



**ANNUAL  
MEETINGS**  
2024 | WASHINGTON DC  
INTERNATIONAL MONETARY FUND  
WORLD BANK GROUP



**WORLD BANK GROUP**

World Bank Governor's Statement No. 11

October 25, 2024

Statement by the Hon. **RALPH G. RECTO**,  
Governor of the IBRD for **THE PHILIPPINES**

**Statement by the Hon. Ralph G. Recto,**  
Governor of the IBRD for the Philippines

Over the past years, the Philippines spared no effort to bounce back strongly from the pandemic and push its sustained and rapid growth faster and further.

We put forward a fiscal consolidation plan that is both prudent and responsive to external developments, such as high interest rates in the past two years and geopolitical tensions. The encouraging news is that we are on track to gradually reduce our deficit and debt in a realistic manner—while creating more jobs for our people, increasing incomes, and reducing poverty.

Beyond our strong macroeconomic fundamentals, Filipinos feel and see our economic progress. Since President Marcos Jr. took office, we have grown at an average of 6.1%—among the fastest in the region.

Unemployment continues to decline, surpassing pre-pandemic levels. The majority of our workforce is now engaged in stable, formal jobs—proof of an expanding middle class ready to drive consumer demand.

Additionally, our inflation rate has steadily decreased, reaching its lowest level in four years. Our whole-of-government efforts, such as the reduction of rice tariffs, among others, are expected to keep inflation within our target band for the next two years.

With our favorable domestic inflation outlook, the Philippine Central Bank was the first in ASEAN to start its monetary policy easing, creating an even more conducive environment for growth.

More importantly, we successfully lifted 2.5 million Filipinos out of poverty in 2023, dropping our poverty rate to 15.5%. This brings us closer to our goal of elevating 8 million more Filipinos above the poverty line in the next four years, or reducing the poverty rate to only 9% by 2028.

The World Bank shares much credit for these achievements. But while much has been accomplished, much remains to be done to deliver even more impactful projects and programs that uplift the lives of every Filipino.

Thus, we are eagerly looking forward to the finalization of the proposed Philippine Country Partnership Framework 2025-2028 with the Bank, and we trust that it will align seamlessly with the Philippine Development Plan 2023-2028 while addressing the rapidly evolving global landscape.

At the same time, the Philippines calls on a more agile and strong-willed World Bank to help us address the factors that threaten to curtail global growth and induce further poverty, inequality, and hunger. These are the ill effects of worsening geopolitical tensions, fragility and conflict, climate change, increased protectionism, and a high interest rate environment, among others.

We view these challenges with much concern as any slowdown in the global economy brought about by these uncertainties and new economic realities is bound to hit developing countries the hardest.

We fear that traditional tools for addressing such issues may prove inadequate, particularly in light of disruptions in business models driven by technological advancements, trade wars, geopolitical shifts, and changes in supply chain dynamics.

Thus, the Philippines urges the World Bank, as the global knowledge bank, to re-evaluate conventional interventions and prioritize bold, innovative solutions that position the institution at the forefront of the global economic landscape.

To better respond to the needs of its member countries, we encourage the Bank to demonstrate further flexibility in scaling up its development financing packages in an operationally efficient manner and aligned with country context.

We also emphasize the pressing need to finalize the discussion on improved and more concessional financing terms for the International Bank for Reconstruction and Development (IBRD).

We encourage the Bank to provide more assistance in developing country-specific strategies to efficiently mobilize fiscal resources, widen trade and financial flows, generate high-quality and future-proof jobs, and cultivate a more favorable investment environment for the private sector.

And as we strengthen our efforts to combat climate change, we seek enhanced financing mechanisms as well as increased provision of grants and technical assistance for green initiatives. In addition, we urge the Bank to incentivize sustainable projects by making the financial terms more concessional.

Further, the Philippine Government urges the World Bank to continue working closely with other multilateral institutions. Now more than ever, we need heightened development cooperation for more responsive solutions that will help countries navigate the headwinds ahead and foster peace, stability, and prosperity for all.

With many challenges and uncertainties that lie ahead, we want to see the World Bank taking broader, bolder action in helping developing countries protect our hard-won gains, build resilience against future shocks, and ensure the economic security of our people. Only then can we fully realize our shared vision of a world free from poverty on a livable planet.

###