필리핀 한국 상공회의소 뉴스
KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER

August 2025 Issue | Vol. 57

SPECIAL POINTS OF INTEREST

UPCOMING EVENT

Investors keen on PHL but seek stable rules, lower costs — Kearney

August 18 , 2025 | Beatriz Marie D. Cruz | BusinessWorld

FOREIGN INVESTORS are eager to tap into the growth potential of the Philippines but concerns over unpredictable regulations and high cost of energy and logistics persist, according to executives of global management consulting firm Kearney.

Buildings are seen in Quezon City in this file photo taken on May 27, 2024. — PHILIPPINE STAR/ MIGUEL DE GUZMAN

In an interview with *BusinessWorld*, Shigeru Sekinada, Kearney senior partner and region chair, Asia-Pacific, and managing director, Japan, said foreign investors are looking at the Philippines as they diversify their manufacturing operations.

"In this context, each country needs to have predictable rules, governance, laws, and so on. This kind of element is among the most important, for the long-term perspective is necessary for the manufacturing sector," Mr. Sekinada said.

"If they decide to invest in a factory, and this factory needs to run maybe 10 years, 20 years, 30 years. So, this kind of long-term predictability is very important."

Lowering the cost of doing business would also encourage more foreign investors to expand operations here, Mr. Sekinada said. He noted investors look at the cost of logistics and energy before investing in a country.

"If the country has low-cost energy, low-cost logistics infrastructure, surely outside companies will be able to consider the Philippines as the best location for the manufacturing sector," he said.

Mr. Sekinada said the Philippines has the potential to attract Japanese investment in sectors such as manufacturing, energy, consumer goods and retail, and healthcare.

"As you know, Japan's market is shrinking. On the other hand, your market is growing. That's why Japanese companies tend to think about expanding their business in the consumer goods and retail sector," he said.

The Philippines must also have a stronger intellectual property (IP) environment to ensure that foreign companies are protected and remain profitable, Mr. Sekinada added.

"For example, if a Japanese company enters a specific country, the local manufacturers would create an almost similar product. As a result, Japanese manufacturers' profitability becomes the worst. That's why some Japanese companies decide to close their business in that country," he said.

In Kearney's 2025 Foreign Direct Investments (FDI) Confidence Index emerging market rankings, the Philippines fell three spots to 16th out of 25 countries. The ranking is based on an economy's likelihood of attracting FDIs in the next three years.

China, including Hong Kong, topped the emerging market rankings. The Philippines trailed behind Southeast Asian neighbors like Thailand (10th), Malaysia (11th), Indonesia (12th), but was ahead of Vietnam (19th).

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Investors keen on PHL but seek stable rules, lower costs — Kearney
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The index showed that efficiency of legal and regulatory processes, as well as domestic economic performance, are the top two most important factors that foreign investors take into consideration before making investment decisions.

Kearney Senior Partner and Philippines Country Head Marco de la Rosa said investors also look at an economy's level of technology and innovation, ease of bringing in and taking out capital, tax rates, and infrastructure quality.

"It's not just what the country can offer, it's how the country does business with investors," Mr. De la Rosa told *BusinessWorld*.

"If we can somehow make it easier to do business here in the country, that's the number one most attractive factor for investors… If we are a lot more transparent and a lot more predictable, then we have a pretty good fighting chance," he said.

While the Philippines has existing policies to support investors like Republic Act No. 11032 or the Ease of Doing Business Act, Mr. De la Rosa said there is a need for better enforcement and implementation of existing laws.

"As a Filipino, what I would observe is we have the right laws, but it's a very complex structure — there's different levels of government, corporate organizations, and there's public organizations," he said. "How do you make sure that everybody complies with the law and also executes it very quickly?"

Mr. De la Rosa said removing restrictions on full foreign ownership of land is not necessarily needed to attract more FDIs as long as the country maintains a consistent and predictable business environment.

