

**PRESIDENTIAL COMMUNICATIONS OFFICE**  
**News and Information Bureau**

**PRESS BRIEFING HOSTED BY MS. DAPHNE OSEÑA-PAEZ WITH NATIONAL ECONOMIC  
AND DEVELOPMENT AUTHORITY (NEDA) SECRETARY ARSENIO M. BALISACAN**  
**JUNE 4, 2024 [11:06 A.M. – 11:45 A.M.]**

**MS. OSEÑA-PAEZ:** Magandang umaga, Malacañang Press Corps, and welcome sa ating press briefing ngayon, June 4.

The National Economic and Development Authority or the NEDA Board chaired by President Ferdinand R. Marcos Jr. convened their 17<sup>th</sup> meeting yesterday, June 3<sup>rd</sup>. Among the discussions made by the board include the approval of the Comprehensive Tariff Program which aims to calibrate the current tariff rates until 2028. NEDA also reported the 2024 first quarter progress of Infrastructure Flagship Projects or the IFPs under the Build Better More program.

And to discuss more of the NEDA Board meeting, we have with us today NEDA Secretary Arsenio M. Balisacan. Good morning, Secretary Balisacan.

**NEDA SEC. BALISACAN:** Good morning. Good morning to everyone.

As mentioned, yesterday, June 3, the NEDA Board under the leadership of President Ferdinand R. Marcos Jr. approved the new Comprehensive Target Program for 2024-2028. This program calibrates the current tariff rates until 2028, strategic move to ensure access and affordability to essential commodities while balancing the interest of consumers and local producers which is crucial for fostering rapid, sustained and inclusive economic growth.

During its 17<sup>th</sup> meeting, the NEDA Board acted on the recommendations of the Committee on Tariff and Related Matters or CTRM to maintain the current rates on more than half of the tariff lines covering various agricultural and industrial products that have relatively low applied tariffs particularly for raw materials and intermediate inputs used in manufacturing.

The tariff maintenance will ensure access to inputs and support efforts to improve productivity and competitiveness. This measure will help our domestic industries by reducing the cost they incur for their inputs, enabling them to be more competitive especially in the global market.

The board also agreed to merge these tariff lines on certain chemical and chemical products, textiles, machinery and transport equipment to simplify the tariff structure for more efficient customs administration and improve the ease of doing business.

The board also approved the CTRM's recommendation to reduce the tariff on certain chemicals and coal briquettes to improve energy security and reduce input cost. Tariff reduction on coal will help ensure its availability at reasonable prices, thus supporting more stable electricity prices and supply in the country. Given our present energy constraints, this reduction will be timely as we steadily work toward implementing planned investment, transmission facilities and renewable energy infrastructure in the coming years.

Meanwhile, the chemicals proposed reduction are inputs to manufacture antiseptics, detergents and medical deserts. Reducing the tariff on these inputs will help lower production cost and improve consumer welfare.

The reduced tariff rates on corn, pork and mechanically-deboned meat under Executive Order No. 50, Series of 2023 were also maintained until 2028 to ensure stable supply of these commodities, help manage inflation, promote policy stability and investment planning and enhance food security.

For rice, one of the most critical components of Filipino households' consumption basket, the NEDA Board agrees to reduce the duty rate to 15% for both in-quota and out-quota rates from 35% until 2028. This decision aims to lower the price of rice further and make it more affordable.

Based on the latest inflation reports of the Philippine Statistics Authority in the past three months, rice contributed about 2 percentage points or over 50% to the headline inflation. Reducing rice tariffs is expected to bring down rice prices for consumers while also supporting domestic production through tariff cover and increased budgetary support to improve agricultural productivity especially as global rice prices remain elevated.

Upward price pressure for rice have driven by the effects of the El Niño phenomenon that are felt worldwide as well as increasing demand given our steadily growing population and economy. We note that even at the reduced rate of 15%, the rice sector continues to enjoy comparatively high tariff protection from competitive imports as the tariff is higher than for the 80 to 90 percent of the total 11,484 tariff lines under the ASEAN Harmonized Tariff Nomenclature 2022.

