



QATAR INVESTOR ROUNDTABLE

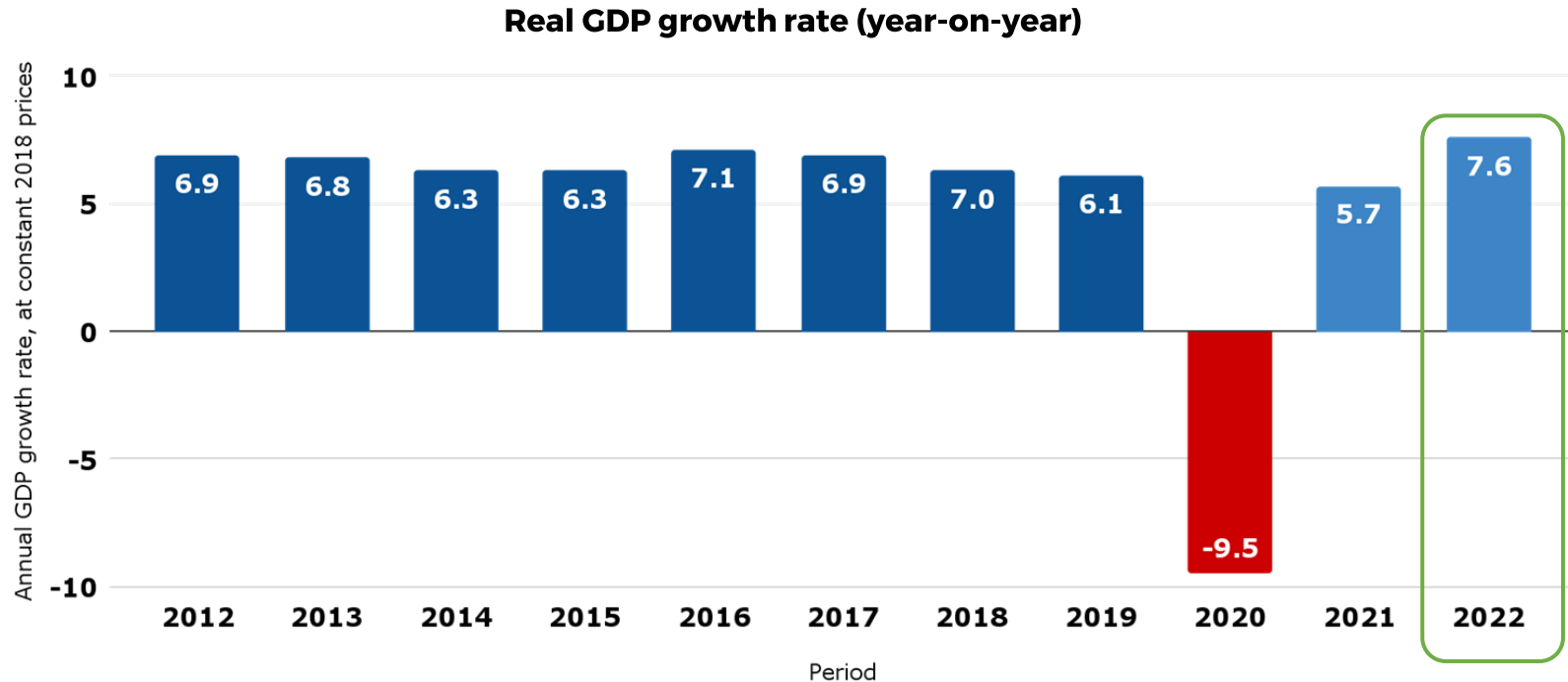
BENJAMIN E. DIOKNO

SECRETARY OF FINANCE

September 10, 2023



The Philippines registered its highest full-year GDP growth in 46 years





2023
Real GDP growth rate
(in percent)

First quarter 6.4

Second quarter 4.3

First half 5.3

Development Budget
Coordination Committee Growth
Assumptions

(in percent)
As of June 9, 2023

2023 6.0 - 7.0

2024-2028 6.5 - 8.0

Q1, Q2, and S1 2023 GDP growth of ASEAN-6 countries

Countries	Q1 2023 growth (in %)	Q2 2023 growth (in %)	S1 2023 growth (in %)
Singapore	0.4	0.5	0.45
Thailand	2.6	1.8	2.20
Vietnam	3.3	4.1	3.70
Malaysia	5.6	2.9	4.25
Indonesia	5.0	5.2	5.10
Philippines	6.4	4.3	5.35

