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SPECIAL POINTS OF INTEREST

SEC clicks on button for more digital initiatives

July 15, 2024| Richmond Mercurio | The Philippine Star


This undated file photo shows a building of the Securities and Exchange Commission.

Businessworld / SEC.GOV.PH

MANILA, Philippines — The Securities and Exchange Commission (SEC) is ramping up its digital initiatives to further improve the business environment in the country.

The commission said it is poised to launch this week the third wave of its digital initiatives which is envisioned to push the country further in the global stage as having one of the best and most advanced corporate sectors in Southeast Asia.

Under the leadership of its chairperson Emilio Aquino, the SEC is progressively championing ease of doing business through digital transformation covering the automation of its company registration, reports submission and payment processes.

Its digital initiatives have likewise paved the way to heightened transparency in the corporate sector by making information more accessible to its stakeholders.

Aquino earlier said the SEC prides itself with being one of the first-movers in digitizing services in the government, allowing it to institute game-changing reforms for the corporate sector.

As part of efforts to enhance the security of online transactions alongside its continued shift to automated processes, the SEC said it is integrating all its digital services under one platform.

The commission issued on July 10 a memorandum circular providing the guidelines on the Electronic SEC Universal Registration Environment (eSECURE), which serves as a user's digital passport to the different online services provided by the SEC.

This allows the management of one's SEC accounts and online transactions from one place through a single account.

The SEC said the platform enables risk-based credentialing procedures using repeatable electronic know-your-customer (eKYC) process and credentialing system, which will strengthen the identification, trustworthiness, reachability and veracity of persons representing corporations, as well as individuals using the commission's online services.

"The eKYC process serves as an important tool to curb money laundering and/or terrorist financing committed through the use of the corporate vehicle," the commission said.

Further, the credentialing system provides a more efficient alternative to the use of wet signatures and notarization in documents submitted to the SEC, as these documents may now be digitally authenticated.

The SEC said credentialing through eSECURE is required for sensitive and critical online services, where verification and establishment of identity is necessary.

These include the commission's systems for company registration, namely SEC Electronic Simplified Processing of Application for Registration of Company (eSPARC) and One-day Submission and E-registration of Companies (OneSEC) as well as its service for research and data retrieval called the SEC Application Program Interface Marketplace.

Also tagged as sensitive and critical online services are the Automated Certification Examination System and the SEC Electronic Registry Application for Market Participants, which are used for licensing of capital market participants, as well as iMessage Mo and other SEC complaints systems.

According to the commission, users of those not falling under sensitive and critical online services may opt not to register for an eSECURE account. However, they will be required to establish their identity for each and every online SEC transaction.

The SEC also intends to integrate into eSECURE other services of the commission such as the Electronic Filing and Submission Tool, MC 28 Submission Portal and the Electronic System for Payment to SEC.

Source: https://www.philstar.com/business/2024/07/15/2370168/sec-clicks-button-more-digital-initiatives

PEZA investments plunge in June

July 15, 2024| Justine Irish D. Tabile | BusinessWorld

Workers make toys at a factory in Angeles City, Pampanga province, Philippines, March 10, 2023. — REUTERS

THE PHILIPPINE Economic Zone Authority (PEZA) approved P8.65 billion worth of projects in June, 73.4% lower than a year ago.

In a statement over the weekend, the investment promotion agency said the PEZA Board approved 25 new and expansion projects at its June 28 meeting, up from 22 projects a year ago.

These projects are expected to contribute $416 million in export value and 5,881 direct jobs.

However, the amount of PEZA-approved investments in June was 73.4% lower than the P32.56 billion worth of investments approved in the same month last year.

Of the 25 projects, 22 are from locator companies and three from economic zone (ecozone) developers, PEZA said.

"These locator companies comprise 11 export manufacturing projects, followed by six projects in information technology and business process management (IT-BPM), three in domestic markets, one in facilities development, and one in logistics services," it added.

