

PRESIDENTIAL COMMUNICATIONS OFFICE
News and Information Bureau

**PRESS BRIEFING OF MS. DAPHNE OSEÑA-PAEZ WITH DEPARTMENT OF BUDGET AND
MANAGEMENT SECRETARY AMENAH PANGANDAMAN, CHIEF ECONOMIST DR.
JOSELITO BASILIO, UNDERSECRETARY JANET ABUEL AND ASSISTANT SECRETARY
MARY ANNE DELA VEGA**
August 3, 2023 [10:13 A.M. – 10:40 A.M]

MS. OSEÑA-PAEZ: Magandang umaga, Malacañang Press Corps, and welcome sa ating press briefing ngayong araw, August 3rd.

The Department of Budget and Management recently submitted the proposed 2024 National Expenditure Program amounting to 5.768 trillion pesos to the House of Representatives. Under the proposed budget, the following sectors would be prioritized:

- Food security
- Transport and logistics
- Energy
- Education
- Health
- Social protection
- Fiscal management
- Bureaucratic efficiency
- Climate change
- The Bangsamoro Autonomous Region in Muslim Mindanao

And in line with this—these are all in line with the objective set by the Philippine Development Plan and the Marcos administration’s 8-Point Socio-Economic Agenda.

And to tell us more about this, we have with us Budget Secretary Amenah Pangandaman, Chief Economist Dr. Joselito Basilio, Undersecretary Janet Abuel, and Assistant Secretary Mary Anne dela Vega. We are full force today to talk about the budget.

To start our briefing, let us watch this video presentation from the DBM to have a glimpse of the salient features of the 2024 National Expenditure Program.

[VTR]

MS. OSEÑA-PAEZ: Okay, there we have it. Those were the summary of the proposed 2024 national budget. We are going to open the floor now to questions. But before we start, I actually have a question. Good morning, Secretary. This week has been a bit of a situation for Metro Manila and Luzon, actually, because of the flooding. I’m wondering, in the national budget, in the proposed budget, are there any plans to address massive flooding considering this affects business and everyday life of our citizens?

DBM SEC. PANGANDAMAN: Under the DPWH project, there’s a flagship project there that is called, “Flood Management Program”. In 2023, for this year, we have a budget of 185 billion; and for 2024, we proposed 215.643 billion under the Department of Public Works and Highways Flood Management Program.

And on top of this, there are also foreign-assisted projects under Korea Eximbank. These two projects are the Pampanga Integrated Disaster and Risk Resiliency Project – tama ba ito? And there's one more, iyong Bulacan Angat Water Transmission Project. It's a loan so we just funded the government counterpart. So for Pampanga, it's 1.397 billion iyong government counterpart; and for Bulacan, it's 7.4 billion – tama ba?

And under the MMDA budget, there is also funding – but this is mostly in Metro Manila – for 2023, it has—tama ba? Flood control, 1.9 billion; and then, for 2024, there's 1.3 billion pesos.

MS. OSEÑA-PAEZ: Okay. So that's also in keeping with the priority of infrastructure development for the coming year. Now, let's open the floor to Malacañang Press Corps – any questions? Maricel Halili, TV5.

MARICEL HALILI/TV5: Hi, Secretary, magandang umaga po. Secretary, I understand that next year's proposed confidential and intelligence funds are higher by about 120 million pesos compared po sa allocation this year. Why is there a need to increase the confidential and intelligence funds for 2024?

DBM SEC. PANGANDAMAN: Yes, mayroon pong increase na 120 million for the confidential and intelligence funds. Iyong increase po is because mayroon pong dagdag na confidential funds for the following agencies: DICT; and there is also an amount for Anti-Money Laundering Council; and may increase din po sa confidential funds ng PSG and DICT, yes.

But ano po, just to give a context lang po doon sa confidential and intel fund. If you will look po, iyong total niya, iyong percent share niya to the national government, actually it's on a decreasing trend. In 2018 po, ang share po ng CIF sa total national budget is 0.215%; noong 2019, it's 0.192%; 2020 – 0.235%; 2021 – 0.212%; 2022 – 0.183%; 2023 – 0.190%; and sa 2024 po, it's only 0.176%. So it's the lowest po doon sa time series natin.

