



# 필리핀 한국 상공회의소 뉴스

## KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



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### SPECIAL POINTS OF INTEREST

- Economic growth of 6% will remain elusive — report — *page 1*
- Domestic trade declines by value, volume in Q4 due to typhoons — *page 2*
- OECD trims global growth projections — *page 2-3*
- DTI's foreign trade unit books \$76B investment pledges as of January — *page 3*
- Inflation could breach target by late 2025 — BSP — *page 4*
- Philippines now 'moderately free' in economic aspects — global index — *page 4-6*
- PH Jan financial resources GROW 7.9% ON-yr TO P33.66T: Down slightly from Dec; digital banks top performer with 44.5% gain — *page 7*

### UPCOMING EVENT

- [April 03, 2025] KCCP's 30th Annual General Membership Meeting — *page 8*

### Economic growth of 6% will remain elusive — report

March 17, 2025 | Reine Juvierre S. Alberto | BusinessMirror

The Philippine economy must grow by at least 6.06 percent this year to achieve the government's target of a lower debt-to-GDP ratio, but such growth rate may be "unrealistic," according to De La Salle University (DLSU).

In its report on the Philippine economy for March, DLSU said its Philippine High Frequency Model does not project economic growth beyond 6 percent.

The university forecasts the Philippine economy to grow by 5.8 percent in 2025, below the government's target range of 6 to 8 percent.

"This is due to the lack of significant changes in the latest available indicators, which show no clear signs of higher economic growth. We continue with our 'wait and see' attitude," DLSU said.

The economy expanded by 5.6 percent in 2024, bringing the deficit-to-GDP ratio to 5.7 percent, above the government's 5.6 percent target.

"Achieving a deficit-to-GDP ratio lower than 5.32 percent given a budget deficit of P1.54 trillion would require a GDP growth rate of no less than 6.06 percent," it said.

Last year, the budget deficit eased by 0.4 percent to P1.506 trillion from P1.512 trillion in 2023. This is 1.48 percent higher than the government's expectations of a P1.48-trillion deficit in 2024.

"The reduction in the fiscal deficit does not necessarily mean that the Philippines has a better-managed economy," DLSU said.



Commercial and residential buildings rise in this skyline of Metro Manila as residential houses are seen in foreground. (NONIE REYES)

This is because the government's finances are different from those of a household or a firm, for whom a permanent deficit is untenable, it added.

DLSU said a deficit occurs when the private sector seeks to net save and/or net import. Decisions made by the nongovernmental sector, not by government spending, result in a fiscal deficit.

"Targeting a fiscal deficit is of not much use. Budget or Finance cannot decide it," DLSU said.

"The real problem of an economy [what leads to crises] is not a fiscal deficit unless the government is borrowing foreign currency, and this cannot be paid back—not the case of the Philippines now but a private sector deficit. This is what the Philippine government should monitor and watch out for," it added.

DLSU said reducing the government's fiscal deficit should not be viewed as a key indicator of sound economic judgment or excellent economic performance.

"Instead of making fiscal consolidation a priority, the government should recognize that what really matters is how it is managing its spending to support what the Philippine economy really needs—which is attaining and sustaining faster economic growth in the long run," it said.

*Source: <https://businessmirror.com.ph/2025/03/17/economic-growth-of-6-will-remain-elusive-report/>*

## Domestic trade declines by value, volume in Q4 due to typhoons

March 17, 2025 | Pierce Oel A. Montalvo | BusinessWorld



DOMESTIC TRADE in goods by value posted a double-digit decline in the fourth quarter after multiple typhoons disrupted economic activity, the Philippine Statistics Authority (PSA) said, citing preliminary data.

According to the PSA's Commodity Flow in the Philippines report, the value of trade goods in the quarter fell to P246.22 billion from P326.56 billion a year earlier.

The PSA said domestic trade by value is the outflow value of commodities transported from the place of origin to the place of destination.

