

ECCP warns container fee hike to erode PHL competitiveness

THE European Chamber of Commerce of the Philippines (ECCP) said the Philippine Ports Authority's (PPA) proposal to increase storage charges for foreign container cargoes will erode the Philippines' competitiveness in trade.

"We need to ensure the competitiveness of the market, so if you put taxes and more blocks, that makes trade more difficult. It's not helping," ECCP President Paulo Duarte told reporters on the sidelines of an ECCP event on Tuesday.

"The current macroeconomic data is very favorable to the Philippines. So that means we need to

continue this path, not to create more blocks. That's our position," he added.

Mr. Duarte was referring to the 5.9% expansion in Philippine gross domestic product in the third quarter.

The expansion in the third quarter topped the 4.3% growth posted in the second quarter but was weaker than the 7.7% expansion a year earlier.

The Philippine Exporters Confederation, Inc. (Philexport) sent the PPA a position paper calling for a review of its plan to raise storage charges for foreign containerized cargo presented at a public consultation on Oct. 18.

In particular, the PPA had proposed a 32% increase in charges for import, export, and transshipment containers, and a 150% surcharge on storage rates for refrigerated containers.

The PPA said the fee hike will ensure optimal use of the container yard and encourage immediate withdrawal of containers to keep congestion under control.

Philexport had recommended that the planned rate hike undergo a regulatory impact assessment (RIA), a procedure authorized by the Ease of Doing Business (EoDB) Law.

"The EoDB Act seeks to provide a detailed appraisal of the

potential impacts of a new regulation and ensure that this regulation will enhance stakeholders' welfare, with the benefits exceeding the costs," Philexport said.

Exporters also said they have yet to receive a copy of the PPA's proposed order, adding that they were forced to rely on information gleaned from the public consultation held last month.

Aside from the RIA, Philexport also recommended the exclusion of national and local holidays in counting the days to be charged and indexing the increase to inflation since the last fee adjustment.

— **Justine Irish D. Tabile**

SEC to release digital asset rules next year

By **Justine Irish D. Tabile**
Reporter

THE Securities and Exchange Commission (SEC) said it hopes to release its guidelines for digital assets next year, after the initial release date was pushed back due to the collapse of cryptocurrency exchange FTX.

"We had been drafting the digital asset offerings and digital asset exchange rules. Now, what hindered us from coming out with that last year was the FTX scandal," SEC Chairman Emilio B. Aquino told reporters on Friday.

Asked about the new target date, he said: "I think it is safe to say that it will be next year because it is long due. I have always believed in digital technology and financial technology (fintech)."

He said that the FTX collapse led the SEC to review its guidelines as the regulator does not want it to happen in the Philippines.

"Nonetheless, I think it's inevitable (for crypto to be traded in the Philippines) because as we are talking, I am sure there are offerings being done... so we might as well come out with the regulations and make sure that adequate safeguards are there."

Mark V. Santarina, senior trader at Globalinks Securities and Stocks, Inc., said that the investor community is "excitedly" awaiting the SEC guidelines for the crypto market.

"Clear regulations not only enhance market trust, protect investors, and stimulate innovation but also position the country as a global and regional leader in crypto regulation, attracting international projects," Mr. Santarina said in a Viber message.

"These regulations also encourage compliance, reduce conflicts, and support job creation, solidifying the Philippines' influence in the Southeast Asian cryptocurrency scene," he added.

He said that it is the SEC's duty to come up with guidelines that will prevent failures like FTX.

"I am confident that the market is prepared for this development. Notably, major players such as Globe and PLDT's fintech arm have al-

ready ventured into cryptocurrency," he said.

"This presents increased opportunities for crypto startups, and ensures the protection of retail investors from fraud and crypto scams," he added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the release of the framework may lead credible and traditional global financial institutions to enter the market.

"(If they) start to offer these type of related investments, that can be a source of trust and confidence for the investing public," Mr. Ricafort said in a Viber message.

He added that the SEC must address the regulatory mistakes and failures in recent years.

"This will ensure the utmost protection of the investing public especially against scams, fraud, and other unscrupulous practices," he said.

Mr. Aquino said that the SEC will be looking at "best practices" of other countries, including those of ASEAN neighbors.

"This is important because they have already experienced it... so might as well be able to pick up from them and learn what to put up," he said.

Ronald Gustilo, national campaigner of a network of digital asset advocates known as Digital Pinoys, said that the target release date for next year is "too far away."

"The anticipated release date for next year is considered too far away for the crypto community, highlighting the immediate need for SEC intervention to ensure their protection," Mr. Gustilo said in a Viber message.

