필리핀 한국 상공회의소 뉴스
# KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER
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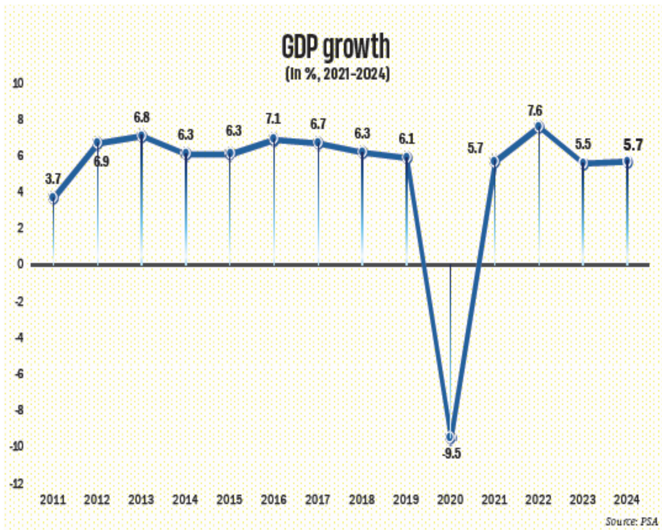
## SPECIAL POINTS OF INTEREST



## PH economy seen still gaining pace in Q2

June 25, 2025 | Ian Nicolas P. Cigaral | Philippine Daily Inquirer




The Philippine economy is seen poised for a modest second-quarter rebound, with private analysts focusing more on easing inflation, improved domestic demand and reduced global trade concerns than on the late-quarter eruption of the Middle East conflict.

S&P Global Ratings on Tuesday revised upward its full-year 2025 GDP growth forecast for the Philippines to 5.9 percent from 5.7 percent in May.

Separately, the University of Asia and the Pacific (UA&P), in its latest Market Call report, projected 5.6 percent second-quarter growth, faster than the 5.4 percent expansion recorded in the first three months of the year.

Vincent Conti, senior lead economist at S&P Global Ratings, attributed the upward revision to the sharp reduction of bilateral tariffs between the US and China, following Washington's recent pause on country-specific reciprocal tariffs.

"This somewhat reduced the uncertainty around global trade and growth," Conti said, noting that the Philippines, while still facing external headwinds, benefits from relatively resilient domestic demand.

**S&P expects resilient demand**

The same S&P report — Economic Outlook Asia-Pacific: Resilience May Vary — stressed that export-heavy economies in the region remain vulnerable to renewed US-China friction. However, it identified the Philippines, alongside India, as being better shielded due to lower dependence on goods exports.

"We expect domestic demand to remain relatively resilient. The extent to which this limits a broader slowdown depends on each economy's exposure to exports," Louis Kuijs, Asia-Pacific chief economist at S&P Global, said.

**Similar view from UA&P**

The UA&P report reinforced that view, noting a "slightly more positive" domestic outlook, anchored on below-target inflation, faster infrastructure spending, and stronger job creation.

"Q2 growth is expected to vamp up to 5.6 percent year-on-year," the report said. "The external sector shows signs of modest improvement and should not pull down domestic demand expansion."

Headline inflation eased to 1.3 percent in May, a fresh six-year low, bringing the year-to-date average to 1.9 percent — well below the Bangko Sentral ng Pilipinas' (BSP) 2–4 percent target range.

*[Cont. page 2]*

## PH economy seen still gaining pace in Q2

*[Cont. from page 1]*

S&P now sees full-year inflation averaging 2.3 percent, saying the easing of inflationary pressures and external growth risks open the door for further monetary policy easing. Conti added that "the BSP has space to cut rates," particularly as global uncertainty persists.

The BSP recently reduced its benchmark rate by 25 basis points to 5.25 percent, citing a downgrade in its 2025 inflation forecast from 2.4 percent to 1.6 percent. S&P expects the BSP's policy rate to fall to 5 percent by end-2025.

**The fiscal side**

On the fiscal side, UA&P highlighted the acceleration in infrastructure disbursements, with the Department of Budget and Management reporting P261.8 billion spent in Q1 2025 — a 20.8 percent increase year-on-year.

Overall public expenditures as of end-April grew 13.57 percent to P1.932 trillion, aided by election-related spending in the run-up to the May 12 midterm elections.

