



필리핀한인상공회의소뉴스

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SPECIAL POINTS OF INTEREST

- Asian economies 'on track' to fuel global growth —page 1-2
- PH lags behind Asian peers in foreign investments —page 2
- IP use in ecozones promoted —page 3
- Agriculture output up 0.4% in 2023 — page 3-4
- Gov't to curb inflation in driving economic growth—page 4-5
- 84 locators 'significantly' affected by Red Sea crisis, PEZA poll shows — page 5-6

Asian economies 'on track' to fuel global growth —IMF

February 01, 2024 | Keisha B. Ta-asan | BusinessWorld

ECONOMIES in the Asia region are expected to continue contributing significantly to global growth, as Asian central banks loosen monetary policy later this year amid easing inflation, the International Monetary Fund (IMF) said.

Krishna Srinivasan, director of the IMF's Asia and Pacific Department, said the multilateral lender now expects Asia to grow by 4.5% this year, up from 4.2% projected in October.

"Overall, Asia is on track to deliver again two-thirds to global growth in 2024, as it did in 2023," he said at a news conference on Wednesday.

For 2023, the IMF said Asia is projected to have expanded by 4.7%, slightly faster than its previous forecast of 4.6% amid higher-than-expected economic activity in China and India.



A view shows the Light Rail Transit (LRT) train in Jakarta, Indonesia, Aug. 23, 2023. -- REUTERS/Willy Kurniawan

Average inflation in the region also fell to 2.6% in 2023 from 3.8% in 2022, Mr. Srinivasan said, noting there is swift progress particularly in emerging economies.

"Many regional central banks are on course to reach their inflation targets in 2024. Provided policy makers hold steady until inflation is firmly re-anchored, the scope for monetary easing may emerge later in the year," he said.

However, growth in the region may ease to 4.3% in 2025 as the Chinese economy is largely expected to slow down, he said.

Meanwhile, IMF Regional Office for Asia and the Pacific Director Akihiko Yoshida said the Philippine economy would likely rebound in 2024 from the slowdown in 2023.

"We expected growth in the Philippines to bottom out in 2023 before bouncing back to 6% in 2024," he said at the news briefing.

The Philippine economy grew 5.6% in 2023, falling short of the 6-7% full-year target as exports and state spending declined, Philippine Statistics Authority data showed.

Gross domestic product (GDP) in 2023 was slower than 7.6% in 2022. However, this was a tad higher than the 5.5% median estimate of 20 economists in a BusinessWorld poll last week.

The IMF said on Tuesday it had raised its GDP growth outlook for the Philippines to 6% this year from the 5.9% forecast it gave in October due to a likely stronger recovery in investments and exports.

"While the outlook for the Philippine economy is favorable, risks to the near-term growth outlook is tilted to the downside due to persistently high inflation necessitating the further tightening of monetary policy, weaker global economic growth, intensification of geoeconomic fragmentation, and tighter financial global conditions," Mr. Yoshida said.

Even though price pressures dissipated in recent months, he noted that Philippine inflation might only approach the midpoint of the central bank's 2-4% target in the second half.

"The risks to the inflation outlook are tilted to the upside, reflecting risks of food price surges, and potential second-round effects," he said.

RISKS TO OUTLOOK

Mr. Srinivasan said though the outlook has improved for the region, the financial situation is still volatile, as tighter-than-expected conditions in the United States or in Asia could put pressure on industries and economies with large debt. [Cont. page 2]

Asian economies 'on track' to fuel global growth —IMF

[Cont. from page 1]

Differing monetary policy moves in the US and in Asia could also trigger sharp exchange rate movements this year, which could lead to depreciation pressures for currencies in the region, the IMF official said.

“If so, central banks should avoid being distracted by temporary turbulence and focus firmly on price stability,” he said.

He also cited other risks such as a more “drawn-out correction” in China’s property sector, which could reduce demand for the regions’ export.

He added that rising risks of geopolitical fragmentation could affect the region’s global trade integration.

“We already see evidence of negative effects in the form of longer and less efficient supply chains. The threat of higher shipping costs reinforces risks to trade,” Mr. Srinivasan said.

[https://www.bworldonline.com/top-stories/2024/02/01/572812/asian-economies-on-track-to-fuel-global-growth-imf/#:~:text=ECONOMIES%20in%20the%20Asia%20region,Monetary%20Fund%20\(IMF\)%20said.](https://www.bworldonline.com/top-stories/2024/02/01/572812/asian-economies-on-track-to-fuel-global-growth-imf/#:~:text=ECONOMIES%20in%20the%20Asia%20region,Monetary%20Fund%20(IMF)%20said.)

