



# 필리핀 한국 상공회의소 뉴스 KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



June 2025 Issue | Vol. 36

## SPECIAL POINTS OF INTEREST

- House approves P200 wage hike bill — page 1-2
- Philippines may miss growth goal this 2025 —OECD— page 2-3
- BSP may now access, share bank account — page 3-4
- PHL to see stable shipping rates; neighbors face hikes — page 4-5
- Ecozone Jan-May investment approvals rise 80% on-yr— PEZA —page 5
- Despite skepticism, ASEAN Power Grid has potential —PIDS — page 6
- Semiconductor industry council to look into ease of doing business, talent dev't issues — page 7

## House approves P200 wage hike bill

June 05, 2025 | Kenneth Christiane L. Basilio | BusinessWorld

THE HOUSE of Representatives on Tuesday approved on third and final reading a measure seeking a P200 across-the-board minimum wage hike for workers in the private sector, despite concerns over its potential inflationary effects and adverse impact on small businesses.

Lawmakers voted 171-1-0 to approve House Bill No. 11376, paving the way for the possibility of a first legislated wage hike since the late 1980s, when a law created regional wage boards to dictate pay rates.

Congressmen in February passed the bill on second reading, while the Senate greenlit a counterpart bill seeking a P100 wage increase last year.

However, the House's approval of the wage hike comes just a few days before Congress adjourns for a final time on June 13.

In a statement after the approval, the Trade Union Congress of the Philippines (TUCP) urged the House and Senate leadership to immediately convene a bicameral conference committee to reconcile disagreeing provisions of their bills.



*MEN are seen working at a construction site in Navotas City, June 22, 2024. — PHILIPPINE STAR/RYAN BALDEMOR*

"I appeal to all my fellow bicameral committee conferees — my counterparts in the Senate and my colleagues in the House — let us get this done, and get it done now," Deputy Speaker and TUCP Party-list Rep. Raymond Democrito C. Mendoza said in the statement. "We are way past the stage of whether we will pass a legislated wage hike, but how much that wage hike will be."

"Regardless of whether it ends up closer to P100 or P200, this will be the most significant wage increase in nearly four decades," he added.

The Philippines sets minimum wages regionally through wage boards, but lawmakers argue the system delivers slow and meager increases that fail to keep up with rising costs.

Around 55% of Filipino families see themselves as poor, according to an April Social Weather Stations survey. Data from the Philippine Statistics Authority in 2023 showed that a family of five needs at least P13,797 a month or P460 daily to make ends meet.

Giving a nod to a legislated wage hike would provide a "real boost" to achieving a livable wage, Federation of Free Workers President Jose Sonny G. Matula said before the bill's approval, adding that it's "pro-worker, pro-poor and pro-local economy."

"A legislated wage hike breaks the cycle of *barya-barya* (loose change) adjustments from regional wage boards," he said in a Viber message. "For minimum wage workers nationwide, this means a real boost to daily survival — a step toward a living wage."

However, only five million workers would benefit from the wage hike, Sergio R. Ortiz-Luis, Jr., president of the Employers Confederation of the Philippines, said before the bill's approval.

"Only 10% of employees would be affected by the legislated wage increase," he said in a phone call, noting that most workers are in the informal sector. "Most are, for example, farmers, fisherfolk, tricycle and jeepney drivers and market vendors." [Cont. page 2]

## House approves P200 wage hike bill

[Cont. from page 1]

Close to 50 million Filipinos were employed in March 2025, according to government data.

Companies would likely struggle to keep up with a legislated wage hike, prompting them to raise the prices of goods and services they provide, which could be inflationary, John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said before the bill's approval.

"Businesses could pass on the higher labor costs to consumers through increased prices," he said in a Viber message. "However, the inflationary impact would depend on the scale of the wage hike and whether it is staggered or accompanied by productivity gains."

