Bulacan airport ecozone bill hurdles panel, to be compliant with CREATE

PHILSTAR FILE PHOTO

A HOUSE joint committee has approved "in principle" a bill seeking to create a special economic zone and freeport comprising various towns in Bulacan in the vicinity of the new airport that is due to rise in the province.

Albay Rep. Jose Ma. Clemente S. Salceda, who wrote the bill that will be the basis for the consolidated legislation, said that fiscal incentives will be compliant with the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law and other such laws. "No new tax incentives are created, and no power to grant incentives is given to the Ecozone Authority," he told the joint committee.

The ecozone will encompass the municipality of Bulakan, the Airport Project and Airport City Project, as well as the towns of Meycauayan, Malolos, Paombong, Guiguinto, Balagtas, Bocaue, Marilao, Sta. Maria, and Obando.

The Bulacan ecozone will be subject to audit under the GOCC Governance Act of 2011, according to the bill. State auditors may also appoint a full-time auditor in the ecozone.

The bill tasks the Bulacan ecozone with addressing the province's flooding problems by undertaking "water supply and storage, sewerage and drainage" projects.

President Ferdinand R. Marcos, Jr. vetoed a previous version of the ecozone bill in July 2022, in one of his first acts in office.

The committee is currently fine-tuning the substitute bill before it is sent on for plenary approval. — **Beatriz Marie D. Cruz**

Study on gov't pay hike could finish in time for 2024 budget

BW FILE PHOTO

THE Department of Budget and Management (DBM) said it hopes to complete a study to evaluate the need for raising government workers' pay, in time for its recommendations to be incorporated in the 2024 budget.

Budget Secretary Amenah F. Pangandaman said around P48 million was allocated from the budget of the Governance Commission for Government-Owned or -Controlled Corporations (GCG) for the study, which will cover the compensation structure of National Government agencies and GOCCs.

"This is to ensure that the compensation of all civilian personnel will be competitive with those in the private sector," she said. "Soon, we will have the result of the study, maybe some time in September or October."

"If we ever do need an increase, I think we have enough time to adjust (the 2024 budget) in the last quarter of the year, which is when deliberations take place. We hope the study will be advantageous and beneficial to government workers," she added.

According to Ms. Pangandaman, if another round of salary increases for government employees is deemed necessary, the adjustment will be implemented in tranches, as it was with the previous salary increases dictated by the Salary Standardization Law (SSL).

The SSL was signed by former President Rodrigo R. Duterte in 2019, the fifth such law to date which called for increased salaries of government workers.

The law adjustments kicked in on Jan. 1 of every year until 2023, covering personnel who are "regular, casual, or contractual; appointive or elective; and on full-time or part-time basis."

"Apart from the conduct of the study, we, in DBM, are also undertaking a review of the rates of the existing benefits being provided to government employees, in order to assess if there is a need to adjust them in the future," Ms. Pangandaman said.

She said the 2024 proposed budget will feature at least a minimal increase in uniform and clothing allowances for government workers.

DBM Director Gerald R. Janda of the Organization, Position Classification, and Compensation Bureau said the study also includes possible hikes in travel allowances and other benefits.

"As soon as we complete our study, we will take the matters to our senior officials and our Secretary for policy decisions," Mr. Janda said.

Separately, the DBM, the GCG, and the Civil Service Commission (CSC) signed a joint circular on the guidelines for implementing Republic Act (RA) No. 11701, which grants night shift differential pay to government employees.

"Today's signing of the Joint Circular with CSC Chairperson (Karlo Alexei B.) Nograles and GCG Chairperson (Justice Alex L.) Quiroz will ensure that the guidelines on the night differential are widely disseminated and guarantee its uniform policy interpretation and effective and efficient implementation," Ms. Pangandaman said.

The CSC, in partnership with the DBM, promulgated the implementing rules and regulations of RA 11701, which took effect on Feb. 25, 2023.

Under RA 11701, those with working hours falling between 6 p.m. and 6 a.m. of the following day will be compensated for taking on such hour.

According to the law, the night shift differential pay should be at a rate not over 20% of the basic hourly rate, as authorized by the head of agency. In the case of public health workers, the rate should not be below 10% of the hourly basic rate.

However, the law excludes government employees with regular work day schedules; those who are required to be on call, 24 hours a day, such as the uniformed personnel; and workers under a job order or contract of service.

"The salary increase, and now, the night differential are intended to help cushion the daily challenges of living and raising a family," Ms. Pangandaman said. — **Keisha B. Ta-asan**

SRA says weather does not favor August start to milling season

THE Sugar Regulatory Administration (SRA) said the recent bout of unfavorable weather weakens planters' arguments for an August start to milling season, with the wet conditions expected to depress yields from cane.

