Escudero sees CREATE MORE signing next month

SENATE President Francis G. Escudero said President Ferdinand R. Marcos, Jr. is due to sign the bill that will amend the Corporate Recovery and Tax Incentives for Enterprises (CREATE) in less than three weeks.

"The President is due to sign it on Nov. 11, barring any typhoons and calamities," Mr. Escudero said at the 13th Arangkada Philippines Forum in Pasay City on Thursday.

The measure "seeks to encourage more investors to actually come into the Philippines by providing a level, more predictable, and sustainable playing field, (thereby generating) jobs here in the Philippines," he added.

The bill amending CREATE is known as CREATE to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE).

Saying that he expects no veto from the Palace, Mr. Escudero said: "We are 90% sure that it will be signed as is because it was coordinated with the office of the President."

He added that the 10% accounts for the possibility of last-minute adjustments.

He noted that a veto is unlikely because the Senate is closely coordinating with the Office of the Executive Secretary and the Office of the President in the legislative process.

Congress passed the CREATE MORE bill in September. It seeks to lower corporate taxes to 20% from 25% and set a local tax of 2% for registered business enterprises (RBEs).

It will also grant RBEs a VAT zero rating on local purchases, a VAT exemption on imports, and duty exemptions on imports of capital equipment, raw materials, spare parts, and accessories.

American Chamber of Commerce of the Philippines (AmCham) Executive Director Ebb Hinchliffe said that the impending signing of the CREATE MORE bill is a positive development.

"We have been advocating for that ever since the CREATE Act left gaps. And then CREATE MORE, finally, four years later, closes that gap," Mr. Hinchliffe told *BusinessWorld*.

"It did not have everything we wanted, but it did clarify the tax refund and a little bit more about the work from home situation. We would prefer to make it equal with BoI to the other investment promotion agencies (IPAs). But 50-50 (onsite work share) is better than nothing," he added.

He said AmCham had been pressing for a 100% work-from-home option, subject to a ruling by the investment promotion agencies such as the Philippine Economic Zone Authority on whether such a policy is suitable. — **Justine Irish D. Tabile**

Electric vehicle incentive scheme could be issued before end of year

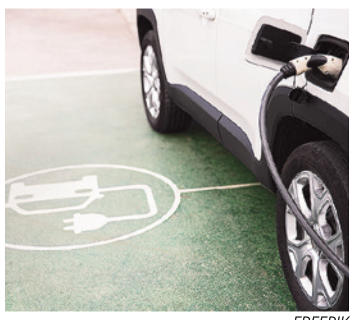
THE Department of Trade and Industry (DTI) said it hopes to release the incentive scheme for the electric vehicle (EV) industry by year's end.

"We aim to have the EVIS (Electric Vehicle Incentives Strategy) issued before the end of the year. This is also in response to what the President said two days ago," Undersecretary Ceferino S. Rodolfo told reporters on the sidelines of 12th Philippine Electric Vehicle Summit 2024 on Thursday.

Earlier this week, President Ferdinand R. Marcos, Jr. said the government is considering giving incentives to businesses that invest in the local manufacturing of electric vehicles.

This incentive policy will cover potential investors in the e-mobility industry while also prioritizing Philippine companies.

The DTI, together with the Department of Science and Technology, are tasked with coming up with a framework for the incentive scheme under the Electric Vehicle Industry Development Act.



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According to the DTI, the Board of Investments will recommend an EVIS to the Fiscal Incentives Review Board for approval.

Mr. Rodolfo said EVIS aims to support the transition from Internal Combustion Engine to EVs.

The EV Incentive Strategy is expected to result in the domestic manufacture of around four million EVs in the next 10 years.

This strategy covers incentives for consumers like purchase subsidies through direct financial rebates or discounts, tax credits, value-added tax exemptions or reductions, and special electricity rates for EV charging stations, the Energy department has said.

Separately, the Electric Vehicle Association of the Philippines (EVAP) remains positive it will hit its 2.45 million unit EV sales target by 2028, despite low penetration rates.

"As you are probably aware, we are aggressively pushing for e-vehicles in the public transport sector, with a growing number of PUV drivers and operators shifting to EVs especially in the countryside," Transportation Secretary Jaime J. Bautista said at a separate event.

EVAP President Edmund A. Araga said the Philippines is behind on its target, but EVAP is banking on the performance of two-wheeler EVs and other light electric vehicles.

"If we are going to factor in two-wheel and three-wheel vehicles, we can reach this target," he said.

EVAP is projecting a 6.6 million EV fleet by 2030. — **Ashley Erika O. Jose**

Transport dep't sees EV perks possibly covering parts imports

INCENTIVES for electric vehicle (EV) manufacturers could also include tax breaks on parts imports to boost domestic production and consumer adoption, the Department of Transportation said on Thursday.

Transportation Secretary Jaime J. Bautista said at an international motor show organized by the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) in Pasay City that the tax break proposal for parts was put forward by President Ferdinand R. Marcos, Jr. as part of the expansion of incentives to be offered under the Electric Vehicle Industry Development Act (EVIDA).

Mr. Bautista said the proposal was made during a recent cabinet meeting.

"The President would like to study the possibility of extending incentives not only for whole-EV imports but also parts because we can assemble or manufacture EVs here in the Philippines. Some parts will be imported," Mr. Bautista said.

According to Mr. Bautista, the incentive scheme is still being studied by the Department of Trade and Industry (DTI).

Executive Order No. 62, signed by Mr. Marcos on June 20, extended the zero-tariff policy on EVs and parts through 2028. The order also expanded the coverage of zero tariffs to e-motorcycles, e-bicycles, nickel metal hydride accumulator batteries, hybrid EVs and plug-in hybrid EV jeepneys or buses.

In a recent statement, Malacañang cited the need for an incentive policy for potential investors in the EV industry.

It added that the DTI has been drafting a strategic roadmap under the EVIDA which will define the possible incentives.

EVIDA sets a quota for EV adoption in organizations with vehicle fleets. One of the law's components is the Comprehensive Roadmap for the Electric Vehicle Industry, which aims to establish the country as an EV producer and exporter by 2040.

Separately, CAMPI President Rommel R. Gutierrez said the industry is expecting a 10% increase in EV sales this year.

"Last year, there were 10,000 hybrid and pure EV (units sold). Definitely, 10,000 units sold will be surpassed this year. We're confident (sales will exceed last year's by) 10%," he said.

As of Oct. 18, 25,196 EVs were registered and served by 705 EV charging stations, according to the Palace. — **Revin Mikhael D. Ochave**