

12-21-22-Rentoria-Tariff-Extension

SPEAKERS

John Herath, Dave Rentoria

John Herath 00:00

The Philippines has extended a tariff rate reduction on pork through the end of 2023, keeping in-quota pork tariffs at 15% and out-of-quota at 25%. The Philippine government is taking the action to fight food inflation, according to U.S. Meat Export Federation Philippine representative Dave Rentoria.

Dave Rentoria 00:16

We definitely thank the Philippine government in making this decision and putting the Filipino consumers as its top priority. There has been considerable amount of pressure from the local sector. But at the end of the day, it's still the consumers who will feel the impact of these inflationary pressures. It's not the right time for policies that will further worsen the country's problems and food security. So the major consideration for this decision was mainly to address inflation, which rose to a 14 year high of 8% in November, and this is still driven by high prices of food. The first tariff reduction happened during the pandemic when inconsistent measures on mobility were in place. I believe there were bottlenecks in the supply chain. But its extension to another year, in a more stable situation when moving around has been back to normal, will of course, make our exporters take advantage of more opportunities.

John Herath 01:09

The tariffs were initially cut in mid 2021, opening the door for more access for U.S. pork,

Dave Rentoria 01:15

It definitely opened a lot of opportunities for imported pork products, most especially that those previously high tariffs or primarily on muscle cuts, which have become more price competitive when the tariff was reduced. And we know how price conscious the Philippine market is. So I think the reduced tariff has mainly benefited the retail sector and it's different sub channels. So we see more imported pork has penetrated traditional channels like wet markets, which is still a big volume channel for meat. And most importantly, I think this has brought many new importers who are willing to bring in imported pork, even at out-quota tariff rates.

John Herath 01:56

For more information, visit [USMEF.org](https://usmef.org). For the U.S. Meat Export Federation, I'm John Herath.