House bill proposes abolition of travel tax

A BILL seeking to abolish the travel tax was filed in the House of Representatives on Monday, with its proponent citing the need to ease the burden on travelers and remove obstacles to mobility.

"The travel tax was created in a very different economic context," Ilocos Norte Rep. Ferdinand Alexander A. Marcos III, who wrote House Bill No. 7443, said in a statement on Wednesday. "Today, it has become an added cost that restricts mobility and weighs heavily on ordinary Filipinos who simply want to travel for work, family or opportunity."

A counterpart bill proposing the abolition of travel tax was filed at the Senate last year. All tax measures must originate from the House of Representatives, according to the 1987 Constitution.

The government collects a travel tax of P1,620 ($28.35) from economy air passengers and P2,700 ($47.24) from first class air passengers.

Currently exempt from travel tax are overseas Filipino workers, Filipino permanent residents abroad staying less than a year in the Philippines, and children aged two years and below.

"When travel becomes more expensive, fewer people move, fewer people spend and fewer opportunities circulate through the economy," Mr. Marcos, the President's son, said. "Lowering the cost of travel allows Filipino families to allocate their money where it matters most."

The Department of Finance estimated last year that scrapping the tax could result in up to P5.1 billion in foregone revenue, sparking concerns over the sustainability of government programs that depend on its collections.

The bill proposes that agencies partly reliant on travel tax collections be funded directly through the annual national budget to ensure programs potentially affected will continue.

"It directs the National Government to fund the Tourism Infrastructure and Enterprise Zone Authority, the Commission on Higher Education and the National Commission for Culture and the Arts through the General Appropriations Act," according to the Marcos bill's explanatory note. — **Kenneth Christiane L. Basilio**

Philippines working to improve Japan market access deals for fruit

THE Department of Agriculture (DA) said the Philippines is working to improve market access to Japan for key fruit products like bananas, pomelos, and mangoes.

In a statement on Wednesday, the DA said Agriculture Secretary Francisco P. Tiu Laurel, Jr. met with Japan's new agriculture minister and the senior vice-president of the Japan International Cooperation Agency (JICA) to discuss lower tariffs on fresh bananas shipped to Japan.

Mr. Laurel has said that the government is pushing to lower the duties to a fixed rate of between 5% to 8% from the current seasonal tariff rates of 8% to 18%.

The DA said the tariff negotiations are meant to serve as a temporary measure to keep Philippine bananas competitive, while the country works toward securing zero duties when it accedes to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The CPTPP is a free trade agreement whose members include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the UK, and Vietnam. It provides for more liberalized trade, including zero tariffs on a wide range of goods.

The DA said it is also seeking expanded market access for pomelos and updated protocols for the entry of mango, papaya, and poultry from avian flu-free regions.

Former Agriculture Undersecretary Fermin D. Adriano told *BusinessWorld* that lower tariffs on bananas would be a "tremendous help," as Japan is the country's largest market for the fruit.

"Unlike bananas from Ecuador, which are imposed a zero tariff when entering the Japanese market, Philippine banana is slapped a tariff of 8% to 18%, depending on the season," he said via Viber.

Mr. Adriano added that the proposed rationalization of quarantine measures for other fruit exports, such as mango and papaya, could help expand the market, as these fruits currently face strict sanitary and phytosanitary requirements.

However, Mr. Adriano said Japan might request reciprocal tariff reductions for its exports to the Philippines as a precondition for any agreement.

Meanwhile, the DA said it also proposed expanding the existing memorandum of cooperation (MoC) on agriculture between Japan and the Philippines to include fisheries.

"Japan welcomed the (proposed amendment) and will host the second Philippines-Japan Joint Committee on Agriculture meeting in June. Secretary Laurel expressed hope that the amended MoC will be signed this year," the DA said.

The DA said the Philippines also secured Japanese aid for a rice processing hub in Cauayan City, Isabela, with a grant agreement set for signing in February.

The DA also requested JICA support for other projects, including integrated food logistics hubs, a nationwide study on commodity distribution, modernization of small-scale fisheries, the rehabilitation of Magat Dam, and the expansion of the DA's vegetable value chain project. — **Vonn Andrei E. Villamiel**

Packaging industry seen growing 3.2% per year

THE Philippine processing and packaging industry is expected to grow 3.2% a year, according to Informa Markets.

"The overview of the processing and packaging industry in the Philippines is very interesting, with annual growth of around 3.2%," Rungphech Chitanuwat, general manager for the Philippines at Informa Markets, said at the opening ceremony of ProPak Philippines 2026 on Wednesday.

"The volume of packaging in the Philippines was 78.5 billion units in 2024, but you guys will reach 91.8 billion in 2029," she added.

She said that the outlook reflects "increasing consumption and innovation and development," she added.

However, she said that consumers today are more conscious about the sustainability of the materials they consume, which makes it important for the industry to take a sustainability approach.

"The convergence of consumer consciousness and technological advancement is creating new market segments and business models that position the Philippines as a regional hub for sustainable packaging solutions," she said.

