



# 필리핀한인상공회의소뉴스

## KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



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### PHL should use GDP trajectory to push specific products in vertical markets— electronics expert

May 21, 2024 | Andrea E. San Juan | BusinessMirror

The Philippines should capitalize on its GDP growth to figure out the “vertical basis” for specific products that will favor the local market, according to Arthur Tan, former CEO of Integrated Micro-Electronics Inc. (IMI).

“I think the Philippines need to start looking and figuring out how we’re going to be able to actually be independent on the vertical basis for specific products we want to play in that’s conducive: one to the local consumption market, because our numbers are there.



In this file photo workers do their job at a semiconductor manufacturing facility at the Santa Rosa, Laguna Economic Zone.

Five to six percent [gross domestic product] GDP growth for the next 5 to 10 years,” Tan said at the US Indo-Pacific Business Forum on Tuesday.

Tan said the country should use the country’s GDP trajectory as “catalyst” to “drive what kind of vertical we want to be independent of on a regional basis for the country.”

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Five to six percent [gross domestic product] GDP growth for the next 5 to 10 years,” Tan said at the US Indo-Pacific Business Forum on Tuesday.

Tan said the country should use the country’s GDP trajectory as “catalyst” to “drive what kind of vertical we want to be independent of on a regional basis for the country.”

Tan said this when he was asked on how local industries can stay resilient as they participate in emerging supply chains today.

“I think instead of trying to be one of the whole global chain, we now need to revisit our position and see which verticals we want to play,” the electronics expert also noted.

In the area of semiconductor, Bing Viera, President and Country Manager of Amkor Technology Philippines, a semiconductor firm, underscored the importance of “moving into the next generation from packaging and test.”

He said the design part in the semiconductor supply chain is “something that we’ll have to look at,” adding that while the Philippines has already started doing the design part of the supply chain, it needs to have the “additional tools” to move to the next level.

Trade and Industry Secretary Alfredo E. Pascual earlier explained that the Philippine semiconductor supply chain consists of only the integrated circuit (IC) design as well as assembly, testing and packaging.

He underscored this two months ago while he stressed the need for the Philippines to have a laboratory for wafer fabrication plant, calling this the “critical element” in the value chain of semiconductor. [Cont. page 2]

## PHL should use GDP trajectory to push specific products in vertical markets—electronics expert

[Cont. from page 1]

Earlier, Danilo C. Lachica, president of the Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (Seipi) said the wafer fab is essential for the chip industry.

Currently, Lachica said manufacturers send the Gerber files to a wafer fab to Taiwan Semiconductor Manufacturing Company (TSMC).

Wafer fab is a semiconductor processing facility which turns wafers into integrated circuits.

Earlier this month, United States Assistant Secretary for Bureau of Economic and Business Affairs Ramin Toloui said the US is already reviewing semiconductor supply chains of its partner countries including the Philippines to come up with a basis for the funding that will be allocated by the US CHIPS Act.

According to Ramin Toloui, US Assistant Secretary for Bureau of Economic and Business Affairs, “We’ve done this by engaging with the OECD to conduct a study of the assembly, testing and packaging ecosystem in each of these 6 partner countries including the Philippines,” Toloui told some members of the Philippine media early this month.

Toloui said the focus of the funding is on the assembly, test and packaging that will complement the investments that the US is making. (Full story here: <https://businessmirror.com.ph/2024/05/01/us-reviews-semiconductor-supply-chain-for-chips-fund/>)

Image credits: [Nonie Reyes](#)

Source: <https://businessmirror.com.ph/2024/05/21/phl-should-use-gdp-trajectory-to-push-specific-products-in-vertical-markets-electronics-expert/>

## Philippines' BoP deficit widens

May 20, 2024 | Luisa Maria Jacinta C. Jocson | BusinessWorld



THE COUNTRY’S balance of payments (BoP) deficit widened in April as the government paid back foreign debt and the trade balance remained in a deficit, the Bangko Sentral ng Pilipinas (BSP) said.

