

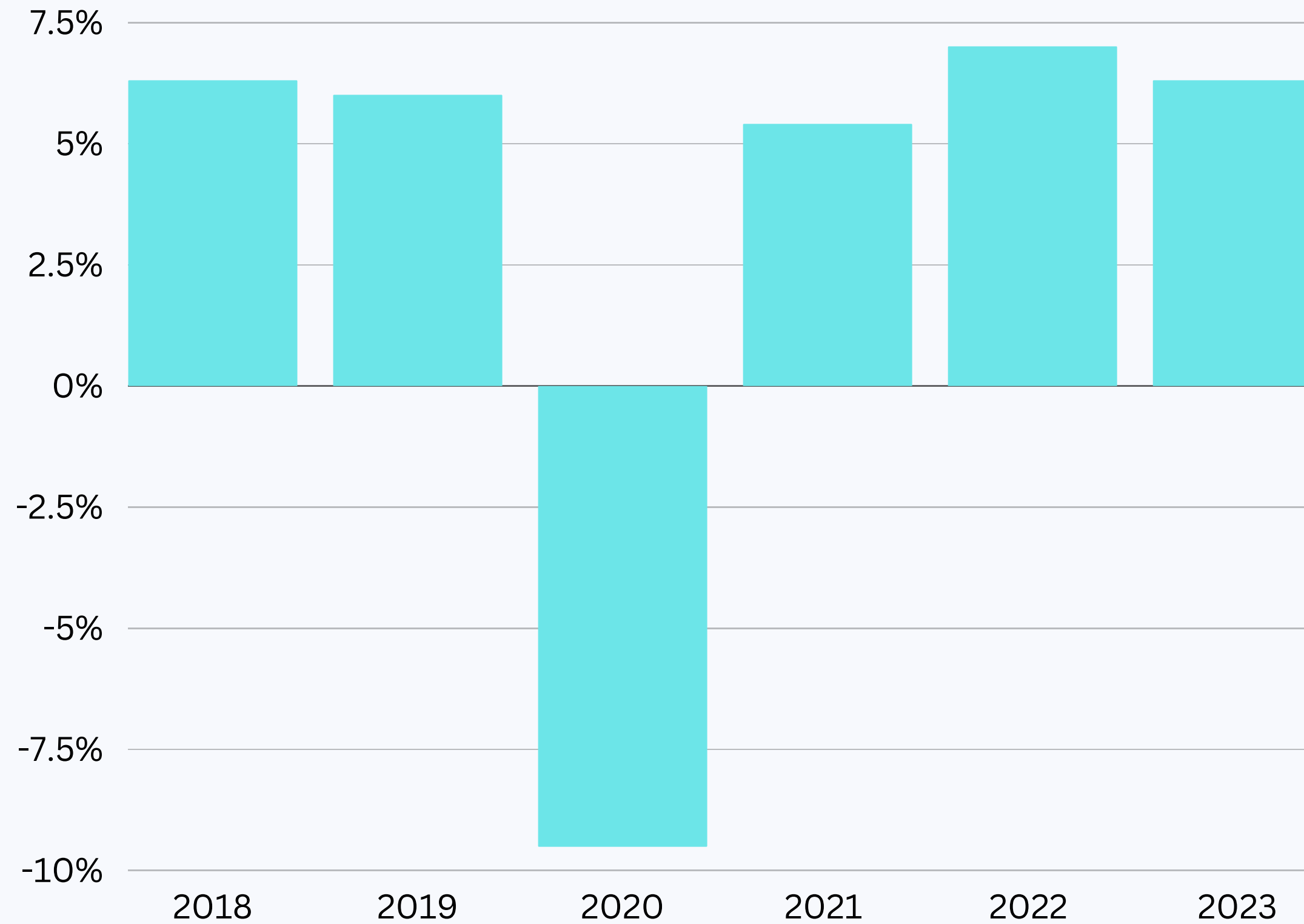
“Macroeconomic Prospects of the Philippines in 2022-2023”

