

PHL seeking to manage US trade unpredictability

THE PHILIPPINES will push for “stable and predictable” trade relations with the US following President Donald J. Trump’s decision to impose a 15% global tariff, as economic managers assess risks to exporters, the Palace said on Wednesday.

Quoting the economic managers, Palace Press Officer Clarissa A. Castro said the government is in talks with the US to evaluate the potential impact of the tariff order. “Our goal is to ensure that our trade and investment relations with the US remain stable and predictable,” she said.

The US will be imposing a new 15% duty on imports starting Feb. 24.

Reuters has also reported that Washington will impose another 10% tariff on all goods not covered by exemptions, citing a notice from the US Customs and Border Protection.

The US Supreme Court has ruled Mr. Trump overstepped his authority when he imposed the reciprocal tariffs.

It invalidated duties imposed by the administration on China, Japan, South Korea, Taiwan and Southeast Asian

nations. Philippine goods faced a 19% levy.

“We will continue to engage with the US given that US remains a major trading partner. In the meantime, we will evaluate and monitor recent developments,” Ms. Castro said.

Trade Secretary Ma. Cristina A. Roque said on Tuesday that the Philippines is hoping to lead discussions among Association of Southeast Asian Nations members for a unified stance on the new levies.

She said the US tariffs will be discussed by economic ministers on March 13 in Manila.

President Ferdinand R. Marcos, Jr. said on Tuesday that the Philippines will broaden trade ties to counter slowing economic growth and unpredictable trade policies.

Growth dipped to a post-pandemic low of 4.4% in 2025, weighed down by a corruption scandal that dented spending, consumption and confidence.

The Philippines is now seeking to tap markets in Latin America, the EU and Canada to diversify its trade and shield itself from shocks. — **Chloe Mari A. Hufana**



PHILIPPINE STAR/RYAN BALDEOR

House launches probe into collapse of millgate price of domestic sugar

THE HOUSE of Representatives Committee on Agriculture and Food has launched an inquiry into the sharp drop in sugar millgate prices, citing concerns over the impact of imports and the growing use of sugar substitutes.

The inquiry follows three separate resolutions filed by Representatives Javier Miguel L. Benitez, Audrey Kay T. Zubiri, and Howard A. Guinto, urging the committee to investigate the price collapse, particularly in the major sugar-producing provinces of Negros Occidental and Bukidnon.

In a committee hearing on Wednesday, Chairman Wilfrido Mark M. Enverga said industry participants blamed excessive imports of refined sugar as the primary reason for the market collapse.

“Millgate prices have fallen to as low as P2,000 to P2,100 per 50-kilo bag, which is significantly below the average production cost of P2,500,” Mr. Enverga said, citing consultations with sugar producers and millers.

Sugar Regulatory Administration (SRA) Administrator Pablo Luis S. Azcona said at the hearing that an increase in raw sugar production but a decline in refinery operations may have also blunted demand and millgate prices.

The SRA reported that raw sugar production in crop year

2024-2025 increased 8.48% to 2.09 million metric tons (MT), but refined sugar output fell 10.6% to 618,388 MT.

“Our main oversupply is in raw sugar, which is caused by the big increase in production last year. Refined volume is only equivalent to around 650,000 to 660,000 of raw sugar equivalent. If our refineries don’t refine more, we’ll have a greater problem as farmers plant more,” Mr. Azcona said.

The committee also raised concerns over the surge in artificial sweeteners and sugar substitutes, which have increasingly been used by food and beverage manufacturers.

Mr. Azcona said import volumes of artificial sweeteners and sugar substitutes last year surged to 835,000 MT in sugar equivalent.

“The concern is very evident and very real. The continual increase in sugar substitute imports is hampering our sugar demand,” he said.

Mr. Azcona said there is currently no regulation governing the import of artificial sweeteners and sugar substitutes.

He added that the SRA only started gathering accurate import data on sugar alternatives in 2025 and is currently studying drafting a policy to regulate these products. — **Vonn Andrei E. Villamiel**

PHL exceeded 2025 GAA, Budget department says

THE Department of Budget and Management (DBM) said unprogrammed appropriations in the 2025 budget declined sharply to P57.6 billion from the year-earlier P531.37 billion, but the government still ended up spending P6.49 trillion, exceeding the budget of P6.33 trillion.

