



필리핀 한국 상공회의소 뉴스 KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



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Philippines' GDP growth projected to stay stuck near 4%

November 26, 2025 | Ian Nicolas P. Cigaral | Philippine Daily Inquirer

MANILA, Philippines – The widening corruption scandal—already eroding business confidence and prompting a shake-up in the administration—threatens to keep economic growth stuck in the 4-percent range for the next two to three quarters, complicating President Marcos's bid to meet his own ambitious targets.

In a note to clients, Junjie Huang, an economist at Deutsche Bank, said he expected average growth this

year to settle at about 4.7 percent, as the governance crisis weighs on activity and pushes expansion below potential in the coming quarters.

He added that a mix of high base effects from the first half of 2025 and softer momentum later in the year could put growth at 5.1 percent in 2026, down from his earlier forecast of 5.7 percent.

Taken together, the projections suggested the economy may fall short of Mr. Marcos' 5.5- to 6.5-percent goal for 2025, as well as the 6- to 7-percent annual target he has set through the end of his term in 2028.

"The corruption scandal has clearly weighed on sentiment onshore and will likely drag on the growth outlook over the coming quarters as it continues to evolve," Huang wrote.

"Heightened risk aversion among public officials could lead to uneven disbursements in the year ahead, even as there are no indications of a budget delay for 2026 and with the President also confirming that unused infrastructure funds would be reallocated," he added.



Photo by TED ALJIBE / AFP

After data showed the economy expanding just 4 percent in the third quarter—its slowest pace in over four years—Mr. Marcos' economic team acknowledged that reaching even the lower end of the government's growth target for the year had become increasingly difficult.

Rate cut

The central bank acted swiftly, with the Monetary Board cutting the key interest rate by 25 basis points to 4.75 percent in October.

Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona Jr. said another reduction in December was "possible," while ruling out aggressive easing that could fuel concerns the economy was careening toward a hard landing.

Already, policymakers have suggested that the official targets may need adjustment to reflect the challenging economic realities created by the antigraft crackdown, which has undermined business confidence, stalled public projects and claimed Cabinet members of the Marcos administration.

Deutsche Bank's Huang said the uncertainty around fiscal policy and growth may prompt the BSP to ease by 25 basis points in the next two meetings consecutively. The likelihood of a deeper negative output gap also increased the probability of further rate cuts, he added.

"The BSP's current policy settings are arguably still restrictive, as the real interest rate of ~3 percent is higher than the regional average of 1.5-2 percent," Huang said.

"We expect inflation to remain benign in the coming months, which should keep the door open for BSP's next cuts," he continued.

<https://business.inquirer.net/559998/ph-growth-projected-to-stay-stuck-near-4?>

PHL ranks lowest in digital skills demand across A&P

November 25, 2025 | Justine Xyrah Garcia | BusinessMirror



DESPITE rapid digitalization initiatives across Asia and the Pacific, the Asian Development Bank (ADB) said on Monday that Philippine employers continue to require the least digital skills for the same occupations compared to their regional peers.

Initial findings of a forthcoming ADB study showed that the Philippines posted the lowest digital skill score, followed by Malaysia and India.

The score measured how digitally intensive job postings are—ranging from zero for jobs requiring no digital skills to one for those requiring advanced competencies—and covers six economies: Australia, India, the Republic of Korea, Malaysia, Singapore and the Philippines.

The Republic of Korea posted the highest digital skill score, with employers requiring digital competencies that are roughly 17 percent higher than those expected by firms in the Philippines for the same type of job.

Across Asia and the Pacific, ADB found that digital competencies have become a baseline requirement for employability.

About 45 percent of job ads now demand at least basic digital skills, such as email use, office productivity tools and digital documentation.

Almost 30 percent require intermediate skills like online content management and basic coding, while over 10 percent of job listings look for advanced digital skills such as programming and cloud services.

The demand for artificial intelligence (AI) capabilities—particularly the ability to use AI tools—has also more than doubled since the emergence of generative AI in 2022, signaling how quickly employers are integrating technology into everyday workflows.

ADB economist Silvia Garcia Mandicó explained that the gap in digital skills across countries reflects the slower adoption of digital systems in developing countries like the Philippines.

“When we compare accountants and associates, employers in the Philippines mention digital skills less frequently. So this likely reflects slower diffusion of digital systems in firms, perhaps even more so in small and medium enterprises,” Mandicó explained during a forum.

She also pointed that a relatively low supply of digital skills—including email proficiency, data analysis, basic programming and intermediate-level software use—may also be discouraging firms from requiring such competencies in job postings.

