

NO TAXES, NO INFRA



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SECRETARY OF FINANCE, REPUBLIC OF THE PHILIPPINES
REMARKS BEFORE THE FOUNDATION FOR ECONOMIC FREEDOM
JANUARY 25, 2017



Foundation for Economic Freedom



Further improve tax administration



**Raise the revenues required
to fund ambitious infra program**



Infrastructure gap

We cannot have a truly inclusive growth pattern until we are able to close the infrastructure gap

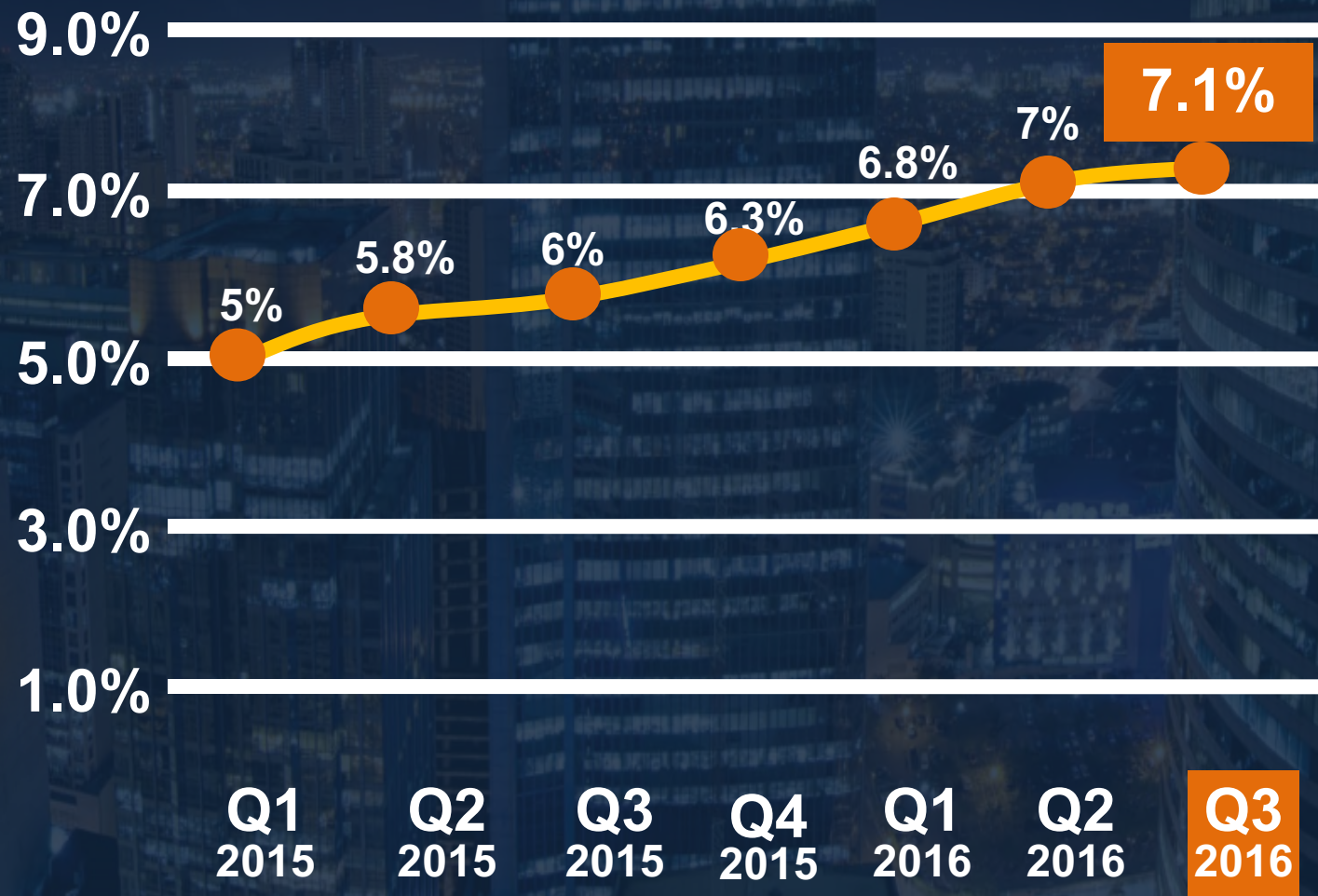


**Reduce the poverty rate to 14% of the population
by the end of the Duterte administration**



Bring the country to high middle-income status by 2040

PHILIPPINE GDP GROWTH RATE





**Rapidly modernize the agricultural sector
to relieve rural poverty**



Increase investments in infrastructure



**Open up more public-private
partnership projects**

We need to raise an additional:

P366 BILLION

Per year over the medium term to fund increased public investments in infra, education and public health



**Cut individual and corporate
income tax rates**

Bring income taxes from the top

32%

To a more reasonable

25%

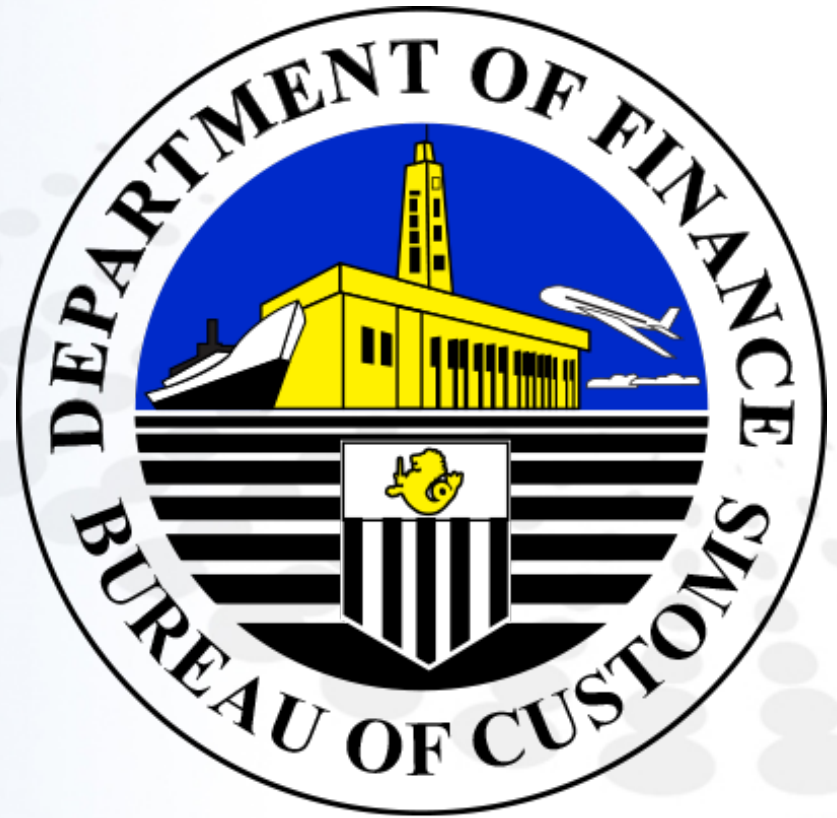


BIR's Large Taxpayer Unit monitors fewer than 3,000 taxpayers

A hand is holding a white calculator over a spreadsheet filled with numerical data. A large, bold, orange stamp with the text "NO VAT" is superimposed over the center of the image. The stamp has a thick, irregular border. The background shows a grid of numbers, some of which are highlighted in light blue. The calculator has several keys visible, including a red "ON" key and a white "+" key.

NO VAT

**Review and reduce
the exemptions to VAT**



**BIR and BOC are now yielding over 97%
of targeted collections**



**Congress to be a staunch partner in
reinventing our tax system**



A hand holding a pen is positioned over a calculator and a spreadsheet. The word "SIMPLER" is overlaid in large, bold, orange letters across the center of the image. The background is a dark blue overlay on a light blue background, showing a hand holding a pen over a calculator and a spreadsheet. The spreadsheet contains numerical data in columns and rows. The calculator is a standard desktop calculator with a display and various buttons. The overall scene suggests a focus on financial or data-related work.

SIMPLER

A hand holding a pen is positioned over a calculator and a spreadsheet. The calculator is on the right, and the spreadsheet is on the left. The word "FAIRER" is overlaid in large, white, bold letters across the center of the image. The background is a dark blue overlay.

