

Samsung unit to invest over P50B in PHL ceramic capacitor facility

SAMSUNG Electro-Mechanics Philippines Corp. (SEMPHIL) is investing P50.7 billion in a Philippine manufacturing facility for automotive multilayer ceramic capacitors (MLCCs), according to the Office of the Special Assistant to the President for Investment and Economic Affairs (OSAPIEA).

The manufacturing plant is expected to begin commercial operations by July 2027 and will generate over 3,500 jobs, OSAPIEA said in a statement over the weekend.

MLCCs are key components in electric vehicles and smart devices.

The investment commitment was finalized during the Philippine delegation's meeting with SEMCO's top executives on the sidelines of the 32nd APEC Summit in South Korea.

"The products that they make in the Philippines are of the highest tech that you can imagine. And so that is very, very important for us," President Ferdinand R. Marcos, Jr. told reporters after the meeting.

Samsung also committed to partner with universities to train Filipino workers and conduct research and development, Mr. Marcos added.

SEMPHIL, the Philippine subsidiary of Samsung Electro-Mechanics Co. (SEMCO), is based in the Calamba Premiere International Park and is registered with the Philippine Economic Zone Authority.

At the end of 2024, SEMPHIL employed 7,000 workers and accounted for nearly half of SEMCO's worldwide MLCC output, OSAPIEA said.

The investment pledge is also the first to receive fiscal incentives under the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy Act.

Under the law, the President may grant tax incentives in the interest of national economic development or as recommended by the Fiscal Incentives Review Board.

Qualified projects are eligible for incentives such as Income Tax Holidays, the Special Corporate Income Tax, and Enhanced Tax Deductions.

Perks also include value-added tax (VAT) zero-rating on local purchases, as well as VAT and duty exemptions on imports.

PEZA Director General Tereso O. Panga called the investment a "landmark achievement for the electronics sector," noting that the expansion will "strengthen the Philippines' position in the global semiconductor value chain and create more opportunities for Filipino talent."

In 2024, electronic products remained the Philippines' top export, accounting for nearly 60% of total shipments, according to the Philippine Statistics Authority. — **Beatriz Marie D. Cruz**

Debt service,
from SI/1

"This is largely due to the large Treasury bond maturity worth P288 billion in September 2025 in terms of large principal payments of the NG," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message over the weekend.

NINE-MONTH PERIOD

The NG debt service bill stood at P1.87 trillion in the first nine months of the year, up 13.69% from P1.64 trillion in the same period last year.

The nine-month tally already accounted for 90.97% of the P2.05-trillion debt service program this year.

Amortization payments, which made up the bulk of total payments, rose by 13.43% to P1.2 trillion in the January-to-September period from P1.06 trillion. This was 99.73% of the P1.21-trillion full-year amortization program.

Principal payments on domestic debt increased by 14.4% to P1.01 trillion, while payments on external debt rose by 8.7% to P196.48 billion.

Meanwhile, interest payments grew by 14.15% to P665.85 billion as of end-September from P583.29 billion a year ago. This was 78.52% of the P848.03-billion programmed interest payments for 2025.

Interest payments on domestic debt stood at P494.39 billion, 18.24% higher than P418.13 billion in 2024.

This was made up of P334.14 billion in fixed-rate Treasury bonds, P118.89 billion in retail Treasury bonds, P34.4 billion in T-bills and others (P6.96 billion).

On the other hand, interest payments on external debt rose by 3.81% to P171.46 billion as of end-September from P165.17 billion in the same period a year ago.

In the coming months, Mr. Ricafort said no large Treasury bonds will mature in the fourth quarter, which will likely temper the debt servicing bill.

"Large Treasury bond maturity of at least P200 billion each are scheduled in February 2026 and April 2026," he said.

The US Federal Reserve and Bangko Sentral ng Pilipinas' cumulative rate cuts since the latter part of 2024 may have helped to trim NG's interest payments, he said.

However, this may be offset by the peso weakness against the US dollar, which could lead to higher servicing of foreign debt, Mr. Ricafort said.

The peso plunged to a record low of P59.13 per dollar on Oct. 28.

The NG debt stock fell to P17.46 trillion as of end-September but still remained above its projected P17.36-trillion ceiling by end-2025. — **Aubrey Rose A. Inosante**

PHL, Peru to create joint trade commission

THE PHILIPPINES and Peru will establish a joint trade commission (JTC) to explore ways to boost bilateral trade, the Department of Trade and Industry (DTI) said.

In a statement over the weekend, the DTI said: "The JTC will serve as a formal platform for dialogue and cooperation aimed at expanding bilateral trade, diversifying trade, and exploring new areas of partnership."

Trade Secretary Cristina A. Roque and Peruvian Minister for Foreign Trade and Tourism Teresa Stella Mera Gómez announced the creation of a JTC on the sidelines of the 32nd APEC Summit in South Korea on Nov. 1.

