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Philippine Republic



# The Philippines: Standing Firm Amid Global Economic Challenges

## Economic Resiliency Plan

Philippine Economic Mission  
Tokyo, Japan  
20 - 21 January 2009

Secretary Ralph G. Recto  
National Economic and Development Authority





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## The Philippine Economic Resiliency Plan: Objectives

- To ensure sustainable growth, attaining the higher end of the growth targets
- To save and create as many jobs as possible
- To protect the most vulnerable sectors: the poorest of the poor, returning OFWs, and workers in export industries
- To ensure low and stable prices to support consumer spending
- To further enhance competitiveness in preparation for the global economic rebound



# Strategies

- **Improve Revenue Collection**
- **Budget Interventions**
  - ensure full, rapid spending of the 2009 budget;
  - maximize utilization of Personal Services (PS) and Maintenance and other operating expenditures (MOOE) allocation;
  - continue support for agriculture via FIELDS
  - shift resources from slow to fast-moving projects;
  - upgrade infrastructure and capital stock; and
  - expand social protection.



# Strategies

## ● Off-Budget Interventions

- tap resources of Government Owned and Controlled Corporations (GOCCs)/Government Financial Institutions (GFIs) for infrastructure, and Social Security Institutions (SSIs) to enhance benefits due to members
- partner with other stakeholders



## Budget Interventions

- Full rapid spending of the 2009 budget

2008	2009 Proposed	Growth Rate
(PhP Bn)		(%)
1,226.7 (\$29.2 Bn)	1,415.0 (\$31.4 Bn)	15.4%

**Note:**

2008 budget was converted to US dollar using the low-end of the 2008 BESF forex assumption

2009 budget was converted to US dollars using the low-end of the emerging DBCC peso-dollar projection of P45-P48 for 2009.

- The 2009 budget focuses on the following sectors
  - Infrastructure
  - Agriculture
  - Social Protection
  - Education
  - Health



# Budget Interventions

- Full rapid spending of the 2009 budget

## Allocation per Department

Particulars	Levels (PhP Bn)		Growth Rate (2008-2009) (%)	Average Growth Rate (1998-2008) (%)
	2008	2009		
<b>Economic/Infrastructure</b>				
DPWH	102.4	120.0	17.1	10.1
DA	25.4	39.7	55.9	3.6
DAR	13.1	16.1	23.2	11.0
DENR	8.5	12.5	47.0	0.2
<b>Social Services</b>				
Dep Ed	149.3	167.9	12.5	6.2
DOH	20.3	27.8	37.2	6.2
DSWD	4.9	10.5	114.7	10.6



## Budget Interventions

- **Maximize Utilization of Personal Services Budget**
  - hire teachers, policemen, soldiers
  - hire doctors/nurses for hospitals and underserved areas
- **Maximize Utilization of MOOE Budget**
  - step-up repair and rehabilitation of government buildings
  - fast-track purchases of supplies, equipment (patrol cars, ambulances)



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# Budget Interventions

- Continue support for Agriculture

**F**ertilizer, micronutrients

**I**rrigation facilities rehabilitation and restoration

**E**xtension, education and training

**L**oans for inputs, shallow tube wells,  
surface water pumps

**D**ryers and other post-harvest facilities provision

**S**eed subsidy on quality genetic materials



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# Budget Interventions

- **Improve absorptive capacity of government agencies/infrastructure agencies**
  - hit the ground running (i.e., award contracts not later than the first semester, etc.)
  - realign portions of the budget from projects that may be difficult to implement (i.e., with right of way issues, no detailed engineering plans)
  - downscale/defer implementation of new projects without Investment Coordination Committee (ICC)/NEDA Board approval and/or difficult to implement immediately



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# Budget Interventions

- **Improve absorptive capacity of government agencies / infrastructure agencies (cont.)**
  - implement/upscale quick-disbursing high impact projects (i.e., labor intensive, high local value added). Examples: Accessibility facilities for the Disabled (DPWH), Construction, Repair, or Rehabilitation of Irrigation Systems (DA), local roads, asphalt overlay
  - work with LGUs on infrastructure projects
- **Closely monitor project implementation**



# Budget Interventions

- **Expand social protection**
  - realign resources to increase social welfare allocation (i.e. conditional cash transfers)
  - full national government contribution to National Health Insurance program (i.e., indigent program)
  - realign resources to increase scholarship/training allocation
  - increase allocation for primary and secondary hospitals



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# Budget Interventions

- **Expand social protection (Others)**
  - matching grants to local government units
  - making available more student loans for education



# Off-Budget Interventions

- Provide additional benefits for SSI (i.e. PhilHealth, GSIS and SSS) members for at least 18 months (e.g., for senior citizens); and
- Create fund (PhP100 Billion) with the private sector to lower borrowing/financing cost for CAPEX.



## Other Measures

- Closer cooperation between government, business and labor in a tripartite manner towards saving jobs/businesses and increased productivity;
- “Payback package” for OFWs
- Expand trade, investment and tourism and accelerate lending to small and medium enterprises (SMEs); and
- Encourage exporting firms to diversify, innovate and technologically upgrade their products



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