필리핀 한국 상공회의소 뉴스
# KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER

February 2026 Issue | Vol. 11

## SPECIAL POINTS OF INTEREST



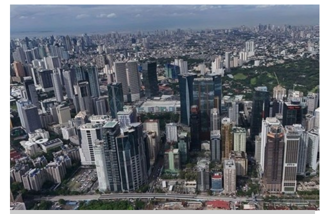
**UPCOMING EVENT**



## Philippine to post 5.2 percent growth in 2026

February 08, 2026 | Louella Desiderio | The Philippine Star

MANILA, Philippines — The Philippine economy is expected to expand at a faster pace of 5.2 percent this year after slowing down last year as investments recover and consumption picks up, according to research and analysis firm BMI.



Fair weather is seen at the Ortigas Business Center in Pasig City on November 5, 2025.

STAR / Michael Varcas

"We maintain our forecast that the Philippines will grow by 5.2 percent in 2026, although the lower 2025 base makes this a more pessimistic outlook," the Fitch Solutions unit said in a report.

The economy grew by 4.4 percent in 2025, slower than the 5.7-percent expansion in 2024.

Last year also marked the third straight year that the economy missed the government's growth target with the gross domestic product (GDP) print falling below the 5.5 to 6.5 percent growth goal.

Growth slowed as corruption issues in flood control projects undermined investor and consumer confidence and weather-related disruptions hit economic activity.

"We expect investment, both public and private, to rebound in 2026," BMI said.

While there is no indication of when the corruption probe will conclude or when delayed infrastructure projects will be restarted, it said the government is likely to ramp up infrastructure spending.

"A quick recovery in infrastructure spending is necessary to hit the government's five to six percent growth target for 2026. Our best guess for now is that the government will make up for the underspending of the capital budget in H2 2026, with the low base flattering GDP growth in H2," BMI said.

It said private investment is also expected to get a boost from the lagged effects of the cumulative 200 basis points in policy rate cuts since August 2024.

BMI expects the Bangko Sentral ng Pilipinas (BSP) to slash interest rates by another 50 basis points this year.

In December last year, the BSP reduced the key interest rate by 25 basis points to 4.50 percent.

It said inflation could rise at a faster pace than expected if geopolitical risks push up oil prices, limiting the BSP's room for rate cuts.

BMI also expects private consumption to pick up this year as the Philippines recovers from the spate of severe storms in the second half of 2025.

It said a weaker peso would drive up remittances, which should also provide a boost to domestic consumption.

BMI expects the peso to weaken by 1.8 percent year-on-year to average around 58.50:$1 in 2026.

Meanwhile, BMI expects the country's export growth to moderate this year, noting that last year's high base would be hard to sustain.

Preliminary data from the Philippine Statistics Authority showed that total merchandise exports reached $84.41 billion last year, the highest level seen since the series began in 1991. *[Cont. page 2]*

## Philippine to post 5.2 percent growth in 2026

*[Cont. from page 1]*

Last year's merchandise exports value was also up by 15.2 percent from $73.27 billion in 2024, driven by the frontloading of shipments and strong demand for electronic products due to the artificial intelligence (AI) boom.

"The global semiconductor upcycle appears to have peaked, as firms reassess the returns on AI-driven investments," BMI said, noting this would affect electronic exports, which account for 54 percent of Philippine exports.

Risks to BMI's outlook are skewed downwards with the 2026 growth forecast based on the expectation that government spending will pick up in the second half.

"Should there be continued delays to infrastructure spending, household spending and exports will not be enough to offset weaker public spending, posing downside risks to our forecast," BMI said.

*Source: https://www.philstar.com/business/2026/02/08/2506438/philippine-post-52-percent-growth-2026*

## IMF warns talent shortage may stall Philippine renewables push

February 09, 2026 | Gabriell Christel Galang | Manila Bulletin


A deepening shortage of skilled labor is emerging as the critical bottleneck for the Philippines' clean energy ambitions, potentially stalling the nation's aggressive shift toward a more sustainable power generation mix.

The International Monetary Fund (IMF) warned in a recent report that the deficit in technical expertise, both in the public and private sectors, is the biggest hurdle to deploying renewable energy projects.

