



KEYNOTE MESSAGE 2023 EUROPEAN-PHILIPPINE BUSINESS DIALOGUE:

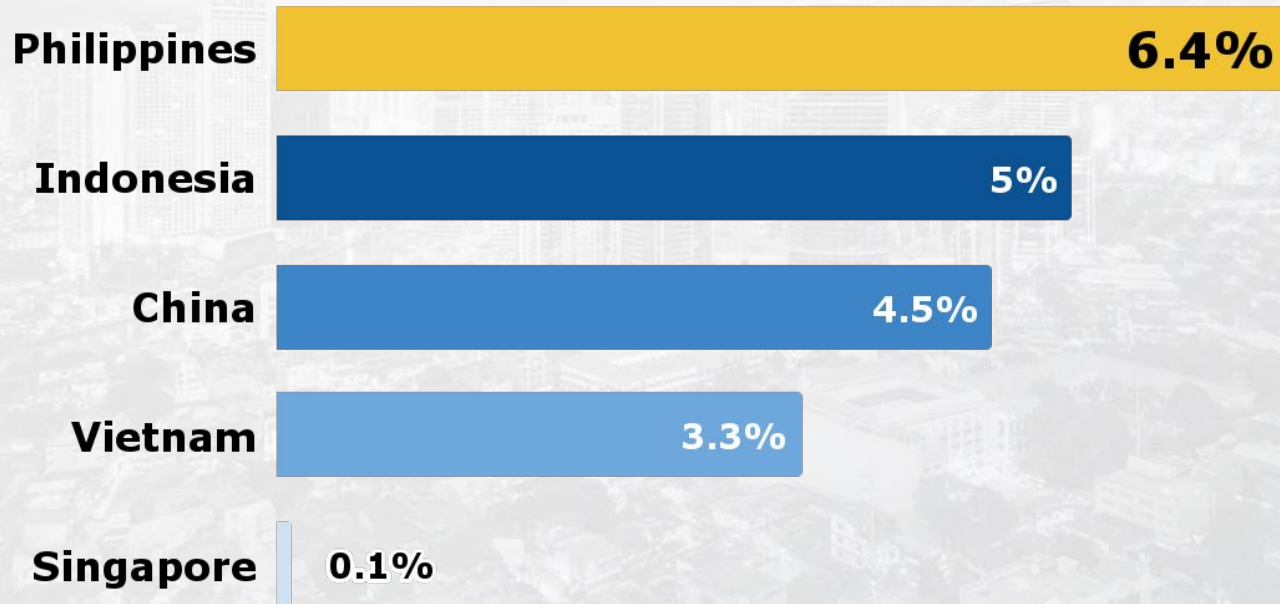
“Taking the Philippines Centrestage”

BENJAMIN E. DIOKNO
SECRETARY OF FINANCE

May 25, 2023

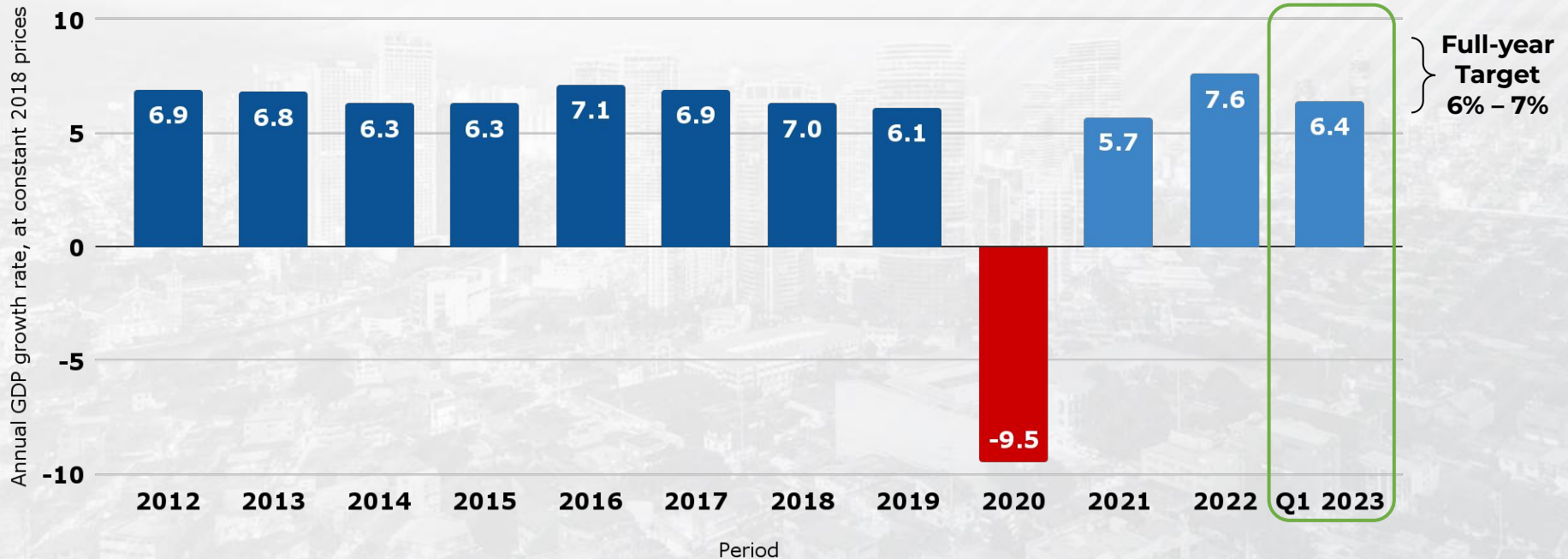
We lead major emerging economies in Q1 2023 GDP growth performance