Commodity flow includes goods transported by water, air, and rail, with waterborne goods the dominant segment.

The volume of trade declined 25.9% year on year to 6.23 million tons.

"The slowdown in domestic trade can be attributed to natural calamities during the last quarter that have negatively affected supply chains in the country," Reinielle Matt M. Erece, economist at Oikonomia Advisory and Research, Inc. said in an e-mail.

Mr. Erece added that subdued demand caused by global economic uncertainty and higher inflation expectations also slowed domestic trade in the fourth quarter.

In December, headline inflation accelerated to 2.9% year on year from 2.5% in November.

This brought 2024 inflation to 3.2%, in line with the central bank's target.

Six typhoons between October and November caused more than P22 billion in damage, according to the National Disaster Risk Reduction and Management Council.

Of the 10 commodity groups monitored by the PSA, seven groups declined by value.

These were machinery and transport equipment, down 59.5%, followed by animal and vegetable oils, fats and waxes (-47.2%); food and live animals (-19.4%), beverages and tobacco (-14.7%); mineral fuels, lubricants and related materials (-10.2%); chemicals and related products (-7.8%); and crude materials, inedible, except fuels (-1.5%).

Commodity groups posting growth were manufactured goods classified chiefly by material (25.8%), miscellaneous manufactured articles (9%), and commodities and transaction not classified elsewhere in the PSCC (5.7%).

Food and live animals accounted for the most value among traded commodities at P72.07 billion during the period.

The category accounted for 29.3% of the value of domestic trade in the fourth quarter. Machinery and transport equipment amounted to P47.48 billion (19.3%), and manufactured goods classified by material P45.15 billion (18.3%).

The National Capital Region accounted for the most goods traded by value with 53.3%. Outflows amounted to P131.31 billion and inflows P24.29 billion, resulting a surplus of P107.02 billion.

The value of inflows into the Western Visayas was P46.63 billion or 18.9% of the total.

Mr. Erece said that a rebound is expected in domestic trade, driven by easing inflation and expectations of higher government spending in the runup to the elections.

Inflation cooled to 2.1% in February, the weakest reading in five months.

*Source: <https://www.bworldonline.com/economy/2025/03/17/659926/domestic-trade-declines-by-value-volume-in-q4-due-to-typhoons/>*

## OECD trims global growth projections

March 18 2025 | By Agence France-Presse | The Manila Times

**PARIS** — The Organization for Economic Cooperation and Development (OECD) on Monday lowered its projections for global growth in 2025 due to "trade barriers" and "uncertainty."

**The Manila Times®**

Trade tensions that have erupted since US President Donald Trump returned to the White House are in part responsible for the dampened growth perspectives, the OECD said.

*[Cont. page 3]*

## OECD trims global growth projections

[Cont. from page 2]

The OECD trimmed back its 2025 projection from 3.3 percent growth to 3.1 percent, "with higher trade barriers in several G20 economies and increased geopolitical and policy uncertainty weighing on investment and household spending," while also forecasting inflation "to be higher than previously expected."

The Paris-based OECD's projections were based primarily on weaker expected growth in the United States and the eurozone.

US growth is expected to be 2.2 percent in 2025, down from the OECD's 2.4 percent projection in December, before falling to 1.6 percent in 2026 — a drop of 0.5 percentage points on the OECD's previous forecast.

Likewise, the eurozone growth projection is down from 1.3 percent three months ago to just 1.0 percent, but will continue its upward trajectory from 0.7 percent in 2024, reaching 1.2 percent in 2026.

China, meanwhile, is expected to maintain healthy growth at 4.8 percent in 2025 and 4.4 percent the following year.

But trade wars sparked by Trump's protectionist policies are due to drive inflation "to be higher than previously expected."

"Core inflation is now projected to remain above central bank targets in many countries in 2026, including the United States," added the OECD, which advises industrialized nations on policy matters, issues regular forecasts on the global economy and identifies factors that could impact growth.

