

# KEYNOTE SPEECH

FINANCE SECRETARY CARLOS G. DOMINGUEZ III  
FINANCIAL EXECUTIVES OF THE PHILIPPINES (FINEX)  
JANUARY 23, 2019 | TAGUIG CITY



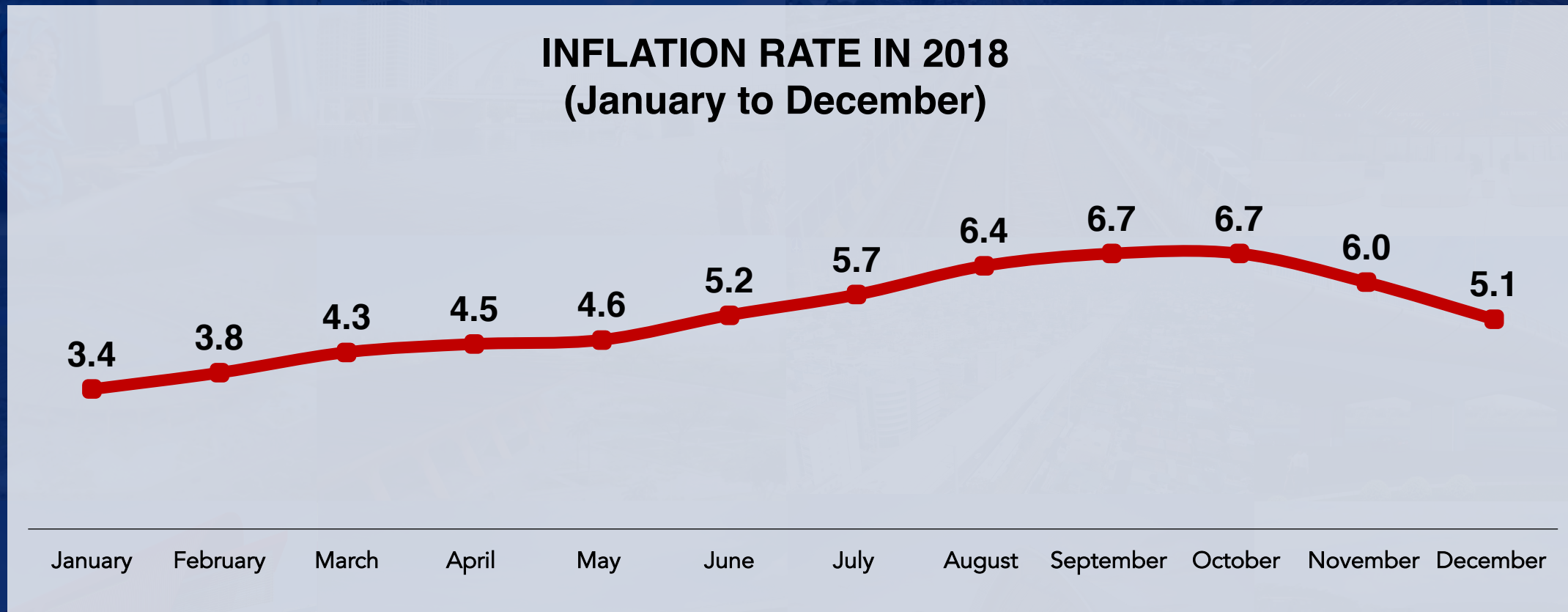


We live at a time when the pace of change is  
dictated by the rapid evolution of  
**DIGITAL TECHNOLOGIES.**



With a more robust flow of foreign direct investments,  
renewed enthusiasm for our equities market, and  
growth-inducing policies adopted  
by the Duterte administration,  
**WE WILL ALL BE VERY BUSY IN THE  
COMING PERIOD.**

As we address the agriculture and food supply issues that caused the elevated inflation rate for the most part of last year, and as oil prices softened, we have seen inflation decelerate in the closing months of 2018.



