



# KEYNOTE SPEECH

**CARLOS G. DOMINGUEZ**  
Secretary of Finance

*28th Metro Manila Business Conference  
September 8, 2020*

A person in a red shirt is looking at a board covered with many sticky notes. The board is on the left side of the image, and the person is on the right side, looking towards the board. The sticky notes are of various colors and have text on them. The person's hand is visible, holding a pen and writing on a sticky note.

## Government responses to excellent actionable recommendations form previous workshops

- Build, Build, Build Infrastructure Program
- National ID system
- Comprehensive Tax Reform Program
- Ease of Doing Business
- Universal Health Care and Sin Taxes
- Fuel Marking Program

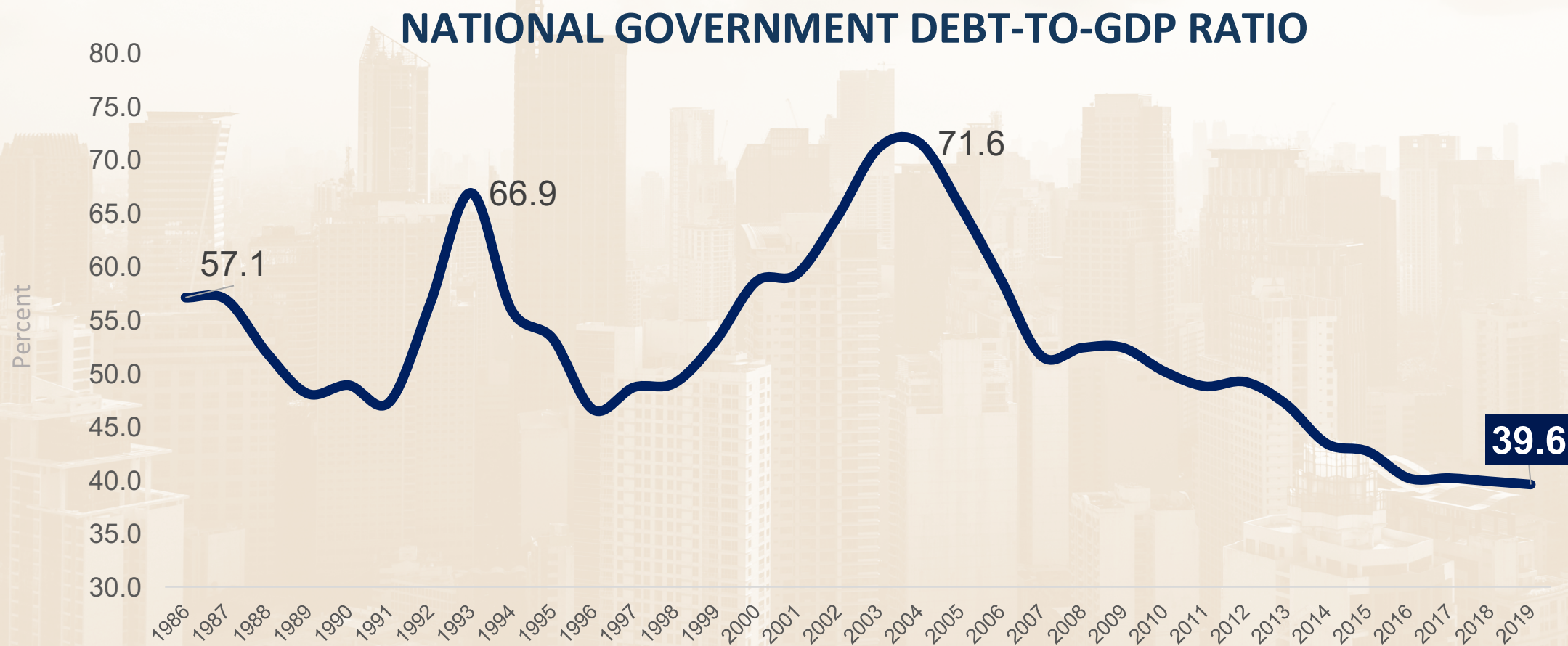
**These initiatives have strengthened  
our fiscal and economic position.**

We are better prepared now than at any point in recent history for “black swan events”, such as the COVID-19 pandemic that has put lives and livelihoods at serious risk.





