REUTERS

NFA approves palay buying prices topping out at P30/kg

THE National Food Authority (NFA) Council said on Thursday that it approved buying prices for palay, or unmilled rice, that top out at P30 per kilogram (kg), depending on how the grain is graded and with price variations by location.

"What the (NFA) Council approved is a range for dry and clean palay of between P23 to P30 (per kg). For fresh, it is about P17 to P23 (per kg)," Agriculture Assistant Secretary and Spokesman Arnel V. de Mesa told reporters.

Last year, the NFA set the purchase price for dry and wet palay at P19-P23 and P16-P19 per kg, respectively.

The NFA is tasked with purchasing domestically grown rice and hold it in reserve in the event of shortages or calamities.

Traders are buying dry palay from farmers at P27 to P30 per kg.

"If the NFA's buying price is P23 per kilo, (they) really can't buy anything — minimal amounts at best. So, it was hiked a little so that the NFA can catch up with the price offered by traders at the moment," he said.

Additionally, Mr. De Mesa said that rice held by NFA warehouses will now be disposed of through auction.

Stocks held for less than six months will be about 20% cheaper than the monitored prices of the Philippine Statistics Authority (PSA), while rice kept for longer than six months will be sold at a discount of about 30% from the PSA monitored price.

NFA OIC Administrator Larry Lacson said that the agency will begin drafting guidelines on the new purchasing price, which will vary by province.

He added that the NFA is expecting to implement the new price scheme next week.

"There is no uniform price nationwide... It's on a per province basis. *'Yun ang isang bago ngayon* (that's what is new now). We will issue a price bulletin for each province," Mr. Lacson said.

Asked to comment, Raul Q. Montemayor, Federation of Free Farmers national manager, said that few farmers can comply with the NFA's quality standards due to lack of access to drying, storage and trucking facilities.

"Still, it will be a good opportunity for some farmers to sell to the NFA rather than to traders who are currently buying at between P25 to P27 per kilo," Mr. Montemayor said in a Viber message.

Bantay Bigas spokesperson Cathy L. Estavillo said that the government should increase the procurement budget of the NFA so that a "significant volume" of rice can be purchased from domestic farmers.

"At the same time, the NFA should also relaxing the requirement for the types of rice they buy. Ordinary farmers cannot meet the 100% clean and 14% dry standard due to the lack of post-harvest facilities," Ms. Estavillo said in a Viber message.

As of March 1, the national inventory of rice declined 3% to 1.37 million metric tons (MT), the PSA reported.

Stocks held by NFA facilities declined 59.9% to 41,290 MT compared with a year earlier. — **Adrian H. Halili**

Rice imports hit 1.18 million MT

THE PHILIPPINES imported 1.18 million metric tons (MT) of rice as of April 4, the Bureau of Plant Industry (BPI) reported.

The BPI said rice imports in April so far amounted to 23,539.92 MT.

As of the first quarter, shipments had totaled 1.15 million MT, up 43.6% from a year earlier.

The BPI reported that Vietnam remained the country's top supplier of rice as of early April, accounting for 62.4% of all imports in the year to date, or 734,583.07 MT.

In January, the Philippines and Vietnam signed an agreement giving the Philippines a quota of 1.5 million to 2 million MT of rice annually for five years.

Thailand supplied 251,738.43 MT during the period, or 21.4% of the total, followed by Pakistan with 124,038.5 MT, or 10.5%.

Rounding out the top five were Myanmar and China which shipped 58,080 MT and 4,680 MT of rice, respectively.

The US Department of Agriculture (USDA) has estimated that Philippine rice imports will increase to 4 million MT this year. The estimate, if borne out, would be 11.7% higher than the 3.58 million MT imported in 2023.

However, the Department of Agriculture (DA) said that the imports are unlikely to hit USDA forecast levels due to better-than-expected domestic production. The DA is targeting a palay (unmilled rice) harvest of above 20 million MT.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. said that the USDA import estimate was a "worst-case scenario" should domestic rice output be severely affected by El Niño. — **Adrian H. Halili**

Weak evidence seen for liberal foreign ownership boosting FDI — economists

LIFTING foreign ownership restrictions does not necessarily lead to increased foreign direct investment (FDI) or boost economic growth, according to a discussion paper published by the University of the Philippines School of Economics (UPSE).

