

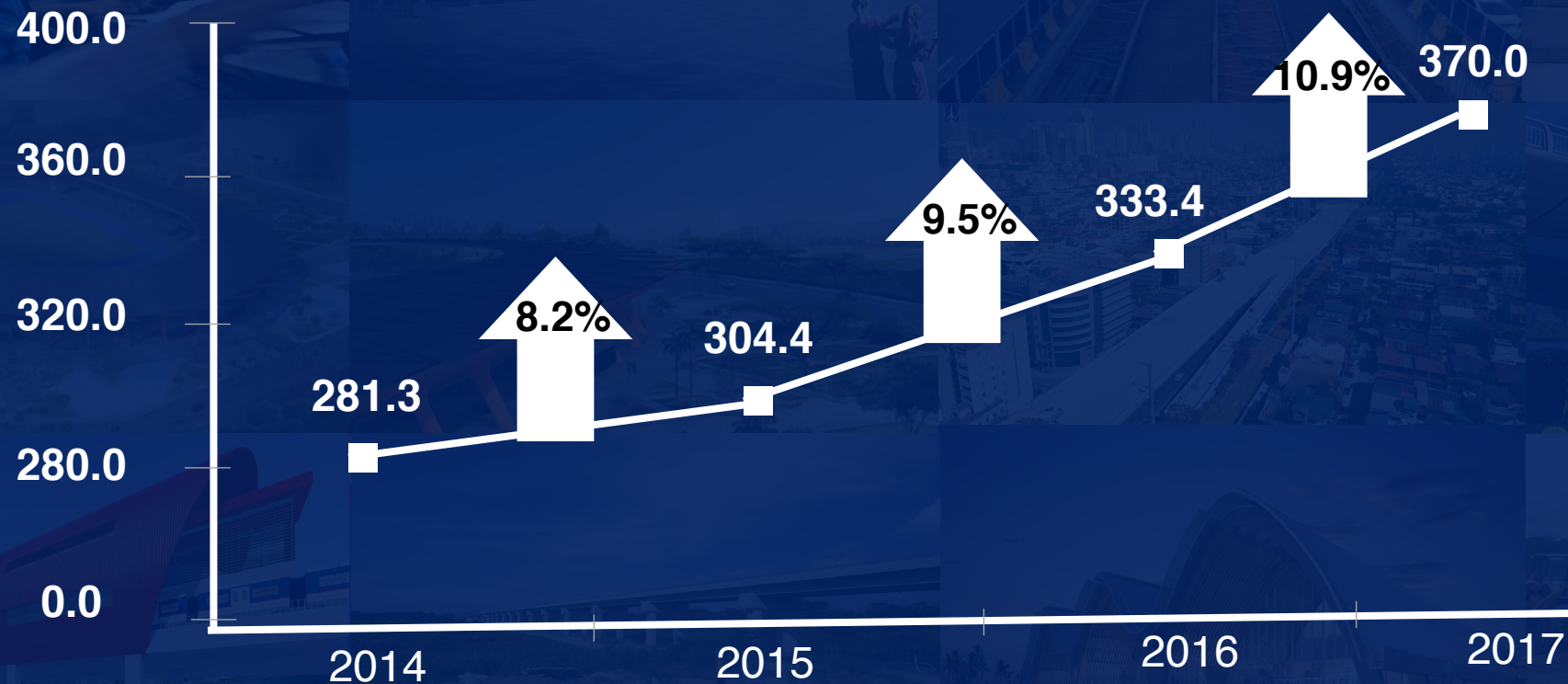
SMALL BUSINESSES POWER OUR GROWTH

FINANCE SECRETARY CARLOS G. DOMINGUEZ
DAVAO CITY CHAMBER OF COMMERCE AND INDUSTRY
JULY 27, 2018 | DAVAO CITY



DAVAO REGION'S ECONOMY GREW BY 10.9 PERCENT IN 2017

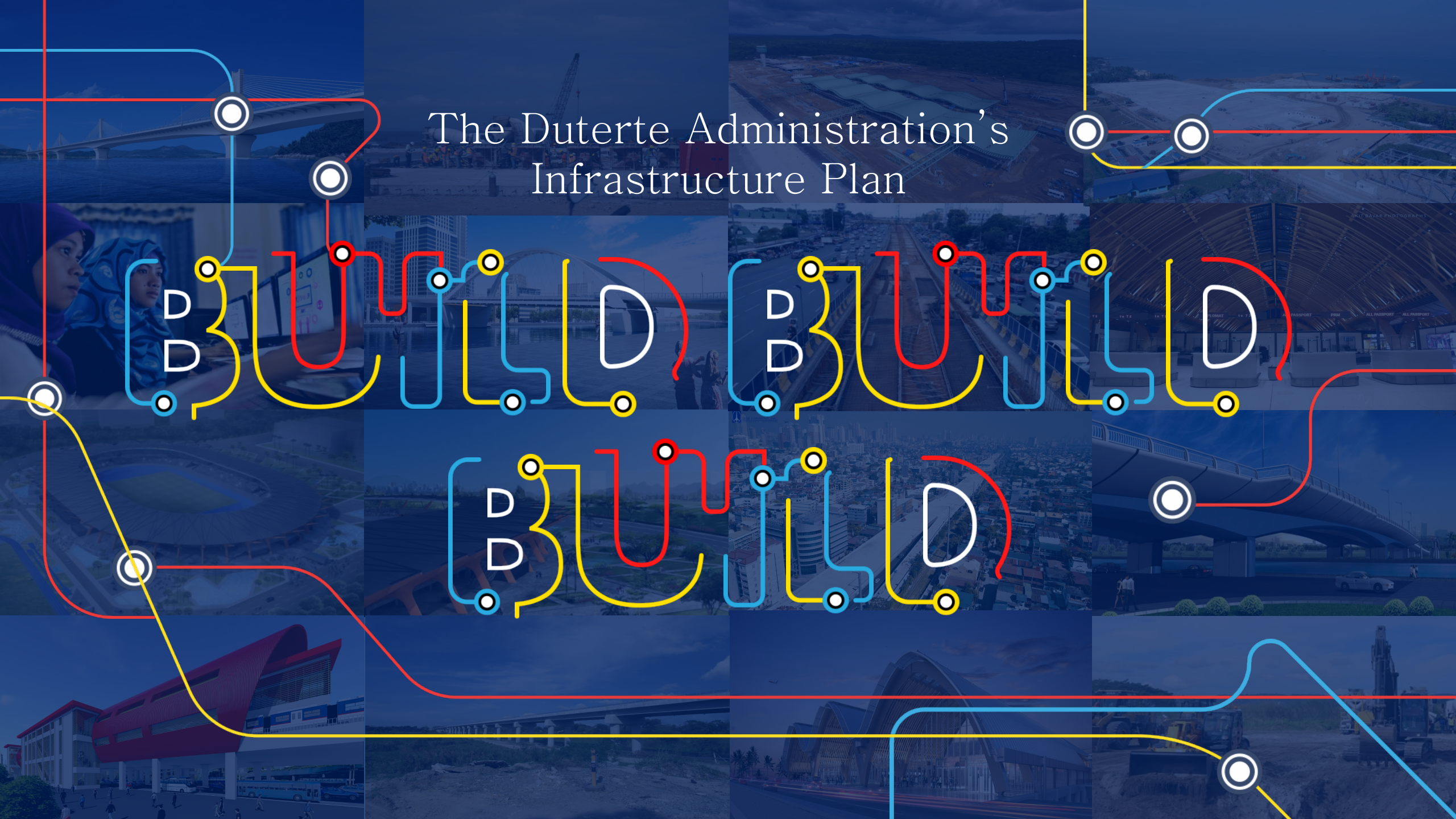
GROSS REGIONAL DOMESTIC PRODUCT, REGION XI (at Constant 2000 Prices, in Billion Pesos)



Source: Philippine Statistics Authority

The Duterte Administration's Infrastructure Plan

Build Build Build



Governor Miranda Bridge II, Davao Del Norte

Widening of 650 meter bridge along Daang Maharlika crossing Tagum River.



