

PRESIDENTIAL COMMUNICATIONS OFFICE
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PRESS BRIEFING OF MS. DAPHNE OSEÑA-PAEZ
WITH DEPARTMENT OF FINANCE (DOF) SECRETARY RALPH RECTO AND
DEPARTMENT OF AGRICULTURE (DA) SECRETARY FRANCISCO TIU-LAUREL JR.
SEPTEMBER 24, 2024 [11:56 A.M. – 12:23 P.M.]

MS. OSEÑA-PAEZ: Magandang araw, Malacañang Press Corps, and welcome sa ating press briefing ngayong umaga, September 24.

In today's cabinet sectoral meeting chaired by President Ferdinand R. Marcos Jr., the economic and agricultural sectors presented the outlook for inflation as well as management strategies for food and non-food inflation. NEDA Secretary Arsenio Balisacan reported an overall lower inflation rate of 3.3% in August, down from 4.4% in July and this was due to slower food and non-food inflation.

Note that inflation was mainly driven by food, covering about one-third of the total. Rice remains the top inflation driver as well as pork. Non-food items including restaurant services, rentals, and transport have also contributed significantly. Some factors in non-food inflation being mitigated include electricity and fuel.

The Marcos administration is managing the impact of inflation especially on the most vulnerable sector. The Department of Agriculture is here to brief us on President Marcos' directives to manage inflationary factors that may affect the price of rice, sugar and pork such as La Niña impacts, importation, food production and African Swine Flu. And the Department of Finance will be briefing us about the overall economic and financial outlook for the coming months.

And joining us now are Secretary Ralph Recto of the Department of Finance and Secretary Francisco Tiu-Laurel of the Department of Agriculture. Good day, sirs.

DOF SEC. RECTO: Good morning.

MS. OSEÑA-PAEZ: Good morning—almost good afternoon.

DOF SEC. RECTO: Thank you for having us.

MS. OSEÑA-PAEZ: Let's start with you, Secretary Ralph.

DOF SEC. RECTO: Well, first and foremost, we had a briefing as mentioned by Daphne earlier by NEDA with the President in so far as inflation is concerned and the good news is that inflation is on a downward trend. Last year, inflation was about 6.1%; today, we are roughly at 3.3%. We expect inflation to go down to 2.5% by September at ang pinakamahalaga, palagay ko mayroon tayong sapat na bigas at hámon sa Pasko.

MS. OSEÑA-PAEZ: That's good news, short and sweet *[laughs]*. Before we go on to Secretary Laurel, you did mention how we stand in the global inflation reports. We are... the global inflation is 5.9?

DOF SEC. RECTO: Yes, that's correct. Sa buong mundo, ang inflation rate more or less mga 5.9% so tayo naman dito, 3.3% lang. So, nararamdaman na natin iyong mga nagagawa ng ating pamahalaan.

MS. OSEÑA-PAEZ: Thank you. Okay. Secretary Tiu-Laurel, go ahead.

DA SEC. TIU-LAUREL: Well, as far as ASF is concerned, the first 10,000 doses, the vaccination will be finished by end of the month and the schedule for the award for the next 450,000 doses is October 10, of which we will take delivery of 150,000 doses by then. But we hope to complete the procurement of 600,000 doses by end of December this year.

MS. OSEÑA-PAEZ: Okay, thank you. Let's open the floor to questions. Harley Valbuena, DZME.

HARLEY VALBUENA/DZME: Hi! Good morning. Thank you, Ms. Daphne and Secretaries. Sirs, it is already the 'ber' months and nabanggit ninyo po kanina, Secretary, mayroon tayong sapat na hámon sa Pasko. So, do we expect the inflation to rise as the Christmas season nears?

DOF SEC. RECTO: Normally, seasonal naman iyan. Tuwing 4th quarter tumaas nang kaunti pero like I said, we expect it to be within the target range of the BSP, of anywhere between 2 to 4 percent. So, for the full year, we're looking at the total inflation rate to be about 3.4% more or less 'no. And the beauty about reducing inflation is that your GDP growth goes up and more jobs can be created, you're borrowing cost goes down. And it will be good na magkakaroon din kami ng BSP meeting by October and possibly we can reduce interest rates further, mas maliit ngayon iyong interest rate na babayaran ng gobyerno. Pero higit sa lahat, pababa na rin iyong interest rate – halimbawa sa credit card ni Juan dela Cruz papunta sa Pasko.

