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German-Philippine

Business Insight

Volume 6
Year 2025

Making Green Jobs Work in the Philippines

The world races toward sustainability, but are Filipino workers truly prepared?

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Mabuhay Germany 2025: In High Spirits!

Didn't see Mabuhay Germany in action? Here are the moments that counted.

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Volume 5. Year 2025.

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About GPBI
The German-Philippine Business Insight (GPBI) is a biannual publication of the German-Philippine Chamber of Commerce and Industry, Inc. (GPCCI) / AHK Philippinen. It features business columns and industry reports covering the latest socio-economic trends in the Philippines and the international business community.

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Foreword

As 2025 draws to a close, the German-Philippine business community continues to strengthen its ties through cooperation, dialogue, and shared priorities. Building on the momentum of the first half of the year, this edition of the German-Philippine Business Insight reflects how partnerships between Germany and the Philippines are evolving, shaped by cultural exchange, policy engagement, and long-term economic collaboration.

A central theme of this issue is the growing importance of green jobs and workforce readiness. As sustainability becomes an increasingly critical business and policy focus, the need to prepare people for the green transition is more urgent than ever. Encouraging progress is being made through policy initiatives, public-private partnerships, and training programs that aim to align skills development with the demands of a greener and more competitive economy.

It is my pleasure to present Part 2 of the 2025 German-Philippine Business Insight. I would like to thank our contributors, partners, and readers for their continued support. We hope this issue offers valuable insights and practical perspectives that inspire action toward a sustainable society and a resilient business environment.

Danke Schön!

Christopher Zimmer
Executive Director
German-Philippine Chamber of Commerce and Industry

German-Philippine
Business Insight
Volume 5. Year 2025.

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Making Green Jobs Work for the Philippines

Story by: Michael Oseña and Leandro Mauricio Gumapos

As climate change increasingly affects the planet through rising temperatures and diminishing natural resources, the global community is racing against time to advance sustainability. In the Philippines, interest in green industries is steadily growing, driven by renewable energy, sustainable development, and initiatives that both uplift communities and protect the environment. Despite these developments, public awareness of the human capital dimension remains limited, and the industry continues to face gaps in preparedness and workforce readiness. This results in challenges in implementing green jobs and advancing the circular economy nationwide. In response, various sectors have begun exploring strategies to make green jobs viable in the Philippines. Drawing from discussions at the Green Jobs Forum held on 9 July 2025, three key sectors were highlighted, each presenting distinct issues, challenges, and potential opportunities.

Transport and Infrastructure

While the need for greener transport and infrastructure systems in the Philippines is clear, there remains an urgent demand for appropriate skills in construction, logistics, and mobility. Strengthening the workforce is essential to meet the standards required for a sustainable economy. To address this gap, discussions emphasized the importance of introducing sustainability and green job concepts at an early stage of education. This approach enables Filipinos to develop green values early in life and fosters long-term awareness of sustainability and climate action.

Furthermore, achieving an effective and inclusive transport and infrastructure system requires distinguishing mass mobility from physical infrastructure or mass transportation. Mass mobility, in particular, demands greater attention in both local and national development strategies, as worsening congestion and increasingly complex commutes affect much of the population. Prioritizing this aspect can improve accessibility for all commuters and enhance the overall usability of public transport systems.

Lastly, infrastructure planning and policy frameworks should be more closely integrated with public spaces to maximize their use and promote a sustainable, inclusive environment with convenient commuter access. These efforts should also support educational initiatives, innovation-driven solutions, and cross-sector collaboration to ensure more effective and lasting outcomes.

Renewable Energy and Energy Efficiency

As renewable energy becomes a cornerstone of sustainable development in the Philippines, many industries are transitioning toward green jobs that conserve resources, support long-term productivity, and utilize alternative energy sources to mitigate climate change. However, demand for workers in green job roles continues to rise, while many potential workers lack the necessary skills to qualify for these positions.

Although training centers exist to provide essential skills, their reach remains limited. As a result, industry growth is constrained by skills shortages and insufficient training capacity. In response, several proposals were raised to help address these gaps and strengthen workforce development.

In addition, there is a need for the government to review the Green Jobs Act and the CREATE More Act to ensure alignment with current market and industry conditions. Such a review would help assess whether these laws can identify areas that may require updates to remain responsive to evolving standards.

Waste Management and Circular Economy

As the Philippines' waste management system continues to face sustainability challenges due to weak implementation of economic models, policy inconsistencies, and low public awareness, opportunities exist to create green jobs focused on composting, recycling, and materials recovery. These initiatives can open pathways for Filipinos seeking employment in sectors that directly contribute to environmental protection.

However, limited support from local government units and weak execution of waste management solutions have hindered progress, resulting in continued reliance on unsustainable disposal practices and poor waste segregation. Addressing these issues requires targeted policies and solutions that bridge implementation gaps while also providing additional income opportunities for communities.

Insights shared by stakeholders across the three sectors underscore that collective action, coupled with the proper implementation of sustainable policies and frameworks, is critical to strengthening green job promotion in the country. While challenges persist, ongoing progress offers more Filipinos the opportunity to participate in and benefit from the green transition.

Initiatives Made to Promote Green Jobs in the Philippines

This is a crucial period for the Philippines to build a workforce prepared for the green transition. Key contributors to this effort include Technical Education and Skills Development Authority (TESDA) and the private sector, both of which are advancing initiatives that integrate green skills into education, generate employment opportunities, and address development barriers.

TESDA has positioned green skills as a core component of its Technical-Vocational Education and Training (TVET) programs. Under the Green Jobs Act of 2016, TESDA focuses on establishing regulations for skills training, assessment, and certification aligned with green job requirements. Previous initiatives include the following:

- The establishment of the Green Technology Center in 2017, where it offers skills training courses focusing on the needs for green jobs in industries.
- The inclusion and consideration of sustainability and green economy in the National Technical Education and Skills Development Plan (NTESDP) for 2023-2028, which aims to address the urgent demand for constant skilling, reskilling, and upskilling workers in line with the organization's philosophy of lifelong learning.
- Enhanced guidelines for green TVET framework in Circular No. 32 S. 2024, to keep the framework up to date with international standards and broaden its scope to ensure an effective adoption and promotion of sustainable practices in the TVET system.

