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Philippines rises 3 notches to 50th in Global Innovation Index

September 18, 2025 | Jordeene B. Lagare | Philippine Daily Inquirer

AFP File Photo

MANILA, Philippines — The Philippines' standing in the Global Innovation Index (GII) has improved over the last few years, a report from the World Intellectual Property Organization (Wipo) showed.

The country landed at the 50th spot among 139 economies evaluated in this year's edition of the GII published by Wipo. The latter is a United Nations specialized agency that promotes the protection of intellectual property (IP) worldwide.

The country's latest position is an improvement from 56th in 2023 and 53rd in the 2024 index. The report ranked global economies based on their innovation capabilities.

In terms of sub-indices, the Philippines settled at 59th in innovation inputs and 49th in innovation outputs in 2025. Both meant improvements from last year.

The Philippines ranked the third highest among the 37 lower middle-income group economies. It was also 11th among the 17 economies in Southeast Asia, East Asia and Oceania that the study covered.

"The GII shows the Philippines as a top innovative economy, climbing the rankings steadily … We examine where we stand today and where we are headed to make innovation a true driver of inclusive and sustainable growth," Intellectual Property Office of the Philippines (Ipophl) Director General Brigitte da Costa-Villaluz said in a statement on Wednesday.

Da Costa-Villaluz expressed optimism that the country will manage to sustain its strong performance. This is expected to be buoyed by new policies such as the establishment of a registry for well-known marks.

"This initiative is expected to give businesses stronger brand protection and greater opportunities for expansion in both local and global markets," she added.

Philippines' strength and weaknesses

Based on the GII, the Philippines performed best in knowledge and technology outputs (38th) and business sophistication (40th).

However, it was among the lowest in institutions and creative outputs (both 61st). Likewise in terms of infrastructure (65th) and human capital and research (90th).

The report said the Philippines improved in eight indicators in the short term. International patent filings soaring 350 percent between 2023 and 2024.

Moreover, the report said that the country's best-ranked innovation strengths are high-tech exports as a percentage of total trade (1st). Likewise in terms of high-tech imports (4th) and utility models by origin/billions of purchasing power parity (PPS) dollars (7th).

To maintain the country's GII ranking, Da Costa-Villaluz said the Ipophl has implemented programs to widen IP awareness. They were also meant to deepen innovation capacity and empower the youth, creative and underserved sectors.

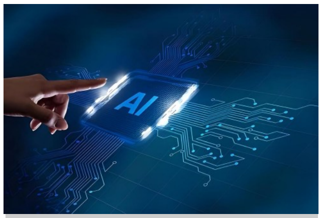
This year's report comprised about 80 indicators, grouped into innovation inputs and outputs "to capture the multidimensional facets of innovation.

"It measures innovation based on criteria that include institutions, human capital and research infrastructure, credit, investment, linkages, the creation, absorption and diffusion of knowledge and creative outputs," the report said.

Source: https://business.inquirer.net/547612/ph-rises-3-notches-to-50th-in-global-innovation-index

AI can boost exports by 40%, but digital infra vital: WTO

September 17, 2025 | Andrea E. San Juan | BusinessMirror



AFP File Photo

ARTIFICIAL Intelligence (AI) can increase exports of goods and services by nearly 40 percent by 2040, but this depends on an economy's improvements in digital infrastructure, according to the World Trade Organization (WTO).

In her speech at the launch of the 2025 World Trade Report, WTO Director General Ngozi Okonjo-Iweala said this was what the WTO simulations suggested.

However, the WTO report stressed that access to artificial intelligence (AI) is "highly unequal" and limits the ability of many economies, including lower middle-income countries, to participate in AI-driven trade.

"Rapid advances in artificial intelligence [AI] are transforming the world economy, reshaping how work is defined, how value is created and how opportunities are distributed across societies," the WTO chief said.

Given these "far-reaching" effects, Okonjo-Iweala said AI is also transforming world trade.

In this report, Okonjo-Iweala raised the question of how AI "can serve as a catalyst for inclusive trade-led growth, or whether it could end up widening divides between and within economies."