MS. OSEÑA-PAEZ: Ann Soberano, Bombo Radyo.

ANNE SOBERANO/BOMBO RADYO: Secretary Recto, good morning. Sir, according to global credit watcher, itong Moodys, binigyan ng BAA to investment-grade credit rating ang Pilipinas with a stable outlook. Secretary, saan po natin puwedeng ma-attribute na na-maintain ng Pilipinas ang malakas na investment outlook despite global economic environment? Thank you.

DOF SEC. RECTO: Yeah. Well, mayroon tayong medium term fiscal framework plan at nakikita nila credible iyong plano natin. Number one, the economy is continuously growing – 2nd quarter growth was 6.3%; for the entire year 6.1%; for the first two years of the President, on the average, 6 to 6.1 percent – one of the highest for all presidents since we began tracking GDP. And like I said, our fiscal framework plan is to reduce the deficit to about 3.8% by 2028 so we're just following the plan 'no.

At nakikita natin iyan, iyong mga spreads natin pababa so kapag umutang ang Pilipinas, mas mababa ang interest rate 'no. We did get a credit rating upgrade from R&I, this is a Japanese rating agency and conscious tayo sa programa natin, road to A; of course by 2028, we want that all the rating agencies will give us a grade of A, kahit A minus, puwede na.

MS. OSEÑA-PAEZ: Okay. Sam Medenilla, Business Mirror.

SAM MEDENILLA/BUSINESS MIRROR: For Sec. Recto. Analysts are saying that the reduction in the reserved requirement ratio is equivalent to around 300 to 400 billion in liquidity. Are you concerned that this will lead to a spike in inflation? Why or why not?

DOF SEC. RECTO: No, we've considered that when we decided on the policy in the last BSP meeting. This will be good for the economy. It will improve the capital markets. We're injecting roughly 380 billion into the system. It will be good for banks. And then, may lag effect din naman iyan. Well, ito, mas immediate ito than the policy rate 'no. So, not really, that's all been considered and we expect inflation to be 2.9 to 3.1 percent next year. So, even lower than this year.

SAM MEDENILLA/BUSINESS MIRROR: Sir, saan po nanggaga—

DOF SEC. RECTO: And, that will help also grow the economy pala, yeah.

SAM MEDENILLA/BUSINESS MIRROR: Sir, saan po nanggagaling iyong confidence natin na maa-achieve natin iyong 2.5% inflation this month, tapos iyong sabi po ninyong 2.9% by next year considering na mag-e-election at tataas iyong spending at saka iyong La Niña?

DOF SEC. RECTO: Well, like I said 'no, for September ang expectations natin is roughly 2.5 – it's a range between 2.5 to 2.9, the midpoint is roughly 2.5. I also mentioned seasonal ang inflation so during the 4th quarter, medyo tataas nang kaunti iyan but still within the range of 3.1 to 3.9 percent. And, next year based on the models that we have, we're looking at 2.9 to 3.1 percent.

MS. OSEÑA-PAEZ: Christian Yosores, Radyo 630.

CHRISTIAN YOSORES/RADYO 630: Good morning, Secretary Recto. You mentioned 2.5% iyong expected nating inflation by September. But, what could be the possible challenges na puwedeng umangat siya ulit given na parang tumataas po ulit iyong presyo ng petrolyo and ano po ba iyong current na monitoring natin sa rice inflation?

DOF SEC. RECTO: Yes. Well, the biggest problem is iyong giyera sa Middle East – kung iyan ba lalaki iyong giyerang iyan 'di ba. But since in September, you only have what? A week to go, sa palagay ko we're on track with regard to the inflation target for September. But our biggest challenge really is external headwinds 'no and one will be the war in the Middle East 'no so we don't want that to go out of hand and possibly oil price increases which we have no control over 'no.

