Keynote Speech

EJAP-SMC Economic Forum 2024

RALPH G. RECTO
SECRETARY OF FINANCE

JULY 8, 2024
AYUNTAMIENTO, MANILA

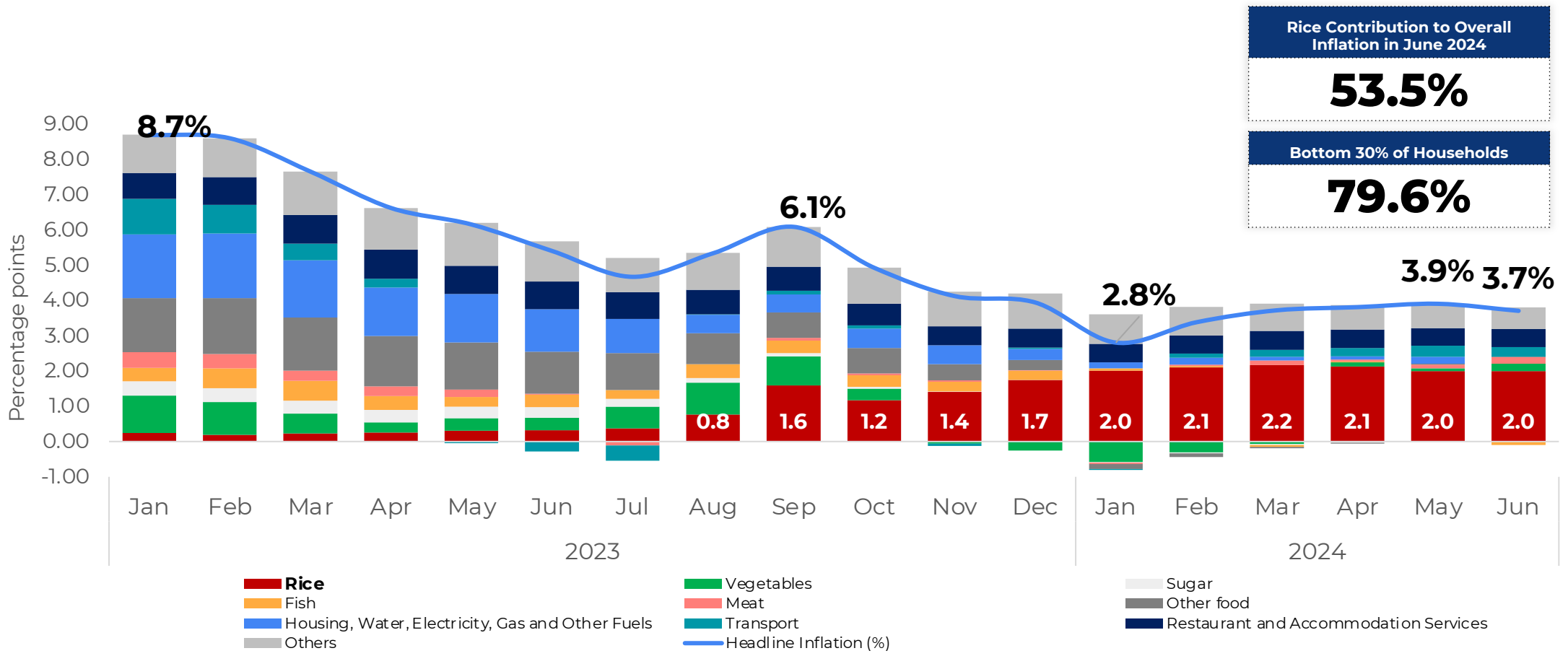
We will do everything within our power to ensure that the next generation of Filipinos does not inherit today's challenges.

Food Security

is a top priority of the Marcos Jr. administration. It is sparing no effort in shielding consumers from high food prices.

