



필리핀 한국 상공회의소 뉴스

KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



May 2025 Issue | Vol. 31

SPECIAL POINTS OF INTEREST

- **APEC Trade chiefs urge sweeping WTO reforms amid US-China tensions** — page 1
- **DOTr: Improvements underway for Busuanga, Naga, Laoag airports** — page 2
- **DILG tells LGUs to adopt cashless transactions for government payments** — page 2-3
- **PH payments April deficit at \$2.6B widens by 30% from March; by 303% from yr-earlier** — page 3-4
- **Frasco, likens impact of proposed ASEAN visa to Schengen scheme** — page 4
- **PH promotes digital innovation, sustainable growth at APEC meet** — page 5-6

APEC Trade chiefs urge sweeping WTO reforms amid US-China tensions

May 19, 2025 | Dexter Barro II | Manila Bulletin

At A Glance

- Trade ministers of the 21-member Asia Pacific Economic Cooperation (APEC) noted that the Geneva-based World Trade Organization (WTO) is facing challenges that require “meaningful, necessary, and comprehensive reform” to make it more relevant and responsive in light of recent developments.



Trade chiefs of the 21 member economies of the Asia-Pacific Economic Cooperation (APEC) issued a joint statement calling for strategic reforms in international trade as the region grapples with uncertainties driven by two of its members: China and the United States (US).

In a statement issued after the two-day APEC Ministers Responsible for Trade (MRT) meeting in Jeju, South Korea, the regional bloc recognized the importance of the Geneva-based World Trade Organization (WTO) in advancing trade issues as an integral part of the global trading system.

APEC noted that the WTO is facing challenges that require “meaningful, necessary, and comprehensive reform” to make it more relevant and responsive in light of recent developments.

Without directly stating tariffs and other trade upheavals, the group said its members are “concerned with the fundamental challenges faced by the global trading system.”

“China and the US are currently engaged in a tit-for-tat trade war that threatens to upend global trade and critical supply chains.”

Further, when US President Donald Trump announced last month his new tariff policy, which includes higher reciprocal tariffs on countries with which America has a trade deficit, more than half of APEC’s 21 member economies were slapped with a higher tax on goods.

The Philippines, a founding member of APEC, was among those hit with reciprocal tariffs, facing 17 percent.

APEC’s joint statement offered no solution to these concerns, as it primarily focused on global supply chains that are facing “cross-sectoral challenges.”

“We support efforts to ensure that supply chain issues continue to be discussed within APEC to enhance the resilience of supply chains for sustainable economic growth across the APEC region,” the statement read.

“We recognize the critical role that trade can play in achieving food security, minimizing food supply chain disruptions, and promoting open, fair, transparent, productive, sustainable, resilient, and innovative agri-food systems that benefit all,” it also read.

APEC appeared to have largely sidetracked the issue of tariffs as its members expressed “extreme differences” in viewpoints, according to a Bloomberg report.

Nonetheless, the bloc expressed interest in deeper economic integration, including through the proposed Free Trade Area of the Asia-Pacific (FTAAP).

Efforts to enhance experience sharing, capacity building, and technical cooperation were cited as key drivers for this agenda.

The Trade chiefs also discussed the significance of adopting artificial intelligence (AI) in trade facilitation, the benefits of digital transformation, empowering micro, small and medium enterprises (MSMEs), and a commitment to promoting the cross-border recognition of electronic trade-related documents.

Source: <https://mb.com.ph/2025/05/17/apec-trade-chiefs-urge-sweeping-wto-reforms-amid-us-china-tensions>

DOTr: Improvements underway for Busuanga, Naga, Laoag airports

May 19, 2025 | Elijah Felice Rosales | The Philippine Star



MANILA, Philippines — The Department of Transportation (DOTr) is spending nearly P600 million to improve airports in Busuanga, Naga and Laoag, expediting projects that would enhance the viability of air travel in the regions.

In a series of invitations to bid, the DOTr said it is looking for contractors to undertake the upgrade for Busuanga Airport in Palawan and Laoag International Airport in Ilocos Norte.

The DOTr is ready to invest P308.62 million for the extension of Busuanga Airport's runway and shoulder grade correction.

The winning bidder for the project would also complete the turnaround pad for specific areas in the runway and rehabilitation of drainage systems. The DOTr is giving the contractor 300 days to finish the project.