The OECD said its projections took into account new tariffs between the US and its neighbors Canada and Mexico.

However, the OECD did not include new tariffs on trade between the US and China, those imposed on steel and aluminium, nor any concerning the European Union in its projections.

The OECD said that "significant risks remain" as further tit-for-tat tariffs between major global economies "would hit growth around the world and add to inflation."

However, one element that could ease the short-term pressure on the global economy is European nations' vows to boost defense spending in the face of the threat from Vladimir Putin's Russia and reluctance from Trump to continue Washington's bank-rolling of NATO.

An increase in defense spending could "support growth in the near-term, but potentially add to longer-term fiscal pressures," the OECD said.

Source: <https://www.manilatimes.net/2025/03/18/business/top-business/oecd-trims-global-growth-projections/2074608>

## DTI's foreign trade unit books \$76B investment pledges as of January

March 14, 2025 | By GMA Integrated News | GMA News Online



The Department of Trade and Industry (DTI), through its Foreign Trade Service Corps (FTSC), has booked over \$70 billion worth of foreign investment commitments as of January, cementing the Philippines' position as a top destination for global investors in 2025.

In a news release on Friday, the DTI said the FTSC has actively engaged with investors on 247 investment leads and projects valued at over \$76 billion or P4 trillion as of the first month of the year.

"This initiative is a core component of the DTI's global investment and trade promotion strategy," it said.

The Trade Department said that of the 247 investment leads, 51 projects are in already advanced stages — 28 companies have either registered with Securities and Exchange Commission or are working closely with investment promotion agencies to finalize their entry into the Philippines, while 23 have commenced commercial operations.

"These investments span key industries, including manufacturing, information technology and business process management, renewable energy, data centers, retail, agriculture, and telecommunications," the DTI said.

The agency said its foreign trade service unit "remains focused on generating high-value investment leads, expanding market access for Philippine exporters, and strengthening trade partnerships." — **Ted Cordero/RF, GMA Integrated News**

Source: <https://www.gmanetwork.com/news/money/economy/939299/dti-s-foreign-trade-unit-books-76b-investment-pledges-as-of-january/story/>

**Inflation could breach target by late 2025 — BSP**

March 18, 2025 | Keisha Ta-Asan | The Philippine Star

MANILA, Philippines — The Bangko Sentral ng Pilipinas (BSP) warned that inflation could exceed its four percent upper target in the latter part of 2025 due to heightened risks from supply chain disruptions, volatile commodity prices and foreign exchange fluctuations.

In its latest Monetary Policy Report, the central bank said that “inflation could exceed the target range in the latter part of 2025, primarily due to base effects from easing commodity price pressures in the corresponding period of 2024.”

The BSP identified several factors that could push inflation beyond its target range. Among the key risks are persistently high global oil prices, food supply disruptions, peso depreciation, potential wage hikes as well as transport fare and utility rate adjustments.

Geopolitical tensions and production cuts by major oil exporters could drive fuel prices higher, leading to increased transportation and utility costs.

“If Dubai crude oil prices were to average \$100 per barrel in 2025 and \$85 per barrel in 2026, inflation could breach the target range, considering only direct effects and not potential second-round impacts,” the BSP said.

Upward pressure on inflation may come from higher transport charges across various public utility vehicles. Electricity rates may also increase following a Supreme Court ruling in July 2023 nullifying Wholesale Electricity Spot Market price caps for late 2013.

The BSP cited the ongoing impact of African swine fever on pork supply and hog repopulation efforts as another upside risk to inflation.

A weaker peso could also raise the cost of imported goods, further fueling inflationary pressures. Currency movements will be closely tied to global monetary policy trends, particularly decisions of the US Federal Reserve.

However, the BSP said that the anticipated decline in rice prices from tariff reductions is expected to help guide inflation toward the midpoint of the two to four percent target range in the first half of 2025.

