

Carving Out Opportunities, Deepening Policy Reforms

Shaping a Macroeconomic Landscape
Conducive to Investments in the Philippines

Philippine Economic Briefing
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Arsenio M. Balisacan, PhD

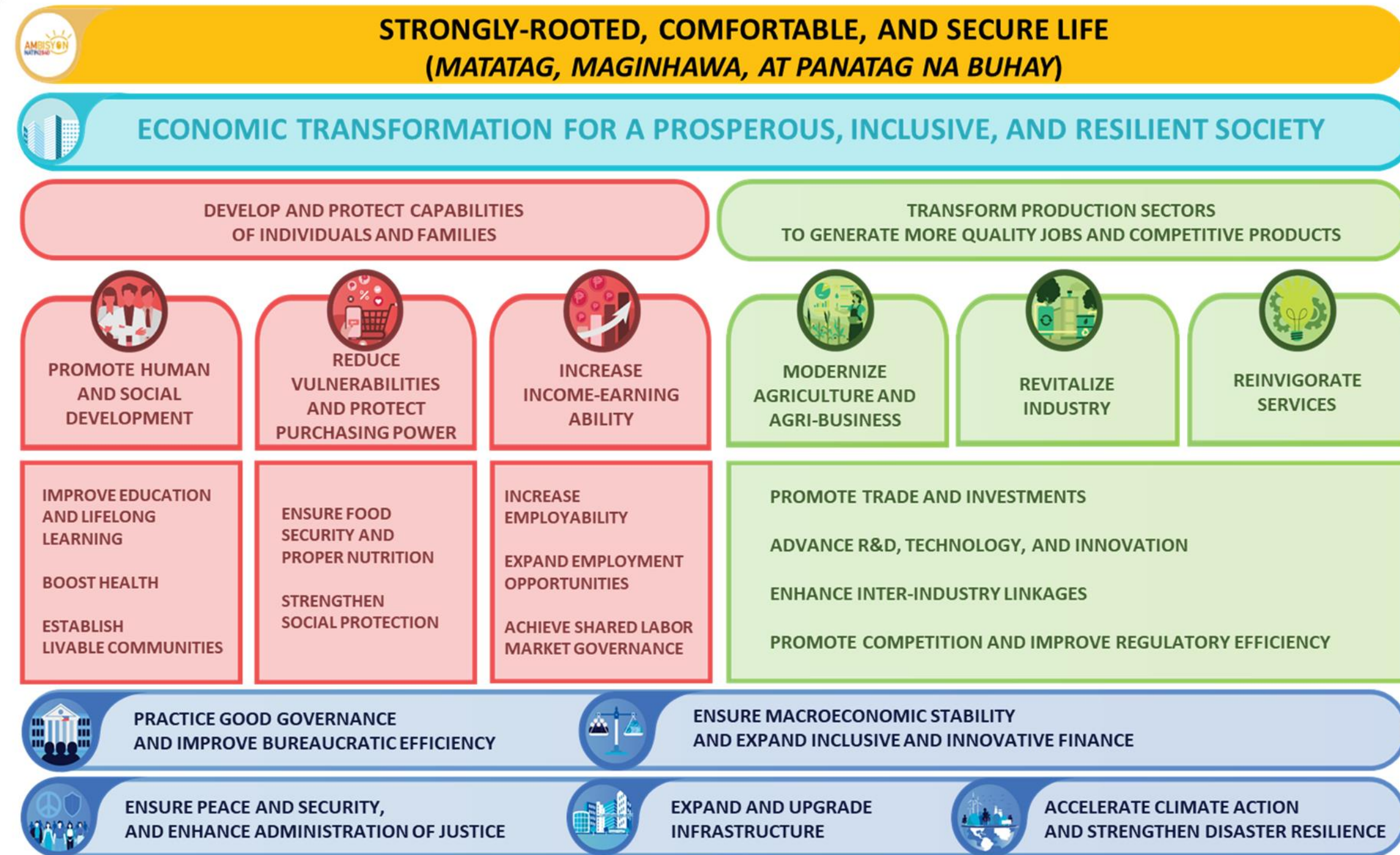
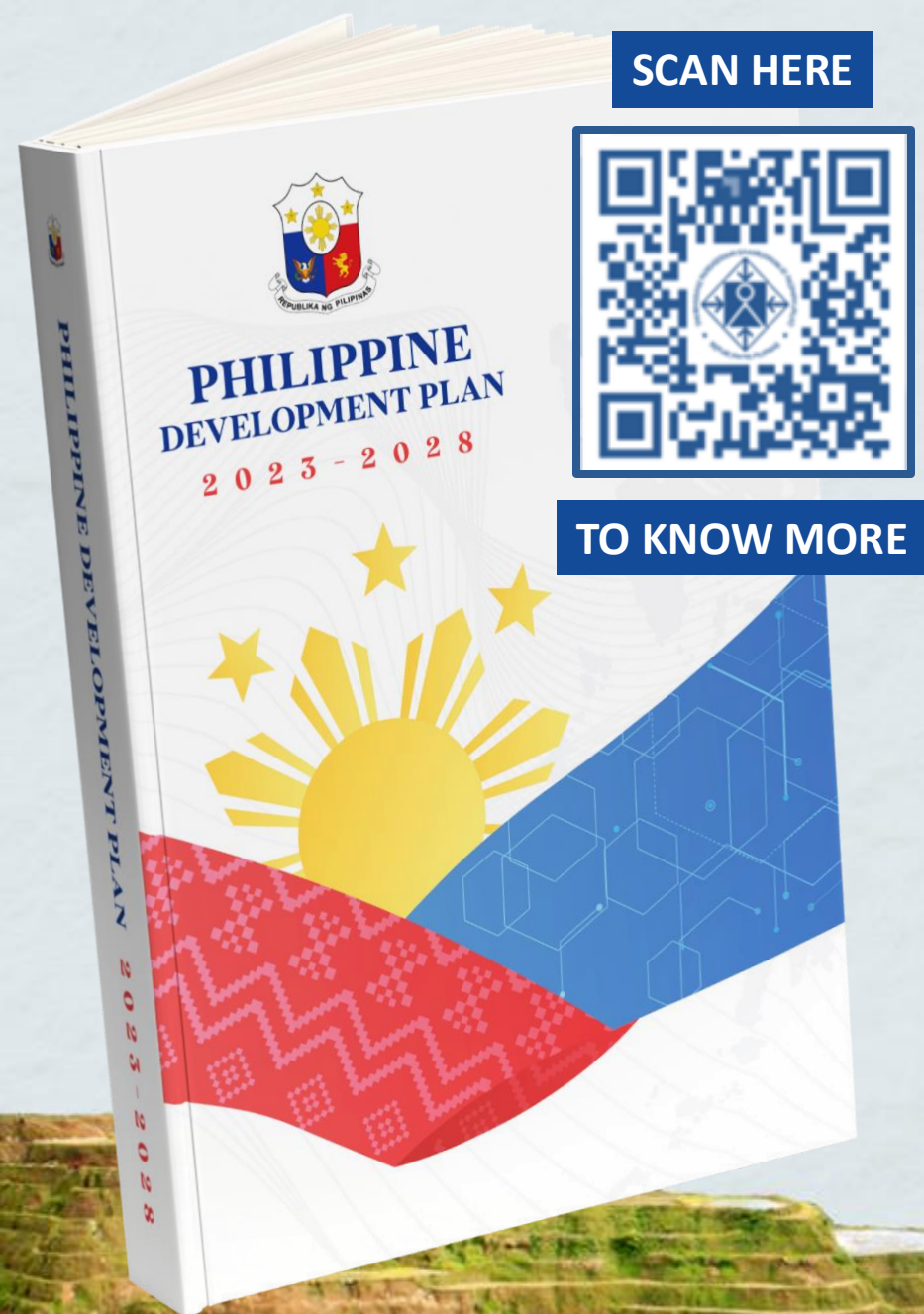
NEDA Secretary



