

# LEAD FOR FINANCIAL INCLUSION

FINANCE SECRETARY CARLOS G. DOMINGUEZ  
RURAL BANKERS ASSOCIATION OF THE PHILIPPINES  
MAY 21, 2018, DAVAO CITY



# 8 out of 10 Filipinos do not have a bank account

*-Bangko Sentral ng Pilipinas*

*The 2014 Consumer Finance Survey showed that 86 percent of households don't keep money in banks. The study is conducted every four years.*

*Photo Source: Sanjit Das/Bloomberg*

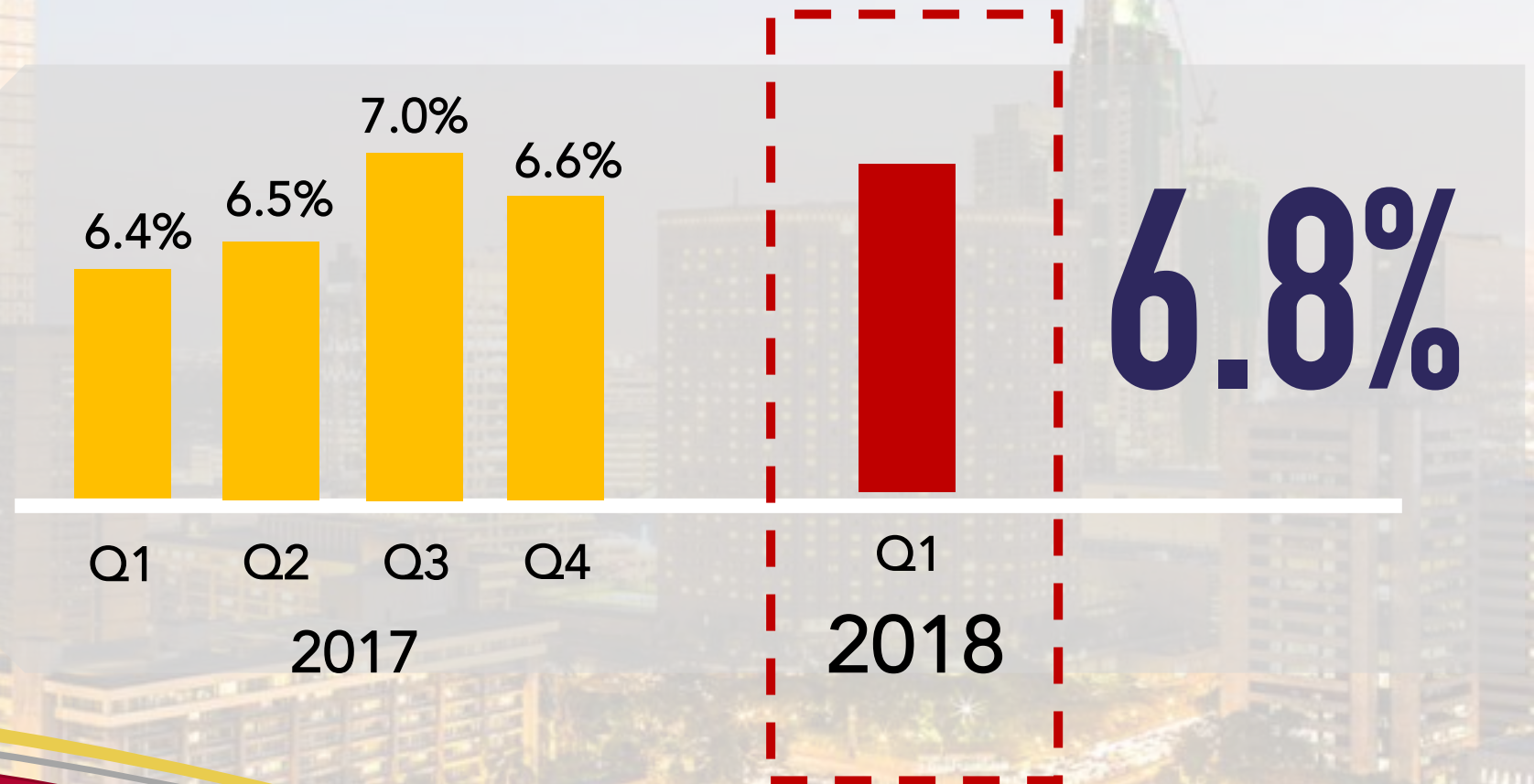






The success in achieving the mission of  
**FINANCIAL INCLUSION**  
is eminently measurable