"Our objective was to address the assertion that lifting foreign ownership restrictions in the Constitution is a necessary condition for improving economic performance and catching up with Vietnam and other ASEAN neighbors. We have discussed the available empirical evidence which in our view provides only weak support for such an assertion," it said.

The paper was written by UPSE faculty members Toby C. Monsod, Aleli D. Kraft, Cielo D. Magno, Jan Carlo Punongbayan, Orville Jose C. Solon, Elizabeth Tan; UP Los Baños College of Public Affairs and Development faculty member Agustin L. Arcenas; and Florian Alburo and Emmanuel S. de Dios, both UPSE Professor Emeriti.

In March, a bill seeking to lift foreign ownership limits in the 1987 Philippine Constitution was approved on third and final reading by the House of Representatives.

The paper noted earlier arguments for economic charter change, such as the notion that restrictions have resulted in the Philippines lagging its neighbors in terms of FDI.

"The reasoning seems to be that since the Philippines is the only country in the region with foreign equity restrictions in its Constitution, and since it has (subsequently) been receiving the smallest portion of FDI into the ASEAN, then the former must have caused the latter — an obvious post hoc fallacy," it said.

The restrictions alone were not the main reason behind the distribution of FDIs across the region, the paper said.

"Improvements in the business regulatory environment, combined with improvements in infrastructure, have effects on FDI that dwarf the size of those coming from any change in foreign equity restrictions."

In 2022, the Philippines posted FDI inflows of $9.2 billion, behind Singapore ($141.2 billion), Indonesia ($22 billion), Vietnam ($17.9 billion), Malaysia ($17.1 billion) and Thailand ($9.9 billion), according to the ASEAN Investment Report.

Cambodia led the laggards at $3.6 billion. Myanmar had $3 billion, Laos $600 million, and Brunei, which had a $300-million net outflow.

"Differences in foreign equity restrictions may help explain some of the observed distribution of FDI from source countries to the ASEAN-5 since 2009, but they cannot be considered as the main explanatory factor and can hardly be called necessary," the paper said.

"If economic charter change is premised on the necessity of lifting equity restrictions as a condition for improved economic performance, then this could be considered as evidence against it," it added.

It also cited another paper that showed that improving perceptions of public sector corruption has a much stronger effect on FDIs than just lifting restrictions.

Meanwhile, the paper also cautioned against the assumptions that FDIs are immediately "good for national development and have a net contribution to economic welfare and efficiency."

"Moreover, there might not be a direct causal relationship between FDI and economic growth per se. The observed relationship may be, simply, that the determinants of FDI happen to be the determinants of GDP growth," it said.

It also noted that in some cases, FDI could be "counterproductive, even hurting resource allocation and slowing growth." FDI may be growth-enhancing only when "certain local conditions or absorptive capacities are present."

"The macro-empirical literature, which focuses on identifying a causal relationship between FDI flows or stocks and aggregate economic growth, finds no or only weak support for the claim that FDI per se accelerates economic growth," the paper said.

"FDI has on average a detrimental effect on long-term income levels in developing countries, with the 'growth-limiting effects of FDI exceed[ing] growth-enhancing effects' in most countries, including the Philippines," it added. — **Luisa Maria Jacinta C. Jocson**

Clark food hub feasibility plan due later this year

CLARK International Airport Corp. (CIAC) said it will update the feasibility studies within the year for a food trading hub in Clark City, and expects to award the project to a private-sector partner by late 2025.

The updating of (feasibility) studies will happen this year, as will coming up with the terms of reference for the public tender," CIAC President Arrey A. Perez said at the sidelines of the Asian Development Bank (ADB) Food Security Forum late Wednesday.

CIAC is working with the ADB in reviewing the feasibility study as well as the terms of reference for the $152-million food hub.

The Clark National Food Terminal project is expected to do away with the need for wholesalers and major retailers to travel to Metro Manila to access produce, Mr. Perez said.

