



# Philippine Economic Update

## Philippine Business Dialogue

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ING Cedar, Amsterdam, Netherlands

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If you are looking for a place to grow your business and make more money:

# CHOOSE THE PHILIPPINES

*And we will make it happen.*

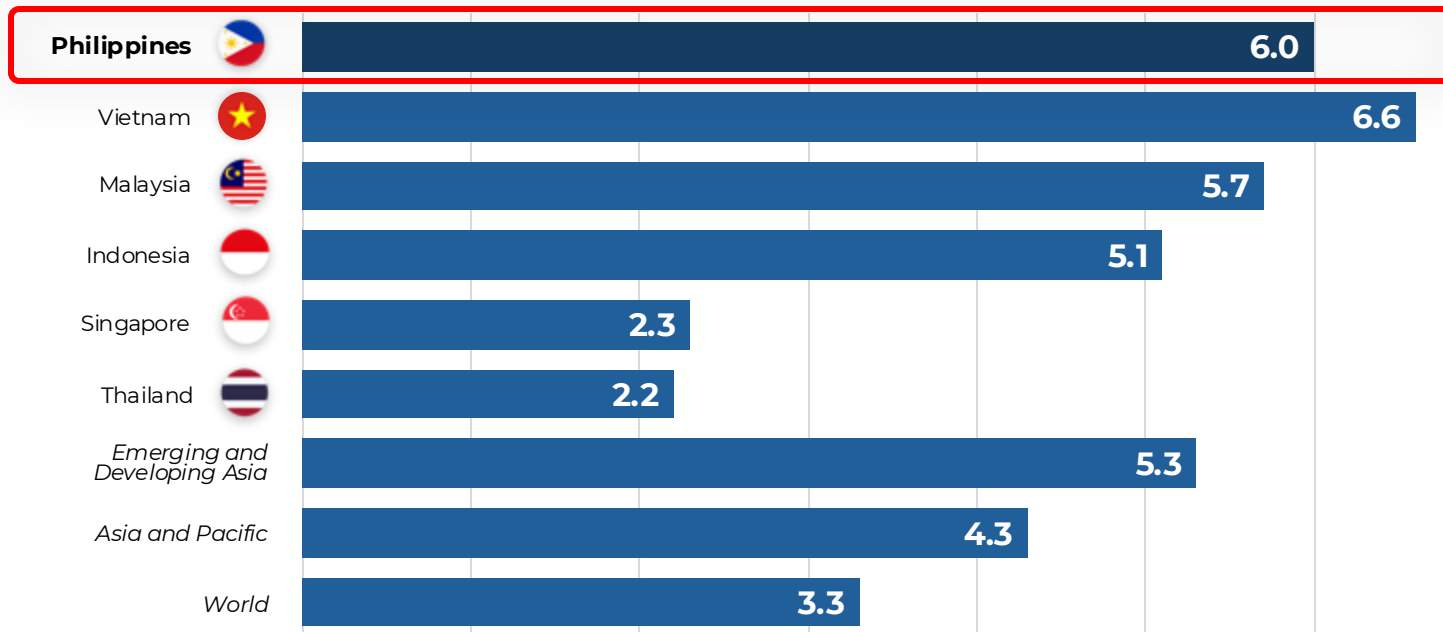


**1. Our exception growth is  
underpinned by a large  
consumer market**



# The Philippines is among the **fastest-growing economies** in the ASEAN region

Average GDP Growth Performance of ASEAN in Q3 2022– Q3 2024 (in %)

