

## Containing COVID: Vaccination drive continues and additional stimulus nears legislative approval

### Over 1 million people have been fully vaccinated as of the end of May

- ▶ This is equivalent to only around 1% of the Philippine population with vaccines administered to priority groups such as healthcare workers, senior citizens, persons with comorbidities, and workers in essential industries.
- ▶ The inoculation drive has recently been expanded to include a greater share of economic front liners across wider age brackets in the private sector, government agencies, and informal sector. The government targets 30% of the population to be vaccinated by September 2021.

### The third stimulus package seeks to allot USD 8.4B in pandemic-related subsidies

- ▶ Allocations in the fiscal package include direct cash aid of USD 4.5B and measures for livelihood assistance, wage subsidies, medical assistance, and information technology needs. The package is pending final approval in Congress.

## Recovery and Resilience: S&P affirms its BBB+ rating on the Philippines and assigns a 'stable' economic outlook

### S&P Global Ratings expects a healthy economic recovery alongside strengthening fiscal performance in the PH

- ▶ S&P notes that the Philippines remains among the fastest growing countries in the world and its rating reflects the country's "above-average economic growth potential." S&P forecasts the economy to expand by 7.9% in 2021 and 7.2% in 2022.
- ▶ S&P highlights the Philippines' "relatively diversified economy with a strong track record of high and stable growth — a reflection of its supportive policy dynamics and improving investment climate [...] underpinned by solid household and company balance sheets, sizable inward remittance flows, and an adequately performing financial system."

## Deal Spotlight: Largest IPO in the Philippines, thriving REIT pipeline, and recent fundraising

### Food manufacturer Monde Nissin Corp. debuted on the stock market raising USD 1B in the country's largest IPO

- ▶ The IPO has attracted global investor demand of nearly six times the allotment for the international tranche with USD 700M taken up by cornerstone investors including GIC Private Limited and The Capital Group Fund. Over 100 institutional investors participated in the international bookbuilding.

### Property developers Robinsons Land Corp. and Megaworld Corp. are eyeing REIT listings in the 2<sup>nd</sup> half of 2021

- ▶ Robinsons Land is looking to raise USD 560M from a REIT listing in August 2021. Included in the portfolio are 14 commercial real estate assets with over 400,000 sqm in gross leasable area across cities including Metro Manila, Cebu, and Davao. The portfolio has an aggregate appraised value of USD 1.5B.
- ▶ Megaworld is aiming to launch a REIT in the 2<sup>nd</sup> half of 2021 amid "robust take-ups" in commercial space outside Metro Manila such as Pampanga, Cavite, and Bacolod. Megaworld achieved 270,000 sqm of office space lease transactions in 2020 and expects 300,000 sqm of transactions in 2021.

### Great Deals E-commerce Corp. raised USD 30M in its Series B round

- ▶ The round was led by local logistics firm Fast Group with the support of CVC Capital Partners. The company has raised a total of USD 42M in private equity funding following Navegar's USD 12M Series A investment in 2020.
- ▶ The proceeds of the fundraiser will be used to build the company's network of warehouses to support the e-commerce efforts of its client brands. The company's clients include Nestle, Unilever, Abbott, and Samsonite.

## Investing in Artificial Intelligence (AI): National AI roadmap launched

### Philippines aims to become an 'AI Center of Excellence' serving as a big data processing hub

- ▶ The Department of Trade and Industry launched an AI roadmap outlining strategic steps to offer high-value data analytics and AI services that capitalize on the country's rich local talent pool. Central to the roadmap is the establishment of the private sector-led National Center for AI Research in the Philippines that aims to improve the productivity of local companies through AI applications.
- ▶ AI technologies are estimated to add USD 92B to the Philippine economy by 2030, accounting for 12% of GDP, as projected by US consultancy Kearney.