

2026 EDITION

Philippine Business Environment Report

An Insight Report from the German-Philippine Business Community



Deutsch-Philippinische
Industrie- und Handelskammer
German-Philippine Chamber
of Commerce and Industry

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ABOUT THIS REPORT

The Philippine Business Environment Report 2026 was prepared by the German-Philippine Chamber of Commerce and Industry (GPCCI) through its Policy and Advocacy Committee and its Tax and Finance Working Group. It draws on the IMPACT Dialogue Series, GPCCI's regulatory exchanges with Philippine government agencies held between March and July 2026, on feedback from companies and participants of the series, and on the AHK World Business Outlook.

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Messages



H.E. Andreas Pfaffernoschke

Ambassador of the Federal Republic of Germany
to the Philippines

Germany and the Philippines share a partnership built over more than seven decades, and 2026 has brought new momentum to our relations. President Frank-Walter Steinmeier's state visit in June and the substantial agreement reached on the EU-Philippines Free Trade Agreement in September are important milestones in an increasingly close economic partnership. For German companies, however, investment decisions depend on more than market opportunities. They also depend on a business environment in which rules are clear, consistently applied and predictable over time. This report makes an important contribution by bringing the practical experience of companies into the dialogue with government. Germany strongly welcomes continued efforts to improve the Philippine business environment, and I commend GPCCI for providing a constructive platform for that exchange.



Secretary Ernesto V. Perez

Director General
Anti-Red Tape Authority

Ease of doing business is built one process at a time: fewer steps, clearer requirements and services that move online. Since the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 took effect, government has worked to make every transaction faster and more predictable, from national agencies down to local government units. Reform works best when the people it serves take part in it. I congratulate the German-Philippine Chamber of Commerce and Industry on the IMPACT Dialogue Series and on this Philippine Business Environment Report, which bring the private sector's experience directly to the agencies that can act on it. The Anti-Red Tape Authority welcomes this partnership and looks forward to continue working with GPCCI and its companies to cut red tape for every business in the Philippines.

GPCCI Voices



Dr. Christian Peter Scheld

President
GPCCI

The PBER records what we did in 2026 and what we propose next. Over eight sessions, GPCCI met the agencies that shape how German companies register, pay taxes, import, hire and invest in the Philippines. We listened to their updates, brought our companies' concerns to the table, and documented both. Every recommendation in this report is specific and addressed to the office that can act on it. German companies value predictability: clear rules, consistent application and commitments that hold.



Dr. Marian Norbert Majer

Chairperson
Policy and Advocacy Committee

Looking across the eight agencies together, a pattern emerges. Most of the concerns our companies raised do not come from a single rule. They come from the points where systems meet: where a digital application ends in a paper process, where one agency's approval depends on another's clearance, or where a national reform has yet to reach the local office. Addressing these challenges requires an inter-agency approach across all levels of government, with government, academe and the private sector working hand in hand through continuous and constructive dialogue. This document is organized by agency so each can find its own recommendations, but the cross-cutting priorities at the end deserve equal attention.



Marie Antoniette Mariano

Vice Chairperson
Policy and Advocacy Committee

The Philippines has momentum. The economy has reached upper-middle-income status, the EU-Philippines Free Trade Agreement has reached substantial agreement, and agencies across government are modernizing. The task now is to turn that momentum into tangible results businesses can feel. This report sets clear, practical priorities, and we intend to pursue them. We invite every agency featured here to work with us on the next steps, and we call on companies to keep bringing their experience forward. Dialogue must lead to action. Delivery is the goal.

An aerial photograph of a tropical coastline. On the right, a steep, rocky cliff is covered in dense green vegetation, including many palm trees. A narrow strip of white sand beach runs along the base of the cliff. The water is exceptionally clear, showing a gradient from light turquoise near the shore to a deeper blue further out. Two small, traditional outrigger boats are anchored near the beach. In the background, other islands and mountains are visible under a blue sky with scattered white clouds.

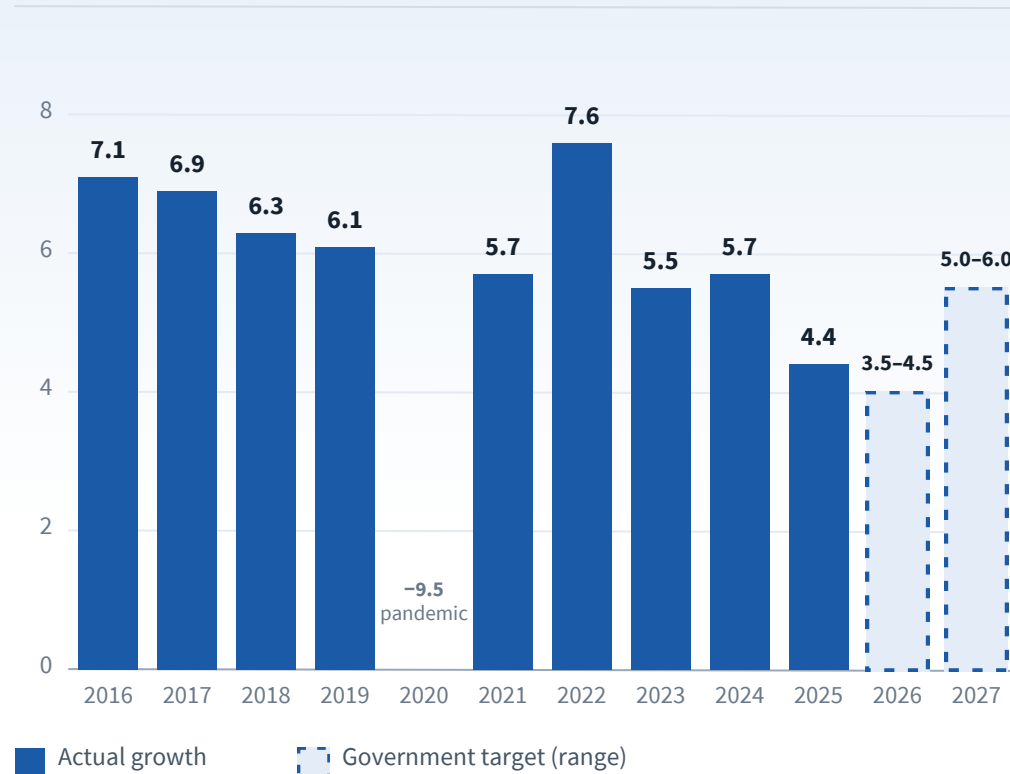
SECTION 1

The 2026 Business Environment

The Philippines enters a new stage as an upper-middle-income economy, at a time of slower growth and higher energy costs. This section sets out where the economy stands, which reforms have opened the market, what still holds business back, and how German companies read the year ahead.

