FPI hopes BoC digitalization can reform 'most corrupt' agency, curb smuggling

THE Federation of Philippine Industries (FPI) said it is hoping that digitalization can turn the Bureau of Customs (BoC) around from its current reputation "from one of the most corrupt to one of the most reformed."

FPI Chairman Emeritus Jesus L. Arranza said he hopes Customs Commissioner Ariel F. Nepomuceno's reform agenda "will help restore the credibility of the BoC."

Mr. Arranza said in a statement on Monday that FPI members, "who have long been victims of smuggling and illicit trade, are the first to feel the negative effects of these illegal activities — and we will also be the first to commend genuine reform efforts."

Citing the US Department of State's Annual Investment Climate Report, he said that American businessmen have complained about facilitation fees and bureaucratic hurdles at the BoC.

He said that the digitalization of customs processes will help eliminate face-to-face transactions between importers and Customs personnel.

"The modernization effort, to be implemented through a public-private partnership model, will automate import documentation, inspection tracking, and valuation processes — removing the opportunities for collusion, bribery, and technical smuggling," the FPI said.

Mr. Nepomuceno has banned BoC officials and employees from doing business or taking a financial interest in customs brokerage companies.

"All BoC personnel are now required to submit verified affidavits disclosing any relatives within the fourth civil degree who are involved in brokerage operations," the FPI said.

The BoC also suspended Letters of Authority and Mission Orders issued before July 2 pending review of all planned enforcement actions under the Intelligence and Enforcement Groups. — **Justine Irish D. Tabile**

Power plant retirement to be eligible for carbon credits

THE Department of Energy (DoE) has identified the activities that will be deemed eligible for carbon credits, like the early retirement of coal-fired power plants.

In a circular dated Sept. 23, the DoE said the eligible "mitigation" activities that can significantly reduce greenhouse gas (GHG) emissions also include the development of renewable energy projects; energy efficiency improvements; adopting low-carbon energy technologies; fuel switching and co-firing in power generation; switching to electric vehicles; and biofuels blending.

Proponents of such projects will be allowed to issue carbon credit certificates (CCCs), it said.

The Philippines is a signatory to the Paris Agreement, a global treaty seeking to hold the increase in the global average temperature to well below 2°C above pre-industrial levels, and limit the increase to 1.5°C.

The Philippines has committed to reduce its GHG emissions by 75% by 2030, as outlined in its Nationally Determined Contribution (NDC) climate action plan. It plans to reduce or eliminate emissions in five areas: agriculture, waste, industry, transport, and energy.

Article 6 of the Paris Agreement recognizes the issuance and transfer of CCCs as a means of incentivizing activities that reduce GHGs.


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A CCC is a tradeable certificate representing one ton of carbon dioxide equivalent of GHG emissions reduced, avoided, or removed from the atmosphere.

Participants can trade CCCs on the Philippine market, in countries covered by bilateral or multilateral agreements, and on the voluntary carbon market.

The DoE is tasked with overseeing the energy industry's NDC. Meanwhile, the Department of Environment and Natural Resources will serve as the designated national authority (DNA) of the Philippines tasked with soliciting international cooperation with regard to carbon markets.

Upon the issuance of the general framework for the implementation of the Paris Agreement by the DNA, the DoE will review and amend the circular.

In August, Energy Undersecretary Felix William B. Fuentebella said the carbon credit policy is a "game-changer" for the Philippine energy industry.

"It will equip our energy sector with the tools to generate and manage carbon credits with integrity, ensuring every ton of reduced carbon dioxide is real and verifiable. This builds trust and unlocks investment in effective climate solutions," he said. — **Sheldeen Joy Talavera**

PHL targets revival of seaweed export industry

THE Department of Agriculture (DA) said it is targeting a revival in the seaweed export industry, which the Philippines used to dominate.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. made the remarks in a meeting with the Food and Agriculture Organization (FAO).

The Philippines was formerly the top exporter of seaweed in 1990, fulfilling 80% of global demand.

Mr. Laurel added that mango, abaca, and bamboo also have the potential to drive growth, and called for FAO support to achieve this in his meeting with FAO Assistant Director-General Alue Dohong.

Mr. Laurel said of the FAO meeting: "We are not only talking about food security. We are committing to the transformation of agrifood systems with investment, innovation, and inclusive growth."

Mr. Laurel said the Philippines needs FAO help after decades of underinvestment in agriculture.

The DA added in the statement that former Agriculture Secretary Luis Lorenzo, Jr. and his company Rizome have invested $100 million in a bamboo manufacturing facility in Cagayan de Oro. — **Andre Christopher H. Alampay**

Bounty Fresh sees chicken industry as least vulnerable to foreign competition

BOUNTY FRESH GROUP said it considers the chicken industry to be less vulnerable to competition from imports than pork or beef, but cited the need to invest in transformation to support demand from the growing population.