So ibig sabihin po, iyong share po niya doon sa kabuuang budget natin while you look at it, it's 10 billion pesos, it's actually decreasing naman po.

MS. OSEÑA-PAEZ: Any other question? Evelyn Quiroz, Pilipino Mirror.

EVELYN QUIROZ/PILIPINO MIRROR: Good morning, Secretary. Bale iyon pong confidential fund, i-clarify ko lang, 120 million additional po?

DBM SEC. PANGANDAMAN: Yeah, for both.

EVELYN QUIROZ/PILIPINO MIRROR: For the three – PSG, DICT and AMLC?

DBM SEC. PANGANDAMAN: Ah, kasi mayroong nag-decrease. May mga agencies na nag-decrease—average siya ng 120 for both, net effect siya.

EVELYN QUIROZ/PILIPINO MIRROR: Puwede pong malaman iyong sa PSG and DICT, ano po iyong parte? In-explain pa ho ba doon kung ano iyong ... bakit kailangang madagdagan iyong intelligence fund nila? May particular ...may procurement po ba or ...?

ASEC. DELA VEGA: Thank you so much, ma'am. The DICT increase actually will cover the cyber programs of DICT, and that's 300 million. And then, for the PSG, that will cover the intelligence

activities usually during the out of country ni Presidente, and that's only an increase of 50 million. Thank you, ma'am.

MS. OSEÑA-PAEZ: Okay. Alexis Romero, Philippine Star.

ALEXIS ROMERO/PHIL STAR: Secretary, regarding iyong sinabi ninyo kanina, lower share naman sa budget, hindi ba natural lang na maging lower iyong share ng intel funds sa overall budget given na tumataas naman talaga iyong allocations sa basic services, sa infrastructure? So hindi ba parang natural lang na liliit talaga iyong percentage?

DBM SEC. PANGANDAMAN: I think what's important is that iyong other sector, tumataas; iyong confidential and intel mo, bumababa. When you look at the budget, you look at the share of the different sectors doon sa total budget mo; so kapag nakikita mong lumalaki iyong social services, economic sector and maybe general and iyong defense, okay siya 'di ba compared to your CIF. So if you look at it, sa math po, 'di ba, it's okay that it's decreasing.

ALEXIS ROMERO/PHIL STAR: But can the administration confidently say that well-justified iyong allocations, iyong proposed allocations na ito for intel funds kasi as early as now, may mga nagtatanong na bakit daw tumaas or something like that?

DBM SEC. PANGANDAMAN: Kasi nga po may mga nadagdag na ... like DICT po, mayroon po siyang additional na confidential funds for cyber security because we all know that we are pushing for digitalization. And when you fund po for digitalization, kasama po, parallel po diyan iyong cyber security investment. Bakit po siya kailangan na confidential? Because kapag cyber security, it's related po, Ma'am Evelyn, doon sa sinabi ninyo po sa procurement process because you cannot ... doon sa TOR mo, hindi mo siya puwedeng ilagay po iyong technical specifications ng cyber security projects mo because may mga ... 'di ba, ano bang tawag doon? Iyong mga nagha-hack, iyong mga hackers. Kapag nakita nila iyong specs, eh di wala rin po, hindi rin po natin maano iyong cyber security project natin and programs.

ALEXIS ROMERO/PHIL STAR: So we can assure the public na itong intelligence, itong mga confidential funds will be beneficial to the country?

DBM SEC. PANGANDAMAN: Yes po. And as mentioned yesterday po, iyong confidential and intel fund, mayroon po iyang existing joint circular which was released in 2015. The joint circular po is quite thick and nandito po naka-identify kung anu-anong mga projects and programs ang puwedeng i-fund ng confidential and intel fund. And at the same time, mayroon din po dito, Section 4 of the joint circular, may detalye din po on how to disburse the funds. So, if you look at it, may accountability din po iyong mga finance/admin officers natin and disbursing officers natin. I can share po the guidelines and the circular to everyone. Thank you po.

ACE ROMERO/PHILIPPINE STAR: Salamat, Sec.

MS. OSEÑA-PAEZ: Ivan Mayrina, GMA-7.

IVAN MAYRINA/GMA7: Secretary, nagkaroon po ng kabawasan na 2.93 billion ang budget ng University of the Philippines. May I ask why?