An immediate wage hike could force companies to downsize their workforce, leading to job shedding and reduced hiring, he said. "Micro, small and medium enterprises (MSME) may struggle to absorb higher wage bills."

MSMEs account for more than 99% of all businesses in the Philippines and generate 67% of the country's total employment, according to the United Nations Development Program.

The Labor department may provide incentives to small businesses to help them comply with the legislated wage increase, according to the proposed law. Companies with fewer than 10 employees may be exempted from the measure too.

It could cost the government P1.5 billion monthly if it chooses to subsidize small businesses just so they could comply with the proposed wage hike, said Mr. Ortiz.

"It could cost up to P50 million a day," he said. "Where will that come from?"

Lawmakers should instead let regional wage boards handle salary increases, Mr. Ortiz said. "There are regional wage boards that are raising wages every year."

Congress should also look at implementing a legislative wage hike by phase or through a region-based approach to help balance the interests of businesses and workers, said Mr. Rivera.

*Source: <https://www.bworldonline.com/top-stories/2025/06/05/677229/house-approves-p200-wage-hike-bill/>*

## Philippines may miss growth goal this 2025— OECD

But return to 6% expansion pace seen possible by next year

June 05, 2025 | Ian Nicolas P. Cigara | Philippine Daily Inquirer



OECD: Trade war cuts global economic growth outlook

MANILA, Philippines — The Philippines may miss its economic growth target for the third straight year in 2025, as a potential slowdown in major economies amid extreme global trade uncertainties could weigh on local expansion, the Organization for Economic Cooperation and Development (OECD) said.

In its latest outlook, the OECD projected that the country's gross domestic product (GDP) growth would average 5.6 percent this year.

If realized, GDP expansion this year would be slower than the 5.7 percent clip recorded in 2024. At the same time, growth would fall short of the 6 to 8 percent target of the Marcos administration.

But the OECD said the economy may grow by a faster rate of 6 percent in 2026, potentially breaking the streak of below-target growth.

"Private consumption will be bolstered by a strong labor market and low inflation, while investment is projected to pick up modestly on the back of easing financial conditions and increased public infrastructure spending," it said.

"On the downside, a larger-than-expected slowdown in major economies, including the United States or China, could reduce demand for Philippine exports and affect remittance inflows, impacting domestic consumption and investment," it added. [Cont. page 3]

## Philippines may miss growth goal this 2025— OECD

But return to 6% expansion pace seen possible by next year

[Cont. from page 2]

### Disappointing Q1

Latest data showed GDP had expanded by 5.4 percent year-on-year in the first quarter, upsetting market consensus. That was slightly faster than the 5.3 percent growth in the preceding quarter, but weaker than the 5.9 percent clip recorded in the same period last year.

Analysts said the specter of global trade war had bruised business confidence.

Gross capital formation—the investment component of GDP—grew by 4 percent in the three months ending in March, slowing down from 5.5 percent in the preceding quarter.

For now, economists believe that the ongoing interest rate cuts of the Bangko Sentral ng Pilipinas could help investments make a bigger contribution to the overall economic growth.

### Monetary stimulus

The OECD said the ongoing monetary policy easing could help offset the drag from a slow fiscal consolidation.

“With real GDP expected to grow below trend and stable inflation expectations, there is room to continue the easing cycle over 2025-26 to bring the policy rate to a more neutral level of around 4.75 to 5 percent in the latter half of 2026,” it said.

“The overall macroeconomic policy mix strikes a balance between fiscal prudence and support to growth among global headwinds,” it added.

*Source: <https://business.inquirer.net/529120/ph-may-miss-growth-goal-this-2025-oecd>*

## BSP may now access, share bank account

June 04, 2025 | Keisha Ta-Asan | The Philippine Star

MANILA, Philippines — The Bangko Sentral ng Pilipinas (BSP) now has the authority to access and share financial account information without violating bank secrecy or data privacy laws, as part of its expanded investigative powers under the Anti-Financial Account Scamming Act (AFASA).