"Given the extensive duration it took to finalize the plan, it is expected to encompass measures safeguarding consumers, including harsh penalties for unregistered firms and government authority to confiscate cryptocurrencies used in illicit activities," he added.

He added that the regulations will help validate crypto businesses and should be designed to minimize market manipulation, fair pricing and security.

"It requires platforms to share pertinent information with investors and crypto holders, aiding them in making informed decisions regarding their digital assets," he said.

No WHO reply on PHL data lost to hacker raid

THE Department of Information and Communications Technology (DICT) said it is still working to determine the extent to which Philippine vaccination data were compromised by a hack on World Health Organization (WHO) databases.

"The WHO would have to reply to us and give us access (before we can investigate). We're just waiting for the report and the disclosure from the WHO," Information and Communications Technology Assistant Secretary

Renato A. Paraiso told *BusinessWorld* by phone on Tuesday.

The WHO holds information compiled during the various countries' coronavirus vaccination drives.

"We reached out to (the WHO) but there are no formal talks. It would really be up to the WHO to disclose whether this particular breach actually happened," Mr. Paraiso said.

The scale of compromised data is still being determined, he said, adding that the DICT's priority

for now is to confirm the breach and whether Philippine vaccination records were compromised.

"We can confirm that there was a data dump and apparently it was ascertained that it was from the WHO, not from any other source," he added.

Digital Pinoys national campaigner Ronald B. Gustilo said the alleged breach should serve as a warning to the government to ensure that its agencies are adequately protected from cyberattack.

"If the government fails to equip our agencies with the necessary funding to implement a strong cybersecurity infrastructure, we should expect more cyberattacks in the future," Mr. Gustilo said.

Various government agencies have reported cyberattacks this year alone, including the Philippine Health Insurance Corp. (PhilHealth), which was hit by Medusa ransomware which exposed more than 600 gigabytes worth of member data. — **Ashley Erika O. Jose**

PHL waiting until Dec. for China action on loan for PNR south long-haul railway project

By **Beatriz Marie D. Cruz**
Reporter

THE PHILIPPINES will wait until December for the Chinese government to make a decision on a P142-billion loan to finance the South Long-Haul project, the Department of Transportation said on Tuesday.

"As per the instructions of the DoF (Department of Finance), we are still to await the reply of the Chinese government until end of December," Transportation Assistant Secretary Jorjette B. Aquino told the House flagship programs and projects committee.

The Duterte government in February 2022 awarded to China Railway Design Corp. a contract

to build the Philippine National Railways (PNR) South Long-Haul project. State-owned Export-Import Bank of China however, has not confirmed whether it will approve the loan.

The PNR south-long haul project has yet to receive a loan for the civil works accompanying the project, Ms. Aquino told congressmen.

"We came as far as receiving the short list (of contractors) from the Chinese government to having it bid out and awarding the said contract to a general contractor. However, we have not received the confirmation of the loan... from the Chinese government," she said.

If the Chinese loan does not go ahead, the department's planning committee is considering a pub-

lic-private partnership or tapping official development assistance (ODA) from other countries, Ms. Aquino added.

Transportation Secretary Jaime J. Bautista last week said that the government plans to terminate its deal with a Chinese consortium to construct the project.

The PNR south long-haul project consists of a 560-kilometer rail line that will connect Metro Manila to Southern Luzon. It has been earmarked P3 billion worth of funding in the 2024 national budget.

Rail travelers to and from Bicol are expected to experience a reduction in their trip duration to four hours from the current 12.

Mr. Bautista has said the government is considering tapping ODA from Japan, South Korea, or

India to fund three major railway projects — the South Long-Haul, the Mindanao Railway, and the Subic-Clark Railway — to replace Chinese funding.

He said the Philippines could also tap the World Bank, Asian Development Bank and the Japan International Cooperation Agency for funding.

"The instructions from DoF are to look for another funding source on the Subic-Clark railway," Ms. Aquino told *BusinessWorld* on the sidelines of the committee meeting. "It's officially withdrawn as per the Nov. 8 letter by the DoF to the Chinese government."

The Subic-Clark railway consists of a 71-kilometer rail line connecting the Port of Subic in Zambales to Clark, the site of an international airport.

Building materials wholesale price growth in NCR slows

BULK construction materials price growth in the National Capital Region (NCR) slowed to a two-year low while retail price growth was flat, with analysts saying the supply of building material was not pressured by any major disasters during the month.

The Philippine Statistics Authority, citing preliminary data, said the construction materials wholesale price index (CMWPI) in the NCR rose 1.7% in October against the 2.2% reading in September. The October result was well off the 11% high from a year earlier.

It was also the weakest rise in the CMWPI since the 1.2% posted in January 2021.

In the year to date, the CMWPI averaged 6.1%, below the year-earlier 8.3% average.

