

## BoC sees pickup truck tax, rice tariff hike mitigating revenue foregone due to EO 62

THE Bureau of Customs (BoC) said it is counting on the reinstated excise tax on pickup trucks and a potential gradual increase in tariffs on rice imports to offset the revenue foregone as a result of Executive Order (EO) No. 62.

Assistant Commissioner Vincent Philip C. Maronilla told *BusinessWorld* by phone that these measures could help mitigate the fiscal impact of EO 62, which reduced import levies on rice, electric vehicles (EVs), pork,

corn, and mechanically deboned poultry meat.

Customs blamed the P30 billion in revenue foregone due to EO 62 for missing its P939.6-billion collection target last year.

“We’ve also been expecting the implementation of (Capital Markets Efficiency Promotion Act) since last year. Again, that’s one of the things that we look at in order to balance out the reduction in tariff when it comes to EVs,” Mr. Maronilla said.

Republic Act No. 12214 or CMEPA reduced the stock transaction tax and documentary stamp tax.

The Department of Finance earlier estimated that CMEPA could generate P25 billion until 2030 for the Treasury.

“We see pickup trucks evolving into commuter vehicles. Also in being used in the same manner as some other SUVs (sport utility vehicle). There are also luxury pickup trucks already in the market,” he said.

Pickup trucks had been exempt from excise tax under the Tax Reform for Acceleration and Inclusion Law, to support small business owners and professionals.

In addition, Mr. Maronilla said the BoC is counting on proposals to gradually return the rice import tariff to 35% from the current 15%.

Any increase in the tariff is positive for Customs revenue, he said.

“We support the Department of Agriculture (on the tariff adjustment) not just because it’s go-

ing to mean more revenue, but I think the world prices of rice right now are falling, so increasing the tariff (won’t affect retail prices much),” Mr. Maronilla said.

This year, the BoC is hoping to collect P1.06 trillion, 14.28% higher than the actual collections of P931.05 billion in 2024.

In April, Customs revenue fell 7.48% to P74.7 billion. This brought year-to-date collections to P306.1 billion, up 2.16% from a year earlier.

Mr. Maronilla said surge of prices such as petroleum due to the escalation of the Middle East conflict means higher tariff collection, though he cautioned about the impact on inflation.

“As much as the Bureau wants to collect so much in terms of taxes on petroleum products, we want also to have a balance of economic gain and economic impact of these kinds of products,” it said. — **Aubrey Rose A. Inosante**

## Mining industry bracing for volatile nickel, copper

THE Chamber of Mines of the Philippines (CoMP) said on Sunday that the air strikes on Iran will make prices of industrial metals like nickel and copper more volatile, while investors are expected flock to gold to ride out the crisis.

“Historically, industrial metals such as copper and nickel often experience volatility due to supply chain disruptions and shifting demand, while geopolitical tensions of this scale drive up gold prices,” CoMP Chairman Michael T. Toledo said via Viber.

The US early Sunday struck several key nuclear facilities in Iran, with US President Donald J. Trump claiming in a speech that sites were “totally obliterated,” and warned that the US could go after additional targets.

Iranian officials have downplayed the attack’s impact but warned of “everlasting consequences.” They have sought an emergency UN Security Council meeting.

“Despite global uncertainty, we remain cautiously optimistic about the resilience of the Philippine mining industry, particularly in gold, copper, and nickel production,” Mr. Toledo said.

The Chamber said downside risks include inflation, rising energy costs, and logistical constraints, which may all affect miners’ operations and project timelines.

“Our members remain committed to managing these risks with discipline,” Mr. Toledo said.

The Chamber, meanwhile, said it supports government efforts to ensure a “stable, competitive policy environment for mining,” citing recent reforms including the proposed rationalization of the mining fiscal regime, which it said strengthens “investor confidence and positions the industry for sustained growth, even amid external headwinds.”

