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PH one of fastest growing economies in Asia— HSBC Philippines

May 20, 2025 | Anna Leah Gonzales | Philippine News Agency

MANILA – HSBC Philippines continues to be optimistic on the Philippine economy's growth prospects, noting that the country is one of the fastest growing in the region.

"I know the Q1 (first quarter) GDP (gross domestic product) footprint came at about 5.4 percent, which is a bit below expectations. But our HSBC house view still remains that for full year 2025, [economic growth

will] be at about 5.6 percent. And that is, compared to most of the Asian markets, is one of the fastest growing econom[ies] within Asia," HSBC Philippines head of international wealth and premier Pramoth Rajendran said in a briefing at the Shangri-La at the Fort in Bonifacio Global City on Tuesday.

Rajendran said consumption and the country's demographic dividends would help boost economic growth.

"So 75 percent of the overall GDP is contributed through the consumption itself, which is a standout. Second is your demographic dividends. I think a rising working age population and with an average median age of about 25 years," he said.

"So that is to contribute to the overall economy and the workforce going forward. And that is also a standout," he added.

Rajendran said HSBC Philippines also expects the number of middle class to continue to grow, noting that the number of adults who are probably holding assets and wealth greater than USD250,000 is expected to double by 2030.

With the continued growth of the economy, Rajendran said HSBC is optimistic about the company's growth prospects in the country.

"From HSBC Philippines point of view, we are optimistic in terms of the overall opportunity that Philippines presents. And the few things I pointed out is key indicators kind of supporting that optimism. One is, despite some of the volatility, we're expecting our house view that the GDP growth will still be strong this year, making it one of the fastest growing in Asia," he said.

Rajendran said that since the Philippines is a largely consumption-driven economy, there is relative insulation to some of those volatility.

"And then second is we have about one and a half percent of the population holding significant amounts of the affluence and the wealth. So that population is also going to be largely unaffected to the volatility. So taking all those considerations and also in terms of the target segments, we are reasonably optimistic about the future," Rajendran said.

Source: <https://www.pna.gov.ph/articles/1250458>



HSBC Philippines Head of International Wealth and Premier Pramoth Rajendran (Photo courtesy of HSBC Philippines)

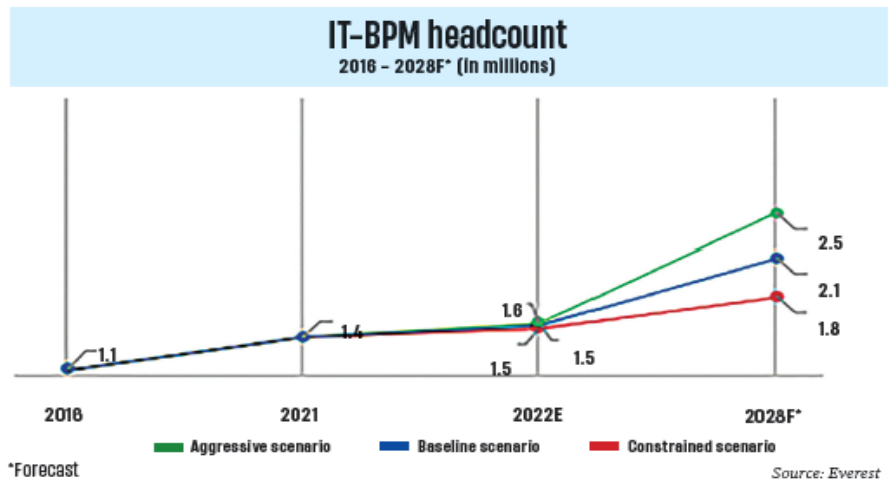
IT-BPM to kickstart govt-approved P740M upskill plan in H2

May 21, 2025 | Irma Isip | Malaya Business Insight

THE government has committed P740 million to jumpstart large-scale training and upskilling for the information technology-business process management (IT-BPM) sector, the IT Business Process Association of the Philippines (IBPAP) said on Tuesday.

