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SPECIAL POINTS OF INTEREST

UPCOMING EVENT

FDI net inflows hit 4-month high

February 11, 2026 | Katherine K. Chan | BusinessWorld

NET INFLOWS of foreign direct investments (FDIs) into the Philippines hit a four-month high in November, even as inflows slipped year on year, the Bangko Sentral ng Pilipinas (BSP) said.

SHEETS of $5 bills are seen through magnifying glass at Bureau of Engraving and Printing in Washington. — REUTERS

Preliminary BSP data released on Tuesday showed that FDI net inflows dipped by 0.3% to $897 million in November from $900 million in the same month in 2024.

Month on month, inflows jumped by 39.7% from $642 million in October.

November saw the highest FDI inflows in four months or since $1.271 billion in July.

"Foreign direct investments into the Philippines posted net inflows of $897 million in November 2025," the central bank said in a statement. "South Korea was the leading source of FDIs, with most inflows directed to the manufacturing industry during the month."

Based on BSP data, investments in equity and investment fund shares soared by 71.6% to $187 million in November from $109 million a year ago.

Net investments in equity capital other than reinvestment of earnings more than tripled to $122 million in November, from the $35 million logged in November 2024.

This, as equity capital placements doubled year on year to $142 million from $71 million, while withdrawals dropped by 44.4% to $20 million from $36 million previously.

Meanwhile, reinvestment of earnings stood at $64 million, down by 12.7% from $74 million a year earlier.

Net investments in debt instruments fell by 10.2% annually to $711 million in November from $791 million a year ago.

According to the BSP, net investments in debt instruments include mainly intercompany borrowing or lending between foreign direct investors and their subsidiaries or affiliates in the Philippines. The rest are investments made by nonresident subsidiaries or associates in their resident direct investors, or known as reverse investment.

SM Investments Corp. Group Economist Robert Dan J. Roces said the nearly flat year-on-year change in FDI net inflows reflects steady but still selective investor sentiment.

"(It) shows stabilization after a softer stretch," he said in a Viber message. "Some delayed equity placements and reinvested earnings likely came through, which tells you investors are pacing commitments, not exiting."

