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SPECIAL POINTS OF INTEREST

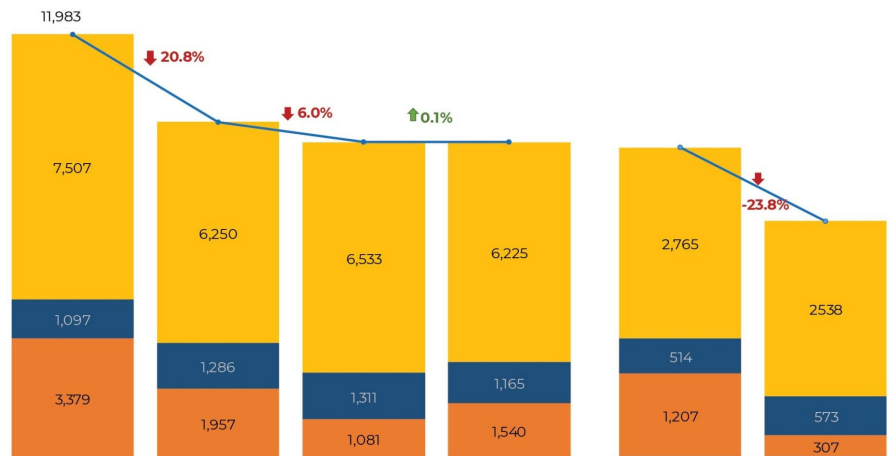
- Foreign Investment Slows on Global Uncertainty —page 1-2
- Philippines now allows one-day SEC registration for foreign firms— page 2
- Steepest decline in 5 months: July factory output shrinks — page 2-3
- Philippine semiconductor export seen flat this year — page 3-4
- Service exports not manufacturing, viewed as PHL's competitive edge — page 4-5
- DOLE-NCR: Alien permits now need 15-day processing— page 5

UPCOMING EVENT

- [Sept 25– Sept 26] Arangkada Philippines Investment Forum — page 6

Foreign Investment Slows on Global Uncertainty

September 11, 2025 | By Malaya Business News Team, Victor Sollorano



Foreign direct investment (FDI) in the Philippines yielded positive results in the first half of 2025, but the net inflows dropped 23.8 percent from a year earlier, central bank data on Wednesday showed, with analysts seeing global uncertainty clouding investors' outlook.

FDI in the six months to June fell to \$3.4 billion from \$4.5 billion a year earlier, the Bangko Sentral ng Pilipinas (BSP) reported.

In June alone, net inflows fell by 17.8 percent to \$376 million, from \$457 million in June last year as nonresidents' net equity capital reversed to \$57 million outflows from \$85 million inflows, BSP data showed

The decline was cushioned by a 36.7 percent increase in reinvested earnings to \$128 million and a 9.3 percent rise in investment in debt instruments to \$305 million, the BSP said.

Equity capital placements during the month came mainly from Japan, the United States, and South Korea, with investments largely going into manufacturing, real estate, and wholesale and retail trade.

Global headwinds

Michael Ricafort, chief economist at Rizal Commercial Banking Corp., said the slowdown indicated global headwinds, including US protectionist policies.

"The wait-and-see stance among investors is largely driven by President Trump's higher US import tariffs and trade war measures, which could dampen global investment flows and weigh on Philippine FDIs," he said.

Ricafort added that political noise at home, tensions in the West Philippine Sea, and wider geopolitical risks such as the Israel-Iran conflict also cloud investor sentiment. These uncertainties, he said, have kept some manufacturers and exporters cautious in expanding capacity or committing fresh capital.

Still, he noted that reforms have strengthened the country's position in attracting foreign capital. The release of the CREATE MORE Law's implementing rules in February and the new measure allowing 99-year land leases for foreign locators "narrowed the incentives gap with other Asean peers and could make investors more decisive in locating in the Philippines," he said. [Cont. page 2]

Foreign Investment Slows on Global Uncertainty

[Cont. from page 1]

The CREATE MORE package includes lowering the corporate income tax for registered business enterprises to 20 percent from 25 percent, expanding VAT exemptions, requiring 50 percent onsite work for registered business enterprises, and allowing more electricity expenses to be deducted from taxable income as an indirect power subsidy.

Ricafort said these enhancements, combined with expected further interest rate cuts by the Fed and the BSP, could "reduce borrowing costs for new and expansion projects, making the country more attractive to foreign investors."

Offsetting risks remain

He cautioned, however, that offsetting risks remain, particularly if Trump pursues more protectionist policies after his second inauguration in January 2026, as well as a possible escalation of trade tensions between the US and China.

