



## 필리핀한인상공회의소뉴스

# KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



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### More business chambers to advise regulator on ease of doing business

November 29, 2023 | Justine Irish D. Tabile | BusinessWorld

THE Anti-Red Tape Authority (ARTA) signed an agreement with three more business chambers on Wednesday, which agreed to advise the regulator on how to best implement Republic Act 11302, otherwise known as the Ease of Doing Business and Efficient Government Services Delivery act.

On the first day of the Ease of Doing Business Convention on Wednesday, ARTA signed a memorandum of understanding (MoU) with the Philippine Chamber of

Commerce and Industry (PCCI), the German-Philippine Chamber of Commerce and Industry (GPCCI), and the Nordic Chamber of Commerce of the Philippines (NordCham).

GPCCI President Stefan Schmitz said the partnership with ARTA will help in simplifying business processes, reducing red tape and ultimately enhancing the overall investment climate in the Philippines.

“GPCCI is committed to bridging the business community and the government aiming to streamline processes and reduce bureaucratic challenges,” Mr. Schmitz said.

“Our involvement will extend to organizing informative events and actively participating in policy discussions, ensuring that the business sector’s voice is an integral part of this transformative tool,” he said.

He added that the signing of the MoU is a “proactive” step towards creating a more dynamic and competitive business landscape in the Philippines.



“By combining German expertise and innovation with Filipino resilience and ingenuity, we are set to make significant strides in making the Philippines a more attractive destination for investors,” he said.

German Ambassador to the Philippines Andreas Michael Pfaffernoschke, who was also present at the event, welcomed the partnership and said that it has the potential to ease business operations for German companies in the Philippines and to strengthen public-private sector collaboration.

“As you know, Germany is a very important trading partner of the Philippines ... I am convinced that this MoU will help to make business easier for German companies in the Philippines that will help develop the bilateral economic relations, improve the local investment climate, and promote welfare for the Filipinos,” Mr. Pfaffernoschke said.

PCCI President George E. Barcelon said that the partnership will allow the organization to communicate the needs of the private sector at the regional level to ARTA.

“The regional development councils include us in the chambers — that is why it is important that we are looped into this so that we can share to ARTA the places we know that have gaps that need to be addressed,” he said.

Through the partnership, PCCI expects meetings with ARTA at the regional level to take place as often as they do at the national level.

“We want to strengthen it. Hopefully our meetings with ARTA on a regional basis will be more regular. We often discuss (matters) at the national level because of the forums, and we want to achieve the same at the regional level,” Mr. Barcelon said. [Cont page 2]

## More business chambers to advise regulator on ease of doing business

[Cont. from page 1]

Jesper Svenningsen, executive director of NordCham, said simplifying the processes that businesses are subject to is important in attracting more foreign investment, especially from the Nordic countries.

“At least for the Nordics, we are used to things being smooth and fast. The improvements that are already done by ARTA are very significant. Thus, we see more interest in foreign investment in the Philippines from the Nordics,” Mr. Svenningsen said.

He said that the MoU will help in taking ARTA’s initiatives to the next level and guide it towards the next steps that will make doing business in the Philippines smoother.

“We were looking forward to signing this, but we are really looking forward to taking the next steps and making sure that our points of view are being heard and that all the companies that we represent are also being heard,” he said.

“I am sure ARTA will help us with whatever bumps on the road, to smoothen it out so business will be even better in the Philippines,” he added.

ARTA Secretary Ernesto V. Perez said that the three MoUs signed on Wednesday followed the MoUs the agency signed with the Korean Chamber of Commerce Philippines and the Malaysia Chamber of Commerce and Industries Philippines in the past few weeks.

“In the future, we will also be signing with the European Chamber of Commerce of the Philippines and the American Chamber of Commerce of the Philippines,” Mr. Perez said.

“By entering these MoUs, we will make them our champions so that they and their members who know and experience red tape will be able to let us know ... Through the MoUs that we have signed, we will capacitate them to refer any complaints by any of their members so that ARTA can act accordingly,” he added.

