SULONG PILIPINAS

YOUTH PARTNERS FOR PROGRESS

WELCOME REMARKS

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Sulong Pilipinas E-Conference
May 14, 2020

“All sectors need to **come together** and **engage in dialogue** on reshaping public policy toward meeting the needs of Filipino families and businesses.”

1st Quarter Philippine GDP performance vs other ASEAN countries

Country	Q1 GDP growth (%)	Start of lockdown period
Singapore	-2.2	“Circuit breaker” measures started April 7; extended to June 1
Philippines	**-0.2**	**NCR and Cainta community quarantine started on March 15** **Luzon enhanced community quarantine started on March 17**
Thailand	Negative*	“Broad lockdown” started March 25
Malaysia	2.2**	Nationwide movement control order started March 18
Indonesia	3.0	Area-specific lockdowns, with the earliest imposed on April 10
Vietnam	3.8	“National isolation” (stay-at-home order) started March 31

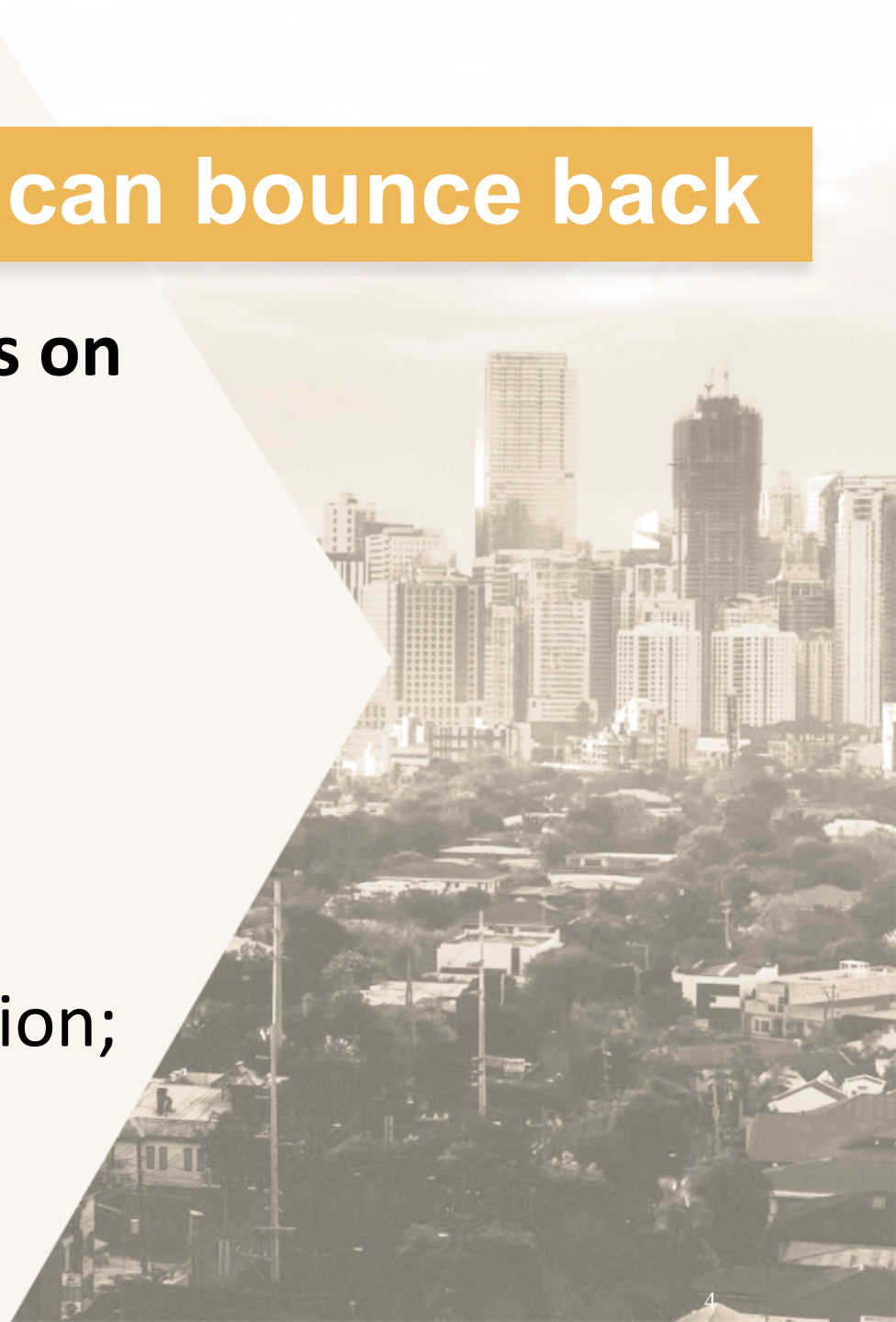
*according to Bank of Thailand (BOT), no specific number declared yet
**forecast

The economy is resilient, and can bounce back

- Global experts have advised **not to focus on quarterly GDP performance** during this crisis.

- The most important actions are **fundamental reforms** and **conservative economic management**.

- Philippine debt is the smallest in the region; our reserves are at an all-time high, and resilience indicators remain very strong.

