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SPECIAL POINTS OF INTEREST

UPCOMING EVENT

PHL economic momentum to weaken in 2026, says BMI

October 23, 2025 | Reine Juvierre S. Alberto| BusinessMirror

THE Philippines's economic momentum is at risk of further weakening next year, as waning consumption, softening remittances and fading investment appetite add up to global trade uncertainty.


A vibrant morning rainbow stretches over Makati's business district.

In a commentary, BMI, a Fitch Solutions Company, said it has revised its economic growth forecast for next year downward from 6.2 percent to 5.2 percent.

This is lower than the Cabinet-level Development Budget Coordination Committee's (DBCC) growth target of 6 percent to 7 percent for 2026.

"Headwinds to growth are mounting," it said, citing expectations of a slump in remittances due to tighter US immigration policy coupled with a 1-percent remittance tax on transfers starting in 2026.

"A slowdown in remittances will weigh on domestic consumption, which will have an outsized impact on growth given the domestically driven economy," BMI said.

The trade deal between the Philippines and the United States, which maintains 19 percent tariffs on Philippine goods while granting American products tariff-free access, will dampen the country's trade balance in 2026, it added.

Investment sentiment is also likely to remain weak next year, as "erratic" US trade policies are expected to sour global investors and limit foreign direct investment inflows.

Moreover, if the ongoing probe on flood control also uncovers corruption across other infrastructure projects, BMI said this could push actual spending below what the government planned and potentially hurt the economy.

Infrastructure spending has already begun to decline, as adverse weather conditions and tighter oversight have pushed back project implementation.

Latest data from the Department of Budget and Management (DBM) showed infrastructure expenditure and other capital outlays dropped by 21.8 percent year-on-year to P84.9 billion in August from P108.6 billion.

Even Finance Secretary Ralph G. Recto said that the government could miss its growth target of 5.5 percent to 6.5 percent this year due to slower government spending.

"The good news is, moving forward, all of that is on the upside because we are solving the problem [on infrastructure projects]. So moving forward, you will realize your full potential for growth," Recto said earlier.

For 2025, BMI kept its growth forecast at 5.4 percent, after robust domestic consumption and frontloading activity supported the first half of the year.

However, growth is expected to moderate in the second half due to weak infrastructure spending and subdued investment activity, given the uncertain global environment.

"The probe into alleged corruption has also worsened investment sentiment, with the Philippine Stock Exchange index [PSEi] closing at a near six-month low as of 30 September 2025," BMI added. *[Cont. page 2]*

PHL economic momentum to weaken in 2026, says BMI

[Cont. from page 1]

On the production side, the manufacturing sector contracted in September for the first time in six months, pulling the aggregated quarterly Purchasing Managers' Index to its lowest since the third quarter of 2021. Exports also posted a sharp month-on-month slowdown in August.

BMI forecasts the GDP growth to reach 6.2 percent in 2027 and 6.3 percent in 2028.

These are within the DBCC's growth target of 6 to 7 percent for the years 2026 to 2028.

Image credits: Mau Victa

Source: https://businessmirror.com.ph/2025/10/23/phl-economic-momentum-to-weaken-in-2026-says-bmi/

Vehicle sales dip 4% in September

October 24, 2025 Louella Desiderio | The Philippine Star

Data released by the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) and Truck Manufacturers Association (TMA) showed that combined sales slipped by four percent to 38,029 units in September from 39,542 units in the same month last year.

MANILA, Philippines — The automotive industry's sales declined for the third consecutive month in September due to unfavorable weather conditions.

Data released by the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) and Truck Manufacturers Association (TMA) showed that combined sales slipped by four percent to 38,029 units in September from 39,542 units in the same month last year.

However, vehicle sales in September were five percent higher than the 36,174 units sold in August.

Passenger car sales fell by 24 percent to 7,948 units in September from 10,438 units in the same month a year ago.

Commercial vehicle sales, on the other hand, went up by 3.4 percent to 30,081 units from 29,104.

The data also showed that sales of electric vehicles (EVs) reached 2,223 units in September.

Of the total EVs sold in September, 1,750 units are hybrid electric vehicles (HEV), 379 are battery electric vehicles (BEV) and 94 are plug-in hybrid electric vehicles (PHEV).

