

# Legislator sees mining fiscal regime approval in June after election break

By Kenneth Christiane L. Basilio and Adrian H. Halili Reporters

A SENIOR legislator said he expects Congress to harmonize the House and Senate versions of the proposed mining fiscal regime.

“We’ll probably meet after the break. It will take just one day, at most,” Albay Rep. Jose Ma. Clemente S. Salceda, who heads the House ways and means committee and is a member of the congressional joint panel that will sit in bicameral conference, told *BusinessWorld* on Sunday.

“We’ll probably have a ratified version on the same week session resumes,” he added.

Congress went on a four-month break last week for the 2025 midterm elections. It reconvenes for a two-week session beginning June 2, according to the congressional calendar.

The Philippines aims to streamline its fiscal regime for mining to capture a greater share of the industry’s profits. The country is estimated to hold about \$1 trillion worth of untapped copper, gold, nickel, zinc, and silver ore reserves.

President Ferdinand R. Marcos, Jr. said in October that rationalizing the mining fiscal regime will create an “equitable” sharing of mining wealth while simplifying the ore and minerals industry’s tax structure to make it more attractive to investors.

Miners’ tax obligations currently vary depending on the companies’ agreements with the government.

Large-scale miners operating within mineral reservations must pay 4% of their gross output, according to House Bill No. 8937, which was approved in September 2023; while the Senate is pushing for a 5% rate.

The House also proposed an eight-tier margin-based royalty regime ranging from 1.5% to 5% and a 10-tier windfall profit tax system ranging from 1% to 10%. Senators are seeking a five-tier margin-based royalty system ranging from 1% to 5% and a windfall profit tax system ranging from 1% to 10%.

“I’m quite happy with both versions. The only principle-based contention is the mineral ore export ban,” Mr. Salceda said, noting that other differing provisions will be resolved via “amicable give-and-take.”

There will likely be a “few rate adjustments” on the proposed tax schedules. He did not elaborate.

The mining industry supports margin-based and windfall profit tax schemes, regardless of which version is adopted, Michael T. Toledo, chairman of the Chamber of Mines of the Philippines (CoMP), told *BusinessWorld*.

“We can live with the mining fiscal regime provisions of both the House and Senate version. They are nearly identical,” he said via Viber. “This would put the Philippines at par with other mining jurisdictions and ensure a sustainable and vibrant mining industry.”

But Mr. Toledo said a raw ore export ban being proposed in Senate Bill No. 2826 could hurt the Philippines’ attractiveness to investors.

“The raw ore export ban provision in the Senate version... dampens our hopes for a mining tax system that would help boost our country’s viability as an investment destination.”



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# Maharlika, CP Group to set up \$1-billion agri investment fund

By Aubrey Rose A. Inosante Reporter

THE Maharlika Investment Corp. (MIC) and Thailand’s Charoen Pokphand Group Co., Ltd. (CP Group) have agreed to set up a private equity fund to raise up to \$1 billion for investment in agriculture and food production, digital innovation, and sustainable energy.

In a statement on Monday, MIC President and Chief Executive Officer Rafael D. Consing, Jr. and CP Group Chairman Soopakij Chearavanont signed a memorandum of agreement witnessed by President Ferdinand R. Marcos, Jr.

“With this collaboration, MIC and CP Group aim to establish a private equity fund, with target to raise up to \$1 billion,” the MIC said.

CP Group, founded in 1921, operates in more than 30 countries with businesses in agriculture, food production, and retail.

“This partnership will lay the groundwork for a multi-sectoral investment initiative that will drive long-term economic growth while reinforcing the Philippines’ position as a premier investment destination,” Mr. Consing said.

The MIC said a steering committee will drive project selection, fund structuring, and investor engagement. Its first capital close is expected within the next 9-12 months.

“The members will be composed of representatives from both MIC and CP Group, bringing together their respective expertise and perspectives,” he told *BusinessWorld* via Viber.

Mr. Consing said that the steering committee will provide strategic oversight, while the day-to-day management of the fund will be handled by a team of investment professionals.

“We are currently in the process of finalizing the composition of the steering committee and

the fund management structure,” he said, noting that the fund will engage with potential investors in the coming months.

Among the key investment areas are agri-food modernization, digital and e-commerce projects, financial technology, renewable energy and infrastructure.

“CP Group’s century of experience building successful businesses, coupled with MIC’s mandate to strategically invest in key sectors of the Philippine economy, create a compelling proposition for potential investors,” Mr. Consing said.

The sovereign wealth fund has not yet formally solicited indications of interest from Philippine companies, he said.

“We anticipate strong interest from both domestic and international players who recognize the potential for investment returns while contributing to the sustainable development of the Philippines,” he said.

Foundation for Economic Freedom, Inc. President Calixto V. Chikiamco said via Viber that the MIC’s foreign partnership is a “good sign” that it is able to leverage its investment.

Michael Henry Ll. Yusingco, a fellow at the Ateneo de Manila Policy Center said the fund must comply with constitutional limitations on foreign ownership and cannot invest in areas not sanctioned by its charter, “no matter how lucrative they are.”

Mr. Yusingco said allowing representatives from the CP Group for the private equity fund’s steering committee but the majority must still be Filipinos.

