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KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



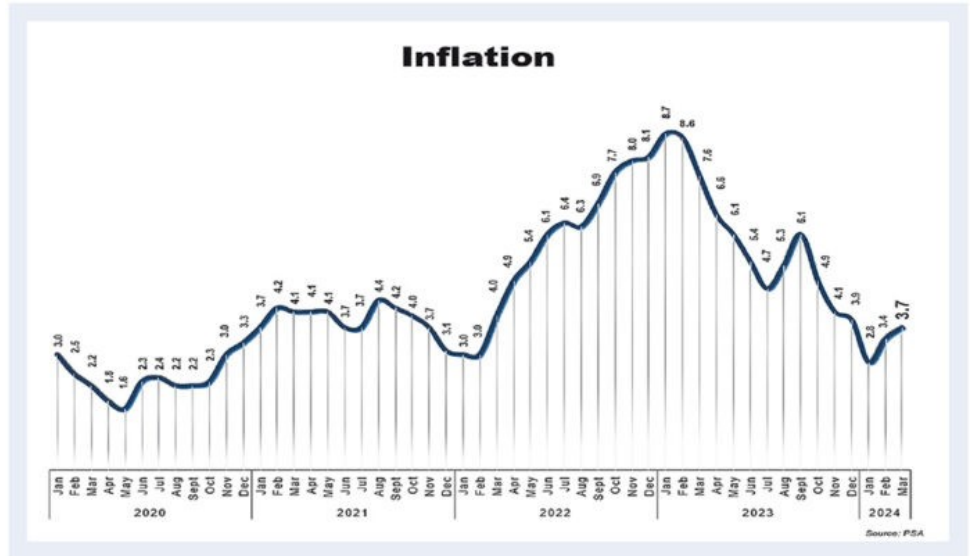
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NEDA: 2-4% inflation still a fighting goal

April 24, 2024 | Angela Celis | Malaya Business Insight



The country's socioeconomic planning chief still sees the government's two to four percent inflation target as a fighting goal, even as it continues to monitor developments abroad.

National Economic and Development Authority (NEDA) Secretary Arsenio Balisacan told reporters in an interview last Monday that should the inflation rate breach this target, it would be a "challenge."

"Two to four (percent) is still a fighting target. Of course, we are watching closely the developments in the Middle East, as you know. If the oil prices would be affected by the development, there would be some pressure for us," Balisacan said.

"(In the) second half of this year, we expect the pressure from food prices to diminish, because a big part of that food inflation was imported in the sense that food prices, particularly for staple, have been rising in the world market. But for rice... that is expected to decline, to have reached its peak and start falling after June as the El Niño phenomenon is waning. Yeah, so hopefully, that is a plus factor for us," he added.

Latest available data showed that the headline inflation increased to 3.7 percent in March from 3.4 percent in February.

For the first three months of the year, headline inflation settled at 3.3 percent, still within the government's two to four percent target.

"It's 3.7 percent last time so, hopefully, we get as close to that as possible (for April). What you want is to keep that within the band so that there will be not much instability in prices," Balisacan said.

Asked about a scenario where the inflation rate breaches the government's target this year, Balisacan said: "Of course, it's (a) challenge because, you know, domestic consumption... (is) very sensitive to inflation and interest rates. Of course, if there is higher inflation, then that would... give a reason for the BSP (Bangko Sentral ng Pilipinas) to keep the high interest rates... but of course, there are many other factors that the BSP is watching for." [Cont. page 2]

NEDA: 2-4% inflation still a fighting goal

[Cont. from page 1]

“I think that going back to the times when inflation hit eight percent, would not be... unless something very drastic happens in the global economy. Just crossing our fingers that the conflict there, in the Middle East, will not spread far and wide. That could affect global supply chains. Because then, no one will be spared from that,” the NEDA chief said.

On Monday, the National Price Coordinating Council said the Department of Agriculture has proposed the issuance of implementing rules and regulations (IRR) of Section 9 of the Price Act to allocate buffer funds in its annual appropriations exclusively for procuring, purchasing, importing, or stockpiling essential commodities such as rice, corn, pork, sugar, onion, and fertilizer.

The buffer stocking will ensure stable supply and arrest inflation while preventing hoarding.