We must act swiftly to alleviate the burden of high rice prices that disproportionately affect the vulnerable population

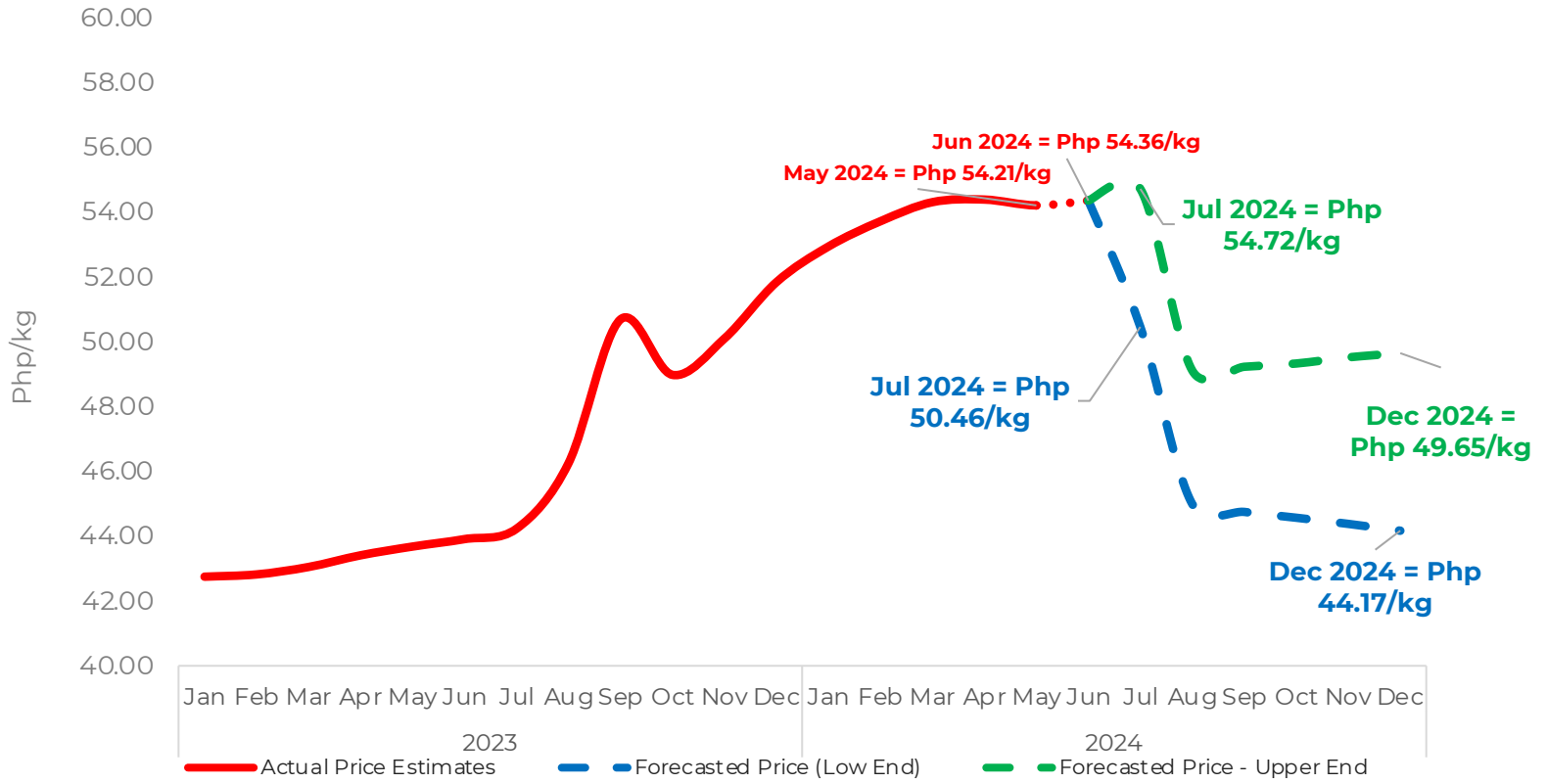
Contribution of Rice to Overall Inflation Rate



Source: DOF OCE

By slashing the tariff on imported rice from 35% to 15%, we will reduce the retail price of rice and make it affordable

Forecasted Retail Prices of Rice with Tariff Reduction (PHP per KG)



Average Price Reduction for the rest of 2024

At least PHP 5.00 per kilo or 10% decrease

Impact to Overall Inflation in 2024

18 ppts reduction (3.3% from 3.5%)

Estimated Government Revenue Loss in 2024

PHP 9.2 Billion

Source: DOF OCE

Reducing rice tariffs in the short-term is in tandem with our long-term goal of boosting agricultural productivity

