



Department of Transportation

Philippine Economic Briefing

Navigating PH's Investment Landscape: Where to Invest?

27 May 2024 | Philippine International Convention Center

JAIME J. BAUTISTA

DOTr Secretary

Where are we

TOURISM

75th

OUT OF 117 COUNTRIES

based on

2021 TRAVEL & TOURISM INDEX¹

Tourism Share to GDP
(2022, PHP 1.38T)

6.2%

The Philippines got a score of **3.7**, lagging behind neighboring countries (**Indonesia at 4.4**, **Thailand at 4.3**, **Malaysia at 4.3**)

ROAD SAFETY

4.1%

Cost of road crash fatalities and injuries as % to GDP³

Road crash fatalities and serious injuries cost **~PHP 620.5 BILLION**

URBAN MOBILITY READINESS

58th

OUT OF 60 COUNTRIES

based on 2021 **URBAN MOBILITY READINESS INDEX⁴**

Manila got a score of **31.2%**, lagging behind neighboring cities (**Kuala Lumpur at 45.1%**, **Jakarta at 39.9%**)

OLIVER WYMAN FORUM **Berkeley** UNIVERSITY OF CALIFORNIA

ENVIRONMENTAL

MOST VULNERABLE TO DISASTER RISK

out of **193** countries based on **2022 WORLD RISK INDEX⁵**

CLIMATE PROJECTIONS



1.8°-2.2°C increase in temperatures by 2050



Wetter wet season, drier dry season



Increased incidence of extreme weather and hazard events



0.48-0.65 m rise in sea levels by 2100

KEY CLIMATE IMPACTS

Agriculture

Crop loss/failure, soil erosion
Increased pest infestations
Rising food prices & food imports



Water

Water shortages
Degraded water quality
Increased flood & landslide risk



Energy

Reduced energy production potential
Increased demand for energy services



Coastal Ecosystems

Loss of coastal defense, marine habitat & biodiversity
Reduced fish populations



Infrastructure/Services

Damage to roads, bridges, and water and sanitation facilities



Human Health

Loss of life and livelihoods
Increased risk of vector-/waterborne disease and population displacement



PHP 43.85 BILLION

ANNUAL (2014) ECONOMIC LOSS DUE TO PORT CONGESTION⁶

~21,925

Modern PUJs (@PHP 2M per unit)

~175,400

14ft. Fiberglass hull boats (@PHP 250K per unit)

LOGISTICS

LOGISTICS COST BY COMPONENT

27.16%

of sales as of 2018

Component	Percentage
Logistics Administration	2.47%
Inventory Carrying	8.78%
Warehousing	5.20%
Transport	10.71%

Higher than neighboring ASEAN countries:

Indonesia (**21.4%**), Vietnam (**16.3%**), and Thailand (**11.1%**)⁷

LOGISTICS PERFORMANCE

out of **139** countries based on

2023 LOGISTICS PERFORMANCE INDEX

with a World Bank Logistics Performance Index (LPI) of **3.3** (from **2.9** in 2018, 1=Low, 5=High)⁸

60th
(2018 LPI)

43rd

[1] Travel & Tourism Development Index 2021: Rebuilding for a Sustainable and Resilient Future Insight Report. World Economic Forum. May 2022.

[2] Roadmap for Transport Infrastructure Development for GCR (JICA 2019)

[3] Philippines's Road Safety Country Profile (World Bank - Global Road Safety Facility 2016)

[4] Urban Mobility Readiness Index 2022 Report. Oliver Wyman Forum and University of California, Berkeley.

[5] WorldRiskReport 2022 - Focus: Digitalization. <https://reliefweb.int/report/world/worldriskreport-2022-focus-digitalization>.

[6] Philippine Institute of Development Studies (PIDS 2014)

[7] An Assessment of Logistics Performance of Manufacturing Firms in the Philippines (DTI and IFC (WB) 2018)

[8] World Bank Logistics Performance Index (<https://lpi.worldbank.org/international/global>)

Vision, Mandate and Governing Policies

"We will transform the Philippine transport industry and elevate it to global standards.

Our mantra then shall be COMFORTABLE, ACCESSIBLE, SAFE, and AFFORDABLE transport service throughout the country."

Jaime J. Bautista
Secretary of Transportation



"We must keep the momentum. And aspire to
BUILD BETTER MORE."