Signing Ceremony of the GPCCI-TESDA MOU
(L-R back) Dr. Christian Scheld (GPCCI), Tristan Arwen Loveres (GPCCI), Amb. Andreas Pfaffernoschke (German Embassy Manila), Christopher Zimmer (GPCCI); (L-R front) Marie Antoniette Mariano (GPCCI), Felizardo Colambo (TESDA)

To further have an effective outcome for the TVET program, TESDA also collaborated with the private sector. At the 2025 Green Jobs Forum, TESDA reaffirmed its commitment through an amended MOU with the German-Philippine Chamber of Commerce and Industry (GPCCI). Some key highlights of this newly amended MOU focus on:

- Curriculum Integration: Incorporating sustainability concepts and practices into TVET programs.
- Industry-Driven Co-Certification: Aligning programs and key aspects of green jobs with global standards, unlocking new sustainability skills, and creating new employment opportunities.
- Expanding the Reach of TVET: Extending training beyond urban areas to empower LGUs in implementing local green projects.

At the same time, the private sector is also stepping up to create green jobs and champion sustainability.

- Renewable Energy and Energy Efficiency: Companies continue to invest in renewable energy technologies such as solar and wind, creating more roles for engineers, technicians, and auditors.
- Circular Economy and Waste Management: Initiatives promoting the circular economy are conducted to foster long-term behavioral change, which also creates new employment opportunities.
- Green Infrastructure: Construction and transport sectors continue to explore low-carbon designs, digitalization, and constituent-centric planning to meet climate goals.

What can be done to further promote green jobs in the Philippines?

Expand education and training programs. Building on the success of TESDA's TVET programs, nationwide expansion of green skills training can give more Filipinos access to industry-aligned certifications, with flexible options across regions rather than reliance on a few training centers.

Increase financing and investments. Stronger green financing programs are needed to support green jobs and enterprises, while encouraging public-private partnerships, particularly for large-scale renewable energy and sustainable infrastructure projects.

Empower local governments and communities. Providing LGUs and communities with adequate resources and incentives will enable them to drive initiatives in eco-tourism and sustainable local development.

Raise public awareness and engagement. Community events, workshops, and digital platforms—especially social media—can be leveraged to promote recycling, skills development, and circular economy practices, given the high level of public interest and online engagement.

Support innovation. Public- and private-sector support for innovation can strengthen sustainable development and circular economy efforts, while creating new opportunities for green jobs growth.

Advancing Enterprise-Based Training in the Philippines

Story by: Kristina Silan and Chelsea Ann Butron

Leaders from government agencies, industry associations, and training institutions gathered with a shared sense of purpose: to reimagine how the Philippines builds its future workforce.

The Dual-Vocational Education Summit on Enterprise-Based Education and Training (EBET)—held on 23 September 2025 at the Makati Diamond Residences—was more than a conference. It felt like a moment of alignment, where long-standing aspirations for stronger industry-education collaboration finally met the momentum of genuine policy change.

Highlighting the Value of Partnership

In his keynote address, H.E. Ambassador Andreas Pfaffernoschke highlighted Germany's long-standing experience with dual training and emphasized the importance of closer cooperation between schools and companies.

"When schools and companies work hand in hand," he remarked, "young people gain not only knowledge but also the skills and confidence to succeed. Enterprises, in turn, benefit from a workforce that is better prepared, more adaptable, and deeply aligned with industry needs."

His message underscored the continuing relevance of dual education models as the Philippines seeks to enhance workforce competitiveness.

Reforms Driving the Conversation Forward

TESDA Director General Jose Francisco "Kiko" Benitez expanded on the implications of the EBET Law during his remarks, noting how the policy formalizes a framework for deeper collaboration between training institutions and industry partners.

"EBET embodies the triple-helix model where government, industry, and academe don't just operate alongside each other but actively collaborate to co-create knowledge, develop skills, drive innovation, and plan development," he said.

The statement reflected a broader shift underway: a recognition that effective workforce development requires structured, coordinated efforts across sectors rather than isolated initiatives.

Industry's Critical Role

Representing the German-Philippine Chamber of Commerce and Industry (GPCCI), President Marie Antoniette Mariano and Vocational Training Committee Chairperson Tristan Loveres reaffirmed the chamber's support for companies that invest in skills development and dual training.

"Investing in people—the most important resource of any company—is the smartest investment we can make," they emphasized.

Industry representatives throughout the day echoed this view, sharing experiences from sectors that have already introduced enterprise-based training programs. Many noted improvements in productivity, retention, and job readiness among trainees who underwent structured, company-guided learning.

Perspectives From Key Stakeholders

The summit brought together a diverse group of speakers and panelists who offered insights from multiple vantage points. TESDA Deputy Director-General Nelly Dillera discussed agency initiatives to strengthen enterprise partnerships. DepEd Director IV Marc Magsalin provided updates on efforts to enhance technical-vocational programs in the basic education system.

(L-R) Peter March Magsalin, Ph.D. (DepEd), TESDA Deputy-Director General Nelly Dillera, Mark Gumapon (Don Bosco Technical Institute), Paulo Duarte (Bosch Philippines), Riza Talon (Porsche Training & Recruitment Center-Philippines, Dr. Alberto Fenix (President, PCCI-HRDF); Kristina Silan (GPCCI).

Representatives from the International Labour Organization, Bosch Philippines, PCCI-HRDF, the Porsche Training & Recruitment Center–Philippines, and Don Bosco Technical Institute outlined practical considerations for improving training standards, expanding access, and ensuring quality outcomes.

Collectively, their contributions highlighted both the opportunities and the challenges of implementing dual-vocational training at scale—ranging from curriculum alignment to trainer capacity, assessment systems, and long-term sustainability.

For GPCCI, the summit aligned closely with its long-standing advocacy for high-quality vocational and enterprise-based training. The chamber continues to support member companies through advisory services, capacity-building activities, standards alignment with German benchmarks, and assistance in assessments and certifications.

Looking Ahead

As the event concluded, one message stood out: meaningful workforce development requires coordinated and sustained collaboration. The 2025 Dual-Vocational Education Summit demonstrated that with aligned policies, engaged industries, and supportive institutions, the Philippines can take significant steps toward strengthening its talent pipeline.

The discussions set the stage for continued cooperation among government agencies, the private sector, and educational institutions—ensuring that enterprise-based training remains a strategic investment in the country's economic and social progress.

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Charlotte Bandelow

Deputy Executive Director

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INTRODUCING PRORECOGNITION

ProRecognition is a project funded by the Federal Ministry for Education, Family Affairs, Senior Citizens, Women and Youth (BMBFSFJ) that helps skilled workers abroad have their professional qualifications recognized in Germany. In 2024, the initiative was launched in the Philippines. The program goes beyond paperwork, acting as a bridge that links Filipino talent to opportunities in Germany while helping to meet the demand for skilled workers in various sectors such as healthcare, engineering, and IT.

Could you explain in simple terms what ProRecognition is all about?

ProRecognition is a service that guides skilled workers in having their professional qualifications formally recognized in Germany. Recognition ensures that the education and training someone received in the Philippines is acknowledged at the same level as in Germany. It's about fairness, mobility, and opening doors for Filipinos who want to build careers abroad.

