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SPECIAL POINTS OF INTEREST

UPCOMING EVENT

New orders, higher output lift manufacturing in April

May 03, 2025 | Cai U. Ordinario | BusinessMirror

A WAREHOUSE complex in Meycauayan, Bulacan—one of the country's key manufacturing hubs north of Metro Manila. The latest S&P Global PMI report showed the Philippine manufacturing sector bounced back in April 2025, driven by new orders and increased output. However, firms remain cautious, anticipating slower demand after the elections.

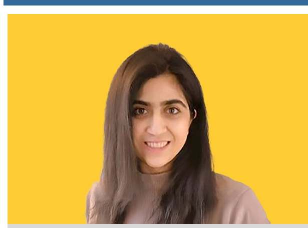
WHILE the Philippine manufacturing sector bounced back in April on the back of new orders and increased output, firms continue to exercise caution as demand is expected to dip after the elections.

As the recent S&P Global Philippines Purchasing Manager's Index (PMI) noted, the country's score improved to 53 in April from the 49.4 score posted in March, which was deemed the lowest in 43 months.

The threshold in the PMI is an index score of 50, which indicated an overall increase in survey responses compared to the previous month, and below 50, an overall decrease.

"The Filipino manufacturing sector commenced the second quarter of the year on a solid note, experiencing renewed growth in output and new orders, alongside an increased level of purchasing activity. Encouragingly, inflationary pressures also remained contained and historically subdued," Maryam Baluch, economist at S&P Global Market Intelligence, said.

However, Baluch noted that companies were cautious as there are expectations that post-election demand will slow.



"Confidence within the sector has declined to its second lowest in the series history. Some respondents indicated that the rise in activity during April was partially influenced by the upcoming elections, suggesting that post-election, customer demand may be less buoyant."—Maryam Baluch, S&P Global

This was observed in decisions by companies to keep their existing manpower for the second consecutive month.

"Confidence within the sector has declined to its second lowest in the series history. Some respondents indicated that the rise in activity during April was partially influenced by the upcoming elections, suggesting that post-election, customer demand may be less buoyant," Baluch said.

In April, S&P Global Market Intelligence said the PMI showed international demand for Philippine goods were "broadly stagnant for a second consecutive month in April."

The data also showed that the seasonally adjusted New Export Orders Index was unchanged at below the 50 mark, the same as March 2025.

S&P Global Market Intelligence said manufacturers raised their buying activity and even showed bulk buying. This allowed firms to increase their input inventories in April.

There was also an increase in the holdings of finished goods in April. However, the report stated that this marked a slower increase in post-production inventories for the fourth consecutive month.

Meanwhile, in terms of employment, the report noted that there was only a "fractional drop in outstanding work levels."

Image credits: MICHAEL EDWARDS | DREAMSTIME.COM

Source: https://businessmirror.com.ph/2025/05/03/new-orders-higher-output-lift-manufacturing-in-april/

ASEAN+3 to ramp up regional financial cooperation to cushion global trade shocks

May 06, 2025 | Luisa Maria Jacinta C. Jocson | BusinessWorld

The ASEAN+3 Finance Ministers and Central Bank Governors' Meeting was held on the sidelines of the 58th Annual Meeting of the Asian Development Bank (ADB) Board of Governors in Milan, Italy, May 4. — COURTESY OF ASIAN DEVELOPMENT BANK

MILAN, Italy — Finance ministers and central bank governors from ASEAN+3 economies have pledged to further regional financial cooperation to withstand rising trade uncertainty, with the Philippines also seeking to ramp up trade with its neighbors.

In a joint statement, ASEAN+3 finance ministers and central bank governors noted "escalating trade protectionism," which could lead to "economic fragmentation, affecting trade, investment, and capital flows across the region."

"We call for enhanced regional unity and cooperation as we endeavor to weather the heightened uncertainty," they added.

The 28th ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting was held on Sunday over the ADB Annual Meeting in Milan, Italy.

The regional group is composed of the 10 Association of Southeast Asian Nations (ASEAN) member states plus China, Japan and South Korea.

