

# CREATE incentives attract investments of over P414B

PROJECTS benefiting from incentives offered by the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law have generated investment valued at P414.3 billion, Finance Secretary Benjamin E. Diokno said.

"From August 2021 to December 2022, total investment capital from approved priority activities with incentives under CREATE has reached P414.3 billion. This covers priority activities above P1 billion," Mr. Diokno said in a statement after conducting an economic briefing in Washington, DC.

Mr. Diokno and other economic managers are in Washington for the spring meetings of the In-

ternational Monetary Fund and World Bank Group.

"We invite you to take a look at our Strategic Investment Priority Plan, which identifies priority industries, projects, and activities that can be granted fiscal incentives under the CREATE Act," Mr. Diokno told potential investors at the briefing.

The plan lists activities eligible for tax incentives under the CREATE Act.

Mr. Diokno said that infrastructure spending is "front and center" of the government's growth strategy.

"We are committed to reverse the decades-long underinvestment in infrastructure: from 2001

to 2015, average infrastructure spending was only at 2% of gross domestic product (GDP)," he said.

The government is planning to spend 5-6% of GDP on infrastructure.

In March, the National Economic and Development Authority Board, chaired by President Ferdinand R. Marcos, Jr., approved 194 flagship infrastructure projects worth P9 trillion.

The bulk of the 194 projects are related to physical connectivity as well as irrigation, water supply, and flood management.

"The government is determined to sustain high infrastructure investment for the next six years through the public-private

partnership (PPP) mechanism, which will enhance energy, logistics, transportation, telecommunications, and water infrastructure," Mr. Diokno said.

"Now, the spectrum of industries that foreign investors can participate in has grown wider than ever before. The economic liberalization measures that the Philippine government has enacted in recent years have opened up key high-growth sectors to international participation," he added.

Mr. Diokno noted that solar, wind, hydro and tidal energy projects are now open to full foreign ownership. — **Luisa Maria Jacinta C. Jocson**



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## Key senator expects ease of paying taxes legislation to hurdle panel this year

THE proposed Ease of Paying Taxes Act may be approved on second reading before the end of the year, a senator who chairs the committee evaluating the measure said.

"We are currently finalizing the committee report on the proposed Ease of Paying Taxes Act, and we are hopeful that the measure will be approved on second reading before the end of the year. This measure, envisioned to put in place a tax administration system that is effective and expedient, is particularly important as the government endeavors to enhance its revenue collection efforts to finance programs and projects necessary to sustain economic growth," Senator Sherwin T. Gatchalian, who chairs the Committee on Ways and Means, said in a Viber message.

"I am confident that once enacted, this measure will establish mechanisms that would streamline and improve tax administration to further encourage our taxpayers to fulfill their obligations," he added.

House Bill No. 4125, or the proposed Ease of Paying Taxes Act,

was passed by the House of Representatives in September and is currently pending at committee level in the Senate.

The bill aims to modernize tax administration and improve collection efficiency by encouraging proper and easy compliance on the taxpayers' part.

The bill calls for an overhaul of taxpayer classifications by the Secretary of Finance, upon the recommendation of the Commissioner of Internal Revenue.

The bill also calls for the filing of returns and payment of taxes through electronic channels or authorized agent banks, as well as the removal of the annual registration fee.

"I am fully committed to supporting measures that would improve tax administration and boost revenue collection efforts of the government," Mr. Gatchalian said.

"Moreover, we aim to simplify the process of paying taxes in the hope of enhancing tax compliance and strengthening taxpayers' rights," he added. — **Luisa Maria Jacinta C. Jocson**

## LRT-1 Cavite Extension delays cost up to P4 billion

THE Light Rail Transit Line 1 (LRT-1) Cavite Extension is estimated to have incurred up to P4 billion in additional costs due to delays imposed by the pandemic, Light Rail Manila Corp. (LRMC) said.

LRMC President and Chief Executive Officer Juan F. Alfonso said, "the cost will definitely be higher ... because of the pandemic ... I think around P2-P4 billion additional cost."

On Thursday, LRMC said that the 6.6-kilometer first phase of the Cavite Extension project was 82.7% complete as of March 31.

"We remain optimistic that we can start commercial operations of Phase 1 by the fourth quarter of 2024," Mr. Alfonso said in a briefing on Thursday.

