

Clark airport operator building agri trading hub for \$152 million

CLARK International Airport Corp. (CIAC) said it will build a \$152-million agriculture trading hub inside the Clark civil aviation complex, and expects it to become the largest food hub in the Philippines.

The project, to be known as Clark National Food Terminal, will be structured as a joint venture, the CIAC said in a statement on Thursday.

CIAC President Arrey Ancheta Perez said a feasibility study will be launched soon.

"Then we will start exploratory talks with prospective investors

for a joint venture partnership. We're looking forward to project completion in two years' time," Mr. Perez said.

"This is a huge infrastructure investment but will serve as a major support pillar to the National Government's efforts to boost the agricultural economy," he added.

According to Mr. Perez, the food trading hub will rise on a 64-hectare site near Clark International Airport.

It is also near the sites of cargo companies FedEx and UPS and

will be linked to the railway to Subic seaport.

The hub will offer services such as research and quality control, warehousing, food processing, international shipping, marketing services, and domestic and international trading.

"It is aligned with the call of President Ferdinand R. Marcos, Jr. to place food security at the forefront of the national agenda," Mr. Perez said.

He said that Mr. Marcos named food security as a top priority

at the World Economic Forum, repeating the message in his pre-departure remarks before flying to the Asia-Pacific Economic Cooperation meeting in the US.

"The project concept is on point and aligns with the Marcos administration's marching orders to give top priority to agriculture development and to help develop that value chain, particularly in the advancement of the aquaculture and agriculture industries," Mr. Perez added. — **Justine Irish D. Tabile**

German businesses in PHL report satisfactory business conditions

A MAJORITY of German businesses active in the Philippines said they expect trading conditions to improve over the next 12 months, the German-Philippine Chamber of Commerce and Industry (GPCCI) said.

"Our recent survey shows adequate satisfaction among German businesses in the Philippines" accompanied by caution and awareness of "notable challenges," GPCCI President Stefan Schmitz said in a statement.

"We have observed these developments this year in our events, partnerships, and dialogues with both public and private stakeholders and we are happy that more German companies would like to contribute to job creation," he added.

In the Fall 2023 AHK World Business Outlook Survey, 68% of the 100 companies expressed optimism in Philippine business conditions over the next year, an increase from the 61% expressing optimism a year earlier.

However, the reading was lower than the 74% of companies expressing optimism in the survey's Spring edition.

The survey also found that only 50% of the participating firms said that they are in a better position, lower than the 62% reading in the Spring edition and the 53% posted a year earlier.

GPCCI said only 39% of respondents plan to increase their investments in the Philippines over the next 12 months.

Meanwhile, 41% are planning to maintain current investment levels, 16% are planning to invest less, and 4% have no plans of investing.

Asked about which operations they plan to invest in, 45% said they will invest in sales and marketing, 39% in services, and 27% in research and development.

Around 54% of survey participants said that they will hire more workers in the next 12 months, with 6% saying they will hire less.

Respondents named the top sources of risk to be energy prices, demand, lack of skilled workers, exchange rates, and economic policy.

"We can see that while many of our respondents want to employ more, we see that the lack of skilled workers remains one of the top issues," GPCCI Director and Policy and Advocacy Chairperson Marian Norbert Majer said.

"We ask the government to look at strategies and policies that promote skills development that can (boost) local and foreign employment opportunities," he added.

Meanwhile, 46% of respondents said the EU-Philippine Free Trade Agreement will be crucial to the success of their operations.

"We are pleased to see that our respondents are motivated by the possibility of the Philippines entering into a Free Trade Agreement with the European Union," GPCCI Executive Director Christopher Zimmer said.

"The first part of the dialogue is currently in motion, and we hope to hear the good news about the scoping procedure and that negotiations will commence in 2024," he added. — **Justine Irish D. Tabile**

Tourism revenue tops P404 billion in first 10 months

THE Department of Tourism (DoT) said the tourism industry generated P404.02 billion in revenue in the first 10 months, after over 4.63 million foreign tourists visited the Philippines.

Tourism revenue for the period grew 190% from a year earlier, it said.

The international visitors are equivalent to "96% of our target," Tourism Secretary Esperanza Christina G. Frasco said, adding that projected revenue over the full year is \$7 billion.

Ms. Frasco was speaking at the 2023 Philippine Economic Briefing in California on Wednesday.

This year, the DoT is targeting 4.8 million international arrivals. Last year, the industry generated the equivalent of 6.2% of gross domestic product.

