Philippines applying to join CPTPP this year

THE PHILIPPINES is set to submit its formal application to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade official said.

"The first step is to file your formal application ... So, this year we intend to submit our application to accede," Trade Undersecretary Allan B. Gepty told reporters this week.

"As part of the process, informally you have to engage with CPTPP parties ... We are doing that right now; we actually met a lot of them," he added.

He said that the Philippines has been expressing its interest in joining the CPTPP even when it was still called the Trans-Pacific Partnership (TPP) Agreement.

The TPP was signed by Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore, Vietnam, and the US. However, the US withdrew its membership in 2017.

The free trade agreement (FTA) later evolved into the CPTPP, and in July 2023, the remaining signatories signed an accession protocol with the United Kingdom (UK).

He said that the DTI has conducted an evaluation and assessment of the FTA and has commissioned a study on the advantages and benefits of joining the CPTPP.

"There are two things: market access and rules. Now in terms of market access, of course the value add would be market access to Mexico, Canada, Peru, Chile, and now of course the UK," he said.

"Actually, with the entry of the UK, it gave us more reason to join CPTPP because the UK is one of our biggest trading partners," he added.

On rules, he said that the standards of the CPTPP are higher, making foreign investors who are very particular on certain rules welcome the country's accession.

Meanwhile, Mr. Gepty said that the Philippines and Chile will be holding their first in-person round of negotiations in July.

"But in May, we have to meet virtually to at least start the talks ... because our schedule is tight. It is already May, and in June we have the negotiations with the European Union," he said.

"And then we have a joint economic commission (JEC) with Canada on June 6," he added, noting that the JEC will also cover exploratory talks for an FTA.

In a statement, the Tariff Commission said it will be holding a public consultation regarding participation in the ASEAN-Canada Free Trade Agreement negotiations.

The consultation is scheduled for May 7. — **Justine Irish D. Tabile**

US tariff deal expected to shift source markets for imports

By Justine Irish D. Tabile
Reporter

ANY DEAL lowering tariffs between the US and the Philippines is not expected to flood the Philippines with imports, though the leading source countries for key commodities are likely to change, the Department of Agriculture (DA) said.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. said the interests of Philippine industries will not be sacrificed as the Philippines negotiates lower tariff rates with the US.

"I think *wala sigurong dapat ikatakot ang ating mga* industries (industries have nothing to fear) because it is not about adding the amount to be imported. It is just a shifting of preference," Mr. Laurel said on the sidelines of the Sustainable Agriculture Forum 2025.

"Meaning, *kung dati malakas ka bumili sa* Brazil, *dahil ngayong may ganitong* move *ang* America, *baka pagbigyan sila na mas makuha ng mas malaking share, mabawasan naman 'yung sa* Brazil. *Parang ganon* (Purchases from Brazil, for instance, could fall because of the negotiations, which could result in Philippine concessions that give US goods a larger share)," he added.

A Philippine delegation led by the Office of the Special Assistant to the President for Investment and Economic Affairs and the Department of Trade and Industry (DTI) is currently in Washington, DC to negotiate for lower tariffs.

The Philippine delegation is set to meet US Trade Representative Jamieson Greer on Friday. He met with Japan, Guyana, and Saudi Arabia on Thursday, Reuters reported.

"In my discussion with Secretary Frederick D. Go, I said that we have to protect the local industry. So that is the way we will try to negotiate ... It is the shifting of (sourcing) that we are looking at, not adding more imports," he said, referring to the Special Assistant for investment.

Philippine goods were initially assigned a 17% tariff by the US, second lowest in Southeast Asia next to Singapore's 10% baseline rate. The reciprocal tariffs have since been suspended for 90 days, with most US trading partners paying 10% for the time being.

"It is very hard to say what America wants from us ... But I think 17% is more of an advantage," Mr. Laurel said.

However, he said the overall goal is to secure improved access for Philippine exports, particularly agricultural products, including coconuts, tilapia, and white shrimp.

"In any negotiation, we want the minimum (rate). So, I will leave it up to Secretary Go, as I am very confident in his ability to get something that is fair for the Philippines," he said.

"We are all hanging and monitoring, and we just have to be patient and react accordingly," he added.

The DTI Export Marketing Bureau reported that the US was the Philippines' top export market last year, accounting for $12.12 billion, or 16.55%, of all exports.

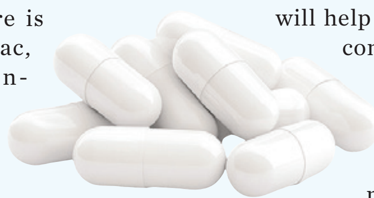
It was also the Philippines' fifth-largest source of imports with a 6.41% share or $8.17 billion.

The US is the Philippines' third-largest trading partner with two-way trade of $20.29 billion.

