

A vibrant, stylized illustration of San Francisco, California. The Golden Gate Bridge is the central focus, spanning across the city. In the foreground, a red cable car is visible on a street. The city skyline is filled with various skyscrapers, and the Transamerica Pyramid is prominent. The sky is a deep blue with a few white clouds and several white birds flying. The overall scene is bright and colorful.

PHILIPPINE ECONOMIC BRIEFING SAN FRANCISCO, CALIFORNIA

*Philippine Economy: Continuing a Strong Recovery amid
Economic Headwinds*

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The Medium-Term Fiscal Framework (MTFF) serves as our blueprint to achieve fiscal sustainability while promoting robust economic growth



Reduce the fiscal deficit

Bring down the deficit-to-GDP ratio to 3% by 2028



Promote fiscal sustainability

Reduce the debt-to-GDP ratio to less than 60% by 2025, then further down to 51% by 2028



Enable robust economic growth

With its high multiplier effects, sustain high infrastructure spending at 5% to 6% of GDP annually

The Economic Team commits to sound fiscal management through the Medium-Term Fiscal Program

NG Fiscal position and Medium-Term Fiscal Program
(in PHP billion unless otherwise indicated)

Outlook In % GDP	2023		2024 Program	2025 Program	2026 Program	2027 Program	2028 Program
	Actual (Jan-Sep)	Program					
Revenues	2,837.8	3,729.0	4,201.4	4,692.0	5,255.4	5,895.9	6,621.6
<i>as percent of GDP</i>	<i>16.5</i>	<i>15.2</i>	<i>15.9</i>	<i>16.2</i>	<i>16.6</i>	<i>16.9</i>	<i>17.3</i>
Disbursements	3,821.3	5,228.4	5,564.3	5,887.7	6,372.2	7,014.8	7,773.4
<i>as percent of GDP</i>	<i>22.2</i>	<i>21.3</i>	<i>21.0</i>	<i>20.3</i>	<i>20.1</i>	<i>20.2</i>	<i>20.4</i>
Deficit	(983.4)	(1,499.4)	(1,362.9)	(1,195.7)	(1,116.8)	(1,118.9)	(1,151.7)
<i>as percent of GDP</i>	<i>(5.7)</i>	<i>(6.1)</i>	<i>(5.1)</i>	<i>(4.1)</i>	<i>(3.5)</i>	<i>(3.2)</i>	<i>(3.0)</i>
Infrastructure Disbursements	1,021.0	1,292.7	1,365.2	1,470.0	1,617.7	1,916.0	2,303.3
<i>as percent of GDP</i>	<i>5.9</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.5</i>	<i>6.0</i>

Notes: a) Totals may not add up due to rounding. b) Figures in parentheses represent negative values.

Sources: BTr, DBM, DOF staff calculations, and 185th Development Budget Coordination Committee (DBCC) Ad Referendum as of 5 July 2023

The Economic Team commits to sound fiscal management through the Medium-Term Fiscal Program

Indicators In % GDP	Actual	DBCC Emerging Program/MTFF Targets					
	2023 (Jan-Sep)	2023	2024	2025	2026	2027	2028
Revenues	16.5	15.2	16.1	16.3	16.6	17.0	17.4
<i>MTFF target</i>		15.3	15.6	16.0	16.5	17.0	17.6
Disbursements	22.2	21.3	21.2	20.4	20.1	20.2	20.4
<i>MTFF target</i>		21.4	20.7	20.2	20.0	20.2	20.6
Fiscal Balance	(5.7)	(6.1)	(5.1)	(4.1)	(3.5)	(3.2)	(3.0)
<i>MTFF target</i>		(6.1)	(5.1)	(4.1)	(3.5)	(3.2)	(3.0)
NG Debt	60.2	61.4	60.2	58.5	56.7	53.6	51.2
<i>MTFF target</i>		61.2	60.0	58.3	56.6	53.4	51.1

Notes: a) Totals may not add up due to rounding. b) Figures in parentheses represent negative values.