Inflation is then projected to move closer to the midpoint of the two to four percent target in 2026, supported by an expected moderation in global commodity prices.

The BSP increased its baseline inflation forecast for 2025 to 3.5 percent from 3.3 percent in December. It maintained its 2026 projection at 3.5 percent.

“The inflation outlook for 2025 has been revised upward, reflecting higher global oil and non-oil prices, peso depreciation and recent above-expectation inflation readings in December 2024 and January,” the BSP said.

The BSP also set its risk-adjusted inflation outlook at 3.5 percent for 2025 and 3.7 percent for 2026.

On the downside, the reduction in tariffs on rice imports could lead to further declines in domestically produced rice prices.

“Overall, the risks to the inflation outlook are now broadly balanced for 2025 and 2026,” the BSP said.

BSP estimates showed that the likelihood of inflation settling within the target range for 2025 is at 53.5 percent. The probability for 2026 stood at 49.9 percent.

*Source: <https://www.philstar.com/business/2025/03/18/2429108/inflation-could-breach-target-late-2025-bsp>*



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Philstar.com / File

**Philippines now ‘moderately free’ in economic aspects — global index**

March 19, 2025 | Justine Irish D. Tabile | BusinessWorld



A Philippine flag flutters in the wind at the National Shrine of Mary, Queen of Peace in Quezon City. — PHILIPPINE STAR/MIGUEL DE GUZMAN

THE Philippines went up six notches to 82<sup>nd</sup> out of 176 countries and is now considered “moderately free,” according to a global index on economic freedom by The Heritage Foundation.

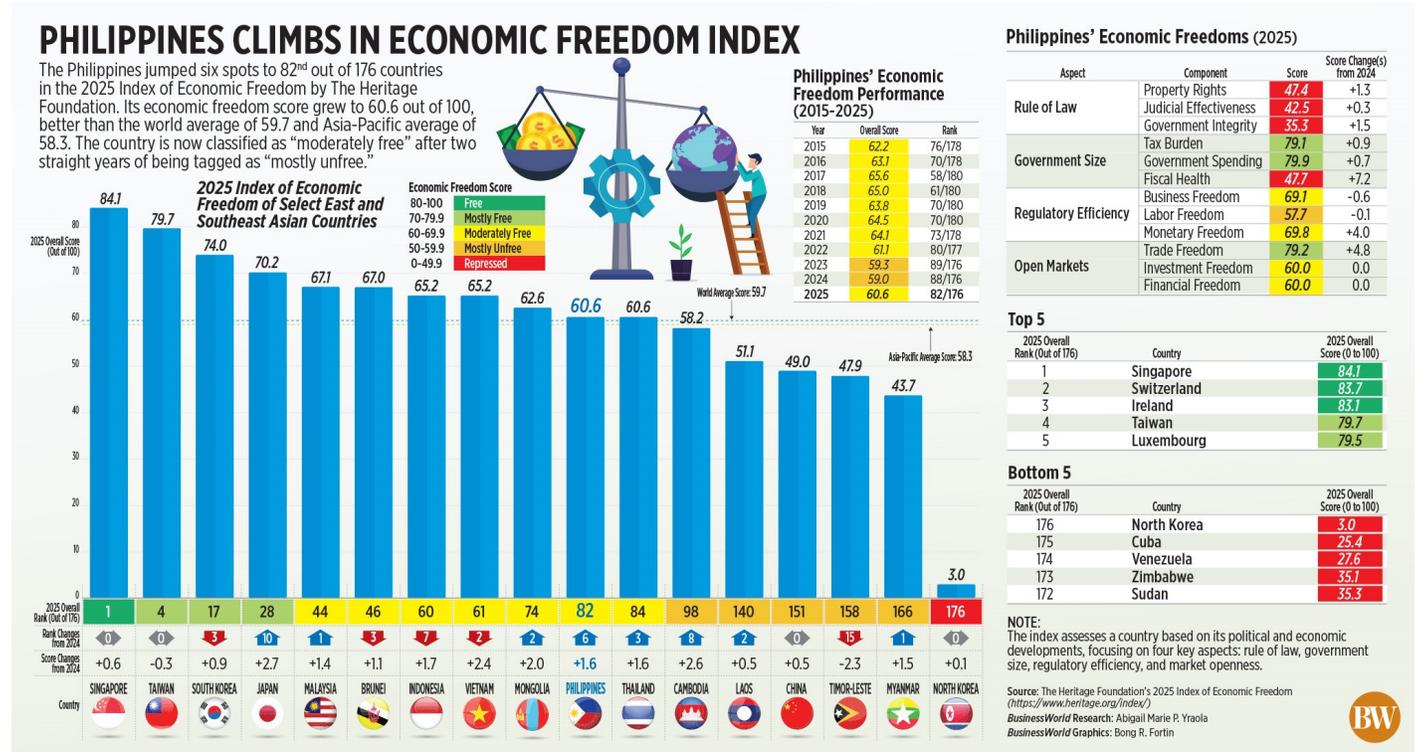
In the 2025 Index of Economic Freedom, the US-based conservative think tank said the Philippines’ score increased by 1.6 points to 60.6 from 59 in 2024. The Philippines ranked 88<sup>th</sup> in last year’s index.

