Health-worker COVID compensation process streamlined

THE departments of Budget and Management (DBM) and Health (DoH) are streamlining the application process for public and private health workers seeking compensation for falling ill during the pandemic.

In a joint administrative order, the departments said revised implementing guidelines on the grant of COVID-19 compensation "removes ambiguities," permits "innovative ways of accepting applications," and "further streamlines the process for the evaluation and grant of compensation to public and private health workers who contract mild or severe COVID-19 while in the line of duty or who die while fighting the disease," according to the order.

Compensation for healthcare workers who contract COVID-19 is authorized by Republic Act No. 11494 or the Bayanihan to Recover as One Act.

The order recognizes that the compensation program has "encountered unforeseen challenges that made the processing times longer and derailed its intended purpose of providing immediate compensation to healthcare workers."

Under the program, health workers who contracted mild or moderate COVID-19 in the line of duty and have recovered are entitled to P15,000, while those who had severe or critical cases get P100,000.

The corresponding death benefit is P1 million.

The revised guidelines also outline the requirements for eligibility, claim evaluations, and payment processing.

The DoH also declared its intent to continue with the compensation program despite the expiry of the Bayanihan act.

"The DoH finds it imperative to continue the provision of compensation granted to health workers considering that the latter remain vulnerable to COVID-19 as they continue to serve... thus, the government commits to continue granting compensation to these eligible health workers," it added. — **Luisa Maria Jacinta C. Jocson**

MRT-3, LRT Line 2 could be bundled for privatization

By Justine Irish D. Tabile
Reporter

THE Department of Transportation (DoTr) is considering offering Metro Rail Transit Line 3 (MRT-3) with Light Rail Transit Line 2 (LRT Line 2) as a bundle when the commuter transport services are privatized.

Transportation Undersecretary for Railways Cesar B. Chavez said in an interview that the DoTr has created a task force to plan out the privatization of MRT-3, which traverses the main Metro Manila artery, Epifanio de los Santos Avenue, and LRT Line 2, which links the City of Manila to eastern Metro Manila.

"*Wala pang* final (decision) *pero* in principle approved *na ni* Secretary Jaime J. Bautista *ang* bundling (Nothing is final yet, but Secretary Bautista has approved in principle the bundling for privatization)," Mr. Chavez said.

The DoTr is planning ahead for the expiry of the MRT-3 operator Metro Rail Transit Corp.'s build, lease, and transfer agreement in 2025.

A separate company, Light Rail Manila Corp. (LRMC), operates LRT Line 2.

"*Ang daming* options either independent operation and maintenance under LRMC or *i*-bundle *namin 'yung* MRT-3 *sa* LRT Line 2 (There are many options: either independent operation and maintenance under LRMC or bundle MRT-3 with LRT Line 2)," Mr. Chavez said.

Mr. Chavez also said that the department is considering variations to its plan of privatizing the operations and maintenance (O&M) of MRT-3 and LRT Line 2.

The options the DoTr is considering are: O&M of both railway systems with the LRT Line 2 extension to Tutuban, Divisoria and Pier 4; O&M plus the rehabilitation of light rail vehicles; or O&M and the replacement of the light rail vehicles.

DTI's Pascual calls free trade agreement 'essential' to European Union relationship

TRADE Secretary Alfredo E. Pascual said a free trade agreement (FTA) with the European Union (EU) is "an essential mechanism in the Philippines' relationship with the EU" and called for negotiations for an FTA to resume.

Speaking at a European Chamber of Commerce of the Philippines (ECCP) luncheon in Makati City on Thursday, Mr. Pascual pitched for FTA talks to resume, calling it a means of achieving the EU's objective of diversifying its suppliers.

An FTA with the Philippines "is consistent with the EU's Indo Pacific Strategy. And it supports the EU's goal of diversifying suppliers and enhance its cooperation on supply chains in the ASEAN region," Mr. Pascual said.

"A timely conclusion of the Philippines-EU FTA negotiations will further expand the scope of market access for goods, services, and investments. To be included are other fields that would facilitate trade between our economies. Most importantly, this will increase and facilitate commercial exchanges among our economies' business sectors," he added.

FTA negotiations commenced in 2016, with the last round of negotiations conducted in Cebu City in 2017.

Mr. Pascual told reporters that the relations between the Philippines and EU have improved compared to the previous administration, with President Ferdinand R. Marcos, Jr. having already visited Brussels during his term. He also attended the Davos conference in Switzerland, a non-EU member.