PH lags behind Asian peers in foreign investments

January 31, 2024 | Charie Abarca - @inquirerdotnet | Philippine Daily Inquirer

INQUIRER.NET

MANILA, Philippines — Compared to its Asian counterparts, the Philippines is lagging behind in terms of foreign direct investments, lawyer Anee Zarraga-Fabros of the Subic-Clark Alliance for Development said on Tuesday during a Senate Committee on Economic Affairs hearing.

Speaking during the hearing on the Bulacan Airport City Special Economic Zone and Freeport Act, Zarraga-Fabros particularly cited the booming economy of Vietnam, saying it is now “four or five times” ahead of the Philippines.

“Ang lagi nilang ipinagmamalaki sa Pilipinas sila pupunta because we are an English speaking country — masisipag tayo. Pero masisipag rin ang mga Vietnamese, so ngayon ang nangyari pansinin niyo po ang figures that we got from publicly available data, four times or five times more ang abante ang Vietnam sa atin,” she said.

(We always say investors will come to the Philippines because we are an English-speaking country and that we are diligent. But Vietnamese are also diligent, and now take a look at the figures we got from publicly available data. They are already four or five times ahead of us.)

According to Zarraga-Fabros, Vietnam logged more than \$27 billion in foreign direct investments (FDIs) and \$700 billion in imports and exports in 2022.

In the same period, the Philippines recorded only \$9.2 billion in FDIs and \$216 billion in import and export.

Based on Zarraga-Fabros’ presentation during the hearing, Vietnam’s FDI inflows are expected to continue to increase, given the country’s efforts in embracing foreign businesses through special economic zones.

This prompted her to emphasize the need to build the Bulacan Special Economic Zone — an area designed to attract foreign investment, providing livelihood and employment opportunities to people in nearby localities.

Zarraga-Fabros said the Bulacan Ecozone will be developed by Bulacan Airport City Special Economic Zone and Freeport (BACSEZFA), adding that it will be equipped with facilities and infrastructure needed to “attract investments and generate linkage industries and employment opportunities.”

“The vision is to have clustering. One area will be dedicated to universities...an area will be all industrial depending on the terrain and the complexion of the soil,” she said.

She then presented a master plan showing that the Bulacan Ecozone will be divided into the following clusters: Airport City, Waterfront City, Agropolis, Consular City, Financial City, Innovation City, and Marina City.

Source: <https://business.inquirer.net/443547/ph-lags-behind-asian-peers-in-foreign-investments>

IP use in ecozones promoted

February 01, 2024 | Catherine Talavera | The Philippine Star

MANILA, Philippines — The Intellectual Property Office of the Philippines (IPOP HL) has partnered with the Philippine Economic Zone Authority (PEZA) to promote the use of the intellectual property (IP) system in ecozones.

In a statement, the IPOP HL said it forged a memorandum of understanding (MOU) with the PEZA to promote IP protection to current and potential investors in the special economic zones (SEZs).

Along with the work plan, the two parties are set to mainstream IP into PEZA’s developmental goals by conducting knowledge orientation and skills training to its officials and staff.

For his part, PEZA director-general Tereso Panga expressed the agency’s enthusiasm to form the work plan with the help of existing investors and locators in SEZs.

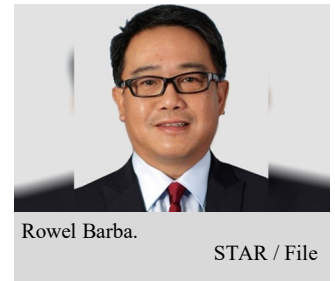
“[This MOU] can simplify our procedures to make it easy for our locators — those particularly applying for patents and trademarks. From our end, we would also look into inputs from our investors,” Panga said.

As of September 2023, PEZA had established 422 ecozones across the country, which are home to 4,372 locator companies.

Meanwhile, the IPOP HL stressed that the Philippines remains an attractive investment destination to neighboring countries since its exclusion from the European Commission’s IP watchlist in 2020 and the United States Trade Representative’s Special 301 Report in 2013.