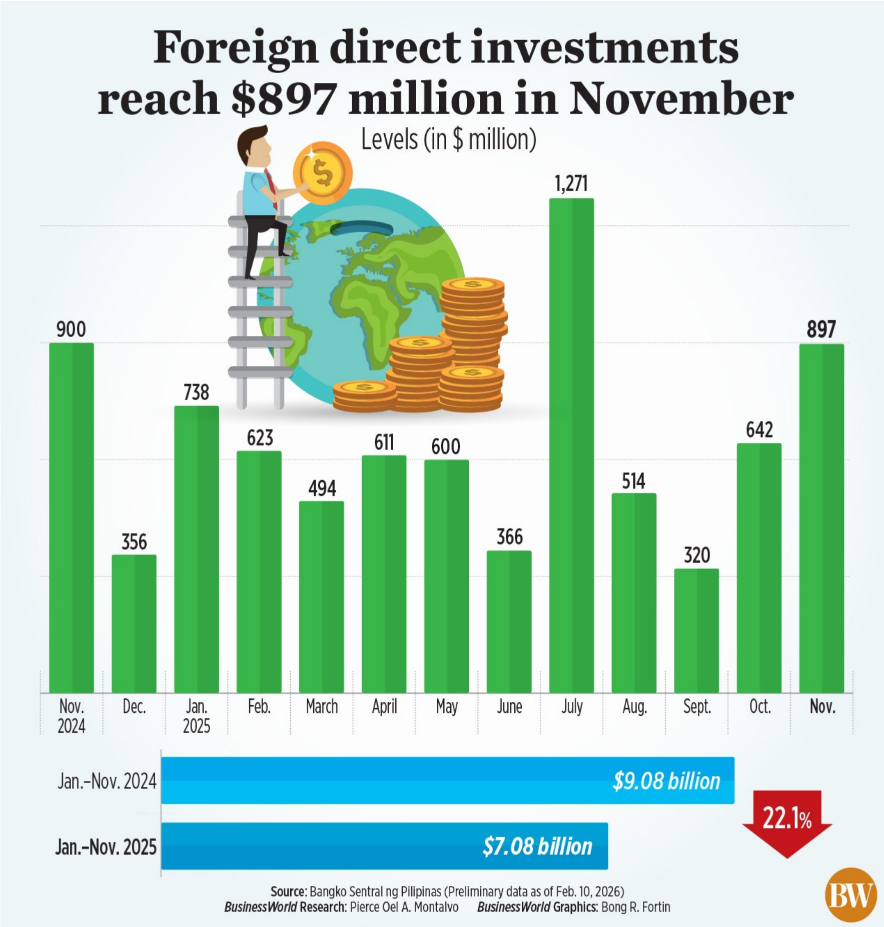
11-MONTH SLUMP

Meanwhile, FDIs went down by 22.1% to $7.077 billion at end-November from $9.084 billion in the same period last year.

"For the first eleven months of 2025, equity capital placements were sourced primarily from Japan, the United States, Singapore, and South Korea, and were channeled largely into the manufacturing, wholesale and retail trade, and real estate industries," the central bank said. *[Cont. page 2]*

FDI net inflows hit 4-month high

[Cont. from page 1]



BSP data showed that investments in equity and investment fund shares reached $2.297 billion in the 11-month period, declining by 10.8% from $2.576 billion the year prior.

This, as net foreign investments in equity capital, excluding reinvestment of earnings, fell by 23.3% year on year to $1.144 billion during the period from $1.491 billion.

Of the total, placements dropped by 12.2% annually to $1.741 billion, while withdrawals rose by 21.1% to $596 million.

On the other hand, reinvestment of earnings edged up by 6.2% to $1.152 billion in the period ending November from $1.085 billion in the previous year.

However, nonresidents' net investments in debt instruments of local affiliates amounted to $4.78 billion, down 26.6% from the $6.508 billion logged as of November 2024.

FDIs account for foreign investors' investments in local businesses where they hold at least a 10% equity capital, as well as investments by a nonresident subsidiary or associate in its resident direct investor. It can be in the form of equity capital, reinvestment of earnings or borrowings.

The BSP's FDI data cover actual investment flows, compared to the Philippine Statistics Authority's foreign investments data which include investment commitments that may not be fully realized in a given period.

Jonathan L. Ravelas, a senior adviser at Reyes Tacandong & Co., said the decline in FDI net inflows during the 11-month period shows that investors were more cautious last year.

"That mix suggests the Philippines hasn't lost investor interest — sentiment just became more selective," he said in a Viber message.

"The decline likely reflects global uncertainty, domestic policy noise, and tougher competition from our ASEAN (Association of Southeast Asian Nations) neighbors," Mr. Ravelas added. "But the November bump signals that when investors see clearer direction and more stability, they begin to re-engage."

Mr. Roces said there could be annual growth in FDI inflows at the end of 2025 if companies log year-end reinvestments or intercompany loans, "but that will depend more on timing of flows than a sudden shift in confidence."

Meanwhile, Mr. Ravelas said credible reforms, reduced uncertainty and faster execution could enhance the country's investment climate.

"If the government sustains that clarity, we could turn that November momentum into a broader recovery," he said.

Source: https://www.bworldonline.com/top-stories/2026/02/11/729701/fdi-net-inflows-hit-4-month-high/

LEDAC OKs 21 key measures to restore public trust

February 10, 2026 | Joan Villanueva | Philippine News Agency

MANILA – The Legislative-Executive Development Advisory Council (LEDAC) has approved 21 measures targeted for passage by June this year as part of efforts to strengthen governance and restore public trust.

