



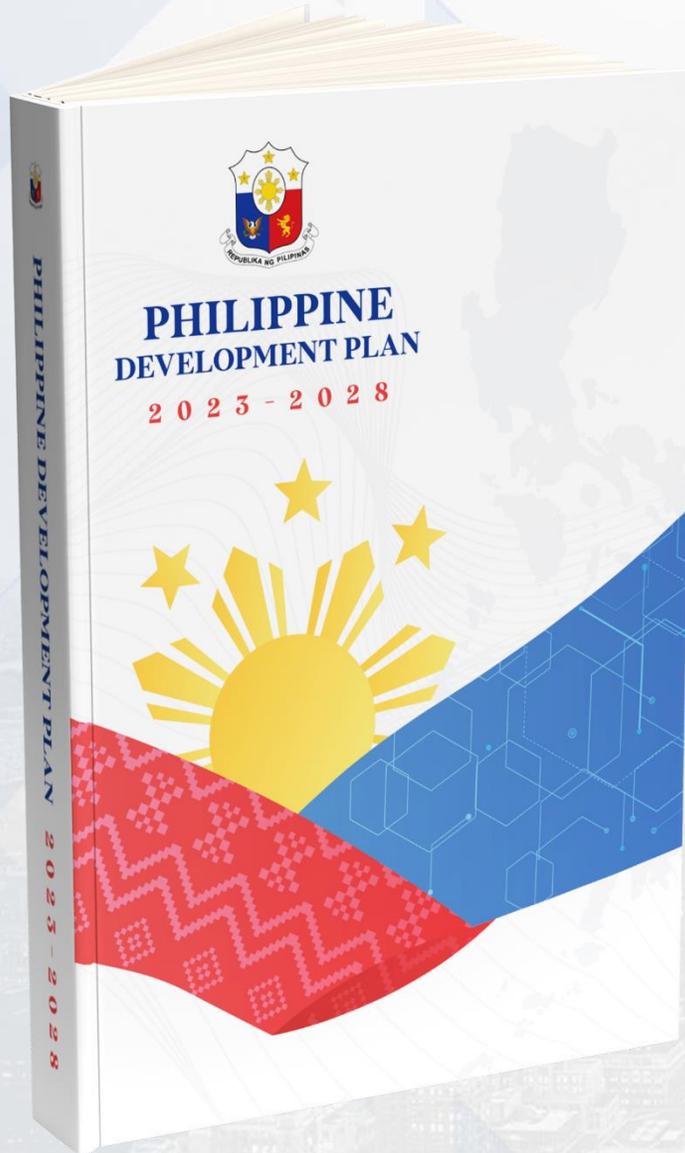
REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Philippine Economic Development: Charting the Course to the Future

SECRETARY ARSENIO M. BALISACAN
National Economic and Development Authority

San Francisco, USA | November 15, 2023

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.

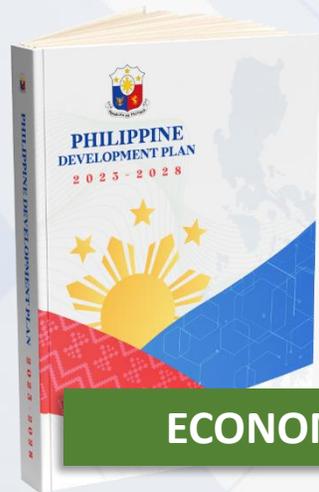


STRONGLY-ROOTED, COMFORTABLE, AND SECURE LIFE (MATATAG, MAGINHAWA, AT PANATAG NA BUHAY)

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 aims for no less than social and economic 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 BY 2028



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
3.0% Deficit-to-GDP Ratio and
48% - 53% Debt-to-GDP Ratio

