Rules for deploying avian influenza vaccine issued

THE Department of Agriculture (DA) said it identified the types of farms that are eligible for priority status in the rollout of vaccines for avian influenza (AI), also known as bird flu.

Under the guidelines, priority has been given to commercial farms for layer chicken, layer chicken breeders, broiler chicken breeders, free-range breeders, grandparent broiler breeders, as well as small-hold layer/native chicken, duck, game fowl, turkey, and goose farms.

Commercial broiler chicken, small-hold broiler, quail, pigeon, and exotic bird farms were ineligible.

The guidelines recognize two types of vaccine deployment — protective emergency vaccination and preventive vaccination.

The DA said it will prioritize areas with a significant number of AI cases for protective emergency vaccinations. Areas at risk of an outbreak may be subject to preventive vaccination. — **Adrian H. Halili**

SEIPI sees 0% export growth as still possible after 4% fall at end of Sept.

THE Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI) said the industry's exports could still rally in the fourth quarter to bring 2023 growth to the forecast level of 0%, after shipments declined 4% in the first nine months.

"As you know, we were clobbered in the first quarter; we contracted 15%. We recovered in quarter two, where the deficit was reduced to -7% and now in the third quarter, it's around -4%," SEIPI President Danilo C. Lachica said in chance remarks to reporters.

"I just saw the end-of-September numbers. It is around -4%, but the good news is, we're looking at a very positive fourth quarter," he added.

SEIPI reported that electronics exports in the year to September totaled $33.75 billion, representing a 4.37% decline year on year.

In September, electronics exports were valued at $4.4 billion, down 9.13% from a year earlier.

However, electronics exports rose 4.64% month on month.

In August, Mr. Lachica said that SEIPI downgraded its 2023 export growth forecast to 0% from 5% after they declined 6% in the first six months.

"So, if you recall, we had a 5% projection for 2023 which we revised to flat and it's still doable. And you know, flat isn't necessarily bad given the condition of the global economy, the wars, trade tensions, and the threat of recession," he said.

"We clocked in at $49 billion last year and this year it's still the biggest commodity export, 62% in fact. However, there's some global conditions that we have (to account for)," he added.

In September, total Philippine exports amounted to $6.73 billion, of which 65.44% were electronics, SEIPI said.

Asked what the growth drivers will be, he said: "Obviously, automotive electronics, commercial, and semiconductors and components, which is 70% of our exports. The overall outlook is so bleak." — **Justine Irish D. Tabile**

At least 7 express interest in new motorcycle taxi licenses

AT LEAST seven parties are expected to contend for new motorcycle taxi concessions for currently underserved territories, the Land Transportation Office (LTO) said.

"The draft final report is to be submitted to the Congress. It is almost done and will expand the areas covered pending the action of Congress in the passage of the new law governing motorcycle taxis. The thrust is to go outside Metro Manila and Metro Cebu," Transport Assistant Secretary Vigor D. Mendoza, who heads the LTO, told reporters on the sidelines of a briefing on Wednesday.

Mr. Mendoza declined to identify the seven potential concessionaires who might be added to the ranks of the currently licensed service providers, Angkas, JoyRide and Move It.

The seven have expressed their interest in operating outside Metro Manila, he said, adding that the candidates must demonstrate their capacity for training drivers and maintaining a depot for their vehicles.

"No more Metro Manila (for now) but... (the area of deployment) will still depend on the local government units. As you know, Metro Manila is huge," he added.

The Land Transportation Franchising and Regulatory Board (LTFRB) has said that it is set to conclude the pilot study on motorcycle taxis within the year.

In 2019, the Transportation department directed the LTFRB to form a technical working group to oversee the rollout of motorcycle taxi services offered by Angkas, JoyRide and Move It.

The pilot study resumed last year after having been suspended in 2020. The study will generate recommendations on safety, security, franchising, and regulatory procedures.

Currently, ride hailing companies and accredited motorcycles-for-hire operate under a provisional authority, as Republic Act (RA) No. 4136, or the Land Transportation and Traffic Code, prohibits the use of two-wheeled vehicles for public transport.

The proposed Motorcycles-For-Hire Act, aimed to amend RA 4136, is remains at the committee levels in the Senate and House of Representatives. — **Ashley Erika O. Jose**

Initial Q2 GDP estimate left unrevised at 4.3%

THE initial second quarter economic growth estimate of 4.3% has been left unrevised, the Philippine Statistics Authority (PSA) reported on Wednesday, the day before it was due to announce preliminary third quarter gross domestic product (GDP) data.

A *BusinessWorld* poll of 18 economists conducted last week yielded a median estimate of 4.9% GDP growth for the third quarter. The median estimate would remain much weaker than the third-quarter 2022 reading of 7.7%.

Elsewhere in the second-quarter data, net primary income (NPI) from the rest of the world was revised upward to 90.7% from 90.6%.

