BizNews Asia's 22nd Anniversary

ECONOMIC OUTLOOK AND STRATEGIES FOR 2024

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November 25, 2023

The Philippines solidifies its position as one of the fastest-growing economies in Asia

Countries	Q3 2023 GDP *(in percent)*	Q1-Q3 2023 *(in percent)*
Philippines	**5.9**	**5.5**
Vietnam	5.3	4.2
Indonesia	4.9	5.1
China	4.9	5.2
Malaysia	3.3	3.9
Singapore	0.7	0.5

PHILIPPINE ECONOMIC OUTLOOK

AMRO	Growth Projection	
	2023	2024
Brunei Darussalam	1.1	2.0
Cambodia	5.3	6.2
Indonesia	5.0	5.2
Lao PDR	4.8	5.0
Malaysia	4.2	5.2
Myanmar	2.2	2.8
Philippines	**5.9**	**6.5**
Singapore	1.0	2.9
Thailand	3.5	3.9
Vietnam	4.7	6.0

Source: ASEAN+3 Regional Economic Outlook, October 2023

THE WORLD BANK	2023 Growth Forecast
Philippines	**5.6**
Cambodia	5.5
China	5.1
Mongolia	5.1
Indonesia	5.0
Vietnam	4.7
Malaysia	3.9
Lao PDR	3.7
Thailand	3.4
Myanmar	3.0

Source: World Bank East Asia and the Pacific Economic Update October 2023

Development Budget Coordination Committee Real GDP Growth Assumptions

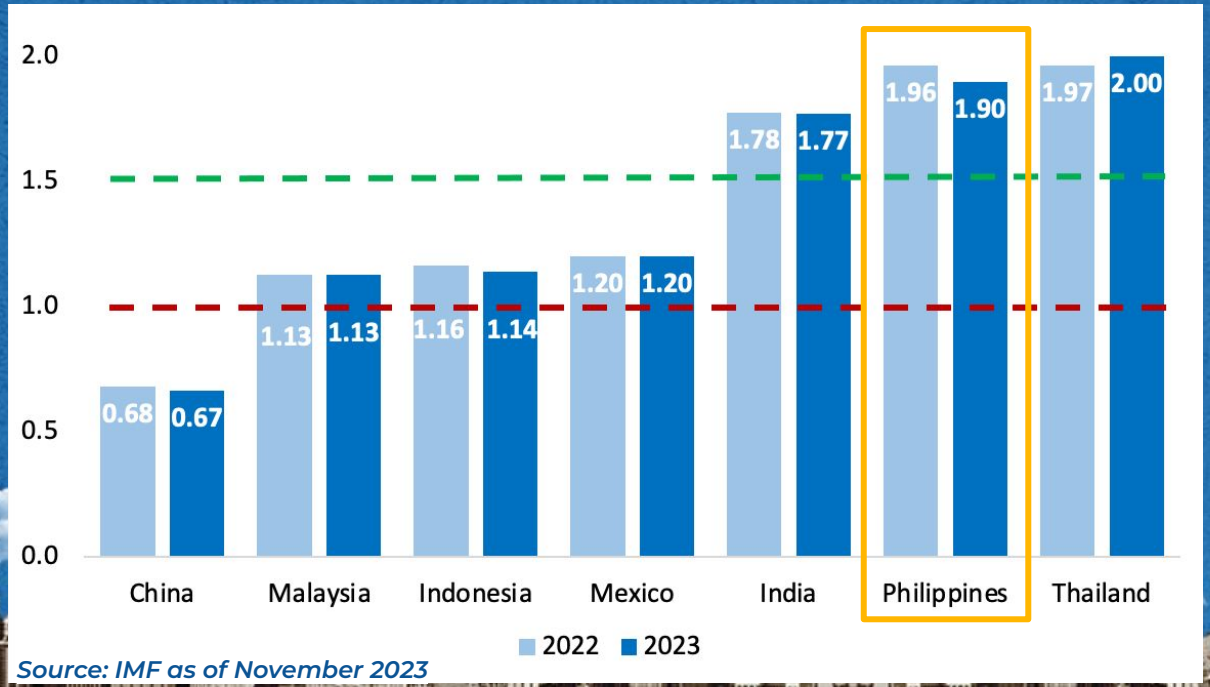
(in percent)