Major Emerging Economies Q1 2023 GDP*



The Philippines is on track to achieve its full-year growth target for 2023

Real GDP growth rate (year-on-year)



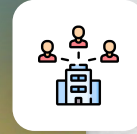
The labor market continues to be a bright spot

March 2023 Employment Situation (year-on-year)

4.7% ↓
Unemployment rate



66.0% ↑
Labor force participation rate



95.3% ↑
Employment rate



11.2% ↓
Underemployment rate



February FDI net inflows hit 15-month high

**US\$926
million**



February 2022

13%

**US\$1
billion**



February 2023

The Philippines remains credit-worthy



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,
Stable Outlook
(April 2022)

Downside risks still loom large

Depreciation pressures
amid tighter global
conditions



Geo-economic
fragmentation



Persistently high
core inflation

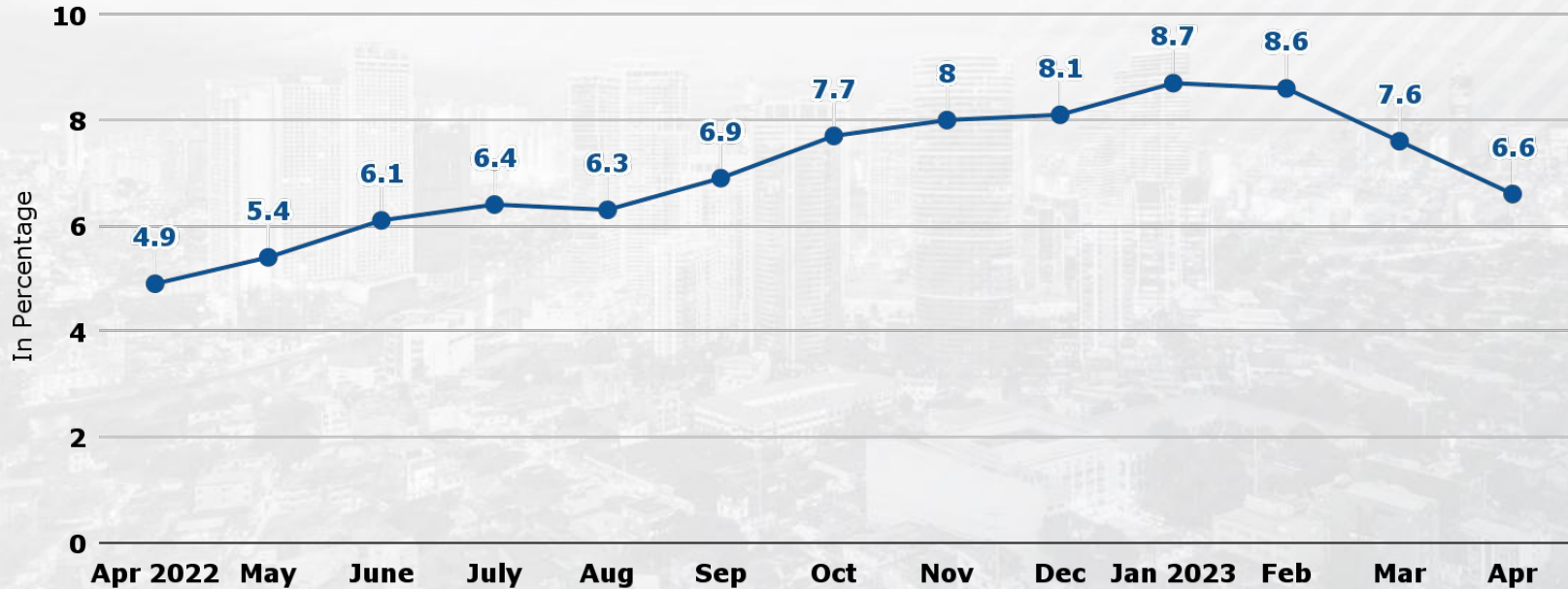


Balance sheet impacts
related to higher
borrowing costs



Inflation has been cooling down since January 2023

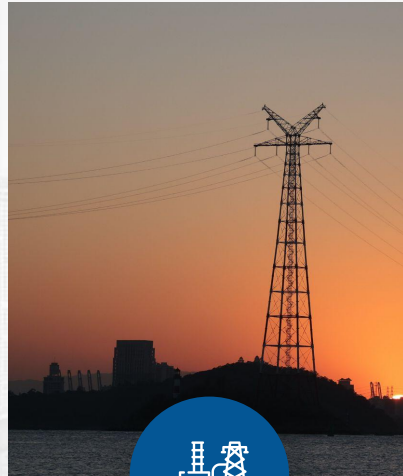