"Companies that embrace consumer-conscious innovation today will lead tomorrow's marketplace, capturing both domestic opportunities and export potential in an increasingly sustainability-focused global economy," she added.

Science and Technology Secretary Renato U. Solidum, Jr. said that sustainability requires the participation of everyone.

He said the department hopes to help businesses become more efficient, compliant, and competitive through better technology and smarter processes.

"We will engage micro, small, and medium enterprises one-on-one to help them improve their production and increase the skills of their employees through capacity building," he added.

In the medium term, the Department of Science and Technology (DoST) will be investing in innovation systems and supporting research and development, digitalization, and business model innovation.

"Here, we target 500 tech enterprises to be scaled globally," he said.

The DoST will also be introducing the Philippine Technology Evaluation and Standards Testing Facility.

"We will implement this with the Commission on Higher Education, where technologies can be tested all over the Philippines so that we can make innovations more market-ready so that investors can see the potential of which technologies they can invest in," he added. — **Justine Irish D. Tabile**

WESM prices decline in Jan. as supply improves

ELECTRICITY PRICES at the Wholesale Electricity Spot Market (WESM) declined in January as supply margins improved, according to the Independent Electricity Market Operator of the Philippines (IEMOP).

IEMOP reported on Wednesday that the average WESM rate decreased 18.6% month on month to P3.56 per kilowatt-hour (kWh).

Between Dec. 26 and Jan. 25, the available power supply declined 5.3% month on month to 19,152 megawatts (MW). Demand, on the other hand, dipped 7.1% to 12,492 MW.

Tight supply margins on Luzon drove the average price to rise 9% year on year to P3.25 per kWh.

IEMOP said forced outages from coal and gas-fired plants on Luzon that took 4,811 MW out of commission, leading to the increased use of oil-based and other higher-cost sources.

Power supply decreased 8.3% month on month to 13,228 MW. Meanwhile, demand fell 8% to 8,574 MW.

"However, in the Visayas and Mindanao, prices dropped significantly, which is good news for WESM participants in the Visayas and Mindanao," Isidro E. Cacho, Jr., IEMOP vice-president for trading operations, said in a briefing on Wednesday.

Spot prices in the Visayas plunged 41.2% month on month to P4.24 per kWh.

Available supply decreased 6.4% to 2,361 MW, while demand fell 5.9% to 1,861 MW.

On Mindanao, IEMOP reported a decline of 45.5% month on month to P4.27 per kWh, with supply increasing 8.4% to 3,563 MW and demand falling 3.8% to 2,056 MW. — **Sheldeen Joy Talavera**

Rehab loan,
from S1/1

"There can be immediate improvement if the prohibition versus Dalian trains is lifted," he said in a Viber message.

The Philippines acquired 48 China-made Dalian train cars in 2016, but most were left unused for years due to technical compatibility issues. Only nine cars were deployed on MRT-3 last year.

Nigel Paul C. Villarete, a senior adviser on public-private partnerships at Libra Konsult, Inc., said the rehabilitation would extend the MRT-3's lifespan and improve service reliability, but stressed the need to assess the economic impact of the investment.

"Is it worth spending money for the expected improvement?" he said via Viber. "The metric is not how much is spent, but how much the benefits amount to in economic terms."

He also warned that the EDSA Bus Rapid Transit system, which serves a similar commuter base, could be affected without integrated transport planning.

"No one analyzes that upgrading one mode can have a negative economic effect on another when both serve the same market," he said.

John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said sustained upgrades for the MRT-3 is needed for long-term viability.

"A more dependable MRT-3 reduces congestion, lowers travel time costs and strengthens the National Capital Region's productivity," he said in a Viber message.

He added that the government should make rehabilitation continuous and not episodic, so operational difficulties do not recur.

The MRT-3, which carries about 400,000 passengers daily, has long struggled with frequent technical glitches, limited train availability and maintenance backlogs, prompting renewed calls for urgent rehabilitation of the 27-year-old system.

ASE,
from S1/1

"Strong linkages with universities and colleges are crucial in strengthening the supply chain and sustaining high-technology industries," he added.

John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said the expansion suggests that major investors are willing to deepen their presence in the country despite global and domestic uncertainties.

PHILSTAR FILE PHOTO

"Such expansions help validate the country as a viable destination for higher-value, export-oriented projects and can generate jobs, boost supply chain activity and attract related investments," he said in a Viber message.

He added that better policies and business confidence can offset short-term challenges, showing that the country's long-term fundamentals remain strong.

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said the announcement sends a positive signal to investors despite recent political and governance issues.