PHILIPPINE ECONOMIC OUTLOOK

(in percent)

Particulars	2023		2024	
	Previous	Latest	Previous	Latest
 International Monetary Fund	6.0 ^{a/}	6.2^{b/}	5.8 ^{a/}	5.5 ^{b/}
 Asian Development Bank	6.0 ^{a/}	6.0 ^{b/}	6.2 ^{a/}	6.2 ^{b/}
 ASEAN+3 Macroeconomic Research Office	6.2 ^{a/}	6.2 ^{b/}	6.5 ^{a/}	6.5 ^{b/}
 World Bank	5.6 ^{a/}	6.0^{c/}	5.9 ^{d/}	5.9 ^{c/}

Sources: IMF World Economic Outlook (WEO) Update April 2023; IMF WEO Update July 2023; Asian Development Outlook (ADO) April 2022; ADO July 2023; AMRO ASEAN+3 Regional Economic Outlook (REO) April 2023; AMRO SEAN+3 REO July 2023; World Bank Global Economic Prospects (GEP) January 2023; World Bank East Asia and Pacific (EAP) Economic Update April 2023; World Bank Philippines Economic Update June 2023; World Bank Global Economic Prospects June 2023
 Notes: a/ as of April 2023; b/ as of July 2023; c/ as of June 2023; d/as of January 2023
 Revised forecasts are in bold text.

PH MAINTAINS INVESTOR-GRADE CREDIT RATINGS



FitchRatings

Fitch Ratings

Affirmation
of BBB rating,
Revised Outlook
from Negative to
Stable (May 2023)



Japan Credit Rating Agency

Affirmation
of A- rating,
Stable Outlook
(March 2023)



S&P Global Ratings

Affirmation
of BBB+,
Stable Outlook
(November
2022)

MOODY'S

Moody's

Affirmation
of Baa2 rating,
Stable Outlook
(September
2022)



R&I

Affirmation
of BBB+ rating,
Revised
Outlook from
Stable to
Positive
(August 2023)

JOBS MARKET IS BRIGHT

July 2023 Employment Situation (year-on-year)

