

**PRESIDENT FERDINAND ROMUALDEZ MARCOS JR.'s  
KEYNOTE ADDRESS AT THE  
NEW YORK STOCK EXCHANGE BUSINESS FORUM  
New York, United States of America  
September 19, 2022**

[00:00:04]

[applause] Please be seated. Thank you, Secretary Ben Diokno.

All the members of the Cabinet of the Philippines; Mr. John Tuttle, the vice-chairman of the New York Stock Exchange. And for those kind words from Mr. Sabin Aboitiz, the convenor of the Private Sector Advisory Council; we have also with us the Speaker of the House, House Speaker Ferdinand Martin Romualdez; and our Ambassador to the United States, Ambassador Jose Manuel Romualdez; also with us is our Permanent Ambassador to the UN, Ambassador Antonio Lagdameo Sr.; and I would be remiss if I did not, of course, include in my greetings the First Lady Liza Araneta-Marcos [applause]; distinguished guests here today; ladies and gentlemen, good afternoon.

On behalf of the Philippine delegation, I wish to express our gratitude to the New York Stock Exchange for inviting us here today. I consider it an engagement of invaluable opportunity to share with you how we are further opening up our economy to accelerate our recovery.

Bouncing back from the pandemic, the Philippine economy has seen robust growth since last year and has returned to its path toward upper-middle-income country status, achievable we believe within the next few years.

Against this backdrop, we have increased the scope for mutually beneficial investments that would mean more jobs and a better quality of life for Filipinos. For investors, doing business in the Philippines is an opportunity to reap the benefits of a vibrant economy.

We are proud to share that we recently enacted policies to further liberalize our economy and welcome more foreign investment to our shores. First, we passed legislation to lower corporate income tax rates and rationalize fiscal incentives. Second, we reduced the minimum paid-up capital requirements for foreign retailers and foreign start-ups bringing in advanced new technology. And third, we now allow full foreign ownership of companies providing public services, such as telecommunications, shipping, air carriers, railways, subways, airports

and toll roads. The United States and the Philippines have strong and enduring ties in trade and commerce, among many other areas of cooperation.

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The US is our third largest trading partner and second major source of foreign direct investment applications in 2021. To international investors, the Philippines offers high quality labor, a large consumer market and a wide range of fiscal and non-fiscal incentives. At the same time, we remain committed to maintaining sound macroeconomic fundamentals providing a clear development roadmap.

Let me expound a little bit on these important points; first, sound macroeconomic fundamentals --- our gross domestic product is projected to grow by 6.5 to 7.5 percent this year --- by 6.5 to 8.0 percent from 2023 to 2028. The employment situation has improved following the temporary disruption caused by the pandemic. The unemployment spike of 17.6 percent in April 2020 fell drastically to 5.2 percent in July this year, the lowest record for all July rounds of our Labor Force Survey since 2005.

Manufacturing activity has accelerated, staying above the growth threshold of 50 for the past seven consecutive months and settling at 51.2 last August. Trade is back to double-digit growth, with demand for trade partners boosting our exports and with domestically situated firms importing more inputs in anticipation of rising demand.

At the same time, with our commitment to fiscal discipline, the country's debt-to-GDP ratio has improved to 62.1 percent as of end-June this year from 63.5 percent in the previous year. At the height of the Covid-19 crisis, the government implemented massive stimulus programs to readily support the most vulnerable sectors. Although our borrowings increased substantially during the pandemic, we continue to reduce the cost of our public debt through judicious debt management.

Now that the economy is reverting to normalcy, the government is likewise heading back to the path of fiscal consolidation. We will reduce the government debt-to-GDP ratio to below 60 percent by 2025 and further down to 51.2 percent by the end of my term in 2028.

Our economy's resilience to crises is recognized internationally. The Philippines has maintained its investment grade credit ratings throughout the pandemic amid the wave of rating downgrades globally. As we look forward to achieving upper-middle-income status, we are also gearing up for "A" territory credit ratings in the medium term.

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On the external front, we have sufficient buffers against external shocks. Supported by steady inflows of overseas Filipino remittances, receipts from business process outsourcing and foreign direct investment, our gross international reserves stood at 99 billion [US] dollars as of end-August, equivalent to 8.3 months of import cover. This remains more than sufficient to cover the economy's foreign exchange needs.

Moving on to my second point: our economic development roadmap --- in the near-term, our top priorities are protecting the purchasing power of families by managing inflation, reducing the scarring effects of the pandemic and ensuring sound macroeconomic fundamentals. Thus, we are implementing policies that enhance food security; transport, reduce energy cost, and logistical cost; strengthen social protection; and enhance the quality of education and skills training of our workers.

