Rice imports hit 3.48 million MT as of late December

THE PHILIPPINES imported 3.48 million metric tons (MT) of rice in 2023 as of late December, according to the Bureau of Plant Industry (BPI).

Rice imports in December up to the 28th of the month totaled 387.21 thousand MT, up 29.19% from a year earlier.

The Department of Agriculture (DA) said for the entirety of 2023, imports are expected to total 3.65 million MT, or below the 3.8 million MT projected by the US Department of Agriculture.

The DA has said that about 500,000 MT of rice are expected to arrive in December and January as the government seeks to build reserves for the peak of El Niño.

El Niño is expected to intensify between January and May, affecting about 63 provinces with droughts and dry spells, according to the government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration).

The BPI reported that Vietnam remained the Philippines' top supplier of rice with 84.27% of total imports. Shipments from Vietnam are expected to hit 2.94 million MT.

Thailand supplied 297.2 thousand MT and Myanmar 143.92 thousand MT.

The DA said that 75 thousand MT of rice was set to arrive from India by early January, part of a 295,00 MT rice allocation India granted the Philippines in October.

The Indian government issued the quota for non-basmati white rice to the Philippines. It had earlier banned all exports of non-basmati white rice to stabilize its domestic supply.

Arrivals from India have amounted to 13,758 MT, as of Dec. 28.

Meanwhile, the BPI has issued 824 sanitary and phytosanitary import clearances (SPSICs) for December covering the import of about 660.01 thousand MT of rice.

Agriculture Secretary Francisco Tiu Laurel, Jr. said he has instructed traders to use up their SPSICs for an additional 1 million MT of rice. The DA has imposed a 30-day deadline for traders to use their permits. — **Adrian H. Halili**

ERC: Committee looking into Panay Island power outage

THE Energy Regulatory Commission (ERC) said the Panay power outage has been referred to an interim grid management committee for investigation, adding that appropriate penalties will be imposed after the panel delivers its findings.

"After the investigation, if penalties are called for, then we will commence proper proceedings to allow the relevant parties to answer and, if answers are not acceptable, impose penalties," ERC Chairperson Monalisa C. Dimalanta said in a Viber message.

The National Grid Corp. of the Philippines (NGCP) reported on Tuesday that multiple power plants tripped, including units of Panay Energy Development Corp. and Palm Concepcion Power Corp. (PCPC).

Due to the plant outages, some 452 megawatts (MW) became unavailable, causing the NGCP to raise a yellow alert on the Visayas grid.

The yellow alert was lifted at 9:01 p.m. on Tuesday.

According to an NGCP update on Thursday, some 244.6 MW of electricity is currently being generated by Panay power plants.

The Visayas grid will need about 300 MW to stabilize, and is awaiting the return of a 135-MW PCPC facility.

The plant is targeted to be synchronized with the grid between 10 p.m. and 12 midnight on Jan. 4.

Citing an initial report, Ms. Dimalanta said equipment failure at PCPC caused the plant to trip. Operators are waiting for the unit to cool down before it can be restarted.

MORE Electric and Power Corp., the sole electric distribution utility in Iloilo City, has been affected by the power disruption, as well as seven electric cooperatives on the island.

As of 2:30 p.m. on Thursday, almost 50% of MORE's customers were still not receiving power, it said. The company has imposed rotational outages every three hours due to the insufficient power supply.

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"We need to investigate this further because it is impossible that all plants just decided to go offline all at the same time, or that they all failed on their own at the same time," Ms. Dimalanta said.

"There must be something that led to those serial consequences among the generation plants," she added.

Ms. Dimalanta said there should have been systems in place to prevent such occurrences.

She said that NGCP can direct distribution utilities to drop load to reduce demand to the level of available supply, thereby stabilizing the system.

"The system operator also controls the dispatch of plants so it could have initiated measures also on that end," she said.

"We are reviewing whether these measures were undertaken and whether they were enough, or if anything else can be improved," she added.

The NGCP has said that load restoration will be done "conservatively, by matching loads to restored generation, to prevent repeated voltage failure."

"The people must understand that we can only transmit power, we do not generate power," it said in a statement on Wednesday.

Legislators have called on the NGCP and the Department of Energy (DoE) to look into the Western Visayas outages.

"The DoE and the NGCP must understand the gravity of this situation and act decisively to resolve it," Senate President Juan Miguel F. Zubiri said in a statement. "They should get their acts together immediately."

He said constant power interruptions hamper the livelihoods and the delivery of basic services to the region's citizens.

Mr. Zubiri called on the DoE and NGCP to be transparent in implementing measures to address the outages.

