Hospitals urged to fill nursing training gaps

METRO PACIFIC Health Corp. (MPH) said the hospital industry needs to invest more in nurse training, with the newest crop of nursing graduates lacking practical experience due to restrictions on their education imposed by the pandemic.

"We all know the challenges... We have a new category of (nursing) professionals (from the COVID generation). Because of the lockdown, unfortunately, many of them lost out on the hands-on experience since they were mostly undergoing virtual education," MPH Chief Executive Officer Harish Pillai said at a media roundtable in San Juan City last week.

"The challenge is when these (nursing) graduates... come to the bedside, there are a lot of gaps in terms of competency and skills. Hospitals really need to focus on investing in training them before they are able to deploy to the bedside," he added.

Aside from the skills gap, Mr. Pillai said another challenge faced by hospitals is competition for nurses from the business process outsourcing (BPO) industry. BPOs do significant business in health-related services like medical transcription, causing them to recruit from the same pool of candidates hospitals are seeking.

He cited salary and work environment as some of the factors that entice nursing graduates to consider the BPO industry instead of hospitals.

"There are huge amount of (nursing) graduates who are not going overseas, but they are going laterally into the BPO sector. They are all here in the country, but not available for hospitals or healthcare," Mr. Pillai said.

"It is also a big challenge for us because it is very difficult for traditional healthcare players like hospitals to compete not just with the pay grade of BPOs, but also the quality of life. It is more of a desk job, so the stress is not there," he added.

MPH Chief Nursing Officer Annabelle R. Borromeo said the skills gap with new nursing graduates is a "nationwide and global phenomenon."

She said hospitals are actively seeking to improve nurse retention rates.

"This is a nationwide and global phenomenon. What do we do? We identify one to two units in each of our hospitals. We have hand-holding (initiatives) there. We have senior nurses there who will help direct the nurses," Ms. Borromeo said.

"We need to really face the fact that we don't have enough nurses. We still haven't returned to pre-pandemic levels where one school (can produce as many as) 12,000 graduates... We haven't reached that stage yet," she added.

Last month, the government introduced the Clinical Care Associates Upskilling Program in response to the nursing shortage. The program allows unlicensed nursing graduates to perform essential noncore functions under the supervision of registered nurses.

MPH, the healthcare unit of Metro Pacific Investments Corp. (MPIC), has 22 hospitals in its network, including include Makati Medical Center, Asian Hospital and Medical Center, Cardinal Santos Medical Center, Riverside Medical Center, and Davao Doctors Hospital.

MPIC is one of three key Philippine units of First Pacific, the others being Philex Mining Corp. and PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Revin Mikhael D. Ochave**

Tourism workers trained under service excellence program exceed 100,000

THE Department of Tourism (DoT) said Sunday that frontline tourism workers who had undergone the Filipino Brand of Service Excellence (FBSE) program have exceeded 100,000.

Tourism Secretary Christina Garcia Frasco said the number of graduates exceeds the target set for the Office of Industry Manpower Development, which "manifests the commitment of the (current) administration to transform the tourism industry."

"Less than a year since the 100,000-goal for FBSE training was set, we have hit more than what we aimed for," Ms. Frasco said.

"We thank our stakeholders for rising to the challenge, as well as the trainers, participants, and our partner institutions who have closely collaborated with us on this initiative," she added.

As of Oct. 13, the DoT tallied 100,407 tourism workers across the accommodation, travel and tour, transport, academe, farm tourism, tour guide, and tourist police industries.

The program aims to sustain excellence in hospitality and enhance the quality of tourism services.

Meetings, incentives, conferences, and exhibitions (MICE) professional and FBSE Level 1 Regional Trainer Orly Ballesteros said the program highlights Filipino excellence in services to the rest of the world.

"I hope that sooner than later this culture of excellence will become the norm rather than an exception," he added.