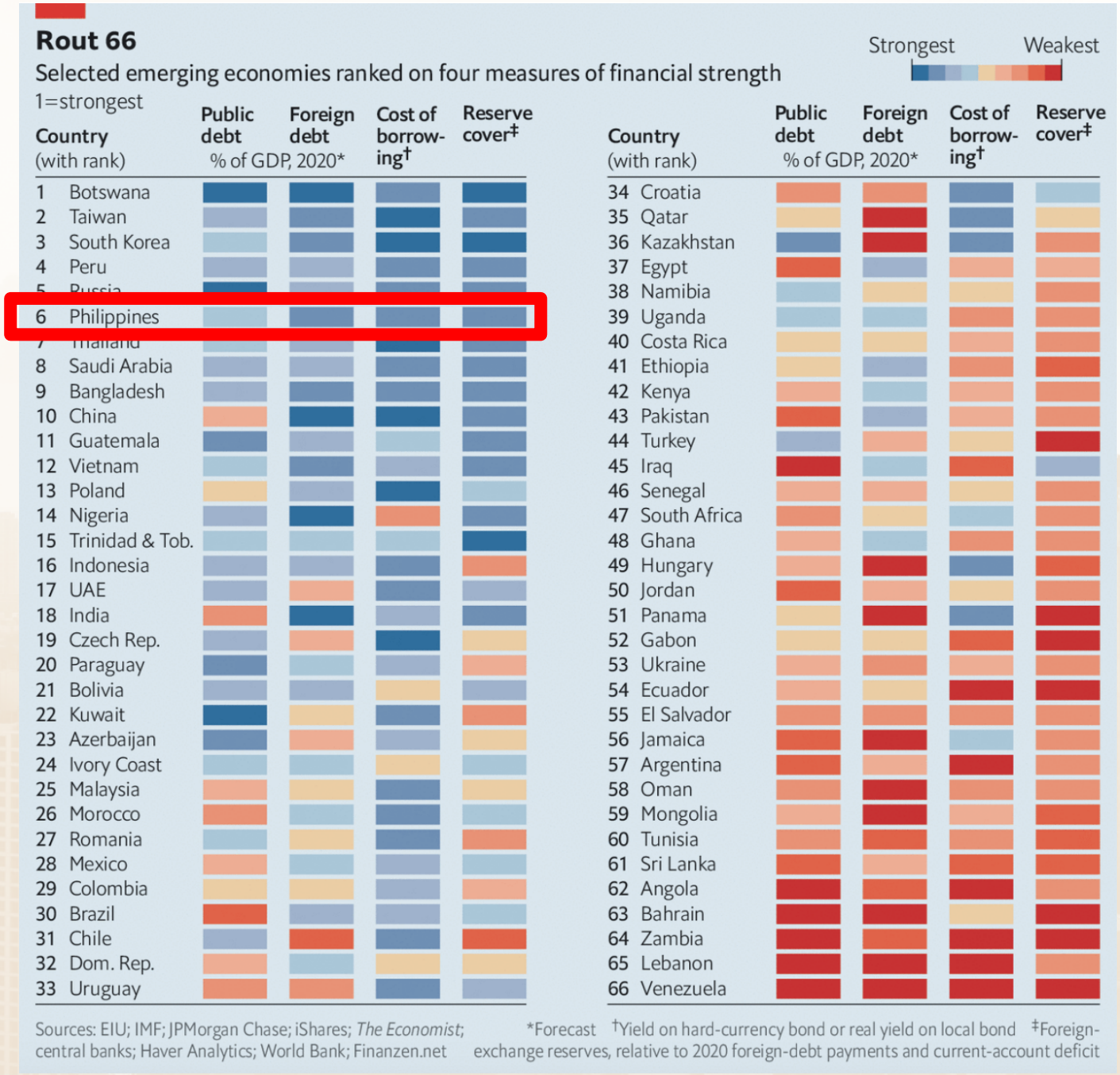


The economy is resilient, and can bounce back

- **Conservative economic policies and the pursuit of economic reforms (such as TRAIN and other tax reforms) have kept the country's financial position strong.**
  - Lowest recorded debt-to-GDP ratio of 39.6% in 2019
  - Credit rating of BBB+ is the highest in our country's history and one notch below the A-rating category.
  - Hefty reserves at USD 89 billion as of March 2020 is the highest recorded so far, and can cover close to 8 months of imports.

- **Rice tariffication has kept inflation stable.**
  - April 2020 inflation at 2.2% is well within target range of 2% to 4%.

On April 30, *The Economist* ranked the Philippines' financial strength 6th among 66 emerging economies.



Government has put in place measures and programs to provide economic relief to people and sectors

- **Social Amelioration Program** - the largest social protection program in the country's history, targeted to 18 million low-income, informal sector households.

- **Small Business Wage Subsidy Program (SBWS)** - wage subsidies for 3.4 million employees of small businesses whose operations have been disrupted because of the enhanced community quarantine.

Options for reviving the economy

1. **Restart and accelerate the Build, Build, Build program**, subject to minimum health standards.

2. **Mass hiring of contact tracers** to lower the peak of COVID-19 infections and provide jobs.

3. **Attract foreign investors** to relocate from other countries; **pass the CITIRA bill** that will include flexible incentives.

Options for reviving the economy

4. Stimulate consumer spending by **reviving manufacturing of products** that have strong, inelastic demand, **especially food production and logistics.**

5. **Support the whole value chain** of these products, including food markets for efficient distribution of produce (e.g., fruit and vegetable markets in Japan)

Sulong Pilipinas allows us to engage and build collaborative relationships with all sectors of society

- Participation and collaboration have always been at the heart of these consultative workshops since we first launched this series in 2016.

- Top recommendations from past Sulong events:
  - Build, Build, Build
  - National ID system
  - Comprehensive Tax Reform Program
  - Ease of Doing Business
  - Universal Health Care and Sin Taxes

We are fortunate to see such strong engagement from the youth.

- Last year, we held our very first youth-focused **Sulong Pilipinas: 2019 Students' Tax Convention and Youth Consultative Workshop.**

- Around 500 participants from over 40 universities and colleges participated.

Thank you!

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