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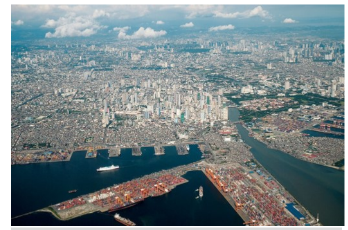
PHL must double down on domestic reforms for tradable sectors to attain 6.5% to 8% growth goal by 2028

March 05, 2025 | Andrea E. San Juan | BusinessMirror

The Philippines must double down on domestic reforms that would uplift "tradable" sectors to attain the 6.5 to 8 percent growth goal set in the Philippine Development Plan (PDP) by 2028, according to World Bank Lead Economist Gonzalo Varela.



AN airplane view of Manila showcases the capital's bustling landscape, including Manila Bay, the port, ships, Pasig River, and towering buildings beneath a cloud-dotted sky. Despite a rise in export receipts, the country's trade deficit widened to $5.09 billion in January, as import payments outpaced export growth, according to preliminary data from the PSA.

"Today, the economy is twice as large as it was in 2010. Today, the economy has 11.7 million new jobs, which brought employment rates to a record high of about 96 percent. So a lot of good things happened," Varela said during a briefing organized by the European Chamber of Commerce of the Philippines (ECCP) on Wednesday.

However, the World Bank economist said the "glass half -empty," is that about three-quarters of that increase in jobs were in "non-tradeable sectors." With this, Varela said the tradable sector "sort of shrunk relatively."

The World Bank economist underscored the importance of the tradable sector, saying this is composed of sectors that are "heavily exposed to international competition."

"Those sectors that can have the potential of export, of being integrated into the global marketplace," added Varela.

He noted that as the tradable sector is exposed to competition, it has "more scope for learning, firms learn more, technology transfers happen more and therefore more efficiency gains, more growth."

Varela pointed out that the fact that the Philippine economy grew "mostly looking inwards," it's a little bit of a challenge to think about the future.

In the context of leveraging Philippine free trade agreements (FTAs), the World Bank economist said firms can only take advantage of FTAs if they are "super competitive."

While Varela said the economy is seen to continue growing, the country must double down on its agenda of reforms such as streamlining regulations, digitalizing, among others, to make it easier for tradable sectors to flourish.

"Our forecast for the next three years is growth rate average of 5.8 percent, second-fastest in the region, after Vietnam," said Varela.

"And what we are projecting is that if you want to align the growth to what the Philippine Development Plan is projecting, that is a growth of about 6.5 to 8 percent, you need to double down on domestic reform," Varela said.

He added that there is a need for the country to double down on the agenda of streamlining regulations and digitalizing, among others, "so that you make it easier for the tradable sectors to prosper and regain that momentum that it once had."

Image credits: PAMELA LICO VIA DREAMSTIME.COM

Source: https://businessmirror.com.ph/2025/03/05/phl-must-double-down-on-domestic-reforms-for-tradable-sectors-to-attain-6-5-to-8-growth-goal-by-2028/

BDO: Infrastructure, RE to lead Philippines investment boom

March 06, 2025 | Keisha Ta-Asan | The Philippine Star

During BDO's market outlook for corporate clients, the bank's executives underscored strong investor confidence and capital-raising initiatives that will dominate the year.

Businessworld / File

MANILA, Philippines — The Philippines is poised for significant investment inflows this year, with infrastructure, renewable energy and healthcare emerging as the most attractive sectors for capital, BDO Unibank Inc. said.

During BDO's market outlook for corporate clients, the bank's executives underscored strong investor confidence and capital-raising initiatives that will dominate the year.

Eduardo Francisco, president of BDO Capital, said the Philippines is well-positioned for growth, adding that there is an uptick in interest from foreign delegations across Asia, North America and Europe.

"Foreign delegations from Asia, North America and Europe continue to make inquiries and visit BDO, underscoring rising interest and international confidence in the Philippines as a strategic investment hub," Francisco said.

According to Francisco, foreign investors are actively exploring partnerships and are seeking the right local allies to effectively navigate the Philippine market.

He identified infrastructure, energy, warehousing, cold storage, hospitals and healthcare as prime areas for investment.

Sustainability-focused investors are also keen on financing renewable energy and green infrastructure projects, aligning with the country's shift toward a more sustainable economy.

"As a pioneer in sustainable finance, BDO is committed to driving business growth. We offer strategic guidance on diversification, business expansion, and forming high-impact partnerships for long-term success," he said.

Francisco also said that capital-raising activities in 2025 will revolve around bilateral debt, syndicated loans, project finance for public-private partnership initiatives, bonds, private placements and perpetual preferred shares.

Despite a slowdown in initial public offering (IPO) activity, real estate investment trusts (REITs) are expected to attract investors with their stable yields.