The Economy in 2026

A DECADE OF GROWTH: GDP, YEAR ON YEAR (%)



Sources: Philippine Statistics Authority; Development Budget Coordination Committee, July 2026. 2020 not drawn to scale.

About 6%

average yearly growth, 2016 to 2025, excluding the pandemic year

Upper-middle

income status, World Bank, July 2026

WHERE THE ECONOMY STANDS

The Philippines reached a milestone in July 2026, when the World Bank classified it as an upper-middle-income economy. The classification reflects two decades of steady growth, rising incomes and macroeconomic stability.

For most of the past decade, the Philippine economy grew by 5% to 7% a year. Growth has cooled since 2025, as household consumption and investment softened and energy prices rose. Government expects 3.5% to 4.5% for 2026 and a return to 5.0% to 6.0% from 2027.

Government declared a national energy emergency in March 2026 (EO 110) and gained authority to suspend or reduce fuel excise taxes (RA 12316).

WHAT IT MEANS FOR BUSINESS

For investors, upper-middle-income status raises the bar. Competing for higher-value investment depends less on cost and more on the predictability of rules and the speed of approvals. That is the focus of this report.

The Reform Landscape

WHAT HAS OPENED UP

Foreign ownership

Amendments to the Public Service Act, Retail Trade Liberalization Act and Foreign Investments Act opened telecommunications, shipping, railways and retail to greater foreign ownership.

Long-term land leases

The Investors' Lease Act (RA 12252) lets foreign investors lease private land for up to 99 years, up from 75, giving long-horizon projects more security.

Investment incentives

The CREATE MORE Act (RA 12066) lengthened and simplified fiscal incentives, with incentive periods of up to 40 years for qualified investments.

Faster approvals for priority project

Green Lanes for Strategic Investments (EO 18) fast-track permits for strategic projects. Certified projects reached PHP 6.36 trillion by July 2026, about three quarters of it renewable energy.

Tax compliance

The Ease of Paying Taxes Act (RA 11976) allowed filing and payment at any authorized office and moved more transactions online.

Trade digitalization

The National Single Window went live on 22 June 2026, with 72 agencies to join by 2028.

WHAT STILL NEEDS WORK

Reforms at the local level

At end-2025, only 127 of 1,642 local governments had fully online business permitting. ARTA has set 1 November 2026 as the deadline.

Predictable tax administration

Companies report that tax rules are read differently across offices, and that audits and rulings take long, even as BIR rolls out new audit rules.

Energy costs and security

Energy prices are the top business risk for German companies in 2026, and fuel supply came under strain during the Middle East conflict.

Digital systems, end to end

Many processes now start online but still end on paper or depend on manual clearances.



EU-PHILIPPINES FREE TRADE AGREEMENT

On 22 Sept 2026, the European Union and the Philippines reached substantial agreement on a free trade agreement. It liberalizes over 94% of tariff lines, covering 97% of bilateral trade, and opens Philippine government procurement to European bidders for the first time.

Signing is targeted for 2027, ahead of the expiry of the Philippines' GSP+ preferences at the end of 2027. An FTA delivers value only when paired with predictable regulation, which is why the recommendations in this report matter now.

Scan for GPCCI's
statement on the
EU-PH FTA

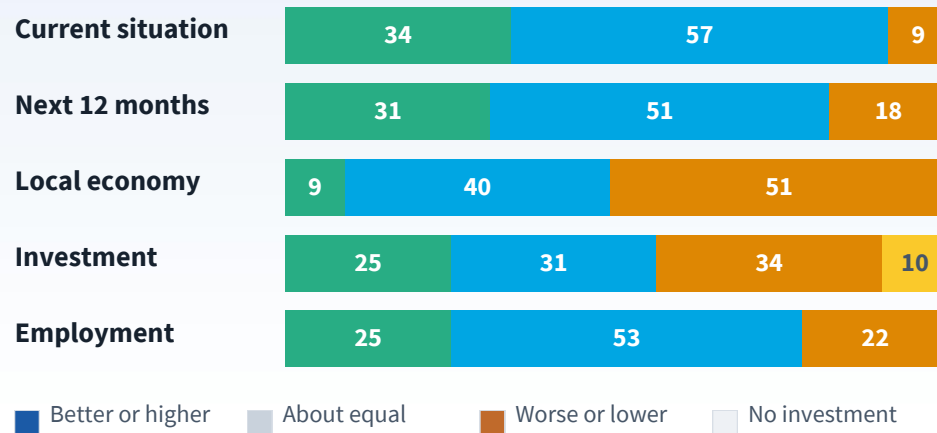


Sources: ARTA; Department of Finance; Bureau of Internal Revenue; AHK World Business Outlook Spring 2026; EEAS.

How German Companies See 2026

The AHK World Business Outlook surveys German chamber companies worldwide twice a year. In the Philippines Spring 2026 survey, 70+ member companies responded between 16 March and 10 April 2026. Figures are percentages of respondents.