CIAC hopes to conduct the public tender for the food hub by next year, Mr. Perez said, with awarding possibly by the third or fourth quarter of 2025.

The proposed national food hub would be built on a 64-hectare site inside the Clark Civil Aviation Complex, Mr. Perez said last year.

The food hub would also house cold storage facilities, as well as key services like research and quality control, warehousing, food processing, international shipping, marketing services, and trading for domestic and foreign markets.

It will also be linked to a railway connected to Subic port.

The hub will also be near the sites of cargo companies FedEx and UPS, as well as satellite agri-trading hubs in northern Luzon.

The complex's logistics access will give producers "the ability to send their products all over the Philippines and even in international markets," Mr. Perez said. — **Beatriz Marie D. Cruz**

DBP approves P3-B loan for Mandaue City Hall

THE Development Bank of the Philippines (DBP) has approved a P3-billion loan for the construction of a new Mandaue City Hall.

The building is expected to be eight storeys high and will have "green building features," it said in a statement on Thursday.

"It will be constructed on a 4.3-hectare property in downtown Mandaue City and will house government frontline offices, satellite offices, as well as executive and legislative offices," the DBP said.

The bank said the loan was granted under its Assistance for Economic and Social Development for Local Government Units Financing Program.

As of Jan. 31, the bank had approved P108.2 billion in loans for 378 accounts under the program. Total loan releases amounted to P33 billion.

"DBP is ready to work with more LGUs in their pursuit of various initiatives designed to accelerate infrastructure build-up and boost socio-economic development in their respective localities," DBP President and Chief Executive Officer Michael O. de Jesus said. — **Luisa Maria Jacinta C. Jocson**

Tourism, creative industries named priorities in e-commerce dev't plan

THE Department of Trade and Industry (DTI) said the E-Commerce Philippines 2024-2028 Roadmap will focus on growing the e-commerce ecosystem in the tourism, creative, food and agribusiness, transportation, and logistics industries.

In a statement, the DTI said the E-Commerce Promotion Council meeting it conducted on April 8 was looking at ways to expand the international footprint of Philippine products and services.

"Representatives from both the government and private sector within the e-commerce ecosystem attended the meeting, including those from digital platforms, e-marketplaces, digital payments, and telecommunication companies," the DTI added.

In particular, the DTI said that the roadmap will emphasize building trust between online customers and sellers.

"By achieving this, we can foster a more complex economic landscape, enhance connections, and establish stronger relationships," Trade Secretary Alfredo E. Pascual said.

The DTI also expects the recently signed Republic Act No. 11967, or the Internet Transactions Act of 2023, to support the roadmap's objectives, with its draft implementing rules and regulations (IRR) already nearing completion.

Undersecretary Mary Jean T. Pacheco told reporters on Thursday that the target release of the IRR is sometime in April, pending a review of public comment.

Ms. Pacheco said questions have been raised concerning consumer-to-consumer transactions, trust marks and online business databases.

On Dec. 5, President Ferdinand R. Marcos, Jr. signed the Internet Transactions Act, which aims to protect online consumers and merchants engaged in internet transactions. Under the law, an e-commerce bureau will be created within six months. — **Justine Irish D. Tabile**

Education, labor policy reforms seen needed for young PHL workforce

By Beatriz Marie D. Cruz
Reporter

THE GOVERNMENT must enhance science education and review labor policies to suit the changing needs of the young workforce, analysts said.

Leonardo A. Lanzona, an economics professor at the Ateneo De Manila, said the government, alongside the private sector, needs a strategy to upskill workers.

"Improving science education in basic and tertiary levels should be a good start so that we do not simply implant the technology but also absorb and adapt it to suit our specific conditions," he said in a Messenger chat.

John Paolo R. Rivera, president and chief economist at Oikonomia Advisory & Research, Inc., said labor laws and policies require review to accommodate the changing preferences of young workers.

"Gone are the days when employees are tied to their seats, depending on job/tasks. There should be more job flexibility but greater accountability," he said in a Viber message.

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