



University of the Philippines School of Economics (UPSE) Program in Development Economics (PDE) Alumni Reunion

*A Conversation with Finance and Budget Managers
on Financing Sustained Economic Growth*

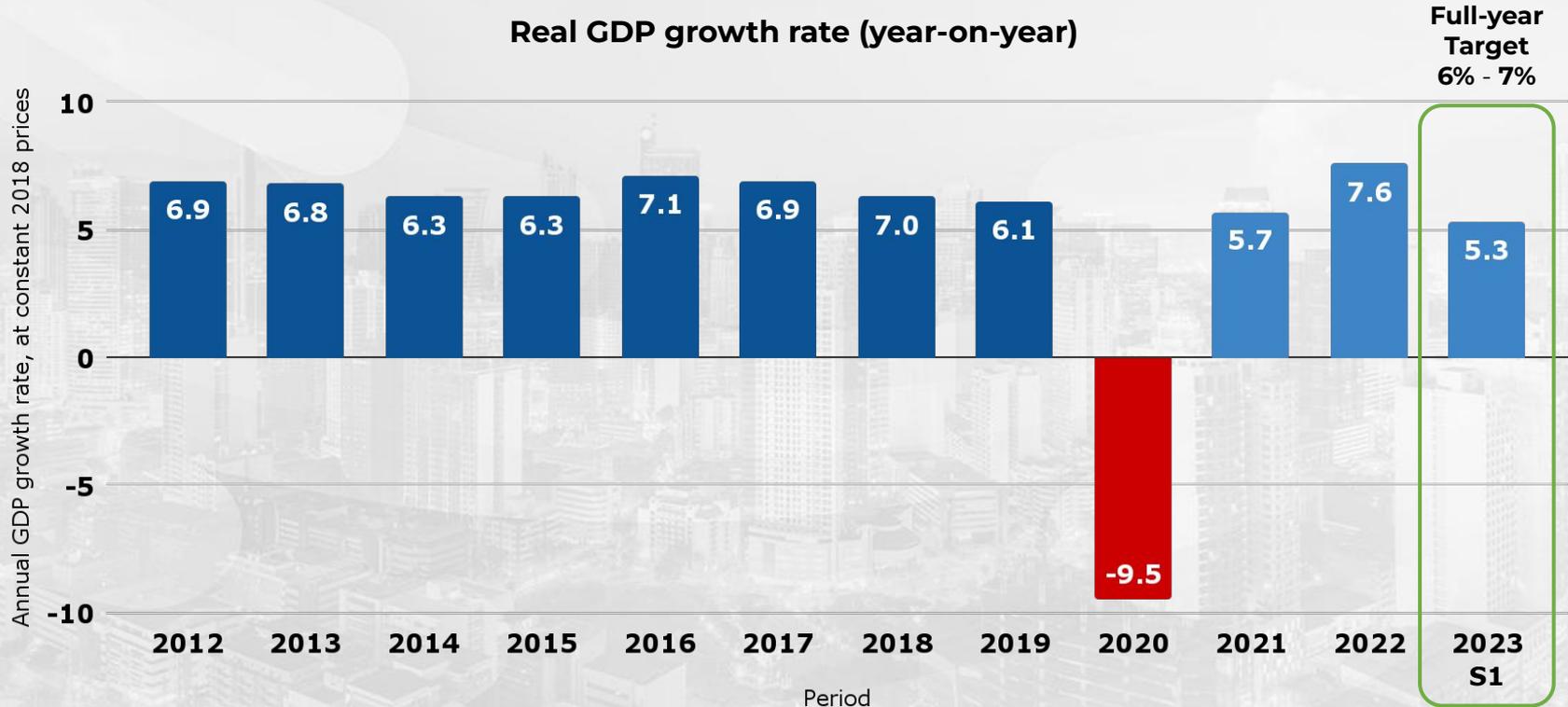
August 19, 2023



UNIVERSITY OF THE PHILIPPINES
SCHOOL OF ECONOMICS

Program in Development Economics

The Philippines is on track to achieve its full-year growth target for 2023





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

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.

