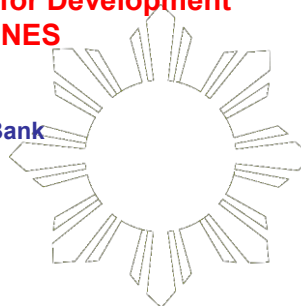




G-24 Technical Group Meeting
5-6 September 2014
Cairo, Egypt

Regional Perspective on Financing for Development CASE OF THE PHILIPPINES

Roberto Tan
Executive Director, World Bank



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Investment Grade Status at the Back of Multi-Year Progress Improved credit metrics over the past 9 years

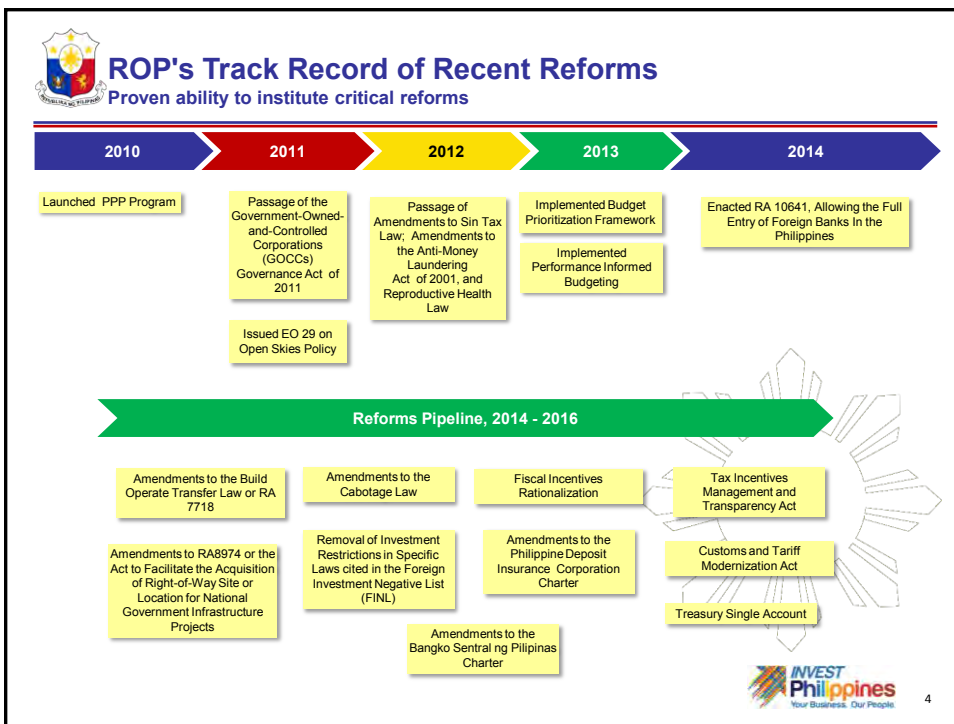
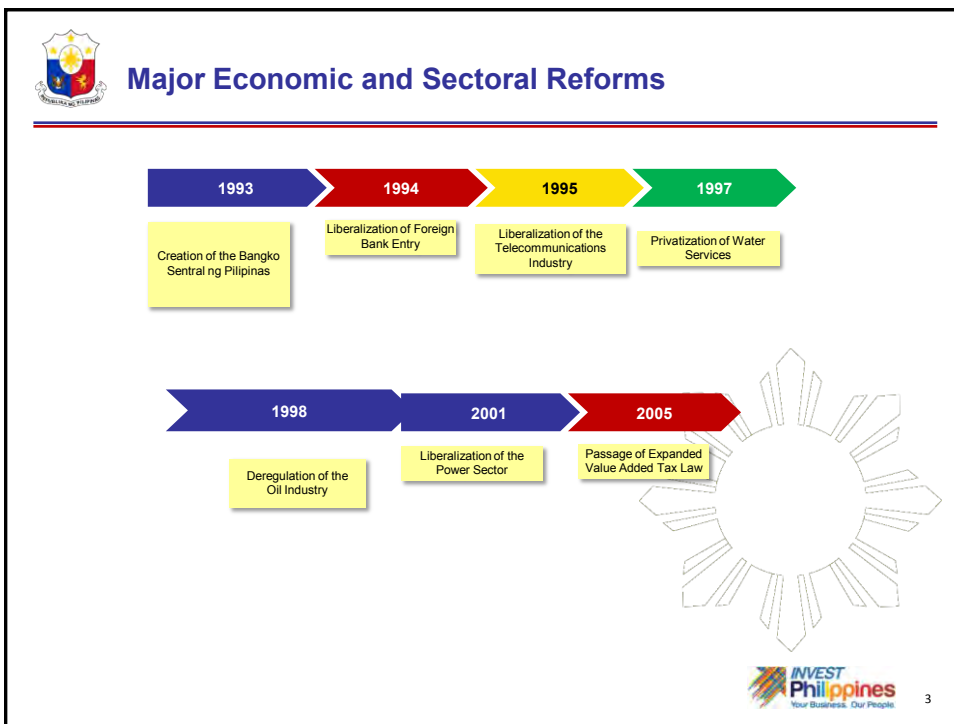
	2005	2005 vs. 2013	2013	Latest
Sovereign Credit Rating				
<i>Fitch Ratings</i>	BB	↑	BBB- Stable	BBB- Stable (Mar 2014)
<i>Standard and Poor's</i>	BB-	↑	BBB- Stable	BBB Stable (May 2014)
<i>Moody's Investors Service</i>	B1	↑	Baa3 Positive	--
Real GDP Growth Rate (%)	4.8	↑	7.2	5.7 (1Q2014)
GDP Per Capita* (USD), PPP concept	3,061	↑	4,649	--
GNI Per Capita* (USD), PPP concept	3,855	↑	5,576	--
Inflation Rate (100 = 2006)	6.5	↓	3.0	4.3 (Jan-Jul 2014)
National Government Interest Payments (% of Revenue)	36.7	↓	18.8	17.1 (end-Jun 2014)
Fiscal Balance (% of GDP)	(2.6)	↑	(1.4)	(2.9) (end-Mar 2014)
General Government Debt (% of GDP)	59.2	↓	39.2	--
Gross International Reserves (USD bn)	18.5	↑	83.2	81.0 (end-Jul 2014)
Import Cover (months)	4.6 ^p	↑	11.5	11.0 (end-Jul 2014)
Overseas Filipinos' Cash Remittances (USD bn)	10.7	↑	23.0	11.4 (Jan-Jun 2014)
Current Account (% of GDP)	1.9	↑	3.5 ^p	3.1 ^p (Jan-Mar 2014)
External Debt Service Burden (% of CAR)**	14.9	↓	7.1	6.0 ^p (Jan-Apr 2014)

