

# NEDA: Legislated wages could hurt small firms, stoke inflation

PROPOSALS to legislate wage increases could stoke inflation and hurt small companies, the National Economic and Development Authority (NEDA) said on Thursday.

"We are trying to temper inflation. And we don't, at this point, want to add more sources of pain, because I do think that despite the challenges, we are doing well in guiding the economy to sustained growth," NEDA Secretary Arsenio M. Balisacan told reporters on the sidelines of a briefing.

Headline inflation accelerated to 3.8% in April from 3.7% last month amid rising transport and food costs, the Philippine Statistics Authority (PSA) said on Tuesday.

Legislators are considering various proposals for wage hikes of between P150 and P750. In

February, the Senate passed on third and final reading a P100 across-the-board wage hike.

"Conditions across industries, firms, and in the country are not the same, so a single wage would have negative implications," he said.

"The small and medium enterprises will be hit hard. And what will be their response? They could minimize their labor (levels).

The unemployment rate rose to 3.9% in March from 3.5% in February, according to the PSA. This is equivalent to two million jobless in March from 1.8 million in February.

NEDA has said that it is not opposed to raising wages, but backed the wage-setting mechanism of regional wage boards.

"We want to strengthen the window for the bargaining strength of labor (groups) in tri-

partite wage boards," Mr. Balisacan said.

Federation of Free Workers President Jose G. Matula said the present system of wage increases does not meet the daily needs of workers.

"It's concerning that, despite recent wage increases via regional wage boards, all regional minimum wages in the Philippines remain below the poverty threshold set by the PSA and fall far short of approximating the family living wage," he said in a Viber message.

A family of five in the capital region would need P1,192 a day or P25,928 a month to live decently, according to research group IBON Foundation.

IBON Foundation Executive Director Jose Enrique A. Africa said that a wage increase of up to

P150 would be "viable even for smaller enterprises."

"If taken from profits, they need not to lead to either job losses for workers or price increases for consumers — the key concept being that employers be more open to sharing profits with workers who were essential to the profits being made to begin with," he said via Viber.

To support micro-, small- and medium-sized enterprises (MSMEs), the government must offer preferential tax treatment and incentives, and help in developing workers' technical skills, Mr. Africa said.

MSMEs must also be supported as the government eases import restrictions, and be allocated more funding from the national budget, he added. — **Beatriz Marie D. Cruz**



PHILIPPINE STAR/EDD GUMBAN

## Farm goods, e-motorcycles, hybrids subject to tariff review

THE GOVERNMENT is reviewing the tariff regime for farm commodities, and studying whether to extend an offering of incentives to importers of electric motorcycles and hybrid vehicles, the National Economic and Development Authority (NEDA) said on Thursday.

NEDA Secretary Arsenio M. Balisacan said at a briefing that the reviews have hurdled the technical and committee levels, and will be raised before the NEDA Board, chaired by President Ferdinand R. Marcos, Jr., next month.

If approved by the board, changes in the tariff regime will be implemented beginning next year until 2028, according to NEDA.

"The overall intention of that review is to further structure the tariff regime so that we can have a more efficient and competitive economy," Mr. Balisacan said.

Tariff should be configured to ensure that there are no cases where "some industries have low tariffs for their outputs, but face high tariffs for the inputs that they use for their production."

Household consumption grew 4.6% in the first quarter slowing from 5.3% in the previous quarter and 6.4% a year earlier, the weakest reading for household spending since the 4.8% contraction in the first quarter of 2021.

Such spending accounted for 3.5 percentage points of overall growth in spending, according to the Philippine Statistics Authority (PSA).

Mr. Balisacan said that many parts of the economy are affected by a "highly distorted tariff structure."

Reviewing the government's tariff regime would also help "stabilize the policy environment" for all commodities, he added.

"It is a concern for investors what the applicable tariff is, so if they invest, will they see a low tariff or high tariff?"

He said there was no consensus on whether a separate executive order (EO) is needed for tariff revisions for some electric vehicle types or for hybrids.

NEDA has been studying the extension of EO No. 12 to grant zero tariffs to e-motorcycles and hybrid vehicles. The EO was signed last year to cut carbon emissions and encourage the transition to greener forms of transport.

The decision to limit the tariff benefits to electric four-wheelers is backed by the Department of Trade and Industry (DTI), which cited the need to encourage the rapid rollout of charging infrastructure. The DTI is also pursuing a fleet-focused strategy for electric four-wheelers to achieve critical mass as quickly as possible.

