



PILIPINAS CONFERENCE 2023

ECONOMIC OUTLOOK AND STRATEGIES FOR 2024

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SECRETARY OF FINANCE

November 22, 2023




The Philippines solidifies its position as one of the fastest-growing economies in Asia


Countries	Q3 2023 GDP <i>(in percent)</i>	Q1-Q3 2023 <i>(in percent)</i>
Philippines	5.9	5.5
Vietnam	5.3	4.2
Indonesia	4.9	5.1
China	4.9	5.2
Malaysia	3.3	3.9
Singapore	0.7	0.5

DEBT AND FISCAL METRICS

As of Q3 2023



	Q3 2022	Q2 2023	Q3 2023
Debt-to-GDP	63.6%	61.0%	60.2%
Deficit-to-GDP	6.45%	4.77%	5.71%



REVENUE COLLECTIONS ABOVE TARGET

↑ **6.8% YoY**

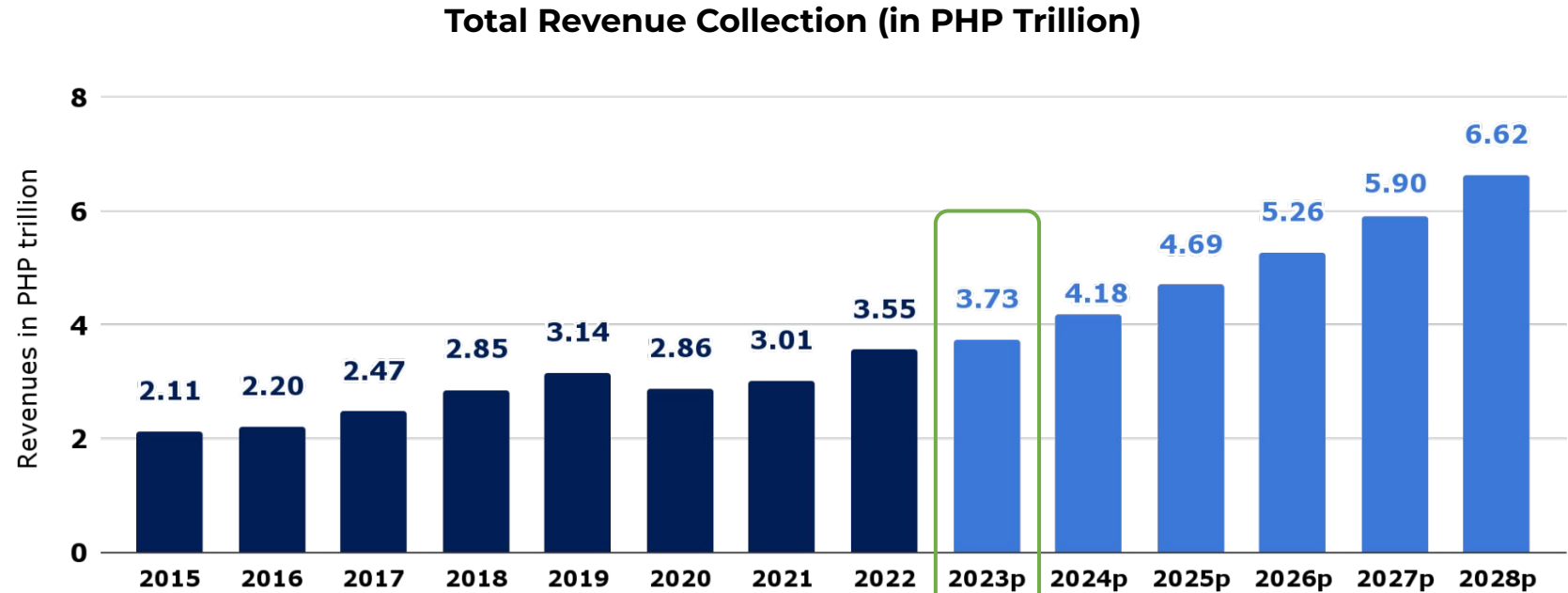
↑ **3.0 % vs PROGRAM**



PHP 2.8 trillion

January-September 2023

Emerging 2023 total revenue collection and revenue effort to surpass DBCC-approved levels



JOBS MARKET IS BRIGHT

September 2023 Employment Situation (year-on-year)