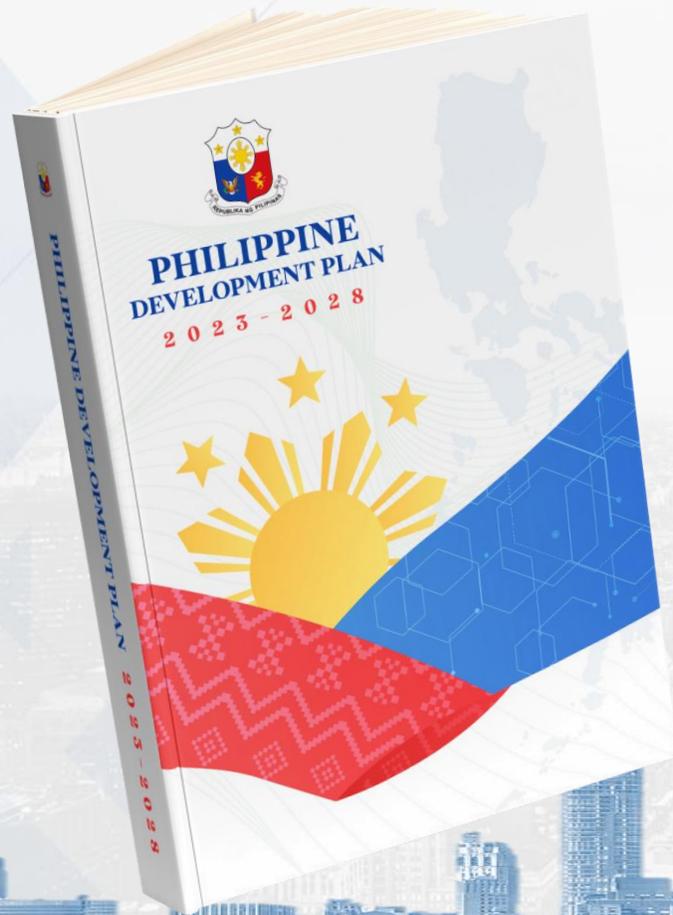


TRANSFORMED PRODUCTION SECTORS
Top 33% Rank for the Global Competitiveness Index



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 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	1,365.2	1,470.0	1,617.7	1,916.0	2,303.3
In USD billions	23.0	23.2	24.5	26.4	29.1	34.4	41.4
As % of GDP	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: 55.62 (BSP's Average from January to October 2023)

Source: DBCC
*Subject to updating

The 197 Infrastructure Flagship Projects under the Marcos Administration's Build-Better-More Program currently amounts to PHP 8.70 T (about USD 156.4 B).

197 IFPs TOTAL NO. OF PROJECTS

124 new projects have been added to the list of IFPs under the Marcos Administration. The Philippine government commits to **sustain annual spending on infrastructure at 5% to 6% of GDP.**

Total	Status
01	Completed
71	Ongoing
29	Approved for implementation
09	For government approval
52	Under project preparation
35	Pre-project preparation

INFRASTRUCTURE FLAGSHIP PROJECTS (IFPs) BY SECTOR

SECTOR	Total Count	NO. OF PROJECTS		Share to Total Cost (%)
		Total Indicative Cost		
		In PHP Billion	In USD Billion	
Physical Connectivity	122	6,974.5	125.4	80.2
Water Resources	44	839.1	15.1	9.7
Agriculture	15	661.7	12.0	7.6
Health	6	89.1	1.6	1.0
Digital Connectivity	5	87.1	1.6	1.0
Power and Energy	1	10.2	0.2	0.1
Other Infrastructure	4	35.9	0.6	0.4
Total No. of Projects	197	8,697.5	156.4	100

*PHP/USD Exchange Rate: 55.62 (BSP's Average from January to October 2023)
Some figures may not add up due to rounding.

We seek diverse funding sources for these 197 IFPs.

IFPs BY FUNDING SOURCE

Fund Source	Project Count (as of Q3 2023)	Percent Share by Count (in %)	Indicative Cost (in USD B)	Percent Share by Cost (in %)
ODA	74	37.56	81.1	51.86
GAA*	62	31.47	25.8	16.47
PPP	41	20.81	40.0	25.60
TBD	9	4.57	4.2	2.70
PPP/STOA**	5	2.54	1.6	1.05
PPP/PTMRF***	2	1.02	0.1	0.08
ODA/GAA	2	1.02	0.6	0.40
GAA/PPP	1	0.51	1.7	1.08
ODA/PPP	1	0.51	1.2	0.75
Grand Total	197	100.00	156.3	100.00

*GAA: General Appropriations Act

**STOA: Supplemental Toll Operation Agreement

***PTMRF: Port Terminal Management Regulatory Framework

*PHP/USD Exchange Rate: 55.62 (BSP's Average from January to October 2023)

Some figures may not add up due to rounding.

Private-sector participation in the implementation and formulation of public-private partnerships (PPPs) will remain *critical* for both physical and social infrastructure.

As of November 3, 2023

PHP/USD Exchange Rate:
55.62 (BSP's Average from Jan to Oct 2023)

181



(12 of which are IFPs)

PROJECTS UNDER IMPLEMENTATION¹

Total Estimate Project Cost:
PHP 2.66 Trillion (USD 47.8 Billion)

Level	No.	PHP (B)	USD (B)
National	121	2,084	37.5
Local	60	577	10.4

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

Some figures may not add up due to rounding.

106

(36 of which are IFPs)



PROJECTS IN THE PIPELINE

Total Estimate Project Cost:
PHP 2.52 Trillion (USD 45.4 Billion)

Level	No.	PHP (B)	USD (B)
National	94	2,410	43.3
Local	12	113	2.0

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	51
Road	15
Property Development	14
Health	6
Information and Communications Technology	5
Water and Sanitation	4
Solid Waste Management	5
Agriculture and Food Security	3
Energy	1
Tourism	2
Total	106

Foreign direct investments in the energy sector will also 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