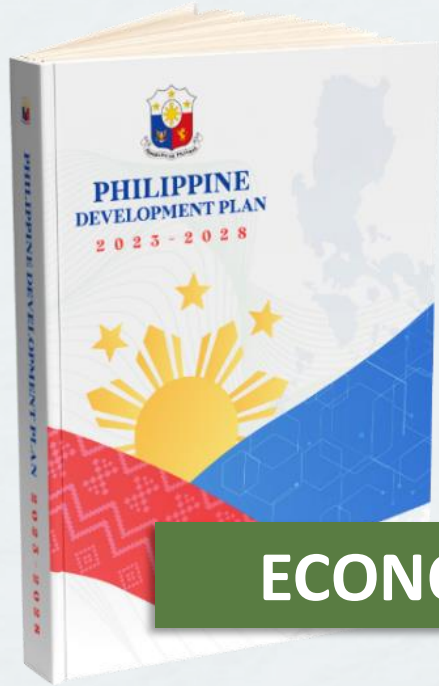
BAGONG PILIPINAS



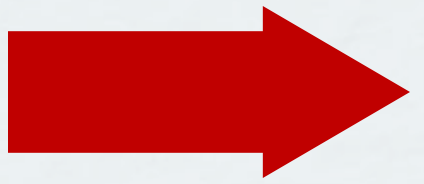
The Philippine Development Plan 2023-2028 lays out the strategies, policies, and legislative priorities aimed at sustaining high and inclusive growth.



