

# Hike in mobile phone subscribers boosts economic activity – report

by MARY ANN LL. REYES  
Philstar.com

A 10 percent increase in the mobile penetration rate in developing countries translates to a 1.2 percent rise in the gross domestic product (GDP), according to a recent global mobile tax review report published by the GSM Association.

From a sample of 57 developing countries, the report pointed out that increased mobile penetration boosts economic activity.

Portions of the study were cited by Smart Communications in its position paper opposing Senate Bill 2402 that seeks to set aside 50 percent of revenues from text messaging for the health and education programs of government.

The study also noted that reducing mobile specific taxes and general consumer taxes such as the value-added tax (VAT) leads to substantial increases in mobile penetration and usage.

Smart pointed out that such mobile specific taxes, still being levied on

16 of the countries surveyed, are regressive in developing countries in that they are proportionally greater on the poorer members of society who use mobile phones as their source of universal access.

In a letter to Sen. Richard Gordon, who chairs the committee on government corporations and public enterprises, Smart senior regulatory manager Roy Ibay pointed out that while the company lauds the noble objectives of the bill creating Health and Education Acceleration Program (HEAP) Corp., the bill must first conform with certain fundamental legal and constitutional principles.

Ibay noted that singling out text messaging or SMS as the source of the HEAP Fund is discriminatory and confiscatory since there is no legal, valid, and reasonable basis to classify domestic mobile telephone service providers as a distinct class of taxpayers specifically targeted for purposes of taxation.

Under the bill, the HEAP Fund "shall consist of 50 percent of the revenue assessed and collected on all mobile phone text messages sent from their networks, to be remitted by domestic mobile phone service providers to the Fund and



shall be earmarked solely and exclusively to finance the priority programs of the Act."

Ibay added that the bill violates the constitutional requirement that revenue bills shall originate exclusively in the House of Representatives.

It was also pointed out that the bill is another way of imposing an excise or 'sin' tax on telecommunication services in general and SMS in particular. However, Smart emphasized that such should not be categorized as sin products which are viewed as luxury items, non-essentials, or goods whose consumption the government wants to regulate due to their harmful effects.

"SMS has become essential and a basic service for millions of Filipinos. Communications has become a necessity and a staple household item through SMS being the most affordable and easiest to use. As SMS has been able to provide communication to more than 70 million Filipino cellphone users, any form of excise or sin tax curtails this right of Filipinos to communicate," Ibay said.

The company further stressed that coming on the heels of a world economic crisis, the tax imposition paints the picture that government's tax policy making is "whimsical, unpredictable and capricious and sends the wrong message to potential investors." ■

## ACROSS THE ISLANDS

### Panlilio supporters gear for showdown

GUAGUA, Pampanga – Supporters of Gov. Eddie Panlilio marched on the streets of Betis here last Oct. 12, as they geared for the launch of the People's Crusade for Good Governance on Oct. 15, the day anti-Panlilio groups would file a recall election against the governor.

About 1,000 people marched from Barangay San Miguel starting 7:30 am, holding streamers or handmade placards.

An hour later, they reached a gymnasium across the St. James Parish where vigils were held in 2007 to convince Panlilio, then a parish priest here, to run as governor. It was in the same gymnasium where Panlilio announced his candidacy.

Rosve Henson, president of the Kapanalig at Kambilan neng Memalen Pampanga Inc. (Kambilan), said his group has gathered the signatures of more than 200,000 registered voters for the petition it would file with the Commission on Elections.

The petition cites loss of confidence in the leadership of the governor.

But Panlilio, who joined the Sunday march, said he was not afraid that the recall petition would push through. (Inquirer.net)



### Provincial board goes wireless

WHILE the senate and the House of Representatives still use paper in their transactions, the Sangguniang Panlalawigan of Misamis Oriental has made a breakthrough in turning the entire legislative process into a virtual paperless and wireless system.

Vice Gov. Norris Babiera could not contain his excitement when he and the 14 board members launched their first paperless and wireless session on Monday, October 13.

The province is the second in the country to implement such setup. Agusan del Sur did it last year.

The purchase of computer equipment and the training of the board members and staff took only six months since the board's IT team began research and exploration in March.

Instead of hiring experts on system application and IT innovations, the staff held in-house training without them, enabling them to save about P300,000. Oliver Egypto, IT unit head, said the system did not really require experts to implement it.

The budget was pegged at P1.5 million, but with prudence in crafting the budget, spending and maximizing people resources, the province reduced spending to about P1 million. (By Grace Cantal-Albasin / Inquirer.net)

### Melamine scare ups carabao milk demand

SCIENCE City of Muñoz – Demand for fresh carabao (water buffalo) milk and products derived from it increased here amid reports of melamine contamination of milk and milk-based products from China, officials of the Philippine Carabao Center (PCC) here said.

"Our sales in September rose to P437,000 from the August sales of P380,000," said Mina Padilla-Abella, in-charge of the milk processing unit of the PCC at the Central Luzon State University here.

The commodities produced by the village-type milk processing unit here are pasteurized milk, choco milk, cottage cheese, yogurt, lacto juice and milk candy. Raw milk comes from purebred and crossbred carabaos.

Padilla-Abella said the Nueva Ecija Federation of Dairy Cooperatives Inc. and the DVF Dairy Farm, both based in Talavera town, also noted the increased demand for carabao milk and products derived from it.

"The water buffalo milk is considered the finest among dairy animal milk," said Dr. Libertado Cruz, PCC executive director.

"The demand for carabao milk is whetting the appetite of more farmers to own crossbred dairy carabao," he said.