"Obviously, a totally free market where an investor can come in and own assets outright is easier because they feel that sense of control. But if you look at Indonesia, Vietnam, and other markets, they also don't have 100% foreign investment laws," he said.

"If you can't give 100% or outright foreign ownership, as long as it's predictable, enforceable, and consistent, then you're probably okay," he added.

GLOBAL UNCERTAINTY

The Kearney executive noted that global uncertainties present both a risk and an opportunity for countries to diversify their supply chains.

"In this era of uncertainty, there is a window of opportunity where the Philippines can invest and be a player in the game, but it's a finite window, and we need to catch up," Mr. De la Rosa said.

Last month, US President Donald J. Trump slapped a 19% tariff on exports from the Philippines, Cambodia, Malaysia, Thailand and Indonesia.

With this, the Philippines has "no choice but to diversify" its supply chains, Mr. De la Rosa said.

"It's not like we have a zero track record on manufacturing. We have local manufacturers, food and others, here in the country, so there is a reason to believe that we can do it with the right focused investment," he added.

Source: https://www.bworldonline.com/top-stories/2025/08/18/692120/investors-keen-on-phl-but-seek-stable-rules-lower-costs-kearney/

PH Q2 foreign investment pledges plunge 64% to P67B—PSA
August 15 , 2025 | Ruelle Castro | Malaya Business Insight

Foreign investments (FI) approved by the government fell 64.4 percent to P67.38 billion in the second quarter of 2025 from P189.50 billion a year earlier, the Philippine Statistics Authority (PSA) reported on Thursday.

Seven of the country's 13 Investment Promotion Agencies (IPA) approved the applications to invest in the Philippines.

They include the Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), Bangsamoro Board of Investments (BBOI), Clark Development Corp. (CDC), Clark International Airport Corp. (CIAC), Philippine Economic Zone Authority (PEZA), and Subic Bay Metropolitan Authority (SBMA). *[Cont. page 3]*

PH Q2 foreign investment pledges plunge 64% to P67B—PSA

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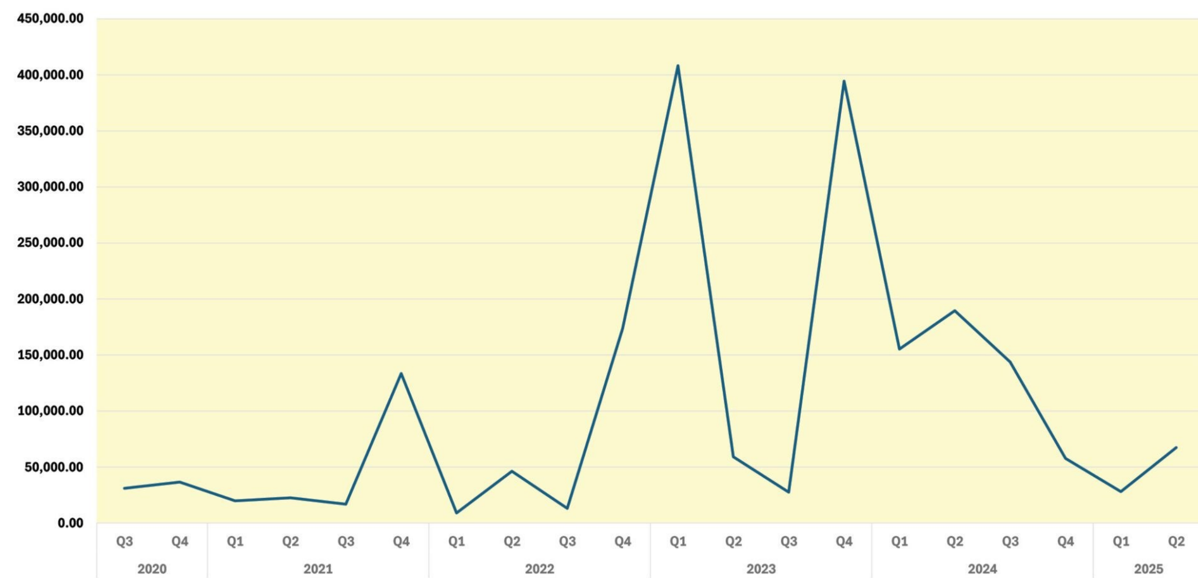

Singapore was the leading source of foreign investment pledges, amounting to P53.48 billion or 79.4 percent of the total. The US pledged P3.96 billion or 5.9 percent of the total, and the Netherlands P1.91 billion or 2.8 percent of the total.