Despite encouraging second-quarter indicators, both S&P and UA&P acknowledged lingering downside risks, including volatile energy markets and currency depreciation pressures linked to global geopolitical instability.

"We expect the peso to depreciate in Q3 as the Israel-Iran conflict rages on and the BSP rate cut widens the gap with the US Fed," UA&P said.

However, geopolitical risks may ease in the near term following the announced ceasefire between Israel and Iran. Both S&P and local analysts have noted that sustained calm in the region could temper volatility in energy markets and reduce downward pressure on the peso.

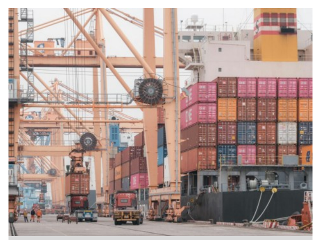
While challenges remain, analysts agree the Philippine economy is showing signs of regaining its footing — driven by domestic resilience, fiscal momentum, and a favorable inflation environment.

*Source: https://malaya.com.ph/business/business-news/ph-economy-seen-still-gaining-pace-in-q2/*

## Trump tariff deadline spurs Asia export surge, wider trade gaps

June 24, 2025 | Bloomberg | BusinessWorld

The US trade deficit with Asia is widening as importers stock up ahead of President Donald Trump's "reciprocal" tariffs deadline.



Operations at a container terminal at Haiphong Port in Vietnam. -- Photographer: Linh Pham/Bloomberg

Vietnam, Taiwan and Thailand all reported record exports to the US in May, according to data released in the past few weeks. South Korean shipments were near a record last month and look to have grown again in early June, data released on Monday showed.

Those highs flip the normal historical pattern, where trade is stronger in the latter part of the year as Asian suppliers ship to the US ahead of Christmas holidays. The threat of new US tariffs starting in early July is forcing companies to get goods onto vessels and to the US as quickly as possible.

Shipments from Vietnam and Thailand to the US both jumped 35% in May from a year earlier, while Taiwanese exports soared almost 90%. Those historic gains are likely to start showing up in the US data this week, when May data is released, and could complicate negotiations between Trump and economies across the region on the level of tariff the US will set.

The US trade deficit has blown out this year as firms try to deal with the sudden changes to Washington's tariff and trade policy. While a sharp rise in pharmaceutical imports from Europe has contributed to the shortfall, Asian nations are the largest single contributor to the gap.

The forecast is for the US trade deficit to have been $91 billion in May, enough to take it to almost $643 billion so far in 2025 — well beyond the previous record for this stage of the year set during the pandemic.

If Trump imposes historically high duties on countries across Asia in early July as he is threatening to do, that surge in exports could quickly reverse, undermining economic growth across the region. *[Cont. page 3]*

## Trump tariff deadline spurs Asia export surge, wider trade gaps

*[Cont. from page 2]*

Last month, the Asia-Pacific Economic Cooperation organization slashed its forecast for GDP growth this year due to the trade tensions, with the economies of the 21 members seen expanding 2.6%, lower than the 3.3% forecast in March.

The policy volatility is already impacting trade with China, which saw shipments to the US drop in May, despite a tariff truce agreed in Geneva mid-month. Yet that might not be the whole picture: Even with the tariff reductions agreed in that deal, US import taxes are still at high levels, pushing some exporters to channel products via third economies in a process known as origin washing.

Chinese firms are also trying to shift their exports to other markets legitimately and sell more at home. Any sustained drop-off in exports risks undermining economic growth in China, which has been increasingly dependent on foreign demand to counteract the drag from a property slump and weak domestic consumption.

Other nations in Asia might start seeing a similar hit to their growth appearing soon if they can't reach a deal with the US and escape hefty hikes in tariffs.

*Source: https://www.bworldonline.com/bloomberg/2025/06/24/681031/trump-tariff-deadline-spurs-asia-export-surge-wider-trade-gaps/*

## Peace and order, infrastructure needed to make Philippines a top ASEAN tourist destination

June 25, 2025 | Louella Desiderio | The Philippine Star

Victor Lim

STAR / File

MANILA, Philippines — Improving the peace and order situation and infrastructure would be necessary to position the Philippines as a leading tourist destination in Southeast Asia, according to business group Federation of Filipino-Chinese Chambers of Commerce and Industry Inc.