There is a pressure also, the electricity rates to go up but the President has decided to spread that out to roughly 36 months 'no para hindi masyadong tumaas din iyong inflation rate o iyong binabayaran ng consumer natin sa electricity. So, I think everything is manageable.

MS. OSEÑA-PAEZ: Okay. Leth Narciso, DZRH

LETH NARCISO/DZRH: Secretary, sabi ninyo po kanina ay nararamdaman ang mga ginagawa ng pamahalaan kaya bumababa iyong inflation. Ano po doon sa mga ginagawa na iyon ang nagkaroon ng malaking impact?

DOF SEC. RECTO: Marami, maraming ginagawa ang Secretary of Agriculture. Iyong tariff reduction, palagay ko nag-uumpisa na rin makatulong iyan but we expect that to further go down in the coming months, iyong reduction in tariff rates for rice particularly, so pababa na rin iyan. I think one percent bumababa ang presyo nang kaunti and may lag effect iyan, it takes a few more months 'no. When you reduce tariff, it takes a few more months before you can feel the entire effect. So, hopefully by—tamang-tama pagdating ng Pasko, medyo mas mababa na siguro ang presyo ng bigas.

MS. OSEÑA-PAEZ: Okay, Tuesday Niu.

TUESDAY NIU/DZBB: Good afternoon, sirs. To Secretary Laurel, sir. Sir, kumusta po iyong pakikipag-ugnayan ninyo sa Philippine Ports Authority with regard to the overstaying of container vans na may mga bigas? Nakakita na po ba kayo ng elemento ng profiteering or hoarding doon sa nangyaring pagkaka-overstay ng mga containers vans? And may makakasuhan po ba o sino po ba ang magkakaso?

DA SEC. TIU-LAUREL JR.: Well, sa ngayon, base sa data 'no, may mga nag-move out ng more than 300 containers. And mayroong mga overstaying containers pero hindi ganoon karami pa ang nakikita namin and, basically, abandoned na iyon – iyong mga may 2023 na ilang containers; may 2022 na ilang containers. But majority is still within the 30 days eh na allowable nila to keep the containers in the port.

But we've talked to the importers, of course, and they're moving it out na kahit na mas mura daw kasi iyong charges doon sa port kaysa sa warehouse nila that they have helped us to ... they're helping us to move it out para mailagay na sa merkado.

And, of course, I'd like to thank PPA and the BOC 'no for assisting the DA in this endeavor, at malaking tulong at naka-synchronize ho kami para sa darating na mga buwan, lalo na Kapaskuhan na maraming dating na shipment, para efficient na ho lahat. Thank you.

TUESDAY NIU/DZBB: Mayroon bang makakasuhan, sir? Sabi po kasi, titingnan kung mayroong—?

DA SEC. TIU-LAUREL JR.: Iyong sa abandoned na iyon, we checked that some of the companies, mukhang hindi na rin existing iyong companies eh. But, of course, we're still going to pursue the investigation and we will get to the bottom of this.

But as of the moment, medyo fresh pa ito so maybe after a week or two, we'll have more details.

TUESDAY NIU/DZBB: Okay, sir. In case, sir, halimbawa, sabi ninyo abandoned na, ano ang puwedeng gawin ng gobyerno doon sa abandoned container vans na iyon na may lamang bigas? Puwede ba iyon i-custody ninyo o makuha ninyo, maipamigay o maibenta sa Kadiwa?

DA SEC. TIU-LAUREL JR.: Normally, we will have to have it tested first if it's still food safety para safety natin. Once it is determined as safe siya for consumption, then BOC will have to be the one to seize it eh and maybe auction it or give it to Kadiwa. So nasa BOC iyong mandato doon.

MS. OSEÑA-PAEZ: Okay, Maricel Halili, TV5.

MARICEL HALILI/TV5: Sir, magandang hapon po. Clarification lang: Sir, when you say na hindi na siya nag-i-exist, iyong mga companies na ito, meaning nagsara na sila?

DA SEC. TIU-LAUREL JR.: Iyon ang initial report.

MARICEL HALILI/TV5: So kung nagsara na iyong mga companies na iyon, may habol pa ba tayo just in case you found out na mayroon pala silang liabilities for abandoning those cargos?

