

PHL wary of losing exemptions if Trump's uniform 15% tariff sticks

By **Beatriz Marie D. Cruz**
Reporter

THE uniform 15% US tariff could have a negative impact if the Philippines loses the exemptions it negotiated hard for, a former tariff commissioner said.

"If those exemptions are not going to be retained under the global tariffs, under Section 122, then we would, I think, be worse off," Former Tariff Commissioner George N. Manzano said on Monday on the *Money Talks with Cathy Yang* program on One News.

US President Donald J. Trump announced on Saturday a 15% tariff on all imports, claiming authority from Section 122 of the Trade Act of 1974.

The law allows the President to impose a maximum 15% import surcharge for 150 days, unless extended by legislation.

The US Supreme Court ruled that Mr. Trump had exceeded his authority when he imposed his previous tariff regime, for which he cited the International Emergency Economic Powers Act of 1977.

The Department of Finance has said that the majority of Philippine exports to the US — like semiconductors and key agricultural goods — had won exemptions before the Supreme Court ruling.

"The real issue isn't the tariffs themselves — it's the uncertainty. When US trade policy keeps changing, companies delay investments, slow hiring, and hold back expansion, and that spills over to us," Jonathan L. Ravelas, a senior adviser at Reyes Tacandong & Co., said via Viber.

Efforts to diversify Philippine export markets should be part of the country's long-term solution, Mr. Manzano said.



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"It will be like a dominant strategy that we need to do regardless of what the US does, because it will give us some bit of certainty when it comes to trade," he said.

Mr. Manzano also noted that uncertainty surrounding trade with the US is the "new normal."

"Just as we think we are already settling in a new normal, then there are these new issues that come up, and business would

like really to have a predictable environment," he said.

Some investors are for the moment more focused on oil prices with the US and Iran poised to meet this week to hash out a possible nuclear deal, which is seen as a sign of easing tensions after a highly publicized US military buildup in the region.

"What we're really watching out for is really the US-Iran (talks)," and whether the situation escalates "into something worse," Sunlife Investment Management and Trust Corp. President Michael Gerard D. Enriquez also said on *Money Talks with Cathy Yang*.

"That would have a more direct effect on the Philippines in terms of oil inflation that would trigger again some uncertainty on the economy's recovery."

The next US-Iran talks will be held on Feb. 26 in Geneva.

BPOs alarmed by aggressive LGU taxation despite exemptions under CREATE MORE

THE IT and Business Process Association of the Philippines (IBPAP) said local government units (LGUs) are insisting on collecting local taxes even though the industry enjoys exemptions under the CREATE MORE Act.

IBPAP said the information technology-business process outsourcing (IT-BPM) industry faces increased operating costs of 15% to 20% if the exemptions are ignored, likely affecting locator decisions.

In a statement on Monday, IBPAP said inconsistent tax policy and permitting requirements are having an impact on potential investment decisions.

"These concerns are escalated to global headquarters and influence location decisions," IBPAP Chief Operating Officer Celeste B. Ilagan said.

The IBPAP said LGUs are disregarding the exemptions granted by the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act, and are also concerned by inconsistencies in tax assessments.

The IBPAP noted that the Bureau of Internal Revenue's Memorandum Circular 05-2024, as implemented in some areas, subjects certain cross-border services to a 25% final withholding tax, plus a 12% value-added tax.

It also cited the need to amend Republic Act No. 10175 or the Cybercrime Prevention Act of 2012, particularly to allow IT-BPM firms to directly

file cybercrime cases when fraud affects foreign clients.

"Currently, companies may bear financial liability but lack prosecutorial standing, limiting deterrence, and weakening client confidence," the IBPAP said.

The group also cited the need to reskill IT-BPM workers, as the rapid adoption of artificial intelligence (AI) poses risks to companies offering entry-level and voice-based services.

"If there is no talent, there will be no locators. We need to embed digital capability across the workforce and accelerate industry-aligned training," Frankie Antolin, IBPAP executive director for Talent Development and Attraction, said.

The group also warned that even modest job losses in provincial hubs could significantly impact those economies.

The IT-BPM industry supports over 250,000 workers in the Visayas and Mindanao.

IBPAP called on the need for the accelerated approval of enterprise-based training, nationwide AI literacy programs, and faster rollout of government reskilling programs.

It also sought targeted support for small and medium enterprises, as well as home-grown business process outsourcing (BPO) firms.

These concerns will be the focus of the IBPAP's first annual membership meeting for the year scheduled for March 4.

The IBPAP 2026 targets are \$42 billion in revenue and staffing levels of 1.97 million. — **Beatriz Marie D. Cruz**

UK seeking out 'bankable' projects within Luzon Economic Corridor

THE UK is studying its potential role in helping develop the Luzon Economic Corridor, with a focus on identifying "bankable" projects, the Department of Finance said.