The DOTr is also allocating as much as P109.4 million for the construction of a parallel taxiway at the Laoag International Airport. The project involves building concrete box culvert, concrete pipe conduit and concrete open canal to improve the airside facilities of the gateway.

The contractor has to finish the Laoag International Airport Development Project in 270 days.

The DOTr will hold a pre-bid conference on May 26, and close submissions and open the bids on June 11.

Busuanga Airport is the gateway to Coron – one of Palawan's finest tourist destinations – while the Laoag International Airport is the doorstep to President Marcos' home region, Ilocos.

In addition, the Civil Aviation Authority of the Philippines (CAAP) will start the construction of the New Naga Airport in Camarines Sur in September. The project is listed as a priority work of the Marcos administration.

The new airport in Naga is aimed at increasing air traffic to propel trade and travel in one of the busiest cities in the Bicol Region. By September, CAAP will begin the initial works for the site where the new gateway would rise.

The New Naga Airport will be designed as ready to land full jet operations both day and night.

For the meantime, CAAP is upgrading the runway of the existing airport, drawing P71.5 million from the 2024 budget and P85.2 million from the 2025 appropriations.

Source: <https://www.philstar.com/business/2025/05/19/2444032/dotr-improvements-underway-busuanga-naga-laoag-airports>

DILG tells LGUs to adopt cashless transactions for government payments

May 16, 2025 | KG, GMA Integrated News

The Department of the Interior and Local Government (DILG) on Saturday asked local government units to use the electronic payment and collection systems (EPCS) as an alternative to cash transactions.

The department said this is in line with President Ferdinand Marcos Jr.'s push for digital transformation in government.

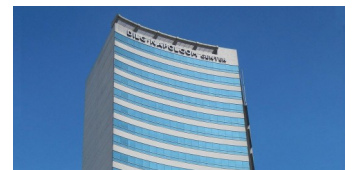
The DILG, in a memorandum circular, said LGUs may implement EPCS in collecting local taxes, fees, and other charges, in accordance with Executive Order No. 170, s. 2022 regarding the use of digital payments for government transactions.

Digital payments improve transparency, efficiency, and public convenience, the DILG said in a press release.

"LGUs are encouraged to offer secure, accessible digital options, ensure payment channels are user-friendly, and partner with authorized providers, including government servicing banks," it added.

The DILG said efforts must be made to align with the National Retail Payment System Framework and the Data Privacy Act.

[Cont. page 3]



DILG tells LGUs to adopt cashless transactions for government payments

[Cont. from page 2]

The department also tasked LGUs to set clear procedures for the issuance of electronic invoices and billing notices in accordance with guidelines from the Commission on Audit and the Bangko Sentral ng Pilipinas.

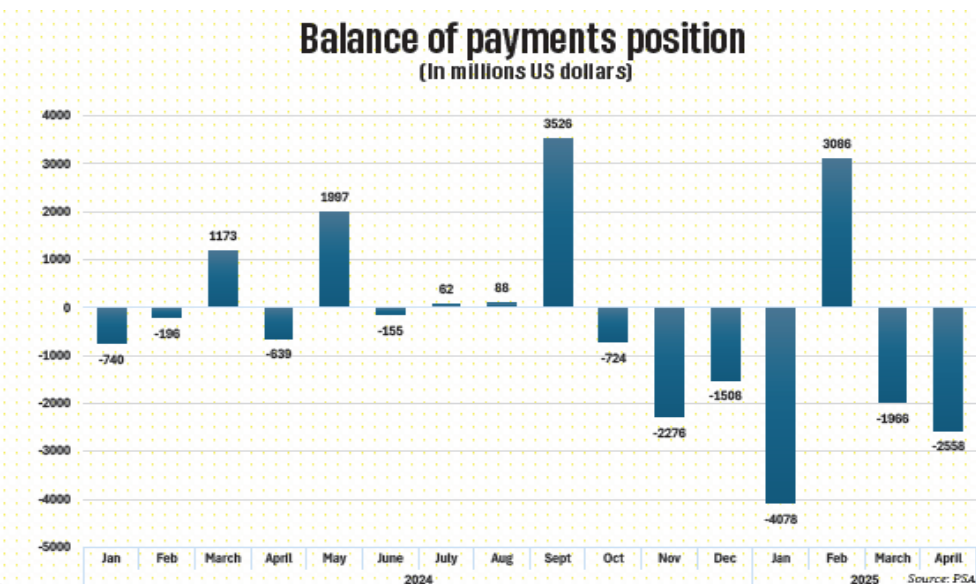
The DILG however clarified that LGUs must still accept cash and other traditional modes of payment in addition to electronic payments.

