필리핀 한국 상공회의소 뉴스

KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER

June 2025 Issue | Vol. 35

SPECIAL POINTS OF INTEREST

Foreign chambers back passage of key reforms before 19th Congress adjourns

June 01, 2025 | Justine Irish D. Tabile | BusinessWorld

PHILSTAR FILE PHOTO

THE Joint Foreign Chambers (JFC) asked legislators to pass key economic measures, including the Konektadong Pinoy Act and the Enhanced Fiscal Regime for Large-Scale Metallic Mining Act, before the 19th Congress adjourns.

In a statement on Sunday, the JFC said that it sent letters to the House and Senate leaders noting the progress made in introducing and moving forward with measures to attract more investment and create jobs.

In the letter, the group indicated its support for bills that have "already secured (approval) from both chambers of Congress," particularly "a number of important reforms have reached the last step of the legislative process, or the Bicameral Conference Committee," the JFC said.

Apart from the Konektadong Pinoy Act, the Enhanced Fiscal Regime for Large-Scale Metallic Mining Act, it also cited amendments to Republic Act No. 7652, or the Investor's Lease Act.

According to the JFC, the Konektadong Pinoy Law will help provide accessible, affordable, and reliable internet

Meanwhile, the proposed fiscal mining regime streamlines taxes on the industry to provide clarity and consistency for investors in critical minerals.

It sees the amendments to the Investor's Lease Act creating a more predictable leasehold system to attract more foreign investment.

"As the 19th Congress nears its end, the JFC is hopeful that these three major reform bills will be enacted without delay," it said.

"We see their passage as key to unlock new economic opportunities and strengthen the Philippines' overall competitiveness in the ASEAN region," it added

https://www.bworldonline.com/economy/2025/06/01/676420/foreign-chambers-back-passage-of-key-reforms-before-19th-congress-adjourns/

Philippine factory activity cooled in May as US trade war bit

Demand sinks as global uncertainties weigh on business confidence

June 03, 2025 | Ian Nicolas P. Cigaral | Philippine Daily Inquirer

MANILA, Philippines – Global trade uncertainties stalled Philippine factory activity in May, as Filipino producers grappled with weaker demand from international markets.

However, inflationary pressures remained benign, something that could boost the competitiveness of locally made products in the face of extreme trade protectionism.

A survey of around 400 companies showed the country's Purchasing Managers' Index (PMI)—a gauge of the health of the manufacturing sector—eased to 50.1 from 53 in the previous month, S&P Global said in a report.

The latest PMI reading nearly fell to the 50-mark separating growth from contraction. S&P said the survey results marked a "broad stagnation" in operating conditions of Filipino factories, which are now feeling the sting from the ongoing US trade war. *[Cont. page 2]*

A clothes factory in Lapu-Lapu City prepares orders. Overall factory output slowed in May though as trade uncertainties hit demand. PHOTO COURTESY OF THE MEPZ WORKERS ALLIANCE

Philippine factory activity cooled in May as US trade war bit

Demand sinks as global uncertainties weigh on business confidence

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And business confidence had already taken a hit.

S&P said the sentiment of firms in May was the third-weakest in the survey's history.

"The promising growth observed at the beginning of the second quarter signaled a notable cooling in May," Maryam Baluch, economist at S&P Global Market Intelligence, said in a commentary.

"The situation was further exacerbated by a deteriorating demand from foreign markets, with May witnessing a sharper drop in new export orders. As global trade tensions escalate, the outlook for overseas demand appears increasingly precarious," she added.

S&P said that while the rate contraction in export demand was "fractional", it was nevertheless the strongest decline since November 2024. As a result, the overall growth in new orders from local and foreign markets "waned" in May.

The weaker demand, in turn, meant there was less impetus for Filipino producers to ramp up their production, translating to a fresh but "marginal" slump in output, S&P said. Production activities were so soft that input buying also moderated in May.

The fewer orders also reduced the need for more workers, leading to a contraction in workforce numbers in the local manufacturing sector for the first time in four months.

Companies linked their limited manpower to voluntary resignations and the non-replacement of those vacated roles. As a result, there was a renewed build-up of backlogs, although the rate of accumulation was "modest".

Still, there were streaks of good data from the new PMI report. S&P said inflationary pressures remained historically weak in May, which could help support demand for Filipino goods at a time of heightened global trade uncertainties.

Survey results showed cost burdens and output charges increased to the strongest level since January, but the price gains were relatively modest overall.

"The stability of price pressures may also provide a necessary buffer against the challenges posed by a cooldown in new orders and external market uncertainties," Baluch said.

