

Carving Out Opportunities, Deepening Policy Reforms

Shaping a Macroeconomic Landscape
Conducive to Investments in the Philippines

Philippine Economic Briefing
May 27, 2024 | 1:00 PM
Philippine International Convention Center

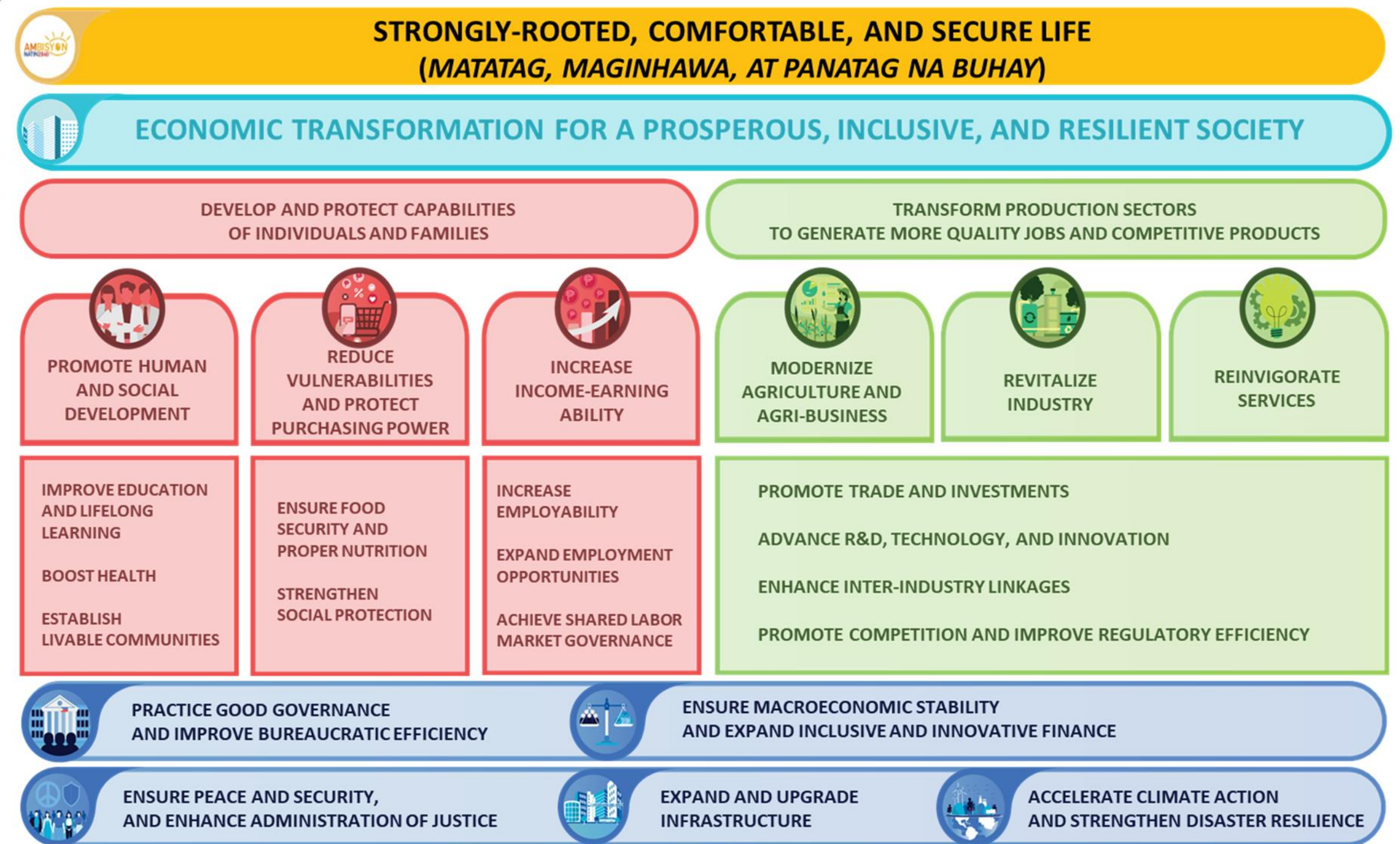
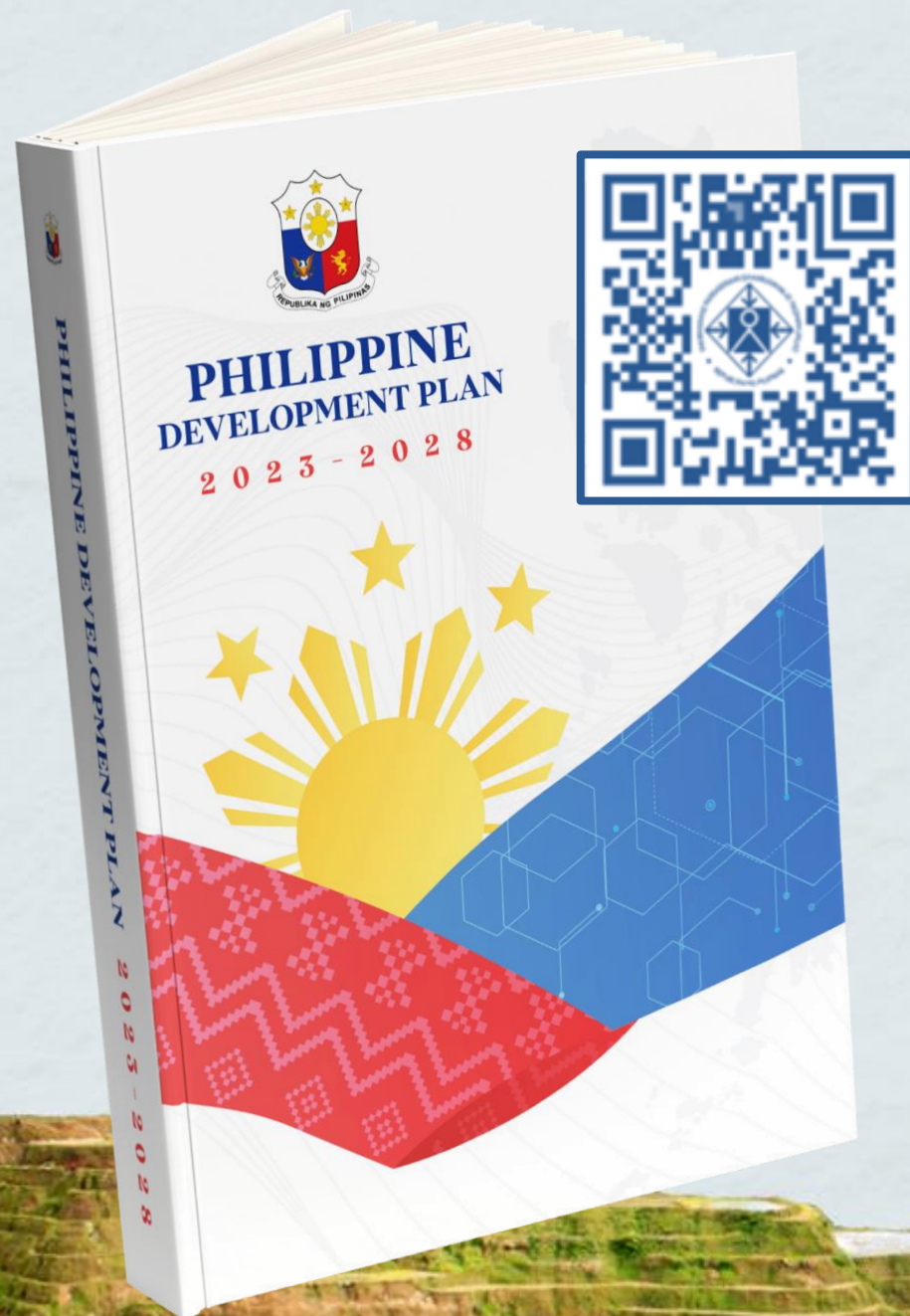
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NEDA Secretary