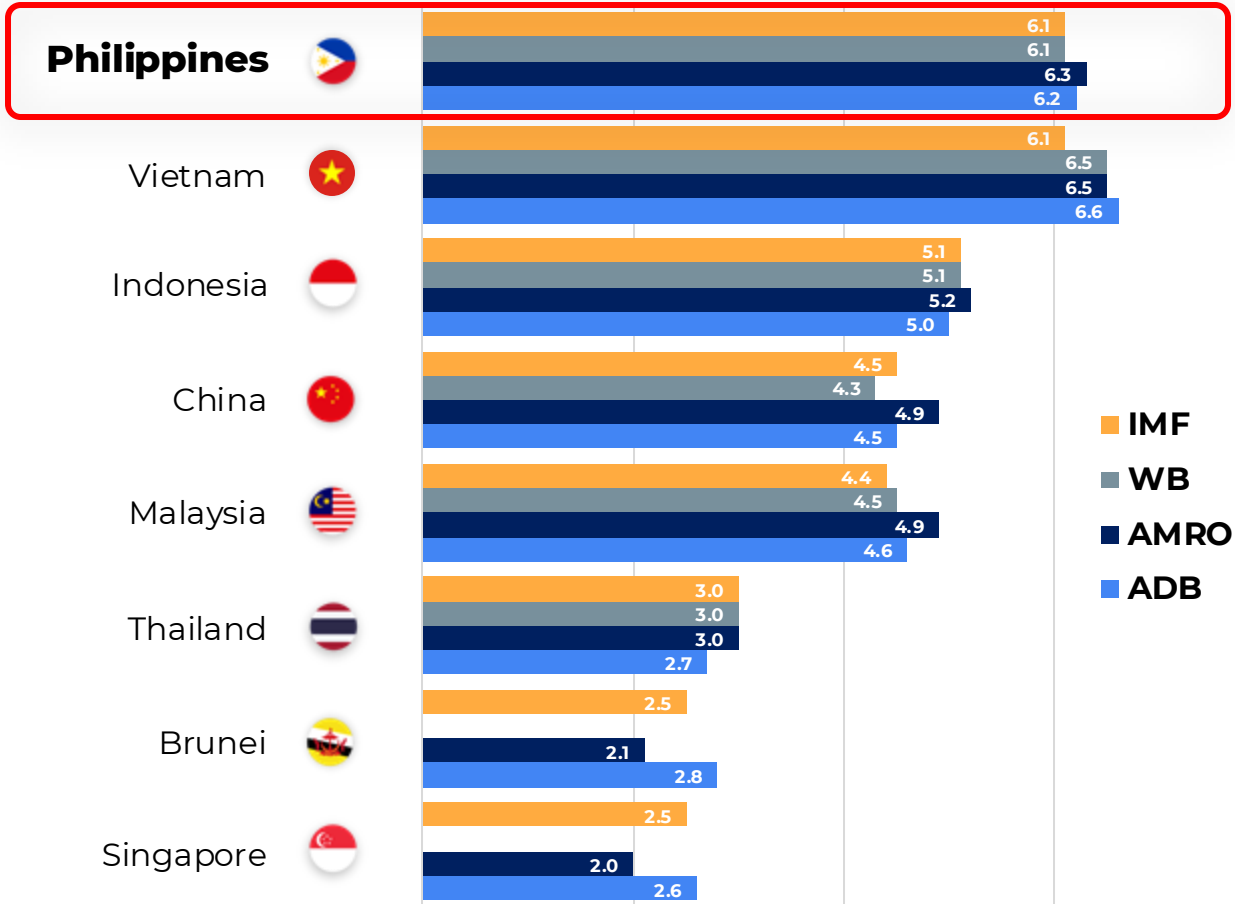


Sources: Philippine Statistics Authority (PSA), Bangko Sentral ng Pilipinas (BSP), International Monetary Fund (IMF) World Economic Outlook (WEO) October 2024, and various national websites

Note: Average of annual growth rates divided into nine quarters for the period Q3 2022-Q3 2024.

