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'Mideast war to deter rate cut, wage-hike bid'

June 24, 2025 | Cai U. Ordinario | BusinessMirror

RIPPLE EFFECT: MIDEAST TENSIONS FUEL PHL ECONOMIC WOES

Economists break down economic fallout from oil shock

→Oil Price Shock / Inflation

"Because Iran can control the Strait of Hormuz where around 20 percent of oil passes, if Iran decides to close it, the price of oil will accelerate."—George B. Manzano

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"This will highlight the risk of higher stagflation and greater unemployment."—Leonardo Lanzona Jr.

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"The Philippines can try to reduce its dependence on oil by engaging in more green investments which unfortunately are now going to involve more funds."—Lanzona



What is Stagflation?

A rare economic condition marked by high inflation, slowing economic growth, and rising unemployment. Popularized during the 1970s US oil crisis, when expansionary policies failed to reduce joblessness and instead triggered runaway inflation.

BM Graphics: Ed Davad

THE conflict in the Middle East could deter further rate cuts and derail efforts to increase the minimum wage, according to local economists.

The bright spot, they said, is that this could hasten the country's green transition in an effort to reduce the Philippines's dependence on imported oil.

"Because Iran can control the Strait of Hormuz where around 20 percent of oil passes, if Iran decides to close it, the price of oil will accelerate," University of Asia and the Pacific economist and former Tariff Commissioner George B. Manzano told *BusinessMirror*.

"This will be felt in the Philippines through inflation—we are a net oil importer. The inflationary pressure may discourage the BSP [Bangko Sentral ng Pilipinas] from cutting interest rates further, thus dampening investments," he also said.

De La Salle University economist Maria Ella Oplas told this newspaper that the conflict in the Middle East could start a domino effect that would hurt households and local workers, even those abroad.

If oil prices increase, Oplas said, inflation will also increase. This will be a burden to households, leading workers to ask for higher wages.

But due to higher labor and other production costs, firms may not be as willing to grant the increase. Oplas said instead of higher wages, firms may reduce the number of their workers.

Abroad, since most of the country's Overseas Filipino Workers (OFWs) are in the Middle East, they may be forced to come home because of the conflict and its impact on their jobs.

"First, it will have implications on inflation. [That has a] domino effect. Oil prices (will) increase (and lead to faster) inflation. People will clamor for a wage increase," Oplas told *BusinessMirror*.

"Of course, since the cost of production will increase, business (cost) will get affected so either they (workers) leave or downsize. (This will increase) unemployment which will balloon because of the returning OFWs," she also said. [Cont. page 2]

'Mideast war to deter rate cut, wage-hike bid'

[Cont. from page 1]

Risks of stagflation, joblessness

Ateneo de Manila University economist Leonardo Lanzona Jr. said it will highlight the risk of "higher stagflation and greater unemployment."

In 2021, former Socioeconomic Planning Secretary Dante B. Canlas explained that stagflation emanated from stagnation and inflation. It is "an economic condition characterized by slow growth, high unemployment, and rising inflation."

He said this was coined when, in the 1970s, the US was trying to get the economy out of high unemployment using "expansionary macroeconomic policies." The attempt backfired since it did not lead to economic recovery but to inflation.

Canlas said the US experience led to a "re-examination of the standard 'Phillips Curve' among academic economists." Stagflation goes against the Phillips Curve.

The Phillips Curve, created by New Zealand-born economist Bill Phillips in the 1950s, illustrated an inverse relationship between inflation and unemployment.

This means that when inflation is high, unemployment is low and when inflation is low, unemployment is high. This assumes that when more people are employed, there is greater demand for goods thus, higher prices and when less are employed, demand is dampened and prices remain low.

"The government should focus on the vulnerable by providing social protection to those affected by higher stagflation and greater unemployment. No one is really safe with warmongers like Trump in the highest positions," Lanzona told *BusinessMirror*.

Green investments

One of the things that can happen to somehow cushion the impact of the conflict, Lanzona said, is for the Philippines to reconsider its dependence on oil by encouraging more green investments.

This direction will help push forward the country's green transition. Oplas also said the country can already consider other renewable sources of energy.

But, Lanzona said, this could be expensive for the government, especially in light of the need to focus on social protection for the most vulnerable at this time.

"The Philippines can try to reduce its dependence on oil by engaging in more green investments which unfortunately are now going to involve more funds as productivity still is associated with conventional energy sources at the early stages of a green transition," Lanzona told *BusinessMirror*.

