

NEDA ordered to conduct study on delayed devolution timeline

PRESIDENT Ferdinand R. Marcos, Jr. has tasked the Commission on Devolution with studying a delayed timeline for transferring National Government (NG) functions to local government units (LGUs), citing concerns about the LGUs' ability to carry out these functions.

Budget Secretary Amenah F. Pangandaman made the announcement after a meeting with Mr. Marcos and members of the League of Municipalities of the Philippines, which had been lobbying for a longer devolution timeline.

"We were tasked again by the President to sit and study the projects and programs that

should be left to the National Government...and the projects that should be devolved to LGUs," Ms. Pangandaman said at a Palace briefing.

She said the study, which will be led by NEDA Secretary Arsenio S. Balisacan, will be the basis for any amendments to Executive Order (EO) No. 138, which gave LGUs a three-year transition period until 2024 to fully assume some NG functions.

In a separate statement, the Palace said the main concern was LGUs' "absorptive capacity" for taking on major projects.

The order to devolve, which was issued by former President Rodrigo R. Duterte, was the

government's response to a Supreme Court ruling granting LGUs a larger share of the national taxes.

EO No. 138 also created a committee on devolution, to be chaired by the Budget Secretary and co-chaired by the Secretary of the Interior and Local Government.

The committee members include the secretaries of NEDA and Finance, and presidents of the Leagues of Provinces, Cities and Municipalities of the Philippines, the Liga ng mga Barangay ng Pilipinas, and the Union of Local Authorities of the Philippines. — **Kyle Aristophere T. Atienza**

DoE has authority to accelerate charging station rollout — senator

THE Department of Energy (DoE) is empowered to accelerate the charging-station rollout beyond the legal minimum in order to hasten electric vehicle (EV) adoption, Senator Sherwin T. Gatchalian said.

"Under the law, (the DoE) can mandate the utilities to roll out a minimum number of charging stations and they can mandate the establishments to come up with dedicated (EV) parking slots," Mr. Gatchalian told reporters on the sidelines of the Philippine Electric Power Industry Forum 2023 in Manila on Tuesday.

The DoE is currently pushing to ramp up the EV rollout to 10% of all vehicle fleets from the initial 5% as required by Republic Act No. 11697 or the Electric Vehicle Industry Development Act (EVIDA).

The revised implementing rules and regulations of EVIDA, which were signed last year, set a 5% minimum share for EVs in corporate and government vehicle fleets. It also requires that establishments set aside dedicated EV parking slots, the installation of charging stations in parking lots and fuel stations, the opening of green

routes for EV users, and support for domestic EV manufacturing.

"You have to roll out the infrastructure before people are encouraged to buy EVs," Mr. Gatchalian said.

The DoE said it is working on a comprehensive roadmap for the electric vehicle industry, which it expects to attract more investors to the industry.

The DoE said for 2023-2028, it is targeting an EV fleet of 2.45 million cars, tricycles, motorcycles, and buses, and 65,000 EV charging stations.

Between 2029 and 2034, the DoE said it will push for an additional 1.85 million EVs and 42,000 charging stations.

"These actions are consistent with EVIDA's thrust of creating an enabling environment for the development of the EV industry. The shift to EVs is expected to reduce dependence on imported fuel," the DoE said.

At the end of 2021, the DoE said it registered about 9,000 EVs, of which 378 were public utility vehicles, and tallied 327 charging stations. — **Ashley Erika O. Jose**

Aquaculture industry bats for longer-term fishpond leases

THE aquaculture industry said it needs longer leases to earn an adequate return for developing fishponds out of mangrove areas.

"One of the problems is that fishponds are still tenurial under the fishpond lease agreement (FLA). I think there are around 60,000 hectares of fishponds under the FLA that are about to expire," according to David B. Villaluz, chairman of the Philippine Association of Fish Producers, Inc., who was speaking at a virtual forum.

