



Republic of the Philippines

***Economy on the Mend; Favorable Prospects
for a Strong and Inclusive Recovery***

6 September 2021

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Key Highlights

1

Socio-Economic Response Framework Against Covid-19

- Rapid, comprehensive and fiscally responsible response to COVID -19
- Swift enactment of key legislations supports pandemic response
- Vaccine rollout to support full economic recovery

2

Sound Credit Profile

- Ratings affirmation and upgrade a vote of confidence on the economy's resilience and recovery
- Strong credit profile going into the pandemic

3

Long Track Record of Strong Macroeconomic Performance

- 21 years of uninterrupted growth prior to the pandemic
- Economic recovery gains more traction due to recalibrated approach to managing risks
- Manageable inflation outlook to help mitigate downside risks to growth and boost market confidence
- Improved business environment to help boost investments post pandemic

4

Demonstrated External Resiliency

- Manageable balance of payments position
- Structural current account inflows support the balance of payments
- Adequate buffers against external headwinds
- Opportunities for regional trade and investment to support external resilience

Key Highlights

5

Stable Financial System

- Banking system remains stable and resilient to the crisis
- Relief measures implemented by the BSP helps mitigate the impact of COVID-19 crisis

6

Sound Government Finances

- Long history of prudent fiscal management created fiscal buffers going into the pandemic
- Adequate fiscal space to fund emergency initiatives and support economic recovery
- 2021 and 2022 budget to support sustainable economic recovery
- Sustainable debt profile supported by diversified sources of financing
- Strong bias for domestic sources of financing to minimize FX risks

7

Infrastructure Development for Economic Recovery and Long-Term Growth

- Launched Build, Build, Build Program to improve mobility of goods and people and create jobs
- Timely implementation of infrastructure flagship projects to fuel economic recovery
- Closing infrastructure gap to ensure long-term sustainable and inclusive growth

8

Firm Institutional Foundations Through Structural Reforms

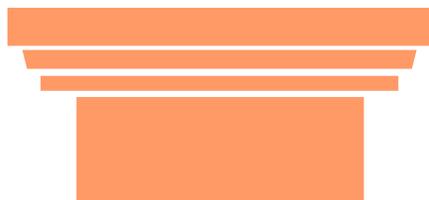
- Strong political will to implement difficult reforms
- Long track record of purposeful and policy reforms
- Results of entrenched reforms recognized by third party assessors

Socio-Economic Response Framework Against Covid-19

Rapid, Comprehensive and Fiscally Responsible Response to COVID -19

Four-Pillar Socioeconomic Strategy against COVID-19, amounting to PHP2.8tn (US\$55.7bn) or 15.4% of GDP*

Pillar 1
Emergency support for vulnerable groups and individuals



Emergency support for poor and low-income households, small business employees, and other vulnerable groups through various assistance programs and wage subsidies

Pillar 2
Marshalling resources to fight COVID-19



Expanded medical resources to fight COVID-19 and ensure the safety of frontliners (health insurance coverage for all COVID-19 patients; special risk allowance, hazard pay, and personal protective equipment (PPE) for frontline health workers; increased testing capacity; etc.)

Pillar 3
Monetary actions and other financing support



Pillar 3A
Monetary actions to keep the economy afloat and other financing support for emergency response and recovery initiatives

Pillar 3B
Financing support for emergency response and recovery initiatives

Pillar 4
Economic recovery plan to create jobs and sustain growth



An economic recovery program to create jobs and sustain growth, including Bayanihan 2

Note: * DOF staff estimates

Source: Department of Finance – Pre-SONA Economic Development and Infrastructure Clusters Forum 26 April 2021

Rapid, Comprehensive and Fiscally Responsible Response to COVID -19

Congress swiftly passed fiscally responsible measures that the government can implement within its means

BAYANIHAN 1 Act

Enacted on 24 March 2020,
expired on 24 June 2020

PHP386.1 bn (US\$7.6 bn)
Total Allotment Releases

- To better respond to the COVID-19 crisis, Congress initially, through **Republic Act (RA) No. 11469 also known as the “Bayanihan to Heal as One Act” or Bayanihan 1**, granted the President the power to adopt emergency measures and to reallocate and realign from regular appropriations and savings on other items in the 2020 National Budget.

BAYANIHAN 2 Act

Enacted on 11 September 2020,
expired on 30 June 2021

PHP140.0 bn (US\$2.7 bn)
*Regular Appropriation plus standby fund worth
PHP25.5 bn
(US\$501.0 mn)*

- The special powers of the President granted under Bayanihan 1 was extended through **RA No. 11494 also known as the “Bayanihan to Recover as One Act” or Bayanihan 2**
- Meanwhile, RA No. 11519 signed on 29 December 2020 extended the availability of funds appropriated through the Bayanihan 2 until 30 June 2021.
- Provisions were allocated to vulnerable sectors and households, health related programs, businesses, public transport and tourism, and education

Rapid, Comprehensive and Fiscally Responsible Response to COVID -19

Congress swiftly passed fiscally responsible measures that the government can implement within its means

CREATE ACT

Enacted in March 2021

Corporate Recovery and Tax Incentives for Enterprises Act*

- **Republic Act No. 11534 accelerated the reduction in corporate income tax rate to ease the impact of the pandemic.**
- Lowers CIT rate from 30% to 20% for MSMEs and 25% for large corporations
- Immediate reduction in CIT rate is effective starting in July 2020 for domestic and foreign corporations, and January 2021 for foreign nonresident corporations
- Also provides for performance-based, targeted and timebound tax incentives for new investment and firms replacing a decentralized system of tax incentive provision by individual ministries and agencies

FIST Act

Enacted on 16 February 2021

Financial Institutions Strategic Transfer Act

- **Republic Act No. 11523** strengthens the financial sector by allowing banks and financial institutions to efficiently dispose of their non-performing assets (NPAs) and non-performing loans (NPLs) to asset management firms, known as FIST corporations (FISTC), thereby enabling banks to extend credit to more sectors
- FIST law can possibly free up PHP1.19tn worth of loans from the sale by banks of their NPAs
- Expected to improve banking system's NPL ratio of the banking system by 0.6 to 5.8 percentage points for 2021 to 2025

* Please see slide 62 for more details on CREATE Law

Rapid, Comprehensive and Fiscally Responsible Response to COVID -19

Congress swiftly passed fiscally responsible measures that the government can implement within its means

	Bayanihan 1*	Bayanihan 2	Regular Funds	Total
Allotment Releases	394.39	214.12	70.76	679.27
Obligations (in PHP bn)	374.09	200.25	26.33	600.67
<i>Obligation Rate (%)</i>	<i>94.85</i>	<i>93.52</i>	<i>37.20</i>	<i>88.43</i>
Disbursements (in PHP bn)	362.26	178.86	9.41	550.53
<i>Disbursement Rate (%)</i>	<i>96.84</i>	<i>89.32</i>	<i>35.73</i>	<i>91.65</i>

- As of 30 June 2021, released allotments from Bayanihan 1 and Bayanihan 2 funds, including Regular funds amounted to PHP679.27bn** or around US\$14.08bn***.

* Includes allotment upon the expiration of Bayanihan 1

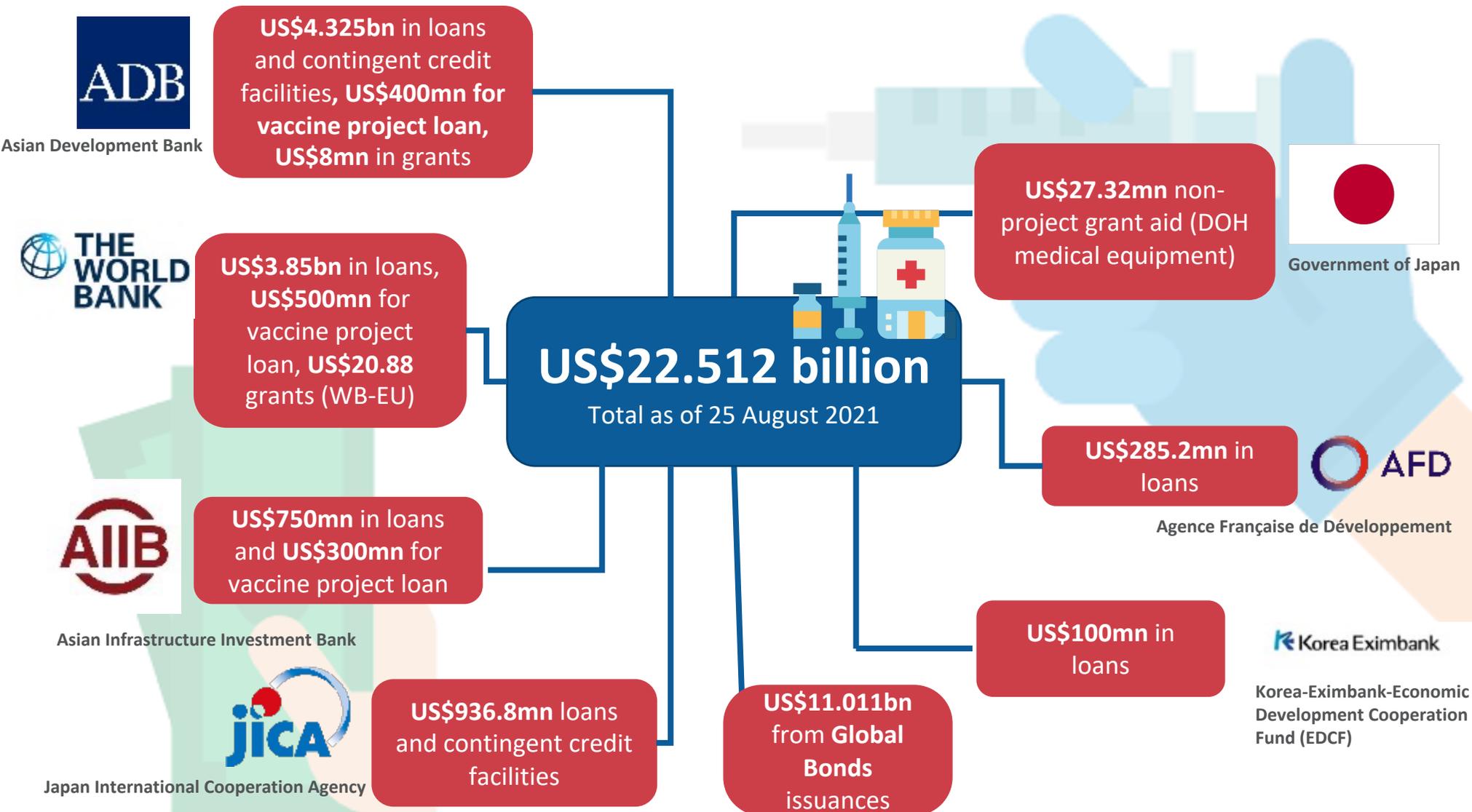
**Figures may not add up due to rounding

***Forex used is PHP/US\$ = 48.23 (Average from 1 Jan –30 June 2021)

Note: Under Bayanihan 2, the government was authorized to realign and generate savings for COVID-19 response measures

Rapid, Comprehensive and Fiscally Responsible Response to COVID -19

Financing secured from development partners and commercial markets to support COVID-19 response efforts



Vaccine Rollout to Support Full Economic Recovery

Government's Target

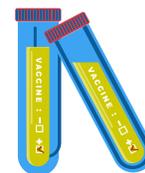
- With the emergence of more contagious and fatal strains and amid shortage in global supply of vaccines, the Department of Health aims to achieve herd immunity (at least 70% of the eligible population) with intermediate milestone of achieving population protection (up to 70 million people) in appropriate geographic areas by end-2021.
- Inoculation is being accelerated in National Capital Region (NCR), Bulacan, Rizal, Cavite, Laguna, Batangas, Pampanga, Metro Cebu, and Metro Davao, and 10 other cities considered as hotspots.

Steady Supply of Covid-19 Vaccines

2021 Vaccine Deliveries

Total vaccine secured for the Philippines:

192.6mn doses

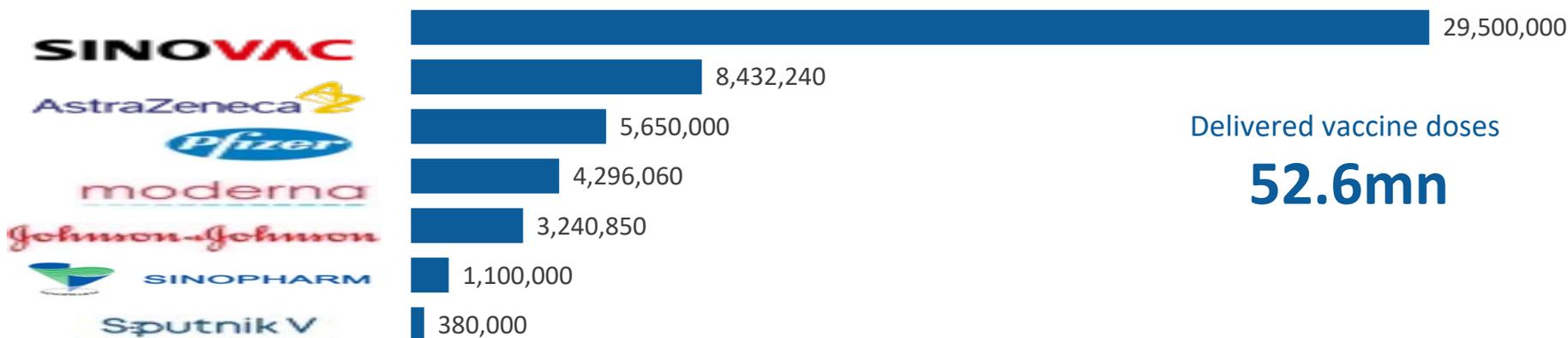


Total vaccine doses to arrive in Sep-Dec 2021:

140mn doses



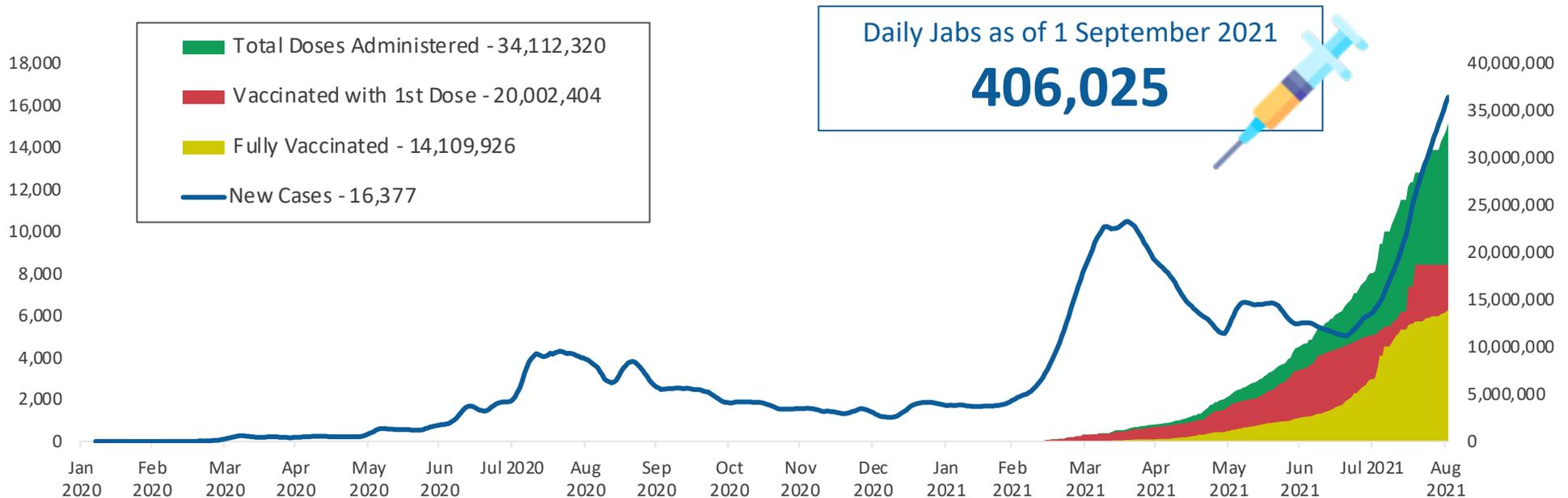
Vaccine Portfolio Approach: Delivered Vaccine Doses (as of 2 September 2021)



Vaccine Rollout Proceeding at Pace

Philippines' COVID Cases and Vaccinations

as of 1 September 2021



130 days **Population protection (at least 40% of the eligible population)** can be reached in 130 days once inoculation sustains 500k jabs per day – DOH Secretary

710,482 **Highest number of jabs in a day** was achieved on 5 August 2021

500K **Target jabs daily**

50% **OCTA Research Group Forecast**
In July 2021, OCTA experts estimated that the Philippines could achieve population protection (40-50% of the eligible population) by September or October 2021.

40% **WHO Forecast**
In July 2021, the WHO forecasted that the Philippines may exceed the 40% threshold before end-2021

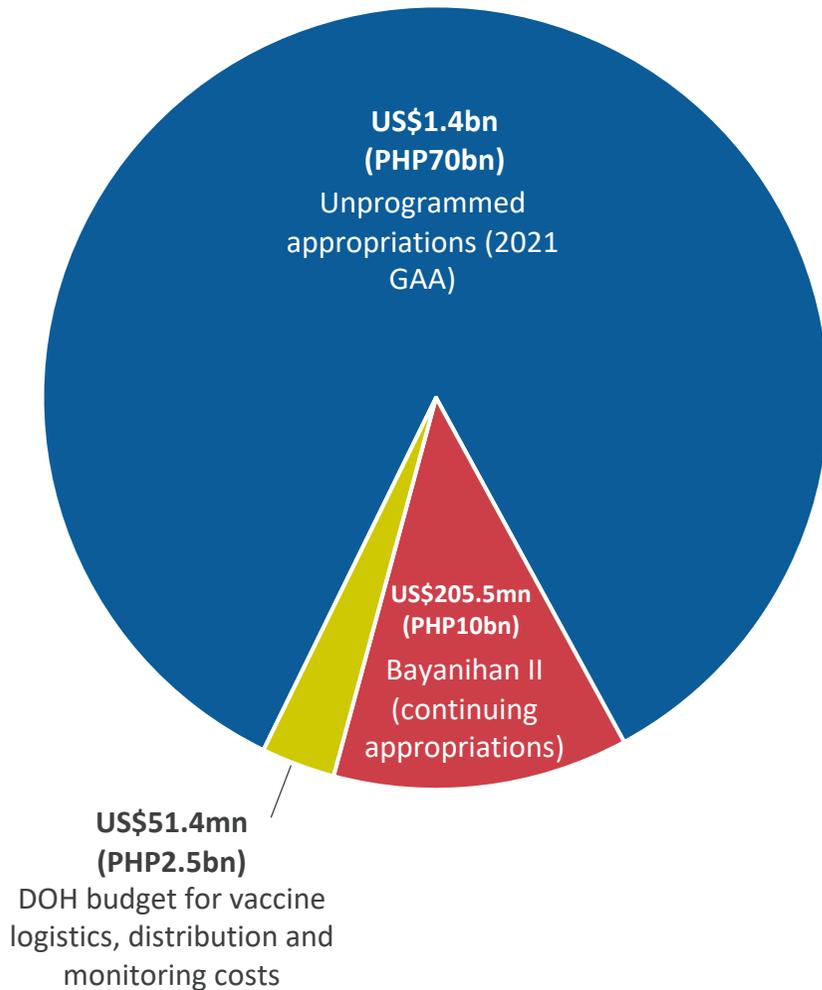
18% **Fully Vaccinated**
As of 1 September 2021

Vaccine Rollout to Support Full Economic Recovery

Financing the Vaccination Program

PHP82.5bn earmarked for 2021 vaccination program

Loans secured from Multilateral Institutions for vaccine procurement




World Bank

The Philippines' COVID-19 Emergency Response Project— Additional Financing (PCERP-AF)

US\$500mn (PHP24.3bn)



Asian Development Bank

Second Health System Enhancement to Address and Limit COVID-19 (HEAL 2) under the Asia Pacific Vaccine Facility

US\$400mn (PHP19.5bn)



Asian Infrastructure Investment Bank

HEAL 2 loan

US\$300mn (PHP14.6bn)

Source: DOF
 US\$1:PHP48.67 based on forex conversion used in DOF press release

Sound Credit Profile

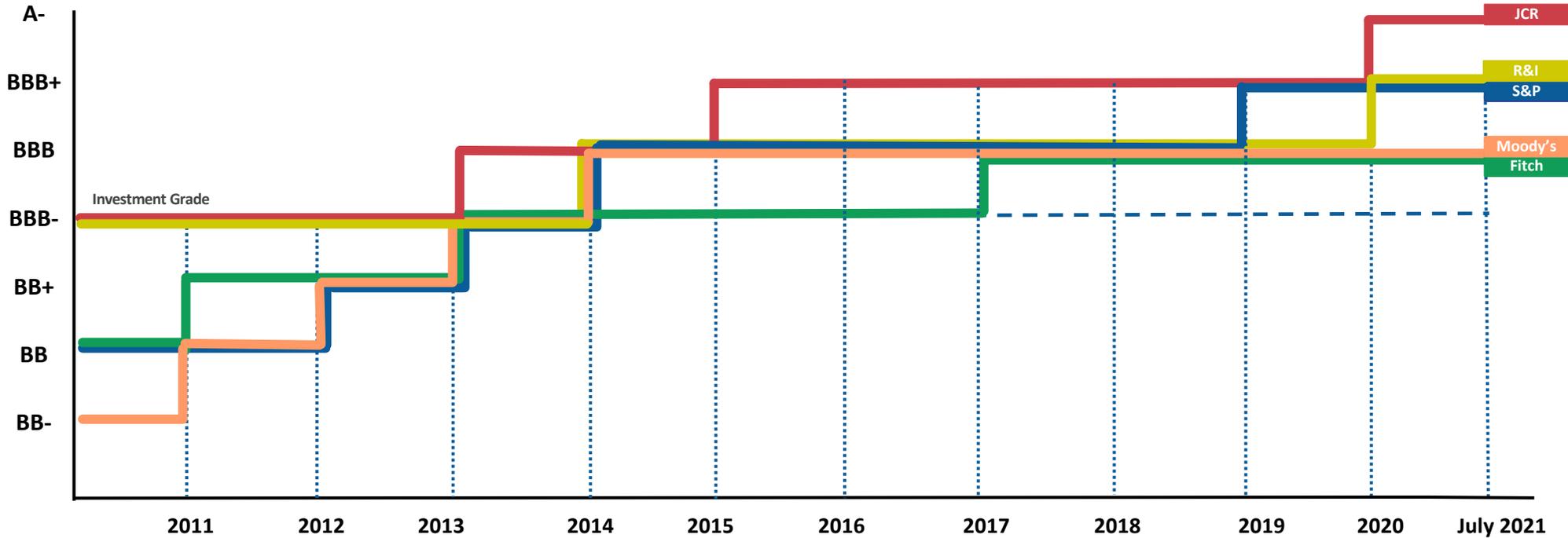


Recent Ratings Affirmations and Upgrades: A Vote of Confidence on the Philippine Economy

The potential impact of COVID 19 and the government's policy responses are key considerations of credit rating agencies

JCR	Affirmed at A-/Stable – Sep 2021
R&I	Affirmed at BBB+/Stable – Apr 2021
S&P	Affirmed at BBB+/Stable – May 2021
Fitch	Affirmed at BBB/ revised outlook to Negative – Jul 2021
Moody's	Affirmed at Baa2/Stable – Jul 2020

The Philippines' Rating History



Strong Credit Profile Going into the Pandemic

Metric	2016	2017	2018	2019	2020	2021
Credit Rating						
▪ Moody's	Baa2/stable	Baa2/stable	Baa2/stable	Baa2/stable	Baa2/stable	Baa2/stable
▪ S&P	BBB/stable	BBB/stable	BBB/positive	BBB+/stable	BBB+/stable	BBB+/stable
▪ Fitch	BBB-/positive	BBB/stable	BBB/stable	BBB/stable	BBB/stable	BBB/negative
▪ R&I	BBB/stable	BBB/stable	BBB/stable	BBB/stable	BBB+/stable	BBB+/stable
▪ JCR	BBB+/stable	BBB+/stable	BBB+/stable	BBB+/positive	A-/stable	A-/stable
Real GDP Growth Rate (%), 2018 prices	7.1	6.9	6.3	6.1 ^{r/}	-9.6 ^{r/}	3.7 (H1)
GDP Per Capita (US\$), current prices	3,108	3,153	3,280	3,512	3,323 ^{r/}	3,549 (annualized*)
GNI Per Capita (US\$), current prices	3,453	3,501	3,629	3,864 ^{r/}	3,579 ^{r/}	3,599 (annualized*)
Inflation Rate (2012 = 100) (%)	1.3	2.9	5.2	2.5	2.6	4.4 (Jan-Jul)
Fiscal Balance/GDP (%)	-2.3	-2.1	-3.1	-3.4	-7.6	-7.9 (Jan-Jun)
Tax Revenue/ GDP (%)	13.1	13.6	14.0	14.5	14.0	16.4 (Jan-Jun)
National Government Interest Payments/ Revenues (%)	13.9	12.6	12.3	11.5	13.3	15.3 (Jan-Jul)
General Government Debt/GDP (%)	33.2	34.9	34.4	34.1	48.1	NA
Gross International Reserves (US\$ bn)	80.7	81.6	79.2	87.8	110.1	107.2 (end-Jul)
Import Cover (months) ^{1/}	8.8	7.8	6.9	7.6	12.6	12.2
Overseas Filipinos' Cash Remittances (US\$ bn)	26.9	28.1	28.9	30.1	29.9 ^{p/}	15.0 (Jan-Jun)
Foreign Direct Investments (US\$ bn)	8.3	10.3	9.9	8.7 ^{r/}	6.5 ^{p/}	3.5 (Jan-May)
Current Account/GDP (%)	-0.4	-0.7	-2.6	-0.8	3.6 ^{p/}	-0.7 (Jan-Mar)
External Debt/GDP (%)	23.5	22.3	22.8	22.2	27.2 ^{p/}	26.6 (End-Mar)

^{1/} Number of months of average imports of goods and payment of services and primary income that can be financed by reserves. Starting 2005, data are based on IMF's Balance of Payments and International Investment Position Manual, 6th Edition concept.

