



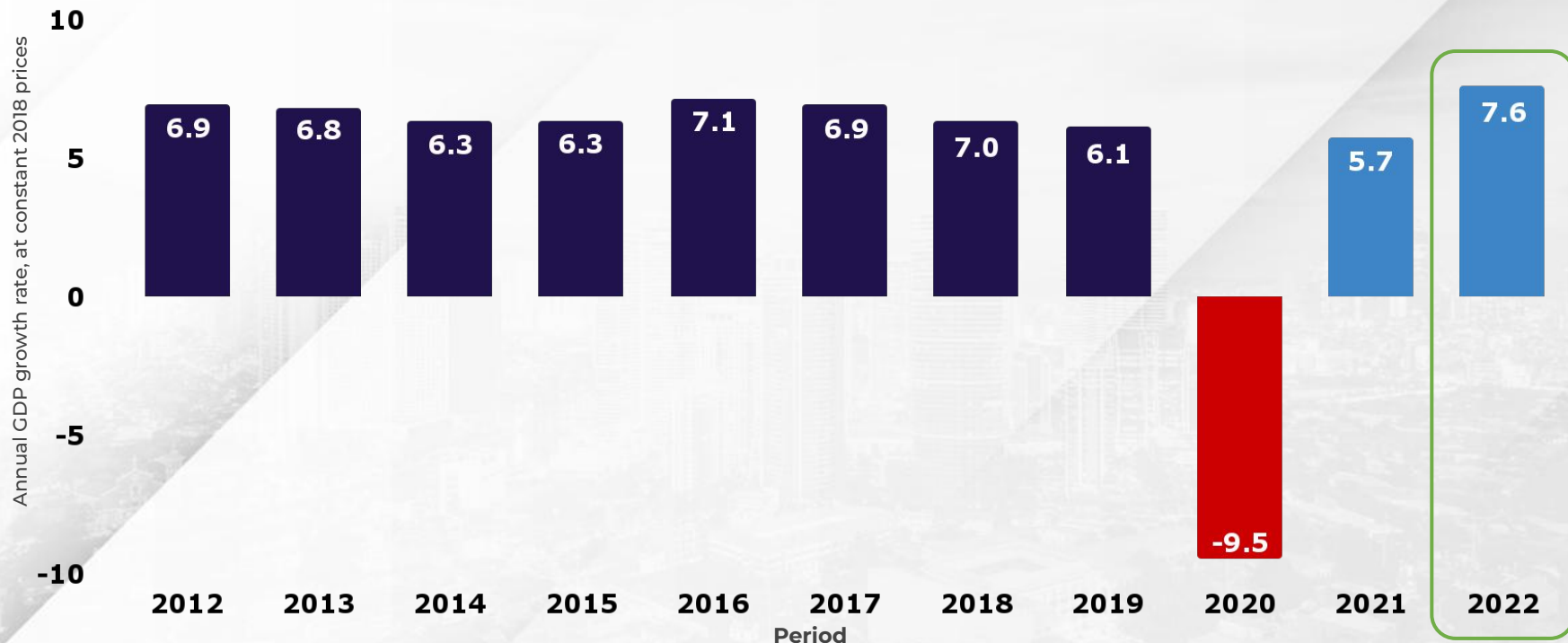
American Chamber of Commerce of the Philippines
MARCH GENERAL MEMBERSHIP
LUNCHEON MEETING

BENJAMIN E. DIOKNO
SECRETARY OF FINANCE

MARCH 17, 2023

The Philippine economy grew by 7.6 percent in 2022 – beating targets and projections

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



LABOR MARKET HAS RECOVERED STRONGLY

January 2023 Employment Situation

Unemployment Rate

4.8% ↓

Labor force participation rate

64.5% ↑

Employment Rate

95.2% ↑

Underemployment rate

14.1% ↓



Japan Credit Rating Agency affirms the
Philippines' investment-grade credit rating of

👍 **A-/Stable** 👍



Headline inflation for February 2023 slightly improved to 8.6%

Main drivers of inflation



**Electricity, gas
and other fuels**



**Increased Food and
Commodity Prices**



**Food and beverage
serving services**

We are launching an aggressive, focused, whole-of-government campaign to fight inflation



The BSP hiked its policy rate by 50 basis points to help maintain price stability.

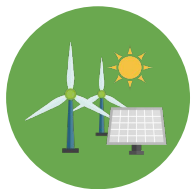


The government will intensify the timely implementation of non-monetary policy measures to curb inflationary pressures.



The government will continue to implement interventions to cushion the impact to vulnerable sectors such as targeted cash transfers and the KADIWA Program.

A sustainable energy mix is key to keeping energy costs down in the long run



Increase share of renewable energy in power mix

We target to achieve 35 percent and 50 percent share of renewable energy in the power generation mix by 2030 and 2040, respectively.



ASEAN Plan of Action on Energy Cooperation

In the second phase of the APAEC, the Department of Energy will focus on cross-cutting issues such as decarbonization, energy transition, and digitalization of the energy sector.

Key targets

- Developing a common gas market
- Reducing energy intensity by 32 percent in 2025
- Increasing renewable energy share to 23 percent in total primary energy supply and to 35 percent in installed power generation capacity to 35 percent by 2025

MEDIUM-TERM FISCAL FRAMEWORK



Reduce the fiscal deficit.

Bring down the deficit-to-GDP ratio to 3.0 percent by 2028.



Promote fiscal sustainability.

Debt-to-GDP ratio will be reduced from the current 63.7 percent to less than 60 percent by 2025



Enable robust economic growth.

With its high multiplier effects, we will sustain high infrastructure spending at 5 to 6 percent of GDP annually.

Reforms to improve the simplicity, fairness, and efficiency of the tax system

**Real Property Valuation
and Assessment Bill**



**Value-Added Tax on
Digital Transactions Bill**



**Passive Income and
Financial Intermediaries
Taxation Bill**



**Ease of Paying
Taxes Bill**





Build-Operate-Transfer Law revised IRR

Enhanced transparency and accountability in processing infrastructure or development projects to arrive at the real cost of the project to the government, consumers, and taxpayers.

Public-Private Partnership Act

An Act Providing for the Enabling Environment to Foster the Growth of Public-Private Partnerships for Infrastructure and Other Development Projects



NEDA Board Greenlights 194 High-Impact Infrastructure Flagship Projects

Key areas to be addressed by the IFPs:





Regional Comprehensive Economic Partnership



The background of the advertisement is a city skyline at sunset or dusk. The sky is a mix of blue, orange, and yellow, with scattered clouds. In the foreground, numerous skyscrapers are visible, many with their lights on. A large, semi-transparent white arrow points upwards from the bottom center towards the top center of the image. The title 'MAHARLIKA INVESTMENT FUND' is written in large, bold, white capital letters across the top half of the image, with a slight drop shadow.

MAHARLIKA INVESTMENT FUND

**Designed to catalyze economic development
by mobilizing government financial assets**



**Together, we can build a
stronger, more resilient,
and inclusive economy
for our people.**



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