# Q1 2018 GROSS DOMESTIC PRODUCT GROWTH

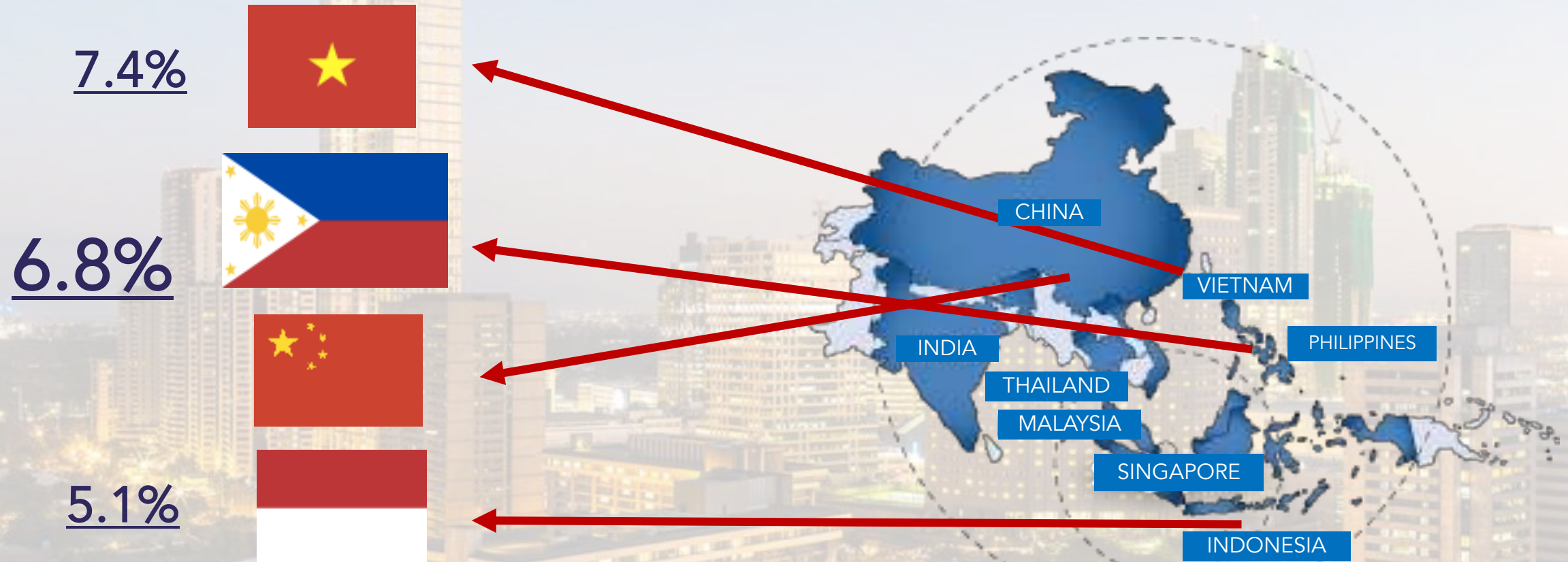


The latest growth numbers cap 77 consecutive quarters of sustained expansion. Over the last 10 quarters, we achieved growth rates of 6.5 percent or better.

Source: NEDA



# FASTEST GROWING MAJOR ASIAN ECONOMY (Q1 2018)



We are now one of the best performing economies in the region, second to Vietnam's 7.4 percent and matching China's growth rate.

Source: NEDA

In the first quarter, with the TRAIN coming into effect,  
national government revenues rose by **16.4 percent**

(In Billion Pesos)

Particulars	1st Quarter 2017	1st Quarter 2018	% Growth
<b>TOTAL REVENUES</b>	<b>532.40</b>	<b>619.84</b>	<b>16.4%</b>
Tax Revenues	479.9	567.1	18.2%
BIR	370.4	423.1	14.2%
BOC	104.1	129.8	24.7%
Other Offices	5.4	14.2	162.3%
Non-Tax Revenues	52.5	52.8	0.6%
Expenditures	615.4	782.0	27.1%
NG Balance	(83.0)	(162.2)	95.5%
Nominal GDP	3,570.7	3,918.3	9.7%