Discussant: Secretary-General Ruben J. Pascual
Philippine Chamber of Commerce and Industry



*THE VOICE
OF BUSINESS*

6-7% GDP GROWTH FOR YEAR 2023



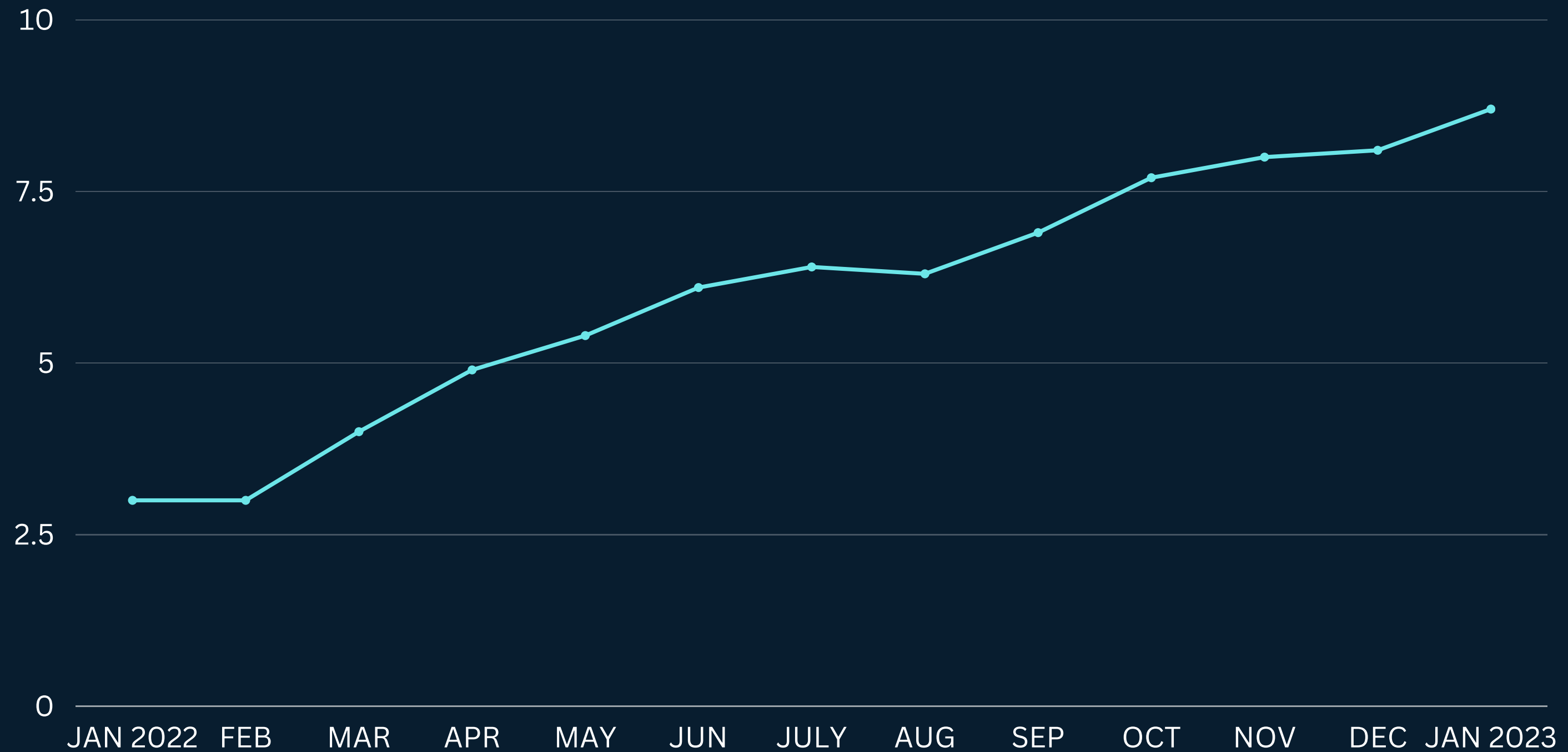
Source:

**Three recommendations which are most crucial for
businessmen, especially the
Micro, Small and Medium Enterprises (MSMEs)**

- a. Controlling inflation
- b. Continue the policy momentum on investments
- c. Address the pandemic scars

THREE RECOMMENDATIONS MOST CRUCIAL FOR BUSINESSMEN, ESPECIALLY THE MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES)

A. Controlling inflation



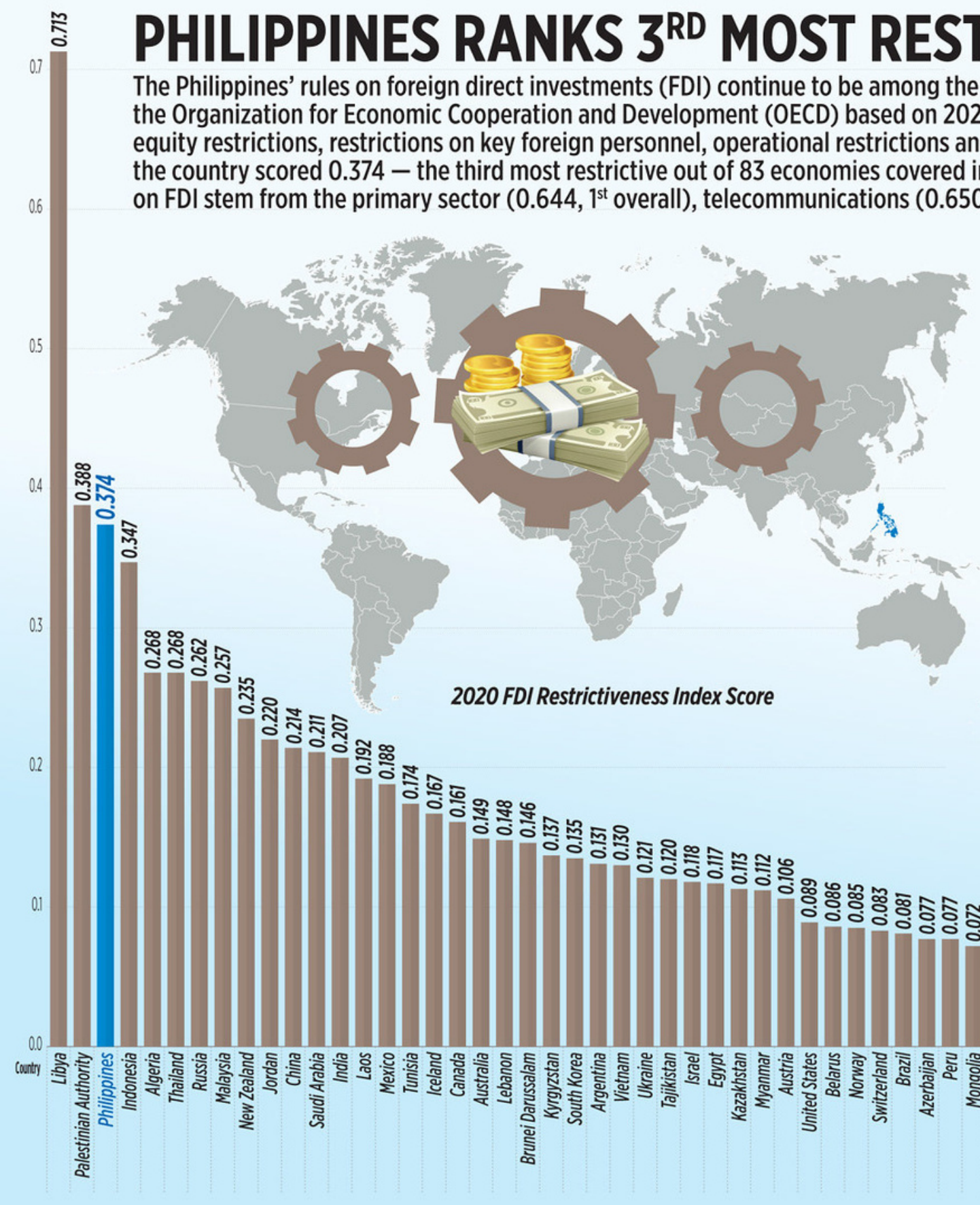
THREE RECOMMENDATIONS MOST CRUCIAL FOR BUSINESSMEN, ESPECIALLY THE MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES)