An FLA is a 25-year contract issued by the Bureau of Fisheries and Aquatic Resources (BFAR), as authorized by Fisheries Administrative Order No. 197-1, to individuals or entities to use mangrove areas for fishpond development.

The agreement may be renewed for another 25 years. After, the site will revert to fisherfolk cooperatives or reverted back to its mangrove state.

According to Mr. Villaluz, the 50-year cap on FLAs does not allow fishpond operators adequate opportunity to earn back their investment.

"Our suggestion is if we can renew for another 25 years (beyond the 50th year) to redevelop fishponds," he said.

Christopher Co, vice-president of Oversea Feeds Corp., said a more rational program was needed to harmonize hatchery output with aquaculture demand.

"They have to be more logical in their rules on the hatchery side because aquaculture requires a

domestication program (that allows for) the time needed for growth," he said.

"Let's review all these rules (with the focus on the needs of) the farmer (and the) hatchery rather than the point of view of the politicians who crafted the law," he added.

Dennis F. Calvan, representative of Panginisdan Natin Gawing Tama, urged the Department of Environment and Natural Resources (DENR) to release guidelines for the turnover of abandoned fishponds.

"We are (turning a blind eye to) what is happening to those fishponds that were turned over by the BFAR to DENR for mangrove reforestation," he said. — **Sheldeen Joy Talavera**



ANDREAS GUCKLHORN-UNSPASH

German solar, energy-efficiency firms seeking out PHL opportunities

GERMAN SOLAR and energy-efficiency companies are seeking out opportunities in the Philippines, according to the German-Philippine Chamber of Commerce and Industry (GPCCI).

The GPCCI said in a statement that five German companies participated in the Energy Efficiency and Solar for Buildings conference in Makati City on Tuesday.

These five German companies were SolarNext AG, MIG mbH, Hörmann KG, eaiser GmbH, and Ecoligo GmbH.

"These visiting German companies have the advanced technical know-how in the field of energy efficiency, and we are happy to provide the stage for them to connect with both key public and private stakeholders in the Philippines," GPCCI Executive Director Christopher Zimmer said.

The conference was organized in collaboration with the Philippine Energy Efficiency Alliance (PE2) and Cold Chain Association of the Philippines.

"Several German companies are already involved in the industry of energy efficiency in the Philippines and this delegation signals an increased potential and investor interest. We are delighted to see more attention again from German companies," GPCCI President Stefan Schmitz said.

PE2 President Alexander D. Ablaza said the potential for investment in the Philippines and the prospects for creating additional "green" jobs.

"Aside from its cost-saving benefits, energy efficiency is one of the most labor-intensive activities in the energy sector," Mr. Ablaza said.

A delegation of German renewable and energy-efficiency businesses is currently in the Philippines until March 24.

"In the following days, the German delegation will further explore potential partnerships with Philippine counterparts through business to business meetings, project site visits, and other business networking activities," the GPCCI said. — **Revin Mikhael D. Ochave**



BIR warns against accountants falsely certifying financial statements, use of fake receipts

THE Bureau of Internal Revenue (BIR) said it will go after accountants that certify false financial statements as well as taxpayers using fake receipts to evade taxes.

"One of my major areas of concern in the BIR is aggressive and fearless enforcement activities. This includes filing of cases against accountants who have blatantly violated our laws and are intentionally examining, certifying, and signing fraudulent financial documents," BIR Commissioner Romeo D. Lumagui, Jr. said.

On Tuesday, the BIR filed an administrative case against an accountant behind the four suspected "ghost" corporations selling fake receipts that cost the government around P25.5 billion in lost revenue. The accountant also faces criminal charges filed by the Department of Justice.

"We have a list of all the buyers and sellers of these ghost receipts, including the accountants that allowed the buyers and sellers to profit from

these ghost receipts by evading taxes. Businesses and taxpayers who use these ghost receipts in their returns will not only be audited by the BIR, they will also be arrested and spend 6-10 years in prison," Mr. Lumagui added.