Source: https://www.bworldonline.com/economy/2025/06/01/676420/foreign-chambers-back-passage-of-key-reforms-before-19th-congress-adjourns/

Official data due for release June 5: Inflation in May seen sagging to avg 1.3% —Analysts

June 02, 2025 | Jimmy Calapati | Malaya Business Insight

Inflation likely slowed further to 1.3 percent in May, according to the mean average of estimates made by six economists polled by Malaya Business Insight.

As prices of key food items waned, especially rice, the respondents said inflation should show a deceleration again when the government releases the official data for May later this week.

Inflation slowed to 1.4 percent in April from 1.8 percent in March, the lowest since November 2019, or 5 ½ years ago, when the rate of inflation sagged to a low 1.2 percent, data released last month by the Philippine Statistics Authority (PSA) showed.

The downtrend in April was primarily brought about by the slower annual increase in the index of food and non-alcoholic beverages, the PSA said in May, while the transport index decreased by 2.1 percent from 1.1 percent in March.

The PSA is scheduled to hold a press conference on May's inflation this Thursday, June 5.

Inflation Forecasts in %

BSP	0.9 - 1.7
NICHOLAS MAPA	1.5
MATT ERECE	1.5
CARLO ASUNCION	1.3
JUN NERI	1.3
ARIS DACANAY	1.2
MICHAEL RICAFORT	1.2
MEAN	1.33

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Official data due for release June 5: Inflation in May seen sagging to avg 1.3% —Analysts

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BSP's forecast range

The economists gave their respective inflation estimates after the Bangko Sentral ng Pilipinas (BSP) on Friday said inflation in May likely fell within the 0.9 percent to 1.7 percent range.

"Easing prices of rice and fish due to favorable domestic supply conditions in conjunction with lower oil prices, electricity rates, and the peso appreciation contributed to the downward price pressures for the month," the BSP said in a statement.

The central bank's policy-setting Monetary Board is expected to continue to take a measured approach in adjusting the BSP's policy stance in line with its price stability objectives.

These objectives are conducive to a balanced and sustainable economic growth and employment, the BSP said.

Upper end of forecasts

Nicholas Mapa, the chief economist from Metrobank, said inflation likely settled at 1.5 percent in May.

While the downside pressure from rice deflation and private transportation costs exists, Mapa said the upward pressure from meat prices and utility costs nudged the headline number higher.

"We forecast inflation to remain on target and consistent over the policy horizon," Mapa added.

Reinielle Matt Erece, an economist from Oikonomia Advisory & Research Inc., gave his May inflation forecast also at 1.5 percent.

Prices of certain livestock and vegetable items increased last month, "but these were offset by low oil prices in global markets and lower electricity generation prices," Erece said.

The appreciation of the peso may have also lowered import costs, he said.

Sustained deceleration

"We expect May inflation to have eased slightly to 1.3 percent from 1.4 percent in April," BPI's chief economist, Jun Neri, said in a separate report.

The drop in rice prices, coupled with lower energy and fuel costs, continues to drive disinflation, he said.

However, these factors were offset by a rebound in vegetable and fruit prices during part of the dry season, significantly lowering agricultural output.

"Additionally, the lifting of the maximum suggested retail price for pork contributed to an uptick in meat prices during the month," Neri said.

Headline inflation will stay subdued in the coming months, because of soft key commodity prices and the high base from last year, he said. *[Cont. page 4]*

Official data due for release June 5: Inflation in May seen sagging to avg 1.3% —Analysts

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But the favorable base effects, particularly of rice, will diminish in September, he added.
"This could gradually push the headline print close to, if not at, the 3 percent level by year-end," Neri said.

Ruben Carlo Asuncion, the chief economist from Unionbank, also sees inflation settling at 1.3 percent.

He based his assumption on the "sustained deflation narrative" due to lower rice, fuel and electricity costs.

For now, despite the slight increases within the the broad food category in the non-rice consumer price index, Unionbank has taken the position of a deceleration in overall prices, Asuncion said in a message to this paper.

HSBC, RCBC see it even lower

"We expect headline inflation in May to slide even lower, decelerating to 1.2 percent," HSBC's Asean economist Aris Dacanay said.

Dacanay considers the strong peso and moderate global oil prices to have lowered the cost of energy.

"Though some volatility was seen in diesel prices, fuel prices, in general, are much lower today than on the last day of April," he said.

"All in all, headline inflation likely remained flat, with risks tilted to the downside if the prices of other goods and services adjust alongside easing energy prices," Dacanay added.

Michael Ricafort, RCBC's chief economist, said inflation could have eased further to 1.2 percent.