Gross national income (GNI) — the sum of GDP and net primary income from the rest of the world — for the second quarter remained at 8.6%.

The PSA also kept the growth of industry sector unrevised at 2.1%, but altered its growth estimates for the following industry subsectors: mining and quarrying (-2.9% from -3.5%), manufacturing (1.1% from 1.2%), electricity, steam, water and waste (4.7% from 4.8%), and construction (3.6% from 3.5%).

Growth rates that were upwardly revised included that of the services sector (6.1% from 6%), transportation and storage (17.5% from 17.3%), financial and insurance activities (5.3% from 5%), real estate and ownership of dwellings (2.9% from 2.8%), education (6.9% from 6.4%), and human health and social work activities (8.3% from 8.2%).

The growth rate for agriculture, forestry, and fishing was unrevised at 0.2%.

On the expenditure side, household and government spending were left unrevised at 5.5% and -7.1%, respectively.

The growth of exports and goods and services was upgraded to 4.4% from 4.1%, while the import growth estimate was lowered to 0.2% from 0.4% previously.

Gross capital formation, the investment component of the economy, was upgraded to 0.3% from the -0.04% preliminary estimate.

National account revisions are based on procedures conforming to international standard practices, the PSA said. — **Mariedel Irish U. Catilogo**

PHL struggling to break through $10-B annual FDI level, Pernia says

THE PHILIPPINES has failed to break out of a long-running $10 billion a year ceiling on foreign direct investment (FDI), to the detriment of its manufacturing and export performance, a former chief economic planner for the Duterte government said.

At the Philippine Economic Society Annual Meeting and Conference on Wednesday, former National Economic and Development Authority (NEDA) Secretary Ernesto M. Pernia noted the struggle to exceed the $10-billion FDI cap, which he called "quite challenging for the Philippines, being the laggard in advancing its manufacturing sector. Enhancing the manufacturing sector, as our ASEAN peers have, requires ample foreign direct investment, domestic investment and the capacity to export, which is facilitated by FDI," he said.

He noted that the Philippines took in FDI of $9 billion in 2022, lagging Malaysia ($15 billion), Vietnam ($17 billion), and Indonesia ($21 billion).

"We are not attracting enough FDI because we are seen as having too many complex regulations, which actually tends to be an avenue for corruption. Regulations should be more straightforward, transparent, and simple. Simple regulations are better than a web of regulations," he told reporters on the sidelines of the conference.

The central bank reported that FDI net inflows rose 35.7% year on year to $753 million in July. In June, FDI inflows totaled $484 million.

In the first seven months of 2023, FDI inflows decreased 14.7% year on year to $4.66 billion.

"Given limited FDI, the Philippines' capacity to export is also limited as exports are largely directly related to foreign enterprises, which are the main sources of FDI," Mr. Pernia said.

He noted that the $79 billion in merchandise exports in 2022 were "rather measly" compared with those of Thailand ($287 billion), Indonesia ($292 billion), Malaysia ($353 billion), and Vietnam ($372 billion).

The Philippines also has the lowest exports-to-GDP (gross domestic product) ratio at 13.8%. This is below Indonesia's 19.6%, Thailand's 53.5%, Malaysia's 63.3%, and Vietnam's 104.2%.

Merchandise exports contracted 6.3% to $6.73 billion in September, a reversal from the 7.2% growth a year earlier and the revised 4.2% in August.

This brought the trade-in-goods deficit to $3.51 billion in September, down 27% from a year earlier. The revised deficit in August was $4.13 billion.

"What may be more feasible in the short to medium term is tapping smartly and sustainably our mining resources — namely, gold, silver, copper, iron ore, and oil mining — that are relatively abundant in the Philippines," Mr. Pernia said.

He said processing raw ore could maximize value-added before the output of our mines is shipped overseas, which could make a considerable difference in boosting the manufacturing sector.

He also noted that it is crucial to sustain the continued expansion in factory activity.

The S&P Global Philippines Manufacturing Purchasing Managers' Index was 52.4 in October from 50.6 in September. This was the second straight month of improvement in operating conditions and the strongest reading in seven months.

"The government or the private sector should do a survey or just go around ASEAN and find out how things are being done. They seem to have ways of doing things better and more productively," Mr. Pernia added.

Separately, a recent Pulse Asia survey commissioned by Stratbase ADR Institute found that most respondents want the Marcos administration to strengthen economic ties with the US and Japan.

The survey found that 74% of respondents want stronger partnerships with the US, while 55% supported enhanced ties with Japan.

Australia (46%), Canada (40%), and the European Union (26%) were also deemed by respondents to be attractive partners.

When asked to identify three ways the private sector can help in ensuring economic security, respondents said companies need to make affordable and accessible products (64%), generate jobs (60%), and develop livelihood opportunities (58%).

Stratbase ADR Institute President Victor Andres C. Manhit said: "partnering with (the US and Japan) and focusing on sectors that present great opportunities boost our chances of attaining investment-led growth that will pave the way for a resilient, prosperous, and sustainable future," Mr. Manhit said.