BDO chief investment officer Fritz Ocampo said that the Philippines' consumer-driven economy remains resilient with minimal impact from global economic shifts.

Ocampo recommended that investors looking for short-term placements consider BDO's Peso and Dollar Money Market Funds, which offer flexibility and competitive returns.

Meanwhile, corporations with excess reserves or pension funds can tap into the US and global equity markets through BDO's tailored financial solutions.

"To maximize returns, investors can also explore dividend-paying stocks in real estate, telecommunications and banking. The key to long-term growth is diversification," Ocampo said.

Charles Rodriguez, executive vice president and head of BDO's Institutional Banking Group, is optimistic in the continued growth of the Philippine economy with diverse industries set to flourish.

"Australian and Canadian companies are actively seeking Philippine partners, particularly in infrastructure, energy and food segments where significant opportunities abound," he said.

"We also support clients transitioning to renewable energy. We can help investors navigate the complexities of the local market and manage their expectations," Rodriguez said.

Source: https://www.philstar.com/business/2025/03/06/2426156/bdo-infrastructure-re-lead-philippines-investment-boom

Meralco deepens ties with KEPCO to drive innovation in PH energy sector

March 06, 2025 | By MB Business | Manila Bulletin

Manuel V. Pangilinan-led Manila Electric Company (Meralco) has strengthened its collaboration with Korea Electric Power Corporation (KEPCO) to accelerate the adoption of cutting-edge energy technologies in the Philippine energy industry.

Meralco and KEPCO signed a memorandum of understanding (MOU) to foster technical cooperation and exchange programs in the field of new energy technology. These include nuclear energy, renewable energy, smart grids, micro grids, energy storage systems, electric vehicles, advanced metering infrastructure, smart substations, and distribution automation. *[Cont. page 4]*

Meralco deepens ties with KEPCO to drive innovation in PH energy sector

[Cont. from page 2]

STRATEGIC PARTNERSHIP TO ADVANCE ENERGY INNOVATION. Meralco inked a memorandum of understanding with KEPCO for capability building, knowledge exchange, and research and development in the energy sector. Seen in photo are (from left) Meralco Executive Vice President and Chief Operating Officer, Ronnie L. Aperocho; Meralco Chairman and Chief Executive Officer, Manuel V. Pangilinan; KEPCO Chief Executive Officer and Group Head, Kim Dong Cheol; and KEPCO Vice President and Head of Global Business Department, Chan Hyuk Chun.

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Both companies will also engage on technical competency development through information and employee exchange programs for specific training courses. Additionally, they will explore potential collaborations in advisory and consulting services, as well as other power and energy initiatives of mutual interest.

Through this strengthened partnership, Meralco and KEPCO reaffirm their shared commitment to driving innovation and advancing the energy landscape in the Philippines.

"This memorandum of understanding marks an important step for both KEPCO and Meralco. Enshrined here is a commitment to exchange knowledge, strengthen capabilities, and work together toward a smarter, more resilient energy future," Pangilinan said.

"We're looking forward to work together with KEPCO. This collaboration allows us to refine our strategies, integrate new technologies, and find better ways to power the future. Beyond the business objectives, we want to forge and strengthen relationships that will drive meaningful progress," he said.

This latest partnership builds on Meralco's earlier MOU with KEPCO, and its Knowledge Data Network signed in November last year to advance the use of smart metering technologies.

Committed to provide 24/7 power to its over eight million customers, Meralco is continuously working with industry players to progress investments on innovative projects that will strengthen its electricity distribution system and contribute to ensuring energy security in the Philippines in the long run.

Source: https://mb.com.ph/2025/3/6/meralco-deepens-ties-with-kepco-to-drive-innovation-in-ph-energy-sector

S. Korea inflation softens to 4-month low of 2%

March 07, 2025 | By Reuters | Malaya Business Insight

SEOUL- South Korea's consumer inflation softened in February for the first time in four months, government data showed on Thursday, providing at least some relief to policymakers looking to further ease monetary policy.

People shop at a flea market hosted by Bunjang, an e-commerce platform for secondhand sales, in Seoul, South Korea. (Reuters Photo)

The consumer price index (CPI) rose 2.0 percent from a year earlier, slower than a gain of 2.2 percent in the previous month, according to Statistics Korea. It was slightly higher than a median 1.95 percent increase tipped in a Reuters poll.

The slowdown in February came after inflation accelerated in January to a six-month high, driven by a weak won, and above the central bank's medium-term target of 2 percent.

