



PHILIPPINE STAR/WALTER BOLLOZOS

## Rice supply deemed sufficient through first six months — DA

THE Department of Agriculture (DA) said the supply of rice will be sufficient during the first half of the year, with supply to include the dry season harvest supplemented by imports.

"We have enough rice, so prices should remain stable through the first half of the year. Our priority now is market stability," Agriculture Secretary Francisco P. Tiu Laurel, Jr. said on Thursday.

Mr. Laurel said prices may remain elevated until September due to concerns over the impact of El Niño on the global rice supply and "heightened demand for the grain that... is keeping international prices high."

Palay or unmilled rice production rose 1.5% to 20.06 million metric tons (MT) in 2023. This translates to about 13.2 million MT of milled rice.

The DA has targeted palay production of 20 million MT of palay in 2024, which would be little changed from 2023, to account for El Niño.

The government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), has said that the effects of El Niño may last until the second quarter. An estimated 63 provinces will experience droughts or dry spells.

In a bulletin, the DA said that El Niño damage has been valued at P151.3 million, affecting palay and corn in the Western Visayas and Zamboanga Peninsula. The agency estimates that 6,618 MT have been lost, while 3,291 hectares were affected by the dry spell.

"Most of the damage and losses were incurred by rice and

corn that are in their reproductive stage," it added.

The DA has also said that rice import shipments between December and January amounted to 750,000 MT, bolstering domestic supply.

The Philippines imported 3.58 million MT of rice in 2023, according to the Bureau of Plant Industry.

Vietnam, the Philippines' major source of imported rice, recently signed a five-year agreement to ship 1.5 million to 2 million MT of rice per year through private-sector exporters.

In October, India also gave the Philippines a quota of 295,000 MT of non-basmati white rice, after imposing restrictions on exporting the grain to assure domestic supply is adequate.

The Philippines is projected to remain the world's top importer of rice, with shipments projected at 3.8 million MT in 2024, according to the US Department of Agriculture.

"What we need to guard against now are profiteers who may attempt to exploit the situation by using El Niño as excuse to hoard rice to push prices to unreasonably high levels," Mr. Laurel said.

He added that the DA will work with the Department of Trade and Industry and law enforcement agencies to monitor surges in the market price of rice.

The national average price of well-milled rice was P54.42 per kilogram in late January, while regular-milled rice was P49.9 per kilo, according to the Philippine Statistics Authority. — **Adrian H. Halili**

## NCR hubs designed to promote capital to tourists set to be built

THE Department of Tourism (DoT) is set to launch three more hubs this year designed to promote cities in the National Capital Region (NCR) as tourist destinations.

The so-called Hop-On-Hop-Off (HOHO) hubs are "really meant to drive not just international tourism but also domestic tourism. In some countries, it is really domestic tourism that is driving economic growth," DoT Regional Director of NCR Sharlene Zabala-Batin told *BusinessWorld*.

"One of our objectives through HOHO is to make Metro Manila a premier destination... most major cities in the world have a HOHO program so we cannot be left behind," she added.

The Philippines' most-heavily promoted destinations tend to be beaches, leading travelers to skip the capital and fly off to resorts in the Visayas, Mindanao and Palawan.

The DoT said that the three remaining HOHO hubs that will be launched later in the year will be positioned as Heart, Lifestyle, and Mind Hubs, feeding visitors to San Juan, Pasig, Mandaluyong, Bonifacio Global City, and educational institutions in Quezon City.

On Thursday, the department launched its third HOHO hub,

touted as the Entertainment Hub, covering the cities of Pasay and Parañaque.

The launch of the hubs is part of the HOHO Travel by the Hubs tour program that aims to provide tourists with flexible transportation in exploring cities within Metro Manila.

"The program operates through designated hubs, where tourists have the freedom to choose their preferred destination and duration of stay," the DoT said.

Meanwhile, Tourism Secretary Maria Esperanza Christina G. Frasco announced on Thursday that the DoT is also working on the launch of layover tours by the second quarter. She said that the DoT is currently working with other National Government agencies as well as with airport authorities which include the Manila International Airport Authority, Bureau of Customs, Bureau of Immigration, and the Philippine National Police.

Ms. Frasco said that the layover tours will initially be connected to the Entertainment Hub due to the cities' proximity to the Ninoy Aquino International Airport.

