

Sustaining the Momentum towards Socioeconomic Transformation

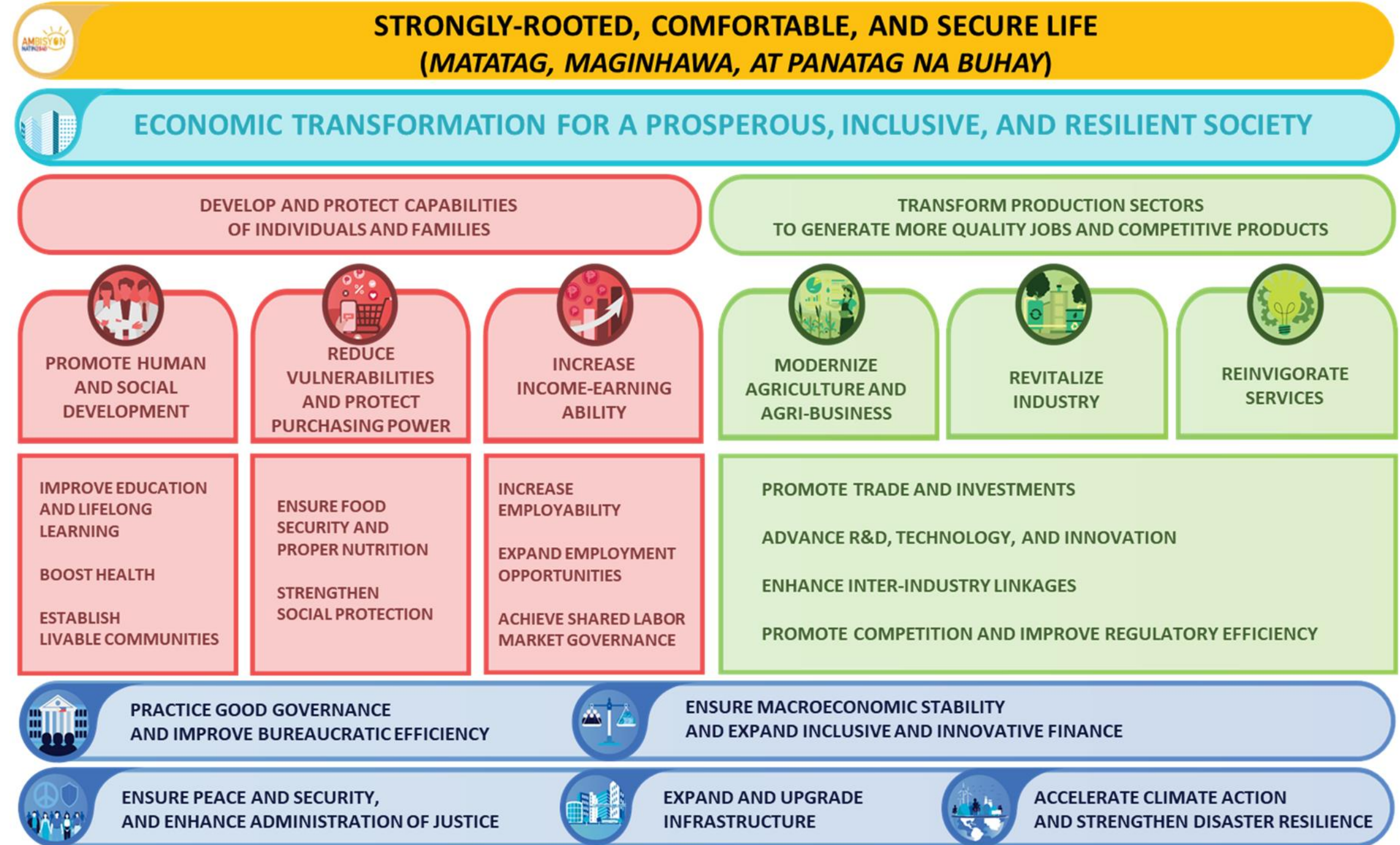
