

Philippine Economic Outlook

Opportunities, Challenges and the Future.



February 09 , 2023

**Presented by:
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#TGBTG**

A new year .. a fresh, clean start?

Companies and countries still face supply chain challenges, managing risk, control the cost side of the business and improve the value they provide.



**Inflation and
looming recession**



Demand Volatility



Supply Disruptions



Fraud & Corruption



Geopolitical Tensions



**Talent Availability &
Leadership issues**



**Sustainability &
climate hazards**



**Reverse
globalization & wars**



Unpredictability is the new normal

History does not repeat itself but it rhymes- Mark Twain, 1874

The War is still here!



Peace in Ukraine. An elusive dream.

CH: The Middle Kingdom trap.



Slow growing CH will have fewer resources to challenge the WEST.

**Taiwan:
Red Storm Rising**



Xi Jinping may one day decide to attack or blockade Taiwan. An invasion is a colossal gamble.

The recession is underway.



The Road Ahead

PH strategic location is an advantage that no other country has. It is time to leverage this and aspire to be a major logistic hub in the region.- PBBM



Ensure Food Security



Improve infrastructure



Promote Investments

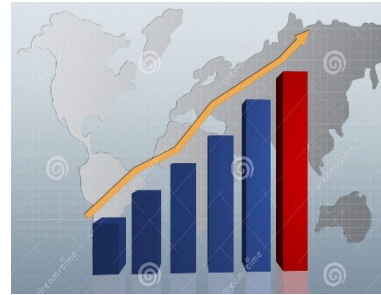


Reduce transport and logistics cost



Store System

Ensure the availability of affordable and accessible food.



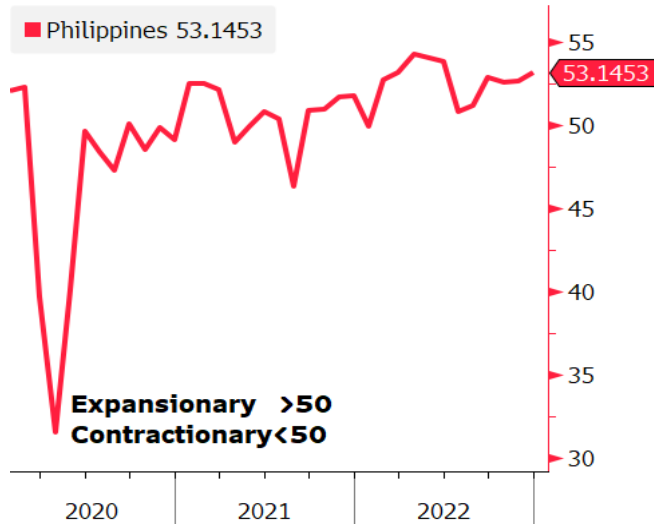
Attract Investments and Expand Exports



Business Cycle Backdrop

Economic recovery underway.