The report explained that AI presents new opportunities to reduce trade costs and expand participation in global markets, especially for small companies.

In the context of reducing trade costs, the WTO report said AI tools are already "enhancing" trade efficiency by improving visibility within supply chains, automating customs clearance, reducing language barriers, strengthening market intelligence, improving contract enforcement and helping firms, including micro, small and medium-sized enterprises (MSMEs) to navigate complex regulations.

While the AI is already changing the way people trade goods, the WTO chief highlighted that the gains from AI "will not automatically be widely shared between and within economies."

For one, Okonjo-Iweala said, WTO simulations show that without substantial improvements in digital infrastructure and AI uptake, low-income economies would see a modest 8-percent real income growth from AI, while high-income countries register double-digit increases.

"But narrowing digital and AI divides could almost double the GDP gains for low-income economies, to 15 percent, without substantially changing growth prospects in higher-income economies. In other words, inclusiveness is possible, and win-win scenarios are on the table – but it all requires deliberate action," the WTO chief also noted.

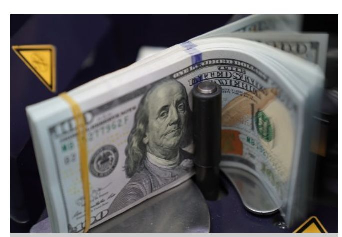
In fact, the 2025 WTO-International Chamber of Commerce (ICC) survey results show that only 41 percent of small firms report using AI compared to over 60 percent of large firms.

"Among low-income and lower middle-income economies, fewer than one-third of firms use AI," the WTO report pointed out.

Source: https://businessmirror.com.ph/2025/09/17/ai-can-boost-exports-by-40-but-digital-infra-vital-wto/

Dollar boost from Fed to weigh on Asian currencies, analysts say

September 18, 2025 | BusinessWorld


A clerk counts US dollar banknotes at a currency exchange office in Jakarta, Indonesia, on Wednesday, March 2, 2022. Photographer: Dimas Ardian/ Bloomberg

The Federal Reserve's decision to cut interest rates by just a quarter point will help support the dollar and weigh on currencies across Asia, analysts say.

The dollar strength after the central bank's announcement was broad based and Asian currencies are unlikely to escape the impact, according to Wells Fargo Securities LLC. The dollar could extend gains to 147 yen although long-term pessimism about the US currency may limit its upside, Sumitomo Mitsui Trust Bank Ltd. says.

Here is a selection of comments from analysts:

Wells Fargo Securities LLC (Brendan McKenna, emerging market strategist in New York)
"The dollar strength that materialized post-FOMC was broad based and it's tough to imagine Asia FX being excluded from that dollar rally, barring some new messaging from the Fed, which is unlikely.

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Dollar boost from Fed to weigh on Asian currencies, analysts say

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The Fed, and more so Powell in the presser, was a bit non-committal to additional cuts. 'Risk management cut' in particular I interpreted as somewhat hawkish and Asia FX may respond to that."

"Some of the higher beta pairs might be most sensitive. So in that sense, the Korean won and Indonesian rupiah, and maybe to a lesser degree the Philippine peso. Given the latest direction of policy mix in Indonesia, the rupiah may be the most sensitive.

Sumitomo Mitsui Trust Bank Ltd. (Takeru Yamamoto, a trader in New York)

The dollar was sold immediately after the announcement because the FOMC had been expecting to make two more interest-rate cuts within the year, but "the dollar was bought back because only one cut is expected next year and Fed Chairman Powell's press conference was perceived as somewhat hawkish."

Although the dollar could rise to the 147 yen level following the current trend, "the outlook for future rate cuts is weighing on the market, and pessimism about the dollar remains strong, limiting upside potential."

AT Global Markets (Nick Twidale, chief market analyst in Sydney)

"The Fed has largely gone in line with market expectations. So I think we will see a bit of follow-on from the US session today in Asia and really the response has been underwhelming, so we could be looking for some corrections in markets in the coming days."

