



KEYNOTE SPEECH

BENJAMIN E. DIOKNO
SECRETARY OF FINANCE

PHILIPPINE ECONOMIC BRIEFING IN SINGAPORE
SEPTEMBER 7, 2022

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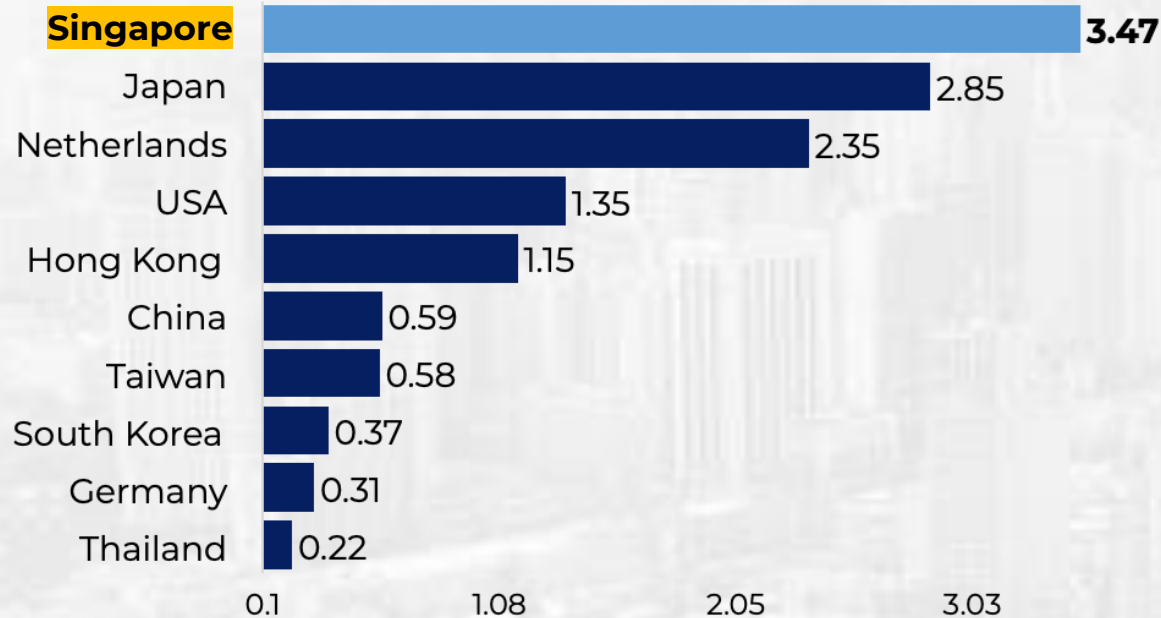
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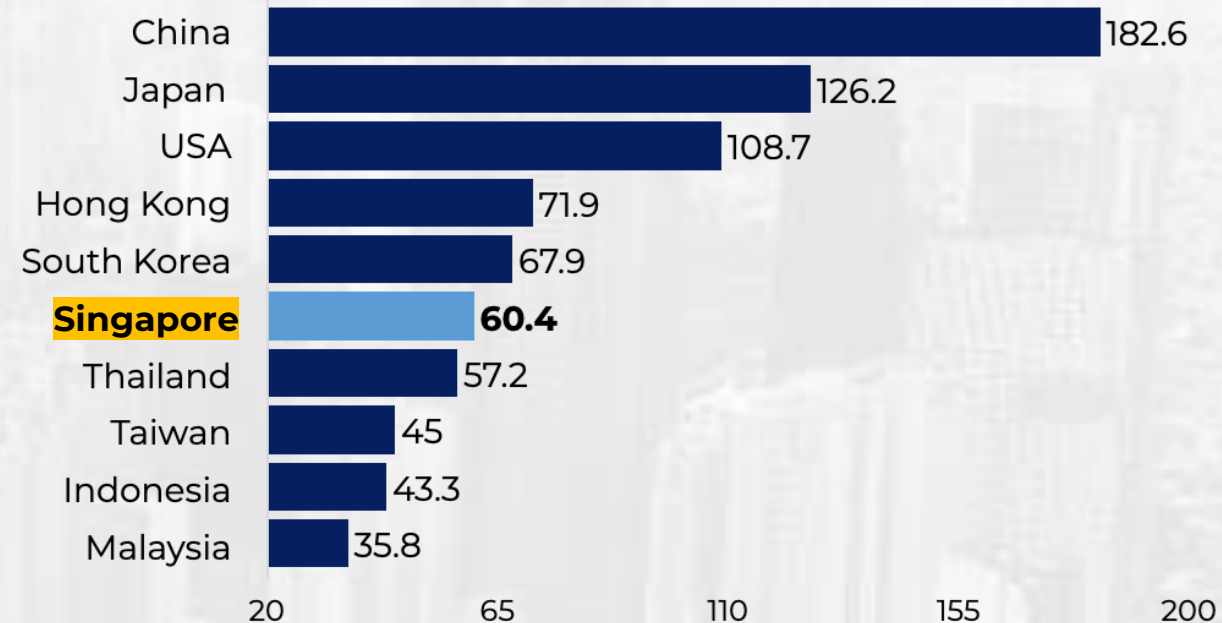
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Singapore has been the Philippines' top source of foreign direct investments and sixth largest trading partner.