The country’s latest ranking is now equivalent to an economic freedom status of “moderately free,” after being “mostly unfree” in 2024.

Singapore (84.1) topped this year’s index as the freest economy, followed by Switzerland (83.7), Ireland (83.1), Taiwan (79.7), and Luxembourg (79.5).

The bottom five countries include North Korea (176<sup>th</sup>), Cuba (175<sup>th</sup>), Venezuela (174<sup>th</sup>), Zimbabwe (173<sup>rd</sup>), and Sudan (172<sup>nd</sup>). [Cont. page 5]

**Philippines now ‘moderately free’ in economic aspects — global index**  
*[Cont. from page 4]*



Among 39 Asia-Pacific countries, the Philippines ranked 16<sup>th</sup>, surpassing the 58.3 regional average and some of its Association of Southeast Asian Nations peers — Thailand (84<sup>th</sup>), Cambodia (98<sup>th</sup>), and Laos (140<sup>th</sup>).

However, the country lagged behind Malaysia (44<sup>th</sup>), Brunei Darussalam (46<sup>th</sup>), Indonesia (60<sup>th</sup>), and Vietnam (61<sup>st</sup>).

The index measures 12 aspects of economic freedom, which are grouped into four broad pillars — rule of law, government size, regulatory efficiency, and market openness.

Under the pillar of rule of law, the country scored 47.4 in property rights, 42.5 in judicial effectiveness, and 35.3 in government integrity.

“The overall rule of law is weak in the Philippines. The country’s property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average,” said the Heritage Foundation.

Under the government size pillar, the country scored 79.1 in tax burden, 79.9 in government spending, and 47.7 in fiscal health.

According to the think tank, the country’s regulatory environment is “well institutionalized but lacks efficiency.”

This is reflected in its business freedom score of 69.1, labor freedom score of 57.7, and monetary freedom score of 69.8.

In terms of being an open market, the country scored 79.2 in trade freedom and 60 in investment and financial freedom.

“Foreign investment is generally welcome, and the investment code treats foreign investors the same as it treats domestic investors. The financial sector is dominated by banking and is relatively stable, but capital markets are underdeveloped,” the think tank said.

According to the think tank, the Philippine economy has been on a steady path of expansion despite the challenging global economic environment. *[Cont. page 6]*

**Philippines now ‘moderately free’ in economic aspects — global index***[Cont. from page 5]*

“The government has pursued legislative reforms to enhance the entrepreneurial environment and develop a stronger private sector to generate broader-based job growth,” the think tank said.

