Shipping measure expected to rein in high cargo charges


ICTSI

THE International Maritime Trade Competitiveness Act is expected to address "unreasonably high" international shipping charges, which are holding back both importers and exporters, the Department of Trade and Industry (DTI) said.

In a statement, the DTI said that it is supporting such a measure, which will establish a regulatory framework for the maritime industry and protect businesses from unfair practices.

"This bill is a crucial step towards creating a level playing field for our businesses and ensuring that they can compete on a global scale," Trade Secretary Alfredo E. Pascual said.

Mr. Pascual said addressing the charges being imposed by international shipping lines will help reduce trade costs, which "could significantly boost economic growth."

"These fees are not only burdensome for our businesses, but they also undermine our competitiveness in the global market," he added.

Under the proposed law, the Maritime Industry Authority will be given the authority to regulate shipping charges, which the DTI said will ensure transparency within the industry.

"The DTI's push for the bill has been met with strong support from the business community, which has long been clamoring for government intervention to address the issue of excessive shipping fees," the department said.

"With the backing of both the government and the private sector, the International Maritime Trade Competitiveness Act is expected to gain traction in Congress and eventually become a law," it added.

Last week, 12 business groups, led by the American Chamber of Commerce of the Philippines, Inc., also called for the passage of the measure, along with 20 other bills.

The groups said such a law will help strengthen the oversight functions of government agencies over shipping charges, thereby institutionalizing mechanisms for the efficient movement of goods.

The other signatories to the joint statement were the Association of International Shipping Lines, Inc., the Canadian Chamber of Commerce of the Philippines, Inc., the Chamber of Customs Brokers, Inc., the Confederation of Wearable Exporters of the Philippines, and the European Chamber of Commerce of the Philippines.

It was also signed by the Japanese Chamber of Commerce and Industry of the Philippines, Inc., the Korean Chamber of Commerce Philippines, the Makati Business Club, the Management Association of the Philippines, the Philippine Association of Multinational Companies Regional Headquarters, Inc., and the Semiconductor and Electronics Industries in the Philippines Foundation, Inc. — **Justine Irish D. Tabile**

Damage to agriculture from typhoon, monsoon estimated at P203 million

AGRICULTURAL damage due to the combined effects of the southwest monsoon enhanced by Typhoon Carina (international name: Gaemi) was initially estimated at P203.38 million, according to the Department of Agriculture (DA).

In a bulletin on Thursday, the DA said that the damage was reckoned at 2,574 metric tons (MT) of crops across 10,688 hectares of farmland.

The DA said that about 61.7% or 6,595 hectares of affected crops were judged to have a chance of recovery, with 38.6% or 4,093 hectares no longer recoverable.

It added that about 9,198 farmers and fisherfolk were affected by the weather events.

The majority of damage was to the rice crop, which made up 97.2% of the total. Lost volume was estimated at 2,299 MT valued at P191.53 million, with the damage spanning 10,442 hectares.

"Most of the damage and losses to rice are in the newly planted, vegetative, and reproductive stages," the DA said.

The DA valued corn losses at P3.27 million, with volume estimated at 56 MT.

Damage to high-value crops was tallied at 219 MT valued at P8.5 million. Livestock damage totaled 2,323 head valued at P80,900.

The DA said that its regional offices were ready to distribute 72,174 bags of rice seed, 39,546 bags of corn seed, and 1,966 kilograms of vegetable seed.

It added that farmers can borrow up to P25,000 from the Agricultural Credit Policy Council, payable in three years.

The government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), said Typhoon Carina left the Philippine area of responsibility early Thursday.

It caused serious flooding in Metro Manila and neighboring areas, prompting the declaration of State of Calamity.

The Department of Trade and Industry has implemented a freeze on basic commodities such as rice, corn, bread, fresh vegetables, root crops, pork, beef, poultry, eggs, milk, coffee, sugar, cooking oil, salt, laundry soap, detergent, firewood, charcoal, candles, and medicine. — **Adrian H. Halili**


FREEPIK

Brick-and-mortar retailers call for VAT on global online sellers

By Justine Irish D. Tabile
Reporter

THE retail industry said international online sellers should be taxed equally compared with physical stores in the Philippines, noting that the industry is disadvantaged when online sellers' transactions go untaxed.

