필리핀 한국 상공회의소 뉴스
KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER

December 2025 Issue | Vol. 87

SPECIAL POINTS OF INTEREST

DOF's Go to stay front-line in investment drive, tax talks

December 22, 2025 | Ruelle Castro | Malaya Business Insight

DOF Secretary Frederick Go

Finance Secretary Frederick Go said he will remain actively involved in the government's investment promotion efforts despite his move to the Department of Finance, citing the central role of tax and tariffs in trade and investment discussions.

In an interview on Friday, Go said he will continue to coordinate and support investment promotion as part of the economic team, even as formal trade negotiations shift back under the Department of Trade and Industry (DTI).

"I'll continue to help investments. That's what we really need. It's all about job creation—helping increase employment," Go said, stressing the importance of attracting foreign investors in priority sectors to lift growth.

Investor vetting, overseas missions

Go said he will remain involved in screening and engaging potential investors, particularly ahead of President Ferdinand Marcos Jr.'s overseas investment missions next year.

"We will meet some of the most serious investors or interested investors in the Philippines. I'm still going to help and vet which global investors the president should meet," he said.

DTI leads talks, DOF anchors taxes

While stressing that formal trade negotiations now clearly fall under the DTI's mandate, Go said the DOF will continue to play a decisive role.

"In almost all trade negotiations, there's one topic that is 90 percent of the discussion—and that's taxes," he said, noting that tariff considerations place the finance chief squarely at the center of negotiations.

DTI data show the Philippines has ongoing trade talks with the European Union, India, Canada, Asean and Chile.

The DTI said the pending agreements aim to reduce trade barriers, attract investments, expand market access, and strengthen business competitiveness.

OP restructures investment office

Go also disclosed that the Office of the President is creating an Office of the Undersecretary for Economic Affairs, which will take over functions previously handled by the Office of the Special Assistant to the President for Investment and Economic Affairs (OSAPIEA)—a post Go formerly held.

He said the new office will be headed by Erwin Santa Ana, who recently returned to government service.

About half of Go's former OSAPIEA team—10 or so staff members—will remain in the Office of the President to ensure continuity in investor facilitation.

Reform legacy

During his stint at OSAPIEA, Go played a key role in advancing major reforms, including the ARROW Act, CREATE MORE Act, the new Public-Private Partnership Code, support for the Luzon Economic Corridor, updates to the Investors' Lease Act, and the creation of the Semiconductor and Electronics Industry Advisory Council.

Source: Source: https://malaya.com.ph/business/business-news/dofs-go-to-stay-front-line-in-investment-drive-tax-talks/

Think tank: Economic growth to hit 4.6% in Q4

December 19, 2025 | Andrea E. San Juan | BusinessMirror

GROCERY shoppers line up at the checkout in Antipolo City in this file photo.

LOWER inflation, increased OFW remittances and exports, lower interest rates and a rebound in government spending are seen to propel the Philippine economy by 4.6 percent in the fourth quarter of 2025, according to UA&P's Market Call report.

"We expect a faster uptick of 4.6 percent in Q4-2025 from 4 percent in Q3. Low inflation, higher OFW remittances [esp. in peso terms] and exports, lower interest rates and return to positive year-on-year growth in government spending should see consumers open their bank accounts/e-wallets more generously than in Q3," the Market Call noted.

The economists noted that more robust consumer spending and lower current account deficits should drive this growth, supporting households' holiday spending along with an employment recovery.

"Helping job creation, exports may continue its healthy boost into year-end," they also pointed out.

The Market Call report underscored that employment will likely rise in the last two months of 2025 to meet the higher consumer demand.

While weaker sentiment following the gross domestic product (GDP) in the third quarter appears to have spilled over into the fourth quarter, the economists said on the positive side headline inflation slowed to 1.5 percent in November.

However, October unemployment rate "shot up" to 5 percent as natural disasters and slower government spending dimmed hiring.

On trade, robust exports demand, with 19.4-percent growth rate in October and weaker import appetite, with 6.5 percent, narrowed the trade gap by 34.2 percent to $3.8 billion.