Ms. Frasco said the key to unlocking tourism's potential is addressing challenges in infrastructure, connectivity and digitalization.

"We have engaged in a collaboration with the Department of Public Works and Highways for the purpose of continuing the tourism road infrastructure program. As a result of that, over 158 kilometers of tourism roads have been constructed or rehabilitated this year, with more to come in 2024 and in succeeding years," she said at a panel discussion.

She added that DoT is also collaborating with the Department of Transportation not only for hard infrastructure investment but also for human capital development.

"We have trained frontline tourism workers in our airports and seaports in the Filipino Brand of Service Excellence. This program, as a whole, has trained over 111,000 workers across the tourism value chain," Ms. Frasco said.

Meanwhile, she said the department is also counting on the construction of five cruise terminals in the coming year. — **Justine Irish D. Tabile**

Fisheries output up 2.1% by volume in 3rd quarter

FISHERIES production rose 2.1% year on year by volume in the third quarter, led by the aquaculture and municipal fisheries segments, the Philippine Statistics Authority (PSA) said.

In its quarterly situation, the PSA said production volume in the quarter was 1.02 million metric tons (MT).

"Annual increments in production were noted in commercial fisheries, inland municipal

fisheries, and aquaculture sub-sectors," it added.

Production volume for aquaculture rose 7.4% to 527.15 thousand MT. The segment accounted for 51.8% of fisheries output.

Inland municipal fisheries production rose 2.8% to 51.62 thousand MT, accounting for 5.2% of fisheries production.

The commercial fisheries segment posted growth of 0.5%

to 230.68 thousand MT and accounted for 22.7% of overall production.

"However, the marine municipal fisheries subsector reported an annual decline in production," the PSA added.

Marine municipal fisheries, which accounted for 20.3% of overall output, saw production decline 7.9% year on year to 206.64 thousand MT.

Of the 20 major species, production gains were reported for seaweed (14%), big-eyed scad (32.8%), round scad or *galunggong* (17.2%), yellowfin tuna (28.5%), and Indian mackerel (60.6%).

Declines were reported for milkfish or *bangus* (12%), skipjack (12.6%), and fimbriated sardines, known in the Philippines as *tamban* (37.8%). — **Adrian H. Halili**

Philippines touts 'status quo-disrupting' transport infra program

THE Department of Transportation (DoTr) said the government's large-scale projects undertaken with the private sector have the potential to upend the status quo in the infrastructure-deficient country.

"Our transport projects highlight the efforts of our government in pushing the infrastructure agenda. Armed with innovative strategies and tools, we plan to disturb the status quo in the transport sector," Transportation Secretary Jaime J. Bautista said at the 4th Philippine Economic Briefing in the US, which was live streamed on social media.

In August, the National Economic and Development Authority (NEDA) Board approved three more projects for the infrastructure flagship project program, increasing the pipeline to 197 projects, valued at P8.71 trillion.

Of these projects, 73 are being undertaken by the DoTr, Mr. Bautista said.

The participation of the private sector is crucial in boosting infrastructure, he said, helping accelerate the completion of the department's projects.

The DoTr said it is now finalizing the terms of reference (ToR) for the operations and maintenance of the Metro Rail Transit Line 3 (MRT-3).

"We are now working with the Asian Development Bank (ADB) to finalize the terms of reference for the operations and maintenance of MRT-3... we are hoping that by July 2025 this will be operated by the private sector," Mr. Bautista said.

Earlier this year, the DoTr said it is studying its options for the privatization of the MRT-3 once its build-lease-transfer contract lapses in 2025.

In September, the DoTr said it is reviewing the rules governing

the handling of multiple unsolicited proposals after receiving a second bid to operate MRT-3.

"We have also requested the private sector to participate in the bidding for the operations and maintenance of NAIA (Ninoy Aquino International Airport). We are now in the process of meeting with these prospective bidders and we hope that by Dec. 27, they will submit their proposals," Mr. Bautista said.

So far, at least eight entities have bought bid documents for the upgrade of NAIA. The DoTr is hoping to evaluate the bids and award a contract by the first quarter.

Aside from these projects, the Department of Public Works and Highways is also working to accelerate completion of its programs.

"The Philippines will soon have (its version of the) Golden Gate Bridge in Metro Manila. This is what we are aiming to implement probably by next year," Public Works Secretary Manuel M. Bonoan said.

