

Containing COVID: Philippines begins inoculation drive following the first vaccine deliveries

Over a million vaccine doses arrived in February and early March

- ▶ 600,000 doses of Sinovac Biotech's vaccines and 525,600 doses of Oxford-AstraZeneca's vaccines have recently arrived in the Philippines, representing the first few batches of vaccine deliveries.
- ▶ Doses from Pfizer-BioNtech, Moderna, Johnson & Johnson, Novavax, and Sinopharm are expected to arrive in the coming months with the government targeting to secure a minimum of 20 million doses in 2021.
- ▶ As the inoculation drive rolls out, the government expects to reduce restrictions that would allow the opening of cinemas and amusement parks, higher capacities for public gatherings and transport, as well as face-to-face classes for universities.

Optimistic Outlook: Philippines poised to take the top spot for IPOs in Southeast Asia

Public listings from consumer retail firms and real estate investment trusts (REITs) could top USD 4B in 2021

- ▶ Among the companies expected to raise capital include GIC-backed Monde Nissin, the company behind the leading local instant noodle brand Lucky Me! and meat alternative Quorn; REITs from major mixed-use property developers SM Prime, Robinsons Land, Double Dragon, and Filinvest Land; and the National Grid Corporation, a power transmission operator.
- ▶ Bank of America Merrill Lynch sees "a confluence of abundant liquidity, recovering macro fundamentals and relative valuation attractiveness contributing to the positive investor sentiment" in the Philippines and Southeast Asia. The bank cited the "attractiveness of REITs as an investment and the robust real estate market fundamentals in the Philippines" as being key drivers for continued REIT listings in the country.
- ▶ Across the rest of the region, only a USD 2B Singapore IPO by a subsidiary of Thai Beverage along with smaller floats in Indonesia and insurance IPOs in Thailand are lined up for launches this year.

Sector Spotlight: Financial institutions to see continued growth in digital payments and pandemic support

Philippines expected to transition to a cash-light environment by 2025

- ▶ The rise in the use of electronic payment systems is expected to continue with the Philippine Central Bank Governor expecting the economy to transition from a cash-heavy to a cash-light environment by 2025.
- ▶ Under its digital payments transformation roadmap, the Central Bank has set a target of 50% of all retail transactions to be made digitally by 2023. Cashless transactions likely reached a tipping point in 2020 when more than 50% of online shopping transaction value was paid through cashless means, based on data from Google, Temasek, and Bain & Company.
- ▶ JP Morgan recently recognized the Philippines for having "particularly advanced" regulatory frameworks in digital banking and payments in Southeast Asia, a region the bank estimates to have a potential market of USD 1.5T.

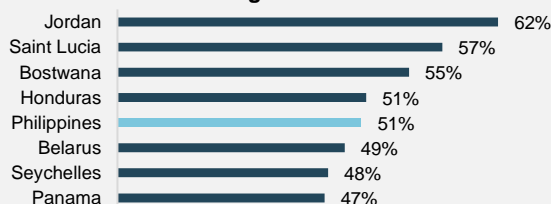
The Financial Institutions Strategic Transfer (FIST) Act has been signed into law

- ▶ The measure seeks to help unburden financial institutions of their non-performing loans, allowing them to turn their focus to boosting economic activity through lending and providing liquidity.
- ▶ The FIST law is estimated to free up to USD 24B worth of loans from the sale of non-performing assets to specialized asset management companies, which would help around 600,000 MSMEs and save more than 3.5 million jobs, according to the National Economic and Development Authority.

Women at Work: Philippines ranks among the top countries for female opportunities

- ▶ Philippines ranks 5th globally in the share of women in managerial roles, according to the International Labor Organization's 2019 report.

Countries with the top share of managers who are female



- ▶ Philippines leads Southeast Asia in the 2021 Female Opportunity Index by German-based bank N26 which ranked countries based on opportunities for women in political leadership, career, education, and pay equality.

Index rank (out of 100 countries)

Philippines	41 st
Singapore	42 nd
Indonesia	65 th
Thailand	66 th
Vietnam	72 nd
Malaysia	84 th