BUSINESS SENTIMENT



TOP BUSINESS RISKS



EXTERNAL SHOCKS AND RESPONSES

85%

expect rising input costs from the Middle East conflict

78%

feel trade policy mainly through higher costs

79%

are exploring new sales markets

75%

have no plans to relocate production

WHAT IT TELLS US

Operations remain stable, but confidence has softened. Only 31% expect business to improve over the next year, 51% expect local economic conditions to worsen, and 34% plan to invest less.

Compared with more than 4,500 companies in the global AHK survey, Companies involved in German-Philippine bilateral relations rate their current business as well as their peers worldwide, and fewer report a poor situation (9% against 13%). Their outlook is more cautious than the global average, driven largely by energy prices. Even so, three in four have no plans to relocate production.

The largest risks sit mostly outside any single agency's control. Predictable rules are one lever policymakers hold.

Source: AHK World Business Outlook, Spring 2026 (Philippines).



SECTION 2

Regulatory Dialogue

GPCCI met eight government agencies through the IMPACT Dialogue Series and its Tax and Finance Working Group. Each chapter records what we heard, the reforms we recognize, what companies raised, and what we recommend.



Department of Finance

Tax and Finance Working Group Access Dialogue

WHAT WE HEARD

On 27 March 2026, GPCCI had a discussion with Undersecretaries Karlo Fermin Adriano and Rolando Ligon Jr. of the Department of Finance and discussed tax predictability, end-to-end digitalization, fuel excise taxation, and audit consistency. Assistant Secretary Euvimil Nina Asuncion also joined the dialogue, convened by GPCCI's Tax and Finance Working Group at the German Club in Makati.

Opening the session, Marie Antoniette Mariano, then GPCCI President, noted that investment decisions are shaped more by clear policy direction and consistent implementation than by tax rates alone. The Working Group presented five priorities: end-to-end digitalization, early dispute resolution, faster tax rulings, clarity on cross-border transactions, and digital services taxation aligned with international norms.

Undersecretary Adriano outlined a growth target of at least 5% for 2026 and a debt-to-GDP ratio of 53.88%. In the open discussion, participants raised fuel excise taxes, VAT on digital services and delays in equipment clearances, and DOF committed to coordinate with the agencies concerned.

REFORMS WE RECOGNIZE

Longer, simpler incentives

The CREATE MORE Act (RA 12066) offers fiscal incentives of up to 40 years for qualified investments.

A framework for partnerships

The Public-Private Partnership Code (RA 11966) gives a single legal framework for private participation in infrastructure.

A rules-based fuel tax response

RA 12316 (March 2026) lets the President suspend or reduce fuel excise taxes when world oil prices pass a set threshold.

Risk-based audit selection

A shift to computerized, risk-based selection of taxpayers for audit, aimed at fairness and transparency.

Trade digitalization

DOF oversees the National Single Window, live since 22 June 2026, which will bring 72 trade agencies onto one platform by 2028.

What companies raised

Concerns raised by companies and participants of the Access Dialogue

Rules that shift

Tax rules change often and can be read differently from one office to another, which makes planning difficult.

Rulings take long

Waiting times for tax rulings are long and hard to predict, and some investment decisions move to other countries while firms wait.

Disputes that outlast investments

Prolonged audits and assessments can run longer than the investment cycle they affect.

Delays between agencies

Solar developers reported delays in securing National Telecommunications Commission clearances for imported equipment.

Incentives hard to claim

Companies want incentives, such as those for energy efficiency, to be simple to claim, and tax exemption applications processed faster.

Consultation before change

Small and medium enterprises would like more direct engagement with the department.

What we recommend

Set a service standard for tax rulings

Publish a target processing time for requests for rulings, track it publicly, and publish rulings in anonymized form so similar cases get the same answer without a new request.

WHERE IT STANDS

Requests for rulings are handled under RMO No. 9-2014. Faster rulings were one of the five priorities the Tax and Finance Working Group presented to DOF in March, and firms reported that waiting times remain long and unpredictable.

Make incentives simple to claim

Issue one checklist for claiming incentives under CREATE MORE, including VAT zero-rating on local purchases, with a single certification step and a set processing time across investment promotion agencies and BIR.

WHERE IT STANDS

The CREATE MORE Act (RA 12066, November 2024) introduced longer incentives and VAT zero-rating on local purchases by registered enterprises, supported by certification from investment promotion agencies. Tax advisers and firms report that certification practice still varies, and survey respondents asked for faster processing of exemption applications.

Offer early settlement before disputes escalate

Create a mediation or settlement window early in the audit process, so disputes are resolved within the life of an investment rather than years later.

WHERE IT STANDS

At the March dialogue, DOF updated companies on escalation mechanisms and accountability measures for revenue officers. BIR has since clarified deadlines for disputed assessments and refund denials (RMC 35-2026) and opened a one-time abatement for micro taxpayers (RR 4-2026). No general mediation or early settlement framework exists yet for larger cases.



Bureau of Internal Revenue

IMPACT Dialogue Series, 1st installment

WHAT WE HEARD

On 14 April 2026, GPCCI had a discussion with Deputy Commissioner Marissa O. Cabreros of the Bureau of Internal Revenue and discussed audit predictability for VAT refund claimants, the BIR DARES reform agenda, and the application of new revenue issuances.

GPCCI President Dr. Christian Scheld opened the first session of the IMPACT Dialogue Series by stressing clear and consistent tax processes, from ruling timelines to audit consistency and the performance of digital systems. Deputy Commissioner Cabreros, of BIR's Strategic Reform Group, presented the agency's work to modernize tax administration through digitalization, better service delivery and stakeholder engagement.

In the open forum moderated by PAC Chairperson Dr. Marian Norbert Majer, participants asked for predictable audits for taxpayers with strong refund records, aggregated audit outcome data under the DARES reform agenda, and joint work on audit issues already settled by the courts.

REFORMS WE RECOGNIZE

The BIR DARES reform agenda

Launched in January 2026, covering service delivery, audit reform, employee welfare and integrity.

