



# KEYNOTE SPEECH

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SECRETARY OF FINANCE

PHILIPPINE ECONOMIC BRIEFING IN SINGAPORE  
SEPTEMBER 7, 2022

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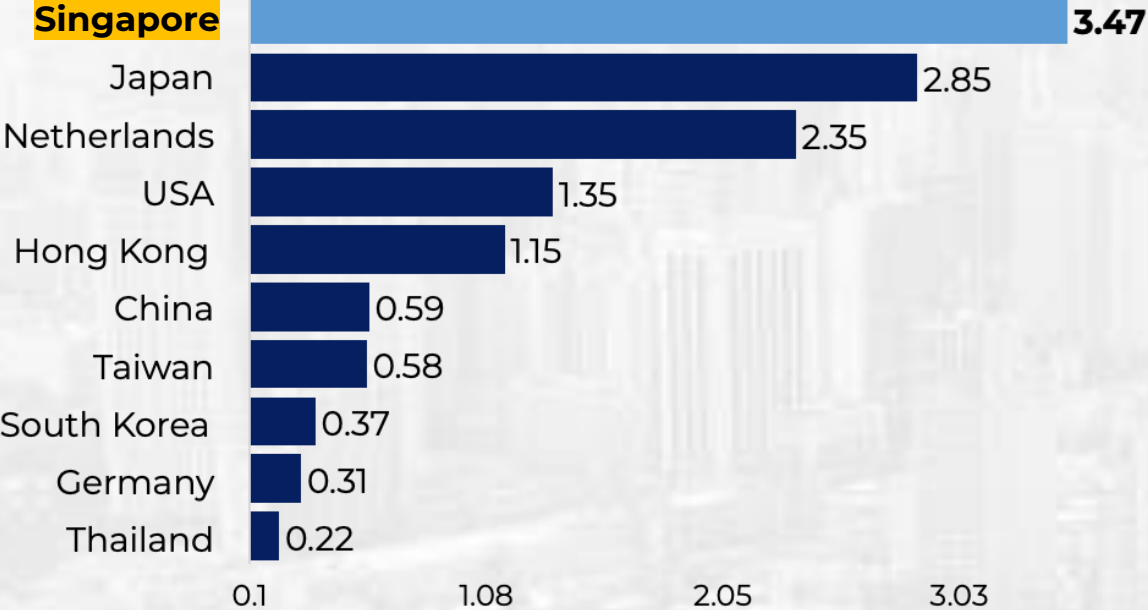
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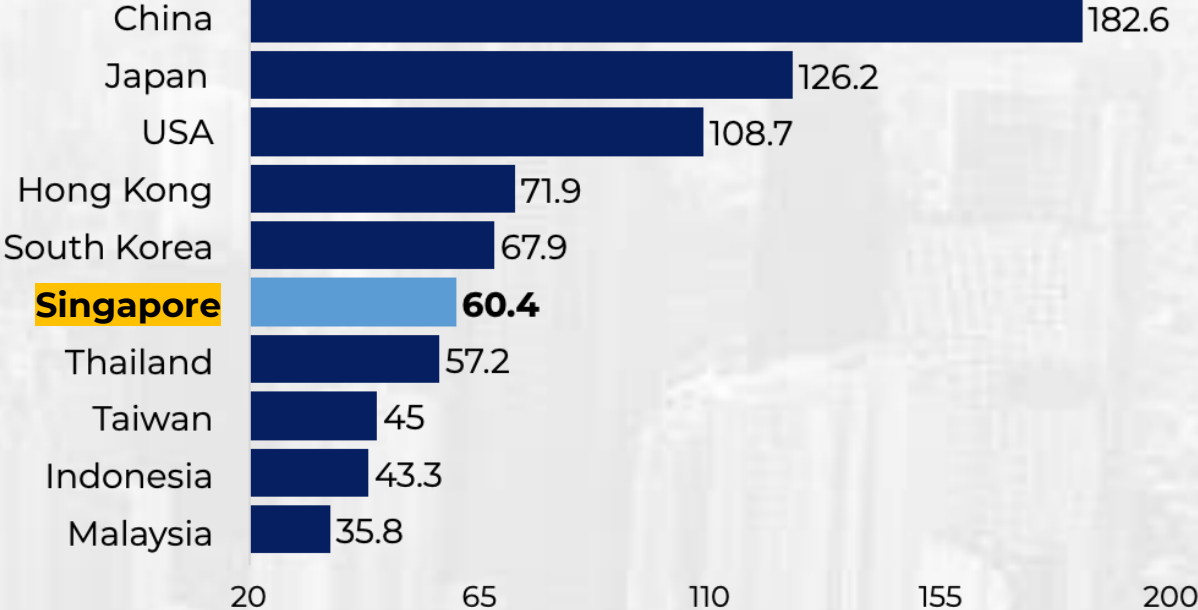
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# Singapore has been the Philippines' top source of foreign direct investments and sixth largest trading partner.