“If employers know that the level of digital skills on average that they will face is lower, they may refrain from requiring some of these digital skills,” she said.

The ADB study also found clear wage premiums for digitally skilled workers, ranging from 5 percent for basic skills to 15 percent for advanced programming or IT-related competencies.

The organization noted that these wage premiums were highest in India, Malaysia and the Philippines, where digital talent remains limited.

Australia showed the smallest premium, consistent with its more digitally intensive labor market.

‘Investment in digital infra, basic education’

While the results also suggest that economies with low digital-skill demand may still catch up, ADB Chief Economist and Director General Albert Park said countries like the Philippines must double their efforts in improving digital infrastructure and strengthening basic education.

Park noted that the Philippines continues to post persistently low learning outcomes—an issue he described as a fundamental barrier to acquiring digital competencies.

[Cont. page 3]

PHL ranks lowest in digital skills demand across A&P

[Cont. from page 2]

"I think that suggests that you need to build digital infrastructure in the sense of getting people connected and making it cheaper to be using computers and on the internet," he said.

The chief economist emphasized that governments must invest in strong digital foundations to ensure that workers can participate meaningfully in an economy where technology plays a growing role.

"They [developing countries] really need to think proactively about how to influence the direction of technological change...for instance, invest in startups, encourage startups in ventures or technologies that will be socially impactful," Park added.

Source: <https://businessmirror.com.ph/2025/11/25/phl-ranks-lowest-in-digital-skills-demand-across-ap/>

Electronic exports may grow by 5.7 percent this year

November 26, 2025 | Louella Desiderio | The Philippine Star

MANILA, Philippines — The country's electronic exports are expected to rise by five to seven percent this year from a year ago, supported by demand for new technologies and telco products, according to the umbrella group of semiconductor and electronics firms in the country.

Semiconductor and Electronics Industries in the Philippines Foundation Inc. (SEIPI) president Dan Lachica told reporters that the group recently conducted its board meeting and approved a new growth projection of five to seven percent for this year.

Previously, the SEIPI was projecting flat growth for 2025.

Last year, electronics exports from the Philippines were down by six percent to \$42.74 billion from \$45.65 billion in 2023.

Data from the Philippine Statistics Authority showed that the country's electronics exports rose by 9.5 percent to \$33.5 billion in the nine-month period from \$30.6 billion last year.

For next year, Lachica said the group expects electronics exports to grow by five percent.

He said the growth is expected to be driven by "the technologies that we use, AI (artificial intelligence), data centers and telecommunication products."

While the Philippines does not produce high-end or advanced chips, he said the country can still supply other parts needed by the new technologies.

He also said the country's exports of semiconductors are not covered by the 19 percent reciprocal tariff being slapped by the US on other goods coming from the Philippines.

As such, he said the US tariff "should not have any major effects because we're still at zero tariff."

He said the country's electronics exports, however, may be affected by changes in the US tariff policy.

"If they say they will remove the zero tariff, then we are at risk," he said.

Earlier, US President Donald Trump said the US plans to impose tariffs of up to 300 percent on semiconductor imports, but will provide exemptions for firms that will manufacture these products in the US.

To attract investments for the production of high-tech chips, Lachica said the country would need to show proof of concept.

This is the reason why the SEIPI has been pushing for a lab-scale wafer fabrication facility in the country to turn raw silicon wafers into integrated circuits or chips.

Lachica said the SEIPI is looking to resubmit its proposal for a wafer fabrication facility to the Department of Science and Technology.

Source: <https://www.philstar.com/business/2025/11/26/2489830/electronic-exports-may-grow-5-7-percent-year>



Semiconductor and Electronics Industries in the Philippines Foundation Inc. (SEIPI) president Dan Lachica told reporters that the group recently conducted its board meeting and approved a new growth projection of five to seven percent for this year.

STAR / File

PCCI welcomes suspension of BIR's tax audit operations

November 26, 2025 | Logan Kal-El M. Zapanta | Philippine Daily Inquirer



MANILA, Philippines – The Philippine Chamber of Commerce and Industry (PCCI), the country's largest business organization, has thrown its support behind the government's decision to suspend all field audits and related operations of the Bureau of Internal Revenue (BIR).

In a statement on Tuesday, the PCCI said the temporary halt, announced by the Department of Finance (DOF) on Monday, would allow small businesses to focus on holiday sales and year-end planning instead of dealing with audit requirements.

