

PCCI urges gov't focus on food security, streamlining permits

By Justine Irish D. Tabile
Reporter

THE Marcos administration needs a long-term plan to achieve food security and make doing business easier, the Philippine Chamber of Commerce and Industry (PCCI) said.

These agenda items were contained in a wish list the PCCI was set to submit to President Ferdinand R. Marcos, Jr. The wish list was released on Thursday, the second day of the 49th Philippine Business Conference & Expo (PBC&E).

The resolutions also address power, the environment and climate change, human resources development, industry and trade, infrastructure, digitalization, taxation and tourism.

The PCCI said food security will require infrastructure support, technology transfer, product diversification, an export expansion, economies of scale, and improving the value chains.

It said that the Agrarian Reform Law should be amended to increase the land retention limit from five to 24 hectares to encourage scale in farm production.

It added that the government should implement the Agriculture and Fisheries Modernization Act, Agri-Agra Reform Act of 2009, the National Livestock Program, the Digital Agricultural Land Mapping Program and the Coconut Industry Development Plan.

In terms of government export, the PCCI said the Departments of Agriculture and Trade should continue to negotiate free trade agreements to obtain zero tariffs for more agricultural exports and to form a committee overseeing the improvement of the export performance of farm goods.

The PCCI also urged the President to change the tax rules to make it easier for registered business enterprises (RBEs) to access incentives and tax refunds.

"(We are) urging the National Government to provide a stable and predictable business en-

vironment by ensuring clear, consistent, and transparent regulations, streamlining and simplifying bureaucratic processes, reducing unnecessary red tape, and eliminating barriers that hinder business growth and development," it said.

It said value-added tax (VAT) zero-rating and the application of the cross-border doctrine to economic zones will help the Philippines "remain competitive in attracting capital and foreign direct investment that are urgently needed to finance large-scale government projects, create more and better jobs, and boost economic growth."

It said that the Departments of Finance and Trade, alongside the Bureau of Internal Revenue (BIR) should immediately review the implementing rules and regulations of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

It said amendments to Revenue Regulations 21-2021 and Revenue Memorandum Circular 24-2022 are in line with the origi-

nal intent of the CREATE Act and will result in the retention of tax incentives for existing registered export enterprises.

"The BIR (should) consider that the CREATE Act does not limit the VAT zero-rating to RBEs to the exclusion of other types of PEZA-registered enterprises," it added.

The PCCI also urged the government to make use of modern technology and renewable energy to make power adequate and affordable.

It said that the BIR, the Department of Energy (DoE), and the Energy Regulatory Commission (ERC) should be consistent in the application of zero-VAT rating on the sale of generated power through all stages of sale in the supply chain for power.

"The DoE (must) ensure the transmission plans declared over the years to connect all three Philippine island groups to one National Grid be finally delivered and fully electrified and that new plans for capacity expansion and RE technologies be accommodated," it added.

Businesses say investors deterred by inconsistent PHL rules, policies

THE Philippines' investment environment is less attractive than it can be due to "inconsistent" rules that change with every administration, businesses said.

At the 49th Philippine Business Conference and Expo, San Miguel Corp.-Infrastructure Chief Financial Officer Raoul Eduardo C. Romulo said both Philippine and foreign investors want the rules governing their entry into any market to be predictable and consistent.

"What we should concentrate on and ask the government to continue to concentrate on is predictability in our investment guidelines (and) predictability in following all the necessary steps," Mr. Romulo said.

"If we can have our information technology infrastructure in place, streamline government bureaucracy and continue the cooperation between government and the private sector, all of these ingredients will (position) us for a better future for the Philippines," he added.

Sergio R. Ortiz-Luis, president and chief executive officer of Philippine Exporters Confederation, Inc., said uncertain policy is a concern continually being raised by investors.

"(To which) we continue to say that no they don't change, maybe there is emphasis given to certain areas, but it is basically the same," said Mr. Ortiz-Luis. "And I think they (are starting) to believe that and our problem now is to convince them," he added.

Canadian Ambassador to the Philippines David Hartman said that Canadian businesses are pleased to see the

government making strides towards liberalization.

"The positive trajectory that we see here really excites us in Canada because it makes us conscious of how much economic opportunity there is here," Mr. Hartman told *BusinessWorld* on the sidelines of the event.

"But of course, having predictability, stability, and clear and transparent rules are always in the best interest of businesses," he added.

John Goyer, executive director for Southeast Asia of the US Chamber of Commerce, said complaints with regard to ease of doing business are common issues brought up within the chamber membership.

"We have heard complaints like that in the past. So, I think, clearly, it continues to be a problem," he told *BusinessWorld*. "And I think that we would continue to encourage the Philippines to streamline investment procedures, approvals, licensing, all of the red tape associated with making an investment."

