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SPECIAL POINTS OF INTEREST

Philippine manufacturing activity hit 9-month high in January

February 02, 2026 | Nyah Genelle C. De Leon | Philippine Daily Inquirer

A factory in the Philippines. Factory activity hit a nine-month high in January 2026 as new orders climbed. (INQUIRER FILE PHOTO)

MANILA, Philippines – The Philippine manufacturing sector rebounded solidly in January, posting a nine-month high in factory activity on the back of strong growth in new orders.

S&P Global's survey of around 400 firms showed the Philippines' Purchasing Managers' Index (PMI) jumped to 52.9 in the first month of 2026, up sharply from 50.2 in December.

The latest reading marked the strongest improvement in operating conditions since April.

According to the report, the rebound was driven by faster growth in new orders, supported by improving underlying demand. The upturn in sales also led manufacturers to raise production levels, with output increasing for the first time in five months.

"After a prolonged period of subdued growth in the second half of 2025, the first PMI data release for 2026 points to a marked shift in momentum," Maryam Baluch, economist at S&P Global Market Intelligence, said.

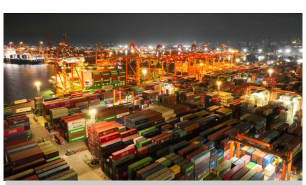
"New orders registered a strong and accelerated uptick, supported in part by a renewed rise in export demand. As a result, production returned to expansion territory for the first time in five months," Baluch added.

Still, despite the strong start to the year, business confidence weakened sharply as firms' optimism for the next 12 months fell to the second-lowest level on record, weighed down by economic uncertainty in key export markets.

Source: https://business.inquirer.net/572032/philippine-manufacturing-activity-hit-9-month-high-in-january

Exporters wary of BoC service fee hikes

February 01, 2026 | Justine Irish D. Tabile | BusiessWorld



Aerial photo of ICTSI's flagship Manila International Container Terminal at the Port of Manila — ICTSI.COM

THE Philippine Exporters Confederation, Inc. (Philexport) said Customs service fees could increase significantly with the introduction of a new processing system.

In a statement over the weekend, the group said that "while it supports the streamlining and digitalization of government processes, it opposes the proposed fee hike relating to the use of the new customs processing system."

"We understand that the fee involved is about P300, information that we cannot validate at the moment because we were not provided a copy of this proposal," it said.

"Based on this initial information, may we register our strong opposition to the said proposal because of the huge jump in fees," it added.

The current fee schedule involves a P45 per entry charge for cargo data exchange center e-trade lodgement, a P40 per container charge on the Go Fast platform for managing container returns, and a P55 E-Konek import permit and lodgement fee. *[Cont. page 2]*

Exporters wary of BoC service fee hikes

[Cont. from page 2]

Exporters also pay a P18 fee for an e-trade manifest via sea and a P23 fee for an e-trade manifest via air.

"Fee increases such as this will directly impact the costs of products and services and will negatively impact the competitiveness of our exports and importers," the group said.

The proposed new system, Philexport said, should first undergo a regulatory impact assessment (RIA) by the Anti-Red Tape Authority.

"The result of the RIA should help guide the Bureau of Customs (BoC) in assessing the viability of implementing the customs processing system in the context of trade and economic development," it said.

"Further, the BoC should bear or subsidize the cost of developing and deploying the new system since modernization initiatives are public investments intended to benefit the trading community and enhance national competitiveness," it added.

Philexport President Sergio R. Ortiz-Luis, Jr. also called for another public consultation once the service provider has been determined and to get a breakdown of the cost components of the fee to determine any duplicate or unnecessary charges.

The BoC organized a consultation last month, which Philexport participated in.

Set to replace the BoC's E2M (electronic-to-mobile) system, the proposed customs processing system seeks to address a number of issues raised by stakeholders.

These include delays in system response, failure to receive notifications, encoding and format errors, integration gaps with other systems, and system limitations in supporting document attachments.

