

Making headway despite the headwinds



**OUR TRAIN TO
PROGRESS**



FUNDED BY THE FILIPINO PEOPLE

Vision for the Philippines

By 2022

21.6% → **13-15%**
poverty rate reduced
(6 million Filipinos uplifted)

3,500 → **5,000**
USD USD

Increase in Gross National Income (GNI)
(achieve upper-middle income status where Thailand and China are today)



Extreme poverty eradicated

3,500 → **11,000**
USD USD
at least

Increase in Gross National Income (GNI)
(achieve high income status where Malaysia and South Korea are today)



**GDP grew at an
average of**

6.2%

in 2018



The Philippines remains
one of the **BEST**
PERFORMING
ECONOMIES in the
region and its **OUTLOOK**
IS STRONG.



Inflation further decelerated to 4.4 percent in January

Year-on-year inflation rates from 2018 to 2019



Source: PSA

2018

2019



Rice tariffication
will tame **inflation** and
improve the agriculture
sector.

RISING INVESTMENTS HIGHLIGHT CONFIDENCE IN PHILIPPINE GROWTH PROSPECTS

Net Foreign Direct Investment (FDI) Flows (In USD Billion)





31 ROADS AND BRIDGES



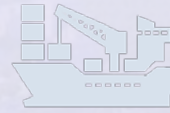
12 RAILWAY AND URBAN TRANSPORT



**11 WATER SUPPLY AND IRRIGATION
PROJECTS**



6 AIR TRANSPORT PROJECTS



4 WATER TRANSPORT PROJECTS



**4 FLOOD MANAGEMENT
PROJECTS**



**4 POWER
PROJECTS**



**3 OTHER PUBLIC
INFRASTRUCTURE PROJECTS¹**

Build, Build, Build 75 Flagship Projects

RAPID ADMINISTRATIVE RESPONSE FOR INFRASTRUCTURE DEVELOPMENT



Infrastructure Spending (in PHP Billion)

(January to November)		Variance	Year-on-year growth (%)
2017	2018		
486.5 (9.24 USD Billion)	728.1 (13.84 USD Billion)	241.6 (4.6 USD Billion)	49.7





We are redesigning our tax system to be simpler, fairer, and more efficient for all, while also raising the resources needed to invest in our infrastructure and our people.

Our goal is to correct our tax system's problems to become:






We will lessen the overall tax burden of the poor and the middle class.

REVENUE COLLECTION IN THE FIRST 9 MONTHS OF TRAIN IS 94.7% OF TARGET

TRAIN Revenues for the First Three Quarters of 2018 (in PHP Billion)

(January to September 2018)		Actual to target ratio (%)
Actual	Target	
41.9 (794 USD million)	44.3 (840 USD million)	94.7



99% of taxpayers receive...

PHP 103 billion

(1.98 USD billion)



TRAIN TO
PROGRESS



UNITED WE BUILD PEOPLE

Social protection programs under TRAIN

We strongly believe that TRAIN should be fully implemented given its strong positive benefits to the people and the economy. To protect the poor and vulnerable, we shall implement the social mitigating measures while ensuring that they are well prepared and targeted so that only intended beneficiaries enjoy them.



**Unconditional
cash transfer**



**Pantawid Pasada
Program**

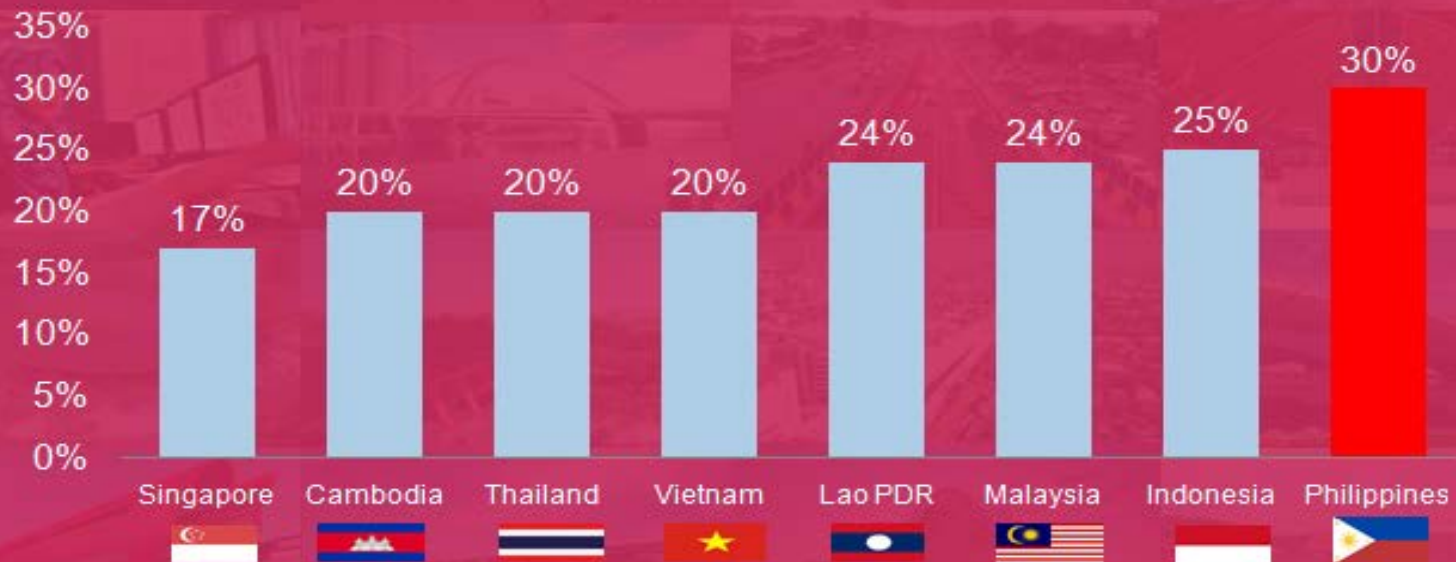


**Social welfare
programs thru the
National ID**

- Discounted purchase of rice from the National Food Authority (NFA)
- Free skills training from the Technical Skills and Development Authority (TESDA)
- Fare discount from public utility vehicles



COMPARATIVE CORPORATE INCOME TAX RATES IN ASEAN



FOUR MAIN PRINCIPLES OF TAX INCENTIVES



PERFORMANCE-BASED



TIME BOUND



TARGETED



TRANSPARENT



**90% of MSMEs
support Package 2**

Philippine Development Forum

**SULONG
PILIPINAS**
2018





PACKAGE 2+





OTHER TAX REFORM PACKAGES

PACKAGE 1B

Tax amnesty program
complemented by tax transparency
measures

**Automatic exchange of
information** between the
Philippines and its treaty partners

Adjustments to the **Motor
Vehicle Users' Charge (MVUC)**

PACKAGE 3

Reforms in **property
valuation** to make the
system more equitable,
efficient and transparent

PACKAGE 4

Rationalization of **capital
income taxation**

The policy reform measures are complemented by other pieces of legislation.



RA 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018

Ease of Doing Business Law



PhilSys / National ID Law



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