



PHILIPPINE ECONOMIC BRIEFING ILOILO

BENJAMIN E. DIOKNO

SECRETARY OF FINANCE

December 11, 2023

The Philippines keeps its spot 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 IMPROVE YEAR-ON-YEAR

↑ **9.4%**

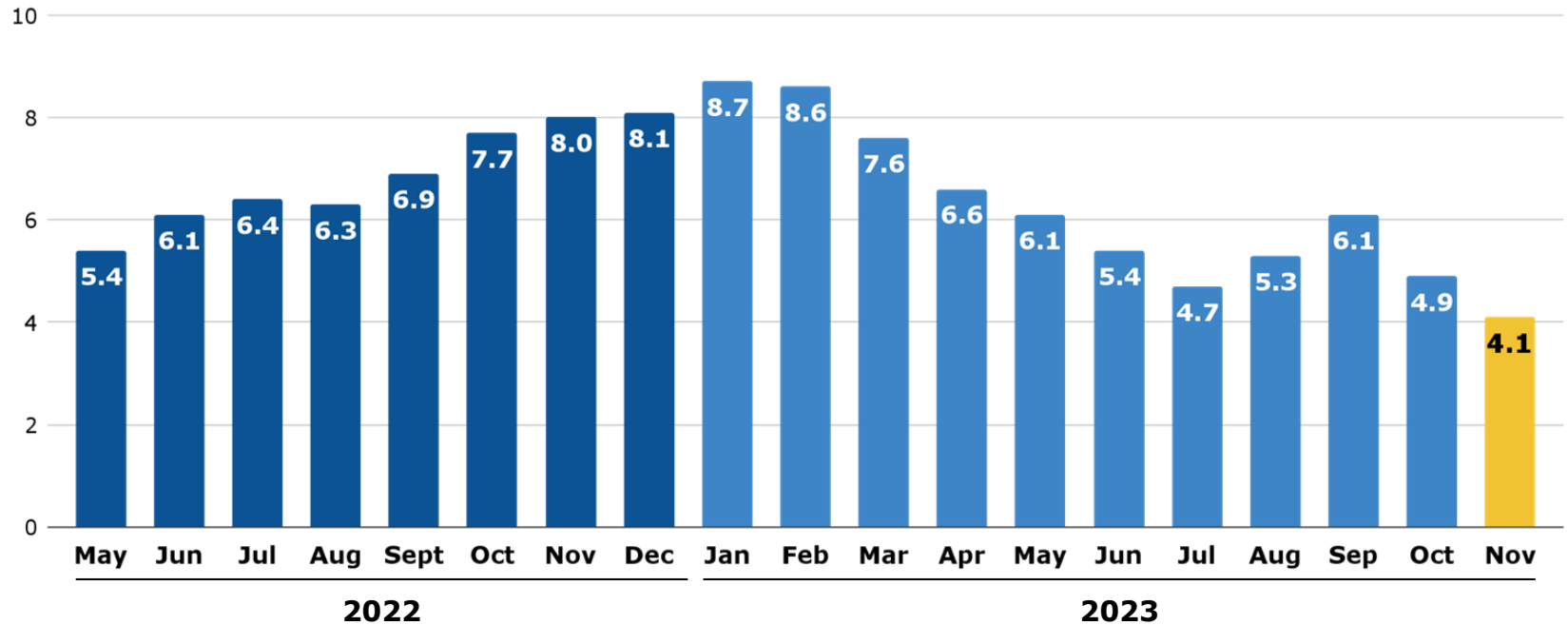
PHP 277.4 billion YoY



PHP 3.2 trillion

January-October 2023

Headline inflation moderates to 4.1% in November



IMPROVING LABOR MARKET CONDITIONS

October 2023 Employment Situation (YoY)

4.2% ↓

Unemployment rate

63.9% ↓

Labor force
participation rate

95.8% ↑

Employment rate

11.7% ↓

Underemployment rate



PH MAINTAINS INVESTOR-GRADE CREDIT RATINGS



FitchRatings

Fitch Ratings

Affirmation
of BBB rating,
Stable Outlook
(November 2023)



**S&P Global
Ratings**

Affirmation
of BBB+,
Stable Outlook
(November
2023)



R&I

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



**Japan Credit
Rating
Agency**


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

MOODY'S

Moody's

Affirmation
of Baa2 rating,
Stable Outlook
(September
2022)

PHILIPPINE ECONOMIC OUTLOOK

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

Source: *ASEAN+3 Regional Economic Outlook, October 2023*

 THE WORLD BANK	2023 Growth Forecast
	Philippines
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