FAIRER

**MORE
EFFICIENT**

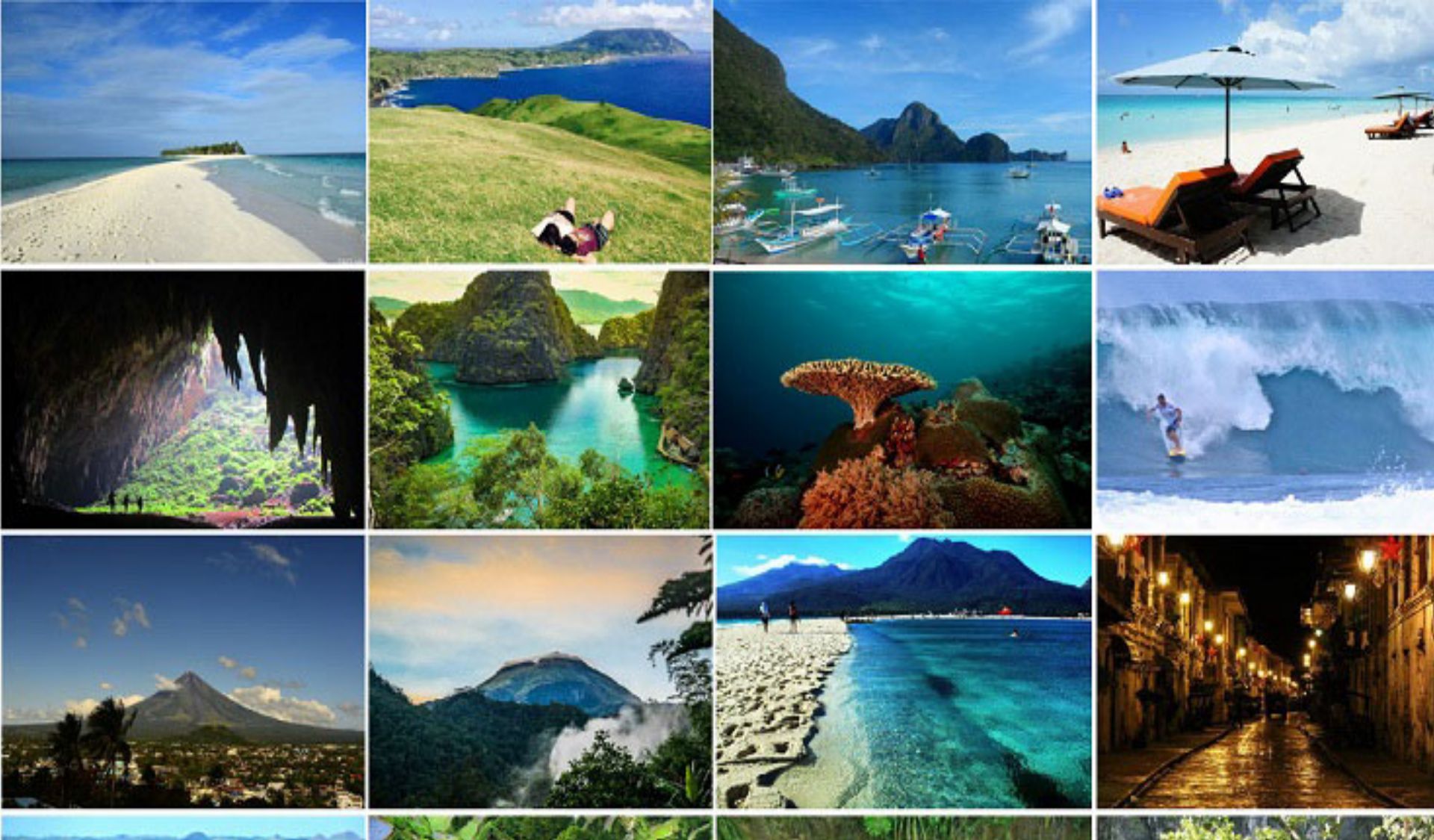
**Reforms in tax policy
will help complete our reforms
in tax administration**