Congress of the Philippines

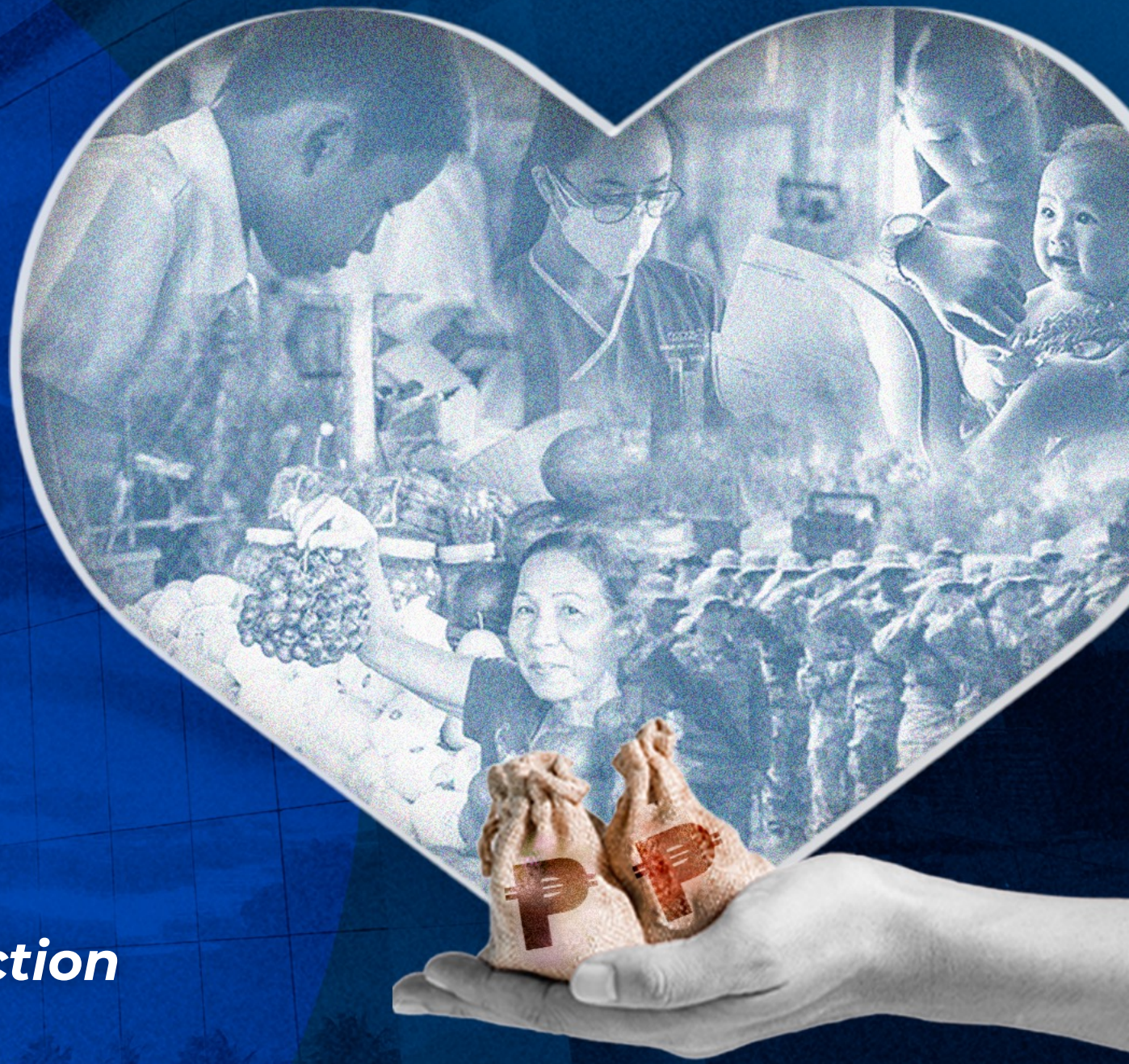
DOF is working with Congress to ensure sufficient revenues to support the planned increase of the **Rice Competitiveness Enhancement Fund (RCEF)**

Agriculture Sector Budget

The agriculture sector's budget for 2024 increased by **27.7% to PHP 221.7 billion**

