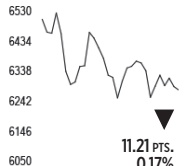
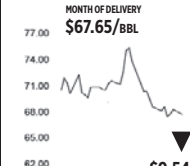
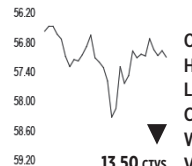




BusinessWorld



33rd EJAP-AYALA Business Journalism Awards
The 2023 Business News Source of the Year Award

STOCK MARKET		ASIAN MARKETS				WORLD MARKETS				PESO-DOLLAR RATES				ASIAN MONIES-US\$ RATE				WORLD CURRENCIES				DUBAI CRUDE OIL																																																																																																				
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SI/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 19, 2025 (PSEi snapshot on SI/2; article on S2/2)

ICT	P475.000	PLUS	P30.000	BDO	P144.000	CNVRG	P14.000	BPI	P114.500	MER	P531.500	SM	P795.000	RLC	P14.640	GTCAP	P710.000	BLOOM	P3.730
Value	P964,111,120	Value	P830,823,635	Value	P450,980,864	Value	P326,109,784	Value	P319,298,574	Value	P313,535,770	Value	P293,823,055	Value	P239,197,068	Value	P182,842,730	Value	P169,004,080
-P10.600 ▼	-2.183%	P3.150 ▲	11.732%	P2.100 ▲	1.480%	-P0.500 ▼	-3.448%	-P1.700 ▼	-1.463%	-P14.500 ▼	-2.656%	P12.000 ▲	1.533%	P0.140 ▲	0.966%	-P7.500 ▼	-1.045%	P0.070 ▲	1.913%

New taxes ruled out amid record debt

By Kenneth Christiane L. Basilio

Reporter

THE GOVERNMENT will not introduce new tax proposals in the 20th Congress, Finance Secretary Ralph G. Recto said, reaffirming the administration's fiscal consolidation strategy despite record-high debt.

Speaking with reporters after a Development Budget Coordination Committee briefing at the House of Representatives on Monday evening, Mr. Recto said the Marcos administration would instead focus on previously filed measures including an excise tax on single-use plastics and a tax amnesty program.

Asked whether the Department of Finance would back ad-

ditional tax initiatives, Mr. Recto replied: "No."

He also said the government was not considering increases in existing tax rates too.

"We only have the single-use plastics remaining, that's number one," he said. "Also possibly, a tax amnesty."

Mr. Recto had earlier stressed that new revenue measures were unnecessary, pointing to what he described in April as the country's "robust" fiscal position.

Government data showed the Philippines' debt-to-gross domestic product ratio had risen to 63.1% as of end-June, its highest level since 2005. The figure remains above the 60% threshold that multilateral lenders view as manageable for developing economies.

The debt ratio is expected to ease to 61.3% by yearend, though still above the earlier 60.4% target, according to a Finance department handout.

Outstanding debt stood at a record P17.27 trillion in June, up 2.1% from the previous month and 11.5% higher than a year earlier.

The excise tax on single-use plastic bags was one of the 28 priority bills identified by the Legislative-Executive Development Advisory Council. While it was approved by the House on third reading in 2022, the measure was stuck at the Senate Ways and Means Committee.

The Finance department last year said the government could raise up to P33.8 billion in excise taxes on single-use plastic bags.

Three measures, which all seek to impose a P100-per-kilogram excise tax on single-use plastic bags, have been refiled at the House. A Senate counterpart bill proposes a lower rate of P20 per kilogram.

Mr. Recto in early August said the government is also looking at proposing a tax amnesty that will involve an amnesty charge set at a yet-to-be-determined percentage of the outstanding unpaid tax, in exchange for immunity from civil, criminal and administrative penalties.

Lawmakers in the House and Senate are pushing for a general tax amnesty that will impose a 2% amnesty tax rate dependent on the total assets of taxpayers up to 2024.

The Finance department's decision to hold off on intro-

ducing new taxes is a "good move" given that proposing new levies could dampen household spending, said Reinielle Matt M. Erece, an economist at Oikonomia Advisory and Research, Inc.

"More taxes will effectively reduce disposable income of households since more of their income will be directed to taxes rather than consumption," he said in a Viber message.