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



ECONOMIC TRANSFORMATION



TARGET HEADLINE INDICATORS

-  MODERNIZE AGRICULTURE AND AGRIBUSINESS
-  REINVIGORATE SERVICES
-  REVITALIZE INDUSTRY

SIX CROSS-CUTTING STRATEGIES

-  ACCELERATING DIGITALIZATION
-  DYNAMIC INNOVATION ECOSYSTEM
-  PUBLIC-PRIVATE PARTNERSHIPS
-  ENHANCED CONNECTIVITY
-  SERVICES SECTOR TRANSFORMATION AND INTEGRATION
-  GREATER LOCAL & NATIONAL COLLABORATION

-  **RAPID AND SUSTAINED ECONOMIC GROWTH**
6.0% - 7.0% for 2024 and 6.5% - 7.5% for 2025
6.5% - 8.0% for 2026-2028
-  **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 addresses one of the most binding constraints to investment: **infrastructure**.



Metro Manila Subway



Cavite-Laguna Expressway



Davao City Bypass Construction Project



Panay-Guimaras-Negros Island Bridge



**EXPANDING AND UPGRADING
INFRASTRUCTURE**

The Philippine government commits to sustain annual spending on infrastructure 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	1,782.1	1,988.3	2,231.6
In USD billions**	24.2	25.1	28.3	30.4	33.9	38.1
As % of GDP	5.8	5.6	5.7	5.7	5.8	6.0

Source: 187th DBCC Meeting, March 22, 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).

****PHP/USD Exchange Rate:** PHP58.59 = USD1.00
(from the Bangko Sentral ng Pilipinas, as of June 14, 2024)

SHAPING A STRONG AND CONDUCTIVE INVESTMENT ENVIRONMENT

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)



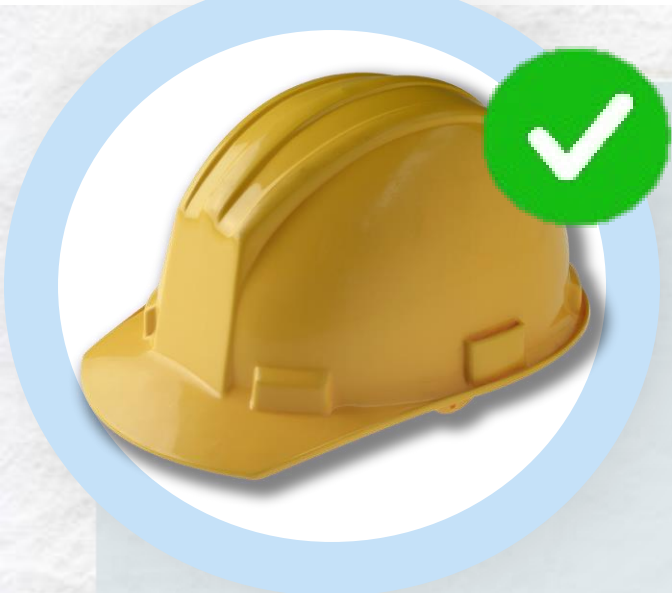
Streamlining Construction of Telco and Internet Infrastructure

EO 32 (s. 2023)