Source: Philippine Statistics Authority

# RISING INVESTMENTS HIGHLIGHT CONFIDENCE IN PHILIPPINE GROWTH PROSPECTS

*Net Foreign Direct Investment (FDI) Flows  
(In USD Billion)*



Source: Bangko Sentral ng Pilipinas



# BUILD BUILD BUILD

MORE RAILWAYS,  
MASS URBAN  
TRANSPORT, AIRPORTS  
AND SEAPORTS

MORE BRIDGES  
AND ROADS

NEW AND BETTER  
CITIES

## RAPID ADMINISTRATIVE RESPONSE FOR INFRASTRUCTURE DEVELOPMENT

### *Infrastructure Spending (in PHP Billion)*

<i>(January to November)</i>		<b>Variance</b>	<b>Year-on-Year Growth (%)</b>
<b>2017</b>	<b>2018</b>		
<b>486.5</b>	<b>728.1</b>	<b>241.6</b>	<b>49.7</b>

# REVENUE COLLECTION IN THE FIRST 9 MONTHS OF TRAIN IS 94.7% OF TARGET

*TRAIN Revenues for the First Three Quarters of 2018 (in PHP Billion)*

<i>(January to September 2018)</i>		<b>Actual to Target Ratio (%)</b>
<b>Actual</b>	<b>Target</b>	
<b>41.9</b>	<b>44.3</b>	<b>94.7</b>



## TRAIN COLLECTION ON SELECT ITEMS IN THE FIRST THREE QUARTERS OF 2018 (IN PHP BILLION)

### TOBACCO EXCISE TAX

<i>(January to September 2018)</i>		<b>Actual to Target Ratio (%)</b>
<b>Actual</b>	<b>Target</b>	
<b>5.9</b>	<b>3.3</b>	<b>177.8</b>

### DOCUMENTARY STAMP TAX

<i>(January to September 2018)</i>		<b>Actual to Target Ratio (%)</b>
<b>Actual</b>	<b>Target</b>	
<b>49.1</b>	<b>21.0</b>	<b>234.1</b>

# 103 BILLION PESOS

was given away to 99 percent of our workers in the first three quarters of 2018 due to hefty personal income tax cuts. This means our taxpayers had an additional 12 billion pesos a month of combined spending power.

# TAX REFORM PACKAGE 2 MAIN HIGHLIGHTS

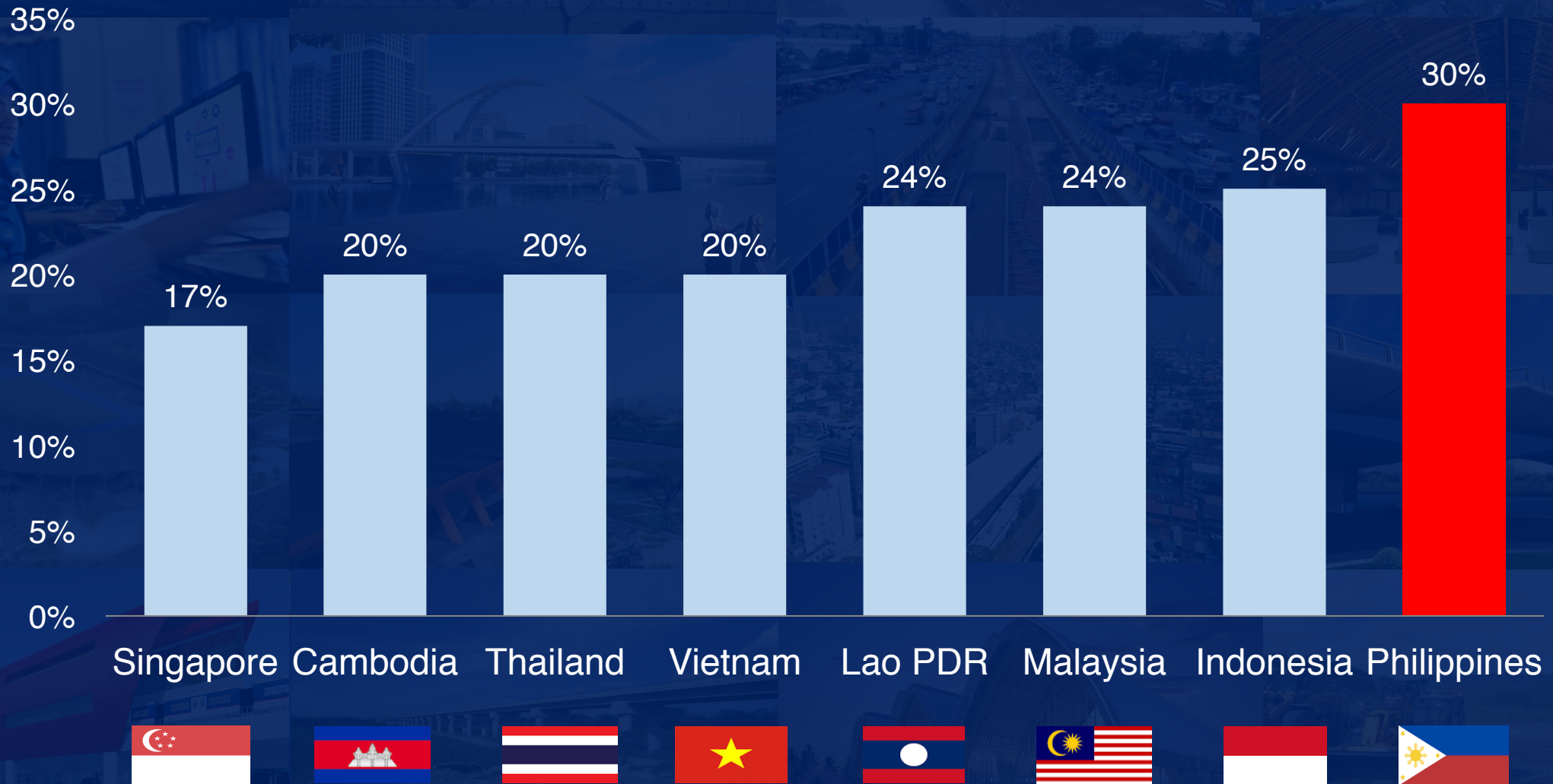
## **Reduction of corporate income tax rates**