Data from the central bank showed the BoP position widened to a \$639-million deficit in April from the \$148-million gap a year ago.

This was also a reversal from the \$1.17-billion surplus recorded in March.

The BoP measures the country’s transactions with the rest of the world at a given time. A deficit means more funds left the economy than what went in, while a surplus shows that more money entered the Philippines.

“The BoP deficit in April 2024 reflected outflows arising mainly from the National Government’s (NG) net foreign currency withdrawals from its deposits with the BSP to settle its foreign currency debt obligations and pay for its various expenditures,” the central bank said in a statement.

In the first four months, the BoP position swung to a deficit of \$401 million from the \$3.3-billion surplus posted a year ago.

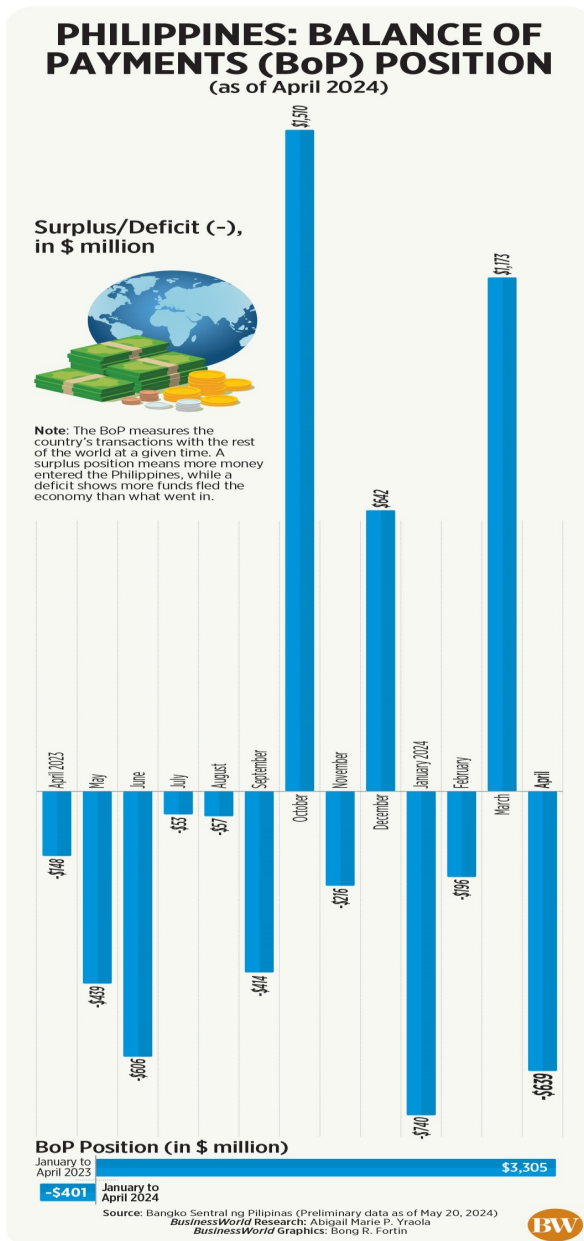
“Based on preliminary data, this cumulative BoP deficit reflected mainly the NG’s repayments of its foreign loans coupled with the continued trade in goods deficit,” it added.

The trade deficit sharply narrowed to \$3.18 billion in March from the \$5.02-billion deficit a year ago. In the first quarter, the trade deficit shrank by 22.2% year on year to \$11.24 billion.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the BoP deficit was due to payment of foreign obligations. This included the scheduled repayment of \$365 million in matured Japanese yen bonds on April 12. [Cont. page 3]

## Philippines' BoP deficit widens

[Cont. from page 2]



In the first quarter, debt repayments jumped by 74% to P986.036 billion.

These include the P93.37 billion in principal payments on external debt and P54.11-billion in interest payments on external debt.

At its end-April position, the BoP reflected a final gross international reserve (GIR) level of \$102.6 billion, 1.4% lower than \$104.1 billion as of end-March.