Headline inflation accelerated to 3.8% in April due to rising food and transport costs, the PSA said on Tuesday.

"We are trying to streamline and to restructure so that we can have much more broad-based sources of growth so that employment generation and growth can happen," Mr. Balisacan said. — **Beatriz Marie D. Cruz**



PHILIPPINE STAR/MIGUEL DE GUZMAN

## DTI asks manufacturers, retailers to accept 'voluntary' price freeze

LEADING manufacturers and retailers have been pitched on adopting a "voluntary" price freeze, with the Department of Trade and Industry (DTI) calling on them to do their part in curbing rising prices of essential goods.

In a statement on Thursday, the DTI expressed gratitude for industry's willingness to look to the greater good.

"We are profoundly grateful for the industry's partnership in protecting the welfare of our community," Trade Secretary Alfredo E. Pascual said.

The Price Act authorizes a 60-day freeze on prices of basic necessities in areas declared to be under a state of calamity.

The DTI said it proposed the voluntary price freeze on basic and prime commodities at a recent "Kapihan" session.

DTI Consumer Protection Group Assistant Secretary Amanda Marie F. Nograles said everyone will benefit from the price freezes, "not only in areas under a state of calamity, but every Filipino consumer."

The DTI also touted its ongoing projects, such as the Clark Mega Food Hub and the Nueva Vizcaya Agricultural Terminal Online.

The meeting was attended by representatives of Monde Nissin Corp., Unilever Philippines, Inc., Coca-Cola Beverages Philippines, Universal Robina Corp., Nestlé Philippines, Inc., Procter and Gamble Philippines, Inc., Century Pacific Food, Inc., Alaska Milk Corp., CDO Foodsphere, Nutri Asia, SM Supermarket, and Robinsons Supermarket. — **Justine Irish D. Tabile**

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## President pushing overhaul of coco dev't fund – PSAC

THE Private Sector Advisory Council's (PSAC) agriculture group said that President Ferdinand R. Marcos, Jr. is calling for an overhaul of the trust fund set up to develop the coconut industry ahead of a major effort to replace ageing coconut trees.

In a statement on Thursday, the PSAC said Mr. Marcos, in a meeting on Wednesday, proposed a comprehensive restructuring of the Coconut Farmers and Industry Development Plan (CFIDP) as the Philippine Coconut Authority (PCA) embarks on a replanting effort.

Last year, the President ordered the PCA to draft a plan to rehabilitate the coconut industry, including the planting of 100 million coconut trees by 2028.

The rehabilitation plan aims to address the advanced age of the nut-bearing trees. The PCA is seeking to replant about 8.5 million trees this year.

"Efforts are underway to realign the CFIDP to ensure that the growth of the coconut industry is both sustainable and inclusive," the PSAC said.

It said that the Department of Energy will move forward with its plans to increase the biodiesel blend to B5 (indicating 5% coconut oil content) in October.

"This policy aims to improve fuel efficiency while ensuring that the coconut supply for the food sector remains unaffected," it added.

It said that Mr. Marcos has also endorsed PSAC's recommendation to bridge sugar imports during the milling off-season and refine imported raw sugar.

"This strategy, along with a comprehensive review of the Sugarcane Industry Development Act (SIDA), aims to reallocate funds more effectively toward critical agricultural needs such as seed and irrigation," the PSAC said.

SIDA, also known as Republic Act 10659, seeks to raise the competitiveness of the sugarcane industry, and improve the incomes of farmers and workers.

Meanwhile, Mr. Marcos has instructed the Solicitor General to seek clarification and reconsideration of the decision that revoked the biosecurity permits for Golden Rice and Bt Eggplant.

The meeting also discussed increasing funding for the salt industry and stricter measures against tobacco and vape smuggling.

"We are committed to the swift implementation of these strategies to ensure they bring substantial benefits to our agricultural community and bolster the nation's economy," Universal Robina Corp. President and Chief Executive Officer Irwin C. Lee said. — **Adrian H. Halili**

## PPP Center studying EDSA busway privatization proposal

THE Department of Transportation (DoTr) said the Public-Private Partnership (PPP) Center is now evaluating the proposal it received for the privatization of the EDSA busway system.

"There is a proposal. It is being evaluated by the Public-Private Partnership Center. Then after that we will work with the proponent," Transportation Secretary Jaime J. Bautista said on the sidelines of a recent event.