As we pursue our short-term agenda, we build the foundations for a stronger, more inclusive future. Our medium-term agenda includes reducing the poverty rate to single digits by 2028 and undergoing an industrial transformation through which science, technology and innovation and sustainability will drive our industries.

In all our endeavors, the private sector must be a partner. We seek partnerships in many areas of our development agenda: in public infrastructure such as mass transit systems, airports, toll roads; in public services; in digitalization initiatives; in the energy development agenda; in efforts to modernize agriculture and in programs aimed at strengthening our industries, to just name a few.

For American businesses, we offer investment opportunities in areas such as Information Technology and Business Process Management or IT-BPM; medical products and devices; electric vehicles and batteries; agribusiness and telecommunications infrastructure and services.

Despite external headwinds, the Philippines economy's resilience — reinforced by sound policies and decisive leadership — makes us confident about our future. Over the past few decades, as the Philippines transformed into one of the most promising emerging markets, the United States has been among our steady partners. For that, we are truly grateful. At the same time, American companies doing business in the Philippines have benefited significantly from our economic successes.

I wish to emphasize that the Philippines is keen to continue nurturing the ties that helped produce mutual benefits for both our economies, our organizations and our peoples.

Let us achieve many more milestones together. Thank you very much for this opportunity and good afternoon to you all. [applause]

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\* end of statement \*

(BUSINESS FORUM PROPER)

MR. JOHN TUTTLE (VICE CHAIRMAN AND CHIEF COMMERCIAL OFFICER, NYSE GROUP): Well, thank you very much Mr. President, for your remarks and obvious support of investment in the Philippines.

In your speech, you discussed the fact that the Philippines is now allowing full foreign direct ownership in companies providing public infrastructure.

How important is foreign direct investment into achieving those economic plans of yours, Mr. President?

**PRESIDENT FERDINAND ROMUALDEZ MARCOS JR.:** Well, it is certainly as we attempt to transform the economy. And I used the word transform because it is my belief that the way to bring our economies back to the level of activity that we enjoyed before the pandemic, we have to understand that the global economy has changed and we have to position ourselves certainly to be able to take advantage of those changes to have a head start in the new economy that we are still, as of now, starting to form globally. And a large part of that will be foreign investment in the Philippines.

And when I speak of foreign investment, I speak especially of capital-intensive investment. Because although we have our GDP, if we look at our GDP figures, a great deal of the contribution to GDP has been in our service sector. And therefore, we think that it is manufacturing, the area of manufacturing, where we can still do a better job.

And this is one way the foreign direct investment, capital-intensive investment is also something that we are going, actually, to need for us to be able to achieve the targets that we have set for our economy, have set for our country. And it is going to be key as we are trying to --- we are trying to define or determine the mix between loans and capital-intensive investment. So, the part that capital-intensive investment play is going to be a very important aspect of this transformation of our economy that I speak of.

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So, that is a large part of what we are doing here. And that is why when I came here to New York, ostensibly first of all because we are attending the --- I will be speaking before the UN General Assembly tomorrow. But I also brought the whole economic team of the government, of the Cabinet with us.

And again, the private sector business leaders also are here with us precisely to show and explain to our prospective investors where the Philippines is headed, what changes we have made so that investment will be more profitable and more attractive for foreign investors especially coming from the United States. So, it plays a central role in all that we are planning to do for our economy. It is once again something that we recognize in government we have a part to play in.

We have to fundamentally restructure the bureaucracy, the government. We listen to the chambers of commerce that tell us what are the obstacles that they find in their way such as the ease of doing business, the prices of energy, all of these --- and these other legislative guarantees that investors are looking for.

And I believe we are headed in the right direction and I believe that if we continue down this road and we are able to attract investors to this new investing climate that we are starting to create in the Philippines, then I believe that with the role that foreign direct investment will play I think we could succeed. But that just illustrates how important we consider that investment to the transformation of our economy.

MR. TUTTLE: Thank you very much, Mr. President.

You mentioned two themes in particular: one was of course foreign direct investment but you also touched on the United States and that being one of the most important investors in the Philippines.

Now the United States and the Philippines have long enjoyed a very productive relationship and partnership. Can you talk a little bit about that partnership and how you see it going forward?

**PRESIDENT MARCOS:** Well, our relationship has gone back for over a hundred years between the United States and the Philippines. And just earlier today, we had a lunch that was hosted by the US-Philippines Society. And I spoke to them and we talked perhaps more on the subject of geopolitics and explained that it is very clear to me in my vision for the way that the country will move forward that I

cannot see the Philippines in the future without having the United States as a partner.

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And although I was referring to the geopolitics of it and I was referring to the political situation in the region and around the world that certainly does continue to apply in our exchanges in the economic front. And many of the drivers of our early economy were actually American corporations. Many of the strongest corporate benefactors, really, to government and to the rest of society in the Philippines were coming from the United States.

