



KEYNOTE SPEECH

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PHILIPPINE ECONOMIC BRIEFING IN NEW YORK, U.S.A.
SEPTEMBER 22, 2022

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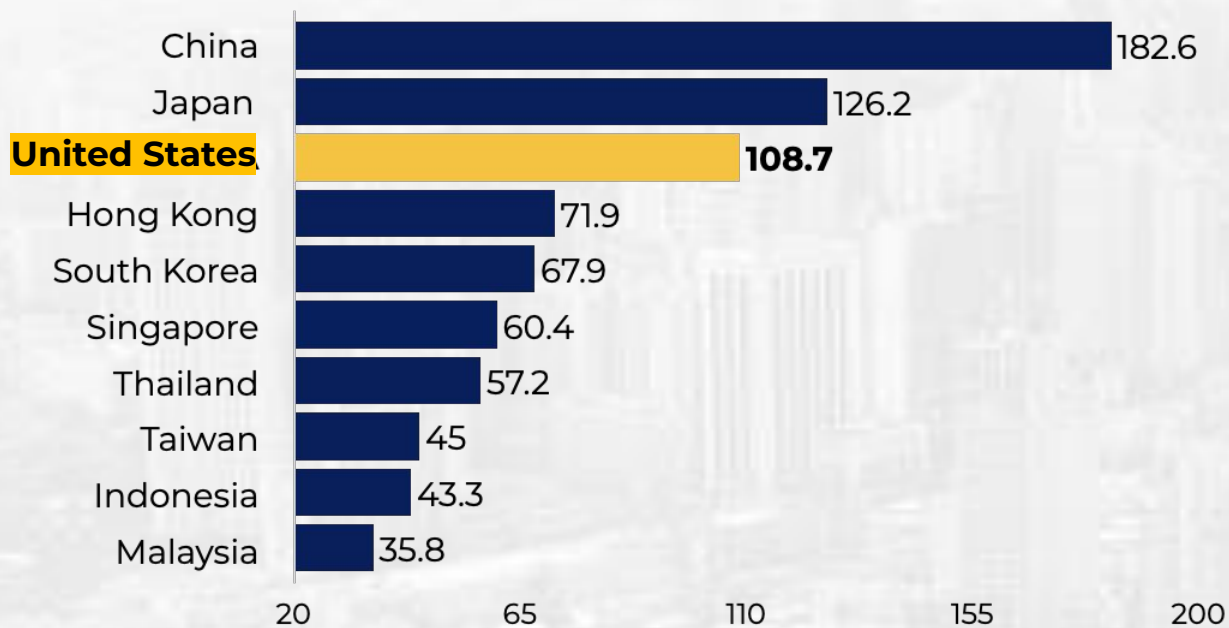
A prospectus of the Republic, dated November 20, 2020, is available from the U.S. Securities and Exchange Commission’s website at <https://www.sec.gov/Archives/edgar/data/1030717/000119312520299291/d20775dsba.htm>

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The US is a top trading partner and major source of foreign direct investments for the Philippines