"The easier, the more transparent and the more certain that process can be made, the more attractive the Philippines becomes," he added.

SMC Infrastructure's Mr. Romulo said that in order to address the inconsistencies, he would like to see a long-term plan that is consistently followed.

"What we'd like to see is a government roadmap of let's say 20 to 25 years. I think there is one, but it should be consistent and that even if the administration changes, the priorities should remain the same," he added. — **Justine Irish D. Tabile**

Cebu province seeks challengers for unsolicited 150-MW solar project

CEBU province said it is inviting challengers to a consortium's unsolicited proposal for a 150-megawatt (MW) solar power plant.

In a statement, the province's Economic Enterprise Council (EEC) said it received a proposal from the consortium, composed of Acciona Energia Global, S.L. and Freya Renewables, Inc., for a joint-venture solar power plant.

The EEC said the project proposal involves the "development,

financing, operation, commissioning, owning, managing and maintaining" a 150-MW solar facility, whose output is deliverable to the National Grid Corp. of the Philippines or to any interested purchaser.

The project cost is estimated at P7.52 million, with a construction period of 32 months and a concession of 25 years, it said.

Citing provincial ordinances, the EEC said that a project of this type is required to undergo a Swiss challenge.

A Swiss challenge involves soliciting counterproposals from competing bidders, which the original proponent has the right to match.

Domestic corporations interested in filing a challenge are required to be duly registered with the Securities and Exchange Commission (SEC), while foreign corporations must be holders of an SEC License to Operate.

Challengers must also have "completed, developed, operated and maintained at least a 75-MW

solar power plant" and have equity of at least P3.76 billion.

Bid documents may be obtained upon payment of a non-refundable fee of P10,000.

"Deadline set for submission of eligibility documents is 12 noon, Monday, Nov. 6, 2023. The eligibility documents shall be opened not earlier than 1 p.m. on the same date in the presence of the private sector participants' representatives, if any, who choose to attend the scheduled opening," the EEC said. — **Sheldeen Joy Talavera**

Skilled workforce, a critical component of PH energy transition

Amidst the Philippine energy transition, Aboitiz Power Corp. (AboitizPower) recognized the growing scarcity of skilled power industry workers and, hence, the necessity of developing a workforce that can adapt and willingly carry the important task of ensuring energy security, affordability, and sustainability for today's and tomorrow's Filipinos.

"There has to be a workforce now and in the future that will keep our energy system functioning and serve the needs of our country," said AboitizPower Chief People Officer MaLu Inofre during the first Philippine Power Industry HR Forum at Shangri-La The Fort, Taguig City. "However, among our most difficult challenges is building a skilled talent pipeline that can effectively adjust and work with the fast-paced transformation within the industry's energy mix, digital systems, and regulations."

The Department of Labor and Employment said that an estimated one million skilled workers in engineering, architecture, and construction are lacking. They cited "Power Plant Maintenance Engineer" and "Maintenance/Powerplant Engineers" as among the hard-to-fill occupations in the country. This can be due to a lack of qualified applicants or brain drain, when better opportunities abroad are taken advantage of by skilled locals.

"Between 2016 and 2021, the employment in the power industry declined by 15,444 individuals," said DoLE Bureau of Local Employment Director Patrick P. Patriwirawan



In a panel discussion, AboitizPower Chief People Officer MaLu Inofre (2nd from right) said that the energy industry must come together to craft and implement programs that strengthen the talent pipeline for the Philippine power industry.



Young academic and professional achievers were recruited and trained by AboitizPower to operate, monitor, and control the company's National Operations Control Center, which oversees over 20 renewable energy facilities spread across the country all from one central location.

Jr. during the same event. "The Philippines saw an increase in the employment in the renewable energy industry last year but could have employed more if not for the delays caused by the COVID-19 pandemic on various project developments in the sector."

Ms. Inofre added that a major factor influencing the labor shortage is the shift in the type of skills sought by employers, especially as the sector tries to balance the entry of renewable energy whilst maintaining traditional energy systems.

"Knowing this, upskilling will be key to facilitating a just transition for those who will be affected by the transition to a greener economy, as well

as the new generation of workers. It is imperative that we successfully cultivate both thermal and renewable energy, so that we can ensure reliable and affordable energy supply for the country," she said.

"The energy industry must create an acceptable, progressive plan to resolve the talent crisis. AboitizPower, for one, makes an effort to resolve the shortage of estimated skilled workers in our industry by maintaining academic-industry linkages with universities in the country, providing long-term scholarships, [and] establishing programs with TESDA that help promote electrical engineering skills at the grassroots level, among other initiatives," Ms. Inofre added.

