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KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER

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SPECIAL POINTS OF INTEREST

PHL may grow below target until 2027

December 04, 2025 | Aubrey Rose A. Inosante | BusinessWorld


Vendors are seen at the Baclaran Market in Parañaque City. — PHILIPPINE STAR/ RYAN BALDEMOR

THE PHILIPPINE ECONOMY is expected to miss the government's growth targets this year until 2027, the Organisation for Economic Co-operation and Development (OECD) said.

In its latest Economic Outlook on Tuesday, the OECD has slashed its Philippine gross domestic product (GDP) growth forecast to 4.7% for this year from 5.6% in its June report.

The OECD also trimmed its GDP growth forecast to 5.1% for 2026 from 6% previously. It sees the economy growing by 5.8% in 2027.

These projections are below the government's 5.5-6.5% growth goal for this year and the 6-7% target for 2026 to 2028.

"The corruption scandal has actually already weighed on economic activity in the third quarter of 2025. The channel through which it has weighed on activity is public construction, which has collapsed in the third quarter," OECD economist Cyrille Schwellnus said at a separate briefing on Wednesday.

Philippine GDP grew by a weaker-than-expected 4% in the third quarter, bringing nine-month growth to 5%. This, as household final consumption expenditure and government spending slowed amid the corruption mess.

"This lower growth will bring down annual growth for 2025, but also annual growth for 2026," he added.

Mr. Schwellnus noted that the growth projections assume that the corruption scandal will be resolved relatively quickly, along with more transparent public procurement. But it is uncertain how quickly public investment and investor confidence will rebound, he added.

Based on the OECD's latest Economic Outlook, the Philippines will be the fourth fastest-growing economy in Southeast Asia this year, after Vietnam (8.2%), Malaysia (5%) and Indonesia (5%).

For 2026, the Philippines is seen to post the second-fastest growth in Southeast Asia, after Vietnam's 6.2%. The Philippines and Vietnam are expected to post the fastest growth in the region in 2027 at 5.8%.

In a report, the OECD noted that the Philippine economy will gradually return to its growth path "but risks are tilted to the downside."

"Private consumption is supported by a strong labor market and contained inflation, but investment has weakened as the execution of public infrastructure projects has slowed on the back of a corruption scandal linked to public works," the OECD said.

The OECD said private spending, which accounts for more than 70% of the economy, is expected to stay robust as job gains bolster real incomes amid easing inflation.

Household final consumption expenditure is projected to expand by 4.7% this year, slowing from 4.9% in 2024. It is expected to pick up to 5.1% in 2026 and 5.9% in 2027. *[Cont. page 2]*

PHL may grow below target until 2027

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“A more persistent-than-expected weakness in public investment related to tighter corruption controls and weaker investor confidence could weigh on domestic demand over 2026,” the OECD said.

Investment may stage a modest rebound in the coming quarters as borrowing costs ease and public investment restarts, it said. However, slower export momentum amid global uncertainties and softening external demand may temper gains.

“On the upside, the recent liberalization of foreign investment rules could help offset export headwinds by attracting higher capital inflows,” it said.

Mr. Schwellnus said the OECD has identified critical areas the Philippines can focus on to boost growth, such as reducing non-wage labor costs and updating employment regulations.

“(There are) barriers to competition in electricity, telecommunications, and transport. These could be further reduced, which would lower costs for businesses and consumers, while encouraging private sector investment,” he said.

INFLATION

At the same time, the OECD sees headline inflation averaging 1.6% this year, with the Bangko Sentral ng Pilipinas (BSP) expected to lower its policy rate to 4.25% in 2026.

“Inflation will remain contained in the near term amid weak domestic demand but will gradually return to the midpoint of the central bank’s target range as food and energy price effects fade, the recent depreciation of the currency is transmitted to domestic prices, and growth gradually recovers,” it said.

The forecast is slightly below the BSP’s 1.7% projection for 2025 and the 10-month average.

With below-target inflation, subdued demand-side pressures and slower growth, the OECD said the central bank is expected to continue easing, with policy rates seen at 4.25% in 2026.