NA Not Available

r/ revised

p/ preliminary

*annualized GDP, using Q2 2020-Q1 2021

Note: Fiscal data uses rebased GDP data at 2018 prices

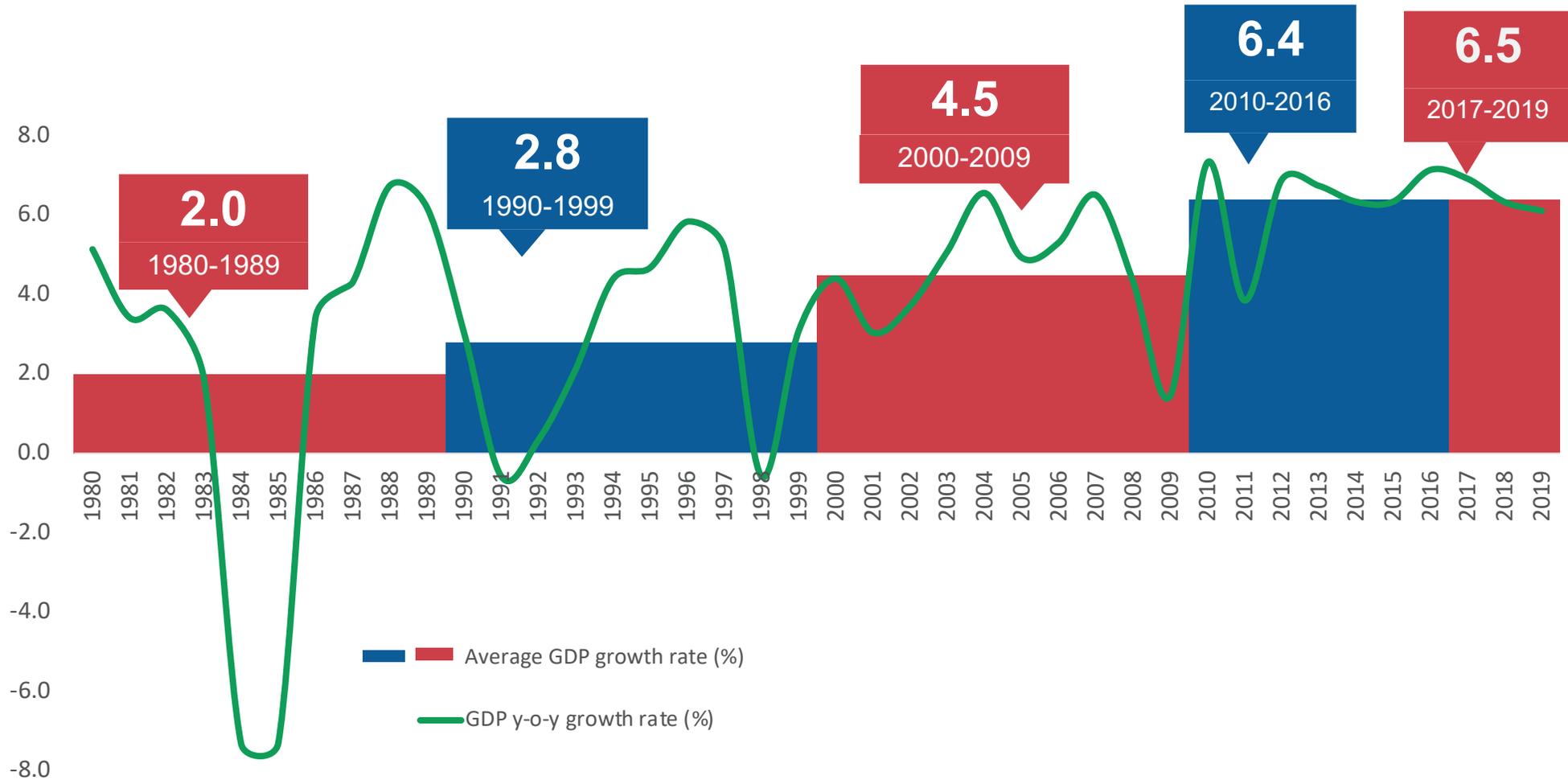
Long Track Record Of Strong Macroeconomic Performance



21 Years of Uninterrupted Growth Prior to the Pandemic

Long history of structural reforms boosted economic growth

Real GDP growth (%)



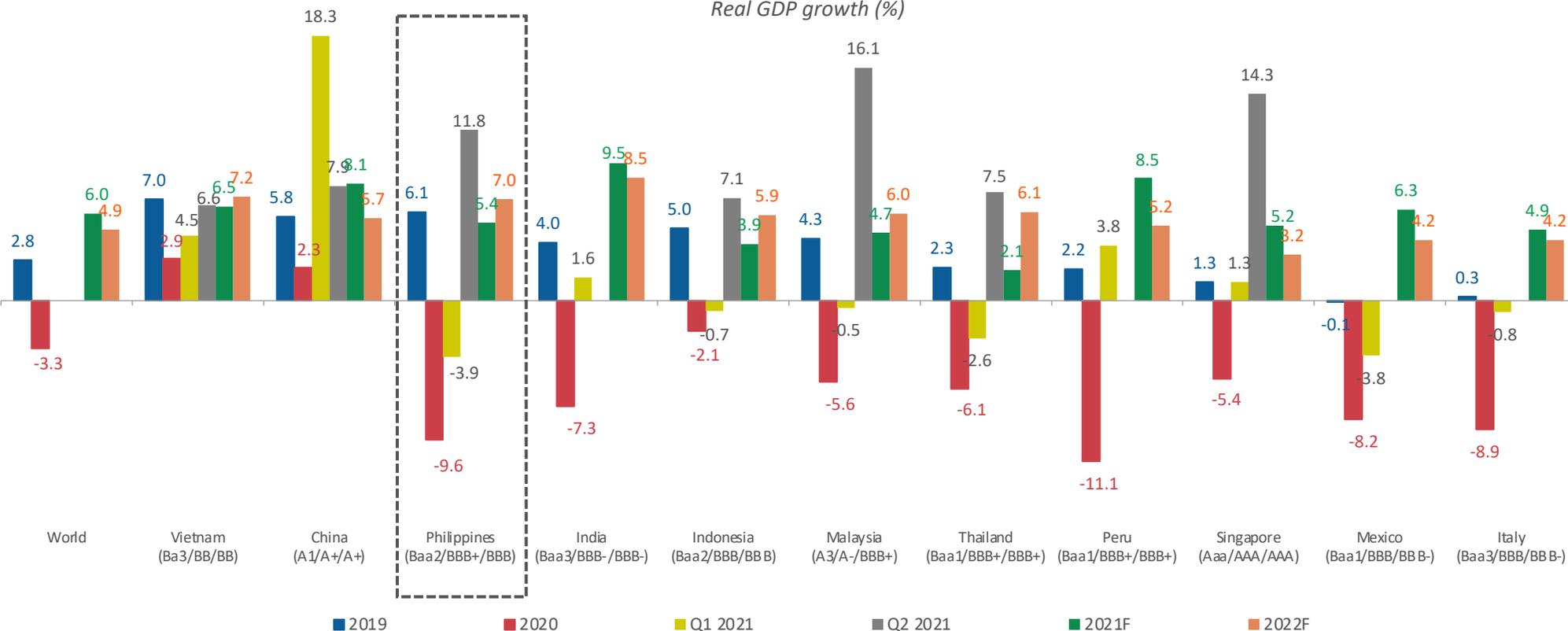
Source: Philippine Statistics Authority(PSA), NEDA

Note: GDP figures from 1980-2000 use 2000 as base year while 2001-2019 use 2018 as base year

Pandemic Weighs Heavily on Economies

GDP growth of select peer economies

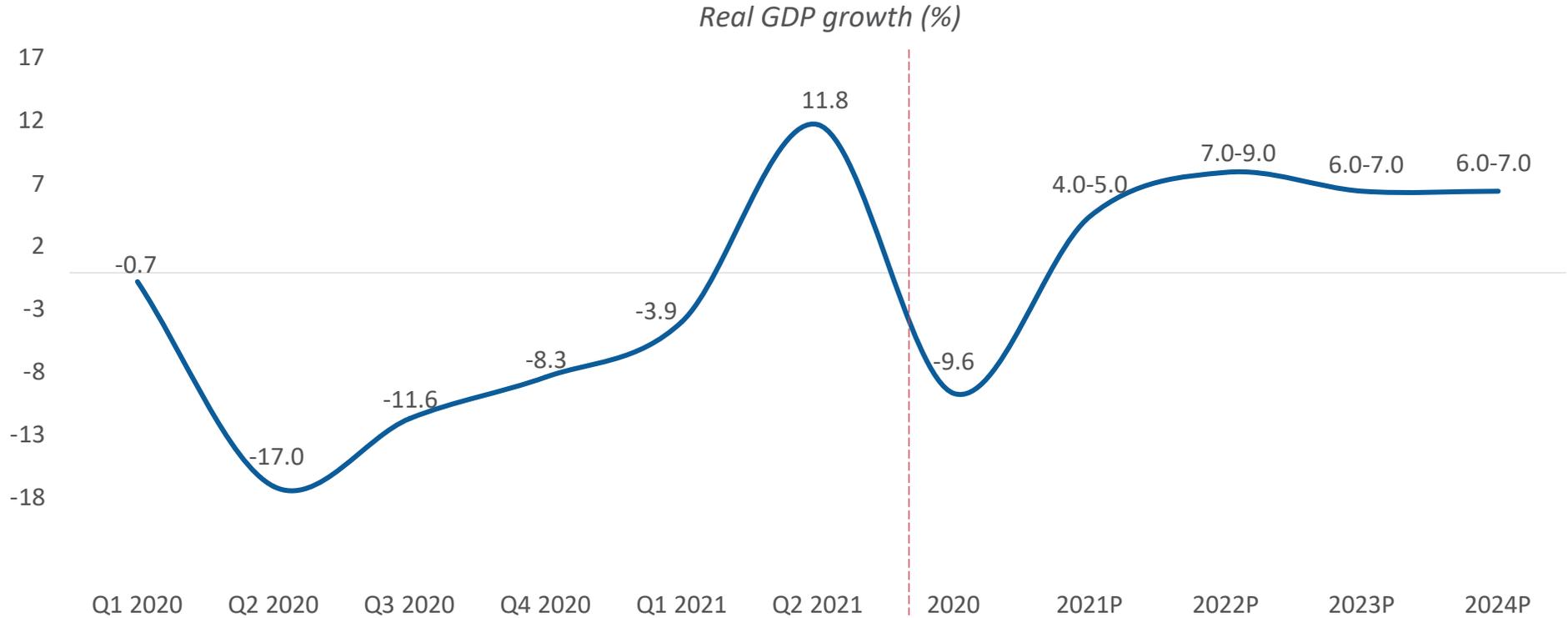
Real GDP growth (%)



- Shocks dragged down 2020 growth: decline in tourism and trade due to the global pandemic starting February; implementation of the strictest form of community lockdown in Luzon, Cebu and Davao from March to May to save lives and contain the virus; and a return to strict lockdown in Metro Manila and nearby areas for two weeks in August; as well as natural disasters i.e., Taal volcano eruption in January and strong typhoons in Q4 2020, and the African swine flu

Economy Bounced Back to Positive Territory in Q2 2021

Economic recovery further gained traction on better risk management in balancing COVID 19 related restrictions and improving health and economic outcomes



- The robust performance in Q2 2021 was driven not only by just base effects, but also through the result of a better balance between addressing the health risks from COVID-19 and the need to restore jobs and incomes of the people
- The economy's recovery will get a boost from the 2021 budget, the Build, Build, Build program, and the implementation of the Corporate Recovery and Tax Incentives for Enterprises or CREATE law and the acceleration of the government's vaccination program. All these will help attract investments, push up our growth potential, and create more and better jobs.

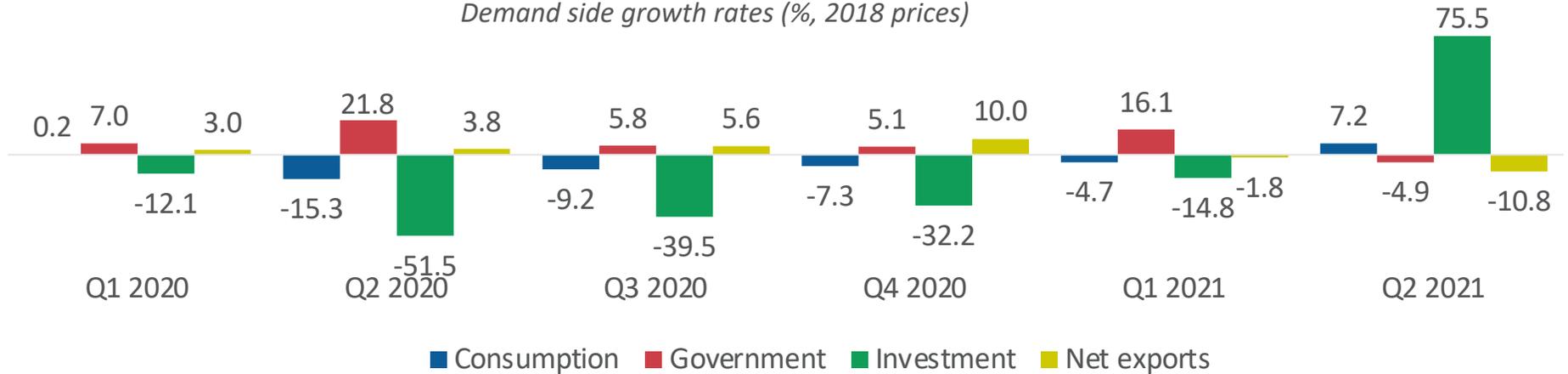
Source: Philippine Statistics Authority(PSA), National Economic and Development Authority (NEDA), DBCC Macroeconomic Assumption as of 18 August 2021

Note: GDP figures use 2018 as base year

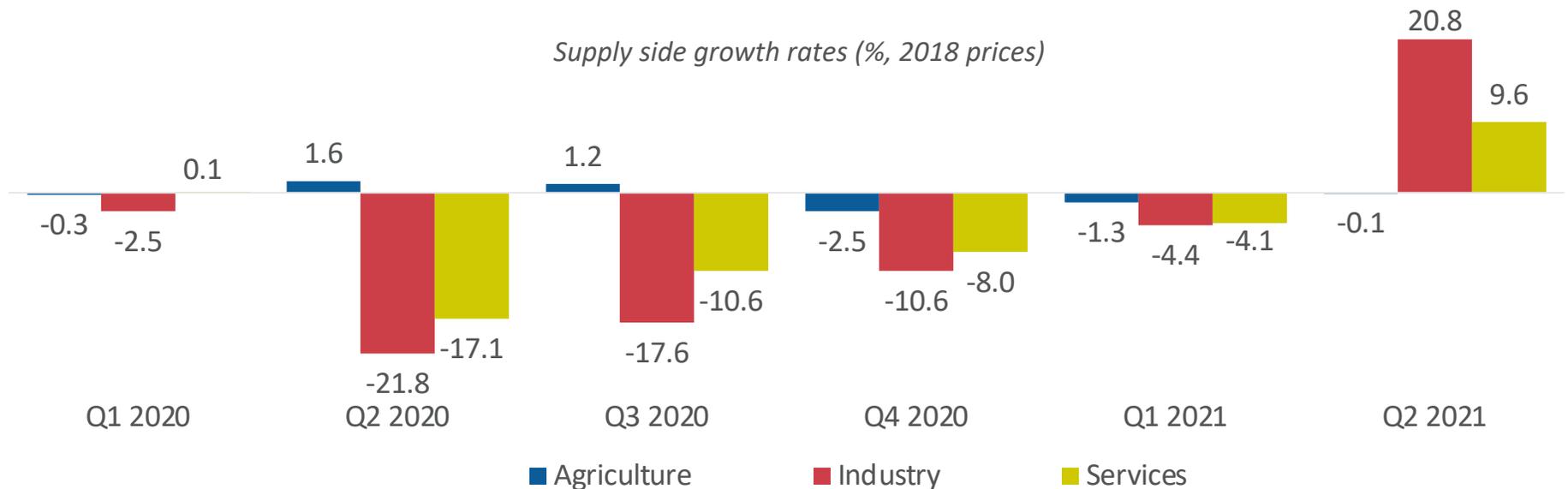
Economy Bounced Back to Positive Territory in Q2 2021

Private consumption, investments, industry and services recovered significantly, a signal of improving consumer and business confidence

Demand side growth rates (% , 2018 prices)



Supply side growth rates (% , 2018 prices)



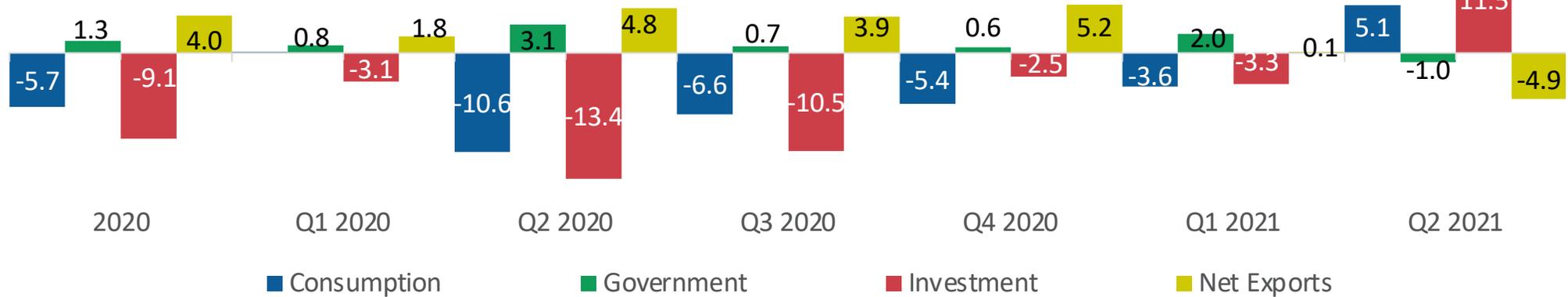
Sources: NEDA, PSA National Accounts; Note: Numbers may not add up due to rounding
PSA Adopted Supply and Use Tables (SUT) in the compilation process to attain zero SD for the annual estimates and 1% or less for the quarterly estimates

Economy Bounced Back to Positive Territory in Q2 2021

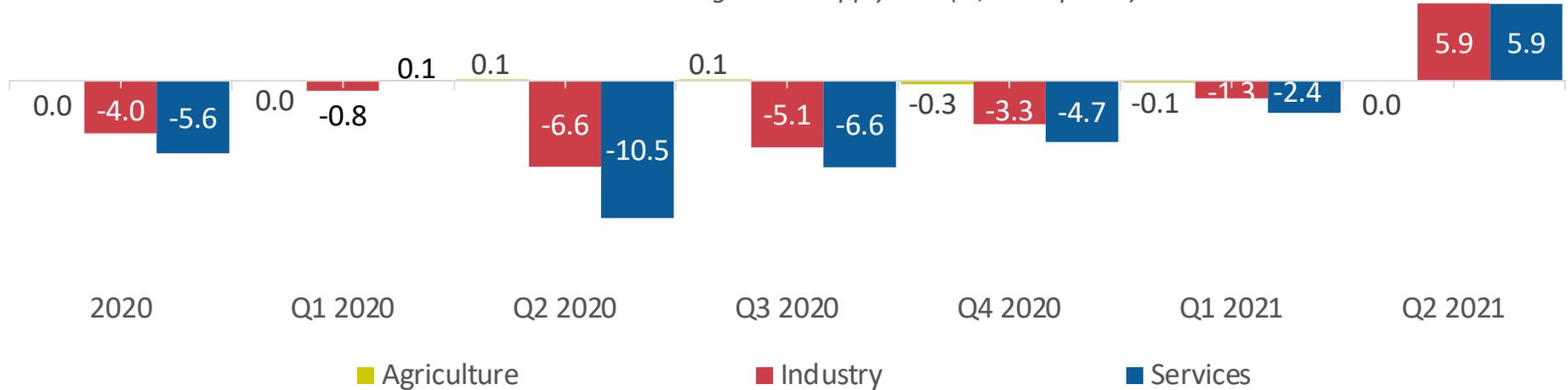
Most economic sectors improved highlighting gains from the government's risk-based approach to implementing community quarantines

GDP breakdown by component

Contribution to growth: demand side (% , 2018 prices)



Contribution to growth: supply side (% , 2018 prices)

