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SPECIAL POINTS OF INTEREST

UPCOMING EVENT

'Fiscal moves crucial to 2025 economy'

November 10, 2025 | Bless Aubrey Ogerio| BusinessMirror

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

WITH the country's economic growth slowing sharply in the third quarter, economists said fiscal policy execution—especially how the government spends—will be crucial in determining the economy's performance through 2025.

Gross Domestic Product (GDP) expanded by 4 percent year-on-year from July to September, down from 5.5 percent in the previous quarter and 5.2 percent in the same period last year, according to the Philippine Statistics Authority (PSA). *(See: https://businessmirror.com.ph/2025/11/07/psa-phl-economy-up-4-in-3q/)*

Jonathan Ravelas of Reyes Tacandong & Co. said he had expected a stronger 5.6 percent full-year growth but warned that spending delays could stall recovery. "For now, monitor fiscal policy execution closely. If spending remains subdued, private sector resilience and investment will be critical to sustaining growth," he said in a Viber message.

Meanwhile, UnionBank chief economist Carlo Asuncion attributed the slowdown to tighter financial conditions, weaker government expenditure and persistent external headwinds.

"Household consumption remained resilient, but weak capital formation and subdued exports underscore the need for stronger public investment and targeted support for trade-sensitive sectors," he said.

He added that, "Nevertheless, we expect growth to regain momentum, though risks from global demand and fiscal constraints remain."

From the demand side, household spending grew by 4.1 percent in the third quarter, while government expenditure rose 5.8 percent. Exports climbed 7 percent, and imports grew 2.6 percent, but investment, or gross capital formation, fell by 2.8 percent.

Private consumption accounted for 74 percent of GDP growth, though its contribution, 3 percentage points, was the lowest since the pandemic.

On the other hand, soft spending and weak investment were the main drags, per ING economists, prompting the bank to cut its 2025 growth forecast to 4.7 percent from 5.2 percent.

They also expect the Bangko Sentral ng Pilipinas (BSP) to trim policy rates by 25 basis points in December.

On one hand, Rizal Commercial Banking Corp. chief economist Michael Ricafort said the third-quarter slowdown, the weakest in over four years, reflected the impact of recent typhoons, floods and earthquakes that disrupted business operations.

The Q3 2025 GDP brings the year-to-date average to 5 percent, below the government's 5.5 to 6.5 percent target.

The Philippines's performance also lagged behind most of its regional peers such as Taiwan, South Korea and Vietnam, where growth accelerated. *[Cont. page 2]*

'Fiscal moves crucial to 2025 economy'

[Cont. from page 1]

Corruption, tariffs continue to weigh

Political uncertainty and tariff changes have deepened the drag on investment, per analysts.

Global macroeconomic firm Capital Economics said that public investments plunged 26 percent year-on-year in the third quarter following the investigation into anomalous flood-control projects mentioned in President Marcos' State of the Nation Address last July 25.

The decline also rippled through construction and household consumption.

"Even if large-scale political unrest is avoided, a broadening of the anti-corruption drive could prolong the slowdown," the firm said, warning that uncertainty may delay new projects and public procurement.

ING also pointed to the combined effects of the corruption probe and tariff changes. The Philippines' tariff rate, initially set at 17 percent, was raised to 19 percent in July, erasing its trade advantage within Asean.

"Corruption scandals put government spending under intense scrutiny, leading to a sharp pullback in investments," ING said.

For Ricafort, investor confidence could recover if governance and sustainability reforms are implemented.

For its part, the Department of Finance described the third-quarter slowdown as "a temporary hiccup" caused by underspending and assured that fiscal reforms and more efficient infrastructure budgeting will drive a stronger rebound in 2026. *(See: https://businessmirror.com.ph/2025/11/08/infra-fiascos-impact-q3-growth-a-mere-4/)*

Lowering expectations?

Ravelas has revised his growth forecasts to 5.3 percent for 2025 and 5.6 percent for 2026, reflecting slower fiscal momentum.

Asuncion, meanwhile, said easing inflation and a more accommodative stance from the BSP could cushion the economy. Inflation held at 1.7 percent in October—unchanged from September and below the 2.3 percent posted a year ago.

