

2024 PRIORITY EXPENDITURES: LAYING THE GROUNDWORK FOR A FUTURE-PROOF AND SUSTAINABLE ECONOMY

OPENING STATEMENT

Philippine Economic Briefing

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Hello, San Francisco! Good day to everyone!

Assalamu alaikum wa Raḥmatullahi wa Barakatuh.

Together with the rest of the Philippine Economic Team, I am proud to bring you good news from the Philippines: we remain on track with our Agenda for Prosperity.

As of September 30, the Department of Budget and Management already released roughly 97.2 percent of its National Budget, or equivalent to around USD 92 billion, for this year. On top of this, the Government Final Consumption Expenditure accelerated to 6.7 percent in the third quarter of this year. And, I am very happy to note that this has contributed to our economy achieving a 5.9 percent growth for the third quarter of this year, significantly up from 4.3 percent in the second quarter this year as we pushed for greater efficiency in budget utilization through the whole-of-government approach.

For Fiscal Year 2024, our proposed national budget amounts to PHP 5.768 trillion or roughly USD 104 billion, as we focus on securing a future-proof and sustainable economy.

We are committed to maintaining infrastructure spending from 5 to 6 percent of our Gross Domestic Product. Hence, we will carry on the President's infrastructure program called Build-Better-More with USD 25.49 billion. And as proof of our commitment, our overall infrastructure spending as of the third quarter has risen to 12.4 percent as public construction growth registers an impressive 26.9 percent year-on-year.

We are also prioritizing human capital development, allotting USD 39.25 billion for the Social Services sector; in fact the Social Services sector represents 37.9 percent of our proposed 2024 national budget. It includes some USD 17.67 billion for education, culture, and manpower development.

We are likewise determined to make agriculture sector our source of food security, hence some USD 3.55 billion has been allocated to ensure this sector becomes a driving force of our growth.

And in furtherance of our goals for sustainability, we have allocated some USD 9.78 billion for climate change adaptation and mitigation, which is higher by 17.0 percent compared to this year's allocation and was already higher by 60 percent than the 2022 level.

Meanwhile, we are also improving our digital infrastructure

nationwide, pouring in some USD 696.74 million and prioritizing the digitalization of all government systems and processes, with the end in mind of making the Philippines a viable investment destination.

Finally, so that no one is left behind in pursuit of our inclusive economic growth agenda, some USD 18.13 billion will be provided to our Local Government Units, including USD 1.45 billion in financial assistance to the Bangsamoro Autonomous Region in Muslim Mindanao.

To complement all of these priority projects, we have also been working hard on key structural reforms.

First, we will digitalize our Public Financial Management (PFM) systems through the adoption of the Integrated Financial Management Information System (IFMIS) following our President's Executive Order No. 29.

Second, we will update our procurement systems to make these efficient, transparent, and sustainable through our proposed amendments to the Government Procurement Reform Act.

Third, we will also be taking great strides toward open government with the signing of Executive Order No. 31 institutionalizing the Philippine Open Government Partnership or the PH-OGP.

All of these structural reforms were made possible through our President. The whole Economic Team recognizes that he has been

on top of revitalizing our economy and making the Philippines a top investment destination.

We hope that America, as our age-old friend, will join us in our journey and be with us as we achieve our Agenda for Prosperity.

Thank you very much.