KEYNOTE ADDRESS

# PHILIPPINE ECONOMIC BRIEFING

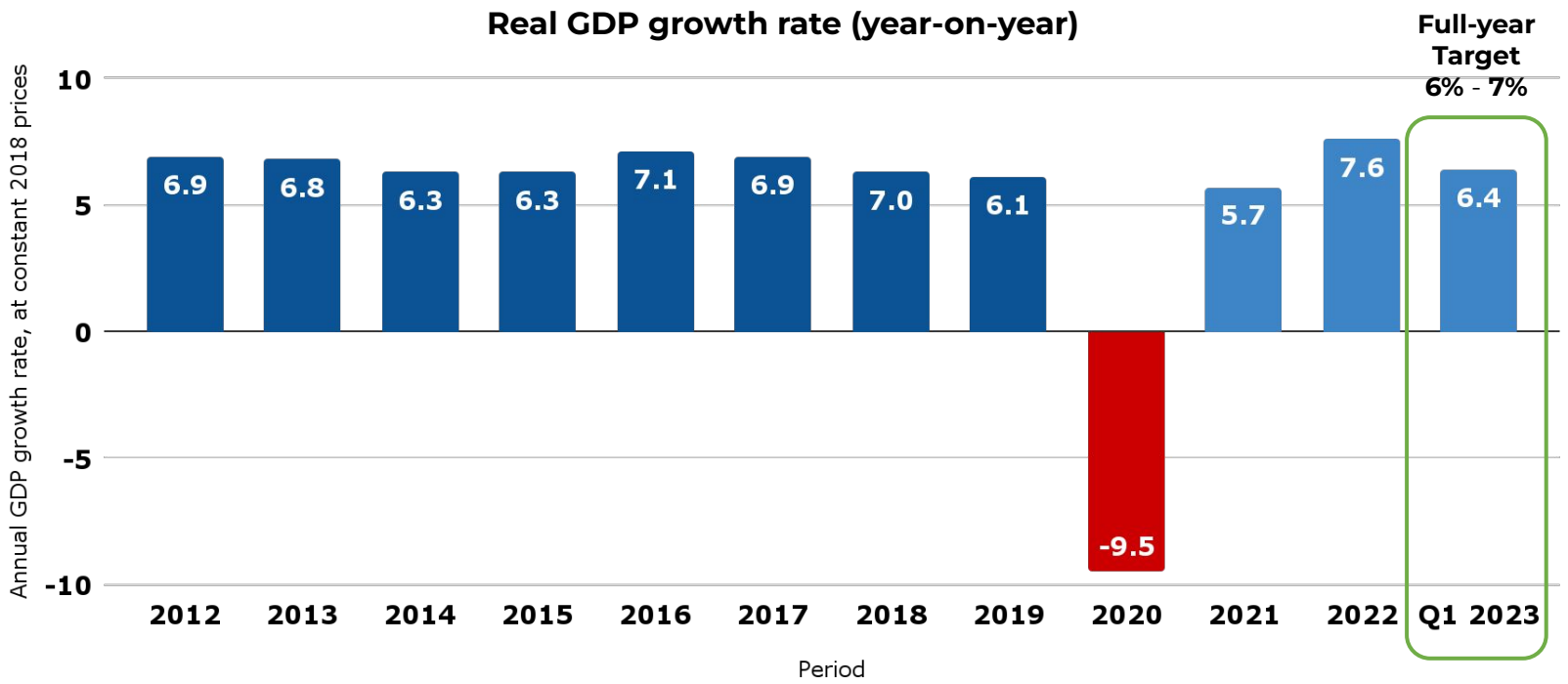
## DAVAO


**BENJAMIN E. DIOKNO**

SECRETARY OF FINANCE

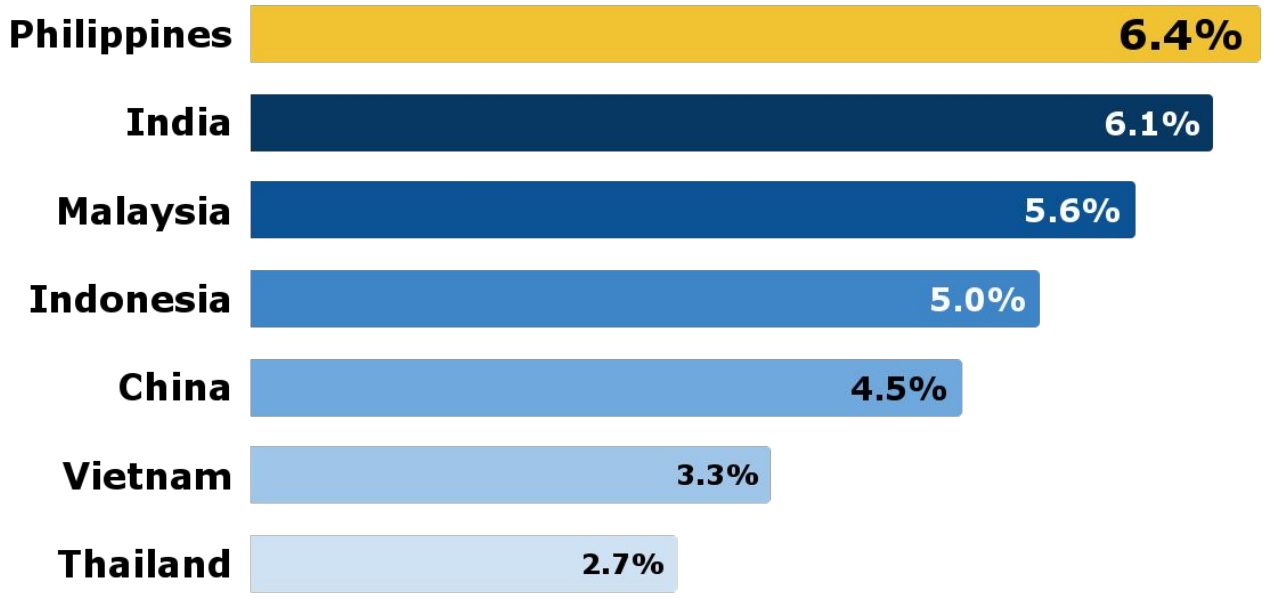

August 9, 2023

# PH growth quickens amid slowing world economy




*Source: Philippine Statistics Authority*

# Philippine economic growth in Q1 2023 outpaced emerging Asian economies



# PHILIPPINE ECONOMIC OUTLOOK

## (growth in percent of GDP)

| Particulars | 2023 | | 2024 | |
|---|---|---|---|---|
| | Previous | Latest | Previous | Latest |
| International Monetary Fund | 6.0[a/] | **6.2[b/]** | 5.8[a/] | 5.5[b/] |
| Asian Development Bank | 6.0[a/] | **6.0[b/]** | 6.2[a/] | 6.2[b/] |
| ASEAN+3 Macroeconomic Research Office | 6.2[a/] | **6.2[b/]** | 6.5[a/] | 6.5[b/] |
| World Bank | 5.6[a/] | **6.0[c/]** | 5.9[d/] | 5.9[c/] |

*Sources: IMF World Economic Outlook (WEO) Update April 2023; IMF WEO Update July 2023; Asian Development Outlook (ADO) April 2022; ADO July 2023; AMRO ASEAN+3 Regional Economic Outlook (REO) April 2023; AMRO SEAN+3 REO July 2023; World Bank Global Economic Prospects (GEP) January 2023; World Bank East Asia and Pacific (EAP) Economic Update April 2023; World Bank Philippines Economic Update June 2023; World Bank Global Economic Prospects June 2023*
*Notes: a/ as of April 2023; b/ as of July 2023; c/ as of June 2023; d/as of January 2023*
*Revised forecasts are in bold text.*

