

‘Minimal’ hit to remittances expected from Trump tax bill

By Aubrey Rose A. Inosante
Reporter

THE Department of Finance (DoF) said US President Donald J. Trump’s proposed tax on remittances will put a “minimal” dent of between \$19.1 million and \$148.4 million on money sent home by overseas Filipinos.

“We see that the estimated effect is minimal on the economy. The expected loss in remittances might only be \$19.1 million to \$148.4 million, out of the \$36.5 billion projected remittances in 2026,” the DoF told *BusinessWorld* on Thursday.

The central bank has maintained its cash remittance growth projection at 2.8% this year and 3% for 2026.

Mr. Trump’s so-called One Big Beautiful Bill, which more broad-

ly sets out his administration’s taxation plans, won Senate approval with some modifications from the US House of Representatives bill approved in May.

Among the key changes is a 1% excise tax on all remittances, which also apply to US citizens, softening the initially proposed 3.5% levy targeting foreign workers.

The bill will go before the House again, and may require reconciliation before proceeding to final passage and the President’s signature.

The DoF said the US Senate version of remittance tax will affect 4.4 million overseas Filipinos in the US.

“Although 41% of remittances are routed through the US, not all of these are from Filipinos in the US because remittances are routed to the US via correspondent banks,” it said.

Cash remittances rose 3% to \$34.49 billion in 2024. The US remained the top source of cash remittances, accounting for 40.6% of the total.

Mon Abrea, founder and chief tax advisor of the Asian Consulting Group (ACG), said the legislation will slow down remittance flows—either by reducing the volume of formal remittances or by driving them underground.

“While the Department of Finance estimates the impact at only 0.003% of GDP, this additional burden may push senders — especially undocumented Filipinos — to use informal or unregulated channels, which are riskier and harder to monitor,” he said.

The lower rate on remittances in later versions of the legislation offers some relief to overseas Filipino workers, but could still

dampen remittances and consumption.

“Certainly, the lower rate is much better. To the extent that this tax is imposed only on US-based remittances, then the negative impact is likely less, and not only because the rate is lower at 1%,” Calixto V. Chikiamco, president of the Foundation for Economic Freedom, said.

“However, the impact on our economy is that the amount that OFW families receive here will be less and they will likely reduce their spending,” he said.

Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said the rate reduction is a “positive development.”

Over the long haul, Mr. Chanco believes that money transfers will not materially be affected even if the 3.5% rate were reimposed.



PHILIPPINE STAR/RYAN BALDENOR

House bill seeks to set 6% of GDP spending minimum for education

By Kenneth Christiane L. Basilio
Reporter

A HOUSE bill seeks to set a floor of 6% of gross domestic product (GDP) for spending on education, which would reverse recent trends in government spending favoring infrastructure.

Party-list Rep. Antonio L. Tinio and Renee Louise M. Co proposed in House Bill (HB) No. 204 to set the 6% benchmark for funding for the Education department, state universities and government trade schools.

They cited a United Nations (UN) spending recommendation of up to 6% spending to improve education access and quality.

“The bill intends to take a stand that will favor our children and youth, our teachers and education personnel,” they said in the bill’s explanatory note. “Rather than consider it as mere spending, we must view it as high-yield investments in the future.”

The Philippines allocated 3.6% of GDP to education in 2023, according to the World Bank, missing the 4-6% benchmark set by the Incheon Declaration.

With 2025 nominal GDP estimated at \$497.5 billion by the International Monetary Fund (IMF), the 6% spending proposal would imply education funding of \$29.8 billion, or about P1.67 trillion.

The Development Budget Coordination Committee has proposed a P6.793-trillion national budget for 2026, equivalent to 22% of GDP and 7.4% higher than this year’s budget.

“The Philippines’ public expenditure for education never breached 4.4% from 1980 to 2020, and generally below the global average on most years from 1999 to 2019,” the legislators said, citing World Bank data.

“It is also among the worst countries in the Asia-Pacific region in terms of public expenditure for education,” they added.