Figure 1. Headline Inflation Rates in the Philippines, All Items (2018=100)



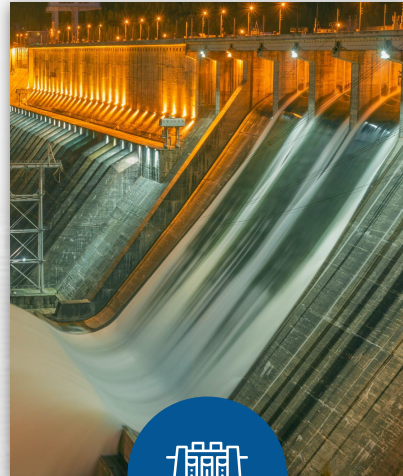
Inflation-mitigating measures



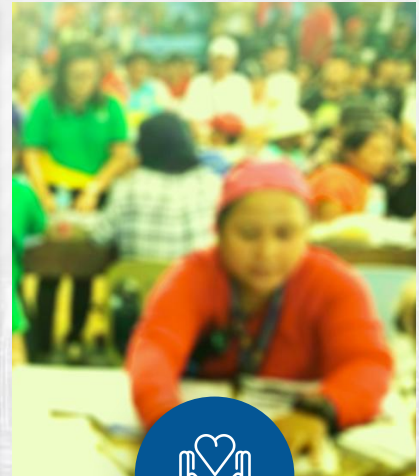
**Enhancing
agricultural
productivity
and resilience**



**Pursuing energy
security**



**Ensuring water
security**



**Supporting
vulnerable sectors**

PHILIPPINE DEVELOPMENT PLAN 2023-2028

A Plan for Economic and Social Transformation

The PDP aims to **reinvigorate job creation and accelerate poverty reduction** by steering the economy back to its high-growth trajectory and effect economic and social transformation for a **prosperous, inclusive, and resilient society**.

Dynamic Innovation Ecosystem



Ensure an **open and competitive market economy** will be crucial to sustain economic recovery and encourage job creation.



Enforce the **Philippine Competition Act** and competition-related issuances



Provide a nurturing environment for basic **research and development and knowledge creation.**

