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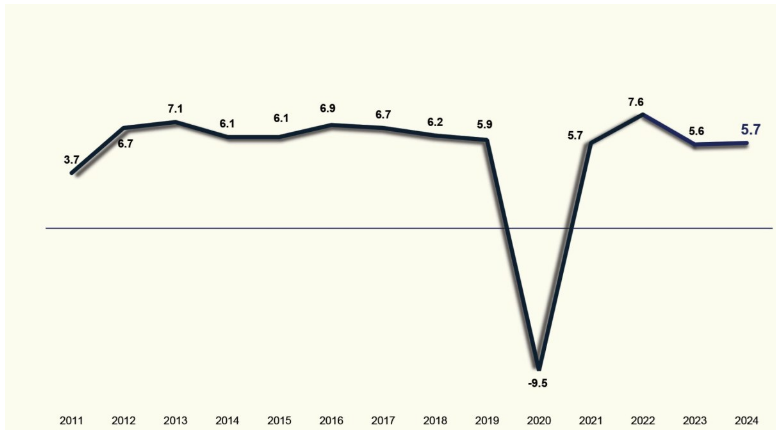
SPECIAL POINTS OF INTEREST

UPCOMING EVENT

MARKET ANALYSTS FORECAST: PH growth to gain momentum in H2 on robust consumption, investment

August 06 , 2025 | Ruelle Castro | Malaya Business Insight



The Philippine economy is expected to gain mometum in the second half of 2025 on the back of resilient household consumption and a potential rebound in private investment, market analysts said over the weekend.

They made the assessment after the government reported last week that gross domestic product grew 5.5 percent year-on-year in the second quarter.

The April-to-June pace brought the first-half gross domestic product (GDP) growth to 5.4 percent.

This is also lower than the Philippines' full-year 2025 growth target of 5.5 to 6.5 percent.

Luis Limlingan, managing director at Regina Capital Development Corp., said the second-quarter data reflected solid domestic consumption and a pickup in exports.

"Moving forward, with tariffs in effect, many will be watching whether this can hold — and whether private investment will continue despite geopolitical tensions," he said.

Risk remains

Ronald Joseph Lantin, fund manager at Insular Life, said household spending remained strong on easing inflation, though risks remain. "Severe typhoons and global supply chain issues could cause a relapse," he warned.

Jonathan Ravelas, managing director at eManagement for Business and Marketing Services, noted that cooling inflation and steady remittances are supporting household spending.

"That's a good sign for consumer-driven sectors," he said, but cautioned that private investment remains "dragged by global uncertainties like US tariffs and supply chain risks" — a "red flag for long-term growth."

He urged stakeholders to "double down on consumer confidence, unlock private investments, and leverage agriculture momentum," adding that the absence of an election-related public works ban in the second half should allow infrastructure spending to rebound. *[Cont. page 2]*

MARKET ANALYSTS FORECAST: PH growth to gain momentum in H2 on robust consumption, investment

[Cont. from page 1]

Push, not pause

"The second half is crucial — it's time to push, not pause," he said.

Last week, National Statistician Claire Dennis Mapa said the gross national income rose 8.2 percent, boosted by a 32.8 percent jump in net primary income from abroad. On a seasonally adjusted basis, GDP grew 1.9 percent, while GNI expanded 2.3 percent.

By sector, agriculture surged 7 percent year-on-year, services grew 6.9 percent, and industry rose 2.1 percent.

Seasonally adjusted, services led with 2 percent growth, followed by agriculture at 1.7 percent and industry at 0.5 percent. The economy's total value stood at P6.96 trillion at end-June.

In a note after the GDP report was released last Thursday, Security Bank said it expects the Bangko Sentral ng Pilipinas to cut policy rates by a total of 50 basis points this year — 25 in August and another 25 in December — bringing the terminal rate to 4.75 percent.

"The latest GDP print suggests the need for more monetary accommodation to attain the government's full-year target," the bank said, reiterating its 5.6 percent full-year growth forecast on the back of "benign inflation, lower interest rates, and improved household consumption and capital formation."