However, Lanzona said, it is still difficult to say what the impact would be and for how long the conflict will last, which will affect the Philippines.

If the conflict will be a long-drawn one, Manzano said this could have an impact on OFWs as well as tourism revenues. But the most immediate impact would be on commodity prices.

Oplas noted that oil is an important factor of production. Since the country is a net oil importer and is not a major oil producer, it is "helpless" when oil prices rise.

"It ultimately depends on the response of Iran. The US hopes that their actions will bring Iran to the negotiating table at no time, restoring immediate normalcy," Lanzona told *BusinessMirror*.

"However, this seems unlikely since Iran has indicated a retaliation. If so, it is going to be a long-drawn-out process, making stagflation a distinct possibility," he added.

On Monday, The Philippine government expressed "deep concern" following the United States' targeted airstrikes on Iran's nuclear facilities over the weekend, urging a return to diplomacy amid growing fears of regional conflict and economic instability.

In the meantime, the Department of Foreign Affairs is drawing up scenarios and updating their contingency plans if Iran retaliates by attacking US military bases in the region.

The Philippines called on all involved parties to "take the path of diplomacy and avoid further escalation of this conflict that could threaten regional and international peace and security" (See: <https://businessmirror.com.ph/2025/06/23/phl-expresses-grave-concern-on-us-strikes-on-iran/>).

Image credits: BM Graphics: Ed Davad

Source: <https://businessmirror.com.ph/2025/06/24/mideast-war-to-deter-rate-cut-wage-hike-bid/#:~:text=THE%20conflict%20in%20the%20Middle,Philippines's%20dependence%20on%20imported%20oil.>

More medicines now VAT-exempt

June 23, 2025 | Anna Leah Gonzales | Philippine News Agency

CATEGORY	GENERIC NAME	DOSAGE STRENGTH	DOGA SE FORM
Medicines for Cancer	Tegafur + Gimeracil + Oteracil Potassium	20mg / 5.8mg / 19.6mg	Capsule
	Tegafur + Gimeracil + Oteracil Potassium	25mg / 7.25mg / 24.5mg	Capsule
Medicines for Diabetes	Metformin Hydrochloride + Teneligliptin (as hydrobromide hydrate)	1g / 20mg	Extended-Release Tablet
	Metformin Hydrochloride + Teneligliptin (as hydrobromide hydrate)	500mg / 20mg	Extended-Release Tablet
Medicines for High Cholesterol	Atorvastatin (as calcium) + Fenofibrate	20mg / 160 mg	Film-Coated Tablet
Medicines for Hypertension	Metoprolol tartrate + Ivabradine (as hydrochloride)	50mg / 5mg	Film-Coated Tablet
	Metoprolol tartrate + Ivabradine (as hydrochloride)	25mg / 5mg	Film-Coated Tablet
Medicines for Mental Illness	Lamotrigine	5mg	Dispersible/Chewable Tablet
	Lamotrigine	25mg	Oral Dispersible Tablet
	Lamotrigine	25mg	Tablet

Fenofibrate for high cholesterol, Metoprolol tartrate + Ivabradine (as hydrochloride) for hypertension, and Lamotrigine for mental illness.

The VAT exemption, pursuant to Republic Act No. 10963, or the Tax Reform for Acceleration and Inclusion (TRAIN) Law, and Republic Act No. 11534, or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, is intended to be responsive and adaptive to current public health needs, guided by the latest evaluations from the Food and Drug Administration.

"The BIR has issued an additional VAT-exemption of 10 medicines for cancer, diabetes, high cholesterol, hypertension, and mental illness," Lumagui said.

"Access to affordable medicines is part of BIR's Excellent Taxpayer Service."

Source: <https://www.pna.gov.ph/articles/1252723>

53 projects added to PPP pipeline

June 24, 2025 | Anna Leah Gonzales | The Philippine Star

MANILA, Philippines — The government has added 53 projects to be implemented through the public-private partnership (PPP) mode, bringing the total pipeline to 230 projects worth P2.61 trillion.

Data from the PPP Center showed that as of June 18, nine projects were also delisted from the PPP pipeline.

Prior to these changes, the PPP Center's April 11 report showed there were 187 PPP projects in the pipeline with a total cost of P2.64 trillion.