The evaluation of the proposal is expected to be concluded in the next few weeks, Mr. Bautista said.

"There is a process right now under the new PPP law. There is a period that the PPP Center will review it and then if the documents are complete, it will be turned over to the DoTr," he said.

In 2023, President Ferdinand R. Marcos, Jr. signed a measure aimed at streamlining the framework for PPPs.

The PPP Code, or Republic Act No. 11966, amended the Build-Operate-Trans-

fer Law to create a unified legal framework for all PPPs at both national and local levels.

In March, the DoTr said it is confident that the EDSA busway privatization will take place in 2025.

The DoTr hopes the busway privatization follows a similar path to the privatization of the Ninoy Aquino International Airport (NAIA), soliciting bids from potential PPP proponents.

The NAIA PPP project is considered the fastest project to progress from submission to investment coordina-

tion committee approval to concession agreement signing.

In February, the PPP Center and the DoTr said they completed the initial market sounding activity for the EDSA Busway project.

In October, the DoTr said it expects to start the bidding for the EDSA PPP project in 2025. The EDSA Busway Project involves the financing, design, construction, procurement of low-carbon buses, route planning, and operations and maintenance of the busway. — **Ashley Erika O. Jose**

## Philippine renewable share lags 30% global average

THE PHILIPPINES generated 22% of its power from renewables in 2023, lagging the global average of 30%, according to think tank Ember.

"The Philippines has not seen a similar expansion in solar and wind, reaching a share of just 3.2% in 2023," Ember said in a statement on Thursday.

"In comparison, its neighbor Vietnam reached a 13% share for solar and wind in 2023," it added.

Ember said that the Philippines relies on fossil fuels for 78% of its electricity and its per capita power sector emissions are below the global average.

Low-carbon sources accounted for more than a fifth of the country's electricity, with the majority from hydropower and geothermal.

Solar and wind provided just 2.5%, which is below the global average of 13% and the average among the countries in the Association of Southeast Asian Nations of 4.4%.

"The Philippines saw its power sector emissions nearly double in

the last 10 years as rising demand was met with a more than doubling of coal power generation," the think tank said.

Ember's Global Electricity Review 2024 provides the first comprehensive overview of the global power system in 2023 based on country-level data.

The think tank said that the growth in solar and wind pushed the world past 30% renewable electricity for the first time in 2023.

"A renewables-powered future is now becoming a reality," Ember's Asia Programme Director Aditya Lolla said. "Solar power, in particular, is growing at an unprecedented pace."

It said solar has been the fastest-growing electricity source for a 19th year and surpassed wind to become the largest source of new electricity for a second year running.

The government aims to increase the share of renewable energy to 35% by 2030 and to 50% by 2040. — **Sheldeen Joy Talavera**

## Campaign launched to address skills mismatch, low job quality

A PRIVATE sector-led and government-supported national campaign was launched on Thursday to help create quality jobs and address jobs and skills mismatches following the success of a previous job creation program.

"This is the next season of the One-Million Jobs Program two years ago, and it is not just us but also PSAC, JobStreet by Seek, and SM Group, so we have a lot of private sector involvement to be able to focus on creating quality jobs," Philippine Chamber of Commerce and Industry (PCCI) Executive Vice-President Ferdinand A. Ferrer said.

"This just started this year, but this will not be just a one-year project; this will go across multiple administrations. What we want to do is have a continuous, quality job-generating program," he added.

He said the program hopes to create at least a million quality jobs in the first year of the campaign after hitting the target for the One-Million Jobs Program.

"If we can do more, the better. You know, actually, just between manu-

facturing, construction, and business process outsourcing, we can create a million jobs," Mr. Ferrer said.

The new jobs, he said, will be in manufacturing, construction, digitalization, information technology, and business process management.

"In manufacturing, which includes all the manufacturing industries, we hope to create 150,000 to 180,000 jobs this year," he said.

The campaign, he said, involves training to help upskill job applicants and reduce jobs and skills mismatches.

"TESDA is with us in this. That is why I'm saying that this is a multi-sectoral project because although it is the private sector that really gives the jobs, we need the government's support through policies and regulations to make it easier for job seekers to get upskilled or reskilled," he added.

On Thursday, the SM Foundation, Inc., JobStreet, and the PSAC signed a memorandum of agreement, which marked the commencement of the national campaign, Trabaho Para sa Bayan: J.O.B.S (Jobs Opportunities Building Skills). — **Justine Irish D. Tabile**