"The UK has expressed keen interest in supporting the development of the Luzon Economic Corridor," Finance Undersecretary Joven Z. Balbosa said at the UK-Philippines Growth & Investment Partnerships relaunch event on Monday.

"Together with like-minded partners, we are strengthening coordination and strategic investments across the Subic-Clark-Manila-Batangas corridor," he added.

He noted that the British embassy hosted the Luzon Economic Corridor mapping workshop in November.

The Philippines and the UK are currently finalizing a government-to-government agreement which will, in part, identify priority projects for potential financing through

the Joint Economic and Trade Committee Infrastructure Central Working Group.

"This disciplined, structured approach, aligning policy dialogue with project pipelines, ensures that cooperation translates into concrete bankable investments," he added.

The UK was the Philippines' top source of foreign direct investment in 2024, accounting for \$9.4 billion.

"This reflects strong investor confidence in our macro-stability, reform momentum, and long-term prospects," he said.

"Capital is flowing into sectors that directly strengthen our competitiveness. Among these are our own renewable energy, infrastructure, and banking," he added.

He noted the \$600 million commitment of London-based Actis to develop Terra Solar, which is being positioned as the country's largest single-site solar power project.

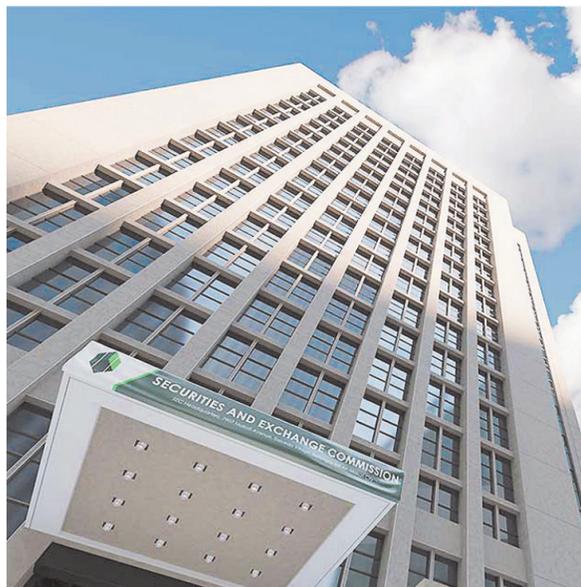
On Monday, the UK and the Philippines launched the Growth and Investment Partnership, or GIP+.

"At its heart, GIP+ is a practical toolkit helping improve regulations, shape better projects, and bring in private investment," UK Minister of State for the Indo-Pacific Seema Malhotra said.

The toolkit is designed to bring together UK-based instruments and institutions to support the end-to-end delivery of bankable infrastructure projects in the Philippines.

She said that the Philippines and the UK have been close and reliable partners for eight decades.

"Today, we take our cooperation further, with the UK joining the Philippines, US, Japan, and others in developing the Luzon Economic Corridor, a major effort to connect key cities with better transport, energy, and economic infrastructure," she added. — **Justine Irish D. Tabile**



SEC fines Myloan over unfair collection tactics

THE SECURITIES and Exchange Commission (SEC) has fined Myloan Lending Investors, Inc. P50,000 for unfair and abusive debt collection practices, warning the company against further violations.

In a statement on Monday, the SEC said its Financing and Lending Companies Department found Myloan administratively liable for a second breach of Memorandum Circular No. 18, which sets standards for debt collection conduct.

The case stemmed from a borrower's complaint alleging that the lender's collection agents used shaming language, threatened to contact emergency contacts and employers, and repeatedly reached out to third parties over delayed payments.

Under SEC memo, lenders are barred from using or threatening violence, employing insulting or profane language or contacting people listed in a borrower's contact directory, except guarantors or co-makers.

"These are not neutral reminders. They are coercive communications designed to pressure payment through humiliation and reputational exposure," the SEC said in its order.

The regulator added that while delinquency may justify reasonable collection efforts, it "does not justify abuse," rejecting the use of harassment or threats of third-party exposure as collection tools.

Alongside the fine, the SEC warned Myloan that further infractions could lead to heavier penalties, including the possible suspension or revocation of its certificate of authority.

The Financing and Lending Companies Department also ordered the borrower to settle outstanding obligations under the loan agreement, without prejudice to any restructuring or settlement both parties may reach.

Myloan Lending did not immediately reply to an e-mail seeking comment. — **Alexandria Grace C. Magno**

MPIC shelves Light Rail Manila Corp. exit plan

METRO PACIFIC Investments Corp. (MPIC) will keep its stake in Light Rail Manila Corp. (LRMC) after the government began settling billions of pesos in obligations to the private operator of Light Rail Transit Line 1 (LRT-1), easing concerns over mounting losses.