BAGONG PILIPINAS



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



MODERNIZE AGRICULTURE
AND AGRIBUSINESS



REINVIGORATE
SERVICES



REVITALIZE
INDUSTRY

SIX CROSS-CUTTING STRATEGIES



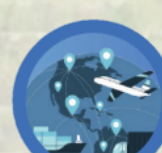
DIGITALIZATION



DYNAMIC INNOVATION
ECOSYSTEM



PUBLIC-PRIVATE
PARTNERSHIPS



ENHANCED
CONNECTIVITY



SERVICIFICATION



GREATER COLLABORATION
OF LGUs AND NATIONAL
GOVERNMENT



TARGET HEADLINE INDICATORS



RAPID AND SUSTAINED ECONOMIC GROWTH
Average of 6.5% - 8.0% GDP Growth for 2023-2028



LOW AND STABLE PRICES
2.0% - 4.0% Headline and Food Inflation for 2023-2028



MORE AND BETTER JOBS
Average of 4.0% - 5.0% Unemployment Rate for 2023-2028



MORE AND BETTER INFRASTRUCTURE
5.0% - 6.0% Infrastructure Spending-to-GDP Ratio
sustained from 2023-2028



ENFORCED FISCAL DISCIPLINE
3.7% Deficit-to-GDP Ratio and
55.9% Debt-to-GDP Ratio by 2028



TRANSFORMED PRODUCTION SECTORS
Top 33% Rank for the Global Competitiveness Index by 2028



ACCELERATED POVERTY REDUCTION
Single-digit Poverty Incidence by 2028

The PDP 2023-2028 prioritizes addressing one of the most binding constraints to investment: **infrastructure**.



**EXPANDING AND UPGRADING
INFRASTRUCTURE**



**Annual spending on infrastructure shall be sustained at
5% to 6% of GDP from 2023 to 2028.**

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**	24.4	25.3	28.5	29.7	34.2	38.4
As % of GDP	5.8	5.6	5.7	5.7	5.8	6.0

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

****PHP/USD Exchange Rate:** PHP58.16 = USD1.00
(from the Bangko Sentral ng Pilipinas (BSP), as of May 23, 2024)

*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).

A STRONG START

The Marcos Administration has made significant strides in enacting and implementing **key policy reforms and initiatives** to establish an **enabling investment environment**.



Ratification of the RCEP



PSA IRR



PPP Code and IRR



Renewable Energy Act IRR



Constituting Green Lanes for Strategic Investments

EO 18 (s. 2023)



Streamlining Construction of Telco and Internet Infrastructure

EO 32 (s. 2023)



Streamlining the Permitting Process of Infrastructure Flagship Projects

EO 59 (s. 2024)



The Public Private Partnership (PPP) Code establishes a stable and predictable environment for collaboration between the public and private sectors.

- ✓ 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
- ✓ Strengthening enabling PPP institutions and institutionalizing international PPP best practices

Decrease in Processing Time for Unsolicited Projects in the PPP Code

**16.9
months**
for local PPPs

**14.9
months**
for national PPPs

**DOWN FROM
26.5 mos.**

NEDA, together with the Economic Team, is also 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 LEDAC Common Legislative Agenda (CLA)



- ✓ **Open Access in Data Transmission Bill**
- ✓ **Amendments to the Government Procurement Reform Act**
- ✓ **Enterprise-based Education and Training Framework Act**
- ✓ **Department of Water Resources Bill**
- ✓ **National Land Use Act**
- ✓ **Better Tax Administration and Fiscal Reforms**

Under the Build-Better-More Program, the Marcos Administration continues to evaluate, approve, and roll out the **185 Infrastructure Flagship Projects** now worth **PHP 9.54 T (USD 164 B)**.

SCAN ME !