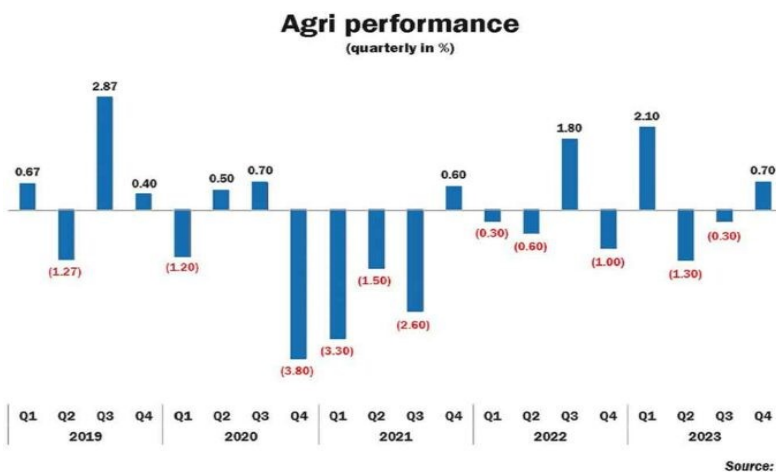
“We want to boost the confidence of foreign direct investors where PEZA is a key player. As such, our goal here is to assure investors that the Philippines is a suitable and secure destination with a strong IP system where investments are protected,” Barba said.

Source: <https://www.philstar.com/business/2024/02/01/2329938/ip-use-ecozones-promoted>



Agriculture output up 0.4% in 2023

January 30, 2024 | Jed Macapagal | Malaya Business Insight



Agriculture output increased 0.7 percent in the fourth quarter of 2023, pushed up by crops, livestock and poultry sectors, according to the Philippine Statistics Authority (PSA).

The increase was a reversal of the 1 percent decline recorded in the fourth quarter of 2022.

Agriculture performance in full year 2023 went up 0.4 percent, also a reversal from the 0.1 percent decline recorded in 2022.

At constant 2018 prices, the value of agricultural production in the fourth quarter amounted to P493.72 billion while the value for the entire 2023 hit P1.76 trillion.

The crops subsector which contributed the biggest share in the total agricultural output at 58.7 percent, increased by 0.1 percent in the fourth quarter as improvements were registered for palay, cabbage, sugarcane, mango, ampalaya, cacao, eggplant, abaca, tomato, tobacco, mongo and pineapple. [Cont. page 4]

Agriculture output up 0.4% in 2023

[Cont. from page 3]

Palay production during the quarter increased 0.3 percent to 7.24 million metric tons (MT) from 7.22 million MT in the same quarter in 2022. Corn declined 1.5 percent to 1.95 million MT from 1.98 million MT.

The increase could have been higher had it not for the decreased production of rubber, onion, sweet potato, potato, calamansi, cassava, coconut, coffee and banana for the quarter.

The poultry subsector improved 7.8 percent in output in the fourth quarter of 2023 contributing 13.7 percent to total agricultural production as all its contributors recorded increased production.

Expansion in the value of production was recorded for duck eggs at 0.3 percent or from 13.46 MT to 13.50 MT; duck by 0.6 percent or from 7.08 MT to 7.13 MT; chicken by 8.1 percent or from 494.12 MT to 534 MT; and chicken eggs by 7.8 percent or from 174.99 MT to 188.64 MT.

The PSA report said livestock had a 14.6- percent share in the total agricultural output and grew 2.7 percent in the fourth quarter of 2023 as dairy, hog and goat production improved.

Hog, the major component of the subsector, jumped 3.7 percent to 482.32 MT from 465.32 MT for the quarter as dairy production went up by 17.2 percent to 8.07 MT from 6.89 MT with goat production up by 1.3 percent to 21.08 MT from 20.81 MT.

The sector's performance could have been higher if not for the reduced production of cattle and carabao for the period.

Fisheries accounted for 13 percent of agriculture output and is the only subsector that declined.

Contraction of several fisheries pushed down the subsector's production by 5.2 percent in the quarter. These species are tunsoy, bisugo, alimasag, tiger prawn, sapsap, lapu lapu, tilapia, squid, skipjack, milkfish, matangbaka, tulingan and talakitok, among others. The Samahang Industriya ng Agrikultura (SINAG) said increased production for crops was driven by better farm gate prices of rice and corn which encouraged more farmers to plant.

SINAG said poultry experienced a "boom bust cycle with the flooding of imported chicken."

SINAG said since December, farm gate price of poultry has dropped to almost at par with production cost.

"By March, we will also have an idea on the impact of El Niño on our current standing crops – rice, corn, onions and other crops," SINAG said.

Source: https://malaya.com.ph/news_business/agriculture-output-up-0-4-in-2023/

Gov't to curb inflation in driving economic growth

January 31, 2024 | Chino S. Leyco | Manila Bulletin

MANILA BULLETIN

AT A GLANCE

- Finance Secretary Ralph G. Recto has committed to implementing measures to reduce inflation and stimulate private spending.
- Recto emphasized the pursuit of measures to enhance economic growth and address high consumer prices.
- Focus on implementing the Reduce Emerging Inflation Now (REIN) initiative to stimulate private spending.
- Recto emphasized the importance of stable and affordable goods prices for boosting revenue collection.
- Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO) to convene on Feb. 16 to coordinate efforts to address food and non-food inflation [Cont. page 5]

Gov't to curb inflation in driving economic growth

[Cont. from page 4]

The Department of Finance (DOF) stated that the government is committed to implementing measures to reduce inflation, thereby stimulating private spending to drive growth and increase government revenues.

