OPENING REMARKS

INVESTPH

RALPH G. RECTO
SECRETARY OF FINANCE

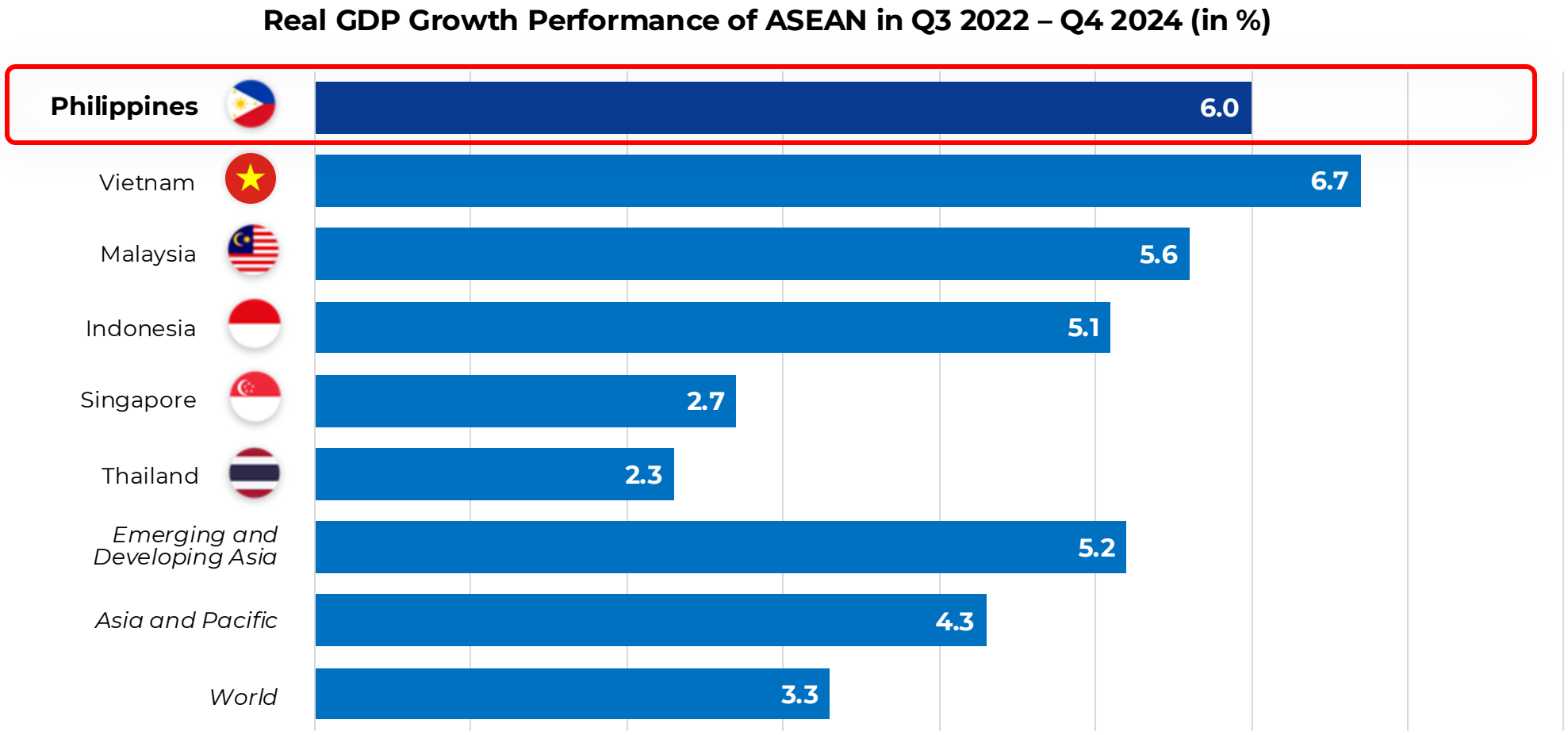
March 19, 2025
Grand Hyatt Manila, BGC

You are at the right time,
in the right place, and
with the right people.