Calabarzon was still the top investment destination in June, accounting for 15 projects. The other investment destinations were the National Capital Region, Region III (Central Luzon), Region V (Bicol Region), Region VII (Central Visayas), and Region XII (Soccsksargen).

LOWER INVESTMENTS

For the first half, PEZA said it approved P45.48 billion worth of investments, plunging by 43.6% from the P80.59 billion worth of investments approved in the same period last year.

The PEZA approved 120 projects which are expected to create over 25,000 jobs and generate $1.61 billion in export value.

"The new projects approved recorded an 18% increase from 102 to 120, with projected direct employment reaching a remarkable 64% uptick from 15,424 to 25,259 this year," PEZA said.

PEZA Director-General Tereso O. Panga said that the approval of the 120 projects signals confidence in the country's business environment and economic potential.

"Creating more jobs for Filipinos signifies the agency's proactive efforts in positioning the Philippines as a premier investment destination in Asia," he said.

During the six-month period, PEZA said it approved five big-ticket projects worth P31.36 billion.

In June, it approved two projects worth P6.15 billion. A Malaysian company will set up a manufacturing and assembly facility for hair stylers, while a Japanese company will manufacture biomass fuel products, oxygen reducers, and activated charcoal made from coconut shells in General Santos City.

From January to June, the top investment sources were the Cayman Islands (P8.86 billion), Japan (P8.02 billion), Malaysia (P4.53 billion), Hong Kong (P1.62 billion), and Singapore (P1.27 billion).

The electronic manufacturing services sector attracted the most investments, accounting for P19.77 billion. This was followed by the ecozone development (P16.21 billion), IT-BPM industry (P2.89 billion), and automotive (P1.04 billion).

"Eastern European countries are also quite interested in the Philippines, with visits from Ukrainian, Polish, and Russian delegations conducting inquiries and site visits preparatory to investing in the country," PEZA said.

PEZA is hoping to approve between P200 billion and P250 billion worth of investments this year. If realized, this will be at least a 15% growth from the P175.71 billion worth of investments approved in 2023.

Source: https://www.bworldonline.com/top-stories/2024/07/15/607982/peza-investments-plunge-in-june/

‘Enhanced e-Travel System’ now operational at Naia T1

July 11, 2024| Nonie Reyes | BusinessMirror

A passenger uses the e-travel system barcode scanner that will show all the info of the customs baggage declaration. The system benefits multiple stakeholders by streamlining the travel process and easing airport congestion. It advances inter-agency coordination by enabling real-time data sharing and enhancing the monitoring of travel flows.

THE “Enhanced e-Travel System” that was designed to create a more efficient and secure travel experience for all travelers and airline crew members was launched on Wednesday afternoon at the Ninoy Aquino International Airport (Naia) Terminal 1.

The Department of Information and Communications Technology (DICT), the Bureau of Customs (BOC), the Bureau of Immigration (BI), Department of Migrant Workers (DMW) and the Department of Tourism (DOT) joined forces to leap towards digital transformation that includes the generation of a single QR code to minimize waiting time, and reducing the need for multiple forms and checkpoints.

Since its inception in December 2022, the e-travel system has been continuously improved. The DICT has collaborated with the BOC and DMW to establish key features, including the Customs Baggage Declaration Form, Currency Declaration Form, and the Overseas Employment Certificate.

The system benefits multiple stakeholders by streamlining the travel process and easing airport congestion. It advances inter-agency coordination by enabling real-time data sharing and enhancing the monitoring of travel flows.

This improved data integration supports national security measures and aids in public health risk management by ensuring timely and accurate information for all relevant authorities as this initiative aims to streamline and modernize the travel process for individuals entering and existing in the Philippines. All passengers entering the Philippines have 72 hours to fill up prior to arrival.

In connection with this process, the BOC put up several QR code scanners located at the Naia customs arrival counters to scan passengers QR codes in their cellular phone and hold passenger for questioning if they failed to declare taxable items and bringing unauthorized amount of foreign currencies without clearance or permit from the Bangko Sentral.