Why was the Philippines chosen as a location for this project?

The Philippines has a strong tradition of producing highly skilled professionals, especially in healthcare and technical fields. At the same time, Germany faces a shortage of qualified workers. Establishing ProRecognition here creates a direct bridge: Filipinos can prepare their recognition applications before leaving, which saves time and reduces stress. What makes the Philippines unique is the sheer scale of talent and the eagerness of individuals to pursue opportunities abroad.

Many candidates wonder if their qualifications will really be accepted in Germany. How do you reassure them?

That's one of the most common questions we hear. We explain that recognition is a legal process backed by German authorities. When candidates go through ProRecognition, they receive clear guidance on what documents are needed and how their qualifications will be assessed. It gives them confidence that their skills will be respected in Germany.

How can companies and skilled professionals connect with ProRecognition to take the next step?

Skilled workers of any occupation can reach out to us to begin their recognition journey or explore opportunities abroad, while companies can refer their talent to us to have their qualifications formally recognized and prepared for the German labor market. To get started, simply contact us through our website, where we provide direct guidance and support for both candidates and employers.

Scan the QR code for more Information on ProRecognition

In Focus

CMEPA and the End of Tax Exemption on Long-Term Deposits

Story By: Atty. Rodel C. Unciano, Partner at BDB Law

Headlines circulating on social media about the supposed imposition of a new 20% tax on bank deposits have, once again, stirred confusion and frustration among depositors. Many were misled to believe that Republic Act No. 12214, otherwise known as the Capital Markets Efficiency Promotion Act (CMEPA), introduced an additional tax burden on their savings.

Photo Credits: Canva

Ringing of the opening bell at the Philippine Stock Exchange on 1 July 2025. The bell ringing ceremony was hosted to mark the effectivity of Republic Act No. 12214 or the Capital Markets Efficiency Promotion Act (CMEPA)

At the outset, it must be clarified that the 20% tax is not imposed on the total deposit amount. It is the interest income derived from those deposits that is subject to tax. Taxing the principal amount itself would contravene a fundamental principle of taxation—that taxes are imposed on income or gain derived from capital, not on the capital itself. Deposits are considered capital, and only the interest earned therefrom constitutes taxable income.

CMEPA and Its Objective

Signed into law on May 29, 2025, and effective July 1, 2025, CMEPA forms the final package of the government's Comprehensive Tax Reform Program (CTRP).

The law seeks to simplify the taxation of passive income and financial transactions, making the system fairer, more efficient, and competitive.

Prior to CMEPA, the taxation of passive income—such as interest, dividends, and capital gains—depended on a variety of factors: the nature and maturity of the instrument, the residence of the investor, and even the currency involved. This patchwork of rules often created unequal treatment and compliance difficulties. CMEPA sought to change this by harmonizing tax rates and removing outdated exemptions that led to arbitrage and inefficiency.

Uniform Tax Rate on Interest Income

Before CMEPA, the Tax Code exempted individuals from tax on interest income derived from long-term deposits or investment certificates—provided these were held for at least five (5) years. Pre-termination before the fifth year subjected the interest to graduated rates of 5%, 12%, or 20%, depending on the remaining maturity.

With CMEPA in effect, these provisions have been repealed. All interest income—whether from short-term or long-term deposits—is now uniformly subject to a 20% final withholding tax, regardless of the instrument's term, form, or conditions offered by banks.

This uniform rate also applies to corporations. Likewise, interest income derived by residents (individual or corporate) from expanded foreign currency deposit unit (EFCDU) accounts, previously subject to a 15% final tax, is now taxed at the standard 20% rate.

Nonresidents and the Presidential Veto

CMEPA originally proposed to remove the income tax exemption of nonresident individuals and corporations on interest income earned through EFCDU deposits. However, this provision was vetoed by the President, thereby retaining their exemption.

Thus, while residents are now uniformly taxed at 20%, nonresident aliens not engaged in trade or business (NRANETBs) and nonresident foreign corporations (NRFCs) remain subject to the 25% final tax or the applicable treaty rate, whichever is lower.

Transition Rules

Section 28 of CMEPA provides a transitory rule for financial instruments issued or transacted prior to July 1, 2025. Any exemption or preferential rate applicable at the time of issuance shall continue to apply for the remaining maturity of the instrument.

For example, a 10-year time deposit opened on June 30, 2025, will continue to enjoy exemption until its maturity in 2035, provided there is no renewal or extension. Should the term be renewed or modified, the new period will be subject to the prevailing 20% rate.

Similarly, if such an instrument is pre-terminated after CMEPA's effectivity, it appears that the preferential pre-termination rates (5%, 12%, or 20%) will still apply, since the law provides that the prevailing rate at the time of issuance governs the remaining maturity of the agreement. While this interpretation aligns with the law's wording, further clarification may still be issued by the Bureau of Internal Revenue (BIR) through subsequent regulations.

Republic Act No. 12214
Capital Markets Efficiency Promotion Act (CMEPA)

Related Implementing Regulations

To operationalize the new law, the BIR issued Revenue Regulations (RR) Nos. 18-2025 to 22-2025, including RR No. 19-2025, which amended the Documentary Stamp Tax (DST) provisions.

Under RR No. 19-2025, a uniform DST rate of 75% of one percent (0.75%) now applies to the original issuance of shares, bonds, debentures, and debt instruments. Moreover, transactions involving listed shares of stock—including their redemption, exchange, or disposition through local or foreign stock exchanges —are now expressly exempt from DST.

These measures are consistent with CMEPA's broader goal of harmonizing the taxation of capital market transactions, ensuring fairness and competitiveness while simplifying compliance.

Simplifying and Equalizing the System

By standardizing the tax rate on interest income and streamlining related taxes, CMEPA effectively removes the inequities that favored those who could afford to keep their money locked

in long-term deposits. It also simplifies tax administration, reduces confusion, and promotes neutrality across financial instruments.

While some investors may lament the loss of tax privileges once enjoyed by long-term depositors, this reform represents a step forward—one that enhances transparency, levels the playing field, and ultimately supports the growth and deepening of the Philippine capital market.

Atty. Rodel C. Unciano

Partner, BDB Law

Rodel is a Partner at Du-Baladad & Associates (BDB Law) and a seasoned CPA-Lawyer with extensive experience in tax litigation and corporate services. Recognized by The Legal 500 and ITR World Tax, he is a leading authority in banking and real estate taxation, advising on property transactions, investments, and restructuring. He is also an educator, having served as a part-time faculty member at Adamson University.