Department of Economy, Planning, and Development Sec. Arsenio Balisacan. *(PNA file photo)*

In a news release on Tuesday, the Department of Economy, Planning, and Development (DEPDev) said two of the measures that were included in the Common Legislative Agency (CLA) to address critical national issues are the Amendments to the Anti-Online Sexual Abuse or Exploitation of Children (OSEAC) and the Anti-Child Sexual Abuse or Exploitation Materials (CSAEM) Act.

The two aim "to strengthen the capacity of law enforcement and cover emerging technologies," DEPDev said.

Another one is the Anti-Fake News and Digital Disinformation Act, aimed to "penalize malicious and deliberate dissemination of false information that threatens public order or national security."

Another is the Travel Tax Abolition, which seeks to lower expenses of travelers and help the tourism sector.

LEDAC also proposed the immediate approval of the measure on reset the First Regular Elections in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).

It also included in the list the Anti-Political Dynasty Act and the proposed Party-list System reforms to help "strengthen the country's democratic processes by creating fairer, more inclusive political representation through safeguards that prevent abuse of public office."

Also on the list are the Independent People's Commission Act and the proposed reforms to the Bank Deposits Secrecy Law, which targets to "strengthen accountability and fight corruption by empowering dependent investigations and removing barriers to uncovering government and financial irregularities."

Other items on the list are the CADENA Act as well as the Right to Information Act, which aim "to institutionalize transparency and accountability in governance by ensuring reliable public access to government financial data and information."

"By establishing stronger oversight mechanisms over infrastructure spending and advancing real-time transparency in the budget process, the administration continues to drive reforms to make sure every peso spent works for the benefit of the Filipino people," DEPDev Secretary Arsenio Balisacan said.

Also part of the list are measures targeted to improve resource management in energy, agriculture, water, and fiscal sectors.

"Looking ahead, we see 2026 as our rally point. To regain our stride, we must act decisively to restore public trust through better governance and stronger public service delivery—improvements that Filipinos can see and feel in their daily lives," Balisacan added.

Meanwhile, 31 other measures have been included in the CLA. These are:

1. National Land Use Act
2. Excise Tax on Single-Use Plastics
3. Blue Economy Act
4. Progressive Budgeting for Better and Modernized Governance Act
5. Amendments to the Anti-Money Laundering Act
6. Philippine Civil Registration and Vital Statistics Act
7. Amendments to the Universal Health Care (UHC) Act
8. Assistance to Individuals in Crisis Situations (AICS) Act
9. Amendments to the Universal Access to Quality Tertiary Education Act
10. Amendments to the Teachers Professionalization Act
11. Amendments to the Local Government Code (LGC)
12. General Tax Amnesty

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LEDAC OKs 21 key measures to restore public trust

[Cont. from page 3]

13. Amendments to the Fisheries Code
14. Amendments to the Downstream Oil Industry Deregulation Law
15. Amendments to the Biofuels Act
16. Cybersecurity Act
17. Amendments to the National Building Code
18. Amendments to the Magna Carta for Micro, Small, and Medium Enterprises (MSMEs)
19. National Reintegration Bill
20. Reprogramming of Seal of Good Local Governance (SGLG)
21. Digital Payments Act
22. Masterplan for Infrastructure and National Development (MIND)
23. Requiring Civil Servants to Waive Bank Secrecy
24. Law on Online Gambling
25. Disaster Risk Financing Insurance
26. Strengthening the Bases Conversion and Development Authority (BCDA)
27. Presidential Merit Scholarship Program
28. Disqualifying Relatives of Officials (4th degree) in Government Contracts
29. Fair Use of Social Media, AI and Internet Technology in Elections
30. Modernizing the Bureau of Immigration
31. Magna Carta for Barangays.