Despite these headwinds, Ricafort said the Philippines' large domestic market of more than 114 million people continues to serve as a structural draw for investors.

Source: <https://malaya.com.ph/business/business-news/foreign-investment-slows-on-global-uncertainty/>

Philippines now allows one-day SEC registration for foreign firms

September 10, 2025 | Meg J. Adonis | Philippine Daily Inquirer



MANILA, Philippines — Companies with foreign ownership may now register their business in the country via the Securities and Exchange Commission's (SEC) one-day registration system.

The corporate watchdog on Wednesday said it had streamlined the One Day Submission and Electronic Registration of Companies (OneSEC) online system to include corporations with foreign equity.

"Streamlining the company registration process for foreign entities is a crucial component of our thrust to improve the ease of doing business in the country," SEC chair Francis Lim said in a statement.

"By expanding the coverage of OneSEC to foreign entities, we want to send a strong signal to the international business community that the Philippines is open for business, and hopefully encourage them to set up shop here," he added.

As of end-June, the SEC registered 145 foreign corporations in the country. /dda

Source: <https://business.inquirer.net/546363/philippines-now-allows-one-day-sec-registration-for-foreign-firms>

Steepest decline in 5 months: July factory output shrinks

September 11, 2025 | Cai U. Ordinario | BusinessMirror

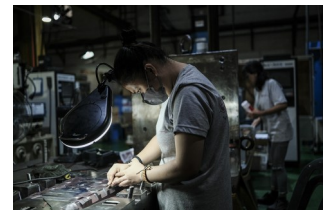
THE country's manufacturing output contracted for the first time after three consecutive months of growth, marking the steepest decline in five months, according to the latest data released by the Philippine Statistics Authority (PSA).

Based on the Monthly Integrated Survey of Selected Industries (Missi), the country's Volume of Production Index (VoPI) contracted 1.1 percent in July 2025. The largest contraction in VoPI recorded this year was the 1.9-percent decline posted in February 2025.

However, National Statistician Claire Dennis S. Mapa noted that while there was a decline in the overall VoPI, manufacturing output in food manufacturing prevented losses in manufacturing jobs in July.

"Generally, manufacturing as reported in the Missi [comes with a reduction in production]. If you look at the sub-industries, particularly food and meat products, they gained (in production)," Mapa said in a briefing on Wednesday, speaking partly in Filipino.

In the Labor Force Survey results, manufacturing gained 109,000 jobs in July. This meant there were 3.56 million workers in the manufacturing sector in July 2025, higher than the 3.45 million posted in July 2024. [Cont. page 3]



Employees work in a production facility in Malabon City, the Philippines. Photographer: Veejay Villafranca/Bloomberg

Steepest decline in 5 months: July factory output shrinks

[Cont. from page 2]

Mapa said this was largely due to the growth in the food manufacturing sector which posted a VoPI of 16.5 percent in July 2025, faster than the 13.3 percent posted in July 2024. However, this was slower than the 22.4 percent posted in June 2025.

Meanwhile, in terms of Value of Production Index (VaPI), PSA data showed this contracted 1.3 percent in July 2025, a reversal from a 1.2-percent annual increase in June 2025.

The decline in the VaPI was the lowest recorded since it contracted 4.1 percent in November 2024. In July 2024, the VaPI for manufacturing also posted a growth of 6.6 percent.

In terms of the VaPI for food manufacturing, the data showed this growth was recorded at 17 percent in July 2025.

This was faster than the 14.4 percent posted in July 2024, but slower than the 22.9 percent recorded in June 2025.

The PSA data also showed that based on responding establishments, the average capacity utilization rate for the manufacturing sector in July 2025 was reported at 77.1 percent.

The average capacity utilization rate in July was faster than the 76.6 percent in June 2025 and the 75.8 percent recorded in July 2024.

PSA said all industry divisions reported capacity utilization rates of more than 60 percent during the month.

The top three industry divisions in terms of reported capacity utilization rate were manufacture of tobacco products at 85.1 percent, other manufacturing and repair and installation of machinery and equipment at 83.4 percent, and manufacture of leather and related products, including footwear at 83 percent.

The proportion of establishments that operated at full capacity or 90 percent to 100 percent was 42.9 percent of the total number of responding establishments.

Meanwhile, PSA said 35 percent operated at 70 to 89 percent capacity and 22.2 percent operated below 70 percent capacity.