Timing is everything.

Right now, the Philippines is at its most promising economic momentum.

The Philippines is among the fastest-growing economies in the ASEAN region



Sources: IMF WEO October 2024, January 2025

Note: Average of annual growth rates divided into ten quarters for the period Q3 2022-Q4 2024.

2024 total revenues surpassed the target at PHP 4.42 trillion, bringing revenue effort to 16.72% – the highest in the last 27 years

	2024	2023	Growth Rate
Total Revenues	PHP 4.42 trillion	PHP 3.82 trillion	+15.56%
Tax Revenues	PHP 3.80 trillion	PHP 3.43 trillion	+10.83%
Non-tax Revenues	PHP 618.30 billion	PHP 394.80 billion	+56.61%

Sources: Bureau of the Treasury (BTr)

Our steady progress in fiscal consolidation earned us credit rating and outlook upgrades

S&P

BBB+

Positive Outlook

R&I

A-

Stable Outlook

These reflect robust investor confidence in the country's high economic growth, strong fiscal position, and promising outlook.

We have dismantled barriers to ease of doing business

Established Green Lanes to fast-track investments

Full foreign ownership in high-impact sectors:

- renewable energy
- telecommunications
- toll roads
- airports
- shipping

The Public-Private Partnership Code makes private sector investments in infrastructure seamless and efficient

Major airports awarded since the PPP Code's enactment in 2024:

Ninoy Aquino International Airport

Laguindingan International Airport

Bohol-Panglao International Airport

Approved for privatization in 2024:

New Dumaguete Airport

New Siargao Airport

In the pipeline for approval in 2025:

Iloilo International Airport

Kalibo International Airport

Puerto Princesa Airport

Davao International Airport

The Build Better More Program features 186 big-ticket infrastructure projects worth PHP 9.57 Trillion

Physical connectivity
135 projects
PHP 8.34 Trillion

Health
5 projects
PHP 95.72 Billion

Water Resources
29 projects
PHP 775.05 Billion

Digital Connectivity
4 projects
PHP 78.11 Billion

Agriculture
9 projects
PHP 213.67 Billion

Other Infrastructure
2 projects
PHP 21.33 Billion

Power and Energy
1 project
PHP 10.19 Billion

Education
1 project
PHP 30.56 Billion

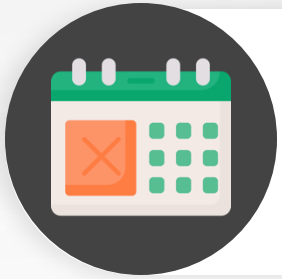
SCAN TO VIEW THE LIST OF PROJECTS

Source: National Economic and Development Authority (NEDA), As of February 2025

CREATE MORE offers a more competitive and generous incentive package to investors

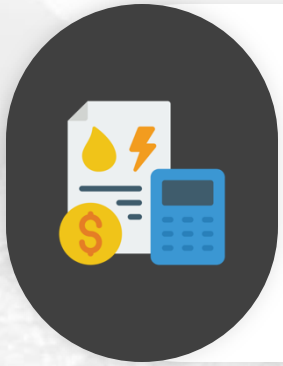
4 to 7 years

of income tax holidays depending on the type of investment and location



Special Corporate Income Tax and Enhanced Deductions Regime are now extended to a period of up to

10 to 20 years

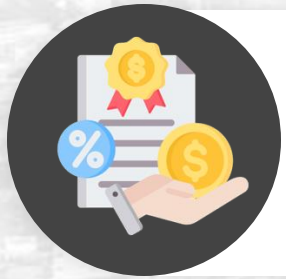


Additional 100% deductions

on power expenses and an additional 50% reinvestment allowance await those businesses in the manufacturing and tourism sectors

Export-oriented enterprises' local purchases are zero-rated while importations are

VAT-exempt



Tailored or bespoke incentives

for projects with investment capital of at least PHP 50 billion or direct local employment generation of at least 10,000

CREATE MORE is the golden ticket to fast-track your entry to the Luzon Economic Corridor

