

# Marcos travels produce \$19B in active projects

## MinebeaMitsumi, Yokohama Rubber indicate interest in PHL expansion

THE Department of Trade and Industry (DTI) said two Japanese companies have expressed interest in investing over P7 billion to expand their operations in the Philippines.

In a briefing on Monday, Trade Secretary Alfredo E. Pascual identified the potential investors as electronics company MinebeaMitsumi, Inc. and tire and auto parts maker Yokohama Rubber Co. Ltd.

"Although it was not an investment mission, we anticipate, because they pitched it, an additional P7.4 billion of new investments," Mr. Pascual said. "They expressed their intention to invest additional funds."

MinebeaMitsumi operates in Batangas, Bataan, and Cebu, while Yokohama Rubber runs a tire plant in Clark Freeport.

Mr. Pascual was in Japan last week to attend the Philippine Economic Briefing in Tokyo, on the sidelines of which he, together with other cabinet secretaries, met with executives of eight Japanese firms.

The companies included Sojitz Corp., Mitsubishi Corp., Murata Manufacturing Co., Ltd., Sumitomo Corp., MinebeaMitsumi, Yokohama Rubber, Taiheiyo Cement Corp., and Marubeni Corp.

According to Mr. Pascual, three of these companies have produced around P22.3 billion in investments stemming from commitments made during President Ferdinand R. Marcos, Jr.'s visits to Japan.

In particular, he said Taiheiyo Cement has invested over P16 billion of its P21-billion investment pledge made during the President's visit.

This includes a P11.7-billion manufacturing plant in Cebu, which Taiheiyo hopes to inaugurate next month.

Murata has also invested P7 billion of a P47 billion commitment in expanding a ceramic capacitor line in Batangas.

"Murata's investment is important as they are expanding the production of multi-layer ceramic capacitors, which are very important to electronic products," said Mr. Pascual.

"We also hope that with their expansion, they will also bring with them some of their Tier 1 and Tier 2 suppliers so that they can complete their supply chain ecosystem here," he added.

On the other hand, Sojitz has invested P3.6 billion, exceeding its P2.6 billion commitment. The investment, which was sourced through LBS Digital Infrastructure Corp., also created 700 direct jobs.

Meanwhile, Mitsubishi, Sumitomo, and Marubeni also reaffirmed their investment pledges to the Philippines, Mr. Pascual said.

The President visited Japan twice last year, in February and December. During his visits, he was able to book P771.6 billion in investment commitments from Japanese firms, which are expected to create more than 40,000 jobs. — **Justine Irish D. Tabile**

THE Department of Trade and Industry (DTI) said on Monday that around 65 projects worth around \$19 billion have been initiated as a result of deals secured during the President's overseas trips.

In a briefing, Trade Secretary Alfredo E. Pascual said the tally of projects is as of June, and that they are in various stages of the investment process.

"There are \$19 billion (in investments) already cleared and registered with investment promotion agencies (IPAs). These investments are under categories four, five, and six," he said, referring to the classification system for progress made on investment projects.

Of the projects that have been set in motion, 12 are in category 6, meaning they are operating and are registered

with an investment promotion agency. These are valued at \$328 million.

Investments in category 5, covering projects that have registered with IPAs but not yet operating, were estimated at \$1.6 billion.

The 32 projects under category 4, which are in the process of registering, are worth \$17 billion.

The 65 projects accounted for 30% of the \$61.3 billion worth of investment leads gathered during the President's trips. The leads cover 201 projects and exclude 30 public-private partnerships.

Separately, the DTI said that it is confident that the Board of Investments (BoI) will hit its approvals target of P1.5 trillion this year.

"We hit P1.2 trillion (last year). This target is meant to motivate the

people from BoI to solicit more projects," Mr. Pascual said.

In May, the BoI approved P27.41 billion worth of investment proposals, down 23% from a year earlier. This brought the five-month approved investments total to P640.22 billion.

"That's the highest first five months' registration in our 57-year history," Trade Undersecretary and BoI Managing Head Ceferino S. Rodolfo said. "I think we are on track."

He said foreign travels will play a major role in encouraging more investment.

Last year, the BoI approved P1.26 trillion worth of investments, missing its P1.5 trillion internal target, which had been stretched from the initial P1 trillion goal set by the DTI in early 2023. — **Justine Irish D. Tabile**

## DA to press for budget of over P500B in 2025

THE Department of Agriculture (DA) said it will seek to upgrade its funding allocation for 2025 to P513.81 billion, nearly double the initial amount approved by the Department of Budget and Management (DBM).

"For the entire department, it's almost like (this year's amount). They're saying, *may increase lang yata kami ng* less than P10 billion from this year (we have an increase of less than P10 billion from this year's budget)," Undersecretary for Policy, Planning and Regulations Asis G. Perez said on Monday at a food security forum.

He added the DA hoping to lobby for more funding before the DBM submits its proposed budget to Congress.

The DA had proposed a budget of P513.81 billion for 2025. If approved, this would be more than double the DA allocation of P208.58 billion in 2024.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. has said the extra funds will support the construction of irrigation and postharvest facilities.

Additionally, due to the lack of funding and private sector investment, the DA estimates that it would take about a century to complete major infrastructure items for agriculture like farm to market roads (FMR).

"For FMR alone it will take us practically, based on the initial estimates of the Bureau of Agriculture and Fisheries Engineering, 100 years to complete all the necessary road systems," Agriculture Assistant Secretary and Spokesman Arnel V. de Mesa said.

He added that aside from FMRs the country needs to increase investment in post-harvest facilities, logistics, and irrigation.