"Some investors were hoping that we were going to get a more dovish Fed that could open the way to further topside moves and we've just been given what the market already has priced in. I think we will need another catalyst to push for new highs and we haven't got that from the Fed, so we could see some profit taking, especially in tech sector.

TD Securities Inc. (strategists including Jayati Bharadwaj in New York)

"We remain bearish the US dollar and see any technical US dollar bounces as good opportunities to sell. The rest of the world's growth is holding up and seems to be in a better shape compared to the US. Combined with Fed easing, this can make for an active risk-on environment fueling gains in both risk and rate sensitive currencies, which are cheap — like the Japanese yen and Australian dollar."

VanEck Associates Corp. (Anna Wu, cross-asset strategist in Sydney)

"This is arguably the most priced-in rate cut. It was proposed in the dot plot since June. However, it does mean that US equities have another reason to continue the climb. I think the impact on Japanese markets and the BOJ is rather limited now as it had been largely priced in. The main character this week in my head is the US-China trade talk on Friday."

ANZ Group Holdings Ltd. (strategists including David Croy in Wellington)

"The New Zealand yield curve is likely to shift higher and steeper following moves in US Treasuries, but where we end up will depend on GDP data. Our sense is that markets expect a weak number, and it's possible we see a bigger reaction to better data than softer data." — **Bloomberg**

Source: https://www.bworldonline.com/bloomberg/2025/09/18/699274/dollar-boost-from-fed-to-weigh-on-asian-currencies-analysts-say/

Logistics sector bouncing back despite challenges

September 18, 2025 | Allen Limos | The Manila Times

The Manila Times

THE country's logistics and supply chain sectors are bouncing back from the pandemic aftershocks and climate disasters via digital, structural and policy solutions, a government official said Wednesday at the LogiSYM Philippines 2025 symposium.

The discussion was held in conjunction with the 16th edition of the Transport and Logistics Philippines Expo — a three-day event that gathered entrepreneurs, agents and purchasers in the logistics sector, showcasing transport equipment, vehicles and services, as well as storage, supply chain, and security products and solutions.

"Today, supply chains are no longer simple linkages of moving goods from point A to point B. They have become living ecosystems shaped not only by trade policies and infrastructure but also by global events, technology shifts, and even the day-to-day decisions of people on the ground," said Vivian Solit-Santos, deputy director general for operations at the Philippine Economic Zone Authority (PEZA).

Santos admitted that the country continues to feel the effects of the Covid-19 pandemic. "We witnessed raw materials costs climb because of congestion and global route changes, and delayed deliveries. These disruptions are real difficulties for our locators in the ecozones," she said, describing how delivery delays and increased costs have hurt domestic producers and exporters. *[Cont. page 4]*

Logistics sector bouncing back despite challenges

[Cont. from page 3]

She also noted the rise of cybersecurity attacks. “While digital adoption has made processes faster and more efficient, it has also opened up new risks,” Santos said, citing a recent survey showing 84.5 percent of leading organizations reported increasing supply chain-related cyber breaches, with nearly a third unable to detect the incidents.

Sustainability is another pressing issue, she pointed out, saying supply chains account for 60 to 90 percent of total emissions and over 90 percent of air pollution.

Infrastructure

She likewise mentioned the vulnerability of Philippine infrastructure to natural disasters, referencing the devastation wrought by back-to-back typhoons that affected nearly 10 percent of the population and caused $1.6 billion in infrastructure damage in 2024.

“It meant roads washed out, bridges impassable and communities cut off,” Santos said.

Despite these obstacles, the sector is aggressively modernizing. “We in the land transportation bodies are elated and excited to be presenting the latest in our digital innovations, especially at this moment, when we can now spare more time to focus on other important matters,” said a representative from the Land Transportation Office.

To further secure these digital advancements, PEZA has set up a nationwide command center for ecosystem security, integrating surveillance, video analytics and real-time cargo tracking to address physical and cybersecurity risks.

Artificial intelligence (AI) is at the forefront of supply chain modernization. “The future of logistics is data-driven. AI can optimize routes, forecast demand and even automate warehouses. That is why we launched the AI Tech Academy,” Santos said.