Source: <https://www.bworldonline.com/economy/2023/11/29/560504/more-business-chambers-to-advise-regulator-on-ease-of-doing-business/>

## S&P affirms investment grade rating on PH; outlook stable

November 30, 2023 | Jimmy Calapati | Malaya Business Insight



Construction of new buildings alongside older establishments is seen within the business district in Makati City. S&P projects Philippines’ GDP to expand by 5.4 percent this year. (Reuters photo)

Credit rating agency S&P Global Ratings yesterday affirmed its investment-grade rating of “BBB+” long-term and “A-2” short-term on the Philippines with the outlook remaining stable.

Despite the pandemic and the economic lockdowns that went with it, the Philippines remains among a few of the countries around the world that were able to maintain its investment-grade rating.

Aside from S&P, Moody’s credit rating for the Philippines was also affirmed at Baa2 with stable outlook, while Fitch’s credit rating was last reported at BBB with stable outlook.

Tokyo-based Rating and Investment Information also maintained its rating of BBB+ with positive outlook.

Japan Credit Rating Agency (JCR) upgraded the Philippines’ credit rating by a notch from BBB+ to A- in 2020, citing the country’s resilience.

In a statement, S&P Global said the stable outlook “reflects our expectation that the Philippine economy will maintain healthy growth rates and the fiscal performance will materially improve over the next 24 months.”

“The ratings on the Philippines reflect the country’s above-average economic growth potential, which should drive constructive development outcomes and underpin broader credit metrics,” S&P Global said.

It added the ratings benefit from the Philippines’ strong external settings but warned that “the Philippines’ low GDP (gross domestic product) per capita relative to other investment-grade sovereigns and evolving institutional settings temper these strengths.”

“The government’s fiscal and debt settings have deteriorated due to the economic fallout from the pandemic and the associated extraordinary policy responses. Fiscal buffers built through a long record of prudence before the pandemic have thinned, but we expect a consolidation as the economy recovers,” S&P Global said. [Cont. page 3]

## S&P affirms investment grade rating on PH; outlook stable

[Cont. from page 2]

S&P projects the Philippines will achieve a real GDP growth of 5.4 percent in 2023, considering the impact of external macroeconomic developments and a high base.

It noted there are “near-term risks to growth, but economic outlook remains solid for the longer term.”

“The Philippines’ economic growth has been robust in 2023 following a strong recovery last year. The pace of the growth will, however, dip as inflationary pressures and sluggish macroeconomic global conditions persist. This is reflected in data for the first three quarters of 2023, during which the economy grew by an average of 5.5 percent year-on-year compared with an average growth of 7.7 percent during the first three quarters of 2022,” it said.

Inflation, according to S&P, has shown signs of easing in recent months, decelerating to 4.9 percent in October 2023 from 5.8 percent in 2022.

Slower growth of the world economy, including that of China and the United States, the Philippines’ biggest trading partners, is also projected to drag down the economy.

“Nonetheless, economic growth in the Philippines should be well above the average for peers at a similar level of development, on a 10-year weighted average per capita basis.

The country has a diversified economy with a strong record of high and stable growth. This reflects supportive policy dynamics and an improving investment climate,” S&P said.

GDP per capita could rise to about \$3,903 in 2023 and \$4,273 in 2024, the agency noted, with real GDP per capita growth averaging about 4.4 percent per year over 2023-2026.

Source: [https://malaya.com.ph/news\\_business/s-outlook-stable/](https://malaya.com.ph/news_business/s-outlook-stable/)

## Japanese chamber bats for pre-CREATE investors’ VAT perks to be grandfathered in

November 28, 2023 | John Victor D. Ordoñez | BusinessWorld

THE original value-added tax (VAT) waiver for Philippine Economic Zone Authority locators, which was in force before the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law, needs to be restored, the Japanese Chamber of Commerce and Industry of the Philippines, Inc. (JCCIPI) said on Tuesday.



At a Senate Ways and Means Committee hearing on Tuesday, Shigeru Shimoda, president of the JCCIPI, said the chamber is asking senators to reconsider the imposition of a sunset period for the 5% tax on gross income earned granted to the projects and activities registered prior to the enactment of the CREATE law.

“Attractive incentives should be offered to invite investments in manufacturing to keep up with competitors from neighboring countries,” he said.