New audit rules

RMO 1-2026, now consolidated under RMO 22-2026, provides one electronic Letter of Authority per taxable year, anonymized risk-based selection and a standard audit checklist.

Online LOA verification

RMC 5-2026 lets taxpayers verify Letters of Authority online before engaging with auditors.

Early mover on the Single Window

One of the first two agencies live on the National Single Window, in June 2026.

File and pay anywhere.

The Ease of Paying Taxes Act (RA 11976) removed venue restrictions on filing and payment and simplified invoicing and registration.

What companies raised

Concerns raised by companies and participants of the IMPACT Dialogue Series.

Audits hard to anticipate

Even taxpayers with a strong record of successful VAT refund claims find audits difficult to predict, and companies asked for fair, consistent treatment.

Several audits at once

Some companies reported facing multiple audits at the same time.

Slow tax refunds

Refunds take long to process, tying up working capital.

Unclear cross-border rules

The tax treatment of cross-border services remains uncertain, and settled court issues continue to resurface in audits.

Practice varies by tax office

Firms reported that regional and district offices apply the same rules differently.

More face-to-face than needed

Companies want fewer in-person transactions, which they link to a fairer and more transparent process.

What we recommend

Publish regular audit outcome data

Share anonymized figures on the number of audits, typical findings and resolution times under the new audit rules, so taxpayers can see how the reforms are working.

WHERE IT STANDS

BIR lifted its audit suspension on 27 January 2026 (RMC 8-2026) and issued RMO 1-2026: one electronic Letter of Authority per taxable year, risk-based and anonymized selection, and a standard audit checklist. RMO 22-2026 (August 2026) consolidated these into a standing audit program with published selection criteria, caseload caps and audit timelines. BIR does not yet publish regular audit outcome data.

Create a faster VAT refund lane for proven compliant taxpayers

Apply lighter review to taxpayers with a consistent record of successful refund claims, freeing working capital for business and review capacity for BIR.

WHERE IT STANDS

Companies raised VAT refund predictability at the April session, and slow refunds came up again in the member survey. The BIR DARES reform agenda, launched on 21 January 2026, commits to service excellence and audit reform. RMC 35-2026 clarified deadlines on refund denials, and RMC 96-2026 (September 2026) eased refund claims for exporters in the transition period.

Settle recurring issues once, and apply them the same way everywhere

Issue guidance that applies settled court decisions and closes open questions, starting with the tax treatment of cross-border services, and apply it uniformly across regional and district offices.

WHERE IT STANDS

RMC 24-2026 (30 March 2026) clarifies but does not revoke RMCs 5-2024 and 38-2024 on cross-border services. On 31 March 2026, the Court of Tax Appeals granted a preliminary injunction against their implementation while the case is pending, leaving uncertainty over pending assessments. Companies have offered to work with BIR on recurring issues.



Bureau of Customs

IMPACT Dialogue Series, 2nd installment

WHAT WE HEARD

On 22 April 2026, GPCCI had a discussion with Assistant Commissioner Vincent Phillip C. Maronilla of the Bureau of Customs and discussed the National Single Window, tariff classification and valuation reform, BOC and BIR digital interoperability, and Customs Administrative Order No. 01-2026 on importer accreditation.

GPCCI Head of Government Affairs Yves Aguilos opened the second IMPACT session, noting the Bureau's role in business continuity amid global supply chain disruptions. Assistant Commissioner Maronilla presented BOC's digitalization, governance and accountability initiatives, including measures to improve trade facilitation, reduce disputes and strengthen service delivery.

The open forum, moderated by Stefan Schmitz, President of FLS Group, covered crisis response and customs facilitation, Single Window timelines and support, the resolution of classification and valuation disputes, links between customs and tax systems, and implementation of the new accreditation rules.

REFORMS WE RECOGNIZE

Longer importer accreditation

Valid for three years instead of one, with automatic renewal for qualified importers (CAO 01-2026).

A Top Importers Office

A single point of contact for major importers, created under CMO 06-2026 and launched in August 2026.

Decongestion measures

Off-dock transfers of overstaying containers, a five-day assessment window and sweeper vessels for empty containers (June 2026).

A new processing system

Public consultation in January 2026 on the proposed Customs Processing System to replace e2m.

Trusted trader program

Preparations to expand the Authorized Economic Operator program, with World Customs Organization support.

What companies raised

Concerns raised by companies and participants of the IMPACT Dialogue Series.

Congested terminals

Firms importing through Manila described slow cargo release, delays in returning empty containers, and import costs that have risen well above what they planned.

Clearance for critical projects

Firms asked for faster, predictable clearance of equipment for critical and time-bound projects.

Same rules, every port

Customs rules and valuation are not always applied the same way across collection districts.

Classification and valuation disputes

Disputes over tariff classification and customs valuation take time to resolve while goods wait.

Legacy systems and the Single Window

Customs and tax systems are not yet fully linked, and importers need to know when e2m will be replaced and when customs moves onto the National Single Window.

Fewer manual touchpoints

Companies want fully digital processes with an audit trail, reducing face-to-face transactions and requests for extra charges such as overtime fees.

What we recommend

Sign the joint order on port congestion

Finalize the Joint Administrative Order so BOC has clear authority to act when terminal yards fill up, and shipping charges are transparent, keeping cargo moving without new costs.

WHERE IT STANDS

Reefer yards at the Manila International Container Terminal passed 100% in February 2026, and BOC ordered decongestion measures in June. The draft order sets a 75% yard utilization trigger and 15-day container deposit refunds. It completed consultation in July and remained unsigned in mid-September.

Roll out the new Customs Processing System on a published schedule

Replacing the legacy e2m system with a fully digital process and audit trail would cut delays and reduce face-to-face transactions.

WHERE IT STANDS

BOC held a public consultation on the proposed Customs Processing System (CPS) and fees structure on 23 January 2026. The system would replace e2m under a public-private partnership, with a contract award targeted for February 2027 and rollout by March 2028. The National Single Window went live on 22 June 2026, and BOC has not yet published its onboarding date.

