



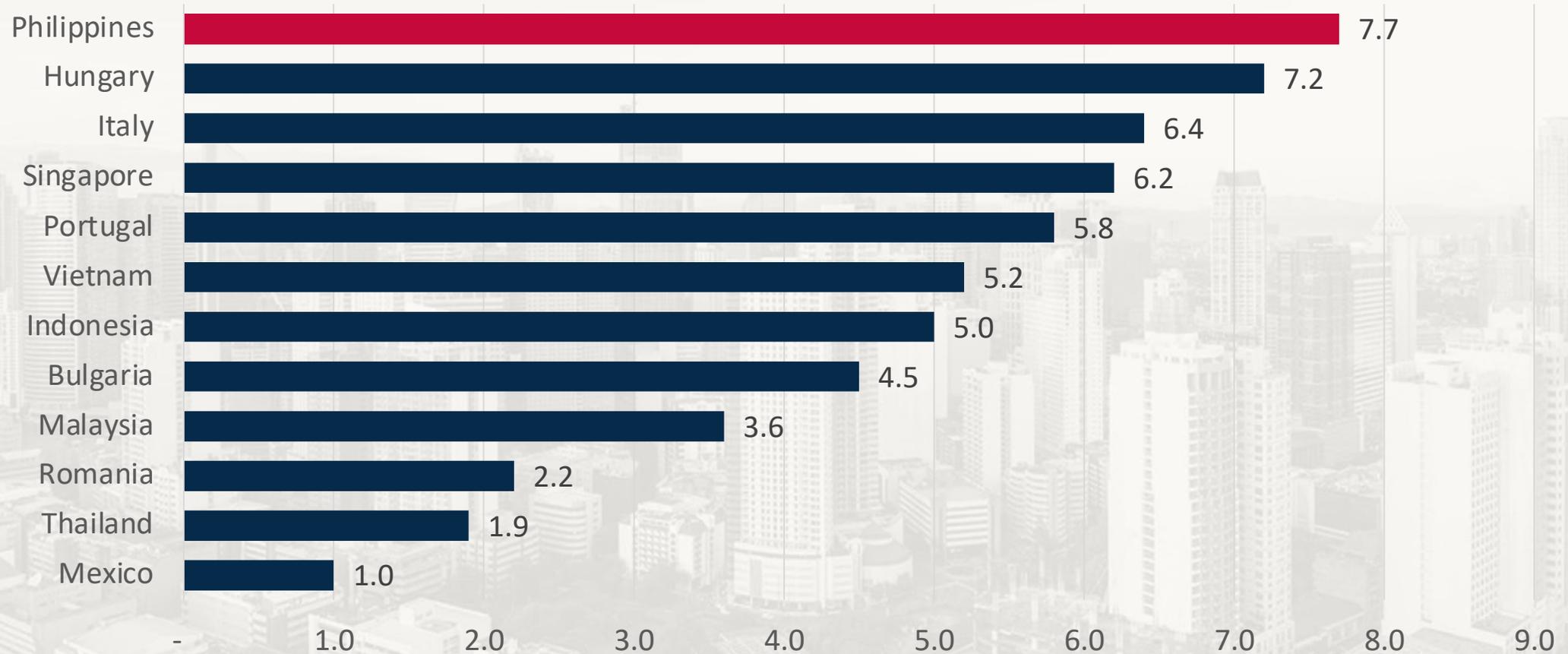
OPENING REMARKS

CARLOS G. DOMINGUEZ
Secretary of Finance

Virtual Economic Briefing
February 24, 2022

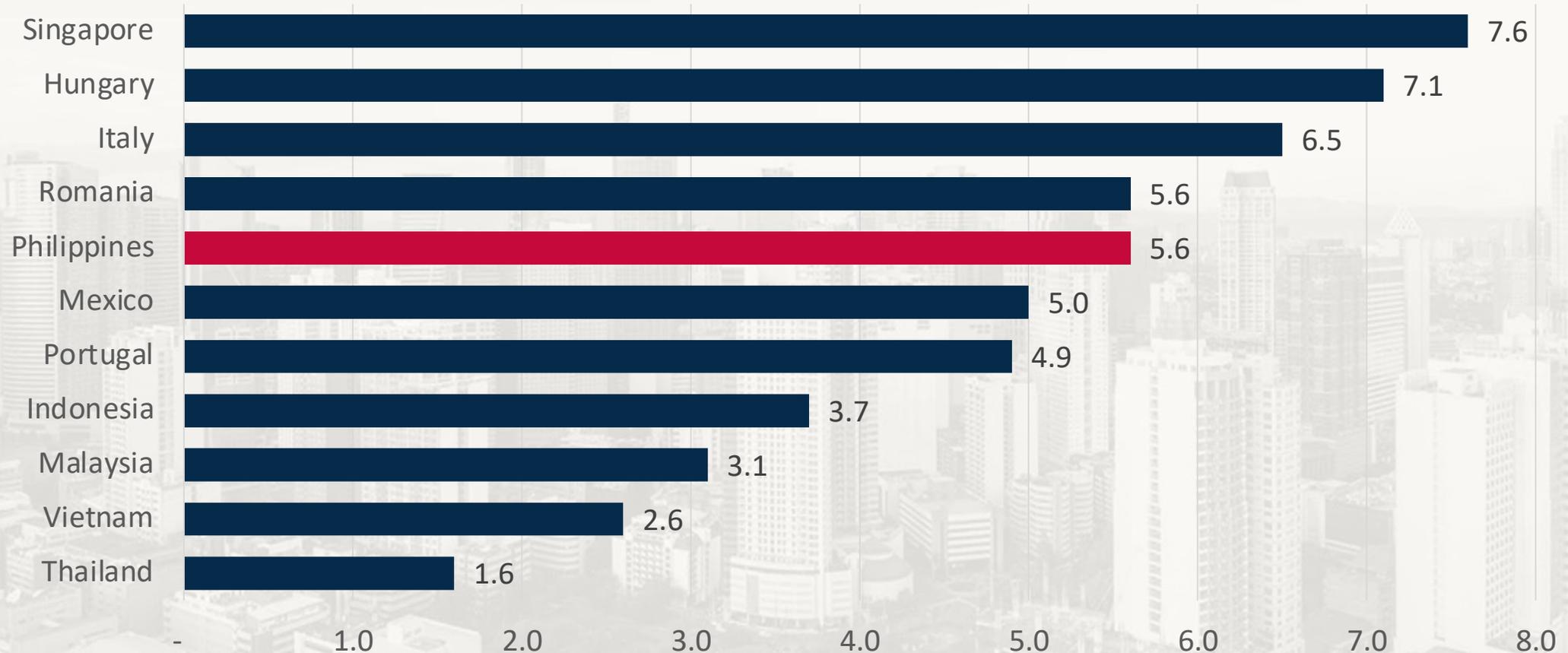
The Philippine economy grew by 7.7 percent in Q4 2021, making the country's expansion the highest in the ASEAN region and among credit rating peers.

Q4 2021 GDP Growth of Select Countries