As of June 9, 2023

2023	6.0 - 7.0
2024-2028	6.5 - 8.0

Our gross international reserves speak of our sound external position

Ratio of Reserve / Assessing Reserve Adequacy (ARA) metric

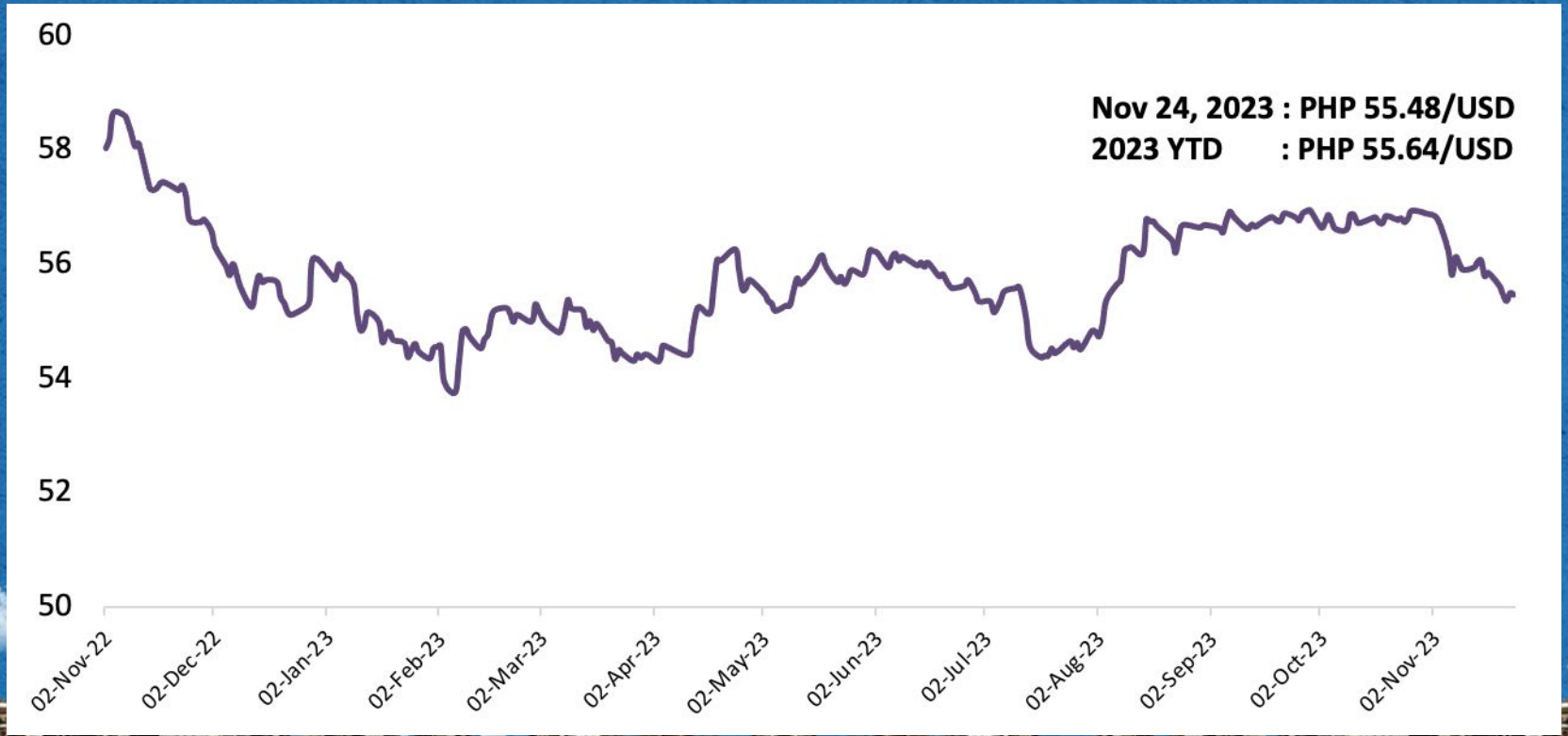


Source: IMF as of November 2023

Comfortable level

