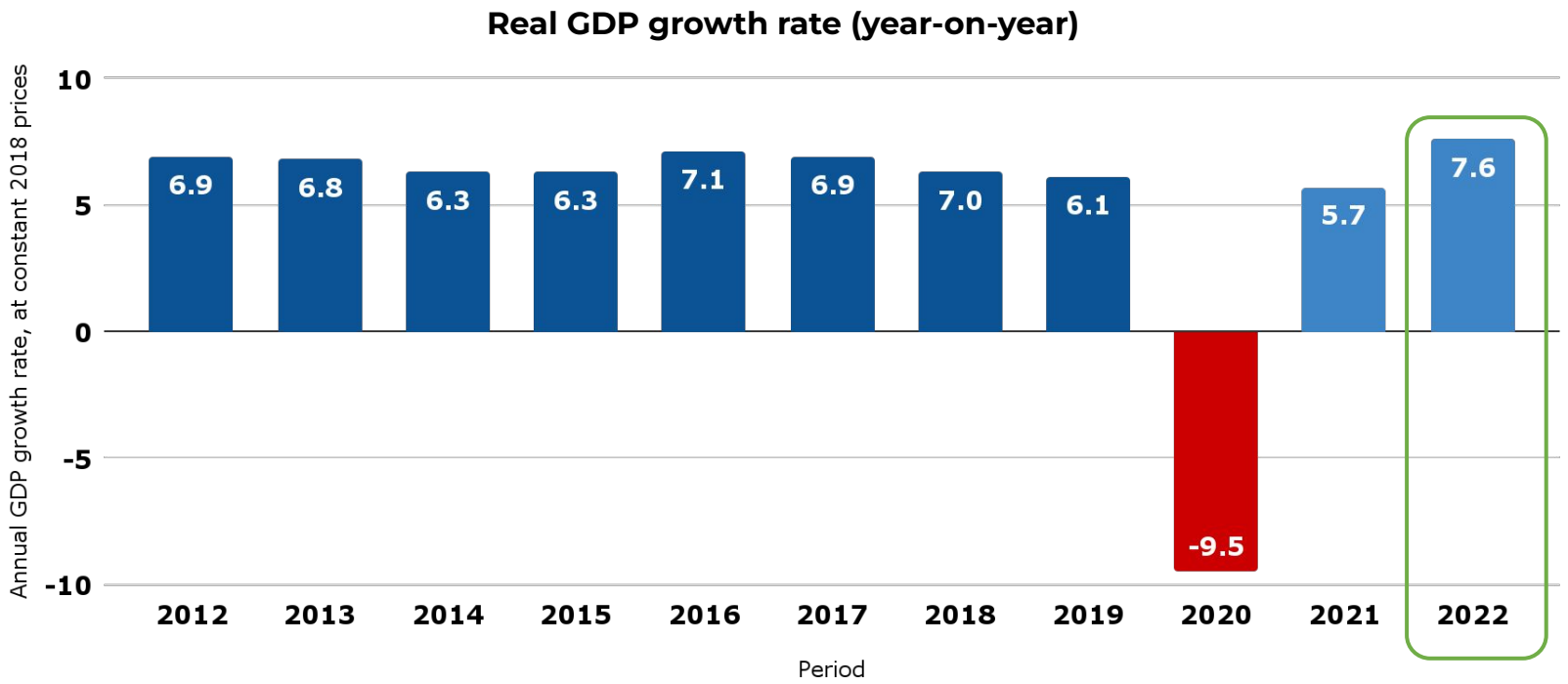
QATAR INVESTOR ROUNDTABLE

BENJAMIN E. DIOKNO
SECRETARY OF FINANCE

September 10, 2023

The Philippines registered its highest full-year GDP growth in 46 years



Source: Philippine Statistics Authority

2023 Real GDP growth rate *(in percent)*	
First quarter	6.4
Second quarter	4.3
First half	**5.3**

Development Budget Coordination Committee Growth Assumptions *(in percent)* *As of June 9, 2023*	
2023	6.0 - 7.0
2024-2028	6.5 - 8.0

Q1, Q2, and S1 2023 GDP growth of ASEAN-6 countries

Countries	Q1 2023 growth (in %)	Q2 2023 growth (in %)	S1 2023 growth (in %)
Singapore	0.4	0.5	0.45
Thailand	2.6	1.8	2.20
Vietnam	3.3	4.1	3.70
Malaysia	5.6	2.9	4.25
Indonesia	5.0	5.2	5.10
Philippines	**6.4**	**4.3**	**5.35**

PHILIPPINE ECONOMIC OUTLOOK

(in percent)

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.