4.5% ↓

Unemployment rate

64.1% ↓

Labor force
participation rate

95.5% ↑

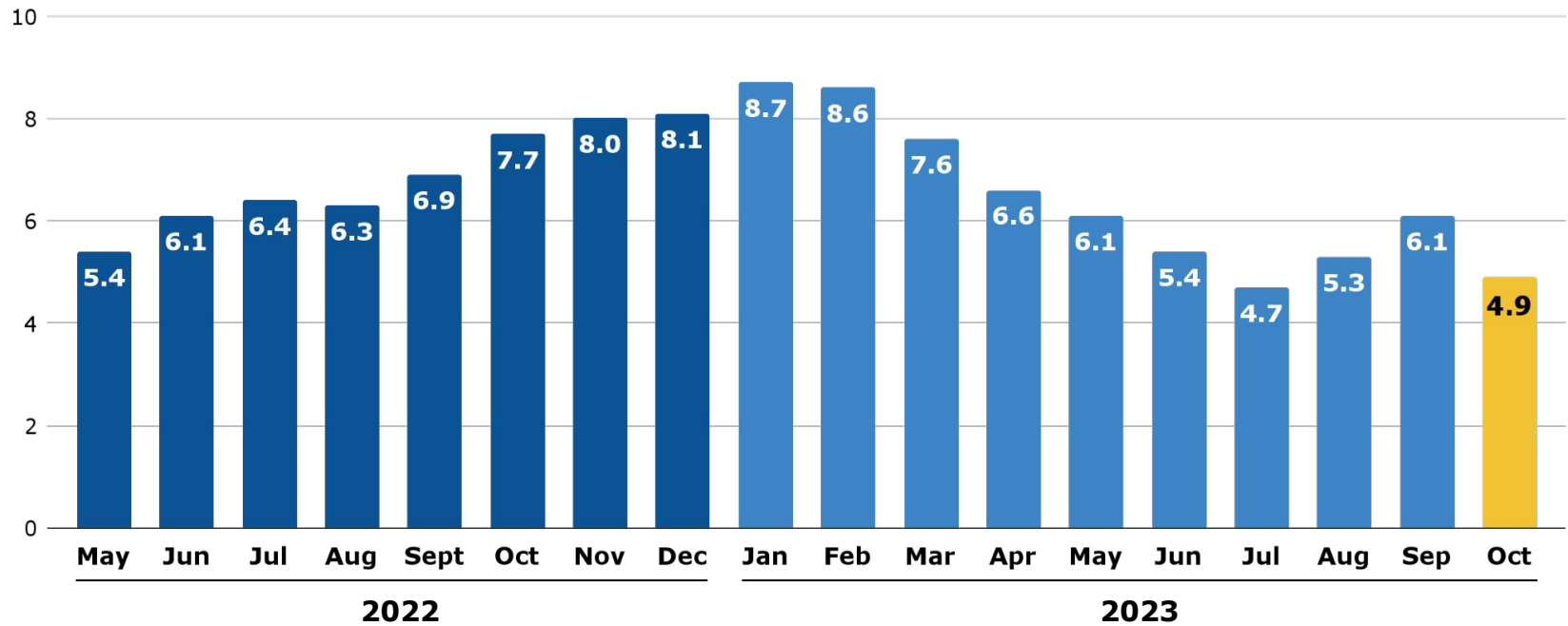
Employment rate

10.7% ↓


Underemployment rate



Headline inflation eased to 4.9% in October 2023



PHILIPPINE ECONOMIC OUTLOOK

 AMRO	Growth Projection	
	2023	2024
Brunei Darussalam	1.1	2.0
Cambodia	5.3	6.2
Indonesia	5.0	5.2
Lao PDR	4.8	5.0
Malaysia	4.2	5.2
Myanmar	2.2	2.8
Philippines	5.9	6.5
Singapore	1.0	2.9
Thailand	3.5	3.9
Vietnam	4.7	6.0

Source: ASEAN+3 Regional Economic Outlook, October 2023

 THE WORLD BANK	2023 Growth Forecast
Philippines	5.6
Cambodia	5.5
China	5.1
Mongolia	5.1
Indonesia	5.0
Vietnam	4.7
Malaysia	3.9
Lao PDR	3.7
Thailand	3.4
Myanmar	3.0

Source: World Bank East Asia and the Pacific Economic Update October 2023



Development Budget Coordination Committee Growth Assumptions

(in percent)

As of June 9, 2023

2023

6.0 - 7.0

2024-2028

6.5 - 8.0

DOF PRIORITY MEASURES

MEASURE	DESCRIPTION	HOUSE OF REPRESENTATIVES	SENATE
Real Property Valuation and Assessment Reform (Package 3)	Aims to promote the development of a just, equitable, and efficient real property valuation system. This will have a positive impact on revenue generation and resource mobilization performance of LGUs	Approved on third reading on December 12, 2022	Pending 2nd reading - Period of Interpellation
Passive Income and Financial Intermediaries Taxation (Package 4)	Aims to harmonize the taxation of passive income and financial intermediaries by reducing and simplifying tax rates on financial transactions	Approved on third reading on November 14, 2022	Pending in the Committee on Ways and Means since August 31, 2022
VAT on Digital Services	Seeks to level the playing field between and among traditional and digital enterprises	Approved on third reading on November 14, 2022	Pending in the Committee on Ways and Means (for Committee Report) since August 3, 2023

MEASURE	DESCRIPTION	HOUSE OF REPRESENTATIVES	SENATE
Tax on Sweetened Beverages and Junk Foods	Imposes a new tax on junk foods, raises the levy and expands the tax base on sweetened beverages. These measures aim to curb excess consumption of unhealthy food items while generating revenues.	Tax on sweetened beverages: Pending in the Committee on Ways and Means since March 13, 2023 Tax on Junk Foods: No filed bill	No filed bill
Excise Tax on Single-Use Plastics	Proposes an excise tax of Php100/kg of plastics to discourage and reduce single-use plastic consumption	Approved on third reading on November 14, 2022	Pending in the Committee on Ways and Means since November 22, 2022
Motor Vehicle User's Charge	Proposes a unitary rate of PHP 1.40/kg of gross vehicle weight. This will generate significant revenues to fund investments in road quality enhancement and road safety	Pending in the Committee on Ways and Means since July 26, 2022	No filed bill
Rationalization of the mining fiscal regime	Aims to simplify the current mining fiscal regime and ensure that the government is able to collect its fair share of mining revenues.	Approved on 3rd Reading on September 25, 2023	No filed bill

With a brightening outlook and a strong array of revenue-enhancing reforms, the Philippine economy remains firmly on the path to recovery and progress.





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