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

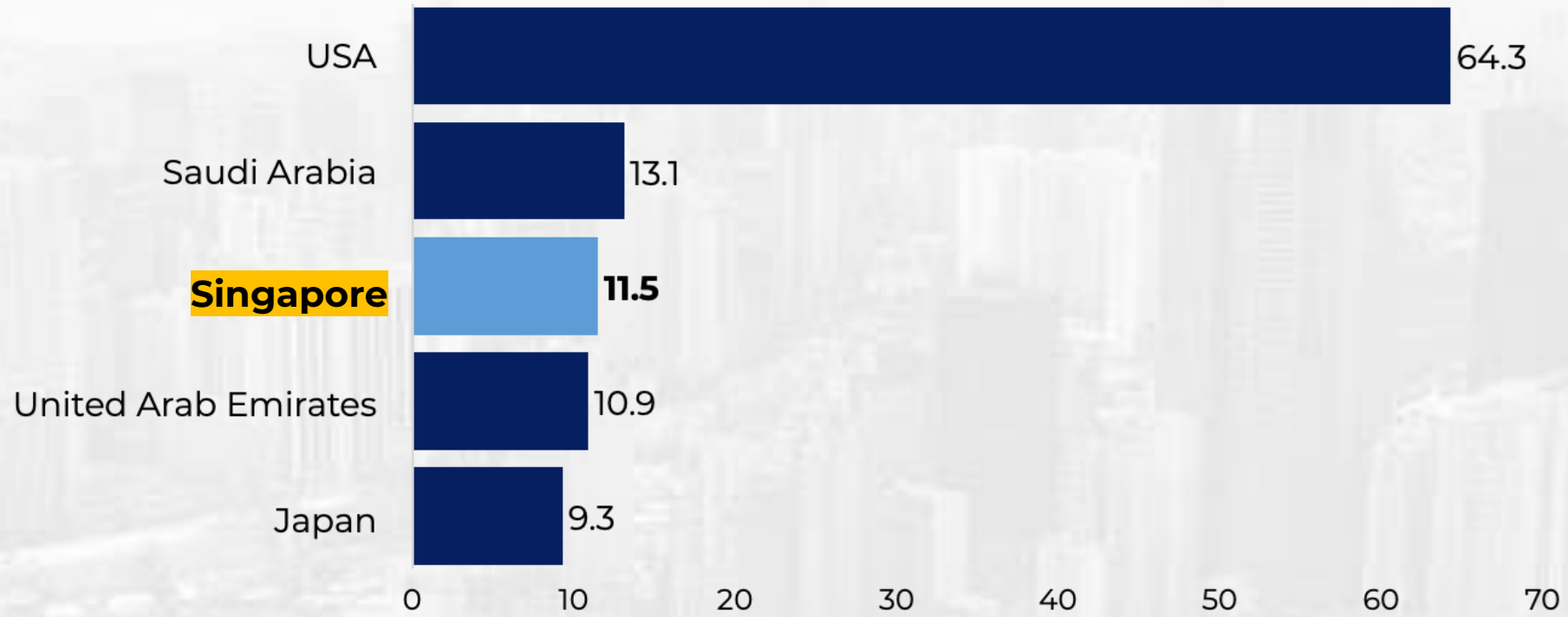


The Philippines' Top Trading Partners
(Total Trade from 2016-2021, in USD Billion)



