

# Red tape blamed for low hog vaccination rates

HOG FARMERS said burdensome documentation requirements have delayed their participation in the government's limited rollout of the African Swine Fever (ASF) vaccine.

Alfred Ng, vice-chairman of the National Federation of Hog Farmers, Inc., said: "Many backyard farmers are having difficulty in securing the necessary documentation for the trials."

Mr. Ng added that some local government units are not aware of the vaccine trials hindering further expansion of the program.

"Most ASF outbreak areas have disposed of their pigs... and do not have enough samples to be involved in these trials," he said via Viber.

The Department of Agriculture (DA) recently included commercial hog farms in its vaccine trials to increase the number of inoculated hogs.

Administrative Circular No. 8 opened up the trials to commercial farms and swine herds covered by the Integrated National Swine Production Initiatives for Recovery and Expansion Program. It cited the "low participation rate of smallhold farms."

The DA allocated P350 million to procure 600,000 doses for hog farmers initially targeted. The rollout started on Aug. 30 in Lobo, Batangas.

The AVAC ASF Live vaccine from Vietnam has been approved by the Food and Drug Administration for a limited government-controlled rollout. It issued a Certificate of Product Registration for AVAC, valid for two years, and subject to monitoring and annual evaluation.

"We still believe in DA's controlled vaccine trials and they should not be hurried... We need to ensure that the vaccine is

proven to be safe and effective," Mr. Ng added.

He said that commercial hog farms may not readily participate in the vaccine program given the government requirements, which include blood tests and constant monitoring of the hogs.

The DA has said that it takes about three weeks to blood-test hogs before they can be given the ASF vaccine. The development of antibodies is also expected to take a few weeks.

Mr. Ng added: "We all pray for an effective vaccine that will be safe and not harmful to our already beleaguered swine industry. We hope that these trials do not create a mutated strain that is more difficult to control and contain."

As of Oct. 18, 108 municipalities across 25 provinces had active ASF cases, according to the Bureau of Animal Industry. — **Adrian H. Halili**



PRESIDENTIAL COMMUNICATIONS OFFICE

## Innovation deemed 'a matter of survival' for PHL companies as global competition intensifies

PHILIPPINE businesses that embrace innovation will be in position to boost trade and attract more investment as technology ramps up global competition, the Philippine Chamber of Commerce and Industry (PCCI) said.

At the 50<sup>th</sup> Philippine Business Conference and Expo on Tuesday, PCCI President Enunina V. Mangio said that "embracing innovation has become not just an option but a matter of survival in the intensely competitive global village."

"The use of innovative strategies and approaches, for example, can help us adequately respond to the need to improve on the ease and reduce the cost of doing business in the country," she said in her welcome remarks.

"This is necessary to further nurture our enterprises, boost trade and attract more investments," she added.

She said innovation will not only ensure the competitiveness and resilience of businesses but also sustain the progress so far achieved.

In her keynote speech, Vice-President Sara Z. Duterte-Carpio said digitalization must take its place alongside the Philippines' strengths in human resources to ensure "efficient operations and timely production, and of course, delivery of services and products."

"We cannot refuse the benefits of digitalization in our businesses. We should... be willing to invest in digital infrastructure," she added.

In a panel discussion, Carlos Ramon C. Aboitiz, chief corporate services officer of AboitizPower, said that hiring the right people is the key to staying competitive as technology advances.

"Ultimately, it comes down to the basics and hiring the right people is the first thing," Mr. Aboitiz said.

"I think knowing how to use technology to acquire data, develop insights, and then use those insights also helps sustain (competitiveness)," he added.

Sagittarian Agricultural Philippines, Inc. President Jose Avelino G. Diaz said the case is growing for businesses to pursue more vertical integration.

"That helped us to have more internal control which gave us more agility and flexibility in designing our products and adjusting our products in accordance with what our customer really wants and really values," said Mr. Diaz.

Juan Carlos C. Puno, chief finance officer of Globe Telecom, said that for telecommunication companies, everything is fast-moving, requiring businesses in the industry to become more efficient.

"We constantly look for efficiencies in our systems to be able to shorten a lot of these decision times," he added.