Source: https://www.pna.gov.ph/articles/1268776

Philippines pauses US trade pact talks as tariff wins stabilize ties

February 10, 2026 | Othel V. Campos | Manila Standard

Philippine Ambassador to the United States Jose Manuel Romualdez (Courtesy: ThisIsAmericaTV/Screenshot via YouTube)

Philippine Ambassador to the United States Jose Manuel Romualdez said Tuesday that pursuing a bilateral free trade agreement with Washington is not a priority at this time as both sides remain focused on tariff-related negotiations.

Ambassador Romualdez said overall trade relations between the two countries remain stable. He said most of Manila's requested tariff exemptions have been granted, including relief for the semiconductor sector, which is a key Philippine export industry largely composed of American-owned firms operating in the country.

"We've had a number of conversations with the U.S. Department of Trade, and we've been very happy with the exemptions that we've requested because almost all have been granted. That has already stabilized our basic request for our trade to be more balanced," Romualdez said during the annual Philippine briefing hosted by the US-Philippines Society.

He said that earlier proposals to impose a 19-percent tariff on certain industries prompted discussions with US industry groups, including the Semiconductor and Electronics Industry of the Philippines, inc. (SEIPI). These discussions helped push for exemptions to avoid disruptions in global supply chains.

The agricultural sector has also seen significant gains. Romualdez said as of late 2025, more than $1 billion worth of Philippine agricultural exports enjoy zero tariff access to the US market.

The exemption followed a Nov. 14, 2025 US executive order that removed a proposed 19-percent reciprocal tariff on key Philippine products. These products include coconuts, bananas, pineapples, tuna and tropical fruit juices.

"Bottom line, it's pretty stable. We're still continuing to talk about other issues here and there, but at the end of the day, we're quite happy," Romualdez said. He said the Department of Trade and Industry is leading regular engagements with US counterparts.

While the United States has expressed openness to a bilateral free trade agreement (FTA), Romualdez said the Philippines is not yet prepared to enter formal negotiations.

"Perhaps this is not the time. We want to solidify our current agreements on tariffs first," he said. He recalled that exploratory discussions on a potential FTA date back to the first Trump administration.

Romualdez said recent legislative reforms in the Philippines could support a future FTA. These reforms include extended land lease terms and measures easing certain labor restrictions, though he emphasized that other trade priorities remain more urgent.

Source: https://manilastandard.net/business/314702174/philippines-pauses-us-trade-pact-talks-as-tariff-wins-stabilize-ties.html

NRA proposal not considered immediate fix — BIR

February 10, 2026 | Aubrey Rose A. Inosante | BusinessWorld

PHILIPPINE STAR/RUSSELL PALMA

THE Bureau of Internal Revenue (BIR) said renewed proposals to merge the government's main revenue-generating agencies into a National Revenue Authority (NRA) should be considered as a last resort, saying that the immediate priority involves restoring credibility and public trust in the current institutions.

New calls to establish an NRA could remain part of the long-term conversation, though, Commissioner Charlito Martin R. Mendoza said.

"It should be approached as a governance reform of last resort, not a first response," he told *BusinessWorld* via Viber on Feb. 9.

Former Finance Undersecretary Cielo D. Magno and Asian Consulting Group Chairman Raymond Abrea had called for a sweeping overhaul of the BIR and Bureau of Customs (BoC), including a proposal to establish an NRA, to be run professionally as a Government-Owned and -Controlled Corporation (GOCC).

Mr. Mendoza said this push "reflects long-standing concerns over fragmentation and coordination in revenue administration," although the problem lies in "governance quality, not merely institutional form.

House Bill 695, filed in 2017 by former President Gloria Macapagal-Arroyo, then a legislator, sought to replace the BIR and streamline tax collection.
"The more immediate and pragmatic reform path is to strengthen governance where it matters most — deepening coordination and data sharing between revenue agencies, tightening audit integrity and accountability mechanisms, and institutionalizing digital, risk-based processes," he said.

These reforms directly address the governance deficits that reform advocates seek to correct, without the destabilizing effects of an abrupt merger, he said.

"Without these foundations (in governance reform), structural consolidation risks replicating existing problems at a larger scale," Mr. Mendoza said.

