



REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

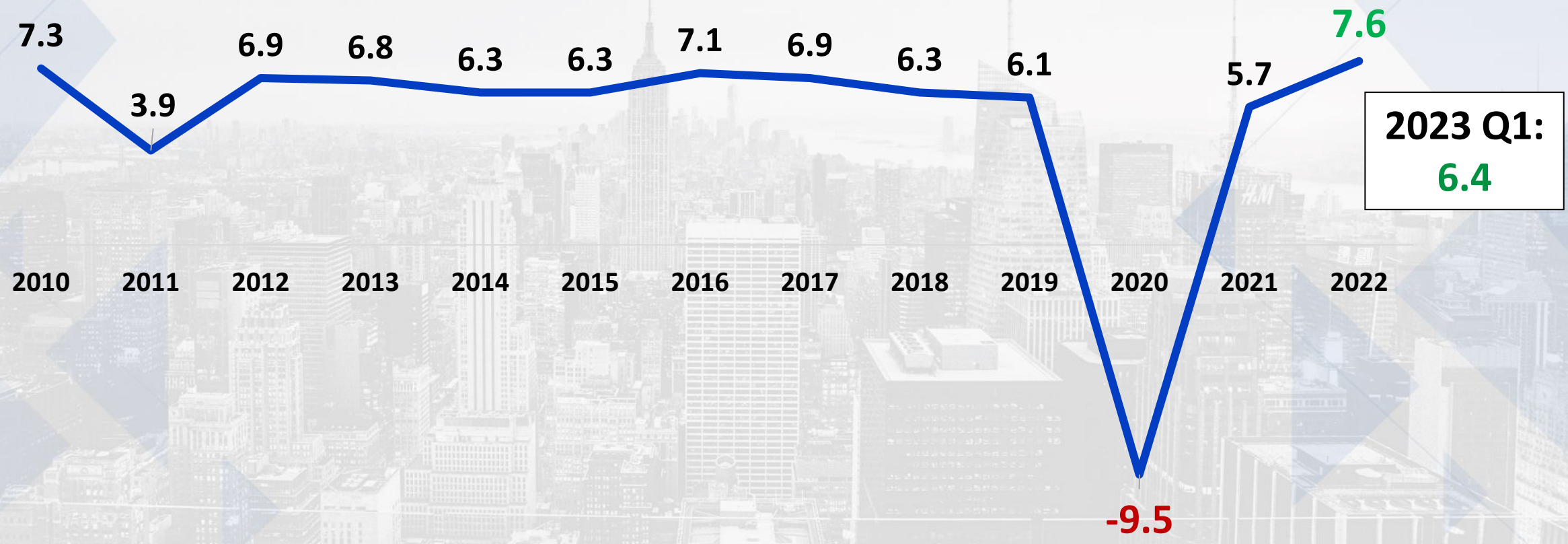
Infrastructure Development and Investment Climate in the Philippine Socioeconomic Agenda

ARSENIO M. BALISACAN
NEDA Secretary

PHILIPPINE ECONOMIC BRIEFING
TORONTO, CANADA
JULY 13, 2023

The Philippine economy is back to its pre-pandemic high-growth norm, growing by 7.6% in 2022 and 6.4% in Q1 of 2023.

Philippine Annual Real GDP Growth Rate, in % (2010-2022)