**Millions of young Filipinos
will be joining the workforce**



Modernize and build new roads, railways and ports



**Build the necessary infra to feasibly
move tourists to our prime destinations**



**More power resources to support
an enlarged industrial base to compete capital**



**Bring in a cutting edge digital infrastructure
to expand the BPO sector**

**Unless we produce new revenues,
we cannot build the infra we need**

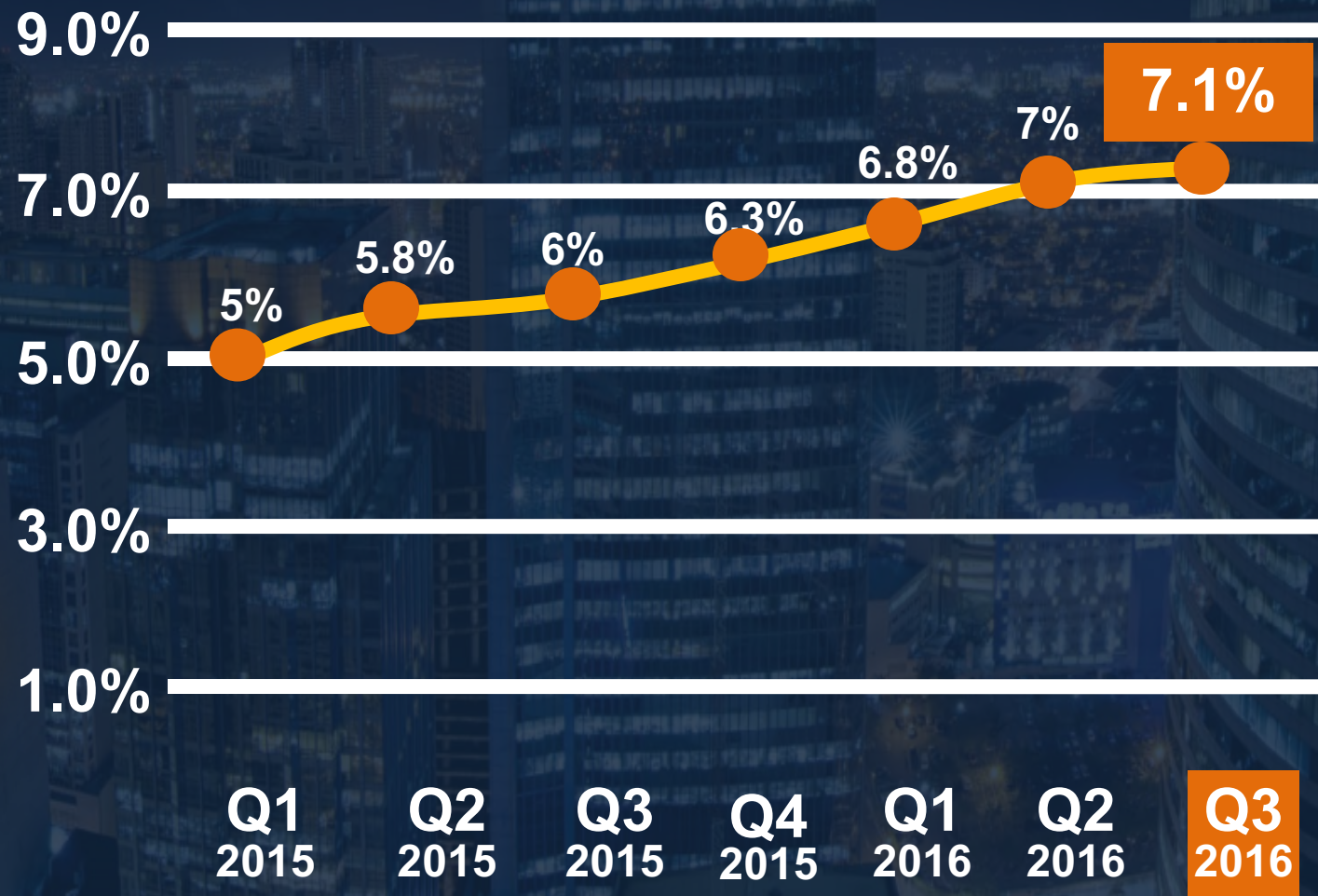
**This is the time for our country
to break out from low growth
and broad poverty**

The key is the tax reform package that will bring:

P800 BILLION

Additional revenues

PHILIPPINE GDP GROWTH RATE



It will make our economy a growth driver for the region and a model for the rest of the world

**“There is a tide in the affairs of men.
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life is bound
in shallows and miseries. On such a fool sea,
we are now afloat, and we must take the current
when it serves, or lose our ventures.”**

-William Shakespeare

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