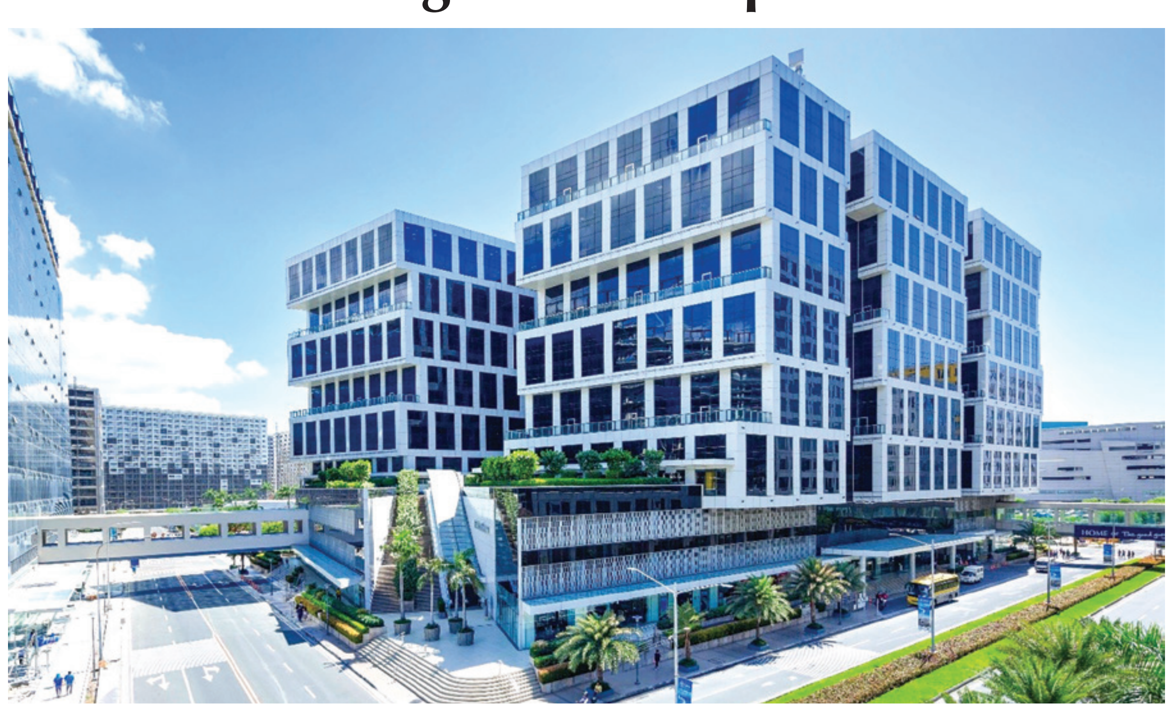
"This sends a good signal on investor confidence and sentiment on the country, transcending political noise," he said, citing favorable demographics and economic fundamentals.

However, he said the Philippines should continue easing regulatory bottlenecks and lowering the cost of doing business to draw more foreign direct investment.

"These will create jobs and business opportunities that will further support inclusive and sustainable economic growth over the long term," he added.

PEZA said it expects to approve about P300 billion worth of investment pledges this year, up 15% from 2025.

SM Offices' FiveE-com Center earns LEED Gold certification, bolsters green office portfolio



FiveE-com Center's LEED Gold Certification underscores SM Prime's commitment to sustainability, while maintaining an efficient workplace.

SM Offices' FiveE-com Center earned LEED Operations and Maintenance Gold certification, strengthening the sustainable office portfolio of SM Prime Holdings, Inc. (SM Prime).

FiveE-com Center received the certification under the LEED v4.1 O+M: Existing Buildings framework, which evaluates energy efficiency, water conservation, indoor environmental quality and building management practices.

Located at the Mall of Asia Complex in Pasay City, the twin-tower 15-storey office development has more than 93,000 square meters of gross leasable area, with floor plates averaging 3,500 square meters designed to accommodate flexible office layouts.

"LEED Gold certification confirms that FiveE-com Center is not only operationally efficient but also responsive to what businesses now look for in office spaces," said Alexis Ortiga, vice-president and head of SM Offices.

The property utilizes automated meter reading systems tracking real-time energy consumption through digital dashboards. A building management system adjusts cooling based on occupancy levels, while energy recovery ventilators replace stale air to improve indoor air quality and reduce HVAC energy demand.

Open-air spaces such as landscaped decks, pocket gardens, select office balconies, and koi ponds are distributed across the development, offering employees functional areas for breaks and informal work. These biophilic design elements have been shown to improve productivity and employee wellness.

FiveE-com Center includes electric vehicle charging stations, bicycle facilities, and covered walkways connecting to SM Mall of Asia and its transport terminal.

This infrastructure enables tenants and employees to reduce their carbon footprint through lower-emission commuting options. The integration with retail and transport facilities allows employees to access dining, shopping and services without additional commutes, reducing time away from the office.

With this latest green certification, SM Prime now has six LEED Gold-certified office buildings: ThreeE-com Center, FourE-com Center, and FiveE-com Center in Pasay City, Mega Tower in Ortigas Center, Aura Tower in Bonifacio Global City, and North Towers in Quezon City. OneE-com, TwoE-com, and the upcoming SixE-com Center are also pursuing LEED certification as SM Prime continues expanding its sustainable office footprint.