The company started building the 11.7-kilometer, three-phase project in September 2019, Mr. Alfonso said.

"Despite the challenges we have encountered, we remain focused and committed to deliver on our promise of upgrading the commuter experience," he said.



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The construction progress for the five stations in the first phase of the Cavite Extension are as follows: Redemptorist Station 56%, Manila International Airport 61%, Asia World 51%, Ninoy Aquino Station 55%, and Dr. Santos Station 60%.

LRMC said that it has invested P30 billion in capital improvement projects since it took over the operations and maintenance of the LRT-1.

For 2023, LRMC plans to complete the civil works and equipment installation for the first phase of the LRT-1 Cavite Extension project.

"The target this year is to complete all civil and equipment installation works so we can focus on commissioning the entire line by next year," Mr. Alfonso said.

LRMC said that it has achieved a progress rate of 83% on the civil and rail system works for the first phase.

Mr. Alfonso said that LRMC has spent over P29 billion for the first phase of the project. Total cost for the entire 11.7-kilometer line is estimated at P64.9 billion. — **Justine Irish D. Tabile**

## Recent-graduate training seen as key to improving access to quality jobs

By **John Victor D. Ordoñez**  
Reporter

SKILLS programs for recent graduates would be the most effective way to boost employment, giving jobseekers more specific skills suitable for modern workplaces, an official with a political party representing labor said.

"The government, through the Technical Education and Skills Development Authority (TESDA) or the Department of Trade and Industry (DTI), should engage with companies to conduct on-the-job training programs and free seminars aimed at fresh graduates," Renato B. Magtubo, chairman of Partido Manggagawa, said in a Viber message.

He was responding to a query about a Commission on Human Rights (CHR) finding that jobseekers leaving school during the pandemic are finding it difficult to land quality jobs due to a lack of skills typically developed in face-to-face classes.

"With fewer employment opportunities and more people competing for available jobs, young workers will find themselves competing with adults who have gained more relevant experience," the CHR said in the report.

Jose Enrique A. Africa, executive director of the think tank IBON Foundation, said the report "flags very important concerns especially about the quality of learning in our educational system and possibly about how some youth can be better prepared for some jobs," he said in a Viber message.

"From a broader perspective though, the more fundamental and overriding concern should be why the economy has such deep and widespread informality

which protracted lockdowns just worsened."

In a statement on Thursday, Department of Education (DepEd) spokesperson Michael T. Poa said the department is working to provide capacity-building programs for teachers.

"We will address the quality of entry-level teachers; unfilled teaching positions ancillary tasks assigned to teachers; unequal distribution of teachers; and poor skills in analysis which are crucial to the emerging economy," he said.

Senator Aquilino Martin D. Pimentel III said in a statement on Wednesday that the results of the report were expected as the pandemic made everyday life more difficult.

"We have to invest in human capacity especially while our people are still young and equip them with skills that will be useful and practical in life," he said.

The Philippines ranked 80<sup>th</sup> out of 133 countries in the Institut Européen d'Administration des Affaires' (INSEAD) Global Competitive Index 2022. INSEAD evaluated how countries and cities grow, attract and retain talent.

The Department of Labor and Employment has said it is working on closing the gap between worker skills and employer needs this year through skill-building programs.

Jobless numbers increased by 4.3% in February to 2.48 million compared with January, the Philippine Statistics Authority said on Tuesday.

"Quality jobs to be performed well need quality employees that have acquired skills through face-to-face education and training," Mr. Magtubo said.

"Employers will find it costly to train a newly hired employee before they can optimally perform said quality jobs."

## PBEEd bats for private sector role to address job-readiness deficiencies identified by CHR

THE Philippine Business for Education (PBEEd) said stronger participation by the private sector to address the skills gap identified by the Commission on Human Rights (CHR) in students who graduated during the pandemic.

"We call for greater private sector participation in training not only their own people but also potential employees to minimize the job-skills gap," the PBEEd said in a statement on Thursday.

"The CHR Human Rights Situation Report manifests the worsening learning crisis in the country, with students graduating lacking the basic skills, soft skills included, which are vital in joining the workforce," the group added.

The CHR found that fresh graduates lack soft skills and job readiness, after examining the transition from school to work of students who went through the K to 12 program.

Soft skills were defined in the CHR report as involving empa-

thy, creativity, resilience, and communication skills.