The measure, which seeks a margin-based royalty tax on mines operating outside mineral reservation and a windfall profits tax on all mines, is now up for the President’s signature after legislators agreed to drop a proposed ore export ban. — **Kyle Aristophere T. Atienza**

### Real estate,

from SI/1

This brought the gross nonperforming real estate loan ratio to 3.75% at end-March, lower than 4.07% a year earlier.

Meanwhile, real estate investments also dipped by 1.86% to P372.4 billion as of end-March from P379.45 billion in the same period a year ago.

Debt securities increased by 1.93% year on year to P256.04 billion, while equity securities fell by 9.28% to P116.36 billion.

Joey Roi H. Bondoc, director and head of research at Colliers Philippines attributed the banks’ lower exposure ratio in the first quarter to the drop in consumer demand for housing loans.

In a phone interview, Mr. Bondoc said there have been reports that homebuyers are backing out of their loans.

“Once it enters the bank financing, [the payment] balloons to, say, quadruple, quintuple times. That’s the problem,” he said, noting that some buyers may have been attracted by the low downpayment.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said real estate developers may also be cautious in managing new supply after the exit of Philippine offshore gaming operators.

“Banks, real estate companies, investors, end-users also cautious on possible slower world and local economic conditions due to



PHILIPPINE STAR/MIGUEL DE GUZMAN

**PHILIPPINE banks’ exposure to the real estate sector fell to a six-year low at the end of March.**

Trump’s higher tariffs/trade wars/other protectionist policies and geopolitical risks recently such as the Israel-Iran war,” Mr. Ricafort said.

Mr. Bondoc said he sees some “green shoots of recovery, but those are primarily outside of Metro Manila.”

“The horizontal house and lot projects are still good. But, again, the more expensive projects, say those in Metro Manila, including the condos, the take-up is definitely down,” he said.

Recent rate cuts by the BSP may not have been felt by consumers.

“We’ve seen these reductions already from the central bank since last year. But have we seen an impact, a positive impact, meaning

reduced mortgage rates? Not yet. We have not seen that,” Mr. Bondoc said.

On Thursday, the BSP delivered a second straight 25-basis-point (bp) cut, bringing its policy rate to 5.25% amid a benign inflation outlook and slowing economic growth.

It has now reduced benchmark borrowing costs by 125 bps since it began its easing cycle in August last year.

“Our average rate, for example, five-year loans, still at 7.7%. When last year, it was 7.8%. There’s really no sizable, substantial correction or reduction in terms of these mortgage rates,” Mr. Bondoc said.

BSP Governor Eli M. Remolona, Jr. also signaled they could deliver one more 25-bp cut this year.

may still be aligning supply chains, complying with rules of origin, and finding Korean buyers under the new terms,” he added.

To further benefit from the FTA, the Philippines should also strengthen its participation in the Regional Comprehensive Partnership and support micro, small, and medium enterprises in compliance and market access, Mr. Rivera said.

“With the right strategies, the FTA remains a valuable platform to diversify and deepen our economic ties with South Korea,” he added.

Entered into force last year, the Philippines-South Korea FTA is seen as critical in reducing the country’s tariff disadvantage against South Korea’s other FTA partners.

In particular, the Philippine government expects the FTA to help the Philippines recover its market share in South Korea’s banana imports after losing it to its ASEAN competitors, some of which already enjoy zero tariffs.

Aside from bananas, gains were also expected in Philippine exports of machinery and transport equipment and garments.

### Exports,

from SI/1

In April alone, the country exported \$264.84 million worth of goods to South Korea, down 16.8% from \$318.27 million in the previous year.


This made South Korea the country’s seventh-largest export market in April from being the country’s fifth-major trading partner in terms of exports in the same month last year.

“The FTA could have helped cushion the decline, at the very least, and could support future growth in Philippine exports after political and economic conditions already stabilized in South Korea recently,” Mr. Ricafort said.


“So yes, it can rebound in the second half due to better economic and business conditions in South Korea after the political and market turmoil a few months ago,” he added.