Completion Date: 2017
Status: Completed

Davao River Bridge

Widening of Davao River Bridge along Davao City Diversion Road



Completion Date: 2018
Status: Completed

Davao International Airport Development Project

Involves the provision of additional facilities and other necessary improvements to enhance safety, security, access, passenger and cargo movement efficiency at the airport, excluding Air Traffic Control, Air Navigation and their associated services



Completion Date: 2025
Status: Ongoing

Davao City Coastal Road

18.21-km coastal road (with bicycle lanes) that will start at Jct. Bago Aplaya (south), Matina Aplaya, Times Beach (Tulip Drive), Roxas Avenue to Sta. Ana Wharf toward R. Castillo Street (north).



Completion Date: 2021
Status: Ongoing

Mindanao Logistics Infrastructure Network

Involves the construction or improvement of 2,567 kilometers of roads across Northern Mindanao, Davao, SOCCSKSARGEN and the CARAGA regions.

Completion Date: 2019
Status: Ongoing



Mindanao Railway, Phase I (Tagum–Davao–Digos Segment)

102.28 km line-circumferential railway system in Mindanao providing, safe, reliable, efficient, convenient, affordable, and environment-friendly transport.. Travel time will be reduced from 3.5 hours to 1.3 hours and will benefit 120,000 passengers daily.



Completion Date: 2021

Status: Ongoing preparation of bidding documents

Davao Sasa Port Modernization

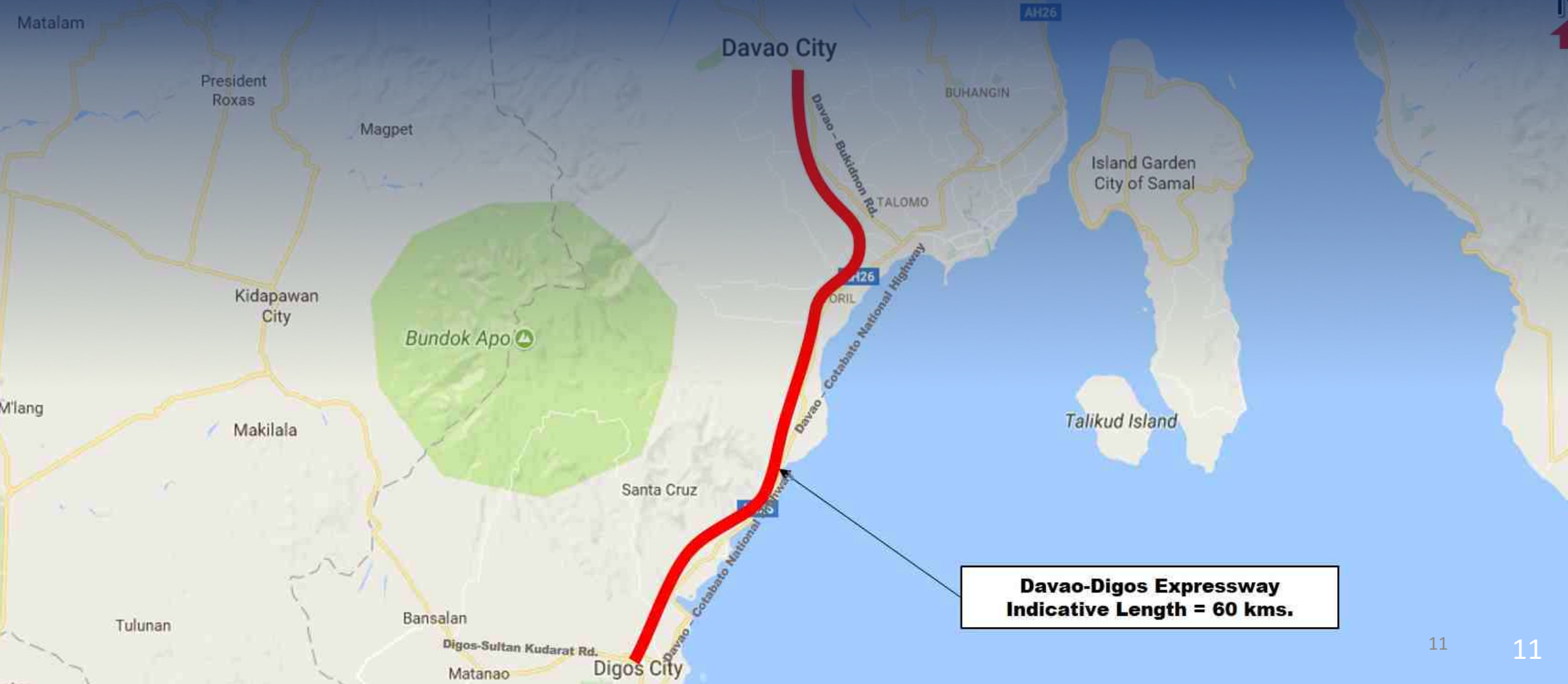
Includes new facilities such as gantry, cranes, and extended berthing areas.