A crossbred carabao, a cross between the Murrah buffalo and the native carabao, yields three to five liters of milk a day compared to the native breed's one to two liters. Harvest from a purebred carabao is at least six liters a day. (Inquirer.net)

### ON OVERSEAS EMPLOYMENT:

## RP assumes 'worst-case scenario'

by THEA ALBERTO  
Inquirer.net

MANILA – The Philippines has "assumed the worst case scenario" as the global financial crunch sends shivers through the Filipinos working overseas, Labor Secretary Marianito Roque said October 14.

But Roque told a press conference in Malacañang there were no reports of mass layoffs affecting Filipinos abroad.

"We have not received any indications or any reports from our 37 labor officers abroad of any reduction for requirement for our Filipino overseas workers," said Roque.

There are about 4.13 million Filipinos working overseas.

He said the daily arrival of Filipinos in the Philippines is a "normal trend" as workers who had just finished their overseas con-

tracts do return home.

"I don't think it is safe to associate them with the financial crisis," Roque said.

At the same time, Roque said that "ample protection mechanisms" were in place for Filipino expatriates in France, Norway and New Zealand.

In fact, these countries have expressed need for Filipino services in the areas of health care, information technology, hotel service and manual labor, he said.

The labor department has also signed employment agreements with four provinces in Canada, he said.

Roque, however, admitted that the government has "assumed the worst case scenario."

President Gloria Macapagal-Arroyo on October 13 ordered the formulation of a contingency plan to cushion the impact of the global financial crisis on the overseas Filipino workers. ■

## Recruiters say no lack of jobs, no signs of mass layoff

by MAYEN JAYMALIN  
Philstar.com

THE local recruitment industry reported October 14 that there is no lack of jobs abroad for highly skilled Filipino workers and there are no signs of a mass layoff even with the global economic slump.

The United Opposition (UNO) for its part called on Malacañang to have its economic planners revise the government's employment policies in light of the worldwide financial crisis that is now threatening the jobs of Filipinos abroad.

Recruitment leaders insisted that there is no reason for overseas Filipino workers (OFWs) and their families to be worried.

"The recruiters are not worried at all because there are no cancellation of job orders from the Middle East and other host countries, which means we will continue to deploy workers abroad," said a recruitment official.

They further noted that the demand for construction workers and other highly skilled Filipino workers in the Middle East, including Saudi Arabia, continues to rise.

"From 100,000 job orders, local recruiters have a total of 150,000 unfilled job orders from the Middle East and the number is still increasing," a recruitment official further disclosed.

He also pointed out that the Middle East, which is unaffected by the global crisis at this time, is the country's major market and not the United States or the United Kingdom.

"We only deploy a limited number of people in the US and UK, so we really don't expect any impact of the economic crisis on our deployment overseas," he added.

Because of this, the recruitment industry is expecting a very minimal drop in remittances from abroad because of the crisis.

Jackson Gan, Pilipino Manpower Agencies Accredited to Taiwan (PILMAT) president, also gave assurances that there will be no mass layoff of workers in Taiwan.

He said the estimated 100,000 OFWs working in Taiwan are secure in their jobs as Taiwan factory owners are unlikely to stop operations or retrench personnel.

"We have received information from business ties in Taiwan that factories are just slowing down their production due to the can-

cellation of orders arising from the business downfall in Western countries.

"However, they intend to keep their Filipino workers on site and just reduce overtime hours for some factories," Gan said.

Gan added that other companies may also re-tool their production lines and concentrate on their other electronics products.

"Filipinos who comprised a majority of foreign workers in that country are well-liked because of their ability to speak English and are hardworking all the time," he added.

Makati Mayor Jejomar Binay, emphasizing that the global economic crisis should serve as a wake-up call, said that in the long term government should be able to provide gainful employment to the extent that working overseas should be a matter of choice instead of a necessity.

Binay, president of UNO, accused Malacañang of failure to even implement a comprehensive reintegration program for returning Filipino workers.

"Overseas deployment was seen as a stop gap measure in the 1970s, but now, OFWs provide stability to the economy. They are now our main exports," he said.

Citing official statistics, Binay said OFW remittances now contribute 9.2 percent to the country's gross national product (GNP), noting that last year OFW remittances exceeded \$14 billion.

### Not likely to come home

A Catholic Bishops' Conference of the Philippines (CBCP) official, on the other hand, said despite the economic problem in other countries, OFWs are not likely to return home because life here is still more difficult than in Europe or the US.

Fr. Edwin Corros, executive secretary of the CBCP-Episcopal

Commission on Migrants and Itinerant People (ECMD), said many of the OFWs would most likely prefer to stay and work abroad and take their chances because living in the Philippines is much worse.

"Normally, our countrymen do not return even during these situations because the conditions in our country are worse. During the previous decades, they failed to improve the conditions in the country. So unless, they can see that the European countries are in a worse state than the Philippines, they would strive to stay abroad," said Fr. Corros.

He believed that those belonging to the industry and service sectors, such as domestic household workers and construction workers, would be first to be hit by the global economic slowdown and be sent home by their employers.

"The question now is our government ready when this time comes and our OFWs would be returning home. I do not think so," the CBCP-ECMI official added.

### Repatriated

Meanwhile, the Overseas Workers Welfare Administration (OWWA) reported Oct. 14 that the 78 distressed Filipino seafarers, who worked for five months at a garments factory in Romania without getting appropriate wages, are finally returning home.

They will arrive in two batches from Bucharest, Romania.

Labor Secretary Marianito Roque earlier ordered the repatriation of the Filipino seafarers and the filing of appropriate charges against their employer, SC Mondostar.

The seafarers, all of whom had previous work experience abroad, resigned last September due to unresolved issues concerning their pay and working conditions. ■

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