Streamlining the Permitting Process of Infrastructure Flagship Projects

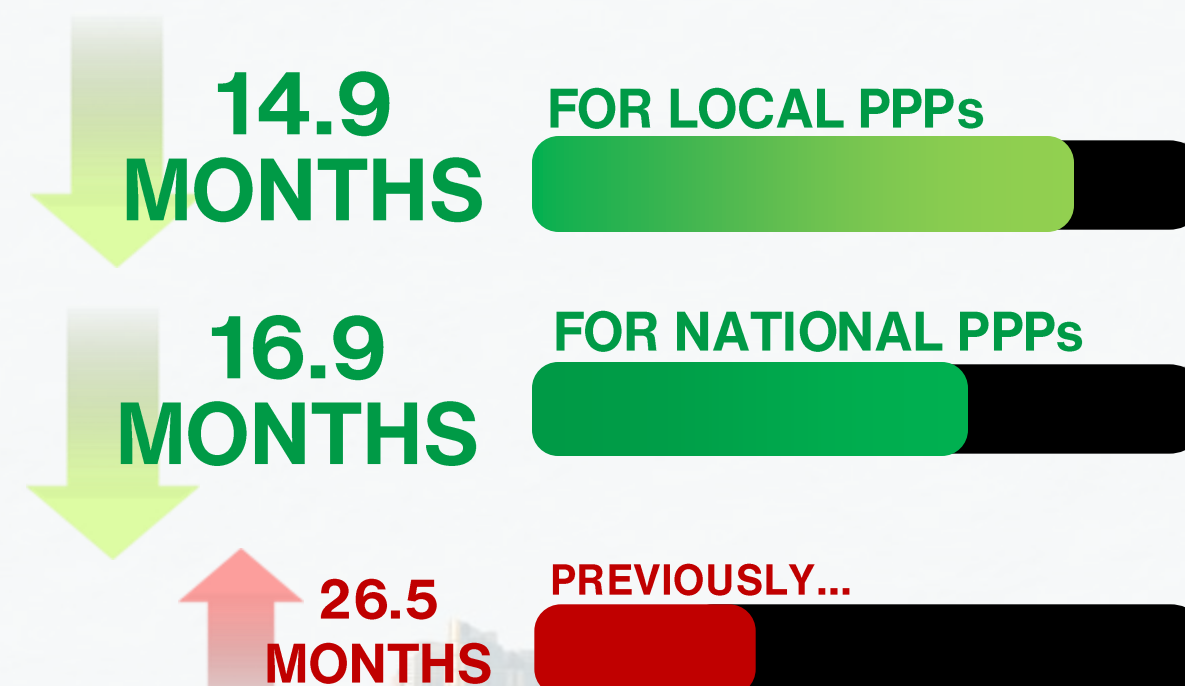
EO 59 (s. 2024)



With the passage of the **Public Private Partnership (PPP) Code**, we have established 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

**FASTER Processing Time
for Unsolicited Projects in
the PPP Code**



Game-changing and transformative 185 Infrastructure Flagship Projects continue to be evaluated, approved, and rolled out under the Build-Better-More Program of the Marcos Administration. These are collectively worth **PHP 9.54 T (USD 162.7 B)**.

As of Q1 2024

185 IFPs

Count	Status	Count	Fund Source
3	Completed	82	ODA
63	Ongoing	51	GAA
31	Approved for implementation	42	PPP
6	For government approval	4	ODA/PPP
		3	ODA/GAA
34	Under project preparation	2	GAA/PPP
48	Pre-project preparation	1	TBD

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

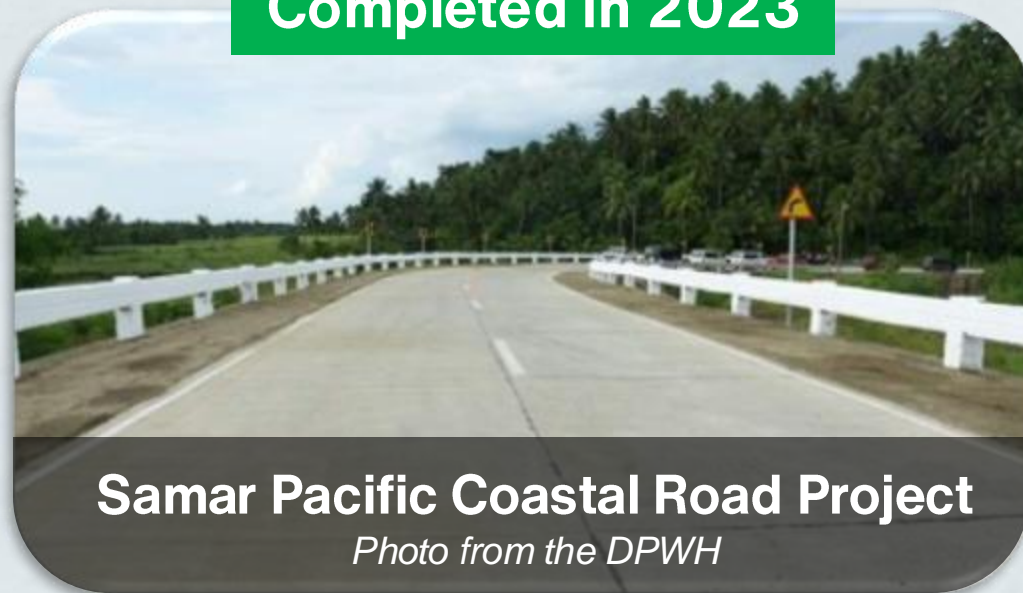
SECTOR	NO. OF PROJECTS			
	Total Count	Total Indicative Cost		Share to Total Cost (%)
		In PHP Billion	In USD Billion	
Physical Connectivity	134	8,282.0	141.4	86.9
Water Resources	29	713.8	12.2	7.5
Agriculture	9	213.6	3.6	2.2
Health	5	91.9	1.6	1.0
Digital Connectivity	3	164.8	2.8	1.7
Power and Energy	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	162.7	100

