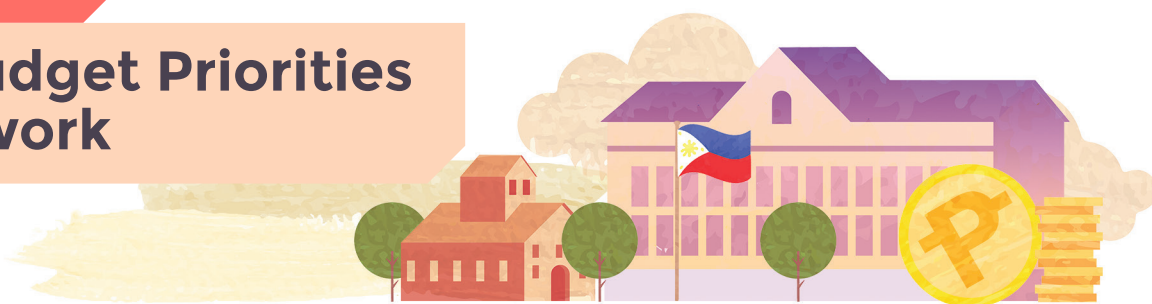


## Briefer on the

# 2021 Budget Priorities Framework



## Macroeconomic Considerations for the 2021 National Budget

Responding to the economic impact of the COVID-19 pandemic, the Duterte Administration will craft the proposed 2021 National Budget based on the following revised macroeconomic assumptions:

Parameters	2019 Actual	Projections <sup>1/</sup>		
		2020	2021	2022
Real GDP Growth (%) <sup>2/</sup>	6.0	(3.4) - (2.0)	7.1 - 8.1	7.0 - 8.0
Inflation (%)	2.5	1.75 - 3.75	2.0 - 4.0	2.0 - 4.0
Dubai Crude Oil (US\$/bbl)	63.7	23 - 38	35 - 50	35 - 50
FOREX (Php/US\$)	51.8	50 - 54	50 - 54	50 - 54
Growth of Goods Export (%)	2.7	(4.0)	5.0	5.0
Growth of Goods Import (%)	(3.0)	(5.5)	8.0	8.0

<sup>1/</sup>Assumptions for FYs 2020 to 2022 were adopted by the Development Budget Coordination Committee (DBCC) on May 12, 2020.

<sup>2/</sup>At constant 2018 prices



## Fiscal Program

The government will continue to operate with a realistic and prudent fiscal stance over the medium-term, while keeping the country's debt at a sustainable level. For 2021, the cash budget is set at PhP4.335 trillion.

Particulars (in billion pesos)	2019 Actual	Projections <sup>1/</sup>		
		2020	2021	2022
<b>Revenues</b>	<b>3,137.5</b>	<b>2,612.6</b>	<b>2,929.0</b>	<b>3,270.7</b>
% of GDP	16.1	13.6	13.7	13.8
Growth Rate	10.1	(16.7)	12.1	11.7
<b>Disbursements</b>	<b>3,797.7</b>	<b>4,175.2</b>	<b>4,357.5</b>	<b>4,451.5</b>
% of GDP	19.5	21.7	20.4	18.8
Growth Rate	11.4	9.9	4.4	2.2
<b>Fiscal Balance</b>	<b>(660.2)</b>	<b>(1,562.6)</b>	<b>(1,428.6)</b>	<b>(1,180.8)</b>
% of GDP	(3.4)	(8.1)	(6.7)	(5.0)
Growth Rate*	(18.3)	(136.7)	8.6	17.3
<b>Appropriations</b>	<b>3,661.6</b>	<b>4,100.0</b>	<b>4,335.2</b>	<b>4,414.2</b>
% of GDP	18.8	21.3	20.3	18.7
Growth Rate	3.7	12.0	5.7	1.8

\*A positive growth rate indicates an improvement in the fiscal balance, while a negative growth rate implies a deterioration in the fiscal balance.

<sup>1/</sup>Consistent with the macroeconomic assumptions and fiscal program approved by the DBCC.



## Budget Priorities

The **PhP4.335 trillion** cash appropriations will focus on strengthening the country's capacity to address the COVID-19 pandemic—ensuring food security, enabling a digital government and economy, and helping communities to adjust to the new normal after the pandemic.

### Health

- Improve the country's health system by establishing more health facilities and laboratories and purchasing necessary hospital equipment to address COVID-19 and other infectious diseases.
- Sustain funding for regular health programs of the Department of Health and the implementation of the Universal Health Care Law.
- Ensure the sufficient and efficient deployment of Human Resources for Health.
- Sustain the budget for indigent members of PhilHealth to cover emerging or re-emerging diseases.

### Food Security

- Ensure unhampered movement of agricultural goods and services through efficient transport and logistics systems.
- Intensify provision of support services and farm machineries and equipment to farmers and agriculture-based enterprises.

### Governance

- Fast-track implementation of the Philippine Identification System.
- Invest in information and communications technology for online and remote government operations and continue support for Department of Information and Communications Technology programs.
- Conduct capacity building and continuous learning programs, including the use of e-learning platforms and digital upskilling.

### Industry and Services

- Expand Shared Service Facilities and Regional Inclusive Innovation Centers.
- Assist micro, small, and medium enterprises (MSME) through the MSME Resiliency Program and other capacity building projects.

### Other Priority Programs

- Promote the *Balik Probinsiya* program.
- Expand and institutionalize flexible learning options.
- Provide automated teller machine cards to senior citizens.



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