President Ferdinand "Bongbong" Marcos, Jr. during his July 2022 SONA

8-POINT SOCIOECONOMIC AGENDA

of the Marcos Administration

NEAR-TERM

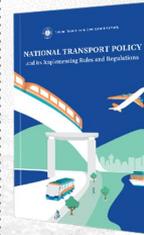
Protecting Purchasing Power and Mitigating Socio-economic Scarring

- 1 ENSURE FOOD SECURITY
- 2 REDUCE TRANSPORT AND LOGISTICS COSTS
- 3 REDUCE ENERGY COST TO FAMILIES
- 4 TACKLE HEALTH
- 5 STRENGTHEN SOCIAL PROTECTION
- 6 ADDRESS LEARNING LOSSES
- 7 ENHANCE BUREAUCRATIC EFFICIENCY
- 8 SOUND FISCAL MANAGEMENT

MEDIUM-TERM

Creating More Jobs, Quality Jobs, Green Jobs

- 1 PROMOTE INVESTMENTS
- 2 IMPROVE INFRASTRUCTURE
- 3 ENSURE ENERGY SECURITY
- 4 INCREASE EMPLOYABILITY
- 5 EXPAND & IMPROVE DIGITAL INFRASTRUCTURE
- 6 ENCOURAGE R&D AND INNOVATION
- 7 PURSUE A GREEN AND BLUE ECONOMY
- 8 ESTABLISH LIVABLE & SUSTAINABLE COMMUNITIES



NATIONAL TRANSPORT POLICY

TRANSPORT VISION

"safe, secure, reliable, efficient, integrated, intermodal, affordable, cost-effective, **environmentally sustainable**, and people-oriented national transport system that ensures improved quality of life of the people".

PHILIPPINE DEVELOPMENT PLAN 2023-2028

CHAPTER 12

SUSTAINABLE, RESILIENT, INTEGRATED, AND MODERNIZED INFRASTRUCTURE FACILITIES AND SERVICES DELIVERED

Seamless and inclusive connectivity via local and international linkages achieved

A **National Transportation Master Plan** will be formulated and adopted.

Intermodal transport facilities will be constructed and upgraded to achieve seamless connectivity.

Active transport networks will be developed.

Applicable **mass transportation systems** (i.e., railways, road-based, and ferry systems) will be developed in metropolitan areas.

The **nautical highway** will be improved.

Existing **airports** will be improved and new ones will be strategically developed to address future demand.

Cargo and freight rail infrastructure to connect strategic infrastructure such as ports will be developed and expanded.

Cold chain logistics and management facilities will be developed.

The implementation of the **Unified Logistics Pass (ULP) and Transport Accreditation, Permit and Pass for Ports (TAPPP)** will be made seamless and well-integrated.

Transport safety and security will be ensured.

Gender mainstreaming, inclusion, and accessibility will be main considerations in all stages of transport project implementation.

DOTr will bridge the gap towards our vision for the transportation sector

Pursuant to the marching orders of the President, DOTr will bridge the gap from where we are now towards the vision for the transportation sector where transportation services are **accessible, affordable, comfortable, safe and efficient** through DOTr's four transportation sectors...



DOTr will BUILD BETTER and BUILD MORE by...

