필리핀 한국 상공회의소 뉴스
KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER

May 2025 Issue | Vol. 30

SPECIAL POINTS OF INTEREST

Foreign investment pledges drop 82%

May 16, 2025 | Louella Desiderio | The Philippine Star

Investors cautious amid global trade headwinds

Data from the Philippine Statistics Authority yesterday showed that total foreign investments registered with IPAs amounted to P27.99 billion from January to March, down from P155.26 billion in the same period in 2024.

STAR / File

MANILA, Philippines — Foreign investment commitments approved by investment promotion agencies (IPAs) plunged by 82 percent in the first quarter from a year ago as investors took a cautious approach amid global and domestic headwinds.

Data from the Philippine Statistics Authority yesterday showed that total foreign investments registered with IPAs amounted to P27.99 billion from January to March, down from P155.26 billion in the same period in 2024.

These investments were approved by the following IPAs: the Authority of the Freeport Area of Bataan, BasesConversion and Development Authority, Board of Investments, Clark Development Corp., Cagayan Economic Zone Authority, Philippine Economic Zone Authority and Subic Bay Metropolitan Authority.

When realized, these investments are expected to generate 19,303 jobs.

Philippine Institute for Development Studies senior research fellow John Paolo Rivera said in an email that the sharp drop in total approved foreign investments reflects growing investor caution given challenges in the domestic and global front.

“Heightened trade uncertainty especially with the recent tariff tensions involving the United States, and concerns about the medium-term fiscal path likely dampened investor sentiment,” he said.

Locally, Rivera said the slower than expected first quarter economic growth of 5.4 percent and lingering policy ambiguities in key sectors may have led investors to hold back on pouring in funds.

South Korea was the top source of foreign investment pledges in the first quarter, accounting for 44.2 percent or P12.36 billion of the total.

This was followed by the US with P3.08 billion or 11 percent share and China with P2.88 billion or 10.3 percent.

In terms of sectors, real estate attracted the biggest share of foreign investments amounting to P10.79 billion or 38.5 percent.

Manufacturing placed second with P6.14 billion or 21.9 percent, while administrative and support service activities ranked third with P5.35 billion or 19.1 percent.

By region, Central Luzon got the biggest share of foreign investment pledges in the first quarter amounting to P14.90 billion or 53.3 percent of the total.

This was followed by the National Capital Region with P6.78 billion (24.2 percent) and Calabarzon with P3.95 billion (14.1 percent).

Investments from both foreign and Filipino sources approved by IPAs dropped by 43.7 percent in the first quarter to P181.93 billion from P323.27 billion in the same period last year. *[Cont. page 2]*

Foreign investment pledges drop 82%
[Cont. from page 1]

These investments are expected to create a total of 31,848 jobs, 4.7 percent lower than the expected 33,431 in the same period last year.

Of the total approved investments in the first quarter, Filipino nationals contributed 84.6 percent or P153.94 billion.

The bulk of the total approved investments by IPAs from January to March are for the electricity, gas, steam and air conditioning supply industry, amounting to P61.98 billion or 34.1 percent of the total.

For the rest of the year, Rivera said the outlook on foreign investments remains fragile.

He said a recovery may occur if global inflation stabilizes and the country would show policy continuity, provide clarity on tax reforms and address issues on ease of doing business.

"If trade frictions intensify or if regulatory risks persist, investment inflows may remain subdued. The challenge now is to restore investor confidence by fast-tracking key reforms and ensuring that investment promotion agencies are aligned in messaging and facilitation," Rivera said.

Source: https://www.philstar.com/business/2025/05/16/2443378/foreign-investment-pledges-drop-82

Samsung investment decision awaiting talks on power rates
May 15, 2025 | Justine Irish D. Tabile | BusinessWorld

REUTERS

THE GOVERNMENT is currently negotiating power rates with Samsung Electronics that will help determine whether the South Korean multinational pursues an over $1-billion investment in the Philippines, the Philippine Economic Zone Authority (PEZA) said.