The dollar reserves were enough to cover 5.8 times the country's short-term external debt based on original maturity and 3.6 times based on residual maturity.

It is also equivalent to 7.6 months' worth of imports of goods and payments of services and primary income.

An ample level of foreign exchange buffers safeguards an economy from market volatility and is an assurance of the country's capability to pay debts in the event of an economic downturn.

For the coming months, Mr. Ricafort said that the BoP position could improve "partly due to proceeds of the National Government's foreign currency-denominated borrowing that would also be added to the country's BoP and GIR as well as from official development assistance and other multilateral sources."

In May, the government raised \$2 billion from its issuance of the dual-tranche 10- and 25-year fixed-rate dollar bonds. This was the Philippines' first global bond sale for this year.

Mr. Ricafort also noted continued growth in remittances, business process outsourcing (BPO) revenues, foreign tourism receipts and foreign direct investments would help support the BoP position.

This year, the BSP expects the country's BoP position to end at a \$700-million deficit, equivalent to 0.1% of GDP.

Source: <https://www.bworldonline.com/top-stories/2024/05/22/596671/philippines-bop-deficit-widens/>

## PH promotes Luzon Economic Corridor to foreign investors

May 22, 2024 | Janine Alexis Miguel | The Manila Times

The Philippine government is pitching the Luzon Economic Corridor to investors and for them to pursue projects in the Philippines.

During the 6th Indo-Pacific Business Forum in Taguig on Tuesday, Trade Secretary Alfredo Pascual emphasized that now is the right time to invest in the Philippines. [Cont. page 4]

The Manila Times®

**PH promotes Luzon Economic Corridor to foreign investors***[Cont. from page 3]*

"The current administration in the Philippines is very much committed to grow the country and grow it with investments coming from, of course, local investors and foreign investors," Pascual said during a plenary discussion.

"We're doing everything that's needed to make the regions attractive to foreign investments," he added.

Special Assistant to the President for Investment and Economic Affairs Secretary Frederick Go also promoted the Central Luzon Economic Corridor to foreign investors.

Both Go and Pascual said that the first Luzon Economic Corridor Steering Committee meeting will open new investment opportunities in the country.

"We're now going to get our hands dirty, and we're going to try to really make this thing happen for the Philippines," said Go.

The Luzon Economic Corridor comprises Subic, Clark, Metro Manila and Batangas. Go said that the ports in Subic, Manila and Batangas are the most active in the Philippines, representing almost 80 percent of all the port traffic in the country.

Pascual also said that a grant from the US Trade and Development Agency's (USTDA) could possibly fund the feasibility studies intended for the Luzon Economic Corridor.

"They just need to produce what they're going to do, we won't spend anything," the trade chief said, adding that the amount of the USTDA grant has not yet been disclosed.

"They will handle the commissioning but, of course, in coordination with us," he said.

President Ferdinand Marcos Jr. also cited the government's aggressive push to develop the Luzon Economic Corridor as an investment destination.

"We have earmarked key projects to spur growth in the Luzon Economic Corridor, creating strategic connections between Subic, Clark, and the Calabarzon region, a prime location for export-manufacturing firms," Marcos said.

Calabarzon is composed of the provinces of Cavite, Laguna, Batangas, Rizal and Quezon.

Moreover, the trade department said that the country's active participation in the 6th IPBF aligns with the forum's key themes of clean energy, digital transformation, supply chain resilience, infrastructure development, and emerging technologies.

"It also serves as a platform to showcase investment opportunities, economic potential, and ongoing development projects, solidifying the Philippines' position in the Indo-Pacific," it said.

*Source: <https://www.manilatimes.net/2024/05/22/business/top-business/ph-promotes-luzon-economic-corridor-to-foreign-investors/1947820>*

**Manila, 8 other Philippine cities among top 1,000 global cities**

May 22, 2024 | Roderick Abad | BusinessMirror

**BusinessMirror**A broader look at today's business

NINE cities in the Philippines have made it to the 2024 Global Cities Index released on Monday by Oxford Economics, with Manila securing a spot above the second quartile ranking.