INVESTMENT PRIORITY AREAS

INDUSTRY:

- Power
- Manufacturing
- Semiconductors

SERVICES:

- Tourism
- BPO
- Services (general)
- ICT
- Data centers

CONNECTIVITY:

- Flagship infrastructure projects

CREATE MORE is designed to

- bring you in
- help you grow
- keep you here
- give every reason for you to place your trust in the Philippines **again and again**

Rationalization of the Mining Fiscal Regime

- **Provides fiscal stability and certainty** to current and potential mining investments
- **Creates a simpler and more competitive fiscal regime framework** for the mining industry by imposing a margin-based royalty for mines operating outside the mineral reservation and a windfall profit tax
- **Implements a progressive regime** since the taxes to be imposed will be based on the companies' profitability

The Philippines exited from the greylist of the Financial Action Task Force.

This seal of good housekeeping strengthens public confidence in our financial system and leads to more businesses flourishing in the country.

Capital Markets Efficiency Promotion Act

Designed to

simplify taxation, lower transaction costs, and improve financial access

for both institutional and retail investors.

Salient Provisions:

Reduction of the Stock Transaction Tax from 0.6% to 0.1% to align the Philippines with regional markets and will make investing in the PSE more cost-competitive.

Reduction of the Documentary Stamp Tax on the original issuance of shares from 1% to 0.75% and standardizing DST at 0.75% on debt instruments to allow for a fairer, more transparent, and predictable tax structure.

Other reforms to make the Philippine capital markets more inclusive, efficient, and competitive

Amending the charters of our state banks to enable access to

private capital and publicly offer shares

Streamlining of the documentary requirements for registration of a

Master Securities Lending Agreement

Inclusion of peso-denominated government bonds in the

JP Morgan Government Bond Index – Emerging Market Global Diversified Index

You are in the right place.

The Philippines is one of the best safe havens for investors in today's volatile world.

We are strategically positioned as the gateway to the ASEAN, the most dynamic and fastest-growing region in the world.

The Philippines has a strong and large consumer market.

It is a domestic-driven economy, making it more resilient to global trade disruptions.

By 2030, the Philippines is expected to rise from the 20th to the 13th largest consumer market in the world

Its strong consumer demand, which currently comprises 72% of the economy, is being supported by:

Reliable stream of remittances from overseas Filipinos
(USD 34.5 B in 2024)

Increasing business process outsourcing revenues
(USD 38 B as of 2024)

Hefty tourism Receipts
(USD 9.7 B as of in 2024)

Low and stable inflation *(2.1% as of Feb 2025)* that prompted policy rate cuts of 75 bps in 2024

The Philippines is a peace-loving and friendly nation.

It has strong diplomatic ties and free trade agreements with countries across the globe.

What sets the Philippines apart is its

PEOPLE

The Philippines boasts the most favorable demographics, with a median age of just 25 years old

Median Age of Select Countries

Japan	49.0
Europe	42.2
Thailand	39.7
China	39.1
United States	38.0
Australia	37.8
Singapore	35.1
Vietnam	32.4
Brunei	31.8
Malaysia	30.1
Indonesia	29.8
Myanmar	29.5
India	28.1
Cambodia	25.8
Philippines	**25.3**

Source: United Nations Revisions of World Population Prospects 2024

We have a strong labor market and a growing middle-class

All-time high gross national income (GNI) per capita of

USD 4,335 (2023)

Reduced poverty incidence among Filipino individuals to

15.5% (2023)

or lifted 2.5 million more Filipinos out of poverty; On track to achieve single-digit poverty rate of 9% by 2028