Moreover, the NEDA Board has retained the tariff cover for various other agricultural products. This include sugar, vegetables such as onion shallots, garlic, broccoli, carrots, cabbage, lettuce, sweet potatoes, cassava, coffee substitutes, complete feeds and feed preparations.

We also note that extensive consultations and review by the Tariff Commission in line with the Customs Modernization and Tariff Act, informed the recommendations of the Committee on Tariff Related Matters to the NEDA Board. The comprehensive tariff review is conducted every five years.

This new multi-year tariff schedule aims to help our economy achieve and balance several critical policy objectives. The multi-year horizon seeks to promote transparency, predictability and policy stability. It will enable our domestic industries to undertake medium to long term planning to enhance productivity and competitiveness, facilitate trade and contribute to favorable outcomes in international trade agreements while ensuring consumer welfare and protection especially in the near term as we still confront outside risk inflation.

The president will issue an executive order to implement this new tariff program. Along with a liberalized policy regime for crucial food quantities to help mitigate the impact of commodity shocks and local prices, we recognized the necessity of effectively implementing long term and permanent solutions to modernize and improve the productivity of the agriculture sector. This thrust is crucial to a comprehensive and sustainable response to supply constraints and food inflation.

Indeed, the Marcos administration has prioritized agricultural development as demonstrated by the increased allocation of resources to the sector. The DA budget for example has increased by 69% from 2022 to 2024 compared to its average appropriation for 2017 to 2021.

During the meeting, the NEDA also reported the status of progress of implementing the Infrastructure Flagship Projects or IFPs under the Build Better More program as of the first quarter of 2024. During the president's SONA in July 2023, the president emphasized these projects as

crucial elements to enhance economic efficiency and drive nationwide economic progress through improved infrastructure.

The progress made in developing our infrastructure has been substantial. Since the president's State of the Nation Address last year, we have completed three projects given the green lights to six more and currently have eight under construction. These achievements demonstrate significant headway in enhancing the country's infrastructure. This advancement indicates a promising trajectory toward achieving nationwide infrastructure improvement and economic growth goals.

For more information about this government Infrastructure Flagship Projects, you may visit the IFPs dashboard on the NEDA website.

As we progress, we remain dedicated to collaborating with stakeholders to address the key constraints and issues raised in various local and international platforms and venues. We'll work closely with the entire government and engage the private sector for we truly believe that the most effective solutions capitalized, and the unique strength of both sectors.

Together, we strive to build a nation that is not only economically robust but also prosperous, inclusive and resilient – a legacy that will last for decades to come thank you.

**MS. OSEÑA-PAEZ:** Thank you so much, Secretary Balisacan.

**PIA GUTIERREZ/ABS-CBN:** Sir, with the reduction of import tariff sa rice, do we expect this to have an immediate impact on the price of rice? And so, how much do we expect rice prices to go down?

**NEDA SEC. BALISACAN:** We are at least aiming for ... the Department of Agriculture is aiming for a reduction of 29 pesos per kilo, at least for the poor, because we will complement this tariff reduction with the direct subsidies to the poor and vulnerable so that at least they could access the food at 29 pesos per kilo.

But overall, with the tariff reduction from 35 to 15 percent, everybody will benefit from that. This is crucial as I emphasized because world prices are still increasing, and so if we don't reduce the tariff, with the increasing world prices compounded by 35% tariff over and above that, prices and inflation will remain to be very serious problem. So, with this, we expect those upward pressure and rice prices to ease.

**PIA GUTIERREZ/ABS-CBN:** How soon do we expect to feel the effect, sir? Mayroon po ba tayong aim kung kailan po mararamdaman iyong pagbaba nito?

**NEDA SEC. BALISACAN:** We would expect ... of course, it will take a little bit more time because an executive order will have to be issued and then, that will then influence once this comes out, that will then influence the decision of private sectors to import. They can import, bring in more rice now from the world market at a much lower landed cost, and then otherwise, would be the case without the tariff reduction.

