



# Keynote Speech

## CHINABANK ECONOMIC BRIEFING

**RALPH G. RECTO**  
SECRETARY OF FINANCE

April 7, 2025  
Makati Shangrila

**The economy, at its core, is a matter of trust.**

**It is about the pact we make with each other: that when a Filipino dares to dream, there is a system strong enough to help him achieve it.**



**Chinabank has been a strong partner of the Filipino nation over the past 100 years.**

It has been an integral part of the Philippines' growth story, helping generations of Filipinos turn their aspirations into reality.

The image shows the exterior of a Chinabank branch at night. A large red sign with the bank's logo and name "Chinabank" is mounted above the glass entrance. The logo is a stylized white 'C' inside a square. The text "Chinabank" is in white, bold, sans-serif font. Below the sign, the glass entrance reflects the street and shows the interior of the bank. Inside, a woman in a red dress is seated on a red bench, and two staff members in blue uniforms are standing near a counter. The slogan "Focused on You" is visible on the glass. The background is a dark blue sky with a pattern of small white dots.

**Chinabank**

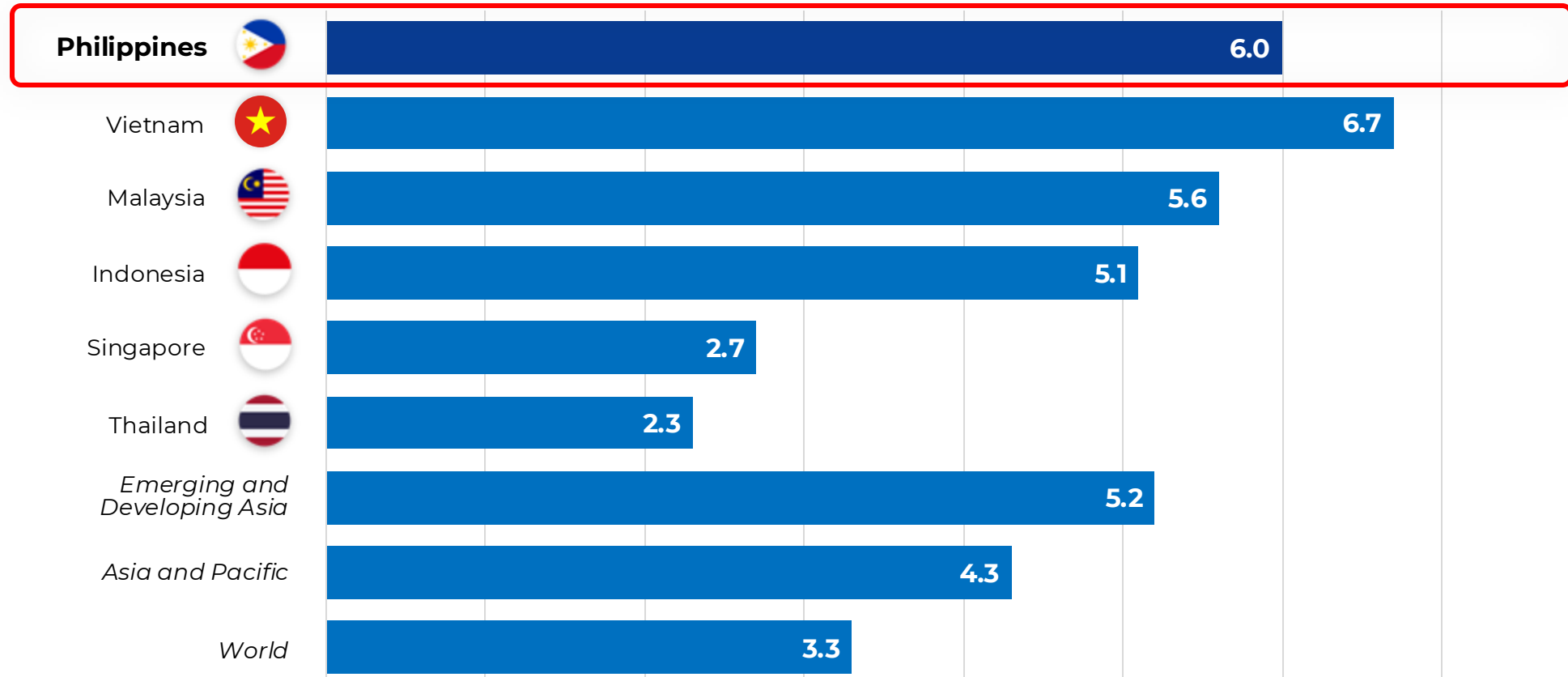
Focused  
on You

**Right now, the Philippines  
is at its **most promising**  
**economic momentum.****



# The Philippines is among the fastest-growing economies in the ASEAN region.

Real GDP Growth Performance of ASEAN in Q3 2022 – Q4 2024 (in %)



Sources: IMF WEO October 2024, January 2025

Note: Average of annual growth rates divided into nine quarters for the period Q3 2022-Q3 2024.

