



Boosting Resilience Amid Uncertainty: Flows and The Role of Domestic Markets

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Commissioner

Securities and Exchange Commission, Philippines

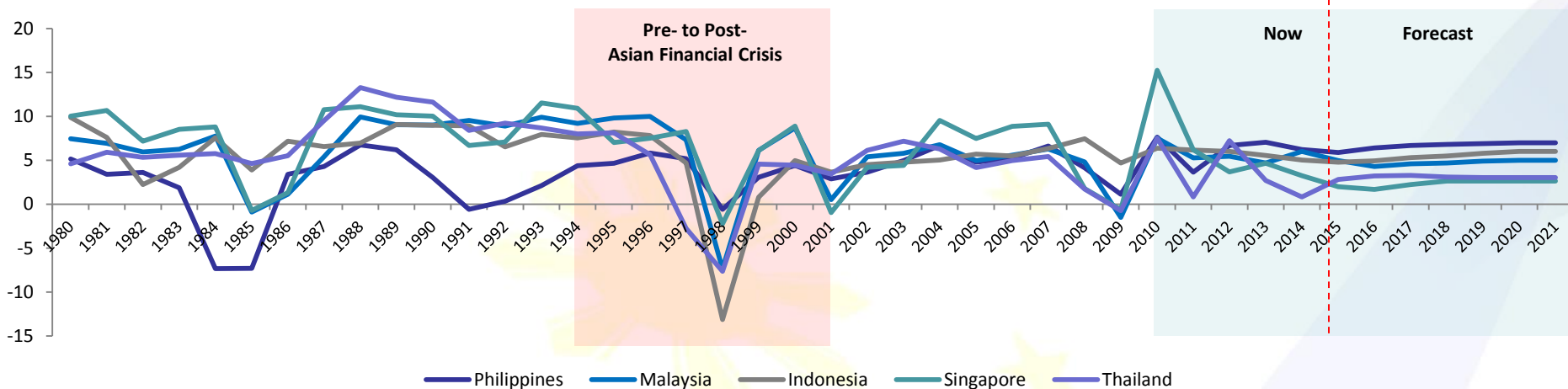
2017 March | Tokyo, Japan





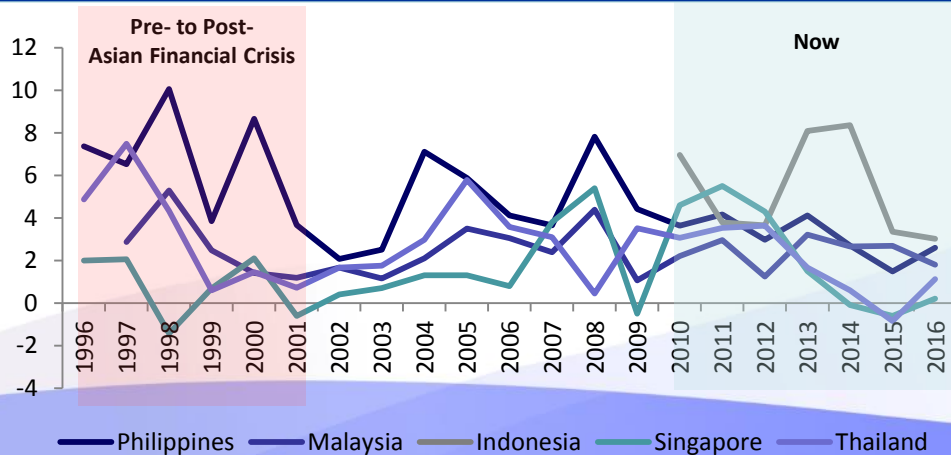
ASEAN-5 well-positioned to manage external risks

Annual Real GDP Growth Rates in USD



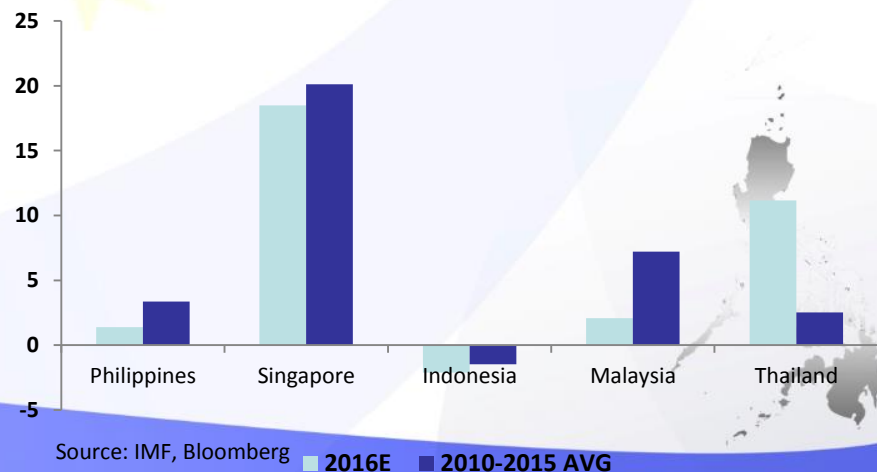
Source: IMF, Bloomberg

Inflation Rate



Source: IMF, Bloomberg

Current Account Balance (as % of GDP)