"This intervention provides crucial and immediate relief to businesses, especially micro, small and medium enterprises, by granting them much-needed operational breathing room to better focus on year-end priorities such as strategic planning, inventory management and holiday season sales without the added pressure of a BIR audit," the PCCI said on Tuesday.

Grave concerns

The suspension follows concerns raised in the Senate that Letters of Authority (LOAs), which empower the BIR to check a taxpayer's documents to ensure tax compliance, were being "weaponized" to "make money."

The suspension freezes the issuance, creation, printing and signing of LOAs and Mission Orders (MOs), effectively putting all audit-related enforcement on hold during the review period. Only legally required or urgent cases may proceed.

The PCCI praised the "decisive action" of newly appointed Finance Secretary Frederick Go and the "swift implementation" by the BIR under its new commissioner, Charlie Mendoza.

According to Mendoza, the BIR had also formed a technical working group (TWG) on "LOA and MO Integrity and Audit Reforms," to review current tax audit protocols and recommend safeguards.

The PCCI—which counts 30,000 members from private firms, associations and chambers of commerce—said the move was a crucial step toward improving the audit system.

"The creation of the TWG to conduct a comprehensive review signals a concrete and meaningful step toward addressing long-standing concerns about clarity, consistency, and proper oversight in audit processes," it said.

Internal controls

"PCCI sees this as an important opportunity to improve guidelines, strengthen internal controls, and ensure that the audit system fully aligns with established rules and the principles of due process," it continued.

The group said it was ready to work with the DOF and BIR throughout the reform process.

"Our shared goal is to cultivate a tax system that protects compliant taxpayers, supports efficient and fair revenue collection, and upholds the standards of accountability, integrity, and transparency," it said. INQ

Source: <https://business.inquirer.net/560001/pcci-welcomes-suspension-of-birs-tax-audit-operations>

Investment inflows 'face mounting headwinds'- BMI

November 26, 2025 | Niña Myka Pauline Arceo | The Manila Times

INVESTMENTS from abroad are expected to remain subdued through 2026 with a corruption scandal adding to pressures from macroeconomic and trade uncertainties, a Fitch Group unit said.

The Manila Times®

Foreign direct investments (FDI), which as a share of Philippine gross domestic product (GDP) fell to 1.3 percent in the second quarter of this year, "face mounting headwinds," BMI said on Monday. [Cont. page 5]

Investment inflows 'face mounting headwinds'- BMI

[Cont. from page 4]

The April-June level was well below the pre-pandemic average of 2.5 percent, it noted, and — following President Ferdinand Marcos Jr.'s having raised the issue of anomalous flood control projects in July — plunged by 40.5 percent in August.

The corruption scandal “compounded investor concerns about the global trade uncertainty” and inflows were “showing signs of further deterioration ahead,” BMI said.

Net inflows plummeted to \$494 million in August from \$830 million a year earlier, latest Bangko Sentral ng Pilipinas (BSP) data show. To date, net FDI inflows have fallen by 22.5 percent to \$5.2 billion from \$6.7 billion.

BMI also noted that the scandal had pressured the peso, which was down 6.6 percent from a May 27, 2025 peak to P58.90 versus the dollar as of Nov. 20 even as most Asian currencies gained.

Further weakness is expected with the BSP likely to cut key interest rates by another 25 basis points next month, it added.

This will narrow the interest rate differential with the United States to 50 basis points, making Philippine assets less attractive.

The peso could settle at P59.0:\$1 by end-2025 and further weaken to P59.50:\$1 by end-2026, BMI said.

The country's trade balance will benefit but improvements to the current account, which measures transactions with the rest of the world, are expected to be slight.

BMI said the current account shortfall was likely to hit 3.4 percent of GDP this year and 3.2 percent in 2026, substantially larger than the 0.4-percent pre-pandemic average for 2015 to 2019.

Seasonally adjusted, the deficit eased to 3.1 percent of GDP in the first half of 2025 due to strong merchandise exports, which grew 13.1 percent year-on-year on average in the first three quarters of the year.

However, higher tariffs approved by US President Donald Trump began to weigh on outbound shipments in the third quarter, with exports to the US slipping 0.3 percent year-on-year.

While a Nov. 14 exemption for certain agricultural items will spare over \$1 billion in Philippine exports, BMI said there was “limited room for significant improvements” in merchandise trade.

The effective duty imposed by the US on Philippine exports, it noted, has surged to 16.8 percent from just 1.3 percent last year following the imposition of a 19-percent “reciprocal” tariff in August.

