

Senate bills on livestock dev’t, enterprise-based learning approved on third reading

THE SENATE has approved on third and final reading a bill seeking to develop a modernization plan for the livestock, poultry and dairy industries, and another bill promoting enterprise-based learning.

At the Monday plenary session, senators unanimously approved Senate Bill No. 2558, which calls for a livestock, poultry, and dairy competitiveness fund to be set up with support from import tariffs of P7.8 billion a year for the next 10 years. “Through Senate Bill No. 2558, we will set a clear and strategic direction for the livestock, poultry and dairy industries, strengthen the organizational structure and institutional capacity of relevant agencies, and ensure that adequate resources are provided to support the growth and competitiveness of the industry,” Senator Cynthia A. Villar, who sponsored the measure, said in a statement.

It also calls for the establishment of the Office of the Undersecretary of the National Livestock, Poultry, Dairy, and other Animals Program to oversee policy geared at boosting production in these industries.

These policies will be focused on benefiting small-scale farmers and organizations engaged in these industries, as duly accredited by the Department of Agriculture.

Legislators also approved Senate Bill No. 2587

or the proposed Enterprise-Based Education and Training Framework Act, which will set up a roadmap for programs promoting industry-driven skills building programs for the workforce.

The measure seeks to bridge the gap between the needs of industry and worker skills.

“While there are many workers who accept jobs that are not commensurate with their qualifications, there are also many workers who lack the required skills,” Senator Emmanuel Joel J. Villanueva, the bill’s author, said in a statement.

President Ferdinand R. Marcos, Jr. has said his government aims to create at least three million new jobs through upskilling and reskilling programs.

Also on Monday, Senators approved on second reading a bill creating a framework for a blue economy, which will seek to preserve and sustain the Philippines’ ocean-based resources.

The blue economy is an economic model seeking the sustainable utilization of ocean resources through green infrastructure and technology.

Under Senate Bill No. 2450, the government is tasked with drafting a plan to manage marine and coastal resources while coming up with policies to mitigate land and sea-based pollution as well as overfishing.

— **John Victor D. Ordoñez**

Legislators signal readiness to raise agri budget by P88 billion

LEGISLATORS said on Monday they are prepared to raise the agriculture budget for 2025 by as much as P88 billion, saying the government should not have reduced funding for the Department of Agriculture (DA) by 6% if it wanted to achieve food security.

The minimum budget increase Congress should consider is P88 billion, Camarines Sur Rep. Luis Raymund F. Villafuerte, Jr. said at a budget hearing of the House appropriations committee.

“Increase the budget for irrigation by P25 billion to fund solar and pipe irrigation infrastructure,” he said. “Add another P8 billion for storage facilities, particularly cold storage.”

He proposed that post-harvest facilities also receive an addition-

al P10 billion to mitigate losses, with another P10 billion going to the Rice Development Program.

Fishports and food terminals should also receive a P4 billion boost each to improve food distribution and processing, he added.

He gave no further details on his proposed spending items.

Party-list Rep. Wilbert T. Lee said that the government’s decisions are not consistent with the objective of lowering food prices.

“It’s as if we’re just kidding ourselves,” he said. “We want to increase production and lower food prices, but the DA’s budget was slashed; the government has cut the budget for almost everything important,” Mr. Lee said.

“I strongly urge my fellow congressmen to increase the budget

of the Department of Agriculture to address the challenges of the agriculture sector in support of farmers and fisherfolk and to achieve food security,” Party-list Rep. Jose J. Teves, Jr. said at the DA budget briefing.

While proposed budget for the DA itself will reflect a 12.9% increase to P129 billion in 2025, the government has cut funding to agriculture-affiliated agencies and corporations by 28% to P71 billion in 2025, according to the department’s budget briefer.

Overall, agriculture’s proposed 2025 funding, excluding the Department of Agrarian Reform budget, is P200.2 billion, which would be 6% lower than the approved funding for 2024.

“I don’t like the budget we’ve been allocated; of course, I want more,” Agriculture Secretary Francisco Tiu Laurel, Jr. told legislators.

“What we asked for is P500 billion, and right now it’s only at P200 billion. If we can get P300 billion... I think that would be a big help,” he told reporters on the sidelines of the hearing.

“It’s good that we (are considering to) give additional funding to the Department of Agriculture, but we need to review the performance of all these attached agencies so that we would know how they are performing right now before we add these billions of pesos,” Baguio Rep. Mark O. Go said, expressing concern at Mr. Villafuerte’s proposal. — **Kenneth Christiane L. Basilio**

PHL must explore more sources of growth, Balisacan says

THE PHILIPPINES must diversify its sources of growth to remain resilient in the face of a looming recession in the US, the National Economic and Development Authority (NEDA) said.