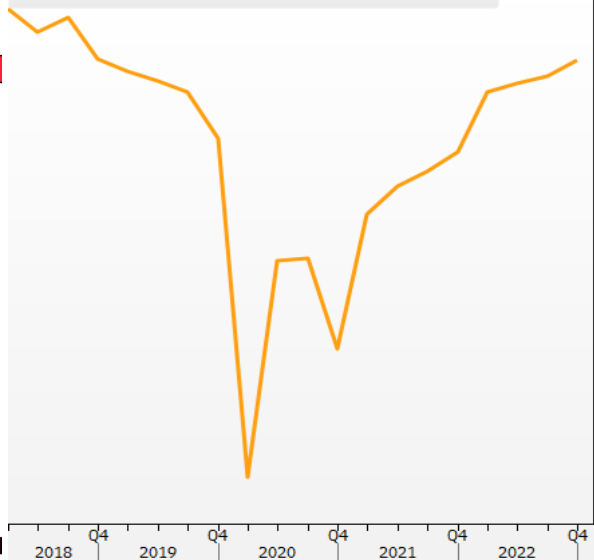
Philippine Manufacturing PMI



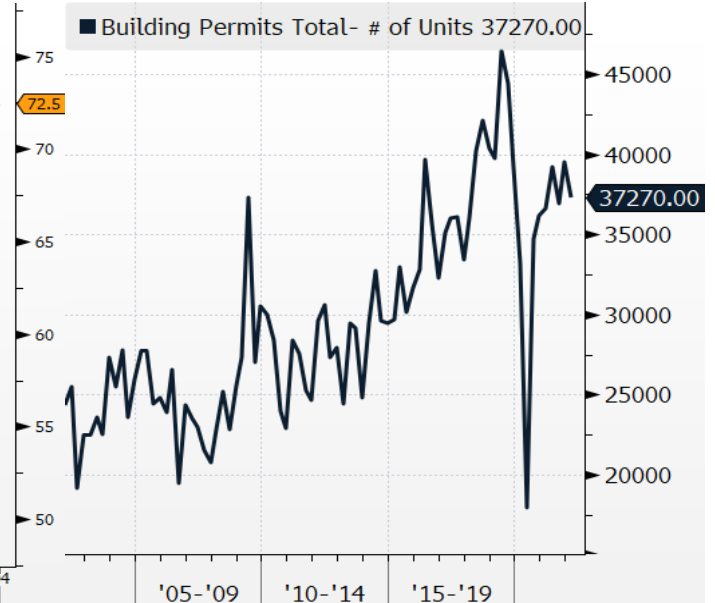
Source: Bloomberg and ChartPoint

MPMIPMA Index (Philippines Manufacturing PMI SA) PH-PMI Monthly 31MAY201
Copyright© 2023 Bloomberg Finance L.P.
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Manufacturing- Capacity Utilization 72.5



PHCTMFG Index (Philippines Capacity Utilization Manufacturing 2018=100) PH-PMI
Copyright© 2023 Bloomberg Finance L.P.
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PH-PMI PHCRRSDT Index (Philippines Volume Permitted Constructions-Residential) PH-PMI
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Purchasing Manager's Index
Manufacturing

Manufacturing Capacity
Utilization Rate

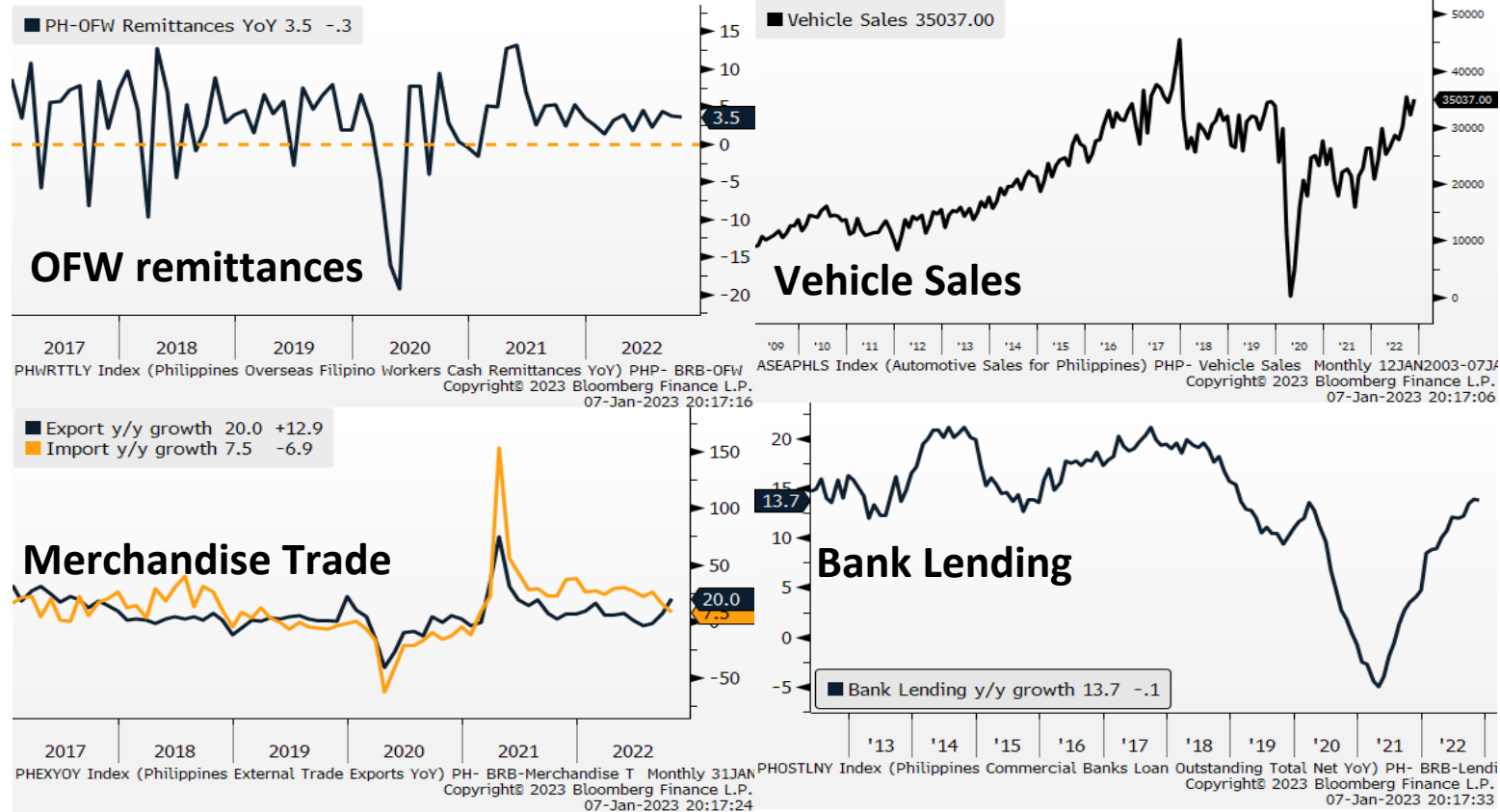
Private Building Construction
Permits

Source: Bloomberg LP, PSA, ChartPoints



Business Cycle Backdrop

Recovery on a more stable path.