BSP Governor Eli M. Remolona, Jr. said on Wednesday the weaker growth outlook gives the Monetary Board room for another rate cut at its Dec. 11 policy meeting.

The central bank has reduced key borrowing costs by 175 bps since it began its easing cycle in August 2024, bringing the policy rate to a three-year low of 4.75%.

In addition, the OECD said the fiscal policy will likely be “moderately restrictive” through 2027 as the government aims to reduce the budget deficit.

The government aims to cap the deficit at P1.56 trillion this year, equivalent to 5.5% of the GDP, and further narrow the gap to P1.55 trillion or 4.3% in 2028.

“The pace of this consolidation could be stepped up in 2026 to put public debt on a firmer downward path. The overall macroeconomic policy mix is broadly appropriate given that fiscal policy turns moderately more restrictive in 2026,” the OECD said.

Source: https://www.bworldonline.com/top-stories/2025/12/04/716404/phl-may-grow-below-target-until-2027/

Business leaders revive move for Charter change

December 03, 2025 | Jovee Marie N. de la Cruz | BusinessMirror

BusinessMirror
A broader look at today's business

LOCAL and foreign business leaders on Wednesday revived their push for Charter change, warning that the Philippines needs to modernize its economic and political systems if it is to keep pace with a rapidly integrating global economy.

During the first public consultation of the House Committee on Constitutional Amendments, Philippine Chamber of Commerce and Industry (PCCI) Chairman George Barcelon said the private sector remains open to constitutional reforms that strengthen the country’s investment climate, stressing that economic amendments should be prioritized.

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Business leaders revive move for Charter change

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“Our stance is supportive of any changes that would benefit the country,” Barcelon told lawmakers, noting PCCI’s long-standing advocacy for revising economic restrictions. “We are very open to changes that are economic provisions in nature. Others, whether through a Con-Con or a constituent assembly, we leave to the wisdom of our legislators.”

Barcelon emphasized that despite recent liberalization laws—such as the amended Public Service Act, Retail Trade Liberalization Act, Foreign Investment Act, and other reforms—the Philippines continues to lag behind neighbors like Vietnam in attracting foreign investments.

He cited structural issues that remain unaddressed, including high power costs, expensive logistics, and the “hollowing out” of domestic manufacturing.

“We are basically a consumer economy…living off the remittances of our overseas workers,” he said, adding that the country’s growing dependence on imports has contributed to a $40-billion trade deficit with Association of Southeast Asian Nations (Asean) members. Barcelon also raised concerns about the vulnerability of the BPO industry amid advancements in artificial intelligence and called for stronger support for agriculture and higher education.

Despite these challenges, he noted that foreign companies continue to prefer locating in Philippine Economic Zones Authority areas owing to a stable regulatory environment and ease of doing business—factors he said must be replicated nationwide.

The Joint Foreign Chambers of the Philippines (JFC) reaffirmed their strong support for proposals to amend the 1987 Constitution, particularly the removal of long-standing restrictive economic provisions that they say have hindered the country’s global competitiveness and deterred foreign investments for decades.

Christopher Ilagan, president of the Canadian Chamber of Commerce in the Philippines, said the Joint Foreign Chambers has consistently pushed for the reform or removal of rigid foreign equity restrictions, stressing that these limitations embedded in the Constitution have become “inflexible and outdated.”

“The Joint Foreign Chamber of Commerce of the Philippines strongly supports the amendment and or revision of the 1987 Philippine Constitution, specifically the removal of restrictive economic provisions,” Ilagan said.

“These restrictions are inflexible and outdated. Embedding rigid economic provisions in the Constitution has deprived the government of the necessary flexibility to adjust to future changes in technology, meet requirements under international treaties, and capitalize on new economic opportunities.”

He noted that many of these restrictions are rooted in the nationalistic and protectionist orientations of the 1935 and 1973 Constitutions—views that no longer reflect the realities of today’s globalized economy. With the Philippines now deeply integrated into global trade and party to numerous free trade agreements, Ilagan said retaining such limitations “no longer serves the country’s best interests.”

