Legislator says Finance department open to discussing tax on billionaires

THE Department of Finance (DoF) is open to discussing a "wealth tax," a legislator said at the DoF's budget hearing, which could signal greater willingness by the government's chief fundraiser to consider new sources of revenue after a longstanding no-new-taxes position.

Sultan Kudarat Rep. Bella Vanessa B. Suansing, speaking at the hearing late Wednesday with Finance Secretary Ralph G. Recto seated near her, said: "The DoF is very open to discussions relating to the wealth tax to be integrated into the revenue program of the National Government," she said at the hearing.

Mr. Recto's position on new taxes has subtly evolved after ruling them out entirely last year. In August, he said he will support any tax law passed by Congress.

Wealth tax proposals have ranged from 1-3% of net assets held by billionaires in recent sessions of Congress, though no such bills have been filed in either chamber during the current 20th Congress.

"Ever since the 19th Congress, (the DoF) has been very open with proposals for wealth taxes... because the agency is not just mandated, but has pursued progressive taxation," Ms. Suansing said.

A bill proposing a 1-3% tax on taxpayers with a net value of taxable assets exceeding P1 billion failed to gain traction in the House of Representatives at the 19th Congress. No counterpart proposal was filed in the Senate.

House Deputy Minority Leader Antonio L. Tinio of the Makabayan party-list said in July that he plans to file calling for a 3% wealth tax on billionaires, and estimated the potential collections from such a bill at P98 billion each year at least.

In early September, Batangas Rep. Leandro Antonio L. Leviste proposed a wealth tax based on land holdings to offset his proposed reduction in value-added tax (VAT) to 10% from 12%.

"We can focus the tax on high-end land because that is harder to hide and transfer compared to other forms of wealth... it comes down to really what's the easiest way to collect a wealth tax," he said.

The government should consider pursuing a tax on high-net worth individuals to make the government's tax system more equitable, according to Jose Enrique A. Africa, executive director at think tank IBON Foundation, speaking to *BusinessWorld* via Viber.

"The biggest fiscal effort now comes from regressive consumption taxes, like VAT or excise duties, and withholding on wages," he said, claiming that the financial sector and the wealthy are "lightly taxed."

Legislators should consider a tiered wealth tax with rates starting at 1% for those holding P1 billion in assets, rising to 3% for those whose wealth exceeds P3 billion, Mr. Africa said.

Luis F. Dumlao, an economics professor at the Ateneo de Manila, said the standard practice for countries implementing wealth taxes typically ranges from 1% to 2% per billion dollars in net worth.

"The current tax system on paper is progressive with a maximum tax of 35%," he said via Messenger chat. "The fiscal policy is even more progressive with government expenditures disproportionately favoring the poor despite corruption."

"Before any congressman talks about taxes, politicians must do something first to restore public trust in tax collection and utilization," John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said via Viber. — **Kenneth Christiane L. Basilio**

Rice import freeze could be extended; tariff hike studied


PHILIPPINE STAR/MIGUEL DE GUZMAN

PRESIDENT Ferdinand R. Marcos, Jr. ordered the Department of Agriculture (DA) to be ready to extend the 60-day freeze on rice imports, which started on Sept. 1, and consider a possible tariff increase on foreign rice.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. made the announcement Wednesday, saying the President directed the DA to make the necessary arrangements to extend the import freeze.

"The duration of the import freeze and the possible increase in taxes on imported rice will be determined once we have more accurate data on supply and prices of palay at the farm gate," Mr. Laurel said after meeting with Mr. Marcos.

The import suspension, which is set to end on Nov. 2, was initially imposed to provide relief to hit by falling prices of palay (unmilled rice), which is competing on the market with imported rice.

Palay prices briefly rose from a low of P8 a kilo to around P14 per kilo before dropping again as the harvest came in, with rice quality affected by recent heavy rains.

Rice import tariffs are currently at 15%, lowered as an inflation-containment measure. The tariff had been 35% previously for Southeast Asian grain. — **Andre Christopher H. Alampay**

PHL wins seat on IAEA board as emerging user of nuclear power

THE PHILIPPINES won a seat on the board of the International Atomic Energy Agency (IAEA), putting it in position to influence policy as it gears up to integrate nuclear power into its energy mix, the Department of Energy (DoE) said.