"What they want to assure is the power rates; that is what is being fixed. But the fiscal incentives have already been ironed out," PEZA Director General Tereso O. Panga told reporters.

"They have presented prevailing rates in Vietnam, China, and South Korea, and those are going to be used as a benchmark. We can approximate the rates we can give them based on those," he added.

Asked how much lower Samsung wants power rates to be, he said, "They are being reasonable; that is all I can say, and we have the capacity to provide it."

He said another government agency is involved in the rate negotiations.

"Their other asks can be addressed through administrative interventions, like water; that one we are doing it from our end," he added.

According to Mr. Panga, the new investment would expand Samsung's operation in Calamba Premiere Industrial Parkway in Laguna.

"They have been with PEZA ever since. They will still manufacture multi-layer ceramic capacitors (MLCCs)," he said.

He added that the expansion involves a multi-story facility.

Incentives for investments under P50 billion are governed the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act, while incentives can be tailored for investments amounting to P50 billion and above.

Under the law, President Ferdinand R. Marcos, Jr. can grant customized fiscal and non-fiscal incentives for projects at the P50 billion threshold in the "interest of national economic development."

According to Mr. Panga, due to geopolitical events, many investments from the US, South Korea, and China are entering the country.

Mr. Panga noted that Chinese investor activity outpaced Japanese activity in the first four months.

In the four months to April, PEZA approved P63.523 billion worth of investment approvals, up 112.06% from a year earlier.

South Korea was the top source of investment in the first four months, accounting for P10.45 billion, followed by the US (P2.53 billion), China (P2.17 billion), Japan (P1.66 billion), Hong Kong (P1.14 billion), and Singapore (P1.1 billion).

"We are already seeing this momentum early on this year, we are hoping to sustain it," he said.

Source: https://www.bworldonline.com/economy/2025/05/15/672836/samsung-investment-decision-awaiting-talks-on-power-rates/

PH energy sector grows to P3.3-T

May 15, 2025 | Kris Crismundo | Philippine News Agency


(File photo)

MANILA – The country's energy sector has grown into a PHP3.3-trillion industry, up from PHP630 billion in 2022, according to the Department of Energy (DOE).

DOE Secretary Raphael Lotilla said Thursday the figure was based on updated data from the Energy Regulatory Commission, including new audited financial statements as of March 2025.

"This more updated figure can give you a better view of how large, how healthy, and how vibrant the (Philippine) power sector," he said at a press briefing in Taguig City.

"What it, of course, underlines is that the energy sector as a whole is indeed an important contributor to the economy."

Lotilla said the industry value reflects the rising energy assets, including generation, transmission, and distribution.

"If the power sector does not grow, then that means that we will remain stuck in the doldrums. Our economy won't be able to grow for as long as our per capita consumption of energy is low," he said.

Lotilla said an economy growing by 6 percent annually requires growth in the power sector at around 5.2 percent.

Moreover, to further lower the cost of electricity, the government is expanding renewable energy, investing in power transmission, and pushing for hybrid systems in off-gird areas to replace diesel with solar or liquefied natural gas.

"We are looking at increasing the share of energy sources indigenous to our country, which we have greater control over when it comes to the availability of supply, as well as pricing," Lotilla said.

Lotilla said the projects of the National Grid Corporation of the Philippines would also help in easing transmission bottlenecks.

"So, as more power supply is made available and there are less transmission constraints, then prices can, in fact, go down," he added.

Source: https://www.pna.gov.ph/articles/1250190

APEC warns of tariff impact on Trade as China, US trade reps meet

May 16, 2025 | Malaya Business Insight

SEOGWIPO, South Korea. (Reuters) — The Asia-Pacific Economic Cooperation (APEC) grouping warned on Thursday that exports in the region will barely grow this year amid the onset of US tariffs, as the US and Chinese trade representatives met on the sidelines of the gathering.