Improvements in logistics and supply chains "will help our small-hold farmers and fisherfolk," Mr. De Mesa said.

The DA estimates that about P1.2 trillion is required to irrigate an additional 1.2 million hectares in order to boost rice production and reduce imports. It also projects a requirement of P93 billion for postharvest facilities to reduce rice and corn waste.

"There are limited resources available to finish these requirements for infrastructure," he added.

The government constructed around 67,328.92 kilometers (km) of farm-to-market roads in 2023, more than half of its goal of building 131,410.66 km in six years, according to President Ferdinand R. Marcos, Jr. — **Adrian H. Halili**

## Solar irrigation project to be pitched to ADB for financing

THE Department of Agriculture (DA) said on Monday that it will seek a 350-million-euro loan from the Asian Development Bank (ADB) to support its solar-powered irrigation projects.

"We have a proposal with the ADB, that's about 350 million euros to develop solar irrigation. This is a very inexpensive way of irrigating," Agriculture Assistant Secretary and Spokesperson Arnel V. de Mesa said in a forum.

He added that the proposed loan, once approved, will be disbursed over three years.

The Philippine Solar Irrigation Project aims to add about 180,000 hectares of irrigable farmland.

The DA estimates that there are about 1.02 million hectares of land that can be irrigated but are still relying on rainwater. — **Adrian H. Halili**

### OPINION

## Can evading taxes be a protest against corruption?

When it comes to corruption perceptions, the Philippines has remained on the low end of the spectrum compared with other countries. Unfortunately, some taxpayers use this perception as an excuse or even a justification for believing that there is no need to pay the correct taxes. Here, the question is: why would a taxpayer part with a portion of his hard-earned money, in the form of tax, when he knows that it might end up in the pockets of unintended recipients? Is the non-payment of correct taxes justified then?

It is important to note that such a mindset creates an even worse situation. Engaging in wrongdoing in response to another wrongdoing ultimately perpetuates a cycle

of negative outcomes without any resolution. When taxpayers justify a wrong act as a protest against corruption, it compounds rather than alleviates the problem.

Rather, as a taxpayer, two types of obligations should be considered — first, to pay the correct taxes; and second, to fight against corruption.

In paying the correct taxes, taxpayers may remember the adage, "Give unto Caesar what is Caesar's." This resonates deeply, emphasizing the obligation of individuals and businesses to fulfill their tax responsibilities. While frustration with corruption may be understandable, evading taxes, as a protest, deprives the government of the necessary resources for it to function effectively.

Paying taxes is not only a legal obligation, where noncompliance results in civil and criminal liabilities, but also a civic duty that directly impacts the welfare of our fellow citizens. When taxpayers contribute their share to the national treasury, the taxes paid fund the government's social welfare programs, such as healthcare, education, and housing initiatives, among others, which uplift the lives of many across the country.

In other words, it is essential to recognize that each peso of tax paid represents a potential meal for a hungry child, a textbook for an eager student, or a paved road connecting remote communities to vital services. In essence, paying taxes is not just about fulfilling legal requirements but also about contributing to the well-being of others.

Additionally, as concerned citizens, taxpayers should also be on guard in their dealings with the government by adopting a zero-tolerance stance against corruption. Remember, in a corruption case, there is a "giver" and a "receiver." Hence, to prevent corruption from taking place at the onset, taxpayers should avoid being a "giver." There is even no need to entertain the thought of being a "giver," if taxpayers are confident that they have paid their taxes correctly in the first place. This may sound idealistic, but if taxpayers do not act in the right way, then the cycle of corruption and the mindset of evading tax as a protest against corruption will continue indefinitely.

Moreover, being involved in corrupt practices is punishable by law and would result in imprisonment in addition to other penalties.

On the other hand, it is noteworthy that the Philippine Bureau of Internal Revenue (BIR) has been intensifying its efforts to combat corruption, underscoring a commitment to uphold integrity and fairness in tax administration. Do note that early this year, when the BIR issued its Calendar Year 2024 BIR Priority Programs and Projects under Revenue Memorandum Circular No. 42-2024, one of the programs and projects was the strengthening of the integrity and professionalism

of the employees and the institution. This program promotes integrity, honesty and transparency throughout the revenue service by

expediting preliminary investigations on complaints/reports against the BIR's personnel and completing the disposition of administrative cases submitted for decision. The program implements the BIR anti-corruption program. Recent reforms have also focused on enhancing taxpayer education and simplifying processes to reduce opportunities for corruption.

Indeed, safeguarding taxes paid by the taxpayers is a shared responsibility between the taxpayers and the BIR, among other stakeholders. Taxpayers bear the duty to accurately report their income and pay taxes honestly. By fulfilling these obligations, taxpayers contribute to the integrity of the tax system, preventing opportunities for corruption and tax evasion. Conversely, the BIR plays a crucial role in properly enforcing tax laws, conducting fair and reasonable audits, and ensuring compliance among taxpayers and businesses. With shared responsibility, corruption is less likely find its way into the tax system.

Evading taxes is certainly not a justified form of protest against corruption. Instead of combating corruption, tax evasion perpetuates a progression of dishonesty and violations of laws. Hence, tax evasion should be avoided, and corruption stopped.

Without tax evasion and corruption, we can imagine an ecosystem in which all taxes are paid correctly, and every peso is spent by the government on useful projects. This is a dream in which the Philippines achieves its true potential. Whether this dream can happen, or when, surely depends on the collective efforts of all responsible and concerned Filipino citizens.

*Let's Talk Tax is a weekly newspaper column of P&A Grant Thornton that aims to keep the public informed of various developments in taxation. This article is not intended to be a substitute for competent professional advice.*

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