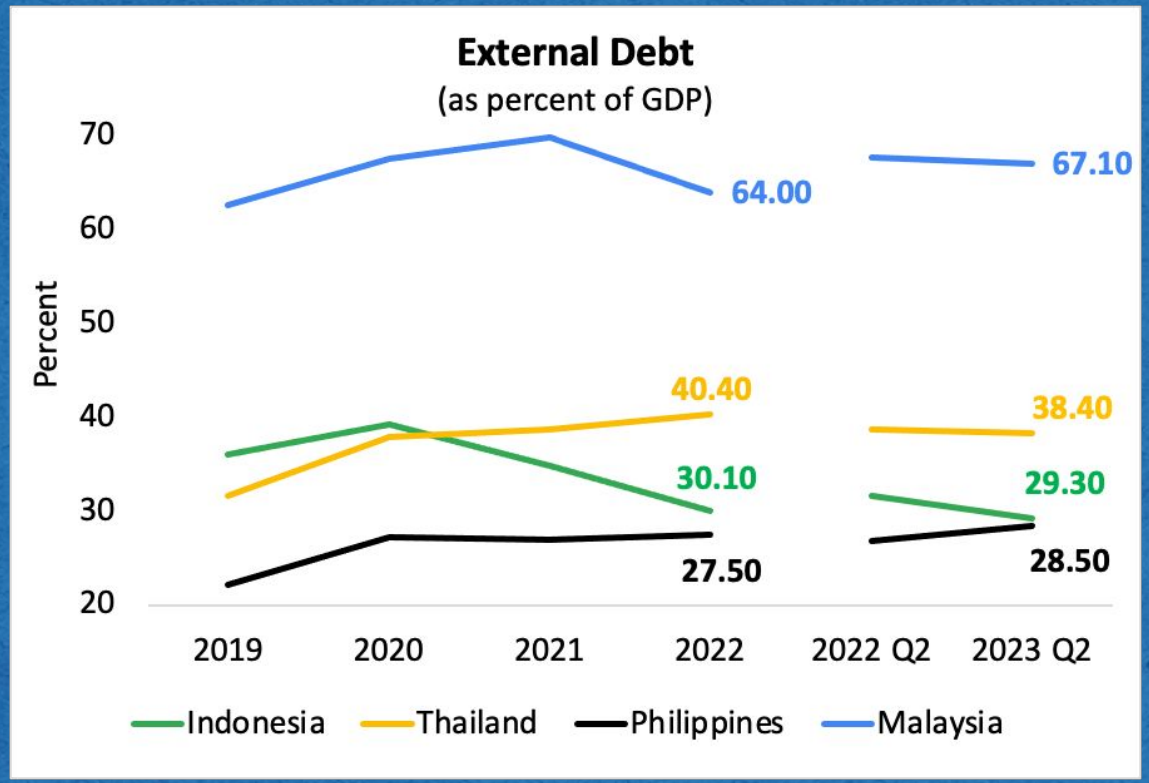
Acceptable level

Aside from ample international reserves, the Philippine peso will continue to be supported by structural foreign exchange inflows



Source: BSP

The Philippines' low external debt-to-GDP ratio also reflects the country's external strength



