

Agriculture output rebound seen possible in 2023 on base effects

By Adrian H. Halili
Reporter

A REBOUND in agricultural output was deemed likely in 2023, with analysts citing the low base the industry is coming off in 2022.
'We forecast growth of 1.3% this 2023 with crops and poultry contributing significantly,' former Agriculture Secretary William D. Dar said in a text message.
'Very hard to determine. But since we are coming from a low base in 2022, I would not be surprised if there is a slight uptick in output in real terms,' Federation of Free Farmers National Manager Raul Q. Montemayor said in a Viber message.
If the forecasts are borne out, they would reverse the 0.1% contraction in the value of production in agriculture and fisheries in 2022, at constant 2018 prices.

The decline in 2022 output was due to weak production in crops and fisheries, according to the Philippine Statistics Authority (PSA).
Agriculture production fell 0.3% in the third quarter of 2023.
Agriculture accounts for about a tenth of gross domestic product and around a quarter of all jobs.
Earlier, Agriculture Assistant Secretary and Spokesperson Arnel V. de Mesa told reporters that the DA is expecting 'positive growth' in agriculture output for 2023 though the growth would fall below 3-4%.
Mr. De Mesa said that the lack of major typhoons and disasters during the fourth quarter likely improved overall farm output for the year.
The DA's official target is 2.3%-2.5% growth in 2023.
Mr. Montemayor said that the growth in production would be buoyed by 'generally good weather'

and higher farmgate prices, mainly for palay or unmilled rice.
The National Food Authority (NFA) raised buying prices for palay in September to P19-23 per kilogram for dry and P16-19 per kilo for wet palay.
Palay production for 2023 was initially estimated to have grown 1.53% to 20.06 million metric tons (MT), exceeding the 20 million MT target set earlier by the DA.
'Historical high, yes, but actually a minimal increase, not even enough to offset population and demand growth. (Gross Value Added) palay grew much larger due to an increase in farmgate prices,' Mr. Montemayor added.
The national farmgate price for palay rose 14% to an average of P19.89 per kilo in 2023.
National daily consumption of rice is equivalent to 33,983.5 MT or 679,670 bags, according to the NFA.
Elias Jose M. Inciong, president of the United Broiler Rais-

ers Association, said the poultry segment has continued to be a growth driver in overall agricultural production.
However, the H5N1 Highly Pathogenic Avian Influenza (HPAI), or bird flu, continues to hinder further growth, Mr. Inciong added.
'HPAI will always be a concern unless and until we have effective vaccines for breeders and layers,' he said.
In November, the DA released guidelines for the deployment of bird flu vaccines to be administered to commercial farms for layer chicken, layer chicken breeders, broiler chicken breeders, free-range breeders, grandparent broiler breeders, as well as small-hold layer/native chicken, duck, game fowl, turkey, and goose farms.
The DA said that it will give priority in deploying protective emergency vaccines to areas with a high concentration of HPAI cases.

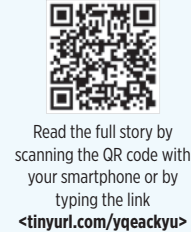
'No-new-taxes' pledge highlights balancing act between taxpayer relief, hitting revenue goals

By Luisa Maria Jacinta C. Jacson
Reporter

THE Department of Finance (DoF) decision not to introduce new taxes this year points to a focus on improving tax collection efficiency and providing relief to the public, though it runs the risk of failing to raise sufficient revenue, analysts said.
'No new or additional tax this year is a brilliant move,' Bienvenido S. Oplás, Jr., president of a research consultancy and of the Minimal Government Thinkers think tank, said in a Viber message, noting that tax hikes have short- to long-term inflationary impact.
Finance Secretary Ralph G. Recto has said he does not plan to introduce any new

taxes, citing the need to minimize inflation and improve tax administration.
'The focus on improving tax administration is also good. High incidence of smuggling and illicit trade is a clear example of poor tax administration... so this is a good fiscal consolidation measure,' Mr. Oplás said.
Albay Rep. Jose Maria Clemente S. Salceda earlier estimated that taxes forgone from tobacco smuggling at P60 billion in 2023.
'It is also prudent first to maximize tax revenue collections from existing tax laws and intensify compliance as well as encourage the payment of the right taxes, before adding new tax laws or raising tax rates,' Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

FULL STORY



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Tourism recovery seen held back by delayed return of China visitors

