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Statement by the Hon. **AMANDO M. TETANGCO, JR.**,
Governor of the Fund for the **PHILIPPINES**

**Statement by the Honorable Amando M. Tetangco, Jr.
Governor of the International Monetary Fund for the Philippines¹**

The path to recovery and growth continues to diverge for the world's major economies, seven years after the onset of the great financial crisis.

While the United States appears to stand on more stable footing, other advanced economies remain on shaky ground. In the euro area, the threat of deflation underscores a looming risk for the entire region. In Japan, weaker demand is seen to dampen growth.

Meanwhile, key emerging economies have also shown signs of slowing down. Tighter financial conditions and geopolitical tensions overseas have also contributed to increased market volatility in these economies.

In the case of the Philippines, we find ourselves in a position of renewed confidence. The economy expanded by six percent in the first half of 2014, driven by robust domestic demand and broader-based growth across sectors. The challenge now lies in sustaining the economy's momentum amid ongoing shifts in the economic landscape. Meeting this challenge starts with keeping our own house in order.

Amid elevated domestic inflation pressures and potential spillovers from monetary adjustments in advanced economies, we are prepared to use all available tools in our policy envelope, as needed. Indeed, we have already taken pre-emptive monetary tightening measures and put in place targeted macro-prudential regulations.

We also implemented improvements to our prudential regulation and supervision consistent with the global reform agenda. We also maintain close coordination with other micro-regulatory authorities in the country to mitigate the build-up of systemic risks and minimize regulatory arbitrage.

Our actions are at all times grounded on our mandate to preserve price and financial stability.

Meanwhile the government is stepping up efforts to enhance competitiveness amidst the ongoing drive toward greater integration, particularly in Asia. Years of sustained reforms have afforded policymakers adequate fiscal space to improve the business climate in the

¹ Statement of Governor Amando M. Tetangco, Jr. of the Bangko Sentral ng Pilipinas for the 2014 Annual Meetings of the International Monetary Fund (IMF) and the World Bank (WB), 10-12 October 2014, Washington, D.C., USA.

Philippines. Providing public infrastructure, reducing the costs of doing business, and strengthening partnerships with the private sector therefore remain among our priorities.

As authorities strive to sustain the economy's momentum, we welcome the initiatives of the Fund to deliver tailored and cohesive policy advice, as well as technical assistance for capacity-building.

Indeed, we in the Philippines look ahead to the Fund's continued support of our economic goals, particularly as our authorities take important steps toward ensuring a more durable and inclusive economic growth.

Thank you all and Mabuhay!