HB No. 204 falls in line with the constitutional mandate to prioritize education funding. The charter binds the government to make education its largest budget item.

The 2025 national budget has drawn fire over claims that funding for public works was larger than the budget for education, leading the spending plan to be challenged in the Supreme Court as unconstitutional.

This year’s spending plan allotted P1.055 trillion for education, 4.3% higher than the P1.007-trillion funding for the Department of Public Works and Highways.

“The 2025 General Appropriations Act has been criticized as according the highest spending to infrastructure... education is already suffering from the disastrous effects of perpetual underfunding,” the legislators said.

MSRP for imported rice set for P2 reduction in mid-July

THE Department of Agriculture (DA) said it will lower the maximum suggested retail price (MSRP) for imported rice to P43 from P45 per kilogram starting July 16.

The P2 adjustment was initially scheduled for July 1 but had been postponed due to heightened volatility in global commodity markets as fighting broke out in the Middle East.

“Global conditions have stabilized enough to resume planned price interventions,” the DA said in a statement, citing the ceasefire between Israel and Iran.

“Global rice prices have since declined, alongside softening oil prices,” it said.

Oil prices have been falling since the start of July after two major hikes in June, the second taking place after the US intervened in the Israel-Iran bombing and missile exchanges.

The strength of peso was also considered in adjusting the MSRP, it said.

“We are also seeing positive projec-

tions for record harvests from key producers like India, Pakistan, and Thailand,” the DA said.

“These developments could improve global supply and help pull prices further down,” it added.

The MSRP applies specifically to the 5% broken-grain variety, the highest-grade and most commonly consumed type of imported rice.

The DA said the MSRP imposed earlier this year has contributed to a downward trend in domestic retail rice prices.

Rice inflation continued to decline, falling 12.8% in May from the 10.9% decline a month prior.

The DA said it is also finalizing plans to introduce MSRPs for imported pork in August and potentially for chicken by September. “These measures aim to moderate retail prices amid tight domestic meat supply caused by ongoing animal disease outbreaks.” — **Kyle Aristophere T. Atienza**

WESM rates fall in June as decline in demand outweighs supply drop

THE average price of power on the Wholesale Electricity Spot Market (WESM) declined 3.9% in June, the Independent Electricity Market Operator of the Philippines (IEMOP) said on Thursday.

IEMOP reported a WESM system-wide average of P3.86 per kilowatt-hour (kWh) in June, against P4.01 per kWh a month earlier.

Between May 26 and June 25, the available supply decreased 3.5% month on month to 21,432 MW. Demand declined 4.1% to 14,545 MW.

On Luzon, the average power rate slipped 7.5% month on month to P3.91 per kWh, with supply going falling 3.5% to 15,076 MW. Demand declined 5.4% to 10,400 MW.

IEMOP said that WESM rates in the Visayas increased 4.3% to P3.93 per kWh a month earlier.

Supply decreased 1.1% to 2,635 MW while demand dropped 2.2% to 2,003 MW.

Power prices in Mindanao rose 13.2% to P3.54 per kWh from P3.11 per kWh a month earlier.

The grid’s available supply slipped 5.4% to 3,721 MW. Demand grew 0.7% to 2,112 MW. — **Sheldeen Joy Talavera**

Navotas project taps Korean aid

SOUTH KOREA will fund a \$10-million circular-economy project for Navotas focused on a network of upcycling and recycling facilities penetrating to the barangay level.

The proposed project, which runs from 2026 to 2031, will tap Korean aid in creating materials recovery facilities, Yoo Ji-young, the Korea International Cooperation Agency (KOICA) Philippine Office deputy director, said at a forum hosted by the ASEAN-

Korea Centre on Thursday.

The project hopes to encourage the development of upcycling and recycling startups, she added.

KOICA approved the project proposal in March after a preliminary review in January.

The Korean government’s final approval is expected by the third quarter.