# IMPROVING LABOR MARKET CONDITIONS

## June 2023 Employment Situation (year-on-year)

**4.5%** ↓
Unemployment rate

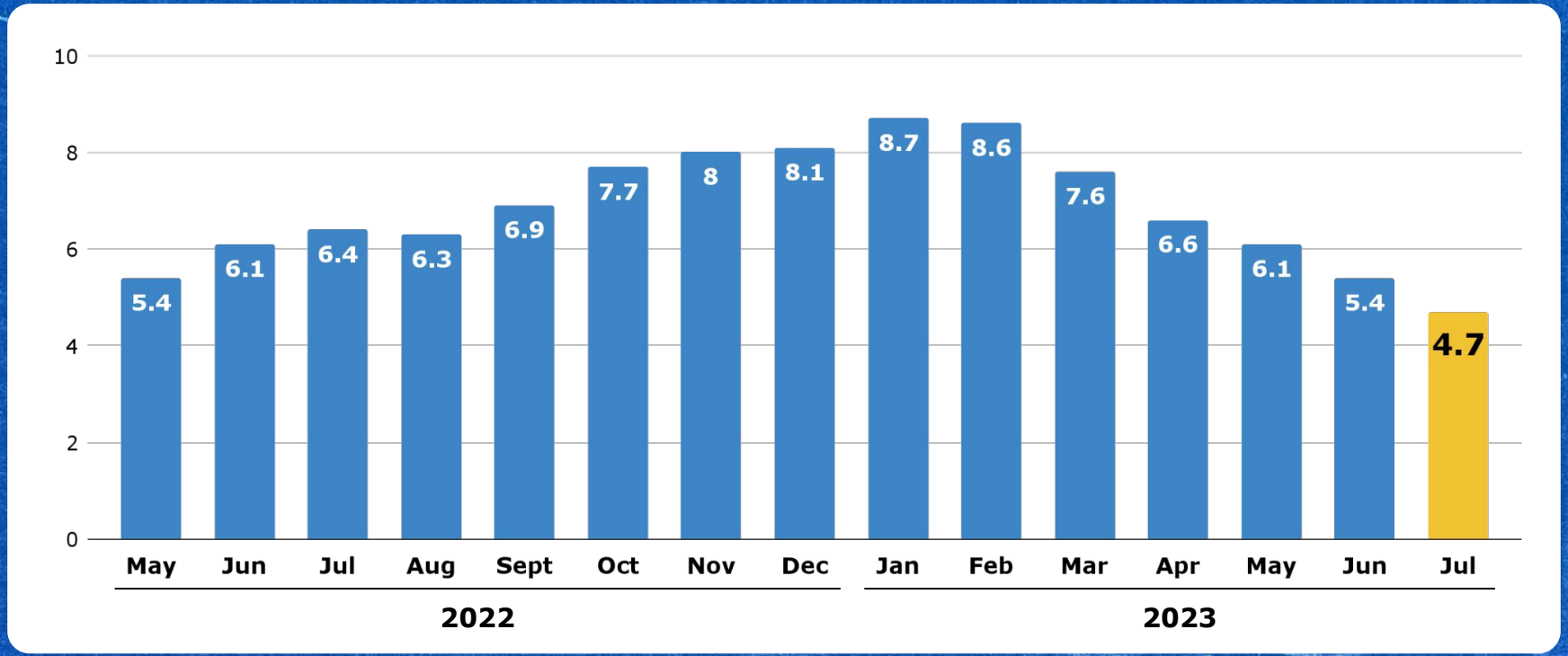
↑ **66.1%**
Labor force participation rate