185 IFPs

As of Q1 2024

Count	Status	Count	Fund Source
03	Completed	82	ODA
63	Ongoing	50	GAA*
31	Approved for implementation	43	PPP
6	For government approval	2	TBD
34	Under project preparation	3	ODA/GAA
48	Pre-project preparation	1	GAA/PPP
		4	ODA/PPP

*GAA: General Appropriations Act
 *ODA: Official Development Assistance
 *PPP: Public Private Partnership

SECTOR	NO. OF PROJECTS			
	Total Count	Total Indicative Cost		Share to Total Cost (%)
		In PHP Billion	In USD Billion	
 Physical Connectivity	134	8,282.0	142.4	86.9
 Water Resources	29	713.8	12.3	7.5
 Agriculture	9	213.6	3.7	2.2
 Health	5	91.9	1.6	1.0
 Digital Connectivity	3	164.8	2.8	1.7
 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	9,535.1	164.0	100

*PHP/USD Exchange Rate: PHP58.16 = USD1.00 (as of May 23, 2024 – BSP)
 *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 to boost productivity and raise the country’s competitiveness.

194 PROJECTS UNDER IMPLEMENTATION
(13 are IFPs)

Total Estimate Project Cost:
PHP 3.3 Trillion (USD 56.7 B)

Level	No.	PHP (B)	USD (B)
National	125	2,556.8	44.0
Local	69	746.2	12.8

(as of May 10, 2024)

129 PROJECTS IN THE PIPELINE
(32 are IFPs)

Total Estimate Project Cost:
PHP 3.0 Trillion (USD 51.6 B)

Level	No.	PHP (B)	USD (B)
National	103	2,884.4	49.6
Local	26	118.7	2.0

(as of May 10, 2024)

PHP/USD Exchange Rate: PHP58.16 = USD 1.00
(BSP Exchange Rate Average from May 23, 2024)

Sector	Count
Transport	54
Property Development	24
Road	12
Information and Communications Technology	16
Health	5
Water and Sanitation	4
Solid Waste Management	4
Agriculture and Food Security	4
Energy	3
Tourism	2
TBD	1
Total	129

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

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

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

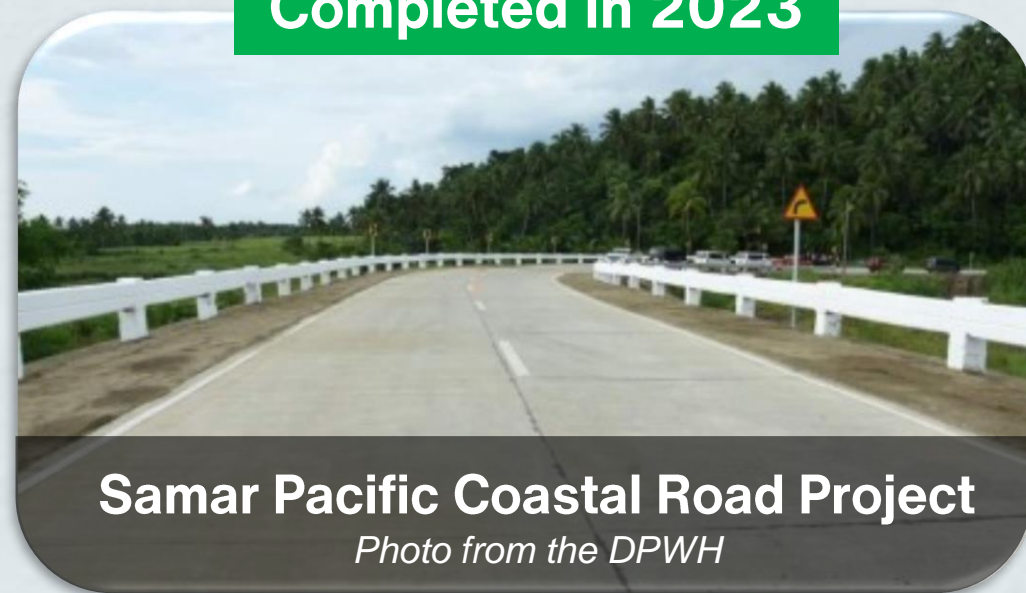


Processing Time: **43 WDs**

BUILD-BETTER-MORE IN 2024:

Completed and ongoing projects targeted for completion are found in **physical connectivity** and **disaster risk reduction**, among others, to strengthen inclusivity, improve competitiveness, and enhance resilience.

