

PCCI, retailers seek tax credits to offset senior, PWD discounts

By Justine Irish D. Tabile
Reporter

BUSINESS GROUPS have asked the government to provide tax credits and other forms of support with the looming implementation of higher discounts for senior citizens and persons with disabilities (PWDs).

On Wednesday, Speaker Ferdinand Martin G. Romualdez announced plans to grant seniors and PWDs P500 in discounts per month on groceries and prime commodities, up from P260 currently.

Philippine Chamber of Commerce and Industry (PCCI) President Enunina V. Mangio said the expansion of the discount scheme will affect many companies.

"If (the discount) can be a tax credit, then it will reduce the impact, and gradually the affected businesses can adjust," Ms. Man-

gio told *BusinessWorld* in a Viber message.

Philippine Retailers Association Chairman and immediate past president Rosemarie Bosch-Ong called on the government to address the fraudulent use of senior citizen and PWD benefits before expanding them.

"We have to address the abuse and fraud in government social programs such as senior and PWD discounts. While these programs provide support to the vulnerable, there are instances of misuse," Ms. Bosch-Ong said in a Viber message.

"It will also be a burden to verify the eligibility of the customer availing of the discount, especially for micro, small, and medium enterprises," she added.

She also said that the expanded discounts will have a financial impact on businesses without offsetting tax credits.

"They cannot just pass on the cost as this will affect the business," she said.

Philippine Amalgamated Supermarkets Association President Steven T. Cua said: "By increasing the maximum weekly value of select items to be subsidized (i.e., 5% discount extended to seniors, PWDs, national athletes, and solo parents in certain LGUs) by supermarket operators, retailers may resort to jacking up the margins of items not included in the List of Basic Necessities and Prime Commodities (BNPC's) under the DTI's SRP (suggested retail price) Watch or those eligible for senior discounts to stay afloat. Or, retailers may end up not carrying their customers' favorite brands as margins for these brands become untenable to carry on their shelves."

He described the situation as a "Triple whammy... as the DTI controls prices, (discount beneficiaries) ask for additional

discounts, and these same beneficiaries "demand" to pay via credit/debit cards/digital payments, which charge retailers for usage."

Asked to comment, Assistant Secretary Amanda F. Nograles of the Department of Trade and Industry (DTI) Consumer Protection Group said that the DTI and the departments of Agriculture and Energy are studying the discount legislation.

Ms. Nograles said in a Viber message that any changes the departments plan to propose will come after due consultation.

The discount applies to rice, corn, bread, meat, fish, chicken, eggs, cooking oil, sugar, vegetables, fruits, onions, garlic, and fresh and processed milk.

According to Trade Undersecretary Ana Carolina P. Sanchez, the department will publish a list of the items covered by the discount scheme after the issuance of the inter-agency circular.

Foreign-ownership reforms seen lowering power costs

THE Department of Energy (DoE) said on Wednesday that proposals in the House of Representatives to remove foreign-ownership restrictions from the 1987 Constitution, particularly in the power generation industry, will result in reduced electricity rates.

"(Power) generation is subject to the movement of the cost of fuel, (which we do not have control over, so if we do open up, generation would be the best place (to allow investors in)," Energy Undersecretary Sharon S. Garin told the House Committee of the Whole late Wednesday.

The DoE supports amending Section 11 of Article 12 of the 1987 Constitution to allow foreign equity investment in the public utilities sector.

Legislators this week began deliberations on Resolution of Both Houses No. 7, which seeks to ease foreign ownership restrictions in public utilities, education and advertising.

"If you increase competition there, I think that will have a bigger impact on the cost to consumers," she added.

Ms. Garin cited an increase in investment in the renewable energy (RE) industry after the DoE in 2022 allowed 100% foreign ownership of RE projects by amending the implementing rules and regulations of the Renewable Energy Act of 2008.

"Since the approval of the new IRR up to December 2023, we have had 400 applications for RE service contracts. We have awarded, for 2023 alone, 275 service contracts, with a

potential capacity of 39,622 megawatts (MW), for a total of estimated cost of investment of P8.53 trillion," she told the committee.

Party-list Rep. Sergio C. Dagooc said he supports allowing foreign investors into generation, but maintained that Filipinos must keep majority control over the distribution and transmission of power.

Manila Electric Co. (Meralco) regulatory affairs head Jose Ronald V. Valles said easing foreign equity restrictions could attract more investment in the power industry.