Meanwhile, industrial output indicators dimmed, with November Manufacturing PMI sliding into contraction territory at 47.4.

Last month, the Philippine Statistics Authority (PSA) announced that the Philippine economy grew by 4 percent in the third quarter of 2025. This was the economy's weakest pace since the first quarter of 2021, when it contracted by 3.8 percent.

The Philippine economy's performance in the third quarter resulted in an average 5- percent growth which is below the government's target range of 5.5 to 6.5 percent.

As such, the country's chief economist conceded that the lower end of the government's 5.5- to 6.5-percent target range may now be out of reach.

"It's very challenging to meet already the lower range of the 5.5 percent because that would mean that the fourth quarter would have to grow at 6.9 percent or something around that," Balisacan earlier noted. *(See: https://businessmirror.com.ph/2025/11/08/infra-fiascos-impact-q3-growth-a-mere-4/)*

Source: https://businessmirror.com.ph/2025/12/19/think-tank-economic-growth-to-hit-4-6-in-q4/

Peso could hit P60:$1 by end-Q1 next year

December 22, 2025 | Niña Myka Pauline Arceo | The Manila Times

THE peso is expected to face renewed depreciation pressure with ANZ Research warning that weak economic momentum, fragile investor sentiment and policy risks could push the exchange rate to P60 per dollar by the end of the first quarter next year.

"We expect the currency to depreciate to 60 against the USD by the end of Q1 2026 before staging a gradual recovery through the remainder of the year," ANZ Research said in an economic outlook. *[Cont. page 3]*

Peso could hit P60:$1 by end-Q1 next year

[Cont. from page 2]

The peso has hit record lows recently due to the country's weakening growth outlook and deteriorating investor sentiment. It hit a new all-time low of P59.22 earlier this month amid expectations of another rate cut from the Bangko Sentral ng Pilipinas (BSP).

Despite the seasonal support typically provided by overseas Filipino workers' remittances, the currency has failed to post meaningful gains during the November–December peak remittance period.

It closed 14 and a half centavos weaker at P58.7:$1 last Friday.

ANZ Research said that "prolonged economic weakness and a deeper-than-expected BSP rate-cut cycle represent key downside risks to PHP's trajectory."

The central bank's policymaking Monetary Board reduced key policy rates by another quarter-point this month, bringing the rates down to 4.5 percent.

BSP Governor Eli Remolona Jr. said this could be the final rate cut, but added that another reduction next year remained possible depending on economic growth and inflation data .

ANZ Research maintained its forecast of one additional 25 basis-point rate cut in the first quarter of 2026, citing expectations that economic momentum will remain weak at least until the second half.

It said the central bank will would "continue to monitor the quality of public investments and its impact on growth" and "any further policy adjustments will be data dependent."

ANZ Research expects economic growth to stay below the government's targets until 2027, noting a sharp weakening in domestic demand as governance issues have stalled infrastructure spending and undermined confidence.

It said growth could slow to 4.8 percent this year before recovering to 5.0 percent in 2026 and 5.6 percent in 2027 — below 5.5- to 6.5-percent goal for 2025 and 6.0-7.0 percent for 2026-2028.

"The primary drag came from a contractionary fiscal stance arising from governance failures in public infrastructure projects," ANZ Research said.

"This change in fiscal stance has not only disrupted capital formation but also weighed heavily on sentiment, with businesses reluctant to commit new funds and households deferring discretionary spending," it added.

Job creation and wage growth will continue to be dampened by the slowdown in domestic investment, ANZ Research said.

Source: https://www.manilatimes.net/2025/12/22/business/top-business/peso-could-hit-p601-by-end-q1-next-year/2247658

Peza aims to open 30 new ecozones in 2026

December 22, 2025 | Logan Kal-El Zapanta | Philippine Daily Inquirer

PEZA Director General Tereso Panga. (Photo from PEZA website)

The Philippine Economic Zone Authority (Peza) wants to have 30 new ecozones in 2026, as it seeks to expand investment hubs across the country, particularly in rural areas.

Nearly half of that target could be achieved as early as January, when Peza expects President Marcos to proclaim as many as 14 new ecozones.

