## DA to take over farm-to-market road projects from DPWH in 2026

THE Department of Agriculture (DA) said it will take over farm-to-market road (FMR) projects from the Department of Public Works and Highways (DPWH) starting 2026.

In a statement, the DA said the takeover will make farm infrastructure more focused on the actual needs of farming communities.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. and Public Works Secretary Vivencio B. Dizon met on Tuesday to review audits of past farm road projects, the DA said.

The review sought to determine the extent to which the farm road program has been affected by the broader infrastructure corruption scandal, which surfaced in flood control projects shortly after the heavy July rains.

At the meeting, the DPWH discussed pending projects slated for 2025, which Mr. Dizon proposed to complete under a catch-up plan.

"There are roughly 1,000 kilometers of roads that still need construction in 2025. We must think outside the box to ensure these roads are completed as quickly as possible. Local government units will be engaged, similar to our approach with classrooms," Mr. Dizon added.

At a recent Senate hearing, Mr. Laurel said that the backlog of FMRs totals 60,000 kilometers — a distance that would take six decades to complete at the current pace.

Regarding the corruption review, Mr. Laurel said of the nearly 1,000 kilometers of farm roads inspected by the DA out of over 4,000 kilometers built in recent years, "a few short stretches" may warrant referrals to the Ombudsman and the Independent Commission on Infrastructure for possible investigation and prosecution.

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## PCCI throws support behind infrastructure quality measure

THE Philippine Chamber of Commerce and Industry (PCCI) urged Congress to pass the proposed National Quality Infrastructure (NQI) Act to unlock Philippine industries' global competitiveness.

"The PCCI and other stakeholders are urging expedited action emphasizing that delays constrain Philippine industries from fully leveraging quality infrastructure to compete globally," it said in a statement on Thursday.

The proposed NQI Act "seeks to establish a unified and modern framework for quality standards and competitiveness across Philippine industries."

The proposed NQI Act is currently in bill form from multiple authors, but these have yet to be consolidated.

"PCCI therefore calls on lawmakers and agencies to treat the bill as a priority, so the Philippines can move from fragmented quality systems to a cohesive, internationally recognized infrastructure for standards, testing, metrology, accreditation and conformity assessment.

During the National Quality Infrastructure Conference on Oct. 29, PCCI Executive Vice-President Ferdinand A. Ferrer said exporters face technical barriers without reliable standards, calibration, testing and conformity assessment systems.

"Quality infrastructure is no longer a luxury — it is a necessity, a prerequisite to market access," he said. "When our products cannot demonstrate compliance with international standards, they cannot enter foreign markets."

A strong NQI signals to investors that Philippine-made goods and services meet global norms, the PCCI added.

"When instruments of measurement (metrology), testing, certification and standardization are fragmented or weak, firms face duplication of tests, slower time-to-market, and higher costs — undermining productivity," the PCCI said.

Mr. Ferrer also noted that agriculture, manufacturing, construction, and services need reliable measurement, testing, and certification, as well as regulatory coherence.

"The absence of a unified policy across sectors limits growth," he said. — **Beatriz Marie D. Cruz**

# Budget seen leaving no room for long-term spending items

**By Kenneth Christiane L. Basilio** *Reporter*

THE GOVERNMENT risks taking its eye off longer-term strategic needs after years of devoting more than half of the budget to immediate spending priorities, the Congressional Policy and Budget Research Department (CPBRD) said.

The congressional think tank said since 2016, 50.9% of the national budget has gone to paying for current items like salaries, services and public works, with automatic appropriations absorbing 29.9% and special purpose funds 7.8%.

"Nearly 90% of the budget is pre-allocated for existing programs or mandatory obligations — leaving very limited room for new or emerging priorities," the CPBRD said in an October report written by Johnry A. Castillo.

The Philippines adopted a two-tier budgeting approach in 2016, with the Tier-1 category devoted to ensuring that ongoing projects are sustained. This led to "a significant unintended consequence — an over-reliance on historical budgeting," the CPBRD said.