He cited the strong peso against the US dollar in 14 months as among the significant factors that kept inflation from accelerating.

Global crude oil prices and other major global commodity prices are also at their lowest in three to four years in recent months, while rice in the global market is currently trading at its lowest since November 2021, Ricafort said.

Good weather also helped increase agricultural production, and lower electricity rates in May 2025 also reined in prices of goods and services, he said.

In the months until August, Ricafort sees staying below 2 percent before accelerating to 2 percent in September to December.

He said he expects the full-year 2025 average inflation to settle just below the BSP's 2 percent to 4 percent target range.

Source: https://malaya.com.ph/business/business-news/official-data-due-for-release-june-5-inflation-in-may-seen-sagging-to-avg-1-3-analysts/

INFA-Net to further improve ease of doing biz in PH

June 02, 2025 | Kris Crismundo | Philippine News Agency

MANILA – A total of 38 government agencies signed a joint memorandum circular (JMC) on Monday, institutionalizing the Investment Facilitation Network (INFA-Net) that will address investors' concerns on ease of doing business in the country.

During the JMC signing in Makati City, Department of Trade and Industry (DTI) Secretary Ma. Cristina Roque said this initiative is aligned with President Ferdinand R. Marcos Jr.'s vision of streamlining regulatory processes and cut red tape.

"It reflects our shared commitment to break down barriers, reduce red tape, and send a strong message that we are open for business. As we align with President Ferdinand Marcos Jr.'s vision of Bagong Pilipinas, we are building a more agile, investor-focused government that acts in unison to deliver sustainable, inclusive economic growth," Roque said.

The JMC will provide an integrated system to assist investors in obtaining necessary information from all national government agencies (NGAs) and local government units (LGUs), as well as guiding investors in obtaining permits, licenses, certifications or authorizations to operate in the country. *[Cont. page 5]*

INFA-Net to further improve ease of doing biz in PH

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It also directed NGAs and LGUs to set up their own "Green Lane", where strategic investments endorsed by the One-Stop Action for Strategic Investments (OSAC-SI) under the Board of Investments (BOI) will be processed.

It adopted the "3-7-20 rule" of the Ease of Doing Business Law. Complete applications considered as simple transaction shall be acted on within three working days, seven working days for complex transactions, and 20 days for highly technical transactions.

BOI Director Ernesto delos Reyes said the JMC can even fast track the "3-7-20 rule", in which permit and license applications can be approved in less than three, seven, or 20 days.

Office of the Special Assistant to the President for Investments and Economic Affairs Secretary Frederick Go said the INFA-Net reflects the Marcos administration's commitment to improve predictability of regulations and enhance the investment climate in the Philippines.

"From day one, the administration of President Bongbong Marcos has been putting in place bold and sweeping reforms to position the Philippines as an attractive investment destination in Southeast Asia to be able to provide thousands, if not millions, of jobs to our fellow countrymen," Go said.

INFA-NET JMC. Thirty-eight government agencies form part of the Investment Facilitation Network (INFA-Net) that will further ease doing business and improve investment climate in the Philippines. In photo are some of the signatories to the JMC: (seated from left) DOF Undersecretary Charlito Mendoza, DFA Assistant Secretary Paul Vincent Uy, SAPIEA Secretary Frederick Go, DTI Secretary Ma. Cristina Roque, ARTA Director General Ernesto Perez, DILG Undersecretary Romeo Benitez, and DTI Undersecretary and BOI Managing Head Ceferino Rodolfo during the JMC signing at the Makati Diamond Residences on Monday (June 2, 2025). *(PNA photo by Kris M. Crismundo)*

He added this reform shows that the Philippines is ready to be the next "economic superstar" in Southeast Asia.

Both Go and Roque said the INFA-Net will help the government to surpass the investment approvals of investment promotion agencies (IPAs) in 2024.

Go said IPAs approved PHP1.9 trillion investments last year.

He admitted that coming from a high base, it will be challenging for the country to exceed that level amid ongoing uncertainties in both internal and external markets.

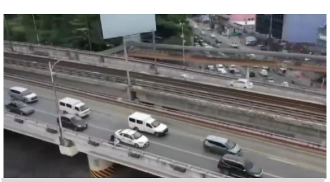
On the other hand, BOI alone is eyeing to hit PHP1.75 trillion in investment approvals at end-2025.

"Based on our strategies, we're hoping for that (PHP1.75 trillion approvals)… We just have to make sure that we get it done. We're really making sure that it's a whole-of-government approach, and all agencies or all departments are already aware that we need to work together to at least achieve the goal of making anti-red tape. And to make it quickly for anyone who wants to get into business, to get moving," Roque said.