IBPAP in a social media post said the investment kicks off in the second half of 2025 and will equip trainees with digital and artificial intelligence (AI) skills.

This will contribute to the goal of 340,000 scholars over three years, it said.



The group said in the post that its board recently met with officials of the Technical Education and Skills Development Authority and the Department of Information and Communication Technology (DICT) to align on program strategies.

IBPAP officials could not be reached for further comment but on April 26, the Private Sector Advisory Council (PSAC) said that at the 8th Meeting of the Council's Digital Infrastructure Sector with President Ferdinand Marcos Jr., the president endorsed the allocation of upskilling budgets for up to 340,000 IT-BPM workers, including near-hire individuals and college students.

This initiative is seen as essential to ensuring the country's global competitiveness as AI reshapes the workforce, PSAC said in the statement.

Myla Villanueva, PSAC Digital Infrastructure lead and MDI Group Holdings Inc. chairperson, was quoted by PSAC as saying the budget allocation will help prepare the workforce for the ongoing AI-driven transformation of the global economy.

Malaya Business Insight on April 30 reported that the IB-BPM sector expects to cross the \$40-billion revenue mark in 2025, and to hit a 2 million full-time-employee (FTE) count in 12 to 18 months.

IBPAP data showed that in 2024, the sector recorded \$38 billion in revenues, up 7 percent from \$35.5 billion in 2023. The industry generated an additional 120,000 jobs in 2024, ending the year with 1.82 million FTEs from 1.7 million in 2023.

Source: <https://malaya.com.ph/business/business-news/it-bpm-to-kickstart-govt-approved-p740m-upskill-plan-in-h2/>

Philippines logistics industry grows 11% in 3 months

May 20, 2025 | Elijah Felice Rosales | The Philippine Star



Based on data from the Philippine Ports Authority (PPA), cargo traffic in ports rose by 11 percent to 65.77 million metric tons from January to March, from 59.52 MMT a year ago.

STAR / File

MANILA, Philippines — The Philippine logistics industry grew by double digits in the first quarter of the year, building up confidence that it can withstand external risks from the Trump tariffs.

Based on data from the Philippine Ports Authority (PPA), cargo traffic in ports rose by 11 percent to 65.77 million metric tons from January to March, from 59.52 MMT a year ago.

The PPA said container throughput jumped by 13 percent to 2.04 million twenty-foot equivalent units, from 1.8 million TEUs, showing the industry's resilience ahead of the shake-up in world trade.

On April 2, US President Donald Trump shocked the global economy by slapping higher tariffs on dozens of economies, including the Philippines. This policy has been placed on hold for 90 days since April 9, but it was enough to trigger shockwaves of uncertainties. [Cont. page 3]

Philippines logistics industry grows 11% in 3 months

[Cont. from page 2]

In an earlier interview with The STAR, PPA general manager Jay Santiago said the domestic logistics industry would take minimal impact from tariff risks. Citing PPA records, Santiago said the Philippines usually trades with the US through transshipment via China or Singapore.

This means cargo directly traveling between the Philippines and the US is negligible in volume.

However, the PPA reported that passenger volume in ports slid by two percent to 18.42 million in the first quarter, as the Holy Week fell in April this year unlike in 2024, when it came in March.

Likewise, passengers who journeyed on roll-on, roll-off vessels declined by seven percent to 2.6 million.

Despite this, the PPA received 52 ship calls from cruise lines in the first quarter, proving how the country is becoming a destination of choice for high-end travelers. The Philippines welcomed 131,687 cruise passengers, putting the PPA on track to hit its target of 185,000.

The PPA's net income has risen to P3.88 billion as of March on increasing revenue and spending cuts. Broken down, the agency grew earnings by 24 percent to P7.12 billion, and accompanied this with a 19-percent reduction in expenses to P3.24 billion.