In Circular 1214, the BSP laid down formal procedures that allow its Consumer Account Protection Office (CAPO) to conduct an inquiry into bank, e-wallet or other financial accounts suspected of being used in scams including phishing, money muling and social engineering schemes.

“The provisions of Republic Act 1405, as amended, or the Secrecy of Bank Deposits Law; RA 6426, as amended, or the Foreign Currency Deposit Act of the Philippines; RA 8367 or the Revised Non-Stock Savings and Loan Association Act of 1997; and RA10173 or the Data Privacy Act of 2012, shall not apply to any financial account subject of BSP’s investigation and inquiry,” the circular said.

Under the new rules, CAPO may begin its inquiry once a competent authority, such as a relevant government or law enforcement agency, submits a formal request supported by affidavits and transaction records.

The BSP will issue an inquiry order directing the financial institution to submit all relevant account documents and prohibit any disclosure to the account holder.

“Any person who... discloses any information... for purposes other than those mentioned under Sections 12 and 14 of the AFASA shall be subject to criminal and administrative liabilities,” the BSP said.

[Cont. page 4]



In Circular 1214, the BSP laid down formal procedures that allow its Consumer Account Protection Office (CAPO) to conduct an inquiry into bank, e-wallet or other financial accounts suspected of being used in scams including phishing, money muling and social engineering schemes.

**BSP may now access, share bank account***[Cont. from page 3]*

To ensure secure handling, both the requesting agency and the BSP must have an information sharing agreement in place. These agreements require strict confidentiality protocols including encryption, audit trails and limited access before any data is transmitted.

CAPO may also initiate its own investigations motu proprio and apply for cybercrime warrants or preservation orders under the Cybercrime Prevention Act.

Institutions must register up to three official e-mail accounts for use in all correspondence related to CAPO inquiries. Any submissions sent from unregistered addresses will not be accepted.

The BSP said “any email sent by CAPO to an institution’s registered e-mail account shall be presumed to have been duly received,” placing the responsibility on financial institutions to keep their channels monitored and secure. The circular takes effect 15 days after publication.

*Source: <https://www.philstar.com/business/2025/06/04/2447979/bsp-may-now-access-share-bank-accounts>*

**PHL to see stable shipping rates; neighbors face hikes**

June 05, 2025 | Andrea E. San Juan | BusinessMirror



STABLE ocean shipping rates are expected in June for the Philippines while its neighbors in Southeast Asia are seeing increasing freight rates, particularly to the United States, due to rush deliveries before the tariff pause ends, according to a report by global logistics provider Dimerco.

“Stable rates expected in June as shipments begin increasing toward Q3,” the June 2025 Asia Pacific Freight Report of Dimerco noted.

The freight report cautioned, however, that the start of rainy season in June and potential typhoon could have an impact on vessel schedules in the country.

Still, the logistics provider said that so far, “Port operations [are] running smoothly with no reported congestion.”

Despite the stability in shipping rates, the Dimerco report noted that political developments in the Philippines could have an impact on the domestic business conditions.

“Legislative elections concluded with the impeachment of the vice president included in legislative agenda. Potential impact on domestic business conditions due to political developments,” the Dimerco report noted.

The charts in the report released by Dimerco showed that both air and ocean freight rates for the Philippines bound to Asia, Europe and the United States are expected to remain stable for the month of June.

In contrast, other countries in Southeast Asia such as Vietnam, Thailand, Singapore and Indonesia are seeing rising ocean shipping rates, particularly to the United States.

For Vietnam, the freight report cited a possible air freight rate increase in June for US-bound shipments due to the “rush before tariff pause ends.”

For Vietnam’s ocean freight rates, the report said: “US rates increasing due to front-loading ahead of tariffs,” adding, “Space from Vietnam to US is also tight as China cargo rushes before tariffs.”