So, give it—July, August we should see some of those, you know, reduction. But again, as I said, world prices are rising so the actual decline in the domestic prices will not be as large as implied by the tariff reduction but that this tariff reduction will substantially ease the upward pressure on domestic prices.

**CHONA YU/PEOPLE'S JOURNAL:** Secretary, how much iyong estimated na malulugi because of tariff reduction, na mawawala sa government?

**NEDA SEC. BALISACAN:** You mean the foregone tariff, the collection? Of course, we don't have that—the numbers, we believe, are not exactly lost because with the lower tariff that would enhance economic activities and also improve the welfare of households, particularly the most vulnerable groups, so there will be more means in economy that will generate revenues for government. So, you know, it's not actually a complete loss of revenue.

**IVAN MAYRINA/GMA7:** Secretary, related po doon iyong itatanong ko. Iyong sa RCEF, hindi ho ba ay nanggagaling iyon sa tariffs collected from rice imports? Ano ho ang magiging impact noon kung liliit ang RCEF na mapupunta naman sa mga magsasaka?

**NEDA SEC. BALISACAN:** The remaining tariff is still quite substantial; fifteen percent pa rin iyan. So whatever imports, if those imports are coming in at still elevated high prices, it'd still quite a substantial tariff revenue for the RCEF. Plus, as I said earlier, the government has substantially increased the budget for the Department of Agriculture. The budget for 22, 23, 24, the average is 69% increase 'no, compared to previous years 'no. So that's quite ...that's the highest increase you can find in any of the sectors in so far as the government allocation of the budget is concerned.

So, our approach is two-pronged – provide some cover, tariff cover for our farmers at 15%, but also ensure that we provide them with a lot of the services that will enhance the productivity of farmers so that the short-term, medium-term, long-term objectives of government are achieved.

**IVAN MAYRINA/GMA7:** Nabanggit ninyo rin ho, you will complement this with form of subsidy. Ito na ho ba iyong parang NFA rice na ibibenta na rin natin in the marker? Is that forthcoming?

**NEDA SEC. BALISACAN:** No, the NFA rice that the Department of Agriculture is talking about is about buffer stocking for emergencies 'no. And to the extent that there will be sharp prices in a price of food that buffer stock will be used to dampen that for the poor.

But as I said, the additional imports that will be brought in by government, not necessarily by NFA because NFA could source its rice from imports or from the private sector or even also from the farmers 'no, will augment this subsidy received by the poor. So, the whole intention is to, at least for the poor to get those rice prices as low as possible, and they can get that from a lower tariff and from the lower priced NFA rice from Kadiwa centers 'no at 29 pesos per kilo.

**IVAN MAYRINA/GMA7:** Secretary, paki-clarify po iyong subsidy. In what form po iyong magiging subsidy dito?

**NEDA SEC. BALISACAN:** The reduction in the price that we are seeing especially for the poor is coming from the reduced tariff, right, from 35 to 15. And then, over and above that, the government will launch this subsidy for the poor—

**IVAN MAYRINA/GMA7:** Cash?

**NEDA SEC. BALISACAN:** Cash, but it will be channeled to 4Ps, DSWD, so that walang leakage – the subsidy will end up with those who are targeted by the program.

And then, in addition to that, we are also ramping up the implementation of Food Stamp Program that DSWD will roll out. The pilot phase of the project is ending soon, and then the roll out of the program to cover more households will begin soon. So, all these should at least, again, for the poor will improve their access to affordable rice.

**HARLEY VALBUENA/DZME:** Hi! Good morning, Secretary. Sir, may we get the stance of NEDA on the proposed amendments to the Rice Tariffication Law which will allow NFA to sell rice at a lower price again?

**NEDA SEC. BALISACAN:** Our position shared by our economic team is that the gains in the reforms that we have had over the years must be preserved, and a part of those reform programs that we have done, that has been done is to improve the efficiency and the operations of the NFA and keep NFA do what it can do best 'no. And in this case, what was decided in the RTL was that NFA will become a manager of stock for emergency purposes.