FFCCCII president Victor Lim said in a statement yesterday that the group supports the call of Department of the Interior and Local Government (DILG) Secretary Jonvic Remulla to address systemic issues that hinder the country from realizing its potential of becoming a premier tourist destination.

While the country has advantages over its neighbors in terms of its world-known hospitality, breathtaking islands, fluency in the English language and vibrant arts and entertainment scene, it has lagged behind in tourist arrivals.

The Philippines welcomed 5.95 million foreign tourists last year, lower than Thailand's 36 million and Malaysia's 25 million.

"This is not a failure of appeal but of assurance - travelers do not doubt our beauty; they doubt their safety. The perception of instability, fueled by crime, political turbulence and a perceived culture of impunity has cast a shadow over our global image," Lim said.

To compete with our neighbors, he said the country must take decisive action.

He said peace and order should be a national priority.

"The FFCCCII fully supports Secretary Remulla's call for an uncompromising nationwide security drive, particularly in tourist hotspots," he said, noting the business community is ready to back the DILG's initiatives.

For the FFCCCII, improving infrastructure and connectivity is also crucial in attracting more tourists.

"Seamless travel requires modern airports, efficient transport links and digital-ready tourism services," Lim said.

According to Lim, there is also an urgent need to streamline visa processes for East Asian tourists and investors particularly from China, Hong Kong, South Korea and Japan as they represent immense untapped potential.

Beyond addressing security concerns, he said it is also necessary to change the Philippine narrative in global media.

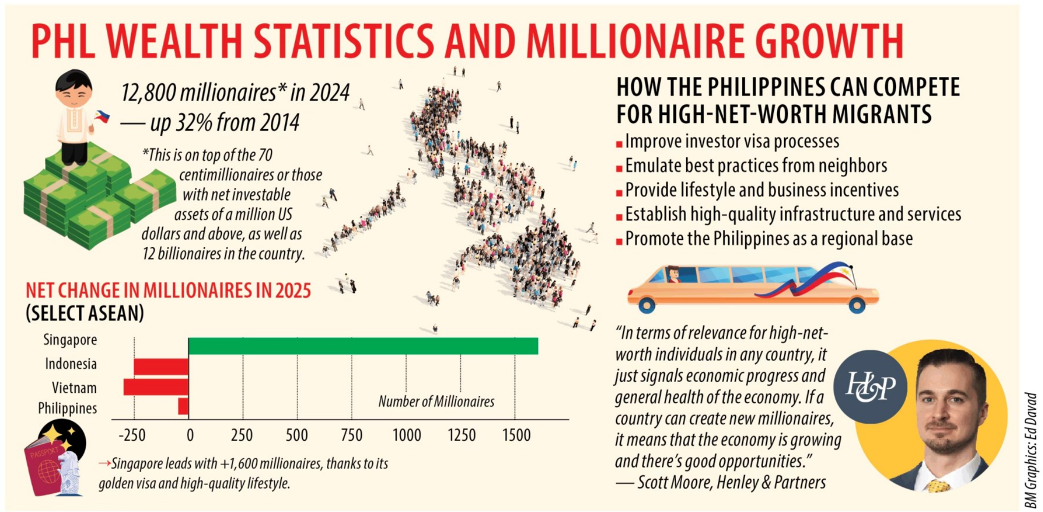
"The time for excuses is over; the time for action is now. Together, let us ensure that the world doesn't just hear of our beauty - but experiences it without fear and returns to celebrate it again and again," Lim said.

*Source: https://www.philstar.com/business/2025/06/25/2453016/peace-and-order-infrastructure-needed-make-philippines-top-asean-tourist-destination*

**'PHL still among top drawers of millionaires'**
June 25, 2025 | Cai U. Ordinario | BusinessMIrror

THE country's above-average GDP growth is the main draw for high-net worth individuals to come to the Philippines, according to the Henley & Partners Wealth Migration Report 2025.

Its latest report showed a 32-percent growth in the number of millionaires in the Philippines between 2014 and 2024. The data showed there are 12,800 millionaires in the country.




This is on top of the 70 centimillionaires or those with net investable assets of a million US dollars and above, as well as 12 billionaires in the country.