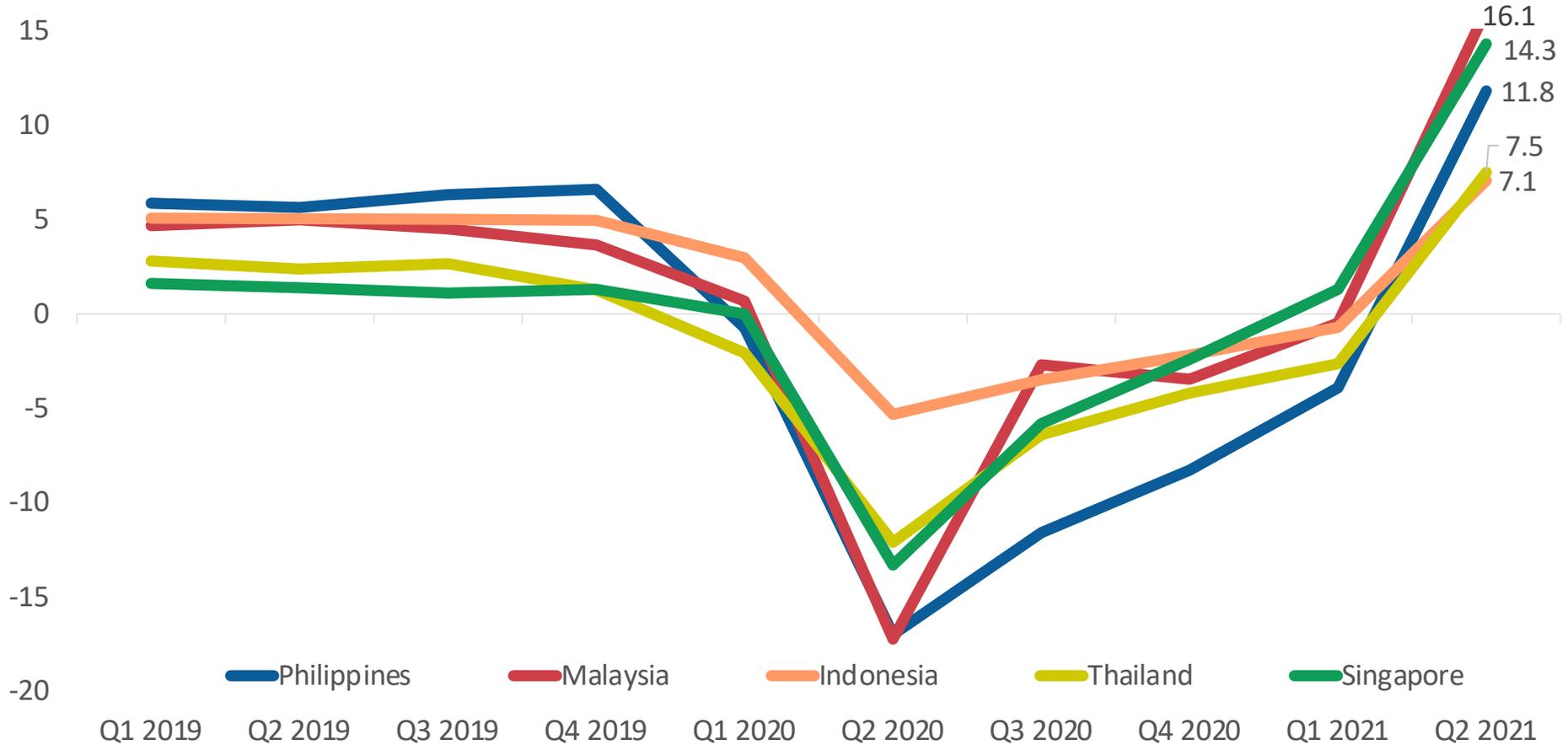


Source: PSA National Accounts; Note: Numbers may not add up due to rounding
PSA Adopted Supply and Use Tables (SUT) in the compilation process to attain zero SD for the annual estimates and 1% or less for the quarterly estimates

Philippines Economic Performance is at Par with the Region

The Philippines Q2 2021 GDP growth is the second highest among ASEAN 5 economies

GDP growth (%)

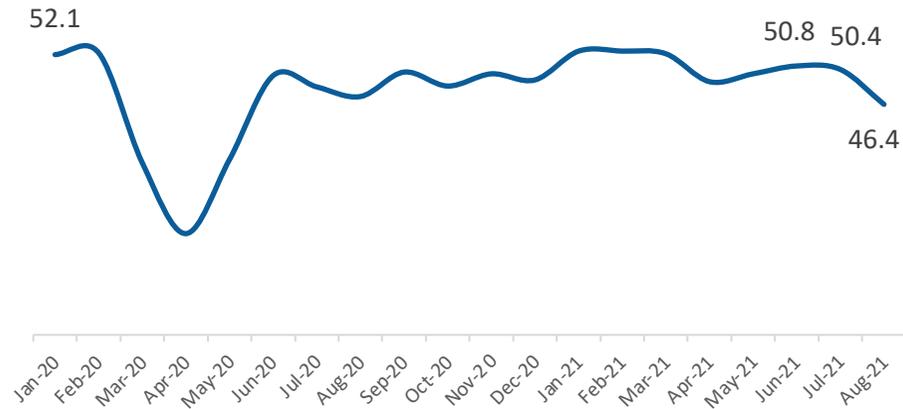


Note: Thailand in chain value measure (CVM)
Source: CEIC

Economic Recovery Gaining Traction

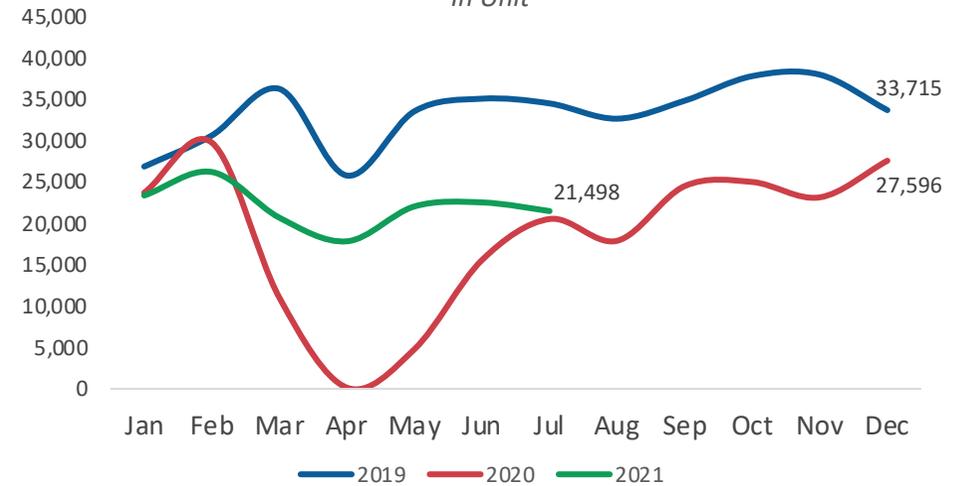
PMI reached two consecutive months of expansion mode pre-lockdown

IHS Markit Philippines Manufacturing Purchasing Managers' Index (PMI)



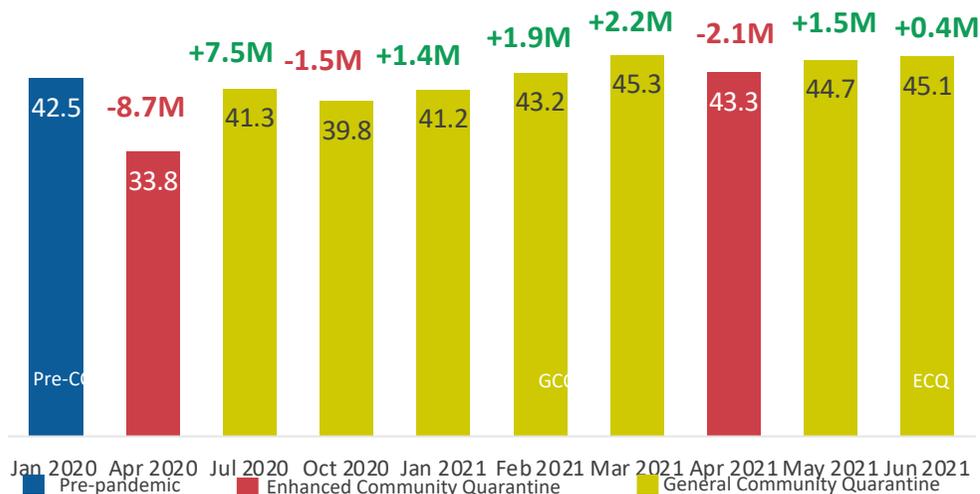
Humming back to life: Motor vehicle sales continue to recover

In Unit



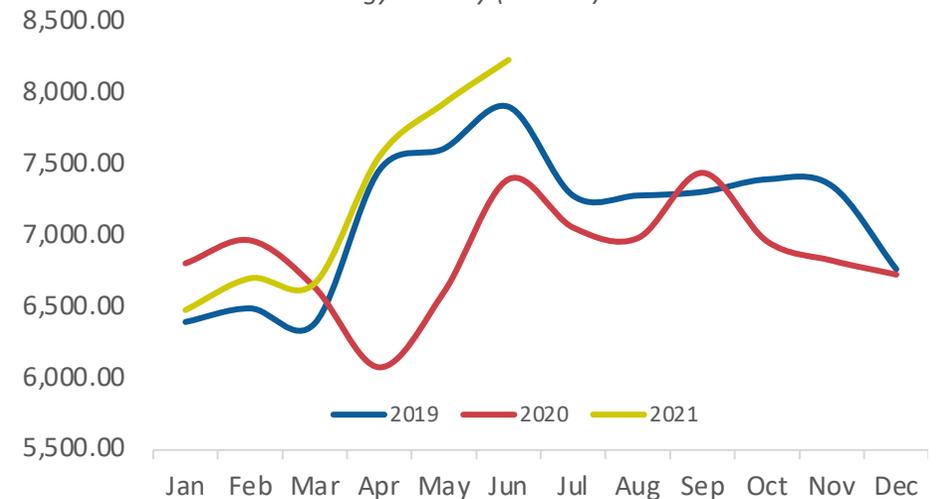
Economy generated additional 2.5mn jobs between Jan 2020 and June 2021

Employment creation



Higher energy delivery year-on-year for the first half of 2021

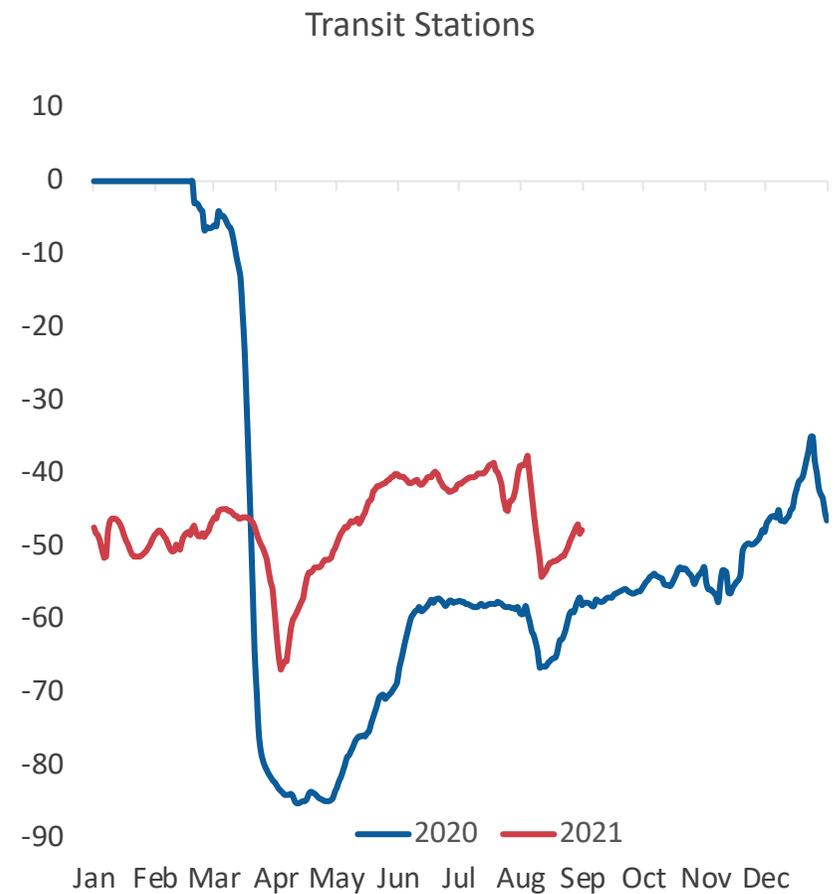
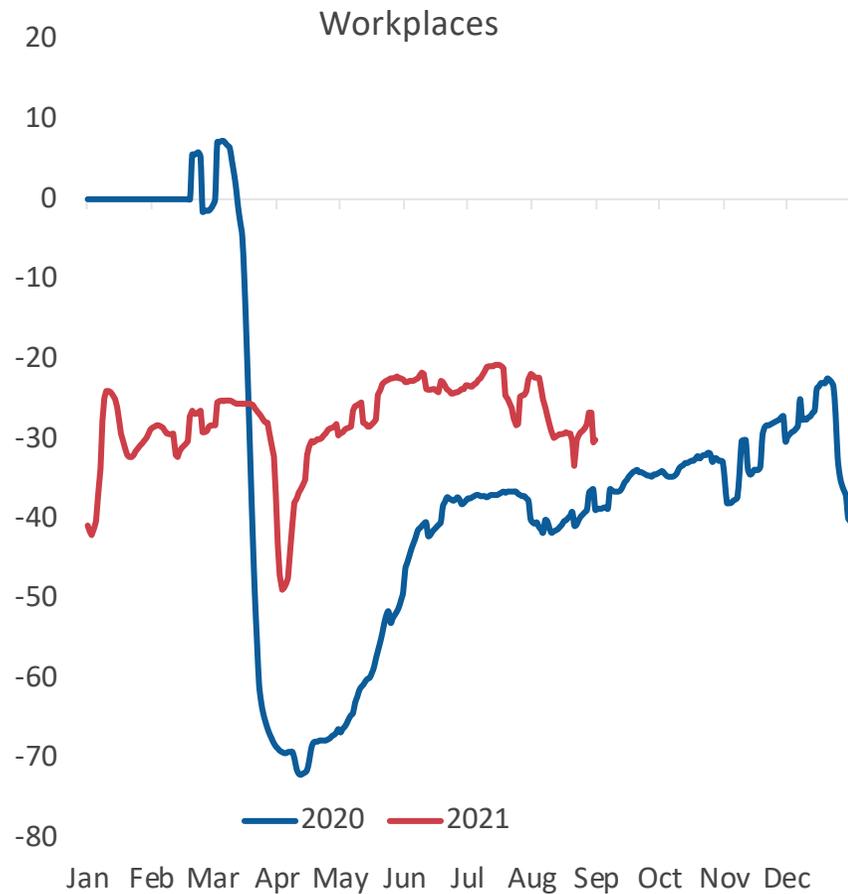
Energy delivery (in GWh)



Mobility Data Shows Strong Improvement from Last Year

Significant improvements in the Philippines' mobility data

Google Mobility Indices for the Philippines



Drivers of Economic Recovery

Risk-based approach to community quarantines and balancing health and economic outcomes
to expedite economic recovery



**Acceleration of
vaccination
program**



**Safe re-opening
of the economy,
while strictly
adhering to
health protocols**



**Full
implementation of
the recovery
packages (e.g.,
2021 budget, Build
Build Program
CREATE, and FIST,
early passage of
2022 budget)**



**Early passage
of priority legislative
measures:**

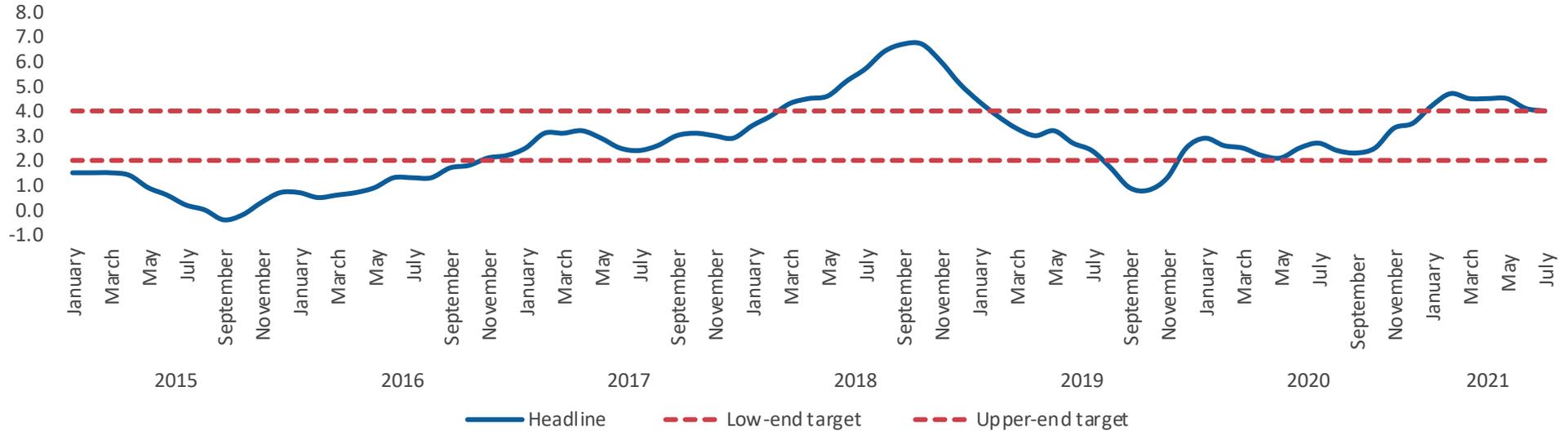
- **GUIDE***
- **Amendments to
Public
Service, Retail
Trade Liberalization
Act, and Foreign
Investments**

Manageable Inflation Outlook to Help Mitigate Downside Risks to Growth and Boost Market Confidence

Manageable inflation environment

Headline CPI (yoy, %), 2012=100

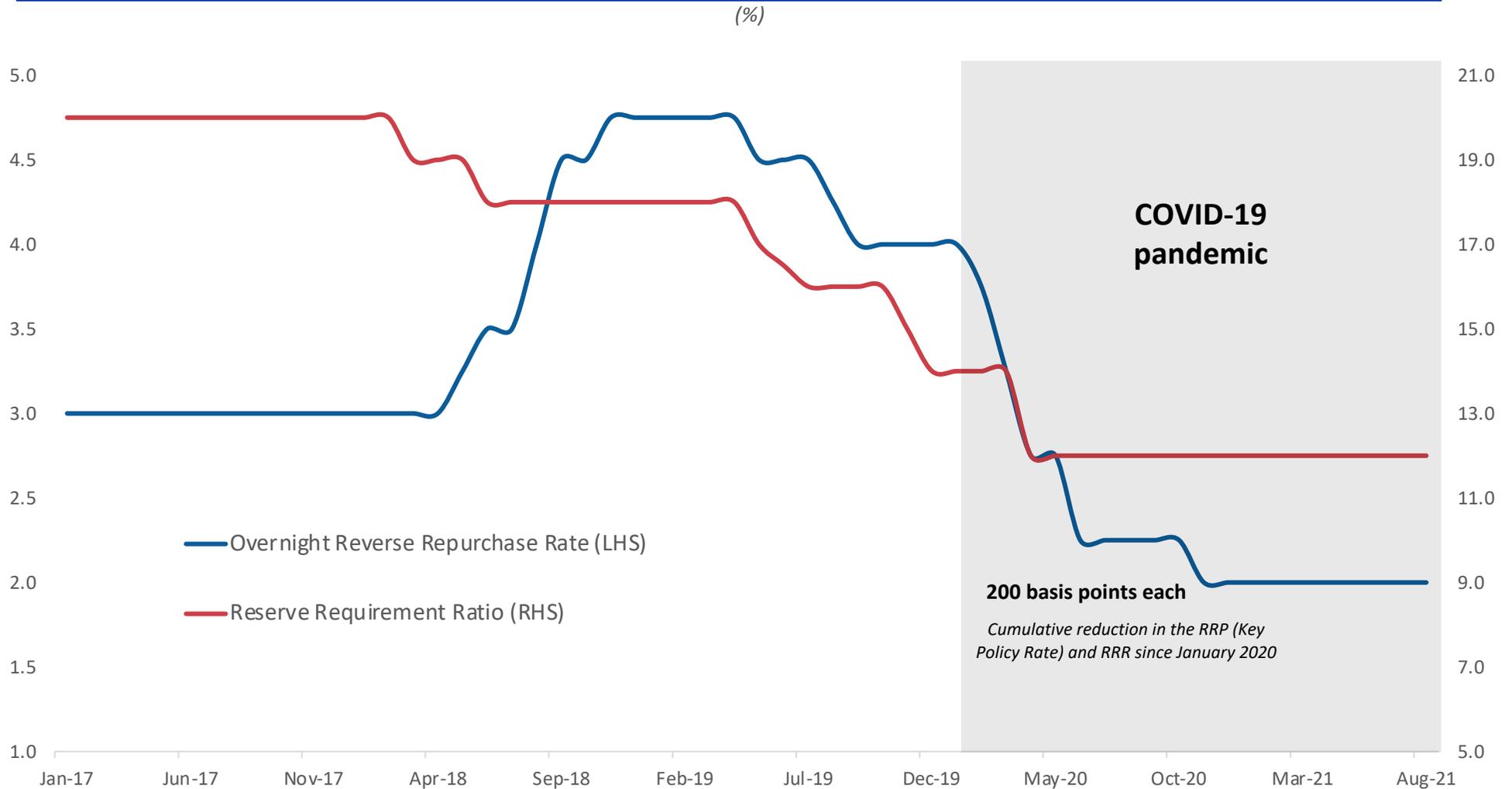
Latest:
4.0 (Jul 2021)
4.4 (Jan-Jul 2021)



- Inflation averaged 2.6% in 2020, well within the 2-4% inflation target range for the year. In July 2021, inflation further eased to 4.0% from 4.1% in June. Year to date, inflation has averaged 4.4%.
- Latest inflation forecasts have shifted marginally higher, reflecting the recent increase in global commodity prices and the depreciation of the peso. Average inflation is seen to settle at 4.1% in 2021, slightly above the upper end of the target band of 2-4%.
- With the continued and timely implementation of non-monetary initiatives and reforms to mitigate supply-side pressures on meat and other food prices, inflation is projected to ease towards the midpoint of the target range at 3.1% in 2022 and 2023.
- Inflation expectations remain firmly aligned with the baseline projection path.