Phase 1 (Q4 2018–Q4 2019)



Davao Expressway Project

Construction of a 60-km expressway from Bukidnon–Davao National Highway in Davao City to Digos–Sultan Kudarat Road, traversing the towns of Toril and Santa Cruz.





Asbang Small Reservoir Irrigation Project

Construction of reservoir dam and irrigation facilities in Matanao, Davao del Sur.

Davao City By-Pass Road

44.6 km by-pass road with 2.3 km tunnel. It will reduce travel time from 1 hour and 44 minutes via Pan-Philippine Highway and Diversion Road to 49 minutes via Davao By-pass road.

Completion Date: 2022
Status: Detailed Engineering Design Ongoing

Davao–Samal Link Bridge

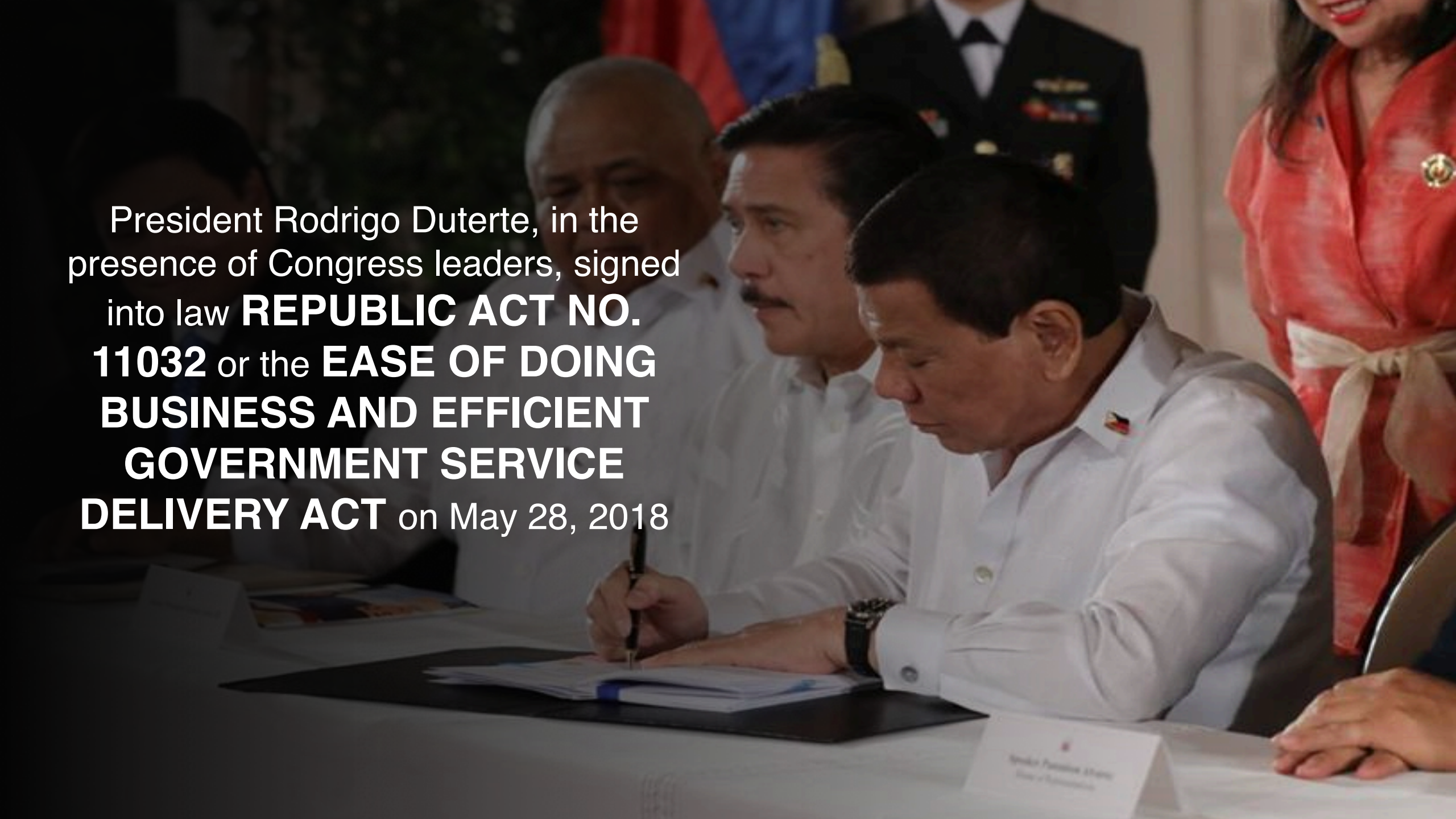