Source: IMF, Bloomberg



Zooming In: The Philippines | A Snapshot

Metric	2005	2012	2015	2016
Credit Rating	BB	BB+ Stable	BBB- Positive	BBB- Positive
Real GDP Growth Rate (%)	4.8	6.7	5.9	6.8
GDP Per Capita* (USD), PPP Concept	3,855	6,122	7,324	7,776
GNI Per Capita* (USD), PPP Concept	3,061	7,377	8,860	9,358
Inflation Rate (2006 = 100) (%)	6.5	3.2	1.4	1.8
National Government Interest Payments (as % of Revenues)	36.7	20.4	14.7	14.1 (end-Nov)
Fiscal Balance (as % of GDP)	-2.6	-2.3	-0.9	-2.1 (end-Sep)
General Government Debt (as % of GDP)	59.2	40.6	36.3	35.5 (end-Sep)
Gross International Reserves (USD billion)	18.5	83.8	80.7	81.0
— Import Cover (months)	4.6	11.5	9.9	9.2
Overseas Filipinos' Cash Remittances (USD billion)	10.7	21.4	25.6	24.3 (Jan-Nov)
Current Account (as % of GDP)	1.9	2.8	2.6	0.7 ^{p/} (Jan-Sep)
External Debt (as % of GDP)	59.7	32.0	26.5	25.5 ^{p/} (end Oct)
External Debt Service Burden (% of CAR)**	14.9	6.9	5.3	6.2 ^{p/} (Jan-Oct)

