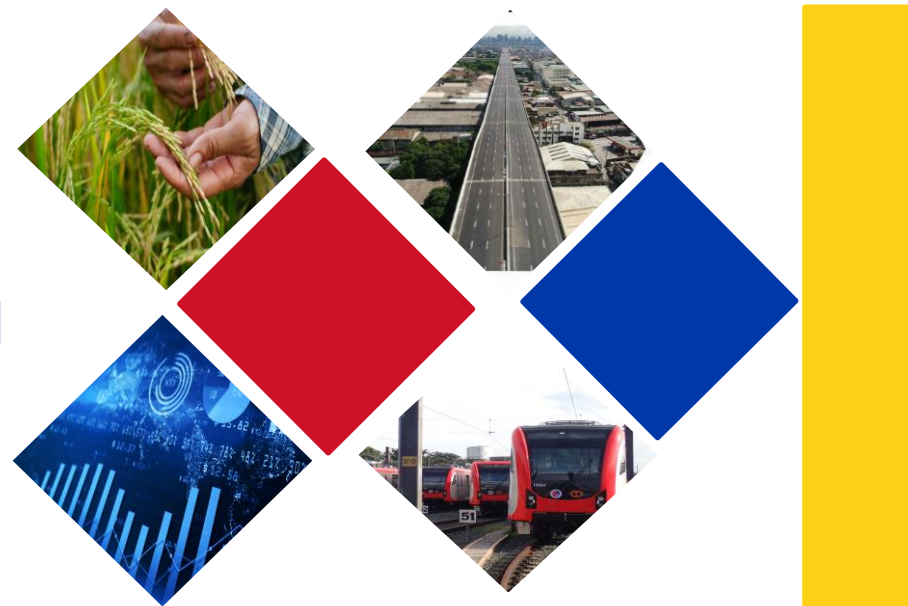




Republic of the Philippines

Toward a More Inclusive, Resilient, and Prosperous Economy

March 2025



Key Highlights

I	Six-Year Game Plan for Economic Transformation	3
II	Sound Credit Profile	5
III	Sustained Robust Growth and Reform Momentum	8
IV	Favorable External Position	17
V	Sound and Stable Banking System	21
VI	Strong Foundation for Digital Payments	24
VII	Sound Government Finances	25
VIII	Infrastructure Program	34
IX	Outlook	38
X	Seasoned Technocrats and Professionals to Steer Economic Transformation	39
XI	The Investor Relations Group	40

I. Six-Year Game Plan for Economic Transformation

Charting a More Inclusive and Resilient Economy

The Marcos Jr. administration's medium term macroeconomic and fiscal objectives



GDP Growth	▪ 6.0% - 8.0% for 2025-2028
Poverty Rate	▪ 9.0% by 2028
Fiscal balance-to-GDP	▪ (3.7%) by 2028
Debt-to-GDP	▪ 56.3% by 2028
Country Income Status	▪ Upper middle-income by 2025
Infrastructure Spending-to-GDP	▪ 5.0% - 6.0% for 2024-2028

I. Six-Year Game Plan for Economic Transformation

Philippine Development Plan (PDP) 2023-2028

8-point agenda for the near term to protect purchasing power and mitigate socioeconomic scarring

Protect the purchasing power of families

- Ensure food security
- Reduce transport and logistics cost
- Reduce energy cost

Reduce vulnerability and mitigate scarring from COVID-19 pandemic

- Ensure capacity of healthcare in case of surges
- Strengthen social protection
- Address learning losses

Ensure sound macroeconomic fundamentals

- Improve bureaucratic efficiency and sound fiscal management
- Ensure a resilient and innovative financial sector

Create more jobs

- Promote investments
- Improve infrastructure
- Ensure energy security

Create quality jobs

- Increase employability
- Enhance the digital economy
- Advance R&D and innovation

Create green jobs

- Pursue a green and blue economy
- Establish livable and sustainable communities

Ensure a level playing field

- Strengthen market competition
- Reduce barriers to entry and limits to entrepreneurship

Uphold public order and safety, peace, and security

- Protect and develop conflict-affected communities
- Safeguard people's life from criminality
- Provide protection and safety from natural hazards and security threats
- Uphold and protect territorial integrity and sovereignty

II. Sound Credit Profile

Metric	2017	2018	2019	2020	2021	2022	2023	2024
Credit Rating								
▪ Moody's	Baa2/stable	Baa2/stable	Baa2/stable	Baa2/stable	Baa2/stable	Baa2/stable	Baa2/stable	Baa2/stable
▪ S&P	BBB/stable	BBB/positive	BBB+/stable	BBB+/stable	BBB+/stable	BBB+/stable	BBB+/stable	BBB+/positive
▪ Fitch	BBB/stable	BBB/stable	BBB/stable	BBB/stable	BBB/negative	BBB/negative	BBB/stable	BBB/stable
Real GDP Growth Rate (%), 2018 prices	6.9	6.3	6.1	(9.5)	5.7	7.6	5.5	5.6
GDP Per Capita (US\$), PPP concept (current prices)	8,068	8,651	9,217	8,456	9,101	10,407	11,281	12,097
Inflation Rate ^{2/} (%), 2018 prices	2.9	5.2	2.4	2.4	3.9	5.8	6.0	3.2
Fiscal Balance/GDP (%)	(2.1)	(3.1)	(3.4)	(7.6)	(8.6)	(7.3)	(6.2)	(5.7)
Tax Revenue/ GDP (%)	13.6	14.0	14.5	14.0	14.1	14.6	14.1	14.4
National Government Interest Payments/ Revenues (%)	12.6	12.3	11.5	13.3	14.3	14.2	16.4	17.3
General Government Debt/GDP (%)	34.9	34.4	34.1	48.1	53.4	54.2	53.6	N/A
Gross International Reserves (US\$ bn)	81.6	79.2	87.8	110.1	108.8	96.1	103.7	106.3
Import Cover (months) ^{3/}	7.8	6.9	7.6	12.3	9.7	7.2	7.6	7.5 (end-Dec) ^{1/}
Overseas Filipinos' Cash Remittances (US\$ bn)	28.1	28.9	30.1	29.9	31.4	32.5	33.5 ^{1/}	38.3 ^{1/}
Foreign Direct Investments (US\$ bn)	10.3	9.9	8.7	6.8	12.0	9.5	9.1 ^{1/}	8.9 ^{1/}
Current Account/GDP (%)	(0.7)	(2.6)	(0.8)	3.2	(1.5)	(4.5)	(2.7) ^{1/}	(3.9) (Jan-Sep) ^{1/}
External Debt/GDP (%)	22.3	22.8	22.2	27.2	27.0	27.5	28.7 ^{1/}	30.6 (end-Sep) ^{1/}

^{1/}Preliminary data

^{2/}Note: Starting 2022, the Philippine Statistics Authority (PSA) adjusted the base year from 2012 to 2018, reflecting the changing household consumption patterns of Filipinos.

^{3/}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 Ed concept.

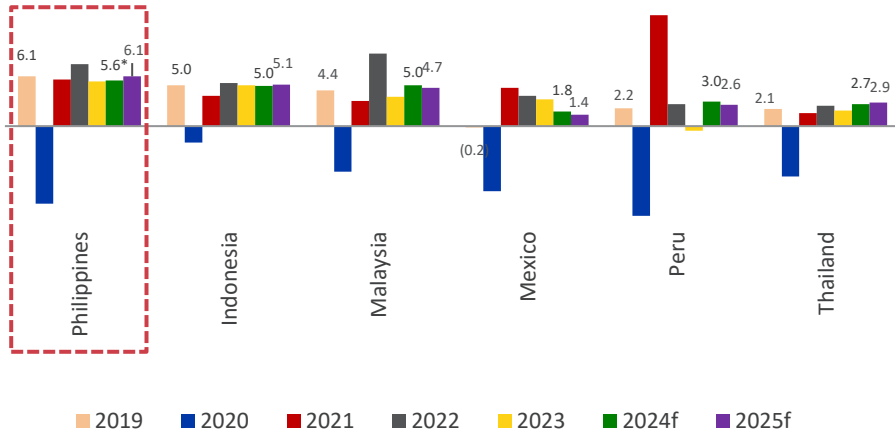
Source: Philippine Statistics Authority (PSA), BSP's Selected Economic and Financial Indicators, Department of Finance (DOF), Bureau of Treasury (BTR), N/A: Not Available

II. Sound Credit Profile

Competitive Even among Higher-Rated Peers

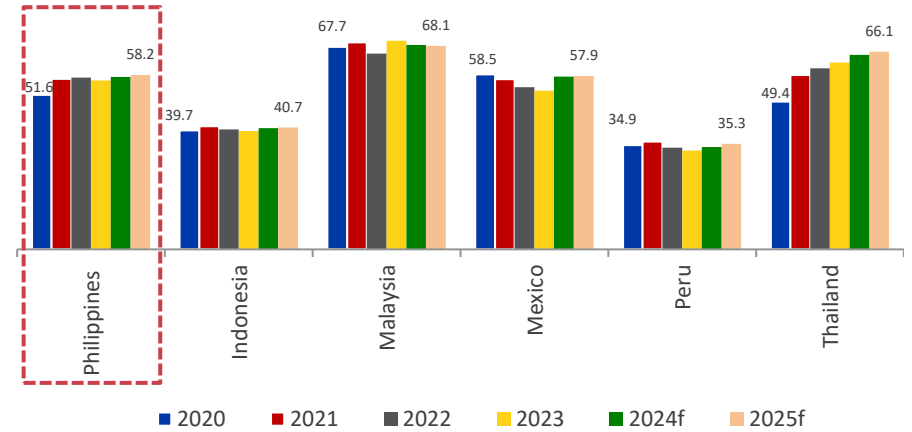
Highest growth performance among peers

GDP growth (%)¹



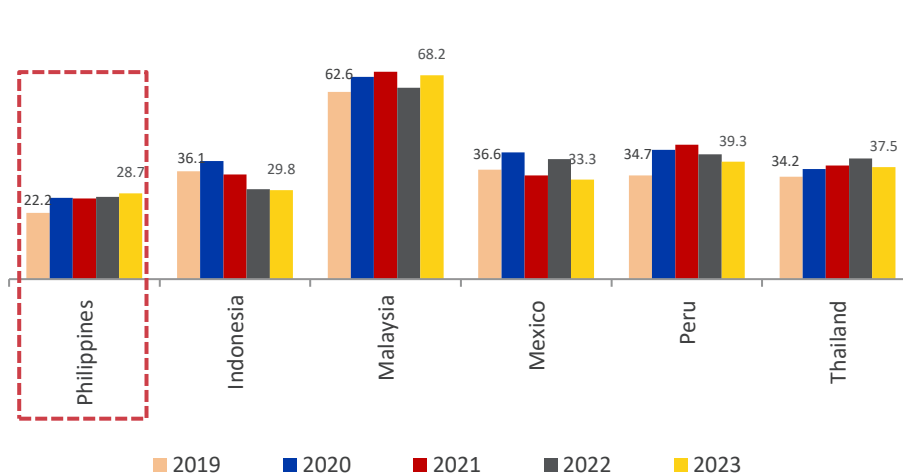
Debt burden remains manageable

General Government gross debt (% of GDP)²



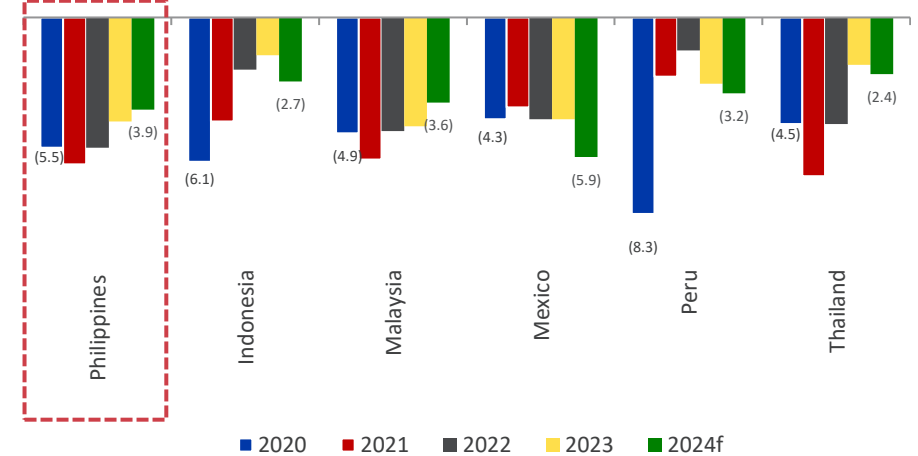
One of the lowest external debt ratio among peers

External Debt (% of GDP)



Sound fiscal position post-pandemic

General Government overall balance (% of GDP)²

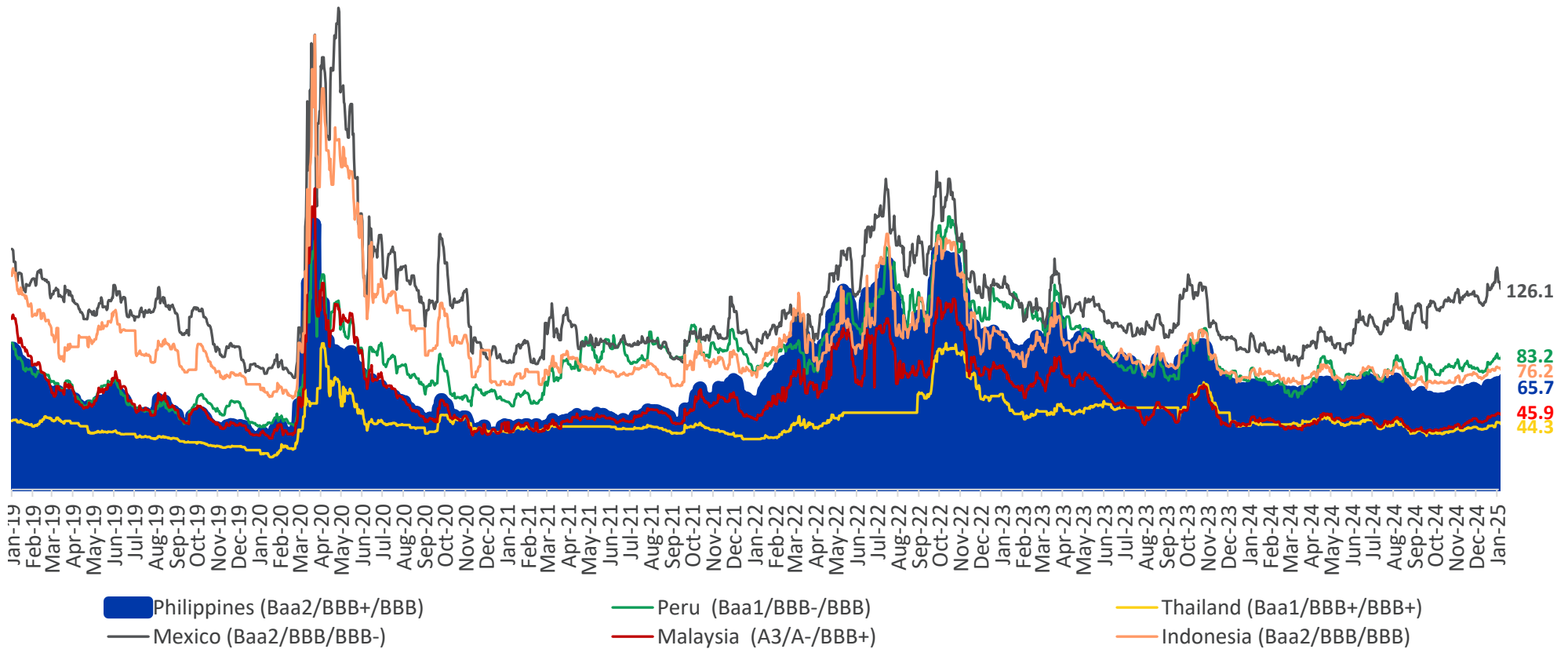


*Actual
Source: ¹ IMF World Economic Outlook January and October 2025, ² IMF Fiscal Monitor October 2024, Bloomberg, CEIC, BSP, PSA