Of the additional projects, the biggest is the P31.55 billion unsolicited proposal of the consortium of ComClark Network and Technology Corp., JG Summit Infrastructure Holdings and Asia's Emerging Dragon Corp. for the PPP for Entire Air Navigation Services in the Philippines.

Also now part of the PPP list are the Philippine Space Agency's P25 billion development of a telecommunications satellite and P7 billion development of a Constellation of Earth Observation Satellite.

[Cont. page 4]

MANILA – The Bureau of Internal Revenue (BIR) said 10 more medicines for cancer, high cholesterol, hypertension, and mental illness are now exempted from value-added tax (VAT).

In a statement on Monday, the BIR said Commissioner Romeo Lumagui Jr. issued Revenue Memorandum Circular No. 62-2025 on June 20 further expanding the list of VAT-exempt medicines.

The BIR said these changes aim to enhance access to critical medications by reducing treatment costs for patients and their families.

Some medicines on the list are Tegafur + Gimeracil + Oteracil Potassium for cancer, Metformin Hydrochloride + Teneligliptin for diabetes, Atorvastatin (as calcium) +



53 projects added to PPP pipeline

[Cont. from page 3]

The updated PPP list also includes the management and operations of cargo handling and other related services of the ports of General Santos; Balingoan and Jasaan; Romblon and Ambulong; Tablas and Carmen; Nasugbu; San Juan; Roxas, Mansalay and Bulalacao; Bansud, Pola and Puerto Galera; Abra de Ilog and San Jose; San Juan Lubang; Lucena; Balanacan; Virac and San Andres; Masbate; Lipata; Coron; San Fernando (El Nido); Coron and Borac; Siquijor, Lazi and Larena; Banago; Hinoba-an, Himamaylan and Danao (Escalante); Tubigan; Isabela; Clarin, Loon and Maribojoc; Plaridel; Lilay and Roxas; Tubod; Dingalan and Casiguran; Lamao and Capinpin; Palampan, Hilongos and Baybay; San Ricardo; Calbayog and Catbalogan; Currimao; Caticlan; Dumangas; Alegria; Culasi; Mati Maca; Limay and Orion; Fort San Pedro and Opol.

Other projects added are the Rizal Park Western Section Development; Power Generation and Distribution in San Vicente Flagship Tourism Enterprise Zone; Customs Processing System; Kingsfield Gold and Leisure Cebu; Clark Integrated Transport System; Philippine Postal Corp. PPP and Postal Identity Card Proposal; New Clark City Information and Communications Technology Passive Infrastructure Project; Iloilo General Hospital and Tabaco City 4PH (Pambansang Pabahay Para sa Pilipino) Project.

The projects that were removed from the PPP list include the Baguio 4PH Program; Mariano Marcos State University 2MWp Solar PV System; Bataan's Bulk Water Supply System; Bataan's Solar Rooftop Project; Mariveles Dialysis Center; Bataan Rooftop Microgrid Project; Bataan Emerging Gateways City; Manila Central Post Office and the unsolicited proposal for the operations and maintenance with improvement and expansion arrangement of the Port of General Santos.

The projects were delisted following coordination with the implementing agencies.

The PPP Center said the development of a water supply system for the municipality of Mangatarem was also taken off the pipeline as it is now reflected in the list of projects under implementation.

Source: <https://www.philstar.com/business/2025/06/24/2452771/53-projects-added-ppp-pipeline>

DOE issues guidebook for offshore wind projects

June 24, 2025 | Ed Paolo Salting | The Manila Times

The Manila Times® THE Department of Energy (DOE) has issued a guidebook to help stakeholders and government agencies navigate with efficiency the permit requirements for offshore wind projects in the country.

Titled "Compendium: Guidebook to Permitting and Consenting for Offshore Wind Energy in the Philippines," the reference manual responds to the need for mapping the entire permitting process for offshore wind energy undertakings, which is spread across more than 25 agencies.

It outlines the full project cycle, starting from early site assessments and feasibility studies, to construction, operation, and decommissioning.

It also explains the roles of agencies including the Department of Environment and Natural Resources, Maritime Industry Authority, Department of Transportation, National Mapping and Resource Information Authority, Philippine Coast Guard, and the National Commission on Indigenous Peoples in the whole permitting process.

The guidebook is aligned with Executive Order 21, signed by President Ferdinand Marcos Jr. in 2023, which directs the creation of a unified permitting system for offshore wind energy, and which integrates with the Energy Virtual One-Stop Shop (Evoss) System, a digital platform operated by the DOE that consolidates energy-related permits into a single online system.