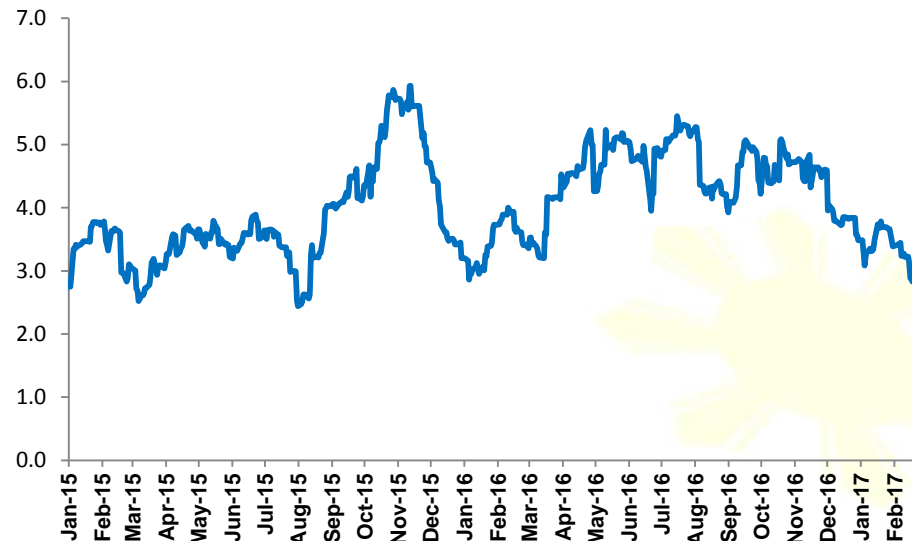
Source: PSA, DOF, BSP, BTr, Bloomberg



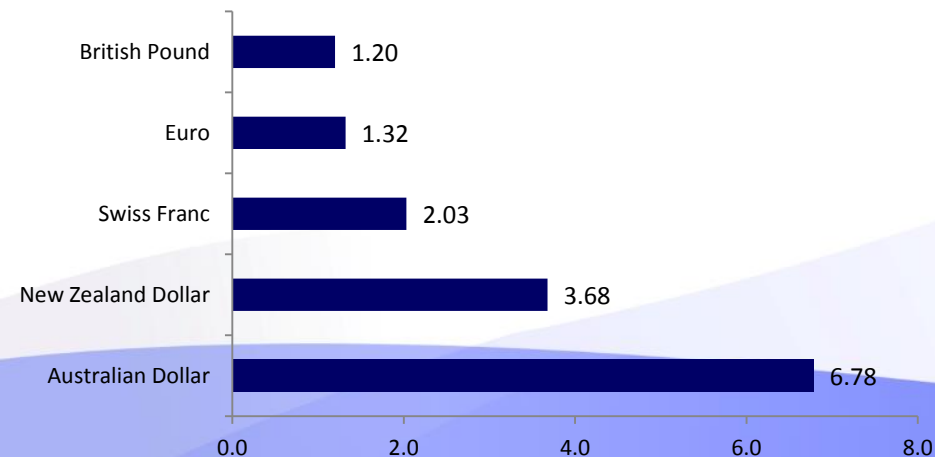


Zooming In: The Philippines | Macro and Monetary

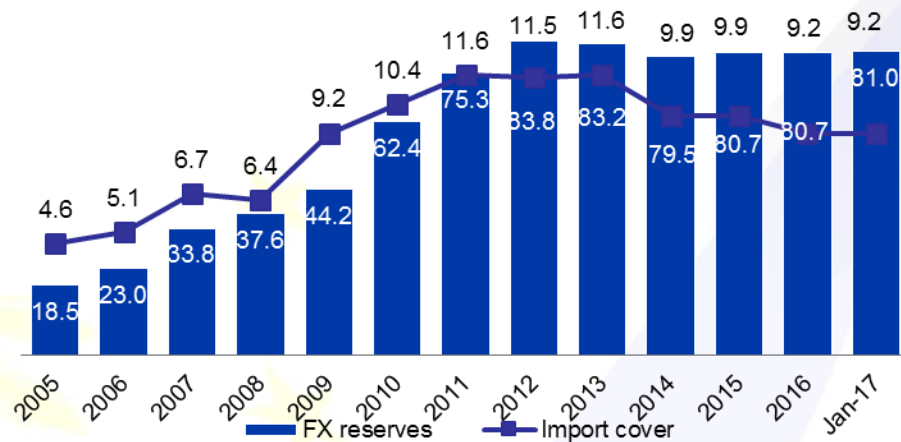
30-day Volatility USD/PHP



YTD Appreciation Against Major Currencies

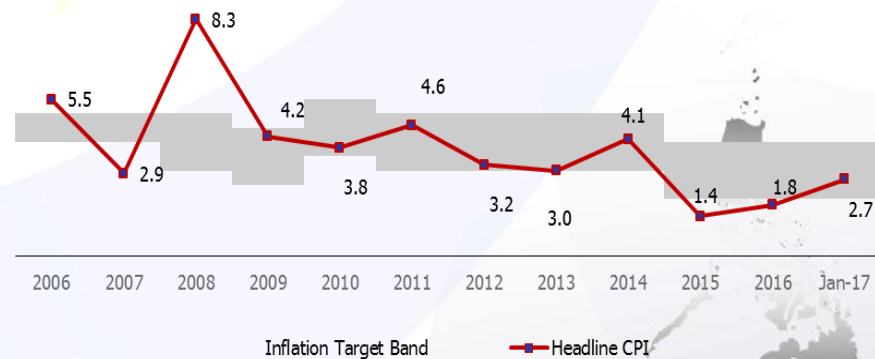


Import Cover and FX Reserves



Source: BSP

Headline Inflation



Source: BSP



Zooming In: The Philippines | Fiscal

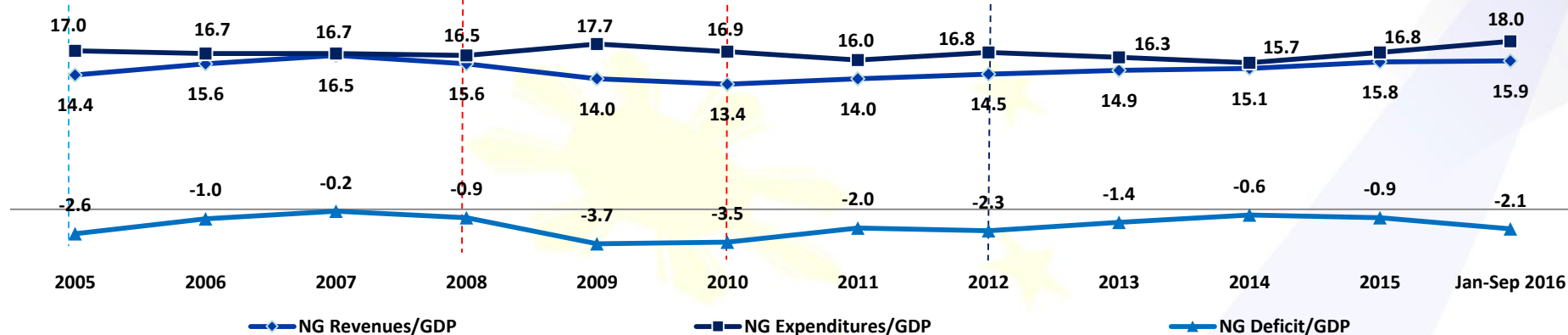
Revenue-, Expenditure-, and Deficit-to-GDP