“Regulatory efficiency has been notably enhanced. The economy has expanded at an average annual rate of more than 6% over the past three years,” it added.

However, The Heritage Foundation said that institutional challenges continue to persist with corruption continuing to undermine long-term economic development in the Philippines.

Leonardo A. Lanzona, an economics professor at the Ateneo de Manila University, said the Philippines’ score reflects its “import dependent character which resulted in lower tariffs.”

“While this may be good news to consumers, it may not bode well to producers. While lower tariffs are not necessarily bad, it is still crucial to develop our production,” Mr. Lanzona said in a Facebook message.

“Monetary policies are also generally sensitive to market needs, but the country needs to focus on the real sector to enjoy these gains in economic freedom,” he added.

John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said that the report showed the Philippines’ progress in the areas of fiscal health, monetary stability, and trade freedom.

“The government’s efforts to maintain macroeconomic stability despite global headwinds, improve tax collection efficiency, and advance infrastructure and digitalization have likely contributed to better scores,” Mr. Rivera said in a Viber message.

However, he said that the country remains challenged in the areas of regulatory efficiency, judicial effectiveness, and corruption control.

“To further improve, the country can focus on streamlining business regulations to reduce red tape and lower the cost of compliance for micro, small and medium enterprises,” he said.

He added that the country should strengthen the rule of law and contract enforcement which will help boost investor confidence.

Ateneo School of Government Dean and Economics Professor Philip Arnold P. Tuaño said that among the highlights of the report are the significant increases in the country’s scores in fiscal health, monetary freedom, and trade freedom.

“The Philippines stayed the same in terms of its public debt to gross domestic product ratio and was able to service its significant government debt; there is some movement in terms of the implementation of tax reform in the country,” said Mr. Tuaño in an e-mail.

Meanwhile, he attributed the slight increase in the country’s score on “property rights” to the increased digitalization efforts on land registration.

“There is also a slight increase in government integrity as a result of the legislation of the new procurement law, which will allow greater transparency and accountability, even if there is still weak enforcement,” Mr. Tuaño added.

For Filomeno S. Sta. Ana III, coordinator of Action for Economic Reforms, some indicators in the index do not necessarily lead to good outcomes.

“The proper use of tools is very contextual. It doesn’t mean, for example, that an open or liberal capital account is always good. It can likewise be problematic. A very open capital account can hurt the real economy,” said Mr. Sta. Ana in a Viber message.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the country’s better ranking can be attributed to the passage of measures that eased foreign ownership restrictions, as well as economic reforms.

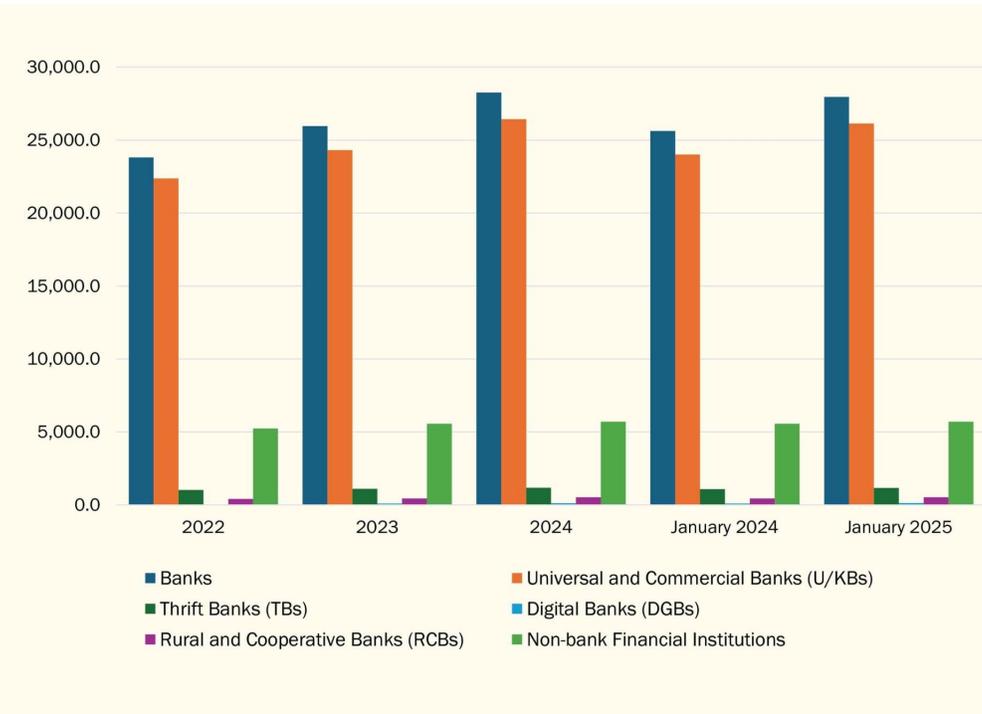
“All of these helped in the country’s economic freedom, especially from the point of view of international investors,” he added.