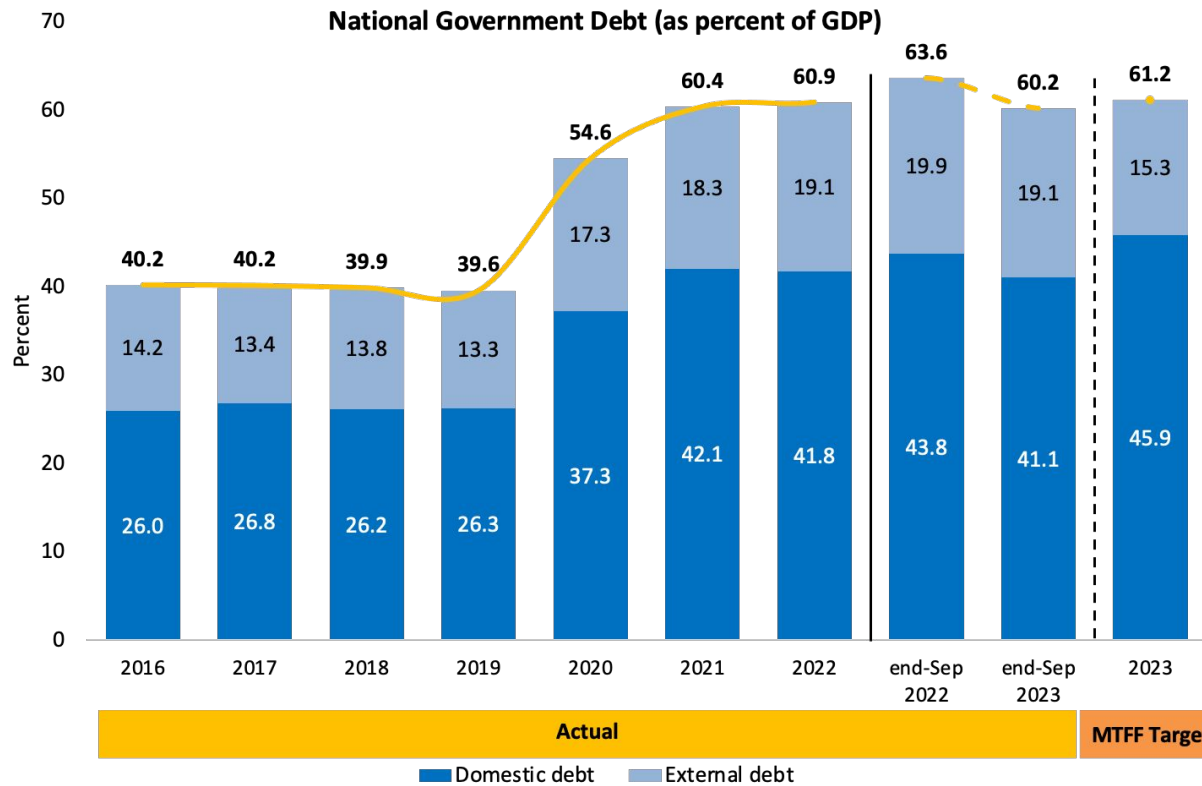
Sources: PSA, BTr, and DOF staff estimates

Program: 185th DBCC Ad Referendum as of 05 July 2023

Targets: Medium-Term Fiscal Framework

NG Debt based on BTr submission on 24 August 2022

The narrowing of the fiscal deficit during the post-pandemic led to stabilization of debt-to-GDP ratio



The DOF will continue its prudent debt management, prioritizing domestic financing to mitigate external vulnerabilities.

We will continue to work with Congress in pushing for key reforms crucial to accelerating economic development

Tax Revenue Measures identified in the MTFE



**Package 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 MTFE



**Rationalization of the Mining
Fiscal Regime**



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



**Motor Vehicles
Road Users Tax**

We will continue to work with Congress in pushing for key reforms crucial to accelerating economic development

Tax Administration Improvements



BIR's Digitalization Transformation (DX) Roadmap



BOC's Philippine Customs Program (PCMP)

Expenditure Reforms in the Pipeline



Progressive Budgeting for Better and Modernized (PBBM) Governance Bill



National Government Rightsizing Program



Military and Uniformed Personnel (MUP) Pension Reform Bill

The Maharlika Investment Fund (MIF) is Philippines' first-ever sovereign investment fund designed to promote economic development

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)