By industry: electricity, gas, steam and air conditioning supply attracted P54.75 billion of investments; administrative and support service activities got P4.61 billion; and manufacturing P4.46 billion.

By region: Bicol received the highest share of investment pledges worth P32.21 billion, CALABARZON P21.39 billion, and Central Luzon 4.05 billion.

Foreign and domestic pledges

Total investment from both foreign and Filipino nationals approved in the same period reached P299.08 billion, down 58.5 percent from P720.10 billion a year earlier.

Filipino investors poured in P231.69 billion, equivalent to 77.5 percent of the total.

The PSA expects the total investment approved for the period to generate 38,234 in employment, or 41.7 percent higher than the 26,981 jobs projected from the same period in 2024.

Source: https://malaya.com.ph/business/business-news/ph-q2-foreign-investment-pledges-plunge-64-to-p67b-psa-2/

Sustainability reporting for large non-listed firms sought

August 17 , 2025 | Richmond Mercurio | The Philippine Star

MANILA, Philippines — The Securities and Exchange Commission (SEC) has issued its draft rules for the adoption of Philippine Financial Reporting Standards (PFRS) in the sustainability reports by publicly listed companies and large non-listed entities.

The SEC said the sustainability reporting guidelines would serve to encourage sustainable business practices and align company disclosures with international standards to attract environmental, social and governance (ESG)-focused investors in the Philippine capital market.

Further, it will support companies in evaluating and managing their non-financial performance, including ESG factors, while also monitoring contributions to global and national sustainability agendas. *[Cont. page 4]*

Sustainability reporting for large non-listed firms sought

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The SEC said the sustainability reporting guidelines would serve to encourage sustainable business practices and align company disclosures with international standards to attract environmental, social and governance (ESG)-focused investors in the Philippine capital market.

BusinessWorld / Image by Yibei Geng from Unsplash

The issuance of the draft guidelines comes following the commission en banc's approval of the adoption of the PFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and PFRS S2 Climate-related Disclosures, as well as the sustainability reporting guidelines for publicly listed companies and large non-listed entities in its meeting on July 29.

Currently, the SEC said only publicly listed companies are required to submit sustainability reports.

Under the draft guidelines, however, publicly listed companies and large non-listed entities covered by the reporting guidelines under Section 17.2 of the Securities Regulation Code (SRC) are required to submit a sustainability report as an attachment to their annual reports.

Large non-listed entities that are not covered by the SRC provision shall submit their sustainability report with their audited financial statements.

The draft provides that covered companies should adopt the PFRS S1 and S2 format for their sustainability report starting fiscal year 2026.

For 2025, the SEC said companies may still follow any internationally recognized framework for their sustainability reports.

The commission said that the submission of sustainability reports will be implemented in a tiered approach.

Tier 1 will cover publicly listed companies with market capitalization of over P50 billion as of Dec. 31, 2025, or as at the date of their listing after 2025. Reporting will begin in 2027, for the period covering fiscal year on or after Jan. 1, 2026.

Tier 2 will include publicly listed companies with market capitalization of over P3 billion up to P50 billion as Dec. 31, 2025, or as at the date of their subsequent listing, with reporting beginning in 2028, covering fiscal year on or after Jan. 1, 2027.

Meanwhile, Tier 3 will include publicly listed companies with market capitalization of P3 billion or less as of Dec. 31, 2025, or as at the date of its listing beyond the period, and large non-listed entities with annual revenue of over P15 billion as of the preceding fiscal year.