PH MAINTAINS INVESTOR-GRADE CREDIT RATINGS

FitchRatings

Fitch Ratings

Affirmation of BBB rating, Revised Outlook from Negative to Stable (May 2023)

JCR
Japan Credit Rating Agency, Ltd.

Japan Credit Rating Agency

Affirmation of A- rating, Stable Outlook (March 2023)

S&P

S&P Global Ratings

Affirmation of BBB+, Stable Outlook (November 2022)

MOODY'S

Moody's

Affirmation of Baa2 rating, Stable Outlook (September 2022)

R&I

R&I

Affirmation of BBB+ rating, Revised Outlook from Stable to Positive (August 2023)

JOBS MARKET IS BRIGHT

July 2023 Employment Situation (year-on-year)

4.8% ↓
Unemployment rate

↓ **60.1%**
Labor force participation rate

95.2% ↑
Employment rate

↑ **15.9%**
Underemployment rate

Source: Philippine Statistics Authority

BUSINESS ENVIRONMENT OPEN TO FOREIGN PLAYERS

Amendments to the Foreign Investments Act

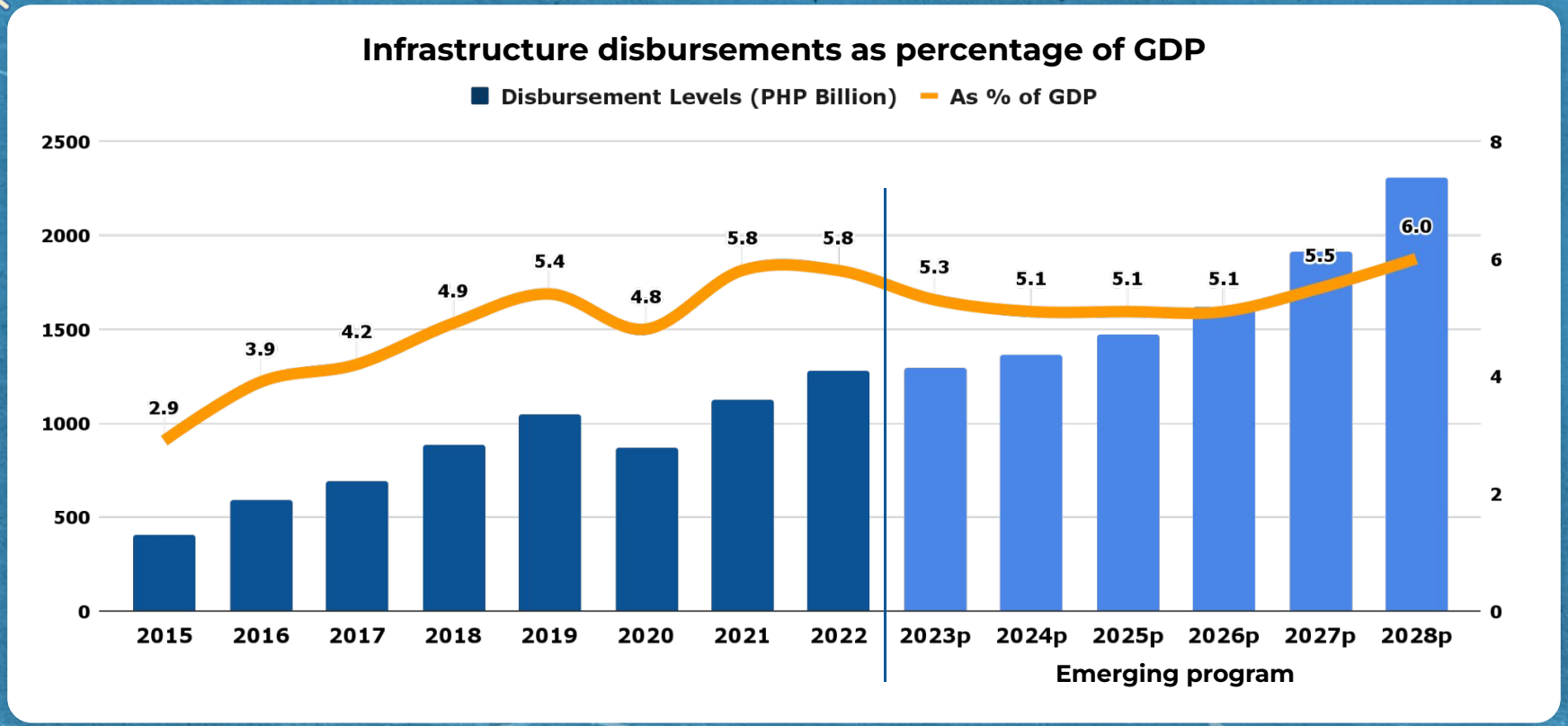
Amendments to the Public Service Act

Amendments to the Retail Trade Liberalization Act

Amendment to the Renewable Energy Act IRR

The Philippines is employing diverse and innovative financing solutions to support the administration's massive infrastructure drive

Adequate public investment in infrastructure is required to boost productivity and growth



Source: Medium-Term Fiscal Program FY 2023-2028, approved by the DBCC in July 2023 through ad referendum

197 Infrastructure Flagship Projects worth approximately USD 156 billion

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

Effective **public-private partnerships (PPPs)** boost infrastructure development without sacrificing fiscal space

This requires a **stable and predictable** PPP policy environment

We are building a fertile business and investment ecosystem for public-private partnerships

Revised IRR of Build-Operate-Transfer Law

Revised ICC Guidelines

Public-Private Partnership Act

Revised NEDA Joint Venture Guidelines

Of the 197 Infrastructure Projects, 39 will be undertaken through Public-Private Partnerships

