

Retail hub seeks to empower, elevate Filipino art entrepreneurs

By Miguel Hanz L. Antivola
Reporter



THERE is a growing recognition of the commercial value of creative work among Filipino artists, fueled by the emergence of online and offline showcase platforms, according to Ma. Roma Agsalud-Agsunod, co-founder of local arts and crafts retail hub Common Room PH.

Ms. Agsunod said that when she and her sister set up a hub in Katipunan, Quezon City, eight years ago, their primary goal was not to establish a community of art entrepreneurs but to expand their home-based craft business, Popjunklove.

The business grew its initial P5,000 starting capital in 2007 through profits from weekend bazaar hustles, she said in an interview with *BusinessWorld*. In 2015, they finally had their own brick-and-mortar space but realized it was too large for their needs.

"In other countries, you see a thriving creative industry, gathering together in one space," Ms. Agsunod said. "Somehow that idea was planting bigger dreams for us, but we never really thought it was something we could do."

"If together we can somehow make that individual smallness have an impact, then maybe we can give that bigger dream a shot," she added, noting the 33 fellow art entrepreneurs whom she met through bazaars and first made up the hole-in-the-wall in Katipunan.

Even with four branches to date, there are obvious physical limitations to the roster of artists Common Room can accommodate, which is currently at over 200 from the more than 2,000 applicants the business has had over the years, Ms. Agsunod noted.

To address this challenge, Common Room introduced in-store popup spaces to its business model this year to showcase new makers on a rolling basis of three months, compared to the three-day duration of a typical popup, she added.

"For the top brands that we were able to welcome that year, they get a chance to come back for the holidays," she said.

ONLINE OPPORTUNITIES

Alongside such an initiative, the business also invested in creating

videos to strengthen its online and e-commerce presence — a lesson Ms. Agsunod mentioned they learned from the pandemic when the whole business almost closed down.

"We realized it was so hard to put all your eggs in one basket," she said on previously relying solely on physical store sales.

"E-commerce helped us survive the pandemic years," she added, noting the business' pursuit to continue fortifying its e-commerce arm even when online profits are lower than those from their physical stores.

Aside from its marketplace website, Common Room regularly uploads videos on YouTube and TikTok regarding its business journey, craft and business tutorials, and artists' stories, hoping to further cultivate the potential of the local creative industry and small businesses alike, Ms. Agsunod said.

"Common Room is also an incubation space, even for those not in our retail space yet," she added.

"Our shoppers are very mindful now, seeing the importance of supporting an artist," she said, highlighting the growing appreciation and support for local creatives in the country given the business' successes.

Additionally, she noted how Common Room patrons largely contributed to the virtual fundraising campaign they held during the pandemic, which helped them weather through a few more months before they opened again.

"We have a very solid community of makers and both shoppers who really understand the story of the business," she said.

GROWTH AND OUTLOOK

While physical growth is limited to an extent, Ms. Agsunod said the business aims to double down on its "temporary activations" for artists and patrons next year.

"Our plan is really to focus on our weakness, which is making space for more amazing Filipino makers and artists," she

said. "We see right now there are so many cons, art fairs, and bazaars popping up, and people are really going to see these experiences."

However, she noted that Common Room will conduct such opportunities as gathering experiences in line with their advocacy, and not just buying events. "It's most likely something that will involve workshops and talks with other makers."

Ms. Agsunod has observed progress in local creatives recognizing the value of their work, especially amid exploitation through lowballing clients.

"It's really a process... an artist's journey of discovering their value," she said on how some price their work low or settle for X-deals to build up their portfolio.

"There is still a lot of work to do on this front," she added, noting that some brands, businesses, and government projects have rightfully started compensating artists fairly.

Growth,

from S1/1

Annual headline inflation slowed to a three-month low of 4.9% in October from 6.1% in September. But it still marked the 19th straight month that inflation breached the central bank's 2-4% target band. For the 10-month period, inflation averaged 6.4%.

BofA Global Research expects the BSP to maintain the key interest rate at 6.5% this year, before cutting by 100 basis points (bps) to 5.5% in 2024.

HIGH RATES

Meanwhile, the ASEAN+3 Macroeconomic Research Office (AMRO) said the BSP can keep the key policy rate at its current level as inflation is expected to further ease.

"According to AMRO's baseline projections, the output gap is expected to remain positive while inflation should gradually return to its target band in 2024, which suggests that the current tightened monetary policy stance is appropriate," AMRO said in its latest Annual Consultation Report.

"The policy rate can be maintained at the current level to keep monetary policy tight, as it is above the neutral rate and the projected decline in inflation will keep the policy rate positive in real terms," it added.

At its policy meeting earlier this month, the BSP kept its target reverse repurchase rate at 6.5%, the highest in 16 years.

Since May 2022, the Monetary Board has raised borrowing costs by a total of 450 bps.

The Monetary Board will have its last policy meeting for the year on Dec. 14.



ECONOMIC ACTIVITY may slow in the fourth quarter despite holiday spending.

AMRO's model showed that the central bank's current policy rate of 6.5% is "appropriate" based on the think tank's growth and inflation forecasts for this year.