II. Sound Credit Profile

Investor Confidence in the Philippines' Sound Credit Quality

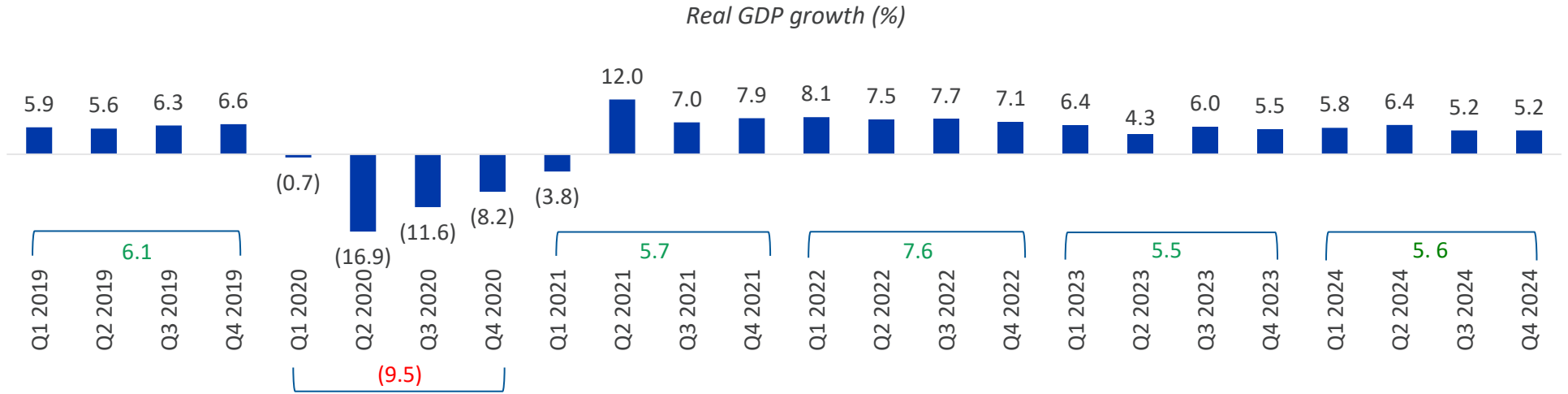
5-year Sovereign CDS spreads (in basis points)^{1/}



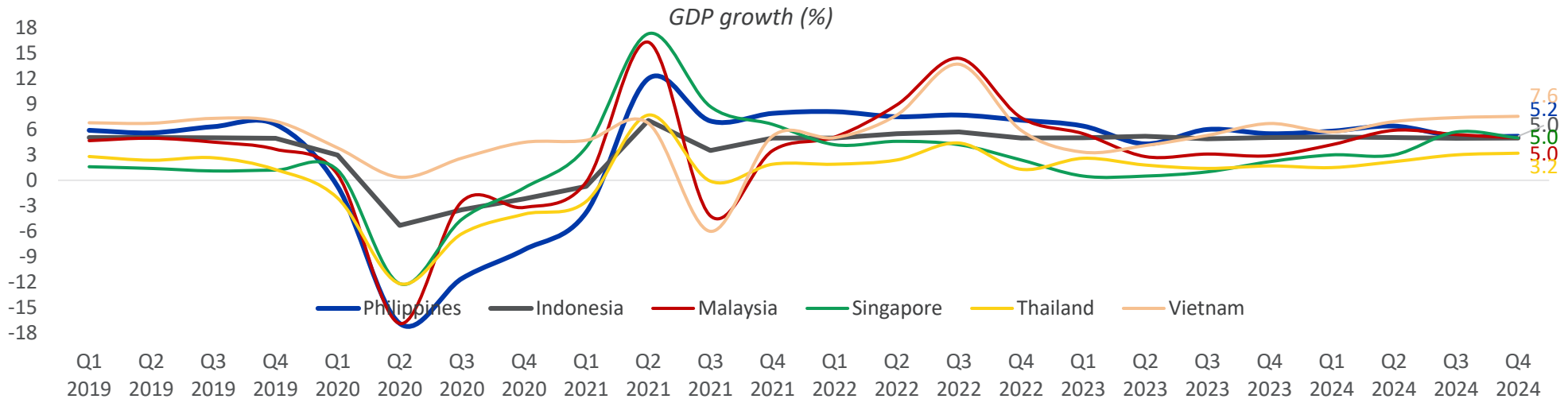
^{1/} Data as of 4 February 2025
 Rating: Moody's/S&P/Fitch ratings
 Source: Bloomberg

III. Sustained Robust Growth and Reform Momentum

Sustained growth momentum owing to sound fundamentals and guided by a robust roadmap



Philippines remains one of the fastest growing economies in Southeast Asia



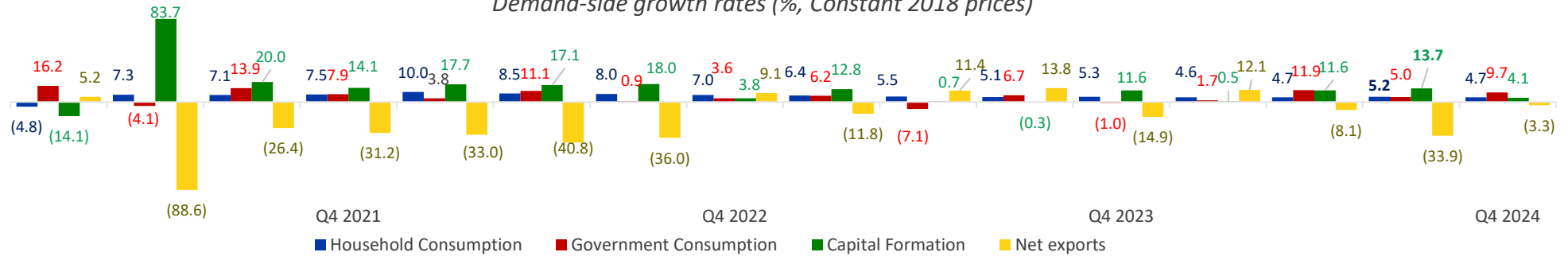
Source: Philippine Statistics Authority (PSA), National Economic and Development Authority (NEDA), Bloomberg

Note: GDP figures use 2018 as base year

III. Sustained Robust Growth and Reform Momentum

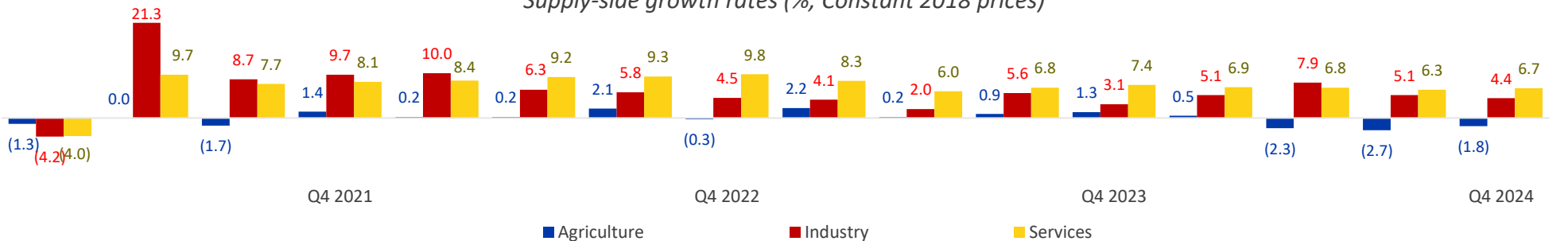
Domestic demand driven by household consumption, investments and government spending

Demand-side growth rates (% , Constant 2018 prices)



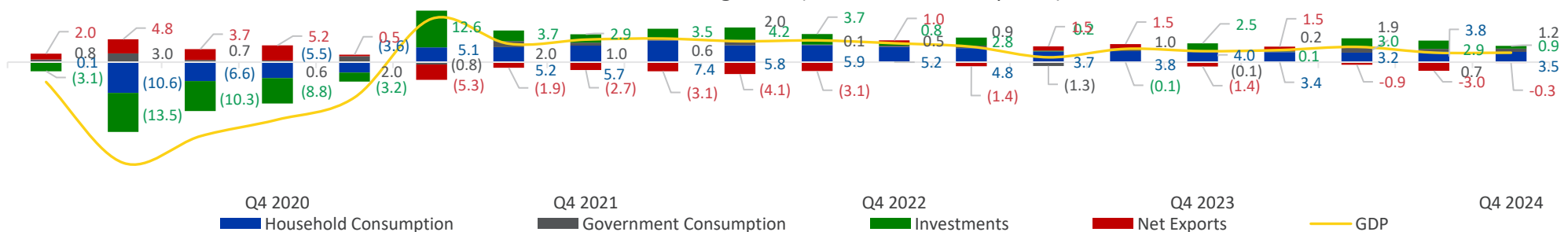
Industry and services drive growth; increased investments in agriculture sector to enhance productivity and resilience

Supply-side growth rates (% , Constant 2018 prices)



Steady growth of domestic demand fuels economy

Contribution to GDP growth (% , Constant 2018 prices)



Sources: NEDA, PSA

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

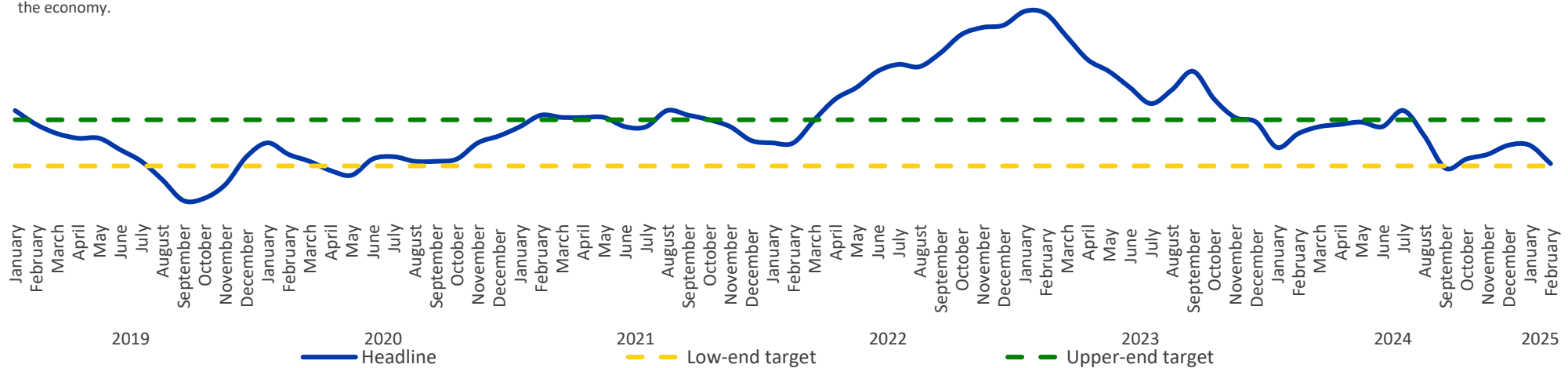
III. Sustained Robust Growth and Reform Momentum

Manageable inflation environment

Headline CPI (yoy, %), 2018 = 100

On 28 May 2023, President Ferdinand R. Marcos Jr. signed Executive Order (EO) No. 28 creating the Inter-Agency Committee on Inflation and Market Outlook to beef up the government's efforts to ease inflation and improve the economy.

Latest^{1/}:
2.1% (Feb 2025)
2.5% (Jan – Feb 2025)



- 2024 average inflation rate of 3.2% falls within BSP's target range of 2.0-4.0%.
- February 2025 inflation dropped to 2.1% from 2.9% in January, driven by lower food inflation, particularly vegetables, due to improved supply. Retail rice prices declined, reflecting lower import costs. Easing inflation in housing, utilities, and fuel, along with reduced gasoline and diesel prices, also moderated non-food inflation.
- BSP decided to keep the BSP's Target Reverse Repurchase Rate at 5.75% in February 2025.** The risks to the inflation outlook have become broadly balanced for 2025 and 2026. Nonetheless, upside pressures are seen to come from the utilities sector. The impact of lower import tariffs on rice remains the main downside risk to inflation.
- Inflation projected to remain within target over policy horizon.** Risk adjusted inflation forecasts as of February 2025 vs. December 2024:
 - 2025: 3.5% vs. 3.4%
 - 2026: 3.7% vs. 3.7%

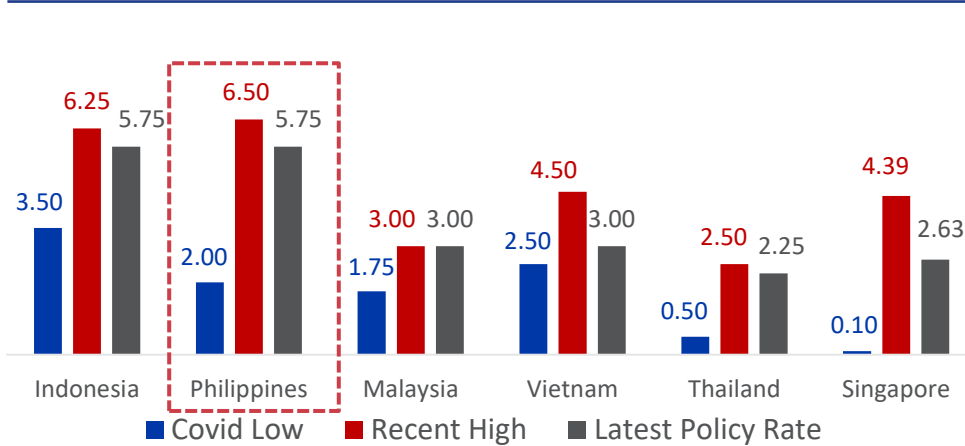
^{1/} preliminary data as of 5 March 2025

Note: Starting 2022, the Philippine Statistics Authority (PSA) adjusted the base year from 2012 to 2018, reflecting the changing household consumption patterns of Filipinos.