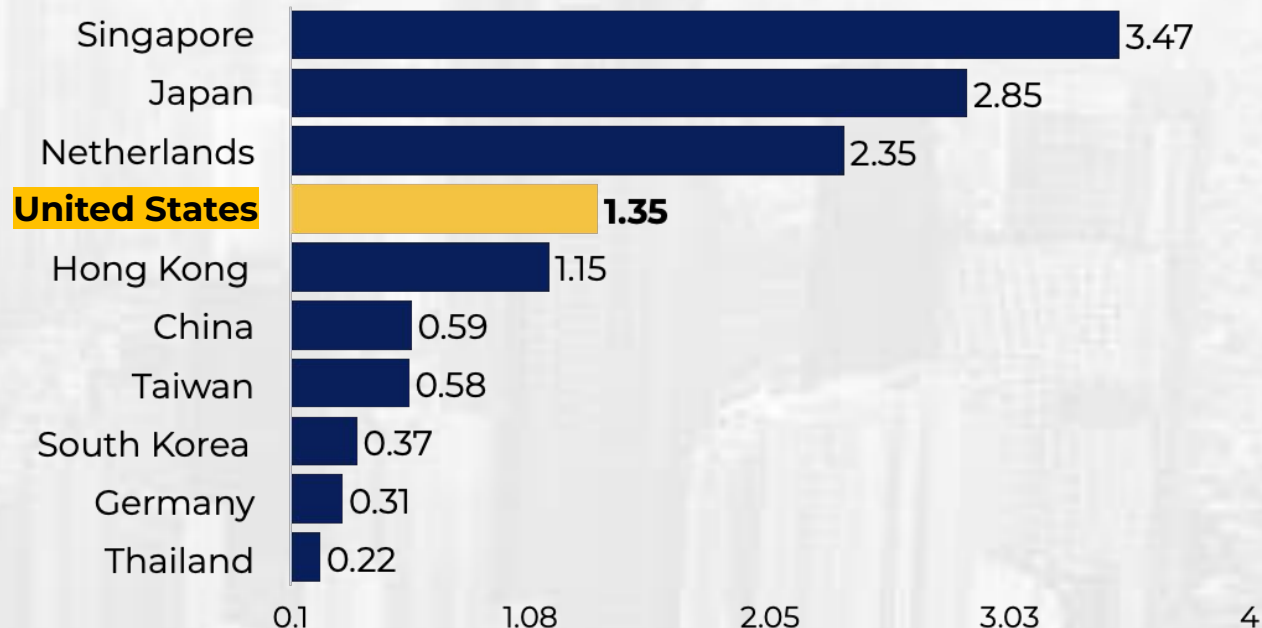
The Philippines' Top Trading Partners

(Total Trade from 2016-2021, in USD billions)