According to DoT, supporters of the FBSE include the Manila International Airport Authority, Megaworld Corp., Enchanted Kingdom, Best Western Plus, and Hilton Hotels and Resorts. — **Justine Irish D. Tabile**

GOCC subsidies up nearly 22% in August

SUBSIDIES provided to government-owned and -controlled corporations (GOCCs) rose 21.87% in August, the Bureau of the Treasury (BTr) said.

Budgetary support to GOCCs jumped to P18.933 billion in August from P15.536 a year ago earlier.

Month on month, subsidies declined 43% from the P33.238 billion in July.

The government provides subsidies to GOCCs to help cover operational expenses not supported by revenue.

The Philippine Health Insurance Corp. (PhilHealth) was the top recipient in August, with P12.931 billion or 68.3% of subsidies during the month.

The National Irrigation Administration (NIA) received P3.047 billion, while the National Housing Authority (NHA) got P992 million.

Other top recipients were the National Food Authority (P221 million), the Philippine Children's Medical Center (P220 million), the Philippine Fisheries Development Authority (P196 million), the Philippine Heart Center (P178 million), the Philippine Coconut Authority (P125 million), the National Kidney and Transplant Institute and the National Dairy Authority (P116 million each), and the Small Business Corp. (P100 million.)

GOCCs that received at least P50 million in August were the Philippine National Railways (P92 million), the Lung Center of the Philippines (P74 million), Development Academy of the Philippines (P71 million), and Subic Bay Metropolitan Authority (P50 million).

Meanwhile, the National Electrification Administration, the Bases Conversion and Development Authority, the Civil Aviation Authority of the Philippines, the Philippine Crop Insurance Corp., the Philippine Postal Corp., the Power Sector Assets and Liabilities Management Corp., and the Social Housing Finance Corp. received subsidies during the month.

In the eight months to August, subsidies amounted to P115.867 billion, up 17.5% from a year earlier.

PhilHealth took in P50.614 billion or almost half (43.68%) of the subsidies in the January-August period, followed by the NIA (P28.842 billion) and the NHA (P5.518 billion).

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the higher subsidies in August were likely due to higher inflation, which drove up expenditures.

"Faster pace of government spending to make up for underspending earlier this year could have also increased GOCC expenditures as well," he added. — **Luisa Maria Jacinta C. Jocson**

DTI to establish National Innovation Gateway, supported by regional hubs

THE Department of Trade and Industry (DTI) said it will establish the DTI National Innovation Gateway, which will house centers for advanced technology and provide one-stop government solutions for businesses and investors.

According to Trade Secretary Alfredo E. Pascual, the DTI Innovation Gateway in Manila will host an industry 4.0 pilot factory, Center for Artificial Intelligence Research and Development, and a micro-, small-, and medium-enterprise innovation academy, among others.

"The Gateway will serve as an epicenter of government, enterprises, and academia collaboration and make Manila a center of international collaborative innovation," Mr. Pascual said.

Meanwhile, the DTI also plans to establish regional innovation hubs focused on feature renewable energy, smart technology for resilience, agriculture, and e-mobility.

The regional hubs will facilitate the spread of of applied research and development, skills development, and innovation infrastructure.

Mr. Pascual said the DTI will be collaborating on the initiative with Don Mariano Marcos Memorial State University, Batangas State University, and the University of Science and Technology of Southern Philippines.

The DTI is also looking at developing the Philippine Hub Of Entrepreneurial Networking and Innovation eXchange (PHOENIX), which will serve as laboratories for businesses and innovators.— **Justine Irish D. Tabile**

OPINION

How RCEP impacts ASEAN supply chains

SUITS THE C-SUITE

LESTER JEFF D. PAWID *and* MARY ANDREA T. BACANI

The Regional Comprehensive Economic Partnership (RCEP) came into force for the Philippines in June. The RCEP is a trading bloc comprising the members of the Association of Southeast Asian Nations (ASEAN) and ASEAN Plus One Free Trade Agreement (FTA) partners Japan, China, South Korea, Australia, and New Zealand. According to the RCEP text, one of the agreement's objectives is to "establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership framework to facilitate the expansion of regional trade and investment and contribute to global economic growth and development..."