But it must be able to define what those emergency purposes are or if there are sharp price increases in the domestic market, we must be able to use enough stocks to help the poor and to address the supply requirement of those affected by, say, crisis like drought or floods or other disasters that impact on certain groups or households or areas in the country.

**HARLEY VALBUENA/DZME:** But, sir, are you in favor of amending the Rice Tariffication Law?

**NEDA SEC. BALISACAN:** Yes, we are, in so far as strengthening its ability to perform that particular task of intervening or having adequate stocks for emergency purposes. So, operationally it has to define in the amendment what those emergency purposes are and that should include cases like, you know, sharp swings in prices.

**MS. OSEÑA-PAEZ:** Jean Mangaluz, Inquirer.net.

**JEAN MANGALUZ/[INQUIRER.NET](https://www.inquirer.net):** Good morning, sir. So a lot of local farmers are already struggling to compete with importers with lower prices from importers. Will the reduced reductions on rice and other agricultural products further their struggle?

**NEDA SEC. BALISACAN:** The only one that is affected by this program is the rice; all the other commodities will keep their tariff rates 'no – for corn and for meat – they will retain their rates at the levels given in the Executive Order Number 50 series of 2023.

But as I said, the objective of the program is to achieve a balanced frame and ensuring that the various objectives of government are achieved. And here, we're talking about food security; the welfare of consumers particularly the access to food by the poor; and then, of course, the welfare of farmers. And so, we're addressing the issue of farmers not just in terms of the high prices that they receive for their products but also for the subsidies and services that they require for their production – that way we can enhance their productivity and improve their competitiveness overtime while they are also shielded from unfair competition particularly on imports.

So, that's a balancing act because we want this country to grow, to sustain its growth momentum while ensuring that it's an inclusive growth for all because what's been happening is because of the high cost of food, high inflation in food, while the economy is growing a lot of us of our people are also suffering 'no. And as you know the incidence of malnutrition, stunting, wasting is very high and we want to ensure that as we grow those issues are also resolved. So, it's a balancing act that we are trying to do.

**MS. OSEÑA-PAEZ:** Secretary Balisacan, in keeping with the balancing act that you mentioned, you also mentioned the reduction in tariffs for coal. How does this impact the Marcos administration's goal of a healthy energy mix?

**NEDA SEC. BALISACAN:** Well, we look at the energy transition again as a balancing act because we cannot immediately and quickly transition to a zero emission, otherwise that will also kill our industries. But we are committed to be part of the global effort to reduce emissions and so this reducing the tariff of briquette will allow us to produce coal energy from coal and you now, will be more accessible to our population and particularly our industries.

**MS. OSEÑA-PAEZ:** And this will address the urgent energy needs that we are facing?

**NEDA SEC. BALISACAN:** Yes, that's correct. Because there are two sources—threats to our continued growth and development and that's the food inflation that I mentioned earlier and the other one is the energy. So, we are managing to reducing the input cost for energy production and energy generation will help us address that issue.

**MS. OSEÑA-PAEZ:** Thank you. Question from Sam Medenilla, BusinessMirror.

**SAM MEDENILLA/BUSINESSMIRROR:** Good morning, sir. Na-mention po nila, sir, na iyong in favor po ang economic team pagdating doon sa buffer stocking ng NFA. But is the economic team also in favor doon sa proposal ni President Marcos for NFA to compete with rice retailers and rice traders by procuring local rice or importing?

**NEDA SEC. BALISACAN:** Yes. As we said, what remains to be defined is the concept of emergency 'no, because it's not clear in the law what that emergency is when we say we stock for buffer stocking – is it only limited to the presence of calamities. Of course when you have calamities, that impact negatively on your supply chain that could also lead to upward prices at least for certain groups or for certain areas of the country, right, like when there are floods, or there is drought.