On Friday, a day after the Philippine Statistics Authority released the second-quarter GDP data, the stock market's benchmark PSEi rose 0.53 percent to close at 6,339.38, while the broader All Shares gained 0.42 percent to 3,767.41.

https://malaya.com.ph/business/business-news/market-analysts-forecast-ph-growth-to-gain-momentum-in-h2-on-robust-consumption-investment/

PHL export data to start reflecting tariff impact after 1st half boosted by frontloaded shipments

August 10 , 2025 | Justine Irish D. Tabile | BusinessWorld

PHILIPPINE STAR/EDD GUMBAN

THE GROWTH in Philippine exports seen in the first half could start slowing down beginning in early August after the 19% US reciprocal tariff took effect, an analyst said.

Rizal Commercial Banking Corp. (RCBC) Chief Economist Michael L. Ricafort said there was some frontloading of exports in recent months to avoid the US tariffs.

"But once the US tariffs become effective on Aug. 7, this could slow exports to the US by many countries," he said via Viber.

Preliminary data from the Philippine Statistics Authority indicate that exports grew 13.2% in the first half to $41.24 billion.

Of the total, 16%, or $6.598 billion, was accounted for by the US. US shipments rose 13.2% from a year earlier.

In a recent trade forecast, the World Trade Organization (WTO) said that a surge of imports in the US ahead of widely anticipated tariff hikes contributed to the upward revision to the projections for 2025.

Starting Aug. 8, the WTO projects world merchandise trade to grow 0.9% in 2025, up from the -0.2% projected in April.

"Global trade has shown resilience in the face of persistent shocks, including recent tariff hikes. Frontloaded imports and improved macroeconomic conditions have provided a modest lift to the 2025 outlook," WTO Director-General Ngozi Okonjo-Iweala said.

"However, the full impact of recent tariff measures is still unfolding. The shadow of tariff uncertainty continues to weigh heavily on business confidence, investment, and supply chains. Uncertainty remains one of the most disruptive forces in the global trading environment," she added.

For next year, the WTO projects a 1.8% increase in world trade.

Despite the temporary boost of frontloading and more favorable global macroeconomic outlook on trade, the WTO still expects recent tariff changes to have an overall negative impact. *[Cont. page 2]*

PHL export data to start reflecting tariff impact after 1st half boosted by frontloaded shipments

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Despite the temporary boost of frontloading and more favorable global macroeconomic outlook on trade, the WTO still expects recent tariff changes to have an overall negative impact.

“This stems from a combination of factors. On the one hand, the US-China truce and exemptions for motor vehicles are contributing positively,” the WTO said.

“On the other hand, higher ‘reciprocal’ tariff rates introduced on Aug. 7 are expected to weigh increasingly on imports in the United States and depress exports of its trading partners in the second half of 2025 and in 2026,” it added.

Mr. Ricafort said Philippine exports are around three to five times smaller compared to those of other Association of Southeast Asian Nations (ASEAN) countries, insulating it from the tariff impact.

“The Philippine economy is not that export dependent and lately domestically driven, wherein about 70% of the economy was accounted for by consumer spending,” he said.

“The markets are still in a wait-and-see mode if Trump would be willing to compromise and settle for lower negotiated tariffs during the trade negotiations, given the TACO track record in recent months,” he added, referring to the “Trump Always Chickens Out” investment thesis being peddled by market traders.

The TACO thesis holds that Mr. Trump usually issues threats at the start of negotiations, then backs off later.

Despite this, Mr. Ricafort said the Philippines needs to diversify its export markets to other affluent markets.

“It is also better to diversify export winners beyond electronics, like agricultural export winners such as coconut oil, bananas, pineapples, mangoes, other tropical fruits, tuna, other seafood, or marine products,” he added.

Economic affairs officers Rajan Sudesh Ratna and Jing Huang of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) are projecting that the US tariffs will reduce ASEAN exports to the US.

According to their report, “the higher tariffs will reduce China’s competitiveness and prompt global buyers to seek alternative suppliers, both reducing demand and redirecting trade flows.”

However, it said ASEAN countries will benefit from this shift, “gaining market share as trade is diverted away from China.”

“All ASEAN member countries gain purely through trade diversion rather than trade creation, indicating that while overall demand remains unchanged, supply sources are shifting,” it said.

“ASEAN’s ability to absorb trade diverted from China demonstrates the importance of flexible supply chains and open trade policies,” it added.

However, they said ASEAN must explore alternate markets beyond China, as their exports “may face challenges due to increased costs associated with tariffs, especially if their exports are levied duties for China.”

To address these challenges, they recommended that bloc members increase intra-ASEAN trade.