The PPA is banked on by the government to remit one of the highest dividends among state-run firms, as the agency turned in a record P5.2 billion in contribution in 2024.

Aside from this, the PPA spends part of its profit on port upgrades to scale up cargo handling and boost inter-island connectivity.

Source: <https://www.philstar.com/business/2025/05/20/2444290/philippines-logistics-industry-grows-11-3-months>

BIR simplifies documentary req'ts for VAT refund

May 22, 2025 | ARAI | BusinessWorld

THE BUREAU of Internal Revenue (BIR) on Wednesday said it has streamlined the documents needed to claim value-added tax (VAT) refunds.

"The BIR, together with the government's legislative and executive branches, is committed to improving and simplifying the necessary documentation and processing requirements for future VAT and other tax refund claims to better serve the taxpaying public," BIR Commissioner Romeo D. Lumagui, Jr. said in a statement.

The BIR on April 10 released Revenue Memorandum Circular No. 37-2025, which details the simplified VAT refund process in line with Republic Act No. 12066 or the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act.

"The most notable change in the documentary requirements for VAT refund claims (regardless of the taxable period covered) is the submission of certified copies of invoices or receipts for sales and purchases instead of the original copies," the BIR said.

Copies of the invoices or receipts should be certified by an authorized official or employee of the corporate claimant, partnership or sole proprietorship.

The BIR also removed three documentary requirements for the VAT refunds, namely the proof of registration with the Securities and Exchange Commission or Department of Trade and Industry, and copies of import entry and internal revenue declarations/informal import declaration and entry or single administrative document.

For quarterly claims involving amortized input taxes of capital goods, taxpayers may submit previously issued certifications from the Bureau of Customs Revenue Accounting Division instead of certified copies.

However, the original copy of certification should have been submitted during the processing of the previous claim.

[Cont. page 4]



PHILIPPINE
GUMBAN

STAR/EDD

BIR simplifies documentary req'ts for VAT refund

[Cont. from page 3]

The BIR circular also includes rules on VAT refund claims of export-oriented enterprises.

For claims covering the taxable period starting April 1, 2025, or those claims that fell under the effectivity of CREATE MORE, the BIR will verify the export sales of the taxpayer-claimant on the basis of the certification issued by the Department of Trade and Industry's Export Marketing Bureau (EMB).

The BIR said this would prevent overlapping of validation efforts among government agencies.

"As such, documents evidencing actual export of goods or services shall no longer be required to be submitted as part of the documentary requirements since these will be submitted to the EMB for their scrutiny and issuance of a certification," the BIR said.

Under CREATE MORE, a VAT zero-rating has been applied to goods and services that are "directly attributable" to registered activities of export-oriented enterprises. A 12% VAT was previously imposed.

Source: <https://www.bworldonline.com/top-stories/2025/05/22/674003/bir-simplifies-documentary-reqts-for-vat-refund/>

PEZA to position its ecozones as global benchmarks of sustainability in pursuit of Eco-Industrial Park Certification

May 21, 2025 | Andrea E. San Juan | BusinessMirror



The Philippine Economic Zone Authority (PEZA) aims to position its ecozones as "global benchmarks" of sustainability as it vies for International Finance Corporation-World Bank's (IFC-WB) Eco-Industrial Park Certification.

In a statement on Wednesday, PEZA explained that this EIP certification program will be guided by a global voluntary certification system that will be developed to ensure "transparent and comparable" performance across industrial zones.

"This international initiative aims to boost the adoption of sustainability standards in industrial parks, freeports, and economic zones through the participation of developers and operators from various countries," PEZA said.

PEZA has initially identified the following pilot ecozones to participate in the IFC-WB EIP certification process: Lima Technology Center, First Philippine Industrial Park, Laguna Technopark, Light Industry and Science Park, and Carmelray Industrial Park.

"These zones will serve as testbeds for integrating sustainability into business strategy—helping to attract more investments amid increasing competition from countries also pursuing EIP certification for their economic zones," the investment promotion agency noted.

