



Keynote Speech Philippine Economic Briefing

RALPH G. RECTO
SECRETARY OF FINANCE

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Philippine International
Convention Center





**Our economic outlook is the
brightest it has ever been**

Multilateral organizations affirm the strength of the Philippine economy, projecting it to remain a frontrunner in ASEAN

Philippines' GDP Growth Forecasts of Various Multilateral Organizations

2024

5.8%



The World Bank

6.0%



Asian Development Bank

6.2%



International Monetary Fund

6.3%



ASEAN+3 Macroeconomic Research Office (AMRO)

2025

5.9%



The World Bank

6.2%



Asian Development Bank

6.2%



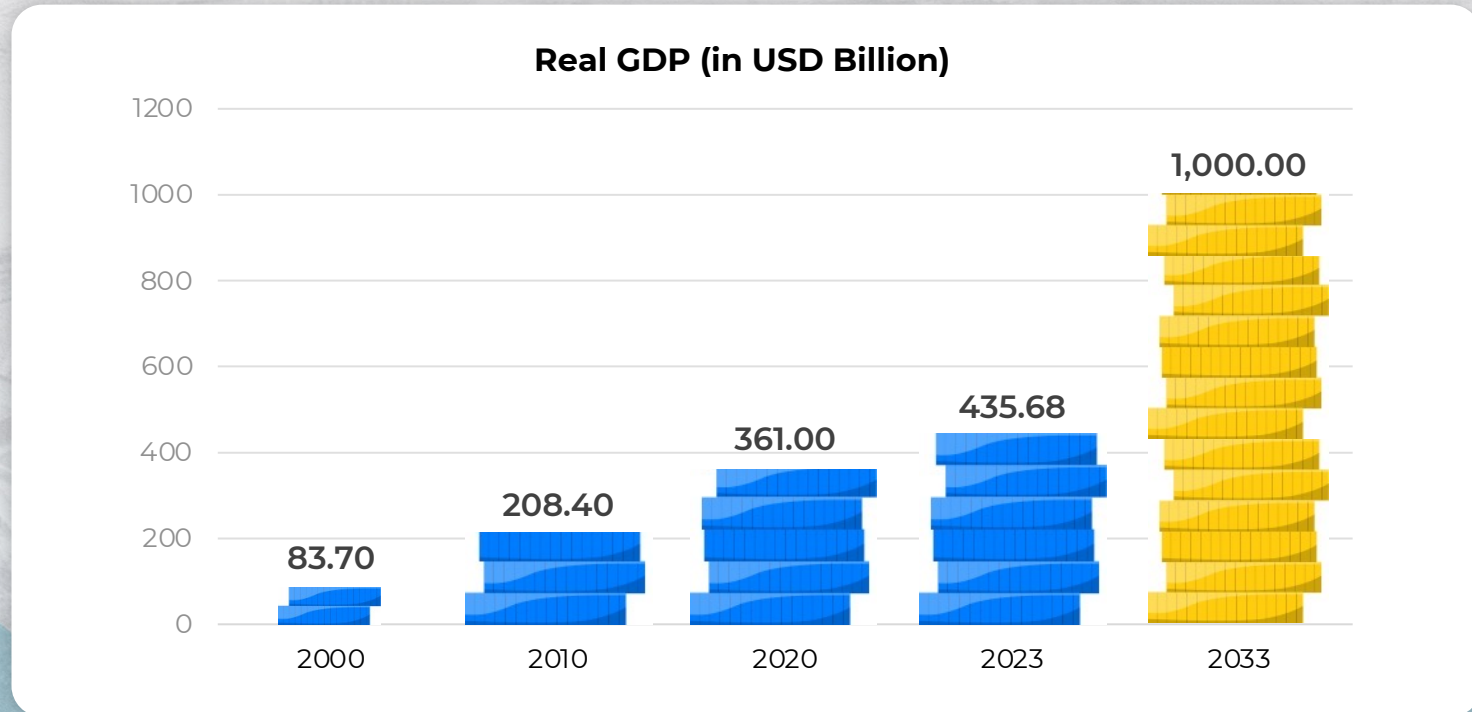
International Monetary Fund

6.5%



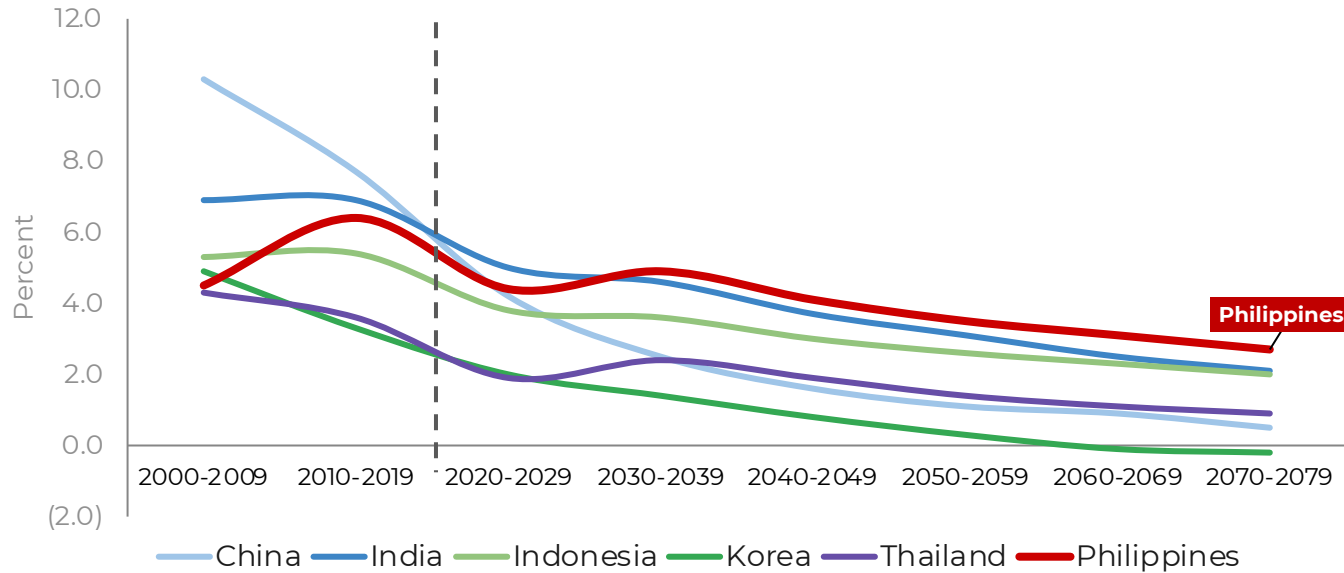
ASEAN+3 Macroeconomic Research Office (AMRO)

In less than a decade, the Philippines will become a trillion-dollar economy, joining the ranks of economic giants like China, Japan, India, and South Korea



Global growth will be led by Asia's powerhouses for the next decades, notably by the Philippines








Actual and Projected GDP Growth of Selected Asian Countries



Philippines will be the 14th largest economy worldwide by 2075

World's Top 15 Largest Economies by 2075

Rank	Country	2075 Real GDP (In USD Trillion)
1	 China	57.0
2	 India	52.5
3	 USA	51.5
4	 Indonesia	13.7
5	 Nigeria	13.1
6	 Pakistan	12.3
7	 Egypt	10.4
8	 Brazil	8.7

Rank	Country	2075 Real GDP (In USD Trillion)
9	 Germany	8.1
10	 United Kingdom	7.6
11	 Mexico	7.6
12	 Japan	7.5
13	 Russia	6.9
14	 Philippines	6.6
15	 France	6.5

Average GDP Growth Rate 2020-2075

Conservative Estimate

 **Philippines** **3.9%**

 **Asia** **2.6%**

 **World** **2.2%**

With our arsenal of **growth-enhancing strategies**, this administration has the **right policy tools** and **determination** to take us there




Inflation remains manageable and is expected to settle within the government's target, lower than global average and developing economies

Jan-April 2024

3.4%

Government Target

2%-4%

IMF Projections	2024	2025
 Philippines	3.6%	3.0%
World (Average)	5.9%	4.5%
Emerging market and developing economies (Average)	8.3%	6.2%

Our economy's dynamism is anchored in strong consumer demand supported by a vibrant labor market

March 2024 Labor Force Survey (YoY), unless otherwise stated

76.5% ↑

Share of Consumer Spending to GDP as of Q1 2024



64.2% ↑

Share of wage and salary workers to total employed individuals



11.0% ↓

Underemployment rate



3.9% ↓

Unemployment rate



The Philippine domestic market has a huge capacity for local and foreign businesses to thrive

PH is expected to ascent to upper middle-income- status in 2025

Having a gross national income (GNI) per capita income range of U\$ 4,466 to U\$ 13,845.

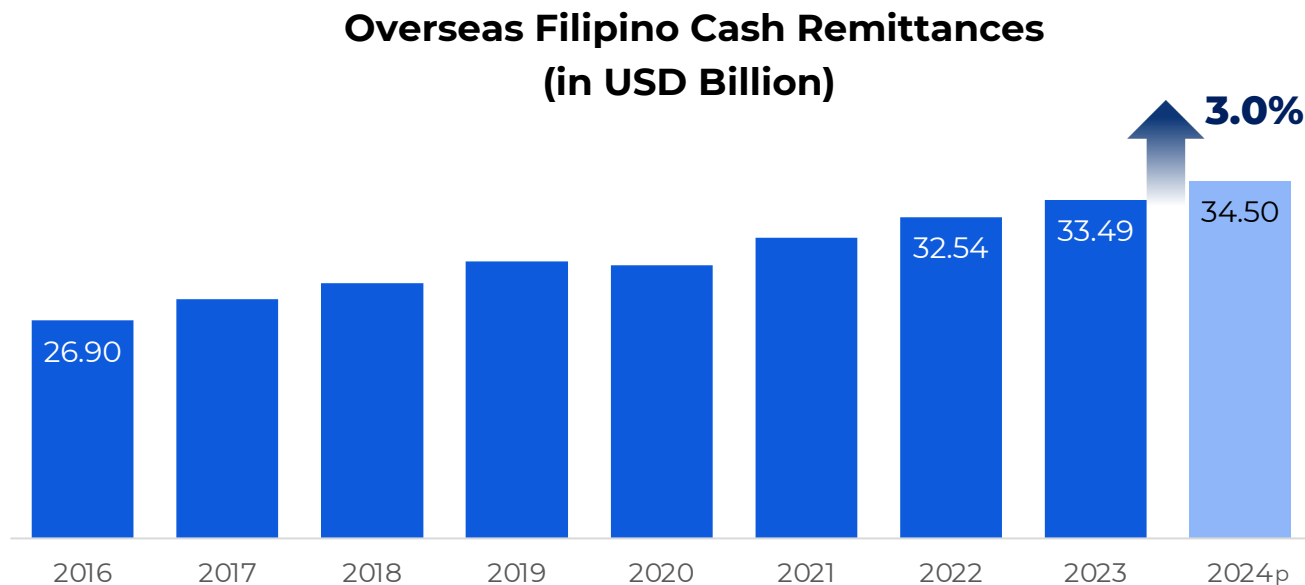
PH is forecasted to be world's 13th largest consumer market by 2030

PH will have a total of 79 million consumers in 2030 from 41 million in 2020.

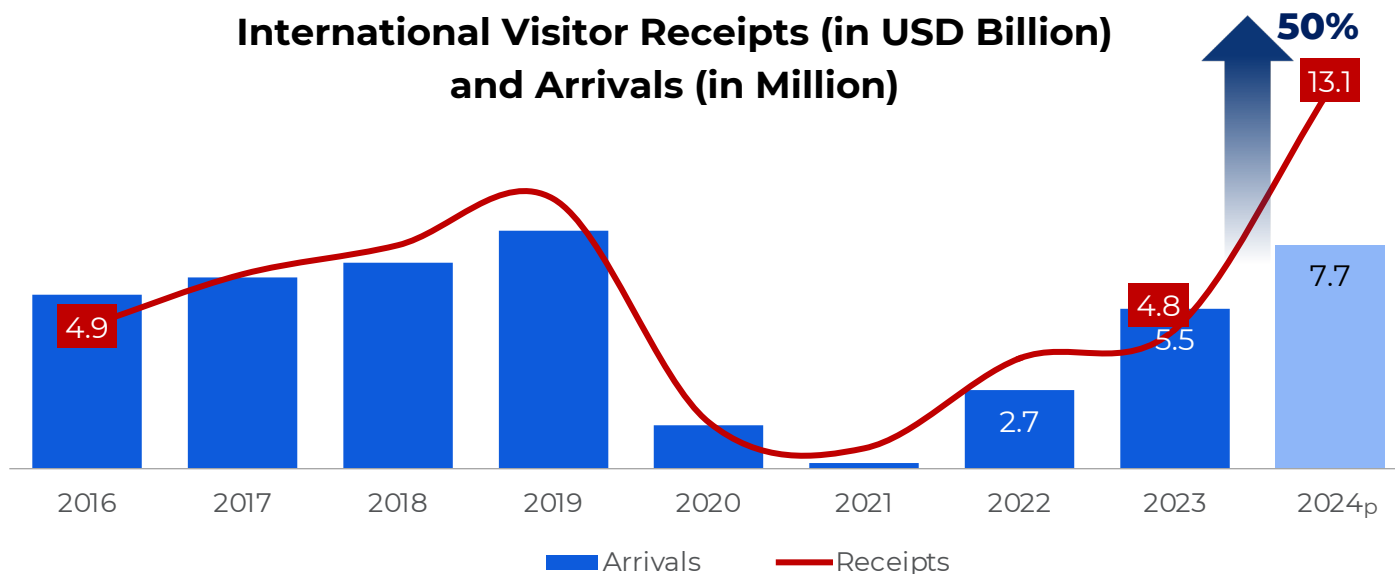
PH per capita GDP to nearly double by 2030

Average average income per person in PH will rise from U\$ 3,541 in 2023 to U\$ 6,500 by 2030.

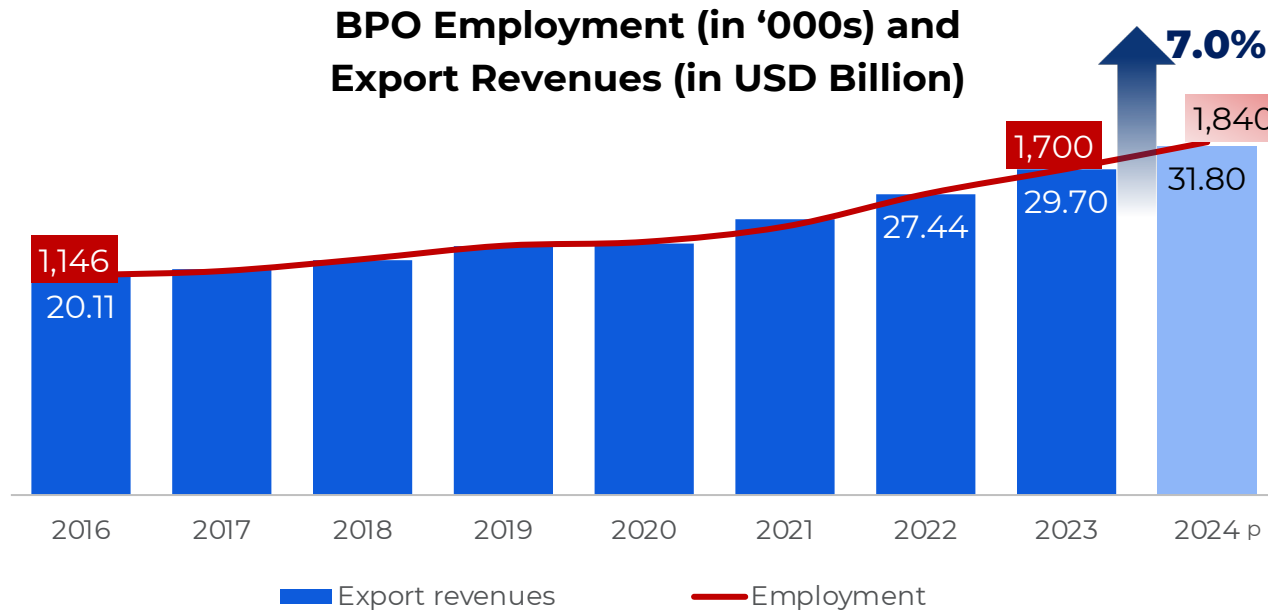
The robust remittance inflows from the overseas Filipino workforce sustain domestic consumer demand



The tourism industry strongly rebounded from the pandemic, posting sustained increases in tourist arrivals and tourism receipts

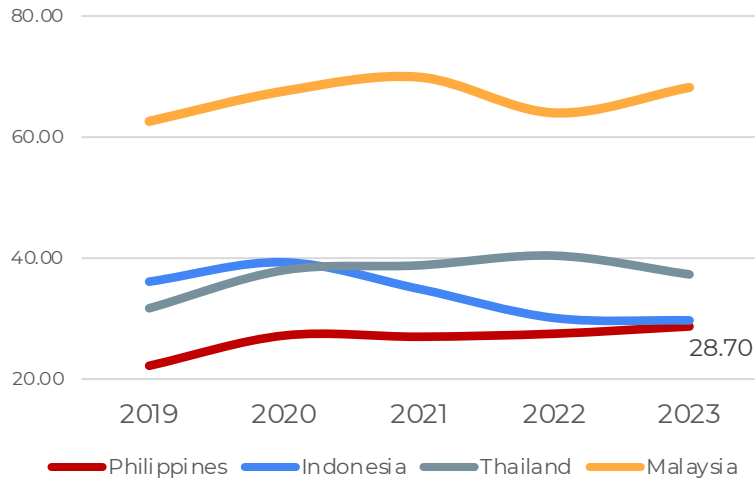


The Philippines' business process outsourcing remains a strong driver of employment and export revenues

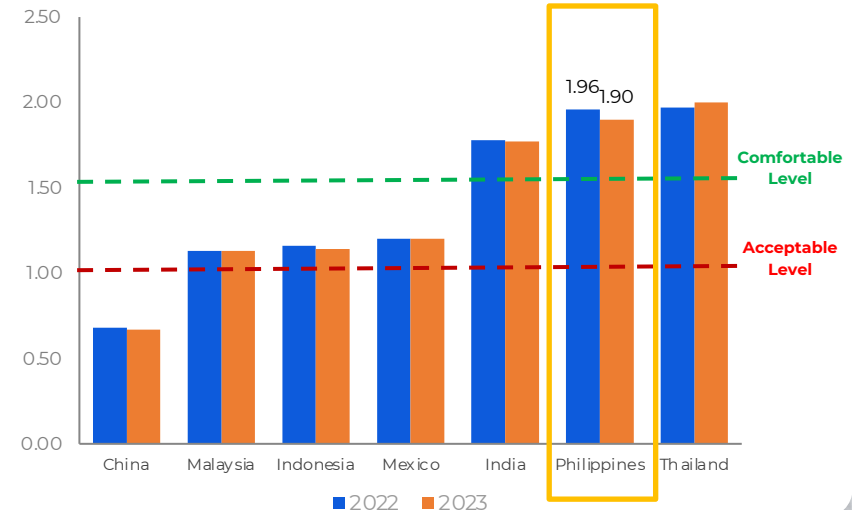


The Philippines continues to have the lowest external debt-to-GDP among ASEAN, and its level of reserves are significantly higher than peers

**External Debt Among ASEAN-5 Countries
(as percentage of GDP)**

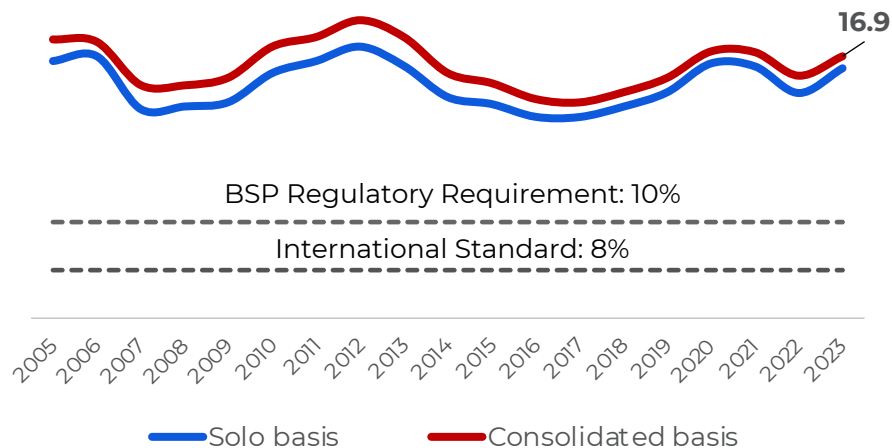


**Ratio of Reserve/ Assessing Reserve Adequacy
Ratio (ARA) Metric of Select Countries**

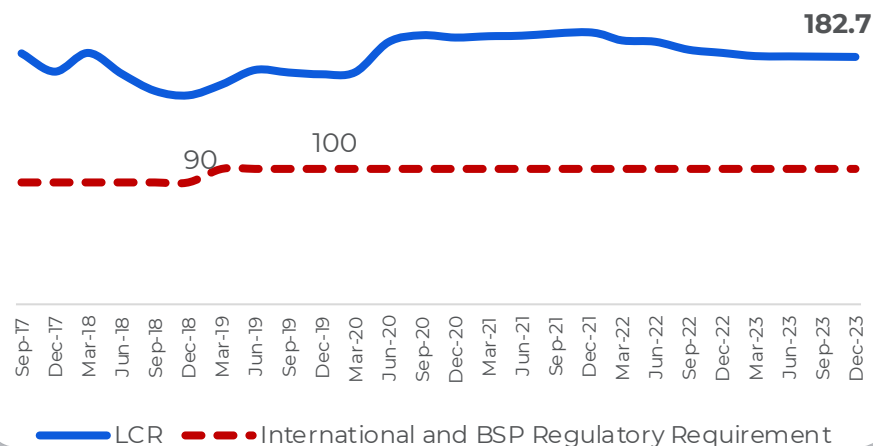


The banking system is strong and stable, capable of providing more lending support to businesses and individuals

Capital adequacy ratio (in percent) of Universal and Commercial Banks

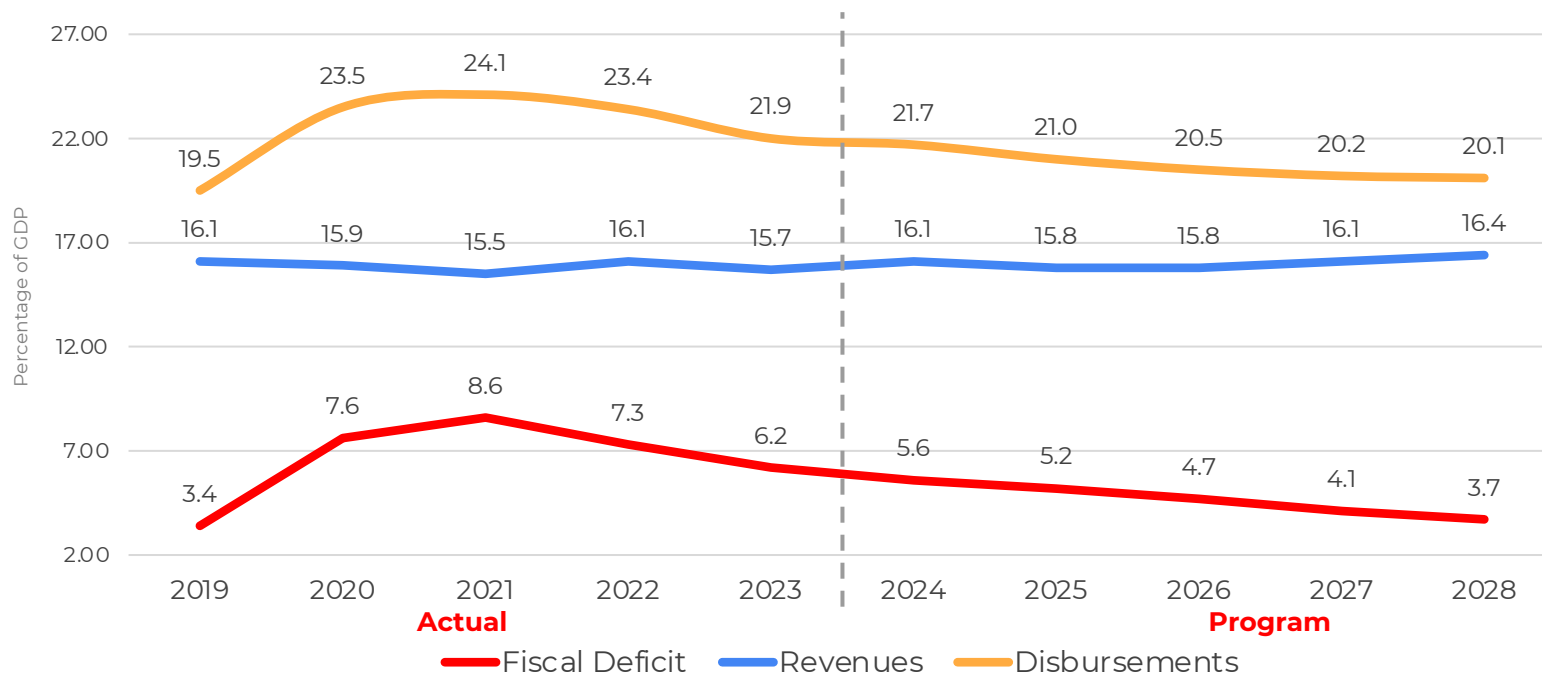


Liquidity coverage ratio (LCR) (in percent) of Universal and Commercial Banks on solo basis



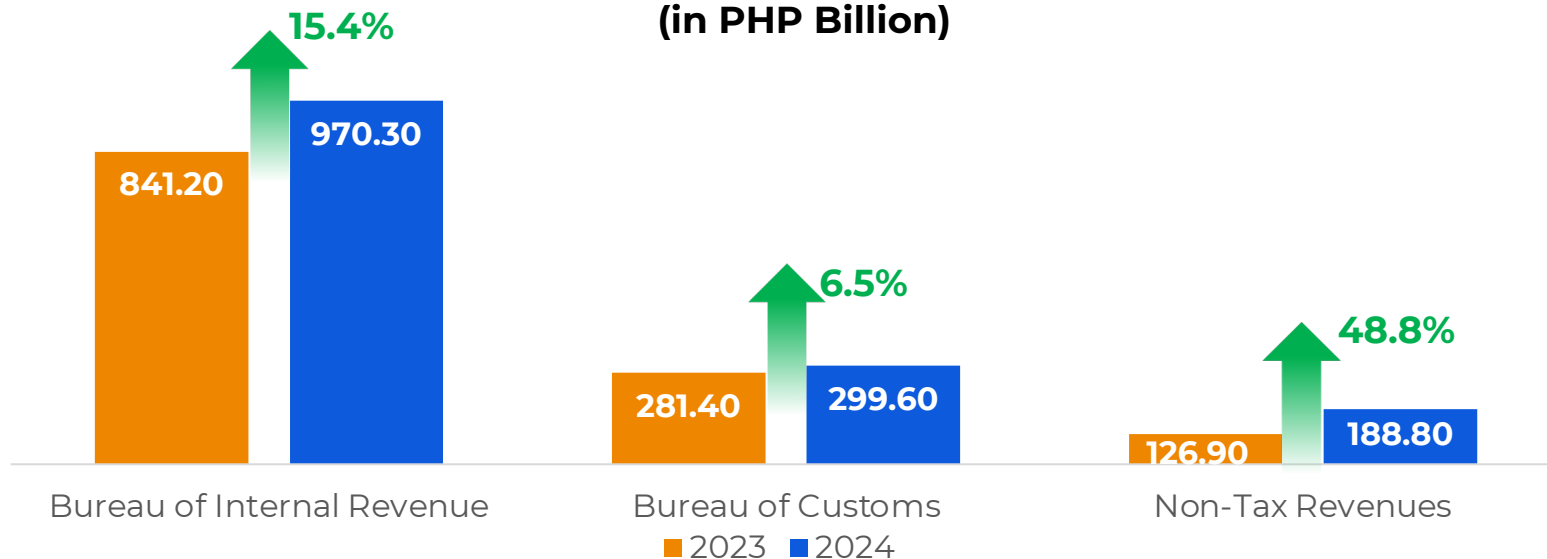
The new fiscal targets are realistic, pragmatic, and proactive, accounting for various domestic and external factors

Fiscal Performance As Percentage of GDP



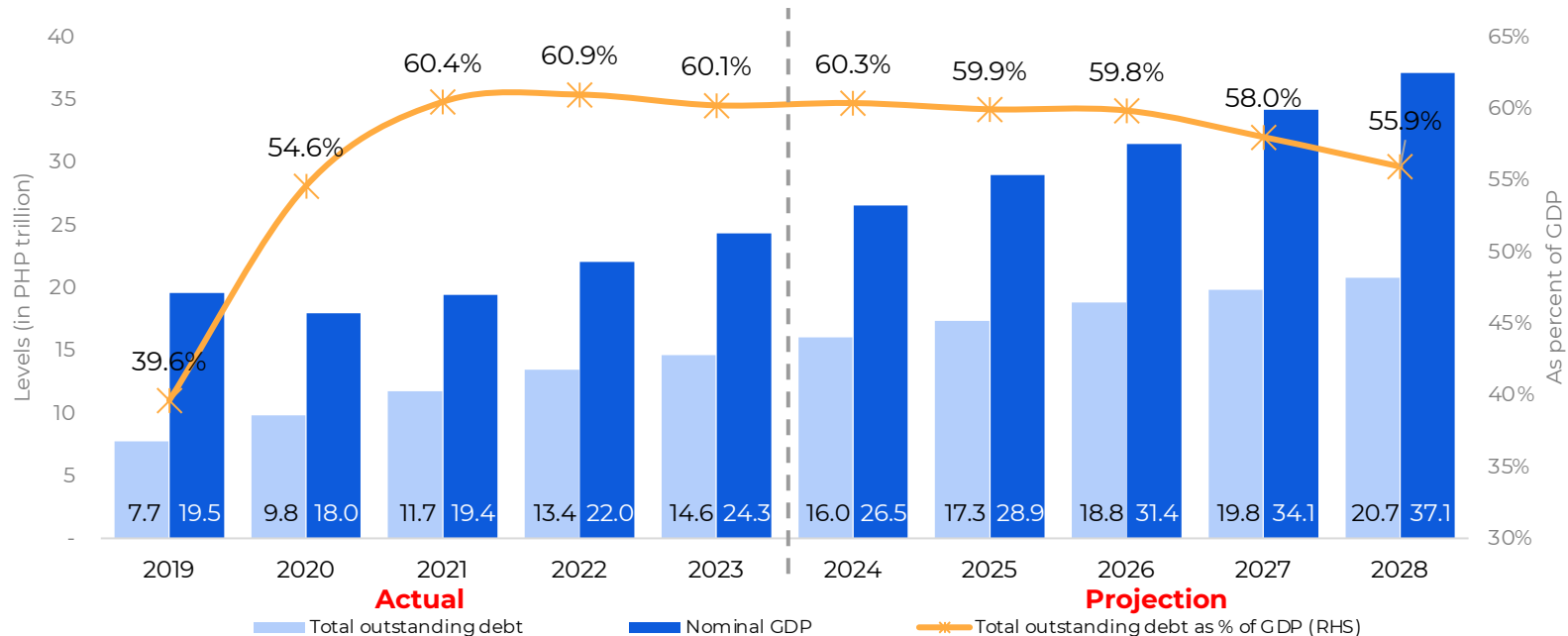
With total revenues already reaching PHP 1.5 trillion as of end-April, we are on track to meet our collection target of PHP 4.3 trillion

**Revenue Collections for the Period of January to April 2024
(in PHP Billion)**



Our fiscal consolidation plan ensures that the economy will continue to outgrow our debt in the medium term

**Nominal GDP vs Total Outstanding Debt (in PHP Trillion)
and Total Outstanding Debt as Percentage of GDP**



The Philippines recently obtained USD 2 Billion in financing from the global bond market at exceptionally historic low rates

10-year tranche

- ✓ T+80 basis points (bps), 40 bps tighter than the initial price guidance
- ✓ The tightest among the government's similar issuances since 2022
- ✓ Spread of the 10-year issuance of A-rated Chile: 120 bps (2023); A-minus-rated Poland: 120 bps (2024)

25-year sustainability tranche

- ✓ T+99.8 bps, 45 bps tighter than the initial price guidance
- ✓ The second-best rate in the government's history
- ✓ Spread of the 30-year issuance of A-rated Chile: 148 bps (2023); A-minus-rated Poland: 130 bps (2024)

Metro Manila Subway

Third tranche of financing provided by the Japan International Cooperation Agency (JICA):
JPY 150 billion (about PHP 55 billion) signed on March 26, 2024

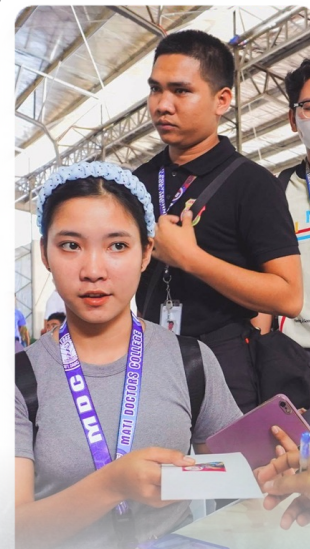
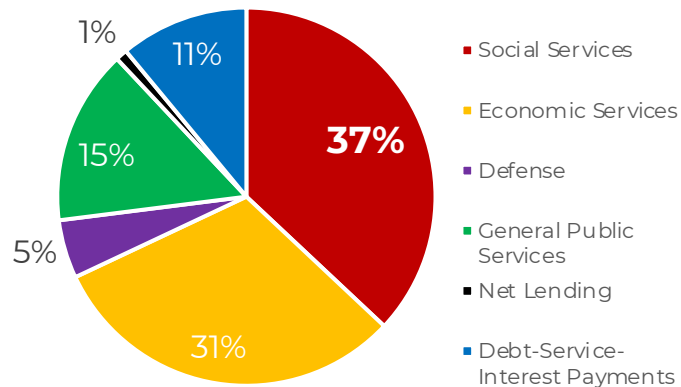
Carries an interest rate of
0.30% per annum
for non-consulting services and
0.20% per annum
for consulting services, to be
repaid in 40 years, inclusive of
a 10-year grace period



We are harnessing the energy and talent of millions of young and well-educated Filipinos by investing in education and social services

The biggest chunk of the PHP 5.767 trillion 2024 national budget was allocated to education, health, and social services

2024 National Budget



The Build Better More Program features **185 big-ticket infrastructure projects** worth PHP 9.5 Trillion



SCAN TO VIEW
THE LIST OF
PROJECTS



With the Public-Private Partnership Code in place, we expect to speed up the delivery of critical infrastructure projects nationwide

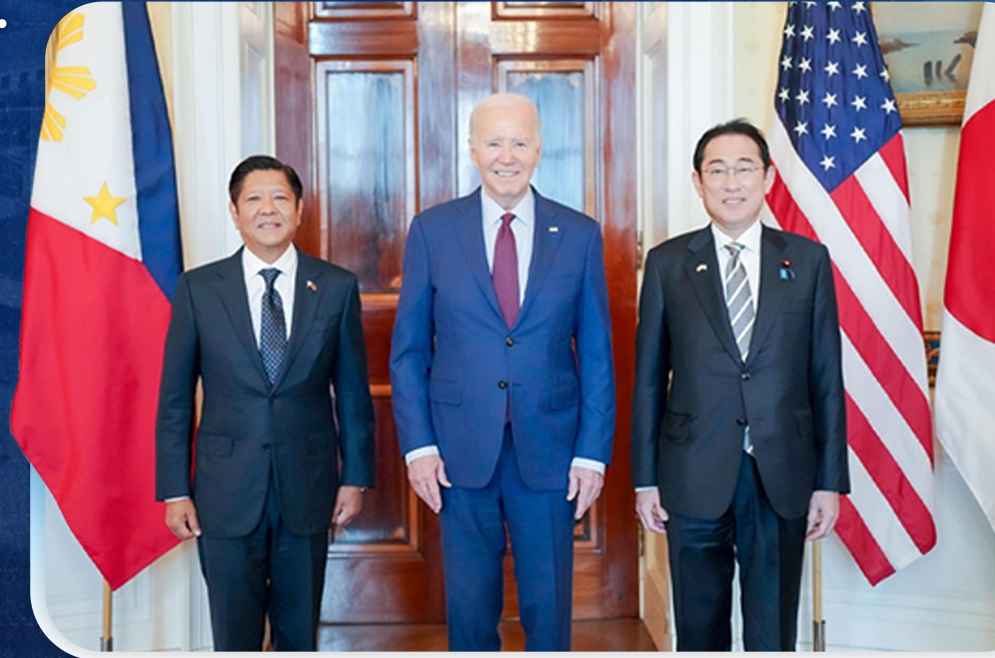
We currently have 125 PPP projects in the pipeline.
Five are already in advanced stages and are slated for awarding this year.



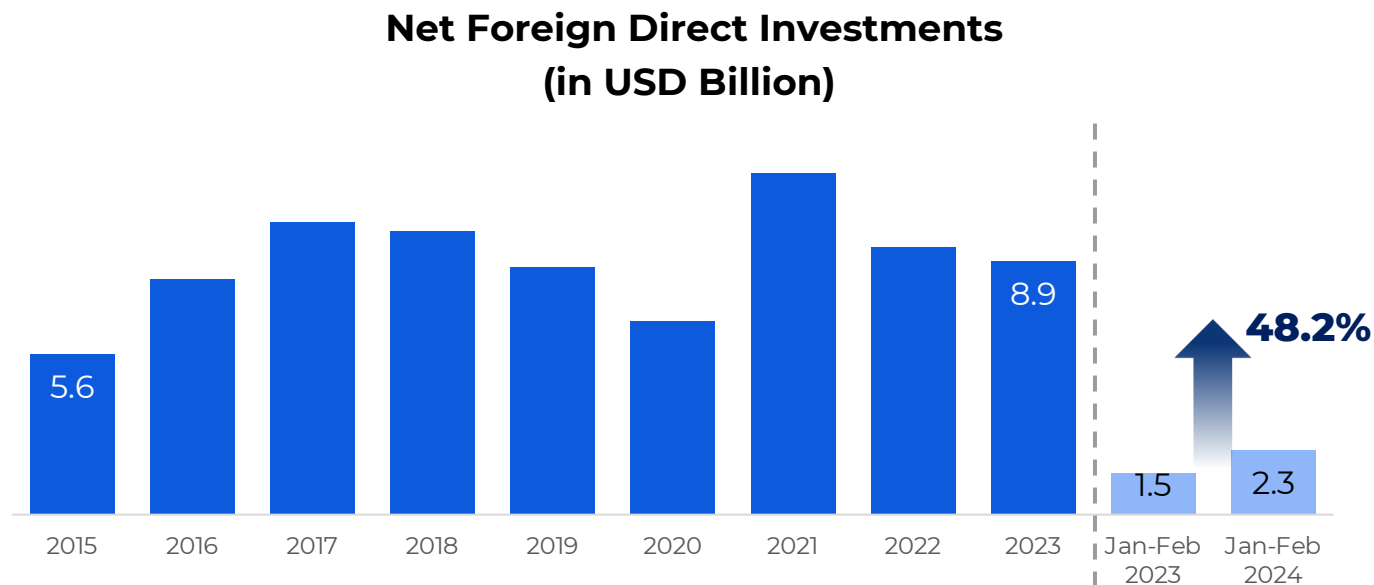
**The current policy landscape
for investments in the Philippines has
never been **more open and liberalized****



President Ferdinand Marcos, Jr.
himself has been our
primary marketer,
actively engaging with leaders
and investors around
the world to strengthen
partnerships



President Marcos, Jr.'s proactive diplomacy has yielded continued inflows of foreign direct investments, indicating confidence in our long-term growth prospects



The President's world engagements alone have generated **USD 72.2 billion-worth of investment pledges** as of December 2023



We are aggressively addressing bottlenecks and expediting processes to realize these investment pledges in high-priority sectors

A photograph showing several wind turbines and solar panels under a bright, hazy sky.

**Renewable
Energy and
Power**

A photograph of a large-scale mining operation with heavy machinery and a conveyor belt system in a desert landscape.

**Critical
Minerals**

A photograph of a construction worker in a hard hat and safety vest looking at a clipboard, with a construction crane in the background.

**Infrastructure,
Transport, and Logistics**

A photograph of hands interacting with a tablet computer, with financial charts and documents visible in the background.

**Financial
Services**

A photograph of a healthcare professional in green scrubs with a stethoscope around their neck, with their arms crossed.

Healthcare

A photograph of a busy retail store with many customers, including children, and shopping carts filled with goods.

**Consumer
and Retail**

A photograph of workers in a manufacturing facility, wearing masks and hairnets, operating sewing machines.

Manufacturing

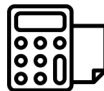
A photograph of call center agents sitting at desks with multiple computer monitors, wearing headsets.

IT-BPM

We have new game-changing reforms replacing red tape with a red carpet to boost investments-led growth

EO 18: Constituting Green Lanes for Strategic Investments

Streamlines approval and registration processes as well as addresses investor concerns



Ease of Paying Taxes Act

Simplifies tax compliance procedures, reduces red tape, and embraces technology to make it easier for taxpayers to fulfill their obligations



CREATE MORE Bill

Enhances fiscal and non-fiscal incentives and incentivizes investments in priority industries within the special economic and freeport zones



AO 23: Digital and Integrated System for Pre-border Technical Verification and Cross-border Electronic Invoicing

Expedites the inspection of all imported commodities entering the Philippines through digital means

All of our growth-enhancing strategies are designed to **harness the talents of our young workforce** and **build a nation** where every Filipino can **thrive, secure decent jobs, and create better lives for themselves.**



All of these are aimed at providing pathways out of poverty for about **14 million Filipinos,** or **cutting poverty incidence to 9 percent,** by the end of the President's term or sooner.



**We have all the makings
of a prosperous
economy — and we
have a bold and decisive
leader to fully realize
that potential.**





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