It also encouraged LGUs to pass ordinances and local policies to support the full implementation of the acceptance of electronic payments.

Source: <https://www.gmanetwork.com/news/money/economy/946458/dilg-tells-lgus-to-adopt-cashless-transactions-for-government-payments/story/>

PH payments April deficit at \$2.6B widens by 30% from March; by 303% from yr-earlier

May 20, 2025 | Jimmy Calapati | Malaya Business Insight



The Philippines' balance of payments (BOP) settled with a deficit of \$2.6 billion in April, wider by 30 percent than the \$1.97 billion deficit recorded in March, the Bangko Sentral ng Pilipinas (BSP) said.

Compared with the year earlier, the April 2025 BOP gap was 303 percent bigger than the \$639 million deficit in April 2024, BSP data showed.

In a statement, the BSP said the deficit reflected the national government's drawdowns on its foreign currency deposits with the central bank to meet its external debt obligations and pay for its various expenditures.

The BSP also said it had to dip into its foreign reserves to fund its operations in the foreign exchange market.

The April deficit brought the cumulative BOP level to a \$5.5 billion deficit, equal to 1,271.5 percent from the \$401 million deficit from January to April 2024.

"Based on preliminary data, this year-to-date BOP mainly reflected the widening trade deficit in goods," the BSP said.

"This decline was partly muted, however, by the continued net inflows from personal remittances from overseas Filipinos and foreign borrowings by the national government," the BSP added.

The BOP summarizes the country's economic transactions with the rest of the world over a specific period.

Decrease in GIR

The BSP said April's BOP position mirrored the decrease in the final gross international reserves (GIR) to \$105.3 billion as of end-April, down from \$106.7 billion as of end-March.

The GIR consists of Philippine investments abroad, gold and foreign exchange holdings, the country's reserve position in the IMF, and its special drawing rights.

Despite the decline, the BSP said the latest GIR level still provides a robust external liquidity buffer.

[Cont. page 4]

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

[Cont. from page 3]

"It is equivalent to 7.3 months' worth of imports of goods and payments of services and primary income. Additionally, it covers approximately 3.7 times the country's short-term external debt based on residual maturity," BSP said.

Pressure on the peso

Philippine Institute for Development Studies senior research fellow John Paolo Rivera said the deficit underscores the need to boost exports and attract more stable capital inflows.

"The wider BOP deficit in April reflects sustained import growth, external debt repayments, and weaker inflows from FDIs and remittances. It signals pressure on the peso and reserves amid global trade uncertainties, especially from recent US tariff moves," Rivera said.

Michael Ricafort, RCBC's chief economist, said the BOP data could still improve and lead to better GIR data in the future.

"BOP may improve in part due to the proceeds of the national government's foreign currency-denominated borrowings from both commercial sources," Ricafort said, adding that the national government has programmed \$3.5 billion in commercial borrowings for 2025.

He said other factors that could boost the BOP position include continued growth in OFW remittances, BPO revenues, exports, foreign tourism receipts, and other structural US dollar inflows of the country.

Ricafort said these will be offset by the national government's net payment of foreign debts and payment of various expenditures denominated in US dollars.

"Any improvement in BOP data and GIR data for the coming months could still help provide a greater cushion for the peso," Ricafort added.

Source: <https://malaya.com.ph/business/business-news/ph-payments-april-deficit-at-2-6b-widens-by-30-from-march-by-303-from-yr-earlier/>

Frasco likens impact of proposed ASEAN visa to Schengen scheme

May 18, 2025 | Justine Irish D. Tabile | BusinessWorld

TOURISM Secretary Ma. Esperanza Christina G. Frasco said she hopes that a proposed ASEAN visa will encourage multiple-destination stops by visitors to the region, similar to travelers in Europe holding Schengen visas.

"The ASEAN tagline is 'A destination for every dream.' And the ASEAN visa certainly is part of that dream," Ms. Frasco said in a statement sent over the weekend.

