

Response to queries from Senate Committee on Foreign Affairs

Provided by Roehlano M. Briones and Francis Mark A. Quimba¹
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Question 1:

- i. *Does the PIDS agree with these conditions? Why or why not?*

Dr. Briones: No, I do not agree with these conditions. The main reason being, there are no objective indicators specified by which to determine whether the conditions have or have not been met.

- ii. *Are these conditions achievable? If so, what is estimated time frame to meet these conditions?*

Dr. Briones: See above.

- iii. *Aside from the agriculture sector, what other sectors are vulnerable to more import threats?*

Dr. Quimba: PIDS has no sector specific studies that would answer this question. However, Dr. Cororaton's study may identify sectors (e.g. Textile, Leather and Transport equipment) maybe adversely affected that would be more vulnerable to influx of imports from RCEP partners.

Question 2. *Status of preparedness of the agricultural sectors for RCEP;*

Dr. Briones: RCEP does not have additional risks for entry of agricultural imports, while additional opportunities for market access of agricultural exports. The agricultural sector is well prepared for RCEP.

Question 3. *How to properly implement Republic Act No. 8435 or the Agriculture and Fisheries Modernization Act of 1997*

Dr. Briones: I am happy to share the AFMA book that provides a comprehensive answer to this question, once a clean version becomes available.

Question 4. *Data of the United Nations Conference on Trade and Development (UNCTAD) that RCEP will negatively impact the Philippines. Can PIDS confirm the existence of such*

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data? What is the comment of PIDS on such data, if any? Are other data from UNCTAD and other international organizations showing that RCEP will negatively impact the Philippines?

Dr. Quimba: I have not seen this UNCTAD data that shows negative impact to the Philippines. What I have seen is the UNCTAD study by Banga et al. that uses the SMART methodology to assess the impact of reduction of tariffs to the different countries in RCEP. The limitation of the methodology is that it is a partial equilibrium analysis which may not take into account the impact of changes in other markets and other countries which the RCEP, being a mega-trade deal, would induce.

Question 5. *Proposed Mechanisms for rapid assessment and testing of real outcome of RCEP;*

Dr. Briones: I have no information on how to address this question.

Question 6. *Review, current data, and effects of the different free trade agreements already entered into by the Philippines; and*

Dr. Quimba: PIDS has conducted studies on Free Trade Agreement (FTA) utilization and its impacts. These are available at the PIDS website.

Quimba, Francis Mark A., Maureen Ane D. Rosellon, and Sylwyn C. Calizo Jr. "FTA utilization of Philippine imports." (2020). <https://www.think-asia.org/handle/11540/12898>

Aldaba, Rafaelita M., et al. How Are Firms Responding to Philippine FTAs?. No. 2015-22. PIDS Discussion Paper Series, 2015. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2489806

Quimba, Francis Mark A., Abigail E. Andrada, and Neil Irwin S. Moreno. FTA Utilization in the Philippines: Trends and Determinants. No. DP 2022-35. 2022. https://ideas.repec.org/p/phd/dpaper/dp_2022-35.html

Wignaraja, Ganeshan, Dorothea Lazaro, and Genevieve DeGuzman. "FTAs and Philippine business: Evidence from transport, food, and electronics firms." (2010). https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1592830

Question 7. *Other information in connection with the RCEP Agreement which your good office deems necessary to submit to the Committee.*

Dr. Briones: I have submitted already my Q&A (in Filipino) on RCEP and agriculture.