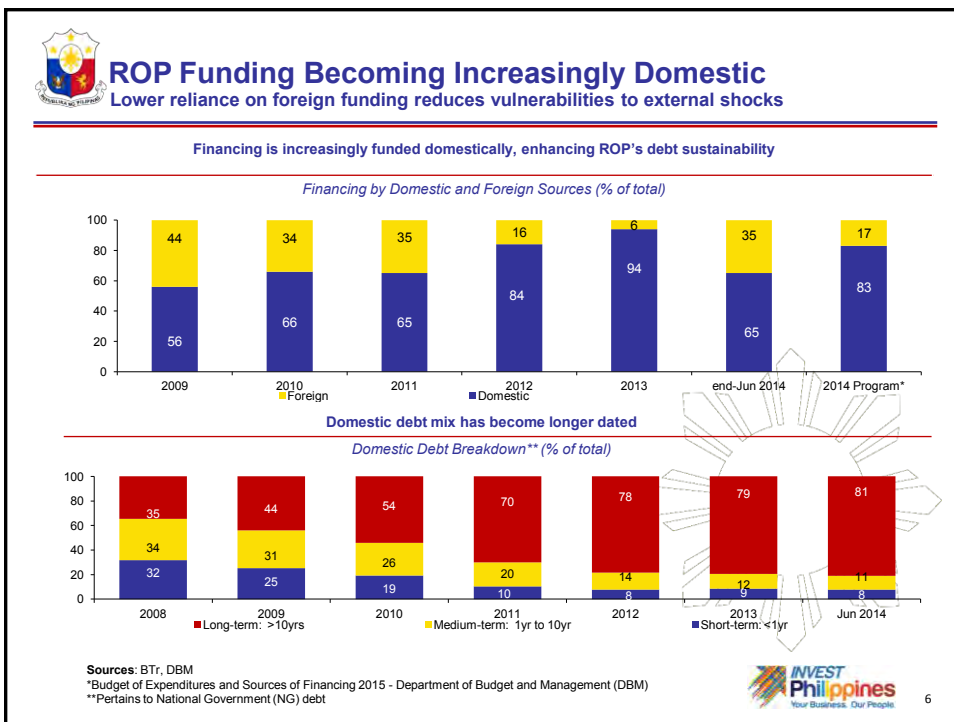
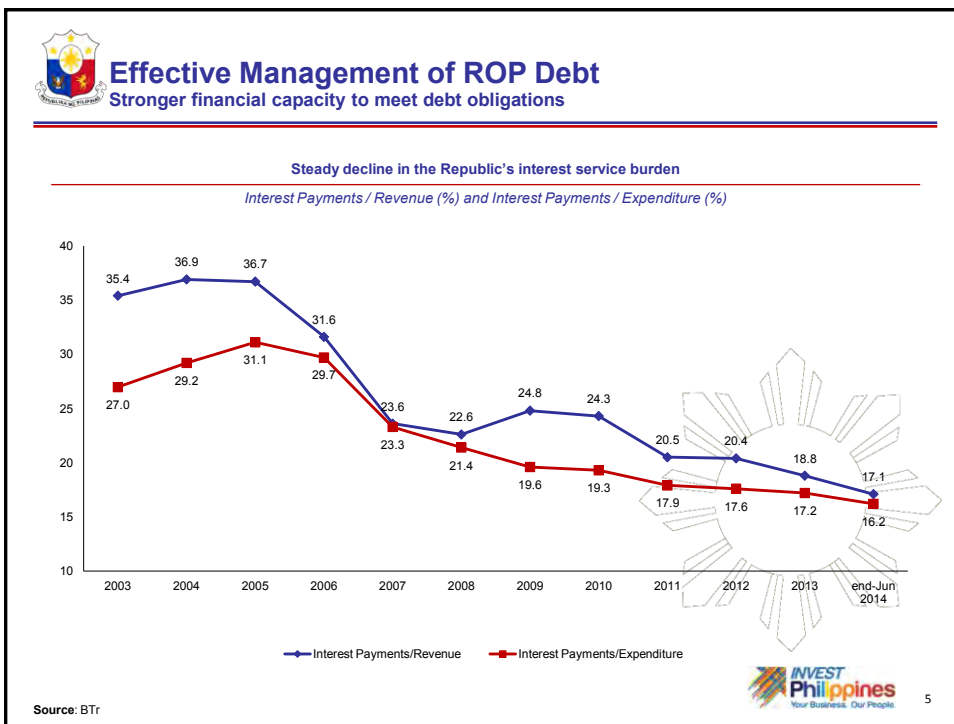
* At current prices. **BPM6, p/ preliminary