"Agility really is being able to go to market very quickly. If you take a month to decide on a product, by the time you launch it, the opportunity is gone," he added. — **Justine Irish D. Tabile**

## Reserve requirement cut seen boosting hotel construction as office market adjusts

THE reduction of the bank reserve requirement is expected to boost private construction, particularly for hotels, the Bank of the Philippine Islands (BPI) said.

"The new governor has moved away from the archaic policy of reserve requirements, which will provide liquidity that will help the private construction sector recover faster," BPI Lead Economist Emilio S. Neri, Jr. said in an online briefing on Tuesday.

The Bangko Sentral ng Pilipinas (BSP) said in August that it will reduce the reserve requirement for universal and commercial banks and nonbank financial institutions with quasi-banking functions by 250 basis points (bps) to 7%, effective Oct. 25.

It will also cut the reserve requirement for digital banks by 200 bps to 4%. The ratio for thrift lenders will fall 100 bps to 1%, while that for rural and cooperative banks will fall 100 bps to 0%.

Mr. Neri added that the main beneficiaries will be the hotel and accommodations industry, especially amid low prices for construction materials.

"I think there are at least 150 to 170 new hotels being built as we speak, and more could actually come in to help offset some of the negative impact of the exit of POGOs (Philippine Offshore Gaming Operators) and traditional offices," he said.

The President in July announced a ban on POGOs, which are now officially known as Internet Gaming Licensees (IGLs), effective by the end of the year.

"With lower inflation in construction materials, stronger peso to some extent, and loans being more readily available ... there could be a big boom in accommodations, not just local brands but even foreign brands like Marriott and the like coming



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into the Philippines to compete with regional counterparts," Mr. Neri added.

He also said private construction companies need to adjust to the decline in traditional offices due to remote work.

"Many Metro Manila and Metro Cebu residents are actually deciding to move away from the cities. They are no longer renting very expensive condominiums. They can decide to move elsewhere, a little bit farther from the cities, where the houses are more affordable or the rents are lower. This is good for residential real estate. And we're actually seeing that happen," Mr. Neri said.

Mr. Neri said that the private construction spending has been catching up to pre-pandemic levels, but is being weighed down by the exit of IGLs and the downsizing of offices with the onset of remote work.

"There are so many offices available in the market. A lot of them are also still being built at the moment. A lot of them are going to come on stream in the next few years," he added. — **Aaron Michael C. Sy**

## BIR warns document deficiencies will raise VAT refund risk

THE Bureau of Internal Revenue (BIR) said the lack of supporting documents beyond a certain threshold on sales and purchases involved in a value-added tax (VAT) refund application will automatically bump the claim into the high-risk category.

"Sales and purchases determined to be 'NSD' or 'no supporting documents' (e.g., a supporting document indicated in the schedules cannot be found in the physical documents submitted) during cursory checking of the completeness of the supporting documents shall not be considered as incomplete submission, but the same shall result in the disallowance of the unsubstantiated portion of the sales or purchases regardless of the risk classification," the BIR said in a circular.

"However, in the event that the 'NSD' for sales and purchases exceeded at least 1% of the total amount of sales (for sale transactions) or total amount of claim (for purchase transactions), the application shall automatically be classified as high-risk and shall require 100% verification."

Republic Act (RA) No. 11976 or the Ease of Paying Taxes Act introduced a risk-based approach in classifying VAT refund claims — low, medium, or high risk.

The BIR classifies VAT refund claims based on a points system that considers the size of the claim; the frequency of claims filed; the claimant's tax compliance history; and other risk factors.

Those applying for refunds must submit documentation before they are assigned a risk level, the BIR said.

"The determination of the risk level of the VAT refund claim can only be established once the application is officially received by the appropriate BIR processing office, inasmuch as the amount of claim, period covered, frequency of filing, among others, are already ascertained."

Under RA 11976, the bureau must process a VAT refund claim within 90 days from the time the processing office accepts the claim or application.

The process for refund claims include checking if the requirements and supporting documents for the sales and purchases of goods and services are complete; the determination of the risk level of a refund claim; and the processing and verification of medium and high-risk claims.

Low-risk claims will only be classified with complete documentation. Claimants in this category are not subject to the verification procedure for sales of goods and services as well as purchases and input tax, BIR said.