The DOF's main job is to ensure ample resources to fund our nation's HEARTS

H – *Health*
E – *Education*
A – *Agriculture*
R – *Roads and Infrastructure*
T – *Technology*
S – *Security and Social Protection*

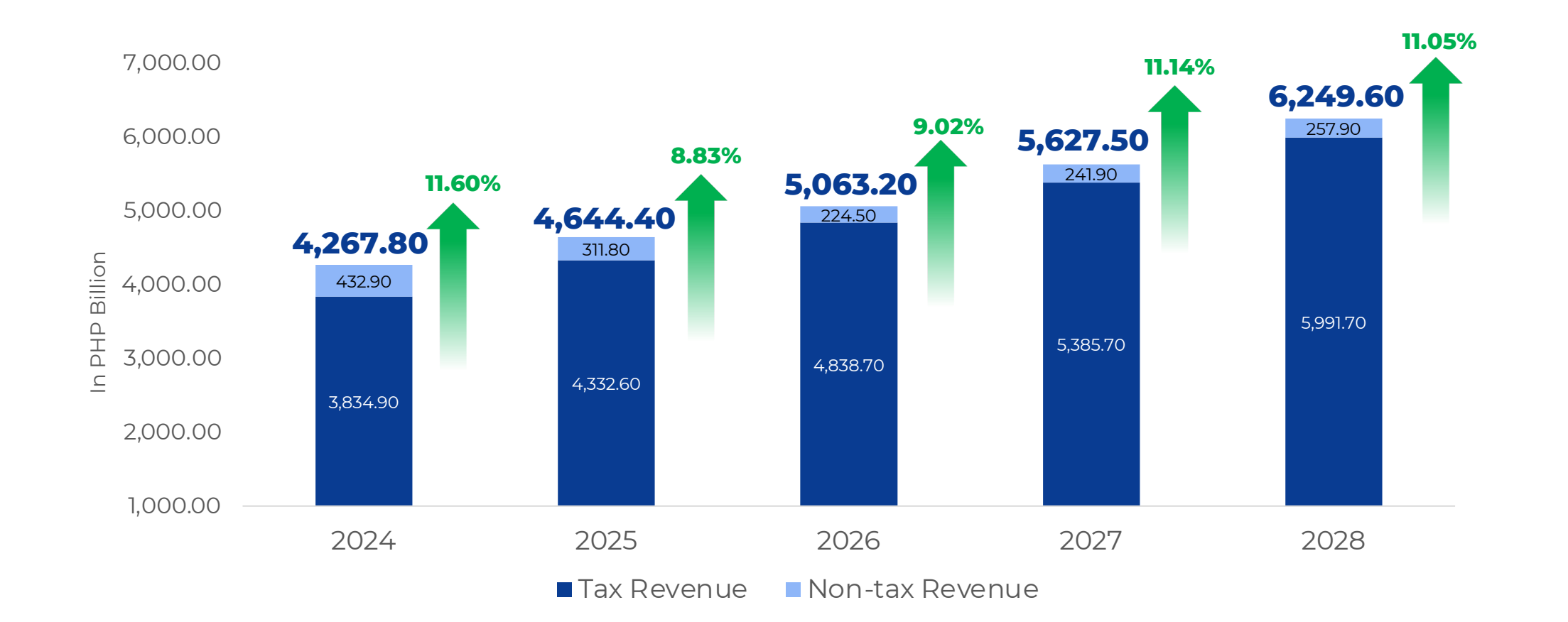


It was necessary to recalibrate our growth and fiscal targets to ensure that they are

- attainable
- realistic
- adaptive to ongoing external challenges
- supportive of sustainable growth

Over the medium term, we anticipate a robust 10.3% average annual growth in total revenues