**The Philippines' Top Sources of FDIs**  
(Total FDIs from 2016-2021, in USD Billion)



**The Philippines' Top Trading Partners**  
(Total Trade from 2016-2021, in USD Billion)

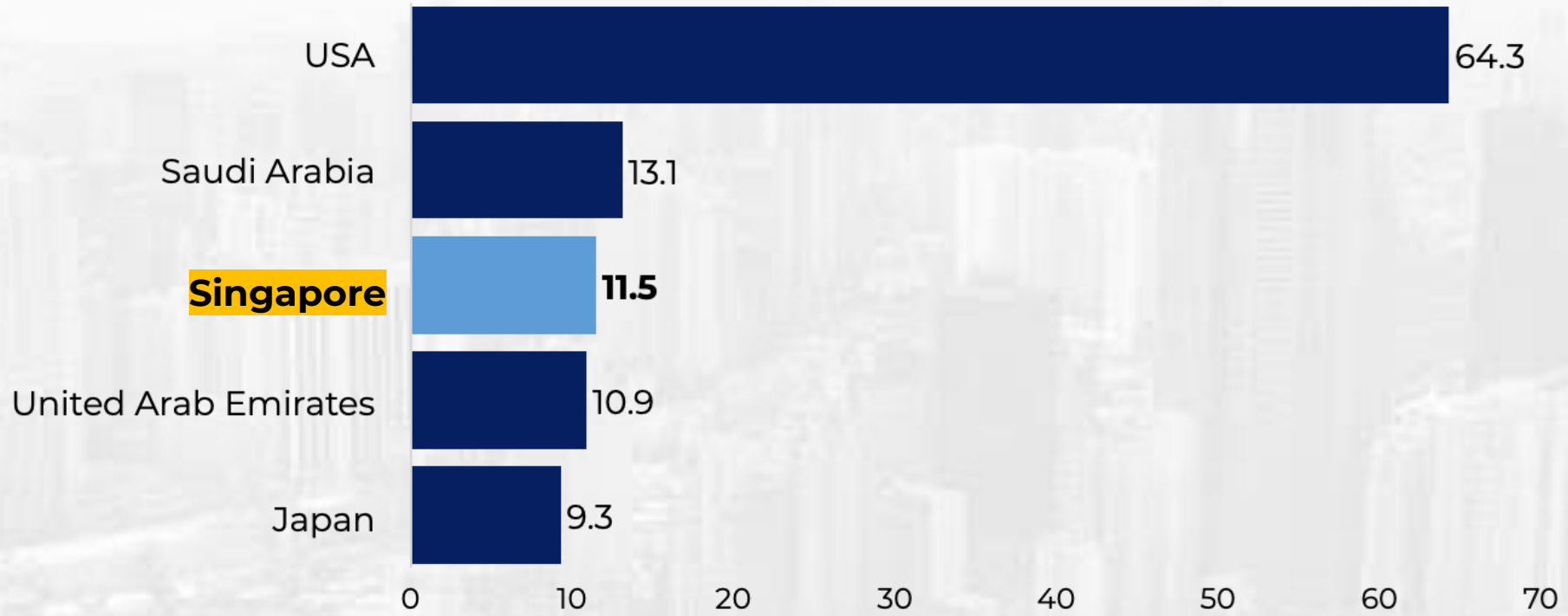


Data Source: BSP and PSA



