

Eli M Remolona: A tale of two externalities

Speech by Mr Eli M Remolona, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the Bangko Sentral ng Pilipinas Forum on National ID "Building trust and synergy in digital identity for an inclusive and secure financial system", Manila, 28 July 2025.

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MBM (Monetary Board Member) [Rosalia] Lea [De Leon], MBM [Jose] Jojo [Querubin], DG (Deputy Governor) Berna [Romulo-Puyat], DG Zeno [Abenoja], [Philippine Statistics Authority] Assistant Secretary [Rosalinda] Rose [Bautista], Assistant Secretary [Kristine] Joy [Diaz-Teston], colleagues from the government, partners from the private sector, ladies and gentlemen, good morning!

Thank you for taking part in this forum.

The National ID tells a powerful story of inclusion and network effects.

The more people we onboard, the more valuable the National ID becomes. As its usefulness grows, so does the social good.

Here is what that looks like:

In 2022, 5.8 million unbanked Filipinos opened their first transaction accounts through PhilSys registration. Partnering with Landbank, the Philippine Statistics Authority enabled onsite account creation using only the National ID. No extra paperwork, no long forms to fill. For many, it was their first step into formal financial inclusion.

Economists call this network externalities.

Every new enrollee strengthens the old system. Like a phone network, it works best when everyone is connected. And once they are, amazing things happen.

Then you have the positive externalities of inclusion as the benefits ripple across sectors:

- A vendor saves up for her kids.
- A father uses one ID to access PhilHealth.
- A tricycle driver receives his pension with ease.
- A family gets *ayuda* after a storm, fast and fuss-free.

Each success story is more than convenience. It is access to financial and public services. It is a system working as it should.

Getting here was not easy. This reform is complex technically, logistically, and even politically. Agencies must align and systems must talk to each other. It demands active collaboration among a diverse set of stakeholders.

But still, we push forward. Because we know what is at stake. What we are building is bigger than a database. We are building trust.

We are building a Philippines where your identity is no longer a barrier, but a bridge.

So, let us keep going. Every Filipino we onboard make the whole system stronger.

Maraming salamat. I am excited about the discussions ahead.