"In terms of relevance for high-net worth individuals in any country, it just signals economic progress and general health of the economy. If a country can create new millionaires, it means that the economy is growing and there's good opportunities," Henley & Partners Managing Director for Southeast Asia Scott Moore said in a briefing on Tuesday.

Moore noted that while the Philippines is not part of the list of top countries that are attracting the world's richest, it remains—as a developing country—an attractive destination for millionaires.

"It presents huge opportunities for people to come and start businesses and capture success that would be impossible in developed countries," Moore said.

Meanwhile, he said that even if the country is set to lose 50 millionaires this year, this is an insignificant number, especially when compared to its neighbors. He noted that Vietnam is losing 300 millionaires this year while Indonesia is losing 250 high-net worth individuals.

He explained that when families relocate to other countries, they are looking for options for their families, specifically for their children, as well as for their businesses.

They may also want to expand their businesses overseas or have better work opportunities for themselves or their children in other countries, Moore said.

"The loss of 50 is very insignificant when we're comparing it to other countries in the region. I would say it's much more worrying that Vietnam is losing 300 millionaires. Indonesia is losing 250. These are at the top of the list. The Philippines, compared to its regional neighbors, is losing much less," Moore said.

In order to sustain the interest of the world's richest individuals and their families, Moore said the Philippines should consider some of the best practices of its neighbors like Singapore and Thailand.

Singapore is poised to attract 1,600 millionaires this year worth $8.9 billion. In the past 10 years, thanks to its "golden visa" and other millionaire perks, there was a 62-percent growth in the number of these individuals over the past 10 years.

Thailand, meanwhile, is expected to attract as many as 450 millionaires this year, thanks to perks such as no taxation for offshore income, quality infrastructure as well as other incentives for wealthy foreigners who are looking for good lifestyles.

"Singapore always punches above its weight in terms of attracting global wealth. Thailand, they have a good tax incentive for wealthy foreigners wanting to relocate. Also, they offer quite a good lifestyle. They have good infrastructure, good quality of life. So it's very good economics that's attractive to the foreigners coming," Moore said. *[Cont. page 5]*

## 'PHL still among top drawers of millionaires'

*[Cont. from page 4]*

Outside the region, the United Arab Emirates (UAE) is the standard and is poised to attract 9,800 millionaires this year and 96 percent of them are moving to Dubai.

Moore said Dubai offers "amazing infrastructure and lifestyle for wealthy individuals" and is actually built to cater to these millionaires. The country also offers zero income tax and low corporate taxes.

"The Philippines does have an investor visa. Of course, there's always ways to improve these visas, and this is what Henley and Partners does. We advise governments on creating ways to attract wealthy individuals that are looking for a very straightforward way to base themselves in the Philippines," Moore said.

"The more straightforward it [visa application] is, the better. So if it can be done quicker, and perhaps if it can be done remotely, it would be a lot more attractive to the local wealthy individuals," he added.

Globally, this year's migration trends reflect deepening divides. The UK is expected to lose 16,500 millionaires this year and overtake China for the first time, with China now projected to lose 7,800 millionaires.

India is forecast to experience a net loss of 3,500, and Russia 1,500; while several major European economies such as France will lose 800 millionaires; Spain, 500; Germany, 400; Ireland, 100; Norway, 150; and Sweden, 50.

The destinations benefiting from this global realignment of wealth include the UAE which tops the inbound list, followed by the US—where 7,500 millionaires are expected to relocate to.

This list includes Switzerland which is expected to gain 3,000 millionaires this year; Italy, 3,600; Portugal, 1,400; Greece, 1,200; and Saudi Arabia, 2,400 due to favorable tax regimes and lifestyle benefits.

The data is based on investment migration program statistics including citizenship and golden visa options; data on who inquires about and applies for investment migration; and tracking over 150,000 high-net worth individuals in New World Wealth's database.

The data is also based on monitoring new family offices typically set up by those with over $100 million; property registers in key  markets to identify prime real estate buyers; company registers focusing on filings that show changes in residence; and statistics from top international removal firms showing where the wealthy are moving.