Mr. Pascual also sought the ECCP's assistance in pushing for the conclusion of the FTA.

He added that 83% of German companies view the resumption of the FTA talks as important, citing the findings of a survey by the German-Philippine Chamber of Commerce in 2020.

"It can be argued that as the Philippines implements existing FTAs and concludes new agreements, products from Europe will be competitively disadvantaged as they enter the Philippine market," Mr. Pascual said.

Meanwhile, Mr. Pascual said that the Philippines is also pushing for the renewal of the EU's Generalised Scheme of Preferences Plus (GSP Plus) scheme.

"We at the DTI are dedicated to directly engaging the EU's core institutions — the European Commission, European Council, and Members of the European Parliament — to ensure our GSP Plus status and to reapply in the next GSP scheme," Mr. Pascual said.

"The Philippines has been the only ASEAN country to benefit from the EU-GSP Plus since 2014. Philippine exports to the EU rose from 5.3 billion euros in 2014 under the standard GSP to 7.8 billion euros in 2021. The current GSP scheme, set to expire in December 2023, benefits Philippine exporters and EU importers alike," he added.

GSP Plus is structured as an incentive arrangement that grants the Philippines zero tariffs on 6,274 products or 66% of all EU tariff lines in exchange for complying with 27 international conventions on labor, human rights, governance, and the environment.

Some of the country's top EU-GSP Plus exports include crude coconut oil, vacuum cleaners, prepared or preserved tuna, hairdressing equipment, and prepared or preserved pineapple.

The Philippines has been threatened with cancellation of GSP Plus privileges, most recently when the European Parliament in February 2022 approved a resolution urging the Duterte administration to address allegations of violence and human rights violations.

"Through the years, the Philippines has engaged the EU and completed four GSP Plus monitoring dialogue cycles that review the country's compliance with the 27 conventions covered under GSP Plus," Mr. Pascual said.

"Historically, the EU has been a significant trading partner of the Philippines and it is now ranked as the 4th largest trading partner of the country. The EU is also a major investment partner of the Philippines. Over the years, the EU has been one of the largest foreign investors to the Philippines, putting in over P102 billion or around 2 billion euros," he added. — **Revin Mikhael D. Ochave**

RCEP success seen depending on stronger smuggling controls

THE success of Philippine participation in the world's largest trade deal will require adequate border inspections and quarantine controls to deter smuggling, Senate President Juan Miguel F. Zubiri said.

In a statement on Thursday, Mr. Zubiri said the upgrading of border controls on commodity imports will also need to be accompanied by capacity-building programs for the agriculture industry to allow it to survive in the face of import competition.

The Senate is currently debating Philippine accession to the Regional Comprehensive Economic Partnership (RCEP), a free trade agreement which has raised concerns mainly from farmers.

"Our attack is two-pronged to make agriculture competitive against imports: strengthen border and quarantine controls against smuggling, and we will modernize and empower our own sector," he said.

The Department of Agriculture is currently pursuing an Agriculture Modernization Plan, but Mr. Zubiri said other measures can be harnessed to support the industry like trade promotion, shared services facilities, the Philippine Export Competitiveness Program, and, indirectly, a revival in manufacturing.

A Senate Special Oversight Committee will be established to ensure proper implementation of the RCEP agreement, Mr. Zubiri said, adding that the committee may also generate legislative proposals to pursue the needed structural reforms and address implementation gaps.

"We will also have an advisory group of stakeholders to guide the committee in its functions, which will include our agriculture stakeholders," he said.

"As an agriculturist, I understand the fears of farmers," Mr. Zubiri said. "That's why I want to assure the sector that RCEP will not step on our farmers, and it will not kill our agriculture."

He said highly sensitive agricultural products such as rice, pork, poultry meat, potatoes, onions, garlic, cabbage, sugar, and carrots, will be excluded from tariff liberalization under RCEP.

"In RCEP, the Philippines merely gave additional preferential arrangements to 33 agricultural tariff lines, specifically for Australia, New Zealand, China, and South Korea, compared to the existing ASEAN (Association of Southeast Asian Nations) +1 FTAs (free trade agreement)," he said, "and these tariff lines are only equivalent to 15 products, most of which pose no threat to our local products."

The products are fish fillets, frozen mackerel, celery, sausages, olives, spinach, olive oil, live swine, live chicken, black pepper, palm nuts and kernels, preserved sweet corn, chilis and other capers, preserved onions, corn starch, and feed for primates.