# The Philippines will continue to be among the frontrunners in ASEAN

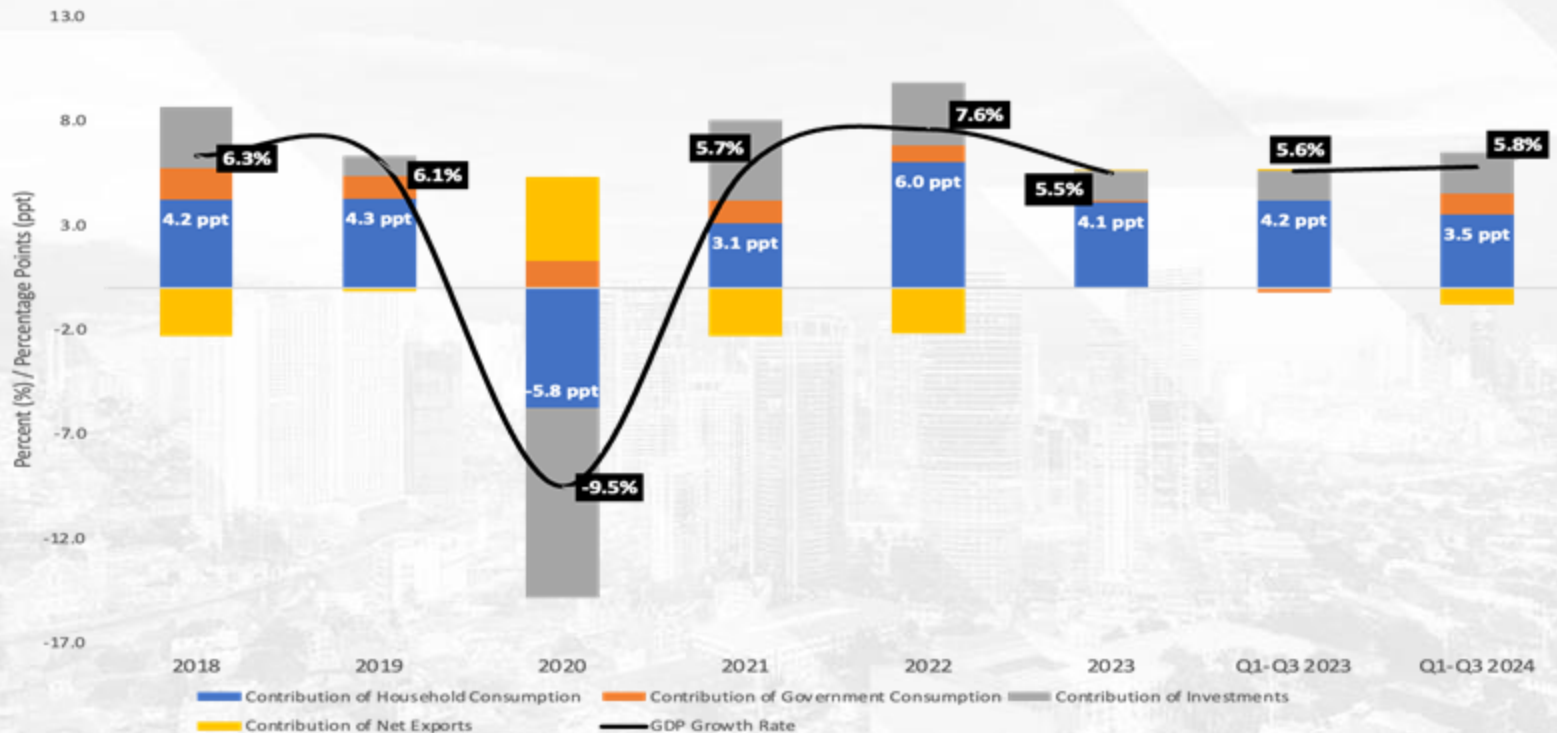
2025 GDP Growth Outlook Comparison Among ASEAN Countries (in %)



Sources: Asian Development Bank (ADB), ASEAN+3 Macroeconomic Research Office (AMRO), World Bank (WB), and International Monetary Fund (IMF)

# Strong domestic demand underpinned **economic growth momentum**

Contribution to Real GDP growth (in percentage points)



# We offer clear, undeniable opportunities for your investments to grow and prosper in our expanding domestic market



All-time high gross national gross national income (GNI) per capita of

**USD 4,335** (2023)



Reduced poverty incidence among Filipino individuals to

**15.5%** (2023)



2024 average inflation rate of

**3.2%**

well within target, growth momentum strengthened by rate cuts



On track to surpass revenue goal in 2024, revenue effort to reach

**16.7%**

the highest in 27 years



Unemployment rate of

**3.2%**

in November, the second lowest on record since 2005

## **2. We highlight our labor market and tech-savvy Filipinos**





# The Philippines **boasts the most favorable demographics,** making us your strategic demographic partner

## Median Age of Select Countries

	Japan	49.0		Brunei	31.8
	Europe	42.2		Malaysia	30.1
	Thailand	39.7		Indonesia	29.8
	China	39.1		Myanmar	29.5
	United States	38.0		India	28.1
	Australia	37.8		Cambodia	25.8
	Singapore	35.1		<b>Philippines</b>	<b>25.3</b>
	Vietnam	32.4			

A hand holding a prosthetic arm against a cityscape background. The background is a blue-tinted aerial view of a city with many skyscrapers. A human hand is shown from the right, holding a silver, metallic prosthetic arm that extends from the left. The prosthetic arm has a glowing blue line running down its length. The hand is holding the prosthetic arm in a way that suggests support or assistance. The overall scene is set against a dark blue background with a pattern of small white dots, resembling a starry sky or a digital grid.