But it may also involve certain manipulations by certain groups in the market 'no, and we need to have the tools to address such issue – of course, we have the Philippine Competition Commission to run after cartels and hoarders. As you know and as I know, I should know, the Competition Commission's processes take quite long because there is an investigation and by the time the investigation is done the action is over. So, what we want to do is that we must be able to respond quickly to occurrence of shocks like when we have this shock increases in prices – actually, I think it's one thing that we need to clear up in the RTL and the implementing rules and regulations of the RTL.

**SAM MEDENILLA/BUSINESSMIRROR:** Ito, sir, iyong regarding doon sa RTL. Last year po ay nakapag-collect po ang government ng 29 million in tariff collection sa Rice Tariffication Law. Doon po sa projection ninyo with the reduced tariff from 35 percent to 15 percent, iyong 23 billion na iyon, mga gaano po kaya siya mari-reduce sa mga succeeding years?

**NEDA SEC. BALISACAN:** Well, that depends so much on how our local production responds, because this year we were challenged by El Niño but next year and for the rest of the year our production might recover and so that will reduce the demand for imports.

The amount of collection, tariff collection that we can make depends of the volume of the imports as well as the level of the tariffs, right. Of course, we reduced the tariff, but the volume might increase depending on how our local production response to the improvement in the weather because we are now going into or transitioning into the so called La Niña phenomenon.

**SAM MEDENILLA/BUSINESSMIRROR:** Last na lang, sir. Na-mention ninyo na tumataas iyong presyo ng rice sa international market, how long po kaya expected ng NEDA na magku-continue iyong high prices for rice?

**NEDA SEC. BALISACAN:** Okay. As of today, it's still rising a bit. The forecast is, the future's market says that by September we will likely see a moderation of prices, global prices; but some other forecast also showed that if beyond September it may still continue to elevate. So, it's better be prepared and so I think that this act of us, this move of the government, of the NEDA Board to reduce the tariff to ensure that food security in this country is preserved.

**SAM MEDENILLA/BUSINESSMIRROR:** Sir, ano po iyong cause ng increase sa prices ng rice sa global market?

**NEDA SEC. BALISACAN:** Mataas—I don't have the numbers now with me but it could be between 500 to 600 the last time I was looking at it – dollars per metric ton 'no – and it was still reaching up the last time I was looking at it. But again, what I was seeing is that every week those forecast of the future prices is shifting and because the rice market is quite strange market, the global rice market, because it's what we call economist a thin market – it's a very small market because many countries in particular the rice-consuming countries or where rice is stable pursue an aggressive productivity measures to ensure that they do not depend so much on imported rice. And that's also our stand; we now have to ensure that we increase the productivity of our farms so that we don't have to be too dependent on the very volatile rice market. When that market is so thin, global market is so thin, a small shock, like for example there is drought in Vietnam – a major exporter that creates a lot of disruption in the world market – ganoon iyong nature ng market na iyan kaya most governments, including us, take measures to ensure that we produce the bulk of our rice consumption.

**MS. OSEÑA-PAEZ:** Okay. Eden Santos, Net 25.

**EDEN SANTOS/NET 25:** Good morning po, Secretary. Clarification lang po, 29 pesos per kilo ang magiging presyo ng bigas kapag nagsimula na po iyong implementation nitong ginawang comprehensive review sa ating Philippine tariff regime, and when do we expect po na maramdaman ng ating mga kababayan iyong 29 pesos? Kasi sa ngayon po although siyempre hindi pa rin nila nakakalimutan iyong 20 pesos na pangako ng Pangulo ano po, sa mga merkado po ngayon, sa mga palengke napakamahal po talaga ng bigas, so aabangan po ng ating mga kababayan itong 29 pesos na ito. Kailan po at talagang hanggang P29 lang po iyong kaya nating ibaba, if in case?