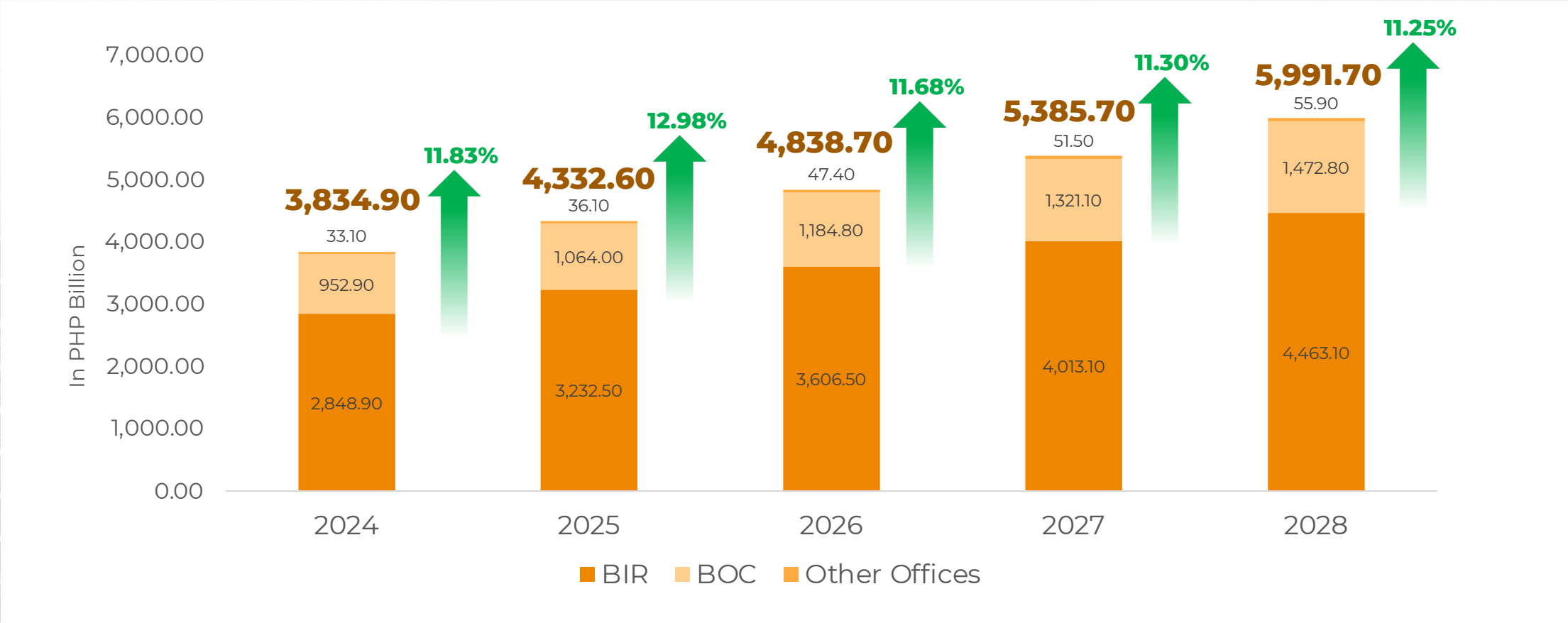
Total Revenue Collection Targets (in PHP Billion)



Source: DOF FPMG

Tax collections are projected to increase by an average of 11.8% annually due to digitalization and plugging of leakages in the tax system

Total Tax Collection Targets (in PHP Billion)



Source: DOF FPMG

While no new tax proposals are on the table, refined revenue reforms await congressional approval that will add an average of PHP 42 billion annually in additional revenues

Particulars (PHP million)	2025	2026	2027	2028
Package 4 (with excise tax on pickups)	6,094	4,613	2,911	(5,445)
VAT on digital service providers	10,867	21,346	22,811	24,483
Excise tax on single-use plastics	5,306	7,912	8,426	9,280
Mining fiscal regime	5,814	6,104	6,409	6,730
Motor vehicles road user's tax		8,234	8,904	9,589
CREATE MORE	298	(470)	(1,327)	(2,747)
Total	**28,379**	**47,739**	**48,135**	**41,890**

Source: DOF FPMG

We are strategically maximizing our non-tax revenues to increase collections and ensure sustainable funding