Sources: Philippine Statistics Authority (PSA), Department of Finance (DOF), Bureau of the Treasury (BTr), Bangko Sentral ng Pilipinas (BSP)



2







Social and Infrastructure Investments to Drive Long-Term Growth

Enhanced fiscal flexibility to support infrastructure development

Infrastructure Spending Goal: ROP plans to raise public infrastructure spending to 5% of GDP in 2016 in order to maximize the country's productive capacity – same ratio prescribed by the World Bank to sustain economic growth and attract job-creating investments.

Total infrastructure spending for 2013-2016 amounts to PHP1.8tr, or 55% of public investment program – clear demonstration of government's commitment to provide critical infrastructure.

Priority Budget Allocation: Infrastructure has received priority in budgetary allocations in the last few years, and is poised to take up an estimated 3.1% of GDP in accordance with the 2014 Budget (versus 2.5% in 2013)

RA 8975 or Act to Ensure Expedient Implementation of Government Infrastructure Projects prohibits lower courts from issuing temporary restraining orders on national government infrastructure projects covered by the Build-Operate-Transfer Law (BOT Law)



7



Public-Private Partnerships

More Diverse Infrastructure and Social Protection Projects

- Toll Roads
- Mass Transit Systems (rail and bus)
- Airports
- Water (bulk and distribution)
- School buildings (60,000 classrooms, 3 years to implement vs. 6-7 years through budget)
- National Inoculation of Children

Challenges

- Institutional Capacity
- Project and Engineering Design and Preparation
- Optimal Risk-Return Sharing



8



Looking Ahead

Internal

- Enhance revenue base and collection efficiency
- Economic policy reforms
 - Foreign ownership of land
 - 100% ownership of utilities

External

- ASEAN Integration
 - Harmonization of financial services regulation
 - Cross-border trading of financial securities



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Thank you for your attention.

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