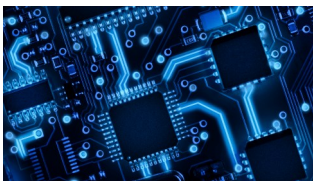
The Missi or the Production Index and Net Sales Index, continues to monitor the production, net sales, inventories, and capacity utilization of selected manufacturing establishments to provide flash indicators on the performance of the manufacturing sector. **With Erwin James T. Gianan**

Image credits: [VEEJAY VILLAFRANCA/BLOOMBERG](#)

Source: <https://businessmirror.com.ph/2025/09/11/steepest-decline-in-5-months-july-factory-output-shrinks/>

Philippine semiconductor export growth seen flat this year

September 11, 2025 | Jordeene B. Lagare | Philippine Daily Inquirer



STOCK / FILE

MANILA, Philippines — A group of semiconductor and electronics companies is expecting a relatively flat to modest export growth this year despite the possible impact of America's tariff policy.

Danilo Lachica, president of the Semiconductor and Electronics Industries in the Philippines Foundation Inc. (Seipi), said the group maintains its earlier projection of moderate growth.

This, "notwithstanding" the possible imposition of tariffs on semiconductor exports to the United States.

"In fact, while we projected flat growth this year, we're not predicting gloom and doom that it will decrease," Lachica said in an interview.

"We're still maintaining our forecast of flat, and maybe, optimistically, some modest growth, notwithstanding the US tariffs," he added. [Cont. page 4]

Philippine semiconductor export growth seen flat this year

[Cont. from page 3]

Aside from geopolitical uncertainties and US President Donald Trump's tariff pronouncements, Lachica said their forecast is also anchored on technology drivers. These include Industry 4.0 (also called smart manufacturing), artificial intelligence and big data.

'Business as usual'

Last April, citing the growing investor interest in the Philippines, Seipi projected a slight rebound of 1 to 2 percent in 2025 following back-to-back contraction in the previous two years. There was a decline of 8 percent in 2023 and 6 percent in 2024.

Lachica said operations remained "business as usual" among semiconductor companies since they are still exempt from tariffs under the US Trade Expansion Act of 1962.

While a "lot of things can happen," such as the outcome of the US Supreme Court's decision on the legality of sweeping tariffs under the Trump administration, Lachica said the industry won't feel its effect since they don't expect its imposition this year.

"Even with the tariff, if and when it happens, the demand will still be there, I think because obviously, with all the technology demands, you can't replace that overnight," Lachica said.

Source: <https://business.inquirer.net/546422/ph-semiconductor-export-growth-seen-flat-this-year>

Service exports, not manufacturing, viewed as PHL's competitive edge

September 09, 2025 | Justine Irish D. Tabile | BusinessWorld

THE PHILIPPINES needs to focus on developing its service workforce, with services viewed as the Philippines' real source of comparative advantage in Southeast Asia, HSBC said.

"I think the Philippines' unique value proposition is its people, the soft skills," Ines Lam, associate director for Asia economics at HSBC, said at the 23rd International CEO Conference on Tuesday at Shangri-La The Fort.

She cautioned against "chasing after manufacturing like all other Southeast Asian countries."



PHILSTAR FILE PHOTO

While manufacturing remains an integral part of any economy, she said the Philippine talent pool can be leveraged in the face of the turmoil caused by US tariffs.

"I think it is important that the Philippines does not lose this and instead focuses on developing this in response to these new trade dynamics and new paradigm," she added.

In particular, she said the Philippines should seek to provide something new and improve its offerings in terms of business process outsourcing.

"That will help the Philippines stand out in this world," she added.

Asked to comment, Management Association of the Philippines President Alfredo S. Panlilio said that manufacturing should also be highlighted, calling it equally important.

"I do not completely agree that you shouldn't focus on it. I think we should try to have companies invest because when you say manufacturing, they invest in the country," he told reporters on the sidelines of the event, noting that manufacturing investments are long-lasting.

"Services, yes, we need to upskill, but there are threats like technology, or if somebody says, 'I can charge less,'" he said.

He said that focusing on services does not result in a balanced economy.

Meanwhile, Ms. Lam said the Philippines is relatively insulated from the impact of the US tariffs, as its economy is driven by domestic demand. [Cont. page 5]

Service exports, not manufacturing, viewed as PHL's competitive edge

[Cont. from page 4]

However, she said large unknowns remain with regard to US trade policy.

"The first unknown is we have a court case going through in the US right now" questioning the legal basis for the Trump tariffs.

Should the courts rule the tariffs illegal, the trade deals that countries have been negotiating with the US could be invalidated.

At the same time, the US government may also have to refund the billions of tariffs it collected.