**2019 debt-to-GDP ratio of 39.6 percent is the lowest it has been since the country started recording this metric in 1986.**



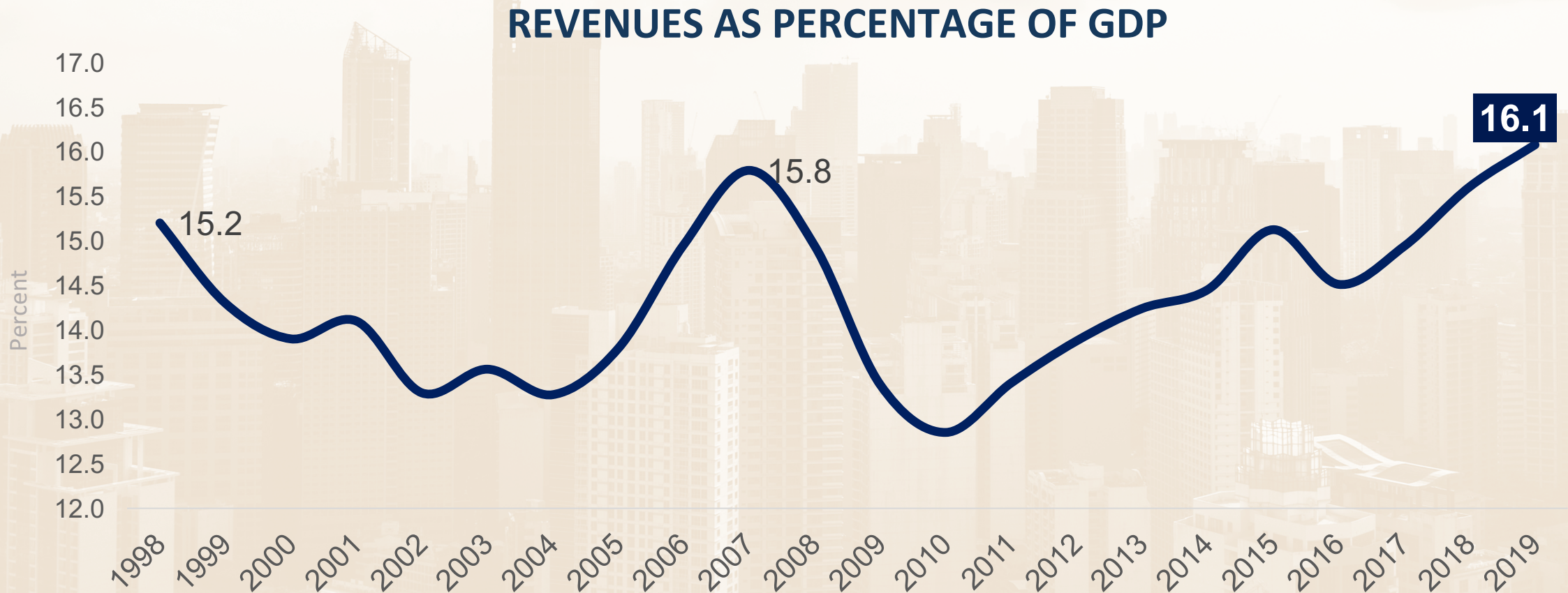


**Hefty reserves at USD 98.6 billion as of July 2020 is the highest recorded so far, and can cover 8.9 months of imports**