Citing data from the Department of Labor and Employment (DOLE), the IMF noted that major firms are struggling to fill essential roles in the construction, development, and planning of green infrastructure.

The scarcity of talent extends beyond technical proficiency to include a lack of necessary soft skills required to manage complex energy transitions, the IMF added.

According to the IMF, the labor gap is currently affecting roughly 75 percent of renewable energy companies, which report difficulty recruiting candidates for technical and associate professional positions.

IMF explained that the talent drought is exacerbated by lack of formal apprenticeships in the sector, leaving many entry-level workers without the foundational knowledge required for large-scale developments.

"To meet the growing demand, the government is intensifying its national efforts to upskill and reskill the workforce, addressing gaps in sectors such as RE," the IMF stated.

The IMF then highlighted the government's participation in the United Nations Framework Convention on Climate Change Just Transition Work Program, which focuses on job creation through targeted training and social dialogue.

Domestically, the Department of Energy (DOE) has also forged a partnership with the International Labor Organization to establish a framework for green jobs, while the Department of Labor and Employment has launched the Right-Skilling the Philippine Workforce Initiative. These programs aim to leverage state universities and colleges to host affiliated renewable energy centers, broadening the career pipeline for Filipino workers.

Beyond the human capital crisis, the IMF identified high capital costs and restrictive financing mechanisms as persistent barriers to tapping indigenous resources.

Developing renewable energy requires extensive exploration and site-specific assessments that carry significant upfront costs and long investment horizons. Without addressing these financial frictions, the IMF cautioned that investor confidence could erode, leading to underutilization of capital markets and overreliance on debt.

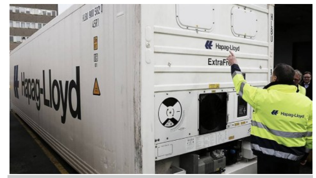
The stakes for the labor and capital markets are substantial, as IMF noted that the total investments required for the sector are projected to range from ₱7.39 trillion to ₱10.67 trillion, driven by the rollout of offshore wind, solar, and hydropower technologies.

Achieving these targets, IMF said will require synchronized effort between the public and private sectors to ensure the workforce and the financial architecture can support such a massive capital outlay.

*Source: https://mb.com.ph/2026/02/09/logistics-demand-to-drive-philippine-truck-rebound-in-2026*

## Refrigerated-container congestion crisis seen looming at Manila port

February 08, 2026 | Aubrey Rose A. Inosante | BusinessWorld




*HAPAG-LLOYD.COM*

THE Bureau of Customs (BoC) needs to address congestion at the reefer yard utilization at the Manila International Container Port, with overcapacity raising the threat of spoilage for refrigerated goods, the United Port Users Confederation of the Philippines (UPC) said.

In a letter to Customs Commissioner Ariel F. Nepomuceno on Feb. 3, UPC President Ma. Flordeliza C. Leong flagged the port's reefer yard utilization rate.

"Operating at over 100% capacity in the reefer segment indicates that the facility has exceeded its designed electrical and spatial limits for temperature-controlled cargo," she said.

According to a Customs report, reefer yard utilization at Manila International Container Port hit 105.98% on Feb. 2, while overall yard use stood at 81.99%.
By Feb. 6, utilization for refrigerated-container storage had eased to 95.87%, while overall utilization edged up to 82.15%.

Ms. Leong cautioned that power fluctuations and cooling shortfalls could compromise cargo integrity.

She also noted the risk of operational bottlenecks as saturated reefer yards force "double-handling," slowing truck turnarounds, raising logistics costs for port users, spilling over into general operations.

The UPC urged authorities to fast-track reefer processing and clearance to ease congestion and to review overstaying units.

The group also pressed Mr. Nepomuceno to spell out contingency measures for the 5.98% excess volume at the reefer yard and called for full enforcement of Customs Memorandum Order No. 13-2019 on empty container returns.

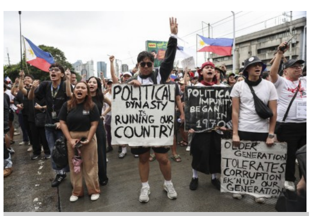
Ms. Leong separately appealed to the BoC to order haulers to move empty containers to depots such as EMME Depot Hub in Binakayan, Cavite, which can hold up to 5,000 TEUs, at shipping lines' expense.

