PEZA,
from S1/1

Recent economic reforms are expected to attract more foreign investors to the Philippines, analysts said.

Foundation for Economic Freedom President Calixto V. Chikiamco said in a Viber message that a measure seeking to extend land lease limits for foreign investors to 99 years would entice more foreign investments in PEZA's economic zones.

The measure, considered a priority by the Marcos administration, aims to liberalize the Philippines' land lease policies which is currently limited to 75 years for foreigners.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the signing of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act would attract more foreign investments in the Philippines.

"The CREATE MORE, already signed into law on Nov. 11, would help make foreign investors decisive to locate in the country, now with better and greater certainty on foreign investment incentives," Mr. Ricafort said in a Viber message.

The CREATE MORE Act lowers corporate income tax to 20% from 25% for registered business enterprises (RBE). It also offers more attractive incentives for strategic investments.

Meanwhile, Mr. Panga said growth in PEZA's economic zones will be driven by locators from the manufacturing and IT industries.

"We are predominantly in manufacturing, that's 32% of our investments. Then, you have IT, that's another 12-15%. So, these are the traditional winners for PEZA in the ecozones," he added.

Mr. Panga said that PEZA is also looking to diversify the investment mix at economic zones.

"We just have to expand our product mix, and especially in electronics... We need to promote assembly testing and packaging, which is really our bread and butter. But we have strong potential in (integrated circuit) design, including electronic manufacturing services," he added.

He said that PEZA is also looking for locators from the electric vehicle and data center industries. — **Adrian H. Halili**

Easing,
from S1/1

"When we began the relaxation pace, we were thinking that in 2025, the Fed would be lowering by about 100 bps," Mr. Dakila said.

"And now... that space has changed considerably because the Fed is now envisioned to move by just 50 bps in 2025," he added.

Markets are awaiting further signals from the US Federal Reserve's final meeting for the year. Investors see it as a near-given that the Fed will cut rates by a quarter point at its Dec. 17-18 meeting. However, markets have only priced in an 18% chance of a January cut, according to CME's FedWatch tool, Reuters reported.

"Because of the changing inflation dynamics in the United States, it may be that right now, we're not looking at a scenario where the Fed would be raising rates again," Mr. Dakila said.

"But the most likely scenario is that they will still be reducing in 2025, but at a slower pace than before. And we have taken that into account into our policy scenarios," he added.

However, Mr. Dakila said the BSP prefers to take into consideration domestic data in its policy decisions.

"But even so, the main consideration for monetary policy would be domestic inflation and how that relates to the target," he said.

Headline inflation averaged 3.2% in the 11-month period, still well within the BSP's 2-4% target range.

"Even when we look at the risk-adjusted forecast, they remain within the target band. So having said that, it's the case, therefore, that the primary consideration for monetary policy would be domestic inflation, how inflation relates to the target," Mr. Dakila said.

The central bank expects the inflation rate to average 3.1% this year.

Meanwhile, Mr. Dakila said that the peso's recent performance has been similar to other currencies in the region. Currency movements are making less of an impact on inflation-targeting, he added.

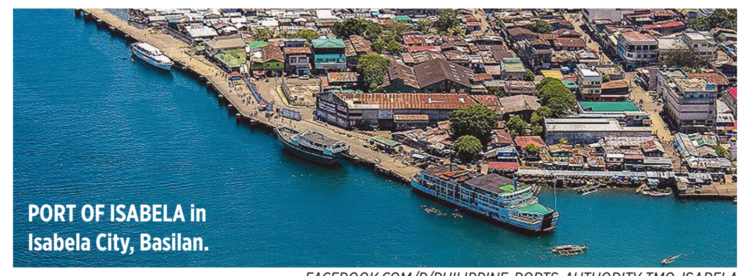
"Just to note that with inflation targeting, what we've seen is that the sensitivity of inflation to changes in the currency has gone down considerably as the public has become more accustomed to seeing greater volatility in the peso."

"I think that's a good sign because that means that we can worry less about our ability to meet the inflation target while keeping to a market-determined exchange rate."

The peso closed at P58.671 per dollar on Monday, weakening by 20.1 centavos from its P58.47 finish on Friday. This was its weakest finish since its P58.71-per-dollar close on Nov. 27.

"Having said that, as the Board has already said, we retain the option to go into the market should there be any conditions that threaten to go into an abrupt change in the exchange rate that can dis-anchor inflationary expectations," Mr. Dakila added. — **Luisa Maria Jacinta C. Jocson**

Potential bidders invited to rehab Basilan port



FACEBOOK.COM/P/PHILIPPINE-PORTS-AUTHORITY-TMO-ISABELA

THE Philippine Ports Authority (PPA) said it issued an invitation to interested parties in the rehabilitation and expansion of Isabela port.

The port regulator is allocating P546.22 million for the works at the Port of Isabela in Isabela City, Basilan.

The auction format will be open competitive bidding, the PPA said, noting that all bidders must have taken on a project of similar type beforehand.

Bids in excess of the amount allocated for the project will be automatically rejected at the bid opening on Jan. 21, the PPA said.

The PPA said it will start accepting bids for the project on or before Jan. 21.

The winning bidder will have 720 calendar days from the receipt of the notice to proceed to complete the project.

Earlier this month, the PPA said that at least two more port upgrade and rehabilitation contracts will go up for auction by year's end.

In separate bid notices posted on the PPA's website, the regulator is seeking interested parties to rehabilitate and improve Virac port in Catanduanes for P120.07 million and to improve San Carlos port in Negros Occidental for P351.93 million.

Over the next four years, the PPA plans to allocate about P16 billion for infrastructure projects, including 14 flagship projects. — **Ashley Erika O. Jose**

Agri, Trade departments to jointly push for expanded farm exports

THE Department of Agriculture (DA) said on Monday that it is collaborating with the Department of Trade and Industry (DTI) to boost farm exports.

"The agencies signed a Memorandum of Agreement (MoA) aimed at increasing export sales of key commodities, including bananas, mangoes, and seaweed, while promoting high-value crops like coffee and cacao," the DA said in a statement.

The MoA focuses on trade promotion, strategic investment, empowering small and medium enterprises, and resolving issues like market access and tariffs.

The effort will also involve the Philippine Exporters Confederation, Inc., and the Philippine Food Processors and Exporters Organization, Inc.

"We're proud to formalize this partnership with the DTI... Combining the resources and expertise of both agencies will unlock the full potential of Philippine agriculture," Agriculture Secretary Francisco P. Tiu Laurel, Jr. said.

The DA will also establish an Agri-Export Help Desk to manage export-related concerns.

The DA is also planning to organize agricultural commodity councils starting in January to enhance coordination between government and private businesses.

"By improving market access and fostering innovation, the DA and DTI aim to position the Philippines as a global leader in food exports, benefiting farmers, fisherfolk, and other stakeholders across the value chain," the DA added.

The DA's Export Development Office has implemented programs to boost exports of bananas, mangoes, seaweed, coconuts, and durian. Crops like coffee and cacao are also being prioritized.

According to the Philippine Statistics Authority, agricultural exports rose 21.8% to $1.97 billion during the third quarter, accounting for about 10.3% of total exports. — **Adrian H. Halili**