



## **Statement of Economic Managers on the Creation of the Maharlika Wealth Fund**

We, the Economic Managers of the Marcos Jr. Administration, strongly support the creation of the Maharlika Wealth Fund as a vehicle to move forward the Agenda for Prosperity and achieve the economic goals of the administration.

The establishment of a Sovereign Wealth Fund is a tried and tested investment vehicle that has been used by governments in both first world and developing countries to achieve their economic objectives.

Most recently, the model of the Indonesia Investment Authority has been a successful model of a sovereign wealth fund that was used to fund the country's big ticket infrastructure projects even amidst the COVID-19 pandemic.

For Singapore, the investment gains from GIC, the central bank, and state investor Temasek Holdings Pte, have been the biggest contributors to the national budget since 2018.

The creation of the MWF will help us achieve our Agenda for Prosperity and the objectives for inclusive and sustainable economic growth we have outlined in our Medium Term Fiscal Framework, 8-Point Socioeconomic Agenda, and in the Philippine Development Plan 2023-2028.

We thank our legislators for their hard work and openness in continuously improving the bill, and for their continued support in the passage of our economic and fiscal reforms, including the amendments to several economic liberalization measures and our tax reform programs.

We are likewise grateful to have a President who also recognizes the benefits of a Sovereign Wealth Fund. These benefits include both direct and intergenerational benefits.

Direct benefits of the MWF include increased investments in and funding of big-ticket infrastructure projects, high-return green and blue projects, and countryside development, including agriculture.

Intergenerational benefits include increased access of future generations to income from investments, such as potential earnings from extracted natural resources such as in mining.


In the near and medium term, a Sovereign Wealth Fund will enhance our fiscal space and reduce fiscal pressures as the fund pursues public infrastructure projects, as well as reduce uncertainties in cases when fund resources are channeled to high-yielding financial undertakings and assets that are underinvested in today's environment of high global inflation and the lingering effects of the COVID-19 pandemic.

We have confidence that with professionals managing the funds, there will be efficient use and management of these investible public funds. They will be able to ensure the availability of an alternative high return investment platform, obtain the best absolute return for the funds, find additional sources of liquidity as the need arises, and perform better risk management, given additional layers of checks and balances in the use of investible funds.

Ultimately, this will redound to growth and help us achieve our economic transformation towards inclusivity and sustainability.

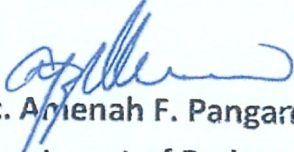
Given all these, we urge the immediate enactment of the bill creating the Maharlika Investments Corp.

Let us not delay economic progress. Let us not deprive our people of this opportunity for prosperity.

  
Sec. Benjamin E. Diokno,  
Department of Finance

DEC 09 2022



  
Sec. Amenah F. Pangandaman,  
Department of Budget and Management

Digitally signed by  
Amenah F. Pangandaman  
on 9 December 2022



  
Sec. Arsenio M. Balisacan,  
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Governor Felipe M. Medalla,  
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