"Today's meeting reaffirmed our shared vision for a more resilient, inclusive and forward-looking ASEAN+3 vision," Malaysian Minister of Finance II Amir Hamzah Azizan said at a press conference after the meeting on Sunday.

For its part, the Philippines said it would uphold the latest commitment to boost trade collaboration with the region, Finance Secretary Ralph G. Recto said.

"We should trade more with ASEAN as well," Mr. Recto told *BusinessWorld* in a text message.

Asia was among the regions most significantly hit by the US' sweeping reciprocal tariffs, including Vietnam (46%), Thailand (36%), Indonesia (32%) and Malaysia (24%).

The Philippines was slapped with a 17% rate, second lowest in the region.

"Our current policy priority is to reinforce long-term resilience while maintaining flexibility to address near-term challenges, including rising protectionism and volatile global financial conditions," according to the Asian finance chiefs.

They also cited tighter global financial conditions, slowing growth and weakened investment flows.

"We urge international organizations to uphold multilateralism and promote free trade, analyze and monitor the potential impact of trade tensions on the global economy, and support their members in providing policy advice to manage the negative shocks that may arise."

They will also push for further intra-regional trade and investment to mitigate external shocks and continue to support sustainable economic development.

"Given our financial market interlinkages, we are closely monitoring regional financial market conditions," they said.

"We also reaffirm our resolve and commitment to ensure our financial systems and markets remain resilient despite the uncertainty, while maintaining open communication among members in light of the rapidly evolving developments."

The ASEAN+3 officials also called for the need to rebuild fiscal policy buffers, provide well-targeted support to sustain growth and implement structural reforms.

"We will also carefully recalibrate monetary policy based on domestic conditions. We will maintain exchange rate flexibility as a buffer against external shocks."

"Importantly, our export markets and sources of growth have become increasingly diversified over the years, with domestic demand and intraregional trade now serving as key drivers of growth," it added.

Meanwhile, the ASEAN+3 officials cited several initiatives to enhance financial frameworks within the region.

"Recognizing the pivotal role of the ASEAN+3 Finance Process in supporting regional economies to navigate this uncertain environment, we agreed to further strengthen regional financial cooperation."

They cited the recently approved amendments to the Chiang Mai Initiative Multilateralization (CMIM).

"We reaffirm our commitment to strengthening the CMIM as an effective regional financial safety net, a vital component of the global financial safety net," they said.

"In this regard, we approve the amended CMIM Agreement and are committed to the swift completion of domestic procedures and the signing for its entry into force." *[Cont. page 3]*

ASEAN+3 to ramp up regional financial cooperation to cushion global trade shocks
[Cont. from page 2]

Under the amendments, the rapid financing facility is introduced with the incorporation of eligible freely usable currencies (FUCs) as its currencies of choice under the CMIM.

"We believe that this new CMIM facility will enhance regional resilience by offering members timely access to emergency financing during urgent balance of payments needs, in response to sudden exogenous shocks such as pandemics and natural disasters."

Launched in 2010, the CMIM is a multilateral arrangement among ASEAN+3 and the Hong Kong Monetary Authority. The facility's size was later doubled to $240 billion in 2012.

"The narrowing down of (paid-in) capital models and the optimization of the new repurposing facility signaled the region's commitment to continue adapting the CMIM amid a more volatile and unpredictable external environment," Malaysian central bank Governor Shaik Abdul Rasheed Abdul Ghaffour said during the press conference.

Mr. Ghaffour also noted that the region agreed on the principles on how open costs in local currencies will be determined under the CMIM.

"And once finalized, CMIM will be able to fully realize the intended benefits of incorporating local currency lending. What this means is that it gives members access to different currencies and added flexibility when facing short-term liquidity difficulties," he added.

Apart from the CMIM, other measures that the region will continue to undertake include the ASEAN+3 Fiscal Policy Exchange Initiative, Asian Bond Markets Initiative (ABMI), Disaster Risk Financing Initiative (DRFI), and ASEAN+3 Future Initiatives.

