



OPENING REMARKS BY FREDERICK D. GO, SECRETARY OF FINANCE OF THE PHILIPPINES

Amos Garcia 00:00

Good morning. Good morning, everyone. Welcome to day two. Thank you for being here. Thank you for joining us this morning's session. So, welcome to day two, of course, of the Asia Summit. For those of you who were here yesterday, I hope you found the discussions enlightening and the networking quite productive. To start, it is my pleasure to welcome Secretary of Finance of the Philippines Frederick D. Go, to give opening remarks. Frederick Go currently serves as the secretary of the Department of Finance and leads President Ferdinand R. Marcos Jr.'s administration's economic team, guiding the nation's fiscal direction and economic priorities. Before assuming this role, he served as the special assistant to the president for investment and economic affairs, and he was responsible for integrating and coordinating the administration's key investment and economic policies. He advanced strategic efforts to attract more investments, enhance the ease of doing business, create jobs and opportunities for the Filipino people. He also chaired the Economic Development Committee, overseeing strategic developments across key government agencies. Secretary Go brings with him over 35 years of experience in the private sector also, having served as chairman and vice chairman, president, CEO, and/or director of six publicly listed companies and multiple corporations across diverse industries, including media, retail, real estate, food, banking, finance, airline, petrochemicals, and power. So, ladies and gentlemen, thank you for being here, and please join me in welcoming to the stage Secretary Frederick D. Go.

Frederick D. Go 02:09

Thank you, Amos, for that kind introduction. To the Milken Institute leadership, the distinguished leaders, our valued partners in Asia and across the world, good morning. It gives me great pleasure to be here with you today, and I'd like to thank the Milken Institute for allowing me this opportunity to speak before you, and share with you what the Philippines has been doing. And I hope that in the next few minutes, you will find the Philippines as a country worthy of your attention and investment. I will share with you what we are doing to strengthen our economic foundations and how we are making it easier to invest and do business in the Philippines. I know that the audience here are used to seeing data and numbers, so I will oblige you with them. Starting with the Department of Finance, our call to the entire cabinet has been to exercise fiscal discipline and prudent spending so that every peso is directed towards high-impact, high-multiplier programs that create jobs, drive growth, and deliver real benefits to every Filipino. And, the Department of Finance is committed to and remains on track towards our fiscal consolidation path. Looking at the Philippine economy in the first four years of the Marcos Jr. administration, we've been growing at an average of 5.8 percent, outpacing the global average of 3 percent. Our main drivers of economic growth continue to perform quite well. In 2025, last year, remittances from overseas Filipinos grew by 3.3 percent, the BPO industry grew by 5.3 percent, and total exports grew by 8.7 percent. The Philippines exported

a record of \$84 billion worth of goods in 2025, the highest level in the last 15 years. Export of goods only grew by 15.2 percent last year, which is more than four times the 15-year CAGR of 3.4 percent. January to August total exports in 2026 this year grew by 14.8 percent; again, the highest for the period ever recorded since Philippine Statistics Authority started tracking this data in 1991. On the other hand, our general government debt is now at 56.7 percent of GDP, which still gives us a lot of headroom, compared to the World Bank threshold of general government debt of 70 percent to GDP. More importantly, after 40 years, the Philippines entered the World Bank classification of an upper middle-income country. This is after 40 years, which we hope means better credit profile, better access to financing, and of course, improved investor confidence. This is also a confirmation that the government, including past administrations, have been working on reforms that are working. On another positive note, reflecting our strong fundamentals, we have maintained our investment-grade ratings. The top five credit rating agencies in the world continue to give us our investment-grade ratings. On even more good news, for the first time, next year, our peso-denominated government bonds will be included in the JP Morgan Government Bond Index for emerging markets in 2027. This also will help lower our country's borrowing costs.

Frederick D. Go 06:48

Complementing these strong fundamentals, the Philippines now has the most open and liberal investment environment in its history. We are implementing structural reforms to make it easier, less costly, and more predictable to do business in our country. Through predictable reforms and decisive steps, we are positioning the Philippines as a destination of choice for investments. Let me highlight seven ways we have been doing this. First, the Create More Act, which offers up to 40 years of fiscal incentives, income tax holidays, enhanced deductions, and special corporate income tax for investors. One example of this beneficiary would be SEMPHIL or Samsung Electronics, which is investing about a billion dollars to expand their manufacturing of multilayered ceramic capacitor chips in our country. Second, the Public-Private Partnership Code, which we updated also in this administration, which updates a 30-year-old build-operate-transfer law. Third, we came up with the Investors' Lease Act, which gives foreign investors, as well as domestic companies, the ability now to do 99-year leases. Only Filipinos can own land in the Philippines because of our constitution, and the practice before this new law was 25 or 50-year leases. So now you can do a 99-year lease. We also implemented the Green Lanes for strategic investments. That's number four, and number five, we passed a new law, which is Accelerated and Reformed Right-of-Way Act, which helps push critical infrastructure projects forward by streamlining right of way acquisition, which is one of the main reasons for delays in our infrastructure projects. Number six, the Capital Markets Efficiency Promotion Act, which reduced stock transaction taxes from 60 basis points to 10 basis points. This practice now is aligned with the best standards in the region. And lastly, the enhanced mining fiscal regime act, which establishes a fairer and simpler fiscal regime for the mining sector meant to encourage FDIs in the mining industry. Circling back to PPPs, in the first half of this administration, we successfully privatized three international airports, one in Manila, one in the Visayas, Panglao, and one in Mindanao, Laguindingan. This is proof that PPPs in the Philippines work. To further support our increasing tourism and trade activity, several measures have been pushed forward. We have now new direct flights to several cities such as Los Angeles, Melbourne, India, Vietnam, Israel, and the Middle East, and we have also opened up short-term visa-free entries for Chinese and India nationals. We currently have 201 infrastructure flagship projects, which will expand access to health care, education, transportation, and other high-impact sectors. Please take a look at them to see if any of them are of interest to you. The country's 2026 Strategic Investment Priority Plan was likewise recently approved. This marks a decisive step in the government strategy to make the Philippines attractive for investments. The SIPP identified priority sectors, and while reforming our policies, we are building sectors that are ready for immediate investment. These are our strategic investment pillars, and they represent both growth and stability. We are inviting deeper cooperation and long-term investments in our priority sectors, including semiconductors and electronics, mineral processing, pharmaceutical and medical devices, food and agriculture, steel, energy, particularly renewable energy, infrastructure, and tourism. Just last month, the Philippines Semiconductor and Electronics Industry Roadmap was launched. This sets a clear direction for strengthening the country's position in the global technology and logistics supply chain.