Completed in 2023



Completed in 2024



Completed in 2024



Ongoing in 2024



Ongoing in 2024

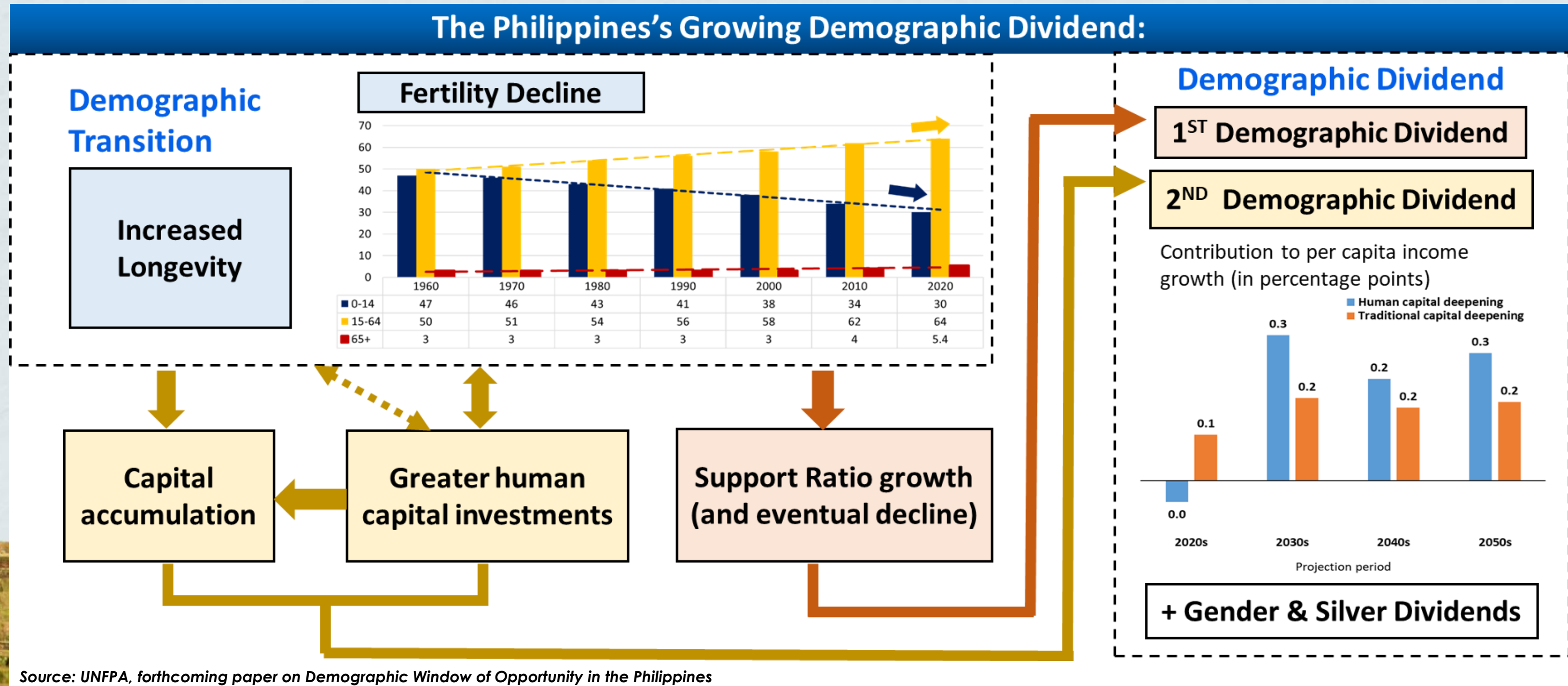


Ongoing in 2024



REAPING THE DEMOGRAPHIC DIVIDEND:

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



So why choose the Philippines?