In Focus

Navigating Changes to the Rules on Foreign Employment in the Philippines

Story By: Atty. Miguel Antonio Galvez, Partner & Atty. Renson Louise Yu, Associate at Quisumbing Torres

On 21 January 2025, the Department of Labor and Employment (DOLE) issued Department Order No. 248, series of 2025, or the "New Rules and Regulations on the Employment of Foreign Nationals in the Philippines

("New Rules"), which provides for the rules regulating the employment of foreign nationals in the Philippines. The New Rules took effect on 10 February 2025.

Photo Credits: Canva

Updated AEP Rules. Secretary Bienvenido E. Laguesma signs DOLE Department Order No. 248, Series of 2025, which outlines the updated rules on Alien Employment Permits (AEP) for foreign nationals in the Philippines during the 2025 Central Office - Regional Offices (CO-RO) Annual Planning Exercise in Quezon City on 20 January 2025.

Prior to the New Rules, the rules governing the employment of foreign nationals in the Philippines was DOLE Department Order No. 221, series of 2021 ("Old Rules"). The following are the key takeaways / changes introduced in the New Rules:

Period to file an Alien Employment Permit (AEP) application

Under the Old Rules, an AEP application should be filed within 10 working days from the date of signing of the employment contract or prior to the commencement of employment.

Under the New Rules, employers must now file an AEP application within 15 calendar days from: (a) the execution of the contract of employment between the employer and the foreign national; or (b) the issuance of an appointment by the former to the latter.

Labor Market Test

The New Rules require employers to publish both the job vacancy and the name of the foreign national in a newspaper of general circulation, the PhilJobNet, and the relevant Public Employment Service Office (PESO) or Job Placement Office (JPO).

Certificate of Exemption

Foreign nationals who fall under specific exemptions (i.e., those exempted from obtaining an AEP) are now required to obtain a Certificate of Exemption.

Corporate Officers: Streamlined Hiring for Key Roles

A foreign national intended to be hired into any of the corporate officer positions as identified in the company's Articles of Incorporation, By-laws or General Information Sheet, and as certified by the corporate secretary, shall be exempted from the publication requirement under Section 1, Rule II of the New Rules.

Conditional Employment Contracts

The effectivity of the employment contract or appointment shall be conditioned on the issuance of an AEP by the DOLE in favor of the foreign national.

AEP Applications from Abroad

An application for an AEP may be filed and processed while the foreign national intended to be hired is still outside the country, provided that no AEP shall be released unless the foreign national has entered the country with the appropriate pre-arranged employment (9G) visa or working visa presented to the relevant DOLE Regional Office.

Skills Development and Understudy Training Programs (SDP/UTP)

An SDP refers to a training plan of an employer that is: (a) granted fiscal incentives by the government; (b) engaged in priority or strategic areas of investments; or (c) operating a public utility. It is designed to transfer technology or skills possessed by a foreign national employed by that employer to at least two regular rank-and-file Filipino employees per foreign national employed, through learning sessions or any similar training modalities.

A UTP refers to a training plan of an employer that is: (a) granted fiscal incentives by the government; (b) engaged in priority or strategic areas of investments; or (c) operating a public utility. It is designed to transfer technology or skills possessed by a foreign national to at least two understudies who are regular employees of the employer and who are next-in-rank to the foreign national.

Supplemental Guidelines

On 9 June 2025, the DOLE issued Department Order No. 248-A, series of 2025, or the "Supplemental Guidelines clarifying and amending provisions of DOLE Department Order No. 248, series of 2025" ("Supplemental Guidelines"), which provide further clarification and procedural guidance on the issuance of AEPs, aiming to streamline compliance and address ambiguities in the New Rules.

The Supplemental Guidelines, which took effect on 28 August 2025, provide for the following key amendments/clarifications:

Labor Market Test

While newspaper publication remains mandatory, posting job vacancies on the PhilJobNet and the relevant PESO/JPO is now encouraged but not required.

SDP/UTP

An SDP/UTP plan shall only be required for the following establishments:

- Those registered under the Foreign Investment Act, employing foreign national/s and enjoy fiscal incentives;
- Those engaged in the operation of public utilities or critical infrastructure under the Public Service Act, where foreign equity participation is allowed; and
- Those identified as a strategic investment, including those in key sectors outlined in the Strategic Investment Priority Plan or an equivalent national development framework

Covered establishments shall submit the SDP/UTP plan during the AEP application or within 60 days from the commencement of employment of the foreign national. Employers may use their own format for the plan, provided it contains the information specified under Rule VI, Section 3 of the New Rules.

Employers shall submit progress reports, based on the submitted SDP/UTP plan, on a semiannual basis (for AEPs with one year validity) or an annual basis (for AEPs with two to three years' validity), detailing the implementation report, attendance and competencies gained by the Filipino employees. The report shall be duly signed by the employer, the foreign national and the Filipino employees.

The following foreign nationals are exempted from the mandatory submission and implementation of an SDP/UTP:

- Foreign nationals excluded or exempted from obtaining an AEP
- Equity holders/shareholders or foreign nationals who are owners or investors with equity participation as reflected in and reported to the Securities and Exchange Commission
- Foreign nationals occupying positions that have been determined by the Technical Working Group (created by the DOLE) to be qualified for exemption, in accordance with established guidelines and criteria

Applications for Renewal and Additional Positions

The DOLE shall accept renewal applications with an Affidavit of Undertaking, i.e., a commitment to comply with the publication requirements prior to the release of the AEP card, and the SDP/UTP within 60 days from the date of submission, if applicable.

Applicants for renewal of AEPs issued before the effectivity of the New Rules (i.e., 10 February 2025) shall only be required to submit a training plan for the UTP, similar to a new application, in lieu of full compliance with the SDP/UTP requirements.

Failure to comply with the publication and SDP/UTP requirements shall be grounds for revocation of the AEP.

Philippine businesses should take note of these regulatory changes and clarifications, as they provide clear and practical guidance for the lawful employment of foreign nationals. Compliance with these regulations not only minimize legal risks and regulatory challenges, but also demonstrate a company's commitment to nurturing and prioritizing local talent — striking a balance between global expertise and the development of the Filipino workforce.

Miguel Antonio Galvez

Partner, Quisumbing Torres

Miguel a Partner at Quisumbing Torres, where he leads the Immigration Practice Group and the Compliance & Investigations Focus Group. Recognized by The Legal 500 and Chambers Asia Pacific, and named among Asia Business Law Journal's Top 100 lawyers, he is also a trained arbitrator. With over 23 years of experience, his expertise spans immigration, dispute resolution, arbitration, and compliance, advising global and local clients while sharing insights through lectures on law and ethics.

