FINEX
FINANCIAL EXECUTIVES INSTITUTE OF THE PHILIPPINES

Strategies for Economic Growth

What Policies are Needed?

June 26, 2025 | New World Hotel

Shaping the Future: Leadership and Innovation in Philippine Business

Economic Opportunities in the Philippines

The Philippines is poised for significant **economic growth**, driven by its **young population** and abundant natural resources.

Challenges Ahead

Global macroeconomic challenges, including trade tariffs and geopolitical tensions

Current ranking of 52nd out of 67 in the World Competitiveness Ranking

Urgent need for policies to enhance global competitiveness

The Need for Inclusive Economic Growth

True prosperity in the Philippines must ensure that economic benefits reach all segments of society.

- **Importance of Inclusivity:**
  - Fosters social cohesion and strengthens the domestic market
  - Empowers consumers and creates a stable foundation for development
  - Unlocks the productive potential of marginalized sectors



Addressing Poverty and Inequality

The rise in self-rated poverty highlights the urgent need for government action.

- **Current Situation:**
  - 15.5 million families are self-rated as poor, indicating a pressing issue
  - The necessity for a government focused on the welfare of all Filipinos
  - Prioritizing the needs of the many over the interests of a select few





The Role of Good Governance

Good governance is essential for fostering an environment conducive to investment and growth.

- **Key Characteristics:**
  - **Transparency** and accountability in government operations
  - Combatting corruption to reduce costs and increase certainty for businesses
  - Establishing a meritocratic civil service to boost investor confidence

Investing in Our People

Quality education, healthcare, and infrastructure are critical for long-term economic growth.

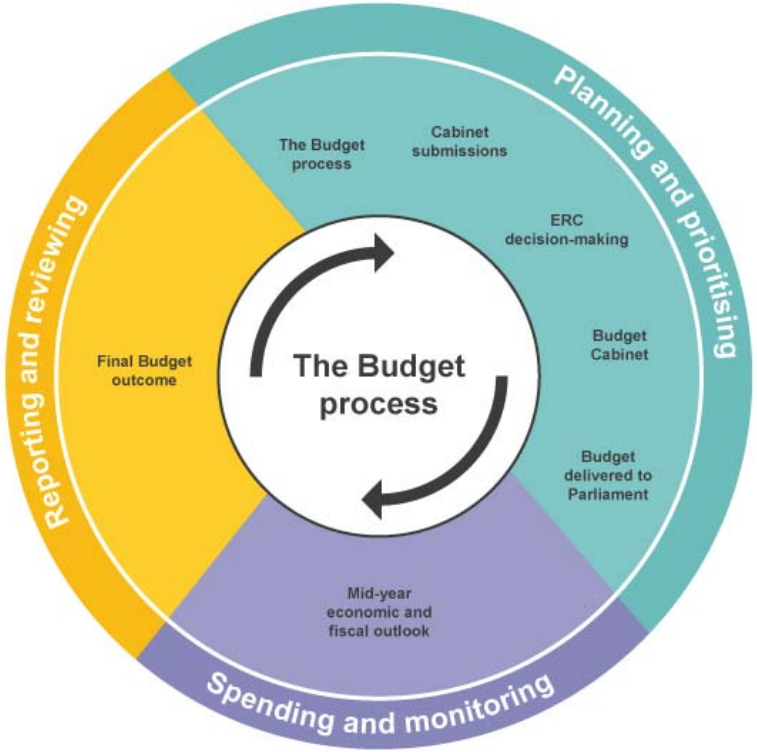
- **Importance of Investment:**
  - **Public funds must be managed responsibly** to enhance workforce productivity
  - **Access to education and healthcare** leads to a healthier, more skilled population
  - **Infrastructure investments** are essential for economic development

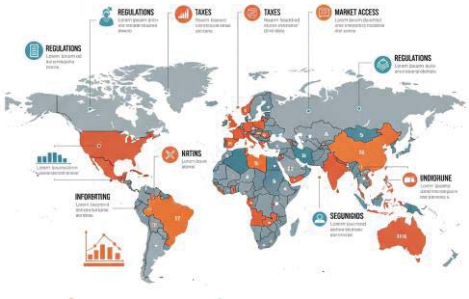


Advocating for Strategic Budgeting

A transparent national budget process is vital for effective public service delivery.

- **Budget Priorities:**
  - **Focus on high-value investments** in infrastructure, healthcare, and education
  - **Eliminate corruption** to ensure funds are used effectively
  - **Engage stakeholders** in the budget process for greater accountability





Enhancing the Ease of Doing Business

Bureaucratic challenges hinder the growth of micro, small, and medium-sized enterprises (MSMEs).