Mr. Lumagui noted that there are "hundreds of thousands" of buyers of fake receipts.

"In our last case, which was only four companies, the estimated revenue loss was already at P25.5 billion. If we add up everything, losses to the government shouldn't be lower than a hundred billion," he added.

He said the agency will also eventually run after the buyers of fake receipts.

"We are just prioritizing the sellers first. The process (for filing) against buyers will be different. But all the taxes that they evaded, we will charge them for it," he said.

"This is just the start of our campaign against fake transactions. We are losing so much (revenue) due to this," he added. — **Luisa Maria Jacinta C. Jocson**

Domestic trade in fourth quarter down 8.3%

THE domestic trade in goods fell 8.3% year on year by value in the fourth quarter, the Philippine Statistics Authority (PSA) reported on Monday.

According to preliminary data from the PSA's Commodity Flow in the Philippines report, the value of goods traded in the three months to December fell to P162.74 billion.

A year earlier, domestic trade grew 6.6%. In the third quarter, growth was 51.5%.

Domestic trade by value is the outflow value of commodities transported from the place of origin to the place of destination, the PSA said.

By volume, trade in the fourth quarter declined 23.8% to 4.29 million tons. The growth rate in the third quarter had been 19.6%.

In the third quarter, volume was a revised 6.10 million tons. The year-earlier tally was 5.63 million tons a year earlier.

Commodity flow includes goods transported by water, air, and rail, with waterborne goods the dominant segment.

Emilio S. Neri, Jr., chief economist at Bank of the Philippine Islands, said that weather disturbances coupled with economic developments in the last three months of 2022 could have been factors.

"We think a combination of bad weather, the peso's rapid deprecia-

tion and resulting tightness in foreign exchange regulations in (October and November), combined with aggressive rate hikes were the key reasons for the decline in commodity flows in (the fourth quarter)," he said in an e-mail.

The central bank has hiked interest rates by a cumulative 400 basis points since May 2022, bringing the policy rate to a 16-year high of 6%. This was in response to inflation accelerating to 8.1% in December.

Of the 10 commodity groups monitored by the PSA, trade in seven commodities contracted by value.

These were miscellaneous manufactured articles (-78.5%); chemicals and related products (-56.1%); commodities and transactions not classified elsewhere in the PSCC (-49.6%); crude materials, inedible, except fuels (-39.8%); manufactured goods classified chiefly by material (-27.3%); food and live animals (-6.8%) and beverages and tobacco (-2.3%).

The three commodity groups posting growth were animal and vegetable oils (54.5%), machinery and transport equipment (31.9%) and mineral fuels, lubricants, and related materials (25.8%).

The machinery and transport equipment category accounted for the highest value of traded commodi-

ties at P64.44 billion, or a 39.6% share of the total. This was followed by food and live animals at P34.32 billion (21.1%) and manufactured goods classified chiefly by material at P27.21 billion (16.7%).

Central Visayas accounted for the most goods traded by value with outflows amounting to P40.49 billion and inflows of P34.10 billion, resulting in a surplus of P6.39 billion.

Caraga posted an inflow value of P34.77 billion or 21.4% of the total. The region also posted the biggest trade deficit of P29.46 billion.

Eastern Visayas registered the highest trade balance in the last three months of 2022 at P19.10 billion on outflows of P31.69 billion. This was followed by Northern Mindanao with a P13.69 billion trade balance on outflows of P25.76 billion.

Central Luzon's trade balance was P11.88 billion on outflows of P13.23 billion.

"With relatively better weather conditions, lower global commodity prices, a more stable (peso) and slower increases in interest rate, we expect an improvement in flows in (the first quarter of 2023)," Mr. Neri said.

Higher transport costs and disrupted logistics likely remained a challenge during this quarter, he added. — **Abigail Marie P. Yraola**