They will be required to report in 2029, covering the fiscal year beginning on or after Jan. 1, 2028.

The SEC said that transition reliefs will be provided to address challenges identified during public consultations in relation to the adoption of PFRS.

Source: https://www.philstar.com/business/2025/08/17/2465958/sustainability-reporting-large-non-listed-firms-sought

BSP warns public vs. fraudulent documents

August 19 , 2025 | Anna Leah Gonzales | Philippine News Agency

(File photo)

MANILA – The Bangko Sentral ng Pilipinas (BSP) on Tuesday warned the public against circulating fraudulent documents that appear to be issued by the BSP or its officials.

In an advisory, the BSP stated that the fraudulent documents may display the BSP logo and contain forged signatures, attempting to mislead recipients and unlawfully obtain financial gain or personal information.

"The BSP advises the public to remain vigilant and to verify the authenticity of any communication or document pertaining to financial transactions," the BSP said.

To report suspicious activities, the public may call the (+632) 8811-1277 or 8811-1BSP or send an email to bspmail@bsp.gov.ph.

Source: https://www.pna.gov.ph/articles/1256856

Labor groups back 14th mo, but wage hike non-negotiable

August 19 , 2025 | Justine Xyrah Garcia | BusinessMirror

LABOR groups on Monday welcomed a Senate proposal seeking to institutionalize a 14th month pay for workers in the private sector, but said the measure should not divert attention from the more urgent call for a legislated wage hike.

The Federation of Free Workers (FFW) backed Senate Minority Leader Vicente "Tito" Sotto III's bill that would add another month's pay on top of the 13th month already mandated under Presidential Decree No. 851.

FFW President Sonny Matula described the initiative as a "long overdue response" to the continuing rise in the cost of living.

"Workers across both private and public sectors deserve this reform," Matula said.

Under the measure, the 13th month pay must be released by June 14 to help families with school expenses, while the 14th month pay should be distributed by December 24 to ease holiday and year-end costs. (Related: https://businessmirror.com.ph/2025/08/18/workers-deserve-14th-monthpay-amid-rising-costs-sotto/).

The bill covers all non-government rank-and-file employees, household workers under the Kasambahay Law, and others already entitled to 13th month pay, provided they have worked at least one month during the year.

Distressed companies, non-profit institutions suffering from major income declines, and employers already granting a 14th month or its equivalent would be exempted.

Sotto said these exemptions are necessary so that the measure will not "burden struggling businesses as they are equally important for our economy."

Matula, however, urged lawmakers to ensure exemptions are time-bound, valid only for one year and renewable upon proof of continuing hardship.

"This ensures struggling firms are not unduly burdened while preventing abuse of the exemption system," the labor leader added.

Push for wage hike

Despite backing the measure, Matula stressed that the group's campaign for an across-the-board P200 daily wage hike remains "urgent and non-negotiable."

He said bonuses like the 13th and 14th month pay provide short-term relief but cannot replace the Constitutionally guaranteed right to a living wage.

Meanwhile, Sentro ng mga Nagkakaisa at Progresibong Manggagawa (Sentro) Secretary-General Josua Mata echoed similar concerns.

Mata said that while the proposed 14th month pay is welcome, its impact may still be limited unless coupled with a meaningful wage hike.

"Of course—forcing through a legislated 14th-month pay, as Senator Sotto proposes, would be a welcome relief for Filipino workers—but only if it comes in addition to a substantive, legislated increase in the minimum wage," he added.

Mata also said that while an additional payout may help families during tuition season or the holidays, it cannot offset the long-term erosion of purchasing power.

The wage hike bill died in the 19th Congress after the Senate and House of Representatives failed to convene a bicameral conference committee to reconcile their versions of the measure before their adjournment sine die on June 11.

Both chambers passed on third and final reading their respective nationwide wage hike bills for all minimum wage earners—the House approved a P200 increase in early June 2025, while the Senate passed a P100 hike in February 2024.