PH MAINTAINS INVESTOR-GRADE CREDIT RATINGS



FitchRatings

Fitch Ratings

Affirmation
of BBB rating,
Stable Outlook
(May 2023)



**Japan Credit
Rating
Agency**

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



**S&P Global
Ratings**

Affirmation
of BBB+,
Stable Outlook
(November
2022)



MOODY'S

Moody's

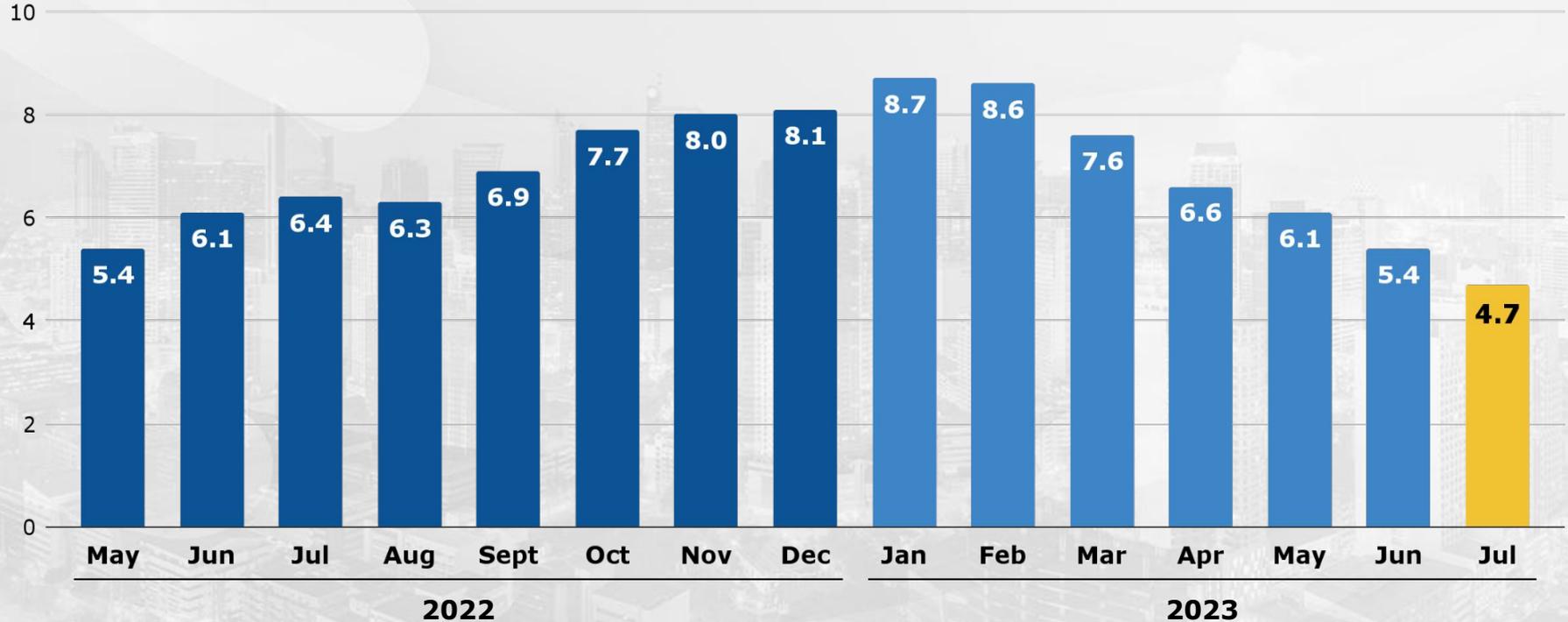
Affirmation
of Baa2 rating,
Stable Outlook
(September
2022)



R&I

Affirmation
of BBB+ rating,
Positive
Outlook
(August 2023)

