

SC asked to issue TRO against rice tariff cuts

FARMERS on Thursday asked the Supreme Court (SC) to issue a temporary restraining order (TRO) freezing an executive order (EO) issued by President Ferdinand R. Marcos, Jr. that had reduced the tariff on rice imports to 15% from 35%.

The signatories to the TRO petition, Samahang Industriya ng Agrikultura, Federation of Free Farmers (FFF), United Broiler Raisers Association, Sorosoro Ibaba Development Cooperative, and Magsasaka Party-list, argued that their right to be consulted was violated and that the lowering of tariffs would threaten their livelihoods.

They also asserted that the EO failed to comply with the customs modernization law's specified procedure for lowering tariffs.

Executive Order No. 62 was issued on the recommendation of the National Economic and Development Authority (NEDA) and later effected by the Tariff Commission.

"This Executive Order was hastily issued sans the consultation, investigation, hearings, reports — which are required by... the Customs Modernization and Tariff Act (RA 10863), to be complied with before the President can validly (issue) an Executive Order involving tariff reduction," according to the 27-page petition.

The petition also asserted that farmers have constitutional pro-

PHL rice imports seen at 3.8 MMT in 2025 — FAO

PHILIPPINE rice imports are expected to hit 3.8 million metric tons (MMT) amid increasing consumption, according to the Food and Agriculture Organization (FAO).

In a report, the FAO said that next year's projection is 8.5% higher than the 3.5 MMT estimate for 2024.

The United Nations agency projects Philippine consumption at 17.5 MMT, up 1.4%.

The Department of Agriculture's own projection is 3.9 MMT this year.

President Ferdinand R. Marcos, Jr. signed Executive Order No. 62, which reduced rice tariffs to 15% until 2028, in order to bring down prices. The new tariff regime is subject to review every four months.

As of June 20, the Philippines had imported 2.28 MMT, according to the Bureau of Plant Industry.

Domestic production next year was estimated at 13.7 MMT in milled rice equivalent, up from the FAO's prior projection of 13.3 MMT.

The Philippines produced 20.06 MMT of unmilled rice last year, equivalent to about 13 MMT in milled rice.

The FAO is also projecting rice imports of 5.1 MMT by 2033, citing the steady increase in consumption.

It said that the Philippines is expected to account for 8% of global rice imports by 2033.

Philippine rice consumption in 2033 is projected at 19.9 million MT, according to

the FAO, equivalent to about 3% of global consumption.

"Total world rice consumption is expected to increase 0.9% per annum, at a same pace as during the last decade, with Asian countries accounting for 66% of the projected increase, largely due to population rather than per capita consumption growth," the FAO said.

The FAO estimated Philippine domestic production at 14.8 million MT in milled equivalent.

It added that the top five rice exporters — the European Union, Australia, Russia, Canada and Argentina — are projected to account for 80% of global trade by 2033. — **Adrian H. Halili**

tections against unfair competition and trade practices.

President Marcos issued order to mitigate the impact of inflation and make the staple grain more affordable.

In a statement, NEDA Secretary Arsenio M. Balisacan said: "We are currently awaiting the receipt of the petition and wish to express our utmost respect for the legal process. Please be assured that NEDA, through the Office of the Solicitor General, will respond appropriately in due course."

The Tariff Commission had not replied to an e-mail

requesting comment at the deadline.

"Before the EO was issued, the projection was (that the Philippines) would be importing about 4.1 to 4.2 million metric tons (MMT) of rice. With this new EO, (we're looking) at 4.6 MMT. Our imports of rice last year were 3.6 MMT, former Agriculture Secretary and FFF National President Leonardo Q. Montemayor told reporters during the filing.

The Department of Agriculture's (DA) own projection is 3.9 MMT of imported rice this year. The high-end estimate

of 4.6 MMT was issued by the US Department of Agriculture, which specifically cited the lower tariffs as well as increased consumption in upgrading its previous forecast.