[Cont. page 4]

PHL export data to start reflecting tariff impact after 1st half boosted by frontloaded shipments

[Cont. from page 3]

"Strengthening intra-regional trade through harmonization of regulations and reduction of tariffs among member states will create a more robust internal market within ASEAN itself and prevent them from absorbing the external shock emanating from the additional US tariffs," they said.

They said ASEAN should adopt a collective approach to enhancing bargaining power in negotiations with external partners to reduce reliance on the US market.

They added that "ASEAN can capitalize on the shifting trade dynamics by promoting bilateral and regional economic partnerships with China."

Another recommendation is for ASEAN to look into market diversification, focusing on countries with which it has free trade agreements (FTAs), and to actively pursue new FTAs.

They also recommended a focus on services trade and the adoption of digital policies.

"With the US reciprocal tariffs imposed across the board on almost all countries with higher duties on China, some of the supply chain linkages of ASEAN members are likely to be disrupted," they said.

"ASEAN must formulate an alternate export strategy. In this regard, looking at other important markets, focusing on services trade by including it in its FTAs, entering into FTAs with other major trading partners, and discussing how to enhance intra-ASEAN trade are some of the options," they added.

https://www.bworldonline.com/economy/2025/08/10/690576/phl-export-data-to-start-reflecting-tariff-impact-after-1st-half-boosted-by-frontloaded-shipments/

SEC orders 'declassification' of common shares

August 08 , 2025 | Ted Cordero | GMA Integrated News

The Securities and Exchange Commission (SEC) on Friday announced it has directed all listed companies to discontinue the classification of common shares, which was previously imposed to monitor foreign ownership limits in a bid to ensure efficiency in executing and settling equity trades.

In a statement, the SEC said it issued SEC Memorandum Circular (MC) No. 10, Series of 2025, providing for the "Repeal of the Rules Allowing the Trading of 'B' Shares on the Regular Board and Requiring Buyers to Accept either 'B' or 'A' Certificates."

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The corporate regulator said the latest guidelines repeal an old rule issued by the SEC back in 1973 "to monitor strict compliance with the 40% foreign ownership limit of stocks."

Under the said 1973 rules, Class A shares can only be issued to Filipino citizens, while Class B shares may be issued to Filipinos and foreigners alike.

However, it said the classification resulted in unfair disparity in price between Class A and B shares.

"Such classification has also been the source of administrative inefficiencies for trading participants and the Securities Clearing Corporation of the Philippines," it said.

"Further, technological advancements in the Philippine Stock Exchange's trading system—which enables strict monitoring and enforcement of foreign ownership limits—have already rendered the classification obsolete," it added.

The SEC said it has directed the declassification of such shares of listed companies as early as 1997.

"However, shares that were already classified as Class A and B remained as such due to the prospective application of the order," it said.

With this, the corporate regulator said that to ensure efficiency in executing and settling equity trades, "the classification of common shares into Class A and Class B of all listed companies shall be discontinued."

[Cont. page 5]

SEC orders 'declassification' of common shares

[Cont. from page 4]

Under the memorandum circular, listed companies that have Class A and B shares are required to amend their respective articles of incorporation (AOI) to reflect the mandated declassification of shares within one year from the effectivity of the rules.

"During the period to amend AOI, buyers on the regular board shall accept the delivery of the specific class of shares that they have purchased and paid for, and shall not be compelled to receive an alternative class of shares," the SEC said.

"In the event that a trade resulted in a breach of allowable foreign ownership limits, the foreign buyer, through its broker, shall immediately dispose of the excessive shares, as soon as practicable, upon discovery of the breach at the prevailing market price," it added.

The proceeds shall be returned to the foreign investor, according to the SEC.

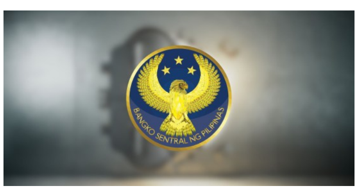
"If the breach is found during trading hours, the shares exceeding the foreign ownership limit should be disposed of immediately upon discovery, within the same trading day. Otherwise, the disposition should be done upon the opening of trading on the immediately succeeding trading day," the corporate regulator said.

"Violation of the MC shall be subject to appropriate penalty, after notice and hearing, under Section 54 of Republic Act No. 8799, or the Securities Regulation Code," it said. **–NB, GMA Integrated News**

Source: https://www.gmanetwork.com/news/money/economy/955296/sec-orders-declassification-of-common-shares/story/

Net FDI down 26.9% at $3B in Jan-May

August 12 , 2025 | Lee Chipongian | Malaya Business Insight



Foreign direct investment (FDI) inflows to the Philippines fell 26.9 percent to $3 billion in the first five months of 2025 from $4 billion a year earlier, the Bangko Sentral ng Pilipinas (BSP) reported on Monday.