"The year-on-year decline in vehicle sales could partly reflect higher base or denominator effects a year ago amid weather-related disruption amid the series of storms or typhoons or flooding in recent weeks or months, as well as the series of earthquakes in some parts of the country, all of which reduced the number of working days or business days," Rizal Commercial Banking Corp. chief economist Michael Ricafort said.

He added that the growth in motorcycle sales in recent months might have also affected demand for cars.

Ricafort said motorcycles "could have become a cheaper or better alternative transport for some Filipinos, in terms of lower acquisition costs, maintenance costs, fuel consumption and space requirements."

From January to September, CAMPI and TMA's total vehicles sales dipped by 0.3 percent to 343,410 units from 344,307 units in the same period last year.

Sales of the passenger car segment fell by 24 percent to 69,306 units during the nine-month period from last year's 90,765 units.

Meanwhile, commercial vehicle sales went up by eight percent to 274,104 units from 253,329 units.

EV sales reached 20,662 units from January to September.

Of the total EVs sold, 16,335 units were HEVs, 3,657 units are BEVs and 670 units are PHEVs.

Toyota Motor Philippines Corp. remained the leading automotive player with its 48 percent market share from January to September.

Mitsubishi Motors Philippines Corp. placed second with 19 percent, followed by Ford Motor Co. Philippines Inc. with 4.86 percent, Nissan Philippines Inc. with 4.84 percent and Suzuki Philippines Inc. with 4.77 percent.

Source: https://www.philstar.com/business/2025/10/24/2482016/vehicle-sales-dip-4-september

SEC bids for revised guidelines on beneficial ownership disclosure

October 23, 2025 | Joann Villanueva | Philippine News Agency

MANILA – Addressing the gap in beneficial ownership information disclosure will help prevent corruption and financial crime, Securities and Exchange Commission (SEC) Chair Francis Lim said.

Thus, SEC is gathering public comment on the draft memorandum circular on the Revised Guidelines on Beneficial Ownership Disclosure and Transparency, issued on Oct. 10, 2025.

SEC, in a statement on Thursday, said the proposed guidelines are aimed at consolidating “all the rules and regulations promulgated by the SEC pertaining to the identification, declaration and submission of accurate beneficial ownership information by all corporations registered with the Commission.”

Among others, the proposed guidelines require SEC-registered entities to disclose the complete name, specific residential address, nationality, and the date when the individual became a beneficial owner, among others.

It also mandates the firms to disclose the specific category of beneficial ownership under which the individual qualifies; the percentage of ownership or voting rights, where applicable; the specific nature and means of control exercised by the beneficial owner; and the date when beneficial ownership was acquired or established.

SEC said the proposed measure was formulated with the help of the Open Ownership and the United Nations Office on Drugs and Crime and is aligned with the multi-pronged approach of the Financial Action Task Force (FATF) to beneficial ownership disclosure.

It said the guidelines “prohibit bearer shares, mandate disclosure of nominee arrangements, and impose proportionate sanctions for non-compliance and false declarations.”

“By strengthening beneficial ownership information disclosure, we are addressing critical gaps that enable corruption and financial crime in the country, complementing broader government efforts to combat corruption and illicit financial activities,” Lim said.

“This policy underscores our unwavering commitment to transparency and accountability in the corporate sector, aligning the Philippines with global standards in combating money laundering and countering the financing of terrorism.” ***(With a report from Joann Villanueva/PNA)***

Source: https://www.pna.gov.ph/articles/1261707

DPWH, PCC partner to combat bid-rigging

October 24, 2025 | The Manila Times

THE Department of Public Works and Highways (DPWH) and the Philippine Competition Commission (PCC) are partnering to promote fair competition and integrity in public procurement and infrastructure development.

Under a memorandum of agreement (MOA) signed on Thursday by Public Works Secretary Vince Dizon and PCC Chairman Michael Aguinaldo, both agencies will cooperate to detect and address anticompetitive behavior in public works projects, including bid-rigging and abuse of dominance.

Violators face fines of up to P110 million for a first offense, rising to P110-P275 million and P165-P275 million for succeeding offenses,

The PCC and DPWH committed to timely notification of relevant concerns, proactive monitoring of market conduct, and collaborative review of DPWH policies to ensure alignment with national competition policy, and other applicable laws.

