# 필리핀한인상공회의소뉴스
# KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER

April 2024 Issue | Vol. 27


## SPECIAL POINTS OF INTEREST



## UPCOMING EVENT



## ASEAN expands regional payment connectivity

April 05, 2024 | Keisha Ta-Asan | The Philippine Star

MANILA, Philippines — The Association of Southeast Asian Nations (ASEAN) has onboarded Brunei Darussalam Central Bank (BDCB) and Bank of the Lao PDR (BOL) in ramping up cross-border payments in the region, bringing the number of total central banks participating in the regional payment connectivity initiative to eight.

The BDCB joined the regional payment connectivity initiative (RPC) on Feb. 29, while the BOL officially joined during the 11th ASEAN Finance Ministers' and Central Bank Governors' Meeting in Lao PDR on April 3.
STAR / File

The BDCB joined the regional payment connectivity initiative (RPC) on Feb. 29, while the BOL officially joined during the 11th ASEAN Finance Ministers' and Central Bank Governors' Meeting in Lao PDR on April 3.

The signing of the supplemental pages of the memorandum of understanding (MOU) on cooperation in RPC was done after the two central banks previously expressed their interest in joining the initiative.

The RPC was spearheaded by the Bangko Sentral ng Pilipinas (BSP), Bank Indonesia, Bank Negara Malaysia, the Monetary Authority of Singapore and Bank of Thailand in late 2022. They were later joined by the State Bank of Vietnam in August 2023.

"The RPC initiative is expected to be extended to other ASEAN countries and beyond," the central banks said in a joint statement released on Wednesday evening.

Hajah Rokiah binti Haji Badar, the managing director of BDCB, said the scope and areas of cooperation in the MOU would be beneficial in boosting cross-border payment connectivity in the region.

It would also facilitate further trade, investments and economic activities within the region and foster closer collaboration with fellow central banks, she said.

BOL governor Bounleua Sinxayvoravong said the signing of the MOU is a significant step in enhancing future ASEAN regional cooperation.

He said faster and cheaper financial transactions coupled with a secure and seamless payment system infrastructure would support the expansion and sustainability of the economies.

The RPC is a regional initiative established to strengthen and enhance collaboration on payment connectivity through the development of faster, cheaper, more transparent and more inclusive cross-border payments.

The cooperation encompasses several modalities, including QR (quick response) code and fast-payment based cross-border payments.

"The regional effort also allows participants to reap the benefits of cross-border economic activities, including providing small and medium-sized enterprises access to the international market, easing of trade, and facilitating worker remittance transactions," the central banks said. *[Cont. page 2]*

## ASEAN expands regional payment connectivity
*[Cont. from page 1]*

BSP Deputy Governor Mamerto Tangonan earlier said the central banks participating in the initiative aims to operationalize multilateral cross-border fund transfers by July 2026.

Under its Digital Payments Transformation Roadmap, the BSP aims to shift 50 percent of total retail transactions to electronic channels and increase the number of Filipino adults with bank accounts to 70 percent before the end of this year.

As more Filipinos embraced digitalization during the COVID-19 pandemic, the share of digital payments to total retail transactions further increased to 42.1 percent in 2022 from 30.3 percent in 2021.

Likewise, the number of banked Filipino adults almost doubled to 56 percent in 2021 from 29 percent in 2019.

*Source: https://www.philstar.com/business/2024/04/05/2345319/asean-expands-regional-payment-connectivity*

## DBCC lowers growth targets
April 05, 2024 | Jocelyn Montemayor | Malaya Business Insight

**Macroeconomic assumptions**

| Indicator | 2024 | 2025 | 2026 - 2028 |
|---|---|---|---|
| Inflation (%) | 2.0 - 4.0 | 2.0 - 4.0 | 2.0 - 4.0 |
| Dubai crude oil (USD/bbl) | 70 - 90 | 65 - 85 | 65 - 85 |
| Foreign exchange rate (Php/USD) | 55.00 - 57.00 | 55.00 - 58.00 | 55.00 - 58.00 |
| Exports of goods, BPM6 (%) | 3.0 | 6.0 | 6.0 |
| Imports of goods, BPM6 (%) | 4.0 | 7.0 | 8.0 |

*Source: DBCC*

The Development Budget Coordination Committee (DBCC) has revised downward the growth targets for 2024 and 2025 to 6-7 percent and 6.5-7.5 percent, respectively.