DA SEC. TIU-LAUREL JR.: I would like to think na mayroon pa silang liability 'no. But I will have to consult—we are consulting our legal department on that.

MARICEL HALILI/TV5: So, ano, sir, iyong tinitingnan natin na timeline? How soon are we going to know whether or not they will be facing charges?

DA SEC. TIU-LAUREL JR.: Probably, as I said, mga two weeks siguro malalaman na natin iyong detalye ng kumpanya, kung sino ito, kung existing ba o hindi, iyong opisina ba nandiyan pa o kung iyong tao is still nandiyan pa o wala na. We will get all the details.

MARICEL HALILI/TV5: And how many companies are we talking about, sir?

DA SEC. TIU-LAUREL JR.: Mga dalawa lang.

MARICEL HALILI/TV5: Dalawa. And ang cover po nila is gaano karaming cargo?

DA SEC. TIU-LAUREL JR.: Few containers lang, maybe one or two lang – two companies, maybe with three or four containers, parang ganoon.

MS. OSEÑA-PAEZ: Okay. Ivan Mayrina, GMA 7.

IVAN MAYRINA/GMA7: Secretary Recto, sir. Season ho ng pagpapadala ng mga balikbayan boxes sa mga kababayan natin. Kumusta ho ang sitwasyon natin sa Bureau of Customs? Are there specific instructions you're giving them para masiguro ho na iyong mga padala ng mga kababayan natin ay makarating in time for Christmas?

DOF SEC. RECTO: I don't know if there is a problem right now, siguro puwede naming pag-usapan ng BOC Commissioner. Pero from what I know, we don't have a problem right now as far as iyong mga balikbayan boxes are concerned. So iyan naman, logistics issue iyan. Basta dumating sa port, trade facilitation tayo dito, and for sure, we will get all those cargos out.

IVAN MAYRINA/GMA7: So that's an assurance to the families here na matatanggap nila in time?

DOF SEC. RECTO: Yes, definitely. Kailangan maligaya ang Pasko nating lahat.

IVAN MAYRINA/GMA7: Ano naman ho ang forecast natin, sir, sa foreign exchange kasi medyo pababa ho iyong value ng dollar ngayon eh? Iyong mga padala ho kaya nila, ano ho kaya ang magiging value by December?

DOF SEC. RECTO: Nakakatulong iyong paglakas ng piso sa inflation din, okay. So right now, nasa 55.80, if I'm not mistaken; seasonal din iyan, lumalakas ang piso kapag Pasko. So palagay ko, lower 55, iyan ang mangyayari so makakatipid tayo sa mga importation natin.

IVAN MAYRINA/GMA7: So iyan ho ang inaasahang palitan ng mga OFW families by December?

DOF SEC. RECTO: That's correct.

IVAN MAYRINA/GMA7: Fifty-five?

DOF SEC. RECTO: That's correct. More or less 55 to a dollar, hard to tell but I think it will be a bit stronger than where we are today.

MS. OSEÑA-PAEZ: Alexis Romero, Philippine Star.

ALEXIS ROMERO/PHIL STAR: Secretary Recto, if I'm not mistaken, we are looking at 5.6% of the GDP deficit for 2024, tama po?

DOF SEC. RECTO: More or less, 5.6, 5.7 – that's correct.

ALEXIS ROMERO/PHIL STAR: Okay. Are we going to achieve that this year?

DOF SEC. RECTO: Very confident, we will achieve that this year.

ALEXIS ROMERO/PHIL STAR: And what gives us this optimism?

DOF SEC. RECTO: I've seen the numbers, we are hitting our targets.

ALEXIS ROMERO/PHIL STAR: The revenues?

DOF SEC. RECTO: The revenues, the expenditures, we are hitting our targets. And ergo, your deficit will be down to be about 5.6 to 5.7 this year.

ALEXIS ROMERO/PHIL STAR: So within the target.

DOF SEC. RECTO: That's correct.

ALEXIS ROMERO/PHIL STAR: How about enforcement measures against tax evaders, will this also figure?

DOF SEC. RECTO: That continues ... all of that continues with the BIR.