He was referring to the Cavite-Bataan interlink bridge, a 32.15-kilometer four-lane bridge crossing the mouth of Manila Bay with the landing points at Mariveles, Bataan and Naic, Cavite.

Construction will start in 2024, Mr. Bonoan said. Once completed, the bridge is expected to reduce travel time between the provinces of Bataan and Cavite to 45 minutes from five and a half hours.

"Of the two main areas that we should focus on, one is hard infrastructure, which we talked about, but I would like to talk about digital infrastructure... The biggest part that I think the private sector can (offer) is talent," according to Sabin M. Aboitiz, president and chief executive officer of the Aboitiz Group and lead convener of Private Sector Advisory Council. — **Ashley Erika O. Jose**



Small-farmer receipt exemption rules issued

THE Bureau of Internal Revenue (BIR) said it has released the regulations that will govern the small-scale farmer exemption from issuing receipts and invoices.

BIR Revenue Regulations (RR) No. 12-2023 relieves small farmers of the need to issue principal and supplementary receipts or invoices covering the sale of their agricultural food products.

"Through these revenue regulations, we hope to support our small agricultural producers by making it easier for them to comply with the tax laws," BIR Commissioner Romeo D. Lumagui, Jr. on Thursday.

The RR exempts agricultural producers whose gross sales do not exceed P1 million a year.

It added that small producers are still required to register their

principal place of business or residence with the BIR's Revenue District Office (RDO).

The BIR also classifies agricultural suppliers, sellers, producers, contract growers and millers that do not exceed the P1 million threshold to be small-scale agricultural producers.

The BIR agricultural producer category includes produce, livestock, and poultry farmers, as well as producers of marine products, ordinary salt, and agricultural inputs.

"The agricultural food products shall still be covered by these revenue regulations even if they have undergone the simple process of preparation or preservation for market," it said.

It added that producers also need to maintain a records of

sales for every transaction in a simplified sales book.

If an agricultural producer sells goods or services other than food products, the total value of the other products must not exceed P1 million and be equivalent to up to 30% of total sales per year.

"Should the annual gross sales/receipts of small agricultural producers exceed P1 million at any time..., they will be required to issue official receipts/sales invoices for every subsequent transaction valued at P100 or more," the BIR said.

It added that those exceeding the threshold can buy and use official printed receipts or invoices from district offices and are required to issue official receipts "pursuant to an Authority to Print (ATP) to be issued by the RDO."

Buyers are also required to issue a Certificate of Income Payment Not Subject to Withholding Tax (BIR Form No. 2304) or Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307) for every transaction.

"These forms will serve as evidence of purchases made to support claims for deductible expenses of the buyers or purchasers of Agricultural Food Products, for tax purposes," it said.

Producers which do not exceed P300,000 in net income for the tax year are exempt from withholding taxes. Those above the threshold are subject to a 1% withholding tax rate.

Small-scale agricultural producers are still required to pay income taxes and file quarterly and annual income tax returns. — **Adrian H. Halili**

ARTA helps develop master's course for regulators

THE Anti-Red Tape Authority (ARTA) said it and Don Honorio Ventura State University (DHVSU) agreed to offer a master's-level public administration degree focused on regulatory management.

ARTA Secretary Ernesto V. Perez said that the memorandum of understanding (MoU) illustrates how educational institutions can contribute to capacity-building for future regulators.

"We aim not only to enable and capacitate our current workforce with international best practices in good regulation but also to invest in our youth, providing them with the relevant tools and techniques to design better regula-

tions in the years and generations to come," Mr. Perez said in a statement on Thursday.

The signing of the agreement marks the first entry into the educational curriculum of Regulatory Management, which ARTA hopes will help create a more business-friendly environment.

"It is in this light that DHVSU, as a state institution, is affirming its support to ARTA, as well as our partner agencies to realize our aspirations," DHVSU President Enrique G. Baking said.

Under the MoU, the Bacolor, Pampanga-based school will offer a Master's degree in

Public Administration (MPA) targeted at aspiring regulators.

The MPA offering is focused on reducing regulatory burdens and improving regulatory quality "through the exploration of the pedagogy of regulatory impact analysis tools, policies, and lenses," Mr. Baking said.

ARTA said it will work with DHVSU to develop the curriculum and provide inputs on the subject discussion, activities, and requirements. It will also help identify ARTA personnel who are interested in joining the program. — **Justine Irish D. Tabile**