This will bring our tax regime closer to the regional average, help us attract investments to fuel our economic growth, and benefit small and medium enterprises that employ the biggest number of Filipinos.

## **Rationalization of fiscal incentives**

This will create a level playing field for our enterprises and attract new players to compete.

# COMPARATIVE CORPORATE INCOME TAX RATES IN ASEAN



# FOUR MAIN PRINCIPLES FOR TAX INCENTIVES



Performance-based



Time-bound



Targeted



Transparent

# CONTINUED PURSUIT OF A SIMPLER, FAIRER, AND MORE EFFICIENT TAX SYSTEM FOR ALL

## PACKAGE 1B TAX AMNESTY

This consists of the proposed tax amnesty program

## PACKAGE 2+ MINING AND SIN TAXES

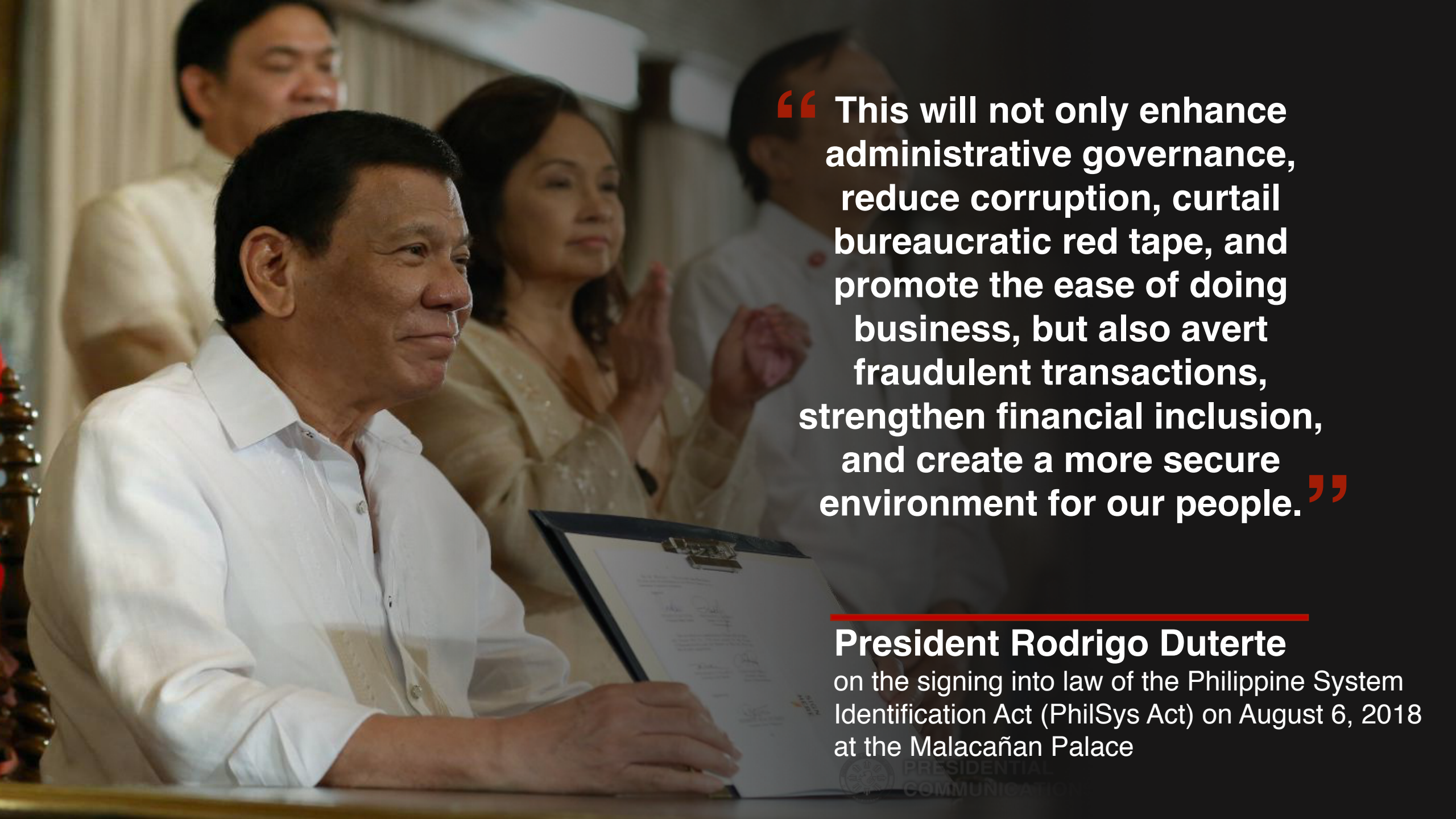
Increases further the excise tax on both alcohol and tobacco products to provide additional funding for the Universal Health Care (UHC). This also includes increase in the government's share from mining.

## PACKAGE 3 PROPERTY VALUATION AND TAXES

Broadens the tax base of property taxes of the national and local governments, thereby increasing government revenues without increasing the existing tax rates or devising new tax impositions.

## PACKAGE 4 CAPITAL INCOME AND FINANCIAL TAXES

Rationalization of capital income taxation to address the multiple rates and different tax treatments and exemptions on capital income and other financial instruments.