Net FDI in May 2025 alone, however, rose 21.3 percent to $586 million from $483 million in May 2024, driven mainly by higher US investment in manufacturing.

Debt instruments were up 88.3 percent year-on-year in May at $427 million, but down 14.1 percent at $2.15 billion for January–May.

Reinvestment of earnings were nearly flat in May at $97 million, but up 6 percent at $445 million in the five months to May.

Equity capital, excluding reinvestment, fell 61.4 percent in May to $62 million. It dropped 67.6 percent to $364 million in the year-to-date.

In May, equity capital came mainly from the US at 36 percent, Japan 33 percent, Singapore 12 percent, and South Korea also 12 percent. In the year-to-date, Japan accounted for 39 percent, followed by the US at 21 percent, Singapore 14 percent, and South Korea 8 percent.

Nearly half or 49 percent of total FDI inflows went to manufacturing in May, followed by real estate, taking 14 percent, power supply 13 percent, and other sectors 24 percent.

For the first five months, the distribution was manufacturing at 48 percent, real estate at 20 percent, financial and insurance at 12 percent, and others at 21 percent.

The BSP noted that its FDI figures cover actual inflows, unlike Philippine Statistics Authority data, which reflect investment commitments.

The BSP expects net FDI to reach $7.5 billion this year and $8 billion in 2026, supported by growth prospects, easing inflation and reforms aimed at attracting foreign capital.

[Cont. page 6]

Net FDI down 26.9% at $3B in Jan-May

[Cont. from page 5]

May alone saw a brighter spot as net FDI flows rose 21.3 percent to $586 million from $483 million in May 2024, driven mainly by higher US investment in manufacturing.

In May, equity capital came mainly from the US (36 percent), Japan (33 percent percent), Singapore (12 percent), and South Korea (12 percent). In the year-to-date, Japan accounted for 39 percent, followed by the US (21 percent), Singapore (14 percent), and South Korea (8 percent).

Nearly half of total FDI in May went to manufacturing (49 percent), followed by real estate (14 percent), power supply (13 percent), and other sectors (24 percent).

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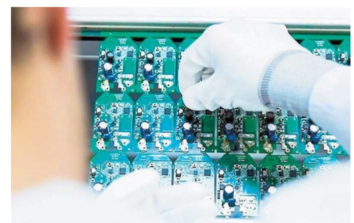
Source: https://malaya.com.ph/business/business-news/net-fdi-down-26-9-at-3b-in-jan-may/

Philippines wants chip exports exempted from US tariff

August 10 , 2025 | Louella Desiderio | The Philippine Star



A worker checks integrated chips in an assembly line at a semiconductor factory south of Manila.

STAR / File

MANILA, Philippines — The Philippines will be seeking an exemption from US President Donald Trump's plan to impose a 100-percent levy on its semiconductor imports, according to the Office of the Special Assistant to the President for Investment and Economic Affairs (OSAPIEA).

During the Economic Journalists Association of the Philippines Economic Forum 2025 yesterday, SAPIEA Frederick Go said the government would be seeking clarification from the US Trade Representative on the implementation of the tariff on semiconductors.

"We are lobbying that our semiconductor exports likewise be exempted, if there is such a thing," he said.

Last week, Trump said semiconductor and chip imports would be subject to a 100-percent tariff, but not for companies that are manufacturing in the US or have committed to do so.

It remains unclear when the levy will be taking effect.

Go said that if the US imposes a semiconductor tariff on all countries, this would be considered a best-case scenario as it would be as if there is no levy.

"If you believe that every company in the world will shut down all their operations all over the world and reopen it all in America; if you believe that the labor force of America will want to do assembly, testing, packaging, which is a very highly manual job; if you believe that all these companies will actually abandon all their operations in the Philippines within a certain period of time; if you believe the whole world order will change, then that is your worst-case scenario," he said.

He said what the government can do for the sector is to negotiate for an exemption from the semiconductor tariff.

"We are negotiating that the semiconductor exports out of the Philippines, which is the ATP – assembly, testing, packaging – be exempted from those," he said.