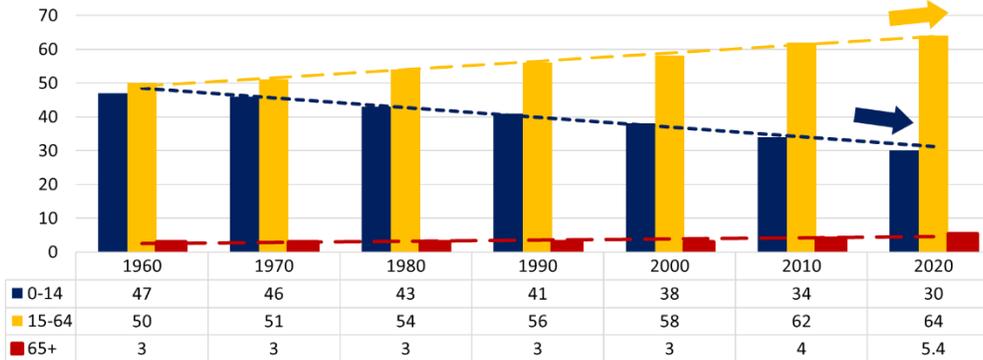
From a longer-term perspective, the country's demographic transition—i.e., the growing share of the working-age population in the total population—is a *boon* to the domestic economy. This transition can boost the country's growth prospects for two to three decades.

The Philippines's Growing Demographic Dividend:

Demographic Transition

Increased Longevity

Fertility Decline

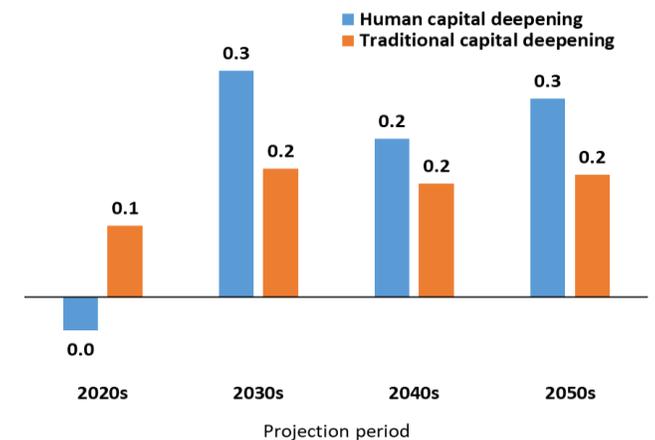


Demographic Dividend

1ST Demographic Dividend

2ND Demographic Dividend

Contribution to per capita income growth (in percentage points)



+ Gender & Silver Dividends

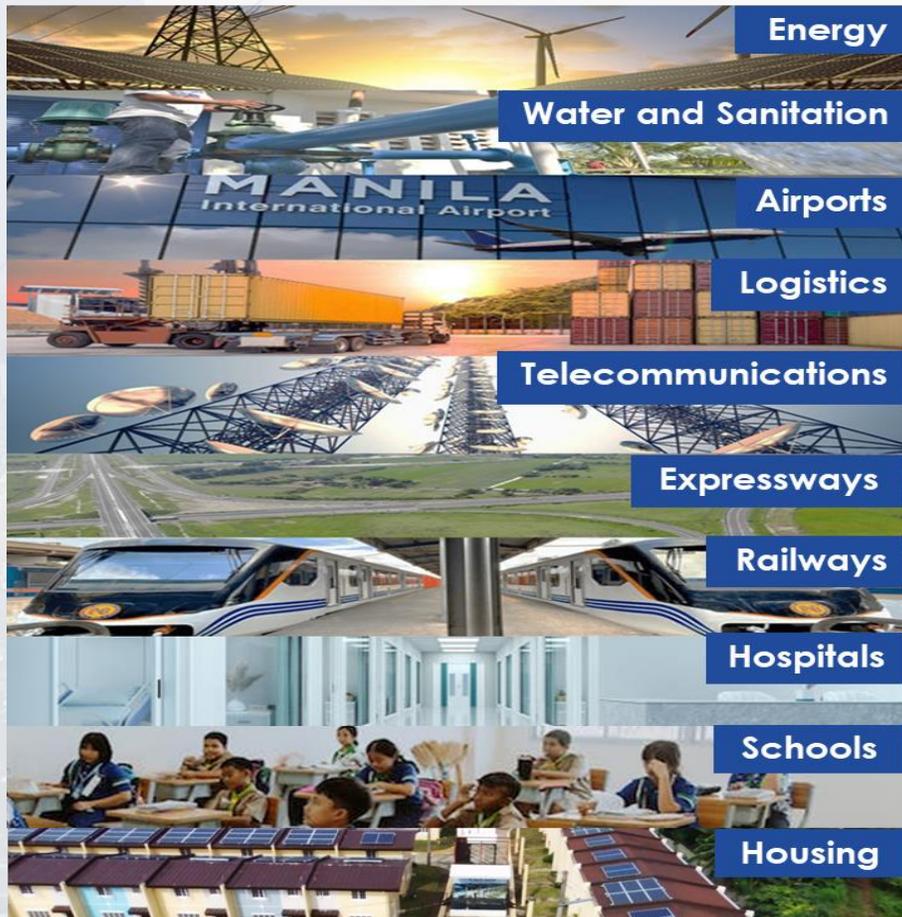
Capital accumulation

Greater human capital investments

Support Ratio growth (and eventual decline)

**The PH is more open to business now than ever before.
We encourage you to continue collaborating with us in our ongoing
and exciting development story.**

OPEN TO INVESTMENTS IN INFRASTRUCTURE



... AND 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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