PEZA said IFC-WB will offer this technical assistance project free of charge.

Under this collaboration, IFC-WB will carry out the following activities: Benchmark the EIP frameworks adopted by other countries within their economic zone sectors and Review the enabling laws and regulations necessary for the possible adoption of the EIP framework in the Philippines.

The global development institution will also conduct a market assessment on the potential economic, social, and environmental impacts of adopting the EIP framework in "eligible" Philippine economic zones, including implications for zone operators.

This technical assistance project by IFC-WB will also include the drafting of a roadmap for EIP framework implementation in the Philippines, including a summary of the necessary certification requirements.

According to Peza, IFC-WB will also raise awareness among key stakeholders on the economic potential of EIPs in the Philippines through workshops and training programs.

As PEZA transitions to the EIP model, the investment promotion agency said: "We are optimistic that PEZA's 427 economic zones—and the country's freeports—will adopt the EIP framework and green growth strategies." [Cont. page 5]

PEZA to position its ecozones as global benchmarks of sustainability in pursuit of Eco-Industrial Park Certification

[Cont. from page 4]

"Our ecozones must evolve beyond being just viable locations for foreign direct investment (FDI). They must now enable industrial symbiosis, climate resilience, green infrastructure, and energy efficiency to ensure sustainable growth while upholding social responsibility, environmental stewardship, and ethical excellence," PEZA said in a statement on Wednesday.

"The voluntary compliance of our locators with EIP Certification, the Global Reporting Initiative, and decarbonization programs will significantly bolster our efforts to promote the SDGs, ESG standards, and the EID framework as part of PEZA's ecozone development strategy," PEZA said.

The investment promotion agency underscored that these initiatives are "pivotal in positioning the Philippines as a preferred investment destination for companies that prioritize clean and green production."

"This commitment means a great deal to us in PEZA, as we are responsible for a substantial portion of the country's FDI in manufacturing and services, contributing approximately 60 percent of the Philippines' total annual exports of goods and services," the investment promotion agency said.

Moreover, it noted that these sustainability programs will "enhance" the competitiveness not only of PEZA but also of its "valued" ecozone locators and stakeholders.

"We recognize the need to mitigate our impact on vital sectors—such as water resources, health, land use and human settlements, and livelihood and industry—which are critical considerations in our development agenda. Through the above programs, we aim to position our ecozones as global benchmarks of sustainability—not only for the Philippines, but for the world," said PEZA.

Source: <https://businessmirror.com.ph/2025/05/21/peza-to-position-its-ecozones-as-global-benchmarks-of-sustainability-in-pursuit-of-eco-industrial-park-certification/>

Marcos asks all Cabinet secretaries to resign

May 22, 2025 | Argyll Cyrus Geducos | Manila Bulletin

MANILA BULLETIN

At A Glance

- Malacañang said Marcos' request for courtesy resignations aims at giving him the elbow room to evaluate the performance of each department and determine who will continue to serve in line with his administration's recalibrated priorities.

Following the unfavorable result of the recent midterm elections, President Marcos has called on all his Cabinet secretaries to hand in their resignations, reiterating that the people have grown tired of politics and are now expecting action.



President Ferdinand 'Bongbong' Marcos Jr. (Malacañang photo)

"It's time to realign government with the people's expectations," the President said.

"This is not business as usual. The people have spoken, and they expect results, not politics, not excuses. We hear them, and we will act," he added.

In a statement, Malacañang said Marcos' request for courtesy resignations aims at giving him the elbow room to evaluate the performance of each department and determine who will continue to serve in line with his administration's recalibrated priorities.

"This is not about personalities—it's about performance, alignment, and urgency," Marcos said.

"Those who have delivered and continue to deliver will be recognized. But we cannot afford to be complacent. The time for comfort zones is over," he added.