Arsenio Balisacan, National Economic Development Authority (NEDA) director-general and planning secretary, in a briefing in Malacañang said growth targets were scaled down from 6.5 to 7.5 percent in 2024 and 6.5 to 8 percent in 2025.

Growth targets for 2026 to 2028 of 6 to 8 percent were retained.

Balisacan said the DBCC also retained the inflation target of 2 to 4 percent this year as the outlook considered the policy actions undertaken by the Bangko Sentral ng Pilipinas, and the monetary strategies and measures being implemented by the government.

The government expects to generate revenues of P4.27 trillion which is 16.1 percent of the gross domestic product (GDP) in 2024, increasing to P6.078 trillion or 16.4 percent of GDP by 2028.

Balisacan said the revised targets took into consideration the country's economic performance in 2023 and reflect the latest developments and expectations on external factors such as global demand and trade growth, oil price movements and expected exchange rate and inflation trends.

Balisacan expressed confidence the current growth targets would sustain the country's position as one of the fastest growing emerging economies in the Asia-Pacific Region.

"Although we have to recuse in a way that is realistic and at the same time sustainable because our aim is to allow the opportunities for the economy to grow in a sustained basis and as you see, the economy will retain its position as one of the fastest growing economies," he said.

He added with the current pace of growth, the country remains on track to reducing poverty incidence from 18 percent in 2021 to single digit level in 2028, as well as in achieving middle income status by the end of the term of President Marcos.

Balisacan said despite the anticipated risks, the administration is optimistic about the country's sustained growth momentum.

He said through the Medium-Term Fiscal Program (MTFP), the government will improve its performance by way of enhancing tax administration. *[Cont. page 3]*

## DBCC lowers growth targets

*[Cont. from page 2]*


*BALISACAN*

He said the executive branch is also collaborating with Congress to streamline the passage of priority tax reform measures that will improve the revenue generation and adhere to fiscal requirements and current domestic developments.

Debt not a factor

Balisacan said the P15-trillion debt as of February  was not a factor in adjusting growth targets, He said the current debt, while increasing, is proportional to the size of the economy.

Saying debt remains under control, Balisacan noted the rule of thumb for emerging economies is 70 percent of GDP.

" …that is threshold. We are moving from 60 percent which is way below 60 to even lower of 55 – almost about 56 percent by the time we end the term of the current President," he said.

Balisacan said the revised growth targets would also help reduce the country's debt in the future.

He said the DBCC  expects the deficit-to-GDP rate to fall from 5.6 percent in 2024 to 3.7 percent by 2028, and the debt-to-GDP ratio to drop from 60.3 percent in 2024 to 55.9 percent by 2028.

2025 budget

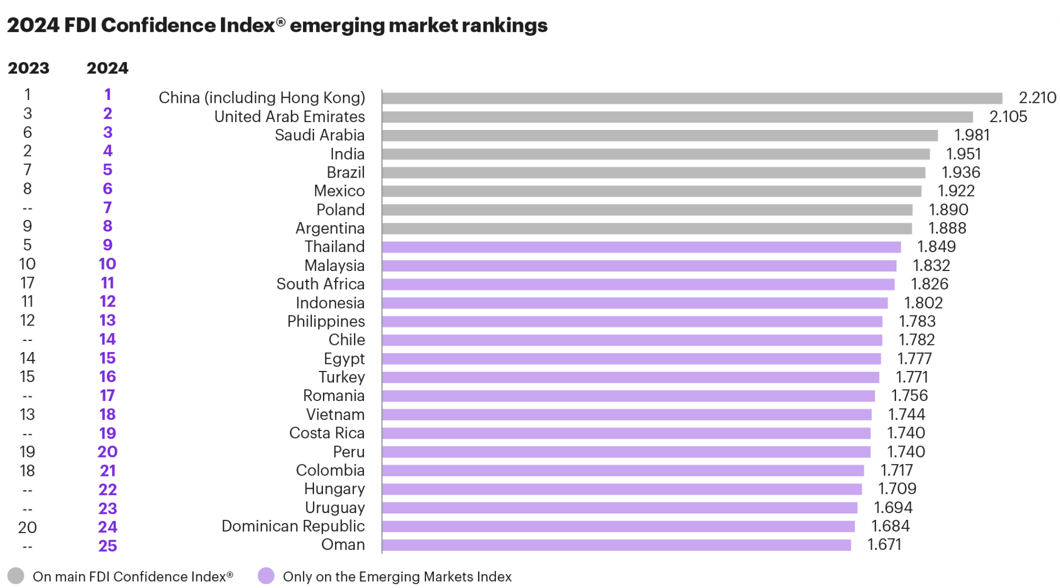
Balisacan said the DBCC has also proposed a P6.2- trillion budget for 2025  focused on delivering high-impact and transformative public infrastructure projects and essential social services especially for the poor and vulnerable.