According to the PBEEd, "the government must work closely with the private sector in order to come up with scalable policies and programs geared towards building a generation with higher learning outcomes that increase their chances towards obtaining gainful employment," the PBEEd said.

"Work-based training is an important intervention to en-

sure job readiness among the youth as it paves the way for the youth to acquire relevant skills needed in the workplace," the group said.

"At the same time, the ongoing review of the education system by the Second Congressional Commission on Education will play a huge role in improving the quality of learning the students are getting prior to entering the workplace," it added. — **Revin Mikhael D. Ochoa**

## DBP in aquaculture tie-up with Charoen Pokphand Foods

THE Development Bank of the Philippines (DBP) said on Thursday that it signed an aquaculture financing agreement with Charoen Pokphand Foods Philippines Corp. (CP Foods).

The DBP's Aquaculture Value Chain Financing Program will support small and micro enterprises and cooperatives with loans of between P5 million and P15 million to finance 90% of the total project cost, the DBP said in a statement.

For medium to large enterprises, the deal will fund a minimum of P15 million or up to 70% of the total project cost, the state-run lender added.

"This new tie-up further strengthens our longstanding partnership with CP Foods and cements our continuing commitment to help ensure food security and productivity in the country," DBP President and Chief Executive Officer Michael O. de Jesus said.

CP Foods is a major producer of animal feed, with a network of customers who may require the DBP's funding for working capital, fixed assets, support facilities, pond development or improvement, and post-harvest facilities.

"This partnership is in support of the Department of Agriculture's (DA) commitment to intensify the fishery sector by increasing the shrimp production to 276,320 tons from 2023-2027," Mr. De Jesus said.

The DBP said projects planned under the agreement are valued at P7 billion this year.

"We are confident that CP Foods' decades-long aquaculture expertise will greatly contribute towards our collective goal of a more competitive and sustainable Philippine aquaculture," Mr. De Jesus said.

"CP Foods is a subsidiary of Thailand's Charoen Pokphand Foods Public Co. Ltd. (CPFP) which operates vertically integrated agro-industrial and food businesses, harnessing its investments and partnerships in 17 countries worldwide," the DBP said.

The DBP is the country's eighth largest bank by terms of assets and serves borrowers involved in infrastructure and logistics; the environment; social services and community development; as well as micro, small and medium enterprises. — **Aaron Michael C. Sy**

## CA affirms mediator approval of seafarer's disability claim

THE Court of Appeals (CA) has upheld a ruling by the National Conciliation and Mediation Board's (NCMB), which had ordered Magsaysay Maritime Corp. to pay a seafarer \$60,000, following a permanent injury to his leg sustained while on duty.

In a 16-page decision dated March 31, the CA Eighth Division concurred with the NCMB, which found that Joselito Q. Baculto could no longer perform his duties as a seafarer after a trolley hit his left leg.

"Like other overseas workers, Filipino seafarers are our true diplomats, they who show the world the resilience, patience, and creativity of our people," Associate Justice Edwin D. Sorongon said in the ruling.

"It is the duty of this Court, given the facts and the applicable laws, to approximate justice due them."

It said the seafarer was not entitled to moral damages as he failed to prove that Magsaysay Maritime Corp. acted in bad faith in denying his initial disability claim. The court added that he was entitled to lawyer's fees provided under the New Civil Code.

Mr. Baculto was hired as a *chef de partie baker* and was tasked to operate and maintain the ship's baking machinery. He had

a monthly salary of \$476 for a period of eight months.

In 2019, the seafarer was diagnosed with an "umbilical hernia" by a company-approved doctor after a fellow crew member lost control of a trolley that hit his leg.

A year later, he told the doctor that he still experienced pain despite undergoing surgery for the injury.

Mr. Baculto consulted three doctors whose conflicting assessments failed to arrive at a determination of his fitness to continue working as a seafarer.

Citing the Labor Code, the tribunal said a disability is total and permanent if the employee is unable to perform any "gainful" occupation for a continuous period exceeding 120 days.

It said none of the company-approved doctors made a definite disability assessment, which made Mr. Baculto's injury permanent under the law.

"Considering Baculto's persistent and unresolved pain, it is highly improbable for him to perform his usual tasks in any vessel which effectively disabled him from earning wages in the same kind of work or similar nature for which he was trained," the court ruled. — **John Victor D. Ordoñez**