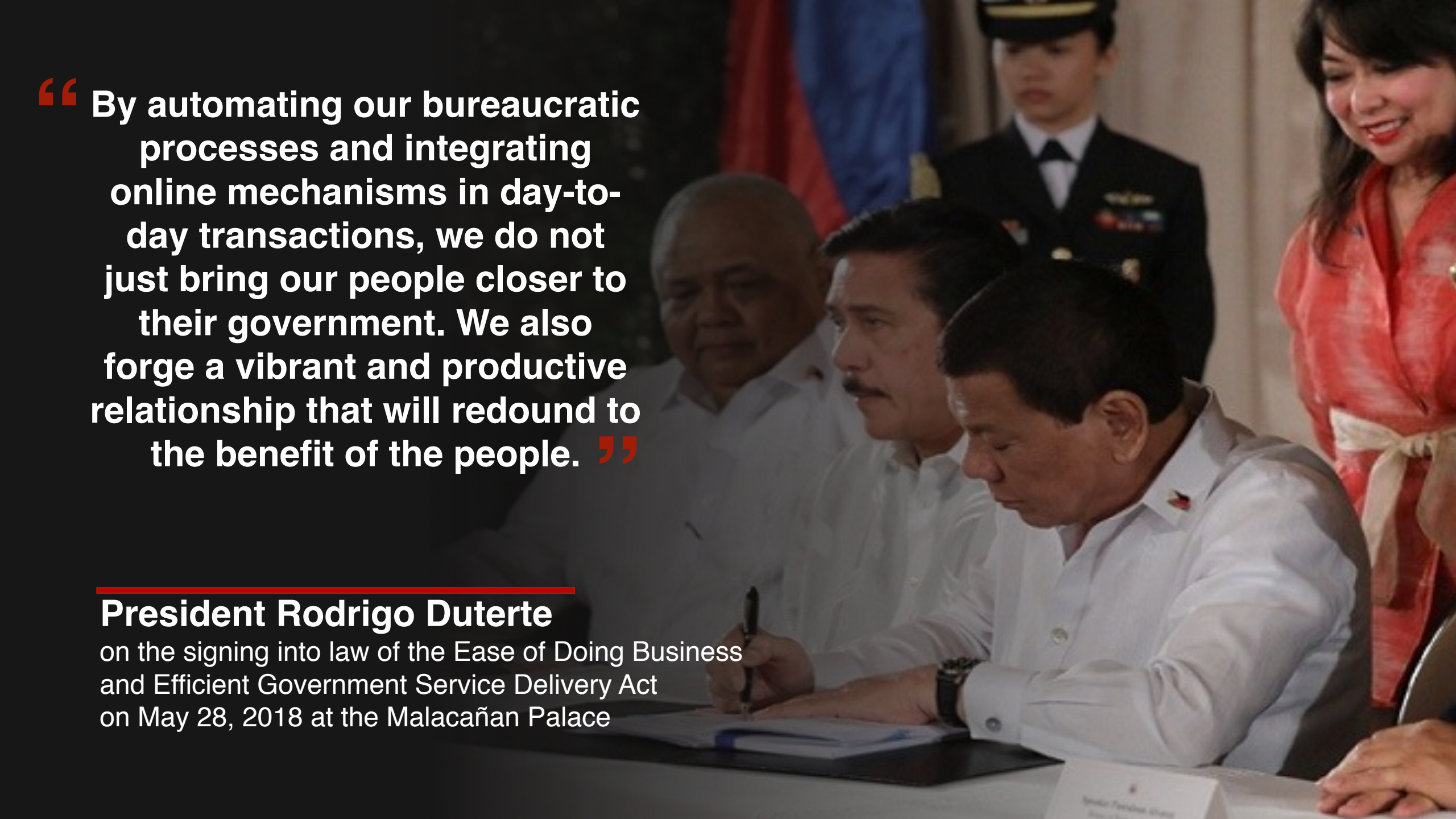
A photograph of President Rodrigo Duterte in a white shirt, seated at a desk and signing a document. He is looking to his right. In the background, several other people are visible, some of whom are clapping. The setting appears to be an official ceremony.

**“ This will not only enhance administrative governance, reduce corruption, curtail bureaucratic red tape, and promote the ease of doing business, but also avert fraudulent transactions, strengthen financial inclusion, and create a more secure environment for our people. ”**

---

**President Rodrigo Duterte**

on the signing into law of the Philippine System Identification Act (PhilSys Act) on August 6, 2018 at the Malacañan Palace

A photograph of President Rodrigo Duterte signing a document. He is wearing a white shirt and is seated at a table. Other officials are visible in the background, including a man in a military uniform and a woman in a red dress. The scene is set in a formal environment, likely the Malacañan Palace.


**“ By automating our bureaucratic processes and integrating online mechanisms in day-to-day transactions, we do not just bring our people closer to their government. We also forge a vibrant and productive relationship that will redound to the benefit of the people. ”**

---

## **President Rodrigo Duterte**

on the signing into law of the Ease of Doing Business and Efficient Government Service Delivery Act on May 28, 2018 at the Malacañan Palace



An aerial photograph of a city skyline at dusk, featuring several tall skyscrapers and residential buildings. The image is overlaid with a semi-transparent yellow filter. The text is centered in white, bold, sans-serif font.

The Philippines remains one of the  
**BEST PERFORMING ECONOMIES**  
in the region and its  
**OUTLOOK IS STRONG**

*Photo Source: Justin James Wright (gettyimages)*

The role played here by  
**DECISIVE LEADERSHIP**  
cannot be understated...



# KEYNOTE SPEECH

FINANCE SECRETARY CARLOS G. DOMINGUEZ III  
FINANCIAL EXECUTIVES OF THE PHILIPPINES (FINEX)  
JANUARY 23, 2019 | TAGUIG CITY