This study assesses the 1,000 largest cities in the world, which are located in 163 countries, based on 27 indicators in five categories: Economics, Human Capital, Quality of Life, Environment, and Governance.

"By analyzing these five dimensions in depth, the Global Cities Index provides a nuanced understanding of each city's strengths and areas for improvement, empowering policymakers, investors, employers, and residents to make informed decisions," the United Kingdom-based think tank said in a statement.

Overall, Manila settled at 256th place. It was not referred, though, in the report as being the Philippine capital itself or the entire National Capital Region since any of the component cities of the latter is not included on the list. *[Cont. page 5]*

## Manila, 8 other Philippine cities among top 1,000 global cities

[Cont. from page 4]

Category-wise, Manila is just a notch short of the Top 100 to be the 101st in terms of human capital. On the other hand, the country's center for commerce and trade is at 150th place in the economics segment 238th in the environment space; 461st in quality of life; and 614th in governance.

Cebu City is the second urban center in the country that is among the largest urban economies worldwide, claiming the 436th place.

It's main strength is environment (24), but weak in quality of life (683).

Akin to the Queen City of the South, Cagayan de Oro, which is at 487, excels in the field of environment (338), yet fails in quality of life (626)

Rounding off the first half of the 2024 Global Cities Index is Davao City (500).

This progressive part of Mindanao fares well in environment (229) with its teeming rich natural resources and clean surroundings. It's rated low in human capital at 645.

Like the above-cited cities, except for Manila, the succeeding urban areas are also doing good ecological-wise, but mostly bad in people resources.

Based on highest to lowest placements, Angeles City (ranked 502 overall) top spot is in the environment category at 191 and lags in human capital at 634; Bacolod (538), environment (12), human capital (739); Dagupan (604), environment (220), human capital (701); Zamboanga City (695), environment (48), economics (961); and General Santos (723), environment (101), human capital (915).

The inaugural Oxford Economics Global Cities Index is lorded over by New York in the United States, closely followed by London in the UK; San Jose in the US; Tokyo, Japan; and Paris, France. Completing the Top 10 are Seattle, the US; Los Angeles, the US; San Francisco, the US; Melbourne, Australia; and Zurich, Switzerland.

Apart from Manila, other Southeast Asian capitals that are included in the cut are Singapore (42) in Singapore; Kuala Lumpur (135), Malaysia; Bangkok (192), Thailand; Jakarta (284), Indonesia; Hanoi (304), Vietnam; Dhaka (540), Bangladesh; Vientiane (589), Laos; and Yangon (680), Myanmar.

"Cities are the epicenters of human civilization, where innovation, diversity, and progress converge. However, the complexity of urban dynamics often obscures our understanding of what makes a city truly successful," said Mark Britton, director of city services at Oxford Economics.

He said, combining the results of their Global Cities Index with their forecasts enables organizations and policymakers to make "more informed strategic decisions."

"While the Index scores cities based on how they are performing now, there is potential for significant movement within the rankings in the coming years, as the 1,000 Global Cities navigate the concurrence of several global trends. These include economic turbulence, political instability, high debt levels, trends in globalization, pressures on healthcare and housing, and the effects of climate change. There are several global trends that have the potential to buck these rankings," he stressed.

Source: <https://businessmirror.com.ph/2024/05/22/manila-8-other-philippine-cities-among-top-1000-global-cities/>

## Education , manufacturing and tourism are key growth drivers, says JG Summit CEO

May 22, 2024 | Revin Mikhael D. Ochave | BusinessWorld



JG Summit CEO Lance Y. Gokongwei delivered a keynote speech on the private sector's role in fueling economic growth at BusinessWorld's economic forum on Wednesday. — PHILIPPINE STAR/JESSE BUSTOS

THE PHILIPPINE government and private sector should harness the potentials of education, manufacturing and tourism, which are critical to economic growth, JG Summit Holdings, Inc.'s top executive said on Wednesday.