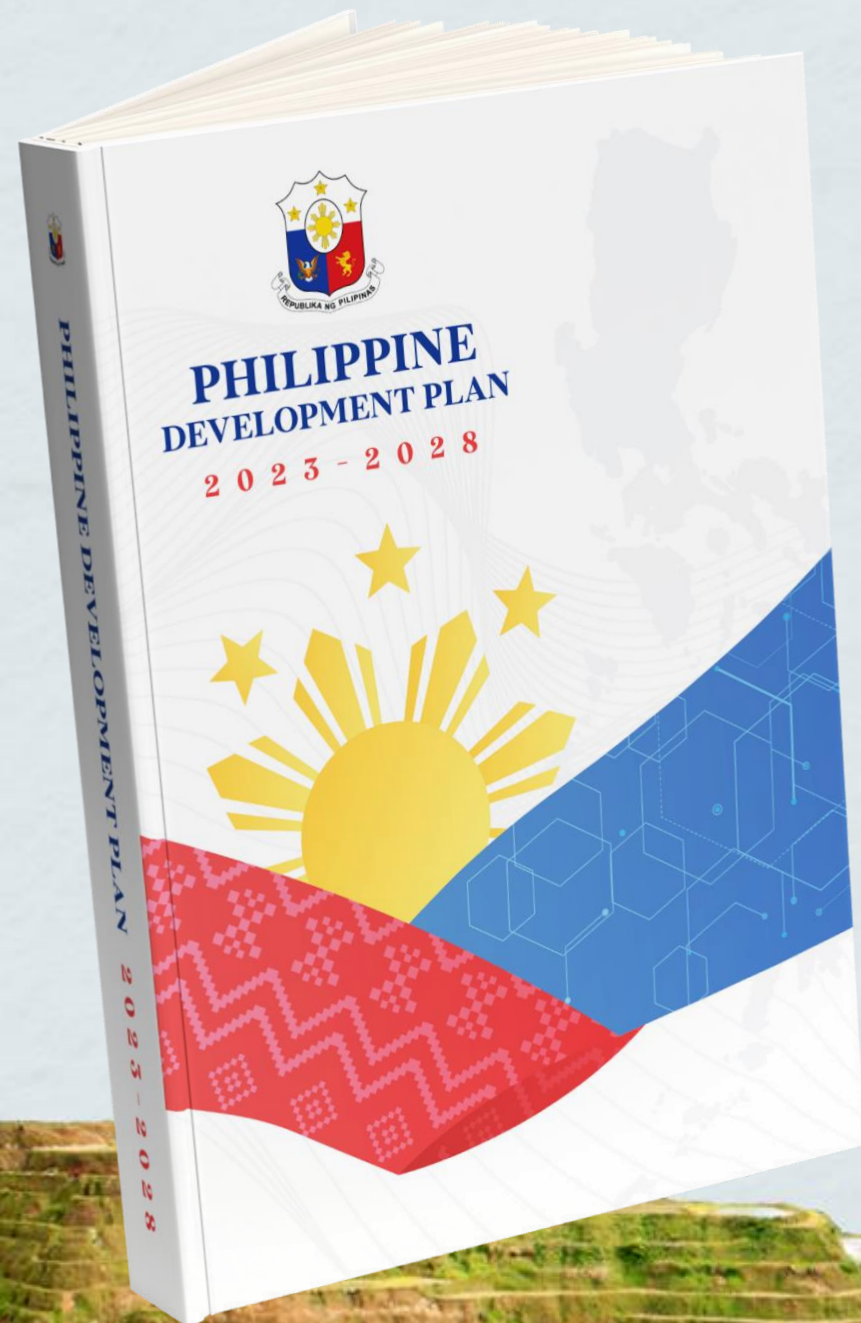
Prospects and Priorities for 2024 and the Medium Term