Opportunities abound and brighter prospects await.

- ✓ **GAME-CHANGING POLICY AND REGULATORY REFORMS** opening up numerous infrastructure sectors and growth drivers to foreign capital
- ✓ **NEXT GENERATION REFORMS** to unlock potential and secure long-term growth
- ✓ A competitive launching pad for the **ASEAN MARKET AND MAJOR TRADING PARTNERS**
- ✓ Exciting opportunities for investment – **INFRASTRUCTURE DRIVE ACCELERATES, WITH PUBLIC-PRIVATE PARTNERSHIPS 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



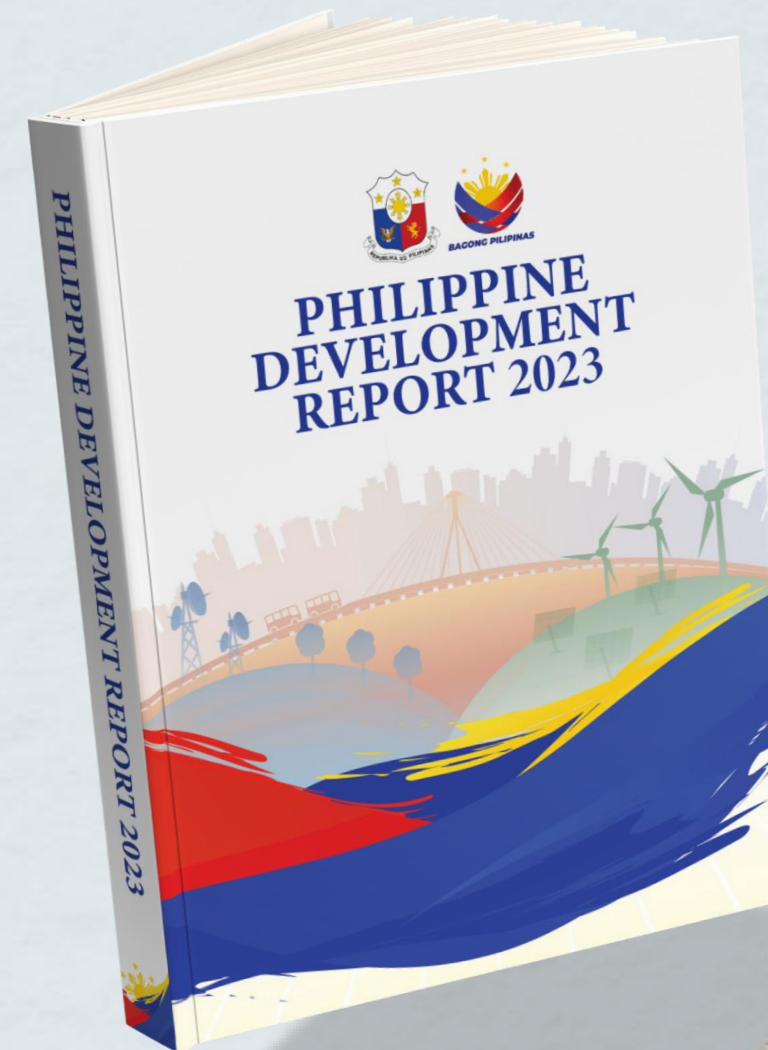
The development journey of the Philippines continues to unfold – and we want *you* to be a part of it.