Source: Bloomberg LP, ChartPoints



Reasons for optimism

Government initiatives aimed to reduce the impact of external factors.



**Passage of the
2023 budget**



**Fiscal
Consolidation/
Responsibility**



**Favorable
demographics**



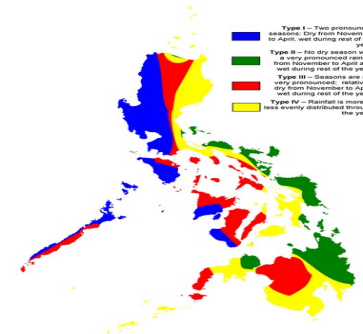
**Ample Buffers
favorable economic
environment**



**Build, Build, More
Improve
infrastructure**



**Strong credit rating
and sound financial
system**



**Philippine Development
Plan
Accelerate economic/social
recovery and resilient
prosperity**



Scenario Analysis: Philippines 2023

The Good, the Bad and the Ugly

Indicator	Best	Base	Worst
GDP (%)	6.750	6.500	5.500
Inflation (%)	4.500	5.300	5.600
BSP/ON Rate	5.500	6.000	6.500
10Y BVAL	6.500	7.500	8.000
Forex	56.500	57.500	61.800
PSEi	7,000	6,850	5,700



Same problems, different year.

Companies and countries still face supply chain challenges, managing risk, control the cost side of the business and improve the value they provide.



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The Big Picture

Food



**Increase in jobs.
BPOs/OFW spending**

Retail



**Influx of foreign
brands entering the
PH Market**

Construction/Real Estate



**Strong demand office
and retail space.**



The Next Best Industries

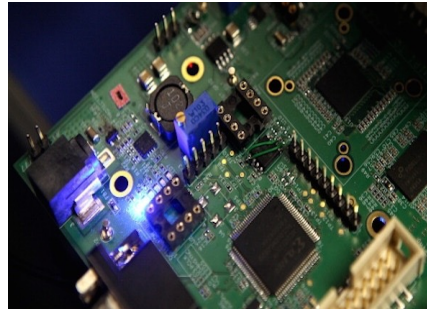
Tourism



Gaming



Manufacturing



Mining



What could go right in 2023?

Economic surprise



Acta Non Verba

Actions not words



What now?

Ride the next wave of disruption

- ❑ **Appreciate our resources...**
- ❑ **Know the Risks Ahead...(Bumpy ride)**
- ❑ **Keep Investing (look for bargains)**
- ❑ **Pay the Right Taxes**
- ❑ **Spend More (But wisely)**
- ❑ **Pray... Harder**



The wind never blows to where the sailors want to.



The sailor adjusts himself to the winds accordingly.



Jonathan “Jonas” L. Ravelas, CTA

Managing Director, eManagement for Business and Marketing Services



is one of the country's leading analyst. He is in high demand as a speaker and commentator in the Philippine media for his vast knowledge of the country's economic landscape. His long career spans roles in various capacity in the financial services industry.

Mr. Ravelas was FVP-Chief Market Strategist at BDO Unibank from June 2002- June 2022. He provided analysis on financial markets and macroeconomic developments in local and foreign markets. He held the same position at Equitable PCI Bank's Treasury Department from 1998 to 2002. His prior experience includes working as strategist, analyst, equities dealer and portfolio manager in both money management and institutional equity brokerage with DBS Securities and ACE Securities.

Jonas has been educating investors in trading strategies & corporate governance, having worked in financial markets for more than 25 years. He has delivered numerous lectures in the field of forecasting, investments and corporate governance here and abroad and regularly provides economic commentaries in the Asian Wall Street Journal and is a regular commentator on economic and financial markets on ANC, Bloomberg, and CNN Philippines.

Recently, FocusEconomics ranked him as the #2 overall forecaster for the Philippines for 2021. In 2018, the same institution ranked him as the #1 Forex Forecaster for the Philippines. Same 2016, FocusEconomics ranked him as the #1 Current Account forecaster for the Philippines for 2015. He is also a lecturer of Ateneo BAP's treasury certification program. Recently, he obtained his certification as Certified Technical Analyst from the Society of Technical Analysts, an international organization.

He holds a bachelor's degree in Management of Financial Institutions from the De La Salle University (1992). In 1996, he finished the Asian Securities Executive Program at the Asian Institute of Management (Manila)

Age:50 / Success Mantra: ***Fortune favors the brave.***



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Any questions?

Thank you for your time