“Higher governance standards are also required to further improve economic freedom rankings... as corruption impedes further economic growth and development of the country.”

*Source: <https://www.bworldonline.com/top-stories/2025/03/19/660259/philippines-now-moderately-free-in-economic-aspects-global-index/>*

**PH Jan financial resources GROW 7.9% ON-yr TO P33.66T: Down slightly from Dec; digital banks top performer With 44.5% gain**

March 19, 2025 | Jimmy Calapati | Malaya Business Insight



The total resources of the Philippine financial sector expanded by 7.94 percent to P33.658 trillion in January 2025 from P31.181 trillion in January 2024, the Bangko Sentral ng Pilipinas (BSP) said yesterday.

Compared with the month earlier, however, the latest figure shows a 0.9 percent decrease from P33.960 trillion recorded in December 2024, as BSP data showed.

The BSP said the total resources of the country’s financial system consist of funds and assets held by both banks and non-bank financial institutions, including deposits, capital and bonds or debt securities.

Banks accounted for P27,954 trillion, or 83.05 percent, of the total resources in January 2025. Bank resources rose 9.10

percent from P25.621 trillion in January 2024, but were lower by 1.06 percent than P28.256 trillion posted in December 2024.

Meanwhile, Non-bank Financial Institutions (NBFIs) saw their assets rise up to P5.704 trillion in January 2025, accounting for 16.94 percent of the total. On a year-on-year basis, this was 2.58 percent higher than the P5.560 trillion posted in January 2024, but exhibited an almost flat growth compared with December 2024.

The BSP said universal and commercial banks resources expanded 8.88 percent to P26.137 trillion in January 2025 from P24.004 trillion in January 2024. This was 1.13 percent lower than the P26.437 trillion in December 2024.

Thrift banks posted 7.33 percent year-on-year growth to P1.156 trillion from P1.077 trillion in January 2024. This was 1.11 percent lower than December’s P1.169 trillion.

Digital banks posted the biggest year-on-year increase of 44.56 percent, reaching P133.3 billion in January this year from P92.6 billion in January 2024. This was also 9.92 percent higher than P121.5 billion in December.

Rural and cooperative banks posted an 18.16 percent gain to hit P527.1 billion from P446.5 billion a year earlier, but posted almost flat growth from December’s P527.1 billion.

**Seasonal fluctuation**

Jonathan Ravelas, BDO’s lead strategist, said year-on-year growth is “a positive sign of the sector’s resilience and potential for continued expansion.”

“This growth indicates a robust financial environment and increasing economic activity,” Ravelas said in a Viber message on Tuesday.

He explained that the slight 0.9 percent decline from December’s P33.960 trillion suggests some seasonal or short-term fluctuations. “(These) are not uncommon,” Ravelas said.

