# NAIA better off privately managed, MAP says

THE privatization of the Ninoy Aquino International Airport (NAIA), the main Philippine gateway, needs to be expedited in order to tap the private sector's expertise and resources, the Management Association of the Philippines (MAP) said.

In a statement on Thursday, the MAP called for the rehabilitation and operations of NAIA to be placed under private-sector management, and threw its support behind an "expeditious privatization," whether via a solicited or unsolicited bidding process.

Signatories to the MAP statement were MAP President Benedicta Du-Baladad and MAP Infrastructure Committee Chairman Eduardo H. Yap.

"The MAP underscores the need to place the rehabilitation and operations of NAIA under private sector management, given its demonstrated capability and extensive resources in undertaking big-ticket complex public infrastructure projects," the business group said.

"Privatization should be undertaken in an unassailable manner with full transparency, in accordance with best practices, existing laws and regulations which provide for both solicited and unsolicited competitive bidding processes, with the objective of yielding an expeditious process, time being of the essence, and contract terms and conditions in the best public interest," it added.

Recently, the Department of Transportation and the Manila International Airport Authority submitted a joint proposal for a NAIA private-public partnership on a solicited basis to the National Economic and Development Authority.

Under the proposal, the winning bidder will be granted a 15-year concession period to operate the airport and recover its investment. Under the proposal, the project was costed at P141 billion.

Manila International Airport Consortium Director and Alliance Global, Inc. Chief Executive Officer Kevin L. Tan said that a 25-year concession is a more suitable period for NAIA's rehabilitation.

According to the MAP, NAIA suffers from disadvantages like "tedious, inefficient and ineffective government bureaucratic processes, fiscal constraints, compounded by lack of management autonomy."

"All of these administrative and operational constraints have detrimental effects, manifested in the perennial (poor) rating of NAIA among airports, and the recent power outages that effectively paralyzed airport operations to the great detriment of air travelers, tourism as well as trade and commerce," the business group said.

"The MAP believes that a privatized NAIA can be free from red tape that slows down decision-making, and notes that clear-cut objectives encounter obstructive policies or practices that take years to change," it added.

"The MAP believes in the competitive advantage of the National Capital Region (NCR) and its central business districts having access to a nearby city airport, believing further that a robust economy with burgeoning air travel supports a multi-airport system for a large catchment, such as NCR and its environs," it said. — **Revin Mikhael D. Ochave**

# Globe, Aboitiz back extension of order simplifying local gov't permit processes

GLOBE Telecom, Inc. and the Aboitiz Group called for the extended implementation of an Anti-Red Tape Authority (ARTA) joint memorandum circular (JMC) streamlining the permit process, with the telecommunications company noting that its cell site building program made significant progress under the simplified rules.

"The JMC, set to expire in September, calls for the adoption of simplified requirements and procedures that will reduce red tape and expedite business and non-business-related transactions in government," Globe said in a statement.

Ernest L. Cu, president and chief executive officer (CEO) of Globe, said there is a need to ensure that the JMC continues beyond September.

Mr. Cu is a member of the Private Sector Advisory Council (PSAC) headed by Aboitiz Group President and CEO Sabin M. Aboitiz.

"We are proud to work alongside Globe and the government through PSAC, in our efforts to improve our nation's telecommunications system," Mr. Aboitiz said when asked to comment. "Streamlining telco permitting is among the many initiatives we are working on with the government to help usher in a new era of efficiency and innovation in the Philippines — particularly in the area of digital connectivity for all Filipinos."

The advisory council had written to President Ferdinand R. Marcos, Jr. to ask that the JMC remain in force.

The PSAC was convened last year to facilitate closer public-private sector collaboration.

"ARTA's efforts to improve and streamline the permitting process paved the way for the completion of close to 4,500 Globe cell sites between 2020 and 2022, twice as fast as network builds from 2017 to 2019 and more efficiently than in previous years," Mr. Cu said.

According to Mr. Cu, this outcome was made possible by the formalization of streamlined procedures that eliminated "burdensome" local government permit requirements.

He added that the JMC allowed mobile network operators and tower companies to roll out their networks more efficiently and deliver connectivity more effectively.

Globe has sold 447 telecommunications towers to Aboitiz-backed Unity Digital Infrastructure, Inc. for P5.4 billion. Unity Digital is a joint venture between Aboitiz Infracapital, Inc. and Partners Group.

Last year, the telecommunications company invested P101.4 billion in network infrastructure. For 2023, the company set aside $1.3 billion for capital expenditure. — **Justine Irish D. Tabile**

# BIR adds 25 cancer drugs to VAT-exempt list

THE Bureau of Internal Revenue (BIR) said its updated list of medicines exempt from value-added tax (VAT) includes 25 cancer treatments.

It also added to the exempt list of drugs treating hypertension, cancer, mental illness, tuberculosis, kidney diseases, diabetes, and high cholesterol.

Under the Corporate Recovery and Tax Incentives for Enterprises Act, approved drugs, medicines, vaccines and medical devices are to be considered exempt from VAT, as identified by the Food and Drug Administration.