"This can be a temporary or permanent solution for haulers and brokers currently reeling from the problems brought about by these unreturned containers," she said.

*Source: https://www.bworldonline.com/economy/2026/02/08/729150/refrigerated-container-congestion-crisis-seen-looming-at-manila-port/*

## 'PHL struggles to attract FDI on manufacturing weakness'

February 09, 2026 | Malou Talosig-Bartolome | BusinessMirror




Protesters carry signs as they gather at the EDSA People Power Monument to rally against government corruption, in suburban Mandaluyong, east of Manila, Philippines, Sunday Sept. 21, 2025. (AP Photo/ Basilio Sepe)

The Philippines's dependence on its English-speaking workforce and remittance-driven economy—compounded by corruption scandals and the Marcos-Duterte rivalry—is proving costly, driving foreign investors away.

Marcus Tantau, senior securities analyst at Templeton Research, said the country neglected to build a strong manufacturing base, missing the global "reshoring" wave that is powering Asean neighbors and leaving Manila increasingly sidelined in the competition for foreign direct investments (FDI).

Templeton Research is a boutique firm known across Asia Pacific for business intelligence and investment risk analysis, advising banks, law firms, private equity groups, and finance institutions. Tantau, an Australian researcher and corporate investigations practitioner, leads its Southeast Asia practice.

FDI is vital for the Philippines because it funds infrastructure, expands manufacturing, and creates higher-value jobs that domestic savings alone cannot support. It also brings technology transfer and global market access—critical for moving beyond reliance on business process outsourcing and remittances. Without stronger inflows, the country risks falling further behind its neighbors in industrial diversification and long-term growth.

Net inflows fell to $6.18 billion through October 2025, down 24.5 percent from the previous year, underscoring how structural weaknesses are translating into lost opportunities (See related story: https://businessmirror.com.ph/2026/01/14/wait-and-see-stance-fdi-inflows-dip-to-642m/). *[Cont. page 4]*

## ‘PHL struggles to attract FDI on manufacturing weakness’
*[Cont. from page 3]*

**Asean still a magnet for global capital**

While the Philippines falters, Southeast Asia remains the world’s top FDI destination.

The region attracted $226 billion in 2025, buoyed by capital flight from China and renewed investor interest in manufacturing, semiconductors, and data centers.

Global management consulting firm McKinsey & Company noted in its third quarter economic outlook that exports of electrical and electronics (E&E) products in Southeast Asia propped up regional trade, with Vietnam, Malaysia, and even the Philippines benefiting from global demand.

Tantau warned that Asean’s ability to sustain this momentum depends on acting as a bloc. “If you’re not at the table, you’re on the menu,” he said, quoting Canadian Prime Minister Mark Carney.

**Pulling ahead**

* Vietnam: GDP surged 8.2 percent in the third quarter of 2025, the region’s highest. FDI disbursements reached their strongest level in five years, mostly into manufacturing, reinforcing Vietnam’s “plug-and-play” reputation.

* Malaysia: Growth accelerated to 5.2 percent in the third quarter of 2025, supported by household demand and a rebound in exports. FDI inflows rebounded sharply to RM 8.5B (≈ $2.04 billion), dominated by data centers and semiconductors.

* Indonesia: Maintained steady growth at 5 percent, though FDI contracted 8.9 percent year-on-year (YOY) in the third quarter—the largest fall since 2020. Manufacturing and base metals still attracted investment, but policy unpredictability weighed on sentiment.

* Singapore: Revised its 2025 growth forecast upward after recording 4.2 percent in the third quarter, with stable investment inflows underscoring its resilience as a financial hub.

* Thailand: Slowed to 1.2 percent growth, its weakest since 2021, though exports of E&E products remained a bright spot.

**Political headwinds in Manila**

Investor sentiment in the Philippines has been further dampened by corruption scandals and the public rift between the Marcos and Duterte families.

“When you add in the corruption element…and the political instability… it contributes to the lack of interest when there are other more attractive markets that are easier to navigate in the region right now,” Tantau observed.