"The BSP's monetary policy tightening between 2022 and October 2023 has been timely and necessary, as inflation was also demand-driven according to AMRO's findings," it added.

However, AMRO also said that if inflation remains elevated and above the target range for a prolonged period, there may be a need for additional monetary tightening.

"However, the decision should take into account the delayed transmission of past tightening, and the impact of additional rate hikes on financial stability — in particular, the financial health of vulnerable borrowers such as households and MSMEs (micro, small, and medium enterprises)," it said.

"In a different risk scenario, if downside risks were to result in a sharp and persistent economic slowdown in the coming quarters, monetary policy easing in coordination with a reallocation of budgetary funds to support vulnerable

groups could be warranted. In that way, fiscal policy can provide support without derailing the fiscal consolidation plan," it added.

The central bank said inflation could fall within the 2-4% target in the first quarter of 2024. However, BSP Governor Eli M. Remolona, Jr. earlier said inflation may pick up again to above 4% from March to July next year.

The think tank said that the government's policy mix should be "flexible and data dependent."

"Authorities should be vigilant in monitoring the evolving economic situation under high uncertainties, particularly with respect to price and growth developments," it added.

It also recommended an "all-of-government approach" to address supply-side factors and help bring down inflation. Targeted subsidies may also be implemented to help lower-income groups cope with rising prices.

Also, AMRO said that the BSP can use macroprudential tools to strengthen financial stability.

"Additional macroprudential tools such as the debt-service-ratio may also be considered to ensure appropriate lending standards in light of more intensive competition in the consumer loan segment. In view of high nonperforming loan ratios which are pandemic-related, banks are encouraged to help households and MSMEs in distress to restructure their debts," it said. — **Keisha B. Taasan and Luisa Maria Jacinta C. Joeson**

Budget,

from S1/1

He added that senators approved a request from the National Economic and Development Authority to establish an innovations revolving fund to provide grants for innovation programs and projects.

Representatives from the Senate and the House will now meet in a Bicameral Conference Committee to reconcile conflicting provisions of their respective budget bills.

At a news briefing on Tuesday, Finance Secretary Benjamin E. Diokno said Mr. Marcos is likely to sign the 2024 national budget before he leaves for Japan in mid-December.

Mr. Marcos will be in Japan to attend the 50th anniversary of the Association of Southeast Asian Nations-Japan Friendship and Cooperation Commemorative Summit.

During Tuesday's plenary session, Senate Minority Leader Aquilino Martin D. Pimentel III abstained from voting noting that he disapproved of President Ferdinand R. Marcos, Jr.'s certification of the measure as urgent.

"I will not object anymore. I will just make a manifestation of my continuing objection to the use of a presidential certification for the budget when I do not see any emergency or calamity right before us, which will be addressed by the certification," he said.

In September, he urged Mr. Marcos not to overuse the power to certify bills as urgent and to reserve the exercise of it for times of calamity.

Mr. Angara did not mention augmentations to the confidential and intelligence funds of state agencies.

Earlier this month, Vice-President and Education Secretary Sara Z. Duterte-Carpio said her office would no longer pursue its request for P500 million in confidential funds next year "because it is seen to be divisive."

She also said that DepEd would forgo its request for P150 million in confidential funds next year, asking senators to realign the amount to the country's learning recovery program, which includes capacity training programs for teachers among others.

Congressmen last month stripped several agencies including the Office of the Vice-President of their confidential funds, transferring P1.23 billion worth of these to security agencies. — **JVDO**

Incentive,

from S1/1

Latest data from the Department of Finance showed revenue losses from the CREATE law reached P80.4 billion in 2022, higher than P68 billion in losses in 2021. This included P59.2 billion in losses arising from the reduction in corporate income tax rates.

The CREATE law was implemented as a pandemic relief measure for businesses through income tax reductions.

Meanwhile, IMF's Mr. Gudmundsson said it is important for the government to have tax revenues that can support programs for education, health, and social protection.

"Especially as the Philippines moves to an upper middle-income country status, mobilizing revenues and resources domestically becomes more and more important because there will be reduced access to concessional financing," he said.

National Economic and Development Authority Secretary Arsenio M. Balisacan earlier said the Philippine government is preparing to be less reliant on official development assistance once the country achieves upper middle-income status.

The World Bank classifies the Philippines as a lower middle-income economy, with gross national income (GNI) per capita of \$3,950 in 2022.

JOB OPENING

10 TECHNICAL TEAM HEAD
10 PRODUCTION TEAM HEAD
10 MACHINE OPERATOR HEAD
10 MACHINE TECHNICAL CHIEF
10 PRODUCTION TECHNICIAN HEAD

- With at least 3 years working experience in relevant industries
- Must be a Bachelor's Degree Graduate
- Excellent communication skills and good in decision making
- Good problem-solving skills
- Fluency in writing and speaking of English and Chinese language
- Hardworking and willing to work in high pressure environment

PHILIPPINES TYT STEEL CORPORATION
Address: Brgy. San Jose Malino, Mexico, Pampanga
Email Ad: paramountvisaofficer@gmail.com