Ricafort noted that average GDP growth from January to September stood at 5 percent, but quarter-on-quarter expansion slowed to 0.4 percent. Moreover, investments, agriculture and government spending declined, though exports rose 1.4 percent.

He said holiday spending and improved weather could lift growth in the final quarter.

Capital Economics also expects two more 25-basis-point rate cuts within the current cycle, while ING said subdued public spending may continue to temper growth despite a likely rebound in consumption and agriculture.

Image credits: Michael O. Ligalig | Dreamstime.com

Source: https://businessmirror.com.ph/2025/11/10/fiscal-moves-crucial-to-2025-economy/

SEC doubles down on proposed term limit for independent directors

October 24, 2025 | Richmond Mercurio | The Philippine Star

"It's up for second exposure, the independent directors memorandum circular," SEC commissioner McJill Bryant Fernandez told The STAR.

STAR/File

MANILA, Philippines — The Securities and Exchange Commission (SEC) is set to release a second exposure draft of its proposed memorandum circular that sets stricter term limit for independent directors, while providing them with security of tenure at the same time.

"It's up for second exposure, the independent directors memorandum circular," SEC commissioner McJill Bryant Fernandez told The STAR.

"Given the comments we've received, the direction is to have a second exposure," he said.

In the initial draft circular, Fernandez said that there were comments on the proposed term limits, security of tenure as well as the penalty.

"Of course there were suggestions that were practiced based on other jurisdictions. Meaning it is being compared," he said. *[Cont. page 3]*

SEC doubles down on proposed term limit for independent directors

[Cont. from page 2]

Fernandez said that the target is for the commission to release the second exposure draft either this month or by December.

"Ideally, what we want is for it to come out this year," he said.

The SEC on Sept. 30 issued a draft memorandum circular which sets the rules on the duration of term and amends its rules on term limits of independent directors.

The issuance is expected to strengthen independence of independent directors as well as to align with the international best practices under Republic Act 11232, otherwise known as the Revised Corporation Code of the Philippines.

Publicly listed firms and registered issuers were given until Oct. 15, 2025 to submit their comments and inputs on the draft memorandum circular on the duration of term and term limit of independent directors.

SEC chairperson Francis Lim earlier acknowledged that there will be issues on the exposure draft, but assured that the commission is ready to face them.

A company's independent director is currently allowed to serve for a maximum cumulative term of nine years, after which, the independent director shall be perpetually barred from re-election as such in the company, but may continue to qualify as a non-independent director.

However, in the instance that a company wants to retain an independent director who has served for nine years, the firm's board should provide meritorious justifications and seek shareholders' approval during the annual shareholders' meeting.

Under the initial draft memorandum circular issued by the SEC, an independent director shall be elected for a three-year fixed term and subject to the term limit.

An independent director should serve for a maximum cumulative term of nine years.

On the other hand, an independent director who has served the maximum term shall be disqualified to be an independent director in the same company.

Companies that fail to comply may be fined P1 million.

"Basically, we will be strict on the nine-year limit. We will do away with exemptive reliefs. At the same time, to make the independent directors truly independent, we're giving them a three-year security of tenure. In other words, once voted, he or she is elected for three years, not one year only," Lim earlier said.

Lim also previously told The STAR that the SEC is looking at putting a term limit for broker directors of the Philippine Stock Exchange Inc. (PSE).

The proposal aims to introduce term limits for broker directors of the PSE, similar to the existing limits for its independent and non-broker directors.

The PSE's independent directors as well as non-broker directors currently have term limits, while broker directors do not have any.

Lim said that the intent of the "idea under study" is to level the playing field and provide other brokers the opportunity to serve on the PSE board.

Broker directors are persons who proportionately represent the PSE membership in terms of volume/value of trade and paid-up capital, while non-broker directors are those who are not associated with any broker or dealer or member of the exchange.

Source: https://www.philstar.com/business/2025/11/10/2485989/sec-doubles-down-proposed-term-limit-independent-directors

Korea-funded seed facilities to boost Philippine rice sector

November 10, 2025 | Vonn Andrei E. Villamiel | BusinessWorld

PHILSTAR FILE PHOTO

THE PHILIPPINES and South Korea have inaugurated new rice seed processing and cold storage facilities at the Philippine Rice Research Institute (PhilRice) in the Science City of Muñoz, Nueva Ecija, a project aimed at strengthening the rice seed supply chain and improving food security.