Last year, the DoT launched the Business and Culture Hubs which attracted 805 participants in the first six months of operations. — **Justine Irish D. Tabile**

# Swiss firms cited easy business conditions in PHL — minister

SWISS companies now see the Philippines as an attractive investment destination due to the improved business environment compared to previous years, Switzerland's Foreign Minister said in Manila on Thursday.

"There is a growing interest by Swiss companies investing in this country, with the free trade agreement between the European Trade Association (consisting of) Switzerland, Norway, Iceland and Lichtenstein, and (the Philippines)," Swiss Federal Councilor and Minister of Foreign Affairs Ignazio Cassis said during a meeting with Foreign Affairs Secretary Enrique A. Manalo.

"Doing business between the Philippines and Switzerland has become easier and more attractive than earlier."



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He said that more about 28,000 jobs with decent salaries have been created through recent Swiss-Philippine business deals.

In January 2023, the Philippines bagged \$24.7 million in initial investment commitments from Swiss firms during a roadshow on the sidelines of the Philippines-EFTA and the 5<sup>th</sup>

Philippines-Switzerland Joint Economic Committee meetings in Switzerland.

Swiss companies engaged in metal processing and optical security were among those that expressed interest in doing business in the Philippines during the roadshow.

"We have a multi-faceted appreciation for the Philippine-

Swiss relations, spanning political, economic and people-to-people connections," Mr. Manalo said at the bilateral meeting.

More than 15,000 Filipinos live and work in Switzerland, while 4,000 Swiss nationals live in the Philippines, he said.

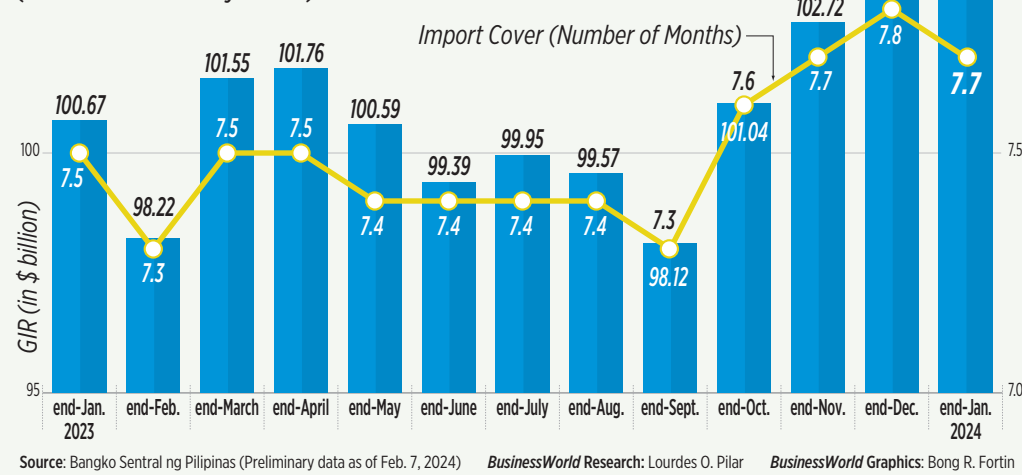
According to the Board of Investments, Switzerland was the Philippines' 26<sup>th</sup> largest trading partner in 2021, 17<sup>th</sup> largest export market, and 29<sup>th</sup> largest source of imports.

Philippine exports to Switzerland rose 17.3% to \$528.2 million in 2021.

"Indeed, the strongest ties that bind the Philippines and Switzerland are the various individuals and families who personify Philippine-Swiss connections," the Philippine Foreign Affairs Secretary said. — **John Victor D. Ordoñez**

## GROSS INTERNATIONAL RESERVES

(as of end-January 2024)



Source: Bangko Sentral ng Pilipinas (Preliminary data as of Feb. 7, 2024) BusinessWorld Research: Lourdes O. Pilar BusinessWorld Graphics: Bong R. Fortin

## Fourth-quarter domestic trade in goods by value declines 52.4%

DOMESTIC TRADE in goods fell 52.4% by value year on year in the fourth quarter, the Philippine Statistics Authority (PSA) said on Thursday.

According to the PSA's preliminary Commodity Flow in the Philippines report, the value of trade goods in last three months of 2023 fell to P137.71 billion, with the contraction accelerating from 16.7% in the previous quarter.