LRMC President and Chief Executive Officer Enrico R. Benipayo said MPIC Chairman Manuel V. Pangilinan (MVP) has decided to maintain the conglomerate's holdings in the company.

"Yes, MVP will maintain the status quo [in LRMC]," he told reporters on the sidelines of LRMC's 10th anniversary on Thursday. "He is happy with the actions of the government."

The decision follows moves by the Light Rail Transit Authority (LRTA) to secure a P3-billion loan from Land Bank of the Philippines to partially settle about P4 billion in obligations to LRMC. Of that amount, about P3 billion represents fare deficit payments owed to the concessionaire.

LRTA earlier said it has paid P926 million to LRMC.

Mr. Pangilinan earlier said MPIC was considering divesting its stake, citing continuing losses and ridership that had yet to fully recover to pre-pandemic levels.

"We are really happy that they are listening to us and they are trying to solve whatever issues we have," Mr. Benipayo said.

LRMC took over operations and maintenance of LRT-1 in September 2015 under a P65-billion, 32-year concession agreement with LRTA and the Department of Trans-



THE LRT-1

LRMC/PH

portation. Under the deal, the operator may petition for fare adjustments every two years.

In April 2025, the Transportation department approved LRMC's fare hike petition, but the implemented rates were lower than what the company sought, resulting in a fare deficit of about P2.17 billion.

Ridership has improved alongside system upgrades and the opening of the Cavite Extension Phase 1 in 2024, which added five stations to the line.

Mr. Benipayo said average daily ridership has reached about 440,000 passengers, close to pre-pandemic levels of roughly 450,000 in 2019. He expects the line to average 450,000 daily riders by year-end.

Daily ridership had fallen to 350,000 to 370,000 in 2023, and stood at 323,000 in November 2024 before the Cavite extension opened.

MPIC holds a 35.8% stake in LRMC through Metro Pacific Light Rail Corp. Other shareholders include Sumitomo Corp. and Macquarie Investments Holdings (Philippines) Pte. Ltd. LRMC is a joint venture of MPIC, AC Infrastructure Holdings Corp., Sumitomo and Macquarie.

MPIC is one of the three key Philippine units of Hong Kong-based First Pacific Co. Ltd., along with Philex Mining Corp. and PLDT Inc. Hastings Holdings, Inc., a unit of MediaQuest Holdings under the PLDT Beneficial Trust Fund, holds a majority share in *BusinessWorld* through the Philippine Star Group. — **Ashley Erika O. Jose**

PCC clears GCMC JV with Navegar II and Leapfrog

THE Philippine Competition Commission (PCC) has approved a joint venture (JV) between local hospital operator Global Care Medical Center Holdings, Inc. (GCMC) and Singapore-based private equity firms Navegar II (Singapore) Pte. Ltd. and Leapfrog Emerging Consumer Fund IV, LP, clearing the way for an expansion of healthcare services across the Philippines.

The antitrust regulator said it found no horizontal overlaps or vertical relationships among the parties that could raise competition concerns.

The phase one review, conducted by the PCC's Mergers and Acquisitions Office, concluded that the transaction "does not affect market positions or competitive dynamics in any relevant market."

GCMC operates five hospitals in Pangasinan, Batangas and Laguna, with about 300

licensed beds and 670 doctors covering more than 60 specialties.

Beyond hospital operations, the company provides nationwide diagnostic services and distributes pharmaceuticals and medical equipment.

Navegar II, a Singapore-based private equity firm, and Leapfrog, a global growth-focused fund specializing in healthcare and financial services, are investors in the joint venture but do not operate healthcare facilities in the Philippines. The PCC said Leapfrog's involvement as an investment holding company poses no competitive risk.

The venture seeks to address gaps in healthcare access outside the country's major urban centers.

"As healthcare demand rises across the Philippines, access outside major cities remains constrained," Leapfrog said in a state-

ment last week. "GCMC addresses this gap by locating modern, well-equipped hospitals in underserved provinces."

Under Republic Act No. 10667 or the Philippine Competition Act, the PCC reviews mergers and acquisitions, including joint ventures, to ensure that deals do not harm competitive market conditions or create monopolistic advantages.

The approval reflects interest from international investors in Philippine healthcare, a sector that has seen growing demand for modern facilities and services in provincial markets.

The PCC's clearance provides regulatory certainty for the JV, allowing GCMC to use Leapfrog and Navegar II's capital to expand its footprint, while maintaining competition in hospital and medical service markets. — **Beatriz Marie D. Cruz**