Targets for 2024

Dividends from GOCCs

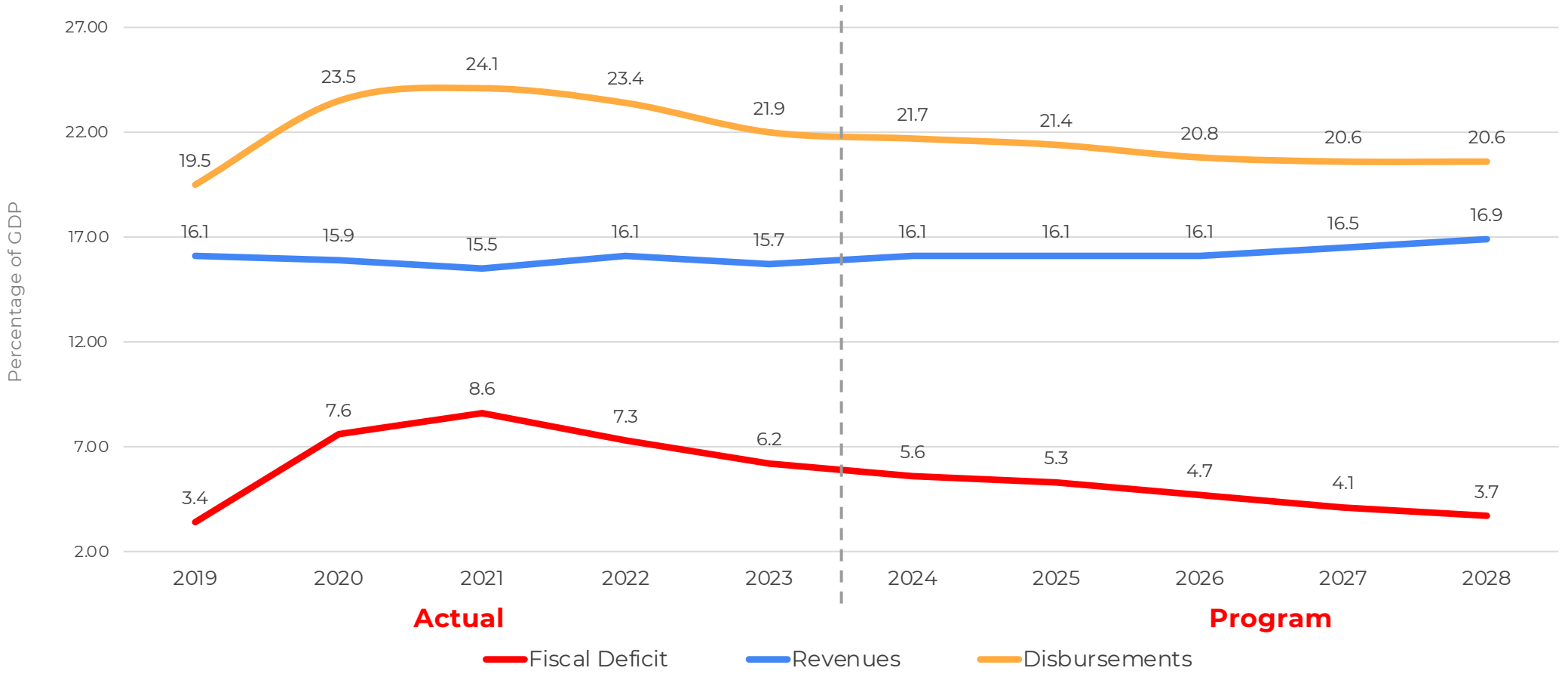
PHP 100 BILLION

Privatization of Government Assets

PHP 42 BILLION

Along with preventing wasteful expenditures, these strategies will help keep the deficit in check and reduce sustainably