The services balance, meanwhile, will likely remain in surplus but also stay challenged. BMI said that the Philippines' business process outsourcing sector, which has a 15-percent global market share and accounts for some 6.5 percent of GDP, “remains susceptible to fluctuations in the global macroeconomic environment.”

Remittances will also face significant pressure from tighter US immigration policies and a 1-percent tax to be imposed starting next year.

“Given [that] the US is the largest source of remittances and accounts for 40 percent of inflows, we expect remittances growth to slow in 2026,” BMI said.

Risks to the current account outlook remain “balanced,” but tariff uncertainties could widen the shortfall.

Successful bilateral negotiations to reduce the 19- percent tariff could improve the country's position, BMI said, potentially bringing the deficit closer to the BSP's 2.9-percent target for 2026.

Source: <https://www.manilatimes.net/2025/11/26/business/top-business/investment-inflows-face-mounting-headwinds-bmi/2231504>

South Korea to help put up assembly plant for farm machinery

November 24, 2025 | Alden Monzon | The Philippine Star



Photo shows farmers harvesting their plot of land in Rosario, La Union on October 4, 2024.

STAR / Andy Zapata

MANILA, Philippines — The Philippines and South Korea are firming up plans for a farm machinery assembly facility in Cabanatuan City as part of measures to strengthen local manufacturing and improve farmers' access to advanced equipment.

In a statement, the Philippine Center for Postharvest Development and Mechanization (PHilMech) said a meeting earlier this month between Philippine officials and Korea's Ministry of Agriculture, Food and Rural Affairs (MAFRA) was held to discuss the venture.

"The meeting included discussions on the proposed project operations, infrastructure requirements and potential investments from Korean companies," said PHilMech.

"The delegation also noted opportunities to support the project with broader national needs, including provision for irrigation and land rehabilitation efforts," it added.

MAFRA representatives said more Korean firms are expected to join the project as it progresses.

Meanwhile, the Philippine side said it is exploring ways to align the project with broader national needs, including support for irrigation and land rehabilitation.

PHilMech executive director Rex Bingabing Alwindia reaffirmed the agency's backing, saying local assembly would improve after-sales service, widen access to spare parts and provide more reliable equipment for farmers.

The two sides discussed long-term capacity-building plans, including technical training partnerships and the creation of a mechanization institute.

Source: <https://www.philstar.com/business/2025/11/24/2489333/south-korea-help-put-assembly-plant-farm-machinery>

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20TH JFC NETWORKING NIGHT

27 November 2025 • 06:00 PM - 09:00 PM • The Bellevue Manila

JFC Members: Php 2,500 • Non-Members: Php 3,000



[Post Event Article] 2025 KCCP Christmas Party

The Korean Chamber of Commerce Philippines (KCCP) successfully held its **2025 Christmas Party** on November 24, 2025 at the Ayala Ballroom of the Makati Sports Club in Salcedo Village, Makati City. The event brought together **over 130 attendees**, including representatives from Korean and non-Korean companies, partner organizations, and members of the broader business community.

The celebration was graced by several distinguished guests and VIPs, led by **H.E. Ambassador Lee Sang-hwa**, Korean Ambassador to the Philippines, and **Ms. Anidelle Joy M. Alguso**, Deputy Director General for Policy and Planning of the Philippine Economic Zone Authority (PEZA). They were joined by **Atty. Fabian K. Delos Santos**, Chairman of the Philippine Korea Economic Council, as well as KCCP Honorary Presidents **Mr. Lee Kwan Soo**, **Mr. Jang Jae Jung**, **Mr. Park Ill Kyong**, and **Mr. Lee Ho Ik**, whose presence highlighted the enduring cooperation and friendship shared between Korea and the Philippines.

During the program, KCCP also presented the **30th On-Site Edit** of its **30th Anniversary Celebration**, which was held last **April 3, 2025** at the Ascott BGC Hotel. The video showcased milestone achievements, partnerships, and the organization's three decades of growth, drawing warm appreciation from attendees.

A meaningful moment during the celebration was the testimonial delivered by Dr. Precious Relles Galo, a KCCP Scholar in 2009, who is now serving as an Air Force doctor and a practicing OB-GYN. In her message, she shared how the KCCP scholarship opened life-changing opportunities for her academic and professional journey, expressing heartfelt gratitude to the Chamber for its continued support of Filipino scholars.