Now of course, this has evolved as time has gone on but the strength of that relationship continues, and we envision a further strengthening of those relationships. I believe that the political, economic, diplomatic relations that we make, the partnerships that we forged and that we strengthen now are going to be extremely necessary for the simple reason that they provide the stability in this highly unstable economic, political, geopolitical, diplomatic environment. This is something that is central to our thinking when it comes to the economic planning for the Philippines.

So, again, we have adjusted many of our ways of doing business at the behest of our friends in the United States and of the Americans' businesses that are already in the Philippines. And so I think that that will give us great opportunities in the future and for both our countries, for private corporations, for government-to-government agreements and arrangements.

We have really opened up the policy of the Philippines to more of these public-private partnerships. But not only PPPs but also G2G arrangements, as I mentioned, joint venture between private entities. And it is something that we feel can actually be achieved. So the United States has always been central to that.

I cannot overstate really the role that the United States has played in the Philippines in every aspect of our lives. And so this is just a continuing evolution and I believe strengthening of that relationship between the United States and the Philippines. And we are driven together in many ways by forces that exist now in the world and that I think is something that we certainly in the Philippines – and I think not in the United States either – that we are resistant to.

So, it is something that I can see as becoming stronger and becoming more robust as we work together towards exploiting properly the new global economy.

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MR. TUTTLE:

Thank you very much Mr. President.

You touched on American businesses investing in the Philippines and the opportunities to do that through public-private partnerships, the infrastructure projects you identified on the onset as well. As we look at the population and we look at the economy, it's young, it's dynamic, it's tech-focused, it has high English language fluency, it's right for investment.

What is your message to investors in this room, those watching us from around the world for how to invest in this next generation of Philippine companies that one day selfishly we hope will come here to the New York Stock Exchange to raise capital and to grow and expand and even do more things? What is your message to them, Mr. President?

**PRESIDENT MARCOS:** Well, to achieve exactly what you are saying to begin with. [laughter]

Yes, certainly, when I'm asked why do you have such a bright view of the future? And my answer is always that there are 110 million Filipinos that are working towards the same goal and that I still believe our workforce is still our greatest asset. And it is something that we have seen succeed first of all with our Overseas Filipino Workers but also in the development of the more sophisticated businesses that have come to the country. And highly technical, requiring technical proficiency, requiring good training in schools.

We will still continue to try and improve the education system in terms of the technical side --- the technical side of our workforce's training. And as we know because that is becoming more and more important in the world. But the young people in the Philippines also I supposed there is a form of institutional memory and we still look to the United States as our partners.

When we are in crisis, we look to the United States, we look to the relationship that has been forged over the many years. And I have to say the reason that we have done that is that for the most part we can say that the United States has not failed us. That sentiment remains in our young men and women. That sentiment remains and will I think be further fostered if we are able to show some successes, at least immediately, we show some immediate successes in this partnership. And that will galvanize our young people to continue to work in that direction. That I think is something that will come naturally if we are

able to do all of the things that we are hoping to do to transform the economy, to adjust now.

We are, I believe, the youngest country in Asia. And with the graying of other countries around the region, this gives us an advantage in terms of, I supposed, the population dividend has been referred to before. It gives us an advantage in terms of the population dividend. And they are ready to take up the cudgels, they are ready to work for the country, they are ready to do what needs to be done to bring the country forward.

And I feel confident in saying that because in the last election, it was the young people who drove forward the idea that we must continue to invest in our young people, we must continue to train them properly, we must continue to make them competitive anywhere in the world but most hopefully in the Philippines with our partners and with our allies.

MR. TUTTLE: Well thank you very much, Mr. President.  
[applause]

It is clear you have a plan, you have an opportunity. And I know I speak for many business leaders and investors in this room that they leave today not only with a renewed sense of optimism but a further enhanced and strengthened sense of optimism about the opportunities in the Philippines.

And on behalf of the New York Stock Exchange, we are thrilled to play our small little part today in providing a platform for you and your country to deliver that message and there is no better platform than the bell, [laughter] which is the most highly-viewed news event in the world on a given day.

**PRESIDENT MARCOS:** Well, similar to what Mr. Aboitiz mentioned, we are all thrilled to be here. [laughter] When we were talking before coming out here, I said well you know of course we're familiar with the New York Stock Exchange and the bell and that most important balcony in the world. But we had always watched it from afar.

And to have the opportunity to be here personally and to be with all of you in the New York Stock Exchange has been a great opportunity and a great pleasure. [applause]

MR. TUTTLE: Wonderful. Thank you very much. It is our honor to have you here, Mr. President. Thank you all for being with us today and we'll make our way down and ring that bell, Mr. President.



Thank you very much to all. [applause]  
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