# LRT-MRT-Subway Common Station expected to be complete this month

THE Transportation department said on Thursday that the Unified Grand Central Station, or Common Station, in North EDSA, Quezon City, is set to be completed this month, before President Rodrigo R. Duterte leaves office.

The construction of the project, which will interconnect Light Rail Transit Line 1 (LRT-1), Manila Metro Rail Transit System Line 3 (MRT-3), Metro Rail Transit Line 7 (MRT-7), and Metro Manila Subway, is currently being "accelerated," the department said in a statement.

"After eight years of delay, the Common Station is expected to be completed this June with the remainder of the project now in full swing," it added.

The project features an intermodal integrated system, allowing departing passengers of the Common Station to catch buses, jeepneys, and taxis.

Once completed and opened, the Common Station, which features a 13,700-square meter concourse area, is expected accommodate up to 500,000 passengers daily, the department said.

In January 2017, the government and private companies involved in the project signed a memorandum of agreement after years of deadlock on the matter of the project's location.

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The agreement was signed by Transportation Secretary Arthur P. Tugade; Public Works Secretary Mark A. Villar; Metro Pacific Investments Corp. Chairman Manuel V. Pangilinan; SM Prime Holdings, Inc. Director Hans T. Sy; Ayala Corp. Chief Executive Officer Jaime Zobel de Ayala; and San Miguel Corp. President and Chief Executive Officer Ramon S. Ang.

Under the agreement, the project was built at a compromise site near the original 2009 site in front of SM Annex (North EDSA) and the 2014 location near Ayala-owned TriNoma Mall.

"Within the remaining 15 days of the Duterte administration, more projects across the archipelago will be completed and initiatives to be implemented to achieve unprecedented heights of connectivity and mobility to make the Filipino life more convenient and comfortable," the Transportation department said. — **Arjay L. Balinbin**

BW FILE PHOTO

# Angara says PHL debt of P12.7 trillion still 'reasonable'

THE PHILIPPINES' debt of P12.7 trillion is still "reasonable," a ranking Senator said, in the context of increased global borrowing during the pandemic.

The government was "responsible" in its borrowing, according to Senator Juan Edgardo M. Angara, who chairs the Senate Finance Committee, speaking in an interview with One News on Thursday. He said the administration did a "fair job" as it did not overstep the country's bounds by borrowing "too much."

"I think we're still on the side of reasonable, a little bit over our predicted 60% (of gross domestic product)... but in times of pandemic, the boundaries move as well," he added, noting that borrowing was inevitable considering the need to provide subsidies and implement stimulus programs.

The debt-to-GDP ratio was 63.5% as of the end of the first quarter, exceeding the 60% threshold considered by multilateral lenders to be manageable for developing economies.

The pre-pandemic level was 39.6% of GDP at the end of 2019.

Finance Secretary Carlos G. Dominguez III has said that the Philippines may need at least 10 years before its debt-to-GDP ratio returns to about 40%.

The senator said that with the right mix of policy and economic incentives for the private sector, recovery is assured and revenue increased.

As the budget grows every year, Mr. Angara said the challenge is to make revenue grow proportionally.

However, Mr. Angara said increasing taxes may not be the solution as the people are still suffering from the after-effects of the pandemic. "You want to grow your economy in this period. You want it to recover," he said, "and increased taxation might be sending the wrong message during this time."

Instead, he recommended making adjustments to government spending, noting that Congress will focus on funding essentials during the deliberations for the 2023 General Appropriations Act.

"I think that one way of looking at it is attacking the spending side, but you have to be more judicious I suppose in your expenditure so that those debts can be paid (to bring) public debt (to manageable levels)," Mr. Angara said. The Philippines should spend "on things which really benefit the people and which will pay dividends over the long term, so things like education, health, infrastructure. Those are the things which should not be compromised."

"What matters more is how you spend that debt and whether it's sustainable," he added.

Economic managers target GDP growth of 7-8% this year.