“In order to restore confidence in the investment environment in the Philippines, it is essential (for Congress) to reinstate the original PEZA incentives for the companies that had invested in the Philippines before the enactment of the CREATE Law.”

The Finance and Trade and Industry departments recently approved the amendment of Rule 18 Section 5 of the CREATE implementing rules and regulations, allowing transitory domestic market enterprises availing of the 5% gross income tax scheme to register as VAT taxpayers.

Senate President Juan Miguel F. Zubiri has said Japanese companies have threatened to leave the Philippines after encountering value-added tax refund issues after the CREATE Law came into force.

Last week, the House Ways and Means Committee approved the CREATE MORE (CREATE to Maximize Opportunities for Reinvigorating the Economy) bill, which aims to introduce a “simplified and streamlined” refund system.

The measure also seeks to give the President the power to modify, draft and grant incentive packages, without the recommendation of the Fiscal Incentives Review Board.

The House bill has yet to be debated in the plenary before the House gives its final approval, which is needed before the measure can be transmitted to the Senate.

“Incentives are one of the deciding factors for Japanese companies or foreign companies in expanding overseas,” Mr. Shimoda said. “I respectfully say that the Philippines should not miss this opportunity to invite a number of foreign investments.”

<https://www.bworldonline.com/economy/2023/11/28/560298/japanese-chamber-bats-for-pre-create-investors-vat-perks-to-be-grandfathered-in/>

## Factory gate prices decline in October

November 30, 2023 | Louella Desiderio | The Philippine Star



Data from the PSA released yesterday showed the Producer Price Index (PPI) for manufacturing registered a 0.3 percent contraction in October from a 0.2 percent decline in September.

STAR / File

MANILA, Philippines — Producer prices declined at a slightly faster pace in October from the previous month due mainly to the slower increase in prices of food products, according to the Philippine Statistics Authority (PSA).

Data from the PSA released yesterday showed the Producer Price Index (PPI) for manufacturing registered a 0.3 percent contraction in October from a 0.2 percent decline in September.

In October last year, the PPI posted a 7.3 percent growth.

PPI measures the average change in the prices of products made by domestic manufacturers and sold at factory gate prices to wholesalers and/or other consumers in the domestic market relative to a base period.

The PSA attributed the faster decline in PPI primarily to the slower uptick in the food products industry division at 0.4 percent in October from 1.4 percent in September.

“Among the 22 industry divisions for manufacturing, manufacture of food products has the highest weight in the computation of PPI,” the PSA said.

It said food products contributed 62.2 percent to the decline of the PPI in October.

Also cited as a main contributor to the faster decline in PPI were coke and refined petroleum products industry division, which posted a bigger drop of 7.2 percent in October from a 6.5 percent contraction in the previous month.

The fabricated metal products, except machinery and equipment industry division, were also tagged as another major contributor to the faster PPI decline, registering a slower increase of 1.7 percent in October from 2.8 percent in September.

Of the remaining 19 industry divisions, 10 exhibited decreases in October such as transport equipment; chemical and chemical products; basic metals; wood, bamboo, cane, rattan articles and related products; other non-metallic mineral products; wearing apparel; electrical equipment; other manufacturing and repair and installation of machinery and equipment; machinery and equipment except electrical; and textiles.

Meanwhile, nine industry divisions registered positive growth rates in October, with the highest increase posted by beverages at 11.4 percent.

*Source: <https://www.philstar.com/business/2023/11/30/2315187/factory-gate-prices-decline-october>*

## Power supply seen tightening on lack of new energy sources

November 28, 2023 | Lenie Lectura | BusinessMirror

The country’s power supply could be “tight” in the summer of 2024 amid higher demand and the lack of new power sources.

“It’s still going to be tight because there is no new power plant except maybe the Excellent plant of San Miguel that’s scheduled to be completed by the end of next year. Its entry would even be in 2025,” said Manuel V. Pangilinan, chairman of the Manila Electric Co. (Meralco).

Pangilinan was referring to the 1,750 megawatt (MW) LNG (liquefied natural gas) power plant of Excellent Energy Resources Inc. (EERI), a subsidiary of San Miguel Global Power, the power arm of conglomerate San Miguel Corp.

