No guarantee of stable prices if commission extends low tariffs

By Adrian H. Halili
Reporter

AN EXTENSION of lowered tariffs on pork, rice, and corn may not stabilize surging domestic prices for the commodities, analysts said.

Leonardo Q. Montemayor, chairman of the Federation of Free Farmers said the initial tariff reductions had no lasting impact on domestic prices.

"(It) has not resulted in lower prices of rice, pork and corn. The main beneficiaries have been importers and traders, while government revenue and prices obtained by domestic producers have suffered," Mr. Montemayor said in a Viber message.

Mr. Montemayor added that rice, pork, and corn are expected be in ample supply until the first quarter of 2024, citing the Department of Agriculture (DA).

The DA, however, said there will be a shortage equivalent to 10 days' demand for pork at the end of the fourth quarter, due to holiday demand.

"Encouraging more imports will only discourage farmers from increasing production," he said.

Philippine Institute for Development Studies Senior Research Fellow Roehlano M. Briones said allowing lower tariffs to run for longer will "not be enough to stabilize prices" for the three agricultural commodities.

He added that further tariff reductions are an appropriate measure to stabilize market prices of the goods, though protections for domestic producers will erode.

On Oct. 23, the Tariff Commission will hear arguments on the possible extension of the reduced most favored nation tariff rates for rice, pork, and corn.

Executive Order No. 10, signed by President Ferdinand R. Marcos, Jr., extended the lower tariffs on the three commodities until Dec. 31, 2023.

National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said that an inter-agency committee has recommended the extension of the low-tariff regime.

Rice tariffs are currently set at 35% for all imports, regardless of whether they fall within the minimum access volume (MAV) quota. Originally the 35% rate had applied only to grain from Southeast Asia.

Tariffs on pork were set at 15% for shipments falling within the MAV quota and 25% for those exceeding MAV.

Corn tariffs are currently at 5% and 15% for those within the quota and those exceeding it, respectively.

The public hearing is set to be conducted via videoconference on Monday afternoon.

Last month, Mr. Marcos rejected a proposal to further reduce tariffs on rice, citing stabilizing global prices. NEDA had proposed to cut tariffs to as little as 0%.

To curb rice prices, he imposed a national price ceiling for well-milled rice and regular milled rice at P45 and P41 per kilo, respectively, price ceilings which have since been removed.

Marcos must seal power, transport deals during Saudi visit, analysts say

PRESIDENT Ferdinand R. Marcos, Jr. must return from Saudi Arabia with investments in transportation, power and connectivity reached on the sidelines of the inaugural summit between Southeast Asian and Gulf leaders, analysts said on Tuesday.

"Potential investment from the Middle East would be in the form of infrastructure projects particularly in the key focus areas of the Philippines such as renewable energy, power, transportation, connectivity, and utilities," John Paolo R. Rivera, president and chief economist at Oikonomia Advisory & Research, Inc., said in a Viber message.

The other must-haves from the visit include enhanced trade and protections for overseas Filipino workers.

Mr. Marcos flies to Riyadh on Oct. 19, and is scheduled to meet bilaterally with the Saudi government and businesses, Foreign Affairs Assistant Secretary Daniel R. Espiritu said at a Palace briefing on Monday.

Foundation for Economic Freedom President Calixto V. Chikiamco said Mr. Marcos should also secure investments for the Bangsamoro Autonomous Region in Muslim Mindanao "in areas of power generation, toll roads, halal foods, regional telecommunications, shipping, airlines, etc."

"The Public Service Act Amendment and the Bangsamoro Autonomous Law have created conditions favorable for foreign investment in Muslim Mindanao, especially from Gulf countries," Mr. Chikiamco said in a Viber message.

Mr. Espiritu said the President is expected to promote the newly established sovereign wealth fund and discuss OFW welfare during his meetings with Saudi officials and business leaders.

The investment fund has been provided with initial capital by state-owned banks and the central bank.

Mr. Espiritu added that Mr. Marcos is expected to hold a bilateral meeting with Bahrain to discuss the 40th year of the two nations' diplomatic relationship.

The Association of Southeast Asian Nations and the Gulf Cooperation Council (GCC) will hold their first-ever summit on Oct. 20, over a decade after the first ministerial meetings between the two organizations in Bahrain in 2009.

The GCC is composed of energy-rich countries with strong petrochemicals and logistics industries, Mr. Espiritu said. — **Beatriz Marie D. Cruz**

Sugar retail, mill gate prices out of sync — millers

SUGAR millers said retail prices are not reflecting the decline of mill gate prices for raw sugar, and questioned why no corresponding "adjustments" have emerged for sugar sold to the public.