1 km bridge link between Island Garden City of Samal and Davao City with 3.4 km road approaches. Travel time will be reduced from 26–30 minutes using RORO/ferry operations to 2–5 minutes using Davao–Samal Link Bridge.

Status: The preparation of Feasibility Study and Detailed Design will be undertaken under the Infrastructure Preparation and Innovation Facility (IPIF) funded by the ADB.



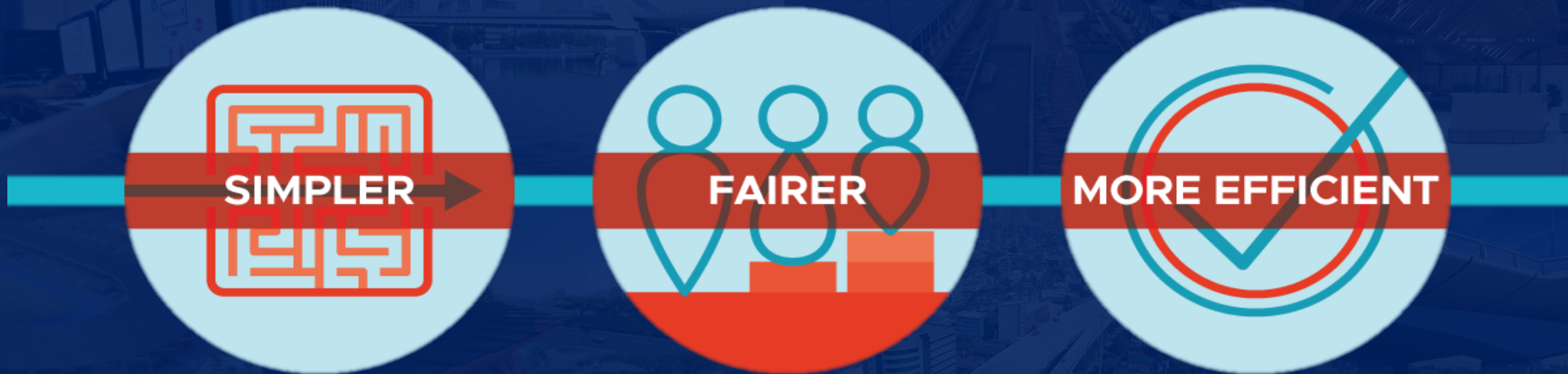
**DAVAO CITY'S
STRATEGIC
LOCATION WITHIN
THE EAST ASEAN
GROWTH AREA
FURTHER BOOSTS
ITS GROWTH
PROSPECTS**

A photograph showing President Rodrigo Duterte in the foreground, wearing a white shirt and a watch, signing a document on a table. Behind him, several other men in white shirts are looking on. To the right, a woman in a red traditional Filipino attire is partially visible. The background is slightly blurred, showing other people and what appears to be a flag.