2016-2022

2022-2028

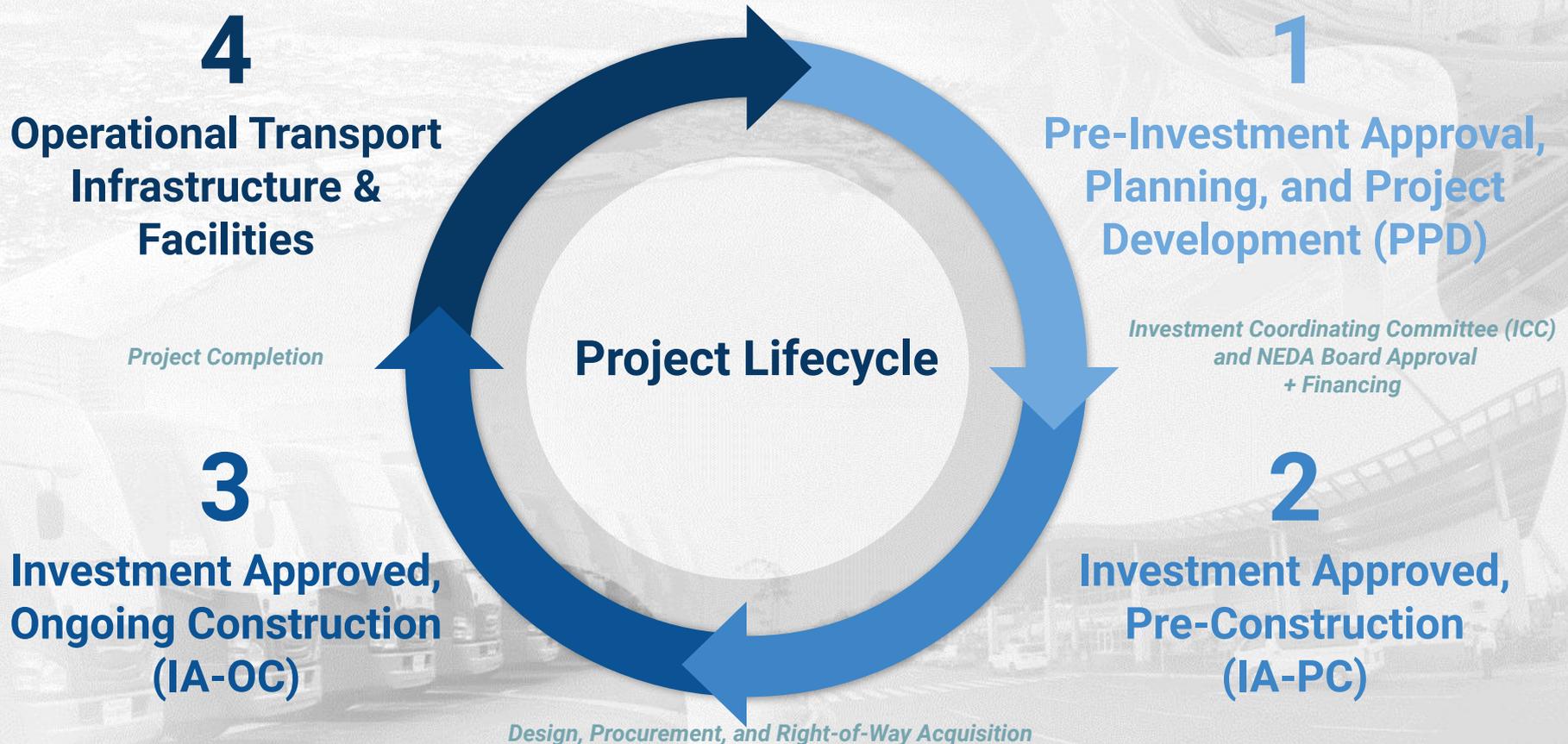
2028 AND BEYOND

Continuing and finishing projects from
the **previous administration**

Starting and finishing projects by
the **current administration**

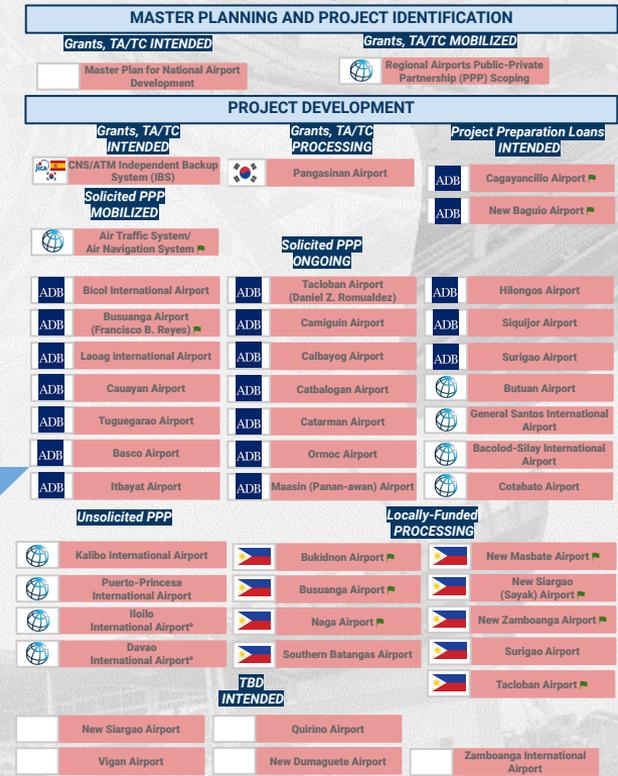
Starting and passing projects to
the **next administration**