Unemployment rate in 2024 of

3.8%

the lowest full-year level on record; Surpasses the target of 4%-5% by 2028

Underemployment rate in 2024 of

11.9%

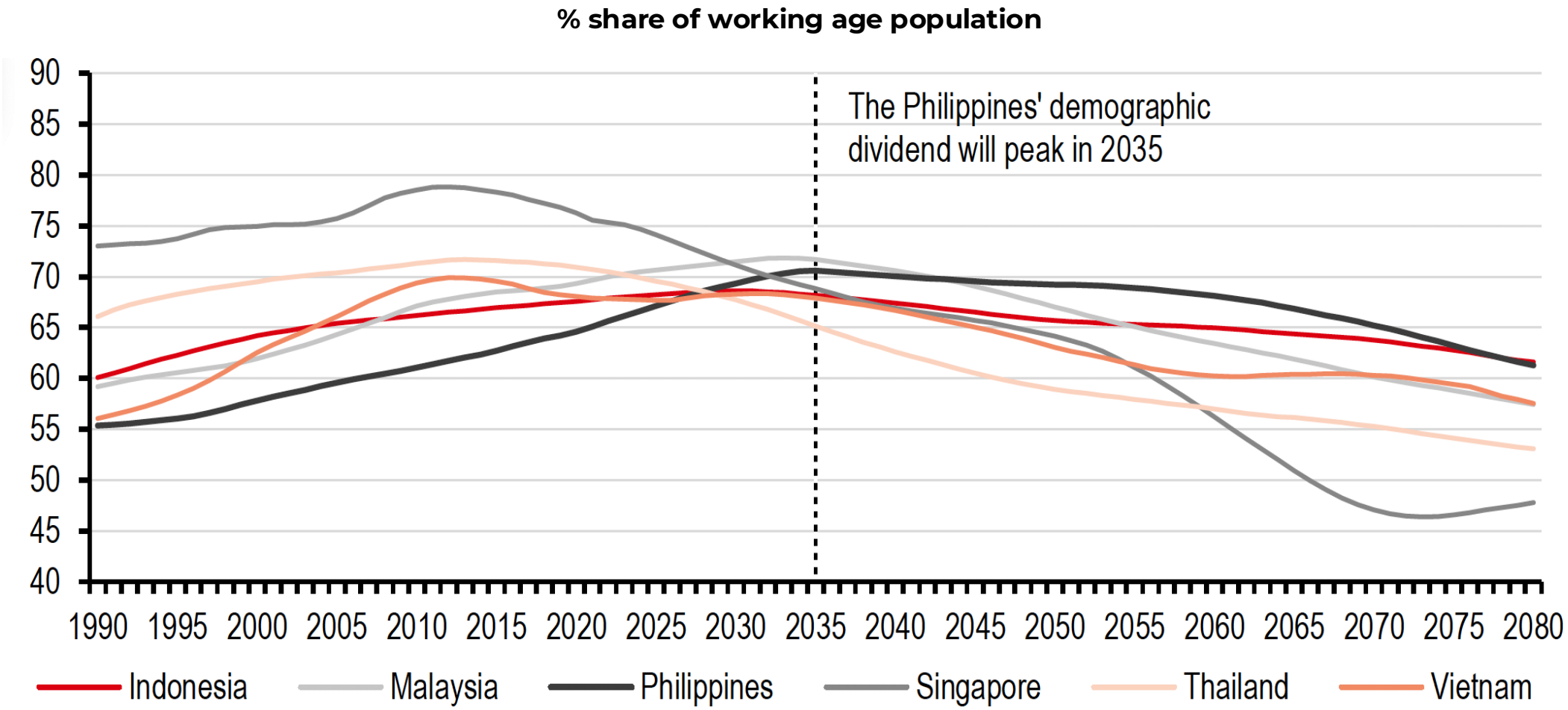
the lowest full-year level on record

Share of wage and salary workers in 2024

63.8%

higher than the 62.6% share in 2023

The Philippines has the strongest demographic tailwinds among ASEAN



Source: UNPOP and HSBC

We are continuously upskilling our workforce through our

Artificial Intelligence Strategy Roadmap

to fully harness their talents to power up your forward-looking industries.

You're already here.

At the right place.
At the right time.
With the right partners you need to make your success happen.

There’s only one thing left to do — let’s now get down to business.

OPENING REMARKS FOR

INVESTPH

RALPH G. RECTO
SECRETARY OF FINANCE

March 19, 2025
Grand Hyatt Manila, BGC