Balisacan said next year's budget will support the Marcos administration's Build Better More Program to stay on course and maintain infrastructure spending between five to six percent of GDP from 2024 to 2028.

*Source: https://malaya.com.ph/news_business/dbcc-lowers-growth-targets/*

## Philippines' appeal to foreign investors dips in 2024

April 05, 2024 |  Chino S. Leyco |  Manila Bulletin




The Philippines has slipped by one notch in terms of attractiveness to foreign investors among emerging economies, according to a report by global consultancy firm Kearney.  *[Cont. page 4]*

## Philippines’ appeal to foreign investors dips in 2024

*[Cont. from page 3]*

In Kearney's 2024 Foreign Direct Investment (FDI) Confidence Index for emerging markets, the Philippines now holds the 13th position, down from 12th place in the previous year.

However, the Philippines still ranks higher than Vietnam, which dropped from 13th place in 2023 to 18th place this year.

In ASEAN, Thailand emerged as the most attractive destination for foreign investors, securing the 9th spot, followed by Malaysia at 10th place, with Indonesia ranking 12th.

Singapore is not on the emerging markets list because it is considered a developed market. The city-state is ranked 8th in Kearney's global 2024 FDI Confidence Index.

The Philippines' drop in Kearney's ranking was in line with the recent FDI report by the Bangko Sentral ng Pilipinas (BSP), showing a decline for the second consecutive year.

According to the BSP, the country's FDI net inflow decreased by 6.6 percent to $8.86 billion from January to December 2023 from $9.49 billion in the previous year.

Former Finance Secretary Margarito B. Teves attributed the slow FDI inflow in the Philippines to Constitutional restrictions on foreign ownership.

Teves pointed out that the country falls behind its Southeast Asian neighbors like Indonesia, Vietnam, Malaysia, and Thailand in attracting foreign direct investments.

Teves said that the Philippines is unique in the Asian region for having constitutional barriers to foreign ownership.

He recommended revising the 1987 Constitution to allow foreign companies full ownership in key sectors, stating that this change would send a positive signal to foreign investors.

*Source: https://mb.com.ph/2024/4/5/philippines-appeal-to-foreign-investors-dips-in-2024*

## PH F&B sales sees rising 3% : USDA

April 05, 2024 | Janine Alexis Miguel | The Manila Times

The Manila Times®

REVENUES of the country's food and beverage manufacturing sector are seen to grow minimally by 3 percent this year due to slow consumer spending, the United States Department of Agriculture (USDA) said.

The USDA, in its latest Foreign Agricultural Services report, cited lower production volume and high prices of products as factors affecting lower sales in the food and beverage industry.

"Thriftier consumer spending will lead to a modest 3 percent growth in food manufacturing sales in 2024," the report said.
This year's sales growth forecast was lower than the previous year's 6 percent growth, hitting $35 billion in revenue.

Meanwhile, manufacturing food and beverage sector production and capacity utilization surpassed the 2022 level due to higher capacity and increased purchases of raw materials.

"Demand, however, has slowed since the 4th quarter of 2023 with lower food manufacturing sales combined with expensive input costs," said the USDA.

Meanwhile, the expansion in sales of convenience stores, groceries, hypermarkets, and warehouse clubs in 2024 is forecast to hit 6 percent as more stores open.