In a preliminary Status of Allotment Release report released on Feb. 24, the DBM said the P6.49 trillion included automatic appropriations of about P2.07 trillion, which must be funded by law or enforceable debt agreement, with the government afforded little discretion, unlike in the case of unprogrammed items, which are contingent on the availability of surplus funds.

These included a P1.03-trillion National Tax Allotment (NTA) for local governments. The NTA represents the 40% local government share of the National Government’s income from three years prior, and is automatically transferred to fund local government unit (LGU) operations, particularly to LGUs with insufficient revenue to sustain themselves.

Other automatic transfers include P800.51 billion in interest payments, and P83.42 billion for the Block Grant.

The government through its fiscal consolidation program is trying to rein in debt by making collection and spending more effective. However, it is also under pressure to fund legislative measures and other obligations, for

which no ready funding was available at the time the budget was prepared. It has resorted to making spending on such items conditional, to be funded only if government revenue exceeds projections.

Of the spending items outlined in the Status of Allotments report, the DBM said about P110.36 billion was disbursed to support foreign-assisted projects, while P51.97 billion was released for “strengthening assistance for government infrastructure and social programs.”

Releases included P78.85 billion for the retirement and life insurance premiums and P37.35 billion for the Special Account in the General Fund. — **Justine Irish D. Tabile**

Data center capacity seen at 18 GW within 10 years

THE Department of Information and Communications Technology (DICT) said data center capacity in the Philippines could hit 18 gigawatts (GW) in the next 10 years.

“So 1.5 GW is the commitment (by 2028) but actually our plan is that in the next 10 years to have 18 GW data centers’ capacity and we also plan to export that,” ICT Secretary Henry Rhoel R. Aguda told reporters on the sidelines of Association of Southeast Asian Nations (ASEAN) Editors and Economic Opinion Leaders Forum on Tuesday.

Data center capacity is typically measured in the power available to run servers and cooling and is the main constraint on performance and scalability.

Mr. Aguda said the Philippines hopes to computing capacities to ASEAN countries first then eventually to the Middle East and the US.

Currently, Philippine data center capacity is at 200 mega-



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watts (MW), he said, adding that by year’s end it could hit 1 GW.

The DICT has said that the growth of data center capacity in the Philippines will be driven by more operators setting up facilities or increasing their current capacities.

“We welcome the DICT’s push to expand the country’s data center capacity to 1 GW

and eventually 18 GW but this must deliver direct benefits to Filipino consumers and MSMEs, not just serve foreign hyperscalers,” Ronald B. Gustilo, national campaigner for the Digital Pinoys advocacy, said via Viber.

The increased capacity should translate to lower latency, more affordable cloud services, better platform reli-

ability, and stronger data protection, he said.

The Philippines is experiencing strong demand for cloud, fintech, e-commerce and AI services, the DICT has said, noting the country’s strategic geographic position, growing pool of digital talent and government initiatives to improve broadband infrastructure. — **Ashley Erika O. Jose**

OPINION

Streamlining the path to affordable homes

Affordable and accessible housing continues to be one of the most persistent challenges facing the Philippines today. The current administration has been pushing initiatives to close the nation’s chronic housing backlog. Anchored by the flagship Pamabansang Pabahay Para sa Pilipino (4PH) program, the government has sought to ramp up the production of low-cost and socialized housing units, with early efforts starting in 2022 and ongoing targets extending through 2028.

The housing deficit remains daunting despite the continued efforts. Recent estimates have the country facing a deficit of roughly 6 to 6.5 million housing units, driven by rapid urbanization, limited supply of affordable homes, and persistent demand among low-income families and informal settler communities. If left unaddressed, the backlog is projected to escalate further in the coming decades. This reality underscores the urgent need for concrete policy reforms that not only increase housing supply but also make it easier for developers to participate in delivering affordable housing.