Priorities introduced this year also include "promoting fiscal exchange, updating the strategic directions, and exploring policy adjustment instrument (PAI)."

REGIONAL OUTLOOK
Meanwhile, the finance ministers and central bank chiefs expect gross domestic product (GDP) growth in the region to remain strong despite shocks.

"Underpinned by solid macroeconomic fundamentals, the region is expected to remain resilient at around 4% of GDP growth in 2025, amid ongoing external headwinds, including geopolitical and trade tensions," they said.

In its latest regional economic outlook update, the ASEAN+3 Macroeconomic Research Office (AMRO) said it expects the region to grow by 4.2% this year and 4.1% in 2026.

AMRO projects the Philippine economy to grow by 6.3% this year, the second-fastest forecast among ASEAN, after Vietnam (6.5%.)

"Over the medium term, ASEAN+3 is expected to remain a key driver of the global economy, contributing to more than 40% of global growth."

"Meanwhile, inflation is expected to remain low at below 2% in 2025. The region's outlook is, however, subject to heightened uncertainties," the think tank said.

Source: https://www.bworldonline.com/top-stories/2025/05/06/670419/asean3-to-ramp-up-regional-financial-cooperation-to-cushion-global-trade-shocks/

Poll: Faster 5.9 % Philippines GDP growth seen in Q1
Cooling inflation boosts output despite political, economic headwinds
May 05, 2025 | Ian Nicolas P. Cigaral | Philippine Daily Inquirer


Robust consumer spending powered the Philippines' economic growth in the first quarter of 2025. Photo by Ted ALJIBE / AFP

MANILA, Philippines — The Philippine economy might have grown at a faster clip in the first quarter despite the tariff-induced external headwinds, as growth drew most of its strength at home amid benign inflation that boosted consumer spending.

Gross domestic product (GDP), or the sum of all products and services created within an economy, might have expanded by 5.9 percent in the three months ending in March, based on the median estimate of 12 economists polled by the Inquirer.

If realized, the figure that the Philippine Statistics Authority (PSA) will report on May 8 would be faster than the 5.2-percent expansion seen in the fourth quarter of last year. It would also be quicker than the 5.8-percent growth recorded in the same period in 2024. *[Cont. page 4]*

Poll: Faster 5.9 % Philippines GDP growth seen in Q1

Cooling inflation boosts output despite political, economic headwinds

[Cont. from page 3]

But the median estimate suggested that GDP growth in the first quarter might have fallen short of the Marcos administration's target of 6 to 8 percent.

The economists' forecasts varied wildly.

But all of them agreed that consumer spending—which historically accounted for around 70 percent of GDP—was the main source of growth last quarter.

Purchasing power

Analysts said a benign inflation that allowed the Bangko Sentral ng Pilipinas (BSP) to cut borrowing costs perked up household consumption at a time when threats of sweeping US tariffs were inviting a global recession. Filipino consumers also caught the tailwinds from employment gains and sustained remittance inflows.

"Faster disinflation due to deepening rice deflation boded well for broad purchasing power gains during the period," said Ruben Carlo Asuncion, chief economist at Union Bank of the Philippines. He expected GDP growth in the first quarter to have settled at 5.7 percent.

Reinielle Matt Erece, an economist at Oikonomia Advisory & Research Inc., shared the same view, but added that government spending ahead of the midterm elections also supported the economy.

"This first quarter recovery is expected as fiscal efforts increased to support growth, as seen with higher infrastructure spending. Higher government spending is also expected as an effect of the election season," said Erece, who also penciled in a 5.7 percent growth.

Tariff shock

But it does not mean that the shock from President Donald Trump's threats of higher tariffs on America's major trading partners was not felt by the Philippines. While a modest growth in exports helped boost GDP in the first quarter, imports likewise surged as local manufacturers front-loaded their purchases ahead of the tariffs.

"Accordingly, we forecast the drag from the 'net exports' component to have widened," said Sanjay Mathur, chief economist for Southeast Asia at ANZ Research. He expected growth to have eased to 5.1 percent last quarter.