“These restrictions undermine the country’s competitiveness,” he added. “They contribute to lower investments, fewer jobs, poorer infrastructure, and less inclusive development.”

Major international institutions such as the World Bank and the Organization for Economic Cooperation and Development (OECD) have repeatedly cited the Philippines as among the most restrictive economies in terms of foreign investment regulations—a ranking that the JFC says can only be effectively addressed by removing constitutional barriers entirely.

On the manner of amending the Charter—whether through a constitutional convention or constituent assembly—Ilagan said the chambers defer to Congress, noting, “We rely on the wisdom of our legislators to decide that.” He added that the JFC will submit a comprehensive position paper and historically supports inserting the phrase “unless otherwise provided by law” in key areas to enhance policy flexibility.

Marielle Angela Soriano, advocacy engagement specialist for the Arangkada Philippines Project and the American Chamber of Commerce of the Philippines, echoed the JFC’s unified position. Speaking on behalf of the American, Australian-New Zealand, Canadian, European, Japanese, and Korean chambers, and PAMURI, Soriano reiterated their support for easing or eliminating constitutional limits on foreign direct investments (FDIs).

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Business leaders revive move for Charter change
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"The removal of constitutional barriers can facilitate increased FDI in sectors where investment remains constrained," Soriano said, noting that the move would complement earlier liberalization laws such as the amended Public Service Act, Foreign Investments Act, and Retail Trade Liberalization Act.

She emphasized that while the government must safeguard national interests, many countries achieve this through legislation or executive regulation rather than permanent constitutional provisions. This approach, she said, enables governments to "adjust quickly to technological changes, international commitments, and emerging global opportunities."

"Ultimately, the global economy increasingly depends on the free movement of capital and on a level playing field between domestic and foreign investors," Soriano added. "Providing clarity, flexibility, and openness in our investment environment is vital to sustaining competitiveness."

For Foundation for Economic Freedom (FEF) President Calixto Chikiamco, the Charter's flaws go beyond economics—they are deeply political.

Chikiamco welcomed Congress's willingness to confront what he described as the Philippines' "structural problems," arguing that corruption alone is not the root cause of weak governance and poor economic performance.

"Our problems arise from the defects of a Constitution made more than 30 years ago," he said, supporting a constitutional convention (Con-Con) in 2028, to coincide with national elections and ensure broad public participation.

Among the reforms he proposed were the removal of all "Filipino-only" and "Filipino-first" provisions, which he argued have unintentionally fostered monopolies and oligopolies; the establishment of a strong, state-funded political party system to reduce dependence on personal campaign financing; the streamlining of the Constitution to make it less prescriptive and allow evolving technical matters to be addressed through legislation; and the reorientation of social justice measures toward education rather than land redistribution, to create more sustainable and equitable opportunities for future generations.

Chikiamco argued that countries with strong political party systems—including Singapore, Japan, Malaysia, Taiwan, and China—have demonstrated sustained development through disciplined policy continuity.

"We need strong political parties. Without them, political dynasties will continue to dominate," he warned.

Source: https://businessmirror.com.ph/2025/12/03/business-leaders-revive-move-for-charter-change/

Marcos greenlights IPPs' real property tax cuts, penalties condonation for 2025
December 04, 2025 | Louella Desiderio | The Philippine Star

President Ferdinand Marcos Jr. has ordered the reduction of real property taxes (RPT) imposed on independent power producers (IPP), and levies for the special education fund on property, machinery and equipment used by IPPs for 2025.

Pres. Ferdinand Marcos Jr. PCO photo

The objective is to prevent defaults and economic losses that could affect electricity supply and the government's fiscal stability.

Through Executive Order (EO) No. 106 issued on November 28, the President reduced the amount of all liabilities for real property taxes for 2025. These include any special levies accruing to the Special Education Fund on the power generation facilities of IPPs under a build-operate-transfer (BOT) scheme, and similar contracts with government-owned or -controlled corporations (GOCCs) that are assessed by local government units (LGUs) and other authorized entities for all years up to 2025.