The agency had initially expected a similar number of ecozones to be approved by the end of this year, but the timeline was pushed back, leaving Peza short of its earlier goal of approving 30 new ecozones in 2025.

In an interview with reporters, Peza Director General Tereso Panga said the agency remains focused on establishing ecozones in less developed areas of the country. *[Cont. page 4]*

Peza aims to open 30 new ecozones in 2026

[Cont. from page 3]

"You can only attract investments when there are new locations for them, and we're trying to locate in new growth areas, in rural areas," Panga said on the sidelines of Peza's Investors' Recognition Night.

New ecozones in Bicol, Palawan

In his speech at the event, Panga said Peza had opened 35 new ecozones since 2022, or when Mr. Marcos took office. Eleven ecozones were proclaimed in 2023, followed by 16 in 2024.

Ecozones are created through presidential proclamations upon Peza's recommendation. These are designated areas that are already developed or have the potential to be transformed into agro-industrial, industrial tourist or recreational, commercial, banking, investment and financial centers.

Among the new public ecozones Peza is targeting for opening next year are sites in Palawan and the Bicol Region.

The Palawan Mega Economic Zone (PMEZ) has already drawn investor interest, with firms looking to locate within the expansive 28,000-hectare site. Peza described this as "the country's next landmark ecozone and Peza's first mega-scale government-led eco-industrial township."

Investors lining up for the PMEZ include Thailand's Charoen Pokphand Group, a Taiwanese aqua farm operator, a Peruvian company managing the Stevia brand, a local coconut exporter and a power generation firm.

The PMEZ is expected to begin operations by mid-2026. In November, Peza signed a joint memorandum circular with the Bureau of Corrections to transfer 4,000 hectares previously used by the Iwahig Prison and Penal Farm.

Once operational, the new ecozones are expected to bolster Peza's investment performance, which stood at a record P237.10 billion across 307 projects approved in 2025, based on data as of Dec. 12.

Source: https://business.inquirer.net/565712/peza-aims-to-open-30-new-ecozones-in-2026

Employers group hopes for investor recovery in 2026

December 22, 2025 | Vonn Andrei E. Villamiel | BusinessWorld

THE Employers Confederation of the Philippines (ECoP) expects economic growth to fall below 5% this year amid weak investor confidence, but noted that prospects could improve in 2026 if the government succeeds in restoring trust and pushing through reforms.

JOBSEEKERS attend a job fair at a mall in Antipolo, Rizal — PHILIPPINE STAR/MIGUEL DE GUZMAN

In a statement on Friday, ECoP President Sergio R. Ortiz-Luis, Jr. was quoted as saying that this year is shaping up to be "disappointing" for the economy, as investors have become more cautious following corruption and flood control controversies.

In the third quarter, gross domestic product grew by 4%, the slowest in over four years, bringing the nine-month average to 5%. This was below the government's revised full-year growth target of 5.5% to 6.5%.

Mr. Ortiz-Luis, who is also the president of the Philippine Exporters Confederation, Inc., said subdued investor sentiment is reflected in the sharp decline in investment-related visits to the Philippines, which he said will further put the country behind its regional peers.

Looking ahead, Mr. Ortiz-Luis said the Marcos administration needs to intensify efforts to rebuild investor confidence to support job creation, particularly as an estimated 800,000 to one million new graduates are expected to enter the labor force next year.

"Winning back capitalists can be done mainly by focusing on important matters, such as the national budget, and refusing to get sidetracked by or to react to irrelevant issues that detract from the main challenges that need swift resolution in order to stabilize the economy in 2026," ECoP said in the statement, quoting Mr. Ortiz-Luiz. *[Cont. page 5]*

Employers group hopes for investor recovery in 2026

[Cont. from page 5]

The unemployment rate rose to 3.8% in September from a year earlier, equivalent to 1.96 million jobless Filipinos, reflecting the impact of recent natural disasters.

Mr. Ortiz-Luis also called on the government to grant greater authority to the Independent Commission for Infrastructure so it can fully investigate alleged corruption, irregularities, and misuse of funds in flood control and other major infrastructure projects.