It was developed through year-long consultations with national government agencies, industry experts, and local government units.

Providing technical support was Niras, an international consulting company specializing in development cooperation, offshore wind, and engineering and design services.

"We fast-track processes, but never at the expense of environmental and community safeguards. The compendium ensures that good governance and clean energy go hand-in-hand," DOE Undersecretary Rowena Guevara said.

"This initiative is a game-changer. The guidebook transforms a complicated process into one that is streamlined, more transparent, and easier to follow for both government and investors," DOE Officer in Charge Sharon Garin noted.

Overall, the DOE said the guidebook will reduce processing times, cut red tape, and improve investor confidence, all while ensuring that social and ecological protections remain in place.

Source: <https://www.manilatimes.net/2025/06/24/business/top-business/doe-issues-guidebook-for-offshore-wind-projects/2138098>

Tourism stakeholders slam survey naming Philippines 'least safe' for tourists

June 24, 2025 | Irma Isip | Malaya Business Insight

MANILA, Philippines — Leaders of the country's tourism industry have raised alarm over a recent international online survey that named the Philippines the "least safe" country for tourists.

Tourism Secretary Christina Garcia Frasco led the pushback, denouncing the HelloSafe Safety Index 2025 report as "built on questionable data, lacking in transparency, and entirely disconnected from realities on the ground."

Arthur Lopez, president of the Philippine Hotel Owners Association, warned that such unverified rankings could undo years of hard work in rebuilding tourism post-pandemic. "The HelloSafe report is misleading, unfair and detrimental to the efforts of the tourism and hospitality industry."

Maria Paz Alberto, president of the Philippine IATA Agents Travel Association and Philippine chapter chair of the Pacific Asia Travel Association, said misleading narratives such as the HelloSafe index can "deter prospective visitors and cause lasting repercussions to businesses reliant on inbound tourism."

Philippine Tour Operators Association president Arjun Shroff added that responsible messaging is critical, false narratives are corrected swiftly, and is vital that the government officials project confidence in local tourism capabilities.

The tourism industry leaders decried a recent statement by Interior Secretary Jonvic Remulla, who said tourists are avoiding the Philippines because they "don't feel safe." The stakeholders described the remark as not only ill-advised but also damaging to the country's global reputation as a travel destination.

In his keynote address at the Hotel Sales and Marketing Association's Sales and Marketing Summit, Remulla, citing the HelloSafe survey, said: "People do not want to come to the country because they don't feel safe. They are afraid. There is cynicism in all the bad news that goes on here, and in the political atmosphere, and killing seems an ordinary activity. People become afraid."

Source: <https://www.philstar.com/business/2025/06/24/2452753/tourism-stakeholders-slam-survey-naming-philippines-least-safe-tourists>



Foreign tourists checking their travel documents upon arrival at the Ninoy Aquino International Airport in Pasay City.

Rudy Santos

Internet Transactions Act takes effect

June 24, 2025 | Irma Isip | Malaya Business Insight

malaya
Business Insight

THE Internet Transactions Act (ITA), which sets strict new rules and potential liabilities on deals transacted online, is now in effect following the end of the transitory provision on June 20, the Department of Trade and Industry (DTI) said in a statement on Monday.

A separate notice issued by the DTI on June 21, 2025 said online sellers, digital platforms, and other e-commerce players must now ensure full compliance to continue operating legally and responsibly.

In the statement, the DTI said ITA or Republic Act No. 11967 (RA 11967) makes new rules and liabilities immediately enforceable for all online merchants and digital platforms.

The DTI said the act empowers the DTI to issue takedown orders against online listings for illegal goods or services. Digital platforms can also be held liable together with sellers for violations if they fail to act on illicit activities on their sites.

Effective immediately, all e-marketplaces, e-retailers, and online merchants must disclose the price, brand name, description, condition, and the seller's contact details for all goods and services offered, it added.

Under RA 11967, platforms must operate accessible and equitable consumer redress systems, secure payment methods, and robust data protection standards.

Based on the law, the DTI's E-Commerce Bureau is empowered to issue subpoenas that compel individuals and entities under investigation to produce relevant documents. The DTI's authority is ancillary to the primary jurisdiction of other regulatory agencies over specific goods or services, the law provides. *[Cont. page 6]*

Internet Transactions Act takes effect

[Cont. from page 5]

The DTI is also developing a Philippine e-commerce trustmark, which will be a visible seal of quality for compliant and trustworthy online businesses.