“No country will be spared from a hiccup that comes from the biggest economy in the world,” NEDA Secretary Arsenio M. Balisacan said at a briefing last week.

“We need to ensure that (sources of growth) can be diversified enough to be able to withstand any major shocks.”

Weak US employment data in July heightened worries of a potential US recession.

Exports would be most affected in the event the US economy stalls out, Mr. Balisacan said.

In June, the value of exports dropped 17.3% year on year to \$5.57 billion, the lowest value in 13 months.

In particular, Mr. Balisacan said the electronics and semiconductor industry should “move to higher levels” of production.

The Philippine semiconductor industry currently focuses on the assembly, testing, and packaging of electronic goods.

Exports of electronic goods, which accounted for 53.7% of total exports, fell 24.4% to \$2.99 billion in June.

Semiconductor exports dropped 29.5% to \$2.32 billion in June, according to the Philippine Statistics Authority.

Mr. Balisacan cited the potential of the food processing industry in diversifying exports. — **Beatriz Marie D. Cruz**

Consumption,

from SI/1

Security Bank Corp. Chief Economist Robert Dan J. Roces said the government should focus on addressing the challenges facing the agriculture sector.

“While the economy is on a solid footing, challenges such as the agriculture sector’s continued weakness and potential global economic headwinds require careful management,” he said in a Viber message. “This could indicate challenges in food production or rural economic activities.”

In the second quarter, agriculture and fisheries output contracted by 3.3%, worsening from the 1.2% decline a year earlier, reflecting the impact of El Niño.

Farm damage caused by El Niño reached P15.3 billion, according to the final estimate issued by the Department of Agriculture.

HEALTHCARE COSTS

Meanwhile, Mr. Sta Ana said inadequate social services, especially for healthcare, “make the situation all the more distressing for the population” amid high food prices.

He noted that out-of-pocket expenses for health are equivalent to 46% of total current health expenditures.

“A World Bank figure shows that a previous trend of decreasing out-of-pocket expenses as a percentage of current health expenditure has recently been reversed,” he said.

Aside from healthcare, education is also one of the most expensive items among household expenses.

“To the extent that more public money is made available to expand such public services, the way this is done in other jurisdictions, that would be most helpful to households,” Mr. Guinigundo said.

Ms. Gianan said concerns over the affordability of healthcare and the lack of access to it force households to plan well ahead for future expenses.

“Young people tend to spend more than their elderly counterparts, and spending smooths out throughout the life cycle as people save more for their retirement and other life needs,” she said in an e-mail.

“This is compounded by the fact that we have underdeveloped social services which compels people to really look out for themselves,” she added.

PPP,

from SI/1

These include a P930-million industrial park or agri-industry development project, a P120-million business promotion center project, and the rehabilitation and renovation of the CMU Market with an estimated cost of P38 million.

Other proposed PPP projects at CMU include four dormitory buildings, an agricultural experimental center and agronomy farm laboratory, and an animal production research and development center.

Data from the PPP Center also showed seven unsolicited PPPs undergoing negotiations and will be implemented by the Bataan local government unit (LGU).

These projects include the construction of the Bataan Har-

bour City (P77.22 billion), Bataan Emerging Gateways City (P4.94 billion), Bulk Water Supply System (P1.6 billion), Bataan Rooftop Microgrid Project (P274 million), Solar Rooftop Project (P43.5 million), Mariveles Dialysis Center (P39.5 million), and the Digitized Traffic System (P12 million).

DELISTED PROJECTS

On the other hand, four PPP projects were removed from the pipeline.

The Metro Manila Bike Share Project was delisted after the Department of Transportation’s (DoTr) confirmation on June 25.

The DoTr also requested the removal of the proposed PPP for the operations and maintenance of the Bicol International Airport.

Meralco,

from SI/1

“These were also able to more than offset the increase in Malampaya natural gas price following its quarterly repricing,” Meralco said.

Prices at the Wholesale Electricity Spot Market (WESM) dropped as Luzon’s average peak demand went down by 690 MW last month.

However, the effective WESM charges for the month increased by P0.5940 per kWh as the company added the third of four installments of deferred May WESM costs ordered by the Energy Regulatory Commission (ERC).

Charges from power supply agreements (PSA) climbed by P0.0421 per kWh, driven by higher fuel-related costs.

IPPs, WESM, and PSAs accounted for 33%, 27%, and 40% of the company’s total energy requirement for the period.

Meanwhile, the Universal Charge for Missionary Electrification decreased by P0.0433 per kWh following completion of the recovery of ERC-approved true-up rate. This universal charge is collected from electricity end-users to fund electrification programs of the National Power Corp.