This was also a reversal from the 63.2% growth to P289.57 billion posted in the fourth quarter of 2022.

According to the PSA, domestic trade by value is the outflow value of commodities transported from the place of origin to the destination.

Volume of trade in the fourth quarter decreased to 3.24 million tons, down 48.6% from the preceding quarter.

This was also lower than the 6.31 million tons posted in the fourth quarter of 2022.

Commodity flow includes all goods transported by water, air, and rail transport, with shipping accounting for the bulk of the commodities.

All the 10 commodity groups monitored by the PSA dropped in trade value mainly led by beverages and tobacco (-79.2%). This was followed by chemicals and related products (-78.9%); manufactured goods classified chiefly by materials (-74.7%); miscellaneous manufactured articles (-73.1%); food and live animals (-57.6%); animal and vegetable oils, fats and waxes (-54.2%); commodities and transaction not classified elsewhere in the PSCC (-47.6%); mineral fuels, lubricants and related materials (38.3%); machinery and transport equipment

(-26.9%); and crude materials, inedible, except fuels (-0.4%).

Machinery and transport equipment posted the top value of all traded commodities amounting to P62.16 billion, accounting for 45.1% of the total. Food and live animals amounted to P31.93 billion (23.2%) and manufactured goods classified chiefly by materials P11.99 billion (8.7%).

Western Visayas posted the largest trade balance in the fourth quarter of P10.25 billion, on inflows of P10 billion and outflows of P20.26 billion.

Central Visayas posted the top trade value at P34.77 billion in the fourth quarter. It also posted the highest inflows at P31.10 billion.

The trade balance is the difference between outflows and inflows. — **Mariedel Irish U. Catilogo**

## UK chamber of commerce raises concerns on reported plan to suspend MAV for pork imports

THE British Chamber of Commerce of the Philippines (BCCP) said on Thursday that it is concerned about the plan to suspend the minimum access volume (MAV) for pork, saying that such a move would affect domestic supply and run counter to existing trade agreements.

"The BCCP has been a consistent advocate of the lowered tariffs on meat and has supported the last two consecutive extensions as this will further assist in augmenting the pork supply," the chamber said in a statement.

"We are concerned about the Department of Agriculture's (DA) reported plan on the suspension of MAV for pork and we support the reported comments of MAV Advisory Council (MAC) on the impact on domestic supply and existing trade agreements," it added.

The MAV is a feature of the global trading system, by which a participating country agrees to open its market to shipments from overseas producers of selected commodities, up to a designated limit.

Citing the *Philippine Star*, the BCCP said that the suspension could impact the domestic supply of meat and risk trade agreements, including bilateral ones.

"We reiterate our support for Executive Order (EO) No. 50 and its full implementation to manage inflation and food supply," the BCCP said.

"We hereby acknowledge the role of agriculture in Philippine economic growth, and we look forward to the Bicameral Conference and therefore, the passage of the Anti-Agricultural Economic Sabotage Act," it added.

In December, President Ferdinand R. Marcos, Jr. signed the EO 50 which extended a lower tariff regime on pork, rice, corn and coal.

Tariff rates were kept at 15% (within the MAV quota) and 25% (for shipments exceeding the quota) for pork, 5% (within the quota) and 15% (for shipments exceeding the quota) for corn, and 35% (all shipments) for rice until Dec. 31 to help manage down prices.

"The British Chamber maintains its commitment to ensuring food security and helping with the challenge of inflation by introducing quality British meat and establishing long-term relations with the importers to support the Philippine market," it said.

BCCP Executive Director Chris Nelson has said that total trade in goods and services be-

tween the UK and the Philippines grew to 2.9 billion pounds last year, with UK exports to the Philippines accounting for 1.3 billion pounds.

The top exports of the UK to the Philippines include meat and meat preparations. The Philippines is also UK's second top pork export destination in Asia, next to China.

Asked to comment, DA Undersecretary for Operations Roger V. Navarro said that a meeting regarding the issue is yet to be held.

"However, the committee already has a position which Secretary Kiko (Francisco P. Tiu Laurel, Jr.) will present to the MAV Advisory Council," Mr. Navarro told *BusinessWorld* via a Viber message.

The Philippine MAV for pork currently stands at 54,210 metric tons. — **Justine Irish D. Tabile**



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