Source: https://malaya.com.ph/news_business/neda-2-4-inflation-still-a-fighting-goal/

Easing Middle East tensions push market higher

April 24, 2024 | Richmond Mercurio | The Philippine Star



The Philippine Stock Exchange index closed at 6,506.80, rising by 0.97 percent or 62.72 points.

Pixabay

MANILA, Philippines — The stock market advanced for a second consecutive session yesterday as it received much-needed boost from gains in the US market as well as easing tensions in the Middle East.

The Philippine Stock Exchange index closed at 6,506.80, rising by 0.97 percent or 62.72 points.

The broader All Shares index likewise climbed by 0.62 percent or 21.19 points to finish at 3,446.90.

Philstocks Financial research and engagement officer Mikhail Plopenio said the local market rose as investors took positive cues from Wall Street overnight.

“Investors cheered Iran’s statement that it will not further escalate its conflict with Israel as it lifted worries over higher oil prices,” Plopenio said.

“At home, the statement from National Economic and Development Authority Undersecretary Rosemarie Edillon saying that an uptick in inflation for April is unlikely as the country is already in the harvest season also boosted sentiment,” he said.

However, Plopenio said many still chose to stay on the sidelines as net value turnover stood at P4.2 billion, lower than the year-to-date average of P5.06 billion.

Michael Ricafort, chief economist at Rizal Commercial Banking Corp., said any further healthy upward correction is possible, especially if the markets already priced in most or all the bad news related to the recent geopolitical risks due to the increased tension in the Middle East, particularly the Iran-Israel conflict.

All sectors were in the positive territory, led by industrial, which surged by 1.51 percent.

Property and services sectors also rose by more than one percent each.

Market breadth was positive as advancers crushed decliners, 102 to 73, while 51 issues did not change.

Century Pacific Foods recorded the largest gain among index members at 5.63 percent, while BDO lost the most with 2.18 percent.

Source: <https://www.philstar.com/business/2024/04/24/2349922/easing-middle-east-tensions-push-market-higher>

SEC sets deadline for 2024 submission of annual reports

April 22, 2024 | INQUIRER.net BrandRoom | Philippine Daily Inquirer

The Securities and Exchange Commission (SEC) has set the deadlines for the submission of the annual financial statements (AFS) and general information sheets (GIS) of corporations in 2024.

The Commission on January 27 issued SEC Memorandum Circular No. 2, Series of 2024, which provides the 2024 Filing of Annual Financial Statements and General Information Sheet. [Cont. page 3]

SEC sets deadline for 2024 submission of annual reports

[Cont. from page 2]

All stock and nonstock corporations are required to submit their annual reports online through the SEC Electronic Filing and Submission Tool (eFAST) at efast.sec.gov.ph.

The SEC shall not accept submissions over the counter and through courier, in line with the zero-contact policy and automation of business-related transactions mandated by Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

AFS deadline

All corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations whose fiscal years ended on December 31, 2023 shall file their AFS according to the following schedule based on the last digit of their respective registration or license number:



Submission Dates	Last Digit of SEC Registration/ License Number
April 29, 30 May 2,3,6,7,8,9,10	1 and 2
May 13, 14, 15, 16, 17, 20, 21, 22, 23, 24	3 and 4
May 27, 28, 29, 30, 31 June 3, 4, 5, 6, 7	5 and 6
June 10, 11, 13, 14 17, 18, 19, 20, 21	7 and 8
June 24, 25, 26, 27, 28 July 1, 2, 3, 4, 5	9 and 0

A corporation whose fiscal year ended on a date other than December 31, 2023 shall file its AFS within 120 calendar days from the end of its fiscal year.

The annual report of a broker-dealer whose fiscal year ended on December 31 must be filed on April 30, while those with fiscal years ending on a date other than December 31 shall file their reports 120 calendar days after the close of their respective fiscal years.

Corporations whose securities are listed on the Philippine Stock Exchange (PSE), those whose securities are registered but

not listed on the PSE, those considered as public companies, and those covered under Section 17.2 of Republic Act No. 8799, or the Securities Regulation Code (SRC), shall file their AFS within 105 calendar days after the end of their respective fiscal years, as an attachment to their annual reports.

Further, corporations whose AFS are being audited by the Commission on Audit (COA) are exempted from the aforementioned deadlines, provided they attach to their AFS a duly signed affidavit attesting that they timely provided the COA with the financial statements and supporting documents and that the COA audit has just been concluded, as well as a letter from the COA confirming such information.