A voluntary mark of compliance with e-commerce policies, the Trustmark has been designed to build consumer confidence and promote adherence to standards in e-commerce by fostering a culture of trust and voluntary compliance with consumer protection policies.

RA 11967, signed into Dec. 5, 2023, provides an 18-month transition period from the date of effectivity to allow online merchants, e-retailers, e-marketplaces, and digital platforms sufficient opportunity to adapt to the new regulations.

"In line with President (Ferdinand) Marcos (Jr)'s directive to build a safe and inclusive digital economy, the full implementation of the Internet Transactions Act is a promise fulfilled to the Filipino people," DTI Secretary Cristina Roque said.

"Our goal is to give every Filipino consumer peace of mind when they shop online, while ensuring that our thousands of legitimate local entrepreneurs and MSMEs are protected from unfair competition and illicit trade," she added.

Lazada Philippines Chief Executive Officer Carlos Barrera said the company remains committed to partnering with the DTI on matters of e-commerce policy and regulation, and providing a safe and trusted online shopping experience for Filipino consumers.

"Building on our close collaboration with the DTI on the development of the Internet Transactions Act of 2023 (Republic Act No. 11967), we fully support its implementation and are working

Source: <https://malaya.com.ph/business/corporate/internet-transactions-act-takes-effect/>

PHL has what it takes to become global export powerhouse – Peza

June 23, 2025 | BusinessMirror

THE Philippines has what it takes to become a global export powerhouse if it would beef up its biggest bets in the area of exports such as agricultural products, according to the top official of the Philippine Economic Zone Authority (Peza).

BusinessMirror
A broader look at today's business

In a social media post, Peza Director General Tereso O. Panga said some of the country's leading agricultural export products that place the country among the top five global industry leaders for the past three years include: abaca, pineapple, coconut, banana, as well as seaweeds and carrageenan.

"The latest PSA data on the country's top agricultural export products shows that the Philippines has strong potential to expand its agricultural exports and increase its contribution to overall export performance," Panga said.

"As such, the Marcos administration is determined to grow exponentially the agricultural output to achieve its goal of transforming the Philippines into an 'export powerhouse' by 2028," he added.

This strategy, Panga said, "makes perfect sense since the Philippines is fundamentally an agricultural country."

For one, he underscored that the Philippines is the largest exporter of abaca as it supplies an estimated 85 percent of the global abaca fiber production.

As for fruit exports, Panga said the Philippines is "second largest pineapple exporter, next to Costa Rica; second largest coconut exporter next to Indonesia, and second largest banana exporter, next to Ecuador."

In addition, he said the Philippines is the fourth largest exporter of seaweeds and carrageenan.

In the agro-industry space, Panga noted that Peza hosts some of the world's biggest company exporters of the abovementioned products such as Dole, Del Monte, Cargill, Franklin Baker, Sumifru, and Philco Food Processing (Thai World Group).

[Cont. page 7]

PHL has what it takes to become global export powerhouse — Peza*[Cont. from page 5]***Other export industries**

APART from agriculture products, Panga stressed that the Philippines is among the top suppliers of electronics, electric hair dryers, lawn-tennis balls, and Hydraulic Servo Valves (HSVs). *[Cont. page 7]*

In the global electronics industry, he said the Philippines is considered the ninth-largest exporter of chips, “largely due to the presence of long-standing ecozone” EMS-SMS companies such as Texas Instruments, Analog Devices, Amkor Technology, STMicroelectronics, and ON Semiconductor.

Citing Volza’s world HSV Suppliers directory, Panga said the largest exporter and supplier of HSV in 2024 which is listed as MOOG SINGAPORE PTE. LTD. has presence in the Philippines (MOOG Philippines) which he said has been operating for three decades now at the Baguio City Economic Zone.

Panga said this company “manufactures HSVs for global supply to major commercial aircraft manufacturers such as Boeing, Airbus, and Bombardier.”

He explained that HSVs play a crucial role in applications requiring precise control, such as flight systems that enable aircraft to take off, navigate, and land.

Meanwhile, Panga revealed that the Philippines is the third top exporter of lawn-tennis balls, after China and Thailand.