Sought for comment, Semiconductor and Electronics Industries in the Philippines Foundation Inc. president Dan Lachica said in a Viber message that the group welcomes the plan to seek an exemption.

"We appreciate the government's efforts to secure exemption for our semiconductor exports," he said.

Semiconductor exports are not subject to any tariffs because of Section 232 of the US Trade Expansion Act of 1962.

The 19 percent reciprocal tariff imposed by the US on Philippine goods does not apply to semiconductor exports.

Earlier, Lachica said a 100-percent tariff on semiconductor exports entering the US would impact the Philippine semiconductor and electronics industry. *[Cont. page 7]*

Philippines wants chip exports exempted from US tariff

[Cont. from page 6]

Electronic products, including semiconductors, are the country's top exports.

Philippine exports of electronic products reached $21.69 billion in the first semester, up by five percent from $20.63 billion in the same period last year.

Oikonomia Advisory & Research economist Reinielle Matt Erece said in an email that as semiconductor products and materials, which are important for the production of chips for electronics make up a large part of Philippine exports, the tariff increase would be detrimental to the country's exports and overall economic growth.

"It is important to pursue both trade negotiations with the US to get better terms for trade while also diversifying both the country's export destinations as well as products. It is hard to be successful in international trade if we can export very few goods and if Philippine-made products are not as demanded by other countries," he said.

Source: https://www.philstar.com/business/2025/08/12/2464788/philippines-wants-chip-exports-exempted-us-tariff

BSP, JICA launch web-based SME credit scoring platform

August 12 , 2025 | Keisha Ta-Asan | The Philippine Star

The Credit Risk Database Philippines (CRDPh) System upgrades the existing stand-alone scoring tool into an automated online platform. It forms part of the second phase of the BSP-JICA Credit Risk Database project started in 2020.

STAR / File

MANILA, Philippines — The Bangko Sentral ng Pilipinas (BSP) and the Japan International Cooperation Agency (JICA) have rolled out a new web-based credit scoring system designed to help banks and other lenders better evaluate the creditworthiness of small and medium enterprises (SMEs).

The Credit Risk Database Philippines (CRDPh) System upgrades the existing stand-alone scoring tool into an automated online platform. It forms part of the second phase of the BSP-JICA Credit Risk Database project started in 2020.

The initiative aims to address information gaps that often make it harder for SMEs to secure loans, while helping financial institutions improve risk-based lending, loan pricing, and reduce reliance on collateral.

In a memorandum to banks and other BSP-supervised entities, the central bank said the CRDPh System is an automated platform designed to streamline the secured submission and processing of data and retrieval of CRD outputs. The system was developed to shift the stand-alone CRD scoring tool into a web-based platform.

"By complementing existing models and tools, the CRDPh System expects to enhance the financial institutions' credit risk-based evaluation of SME borrowers, address information asymmetry, improve loan pricing, reduce dependence on collateral and ultimately support access to finance of SMEs," the BSP said.

The platform was developed from anonymized financial, non-financial and borrower performance data submitted by 33 pioneer financial institutions. Using statistical models, it can generate a probability of default and credit score for SME borrowers with similar attributes, such as industry, location and key financial ratios.

Unlike credit bureaus, the CRD does not provide borrower-level credit histories. Instead, it produces statistical outputs that lenders can integrate into their internal credit evaluation processes.

Participation in the CRDPh System is voluntary, but both pioneer and new participating institutions are expected to periodically submit SME data using prescribed templates, in compliance with anonymization and data protection standards. The system uses encryption and secure transmission channels to meet BSP's data governance rules.

The BSP said the platform will benefit both lenders with and without their own SME scoring models. Those without can use CRD outputs as a ready-made risk assessment tool based on a large national database, while those with existing models can use CRD data to validate their internal ratings.

For now, use of the CRDPh System is free-of-charge, although a fee structure may be introduced later to sustain operations. Planned enhancements include comparison of CRD outputs with a financial institution's internal scores, consultancy services for SME portfolio analysis and statistical reports to help banks track sector trends and adjust lending strategies.

Japan's CRD system, which started in 2001 with 52 members and now counts 165, has been credited with increasing SME lending volumes, boosting collateral-free loans, and enabling risk-based guarantee fees. The Philippines is the first country to adopt the model outside Japan.

Source: https://www.philstar.com/business/2025/08/12/2464780/bsp-jica-launch-web-based-sme-credit-scoring-platform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