PEZA eyes second pharma ecozone

THE Philippine Economic Zone Authority (PEZA) is looking to proclaim a second pharmaceutical economic zone (pharma zone) within the year.

"Some people are vying from other areas. But obviously they would want to see the performance of this park first," PEZA Director General Tereso O. Panga told *BusinessWorld* on the sidelines of the official launch of the Victoria Industrial Park late Wednesday.


FREEPIK

"But there is one in Tarlac, the one under Lloyd Laboratories. That might be our second pharma zone in the country because the compliance for its proclamation requirements is already ongoing," he added.

He said that the second pharma zone is targeted for proclamation within the year, as it already has an American partner.

"They will be manufacturing APIs (active pharmaceutical ingredients) and drugs. As you know, Lloyd Laboratories is already in India," he added.

On Wednesday, the country's first pharma zone, the Victoria Industrial Park, was officially launched.

"This move is in response to the marching orders of President Ferdinand R. Marcos, Jr. to make medicine more accessible and affordable, to empower Filipino manufacturers, to be self-sufficient, and to be the hub in ASEAN for the pharmaceutical industry, thus strengthening our own local supply chain," Mr. Panga said.

The 30-hectare park in Victoria, Tarlac is poised "to become a dynamic hub for investment, innovation, medical research, and inclusive progress."

"We are likewise pleased to highlight that the construction of a satellite laboratory of the Food and Drug Administration has commenced on-site, which will further strengthen our supply chain and advance our healthcare and industrial capabilities," he added.

He said the FDA laboratory will help in streamline companies' compliance with FDA-related permits and requirements.

During the event, 13 memoranda of agreement and understanding were signed, reflecting growing interest from investors to locate in pharma zones.

These include agreements with Lifestrong Marketing, Inc., ACP Heavy Industries, Greenstone Pharmaceutical, Goodfield, Ethosperic, Inc., Solstice ECOventures, Inc., Triumphus Ventures, Inc., Medinext, Inc., Revitalix, Inc., Kweens Ventures, Inc., K Food, Verdant Dreams Hong Kong, and Creative Ecohub for Philippine Artistry.

Meanwhile, he said that PEZA is also in talks with Japanese and Chinese-American companies to locate in Victoria Industrial Park.

"We have an incoming big-ticket American investment into nitrile gloves ... They will scout around, but we will nominate Victoria Industrial Park," he added. — **Justine Irish D. Tabile**

PPP Center calls for more smart city projects

THE Public-Private Partnership (PPP) Center said more smart city projects are needed, citing the need to incorporate advanced technology in key infrastructure projects.

"There is a need for us to develop more digital infrastructure, smart city projects," PPP Center Director for project development service Raphael M. Badillo said in an online briefing.

Smart City projects refer to the efficient management of infrastructure and public services like mobility, water, and energy.

The PPP Center website lists 18 information and communications technology projects valued at a combined P35.87 billion. The projects are currently in the pipeline or being implemented, the PPP Center said.

"Private sector expertise and efficiencies play a vital role in enabling smart city development since these smart cities heavily depend on technology and innovation," Mr. Badillo said.

Projects include the P2.10-billion Bacolod Super City Project which was awarded to Highdata Infra Corp.

This project involves a centralized command center for traffic monitoring, natural disasters, criminal activity, emergency response and public alerts. The Bacolod Super City project also includes the installation of video surveillance equipment, deployment of analytics, and the development of comprehensive geographic information system software for the creation of maps, spatial analysis and data integration.

The smart city PPP projects also include the P3.29-billion smart urban mobility proposal of the Metro Pacific Tollways Corp. (MPTC) which is currently being negotiated.

MPTC's unsolicited proposal for Baguio City involves the financing, design, procurement, construction, and installation of urban mobility solutions, including a congestion fee scheme; traffic enforcement system; parking management system and smart command center.

"The private sector can finance these critical infrastructure development projects to enable this smart city development. We encourage companies expressing interest in pursuing more digital infrastructure because a lot of local government units definitely need these innovations and technological advancements," Mr. Badillo said. — **Justine Irish D. Tabile**

Subsidized P20-per-kilo rice rolled out in Cebu

THE Department of Agriculture (DA) launched its P20-per-kilo subsidized rice program in Cebu City on Thursday.

"Today, Labor Day, we fulfill a promise made three years ago by President Marcos to the Filipino people: to bring down the price of rice to P20 per kilo," Agriculture Secretary Francisco P. Tiu Laurel, Jr. said.

Accompanying the launch, Food Terminal, Inc. and Cebu province signed a memorandum of agreement on the shared subsidy of the P20-per-kilo rice pilot test in the province.

Expected to run until December, the pilot test will cover other parts of the Visayas, benefiting 800,000 households or about 4 million people.