# Our refined Medium-Term Fiscal Program ensures that we have a solid fiscal and economic foundation.



**Reduce debt-to-GDP ratio and deficit-to-GDP ratio gradually in a realistic manner**

*(Debt: from 60.1% in 2023 to 56.3% in 2028)*

*(Deficit: from 6.2% in 2023 to 3.7% in 2028)*



**Create more and better jobs**



**Increase people's income**



**Reduce poverty rate to single-digit or 9% by 2028**

**2024 total revenues surpassed target at PHP 4.42 trillion, bringing revenue effort to 16.72% – the highest in the last 27 years.**

	2024	2023	Growth Rate
<b>Total Revenues</b>	↑ <b>PHP 4.42 trillion</b>	PHP 3.82 trillion	<b>+15.56%</b>
<b>Tax Revenues</b>	↑ <b>PHP 3.80 trillion</b>	PHP 3.43 trillion	<b>+10.83%</b>
<b>Non-tax Revenues</b>	↑ <b>PHP 618.30 billion</b>	PHP 394.80 billion	<b>+56.61%</b>



**Our steady progress in fiscal consolidation earned us credit rating and outlook upgrades.**



**BBB+**

**Positive Outlook**



**A-**

**Stable Outlook**

**These reflect robust investor confidence in the country's high economic growth, strong fiscal position, and promising outlook.**





# By 2030, the Philippines is expected to rise as the **13th largest consumer market in the world.**

The strong consumer demand (comprising 72% of the economy) is being supported by:



Reliable stream of remittances from overseas Filipinos  
*(USD 34.5 B in 2024)*



Increasing business process outsourcing revenues  
*(USD 38 B as of 2024)*



Hefty tourism receipts  
*(USD 9.7 B as of in 2024)*



Low and stable inflation  
*(1.8% as of March 2025)* that prompted policy rate cuts of 75 bps in 2024



Lowest ever unemployment rate in 2024 of 3.8%; surpasses the target of 4% - 5% by 2028

# The Philippines boasts the most favorable demographics, with a median age of just 25 years old.

## Median Age of Select Countries

	Japan	49.0		Brunei	31.8
	Europe	42.2		Malaysia	30.1
	Thailand	39.7		Indonesia	29.8
	China	39.1		Myanmar	29.5
	United States	38.0		India	28.1
	Australia	37.8		Cambodia	25.8
	Singapore	35.1		<b>Philippines</b>	<b>25.3</b>
	Vietnam	32.4			

**To fully harness the golden economic opportunities,  
we count on our strong private sector.**



Generates  
**80% of the  
Philippines' GDP**



Employs more than  
**91% of the  
workforce**

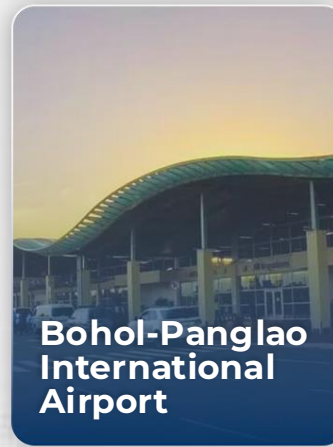
# The engine of Philippine progress is — and has always been — **the private sector.**

This is why one of the Marcos, Jr.'s administration's first initiatives was the creation of the Private Sector Advisory Council (PSAC) to bring business to the table, and not to the sidelines.



# The Public-Private Partnership Code unlocks more private-sector investments in infrastructure.

## Major airports awarded since the PPP Code's enactment in 2024



## Approved for privatization in 2024:



## In the pipeline for approval in 2025:



**43 out of the 186 flagship projects under the Build, Better, More program are primed for PPPs.**

Mode of Financing	Number of Projects	Amount (in PHP billion)
ODA <small>(Official Development Assistance)</small>	82	5,497.51
PPP <small>(Public-Private Partnerships)</small>	43	2,732.23
GAA <small>(General Appropriations Act)</small>	52	1,041.29
Hybrid ODA / GAA	2	93.28
Hybrid ODA / PPP	4	115.55
TBD <small>(To be determined)</small>	3	94.45
<b>Total:</b>	<b>186</b>	<b>9,574.31</b>