Source: <https://malaya.com.ph/business/business-news/ph-jan-financial-resources-grow-7-9-on-yr-to-p33-66t-down-slightly-from-dec-digital-banks-top-performer-with-44-5-gain/>

## UPCOMING EVENT



Korean Chamber of Commerce Philippines (KCCP), Inc.

# 30TH ANNUAL GENERAL MEMBERSHIP MEETING

April 3, 2025 (Thursday) 05:00pm  
Orchard A & B, 5F Ascott Hotel BGC

**R.S.V.P.**  
Ms. Chi | Ms. Sang

 (02) 8885-7342  
 [info@kccp.ph](mailto:info@kccp.ph)

The Korean Chamber of Commerce Philippines, will be holding its **30<sup>th</sup> Annual General Membership Meeting** on **April 3, 2025 (Thursday) 5:00PM at the Orchard A & B, Ascott Bonifacio Global City** located at 5<sup>th</sup> ave. cor. 28<sup>th</sup> St., Bonifacio Global City, Taguig City. The event will also commemorate its 30<sup>th</sup> Anniversary and will highlight the 30 years in service of the chamber and celebrate the strengthening relation of the Korean business community in the Philippines.

The event is also open for sponsorships, for more information about the event and sponsorships, please feel free to call KCCP at +632-8885-7342 (0917-8015920 | Chi / 0915-8887296 | Sang )or via email at [info@kccp.ph](mailto:info@kccp.ph)

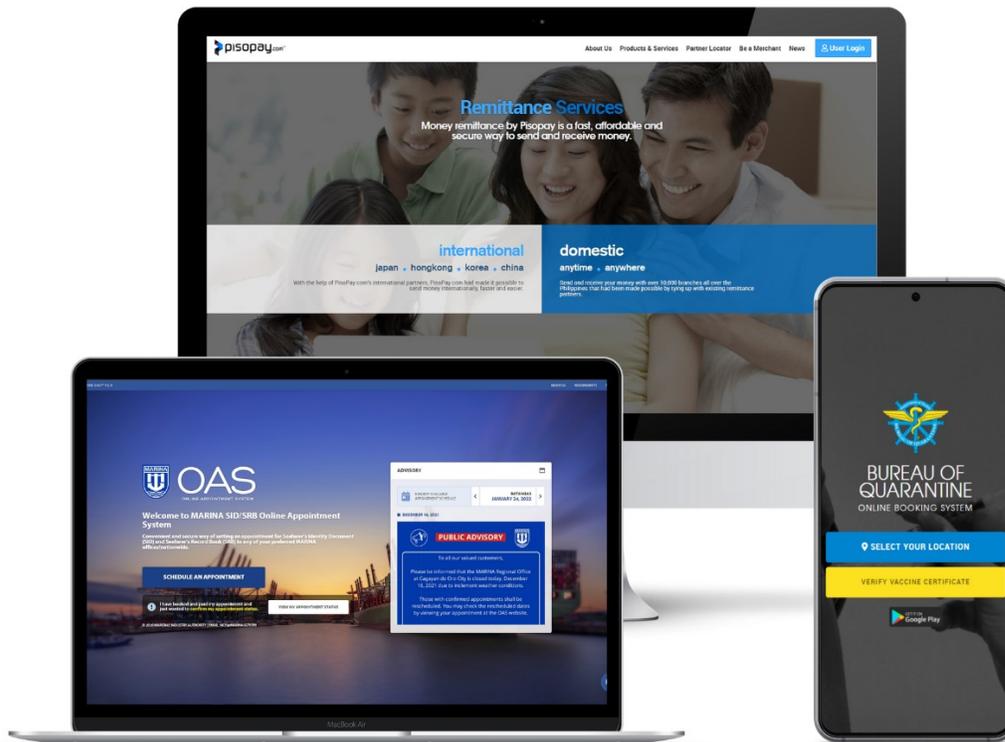
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# Elevating the definition of Fintech Standards



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