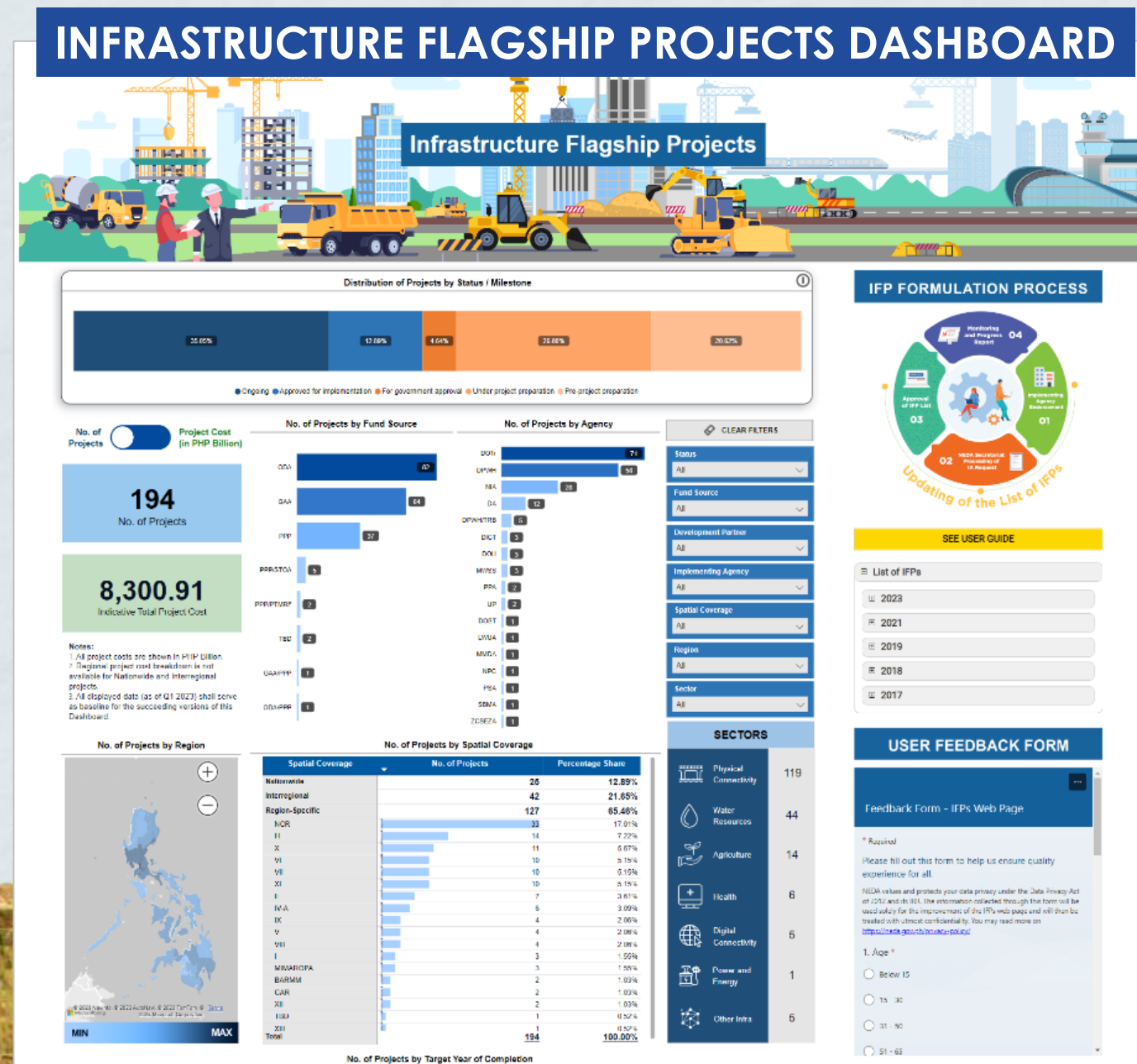
SCAN TO KNOW MORE ABOUT THE PDP 2023-2028 & THE PDR 2023:



Full PDP 2023-2028



SCAN TO KNOW MORE ABOUT THE GOVERNMENT'S INFRASTRUCTURE FLAGSHIP PROJECTS



SCAN HERE



<https://bit.ly/IFPs>



Marcos orders to streamline permit process of 185 infra flagship projects

By: Faith Argosino - Reporter / @FArgosinoINQ INQUIRER.net / 01:39 PM May 05, 2024

HEADLINES

185 infrastructure projects to take off after PPP rules signing

Delon Porcalla - The Philippine Star
April 7, 2024 | 12:00am



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