According to the USDA, food and non-alcoholic beverages inflation decreased to 4.6 percent in February 2024 versus 10.8 percent in February 2023; however, the pricing of many products remains elevated. *[Cont. page 5]*

## PH F&B sales sees rising 3% : USDA
*[Cont. from page 4]*

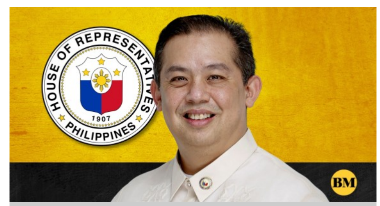
"Spending on food remains the priority, forming 36 percent of household consumption; however, spending on restaurants and hotels, recreation and culture, and transportation has significantly increased by 20-30 percent in 2023," it said.

On the other hand, the USDA said that the Philippine market presents stronger opportunities this year for US food and beverage ingredients, including wheat, dairy products, poultry, pork, beef, starch products, processed and dried fruits, food preparations, and soy. It added that the country's economic growth outpaces that of its neighboring countries.

Data from the USDA showed that the Philippines ranked ninth as the largest US agricultural export market in 2023, reaching $3.6 billion.

*Source: https://www.manilatimes.net/2024/04/05/business/top-business/ph-fb-sales-seen-rising-3-usda/1939948*

## Despite lower growth goal, House upbeat on economy
April 07, 2024 | Jovee Marie N. de la Cruz | BusinessMirror



House Speaker Martin Romualdez

THE leadership of the House of Representatives is confident of the country's ability to maintain its high economic growth trajectory, as economic policies and measures implemented by both the Executive and Congress are ensuring that "we stay on the correct path."

Speaker Ferdinand Martin G. Romualdez made the statement following the decision of the Development Budget Coordination Committee (DBCC) to revise the growth targets for this year from 6.5 to 7.5 percent to 6 to 7 percent.

"I am confident that we can hit at least the lowest end of the target range because the economic policies and measures the President and Congress have taken and pursued are keeping us on the right track," Romualdez said.

He suggested enacting charter revisions, saying, "We can even leapfrog if the proposed economic charter reforms are already in place," he said.

He emphasized that even achieving a 6-percent growth rate this year would position the Philippines as one of the fastest-growing economies in the Asia-Pacific region, following its distinction as the fastest-growing economy in Asean in 2023, when it expanded by 5.6 percent.

The country was followed by Vietnam, which grew by 5.1 percent; Indonesia, 5 percent; Malaysia, 4 percent; Thailand, 2.5 percent; and Singapore, 1.2 percent.

"Coming from 5.6 percent, it should not be difficult for us to hit at least 6 percent this year. Our economy has been steadily expanding since President Marcos assumed office," Romualdez said.

He underscored the potential impact of the extended dry season on agriculture and food production, urging concerned agencies such as the Department of Agriculture, the Department of Agrarian Reform, the National Irrigation Administration, and local government units to provide timely assistance to the farming sector.

"We should have all hands on deck. Irrigation and farm inputs are critical requirements; our farmers, especially those producing our staple rice, have to be supported with," he said.

On the traffic situation in Metro Manila and other urban areas, Speaker Romualdez echoed President Marcos' concerns, emphasizing that congestion poses a significant challenge to economic growth.

He advocated for infrastructure expansion, suggesting the construction of skyways along major roads with private financial support to alleviate traffic congestion.

"Traffic is a big challenge to our economic growth. It is eating up a lot of precious man-hours, fuel, and money, which could be put to productive use. We have to expand our infrastructure. Maybe, we should build skyways along Edsa and other major roads with private financial support and participation," he said.

*Source: https://businessmirror.com.ph/2024/04/07/despite-lower-growth-goal-house-upbeat-on-economy/*

## New Cavite ecozone seen luring P1.8B in investments

April 03, 2024 | Alden M. Monzon - @inquirerdotnet | Philippine Daily Inquirer

MANILA, Philippines — The newly-proclaimed economic zone in Cavite is expected to attract more than P1.8 billion in new investments and create nearly 200 new jobs during its construction, the Philippine Economic Zone Authority said last week.

The investment promotion agency told the Inquirer that the prospective value of investments is P1.838 billion for the 40.4-hectare MetroCas Industrial Estates Special Economic Zone, which will rise in Barangay Calibuyo in Tanza, Cavite.

Peza added that the prospective job generation for the economic zone is 180 positions during construction.

The MetroCas ecozone is one of the two new special economic zones that were declared through Proclamation No. 512, which Executive Secretary Lucas Bersamin signed last April 1.