For 2026, the government hopes to collect P4.82 trillion in revenue, with P3.431 trillion expected from the BIR and P1.003 trillion from the BoC.

Source: https://www.bworldonline.com/economy/2026/02/10/729723/nra-proposal-not-considered-immediate-fix-bir/

Philippine recovery clouded by graft probe, weak infrastructure investment — ANZ

February 11, 2026 | Ian Nicolas P. Cigaral | Philippine Daily Inquirer

Makati central business district

MANILA, Philippines — It is uncertain whether weak Philippine growth will turn the corner anytime soon in the absence of quick rebound in public spending, after a slump triggered by a graft scandal that has gutted overall confidence.

This is according to Sanjay Mathur, ANZ Research's chief economist for Southeast Asia and India. In a note responding to investors' questions, he recalled that a previous overhaul of public finances in 2001 was followed by a prolonged stretch of weak and stagnant government spending.

Whether the current episode would resolve more quickly, or slide into another extended stretch of fiscal restraint, remains uncertain, he said, adding that it was still unclear how fast public infrastructure spending can be revived.

Latest available data showed direct government spending on infrastructure projects had plummeted by 45.2 percent to P48 billion in November 2025, sending the 11-month tally falling by 16 percent to P991 billion.

The budget department blamed the big slump on the ongoing investigation into anomalous flood control projects, which has implicated lawmakers, members of the Cabinet and state engineers.

As a result, economic growth slowed to multiyear lows in the second half of 2025, prompting the Marcos administration to scale back its growth targets as the scandal's impact spills over to household and business sentiment. *[Cont. page 6]*

Philippine recovery clouded by graft probe, weak infrastructure investment — ANZ

[Cont. from page 5]

Governance issues

"We are not certain at this stage whether growth in the Philippines will inflect for the better anytime soon," Mathur said.

"The governance issues surrounding public infrastructure projects have not only led to a significant deceleration in government capital spending, but have also taken a toll on business and household confidence," he added

Figures showed consumer spending had risen by 3.8 percent in the fourth quarter of last year, easing from 4.1 percent in the previous three months.

Government spending also cooled, rising 3.7 percent after a 5.8 percent increase earlier in the year. Investment, measured by gross capital formation, fell 10.9 percent.

Interestingly, net exports was a bright spot despite the global trade headwinds, with its contribution to overall growth rising to its highest in the post-pandemic period. ANZ's Mathur said this pattern of growth in a domestic-driven economy like the Philippines was rare.

Fiscal stimulus sought

"A more expansionary fiscal stance is critical in the present environment," he said.

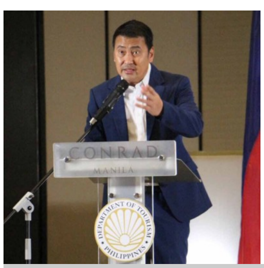
Separately, economists at Nomura Global Markets Research said growth was expected to remain weak through the first half of 2026, as anti-corruption efforts suggest continued caution in government spending. They likewise noted that pre-procurement activity had not taken place last year, delaying the implementation of projects even further.

"We only expect a turnaround in growth in the second half of 2026, helped by low base effects and the government implementing catch-up spending plans, though we acknowledge high uncertainty due to the political environment," they added. /dda

Source: https://business.inquirer.net/573530/philippine-recovery-clouded-by-graft-probe-weak-infrastructure-investment-anz

Travel tax standard practice across AsPac-Tieza chief

February 12, 2026 | Ma. Stella F. Arnaldo | BusinessMirror



Tieza COO Mark T. Lapid (Tieza photo)

DEPARTURE levy or fees. That is what other countries in Asia and the Pacific call the taxes imposed on travelers leaving these countries. And Philippine tourism officials, while saying they will respect any decision by Congress to enact its abolition as requested by the Executive, are hoping that authorities identify alternative sources of funds for the types of projects financed by travel tax revenue.