*PHP/USD Exchange Rate: PHP58.59 = USD1.00 (as of June 14, 2024 – BSP)
*Some figures may not add up due to rounding

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



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

205

Total Estimate
Project Cost:

PROJECTS UNDER
IMPLEMENTATION

(13 are IFPs)

PHP 3.56 Trillion
(USD 60.8 B)

Level	No.	PHP (B)	USD (B)
National	128	2,577.3	44.0
Local	77	982.2	16.8

(as of June 10, 2024)

139

Total Estimate
Project Cost:

PROJECTS IN
THE PIPELINE

(32 are IFPs)

PHP 3.14 Trillion
(USD 53.6 B)

Level	No.	PHP (B)	USD (B)
National	103	2,997.2	51.2
Local	36	138.7	2.4

(as of June 10, 2024)

PHP/USD Exchange Rate: PHP58.59 = USD 1.00
(BSP Exchange Rate Average from June 14, 2024)

List of Projects in the Pipeline

Sector	Count
Transport	55
Property Development	24
Road	12
Information and Communications Technology	21
Health	7
Water and Sanitation	6
Solid Waste Management	4
Agriculture and Food Security	4
Energy	3
Tourism	2
TBD	1
Total	139

Source: Public-Private Partnership
Center (PPPC) of the Philippines

The Marcos Administration has demonstrated its commitment to turn transformative projects into a reality, with processing time for PPP projects now at half the previous time.

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

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



A new set of game-changing reforms is on the way.
These will enable the transformation of our production sectors and ensure sustained, inclusive growth.