The state should serve as a "key enabler" by facilitating the cost and ease of doing business, while private companies should continue to invest, create jobs and wealth to improve lives, JG Summit President and Chief Executive Officer (CEO) Lance Y. Gokongwei said in a speech at *BusinessWorld's* economic forum in Taguig City.

"Underlying these three critical areas is, of course, the importance of both physical and technological infrastructure that will support and further hasten the growth of our human capital, manufacturing sector and tourism industry," he added.

[Cont. page 6]



**Education , manufacturing and tourism are key growth drivers, says JG Summit CEO**

[Cont. from page 5]

Mr. Gokongwei said young Filipinos should have skills to let them keep up with an economy driven by technology, while teachers should be upskilled and reskilled in science, technology, engineering and mathematics.

He added that with an adequately equipped workforce, the government and business can “confidently woo global capital to pitch their tents in our country based on the undeniable resources we offer.”

Mr. Gokongwei said revitalizing the manufacturing sector would also boost the economy.

“Our industrialization hinges on the government and private sectors jointly identifying and agreeing on the manufacturing industries that we need to develop, supported by enabling policies and incentives,” he said.

The bid to become a manufacturing economy also depends on the country’s ability to equip its workforce so it can meet the demands of the emerging industrial and technological landscape.

Mr. Gokongwei added that both direct and indirect tourism receipts should form part of the Philippines’ economic growth plans.

“Our natural wonders, our kindhearted people, and our ideal location — these are the perfect ingredients to make us a tourism powerhouse with significant contributions to our gross domestic product,” he said.

Philippine economic prospects remained bright despite risks and challenges, National Economic and Development Authority Secretary Arsenio M. Balisacan told the forum in a separate speech.

“The Philippines’ prospects remain bright and amidst current projections, we are working hard to keep our fundamentals sound,” he said.

“Despite some of the greatest challenges we have ever faced, we remain committed to meeting our short-term goals. We aim for no less than socioeconomic transformation in the medium term,” he added.

Mr. Balisacan cited the need to make economic growth more inclusive amid improving poverty statistics in recent years.

“We must enhance access to high-quality employment and market opportunities and strengthen social protection, reduce poverty to single-digit levels and improve the overall quality of life,” he said.

The economy grew by 5.7% in the first quarter, slower than expected and below the state’s 6-7% target for the year.

**‘SYNERGY’**

George I. Royeca, chief executive officer of motorcycle ride-hailing mobile app Angkas, said informal workers have a lot to contribute to the economy.

“The challenge for us is how to create a platform for informal workers, how to provide financial services and raise financial literacy,” he told the forum. “I really hope that we can push the informal sector and make it really thrive.”

He added that the country should adopt innovative strategies in various industries.

Globe Telecom, Inc. Vice-President Emmanuel L. Estrada said there’s a need to bridge the digital divide.

“Digital connectivity has now become fundamental to economic progress,” he said at the forum. “We need not just connectivity, but universal and meaningful connectivity.”

Jesus C. Romero, chief operations officer and senior executive vice-president at Converge ICT Solutions, Inc., said the local broadband industry still has a lot of work to do in boosting capacity and cutting costs.

“There is no one-size-fits-all internet for all situations,” he told the forum. “There will be people who are better off with mobile and those who are better off with fiber broadband.”

Miguel G. Belmonte, president and CEO at BusinessWorld Publishing Corp., said public-private coordination is needed to attract investments and create more jobs.

“Among these growth drivers, what stands out to me is the inspiring synergy between the government and the private sector, which is a major driving force for the country in spurring investment, innovation and job creation,” he said.

“The private sector employs over 60% of the labor force and contributes a large chunk to Philippine GDP,” Mr. Belmonte said. “With critical industries like energy, telecommunications and infrastructure having given a huge potential to the private sector, the possibilities for the country are truly marvelous.”

