NCR businesses see EoDB, power, traffic as major concerns

THE National Capital Region (NCR) chapter of the Philippine Chamber of Commerce and Industry (PCCI) said the main challengers to its members are ease of doing business (EoDB), power, and road congestion.

The issues were raised at a news conference on Wednesday launching the 2024 Metro Manila Business Conference (MMBC), which will take place on Aug. 21–22.

By the end of the MMBC, PCCI-NCR plans to present resolutions to the Metro Manila local government units (LGUs) that highlight their leading concerns, according to Hernando B. Delizo, PCCI-NCR vice-president and chairman of the 2024 MMBC.

According to Mr. Delizo, the most common issue cited by business owners in the region is ease of doing business, which they hope will improve through the efforts of the Anti-Red Tape Authority.

He added that taxes need to be harmonized between LGU and national levels.

He said power costs and road congestion result in high logistics costs, a major concern for businesses in the capital.

"This is why walkable cities are important. We are actually pushing for the pedestrianization of areas," he said.

"Unfortunately, the previous administration looked more into motor vehicles. But if you look at Japan, Singapore, etc., their cities are walkable. That is something we need to do," he added.

Mr. Delizo said he expects Metro Manila to remain the center for business, noting that it will take time to develop Clark as a new investment hub as part of a broader effort to organize the US-backed Luzon Economic Corridor.

"These developments will take time. Infrastructure development is challenging, especially with the rising cost of raw materials and manpower," he said.

"Although we are in support of that, depopulating Metro Manila will not be easy… We actually welcome the Luzon Economic Corridor; however, I know that it will take time," he added.

He said that Metro Manila retains many real estate assets that are not "maximally used." — **Justine Irish D. Tabile**

Agri-fishery investments seen as hedge against China disruption

THE PHILIPPINES needs to ramp up investment in agriculture and fisheries to dampen the impact of heightened tensions with China, the National Economic and Development Authority (NEDA) said.

"We are linked with China economically through our supply chain directly (and) indirectly through the effects of any tensions in our region," NEDA Secretary Arsenio M. Balisacan told reporters on the sidelines of a forum.

"One of the primary tasks of our government or administration is to improve our food security. And that's not just fish, it's also vegetables, fruit, rice, and all major commodities. That means that we really have to invest in the areas that will raise productivity," he said.

When asked about the possibility of the Philippines reducing its import dependence on China for its supply of fish, Mr. Balisacan said: "it's hard to say, because our population is also growing rapidly."

Last week, a Navy sailor lost a thumb after his boat was rammed by Chinese personnel seeking to block Philippine access to an outpost in the West Philippine Sea, according to the military. The Chinese Coast Guard also disarmed and seized rifles from Philippine personnel.

During the forum, Mr. Balisacan said tensions with China are not the main factor behind weak foreign direct investment (FDI) inflows, citing a decline in FDI globally.

"The share of FDI from China is quite small. The high was 4.4% in 2015 to 2019. It fell to 0.9% in the last three years, but… I don't think that we can directly attribute to that, because overall, global FDI (and) Asia-Pacific FDI have been falling," Mr. Balisacan said.

Loans from China also remain small, with the Philippines seeking to expand its sources of funding, he added.

"Official development assistance (ODA) from China is also very small… it's about only 5% of the total ODA we receive from other countries," he said.

Last year, the government withdrew from loan negotiations with China for three major railway projects valued at around P228 billion as tensions worsened over the dispute over territorial waters.

"The area where we are most exposed to China is in trade," Mr. Balisacan said. "Whether (we) like it or not, we are all linked to the same global supply chain."

He said an easing in global trade restrictions would help boost the Philippines' growth prospects.

"Our economic performance in recent years and the economic outlook in the near and medium term are very robust, keeping us one of the fastest-growing economies in the region. Still, if the global economy is better, if trade restrictions are reduced, then economic growth will be even faster," he told reporters.

The government is aiming for 6-7% gross domestic product growth this year. — **Beatriz Marie D. Cruz**

Philippine bond market growth picks up in 1st quarter

THE bond market's growth picked up in the first quarter of 2024 due to increased debt issues by the government and the Bangko Sentral ng Pilipinas (BSP).

Outstanding local currency (LCY) bonds grew 2.2% quarter on quarter to $219 billion, bringing total issues to about P12.3 trillion during the period. The growth rate had been 1% during the fourth quarter of 2023, according to the Asian Development Bank's (ADB) Asia Bond Monitor report for March 2024.

The bond market's growth was the fourth slowest among eight economies in Emerging East Asia which posted quarter-on-quarter expansions, though it exceeded the region's 1.4% growth.

Vietnam's bond market posted the strongest growth at 7.7%.

Year on year, the Philippine bond market grew 6.4%.

Treasury and other government bonds outstanding expanded 2.7% quarter on quarter to $180 billion in the first quarter, accelerating from the 2.1% expansion in the three months to December. These bonds had accounted for 82.5% of the total debt stock at the end of 2023.

Outstanding central bank securities grew 20.2% to $14 billion, accounting for 6.25.3% of the total.

Meanwhile, corporate bonds outstanding contracted by 8.2% to $25 billion due to a large number of maturities and the low volume of issuance during the quarter. These accounted for 11.3% of the Philippine LCY debt stock. — **Aaron Michael C. Sy**