Mercedes-Benz says PHL market for EVs growing more attractive

DEMAND for electrified vehicles (EVs) has been growing in the Philippines, making it more attractive for car brands to launch new models, Mercedes-Benz Philippines said.

"I think acceptability has been growing for new energy vehicles, and that includes full electric, hybrids, and mild hybrids," Maricar Parco, general manager at Mercedes-Benz Philippines, told *BusinessWorld* on Friday.

"We have seen that from the previous year, this has doubled. If I am not mistaken, it is from about 3.5%, and this year for the first quarter it is about 7% already. So most brands are also providing opportunities for Filipinos to try the new energy vehicles," she added.

She said Mercedes-Benz vehicles with some form of electric propulsion consist of 10% of the sales mix.

"It's significant, and we want to grow that further with our plug-in hybrid electric vehicles (PHEV) to about 15% of our sales mix," she added.

On Friday, Mercedes-Benz launched two plug-in hybrid models — the GLC 350e PHEV and the E 350e PHEV, the brand's initial PHEV models in the Philippine market, which will sell for P4.89 million and P5.49 million, respectively.

"We introduced the full electric models two years ago, which is the EQ line. Now, we are building on that portfolio with PHEVs ... And we are starting with two models, a sedan and an SUV. These are just additional products in our portfolio for new energy vehicles," Ms. Parco said.

"This is really part of our business strategy towards electrification. Mercedes-Benz set a target in 2018 to go fully electric by 2039. So that will also depend on the market readiness. But for our part, we feel that PHEVs would be a good alternative for Filipino motorists who are not ready yet to go full electric," she added.

Last year, Mercedes-Benz sold over 700 vehicles, while in the first four months of this year, the brand accounted for 15% of the luxury segment.

"We are looking into the introduction of a couple more plug-in models for the second half of the year. So people can expect more to come," she added.

She said that the company is looking to add one more dealership in Northern Luzon.

"We are still in talks with potential partners. But we are looking at having that up hopefully by the third quarter," she added.

Currently, Mercedes-Benz has four dealerships, located in Greenhills, Bonifacio Global City, Alabang, and Cebu. — **Justine Irish D. Tabile**

Retail industry seeks gradual cuts to de minimis threshold

THE Philippine Retailers Association (PRA) said it supports the gradual abolition of the de minimis rule for imports, adding that the lowering the threshold for taxing such shipments would be a good start.

It said the outright abolition of the de minimis rule could be "too aggressive" a move for consumers.

Retailers have been complaining about competition from overseas online sellers, whose shipments are untaxed if their value falls below P10,000.

"Considering the current importation climate in the Philippines, removal may be too aggressive of a step," the PRA said in a letter to the Bureau of Customs (BoC) dated May 6.

The PRA said that the government could explore alternatives like lowering the threshold, limiting the availment of the de minimis tax-free privilege to once per month per consumer, and applying tax if the goods are for commercial resale and not personal use.

PRA President Roberto S. Claudio said that the group will continue pushing for the eventual removal of the de minimis rule.

"The European Union has already completely abolished de minimis; in the US, they also eliminated it," Mr. Claudio said by telephone.

"If we don't abolish it, we could just gradually lower the threshold. We are not giving a figure because we want the BoC to determine that," he added.

The P10,000 de minimis rule was implemented through Customs Administrative Order (CAO) 2-2016. The exemptions are designed to ease the administrative burdens of such imports.

"The reason they implemented the de minimis rule is to ease the clearance of personal effects, so there will be fewer administrative steps involved in bringing in small and insignificant products," he said.

"But with the advent of e-commerce, items come by piece; they don't come in bulk shipments. So this leads to a tremendous loss of government revenue," he added.

The PRA has yet to receive a response from the BoC, but noted that Finance Secretary Ralph G. Recto has said that the CAO is currently being reviewed. — **Justine Irish D. Tabile**

P1.6-B NGCP Ilocos Norte substation project approved

THE National Grid Corp. of the Philippines (NGCP) has won approval from the Energy Regulatory Commission (ERC) to pursue its P1.63-billion substation project in Ilocos Norte.

In a notice, the ERC said that the approval of the projects is subject to "optimization based on actual use and verified expenses, and the additional instructions issued by the Commission during the deliberation."

According to the NGCP's 2022 application, the proposed Pinili 230-kilovolt Substation Project seeks to address load growth in the Ilocos Region.

The grid operator said the project will serve as the new connection point for future renewable energy power plants in the area.

The project is expected to be finished within 62 months.

NGCP.PH

Pinili Substation is among six projects worth a total of P20.33-billion that NGCP is seeking to pursue under the application.

Under Section 9 of the Electric Power Industry Reform Act (EPIRA) of 2001, the grid operator is required to seek the approval of the ERC for any plan to expand or improve its facilities.

Last month, the ERC said it completed the NGCP's fourth regulatory period rate reset spanning 2016 to 2022.

In a decision by the majority composed of commissioners Alexis M. Lumbatan, Floresinda G. Baldo-Digal, and Marko Romeo L. Fuentes, the regulator approved a maximum allowable revenue of P335.78 billion for NGCP for the period.

Following the decision, the majority authorized the NGCP to collect P28.29 billion in under-recoveries, which will result in an increase in transmission charges.

Under the seven-year recovery period set by the majority, the NGCP is allowed to collect an additional P0.1013 per kilowatt-hour in transmission charges over the 84 months from issuance of the decision.

EPIRA authorizes the ERC to establish a method for setting transmission and distribution wheeling rates. The rates must be set in a way that allows the recovery of "just and reasonable costs and a reasonable return on rate base" to enable the entity to operate viably. — **Sheldeen Joy Talavera**