"Fiscal consolidation is important to better manage debt and budget efficiency, but if it comes at the expense of economic performance then it may be best to rethink the strategy to achieve this goal," he added.

While the proposed excise tax on single-use plastics and tax amnesty could boost state revenues, the government

should look at expanding the tax base and ensure that revenue streams are "future-proof," John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said.

"These should be seen as complementary, not core, measures," he said in a Viber message. "What we need is better tax administration, improved enforcement and expanded coverage of existing tax measures."

Mr. Rivera said that if the Finance department reverses its initial stance, then it should look at its impact on Filipino consumers and businesses.

"Any move must be weighed against inflation risks and its impact on consumers and businesses."

Remittances likely to remain resilient for rest of 2025 — analysts

By Katherine K. Chan

CASH REMITTANCES are projected to remain resilient for the rest of the year, potentially surpassing the Bangko Sentral ng Pilipinas' (BSP) 2.8% full-year growth target, analysts said.

However, they also warned of possible external shocks that could dampen remittance growth.

"We're on track. First-half growth hit 3.1%, already above BSP's 2.8% forecast," Jonathan L. Ravelas, a senior adviser at Reyes Tacandong & Co., said in a Viber message.

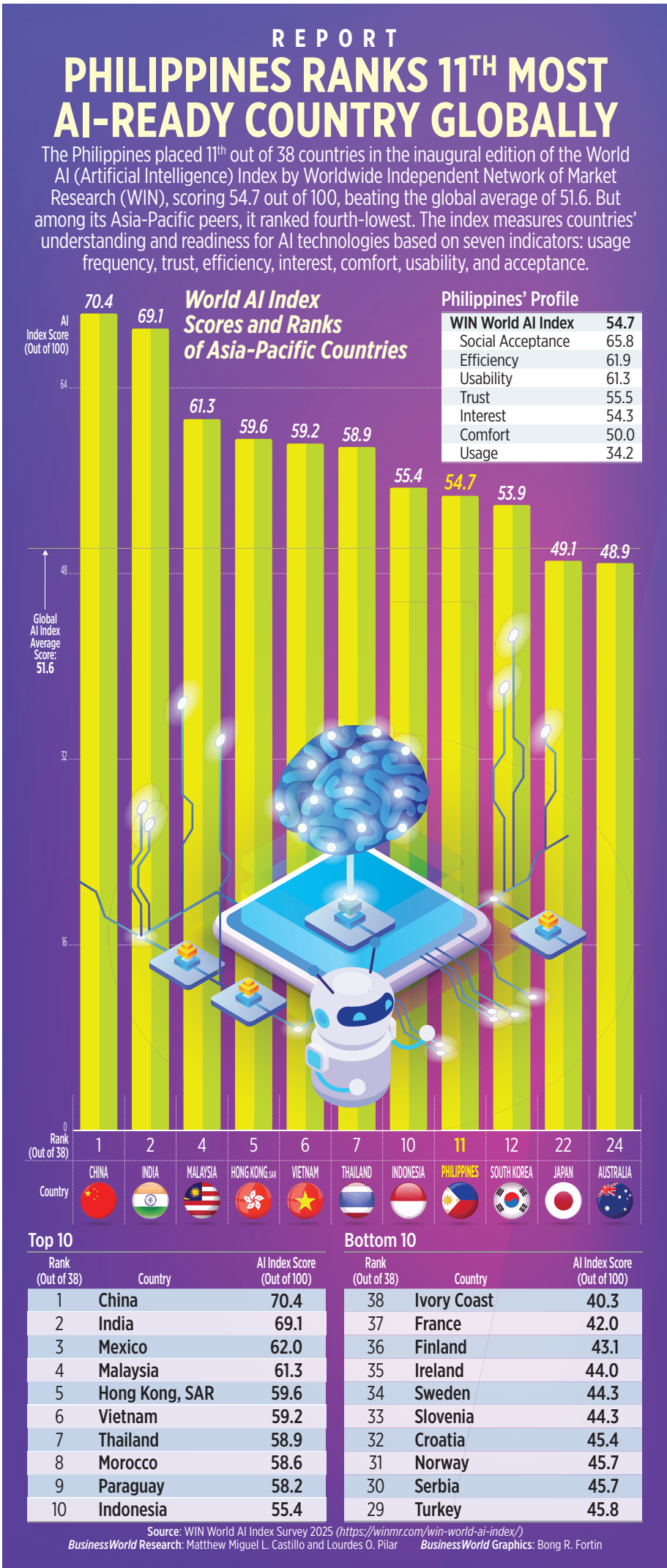
"If global labor markets stay resilient and the peso remains competitive, we could even beat the (BSP's) 2.8% full-year target."