Philippine Retailers Association President Roberto S. Claudio said one bill he had hoped that President Ferdinand R. Marcos, Jr. would highlight during his third State of the Nation Address was for a measure that would impose value-added tax (VAT) on online transactions.

"I wish that the proposed bill to impose VAT on all online transactions of foreign merchants in marketplaces would have been prioritized to earn more revenue for the government," Mr. Claudio told *BusinessWorld* via Viber.

Mr. Claudio said that a tennis racquet sold by his sporting goods business is charged 12% VAT, while an online merchant from China selling the same tennis racquet is subject only to 1% withholding tax.

"Can you not see the unlevel playing field that the government has created with store retailers and Chinese online retailers?," he said.

"Online transactions are running in the billions now. Imagine how much the government is losing in terms of tax revenue," he added.

On July 15, the Bureau of Internal Revenue (BIR) started collecting a withholding tax on online platforms and sellers through Revenue Memorandum Circular 79-2024.

The BIR granted an extension for online sellers to comply with Revenue Regulations (RR) 16-2023, which imposed a withholding tax of 1% on half of the gross remittances by e-marketplace operators to sellers and merchants.

The regulations cover marketplaces for online shopping, food delivery, lodging accommodation booking services, and other online marketplaces.

Despite the RR's purpose of leveling the playing field between brick-and-mortar stores and online marketplaces, Mr. Claudio said that it is still not enough.

"It's completely unfair to local retailers. Our contention is that online Chinese retailers must be subjected to the same conditions imposed on local retailers, such as in the areas of taxation, duties, intellectual property, consumer protection, and product standards," he added.

Separately, Philippine Chamber of Commerce and Industry President Enunina V. Mangio said that most of the transactions done through e-commerce platforms are not monitored as thoroughly as those of brick-and-mortar retailers.

"All our offline retailers pay their taxes, but those selling online who adopt the same pricing for the same products are not monitored to see whether they are paying taxes or not," she said.

"So what we want is for the government to charge e-commerce sellers the right taxes, or whatever it is that is being paid by offline retailers," she added.

She said that the imposition of a 1% withholding tax is a welcome move, signaling that online transactions will now be monitored.

A report by Google, Temasek Holdings and Bain & Co. projected the Philippine digital economy's growth at between $80 billion and $150 billion in gross merchandise value by 2030.

Around $60 billion of the total is expected to come from e-commerce, with transport and food generating $5 billion, online travel $5 billion, and online media $10 billion.


PHILIPPINE STAR/RYAN BALDEMOR

PHL pork, chicken imports seen rising — USDA

PORK AND CHICKEN imports by the Philippines are expected to increase this year as producers seek alternative markets in the face of falling China demand, the US Department of Agriculture (USDA) said.

In a report, the USDA said that major meat exporters like the European Union, Brazil, and the US will seek to sell more to the Philippines, Japan, and South Korea.

"However, these markets will only partially offset lower China demand," the USDA added.

Philippine pork imports are expected to rise to 500,000 metric tons (MT) this year, against the 448,000 MT estimated by the USDA last year.

In the five months to May, imports of pork rose 10.6% to 253,548 MT, according to the Philippines' Bureau of Animal Industry.

The USDA said Philippine hog production is expected to be flat after a 1.05 million MT (MMT) performance in 2023.

This would result in a shortfall in meeting demand of about 1.59 MMT this year. Demand is projected to grow 2% from last year.

On the other hand, shipments of chicken meat are forecast at 465,000 MT in 2024, against the 438,000 MT shipped in 2023.

Domestic chicken production was expected to rise 3% to 1.54 MMT this year, the USDA said, resulting in a shortfall with chicken consumption estimated at 1.99 MMT.

According to the Meat Importers and Traders Association, Executive Order (EO) No. 62, which extended low import tariffs, could stabilize meat import costs even with high international prices.

EO 62, signed by President Ferdinand R. Marcos, Jr., extended low tariffs on pork and mechanically deboned chicken meat until 2028.