An implementation survey is scheduled for the third or fourth quarter of 2025. — **Kyle Aristophere T. Atienza**

Assistant Manager
(1 Vacancy)

Job Description / Key Responsibilities:

- Lead Quality portfolio across Customer Services delivery for BFSI & Domain accounts and Consulting Practice for Contact Centre (All domains)
- Head Quality delivery across all channels including Voice, Email, Correspondence, Chat and Web.
- Lead Customer Service delivery for Telecom, Media& Information Services, Life sciences and Healthcare, KSA&Geo and Consulting Practice for Contact Centre (All domains) Head delivery across all channels including Voice, Email, Correspondence, Chat and Web.
- Head delivery across all channels including Voice, Email, Correspondence.
- Act as a Solution. Consultant for all Non-Non-BFSI Customer Service deals.
- Help increase revenue through new wins and growth within existing accounts and maintaining company established margins.
- Manage profit and loss for all businesses including resource planning and management.

Qualifications (Education, Experience, Professional License, Skills Certification, Specialized Training):

- At least a College Graduate of Information Technology and or related courses.
- Minimum of 20 years of experience in Sales, Customer Service & Collections practices.
- With Proven capabilities in Transitions / Business Setup, Operations Delivery & Management, Client Servicing & Relation Management, Training & Development, Strategic Governance, Process Re-engineering.
- With Expertise in Site setup, Business Strategy, Planning, Change Control Management and Risk Management.
- Managing several accounts – Continued focus towards Enhancing Customer Experience by achieving excellence in Service Delivery and Operations; maintain high Quality Standards and exceeding customer expectations

Place of Deployment

- 8th And 9th Floor , Entec 2 Building, Block 24, Lot 01-18, Plaridel Street Corner Nepo Center Catalina Street, Santo Rosario, Angeles City Pampanga

Applications may be sent to:
TATA CONSULTANCY SERVICES (PHILIPPINES) INC.
8th And 9th Floor, Entec 2 Building, Block 24, Lot 01-18, Plaridel Street Corner Nepo Center Catalina Street, Santo Rosario, Angeles City Pampanga
Contact details: Ms. Roxanne Cruz @ rf.cruz@tcs.com

COMPANY / EMPLOYER	NAME OF FOREIGN NATIONAL INTENDING TO APPLY FOR THE POSITION
Company Name: TATA CONSULTANCY SERVICES (PHILIPPINES) INC. Complete address: 8th And 9th Floor , Entec 2 Building, Block 24, Lot 01-18, Plaridel Street Corner Nepo Center Catalina Street, Santo Rosario, Angeles City Pampanga Nature of business: I.T. Consultancy Services & Business Process Outsourcing	Name: Nishkarsh Satish Arora Address: Angeles City, Pampanga Nationality: Indian Intended period of employment: 2 years
TATA CONSULTANCY SERVICES (PHILIPPINES) INC. hereby declares that the above-named foreign national/s Nishkarsh Satish Arora is/are able, willing, and qualified to perform the services and job description for "Assistant Manager", the company has the intention to employ the said foreign national and apply for an Alien Employment Permit with the Department of Labor and Employment – Region III located at Matalino cor. Mahusay St., DMGC, Maimpis, City of San Fernando, Pampanga.	
If there are any objections or inquiries, please contact the concerned DOLE Regional Office.	
Any Filipino jobseeker who is competent, able and willing to perform the services for which the foreign national is intended to be hired for, may file an objection at Department of Labor and Employment – Region III located at Matalino cor. Mahusay St., DMGC, Maimpis, City of San Fernando, Pampanga after this publication	
Please inform Department of Labor and Employment – Region III, if you have any information on criminal offenses committed by the foreign national.	
Career Opportunity in TATA CONSULTANCY SERVICES(PHILIPPINES) INC.	

ASEAN wholesale cross-border payments seen requiring monitoring of capital flows

THE EVENTUAL integration of wholesale cross-border payments in the ASEAN Regional Payment Connectivity (RPC) system will require regulators to monitor and manage capital flows, the ASEAN+3 Macroeconomic Research Office (AMRO) said in a report.