The facilities are funded by Korea's Ministry of Agriculture, Food and Rural Affairs (MAFRA) and the Korean Rural Community Corp. and implemented by the Global Agriculture Policy Institute, PhilRice said in a statement.

These will improve the processing, storage, and shelf life of high-quality certified seeds used in rice production.

PhilRice said the project is expected to reduce post-harvest losses, speed up seed processing, and ensure the steady supply of certified seeds to farmers.

"The initiative is expected to contribute to the country's food-security goals by stabilizing seed supply and improving productivity."

"The seed processing and storage complex is built to ensure uniform drying and efficient operations… The project represents continued cooperation between Korea and the Philippines in advancing agricultural development and strengthening the resilience of the rice industry," PhilRice said.

MAFRA Director Shin Jae Kim was quoted in the same statement as saying that the initiative and its training programs would help "take the Philippines' agricultural technology infrastructure to the next level."

The project's inauguration was part of PhilRice's 40th anniversary and is part of ongoing agricultural cooperation between the Philippines and South Korea.

Source: https://www.bworldonline.com/agribusiness/2025/11/10/710896/korea-funded-seed-facilities-to-boost-philippine-rice-sector/

APEC sees export slowdown in 2026

'While economies continue to promote trade facilitation and deepen regional economic integration, rising trade-restrictive measures and trade remedies point to a more sensitive, cautious and fragmented global trade environment.'

November 10, 2025 | Toby Magsaysay | Daily Tribune

"It's up for second exposure, the independent directors memorandum circular," SEC commissioner McJill Bryant Fernandez told The STAR.

STAR/File

Manufactured goods export growth across the Asia-Pacific Economic Cooperation (APEC) region is expected to cool sharply to 1.1 percent in 2026, as temporary boosts from frontloaded shipments and strong demand for high-tech products begin to fade, according to the latest APEC Regional Trends Analysis.

APEC Policy Support Unit (PSU) director Carlos Kuriyama, analyst Rhea Crisologo Hernando and researcher Glacer Niño Vasquez said this year's trade uptick was largely precautionary, with firms accelerating deliveries and building inventories amid concerns over potential new trade restrictions. "While economies continue to promote trade facilitation and deepen regional economic integration, rising trade-restrictive measures and trade remedies point to a more sensitive, cautious and fragmented global trade environment," they said.

Robust APEC exports growth

For 2025, merchandise exports and imports in APEC grew by 6.5 percent and 6.1 percent in value, while trade volumes expanded by 8.8 percent and 8.5 percent, respectively. The report said the momentum was supported by high-tech demand, supply chain diversification, and a surge in metals and semiconductor requirements tied to artificial intelligence, renewable energy, and electric vehicle manufacturing. Semiconductor billings in the region reached record levels due to continued advances in chip production.

"These developments present both opportunity and exposure. Strong demand from high-tech industries is supporting near-term growth. Still, the region remains vulnerable to supply bottlenecks, trade policy uncertainty, price swings and intensifying global competition," the PSU authors warned. *[Cont. page 5]*

APEC sees export slowdown in 2026

[Cont. from page 4]

APEC's overall GDP is projected to grow 3.1 percent in 2025, slightly higher than earlier estimates. However, the report noted that persistent uncertainty underscores the need for smarter fiscal policy, investment in technology, and stronger regional cooperation to support stability heading into 2026.

Kuriyama said APEC's role in driving open dialogue remains crucial moving forward. "Consistent dialogue and shared goals can help mitigate trade policy uncertainty and reinforce long-term stability," the PSU team said.

Source: https://tribune.net.ph/2025/11/09/apec-sees-export-slowdown-in-2026-2

FDI net inflows slump by 40.5% in August

November 11, 2025 | Katherine K. Chan | BusinessWorld

US dollar and euro banknotes are seen in this illustration taken on July 17, 2022. — REUTERS/ DADO RUVIC/ILLUSTRATION

NET INFLOWS of foreign direct investments (FDI) into the Philippines slumped by 40.5% in August, amid a drop in net investments in debt instruments, the Bangko Sentral ng Pilipinas (BSP) reported on Monday.