The 21-member APEC bloc projected exports in the region would rise by only 0.4 percent this year, compared with 5.7 percent last year, in a regional trends analysis report released at its 2025 meeting of ministers responsible for trade in South Korea's resort island of Jeju.

The bloc also cut its regional economic growth forecast for this year to 2.6 percent from 3.3 percent previously.

"Trade growth is set to decline sharply across APEC due to lower external demand, particularly in manufacturing and consumer goods, while rising uncertainty over goods-related measures weighs on services trade," APEC said in a statement.

The Trump administration's sweeping tariffs have targeted more than half of the APEC grouping, where regional average tariff rates fell to 5.3 percent by 2021, from 17 percent in 1989, when the non-binding economic forum was established. This period saw merchandise trade increase more than nine-fold.

Still, in a sign of potential further progress to address trade friction between the world's biggest economies, US Trade Representative Jamieson Greer met Chinese trade envoy Li Chenggang on the sidelines of the gathering, South Korea's Trade Minister Cheong In-kyo told reporters without elaborating.

The meeting comes after Greer and Li agreed to slash steep tariffs at their first face-to-face talks in Geneva on May 10-11. *[Cont. page 4]*

APEC warns of tariff impact on Trade as China, US trade reps meet

[Cont. from page 3]

For two days from Thursday, trade representatives of the member economies will discuss multilateral trade and other cooperation agendas, including reform of the World Trade Organization amid current challenges.

The Trump administration views the WTO as a body that has enabled China to gain an unfair export advantage and has recently moved to pause US funding to the institution.

Ripple effects of tariffs
As host of the annual conference, South Korea Trade Minister Cheong will highlight how global economy and trade face added strain from uncertainties and will urge the bloc to foster dialogue to tackle political and economic challenges, according to prepared remarks relayed by his ministry.

Ahead of the main sessions, APEC policy director, Carlos Kuriyama, attributed the downgrading of the regional export outlook to the impact of US tariffs and warned the reach of their ripple effects is still greater.

“We notice US tariffs are affecting not just goods trade, it’s also affecting services trade and financial markets. That’s why governments are having trade talks, but they are still not back to before early April,” Kuriyama told reporters.

Greer is also scheduled to hold a bilateral meeting with his South Korean counterpart, three weeks after their opening round of trade talks in Washington, D.C. He will also have his first face-to-face meeting with New Zealand and meet with representatives from other Asian countries.

“We’re moving as quickly as we possibly can with folks who want to be ambitious,” Greer told CNBC television before he departed for Jeju on Tuesday. His office declined to comment on his schedule for bilateral meetings.

The APEC gathering is being attended by trade ministers and envoys from member countries including Japan, Canada, Mexico and Russia.

The trade ministers’ meeting is being held as part of a second round of senior officials’ meetings ahead of an APEC leaders’ summit this year in Gyeongju, South Korea.

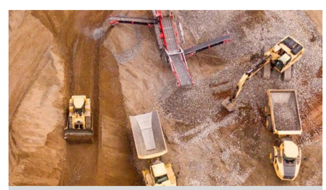
APEC accounts for about half of global trade and 60 percent of global GDP.

Source: https://malaya.com.ph/business/business-news/apec-warns-of-tariff-impact-on-trade-as-china-us-trade-reps-meet/

PHL, S. Korea sign deals on critical minerals, EVs

May 15, 2025 | Justine Irish D. Tabile | BusinessWorld

TRADE Secretary Ma. Cristina A. Roque signed a strategic partnership agreement involving critical minerals and electric vehicles (EVs) with South Korean Minister for Trade, Industry, and Energy Cheong In-Kyo, the Department of Trade and Industry (DTI) said.



NICKELASIA.COM

In a statement on Thursday, the DTI said the memorandum of understanding (MoU) signed in South Korea on Wednesday is expected to accelerate trade, drive industrial transformation, and support the transition to green energy.