The petition before the tribunal said lowering tariffs on staple foods like rice and corn undermines farmers, who will need to contend with imported competition, weakening their earnings.

"As a result, their livelihoods and the agricultural sector in general may suffer, which can exacerbate rural poverty and (widen) economic disparities," the petitioners added.

Mr. Montemayor added that overreliance on imported rice threatens to deter farmers from pursuing their trade.

"We expect many farmers to no longer plant rice, especially this coming season. We estimate around 500,000 farmers... will no longer plant. Or, if they do plant, they will reduce their production significantly. So, food security will be very much at risk," he said.

In a separate briefing on Thursday, DA Assistant Secretary Arnel V. de Mesa said that a successful TRO petition would negatively affect efforts to build up rice reserves.

"It will delay our private importers... (and) our national rice stock would be affected... There would also be a delay in lowering rice prices if the TRO was granted," Mr. De Mesa said.

Well-milled rice sold in markets in the capital region for between P52 to P55 per kilo, while regular-milled rice fetched P47 to P51 per kilo, DA price monitors reported on July 3.

Rice imports in the first six months of 2024 totaled 2.28 MMT, the Bureau of Plant Industry reported last month.

Finance Secretary Ralph G. Recto last month said the government will forego up to P22 billion in revenue due to the tariff cut.

He described the move is "short-term," citing the need not to be too reliant on imported rice.

Leonardo R. Abella, a 53-year-old farmer from Rosales, Pangasinan, joined during the filing of the petition.

"Nothing will be left for us. We're already in debt, then the prices will drop again... We're becoming even poorer. Everything we buy for use in the fields is expensive. That's why there's nothing left for us," he told *BusinessWorld* in Filipino.

He added that if policies unfriendly to farmers continue to pass, farmers might eventually disappear. — **Chloe Mari A. Hufana**

PEZA board approves pharma ecozone for Tarlac; Palace proclamation pending

THE Philippine Economic Zone Authority (PEZA) said that its board approved a pharmaceutical economic zone in Victoria, Tarlac, which is currently awaiting Presidential proclamation.

PEZA Director General Tereso O. Panga identified the project as the 29.57-hectare Victoria Industrial Park, Inc.

"It is worth mentioning that the Food and Drug Administration (FDA) also intends to put up a laboratory in Tarlac," Mr. Panga said.

"As such, the establishment of a pharma zone in Victoria, Tarlac, would enable us to better synergize infrastructure and logistical requirements as well as the activities of the locator companies," he added.

FDA Director-General Samuel A. Zacate said on Monday that the FDA had proposed that the laboratory be located in the economic zone.

"We suggested to PEZA that if we want an efficient pharma zone, we need to choose an area (that will rule out the need for the FDA) to build another laboratory," Mr. Zacate told *BusinessWorld*.

"Of course, the mandate for deciding the location is still with PEZA. It is applying right now, and I think the papers are already in Malacañang; PEZA is just waiting for the Presidential proclamation declaring it an economic zone," he added.

Mr. Panga said that the Tarlac site will pioneer the clustering of pharma-related industries like clinical trials, blood and plasma extraction, and pharmaceutical product and medical device manufacturing.

"But this does not preclude us from putting up or registering pharma zones elsewhere in the country as long as they comply with the minimum requirements. Likewise, PEZA's

existing ecozones are ready to host locator companies," he said.

Mr. Panga has said that the investment promotion agency is also in talks with ecozone developers for pharma zones in Bulacan and Laguna.

"We hope to roll out this new type of ecozone within the year with the proclamation of First Bulacan Industrial Park, which is adjacent to the existing First Bulacan Industrial City," he said.

PEZA has registered 26 pharma-or medical-related locator companies within PEZA zones, accounting for P25.49 billion in investments.

Among the top companies in PEZA engaged in pharma and medical devices are Terumo (Philippines) Corp., Arkray Industry, Inc., Royale Life Pharma, Inc., JMS Healthcare Phl, Inc., and Philipcare Medical Manufacturing, Inc. — **Justine Irish D. Tabile**

PHL takes top position in debt transparency ranking

THE PHILIPPINES took the top position alongside Indonesia in a ranking of debt transparency compiled by the Institute of International Finance (IIF).

In its 50-country Investor Relations and Debt Transparency Report, the IIF said the Philippines and Indonesia posted scores of 12.5 out of 13, topping the table and exceeding the average transparency score of 9.

The IIF evaluated countries' adherence to the International Monetary Fund's Special Data Dissemination Standards.

In terms of investor relations, the Philippines posted a score of 48.8 out of 50, beating its 2023 score of 47.8, when it placed third.

Other leading countries in this year's ranking were Indonesia (48.7), Turkey (48.3), Brazil (47.5), and Hungary (47.2), the IIF said. The global average was 34.1.

The Philippines and Uruguay received a perfect score of 4 in the ESG (Environmental, Social and Governance) Data and Policy Dissemination Score, which assesses the availability of ESG data. The global average was 2.4.

"Transparency is most important, especially in debt. We release data quarterly among others. We have to show the public where the axes and borrowings go," Finance Secretary Ralph G. Recto said in a text message.

"Our job in the DoF (Department of Finance) is to stretch every peso. More bang for the buck. Growth should be higher than borrowings, so we can pay for it," he added.

"There is significant scope for a strong rebound in portfolio debt flows as the normalization of central bank policies in

mature markets continues to advance," the IIF said.

"However, the pace of recovery may be quite uneven; our research suggests that countries with robust investor relations and debt transparency practices are poised to benefit the most from the ongoing rebound in global liquidity conditions," it added.

The report also highlighted that the Philippines "fully met" 83% of all IR assessment criteria and has remained among the top five countries.

Zy-za Nadine M. Suzara, budget analyst at the Institute for Leadership, Empowerment, and Democracy, said the government should provide real-time information about where the debt is being used, particularly its impact to taxpayers and whether it is funding corruption. "On one hand, it is a challenge for the Philippine government to provide this level of transparency, but on the other hand, there are also a gap in terms of how civil society will make sense of the information," she said via Viber message.

"High levels of debt transparency is good public relations but let's also remember that it isn't a goal in itself. If anything, it's supposed to enable civil society to seek greater public accountability as to how the debt was really used."

Union Bank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said the government must ensure continued transparency in debt-related matters.

"Foreign investors knowing that they can get reliable information about the country's real economic situation at any point in time is what makes them confident," he said via Viber. — **Beatriz Marie D. Cruz**



Internet Transactions Act invoked in vape crackdown

THE Department of Trade and Industry (DTI) asked e-marketplaces on Thursday to take down unregistered vape sales listings, invoking their obligations under the Internet Transactions Act (ITA).

In a statement, the DTI said that it informed e-marketplaces, including TikTok, Shopee, and Lazada, in a meeting last week of the penalties under the ITA for non-compliance.

"E-marketplaces must play a crucial role in combating the proliferation of uncertified and illegal vape products," Trade Secretary Alfredo E. Pascual said.

"We call upon these platforms to fully implement their responsibilities

under the ITA by proactively preventing the distribution of illegal vape products," he added.

Citing the implementing rules and regulations of the ITA, the DTI said that the law obligates e-marketplaces to require sellers to submit proof of registrations and permits.

"In a positive development, the e-marketplaces collectively agreed to voluntarily take down vape listings while they clear their sites of illegal products," the DTI said.

"They also committed to implementing Know Your Customer (KYC) procedures to ensure all online sellers possess the necessary registration and permits," it added.

The e-marketplaces also pledged to report their initiatives to prevent the promotion, advertisement, sale, and delivery of vape products to minors.

Undersecretary for consumer affairs and legal services Amanda Marie F. Nograles said that the DTI intends to fully enforce the vape regulations in conjunction with the ITA.

"The DTI is steadfast in enforcing compliance with the vape law, especially now with the ITA as one of our legal tools in combating the online sale of illegal vapes," Ms. Nograles said.

"We are actively collaborating with online platforms to safeguard consumer interests and public health," she added. — **Justine Irish D. Tabile**

JOB OPENING

Company Name: SGV & Co.
Address: 6760 Ayala Avenue, Makati City, Philippines
Contact details of the Company:
Rossana A Fajardo | Rossana.A.Fajardo@ph.ey.com
Job Position: Enterprise Solutions Lead

Job Description:

- Evaluating internal functions, business development strategies, and IT processes and suggesting improvements.
- Creating business architecture models to reflect the organization's strategies and goals and creating and implementing business visions and goals.
- Evaluating systems engineering, talent recruiting, and accounting models for discrepancies and vulnerabilities.
- Suggesting ideas to reduce costs in IT and business leadership.
- Providing business architecture and systems processing guidance.
- Ensuring the efficiency, security, and support of the organization's goals.
- Creating methods for compliance architecture, such as data storage, metadata management, and change control.
- Determining and implementing build versus buy strategies, mentor personnel, and views of the overall business strategy.

Basic Qualifications for the Position:

- A master's degree in information technology or a related field.
- 15+ years of experience in enterprise and solution architecture.
- Excellent technical, analytical, and project management skills.
- Strong communication and interpersonal skills.
- Good leadership and motivational skills.
- Experience in modeling and graphic representations.

Salary Range (monthly): PHP 400,000 – 500,000

Center for AI Research expected to be self-sustaining in 3 years

THE Department of Trade and Industry (DTI) said it expects the newly launched Center for Artificial Intelligence (AI) Research to become self-sustaining in three years.

Competitiveness and Innovation Undersecretary Rafaelita M. Aldaba told reporters on Wednesday that the business model of the center will allow it to generate revenue.

"Its business model allows it to pursue income-generating projects. Based on our calculations, after three years, it will be net positive or income-generating," Ms. Aldaba said.

Initially, the center will be subsidized by the government and given P70 million for the first two years of its operations.

Trade Secretary Alfredo E. Pascual said commissioned research

will be one of the center's revenue streams.

"For the remaining part of the year, we intend to do four research projects in the center: two from the government and two from the industry sector or specific companies," he said.

"In the coming years, the AI research center will engage in applied research and development collaboration with industries, encourage high-quality research, and cultivate AI talent," he added.

According to Mr. Pascual, the DTI is working with Amazon Web Services to explore AI, machine learning, and generative AI solutions for government and citizen services, including healthcare and agriculture, this year.

"Moving forward, we will explore other industry applications, such as au-

tomotive, semiconductor, and renewable energy," he said.

"This will be supported by the Asian Development Bank's (ADB) Promoting Research and Innovation to Strengthen Transformation of Industries and Enterprises (PRISTINE) project," he added.

The center will first operate in DTI offices and eventually move to the National Innovation Gateway that will rise in Manila, funded by the ADB through a P400-million loan under PRISTINE.

Asked when the project is expected to go through the National Economic and Development Authority's approval process, Ms. Aldaba said that no schedule has been determined as yet.

"But it has to go through that, and we need to get their approval," she added.

Separately, the German Philippine Chamber of Commerce and Industry welcomed the launch of the center and the upgraded National AI Roadmap.

"We welcome and congratulate DTI on this significant milestone for the country's national development in the field of AI, innovation, and research," GPCCI President Marie Antoniette Mariano said.

"The launch of these projects aligns with the expectations of the German-Philippine business community in AI research, as reflected in our White Paper on Industry 4.0," she added.

In its white paper, the GPCCI said the Center for AI Research will help the country position itself as a leader in AI technology. — **Justine Irish D. Tabile**