# Singapore is the Philippines' third biggest source of overseas Filipinos' remittances.

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

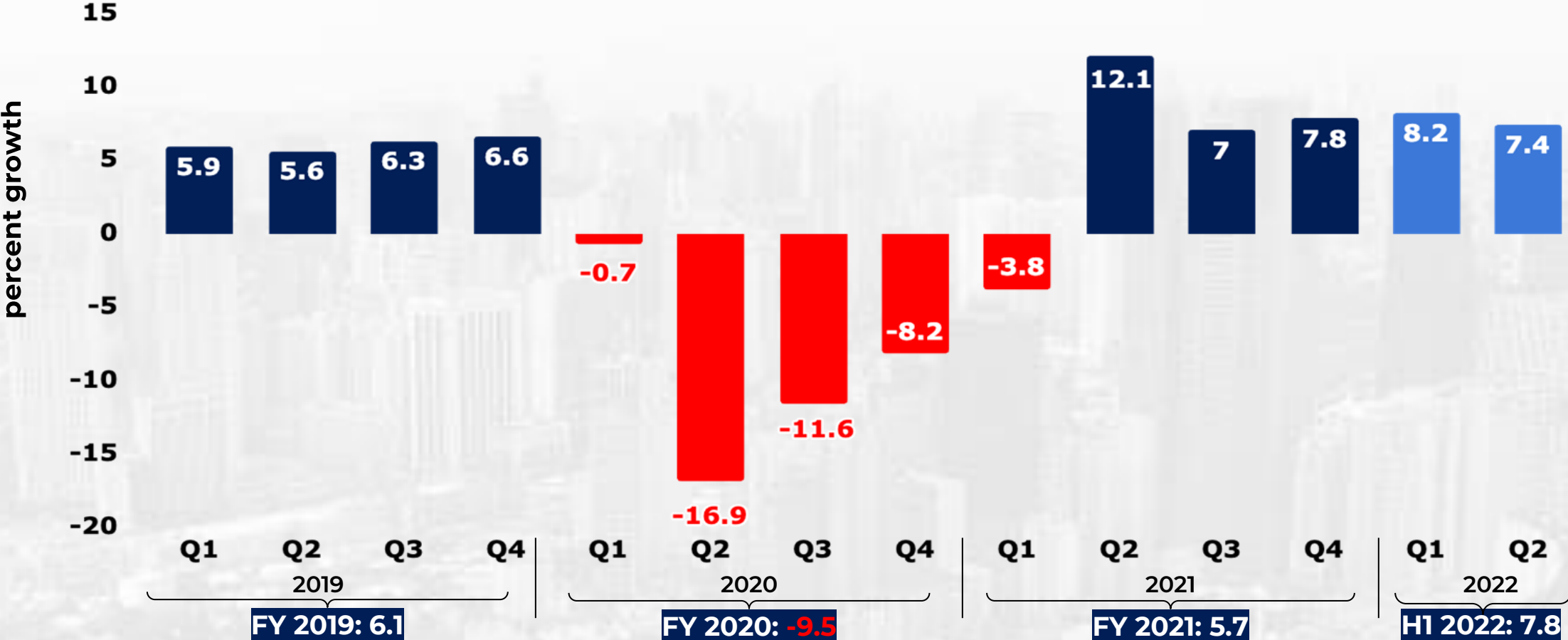


Data Source: BSP

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