South Korea was plunged into a political crisis when then-President Yoon Suk Yeol declared martial law on Dec. 3, 2024. Earlier this month, a liberal party candidate, Lee Jae-myung, was elected president in snap elections and took office.

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Republic of the Philippines  
Department of Energy  
(Kagawaran ng Enerhiya)



**DEPARTMENT CIRCULAR NO. DC 2025-06-0009**

**AMENDMENT TO DEPARTMENT CIRCULAR NO. DC2025-03-0004  
TITLED, PROVIDING THE REVISED GUIDELINES FOR THE GREEN  
ENERGY AUCTION PROGRAM IN THE PHILIPPINES**

**WHEREAS**, the Department of Energy (DOE) issued the Revised Guidelines for the Green Energy Auction Program (GEAP) through Department Circular (DC) No. DC2021-11-0036, or the “GEAP Guidelines,” on 03 November 2021;

**WHEREAS**, through the GEAP, DOE instituted a competitive process in the selection of eligible renewable energy (RE) facilities entitled to the Feed-In Tariff (FIT);

**WHEREAS**, under the GEAP, the FIT to be paid to the selected eligible RE facilities is fixed based on the price (in Php/kWh) of the Winning Bidder’s offered capacity in a Green Energy Auction, known as the “Green Energy Tariff” (GET);

**WHEREAS**, the DOE amended the GEAP Guidelines through: (a) DC No. DC2023-09-0027 which clarifies that the GET of a Winning Bidder is equivalent to the FIT that shall be paid from the FIT Allowance (FIT-All) Fund; and (b) DC No. DC2025-03-0004 which provides that the GET resulting from auctions under the GEAP shall be subject to indexation as may be determined by the Energy Regulatory Commission (ERC) in accordance with the FIT Rules, among others;

**WHEREAS**, there is a need to clarify the indexation as provided in DC No. DC2025-03-0004;

**NOW, THEREFORE**, pursuant to its authority under Republic Act No. 9513, or the Renewable Energy Act of 2008, the DOE hereby adopts, issues, and promulgates the following amendment to the GEAP Guidelines:

**Section 1.** Section 16 of the GEAP Guidelines is hereby further amended to read as follows:

“16. Adoption of Certain Provisions in the FIT Rules. The GEA adopts the Regulatory Framework and Administration of FITs provided under Resolution No. 16, Series of 2010 (**FIT Rules**), issued by the ERC. However, the GEA pricing mechanism **and indexation** shall be governed by Sections 8 and 17, respectively, of this Circular. As such, other entities involved in the implementation of the FIT shall continue to discharge their responsibilities as set forth in the FIT Rules with respect to each auction round.”

**Section 2.** A new provision in the GEAP Guidelines is hereby inserted as Section 17, which states:


“17. Adjustment to the GETs. The GET of a Winning Bidder resulting from an Auction Proper conducted after the effectivity of this amendment to the GEAP Guidelines shall include indexation. In such determination, the ERC shall employ a formula for indexation and a streamlined procedure for the implementation of such adjustment, as may be allowed under applicable laws, rules and regulations: Provided, That, notwithstanding the FIT Rules and other provisions of this Circular to the contrary, the GET of a Winning Bidder shall be adjusted for indexation only once, entitlement to which shall be begin at any time between the issuance of the Certificate of Award and the commencement of commercial operations of the Winning Bidder’s RE Facility.”

**Section 3. Separability Clause.** If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

**Section 4. Repealing Clause.** All previous issuances, rules, and regulations inconsistent with this Circular are hereby repealed, amended, or modified accordingly.

**Section 5. Effectivity.** This Circular shall take effect fifteen (15) days following its complete publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked. A copy of this Circular shall be filed with the University of the Philippines Law Center - Office of the National Administrative Register.

Issued this JUN 09 2025 at the DOE, Energy Center, Rizal Drive, cor. 34<sup>th</sup> Street, Bonifacio Global City, Taguig City, Metro Manila.



**RAPHAEL P.M. LOTILLA**  
Secretary

