



KEYNOTE SPEECH

BENJAMIN E. DIOKNO
SECRETARY OF FINANCE

**FINANCIAL LITERACY SESSION ON THE
NATIONAL GOVERNMENT'S RETAIL INSTRUMENTS**

JANUARY 26, 2023
LONDON, UNITED KINGDOM

STRONG ECONOMIC PERFORMANCE IN 2022



7.6% GDP growth

Full-year 2022

RECORD-LOW UNEMPLOYMENT RATE

November 2022 Employment Situation

Unemployment Rate

4.2% ↓

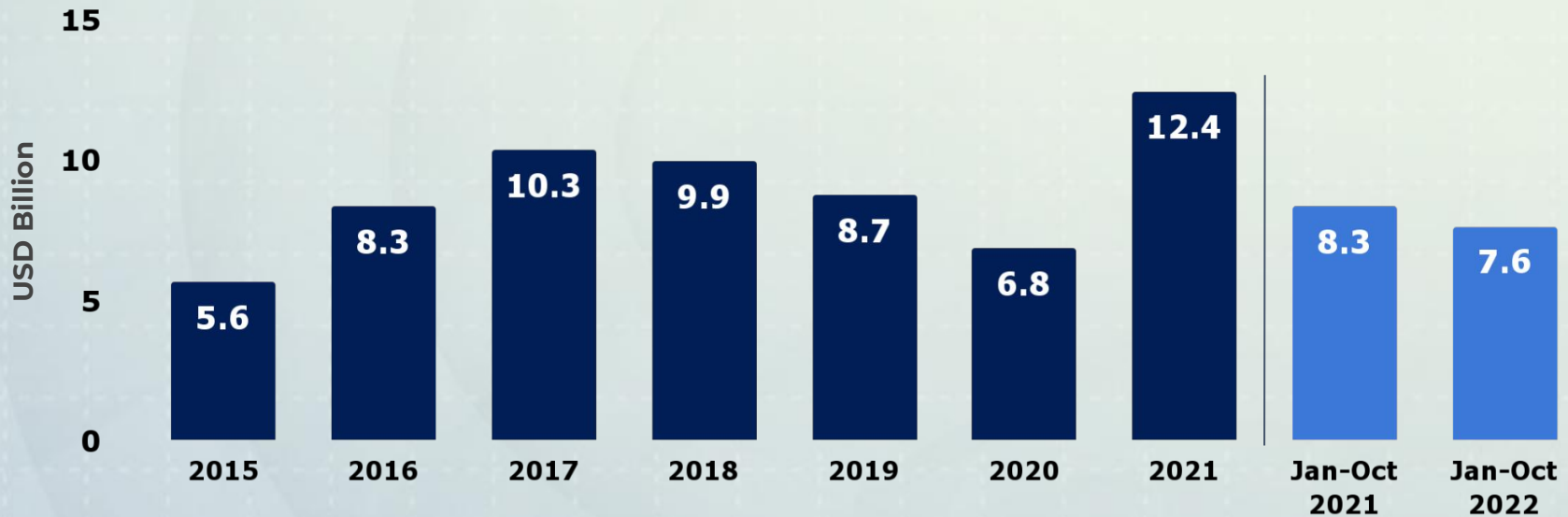
Employment Rate

95.8% ↑



Investment inflows reflect confidence in the Philippines' business environment

Net Foreign Direct Investment Inflows (in USD billions)