Source: https://businessmirror.com.ph/2025/08/19/labor-groups-back-14th-mo-but-wage-hike-non-negotiable/

Headwinds Threaten Twin Lifelines: Global slowdown, trade war to hit PH forex inflows harder — Fitch's BMI

August 19 , 2025 | Justine Xyrah Garcia | Malaya Business Insight

The Malaya Business News Team

Philippine exports and remittances, the country's two main sources of foreign exchange, are increasingly getting exposed to risk from a slowing global economy and rising trade barriers, BMI Country Risk & Industry Research said Monday.

The Fitch Solutions research unit warned that the country's external accounts will remain under pressure from trade fragmentation and higher US tariffs.

In particular, it cited pressure from the current account deficit, which is projected to average 2.8 percent of gross domestic product (GDP) over the next three years—well above the pre-pandemic shortfall of 0.4 percent.

"Trade fragmentation and its knock-on effects on global demand will weigh heavily on Philippine exports," BMI said,

e/f = BMI estimate/forecast. Source: Haver, BMI

adding that weakening growth in the United States and China, the country's top two trading partners, has become a central concern.

US GDP is projected to slow to 1.7 percent this year from 2.8 percent in 2024, while China's growth could fall to 4.2 percent by 2026 amid a property-sector slump.

The report also flagged Washington's increasingly protectionist stance, saying higher tariffs will further stifle global trade flows.

BMI noted that while the Philippines earns substantial foreign exchange from its business process outsourcing sector—about 15 percent of the global outsourcing market—these inflows will not be enough to offset weaker trade and services activity.

Warning now felt on the ground

Jonathan Ravelas, senior advisor at Reyes Tacandong & Co., said the warning is already being felt on the ground.

"Yes, Philippine exports are feeling the heat. The 19 percent US tariff slapped on ASEAN goods, including ours, is a direct blow," Ravelas said.

"Exporters already expect to miss targets this year, citing global slowdown and trade tensions," he stressed.

On remittances, Ravelas said growth is slowing to 2.8 percent this year from 3 percent in 2024, with added uncertainty from US immigration crackdowns and a proposed remittance tax.

"While most US-based Filipinos are permanent residents, even small policy shifts can shake confidence," he said.

"The global slowdown and Trump's trade war are real risks, Ravelas noted.

"We need to diversify markets, strengthen domestic demand, and support exporters and OFWs with smart, targeted policies. No time to wait—action is key," he said.

BMI's report echoed the concern, forecasting that remittances will ease as host countries such as the United States, United Kingdom, Saudi Arabia, Japan and Singapore also face weaker growth.

The Philippine trade deficit in goods is expected to hit $74.3 billion in 2025 and widen further to $90.5 billion by 2028.

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Headwinds Threaten Twin Lifelines: Global slowdown, trade war to hit PH forex inflows harder — Fitch's BMI

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Wider deficits

As a result, the overall current account deficit is projected to stay close to 3 percent of GDP until 2026, despite inflows from services and remittances providing some relief.

The Bangko Sentral ng Pilipinas (BSP), in its own outlook, expects the balance of payments to remain in deficit, at 1.3 percent of GDP in 2025 and 0.5 percent in 2026, or $6.3 billion and $2.8 billion, respectively.

The BSP noted that steady domestic growth, low inflation and structural reforms provide a buffer, but said these are being offset by global trade uncertainty, heightened geopolitical risks and weakened investor confidence.

With trade and investment flows softening, it added, the Philippines' ability to build up foreign exchange reserves remains constrained. ***(With additional report from Ruelle Castro)***

Source: https://malaya.com.ph/business/headwinds-threaten-twin-lifelines-global-slowdown-trade-war-to-hit-ph-forex-inflows-harder-fitchs-bmi/

DOE chief seeks passage of waste-to-energy bill

August 19 , 2025 | Brix Lelis | The Philippine Star

Department of Energy.

