2025 budget preparations 'on track,' DBM says

PREPARATIONS for the 2025 national budget remain 'on track,' the Department of Budget and Management (DBM) said on Wednesday.

On the sidelines of a conference, Budget Secretary Amenah F. Pangandaman told reporters that government agencies have submitted their Tier 1 proposals, which cover budgets for ongoing programs.

"By the end of March, Tier 1 would be completed... and then we'll ask them to submit their Tier 2," she said.

She said no issues have cropped up as yet to delay the submission of the budget.

"Government agencies are used to this. This is our third budget (under the Marcos administration), and they know their priorities already."

Under the Constitution, the National Expenditure Program, or the National Government's spending plan for next year, must be submitted to Congress within 30 days after the President's State of the Nation Address.

The DBM is scheduled to transmit budget documents to Congress on July 22.

Next year's national budget is P6.12 trillion, or 6.1% higher than the spending plan for 2024.

"The Fiscal Year 2025 budget aims to continuously address the socio-economic issues our country has been facing, e.g., high food prices, increasing fuel prices, and the scars that the pandemic has left, among others," the DBM has said.

In a national budget memorandum released this week, the DBM said the budget priorities for Tier 2 proposals included food security, health, education, social protection, and shovel-ready infrastructure projects. — **Beatriz Marie D. Cruz**

NEDA to roll out real-time agri market info system

THE National Economic and Development Authority (NEDA) said it plans to set up an information system supplying real-time agricultural data.

"What we have agreed on is really to implement right away the national information marketing network... because we see that there are inefficiencies in our market," NEDA Undersecretary Rosemarie G. Edillon told reporters on the sidelines of the United Nations Development Programme Investor Map for the Philippines launch.

"For example, you're a trader from Pampanga, and you find out that it's cheaper (to trade) in Tarlac, then you go to Tarlac," Ms. Edillon said in Filipino.

The information system would be patterned after the National Information Network (NIN) under Republic Act No. 8435 or the Agriculture and Fisheries Modernization Act.

The NIN was meant to harmonize inconsistent agricultural data from various agencies and research institutions.

Separately, NEDA's food inflation subcommittee is looking into the Department of Agriculture's (DA) delayed distribution of minimum access volume (MAV) quota allocations this year.

In February, the DA proposed the suspension of the MAV for pork and corn to lower dependence on imports. The quota for pork was to be reallocated to give processors a larger share compared to the traders.

Last month, the Meat Importers and Traders Association wrote to Agriculture Secretary Francisco P. Tiu Laurel, Jr., saying the quotas should have been distributed earlier this year.

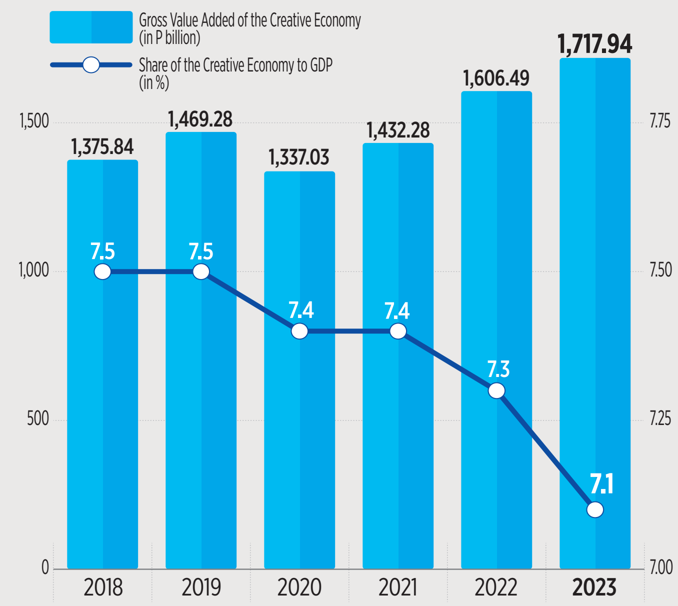
Under the MAV, overseas producers of selected commodities are allowed to ship in goods up to a quota for a lower tariff, with shipments exceeding the quota charged higher rates. The MAV system is a feature of the World Trade Organization's trading system.

In December, President Ferdinand R. Marcos, Jr. signed Executive Order 50, which extended the low-tariff regime for 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 countries of origin) for rice until Dec. 31. — **Beatriz Marie D. Cruz**

CREATIVE ECONOMY'S SHARE IN GDP FALLS FURTHER IN 2023

In 2023, the Philippines' creative industry-related activities reached P1.72 trillion. This was 6.9% lower than P1.61 trillion in 2022. This accounted for 7.1% of the country's gross domestic product (GDP), slightly lower than the 7.3%, a year earlier.