B. Continue the policy momentum on investments

- i) CREATE**
- ii) Retail Trade Liberalization Act**
- iii) Foreign Investment Act**
- iv) Public Service Act**

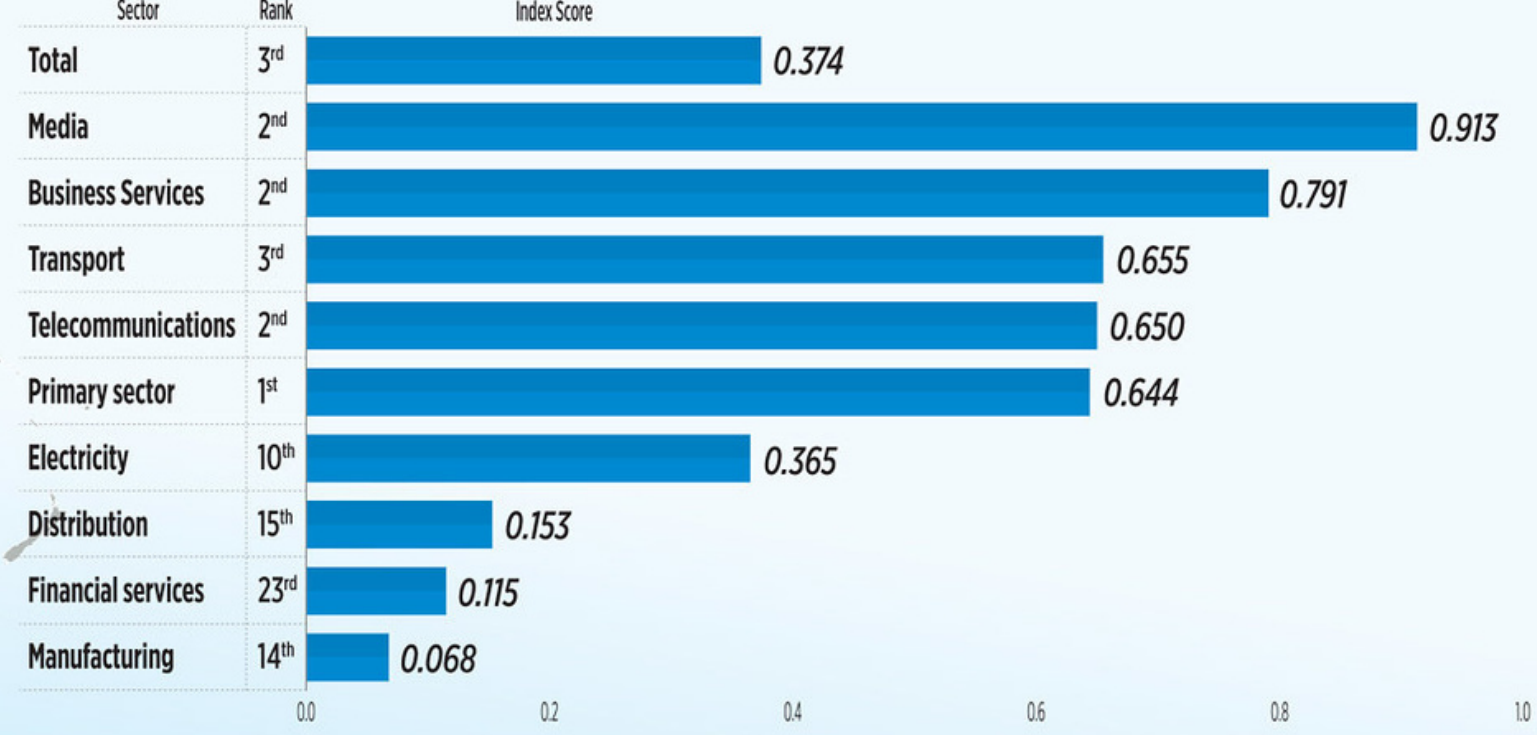
PHILIPPINES RANKS 3RD MOST RESTRICTIVE TO FDI