“The agreement between the PCC and the DPWH represents a shared commitment to make our public infrastructure not only strong and resilient, but also fair, transparent and competitive,” PCC Chairman Michael Aguinaldo said.

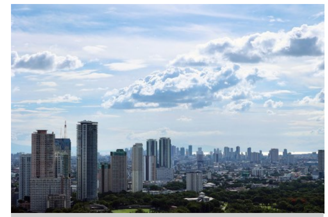
“This MOA is about more than policy coordination. It is about nation-building through fair competition. It is about ensuring that our roads and bridges are built not just with concrete and steel, but with integrity and trust.”

The DPWH is currently at the center of a massive flood control project scandal that has led to a shake-up at the department. Dizon, who was appointed to the post last month, has been tasked to root out corruption at the agency.

Source: https://www.manilatimes.net/2025/10/24/business/top-business/dpwh-pcc-partner-to-combat-bid-rigging/2207187

Weakening investor sentiment may weigh on PHL bank's performance

October 24, 2025 | Aaron Michael C. Sy | BusinessWorld



PHILIPPINE STAR/MIGUEL DE GUZMAN

WEAKENING business sentiment could weigh on Philippine banks' performance amid slower loan demand among corporates, and with lower interest rates continuing to squeeze their margins, analysts said.

However, lenders' ongoing efforts to grow their consumer portfolios could help ease some of the pressure and support both profit and credit growth.

"Philippine banks are expected to sustain double-digit loan growth despite softer corporate borrowing amid weak business sentiment… Banks are shifting toward retail and SME (small and medium enterprises) segments to offset slower demand from large corporates, supported by BSP's (Bangko Sentral ng Pilipinas) liquidity easing and strong deposit bases. While manufacturing loans remain in contraction, real estate and utilities continue to drive growth," Union Bank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion added in a Viber message.

He said they expect production loans to grow by 6.6% by December from an estimated 9.3% expansion in September, which would be the main drag on overall credit growth.

"Two major factors are driving this anticipated weakness: 1) A sustained decline in manufacturing loans, which could end the year down by 6.8%; and 2) A broad-based slowdown in loan demand across other production sectors," he said.

Bank lending growth eased to a nine-month low in August as loans for business activities expanded at a slower pace, BSP data showed. Outstanding loans from universal and commercial banks to businesses and individual consumers expanded by 11.2% year on year to P13.62 trillion in August, slower than the 11.8% growth in July.

This was the slowest growth since the 11.1% increase in November 2024.

This came as loans for production activities increased by 9.9% year on year to P11.51 trillion as of August, slowing from the 10.8% growth seen in July.

Meanwhile, consumer loans grew by 23.9% to P1.79 trillion, slightly faster than the 23.6% growth the month prior.

The Philippine central bank this month delivered a surprise rate cut, with the BSP chief citing the need to boost domestic demand due to a softer economic outlook as governance concerns due to a graft scandal involving government infrastructure projects have dented business sentiment, affecting companies' expansion plans.

The Monetary Board trimmed benchmark interest rates by 25 basis points (bps) for a fourth consecutive meeting, bringing the policy rate to an over three-year low of 4.75%. It has now slashed borrowing costs by a cumulative 175 bps since it began its rate cut cycle in August 2024.

Mr. Remolona has also left the door open to more reductions in the coming months to support the economy, adding that there needs to be a "credible resolution" to the corruption mess.

Philippine Institute for Development Studies Senior Research Fellow John Paolo R. Rivera said banks' move to aggressively expand their consumer lending businesses could help offset weakening credit demand from businesses and boost their profits.

"Despite slower corporate uptake, banks may still post modest growth, supported by a low interest rate environment, improving household consumption, and digital lending innovations," he said in a Viber message.

MARGINS

While lower rates amid the BSP's ongoing easing cycle also put pressure on banks' margins, this could also help improve loan demand as credit costs cheapen, First Metro Investment Corp. Head of Research Cristina S. Ulang said in a Viber message.

"There will be increased competition among banks as they try to grab market share," she said, adding that the big banks are unlikely to be affected as they have high business volumes.

"It (BSP rate cuts) could narrow banks' NIMs (net interest margins) due to reduced lending rates amid heightened competition, especially in the consumer segment. However, it may boost loan demand as borrowing becomes more attractive, particularly for households and MSMEs (micro, small and medium enterprises," Mr. Rivera likewise said.