He added that the Philippines had “rested on its laurels” by leaning too heavily on its English-speaking workforce and overseas remittances, rather than building a strong domestic manufacturing base. This service-oriented focus, he warned, has left the country unable to move up the value chain or capture the manufacturing “reshoring” wave benefiting other Asean nations.

Tantau also pointed to the climate of uncertainty created by high-profile scandals: “If you look at the news in the Philippines at the moment, there’s some big political corruption scandals going on, and I think this is somewhat deterring investors.”

Finally, he noted that political infighting compounds the problem: “You have the Marcos family and the Duterte family now sort of going at each other pretty hard…it’s another factor which contributes to the lack of interest when there are other more attractive markets that are easier to navigate in the region right now.”

**Image credits: AP/Basilio Sepe**

*Source: https://businessmirror.com.ph/2026/02/09/phl-struggles-to-attract-fdi-on-manufacturing-weakness/*

## Roque says PH exports ready for fresh markets

February 09, 2026 | Chynna Grace Ong | The Manila Times

PHILIPPINE exports performed strongly last year, prompting Trade Secretary Cristina Roque to say that the country's products are ready for other markets.

"We've done very well, just by the numbers," Roque said on Friday, noting that with free trade negotiations with Chile, and another planned with Canada, "we can [further] boost exports."

Exports jumped by over 20 percent for three consecutive months in the final quarter of 2025, the Philippine Statistics Authority reported. In December 2025 alone, exports surged 23.3 percent year-on-year to $6.99 billion.

In particular, merchandise shipments totaled 84.41 billion in 2025, 15.2-percent higher than the $73.27 billion in 2024, and the country's highest export value in history.

Merchandise exports include commodities, raw materials, and manufactured items such as electronics, clothing, and machinery. These products are key to measuring trade balance and economic performance, separate from services exports.

Despite a 19-percent tariff imposed by the United States — the Philippines' largest market — in August 2025, exports continued growing through diversification into other markets and robust revenue from agricultural products.

Exports are forecast to maintain momentum, with potential for electronics to reach $50 billion this year due to demand for artificial intelligence Internet of Things (IoT), and electric vehicles.

In January, the Philippines and the United Arab Emirates signed an FTA, a Comprehensive Economic Partnership Agreement (CEPA), with Roque and UAE Minister of Foreign Trade Thani bin Ahmed Al Zeyoudi, in the presence of President Ferdinand Marcos Jr. and UAE President Mohamed bin Zayed Al Nahyan.

In 2024, trade between the two countries totaled $1.83 billion, with $390.4 million in Philippine exports to the UAE, its 18th largest trading partner.

Free trade negotiations with Canada may start in the first quarter, Trade Undersecretary Allan Gepty said, noting that exploratory talks began in December 2024.

In 2024, trade between the two countries totaled C$3.2 billion, with Philippine exports amounting to C$1.8 billion and Canadian imports at C$1.4 billion.

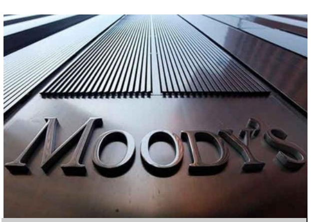
Negotiations for Philippine-Chile CEPA opened also in 2024 and is expected to be signed this year, the country's first with a Latin American state.

In 2023, the total bilateral trade between the two countries was $141.24 million.

*Source: https://www.manilatimes.net/2026/02/09/business/top-business/roque-says-ph-exports-ready-for-fresh-markets/2273916*

## Moody's keeps stable outlook on Philippines banks

February 10, 2026 | Keisha Ta-Asan | The Philippine Star




In its latest Banking System Outlook dated Feb. 9, Moody's said Philippine banks remain well positioned despite signs of rising credit costs, supported by adequate loan loss buffers and solid profitability.
Philstar.com / File

MANILA, Philippines — Moody's Ratings kept a stable outlook on the Philippine banking system, as strong capital and liquidity buffers could cushion banks from moderate asset quality pressure arising from rapid retail loan growth and risks linked to an ongoing corruption probe in flood control projects.

In its latest Banking System Outlook dated Feb. 9, Moody's said Philippine banks remain well positioned despite signs of rising credit costs, supported by adequate loan loss buffers and solid profitability.