DBM SEC. PANGANDAMAN: Alam ninyo po, kapag nag—if you will compare the NEP ng 2023 and 2024, nagkaroon po ng increase iyong budget. Pero kung iku-compare mo po siya sa GAA because it went already through the Congress – marami pong taga-UP sa *[laughs]*... sa House

at saka Senate, so mayroon po silang mga amendments. I was able to get the projects po, iyong mga amendments nila and most of it po are completion of existing infrastructure projects. So kapag completion na po siya sa 2023, we don't need the funding for 2024 po.

IVAN MAYRINA/GMA7: So wala pong epekto ito sa bilang mga estudyanteng tatanggapin and ...?

DBM SEC. PANGANDAMAN: Wala po. Wala po.

IVAN MAYRINA/GMA7: Okay. Sa infrastructure lang.

MS. OSEÑA-PAEZ: Nestor Corrales, Philippine Daily Inquirer.

NESTOR CORRALES/[INQUIRER.NET](https://www.inquirer.net): Good morning, Secretary. President Marcos is asking Congress to allocate 1.408 billion for local, foreign missions and state visits for 2024. This is 58% higher than the 893.87 million that was asked by OP in 2023 or this year. May we know what was the reason given why there was a 58% increase?

DBM SEC. PANGANDAMAN: Iyong travel po ng Presidente, dalawa pong klase iyan – mayroon pong state visit that they invite you and then mayroon din po iyong mga investment roadshow. When I was asked previously po doon sa SONA kung ano po sa tingin ko ang nagawa ng... this administration in such a short time – I think to bring us back to the map of an investment hub and opportunity po for other countries.

Kami po, hindi lang po ang Presidente ... even the economic managers if you will notice po, we've been going out of the country to present po the Philippines as an investment hub po. So, I think iyong expenses po ng travel, as long as it will be beneficial and mas may advantage po para sa bansa natin, I think okay lang po iyon – it's justified.

MS. OSEÑA-PAEZ: Medelyn Moratillo, Net25.

MADELYN MORATILLO/NET25: Hi. Good morning, Secretary. Bakit po mas malaki iyong budget ng DPWH kaysa sa DA and DOH given na marami po tayong problema ngayon sa agri sector and kasama siya doon sa priority ng Pangulo? Thank you po.

DBM SEC. PANGANDAMAN: If you will look at our medium-term fiscal framework when we started the administration, mayroon po tayo doong goal to really increase or a standard of 5 to 6 percent of GDP iyong infrastructure budget po natin. So, we're being consistent with that.

Iyong sa DA po, if you will remember po, DA and DAR, we increased already the budget of DA and DAR this year by 30%. So ang ibig sabihin po noon, nagsimula na po tayo nang mataas iyong base natin for 2023; and then 2024, dinagdagan pa natin ng additional 6% so mataas na po. For the past, siguro two decades, iyong agriculture sector po natin ay napakababa po ng funding and investment natin po diyan. So, I think this administration, tumataas po ang budget natin for the agriculture sector.

MS. OSEÑA-PAEZ: Okay. Kenneth Paciente, PTV-4.

KENNETH PACIENTE/PTV4: Good morning po, ma'am. Ma'am, kasunod po ng pagtaas po ng presyo ng produktong petrolyo and of course itong mga recent calamities, how exactly can the

government achieve its goal po of strengthening the public's purchasing power under the proposed 2024 budget? Thank you po.

DBM PRINCIPAL ECONOMIST BASILIO: Thank you. So, as you may see, iyong format ng President's message on the budget and the way the budget was presented, there are two main important socioeconomic agenda in the near term that are being addressed: Of course, food sufficiency and then next is iyong reduced logistics and transport cost. Of course there are others like iyong energy costs and the social protection program. So iyong first three, on food security of agricultural programs which have increased of course, as is the trend in 2023. For 2024, it will also increase not only for agriculture but agrarian reform and then the attached agencies of the DA.

And then on transport and logistics cost, you will see that iyong railway projects and other transport system projects of the DOTr as well as DPWH are meant to increase and make smoother iyong flow ng goods and services and even of people who market their products within the country and abroad.

And then, of course iyong reduced energy cost – there's also an attached increase in programs that encourage private sector participation in renewable energy. And then of course if inflation impacts the vulnerable sectors, we still have social protection programs. Although nag-decrease siya, but the point now is after the pandemic and after, for example, the fisherfolk and farmers experienced the negative effects of higher inflation, there are livelihood programs that are meant to make them recover faster.