ALEXIS ROMERO/PHIL STAR: So 5.6 – 5.7, what will be absolute figures?

DOF SEC. RECTO: We can agree that 5.7% of roughly 28 trillion. You get the numbers, yes.

ALEXIS ROMERO/PHIL STAR: Okay. So we'll achieve that?

DOF SEC. RECTO: Yes.

MS. OSEÑA-PAEZ: Pia Gutierrez, ABS-CBN.

PIA GUTIERREZ/ABS-CBN: Kay Secretary Recto and Secretary Tiu-Laurel. Sir, based sa surveys kasi, managing inflation has always been the top criticism of the public doon sa administration ni President Marcos. So how would you assess the administration's efforts in addressing this?

DOF SEC. RECTO: Yeah, well, like I mentioned earlier during our opening statement, last January of 2023, it was 8.7%; August of 2023, it was 5.3%. Today, we are down to 3.3. So we're making good progress.

Now, in addition to that, we do have a lot of social programs that we're undertaking. More or less, 50% of all Filipino families will benefit from the budget this year – iyong mga ayuda program, iyong

4Ps, AKAP, AICS MAIFIPP (Medical Assistance to Indigent and Financially Incapacitated Patients Program). You put them altogether, that's more than 500 billion. You're talking about roughly 12 million families would benefit from that. So this is like a wealth transfer.

So lahat iyan ay nakakatulong sa mga pangkaraniwang mamamayan to cope up with inflation. So hindi kasama sa numero iyon pero kasama sa numero iyan sa pagtaas palagay ko ng approval rating ng Pangulo at ng buong pamahalaan.

Now, you are correct that the inflation is the number one concern. If you take a look at the different programs of government, ang rate ng taumbayan doon ay maganda ang approval rating sa iba't ibang programa ng ating Pangulo.

DA SEC. TIU-LAUREL JR.: Sa food inflation naman, well, ang ating Pangulo ay nakatutok diyan actually on a weekly basis 'no, from rice to corn to sugar, isda, manok, baboy. So pinaplano po, napag-uusapan natin ng ating Presidente iyan sa DA at sa mga other agencies on how, of course, initially is to stabilize prices, but I think of ways on how to bring the cost down. Of course a lot of investments are now being made for post-harvest like cold storages and rice processing systems that will help lower the price of goods sa consumers, but increase farmers' income. So, nandoon po tayo at nakatutok po si Presidente mismo diyan at ang Department of Agriculture is also looking into this naman on a daily basis. So, naka-monitor po tayo.

MS. OSEÑA-PAEZ: Secretary Tiu-Laurel, perhaps, you would like to brief them on the significance of expediting the ASF vaccine for the market and also for the farmers?

DA SEC. TIU-LAUREL JR.: Well, ang napakaimportante na ma-rollout talaga natin iyong ASF vaccine lalo na sa mga backyard farmers, livestock growers natin, dahil this will—kapag may confidence na ang mga magbabababoy sa vaccine na ito, then they will start investing again in farms, pati iyong mga commercials natin at magri-repopulate.

Hopefully, everything will be implemented on schedule and sana next year, puro repopulating na lang tayo at tuluy-tuloy na iyong paglaki, babalik iyong population ng ating baboy to about 14 million heads; ngayon nasa 7.5 million heads lang ang baboy na estimate natin. So, iyon.

ROMERO/PHIL. STAR: Secretary Recto, na-mention kanina iyong monetary intervention doon sa interest rates. Given the easing inflation, do you see the Central Bank cutting rates further this year?

DOF SEC. RECTO: Definitely, I did make a statement a few days ago, ang Fed nagbaba ng 50 basis points or half a percent, palagay ko, tayo kaya din natin iyong half a percent.

ROMERO/PHIL. STAR: And what do you expect given this easing of the policy, ano ang nakikita ninyong possible impact sa ordinaryong tao?

DOF SEC. RECTO: Sa ordinaryong tao, dalawang bagay iyan: Isa, iyong credit card mo, bababa iyong interest charge mo, isa iyan. Pangalawa, iyong mga namumuhunan, mas mababa kapag umutang para makapagtayo ng negosyo, hindi ba. And then for next year, may lag effect din iyan, so next year, we will have a better chance of hitting our 6 to 6.5% growth rate, if we are able to reduce interest rates this October.