**Tax effort rose by 1.03 percentage point, from 13.44 percent of GDP to 14.47 percent, the highest first quarter tax effort ever achieved**

	1st Quarter 2017	1st Quarter 2018
<b>TAX EFFORT</b>	<b>13.44%</b>	<b>14.47%</b>

# APRIL 2018 INFLATION DRIVERS

Commodity	Main reason	Month-on-month rate (%)		Year-on-year rate (%)	Year-to-date (%)
		Jan 2018	Apr 2018		
Tobacco	TRAIN, sin tax, BIR withdrawals, Mighty buyout	8.8	1.8	27.5	22.9
Corn	Decline in corn stocks	0.9	1.0	13.4	10.6
Private transport	Global oil prices	1.5	2.5	17.8	14.3
Fish	Supply problems	4.3	0.9	12.3	12.2
Non-alcoholic beverages	TRAIN (sweetened beverage tax)	1.8	2.2	9.4	5.7
Electricity, gas, and other fuels	Global oil prices	-0.8	1.7	4.7	4.4
Rice	NFA distribution issues	0.3	0.7	4.3	3.0
Overall inflation		1.0	0.5	4.5	4.1





We are encouraging more investments in  
**AGRIBUSINESS AND MANUFACTURING**  
to meet rising domestic demand



An aerial photograph of a multi-lane highway with heavy traffic, including cars, buses, and trucks. Billboards are visible along the roadside. The image is used as a background for a presentation slide.

# **BUILD BUILD BUILD**

**MORE RAILWAYS,  
MASS URBAN TRANSPORT,  
AIRPORTS AND SEAPORTS**

**MORE BRIDGES AND  
ROADS**

**NEW AND BETTER  
CITIES**





We expect to bring down  
the poverty rate to only  
**14 PERCENT BY 2022**

*Photo Source: Headwaters Relief Organization*

# OTHER TAX REFORM PACKAGES

Package 1B	Package 2	Package 2 Plus	Package 3	Package 4
<ul style="list-style-type: none"><li>• Estate and general tax amnesty</li><li>• Motor Vehicle Users Charge</li><li>• Bank secrecy law</li><li>• Automatic exchange of information</li></ul>	<ul style="list-style-type: none"><li>• Corporate taxation</li><li>• Fiscal incentives</li></ul>	<ul style="list-style-type: none"><li>• Taxes on tobacco, alcohol, mining, coal, and casinos</li></ul>	<ul style="list-style-type: none"><li>• Property taxation</li></ul>	<ul style="list-style-type: none"><li>• Passive income and financial taxes</li></ul>





The bill that will  
**SHIFT RICE TRADING  
FROM QUANTITATIVE  
RESTRICTIONS TO TARIFFS**  
is in its final stages of  
legislation