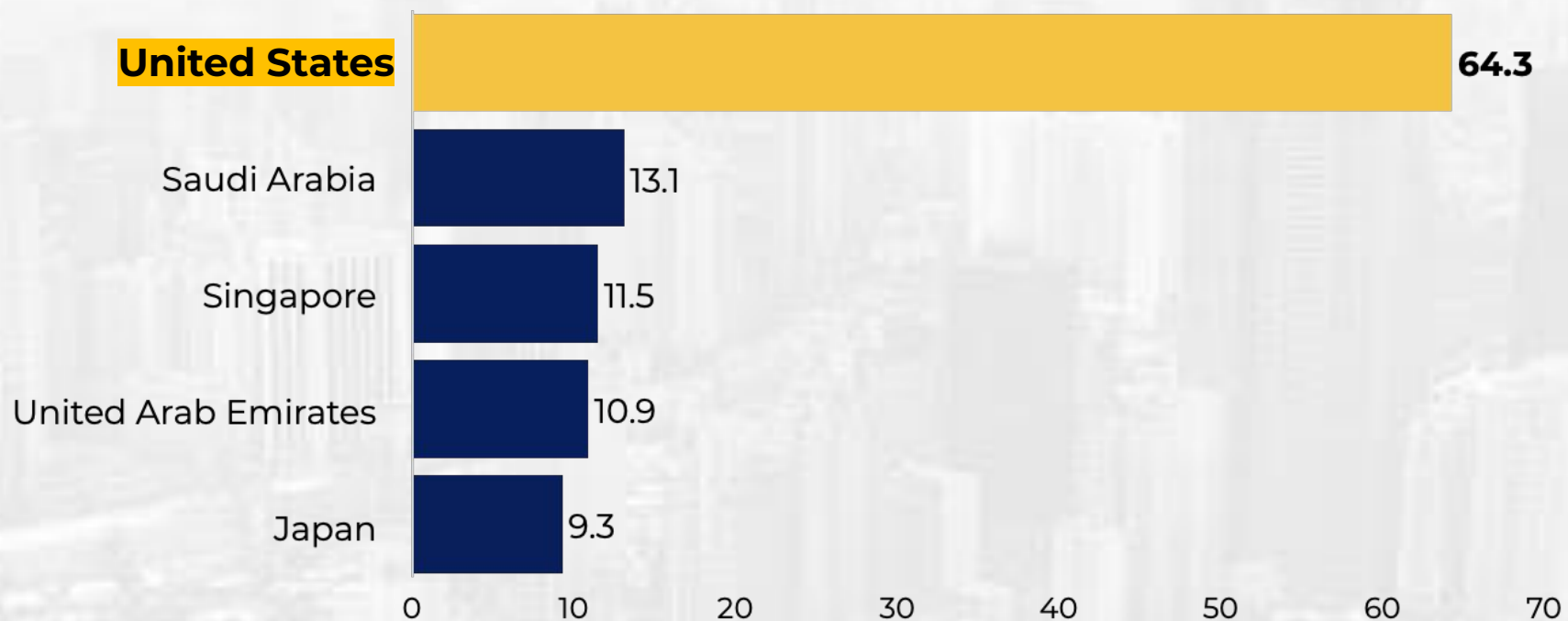
The Philippines' Top Sources of FDIs

(Total FDIs from 2016-2021, in USD billions)



The US is the Philippines' biggest source of overseas Filipino remittances

The Philippines' Top Sources of OF Remittances
(Total Cash Remittances from 2016-2021, in USD billions)

