

**COVID-19 Status: More vaccines secured by the government**

**Philippines seals around 110M vials after securing 40M vaccine doses from Pfizer**

- ▶ Of the 110M vials, 17M have been delivered, while the remaining 93M doses – including 40M doses from Pfizer, 13M from Novavax, 20M from Moderna, and 20M from Gamaleya – are expected to start arriving by 3Q 2021. The Philippines hopes to acquire more vials to reach its target of vaccinating around 70M out of 110M Filipinos before the end of the year.
- ▶ As of July, approximately 2.8M people in the Philippines have been fully vaccinated (equivalent to 2.6% of the population), while 8.8M people have received a first dose (equivalent to 8.2% of the population).

**Recovery and Resilience: Infrastructure spending and foreign direct investments post year-on-year growth**

**Infrastructure spending expected to maintain aggressive pace**

- ▶ State spending on infrastructure increased 45% Y-o-Y in April to around USD 1.19B from USD 818M, owing to the implementation of several infrastructure projects despite the pandemic.
- ▶ Government infrastructure spending is expected to reach around USD 20.4B in 2021, equivalent to 5.1 % of GDP, and to rise further to USD 25.5B (5.7 % of GDP), the following year. The government aims to complete 29 more infrastructure flagship projects by 2022.

**1Q 2021 foreign direct investments outpace 1Q 2019 figures by around 19%**

- ▶ Net foreign direct investment (FDI) inflows soared 140% Y-o-Y in March to USD 808M, according to the Philippine central bank. Cumulative FDI in 1Q 2021 reached USD 2.38B, exceeding the USD 2.0B figure in the same period in 2019.

**Deal Spotlight: Foreign investors partner with PayMaya, 2GO, and GrowSari, while REIT market expects further listings**

**Voyager Innovations raises USD 167M to expand PayMaya's operations**

- ▶ PayMaya plans to use the funds to further strengthen its financial inclusion efforts by launching its own digital bank and expanding its credit, savings, insurance, and investments products and services.
- ▶ The latest capital came from existing shareholders (PLDT, KKR, and Tencent) and new investors, including the IFC through its Financial Institutions Growth Fund.

**Archipelago Capital acquires stake in Philippine logistics provider 2GO Group Inc.**

- ▶ Singapore-based PE firm Archipelago Capital, through Trident Investments Holdings, invested around USD 135M for a 31.7% stake in 2GO Group, the Philippines' leading end-to-end supply chain logistics operator.
- ▶ Local conglomerate SM Investments Corporation (SMIC) has also invested in the logistics firm, further increasing its stake from 30.5% to 52.9%.

**GrowSari secures USD 30M from notable investors**

- ▶ The e-commerce platform connects small retail outlets to products of fast-moving consumer goods (FCMG) brands. The company hopes to more than double its existing userbase and service more than 300,000 stores in the Philippines. Its investors include Robinsons Retail, JG Equity Ventures, ICCP SBI Venture Partners, Wavemaker Partners, Pavilion Capital, Saison Capital, Tencent, and IFC.

**ESG-themed REIT listings underway**

- ▶ Filinvest group aims to raise around USD 305M from its REIT offering in July, seeking to become the first sustainability-themed REIT in the country with its planned office portfolio consisting mostly of Leadership in Energy and Environmental Design (LEED) certified buildings.
- ▶ Citicore Power Inc. hopes to list its solar power assets via the country's first energy-focused REIT offering by October. The company plans to raise USD 163 - 205M and intends to reinvest the proceeds to construct new solar plants across 15 locations throughout Luzon.

**Industry Insight: Philippine outsourcing industry secures contracts and hires thousands**

- ▶ Over the last 12 months ending April 2021, the outsourcing industry secured new contracts worth USD 164M, which is expected to generate over 5,500 jobs. In 2020, outsourcing revenue rose 1.4% to USD 26.7B.
- ▶ Meanwhile, outsourcing firm Telus International Philippines opened its 7<sup>th</sup> site in the country, providing at least 800 new jobs.