

Agricultural output,
from S1/1

Crops account for over half of the value of farm output in the country, with palay or unmilled rice's share at 30% and corn at 5.5%.

"The lack of rain starting February and the rise of temperature towards March 2024 were detrimental to the crop sector," Mr. Kempis said.

He added that the dry spell hit crops, mainly rice and corn, during their maturing and reproductive stages.

"El Niño affected production during the reproductive and maturity stages in palay. In corn, one end (the tips) of many corn ears where the silks come out were damaged such that these were considered rejects," Mr. Kempis said, citing DA reports.

Agriculture Assistant Secretary and Spokesperson Arnel V. de Mesa said the country's unmilled rice production is unlikely to fall below 20 million MT this year despite the dry weather.

"Our target is similar or a little over what we harvested last year of 20.06 million MT," he told *BusinessWorld*.

Meanwhile, the fishery sector likely continued to contract in the first quarter, the analyst said.

"With the fishing ban in effect partly covering the first quarter plus the limited access to traditional fishing grounds in the West Philippine Sea, output in the fishery sector will not produce positive results," Mr. Kempis said.

Fishery production in the first quarter was affected by both El Niño and the closed fishing season, Mr. Dar said.

The government imposes a three-month closed season to repopulate certain fish species. Fishing bans are declared in Northern Palawan, Ilocos, Negros Occidental, Capiz and Cebu in the fourth quarter.

Closed seasons are authorized by Republic Act No. 8550 or the Fisheries Code.

The DA approved a fish import quota of 25,000 MT for the fourth quarter to boost supply.

LIVESTOCK, POULTRY

As for livestock and poultry, Mr. Kempis said higher temperatures might have had a limited impact on these sectors.

"While temperatures could affect backyard production of livestock and poultry, these are more stable (nonfluctuating); with good management of livestock and poultry, production in the backyard sector will be a source of growth," he said.

However, Mr. Dar said the African Swine Fever (ASF) remains a major problem for hog farmers. "Intensify management and control is needed," he added.

President Ferdinand R. Marcos, Jr. said earlier the government would roll out ASF vaccines from Vietnam by June or July.

As of April 15, there were four regions included in the red zone spanning five provinces or 10 municipalities, according to the Bureau of Animal Industry (BAI). Red zones are areas with confirmed ASF outbreaks.

Gregorio A. San Diego, Jr., chairman emeritus of the United Broiler Raisers Association, said poultry production declined during the period, resulting in higher imports.

"There is a dip in performance especially for conventional poultry houses, but our bigger problem is the oversupply for broiler and more so with eggs that have resulted in very low farmgate prices," he said in a Viber message.

Chicken imports totaled 128.51 million kilograms in the first quarter, according to the BAI. Shipments of turkey stood at 307,835 kilos and duck at 33,375 kilos. — **Adrian H. Halili**

Budget,
from S1/1

Under the Constitution, the President must submit its proposed budget to Congress 30 days after the State of the Nation Address. The government wants its spending plan passed before yearend to ensure timely implementation of its projects in 2025 and sufficient funding for public services.

HUMAN CAPITAL DEVELOPMENT

Meanwhile, the DBM in a memorandum reminded agencies to prioritize human capital development in their budgets.

"The NG remains committed to balancing fiscal sustainability while ensuring that the country's development needs are addressed," the DBM said in National Budget Memorandum No. 152 dated April 30.

In particular, key programs/activities/projects (PAPs) on education, health and social protection, and labor force productivity should be given higher funding, the department said.

Larger budgets should also be allocated to agriculture, tourism, and micro, small, and medium enterprises, as well as the digitalization of government services.

The DBM also told government agencies to include only the key PAPs indicated in their March 19 memorandum in their Tier 2

Rates,
from S1/1

The Monetary Board will review policy on May 16. The BSP kept its policy rate at a 17-year high of 6.5% for a fourth straight meeting in April.

The central bank raised borrowing costs by 450 bps from May 2022 to October 2023 to tame red-hot inflation.

ANZ Research said in a report that it does not expect the BSP to deliver any rate cuts this year.