“Head, which operates its largest production facility at ANFLO Industrial Estate in Panabo, Davao del Norte, and Dunlop, a long-time locator at the Bataan Economic Zone [now AFAB], are among our top global exporters of this product,” said Panga.

He also noted that the Philippines is the second top exporter of electric hair dryers, next to China—with the country’s locator Dyson being regarded as the “global industry leader” given its advanced technology, including features like intelligent heat control and various attachments.

Citing US Geological Survey figures, Panga said “The Philippines is a major global nickel producer, ranking second worldwide after Indonesia. In 2024, the country produced 330,000 tonnes of nickel content, representing 8.92 percent of global production.”

“Our valued locators, Taganito HPAL Nickel Corporation and Coral Bay Nickel Corporation, have been among the world’s largest producers of nickel and cobalt mixed sulfide since 2005,” added Panga.

The head of the investment promotion agency tasked to promote and establish economic zones underscored that “If we can accelerate the scaling up of existing investor operations in the Philippines and attract other leading export producers to establish facilities in the country’s ecozones, we could become the next global export powerhouse in the region.”

“In fact, the Philippines can already be considered an export powerhouse in several high-performing sectors. However, in terms of global standing, it ranks only within the top 40–45 exporters among 195 countries,” added Panga.

Data from the Philippine Statistics Authority (PSA) showed that the Philippines’ merchandise exports amounted to \$26.87 billion in the January to April 2025 period, up 9.5 percent from the \$24.54 billion in the four-month period in 2024.

By major type of goods, Agro-based products posted the fastest growth rate as it accelerated by 27.6 percent to \$2.34 billion from the \$1.83 billion recorded in the four-month period last year.

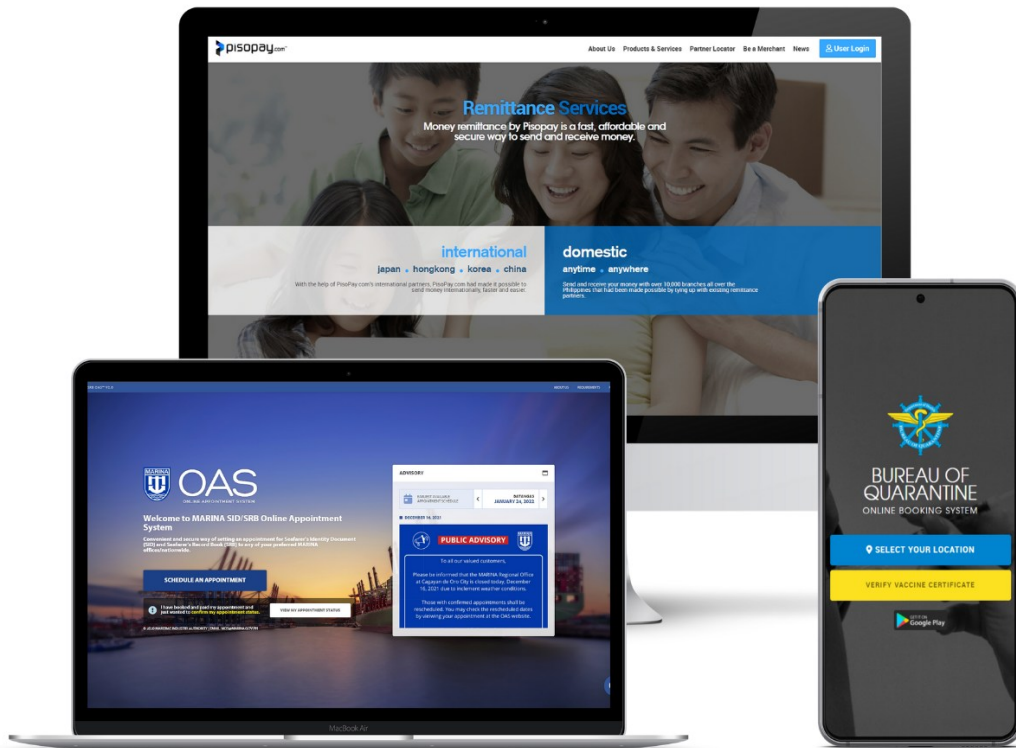
Products under this type of good include coconut products, sugar and products, pineapple juice, bananas, Abaca Fibers, and seaweeds.

Source: <https://businessmirror.com.ph/2025/06/23/phl-has-what-it-takes-to-become-global-export-powerhouse-peza/>

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