Passage of the Expanded Value-Added Tax

GFC Stimulus

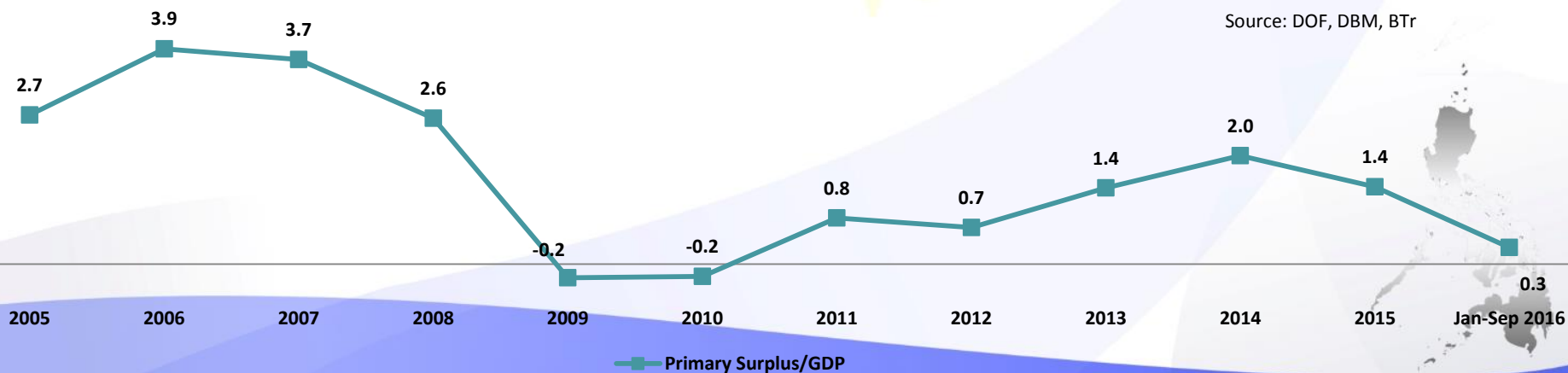
Sin Tax Law

Source: DOF, DBM, BTr



Primary surplus well-within required debt-stabilizing ratios

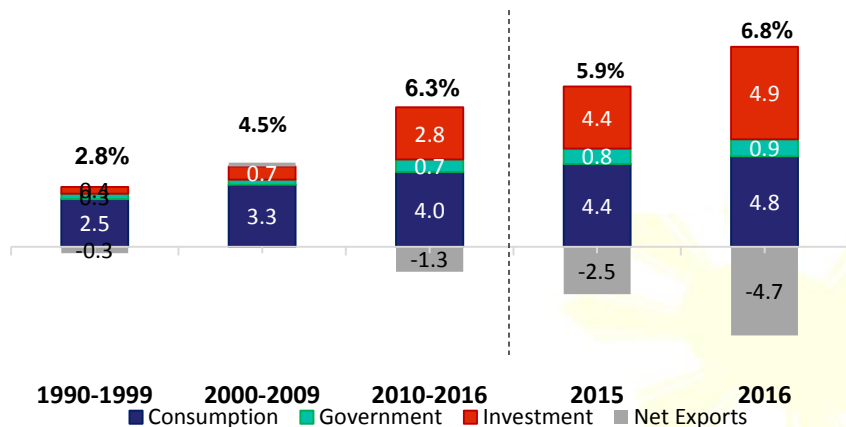
Source: DOF, DBM, BTr





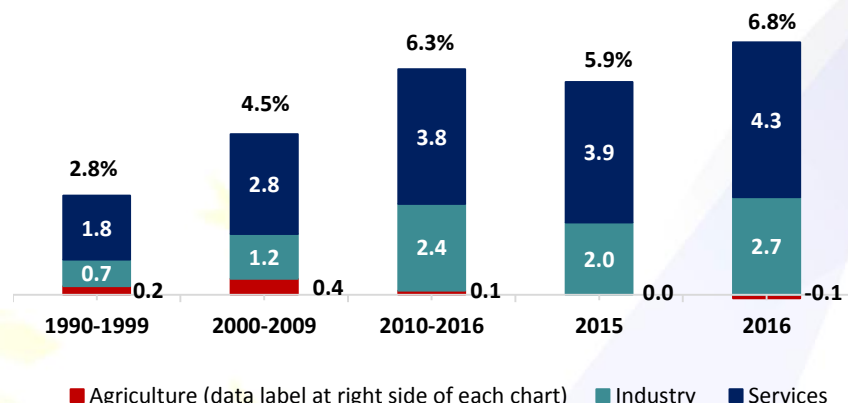
Zooming In: The Philippines | Growth and Debt