In a separate statement, the Philippines and Chile reaffirmed their commitment to advance the Philippines-Chile Comprehensive Economic Partnership Agreement (CEPA) negotiations.

"Both sides expressed determination to finalize the trade deal at the soonest possible time and to forge stronger regional collaboration as the Philippines pursues accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Chile's interest in joining the Regional Comprehensive Economic Partnership (RCEP)," DTI said.

Trade Undersecretary Allan B. Gepty and Chilean Vice Minister of Trade Claudia Sanhueza met on the sidelines of APEC Leaders' Week to reaffirm their commitments to advance CEPA negotiations.

Chile is the Philippines' 37th largest trading partner. Total trade between the two countries rose 137% to \$334.13 billion in 2024. — **Beatriz Marie D. Cruz**

PEZA to launch Cebu AI training facility

THE Philippine Economic Zone Authority (PEZA) is set to launch its first Artificial Intelligence (AI) Tech Academy in Cebu on Nov. 17.

"We feel that AI will steer the next technological revolution, so we cannot pass up on this opportunity," PEZA Director General Tereso O. Panga said last week.

Stacktrek invested in a two-storey facility to host AI training sessions for ecozone worker as a joint project with the Technical Education and Skills Development Authority (TESDA) and the IT & Business Process Association of the Philippines (IBPAP).

"There will be two tracks to this — one is through the IBPAP, which is into IT services. And the other one, which we hope to roll it out also, is on advanced manufacturing to benefit our electronics industry," Mr. Panga said at an event last week.

The Cebu facility has more than workstations for trainees, Mr. Panga said.

"It's an investment by the private sector. Our role, really, is (focused on) how we can mobilize the industry to support it by way of donations of equipment, and then getting TESDA on board to provide grants to workers that will undergo the AI training," Mr. Panga told reporters separately.

PEZA is also hoping to launch AI training facilities in other key cities and provinces, including one in its main building.

Philippine workers are under pressure to upskill as more firms incorporate AI into their operations.

AI technologies can boost the Philippine economy by \$31 billion, according to a 2025 report by Google Philippines and consulting firm Public First. — **Beatriz Marie D. Cruz**



OPINION Enhancing resilience in the face of natural hazards

IN BRIEF:

- Recent seismic activity in Cebu and Davao highlight the Philippines' vulnerability to natural disasters, emphasizing the need for improved disaster preparedness and response strategies.
- The effectiveness of building codes is often compromised by non-compliance, leading to significant risks for businesses and communities during extreme events, particularly as climate change exacerbates these vulnerabilities.
- Integrated approaches, including Business Continuity Management Systems and Public Service Continuity Plans, are essential for ensuring operational resilience and continuity of essential services, ultimately contributing to a more resilient future for the Philippines.

The recent earthquakes in Cebu and Davao region underscore the Philippines' vulnerability to natural hazards. While initial reports focused on immediate structural damage, a closer look reveals critical intersections between seismic activity, climate change, and disaster preparedness strategies. For businesses and communities, understanding these dynamics is essential for survival and long-term growth.

CEBU AND DAVAO: A COMPARATIVE SNAPSHOT

The Cebu earthquake, though slightly lower in magnitude at 6.9, resulted in extensive asset losses, including about 72,000 homes damaged and 74 fatalities. In contrast, the Davao Oriental quake on Oct. 10 registered a magnitude of 7.4, causing 2 confirmed deaths and over 50 injuries. The earthquake prompted tsunami warnings, mass evacuations, and power outages in parts of the province.

Local officials responded promptly. Davao Oriental Governor Nelson Dayanghirang coordinated evacuations in Manay, the quake's epicenter. Mayor Joel Mayo Almario of Mati City suspended classes and work, urging residents to follow evacuation protocols and cooperate with authorities.

BUILDING CODES AND THEIR LIMITATIONS

The National Structural Code of the Philippines (NSCP) serves as the primary reference for the design and construction of safe and reliable structures within the country. Its primary aim is to ensure that all buildings and other forms of infrastructure can withstand expected loads, including gravity and lateral forces (earthquake and wind forces), throughout its service life.

SUITS THE C-SUITE
RANDOLPH C. CAMACLANG,
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The earthquakes in Cebu and Davao Oriental highlight the need for integrated disaster risk reduction. This includes updating building codes, conducting regular asset assessments, and strengthening preparedness systems.

However, the effectiveness of the code's provisions can be compromised by non-compliance during construction, which is often the case in the Philippines. The use of substandard materials, deficient workmanship, and unauthorized alterations or deviations from approved plans can all undermine the intended performance of a structure. Such practices not only weaken the building's resistance to external loads but also heighten the risk of severe damage or collapse during extreme events.

The consequences of these deficiencies can be particularly significant for businesses. Structural failures or damage may lead to extended operational downtime, loss of productivity, and substantial repair or reconstruction costs. In some cases, they may also pose serious threats to human safety and negatively impact the reputation and financial stability of the organization.