"Imagine the chaos and the disruptions that we will have to go through when that happens," she added

Source: <https://www.bworldonline.com/economy/2025/09/09/697416/service-exports-not-manufacturing-viewed-as-phls-competitive-edge/>

DOLE-NCR: Alien permits now need 15-day processing

September 10, 2025 | Justine Xyrah Garcia | BusinessMirror

BusinessMirror

A broader look at today's business

The Department of Labor and Employment–National Capital Region (DOLE-NCR) has reminded foreign nationals and their employers that alien employment permits (AEPs) now take 15 working days to process, up from the previous five.

In its latest advisory, the agency said the longer timeline is meant to allow a "more comprehensive" and "efficient" evaluation of applications from non-resident foreigners seeking to work in the Philippines.

The 15-day processing cycle covers several steps, including the review of documents such as educational credentials, work experience and qualifications, and the endorsement of the application to the Regional Director for approval.

It also involves the submission of compliance documents when required, possible verification inspections, printing and preparation of the permit card, and the scheduling and release of the approved AEP.

"Due to the said extension of the process cycle time, a request to expedite the processing of the AEP is not necessary, as the 15-working day period is designed to accommodate all necessary steps in the process, including evaluation, compliance, approval and issuance," DOLE-NCR said.

The office added that incomplete applications will be put on hold until all requirements are submitted, which may further extend the processing period.

Earlier this year, DOLE issued Department Order No. 248, Series of 2025, revising the guidelines for AEP issuance.

Among the new rules are the inclusion of an economic needs test to determine if hiring a foreign national is justified, as well as requirements for Understudy Training and Skills Development Programs to ensure Filipino counterparts acquire the expertise to eventually assume the roles of foreign hires.

The order also introduced a simplified labor market test.

Between 2022 and 2024, DOLE issued more than 192,000 AEPs.

The highest number went to Chinese workers at 73,518, followed by Vietnamese nationals with 43,580 permits.

Source: <https://businessmirror.com.ph/2025/09/10/dole-ncr-alien-permits-now-need-15-day-processing/>

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SEPTEMBER 25-26, 2025

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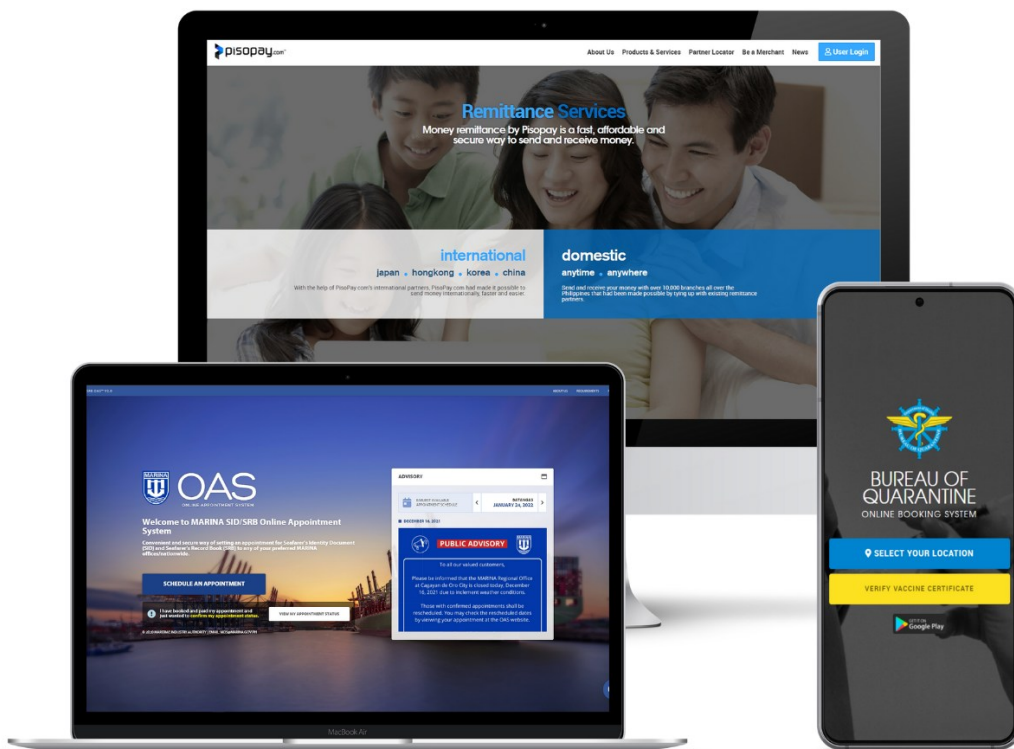
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