Contribution to Gross Domestic Product: Demand Side



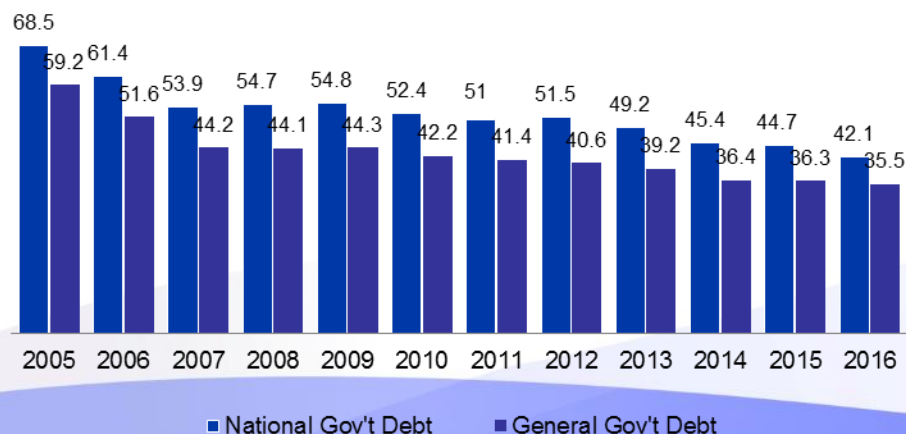
Source: PSA

Contribution to Gross Domestic Product: Supply Side



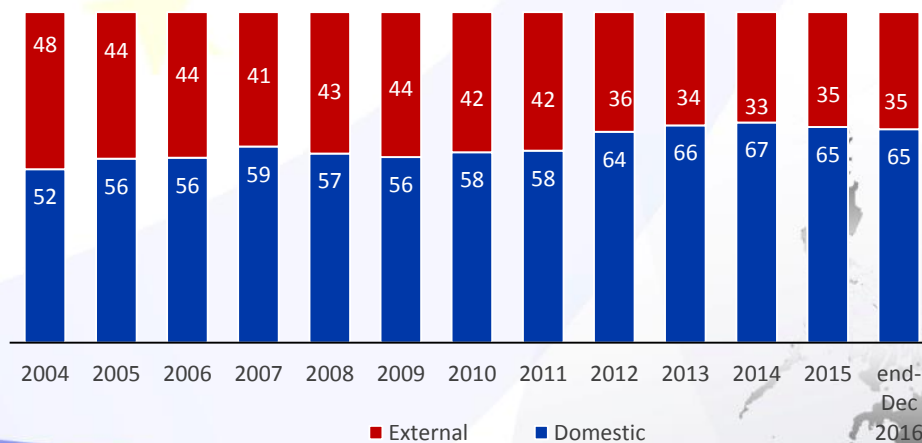
Source: PSA

Debt-to-GDP



Source: DoF, BTr

Composition of Debt Portfolio

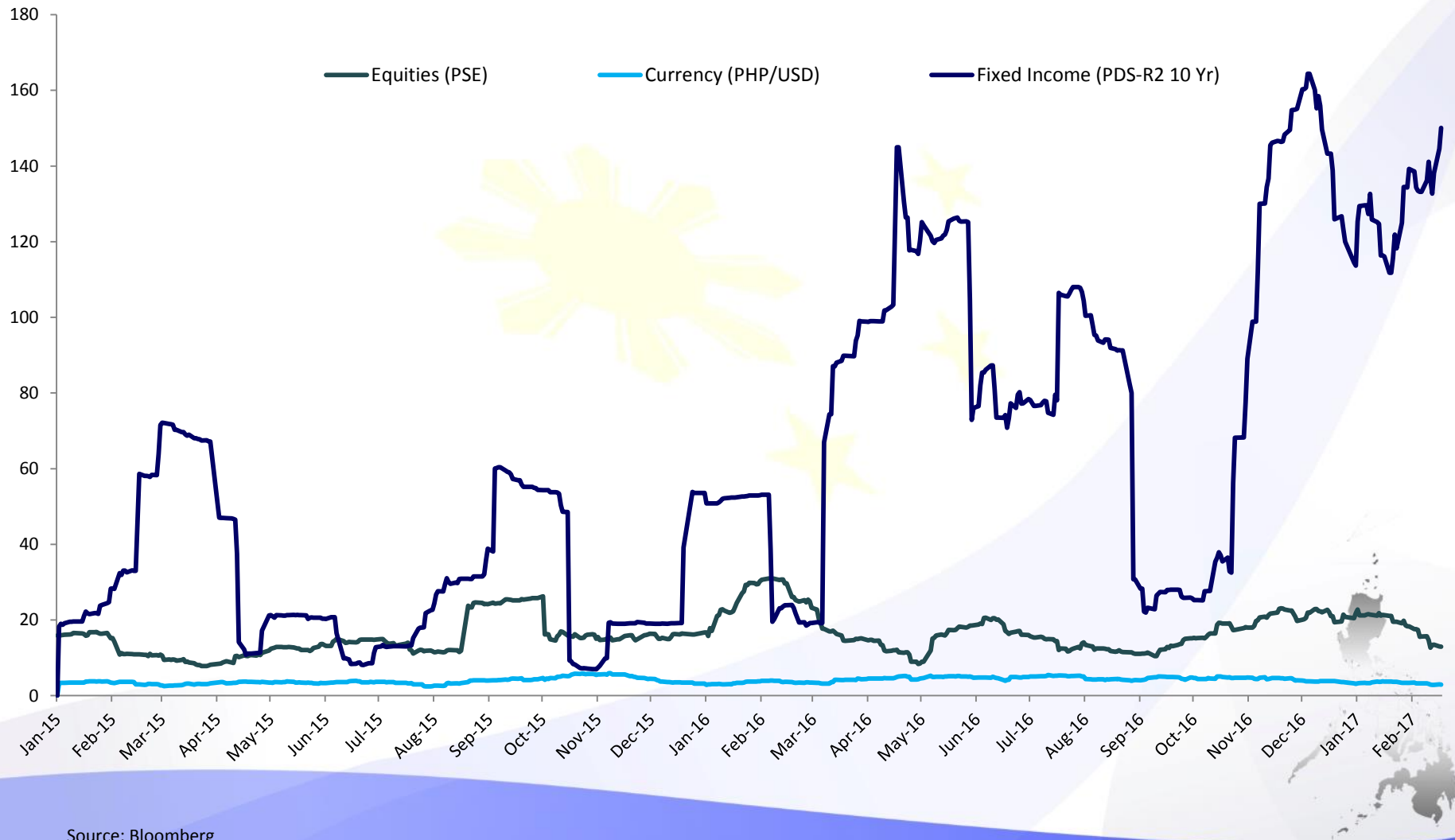


Source: BTr



Zooming In: The Philippines | Financial Markets

30-Day Volatility of the Philippine Financial Markets





10-Point Socioeconomic Agenda



**CONTINUE
MACROECONOMIC
POLICIES**



**INSTITUTE PROGRESSIVE TAX
REFORM**



**INCREASE COMPETITIVENESS
& EASE OF DOING BUSINESS**



**ACCELERATE
INFRASTRUCTURE
SPENDING**



**PROMOTE RURAL
DEVELOPMENT**



**ENSURE SECURITY OF LAND
TENURE & ADDRESS
BOTTLENECKS IN LAND
MANAGEMENT**