She hopes the scheme will "unify ASEAN as a destination in terms of the strength of its natural assets, its unparalleled warmth and hospitality," she added.

She said that the proposal is similar to the Gulf Cooperation Council (GCC) visa for the Middle East and the Schengen visa for Europe.

"As a Minister of Tourism, it is a proposition that I have tried to make at every opportunity. I am glad to hear similar interest from our fellow ASEAN nations, and we are very hopeful that the subject matter will again come up as the Philippines hosts ASEAN in 2026," she added.

She said that Southeast Asian countries can collaborate while maintaining "healthy competition."

"Competition is always very healthy, but collaboration is healthier in a sense that ASEAN coming together... would really benefit all of our countries," she said.

"We are grateful for our existing collaborations with countries such as Thailand with whom we have recently signed an implementation program for our Memorandum of Cooperation on tourism," she added.

However, she noted a decline in Chinese visitor arrivals to the Philippines.

"The lesson that we learned from that is to really be able to diversify our dependency into other markets as well," she said. [Cont. page 5]



Frasco likens impact of proposed ASEAN visa to Schengen scheme

[Cont. from page 4]

"And so now, we are targeting markets such as the Middle East and the GCC, as well as India. And of course, to further strengthen our source markets from South Korea, Japan, the United States, as well as Europe," she added.

These efforts, she said, resulted in a 500-800% growth in tourism arrivals from the Middle East and the GCC.

The Philippines welcomed 2.1 million visitors in the first four months, down 0.82% from a year earlier.

South Korea accounted for a 22.25% market share, down 18% year on year.

The other top source markets in the first four months were the US, Japan, Australia, and Canada.

"Tourism from South Korea has been declining as the economy faces the challenges from the global tariff uncertainty, which combined with a weak South Korean won to mean (travelers preferred) Japan due to the weaker yen, making the destination attractive," Mastercard Economics Institute said in an e-mail.

To address this, it said that the Philippines could host more sports or music events to attract more tourists.

"Having more major sporting or music events can be a good way to attract more tourists. Being featured in TV shows may also be a good way to attract tourists, as we saw with *The Glory*, which attracted strong growth of visitors from Japan to Korea," it added.

Mastercard Chief Economist for Asia-Pacific David Mann said the Philippines could also look at how it can further improve the visiting experience for tourists.

"I think the key thing for sure comes down to how other people's experiences were when they visited and how they were reporting back – that word of mouth, the sharing on social media ... really makes a very big difference," he said.

"The more positive stories that really gain a life of their own, the stronger the inflows, the stronger they can even become later," he added.

He noted, however, that improving the ease of getting through the border and adding more direct flights will not happen overnight.

"A lot of the infrastructure, hard and soft, needs to be built out as well. But I think the confidence people have and the passion that they have to want to go for a particular draw ... seem to be one of those extra things that can really make a very big difference," he added.

Source: <https://www.bworldonline.com/economy/2025/05/18/673225/frasco-likens-impact-of-proposed-asean-visa-to-schengen-scheme/>

PH promotes digital innovation, sustainable growth at APEC meet

May 20, 2025 | Kris Crismundo | Philippine News Agency



TRADE MINISTERS. Asia Pacific Economic Cooperation economies, observers and guests at the APEC Ministers Responsible for Trade Meeting held in Jeju, South Korea on May 15, 2025. Trade Secretary Ma. Cristina Roque (6th from right, front row) represented the Philippines. (Photo courtesy of DTI)

MANILA – The Philippines called on its neighbors' trade ministers to advance digital innovation, open trade and sustainable growth during the recent Asia Pacific Economic Cooperation (APEC) Ministers Responsible for Trade (MRT) Meeting in Jeju, South Korea.

In a statement Monday, the Department of Trade and Industry (DTI) said Secretary Ma. Cristina Roque highlighted the country's push for a rules-based global trading system that promotes fairness, transparency and inclusivity.

"The Philippines stands firm in promoting an open, rules-based multilateral trading system that upholds fairness, transparency, and inclusivity – crucial to building resilient and inclusive economies. We remain concerned with actions that jeopardize global supply chains, raise trade costs and erode confidence in the multilateral system," Roque said during the APEC MRT Meeting held May 15.