# **New pro-business reforms are in place to ensure your growth and success.**

## **New privatization guidelines**

Harmonizes privatization policies to ensure that the process is more efficient, transparent, and modern



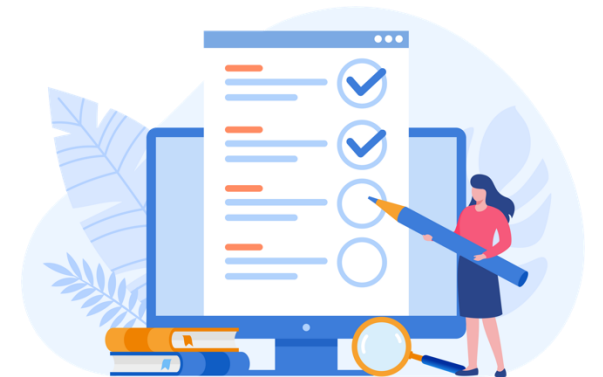
## **Green Lanes**

Streamlines process and registration of strategic investments



## **Ease of Paying Taxes Act**

Simplifies tax compliance procedures, reduces red tape, and embraces technology to make it easier for taxpayers to fulfill their obligations



# The CREATE MORE Act

is designed to boost domestic enterprises and attract more foreign investors to relocate to our shores and facilitate partnerships with you.



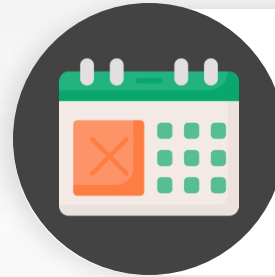


# CREATE MORE offers a more competitive and generous incentive package to investors



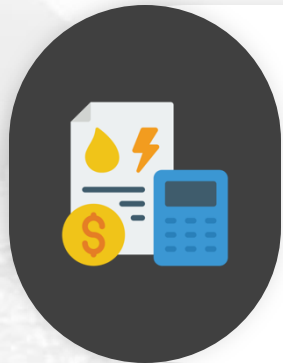
## 4 to 7 years

of income tax holidays depending on the type of investment and location



Special Corporate Income Tax and Enhanced Deductions Regime are now extended to a period of up to

## 10 to 20 years



## Additional 100% deductions

on power expenses and an additional 50% reinvestment allowance await those businesses in the manufacturing and tourism sectors



Export-oriented enterprises' local purchases are zero-rated while importations are

## VAT-exempt



## Tailored or bespoke incentives

for projects with investment capital of at least PHP 50 billion or direct local employment generation of at least 10,000

**Local businesses can benefit from new laws aimed at leveling the playing field and boosting tourism and national development.**



## **VAT on Digital Services Act**

Ensures an equal playing field between local and foreign digital service providers



## **VAT Refund on Foreign Tourists**

Aims to boost tourism and encourage more foreign tourists to shop and spend more in the Philippines



## **Maharlika Investment Fund**

Manages the Philippines' sovereign wealth fund, focusing on sustainable returns and national development

# More reforms are underway to make our capital markets and mining fiscal regime more competitive.



## Capital Markets Efficiency Promotion Act

Reduces the the Stock Transaction Tax from 0.6% to 0.1% to align the Philippines with regional markets and make investing in the PSE more cost-competitive



## Amending the charters of our state banks

Empowers LANDBANK and DBP to tap into private capital and publicly offer a portion of their shares




## Rationalization of the Mining Fiscal Regime

Creates a simpler and more competitive fiscal regime framework; Provides fiscal stability and certainty to current and potential mining investments

**Our growth-enhancing and business-friendly reforms are designed to unlock the talents of our young workforce and build a nation where every Filipino can thrive, secure meaningful jobs, and improve their lives.**



A young girl with dark hair, wearing a light blue long-sleeved shirt, is laughing joyfully with her mouth wide open. She is looking upwards and to the left. In the background, another child is visible, also looking upwards. The background is a soft-focus outdoor setting with trees and a bright sky. The overall mood is one of happiness and hope.

Because only then can  
we truly define our  
shared success —

**This means lifting  
8 million more Filipino  
lives out of poverty  
sooner than the end  
of the President's term.**

**We are 'Focused On You'.**

**Because your success is  
the country's success.**



A close-up photograph of a hand in a dark suit sleeve, with the fingers slightly curled. The background is a dark blue with a subtle pattern of small white dots. The text is overlaid on the right side of the image.

Let us be steadfast partners in  
bringing the Philippine economy  
**faster and farther on  
the road to inclusive  
growth for every  
Filipino.**



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