Moving forward, UnionBank's Asuncion said more rate cuts were needed to defend the economy from the global tariff onslaught.

"Amid persistent global trade uncertainties, the question is whether the expected first quarter GDP growth is the best we can attain for the year," he said.

"We hope to see more BSP rate cuts that will mitigate the high real interest rate setting, and bolster growth resiliency amid Trump 2.0 tariff hikes," he added.

Source: https://business.inquirer.net/523664/poll-faster-5-9-ph-gdp-growth-seen-in-q1

Diversifying PH export market a way to beat high tariffs — analysts

May 06, 2025 | Irma Isip | Malaya Business Insight

Economic analysts agreed with a government view that Philippine industries must diversify their export markets and avoid overreliance on a single market such as the United States to cushion the impact of a global tariff war.

They also urge the country's exporters and policy makers to take advantage of a number of free trade agreements (FTAs) with relatively low tariff rates.

John Paolo Rivera, senior research fellow at the Philippine Institute of Development Studies, said diversification of export markets has now become a critical strategy under the current global trade environment.

'Avoid over-reliance'

"With the US imposing higher tariffs, Philippine exporters must avoid over-reliance on a single market," he said.

Rivera said the Philippines should now intensify its engagement with fast-growing economies in Asean, the Middle East, and the European Union (EU). *[Cont. page 5]*

Diversifying PH export market a way to beat high tariffs — analysts

[Cont. from page 4]

Source: PSA

The Philippines should also maximize preferential access under its agreements, such as the Regional Comprehensive Economic Cooperation (RCEP) and the Generalized System of Preferences (GSP) Plus with the EU, which imposes zero rate on more than 6,000 tariff lines of Philippine exports, he said.

For the key export products, Rivera sought to upgrade the competitive edge and innovation capacity of agribusiness, electronics, garments, and digital services.

Free trade agreements

In a separate interview, Michael Ricafort, chief economist at the Rizal

Commercial Banking Corp., said the Philippines has many FTAs with Asia-Pacific countries that may be tapped to diversify Philippine exports.

RCEP groups together 15 Asia-Pacific nations, including the 10 members of Asean, Australia, China, Japan, South Korea and New Zealand.

Ricafort said the Philippines should tap more markets in the Middle East, Europe, and the Americas.

He added that Philippine export winners, such as agricultural exports—tropical fruits and coconut oil—could also increase the share of their exports to these markets.

“It is best to diversify export markets to more countries and export products other than electronics,” he added.

United States Trade Representative data show the US was the country’s top export market in 2024, and the Philippines shipped $12.14 billion, or 16.6 percent of the country’s total export sales, amounting to $73.27 billion.

The Philippines’ top five major trading partners in 2024 were Japan, $10.33 billion (14.1 percent); Hong Kong, $9.61 billion (13.1 percent); People’s Republic of China, $9.44 billion (12.9 percent); and Republic of Korea, $3.57 billion (4.9 percent).

Electronics was the top export in 2024 at $39 billion followed by other manufactured goods, $4.68 billion; other minerals, $3 billion; ignition wiring sets, $2.45 billion and coconut oil, $2.2 billion.

More trade meetings under way

The Philippines expects another round of negotiation with the US on the reciprocal tariffs, the DTI said.

“Negotiation is a process. (It is) Not a one-time meeting,” DTI Secretary Ma. Cristina Roque said in a text message.

The second round of meetings follows the May 2 negotiations held between the US trade officials and the Philippine team, which included Roque, Special Assistant to the President for Investment and Economic Affairs Frederick Go, Secretary and Philippine Ambassador to the US Manuel Romualdez.

Go said earlier the meeting “went very well.” The Filipino negotiating team said in a statement on Sunday, “The discussions mark the beginning of a process toward arrangements from both sides that will not only strengthen US-Philippines trade ties but also help diversify our country’s export markets.”

Source: https://malaya.com.ph/business/business-news/diversifying-ph-export-market-a-way-to-beat-high-tariffs-analysts/?utm_source=izooto&utm_medium=on_site_interactions&utm_campaign=Exit_Intent_Recommendations

Price hike impact seen delayed by 3 to 6 months

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

THE increase in prices of commodities may be felt in three to six months due to "supply chain choke points" brought about by the tariff pronouncements of Washington, according to supply chain experts.