"The narrative in the Philippines is slightly different in that inflation is running close to the upper bound of the official target owing to elevated rice and energy prices, both of which are imported," it said.

"Persistent currency weakness arising from monetary easing will now potentially push up the landed costs of these imports," it added.

Mr. Remolona earlier said that if inflation risks persist, policy easing might be delayed to as late as the first quarter of 2025.

PESO INTERVENTION

Meanwhile, Mr. Remolona said the BSP has only had to intervene in the foreign exchange market in "small amounts" amid the recent weakness of the peso.

"We were active in small amounts, not to affect the value but to maintain orderly markets," he said.

After hitting 17-month lows against the dollar in the past two weeks, the peso has begun to stabilize, closing at P57.22 versus the greenback on Monday, appreciating by 12.5 centavos from its P57.345 finish on Friday.

Year to date, the peso has declined by P1.85 from its end-2023 close of P55.37 a dollar.

The BSP chief added that he is not that concerned about the peso's recent depreciation.

"There is not much stress yet in movements of the peso. We'd like to intervene significantly when there's stress," Mr. Remolona said.

"We know it's a strong dollar because a lot of other currencies have also weakened. It's not a very strong ground for intervention," he added.

In October 2022, the peso reached a record low of P59 against the dollar. This added to inflationary pressures and prompted the BSP to intervene in the foreign exchange market and raise interest rates.

Revenue,
from S1/1

The budget balance is also expected to remain in a deficit, he added.

"You will always have a deficit. Your debt will increase this year. There's no doubt about that."

Latest data from the Bureau of the Treasury (BTr) showed the National Government's budget deficit widened by 0.65% to P272.6 billion in the first quarter.

The government set a budget deficit ceiling of P1.48 trillion this year, equivalent to 5.6% of GDP. It aims to reduce the deficit-to-GDP ratio to 3.7% by 2028.

GLOBAL BONDS

Meanwhile, Mr. Recto said the BTr is finalizing its first global bond offering for the year.

"The Treasury is timing the market. I think it'll be within the first half," he said, noting that most of the global bond offerings this year would be dollar-denominated.

The government's last global bond issuance was its Sukuk bond offering in December, when it raised \$1 billion from its first-ever sale of Islamic bonds.

"We're open to (other) bonds, whatever is cheap and has less risk," Mr. Recto added.

The government's borrowing mix favors domestic sources (75%) to mitigate foreign currency risks. Its borrowing program is set at P2.57 trillion this year. — **Luisa Maria Jacinta C. Jocsion**

proposals for new and expanded programs, as it noted that budgets for Tier 1 proposals — requirements of ongoing projects — are expected to take the bulk of available funding.

"Implementation-ready PAPs that can be completed within the fiscal year, or until the allowable implementation period as provided in the applicable general and special provisions of the General Appropriations Act (GAA), if any, shall be accorded top priority in line with the principles of Cash Budgeting System," according to the memorandum.

NG agencies were also asked to use existing funds from this year's budget for the continued implementation of their activities. Maintenance and other operating expenses and capital outlays under the 2024 GAA are valid until end-2025.

"The indispensable role of government in stirring domestic economic activity cannot be overstated," the DBM said, noting that the underperformance in government spending in the first half of 2023 had affected economic output.

"Swifter budget utilization, coupled with the efficient implementation of PAPs, will be vital for full economic recovery."

US tech firm expected to expand staff to 250

THE Board of Investments (BoI) said on Monday that a subsidiary of a US information technology (IT) firm opened a new office in Taguig last month that will eventually expand its workforce to 250 direct jobs.

Registered with the BoI, the investment by IT By Design (ITBD) resulted

from President Ferdinand R. Marcos, Jr.'s visit to New York last year.

"The decision of the company to expand in the Philippines came on the heels of the government's campaign for more knowledge-based and high-technology services and manufacturing investments that leverage the

excellence of the Filipino workforce," the BoI said.

The company specializes in providing custom solutions to companies that offer outsourced management for technology infrastructure and end-user systems. — **Justine Irish D. Tabile**

Gov't must also promote competition among infra partners, economist says

THE GOVERNMENT must promote genuine competition among private-sector partners embarking on flagship infrastructure projects, going beyond its recent order to simplify the permit process for proponents of such projects, an economist said.