According to a circular, 25 medicines for cancer were added to the VAT-exempt list: Amivantamab, Anagrelide (as hydrochloride), Atezolizumab, Bendamustine Hydrochloride, Bleomycin (as sulfate), Bortezomib, Carfilzomib, Dasatinib, Docetaxel, Docetaxel (as Trihydrate), Doxorubicin Hydrochloride, Epirubicin (as hydrochloride), Epirubicin Hydrochloride, Etoposide, and Everolimus.

It also includes Ixazomib (as citrate), Irinotecan Hydrochloride, Lapatinib (as ditosylate monohydrate), Oxaliplatin, Paclitaxel, Pemetrexed (as Disodium Hemipentahydrate), Ruxolitinib (as Phosphate), Triptorelin (as Embonate), and Vinorelbine (as tartrate).

Diabetes drugs added to the VAT-exempt list are Dapagliflozin + Metformin Hydrochloride, Dapagliflozin + Metformin Hydrochloride (in extended-release form), Evogliptin (as tartrate), Gliclazide + Metformin Hydrochloride, Insulin Glargine, Metformin hydrochloride + Glibenclamide, Sitagliptin (as phosphate monohydrate) + Metformin Hydrochloride, Sitagliptin (as phosphate) + Metformin Hydrochloride, and Vildagliptin.

It also added medicines for high cholesterol such as Fenofibrate and Inclisiran (as sodium).

New medicines for hypertension considered exempt from VAT are Amlodipine (as besilate) + Bisoprolol fumarate, Irbesartan + Amlodipine (as besilate), Losartan (as Potassium), Losartan Potassium + Hydrochlorothiazide + Amlodipine (as besilate), Macitentan, and Nebivolol (as Hydrochloride).

VAT-exempt medicines for kidney disease include Alpha Ketoanalogues + Essential Amino Acids, Epoetin Alfa (Recombinant Human Erythropoietin), Everolimus, Mycophenolate Mofetil, Peritoneal Dialysis Solution Low Calciyum with 1.5% or 4.25% Dextrose, Peritoneal Dialysis Solution with 2.3% Dextrose, Potassium Citrate, Sevelarmer (as Carbonate), and Spherical Carbon Adsorbent.

Also added to the list were medicines for mental illnesses such as Agomelatine, Aripiprazole, Midazolam (as Hydrochloride) and Venlafaxine (as hydrochloride).

Bedaquiline (as Fumarate), a tuberculosis treatment, was also deemed VAT-exempt.

In the circular, the BIR also removed Ixekizumab from the VAT-exempt list. It had previously been among the exempt cancer medicines.

"Upon evaluation of the certificate of product registration and package insert of the abovementioned drug product, it was noted that it is approved as Interleukin Inhibitor indicated for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy. Hence, the product is not classified as a treatment for cancer," it added.

It also corrected the name of a previously listed hypertension drug, Metoprolol. The correct name is Metoprolol Succinate. — **Luisa Maria Jacinta C. Jocson**

# Resumption of visa-on-arrival scheme urged for Chinese nationals

THE Anti-Red Tape Authority (ARTA) declared its support for the resumption of a visa-on-arrival scheme for Chinese nationals, citing the potential for encouraging investment in the Philippines.

ARTA Director General Ernesto V. Perez told reporters on the sidelines of a forum organized by the German-Philippine Chamber of Commerce and Industry in Makati City on Thursday that it floated the proposal after the agency fielded a complaint from the Chinese Embassy.

"If we want to encourage investment, we should make it easier for (investors) to come in," Mr. Perez said.

"We recently received a complaint from the Chinese Embassy that before you can come here ... you have to apply with our consular offices. It takes three or four months to get even an appointment," Mr. Perez said.

He said ARTA has sought a meeting with the Department of Foreign Affairs and the Bureau of Immigration regarding the matter.

"How can investors come in when we make it difficult for them to come in and to even acquire a visa? That is one thing that ARTA is also looking into," Mr. Perez said.

The visa-on-arrival program began in 2017 as authorized by then-Justice Secretary Vitaliano N. Aguirre. A circular he issued in consultation with the Tourism department, was designed to promote tourism. — **Revin Mikhael D. Ochave**

# Business chamber touts PHL prospects as tea producer

DREW JEMMETT-UNSPLASH

GLOBAL DEMAND and growing health consciousness are expected to support tea production in the Philippines, though a "tea culture" needs to be established before the market takes off, a business chamber official said.

Cecilio K. Pedro, president of the Federation of Filipino Chinese Chambers of Commerce & Industry, Inc. (FFCCCII), said at the Pandesal Forum in Quezon City on Thursday: "There's a very lucrative and a big market out there in China and all over the world — Korean, Japanese, English people. They love to drink tea because of the health benefits."

"But we don't have a tea culture here in the Philippines. *Mas mahilig tayo sa* coffee (we prefer coffee) ... We have to drink something that is beneficial to our body, which is tea," he added.