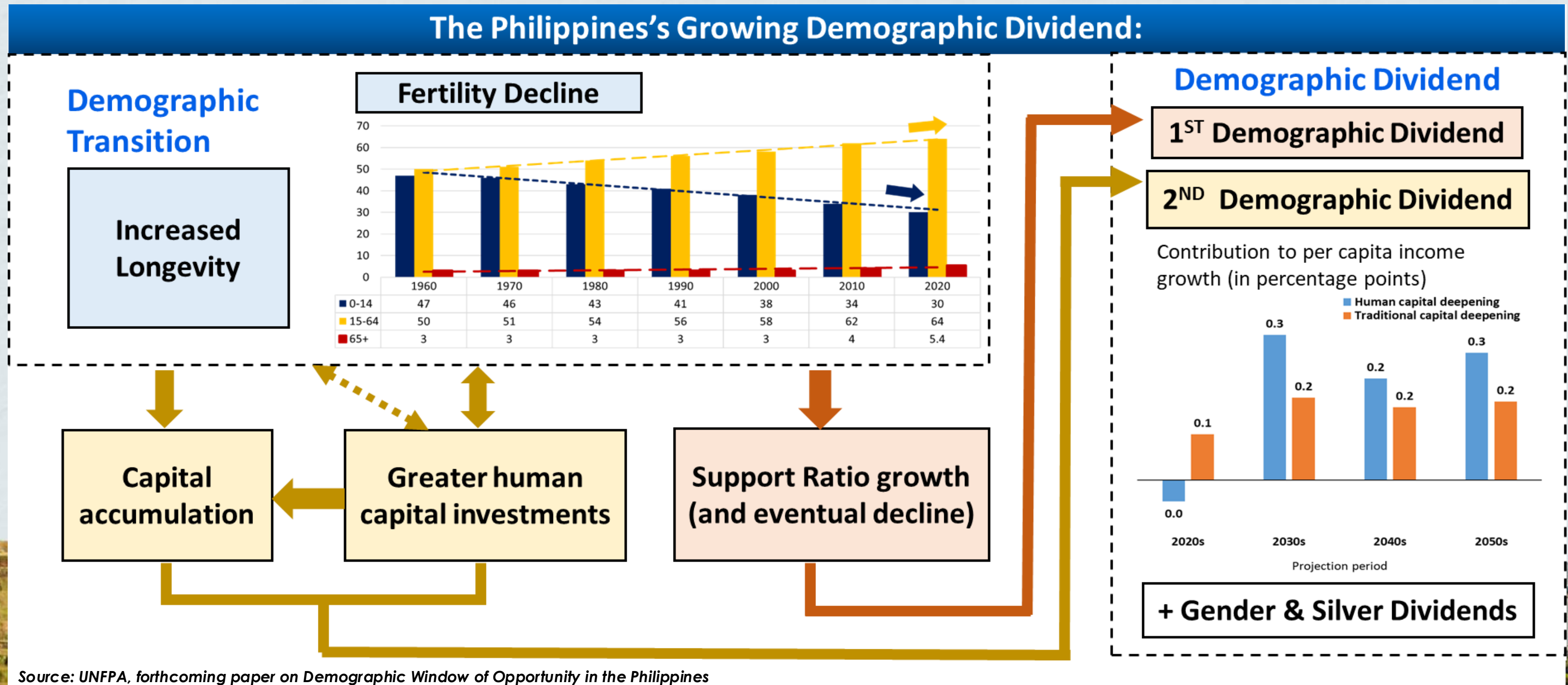
Key Measures on the Legislative Agenda

- ✓ **Department of Water Resources Bill**
- ✓ **Open Access in Data Transmission Bill**
- ✓ **Amendments to the Electric Power Industry Reform Act**
- ✓ **Strengthening the Acquisition of Right-of-Way**
- ✓ **Amendments to the Government Procurement Reform Act**
- ✓ **Better Tax Administration and Fiscal Reforms**



REAPING THE DEMOGRAPHIC DIVIDEND:

The country's demographic transition—i.e., the growing share of the working-age population to 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



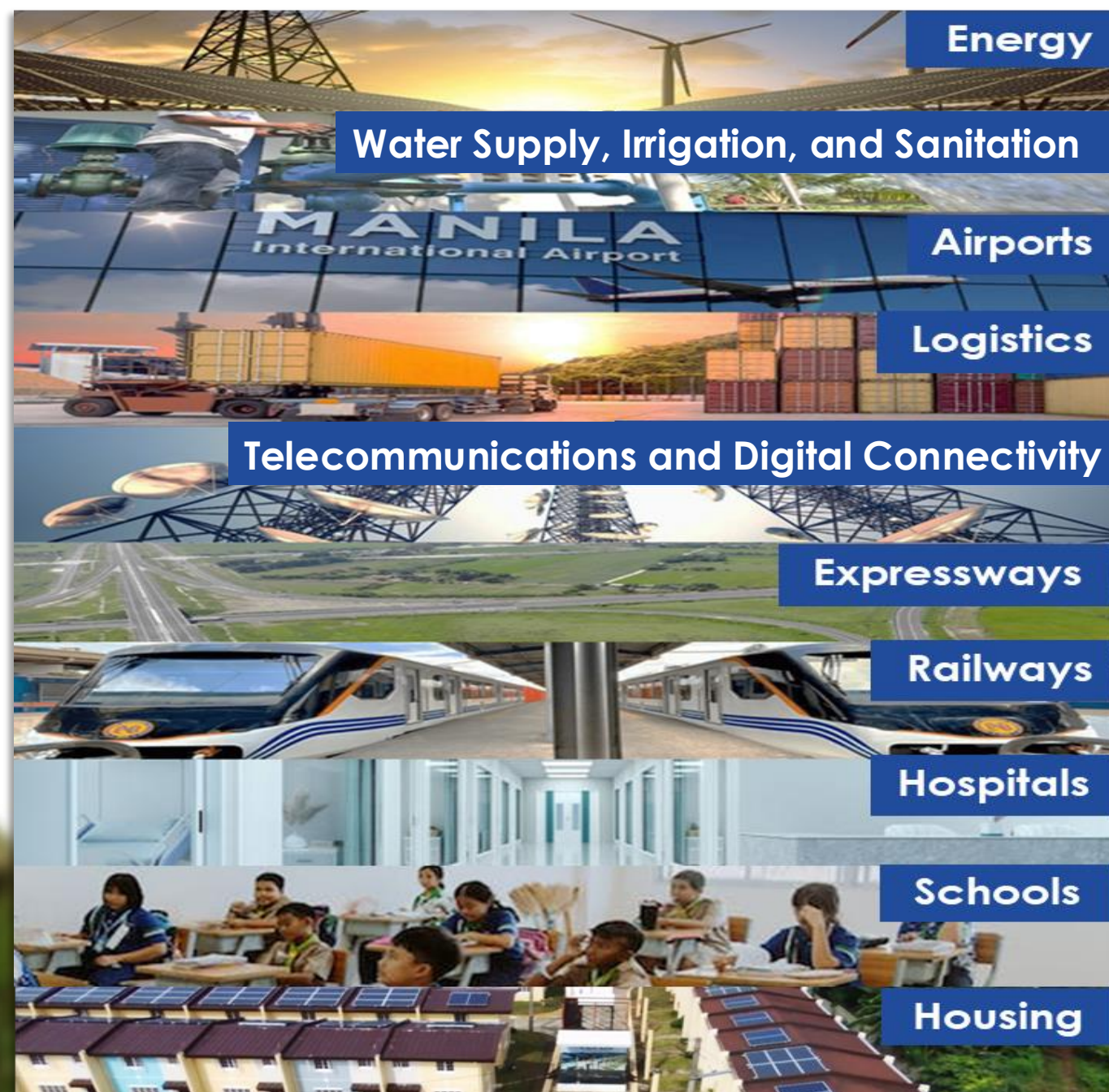
So why choose the Philippines?