Pushing projects through the project lifecycle

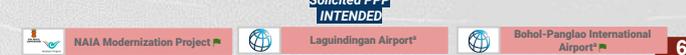


Aviation Sector Pipeline

1 Pre-Investment Approval, Planning, and Proj. Dev't. (PPD)*



2 Investment Approved, Pre-Construction (IA-PC)*

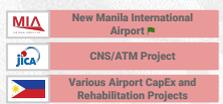


Pushing projects through the project lifecycle

4 Operational Transport Infrastructure & Facilities

- Aviation**
- 8 International Airports (4 CAAP)
 - 41 Community Airports (CAAP)
 - 20 Principal Class 1 Airports (CAAP)
 - 19 Principal Class 2 Airports (CAAP)
 - 203 Private Airstrips

3 Investment Approved, Ongoing Construction (IA-OC)*



5 Thematic Initiatives

- 5.1. Lowering of Logistics Cost
- 5.2. Tourism
- 5.3. Transport Jobs Creation and Security
- 5.4. Industry Development
- 5.5. TOD
- 5.6. Transport Safety
- 5.7. Transport Security Program
- 5.8. ESG Considerations
- 5.9. Carbon Neutrality
- 5.10. Disaster Resilience
- 5.11. ROWSA
- 5.12. GEDSI
- 5.13. Institutional Strengthening & Rightsizing
- 5.14. Decoupling of Regulation-Operation
- 5.15. Digitalization
- 5.16. Automated Fare Collection
- 5.17. Electric Vehicles
- 5.18. PCG Modernization
- 5.19. Construction Safety
- 5.20. Fare Affordability

Infrastructure Flagship Project (IFP)

Non-exhaustive projects list
 *IA-OC / IA-PC projects may revert to PPD due to cost increase, change in scope, and/or updating of implementation timeline.

Pushing projects through the project lifecycle

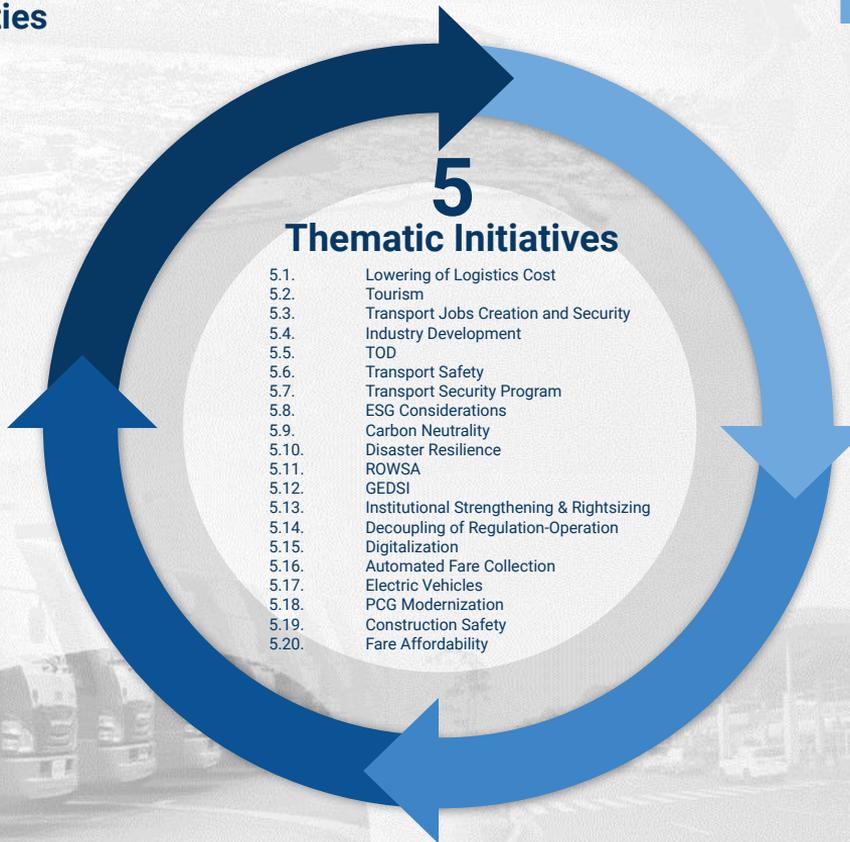
Maritime Sector Pipeline

4 Operational Transport Infrastructure & Facilities

- 879 PPA Ports
 - 115 Base Port and Terminal Ports
 - 361 Other Government Ports
 - 402 Private Ports
- 151 CPA Ports
- 1313 LGU Ports
- 7 Ports under other Port Management Bodies

3 Investment Approved, Ongoing Construction (IA-OC)*

- PCG Maritime Safety Capability Improvement Project I
- PCG Maritime Safety Capability Improvement Project II
- Various CapEx and Rehabilitation Projects