The Philippines' rules on foreign direct investments (FDI) continue to be among the most restrictive globally, according to the FDI Regulatory Restrictiveness Index compiled by the Organization for Economic Cooperation and Development (OECD) based on 2020 data. The index looks at the restrictiveness of a country's rules on FDI through foreign equity restrictions, restrictions on key foreign personnel, operational restrictions and discriminatory screening for approval mechanisms. With a scale of 0 (open) to 1 (closed), the country scored 0.374 — the third most restrictive out of 83 economies covered in the index just behind Palestine (0.388) and Libya (0.713). Most of the country's restrictions on FDI stem from the primary sector (0.644, 1st overall), telecommunications (0.650, 2nd), media (0.913, 2nd), business services (0.791, 2nd), and transport (0.655, 3rd).



PHILIPPINES

Restrictiveness Sub-Indices by Sectors



SOURCE: ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (FDI REGULATORY RESTRICTIVENESS INDEX DATABASE) [HTTPS://DATA.OECD.ORG/FDI/FDI-RESTRICTIVENESS.HTM](https://data.oecd.org/fdi/fdi-restrictiveness.htm)
 BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA
 BUSINESSWORLD GRAPHICS: BONG R. FORTIN

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B. Continue the policy momentum on investments

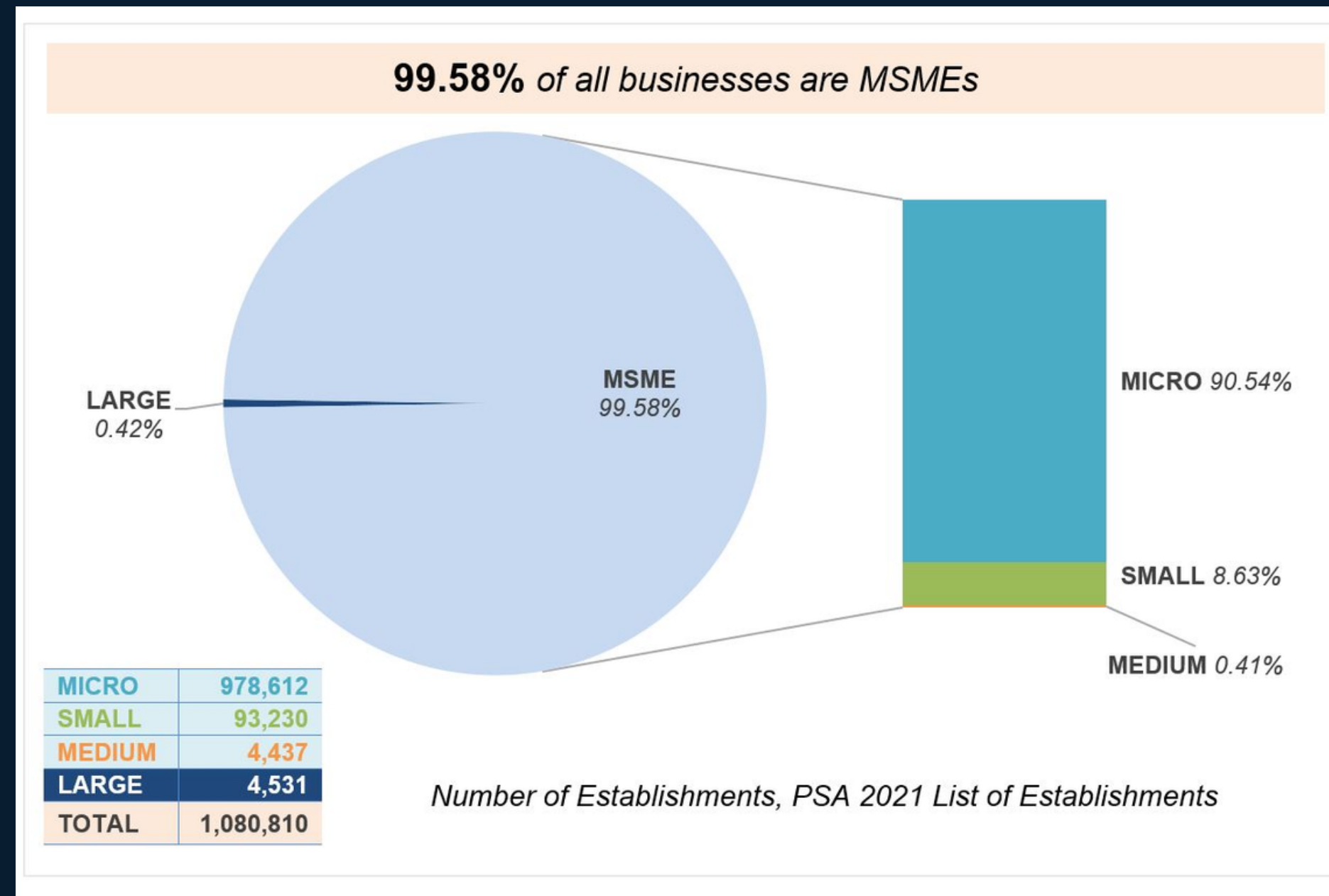
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"Foreign investors are discouraged because of inadequate infrastructure, expensive power, slow internet connectivity, regulatory inconsistencies and corruption."