As a result, the think tank said, commitments to ongoing spending items grew "dramatically" in subsequent years.

Only 11.7% of the enacted national budgets since the two-tier approach was implemented were set aside for "new and innovative priorities," the CPBRD estimated. It added that a declining share of the budget for new programs could lead the government to neglect strategic concerns.

"If unaddressed, this trend risks creating a rigid budget that crowds out strategic investments and undermines the government's fiscal consolidation efforts," it said.

The Philippines aims to lower its debt-to-gross domestic product (GDP) ratio to 58% by 2028 after coming in at 63.1% at the end of June — the highest level since 2005. Development banks consider a 60% debt-to-GDP ratio as manageable for developing economies.

The CPBRD said the growing share of allocations for ongoing programs has also, in some years, pushed national budgets beyond their approved ceilings.

"Such trends underscore the need to periodically reassess Tier 1 commitments through performance-based reviews or strategic expenditure reviews," it said. "Without this, the budget risks becoming a rigid financial plan with limited adaptability."

Policymakers should prepare a comprehensive framework to help agencies reduce ongoing expenses and carve out fiscal space for new and strategic programs, it said, citing the need for greater oversight by the Finance and Budget departments over the budget process.

Congress and civil society groups should be given access to budget documents to better monitor the budget process and strengthen government transparency, it added.

The CPBRD also recommended the revival of a multi-agency subcommittee on program and project assessment to evaluate the budget proposals at the agency level.

## IMF urges use of more data sources for Residential Property Price Index

THE Bangko Sentral ng Pilipinas (BSP) needs to tap more data sources to improve the Residential Property Price Index (RPPI), the International Monetary Fund (IMF) said.

"The BSP should continue to engage other agencies and stakeholders who have relevant information on property prices to broaden the coverage of the RPPI in the long run," the IMF said in its Report on the Residential Property Price Index Mission for the Philippines released on Thursday.

The RPPI measures the average price changes over time of various residential properties using bank mortgage data.

The BSP first launched the RPPI in the first quarter of 2025, replacing its predecessor, the Residential Real Estate Price Index.

In the report, the IMF urged the BSP to consider including in the index indicators such as the volume and value of transactions and using other administrative data sources.

Currently, the central bank uses residential real estate loans extended by universal and commercial banks as well as thrift banks as a reference for the RPPI, which the IMF said excludes cash purchases as well as transactions financed by developers and the Home Development Mutual Fund.

"While current loan data is sufficient for index compilation in the short to medium term, the BSP should expand its data sources by leveraging administrative data and employing advanced techniques like web scraping," it said. "This approach will address existing data gaps and enhance the comprehensiveness of the index in the long run."

The BSP has been developing its Real Property Information System project with the Department of Finance's Bureau of Local Government Finance.

The project will serve as a database of all real property transactions that would allow early preparation of the schedule of market values, the IMF said.

The IMF also urged the central bank to enhance the visibility of the RPPI on its website.

"The authorities should provide more prominence to the RPPI statistical release," it said, noting that the existing data is "quite difficult" to access. — **Katherine K. Chan**

# Integrating into multinational supply chains considered ASEAN's big investment opening

MULTINATIONAL GROUPS seeking to diversify their supply chains are considered the main opportunity for Association of Southeast Asian Nations (ASEAN) economies seeking to attract investment, the UN Trade and Development (UNCTAD) said.

"What's happening in the global investment environment today is leading multinational enterprises looking for opportunities to make their supply chains more resilient, to diversify their supply chains," UNCTAD Head of Investment Research Richard Bolwijn told *BusinessWorld* on the sidelines of the Invest Korea Summit on Thursday.

"That presents opportunities for countries across the ASEAN region to attract investment in new production locations for supply chain-intensive manufacturing," he added.

He said infrastructure and skills will be key to attracting such investment.

"The factors that decide whether a country can be competitive in this are having good infrastructure, having the right skills across the labor force, and having the capacity to absorb the technologies needed to produce and to have market access," he said.