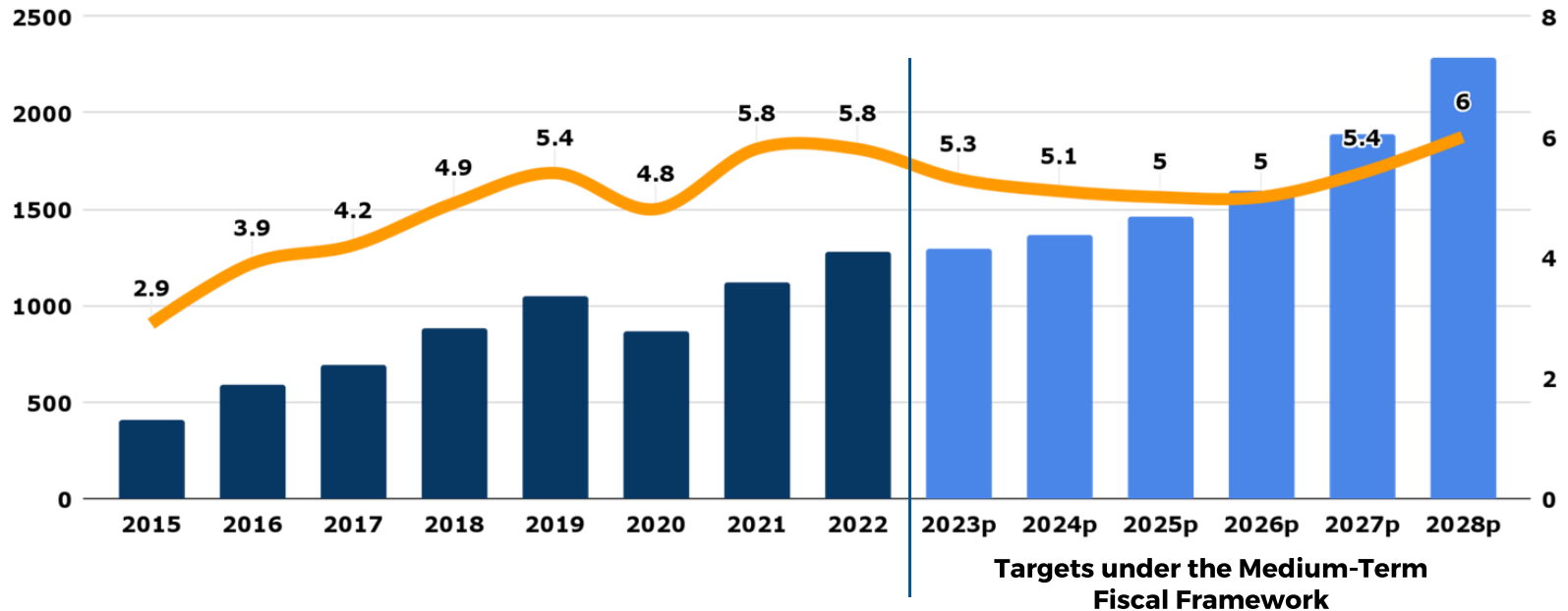
2024-2028

6.5 - 8.0

We are determined to lift infrastructure spending up to 5% to 6% of GDP

Infrastructure disbursements as percentage of GDP

■ Disbursement Levels (PHP Billion) — As % of GDP



We are rolling out 197 Infrastructure Flagship Projects (IFPs) under the Marcos Administration's *Build Better More* Program

Physical connectivity
121 projects
PHP 6,963.7 billion



Health
6 projects
PHP 131.2 billion



Water Resources
44 projects
PHP 831.7 billion



Digital Connectivity
5 projects
PHP 97.0 billion



Agriculture
15 projects
PHP 637.9 billion



Other Infrastructure
5 projects
PHP 42.7 billion



Power and Energy
1 project | PHP 10.2 billion



Infrastructure Flagship Projects in Iloilo and Panay



We adopted business-friendly policies to promote public-private partnerships

Revised IRR of Build-Operate-Transfer Law



Revised ICC Guidelines



Public-Private Partnership Code



Revised NEDA Joint Venture Guidelines



Structural reforms to attract highly-desirable investments and employment opportunities

**Corporate Recovery and
Tax Incentives for
Enterprises Act**



**Amendments to the
Foreign Investments Act**



**Amendments to the
Retail Trade
Liberalization Act**



**Amendments to the
Public Service Act**



Revised Renewable Energy Act IRR



KEY REFORMS UNDER THE MTFF

Tax Revenue Measures identified in the MTFF



**Packages
3 and 4 of CTRP**



**VAT on Digital
Service Providers**



**Tax on Pre-mixed
Alcohol**



**Excise Tax on
Single-Use Plastic Bags**

Additional measures in support of the MTFF



**Rationalization of the
Mining Fiscal Regime**



**Excise Taxes on Sweetened
Beverages and Junk Food**



**Motor Vehicles
Road Users Tax**

**We look forward to working
with all of you to unlock the full
economic potential of Iloilo and
the Philippines at large**





PHILIPPINE ECONOMIC BRIEFING ILOILO

BENJAMIN E. DIOKNO

SECRETARY OF FINANCE

December 11, 2023