THE RECOVERY of the tourism market lags the rest of the region due to infrastructure constraints and the slow rebound of visitor arrivals from China, analysts said.
Michael L. Ricafort, chief economist of Rizal Commercial Banking Corp., said the Philippines' tourism performance was lagging even before the pandemic.
'There has been a lot of catching up since the pandemic and also even before the pandemic with other ASEAN or Asian neighboring countries,' Mr. Ricafort said in a Viber message.
'This is largely due to infrastructure constraints that limit the capacity of airports and accommodation and MICE (meetings, incentives, conferences, & exhibitions) facilities to cater to a much larger number of foreign tourists,' he added.
In 2023, the Philippines logged 5.4 million international visitors which is only 65% of the 8.24 million foreign arrivals seen in 2019, but at par with the 65% average within Asia and the Pacific.
Mr. Ricafort said upgrades are needed to airports, particularly the Ninoy Aquino International Airport (NAIA), which will share future traf-

fic to and from the capital with the Bulacan and Sangley airports.
'There is a need as well as for integrated tour packages that will be cheaper and more convenient to attract more foreign tourists,' he said.
'There is also a need for more mass transport systems such as railways that are integrated into major airports to make it more convenient for local and foreign tourists to travel,' he added.
China Banking Corp. Chief Economist Domini S. Velasquez said slow growth can be attributed to geographical constraints and absence of Chinese tourists.
'The Philippines lags behind its other ASEAN neighbors in terms of tourist arrivals, which can be attributed partly to geographical constraints, as the country cannot be accessed by land,' Ms. Velasquez said in a Viber message.
'However, another factor contributing to the below-target numbers, especially during the pandemic, is the absence of Chinese tourists,' she added.
Before the pandemic, China was the country's second top source of international arrivals after South Korea. However, China only ranked fifth last year. — Justine Irish D. Tabile

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OPINION

How agile corporate reporting builds confidence

As businesses grow, finance leaders face increasing stakeholder demand for timely and accurate financial and non-financial corporate reporting. Moreover, organizations must consider how they can keep up with current and future demands, and how they can provide accurate stakeholder reports in a timely manner.

CORPORATE REPORTING AND STAKEHOLDER DEMANDS

Corporate reporting provides a comprehensive picture of an organization's financial and non-financial information, which can assist stakeholders and other relevant users in their decision-making. Furthermore, finance leaders can use corporate reporting to communicate the value their businesses create for people, society, and the environment.

There is also increasing stakeholder demand for non-financial information, such as sustainability reports that highlight a company's environmental, social, and governance (ESG) commitments. This development continually influences businesses, encouraging more responsible and sustainable practices. Moreover, evolving accounting principles and other regulatory requirements are continually obliging organizations to report more reliable and relevant information about their performances, positions and their level of compliance. The increasing stakeholder demands trigger the need for finance leaders to revisit their transformation agenda on their finance functions.

According to the 2023 Global EY DNA of the CFO Report, 16% of finance leaders believe their finance function delivers best-in-class performance, with only 14% of respondents planning to pursue a bold transformation agenda over the next three years. The small number may imply that there is a hesitancy to adopt new and inventive ways of working.

COMMON PITFALLS

Through the years, finance leaders have faced the challenge of meeting internal and external stakeholder demands to comply with the financial reporting standards and regulatory guidelines. As such, some corporate reporting policies, processes, and controls have not yet been transformed to align with organizational needs and demands, resulting in a lack of confidence among stakeholders.

There are some common pitfalls to watch out for in corporate reporting:

Substantial reliance on manual processes. Even though some organizations have Enterprise Resource Planning (ERP) systems, there are still some corporate reporting processes being done manually. In the 2021 EY 7th Global Corporate Reporting Survey, 56% of finance leaders said that 'there has been resistance to some of the changes we have had to introduce.' In addition, 51% said 'finance team members have sometimes failed to adopt new processes, reverting to traditional ways of doing things.' These entities normally have siloed systems that rely on spreadsheets to reconcile corporate reports from different systems. Spreadsheets are prone to human error, making them unsustainable since processes may become more complex as entities evolve.

Policies are not aligned with regulatory reporting requirements and business demands. Policies are vital to corporate reporting controls. If they are not aligned with regulatory requirements and business demands, they can reduce efficiency and effectiveness in decision-making. Recently, there have been significant changes with regulatory reporting requirements, such as financial reporting standards. Despite these changes, some organizations have not yet updated their policies, which may lead to the inappropriate and inconsistent application of procedures and processes. Consequently, this misalignment may result in fines, litigations, or other consequences to an organization if this non-compliance has a material effect on its corporate reporting.