4.8%↓

Unemployment rate

↓ 60.1%

Labor force participation rate

95.2%↑

Employment rate

↑ 15.9%

Underemployment rate



BUSINESS ENVIRONMENT OPEN TO FOREIGN PLAYERS

**Amendments
to the Foreign
Investments Act**



**Amendments
to the Public
Service Act**



**Amendments to
the Retail Trade
Liberalization Act**



**Amendment to
the Renewable
Energy Act IRR**

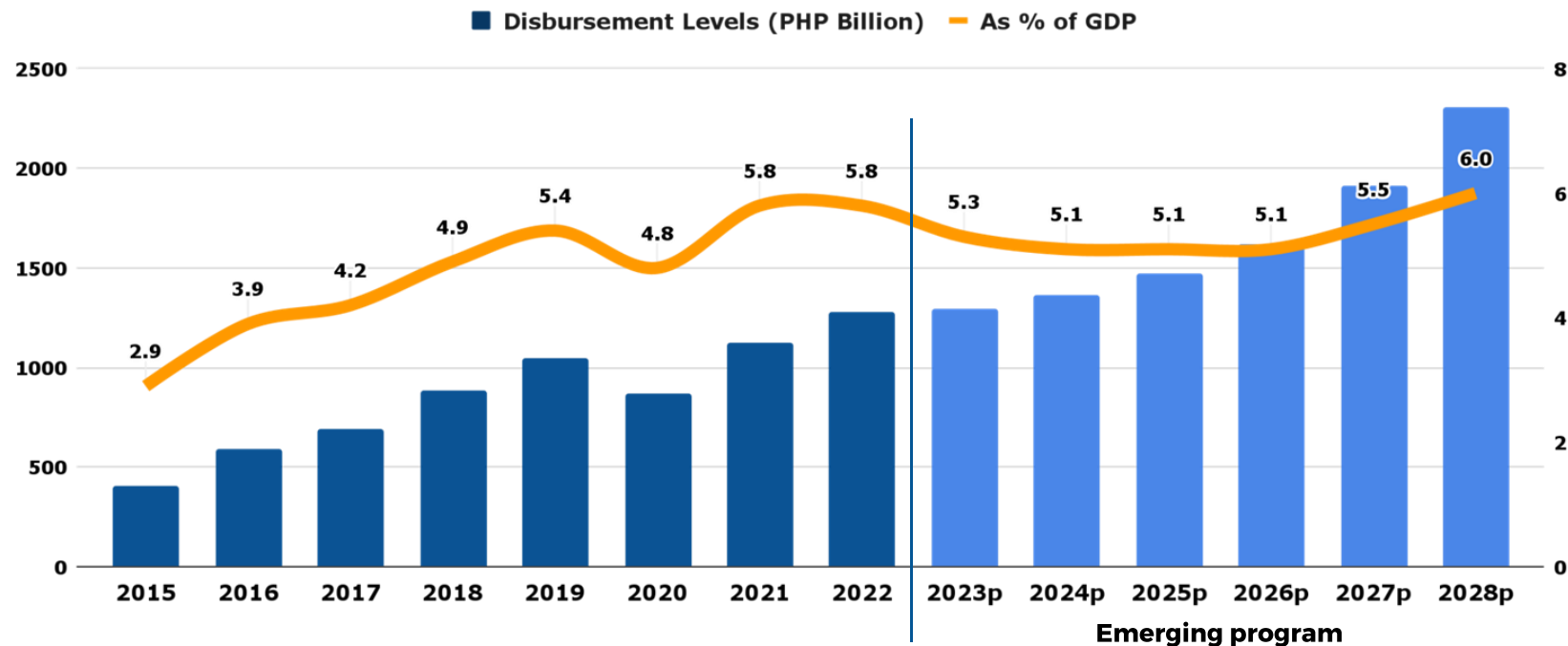


The Philippines is employing **diverse and innovative financing solutions** to support the administration's massive infrastructure drive



Adequate public investment in infrastructure is required to boost productivity and growth