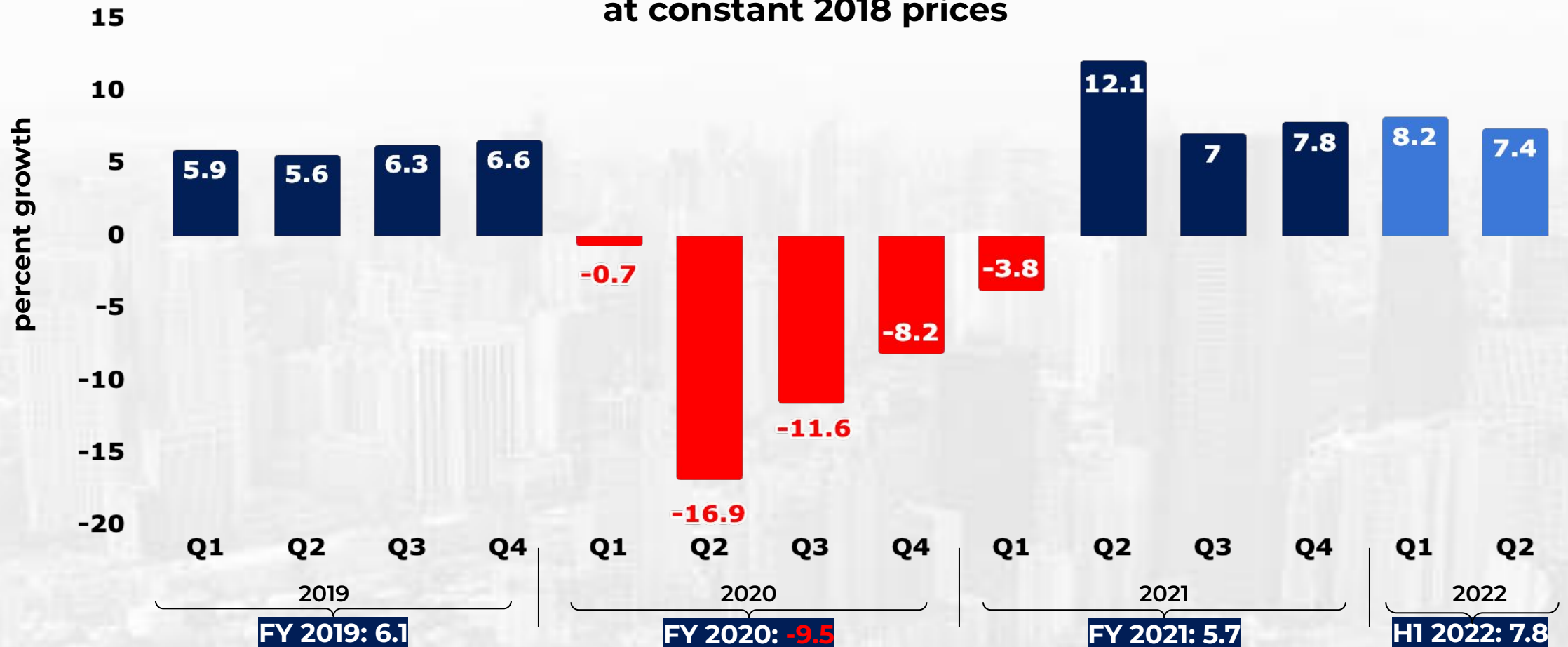




**We believe that
this is the best time to
invest in the Philippines**

Q2 2022 GDP growth shows that we are on a steady path to a strong rebound and expansion

Philippines' Real GDP growth rate (year-on-year),
at constant 2018 prices



Data Source: PSA and BSP; H1 2022 growth rate is preliminary

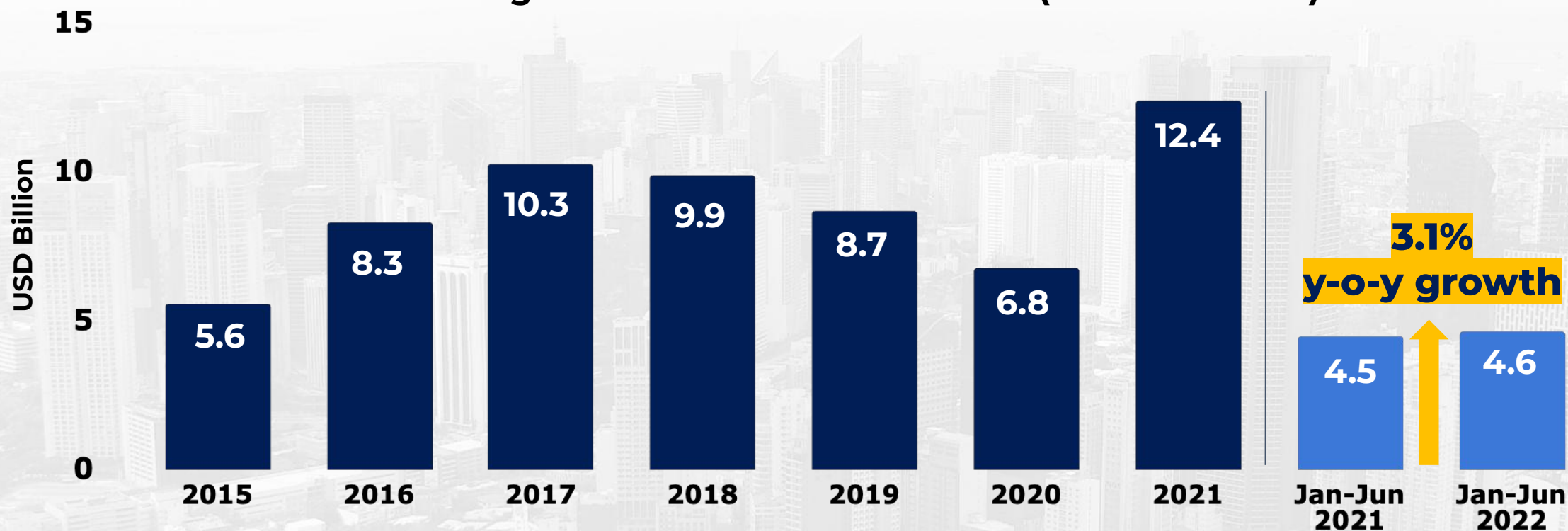
The Philippine economic expansion in the second quarter of the year was broad-based



Data Source: PSA
Based on preliminary data

Investment inflows reflect confidence in the Philippines' business environment

Net Foreign Direct Investment Inflows (In USD billions)



Data Source: BSP

*Jan-Jun 2022 FDI data is preliminary

The Philippines' growth outlook is supported by the full reopening of the economy and key structural reforms

Corporate Recovery and Tax Incentives for Enterprises Act



Amendments to the Foreign Investments Act



Amendments to the Retail Trade Liberalization Act



Amendments to the Public Service Act



The Philippines remains vigilant of ongoing risks

Key challenges ahead:



Rising inflation
largely due to
increase of world
oil prices and other
key commodities



Lingering effects of
the pandemic



Unpredictable
global political
economy

Marcos administration's 8-point socioeconomic agenda in the near- and medium-term

ROBUST ECONOMY, INCLUSIVE AND RESILIENT SOCIETY

PROTECT THE PURCHASING POWER OF FAMILIES



Ensure Food Security



Reduce Transport and Logistic Cost



Reduce Energy Cost

REDUCE VULNERABILITY AND MITIGATE SCARRING FROM THE COVID-19 PANDEMIC



Tackle Health



Strengthen Social Protection



Address Learning Losses

ENSURE SOUND MACROECONOMIC FUNDAMENTALS



Improve Bureaucratic Efficiency



Ensure Sound Fiscal Management

CREATE MORE JOBS, QUALITY JOBS, GREEN JOBS



Promote Investments



Expand Digital Infrastructure



Improve Infrastructure



Encourage R&D and Innovation



Ensure Energy Security



Pursue a Green and Blue Economy



Increase Employability



Establish Livable and Sustainable Communities

NEAR-TERM AGENDA

MEDIUM-TERM AGENDA

Objectives of the 8-point socioeconomic agenda

Cut poverty incidence to 9 percent by 2028



Attain upper middle-income country status by 2024



The Medium-Term Fiscal Framework serves as our blueprint to:



**Reduce the
fiscal deficit**



**Promote fiscal
sustainability**



**Enable robust
economic
growth**

The Medium-Term Fiscal Framework proposes measures that aim to enhance the **fairness** and **efficiency** of our tax system

1. Promote efficient tax administration through digitalization



2. Put in place measures that will help our tax system catch up in the digital economy



3. Introduce tax measures that will promote environmental sustainability to address climate change



4. Pursue the remaining tax reform packages of the Duterte administration



The Medium-Term Fiscal Framework aims to promote **sustainable long-term growth** and **sound fiscal management**



Bring down our
debt-to-GDP ratio
to less than 60
percent by 2025,
and 51.2 percent
by 2028



Reduce fiscal
deficit GDP to
3.0 percent of
GDP by 2028



Maintain high
investment in
infrastructure at
5 to 6 percent of
GDP annually



**We anticipate significant benefits
from our **key structural reforms.****

The Marcos administration is faithfully implementing the Corporate Recovery and Tax Incentives for Enterprises Act

Largest fiscal stimulus program for enterprises in the country's history



Provides nearly USD 2 billion worth of tax relief annually to the corporate sector

Provides hefty corporate income tax rate cuts



Provides 10-ppt cut in the corporate income tax rate of domestic MSMEs (from 30 percent to 20 percent), and 5-ppt reduction (from 30 percent to 25 percent) for other corporations

Provides more flexibility in the grant of fiscal and non-fiscal incentives



Provides an enhanced incentives package that is performance-based, time-bound, targeted, and transparent

Our new economic liberalization laws widen the space for international firms to invest in previously protected sectors



Amendments to the Retail Trade Liberalization Act

- Lowered the minimum paid-up capital requirement for foreign corporations from USD 2.5 million to USD 500,000.
- Simplified the qualification requirements of foreign retailers.



Amendments to the Foreign Investment Act

- Mandated a review of the Foreign Investment Negative List every two years.
- Liberalized the practice of professions.
- Enhanced transparency in monitoring foreign investments.



Amendments to the Public Service Act

- Opened up public services to 100 percent foreign ownership, and retain public utilities as majority Filipino-owned, subject to the 60-40 ownership rule.

An aerial photograph of a city skyline, likely Manila, Philippines, with a blue overlay. The image features a central highway and numerous high-rise buildings. Four decorative geometric shapes are scattered across the scene: a red circle in the upper center, a yellow triangle in the upper right, a yellow diamond in the lower left, and a red circle in the lower right. The text is centered over the image.

**The Philippines is primed
for a bright economic future**



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