Taxes and other charges rose by P0.0177 per kWh.

“Pass-through charges for generation and transmission are paid to the power suppliers and the grid operator, respectively, while taxes, universal charges, and Feed-in Tariff Allowance (FIT-All) are all remitted to the government,” Meralco said.

Distribution charge has remained unchanged at P0.0360 per kWh since August 2022.

EXPECTED ADJUSTMENTS

Meralco said that there may be a possible increase in generation costs from First Gas - Sta. Rita and San Lorenzo, which use Malampaya gas.

The old gas sale and purchase agreement (GSPA) between First Gas and the Malam-

paya Consortium had expired in July, so the supply of Malampaya natural gas to San Lorenzo is now governed by the new GSPA, similar to Sta. Rita.

However, the previous pricing formula for both plants continue to be applied, pending regulatory approval of the new GSPA.

“Once the new GSAs are approved, this will certainly affect the generation charges of Sta. Rita and San Lorenzo,” Mr. Zaldarriaga said.

Meralco also anticipates the possible impact of the remaining 70% of the amount due on reserve market transactions for the March billing month.

To recall, the regulator suspended the billing and settlement on the reserve market in March after significant price increases in reserve power costs.

In a July 30 statement, the ERC ordered the lifting of the suspension. The regulator also ordered the Independent Electricity Market Operator of the Philippines to recalculate the resulting reserve trading amounts for the periods of February and March and adjust the value for the remaining 70% for the March billing month.

Meanwhile, customers may seek relief in the next two months as the collection of the deferred WESM amounts will end in September.

“*Nakikita natin na pagpasok ng October, malaki ang posibilidad na mayroon na tayong pagbaba sa singil ng kuryente* (We are seeing a huge possibility of a decrease in electricity bill in October),” Mr. Zaldarriaga said.


Meralco’s majority owner, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls.

billion from P11.22 billion previously.

The PPP Center also updated the respective project costs of the San Mateo Railway Project (P77.6 billion), National Food Hub Project (P8.5 billion), Cavite Bus Rapid Transit System (P1.87 billion), and the Urban Renewal and Heritage Conservation project (P1.5 billion).

PPP Center data showed that 205 projects valued at P3.58 trillion are currently under implementation, while 56 have been concluded or terminated.

The government partners with the private sector in the form of PPPs to plug funding gaps in its different infrastructure and development needs. — **Beatriz Marie D. Cruz**



CAGAYAN ECONOMIC ZONE AUTHORITY

MEMORANDUM CIRCULAR NO. 24-003

Series of 2024

Subject: **AMENDMENT OF SECTION 6 NO. 3 iii, SECTION 6 NO.5; SECTION 7 AND SECTION 8 OF THE CAGAYAN ECONOMIC ZONE AUTHORITY (CEZA) OFFSHORE FINANCIAL TECHNOLOGY LICENSING RULES AND REGULATIONS (OFTLRR)**

Whereas, Rule X, Section 73 of the CEZA OFTLRR grants CEZA the authority to conduct necessary and reasonable acts towards the full enforcement of this CEZA OFTLRR, as amended, and shall likewise be authorized to amend, create, and abolish rules as current legal, financial, administrative, and economic circumstances demand;

Whereas, based on the comparative analysis conducted on the regulatory and licensing fees of all offshore fintech jurisdictions and considering the standard practices in fintech or crypto industries, the CEZA finds it reasonable to decrease its regulatory and licensing fees;

Whereas, the CEZA recognizes the need to adjust the amount of the licensing fees and other regulatory fees to reflect competitiveness with other offshore fintech jurisdictions and attractiveness to prospective licensees,

Now, therefore, pursuant to its authority under CEZA OFTLRR, the CEZA hereby amends the said Licensing Rules and Regulations as follows:

Section 1. Section 6 No.3 iii is hereby amended to read as follows:

Section 6. Offshore Financial Technology Licensee- Any and all applicants for an Offshore Financial Technology License shall comply with the following requirements:

---3. Annual Renewal of License- Any existing Licensee who intends to renew its Offshore Financial Technology License shall submit the following requirements, sixty (60) days before the expiration of its license:

iii. Payment of an annual renewal fee of Two Thousand Five Hundred United States (US) Dollars (USD2,500.00)

Section 2. Section 6 No.5 is hereby amended to read as follows:

Section 6 No. 5. The Licensees for the following business activities shall maintain at all times a minimum authorized capital stock and a paid-in capital in US Dollars as follows:

Type of License	Minimum Authorized Capital	Minimum Paid-in Capital
a. Cryptocurrency Exchange License	USD250,000	USD100,000
b. Electronic Money Issuer	USD250,000	USD100,000
c. Operator of a Payment System	USD75,000	USD25,000
d. Digital Asset Token Offering (DATO)	USD75,000	USD25,000

Startup companies which are one (1) year old or below are given a 6-month period to comply with the minimum authorized capital and the minimum paid-in capital requirements of CEZA.