Noting the 4% annual growth of the broiler chicken industry, Bounty Fresh CEO Kenneth Cheng said making the chicken farming industry "future-ready and resilient" will require it to keep up with the growing population and increasing affluence, which is tied to increased meat consumption.

One of the markers of the industry's resilience is the emergence of its farms without damage after recent floods and earthquakes he said.

"If we are able to transform ourselves, we will feed the country," Mr. Cheng told reporters during a lunch meeting.

He said technology's role will be partly to offset a worker shortage, adding: "If we stick to old techniques of farming, we will run out of people."

The company is committed to upholding biosecurity by investing in vaccines to prevent the spread of diseases. — **Andre Christopher H. Alampay**

Budget,
from S1/1

The sub-panel rechanneled about P90.7 billion to the health sector, with the bulk of the funding going to the Philippine Health Insurance Corp. (PhilHealth) subsidy at P60 billion, following last year's controversy over the government's pullout of funds from the state health insurer.

It also raised total health allocations by 28.3% to P411.2 billion from the P320.5 billion initially proposed by the Budget department. This includes a P26.73-billion increase for medical assistance to indigent Filipinos.

Lawmakers increased agriculture sector funding by 22.46% to P292.94 billion next year, as they sought to boost food security and improve programs aimed at helping local producers.

Changes include increased funding for the Agriculture department's farm-to-market road projects by P16.78 billion under the spending plan. Congressmen also raised allocations for financial aid to farmers to P10 billion from the initial P7 billion, which will benefit 1.43 million farmers, Ms. Suansing said.

Lawmakers also included a P10-billion hike for the Labor department's displaced-worker program, increasing it by 88.2% to P22.14 billion next year.

UNPROGRAMMED FUNDS

At the same time, the lower chamber scrapped P35 billion in unprogrammed appropriations intended for infrastructure programs, leaving only P45 billion out of the P80 billion originally allocated under the budget bill. This is under the bill's Strengthening Assistance for Government Infrastructure and Social Programs.

"Congress has removed infrastructure from the list of allowable uses for unprogrammed appropriations... a move aimed at preventing potential misuse of these funds," said Ms. Suansing.

She said foreign-funded infrastructure projects would only be eligible for standby funding, since the government must provide counterpart funding to support them.

"We cannot remove unprogrammed funding under foreign assisted projects because we cannot turn on our agreements at the international level," she added.

Congressmen also adopted a proposal last week by Deputy Minority Leader and Mamamayang Liberal Rep. Leila M. de Lima to reduce Vice-President Sara Duterte-Carpio's budget to P733.2 million from the initial P902 million, mirroring a cut made during last year's deliberations.

"It seems that the rechanneling of the P255 billion only reinforced 'pork barrel' politics," AJ A. Montesa, an advisor at budget watchdog People's Budget Coalition, said in a Viber message before the spending plan's approval.

Mr. Montesa said the prioritization of funding for the government's assistance programs for indigent Filipinos indicates that lawmakers are still intent on perpetuating patronage politics.

"While these programs are branded as 'assistance' for people in need, we must also confront the fact that they are largely driven by patronage and clientelism," Mr. Montesa said.

"Congress should prioritize programs which are rules-based and rights-based, not those which are subject to the discretion of lawmakers and local politicians... these only serve to further entrench poverty and inequality," he added.

While the reallocations signal a shift towards human capital development and are "commendable in principle," much depends on whether the funds are spent efficiently and free from corruption, John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said in a Viber message.

IBON Foundation Executive Director Jose Enrique "Sonny" A. Africa said the spending plan fails to provide sufficient funding for critical sectors, warning that it falls short of addressing economic challenges amid slowing growth.

"The budgets for education, health, housing and social protection are hyped as big, but are still very far below what the poor and middle-class need," Mr. Africa said in a Viber message before the budget bill's approval. "Agriculture, and especially small Filipino firms, are also left far behind."

The government is targeting economic growth of 5.5-6.5% this year and 6-7% in 2026.

President Ferdinand R. Marcos, Jr.'s allies in the lower chamber likely moved to boost funding in education, health and agriculture as the government sought to ease discontent over the scandal involving infrastructure spending, said Arjan P. Aguirre, who teaches political science at the Ateneo de Manila University.

"These moves are just meant to ease the tension, meant to please the already disgruntled people," he said in a Facebook messenger chat.

The budget bill still needs the Senate's approval before heading to the bicameral conference committee, where conflicting provisions of both House and Senate versions will be reconciled. Once the final budget bill is ratified by Congress, it will be transmitted to Malacañang for signing by the President.

Majority Leader and Ilocos Norte Rep. Ferdinand Alexander "Sandro" A. Marcos III said the lower chamber will act on a proposal seeking to open the bicameral conference committee talks on the proposed budget to the public "as soon as possible."

"Given the fact that the House has been prioritizing... the passage of the budget, we will make sure that once the... House has more time, we will be able to address the said resolution," he told the House floor.