"We are just getting ready for milling, although the weather is not cooperating. That's one of the reasons why we're pushing for a Sept. 1 start," SRA Acting Administrator Pablo Luis S. Azcona said at a briefing.

"And because August is generally wet in Negros, it is really hard to mill," he added.

The SRA has held to its position of stating milling on Sept. 1, rejecting calls from planters to start in August.

Mr. Azcona said that milling in rainy weather decreases the purity and sugar content of cane, adding, "Fields are being damaged... (with proper weather), you can ratoon."

Ratooning is the harvesting of above-ground plants while leaving the roots and shoots intact, setting the stage for the next crop.

He said the SRA originally estimated that 85% of sugar farmers will not have access to water with the onset of El Niño, leading to a forecast decline of 10-15% in cane output.

Meanwhile, Mr. Azcona said 4,000 tons of smuggled sugar that has been seized will be donated to the Department of Agriculture (DA), to be sold at Kadiwa stores at P75 per kilogram.

"Once the (memorandum of agreement) is signed, the stocks will be moved... maybe after repacking," he said.

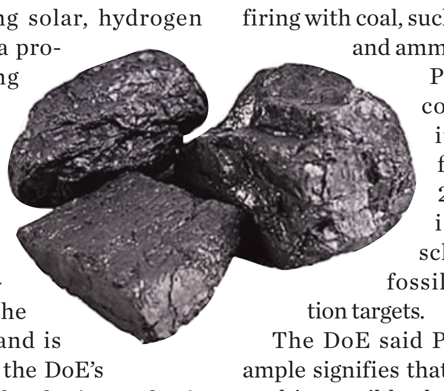
In a statement, the DA announced the receipt of the sugar from the Bureau of Customs (BoC) following the signing of a deed of donation.

The smuggled sugar originated in Thailand and was seized in April at the port of Batangas.

"We firmly believe that, through DA, this donation will reach various communities and enable our fellow Filipinos to conveniently access sugar," BoC Commissioner Bienvenido Y. Rubio said.

As of July 31, the retail price of a kilogram of refined sugar in Metro Manila markets was between P86 and P110, washed sugar between P82 and P90, and brown sugar between P78 and P90, according to DA price monitors. — **Sheldeen Joy Talavera**

DoE studying Portuguese model for transitioning away from coal power



THE Department of Energy (DoE) said it is studying Portugal's transition away from coal-fired power plants as part of a broader potential collaboration that could result in Portuguese investment in Philippine renewable energy (RE) projects.

Energy Secretary Raphael P.M. Lotilla said the other areas of possible cooperation are offshore wind, floating solar, hydrogen and ammonia production using renewable energy.

"Portugal, as an early starter in RE, has similar challenges with the Philippines and is interested in the DoE's approach in developing and utilizing the country's RE sources," the DoE said.

Portuguese Foreign Minister João Gomes Cravinho also conveyed the interest of Energias de Portugal (EDP) and EDP Renewables to invest in Philippine RE projects, the DoE said.

Mr. Lotilla said the Philippines and Portugal will also exchange notes on the import of liquefied natural gas and enhancing transmission systems in aid of preparing for a green energy transition.

Mr. Lotilla said he is interested in how Portugal repurposed its coal-fired power plants and how it incentivized the transition to the use of alternative fuels for cofiring with coal, such as hydrogen and ammonia.

Portugal decommissioned its last coal-fired plants in 2021, keeping it ahead of schedule in its fossil-fuel reduction targets.

The DoE said Portugal's example signifies that an exit from coal is possible through carbon pricing, renewable energy investment and comprehensive transition planning.

To date, RE accounts for 22% of the Philippine energy mix. The government is aiming to increase the RE share to 35% by 2030 and 50% by 2040. — **Ashley Erika O. Jose**

BIR tax-to-GDP ratio at 10.8%

THE Bureau of Internal Revenue (BIR) said tax collections as a share of gross domestic product (GDP) are currently at 10.8%.

The BIR added that it expects its tax-to-GDP ratio to increase to 11.2% next year and to 11.6% by 2025.

The BIR hopes to collect P2.64 trillion in revenue this year, 13% higher than its actual collections of P2.34 trillion in 2022.

BIR Commissioner Romeo D. Lumagui, Jr. said he expects to meet this year's revenue goal.

"Because of our performance, we are confident we can attain our collection target. We will continue our job well to make sure we attain this," he told reporters on Tuesday.

In the first six months, the BIR collected P1.22 trillion, up 7.65% from a year earlier but 2.57% below the bureau's P1.25-trillion target for the period.

Mr. Lumagui said its performance was affected by the shift to the quarterly filing of value-added tax (VAT) returns.

