

**Optimistic Outlook: Robust growth eyed for Philippine GDP**

**OECD expects the Philippines to be the fastest growing economy in Southeast Asia in 2022**

- ▶ The Organization for Economic Cooperation and Development (OECD) forecasts Philippine GDP growth at 7% this year, ahead of Southeast Asia peers Vietnam (6.5%), Malaysia (6%), and Indonesia (5.2%). The robust growth is expected to be driven by the faster implementation of investment projects in infrastructure and the recovery in cash remittances by overseas Filipino workers. For 2023, the OECD projects the Philippines to grow by 6.1%.

**Moody's Analytics raises 2022 Philippine GDP growth estimate**

- ▶ Moody's Analytics raised its 2022 growth estimate for the Philippines from 6.1% to 6.4% after the economy's stronger-than-expected recovery in the fourth quarter of 2021 and the easing of lockdowns and reopening of borders to travelers in 2022. The firm cautions, however, that the Philippines is among the countries in the region most vulnerable to volatile oil price movements.

**Real Estate Investment Trust (REITs): IPO and acquisitions in the pipeline**

**VistaREIT expected to conduct an initial public offering (IPO) in the second quarter of 2022**

- ▶ VistaREIT Inc. (VREIT), led by CEO Manuel Villar, filed an IPO application to raise up to USD 178M from the sale of secondary shares. The company's portfolio is comprised of ten community malls and two Philippine Economic Zone Authority (PEZA)-registered office buildings with an aggregate gross leasable area (GLA) of 256,404 sqm. The malls are located in Vista Land's mixed-use developments in, among others, Las Piñas, Bacoor, Antipolo, and Cebu, while the office buildings are in Taguig City and Bacoor City. Over the last three years, the portfolio properties have had occupancy rates ranging from 87% to 100%.

**AREIT and RL Commercial REIT set to acquire additional office buildings**

- ▶ AREIT Inc. is set to acquire six office buildings in Cebu valued at about USD 218M from its sponsor Ayala Land. The buildings have a total GLA of 124,299 sqm with an overall occupancy rate of 97%, leased primarily by major business process outsourcing (BPO) firms. The transaction, targeted for completion this year and subject to clearance from regulatory bodies, is planned to be done through an asset-for-share swap.
- ▶ RL Commercial REIT, Inc. is acquiring two office buildings from its sponsor Robinsons Land for USD 136M. The buildings, located in Pasig City and Bacolod City, have a combined GLA of 55,000 sqm and are PEZA-registered properties predominantly occupied by BPOs. The acquisition will be funded through a mix of cash and debt and asset-for-share-swap.

**Spurring Investments: Amended law allows for full foreign ownership in select sectors**

**Foreign ownership limits have been lifted in the telecommunications, airlines, shipping, and railway industries**

- ▶ Aimed at attracting more global investors and improving the delivery of services, Philippine President Rodrigo Duterte signed amendments to the Public Service Act allowing foreigners to fully own companies in the telecommunications, airlines, domestic shipping, and railway sectors. The 40% foreign equity cap will remain in sectors such as electricity and water distribution, petroleum, seaports, and public utility vehicles.

**Industry Watch: Local e-Commerce startups gain traction**

**GrowSari raises a total of USD 77.5M in its Series C round and a total of USD 110M to date**

- ▶ Investors in the recent round include the International Finance Corporation, KKR, and Pavilion Capital. GrowSari is a B2B platform that digitizes small businesses in the Philippines, providing these companies with tools for inventory management, pricing, logistics, and working capital loans. The new capital will be used for expansions in new store formats, logistics, and internal hires.

**SariSuki raises USD 10.7M in funding from global and local investors**

- ▶ Local e-commerce startup SariSuki raised USD 10.7M in funding last year from investors including Openspace Ventures, Saison Capital, JG Digital Equity Ventures, and Foxmont Capital. SariSuki is a community group buying startup for essentials and groceries. New funds will be used to increase product assortment and dark warehouses as well as drive geographic expansion. The startup is expanding into quick commerce, with a vision to build an end-to-end e-grocery platform in the Philippines.

**Great Deals E-Commerce lands the top spot in the Financial Times' ranking of high-growth companies in the Asia-Pacific**

- ▶ Philippine startup Great Deals E-Commerce topped the Financial Times' *Asia-Pacific High-Growth Companies 2022* ranking as the region's fastest growing company. Great Deals is an end-to-end e-commerce solutions provider and distributor. The company grew its revenues from USD 290,000 in 2017 to USD 88.8M in 2020, resulting in a compound annual growth rate of 571%.