President Rodrigo Duterte, in the presence of Congress leaders, signed into law **REPUBLIC ACT NO. 11032** or the **EASE OF DOING BUSINESS AND EFFICIENT GOVERNMENT SERVICE DELIVERY ACT** on May 28, 2018

COMPREHENSIVE TAX REFORM PROGRAM

The tax reform program seeks to make the tax system



It also seeks to create a **LEVEL PLAYING FIELD FOR BUSINESS** and **GENERATE A RELIABLE REVENUE PROCESS** to support both economic investments and more robust social services.

FISCAL PERFORMANCE

(From January to June 2018)

(In Million Pesos)

Particulars	2017	2018	Difference	Year on Year
Revenues	1,176,360	1,410,542	234,182	20%
Tax Revenues	1,068,903	1,254,708	185,805	17%
BIR	848,013	964,510	116,497	14%
BOC	210,281	279,388	69,107	33%
Other Offices	10,609	10,810	201	2%
Non-Tax Revenues	107,457	155,834	48,377	45%
BTR	52,722	66,148	13,426	25%
Other Offices	54,735	89,686	34,951	64%
Expenditures	1,330,830	1,603,559	272,729	20%
Surplus/ (Deficit)	(154,470)	(193,017)	(38,547)	25%
Primary Surplus/ (Deficit)	(2,893)	(27,507)	(24,614)	851%

COLLECTION PERFORMANCE REPORT

(From January to June 2018 Preliminary)

	Collection		Increase/(Decrease) vs Prior Year	
	Jan-June 2018	Jan-June 2017	Amount	%
RR	310,291.39	300,604.28	9,687.11	3.22
INCOME TAX	207,332.54	206,454.26	878.28	0.43
VAT	63,217.48	72,813.36	(9,595.88)	(13.18)
EXCISE	702.99	103.85	599.15	576.94
PERCENTAGE	18,079.02	12,130.45	5,948.57	49.04
OTHER TAXES	20,959.35	9,102.35	11,856.99	130.26

MICRO, SMALL AND MEDIUM ENTERPRISES IN THE PHILIPPINES

(2016 List of Establishments of the Philippine Statistics Authority (PSA))