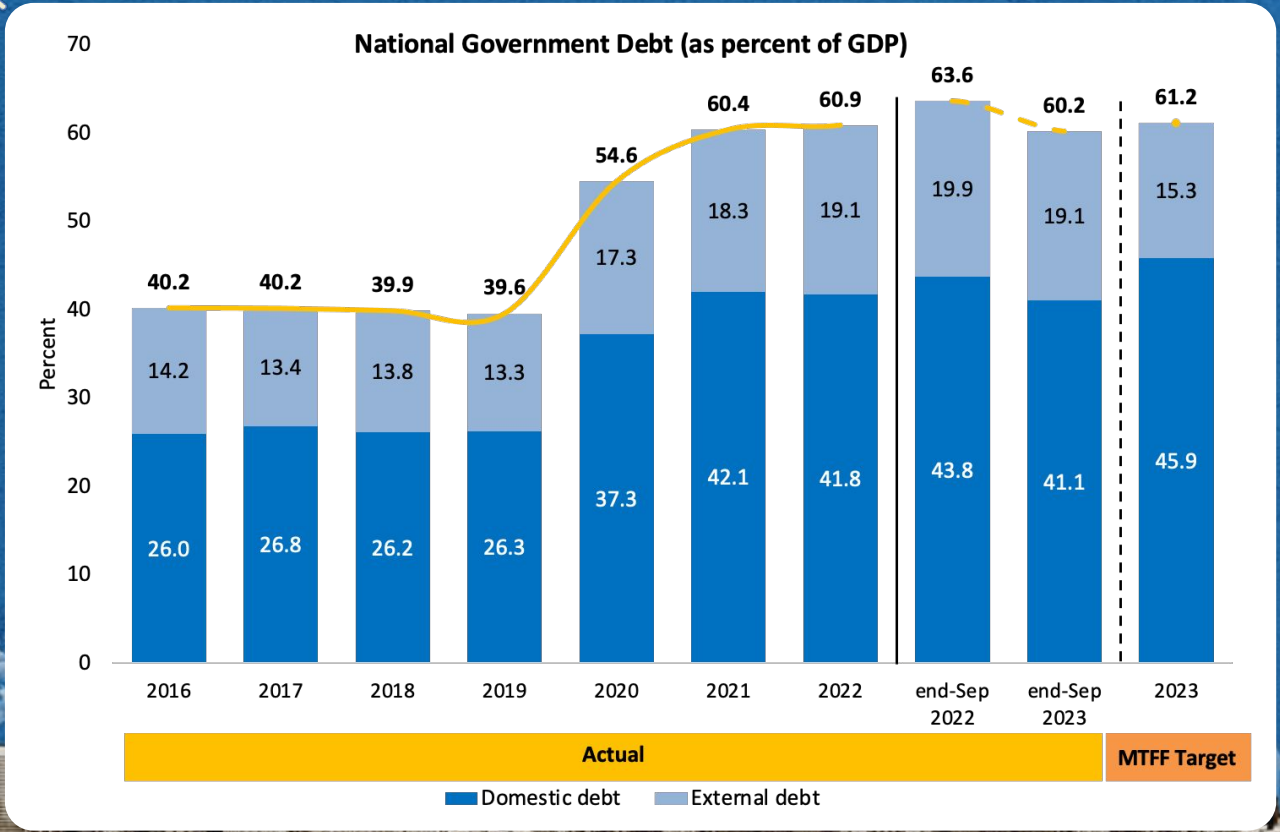
Source: BSP

DEBT AND FISCAL METRICS

As of Q3 2023

	Q3 2022	Q2 2023	Q3 2023
Debt-to-GDP	63.6%	61.0%	60.2%
Deficit-to-GDP	6.45%	4.77%	5.71%

The narrowing of the fiscal deficit during the post-pandemic led to stabilization of debt-to-GDP ratio



The DOF will continue its prudent debt management, prioritizing domestic financing to mitigate external vulnerabilities.