Failure to follow the formal requirements prescribed under Revised SRC Rule 68 shall be considered a sufficient ground for the imposition of penalties by the SEC. The acceptance and receipt by the Commission of the financial statements shall be without prejudice to such penalties.

GIS deadline

Meanwhile, the GIS must be filed within 30 calendar days from the date of the actual annual stockholders' meeting for stock corporations, from the date of actual annual members meeting for non-stock corporations, and from the anniversary date of the issuance of the SEC license for foreign corporations.

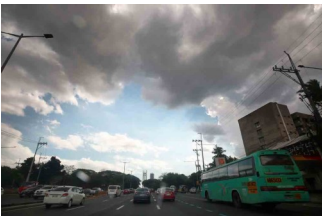
The respective GIS forms for stock corporations, nonstock corporations, branch offices and representative offices of foreign corporations, and regional operating headquarters and regional headquarters of multinational companies may be downloaded from the SEC website.

OPCs are not required to submit the GIS. However, they must submit the SEC Form for Appointment of Officers within 15 days from the date of issuance of their certificate of incorporation, or within five days from subsequent changes.

Source: <https://business.inquirer.net/455824/sec-sets-deadline-for-2024-submission-of-annual-reports>

Q1 GDP growth may miss target

April 25, 2024 | Luisa Maria Jacinta C. Jocson | BusinessWorld



Motorists drive amid a sudden downpour along Commonwealth Avenue in Quezon City, April 24. -- PHOTO BY MIGUEL DE GUZMAN, The Philippine Star

THE PHILIPPINE economy likely continued its growth momentum in the first quarter, although this may fall short of the government’s target, GlobalSource Partners said.

“The first quarter is likely to sustain positive economic growth which may not necessarily approximate the official target of 6-7% for at least the first quarter of 2024 due to the downside risks to economic growth including the prolonged dry spell and rising trend of inflation,” GlobalSource country analysts Diwa C. Guinigundo and Wilhelmina Mañalac said in a report.

The local statistics authority is set to release first-quarter gross domestic product (GDP) data on May 9.

The GlobalSource report also discussed the results of the central bank’s latest consumer and business expectation surveys, which can be used as an indicator for actual output.

“Consumption spending may receive an additional boost from better consumer sentiment but businesses’ less optimistic expectations may partially hold it back,” GlobalSource said.

The Bangko Sentral ng Pilipinas (BSP) survey showed that consumer sentiment was less pessimistic in the first quarter amid expectations of improved employment and income. Private consumption accounts for about three-fourths of the economy.

On the other hand, businesses were less bullish amid persistent inflation, the impact from the El Niño weather event and sluggish post-holiday demand.

Inflation averaged 3.3% in the first quarter, still within the 2-4% target band. The BSP expects inflation to average 3.8% this year.

Latest data from the Agriculture department showed that agricultural damage from the El Niño has reached P3.94 billion, affecting 73,713 farmers and fisherfolk.

John Paolo R. Rivera, president and chief economist at Oikonomia Advisory & Research, Inc., expects GDP to have expanded by 6.1% in the first quarter.

This would be within the government’s target and faster than the 5.5% GDP growth in the fourth quarter but slower than the 6.4% expansion in the first quarter of 2023.

Mr. Rivera said that growth in the first quarter was likely driven by increased government spending on infrastructure, more public-private partnerships, the recovery of the tourism industry and improvements in exports.

For the first two months of the year, infrastructure spending rose by 6.7% to P120.5 billion, data from the Budget department showed.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said GDP likely grew by 6% in the first quarter. His full-year forecast is 6.3%.

“Philippine GDP growth could normalize to around 5.5%-6.5% in 2024 and beyond,” he said in a Viber message.

This year, economic growth will also be supported by infrastructure spending, strong remittances, and further reopening of the economy, he added.

Source: <https://www.bworldonline.com/top-stories/2024/04/25/590692/q1-gdp-growth-may-miss-target/>

PHL must join global accords to better tax big tech-study

April 25, 2024 | Cai U. Ordinario | BusinessMirror

IF the Philippines intends to maximize the revenue potential from digital economy, it must join regional or multilateral agreements that are formed to better tax big tech, according to a study commissioned by the national government’s think tank.