"President Marcos has directed the DA to draw up plans to extend this food program until 2028 and expand it nationwide to cover as many financially challenged Filipinos as possible," DA said.

Meanwhile, local government units in Cebu have started drawing stocks from the National Food Authority (NFA) warehouse. Between April 29 and May 1, they withdrew 3,700 50-kilo bags of rice.


PHILIPPINE STAR/ RYAN BALDEMOR

"NFA continues to reposition stocks from rice-producing areas in the Visayas and from Mindoro to areas like Cebu that have little rice output," DA said.

The subsidized rice sales are being billed as part of the KnP20 program (Katuparan ng Pangakong P20 na Bigas).

Under the law, the NFA is not permitted to sell rice directly to the general public, but KnP20 makes it available to targeted beneficiaries. Each qualified household, typically from the more vulnerable segments of society, may purchase up to 30 kilos a month, the DA said.

Initially the DA planned to roll out the program in 16 locations across Metro Manila.

Meanwhile, the DA said it is currently awaiting clarification from the Commission on Elections (Comelec) on whether the program is exempt from the May 2–12 ban on the distribution of government aid during the election period.

"If Comelec disallows rice distribution during the restricted period, the DA plans to start selling the subsidized rates in earnest right after the midterm elections," it added.

Mr. Laurel said he hopes Comelec will grant an exemption as the program can alleviate financial pressure on low-income families while also helping decongest NFA warehouses. — **Justine Irish D. Tabile**

Gov't cash utilization rate hits 99% in first quarter

THE cash utilization rate of government agencies hit 99% at the end of March, the Department of Budget and Management (DBM) said.

The DBM reported that the National Government, local governments, and state-owned companies used P1.12 trillion of the P1.13 trillion worth of notices of cash allocation (NCAs) issued as of the end of the first quarter.

This left P8.57 billion in unused allocations.

The budget utilization rate was on pace with the 99% rate posted a year earlier.

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

At the end of the first quarter, line departments used P797.38 billion or 99% of their allotments, leaving P7.23 billion unused.

Seventeen agencies posted a 100% budget usage rate in the three months to March including the Office of the Vice-President, State Universities and Colleges, and the departments of Education, Foreign Affairs, Health, Interior and Local Government, Labor and Employment, Migrant Workers, Social Welfare and Development and Tourism.

The Department of Economy, Planning, and Development, previously known as the National Economic and Development Authority, also posted a 100% budget usage rate.

Also turning in a 100% utilization rate were the Commissions on Human Rights, Elections, Audit, Civil Service, Civil Service, as well as the Judiciary and Office of the Ombudsman.

The departments of Human Settlements and Urban Development as well as of Agriculture posted the lowest usage rate of 78% and 85%, respectively.

Budgetary support to government-owned companies and allotments to local government units had a 100% utilization rate.

In the first quarter, government spending jumped 22.43% to P1.477 trillion. — **Aubrey Rose A. Inosante**

Government urged to protect workers under threat from US tariffs

THE Makati Business Club (MBC) said on Thursday that the government should move to ensure the protection of jobs that could be vulnerable in the face of disruptions from US tariffs and other policies.

The MBC said the 17% tariff charged on Philippine goods will likely affect skilled workers in export industries, particularly in electronics.

"Other recent policies of the US government may also impact the jobs of overseas Filipino workers (OFWs); hence, the government must also look into ensuring that skills training and jobs may be provided for them during these uncertain times," it added.

Early last month, the US imposed tariffs on most of its trading partners, with Philippine goods being charged 17%, the second lowest in Southeast Asia after Singapore's 10%.

Prior to this, US President Donald J. Trump also signed immigration-related executive orders to strengthen US border policy, tighten visa screening, and deter illegal immigration, possibly posing a threat to the jobs of US-based Filipinos.

The MBC said workers also face challenges concerning the increasing growth of artificial intelligence (AI) adaptation.

Citing a report by the International Monetary Fund, the MBC said around 14% of jobs in the Philippines are at risk of being replaced by AI, while 50% are jobs that AI can assist but not entirely replace.

Meanwhile, a 2024 study by the Philippine Institute of Development Studies noted that around 29% of Filipino workers lack the necessary skills for in-demand jobs.

The MBC called on the government to ensure that Filipino workers are not left behind.

The MBC noted that action on reskilling and upskilling received a boost from the Enterprise-Based Education and Training Framework Act.

"However, the government needs to continue its efforts in ensuring that no Filipino worker gets left behind in the increasing growth of AI adaptation," it added.

The MBC also called for the passage of the Lifelong Learning Development Framework Act.

"We believe this reform will contribute to creating a more skilled and competitive Filipino workforce," it added. — **Justine Irish D. Tabile**