FINEX FOCUS

OFFICIAL NEWSLETTER OF FINEX

6th General Membership Meeting

Philippine Economic Outlook: Policy Shifts and Market Reactions after the 2025 Elections

(L-R) Moderator Edwin Fernandez, Mr. Diwa Guinigundo, and DOF ASec. Neil Adrian Cabiles Mr. Nicholas Mapa

(L-R) Vera Nieves, Boyet Murcia and Francis Bautista

NEW MEMBERS INDUCTED HERE

PRESIDENT'S MESSAGE: EJ QUA HIANSEN P. 2

PRESIDENT'S MESSAGE


EJ Qua Hiansen

"The Philippines held our midterm elections in May. We congratulate all the winners of the election. FINEX stands ready to unequivocally lend our support to any enterprise our national officials undertake that will be beneficial to our beloved Philippines."

- EJ Qua Hiansen

It is truly great to see such strong attendance today , and a warm welcome to our June General Membership Meeting entitled "Philippine Economic Outlook: Policy Shifts and Market Reactions after the 2025 Elections". I extend my sincere gratitude to our Professional Development Committee and General Membership Committee for organizing this timely and crucial briefing.

As you know, the Philippines held our midterm elections in May. We congratulate all the winners of the election. FINEX stands ready to unequivocally lend our support to any enterprise our national officials undertake that will be beneficial to our beloved Philippines. With the landscape of our nation's leadership now clearer, we thought it most appropriate to invite three distinguished experts to better inform our members on the economic outlook. I am sure that we will all gain significant insights from today's very engaging session.

The global business environment is navigating an increasingly challenging landscape, characterized by heightened uncertainty and reduced predictability. Geopolitical tensions, particularly escalating trade barriers, policy uncertainty and the threat of war, are straining global supply chains and significantly impacting international trade and investment.

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MESSAGE OF THE SPEAKERS

An insightful discussion on the Philippine economic outlook took center stage during the 6th General Membership Meeting of the Financial Executives Institute of the Philippines (FINEX) held on June 18, 2025. The panel featured distinguished experts including Mr. Diwa Guinigundo, Advisory Panel Member of the ASEAN Macroeconomic Research Office; Asec. Neil Adrian Cabiles, Assistant Secretary of the Department of Finance; and Mr. Nicholas Mapa, Economist at Metrobank.

Diwa Guinigundo

Mr. Guinigundo opened the session by emphasizing that the upcoming midterm elections are not game changing to the country's economic trajectory. He pointed out that the anticipated changes in the cabinet are far from a full revamp, the arrest of former President Duterte is not an earth-shaking political event, and the impeachment of Vice President Sara Duterte could even serve as an opportunity to uphold the rule of law.

Building on this perspective, Asec. Cabiles presented on the theme “Propelling the Philippine Economy Amidst Global Headwinds.” He highlighted that despite recent global economic downgrades, the International Monetary Fund (IMF) still projects the Philippines to be the fastest-growing economy in both 2025 and 2026. He added that the government remains committed to its initiatives, particularly the refined Medium-Term Fiscal Program. This framework aims to provide a solid fiscal and economic foundation and serves as a launchpad for inclusive growth, targeting job creation, higher incomes, and poverty reduction.

Mr. Nicholas Mapa then presented five key economic considerations for the Philippines in 2025:

- Tariff War Impact: Like other countries, the Philippines will be affected by ongoing tariff tensions. However, it is in a relatively better position since its top exports are exempted from U.S. tariffs.
- GDP Growth Prospects: The country’s GDP growth may improve this year, driven in part by a projected rebound in the agriculture sector.
- Household Spending Trends: Consumer spending is expected to slow down, with Filipinos carrying more debt and having lower savings.
- Interest Rate Outlook: Potential rate cuts by the Bangko Sentral ng Pilipinas (BSP) may encourage a recovery in investments, considered the “missing link” in the country’s growth story.
- Currency Outlook: The Philippine peso has shown relative strength but may weaken by the end of 2025 if global demand for the U.S. dollar rises.

Adrian Cabiles and Nicky Mapa

Neil Adrian S. Cabiles is an Assistant Secretary at the Department of Finance. Read his profile **HERE** and his presentation **HERE**

Diwa C. Guinigundo is a former Deputy Governor of Bangko Sentral ng Pilipinas. Read his profile **HERE** and his presentation **HERE**

Nicholas Mapa is a Senior Economist of Metrobank. Read his full profile **HERE** and his presentation **HERE**.

Some of the Q &A during the GMM

Q: There has been a lot of concern and perhaps speculation over the sale of a significant part of our governance surge in the past. Can you give us your opinion on this?

A: *This has been a major debate in many chat groups where we spent a few days debating whether the BSP made a good move in settling the several amounts of gold. Remember, the BSP is in charge of the gross international reserve management which is their responsibility. The BSP is engaging in foreign exchange consumptions everyday through investments, servicing the loans to the government, trying to diversify the assets of the BSP through the gold. There are certain press holds of the gold through the international reserves which are about 10 to 11%. An option is selling gold in the international market as part of the daily responsibility as the BSP as a part of the central banks for the GIR to be of good hands.*

Q: Because of these tariff waters which we are more of a bystander than a participant, would that be good for Filipino consumers because all of those unsold goods which have the ships stuck at ports and they have to sell it somewhere?

A: *In a world of tariffs implemented by the US, the US will see it as a big opportunity as they are the biggest market wherein they can dump the products there for an advantage of rebranding from other countries. For the consumer level, there are implications on manufacturing here where the prices lower that hurts the local manufacturing down the line. But with the consumers, it's likely possible for not much problems.*

Check out more photos **HERE**