“Cross-border connections facilitating large amounts of payments can also pose a risk from a capital flows perspective. The speed and ease of the transfers can make the capital flows more volatile and in extreme situations, may cause liquidity stress for institutions. These cross-border transfers depend on a chain of participants working seamlessly together, but the system is only as strong as its weakest link.”

As ASEAN RPC technology and regulations develop, AMRO said its scope will expand to integrate wholesale payment solutions such as real-time gross settlement from the current focus on retail payment solutions, which

caters to individuals and small- or medium-sized businesses.

“This integration will help generate high-value transactions and further reduce the costs associated with cross-border transactions. The integration of wholesale payment infrastructure can also provide a significant boost to local currency usage,” AMRO said.

However, larger transactions will require tighter risk management, due diligence, proper implementation of anti-money laundering and counter-terrorism financing (AML//CFT) protocols, and capital flow monitoring and management measures, it added.

AMRO added that fraud detection and dispute resolution procedures will need to be strengthened.

“Cybersecurity lapses, platform outages, data security breaches, and process failures at any participant could compromise the integrity of payment systems on either side of the linkage. While these risks also

exist in retail payment integrations, the systemic risk is lower due to the regulated transaction sizes, and in many cases, the limited number of participating organizations,” AMRO said.

AMRO said ongoing regional initiatives such as the Bank for International Settlements’ Project Nexus, can speed up the scaling of ASEAN RPC.

In April, the Bangko Sentral ng Pilipinas, along with the Reserve Bank of India, Bank Negara Malaysia, the Monetary Authority of Singapore, and Bank of Thailand, incorporated Nexus Global Payments in Singapore into their domestic instant payment systems.

The five central banks will contribute the initial capital required to build and establish the Nexus platform for its live operation.

“Centralized hub-and-spoke model can offer a scalability solution for the RPC and could be the way forward. Initiatives such as Project Nexus... explore direct

linkages between domestic FPS (fast payment system) networks, allowing real-time transactions across borders without significant infrastructure overhauls,” AMRO said.

Emerging technologies such as distributed ledger technology (DLT) could also be adopted to improve transparency, security, and efficiency in cross-border transactions.

Central banks are also looking at Central Bank Digital Currencies due to their application in cross-border payments, allowing for instant, low-cost international transfers.

“However, this innovation can only adapt quantifiable and configurable measures and require a highly digitalized payment system. Private institutions also use DLT technology to develop private stablecoins or private DLT-based infrastructure to facilitate cross-border transactions, although the usage is limited to certain customers,” AMRO said.

— **Aaron Michael C. Sy**

Mindanao infra projects backed by ADB on track

THE Department of Finance (DoF) said on Thursday that the Asian Development Bank (ADB)-funded road and bridge projects in Mindanao are on track to be completed on schedule.

In a statement, the DoF said it found that the Improving Growth Corridors in Mindanao Road Sector Project (IGCMRSP) to be on schedule following an inspection conducted with the Department

of Public Works and Highways and the ADB.

The \$491.32-million project aims to expand the capacity of the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area road network.

This is expected to the unlock economic potential of Mindanao, it said.

The DoF said the ADB provided \$380 million for the project,

alongside government counterpart spending of \$111.32 million.

The IGCMRSP includes the R.T. Lim–Siocon Road that traverses Zamboanga Sibugay and Zamboanga del Norte.

The 4.6-kilometer road project is currently 95% complete and is scheduled to be opened by September.

“The DoF also visited the Nalil-Sikkiat Bridge No. 1, another subproject, in Tawi-Tawi Prov-

ince, which spans 380.8 meters with a 160-meter approach road. The bridge has a total length of 541 meters,” it said.

Nalil-Sikkiat No. 1 will link Bongao Island to Sanga-Sanga Island and ease the transport of goods, services, and people.

The bridge is 96% complete and is scheduled to be opened to the public next month. — **Aubrey Rose A. Inosante**