Malacañang said the step marks a clear transition from the early phase of governance to a more focused and performance-driven approach. [Cont. page 6]

Marcos asks all Cabinet secretaries to resign*[Cont. from page 5]*

"The President emphasized that while many have served with dedication and professionalism, the evolving needs of the country require a renewed alignment, faster execution, and a results-first mindset," it said.

Despite this, the Palace assured the public that government services would remain uninterrupted during this transition.

"The President reiterated that stability, continuity, and meritocracy will guide the formation of his leadership team moving forward," it said.

"With this bold reset, the Marcos administration signals a new phase—sharper, faster, and fully focused on the people's most pressing needs," it added.

In his first podcast episode released on May 19, the President said a Cabinet-wide performance review is underway, suggesting the possibility of further removals.

"Baka mangyari 'yan (That could happen)," he said when asked if heads will roll in the near future.

"Dito nga sa ginagawa naming performance review. Iyon ang warning ko sa kanila (There's an ongoing performance review. That's my warning to them)," he added.

The President explained that the review is meant to identify which agencies fail to meet targets, especially in delivering services efficiently and without corruption.

"Kung talagang may nagkukulang o corrupt, eh kung talagang masyadong mabigat yung kanilang kasalanan, eh kasuhan na namin (If someone is really falling short or corrupt, and the offense is serious, we'll file charges)," he said.

Marcos' comments come amid public pressure to hold more officials accountable for alleged wrongdoing, with some observers saying the administration has been too lenient.

Source: <https://mb.com.ph/2025/05/22/marcos-asks-all-cabinet-secretaries-to-resign>

South Korea vows more policy support as US tariffs weigh

May 22, 2025 | Reuters | Inquirer.net

SEOUL—South Korea pledged on Wednesday more support measures for key export industries such as biopharmaceuticals and autos, as US President Donald Trump's sweeping tariffs weigh on the trade-reliant economy.

Since Trump slapped tariffs on various products and announced 25-percent duties on South Korea, Seoul has prepared support packages for its auto and chip sectors, as well as for small- and medium-sized exporters.

"The government plans to prepare in advance for item-specific tariffs, such as pharmaceutical products and semiconductors, and strengthen support for 'U-turn' investments," Acting Finance Minister Kim Beom-seok said.

New measures will be prepared to support South Korea's biopharmaceutical companies, as soon as details of Trump's tariffs on the sector become available, the government said.

Trump effect

Earlier this month, Trump signed an executive order aimed at reducing the time it takes to approve pharmaceutical plants in the country. The move is part of new regulations to encourage domestic manufacturing, coming after Trump launched probes into pharmaceutical imports in order to put tariffs on the sector.

South Korea's exports of pharmaceutical products, one of the country's key strategic sectors, stood at \$9.59 billion in 2024, accounting for just 1.4 percent of its total exports. Still, 16 percent of the exports were shipped to the United States, the biggest market. *[Cont. page 7]*



South Korea vows more policy support as US tariffs weigh*[Cont. from page 6]*

Seo Jung-jin, chair of South Korean drugmaker Celltrion, said last week it was postponing a decision regarding US contract-manufacturing operations by six months, though he expected the impact of new US policies to be limited due to its price competitiveness.

"It is still unclear whether entering the US is the right answer," Seo said, citing high costs in the country, where the drugmaker earns nearly 30 percent of its total revenue.

Meanwhile, US Food and Drug Administration officials are visiting Samsung Biologics' production facilities in Incheon, South Korea, on May 19 to May 27 for a regular inspection. The company did not provide further details but said it was not linked to the Trump administration's surprise inspections of overseas plants.

Shares of Samsung Biologics rose more than 5 percent on Wednesday, leading the benchmark KOSPI's 1.1-percent rise in early trade, while Celltrion stocks rose 0.5 percent.

Source: <https://business.inquirer.net/526553/south-korea-vows-more-policy-support-as-us-tariffs-weigh>

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