The launching was attended by Information and Communications Technology Secretary Ivan John E. Uy, Migrant Workers Secretary Hans Leo Cacdac, Secretary Ernesto V. Perez of Anti-Red Tape Authority, Commissioner Bienvenido Y. Rubio of BOC, Commissioner Norman Tansingco of Immigration, and Manila International Airport Authority General Manager Eric Ines and other representatives from the Departments of Tourism, of Transportation and of Finance.

Image credits: Nonie Reyes

Source: https://businessmirror.com.ph/2024/07/11/enhanced-e-travel-system-now-operational-at-naia-t1/

Government unveils passport to reduce exhibition expenses

July 15, 2024| Xander Dave Ceball**os** | Manila Bulletin

MANILA BULLETIN

A passport that will ease the customs procedures and reduce administration costs for imports such as commercial samples and exhibition items is set to be implemented.

The Bureau of Customs and the Philippine Chamber of Commerce and Industry (PCCI) launched the ATA Carnet system, guaranteeing small businesses and professionals full payment of customs duties should their goods fail to be re-exported within the time limit.

Fair exhibitors, traveling business or sales executives, technicians, and professional individuals and teams who will use their goods for trade missions, business trips, and participation at international trade fairs can use the ATA Carnet.

Also dubbed the “International Passport for Goods,” the ATA Carnet is accepted by an international network of 81 customs administrations such as Japan, China, and Korea.

The PCCI said that the trade passport’s validity shall not exceed one year from the effective date of the security furnished to them.

It explained that individuals who want to bring their goods in the Philippines could secure the ATA Carnet from the chamber of commerce of the host country, while those who want to bring their goods outside the Philippines can secure theirs from the PCCI.
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Government unveils passport to reduce exhibition expenses

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BOC Assistant Commissioner and Spokesperson Vincent Philip Maronilla emphasized that before the implementation of ATA Carnet, businesses are required to leave a cash bond to the PCCI before exporting their goods to other countries.

“So, what the ATA Carnet actually addresses is the tedious process that we have right now and the burden of the importer or the one who's going to use the goods having to post a bond,” Maronilla told reporters at the sidelines of the launching of ATA Carnet.

“Ang ngayon, ang mangyayari, yung Chambers of commerce of each country. A guaranteeing business organization from the exporting country will guarantee their part of the obligation,” he further said.

“And sa atin, PCCI will guarantee a certain part of that obligation, most particularly taxes, if and when these are not re-exported. So with that, mas magiging madaling yung paparating ng goods, mag-proseso, at pag-re-export,” he added.

He also said that before the ATA Carnet, businesses were required to secure a tax-exempt certificate from the Department of Finance.

“With the implementation of the 8A Carnet, as you know, it's as simple as actually presenting some documents with the Bureau of Customs, and the guarantee will come from the chambers of commerce,” Maronilla said.

https://mb.com.ph/2024/7/15/government-unveils-passport-to-reduce-exhibition-expenses

143 PPP projects in the pipeline — NEDA

July 15, 2024| B.M.D.Cruz | BusinessWorld

THE GOVERNMENT has 143 public-private partnership (PPP) projects valued at P3.095 trillion in the pipeline as of July, with new projects centered on health and waste management, the National Economic and Development Authority (NEDA) said.

A worker levels concrete on some segments of Commonwealth Avenue in Quezon City, July 14, 2024. — PHILIPPINE STAR/ MIGUEL DE GUZMAN

“The number of pipeline projects has grown over these past few months. As of early July, we have 205 PPP projects, including those in local government units, under implementation and 143 projects in the pipeline,” NEDA Secretary Arsenio M. Balisacan was quoted as saying in a statement.

Nine PPP projects amounting to P65 billion were added to the pipeline as of July.

“We are also encouraged to note that more and more social infrastructure projects in health, water and sanitation, as well as solid waste management, are in the pipeline,” Mr. Balisacan added.