**95.5%** ↑
Employment rate

↓ **12.0%**
Underemployment rate

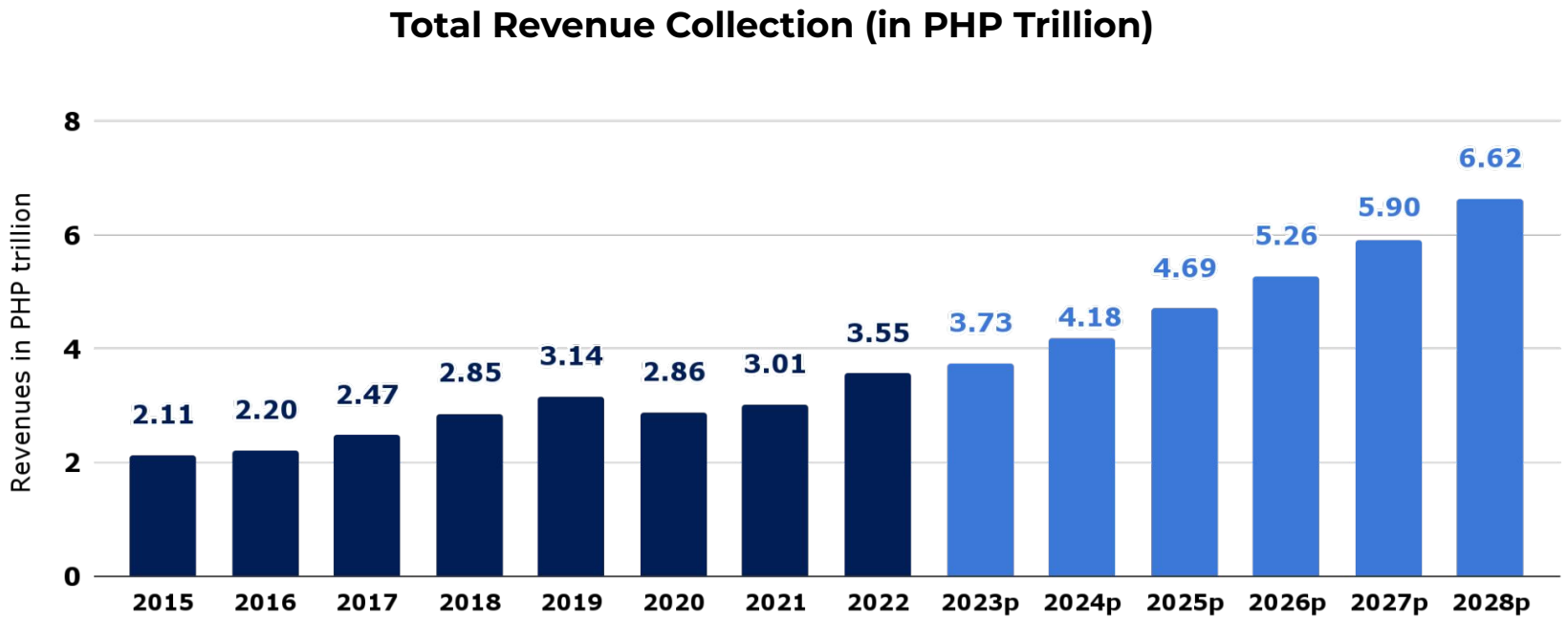
*Source: Philippine Statistics Authority*

# Headline inflation moderates to 4.7% in July, slowing down for 6th consecutive month




*Source: Philippine Statistics Authority*

# MEDIUM-TERM REVENUE PROGRAM




*Source: Revised Medium-Term Revenue Program, 185th DBCC Meeting on June 9, 2023*