“As far as areas of need, investments in the energy sector, public transportation system, and food production need to be prioritized,” Mr. Yusingco told *BusinessWorld* via chat.

He said the fund’s advantage is that it can mobilize funding more rapidly than the government.



BW FILE PHOTO

## Rice inventory up 6.4% in January

THE national rice inventory rose to 2.16 million metric tons (MMT) in January, up 6.4% year on year, the Philippine Statistics Authority (PSA) said on Monday. Month on month, the rice inventory declined 15.7% from 2.56 MMT in December, the PSA said in a statement.

Year on year, rice held by National Food Authority (NFA) depositories rose 485.1% while grain held by households rose 5.4%.

Month on month, NFA holdings rose 97.7% while stock held by households rose 17.4%.

Rice held by commercial entities fell 16.55% year on year and 46.1% month on month, the PSA said.

The Department of Agriculture (DA) said last month that it is expecting the harvest of palay (unmilled rice) this year to exceed 20 million MT.

If realized, this would represent a 6% increase from the 19.3

MMT estimate for 2024 production and a 1.9% rise from the record 20.06 MMT posted in 2023.

The DA last month declared a food-security emergency for rice, citing an “extraordinary” spike in the prices of the grain despite lower tariffs for imports.

The PSA, meanwhile, said corn stocks fell 45.0% year on year to 328,40 MT and fell 40.1% month on month. — **Kyle Aristophere T. Atienza**

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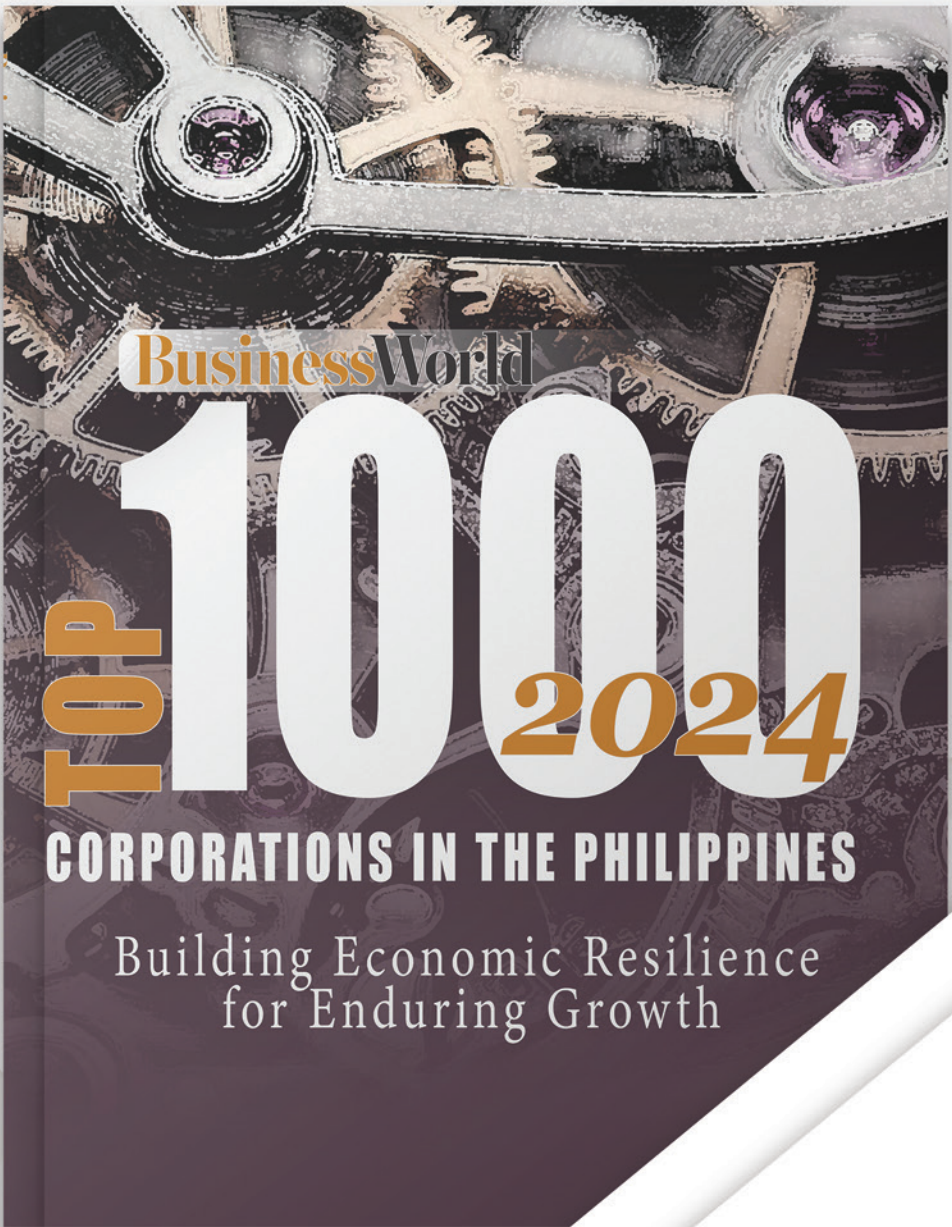
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