Mr. Dominguez has said the Philippines needs to grow an average of 6% annually in the next six years to effectively reduce debt. — **Alyssa Nicole O. Tan**

# BoI approves registration of P118.5-million chicken project

THE Board of Investments (BoI) said it approved the registration of a P118.5-million broiler chicken farm in South Cotabato.

In a statement on Thursday, the BoI said it approved the application of RCB Poultry Farm. The project has an annual capacity of 3.36 million kilograms of broiler chicken.

"The operation of the farm is seen as a significant project to ward off the threat of supply disruption should Region 12 (Soccsksargen) and its nearby regions were to be affected by the avian flu... as the localized source of chicken or chicken meat entails less biosecurity risk," the BoI said.

The BoI said that the project will use modern methods to grow poultry at reduced cost in feed, water, and energy.

It added that the project was endorsed by the Department of Agriculture (DA).

Trade Secretary Ramon M. Lopez called the project "innovative."

According to the BoI, the operator will enter into a contract growing agreement with a large food corporation, reducing the need to import chicken at a time of massive disruption in the global supply of food.

It added that the approved project will raise Soccsksargen's chicken production by up to 2.71%.

"Chicken meat is... the second most-consumed meat-type after pork, based on the Supply Utilization Accounts of the Philippine Statistics Authority on Livestock and Poultry," the BoI said.

"While there is no expected shortage of chicken meat this year, according to the DA, local production needs to reach at least 1.34 million metric tons to achieve at least 90% self-sufficiency," it added. — **Revin Mikhael D. Ochave**

# Power consumers pay only 12% VAT overall, 'no double taxation' — DoF

THE Department of Finance (DoF) said on Thursday that power consumers pay 12% value-added tax (VAT) only once, following remarks by the head of the Energy Regulatory Commission (ERC) that VAT should only be collected from power distributors.

"There is no double taxation in the electric power industry. Because the EPIRA (the Electric Power Industry Reform Act) Law has unbundled the pricing at each stage of the electricity production, the VAT is imposed separately in each stage of production," Finance Secretary Carlos G. Dominguez III said in a statement. "But at the end of the day, if you look at the total bill, the entire electricity service is charged 12% VAT on the side of the consumer."

ERC Chairperson and Chief Executive Officer Agnes VST Devanadera said last month that VAT should only be imposed on distribution utilities, instead of on power generation, transmission, and distribution.

Ms. Devanadera also proposed to remove the 12% VAT imposed on the generation charge.

Mr. Dominguez said that for double taxation to occur, the tax must be imposed twice for the same goods, for the same purpose, by the same taxing authority, and within the same jurisdiction.

Under EPIRA, the pricing of electricity has been unbundled, Mr. Dominguez said.

"With this unbundled pricing mechanism, VAT is imposed on every level of the value chain and not integrated vertically like other sectors," Mr. Dominguez said. This means that "the VAT paid on the distribution charge only accounts for the value-added in distributing the electricity, and does not include the generation and transmission of power."

He added that a VAT exemption on electricity is not the solution for reducing power bills.

"If the intention is to unburden consumers, the next administration needs to review the existing policies on power generation pricing," Mr. Dominguez said, adding that removing the 12% VAT would not translate to a 12% reduction in prices.

He said that VAT-exempt businesses do not charge output VAT, and are unable to recover the VAT they pay on their inputs.

"Thus, this input VAT becomes an additional cost for them, and to recover this, it is passed on to the consumers."

The DoF said that electricity costs in the Philippines are higher compared to its neighbors in the Association of Southeast Asian Nations (ASEAN), due to the higher cost of power generation.

Manila Electric Co. said last week that power rates will rise in June, with households consuming 200 kilowatt-hours (kWh) getting billed expecting to pay about P80 more.

It said prices are climbing due to the higher usage of liquid fuel and coal prices that have risen by an average of 23%.

"We cannot afford to give another VAT exemption as this leads to distortionary and less equitable tax systems," Mr. Dominguez said. "VAT exemption creates discrimination among similar businesses. Thus, it should remain broad-based and allow for few exemptions."

