

Macro Movements: Monetary Organizations and Credit Authorities reaffirm positive GDP growth outlooks for the PH

The World Bank, IMF, AMRO, and Moody's forecast strong Philippine growth despite DBCC GDP target downgrades

- ▶ The Development Budget Coordination Committee (DBCC) adjusted GDP forecasts for 2024 to 6-7% (from 6.5-7.5%) and for 2025 to 6.5-7.5% (from 6.5-8%) citing geopolitical tensions, trade restrictions, price hikes, climate and food security risks.
- ▶ The Philippines maintains its position as the fastest-growing market in Southeast Asia, with GDP forecasts averaging 6% for 2024 and 6.2% for 2025. Specifically, IMF predicts 6.2% growth for both years, AMRO cites 6.3% for 2024 and 6.5% for 2025, Moody's projects 5.9% for 2024 and 6% for 2025, and The World Bank forecasts 5.8% for 2024 and 5.9% for 2025.
- ▶ Economists are bullish on market growth, attributing it to the resurgence of tourism, a thriving manufacturing sector, increased domestic demand, and surging foreign investment driven by policies allowing full ownership by foreigners.

Investment Impacts: Sustainable Growth Driven by Green Lanes for Strategic Investments Policy & Green Investments

Green Lanes for Strategic Investments total PHP 1.9 trillion investments, successfully streamlining regulatory approvals

- ▶ Green Lanes generated PHP 1.9 trillion investments across 59 projects. PHP 1.4 trillion of this total was realized in Q1 2024, fueling optimism for continued growth due to the Green Lanes policy, according to the Department of Trade and Industry.
- ▶ Broken down, the investments are composed of 51 renewable energy (PHP 1.57 trillion), 4 digital infrastructure (PHP 302 billion), 2 food security (PHP 29.6 billion), and 2 manufacturing (PHP 3.4 billion) projects.

Green Investments increased by 57% capturing 23% of SEA market right after Indonesia's 25%

- ▶ Green investments surged to USD 1.5 billion, marking a 57% growth and securing a 23% Southeast Asia (SEA) market share, trailing Indonesia. The investments are primarily focused on waste management and solar energy.
- ▶ Despite this growth, the Philippines still has a USD 15.1 billion investment gap needed to accelerate its green transition^{A/}. Solutions may include blended financing, enhanced renewable regulations, and stronger regional collaboration.

Industry Insights: The Digital Economy contributed 8.4% to GDP growth, with sustained growth from E-commerce

Digital economy continues to grow, supported by investments in enabling infrastructure and e-commerce platforms

- ▶ The digital economy, encompassing digital transactions facilitated by enabling infrastructure, e-commerce, digital media/content, and government digital services, saw robust growth of 7.7%, reaching PHP 2 trillion contributing 8.4% of GDP.
- ▶ Digital-enabling infrastructure accounted for 83% of the sector primarily composed of telecommunication and professional/business services. E-commerce represented 14% of the economy, with digital media/content at 2.9%.

E-commerce Sustains Pandemic-driven Growth Momentum supported by Zalora and Ninja Van

- ▶ E-commerce sustains pandemic-driven growth, fueled by domestic demand and deeper penetration of both local and international brands. This is driven by platforms like Zalora that streamlines cross-border access for PH to foreign markets.
- ▶ Ninja Van expands logistics infrastructure to meet e-commerce demand in Pampanga and Mindanao provinces. They offer order fulfillment services, including warehousing, inventory management, and last-mile delivery.

Market Movers: Growth indicated by Nasdaq listing and fostered by pioneering seawater hydropower infrastructure

Double Dragon's Hotel 101 lists in Nasdaq following a merger deal with a US SPAC

- ▶ Hotel technology operator Hotel 101 and JVSPAC Acquisition Corp finalized a binding definitive merger agreement, paving the way for its listing on the Nasdaq Stock Exchange. The valuation stands at PHP 130 billion, a sixfold increase from parent company Double Dragon's current market cap of PHP 19.67 billion. Hotel 101 plans to expand to 25 countries by 2026.

Repower Energy Development Corp (REDC) pioneers the Philippines' first seawater pumped-storage hydropower plant

- ▶ REDC unveils plans for a groundbreaking 320-megawatt seawater hydropower plant in Real, Quezon, marking a pioneering milestone in Philippine energy infrastructure, following the success of the first seawater hydropower plant in Okinawa, Japan.
- ▶ REDC will construct a basin along the coast, positioned 300 meters above sea level, to harness the power of seawater transfer for electricity generation. The project will be constructed in collaboration with Austria-based Gugler Water Turbines.