In a statement on Wednesday, Jan. 31, Finance Secretary Ralph G. Recto said the government will persist in pursuing measures to enhance economic growth, specifically targeting the issue of high consumer prices.

Recto, as cited by the DOF, emphasized that the primary focus now is to implement the Reduce Emerging Inflation Now (REIN) initiative in order to stimulate private spending.

On Monday, the National Economic and Development Authority (NEDA) expressed concern about the minimal growth in food spending last year attributed to high food prices, despite the recent moderation of inflation.

“Ensuring that prices of goods remain stable and affordable is crucial to further grow the economy, consequently enabling us to boost revenue collection,” Recto said on Monday, Jan. 31.

The Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO), co-chaired by the secretaries of the DOF and NEDA, is slated to convene on Feb. 16 to coordinate efforts aimed at implementing direct measures to address food and non-food inflation.

In 2023, the headline inflation rate, which tracks the surge in prices of goods and services, rose to six percent from 5.8 percent in 2022. The government is now aiming to lower it to its target range of 2.0 percent to 4.0 percent.

Meanwhile, the DOF chief aims to achieve a revenue collection of P4.3 trillion in 2024, driven by improved tax administration efficiency and advocacy for the approval of refined priority tax measures.

“Increasing revenues will mean reducing the deficit and our dependence on debt. We will grow the economy by boosting investments. This will broaden the tax base and improve tax collections,” Recto said.

Recto said they will accelerate investments by promptly enacting the Corporate Recovery and Tax Incentives for Enterprises Act, amending the Public Service Act, Retail Trade Liberalization Act, and Foreign Investments Act.

He also said the government will implement the revised implementing rules and regulations (IRR) of the Renewable Energy Act.

Recto added that the Philippines will take advantage of the vote of confidence of multilateral organizations and credit rating agencies, the strong macroeconomic fundamentals, and sound fiscal policies to attract more investments and further improve the employment conditions in the country.

“The decelerating inflation, robust and young labor market, implementation of creative reforms to boost revenue collections, improvements in the ease of doing business, sound external conditions, and strong financial sector should prepare the red carpet for the influx of new investments and business that will provide high-quality jobs and increase household income to protect the purchasing power of every Filipino,” he said.

Source: <https://mb.com.ph/2024/1/31/gov-t-to-curb-inflation-in-driving-economic-growth>

84 locators 'significantly' affected by Red Sea crisis, PEZA poll shows

January 30, 2024 | Andrea E. San Juan | BusinessMirror

At least 84 locators, or around 24 percent, of the Philippine Economic Zone Authority (PEZA), are “significantly” affected by the Red Sea crisis, according to the investment promotion agency.

BusinessMirror

A broader look at today's business

Based on PEZA's records, there are 448 Registered Business Enterprises (RBE) engaged in exports to Europe and 523 RBEs engaged in imports from Europe.

With this, the investment promotion agency told the BusinessMirror, “We proactively conducted a rapid survey across all 4,378 of our locators that could potentially be affected by the Red Sea crisis, considering both import and export activities, involving Europe, or lack thereof.” [Cont. page 6]

84 locators 'significantly' affected by Red Sea crisis, PEZA poll shows

[Cont. from page 5]

In addition, PEZA noted that it sought comments and feedback from shipping lines and freight forwarders.

“Out of all the PEZA RBEs surveyed, only 347 responded,” PEZA said.

“Among them, 24 percent [84 RBEs] confirmed significant effects on their operations due to the Red Sea crisis. Meanwhile, 73 percent [252 respondents] stated that they are not affected by the said crisis, and 3 percent [11 respondents] did not respond to the survey,” PEZA added.

Illustrating the impact of the Red Sea crisis on its registered business enterprises, PEZA stressed that the delays in import shipments lead to reduced production capacity.

“The effects on RBEs include delays in import shipments [7 to 20 days] and the rearrangement of vessels for materials coming from Europe, leading to longer lead times and potential reductions in production capacity,” the investment promotion agency said.

Apart from this, it cited negative effects such as limited vessels, shortages of containers (especially during the Lunar New Year season), port congestion on the West Coast, and late confirmation of booking.