1 Pre-Investment Approval, Planning, and Proj. Dev't. (PPD)*

MASTER PLANNING AND PROJECT IDENTIFICATION

- National Maritime Connectivity & Port Development Master Plan*
- PCG Master Development Plan*

PROJECT DEVELOPMENT

Grants, TA/TC INTENDED	Grants, TA/TC MOBILIZED
PCG National Headquarters	PCG Support Facility Development in Subic Bay Area
Project Preparation Loans PROCESSING	Solicited PPP UPCOMING PROCUREMENT
Farm-to-Market Ports Network	New Cebu Int'l Container Port Quay Crane Acquisition & O&M
Port Cold Chain Network	Solicited PPP MOBILIZED
Roll-on Roll-off (RoRo) Network Upgrade	Locally-Funded INTENDED
	Eastern Nautical Highway Enhancement
	Sierra Madre Nautical Highway
	East-West Nautical Highway

2 Investment Approved, Pre-Construction (IA-PC)*

- PCG Maritime Safety Capability Improvement Project Phase III
- Maritime Safety Enhancement Project*
- New Cebu International Container Port Project*

Infrastructure Flagship Project (IFP)

Non-exhaustive projects list
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Pushing projects through the project lifecycle

4 Operational Transport Infrastructure & Facilities

- 77 (+1,132¹) km length of railways²
- 61 (+147¹) Stations
- 224 (+1,162¹) Train Cars

¹ Investment approved, financed, awarded, and/or ongoing construction.

² Operational railways include LRT-1, LRT-2, MRT-3, and PNR.

3 Investment Approved, Ongoing Construction (IA-OC)*

LRT Line 1 Cavite Extension	LRT-2 East Extension	MRT-3 Rehabilitation and Maintenance
MRT Line 7	Common Station	
North-South Commuter Railway System	Metro Manila Subway Project (Phase 1)	

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- 5.19. Construction Safety
- 5.20. Fare Affordability

Railways Sector Pipeline

1 Pre-Investment Approval, Planning, and Proj. Dev't. (PPD)*



2 Investment Approved, Pre-Construction (IA-PC)*

LRT Line 2 West Extension	PNR South Long Haul	Mindanao Railway Phase 1	MRT Line 4	Subic-Clark Railway
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Infrastructure Flagship Project (IFP)

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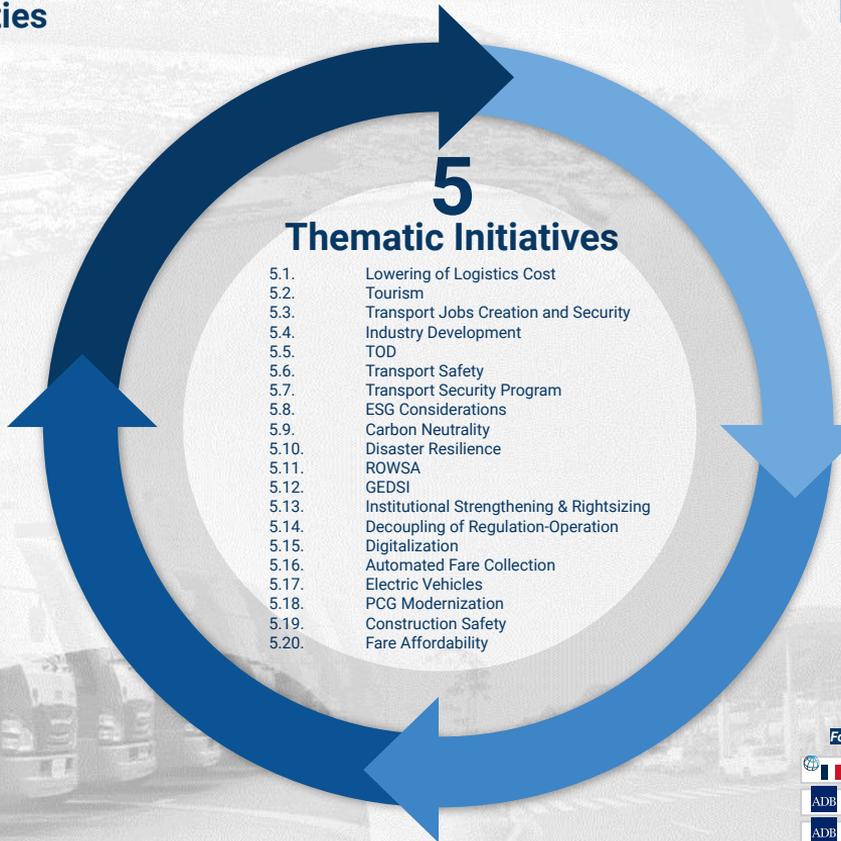
Pushing projects through the project lifecycle

