

**PRESIDENT FERDINAND ROMUALDEZ MARCOS JR.'s
SPEECH AT THE ROUNDTABLE MEETING: STATUS REPORT ON
PLEDGES/AGREEMENTS SIGNED & SIGNING OF NEW BUSINESS
AGREEMENTS**

Tokyo, Japan
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Thank you for your introduction, our Trade Secretary, Secretary Fred Pascual; the other members of the Philippine delegation; the Ambassador of the Philippines to Japan, Mylene Garcia Albano; of course, our partners in the private sector; Philippine and Japanese investors and who are here today to give us a briefing and to join us at the signing of the new letters of intent; distinguished guests; ladies and gentlemen, good afternoon.

It is a distinct honor to stand before you today at these Pledges, a New Agreements Event, on the sidelines of the Asia-Japan Commemorative Summit. A testament to the unwavering commitment between partner companies from Japan and the Philippines.

I extend my gratitude to all our private sector partners for their continuing interest in the Philippines. And we will strive to do all that we can so that these partnerships that we have created will be beneficial to all.

This gathering marks a significant juncture where we revisit the pledges that were made, assess the progress that we have achieved and embark on new ventures to fortify the economic ties binding our nations.

Our efforts to bring conversations on microeconomic fundamentals and investment opportunities closer to the international business community underscore our commitment to driving growth in the 21st century economy.

Equally crucial is our proactive approach to soliciting feedback from our investors they call us. These pertinent suggestions that you bring to us, especially those communicated to us by our valuable stakeholders from Japan during our engagements with them, since my previous visit and other occasions,

shape our policies, ensuring that they resonate with the needs and aspirations of you, our partners.

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I would like to stress and reiterate to our valued partners here today that we continue to listen to the issues that you bring up and all your concerns and suggestions on what needs to be done to continue supporting and ensuring the success of investment in the Philippines.

As we have recently demonstrated, we thank you now for the valuable feedback we received from you and we worked closely with Congress to enact much-needed legislation that we hope will answer your needs and concerns. And that is why the Speaker of the House of Representatives of the Philippines is here and accompanying us on what is essentially a business delegation.

But because of the laws in the Philippines dictate that all revenue measures that are undertaken or new laws that are revenue measures must originate from the House of Representatives. And therefore, we keep the Speaker close to hand to make sure that whatever is needed, he is able to initiate. We recognize now that these letters of intent will not come to fruition without an investment ecosystem in place that will allow them to thrive and succeed.

In the third quarter of 2023, our economy surged ahead, growing by an impressive 5.9 percent, outpacing major economies in Asia. With a projected full-year economic growth close to the 6 to 7 percent target for 2023, the Philippines is set to lead the region.

The recognition from international financial institutions, including Fitch Ratings, affirms the stability and resilience of our economic landscape. Our assurance to purposeful reforms remains steadfast.

Amendments to the Public Service Act, Foreign Investments Act, the Retail Trade and Equalization Act and the Renewable Energy Act signal a new era for strategic, sustainable investments. These reforms, complemented by streamlined business registration and the Corporate Recovery and Tax Incentives for Enterprises or CREATE Act, have positioned the Philippines as one of Asia's fastest-growing economies.

As a matter of fact, the CREATE Act is now in the process of amendment to take into account some of the concerns that the businessmen not only from Japan but from around the world have brought to our attention. Our fiscal incentive structure overall and responsive in refinements and policies such as facilitating PPPs are also pivotal in promoting the private sector.

The CREATE Act, for example, the CREATE amendments with the original, the name of the original law was the CREATE Law and the amendments are now

going to be contained in what will be the title of which is the CREATE Now Law. And I will just give you a few examples of a couple of examples of what we have been able to do.

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For example, we are returning to the investment promoting agencies such as the Board of Investment, the PEZA, the Export Zone Authority and we are moving it from the Department of Finance, putting it back under the Board of Investment. And that is actually the original, that was the original setup, that was the original structure before, but we had to change it because we had to respond to the vagaries of the Covid pandemic. But since the pandemic is much lessened, then we have decided to return it back to the BOI so that we can eliminate one extra step in terms of the processing and the assessment of investments coming in.

The other point that I would like to bring up, which is something that has been brought up to us by, especially our Japanese partners, are the facilitation of the tax rebates that have been waiting for many years. And again, the actual payment for that has been delayed. Covid also played a part in that.

