



On Wednesday June 11, 2025, DoubleDragon Corporation opens another CityMall located in San Jose, province of Antique situated right across the Antique provincial capital. Enjoy Jollibee, Mang Inasal, Chowking, and Greenwich for your food choices, and a full size supermarket - MerryMart for your grocery needs and find other popular outlets inside the community mall. CityMall-Antique is open daily from 9AM to 9PM.

PHL external debt hits \$146.74B at end-March

EXTERNAL DEBT outstanding rose 14% to \$146.74 billion at the end of March, with the government and banks ramping up their borrowing, the Bangko Sentral ng Pilipinas (BSP) said.

The central bank added that compared to the end of 2024, external debt rose 6.6%.

“The increase in external debt in the first quarter was primarily attributed to the National Government’s fund-raising activity meant to support infrastructure projects and other budgetary requirements,” the BSP said.

This brought the external debt as a percentage of gross domestic product (GDP) to 31.5% from 29.8% in the fourth quarter, a level that “still reflects the country’s ability to repay its external obligations.”

External debt includes all types of borrowing by residents from nonresidents.

The BSP said the National Government (NG) raised \$5.06 billion from global bonds and loans extended by foreign development institutions.

In January, the government raised \$3.3 billion by issuing dollar and euro-denominated sustainability bonds, including \$1.25 billion from 10-year US bonds, \$1 billion from 25-year US bonds and one billion euros from 25-year euro bonds.

It was the NG’s first global bond offering for the year.

The central bank also reported public-sector net availments of \$91.54 billion at the end of March, while the private sector’s net availments hit \$55.21 billion.

Banks also tapped overseas markets for “short-term financing to support trading operations and address liquidity needs.”

At the end of March, gross international reserves (GIR) stood at \$106.67 billion and represented 3.27 times cover for short-term debt based on remaining maturity.

The GIR is forecast at \$105 billion this year, down from the \$110 billion projected earlier.

“The GIR level continues to provide a robust external liquidity buffer, despite the downward trend of the short-term external debt cover in recent years,” the BSP said.

Over the same period, short-term external debt based on remaining maturity was \$32.67 billion.

The debt service ratio declined to 8.4% at the end of March from 9% a year earlier. The indicator of capacity to service debt compares loan payments with income from exports and other inflows.

The decline was attributed to the lower principal and interest payments by resident borrowers in the first quarter, the BSP said.

The government plans to borrow P2.55 trillion this year, of which P507.41 billion will come from external sources. — **Aubrey Rose A. Inosante**

Jobs blueprint for wholesale, retail out today

THE Department of Trade and Industry (DTI) said its Supply Chain and Logistics Group and private sector partners will be launching a jobs blueprint for the wholesale and retail industry on Monday.

In a statement, the DTI said that it will officially launch the Section G: Job Blueprint for Wholesale & Retail Trade on June 16, together with the Philippine Retailers Association and the Supply Chain Management Association of the Philippines.

“Our wholesale and retail sector is the backbone of countless Filipino families — from *sari-sari* store owners to hardworking retail workers,” Trade Secretary Ma. Cristina A. Roque said.

“This blueprint ensures no Filipino is left behind as we modernize and grow,” she added.

According to the DTI, the blueprint aims to provide a “comprehensive framework aimed at enhancing competitiveness and generating employment in the sector.” — **Justine Irish D. Tabile**

OPINION

The current state of the global IPO market

IN BRIEF:

- Major global markets are seeing a rise in profitable IPOs, but overall investor enthusiasm remains subdued.
- Privately-owned companies that are used to their ‘old ways’ may need to ‘re-invent’ how they use technology in their business and generate real-time operating and financial information for more agile decision-making in relation to governance, operations and finance.
- Companies are increasingly integrating artificial intelligence (AI) into their strategies to attract investor interest and drive growth.

According to the EY Global IPO Trends Q1 2025, the global IPO landscape experienced a notable 20% increase in value year on year in the first quarter of 2025, despite significant geopolitical uncertainties. This period has been characterized by considerable market disruptions and complex factors affecting investor sentiment. The new US administration’s extensive policy agenda hints at potential shifts in geopolitical and regulatory landscapes, trade and tax policies, and immigration strategies, presenting both opportunities and risks on a global scale. Concurrently, the emergence of more affordable artificial intelligence (AI) models has heightened competition, leading to increased investor apprehension.

As geopolitical tensions rise and economic conditions fluctuate, businesses are increasingly looking to public markets to secure funding and drive growth. This environment has prompted firms to refine their strategies, focusing on demonstrating financial stability and innovation to attract discerning investors. The integration of advanced technologies, particularly artificial intelligence, is becoming a focal point for many companies as they seek to differentiate themselves and capitalize on emerging market trends.

Despite these challenges, the global IPO market demonstrated resilience in Q1 2025, achieving year-on-year gains in both volume and value.