The new training program, developed with the Technical Education and Skills Development Authority, and industry partners, aims to equip Filipino workers with skills in machine learning, data science and smart logistics.

“The government has committed P9 trillion to roads, railways, ports and airports. Landmark projects like the North-South Commuter Railway and the Metro Manila Subway will transform connectivity and cut logistics costs,” Santos said.

PEZA is complementing these efforts with new logistics parks and barge terminals, such as the Tanza Barge Terminal in Cavite, to decongest Metro Manila.

These incentives have attracted global logistics leaders and spurred investment. “We are enforcing our incentives regime under the Create More Act, the most generous and flexible package of incentives in Asean,” Santos said, adding that these policies have so far drawn in P8.7 billion in investments and created over 7,400 jobs in logistics alone.

Source: https://www.manilatimes.net/2025/09/18/business/logistics-sector-bouncing-back-despite-challenges/2186150

BSP proposes stronger bank governance rules

September 18, 2025 | Keisha Ta-Asan | The Philippine Star

In a draft circular posted on its website, the central bank said that it is seeking to amend Section 171 and relevant provisions of the Manual of Regulations for Banks (MORB) on reporting governance.

Businessworld / File

MANILA, Philippines — Banks may soon face stiffer penalties for inaccurate or late regulatory reports, as the Bangko Sentral ng Pilipinas (BSP) moves to overhaul its reporting governance framework.

In a draft circular posted on its website, the central bank said that it is seeking to amend Section 171 and relevant provisions of the Manual of Regulations for Banks (MORB) on reporting governance.

Stakeholders have until Sept. 30 to submit comments on the draft before final approval by the Monetary Board.

“The BSP espouses a data-driven approach to decision-making in support of its mandate to promote financial stability. In this respect, the BSP expects banks to adopt a sound reporting governance framework that promotes the integrity, accuracy and timeliness of prudential and regulatory reports submitted,” the central bank said.

The draft circular shifts supervisory focus from categorizing reporting violations to setting clear standards on what makes a report acceptable in completeness, accuracy, timeliness and adaptability.

Failure to meet any of these criteria will constitute non-compliance and may trigger monetary and non-monetary sanctions.

“This change promotes a more proactive and quality-focused approach to regulatory compliance,” the central bank said. *[Cont. page 5]*

BSP proposes stronger bank governance rules

[Cont. from page 4]

Under the proposed changes, daily penalties will be scaled to a bank's asset size, ranging from P1,000 for lenders with assets up to P1 billion to as much as P10,000 for banks with assets exceeding P400 billion.

Non-compliant reports will also incur penalties per day until corrected.

To streamline processes, the BSP also proposes removing the notarization requirement for most reports, dropping the old classification system of "Category A" and "Category B" reports, and revising authorized signatories.

The framework also scraps the habituality and demerit point system, with repeat violations instead to be tracked through supervisory dashboards.

Another key change is the shorter deadline for prudential and regulatory reports filed through the BSP's Prudential Reporting Innovation and Monitoring Engine (PRIME).

For instance, the deadline for solo financial reporting packages will be cut to 10 banking days from 15, while consolidated reports must be submitted within 20 days instead of 30.

"Moreover, the framework encourages banks to pro-actively utilize BSP facilities (e.g., PRIME sandbox) during periods of testing/ parallel run to ensure accuracy in their reports upon live implementation," it said.

Banks will be given six months from the circular's effectivity to adjust systems and processes before penalties are enforced.

Source: https://www.philstar.com/business/2025/09/18/2473575/bsp-proposes-stronger-bank-governance-rules

Philippine exporters cut full-year sales outlook anew as tariff impact worsens

September 18, 2025 | Dexter Barro II | Manila Bulletin


(Manila Bulletin file photo)

The country's leading group of exporters is reducing its forecast for exports of goods and services this year to a new low, driven by the escalating impact of United States (US) tariffs and exacerbated by government intervention that continues to lag behind the industry's most urgent needs.

Philippine Exporters Confederation Inc. (Philexport) president Sergio Ortiz-Luis Jr. said the new target for the country's exports is now between $105 billion and $110 billion.