PHYSICAL CONNECTIVITY

Cavite-Laguna Expressway Project

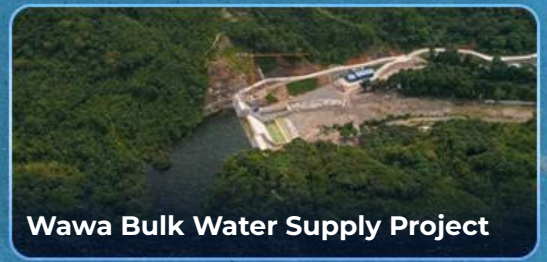
Metro Manila Subway Project

New Manila International Airport Project

HEALTH

UP-PGH Diliman Project

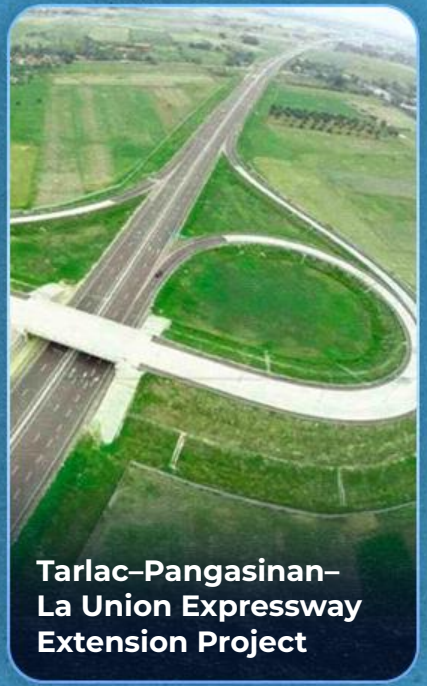
WATER RESOURCES



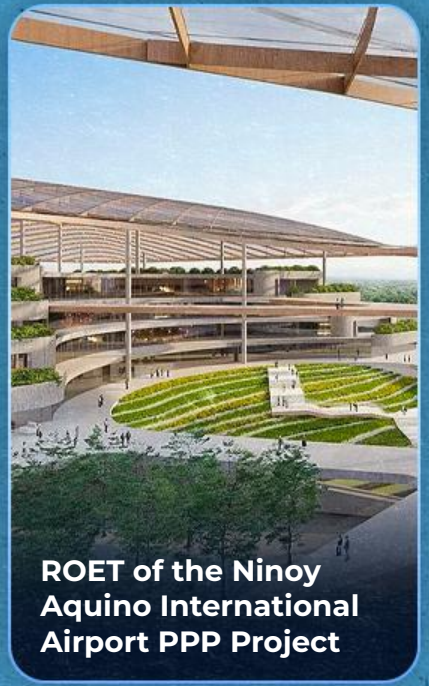
Wawa Bulk Water Supply Project

APPROVED PPP PROJECTS

UP-PGH Cancer Center PPP Project



Tarlac–Pangasinan–La Union Expressway Extension Project



ROET of the Ninoy Aquino International Airport PPP Project

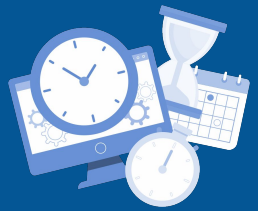
Laguindingan International Airport Maintenance

CREATE reformed the corporate tax structure and fiscal incentives system to support strategically important industries and projects

Provides hefty corporate income tax rate cuts

Provides 10-ppt cut in the corporate income tax rate of domestic MSMEs (from 30 percent to 20 percent), and 5-ppt reduction (from 30 percent to 25 percent) for other corporations

Provides more flexibility in the grant of fiscal and non-fiscal incentives



Provides an enhanced incentives package that is performance-based, time-bound, targeted, and transparent

Incentivizes innovation, R&D, and advanced tech

Identifies priority industries, projects, and activities that can be granted fiscal incentives through the Strategic Investment Priority Plan

Strategic Investment Priority Plan
List of Priority Activities

TIER 1

- COVID-19 QUALIFIED ACTIVITIES
- AGRICULTURE, FISHERY, FORESTRY
- HEALTHCARE
- INNOVATION DRIVERS
- INCLUSIVE BUSINESS (IB) MODELS
- ENVIRONMENT
- ENERGY
- SPECIAL LAWS

TIER 2

- GREEN ECOSYSTEMS
- HEALTH-RELATED ACTIVITIES
- DEFENSE-RELATED ACTIVITIES
- INDUSTRIAL VALUE-CHAIN GAPS
- FOOD SECURITY-RELATED ACTIVITIES