Preliminary central bank data showed that net inflows declined by 40.5% year on year to $494 million from $830 million in the same month in 2024.

This was the lowest amount in two months or since the $376 million recorded in June.

Month on month, FDIs plunged by 61% from $1.268 billion in July.

"Net foreign direct investments into the Philippines remained positive in August 2025, with inflows from Japan and into manufacturing taking the lead," the BSP said in a statement on Monday.

Net investments in debt instruments slumped by 73.8% to $145 million in August from $553 million a year ago.

These consisted mainly of intercompany borrowing or lending between foreign direct investors and their subsidiaries or affiliates in the Philippines, according to the central bank.

Meanwhile, investments in equity and investment fund shares rose by 26.1% to $349 million in August from $276 million in the same month last year.

Nonresidents' net investments in equity capital, excluding reinvestment of earnings, more than doubled to $146 million from $66 million last year.

Equity placements grew by 53.2% to $158 million from $103 million a year ago, while withdrawals declined by 66.2% to $13 million from $37 million a year earlier.

Reinvestment of earnings also slipped by 3.6% to $203 million in August from $210 million a year ago.

Union Bank of the Philippines (UnionBank) Chief Economist Ruben Carlo O. Asuncion said in a Viber message the lower FDI inflows reflect the impact of external headwinds and domestic investor sentiment.

"The sharp decline in nonresidents' net investments in debt instruments… was the main drag, suggesting reduced intercompany lending and financing activity amid cautious global conditions," he added.

Mr. Asuncion said the main factors that contributed to the August slowdown include softening global trade, high US tariffs, geopolitical uncertainty, and tighter global financial conditions.

Meanwhile, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the US tariffs and other protectionist policies as well as the flood control controversy may have weighed on investor sentiment.

"The series of typhoons from July (to) August could have also weighed on many local economic data, including FDIs, in view of reduced business days caused by these weather-related disruptions on the local economy," he added in a Viber message. *[Cont. page 6]*

FDI net inflows slump by 40.5% in August

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EIGHT-MONTH FDI DOWN

In the first eight months of the year, FDI net inflows declined by 22.5% to $5.179 billion from $6.686 billion in the same period in 2024.

This came as investments in equity and investment fund shares fell by 18.7% to $1.786 billion from $2.195 billion a year earlier.

Net foreign investments in equity capital other than the reinvestment of earnings likewise dropped by 35.5% to $870 million from $1.349 billion a year ago.

Placements went down 20.1% to $1.364 billion, while withdrawals climbed by 37.6% to $494 million.

Nonresidents' net investments in debt instruments declined by 24.4% to $3.393 billion in the eight-month period from $4.49 billion the previous year.

"For the first eight months of 2025, equity capital placements were sourced primarily from Japan, the United States, Singapore, and South Korea," the central bank said.

Most foreign investments went into manufacturing, wholesale and retail trade, and real estate, it added.

"Domestically, while equity placements from Japan, the US, Singapore, and South Korea remained positive — particularly in manufacturing, retail, and real estate — the overall investment climate still faces challenges related to policy clarity, logistical bottlenecks, and execution gaps," Mr. Asuncion said.

He said FDI net inflows are likely to pick up in the last quarter of the year.

"While this is below trend, we believe the BSP's $7.5-billion full-year target remains achievable, albeit with downside risks," he said. "The recent uptick in equity placements and reinvested earnings in July and August is encouraging, and we expect some recovery in (the fourth quarter) as sentiment stabilizes and seasonal investment flows pick up."

Mr. Ricafort also noted that further easing by the central bank could help attract more FDIs into the country.

"Further rate cuts by the Fed and the BSP in the coming months would also make borrowing costs cheaper from the point of view of foreign investors, would helping increase demand for loans to finance more FDIs into the country, both new and expansion projects," he said.

Since it began its easing cycle in August last year, the central bank has reduced its benchmark policy rate by 175 basis points to a three-year low of 4.75%.

BSP Governor Eli M. Remolona, Jr. earlier said they could deliver another cut later this year and into 2026. The Monetary Board's last rate-setting meeting this year is on Dec. 11.