Ortiz-Luis said last month that the industry is targeting overseas sales to reach $110 billion this year, although he had admitted that it could be out of reach.

The revised 2025 target is significantly lower than the government's $163.6-billion projection under the Philippine Export Development Plan (PEDP), which was the export sector's original target.

Philexport later shifted to the full-year estimate under the Philippine Development Plan (PDP) 2023-2028 of $113.42 billion, but this is now also out of reach.

The group's adjustment comes as the impact of the 19-percent tariff rate on goods coming to the US, imposed last Aug. 7, continues to reverberate across the industry.

Ortiz-Luis said some exporters in the micro, small, and medium enterprise (MSME) sector have decided to stop sending their goods to the US altogether due to higher costs from the tariffs.

Meanwhile, other exporters are temporarily suspending shipments to the US until uncertainties surrounding US President Donald Trump's policies are resolved.

Citing a study from the University of the Philippines' Center for Integrative and Development Studies (UP CIDS), Ortiz-Luis said the country could lose $2.2 billion in export revenues in the second half of the year due to US tariffs.

He said the most vulnerable to US tariffs are labor-intensive exports such as garments, leather goods, wearables, furniture, and coconut-based products.

As it stands, electronics such as semiconductors—which account for half of the Philippines' goods exports to the US—are exempted from the new tariff policy.

The latest data from the Philippine Statistics Authority (PSA) showed that merchandise exports from January to July grew by nearly 14 percent to $48.62 billion from $42.69 billion during the same period last year. *[Cont. page 6]*

Philippine exporters cut full-year sales outlook anew as tariff impact worsens

[Cont. from page 5]

In July, exports posted a 17-percent growth to $7.34 billion from $6.25 billion in the same month in 2024. The electronics sector was the primary growth engine, contributing $3.92 billion that month.

The surge in exports was largely attributed to front-loading as US importers accelerated purchases of goods ahead of the implementation of the 19-percent tariff rate.

Despite exports to the US accounting for only around 15 percent of the country's total exports, Ortiz-Luis expects a substantial slowdown in the second half of the year as the full impact of higher taxes becomes apparent.

He said this dim outlook could be even worse once the tariff threat against semiconductors materializes, which could "kill" the country's top exports.

Trump is planning to impose as much as 300-percent tariffs on semiconductor imports, with exceptions for companies that manufacture in the US or have committed to doing so.

"Unless something positive comes, the slowdown in the US will continue. Hopefully, we can find alternative markets. Unfortunately, we don't have the momentum to find other markets since there are no funds," Ortiz-Luis said in an interview.

Ortiz-Luis bluntly stated that the government's supposed assistance to exporters hit by US tariffs is just "lip service."

The Philexport chief noted that exporters are struggling to explore other markets since the government's assistance is usually intangible, offering mere "guidance," for instance.

He added that the limited support makes it difficult for local exporters to participate in international trade shows, hindering their ability to broaden their market access.

As such, he urged the government to increase the Department of Trade and Industry's (DTI) funding for next year to at least ₱20 billion, from the current proposal of ₱9.9 billion, to strengthen its efforts in supporting the export sector.

The DTI's Exports and Investments Development Program has been earmarked with ₱962 million for 2026, which will be directed toward efforts to help "strengthen Philippine exports."

Trade Secretary Cristina Roque earlier floated the prospect of launching a loan facility to cushion the impact of reciprocal tariffs on exporters, ranging from MSMEs to big corporations.

But Ortiz-Luis noted that such a program is not sustainable given the limited lending budget of the DTI's financing arm, Small Business (SB) Corp., which is around ₱11.5 billion.

He argued that the government often treats funds as expenses rather than investments, stressing that the true measure of success for loans should be job creation and industry growth.

He also said that the government's limited support stands in contrast with other Southeast Asian countries, which have policies that directly support the export sector.

Source: https://mb.com.ph/2025/09/18/philippine-exporters-cut-full-year-sales-outlook-anew-as-tariff-impact-worsens

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