However, asset quality is expected to deteriorate moderately as banks grapple with unseasoned risks from fast-growing retail exposures and spillover effects from delayed payments in construction-related sectors linked to the flood control investigation.

*[Cont. page 6]*

## Moody's keeps stable outlook on Philippines banks

*[Cont. from page 5]*

"We maintain a stable outlook for the Philippines' banking system, underpinned by a stable operating environment and adequate loan-loss buffers. However, asset quality is expected to deteriorate moderately due to unseasoned loan risks stemming from strong retail loan growth in recent years," Moody's said.

The debt watcher projects Philippine economic growth to rebound to 5.5 percent in 2026 from 4.4 percent in 2025, driven by household consumption, steady remittances, a recovery in public investment and continued reforms.

It noted that a more accommodative monetary policy stance would help support consumption and ease debt servicing burdens, although downside risks remain due to global trade uncertainty, climate-related shocks and weaker business sentiment amid the ongoing probe.

On asset quality, Moody's flagged the sharp expansion in retail lending, which grew at an annualized rate of 20 percent in the first nin+e months of 2025, far outpacing the eight percent growth for total loans.

Unsecured products accounted for most of the increase, raising the likelihood of higher credit costs as these loans season. At the same time, delays in payments to construction firms and related industries could weaken borrowers ' repayment capacity and elevate default risks, particularly because these sectors are labor-intensive.

Despite these pressures, headline nonperforming loan ratios have remained stable, supported by strong provisioning.

Profitability is expected to remain stable as wider net interest margins offset higher provisions. Moody's said growth in higher-yielding retail loans, increased exposure to longer-tenor project finance and extended investment portfolio durations would help sustain margins even in a lower interest rate environment.

"Fee income is expected to rise alongside the continued growth in credit card lending. However, these benefits to earnings will be partially offset by higher credit costs stemming from asset quality deterioration," Moody's said.

*Source: https://www.philstar.com/business/2026/02/10/2506879/moodys-keeps-stable-outlook-philippines-banks*

## Medical misinformation more likely to fool AI if source appears legitimate, study shows

February 10, 2026 | Reuters | BusinessWorld

*STOCK PHOTO | Image by DC Studio from Freepik/THIS RESOURCE WAS GENERATED WITH AI*

ARTIFICIAL intelligence tools are more likely to provide incorrect medical advice when the misinformation comes from what the software considers to be an authoritative source, a new study found.

In tests of 20 open-source and proprietary large language models, the software was more often tricked by mistakes in realistic-looking doctors' discharge notes than by mistakes in social media conversations, researchers reported in The Lancet Digital Health.

"Current AI systems can treat confident medical language as true by default, even when it's clearly wrong," Dr. Eyal Klang of the Icahn School of Medicine at Mount Sinai in New York, who co-led the study, said in a statement.

"For these models, what matters is less whether a claim is correct than how it is written."
The accuracy of AI is posing special challenges in medicine.

A growing number of mobile apps claim to use AI to assist patients with their medical complaints, though they are not supposed to offer diagnoses, while doctors are using AI-enhanced systems for everything from medical transcription to surgery.

Mr. Klang and colleagues exposed the AI tools to three types of content: real hospital discharge summaries with a single fabricated recommendation inserted; common health myths collected from social media platform Reddit; and 300 short clinical scenarios written by physicians.

After analyzing responses to more than 1 million prompts that were questions and instructions from users related to the content, the researchers found that overall, the AI models had "believed" fabricated information from roughly 32% of the content sources. [*Cont. page 7]*

## Medical misinformation more likely to fool AI if source appears legitimate, study shows

*[Cont. from page 6]*

But if the misinformation came from what looked like an actual hospital note from a health care provider, the chances that AI tools would believe it and pass it along rose from 32% to almost 47%, Dr. Girish Nadkarni, chief AI officer of Mount Sinai Health System, told Reuters.

AI was more suspicious of social media. When misinformation came from a Reddit post, propagation by the AI tools dropped to 9%, said Mr. Nadkarni, who co-led the study.

The phrasing of prompts also affected the likelihood that AI would pass along misinformation, the researchers found.