In an interview, Tourism Infrastructure and Enterprise Zone Authority (Tieza) Chief Operating Officer Mark T. Lapid told the *BusinessMirror* that Cambodia, Malaysia, Thailand, Laos, Bali, and even Australia and Japan, all impose fees similar to the Philippines's travel tax. "Although mostly called 'fees' or 'levies', those being collected by these other countries are similar to the Philippine travel tax. These are departure charges collected from persons traveling outbound," he said.

Tieza is a government-owned and -controlled corporation (GOCC) that oversees the creation of tourism economic zones, and builds vital tourism infrastructure projects such as clean water and drainage systems for destinations like in Boracay Island; restores heritage sites like Magellan's landing site and Burnham Park, and historic churches in Ilocos and Cebu damaged by earthquakes; and provides hyperbaric chambers in key dive sites such as Coron, Malapscua, and Dauin in Negros Oriental, among others.

The Philippines imposes a travel tax of P1,620 on economy passengers, and P2,700 on first class passengers. Departing overseas Filipino workers, students on government scholarships, and infants are exempted from paying the travel tax.

Funding from GAA

President Ferdinand R. Marcos Jr. has expressed support for the abolition of the travel tax to ease the financial burden on Filipino travelers, and assured that needed funding will be secured through the General Appropriations Act (GAA). their teeth. ***(See, "Celeste Legaspi sings the blues about El Nido," in the BusinessMirror, June 8, 2025.)*** *[Cont. page 7]*

Travel tax standard practice across AsPac-Tieza chief

[Cont. from page 6]

Data from the Department of Tourism (DOT) show, however, despite the travel tax, there was an 11.6-percent increase in Filipinos who traveled abroad last year, reaching 7.65 million. This exceeded the 5.9 million foreign nationals who visited the country in 2025.

Lawmakers from both the House of Representatives and the Senate have proposed legislation to abolish the travel tax, which were endorsed by the Legislative-Executive Development Advisory Council to Marcos Jr. Tourism Secretary Christina Garcia Frasco said: "The DOT respects the wisdom of the President and any legislative action of Congress on the travel tax, being a creation of law."

Lapid added, "We respect the will of the lawmakers. We hope they will identify what alternative fund sources we can tap to ensure the continuity of several important projects."

Among these major projects are the water and sanitation project for Coron, "and we are just waiting for the feasibility study of El Nido, so we can fund their water project," he said. Many tourists have long complained about the poor water quality in El Nido, many of whom have fallen ill with diarrhea despite using bottled water for drinking and brushing their teeth. ***(See, "Celeste Legaspi sings the blues about El Nido," in the BusinessMirror, June 8, 2025.)***

Industry analysts also shared that abolishing the travel tax will remove the "flexibility" of Tieza in responding to "emergencies" and funding shortfalls for tourism-related government projects, if it has to get its budget annually from the GAA. For instance, Tieza funded the recent Philippine Women's Open, the first time the country hosted a Women's Tennis Association 125 event. During the pandemic, they added, Tieza provided funds for government's vaccination program.

P9B target for 2026

This year, Tieza is targeting to collect some P9 billion in travel taxes, 50 percent of which it will retain for its operations and projects, while 40 percent will go to the Commission on Higher Education and 10 percent to National Commission for Culture and the the Arts. Last year, Tieza collected P8.7 billion in travel taxes.

Meanwhile, Tieza enumerated travel taxes collected by other countries in Asia and the Pacific, which are mostly used to fund tourism infrastructure, and the preservation of heritage sites and the environment:

- Cambodia. US$25 included in airline ticket price for all foreign passengers
- Malaysia. Departure Levy ranging from RM8 to RM150 already included in the ticket price, aside from an Airport Tax
- Thailand. 300-baht foreign tourist entry fee starting February 2026.
- Laos. Fee of LAK 10,000 for arriving foreign tourists and Laotians departing the country.
- Indonesia (Bali). All international tourists pay a mandatory IDR150,000 levy.
- Australia. A$60 Passenger Movement Charge on all departing passengers
- Japan. International Tourist Tax amounting to JPY1,000 on travelers departing the country, which will be raised to JPY 3,000 by July.