Logistics and industrial sector can boost a country's competitiveness that is a vital element to job creation and economic growth

"Maybe you are not feeling it because there is still inventory in the system. Wait until three to four or six months, you'll start to feel it…increasing commodity costs, retaliatory tariffs being made by country to country," Charlie Villaseñor, President of Procurement and Supply Institute of Asia (Pasia), said during the recent Philippines Logistics Summit 2025.

He explained that anything that happens in one echelon of the supply chain is going to create "significant" impact for many organizations, which will also lead to "continuing uncertainties and challenges."

"We are all interconnected. Anything that happens in one echelon of the supply chain, either you're on the first tier, second tier or the third tier echelon, it's going to create significant impact to many organizations," Villaseñor said during the forum.

He explained that the rise in cost of goods may originate from what he called the "bullwhip effect."

"When businessmen are apprehensive, they stop. When they stop and they wait and see, the supply chain is not moving. So it creates a bullwhip effect," said Villaseñor.

This means, he said, "From the manufacturer down to the customer, some of them will tend to buy more or not buy at all."

He also explained that the trend of repositioning manufacturing plants in some countries may push up costs, as this would require a lot of money on the part of relocating firms.

"What are companies doing right now? They are now repositioning. They are now relocating the manufacturing plants. It's not easy to relocate a manufacturing plant. It's not easy to close a current existing facility. It requires a lot of money and it takes a lot of time to operationalize it," the Pasia president noted.

He added: "So what happens then? You have to recover it somewhere or in another way. And the ultimate party who's going to suffer are basically the consumers."

Also at the Philippines Logistics Summit 2025, Alan Surposa, JG Summit Holdings Senior Advisor for Procurement, pointed to the supply chain "choke points" that would take place amid the recent developments related to the tariff pronouncement of Washington. "Booking ahead of time creates the choke. So there will be certain chokes in the supply chain. It will start from the choke from your suppliers, giving you all the production that you need," Surposa said.

The first choke, he explained, starts from a policy which leads a firm to order "more than enough" and carry it within the warehouse.

The second choke point is when a lot of a firm's competitors will order the same. "And it will create a lot of chokes in the transshipment areas, in the shipping lines. So you see a lot of transshipment choke in Singapore, Kaohsiung, Hong Kong and other countries," said Surposa.

He said that in the second choke, "You need to partner with big companies, big forwarders who can consolidate all the shipments across the globe so that you will have protection in your freight rates."

He added, "So you can commit to bargain your freight rates for the next six months or one year, to protect your whole line."

The third choke, he said, happens at the Port of Manila. At this point, he said there could be a disruption with a lot of vessels lining up to be outboarded in Manila.

"So what do you need to do? You need to partner with ICTSI, clear out all your credits, debts and make your credit lines…so that when your shipments arrive, there is no reason for ICTSI or the shipping lines to hold your shipments so that it can flow immediately to your warehouses," Surposa said.

He explained that the fourth choke point is in the warehouse. "So you might increase the capacity of your warehouse and a lot of things will happen if you do that." *[Cont. page 7]*

Price hike impact seen delayed by 3 to 6 months

[Cont. from page 6]

"And the last mile will be your final, final choke. So you need a lot of tracking, you need a lot of people who transport all of this and create traffic in Metro Manila," Surposa said.

According to Surposa, this supply chain scenario usually happens during trade wars. With this, he underscored the need for local firms to "be vigilant and anticipate before it happens. And you would like to work with your suppliers, service providers to anticipate those things so that you would be ready when it happens."

He said this supply chain scenario is "not new," adding that this has been happening over the years but "it's just called different names."

Source: https://businessmirror.com.ph/2025/05/06/price-hike-impact-seen-delayed-by-3-to-6-months/

PH launches 10-year masterplan for job creation, labor market transformation

May 05, 2025 | Jon Viktor D. Cabuenas | GMA Integrated News

The Department of Economy, Planning, and Development (DEPDev) on Monday launched a 10-year Labor Market Development Plan that will serve as a masterplan for job creation, labor market transformation, and workforce development for the next decade.