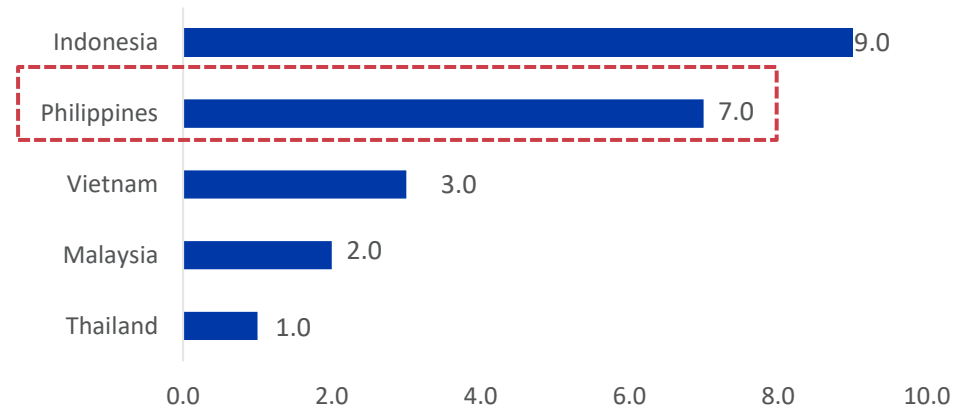
III. Sustained Robust Growth and Reform Momentum

Bringing Inflation Back Toward a Target Consistent Path Over the Medium-Term;
Reducing Distortions in the Financial System

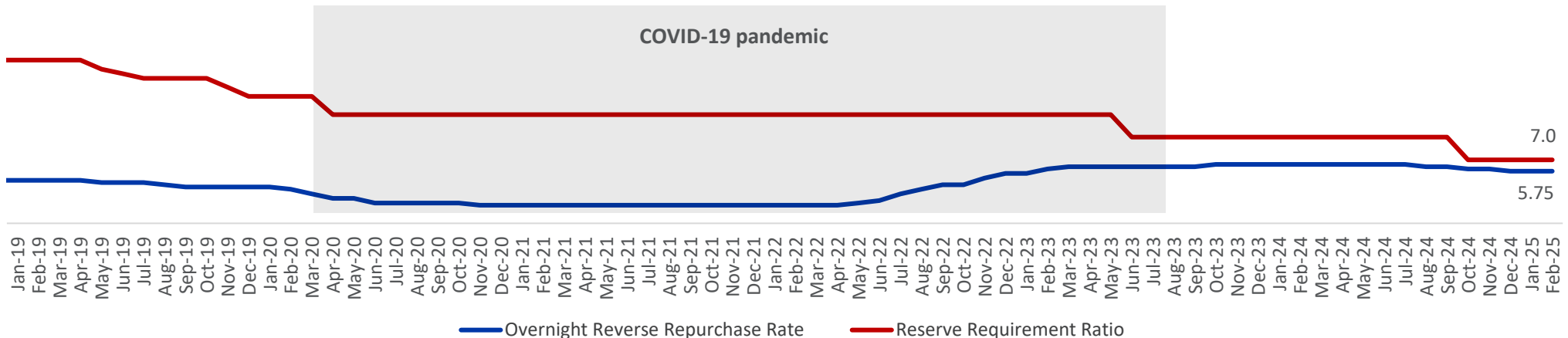
Central Bank Policy Rates (%)



Reserve Requirement Ratio (%)^{1/}



Target Reverse Repurchase Rate vis-à-vis Reserve Requirement Ratio (%)



1/ On 20 September 2024, BSP announced a 250-bps reduction of the RRR for Universal and Commercial Banks to 7.0% from 9.5%.; effective date 25 October 2024

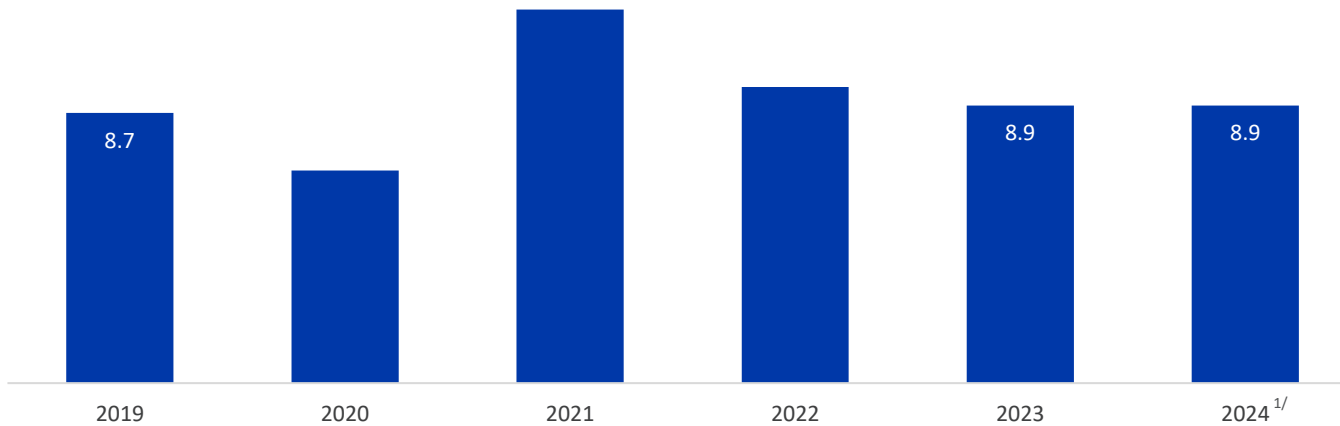
Source: BSP, CEIC, Central Bank Websites

III. Sustained Robust Growth and Reform Momentum

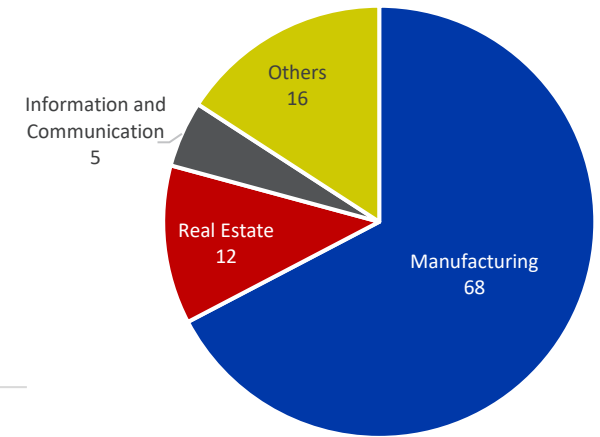
Sustained Investment Flows

Continued inflows indicate confidence in long-term growth prospects

Net FDI (US\$ bn)

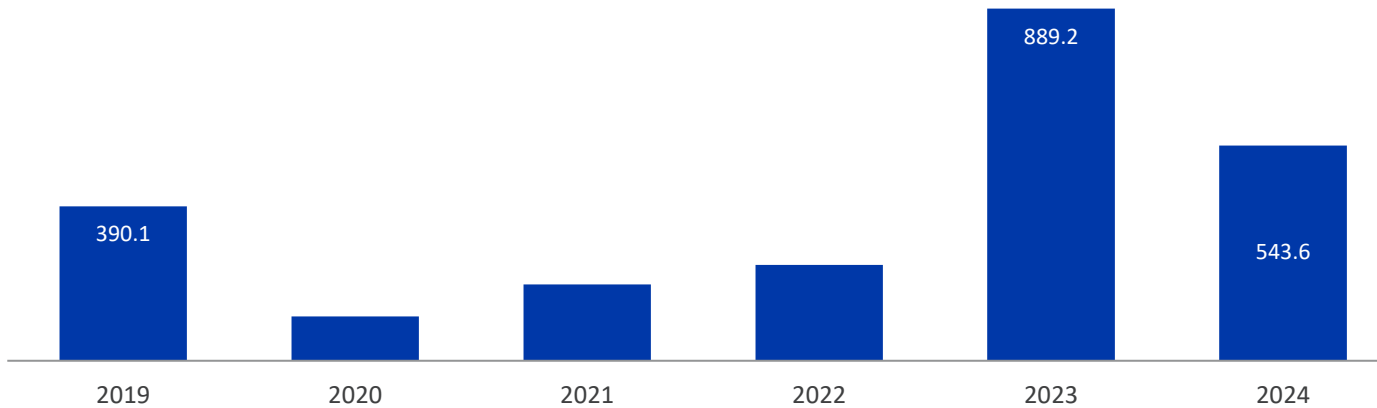


Top Industries for FDI^{2/}
(% share, 2024)



Improved investment climate continues to attract foreign investors

Foreign Investment Approvals (PHP bn)



Countries with the highest investment pledges in 2024
(PHP bn)

Switzerland	289.1
South Korea	100.3
Netherlands	50.2

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)

Source: BSP, PSA




^{1/} Preliminary data

^{2/} Refers to gross placements of equity capital only. Details may not add up to total due to rounding.

III. Sustained Robust Growth and Reform Momentum

Liberalized Economic Sectors Offer Greater Opportunities to Foreign Investments

Amendments to Foreign Investments Act [Republic Act (RA) No. 11647]

<p>Key Amendment:</p> <p>100% ownership of micro and small domestic enterprises with a paid-in equity capital of at least US\$100,000 to less than US\$200,000, provided one of the following:</p>			<p>Other salient provisions:</p> <p>Allow for more foreign participation in the country's industries</p>	
<p><i>Involves advanced technology as certified by Department of Science and Technology (DOST)</i></p>	<p><i>Startups or startup enablers as certified by Department of Information and Communications Technology (DICT) or Department of Trade and Industry (DTI) or DOST</i></p>	<p><i>Majority of the direct employees are Filipinos; number of Filipino direct hires is at least 15 as certified by Department of Labor and Employment (DOLE)</i></p>	<p><i>Inter-Agency Investment Promotion Coordination Committee tasked to integrate all promotion and facilitation efforts to encourage foreign investments in the country</i></p>	
			<p><i>Comprehensive and strategic Foreign Investment Promotion and Marketing Plan for medium and long term</i></p>	
			<p><i>Updated database tool to promote investment and business-matching in local supply chain</i></p>	
			<p><i>Skills Development Program designed to transfer technology or skills by designating at least two understudies per foreign national employed</i></p>	

Source: Official Gazette

III. Sustained Robust Growth and Reform Momentum

Liberalized Economic Sectors Offer Greater Opportunities to Foreign Investments

Amended Public Service Act

100% foreign ownership of:



Telecommunications



Airports



Railways



Shipping



Expressways

Allowed up to 40%:



Distribution of electricity



Transmission of electricity



Petroleum and petroleum products transmission or distribution systems



Water pipeline distribution systems and wastewater pipeline systems



Seaports



Public utility vehicles

Amended Retail Trade Liberalization Law

Lowers minimum paid-up capital to US\$500,000 (PHP25mn); removes the required net worth, number of branches, track record conditions

Assistance to small manufacturers by providing PH goods and services access to global stores



Designation of a store space as Filipino section

Utilization of locally sourced raw materials in the production of goods



Implementation of other arrangements that will promote locally manufactured products

Use of locally made packaging materials, such as bags, boxes, or containers



Amended Implementing Rules and Regulations (IRR) of Renewable Energy (RE) Act

100% foreign ownership in exploration, development, and utilization of:



Hydro



Ocean/Tidal



Solar



Wind

- Department of Justice's legal opinion issued in 2022: above RE sources not subject to 40% foreign equity limitation
- Subsequently, IRR amended via Department of Energy Circular 2022-11-0034

III. Sustained Robust Growth and Reform Momentum

Modernizing Industries and Expanding Growth to the Regions

Strategic Investment Priority Plan (Approved in 2022)

Progression of Incentives Based on Industry Tiers

Tier I	Location	Incentives for Exporters	Incentives for Domestic Market
Activities listed in 2020 Investment Priorities Plan <ul style="list-style-type: none"> • All qualified manufacturing activities • Innovation driver • Infrastructure and logistics • Inclusive business models • Renewable energy, among others 	National Capital Region (NCR)	4 years of Income Tax Holiday (ITH), 10 years of Enhanced Deductions (ED)/ Special Corporate Income Tax (SCIT)	4 years of ITH, 5 years of ED
	Metropolitan areas or areas contiguous and adjacent to NCR	5 years of ITH, 10 years of ED/SCIT	5 years of ITH, 5 years of ED
	All other areas	6 years of ITH, 10 years of ED/SCIT	6 years of ITH, 5 years of ED

Tier II	Location	Incentives for Exporters	Incentives for Domestic Market
Promote a competitive and resilient economy and to fill in gaps in the Philippines' industrial value chains <ul style="list-style-type: none"> • Green ecosystems • Health-related activities • Defense-related activities • Industrial value-chain gaps • Food security-related activities 	NCR	5 years of ITH, 10 years of ED/SCIT	5 years of ITH, 5 years of ED
	Metropolitan areas or areas contiguous and adjacent to NCR	6 years of ITH, 10 years of ED/SCIT	6 years of ITH, 5 years of ED
	All other areas	7 years of ITH, 10 years of ED/SCIT	7 years of ITH, 5 years of ED

Tier III	Location	Incentives for Exporters	Incentives for Domestic Market
Accelerate transformation of the economy primarily through application of research and development and attraction of technology investments <ul style="list-style-type: none"> • Research and development activities, adopting advance digital production technologies of fourth industrial revolution • Highly technical manufacturing and production of innovative products and services • Establishment of innovation support facilities 	NCR	6 years of ITH, 10 years of ED/SCIT	6 years of ITH, 5 years of ED
	Metropolitan areas or areas contiguous and adjacent to NCR	7 years of ITH, 10 years of ED/SCIT	7 years of ITH, 5 years of ED
	All other areas	7 years of ITH, 10 years of ED/SCIT	7 years of ITH, 5 years of ED



EO 18 s. 2023: Constituting Green Lanes for Strategic Investments is a government-wide response to enhance Ease of Doing Business by expediting, streamlining, and automating processes for Strategic Investments. It complements landmark economic reforms (FIA, PSA, RTLA, and CREATE) and relaxes foreign equity participation in renewable energy sector.