[Cont. page 6]

PH promotes digital innovation, sustainable growth at APEC meet*[Cont. from page 5]*

Roque stressed the potential of artificial intelligence and emerging technologies in reshaping global trade, citing how the Philippines is investing in digital and creative industries, supported by landmark legislation and programs for work-force development.

"AI and emerging technologies offer an unprecedented opportunity to redefine global trade. It is imperative that we create an empowering digital environment, one that is secure, inclusive and prosperous," she said.

The DTI chief called for stronger regional cooperation to address challenges in the global digital landscape, such as the digital divide, data privacy concerns, cybersecurity threats and regulatory fragmentation.

During the APEC trade ministers' discussion on the multilateral trading system, Roque emphasized the need for reforms in the World Trade Organization's dispute settlement mechanism and urged continued negotiations on agriculture and fisheries subsidies.

She encouraged APEC economies to align trade policies with environmental protection and social well-being, advocating for a whole-of-nation approach to achieve sustainable and resilient economies.

"It is crucial to engage with a wide range of stakeholders, including businesses, civil society and the scientific community, to ensure that trade policies are informed by the latest knowledge and best practices," she said.

Roque shared the country's regulatory reforms and infrastructure investments aimed at reducing logistics costs and improving efficiency.

She added that under the Marcos administration, the Philippines is actively engaging with regional and global partners to foster a more inclusive, innovative and sustainable trading environment, aligned with APEC's core values of cooperation, openness and shared prosperity.

Source<https://www.pna.gov.ph/articles/1250414>

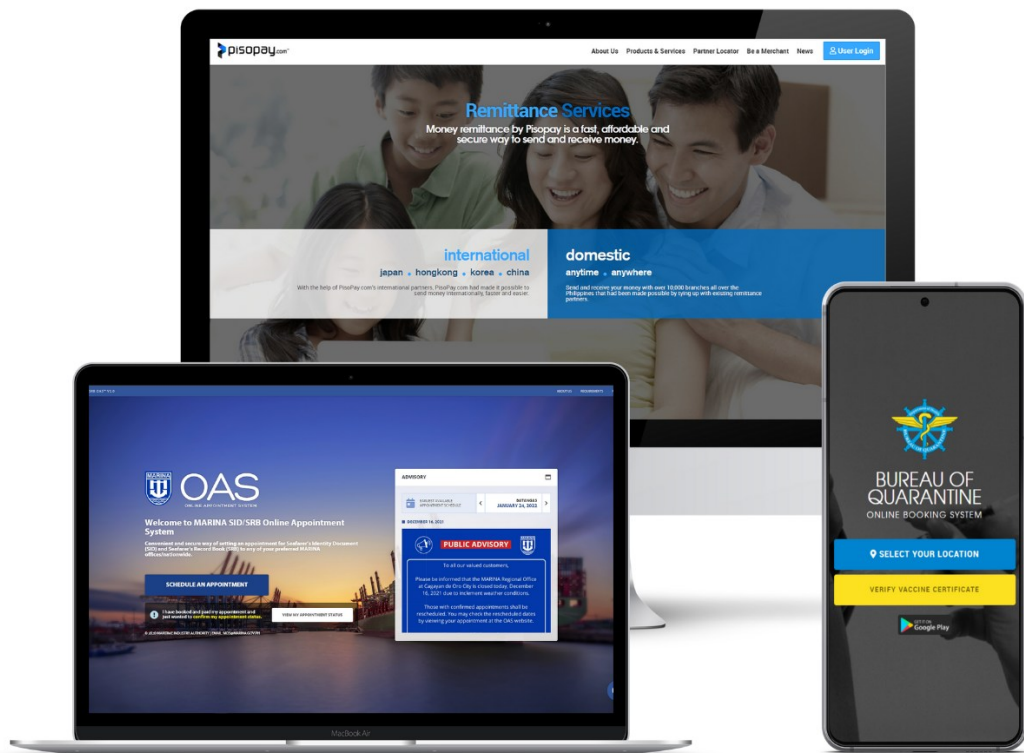
Contact Us

**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

This KCCP E-Newsletter is supported by:



Elevating the definition of Fintech Standards



CONTACT US

- (02) 8242 8153
- info@pisopay.com.ph
- <https://www.pisopay.com.ph>
- Pisopay Bldg, 47D Polaris, Makati, 1209 Metro Manila