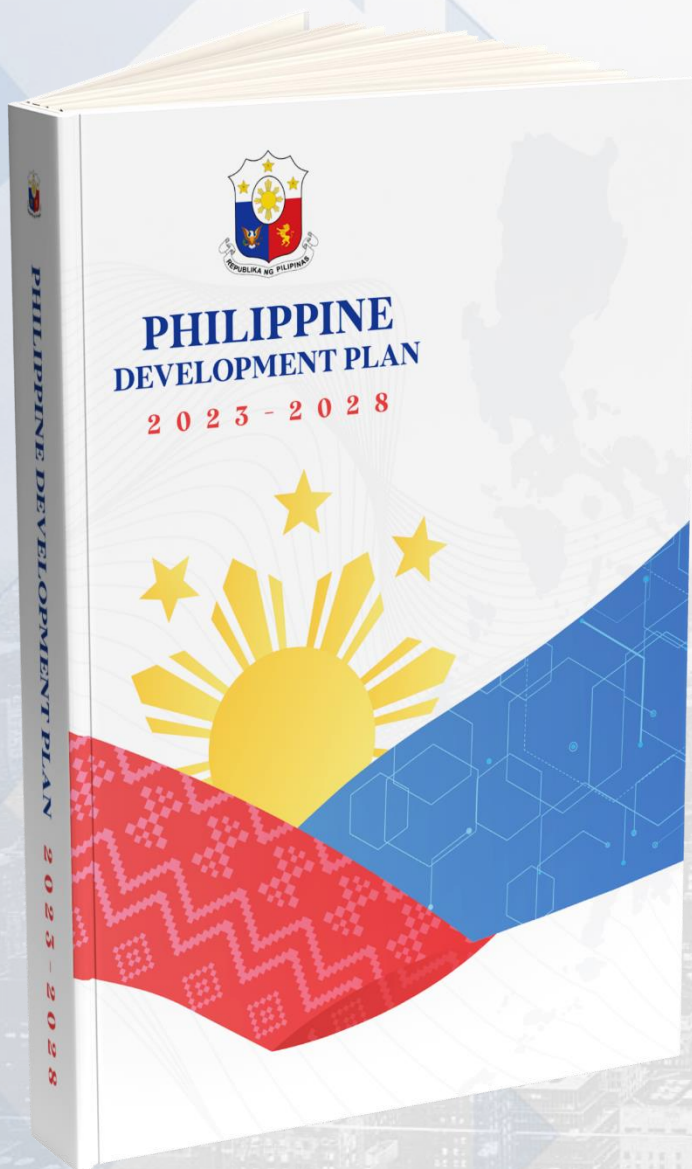
Source: Philippine Statistics Authority (PSA)

Multilateral institutions project the Philippines to *grow faster* than many of its peers in the region amid external headwinds.

Emerging Economy	GDP Growth Rate (2022)	ADB Asian Development Outlook (April 2023) Forecast for 2023	IMF World Economic Outlook (April 2023) Forecast for 2023	World Bank Global Economic Prospects (June 2023)	AMRO ASEAN+3 Regional Economic Outlook (April 2023)
Bangladesh	7.1	5.3	5.5	5.2	-
China	3.0	5.0	5.2	5.6	5.5
India	6.8	6.4	5.9	6.3	-
Indonesia	5.3	4.8	5.0	4.9	5.0
Malaysia	8.7	4.7	4.5	4.3	4.2
Philippines	7.6	6.0	6.0	6.0	6.2
Thailand	2.6	3.3	3.4	3.9	4.1
Vietnam	8.0	6.5	5.8	6.0	6.8

Source: World Bank, Asian Development Bank, Trading Economics, International Monetary Fund, and ASEAN+3 Macroeconomic Research Office (AMRO)

The Philippine Development Plan 2023-2028 provides the strategies and priorities aimed at *sustaining* high and inclusive growth.



MATATAG, MAGINHAWA AT PANATAG NA BUHAY



ECONOMIC TRANSFORMATION FOR A PROSPEROUS, INCLUSIVE, AND RESILIENT SOCIETY

DEVELOP AND PROTECT CAPABILITIES OF INDIVIDUALS AND FAMILIES

TRANSFORM PRODUCTION SECTORS TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS



PROMOTE HUMAN AND SOCIAL DEVELOPMENT



REDUCE VULNERABILITIES AND PROTECT PURCHASING POWER



INCREASE INCOME-EARNING ABILITY



MODERNIZE AGRICULTURE AND AGRI-BUSINESS



REVITALIZE INDUSTRY



REINVIGORATE SERVICES

IMPROVE EDUCATION AND LIFELONG LEARNING
BOOST HEALTH
ESTABLISH LIVABLE COMMUNITIES

ENSURE FOOD SECURITY AND PROPER NUTRITION
STRENGTHEN SOCIAL PROTECTION

INCREASE EMPLOYABILITY
EXPAND EMPLOYMENT OPPORTUNITIES
ACHIEVE SHARED LABOR MARKET GOVERNANCE

PROMOTE TRADE AND INVESTMENTS
ADVANCE R&D, TECHNOLOGY, AND INNOVATION
ENHANCE INTER-INDUSTRY LINKAGES
PROMOTE COMPETITION AND IMPROVE REGULATORY EFFICIENCY



PRACTICE GOOD GOVERNANCE AND IMPROVE BUREAUCRATIC EFFICIENCY



ENSURE MACROECONOMIC STABILITY AND EXPAND INCLUSIVE AND INNOVATIVE FINANCE



ENSURE PEACE AND SECURITY, AND ENHANCE ADMINISTRATION OF JUSTICE



EXPAND AND UPGRADE INFRASTRUCTURE



ACCELERATE CLIMATE ACTION AND STRENGTHEN DISASTER RESILIENCE

The Plan focuses on strategies to *boost* the country's *infrastructure drive*.