Source: https://www.bworldonline.com/economy/2026/02/01/727782/exporters-wary-of-boc-service-fee-hikes/

'No surprise' that PHL tourism outpaces Thailand in GDP impact — economist

February 02, 2026 | Ma. Stella F. Arnaldo | BusinessMirror

CEBU CITY—It may be hard to believe to many, but the Philippines has surpassed Thailand in terms of tourism's contribution to the local economic output.

D' Mall souvenir shop in Boracay, Aklan, Philippines. Photo credit: Michael Edwards | Dreamstime.com

Citing figures from the World Travel and Tourism Council (WTTC) Economic Impact Reports (EIR) 2025 of members of the Association of Southeast Asian Nations (Asean), Asian Development Bank economist Sanchita Basu Das said the Philippines tourism sector contributed US$91.8 billion to the gross domestic product (GDP), with a share of 19.9 percent to total in 2024. It topped other Asean members in terms of the economic impact of the tourism sector.

In contrast, tourism in Thailand—the top destination of international travelers going to Southeast Asia at 35 million in 2024—contributed just US$67.3 billion, with a share of 12.8 percent to total GDP. Das made the presentation on January 29 during the 29th Meeting of Asean Tourism Ministers.

Former Socio-economic Planning Secretary Dante B. Canlas explained to the BusinessMirror: "The share of tourism to Philippines GDP is bigger than Thailand's—that's not puzzling because Thailand's GDP is much bigger than that of the Philippines. Thus, the bigger the denominator, the smaller the share."

He added, "Meanwhile, tourism revenue in the Philippines has been growing fast. In Thailand, it's revenue from manufactured exports that's growing fast and contributing more to its GDP." In 2024, Thailand's exports of goods were valued over $300 billion (current prices), with a 70 percent share to GDP, as per data compiled by the World Bank.

$103-B more in 2026

IN 2024, the Philippines local economic output was valued at $454.72 billion, with a GDP per capita at around $3,925, both at constant 2015 prices. Thailand's GDP that year reached $471.18 billion, with a GDP per capita of $6,574.50, at constant prices.

As far as employment was concerned, the Philippines recorded 11.2 million tourism jobs, accounting for 23 percent to total employment in 2024. Indonesia topped the tourism employment picture in Asean, at almost 13 million, but delivered a 9-percent share to the country's total recorded jobs. *[Cont. page 3]*

‘No surprise’ that PHL tourism outpaces Thailand in GDP impact — economist

[Cont, from page 2]

Impact of Tourism in SEAsia (2024)	Tourism’s Contribution to SEAsia GDP $373.9 B (9.4%)		Tourism Jobs in SEAsia 44.9 M (13.5%)	
	Total GDP Contribution		Employment Contribution	
Economy	Share of Tourism to GDP (%)	Tourism GDP Contribution ($ billion)	Share of Tourism Jobs to Total Employment (%)	Tourism Jobs (thousands)
Brunei Darussalam	6.0	1.1	6.8	14
Cambodia	12.8	6.3	27.1	2,385
Indonesia	5.1	71.7	9.0	12,910
Lao PDR	11.3	1.8	16.9	335
Malaysia	10.1	42.7	14.9	2,480
Myanmar	6.6	4.7	5.2	890
Philippines	19.9	91.8	23.0	11,222
Singapore	10.1	54.6	14.2	570
Thailand	12.8	67.3	20.1	8,013
Viet Nam	7.0	31.8	11.8	6,075

Source: WTTC Economic Impact Report Factsheets (2025)

Tourism Secretary Christina Garcia Frasco—under pressure from the public to deliver more foreign visitor arrivals—lost no time in crowing about the ADB report. “These figures clearly show that the Philippines ranks among Asean’s leading tourism economies. [The data show] tourism remains a powerful driver of inclusive growth, job creation, and economic resilience for our country,” she said in a news statement.