"Investment of that nature will increasingly regionalize, or will increasingly be within the region," he added.

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The ASEAN Investment Report 2025, released this month, indicated that foreign direct investment (FDI) in ASEAN increased 8% to $226 billion, in the face of an 11% decline in global flows.

"Since 2021, FDI in the region has been exceptionally strong, with annual inflows exceeding $200 billion, compared with an annual average during the last decade of less than $130 billion," the report added.

UNCTAD estimates global FDI to decline by approximately 3% this year, following an 11% decline last year, Mr. Bolwijn said.

"Greenfield announcements around the world are declining; international project finance is having a really hard time because of tighter financing conditions. The only area that is growing around the world is the digital economy area of investments," he said.

However, he said that while bigger projects are being announced, they are fewer in number.

"You need to be attractive for those types of projects, but as I said, with fewer but very large projects, fewer countries can attract them," he said.

Nearly 30% of new project announcements last year involved the digital economy, compared to less than 20% in 2020, he said.

"The only sectors that are growing are digital infrastructure and services, which were up more than double. If we look at semiconductors, it rose 140%," he said, with digital-economy investments dominated by rich countries.

"It is becoming, of course, for countries that are lower down on the development ladder, increasingly difficult to compete for new investment because it is more knowledge-intensive and more technology-intensive. It can be hard, as a country, to become attractive for that type of investment," he said. — **Justine Irish D. Tabile**



## Template introduced to streamline power permit process at LGU level

THE Department of Energy (DoE) said it launched a template to streamline the permit process for energy infrastructure projects across local government units (LGUs).

In a statement on Thursday, the DoE said it developed the LGU Ordinance Template to help local governments harmonize and simplify their permit system.

The template is designed to ensure predictable timelines for power projects, boosting investor confidence, and accelerating energy development.

"The LGU Ordinance Template empowers local government units to recognize and fulfill their vital role in developing energy infrastructure," Energy Undersecretary Mylene C. Capongcol said.

The DoE met with officials of Siquijor province to present accelerated guidelines for infrastructure development and provided updates on national and regional energy programs.

Discussions covered the benefits of communities hosting energy projects, net metering programs, and the expansion of lifeline rates, and solar rooftop installation.

The DoE has conducted similar consultations with provincial governments in Batangas, Rizal, Ilocos Norte, Iloilo, Pangasinan, Tarlac, Negros Occidental, and Sorsogon. — **Sheldeen Joy Talavera**

# Bird flu resolved in Isabela town; surveillance continues in Cauayan City, Cotabato

THE Department of Agriculture's Bureau of Animal Industry (BAI) said it recorded cases of bird flu in Gamu and Cauayan City, Isabela, Mlang, Cotabato, and Norala, South Cotabato.

The BAI stressed that the current cases of High Pathogenicity Avian Influenza (HPAI) are localized, contained and pose no threat to food safety.

It added that poultry products from monitored and accredited farms remain safe for consumption as the HPAI virus does not spread through properly cooked poultry meat or eggs.

On Oct. 16, the BAI's Animal Disease Diagnosis and Reference Laboratory (ADDRL) confirmed the presence of the H5N1 strain of bird flu in a commercial farm in a barangay in Gamu. The affected farm was immediately depopulated.

Surveillance showed no further spread within the one-kilometer radius; as such, the outbreak has been declared resolved.

In Mlang, HPAI Subtype H5N8 was detected on Oct. 17 in two smallholder duck farms. The first affected farm was immediately depopulated and was subjected to disinfection, quarantine and monitoring in coordination with the local veterinary office.

The second farm had sold its flock prior to verification. Authorities are currently tracing the movement of the sold birds to ensure that the virus is fully contained.

On Oct. 20, the ADDRL confirmed cases of HPAI subtypes H5, H9, N1 and N2 in a commercial duck farm in Norala. The affected flock was reported to have been transferred to Maguindanao del Sur before the laboratory results were released.