But now, since things have normalized, I think that we can now return and talk to our internal revenue to accelerate the payment of those rebates. The gentleman at the end of the... So, he's actually --- I think you met him a little, you had a chance to talk a little bit earlier. He is the Commissioner of Bureau of Internal Revenue. He collects the taxes. And so, when you have a problem with the tax rebates and I'll give you his number, you can go directly to him. [laughter]

We also have just operationalized the Maharlika Investment Fund, which is our sovereign wealth fund. Further, it reinforces our commitment to financing priority projects and driving socio-economic impact. Our focus on ease of paying taxes and regulatory streamlining exemplifies our dedication to supporting businesses. Proposed measures such as the motor vehicle user charge increase and the introduction of an excise tax on single-use plastics underline our commitment to a sustainable and prosperous future.

I am also pleased to share with you a significant and very recent development that underscores our commitment to progress and innovation. Recently, I signed, once in the midst of Covid, it is the first bill that I signed in the law by myself. Usually, the whole Congress is with me, but since I was suffering from Covid at the time, I had to do it by myself because it was so important that we enact that bill into law.

And two priority bills were signed during my period of isolation and these landmark measures, namely, the Public Private Partnership Code of the Philippines; and two, the Internet Transactions Act of 2023, reflect our nation's dedication and readiness to accelerate development and embrace the digital economy. The PPP code sets the stage for transformative partnerships between

the public and private sectors fostering infrastructure development and economic growth.

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Simultaneously, the Internet Transactions Act of 2023 paves the way for a more robust digital economy, aligning our legislation with the demands of the 21st century. This administration's firm support, even in challenging times, reaffirms our determination to build a dynamic, resilient and progressive future for the Philippines. These legislative milestones will undoubtedly play a pivotal role in shaping the landscape of our economic progress and technological advancement.

Our legislative milestones, such as the enactment of the CREATE Act and the liberalization of the energy sector, signal the progressive stance towards foreign investment. The recently approved amendments to the implementing rules and regulations of the CREATE Act reflect the responsiveness that we wish to bring to the needs of transitory registered business enterprises.

This administration continues to demonstrate its commitment by continuing to review the CREATE Act for any needed amendments and revisions that are designed to further foster a favorable business environment, encouraging both domestic and global firms to invest strategically.

The issuance of Executive Order Number 18, establishing Green Lanes for Strategic Investments, demonstrates our commitment to simplifying procedures and reducing bureaucratic hurdles and costs.

In further exciting news that underscores our engagement to sustainable energy practices, I am pleased to share that the Philippine Board of Investments, or BOI, has taken decisive steps to incentivize projects dedicated to energy efficiency and conservation. Through Memorandum Circular 2023-006 signed on October 16, the BOI has updated its guidelines, extending more benefits to registered projects that generate electricity through renewable energy facilities.

We have also restructured the incentive package that we are going to now apply, especially for green power that is self-funded for our different plants who will be coming in, who require that whatever product that they're manufacturing must be shown to have been made through using green power, hydrogen, distillates, solar power, hydro so that we will open up the availability of products from the Philippines to those markets which have put as a requirement all products sold in their countries will be derived from green energy.

This development aligns with our pledge to support companies, including Japanese investors, of course, in establishing their renewable facilities to meet their power demands. This provides that self-financed energy efficiency projects are now entitled to the income tax holiday incentive and duty exemption on the importation of essential equipment and materials. This progressive move not

only strengthens our commitment to environmental stewardship, but also encourages the private sector to actively engage in sustainable practices, contributing to the overall resilience and green transformation of the Philippines.

I am delighted to know that the agreement signed last February and today have brought substantial amounts of pledges over 771.6 billion pesos or about 14 billion U.S. dollars and are expected to offer approximately 40,200 jobs. Your continued interest in doing business with us will surely help achieve mutual economic growth between the Philippines and Japan. Our engagement with Japan marks a significant step towards modernizing our industries, as well as upskilling and reskilling our workforce.

So, in conclusion, I express my sincere gratitude to our Japanese partners and investors for their unwavering support and trust and continuing interest in the Philippines.

Together, let us forge ahead, create a future defined by resilience, innovation and shared prosperity.

Thank you and good afternoon.

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