He said amending the charter would help in "fostering infrastructure development, modernization and expansion, (and) spark greater competition within the industry, potentially leading to improved service quality and lower prices."

Mr. Valles added that more foreign investors could "address potential shortages and enhance the nation's preparedness for future energy demand by diversifying investment sources... and... contribute to the broader economic growth and development by fostering a more dynamic and competitive power sector."

Lawyer Neri J. Colmenares said opening the public utilities sector to more foreign ownership poses national security risks.

"If China, for example, controls our big generation and distribution utilities, a little commotion in the South China Sea and they could black out Luzon," he told the panel. — **Beatriz Marie D. Cruz**

Osaka-based manufacturers pitched on locating in PHL

THE Department of Trade and Industry (DTI) said that Osaka-based manufacturing companies were invited to establish or expand operations in the Philippines, following the recent visit of a delegation from the Osaka Chamber of Commerce and Industry (OCCI).

"We are optimistic about the future with our Japanese partners participating in the industrialization process," Trade Secretary Alfredo E. Pascual told the delegation.

"I'd like to reaffirm the commitment of the government for an inclusive business environment, particularly for foreign investments," he added.

Mr. Pascual said the Philippines has been receiving significant interest from Japanese firms for investment and expansion. These include manufacturing companies bringing in components of their supply chain for the manufacturing of products for the Japanese market.

Osaka-based companies in the Philippines manufacture pressed component parts, precision plastic parts, medical, glass, pharmaceutical, and consumer electronic products.

"Some of the notable Osaka-based companies operating in the Philippines are Showa Spring Co. Ltd., OB Kogyo, Ltd., Nipro Corp., Sharp Corp., and Panasonic Corp.," the DTI said.

The DTI said OCCI Chairman Shingo Torii is particularly interested in discussions regarding the expanding startup sector in the Philippines.

"The Philippines is looking forward to engaging more small and medium enterprises from Japan for further success stories about investing in the Philippines," Trade Undersecretary Ana Carolina P. Sanchez said.

In a separate statement, the DTI's Competitiveness and Innovation Group, the Board of Investments, and Singapore's Heal Venture Lab said they signed a memorandum of understanding (MoU) to conduct a competition to find innovative biotechnology and medical device applications.

"This marks a significant milestone in the advancement of the Philippine biotech sector, and I extend my heartfelt appreciation to our esteemed MoU partners for their steadfast support," according to Trade Undersecretary and BoI Managing Head Ceferino S. Rodolfo.

"As the foremost investment promotion agency in the nation, BoI advocates for the boundless potential of biotechnology," he added.

Through the partnership, the three entities are looking to support investment opportunities in biomedical innovation, as HVL Managing Partner Jaemin Park sees ample talent in the Philippines. — **Justine Irish D. Tabile**

Chamber warns prices will rise if wage hike bill becomes law

THE Federation of Filipino Chinese Chambers of Commerce and Industry, Inc. (FFCCCII) said a legislated minimum wage hike could result in further price increases in an already high-inflation environment.

FFCCCII President Cecilio K. Pedro said he has held discussions with government officials on the proposed P100 minimum wage increase for private-sector employees which is pending in Congress.

"I told them that although the proposal is good for workers at minimum salaries, at this point, we need to think about how we can stabilize things first," Mr. Pedro said.

"Initially, they even wanted to increase it by P150, but I told them that it will affect a lot of sectors and it could be a reason for businesses to increase prices immediately," he said, adding that such an increase would be equivalent to raising wage expenses by 20%, he added.

He said that even with just a P100 increase called for in the recently approved Senate Bill No. 2534, the employers' wage costs will still rise at least 15-16%.

"It's very, very high. So we need to talk about it, and we need to think of what would be the best solution and I think that it is best for it to

go through a wage tripartite meeting," he added.

Under the Wage Rationalization Act, the National Wages and Productivity Council and the Regional Tripartite Wages and Productivity Boards (RTWPBs) are authorized to study, fix, and raise wages based on local conditions.

Last year, 16 RTWPBs granted another round of daily wage hikes. The minimum wage in the National Capital Region is currently P610.

"We are not against wage hikes principally because that is needed by our minimum wage earners, but we prefer it to be discussed in the tripartite committee (so) every other aspect of business will be considered," Mr. Pedro said.

He said businesses are still dealing with high inflation and rising logistics and electricity costs.