"That's why we have to wait for the collection from VAT to come in. Once that comes in, we are certain we will meet our target," he said, adding that any such distortions created by quarterly filing will eventually be smoothed out.

The BIR collects about 70% of government revenue. — **Luisa Maria Jacinta C. Jocson**

NEDA says procurement snags delaying customs modernization

CUSTOMS modernization has been delayed by procurement issues, the National Economic and Development Authority (NEDA) said at a hearing in Congress.

Speaking at the joint Congressional Oversight Committee on Official Development Assistance (ODA), Assistant Secretary Jonathan L. Uy of NEDA's investment planning group said that the Bureau of Customs (BoC) has "started procurement for project supervision and quality assurance consultants, which went through a lengthy process, but there were legal (complications) because of the merger of the highest rated bidder, Spain's Instituto de la Calidad SA, (Quality Institute or QI) with OCA (Global Consulting and Technical Advisory.)"

OCA Global Investments SLU, a holding company of OCA Global Group, acquired QI on July 1, 2021.

"The merger of those bidding for services for this modernization project (caused the delay)," Mr. Uy said.

The Philippine Customs Modernization Project (PCMP) "aims to streamline operations and processes... by upgrading BoC systems procedures and operational activities," according to the BoC website.

The PCMP is also expected to help the bureau improve its enforcement with regard to smuggling.

Senate Minority Leader Aquilino D. Pimentel III sought to disqualify the project bidder for "hold(ing) our entire modernization program hostage."

According to the presentation made by the NEDA, the BoC said that in Resolution No. 2022-1 dated Sept. 16, 2022, its Special Bids and Awards Committee (SBAC) "accepted the change of personality of the lead partner in the joint venture."

Mr. Uy said negotiations with the consultant were completed in March with the draft contract being finalized.

When asked why negotiations were completed six months after the resolution, Mr. Uy said: "the SBAC appears to have exercised too much prudence in terms of the legal guidance."

For the PCMP, the Philippines paid a commitment fee of $109,000 or P6 million in 2022, Deputy Treasurer Erwin D. Sta. Ana told legislators. In total, $483,000 or about P26.57 million has been paid for the project, he added.

Commitment fees are a portion of the loan paid by governments for undisbursed portions of their ODA loans. Governments are required to pay a commitment fee whether or not a project is delayed.

Meanwhile, the Support to Parcelization of Lands for Individual Titling (SPLIT), a project of the Department of Agrarian Reform, was also behind schedule.

More than 50 packages were still in their preliminary stages, Mr. Uy said. There was also a low turnout of applicants for Information Technology consultants, which delayed the development of a centralized Certificate of Land Ownership Award (CLOA) Management System.

NEDA said the procurement of goods and consulting services is ongoing.

The SPLIT program is expected to fast-track the subdivision of collective CLOAs. — **Beatriz Marie D. Cruz**

PEZA mission to Tokyo, Osaka firms up locator interest in expansions

THE Philippine Economic Zone Authority (PEZA) said its roadshows to Tokyo and Osaka generated investment feelers from Japanese companies seeking to expand their current Philippine operations.

PEZA Director General Tereso O. Panga said in a statement on Tuesday that the PEZA visited Osaka and Tokyo between July 16 and 22.

The expressions of interest included those from Ichijo Corp. to finalize expansion plans in 2024, along with possible expansion plans for ShinEtsu Corp., OB Kogyo, Ltd., and NEC Networks & System Integration Corp.," Mr. Panga said.

Mr. Panga said that Ichijo Corp., a builder of energy-efficient, sustainable homes, aims to increase its annual capacity for Philippine-built components to the equivalent of 20,000 units in 2024 from 15,000 previously. In the process it projects the creation of 3,000 to 4,000 additional jobs in addition to the current staffing level of 23,000.

Die and mold company OB Kogyo Ltd. also declared its intent to reinvest $3 million in a Philippine plant over the next three years, also to enhance capacity.

ShinEtsu Corp., produces and researches high-performance rare earth magnets, also expressed interest in a possible expansion to service the global electric vehicle industry.

PEZA said it approved P20.59 billion worth of Japanese investments in the first six months. These were made by Green Energy with Torrefaction Technology, Inc., Asian Transmission Corp., and Pricon Microelectronics, Inc.

The three Japanese investments are expected to lead to the creation of 1,973 direct jobs.

"To date, 881 Japanese companies are registered with PEZA, bringing in P766.550 billion worth of investments in the country, with exports of $5.362 billion and generating up to 340,601 direct jobs for Filipinos," Mr. Panga said.

The PEZA logged P80.59 billion worth of investment approvals in the first six months, up 258% from a year earlier.

For 2023, the PEZA is targeting 10% growth in investment approvals after logging P140.7 billion in 2022. — **Revin Mikhael D. Ochave**