

Macro Movements: PH economy posts 5.6% GDP growth in 2024; UN projects faster PH GDP growth in 2025, 2026

Philippine GDP expands by 5.2% in 4Q24, bringing 2024 full-year growth to a steady 5.6% amid challenges

- ▶ According to the Philippines Statistics Authority (PSA), the country's GDP grew by 5.2% in the fourth quarter of 2024, driven by the Financial and Insurance Activities and Construction sectors, which contributed 8.5% and 7.8%, respectively. This brings the full-year growth for 2024 to 5.6% – slightly below the government's target of 6.0% to 6.5% but still positioning the Philippines among the fastest growing Asian economies, trailing only Vietnam (7.5%) and China (5.4%).
- ▶ Despite challenges such as extreme weather events and geopolitical tensions, Finance Secretary Ralph Recto remains optimistic for 2025, citing lower inflation, increased consumption, and the realization of key investments.

United Nations (UN) forecasts higher 6.1% and 6.2% GDP growths for the Philippines in 2025, 2026

- ▶ In its flagship report, *World Economic Situation and Prospects 2025*, the UN projects the Philippine economy to grow at faster rates in 2025 and 2026, with estimated GDP growth of 6.1% and 6.2%, respectively. The country is recognized as one of the strongest growth performers in Southeast Asia, driven by robust domestic demand, ongoing public investments, and recent investment policy reforms. However, potential downside risks include rising trade tensions and natural disasters linked to climate change.

Industry Insights: IT-BPM revenues reach \$38 billion in 2024; DOE expects additional 6,841 MW of power in 2025

IT-BPM industry generates \$38 billion in revenues and 1.84 million in headcount amid strong demand from global firms

- ▶ Jack Madrid, president of the Information Technology and Business Process Association of the Philippines (IBPAP), reported that the Information Technology and Business Process Management (IT-BPM) industry grew 7% in 2024, with revenues rising from \$35.5bn in 2023 to \$38bn in 2024. The industry also saw a 7% increase in headcount, reaching 1.82mn employees. This growth was driven by strong global demand, particularly from the banking, financial services, and healthcare sectors in the US.

Department of Energy (DOE) reports an additional 6,841 MW of power plant capacity to go live in 2025

- ▶ Data from the DOE shows that a total 6,841 MW of power projects are slated for completion this year, with 5,754 MW coming from Luzon, 855 MW from Visayas, and 232 MW from Mindanao.
- ▶ Of the total additional capacity, 6,265 MW will come from renewable energy sources, led by solar farms contributing 3,930 MW, followed by natural gas at 1,320 MW, and wind at 773 MW. Energy Secretary Raphael Lotilla expressed optimism about the country's power outlook for 2025, citing the new capacity and favorable weather conditions as key factors.

Deals Spotlight: Maynilad hires banks for \$500+ million IPO; KKR hires Goldman to sell over 20% stake in Maya

Maynilad Water Services Inc. hires Morgan Stanley and UBS for potential \$500+mn IPO in 2025 or early 2026

- ▶ Maynilad, the largest private water concessionaire in the Philippines, has engaged Morgan Stanley and UBS to facilitate an initial public offering (IPO) on the Philippine Stock Exchange (PSE) to raise over \$500mn. The planned IPO is expected to value the company at over \$3bn.
- ▶ Maynilad is managed by Maynilad Water Holdings Company, Inc., a joint venture between Metro Pacific Investments Corporation (MPIC), which delisted from the PSE in 2023, DMCI Holdings, and Marubeni Corporation.
- ▶ In December 2021, Maynilad was granted a 25-year franchise to establish, operate, and maintain a waterworks system serving the west zone area of Metro Manila and the province of Cavite.

KKR appoints Goldman Sachs for the sale of its minority stake in Philippine fintech unicorn Maya

- ▶ Global investment firm KKR has engaged Goldman Sachs to facilitate the sale of its over 20% minority stake in Maya, a transaction that would value the fintech company at more than \$2bn if completed. KKR first invested in Maya (formerly known as Voyager Innovations) in October 2018, alongside Chinese tech giant Tencent Holdings, with the two firms subscribing to \$175mn worth of new shares.
- ▶ Maya, an all-in-one money app offering digital payment and banking services, last raised \$210mn in April 2022 to support its expansion into digital banking, cryptocurrency, and micro-investments, achieving a \$1.4bn valuation.