The other is the Arcovia City in Barangay Ugong, Pasig, a 12.4-hectare information technology park of tycoon Andrew Tan's Megaworld Corp.

According to Peza, an investment of P50 million is expected on the fit out of the project, while about 170 to 240 direct jobs are anticipated to be created.

**420 ecozones**

To date, there are over 420 economic zones operating in the Philippines, the majority of which are located in Luzon.

During the first quarter of this year, Peza has approved P14.95 billion worth of new investments spanning 50 new and expansion projects inside these economic hubs.

Peza's first quarter portfolio is 19.25 percent higher compared with the P12.54 worth of projects approved in the same period in 2023.

The investment promotion agency is aiming to reach P250 billion in approved investments for 2024.

*Source: https://business.inquirer.net/453756/new-cavite-ecozone-seen-luring-p1-8b-in-investments*

**Contact Us**

**Korean Chamber of Commerce Philippines, Inc. (KCCP)**
Unit 1104 Antel Corporate Center, 121 Valero St., Salcedo Village, Makati City
(02) 8885 7342 | (02) 8404 3099
info@kccp.ph | www.kccp.ph

## UPCOMING EVENTS

KCCP
Korean Chamber of Commerce Philippines, Inc.

# 29th KCCP Annual General Membership Meeting

on April 18, 2024 (Thursday) 05:30PM
Ayala Ballroom, Makati Sports Club

R.S.V.P.
Ms. Chi or Ms. Sang at info@kccp.ph | 8404-3099 | 8885-7342
FREE FOR KCCP Members

KCCP
Korean Chamber of Commerce Philippines, Inc.

29th KCCP Annual General Membership Meeting
April 18, 2024 | 6:00pm | Makati Sports Club
PROGRAM

| | |
|---|---|
| 05:30 | **Registration / Networking** |
| 06:00 | **National Anthem**<br>(Philippines & Korea) |
| | **Welcome Remarks**<br>Mr. Hyunchong Joseph Um<br>President<br>Korean Chamber of Commerce Philippines, Inc. |
| | **Congratulatory Message**<br>Mr. Seung Man Sang<br>Deputy Chief of Mission and Consul General<br>Embassy of the Republic of Korea |
| | **Congratulatory Message**<br>Ms. Eunina Mangio<br>President<br>Philippine Chamber of Commerce & Industry |
| 06:15 | **Special Greetings from Partner Organizations**<br>Mr. Robert Yupangco<br>Chairman<br>Philippines-Korea Economic Council<br>Mr. Marlon Tagorda<br>President, Philippine KOICA Fellows Association |
| 06:25 | **Briefing: Invest in PEZA \| Opportunities and Incentives for Korean Investors/Locators**<br>Mr. Tereso O. Panga<br>Director General<br>Philippine Economic Zone Authority |
| 6:40 | **Wine Toasting**<br>Mr. Man Yeong Youn<br>President, United Korean Community Association |
| 06:45 | **Dinner [ w/ KCCP Activity Presentation]**<br>Special Performance |
| 07:40 | **Briefing : Economic Relations\| Korea-Philippines in 75th Year of Bilateral Relations**<br>Mr. Sujung Lee<br>Director General<br>Korea Trade Center Manila (KOTRA) |
| 07:55 | **Video Message from KCCP New Scholars** |
| 08:00 | **Introduction of 17th KCCP President** |
| 08:10 | **Message from the KCCP President and Introduction of KCCP Board of Directors** |
| 08:25 | **Acknowledgement of Sponsors** |
| 08:30 | **Closing Remarks** |

AMCHAM NORTH LUZON The American Chamber of Commerce of the Philippines, Inc. | ANZCHAM Philippines | CANCHAM | eccp EUROPEAN CHAMBER OF COMMERCE OF THE PHILIPPINES | JCCIPI | KCCP | PAMURI

2024

# JFC CLARK INTERNATIONAL MIXER

Don't miss this great networking opportunity to expand your connection!

## TUESDAY APRIL 23

**6:00PM - 9:00PM**

**CLARK MARRIOTT HOTEL**

5398 MANUEL A ROXAS HIGHWAY ZONE, CLARK FREEPORT

**TARIFF:**

**JFC MEMBERS - PHP 2,500**

**GUESTS - PHP 2,800**

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