Trump nominees signal favorable view of PHL

By Justine Irish D. Tabile
Reporter

THE PHILIPPINES could be among the beneficiaries of US President-elect Donald J. Trump's trade policies, with the incoming 47th president and his appointees expected to favor the signing of a free trade agreement (FTA), Trade Undersecretary and Board of Investments Managing Head Ceferino S. Rodolfo said.

At the National Exporters' Week on Monday, Mr. Rodolfo said that he is hopeful that Trump 2.0 will be net positive for the Philippines.

"Of all recent US Presidents, it is (Mr.) Trump who has officially welcomed a bilateral free trade agreement (FTA) with the Philippines," he said, citing a joint statement during Mr. Trump's first term in 2017.

"Both sides agreed to discuss the matter further. So at least on record, President Trump has welcomed an FTA with the Philippines," he added.

In particular, he said then-US Trade Representative (USTR) Robert Lighthizer, who served in Mr. Trump's first term, testified at a Senate Committee Hearing that the US is close to starting FTA negotiations with several countries.

"He said that one that we particularly like is the Philippines. I think it would be a good first agreement," Mr. Rodolfo said, quoting Mr. Lighthizer.

"Now the incoming USTR is Jamieson Greer. He was the Chief of Staff of Ambassador Lighthizer. And Ambassador Lighthizer continues to be an advisor to President Trump," he added.

He also said Senator Marco Rubio, who was Mr. Trump's nominee to the State Department, had introduced a bill proposing to strengthen the US-Philippines security partnership.

"That bill called for the US to directly negotiate a critical minerals agreement with the Philippines. And to amend the Better Utilization of Investment Leading to Development Act to explicitly support investments in critical minerals and energy products in Southeast Asia, most particularly in the Philippines," he said.

"It also required an inter-agency plan for US support for infrastructure development in the Philippines," he added.

He said that going by Mr. Trump's actions during his first term, as well as the track record of his nominees, it is reasonable to expect an overall receptiveness to a stronger, closer relationship with the Philippines.

He added that Mr. Trump views trade deficits as an important indicator and tends to blame such imbalances on unfair trade practices against the US.

"If you look at the trade deficit of the US, its number one deficit globally is actually China, which has a $300-billion trade surplus with the US. The number two deficit is with Vietnam, which is $109 billion," he said.

He added that the US has determined during the first Trump administration that Vietnam has been employing unfair trade practices.

"Whenever he makes announcements about additional tariffs, for sure, China, Vietnam, and other countries will be targeted," he said.

"Fortunately for the Philippines, our trade surplus with the US is just $4 billion. So in effect, we have a healthy, almost balanced trade with the US," he added.

Rehab, upgrade bids sought for ports in Catanduanes, Negros Occidental

AT LEAST TWO more port upgrade and rehabilitation contracts will go up for auction by year's end, according to the Philippine Ports Authority (PPA).

In separate bid notices posted on the PPA's website, the regulator is seeking interested parties for the rehabilitation and improvement of Virac port in Catanduanes for P120.07 million and for the improvement of San Carlos port in Negros Occidental for P351.93 million.

Interested parties can submit their bids for the two projects on or before Dec. 19, the PPA said.

The contractor will have 450 calendar days to finish the Virac port rehabilitation project, while the winning bidder for the San Carlos port will be given 630 days to complete the port improvements.

The San Carlos port project includes upgrades to the operations area and roll-on roll-off ramps, as well as the reconstruction of the wharf, according to the PPA.

San Carlos port in Negros Occidental is part of the PPA's port masterplan.

The PPA awarded in August the contract for a port master plan which will help improve cargo movement and enhance agro-industrial development.

The master plan aims to determine and assess the feasibility of constructing ports at designated locations while also improving cargo movement and meeting the increasing demand for port services.

The PPA identified the ports in the master plan were Davila, Pasuquin, Ilocos Norte; Puerto Galera, Oriental Mindoro; Taytay, Palawan; Buenavista, Guimaras; San Carlos, Negros Occidental; Dumaguete, Negros Oriental; Lazi, Siquijor; Catbalogan, Samar; Zamboanga; and Cagdianao, Dinagat Islands.

The rehabilitation and improvement of Virac port includes clearing, demolition and reconstruction works on the roll-on roll-off ramps and the port operations area. — **Ashley Erika O. Jose**

PEZA investment approvals top P200 billion in first 11 months

THE Philippine Economic Zone Authority (PEZA) said it approved P201.551 billion worth of investment applications in the first 11 months, surpassing the agency's target for the full year.

PEZA issued the statement on Monday following a board meeting on Nov. 29 at the Cavite Economic Zone.

"As expected, investment approvals would pick up in the last quarter of the year," PEZA Director General Tereso O. Panga said.

"So far, we have achieved P201 billion, with one more board meeting left in December," he added.

He said that numbers reflect investor confidence in the Philippines and in PEZA due to the government's investor-friendly policy direction partnered with the ease of doing business inside economic zones.

The first eleven months of approvals were up 43.06% compared to the same period last year.

It is also 14.7% higher than the full-year investment approvals target of P175.71 billion.

The approvals consist of 239 new and expansion projects, which are expected to generate $2.9 billion in potential export revenue and more than 70,000 jobs.

At the board meeting, PEZA approved 17 new and expansion projects worth P15.453 billion. These are expected to generate $467.516 million in exports and 9,957 jobs.

"With this, the total for November approved new and expansion projects reaches 41, with a combined investment of P77.794 billion," PEZA said.

"These projects are expected to drive $831.019 million in exports and create 30,623 direct jobs," it added.