Infrastructure disbursements as percentage of GDP

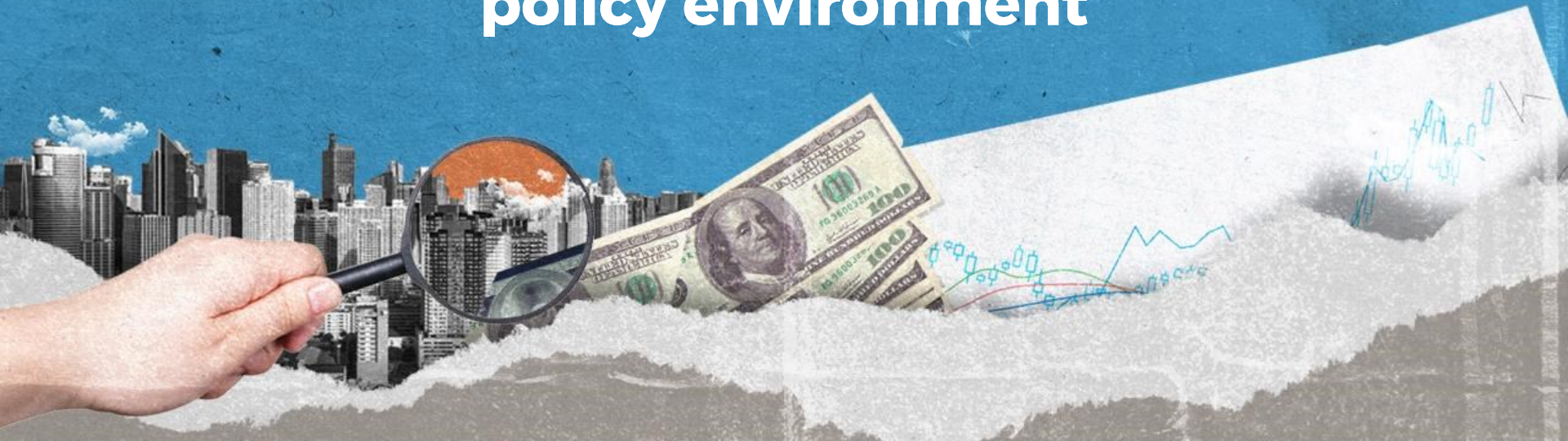


197 Infrastructure Flagship Projects worth approximately USD 155 billion



Effective **public-private partnerships (PPPs)** boost infrastructure development without sacrificing fiscal space

This requires a **stable and predictable** PPP policy environment

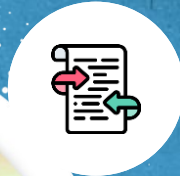


We are building a fertile business and investment ecosystem for public-private partnerships

Revised IRR of Build-Operate-Transfer Law



Revised ICC Guidelines



Public-Private Partnership Act



Revised NEDA Joint Venture Guidelines



Of the 197 Infrastructure Projects, 39 will be undertaken through Public-Private Partnerships

PHYSICAL CONNECTIVITY



HEALTH



WATER RESOURCES



APPROVED PPP PROJECTS



CREATE reformed the corporate tax structure and fiscal incentives system to support strategically important industries and projects

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

Incentivizes innovation, R&D, and advanced tech



Identifies priority industries, projects, and activities that can be granted fiscal incentives through the Strategic Investment Priority Plan

Strategic Investment Priority Plan

List of Priority Activities

TIER 1



COVID-19 QUALIFIED ACTIVITIES



AGRICULTURE, FISHERY, FORESTRY



HEALTHCARE



INNOVATION DRIVERS



INCLUSIVE BUSINESS (IB) MODELS



ENVIRONMENT



ENERGY



SPECIAL LAWS

TIER 2



GREEN ECOSYSTEMS



HEALTH-RELATED ACTIVITIES



DEFENSE-RELATED ACTIVITIES



INDUSTRIAL VALUE-CHAIN GAPS



FOOD SECURITY-RELATED ACTIVITIES

TIER 3



RAD ACTIVITIES ADOPTING ADVANCED DIGITAL PRODUCTION TECHNOLOGIES OF THE FOURTH INDUSTRIAL REVOLUTION



HIGHLY TECHNICAL MANUFACTURING AND PRODUCTION OF INNOVATIVE PRODUCTS AND SERVICES



ESTABLISHMENT OF INNOVATION SUPPORT FACILITIES

Other preferred activities include investments in activities, subject to the determination by the Board, supporting of programs that will generate employment opportunities outside of congested urban areas.

Executive Order No. 18

GREEN LANES FOR STRATEGIC INVESTMENTS

Mandates concerned agencies to establish a “green lane” to expedite and streamline the process and requirements for issuing permits and licenses, including resolving issues concerning strategic investments, clearing the pathway to make the Philippines competitive with other Southeast Asian nations in attracting foreign direct investments



MAHARLIKA INVESTMENT FUND

The Philippines' first-ever sovereign investment fund designed to serve as a vehicle for driving long-term economic development through increased investments in high-impact sectors



The Maharlika Investment Fund will support the administration's 8-point socioeconomic agenda and Philippine Development Plan 2023-2028

Attract direct equity investments from local and global funds



Co-financing and knowledge sharing with other sovereign wealth funds



Accelerate the implementation of 197 infrastructure flagship projects



Invest in emerging megatrends (digitalization, ESG, and healthcare)



The Philippines' moment has arrived. We look forward to exploring investment opportunities with the Middle East business community today.





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