4 Operational Transport Infrastructure & Facilities

- 5,879 Operating MPUJs
- 51 Operating Modern Minibus
- 1,046 Operating MPUBs
- 5.77M Registered Vehicles
- 132 Approved LTRPs
- 564 km of bike lanes

3 Investment Approved, Ongoing Construction (IA-OC)*

- EDSA Busway
- LTO Infrastructure and Information System
- Active Transport



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Road Sector Pipeline

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2 Investment Approved, Pre-Construction (IA-PC)*



Infrastructure Flagship Project (IFP)

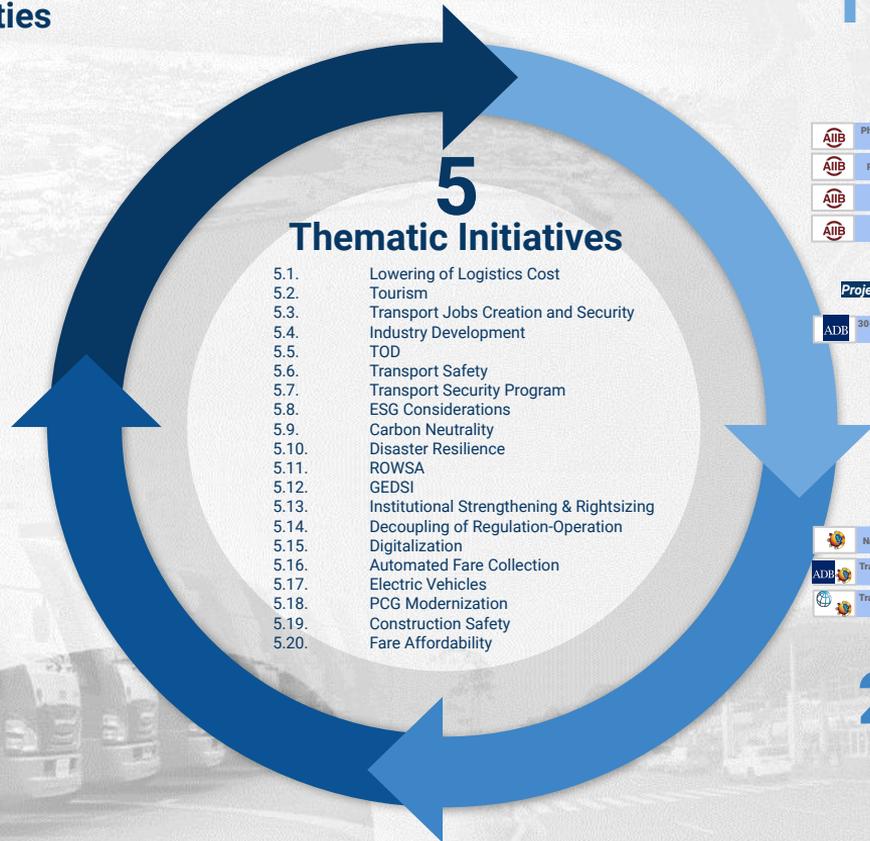
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Pushing projects through the project lifecycle

4 Operational Transport Infrastructure & Facilities

3 Investment Approved, Ongoing Construction (IA-OC)*



5 Thematic Initiatives

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Multi-Sector Pipeline

1 Pre-Investment Approval, Planning, and Proj. Dev't. (PPD)*



2 Investment Approved, Pre-Construction (IA-PC)*

Infrastructure Flagship Project (IFP)