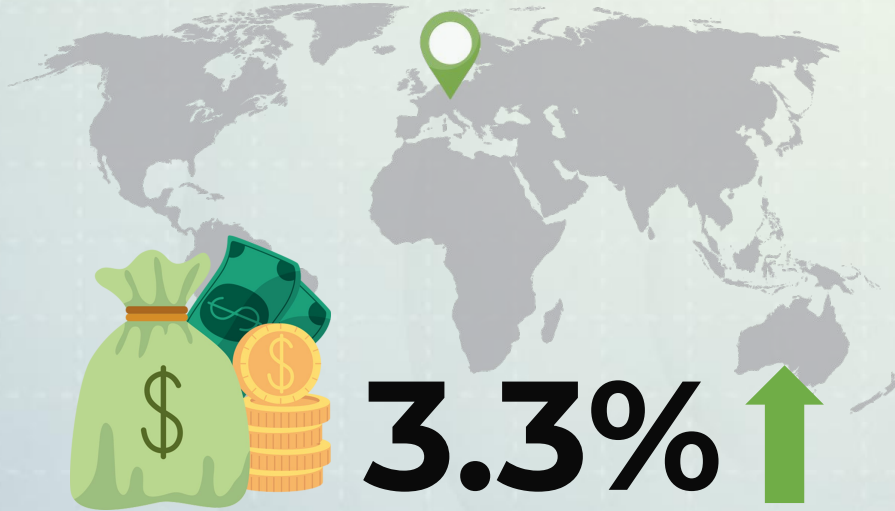
GROSS INTERNATIONAL RESERVES



US\$96 BILLION

As of end-December 2022

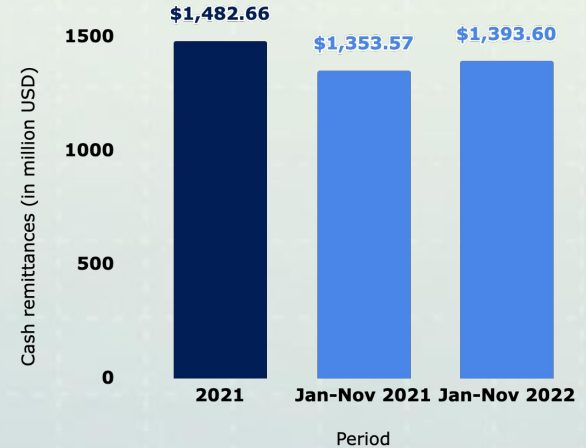
CASH REMITTANCES



US\$29.38 BILLION

January-November 2022

Remittances from Overseas Filipino Workers in the United Kingdom



Marcos administration's 8-point socioeconomic agenda in the near and medium term

ROBUST ECONOMY, INCLUSIVE, AND RESILIENT SOCIETY

PROTECT THE PURCHASING POWER OF FAMILIES



Ensure Food Security



Reduce Transport and Logistic Cost



Reduce Energy Cost

REDUCE VULNERABILITY AND MITIGATE SCARRING FROM THE COVID-19 PANDEMIC



Tackle Health



Strengthen Social Protection



Address Learning Losses

ENSURE SOUND MACROECONOMIC FUNDAMENTALS



Improve Bureaucratic Efficiency



Ensure Sound Fiscal Management

CREATE MORE JOBS, QUALITY JOBS, GREEN JOBS



Promote Investments



Expand Digital Infrastructure



Improve Infrastructure



Encourage R&D and Innovation



Ensure Energy Security



Pursue a Green and Blue Economy



Increase Employability



Establish Livable and Sustainable Communities

NEAR-TERM AGENDA

MEDIUM-TERM AGENDA

PHILIPPINE DEVELOPMENT PLAN 2023-2028

A Plan for Economic and Social Transformation

“By 2040, the Philippines shall be a prosperous, predominantly middle-class society where no one is poor. Our people will enjoy long and healthy lives, are smart and innovative, and will live in a high-trust society.”



What are the goals and targets of the Plan?



Maintain annual economic growth rate between 6.0 to 7.0 percent in 2023 and between 6.5 to 8.0 percent from 2024 to 2028. Sustained high levels of growth is a necessary condition to meet the AmBisyon Natin 2040.



Create more, better, and more resilient jobs. By 2028, the unemployment rate shall be within 4.0 to 5.0 percent, and the percentage of wage and salary workers in private establishments to total employed shall be within 53 to 55 percent.



Keep food and overall prices low and stable. Expanding the opportunities available to Filipinos must be complemented by efforts to protect people's purchasing power. Food and overall inflation will be kept to within 2.5 to 4.5 percent in 2023 and within 2.0 to 4.0 percent from 2024 to 2028.

What are the goals and targets of the Plan?



Enforce fiscal discipline.

To ensure the sustainability of growth, the national government deficit to GDP ratio will be gradually reduced from 6.5 percent during the first half of 2022 to 3.0 percent in 2028.