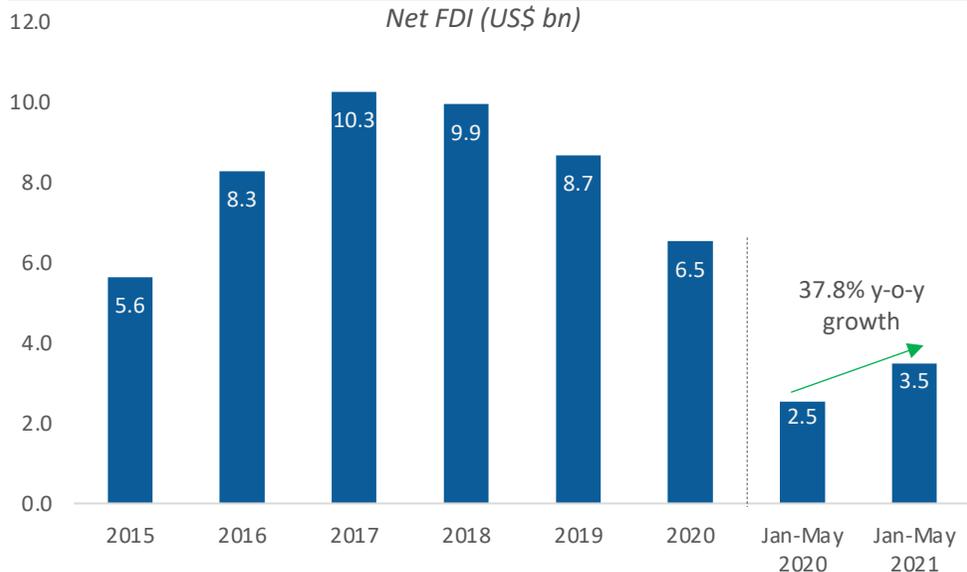
Accommodative Monetary Policy Stance Supports Sustainable Economic Recovery

Overnight reverse repurchase rate vis-à-vis Reserve Requirement Ratio

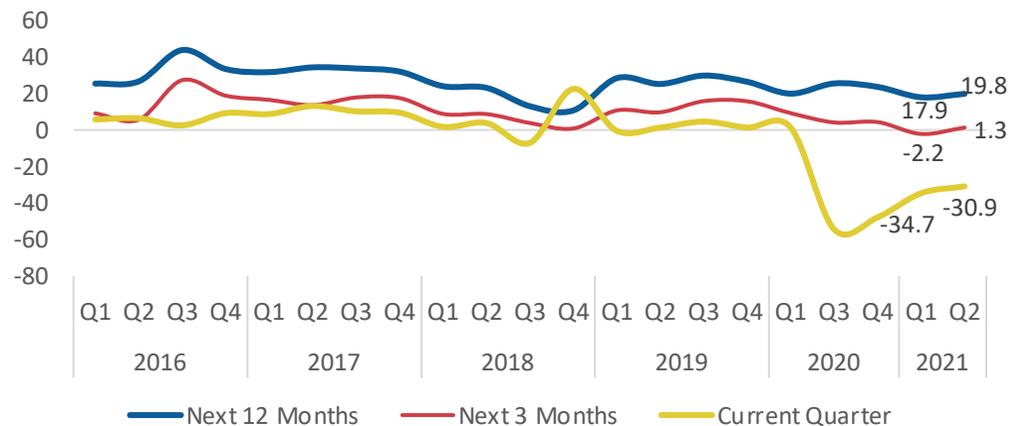


Favorable Prospects for Sustained Investment Flows

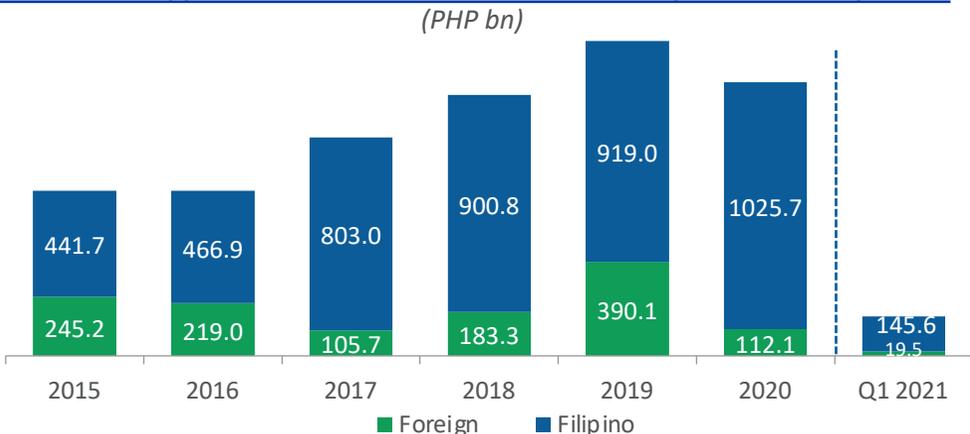
Net FDI inflows continue to be resilient despite uncertainties from the pandemic



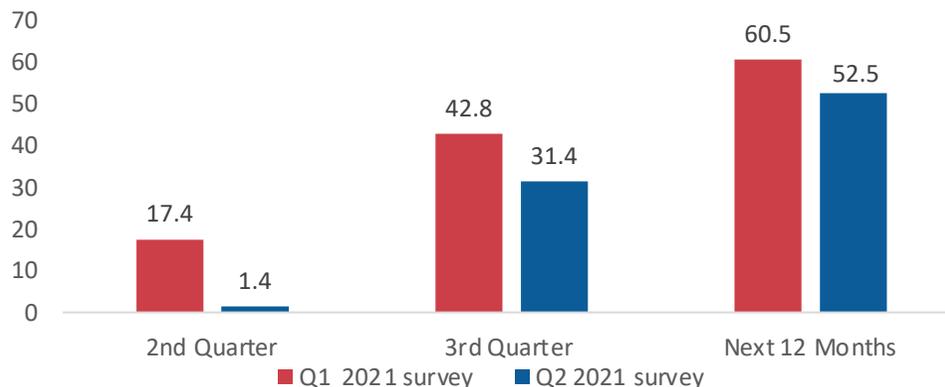
Consumer confidence continued to improve amidst accelerated vaccine rollout and sustained implementation of measures to address pandemic's impact



Total approved investments* remain robust despite uncertainty



Business confidence weakened for Q2 and Q3 2021, primarily due to concerns on the surge of COVID-19 cases in March and April this year



Note:

* The Business Expectations Survey (BES) is a quarterly survey of firms drawn at random from the list of Top 7,000 Corporations ranked based on total assets in 2016 from the Bureau van Dijk database. Meanwhile, the Consumer Expectations Survey (CES) is a quarterly survey of a random sample of about 5,000 households in the Philippines.

*Due to the implementation of the Community Quarantine nationwide from 16 March to 31 May 2020, the conduct of the Q2 2020 BES and CES was cancelled.

*Next 12 months outlook was only included in BES Q3 survey of 2019

* Investment approved by the Philippines' Investment Promotion Agencies – Board of Investments (BOI), Clark Development Corporation (CDC), Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA), Authority of the Freeport Area of Bataan (AFAB), BOI-Autonomous Region of Muslim Mindanao (BOI-ARMM), and Cagayan Economic Zone Authority (CEZA)

Improving the Business Environment through Strategic Policy Reforms

More investment activities opened to 100% foreign ownership

EO No. 65 (s. 2018) or 11th Regular Foreign Investment Negative List (RFINL)

- Internet businesses, excluded from mass media
- Teaching at higher education levels provided the subject being taught is not a professional subject (i.e., included in a government board or bar examination)
- Training centers that are engaged in short-term high-level skills development that do not form part of the formal education system
- Adjustment companies, lending companies, financing companies and investment houses, wellness centers

100% Foreign Ownership for Large-Scale Geothermal Exploration, Development, and Utilization Projects

In January 2021, the Department of Energy issued the guidelines on the third Open and Competitive Selection Process in the awarding of Renewable Energy (RE) Service Contracts which allows 100% foreign ownership on large-scale geothermal projects (initial investment of about US\$50mn capitalization). This is expected to lead to more opportunities for RE to figure prominently in the Philippines' energy future.

Select legislations and policies to improve government efficiency



Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act (R.A. No. 11534) of 2021

Lowers the corporate income tax from 30% to 25% and sets a more competitive and level-playing field for businesses through modernization and improvement of the fiscal incentive system for different investors which are performance-based, targeted, time-bound and transparent. This is expected to be a game-changer for investment environment. *(Detailed provisions are provided in the fiscal section)*



An Act Authorizing the President to Expedite the Processing and Issuance of National and Local Permits, Licenses, and Certifications in Times of National Emergency (RA No. 11517) of 2020

Makes it easier for business owners and ordinary citizens to apply for government documents and ensures prompt delivery of public services especially during the COVID-19 pandemic



Revised Corporation Code of the Philippines Act (RA No. 11232) of 2019

Improves ease of doing business (EODB) by instituting significant changes to the legal framework for the registration and operation of private corporations, aligning the corporate setting with international best practices



Energy Virtual One-Stop Shop Act (RA No. 11234) of 2019

Streamlines the permitting process of power generation, transmission, and distribution projects to reduce the cost of doing business in the country, and encourage investors



Seal of Good Local Governance Act (RA No. 11292) of 2019

Institutionalized the incentive program for local government units to improve service delivery and help create a business climate conducive to investments and growth



National Identification System Act (RA No. 11055) of 2018

Provides a valid proof of identity for all citizens and resident aliens as a means of simplifying public and private transactions in line with the government's drive to curtail bureaucratic red tape

Improving the Business Environment through Strategic Policy Reforms

Select salient features of the Ease of Doing Business (EODB) Act (RA No. 11032)

1. Prescribed process time for government-owned-and-controlled corporations, government instrumentalities located in the Philippines or abroad:

3 days Simple Transactions	7 days Complex Transactions	20 days Highly Technical Transactions
-------------------------------	--------------------------------	--

2. Streamlined procedures for the issuance of local business licenses, clearances, permits or authorizations

Unified Business Application Form	Automation of Business Permits and Licenses (LGUs)	Establishment of Business One Stop Shop (BOSS)	Barangay clearances and permits are now issued at the city or municipality
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3. Created the Anti-Red Tape Authority (ARTA) mandated to administer and implement the law. Major initiatives include:

National Effort for the Harmonization of Efficient Measures of Inter-related Agencies (NEHEMIA)

Program Target

52% reduction (>>) of time, costs, requirements or procedures within 52 weeks for the key sectors of society in 2020

Legend:

>> - Reduction or Improvement

Key Sectors	Permits	Requirements	Days	Output
Connectivity Telco	30 >> 8	86 >> 35	241 >> 16	Joint memorandum circular (JMC) on faster building of towers
Logistics	209 >> 24	Ongoing coordination	271 >> 35	JMC on automation processes
Food and Pharma	28 >> 9	41 >> 12	63 >> 21	Integration to CBP

Central Business Portal (CBP)

business.gov.ph

The CBP is a virtual one-stop shop to secure business permits, licenses, and clearances. CBP is a partnership of national government agencies and LGUs. As of June 2021, 94% of LGUs have already started automation.

Starting a Business	2020	2021
Steps	13 >>	1
Days	33 >>	.5

Improved Business Operating Environment to Help Boost Investment Flows Post Pandemic

Reforms bearing fruit: improved competitiveness

Competitiveness rankings

World Bank Ease of Doing Business Ranking



CEO Magazine

The World's best countries to invest in or do business in for 2020 in Post-COVID

- The Philippines ranked 7th in the CEO Magazine's 10 Best Countries to Invest in Post-COVID based on the report which analyzed 80 countries.
- The country scored high in terms of constitutional framework, education and research, market potential and trade openness.

1. Singapore
2. UK
3. Poland
4. Indonesia
5. India
6. Australia
7. Philippines
8. US
9. Malaysia
10. Czech Republic

Global Innovation Index (GII)



- The Philippines ranks 50th overall, but ranks higher in the pillars Business sophistication (29th) and Knowledge and Technology outputs (26th)
- GII stated that "*Filipinnovation*" or the whole-of-government approach to inclusive innovation, which will ensure policy coherence, alignment of priorities, and effective coordination in service delivery, has been proven effective to optimize impact of government funding

"The Philippines achieves its best rank ever...in 2014, it still ranked 100th...The Philippines is currently implementing a new Innovation Act in an effort to foster innovation in the country and to define it as a vital component of national development and sustainable economic growth. The act places innovation at the center of its development policies and it proposes the GII as a measurement rod." – GII 2020

Demonstrated External Resiliency

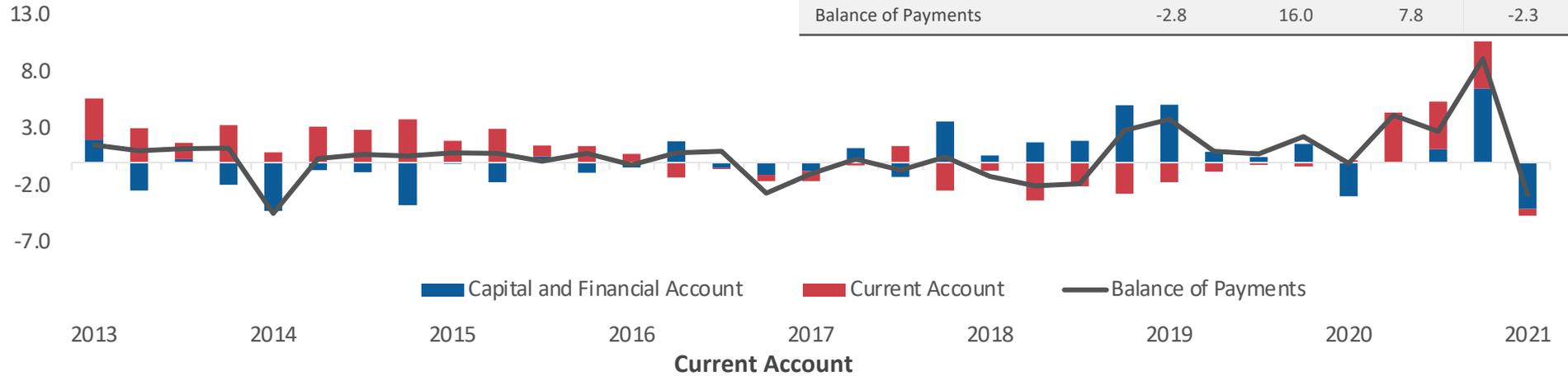
IV

Manageable Balance of Payments Position

Balance of Payments

Balance of Payments Components – Quarterly (US\$ bn)

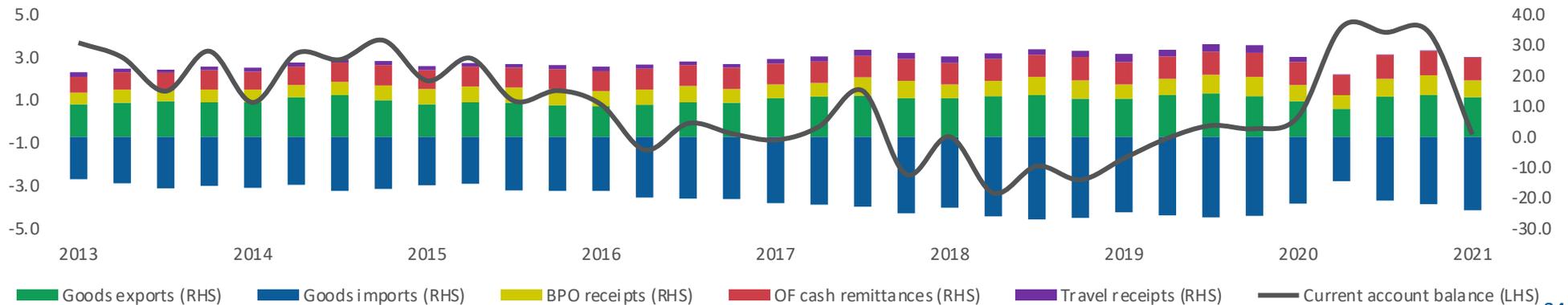
	Q1 2021	2020	2019	2018
Capital and Financial Account	-4.1	4.7	8.2	9.4
Current Account	-0.6	13.0	-3.0	-8.9
Balance of Payments	-2.8	16.0	7.8	-2.3



Current Account

Current account components - Quarterly (US\$ bn)

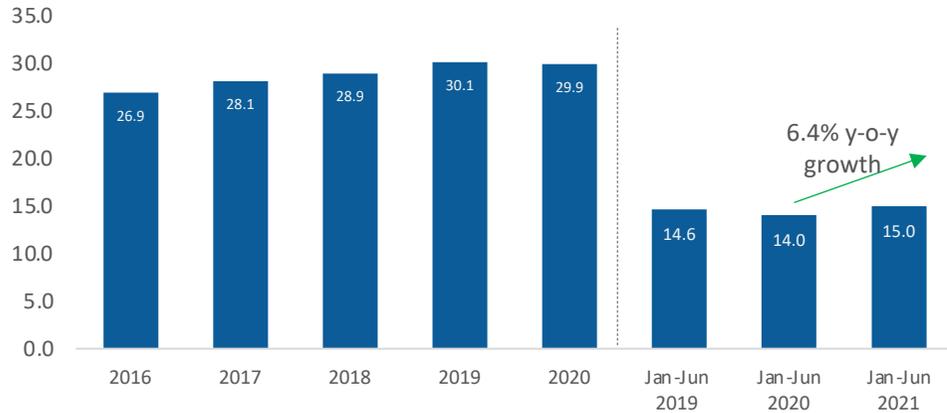
	Q1 2021	2020	2019	2018
Current Account /GDP (%)	-0.7	3.6	-0.8	-2.6



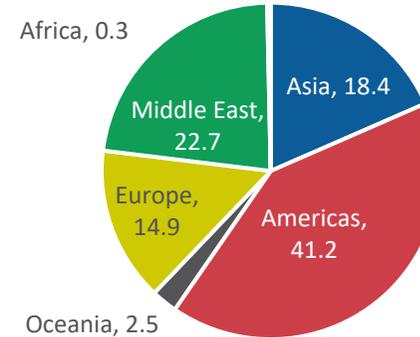
Structural Current Account Inflows Support the Balance of Payments

Overseas Filipinos' remittances flows resilient amidst the pandemic

Overseas Filipinos' cash remittances (US\$ bn)



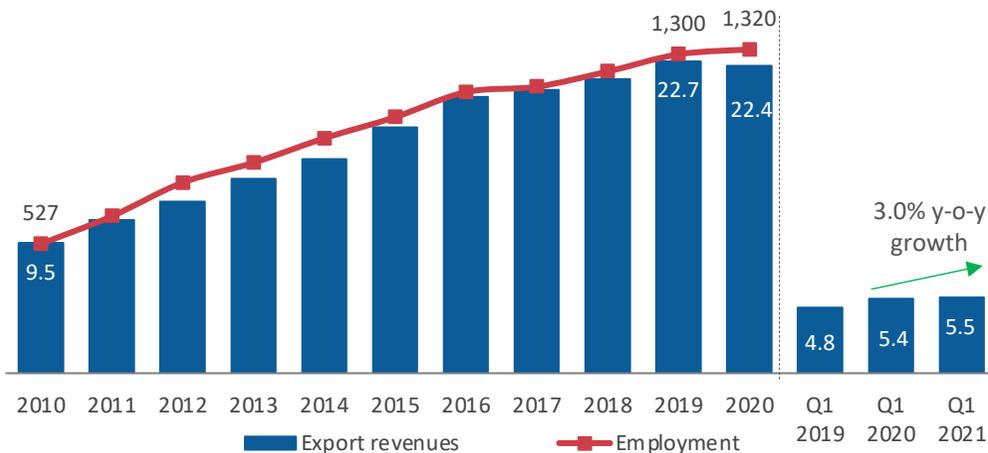
Overseas Filipinos' cash remittances by source 2012- 2020 average (% share to total)



Note: Remittances through correspondent banks mostly located in the U.S. On the other hand, remittances coursed through money couriers cannot be disaggregated into their actual country source and are lodged under the country where the main offices are located, which, in many cases is in the U.S.

BPO remains a strong driver of employment and export revenues

BPO employment ('000s) and export revenues (US\$ bn)



Note: BPO revenues are lodged under technical, trade-related, and other business services and computer services (BOP concept); BPO employment data is from IT and Business Process Association of the Philippines (IBPAP)
Sources: BSP, Department of Tourism (DOT), IBPAP

Tourism industry gears for a rebound in 2021

International visitor receipts (US\$ bn) and arrivals (mn)

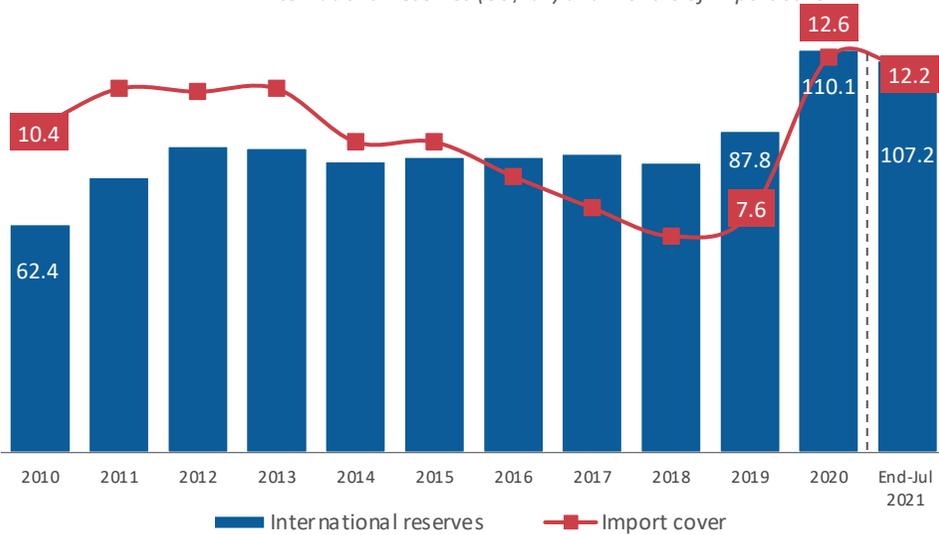


- For H1 2021, tourist arrivals stood at 58,177 visitors from 1.4mn from the same period a year ago. Meanwhile, tourist receipts stood at US\$61mn in H1 2021 vs. US\$1.6bn in H1 2020.
- Increased pivot to domestic tourism and accelerated vaccination will kickstart the recovery of the tourism industry given the Philippines' large domestic tourism base
- DOT has set up tourism "bubbles" between Metro Manila and popular tourism destinations (Baguio City, El Nido Palawan and Boracay Island).
- Released a list of "green" countries and jurisdictions whose COVID-19 vaccinations qualify passengers to a shorter quarantine period (7 days) upon arrival in the Philippines.

Adequate Buffers Against External Headwinds

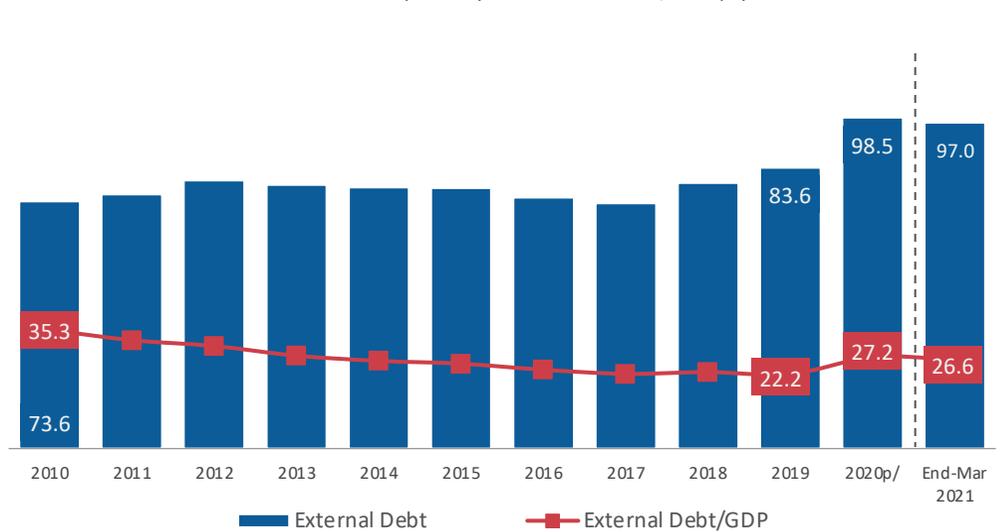
Hefty level of reserves

International reserves (US\$ bn) and months of import cover



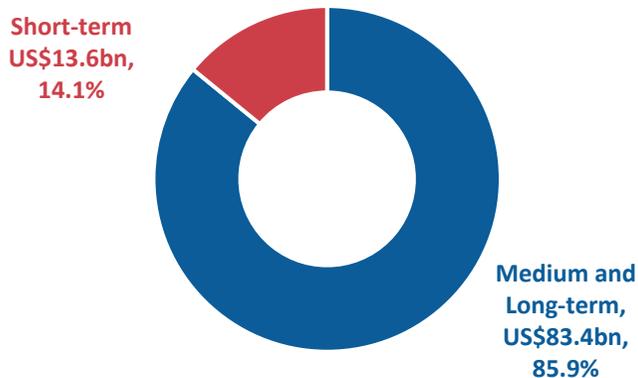
Low external debt/GDP ratio underscores the health of external finances

External debt (US\$ bn) and external debt/GDP (%)

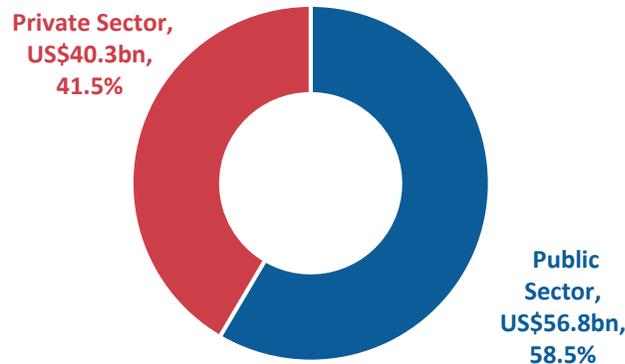


Favorable external debt profile (as of end-March 2021)

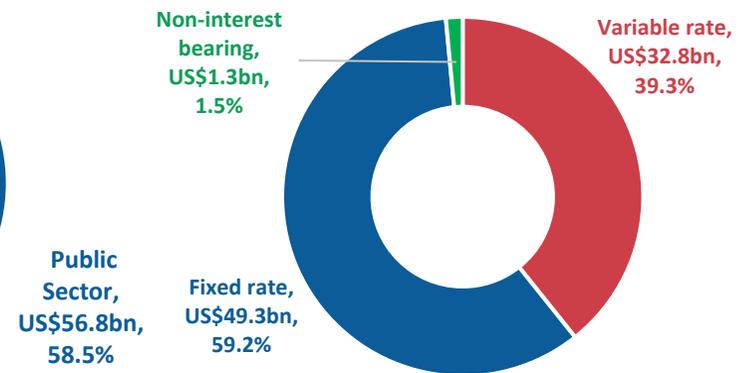
External Debt by Maturity



External debt by borrower



External debt by interest type



Opportunities for Regional Trade and Investment to Support External Resilience



Philippines: A strategic point of access to key markets

- Critical entry point to over 600mn people in the ASEAN Market
- Natural gateway to the East-Asian economies
- Placed at the crossroads of international shipping and airlines
- Reachable within 3-4 hours by plane within Asia

Philippines' Foreign Trade Agreements (FTA)

- US: 70% of Philippines exports enter US duty free under the US' Generalized System of Preferences (GSP).
- EU: duty-free access for 6,274 tariff lines under GSP+ Program; the Philippines is the only ASEAN country with GSP+
- ASEAN Free Trade Area comprised of Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand has lower intra-regional tariffs of 0-5%
- ASEAN Partners: China, South Korea, Japan, India, Australia-New Zealand, and Hong Kong
- European Free Trade Association (EFTA): Switzerland, Norway, Iceland and Liechtenstein

Opportunities for Regional Trade and Investment to Support External Resilience



Regional Comprehensive Economic Partnership (RCEP)

- RCEP is an FTA between the ASEAN member states (i.e., Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, Singapore, and Vietnam) and its FTA partners (i.e., Australia, China, Japan, New Zealand, and South Korea).
- Creates a more business-friendly environment, encouraging closer integration of economies, and providing a more stable and predictable rules-based system of trade in the region
- RCEP member countries constitute, as of 2019, 28.2% of the world's GDP; 23.6% of global inward FDI; and 29.7% of the world's population
- The RCEP submitted to President Rodrigo Duterte for ratification and the Senate is expected to deliberate the concurrence in September. The Philippines aims to submit instruments before 2021 ends.

Expected Benefits of RCEP to Philippines

- RCEP member countries comprise 50% of Philippine export market, 61% of imports and 11.4% of FDIs entering the Philippines in 2019
- Would open markets for 92% of Philippine produced products



Improves export competitiveness of the Philippines' key products of interests, such as agricultural products, automotive parts, and garments



Improves levels of market access; provides a specific chapter for MSMEs; includes simplified and business friendly customs procedure for trade; enhanced cooperation on e-commerce



Provides a platform to encourage more investments and service providers in vital sectors such as manufacturing, creative sectors, financial services, research and development, IT-BPO, and energy, among others

- Based on Philippine Institute for Development Studies (PIDS) study, RCEP is expected to result in improving the Philippines' GDP by 3% and welfare by US\$2 bn ^{1/}

1/ Over a ten year period; 2013 as baseline year
Source: DTI, BSP

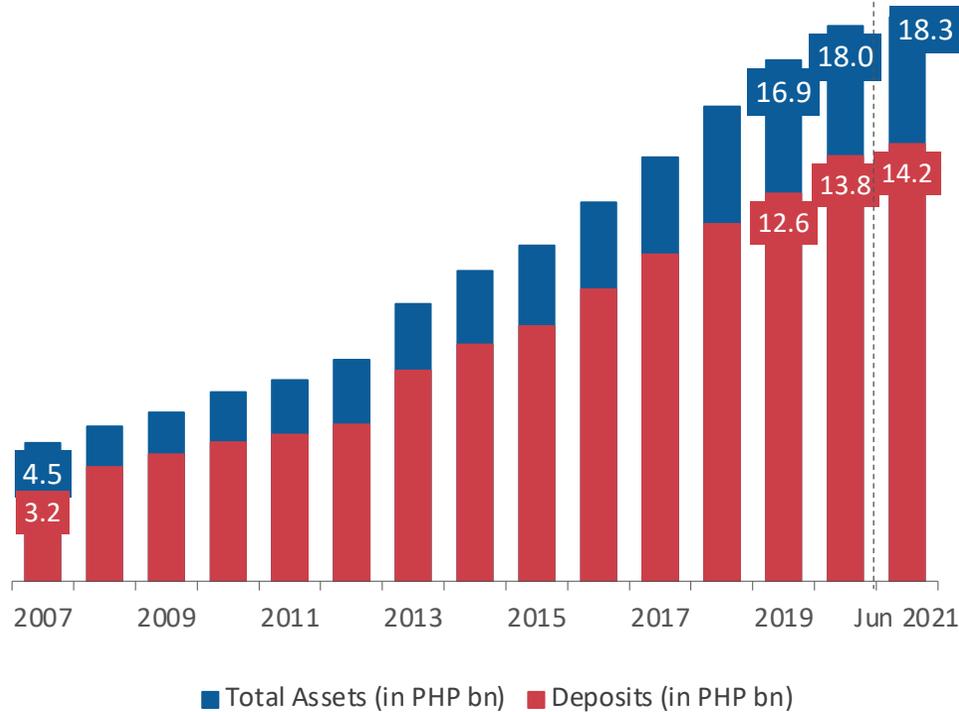
Stable Financial System



Banking System Remains Stable and Resilient to the Crisis

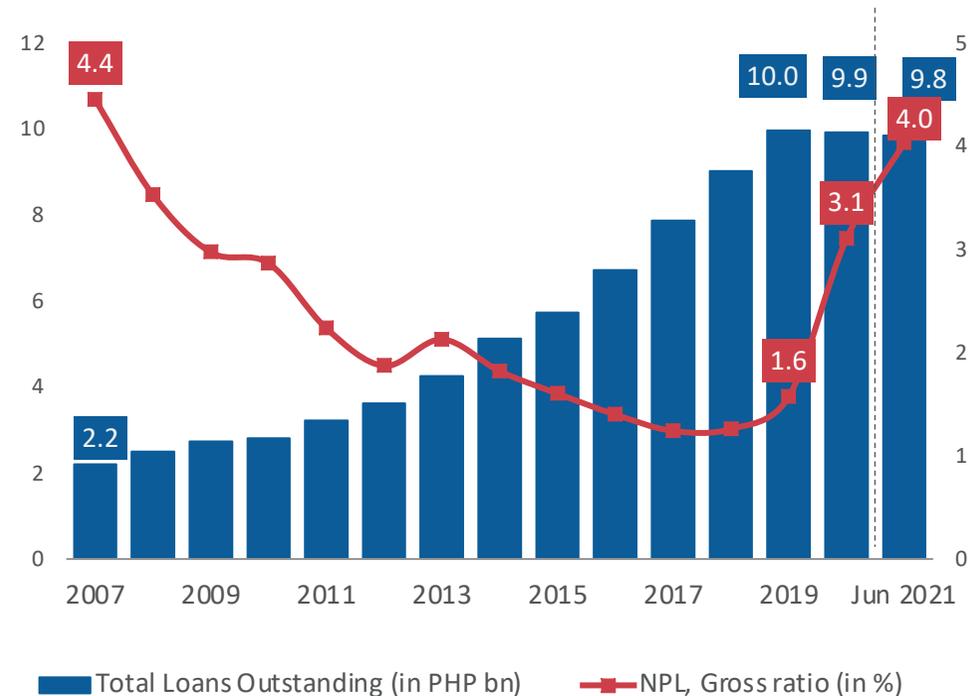
Modest asset growth

Total asset and deposit levels (PHP tn) of U/KBs



Loan portfolio remains manageable

Total loans outstanding (PHP tn) and non-performing loans (NPL) ratio (%) of U/KBs

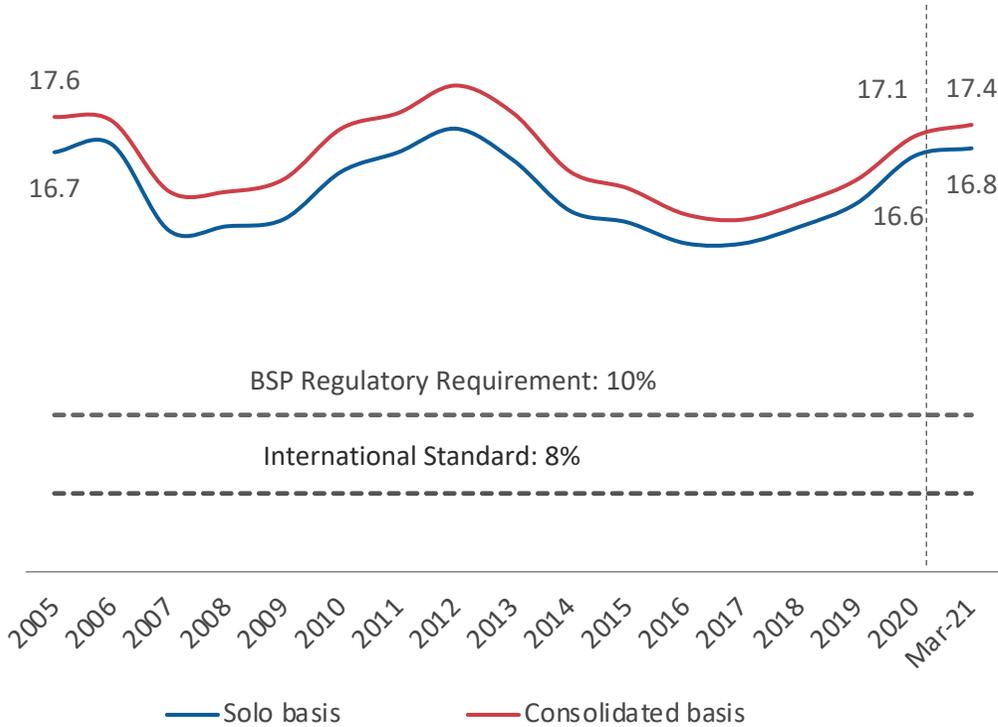


- Bank assets continued to grow primarily due to expansion of funds channeled to lending and investment activities and sourced from deposits, bond issuance and capital infusion
- Amidst the pandemic, loan quality remained manageable with NPL significantly lower than the levels during the Asian Financial Crisis
- The passage of Financial Institutions Strategic Transfer Act (FIST) will ensure that financial institutions are able to maintain their financial health to cushion the adverse economic impact of the health pandemic. This law is expected to reduce the banking system's NPL ratio by 0.6 to 5.8 percentage points for 2021 to 2025

Banking System Remains Stable and Resilient to the Crisis

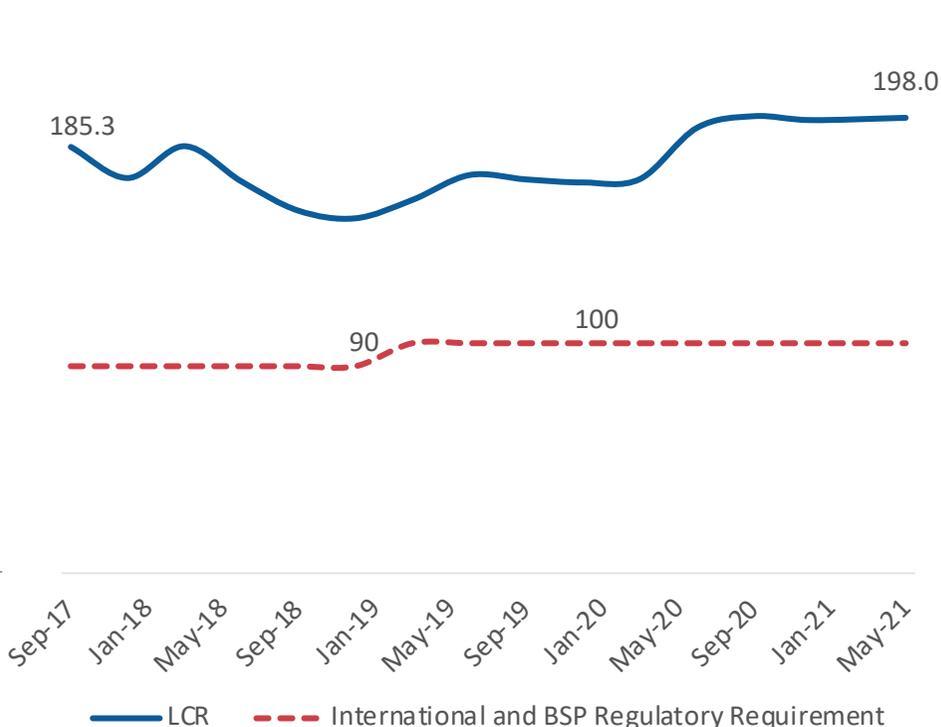
Strong capitalization well above international norms

Capital adequacy ratio (%) of U/KBs



Strong liquidity position shows ability to fund requirements during shocks

Liquidity coverage ratio (LCR) (%) of U/KBs



- Banks remained well-capitalized as the CARs of the UB/KB industry on solo and consolidated bases are well-above the minimum thresholds set by the BSP at 10 percent and the Bank for International Settlements (BIS) at 8 percent.
- Banks maintained sufficient buffers to meet liquidity and funding requirements with liquidity coverage ratio (LCR) above international norms

Source: BSP
 Note: U/KBs – Universal and Commercial Bank

BSP Key Relief Measures to Mitigate the Impact of COVID-19 Crisis

Extend Financial Relief to Borrowers

- Excluded some loans from past due and non-performing classification
- Staggered booking of allowance for credit losses
- Provided grace period on settlement of outstanding obligations or restructuring of rediscounted loans
- Issued temporary cap/ceiling on interest rates of credit card receivables

Incentivize Lending

- Reduced credit risk weights of loans granted to MSMEs
- Assigned zero-percent risk weight to some guaranteed loans
- Allowed loans to some large corporations and to MSMEs as alternative reserve requirement compliance, but with limits
- Deferred implementation of revised risk-based capital framework
- Reduced minimum liquidity ratio
- Temporarily relaxed limits, i.e., increased borrowing limit of pawnshops, and single borrower limit (SBL)
- Allowed use of capital and liquidity buffers
- Non-sanction in case of foreign banks' SBL breach

Promote Continued Access to Financial Services

- Relaxed KYC requirements
- Suspended fees and charges on use of online banking platforms
- Temporarily waived fees i.e., on application to provide Electronic Payments and Financial Services (EPFS), on PhilPaSS fund transfer transactions

Support Continued Financial Services Delivery

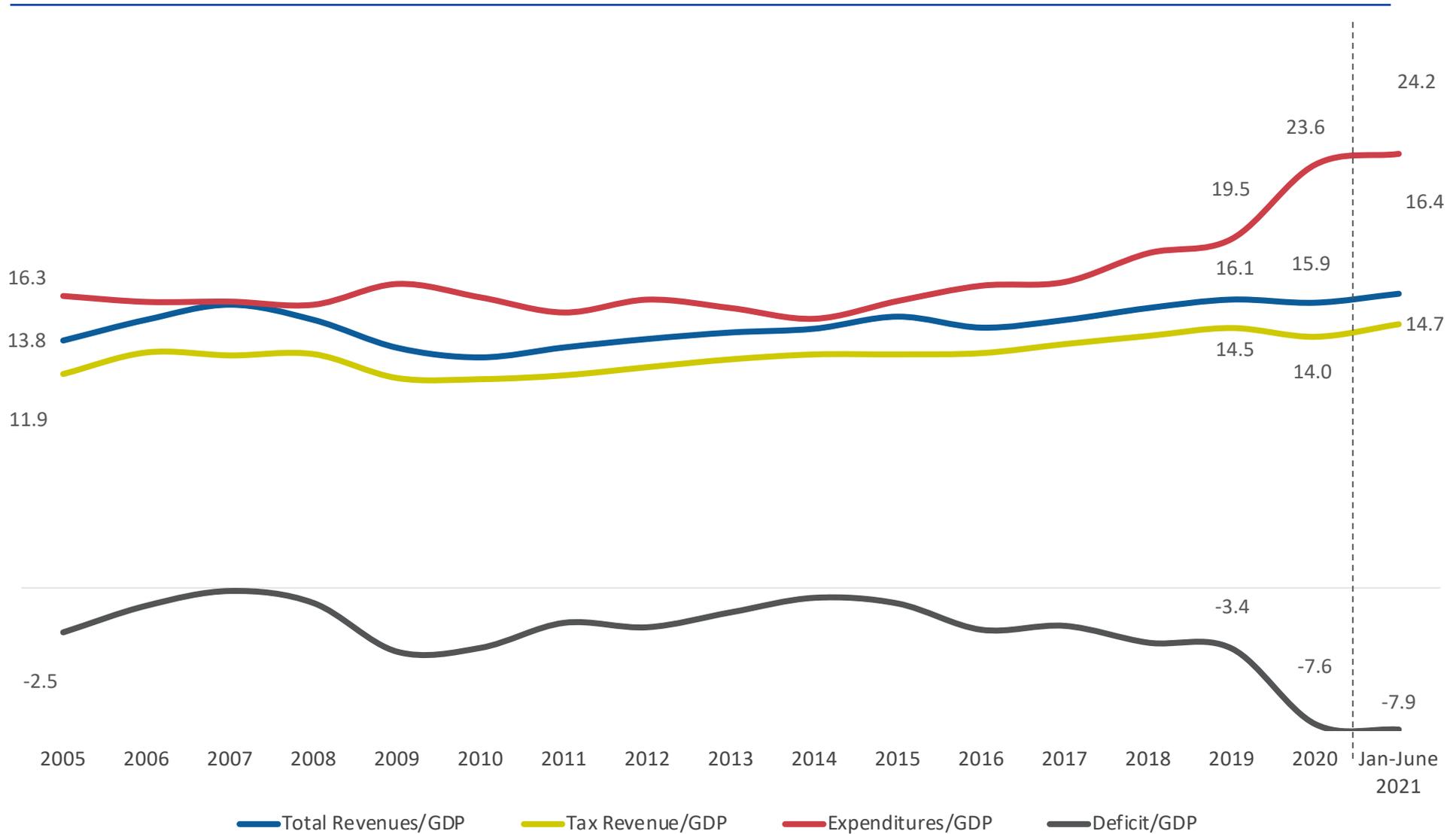
- Waived notarization requirement for certifications (bank report)
- Provided relief measures on mark-to-market of investments
- Relaxed penalties on reserve requirement deficiencies
- Relaxed notification requirements
- Extended the transition period for the implementation of the interest rate risk in the banking book
- Extended the implementation timeline of the certification requirements for UITF marketing personnel

Sound Government Finances

VI

Facing the Global Health Crisis from a Position of Fiscal Strength

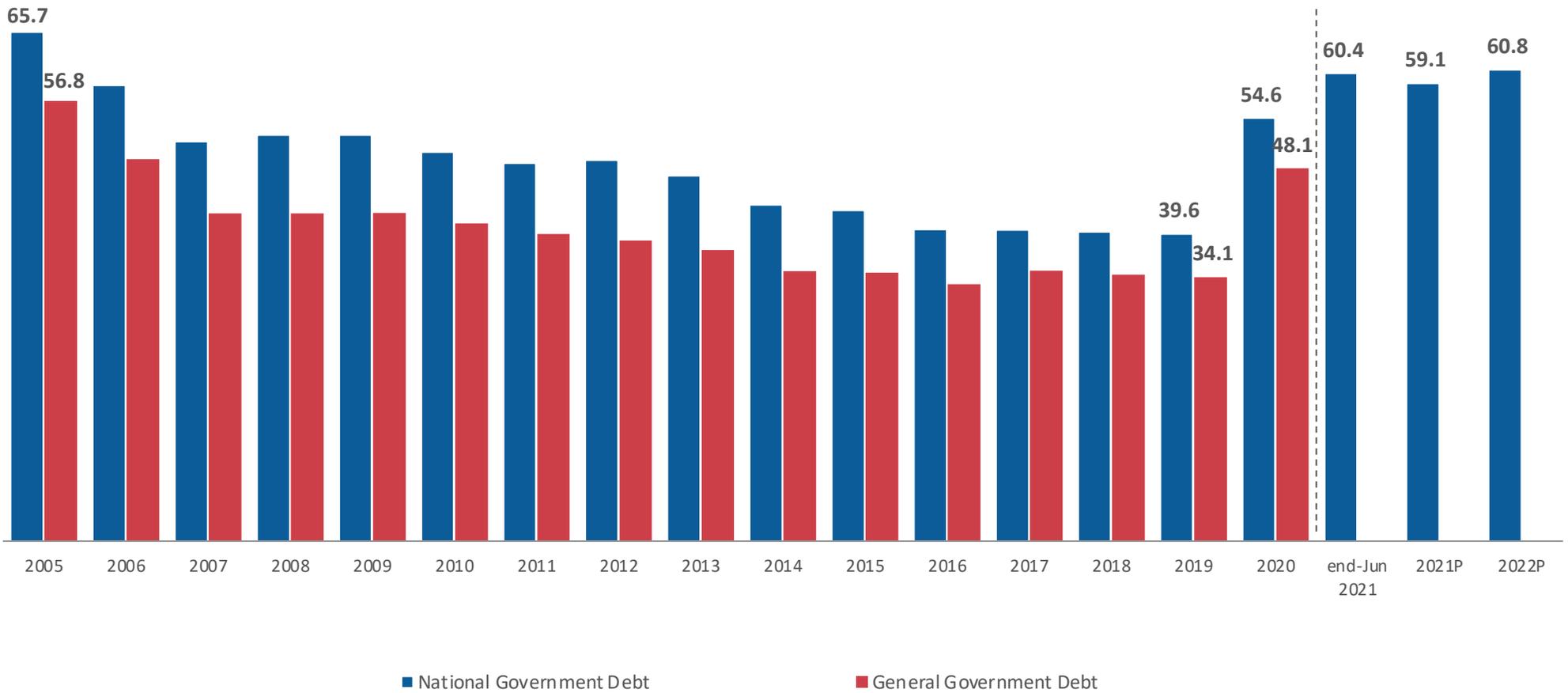
Long history of prudent fiscal management strengthened government's financial position



Facing the Global Health Crisis from a Position of Fiscal Strength

Keeping debt position within the prescribed bounds of fiscal viability

Government debt (% of GDP)



Adequate Fiscal Space to Fund Emergency Initiatives and Support Economic Recovery

Enhanced tax collection efficiency due to tax administration reforms and TRAIN lend support to funding critical initiatives to combat the pandemic

	Actual	Program*	Actual	Program**	Actual	Projection**		
	2019	2020	2020	2021	Jan-Jun 2021	2022	2023	2024
Particulars	PHP bn							
Revenues	3,137.5	2,853.4	2,856.0	2,881.5	1,490.4	3,289.5	3,586.4	3,999.3
<i>% of GDP</i>	<i>16.1</i>	<i>15.7</i>	<i>15.9</i>	<i>14.5</i>	<i>16.4</i>	<i>14.9</i>	<i>14.8</i>	<i>15.1</i>
Tax Revenues***	2,827.8	NA	2,504.4	2,714.8	1,343.5	3,125.0	3,419.9	NA
<i>% of GDP</i>	<i>14.5</i>	<i>NA</i>	<i>14.0</i>	<i>13.7</i>	<i>14.7</i>	<i>14.2</i>	<i>14.1</i>	<i>NA</i>
Non-tax Revenues	308.8	NA	351.3	166.2	146.7	164.0	166.0	NA
<i>% of GDP</i>	<i>1.6</i>	<i>NA</i>	<i>2.0</i>	<i>0.8</i>	<i>1.6</i>	<i>0.7</i>	<i>0.7</i>	<i>NA</i>
Expenditures	3,797.7	4,233.7	4,227.4	4,737.1****	2,206.4	4,954.6	5,021.4	5,297.8
<i>% of GDP</i>	<i>19.5</i>	<i>23.3</i>	<i>23.6</i>	<i>23.9</i>	<i>24.2</i>	<i>22.4</i>	<i>20.7</i>	<i>19.9</i>
Surplus/(-Deficit)	-660.2	-1,380.3	-1,371.4	-1,855.6	-716.1	-1,665.1	-1,434.9	-1,298.5
<i>% of GDP</i>	<i>-3.4</i>	<i>-7.6</i>	<i>-7.6</i>	<i>-9.3</i>	<i>-7.9</i>	<i>-7.5</i>	<i>-5.9</i>	<i>-4.9</i>

- The 2021 fiscal program shows slight increase in revenue collections (conservative estimate) and the expenditure program and an elevated but manageable budget deficit of 9.3% on the back of strong government fiscal support to contain COVID-19 and to restart the economy.
- The Philippines is expected to return to fiscal consolidation (i.e., to reduce deficit and debt stock accumulation) in the medium term when the adverse impact of the pandemic abates and the economy gets back to its pre-pandemic growth path, given its strong track record of revenue improvement and prudent expenditure management

Source: DBM, BTr, DOF, Budget of Expenditures and Sources of Financing (BESF) 2022

TRAIN refers to Tax Reform for Acceleration and Inclusion Act

NA- not available

* As approved during the 3 December 2020 Development Budget Coordination Committee Meeting

** As approved during the 19 July 2021 Special Development Budget Coordination Committee Meeting. Lowered projected expenditures and deficit for 2023 and 2024 vs 18 May 2021 projections.

***Includes revenues from approved Comprehensive Tax Reform Program (CTRP) measures and projected impact of CREATE

**** Includes continuing appropriations under 2020 budget and Bayanihan 2

The Government's Budgetary Response to the Pandemic

Focusing on containing the spread and mitigating the effects of the Covid-19 while reopening the economy

2021 National Budget

- The 2021 national budget of PHP4.506tn is 9.9% higher than the PHP4.100tn 2020 budget. This is equivalent to 22.5% of GDP.
- Signed by the President on 28 December 2020. The swift enactment of the budget enables early implementation of the expenditure program

Expenditure Directions

- As laid out in NEDA Report *"We Recover as One"*, the budget will focus on containing the outbreak, cushioning its impact on vulnerable groups, and adapting to the post-pandemic life to ensure economic recovery.
- **Reset:** Addressing the pandemic: resetting priorities and integrating a well-planned and well-executed pandemic response, health issues that have existed and continue to put millions of Filipinos at risk everyday will continue to be addressed.
- **Rebound:** To stimulate economic recovery, the flagship Build, Build, Build Program of the Duterte Administration will continue to be implemented in 2021.
- **Recover:** Adapting to the post-pandemic life includes implementing programs on food security, industry and livelihood, social protection, education, good governance, law, public order, and safety, and environment and disaster risk resiliency.

Budget Priorities

Industry and Livelihood



- Expand Shared Service Facilities and Regional Inclusive Innovation Centers
- Assist MSMEs thru the MSME Resiliency Program and other capacity building projects
- Promote the Balik Probinsya program

Health



- Improve healthcare system by establishing more health facilities and purchasing hospital equipment
- Sustain funding for regular health programs
- Ensure sufficient and efficient deployment of health care workers
- Sustain budget for PhilHealth indigent members

Infrastructure



- Prioritize crucial and shovel-ready projects under the Build, Build, Build Projects to focus on health related-facilities and digital infrastructure
- Construct and enhance logistics and
- Road infrastructure

Food Security



- Ensure unhampered movement of agricultural goods and services thru efficient transport and logistics system
- Intensify provision of support services and farm machineries and equipment to farmers and agri-based enterprises

Governance



- Fast-track implementation of the Philippine Identification System
- Invest in ICT for online and remote government operations and continue support for DICT programs
- Conduct capacity building and continuous learning Programs, including use of e-learning platforms and digital upskilling

2021 National Budget: Spending Priorities

Reset, Rebound, Recover: Investing for Resiliency and Recovery

Select programs and projects, in PHP bn



RESET: Responding to the Pandemic

National Health Insurance Program (Philhealth)	71.4
Assistance to Indigent Patients	17.0
Human Resources for Health Program	16.6
Health Facilities Enhancement Program	15.2
Family Health, Immunization, Nutrition, and Responsible Parenting	12.2
Provision for Personal Protective Equipment	4.7
Procurement of COVID-19 Response Equipment and Infrastructure	4.1
Provision for COVID-19 Vaccine	2.5
Purchase of GeneXpert Cartridges	1.0
Provision for COVID-19 Surveillance	0.5

PHP 221.1bn Health Sector Budget



REBOUND: Reviving Infrastructure Development

DPWH Programs

Network Development	124.5
Flood Management	101.8
Asset Preservation	66.0
Bridge	25.4

DoTr Programs

Rail Transport (DoTr)	49.3
Land Public Transportation	6.7
Aviation Infrastructure	4.9
Maritime Transportation	0.6

PHP 1.1tn Build, Build, Build

2021 Proposed National Budget: Spending Priorities

Reset, Rebound, Recover: Investing for Resiliency and Recovery

Select programs and projects, in PHP bn

RECOVER: Adapting to the Post-Pandemic Life



Food Security/ Industry and Livelihood

Social Protection

Governance

Education

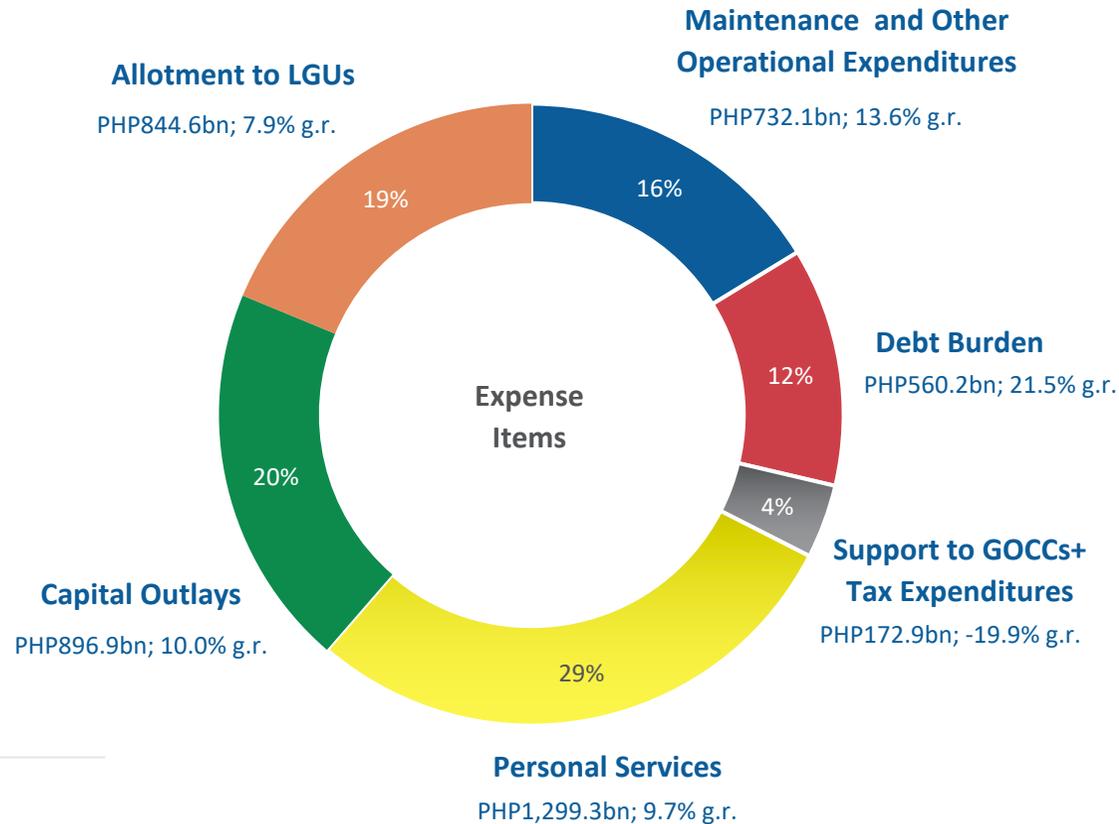
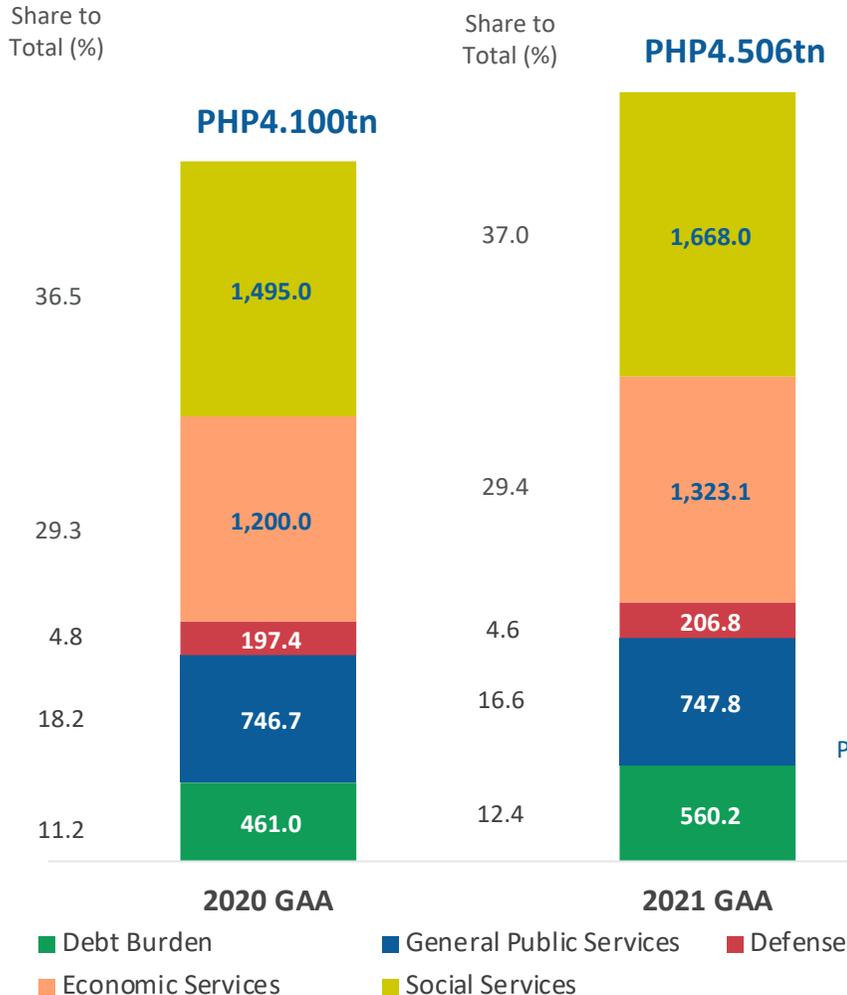
Irrigation Services (NIA)	32.7	Pantawid Pamilyang Pilipino Program	106.8	Operations of the Supreme Court and the Lower Courts	23.9	Basic Education Learning Continuity Plan	100.7
DA's National Programs	24.7	Protective Services Program	23.6	Free legal Services to Indigents and Other Qualified Persons	4.6	Universal Access to Tertiary Education	47.2
Farm-to-Market Roads	11.7	Social Pension for Indigent Senior Citizens	23.5	Philippine Identification System	4.3	Training for Work Scholarship Program	4.1
Rice Competitiveness Enhancement Program	10.0	Sustainable Livelihood Program	4.3	Digitizing the Tax System	1.4	Student Financial Assistance Program	1.7
<i>Industry and Livelihood</i>							
Livelihood and Emergency Employment Program	20.4						
Emergency Repatriation Program	6.3						
MSME Development Program	2.4						
Exports and Investments Development Program	0.9						

2021 National Budget - Investing for Resiliency and Sustainability

Reprioritized 2021 budget to fund critical programs marshalling economic recovery under the “new normal”

2020 vs 2021 National Budget by Sector, PHP bn and % share

2021 National Budget by Expense Class, PHP bn, % Share and growth rate (in %)



Note: g.r. is y-o-y growth rate

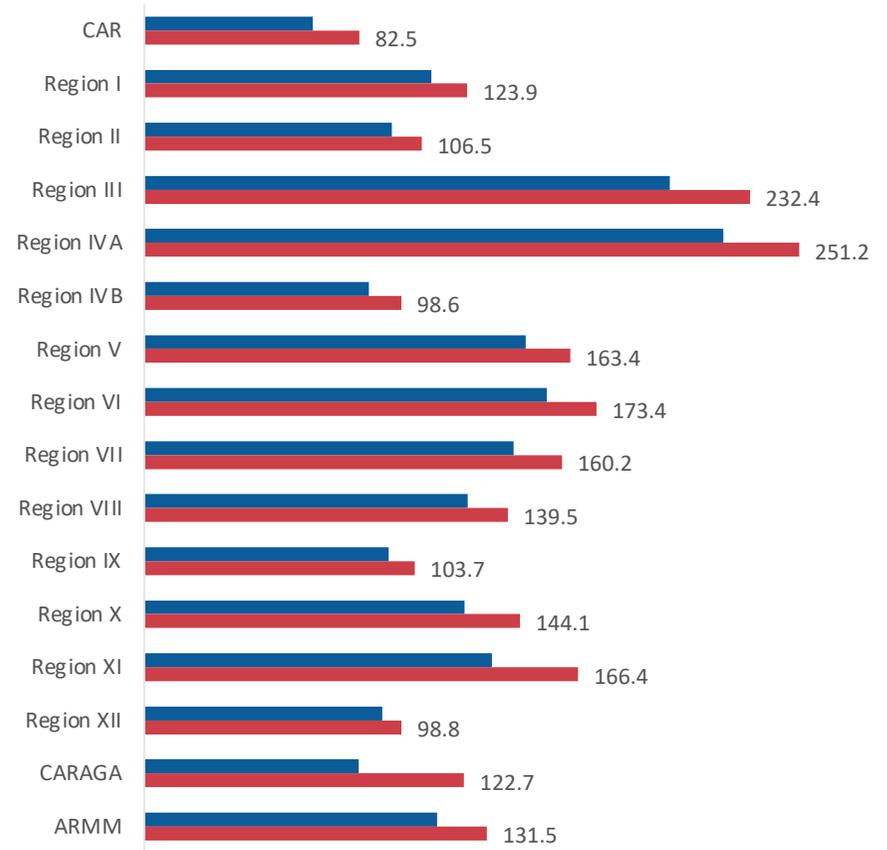
2021 National Budget - Investing for Resiliency and Sustainability

Infrastructure, education and health agencies have the highest budget allocations to address impact of the pandemic

Department	2020 GAA Adjusted ^{1/}	2021 GAA	Increase/ (Decrease)	Growth Rate
	<i>(in PHP bn)</i>			<i>(in %)</i>
Education	650.2	751.7	101.5	15.6
Public Works and Highways	431.2	695.7	264.5	61.3
Interior and Local Government	235.9	249.3	13.4	5.7
Health	183.4	210.2	26.8	14.6
Defense	179.7	205.8	26.1	14.5
Social Welfare	366.6	176.9	-189.7	-51.7
Transportation	84.2	87.9	3.7	4.4
Agriculture	75.8	71.0	-4.8	-6.3
Judiciary	41.2	45.3	4.1	10.0
Labor and Employment	36.6	37.1	0.5	1.4

Allocation among regions ensures equity in national government support for economic recovery

Regional Allocation of the Expenditure Program
(in PHP bn)



■ 2020 GAA ■ 2021 GAA

^{1/} Adjustments made per Bayanihan 1 and 2 to redirect funds for Covid-19 response.

2022 Proposed National Budget

Theme: *Sustaining the Legacy of Real Change for Future Generations*

- The FY 2022 National Expenditure Program of **PHP5.024tn** is the last budget of the Duterte administration submitted to Congress on 23 August 2021. This is **11.5% higher than the 2020 national budget and equivalent to 22.8% of GDP**.

Spending Priorities

Building Resilience Amidst the Pandemic:

Continuously subsidizing health insurance premium of indigent families and senior citizens and implementing measures to combat the spread of the COVID-19 virus, further strengthening the capacity of the healthcare sector and improve medical infrastructure and investing in medical research and development.

- Major programs: National Health Insurance Program, Prevention, Detection, Isolation, Treatment and Reintegration (PDITR) strategy, Human Resources for Health Program, Health Facilities Enhancement Program, COVID-19 R&D efforts of the Department of Science and Technology, establishment of the Virology Science and Technology Institute of the Philippines and appropriations for COVID-19 booster shots.

Sustaining the Momentum Towards Recovery:

Providing essential funding support, especially to the most vulnerable groups, to foster socioeconomic recovery.

- Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD) Program, Emergency Repatriation Program and Reintegration Services Program to safeguard and support displaced workers affected by COVID-19 pandemic;
- Social protection programs such as Pantawid Pamilyang Pilipino Program, Protective Services for Individuals and Families in Difficult Circumstances, and Sustainable Livelihood Program to safeguard the poor and the vulnerable;
- Universal Access to Quality Tertiary Education Act, Basic Education Learning Continuity Plan, Computerization Program for the education sector.

Continuing the Legacy of Infrastructure Development:

Continuously investing in the Build, Build, Build Program to boost economic recovery and provide a modernized public transport system.

- **PHP1.18tn equivalent to 5.3% of GDP** is provided for infrastructure development. Major programs include Network Development Program, Flood Management Program, and Rail and Land Public Transportation Program.

2022 Proposed National Budget

Theme: *Sustaining the Legacy of Real Change for Future Generations*

Budget by Expense Class

Expense Item	Amount (in PHP bn)	% Share to NEP
Personnel Services	1,456.1	29.0
Capital Outlays	939.8	18.7
Maintenance and Other Operating Expenditures	777.9	15.5
Debt Burden	541.3	10.8
Support to GOCCs and Tax Expenditures	192.5	3.8
Allocation to LGUs	1,116.0	22.2

Budget by Sector

Sector	Amount (in PHP bn)	% Share to NEP
Social Services	1,922	38.3
Economic Services	1,474	29.3
General Public Services	862.7	17.2
Debt Burden	541.3	10.8
Defense	224.4	4.5

Top 10 Departments

Department	Amount (in PHP bn)	% Share to NEP
1. Department of Education	773.6	15.4
2. Department of Public Works and Highways	686.1	13.7
3. Department of the Interior and Local Government	250.4	5.0
4. Department of Health ^{1/}	242.0	4.8
5. Department of National Defense	222.0	4.4
6. Department of Social Welfare and Development	191.4	3.8
7. Department of Transportation	151.3	3.0
8. Department of Agriculture ^{2/}	103.5	2.1
9. The Judiciary	45.0	0.9
10. Department of Labor and Employment	44.9	0.9

^{1/} Includes the budget of the Philippine Health Insurance Corporation

^{2/} Includes the budget of the National Irrigation Administration

Consistently Strong Investor Appetite for ROP's Issuances

Highlights of Transaction ¹			
Feb 2016	Jan 2017	Jan 2018	Mar 2018
<ul style="list-style-type: none"> 1st trade coming out of EM Asia in 2016 Concurrent execution of one-day accelerated switch tender offer Lowest-coupon by ROP at 3.7% for a 25-year debt 	<ul style="list-style-type: none"> 1st US\$ Transaction under the Duterte Presidency Coupon of 3.7%; priced at a tight 66.7 bps spread over U.S. Treasuries – the lowest ever achieved by the ROP for 25 years 	<ul style="list-style-type: none"> Benchmark issue of 10-year debt concurrent with 1-day accelerated switch tender offer All time low coupon for ROP at 3.0% for 10-year debt; at a very tight 37.8 bps spread over U.S. Treasuries 	<ul style="list-style-type: none"> 1st ASEAN sovereign to issue Panda with an “Exceptional tight debut”, according to International Financing Review RMB1.46bn with 3-yr tenor Priced at 5.0% with a spread of 35bps above benchmark
Aug 2018	Jan 2019	May 2019	May 2019
<ul style="list-style-type: none"> 1st time after almost 20 years that ROP issued Samurai bonds on a standalone basis ROP sold JPY154.2bn Japanese samurai bonds in 3 tenors JPY107.2bn priced 0.38% for 3Y with a spread of 25bps, JPY6.2bn at 0.54% for 5Y with a spread of 35bps, JPY40.8bn at 0.99% for 10Y with a spread of 60bps 	<ul style="list-style-type: none"> 1st emerging market sovereign US\$ bond issuance in 2019 US\$1.5bn of 10-year dollar-denominated global bonds Coupon of 3.75% at 110bps over US Treasury 	<ul style="list-style-type: none"> ROP's return to European capital market after 13 years with offering of EUR750mn of 8-yr global bonds Priced at EUR Midswaps +70bps vs. +294bps in 2006 	<ul style="list-style-type: none"> ROP's 2nd Panda bond issuance amounting to RMB2.5bn with 3-yr tenor Priced at 3.58% with a spread of 32bps above benchmark

¹At time of issuance
Source: Bureau of the Treasury; Bloomberg L.P.

Consistently Strong Investor Appetite for ROP's Issuances

Highlights of Transaction¹

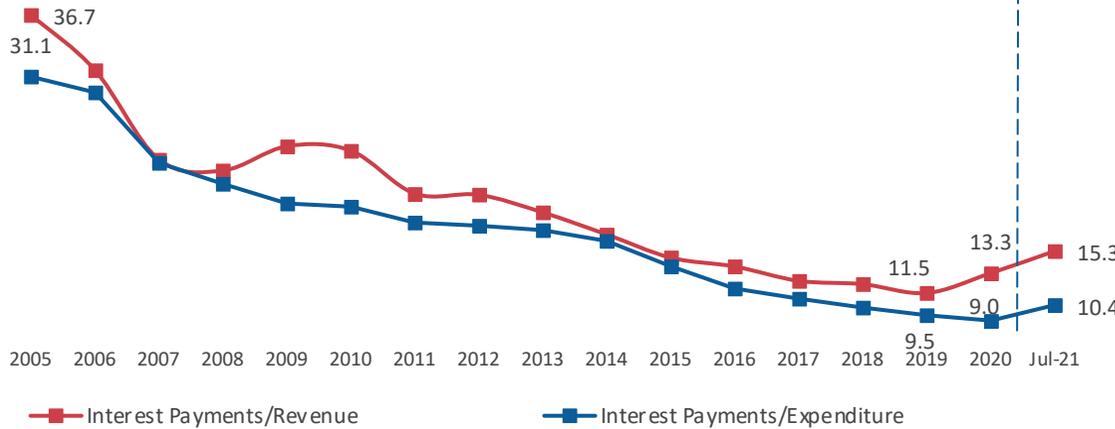
Aug 2019	Jan 2020	Apr 2020	Dec 2020
<ul style="list-style-type: none"> ROP's successful return to the Samurai bond market with a record JPY92bn transaction on its 4-tranche bond offering Priced at 0.18% for 3Y, 0.28% for 5Y, 0.43% for 7Y, and 0.59% for 10Y, with a spread of 23bps, 33bps, 44bps and 53bps, respectively 	<ul style="list-style-type: none"> Issued first-ever zero-coupon euro bonds, and lowest coupon euro-denominated bonds Sold a dual tranche EUR1.2bn bond which consists of a EUR600mn 3Y zero coupon bond at a re-offer yield of 0.133% and EUR600mn 0.70% 9Y bond at a re-offer yield of 0.752% 	<ul style="list-style-type: none"> ROP as the first sovereign globally to price syndicated benchmark tranche with zero new issue premium during the COVID-19 crisis ROP's lowest yielding USD offerings; Largest offshore offering since 2010 Sold a dual tranche US\$2.35bn bond consisting of US\$1.0bn 2.457% 10Y bond and US\$1.35bn 2.95% 25Y bond with spread of 180bps and 169bps, respectively 	<ul style="list-style-type: none"> ROP successfully offered the largest bond historically and achieved the tightest yield for both ROP 10-year and 25-year bucket The dual tranche offering was comprised of US\$1.25bn 10.5-year notes priced at T+70bps (1.648%) and US\$1.5bn 25-year notes priced at 2.650%
Mar 2021	Apr 2021	June 2021	
<ul style="list-style-type: none"> ROP successfully returned to the Samurai market with JPY55bn first –ever zero-coupon bond transaction The 3-year Samurai tranche was priced at 21bps above benchmark, the tightest spread since ROP's return to the market 	<ul style="list-style-type: none"> ROPS's largest and first triple-tranche euro offering The EUR2.1bn issuance was comprised of EUR650mn 0.250% 4Y bond, EUR650mn 1.200% 12Y bond, and EUR800mn 1.750% 20Y bond with spread of 75bps, 105bps, and 135bp, respectively. 	<ul style="list-style-type: none"> ROP issued a US\$3bn dual tranche global bonds comprised of US\$750mn 10.5-year notes priced at T+60bps (1.95%) and US\$2.25bn 25-year notes priced at 3.25% with a coupon of 3.20% 	

¹At time of issuance
Source: Bureau of the Treasury; Bloomberg L.P.

Sustainable Debt Profile Supported by Diversified Sources of Financing

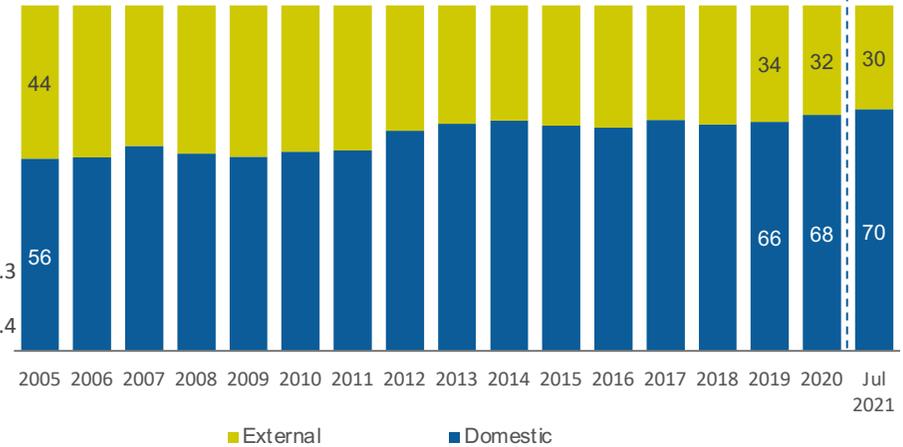
Improved debt affordability resulting from proactive and prudent debt management provides additional fiscal space

Interest payments / NG revenue (%) and Interest payments / NG expenditure (%)



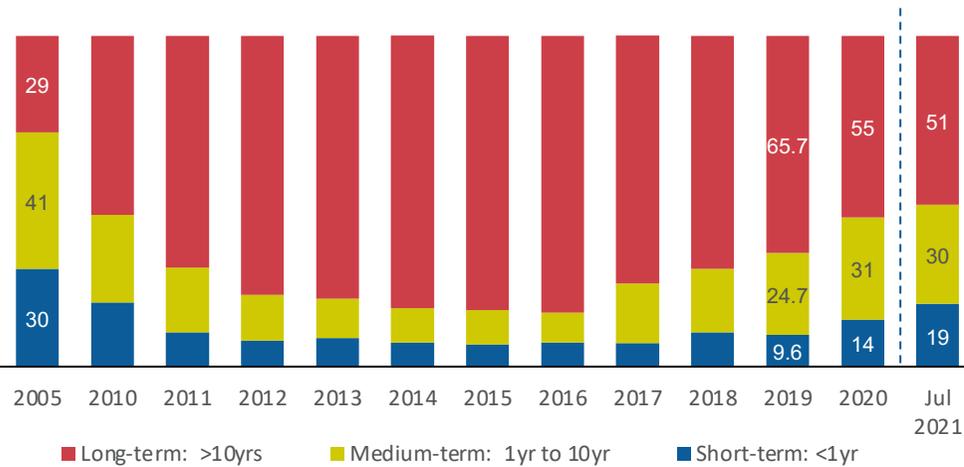
Ample domestic liquidity allows ROP to rely on domestic market to fund majority of its requirements while minimizing FX risks

Total debt breakdown (%)

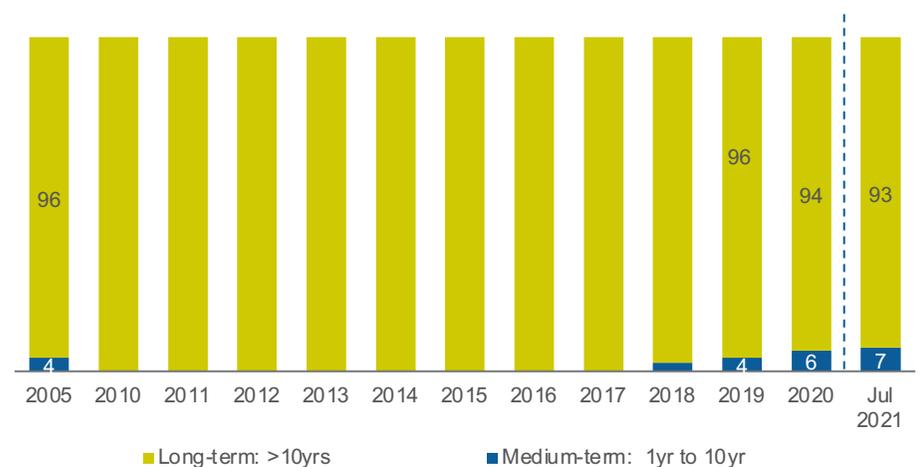


Long-dated debt profile reduces refinancing risk

Domestic debt breakdown (%)*



External debt breakdown (%)



*Part of ST debt in Q1 2021 is the P540 billion advances from BSP that will be repaid within 2021
Unless otherwise indicated, graphs pertain to National Government (NG) Outstanding debt

Source: Bureau of the Treasury

Strong Bias for Domestic Sources of Financing to Minimize FX Risks

Strategic Financing Program								
Particulars	2015	2016	2017	2018	2019	2020	2021 Program	2022 Projection
	(PHP bn)							
Gross Borrowing	609.6	507.0	901.7	897.6	1,015.8	2,652.5	3,096.6	2,472.8
External	189.5	149.5	168.1	303.1	321.9	742.4	581.4	560.6
<i>Program Loans</i>	72.0	35.6	35.1	80.4	78.2	375.2	183.7	126.7
<i>Project Loans</i>	28.2	18.8	33.4	34.0	58.0	49.1	58.2 ^{a/}	80.4 ^{a/}
<i>Bonds and other inflows</i>	89.4	95.1	99.6	188.7	185.7	318.1	339.5 ^{b/}	353.5
Domestic	420.1	357.5	733.5	594.5	693.8	1,910.1 ^{c/}	2,491.0 ^{c/}	1,912.2
<i>Treasury Bills</i>	-17.3	23.5	26.4	179.9	-8.1	463.3	50.0	52.0
<i>Fixed Rate T-bonds</i>	437.4	334.0	707.1	414.5	702.0	1,446.8 ^{d/}	1,901.0 ^{e/}	1,860.2 ^{e/}
Financing Mix (Domestic: External)	69:31	71:29	81:19	66:34	68:32	72:28	81:19	77:23

Note: Figures may not add up due to rounding

^{a/} Based on BTr estimates of disbursements

^{b/} Based on actual peso proceeds of issued bonds and BTr estimate of remaining issuance for 2021

^{c/} Includes net proceeds from Repurchase Agreement and Provisional Advances. In 2020, short term (ST) Borrowing from BSP was fully repaid within the year

^{d/} Excludes PHP88,564 million proceeds used for bond exchange exercise

^{e/} Includes agrarian reform bonds

Source: Bureau of the Treasury, DOF, DBM BESF 2022

Major Tax Reforms Showing Good Results

TRAIN and Sin Tax Collections

Tax Measure	BIR and BOC (Jan- Dec 2020)		
	Revised program (in PHP billion)	Actual (in PHP billion)	Program vs Actual (in %)
TRAIN Law	96.9	105.7	9.0
Sin Tax Laws	28.8	32.1	11.4

Source: DOF, Bureau of Internal Revenue, Bureau of Customs

Major Tax Reforms Support Expansionary Fiscal Policy

Package 1A: RA No. 10963 Tax Reform for Acceleration and Inclusion (TRAIN)

- TRAIN was first implemented on 01 January 2018
- Seeks to correct structural weaknesses in the current tax system to make it simpler, fairer, and more efficient and to generate stable revenue stream to upgrade infrastructure and reduce poverty. It includes mitigating measures designed to redistribute some of the gains to the poor

99% of population is expected to benefit from income tax cuts and tax exemption

30% of revenues earmarked for social protection programs, e.g., cash transfers for the poorest 10mn households and social welfare card

70% of the incremental revenues to develop the country's infrastructure

- Revenue collection reached PHP130.65bn in 2019 and PHP105.7bn in 2020*



Lowered personal income tax (PIT) - PIT exemptions for the first PHP250,000 taxable income and significant PIT cuts for other tax brackets



Increased excise tax on automobiles, petroleum products and tobacco products



Expanded the value-added tax base



Introduced excise tax on sugar-sweetened beverages and cosmetic excise tax of 5%



Simplified estate and donor's tax to 6% flat rate

*preliminary estimate as of March 2021

Source: DOF, House of Representatives, Senate

Major Tax Reforms Support Expansionary Fiscal Policy

Package 1B: Republic Act No. 11213 or “Tax Amnesty Act”

- Involves granting an amnesty on all unpaid estate tax, other internal revenue taxes and tax on delinquencies imposed by the national government for 2017 and prior years. Signed by the President into law on 14 February 2019. The government collected a total of PHP4.03bn from this measure in 2019. The bill extending the amnesty to June 2023 is awaiting the signature of the President.

Salient Features of Tax Amnesty Act

Tax amnesty on delinquencies

Covers all national internal revenue taxes collectible by the BIR and the BOC for year 2017 and prior years with tax amnesty rate falling under the delinquencies below:

40% of tax assessed on final delinquencies

50% of tax assessed on tax cases subject to final judgements of court

60% of tax assessed on pending criminal cases

100% of basic tax assessed for withholding tax agents who withheld taxes but failed to remit to BIR

Republic Act No. 11346 or “Increasing Excise Tax on Tobacco Products, Heated Tobacco Products and Vapor Products”

- An act increasing excise taxes on tobacco products, imposing excise tax on heated tobacco and vapor products and increasing penalties for violations of provisions on excise tax. Tax collections from RA No. 11346 are earmarked for Universal Health Care. Signed by the President on 25 July 2019

Estate tax amnesty

Covers estate of decedents who died before 31 Dec 2017

6% Tax rate based on decedent’s total net estate

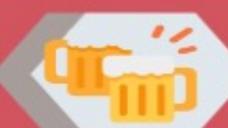
Php 5,000 Minimum tax amnesty rate if the value of the allowable deductions exceeds the value of the gross estate



Major Tax Reforms Support Expansionary Fiscal Policy

Package 2+: Republic Act No. 11467 or “Increasing sin taxes (i.e., excise tax on alcohol, heated tobacco products and e-cigarettes) for Universal Health Care (UHC)”

- An act increasing the excise taxes on alcohol, heated tobacco, and vapor products to generate funds for the government’s universal health care program. It was signed into law on 22 January 2020. Revenue collection from sin taxes law amounted to PHP32.1bn in 2020.

 <p>Imposes a 22-percent ad valorem tax on top of the specific tax per proof liter of distilled spirits</p>	Specific Tax					
	2020	2021	2022	2023	2024	2025
	PHP42.0	PHP47.0	PHP50.0	PHP59.0	PHP66.0	6.0% Increase per year effective 2025
 <p>Excise tax on beer and fermented products with a PHP 2 increase every year until 2024</p>	2020	2021	2022	2023	2024	2025
	PHP35.0	PHP37.0	PHP39.0	PHP41.0	PHP43.0	6.0% Increase per year effective 2025
 <p>New excise tax schedule for heated tobacco products per pack:</p>	2021	2022	2023	2024	2025	
	PHP25.0	PHP27.5	PHP30.0	PHP32.5	5.0% Increase per year effective 2025	
 <p>Vapor products classified as nicotine salt will have an excise tax</p>	2021	2022	2023	2024	2025	
	PHP37.0	PHP42.0	PHP47.0	PHP52.0	5.0% Increase per year effective 2025	
 <p>Tax on freebase or classic nicotine vape will be increased to:</p>	2021	2022	2023	2024	2025	
	PHP45.0	PHP50.0	PHP55.0	PHP60.0	5% Increase per year effective 2025	
 <p>Puts specific tax of PHP50 per liter on all wines starting 2020 and increases by 6% every year starting 2021.</p>						

Major Tax Reforms to Improve Tax Governance and Attract Desirable Investments

Republic Act No. 11534: Corporate Recovery and Tax Incentives for Enterprise (CREATE) Act

- Package 2 of the Comprehensive Tax Reform Program aims to provide immediate relief for business affected by COVID-19 crisis and attract highly desirable investments. It was signed by the President on 26 March 2021. Salient features are as follows:

I. LOWER TAXES

- ✓ Lower CIT rate from 30% to 20% for small and medium corporations (with net taxable income of PHP5 million and below, and with total assets of not more than PHP100mn)
- ✓ Lower CIT rate from 30% to 25% for large corporations; Foreign non-resident corporations subject to 25% rate effective 1 January 2021
- ✓ Lower percentage tax from 3% to 1% for small businesses (gross sales or receipts under PHP3mn (effective 1 July 2021 to 30 June 2023)
- ✓ Lowered minimum CIT from 2% to 1% (effective 1 July 2021 to 30 June 2023)
- ✓ Lower CIT rate from 10% to 1% for non-profit hospitals and educational institutions (effective 1 July 2020 to 30 June 2023)
- ✓ Tax –exempt foreign dividends received by domestic corporations, subject to reinvestment of earnings

II. FISCAL INCENTIVES

- ✓ Up to 17 years of incentives (4-7 years of income tax holiday + 10 years of special corporate income tax, *i.e.*, 5% tax on gross income earned, or enhanced deductions) for exporters
- ✓ Up to 12 years of incentives (4-7 years of income tax holiday + 5 enhanced deductions) for domestic market enterprises
- ✓ Performance-based enhanced deductions:
 - a. depreciation allowance for assets acquired for production of goods and services (additional 10% for buildings and additional 20% for machineries and equipment)
 - b. 50% additional deduction on labor, domestic input and power expenses
 - c. 100% additional deduction for research and development and training expense
 - d. Reinvestment allowance for the manufacturing industry—up to 50% of reinvested profit allowed as a deduction within 5 years from reinvestment
 - e. net operating loss not yet offset from gross income for the first 3 years of operations can be carried over as a deduction from gross income within the next 5 years following the loss

III. COUNTRYSIDE DEVELOPMENT

- ✓ Additional 3 years of income tax holiday for registered enterprises that will fully relocate outside of NCR
- ✓ Additional 2 years of income tax holiday for registered enterprises in areas recovering from disasters or conflict

IV. COVID-19, HEALTH INCENTIVES and OTHER TAX RELIEF

- ✓ VAT exemption and duty-free importation of prescription medicines for diabetes, high cholesterol and hypertension beginning 1 January 2020; for cancer, mental illness, tuberculosis and kidney diseases beginning 1 January 2021; VAT and duty-free importation of COVID-19 vaccines, VAT-free importation and sale of COVID-19 medicines and PPE components beginning 1 January 2021 to 31 December 2023
- ✓ VAT exemption, duty-free importation, printing or publication of books, newspaper, magazine, journal including digital or electronic format
- ✓ Corporate tax exemption of Pag-IBIG Fund

Major Tax Reforms to Improve Tax Governance and Attract Desirable Investments

Remaining Tax Reforms in the Pipeline

Package 3: Real Property Valuation Reform

- Involves reforms in property valuation to make the system more equitable, efficient and transparent by adopting international standards and rationalizing valuation process, establishing single valuation base for taxation, recentralizing approval of schedule of market values (SMVs) back to the Secretary of Finance, establishing a comprehensive database, among others.
- Designed to be revenue neutral for the National Government but revenue positive for local government units.
- Approved on third and final reading in the Lower House. Transmitted to the Senate.

Package 4: Passive Income and Financial Intermediary Taxation Reform (PIFITA)

- Aims to make passive income and financial intermediary taxes simpler, fairer, more efficient, regionally more competitive with salient features as follows:
 - (i) 15% final withholding tax on interest income regardless of currency, maturity, issuer, and other differentiating factors;
 - (ii) 15% uniform tax on passive income such dividends and capital gains
 - (iii) 5% gross receipt tax (GRT) rate on banks, quasi banks, and certain non-bank financial intermediaries (FIs)
 - (iv) 2% of the premium for pre-need, pension, life, and HMO insurance
 - (v) Removal of initial public offering (IPO) tax
 - (vi) Rationalization of Documentary Stamp Tax (DST)
- Designed to be revenue neutral but is initially projected to bring in additional PHP1.7bn in revenue in 2020 and PHP0.2bn in 2021 based on a 70 percent tax efficiency rate*. Revenue collections will start to taper off in the latter years as the unified and lower tax rates are expected to be fully in place.
- Approved on 3rd and final reading in the Lower House. Ongoing committee deliberations in the Senate.

Infrastructure Development for Economic Recovery

VII

Build Build Build Program to Close Infrastructure Gap

Build, Build, Build (BBB) Program to improve mobility of goods and people and create jobs

- Launched in April 2017, the Build Build Build (BBB) Program is the Duterte Administration's centerpiece program anchored on the government's commitment to a responsive regional development. The program aims to spread economic activities from urban centers toward the countryside



5,586

Infrastructure programs/activities/projects (PAPs) under Chapter 19^{1/} of the 2017-2022 Public Investment Program (PIP)



PHP 6.7 trillion

Total project cost of the 5,586 Infrastructure PAPs



112 (PHP 4.7 trillion)

Updated list of Infrastructure Flagship Projects^{2/} (IFP)

Status of IFP Implementation

4 (PHP86.8bn) completed as of May 2021^{3/}

12 (PHP35.3bn) ongoing projects for completion in 2021

17 (PHP203.2bn) ongoing projects for completion in 2022

51 (PHP3,275.6bn) ongoing projects for completion by 2023 and beyond

28 (PHP1,086.3bn) projects* in the pipeline

*Projects still completing government approvals

Source: NEDA as of May 2021, BBB Presentation by BCDA as of August 2020

^{1/} Under Chapter 19; updated as of 20 December 2019

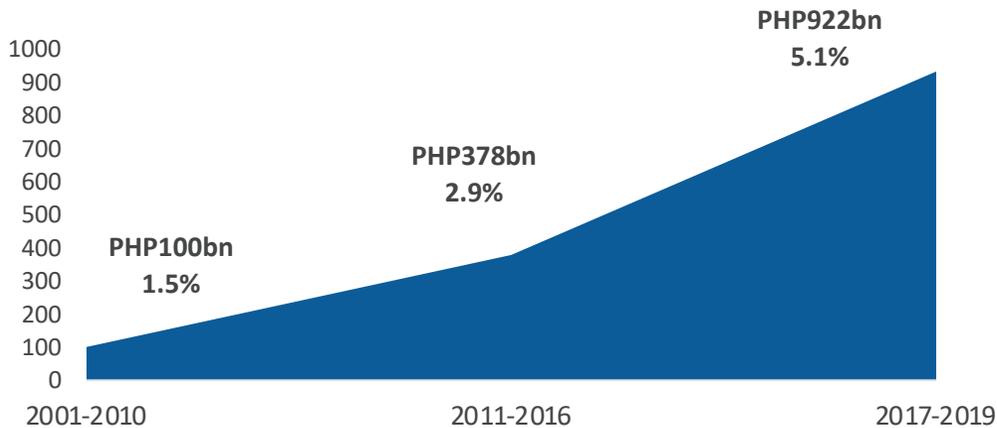
^{2/} In May 2021, the list of IFPs was recalibrated to prioritize projects such as digital technology, health infrastructure, and flood control projects, among others. The revised list does not include completed projects that were part of previous lists of IFPs approved in 2017, 2019, and 2020.

^{3/} Includes projects which are already partially open and projects for inauguration in July 2021 and does not include completed project included in previous IFP lists

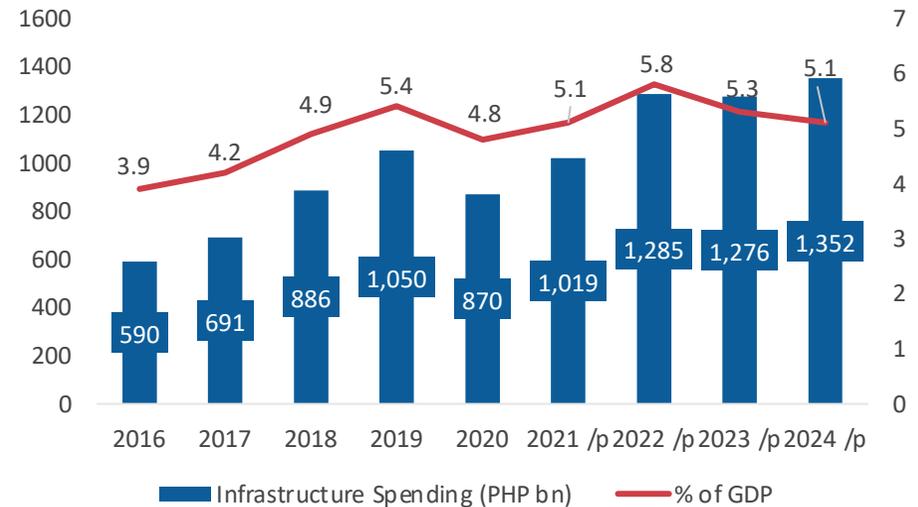
Build Build Build Program to Close Infrastructure Gap

Doubling of average infrastructure spending under the current administration

Infrastructure spending¹ (average in PHP bn, % of GDP)



Infrastructure spending² actual and program (PHP bn, % of GDP)



p/ Program as of July 2021

The Government's massive infrastructure program is key to economic recovery. In the long-run, the infrastructure development program will help ensure the country's sustainable, robust and inclusive growth.

- Increased infrastructure investment and efficiency in budget utilization
 - In 2020, actual infrastructure spending reached PHP869.5bn or 4.8% of GDP
 - As of June 2021, infrastructure disbursements^{3/} had increased to PHP535.9bn or 40.3% higher than the PHP381.9bn disbursements during the same period last year
 - High utilization rate of cash allocations by the infrastructure agencies, DPWH and DOTr of 92% and 100%, respectively, as of end Q2 2021.
 - The government remains firmly committed to accelerating the implementation of the BBB Program while balancing the need to support critical programs and projects to address the COVID-19 pandemic.

1/ Obligation basis

2/ Disbursement basis, the government transitioned to cash-based budgeting starting FY 2019

3/ Include estimated NG infrastructure disbursements, and infrastructure components of subsidy and equity to GOCCs and transfers to LGUs.

Timely Implementation of Infrastructure Flagship Projects to Fuel Economic Recovery

IFPs to help bring down the costs of production, improve rural incomes and encourage countryside investments

112 Projects
PHP4.7tn

- In May 2021, the updated list of infrastructure flagship projects was recalibrated to include additional projects on digital technology, transport and mobility projects, disaster resilience and health infrastructure projects
- 76 projects or more than half of the projects included in the IFP are under Transport and Mobility to improve connectivity between business districts and rural areas leading to better supply chain connectivity, development of industries, efficient movement of goods and services and a more efficient labor mobility. These will lead to higher overall productivity of the economy.

Transport and
Mobility

76 projects
PHP4.3tn

Urban Development
and Renewal

12 projects
PHP156.4bn

Water

10 projects
PHP84.9bn

Power and Energy

2 projects
PHP20.1bn

Information and
Communication
Technology

8 projects
PHP106.0bn

Health

4 projects
PHP46.4bn

Select infrastructure flagship projects by category

1. New Manila International Airport
2. North South Commuter Railway Extension [PNR North 2, PNR South Commuter]
3. Metro Manila Subway Project Phase 1

1. Ambal Simuay River and Rio Grande de Mindanao River Flood Control Projects
2. Pasig-Marikina River Channel Improvement Phase IV
3. New Clark City Phase 1

1. National Irrigation Sector Rehabilitation and Improvement Project (NIS RIP)
2. Malitubog-Maridagao Irrigation Project
3. Chico River Pump Irrigation Project

1. Agus-Pulangi Rehabilitation Project
2. Agus 3 Hydroelectric Power Project (225 MW)

1. Digital Transformation Centers (Upgraded "Tech4ED" Project)
2. Philippine Identification System
3. Safe Philippines Project Phase 1

1. Health System Enhancement to Address and Limit (HEAL) COVID-19 Project
2. Philippines COVID-19 Emergency Response Project
3. University of the Philippines – Philippine General Hospital
4. Cancer Center PPP Project
5. Virology Science and Technology Institute of the Philippines



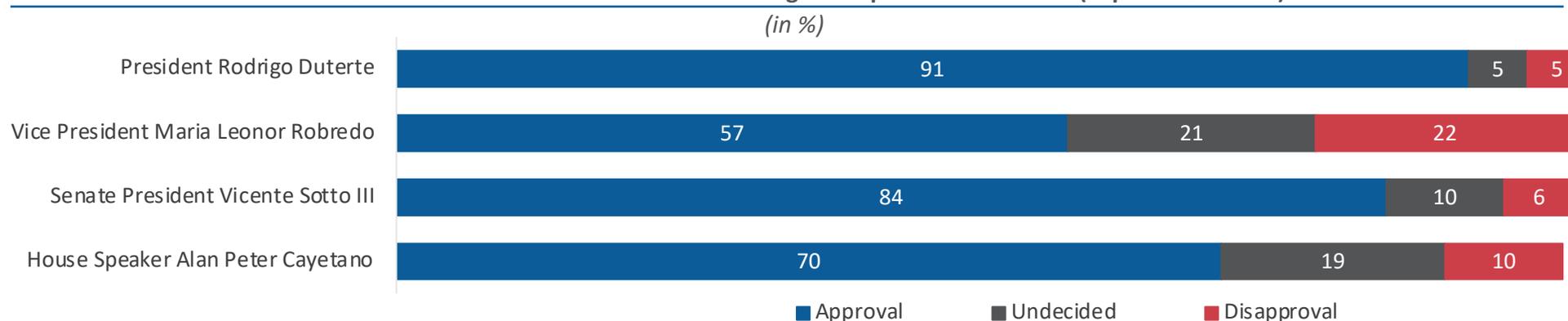
Firm Institutional Foundations Through Structural Reforms

VIII

Strong Political Will to Implement Difficult Reforms

- The President’s performance and trust ratings continued to improve amid the pandemic. His effective leadership in dealing with the crisis gained new support as seen in the decrease of undecided and disapproval rates from the previous survey in December 2019. According to the latest survey of Pulse Asia Research Inc. in September 2020, the President was the most appreciated top official in the country with his performance rating increasing to 91% (from 87% in December 2019) and his trust rating improving by 8 percentage points resulting in a “big majority trust” rating also at 91%.
- Top polling agencies validate the general public’s high satisfaction and trust ratings of the President and top national officials

Pulse Asia Research Inc.’s Performance Ratings of Top National officials (September 2020*)



Performance Rating (%)	Approval			Undecided			Disapproval		
	Sep 2020	Dec 2019	Change (in ppts)	Sep 2020	Dec 2019	Change	Sep 2020	Dec 2019	Change (in ppts)
President Rodrigo Duterte	91	87	+4	5	8	-3	5	5	0
Vice President Maria Leonor Robredo	57	58	-1	21	21	0	22	20	+2
Senate President Vicente Sotto III	84	84	0	10	11	-1	6	5	+1
House Speaker Alan Peter Cayetano	70	80	-10	19	14	+5	10	6	+4

Note: Font in green means improvement while font in red means drop in ratings

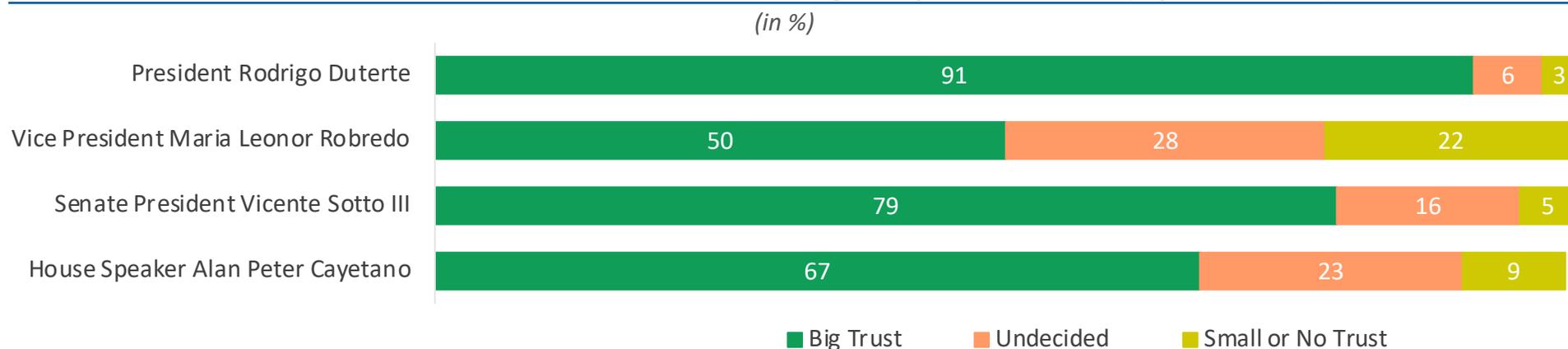
Sources: Pulse Asia

*Survey conducted from 14-20 Sep 2020

Strong Political Will to Implement Difficult Reforms

- The trust rating of the President remarkably improved in areas where the strictest quarantine protocols were implemented, i.e. Metro Manila with +12 percentage points and the rest of Luzon with +14 percentage points

Pulse Asia Research Inc.'s Performance and Trust Ratings of Top National officials (September 2020*)



Trust Rating (%)	Big Trust			Undecided			Small or No Trust		
	Sep 2020	Dec 2019	Change (in ppts)	Sep 2020	Dec 2019	Change	Sep 2020	Dec 2019	Change (in ppts)
President Rodrigo Duterte	91	83	+8	6	10	-4	3	6	-3
Vice President Maria Leonor Robredo	50	53	-3	28	26	+2	22	20	+2
Senate President Vicente Sotto III	79	78	+1	16	17	-1	5	5	0
House Speaker Alan Peter Cayetano	67	76	-9	23	18	+5	9	6	+3

Note: Font in green means improvement while font in red means drop in ratings

Sources: Pulse Asia

*Survey conducted from 14-20 Sep 2020

Sustaining Transformational Reforms Towards Inclusive Growth

The Government is committed to utilizing resources and political capital to make real, lasting reforms that would redound to a comfortable life for every Filipino

2021 Common Legislative Agenda (CLA) for the 18th Congress

Top 12 priority measures

- Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE) Act
- Package 3 of Comprehensive Tax Reform Package (CTRP) or the Valuation Reform Act
- Package 4 of CTRP or the Passive Income and Financial Intermediary Taxation Act (PIFITA)
- Amendments to the Public Service Act
- Amendments to the Retail Trade Liberalization Act
- Amendments to the Foreign Investments Act
- Rural Agricultural and Fisheries Development Financing System Act (Agri-Agra)
- Creating a Medical Reserve Corps Act
- Creating a Disease Prevention and Control Authority Act
- Imposing Amusement Tax on Digital Platform and Offshore Betting Stations of Licensed Cockpits
- Establishing the Tax Regime of Philippine Offshore Gaming Operators (POGO)
- Strengthening Local Government Participation in National Development by Increasing the Share of Local Government Units in the National Internal Revenue Taxes

6th and Final SONA Priority Bills

- e-Governance Bill
- Creation of the Virology Institute of the Philippines
- Mandatory Evacuation Center Act
- Act Providing Free Legal Assistance to Any Officer or Enlisted Personnel of the Armed Forces of the Philippines and the Philippine National Police on Any Charge Before the Prosecutor's Office, Court or Any Competent Body Arising From an Incident or Incidents Related to the Performance Of Official Duty

13 more CLA bills targeted to be passed by December 2021

- Creating a Department of Overseas Filipinos Act
- Creating a Department of Disaster Resilience Act
- Creating a Boracay Island Development Authority Act
- Creating a Unified System of Separation, Retirement and Pension of the Military and Uniformed Personnel Act
- National Land Use and Management Act
- Internet Transactions Act
- Magna Carta for Barangay Health Workers Act
- National Housing Development Act
- Expanded Solo Parents Welfare Act
- Modernizing the Bureau of Fire Protection (BFP) Act
- Modernizing the Bureau of Immigration Act
- Amending/Repealing RA No. 10192, or the Continuing Professional Development Act of 2016
- Reviving the Death Penalty by Lethal Injection for Crimes specified under the Comprehensive Dangerous Drugs Act of 2002

Select priority measures already passed into law

- RA No. 11518 - General Appropriations Act (GAA) for Fiscal Year (FY) 2021
- RA No. 11523 - Financial Institutions Strategic Transfer (FIST) Act
- RA No. 11521 - Amendments to the Anti-Money Laundering Act
- RA No. 11524 - Coconut Farmers' and Industry Trust Fund Act
- RA No. 11534 - Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

Long Track Record of Purposeful Structural and Policy Reforms

Selected structural/policy reforms in the Philippine economy

Approving and adopting the 25-year long term vision entitled Ambisyon Natin 2040 as guide for development planning (EO No. 5)

Operationalizing in the executive branch full public disclosure and transparency (EO No. 2)

Customs modernization and tariff act (RA No. 10863)

2016

Personal Equity Retirement Account (PERA), crafted in 2008 as (RA No. 9505)

Amendments to the Philippine Deposit Insurance Corp. (RA No. 10846)

Amendment to investment restrictions for adjustment, lending and foreign companies and investment houses (RA No. 10881)

- Macroeconomic Reforms
- Social and Governance Reforms
- Infrastructure Reforms
- Financial Reforms
- Investment Reforms
- Fiscal Reforms
- RA Republic Act
- EO Executive Order
- AO Administrative Order

Long Track Record of Purposeful Structural and Policy Reforms

Selected structural/policy reforms in the Philippine economy

Independent Electricity Market Operator of the Philippines (IEMOP) was created to serve as the Independent Market Operator of the Wholesale Electricity Spot Market (WESM)

National Payment Systems Act (RA No. 11127); BSP (central bank of the Philippines) as overseer of the national payments system)

Personal Property Security Act (RA No. 11057)

11th regular foreign investment negative list (EO No. 65)

Ease of Doing Business Act (RA No. 11032)

Philippine identification system act (RA No. 11055)

Bangsamoro Organic Law (RA No. 11054)

Removing tariff barriers and streamlining administrative procedures on the importation of agricultural products (A.O. No.13)

2017

2018

Attaining and sustaining “zero unmet need for modern family planning” through the strict implementation of the responsible parenthood and reproductive health act, providing funds therefor, and for other purposes (EO No. 12)

Philippine Development Plan (PDP) 2017-2022 – the first medium-term development plan to be anchored on the national long-term vision “AmBisyon Natin 2040”

Reorganizing the cabinet clusters system by integrating good governance and anti-corruption in the policy frameworks of all clusters and creating the infrastructure cluster and participatory governance cluster (EO No. 24)

Directing all government agencies and instrumentalities, including local government units, to implement the Philippine Development Plan And Public Investment Program for the Period 2017-2022 (EO No. 27)

Tax reform for acceleration and inclusion (TRAIN) (RA No. 10963)

Amendments to the anti-money laundering act (RA No. 10927)

An act establishing the free internet access program in public places in the country (RA No. 10929)

Universal access to quality tertiary education act (RA No. 10931)

Amendments to the 1996 passport law to extend validity of passport to 10 years (RA No. 10928)

- Macroeconomic Reforms
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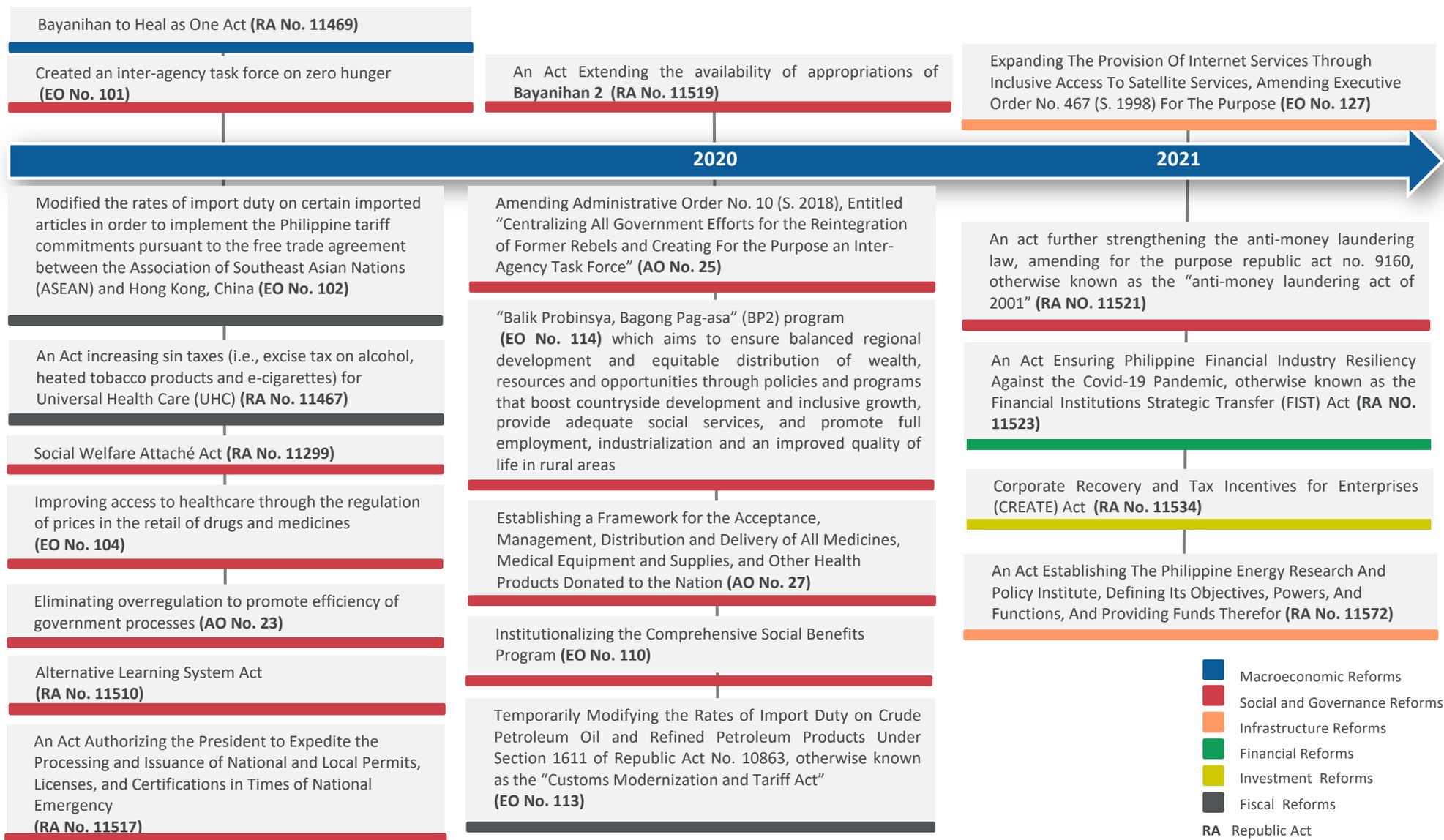
Long Track Record of Purposeful Structural and Policy Reforms

Selected structural/policy reforms in the Philippine economy



Long Track Record of Purposeful Structural and Policy Reforms

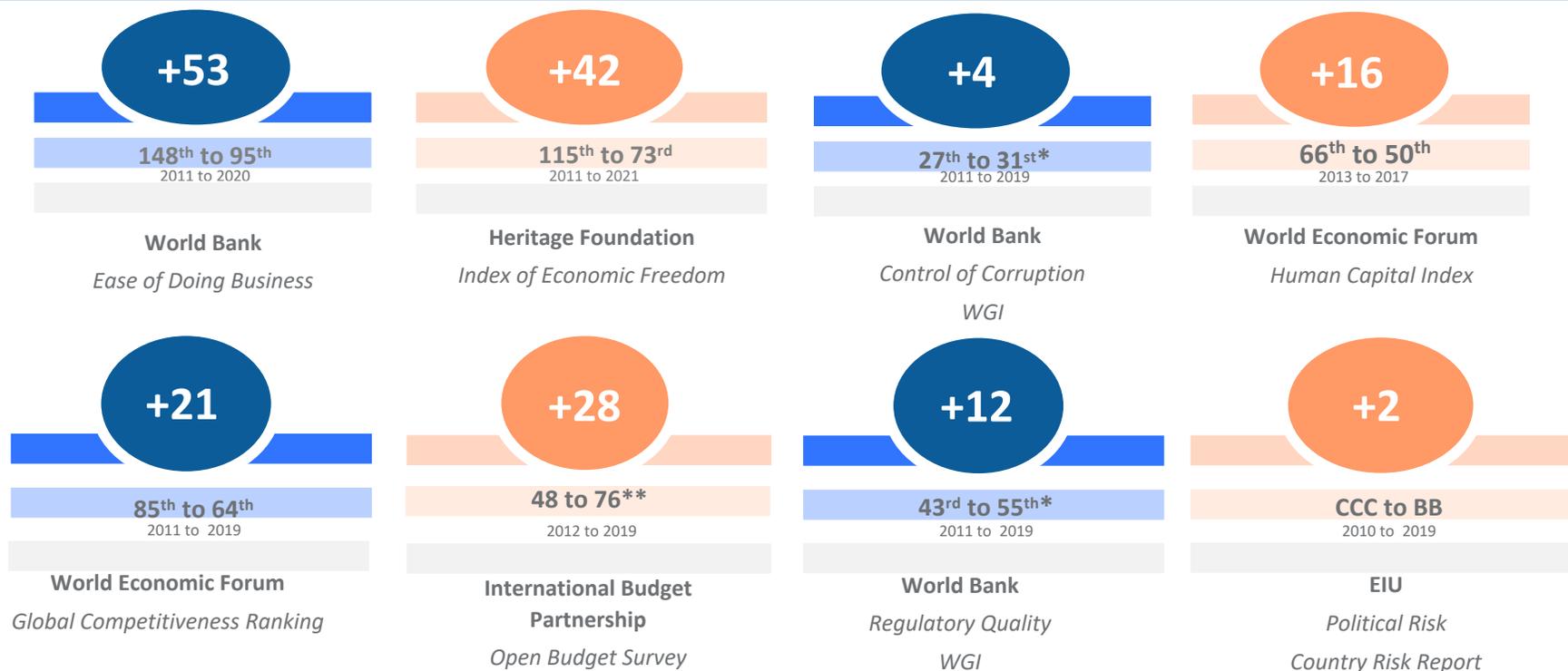
Selected structural/policy reforms in the Philippine economy



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Strengthened Institutions to Support Transformational Reform Momentum

Results of entrenched reforms are positively recognized by various independent third-party assessors



Stamping out corruption and improving government services are paramount to ease of doing business



Citizens can request for information and assistance on government frontline service procedures, and report commendations, appreciation, complaints, and feedback.



Established to oversee the implementation of the national policy against red tape

The President's drive against corruption in government is relentless. Several officials have been ordered to tender resignation due to issues of corruption.



Created thru EO No. 43, the Presidential Anti-Corruption Commission (PACC) is mandated to fight and eradicate graft and corruption in the different departments, bureaus, offices, and other government instrumentalities to ensure public officials and employees are worthy of public trust.

*Percentile rank ** Score out of 100
Source: Various third-party annual ranking reports, PIA, PNA

The Investor Relations Office



Promoting the Philippine economy at home and abroad

The IRO undertakes a range of initiatives to build awareness among domestic and international investment audiences around the Government's economic reform program, promote specific investment opportunities in the Philippines and facilitate information exchange and dialogue between key economic policy decision-makers in the Government and domestic/international investors. These initiatives include:

- Regular Economic Briefings to update the business community, media and industry organizations on the country's economic performance
- Investor Roadshows to bring the Government's resilient economic performance record, commitment to sound economic management and responsible reform to members of the international financial community
- Media Briefings to raise awareness on the Government's progress in economic reforms and plans for ongoing reforms
- Government Policy Roadshows to increase the business community's understanding of government policy measures to generate support for the policy implementation process
- Investor Teleconferences to provide timely updates on key economic performance indicators
- E-mail service to keep investors and other investors abreast of data releases on a regular basis
- An English Language website, www.iro.ph, to provide a wide range of easily accessible information about the Philippines' economic performance and the government's economic policies

Contact Information

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