Outdated employee skillsets. Due to today's fast-paced technological innovations, regulatory changes, and consumer demands, some employees may need to up-skill. Moreover, limited skill development may lead to poor performance and outdated corporate reports. According to the 2023 EY Global DNA of the CFO survey, 19% of the finance leaders surveyed said that talent together with risk are the least priorities for finance transformation over the next three years.

BUILDING CONFIDENCE

Addressing these pitfalls can help organizations achieve agile corporate reporting. To do so, finance leaders need to integrate their processes, policies, and people. Additionally, they need to focus on the following areas:

Invest in technology to digitalize processes. The 2023 EY Global DNA of the CFO survey shares that 44% and 36% of the finance leaders are now prioritizing technology transformation and advanced analytics, respectively. Finance leaders need to leverage investments in technology and digitalization to standardize and simplify the corporate reporting process. They must also explore new ways of working where data is integral to unlocking the value of business portfolios. They need to implement integrated systems to provide accurate and real-time reports, leveraging automation from technology. These solutions will enable faster and better decision-making, shifting the focus of finance from back-office bookkeeping to being a trusted business advisor within the organization.

Align policies with regulatory reporting requirements and business demands. In aligning policies, finance leaders need to ask themselves whether their organizations have all the necessary policies in place. They also need to determine how their policies compare to those of their industry peers, and if their internal users and customers are satisfied with the policies. Lastly, after determining if the policies are user-friendly, they need to identify the key policy gaps related to regulatory requirements and business demands.

Once policies are aligned and updated, finance leaders must ensure their organizations also have a 'policy on policies.' This overarching guidance will help define when to create, update, or decommission policies, including approval requirements for these changes.

Equip next generation leaders with the right skills and tools. Finance leaders can assess the skill gaps of their existing employees, encourage professional development, and reconcile both to align with business requirements. Any updated policies and processes should be cascaded to employees, especially those that require continuous training and education. These steps will help organizations ensure that the talent assigned to their tasks are aligned with current business and stakeholder demands.

THE FUTURE OF CORPORATE REPORTING

Finance leaders need to transform their corporate reporting agenda beyond the numbers, starting with a cultural change on their mindset and behavior. This journey can serve as a challenge and an opportunity to create long-term value for the whole enterprise, improve current ways of working and develop next-generation leaders. When finance leaders consider these, they can rebuild confidence and drive value for the organization today and tomorrow.

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PAGEONE claims 3rd AOY plum from the PH Quill Awards



Outperforming other public relations firms, PAGEONE Group clinched the coveted Agency of the Year (AOY) Award at the 20th Philippine Quill Awards of the International Association of Business Communicators - Philippines.
This is the agency's third consecutive AOY recognition from the Philippine Quill Awards.
The agency, along with its roster of clients, brought home a total of 28 trophies - 15 Awards of Merit and 13 Awards of Excellence. It even earned a top award finalist citation in the Communication Skills category. One of its clients, SM Foundation, was also declared 2nd runner up in the hotly contested Company of the Year after it won several awards of merit and excellence.
The Philippine Quill Awards also recognized the best campaigns of the agency clients namely, Nestlé Philippines, GSK Philippines, STI Education Services Group, Inc., SM Foundation and energy firm, Raslag Corporation.
A relatively young agency, PAGEONE and its clients have consistently won top awards in various award-giving bodies in the Philippines, China, Singapore, Hong Kong, Indonesia, New Zealand, Canada and from other international award giving organizations.
'We are both humbled and honored to receive these awards. Not only do they affirm our commitment to excellence but also continue to validate the genius of the men

and women of PAGEONE Group. We share our AOY award to our clients, partners and supporters for their continued trust and confidence in our agency in helping them deliver business results,' Mr. Vonj Tingson, PAGEONE President, said.
For his part, Dr. Ron Jabal, APR, PAGEONE Group CEO and Chair said, 'This is truly a great example of excellence recognized and innovation celebrated. Winning Agency of the Year is not just an achievement; it's a testament to our team's unwavering commitment, tireless creativity, and the collective spirit that propels everyone in the Group beyond boundaries. This recognition is proof of the enduring impact of our successful work with our brand partners.'
To date, it has amassed more than 400 awards from the Anvil awards of PRSP, the Philippine Quill Awards, the Silver Quill Awards in Asia Pacific, the Gold Quill Awards of the International Association of Business Communicators, the Asia-Pacific Stevie Awards, the Global Stevie Awards, the Gold Standard Awards of Public Affairs Asia, the SABRE Awards, and the Golden Flag Awards in Beijing, China. Recently, one of the agencies in PAGEONE Group has been declared Best PR agency in Southeast Asia during the ASEAN PR Excellence Awards held in Vietnam.