Money sent home by overseas Filipino workers (OFWs) rose by 3.1% to \$16.75 billion in the first six months of the year, with land-based workers contributing the bulk of the increase.

The BSP is targeting a 2.8% growth in remittances this year, and 3% growth for 2026.

Remittance inflows are expected to accelerate ahead of the holiday season, analysts said.

Remittances, SI/9



Military pension reform shelved; analysts warn of 'fiscal time bomb'

By Aubrey Rose A. Inosante and Kenneth Christiane L. Basilio

Reporters

THE MARCOS administration has shelved a plan to overhaul the pension system for military and uniformed personnel (MUP). Finance Secretary Ralph G. Recto said.

Analysts have warned that the current pension system for MUPs is a "fiscal time bomb" that threatens the Philippines' fiscal sustainability.

"I think we discussed that already," he told reporters on the sidelines of a House Committee on Appropriations briefing late on Monday. "Wala na 'yung (There will be no) MUP reform so far for the remainder of the term."

"The reform will be costly at this point in time," Mr. Recto said without providing details.

However, Budget Secretary Amenah F. Pangandaman said the fate of the MUP reform bill will still be discussed in the Legislative-Executive Development Advisory Council (LEDAC) meeting next month.

"We'll have to sit down. We still have a LEDAC (meeting)," she told *BusinessWorld* when asked about Mr. Recto's statement.

Ms. Pangandaman warned that government allocations for MUP pensions will consume a larger share of the national budget in the coming years and could pose a possible fiscal burden if left unchecked.

"As you know, we have a limited fiscal space — so the pension will eat up a chunk of the budget. It will keep piling up, and it's going to grow even more," she told *BusinessWorld* on the sidelines of the briefing late on Monday.

Under the 2026 National Expenditure Program, the proposed allocation for the Pension and Gratuity Fund is at P197.99 billion, 36.8% higher than P144.72 billion this year.

Unlike government and private sector employees whose pension contributions are regularly remitted to the Government Service Insurance System and Social Security System, MUPs do not contribute to their own pension funds.

In 2023, the Department of Finance (DoF) under then-Secretary Benjamin E. Diokno pushed to reform the MUP pension system, warning of the risk of a "fiscal collapse."

At that time, the DoF proposed to require contributions from all active personnel and new entrants and removed the full indexation of pensions.

However, the House in 2023 approved a version that does not require mandatory contributions from active personnel. Under the approved version, new entrants would be required to contribute 9% of their salary, while the National Government counterpart was set at 12%. It also provided for the automatic indexation of MUP pensions at 100% of the increase in the base pay of active personnel.

The Senate did not pass a counterpart bill for the MUP reform.

Pension reform, SI/9

BUSINESSWORLD TV

Retelling Filipino comic classics

FILIPINO comic artist Randy Valiente has found a new sense of purpose in reviving old Filipino comics, like the works of the late Francisco V. Coching, known as the "King of Comics."

>>> <https://tinyurl.com/2aaw3s9b>



Philippines officially exits from EU 'high risk' money laundering list

THE BANGKO Sentral ng Pilipinas (BSP) on Tuesday vowed to continue efforts to combat financial crimes, after the Philippines officially exited the European Union's (EU) list of countries that are at "high-risk" for money laundering.

"The BSP remains firmly committed to driving financial sector reforms, strengthening anti-money laundering/countering terrorism and proliferation financing (AML/CTPF) supervision, and building a resilient, inclusive financial system that supports economic growth and global confidence," BSP Governor Eli M. Remolona, Jr. said in a statement.

Mr. Remolona, who also chairs the Anti-Money Laundering Council (AMLC), said they are working on identifying areas where the Philippines can further uphold its commitment to combat financial crimes and maintain global standards.

On June 10, the European Commission approved a regulation that removed the Philippines and seven other countries from its list of "third countries" that were flagged as facing a "high risk" of money laundering and terrorism financing. This regulation took effect on Aug. 5.

Money laundering, SI/9