Data sources: BTr and MTFF

PH MAINTAINS INVESTOR-GRADE CREDIT RATINGS

FitchRatings

Fitch Ratings

Affirmation of BBB rating, Stable Outlook (November 2023)

JCR
Japan Credit Rating Agency, Ltd.

Japan Credit Rating Agency

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

S&P

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

R&I

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

REVENUE COLLECTIONS ABOVE TARGET

↑ 6.8% YoY

↑ 3.0 % vs PROGRAM

PHP 2.8 trillion

January-September 2023

JOBS MARKET IS BRIGHT

September 2023 Employment Situation (year-on-year)

4.5% ↓
Unemployment rate

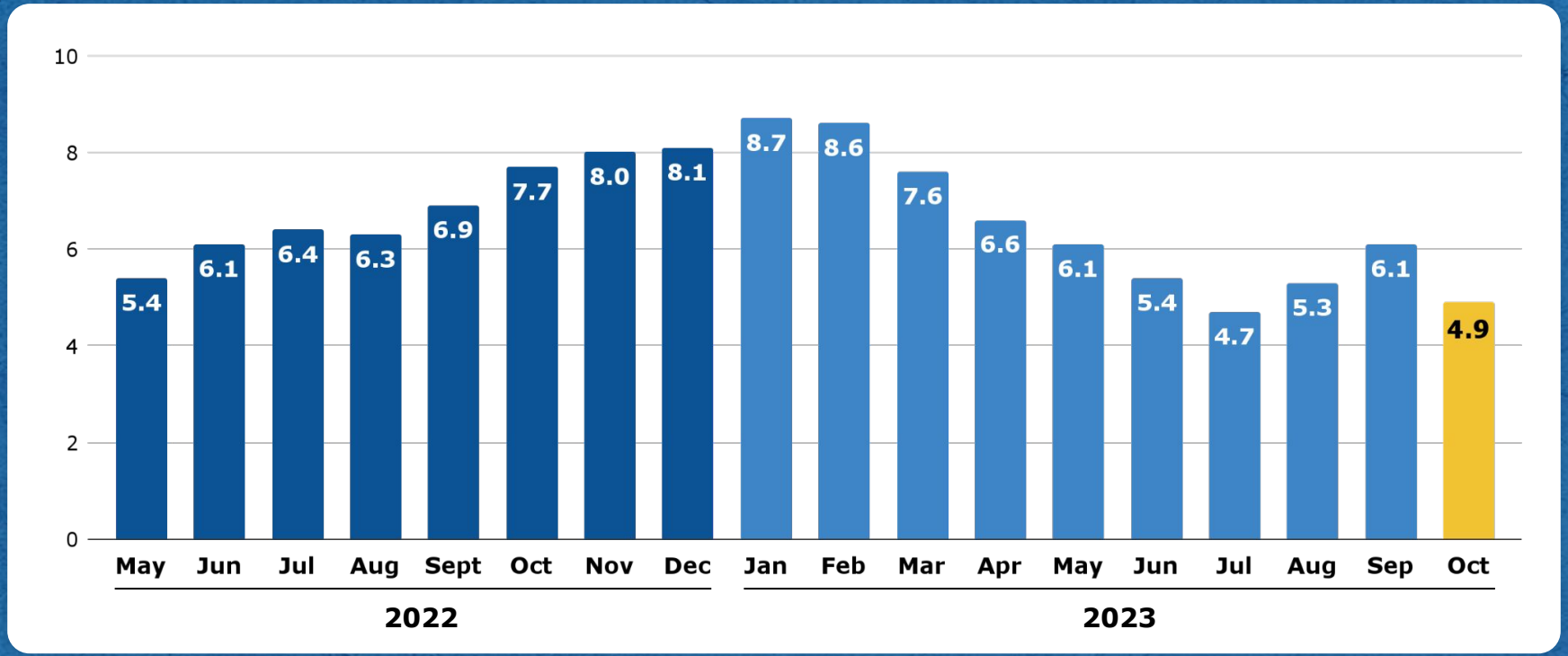
↓ **64.1%**
Labor force participation rate

