

Philippines: Five Proposals To Mitigate Effects Of Oil Crisis

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Since the start of the year, the successive oil price hikes have taken a toll on our people. It's only a matter of time until prices of essential goods start skyrocketing along with the cost of fuel.

With the current tension between Ukraine and Russia, we are far from the end-game of this oil crisis. We in the Makabayan Coalition have long proposed five measures to help ease the burden of high fuel costs.

The first proposal calls for the immediate repeal of the VAT and excise taxes imposed on fuel. This can provide an average relief of P27 per liter, which can help many of our sectors that rely heavily on fuel. We have done away with the VAT on water supplied by Manila Water and Maynilad; we must follow suit with fuel.

The second proposal is to unbundle oil prices, much like how water and electricity charges have breakdowns. There should be transparency in oil and petroleum products. By seeing where every peso spent per liter goes, we can easily check for overpricing and market abuse. This proposal is contained in House Bill No. 10386.

For the medium term, the government should establish assets to ensure a stable supply of oil and petroleum products. For this, we propose:

- The repeal of the Oil Deregulation Law and enactment of a new policy framework to ensure that oil prices are within reasonable costs and regulated, as contained in House Bill No. 4711;
- The buy-back of Petron to provide the public with a state-owned alternative to acquire oil and petroleum products, as contained in House Bill No. 244. Ramon Ang has already expressed willingness to sell Petron; thus, the Government must take on this offer and seek a just take-over of the company;
- The establishment of a National Petroleum Exchange Corporation to serve as the central import and distribution hub of oil and petroleum products, ensuring lower prices through economies of scale and helping oversee oil prices in the market, as contained in House Bill No. 4712.

Truth be told, the Government does not have its hands tied in dealing with rising fuel costs. It can take a cue from these proposals to ease the burden for consumers. Prices are expected to get worse in the coming weeks, which is why the government must act with urgency to cushion the country from this crisis.

Kayang-kaya natin higitan ang krisis na ito basta mabawasan natin ang mga pahirap na buwis at magkaroon ng sapat na regulasyon sa industriya ng langis.

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