Image credits: BM Graphics: Ed Davad

*Source: https://businessmirror.com.ph/2025/06/25/phl-still-among-top-drawers-of-millionaires/*

## DEPDev: 7 priority bills passed as 19th Congress adjourns

June 25,  2025 |  Ted Cordero,  GMA Integrated News  | GMA News Online

DEPDev Sec. Arsenio Balisacan NEDA Sec. Arsenio Balisacan/ File photo/Ted Cordero, GMA Integrated News

At least seven priority legislations of the Marcos administration have been passed by the 19th Congress before it adjourned early this month, the Department of Economy, Planning, and Development (DEPDev) said Wednesday.

In a statement, the DEPDev said the bills passed before the 19th Congress adjourned sine die on June 11, 2025 would bring the priority legislations approved under the Common Legislative Agenda (CLA) identified by the Legislative-Executive Development Advisory Council (LEDAC) to 40 bills.

The Economic Planning Department said the 40 bills set to be enacted into law "marks the highest number of priority measures passed since the 10th Congress during the Ramos Administration."

In particular, the Senate and House of Representatives ratified the reconciled versions the following seven priority bills:

Government Optimization Act
Liberalizing the Lease of Private Lands by Foreign Investor
E-Governance Act
Konektadong Pinoy Act    *[Cont. page 6]*

## DEPDev: 7 priority bills passed as 19th Congress adjourns

*[Cont. from page 5]*

Virology Institute of the Philippines
Accelerated and Reformed Right-of-Way (ARROW) Act
Enhanced Fiscal Regime for Large-Scale Metallic Mining Act

Once signed by President Ferdinand Marcos Jr., the seven bills will be added to the 33 measures already enacted under the CLA, "raising the total to 40," according to the DEPDev.

"This achievement would not have been possible without the heightened synergy between the Senate and the House of Representatives. We extend our sincere gratitude to Senate Presidents Francis Escudero and Juan Miguel Zubiri, and House Speaker Ferdinand Martin Romualdez, for their unwavering commitment to advancing our country's legislative agenda for a brighter future for all Filipinos," said Economy, Planning, and Development Secretary Arsenio Balisacan.

The 33 enacted measures include landmark economic and tax reforms such as the Public-Private Partnership (PPP) Code of the Philippines, the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act, the Real Property Valuation and Assessment Reform Act, the Capital Markets Efficiency Promotion Act, the Trabaho Para sa Bayan Act, and the Tatak Pinoy Act.

Moreover, critical measures on social development, particularly in education, such as the Academic Recovery and Accessible Learning Program Act and the Enterprise-Based Education and Training Framework Act, as well as measures to boost agricultural productivity such as the New Agrarian Emancipation Act, the Anti-Agricultural Economic Sabotage Act, and the Amendments to the Agricultural Tariffication Act were also signed into law.

"As we look ahead to the 20th Congress, we are hopeful for continued momentum in advancing our legislative agenda. In particular, DEPDev fully supports the passage of the Department of Water Resources Bill and the proposed National Land Use Act, as part of our thrust to complete the groundwork for more efficient governance and sustainable development in the years ahead," said Balisacan, the head of the LEDAC Secretariat.

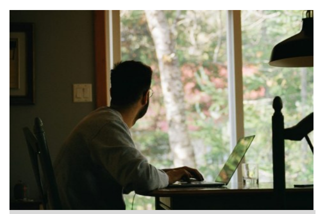
Since 1992, the DEPDev, formerly the National Economic and Development Authority or NEDA, has served as the principal secretariat to the LEDAC, the President's consultative and advisory body on programs and policies essential to the realization of the goals of the national economy. **— RSJ, GMA Integrated News**

*Source: https://www.gmanetwork.com/news/money/economy/950473/depdev-7-priority-bills-passed-as-19th-congress-adjourns/story/*

## 35 groups call for signing of Konektadong Pinoy bill

June 25, 2025 | Justine Irish D. Tabile | BusinessWorld

THIRTY-FIVE organizations on Wednesday called on President Ferdinand R. Marcos, Jr. to approve the Open Access in Data Transmission measure, also known as Konektadong Pinoy bill in the face of aggressive lobbying for a Presidential veto, noting that the issues raised against the bill are "unfounded."



STOCK PHOTO | Image by Yasmina H from Unsplash

"In light of the call by certain groups to veto the bill, we would like to reiterate our request to the President to approve Konektadong Pinoy and why the Philippines needs this law," the organizations said in a joint statement.