Gross Value Added of the Creative Economy (2023)

	Levels at Current Prices (in P billion)	Growth Rates (%, Year on Year)
Total	**1,717.94**	**6.9**
Symbols and Images and Other Related Activities	541.75	2.4
Advertising, Research and Development, and Other Artistic Service Activities	376.44	12.7
Digital Interactive Goods and Service Activities	362.98	11.4
Media Publishing and Printing Activities	188.56	5.1
Visual Arts Activities	105.72	-3.0
Audio and Audiovisual Media Activities	60.65	8.5
Traditional Cultural Expression Activities	58.61	12.3
Music, Arts and Entertainment Activities	18.10	8.8
Art Galleries, Museums, Ballrooms, Conventions and Trade Shows, and Related Activities	5.14	14.1

Source: Philippine Statistics Authority (Preliminary data as of March 21, 2024)
***BusinessWorld* Research**: Abigail Marie P. Yraola ***BusinessWorld* Graphics**: Bong R. Fortin

FMCG spending growth seen decelerating to 0.4% this year

DATA and analytics company Kantar said growth in in-home spending for fast-moving consumer goods (FMCG) in the Philippines could slow drastically to 0.4% this year from the 6% posted in 2023.

At the launch of the FMCG Outlook 2024 Philippines on Thursday, Laurice Obana, shopper insights director at Kantar's Worldpanel Division, said the projection for 2024 is on the conservative end due to the market's volatility.

"In 2023, we saw a little bit of normalcy because after so many months, or even years, of heightened inflation, we started to see it controlled or going down. So it is actually a reason for us to be optimistic," Ms. Obana said.

"However, we do know that circumstances can also be volatile, and so while there is a lot of reason for us to be optimistic, we think that maybe the proper way to approach things in 2024 is to be cautiously optimistic," she added.

She said that the report projected continued recovery in certain FMCG categories like healthy foods, pampering products and home care items.

"In 2023, which we're seeing to be continuing in 2024, we saw that there's continued recovery in certain categories such as healthier options like soy milk, yogurt, and cereals, pampering is also recovering, home care including pet food, cleaning and paper products," she said.

"Some categories are also being deprioritized and we see it in baby categories and hygiene," she added.

She said consumer purchases of alcohol will fall, while a slowdown in infant or growing-up milk and baby diapers has also been noticed.

To further support growth in spending for FMCGs, Kantar said that businesses should make every purchase valuable for shoppers.

"Filipino shoppers will continue to look for value in every purchase and they are not limited to affordable brands or smaller packs," it said.

"Brands must therefore find their edge to gain the attention of the buying public," it added.

Businesses were also advised to explore FMCG channels as shoppers explore "an expanded repertoire of FMCG channels." — **Justine Irish D. Tabile**

High court rejects appeal in case involving delayed SSS contributions

THE Supreme Court (SC) rejected an appeal filed by a real estate company, which was found by a lower court to have failed to remit employee contributions to the Social Security System (SSS) on time.

In a seven-page resolution, the SC Second Division upheld a decision of the Court of Appeals (CA) against RGV Real Estate Center, Inc. for violating the Social Security Law for failure to remit contributions.

RGV also violated SSS Circular No. 52 for failing to remit salary loan/calamity loan amortizations of its employees.

"The SSS is a government agency that is imbued with the salutary purpose of carrying out the State's policy of establishing, developing, promoting, and perfecting a sound and viable tax-exempt social security system," the SC resolution made public on Wednesday read.

The SSS had repeatedly issued Demand Letters seeking the payment of more than P3 million representing employee contributions.

RGV also availed the condonation program, which allows members with outstanding balances to settle their arrears by installment. In this instance, RGV still failed to comply with the condonation program's rules.

The Social Security Commission first heard the case and found RGV liable to pay almost P7.5 million in unpaid contributions, interest, and penalties for late remittance.

The CA then ruled the case to be not reviewable.

"Needless to say, the entitlement and amount of benefit and privilege of its (SSS) members are adversely affected by the non-remittance of the much-needed contributions. Any divergence from the rule subjects the employer not only to monetary sanctions but also to criminal prosecution," the SC said in its resolution. — **Chloe Mari A. Hufana**

Finnish labor unions extend export blockade

HELSINKI — Finland's industrial, logistics and electrical workers will extend their ongoing two-week strikes by one week until March 31, the unions and their federation SAK said on Wednesday, after meeting with Minister of Employment Arto Satonen.


SUOMEN AMMATTILIITTOJEN KESKUSJÄRJESTÖ SAK

SAK CHAIRMAN JARKKO ELORANTA

The workers have been on strike since March 11, targeting exports, imports and cargo transportation, the latest in a series of union action in protest against government labor reforms and welfare cuts.

The strike is having an impact on Finland's exports and imports as well as several companies including steelmakers Outokumpu and SSAB, refiner Neste and forestry groups UPM and Stora Enso.