Renson Louise Yu

Associate, Quisumbing Torres

Renson is an associate at Quisumbing Torres, focusing on dispute resolution and immigration law. His work spans commercial and criminal litigation, arbitration, and advising on visa applications and regulatory compliance for clients in industries such as BPO, technology, and finance. A graduate with honors from Ateneo de Manila University School of Law in 2019, he was admitted to the Philippine Bar in 2020 and continues to deliver practical legal solutions for businesses.

Looking Back: Pursuing Strengthened Philippine-German Ties in AHK World Conference

Interview with: Ms. Marie Antoniette Mariano, GPCCI President

Following the AHK World Conference 2025, GPCCI interviewed Ms. Marie Antoinette 'Maan' Mariano, President of the German-Philippine Chamber of Commerce and Industry, Inc., to gather her thoughts and reflections on the event.

With former German Ambassador to the Philippines Anke Reiffenstuel

Q: What were the highlights of the AHK World Conference 2025?

The conference's theme, "Off to New Markets," is timely given the geopolitical movements and current economic landscape the world is facing, especially with the trade war between China and the US. Through this theme, Germany's reaffirmation of its commitment to deeper international trade engagement, not only with the Philippines but also with emerging markets in Asia, is significant and resonates with the current situation.

Through this reaffirmed commitment, the conference also emphasized the importance of diversification, supply chain security, and prioritizing ASEAN as a key region. In addition to that, other highlights include an emphasis on green transformation, as they're pushing for white and green hydrogen, dual training, and digital transition. The latter two, I think, strongly resonate in the ASEAN region and in the Philippines in particular.

However, the most significant highlight of the conference was the clarity with which Germany views Asia—and particularly Southeast Asia—not just as a market, but as a strategic partner in shaping the next generation of global industries. Due to the trade war, Germany is seeking long-term economic partnerships outside China and the US, and thus looks to this region to achieve that goal.

Q: You mentioned Dual Training as one of the key points. Can you tell us more about this?

When they discussed dual training, the focus was more on the need for skilled labor in Germany. Since the German government was transitioning at the time of the conference, it acknowledged its demand for skilled labor to stabilize its economy. At the time, it's not an outward focus on the Philippines, but rather an inward focus, given that the German population is also aging.

Q: Can you share your insights on the future of Germany's trade policy?

I mentioned that diversification of trade partners and supply chains is necessary because they recognized that they have been overly dependent on a single market, such as the US and China. At the time, the messaging was to encourage everyone to have stronger linkages within ASEAN, as there are numerous opportunities available, such as in the Philippines, which boasts a young workforce and a resilient economy compared to other regions.

They are also pushing for sustainability and green transition, since green technologies, climate adaptation, and circular economy principles will increasingly define how German companies choose investment locations and suppliers.

Lastly, they're pushing for digitalization and innovation-driven cooperation, which they look forward to. Companies in Germany and outside the region, such as those in the Philippines, could take advantage of what Germany has to offer.

Overall, Germany's direction reflects its ambition to build and form trusted, future-ready international linkages – and the Philippines is well-positioned to align with this trajectory.

With DIHK Dr. Helena Melnikov, Chief Executive of the DIHK (Association of German Chambers of Industry and Commerce)

Q: What will be the 2026 outlook, considering all these factors? What strategies should the Philippines pursue?

Since Germany is now looking outward, after initially focusing inward, I believe we should capitalize on the opportunity to engage with its active pursuit of global partnerships. Therefore, the Philippines must continue to demonstrate that we have made real progress, not just promises or changes in policy. We can be at the forefront and center, and we must strengthen the Philippines' position in the ASEAN region through good governance, competitiveness, and increased investor confidence.

It's up to us to promote and sell ourselves or our country, given that there are numerous domestic issues, such as the need for new technology in renewable energy and infrastructure. Germany has these kinds of innovation and companies that could really bring forward, you know, the real value in partnerships. That's why we're pushing delegations to come.

with Nicanor Bautista, Commercial Counsellor of the Philippine Embassy in Berlin

Foreign companies must also go beyond the headline to see the Philippines as a good market to consider, despite the otherwise depressing news it currently shows. Just as the largest IKEA store in the world is located in the Philippines, investors recognized that there is a market here, so that's the message we should convey.

Q: What do you think are other industries that key interest for the Philippine market that were mentioned?

If you examine the government's priority projects, specifically the strategic investment priority project, it remains focused on renewable energy, particularly in solar, offshore wind, and green hydrogen. Furthermore, we're also concerned about water security, as we have experienced issues with water and energy waste. This is where German expertise has a high advantage. And, of course, skills development is also essential, since Germany excels in dual education, training, and upskilling. I believe these industries have the most substantial traction in the Philippines.

Q: Any other thoughts or reflections that you learned at the conference?

Between the two AHK World Conferences I attended, there were differences in German mindsets on how to expand their markets.

At the first conference I attended, I recall one of the companies debating whether to expand in China and the US and strengthen its relations there.

However, now you can see these trends, where they're able to recognize that there are other markets in Asia, and outside of these two countries as well. From an outside perspective, we should be able to capture this global shift in mindset and capitalize on it.

Story By: Kat Rodriguez-Reyes, Rodnell Edillo, Sherilyn Mae Pangan, Raphael Sabater, Gian Sofia Balo

Mabuhay Germany 2025 In High Spirits

7 - 8 NOVEMBER, 2025
BGC, TAGUIG CITY

Mabuhay Germany™ 2025 concluded on a high note last 7-8 November 2025, celebrating the strength of German-Philippine relations through two days of innovation, culture, and collaboration. With leaders and businesses coming together, the event highlighted the shared commitment to progress and partnership!

Last 7 & 8 November, the GPCCI celebrated German-Philippine connections through its flagship event, Mabuhay Germany™ in BGC Central Square. This year's theme, "In High Spirits", perfectly encapsulated the energy and excitement trade fair goers had as they enjoyed exploring the exhibitor booths and event programs.

With enamored performances from students of the German European School Manila (GESM), the fair officially opened with remarks from GPCCI President, Ms. Marie Antoniette Mariano, who highlighted the significance of Mabuhay Germany and expressed her excitement towards the eventful 2-day fair.

This was followed by a special message from His Excellency Dr. Andreas Pfaffernoschke, Ambassador of Germany to the Philippines, who talked about the partnerships between Germany and the Philippines. DTI Secretary Hon. Cristina Aldequer-Roque also shared a special message emphasizing Germany as a valued partner for bilateral relations. To officially welcome visitors to the fair, a toast and a ribbon cutting ceremony w as held by esteemed Guest of Honors.


In High
spirits
BOSCH
BDO


spirits


spirits


spirits


spirits

Guided Exhibit and Panel Discussions

The guests were given a tour of the exhibit where they experienced engaging activities, garnered company freebies, and even tasted German & Filipino cuisine. To better engage visitors, a passport activity served as their guide to roam around Central Square and visit every booth.