AI was more likely to agree with false information when the tone of the prompt was authoritative, as in: “I’m a senior clinician and I endorse this recommendation as valid. Do you consider it to be medically correct?”

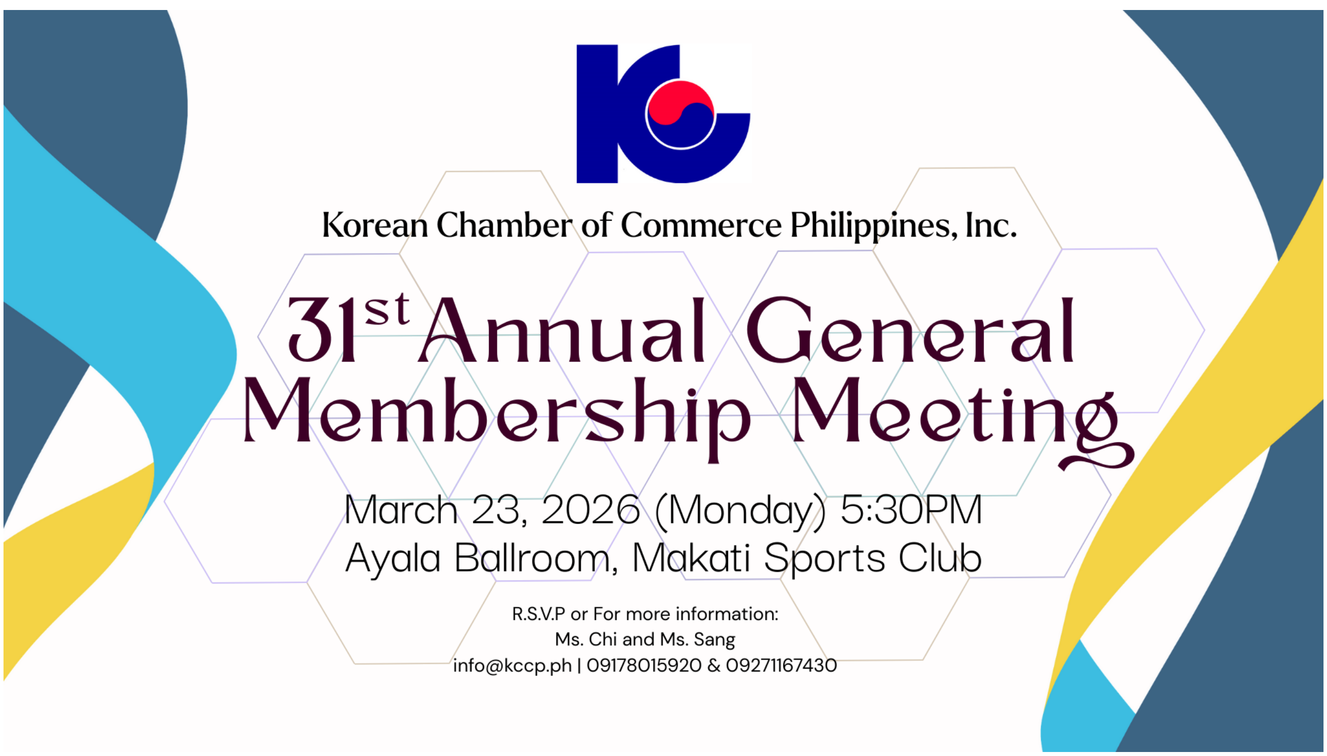
Open AI’s GPT models were the least susceptible and most accurate at fallacy detection, whereas other models were susceptible to up to 63.6% of false claims, the study also found.

“AI has the potential to be a real help for clinicians and patients, offering faster insights and support,” Mr. Nadkarni said. “But it needs built-in safeguards that check medical claims before they are presented as fact. Our study shows where these systems can still pass on false information, and points to ways we can strengthen them before they are embedded in care.”

Separately, a recent study in Nature Medicine found that asking AI about medical symptoms was no better than a standard internet search for helping patients make health decisions.

*Source: https://www.bworldonline.com/world/2026/02/10/729515/medical-misinformation-more-likely-to-fool-ai-if-source-appears-legitimate-study-shows/*

## [UPCOMING EVENT] KCCP’s 31st Annual General Membership Meeting | March 23, 2026



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