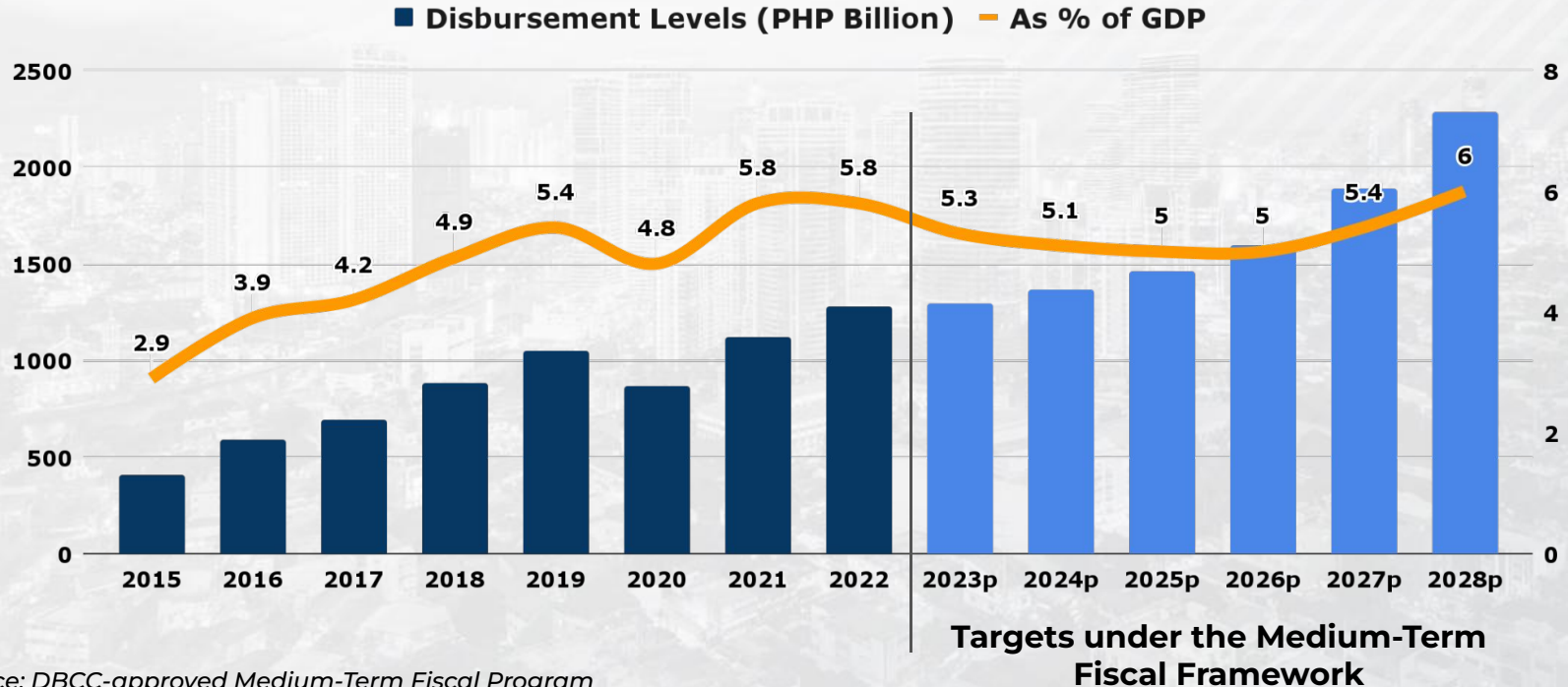


E-Governance Act

An Act institutionalizing the transition of the Philippine government to E-Governance in the digital age

We are determined to reverse the Philippines' years-long underinvestment in infrastructure

Infrastructure disbursements as percentage of GDP



Data Source: DBCC-approved Medium-Term Fiscal Program
(184th DBCC Meeting on April 24, 2023)

NEDA Board has approved 194 high-impact Infrastructure Flagship Projects



3,770 Infrastructure Priority Programs and Projects

PHP 17.3 T indicative total investment requirement

Indicative Investment Requirements in Chapter 12 of the PDP 2023-2028
(as of March 20, 2023)

PDP Chapter 12	No. of Projects	Currency	Investment Requirements (in PHP billion and USD billion)						
			2023	2024	2025	2026	2027	2028	Sub-Total
			PHP billion	825.89	2,676.47	2,032.06	2,877.74	6,540.12	2,385.73
USD billion	15.12	49.01	37.21	52.70	119.76	43.69	317.49		

PHP-USD Exchange Rate: PHP 54.61 to USD 1.00 (As of April 4, 2023); Values are rounded up.

We have built a sound and effective PPP framework to ramp up and sustain our infrastructure momentum

Revised IRR of
Build-Operate-
Transfer Law



Revised ICC
Guidelines



Public-Private
Partnership Act



Revised NEDA
Joint Venture
Guidelines



Economic liberalization will support our investment-led growth and open new doors of opportunity

Amendments to
the Foreign
Investments Act



Amendments to
the Public
Service Act



Amendments to
the Retail Trade
Liberalization Act



Revised
Renewable
Energy Act IRR



We are fast-tracking the development of a green and sustainable economy in the Philippines

**Sustainable Finance
Roadmap**



**Sustainable Finance
Framework**



**Energy Transition
Mechanism with ADB**



**Liberalization of the
Renewable Energy sector**



**SEC Guidelines on the
Issuance of Green Bonds
under the ASEAN Green
Bonds Standards**



**SEC Guidelines on
Environmental, Social, and
Governance Reporting**





Regional Comprehensive Economic Partnership



PHILIPPINES-EUROPEAN UNION FREE TRADE AGREEMENT



The Philippines is a **prime investment destination and a rare bright spot** in a gloomy world economy.

Investing in the Philippines is a **strategic move that will deliver economic benefits** for both our people and our partners.





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