Apply the same rules in every port

Issue synchronized guidance on valuation and classification, apply it the same way across all collection districts, and set clear timelines for resolving disputes.

WHERE IT STANDS

Classification and valuation disputes were raised at the April session, and companies reported that practice still varies between ports. BOC formally launched its Top Importers Office (CMO 06-2026) in August 2026, a single point of contact that could help surface and resolve inconsistencies.



Securities and Exchange Commission

IMPACT Dialogue Series, 3rd installment

WHAT WE HEARD

On 28 April 2026, GPCCI had a discussion with Commissioner Javey Paul D. Francisco of the Securities and Exchange Commission and discussed strengthened independent director requirements, mandatory sustainability reporting, fully digital end-to-end registration, and compliance cost relief for SMEs.

Opening the third IMPACT session, Dr. Scheld said a transparent and predictable regulatory environment is critical to investor confidence, business growth and economic resilience. Commissioner Francisco presented SEC reforms on governance and ease of doing business, including stronger independent director rules, sustainability reporting aligned with global standards and greater board accountability.

He also described the SEC's shift to fully digital registration and compliance, risk-based monitoring and support for micro enterprises. Participants asked about transition timelines, how the digital platforms perform in practice, compliance costs for SMEs and proportional regulation for smaller companies.

REFORMS WE RECOGNIZE

Online registration

Company registration is fully online through eSPARC and OneSEC.

Global-standard sustainability reporting

SEC MC No. 16, s. 2025 adopts ISSB-aligned standards, phased in from 2027.

Board independence

A nine-year cumulative term limit for independent directors, effective 1 February 2026 (SEC MC No. 7, s. 2026).

Relief for small firms

Audit exemption for micro enterprises, extended filing fee discounts for MSMEs and lower document fees (2026).

Risk-based supervision

Risk-based monitoring, digital oversight tools and dedicated support for micro enterprises.

What companies raised

Concerns raised by companies and participants of the IMPACT Dialogue Series.

Transition timelines

Firms asked for clear timelines, transition periods and guidance as enhanced governance requirements take effect.

Still partly manual

Companies see SEC processes as more workable than many, but still partly manual, and asked for fully digital ones.

Costs for smaller firms

Smaller companies feel the cost of new reporting and governance requirements the most.

Readiness for sustainability reporting

Many companies will prepare sustainability disclosures for the first time and want practical guidance before the first mandatory filings.

One registration journey

Setting up a company still means separate registrations with the SEC, BIR and local governments.

Putting the taxonomy to work

Firms asked for sustainable finance rules to be applied on a principles basis, supported by a database of eligible sustainable projects.

What we recommend

Keep new rules proportionate to company size

Build the proportionality of the 2026 relief measures into new governance and sustainability requirements, with scaled duties and longer transition periods for smaller companies.

WHERE IT STANDS

In 2026 the SEC exempted micro enterprises with under PHP 3 million in assets or liabilities from audited financial statements (MC No. 4), extended the 20% filing fee discount for MSMEs (MC No. 13) and cut document request fees (MC No. 6). New governance and sustainability requirements do not yet carry the same scaling for smaller companies.

Support first-time sustainability reporters

Provide templates, practical guidance and a helpdesk ahead of the first mandatory reports.

WHERE IT STANDS

SEC MC No. 16, s. 2025 adopts sustainability disclosure standards (PFRS S1 and S2) aligned with the ISSB framework. Reporting is phased: the largest listed companies file first in 2027 (covering 2026), others in 2028 and 2029. First-year reliefs allow climate-only reporting, and Scope 3 emissions reporting is deferred for two years.

Link SEC, BIR and local registration into one process

A new business should complete one registration journey instead of three, with data shared between agencies.

WHERE IT STANDS

Company registration is fully online and paperless through eSPARC and OneSEC (MC No. 3, s. 2025). The Philippine Business Hub links SEC registration with BIR and some local governments, but BIR and local permits largely remain separate steps, which companies described as partly manual.



Food and Drug Administration

IMPACT Dialogue Series, 6th installment

WHAT WE HEARD

On 8 July 2026, GPCCI had a discussion with former Director General Paolo S. Teston of the Food and Drug Administration and discussed the agency's digitalization initiatives, risk-based reliance on international regulatory approvals, and recurring documentary-requirement challenges.

PAC Vice Chairperson Marie Antoniette Mariano opened the sixth IMPACT session, noting FDA's role in shaping the regulatory environment for food, medicines, cosmetics and medical devices. Director General Teston presented FDA's five-year development plan, its regulatory modernization agenda and proposed reforms to the agency's fee structure.

He reported more than 241,000 applications processed in a year and described digital payments, cloud-based systems and online registration of over-the-counter products. Participants asked about risk classifications for foreign GMP inspections, recognition of EU approvals, duplicate documentary requirements and channels for industry feedback.

REFORMS WE RECOGNIZE

Higher throughput

More than 241,000 applications processed between May 2025 and May 2026.

More staff

In the first half of 2026, FDA issued 175 permanent appointments and hired 237 personnel to address backlogs.

Digital payments

Online payments through Link.Biz and QR Ph, and cloud-based e-services.

Online food registration

A new eServices system for processed food registration (FDA Circular No. 2026-0002).

Reliance on trusted regulators

Wider use of approvals from recognized international regulatory authorities.

What companies raised

Concerns raised by companies and participants of the IMPACT Dialogue Series.

Long processing times

Licenses to operate and product registrations can take several months; some companies reported 12 to 17 months.

Hard to follow up

Under the no-contact policy, applicants find it difficult to follow up when systems do not work.

Duplicate documents

Applicants are asked for documents FDA already holds, and the e-services platform limits upload sizes.

Recognition of foreign approvals

Companies see room to recognize more EU and other trusted approvals, and to apply the abridged pathway consistently.