The National Government leans on support from the private sector in shouldering its budgetary and infrastructure project implementation shortfalls. It has passed several policies over the past months that seek to create an enabling environment for infrastructure development.

Republic Act No. 11966 or the PPP Code, which took effect in December last year, sought to increase private sector participation in financing, operating, and maintaining infrastructure projects.

Under the Marcos administration’s “Build Better More” program, the government has 185 infrastructure flagship projects (IFP) valued at P9.54 trillion in the pipeline.

Mr. Balisacan also said that 63 IFPs, including the Pasig-Marikina River channel improvement project, Central Luzon Link Expressway, and the Panguil Bay Bridge project, are currently underway.

The NEDA chief said 31 more IFPs have been approved for implementation, six are awaiting government approval, and 82 are in the preparation stage.

The government’s move to allow full foreign ownership in renewable energy projects as well as public utilities like telecommunications, domestic shipping, railways, subways, airlines, expressways, tollways and airports, is expected to increase foreign investments in infrastructure, Mr. Balisacan said. *[Cont. page 5]*

143 PPP projects in the pipeline — NEDA

[Cont. from page 4]

To fast-track implementation of infrastructure projects, the NEDA chief said there is a need to streamline and enhance processes and speed up the acquisition of right of way.

In April, President Ferdinand R. Marcos, Jr. also signed Executive Order (EO) No. 59 to fast-track the processing of permits for infrastructure flagship projects.

"By expanding and upgrading our infrastructure, we aim to create enabling conditions for high-quality job creation for millions of Filipinos, raise the competitiveness of our local industries, diversify our growth drivers to strengthen economic resilience, and enhance regional connectivity by linking our leading and lagging regions," Mr. Balisacan said.

Terry L. Ridon, a public investment analyst and convenor of think tank InfraWatch PH, said the pace of implementation of IFPs would depend on government agencies.

"With legislation and policy frameworks in place, faster infrastructure development will now be determined by capable leadership of infrastructure agencies," he said in a Viber message.

"This leadership has not been apparent in the Transportation department with only one concluded PPP (Ninoy Aquino International Airport rehabilitation) by the President's State of the Nation Address (in July.) The public is still waiting for its urgent action on the EDSA (Epifanio de los Santos Avenue) busway and MRT-3 (Metro Rail Transit Line 3) PPPs."

In May, the PPP Center said that its evaluation of Megawide Construction Corp.'s unsolicited proposal for the EDSA busway system is nearing completion.

The Department of Transportation also said it is reviewing the terms of reference for the auction of MRT-3's operations and maintenance contract by the first quarter of 2025.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the government has implemented several measures, including the establishment of "green lanes," to attract more investors in the Philippines.

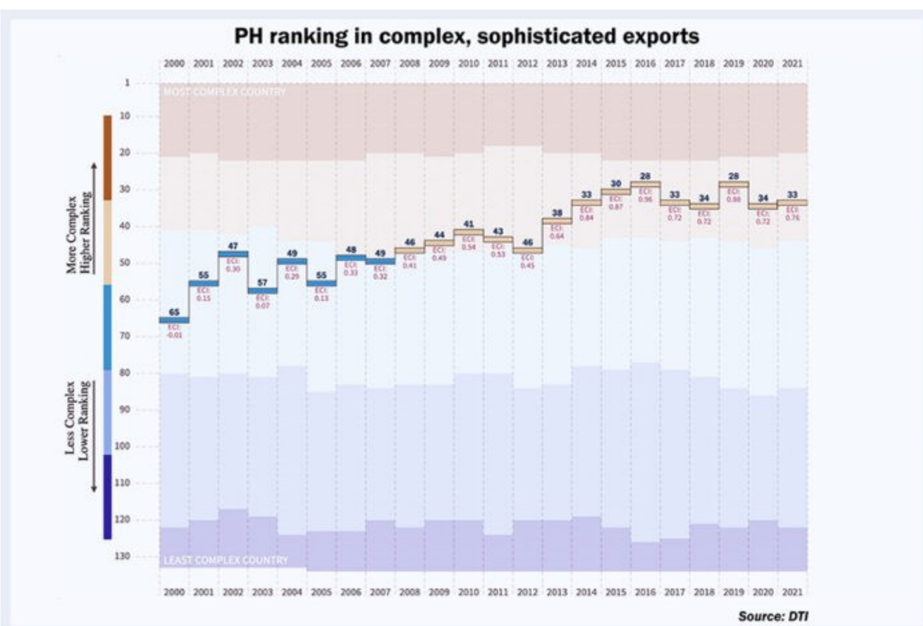
As of June 20, around P2.32 trillion worth of projects, mostly in renewable energy, have been approved to go through the "green lane" system, the Board of Investments said earlier.