Chapter 12 of the PDP 2023-2028



**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					
In PHP billions	1,278.5	1,292.7	1,367.6	1,458.2	1,595.4	1,887.8	2,284.4
In USD billions	23.2	23.4	24.8	26.4	28.9	34.2	41.4
As % of GDP	5.8	5.3	5.1	5.1	5.1	5.5	6.0

PHP-USD Exchange Rate: PHP 55.2 to USD 1.00
(As of July 4, 2023)

Source: 185th DBCC Meeting (09 June 2023)
*Subject to updating

We aim to build on the policy and reform momentum to *deepen improvements* in the country's investment climate.

Reforms and Policies to Raise Investment

 CREATE Law	 Joining the Regional Comprehensive Economic Partnership (RCEP)
 Retail Trade Liberalization Act Amendments	 Green Lanes for Strategic Investments
 Foreign Investments Act Amendments	 Public Service Act (PSA) Amendments and Release of PSA IRR
 BOT Law IRR Amendments	 Amendments to NEDA JV Guidelines
 Renewable Energy Act IRR Amendments	 Infrastructure Flagship Projects (IFPs) under the Build-Better-More Program
 Investment Coordination Committee (ICC) Guidelines for LGU PPP Projects	 Proposed amendments to Public-Private Partnerships (PPP) Act / Build-Operate-Transfer (BOT) Law

194 IFPs under the Marcos Administration's Build-Better-More Program amount to PHP 8.3 T (about USD 150 B).

INFRASTRUCTURE FLAGSHIP PROJECTS (IFPs) BY SECTOR

123 new projects have been added to the list of IFPs under the Marcos Administration – 14 of which are for the Agriculture sector.

SECTOR	NO. OF PROJECTS		
	PREVIOUS ADMINISTRATION	CURRENT ADMINISTRATION	TOTAL
Physical Connectivity	48	71	119
Water Resources	12	32	44
Agriculture	0	14	14
Health	4	2	6
Digital Connectivity	4	1	5
Power and Energy	1	0	1
Other Infrastructure	2	3	5
Total No. of Projects	71	123	194

194
TOTAL NO. OF PROJECTS

93 Ongoing and Approved for implementation

9 For government approval

52 Ongoing project preparation

40 For pre-project preparation

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

*PHP-USD Exchange Rate: PHP 55.2 to USD 1.00 (As of July 4, 2023)

We seek diverse funding sources for these 194 IFPs.

IFPs BY FUNDING SOURCE

Fund Source	Project Count	Percent Share by Count (in %)	Indicative Cost (in USD B)	Percent Share by Cost (in %)
ODA	82	42.27	84.10	55.92
*GAA	64	32.99	15.41	10.25
PPP	37	19.07	45.50	30.25
*PPP/STOA	5	2.58	1.90	1.27
*PPP/PTMRF	2	1.03	0.13	0.09
TBD	2	1.03	0.44	0.29
ODA/PPP	1	0.52	1.18	0.79
GAA/PPP	1	0.52	1.73	1.17
Grand Total	194	100.00	150.38	100.00

*GAA: General Appropriations Act

*STOA: Supplemental Toll Operation Agreement

*PTMRF: Port Terminal Management Regulatory Framework

PHP-USD Exchange Rate: PHP 55.2 to USD 1.00 (As of July 4, 2023)

Public-Private Partnerships (PPPs) are also promoted to finance these IFPs and other high-impact projects.