Of the recently approved projects, 10 are export manufacturers, four are in the information technology and business process management industry, two involve facility development, and one is an ecozone development project.

"They are distributed across the regions of Calabarzon, Region 3, and Central Visayas: four in Batangas, four in Laguna, four in Cebu, two in Cavite, and one each in Rizal, Pampanga, and Negros Oriental," PEZA said.

"This distribution highlights the regional spur of the projects, contributing to economic growth across various provinces," it added. — **Justine Irish D. Tabile**

PRDP Scale-Up to raise farm infra funding

THE Department of Agriculture said on Monday that its flagship Philippine Rural Development Project (PRDP) Scale-Up is looking to fund the construction of more agricultural infrastructure like cold storage facilities and slaughterhouses.

"The PRDP Scale-Up will focus on the (projects) that will create a bigger impact on agriculture. This would include slaughterhouses, cold storage facilities, among others," Agriculture Assistant Secretary and Spokesperson Arnel V. de Mesa told reporters.

The PRDP was a World Bank-funded program, originally implemented in 2014, aimed at increasing rural incomes and enhancing farm and fishery productivity in targeted areas.

PRDP Scale-Up continues the original program by improving the access of farmers and fisherfolk. It has a funding of $600 million from the World Bank awarded to the DA in November 2023.

"Scale-Up was designed to respond to the needs for investment mostly in agri-infrastructure and enterprises, beyond what was in the original PRDP," Mr. De Mesa added.

The Scale-Up project is active in 82 provinces and is expected to benefit 450,000 farmers and fisherfolk, generating about 42,000 new jobs.

"The recently launched PRDP Scale-Up already has a portfolio of 75 approved infrastructure subprojects worth P11.44 billion... and 60 proposed enterprise subprojects amounting to P6.31 billion," Agriculture Assistant Secretary for Operations and PRDP National Project Director U-Nichols A. Manalo said.

He added that 30 projects are under construction.

The original PRDP funded and completed 503 rural infrastructures worth P31 billion and 667 rural enterprises worth P2.93 billion, benefitting 3 million people, according to Mr. Manalo. — **Adrian H. Halili**

DBCC,
from S1/1

FISCAL PROGRAM

"We have maintained our medium-term fiscal targets for 2025 to 2028. This means that we remain determined to reduce the country's deficit in a more gradual and realistic manner, while also bolstering long-term investments that create more jobs, increase incomes, and decrease poverty incidence," Ms. Pangandaman said.

The DBCC said it raised the deficit ceiling for 2024 to -5.7% of GDP from -5.6% previously. It kept the deficit ceiling at -5.3% of GDP for 2025, -4.7% for 2026, -4.1% for 2027 and -3.7% for 2028.

For this year, the DBCC raised the revenue outlook to P4.383 trillion in 2024 from P4.27 trillion previously. Revenue targets were kept at P4.644 trillion for 2025, P5.063 trillion for 2026, P5.627 trillion for 2027, and P6.249 trillion for 2028.

"On average, revenue collections are expected to remain at 16.5% of GDP from 2025 to 2028, reaching P6.250 trillion (17% of GDP) by the end of the administration. This means that over the medium term, the government will be collecting a billion more in revenues a day annually," Ms. Pangandaman said.

She said this will be supported by new measures such as the value-added tax (VAT) on digital services and tax administration reforms centered on digitalization.

PHILIPPINE STAR/MIGUEL DE GUZMAN

CROWDS look for affordable Christmas lanterns and decorations at the Dapitan market in Quezon City, Nov. 30. The government now expects the economy to grow by 6-6.5% this year.

At the same time, Ms. Pangandaman said government spending will remain one of the major contributors to growth.

This year's expenditure program was raised to P5.907 trillion from P5.754 trillion previously.

DBCC expects expenditures to remain at an average of about 21% of the GDP from 2024 until 2028.

The 2025 spending target was maintained to P6.182 trillion; 2026 was set at P6.54 trillion, 2027 to P7.027 trillion, and for 2028 to P7.621 trillion.

"Our fiscal discipline and fluid debt management have recently earned our country a regional on credit rating outlook, found stable to positive from the S&P Global and a series of high rating affirmations from different global credit rating agencies," Ms. Pangandaman said.

REVISIONS

During its meeting, the DBCC also tweaked the macroeconomic assumptions for inflation, crude oil, foreign exchange rate and exports growth.

Inflation is now projected to average 3.1-3.3% this year, a narrower band from the previous assumption of 3-4%. For 2025 to 2028, inflation assumption is kept at 2-4%.

The assumption for Dubai crude oil prices was trimmed to $78-$81 per barrel this year, from $70-$85 per barrel previously. Crude oil price assumptions were cut to $60-$80 per barrel from $65-$85 per barrel for 2025 to 2028, "with the anticipated improvements in global oil production over the medium term," the DBCC said.

The DBCC now sees the Philippine peso averaging P57-P57.50 against the US dollar this year, "given sustained remittance growth, recovery in travel services, and growing outsourcing revenues."

The peso is expected to "broadly stabilize" at P56-P58 per dollar in 2025, and P55-P58 per dollar for 2026 to 2028.

On external trade assumptions, the DBCC lowered the goods export growth to 4% this year from 5% previously, "in line with the observed slowdown in export revenues in recent months as well as the revision in the outlook for the domestic semiconductor industry."

For 2025 to 2028, exports growth was maintained at 6%.

DBCC kept its assumptions for imports growth at 2% this year, 5% for 2025 and 8% for 2026-2028. — **A.R.A.Inosante**