Outstanding government debt GDP ratio will also be reduced from 63.7 as of September 2022 to 48 to 53 percent by end of 2028.



Transform the production sectors through innovation.

The Philippines aims to continue its progress among the innovation achievers of the region by ranking higher and within the top 33 percent of the Global Competitiveness Index by 2028.



All of our efforts are intended to significantly improve the welfare of Filipinos. Our strategies are expected to **reduce poverty incidence from 18 percent in 2021 to between 8 to 9 percent by 2028.**

How can we achieve the transformation agenda?



01 Digitalization

Digital transformation will result in more efficient and faster public service delivery, more transparency, and fewer opportunities for corruption at various levels.



02 Servicification

Strategy to pursue policies that will build ecosystems around economic clusters identified as potential sources of high growth to attract more investments and expand demand for higher productivity jobs.



03 Dynamic Innovation Ecosystem

Supports the creation of innovation ecosystems and their evolution to becoming a dynamic ecosystem that eventually generates more, quality jobs.



How can we achieve the transformation agenda?



04 Enhanced Connectivity

Physical connectivity through infrastructure and transportation will link markets to each other; revitalize tourism; promote trade; and enhance the ease of doing business.



05 Greater collaboration between local and national government

The completion of Devolution Transition Plans will be fast-tracked and operationalized to improve LGU's capacity for delivering public services and raising local revenues.

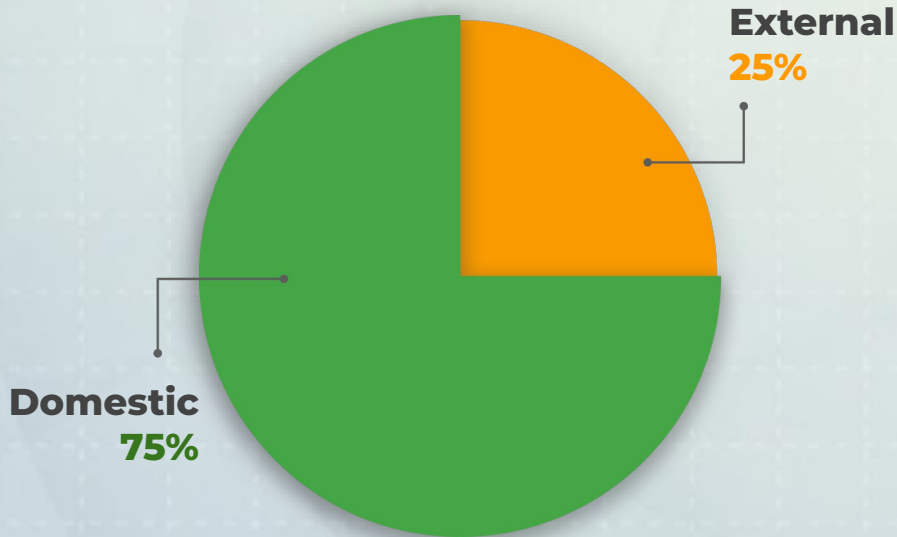


06 Partnership with the private sector

Reconfiguring public-private partnerships can help address cross-cutting issues of a weak competition environment and the digital divide, as well as boost the country's campaign to attract foreign investments.

DEBT MANAGEMENT STRATEGY

The government needs to raise **Php 2.21 trillion in borrowings**; 75% or Php 1.65 trillion will be sourced domestically while 25% or PHP 554 billion will be in external debt



Reduce the country's exposure to FX volatilities

Retain benefits within the Philippine economy

Funding for priority projects and further Filipinos' savings

DEBT MANAGEMENT STRATEGY

Government Securities

- Debt-instruments issued by the Republic via the BTr that pays periodic interest payments, with the eventual return of the Principal on maturity date, and made available to the investing public.



Safe

- Republic's direct, unconditional and general obligations
- Low-risk investment products



Secure

- Earns a fixed interest over the term of the bond
- Higher than time deposits



Accessible

- Buy over-the-counter or by using any of the available online platforms



Supportive of Nation Building

- Direct participation in funding the National Government's key projects



**Your investments will boost
the Philippines' long-term growth
and reinforce the strength of our
economy for generations to come.**



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