The commission was created through Executive Order No. 94 amid a scandal involving lawmakers and public works officials accused of siphoning billions from flood control projects.

Mr. Ortiz-Luis said the business sector is awaiting the identification and arrest of those behind the alleged irregularities as proof of the government's commitment to addressing corruption.

Source: https://www.bworldonline.com/top-stories/2025/12/22/720253/employers-group-hopes-for-investor-recovery-in-2026/

Year-End Review: Energy 2025 Resets PH Clean Energy Future

December 23, 2025 | Jed Macapagal Malaya Business Insight

Energy Secretary Sharon Garin called 2025 a turning point, when the Philippines finally began shifting from decades of hesitation to a more aggressive, more confident renewable energy strategy.

That shift now defines the state of the country's power transition at year's end: a system modernizing faster than expected, a pipeline swelling with new capacity, and a short-term cost emerging as the price of long-term affordability.

"People are starting to think outside the box," she said, "creating more policies that encourage investors to come in, and even more progressive investors."

The edge of change

By end-September, the Philippines had 10,400 megawatts of on-grid renewable energy—hydro, geothermal, wind, biomass, and solar— representing 32.6 percent of the country's 31,916 MW power mix.

The Department of Energy (DOE) aims to raise that share to 35 percent by 2030 and 50 percent by 2050, a trajectory once seen as aspirational but now increasingly achievable.

Much of the momentum stems from the Green Energy Auction (GEA), the DOE's competitive bidding platform that offers fixed, incentivized rates to developers that beat or match reserve prices set by the Energy Regulatory Commission (ERC).

The catch is clear: projects must be completed on time to keep their incentives.

Redefining the next 25 yrs

Across five auction rounds, the DOE has approved more than 26,000 MW of future renewable capacity—the largest clean-energy pipeline in Philippine history. Solar, wind, floating solar, and energy storage lead the new capacity, with offshore wind entering the mix beginning 2028.

The entire portfolio, Garin said, is the product of "thinking outside the box"—a rapidly evolving policy ecosystem designed to attract capital that once bypassed the Philippines for more predictable markets.

The promise and the reality

The DOE's optimism largely rests on market simulations by the Independent Electricity Market Operator of the Philippines (IEMOP). *[Cont. from page 6]*

Year-End Review: Energy 2025 Resets PH Clean Energy Future

[Cont. from page 5]

Its study projects that if all GEA-awarded capacities come online, average electricity prices may drop below P1 per kilowatt-hour by 2050.

In Luzon, for instance, modeled prices fall from P4.95 per kWh in 2026 to just P0.28 per kWh by 2050, with similar declines in the Visayas and Mindanao.

But the road to cheaper power begins with an uptick. The ERC has approved a Green Energy Auction Allowance (GEA-All) of P0.0371 per kWh starting January 2026, to fund the differential payments owed to GEA-qualified renewable plants.

It will appear as a separate line item on customer bills and will be audited immediately to ensure transparency.

Short-term pressure

Analysts expect the surcharge to lift rates slightly next year but say the effect will fade as new capacity enters the grid.

Peter Garnace of Unicapital Securities noted that about 4,000 MW of renewable capacity is scheduled to go online in 2026, easing price pressures and widening supply.

He added that global energy conditions favor the Philippines' transition: coal markets remain oversupplied, renewable energy deployment continues to accelerate, natural gas and nuclear integration is expanding, and additional RE capacity is expected to restrain future surges in power prices passed on to households and businesses.

The year-end verdict

The Philippines ends 2025 not with cheaper power—that will take time—but with a clearer, more credible pathway toward it.

Investors are lining up, regulators are tightening the rules, and developers are being pushed to deliver on schedule for the first time in years.

The transition comes with costs, but the direction is finally decisive.

And for the first time in a long while, the country's clean energy future feels not only possible, but underway.

Source: https://malaya.com.ph/business/business-news/year-end-review-energy-2025-resets-ph-clean-energy-future/

Go: Economy back on track by Q1

December 23, 2025 | Aubrey Rose A. Inosante | BusinessWorld

FINANCE Secretary Frederick D. Go is confident the economy will be back on track by the first quarter, once individuals linked to the flood control scandal are swiftly prosecuted.