INVEST IN HUMAN CAPITAL



**PROMOTE SCIENCE,
TECHNOLOGY & ARTS**



**IMPROVE SOCIAL
PROTECTION
PROGRAMS**



**STRENGTHEN
IMPLEMENTATION OF
RESPONSIBLE PARENTHOOD
& RH LAW**





Capital Market Development Pyramid

- Green Finance to promote PHL-ASEAN asset class

- R1 & R2 Calculation Review (Yield Curve)
- Single Price Convention

- Building Benchmarks
- Liability management
- Non-restricted trading
- nRoss (IT)

Equity Markets,
Investment Funds
& Derivatives

- PSE Listing Rules for PPPs
- Exchange Traded Funds

Infrastructure (project) &
Corporate Bonds

- Project bond prototype
- Enhanced Risk Disclosure
- Credit Enhancement

Long-Term Government Bond Market

Treasury Bill/Note Market

- IRC
- OIS
- Repo

Money Market





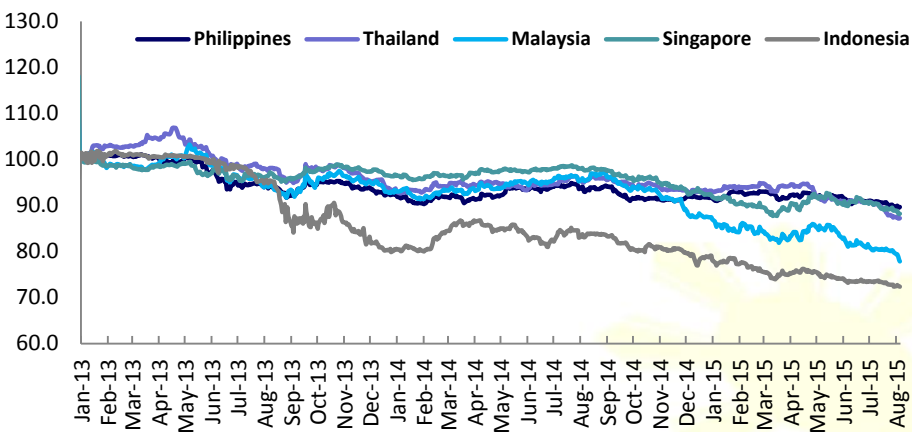
Thank You!