Source: https://www.bworldonline.com/top-stories/2025/11/11/711106/fdi-net-inflows-slump-by-40-5-in-august/

Palace upbeat on GDP recovery

November 11, 2025 | Jean Mangaluz | Philstar.com

Photos show the buildings at the Ortigas Business District on November 8, 2022.

STAR / Michael Varcas

MANILA, Philippines — Following a record low, the Palace remained optimistic that the country's gross domestic product (GDP) will improve in the last quarter of 2025.

The country's GDP slowed to 4.0% in the third quarter — the lowest since the COVID-19 pandemic. The Department of Economy, Planning, and Development (DEPDev) had affirmed that the economic drag was due to the ongoing flood control corruption scandals.
Citing the Department of Budget and Management, Palace Press Officer Claire Castro said that the holiday season will spur on spending, as well as a growth in exports.

Castro said that there will also be an increase in government spending, especially with the P1.307 trillion worth of programmed funds that is set to be released to various government agencies in the final quarter of the year.

The 1.307 trillion will be divided accordingly for disaster response, social welfare, education and more.

President Ferdinand Marcos Jr. has ordered the proper use of these funds, Castro said.

"This will help the business sector see that the government is spending money correctly, and this would boost the economy, consumption, and investments," Castro said in Filipino.

Asked if the country can still hit its economic growth target for the year despite the corruption woes and the back to back typhoons, Castro said that the Palace was optimistic.

"The belief is there. We will be able to do this," Castro said.

The government's target for annual GDP growth is at least 5.5%.

Should the Marcos administration fail to hit its annual growth target, it will be the third year in a row that the government missed its goals.

DEPDev Arsenio Baliscan had noted that the government must improve the way it spent money, especially amid the massive corruption scandal. The drag in the GDP was exacerbated by the slowdown in public construction, with the Department of Public Works and Highways suspending dozens of projects during the corruption probe.

Consumer confidence has also been impacted by the flood control probes, with many people opting to postpone purchasing goods.

Source: https://www.philstar.com/business/2025/11/11/2486449/palace-upbeat-gdp-recovery

Contact Us

Korean Chamber of Commerce Philippines, Inc. (KCCP)
Unit 1104 Antel Corporate Center, 121 Valero St., Salcedo Village, Makati City
(02) 8885 7342
info@kccp.ph | www.kccp.ph

UPCOMING EVENT

The Korean Chamber of Commerce Philippines (KCCP) invites **interested sponsors (Table or Raffle Sponsors)** to join its **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 ff:

Ms. Chi or Ms. Sang
Tel: +632-8885-7342
Mobile: 09178015920 | 09158887296 (both available in Viber & Kakaotalk)
Email: info@kccp,ph

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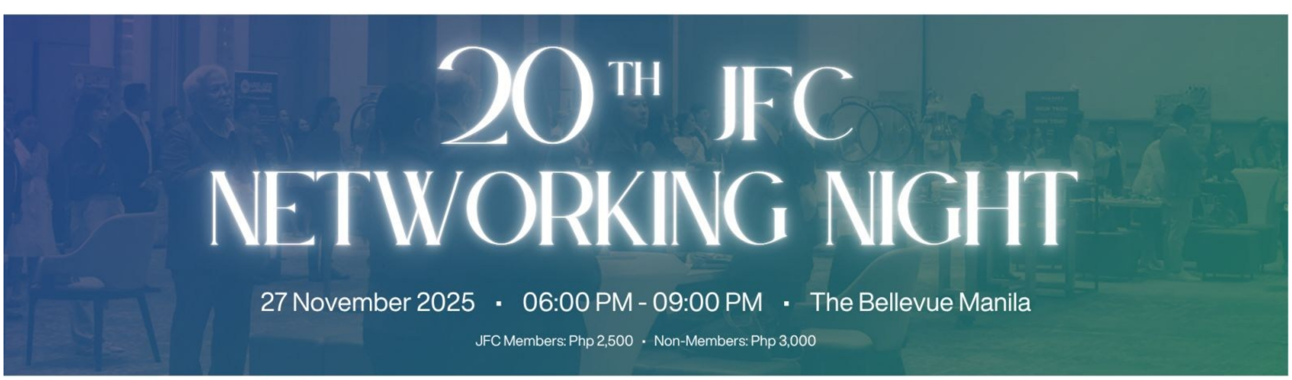

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