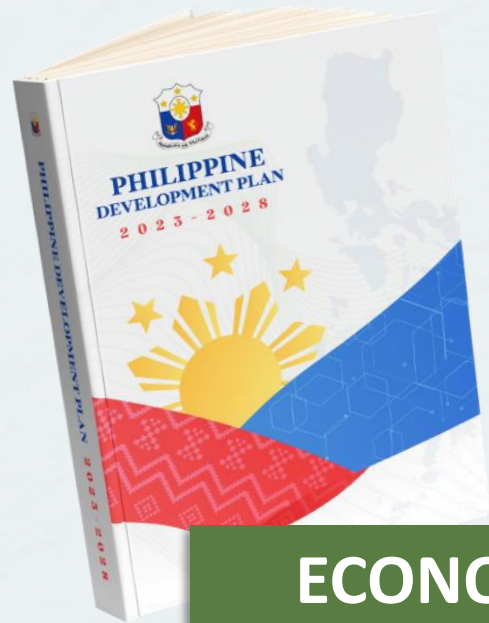
Philippine Investors Dialogue
April 17, 2024
The Ritz-Carlton, Washington DC, USA

Arsenio M. Balisacan, PhD
NEDA Secretary



Anchored on the Marcos Administration's 8-Point Socioeconomic Agenda, the Philippine Development Plan 2023-2028 lays out the strategies, policies, and legislative priorities aimed at sustaining high and inclusive growth.





The Plan aims for no less than socioeconomic transformation toward a prosperous, inclusive, and resilient Philippine society in the medium term.

ECONOMIC TRANSFORMATION



TARGET HEADLINE INDICATORS BY 2028



MODERNIZE AGRICULTURE AND AGRIBUSINESS



REINVIGORATE SERVICES



REVITALIZE INDUSTRY

SIX CROSS-CUTTING STRATEGIES



DIGITALIZATION



DYNAMIC INNOVATION ECOSYSTEM



PUBLIC-PRIVATE PARTNERSHIPS



ENHANCED CONNECTIVITY



SERVICIFICATION



GREATER COLLABORATION OF LGUs AND NATIONAL GOVERNMENT



RAPID AND SUSTAINED ECONOMIC GROWTH
6.5% - 8.0% GDP Growth



LOW AND STABLE PRICES
2.0% - 4.0% Headline and Food Inflation



MORE AND BETTER JOBS
4.0% - 5.0% Unemployment



MORE AND BETTER INFRASTRUCTURE
5.0% - 6.0% Infrastructure Spending-to-GDP Ratio



ENFORCED FISCAL DISCIPLINE
3.7% Deficit-to-GDP Ratio and
55.9% Debt-to-GDP Ratio



TRANSFORMED PRODUCTION SECTORS
Top 33% Rank for the Global Competitiveness Index



ACCELERATED POVERTY REDUCTION
8.0% - 9.0% Poverty Incidence



Among the priorities in the PDP 2023-2028 is to address one of the most binding constraints to investment: *infrastructure*.



**EXPANDING AND UPGRADING
INFRASTRUCTURE**



The Philippine government remains firm in its commitment to sustain annual spending on infrastructure at 5% to 6% of GDP.

Medium-Term Infrastructure Program*

Infrastructure Program	2023	2024	2025	2026	2027	2028
	Actual	Projections				
In PHP billions	1,419.0	1,472.8	1,657.3	1,728.1	1,988.3	2,231.6
In USD billions**	25.1	26.0	29.3	30.6	35.2	39.5
As % of GDP	5.8	5.6	5.7	5.7	5.8	6.0

*Projections pertain to disbursements from NG infrastructure, infrastructure subsidy/equity to GOCCs, and transfers to LGUs intended for infrastructure activities. Includes payables from current year's budget and prior years' obligations (DBCC - FY 2024 BESF).

**PHP/USD Exchange Rate: 56.55 (from the Bangko Sentral ng Pilipinas, as of April 2024)

Source: DBCC Presentation in 16th Full Cabinet Meeting, 4 April 2024



Key reforms, policy initiatives, and projects have been enacted or implemented to create a more enabling environment for investments.