# REVENUE COLLECTIONS REMAIN ROBUST

↑ **7.7%**

PHP 132.6 billion YoY

**PHP 1.9 trillion**

January-June 2023

# BUDGET DEFICIT NARROWS

## PHP 551.7B

H1 2023

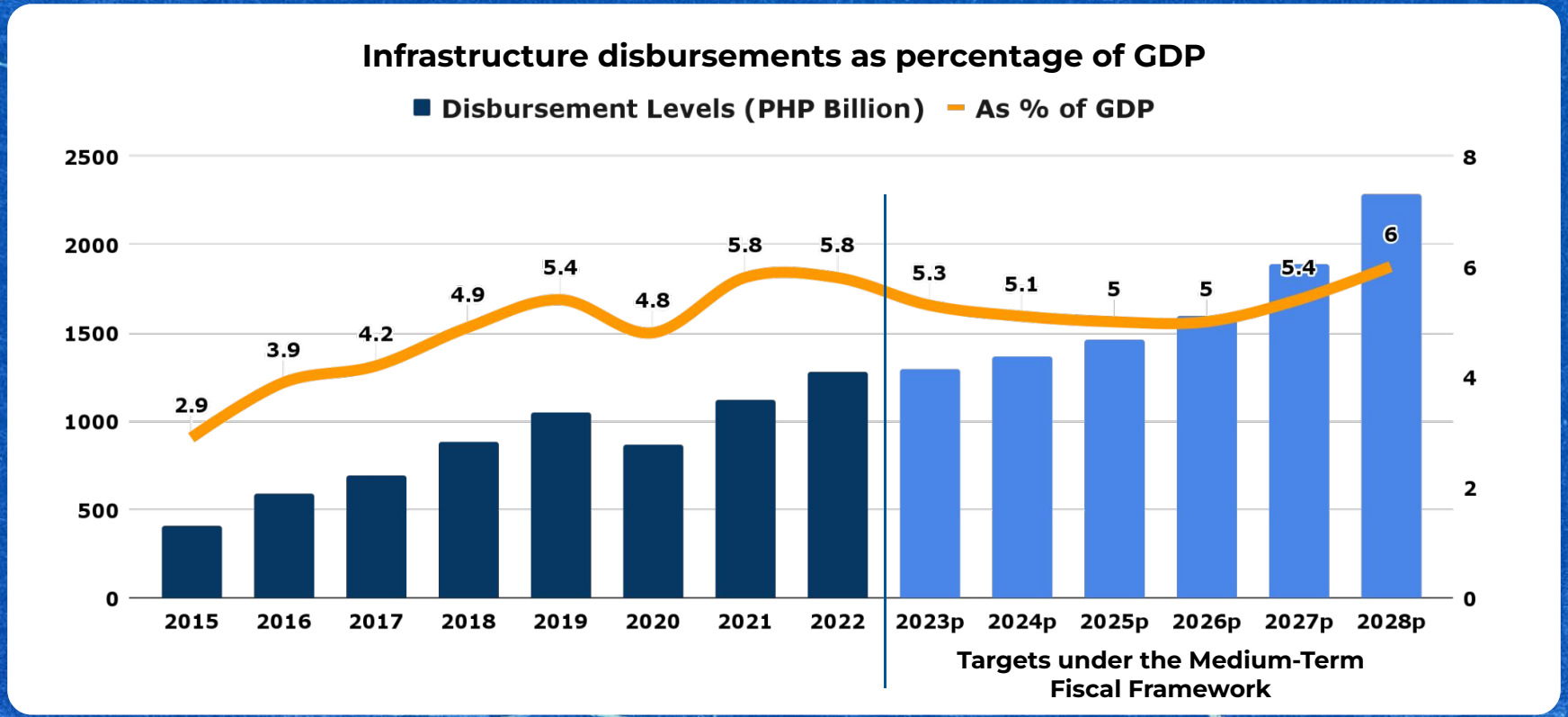
**18.17%**

vs H1 2022

**28.49%**

vs mid-year deficit program

# We are determined to lift infrastructure spending up to 5% to 6% of GDP




*Data Source: DBCC-approved Medium-Term Fiscal Program (184th DBCC Meeting on April 24, 2023)*

# 194 Infrastructure Flagship Projects worth PHP 8.3T, 76 located in Mindanao

- Irrigation
- Digital connectivity
- Water supply
- Health
- Flood management
- Power and energy
- Agriculture

# Big-ticket projects in Mindanao

Mindanao Railway Project

Samal Island-Davao City Connector Bridge

Davao City Expressway

Panguil Bay Bridge

Davao Public Transport Modernization Project

Bukidnon Airport

New Siargao Sayak Airport

New Zamboanga Airport

| 2022 | |
|---|---|
| International | Domestic |
| 2.7 million | 102 million |

| Foreign Visitor Arrivals | |
|---|---|
| Full-year 2023 target | 4.8 million |
| As of July 21, 2023 | 3 million |

# Structural reforms to attract highly-desirable investments and employment opportunities

Corporate Recovery and Tax Incentives for Enterprises Act

Amendments to the Foreign Investments Act

Amendments to the Retail Trade Liberalization Act

Amendments to the Public Service Act

Revised Renewable Energy Act IRR

# The Energy Transition and Responsible Mining

> The need to decarbonise the energy sector is driving a global energy transition in the form of a major structural shift toward cleaner and more efficient forms of energy.

***United Nations***

*Source: The Energy Transition and Extractive Industries Development in the Asia-Pacific Region, A United Nations Roundtable*

# We are working with international development partners on PAPs in key sectors in Mindanao

- Economic reforms
- Food security
- Infrastructure
- Environment and social development
- Climate adaptation and mitigation
- Disaster resiliency and management
- Post-conflict rehabilitation
- Peace and development

# Charting a sustainable path to prosperity requires a whole-of-nation collaboration

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