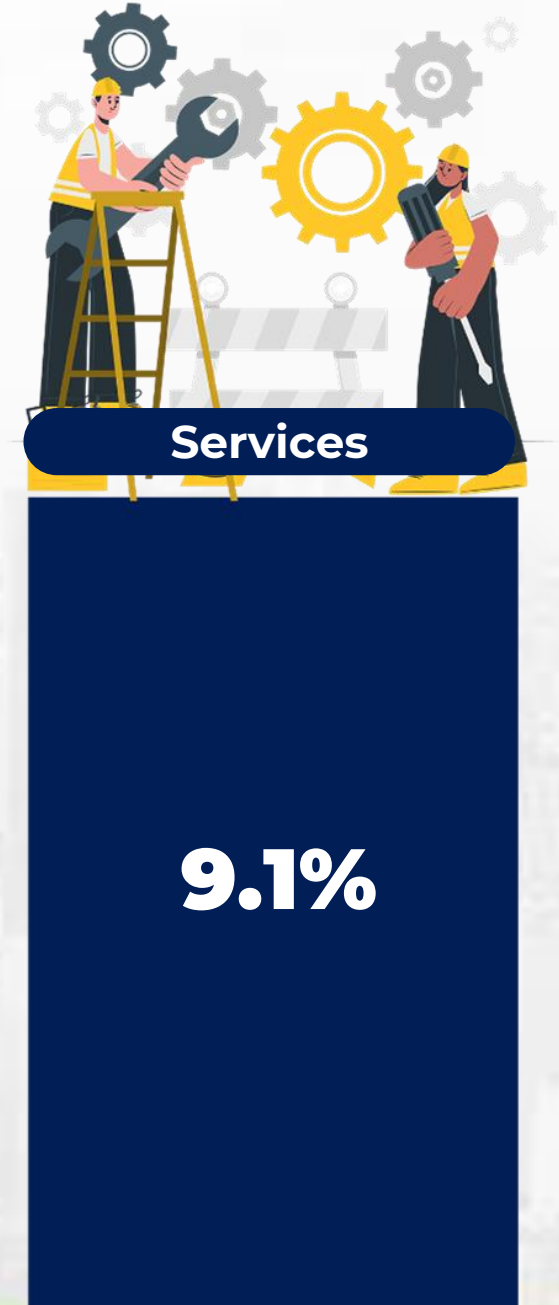
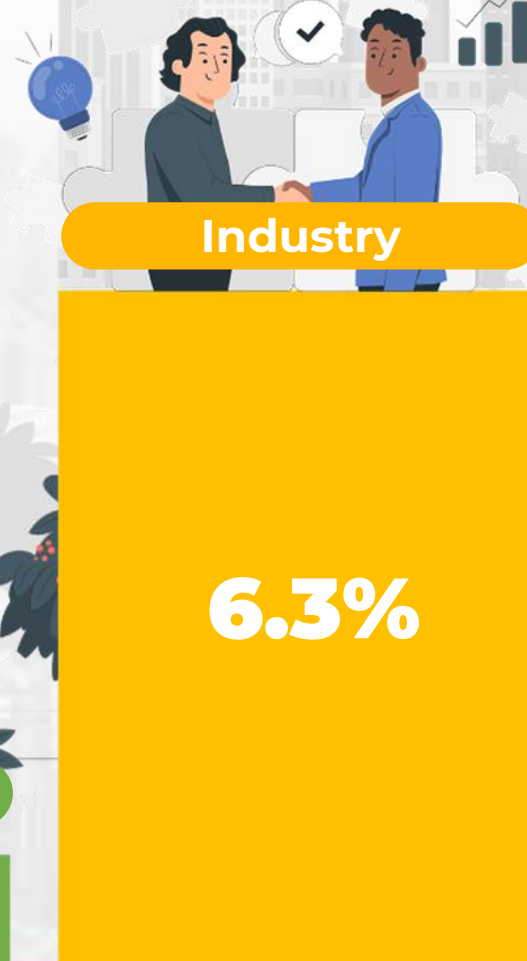
# Q2 2022 GDP growth shows that we are on a steady path to a strong rebound and expansion

Philippines' Real GDP growth rate (year-on-year)