The liabilities are "hereby reduced to an amount equivalent to the tax due if computed based on an assessment level of 15 percent of the fair market value of the property, machinery and equipment, depreciated at the rate of 2 percent per annum, less any amount already paid by the IPPs," EO 106 read. *[Cont. page 5]*

Marcos greenlights IPPs' real property tax cuts, penalties condonation for 2025

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All real property tax payments made by the IPPs over and above the reduced amount shall be applied to their real property tax liabilities for succeeding years.

Marcos also condoned all interests and penalties on the deficiency RPT liabilities of the concerned IPPs.

Under the Local Government Code of 1991, or Republic Act 7160, the President may, when public interest so requires, condone or reduce the real property tax and interest for any province or city, or a municipality within the Metropolitan Manila Area.

The President directed the Department of Interior and Local Government (DILG), in coordination with the DOF, to monitor the compliance of concerned LGUs.

The DOF was also ordered to submit a progress report on the implementation within six months from effectivity of the Order.

The EO stated that various LGUs have taken the position that IPPs are not entitled to the exemptions and privileges enjoyed by GOCCs with respect to real property taxes. They have threatened enforcement action against IPPs, including the levy and sale at public auction of affected properties.

The EO adds that while IPPs are liable to pay the real property taxes, a substantial portion of the tax charged has been contractually assumed by the National Power Corporation (NAPOCOR)/Power Sector Assets and Liabilities Management Corporation (PSALM) under a build-operate-transfer scheme and similar contracts. They therefore carry the full faith and credit of the national government.

The LGU Code also states that GOCCs engaged in the generation and transmission of electricity also enjoy exemptions and privileges with respect to real property taxes.

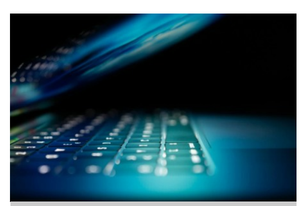
These include an assessment level of 10 percent on all its lands, buildings, machinery and other improvements, as well as an exemption for all machinery and equipment used in the generation and transmission of electric power, and machinery, and equipment used for pollution control and environmental protection.

Prior to the issuance of the EO, the Department of Finance (DOF) warned that the collection of real property taxes for the current year, which were assessed at the maximum assessment level of 80 percent, by concerned local government units "will trigger massive direct liabilities on the part of NAPOCOR/PSALM. This would threaten their financial stability, the government's fiscal consolidation efforts, the stability of energy prices, and may even trigger further cross-defaults and significant economic losses across all sectors."

Source: https://malaya.com.ph/business/corporate/marcos-greenlights-ipps-real-property-tax-cuts-penalties-condonation-for-2025/

Cybersecurity alarm: Experts urge stronger reforms as Philippines wide open to attacks

December 04, 2025 | Dexter Barro II | Manila Bulletin



(Unsplash)

The government must accelerate reforms in the country's cybersecurity framework after recent lapses revealed severe vulnerabilities involving sensitive data, a group of cybersecurity experts said.

The Philippine Institute of Cyber Security Professionals (PICSPro) said the country must move away from "reactive, fragmented, and ceremonial approaches" to cybersecurity.

"What we are seeing today is the result of years of underinvestment, lack of coordination, and misplaced priorities," said PICSPro chairman Angel Redoble.

"Cybersecurity is national security, economic security, and public safety. We cannot treat it as a PR [public relations] exercise," he added.

Redoble said recent breaches, such as the massive data compromise at the Department of Science and Technology (DOST), are indications of a serious security lapse. [*Cont. page 6]*

Cybersecurity alarm: Experts urge stronger reforms as Philippines wide open to attacks

[Cont. from page 5]

He noted that an incident of that magnitude should have prompted an immediate and comprehensive government-wide audit, but "no such coordinated action was taken."

He also said the reported hacking of data in the systems of the Department of the Interior and Local Government (DILG) is further proof that the country's cybersecurity systems are far from adequate.

