Tourist VAT refund seen generating increased visitor revenue in 2025

THE Department of Tourism (DoT) said tourism revenue is expected to rise this year, aided by the new tax refund for tourists.

"2024 was a banner year for Philippine tourism, with international spending reaching around P760 billion, a 126% recovery rate (from pre-pandemic levels). Our goal was always to exceed that, which we achieved the previous year," Tourism Secretary Ma. Esperanza Christina G. Frasco said on Monday.

She said that the value-added tax (VAT) refund for foreign tourists and DoT's collaboration with the Department of Trade and Industry (DTI) will encourage more visitor spending.

She added such measures will allow the country "to exceed its international visitor receipts as well as domestic tourism receipts from the year before."

On Monday, the DTI and DoT signed a memorandum of agreement (MoA) to strengthen coordination in promoting tourism-related industries, participate in joint trade and tourism missions, develop sustainable tourism-related enterprises, and encourage the growth of micro, small and medium enterprises (MSMEs).

"Through this MoA, we will give our tourism MSMEs the platform to avail of the programs of the DTI, especially in supporting the expansion of their livelihood and businesses," Ms. Frasco said.

"We anticipate that with this convergence between the DoT and the DTI, our tourism development programs will be further improved, especially pertaining to our Philippine Experience Program," she added.

The MoA is expected to facilitate tourism MSMEs' access to Small Business Corp. financing, to which the DTI has allotted P500 million.

"The loans are actually available, but the full rollout of this begins this year and will continue in the coming years," said Ms. Frasco.

She added that the MoA also includes DTI and DoT partnerships in joining trade and tourism expositions. — **Justine Irish D. Tabile**

Former John Hay operator offers to waive settlement

FORMER Camp John Hay operator CJH Development Corp. (CJHDevCo) has offered to waive its P1.42-billion final arbitral award in exchange for recognizing the rights of third-party investors.

In an open letter to President Ferdinand R. Marcos, Jr., CJHDevCo said that it is willing to relinquish its rights to the arbitral award, including its claim for interest, as long as the Bases Conversion and Development Authority (BCDA) honors the rights of over 3,000 investors.

"Purely for the sake of peace, we offer to forego and waive CJHDevCo's P1.42-billion final arbitral award, which the BCDA is required to pay pursuant to the final award, which the Supreme Court affirmed," the company said.

"(This is) on the condition that the government honors, respects, and protects the rights of the Camp John Hay third parties — the buyers, owners, and investors — under the contracts they entered into with CJHDevCo," it added.

CJHDevCo said that the offer will be valid for the next 30 calendar days from the date of the letter. The letter was dated April 4.

According to CJHDevCo, the issue involves 189 owners of condominium units at the Manor, 208 owners of condominium units at Forest Lodge, 25 owners of country homes, 56 owners of forest cabins, 13 owners of log homes, 45 owners of estate houses and lots, 38 owners of lot pads, and 2,500 golf membership certificate holders.

The company asked the President to direct the BCDA to keep the "owners and investors free and harmless from any legal challenges."

"We urgently appeal for your support in recognizing the rights of several thousand unit owners, homeowners, property owners, and golf club members of Camp John Hay in Baguio City, who are now facing a grave and unjust situation due to the takeover by the BCDA of their homes and properties," CJHDevCo said in the letter.

It said that the crisis for the homeowners escalated when the BCDA took measures to padlock the homes and condominium units "without due notice and without following due process."

"This action has left many home and unit owners in limbo as they were unceremoniously ousted from their homes and properties," it added.

The BCDA recovered Camp John Hay, a former US military facility for the recreation of its servicemen, after the Supreme Court issued a final resolution allowing the recovery of the leased 247-hectare property from CJHDevCo in January. — **Justine Irish D. Tabile**

Agricultural goods trade deficit tops $797 million in February

THE deficit in the agricultural goods trade in February rose 11% year on year to $797.65 million, according to the Philippine Statistics Authority (PSA).

Agricultural exports in February rose 20.9% to $691.92 million, the PSA said.

It said agricultural exports accounted for only 31.7% of two-way agricultural trade, valued at $2.18 billion for the month. Farm goods accounted for 11.1% of total exports.

Agricultural imports on a year-on-year basis rose 15.4% in February to $1.49 billion. Farm goods accounted for 15.8% of total imports that month.

The $2.18 billion in agricultural total trade in February was up 17.1% year on year, accelerating from the January and February 2024 growth rates of 15.4% and 8.5%, respectively. — **Kyle Aristophere T. Atienza**

Green lane-approved projects valued at P5.17T

PROJECTS approved for green lane treatment have been valued at P5.165 trillion as of April 6, the Board of Investments (BoI) said.

The green lane pipeline now includes 202 projects, which are estimated to generate 301,559 jobs. Projects certified in the first quarter accounted for P629.18 billion of the pipeline.

Renewable energy (RE) projects accounted for 78.22% of the total, with a combined cost of P4.75 trillion across 158 projects.

"The overwhelming investment in RE suggests a long-term vision for environmental responsibility and energy independence," Ernesto C. Delos Reyes, Jr., director of the BoI Investment Assistant Service and One-Stop Action Center for Strategic Investments, said via Viber.

Investment in RE projects increased after the government allowed full foreign ownership in the industry. Foreign ownership had been capped at 40% before it was liberalized.

Green lane-certified RE projects also accounted for 269,699 of the job-creation estimate.

The pipeline also includes nine digital infrastructure projects valued at P364.88 billion.

