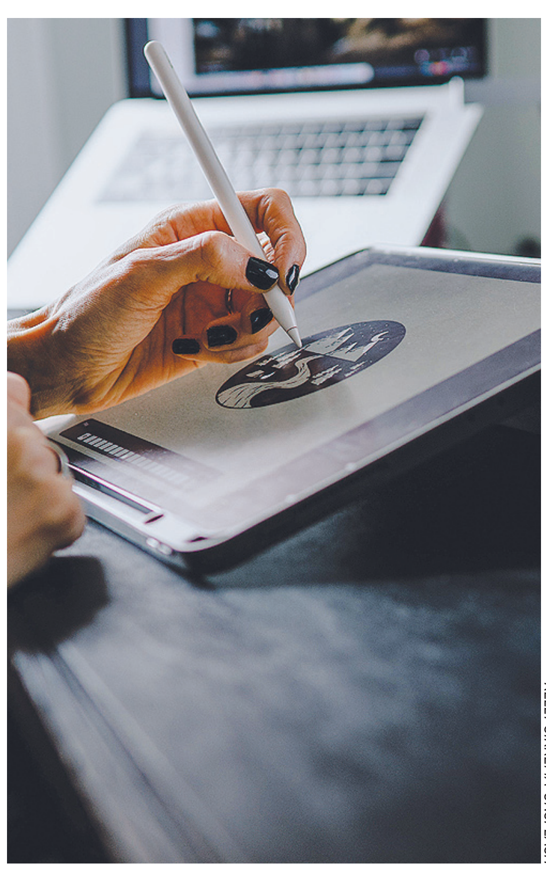
"This is a convergence effort. Of course, if NIA does this alone, we will not be able to handle it. The DPWH will help us. Their focus would be on flood control projects," NIA Acting Administrator Eduardo Eddie G. Guillen said at a Palace briefing, adding that NIA would focus on climate change adaptation projects as they relate to water management.

He said the flood-control initiative will call for more dams to be built to improve water management; in turn the dams will be tapped for irrigation.

He said that the NIA can irrigate around 2 million hectares of agricultural land but sought aid in maintaining service to 1.2 million hectares, citing the need to upgrade irrigation facilities.

He said he will seek to find a way to work with limited funds while leveraging collaboration with the DPWH, which is well-funded.

Mr. Guillen estimated that a P200-billion program of dam building has the potential to "change the agricultural landscape." — **Sheldeen Joy Talavera**



KELLY SIKKEMA-UNSPLASH

Members of creative industries to be trained in protecting IP

THE Intellectual Property Office of the Philippines (IPOPHL) said it will undertake four projects this year seeking to train workers in the creative industries on protecting their intellectual property (IP).

In a statement on Tuesday, the IPOPHL said that the projects will be carried out under the banner of the Bureau of Copyright and Related Rights' (BCCR's) copyright plus program, which has an overall budget of P1.35 million.

"We're hopeful that the copyright plus program will continue to encourage artists to share their creative stories and efforts, while also becoming ambassadors for copyright — and IP as a whole — in their communities," BCCR Director Emerson G. Cuyo said.

The first project was proposed by Lakan Media Creatives Creative Director Terence G. Gonzalves, which is seeking to create a seven to 10-minute documentary on protecting copyright for short indie filmmakers.

A second project, by Balangay Entertainment, Inc.'s Nicanor P. Valdez, hopes to conduct IP education in the form of a tabletop card game.

The third project, by Kwentoon Founders Juan Diego Songco and Isabelle Songco, involves an online visual storytelling training workshop on IP for aspiring writers and artists.

The fourth project, by Komiket Co-Founder Paolo Herras, is a workshop for storytelling in graphic novel form.

"The creative reputation of Filipinos is well-known globally. This is why IPOPHL is constantly finding ways to encourage our countrymen to nurture and develop their creative prowess while also pushing them to register their creative works so that they can protect their copyrights," IPOPHL Director General Rowel S. Barba said. — **Revin Mikhael D. Ochave**

Gypsum board maker bats for zero tariffs on raw material to stimulate domestic production

A PROPOSAL to reduce tariffs to zero for imports of natural gypsum will stimulate domestic production of gypsum board, a construction material used in drywall, and lower prices for consumers, Knauf Gypsum Philippines, Inc. told the Tariff Commission (TC).

"All other competitors are imported and they have the capacity to bring down their prices. That is why we are seeking a tariff exception because that would also bring our prices down," Knauf Philippines Marketing Head Charlene Bonalos said during a Tariff Commission hearing on Tuesday.

WWW.FACEBOOK.COM/KNAUFGYPSUMPH

Knauf is the only gypsum board manufacturer in the Philippines. Gypsum boards are in drywall because they are fire-resistant.

The TC said in a notice on Feb. 10 that Knauf Philippines petitioned to reduce the most favored nation tariff rate on natural gypsum to 0% from 3% under ASEAN Harmonized Tariff Nomenclature 2022 subheading 2520.10.00.

Regina Palad, Knauf Philippines manager for compliance, said the zero tariff would help make the company's offerings more competitive against imports.

"With the zero tariff, it will cost less to produce," Ms. Palad said, adding that the benefit to consumers will be a wider selection of products.

According to the TC, imports of natural gypsum hit 406,170 metric tons (MT) in 2022, down 39%.

Between 2018 and 2022, the Philippines imported 2.9 million MT of natural gypsum, with 54.1% sourced from Oman, 43.3% from Thailand, and 2.6% from Australia, the US, China, and Egypt.

Knauf Gypsum Philippines produces gypsum board and jointing compounds. Some of its products include acoustic panels, ceiling tiles, and acoustic suspension systems.

The TC set a deadline of March 10 for position papers on Knauf Philippines' petition. — **Revin Mikhael D. Ochave**

Fair trade complaints down 10% in 2022

THE Department of Trade and Industry (DTI) said fair trade complaints declined 10% in 2022 to 27,947 cases due to the deterrent effect of more frequent inspections.

In a statement on Tuesday, the DTI said its Fair Trade Enforcement Bureau (FTEB) "processed 5,687 cases deemed to be under its jurisdiction, of which 5,070 were resolved."

The FTEB also issued 40,855 licenses, permits, authorities, and accreditations last year.

The FTEB inspected 750 supermarkets and groceries in Metro Manila last year to gauge the supply of basic necessities and prime commodities as well as the compliance of establishments with the suggested retail price bulletin.

"The FTEB also tightened market surveillance to ensure compliance with the Consumer Act of the Philippines (Republic Act [RA] No. 7394), the Price Act (RA No. 7581 as amended by RA No. 10623), and the Law on Products Standards (RA No. 4109)," the DTI said.

Meanwhile, FTEB monitoring and enforcement teams also inspected 19,680 establishments last year, resulting in the confiscation of P68.54 million worth of uncertified products, up 839%. — **Revin Mikhael D. Ochave**