TIER 3

- RAD ACTIVITIES ADOPTING ADVANCED DIGITAL PRODUCTION TECHNOLOGIES OF THE FOURTH INDUSTRIAL REVOLUTION
- HIGHLY TECHNICAL MANUFACTURING AND PRODUCTION OF INNOVATIVE PRODUCTS AND SERVICES
- ESTABLISHMENT OF INNOVATION SUPPORT FACILITIES

Other preferred activities include investments in activities, subject to the determination by the Board, supporting of programs that will generate employment opportunities outside of congested urban areas.

Executive Order No. 18

GREEN LANES FOR STRATEGIC INVESTMENTS

Mandates concerned agencies to establish a **"green lane" to expedite and streamline the process and requirements** for issuing permits and licenses, including resolving issues concerning strategic investments, **clearing the pathway to make the Philippines competitive with other Southeast Asian nations in attracting foreign direct investments**

MAHARLIKA INVESTMENT FUND

The Philippines' first-ever sovereign investment fund designed to serve as a vehicle for driving long-term economic development through increased investments in high-impact sectors

The Maharlika Investment Fund will support the administration's 8-point socioeconomic agenda and Philippine Development Plan 2023-2028

Attract direct equity investments from local and global funds

Accelerate the implementation of 197 infrastructure flagship projects

Co-financing and knowledge sharing with other sovereign wealth funds

Invest in emerging megatrends (digitalization, ESG, and healthcare)

The Philippines' moment has arrived. We look forward to exploring investment opportunities with the Middle East business community today.

QATAR INVESTOR ROUNDTABLE

BENJAMIN E. DIOKNO
SECRETARY OF FINANCE

September 10, 2023