

## PHILIPPINE EXPORT-IMPORT CREDIT AGENCY

### Status of Implementation and Program/Project Evaluation and or Assessment

#### **Rationale:**

In May 2013, PhilEXIM shifted its investment priorities and revised its business plan following the direction of Finance Secretary and Board Chairman Cersar V. Purisima. The DOF Secretary emphasized the National Government's thrusts – support industries that can yield high multiplier effects such as tourism, infrastructure, agriculture, refrigeration and storage (logistics), food supply chain and industrial processing and manufacturing. Moreover, the Secretary directed that PhilEXIM should concentrate on areas having the biggest impact in terms of creating jobs and reducing poverty.

In response, PhilEXIM redefined its strategic intent via a new corporate agenda, viz:

1. Establish a portfolio bias to the supply side of the economy
2. Expand access of funders to the Agency's unique guarantee franchise
3. Scale up the market presence

Premised on a no-equity assumption, the targeted volume of Risk Weighted Assets (RWAs) for 2013 of P15 Billion and for 2014 of P18 Billion represents the mix of sectors that are not only job-intensive but are also with high value-added content, thus engendering economic benefits.

More than 60% or P10.17 Billion of the RWAs allocated in the industry sector for 2013 are positioned in the supply and processing-intensive industries such as manufacturing, power, infrastructure, transportation and utilities. For 2014, the portfolio will rise by 20% and will include a 24% allocation to SMEs which have direct and indirect export earnings. From 2013-2014, this represents a sharp 44% growth in SME financing. Metals and extractive industries meanwhile will take to the background and its portfolio allocation will remain in its current outstanding volume moving forward.

The industry areas of tourism and storage/logistics comprise the majority of the services portfolio of more than 86%. This underscores the direction of the Agency to allocate its credit resources towards projects that would ultimately increase room capacity, thereby achieving the goals of both domestic and foreign tourism. On the other hand, the supply chain industry complements the government's vision of strengthening the level of production in the manufacturing corridor.

Finally the agriculture portfolio represents the biggest growth at 24% in terms of allocation between 2013-2014, to emphasize the initiatives of government on food security. The portfolio is all in support of efforts to finance agri-business and agri-modernization projects which are enabling areas of greater food production thru much needed mechanization and technology improvement.

**Results:**

PhilEXIM ended its 2013 performance on a positive financial note, generating total revenues of P579.62 Million and net income before tax (NIBIT) of P241.30 Million. These are 5% and 11% on top of the previous year's levels, respectively. The year ended with a P153.65 Million net profit after income tax, which totaled P87.65 Million, a 332% run-up from 2012.

The credit portfolio of the Agency totaled P15.6 Billion at the end of December, 2013, distributed to the following economic sectors:

<b>Economic Sectors</b>	<b>Portfolio as of December 31, 2013 (In Php Millions)</b>
• Industry	11,255.95
• Services	3,799.83
• Agriculture	544.22
<b>TOTAL</b>	<b>15,600.00</b>

Noteworthy to state is that 49% of the total number of firms supported by PhilEXIM were Small and Medium Enterprises (SMEs).

In terms of development contributions, PhilEXIM was responsible in serving as partner of government in its overall growth agenda. To which, the following multiplier effects were achieved:

- Export Sales \$452.29 Million
- Employment Generation Efforts 19,995 jobs
- No. of Firms Assisted 55 firms