III. Sustained Robust Growth and Reform Momentum

Major Tax Reforms Fund Economic Recovery Programs and Attract Investments

Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act (RA 12066, S. 2024)

CREATE Act (RA 11534, S. 2021)

Ease of Doing Business: Simplifies local taxation and clarifies the process for VAT and duty incentives, expands support for non-registered exporters and high value domestic market enterprises

Improves Tax Regime: Lowers corporate income tax to 20% from 25%, doubles power expense deductions, adds a 50% deduction for tourism and trade fairs; Net operating loss carry-over (NOLCO) deductions within 5 years; extends maximum period of incentives to 27 years

Efficient Approval Process: Increases investment capital approval threshold for investment promotion agencies to PHP15bn from PHP1bn, requiring only larger projects to go through FIRB

Largest fiscal stimulus for enterprises in the country's history

Provides an estimated US\$2bn of tax relief annually to corporate sector to sustain employment or use for investments

Provides hefty corporate income tax rate cuts

Tax cut for MSMEs (from 30% to 20%) and for all other corporations (from 30% to 25%)

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

Rationalizes fiscal incentives, creating an enhanced incentive package that is performance-based, time-bound, targeted, and transparent.

Projects granted with tax incentives by the Fiscal Incentives Review Board (FIRB)

68 projects as of December 2024 with total investment capital amounting to PHP38.2bn*

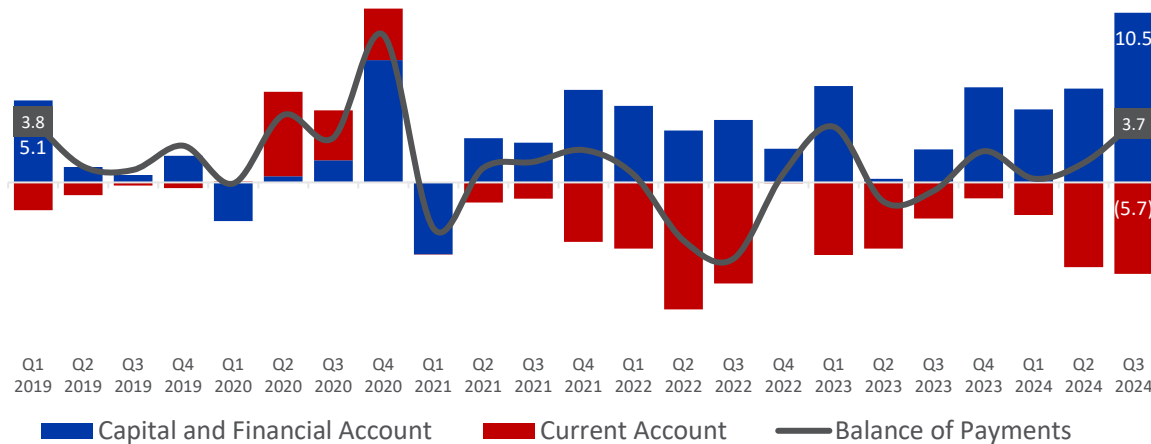
- mass housing
- operations of a subway project
- operations of a domestic roll-on/roll-off vessel
- connectivity facilities for high-speed broadband services
- industrial zone operation
- telecommunications and telecom infrastructure
- Liquefied Natural Gas (LNG) storage and a regasification facility
- data center expansion
- manufacturing of semiconductors
- hotel accommodation
- general hospital
- electric vehicle charging stations
- manufacturing of cement, steel bars, semiconductors, motor vehicles, trailers and semi-trailers, solar wafer cells, wire harness of automobile projects
- manufacturing and assembly of reducer gears for robotic application and home appliances
- production of canned meat products, dressed chicken, personal care products, among others.

IV. Favorable External Position

Manageable Balance of Payments Position

Balance of Payments

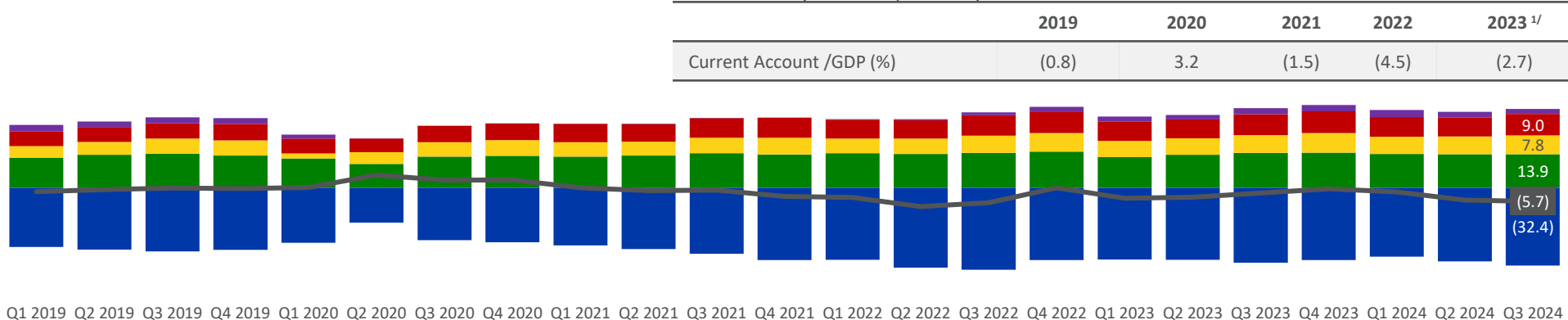
Balance of Payments Components (US\$ bn)



	2019	2020	2021	2022	2023 ^{1/}
Capital and Financial Account	8.2	7.0	6.5	13.9	14.1
Current Account	(3.0)	11.6	(5.9)	(18.3)	(11.8)
Overall Balance of Payments Position	7.8	16.0	1.3	(7.3)	3.7

Current Account

Current account components (US\$ bn)



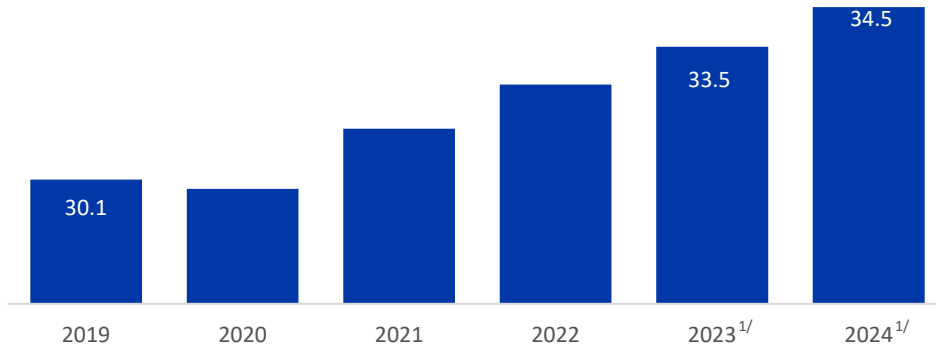
^{1/} Preliminary
Source: BSP

IV. Favorable External Position

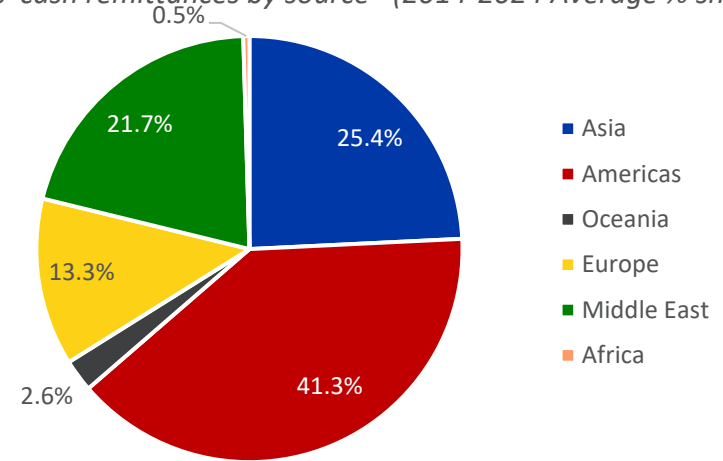
Structural Current Account Inflows Support the Balance of Payments

Remittance flows remain resilient

OFs' cash remittances (US\$ bn)

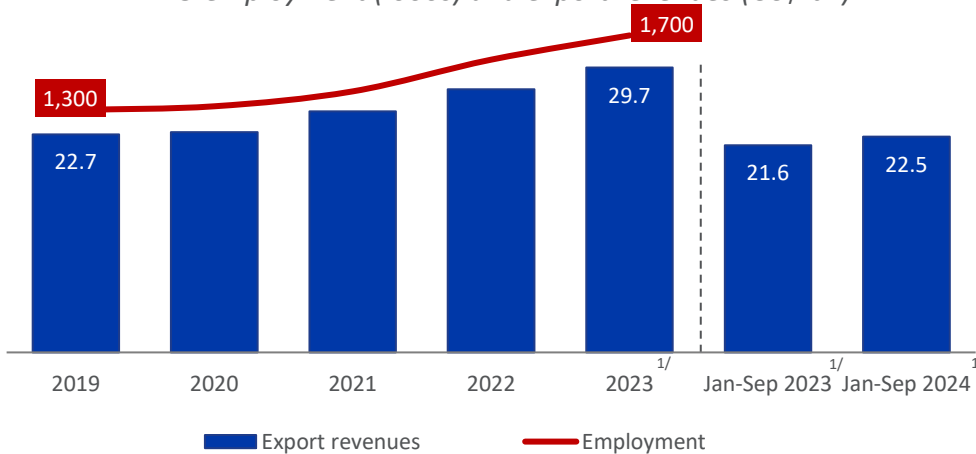


OFs' cash remittances by source* (2014-2024 Average % share to total)



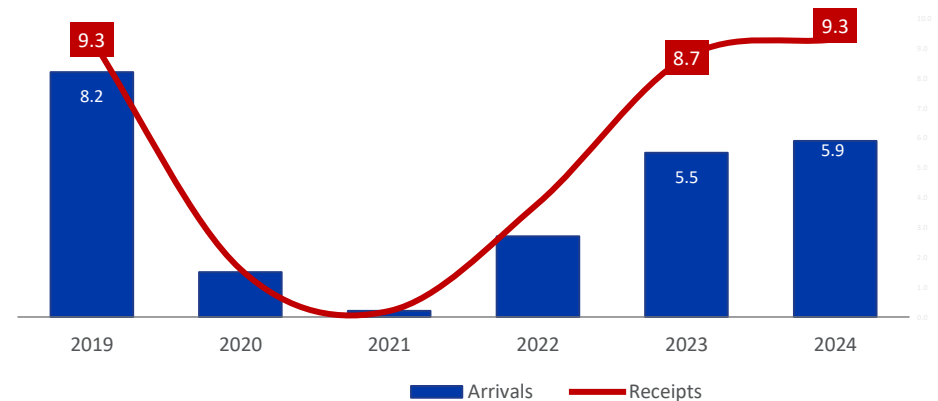
BPO remains a strong driver of employment, export revenues

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



Tourism industry posts strong rebound post-pandemic

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



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)
^{1/}preliminary

Sources: BSP, Department of Tourism (DOT), IBPAP

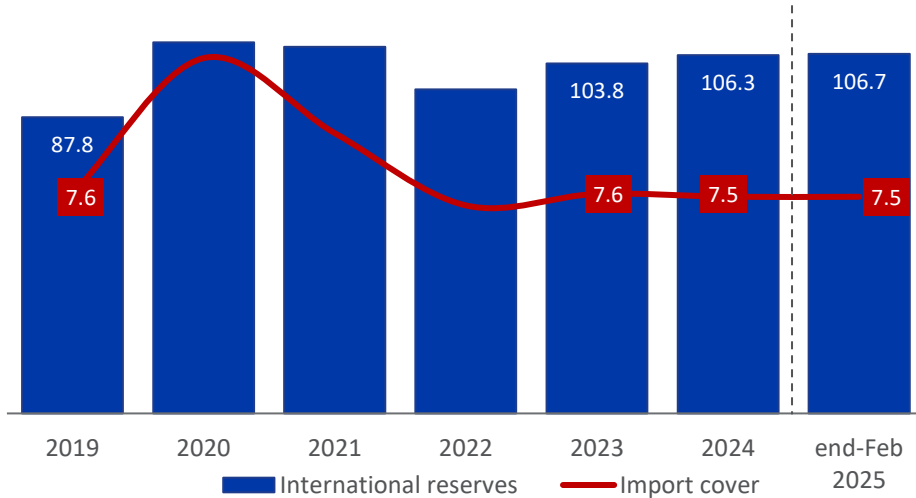
*Note: Remittances through correspondent banks are mostly located in the U.S. On the other hand, remittances coursed through money couriers cannot be disaggregated into their actual country source and are lodged under the country where the main offices are located, which, in many cases are in the U.S.