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



LABOR MARKET IS ON THE MEND

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



HIGH-IMPACT INVESTMENT AREAS



Infrastructure



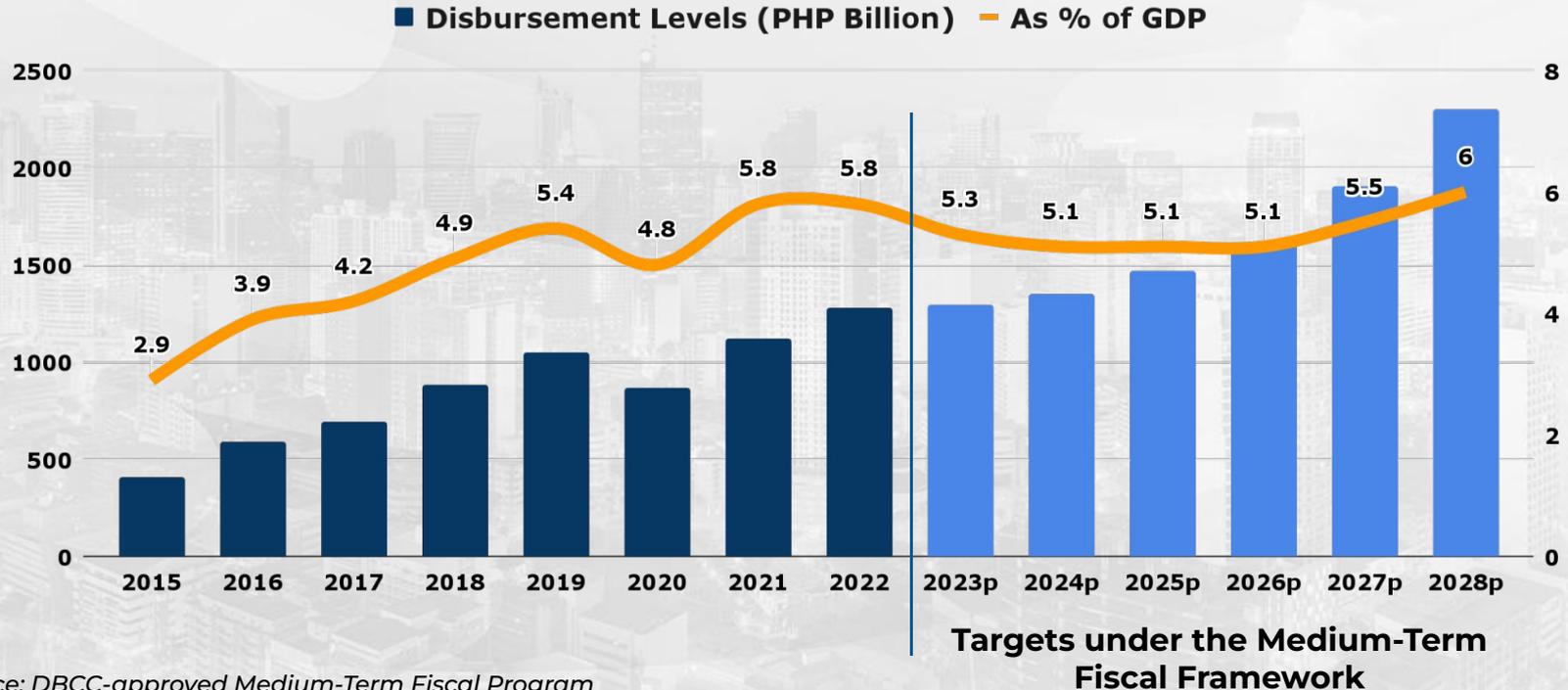
Education



Digitalization

We are determined to reverse the Philippines' years-long underinvestment in infrastructure

Infrastructure disbursements as percentage of GDP



Data Source: DBCC-approved Medium-Term Fiscal Program (185th DBCC Meeting on June 9, 2023)

We are building an enabling ecosystem for public-private partnerships to flourish