Non-exhaustive projects list

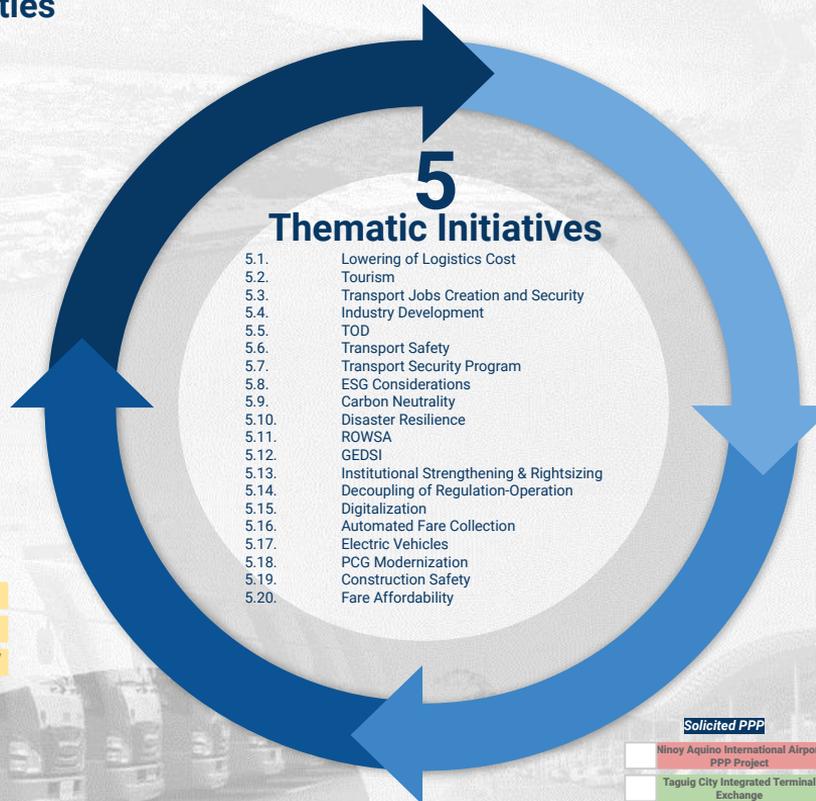
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IFPs Across the Project Lifecycle

4 Operational Transport Infrastructure & Facilities

3 Investment Approved, Ongoing Construction (IA-OC)*

Unsolicited PPP	Project implementation Loan
<input type="checkbox"/> New Manila International Airport (Bulacan International Airport)	<input type="checkbox"/> Metro Manila Subway Project Phase 1
<input type="checkbox"/> MRT 7 Project	<input type="checkbox"/> MRT-3 Rehabilitation and Maintenance
	<input type="checkbox"/> North-South Commuter Railway System
Hybrid PPP-ODA	
<input type="checkbox"/> LRT Line 1 Cavite Extension	



IFP Pipeline

1 Pre-Investment Approval, Planning, and Proj. Dev't. (PPD)*

Locally-Funded	Solicited PPP	Grants/TA/TC
<input type="checkbox"/> New Zamboanga Airport	<input type="checkbox"/> Air Traffic Services - Air Navigation Services (ATS-ANS)	<input type="checkbox"/> North-South Commuter Railway System New Clark City Extension
<input type="checkbox"/> Panay Railway System	<input type="checkbox"/> Manila Bay-Pasig River-Laguna Lake Ferry System	<input type="checkbox"/> LRT Line 2 Cogeco Extension
<input type="checkbox"/> Central Luzon Bus Rapid Transit	<input type="checkbox"/> LRT Line 2 Operations & Maintenance	<input type="checkbox"/> Metro Manila High Quality Bus Corridors
<input type="checkbox"/> Active Transport Network	<input type="checkbox"/> Metro Manila Subway Project Operations & Maintenance	TBD
Project Preparation Loans	<input type="checkbox"/> Mindanao Railway Phase 3 (Northern Mindanao)	<input type="checkbox"/> New Masbate Airport Development Project
<input type="checkbox"/> New Bagulo Airport	<input type="checkbox"/> MRT 3 Operations & Maintenance	<input type="checkbox"/> Southern Palawan Airport Development Project
<input type="checkbox"/> New Cagayancillo Airport	<input type="checkbox"/> MRT Line 4 Operations & Maintenance	<input type="checkbox"/> New Siargao Airport
<input type="checkbox"/> Farm-to-Market Ports Network Project	<input type="checkbox"/> MRT Line 5	<input type="checkbox"/> Bukidnon Airport Development Project
<input type="checkbox"/> Port Cold Chain Network Project	<input type="checkbox"/> North Long Haul Inter-Regional Railway	<input type="checkbox"/> Busuanga Airport Development Project
<input type="checkbox"/> Roll-on Roll-off (RORO) Network Upgrade Project	<input type="checkbox"/> North-South Commuter Railway System O&M	<input type="checkbox"/> Tacloban Airport Development Project
<input type="checkbox"/> Cebu Urban Mass Rapid Transit (UMRT) Central Line	<input type="checkbox"/> San Mateo Railway	<input type="checkbox"/> Naga Airport Development Project
<input type="checkbox"/> Metro Manila Subway Project Phase 2	<input type="checkbox"/> Cebu Bus Rapid Transit Operations & Maintenance	<input type="checkbox"/> Laoag International Airport Development Project
<input type="checkbox"/> Subic-Clark-Manila-Batangas Railway Project	<input type="checkbox"/> Davao PTMP Operations & Maintenance	<input type="checkbox"/> Panglao-Tagbilaran Bus Rapid Transit
<input type="checkbox"/> Cebu Public Transport Modernization Project	<input type="checkbox"/> EDSA Busway (Improved)	<input type="checkbox"/> Zamboanga Public Transport Modernization Project
<input type="checkbox"/> Manila Bay Bus Rapid Transit	<input type="checkbox"/> North NCR Intermodal Transit Interchange	<input type="checkbox"/> Cagayan de Oro Bus Rapid Transit
<input type="checkbox"/> Metro Manila Bike Expressway Project	<input type="checkbox"/> Philippine Automated Fare Collection System	<input type="checkbox"/> Metro Davao Public Transport Modernization Project
<input type="checkbox"/> New Modern Public Utility Vehicle Service Contracting Program	<input type="checkbox"/> National Transportation Database	