As for Singapore’s ocean freight, Dimerco noted that reduced US tariffs on China may lead to more cargo moving through transshipment via Singapore.

“At the same time, there will be less space allocation available from Singapore. This will make space tight in June and likely push rates higher,” the freight report also noted.

Similar to Vietnam’s case, the report noted that for Thailand’s air freight, “Some customers are front-loading US exports to avoid potential tariff increases.” *[Cont. page 5]*

**PHL to see stable shipping rates; neighbors face hikes**

[Cont. from page 4]

The freight report also noted that for Thailand's ocean freight: "Ocean rates to US/CA may increase by 5 percent; rates to EU may rise by 50 percent."

For Indonesia's part, the freight report said ocean rates are rising on EU and US routes.

According to Kathy Liu, VP for Global Sales and Marketing at Dimerco Express Group: "Since May 12, we have observed an increase in orders from US customers. However, most shipments are currently being booked via ocean freight. We anticipate that air freight demand will begin to pick up from mid-June."

Image credits: Thattaphon Sukborwornophat | Dreamstime.com

Source: <https://businessmirror.com.ph/2025/06/05/phl-to-see-stable-shipping-rates-neighbors-face-hikes/>

**Ecozone Jan-May investment approvals rise 80% on-yr – PEZA**

June 04, 2025 | Irma Isip | Malaya Business Insight

**102 projects expected to create 29,337 jobs, generate \$1B exports**

The Philippine Economic Zone Authority (PEZA) said it has approved P66 billion worth of project investment pledges in the first five months of 2025, representing an 80 percent increase from P36.83 billion a year earlier.

In a report released on Tuesday, the PEZA said the pledged amount will be allocated to 102 new and expansion projects, which are expected to create 29,337 jobs and generate \$1 billion in annual exports once operational. It did not disclose the project approvals for May.



PEZA Director-General Tereso Panga attributed the increase in approvals to continued investor interest, driven by the recently passed Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE), which enhanced fiscal incentives for investors.

Panga said PEZA has been receiving a number of inquiries lately and "we are confident that we can do a quick turnover and welcome these companies as new locators." He declined to name these companies.

"There still remains some uncertainty regarding the US tariffs, which are currently being negotiated. However, the government is promoting the China+1+1 methodology to facilitate the growing interest of China-based companies in having a presence in the Philippines," Panga said.

Of the 102 projects approved in January to May, 41 are in manufacturing, 32 are in information technology-business process management (IT-BPM); eight each in domestic-oriented companies, ecozone development projects, and facilities enterprises; and four are in utilities.

Of the P66 billion worth of project investment pledges made in the five-month period, P49.81 billion are for big-ticket projects, PEZA said.

According to the PEZA report, South Korea was the leading investing nationality, accounting for 16.12 percent of total approved investments from January to May.

PEZA attributed this to the recently implemented South Korea-Philippines free trade agreement, which bolstered investor confidence and strengthened bilateral economic ties.

Other major contributors were the United States, China, Japan and the Netherlands.

Food and beverage drew the largest share of approvals, at 43.74 percent, followed by ecozone development at 32.52 percent, and IT-BPM at 7.59 percent. Sectors such as electronics manufacturing services (3.56 percent) and semiconductor manufacturing services (1.43 percent), as well as automotive (1.43 percent), also registered steady investment activity, the report showed.

The top locations by number of projects were Region IV, with 50 projects; Region VII, 16; the National Capital Region, 14; and Region III, 13.

Source: <https://malaya.com.ph/business/business-news/ecozone-jan-may-investment-approvals-rise-80-on-yr-peza/>



**Despite skepticism, ASEAN Power Grid has potential – PIDS**

June 05, 2025 | Gabriell Christel Galang | Manila Bulletin



State-run think tank Philippine Institute for Development Studies (PIDS) believes that skepticism surrounding the feasibility of the Association of Southeast Asian Nations (ASEAN) Power Grid is likely to diminish over time, citing investments that could help address this years-long concern.