The won has strengthened 2 percent against the dollar this year to trade at 1,444.2 per dollar on Thursday, after weakening more than 12 percent last year for its biggest drop in 16 years on domestic political instability. *[Cont. page 4]*

S. Korea inflation softens to 4-month low of 2%

[Cont. from page 3]

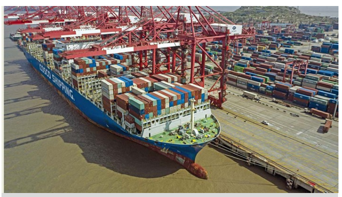
"Going forward, consumer inflation is expected to fluctuate around the target level amid mixed factors of a weak local currency and low demand pressure," the Bank of Korea said after the data release.

Last week, the central bank cut interest rates and said there would be more easing this year, steering Asia's fourth-largest economy from a restrictive monetary policy stance towards an accommodative one to support growth.

Source: https://malaya.com.ph/business/world-business/s-korea-inflation-softens-to-4-month-low-of-2/

'Exporters to US may shift from air to ocean freight'

March 06, 2025 | Andrea E. San Juan | BusinessMirror



REUTERS

PHILIPPINE exporters to the United States are expected to shift from air freight to ocean freight due to US tariffs, according to a report by global logistics provider Dimerco.

"Expect exports from the Philippines to the US to shift from air freight to ocean freight due to US tariffs," Dimerco's Asia Pacific Freight Report for March 2025 noted.

As to Dimerco's projection for the Philippines, March freight capacity remains stable, but long-haul shipments should be booked two weeks in advance.

It also highlighted that with the summer starting in the Philippines, fewer disruptions are expected from rain and typhoons.

As such, Dimerco noted, "Container movement and yard utilization should improve during this non-peak period."

Despite this, the report said it may be more costly to export Philippine goods to Europe and the United States, as ocean freight rates are rising.

It is also worth noting that goods being shipped by North America bound for Manila may suffer from space constraints.

"Shippers can expect potential space constraints from the West Coast to Asia, especially in Manila," Dimerco said of the ocean freight market situation of North America.

"It is recommended to book at least a month in advance to mitigate the risk of delays," the report noted.

With ocean freight rates seen rising for Philippine goods being shipped to Europe, the Dimerco report explained that capacity surged in late February on the North Europe to US East Coast trade lane ahead of upcoming US steel and aluminum tariffs, while Mediterranean utilization remained stable.

The report of the logistics firm revealed the global developments for shippers to keep an eye on.

For one, Dimerco said, "Starting March 4, President Trump's tariffs on Mexico, Canada, China, and the EU will reshape global supply chains and the geopolitical landscape."

"The 25-percent tariffs on Mexican and Canadian goods, along with the hike on Chinese imports, will disrupt trade flows, driving companies to explore new sourcing options. EU retaliation over auto tariffs adds further uncertainty," said Dimerco.

The logistics firm also projected geopolitical tensions and market volatility to persist, requiring businesses to adapt to minimize disruptions.

Kathy Liu, VP, Global Sales and Marketing for Dimerco Express Group explained that following policy announcements from the Trump administration, "The market slowed considerably after January 20, particularly in the US and Europe. This led to e-commerce platforms canceling charters, disrupting the supply and demand balance."

"While e-commerce will not disappear, it is shifting from a B2C model to a B2B2C model. This transition is expected to reduce air freight demand, with more shipments moving to ocean freight instead," Liu also noted.

Image credits: Bloomberg

Source: https://businessmirror.com.ph/2025/03/07/exporters-to-us-may-shift-from-air-to-ocean-freight/

NEDA says expanding global trade ties will help 'future-proof' economy

March 06, 2025 | Jervis Manahan | ABS-CBN News

MANILA - The Philippines must work on building its economic resiliency by expanding trade deals and diversifying investment partners and sources amid potential global shocks, National Economic and Development Authority Secretary Arsenio Balisacan said on Thursday.

This, as the US imposes 25 percent tariffs on goods from Canada and Mexico, which analysts said could have an impact on global trade.

While the Philippines will not be hit directly by the tariffs imposed by US in Canada, Mexico, and China, Balisacan said the country's economy needs to be more resilient.

"Our policy is to expand our engagements with the world, not just the US, that's what we call future-proofing our economy, making it resilient to shocks and geopolitical tension or other economic shocks," Balisacan said.

"We are watching carefully and we have to make our economy more resilient. Part of diversification efforts is to enhance investment and capacity to attract investment and export more," he said.

He added that there are a lot of opportunities globally to diversify, and more markets to partner with.

"We should be more aggressive in getting free trade agreements in many countries. We need to expand and diversity our markets. For example Middle East, there is future for Mindanao agriculture. Similarly, Asian economies are fast growing, the Indian economy is another market for us. We are looking for opportunities abroad. We should take advantage," Balisacan told reporters on the sidelines of an event with the Department of Budget and Management.

Free trade deals allow for the export and imports of select products among two countries with lesser barriers such as lower tariffs, among others.

Source: https://www.abs-cbn.com/news/business/2025/3/6/neda-says-expanding-global-trade-ties-will-help-future-proof-economy-2242

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