Opportunities abound and brighter prospects await.

- ✓ **GAME-CHANGING POLICY AND REGULATORY REFORMS** opening up numerous infrastructure sectors and growth drivers to foreign capital
- ✓ **RAPIDLY-GROWING MIDDLE-INCOME POPULATION** in a consumer base of over 110 million Filipinos
- ✓ A competitive launching pad for the **ASEAN MARKET AND MAJOR TRADING PARTNERS**
- ✓ Exciting opportunities for investment and collaboration: **INFRASTRUCTURE DRIVE ACCELERATES, WITH PUBLIC-PRIVATE PARTNERSHIPS PLAYING A KEY ROLE**
- ✓ **DEMOGRAPHIC SWEET SPOT:** a growing share of young, educated, skilled, and working-age Filipinos is seen to fuel economic growth for the next two to three decades



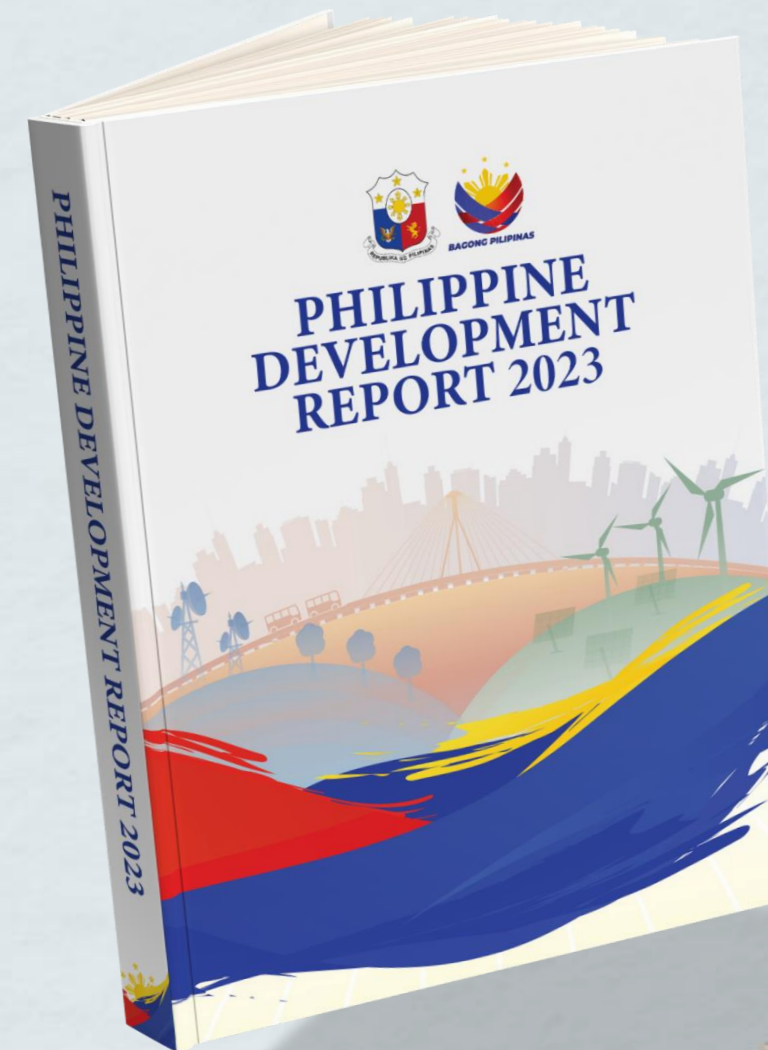
The development journey of the Philippines continues to unfold – and we want *you* to be a part of it.