It is within this broader policy context that the Bureau of Internal Revenue’s (BIR) Revenue Memorandum Order (RMO) No. 48-2025 emerged. The RMO streamlines the process for applying for a Certificate of Tax Exemption (CTE) for qualified socialized and economic housing projects covered by the Urban Development and Housing Act (Republic Act (RA) No. 7279), as amended by the Balanced Housing Act (RA No. 10884), and the

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Omnibus Investments Code (Executive Order No. 226).

The Balanced Housing Act requires registered and accredited developers to allocate a portion of new subdivision projects to socialized housing, thereby promoting inclusivity and affordability within larger developments. This approach aims to encourage investment in affordable housing and enhance accessibility to homes for all income levels. The Balanced Housing Act gives registered and accredited developers of socialized housing projects exemptions from various project-related income taxes and fees, including Value-added Tax, Capital Gains Tax on raw land, transfer tax and donor’s tax for land donated for socialized housing purposes.

Before this new RMO, developers seeking tax incentives were required to submit various documents to support an application for a BIR ruling or exemption confirmation. These included a written request, certified true copies of corporate documents, project details, relevant contracts and certifications, and other supporting documentation deemed necessary by the reviewing BIR office to establish entitlement under the relevant tax laws.

This created parallel compliance tracks. While legally sound, the structure meant that the BIR effectively con-

ducted its own review of eligibility, even after the housing regulator had made its determination.

WHAT CHANGED WITH RMO 48-2025?

At the heart of RMO 48-2025 is a subtle but meaningful adjustment. Developers now need to submit only a Socialized Housing Certification issued by the Department of Human Settlements and Urban Development (DHSUD), the Local Government Unit (LGU) or the Board of Investments (BoI) — along with a written request to apply for a tax exemption. The authority to sign the CTE has been delegated to the Deputy Commissioner of the BIR’s Legal Group. Previously, the BIR still required the submission of other supporting documents to independently evaluate eligibility, despite the Socialized Housing Certification.

This change is rooted in amendments introduced by the law, which clarified that the Socialized Housing Certification alone is enough to confirm eligibility for tax exemptions, removing the need for supplementary clearances previously required.

This aligns with the Joint Memorandum Circular, to which the BIR is a signatory, establishing an electronic Housing One-Stop Processing Center (eHOPC). This platform provides a mechanism capable of generating the documentary requirements needed by the BIR to process CTE applications efficiently.

In practical terms, the alignment of RMO 48-2025 with the Balanced Housing Act means that socialized and

economic housing developers can now spend less time on paperwork when pursuing fiscal incentives. This aligns with broader administrative goals of digitalization, standardization, and inter-agency coordination, which can accelerate project deployment and improve investor confidence.

WHY THIS MATTERS

More than a tweak to internal revenue procedures, the changes brought about by the RMO signal a structural adjustment toward enabling faster delivery of affordable homes. Historically, securing a CTE could take months as developers need to obtain several documents from various government agencies before they could file an application. However, with the new streamlined process — where only a Socialized Housing Certification and a written request are needed — the timeline for securing tax incentives is expected to shorten through the eHOPC.

With the simplified procedure for developers, we can expect participation from smaller and larger builders alike to increase and unlock more housing supply. For families planning to buy their first home, these kinds of reforms matter. When developers can move faster without being impeded by procedural hurdles, the ripple effects can touch construction jobs, housing availability, and community stability. Over time, this may help transition the housing sector from a forest of bureaucratic hurdles to a more responsive and efficient delivery system tuned to meet socio-economic needs.

LOOKING AHEAD

The Philippines faces a long road toward truly closing the housing gap. Millions of units are still needed, and challenges like high land costs and income disparities indicate that policy reforms are just part of a larger solution.

These policies show a willingness to listen to industry voices, to simplify processes with the potential for meaningful change. By building on this momentum, the government can work towards making housing a reality for all, not just for a privileged few. I hope that RMO 48-2025 will be in faithful adherence to its intended purpose, ensuring that these reforms effectively translate into tangible benefits for the housing sector. Ultimately, while laws alone can’t solve the housing crisis, they are crucial steps toward ensuring that everyone moves closer to realizing the dream of an affordable home, with a government dedicated to finding long-lasting solutions.

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