The government, through EO No. 18, established the "green lane" in all government agencies to speed up the approval and registration process for priority or strategic investments.

Source: https://www.bworldonline.com/top-stories/2024/07/15/607979/143-ppp-projects-in-the-pipeline-neda/

PH aims to reverse decline in export complexity

July 16, 2024| Irma Isip | Malaya Business Insight



The Department of Trade and Industry (DTI) expressed hope the current administration will be able to reverse the decline in the Philippines' economic complexity index — or ECI, a measure of how diversified and complex the export basket of a country — through the Tatak Pinoy Act.

In his speech at the launch of the Tatak Pinoy Act in Manila yesterday, DTI Secretary Alfredo Pascual said this law goes beyond branding of "Made in the Philippines" but is an integral part of the country's industrial policy which seeks to propel Philippine enterprises toward producing diverse, sophisticated, high-quality products and services.

[Cont. page 6]

PH aims to reverse decline in export complexity
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Pascual cited the Atlas Economic Complexity report in 2021 which placed the Philippines at 33rd globally with an ECI score of 0.76, placing It fourth in Southeast Asia behind Singapore (5th), Thailand (23rd), and Malaysia (28th) but ahead of Vietnam (61st) and Indonesia (64th).

"That was 2021. We are now in 2024. In the three years that have passed, I'm sure you will see significant shifts further in the ranking," Pascual said.

He said as the Philippines' strengths lie notably in hi-tech exports, particularly semiconductors and electronics, electrical machinery, and other ICT goods, sustained economic advancement hinges on diversifying into more complex product categories.

Pascual said between 2006 and 2021, the Philippines has only ventured into 30 new export products contributing to $41 to GDP per capita.

In contrast, Vietnam has ventured into 41 new products, boosting its GDP per capita by almost $1,500.

Additionally, he said, Philippine export volume of $74 billion pales in comparison to its regional peers: Indonesia, $231 billion; Thailand, $266 billion, and Vietnam , $355 billion.

"There was a big increase during the period 2011 to 2016 that was the administration that brought that about, and then the next administration suffered a decline. Again, we hope to be able to shift the trend upward during the current administration," Pascual said.

He added: "This stark contrast highlights the urgent need for a more robust approach to enhance the global competitiveness of our local industries and attract more export-oriented high-tech manufacturing companies to make the Philippines their production hub." The Tatak Pinoy Act was signed last February 26.

Source: https://malaya.com.ph/news_business/ph-aims-to-reverse-decline-in-export-complexity/

PHL likely to grow by 5-6% this year — House think tank
July 16, 2024| Kenneth Christiane L. Basilio | BusinessWorld

THE GOVERNMENT of President Ferdinand R. Marcos, Jr. might have done enough pump-priming and should let the private sector take on a bigger role in boosting the economy, according to a congressional think tank.

People shop for school uniforms and supplies at a the Commonwealth Market in Quezon City, July 14, 2024. — PHILIPPINE STAR/ MIGUEL DE GUZMAN

"The resilience and ingenuity demonstrated by Filipinos, particularly in crises, should serve as a reminder that the government can trust the private sector to do its part in growing the economy. To realize this potential, policy makers must prioritize providing a favorable environment for businesses to thrive," the Congressional Policy and Budget Research Department (CPBRD) said in a report on Monday.