He said an investment-led economy will help generate better-quality jobs.

"In this regard, it would be greatly beneficial that the government provide incentives such as income tax holidays that are tailor-fit to investors that cater to both the international and domestic markets in order to support their expansion and generate more jobs," he said.

The Pulse Asia survey was conducted between Sept. 10 and Sept. 14, with input from 1,200 respondents. — **Keisha B. Ta-asan**

OPINION

You've been e-served

TAXWISE OR OTHERWISE

ADRIEL JOSHUA ZAKI SIM

The digital age has revolutionized the way people do business, including those in government. In the tax arena, the Bureau of Internal Revenue (BIR) has been continuously innovating its processes by adopting digital transmittal of data from its stakeholders and now, by electronically serving warrants following the issue of Revenue Regulations (RR) No. 11-2023.

Traditionally, Warrants of Garnishments (WG) are issued to the depositary bank of delinquent taxpayers physically or via constructive/substituted means. However, starting Oct. 1, Revenue Officers may now serve WGs via e-mail to depository banks, thereby initiating the collection process without the need for personal service.

To implement this, the RR enumerated the following procedures:

1. The Regional Director (RD), Assistant Commissioner (ACIR)-Collection Service, ACIR-Large Taxpayer Service (LTS), or Chief of the Large Taxpayer District Offices (LTDO), is to issue and electronically sign the WGs covering the deposits of the delinquent taxpayer;

2. The Collection Division, Accounts Receivable Monitoring Division (ARMD), LT-Collection Enforcement Division (LTCED), or LTDOs are to use the BIR's official e-mail address to serve the signed WGs to the Bank Head Offices and Bank Branches within the locality of the registered taxpayer, simultaneously showing the details of the tax liabilities of the taxpayers on which the corresponding WGs are based;

3. Bank Head Offices and Bank Branches are required to provide their official e-mail addresses, if not yet available, to the concerned BIR office where they are registered;

4. Service through e-mail is complete at the time such e-mail is made, or, when available, at the time that the electronic notification of service of the WG is sent. The Collection Division, ARMD, LTCED, or LTDOs may request an acknowledgement receipt of the signed WGs from the authorized official of the concerned banks;

5. As proof of service, the BIR official or employee who sent the e-mail is to execute an Affidavit of Service, with a printed proof of transmittal. This must be attached to the records of the docket of the case, together with the copy of the signed WGs sent via e-mail;

6. The Collection Division, ARMD, LTCED, or LTDOs is to request the concerned banks to facilitate and act expeditiously on the issued WGs and send the corresponding reply through the official e-mail address of the BIR. Immediately thereafter, a copy of the served WGs together with the acknowledgement receipt must be sent to the delinquent taxpayer through his/her/its e-mail address, if applicable, and through registered mail to the registered address indicated in the Integrated Tax System (ITS) and/or Internal Revenue Integrated System (IRIS);

7. The Collection Division, ARMD, LTCED or LTDOs are to send a claim letter for the garnished amount, if any, via e-mail addressed to the concerned banks, and issue an Authorization Letter to the handling Revenue Officer to collect the garnishable amount, and claim the manager's check corresponding to deposit/s of the taxpayer under garnishment pursuant to the information electronically transmitted to the BIR by the concerned banks;

8. The Revenue Officer must remit the check in payment of the tax liabilities to the authorized agent bank where the taxpayers business is located.

The BIR is indeed utilizing the benefits of modern day technology to ensure a speedy, efficient and effective way of determining and collecting the assets of delinquent taxpayers. While I can appreciate the need to ensure that delinquent taxes are collected as soon as possible, this author would like to raise some concerns in relation to the collection strategies currently being employed by the BIR.

Over a year ago, the BIR started issuing WGs even while the assessment is pending appeal (i.e., upon mere issuance of the Final Decision on Disputed Assessment (FDDA). Technically, a WG should only be issued when the taxpayer is considered delinquent — meaning, the Commissioner of Internal Revenue (CIR) or RD has issued an assessment that has gained final and executory status, (i.e., in case the taxpayer failed to respond to the Final Assessment Notice [FAN]), or upon issuance by the Court of Tax Appeals (CTA) Division or En Banc of its decision upholding the assessment making it final and executory.

So if the BIR issues a WG despite the case not being final and executory, the taxpayer's recourse to contest the premature issuance of the WG would be to file a motion to suspend the collection with the CTA. However, this will only be effective once the CTA has made its decision, which usually takes time. In the meantime though, leaving taxpayers without access to their bank accounts is detrimental to its business.

Here's hoping the BIR revisits its collection strategy to ensure fairness and proper regard for the taxpayer's right to due process.

The views or opinions expressed in this article are solely those of the author and do not necessarily represent those of Isla Lipana & Co. The content is for general information purposes only, and should not be used as a substitute for specific advice.

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