In its 2025 EIR for the Philippines, the WTTC projected tourism’s contribution to the Philippine economy at 21 percent, adding some US$102.6 billion (P5.6 trillion/US$1:P57.5) to the GDP this year. This represents an 11.8-percent change from the GDP contribution in 2024, although a slower growth from the 27.6-percent year-on-year change in 2024/2023. This year’s estimated tourism contribution is 13.5 percent higher than the prepandemic $90.4 billion recorded in 2019. (See, “Int’l tourism spending in PHL to breach pre-Covid levels,” in the BusinessMirror, June 16, 2025.)

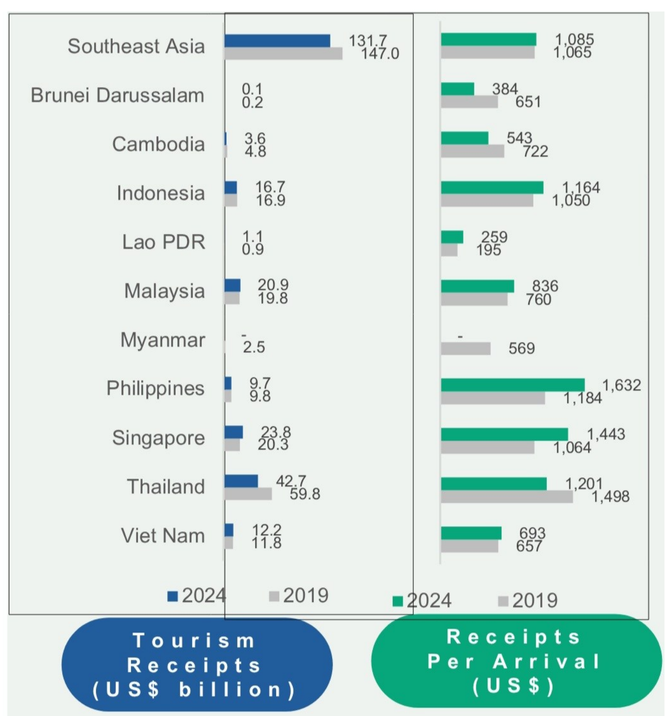
45M tourism jobs in Asean

ACCORDING to Das, tourism delivered some $374 billion to Southeast Asia, accounting for a 9.4 percent share to the region’s GDP. Tourism jobs were recorded at close to 45 million, representing a 13.5 percent share of Southeast Asia’s total jobs.

“Tourism dependency varies across Asean with tourism accounting for over 45-60 percent of total services exports in highly reliant Southeast Asian economies—well above the global average of 25 percent,” she said.

She noted that, “Southeast Asia’s average receipts per arrival are rising—reaching $1,085 in 2024—but still trail North America [$2,165], Central America [$1,441], and Northern Europe [$1,510].”

Citing WTTC data, the Philippines recorded average tourist spend of $1,632, almost 38 percent higher than the per capita tourist spend in prepandemic 2019. The country exceeded Singapore, where average visitor spend was $1,443 per capita in 2024. In terms of total visitor receipts, however, Singapore’s dwarfed the Philippines’s $24 billion versus $9.7 billion, respectively.



Values in nominal terms

In terms of visitor arrivals, the Philippines ranked third to the last in Southeast Asia at 5.4 million in 2024, with no data available for Cambodia.

Image credits: Michael Edwards | Dreamstime.com

Source: https://businessmirror.com.ph/2026/02/02/phl-tourism-outpaces-thailand-in-gdp-impact-adb-report/

Return to over 5 percent growth in Q1, full year 2026 seen

February 02, 2026 | Louella Desiderio | The Philippine Star

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

STAR / Michael Varcas

MANILA, Philippines — The Philippine economy may return to above five percent growth in the first quarter and full-year 2026 as government spending improves and inflation is likely to remain low, according to the University of Asia and the Pacific (UA&P).

"We expect Q1 (first quarter) and full-year GDP (gross domestic product) growth to exceed five percent," UA&P said in The Market Call Capital Markets Research report for January 2026.

It said it expects a strong rebound in the current quarter, following the government's early release of the P1.6 trillion budget to local government units (LGUs).