On outbound cargoes, PEZA said 25 percent of RBEs exporting shipments reported delays of 7 days to 1 month due to vessels being rerouted via the Cape of Good Hope.

“Challenges include shortages of containers, late confirmation of booking, limited vessels, and port congestion in various locations,” PEZA said.

The investment promotion agency attached to the Department of Trade and Industry (DTI) explained that freight costs to Europe and the Middle East have surged by 100 to 400 percent, with RBEs resorting to using airfreight, which it said is “significantly more expensive than sea shipment.”

The goods being sourced from and exported to by PEZA’s RBEs consist of electronics, semiconductors, automotive parts, printers and flexible printed circuits, coil transformers, aircraft galley parts, enterprise solid-state drives, optical coupled isolators, raw materials of insulation anvil, quick crimp, wire anvil, and radiation survey meters, among others.

In a statement sent to reporters two weeks ago, PEZA Director General Tereso O. Panga said that while traders are “yet to feel the effects in the Philippines,” he emphasized that they are already “proactively working together with other concerned agencies to de-risk global supply chains that may affect our locators in particular and the whole economy in general.”

He recognized that the effect of the closure of the Red Sea route to trade would be higher inflation in different parts of the world, as delay in production and deliveries of products and resources would increase cost of goods. **(Full story here: <https://businessmirror.com.ph/2024/01/20/peza-readies-locators-for-possible-disruption-amid-red-sea-attacks/>)**

In a separate Viber message, Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI) President Danilo C. Lachica said that “for now,” he remains confident that the local semiconductor and electronics industry will not be affected by the attacks on ships sailing in Red Sea as it is “not evident” if there have been semiconductor and electronics shipments affected by the 42 percent decline in the trade volume in the Suez Canal, which the United Nations Conference on Trade and Development (UNCTAD) described as a “critical waterway” connecting the Mediterranean Sea to the Red Sea. **(Related story: <https://businessmirror.com.ph/2024/01/29/global-trade-disruptions-prompt-alarm-from-unctad/>)**

Source: <https://businessmirror.com.ph/2024/01/31/84-locators-significantly-affected-by-red-sea-crisis-peza-poll-shows/>

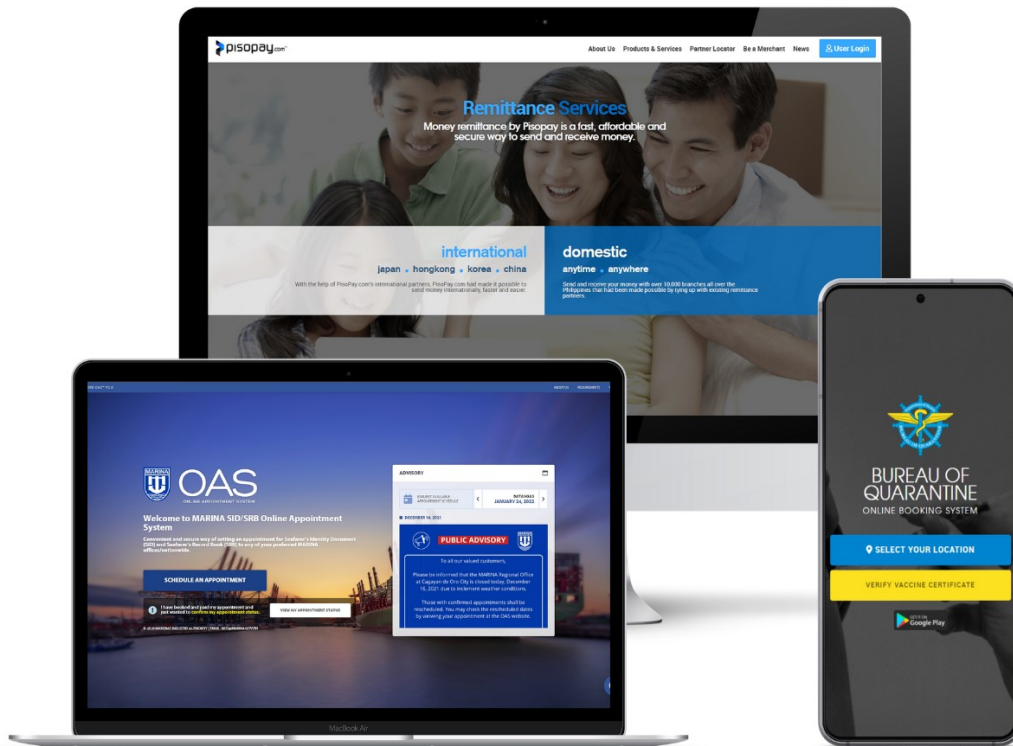
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