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SPECIAL EDITION

CUSTOMS GAIN DESPITE COVID

Collection still significant in 1st quarter of 2020, says Mendoza

THE Bureau of Customs (BOC) Port of Cebu still earned significant income for the government despite the Corona Virus Disease (Covid-19) pandemic.

BOC Port of Cebu District Collector Charlito Martin Mendoza said they still have collections despite the Covid-19 crisis although they cannot hit the monthly target set by the Department of Finance (DOF).

“Despite the unprecedented plunge of importation volume, the collection of the Bureau of Customs is still significant,” said Mendoza, a lawyer.

He told Cebu Business Week that he was unofficially informed that the DOF has reduced the target because of the Covid-19 pandemic, hence, the DOF has reduced the target for 2020. The BOC Head Office in Manila will apportion the reduction of targets to all ports in the entire country, accordingly.

Due to the decrease in importation volume since February 2020 following the COVID-19 crisis, this has resulted to tremendous

decrease of actual collection against the target.

In the first quarter of 2020 (January, February, March) compared to the same period last year, the collection even increased to P500 million.

“Collection was good before the COVID-19 crisis. As a matter of fact, we had collected close to P3 billion and we hit the target for the month

of January.” Mendoza said.

Because of COVID-19, the Port of Cebu failed to hit the target for the months of February, March and April, but still, the collection for the first quarter of 2020 was still higher by 7% compared to the same period last year.

“We only experienced slow importation in the month of April when the government

implemented the Enhanced Community Quarantine. We are still affected until now maybe because the inventory of importers is still stagnant.” Mendoza said.

He cited as example the FilOil, a fuel importer, which used to have a monthly importation but has no importation for April 2020 due to lack of buyers as all vehicles are banned from traveling except for transporting essential goods. “We collected around P400 million from FilOil’s monthly importation so that we rely on it in the past several months. It so happened that we failed to collect a single centavo from FilOil last month,” the district collector said.

Mendoza said that even if vehicles are now allowed to run, we are still in the community quarantine, hence, we cannot expect that the FilOil importation will be back to normal in a short period of time.

Mendoza said there are several essential products imported by businessmen such as coal for power

generation, rice, construction materials which are all taxed by the government.

However, there are imported products that are tax-free such as Personal Protection Equipment (PPE), face masks, testing kits, and medical devices to fight COVID-19. These are exempted from payment of duties and taxes under the express provision of the Bayanihan to Heal Us One Act.

Mendoza said the objective of the government for the free tax is to encourage the importation of medical products because these are needed to fight COVID-19.

Mendoza appealed to the importers and traders of medical equipments not to overprice these items because these are already importation tax free. He said that there were people arrested for selling medical equipment at exorbitant prices.

“It’s something that the Department of Trade and Industry is looking into the prices of these medical equipment,” Mendoza said.

ELIAS O. BAQUERO



CHARLITO MARTIN MENDOZA, BOC Port of Cebu District Collector.