The Philippine economy closed 2025 with average growth of 4.4 percent, slower than the 5.7 percent expansion in 2025 and below the government's 5.5 to 6.5 percent growth target.

GDP growth also slowed to three percent in the fourth quarter last year from 3.9 percent expansion in the previous quarter and 5.3 percent growth in the same period in 2024.

The slower economic growth was linked to flood control corruption issues which weighed on investor and consumer confidence, and unfavorable weather conditions which disrupted economic activity.

UA&P said infrastructure spending is expected to remain subdued as high interest rates are likely to limit private construction.

However, it said inflation remains a bright spot that would support growth in the first quarter this year.

"Inflation is expected to drop further, reaching 1.2 percent year-on-year in January," UA&P said.

Inflation rose to 1.8 percent in December last year from the previous month's 1.5 percent.

This brought average inflation for 2025 to 1.7 percent, below the government's two to four percent target.

For the first quarter of this year, UA&P said it expects inflation to average 1.4 percent.

Given the latest growth outturn and inflation result, UA&P expects the Bangko Sentral ng Pilipinas (BSP) to bring down the key policy rate this month.

At its last policy meeting in December last year, the BSP trimmed the key interest rate by 25 basis points to 4.50 percent.

"A BSP policy rate cut appears very likely in February, which should provide a boost not only to the bonds and equities markets, but also for businesses in general and private construction, in particular," UA&P said.

Source: https://www.philstar.com/business/2026/02/02/2505042/return-over-5-percent-growth-q1-full-year-2026-seen

PEZA expects approval of 11 new ecozones

February 01, 2026 | Othel V. Campos | Manila Standard

PEZA director-general Tereso Panga

The Philippine Economic Zone Authority expects the Office of the President to approve 11 more economic zones this year as it moves to fast-track proclamations to support a P300-billion investment target for 2026.

PEZA director-general Tereso Panga said 28 economic zones are pending presidential proclamation following the approval of two ecozones earlier this year. The agency is prioritizing the remaining proposals to accelerate the entry of foreign capital into the country.

"We're hopeful that the process will be a lot faster in terms of proclamation because we really need to accelerate the entry of investments," Panga said over the weekend.

The 2026 investment target represents a 15-percent growth rate from 2025. Panga described the figure as conservative compared with the agency's historical average annual growth rate of about 23 percent. *[Cont. page 5]*

PEZA expects approval of 11 new ecozones

[Cont. from page 4]

He said that while investment activity typically slows in January following peak operations in the fourth quarter, registrations are expected to pick up as companies ramp up operations in the coming months.

“We made some adjustments, but we’re trying to maintain a positive growth trajectory,” he said.

The current investment pipeline includes several big-ticket projects in the electronics, pharmaceutical, aviation and digital health sectors.

Panga confirmed that some electronics investments involve tier 1 suppliers to NVIDIA, while pharmaceutical projects are linked to shifting global supply chains.

He said these new projects were discussed during recent overseas investment missions.

To further improve the investment climate, the agency is preparing proposed amendments to its charter to restore certain regulatory powers.

These include authority over fire safety inspection certificates, expanded approval of different types of economic zones and mechanisms to expedite the proclamation process.

Source: https://manilastandard.net/business/314698394/peza-expects-approval-of-11-new-ecozones.html

DOE mandates three-day solar net-metering permits to cut red tape

February 02, 2026 | Gabriell Christel Galang | Mania Bulletin

PEZA director-general Tereso Panga

The Department of Energy (DOE) is moving to dismantle bureaucratic hurdles stymieing the nation's rooftop solar rollout, mandating three-day permit approvals as the number of participants in its net-metering program climbs past 21,000.

The push for more aggressive “whole-of-government” approach comes as Energy Secretary Sharon Garin seeks to streamline overlapping jurisdictions between local governments, the Energy Regulatory Commission, and the DOE.

Under a new joint memorandum circular, the Department of the Interior and Local Government and the Department of Public Works and Highways have issued a directive to local government units to adopt standardized application forms and adhere to strict turnaround times for key certifications.