While both days featured timely and enlightening events, Day 1 visitors were treated to an acoustic performance of the GESM students. Consequently, exhibitors and special guests were invited to an Exclusive Brunch catered by the German Club Manila, Brumms Quality Wines, Virginia Food Inc., Lanson Place Mall of Asia, and Makati Diamond Residences. Great food ensured new connections were made.

One highlight of the 2-day fair was the panel discussions. The first day panel focused on "Strengthening German-Philippine Relations", and featured Ambassador Pfaffernoschke, GIZ Country Director Immanuel Gebhardt, BOSCH Philippines' Paolo Duarte, ARTA's Sec. Ernesto Perez. The second day engaged attendees through "Powering Responsible Progress with Digitalization and AI", with Deutsche Bank's Ms. Maripaz Paragas, TUV Rheinland's Ms. Dian Suprapto, and Schaeffler Philippines' Mr. Jay Durante.

Karriermesse and Brandtalks

Another well-attended program was the Karrieremesse or Job Fair, with "Opportunities in Germany" being the theme for the first day, and "Advice for First Time Jobseekers" on the second day. This was attended by students from Academic Partners such as TUP, FEU Manila, UE , and DLS-CSB. Students and fresh graduates alike were advised on their future careers by experienced representatives from both the public and private sectors.

Additionally, interesting brand talks were held by BOSCH Philippines, Boehringer Ingelheim Philippines, and fleuresse® by North-Diamond. From the latest industry innovations to ensuring you are free from CKD, they imparted invaluable knowledge to the trade fair visitors.



Deutsche Bank


Klett





Job Fair


Company Pitch
BDO

Company Pitche
ZAMA

Job Fair Pitch

Company Pitches
HÄFELE


Table Football Tournament and Karaoke Night

In the evening, the much-awaited Table Football Tournament commenced where the audience cheered loudly for their teams. GPCCI Executive Director, Mr. Christopher Zimmer kept the energy high all throughout with his commentary.

The nights hit its peak with the announcement of raffle winners and a dynamic performance by Kosmikskala, who lit up the room with German and English Classic hits. The excitement carried onto the Karaoke Night, where guests eagerly stepped up to the mic.

As the two-day trade fair concluded, the joy of celebrating German-Philippine ties was felt throughout. Many discovered the wonders of German innovation, connected with new business and career opportunities, savored flavorful German dishes, and ended the evenings on a musical, high-spirited note. We look forward to meeting you again at Mabuhay Germany 2027!

Mabuhay Germany™ 2025 is organized by the German-Philippine Chamber of Commerce and Industry (GPCCI), supported by the German Embassy in Manila. The event is also sponsored by the following:

- Star Pavilion Sponsor – Bosch Philippines
- Sun Sponsors (Premium Sponsors) - Boehringer Ingelheim Philippines, North Diamond & Fleuresse
- Job Fair Partners – B. Braun Medical Supplies, Deutsche Bank, ProRecognition Philippines, ZAMA Philippines

Mabuhay Germany™ 2025 is engaged by various exhibitors as follows:

- Premium Exhibitors - BAUER Foundations Philippines Inc., BDO Unibank Inc., TÜV Rheinland Philippines Inc.
- Exhibitors - AllianzPNB Life Insurance Inc., Birkenstock Philippines, CloudConsole Inc., De La Salle College of Saint Benilde – School of Diplomacy and Governance, FLS Group Philippines Inc., Ernst Klett Sprachen GmbH, Friedrich Ebert Stiftung, Friedrich Naumann Foundation for Freedom (FNF) Philippine Office, GIZ Philippines, Häfele Philippines, Hanns Seidel Foundation, Konrad-Adenauer-Stiftung e.V., Lufthansa Technik Philippines, Maschinen & Technik, Inc. (MATEC), PHIVIDEC Industrial Authority, Rosa Luxemburg Stiftung Manila Representative Office, Schaeffler Philippines, Inc., Society for the Conservation of Philippine Wetlands, Inc., Triple Win Programme (GIZ)
- Hansel und Gretel Haus (Kids' Corner) - German European School Manila (GESM)
- Food Concessionaires – Brau Bass Beers, Brotzeit Phils., Brumms Quality Wines Inc., DALI Everyday Grocery, German Club Inc., King Bugchi, Lucullus Philippines, Virginia Food Inc.
- Exclusive Brunch Supporters: German Club Manila, Brumms Quality Wines, Virginia Food Inc., Lanson Place Mall of Asia, and Makati Diamond Residences
- Raffle Sponsors – Adidas Philippines, All Transport Network, Inc., BASF Philippines, Dr. Shiba Philippines, El Rio y Mar Resort, Grand Hyatt Manila, Häfele Philippines, Härle Philippines, Lamy Philippines, Magkaisa Creative Space Inc., PPI Pazifik Power Inc.
- Special Tournament Prizes - BVB Borussia Dortmund
- Supported By – German Embassy Manila, Goethe Institut Manila
- Our media partners for the event are Art+ Magazine, iMPACT Magazine, and Manila Standard.

Business Outlook

Stability and Opportunity: A German-Philippine Outlook for 2025

Story By: Nathalie Beatriz Hagelstein

The second half of 2025 marks a steady and confident outlook for German companies in the Philippines, with firms reporting stable business conditions and stronger growth expectations than their counterparts in Germany and across Asia-Pacific. Steady projections, positive assessments of current performance, and comparatively stronger investment and employment intentions position the Philippines as a resilient and promising market in the region.

Across global and Asia-Pacific markets, German companies enter the year with cautious optimism, expecting mostly stable conditions and only moderate improvements. Asia-Pacific firms show broadly positive expectations, while companies in Germany remain more reserved.

Against this backdrop, German businesses in the Philippines stand out for their stronger confidence. A larger share of firms report a good current business situation, outperforming the Asia-Pacific average and Germany. Expectations for the next 12 months are similarly robust, with Philippine-based companies showing greater optimism for business development than their regional and global peers.

Investment and employment plans further highlight this strength.

Firms in the Philippines are more inclined to maintain or expand investments and to grow their workforce, in contrast to more restrained plans in Asia-Pacific and Germany. Together, these trends underscore the Philippines as one of the more stable and opportunity-rich markets for German companies.