Some 31 food-security projects worth P18.7 billion were also certified, along with four manufacturing projects worth P36.91 billion.

"Food security remains a key concern, while digital infrastructure and public-private partnerships are receiving moderate attention," he said.

"Manufacturing, although receiving the least allocation, may still contribute to economic growth in specific industries," he added.

Established through Executive Order No. 18 in February 2023, green lanes aim to accelerate and simplify the permit and licensing processes for strategic investments.

Mr. Delos Reyes said that the government's strategic priorities include sustainability, food security, and digital transformation.

"Overall, this distribution highlights a forward-thinking approach that balances environmental, economic, and technological progress. Further analysis may be required to assess the long-term impact and effectiveness of these investments," he added. — **Justine Irish D. Tabile**

Tribunal backs power regulators' authority to implement RE tariffs

THE Supreme Court (SC) upheld the authority of the Department of Energy (DoE), the Energy Regulatory Commission (ERC), and the National Renewable Energy Board (NREB) to implement the fixed tariff system for renewable energy (RE).

In a decision written by Senior Associate Justice Marvic M.V.F. Leonen, the SC, sitting en banc affirmed Sections 6 and 7 of Republic Act No. 9513, which are designed to foster the growth of renewable energy sources and reduce greenhouse gas emissions.

Upholding a Court of Appeals ruling, the Supreme Court held that the law is complete and sets clear standards, thus validating the delegation of legislative powers to administrative agencies.

While Congress generally cannot delegate its powers, the SC said that it may authorize agencies to create rules and set rates on technical matters requiring specialized knowledge.

The tribunal noted that such delegation is necessary in matters requiring technical expertise.

The court also found that sections 6 and 7 ensure that agencies so delegated act within defined parameters.

Section 6 of the law establishes Renewable Portfolio Standards, requiring power suppliers and distribution utilities to source a minimum share of their electricity from renewables. The NREB determines this percentage.

Section 7 introduces the Feed-In Tariff (FIT) System, which provides incentives to renewable energy developers, such as fixed tariff payments and priority access to the power grid.

To implement these provisions, the respondent agencies issue resolutions approving the tariff rates and FIT Rules and Guidelines.

These include the FIT Allowance — a separate charge on consumers used to support the program. The SC upheld the advance collection of the FIT Allowance.

It clarified that although electricity from renewables must be generated before receiving FIT incentives, the law does not prohibit collecting funds beforehand to support the system.

The Court also found that the FIT Allowance aligns with the law's objective to accelerate the development and use of renewable energy by establishing the necessary infrastructure and systems.

The SC found the NREB to be compliant with notice and publication requirements as laid down in the ERC Rules of Practice and Procedure.

The case stemmed from a challenge to the legality of the issuances, which resulted in claims that in determining how to implement the FIT System and the Renewable Portfolio Standard, the agencies improperly exercised legislative powers, which properly belong to Congress. — **Chloe Mari A. Hufana**

DTI,
from S1/1

Mr. Ferrer said many local firms, as well as global companies, put expansion plans on hold in anticipation of the tariff announcement.

"The ripple effect is on the supply chain, which affects the Philippines," he said.

Mr. Ferrer said the relatively lower tariff rate on the Philippines compared with its neighboring countries puts it in a "good position" to secure future investments.

"Moving forward, we can see, we will do some campaigning in our partner countries, from Taiwan, Japan, of course the United States and some European Union countries, on how to bring in the much-needed foreign direct investments (FDIs) in services in manufacturing," he said.

Earl Lawrence S. Qua, president of the Electronics Industry Association of the Philippines, said the government should try to work with the US to lower the tariffs.

"We need to make sure we do not escalate further and try to negotiate with the US to bring down tariffs. At the moment we need to wait and see how the tariffs will be implemented," Mr. Qua said.

However, Leonardo A. Lanzona, who teaches economics at the Ateneo de Manila University, said that while the 17% tariff "would seem to be small," the impact would still be greater compared with other countries since the US is the Philippines' top export destination.

"To assume that other countries will choose to come in the Philippines because of the lower tariffs is as irrational as these tariffs imposed by Trump," Mr. Lanzona said.

In 2024, the US was the top destination for Philippine exports, accounting for 17% of the total.

COUNCIL

Meanwhile, the Philippine Economic Zone Authority (PEZA) said that it is crucial that the Philippine government establish an Economic Security Council amid the new US tariff measures.

"The proposal to establish an Economic Security Council is crucial given the global business risks posed by US tariffs, as well as the geostrategic considerations that the Philippines must now take into account in these still uncharted waters," said PEZA Director-General Tereso O. Panga in a Facebook post.

"In PEZA, we believe we must craft a concrete roadmap to move forward together — seizing opportunities while mitigating the impact of tariffs on global trade involving the Philippines," he added.

The Management Association of the Philippines (MAP) earlier recommended the formation of an Economic Security Council under the Office of the President to address the impact of the US tariffs.

According to the MAP, the council should be composed of the DTI, the Department of Foreign Affairs, the National Security Council, the Department of Finance, the National Economic and Development Authority, PEZA, the Anti-Red Tape Authority, the Department of Labor and Employment, and appropriate private sector and industry representatives.

Mr. Panga said that the first step should be to secure reduced tariff lines for key economic zone (ecozone) exports to the US.

Key ecozone exports to the US include EMS-SMS (electronics manufacturing services and semiconductor manufacturing services), machinery, transport equipment, automotive parts, and select agricultural products, including coconut. — *with* **Aubrey Rose A. Insosante** *and* **J.V.D.Ordoñez**