

# Economic Transformation: The Philippine Formula

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Manila Times Mid-year
Forum 27 June 2023

Manila Times' Midyear Forum

# "The Financial Play After the Halftime Replay"

Republic of the Philippines
Department of Budget and Management




Republic of the Philippines
Department of Budget and Management

# Formulate and implement the NATIONAL BUDGET

# ENSURE EFFICIENT AND SOUND USE

of government funds and revenues

# PRIORITY EXPENDITURES

# INCLUSIVITY

# SUSTAINABILITY

# 8-POINT SOCIOECONOMIC AGENDA

# PHILIPPINE DEVELOPMENT PLAN 2023 to 2028

**of the administration of President Ferdinand R. Marcos Jr.**




Photo credit: Presidential Communications Office

Republic of the Philippines
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# PHILIPPINE ECONOMY expanded by 64%






From the third quarter of 2022
to the first quarter of 2023

# PHILIPPINE'S GROWTH ON AVERAGE

# 7.1%

In a span of only three quarters, the Philippines became one of the best-performing economies in East Asia and the G7.



# FISCAL YEAR 2023 GENERAL APPROPRIATIONS ACT

## SUMMARY

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PHILIPPINE NATIONAL BUDGET

# P5.268 trillion

equivalent to

= **4.9%** INCREASE FROM 2022 AND **21.9%** OF THE GDP

# Social Services



**Revitalized Education**

**Php 896.8 B**
(USD 16.13 B)



**Quality healthcare**

**Php 320.89 B**
(USD 5.78 B)



**Strengthened Social Protection**

**Php 616.79 B**
(USD 11.10 B)

# Agriculture

**To improve Agricultural productivity and reestablish the Philippines**

**as a top exporter of agricultural products**

**Php 186.44 B**

(USD 3.36 B)



# Build, Better More Program

## Build, Better, More Program

**Php 1.33 T**
(USD 23.9 B)




**25.3%**

OF THE NATIONAL BUDGET

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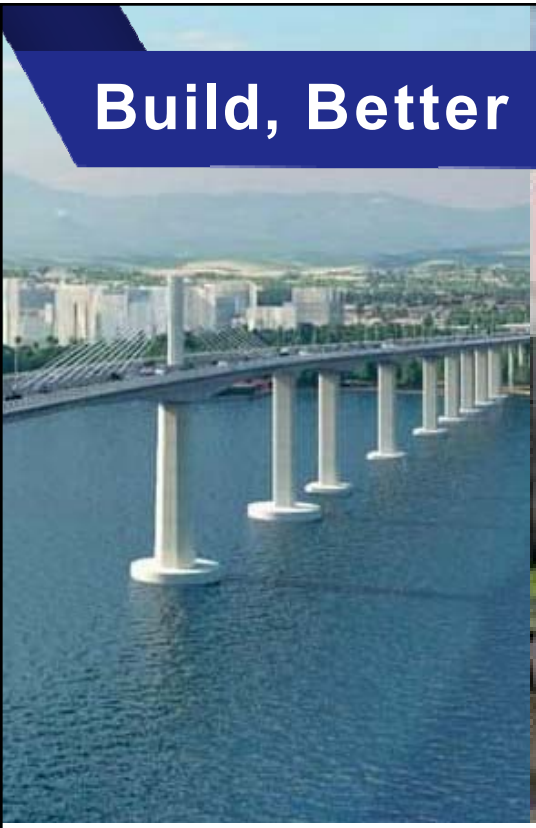
# Build, Better More Program



**Road networks**
**P478.7 billion**



**Railways**
**P40.1 billion**




**Buildings**
**P48.1 billion**



**Flood control infrastructures**
**283.2 billion**



Photos taken from: Department of Public Works and Highways, Philippine News Agency