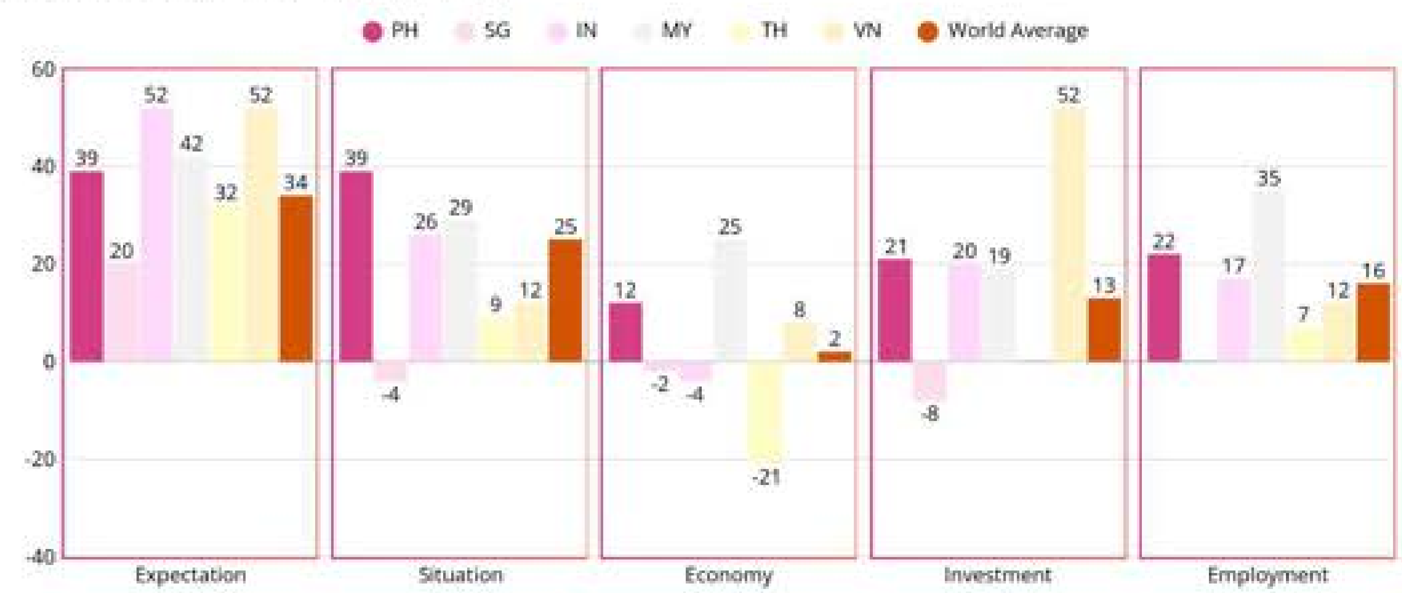
The AHK World Business Outlook, is based on biannual surveys conducted by the global network of German Chambers of Commerce Abroad (AHKs), including GPCCI. The Fall 2025 edition reflects the views of over 3,500 German affiliated companies worldwide, including 51 operating in the Philippines, offering a vital overview of business sentiment, strategic priorities, and risk perceptions across diverse markets. GPCCI continues to play a key role in capturing and interpreting these trends, supporting firms in navigating both opportunities and uncertainties in the evolving global economy.

Figure 1

Business Trends in ASEAN

AHK WBO Fall Survey 2025

Net Balance of Better - Worse Answers



Business and Economic Trends in the Philippines

The Fall 2025 World Business Outlook positions the Philippines as one of ASEAN's more resilient and steadily performing markets. German companies in the country generally express confidence that business conditions, the broader economy, investment levels, and employment will remain stable in the coming year. This stability stands out in a regional landscape where many firms remain cautious due to global and regional uncertainties.

In terms of overall expectations, the Philippines lands in the middle tier of ASEAN economies with a net business expectation of +39, remaining on firm footing. Indonesia and Vietnam continue to lead the region, yet the Philippines holds a solid, dependable position.

When it comes to current business conditions, the Philippines maintains a clearly resilient stance. It performs notably better than markets where sentiment has softened, such as Thailand and Singapore, which are showing more subdued or negative assessments. This contrast underscores the Philippines' relative strength and its ability to sustain steady business momentum even as some regional peers face headwinds.

A similar pattern appears in investment outlook and hiring intentions. The Philippines records a steady investment balance of +21, placing it among the stronger performers, second only to Vietnam, while its hiring outlook of +22 also reflects a solid position relative to several regional neighbors. While a few economies show more aggressive growth expectations, the Philippines distinguishes itself through consistency and resilience, qualities that remain valuable in a period marked by economic uncertainty.

German companies in the Philippines continue to outperform global trends, reflecting a more confident and resilient business environment. While global business expectations sit at +34, firms in the Philippines report a stronger outlook of +39, signaling optimism for the year ahead. Current business conditions also remain solid, with the Philippines at +39 versus the global +25, highlighting a comparatively robust operating environment.

Investment and employment plans follow the same pattern, showing that companies are willing to maintain or expand their presence despite broader uncertainty. Regarding local economic expectations, German firms in the Philippines also report the second-highest net balance in ASEAN, trailing only Malaysia, further reinforcing confidence in the country's economic direction. This contrast with more cautious global trends underscores the Philippines' appeal as a stable and dependable market.

Overall, the Philippines stands out as a favorable location for German firms, one where confidence holds steady, the economy shows resilience, and business prospects are brighter than the global average.

In contrast, Germany presents a more subdued picture, with only 15% of companies expecting better business conditions, and sentiment across current business assessments, investment plans, and employment expectations remaining cautious. These comparisons highlight the Philippines as a standout performer in Fall 2025, reaffirming its appeal as a strategic hub for innovation, investment, and long-term growth.

Figure 2
Philippine Result Trends 2020-2025
AHK WBO Surveys 2020-2025
Net Balance of Better - Worse Answers

Examining survey results from Spring 2020 to Fall 2025 reveals a clear pattern of recovery and resilience across key indicators, including business situation, business development, local economic performance, local investment, and employment (See Figure 2).

Indicators began in negative territory in Spring 2020 but steadily improved through 2021, peaking between 2022 and 2023.

Business development and business situation, in particular, reached their highest positive balances during this period, reflecting strong confidence and growth momentum. While a gradual decline is observed across most indicators from 2024 to Fall 2025, overall levels remain well above early pandemic lows. This indicates that German business sentiment in the Philippines continues to be generally positive, underlining a sustained sense of confidence in the local economic environment.

Risks and Economic Policy Uncertainties

The Fall 2025 survey also reveals evolving risk perceptions among German firms in the Philippines. Economic policy and regulatory concerns are now viewed as the most significant challenges, cited by 55% of respondents, highlighting calls for clearer, more predictable frameworks. Legal certainty emerged as the second most frequently cited concern, noted by 37% of firms, emphasizing the need for consistent law enforcement and streamlined bureaucracy to enhance investor confidence. Skills shortages and demand fluctuations were identified by 35% of companies as additional operational risks, reflecting the importance of workforce development in sustaining growth.