The DoF also reiterated its opposition to the suspension of excise taxes, maintaining its view that the best way to respond to rising fuel prices is to continue with targeted subsidies to vulnerable sectors.

Ms. Devanadera said last month that the suspension of excise taxes on coal and petroleum would translate into a reduction of overall electricity costs.

The DoF said that suspending the excise tax on petroleum would mean reducing government revenue by P105.9 billion, equivalent to 0.5% of GDP. It added that this would result in higher debt and deficit levels, resulting in a potential rise in interest rates at a time when the economy is still recovering from the pandemic and the war in Ukraine.

"The suspension of excise taxes on petroleum is also extremely regressive and primarily benefits higher-income households," the DoF said. "We will just be subsidizing the top 10% of Filipino households who consume about 50% of total fuel consumption in 2022. This means that the larger financial benefits of the suspension will not go to the poor, but to higher income households." — **Tobias Jared Tomas**



# Maynilad customers to receive rebates on March-June water bills

MAYNILAD Water Services, Inc. customers in selected areas of Metro Manila will receive minor corrections in their water bills in the form of rebates, after Maynilad implemented tax rates that diverged from the approved rates.

These include customers in the Business Areas of Muntinlupa-Las Piñas, Malabon-Valenzuela, and Quezon City, according to the Metropolitan Waterworks and Sewerage System Regulatory Office (MWSS RO).

In March, the MWSS RO recommended the approval of a petition of Maynilad to collect taxes from customers after the grant of a legislative franchise to Maynilad.

The tax collections include a 2% national franchise tax and local franchise taxes (LFT) charged by local government units, which are reflected in the statements of account of Maynilad customers.

"Upon monitoring and evaluation of the rates being implemented by Maynilad in its Service Areas, it has come to the attention of the MWSS RO that Maynilad has been charging customers in the aforementioned Business Areas the actual LFT rates of the relevant local government units instead of the rates approved," the regulatory office said.

The MWSS RO said that it recognizes that Maynilad implemented these rates in "good faith" as the rates that it previously used were outdated.

"Nevertheless, the concessionaire implemented such rates without prior recommendation by the MWSS RO and subsequent approval of the MWSS Board of Trustees, which are part of the procedural requirements as provided under relevant laws," the MWSS said.

The regulator said it directed Maynilad to return the collections to bring all charges in line with approved levels. The rebates will be reflected in billing for March to June. — **Luisa Maria Jacinta C. Jocson**

# PHL backs continued freeze on some e-commerce duties

THE PHILIPPINES declared its support for extending a moratorium on customs duties imposed on media goods ordered via electronic commerce (e-commerce).

In a statement on Thursday, Trade Assistant Secretary Allan B. Gepty said during the 12th World Trade Organization (WTO) Ministerial Conference that e-commerce is crucial to the post-pandemic recovery.

"There is a need to maintain a stable and predictable digital trading environment not only for big businesses but especially for micro, small, and medium enterprises (MSMEs) and women entrepreneurs to boost economic growth," Mr. Gepty said.

The Philippines also noted that e-commerce helps integrate MSMEs into the global value chain and facilitates cross-border trade in goods and services.

The Philippines co-sponsored a draft Ministerial Decision aiming to strengthen the WTO's e-commerce work program, which "will have significant impact on members, including developing and least developed countries," Mr. Gepty said.

Separately, Trade Undersecretary Ceferino S. Rodolfo said an advantage of a stable and predictable online environment is that it would help boost the Philippines' position as an innovation hub and an attractive location for hyperscale data centers.

"The Philippines has a robust e-commerce industry and to boost the same, the government has released the e-commerce roadmap 2022 to create an integrated ecosystem that would become the foundation of all industries' developments, long-term employment, and inclusive growth throughout the country," the DTI said.

WTO members agreed on the moratorium in 1998 but it was never made permanent and legally binding. It has been renewed several times during Ministerial Conferences. It affects products such as photographic film, cinematographic film, printed matter, music, media, software, and video games. — **Revin Mikhael D. Ochave**