In a memorandum order dated Oct. 2, the BIR said high-risk claims include those were filed between April 27, 2024 and June 30, 2024; those filed by first-time claimants; and cases where the claimant cannot be located.

Refund claims classified as medium risk are subject to 50% verification of both the sales amounts and total invoices or receipts issued.

The BIR said input VAT claimed from local suppliers but identified as "cannot be located" or flagged under the Run After Fake Transactions program will not be granted a refund. — **Beatriz Marie D. Cruz**

## August building permit approvals fall by 7.5%

APPROVED building permits fell 7.5% year on year in August to 13,436, the Philippine Statistics Authority (PSA) reported.

In August, approved building projects amounted to 3.23 million square meters of floor area, up 1.9% from a year earlier. Approved permits represented projects valued at P43.05 billion, up 1.1% year on year.

Residential buildings accounted for 64.7% of approved permits, with single homes making up 83.1% of the residential segment.

Non-residential permits accounted for 22.1%, and were valued at P18.31 billion, down 13% year on year.



Approved commercial construction applications made up 69.2% of the nonresidential segment, down 3.6% year on year.

Calabarzon (Cavite, Laguna, Batangas, Rizal, and Quezon) accounted for 25.1% of approved construction projects, followed by Central Visayas and Central Luzon.

The PSA said construction statistics are compiled from the copies of original application forms of approved building permits, as well as from demolition and fencing permits collected monthly by the agency's field personnel from the offices of local building officials. — **Kenneth H. Hernandez**

## Bid invitation issued for Nasugbu Port breakwater

THE Philippine Ports Authority (PPA) said it issued bid invitations for a P485.91-million contract to build a breakwater for the Port of Nasugbu, Batangas.

In an advisory on Tuesday, the PPA set Nov. 7 as the bid submission deadline for the project, which will be funded out of the PPA's own 2024 budget.

All bids received in excess of the approved contract amount will be rejected at the bid opening, it said, adding that potential bidders must have completed a

similar project to be considered eligible.

According to PPA, the bids and awards committee will hold a pre-bid conference on Friday.

The PPA said the winning bidder will have 720 calendar days to complete the project.

Over the four years to 2028, the PPA is earmarking about P16 billion to fund its infrastructure projects, including the 14 flagship projects due for completion within that timeframe. — **Ashley Erika O. Jose**

# Government agencies' cash utilization rate hits 99% at end of September

GOVERNMENT agencies posted a budget utilization rate of 99% as of the end of September, the Department of Budget and Management (DBM) reported.

The DBM said the National Government, local government units, and government-owned corporations had used P3.46 trillion of the P3.52 trillion worth of notices of cash allocation (NCAs) issued as of the end of that month.

The utilization rate was ahead of the pace compared with 97% posted a year earlier.

Unused NCAs for the period amounted to P51.6 billion, the DBM said.

NCAs are a quarterly disbursement authority that the DBM issues to agencies, allowing them to withdraw funds from the Treasury for their spending needs.

At the end of September, line departments utilized P2.59 trillion or 98% of their total allocations.

Agencies that posted 100% utilization rates during the period were the departments of Interior and Local Government, Public Works and Highways, Labor and

Employment, Social Welfare and Development, the Office of the Ombudsman, and the Judiciary.

The Commission on Audit, Commission on Elections, Commission on Human Rights, and Civil Service Commission also reported full utilization at the end of September.

Posting 99% utilization rates were the departments of Health and Transportation, as well as the National Economic and Development Authority. The departments of Education and National Defense reported 98% utilization rates.

Other agencies that posted a cash utilization rate of at least 90% were the Congress of the Philippines, State Universities and Colleges, and the departments of Agrarian Reform, Environment and Natural Resources, Finance, Foreign Affairs, Tourism, Human Settlements and Urban Development, Justice, Science and Technology, as well as the Presidential Communications Office.

For the second straight month, the DBM posted the lowest utilization rate with 73%.

Government agencies likely boosted public spending especially on infrastructure ahead of next year's midterm polls, ahead of which a spending ban will be enforced starting March 28, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said.

"This was also due to more stringent budget utilization rules by various agencies, and amid costs involved in financing the National Government budget deficits," Mr. Ricafort said via Viber. — **Beatriz Marie D. Cruz**