- **Complex licensing procedures** and prolonged permit approvals
- **Inconsistent regulations** from local governments
- Need for **simplified processes** to encourage entrepreneurship

Addressing Challenges with ARTA

- The creation of the **Anti-Red Tape Authority (ARTA)** simplifies government procedures, ensuring efficient service delivery and combating bureaucratic corruption.
- The government has acknowledged these challenges and has taken concrete steps to address them.
- A major initiative is the creation of the Anti-Red Tape Authority (ARTA), authorized by **Republic Act No. 11032**, or the **Ease of Doing Business and Efficient Government Service Delivery Act of 2018**.
- ARTA plays a crucial role in simplifying government procedures, ensuring adherence to required processing times, and fighting bureaucratic corruption.





Enhancing the Regulatory Environment

Ongoing digitalization and one-stop shops for business registration aim to create a predictable and transparent regulatory environment for investors and entrepreneurs.

- To truly foster **rapid** and **sustainable growth**, we must amplify these efforts:
  - Create more opportunities
  - Foster a more **conducive environment** for both domestic and foreign investors



Simplifying Regulations and Promoting Strategic Advantages

To achieve sustainable growth, we must simplify regulations and promote strategic advantages like a skilled workforce and a growing domestic market. Furthermore, a stable macroeconomic environment is foundational to sustained economic expansion.

- The BSP's independent and proactive monetary policy actions, coupled with the government's fiscal discipline and supply-side interventions, have been instrumental in:
  - Anchoring **inflation expectations**.
  - Maintaining **economic stability**, even amidst global volatilities.

Importance of Macroeconomic Stability

A stable macroeconomic environment, supported by the Bangko Sentral ng Pilipinas (BSP), is essential for sustained economic expansion and inflation control.

- Successful inflation management is not merely a technical achievement; it directly translates into tangible benefits for our economy.
- Lower and stable inflation rates enhance consumer confidence, making it easier for families to manage their budgets and plan for the future.
- For businesses, it reduces operational costs and the uncertainty associated with fluctuating input prices, thereby encouraging greater capital expenditure and expansion.





Reducing Costs in Agriculture and Power

Strategic interventions are needed to lower essential input costs in agriculture and power, boosting productivity and enhancing competitiveness.

- **High costs** in agriculture and power disproportionately impact producers:
  - Small farmers struggling
  - Manufacturers burdened by high electricity bills

- Strategic interventions are crucial:
  - Investing in **modern agricultural techniques**
  - Improving **supply chain efficiency**
  - Diversifying **energy sources**
  - Promoting **competition** in the power sector

Strengthening the Education System

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- **Comprehensive reforms** in education are necessary to equip the Filipino workforce with skills needed for a knowledge-based global economy. Equally critical for our long-term competitiveness is a focused effort on strengthening our education system to ensure our Filipino workforce is truly globally competitive.
- **Investing in** teacher training, curriculum development relevant to industry demands, and providing accessible, **quality education** will equip our young population with the necessary skills to thrive in emerging sectors and attract **high-value industries**.



Nurturing Local Manufacturing

- A thriving domestic manufacturing base provides **stable, higher-value employment opportunities.**
- It fosters technological transfer and builds **resilient supply chains**, reducing our reliance on imports and enhancing our economic sovereignty.
- This requires targeted policies that support local industries, including:
    - Access to **affordable financing**
    - Incentives for **research and development**
    - Promotion of **local content**
    - Investments in **modern industrial infrastructure.**



Developing Robust Capital Markets

- **Strengthening our equity and fixed income markets** will diversify funding sources for businesses
- **Reduce reliance on traditional bank lending**
- **Enhance risk management capabilities** across the financial sector
- **Introduce new financial products**
- **Enhance market liquidity**
- **Promote good corporate governance** among listed companies
- **Expand financial literacy** to encourage broader public participation





Commitment to Inclusive Growth

The path to economic growth requires a commitment to good governance, eliminating corruption, and enhancing the ease of doing business:

- The continued development of our **capital markets**, under strong leadership, is therefore paramount.
- It requires a multi-pronged approach that includes:
  - Further **regulatory reforms** to align with international best practices.
  - Leveraging **technology** to improve market access and surveillance.
  - Promoting a culture of **responsible investment**.
- In a recent courtesy call to the BSP, including Monetary Board Member Diokno, Deputy Governor Tangonan, and Deputy Governor Romulo-Puyat, FINEX reiterated our commitment to collaborate with the Government on ensuring a **robust capital market system**.

Conclusion: Unlocking Economic Potential

- By pursuing interconnected strategic pillars, the **Philippines** can achieve broad-based, sustainable prosperity, securing a brighter future for all **Filipinos**.
- By diligently pursuing these interconnected strategic pillars, **FINEX** believes the Philippines can unlock its full economic potential, delivering prosperity that is truly broad-based, sustainable, and felt by every Filipino, securing a brighter future for our nation.