Pending guidelines

Companies cited rules, such as the grouping of medical devices, that are still pending after consultation.

Inspection criteria

Companies asked how risk classifications for foreign manufacturing (GMP) inspections are decided.

What we recommend

Meet published processing times, with a working follow-up channel

Licenses to operate and product registrations should follow Citizen's Charter timelines, with a reliable way for applicants to track and follow up their applications.

WHERE IT STANDS

FDA reported processing more than 241,000 applications between May 2025 and May 2026 and expanded its workforce in the first half of 2026. In April 2026, Congress and ARTA pressed FDA to clear a backlog of over 18,000 applications. Companies still reported processing times of several months, in some cases 12 to 17 months, and difficulty following up under the no-contact policy.

Recognize approvals from trusted foreign regulators, with published criteria

Set clear rules on which foreign approvals and inspections FDA will rely on, across product categories, and apply abridged pathways consistently.

WHERE IT STANDS

Abridged and verification review pathways exist for new drugs (FDA Circular No. 2022-004, as amended), allowing reliance on approvals by recognized reference regulators. Companies asked how risk classifications for foreign GMP inspections are decided and whether EU approvals could be recognized more widely, including for medical devices.

Stop re-requesting documents already on file

Documents FDA already holds should not be requested again, and upload limits in the e-services platform should match real file sizes.

WHERE IT STANDS

FDA accepts online payments through Link.BizPortal, is moving over-the-counter drug registration online and launched a new eServices system for processed food (FDA Circular No. 2026-0002). Duplicate documentary requirements and upload limits were raised at the July session as remaining friction points.



Department of Energy

IMPACT Dialogue Series, 5th installment

WHAT WE HEARD

On 7 July 2026, GPCCI had a discussion with Ms. Hershey Dela Cruz, Chief of the Energy Cooperation and Coordination Division, of the Department of Energy and discussed fuel security amid the Strait of Hormuz crisis, Executive Order No. 110, the Green Energy Auction Program, and permitting through the Energy Virtual One-Stop Shop.

Ms. Mariano opened the fifth IMPACT session, highlighting DOE's role in energy security and the energy transition. Ms. Dela Cruz briefed participants on fuel supply security, the effect of the crisis on prices, and government measures under EO 110, including price monitoring and action against hoarding, fuel subsidies, the Libreng Sakay program and contingency planning for oil and gas supply.

In the forum moderated by GPCCI Senior Vice President Brenda Baylon, participants asked about renewable energy targets, upcoming green energy auctions, permitting through EVOSS and local governments, new technologies such as nuclear and battery storage, and carbon markets.

REFORMS WE RECOGNIZE

Fast emergency response

EO 110 (March 2026) enabled measures to secure fuel supply, stabilize prices and act against hoarding.

Support for consumers

Fuel subsidies and the Libreng Sakay program eased the impact on commuters and transport.

Green Energy Auctions

Continued auction rounds, including the first offshore wind round (GEA-5, 3.3 GW) and a biomass round (GEA-6).

Efficiency and labeling

Energy labeling and government energy management programs.

Contingency planning

Fuel inventory requirements, conservation measures and energy diversification strategies.

What companies raised

Concerns raised by companies and participants of the IMPACT Dialogue Series.

High energy costs

Electricity prices weigh on competitiveness, especially for manufacturers.

Project approvals

Approvals for renewable energy projects remain a bottleneck as the country works toward the Philippine Energy Plan.

Auction timing

Investors plan capital around auction dates and need rounds to run on schedule.

Permits across many offices

Energy projects still need permits from several agencies and local governments.

New technologies

Companies want clear rules for nuclear energy, battery storage, transmission upgrades and off-grid solutions.

Planning through the emergency

Firms want early notice of supply and pricing measures under the energy emergency, so they can plan operations and logistics.

What we recommend

Keep the green energy auction calendar on schedule

Hold announced auction dates and publish upcoming rounds early, so investors can plan capital, supply chains and financing.

WHERE IT STANDS

GEA-5, offering 3.3 GW of fixed-bottom offshore wind, was suspended in July 2026 for recalibration and is now indicatively set for 1 December 2026, with Certificates of Award by 30 June 2027. DOE is preparing GEA-6, a 160 MW biomass auction, for the fourth quarter of 2026 as part of a 25 GW auction pipeline to 2035.

Make EVOSS the single permit channel for energy projects

Bring all permitting agencies and local governments onto the Energy Virtual One-Stop Shop, with enforced timelines, so developers deal with one channel instead of many offices.

WHERE IT STANDS

The Energy Virtual One-Stop Shop Act (RA 11234) established EVOSS as the online platform for energy permits, and ERC reported in July 2026 that EVOSS is beating permit approval timelines. Companies noted at the July session that projects still need permits from several agencies and local governments outside the platform.

Open green lanes for projects that lower energy costs

Give priority processing to energy projects that help bring down power prices, including renewable, storage and efficiency investments.

WHERE IT STANDS

Green Lanes for Strategic Investments under EO 18 (2023) fast-track approvals for priority projects. Certified projects reached PHP 6.36 trillion by July 2026, with renewable energy accounting for about three quarters. With energy prices the top business risk in the Spring 2026 AHK World Business Outlook, firms asked that projects easing power costs benefit from this track.



Department of Environment and Natural Resources

IMPACT Dialogue Series, 7th installment

WHAT WE HEARD

On 27 July 2026, GPCCI had a discussion with Undersecretary Atty. Jonas R. Leones of the Department of Environment and Natural Resources and discussed the streamlining of mining permits, environmental compliance guidelines for floating solar and offshore wind, the Extended Producer Responsibility Act, and ESG-aligned sustainability reporting.

Dr. Scheld opened the seventh IMPACT session by highlighting environmental governance and sustainable development amid growing climate challenges. Undersecretary Leones presented DENR's modernization agenda: streamlined permitting and compliance, digitalization, stronger environmental accountability and support for sustainable investment with robust safeguards.