"We have one of the highest electricity costs in the world... We have to think of ways to lower our electricity cost," he added.

Headline inflation decelerated to an over three-year low of 2.8% in January, falling within the Bangko Sentral ng Pilipinas' target of 2-4%.

Manila Electric Co. raised power rates by P0.5738 per kilowatt-hour in February. — **Justine Irish D. Tabile**

House bill proposes to set internet speed standards

A HOUSE BILL is proposing to set minimum speeds for internet services to address the lagging Philippine performance relative to the rest of the Asia-Pacific.

"This bill seeks the enforcement of standards on internet speeds to ensure consistent and high-quality internet services for all internet users in the Philippines," Batangas Rep. Lianda B. Bolilia said in House Bill No. 9916.

If signed into law, all internet service providers (ISPs) will be required to deliver a download speed of 30 megabits per second (Mbps) for mobile broadband or internet access, and 65 Mbps for fixed and fixed wireless broadband or internet access.

ISPs must "work towards providing an average internet connection speed above global average," Ms. Bolilia said.

Under the measure, ISPs and public telecommunications entities need to upgrade their infrastructure to deliver faster speeds to internet users.

Those failing to meet the standard face fines of up to P2 million, according to a copy of the measure.

"Additional efforts must be made to ensure that every Filipino gets more value for money through better services, and to

prevent the regression of the quality of internet service in the Philippines," Ms. Bolilia added.

Analytics company Opensignal said the Philippines improved its average internet speed by 4 Mbps last year, but still lags regional neighbors.

Ronald B. Gustilo, national campaigner for Digital Pinoys, said the proposed law will ensure that ISPs exhaust their efforts to improve internet services.

"If this legislation requires ISPs to incur additional costs for the maintenance of the minimum speed requirement, the government should ensure that (costs) will not be passed on to customers," Mr. Gustilo said in a Viber message.

The Philippines has the least favorable policy environment for affordable broadband and is among the slowest in the world in promoting reforms to make such services more affordable, the World Bank (WB) said in January.

In 2022, only 33% of Filipino households had a fixed broadband connection. The cost of fixed broadband was more than four times the cost in Malaysia and Vietnam and more than double the ASEAN (Association of Southeast Asian Nations) average, the WB added. — **Beatriz Marie D. Cruz**

Pest warnings raised for rice farmers in 4 regions

THE Philippine Rice Research Institute (PhilRice) said the rice crop in four regions is at risk of pest infestations in the first quarter.

In a statement, PhilRice, citing the Bureau of Plant Industry, identified the risk areas as Regions 3, 5, 6, and 7.

"Experts recommended practicing field sanitation and fallow periods, synchronizing planting schedules, timing control applications, and regularly monitoring fields to effectively mitigate pest infestations," it said.

The pests listed by BPI include rodents, brown planthoppers, rice stem borers, bacterial leaf blight, and rice black bugs.

PhilRice also urged farmers from Regions 3 and 8 to monitor

infestations of the brown planthopper. The insects suck the sap of rice plants, leading to the wilting of shoots or the entire plant and promoting mold growth.

Leonardo V. Marquez, pest management expert, said: "Farmers are encouraged to refrain from excessive nitrogen usage in flood fields as necessary, and to apply insecticides judiciously."

Producers from Regions 3, 5, and 6 were also advised to monitor bacterial leaf blight that could reduce rice yields by 10% to 60%.

PhilRice said parts of Western Visayas and Central Luzon may be affected by the rice black bug, diminishing yields by 15-23%. — **Adrian H. Halili**

Philippine Health Insurance Corporation
ADVISORY
No. 2024 - 0009

PhilHealth
Your Partner in Health

BAGONG PILIPINAS

Extension of Submission and Uploading of Konsulta Data Records for CY 2023 only

PhilHealth extends the deadline for submission and uploading of CY 2023 Konsulta data records (previously announced through PhilHealth Advisory No. 2023-0043) until June 30, 2024. The deadline of February 29, 2024 for uploading of CY 2021 and 2022 Konsulta data records remains.

If the Konsulta Package Provider (KPP) has no access to the Health Care Institution (HCI) Portal, they may submit the complete CY 2023 Konsulta data records to the nearest Local Health Insurance Office (LHIO) on or before June 15, 2024.

For information and strict compliance.

(Sgd.) **EMMANUEL R. LEDESMA, JR.**
President and Chief Executive Officer (CEO)