IV. Favorable External Position

Adequate Buffers Against External Headwinds

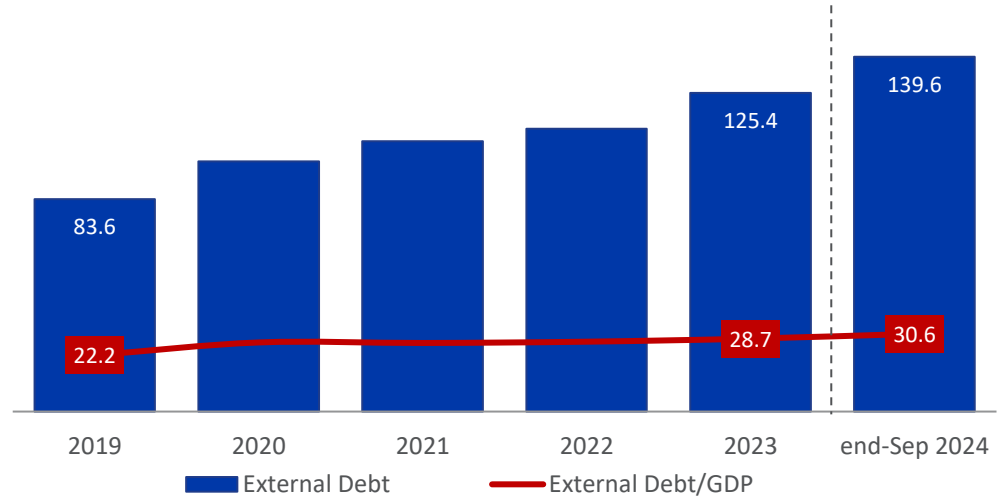
Hefty level of reserves

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



Prudently managed external debt

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

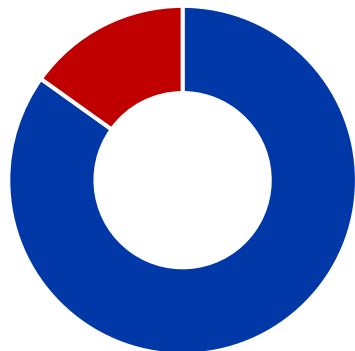


Favorable external debt profile

(as of end-Sep 2024)

External Debt by Original Maturity

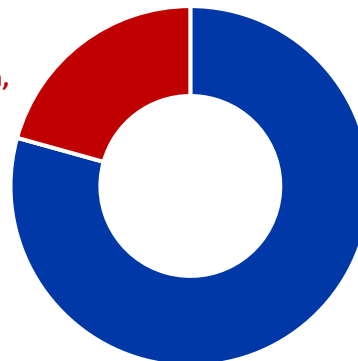
Short-term
US\$21.1bn,
15.1%



Medium and long-term,
US\$118.5bn,
84.9%

External Debt by Borrower

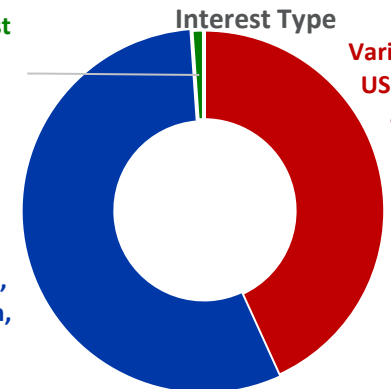
Banking System,
US\$28.9bn,
20.7%



Non-Banking System,
US\$110.8bn,
79.3%

Medium- to Long-Term External Debt by Interest Type

Non-interest bearing,
US\$1.4bn,
1.1%



Fixed rate,
US\$66.0bn,
55.7%

Variable rate,
US\$51.2bn,
43.2%

IV. Favorable External Position

Opportunities for Regional Trade, Investment to Support External Accounts

Philippines: A strategic point of access to key markets



Critical entry point to over 680mn people in the ASEAN Market

Natural gateway to the East-Asian economies

Situated at the crossroads of international shipping and air lanes

Reachable within 3-4 hours by plane within most countries in Asia

Foreign Trade Agreements (FTA)



Canada-GSP*: Exporters benefit from zero or reduced tariffs on a wide range of products, e.g., agricultural, manufacturing, etc.



EU-GSP+: Duty-free and reduced tariff access to the European market for over 6,200 products; only SEA country with GSP+



ASEAN Free Trade Area: lower intra-regional tariffs of 0-5%



Asia Pacific: China, Japan, India, Australia, New Zealand, and Hong Kong



European Free Trade Association (EFTA): Switzerland, Norway, Iceland, and Liechtenstein



UK DCTS:** Duty-free or reduced tariffs on eligible export goods; 0% import tariffs on 92% of all products



Korea: Entered into force in December 2024 expanding market for agricultural products, seafood, and electronic goods

Regional Comprehensive Economic Partnership (RCEP)

*Ratified by the Philippines on 21 February 2023
Entered into force on 02 June 2023*

Philippine Institute for Development Studies (PIDS) research found that Philippines and Vietnam are the top gainers of RCEP deal

Expected to open markets for 92% of Philippines' products

Improves export competitiveness of key products such as agricultural products, automotive parts, and garments

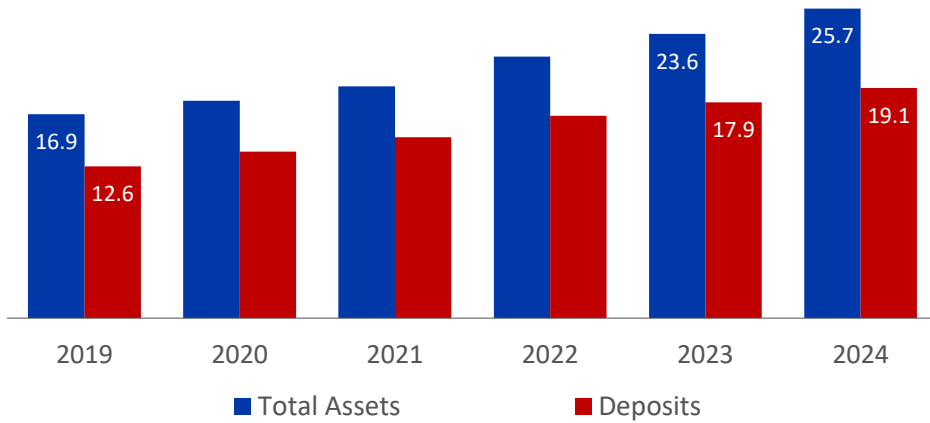
Improves levels of market access; provides a specific chapter for MSMEs; includes simplified and business-friendly customs procedure for trade; enhances cooperation on e-commerce

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

V. Sound and Stable Banking System

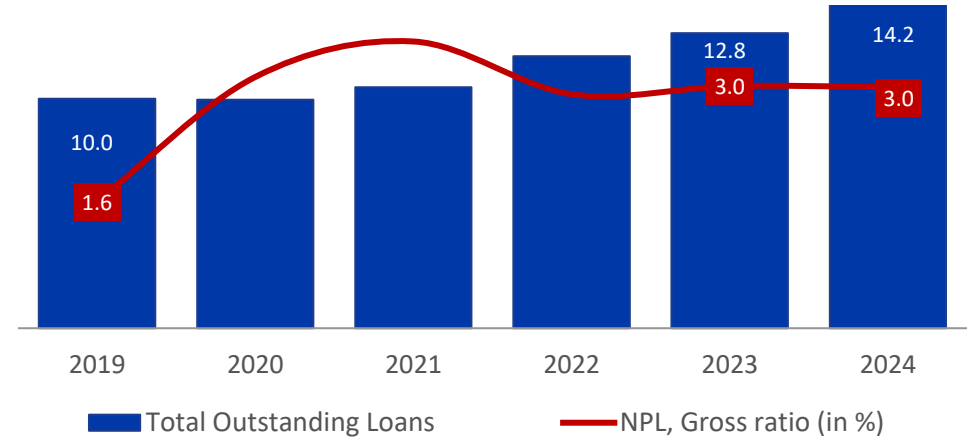
Strong asset expansion funded mostly by deposits

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



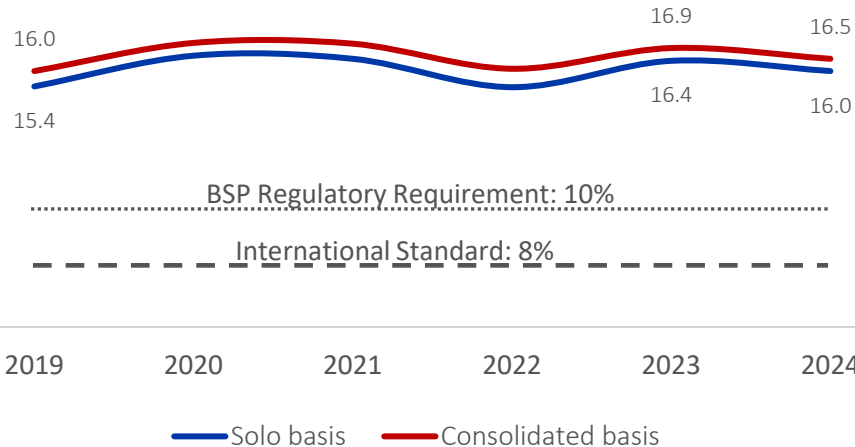
Improving loan demand while keeping asset quality manageable

Total loans outstanding, gross of BSP RRP agreements (PHP tn) and non-performing loans (NPL) ratio (%) of U/KBs



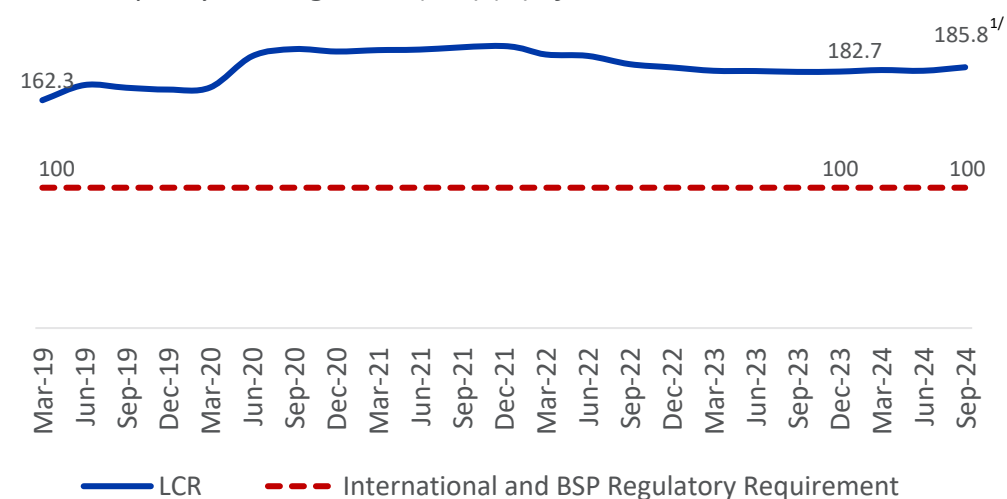
Strong capitalization well above international norms

Capital adequacy ratio (%) of U/KBs



Strong liquidity position to fund requirements during shocks

Liquidity coverage ratio (LCR) (%) of U/KBs on solo basis



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

V. Sound and Stable Banking System

Exit from Financial Action Task Force (FATF)'s grey list underscores commitment to combat money laundering and terrorism financing

Expected benefits

- Facilitate faster processing of cross-border transactions, reduce compliance barriers, and enhance financial transparency
- Support businesses; strengthen country's' position as an attractive FDI destination; and benefit Filipinos, particularly overseas Filipinos

Action plan items related to the Bangko Sentral ng Pilipinas (BSP) and BSP-supervised financial institutions (BSFIs)



- Implementation of new registration requirements for money or value transfer services and application of sanctions to unregistered and illegal money remittance operators
- Enhancement of the effectiveness of the targeted financial sanctions framework for both terrorism financing and proliferation financing

Committed compliance with Anti-Money Laundering (AML)/Countering Terrorism and Proliferation Financing (CTPF) standards



- Scale-up risk-based AML/CTPF supervision
- Strong engagement and collaboration with industry associations and BSFIs

V. Sound and Stable Banking System

Islamic finance strengthens access to financial services, provides alternative banking and finance options

Enabling laws unlock greater financial inclusion for inclusive growth

- RA 11054, Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)
- IRR of Article XIII, Sections 32 and 34 of RA 11054, Joint Circular on the Establishment of the Shari'ah Supervisory Board in BARMM
- RA 11211, An Act Amending RA 7653, The New Central Bank Act
- RA 11439, An Act Providing for the Regulation and Organization of Islamic Banks
- RA 11840, An Act Amending RA 3591, The Philippine Deposit Insurance (PDIC) Charter

Complementary framework provides enabling regulatory environment and level playing field

- Guidelines on Establishment of Islamic Banks (IBs) and Islamic Banking Units (IBUs), Circular No. 1069, Series of 2019
- Shari'ah Governance Framework for IBs and IBUs, Circular No. 1070, Series of 2019
- Implementation of Tax Neutrality, Bureau of Internal Revenue Regulations, Series of 2020-2024
- Guidelines on Management of Liquidity Risk by IBs and IBUs, Circular No. 1116, Series of 2021
- Guidelines for Reporting Islamic Banking and Finance Transactions/Arrangements, Circular No. 1139, Series of 2022
- Modified Minimum Capitalization of Conventional Banks with IBU, Circular No. 1173, Series of 2023
- Consolidated Guidelines for takaful Window Operation, Insurance Commission Circular Letter, Series of 2024
- Insurance Coverage for Islamic Deposits, Philippine Deposit Insurance Commission Bulletin, Series of 2024
- Issuance and Disclosure of Sukuk Bonds, Securities and Exchange Commission Exposure Draft, Series of 2024



Islamic Finance Opportunities

- Three (3) Islamic banking players and three (3) takaful operators operating in accordance with Shari'ah principles
- Successful Sovereign Sukuk issuance
- Promotes financial inclusion for all Filipinos
- Targets unbanked regions

VI. Strong Foundation for Digital Payments

Enabling environment for safe, efficient, and reliable payment systems

- RA 11127, National Payment Systems Act (NPSA)
- RA 11211, Amendments to the New Central Bank Act empowers BSP to oversee payment and settlement systems
- RA 12010, Anti-Financial Account Scamming Act combats financial cybercrimes

Regulatory Approach

- *Registration and licensing framework of digital banks and virtual asset service providers. Monetary Board lifted moratorium on grant of new digital banking licenses starting 1 January 2025; allowed maximum of 10 digital banks*
- *Adoption of Payment System Oversight Framework (PSOF), sets out a risk-based oversight approach over payment systems and financial market infrastructures*
- *Regulatory Sandbox Framework, fosters an enabling environment for responsible innovation on inclusive digital financial ecosystem*
- *Consumer protection and digital literacy*

Digital Payments Transformation Roadmap steers from a cash-heavy to a cash-lite economy

Digital Payments Streams

- *QR Ph, Paleng-QR Ph Plus, E-Gov Facility, Bills Pay, Request to Pay, Direct Debit Facilities, PESONet, Instapay*



Digital Finance Infrastructure

- *National ID System – PhilSys, PhilPaSS^{plus}, Open banking*



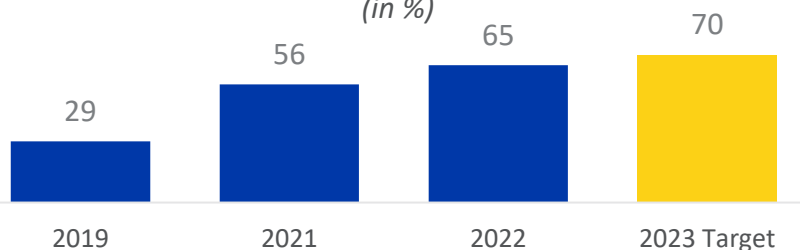
Digital Governance Standards

- *Open Banking and Application Programming Interfaces Standards, Adoption of ISO 20022 Standards, Cybersecurity Policies, Use of Data Policy*



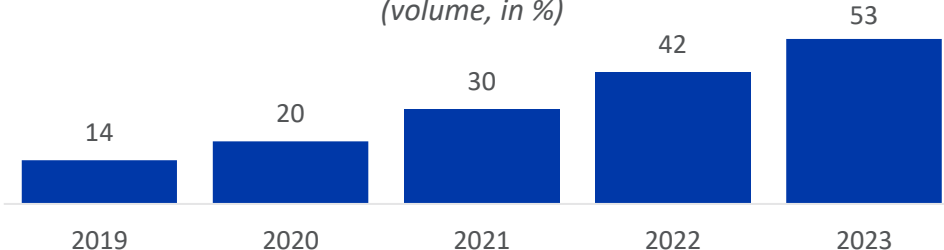
Share of Filipino Adults with Transaction/ Formal Accounts