**INTERNATIONAL RESERVES (*USD Billion*)  
AND MONTHS OF IMPORT COVER**

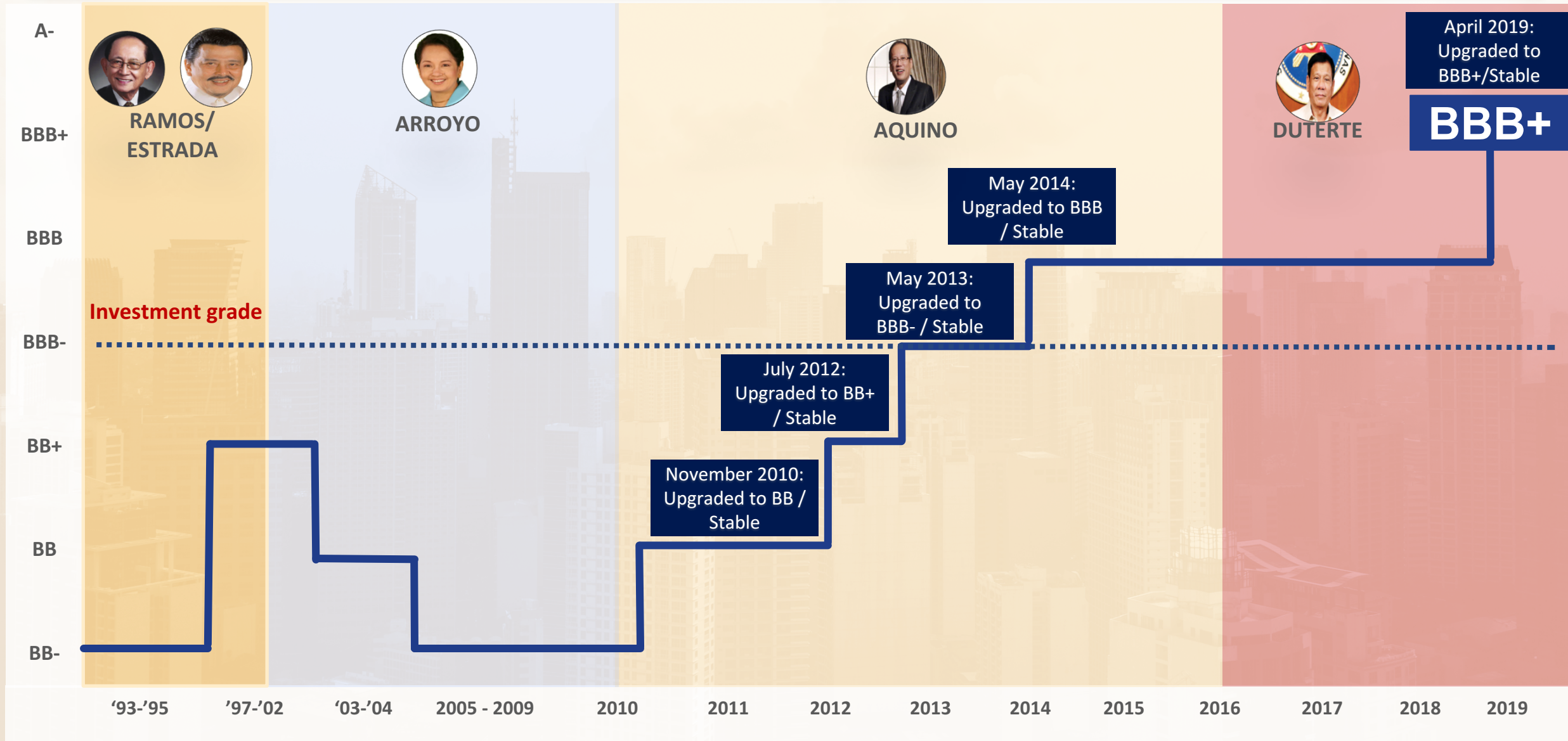


**Revenues were at 16.1 percent of GDP in 2019,  
the best performance since 1998.**





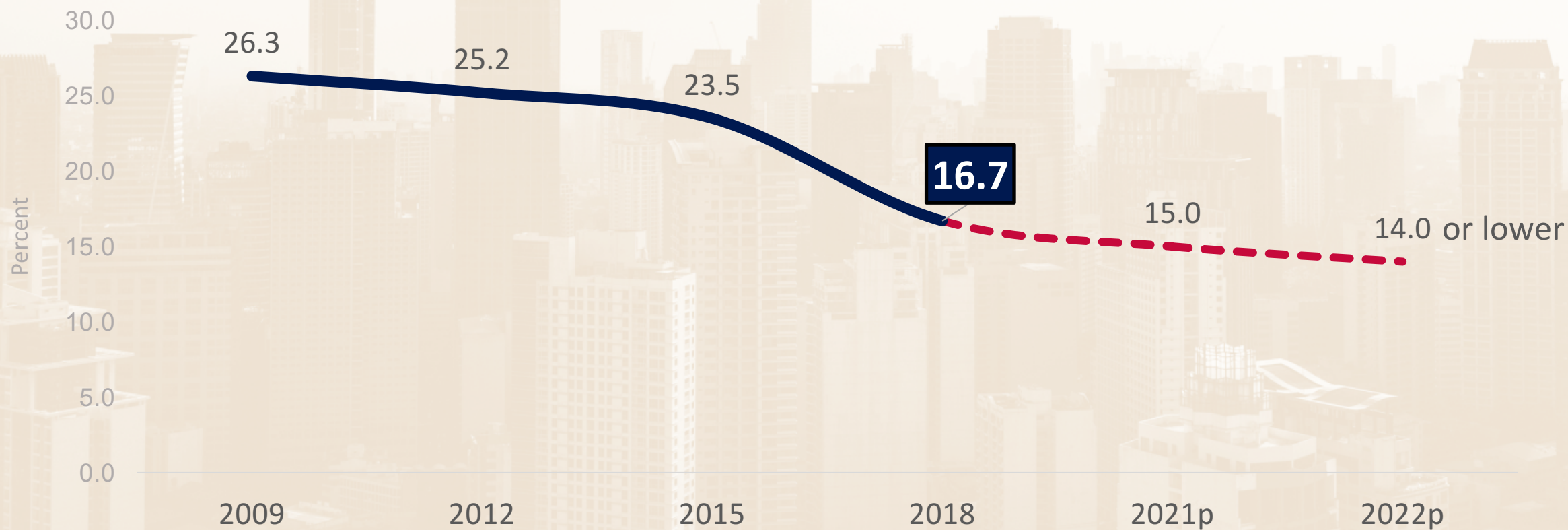
# Last year, S&P raised our sovereign risk rating to BBB plus—the highest in our country's history





**The President's promise of lifting 6 million Filipinos from poverty by 2022 was achieved ahead of schedule in 2018.**

### POVERTY INCIDENCE AMONG THE POPULATION



With our strong credit-worthiness, the commercial markets and our development partners continue to

**provide us financing at lower interest rates and longer repayment periods.**



The government has been focused not just on saving lives from COVID-19, but saving lives from other factors, such as hunger and other diseases.

**While we continue to fight COVID-19, we have to rebuild our economy.**





The background of the slide is a faded, high-angle photograph of a city skyline, likely Manila, with numerous skyscrapers and buildings. Overlaid on this is a large, solid red rectangular box in the upper center. Inside this box, the text '1.3 million to 3.5 million' is written in a large, white, sans-serif font. Below the red box, the text 'Estimated number of infections prevented due to government interventions, such as the lockdowns' is written in a smaller, dark blue, sans-serif font. At the bottom left, a source note is written in a small, grey, italicized font.

# 1.3 million to 3.5 million

**Estimated number of infections prevented due to  
government interventions, such as the lockdowns**

*Source: Epidemiological Models of the FASSSTER Project in April and the University of the Philippines COVID-19 Pandemic Response Team as of June 27*

**Rebuilding the economy is a condition  
for ensuring public health.**

We cannot fight a pandemic with a weak economy; nor can we restore economic vigor without solving the public health crisis.



