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Wage, fare hikes sought; TRAIN kills 'unli' drinks

By **ROMINA CABRERA**

An avalanche of price hikes threatens to overwhelm consumers in the coming days as businesses – particularly retailers and transport operators – take steps to cushion the possible effects of a new tax law.

Amid the looming scenario, the government – through the Department of Trade and Industry – warned businesses against taking advantage of the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) law, saying they should be able to absorb its “minimal” impact.

The Department of Energy, for its part, said higher fuel prices due to the new excise tax should take effect only after Jan. 15 when old oil inventories are used up.

Jeepney groups are preparing to file a petition for P2 to P4 fare hike, while taxi operators are seeking a P50

flag-down rate from the current P40. Workers' groups, meanwhile, are demanding a salary increase.

Pasang Masda president Obet Martin said they are seeking a P12 minimum fare for jeepneys so they could make up for possible losses from the P2.50 excise tax on diesel and gas.

Drivers stand to lose at least P80 a day if the petition for P12 minimum fare is not granted, Martin said.

Jun Magno, president of the Samahan ng Tsuper at Operator ng Pilipinas Genuine Organization (Stop and Go), said his group would also file a petition for fare adjustments once the tax reform law is fully implemented.

* TAX REFORM FOR ACCELERATION
AND INCLUSION (TRAIN)

* DTI

* DOE

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He said the poor would bear the brunt of increased costs of goods and services.

Bong Suntay, president of the Philippine National Taxi Operators Association (PNTOA), said the new excise

tax would impact severely on the industry, with Metro Manila and other urban centers likely to lose most of its taxi services.

Brian Cu, head of Grab Philippines, said they will also file a petition with the LTFRB for a fare increase of "between six and 10 percent" of the current fares for Grab cars.

For its Grab Taxi, the firm will follow the rates approved by the LTFRB.

Cu explained that the six to 10 percent increase would be added to the total fare of the commuter and not on the base fare.

"A driver consumes P800 to P1,100 a day on gas. For diesel, P600 to P800 (for Mitsubishi Adventure and Toyota Innova) because of excise tax on petrol, this will impact on daily expenses and on their monthly earnings," Cu told reporters in a press conference.

"So for TNVs (transport network vehicles), the new

individual tax rates, the excise tax for automobile, petroleum products and lubricating oils will affect our TNV drivers," Miguel Aguila, head of Grab's legal department, added.

Cu said that they could not yet see any problem as far as prices of vehicles and LTFRB's regulation for TNVs are concerned, but he claimed they were seeing indication of price increases for spare parts.

"But the biggest worry is daily operations with regard to fuel. If a fair adjustment is not made, it will affect their income and potentially reduce the number of TNVs on the streets," Cu said.

"If there is an increase filed, they need to justify why there must be or why the board should grant the fare increase and what services would be delivered. We need to hear the side of the commuters' group before the Board will issue any order," LTFRB spokesperson Aileen Lizada said.

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Wage hike petition

Alan Tanjusay, spokesman for the Associated Labor Unions (ALU), said a wage increase is necessary.

"If the situation warrants, we will file the petition for workers to cope with rising cost of living even if the one-year prescribed for no wage increase period set by the wage board is still in effect," Tanjusay said in a statement.

Members of the Bukluran ng Manggagawang Pilipino (BMP) staged a rally to dramatize their protest against the TRAIN's implementation.

"Contrary to what officials keep on reiterating that TRAIN is beneficial to the poor, it is all too evident that the capitalists shall simply pass their obligations to their clients – the lowly paid, contractual workers," BMP president Leody de Guzman said.

The "unlimited soda" promo of membership shopping chain S&R in the country is one of the first casualties of the new tax law.

Photos circulating online showed an announcement from the management of S&R Membership Shopping regarding the end of its "unlimited soda" promo.

"Effective 1st of January 2018, we will discontinue serving unlimited soda due to the tax reform law," the announcement read.

Sen. Paolo Benigno Aquino IV, one of those who voted against the TRAIN, warned of sharp hikes in prices in the next days.

Sen. Panfilo Lacson, who also voted against the TRAIN, expressed hopes the expected price increases would not be as high as feared.

- With Danessa Rivera, Paolo Romero, Marvin Sy, Janvic Mateo, Robertzon Ramirez, Mayen Jaymalin, Richmond Mercurio