“This MoU is the embodiment of President Ferdinand R. Marcos, Jr.’s mission to build a nation propelled by strategic global partnerships, environmentally responsible development, and a dynamic industrial sector,” Ms. Roque said.

The MoU covers renewable energy, electric vehicles, and the value-added processing of critical minerals for battery production in the interest of advancing both countries’ green industrial revolution.

Also on Thursday, Ms. Roque inaugurated the DTI SME Showroom at the President Hotel, offering a showcase for export-ready Philippine products.

“This launch is a concrete step towards bringing small and medium enterprises (SMEs) closer to the global market,” Ms. Roque said.

“By providing this physical presence overseas, we break through geographical barriers for our SMEs and build the trust that international buyers seek,” she said.

Source: https://www.bworldonline.com/economy/2025/05/15/672835/phl-s-korea-sign-deals-on-critical-minerals-evs/

Inflation seen staying within target

May 16, 2025 | Keisha Ta-Asan | The Philippine Star

A customer buys tomatoes at the Marikina Public Market. The retail price of tomatoes has risen to P360 a kilo, according to the Department of Agriculture.

Michael Varcas

MANILA, Philippines — Inflation expectations remain anchored within the two to four percent target over the medium-term, giving the Bangko Sentral ng Pilipinas (BSP) more room to gradually unwind its tight monetary stance as growth headwinds loom.

Private sector forecasts gathered by the BSP in March pegged inflation at an average of 3.1 percent for 2025, 3.3 percent for 2026 and 3.4 percent for 2027. All estimates are well within the government's two to four percent target range.

"The survey respondents see upside risks from the effect of geopolitical tensions, changes in global trade policies, adverse weather conditions, and upward adjustments in utility rates, transport charges, and minimum wages. Downside risks are still seen from lower rice prices," the BSP said.

The central bank noted that inflation has continued to decelerate, with headline inflation dropping to below the two percent target in March.

Domestic rice prices have fallen in tandem with global trends, aided by lower tariffs and direct government interventions to stabilize supply. Slower increases in fuel and service-related costs have also helped temper overall inflation.

Despite this favorable inflation backdrop, the Monetary Board struck a cautious tone, pointing to a weaker global economic environment that could weigh on the country's growth prospects.

The BSP expects the country's gross domestic product (GDP) growth to settle near the low end of the government's six to eight percent targets through 2027, as external uncertainty and a still-restrictive real policy rate offset some of the benefits of disinflation.

"BSP staff estimates suggest slightly lower growth forecasts for 2025 relative to the previous forecast round in February. The downward revision could be attributed to the higher real policy rate, which outweighed the impact of the decline in oil prices," the central bank said.

International risks also remain elevated. The global economy has shown signs of softening, with services activity slowing and major advanced economies losing momentum. While manufacturing in China, India and the Association of South East Asian Nations showed improvement in early 2025, the broader global outlook remains clouded by rising tariffs and geopolitical frictions.

In response, the BSP slashed its policy rate by 25 basis points to 5.50 percent in its April 10 meeting, citing a more manageable inflation path and the need to support economic activity. However, it emphasized that further easing will be "measured" and data-dependent.

Source: https://www.philstar.com/business/2025/05/16/2443375/inflation-seen-staying-within-target

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

[PHOTO HIGHLIGHTS]

2025 JFC Clark International Mixer
May 14, 2025 | Marriott Clark

On May 14, 2025, the Joint Foreign Chambers (JFC) whose members are American, Canadian, European, Japanese, Korean Chambers of Commerce and PAMURI, held its JFC International Mixer 2025 in Marriott Clark. 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.

This event attracted over 100 guests, including members of the different foreign chambers, prominent figures in the business. KCCP and JFC is looking forward to the Manila leg of the networking night which is scheduled on the 3rd quarter of the year. KCCP is extending its gratitude to SM Development Corporation (SMDC) as one of the sponsors during the event in Clark.

This KCCP E-Newsletter is supported by: