

PRESIDENTIAL COMMUNICATIONS OFFICE
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PRESS BRIEFING OF MS. DAPHNE OSEÑA-PAEZ
WITH NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY SECRETARY ARSENIO
BALISACAN
JULY 19, 2023 [11:52 A.M – 12:22 P.M.]

MS. OSEÑA-PAEZ: Magandang umaga, Malacañang Press Corps. Welcome to our press briefing ngayon, July 19.

The National Economic and Development Authority Board or NEDA Board, chaired by President Ferdinand R. Marcos Jr., had a meeting this morning and discussed various infrastructure projects for the board's approval.

Para ibahagi sa atin ang mga pinag-usapan sa NEDA Board meeting, kasama natin ngayon si NEDA Secretary Arsenio M. Balisacan. Good morning, Secretary Balisacan.

SEC. BALISACAN: Good morning, Daphne. Good morning, everyone.

MS. OSEÑA-PAEZ: Okay. Go ahead, sir.

SEC. BALISACAN: It is my pleasure to update everyone on the agreements reached during the 7th meeting of the NEDA Board which was presided over by President Ferdinand Marcos Jr. this morning.

Today, the NEDA Board approved three new infrastructure projects while also approving changes to four ongoing projects, particularly in disaster risk reduction and climate change, irrigation and transportation.

Among the three new approved projects is the solicited proposal to rehabilitate, operate, expand and transfer the Ninoy Aquino International Airport PPP Project, also known as the solicited NAIA PPP Project.

This project is under the Department of Transportation and the Manila International Airport Authority. With the total project cost of 170.6 billion pesos, the goal of the project is to address long-standing issues at NAIA such as the inadequate capacity of passenger terminal buildings and restricted aircraft movement. It aims to increase the current annual airport capacity from 35 million to at least 62 million passengers.

The NAIA PPP project also aims to increase air traffic movement from 40 to 48 per hour. The project is also expected to improve the overall passenger experience and service quality to prevent long queues, lengthy waiting time and other passenger inconveniences.

Another new project approved by the NEDA Board is the Samar Pacific Coastal Road II Project which amounts to 7.48 billion pesos. The project involves the construction of two marine bridges – the Laoang 2 Bridge and Calomotan Bridge – and improvement of existing roads between Laoang Island and mainland Samar Island with the total length of 15 kilometers.

Moreover, the NEDA Board also approved the unsolicited proposal for the upgrade, expansion, operation and maintenance of the Laguindingan International Airport Project known as the unsolicited Laguindingan Airport PPP Project located in Misamis Oriental. The project aims to integrate concepts of green and connected airports into its design and operation, and use digital technologies to enhance the passengers' experience. This project will be implemented by the DOTr and the Civil Aviation Authority of the Philippines worth 12.75 billion pesos. The project supports the government's effort to enhance regional development and promote tourism in Northern Mindanao and its neighboring regions.

Meanwhile, the NEDA Board also approved request for reasonable changes in scope, cost, design and/or loan validity of four ongoing infrastructure projects.

Lastly, the NEDA Board also confirmed the proposed adoption of a national policy on infrastructure sector master plans. The policy aims to harmonize and rationalize the formulation of master plans for the infrastructure sector across the government. This is to ensure that the master plans are coordinated, synergistic, responsive to emerging issues and consistent with the sector's priority development challenges or strategies. Following this confirmation, an executive order will be issued to strengthen its implementation nationwide.

Let me conclude by stating that the approvals made by the NEDA Board today are evidence of the Marcos administration's strong commitment to achieving the objectives and targets of the 8-Point Socioeconomic Agenda in the Philippine Development Plan 2023 to 2028. These plans aim to significantly reduce poverty and foster inclusive growth for all Filipinos.

Thank you and I look forward to answering your questions.

MS. OSEÑA-PAEZ: Okay. Mariz Umali, GMA 7.

MARIZ UMALI/GMA7: Hi, sir. Good morning. Mariz Umali po of GMA 7. Sir, how soon will we be expecting this NAIA PPP Project to start? And will this be for the entire or for all the terminals of the NAIA?

SEC. BALISACAN: Yes, we expect to have the winning bidder within the year. And so, as early as next year, we could have the project started. And yes, it will cover all the terminals including all the facilities in both ...the aprons, the runways and all related facilities there.

MARIZ UMALI/GMA7: Including the facilities that became the source of problem during the January 1 incident and the June 12, was it June 12, also?

SEC. BALISACAN: Yes, yes. Part of the aims there is to improve passengers' experience.

MARIZ UMALI/GMA7: Sir, can you just enlighten us: These are all infrastructure projects; will these also be using funds from the Maharlika Investment Fund considering that it has already been signed by the President?

SEC. BALISACAN: This is a PPP project; it's a private sector ... it will involve private sector funds. Of course, the Maharlika may also ... can also invest in that. But if a private sector is already kaya na, I mean, why put your money there?

MS. OSEÑA-PAEZ: Okay. Eden Santos, NET 25.

EDEN SANTOS/NET25: Good morning po, Secretary. Quick follow-up lang din po doon sa tanong ni Mariz, ano po. May mga binanggit pa po kayong mga ibang ongoing projects, itong mga ito po ba ay puwede rin namang isama sa maaaring badyetan po ng MIF?

SEC. BALISACAN: Well, yeah, any of these 194 projects can be an investment project for the Maharlika fund. Obviously, the board of that ...and the management of that corporation will have to decide on the basis of some considerations including risk capital, the rate of returns, because the rate of returns across these projects may vary.

EDEN SANTOS/NET25: Sabi po ng Pangulo, sovereign wealth fund must be insulated from politics to ensure success ng ating MIF po 'no [unclear] nilagdaang batas, sabi po ng Pangulo. The question is: Papaano po ito matitiyak or papaano iyong gagawin para lamang po ma-sure na talagang walang magiging pulitika dito sa mga papasuking proyekto ng MIF?

SEC. BALISACAN: Of course, we have to make a diligent search for the officers of the corporation who will be able to independently make decisions on those projects. And also, by design, the corporation has an advisory body that will also make recommendations on a number of important areas including appointments of officers. It's only advisory, but that includes NEDA also among the members of the advisory council.

EDEN SANTOS/NET25: Thank you po.

MS. OSEÑA-PAEZ: Nestor Corrales.

NESTOR CORRALES/[INQUIRER.NET](#): Good morning, Secretary. Sir, just on the PPP project for the operations and management of the NAIA. What does this mean for Filipino travelers? And what particular improvements will Filipino and foreign tourists expect from our country's main international gateway once this project is completed?

NEDA SEC. BALISACAN: Well, the whole idea of rehabilitating the terminal is to make our airports also global standard 'no. What you experience in many other airports, you know, our neighbors like Singapore or Thailand should be the same experience that you will get in NAIA once that rehabilitation and maintenance has been completed 'no.

NESTOR CORRALES/[INQUIRER.NET](#): Do we have a timeline for this, sir?

NEDA SEC. BALISACAN: Yeah. As I said earlier, the start of rehabilitation will happen as soon as that ... or we have selected the bidder, the winning bidder. And in the schedule prepared to us by implementing agencies, DOTr, the activities related to the terminals and other facilities will start next year. So, we are in a hurry to improve the ... to address the issues there in the terminal because as you have noted, tourism is one of the main drivers of the Philippine economy in the coming years; and we want to ensure that tourists who come here have good experience.

MS. OSEÑA-PAEZ: Jean Mangaluz, Inquirer.net.

JEAN MANGALUZ/[INQUIRER.NET](#): Hello. I want to follow up on Eden's question of how to avoid politics with the MIC [Maharlika Investment Corporation] selection because the advisory council is also selected, if I'm not mistaken, also appointed by the President. So, can you walk us through how you, NEDA, and the other members of the advisory council will select the directors?

NEDA SEC. BALISACAN: Well, we still have to meet *[laughs]*. Now that the law has been signed, we'll have to meet to define, develop our guidelines. We need to have guidelines, and those guidelines will have to be publicly accessible so that, you know, we want to really ensure that this initiative will be a success because we owe it to ourselves. We need to get this economy going because otherwise, maiiwanan pa tayo. Naiiwanan na tayo and we don't want to be left behind further; we want to catch up. And we believe that this is one avenue, one additional pillar to our ... to these pillars [unclear] developing to get the economy moving forward – not just forward but to move fast, you know, to catch up with our neighbors. That's why to us, getting six and a half to eight percent growth every year is key in ensuring that growth is inclusive so that no one is left behind.

JEAN MANGALUZ/INQUIRER.NET: Sir, can I ask a follow up? Were there other options to get ... other than a wealth fund, were there other options to get the economy running as fast as the government [unclear]?

NEDA SEC. BALISACAN: Yes. We are using investment, private investment. We are marketing our economy in other countries to get foreign investment. ODA (Official Development Assistance) will continue to be a part of that. But remember, if we succeed in becoming an upper middle-income country in which we are projecting to reach by 2025, then our access to concessional loans will also be now limited 'no kasi we'll lose some of those advantages of being a lower middle-income country or low-income country 'no. But, of course, it's a much better situation if we move to the upper middle-income country. So, we have to expand our sources of investment funds particular for those required for our development push.

Of course, GAA, the General Appropriation will continue to be a major source of development funds; and growing the economy means also growing that source of fund. When the size of the economic pie becomes bigger, then you'll obviously have much more resources for ... to meet our development requirements.

MS. OSEÑA-PAEZ: Cathy Valente, Manila Times.

CATHERINE VALENTE/MANILA TIMES: Good afternoon, sir. Sir, hingi lang namin iyong comment ninyo. Some groups expressed concern na this Maharlika Fund will put the economy at risk at saka baka daw madagdagan pa iyong ating utang. So, how do we ensure na this will not happen?

NEDA SEC. BALISACAN: No, it will not happen by design because the fund that we are putting in there are quite, you know, idle funds not funds that being utilized. And what the fund is trying to do is to put those into more productive, higher yielding instruments so that you can earn more from those funds. The other objective is to get co-investors 'no, investment community to invest into the projects supported by the fund so that the fund could grow bigger and could support more projects.

So, the earnings are—again, if the officers and the board will do their work properly ... there's no reason why they can't do their work properly, you know, if the governance structure of the fund is put in place, a good governance structure, then, you know, it should be able to earn much more than what you are paying, for example, for debt. So you know, it's not meant to add to the debt but rather to allow us to have other sources of fund so that in fact, you can reduce your reliance to debt.

MS. OSEÑA-PAEZ: Alvin Baltazar.

ALVIN BALTAZAR/RADYO PILIPINAS: Secretary, magandang umaga po. Sir, going back doon sa—balik lang po doon sa ano, Sec., doon sa PPP project sa NAIA. In terms of ranking, doon sa ranking ng airport natin kumpara sa ibang mga bansa, ano ba ang ranking ng Pilipinas?

NEDA SEC. BALISACAN: Well, as of the moment, honestly, the experience has not been that good as we have seen from many reports 'no and observers of various parties 'no. But then, thanks also for those, you know, observations, we are now forced to address those issues and make our airport comparable to global standard 'no – that's the aim. So by global standard, we mean, you know, if you have used the facilities of Singapore, of Thailand, many of our neighbors 'no, even their airports in Indonesia, right, you'll get quite a good experience. That's the same experience they would want, if not, even better 'no.

ALVIN BALTAZAR/RADYO PILIPINAS: So, definitely, left behind talaga ang Pilipinas in terms of sa airport natin?

NEDA SEC. BALISACAN: Oo. Dapat ano, we'll get close to or at least at par with other airports in the world particularly our neighbors. Again, what we are aiming to achieve is our Filipino users of these facilities will have good experience but also ... and perhaps more importantly, our friends who come here, tourists who visit our shores will have good experience and so they, you know, they're encouraged to come back or, you know, tell their experience to others so that way we can grow our tourism.

MS. OSEÑA-PAEZ: Okay. Mariz Umali, again, of GMA 7.

MARIZ UMALI-TIMA/GMA 7: Sir, just a follow-up on what Cath asked a while ago. One of the criticisms to the Maharlika Investment Fund is that it will greatly affect the 2024 budget. Do you agree to this or why are they saying ...it's like a lot of the funds that are supposed to be allotted to the different sectors will now be used for the Maharlika Investment Fund that's why she mentioned that, it will greatly affect the 2024 budget?

NEDA SEC. BALISACAN: No, to begin with, the total budget is going 5.3 trillion pesos, we are talking only about 125 billion, but even that is not part of the budget; these are funds that are not, you know, used either in LandBank and DBP and also remittance of the Central Bank or BSP to the national government 'no. So, relatively, it should not have affected the national budget.

MARIZ UMALI-TIMA/GMA 7: Sir, just a clarification, because there is a provision in the law which says pension funds are absolutely prohibited from investing in the Maharlika Investment Fund. But the President himself said that if the pension fund decides that the Maharlika fund is a good investment, then it is up to them to invest to the MIF. With this pronounce of the President, what will prevent them from using their funds to invest in the MIF?

NEDA SEC. BALISACAN: Again, it's the implementing rules and regulations of the corporation will still have to be developed and the investment guidelines will still have to be developed once the officers have been appointed and that the Board of Trustees have met. Because it's that group that makes those decisions 'no and where to invest, what to invest, what revenues to bring in.

MARIZ UMALI-TIMA/GMA 7: Sir, one last. When you mentioned a while ago that we will be getting co-investors, can ordinary Filipinos also invest in MIF? And what are the direct benefits to Filipinos if ever we are interested to invest in it as well?

NEDA SEC. BALISACAN: Yeah, I don't think there is anything in the law that prevents Filipinos from co-investing.

MARIZ UMALI-TIMA/GMA 7: So, will it be open to like an IPO?

NEDA SEC. BALISACAN: I am not quite sure yet what the mechanism for doing that. That, I think, is going to be part of the working guidelines that they'll provide. But as far as I understand, there's nothing that will prevent anyone from investing into it if you feel that you can get higher earnings. But likely, you know, it's probably more of the institutional partners, for example, we are [unclear] the pension funds of countries like in Canada, the pension funds there [unclear] they're asking us, "When is the fund in the Maharlika going to start?" They are keen of looking at the possibilities there. And you are talking about huge pension funds in many of these markets. So, perhaps even if you like it, maybe you may not *[laughs]*

Q: [OFF MIC]

NEDA SEC. BALISACAN: Right, right. Yeah.

MARIZ UMALI-TIMA/GMA 7: Thank you, sir.

MS. OSEÑA-PAEZ: Okay. Maricar Sargan, Brigada News.

MARICAR SARGAN/BRIGADA NEWS: Good morning po. Nabanggit po ng Pangulo kahapon na this MIF can help to accelerate the implementation po ng 194 NEDA approved flagship projects. Can you name po, sir, ng ilan sa mga project na ito?

NEDA SEC. BALISACAN: Well, there are many of those projects that are quite viable, financially attractive for Maharlika. For example, we mentioned these airports 'no, those are very productive, profitable projects, and that's why we expect a number of bidders to come in. But railways, expressways, especially maintenance and operation of such projects could be also attractive for a—we have many of those in that list of priority projects.

MS. DAPHNE OSEÑA-PAEZ: Okay, Celine Dorado, NET 25.

CELINE DORADO/NET 25: Sir, hello po. Celine po from NET 25. Still on the talks of MIF: How will the NEDA help on the success of the Maharlika Investment Fund? And what are the plans of NEDA po for the second year of PBBM's term since the MIF is signed into law?

NEDA SEC. BALISACAN: We have so many works to do. As I keep on saying, we are so much left behind. We need to grow faster than what we have been doing for the last so many decades, and that means that you have a lot of work to do. For us, for example, at NEDA, we make sure that these high-priority projects are going to be implemented on time, completed on time, and so we are closely monitoring those projects and reporting regularly to the Cabinet and to the President so that we can address any issues that are hampering the completion of these projects.

Number two, we are also on the lookout for possible other projects. The 194 is just the beginning; we are developing and assessing many other projects that will support our economic development. Of course, many of these projects, subsequent projects will not necessarily be completed during the time of the President but as a long-term strategy and NEDA being the long-term planning body of the government has to prepare for ... not only for this administration but for the succeeding administration.

We are also on the lookout for all those reforms and regulatory measures that we have to improve to get the momentum going. I have a lot of those reforms, you know, to push for the LEDAC, for example. NEDA is the Secretariat of the LEDAC and we are the ones who do the screening and trying, you know, to select for passage, priority passage those projects that have high impact particularly those that will influence the outcomes of our Philippine Development Plan and the 8-Point Socio-Economic Agenda.

MS. DAPHNE OSEÑA-PAEZ: Okay. We have time for one more question. Eden Santos, NET 25.

EDEN SANTOS/NET 25: Secretary, are we getting na investment, investors for MIF? Lyon po bang mga investors or possible investment, nagsimula na po bang mag-signify? Nabanggit ninyo kanina iyong Canada Pension something sa Canada.

NEDA SEC. BALISACAN: No, there are interests. They are now, of course, you know, all these pension funds are investing for the long term 'no. And, of course, they just don't come in and invest; they will study it too. But the fact that they have signified their interest to look at the funds, of course, they cannot make that final decision until they see what we have. And there are still no officers in the corporation and it's not been set up yet. But we hope to be able to set it up within the year so that next year, it should be already rolling, entertaining all those proposals by our investing community.

EDEN SANTOS/NET 25: Do you have a deadline for the IRR or Implementing Rules and Regulations?

NEDA SEC. BALISACAN: As of today, the DoF and DBM and the other agencies are ... particularly the Treasury are drafting the IRR.

MS. DAPHNE OSEÑA-PAEZ: Okay, thank you so much. Thank you, Secretary Balisacan, for the updates on the 7th NEDA Board and the Maharlika Investment Fund as well. Thank you so much, everyone, Malacañang Press Corps. Good afternoon.

NEDA SEC. BALISACAN: Thank you.

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