# Social Infrastructure Development

Photos taken from: Department of Public Works and Highways








**School buildings**
**P29.2 billion**

**Hospitals and health centers**
**P14.4 billion**

**Water and power supply systems**
**16.7 billion and P3.7 billion**

# Social Infrastructure Development

Photos taken from: Philippine News Agency



## Housing and community facilities

## P2.5 billion

# Social Infrastructure Development




**Irrigation systems**
**P30.1 billion**




**Reforestation projects**
**P1.2 billion**

# Digital Infrastructure

## ICT projects
## P24.13 billion



# Local Government Units (LGUs)

## National Tax Allotment
## P820.3 billion

## Local Government Support Fund (LGSF)
## P16.5 billion

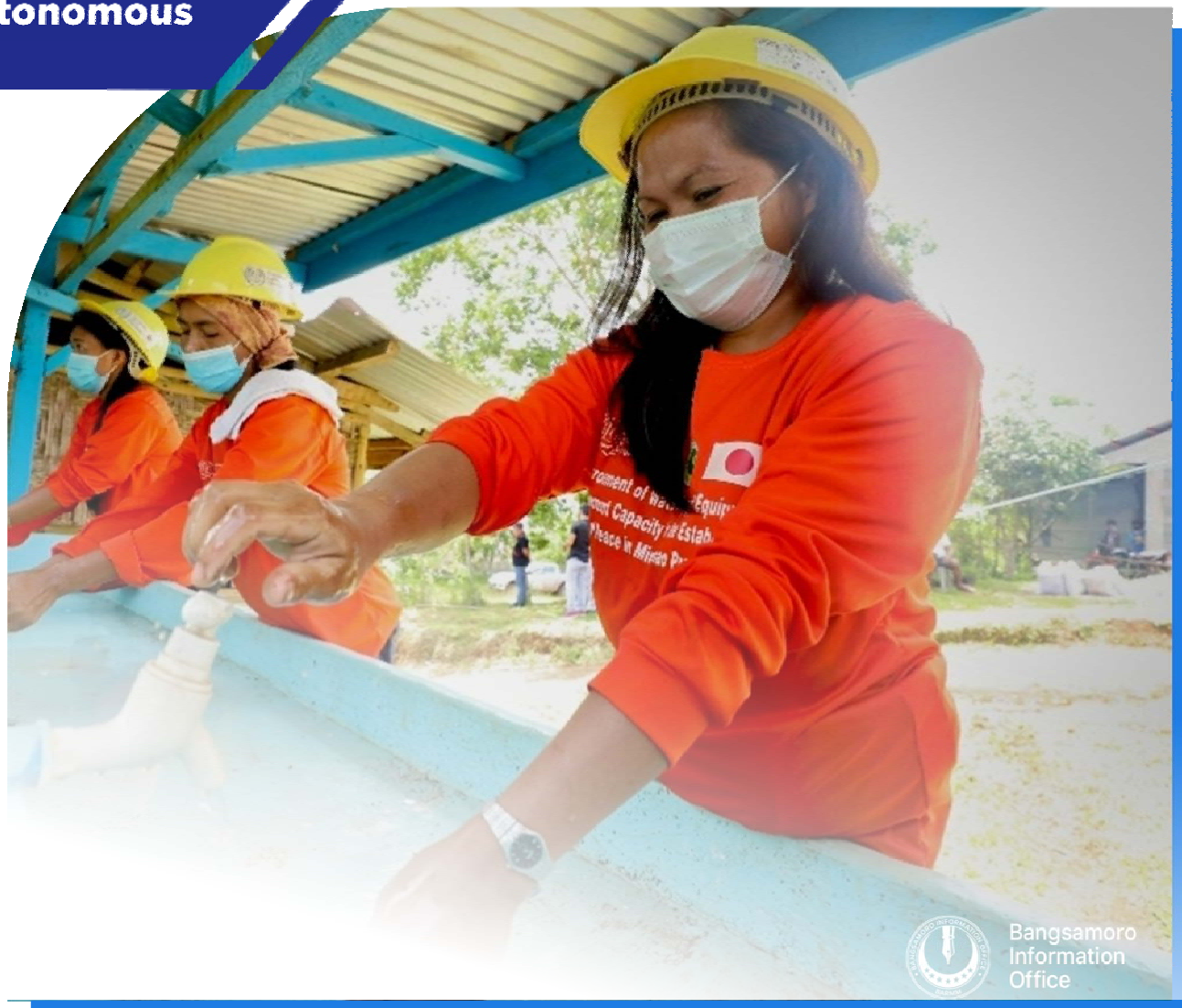


# Support to the Bangsamoro Autonomous Region in Muslim Mindanao

## Bangsamoro Autonomous Region in Muslim Mindanao

## P74.35 billion



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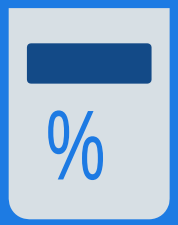
# STRUCTURAL REFORMS

1. 