Source: <https://www.bworldonline.com/top-stories/2024/05/23/596917/education-manufacturing-and-tourism-are-key-growth-drivers-says-jg-summit-ceo/>

**KCCP ACTIVITY HIGHLIGHTS****JFC Meeting with Vice President Sara Duterte-Carpio**

Apr 25, 2024, 2024 | Department of Education Building, DepEd Meralco Avenue, Pasig City



The Joint Foreign Chambers had a meeting with the Vice President Sara Duterte-Carpio last April 25, 2024 at 2nd Floor Department of Education Building, DepEd Meralco Avenue, Pasig City. KCCP was represented by President Mr. Hyunhong Joseph Um (Samdo Philippines Corporation) and KCCP Vice President Mr. Dalhun Lee (Kepco Philippines).

Some of the agenda tackled during the meetings are Plans and priorities of the Office of the Vice President, Advocacies and programs on education as DepEd Secretary and for further improving the business climate in the Philippines. During the meeting, the areas of cooperation with the private sector including foreign chambers/business organizations were also discussed with the Vice President.

The heads of the JFC expressed their gratitude to VP Duterte for accommodating the group for a meeting despite her very busy schedule as also being the Secretary of the Department of Education, at the end of the meeting, the group had a photo opportunity with VP Duterte.

**Photo Credits: Official Facebook Page of Inday Sara Duterte**

**KCCP Memorandum of Understanding (MOU) Signing with Mariano Marcos State University (MMSU)**

May 07, 2024 2024 | MMSU FEM Hall, Batac, Ilocos Norte



The Korean Chamber of Commerce Philippines together with Samdo e-Learning Corporation and Hancom Academy signed a Memorandum of Understanding (MOU) with the Mariano Marcos State University (MMSU) on May 7, 2024 at the MMSU FEM Hall in Batac, Ilocos Norte.

Signed by MMSU President Shirley C. Agrupis, Mr. Joseph Um, president of the Korean Chamber of Commerce Philippines, Inc. and Samdo Elearning Corporation, and Mr. Kwang Hun-Lee, chief executive officer of Hancom Academy, represented by Mr. Oharm Lee, director of Hancom Academy, the five-year agreement aims to facilitate Korean language and culture classes via various modalities such as AI teaching program, audio, and e-learning and in-person classes. [Cont. page 8]

**KCCP Memorandum of Understanding (MOU) Signing with Mariano Marcos State University (MMSU)***[Cont. from page 7]*

KCCP President Mr. Um shared the importance of this opportunity for the Filipinos students saying that this initiative may open job opportunities in Korea as well as in the Philippines where there is an increasing number of Korean companies. He also expressed his gratitude to MMSU for the new partnership and intention to invite more Korean students in the university, wherein MMSU President Ms. Agrupis said they are ready to welcome more Korean students in the future.

KCCP looks forward to the fruition of the MOU with MMSU and to establishing more partnerships with educational institutions in the coming years.

**JFC Meeting with the Department of Trade and Industry Sec. Alfredo Pascual**

May 22, 2024 | DTI-OSEC Conference Room, Industry and Investment Bldg., Makati City



The Joint Foreign Chambers had a meeting with the Department of Trade and Industry (DTI) Sec. Alfredo Pascual on May 22, 2024 at DTI-OSEC Conference Room, Industry and Investment Bldg., Makati City. KCCP was represented by Directors, Ms. Hyunjoo Julia Lee (Little Clarion International Preschool) and Mr. Sanggoo Samuel Chun (Megatrends I & C Corporation).

Some of the agenda tackled during the meetings are DTI investment promotion plans and agenda, Regional Comprehensive Economic Partnership (RCEP), CREATE More, Internet Transactions Act IRR, IP Code amendments, and Wage Hike proposals in Congress. KCCP was also able to ask Sec. Pascual on the updates of the Philippine-Korea Free Trade Agreement (FTA) which was signed last September 7, 2023 which is still waiting for implementation.

Towards the end of the meeting, the JFC informed the Secretary of the upcoming Arangkada Forum and wished for his participation. JFC aims to have a regular meetings with the Department of Trade and Industry to keep the group updated on latest developments of economic reforms and concerns.

**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



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