While acknowledging the typical lag time for retail prices to adjust to movements in the mill gate price, Philippine Sugar Millers Association (PSMA) Executive Director Jesus L. Barrera said in a statement on Tuesday that "there should be market adjustments in the retail prices." "Otherwise, the drop in farm gate prices is not trickling down and benefiting consumers."

PSMA said that the average trading prices for milled sugar declined to slightly above P2,500 per 50-kilogram bag (LKg) on Oct. 12, with one mill selling at P2,700/LKg.

"Overall, our mill gate prices in the first six weeks of the new season are way below (those of) last season," it added.

Citing the Sugar Regulatory Administration (SRA), PSMA said mill gate prices last year averaged P3,021.04/LKg and peaked at P3,798.24/LKg. The price was P3,000/Lkg at the end of last year.

"It is our sugar producers, particularly our small farmers, that are feeling the squeeze from inflation and lower prices especially now that they are just starting to harvest their crop," Mr. Barrera said.

Headline inflation accelerated for a second straight month to 6.1% in September from 5.3% in August amid a surge in food and transport costs, according to the Philippine Statistics Authority.

The SRA has said that raw sugar was trading below its P3,000 per bag target, with prices between P2,500 and P2,700 per bag.

SRA Administrator Pablo Luis S. Azcona called trading abnormal, with prices fluctuating by P100 or more on a weekly basis.

He added that the oversupply of sugar was a main factor in the decline of trading prices.

The SRA also delayed the release of about 150,000 metric tons of imported sugar to ensure fairer prices for farmers. — **Adrian H. Halili**

Cash-free expo to push digital payments on small businesses

THE Bangko Sentral ng Pilipinas (BSP) said on Tuesday that it signed a memorandum of agreement with the Department of Trade and Industry to host the Cashless Expo 2023.

The expo aims to push digitalization and financial inclusion for micro, small, and medium enterprises (MSMEs), allowing them to grow their businesses through digital payments, BSP Deputy Governor and Payments and Currency Management Sector Head Mamerto E. Tangonan said in a speech on Tuesday.

"This cashless expo is really in support of the Digital Payments Transformation Roadmap... This is the first time that we will conduct a consumer fair (allowing only) digital payments. This is one way by which we will encourage MSMEs to adopt digital payments," Trade Assistant Secretary Mary Jean T. Pacheco said.

The expo supports the BSP's Digital Payments Transformation Roadmap, which aims to digitize 50% of retail transactions by volume and value and to bring the banked population to 70% of all adults by the end of this year.

Mr. Tangonan noted that merchant payments accounted for 58% of all retail payments by transaction volume, of which 54% consisted of digital payments.

The Cashless Expo 2023 will run between Nov. 17 and 19 at the World Trade Center. — **Aaron Michael C. Sy**

NDA, Malaysia's Farm Fresh tie-up to breed dairy cattle

THE National Dairy Authority (NDA) said it entered into a partnership with Malaysia's Farm Fresh Bhd. to set up a dairy cattle breeding farm.

In a statement, the NDA said that Farm Fresh is looking for a 200-400 hectare site for the farm.

"Farm Fresh is actively collaborating with the Philippine government to materialize a significant $20-million investment, primarily focused on cattle breeding for milk production," NDA said.

The proposed farm will hold 3,000 head of cattle, to be managed by the company's Philippine subsidiary, Farm Fresh, Inc.

The farm investment will be paired with a 6,000 square-meter dairy processing facility, which will also take in the output of dairy farms, raising the possibility of raising farm incomes, NDA Administrator Gabriel L. Lagamayo said.

Farm Fresh has said that it is considering locations in Batangas and Laguna for the breeding farm, with operations to start by 2028.

The company also owns a 6,000-sq.m. site in San Simon, Pampanga, on which the $5-million processing facility will rise.

"The Philippines and Malaysia exhibit remarkable similarities in terms of topography and climate. We see tremendous potential in the Philippines," Farm Fresh, Founder Tuan Ee Loi said.

Farm Fresh operates five dairy farms in Malaysia and one in Australia. The company also has two processing facilities in Malaysia and one in Australia. — **Adrian H. Halili**

PHILIPPINE STAR/MIGUEL DE GUZMAN

Philippine teaching quality to hinge on upskilling and quality of teaching materials — PBEd

ADVOCACY GROUP Philippine Business for Education (PBEd) said the Education department needs to enhance teacher training and develop quality instructional materials to help educators achieve mastery in their chosen subjects.