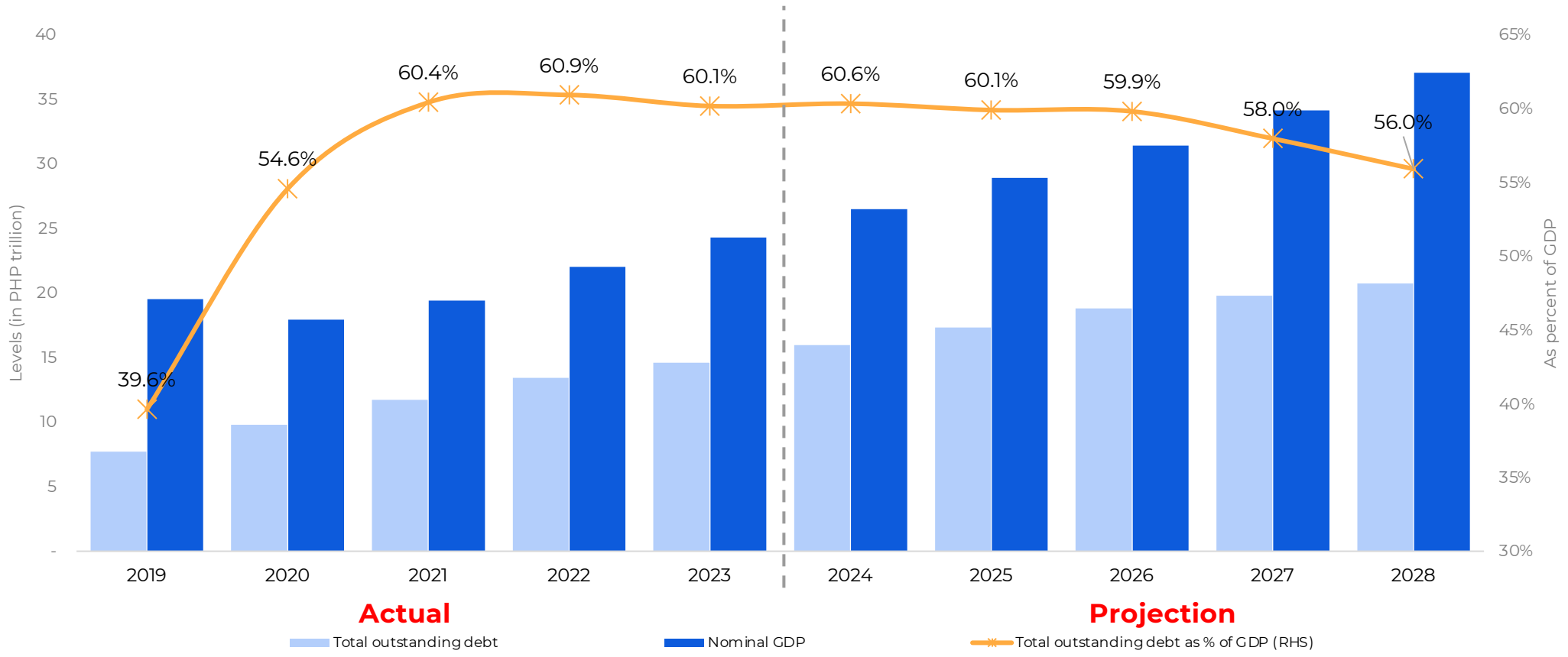
Fiscal Performance As Percentage of GDP



Source: BTR and DBCC

Our fiscal consolidation plan ensures that the economy will continue to outgrow our debt in the medium term

Nominal GDP vs Total Outstanding Debt (in PHP Trillion) and Total Outstanding Debt as Percentage of GDP



Source: BTR and DBCC

We collaborate closely with the private sector to bring in investments and technology, create high-quality jobs, and spur industry development.

We are replacing red tape with a red carpet to boost investments-led growth

Public-Private Partnership Code
Offers a stable, predictable, and competitive environment for PPPs

Amendments to the Foreign Investments Act
Promotes FDIs and eases restrictions on professions

CREATE MORE
Enhances both fiscal and non-fiscal incentives while addressing key concerns of investors

Amendments to the Retail Trade Liberalization Act
Lowers minimum paid-up capital requirement for foreign corporations

Green Lane Endorsement
Streamline approval and registration processes

Amendments to the Public Service Act
Allows full foreign ownership in public services

Amendments to the Renewable Energy Act of 2008
Allows full foreign ownership of renewable energy projects

Proposed Rationalization of the Fiscal Mining Regime
Brings predictability to PH's mining policy

To further boost investments, we have been personally engaging with investors to address their concerns.

We will soon witness and experience the results of every effort, every policy decision, and every investment commitment we have secured.

All these are designed to ensure a more comfortable life for all and lift 14 million Filipinos out of poverty by the end of the President's term.

It will be an economy with **a more secure base of food production**, **a more efficient logistics backbone**, and **a more responsive healthcare system**.

It will be a Bagong Pilipinas that every Filipino rightfully deserves—one that the next generation will proudly inherit.

As evangelists of modern economic thinking, you have a critical role in helping us get there.

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