The new rules require local authorities to issue electrical permits within three working days and to release certificates of final electrical inspection within seven working days. The move aims to eliminate long-standing bottlenecks that have historically discouraged households and small businesses from investing in renewable energy systems.

Under the updated framework, if a local government unit fails to act within the prescribed period, the permits or certifications will be deemed approved to prevent administrative delays.

Data from the DOE showed the program had 21,224 qualified end-users by the end of 2025. The vast majority of these installations are concentrated in Luzon, followed by the Visayas region. The net-metering system allows consumers to install renewable energy facilities, such as solar panels, and export excess electricity to the grid in exchange for credits that offset future power bills.

Beyond individual savings, the DOE maintained that decentralized generation enhances overall grid resilience and reduces the Philippines' perennial reliance on expensive imported fossil fuels.

In a policy shift aimed at boosting the financial viability of small-scale solar, the DOE reiterated that qualified users now hold ownership of Renewable Energy Certificates (RECs) for the power they generate and consume. These certificates can be sold or traded through the Renewable Energy Market, providing a secondary revenue stream for participants.

Furthermore, the agency is introducing "multi-site and aggregate net-metering," a mechanism that allows a single user to share credits across multiple electricity accounts within the same distribution utility’s franchise area. This enables businesses with several facilities to maximize the economic returns of a single large-scale solar installation.

Source: https://mb.com.ph/2026/02/02/doe-mandates-three-day-solar-net-metering-permits-to-cut-red-tape

Balisacan urges government to sharpen competition rules as digial economy grows

February 02, 2026 | Dexter Barro II | The Manila Times

PEZA director-general Tereso Panga

The government should beef up the country's competition policy to open growth opportunities for businesses and sustain investments in an increasingly digital economy, according to the country's chief economist.

With more than half of retail payments now being made digitally, Department of Economy, Planning, and Development (DEPDev) Secretary Arsenio M. Balisacan said there is "room for improvement" in the country's competition landscape to keep pace with this rapid expansion.

Citing data from the Organization for Economic Cooperation and Development (OECD), Balisacan said the Philippines posted one of the highest product market regulation (PMR) ratings in the world, with a score of 2.4 in 2023—higher than the global average of 1.53.

A lower PMR score reflects fewer regulatory barriers and a more competitive market environment.

"This suggests that restrictions remain material and that competition can be strengthened by improving the rules and reducing frictions to entry," Balisacan said at a forum organized by the antitrust watchdog Philippine Competition Commission (PCC).

"Sound competition policy matters even more today as the economy rapidly goes digital," he added.

Balisacan, who served as the PCC's first chairperson, said competition policy should encourage productivity, inclusion, and consumer welfare in the digital market.

He said this is achievable by easing regulatory frictions that limit market entry, discourage investments, and constrain service improvements.

By making the local market more responsive to technological innovation, he said the country would attract more investments in sectors critical to digital transformation, such as energy and telecommunications.

"If connectivity remains expensive and unreliable, and if power costs stay high, it becomes harder to make digital transformation broad-based. Firms, especially smaller ones, will struggle to adapt to new technologies and to scale," Balisacan said.

He said it is also important for competition policy to be aligned with the emergence of new technologies, such as artificial intelligence (AI), which are poised to introduce new competitive conditions.

Balisacan said there should be a system in place that fosters AI development in the country without overengineering rules that stifle innovation before it takes root, while keeping competition and key safeguards intact.

"Digital transformation does not stand on its own. It depends on foundational enablers that determine whether its benefits are broad-based or concentrated," he added.

Through reforms, Balisacan said the economy will continue to benefit from a competition landscape that fosters innovation and builds investor confidence.

According to the Philippine Statistics Authority (PSA), the value of the country's digital economy rose by 7.6 percent to ₱2.25 trillion in 2024 from ₱2.09 trillion in 2023.

Digital transactions now account for almost 60 percent of monthly retail purchases, up from just one percent in 2013.

Source: https://mb.com.ph/2026/02/02/balisacan-urges-government-to-sharpen-competition-rules-as-digital-economy-grows

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