"This includes lowering regulatory burdens, improving infrastructure, investing in education and skills development in areas that offer the highest economic returns, and fostering competition," it added.

The Philippine economy would probably grow by 5.02% to 6.17% this year, compared with the government target of 6-7%, the CPBRD said, noting that heightened inflationary pressures, tightening fiscal constraints, weak capital formation and anemic growth in critical productive sectors could further hamper growth.

The think tank said inflation is still a "large and growing threat to economic growth and stability."

"If prevailing inflationary pressure remains unabated, the likelihood of an economic slowdown is heightened," it added.

For the first six months of 2024, headline inflation averaged 3.5%, slightly higher than the central bank's 3.3% full-year forecast.

"Anticipated shifts in regional and global value chains, tightening fiscal constraints, growing geopolitical instability, and the Philippines' vulnerability to climatic shocks (i.e., a single typhoon that hits Central Luzon has the outsized potential to severely aggravate existing agricultural productivity issues) are other potential threats on the horizon," the think tank said. *[Cont. page 7]*

PHL likely to grow by 5-6% this year — House think tank

[Cont. from page 6]

The CPBRD expects growth momentum to continue in the second and third quarters, before decelerating in the fourth quarter.

In a low-growth trajectory, the think tank sees gross domestic product (GDP) expanding by 5.05% in the second quarter, 5.7% in the third quarter and 3.56% in the fourth quarter.

“The low-growth trajectory can be viewed as the expected scenario if inflation accelerates and begins eroding productivity — sooner rather than later,” it said.

On the other hand, the CPBRD’s high-growth scenario sees GDP expanding by 6.3% in the second quarter, 7.04% in the third quarter and 5.35% in the fourth quarter.

“While the Philippine economy faces significant headwinds, it also has the potential for robust and inclusive growth. The path forward necessitates a balanced approach that addresses immediate challenges while laying the foundation for long-term sustainable development,” the CPBRD said.

The think tank said a strong partnership between the government and the private sector can help the Philippines realize its full economic potential.

The Philippine economy faces both challenges and opportunities in the current global economic landscape, it said.

“Exploiting its strengths in services, manufacturing, and agriculture, the country can position itself as a competitive player in emerging regional markets — and eventually the global market,” it said.

“This, however, requires a collaborative effort from both the public and private sectors to build robust markets, foster innovation, and leverage emerging technologies.”

Meanwhile, Security Bank Corp. Chief Economist Robert Dan J. Roces said the government’s 6-7% GDP growth target is not out of reach despite elevated interest rates and high inflation.

“Rising remittances and a potential infrastructure spending boost offer promising signs,” he said in a Viber message.

“Streamlining regulations, investing in vital infrastructure, and nurturing a skilled workforce can unlock private sector potential beyond restrictive requirements,” Mr. Roces said adding that the Marcos administration’s focus on infrastructure and public-private partnerships is a step in the right direction.

The government should also limit its intervention in the economy to allow the private sector to stimulate the local economy, Leonardo A. Lanzona, an economics professor at the Ateneo de Manila, said in a Facebook Messenger chat.

“The economy is so dependent on government expenditures that any underspending causes a negative effect on growth,” he told *BusinessWorld*. “With private consumption and investment declining, the government in turn has crowded out the private sector and hence not been able to meet its targets.”

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said Philippine GDP growth could normalize to around 5.5-6.5% annually in the coming years.

In a Viber message, he said it would be possible for the Philippines to achieve 6% GDP growth in the following quarters due to the continued recovery of businesses and increases in government spending in preparation for the 2025 midterm elections.

Source: https://www.bworldonline.com/top-stories/2024/07/16/608151/phl-likely-to-grow-by-5-6-this-year-house-think-tank/

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