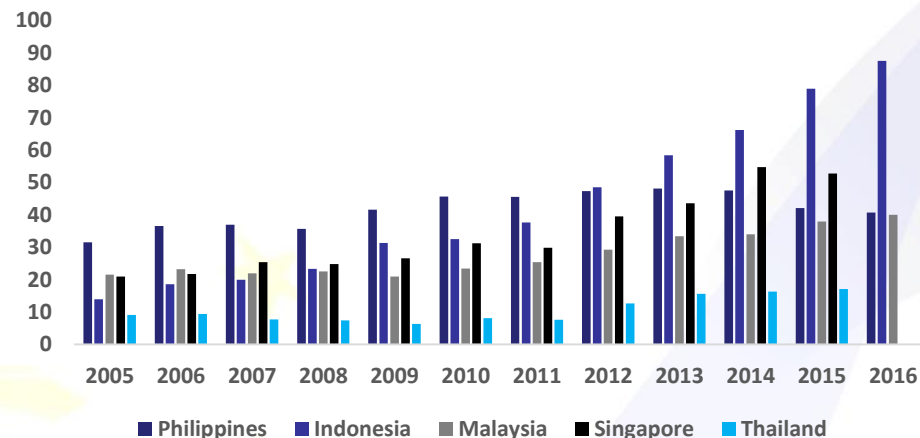


ASEAN-5 well-positioned to manage external risks

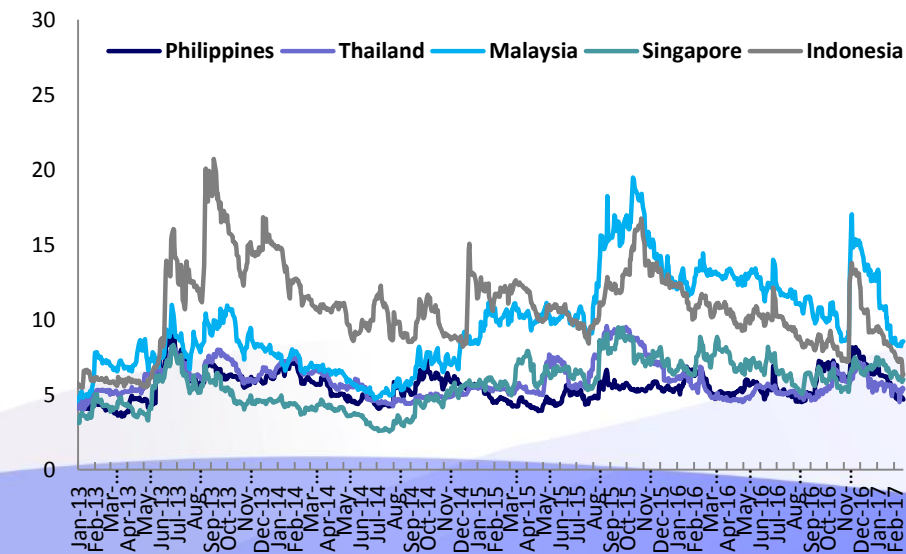
Normalized FX Movements (1 Jan 2013 = 100)