Meralco is anticipating an increase in peak demand to 8,346 megawatts (MW) for this year from 8,111.02 MW in 2022. “This 2023, peak demand in Meralco’s system is expected to increase by 2.9 percent. As economic activity normalizes, peak demand is expected to grow annually by an average of 4.3 percent per year from 2022 to 2032,” the company said in a filing with the Department of Energy (DOE).

Meralco now has over 7.6 million customers in its franchise area.

“It’s always good to have surplus power. If you don’t have surplus capacity you will face bouts of tightness which we don’t want to see. As a distributor, we want to see good margins of supply to demand,” added Pangilinan. *[Cont. page 5]*

## Power supply seen tightening on lack of new energy sources

[Cont. from page 4]

Aboitiz Power Corp., for its part, said demand is also expected to grow, “maybe by 600 to 7000 megawatts.”

“Although it’s El Niño, it’s still going to be tight especially during summer, but I think we will have ample supply,” said AboitizPower President Emmanuel Rubio.

He was referring to the resumption of the operations of the Ilijan plant, the dispatch of some diesel plants, and new hydro plants, among others.

“Ilijan is offering so I think they would really amp up supply...Maybe there will be times when diesel plants will be dispatched but it’s good that Ilijan is now running unlike in early 2022...In our case, the water levels in Magat are still below normal with the El Niño forecast. Hopefully, it will catch up until the end of the year,” added Rubio.

The DOE is hopeful that the country’s power supply will be adequate in the months to come given recent positive developments in the energy sector.

“We hope that this will remain stable not only this year, but with the incoming new power sources also in the next two to three years,” DOE Secretary Raphael Lotilla said.

Among recent positive developments in the energy sector are the resumption of the Ilijan natural gas power plant of San Miguel in Batangas in supplying power to the grid, the energization of the National Grid Corp. of the Philippines’ Hermosa-San Jose 500-kiloVolt transmission line, and some new renewable energy facilities.

*Source: <https://businessmirror.com.ph/2023/11/28/power-supply-seen-tightening-on-lack-of-new-energy-sources/>*

## [Post Event Article] November 21, 2023 | 18th JFC NETWORKING NIGHT

The Joint Foreign Chambers (JFC)'s 18th Annual Joint Foreign Chambers Networking Night was held on Tuesday, 21 November 2023 at the Sheraton Hotel in Pasay City.

Back on face to face, this event is one of the highlight networking events in Manila and created to provide an opportunity for the chambers’ respective members and honoured guests to meet and network in an informal setting. The event welcomed 280+ attendees who enjoyed a night full of good cheers and exciting raffle prizes from the sponsors. KCCP president Mr. Um joined the event to represent the Korean Chamber of Commerce Philippines (KCCP).

KCCP is also extending its appreciation and thanks to Golf Ridge Private Estate by Filigree and Veratech, Inc. for supporting the event as sponsors and is looking forward to meeting and having the other KCCP members at the next Joint Foreign Chambers Event.



*In photo: JFC Representatives*



*In photo: JFC Members & Guests*

## KCCP Christmas Party & MOU Signing with ARTA , KCCP and KCAPH

November 22, 2023

After years of restriction due to the pandemic, the Korean Chamber of Commerce Philippines, Inc., held its Christmas Party to celebrate the Yuletide Season and year-end gathering on November 22, 2023 at the Ayala Ballroom, Makati Sports Club.

KCCP member companies, officials from the Korean Embassy, Partner Organizations and guests joined for a night of good cheers and celebration. The event was more momentous as KCCP President Mr. Hyunchong Joseph Um together with the Korean Companies Association in the Philippines (KCAPH) President Mr. Hee Seok Jeong with the support of Embassy of the Republic of Korea in the Philippines signed the Memorandum of Understanding (MOU) with the Anti Red-Tape Authority (ARTA) who was represented by Secretary Ernesto Perez, the milestone was witnessed by His Excellency Ambassador Lee Sang-hwa and all KCCP member companies and guests during the event.

