

Diokno considering sugar import liberalization

FINANCE Secretary Benjamin E. Diokno said he is studying the liberalization of sugar imports to soften the blow on the food industry amid proposals to tax sugary food and beverages.

In a chat with the media on Friday, Mr. Diokno said that freeing up sugar imports a "reasonable compromise" for volume users of sugar.

"Expectedly, producers and sellers of sugary products subjected to tax will object as it will raise the selling price of their products to the market," Mr. Diokno said in a Viber message to reporters after the chat.

"But knowing the big difference between the world price and the domestic price of sugar, a major input in the industry, then allowing the industry to import their own sugar requirement would reduce their cost of pro-

duction. This is the 'sweetener' or incentive for producers of sugary products to accept the broader, simpler tax on sugary products," he added.

Mr. Diokno said the model is the Rice Tariffication Law "for all the products which are covered by all these non-tariff barriers."

Rice tariffication allowed private parties a free hand to import rice, which was formerly a government monopoly. The importers would then pay a 35% tariff on Southeast Asian grain, generating funds for the government to pay for rice industry modernization.

Mr. Diokno said there is no need for legislation to allow the industry to import sugar.

"You don't need a law for access to imports. With just a policy, you will be allowed to import sugar, that's okay," he added.

Last week, the DoF announced plans to impose a tax on "junk food" and raise the excise tax on sweetened beverages.

The proposal seeks to place a P10 tax per 100 grams or a P10 tax per 100 milliliters of pre-packaged food deemed to lack nutritional value, including confectioneries, snacks, and desserts exceeding the Department of Health's thresholds for fat, salt, and sugar content.

It is also seeking to increase the excise tax on sweetened beverages to P12 regardless of the type of sweetener used.

"This tax rate will be indexed annually by 4%, and exemptions will be eliminated to broaden the tax base. These measures aim to strengthen the effectiveness of the sweetened beverage tax by further discouraging the consumption of such beverages," Mr. Diokno said.

Under the Tax Reform for Acceleration and Inclusion law, the excise tax on sweetened beverages differs based on the sweetener used. The tax is P6 per liter for drinks containing caloric or non-caloric sweeteners, and P12 per liter for drinks containing high-fructose corn syrup or such sweeteners in combination.

"The proposal makes good economic sense. It simplifies the tax system — one uniform rate is better than dual rates. It achieves the proposal to make Filipinos live healthier and longer lives. In the long run, it also reduces the costs to the government for providing healthcare for its people," Mr. Diokno added.

The DoF expects the tax package to generate additional revenue of P76 billion in its first year, as well as a 21% reduction in consumption of junk food.

Mr. Diokno said that the government is still studying exemptions to the junk food tax amid objections centered on the proposal's impact on poor consumers.

"We are consulting with the National Nutrition Council and the Department of Health. We are not yet firm with what we've released. If you're thinking of (instant noodles), that won't be covered. That's really for the poorest," he said.

Mr. Diokno said that the list of excluded products from the junk food tax will likely come out in the second half of the year.

While the bill has yet to be drafted, Mr. Diokno said that it should be signed into law before the elections in 2025.

"After that, it's hard to pass reform bills. You want the reform in the first two years of your ad-

ministration. That's the window of opportunity," he added.

United Sugar Producers Federation of the Philippines President Manuel R. Lamata said the organization supports the tax on sweetened beverages, but not the call to liberalize sugar imports.

"We are against liberalization. Look what is happening to the rice industry, it is dying. We will fight him (Mr. Diokno) to the last. We are for increasing taxes on soft drinks, tetra packs, etc., especially those using high fructose corn syrup. He should double the taxes there," Mr. Lamata said in a Viber message.

Since last year, beverage companies and food manufacturers have been pushing to be allowed to directly import sugar amid elevated prices due to limited supply. — Luisa Maria Jacinta C. Jocsos

Pursuant to the Department of Transportation approval of LRT-1 fare adjustment dated June 14, 2023, the following revised fare matrix is for implementation in LRT-1 effective AUGUST 2, 2023. Table with 20 columns (Destinations) and 20 rows (Origins). Includes LRT1 STORED VALUE Fare Matrix and LRT1 SINGLE JOURNEY Fare Matrix.

SIM registrations breach 100 million

THE Department of Information and Communications Technology (DICT) said it considers the registration exercise for mobile subscriber identity module (SIM) cards a "success" after registrations exceeded 100 million.

The tally of registered user accounts was 100.26 million as of Thursday, Information and Communications Technology Secretary Ivan John E. Uy told reporters on Friday.

"We have registered 100 million SIM cards, and our population is more or less 110 million. So, I think we have a very good number and very successful SIM card registration," he said. He called the time remaining to register — about one month — "a last chance... (If they fail to register and) their service gets cut, I hope they do not get mad. We gave them all the opportunities to register and we even extended it to give them more time," he added when asked about any possible deadline extensions.

The National Telecommunications Commission (NTC) estimates that the registered SIM cards are equivalent to 59.67% of the 168.02 million SIMs in circulation as of the end of 2022.

Around 47.37 million subscribers use Smart Communications, Inc., while 45.96 million use the services of Globe Telecom, Inc., and 6.94 million are with DITO Telecommunity Corp.

On April 25, the DICT announced the 90-day extension of the SIM registration period giving the public until July 25 to register.

COMBATING CYBERCRIME

Mr. Uy said his department will be creating a special task force to respond rapidly to phishing and other forms of cybercrime.

Last week, the DICT met with the Cybercrime Investigation and Coordinating Center, the three major telecommunication firms, online banks, e-wallet companies, the NTC, the Bangko Sentral ng Pilipinas and the National Privacy Commission to discuss the coordinated response to cyber threats and scams.