LARGE
0.43%



MSMEs
99.57%

MEDIUM
0.44%

SMALL
9.5%

MICRO
89.63%

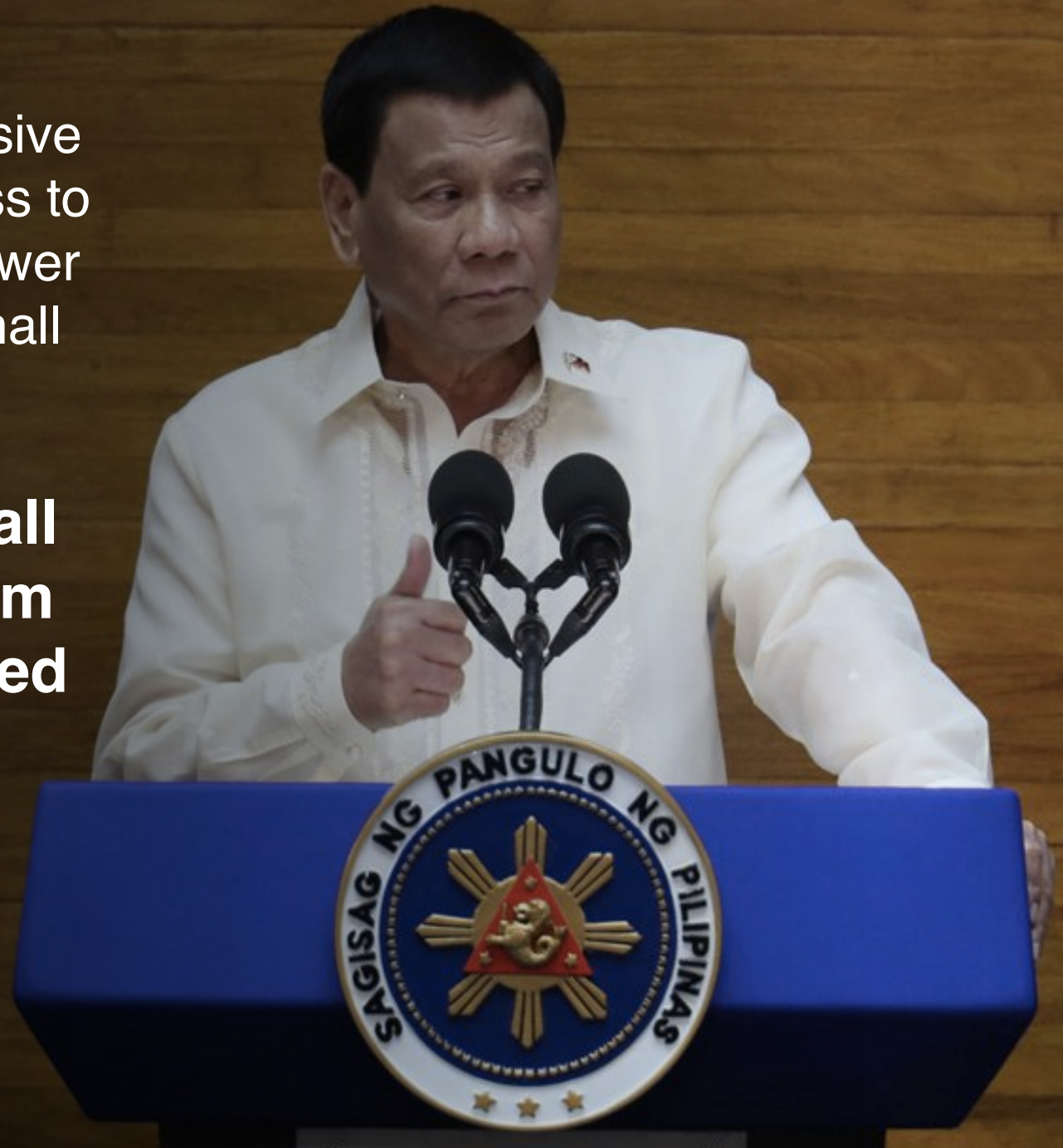
PACKAGE 2 HIGHLIGHTS

- Lower corporate income tax while reorienting the fiscal incentives regime.
- Propose tax code amendments to improve tax compliance.
- Harmonize the governance of incentives through the Fiscal Incentives Review Board or FIRB.
- Improve TIMTA to ensure transparency and accountability of incentives.
- Repeal 123 special laws on investment incentives and consolidate them in one omnibus incentive law.
- Keep the income tax holiday and other income-based incentives, while replacing 5% GIE tax in lieu of all taxes with a 15% tax on net taxable income

“ I am committed to a comprehensive tax reform and I ask the Congress to continue the job. TRAIN 2 will lower the corporate income tax for small businesses.

By the end of July 2018, all packages of my tax reform would have been submitted to Congress. ”

--PRESIDENT RODRIGO ROA DUTERTE
State of the Nation Address 2018





The tax reform will bring about growth with equity and heightened productivity that will help us attain our aspiration to be a high-middle-income country by 2022, **LIFTING ONE MILLION FILIPINOS FROM POVERTY EVERY YEAR.**

Photo Source: Headwaters Relief Organization



THE CHALLENGE IS WITH YOU



**BE BUSINESSMEN OF
THE FIRST CALIBER**



**DELIVER ON THE BENEFICIAL
CONVERGENCE OF FACTORS
THAT OPENS SO MANY
OPPORTUNITIES**

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