Participants raised investment facilitation, EPR implementation, ESG reporting and renewable energy, and pointed to opportunities for public-private collaboration in waste management, biodiversity, water resources and critical minerals.

REFORMS WE RECOGNIZE

Streamlined mining permits

DAO No. 2025-17 streamlines mining permit processing and introduces electronic submission.

Floating solar guidelines

Environmental compliance guidelines for floating solar (DAO 2025-20) and offshore wind (DAO 2026-09).

Offshore wind guidelines

Enhanced environmental compliance rules for fixed and floating offshore wind (DAO 2026-09).

Sustainable forestry

Investment-ready forest land packaged for climate-smart investment (DAO 2026-34).

EPR implementation

Active implementation and enforcement of the Extended Producer Responsibility Act (RA 11898).

What companies raised

Concerns raised by companies and participants of the IMPACT Dialogue Series.

Meeting EPR obligations

Companies find EPR compliance demanding and want clearer guidance on their plastic recovery obligations.

Local waste plans

Slow approval of local solid waste management plans holds back waste and recycling projects.

Faster investment approvals

Companies asked how DENR processes can better support new investment, including in sustainable mining.

Critical minerals rules

Firms described mining policy as restrictive and asked for clear, stable rules to support sustainable mining and critical minerals investment.

Clear rules for traders

Firms that import and distribute, rather than manufacture, asked for guidelines and processes that reflect how trading businesses operate.

Permits for renewable projects

Developers of solar and offshore wind projects want environmental compliance under the new guidelines processed consistently and on time.

What we recommend

Issue clear EPR guidance before the 2026 deadline

Publish a formal circular on reporting formats and submission dates under the EPR Act, with guidance for each type of obliged enterprise, including importers and distributors.

WHERE IT STANDS

The Extended Producer Responsibility Act (RA 11898) requires obliged enterprises to recover 60% of their plastic packaging footprint for 2026, rising to 70% in 2027 and 80% from 2028. In August 2026, DENR issued show-cause letters to 155 companies for missing their recovery obligations. Companies asked for clear reporting guidance before the 2026 compliance period closes.

Give critical minerals investors one clear path

Publish a single investor guide for critical minerals projects, covering permits, environmental compliance and fiscal terms, with processing standards for each step.

WHERE IT STANDS

DAO No. 2025-17 amends the Mining Act rules on exploration permits, mineral agreements and FTAA's, streamlining processing and introducing electronic submission. Because it is recent, there is not yet a public track record on processing times, which investors in critical minerals watch closely.

Fast-track approval of local solid waste management plans

Approved local plans unlock waste and recycling projects, including those companies need to meet EPR targets.

WHERE IT STANDS

Under the Ecological Solid Waste Management Act (RA 9003), local governments prepare 10-year solid waste management plans for approval by the National Solid Waste Management Commission. Companies reported that slow approvals hold back sustainability projects.



Department of Migrant Workers

IMPACT Dialogue Series, 4th installment

WHAT WE HEARD

On 18 June 2026, GPCCI had a discussion with Undersecretary Felicitas Q. Bay of the Department of Migrant Workers and discussed the agency's emergency response framework for OFWs in conflict-affected areas, the KALINGA, KAALAMAN, and KABUHAYAN reintegration programs, and labor mobility with Germany.

Dr. Scheld opened the fourth IMPACT session by describing labor migration as both a protection priority and a key economic pillar. Undersecretary Bay presented DMW's emergency response protocol for Filipino workers in conflict-affected areas of the Middle East, built on three stages: onsite assistance, repatriation and post-arrival support, and reintegration.

She introduced three reintegration programs: KALINGA for care and psychosocial support, KAALAMAN for skills, and KABUHAYAN for livelihood. Participants raised geopolitical risk, labor mobility with Germany, the direct hiring program and closer cooperation between government and employers.

REFORMS WE RECOGNIZE

A three-stage emergency response

Onsite assistance, repatriation and post-arrival support, and reintegration for workers in conflict areas.

Reintegration programs

KALINGA for care and psychosocial support, KAALAMAN for skills, and KABUHAYAN for livelihood.

Pathways to Germany

The Triple Win program continues, with a new training pathway for Filipino caregivers presented in August 2026.

Updated sea-based rules

New rules on the recruitment and employment of seafarers took effect on 2 July 2026.

Repatriation during the 2026 crisis

Repatriation of Filipino workers affected by the conflict in the Middle East.

What companies raised

Concerns raised by companies and participants of the IMPACT Dialogue Series.

Geopolitical risk

Companies asked how deployment will be managed amid volatility in the Middle East.

Hiring for Germany

German employers want a clearer, well-regulated path to hire Filipino talent under the bilateral arrangements, so Filipino workers are not disadvantaged.

Direct hiring

Companies raised questions on how the direct hiring program works in practice.

Consistent rulings

Companies cited a new position barring foreign nationals from chairing manning agency boards, which differed from the SEC's view, and asked for documented, consistent rulings.

Transparent processes

Firms asked for clear, published procedures so that DMW decisions are predictable.

Working with employers

Employers of deployed workers want to know their role when crises hit, from onsite support to repatriation.

What we recommend

Create a clear channel for employers hiring directly

Predictable processing and a single point of contact for employers under the direct hiring program.

WHERE IT STANDS

Labor mobility like in Germany and the direct hiring program were raised at the June session. The Triple Win program continues, and in August 2026 Germany presented a new training pathway for Filipino caregivers seeking nursing roles. A clearer channel for direct hiring would support ethical, well-managed deployment.

Share emergency protocols with employers of deployed workers

Employers can support onsite assistance and repatriation when they know the protocol and their role in it.

WHERE IT STANDS

DMW presented a three-stage emergency response for Filipino workers in conflict-affected areas of the Middle East: onsite assistance, repatriation and post-arrival support, and reintegration through the KALINGA, KAALAMAN and KABUHAYAN programs. As of July 2026, over 10,500 workers and dependents had been repatriated.