(in %)



Share of digital payments to total payments exceed the 50% target

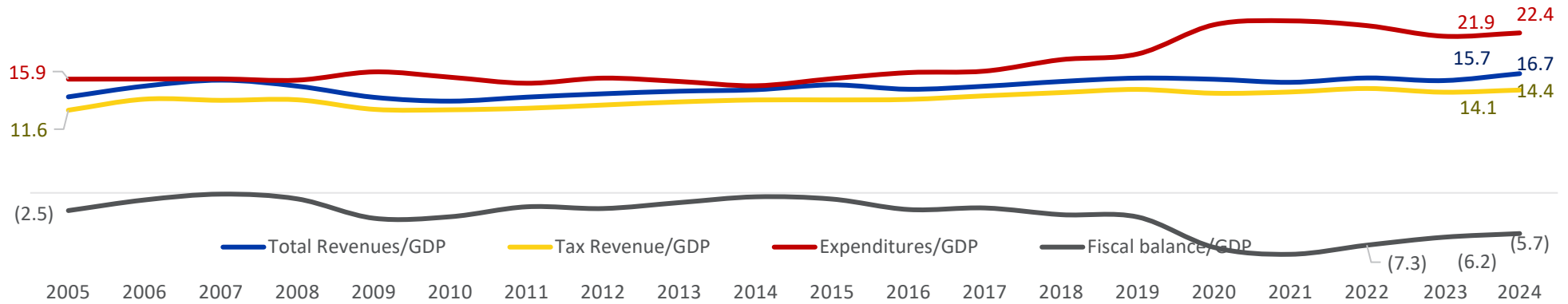
(volume, in %)



VII. Sound Government Finances

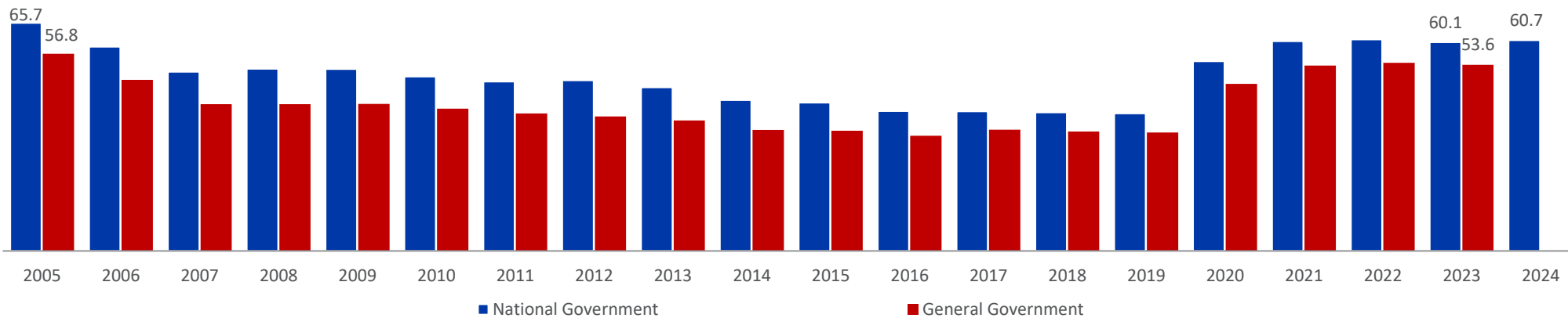
Long history of prudent fiscal management strengthens government's financial position

National Government (NG) Expenditure, Revenue, Tax Revenue, and Deficit (% of GDP, current)



Debt remains manageable, fiscally viable through prudent and strategic debt management

Government debt (% of GDP, current)



Sources: DOF, Bureau of the Treasury

VII. Sound Government Finances

Enhanced tax collection efficiency due to implementation of comprehensive tax and administration reforms is a pillar for recovery

	Actual	Actual	Actual	Actual	Actual	Actual	Outlook	Program			
	2019	2020	2021	2022	2023	2024	2024	2025	2026	2027	2028
Particulars	PHP bn										
Revenues	3,137.5	2,856.0	3,005.5	3,545.5	3,824.1	4,419.0	4,382.7	4,644.4	5,063.2	5,627.5	6,249.6
<i>% of GDP</i>	16.1	15.9	15.5	16.1	15.7	16.7	16.5	16.2	16.2	16.6	17.0
Tax Revenues	2,827.7	2,507.2	2,742.7	3,220.3	3,429.3	3,800.7	NA	NA	NA	NA	NA
<i>% of GDP</i>	14.5	14.0	14.1	14.6	14.1	14.4	NA	NA	NA	NA	NA
Non-tax Revenues	309.0	348.7	259.9	325.7	394.8	618.3	NA	NA	NA	NA	NA
<i>% of GDP</i>	1.6	2.0	1.4	1.5	1.6	2.3	NA	NA	NA	NA	NA
Expenditures	3,797.7	4,227.4	4,675.6	5,159.6	5,336.2	5,925.4	5,907.5	6,182.1	6,540.1	7,027.0	7,621.5
<i>% of GDP</i>	19.5	23.5	24.1	23.4	21.9	22.4	22.3	21.5	20.9	20.7	20.7
Surplus/(Deficit)	(660.2)	(1,371.4)	(1,670.1)	(1,614.1)	(1,512.1)	(1,506.4)	(1,524.8)	(1,537.7)	(1,476.8)	(1,399.5)	(1,371.9)
<i>% of GDP</i>	(3.4)	(7.6)	(8.6)	(7.3)	(6.2)	(5.7)	(5.7)	(5.3)	(4.7)	(4.1)	(3.7)

- Growth-enhancing fiscal consolidation remains a priority. Declining deficit path to reach 3.7% in 2028 reflecting gradual increase in revenues supported by legislative measures including recently enacted VAT on Digital Services Act and tax administration reforms. Government to relax privatization rules to allow sale of idle assets. Review existing fees and charges to improve non-tax revenue collection.
- The Philippines to leverage on strong track record of revenue improvement and prudent expenditure management to return to fiscal consolidation (i.e., reduce deficit and debt stock accumulation) in the medium-term.

N/A – Not Available

Source: DBM, BTr, DOF, Medium-Term Fiscal Program approved during 189th DBCC Meeting on 2 December 2024, BESF 2025

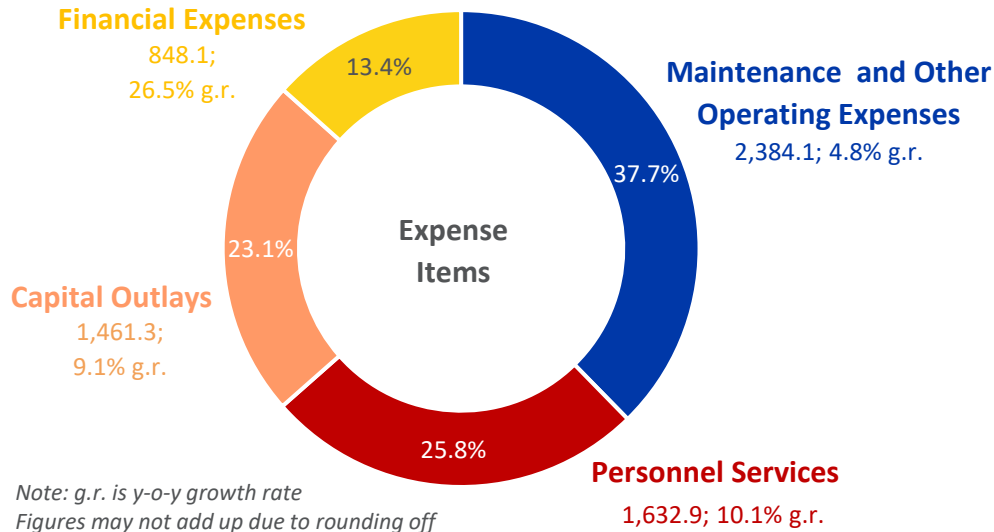
VII. Sound Government Finances

2025 National Budget

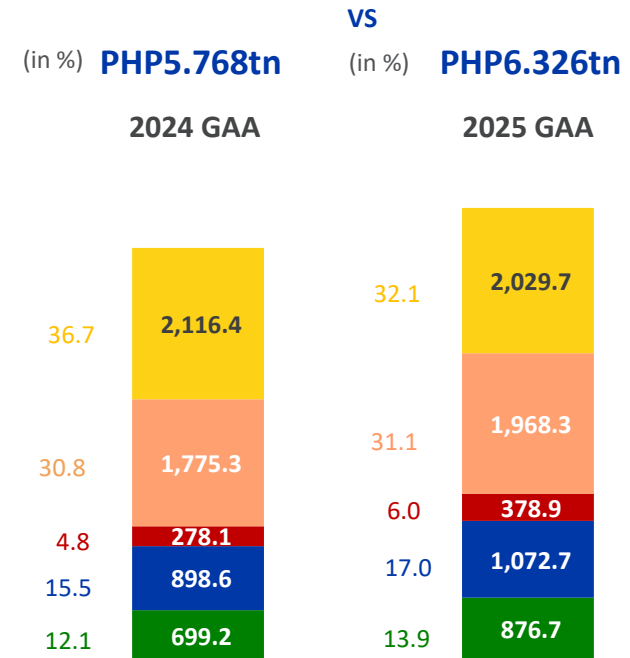
Agenda for Prosperity: Fulfilling the Needs and Aspirations of the Filipino People

- PHP6.326tn^{1/} National Budget signed into law in December 2024. Aimed at achieving PDP medium term fiscal and economic targets. 9.7% higher than 2024 budget and equivalent to about 22% of GDP.

2025 GAA by Expense Class, PHP bn, % Share and growth rate (in %)



2025 General Appropriations Act (GAA) by Sector, PHP bn and % share



■ Debt Burden ■ General Public Services ■ Defense
■ Economic Services ■ Social Services

^{1/} based on signed GAA
Source: DBM

VII. Sound Government Finances

Strong Investor Confidence in ROP's Issuances Even During Tighter Global Financial Conditions

Highlights of Transaction^{1/}



US\$2.25bn

March 2022



US\$2.25bn first triple tranche Global Bonds, including 25Y notes issued under Sustainable Finance Framework, marking ROP's debut on Environmental, Social and Governance (ESG) Global Bonds offering

- US\$500mn priced at T+90bps (3.229%) Notes due 2027
- US\$750mn at T+125bps (3.556%) Notes due 2032
- US\$1bn sustainability bonds at 4.200% Notes due 2047



JPY70.1bn

April 2022



First Sustainability samurai bond multi-tranche offering with an ESG label across all four tranches (tenors: 5, 7, 10, 20)

- JPY52bn priced at 0.760% (YMS+60bps) Notes due 2027
- JPY5bn at 0.950% (YMS+70bps) Notes due 2029
- JPY7.1bn at 1.220% (YMS+85bps) Notes due 2032
- JPY6bn at 1.830% (YMS+115bps) Notes due 2042



US\$2.0bn

October 2022



Triple-tranche Global Bonds, including 25Y sustainability bonds under new administration. ESG Bonds comprises 37.5% of the US\$2.0bn global issuance.

- US\$500mn priced at T+120bps (5.170%) Notes due 2027
- US\$750mn priced at T+185bps (5.609%) Notes due 2034
- US\$750mn sustainability bonds priced at 6.100% (5.950%) Notes due 2047



US\$3.0bn

January 2023



Triple-tranche Global Bonds, including a 25Y sustainability notes marking the Republic's 4th G3 ESG bond offering

- US\$500mn priced at T+105bps (4.625%) Notes due 2028
- US\$1.25bn priced at T+145bps (5.000%) Note due 2033
- US\$1.25bn sustainability bonds priced at 5.500% Notes due 2048



US\$1bn

November 2023

US\$1bn maiden 5.5Y dollar Sukuk utilizing real estate assets under Ijara and Wakala, together with Commodity Murabaha aspect

- Priced at T+80bps with a profit rate of 5.045% Certificates due 2029



US\$2.0bn

May 2024



Dual-tranche Global Bonds, including a 25Y sustainability notes marking the Republic's 5th G3 ESG bond offering

- US\$1bn priced at T+80bps Notes due 2034
- US\$1bn sustainability bonds priced at 5.600% Notes due 2049



US\$2.5bn

August 2024



Triple-tranche Global Bonds, with 5.5Y, 10.5Y and 25Y issued under ROP's Sustainable Finance Framework, marking the Republic's 6th G3 ESG bond offering

- US\$500mn priced at T+75bps Notes due 2030
- US\$1.1bn priced at T+95bps Notes due 2035
- US\$900mn priced at 5.175% Notes due 2049



US\$2.25bn, EUR 1bn

January 2025



Triple-tranche Global Bonds, including US\$25Y and EUR 7Y issued under ROP's Sustainable Finance Framework, marking the Republic's 7th G3 ESG bond offering and inaugural EUR sustainability bond.