The foregoing threshold amounts are subject to annual review by CEZA, which shall come up with a decision whether to retain or adjust the amounts based on its assessment of market conditions and exigencies of effective regulation. CEZA shall conduct an annual evaluation of the Licensees’ financial capacity for the adjustment of the required minimum authorized capital stock and paid-in capital based on the reported financial transactions and revenues.

6. Each Licensee shall appoint an Authorized Representative to reside in the CSEZFP.

7. Each Licensee shall establish a physical office within the CSEZFP.

Additional information or documents that are necessary and reasonable to enable CEZA to evaluate the application may, by written notice from the Administrator and Chief Executive Officer, be required from the applicant. The notice shall specify the period for the submission of the additional requirements, which shall not be less than fifteen (15) calendar days from receipt of the notice.

Should an applicant submit any information, or document which are false, fraudulent, or misleading in any material particular, such applicant shall be liable to pay a fine not exceeding Ten Thousand United States Dollars (USD10,000.00) or its Philippine Peso equivalent.

Section 3. Section 7 is hereby amended to read as follows:

Section 7. **Offshore Financial Technology Fees** - The CEZA shall impose the following fees for Offshore Financial Technology business-related activities in the CSEZFP:

a. An Offshore Financial Technology Licensee shall pay to CEZA a one-time, non-refundable, application and processing fee in the amount of **Ten Thousand United States Dollars (USD10,000.00)** or its Philippine Peso equivalent. Upon approval of its application for the license, the Licensee shall pay a License Fee per activity in US Dollars or its Philippine Peso Equivalent as follows:

Type of License	License Fee (one-time)
a. Cryptocurrency Exchange License	USD2,500
b. Electronic Money Issuer	USD2,500
c. Operator or a Payment System	USD2,500
d. Digital Asset Token Offering (DATO)	USD2,500

An Offshore Financial Technology Licensee shall pay to the Service Provider a one-time integration/probity/audit platform fee in the amount of **Seven Thousand Five Hundred United States Dollars (USD7,500.00)** or its **Philippine Peso equivalent**.

There shall be a conduct of probity checking on an annual basis and/or re-probity checking on as need basis whenever there is a material change in the company information such as substantial change to the company’s officers and directors, change of corporate name, address, articles of incorporation, and change of jurisdiction. The re-probity fee shall be charged and to be paid directly to the Service Provider amounting to Two Thousand Five Hundred United States Dollars (USD2,500.00) or its Philippine Peso equivalent.

The annual business renewal fee for the Offshore Financial Technology Business Activities shall be in the amount of **Two Thousand Five Hundred United States Dollars (USD2,500)** or its Philippine Peso Equivalent prior to the issuance of its License.

b. For the Authorized Service Provider, a one-time, non-refundable, application and processing fee shall be in the amount of **Five Thousand United States Dollars (USD5,000.00)** or its Philippine Peso equivalent. The annual renewal fee shall be in the amount of **Two Thousand Five Hundred United States Dollars (USD2,500)** or its Philippine Pesos equivalent.

Section 4. Section 8 is hereby amended to read as follows:

Section 8. **Transaction Fee Sharing Agreement** - The Offshore Financial Technology transaction fees shall be computed in the following manner:

a. **The 5% of the net monthly business transaction fees** generated through a DATO, Electronic Money Issuance Services, Cryptocurrency Exchange Services, and a Payment System services, will be divided as follows:

50% to Central Audit System
50% CEZA

Section 5. This Memorandum Circular may be modified, amended, supplemented, or repealed, as may be deemed necessary and proper by the CEZA.

Section 6. All other circulars, memoranda, notices and implementing rules and regulations that may be inconsistent with the foregoing provisions shall be deemed modified or amended accordingly.

Section 7. If any part or provision of this Memorandum Circular is declared unconstitutional or illegal, the other parts or provisions shall remain valid.

Section 8. This Memorandum Circular shall take effect immediately after its publication in a newspaper of general circulation.

Mandaluyong City, June 26, 2024.

BY AUTHORITY OF THE BOARD:

(Sgd.) **SECRETARY KATRINA PONCE ENRILE**
Administrator and Chief Executive Officer

SECRETARY’S CERTIFICATE

This is to certify that the foregoing Memorandum Circular No. 24-003 was approved by the CEZA Board on June 26, 2024.

(Sgd.) **ATTY. FINA BERNADETTE TANTUICO**
Corporate Board Secretary