The tariff for pork was kept at 15% for shipments within the minimum access volume and 25% for those exceeding the quota. On the other hand, the rate for mechanically deboned chicken was retained at 5%. — **Adrian H. Halili**

Notice of auction issued for Dumaguete port expansion

THE Philippine Ports Authority (PPA) said it has issued a bid invitation for the P533.31-million expansion of the Port of Dumaguete.

Bids will be accepted until Aug. 13, the PPA said in its notice, adding that the contractor must complete the project within 720 days from the receipt of the notice to proceed.

Bidders joining the auction are required to have completed a contract similar to the Dumaguete project.

The pre-bid conference for the port expansion project is set for July 31.

"Bidding will be conducted through open competitive bidding procedures using a non-discretionary 'pass/fail' criterion as specified in the 2016 Revised Implementing Rules and Regulations of Republic Act 9184," the PPA said.

It said the project will involve upgrading and improving the port operations area, the construction of a powerhouse, and the construction of a reinforced concrete platform and continuous roll-on, roll-off ramp.

For the year, the PPA expects a 15% increase in revenue after booking P25.44 billion in 2023. The 2024 result will be driven by a projected increase in cargo volume and passenger traffic.

The PPA has said it intends to enhance, develop and expand ports to improve their efficiency and capacity.

In the next four years, or until 2028, the PPA is setting aside about P16 billion to fund its infrastructure projects, including 14 flagship projects. — **Ashley Erika O. Jose**

IP law needs to evolve with advances in tech, trade agreements — IPOPHL

THE Intellectual Property Office of the Philippines (IPOPHL) said that the Intellectual Property (IP) Code of the Philippines needs to be responsive to developments in technology while complying with international commitments.

IPOPHL Director General Rowel S. Barba said at the Trademark Conference on Wednesday that the law is 27 years old, making it ripe for updating to address emerging challenges.

"It needs to be amended to respond to technological advances, which have created new challenges in protecting and enforcing IP rights, (and) to increase penalties to deter counterfeiting and piracy, particularly those acts that endanger life and health," the IPOPHL said.

It added that amendments to the IP law should help the Philippines comply with international agreements like the protection of sound marks under the Regional Comprehensive Economic Partnership (RCEP) agreement.

IPOPHL said that among the provisions that require immediate amendment is the limited enforcement function of the agency in addressing IP rights violations.

It said amendments must also transform its enforcement office into a bureau.

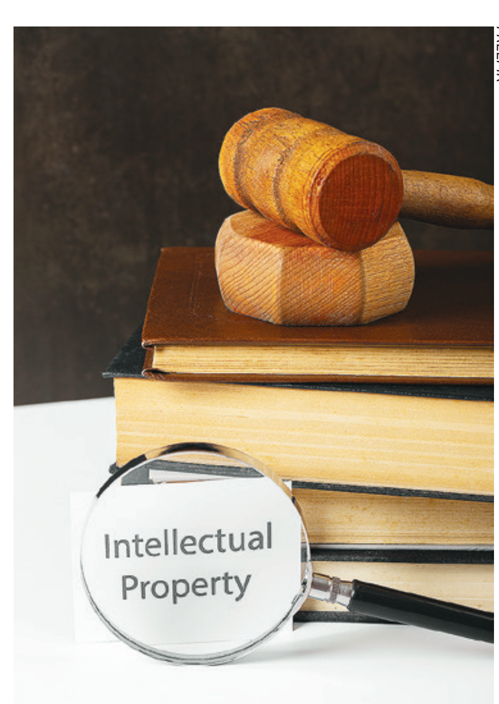
The IPOPHL also cited the need to remove the P200,000 threshold for claims in filing complaints and cases as it limits micro, small and medium enterprises' access to IPOPHL services.

Meanwhile, the IPOPHL sees the expansion of the coverage of registrable marks under the IP Code as a way to help the Philippines comply with its RCEP commitments and spur creativity.

Another required amendment sought by IPOPHL is the removal of the prohibition against the parallel filing of patents, utility model applications, and provisional patent applications.

It cited the need to transfer the mandate of the National Library of the Philippines to administer copyright deposits and registrations to the IPOPHL.

According to the IPOPHL, the bills pending in Congress seeking to amend the IP Code include Senate Bill No. 2326, House Bill (HB) No. 3838, HB 2672, and HB 799. — **Justine Irish D. Tabile**



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