"Trabaho Para sa Bayan" (TPB) Plan 2025-2034 lays out priority strategies such as expanding and facilitating access to markets, encouraging investments in the priority sectors, ensuring ease of doing business, establishing a dynamic innovation ecosystem, and promoting technology adoption.

It also seeks to promote and encourage enterprise-based education, and to future-proof labor demand by improving market intelligence systems, intensifying research and development efforts, and encouraging the graduation of informal sectors, solopreneurs, and micro and small enterprises (MSEs), among others.

The program also highlights the need to expand lifelong learning opportunities, upgrade the design of skills training programs, enhance overseas Filipino (OF) reintegration programs, and increase program take-up especially among the disadvantaged.

"This transformation strengthens our mandate as we integrate various socioeconomic goals into a unified and forward-looking strategy that truly benefits all Filipinos," DEPDev Secretary Arsenio Balisacan said in a statement.

Balisacan also cited changes in the Philippine labor market amid automation, digitalization, and emerging technologies which pose challenges to the economic landscape, along with pressures from climate change and demographic shifts.

"These evolving trends underscore the urgent need for adaptive policies that foster economic growth and offer essential support to Filipino workers as they navigate these evolving challenges," Balisacan said.

"With our collective effort, we will create an inclusive, efficient, and dynamic labor market environment where Filipinos can access meaningful, quality jobs, enabling them to have a matatag, maginhawa, at panatag na buhay," he added.

Latest data available from the Philippine Statistics Authority (PSA) show that there were 1.94 million Filipinos aged 15 and above unemployed in February, equivalent to an unemployment rate of 3.8%. This is higher than the 1.80 million jobless in February 2024, but lower than the 2.16 million in January.

There were 49.15 million employed Filipinos during the month, equivalent to an employment rate of 96.2%. Out of the employed individuals, there were 4.86 million underemployed or those who expressed the desire to have additional hours of work in their present job or to have an additional job, or to have a new job with longer hours of work. **— BM, GMA Integrated News**

Source: https://www.gmanetwork.com/news/money/economy/945014/ph-launches-10-year-masterplan-for-job-creation-labor-market-transformation/story/

UPCOMING EVENT

ORGANISED BY

The Joint Foreign Chambers (JFC) is once again holding its **JFC Clark International Mixer** on **14 May 2025 from 6:00 pm to 9:00pm at the Clark Marriott Hotel.**

As the second JFC networking event in Clark, this international mixer is a unique opportunity to connect with professionals from diverse backgrounds and industries in an informal setting. Relationships formed at an event like this help stimulate discussion and possible business opportunities.

The JFC networking events attract over 200 guests, including members of the different foreign chambers, prominent figures in the business and diplomatic world, and top government officials.

The event is also open for sponsorships. For further information, please feel free to contact KCCP Secretariat at 8885-7342 or email at info@kccp.ph

MILEAGES	PACKAGE 1 PhP35,000	PACKAGE 2 PhP25,000	PACKAGE 3 PhP15,000	PACKAGE 4 Php10,000	RAFFLE PARTNER (GCs/Items worth at least Php 10,000)
Set-up space (1 IBM table will be provided)	✓	✓			
Option for maximum 1-minute (60sec) AVP in the partners' loop during event	✓		✓		
Inclusion of company logo in all marketing collaterals and invites to foreign chambers (300 dpi jpeg file)	✓	✓	✓	✓	✓
Option to display one (1) banner at designated area at the venue (standee/roll-up banner only)	✓	✓	✓	✓	✓
Inclusion of company logo in the partners' loop during event	✓	✓	✓	✓	✓
Recognition during the program	✓	✓	✓	✓	✓
Member's rate for additional registered attendees	✓	✓	✓	✓	✓
Copy of attendees' database (with consent)	✓	✓	✓	✓	✓
Complimentary entry to the event	3	2	1	1	50% discount

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