"Empowering teachers to master their subject matter not only demands an upskilling in pedagogical approaches but they must also be provided with the right resource materials," PBEd Deputy Executive Director for Programs Hanibal Camua said in a statement on Tuesday.

He added that the government must invest in professional development and access to quality teaching resources to adapt to changes in education.

In September, PBEd signed a partnership with the Department of Education (DepEd) Region VI or Western Visayas for a civic education project known as *Sibika.ph*, an online resource portal for teachers and high school students.

Under the tie-up, PBEd will conduct capacity-building workshops for 100 teachers and train them on civic engagement, which will "help students grasp the significance of civic education to personal and societal development."

"This will also ensure that the next generation are well-prepared to embrace democratic values and are actively engaged in nation-building," Mr. Camua said.

The project has developed 17 DepEd-certified learning modules for senior high school complemented by videos and assessment tools.

"Under the partnership, these materials will be distributed in various school division offices within the Western Visayas region, upon completion of the learning experience design training with teachers," PBEd said.

It added that *Sibika.ph* encourages student-led exercises that are integrated in the learning modules, with the goal of increasing active engagement.

"With the learning crisis and threats posed by false narratives, it is imperative that we provide our youth with skilled teachers and well-developed educational materials to help them make informed decisions and foster critical thinking," Mr. Camua said. — **Justine Irish D. Tabile**

GSIS offers condonation, restructuring program to delinquent borrowers

THE Government Service Insurance System (GSIS) said it is offering loan condonation and restructuring to its delinquent borrowers.

The program, known as Restructuring Program for Service Loans (RPSL), "hopes to address the clamor of our members and pensioners who would like to settle their obligations in full or in part through flexible means," GSIS President and General Manager Jose Arnulfo A. Veloso said in a statement on Tuesday.

According to Mr. Veloso, RPSL offers interest rates of 3-6% for those settling their arrears, subject to an initial payment of at least 10% of the outstanding balance and five years to pay down the rest.

The GSIS had earlier offered a condonation program known as Program for Restructuring and Repayment of Debts (PRRD). In May 2022, the program waived penalties and surcharges worth around P1.5 billion pesos on 14,722 loan accounts.

"By strengthening our loan collection efficiency, we are also protecting the financial health of the pension fund so that members may avail of benefit and services when they fall due," Mr. Veloso said.

Loans eligible for the RPSL include Salary Loans; Enhanced Salary Loans; Restructured Salary Loans; Emergency Loan Assistance; Summer One-Month Salary Loans; Member's Cash Advances; eCard Plus Cash Advances; Consolidated Loans; Enhanced Conso-Loans; Emergency Loans; Home Emergency Loans; Study Now, Pay Later loans; Fly PAL, Pay Later loans; Educational Assistance Loans; Stock Purchase Loans; Policy Loans; Optional Policy Loans; GSIS Financial Assistance Loans; PRRD; Multi-Purpose Loans; Computer Loans; and other future loans. — **Myara Janae B. Poliarco**

China loan for PNR south long-haul rail line still being negotiated

THE PHILIPPINES is still negotiating with China on the loan that will finance the South Long-Haul project, the Philippine National Railways (PNR) said on Tuesday.

"The DoTr (Department of Transportation) and DoF (Department of Finance) are studying and evaluating other options for other financial assistance, as well as a hybrid approach, with government money and partially funded by the private sector," Jeremy S. Regino, PNR general manager, told reporters on Tuesday on the sidelines of 43rd ASEAN Railway CEO conference.

Mr. Regino said the maritime dispute in the West Philippine Sea (WPS) is not expected to have an impact on negotiations.

"Negotiations are ongoing, and I don't think (the WPS issue) was a factor. It is more on how interested the Chinese government is in the project. It is a matter of how badly or enthusiastically they would want to pursue the project," he said.

Earlier this year, the DoTr said the Chinese government withdrew its funding for three railway projects being pursued under the previous government's Build, Build, Build flagship program.

"The reason why the negotiations stalled in the previous administration was (differences) on the rate of interest," he said, adding that had there been an agreement on rates, the project "would have been done."

The initial phase of the project involves a 380-kilometer railway connecting Banlic, Calamba, Laguna and Daraga, Albay.

Mr. Regino said the PNR has decided to delay a shutdown in Metro Manila operations to January in order to avoid inconveniencing the public. The PNR estimates ridership at about 35,000 a day during the holiday season.

"We will be stopping the full line in Metro Manila by the middle of January. The January closure will not affect the completion of the project because preparatory works are being done so there will be no idle time," Mr. Regino said.

PNR is expected to close its Tutuban to Alabang route in October to allow the completion of the North-South Commuter Railway project. — **Ashley Erika O. Jose**