EARTHQUAKES AND CLIMATE HAZARDS

Climate change introduces variables that affect structural safety. A warmer atmosphere increases the amount of water vapor in the air, resulting in heavier rainfall. Heavier rainfall can saturate the soil and increase pore water pressure (pressure exerted by the water held within the pore spaces of soil), which directly affects soil bearing capacity. As the pore water pressure increases, effective stress decreases, which weakens the soil's ability to support load, reducing the foundation's bearing capacity. The design of a building might have not anticipated this reduced foundation capacity, making it more vulnerable to damage even during moderate earthquakes.

Conversely, structures already weakened by seismic activity are at higher risk during typhoons or storm surges. The proportion of intense typhoons and accompanying storm surges is expected to increase in warmer world. This overlap and two-way interaction of hazards underscores the need for integrated, multi-risk resilience strategies that balance economic feasibility and long-term durability.

The crux of the resilience planning process lies in this balancing exercise, as a structure that is frail or extremely expensive is undesirable. Finding the right middle ground boils down to data-driven and detailed assessments of potential impacts and costs of building resilience to come up with the most accurate financial estimates that can properly inform decision making.

CONTINUOUS ASSET ASSESSMENT

It is insufficient to rely solely on original design and construction as-built documents. Regular structural evaluations are necessary to determine a building's current condition and resilience to extreme events. These assessments should account for regular building wear and tear, prior damage and retrofitting interventions, and environmental changes such as land subsidence or rising groundwater levels.

To be better prepared, businesses should invest in climate and geophysical vulnerability assessments, structural retrofitting and architectural upgrades such as earthquake dampers and impact-resistant glass panels, and hazard protection improvements, such as robust drainage and coastal and riverbank erosion controls.

EVOLVING STANDARDS AND POLICY RECOMMENDATIONS

Recent government initiatives reflect a growing commitment to national resilience. For example:

- The National Disaster Risk Reduction and Management Plan (NDRRMP)

emphasizes coordinated response and long-term climate adaptation.

- The Department of Public Works and Highways (DPWH) is promoting 186 climate-responsive infrastructure projects under the Build Better More program.
- The Asian Development Bank (ADB) approved a \$200-million loan to support climate-resilient infrastructure planning and implementation.

These measures aim to integrate climate projections into infrastructure design, improve early warning systems, and foster stronger public-private collaboration.

BCMS AND PSCP

Preparedness extends beyond physical infrastructure. Although calamities cannot be predicted, both Business Continuity Management Systems (BCMS) and Public Service Continuity Plans (PSCP) ensure that private organizations and government institutions can continue essential functions before, during, and after disasters.

BCMS is guided by ISO 22301:2019, the international standard for business continuity. It focuses on identifying critical operations, assessing potential threats, and ensuring recovery measures are in place to sustain delivery of products and services during disruption.

PSCP, on the other hand, is mandated for public institutions under NDRRMC Memorandum No. 33, s. 2018, which requires all government agencies and local government units (LGUs) to maintain continuity of essential public services in times of crisis.

Both systems share a common structure: risk assessment, preparedness, continuity response, and recovery. However, they differ in scope: BCMS prioritizes revenue and operational resilience, while PSCP prioritizes uninterrupted public service delivery.

Both have the ultimate goal of saving human lives.

The core phases of BCMS and PSCP encompass three key stages: before, during, and after an incident. Before an event, organizations should implement drills, evacuation plans, emergency kits, and communication protocols to prepare for potential crises. During an incident, safety procedures must be enacted, assembly points established, and initial damage assessments conducted. After the event, the focus shifts to continuing operations based on minimum objectives, initiating recovery efforts, ensuring data protection, stabilizing the supply chain, and supporting employee welfare programs.

INTEGRATION AND BENEFITS

A BCMS enables private enterprises to protect employees and assets, minimize downtime, and maintain stakeholder trust during crises. A PSCP ensures continuity of essential government services (healthcare, utilities, law enforcement, and emergency response) even under extreme conditions.

When implemented jointly, continuity across public and private sectors reduces systemic risk and accelerates recovery. Data sharing between LGUs and critical businesses (energy, telecom, healthcare, logistics) also strengthens coordinated action. Finally, business continuity training embedded in LGU Disaster Risk Reduction and Management (DRRM) offices supports community-wide resilience.

Maintaining both BCMS and PSCP frameworks can save lives, reduce financial and reputational losses, and sustain public confidence during prolonged disruption.

BUILDING A MORE RESILIENT FUTURE

The earthquakes in Cebu and Davao Oriental highlight the need for integrated disaster risk reduction. This includes updating building codes, conducting regular asset assessments, and strengthening preparedness systems. By doing so, the Philippines can better protect lives, safeguard livelihoods, and build a more resilient future.

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 authors and do not necessarily represent the views of SGV & Co.

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