GUTIERREZ/ABS-CBN: Kay Secretary Recto. Sir, you were talking about, nag-start na nating napi-feel iyong effects ng tariff reduction doon sa inflation and you said, it will take a few more

months before we feel its entire effect. So, iyong forecast natin by how much iyong pagbaba sa inflation, do we see this and how long?

DOF SEC. RECTO: Initially, I don't have the numbers right now exactly, but more or less mga ₱6.00 iyon eh on the imported rice. But it all depends on what world prices will look like, kasi we mimic naman, world prices din eh. But, I think, by November, December, it should be by that time dapat pababa na iyan.

DA SEC. TIU-LAUREL JR.: The DAs estimates are by mid-October dapat pababa na iyan slowly, but the full effects should be felt by January of 2025. Marami pa tayong stocks; iyong stocks na imported na nabili ng mahal paubos na. But the problem is maraming nabiling local palay at a very high price of ₱30.00 per kilo from January to June of this year. Marami pang stock noon but paubos na rin tingin ko by November iyan.

So, we should see a lowering of—because of the lower duties, at saka bumaba rin ng kaunti ang international price ng bigas, so pababa na iyan. But the full effects, para sa akin, ₱5.00 to ₱7.00 ang range, so, I will put it at ₱5.00 na dapat bumaba. Kung ₱52 kunwari ngayon ang bigas, dapat by January ay nasa ₱48 na lang iyan; kung ₱50 ang bigas ngayon, ₱45 dapat iyan by January. Iyan ang aking estimates.

Q: Secretary Laurel, may forecast din kayo na possible na tumaas din ang presyo ng mga karne, like the pork ngayong holiday season, mayroon pa tayo kasing ASF?

DA SEC. TIU-LAUREL JR.: Well, what is happening sa ASF, actually ang mga magbababoy, habang wala pa iyong vaccine gusto nilang magbenta at magkatay. So, we expect na hindi tataas ang presyo ng baboy. Although, ang demand ay [mataas] masyado sa Pasko dahil tuluy-tuloy pa ang pag-grow at gusto nilang katayin na kaagad iyong baboy para ma-lesser iyong risk nila.

But of course, demand in December is usually double, mataas. So, baka tumaas ng kaunti, pero hindi naman siguro significant.

MEDENILLA/BUSINESS MIRROR: For Secretary Recto. Sir, iyong na-mention po nila na medyo pababa na po iyong international price ng rice. May plan po ba iyong government to review iyong EO62 na 15% tariff for rice since pababa naman, i-increase po ba nila iyon amid concerns ng mga local farmers?

DOF SEC. RECTO: Ako, number one, kulang ba ang suplay natin? Kung kulang ang suplay kailangan mong mag-import, there is no way around that, 'di ba. So, it will take time for us to increase our production. At iyan naman ay ginagawa na ni Secretary Laurel. The budget, the last two years are significantly higher than the previous two years.

Ang budget cycle natin, two years ang budget cycle ng isang taon eh. So in effect, we managed two years' budget in one year, so having said that there should be adequate resources for the agriculture department. To increase the production is, probably, takes at least two years. So basta kulang, ang demand ay tumataas; as the economy improves, as incomes improve people buy more rice, people buy more pork. So, your demand is increasing, kung ang supply mo ay hindi nagi-increase, maliwanag kailangan mong mag-import.

So, eventually, tataas din iyong supply natin. Kapag tumaas iyong supply natin, saka siguro natin pwedeng bawasan din iyong taripa.

MEDENILLA/BUSINESS MIRROR: Mga kailan po kaya natin expected?

DOF SEC. RECTO: Every six months, nagri-review naman ang Pangulo diyan—every four months, niri-review iyan.

MS. OSEÑA-PAEZ: No more questions. Well, thank you so much, Secretary Tiu-Laurel. And thank you, Secretary Recto. Maraming salamat, Malacañang Press Corps. This concludes our press briefing.

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