

2019 **PEOPLE'S** **IMPLEMENTED** **BUDGET**

Building a Bright Future for the Philippines and its People



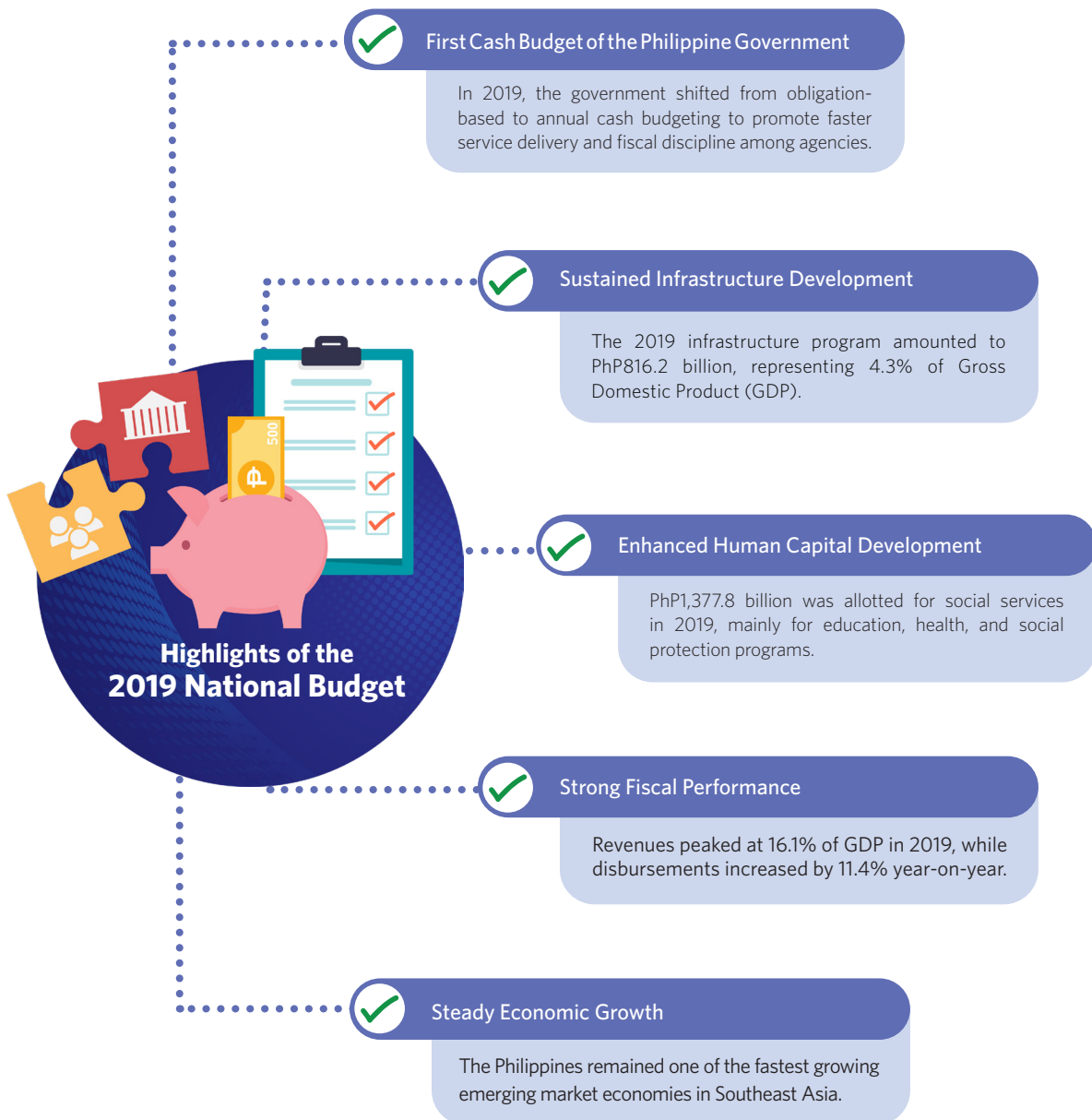
Republic of the Philippines

DEPARTMENT OF BUDGET AND MANAGEMENT



BUILDING A BRIGHT FUTURE FOR THE PHILIPPINES AND ITS PEOPLE

The Filipino people's collective aspiration for a strongly-rooted, comfortable, and secure life continued to be pursued through the **PhP3.662 trillion National Cash Budget for Fiscal Year 2019**. Despite its delayed passage, the 2019 National Budget remained focused on strengthening the twin pillars of development—infrastructure and human capital—to promote growth and lay the groundwork for a bright future that every Filipino rightfully deserves.





MACROECONOMIC PERFORMANCE

The Philippines' robust macroeconomic fundamentals, accommodative monetary policy environment, and well-monitored catch-up spending strategy helped keep the country's economy resilient amid domestic and external challenges.

Actual Performance versus Macroeconomic Assumptions, 2019^{a/}

Particulars	FY 2019		
	Initial Projections from 2019 BESF	Adjusted/Updated Projections from 2020 BESF	Actual
Real GDP Growth (%)	7.0 - 8.0	6.0 - 7.0	6.0
Inflation (%)	2.0 - 4.0	2.7 - 3.5	2.5
364-day T-bill rate (%) ^{b/}	3.0 - 4.5	5.5 - 6.5	5.2
Foreign exchange rate (/US\$1)	50.00 - 53.00	51.00 - 53.00	51.80
180-day LIBOR (%)	2.0 - 3.0	2.5 - 3.5	2.3
Dubai crude oil price (US\$/barrel)	50.00 - 65.00	60.00 - 75.00	63.53
Goods exports growth (%) ^{c/}	9.0	2.0	2.7^{p/}
Goods imports growth (%) ^{c/}	10.0	7.0	-3.0^{p/}

^{a/}Macroeconomic assumptions adopted by the Development Budget Coordination Committee (DBCC), as published in the annual Budget of Expenditures and Sources of Financing (BESF)

^{b/}Based on primary market rates

^{c/}Based on Balance of Payments and International Investment Position Manual, 6th edition (BPM6) concept

^{p/}Preliminary

Note: Actual data for 2019 are annual averages



Real GDP Growth

The economy grew by 6.0%, reaching the lower-end of the adjusted growth projection for 2019. The slower economic growth can be attributed to the delayed passage of the National Budget.



Foreign Exchange Rate

The peso-dollar exchange rate in 2019 averaged at PhP51.80/US\$1, within the PhP51.00–PhP53.00 adjusted assumption for the year.



Inflation

Inflation in 2019 averaged at 2.5%, lower than the adjusted assumption of 2.7%–3.5% for the year and the 2018 full-year average of 5.2%. The slower price increases of key food items and the decline in domestic prices of petroleum products and electricity rates contributed to the lower inflation rate.



Dubai Crude Oil Price

The average Dubai crude oil price in 2019 settled at US\$63.53 per barrel, still within the updated assumption of US\$60.00–US\$75.00 per barrel.



364-day Treasury Bill (T-Bill) Rate

The T-bill average rate of 5.2% in 2019 was slightly lower than the 5.5%–6.5% adjusted assumption for the year.



Import and Export Goods

Exports of goods expanded by 2.7% in 2019, due to increased shipments of manufactures, fruits, vegetables, and mineral products. Imports, on the other hand, fell by 3.0% in 2019 due to lower importation of raw materials and intermediate goods, among others.



180-day LIBOR

The 180-day London Inter-Bank Offered Rate (LIBOR) settled at 2.3%, below the adjusted assumption of 2.5%–3.5% for 2019.

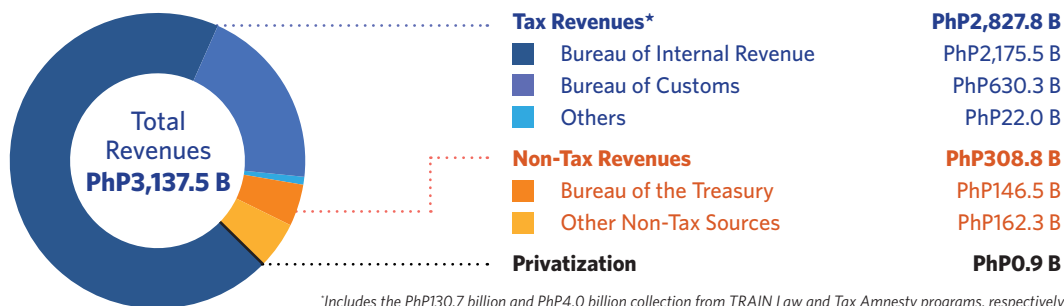


FISCAL PERFORMANCE

Revenues collected in 2019 reached **PhP3,137.5 billion**, 10.1% higher than the PhP2,850.2 billion collections in 2018, due to sustained proceeds from the Tax Reform for Acceleration and Inclusion (TRAIN) Law and tax amnesty programs. On the other hand, disbursements remained strong at **PhP3,797.7 billion**, exceeding the actual spending of PhP3,408.4 billion in 2018 by 11.4%. To cover the budget deficit of PhP660.2 billion, the government borrowed **PhP1,015.8 billion**, with a financing mix of 68:32 in favor of domestic sources.

REVENUE COLLECTION

Sources of Revenues



DISBURSEMENT PERFORMANCE



Personnel Services

2019: PhP1,115.0 B
2018: PhP987.2 B

Salary adjustments for government employees and creation and filling of positions in various agencies contributed to the increased spending on personnel services.



Infrastructure and Other Capital Outlays

2019: PhP881.7 B
2018: PhP803.6 B

The continued implementation of various infrastructure projects under the *Build, Build, Build* Program accelerated government spending in the latter half of 2019.



Maintenance and Other Operating Expenses (MOOE)

2019: PhP572.9 B
2018: PhP525.6 B

Higher allocations for banner social programs, such as the K to 12 Program, Universal Access to Quality Tertiary Education Program, Universal Healthcare Program, and the Conditional Cash Transfer Program, contributed to the increased MOOE spending.

BORROWING PERFORMANCE

Gross Borrowings: PhP1,015.8 billion



Domestic Borrowings
PhP693.8 billion

External Borrowings
PhP321.9 billion

National Government Debt: PhP7,731.3 billion



Domestic Debt
PhP5,127.6 billion

External Debt
PhP2,603.7 billion

Note: Figures may not add up due to rounding off



BUDGET PRIORITIES AND PERFORMANCE OF SELECTED DEPARTMENTS

As the Philippines forges on in its journey towards change and progress, the promises and plans made by the Duterte Administration at the start of its term have been given form. The intensified implementation of programs for infrastructure and human capital development in 2019 upheld the government's commitment of building the foundations for a bright future for the country and its people.

INFRASTRUCTURE DEVELOPMENT

Department of Public Works and Highways

Asset Preservation Program

- 336.1 kilometers (km) of national roads were maintained
- 74.1 km of national roads were rehabilitated/reconstructed/upgraded

Network Development Program

- 47.3 km of national roads were constructed
- 41.8 km of national roads were widened

Bridge Program

- 930 lineal meters and 8,892 m² of bridges were constructed
- 380 bridges were maintained/rehabilitated

Flood Management Program

- 327 flood mitigation structures and drainage systems were constructed
- 99 flood mitigation facilities along major river basins and principal rivers were constructed/rehabilitated

Local Program

- 6,239 school buildings, multipurpose buildings, health facilities, water supply systems, and farm-to-market roads, among others, were constructed



Department of Transportation

Rail Transport Program

- 39.0% of new railway system projects were completed

Aviation Infrastructure Program

- 18.0% increase in passenger traffic, and 8.0% increase in cargo traffic (tons) were registered

Maritime Infrastructure Program

- 123 social port projects were successfully bid out and obligated

PROGRAMS ON HUMAN CAPITAL DEVELOPMENT



EDUCATION

Department of Education

Basic Education Facilities

- 2,037 standard classrooms were repaired and 180 standard classrooms were constructed
- 6,258 sets of school seats were procured

Learning Resources

- 11.7 million textbooks and instructional/learning materials were procured for printing and delivery
- 2,882 science and mathematics equipment packages and 2,073 technical-vocational livelihood (TVL) packages are ongoing contract implementation; while 3,765 multimedia packages were procured

Manpower

- 6,882 teaching positions filled

Inclusive Education

- 168,497 Muslim learners were enrolled in the Arabic Language and Islamic Values Education (ALIVE) Program of 4,418 public schools
- 168,634 members of the Indigenous Peoples were enrolled in the National Indigenous Peoples Education (IPED) Program of 3,034 public schools
- 17,527 schools accepted SPED learners
- 278,498 school-aged children were enrolled in 1,293 public schools with multigrade education program in remote communities
- 759,723 out-of-school youths above 15 years of age were accommodated in 27,150 community learning centers

Nutritional Support

- 1,796,421 severely wasted and wasted learners were fed with nutritious food through the School-Based Feeding Program

Government Assistance and Subsidies

- 1,078,778 grantees in private schools benefited from the Education Service Contracting Program
- 1,284,480 Senior High School (SHS) learners availed the SHS Voucher Program
- 88,933 grantees were provided with financial assistance through the Joint Delivery Voucher Program for SHS TVL

Commission on Higher Education

158,964 scholarships and student grants were awarded, of which:

- 157,263 student beneficiaries were covered by Student Financial Assistance Programs (StuFAPs)
 - *Tulong Dunong* Program: 111,550 beneficiaries
 - Regular StuFAPs: 45,330 beneficiaries
 - Dependents and children of sugarcane industry workers and small farmers: 383 beneficiaries
- 1,335,285 students were covered by the Free Higher Education under the Universal Access to Quality Tertiary Education (UAQTE)
- 139,871 students in State Universities and Colleges and 18,898 students in Local Universities and Colleges each received a Php40,000 subsidy; and 253,585 students in private Higher Education Institutes each received a Php60,000 subsidy through the Tertiary Education Subsidy under the UAQTE
- 7,781 faculty members received faculty development grants

Technical Education and Skills Development Authority

- 425,866 enrollees were enrolled and 344,215 graduates were produced in various TESDA programs
- 298,673 graduates were produced from TESDA Technology Institutions
- 6,809 technical-vocational institutions and assessment centers received training assistance



SOCIAL PROTECTION

Department of Social Welfare and Development

Conditional Cash Transfer

- 4,178,828 households were provided with monthly educational and health allowances through the CCT, of which:
 - Regular CCT: 3,949,855 families
 - Modified CCT: 228,973 families

Unconditional Cash Transfer (UCT)

- 8,333,333 beneficiaries received cash grants in the second year of implementation of the UCT

Sustainable Livelihood Program (SLP)

- 49,581 families were served under the SLP's Microenterprise Development and Employment Facilitation tracks

Supplementary Feeding Program

- 1,172,224 children were served hot meals in Community Development Centers and Supervised Neighborhood Play managed by local government units (LGUs)

Bangsamoro Umpungan sa Nutrisyon (BangUN) Program

- 15,890 malnourished children enrolled in Madrasahs or Muslim schools in the Autonomous Region in Muslim Mindanao
- 5,823 lactating and pregnant mothers were served hot meals

Social Pension for Indigent Senior Citizens Program

- 2,715,786 indigent senior citizens received a monthly pension of PhP500.00

Protective Program for Individuals and Families in Especially Difficult Circumstances

- 1,860 children were adopted and fostered through the Alternative Family Care Program
- 1,144,950 beneficiaries were protected through the Protective Services Program
- 3,784 street families and 6,263 street children were assisted through the Comprehensive Program for street children, street families, and *Badjaos*
- 2,284 trafficked persons and 41,408 distressed and undocumented overseas Filipinos were provided with social welfare services

Disaster Response and Management Program

- 913,283 internally-displaced households were provided with disaster response services
- 82,616 households were provided with early recovery services



HEALTH

Department of Health

- 1,541,762 patients were provided medical assistance under the Social Health Protection Program
- 90,978 drug abuse in-patient and out-patient cases were managed

Philippine Health Insurance Corporation

- Health insurance premiums were provided for:
 - 12.7 million indigent families listed under the National Household Targeting System
 - 6.8 million senior citizens not covered under any existing PhilHealth membership category
 - 1.2 million Point of Service patients
 - 24,192 families under the *Payapa at Masaganang Pamayanan* (PAMANA) Program
 - 20,062 families under the *Bangsamoro* Health Insurance Program



FOOD SECURITY

Department of Agriculture

- 15,568 LGU extension workers and 153,459 farmers, fisherfolk, and other participants were empowered through various training support services
- 1,940 group beneficiaries availed of market development services

Bureau of Fisheries and Aquatic Resources

- 35,260 individuals and 1,230 fisherfolk groups received aquaculture support/supply
- 715 individuals and 210 fisherfolk groups were provided with postharvest support/supply
- 20,535 individuals and 181 fisherfolk groups received environment-friendly fishing gears/paraphernalia



EMPLOYMENT

Department of Labor and Employment (DOLE)

- 128,271 youth beneficiaries were assisted through the Special Program for Employment of Students and the JobStart Program
- 2.4 million qualified applicants benefited from various employment opportunities through the network of Public Employment Service Offices, which included nationwide job fairs, among others
- 72,419 beneficiaries were served with livelihood assistance
- 2.1 million beneficiaries were provided various welfare and protection services through various programs*

**These include the On-Site Services for Overseas Filipino Workers, Tulong Panghanap-Buhay sa Disadvantaged/ Displaced Workers Program, Family Welfare Program, Child Labor Prevention and Elimination Program, Government Internship Program, Financial Awareness Seminar and Small Business Management Training, and the K to 12 DOLE Adjustment Measures Program.*



ENVIRONMENT

Department of Environment and Natural Resources

- 54 inland wetlands and 71 caves were protected
- Six (6) critical habitats were established while three (3) were managed
- 11 marine protected areas were established
- 2,052 hectares of planted areas were rehabilitated*

**Figure is cumulative as of 2019.*

PEACEFUL AND SECURE NATION

Philippine National Police

- 16,185,198 foot and mobile patrol operations were conducted
- 6.16% reduction in the National Index Crime Rate
- 464,661 reported crimes were investigated

Bureau of Jail Management and Penology

- 137,025 inmates were provided with various welfare and development services*

**These include spiritual services, livelihood services, educational services, psychological services, and health care services, among others.*



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