"EO 59 should include not just the implementation of these projects but also the rules governing the selection of private partners to promote more competition and local participation," according to Leonardo A. Lanza, who teaches economics at the Ateneo De Manila.

He was referring to Executive Order (EO) 59, issued last week, which streamlined the approval process for flagship infrastructure projects by bringing permit applications more in line with the norms set by the Ease of Doing Business law. The law deems complete permit applications to be approved if not acted upon within a prescribed period.

"The (priorities implied) by the EO can affect the criteria for evaluation or set preferences for certain private groups that may contradict the interests of society, including environmental and social safeguards," Mr. Lanza added.

"The government should strategize properly in order to obtain the true value of these projects to society," he said.

The EO cut down the national or local permit requirements for flagship projects to the environmental compliance certificate or certificate of non-coverage from the Department of Environment and Natural Resources; building or occupancy permits issued by a municipal official; excavation permits from the local government unit, and clearances from the National Commission for Culture and Arts, Metropolitan Manila Development Authority, Department of Public Works and Highways, and the Bases Conversion and Development Authority, where applicable.

It also cited the need to comply with "other requirements as mandated by the Constitution and existing laws."

Terry L. Ridon, a public investment analyst and convenor of think tank InfraWatch PH, said right-of-way issues should also be a priority to avoid major delays in infrastructure projects.

"Right-of-way is a perennial bottleneck for (infrastructure flagship projects), as it is difficult for government to immediately build resettlement communities for affected informal settler families," Mr. Ridon said in a Viber message.

Last month, Mr. Marcos issued a separate EO to fast-track the implementation of national railway projects, which are also being hampered by right-of-way issues.

EO 59 is expected to reduce transaction costs when implementing infrastructure projects, University of Asia and the Pacific Senior Economist Cid L. Terosa said in an e-mail.

"It complements the development of 'hard infrastructure' with 'soft infrastructure' in the form of streamlined processes and procedures. EO 59 therefore has the potential to raise both efficiency and productivity of infrastructure project implementation," he said.

Upon issuance of the EO, the government must incorporate feedback from communities, businesses and other stakeholders affected by the infrastructure projects, Mr. Lanza said.

There are currently 185 infrastructure projects in the pipeline, valued at P9.4 trillion.

The government's Build Better More program includes 197 projects including mass transit, railways, roads and bridges, airports, and seaports.

The government's infrastructure program for this year is budgeted for P1.472 trillion, equivalent to 5.6% of gross domestic product, the Development Budget Coordination Committee said.

For 2025, the infrastructure program will spend P1.66 trillion, or about 5.7% of GDP. — **Beatriz Marie D. Cruz**

**ANNUAL STOCKHOLDERS MEETING 2024****NOTICE OF MEETING**

Dear CLI Stockholders,

You are hereby notified that CEBU LANDMASTERS, INC. ("CLI") is holding its regular Annual Stockholders Meeting ("ASM") on 04 June 2024 (Tuesday) starting at 09:30 in the morning. You have the option to join remotely via Zoom or in person at Citadines, Baseline Center, Juana Osmeña St., Cebu City 6000 Philippines.

CLI is notifying its stockholders about the ASM via the alternative mode allowed by the Securities and Exchange Commission in its resolution from its meeting dated 22 February 2024. As such, this Notice of Meeting is published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days, with the last publication made no later than twenty-one (21) days prior to the scheduled ASM.

If you intend to join, please ensure you remain a CLI stockholder as of 23 April 2024, the record date for this meeting. Also, on this day, you may start sending your proxy forms and ballots to the Secretariat, which will continue to receive and validate them until 28 May 2024.

You may download the Definitive Information Statements, agenda, proxy forms, ballots, and other related materials for the meeting at <https://cebulandmasters.com/investor-relations/stockholders-meeting>.

We will endeavor to send you the Zoom log-in details and dial-in numbers within a few days after validation of your proxy forms and ballots sent either to corporate.secretary@cebulandmasters.com or my office address below.

Very truly yours,

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