"We, the undersigned organizations, express our full support and call for the immediate enactment of the Konektadong Pinoy bill. We believe this landmark legislation will democratize internet access, which could potentially be this administration's greatest legacy," they added.

The groups dismissed claims that Konektadong Pinoy will endanger national security, as the bill asks network providers to comply with cybersecurity measures based on internationally organized standards.

"It mandates a cybersecurity performance audit and makes this a requirement for continuing operation and license renewal. Konektadong Pinoy also disallows foreign government-controlled and state-owned enterprises from operating data transmission networks," they said.

*[Cont. page 7]*

## 35 groups call for signing of Konektadong Pinoy bill

*[Cont. from page 6]*

"Finally, the bill requires that national security be taken into consideration in interconnection and access to infrastructure," they added.

The 35 organizations said that the bill, which was ratified by the Congress on June 9, will "free Filipinos from the shackles of poor internet."

"The Philippines has been lagging behind on internet connectivity not only in Asia but in the whole world. Latest data shows that 19,000 barangays (or 45.5% of all barangays nationwide) still lack internet access," the statement read.

Citing the World Bank, the groups said that inequality in internet access makes Filipinos unequipped for digital jobs.

"The growing digital divide makes e-commerce, e-government, online learning, and artificial intelligence virtually inaccessible to millions of Filipinos and disadvantaged sectors," the groups added.

The groups also see the landmark bill to reduce internet cost as it will enable smaller providers to build infrastructure and offer internet services in their communities.

In 2022, the Philippines was cited as the "most internet poor" in Southeast Asia, as over 50 million potential users could not afford basic internet packages; the Philippines has since surpassed Laos and Timor-Leste.

The bill is also seen as a "decisive step toward dismantling barriers in the data transmission industry."

"Outdated and restrictive laws have made it cumbersome and costly for small players, such as cable operators and community internet service providers, as well as new and emerging players, to build and expand broadband networks," the organizations said.

"Konektadong Pinoy will change the status quo by promoting competition and stimulating the market and encouraging investment even in the rural barangays," they added.

The groups said that the bill should be approved as it has been "thoroughly vetted by Congress and the Executive."

"The bill has undergone rigorous scrutiny, almost 10 years of deliberations, and various improvements through three Congresses," they said.

"The strong backing from key stakeholders, including established and reputable organizations from major sectors, is proof that the bill is truly responsive to the urgent digital needs of the country," they added.

The signatories to the joint statement include industry groups such as the Analytics & AI Association of the Philippines, Alliance of Tech Innovators for the Nation, Employers Confederation of the Philippines, Fintech Alliance.PH, Internet and Technology Association of the Philippines, Inc., Maharlika Internet Exchange, National Confederation of the Philippines, and Philippine Exporters Confederation, Inc.

Foreign chambers such as American Chamber of Commerce of the Philippines, Inc., Canadian Chamber of Commerce of the Philippines, Inc., European Chamber of Commerce of the Philippines, Japanese Chamber of Commerce and Industry of the Philippines, Inc., and Korean Chamber of Commerce of the Philippines, Inc. also signed the statement.

The Chief Information Officers Forum, Inc., CIO Forum Foundation, Inc., National ICT Confederation of the Philippines, Philippine Councilors League, and Provincial Health Officers Association of the Philippines, Inc. are also signatories to the statement.

Tech organizations such as Asia Open RAN Academy, Cebu Python Users Group, League of Goal Oriented Information and Communications Technology Officers, Inc., MozillaPH, Philippine Institute of Cyber Security Professionals, Unconnected.org, the University of the Philippines Computer Science Guild, User Experience Philippines, and Wiki Society of the Philippines also added their signatures.

Rounding out the 35 signatories are the Association for Progressive Communications, Better Internet PH, Democracy.net.PH, Foundation for Media Alternatives, Institute for Social Entrepreneurship in Asia, Internet Society, Internet Society – Philippines Chapter, and the Samahan ng Nagkakaisang Pamilya ng Pantawid. *[Cont. page 8]*

*Source: https://www.bworldonline.com/economy/2025/06/25/681490/35-groups-call-for-signing-of-konektadong-pinoy-bill/*

*This KCCP E-Newsletter is supported by:*