   Full adoption of the Integrated Financial Management Information System (IFMIS) in government agencies

2. 


   Approval of the Progressive Budgeting for Better and Modernized (PBBM) Governance Bill, and the institutionalization of Public Financial Management (PFM) reforms such as the Cash Budgeting System

# STRUCTURAL REFORMS

3  National Government Rightsizing Program

4  Green Public Procurement Roadmap

# MAHARLIKA INVESTMENT FUND



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# Philippines on track to attain upper middle-income status — World Bank

By TED CORDERO, GMA Integrated News

Published June 7, 2023 4:06pm

The Philippines is on track to achieve its goal of becoming an upper middle-income economy, the Washington-based multilateral lender World Bank said Wednesday.

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MANILA BULLETIN

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# Fitch revises PH outlook from negative to stable

BY CHINO S. LEYCO

May 22, 2023 07:02 PM

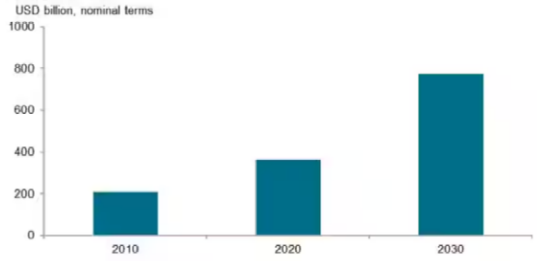
AT A GLANCE

- Credit rating agency Fitch Ratings affirms the Philippines 'BBB' credit rating and upgraded its outlook from 'negative' to 'stable' on May 22, 2023.
- The revision of the outlook to 'stable' reflects Fitch's improved confidence in the Philippines' return to strong medium-term growth after the pandemic.
- Fitch forecasts that the Philippines' economic growth will reach above 6.0 percent over the medium term, higher than the median 'BBB' growth rate of 3.0 percent.

## Philippines economic outlook

Despite the impact of the COVID-19 Delta wave in the second half of 2021, GDP growth for calendar 2021 rebounded to 5.6% y/y. Strong growth momentum has continued in 2022, at a pace of over 7.6% y/y. Easing of pandemic-related travel restrictions during 2022 has also allowed a gradual reopening of domestic and international tourism travel. If sustained during 2023, this would provide an important boost to the economy. Prior to the pandemic, in 2019, gross direct tourism value added as a share of GDP was estimated at 12.7% of GDP, including both international and domestic tourism spending. International tourism spending was estimated at Peso 549 billion, while domestic tourism spending was estimated at Peso 3.1 trillion. Due to the importance of domestic tourism in the overall contribution of tourism to GDP, the recovery of domestic tourism could be a significant growth driver in 2023.

**Philippines GDP**




Source: S&P Global Market Intelligence
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# GOOD NEWS

Republic of the Philippines
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Philippine Information Agency · Follow
Philippines state-controlled media · January 26 ·

PSA LOGS 7.6% GDP GROWTH IN 2022

Lumago ang Gross Domestic Product (GDP) growth ng Pilipinas sa 7.6% nitong 2022 kumpara sa 5.7% annual GDP noong 2021, ayon sa Philippine Statistics Authority .

Nakapagtala naman ang 7.2% GDP para sa fourth quarter GDP noong 2022.... See more







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“interconnected structural reforms
+
prudent macro fiscal
and macro financial management.”
-World Bank Country Director Ndiame Diop

# OUR GAME PLAN

**Economic managers**

**+**

**PBBM and his entire cabinet**

**+**

**the whole of government approach**

**+**

**the private sector**

**= 7.6% growth.**

# THANK YOU.