**Our unemployment rate in July 2020 fell to 10 percent, easing from 17.7 percent in April.**



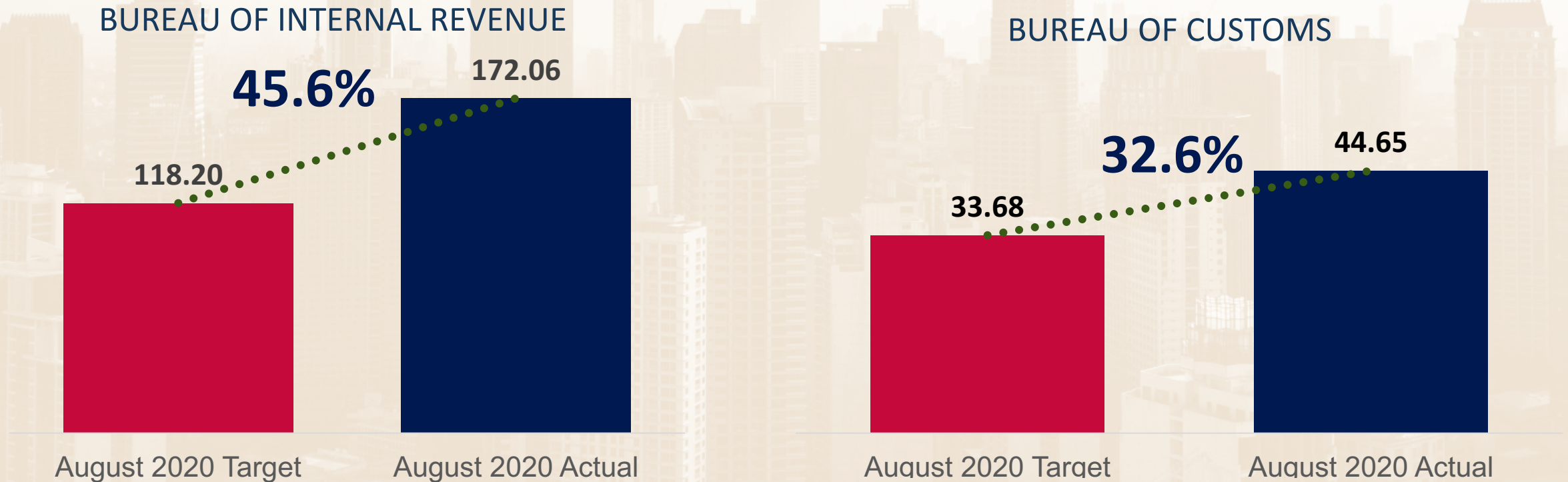


## As quarantine restrictions were eased, economic activities improved gradually.

- The value of the production index for the month of July showed a **slower annual decline of 14.8 percent** from a high of 41.2 percent in April.
- The volume of production index likewise **shrank at a slower rate by 11.9 percent** compared to a high of 38.8 percent in April.

**Both the Bureau of Customs and the Bureau of Internal Revenue registered hefty tax collections in August and exceeded their targets.**

**TAX COLLECTIONS FOR THE MONTH OF AUGUST 2020**  
**ACTUAL VS. TARGET**  
*(in PHP Billion)*



**We will do what is  
necessary, but we will  
not be wasteful.**



# Legislative Imperatives to Revive the Economy

1. **Immediate passage of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act** that will provide targeted incentives and bring down our country's current corporate income tax rate of 30 percent to 25 percent as soon as possible. This will be reduced further by one percentage point every year from 2023 to 2027.
  - Maintain for up to 9 years the status quo for registered business activities enjoying the 5 percent tax on gross income earned incentive.
  - Allow the President to grant longer tax and non-tax incentives for investments with exceptional benefits to the public interest.
2. **Allow banks to dispose of non-performing loans and assets** through asset management companies that are similar to special purpose vehicles created in early 2000s to deal with the effects of the Asian crisis.

# Legislative Imperatives to Revive the Economy

3. Our government banks will also **setup a company to deal with problems involving solvency issues** and we will be inviting other multilateral agencies and foreign investment companies to participate.
4. **Provide greater support to the agriculture sector** by giving the banking system the ability to support the whole value chain of agri-enterprises.

**The timely passage of the 2021 national budget is crucial to our economic recovery.**

This will provide us with the tools necessary to rebuild our economy and decisively defeat COVID-19.





The cornerstone of our economic recovery is the Build, Build, Build program.

**Investments in infrastructure have the highest multiplier effect in the economy.**







## Metro Manila Subway

*Status: Mobilization works started in 2019; Partial operations by 2022.*

*Benefit: Reduce travel time from Quezon City to NAIA International Airport in Pasay from 1 hour and 10 minutes to just 36 minutes.*





## **Metro Manila Skyway Stage 3**

*Status: 83 percent complete; Expected to open by December 2020.*

*Benefit: Reduce travel time from Buendia, Makati to NLEX Balintawak, Quezon City from 2 hours to only 20 minutes.*





## **Bonifacio Global City to Ortigas Center Road Link Project**

*Status: 80 percent complete; Targeted to open in Q1 2021*

*Benefit: Reduce travel time between BGC and the Ortigas Central Business District to 12 minutes from 1 hour.*





## **Southeast Metro Manila Expressway C-6 Phase 1**

*Status: Slated for completion by 2022.*

*Benefit: Reduce travel time between Bicutan, Taguig to Batasan, Quezon City from 1 hour and 50 minutes to just 26 minutes.*



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