*Photo Source: Philippine Star*





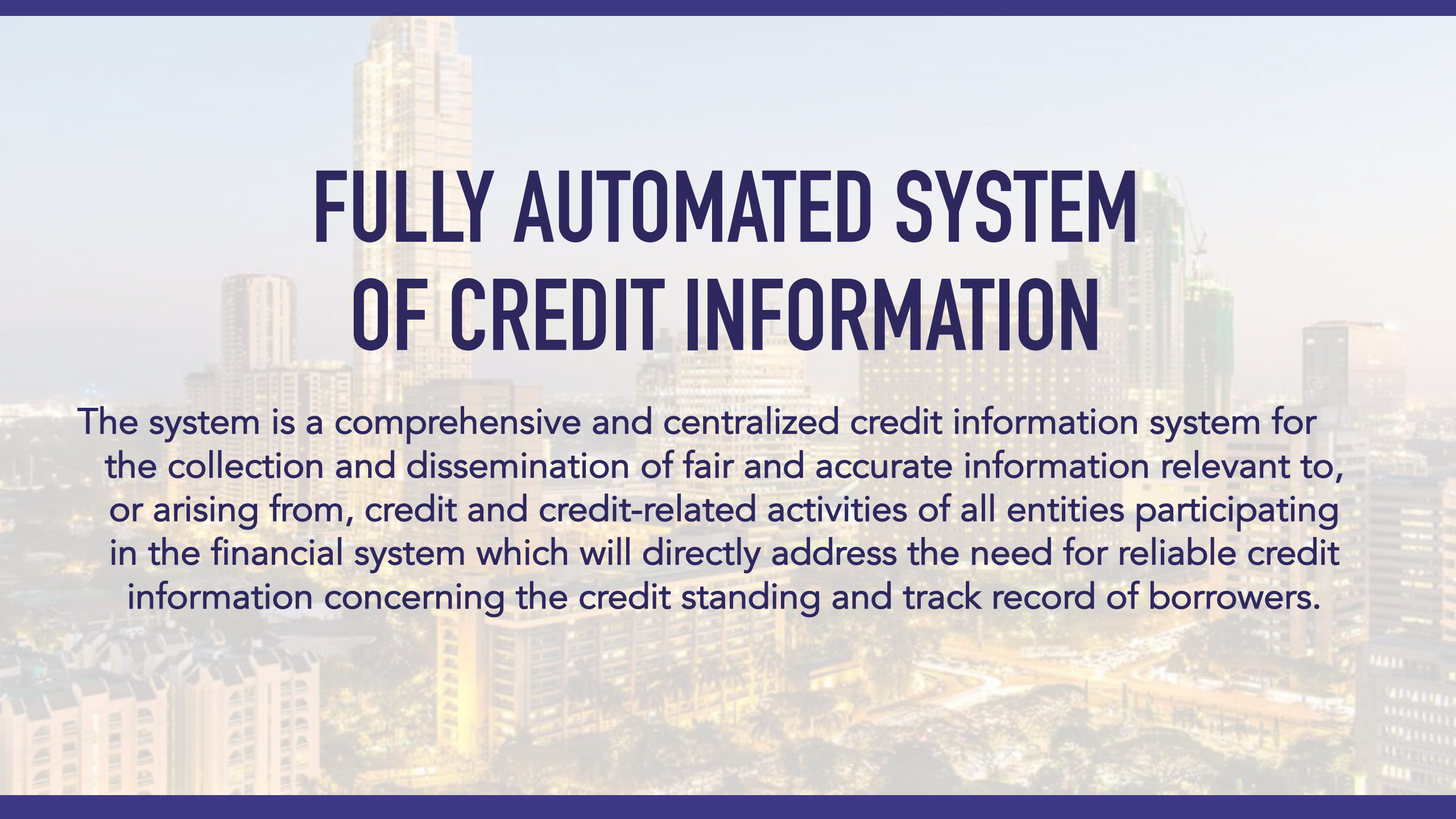
We are likewise  
anticipating passage  
of legislation on the  
**NATIONAL ID  
SYSTEM**

*Photo Source: RMN.ph*



# **SECURED TRANSACTIONS REFORM BILL OR THE FINANCIAL INCLUSION BILL**

**This Act seeks to strengthen the credit information infrastructure of the Philippines by equipping the financial institutions with a modern centralized registry to enable them to make more informed decisions in lending.**



# FULLY AUTOMATED SYSTEM OF CREDIT INFORMATION

The system is a comprehensive and centralized credit information system for the collection and dissemination of fair and accurate information relevant to, or arising from, credit and credit-related activities of all entities participating in the financial system which will directly address the need for reliable credit information concerning the credit standing and track record of borrowers.





# **CONSOLIDATION PROGRAM FOR RURAL BANKS (CPRB)**

**The program encourages mergers and consolidations of rural banks to further strengthen the country's banking industry.**



The other reforms cover:

- **LIQUIDITY REQUIREMENTS;**
- **GREATER FLEXIBILITY IN THE USE OF THIRD-PARTY CASH AGENTS;** and
- **EASIER ACCEPTANCE OF SMALL DEPOSITORS**





**FINANCIAL TECHNOLOGY OR FINTECH**  
is moving ahead rapidly

An aerial view of a city skyline, featuring several tall skyscrapers and modern buildings. The image is slightly faded, serving as a background for the text.

This revolution in the financial sector will  
**POWER OUR ECONOMIC GROWTH**  
and help us be  
**COMPETITIVE INTO THE FUTURE**



# LEAD FOR FINANCIAL INCLUSION

FINANCE SECRETARY CARLOS G. DOMINGUEZ  
RURAL BANKERS ASSOCIATION OF THE PHILIPPINES  
MAY 21, 2018, DAVAO CITY