95.5% ↑
Employment rate

↓ **10.7%**
Underemployment rate

Source: Philippine Statistics Authority

Headline inflation eased to 4.9% in October 2023



Source: Philippine Statistics Authority

The Philippines' robust growth outlook is supported by the positive impact of game-changing structural reforms

- Corporate Recovery and Tax Incentives for Enterprises Act
- Amendments to the Public Service Act
- Amendments to the Retail Trade Liberalization Act
- Amendments to the Foreign Investments Act

We are rolling out 197 Infrastructure Flagship Projects (IFPs) under the Marcos Administration's *Build Better More* Program

Physical connectivity
121 projects
PHP 6,963.7 billion

Health
6 projects
PHP 131.2 billion

Water Resources
44 projects
PHP 831.7 billion

Digital Connectivity
5 projects
PHP 97.0 billion

Agriculture
15 projects
PHP 637.9 billion

Other Infrastructure
5 projects
PHP 42.7 billion

Power and Energy
1 project | PHP 10.2 billion

Source: NEDA (as of 29 August 2023)

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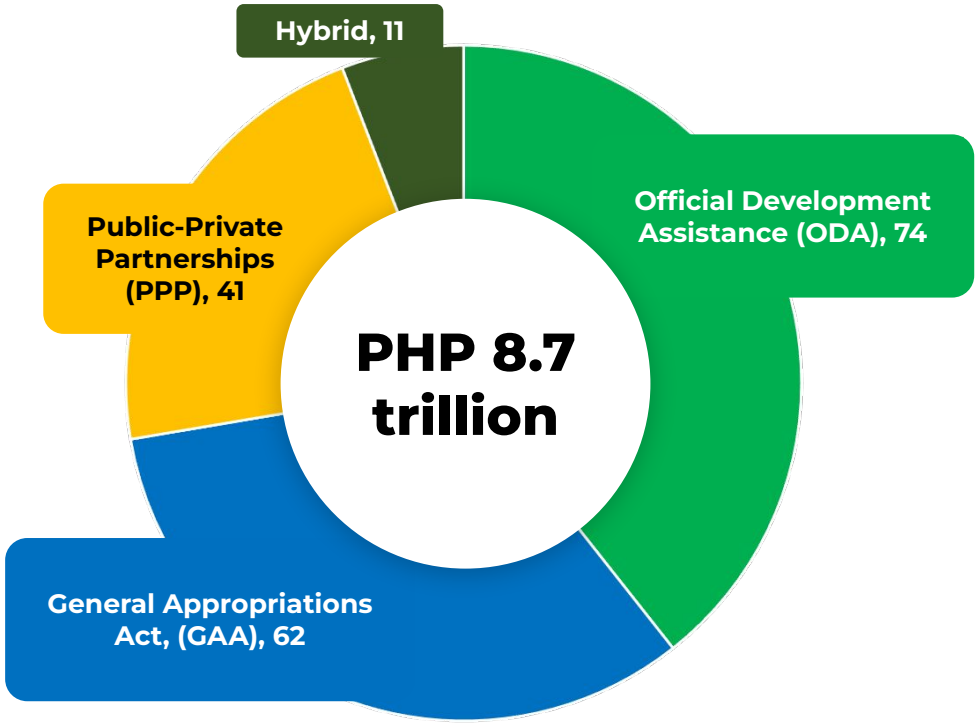

Objectives:

- Improve physical and digital connectivity
- Upgrade health, transport, agriculture, and energy sectors
- Strengthen infrastructure against climate related risks

Source: NEDA (As of 10 November 2023)

The strength of the Philippine economy rests on firm macroeconomic fundamentals and a robust policy toolkit that promotes rapid, sustainable, and inclusive growth

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