THREE RECOMMENDATIONS MOST CRUCIAL FOR BUSINESSMEN, ESPECIALLY THE MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES)

C. Address the pandemic scars

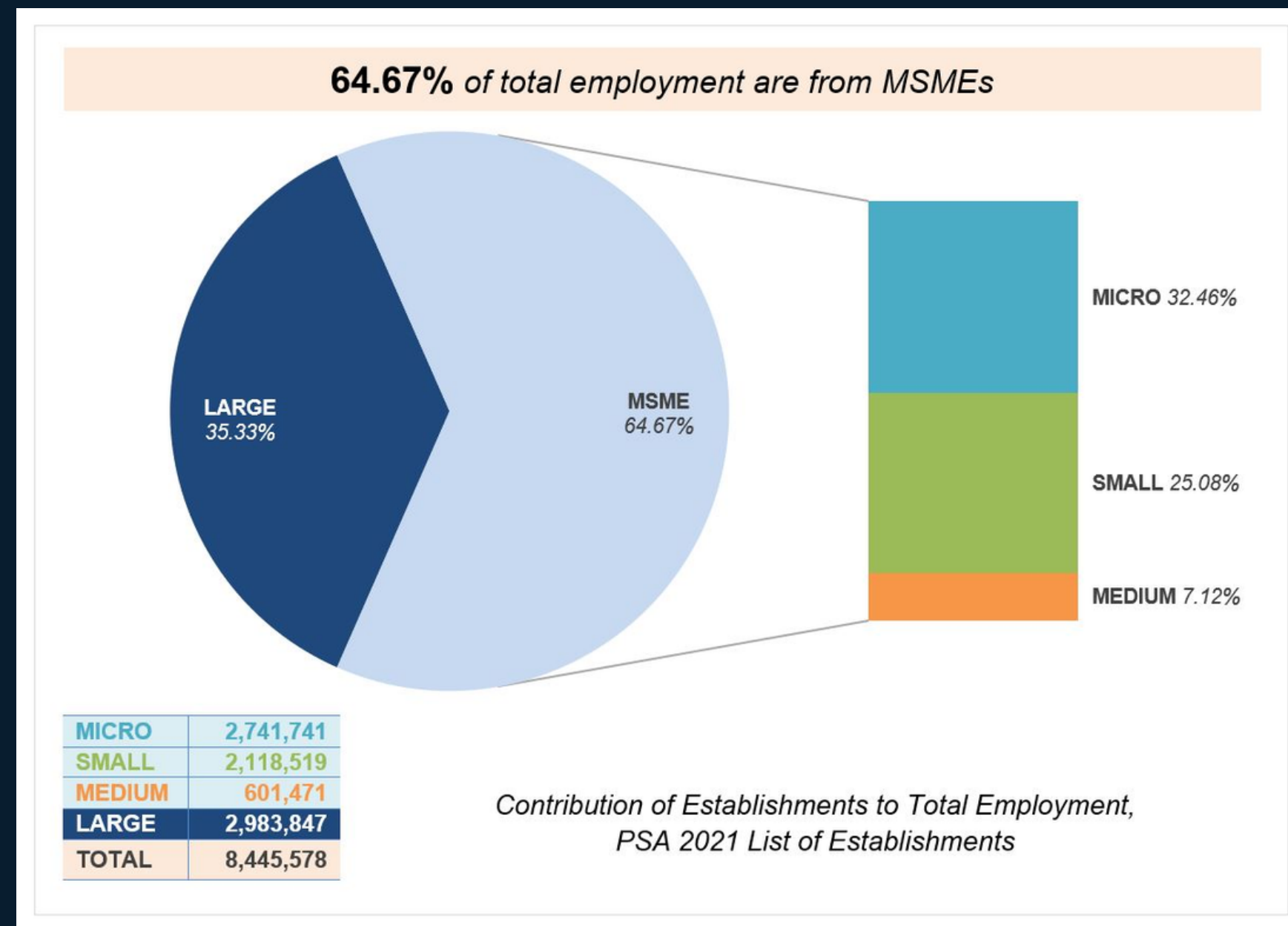
MSMEs comprise 99% of all businesses:



THREE RECOMMENDATIONS MOST CRUCIAL FOR BUSINESSMEN, ESPECIALLY THE MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES)

C. Address the pandemic scars

Total Employments
from MSMEs:



PROSPECTS FOR THE FUTURE - UP TO 2050



- 18th largest economy by Capital Economics by 2037
- 16th largest economy by Hong Kong Shanghai Bank by 2050
- A middle class society by 2040 by NEDA (Ambisyon 2040)
- 6.7-7.7% growth rate in the next 10 years by the Asian Development Bank
- 148 million Filipinos; 100 new cities
- PCCI: Vision 2050 - Towards a 1st World Economy

REASONS FOR OPTIMISM: **RICH AND UNTAPPED NATURAL RESOURCES**

- 5th most mineralized country in the world
 - 3rd in gold
 - 4th in copper
 - 5th in nickel
 - 6th in chromite
- 9 million or 30% of land area has mineral potential
- Given metals such as nickel, copper, and cobalt are for domestic industries such as EV battery manufacturing and support mining businesses
- 1.1 B MT of copper reserves, biggest in the world
- higher-value adding nickel processing into sulfate and nickel hydroxide for the production of lithium ion batteries

RICH AND UNTAPPED NATURAL RESOURCES

SUNSHINE INDUSTRIES

- Bamboo production
- Salt production



REASONS FOR OPTIMISM: DEMOGRAPHIC “SWEET SPOT”

- median age of 24.1 years
- most age population is between 15 to 64 years old, 71.3 million, making up 63.9% of population
- 800,000 graduates, 90% with bachelor’s degree
- 29% in Business Administration
 - 21% in Education Science
 - 20% in Engineering & IT
- Employment shift to industrial and service sector from agriculture
- BPO adds 61% contribution to GDP

THANK YOU!