PROFITABLE IPOs AND MARKET ENTHUSIASM

In Q1 2025, the proportion of new IPOs that were profitable surged across most regions compared to the previous year, except for ASEAN and Japan. While the Chinese mainland has implemented strict regulatory measures to improve IPO quality, the overall increase in profitable debutants across various markets indicates a sustained investor interest in financially sound companies. Notably, the percentage of profitable listings in the US and India saw significant growth this quarter, driven by strong demand, enhanced pricing power, and effective cost management.

However, despite the rise in profitable IPOs, investor enthusiasm remains muted. Heightened market uncertainty, influenced by trade tensions and the new economic

policies under US President Donald Trump, regulatory changes in most countries, and the disruptive rise of AI competitors, have led investors to adopt a more selective approach, seeking secure and predictable returns. Companies are now required to demonstrate robust financial performance and potential for value creation to attract investment.

Among the IPO cohort, only the US and Chinese mainland experienced an increase in median first-day IPO returns, while other markets saw declines. This reflects a selective resilience rather than widespread positive performance in the IPO space.

AI’S TRANSFORMATIVE IMPACT ON IPOs

AI is reshaping the business landscape, significantly affecting the growth trajectories of companies preparing for IPOs. Its integration into business models is redefining how firms approach public offerings. Retail investors are particularly interested in

stocks poised to leverage AI for growth, especially in sectors like media, FinTech, and healthcare.

Recent filings indicate that a substantial percentage of IPO candidates across various sectors are highlighting AI in their disclosures, emphasizing its role in driving innovation and operational efficiency. This trend underscores AI’s growing importance in corporate strategies and investor narratives.

FILLING THE IPO PIPELINE

While the global IPO pipelines across all sectors have surged YOY in Q1 2025, completed listings have only increased in half of the sectors compared to the previous year. The Industrials and Real Estate, Hospitality, and Construction sectors are leading in terms of confidence and growth in IPO pipelines.

Despite the mixed performance, the Health and Life Sciences sector has shown strength, with a significant increase in new candidates and completed IPOs. The Technology, Media, and Telecommunications sectors also rebounded, driven by strong growth in the US and larger deals in India and South Korea.

WHAT ABOUT THE PHILIPPINE CAPITAL MARKETS?

According to the BusinessWorld Insights: Stock Market 2025 forum, analysts believe it will be challenging for the Philippines to meet its target of six IPOs this year, as issuers await better market conditions and higher valuations. Despite ongoing interest from companies, market performance is crucial for larger IPOs, with smaller ones potentially faring better if conditions do not improve. The Philippine Stock Exchange (PSE) missed its IPO target in 2024, achieving only three listings. Looking ahead to 2025, despite the influence and impact of the global headwinds, the local capital market is expected to recover, with projections indicating a bullish outlook and a potential rise in the PSE index.

More recently, there have been positive developments that can encourage local listings. On May 30, President Ferdinand Marcos, Jr. signed Republic Act No. 12214, or the Capital Markets Efficiency Promotion Act (CMEPA), which will bring long-awaited reforms to the Philippine capital markets by modernizing the tax system on passive income, making it more competitive, regionally aligned, and investor-friendly.

CMEPA is expected to help strengthen liquidity, increase trading activities and accelerate capital formation in the local capital market. Furthermore, the appointment of a new chairman of the Securities and Exchange Commission, Francis Ed Lim, the former president of the PSE, is expected to usher in more reforms that will make the capital market more accessible.

NAVIGATING UNCERTAINTY

As inflation expectations rise and geopolitical tensions persist, companies planning to go public this year must be well-prepared and adopt agile strategies to navigate the volatile market conditions. Those looking to list will need to demonstrate readiness to capitalize on the opportunities that arise when market volatility decreases.

The global IPO market is witnessing a significant increase in profitable listings, yet investor enthusiasm remains cautious. The Aerospace and Defense sector is experiencing growth due to heightened defense spending amid geopolitical tensions. Additionally, AI is becoming a crucial element in the strategies of companies preparing for IPOs, influencing investor interest and market dynamics. As market participants navigate these complexities, preparedness and adaptability will be key to successfully capitalizing on emerging opportunities.

Looking ahead, the ability of companies to effectively communicate their value propositions and growth potential will be critical in attracting investors in this competitive landscape. Companies that leverage data-driven insights and innovative technologies will likely stand out, fostering confidence among potential stakeholders. Privately owned companies that are used to their ‘old ways’ may need to ‘reinvent’ how they use technology in their business and generate real-time operating and financial information for more agile decision-making in relation to governance, operations and finance.

Moreover, as regulatory environments evolve and new market trends emerge, staying informed will be essential for companies aiming to thrive in the IPO space. By prioritizing transparency and strategic planning, businesses can position themselves favorably to weather the current economic, socio- and geopolitical uncertainties and seize the opportunities that lie ahead in the dynamic IPO market.

This article is for general information only and is not a substitute for professional advice where the facts and circumstances warrant. The views and opinions expressed above are those of the author and do not necessarily represent the views of SGV & Co.

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