"Our trade in these products is very insignificant," Mr. Zubiri said. "Compare it to the benefits we will get from RCEP. There is no doubt that the arrangement we got is better."

Trade Secretary Alfredo E. Pascual, also on Thursday, assured that agriculture will not be negatively affected by the trade deal.

"They will not be affected by the reduction in tariff, which means that the concern of the country being flooded by imports of these farm produce is not correct because they will still be protected," he told One News.

"We have existing agreements with ASEAN countries. The tariff there will be respected," he added.

Nonetheless, Mr. Pascual said that "It doesn't mean that after we sign the agreement, everything will fall into place," he said. "We have to exert effort."

"We still have to improve our farm productivity with or without RCEP, with or without WTO (World Trade Organization) to improve the economic condition of our farmers," he added.

The issues, Mr. Pascual said, was that farmers were not directly connected with their markets.

"Their products have to go through a series of traders along the line," he said. "The solution is, and this is where DTI (Department of Trade and Industry) comes in, is to improve the efficiency of our supply chains between the farm, the consumer and institutional users of farm products."

"We already have an arrangement," he added. "The idea is to connect the farmers to institutional buyers."

There is also a plan to organize farmers because individual farmers, Mr. Pascual said, do not have the bargaining power against buyers of their produce.

The DTI will direct the Cooperative Development Authority to focus on organizing and promoting farming cooperatives so that farmers can work together.

This, Mr. Pascual said, will also facilitate their ability to make arrangements for cold storage for their produce.

The committee report on the trade deal, which had 16 signatories, was endorsed to the plenary session late Wednesday. — **Alyssa Nicole O. Tan**

BPI reaffirms PHL 2023 growth forecast at 5-6%

BANK of the Philippine Islands (BPI) has reaffirmed its Philippine gross domestic product (GDP) forecast for 2023 at 5% to 6%, while warning that economic managers need to tap more growth drivers to make the recovery more robust.

BPI Global Markets Economist Rafael Alfonso Q. Manalili said in a statement on Thursday that the GDP per capita has not returned to pre-pandemic levels, which might not have been the case if the growth drivers had been diversified.

BPI's economic growth forecast for 2023 is lower than the government's estimate of 6% to 7%.

Economic output grew 7.2% year on year in the three months to December, bringing full-year growth to 7.6%. This beat the 7.5% estimate given by economists in a *BusinessWorld* poll and exceeded the government's 6.5% to 7.5% goal.

It was also the highest growth rate since the 8.8% posted in 1976.

The bank noted that the slower economic growth is due to high inflation, which it sees gradually declining to the 4.5% to 5.5% range this year amid persistent supply constraints in agriculture.

The central bank's inflation target range is 2-4%.

Headline inflation rose to 8.7% in January, above the 8.1% posted in December, the highest since the 9.1% reading in November 2008.

January inflation was also above the Bangko Sentral ng Pilipinas' forecast range of 7.5-8.3% and was the 10th consecutive month inflation exceeded the central bank's target.

Mr. Manalili added that aggressive rate hikes by central banks could increase the cost of financing projects and investing in hard assets like equipment and factories.

"It might prevent the private sector from ramping up their capital expenditure," he said.

BPI expects additional rate hikes throughout the first half of 2023 before a pause in the second half.

The Federal Reserve could also even cut rates if the US enters a recession, BPI added.

Mr. Manalili noted that the current state of the economy is vulnerable, despite encouraging progress in consumer spending, remittances, and business process outsourcing revenue.

"The Philippine economy is a consumer-driven economy, and we have a strong consumer base. It's an asset that has allowed us to grow by at least 6% in the past decade, but this makes us vulnerable in the context of a pandemic," he said.

The Philippines needs to look for other growth drivers beyond household consumption and services for cushion in case of future shocks, Mr. Manalili said.

He added that the government should fast-track infrastructure development to attract more investment.

"We need to reduce the cost of producing goods, and to do that, we need to improve infrastructure. We have the highest electricity rates and transport costs in the region. It's feasible for us to improve on that," he said.

Mr. Manalili also noted that the manufacturing sector has grown modestly by 3% relative to pre-pandemic levels despite the support provided by global demand.

The Philippine Statistics Authority's Monthly Integrated Survey of Selected Industries indicates that manufacturing, as measured by the volume of production index, expanded by 4.8% year on year in December. — **Aaron Michael C. Sy**