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Kilusan Para Sa Pambansang Demokrasya (Movement for National Democracy)

A MODEL FOR ECONOMIC DISASTER (INCENTIVES GRANTED TO CHAROEN POKPHAND)

There looms an impending calamity in food production in the country. Not so much nature-based. It is man-made – government-made to be precise. The granting of special favors through incentives, to the Charoen Pokphand Foods Philippines Corporation, CPFPC by the government, exposes the utter bankruptcy and duplicity of PNoy's declarations regarding food security, job creation and poverty reduction.

CPFPC is 100% owned by Charoen Pokphand Foods PCL, one of the companies owned by Charoen Pokphand (CPG) a giant multinational-transnational corporation based in Thailand. The gigantic position of CPG is seen in the scope of industries it covers: from agro-industry, food processing, pharmaceuticals, plastics to auto car production. Its businesses are spread out in not less than 12 countries including USA, China, Japan, Belgium, Indonesia and Malaysia.

CPFPC started doing business in the Philippines in 2007. It registered at the Board of Investment (BOI) to avail of the incentives granted by the Philippine government to foreign investors. BOI approved in 2010 and 2012 three new project ventures of CPFPC with a total worth P5.93B.

These business ventures and the corresponding incentives given by the PNoy government are the following: aqua feeds production (P2.26B) and hogs for breeder and slaughter (P1.35B) both will enjoy an incentive of 4 years **tax** holiday; an integrated production of broiler and poultry/chicken (P2.32B) with 6 years **tax** holiday. Aside from this, CPFPC was given an additional privilege of free importation of corn and other related agricultural products plus exportation of 60% of its products.

All investments of CPFPC are in Central Luzon. An aqua feeds plant is in Capas, Tarlac while another plant for feeds is in Bataan. The piggeries and poultries are in Pampanga, Tarlac, Nueva Ecija, Bulacan and Pangasinan. The support extended by the PNoy government to CPFPC, a 100% foreign-owned corporation, all the more places it in a position to dominate the business industries of feed milling, piggery and poultry in the entire Central Luzon and eventually the whole country.

Furthermore, all ventures of CPFPC require large tracts of land. In a yet unclear arrangement, CPFPC has already 36 hectares of land for piggery in Floridablanca, Pampanga; 60 hectares in Gerona, Tarlac; a total 100 hectares of land for broiler, poultry and piggery respectively in Jaen, Nueva Ecija, San Fernando, Pampanga and Samal, Bataan. These more than 200 hectares do not yet include the aqua feeds plant located in Capas and a poultry located in Concepcion, Tarlac.

The control and use of Philippine tracts of land by a 100% foreign-owned corporation is a clear surrender of national sovereignty and patrimony. Further, the foreign control and use of Philippine agricultural lands deprive Filipino farmers of their prior right to the land.

Largely, almost all agricultural lands in Central Luzon are covered by the Agrarian Reform Program. Did the land reform beneficiaries surrender to CPFPC their right to own and use those lands? Did the government intervene to protect the interests of its citizens as must be expected, or, as usual, the government chose to promote the interests of foreigners?

It is adding insult to the injury of violating the rights of its people for the BOI to grant “pioneer” status to the P2.32B integrated broiler-poultry of the CPFPC. This move by the government which meant a six year tax holiday and other incentives condemn Filipino corporations and businessmen to a sure defeat in the competition inside our own country.

According to the Federation of Philippine Industries (FPI), Filipino companies have a total of P300B investments in piggery and poultry. This excludes the more than P1B investments in the small-scale Filipino backyard piggeries and poultries.

The above P300B investments provide jobs and sources of income to around 7 million Filipinos. While the total P9.35B investments (including the initial investment in piggery and feeds production) of CPFPC can only create 1,500 jobs.

But the government favors foreign companies that have higher capacity for capitalization and production! See how in merely 5 years, CPFPC’s capital rose to almost P10B!

CPFPC will surely kill even the biggest Filipino corporations engaged in the line of feeds; piggery and poultry; processing and selling of food products (like tocino and canned meat). For certain, this will bring catastrophe to the many Filipino medium-size and small piggeries and poultries. Millions of Filipinos will lose jobs and livelihood.

Even prior to CPFPC’s entry into the Philippine scene, local producers have been enduring a host of problems. Cheap imported and smuggled food products flood the local markets. In smuggling alone, a total of P28.5B was lost by local food producers for the past three years since 2009. And yet, despite their gripes and resistance - and the millions depending on these industries - foreign corporations like the CPFPC are allowed and even enticed to operate in the country.

The CPFPC is a symbol concretely representing the economic design truly and really pushed by the PNoy government - the free exploitation by foreigners of the economy, patrimony and people of the Philippines. This too was promoted by governments previous to PNoy. This is none other than the neoliberal framework and design prescribed by the IMF-World Bank since the 1980s. Neo-liberalism or globalization is the dominant design of international capital up to the present, despite the resulting crisis it has been wrecking in the whole world. This program dominated in the Philippines under the Ramos government. This is now being fully implemented and consummated by the PNoy government.

Calamity was what neo-liberalism brought to local production - both in agriculture and manufacture - in a span of more than two decades. It has aggravated the unemployment and sources of livelihood of millions of Filipinos that caused widespread poverty.

Ever since, the people fiercely opposed the policies of deregulation, liberalization and privatization. Amidst the international crisis and the impending disaster in the country’s economy, the Filipino people must intensify its struggle to unchain from the clutches of imperialist or international interests lurking behind neo-liberalism.

It is a hindrance to national sovereignty and development if the national economy and patrimony are not oriented towards the welfare and benefit of the people. The security of the people in their jobs, livelihood and food will depend on sovereignty in the economy. Local production must be free from unfair foreign competition.

If the government is truly accountable to the people and is serious in achieving sufficiency in food, as well as availability of essential and productive jobs and livelihood, as always mentioned by PNoy, he must support the local producers instead of foreigners. The government should lead and support the setting-up of local industries related to agriculture - like the industry of mechanized agriculture and food processing; production of developed plant seeds and breeds of swine, cattle and chicken; and others.

This is the way to attain food security and to create stable jobs and livelihood not only in the area of livestock and fishery but in the whole of agriculture and in other industries.

It is the people who are witnesses to what is actually happening. The issue of the government’s granting of incentives and privileges to a foreign investor and other related issues confronting the people behoove us to sharply answer the question: who is the real “boss” of the PNoy government - **the Filipino people or the giant foreign capitalists?**

The case of Charoen Pokphand is a crystal-clear answer to the question. The people must not entrust its welfare and interest to this government. We must unite to assert and fight for our rights.

Struggle to revoke the incentives and privileges granted by the government to Charoen Pokphand and to other foreign corporations!

Demand due government support to efforts by Filipinos for genuine industrial development!

Reinforce and escalate the fight against neoliberal policies and design!

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