The proposed FY 2019 Budget will be based on the following macroeconomic assumptions:

### Real Gross Domestic Product (GDP) Growth (%)
- **2019**: 7.0-8.0
- **2020**: 7.0-8.0
- **2021**: 7.0-8.0
- **2022**: 7.0-8.0

### Inflation (%)
- **2019**: 2.0-4.0
- **2020**: 2.0-4.0
- **2021**: 2.0-4.0
- **2022**: 2.0-4.0

### 364-Day T-Bill Rate (%)
- **2019**: 2.5-4.0
- **2020**: 2.5-4.0
- **2021**: 2.5-4.0
- **2022**: 2.5-4.0

### Foreign Exchange (PhP/US$)
- **2019**: 7.0-8.0
- **2020**: 7.0-8.0
- **2021**: 7.0-8.0
- **2022**: 7.0-8.0

### London Interbank Offered Rate (LIBOR), 6 months (%)
- **2019**: 2.0-3.0
- **2020**: 2.0-3.0
- **2021**: 2.0-3.0
- **2022**: 2.0-3.0

### Exports (%)*
- **2019**: 8.0
- **2020**: 8.0
- **2021**: 8.0
- **2022**: 8.0

### Imports (%)*
- **2019**: 9.0
- **2020**: 9.0
- **2021**: 9.0
- **2022**: 9.0

*Based on the Philippine Statistics Authority Trade Statistics

### Fiscal Program
For 2019, the government will start to implement the annual cash-based appropriations system. Cash-based appropriations for 2019 are projected at PhP3,468.5 billion.

### Particulars (in billion Pesos)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>3,202.6</td>
<td>3,600.4</td>
<td>4,009.7</td>
<td>4,485.0</td>
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<tr>
<td>Disbursements</td>
<td>3,781.8</td>
<td>4,238.0</td>
<td>4,712.1</td>
<td>5,259.3</td>
</tr>
<tr>
<td>Deficit</td>
<td>(579.2)</td>
<td>(637.6)</td>
<td>(702.4)</td>
<td>(774.3)</td>
</tr>
<tr>
<td>Cash Appropriations</td>
<td>3,468.5</td>
<td>3,886.9</td>
<td>4,712.1</td>
<td>5,259.3</td>
</tr>
</tbody>
</table>

For 2019, under a cash-based appropriations system, the budgets of line agencies are expected to be lower than the 2018 spending levels, which are on an obligation-based system.

**Fast Fact**
- **Time Horizon/Period of Implementation**: 24 months & beyond
- **Annual Obligation-Based Budgeting**: 12 months
- **Annual Cash-Based Budgeting**: 24 months & beyond
- **Extended Payment Period**: 15 months (FY + 3-month Extended Payment Period)
The PhP3,468.5 billion cash appropriations for 2019 will focus on investments in infrastructure development and social services, consistent with the Administration’s goal of making the Philippines attain upper middle income status and become a globally competitive economy by 2022.

**Infrastructure Development**

Some of the key infrastructure investments under the Build, Build, Build Program for 2019:

- **Metro Manila**
  - Metro Manila Flood Management Project Phase 1: PhP2.5 B
  - LRT Line 1 North Extension (Common Station): PhP600 M
  - Bonifacio Global City to Ortigas Center Road Link Project: PhP500 M

- **Luzon (outside Metro Manila)**
  - North-South Railway Project-Phase II (Tutuban-Calamba-Batangas-Legaspi-Matnog): PhP58.2 B
  - PNR North 2: PhP39.9 B
  - North-South Commuter Railway Project (Malolos-Tutuban): PhP19.7 B
  - Chico River Pump Irrigation: PhP2.2 B
  - Arterial Road By pass Phase III: PhP2.2 B

- **Visayas**
  - New Cebu International Container Port: PhP1.9 B
  - New Bohol (Panglao) International Airport: PhP754 M
  - Panay River Basin Integrated Development Project: PhP500 M

- **Mindanao**
  - Mindanao Railway Project Phase 1 (TDD Segment): PhP2.2 B
  - Malitubog-Maridagao Irrigation Phase II: PhP1.5 B
  - Pangui Bay Bridge: PhP907 M
  - Davao Airport: PhP565 M

**Social Services**

Social Services will continue to receive the largest share of the 2019 Budget to:

- **Provide support to Senior High School (SHS) Graduates through**
  - Establishment of TechVoc laboratories
  - Acquisition of TechVoc equipment
  - Strengthened partnership among government agencies, academe, and the industry

- **Ensure financial sustainability of education programs through**
  - Prohibition in the expansion of existing programs and projects of state universities and colleges (SUCs)
  - Harmonization of existing student financial assistance programs

- **Pursue a disability- and Indigenous Peoples (IP)-inclusive society through**
  - Development of a registry of Persons with Disabilities (PWDs) and IPs for more effective government interventions

- **Intensify provision of quality nutrition through**
  - Programs and projects under the Philippine Plan of Action for Nutrition 2017-2022
  - Health advocacy campaigns
  - Interventions for the first 1,000 days (exclusive of breastfeeding and complementary feeding programs)
  - Promotion of healthy diet and lifestyle

- **Intensify the Tax Reform Cash Transfer Project through**
  - Increase of unconditional cash grants to PhP300 from PhP200 in 2018
  - Updating of the 2015 Listahanan
  - Full implementation of the Unified National Identification System

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