Party-list Rep. France L. Castro called on the NGCP to take accountability for the blackouts that have left some parts of Panay without electricity since Jan. 2.

In a statement, she also called on MORE Electric and Power Corp., which supplies power to Iloilo City, to improve its coordination with the electric system grid operators.

"Does (MORE Power) even have a system to help protect the grid from collapsing, like a load dropping mechanism?" Ms. Castro said.

Senate Majority Floor Leader Joel J. Villanueva said the government needs a short-term and long-term strategy for dealing with power disruptions, include ensuring that power plants are properly maintained.

"We also need to continue exploring other sources of renewable energy such as wind and solar to keep up with the DoE's goal of a power generation mix target of 35% by 2030," he said in a statement.

Citing DoE data, Mr. Villanueva said about half of the power plants in the Philippines are at least 20 years old.

"The situation is no longer tolerable, and the DoE and the NGCP must urgently address this issue before irreparable damage is done to our communities," Mr. Zubiri said. — **Sheldeen Joy Talavera** *and* **John Victor D. Ordoñez**

Agri export growth hindered by funding, capacity constraints

By Adrian H. Halili
Reporter

AGRICULTURAL EXPORT growth will continue to be constrained by limited output and funding to develop the high-value crop sector, farmers said.

"Our problem with exports goes back to our problems in producing high-quality and competitively priced products on a consistent and sustainable basis, and in a way that is profitable for our farmers and market players," Federation of Free Farmers National Manager Raul Q. Montemayor said in a Viber message.

Former Agriculture Undersecretary Fermin D. Adriano blamed the lack of funds allocated for high-value crops, as against the attention paid to rice production.

The Department of Agriculture (DA) has set aside about P31 billion in 2024 to improve rice production.

"For as long as research and development and extension services receive a pittance, and the DA does not properly play its role of training our agri-exporters on (sanitary and phytosanitary) standards of the various rich importing countries, export growth potential will be constrained," Mr. Adriano said in a Viber message.

The DA has announced the preparation of a Philippine Agricultural Export Development Plan to increase exports of agriculture and fisheries products.

"Despite all the supposed concessions we gained from trade negotiations, our agricultural trade deficit has continued to increase, especially since our competitors are racing far ahead of us," Mr. Montemayor added.

Agricultural exports declined 13.3% to $1.61 billion during the third quarter, accounting for 8.2% of total exports, according to the Philippine Statistics Authority.

The leading exports were edible fruit and nuts as well as peel of citrus fruit and melons, valued at $492.09 million, or 30.5% of the total.

He said that the DA needs to identify products to focus on for export while setting up a support system covering the process from production to domestic and international markets.

"*Malaking trabaho* (It's a big job) but there are many success stories, which we just need to promote and expand," Mr. Montemayor added.

Meanwhile, Roy S. Kempis, a retired Pampanga State Agricultural University professor, said that agriculture products like mango, avocado, and durian are on demand in global markets but can benefit from further support.

"Philippine mango is preferred for its sweetness, texture and appropriate amount of fiber both in the export and domestic markets," Mr. Kempis is said in a Viber message, citing the potential for expanding the crop.

He added that the government could increase farmland dedicated to avocado and durian.

Mr. Kempis said technical and management training is needed by producers and exporters.

He said increasing the planting area, improving pest management and irrigation systems, and building community processing areas, will support the growth of such exportable crops, as will more access to credit.

"Exporting and financial literacy are two other areas that agriculture and food producers and exporters could be trained in," he added.

Shopee to offer halal products

THE Department of Trade and Industry (DTI) and e-commerce site Shopee have entered a partnership to feature halal food sellers on the platform.

"This initiative aims to support micro, small, and medium enterprises (MSMEs) and make halal products accessible online for sellers and consumers," Shopee said in a statement.

"It also helps Shopee's goals to empower niche businesses to grow their online presence and broaden their market," it added.

Under the partnership, Shopee will train potential sellers on selling on the e-commerce platform.

Shopee's onboarding sessions will cover product listing guidelines, user interface navigation, and taking advantage of business insights generated from sales data.

"Our collaboration with the DTI to onboard halal food sellers aligns with our commitment to supporting MSMEs and providing diverse options for our users," according to Vincent Lee, head of Shopee Philippines.

The DTI's National Halal Strategy is counting on P230 billion in investment from the industry while generating 120,000 jobs over the next five years. The industry as defined in the plan encompasses halal-friendly travel and tourism, and halal fashion, pharmaceuticals and cosmetics.