Poinsettia lanterns decorate a street inside Araneta City in Cubao, Quezon City, Nov. 28. — PHILIPPINE STAR/MIGUEL DE GUZMAN

In a Dec. 18 briefing with reporters, Mr. Go said government revenues may rebound in early 2026, depending on the swift resolution of cases related to the corruption mess.

"If we're able to successfully prosecute certain personalities, then the faster the effect will be on economic growth in the first quarter. But to me, I'm confident that we will get back on track in the first quarter," he said.

In the third quarter, the country's economic growth slumped to 4%, the slowest expansion seen in over four years. In the nine-month period, gross domestic product growth averaged 5%, below the government's 5.5-6.5% target.

A wide-scale controversy linking Public Works officials, lawmakers and private contractors to multibillion-peso corruption in anomalous flood control projects dragged government spending and consumption. *[Cont. page 7]*

Go: Economy back on track by Q1

[Cont. from page 6]

“The whole key to all of this is for us to get over the hump of this public works investigation. The sooner people move on from it, the better for the economy and the better, therefore, for revenue collection,” Mr. Go said.

“So, if all goes according to plan, then we should be looking at a much brighter 2026 in the first quarter.”

A decline in infrastructure spending dented government revenue collections.

Mr. Go said the Bureau of Customs (BoC) and the Bureau of Internal Revenue (BIR) saw “softer” revenue collection this year due to the corruption probe, as well as the four-month ban on rice imports.

“Growth is growth. (Collections were) softer versus the DBCC (Development Budget Coordination Committee) targets,” he said.

Total revenue collection during the January-to-October period slipped by 1.13% to P3.81 trillion, which is only 84.25% of the P4.52-trillion revised full-year program. The target is 2.23% higher than the P4.42-trillion actual collection in 2024.

“For Customs, we banned, for example, the importation of rice for practically four months out of 12 months of the year. It definitely affected Customs collections,” he said.

He also attributed the lower Customs revenue to the adverse weather conditions that trimmed working days.

BoC Commissioner Ariel F. Nepomuceno last week said revenue collection may fall short of its full-year goal.

BoC’s emerging revenue forecast for 2025 is P939.4 billion, 2% below the P958.7-billion full-year goal.

“Every time the peso depreciates, it usually results in higher Customs collections because imports are dollar-based. Maybe December should be a good month for collections,” Mr. Go said.

The peso has breached the P59-a-dollar mark several times since November and sank to a record low of P59.22 on Dec. 9.

Meanwhile, Mr. Go said the BIR’s collections for the month of December seem “encouraging.”

“For BIR, I think it was doing very well for the first half of the year and then slowly softened as time went on. But fortunately, it still records an increase in collections every month,” Mr. Go said.

In the first 10 months, BIR collections rose by 9.55% to P2.65 trillion, accounting for 82.35% of the P3.22-trillion full-year target.

Mr. Go said it is unlikely that there will be any adjustments to the revenue targets.

Economic managers met this month to review the macroeconomic assumptions and targets but have yet to release a statement.

Analysts say the economic recovery and stronger revenue collections by early 2026 remain doable if catch-up government spending is paired with credible anti-corruption and governance reforms.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the economic rebound next year is possible.

“(Government spending) is an important driver of faster economic growth. This was the drag in the third quarter due to political noise related to anomalous flood control projects,” he said.

Governance reforms, alongside fiscal measures, could also help narrow the budget deficit and reduce reliance on borrowing, Mr. Ricafort said.

“The revenue collection may continue to improve, given the large increases in activity during the holiday season and possibly next year as well,” Reinielle Matt M. Erece, an economist at Oikonomia Advisory and Research, Inc., said in a Viber message.

However, he flagged the loss of confidence in the government due to the corruption scandal as a potential downside risk, which could lead to lower investments.

“Households, especially those earning through the informal sector, may find it bothersome to file taxes given the damaged reputation on the public budget,” he said.

Source: https://www.bworldonline.com/top-stories/2025/12/23/720492/go-economy-back-on-track-by-q1/

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