In an exclusive interview with Adoracion Navarro, senior fellow at PIDS, she shared that it is too early to doubt the feasibility of ASEAN energy integration.

"The Laos-Thailand-Malaysia-Singapore interconnection project has seen early successes as an example of a multilateral agreement on energy trading and infrastructure investments, so I believe the skepticism will diminish eventually," Navarro cited an example to Manila Bulletin.

"Besides, it seems too early to be skeptical of the feasibility given that for the eastern part where we will be participating, that is, the BIMP-PIP (Brunei Darussalam-Indonesia-Malaysia-Philippines power integration project), the feasibility study is yet to be completed," she added.

The BIMP energy initiative is designed to connect the power grids of the four countries to allow cross-border electricity trade and is expected to address regional power cooperation.

Last month, President Ferdinand Marcos Jr. called for an even greater "synergy, innovation, and political will" within the BIMP East ASEAN Growth Area (BIMP-EAGA).

The member countries are expected to focus on key economic movements such as the greater power interconnection, trade, investments, tourism, infrastructure development, as well as socio-cultural and educational exchange.

"For all we know, feasibility concerns can be addressed by adjusting the timing of investments and the nature or location of investments based on the current realities that the participating countries face," Navarro said.

The PIDS senior fellow recalled earlier plans for the ASEAN grid link, which initially considered southern Mindanao as a potential connection point, with Palawan later emerging as another viable option.

"If one is to look at the renewable energy (RE) potential in Palawan relative to demand, it can be a net exporter given that its wind energy potential is more than 10 times its energy demand," she said, emphasizing the need to bring in more solar and hydropower capacity.

"Part of the necessary preparations for interconnecting with other countries is transmission network upgrade within Palawan. The policy environment for large-scale battery storage systems should also be set, and the efforts to amend the Electric Power Industry Reform Act (EPIRA) provide an opportunity for doing so," Navarro added.

In a set of comments on the proposed Senate bill aimed at strengthening the Energy Regulatory Commission (ERC) last December, PIDS emphasized the need to empower the commission to enforce the adoption of clean energy technologies, including smart grid systems, smart distribution networks, and the digital transformation of electric cooperatives.

"The policy environment for large-scale battery storage systems should also be set, and the efforts to amend the EPIRA provide an opportunity for doing so. We also have to review the presence, adequacy, and effectiveness of our policies for submarine cable protection zones or protection corridors, submarine crossing agreements, monitoring, regulatory regime, and liability rules, and then check if there are some things we need to fix," she elaborated.

Moreover, Navarro highlighted the need to improve the energy sector's rules and regulations, which goes beyond the focus on Palawan's potential grid link or the BIMP.

*Source: <https://mb.com.ph/2025/06/05/despite-skepticism-asean-power-grid-has-potentialpids>*

**Semiconductor industry council to look into ease of doing business, talent dev't issues**

June 04, 2025 | Justine Irish D. Tabile | BusinessWorld

THE Semiconductor and Electronics Industry Advisory Council (SEIAC) said that it will focus on improving the ease of doing business and developing a talent pool.

"The SEIAC aims to address the problems, issues, and concerns of industry players and find solutions for these," according to Secretary Frederick D. Go, the special assistant to the President for investment and economic affairs, who also chairs the council.

In a statement on Wednesday, Mr. Go said: "The council will focus on the ease of doing business for those in the assembly, test, and packaging (ATP) industry and develop a talent pool for the integrated circuit (IC) design industry."



SEIAC said the Technical Education and Skills Development Authority (TESDA) and the Commission on Higher Education will play a role in ensuring that training, reskilling and upskilling programs are effective.

"(This) will grow the integrated circuit design sector and strengthen the assembly, test, and packaging as well as the electronics manufacturing services (EMS) segments," it said.