Feed millers warn of higher meat, egg, fish prices

FEED MILLERS said the price of meat, eggs, and fish may rise further due to issues regarding the supply and quality of domestically grown corn used in animal feed.

The Philippine Association of Feed Millers, Inc. (PAFMI) said in a statement that domestic corn is inadequate to meet rising industry demand.

"As it plays a role in many industries, ensuring the access to affordable and good-quality corn is an issue that not only affects the livelihood of farmers but also has broader implications for food security and economic stability for the rest of the community," PAFMI President Edwin C. Mapanao said.

Mr. Mapanao added that the majority of animal feed formulations involve yellow corn, which also has human-food and bioethanol applications.

"Corn is a staple crop in the Philippines as it serves as a vital food, feed, and industrial raw material," he said.

PAFMI declared its support for the extension of the lowered 5% tariff on corn imports, first imposed by Executive Order (EO) 10.

"With corn-reliant sectors developing and demand increasing, keeping tariffs low is an urgent but temporary measure," it said.

PAFMI added that further corn imports could address supply issues

and "ultimately aid in sustaining local production of quality meat, eggs, and fish while keeping prices affordable."

EO 10, signed by President Ferdinand R. Marcos, Jr. last year, extended the lower tariffs on rice, corn, and pork until Dec. 31, 2023. The Tariff Commission has since heard arguments for or against their extension, and is due to submit its recommendation to the Palace in about a month.

Corn tariffs are currently set at 5% for imports within the minimum access volume quota and 15% for those exceeding the quota.

PAFMI had called for a standard 5% tariff on corn imports, regardless of volume. — **Adrian H. Halili**

Seaweed put forward as animal feed alternative

THE Department of Agriculture (DA) said it may encourage the use of processed seaweed as an alternative to corn-based animal feed, as a means of lowering the cost of meat and poultry.

"This will relieve our animal raisers from the high cost of commercial feed," Undersecretary Deogracias Victor B. Savellano said in a statement.

Mr. Savellano added that the DA will seek assistance from the United Nations Food and Agriculture Organization (FAO) to develop seaweed as an animal feed.

"We are tapping the expertise of (FAO Country Representative) Lionil Henri Valentin Dabbadie to explore the processing of seaweed as commercial feed for farm animals," he added.

He said seaweed can save on feed costs and is abundant along Philippine coastal areas.

During the second quarter, seaweed was the leading item by volume of all fisheries products, according to the Philippine Statistics Authority.

Output was 365,775 metric tons for the period, accounting for 33.9% of fisheries production.

Other efforts to raise the supply of feed include the proposed conversion of sugarland in Batangas to corn, following the recent closure of the province's sugar central.

"Sugarcane farmers can take on a new livelihood and help supply the requirement for animal feed for livestock and poultry," he said.

In 2022, Central Azucarera Don Pedro, Inc. in Nasugbu, Batangas announced its closure due to the challenging operating environment in the province, citing the lack of cane to support a milling operation. — **Adrian H. Halili**

Increased spending to drive collections in Q4 — BIR

THE Bureau of Internal Revenue (BIR) said household consumption and government spending are expected to drive its collections over the remainder of the year.

"Of course, (there's) increased consumption. Second will be government expenditure, because it has been identified as one of the reasons that the projected gross domestic product (GDP) targets are not being met," BIR Assistant Commissioner Jethro M. Sabariaga told reporters on the sidelines of a forum on Wednesday.

"We hope the coming end of the year will push agencies to spend the money more towards their designated purposes, so we expect to have a better performance," he added.

Mr. Sabariaga said the BIR is "hopeful" it will hit its full-year collection target.

This year, the BIR aims to collect P2.64 trillion.

The Bureau of the Treasury reported that collections by the BIR were up 7.25% year on year to P1.86 trillion in the year to date. However, it failed to meet its P1.93-trillion target for the period.

Mr. Sabariaga said slower-than-expected economic growth has impacted collections.

"The people of the revenue service are not magicians. Efficiency can only take you so (far). The collection performance assigned to BIR and the tax effort ratio it

takes is about 10.6%. The numbers show that the bureau is performing at 14.5% efficiency. I think that just goes to highlight the correlation of the economy with the performance of the BIR," he said.

In the second quarter, the economy grew 4.3%, the weakest such performance in over two years.

He also noted that the timing of value-added tax (VAT) filings also has an impact on revenue collection.

This year, taxpayers were required to file their VAT returns quarterly rather than the previous practice of monthly filings. However, the BIR has since allowed a monthly option for VAT payments at the request of taxpayers. — **Luisa Maria Jacinta C. Jocsos**