PEZA obtains manufacturing, aerospace investment pledges during US mission

THE Philippine Economic Zone Authority (PEZA) said it obtained investment commitments from manufacturing, aerospace, pharmaceutical, and information technology and business process management (IT-BPM) companies during a five-day mission to the US.

"This mission sends a clear message that the Philippines — through PEZA — is open, ready, and competitive for high-value investments," PEZA Director General Tereso O. Panga said in a statement on Wednesday.

"From advanced manufacturing and aerospace to medical technology and IT-BPM, global companies continue to recognize the strength of our talent, the reliability of our economic zones, and the impact of the government's reforms," he added.

The mission was held on the sidelines of the Consumer Electronics Show 2026 from Jan. 5 to 6, where four Filipino exhibitors showcased their products and services.

Among the investments is a $200-million pledge from a vertical manufacturer of high-quality industrial and medical exam nitrile gloves and glove-making machines.

Targeted for operations this year, the manufacturing project is being positioned to serve Western and ASEAN markets.

It is expected to generate 2,000 jobs at two sites in South Luzon and Cebu.

PEZA also met with a manufacturer of portable brain imaging systems, which is also interested in setting up operations in the Philippines.

"The pharmaceutical and medical device sector is one of the promising new sources of ecozone foreign direct investment following PEZA's launching last year of the country's first pharma park and the guidelines for registration of pharm-related projects," it added.

The investment promotion agency also met with an aerospace company planning a major expansion in the Philippines. It has been operating in Baguio City since 1984.

"The company is considering New Clark City as the site of its next expansion phase, which is projected to bring in over $15 million in new investment and generate 1,000 additional jobs, adding to its current workforce of more than 2,000 employees," it said.

PEZA also met with representatives of a US mental health services provider that is considering setting up a center in the Philippines.

"The company currently operates in the US and India and is considering launching IT-BPM operations, with the potential to employ more than 1,500 within its first year of operations," it said.

As of November 2025, PEZA zones host over 250 companies with US equity, accounting for P410 billion in investments and 380,000 jobs. — **Justine Irish D. Tabile**

Missing piece in unlocking FTAs: PHL competitiveness

By Justine Irish D. Tabile
Reporter

THE PHILIPPINES has been on a free-trade agreement (FTA) negotiating spree in anticipation of shifting trade patterns in the wake of the disruption brought by the US tariff regime.

Getting exporters to fully utilize the advantages on offer from FTA partners is another matter.

Since 2022, the Philippines has signed on to two major FTAs: the Regional Comprehensive Economic Partnership (RCEP) and the Philippines-South Korea trade agreement. The two deals brought the Philippines' active FTAs to 11, according to the Department of Trade and Industry's (DTI) FTA portal.

Nevertheless, exports continue to lag those of the other ASEAN economies, like Indonesia, Thailand, Myanmar, and Vietnam.

According to ASEANstats, the Philippines posted the sixth-most merchandise exports in 2023 within the bloc at $72.9 billion. That was the year RCEP entered into force for the Philippines.

The top exporter in the region was Singapore with $475.9 billion in 2023, followed by Vietnam ($353.1 billion), Myanmar ($312.6 billion), Thailand ($284.6 billion), and Indonesia ($258.9 billion).

Enunina V. Mangio, outgoing president of the Philippine Chamber of Commerce and Industry (PCCI), said that "while the country has an extensive network of FTAs, utilization on the export side remains low."

Based on recent research commissioned by the PCCI, many exporters face persistent challenges such as limited awareness of FTA benefits, complex rules of origin and certification procedures, and high domestic costs related to production, logistics, and regulatory compliance, she said via Viber.

"These constraints reduce the ability of Philippine firms, particularly micro, small and medium enterprises (MSMEs), to fully take advantage of preferential market access, including in key markets such as Korea," she added.

Citing DTI Undersecretary Allan B. Gepty, the PCCI said the Philippines' utilization rate for RCEP is around 20%.

"The country continues to face a significant trade deficit with our trading partners, prompting the government to proactively strengthen its information and awareness campaigns to educate businesses on how to avail of and maximize the benefits of these FTAs," Mr. Gepty said.

According to a report seen by the PCCI, many companies that are not using RCEP cited "not knowing where to start" as a reason for not utilizing the FTA.

To address this, Ms. Mangio called for stronger public–private collaboration, streamlined procedures, and a more comprehensive FTA support program.

"These are to ensure that our trade agreements translate into real export growth and competitiveness," she added.

Associate Professor of the University of Asia and the Pacific George N. Manzano, a former tariff commissioner, said that the low utilization rate might have something to do with where Philippine exports fall under most favored nation (MFN) rates.

In particular, he said exports to South Korea could be declining this year even with an FTA in place because a "significant portion of Philippine exports to South Korea are classified as low tariff or are duty-free, such as electronic products under MFN rates."

Philippine exports to South Korea declined 12% to $2.734 billion in the first 10 months of 2025. The FTA has been in place since Dec. 31, 2024.

Meanwhile South Korean exports to the Philippines grew 5.7% to $8.538 billion over the same period, according to the Philippine Statistics Authority (PSA).

"Another (reason) is that Philippine exports in the high-tariff sectors may have difficulty complying with the rules of origin, i.e., the value added of the Philippines may be low," Mr. Manzano said via Viber.

He added that many exporters may still be learning the ropes with regard to using the FTA.

"Note that the Philippines-South Korea FTA was implemented late last year, so it is possible that it may take some time for Philippine exporters, like MSMEs, to use the FTA. Perhaps efforts to address the aforementioned issues may help increase utilization," he added.

Mr. Gepty said many untapped opportunities remain, with the RCEP free trade area alone being the biggest market accounting for 29% of global trade, 29% of total GDP, and a market of 2.3 billion people.

"Thus, it is important that investors and stakeholders take advantage of this trade agreement. More than the market access, it offers a stable and predictable business environment with clear and reasonable rules for trade and investment."

He said the information side is being addressed through the Trade Education and Advocacy (TEA) Campaign and Usapang Exports.

"We also partner with business organizations such as the Philippine Chamber of Commerce and Industry, PhilExport, and the Women Business Council... we need more partners to increase awareness and utilization of FTAs."

Regarding the Philippines-European Free Trade Association (EFTA) Free Trade Agreement, which offers access to Switzerland, Iceland, Norway, and Liechtenstein, "goods that can be exported duty free including most of our fish products and other key agricultural goods. There is also a good opportunity for services such as professionals, construction, and business services."

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