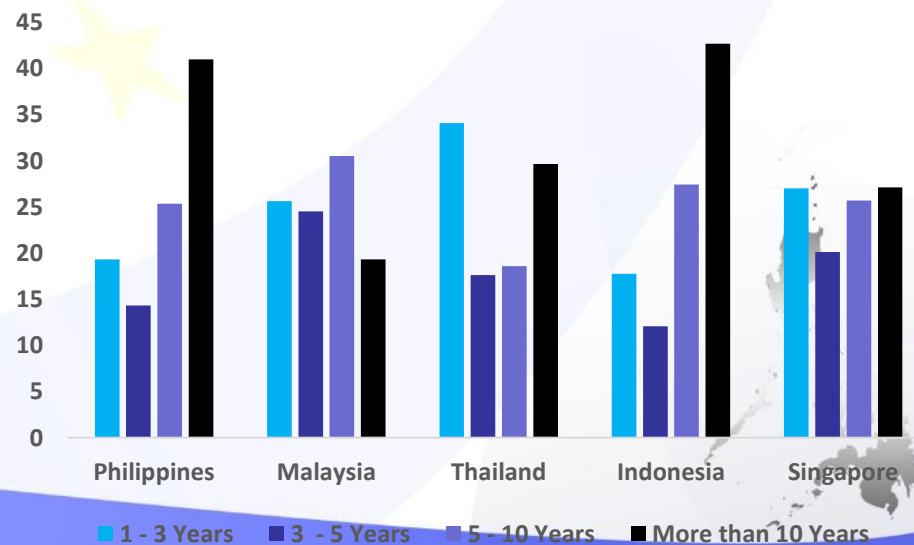
External Debt



JP Morgan 1-Month Currency Options Volatility Index



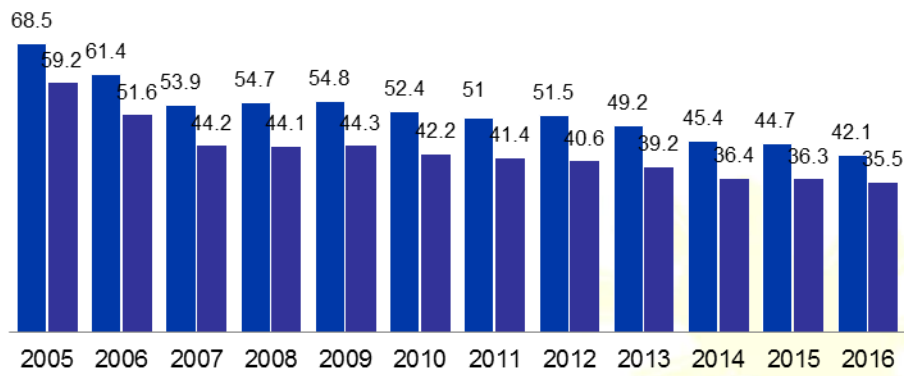
Government Domestic Debt Redemption Profile (as % of total)





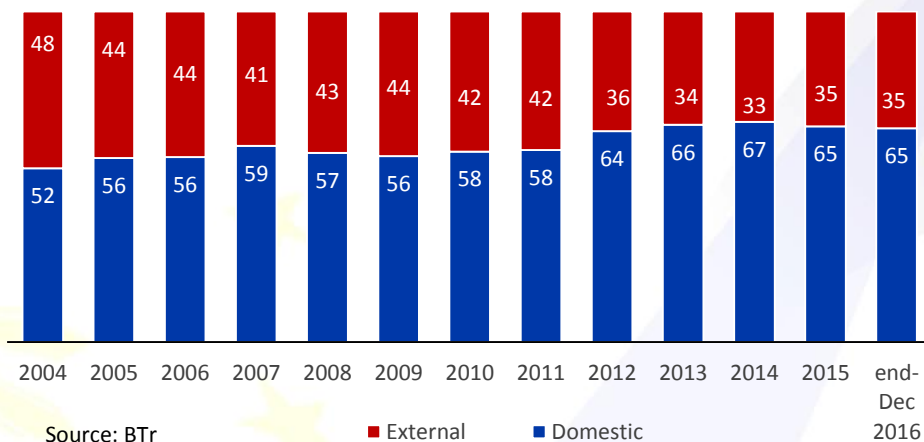
Zooming In: The Philippines | Debt

Debt-to-GDP



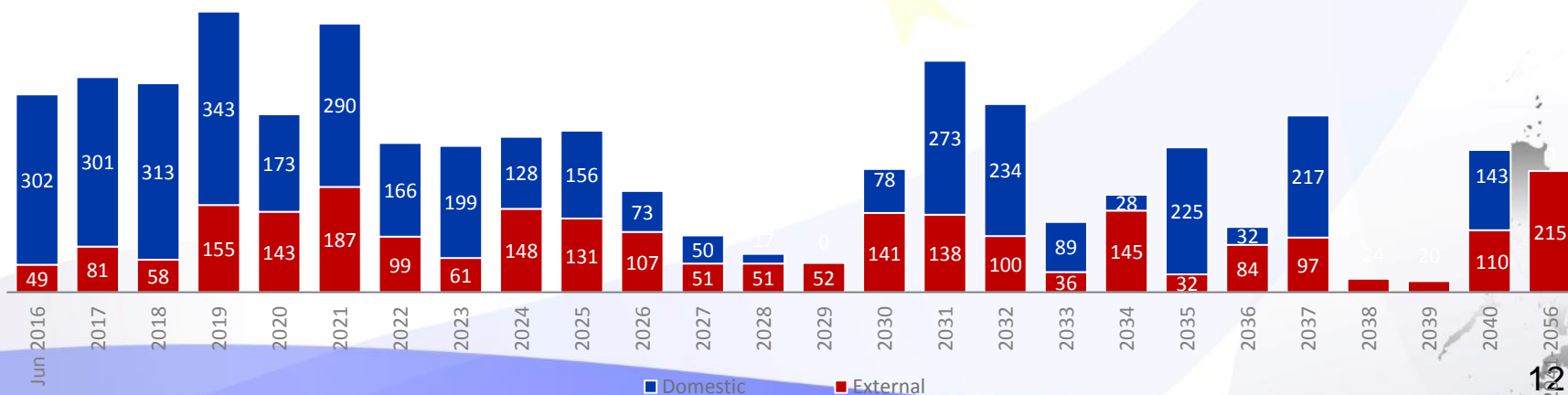
Source: DOF, BTr
■ National Gov't Debt
■ General Gov't Debt

Composition of Debt Portfolio



Source: BTr
■ External
■ Domestic

Maturity Profile



Source: BTr



Zooming In: The Philippines | Investor Confidence

5Y Credit Default Swaps (in bps)

