

By Riza Lozada

The Asian Development Bank (ADB) is ready to assist the government to deliver on its ambitious Build, Build, Build infrastructure program,

See page A2

Inside Monitor



JOLLIBEE OPENS 1,000TH STORE AT BONIFACIO GLOBAL CITY
page A4



FAVILA, ABACAN ASSUME MB POST, MEDALLA STAYS
page A5



2017 MMFF: COMMERCE OVER CREATIVITY (YET AGAIN)
page B3



BONIFACIO GLOBAL CITY: THE PLACE 'PASSIONATE MINDS' CALL HOME
page B4



Exports group urges reset of BOC cases

Trade group Philippine Exporters Confederation (Phil-export) had sought a reset of tariff cases with the Bureau of Customs (BOC) through an amnesty program since these pending cases are now sources of graft.

The head of the trade group said the BOC should be authorized to extend customs amnesty, disclosing that the backlog of cases that have piled up with the BOC has become a "goldmine for graft."

Speaking at a recent panel discussion on ways to promote trade facilitation in the Philippines, Philexport president Sergio Ortiz-Luis Jr. said the mounds of cases stored for decades with the

Meralco, power units' sweetheart deals bared

By Luis Leoncio

Giant electricity distributor Manila Electric Co. (Meralco) has "sweetheart" deals with seven power plant affiliates for the supply of some 90 percent of its power supply requirements in violation of anti-trust provisions of the Electric Power Industry Reform Act (EPIRA).

Consumer group People Opposed to Unwarranted Electricity Rates (POWER) said



The Manila Electric Co. building. ELMER DOMINGO (CC BY-SA 3.0)

state regulator Energy Regulatory Commission (ERC) even abetted the illicit arrangement.

The ERC and Meralco are now being investigated by Congress on charges that the ERC allowed the power firm to skirt rules on the required competitive bidding of power contracts.

The ERC initially required all power distributors to undergo a competitive selection process (CSP) for its power supply agreements (PSAs) starting November last year. The ERC, however, moved the

deadline to April 2017, allowing Meralco to finish negotiating seven PSAs with its affiliated companies.

In a joint hearing by the House committee on good government and House committee on energy last July 4, POWER pointed out that the seven PSAs of Meralco with its sister companies cover 3,551 megawatts, or approximately 90 percent of its power requirements for the next 20 to 25 years.

See page A2

DOF wants GRT an option not a rule on tax payments

The Department of Finance (DOF) wanted the eight percent gross receipts tax (GRT) on self-employed and professionals as an option and not a mandated scheme for income tax payments as stated in the House of Representatives' version of the tax reform program.

In a Senate public hearing, Finance Undersecretary Karl Kendrick Chua said the agency proposed the govern-

ment provides two systems for self-employed and professionals with gross receipts or gross sales of P3 million and below in which the graduated system will be maintained, while the eight GRT as an option for tax computation.

"The House Bill (5636) mandates all self-employed and professionals whose gross sales or gross receipts are below P3 million to pay

the 8.0 percent flat tax on gross sales or gross receipts in lieu of the income and the percentage tax," he said.

He noted the three percent GRT would account for percentage tax and the five percent will be the average effective tax rate that self-employed and professionals are paying as share of their gross sales or receipts. But for self-employed and

professionals whose gross receipts or gross sales exceed the P3 million-threshold, they will be taxed in the same manner as corporations in terms of rate, the minimum income tax and allowable deductions.

Senator Sonny Angara, chairman of the Senate ways and means committee which is conducting the hearing on the

See page A3



Plaridel board member Ariel Ayala (right) talks to Sen. Antonio Trillanes IV (left) during the Kapihan sa Manila Hotel forum last July 3. ALLEN CID

Trillanes says no 'silver lining' under Duterte

By Gia Catimbang

The status of the economy during the first year of President Duterte lacks a 'silver lining' in 'every viewable angle', Sen. Antonio Trillanes IV said at the recent Kapihan sa Manila Hotel forum last July 3.

"Does the life of the Filipinos improved today compared to last year?", Trillanes asked.

A staunch critic of the president, Trillanes cited certain negative changes in economic indicators such as the inflation rate which he said spiked to almost 3.5 percent in April from March as a result

See page A2



Senator Juan Edgardo Angara (left photo), chair of the committee on ways and means, stresses a point on the "Tax Reform For Acceleration And Inclusion" focused on Amending the Estate Tax and Donor's Tax and the Imposition of eight percent gross receipts tax on self-employed and professionals during the Senate public hearing last July 6. With him are Minority Leader Franklin Drilon (left) and Senator Sherwin Gatchalian. At right is Finance Undersecretary Dr. Karl Kendrick Chua. PNA

Peso weakness no cause for worry, says BSP chief

There is no worry in the peso value despite its nearly 11-year low close to a greenback last Thursday when it finished at 50.67 per \$1 from 50.60 a day ago and already near its 50.73 record close on Sept. 1, 2006, Bangko Sentral ng Pilipinas (BSP) Governor Nestor Espenilla Jr. said. Espenilla said "the latest peso movements broadly reflect prevailing market conditions and underlying economic fundamentals" and is "in line with BSP exchange rate policy."

"BSP is, nevertheless, actively managing excessive volatility. This is business as usual," he said. He traced the peso's weakness to the normalization of US interest rates. "There is also growing pol-

icy convergence with Europe and even Japan," he added. The Fed has increased its key rates by a total of 100 basis points since December 2015, after keeping rates between zero to 0.25 percent starting December 2008. Its Federal Open Market

See page A3



The governorship of the Bangko Sentral ng Pilipinas is passed on from Amando M. Tetangco Jr. to Nestor A. Espenilla Jr. on July 3. Espenilla joined the BSP in 1981 and steadily rose through the ranks until he was appointed Deputy Governor in 2005. Espenilla succeeds Tetangco as fourth governor of the BSP since its establishment in 1993.

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