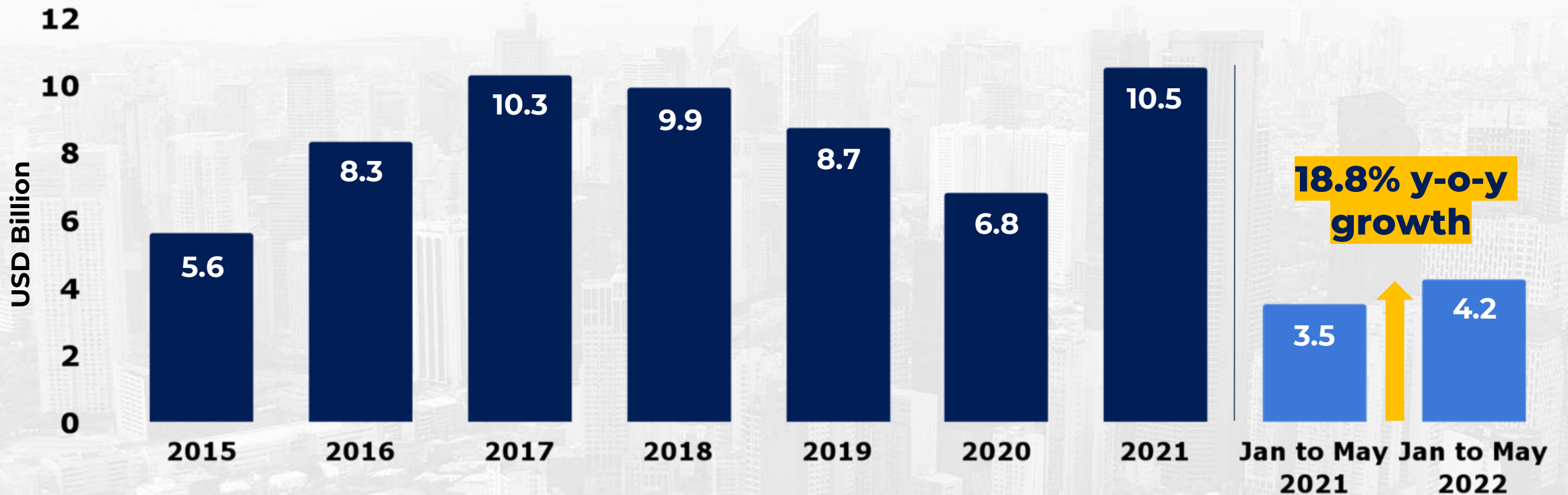
Data Source: PSA and BSP

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



# Investment inflows reflect confidence in the Philippines' strong economic recovery

Net Foreign Direct Investment Inflows (In USD Billion)





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

**Corporate Recovery  
and Tax Incentives  
for Enterprises Act**



**Amendments to the  
Foreign Investments Act**



**Amendments to the  
Retail Trade  
Liberalization Act**



**Amendments to the  
Public Service Act**



# The Philippines continues to be vigilant of ongoing geopolitical risks and a shifting economic landscape

## Key challenges ahead:



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



The lingering effects of the pandemic are still felt



Unpredictable global political economy

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

## ROBUST ECONOMY, INCLUSIVE AND RESILIENT SOCIETY

### PROTECT THE PURCHASING POWER OF FAMILIES



Ensure Food Security



Reduce Transport and Logistic Cost



Reduce Energy Cost

### REDUCE VULNERABILITY AND MITIGATE SCARRING FROM THE COVID-19 PANDEMIC



Tackle Health



Strengthen Social Protection



Address Learning Losses

### ENSURE SOUND MACROECONOMIC FUNDAMENTALS



Improve Bureaucratic Efficiency



Ensure Sound Fiscal Management

### CREATE MORE JOBS, QUALITY JOBS, GREEN JOBS



Promote Investments



Expand Digital Infrastructure



Improve Infrastructure



Encourage R&D and Innovation



Ensure Energy Security



Pursue a Green and Blue Economy



Increase Employability



Establish Livable and Sustainable Communities

### NEAR-TERM AGENDA

### MEDIUM-TERM AGENDA

# **The 8-point socioeconomic agenda aims to**

**Cut poverty incidence to 9 percent by 2028**



**Attain upper middle-income country status by 2024**





# **The country's Medium-Term Fiscal Framework serves as our blueprint to:**



**Reduce the  
fiscal deficit**



**Promote fiscal  
sustainability**



**Enable robust  
economic  
growth**

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

**1. Promote efficient tax administration through digitalization**



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



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



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



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



**Bring down our debt-to-GDP ratio to less than 60 percent by 2025**



**Reduce fiscal deficit GDP to 3.0 percent of GDP by 2028**



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

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



# The Marcos administration will faithfully implement the Corporate Recovery and Tax Incentives for Enterprises Act

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



Gives out almost USD 2 billion worth of tax relief annually to the corporate sector

**Provides hefty corporate income tax rate cuts**



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

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



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

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



## Amendments to the Retail Trade Liberalization Act

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



## Amendments to the Public Service Act

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



## Amendments to the Foreign Investment Act

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

“

**We face the next six years with full confidence in our bold socioeconomic agenda.**

”

“

**The Philippines is poised for a  
bright economic future.**

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