Frederick D. Go 11:36

We are also strengthening the attractiveness to boost domestic production of electric vehicles and shipbuilding. As an example, Cerberus invested 500 billion pesos in Subic, acquiring the former Hanjin shipyard. HD Hyundai Heavy Industries became a tenant and put in another \$550 million to establish their own shipyard. Again, as proof that these are not just presentations, I recently attended there at Subic, the launch of a new ship called the Orion Jade, a 250-meter-long tanker that was built in Subic in the Philippines in nine months, which is just proof that the Philippines can build world-class ships at scale and on schedule. In addition, the president signed an executive order just last July, setting up the government's new electric vehicle incentive strategy. The program rewards manufacturers for building electric vehicles in the Philippines. And again, I'm glad to inform you that Mitsubishi Motors has already committed to investing in the Philippines in Laguna and to produce hybrid electric vehicles. And they will also be expanding their current plant's capacity by around 20 percent to produce annually over 60,000 vehicles. Next, to open trade and investment, we are steadily expanding our economic partnerships. This administration has signed four bilateral agreements and eight ASEAN trade agreements are in place. Negotiations are ongoing for eight additional free trade agreements. We have recently concluded the agreement with Chile, the first ever for our country with a Latin American nation. And as further good news, this year, our goal is to conclude at least two more free trade agreements with—one, with Canada, a lot of friends from Canada here, and with the European Union. So, this will be very significant trade agreements that we intend to conclude this year. I am told that this administration's goal is to sign 23 economic partnership agreements or trade agreements with various trading partners in the world, which is very good news for companies that will invest in the Philippines with export in mind. On top of the free trade agreements, at the Department of Finance, we are also fast-tracking double taxation agreements, or tax treaties between the countries. As a matter of fact, it's timing that I'm here in Singapore because we just concluded negotiations with Singapore for our double tax agreements. We are also updating our older tax agreements, and we have concluded tax treaty negotiations with Cambodia, Japan, and Liechtenstein. And we are also supporting negotiations with many other economies and countries in the world. We continue to see strong interest in the Philippines from both domestic and foreign investors. Total investment from all the investment promotion agencies in the Philippines, including the Board of Investments, stood at 1.9 trillion pesos for two years in a row. I believe that a lot of the reforms that we have put in place in the last three years are paying off and are working. Another important initiative we are building with key partners is the Luzon Economic Corridor. We started with three founding partners, the Philippines, the United States, and Japan. Since then, the partnership has grown to 13, with 10 additional countries now engaged: Australia, Canada, Denmark, France, Italy, Korea, Sweden, UK, Spain, and the European Union as the newest members. The Luzon Economic Corridor positions that area of the Philippines, which is better defined as the route between Subic, Clark, Manila, and Batangas, as a key economic hub in the region while mobilizing investment and strengthening supply chains.

Frederick D. Go 17:08

Our priority sectors in the Luzon Economic Corridor are energy, transport, logistics, advanced manufacturing, and digital infrastructure. There are many short-term challenges, yes, but as I close, let me say this with confidence, the Philippines has never been better positioned to move forward into the future with stronger fundamentals, greater opportunities, and a more competitive investment environment. And for us to sustain this momentum, we need the private sector to bring capital, technology, innovation, and of course, to create jobs for our 120 million Filipinos. Somehow, we missed that in our slide, but of course, the number one selling point always of investing in the Philippines is our people, our workforce. Very young, average age of 26, with a lot of long-term future and a huge domestic demand. So, to the Milken community here today, I invite you to take a closer look at the Philippines, build and grow with us. Hopefully, when we meet again, I will no longer be telling you about the opportunities in the Philippines, as most of you will already be part of our investor community. Thank you very much and see you in the Philippines.

[Applause]

Announcer 18:53

We hope you enjoyed the discussion. The next panel will begin shortly.

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