"From our perspective the meeting was a disappointment and obviously we are very worried over the fact that the government is so stubborn and unresponsive even to our far-reaching compromise proposals," SAK Chairman Jarkko Eloranta told reporters, referring to the meeting with the minister.

The standoff began last year when Finland's newly elected conservative government announced plans to favor local work agreements over centralized bargains, limit political strikes, cut social welfare and make it easier to terminate contracts.

"This is not the right time to extend the strikes. They cause great damage to Finland's economy," Finland's Prime Minister Petteri Orpo told reporters, adding his government could not be pressed by striking.

Mr. Satonen called the strike extension "unfortunate."

"Matters can be influenced by discussing, not by striking," he wrote in a post on social media. — ***Reuters***

OPINION

Labor productivity is based on trust

Our management fully understands the daily hassles of commuting and wants to implement a flextime schedule for our employees. Our workers can come in as early as 7 a.m. and clock out at 4 p.m. How do we ensure that they will be as productive in the absence of supervisors closely monitoring their work? — Totem Pole.

Trust begets trust. Regardless of your work schedule, treat your workers as your own sons and daughters who can be trusted anytime, even without close supervision. I know. I was in the same boat when I was a working student. Flextime was not yet in vogue but I was accorded a special arrangement to work between the hours of 7 a.m. to 4 p.m. so I can attend night classes.

Our management was kind to me and I didn't want to be ungrateful. Of course, that's me. Not everyone can be like that. I've tested it more than hundreds of times with my direct reports over a more than 30 years when I was active in the corporate world. My lesson was simple. If management grants flexibility to employees, they will reciprocate positively.

It's human nature. Without trust in any personal or professional relationship, it's almost impossible to progress. Outside of a trustworthy work relationship, you can develop a company-wide program with a robust performance management system that ensures labor productivity is maximized.

Close supervision can only go so far. In fact, line executives who micromanage their workers often do worse. The trick is to understand the ability of the workers to perform their best without coercion or compulsion. Some managers may think of this as counterintuitive but not if you have a robust performance management system that may not require micromanagers.

PERFORMANCE MANAGEMENT

There's no better way to monitor employee performance than with a dynamic appraisal system that ensures all employee efforts are focused on meeting, if not exceeding management expectations, and that mutually agreed goals are consistently being met in an effective and efficient manner.

Going back to the situation you described above; how do we ensure that employees who work as early as 7 a.m. are doing what's expected of them? One easy answer is to require them to submit the results of their work starting at 8:30 a.m. or whatever time normal operating hours start.

IN THE WORKPLACE
REY ELBO

ELBONOMICS: Trust is best demonstrated by a consistent high performance.

You must also set up your company's performance management system along these lines:

One, set mutually agreeable performance expectations. There are many approaches to this. You can use the daily SMART (specific, measurable, attainable, realistic, time-bound) as one approach. Employees who have opted to work between 7 a.m. and 4 p.m. must be held accountable for delivering their SMART results. These are working parameters that are to be done and evaluated daily.

Two, measure performance and provide feedback. This must be done consistently, not necessarily to evaluate worker performance but to include discussions on their challenges and milestones. Ongoing monitoring can be done with the help of applications found in your basic software.

Three, develop an opportunity to define training needs. Through a dynamic appraisal system, management can readily understand employee deficiencies in terms of skills, abilities, competencies and other behavioral requirements. If not, you can also decide if the person is fit for that current work assignment. Consider arranging an intra- or inter-department transfer.

Four, summarize performance over a certain period. This is easy to do if the frequency is monthly, unless circumstances warrant weekly or semi-monthly evaluations. Whatever the frequency, arrange a face-to-face interaction and be as casual as possible. Avoid formalities, which stifle open communication.

Last, recognize above-average performance. Reward and recognize the deserving, whether by written commendation, plaque of appreciation, merit pay, promotion, even brief study tours overseas that are fully funded by international organizations. However, this option requires that you stage a competitive application process.

NO OTHER WAY

Some managers think that the process described above is time-consuming. That's true. But the truth of the matter is, micromanagement is not only time-consuming but devastating as well to the morale of your direct reports. There's no other way. Once you've established the foundational policies and processes, the time needed to administer it will fall over the long term.

Like all management programs, the active participation and cooperation of all workers must be secured for best results. You can only do this with the help of regular engagement dialogues. One caveat though. Understand that not all jobs can be measured objectively. If such cases, try to discover other ways to measure employee performance.

Bring REY ELBO's leadership program called "Superior Subordinate Supervision" to your line supervisors and managers. Contact him via Facebook, LinkedIn, X (Twitter) or e-mail **elbonomics@gmail.com** or via ***https://reyelbo.com***