Revised IRR of
Build-Operate-
Transfer Law



Revised ICC
Guidelines



Public-Private
Partnership Act



Revised NEDA
Joint Venture
Guidelines



APPROVED PPP PROJECTS



PHILIPPINE DEVELOPMENT PLAN 2023-2028



MATATAG, MAGINHAWA AT PANATAG NA BUHAY



ECONOMIC AND SOCIAL TRANSFORMATION FOR A PROSPEROUS, INCLUSIVE, AND RESILIENT SOCIETY

DEVELOP AND PROTECT CAPABILITIES OF INDIVIDUALS AND FAMILIES



PROMOTE HUMAN AND SOCIAL DEVELOPMENT

BOOST HEALTH
IMPROVE EDUCATION AND LIFELONG LEARNING
ESTABLISH LIVABLE COMMUNITIES



REDUCE VULNERABILITIES AND PROTECT PURCHASING POWER

ENSURE FOOD SECURITY AND PROPER NUTRITION
STRENGTHEN SOCIAL PROTECTION



INCREASE INCOME-EARNING ABILITY

INCREASE EMPLOYABILITY
EXPAND EMPLOYMENT OPPORTUNITIES
ACHIEVE SHARED LABOR MARKET GOVERNANCE

TRANSFORM PRODUCTION SECTORS TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS



MODERNIZE AGRICULTURE AND AGRI-BUSINESS



REVITALIZE INDUSTRY



REINVIGORATE SERVICES

PROMOTE TRADE AND INVESTMENTS

ADVANCE R&D, TECHNOLOGY, AND INNOVATION

ENHANCE INTER-INDUSTRY LINKAGES

PROMOTE COMPETITION AND IMPROVE REGULATORY EFFICIENCY



PRACTICE GOOD GOVERNANCE AND IMPROVE BUREAUCRATIC EFFICIENCY



ENSURE MACROECONOMIC STABILITY AND EXPAND INCLUSIVE AND INNOVATIVE FINANCE



ENSURE PEACE AND SECURITY, AND ENHANCE ADMINISTRATION OF JUSTICE



EXPAND AND UPGRADE INFRASTRUCTURE



ACCELERATE CLIMATE ACTION AND STRENGTHEN DISASTER RESILIENCE

SCAN QR



8-POINT SOCIOECONOMIC AGENDA

ROBUST ECONOMY, INCLUSIVE, AND RESILIENT SOCIETY

PROTECT THE PURCHASING POWER OF FAMILIES



Ensure Food Security



Reduce Transport and Logistic Cost



Reduce Energy Cost

REDUCE VULNERABILITY AND MITIGATE SCARRING FROM THE COVID-19 PANDEMIC



Tackle Health



Strengthen Social Protection



Address Learning Losses

ENSURE SOUND MACROECONOMIC FUNDAMENTALS



Improve Bureaucratic Efficiency



Ensure Sound Fiscal Management

CREATE MORE JOBS, QUALITY JOBS, GREEN JOBS



Promote Investments



Expand Digital Infrastructure



Improve Infrastructure



Encourage R&D and Innovation



Ensure Energy Security



Pursue a Green and Blue Economy



Increase Employability



Establish Livable and Sustainable Communities

NEAR-TERM AGENDA

MEDIUM-TERM AGENDA

MEDIUM-TERM FISCAL FRAMEWORK



Bring down the debt-to-GDP ratio to less than 60% by 2025

**As of S1 2023:
61.0% from 62.1%
in S1 2022**

**2023 FY target:
61.4%**



Reduce deficit-to-GDP ratio to 3.0% by 2028

**As of S1 2023:
4.8% from 6.5%
in S1 2022**

**2023 FY target:
6.1 %**



Maintain high investment in infrastructure at 5% to 6% of GDP annually

**As of S1 2023:
5.3% from 5.7%
in S1 2022**

**2023 FY target:
5.3%**

KEY REFORMS UNDER THE MTFF

TAX REFORMS

Measures identified in the MTFF



PACKAGE 4
OF CTRP



VAT ON DIGITAL
TRANSACTIONS



TAX ON PRE-MIXED
ALCOHOL AND VAPE



EXCISE TAX ON
SINGLE-USE
PLASTIC BAGS

Additional measures in support of the MTFF



RATIONALIZATION OF THE
MINING FISCAL REGIME



TAX ON SWEETENED
BEVERAGES



MOTOR VEHICLES
ROAD USERS TAX

OTHER PRIORITY MEASURES



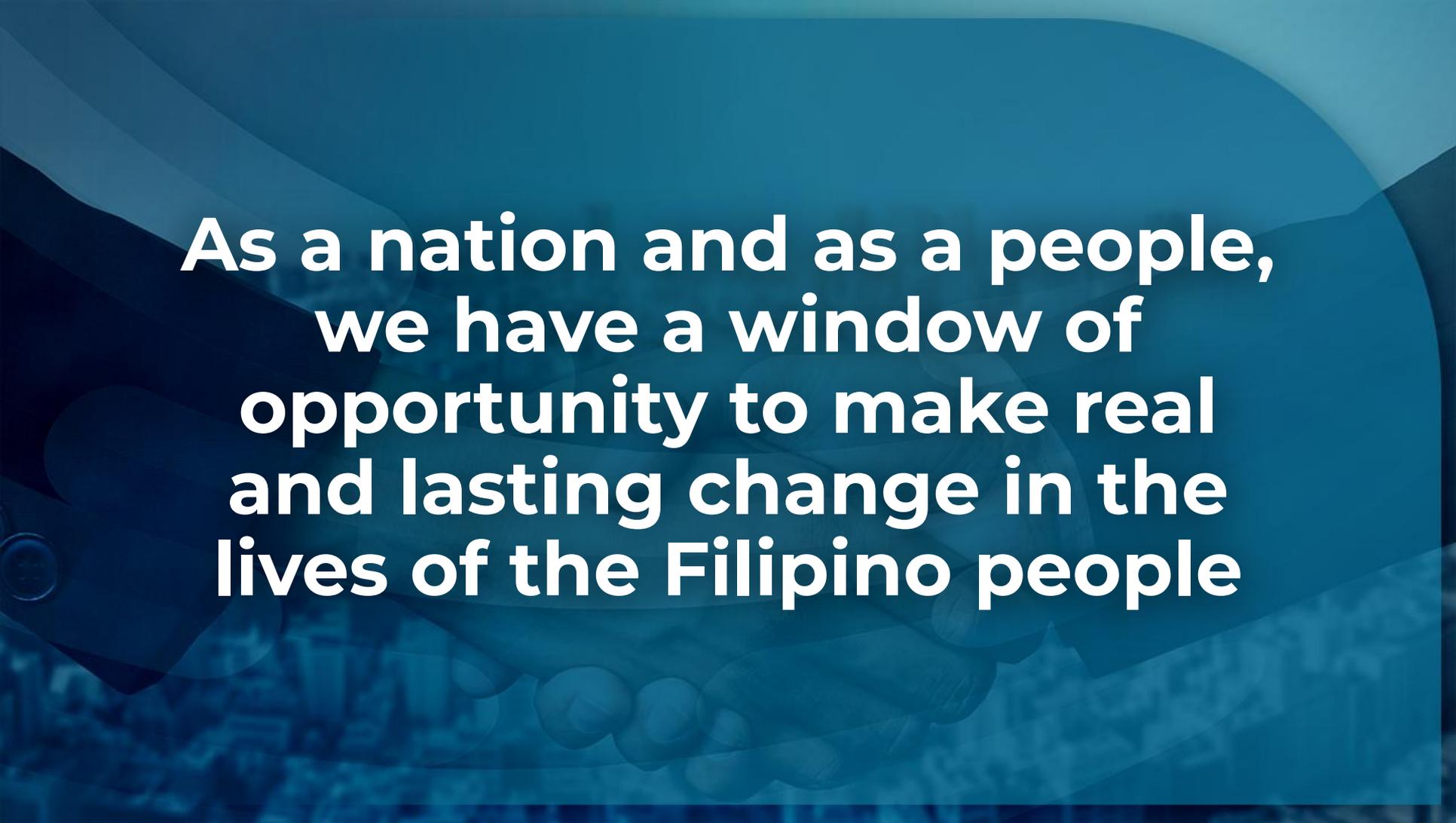
CAPITAL MARKET
DEVELOPMENT BILL



MILITARY AND UNIFORMED
PERSONNEL (MUP) PENSION
REFORM BILL



CARBON
TAXATION



**As a nation and as a people,
we have a window of
opportunity to make real
and lasting change in the
lives of the Filipino people**



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