225



AWARDED PROJECTS
as of June 30, 2023

Total Estimate Project Cost:
PHP 2,583 Billion (USD 46.8 Billion)

Level	No.	PHP (B)	USD (B)
National	89	2,156	39.1
Local	136	427	7.7

PHP-USD Exchange Rate:
PHP 55.2 to USD 1.00 (As of July 4, 2023)

107



PROJECTS IN THE PIPELINE
as of June 30, 2023

Total Estimate Project Cost:
PHP 2,282 Billion* (USD 41.3 Billion)

Level	No.	PHP (B)	USD (B)
National	87	2,144	38.8
Local	20	138	2.5

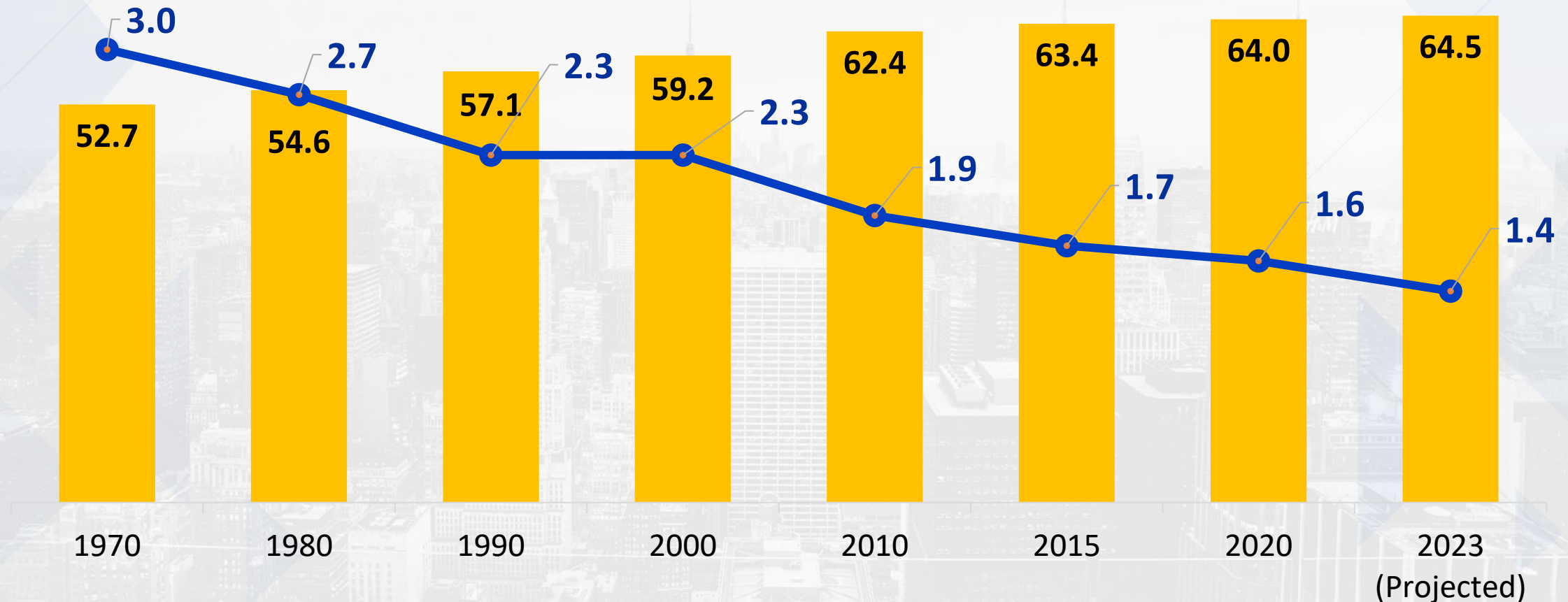
Total estimate project cost **does not include projects undergoing studies and with costs that are yet to be finalized*

Projects in the Pipeline (By Sector)
as of June 30, 2023

Sector	Total
Transport	51
Road	15
Property Development	12
Water and Sanitation	8
Health	6
Information and Communications Technology	6
Solid Waste Management	4
Tourism	3
Energy	2
Total	107

Critical investments in physical and human capital will raise the productivity of the Philippines' growing workforce, allowing the country to reap the benefits from its demographic transition.

■ % Share of Working Age Population (15-64) ● Average Annual Growth Rate of Total Population (in %)



Source: Commission on Population and Development (CPD)

What's in it for investors and businesses?

- ✓ 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
- ✓ “**Demographic dividend**”: a **growing and young working population** (relative to population in the “dependent” ages), fueling additional sources of economic growth **for the next two to three decades**

The Philippines is open to business now more than ever.

Opportunities in Infrastructure



Opportunities in Growth Drivers



Scan the QR Codes below to access the full version of the PDP 2023-2028 and the Build-Better-More Infrastructure Flagship Projects.



Full PDP 2023-2028



Full List of IFPs

Thank you!

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