Key reforms



CREATE Law



Retail Trade Liberalization Act Amendments



Foreign Investments Act Amendments



Public Service Act Amendments



PPP Code

Policy Initiatives and Projects



Joining the **Regional Comprehensive Economic Partnership**



Renewable Energy Act IRR Amendments



Implementing the **Green Lanes for Strategic Investments & Streamlining Construction of Telco and Internet Infrastructure**



Implementing the **Infrastructure Flagship Projects (IFPs) under the Build-Better-More Program**



Implementing the **National Innovation Agenda and Strategy Document (NIASD) 2023-2032**



The Public-Private Partnership (PPP) Code will enable the country to build a robust pipeline of PPP projects by providing a stable and predictable policy environment for collaboration.

OBJECTIVES

- ✓ Address the ambiguities in the existing law
- ✓ Remove the bottlenecks and challenges affecting the implementation of the PPP Program
- ✓ Foster a more competitive and enabling environment for PPPs

Salient Features:

- Unifying a fragmented legal framework for PPPs at the national and local levels
- Updating the approval thresholds for national PPP projects
- Recognizing the autonomy of LGUs
- Providing a predictable and stable tariff regime
- Enhancing competition and protection of public interest by improving the framework for unsolicited proposals
- Strengthening enabling PPP institutions
- Institutionalizing international PPP best practices



The PPP Code IRR became effective on April 6, 2024.

Source: Public-Private Partnership Center (PPPC)



The Marcos Administration is pushing for the enactment of next-generation reforms that will enable the transformation of our production sectors and ensure sustained, inclusive growth.



Key Measures under the Government's Common Legislative Agenda



- ✓ **Better Tax Administration and Fiscal Reforms**
- ✓ **Department of Water Resources Bill**
- ✓ **Open Access in Data Transmission Bill**
- ✓ **Amendments to the Government Procurement Reform Act**
- ✓ **Amendments to the Electric Power Industry Reform Act**
- ✓ **Enactment of an Enabling Law for the Natural Gas Industry**
- ✓ **National Land Use Act**

The Marcos Administration continues to evaluate, approve, and roll out the 185 Infrastructure Flagship Projects (IFPs) under the Build-Better-More Program, now worth PHP 9.14 T or about USD 161.7 B.

As of February 2024

SCAN ME !



185 IFPs

Count	Status	Count	Fund Source
01	Completed	81	ODA
67	Ongoing	51	GAA*
30	Approved for implementation	45	PPP
12	For government approval	1	TBD
42	Under project preparation	3	ODA/GAA
		1	GAA/PPP
33	Pre-project preparation	3	ODA/PPP

*GAA: General Appropriations Act

SECTOR	Total Count	NO. OF PROJECTS		Share to Total Cost (%)
		Total Indicative Cost		
		In PHP Billion	In USD Billion	
Physical Connectivity	134	8,004.3	141.5	87.5
Water Resources	29	681.7	12.1	7.5
Agriculture	9	213.6	3.8	2.3
Health	5	91.9	1.6	1.0
Digital Connectivity	3	82.7	1.5	0.9
Power and Energy	1	10.2	0.2	0.1
Education	1	30.6	0.5	0.3
Other Infrastructure	3	28.2	0.5	0.3
Total	185	9,143.2	161.7	100

*PHP/USD Exchange Rate: 56.55 (from the Bangko Sentral ng Pilipinas, as of April 2024)

*Some figures may not add up due to rounding



Meanwhile, public-private partnerships (PPPs) shall remain a key driver for sustained spending on physical and social infrastructure, including IFPs, to boost productivity and raise the country's competitiveness.

190 PROJECTS UNDER IMPLEMENTATION
(13 are IFPs)

**Total Project Cost (Estimate):
PHP 3.19 Trillion (USD 56.4 B)**

Level	No.	PHP (B)	USD (B)
National	125	2,557	45.2
Local	65	632	11.2

*PHP/USD Exchange Rate:
PHP 56.55 = USD 1.00
(from the Bangko Sentral ng Pilipinas, as of April 2024)

(as of March 29, 2024)

122 PROJECTS IN THE PIPELINE
(32 are IFPs)

**Total Project Cost (Estimate):
PHP 2.52 Trillion (USD 44.6 B)**

Level	No.	PHP (B)	USD (B)
National	100	2,403	42.5
Local	22	119	2.1

(as of March 29, 2024)

Sector	Count
Transport	54
Road	13
Property Development	23
Health	6
Information and Communications Technology	6
Water and Sanitation	4
Solid Waste Management	4
Agriculture and Food Security	4
Energy	3
Tourism	2
Others	3
Total	122

Source: PPPC



FASTER PROCESSING

The Marcos Administration has demonstrated its commitment to turn transformative projects into a reality. Processing time for PPP projects has *halved*.

No. of Working Days (WDs) from Completeness Check to NEDA Board Approval

Prescribed maximum number of WDs for processing* **80 days**

Average number of days under the Marcos Administration **40.4 days**

Laguindingan International Airport



Processing Time: **37 WDs**

Ninoy Aquino International Airport



Processing Time: **30 WDs**

UP-Philippine General Hospital Cancer Center



Processing Time: **46 WDs**

Tarlac-Pangasinan-La Union Expressway



Processing Time: **46 WDs**

Dialysis Center for the Renal Center Facility of the Baguio General Hospital & Medical Center



Processing Time: **43 WDs**

*Governed by Revised 2022 IRR of BOT Law and Revised ICC Guidelines



BUILD-BETTER-MORE IN 2024:

Ongoing IFPs targeted for completion this year are to be found in physical connectivity and water resources, among others.

✓ Completed in 2023



Samar Pacific Coastal Road Project

Photo from the Philippine Information Agency

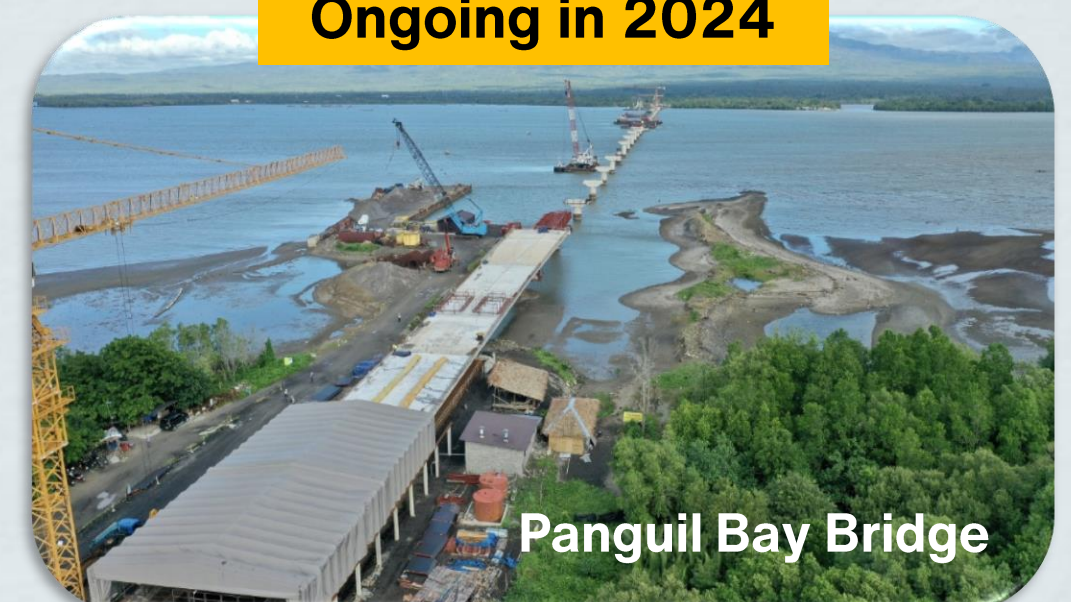
Ongoing in 2024



NLEX-SLEX Connector Road Project

Photo from the Dept. of Public Works & Highways (DPWH)

Ongoing in 2024



Panguil Bay Bridge

Photo from the DPWH

Ongoing in 2024



Camarines Sur Expressway

Photo from the DPWH

Ongoing in 2024



Pasacao-Balatan Tourism Coastal Highway

Photo from the DPWH

Ongoing in 2024

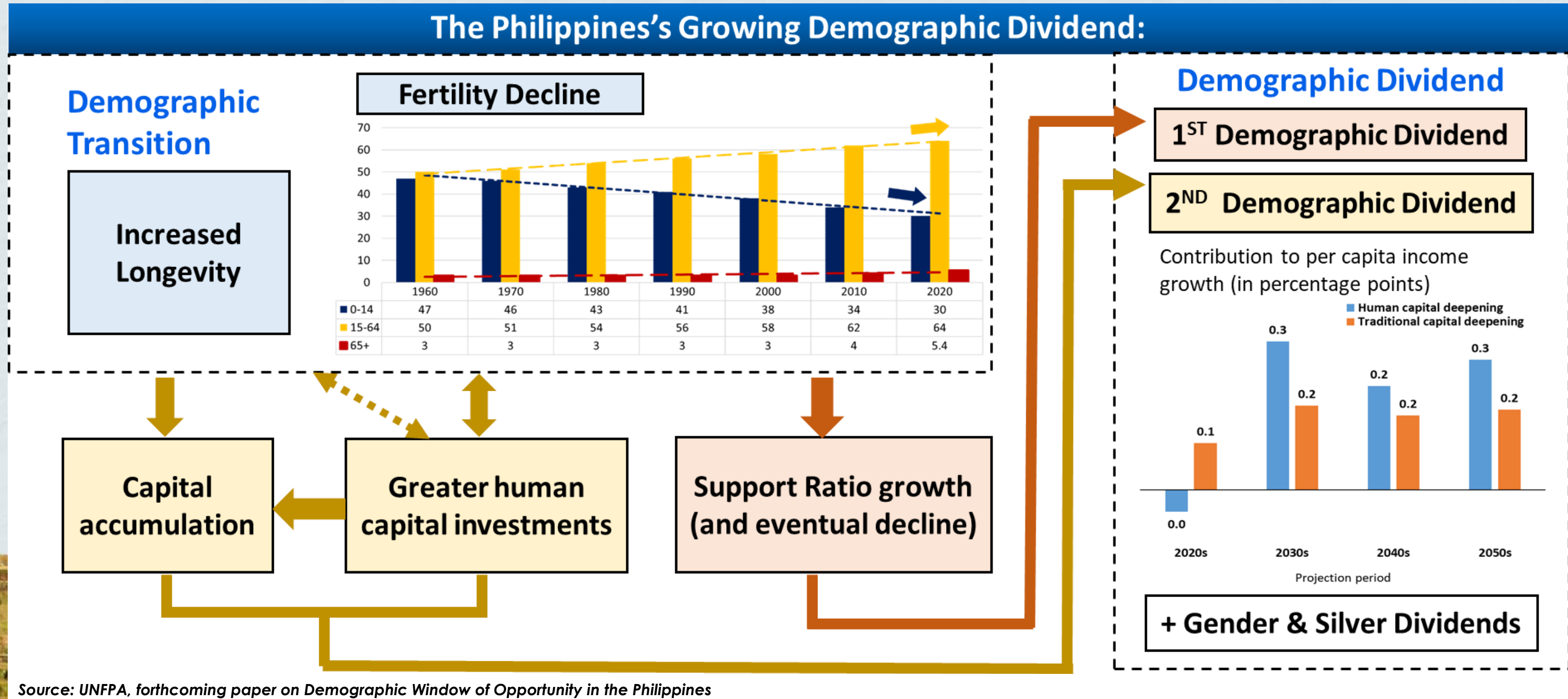


Jalaur River Multipurpose Project Stage-II

Photo from the Philippine Information Agency



The country's demographic transition—i.e., the growing share of the working-age population in the total population—is a boon to the domestic economy and can boost the country's growth prospects for several decades.



Source: UNFPA, forthcoming paper on Demographic Window of Opportunity in the Philippines





The Philippines' development journey continues to unfold. We want you to be a part of it.

OPEN TO INVESTMENTS IN INFRASTRUCTURE

... AND IN GROWTH DRIVERS.





Why choose the Philippines?

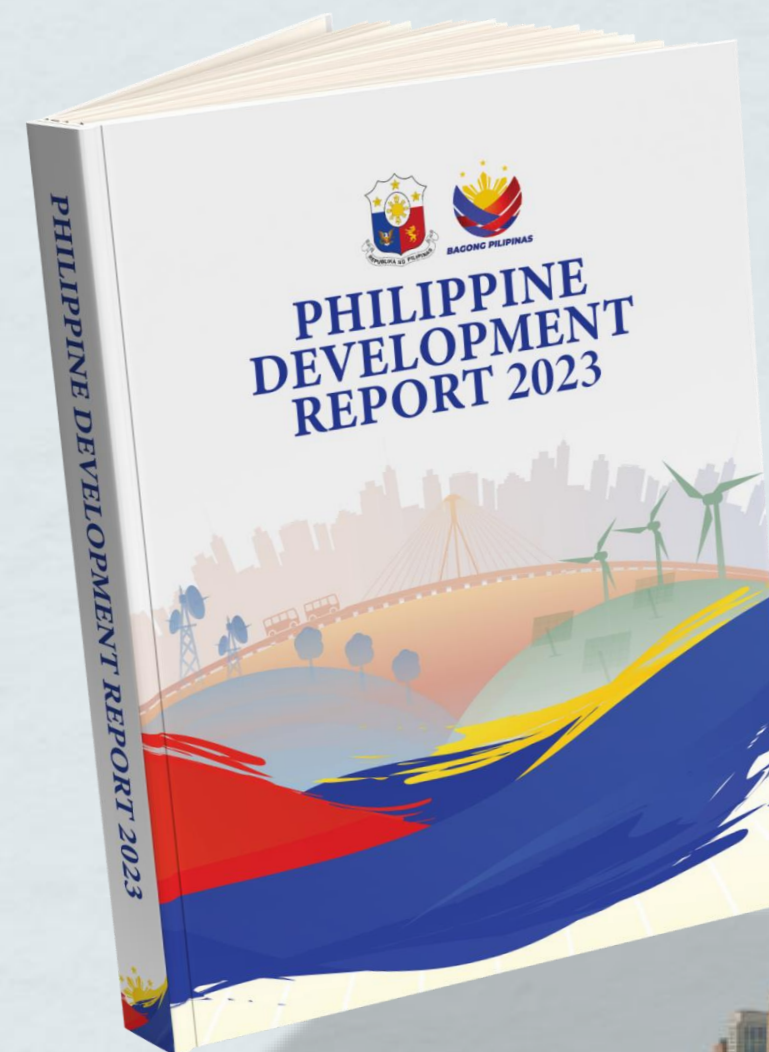
More opportunities and brighter prospects await.

- **Game-changing policy and regulatory reforms** opening up numerous infrastructure sectors and growth drivers to foreign capital
- **Next generation reforms** will allow us to unlock our potential and secure long-term growth
- A competitive launching pad for the **ASEAN market and other major trading partners**
- Exciting opportunities await investors – **the government's infrastructure drive accelerates, with PPPs playing a key role**
- **“Demographic dividend”**: a growing share of the working-age population to the total population of over 110 million, fueling economic growth for the next two to three decades

Scan the QR Codes below to access the full version of the PDP 2023-2028 and the Philippine Development Report 2023:



Full PDP 2023-2028



Thank you!

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