In an e-mail, Oikonomia Advisory & Research, Inc. President and Chief Economist John Paolo R. Rivera noted that supply was ample and that suppliers may have responded by cutting their margins.

"The fact that no major natural calamities happened helped alleviate supply side constraints," he added.

On a year-on-year basis, price growth slowed the most in the fuels and lubricants category in October, contracting by 0.7% against a rise of 16.9% a year earlier. Also showing slower price growth were G.I. sheets (3.5% in October from 16.6% in October 2022) and reinforcing and structural steel (0.6% from 13%).

On a month-on-month basis, the categories where price growth weakened were tileworks (-0.4% from 0.9%), electrical works (4.7% from 5.8%), and G.I. sheets (3.5% from 4.5%).

Retail price growth of construction materials in the NCR was steady at 1.1% in October compared with September. Growth slowed from the 6.6% posted a year earlier.

The October reading for retail price growth was the lowest since the 1% posted in May 2020.

In the first 10 months, the CMWPI averaged 2.6%, against the year-earlier average of 5.8%.

For the remainder of the year, Mr. Rivera sees an uptick in prices as the holiday season increases demand. — **Bernadette Therese M. Gadon**

Crop volumes drop 3.1% in third quarter

CROP PRODUCTION in the third quarter fell 3.1% year on year to 17.11 million metric tons (MT), the Philippine Statistics Authority (PSA) said.

In a report, the PSA said sugarcane, coconut, rubber, and cassava led the decline.

Sugarcane production fell 26% to 1.39 million MT, while coconut output dropped 1.9% to 4.05 million MT. Rubber volumes fell 12.7% to 93.24 thousand MT, and cassava output slipped 3% to 573.51 thousand MT.

In an earlier report, the PSA said the value of crop production fell 0.4% to P222.69 billion for the quarter. This accounted for 54% of overall agricultural production.

The PSA said fisheries, livestock, and poultry sectors output rose by value during the quarter. — **Adrian H. Halili**

DoTr seeking clearance to adjust MRT-4 loan terms

THE Department of Transportation (DoTr) is seeking approval from the National Economic and Development Authority (NEDA) to adjust the loan terms for the financing of Metro Rail Transit Line 4 (MRT-4).

"We will need to get maybe the approval of NEDA because there is a change in plan. There is a change in scope and change in cost," Transportation Secretary Jaime J. Bautista told reporters on Tuesday.

The DoTr is still working on the detailed engineering design of the project, Mr. Bautista said, adding that the original plan for the MRT-4 was for a monorail with limited capacity.

"The original plan for the MRT-4 was for a monorail, but now we want

to change it to a regular light rail configuration. Because the ridership there is quite huge. A monorail would have limited capacity," he added.

The MRT-4 will cover 12.7 kilometers from Epifanio de los Santos Avenue (EDSA) Ortigas Ave. junction to Taytay, Rizal. It will have 10 stations.

The project is aimed at improving urban mobility and reducing greenhouse gas emissions. Once operational, the MRT-4 is expected to serve more than 400,000 passengers daily, the Transportation department has said.

In July, the Beijing-based Asian Infrastructure Investment Bank said the Philippines is seeking a loan of about \$537.4 million for the construction of the railway. — **Ashley Erika O. Jose**

BoC collections hit P764 billion as of Nov. 10

THE Bureau of Customs (BoC) said on Tuesday that it collected P764 billion in 2023 as of Nov. 10, keeping it on track to exceed its targets.

"We attribute this achievement to increased trade activity, enhanced customs operations, and our reinforced efforts to improve lawful revenue collection," BoC Commissioner Bienvenido Y. Rubio said at a European Chamber of Commerce of the Philippines event.

According to Mr. Rubio, the year-to-date collections were running ahead of target by about 2.7%.

This year, the BoC is tasked to collect P874.166 billion, after generating P862.93 billion in 2022.

"Likewise, the BoC remains firm in its pursuit to protect the borders of our country from illicit trade in goods," said Mr. Rubio.

"In fact, our anti-smuggling campaign has resulted in the seizure of P41.9 billion worth of illicit goods from January to November 10," he added.

Mr. Rubio said that the bulk of the seized illicit goods are counterfeit apparel, shoes, and bags. He added that the other seizures were shipments of agricultural products, tobacco, fuel and oil.

He added that the value of the seized goods for the period is going to smash previous records.

"To my recollection, the highest (valuation of seized goods was) about P28 billion, and that was three or four years ago. Right now, we still have about two months," he said.

"The volume of imports actually fell, so I can only attribute (the increase) to the vigilance of the BoC in curtailing smuggling," he added. — **Justine Irish D. Tabile**