A special performance by **YGIG**, one of the most exciting groups to watch in today's P-pop scene, served as one of the evening's highlights. Their performance, together with **SBTown's new male trainee group**, energized the audience and showcased rising entertainment talents. Guests also enjoyed fun games, raffle prizes, and a short gift-giving segment that fostered camaraderie and holiday cheer.

KCCP extended its sincere appreciation to its event sponsors: **Alveo Land, Authority of the Freeport Area of Bataan (AFAB), Banco De Oro (BDO) Unibank, Bellek and Company, Bench, Big Mama Korean Restaurant, DMCI Homes, Daejanggum Corporation, East West Bank, Haishen International, Hotel Okura Manila, Industrial Bank of Korea Manila Branch, Island Resort Club Services Inc., Kepco Philippines, Korean Air, Lockton Phils. Insurance & Reinsurance Brokers Inc., Pepsi Cola Products Philippines Inc., Savea Bay City Manila, Sunlight Air, Vivere Hotel and Resorts, Little Clarion Montessori School, Zoomanity Group and Worldwidelink Trading Corporation.**

The 2025 KCCP Christmas Party concluded on a festive and optimistic note, celebrating not only the holiday season but also the enduring partnership between the Korean business community and the Philippines.

[Photo Highlights] 2025 KCCP Christmas Party



KCCP President Mr. Hyunchong Joseph Um giving his welcome remarks to start the event program



L-R: Mr. Jang Jae Jung, Atty. Fabian Delos Santos, Mr. Ill Kyong Park, PEZA DDG Ms. Anidelle Joy Alguso, H.E. Amb. Sang-hwa Lee, Mr. Hyunchong Um, , Dr. Jikyeong Kang, Mr. Kwan Soo Lee and Mr. Ho Ik Lee

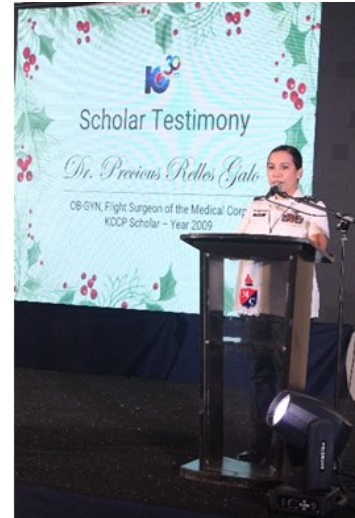
[Photo Highlights] 2025 KCCP Christmas Party



*Embassy of the Republic of Korea
H.E. Amb. Sang-hwa Lee giving a
congratulatory message*



*PHILKOREC Chairman Atty.
Fabian K. Delos Santos giving a
congratulatory message*



*KCCP Former Scholar Dr.
Precious Relles Galo giving a
testimonial*



*Philippine Economic Zone Authority Deputy
Director General Ms. Anidelle Joy Alguso giving
her message about KCCP locators in PEZA*



*KCCP Honorary President Mr. Kwan
Soo Lee led the Ceremonial Toasting*



*KCCP President Um, Amb. Lee and KCCP
Honorary President Mr. Jang with other KCCP
Guests*



With KCCP Board of Directors and Korean Ambassador Sang-hwa Lee



KCCP President and Honorary Presidents with
Korean Amb. H.E. Sang-hwa Lee



With YGIG

A Special Thanks to the 2025 KCCP Christmas Party Event Sponsors





The poster is set against a green background framed by red curtains with gold tassels. At the top, four spotlights shine down. The Sorok Uni Foundation Inc. logo and name are at the top center. The main title '10TH SOROK SHORT FILM FESTIVAL PHILIPPINES AWARDS NIGHT' is prominently displayed. Below it, the theme 'Pilipinas, Person with Disability - Friendly Ka Ba?' is written. The venue 'CINEMA 4 - SM CITY MANILA' and the date 'DECEMBER 3, 2025' are listed, along with the times for the awards night and film showing. At the bottom, the text 'Our Partners:' is followed by logos for SM, National Council on Disability Affairs, and Bagong Pilipinas. A QR code with the text 'SCAN ME!' is located at the very bottom.

 **SOROK UNI**
FOUNDATION INC.
"A Philippines Without Forgotten Neighbors"

10TH SOROK SHORT FILM FESTIVAL PHILIPPINES AWARDS NIGHT

Theme: Pilipinas, Person with Disability
- Friendly Ka Ba?

CINEMA 4 - SM CITY MANILA

DECEMBER 3, 2025
2 pm - 4pm | Awards Night
4 pm - 8pm | Film Showing

Our Partners:

 **SCAN ME!**