Image credits: Tourism Infrastructure and Enterprise Zone Authority

Source: https://businessmirror.com.ph/2026/02/12/travel-tax-standard-practice-across-aspac-tieza-chief/

BSP: Economy to rebound by 2nd half

February 12, 2026 | Katherine K. Chan | BusinessWorld

THE PHILIPPINE ECONOMY is on track to bounce back this year as business confidence has begun to improve, Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. said.

"It looks like it's (confidence) beginning to come back," the central bank chief said during a Management Association of the Philippines (MAP) event on Wednesday held in Taguig City. "Not as fast as we would like, but it's coming back."

"In our projections, we think that we'll be back to normal by the second half of 2026," he added.

Families spend Christmas Day at Rizal Park in Manila, Dec. 25, 2025. — PHILIPPINE STAR/RYAN BALDEMOR

Mr. Remolona noted that the loss of confidence amid the graft scandal stalled the country's economic growth in the second half of 2025. *[Cont. page 8]*

BSP: Economy to rebound by 2nd half

[Cont. from page 7]

In the fourth quarter of 2025, the Philippine gross domestic product (GDP) grew by 3%, its slowest in 14 years (excluding the pandemic), as investments and spending slowed amid the flood control controversy.

This brought full-year economic growth to a post-pandemic low of 4.4%, undershooting the BSP's 4.6% forecast and the government's 5.5%-6.5% target.

However, recent indicators, such as the S&P Global Manufacturing Purchasing Managers' Index (PMI) and the Philippine Stock Exchange index (PSEi), have signaled that business confidence is slowly returning and the economy may be on the way to recovery.

Latest data showed that the Philippines' manufacturing PMI rose to a nine-month high of 52.9 in January from 50.2 in December.

The PSEi rose to a near seven-month high on Wednesday, even soaring above the 6,500 line during the session. The PSEi went up by 0.37% or 24.22 points to close at 6,498.82, its best finish in almost seven months or since it closed at 6,525.04 on July 14, 2025.

For 2026, the central bank projects GDP to expand by 5.4%.

However, Mr. Remolona said they are reviewing a potential revision to their growth forecast.

Speaking to reporters on the sidelines of the MAP event, Mr. Remolona said the revival of confidence, alongside inflation falling back to target, may have narrowed the central bank's easing space.

Asked if the BSP can still afford to cut rates anew to support the economy, Mr. Remolona said: "It's conceivable. Again, it's based on the data. We have to review the data."

The benchmark interest rate currently stands at 4.5%, the lowest in over three years.

The Monetary Board has so far delivered 200 basis points (bps) in cuts since it began its easing cycle in August 2024, including five straight 25-bp reductions last year.

Mr. Remolona noted that stabilizing inflation remains their priority in deciding on the monetary policy path.

"If we can maintain price stability, that will help with confidence," he said.

In January, headline inflation came in at 2%, marking its comeback to the BSP's 2%-4% target for the first time in nearly a year.

INFLATION

Meanwhile, BSP Deputy Governor Zeno Ronald R. Abenoja said headline inflation may approach the 3% mark in the coming months before potentially breaching it by the second half of the year.

"If you look at the inflation path in our MPR (monetary policy report), it will move gradually close to 3% and then possibly a little above 3% by (the) second half," he told reporters on the sidelines of the same event. "But after that, it will move closer to 3% again and then stabilize around that area."

Mr. Remolona noted that he doesn't mind inflation undershooting their target but said that an above-3% print worries him more.

The BSP expects headline inflation to average 3.2% by yearend, before easing to 3% in 2027.

Source: https://www.bworldonline.com/top-stories/2026/02/12/730004/bsp-economy-to-rebound-by-2nd-half/

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

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