[Cont. page 5]

Weakening investor sentiment may weigh on PHL bank's performance
[Cont. from page 4]

"While this can support bank earnings through volume growth, it also increases exposure to credit risks, particularly if standards are relaxed."

He said rapid credit growth without risk controls could affect banks' asset quality.

"Banks may shift strategies by diversifying into fee-based services, enhancing credit screening, and investing in digital efficiency to offset margin compression," he added.

As of end-June, the banking industry's combined net income grew by 4.14% year on year to P198.14 billion from P190.26 billion in the same period last year, BSP data showed.

Source: https://www.bworldonline.com/banking-finance/2025/10/24/707546/weakening-investor-sentiment-may-weigh-on-phl-banks-performance/

Business Opportunity and growth
October 24, 2025 | BUSINESS SNIPPETS - Marianne Go | The Philippine Star

However, I felt the need to bring attention to what Banga said, especially his view on the need to focus on creating the conditions for opportunity and stability, alongside rebuilding from the damages caused by war in conflict areas.

STAR / Michael Varcas

At the recently concluded 2025 International Monetary Fund and World Bank annual meetings, I was struck by the plenary speech of World Bank Group president Ajay Banga, which unfortunately was not appreciated here by most local media as our focus in the past few weeks has been on the legislative and infrastructure corruption issue.

However, I felt the need to bring attention to what Banga said, especially his view on the need to focus on creating the conditions for opportunity and stability, alongside rebuilding from the damages caused by war in conflict areas.

According to Banga, "We are living through one of the great demographic shifts in human history. By 2050, more than 85 percent of the world's population will live in countries we call 'developing' today.

"In just the next 10 to 15 years, 1.2 billion young people will enter the workforce — vying for roughly 400 million jobs. That leaves a very large gap."

He cited that around "four young people will step into the global workforce every second over the next 10 years. So in the time it takes to deliver these remarks, tens of thousands will cross that threshold — full of ambition, impatient for opportunity."

The pace of population growth, Banga said, is most staggering in Africa, which will be home to one in four people by 2050.

"Between now and then estimates suggest: These young people — with their energy and ideas — will define the next century.

"With the right investments — focused not on need, but opportunity — we can unlock a powerful engine of global growth."

However, the WB president warned, "Without purposeful effort, their optimism risks turning into despair — fueling instability, unrest and mass migration — with implications for every region and every economy.

"This is why jobs must be at the center of any development, economic, or national security strategy."

He continued, "But what do we mean by a job? It can mean working for a company and advancing through it to higher levels, or being employed at a small business. But it could also mean starting your own as an entrepreneur.

"A job is more than a paycheck. It is what allows both women and men to pursue their aspirations. It's purpose. It's dignity. The anchor that holds families steady and the glue that keeps societies together.

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Business Opportunity and growth

[Cont. from page 5]

"It is the straightest line to stability — and the hardest progress to reverse once achieved."

And that is exactly what our government officials here should likewise focus on — creating more jobs for our young, educated and eager Filipinos to stay in the country and work together to bring the Philippines to a higher level of economic growth.

Our employment statistics as of June showed a relatively high employment rate of 96.3 percent, an unemployment rate of just 3.7 percent and an underemployment rate of 11.4 percent.

Appears good, right? But a deeper dive on the employment statistics indicates that the jobs generated are in the services sector, accounting for 61.4 percent.

The agriculture sector, which includes our farmers and fisher folks and feeds our population of almost 117 million, provides employment for just 20.9 percent of our working population, while the industry sector accounts for just 17.7 percent.

Why am I not impressed with the employment statistics? Because as we all are aware, most of our college educated professionals are seeking employment abroad and it is their remittances that are helping prop up our economy.

But as WB president Banga pointed out, the global youth statistics show that more and more young people globally are joining the workforce and competing for the best jobs available in the global market.

With more Filipinos seeking white collar jobs, our agriculture sector which should be an income earner, continues to languish because our farmers and fisherfolks are aging and their children do not want to work in the agriculture sector, thus forcing the government to rely on imports.

Not being able to capitalize on own agriculture sector to provide us with our own basic staples and provide us with potential export income is already a big economic mistake, and yet our government wants to convince us that importations are still the best way to provide us what we need, instead of concentrating on increasing our own agricultural production.