This is the fourth article in a supply chain series that looks at reimagining the integrated supply chain. This article will discuss how the RCEP may impact supply chains in the ASEAN.

RCEP'S VALUE

RCEP builds on and updates the existing ASEAN Plus One FTAs and considers important trade realities, such as competition and the interdependency of value chains. It covers areas not previously included in the individual ASEAN Plus One FTAs, such as intellectual property, e-commerce, competition, small- and medium-sized enterprises (SMEs), and government procurement.

RCEP also recognizes the diversity of its members in terms of development level and provides technical cooperation and capacity building to support the implementation of the Agreement, with the intent to make it more beneficial for all entities involved. In addition, RCEP is seen as a high-quality agreement as it eases market access through trade and investment rules and supports global and regional supply chains.

RCEP AND SUPPLY CHAINS

RCEP has the potential to support and ease regional and global value chains. The updated trade deal further lowered tariff rates or accelerated the reduction thereof. Furthermore, it commits the members to a single set of Rules of Origin (ROO), the criteria to determine the national source of a product. ROOs determine whether products are eligible for preferential treatment under trade agreements, much like a passport indicates the nationality of a visitor and, therefore, whether the holder is eligible to enter a country visa-free by treaty rules.

A significant provision is cumulation, which allows an RCEP firm to count inputs or goods from other RCEP partners as local content to meet ROO requirements. The regional value content (RVC) is closely related to ROOs because it helps determine the minimum percentage of regional value a product must have to qualify for preferential trade treatment. For example, if the RVC is set at 40% of the free-on-board price, an RCEP firm can include inputs from other RCEP partners to fulfill this requirement. Meeting the requirement allows the firm to enjoy preferential tariff rates when exporting to other RCEP countries. Otherwise, higher most-favored-nation (MFN) rates will apply.

BUSINESS OPPORTUNITIES

According to figures from the Philippine Statistics Authority, the Philippines sources about 70% of its imports from and ships half of its exports to the rest of the RCEP membership. This suggests that the new trading bloc is both a source of materials and a market for produce at the same time.

Accounting for nearly a third of the global population and output, the new trading bloc is now the largest in the world. Furthermore, RCEP is also the first FTA that jointly covers China, Japan, and South Korea. For firms along regional supply chains, savings come in the form of zero or substantially lower tariff rates when importing inputs from and exporting produce to the RCEP.

Firms intending to benefit from RCEP's preferential tariff rates should consult issuances of various national customs bodies. Some ancillary documents may be required, covering direct consignment, third-country invoicing, and back-to-back certificates of origin. Firms should consider the administrative costs of compliance and compare them with the incremental benefits arising from the difference between MFN and preferential rates.

RCEP IN THE PHILIPPINES

Overall, RCEP could have developmental implications for the Philippines. When large exporting firms partner with SMEs at the enterprise level, the latter are also effectively participating in and benefiting from regional supply chains.

At the macroeconomic level, RCEP can help stimulate growth. RCEP's effectivity coincides with significant structural reforms like the Corporate Recovery and Tax Incentives for Enterprises, which lowered the corporate income tax rate, and the amendments to the Public Service Act, Foreign Investment Act, and Retail Trade Liberalization Act, which further liberalized the economy. The government is also pursuing an infrastructure program that amounts to 5-6% of GDP. These bode well for investment-led growth.

Continuous infrastructure investment and development can strengthen the Philippine link to regional and global supply chains. In the 2023 edition of the World Bank's Logistics Performance Index, the Philippines scored 3.3 out of 5, up from 2.9 in 2018. This improvement may be attributed to the increase in the infrastructure score from 2.73 in 2018 to 3.2 in 2023.

Altogether, structural reforms, infrastructure programs, and improved regional market access provided by RCEP can help the country bid for more export-driven growth.

This article is for general information only and is not a substitute for professional advice where the facts and circumstances warrant. The views and opinions expressed above are those of the authors and do not necessarily represent the views of SGV & Co.

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