In a statement on Wednesday, the DoE said the Philippines will serve on the IAEA board of governors until 2027.

Energy Secretary Sharon S. Garin said the Philippines will play a role in "shaping global policies on nuclear safety, security, and the peaceful use of atomic energy."

"As one of only 35 member-states represented on the board, the Philippines will help steer key decisions on safeguards (and) technical cooperation," she said.

According to the Department of Foreign Affairs (DFA), the Philippines was chosen by acclamation during the 69th Regular Session of the IAEA General Conference in Vienna on Sept. 19.

The Philippines previously served on the board between 2015 and 2017.

Science and Technology Undersecretary Maridon O. Sahagun, head of the delegation to Vienna, said: "The long-standing position of the Philippines is that the peaceful uses of atomic energy are not ancillary to disarmament and non-proliferation — they are foundational pillars of peace, health, and prosperity. We aim to advance these initiatives at this key policy-making body of the IAEA."

Ambassador to Austria Evangelina Lourdes A. Bernas, permanent representative of the Philippines to the IAEA, said: "Member-states like us who are just embarking on our nuclear energy program and rely on a rules-based international order have a chance to advocate for others like us on the Board."

Ms. Garin added that the Philippines will be in a position to access to technical cooperation in nuclear medicine, agriculture, food security, and energy.

According to the Philippine Energy Plan, the Philippines' first nuclear power plant is set to be built by 2032. — **Sheldeen Joy Talavera**

Coconut demand from Europe blunting threat from US tariffs — industry official

THE strength of the European market for coconut products will mitigate the disruption brought about by US tariffs, according to Marco C. Reyes, chairman of the United Coconut Association (UCA).

Mr. Reyes said at a briefing during the 2025 World Coconut Congress at the SMX Convention Center in Pasay City that the industry must seize opportunities presented by the "surging" demand for "sustainability and healthy products," noting that the coconut "is at the heart of this moment. Our mission is to bridge that international demand with innovation and sustainable practices to ensure that the entire value chain continues to thrive."

Mr. Reyes said concerns about US tariffs can be allayed somewhat because Europe is actually the top importer of coconut products, with coconut oil being highly profitable.

China and Japan are also growing partners in the trade in coconut products, he said.

Mr. Reyes also said that while negotiations are ongoing to lower tariffs for certain Philippine products, the coconut industry is focusing on other opportunities.

Mr. Reyes said the industry is in contact with other industries, including livestock and rice farming, to make the broader agricultural sector more sustainable.

Agriculture Undersecretary Roger V. Navarro said at the congress that the industry needs to be sustained through a replanting program in the face of threats from climate change, the ageing tree stock, and waning interest in farming among the younger generations.

Mr. Navarro, who oversees operations for the Department of Agriculture (DA), added: "We must act urgently" in "taking out all policies and regulations that hinder development."

"You mustn't just accept what your farmers give you. You must make sure farmers can replant." Mr. Navarro said.

Mr. Navarro called for protecting the industry during years of low yields, citing the industry's importance to around 3.2 million Filipinos across 82 provinces.

The congress gathers coconut farmers, processors, exporters, researchers, policymakers and investors, drawing representatives from 20 countries.

The Philippines was among the top exporters of coconut products in 2024, with output valued at $2.66 billion, mostly coconut oil, which accounted for $2.2 billion.

Coconut oil is currently the Philippines' fifth-leading exported commodity by value, with exports amounting to $1.38 billion in the first half.

The congress runs until Sept. 26. — **Andre Christopher H. Alampay**


FREEPIK

OPINION

What keeps CEOs awake at night? Top concerns for 2025 revealed

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Every September, we look forward to sharing the results of our firm's Philippine CEO Survey, timed to coincide with the International CEO Conference of the Management Association of the Philippines (MAP).

Now on its 11th year, our survey continues to provide valuable insights into the perspectives of business leaders across the country. This year, 175 CEOs participated, with 67% representing large companies.

Despite headwinds — such as the recent downgrading of the Philippines' 2025 GDP growth forecast from 6.1% to 5.5% as well as growing concerns about rising commodity prices, it's encouraging to see that most CEOs remain optimistic about their industries in the coming year. In fact, many expect their companies to achieve revenue growth over the next three years — a hopeful sign for the future.