In a research paper published by the Philippine Institute for Development Studies (PIDS), University of the Philippines College of Law Assistant Professor Emerson S. Bañez analyzed the country’s existing tax laws on digital commerce.

Bañez performed a gap analysis of Philippine tax laws’ applicability to digital transactions. The analysis looked into the shortcomings of the existing laws relative to tax models from other regions.

“Optimizing the local tax base and passing unilateral measures can only go so far. Even if the BIR can scale its tax mapping and inspection operations to include private residences without raising constitutional objections, there is still the question of whether or not it can apply the same to nonresidents,” Bañez said. *[Cont. page 5]*

Philippines' main grids placed under red, yellow alerts*[Cont. from page 5]*

Yellow alerts are issued when the supply available to the grid falls below a designated safety threshold. If the supply-demand balance deteriorates further, a red alert is declared.

The Luzon and Visayas power grids were again placed under red and yellow alert status on Wednesday, the grid operator said.

Red alert status was raised over Luzon grid from 3 p.m. to 4 p.m., while yellow alert was issued from 4 p.m. to 10 p.m., NGCP said, adding that power demand in Luzon reached 14,016 MW against the available capacity of 14,249 MW.

Data provided by NGCP said Luzon hit a peak demand of 14,016 MW on Wednesday, the highest so far for the year. The previous high was recorded on Tuesday at 13,864 MW.

Four power plants went offline in Luzon while two are running on derated capacities, resulting in a total of 1,840.3 MW unavailable to the grid.

As of 4:05 p.m., the NGCP lifted the red alert over Luzon but the grid was still under yellow alert status from 4 p.m. to 11 p.m.

Meanwhile, Manila Electric Co. (Meralco) said it had advised the participants of its Interruptible Load Program to be on standby.

“If necessary, we are ready to implement manual load dropping as part of our responsibility to manage the system,” Meralco said in a Viber statement.

The Visayas grid was placed under red alert status from 12 p.m. to 5 p.m., and from 6 p.m. to 8 p.m., while the yellow alert status was issued from 10 a.m. to 12 p.m., 5 p.m. to 6 p.m., and 8 p.m. to 9 p.m.

Three power plants were on forced outage in the Visayas grid, while eight plants were running on derated capacities for a total of 621.6 MW capacities unavailable to the grid.

“The reduced capacity exported by Mindanao to Visayas also aggravated the power situation in Visayas,” NGCP said.

NGCP said it had implemented manual load dropping or rotational brownout from 3 p.m. to 4 p.m. in the province of Abra, parts of Tuguegarao City, Cagayan, parts of Albay, and parts of Bataan and Batangas.

“In the ICSC (Institute for Climate and Sustainable Cities) study, we assumed a 100-MW allowance in the forced outage for Mindanao, which is a conservative assumption based on the average historical outages of Mindanao. However, in (Wednesday’s) actual grid operations, we are seeing that the capacities in forced outage and derated operation have exceeded this assumption,” Jephraim C. Manansala, chief data scientist at the ICSC, said in a Viber message.

Mr. Manansala said hydroelectric power plants are expected to have lower output during the summer months especially with the El Niño weather phenomenon.

“However, the untimely unavailability and deration of other plants such as coal have made the situation alarming,” he said.

ICSC said the country is expected to experience a shortfall of power supply “indefinitely” for as long as power plants continue to run on derated capacities.

Source: <https://www.bworldonline.com/editors-picks/2024/04/25/590702/philippines-main-grids-placed-under-red-yellow-alerts/>

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[POST ARTICLE] JFC Clark International Mixer | April 23, 2024 at Marriott Clark Hotel

The Joint Foreign Chambers coalition of the American, Australian-New Zealand, Canadian, European, Japanese, Korean chambers of commerce and PAMURI held a night of networking and good cheers for its members in Central Luzon on April 23, 2024 at Marriott Clark Hotel.

KCCP led by its president, Mr. Hyunchong Joseph Um was able to invite Korean companies located in Central Luzon, Clark, with a total of 16 company representatives present to join the event. The event was a success with a total of 280 attendees across all members of the Joint Foreign Chambers and was supported by many sponsors.

The JFC seeks and promotes the creation of an investor-friendly environment in the Philippines, ensuring a level-playing field for all businesses, as a means to preserve and create more jobs and achieve inclusive growth.





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