Base new rulings on published rules, coordinated with other agencies

Changes such as who may chair a manning agency board should be issued in writing, with the legal basis stated and coordinated with the SEC.

WHERE IT STANDS

Companies cited a recent position barring foreign nationals from chairing the boards of manning agencies. The SEC has opined that a foreign national may serve as non-executive chair of a partially nationalized corporation (SEC-OGC Opinion No. 24-34). Written, published rulings would give employers and agencies the same reference point.

Where Companies Want Dialogue Next

The GPCCI survey asked companies which issues GPCCI should take up next, and their answers are grouped below by topic, with the agencies best placed to act. Many of these issues are decided or felt locally, where national reforms meet day-to-day business. GPCCI therefore plans to extend the IMPACT Dialogue Series to local government units in 2027.

More Energy

Electricity costs are the top business risk for German companies in 2026 and weigh most on manufacturers.

ERC / DOE: how rate-setting and the cost pass-throughs in power bills can support competitive prices.

Health

Firms supplying medicines and medical devices want quality products to reach patients the same way in every public hospital.

DOH / FDA: common procurement standards, government-owned and local government hospitals.

Infrastructure and logistics

Firms want a transport and infrastructure roadmap that holds steady across political cycles, and ports and roads that keep cargo moving.

DPWH / DOTr : a published, multi-year project pipeline companies can plan around.

Foreign talent and mobility

Permits and visas for foreign professionals and company officers take long and are not always applied consistently.

DOLE / BI: clear, published criteria for Alien Employment Permits, including for elected corporate officers.

Permits at the local level

Firms described too many permits and steps, and pointed to Singapore as the benchmark.

Local government units: fully online business permits, from application to release.

Skills and education

Firms offered to share German technology and industry practice to align education with what industry needs.

TESDA / DepEd: industry-led training and certification, including dual training pathways. Partnerships between universities and companies on curricula and applied learning.



SECTION 3

The Road Ahead

The eight chapters in this report share common threads. Four priorities cut across agencies. Each builds on reforms already under way, and acting on them together would multiply their effect.

Priorities for a Better Business Environment

1 Finish what digitalization started

Most agencies in this report have launched digital platforms: the National Single Window, eSPARC and OneSEC, FDA e-services, EVOSS and online verification of BIR Letters of Authority. The gains are real, but many processes still begin online and end on paper, depend on manual steps behind the screen, or stop at the boundary between agencies. At the local level, only 127 of 1,642 local governments had fully online business permits at end-2025. Companies link fully digital processes, with an audit trail, to faster and more transparent service.

WHAT COMPANIES SEE

- SEC, BIR, LGUs** Setting up a company still means three separate registrations.
- BOC** The legacy e2m system awaits replacement by the Customs Processing System.
- FDA** Documents already on file are requested again, and upload limits are tight.

WHAT WOULD HELP

Measure success by completion, not submission. A process is digital when it can be finished online, from application to release, with data shared between agencies instead of requested twice.

2 Make rules predictable, consistent

Across agencies, companies' most frequent concern is not the rules themselves but how they are applied: different readings from office to office, changes without notice, and positions that are not documented. The same rule can mean different things in different ports, revenue districts and local governments. For long-term investors, consistency matters as much as the content of any single rule.

WHAT COMPANIES SEE

- BIR** Settled issues on cross-border services resurface in audits, and regional offices apply rules differently.
- BOC** Valuation and classification practice varies between ports.
- DMW** A new position on manning agency boards differed from the SEC view.

WHAT WOULD HELP

Issue guidance in writing before rules take effect, state the legal basis, coordinate with other agencies concerned, and apply it uniformly in every office.

Priorities for a Better Business Environment

3 Publish standards and results

Agencies are modernizing, but companies often cannot see how long a process should take or whether reforms are delivering. Published targets and results give companies something to plan around, give agencies a way to show progress, and build the trust that reforms depend on. Several agencies already have the building blocks: Citizen's Charter timelines, new audit rules with set timelines, and an announced auction calendar.

WHAT COMPANIES SEE

DOF, BIR	Tax rulings have no published service time, and audit outcomes under the new rules are not yet reported.
FDA	Some registrations take 12 to 17 months, beyond Citizen's Charter timelines.
DOE, DENR	EPR and ESG reporting rules that fit international frameworks.

WHAT WOULD HELP

For each key process, publish a target time and report performance against it regularly, starting with tax rulings, audits, product registration and energy and mining approvals.

4 Match scrutiny to risk

Regulators have limited capacity. Spending it evenly on every applicant slows down those with strong records and leaves less for real risks. Several agencies already work this way: BIR's risk-based audit selection, BOC's accreditation and Top Importers Office, and FDA's abridged pathways. With the EU-Philippines Free Trade Agreement reaching substantial agreement on 22 September 2026, recognizing trusted standards and compliant companies becomes even more valuable.

WHAT COMPANIES SEE

FDA	Products approved by EU and other trusted regulators still go through lengthy review.
BIR	Taxpayers with a consistent record of successful VAT refunds face the same delays as everyone else
SEC	New governance and sustainability rules fall hardest on smaller companies.

WHAT WOULD HELP

Let proven compliant companies and products approved by trusted regulators move faster, scale requirements to company size, and resolve disputes early, so review capacity goes where risk is highest.

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The German-Philippine Chamber of Commerce and Industry (GPCCI / AHK Philippinen) is the official representation of German business interests in the Philippines. It belongs to the international network of German Chambers of Commerce Abroad (AHKs) which is represented by 150 offices in 93 countries. GPCCI is a bilateral membership organization with around 300 members; and a service provider to companies in their market entry and expansion.

RAISE AN ISSUE WITH US

The German-Philippine Business Action Portal (GPBAP) gathers concerns and feedback from the German-Philippine business community on their transactions with government agencies. Companies can submit an issue through the portal.



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