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)



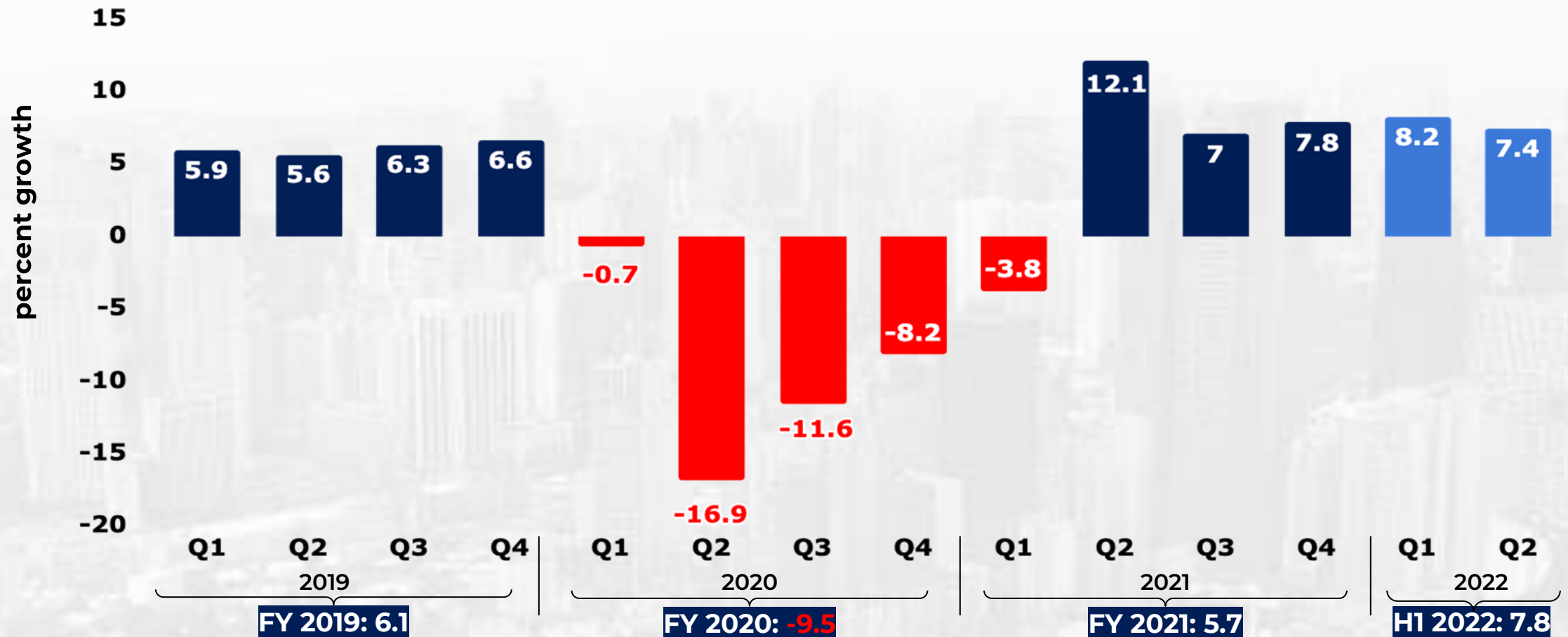
Data Source: BSP

The background is a dark blue image of a city skyline at night, with various skyscrapers and buildings. Overlaid on this are several geometric shapes: a red circle at the top center, a yellow triangle at the top right, a yellow diamond at the bottom left, and a red circle at the bottom right. The text is centered and reads:

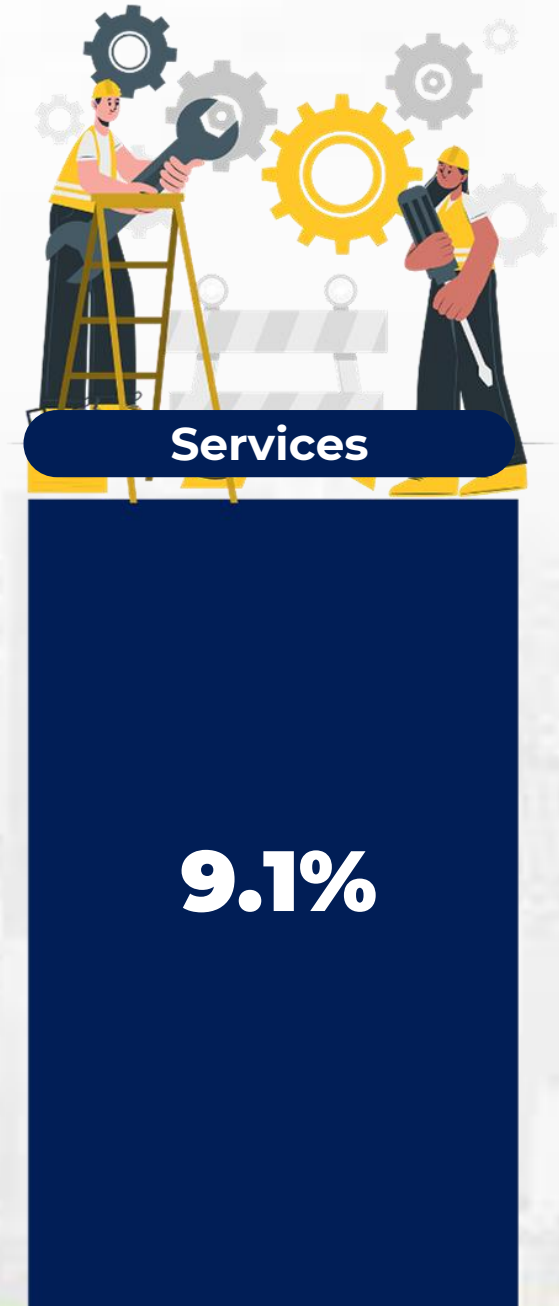
**We believe that this is the
best time to
invest in the Philippines.**

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)

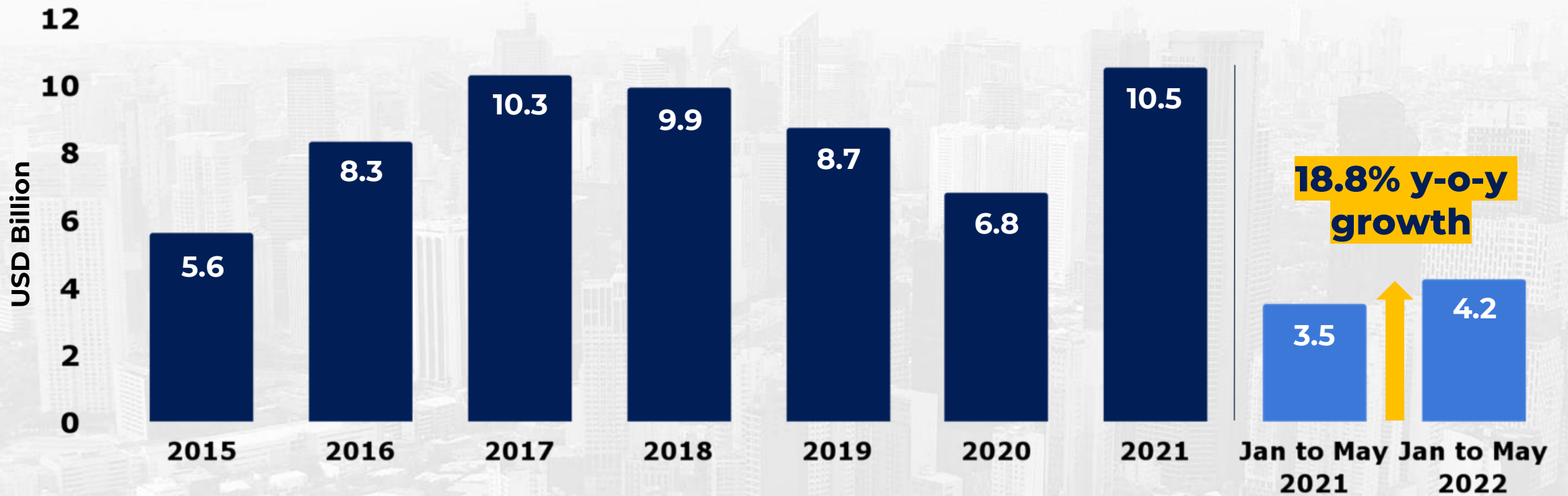


The Philippine economic expansion in the second quarter of the year was broad-based



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.

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

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

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