This, he said, reflects symptoms of deeper systemic weaknesses rather than isolated lapses that could be dismissed.

Redoble emphasized that this makes it critical to establish a multi-pillar framework to foster globally aligned laws, standardized security protocols, coordinated national incident-response systems, and continuous human-capacity development.

"Without these foundations, the Philippines will remain highly vulnerable to both domestic and international cyber threats," he said.

Redoble, however, said these efforts require a whole-of-nation approach anchored on robust policy, consistent standards, reliable infrastructure, and a highly trained cybersecurity workforce.

He added that the Philippines must also strengthen international cooperation since cyberthreats are now transnational in nature.

"Our goal is to help the Philippines build a truly resilient cybersecurity ecosystem—one that protects our institutions, our economy, and our people," Redoble said.

"We need coordinated reforms, not a patchwork of projects. That is the only way to defend the country from the new generation of cyber threats," he added.

Source: https://mb.com.ph/2025/12/04/mgen-gilbert-llanto-receives-ica-ap-coop-excellence-award-2025-for-inspirational-leader-category

Philippines slashes 2025-2028 export goals amid challenging global trade

December 05, 2025 | Logan Kal-El M. Zapanta | Philippine Daily Inquirer

MANILA, Philippines — The Philippines has lowered its export targets for 2025 to 2028, as the sector continued to fall short of lofty goals amid US tariff uncertainties and global route disruptions.

Under the revised outlook, exports this year are projected to reach between $110.8 billion and $113.4 billion. This range suggests a 30.68-percent to 32.27-percent drop from the target of $163.6 billion under the Philippine Export Development Plan (PEDP) 2023-2028.

For 2026, the recalibrated target stands between $116.1 billion and $120.2 billion, down 35.62 percent to 37.81 percent from the previous goal.

Targets for 2027 have also been revised to $123.3 billion to $127.4 billion. These suggest a 39.93-percent to 41.87-percent decrease from the previous goal of $212.1 billion.

For the final year of the PEDP, export targets were downgraded to $132.8 billion to $135.1 billion—43.83 percent to 44.78 percent lower than the previous target.

The upper limits of the updated projections follow the more conservative goals under the PDP.

Here's why

Bianca Sykimte, director of the Department of Trade and Industry Export Marketing Bureau, said the government opted for a range rather than fixed numbers to allow greater flexibility amid volatile global conditions.

Sykimte pointed to geopolitical tensions, uncertainty over the United States tariffs and disruptions in global routes—such as the 2023 and 2024 Panama Canal drought—as key reasons for the downgrade. *[Cont. page 7]*

Philippines slashes 2025-2028 export goals amid challenging global trade

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“Even in the first two years, we really missed the export targets, so we really had to recalibrate. Our growth has been decelerating in the last two years, so we had to adjust (translated),” she told reporters on Thursday on the sidelines of the National Export Congress.

Cited as another challenge is the shrinking pool of exporters, now roughly half the number recorded a decade ago.

‘More realistic’

Philippine Exporters Confederation Inc. (Philexport) president Sergio Ortiz-Luis Jr. welcomed the downgrade to “more realistic” targets, saying these were more achievable under current trade conditions.

“It’s a more realistic target considering the challenges we’re facing,” Luis told reporters. “Actually, even that target, we were doubtful until Trump mellowed down on his tariff.”

US President Donald Trump recently agreed to exempt more than 200 agricultural products, including coconuts, a top Philippine export.

Still, Luis emphasized that robust export growth would require stronger investment support.

“We have always been praying for the government to look at export as an investment, not as an expense, because there’s almost no investment,” he said. “If they would like to look at exports, then take it seriously.”

Sykimte earlier said the Philippines remained on track to meet its $113.42-billion export target for 2025.

Looking ahead, the official said the planned ‘COMPETE Plus for SMEs’ project with the World Bank could provide “sizable support” to the industry beginning in 2027. This project committed $350 million in concessional loans, grants and technical assistance.