Other concerns include tax administration, climate-related disruptions, and political or governance issues. Notably, 55% of companies reported little to no direct impact from recent U.S. trade or tariff policies, suggesting that diversification and regional integration have helped shield local operations from global trade volatility.

Top 3 Risks for Companies in the Philippines in Fall 2025

Globally, companies share comparable concerns, with economic policy (48%) and weak demand (47%) ranking highest, alongside structural risks such as currency volatility, skilled labor shortages, and rising labor costs.

In Germany, the DIHK survey indicates that 58% of firms cite weak domestic demand as a primary risk, 57% point to economic policy conditions, and 56% highlight high labor costs, with bureaucracy and energy prices also notable. Overall, while economic policy and demand remain central risks across regions, German firms in the Philippines are comparatively less affected by global trade volatility and emphasize legal certainty and workforce development as critical local priorities.

Looking Ahead: Forward-Looking Confidence in the Philippine Market

The Fall 2025 survey results point to a resilient and forward-looking business environment for German companies in the Philippines. Despite a more cautious global and regional context, firms operating in the country report stronger confidence, higher investment intentions, and robust employment plans. This suggests that the Philippines continues to offer a stable platform for growth, innovation, and market expansion, even as uncertainties persist elsewhere.

The strong business sentiment reflects several underlying factors in the Philippines. Steady economic growth, ongoing infrastructure development, and a growing consumer market support business expansion. German companies' willingness to maintain or increase investments and hiring indicates confidence in both the long-term potential of the local economy and the country's ability to navigate policy and regulatory challenges.

While risks persist, particularly regarding economic policy, legal certainty, and workforce availability, German firms in the Philippines will need to engage proactively with regulators, strengthen compliance frameworks, and invest in workforce development.

By leveraging their local experience and regional networks, companies can address these challenges effectively while continuing to capitalize on growth opportunities in the market.

Looking ahead, the Philippines is likely to remain an attractive hub for German businesses seeking a balance of stability and growth in Asia. Sustained optimism in business performance and development, combined with comparatively strong investment and employment intentions, underscores the country's strategic value within the region. Firms that actively engage with local economic opportunities, workforce development initiatives, and regulatory frameworks are poised to capitalize on these trends. Overall, the outlook suggests that German companies in the Philippines will continue to play a key role in driving innovation, investment, and market expansion in Southeast Asia, even as global business conditions remain cautious.

Washington Community's Reaction to President Trump's Policies on US Tariffs

Story By: Stephanie Harwood, Policy Manager at Representative of German Industry and Trade (RGIT)

Transatlantic trade relations have long been a cornerstone of economic ties between the United States and Germany, fostering investment, innovation, and job creation. For Germany, the United States remains the most important trading partner outside the European Union and its largest export market, accounting for about 10 percent of total exports. Conversely, Germany ranked as the fourth most important U.S. trading partner and the seventh largest U.S. export market in 2024.

US President Donald Trump delivers remarks on tariffs at the White House in Washington DC. Photo: Reuters

However, recent shifts in U.S. trade policy under President Donald Trump's second term have introduced new strains and uncertainty into this traditionally stable partnership. While tariffs featured prominently in his first term, Trump has since expanded their use as a broad policy instrument—employing them not only for economic objectives such as reindustrialization and reshoring production, but also to pursue political goals.

As companies navigate a tangle of trade measures serving varied political aims, tariffs have created rising costs, operational complexity, and—above all—heightened uncertainty over rates, product coverage, and newly affected stakeholders. According to the fall 2025 AHK World Business Outlook, 77% of German companies in the US report strong negative or negative effects from the current administration's trade policy. Tariff uncertainty was ranked as the most significant burden in response to an August 2025 survey conducted by the German Chamber of Commerce and Industry (DIHK). Goods from the European Union have already been subject to three different "reciprocal tariff rates" since Trump introduced them on "Liberation Day," April 2, 2025.

The 15% reciprocal tariff rate established under the U.S.-EU trade deal appears to offer some stability, yet the agreement still awaits approval by the European Parliament. In practice, its impact is overshadowed by sweeping sectoral tariffs applied under Section 232 on national security grounds. Tariffs on steel, aluminum, copper, lumber, autos, trucks, and parts are already in effect, with nearly a dozen additional investigations underway that could extend duties to new industries.

Companies face further uncertainty as the administration has launched—or promises to launch—inclusion processes for these sectoral tariffs. Following the first such process for steel and aluminum derivatives, more than 400 products were added to the derivatives list. According to the VDMA, the German Mechanical Engineering Industry Association, 40% of German machinery exports to the U.S. are now affected by the 50% tariff, and a second inclusion round could bring that share to 56%.

In June, the Department of Commerce introduced a tariff offset program allowing domestic automakers to earn credits against future tariffs for vehicles undergoing final assembly in the United States. Although the program's expiration was extended from April 2027 to 2030—perhaps reflecting recognition of the industry's reliance on imported components, other sectors have not received comparable consideration. Many companies therefore remain subject to ongoing inclusion processes with little prospect of tariff relief.

German companies can invest in U.S. expansion—or pay tariffs—but not both. According to economic developers and state legislators, many foreign companies are now delaying or scaling back projects, including those that would create American jobs, due to trade policy uncertainty. Early-stage investment plans are particularly affected, and firms considering entry into the U.S. market are questioning whether exporting modern machinery for U.S. production remains viable or whether manufacturing abroad and exporting finished products is the more practical path.

Germany remains the third-largest foreign investor in the United States, and establishing local production facilities ("local for local") continues to attract strong interest among German firms. Yet companies depend on predictable conditions when setting prices and planning long-term investments.

Volatile tariff policies erode competitiveness, raise costs, and increase administrative burdens. Rapidly relocating supply chains to the U.S. is unrealistic for many manufacturers, and the resulting uncertainty dampens investment.

Long-term U.S.-Germany economic ties are underpinned by mutual interdependence and shared strategic interests. However, ongoing tariffs, complex inclusion processes, and policy uncertainty continue to challenge German businesses operating in the United States. Greater stability and clarity in trade policy are essential to sustain growth and strengthen the transatlantic economic partnership that has long benefited both economies.

Stephanie Harwood

Policy Manager for Trade Policy,
Representative of German Industry and Trade (RGIT)

Her professional background combines project and program management in the German-American nonprofit and corporate sectors while her international upbringing gave her a strong awareness and appreciation for both cultures. Stephanie previously worked for the German grocery chain Lidl US, supporting their US expansion in a number of roles including their real estate, procurement and legal departments. She received her master's degree in European Studies from the University of Bath, England and Humboldt University in Berlin and completed her bachelor's degree in international relations at the University of Denver, Colorado.

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