The Philippines' robust 2021 full-year growth of 5.6 percent is also among the best compared to our neighbors and our credit rating peers.

Full-year 2021 GDP Growth of Select Countries



Tax collections are recovering, signaling a return to robust economic activity.

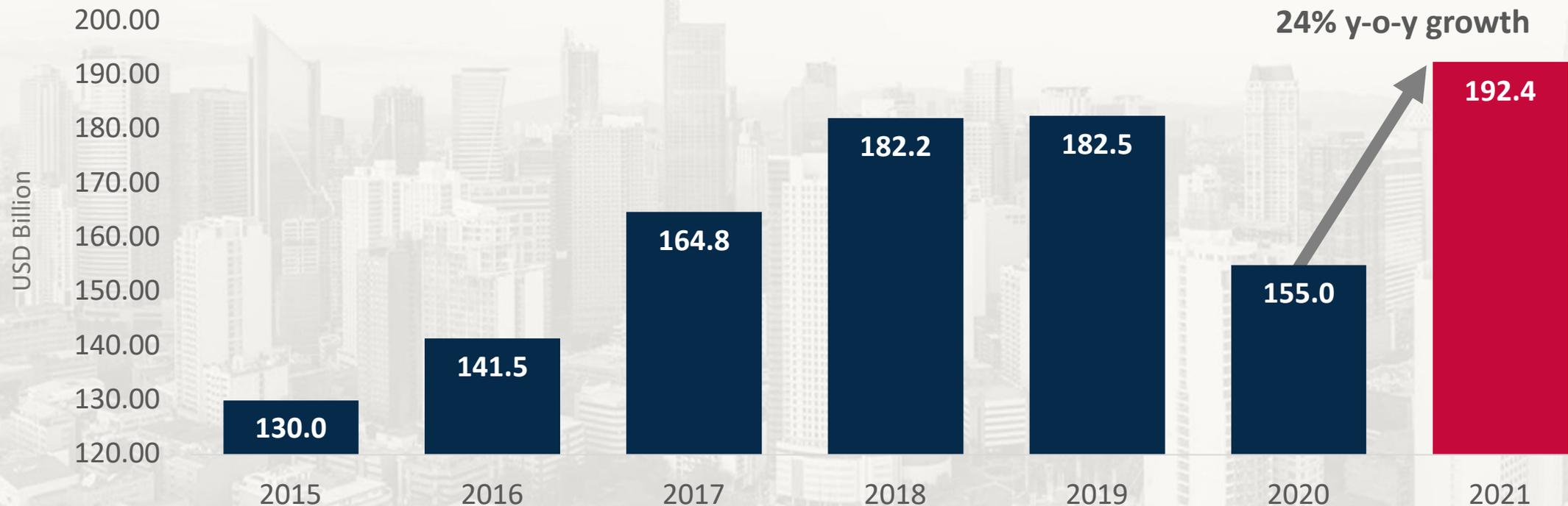
Total Tax Collections (in USD Billion)