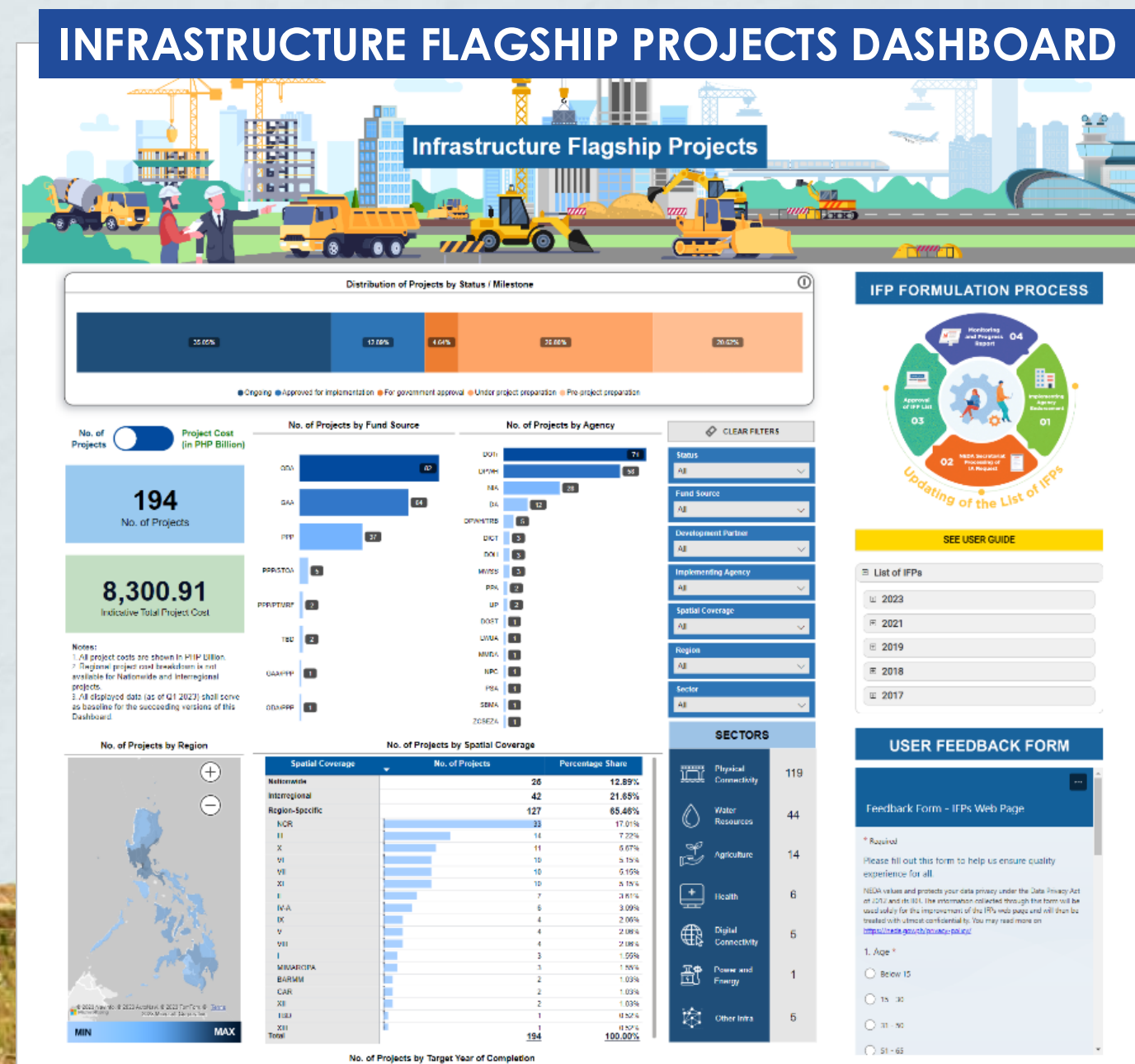
SCAN TO KNOW MORE ABOUT THE PDP 2023-2028 & THE PDR 2023:



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

185 infrastructure projects to take off after PPP rules signing

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



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