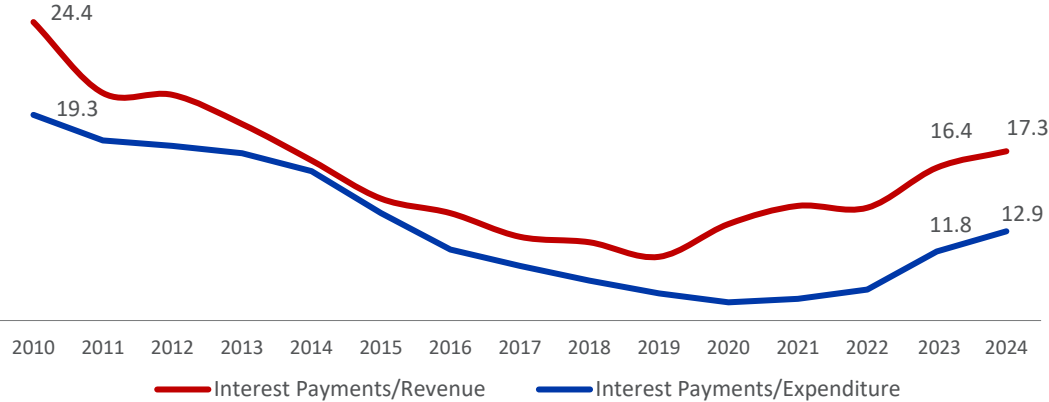
- EUR1bn priced at MS+125bps Notes due 2032
- US\$1.25bn priced at T+90bps Notes due 2035
- US\$1bn priced at 5.9% Notes due 2050

VII. Sound Government Finances

Sustainable Debt Profile Supported by Diversified Sources of Financing

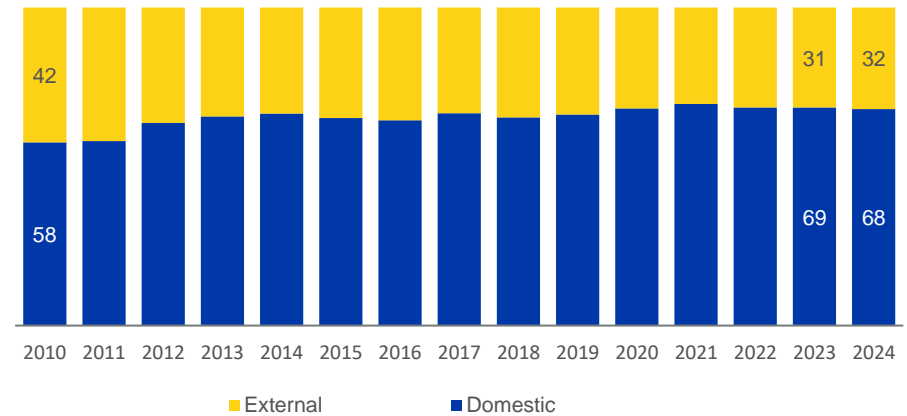
Debt affordability remains manageable

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



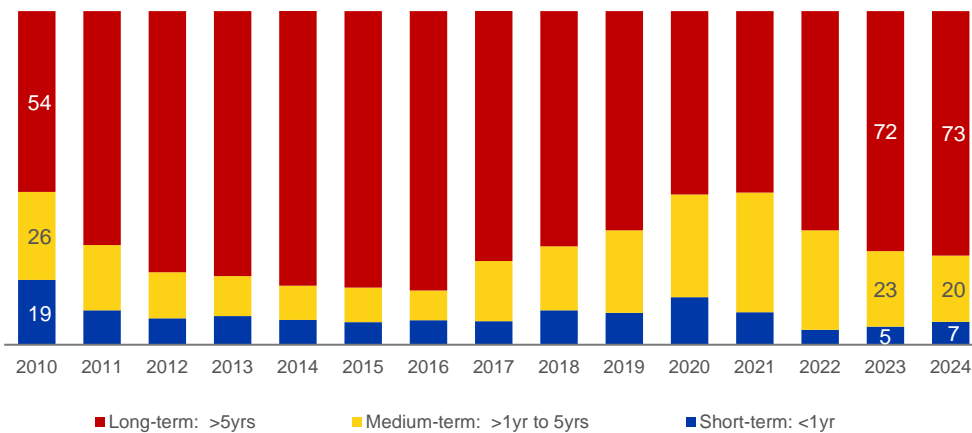
Ample domestic liquidity allows ROP to rely on domestic market to fund majority of its requirements while minimizing FX risks

Total debt breakdown (%)*

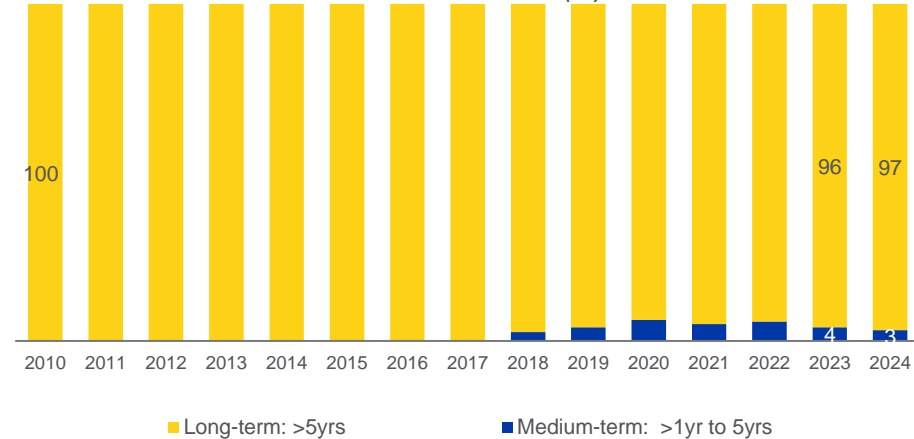


Long-dated debt profile reduces refinancing risk

Domestic debt breakdown (%)*



External debt breakdown (%)*



Source: Bureau of the Treasury
*National Government Outstanding Debt

VII. Sound Government Finances

Strong Bias for Domestic Sources of Financing to Minimize FX Risks

Strategic Financing Program

Particulars	2015	2016	2017	2018	2019	2020	2021	2022	2023 ^{a/}	2024 Program	2025 Program
	(PHP bn)										
Gross Borrowing	609.6	507.0	901.7	897.6	1,015.8	2,652.5	2,549.7	2,163.5	2,193.3	2,570.0	2,545.9
External	189.5	149.5	168.1	303.1	321.9	742.4	568.7	520.1	559.0	646.1	507.4
<i>Program Loans</i>	72.0	35.6	35.1	80.4	78.2	375.2	166.1	136.6	204.3	306.6	236.1
<i>Project Loans</i>	28.2	18.8	33.4	34.0	58.0	49.1	110.2	120.7	135.9	68.7 ^{b/}	73.6 ^{b/}
<i>Bonds and other inflows</i>	89.4	95.1	99.6	188.7	185.7	318.1	292.3	262.8	219.0	270.8 ^{c/}	197.6
Domestic	420.1	357.5	733.5	594.5	693.8	1,998.7	2,010.6	1,643.4	1,634.2	1,923.9	2,037.6
<i>Treasury Bills</i>	(17.3)	23.5	26.4	179.9	(8.1)	463.3	(153.3)	(385.8)	119.5	51.1	60.0
<i>Fixed Rate T-bonds</i>	437.4	334.0	707.1	414.5	702.0	1,535.4	2,163.9	2,029.2	1,514.7	1,872.9	1,977.6
Financing Mix (Domestic: External)	69:31	71:29	81:19	66:34	68:32	72:28	78:22	76:24	75:25	75:25	80:20

Note: Figures may not add up due to rounding off

^{a/} Based on BTr actual data reported in the revised version of Cash Operations Report

^{b/} Based on BTr estimates

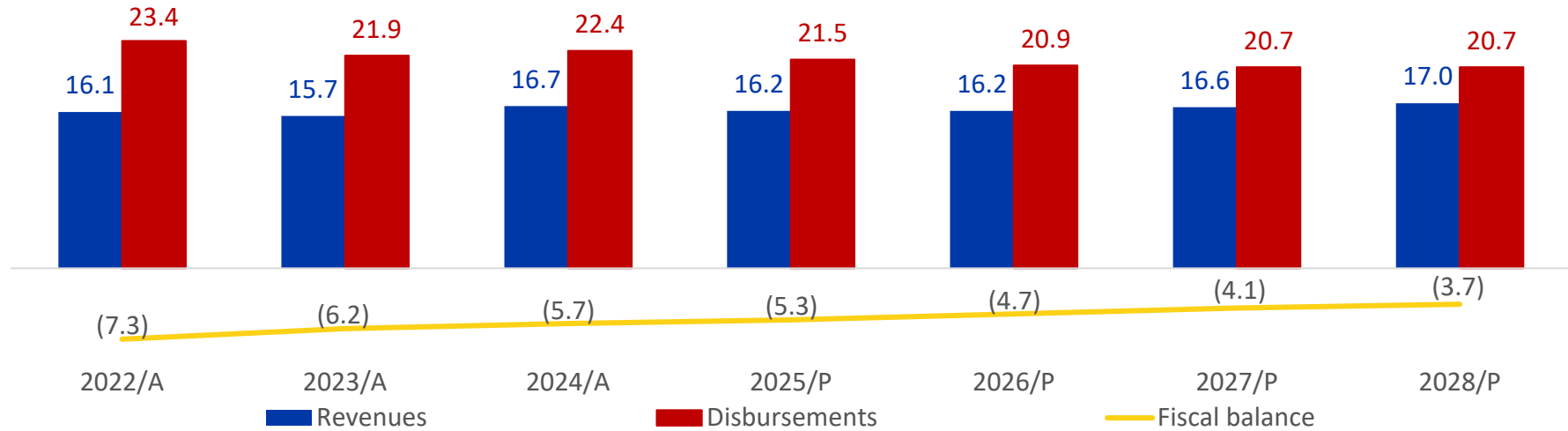
^{c/} Based on actual peso proceeds of completed issuance as of end-June 2024 and estimated peso equivalent of remaining issuance program

Source: Bureau of the Treasury, DBM BESF 2025

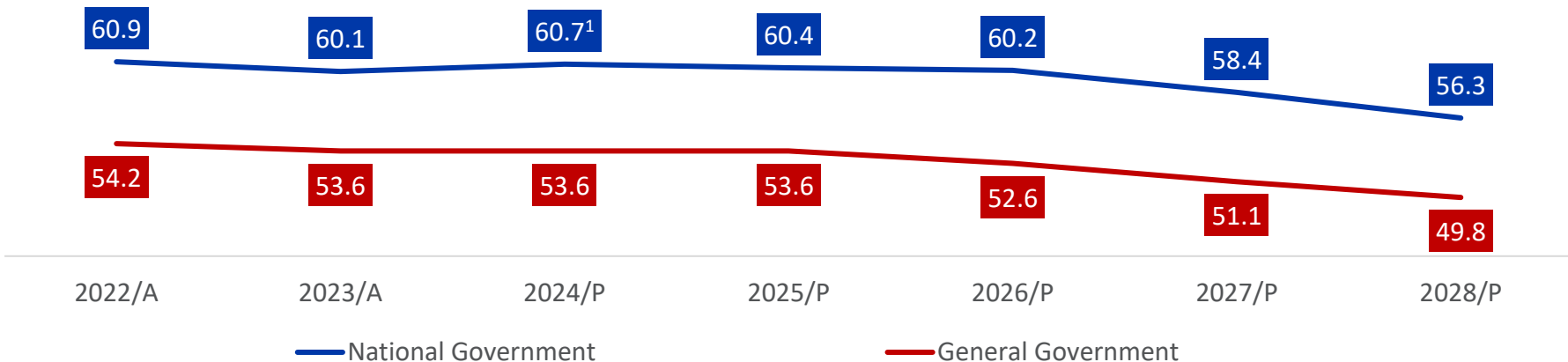
VII. Sound Government Finances

Growth-Enhancing Fiscal Consolidation Plan

Medium-Term Fiscal Framework Targets



Debt (% of GDP)



¹ Actual

Source: Medium-Term Fiscal Program Approved during the 189th DBCC Meeting on 2 December 2024, BTr

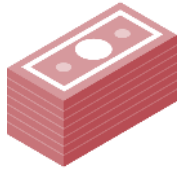
A/ Actual; O/Outlook; P/Program

Note: GG debt estimates are unofficial estimates of the BTr

VII. Sound Government Finances

Medium-Term Fiscal Framework (MTFF) and Priority Measures for a Fair and Efficient Tax System

Serves as blueprint to guide the consolidation process:



Reduce the fiscal deficit



Promote fiscal sustainability



Enable robust economic growth

Priority Measures under the Framework



1. Promote efficient tax administration through digitalization

- *Ease of Paying Taxes Act (RA 11976)*



2. Implement measures to help tax system catch up with the digital economy

- *VAT on Digital Service Providers (RA 12023)*



3. Introduce tax measures promoting environmental sustainability to address climate change

- *Imposition of tax on single-use plastics*
- *Study carbon taxation*



4. Pursue remaining tax reform packages

- *Package 3: Real Property Valuation Reform (RA 12001)*
- *Package 4: Passive Income and Financial Intermediary Taxation Reform (PIFITA)*



5. Other measures

- *Rationalization of fiscal mining regime*
- *Motor Vehicles Road Users tax*

VII. Sound Government Finances

Maharlika Investment Fund (MIF) (RA 11954) generates investments and ensures a stable investment return to support economic goals

- Preserves and uses government financial assets to generate optimal returns to support infrastructure development agenda, create jobs, promote investments, foster technological transformation, strengthen connectivity, achieve energy, water and food security, and poverty reduction efforts
- Promotes investments in key sectors; aims optimal absolute return on investments (ROI) and financial gains through profitability, liquidity, security of investments
- Promotes efficient intergenerational management of wealth
- Funds sourced from Maharlika Investment Corporation (MIC), which governs and manages MIF to generate ROI

ALLOWABLE INVESTMENTS



- Cash, foreign currencies, metals, and other tradeable commodities
- Fixed income instruments issued by sovereigns, quasi-sovereigns, and supranationals
- Domestic and foreign corporate bonds
- Listed or unlisted equities, whether common, preferred, or hybrids
- Islamic investments, such as Sukuk bonds
- Joint Ventures or Co-Investments; Mergers and Acquisitions
- Mutual and Exchange-traded Funds invested in underlying assets
- Real estate and infrastructure projects toward national priorities
- Programs and projects on health, education, research and innovation
- Loans and guarantees to, or participation into joint ventures or consortiums with Filipino and foreign investors
- Other investments with sustainable and development impact aligned with the investment policy

MIC makes first-ever investment: acquires stake in grid operator

In January 2025, MIC signed agreement with Synergy Grid and Development Philippines Inc. (SGP) to acquire 20% stake in the National Grid Corporation of the Philippines (NGCP); secure board seats in both companies.

GOVERNANCE

- Governed by **Board of Directors (BOD)** with 9 members composed of:
 - Finance Secretary as Chairperson in an ex-officio capacity;
 - President and Chief Executive Officer (CEO) of the MIC as Vice-Chairperson;
 - President and CEO of Land Bank of the Philippines (LBP);
 - President and CEO of the Development Bank of the Philippines DBP;
 - Two (2) Regular Directors; and
 - Three (3) Independent Directors from private sector
- Advisory Body on policy formulation** Department of Budget and Management Secretary, National Economic and Development Authority Secretary, and Treasurer of the Philippines

SAFEGUARDS

- Financial reporting in accordance with International Financial Reporting Standards and principles; compliance with Santiago Principles
- Audit Committee composed of Board members to oversee internal and external audits of MIC
- Internal audit independent from management of MIC
- External audit by internationally recognized auditing firm
- Examination and audit by Commission on Audit
- Joint Congressional Oversight Committee, composed of seven (7) members each from House of Representatives and Senate

Other Salient features:

- Government financial institutions (GFIs) and Government-Owned or -Controlled Corporations (GOCCs)*, may invest in MIF, subject to board approval
- Additional investments may be sourced from investments of reputable private and state-owned financial institutions and corporations
- MIF to be invested in commercial basis to promote fiscal stability and strengthen GFIs through additional investment platforms
- Investment sectors to be tapped by MIF: Infrastructure; Oil, Gas, and Power; Agroforestry Industrial Urbanization; Mineral Processing; Tourism; Transportation; and Aerospace and Aviation.^{1/}

^{1/} <https://www.dof.gov.ph/maharlika-investment-corporation-holds-inaugural-board-meeting-identifies-potential-sectors-to-tap/>

*except those that manage pension and welfare funds

Source: Senate, House of Representatives, DOF

VIII. Infrastructure Program

Building on a Solid Foundation for Infrastructure Development

“Build Better More” program to help ensure country’s sustainable, robust, and inclusive growth



3,224 Infrastructure programs/activities/projects (PAPs)^{1/} (PHP12.8tn/US\$225.1bn)

186 Infrastructure Flagship Projects ^{2/} (IFP) (PHP9.6tn/US\$167.9bn)

IFP by Sector^{3/}

- 135** Physical Connectivity
- 29** Water Resources
- 9** Agriculture
- 5** Health
- 4** Digital Connectivity
- 1** Power and Energy
- 1** Education
- 2** Other Infra

Executive Order No. 59, s. 2024
Expedite permitting process and implementation of IFPs.