MS. OSEÑA-PAEZ: Okay. Haydee Sampang.

HAYDEE SAMPANG/DZAS: Good morning, Secretary. Tama rin po ba na nabawasan po iyong fuel subsidy compared po sa four billion last year given po the fact na patuloy pong tumataas iyong presyo po ng mga produktong petrolyo?

DBM SEC. PANGANDAMAN: Iyong fuel subsidy program under the DOTr, it's the same level po that we proposed in 2023 – it's still 2.5 billion. For the proposed 2024 budget, it's also 2.5 billion. Similar to our fuel assistance program under the Department of Agriculture, these are for farmers and fisher folk; it's the same po – one billion po sa NEP, one billion po sa GAA and also one billion po sa 2024 NEP.

MS. OSEÑA-PAEZ: Pia Gutierrez, ABS-CBN.

PIA GUTIERREZ/ABS-CBN: Hi, Secretary. For 2024, how much po iyong budget natin for the pension of the military and uniformed personnel and nakaapekto po ba doon sa budgeting natin iyong proposed MUP reforms that is expected to be passed by the end of the year or early next year?

DBM SEC. PANGANDAMAN: Because we don't have the legislation yet, and in fact we don't have the admin version yet, kasi kakatapos lang po iyong consultation ng economic team around the country and I know that GSIS is working on an actuarial po, matatapos din po nila iyong study within the month or the next two weeks. By then po, we will have the admin version of the MUP. So since wala pa po, same pa rin po iyong budget na—we still provided the fund for the MUP which is almost 150 billion pesos.

PIA GUTIERREZ/ABS-CBN: Once na mapasa po iyong legislation, will we expect changes din po doon sa budget?

DBM SEC. PANGANDAMAN: Yes po, because iyong consultation po natin I think they agreed naman po to contribute doon sa pension system, so mababawasan po iyong pressure from our national budget.

PIA GUTIERREZ/ABS-CBN: By how much?

DBM SEC. PANGANDAMAN: Wala pa po, ma'am. Maybe soon they will have the figures na.

MS. OSEÑA-PAEZ: Maricel Halili, again, TV5.

MARICEL HALILI/TV5: Secretary, just a follow-up on Nestor's question earlier, do we have a data or rough estimate as to how much did the government spend for the foreign travel of the President and how much do we earn? Do we have data for that?

DBM SEC. PANGANDAMAN: For this year wala pa po, maybe we can provide second quarter once submitted na po iyong budget ng agencies doon sa kung gaano po kalaki iyong nakukuha nating investment, I think DTI already released the figures. Every time dumadating po si Presidente sa mga state visits niya ay mayroon po silang data na nilalabas on the total commitment po from other countries.

MS. OSEÑA-PAEZ: Maybe I can add also, the recent visit of the President of the European Commission, in her speech she said that the reason that she was here was also because the President...she met the President in Brussels earlier this year. So, these trips that the President and the teams have been making, we are seeing the effects of them now.

MS. OSEÑA-PAEZ: Evelyn Quiroz, Pilipino Mirror.

EVELYN QUIROZ/PILIPINO MIRROR: Secretary, kung mayroon pong budget na puro palabas, mayroon po ba tayong data na iyon naman pong savings ninyo for the first and second quarter of 2022? At ano po iyong ginagawa kung may savings po iyong mga departments?

MARY ANN DELA VEGA: As far as 2022 is concerned, we cannot still say that it's savings because the 2022 funds are still available for 2023 for implementation, so we can't give yet any amount as far as that savings is concerned.

MS. OSEÑA-PAEZ: Anymore? Alexis, do you have a question? Philippine Star.

ALEXIS ROMERO/PHILIPPINE STAR: Secretary, iyong mga SONA fiscal wish list ni President Marcos, naka-incorporate na ba iyon sa revenue assumptions?

DBM SEC. PANGANDAMAN: The revenue measures po?

ALEXIS ROMERO/PHILIPPINE STAR: Iyong tax measures na pinu-push niya sa SONA?