Beginning last year, we also asked CEOs what keeps them awake at night. Just like the previous year, our CEOs continue to cite geopolitical uncertainty, uncertain economic growth, and workforce issues as their top concerns. Why do these challenges still weigh heavily on their minds despite their overall optimism? More importantly, what can they do to manage these risks?

GEOPOLITICAL UNCERTAINTY

Geopolitical uncertainty remains a major concern for CEOs. The ongoing conflicts between Ukraine and Russia and between Israel and Hamas show no clear signs of ending, and their impact is felt worldwide — from rising fuel prices to disrupted supply chains, inflation, and shaken investor confidence. On top of that, uncertainties around US tariffs are disrupting the business landscape. These factors have led to lost customers, postponed expansion plans, and higher costs for businesses.

Many CEOs see diversification as the obvious solution. In fact, 35% of the CEOs plan to enter a new industry, making this the top strategic move for recovery and growth. Additionally, 28% plan to expand into new markets outside the Philippines.

With stronger workforce skills and improved digital infrastructure, companies are in position to expand into new markets. But it's not just about entering new markets or launching new products — a smart strategy is critical. That means making sure the market is ready, finding the right partners, setting up the right structures, and complying with local laws and regulations. With careful planning, businesses can turn these challenges into opportunities.

UNCERTAIN ECONOMIC GROWTH

Uncertain economic growth continues to be a top concern for our CEOs, with about 42% expecting global growth to slow down over the next year. The International Monetary Fund forecasts the global economy to grow by just 3.0% this year, down from 3.3% last year. Several factors are at play here, including uncertainties around US tariffs, rising fiscal deficits, ongoing political tensions, and possible disruptions to global supply chains.

Our CEOs recognize that a slower economy impacts customer spending patterns and leads to higher costs, as we've seen recently. As such, being prepared is more important than ever. That means business leaders need to engage in thorough scenario planning — looking at different possibilities, even including a recession, and assessing how each might affect company profits, cash flow, and growth.

Additionally, stress-testing the balance sheet is essential. Companies must ensure they have enough liquidity and reserves to weather any storm. As we saw during the pandemic, companies with enough cash on hand are in a much better position to ride out tough times. Staying proactive and anticipating changes is key to keeping pace with the economy and evolving customer needs.

WORKFORCE ISSUES

Workforce issues also continue to worry Philippine CEOs, with 42% citing it as one of their biggest challenges this year—up from 38% last year. Keeping talented employees remains tough. According to WTW data, voluntary turnover sits at 12.5%, showing that many workers are opting to leave their employers to pursue new opportunities.

Managing people today isn't easy. Millennials and Gen Z make up about 70% of the workforce, and they're looking for more than just job security. What really matters to them is company culture, flexibility, strong leadership, and opportunities to grow. On top of that, with rapid advances in AI and automation, some employees are feeling change fatigue; they're struggling to keep up with how fast everything is evolving.

Thus, CEOs can no longer focus solely on compensation and benefits. It's equally important to help employees handle change and stress. Prioritizing employee well-being should be a key part of leadership. CEOs must also clearly communicate their vision for the company's future and how employees fit into that picture.

Support like upskilling programs is essential to help employees close skills gaps and feel confident about the future. Showing that you're invested in your people's growth isn't just good practice — it's a business imperative.

THE BUSINESS MODEL REINVENTION IMPERATIVE

With everything happening around the world — from rapid technological change to shifting workforce priorities — the pressure on businesses to stay relevant has never been stronger. Our CEOs are feeling it too: more than half now say their organizations won't be economically viable after 10 years if they continue on their current course, up from 46% last year.

Megatrends like climate change, technological disruption, demographic shifts, global tensions, and social instability are pushing business leaders to act fast. The pressure to reinvent isn't going away anytime soon. Today's leaders must do more than adapt to stay several steps ahead – they must anticipate change, drive transformation, and shape the future of their businesses.

The views or opinions expressed in this article are solely those of the author and do not necessarily represent those of Isla Lipana & Co. The content is for general information purposes only and should not be used as a substitute for specific advice.

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