"This likewise realizes the vision of making the Philippines a consistent and reliable global partner packaging \$70 billion of semiconductors, assembling \$40 billion of electronics, and providing globally recognized IC design services by 2030," it added.

Created through Administrative Order No. 31, the SEIAC is tasked with supporting the development, promotion, and competitiveness of the semiconductor and electronics industry.

At its June 2 meeting, the council approved the establishment of three technical working groups focused on investment and business environment, talent development and education, and infrastructure and cluster development.

"These groups will be led by government agencies such as the Department of Trade and Industry (DTI), TESDA, and Bases Conversion and Development Authority, along with industry and academic representatives," SEIAC said.

"Additionally, the council endorsed a private sector representative nominee, pending presidential appointment, to ensure active private sector involvement," it added.

Apart from the creation of the council, the administrative order also directed the DTI to develop the Philippine Semiconductor and Electronics Industry Roadmap to serve as the framework in accelerating the growth of the country's semiconductor and electronics industry.

According to the DTI, the 2030 Philippine Semiconductor and Electronics Industry Roadmap is still being finalized.

Source: <https://www.bworldonline.com/economy/2025/06/04/677246/semiconductor-industry-council-to-look-into-ease-of-doing-business-talent-devt-issues/>

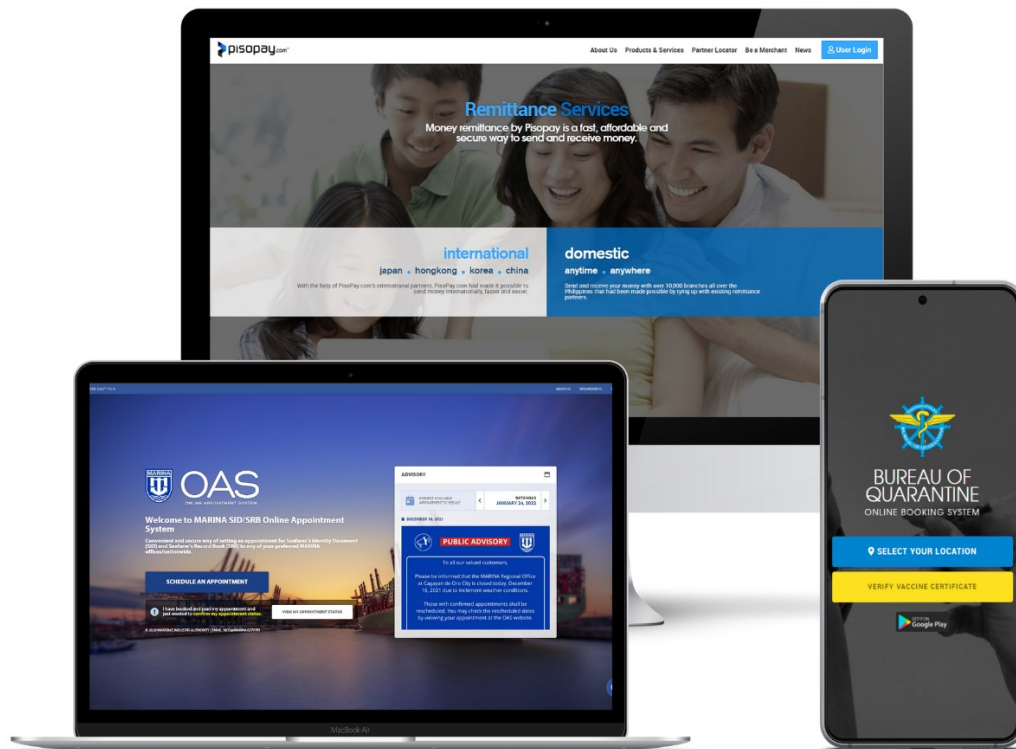
**Contact Us****Korean Chamber of Commerce****Philippines, Inc. (KCCP)**

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