DBM SEC. PANGANDAMAN: Yes po. Yes, it's already incorporated – iyong mga tax measures ng administration the Package 4 of Passive Income and Financial Intermediary Taxation Act, VAT on digital service providers, excise tax on single-use plastics, excise tax on pre-mixed alcohol and

the sugar and salt tax, motor vehicles road user's tax, mining fiscal regime and excise tax on sweetened and beverages and food. Yes po.

ALEXIS ROMERO/PHILIPPINE STAR: So the revenues, we assume we will get them? What if Congress does not pass those measures?

DBM SEC. PANGANDAMAN: Most of the measures po are already in the advanced stage, in fact iyong sa House most of it are already napasa na po ni Cong. Joey, nasa Senate po iyong...we need Senate to concur kung ano po iyong mga na-pass na legislations.

During the LEDAC po last month it was also discussed; and the Senate and the House po both committed to pass the legislations po.

ALEXIS ROMERO/PHILIPPINE STAR: Pero kung sakaling hindi po, we will borrow?

DBM SEC. PANGANDAMAN: Yes, or maybe papalakasin ang ekonomiya para mas mataas po iyong revenue natin.

ALEXIS ROMERO/PHILIPPINE STAR: All right. Thank you, Sec.

MS. OSEÑA-PAEZ: Okay. Pia Gutierrez, ABS-CBN.

PIA GUTIERREZ/ABS-CBN: Habol ako doon sa question doon sa flooding. Iyong doon sa climate change mitigation, how much are we allocating for 2024?

DBM SEC. PANGANDAMAN: In our budget po, we have a program called Climate Change Expenditures Tagging (CCET) po. So, for 2024, there is a total of 543.45 billion earmarked for Climate Change Mitigation and Adaptation Projects and Programs of the National Government. This is equivalent to 9.4% of the total proposed budget exceeding our commitment of only 8% share under the Philippine Development Plan.

Much of the projects po, are for water if I can just identify and enumerate the projects: For water sufficiency po, 294.46 billion, for sustainable energy, 180.72 billion; for Climate Smart Industries and Services, 6.02 billion; for ecosystem and environmental sustainability, 5.95 billion; another 12.97 billion for knowledge and capacity development; food security, 40.18 billion; human security, 2.58 billion and; cross-cutting actions, 550 million pesos.

And related to that po, is another 1.7 billion under the Philippines Space Agency to better monitor our land and marine resources as well as terrestrial ecosystems. I think this will be used for a satellite; 1.2 billion will be used for multi-sectoral unit land assessment satellite development.

IVAN MAYRINA/GMA7: How much of the 5.7 trillion budget is going to be funded by revenue and how much through borrowings?

DR. JOSELITO BASILIO: So, borrowings from the total 5.768 trillion budget will be 11% of the pie. So, this is consistent with the medium-term fiscal framework. So, the rest, as the President said in his SONA for 2023, is the same with 2024 – socioeconomic services will be around—still close to 70%. And the rest would be general administration and defense expenses.

MS. DAPHNE OSEÑA-PAEZ: Okay, I think we are okay, everybody? That's a lot of information and you have your documents with you. Thank you so much to Secretary Amenah, would you like to close with something?

DBM SEC. PANGANDAMAN: Doon sa question po ni Sir Ivan. During DBCC, the last DBCC po, we released the figures of revenues disbursement and surplus deficit. Of course, kapag may deficit ka, iyong mostly iyon iyong sa loan natin, we can also share you the figures po.

MS. DAPHNE OSEÑA-PAEZ: Okay, you want to say something to close?

DBM SEC. PANGANDAMAN: Yeah, for more details of the budget, it's online, it's already online, the NEP and all the budget documents and of course, we want our budget to be transparent and we want people to participate in the process. So, on August 10, we will have our DBCC in HOR and; on August 22 and 23, it will be in the Senate of the Philippines. So, hopefully, you will also join us there, para if you need more details of the budget, will be there; similar to our other cabinet secretaries when they go to Congress to defend their budget. Thank you.

MS. DAPHNE OSEÑA-PAEZ: Okay. Well, thank you so much to our very hardworking Department of Budget and Management, of course, led by Budget Secretary Amenah Pangandaman. And thank you, Chief Economist Dr. Joselito Basilio, Undersecretary Janet Abuel and Assistant Secretary dela Vega. Thank you, Malacañang Press Corps. Good morning.

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