Philstar.com / Irra Lising

MANILA, Philippines — To address the country's perennial flooding problem, Energy Secretary Sharon Garin is seeking the passage of the bill that will further institutionalize the use of waste-to-energy (WTE) technologies.

"We pushed for it in the last three years… I think (President Marcos) is very supportive of this, so hopefully, the waste-to-energy law will finally be passed," Garin said in a recent interview.

Garin said the House of Representatives approved the proposed WTE Act during the 19th Congress but struggled to gain traction in the Senate.

"We're hoping that with the support of Sen. Win (Gatchalian) and Sen. Pia (Cayetano), there will be renewed interest in the WTE bill," she said.

Cayetano and Gatchalian are currently serving as the chairperson and vice chairperson of the Senate committee on energy, respectively.

The country's growing waste crisis was thrust back into the spotlight after a series of tropical cyclones and enhanced monsoon rains triggered severe flooding in Metro Manila and nearby provinces last month.

According to Garin, the WTE bill will make waste management "more cohesive" by clustering local government units and ensuring a consistent supply of waste as fuel for energy generation.

"One thing about WTE is that it is more of an environmental activity rather than an energy one. What we're really doing is making the environment cleaner by using waste and transforming it into energy," the secretary said.

The adoption of WTE technologies is mandated under Republic Act 9513 or the Renewable Energy Act of 2008.

A WTE technology, as defined by the law, refers to a system that converts biodegradable materials such as animal manure or agricultural waste into usable energy through "anaerobic digestion, fermentation and gasification, among others."

The law, however, requires that such energy conversion strictly comply with the provisions and intent of the Clean Air Act of 1999 and the Ecological Solid Waste Management Act of 2000.

Department of Energy (DOE) data showed that 13 biomass contracts for WTE projects were issued as of end-December 2022, with only six being operational.

Through the WTE law, the DOE wants to attract more investments in WTE technologies as it gears up for a green energy auction planned later this year. *[Cont. page 8]*

Labor groups back 14th mo, but wage hike non-negotiable

[Cont. from page 5]

Recently, ATD Waste-to-Energy Corp. announced plans to invest P4 billion to build a large-scale WTE plant in New Clark City.

The company, in partnership with Indian engineering firm Uttamenergy Ltd. and Global Heavy Equipment and Construction Corp., intends to construct the project at a four-hectare site in Capas, Tarlac.

"This facility is more than just a power plant; it is a transformative solution that aligns with our goals of environmental protection, energy security and sustainable urban development," ATD Waste-to-Energy president and CEO Amando Diaz said.

Source: https://www.philstar.com/business/2025/08/19/2466420/doe-chief-seeks-passage-waste-energy-bill

[UPCOMING EVENT] ARANGKADA PHILIPPINES INVESTMENT FORUM 2025

Since 2012, the Arangkada Philippines Forum has been a premier platform for high-level dialogue on investment, economic reform, and inclusive growth in the Philippines. This year, the annual forum will take place on **September 25 and 26, 2025** at the **Marriott Grand Ballroom** in Pasay City and bring together hundreds of distinguished leaders from government, the private sector, academe, and media to discuss strategies to attract and retain investments and promote business growth. Specifically, the forum will be focused on the JFC's seven "big winner" sectors of agribusiness, infrastructure, manufacturing and logistics, tourism, critical minerals, creative industries, and Information Technology and Business Process Management.

The first day of the forum will feature speeches from top government and business leaders and breakout discussions focused on the seven sectors and the second day will feature exclusive business-to-business and business-to-government networking opportunities, live product and business demonstrations at booth exhibits, and in-depth industry talks that provide valuable insights into government services and investment-related topics.

For more information and sponsorships, you may visit this website links of Arangkada Philippines **Briefer**, **Sponsorship Tier** and **Confirmation Form**. You may also contact KCCP Secretariat at (632) 8885-73-42 or email info@kccp.ph for further inquires.

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