The MOU affirmed KCCP and KCAPH as ARTA Champions that will benefit its member companies in easing doing business and more efficient government services in the Philippines. Department of Trade and Industry (DTI) Usec. Ceferino Rodolfo also joined the event and gave a brief message before introducing Director Sherylyn Aquia who presented on relevant and timely topic of Philippine-Korea Free Trade Agreement (FTA).

Before the sumptuous dinner, Philippine Korea Economic Council (PHILKOREC) Chairman Robert Yupangco, Philippine KOICA Fellows Association (PHILKOFA) President Lorenzo Moron and KCCP Honorary President Mr. Jang Jae Jung led everyone for the wine toasting with great cheer and positive wishes.

A talented group of college students from the Polytechnic University of the Philippines (PUP) Bagong Himig Serenata serenaded the guests with Christmas Carols and special video greetings from KCCP Scholars was played during dinner.

KCCP would like to thank the following for helping us make this event a success: BDO Unibank, Inc., Engkanto, Holiday Inn Express, Industrial Bank of Korea Manila Branch, Island Resort Club Tour Services Inc., JOIN en JOY Korea, Korean Air, Korean Womens Association in the Philippines, Little Clarion International Preschool, Medley Buffet, Milkis, Pisopay.com Inc., Sheraton Hotels & Resorts, Spritz by Asia Brewery, Chumchurum Soon Hari, United Korean Community Association in the Philippines (UKCA), UnniRepublic, Kepco Philippines, CJ Philippines, Inc., KEB Hana Bank, Dookki Philippines and Mr . Kang Chang Ik.

### **[PHOTO HIGHLIGHTS] KCCP Christmas Party & MOU Signing with ARTA , KCCP and KCAPH**



With KCCP President Mr. Um, Hyunchong giving a welcoming remarks



With H.E. Ambassador Lee Sang—hwa delivering His special message to KCCP Members and Guests



With Secretary Ernesto Perez giving his special greetings

**[PHOTO HIGHLIGHTS] KCCP Christmas Party & MOU Signing with ARTA, KCCP and KCAPH**



With DTI Undersecretary and BOI Managing Head Ceferino Rodolfo extending his special greetings



With Resource Speaker DTI Director Sherylyn Aquia on Philippines-Korea Free Trade Agreement



MOU Signing with Anti Red-Tape Authority Sec. Ernesto V. Perez, KCCP Pres. Hyunchong Um, KCAPH Pres. Hee Seok Jeong and witnessed by His Excellency Korean Ambassador Lee Sang-hwa



In photo: Presenting the signed Memorandum of Agreement of ARTA, KCCP and KCAPH



PHILKOREC Chairman Robert Yupangco, PHILKOFA President Lorenzo Moron and KCCP Honorary Pres. Mr. Jang Jae Jung

**[PHOTO HIGHLIGHTS] KCCP Christmas Party & MOU Signing with ARTA , KCCP and KCAPH**



ARTA Group Photo



In photo: KCCP Members – Korean Air GM Lee, Byung Kwon, IRC Tour Services, Inc. CEO Choi Hyok, KEB Hana Bank GM Yoon Tae Sun, CJ Philippines Pres. Son ,Young Ig, Posco International Managing Director Yun Hyun Ho and Megatrends I&C President Chun, Sanggoo



In photo: KCCP President Mr. Hyunchong Um, Korean Air Regional Manager Mr. Lee Byung Kwon, Industrial Bank of Korea Manila Branch General Manager Mr. Hee Seok Jeong, ARTA Usec. Gerald Divinagracia and Asian Development Bank (ADB) Managing Director Mr. Woochung Um



In photo: Philippine KOICA Fellows Association (PHILKOFA) Members with KOICA Director Eun Sub Kim



In photo: Philippine Korea Economic Council (PHILKOREC) Officers with KCCP President Hyunchong Um



In photo: Uni-Ship Inc. Chairman & KCCP Honorary Pres. Jang Jae Jung, ARTA Sec. Ernesto V. Perez, and KCCP President Mr. Hyunchong Um



**[PHOTO HIGHLIGHTS] 2023 KCCP Christmas Party**



In photo: PHILKOREC Officers with KCCP Honorary President Mr. Kwan Soo Lee



Christmas Carols by PUP Bagong Himig Serenata



*KCCP Christmas Party 2023 Sponsors:*

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