Status of IFP Implementation^{3/}

- 7** completed
- 65** ongoing implementation
- 29** approved for implementation
- 11** awaiting government approval
- 74** ongoing project preparation or pre-project preparation
 - Increased infrastructure investment and efficiency in budget utilization
 - ✓ January to November 2024 Infrastructure disbursements reached PHP1,381.6bn, 13% higher yoy
 - ✓ As of Q3 2024: 100% and 99% utilization rate of cash allocations by DPWH and DOTr, respectively.

^{1/}Based on Chapter 12 of the PIP 2023-2028 as of March 2024

^{2/} As of Q3 2024: <https://neda.gov.ph/infrastructure-flagship-projects/>

^{3/}As of November 2024 (NEDA)

^{4/} Constructed, maintained, rehabilitated, widened and upgraded.

^{5/}Infrastructure figures for 2001-2018 are obligation-based; 2019 onwards are cash-based.

^{6/} Disbursement basis, the government transitioned to cash-based budgeting starting FY 2019

^{7/} Medium-Term Fiscal Program approved during 188th DBCC Meeting last 27 June 2024.

US\$ amount computed based on the 2025 median (PHP57/US\$1) of the US\$/PHP forecast based on 189th DBCC Meeting last 2 December 2024

Tangible results to upgrade country’s infrastructure network

No. of completed projects from July 2022 to May 2024



42

Airports*

*July 2022 to June 2024



1,263

Bridges^{4/}



28

Port projects*



5,521

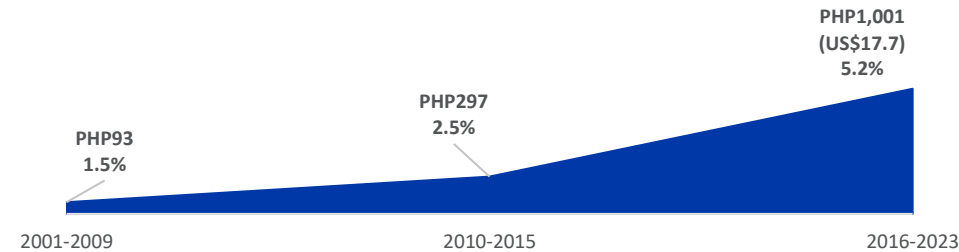
Flood Control Projects



11,945

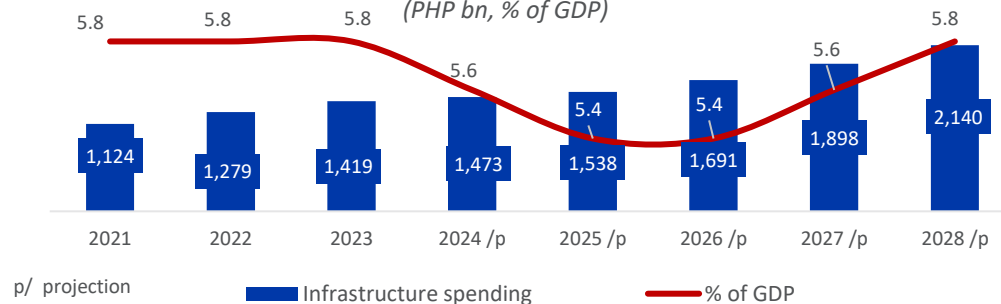
Kilometers of Roads^{4/}

Infrastructure spending^{5/} (average in PHP bn, % of GDP)



Infrastructure Spending to reach US\$37.6bn by 2028^{6/}

Actual and projections^{7/} (PHP bn, % of GDP)



p/ projection

■ Infrastructure spending

— % of GDP

VIII. Infrastructure Program

Building on a Solid Foundation

Select Rolling Big-Ticket Projects



North South Commuter Railway (PNR North 1, PNR North 2, PNR South Commuter) – PHP873.6bn (US\$15.3bn)
37.9-km railway segment with 10 stations from Tutuban, Manila, (National Capital Region) to Malolos, Bulacan (Region III). Expected to serve more than 300,000 passengers per day on its first year
Status: Ongoing



Panay-Guimaras-Negros Inter-Island Link Bridge – PHP187.5bn (US\$3.3bn)
32.47-km total length of 2 sea-crossing bridges to connect Panay Island, Guimaras Island, and Negros Island in Western Visayas (Region VI). Construction to begin in 2025; completion by 2028.
Status: Approved for implementation



Daang Maharlika (N1) Improvement- PHP251.2 (US\$4.4bn)
Widening, reconstruction, and upgrading of road sections and bridges along 3,082-km Daang Maharlika Highway (N1).
Status: Ongoing



New Manila International Airport (Bulacan international Airport) - PHP735.6bn (US\$12.9bn)
Construction and operation and maintenance of new modern airport in Bulacan with a design capacity of 200 million passengers per year. (Region III).
Status: Ongoing



Ninoy Aquino International Airport PPP Project- PHP170.6bn (US\$3.0bn)
Improve operations and maintenance, upgrade of existing facilities, enhancement of services.
Status: Ongoing



Metro Manila Subway Project Phase 1 – PHP488.5bn (US\$8.6bn)
33.1-km new underground mass transit with 17 stations traversing Valenzuela and NAIA (airport). As of end-2024, 18.24% construction progress
Status: Ongoing

VIII. Infrastructure Program

Forging Stronger Partnerships with the Private Sector

RA 11966 – Public-Private Partnership (PPP) Code of the Philippines

Access RA 11966 through the QR code below:



“Public-Private Partnerships or PPPs hold great potential for that (infrastructure projects) expansion, for infrastructure development, and for innovation.” – President Ferdinand Marcos Jr.

Key Reforms

- Strengthen enabling institutions i.e., PPP Governing Board, PPP Center, Project Development and Monitoring Facility (PDMF), and newly created PPP Risk Management Fund (RMF).
- Strengthen use of PDMF and provide more assistance to PPP projects as needed, subject to approval by PPP Governing Board.
- Institutionalize PPP RMF, a facility created for payment of contingent liabilities arising from PPPs.
- Update project approval thresholds for Build-Operate-Transfer (BOT) projects, which were last set 29 years ago, while allowing NEDA Investment Coordination Committee to review, evaluate, and update.
 - ✓ Projects costing PHP15bn(US\$263.2mn) and above (previously above PHP300mn/US\$5.3mn) will need NEDA Board approval
- Uphold and retain local autonomy while providing mechanisms to ensure harmonized investment programming between local government units and the NG. Unsolicited proposals are allowed in list of PPP projects without new concept or technology requirement, subject to reimbursement of government’s development costs

Material Adverse Government Action (MAGA) refers to any act of government which the Private Partner has no knowledge of, or could not be reasonably expected to have had knowledge of, prior to effectivity of the contract, and that occurs after effectivity of contract, other than an act which is authorized or permitted under the contract, which (1) specifically discriminates against the sector, industry, or project, and (2) has a significant negative effect on the ability of the Private Partner to comply with any of its obligations under the approved PPP contract. MAGA may include unanticipated regulatory risks - Section 3, Item V

VIII. Infrastructure Program

Forging Stronger Partnerships with the Private Sector

Broader private sector participation

Status of PPP projects as of 31 January 2025

PPP Projects under Implementation

54 Solicited Projects
PHP1.1tn (US\$19.0bn)

154 Unsolicited Projects
PHP1.9tn (US\$32.7bn)

12 Projects for verification of
procurement mode
PHP406.5bn (US\$7.1bn)



PPP Projects in the Pipeline

101 Solicited Projects
PHP1.3tn
(US\$22.5bn)

75 Unsolicited Projects
PHP1.2tn
(US\$20.7bn)

Concluded PPP Projects

36 Solicited Projects
PHP251.4bn
(US\$4.4bn)

7 Unsolicited Projects
PHP43.9bn
(US\$0.8bn)

1 Project with no available
information on procurement
mode

Notes:

- List includes only those projects where the PPP Center is involved in either the development, appraisal, procurement, or implementation, and those projects not belonging to the former but which the PPP Center is monitoring.
- PPP Projects in the Pipeline refers to projects under procurement, competitive challenge, negotiation, approval, development, conceptualization, and initial evaluation by IA.

Source: PPP Center

US\$ amount computed based on the 2025 median (PHP57/US\$1) of the US\$/PHP forecast based on 189th DBCC Meeting last 2 December 2024

IX. Outlook

Sound fundamentals anchor firm economic recovery and solid longer-term economic outlook

Particulars	Actual			Assumptions/Projections				
	2021	2022	2023	2024	2025	2026	2027	2028
Real GDP Growth (%)	5.7	7.6	5.5	5.6 ^{A/}	6.0 – 8.0	6.0 – 8.0	6.0 – 8.0	6.0 – 8.0
Inflation Rate (%)*	3.9	5.8	6.0	3.2 ^{A/}	2.0 – 4.0	2.0 – 4.0	2.0 – 4.0	2.0 – 4.0
Growth of goods exports (%)**	12.5	6.4	(4.0)	2.0	4.0	N/A	N/A	N/A
Growth of goods imports (%)**	30.5	19.0	(4.8)	2.0	5.0	N/A	N/A	N/A
OF Cash Remittances, Growth Rate (%)**	5.1	3.6	2.9	3.0 ^{A/}	3.0	N/A	N/A	N/A
Net Foreign Direct Investments (US\$ bn)**	12.0	9.5	9.1	9.0	10.0	N/A	N/A	N/A
Current Account Balance (% of GDP)**	(1.5)	(4.5)	(2.7)	(2.2)	(2.4)	N/A	N/A	N/A

Growth Drivers

- **Household consumption:** Easing inflation and more conducive financial environment; sustained improvements in labor market conditions; stable growth of remittances
- **Government spending:** Fast-tracking implementation of government programs and projects under 2025 National Budget; full implementation of New Government Procurement Act
- **Investment:** Improvements in ease of doing business through structural reforms; easing monetary and financial conditions; robust construction activities through Build, Better, More; implementation of PPP Code; and Luzon Economic Corridor
- **Net Exports:** Improved supply chain and wider market access through the RCEP, LEC, PH-ROK FTA; forging strategic FTAs with other markets and venturing to non-traditional exports products; upgrading tourism infrastructure and services
- **Industry:** Tapping green minerals through enabling measures, including streamlining/digitalizing mining permit applications and rationalization of mining fiscal regime; implementation of Electric Vehicle Incentives Strategy; positioning Philippines as a regional manufacturing hub for semiconductor products and upturn in AI-induced demand for electronic products; accelerated roll-out of Infrastructure Flagship Projects under Build, Better, More Program
- **Services:** Sustain recovery in tourism-related industries, including transportation sector, accommodation and food service, and other services; upskilling and reskilling of workers to leverage on AI and sustain growth of IT-BPM sector

<https://psa.gov.ph/content/summary-inflation-report-consumer-price-index-2018100-december-2024>

*Inflation rate assumptions were approved in the 189th DBCC meeting on 2 December 2024; **Projections approved by Monetary Board on 23 December 2024; N/A – Not available

A/ Actual, Inflation estimates as of 07 January 2025, GDP Growth estimates as of 30 January 2025, OF Cash Remittance estimates as of 17 February 2025

X. Seasoned Technocrats and Professionals to Steer Economic Transformation

Members of the Marcos, Jr. Administration's Economic Team



Frederick D. Go
Special Assistant to the
President^{1/} for Investment
and Economic Affairs
 Office of the President

Former Chairman, Vice-Chairman, President, CEO, and/or Director of 6 listed companies and over 100 private companies. Previously served as Presidential Adviser



Ralph G. Recto
Secretary
 Finance

Former Socioeconomic Planning Secretary; seasoned legislator, having held key leadership positions in the Senate and Congress



Dr. Eli M. Remolona, Jr.
Governor
 Bangko Sentral ng Pilipinas

Former Regional Head of the Bank for International Settlements and with extensive work experience at Federal Reserve Bank of New York



Dr. Arsenio M. Balisacan
Secretary
 Socioeconomic Planning

Former Anti-trust Chief, Socioeconomic Planning Secretary under B. Aquino administration

Former central bank Assistant Governor and Budget Undersecretary



Amenah F. Pangandaman
Secretary
 Budget and Management

Former DTI Undersecretary for the MSME Development Group; seasoned entrepreneur



Ma. Cristina Aldeguer-Roque
Secretary
 Trade and Industry

1/ Rank of Secretary



XI. Investor Relations Group

Promoting the Philippine Economy at Home and Abroad

The IRG undertakes a range of initiatives to build awareness among domestic and international investment audiences on the Government's economic reform program, promote specific investment opportunities in the Philippines, and facilitate information exchange and dialogue between the Government's key economic policy decision-makers 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 Microsite, <https://www.bsp.gov.ph/Pages/IRO.aspx>, to provide a wide range of easily accessible information about the Philippines' economic performance and the government's economic policies

For further information, please reach out to us at the contact details below. We strive for accuracy but please contact us as well if you note any errors:

Ms. Maria Rica Amador
Deputy Director

Ms. Elisha Lirios
Deputy Director

Bangko Sentral ng Pilipinas
A. Mabini St. cor. P. Ocampo St.
Malate Manila, Philippines 1004
Tel: (632) 8708-7487 / (632) 5303-1581
Email: iro-pmiu@bsp.gov.ph
Webpage: <https://www.bsp.gov.ph/Pages/IRO.aspx>



[ThinkGrowthThinkPhilippines](https://www.facebook.com/ThinkGrowthThinkPhilippines)



[#ThinkGrowthPH](https://twitter.com/ThinkGrowthPH)



[InfoIROatBSP](https://www.youtube.com/channel/UCI0ROatBSP)

For a copy of this presentation and more information on the Philippine economy, please visit the Investor Relations Group webpage through the QR code below:



Please subscribe to IRG's Updates through the QR code below:

