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NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

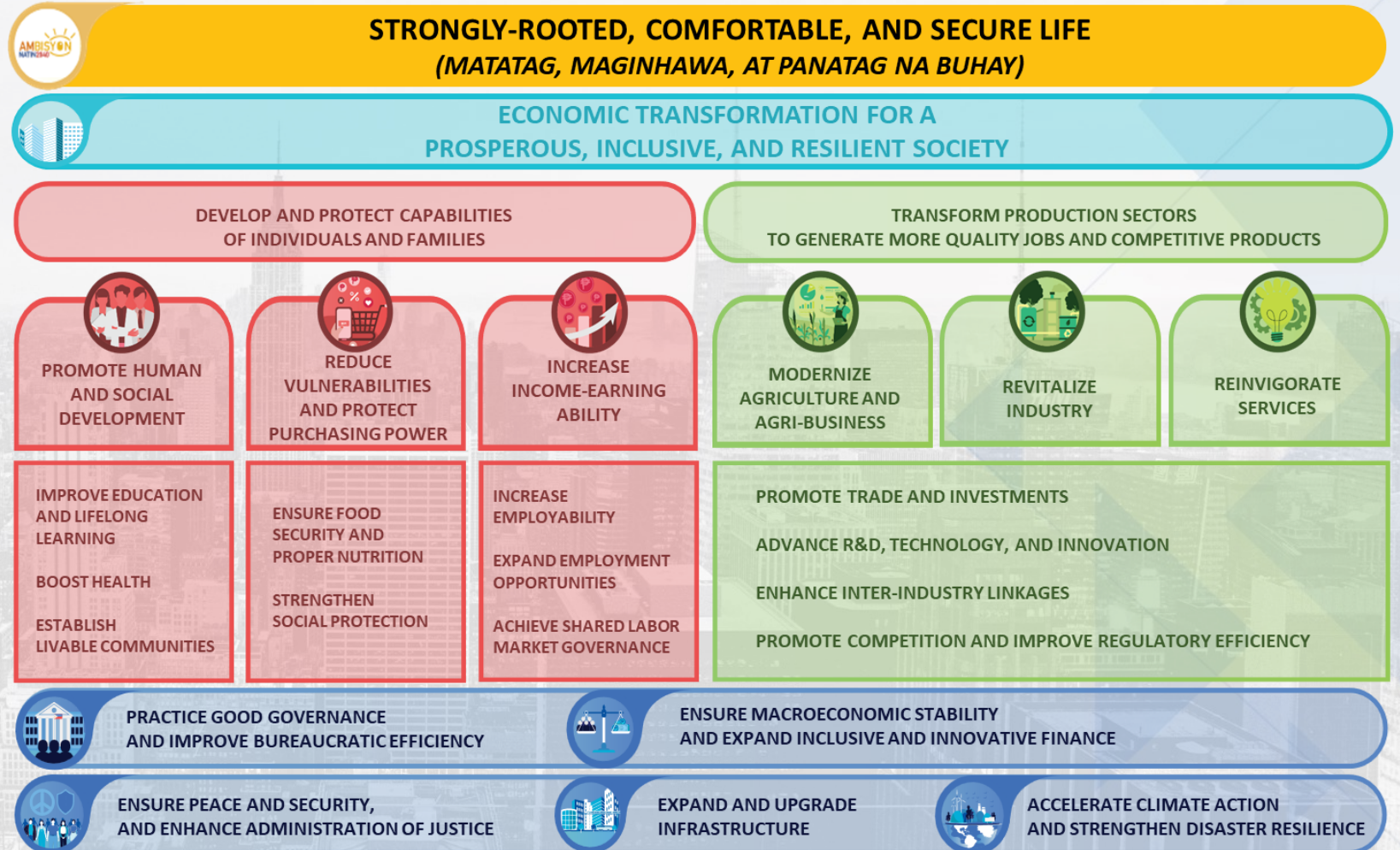
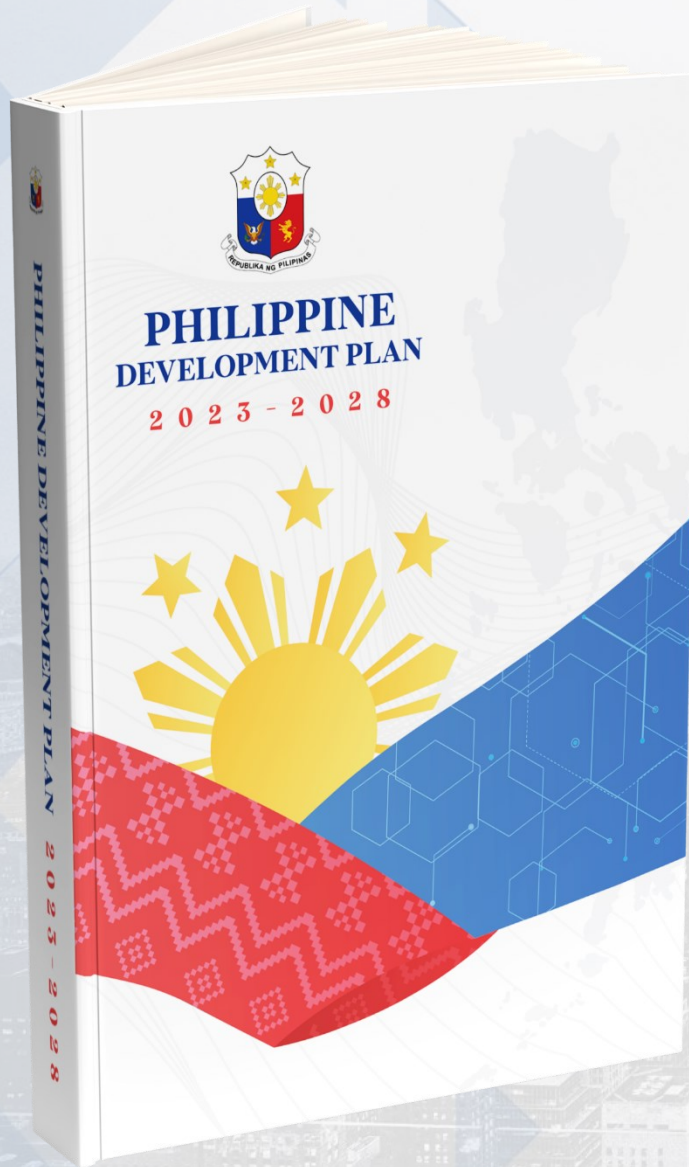
# Sustaining Gains, Enabling Transformation: Infrastructure Development in the Philippine Socioeconomic Agenda

**SECRETARY ARSENIO M. BALISACAN**  
National Economic and Development Authority

Dubai, UAE | September 12, 2023

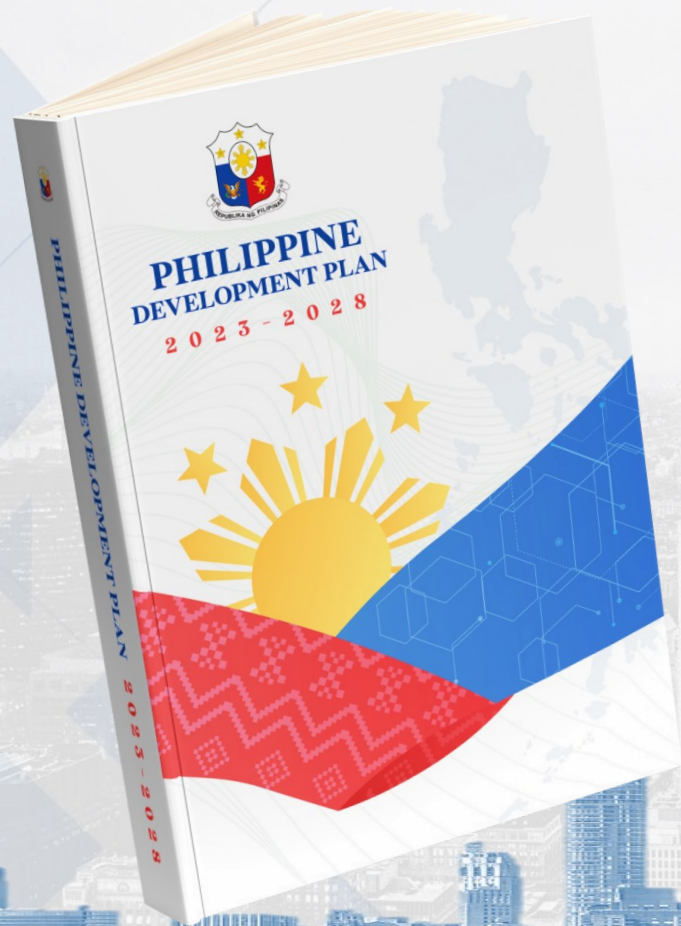
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# Anchored on the Marcos Administration's 8-Point Socioeconomic Agenda, the Philippine Development Plan 2023-2028 lays out the strategies, policies, and legislative priorities aimed at sustaining high and inclusive growth.





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 commits to sustain annual spending on infrastructure at 5% to 6% of GDP.

Medium-Term Infrastructure Program*							
Infrastructure Program*	2022	2023	2024	2025	2026	2027	2028
	Actual	Projections					
<b>In PHP billions</b>	1,278.5	1,292.7	1,352.3	1,467.5	1,607.8	1,907.2	2,298.1
<b>In USD billions</b>	22.8	23.1	24.1	26.2	28.7	34.1	41.0
<b>As % of GDP</b>	5.8	5.3	5.1	5.1	5.1	5.5	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: 56.01 (average from Jan 1 - Aug 31, 2023)

Source: 185<sup>th</sup> DBCC Meeting (9 June 2023)

\*Subject to updating



# 197 IFPs under the Marcos Administration's Build-Better-More Program amount to PHP 8.71 T (about USD 155.5 B).

## INFRASTRUCTURE FLAGSHIP PROJECTS (IFPs) BY SECTOR

124 new projects have been added to the list of IFPs under the Marcos Administration.

SECTOR	NO. OF PROJECTS		
	PREVIOUS ADMINISTRATION	CURRENT ADMINISTRATION	TOTAL
Physical Connectivity	50	71	121
Water Resources	12	32	44
<b>Agriculture</b>	<b>0</b>	<b>15</b>	<b>15</b>
Health	4	2	6
Digital Connectivity	4	1	5
Power and Energy	1	0	1
Other Infrastructure	2	3	5
<b>Total No. of Projects</b>	<b>73</b>	<b>124</b>	<b>197</b>

# 197

**TOTAL NO. OF PROJECTS**

**101** Ongoing and Approved for Implementation

**8** For government approval

**52** Ongoing project preparation

**36** For pre-project preparation

\*During the previous administration, projects under Agriculture were not considered as IFPs.

PHP/USD Exchange Rate: 56.01 (average from Jan 1- Aug 31, 2023)

(as of August 2023)

# We seek diverse funding sources for these 197 IFPs.

## IFPs BY FUNDING SOURCE

Fund Source	Project Count (as of August 2023)	Percent Share by Count (in %)	Indicative Cost (in USD B)	Percent Share by Cost (in %)
ODA	78	39.59	81.8	52.60
*GAA	62	31.47	25.9	16.62
PPP	39	19.80	39.1	25.16
TBD	8	4.06	3.6	2.34
*PPP/STOA	5	2.54	1.6	1.05
*PPP/PTMRF	2	1.02	0.1	0.08
GAA/PPP	1	0.51	1.7	1.08
ODA/GAA	1	0.51	0.5	0.32
ODA/PPP	1	0.51	1.2	0.74
<b>Grand Total</b>	<b>197</b>	<b>100.00</b>	<b>155.5</b>	<b>100.00</b>

\*GAA: General Appropriations Act

\*STOA: Supplemental Toll Operation Agreement

\*PTMRF: Port Terminal Management Regulatory Framework

PHP/USD Exchange Rate: 56.01 (average from Jan 1- Aug 31, 2023)

Some figures may not add up due to rounding.

In particular, infrastructure development in the *Mindanao region* is a priority of the Marcos Administration.

## Projects in the Mindanao Region

(Includes nationwide, interregional, and region-specific IFPs)

Sector	Project Count	Indicative Cost (in USD B)
Physical Connectivity	35	23.9
Digital Connectivity	5	1.7
Water Resources	20	6.8
Health	4	2.0
Power and Energy	1	0.2
Agriculture	13	11.1
Other Infrastructure	1	0.1
<b>Grand Total</b>	<b>79</b>	<b>45.9</b>

*PHP/USD Exchange Rate:* 56.01 (average from Jan 1- Aug 31, 2023)

*\*Project Count Values* as of Aug. 23, 2023

Fund Source	Project Count	Indicative Cost (in USD B)
ODA	31	20.7
PPP	9	2.7
PPP/PTMRF*	1	0.1
GAA*	35	20.5
GAA/ODA	1	0.5
TBD	2	1.4
<b>Grand Total</b>	<b>79</b>	<b>45.9</b>

*\*GAA:* General Appropriations Act

*\*PTMRF:* Port Terminal Management Regulatory Framework



# Public-Private Partnerships (PPPs) will be harnessed to finance these IFPs and other high-impact projects.

As of September 1, 2023

PHP/USD Exchange Rate:

56.01 (average from Jan 1- Aug 31, 2023)

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## PROJECTS UNDER IMPLEMENTATION<sup>1</sup>

Total Estimate Project Cost:

PHP 2,639 Billion (USD 47.1 Billion)

Level	No.	PHP (B)	USD (B)
National	122	2,062	36.8
Local	58	577	10.3

<sup>1</sup>This covers projects under implementation stage (operational, under construction, awarded). Does not include concluded and terminated projects.

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## PROJECTS IN THE PIPELINE

Total Estimate Project Cost:

PHP 2,521 Billion<sup>2</sup> (USD 45.0 Billion)

Level	No.	PHP (B)	USD (B)
National	93	2,410	43.0
Local	11	111	2.0

<sup>2</sup>Total estimated project cost **does not include** ongoing projects undergoing studies and with cost that are yet to be finalized.

## Projects in the Pipeline (By Sector)

Sector	Total
Transport	52
Road	15
Property Development	13
Health	6
Information and Communications Technology	5
Water and Sanitation	4
Solid Waste Management	4
Agriculture and Food Security	3
Energy	1
Tourism	1
<b>Total</b>	<b>104</b>



# Foreign direct investments in the energy sector will be pivotal to the country's socioeconomic transformation.

By 2030, the Philippines will require 35% renewable energy (RE) share in its power generation mix and 50% by 2040 under the **Clean Energy Scenario** of the **Philippine Energy Plan 2020-2040**. This requires a total investment amount of **about PHP 5.8 trillion or USD 103.6 billion in RE power projects by 2040**.



*Opening up the Energy Sector to Investments*

**Amendments** to the Implementing Rules and Regulations of the **Renewable Energy Act of 2008**, removing nationality restrictions on the exploration, development, and utilization of renewable energy resources such as solar, wind, biomass, ocean or tidal energy



**Leveraging preferred investment areas** under the **2022 Strategic Investment Priority Plan**



**Proposed amendments** to the **Electric Power Industry Reform Act** to ensure lower power costs and 24/7 power supply in power-generating provinces



# The Philippines is open to business now more than ever.

## Opportunities in Infrastructure



## Opportunities in Growth Drivers





# Why Choose the Philippines?

- ✓ Game-changing **policy and regulatory reforms** opening up numerous **infrastructure sectors and growth drivers to foreign capital**
- ✓ “**Demographic dividend**”: a growing share of young, **English-speaking, and highly trainable working population**, providing an additional source of economic growth **for the next two to three decades**
- ✓ A **huge consumer base** of **over 110 million people** in a rapidly growing economy expected to reach **upper-middle income status by 2025**
- ✓ A **competitive launching pad** for the **ASEAN market** with a population of over 680 million people
- ✓ With the **PH’s recent inclusion in RCEP**, the market is now **integrated with 10 ASEAN economies and 5 major trading partners**: Australia, China, Japan, South Korea, and New Zealand







# Thank you!

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