# The Philippines is the **fastest-growing digital economy in ASEAN region**

with USD 31 billion in gross domestic merchandise value in 2024 according to the latest e-Economy SEA report titled *“Profits on the Rise, Harnessing SEA’s Advantage”* by Google, Temasek, and Bain & Company.

# The Philippines ranks among the leaders in Artificial Intelligence adoption

# 86%

of knowledge workers in the country utilize AI in their daily tasks.

*This surpasses the global average of 75% and even the regional average of 83%.*



We are continuously upskilling  
our workforce through our

# Artificial Intelligence Strategy Roadmap

to harness their talents to fully  
power up your forward-looking  
industries.



# 3. Infrastructure development paving the way to robust economic growth



# 2025 Target Infrastructure Spending

# PHP 1,546.1 Billion

**↑ 0.4%**  
y-o-y growth

**5.4%**  
of GDP

Particulars	2024	2025	2026	2027	2028
	Program				
Levels (in PHP billion)	1,540.1	1,546.1	1,690.8	1,898.1	2,140.4
y-o-y growth (%)	8.5	0.4	9.4	12.3	12.8
in % of GDP	5.8	5.4	5.4	5.6	5.9

## Proposed Infrastructure Budget for 2025: PHP 1.507 trillion\*

\*Comprised of infrastructure outlays, which include the infrastructure components of the subsidy/equity to Government-Owned and Controlled Corporations (GOCCs) and transfers to local government units (LGUs)

Sources: 2024 General Appropriations Act (GAA), 189th Development Budget Coordination Committee Meeting, and the DBM  
Note: Breakdown for 2025 GAA is not yet available.

Through our Public-Private Partnership (PPP) Code, we have created a stable and predictable framework for PPPs, particularly in

**infrastructure  
development.**



# With the PPP Code in place, we successfully awarded five PPP airport projects in 2024 alone





# The Build Better More Program features 186 big-ticket infrastructure projects worth USD 162 Billion



SCAN TO VIEW  
THE LIST OF  
PROJECTS



4. We are also working towards making the Philippines

**open, liberalized, and ready for  
the world than ever before**



# We are replacing red tape with a red carpet to boost investments-led growth



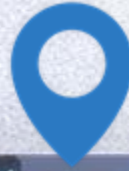
# The Luzon Economic Corridor is a perfect hub for investors



**Subic Bay,  
Zambales**



**Clark,  
Pampanga**



**Manila**



**Batangas**



# **CREATE MORE** offers investors access to an **attractive, streamlined, and cost-effective investment environment**



## **Improves ease of doing business**

by enhancing provisions of the Tax Code, as amended by the CREATE Act



## **Clarifies VAT rules**

to address concerns on VAT incentives availment



## **Enhances the tax incentive competitiveness**

through better and more competitive incentive packages



## **Strengthens governance and accountability**

in the grant and administration of incentives



## **Clarifies transitory rules**

for registered business enterprises (RBEs)

Simply put, **CREATE MORE**  
was carefully designed to

✓ make **MORE** money  
for you

✓ create **MORE**  
high-quality  
jobs for our people



# CREATE MORE offers offers a **very competitive and attractive incentive package**



Provides Registered Business Enterprises (RBEs) with the option to choose between the **Special Corporate Income Tax (SCIT) of 5%** or the **Enhanced Deductions Regime (EDR)** right from the start of their commercial operations



Extends the SCIT and EDR incentives of **up to 17 or 27 years**



Allows labor-intensive projects to apply for **an extension of incentives for another 5 or 10 years**



Allows high-value domestic market enterprises with significant investment capital and exports to **avail of VAT incentives**

Under the expanded EDR:



Reduces corporate tax rate to **20% from 25%**



Doubled the additional deduction for **power expense to 100%**



Allows **50% additional deductions for reinvestments in the tourism industry** and expenses related to the conduct of trade fairs or trade missions



Maximizes the benefits of the Net Operating Loss Carry-Over (NOLCO) by **changing the reckoning period from "year of loss" to the "last year of the project's income tax holiday (ITH) entitlement period"**

**We actively engage with investors to address their concerns and boost investments**







**SEE YOU VERY SOON**

**IN THE PHILIPPINES!**





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