"It is important that we get ahead of them and that we not wait for a scandal or a big (attack) in which there will be a lot of people victimized before we act," Mr. Uy said.

"Scammers and criminals are taking advantage of the lack of organization between concerned agencies," he added.

The special task group is expected to meet this week to discuss where incidents are to be reported and how to validate such complaints. — Justine Irish D. Tabile

Republic of the Philippines DEPARTMENT OF TRANSPORTATION 14 June 2023 MR. JUAN F. ALFONSO President and CEO Light Rail Manila Corporation LRTA Compound, Airport Road, Pasay City Dear Mr. Alfonso This refers to the attached memorandum for the Secretary of this Department dated 24 March 2023 received from the undersigned on the Railway Regulatory Unit's Recommendation on the Fare Adjustment Petition of the Light Rail Manila Corporation (LRMC) and Light Rail Transit Authority (LRTA).

SUFFICIENCY OF PETITION 2.5. Based on the Report of the Hearing Officer and submissions made by LRMC and LRTA, both petitioners complied with the requirements as to the sufficiency of Petition, timely publication, and Notice of Hearing as required under the law and the RRU Rules.

2.6. Both Petitioners are found to be sufficient in form and substance as they provided for the proposed fare rate, factual antecedents in arriving at said proposed fare rate, and the basis for such adjustment. While LRMC's petition is unverified, it is worth noting that the same was filed based on the Concession Agreement, prior to the establishment of the RRU Rules.

2.7. As to signatories' authority in filing the Petitions, both Petitioners submitted the necessary authorizations, in compliance with the provisions of the Revised Corporation Code of the Philippines and Executive Order 603, as amended.

2.8. RRU conducted its first Public Hearing on 17 February 2023 at LRTA Administration Bldg., LRT Line 1 Passay Depot, Gate 1, Aurora Blvd., Pasay City. Petitioners and other organizations attended the said hearing and each were given adequate time to present their positions.

2.9. As manifested during the Public Hearing, Kilusang Mayo Uno (KMU), Kabataan Partylist (Kabataan), Alliance of Nationalist and Genuine Labor Organization (ANGLO), Anakbayan and Bagong Alyansang Makabayan submitted their Position Papers on 20 February 2023, interposing their comments and objections on the proposed fare increase. All position papers submitted are duly considered herein.

2.10. The foregoing twin requirements of publication and public hearing are in compliance with the 1987 Administrative Code and jurisprudence. In Manila International Airport Authority (MIAA) v. Blancfort, the Supreme Court expounded on necessity of a public hearing in rate fixing/increases scenario, ruling that MIAA, being an agency attached to the Department of Transportation and Communications (now DOTr), is governed by Administrative Code of 1987, which specifically mandates the conduct of a public hearing.

2.11. LRTA, under its Charter, is required to consult with LTRFB in fixing LRT's fare rates. This consultative process is to determine the reasonableness and economic viability of the fare adjustment and does not arrogate unto LTRFB the authority to fix fares for rail transportation.

2.12. Accordingly, LRTA consulted LTRFB to provide comments for the proposed fare adjustments for LRT1 and LRT2. LTRFB in response interposed no objection to the proposed fare increase.

2.13. On the other hand, Section 22 of the 1987 Administrative Code and Francisco v TRB requires a special audit on the matter of fare adjustment. In compliance thereto, LRTA wrote COA, which replied that audit is not a procedural requirement nor a condition precedent to any adjustment and implementation of fare rates, and further stated that it is the sole duty of the regulatory body concerned who has the power to issue, modify and promulgate fare adjustment.

2.14. COA posited that they cannot participate on the ground that they can only be involved post-audit after the fare adjustment is approved. DOTR'S CONTRACTUAL OBLIGATION 2.15. For LRMC, pursuant to Sections 20.3.b and 20.3.c of Concession Agreement dated 2 October 2014, whenever notional fare is adjusted, Concessionaire shall apply to the grantors, LRTA and DOTr, for an adjustment of the approved fare so that it is at least equal to the notional fare.

2.20. Based on tentative data presented during the public hearing, LRTA's deficit for CY2023 is projected to be -P8,500 billion. It has been actually operating at a loss and relying on government subsidies for its operations and maintenance, as reflected in its financial performance in CY2022 when it incurred a deficit of about -P7,006 billion.

2.21. On the part of LRMC, its fare deficit vis-a-vis the notional fare prescribed in its Concession Agreement with government is P6.46 billion. As of January 2023, LRMC's actual fare is 50% behind the notional fare. This gap will exponentially increase. In 2026, without an increase, actual fare will be 81% behind the notional fare.

2.22. As such, although LRMC and LRTA claims that they continue to operate and maintain the Railway Systems with the highest performance and safety standards despite the apparent financial challenge, it is our view that the sought fare adjustments is of extreme urgency, and LRMC, LRTA and/or public interest will suffer great damage or inconvenience if the same is not imposed as it may cause delay or stoppage of urgently needed improvements, expansions and/or repairs.

World Bank approves \$110-million project to improve quality of Mindanao education

THE World Bank has approved a \$110-million project to improve learning outcomes by enhancing teachers' skills in Mindanao.

The Teacher Effectiveness and Competencies Enhancement Project is expected to benefit almost two million elementary school students and over 60,000 teachers and school officials in Mindanao.

The project will be implemented in Region IX (Zamboanga Peninsula), Region XII (South Cotabato, Cotabato, Sultan Kudarat, Sarangani and General Santos) and the Bangsamoro Autonomous Region in Muslim Mindanao.

"These regions, which have high dropout rates, below-average enrollment rates, low performance in reading and math scores, and significant indigenous populations, offer invaluable insights for national educational improvements," the World Bank said. — Luisa Maria Jacinta C. Jocsos

FULL STORY



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