Source: https://business.inquirer.net/562212/ph-slashes-2025-2028-export-goals-amid-challenging-global-trade

[Post Article] 20th Joint Foreign Chambers Networking Night

L-R: JFC Representatives, Ms. Nadine Gatdula– Amcham’s Project Officer and Forum Assistant Manager, Mr. Chris Ilagan– Cancham President, Mr. Joaquin Reloj- ECCP’s Industry & Gov’t Affairs Manager, Mr. Nobuo Fujii– JCCIPI Vice President and Mr. Samuel Chun– KCCP Vice President

The Joint Foreign Chambers hosted the 20th Joint Foreign Chambers Networking Night on November 27, 2025, at The Bellevue Hotel Alabang. The event brought together business leaders, professionals, and representatives from various foreign chambers member companies for an evening of meaningful conversations and renewed connections within the international business community.

Guests enjoyed a relaxed yet productive atmosphere that encouraged collaboration and new partnerships. The night concluded with an exciting raffle for attendees, closing the event on a high note and reaffirming the value of multi-chamber gatherings in strengthening business networks. The event was a great success as it was attended by 250 people engaged in different business sector.

KCCP members also participated among them are Kepco Philippines, Jinu Business Outsourcing Services, Inc., Megatrends I & C Corporation. KCCP would also like to thank our generous sponsors for this event: Veratech, Inc., Astoria Hotel and Resorts and BICM Genesis Freight International Inc.

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[Photos] 20th Joint Foreign Chambers Networking Night

(R-L) Kepco President & CEO Mr. Jeon, Yong Su and General Manager Mr. Kim, Kilwon

KCCP Guests from Astrid Defense Inc., Mr. Jin Lee, President and VP Mr. Charlie Park

With other guests

With other guests

[Post Article] KCCP Welcome Dinner for New Members

The Korean Chamber of Commerce Philippines Inc. (KCCP) held its Welcome Dinner for New Members 2025 on December 3, 2025, at Choi Garden Restaurant. The event introduced new member companies to the Chamber's mission, programs, and initiatives, providing an opportunity to connect with fellow members and the KCCP leadership.

During the program, KCCP awarded Certificates of Membership to all present companies, formally recognizing their entry into the organization. The evening highlighted the Chamber's continued commitment to fostering collaboration and strengthening business relationships as it welcomes its newest members of 2025.

This year, KCCP welcomes 15 new member companies which are: Hitejinro Philippines Inc., Doosan Energibility, Daekim K Sports Corporation, Wiijump Leisure Inc., Samsung Electronics Phils., Corporation, KTP Services, Inc., Megaworld Global-Estate Inc., Infinite Vida Global Corporation., Informed Works Architecture and Research, I.F., Midorasia Inc., Responsible Internet Sustainability Effort Inc., Philippine Transmarine Carriers, Inc., Jinu Business Outsourcing Services, Inc., Cycle Trend Industries Philippines Inc., and Authority of the Freeport Area of Bataan.

The dinner was also joined by KCCP President, Mr. Um, Hyunchong(Samdo Philippines Corp), KCCP Vice Presidents, Mr. Cheon, Ju Jwan (CTK Asia Rubber Corp), Mr. Chun, Sang Goo(Megatrends I&C Corporation and KCCP Director Mr. Jeon, KookIl (HJ Shipbuilding & Construction Co. Ltd.

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[Photos] KCCP Welcome Dinner for New Members

KTP Services, Inc.
Mr. Hang Jun Cho
CEO.

Wiijump Leisure Inc.
Mr. Youngmin Roh
President

Philippine Transmarine Carriers, Inc.
Mr. Marcus Leslie Suntay
Head of Strategy, PTC Shipping

Daekim K Sports Corporation
Mr. Dae Hyeon Kim
President

Cycle Trend Industries Inc.
Mr. Wonyeong Seo
Business Development Manager

Infinite Vida Global Corporation
Ms. Norweijann C. Cruz
Treasurer

Megaworld Global-Estate Inc.
Representatives
Ms. Harlyne Yap-Casimiro and Ms. Raisy De Guzman

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