Mr. Pedro supports a pilot project to determine the Philippines' suitability for tea growing, with due consideration for varieties and intended markets.

"The processing should also be in the Cordilleras," he said.

Citing a study presented by Dominique T. Molintas, a researcher from Benguet State University, FFCCCII Committee Chairman for Government Affairs George Chua Cham said the idle land in the highlands of Luzon would be suitable for tea cultivation.

"After planting for three to five years, you'll be harvesting for the next 50 or 100 years so it's good payback," he said.

Benguet Governor Melchor D. Diclas said the province is open to collaboration with academics and the encouragement of smallholder farmers seeking to engage in tea production but noted the need for investment.

"As much as we would like to have this, of course, we need investment for this tea production. So, we would like to invite anyone who would like to invest and we will help them," he said.

Bureau of Plant Industry (BPI) Director Gerald Glenn F. Panganiban said that the Department of Agriculture can conduct research into appropriate tea varieties for Philippine growing conditions.

"The BPI has five research centers around the country; we can try varieties needed by the market. Once we find out which variety is needed and appropriate, we can upscale tea farming in selected areas," he said.

Mr. Panganiban said the Philippines imported about 134 metric tons of tea products from Vietnam and China in the five months to May. — **Sheldeen Joy Talavera**

# DA says meat supply sufficient; output of rice considered 'high'

PHILIPPINE STAR/WALTER BOLLOZOS

THE Department of Agriculture (DA) said on Thursday that the supply of rice and meat products is sufficient for the Philippines' needs, with production of rice in particular seen as "high."

"According to the National Rice Program, our production plus the imports and the beginning stock (is) sufficient," DA Spokesperson Kristine Y. Evangelista said at a Laging Handa briefing.

"As far as our National Rice Program is concerned, production is high. That is good news; at least we have more local production. We still have imports to augment supply, but the bottom line is, we are sufficient," she added.

On Tuesday, Agriculture Undersecretary Leocadio S. Sebastian said rice output rose 6% in the six months to June.

Citing the Philippine Rice Information System, he said production of palay, or unmilled rice, was estimated at 8.605 million metric tons (MT), up from the 8.153 million MT recorded a year earlier.

The carry over stock of rice at the start of the year was 1.8 million MT, augmented by the arrival of 1.8 million MT more in imports, sufficient to meet demand for more than two months.

Ms. Evangelista added: "Right now, our pork meat (supply) is sufficient... On a monthly basis, we have a watch on price and volume to gauge the supply situation," she said. — **Sheldeen Joy Talavera**

# Gross national savings up in 2022 as companies delay expansion

GROSS national savings amounted to P4.90 trillion in 2022, rising 26.6%, the Philippine Statistics Authority (PSA) reported on Thursday.

At current prices, gross domestic product (GDP) and gross national income (GNI) rose 13.5% and 16%, respectively. Meanwhile, household spending increased 14.5% to P16.72 trillion while government spending amounted to P3.31 trillion, up 9.3%.

In 2022, real GDP and GNI grew 7.6% and 9.9%, respectively.

Gross national savings were equivalent to 21% of GNI in 2022, against the 19.3% posted in 2021 and the 23% reported in 2020.

Gross national disposable income rose 15.9% to P24.93 trillion. The indicator is derived by subtracting GNI from the net difference between "current transfers" to and from the rest of the world.

Accounting for population, net disposable income per capita was P223,446 in 2022, against the P195,136 posted in 2021.

Non-financial corporations posted gross savings of P4.16 trillion, followed by financial corporations with P1.54 trillion. General government and households including non-profit institutions serving households had negative savings of P8.96 billion and P787.64 billion, respectively.

"Higher gross savings in 2022 could be due to deferment of expansion plans by businesses.... savings of corporations lifted the country's gross savings," Domini S. Velasquez, chief economist at China Banking Corp. said in a Viber message.

Ms. Velasquez said higher input costs as well as crude oil, food, and construction materials mainly affected business decisions.

HSBC Economist for ASEAN (Association of Southeast Asian Nations) Aris Dacanay said gross national savings was still below pre-pandemic levels, with a higher investment rate resulting in a savings-investment gap.

"We can see in the data that household gross savings fell further by 23% in 2022. This is partly due to pent-up demand and partly due to resiliency, as households dipped into their savings to get by high inflation," Mr. Dacanay said in an e-mail.

Headline inflation was 6.1% in May, against 5.4% a year earlier. It was the 14th straight month that inflation had breached the central bank's 2-4% goal.

Ms. Velasquez expects gross savings to start reflecting factors like "companies undertaking more investment."

"An increase in government spending will also contribute to lower gross national savings," Ms. Velasquez added.

The 2024 national budget is expected to come in at P5.768 trillion, up 9.5% from this year, according to the Department of Budget and Management.

Meanwhile, government spending is expected to hit P5.564 trillion in 2024, up 6.4%, the Development Budget Coordination Committee said.

The difference between gross national disposable income and the combination of household and government final consumption yields gross national savings. — **Mariedel Irish U. Catilogo**