**NEDA SEC. BALISACAN:** Let me clarify: Ang P29 na sinasabi natin, iyan iyong target na cost ng rice sa mga poor, those who are targeted for the 4Ps, so it's not a general price. Kasi ang concern natin is those who are least able to cope with the rice price ay dapat matulungan ng gobyerno, so 'yun iyon. So with the reduction in tariff, that will reduce the price for everyone. It may not bring you down to P29 because of the global prices because what is determining the market, the local market prices are the world prices; kung ano iyong world prices, it affects us. Kaya ang ano natin is habang tumataas iyong global prices at kung hindi natin ibababa iyong tariff, lalo pang tataas na ganoon. Kasi plus 35% ang ia-add mo sa world price. Kaya ang ginawa

natin, i-reduce mo iyan, para kahit tataas iyong world price pa, tuluy-tuloy pa, iyong impact niya sa economy natin ay hindi ganoon masyado. So, but the goal is to protect the most vulnerable, the poor in our society because those are the ones who are least able to adjust.

**EDEN SANTOS/NET 25:** So, kailan po mararamdaman ito ng ating most vulnerable sector, iyong P29?

**NEDA SEC. BALISACAN:** As I understand, the Secretary of Agriculture is now looking for ... has already made a representation for the additional budget that they would require.

**EDEN SANTOS/NET 25:** Within this year po or next year kaya?

**NEDA SEC. BALISACAN:** Of course, this year. Doon naman sa effect ng tariff program, of course, it will take a little bit more time kasi, number one, iisya pa itong EO; and number two is it will take time for the imports to arrive because importers will now make a decision on what volume to import on the basis of the new landed cost of rice.

**Q:** Naku, mabuti po at naliwanagan kami, Secretary. Pero kumustahin na rin po namin iyong ating GDP growth trajectory. Are we on track?

**NEDA SEC. BALISACAN:** I think we are. We are still—tomorrow, we will announce the new inflation – wala pa ngayon. But I think with the growth that we have achieved in the first quarter, we are aiming for 6 to 7% for the year. So, it's still ... we still have six months more, nine months including the second quarter na hindi pa natin alam kung ano iyong performance but we are quite confident that we will be there. And it's not a vacuous confidence because that's what also other international observers, particularly World Bank, ADB, IMF are seeing for the economy. So, we are seeing the same thing.

**PIA GUTIERREZ/ABS-CBN:** Sir, follow-up lang doon sa reduction sa rice, sir. Ano po iyong inaasahan nating effect sa inflation because you have mentioned rice contributed about two percentage points sa headline inflation? So how much of a decrease do you expect this with the decline po doon ...?

**NEDA SEC. BALISACAN:** I think, substantial because, you know, can you imagine if that ... if rice did not increase that much then inflation could have actually been at 3%, not 3.8, not 3.7%. And that would have allowed us, especially our BSP, to look at its policy rates because what's preventing the policy rates from falling are two things: One is the conditions abroad, particularly the federal, the fed, interest rates for the fed, and the inflation that we see here. And as I said, for the past three consecutive months, it's the rice that contributed more than half of that headline inflation, so ang laki talaga ng—So, if we can only tame it, then we should be able to be within that bound of 2 to 4% inflation. That is our target, to stay within that 2 to 4% so that we can go back to the low interest rate regime. Once interest rates start falling, then economic activity will start and will be even more robust. In that way, we can sustain the momentum.

**TUESDAY NIU/DZBB:** Good morning, Secretary. Sir, these past few weeks, panay ang declaration ng yellow and red alert sa ating energy sector. So far, sir, how do these declarations affect sa economic situation naman natin?

**NEDA SEC. BALISACAN:** Well, so far, as we see it ay hindi pa naman. Iyang mga yellow and red alert, they are not so disruptive pa naman and so the impact on the economy is probably not that large at this time. And it helps that we are now entering the rainy season, that the



problem with our hydropower, even our power generating plants, I think will lessen; that should improve the economic conditions.

**MS. DAPHNE OSEÑA-PAEZ:** Okay, thank you so much. This concludes our press briefing this morning. Thank you, Malacañang Press Corps. And thank you, Secretary Balisacan.

**NEDA SEC. BALISACAN:** Thank you also.

**MS. DAPHNE OSEÑA-PAEZ:** Good morning, everyone.

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