What worries me, and is overshadowed by politics and corruption issues, is the continuing decline in the quality of education in our country. Even in our important agriculture sector, there is hardly any interest from young Filipinos to study any agriculture related courses that could benefit the sector.

The rankings of our educational institutions in international education surveys show an alarming deterioration.

Even for our own high-tech requirements, I have noticed that more and more foreign Information Technology guys are being hired.

As I recently wrote, even the entry-level IT and business process outsourcing jobs are being reduced as Artificial Intelligence (AI) takes over the more basic BPO requirements.

Upskilling is the new battlecry, but again education is the problem, and the current education secretary is in the midst of a political storm that is also caught up in the corruption controversy.

Likewise, I've noticed that our young workforce survive on gig jobs that may initially appear lucrative, but does not really provide the social safety nets that they will have to rely on as they grow old.

Moving from one lucrative gig job to another may bring in the cash, but most of the young workers I've had the opportunity to talk and interact with have no concern about their future medical needs, simply because they are young and do not face any medical attention so far.

But as my fellow columnists Boo Chanco and Cito Beltran have written in their own columns, the medical cost as one ages becomes a terrible burden because the government, once again, has failed us in providing that social safety net.

https://www.philstar.com/business/2025/10/24/2482007/business-opportunity-and-growth

UPCOMING EVENT

The Korean Chamber of Commerce Philippines (KCCP) invites **interested sponsors (Table or Raffle Sponsors)** to join our **Christmas Party on November 24, 2025, at the Makati Sports Club**. This festive event will bring together Korean and Filipino business leaders to celebrate the yuletide season. If you have any questions or need additional information, please do not hesitate to contact the following:

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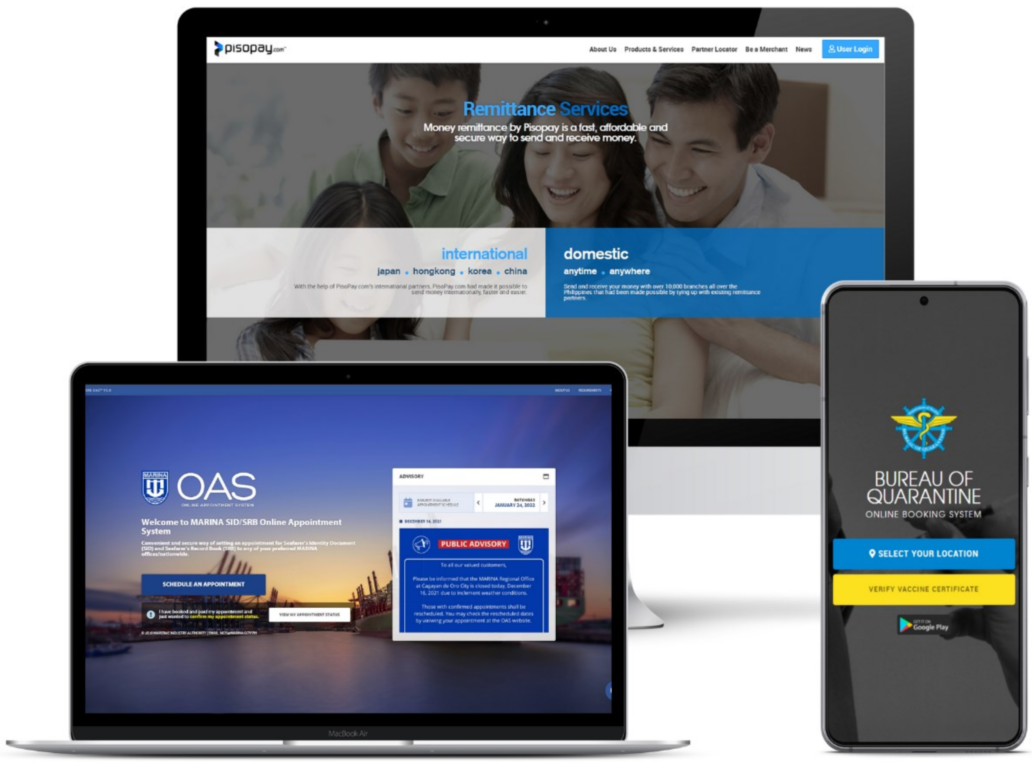

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