Source: BTR

The Philippines' total merchandise trade in 2021 already surpassed the pre-pandemic level.

Total Merchandise Trade (in USD Billion)



Investment inflows reflect confidence on economic recovery.

Net Foreign Direct Investment Inflows (in USD Billion)



Overseas Filipinos' remittances remained resilient amid the pandemic.

Overseas Filipinos' Cash Remittances (in USD Billion)



Source: BSP

We have adequate external liquidity buffers.

International reserves (USD Billion) and months of import cover





**These bullish signs of recovery are a product
of our **hard work and preparation**
before the pandemic hit us.**

Over the last five and a half years, the Duterte administration implemented game changing reforms and programs.



Comprehensive Tax Reform Program



Comprehensive Digitalization



Build, Build, Build Program



Philippine Identification System



Ease of Doing Business Act



Rice Tariffication Act



Real Estate Investment Trust Act



Improved peace and order



Good Governance



Universal Access to Quality Tertiary Education Act



**Even as the world was battered by the pandemic,
our continued commitment to reform
strengthened our country's ability
to make a strong recovery.**

The President signed into law the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act on March 26, 2021.



Largest fiscal stimulus program for enterprises in the country's history

This gives out **almost 2 billion US dollars worth of tax relief annually** to the corporate sector to sustain employment or use for investments.



Provides hefty corporate income tax rate cuts

The law provides an immediate 10 percentage point cut in the corporate income tax rate of domestic MSMEs (from 30 percent to 20 percent), while the rest of the corporations enjoy a 5-percentage point reduction (from 30 percent to 25 percent).



Provides more flexibility in the grant of fiscal and non-fiscal incentives

The law rationalizes fiscal incentives, creating an enhanced incentives package that is performance-based, time-bound, targeted, and transparent.

Our economic liberalization bills have all been passed by Congress. These three forward-looking measures widen the horizon for investments.



Amendments to the Retail Trade Liberalization Act

- Signed into law on Dec. 10, 2021.
- Lowered the minimum paid-up capital requirement for foreign corporations from USD 2.5 million to about USD 500,000.
- Simplified the qualification requirements of foreign retailers by removing the required net worth, the number of retailing branches, and retailing track record conditions.



Amendments to the Public Service Act

- Bicameral report was ratified on Feb. 2, 2022.
- Provide a clearer definition of the terms “public services” and “public utilities” in the existing law.
- Open up public services to 100 percent foreign ownership, and retain public utilities as majority Filipino-owned, subject to the 60-40 ownership rule.



Amendments to the Foreign Investments Act

- Bicameral report was ratified on Dec. 7, 2021.
- Improve the Philippines’ openness to foreign direct investments by mandating a review of the Foreign Investment Negative List every two years.
- Liberalize the practice of professions.
- Enhance transparency in monitoring foreign investments.

There is now enough space for international firms to form joint ventures with Filipino companies, especially those at the **cutting edge of information technologies.**

We likewise expect **a sharp rise in green investments as the country pushes ahead with its goal of reducing greenhouse gas emissions by 75 percent in 2030.**



**I invite you to look closely at the Philippine economy
in the light of the **pro-business policies** instituted
over the five and a half years.**

**The Philippines is a growth leader in the region
and a reliable host for international partnerships.**



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