Source: https://www.pna.gov.ph/articles/1251285

MMDA cancels odd-even scheme as EDSA rehab gets postponed

June 01, 2025 | Mariel Celine Serquiña/KG | GMA Integrated News



A clothes factory in Lapu-Lapu City prepares orders. Overall factory output slowed in May though as trade uncertainties hit demand. PHOTO COURTESY OF THE MEPZ WORKERS ALLIANCE

The Metropolitan Manila Development Authority (MMDA) will no longer push through with the implementation of the odd-even scheme along EDSA following the postponement of its rehabilitation.

In a statement on Sunday, MMDA Chairman Don Artes said the cancellation of the odd-even scheme will allow the concerned agencies to revisit their plan to ease the expected heavy traffic during the EDSA rehabilitation.

"Pursuant to the directive of the President, the MMDA will suspend the imposition of the odd-even scheme, which was part of the traffic management plan that was laid down intended to decongest EDSA before the looming rebuild," Artes said.

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MMDA cancels odd-even scheme as EDSA rehab gets postponed

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"The postponement will give us time to look for other traffic-mitigating options for the EDSA rebuild, which will be less than burdensome to motorists and commuting public" he said.

Artes noted that the MMDA will continue implementing the existing number coding scheme.

Earlier today, President Ferdinand Marcos Jr. announced the postponement of the EDSA rehabilitation to allow for more time to study if there are new technologies that would help hasten the rehabilitation of the 23.8-kilometer road.

The EDSA rehabilitation was supposed to begin on June 13, 2025 and was expected to last until 2027

Source: https://www.gmanetwork.com/news/topstories/metro/948017/mmda-cancels-odd-even-scheme-as-edsa-rehab-gets-postponed/story/

Exporters certified to avail of CREATE MORE perks

June 02, 2025 | Justine Irish D. Tabile | BusinessWorld

BANGSAMORO.GOV.PH

THE Department of Trade and Industry's Export Marketing Bureau (EMB) awarded on Monday the first set of certificates for export-oriented enterprises (EOEs).

Trade Undersecretary Ceferino S. Rodolfo said the certifications help exporters qualify for incentives offered by the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act.

"Under sections six, seven, and eight of the law, the EMB has been entrusted with a special responsibility, and this is to certify enterprises that meet the 70% export sales threshold," Mr. Rodolfo said.

The certification qualifies EOEs for value-added tax (VAT) zero rating on local purchases and VAT-exempt goods imports, provided these are directly attributable to their export activities.

"These incentives are not just technical adjustments to our VAT regime. They are a clear signal that the Philippine government is serious about supporting our exporters by improving our business environment," he said.

"The CREATE MORE Act restores and enhances critical tax incentives that reduce the cost of doing business and allow exporters to reinvest in innovation, sustainability, and growth," he added.

On Monday, CREATE MORE EOE certificates were awarded to Dole Philippines, Inc., Philsaga Mining Corp., Krystle Exports, Inc., and Bosch Service Solutions, Inc.

"These companies are certified and have successfully met the over 70% export threshold requirement under the CREATE MORE Act," according to Secretary Frederick D. Go, special assistant to the President for investment and economic affairs.

"It will send a strong signal to our stakeholders that CREATE MORE is real, is working, and is happening," he added.

He identified CREATE MORE as a "game-changing reform" that improves ease of doing business, reduces costs, and restores predictability for investors.

"As we, together with the investment promotion agencies, go on a road show to promote CREATE MORE throughout the world, we hope that the bandwagon effect of investing in the Philippines really takes place so that we can really build a sustainable economic growth story for our country," he said.

He said that the next stops for the CREATE MORE road show are the US, Japan, the Middle East, the European Union, and China.

Mr. Go said that he is satisfied with the work of the investment promotion agencies last year. *[Cont. page 7]*

Exporters certified to avail of CREATE MORE perks

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"I think the investment promotion agencies are doing a good job. In my opinion," Mr. Go said.

However, he said that the government must work "doubly hard" this year to beat the P1.9 trillion in approved investments last year.

"That now becomes the new statistic that we have to beat. It's a very challenging number. So, we have to work doubly hard," he said.

"Every year we try to beat our own record. But with every performance, it becomes more difficult … And it is a difficult situation now because of the US tariffs," he added.

He also said that he hopes for the EOE certifications to help in attracting more investors.

"This sends a signal to everybody else that if you are qualified you can avail of the CREATE MORE Act benefits and help boost the export industry," he said.

https://www.bworldonline.com/economy/2025/06/02/676682/exporters-certified-to-avail-of-create-more-perks/

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