The National Halal Strategy assumes a global halal ecosystem with a market value of $7.7 trillion by 2025. — **Justine Irish D. Tabile**

Upskilling, streamlined gov't seen improving business performance in 2024, PCCI says

THE Philippine Chamber of Commerce and Industry (PCCI) said that 2024 could be a better year for business as the government and private sector seek to address ease of doing business (EoDB), power, and upskilling issues.

"With all these efforts... and all those good individuals who were recently appointed to help us address the issues (of) EoDB, power and upskilling and reskilling of our labor, we are optimistic that 2024 will be a better year," said PCCI President Enunina Mangio in a television interview.

She said foreign business organizations' own forecasts are signaling that the Philippines could be the fastest growing economy in Southeast Asia.

"PCCI assumes that this growth will be driven by resilient domestic consumption, increased government spending, infrastructure projects and a gradual recovery in some sectors. We see the economy gradually and moderately growing," she added.

She cited the need to strengthen its foreign relations and work on achieving remittance targets from overseas Filipino workers.

The reliance on remittances "is why reskilling of our laborers is very important," she added.

Ms. Mangio said that the PCCI recognizes that the business sector has the responsibility to help the government in reviving the economy.

"That is why we are taking a more proactive role in helping the national and local governments champion initiatives that will make our enterprises more competitive and our important sectors more attractive to local and foreign investors," she said. — **Justine Irish D. Tabile**

FEF proposes relaxing foreign ownership restrictions in Constitution

THE Foundation for Economic Freedom, Inc. (FEF) is proposing amending the Constitution's economic provisions to allow 100% foreign ownership of land, utilities, educational institutions, and mass media.

"We believe that the removal of restrictive economic provisions sends a clear and compelling message to foreign investors, signaling a warm welcome to investment and business operations in the Philippines," the FEF said in a statement on Thursday.

"The restrictions in the 1987 Constitution serve as constraints to developing areas of the economy where the Philippines has great promise such as mass media and renewable energy. The existing constitutional restrictions limit investments that we need to develop our creative industries," it added.

The FEF proposed to amend the following sections of the Constitution to allow 100% foreign ownership: Section 2, Article XII (National Patrimony and Economy); Section 3, Article XII (National Economy and Patrimony); Section 7, Article XII (National Patrimony and Economy); Section 10, Article XII (National Patrimony and Economy); Section 11, Article XII (National Patrimony and Economy); Section 4, Article XIV (Education, Science and Technology, Arts, Culture, and Sports); and Section 11, Article XVI (General Provisions).

The FEF also proposed the following amendments to the Filipino First provisions of the Constitution:

Section 19, Article II (Declaration of Principles and State Policies): From "The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos" to "The State shall develop a self-reliant and independent national economy for the benefit of all Filipinos."

Section 10, Article XII (National Economy and Patrimony): From "...In the grant of rights, privileges, and concessions covering the national economy and patrimony, the State shall give preference to qualified Filipinos..." to "...in the grants of rights privileges, and concessions covering the national economy and patrimony, the State shall give preference to qualified investors."

Removing such restrictions in the Constitution could help policymakers respond more effectively to both global and domestic economic changes, the FEF said.

Congress may still install safety nets within the constitution to ensure economic and social development, it added.

"We strongly emphasize that constitutional amendments should be limited exclusively to economic provisions. This focused approach reduces the risk of political controversy and division, ensuring the swift passage of crucial amendments to the economic provisions of the Constitution," the FEF said.

However, the FEF noted that amending the constitution alone won't sufficiently attract foreign investors as the government still needs to improve on upholding the rule of law, improving infrastructure, and ensuring ease of doing business.

Policy analyst and lawyer Michael Henry L. Yusingco said allowing 100% foreign ownership is not expected to boost foreign direct investments (FDI) significantly.

"But if we also fix our power issues, labor productivity issues, and transportation issues, then the amendment of the economic provisions can lead to a boost in FDI specifically in the sectors concerned like education, mass media and power generation," he said via messenger.

"To boost our FDI, we also need to solve basic problems like power costs, labor costs and other costs of doing business," he added.

Meanwhile, University of the Philippines-Los Baños Economics Senior Lecturer Enrico P. Villanueva said there is a risk politicians will take advantage of the amendment process to advance their interests.

"Government should focus its energies and resources instead on making the domestic business climate attractive. Costs of doing business should be lower (energy, transport, fees, bureaucracy, etc.), he said in a social media message.

Mr. Villanueva noted that the definition of public services was eased under the Duterte administration to attract foreign investors, but FDI did not increase significantly.

Mr. Yusingco also cited the Retail Trade Liberalization Act and the New Public Service Act as instances of the government seeking to remove obstacles to foreign ownership. — **Aaron Michael C. Sy**