2 Investment Approved, Pre-Construction (IA-PC)*

Solicited PPP	Project implementation Loan	Locally-Funded
<input type="checkbox"/> Ninoy Aquino International Airport PPP Project	<input type="checkbox"/> New Dumaguete Airport Development Project	<input type="checkbox"/> MRT Line 4
<input type="checkbox"/> Taguig City Integrated Terminal Exchange	<input type="checkbox"/> Maritime Safety Enhancement Project	<input type="checkbox"/> PNR South Long Haul
<input type="checkbox"/> Bohol-Panglao International Airport	<input type="checkbox"/> New Cebu International Container Port Project	<input type="checkbox"/> Cebu Bus Rapid Transit
<input type="checkbox"/> Laguingdan International Airport Project	<input type="checkbox"/> Mindanao Railway Project Phase 1 (Tagum-Davao-Digos)	<input type="checkbox"/> Davao Public Transport Modernization Project
	<input type="checkbox"/> EDSA Greenways Phase 1	

TRANSPORTATION MODERNIZATION PROGRAM

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Our mantra then shall be ACCESSIBLE, AFFORDABLE, COMFORTABLE and SAFE transport service throughout the country."

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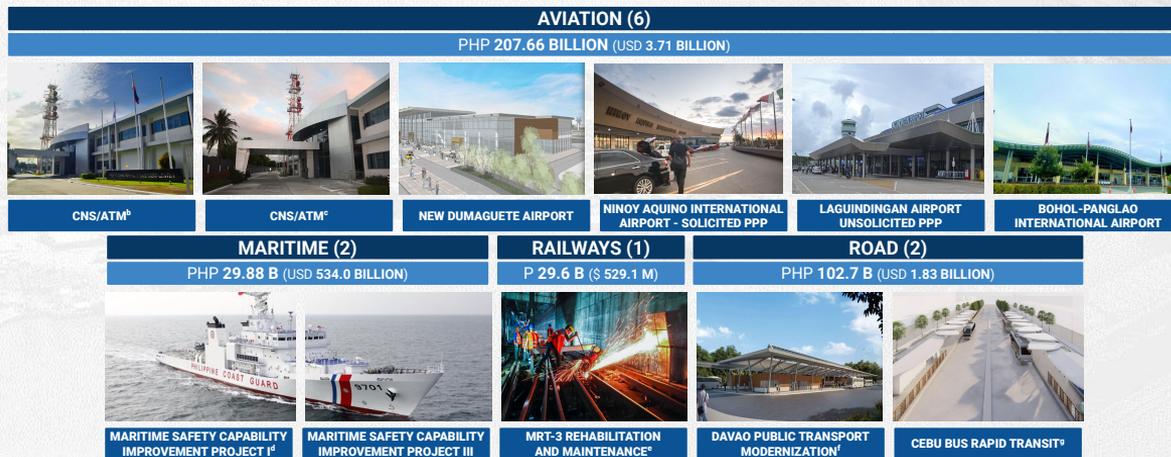


[a] Includes projects with hybrid funding source (i.e. ODA-PPP)

TRANSPORTATION MODERNIZATION PROGRAM

11

INVESTMENT-APPROVED PROJECTS^a AMOUNTING TO PHP **369.3 BILLION** FROM NOVEMBER 2022 TO DATE



[a] NEDA-Approved TPC, except for MSC/PI and CNS/ATM, which only cover loan balance approved for utilization; [b] 19-month loan validity extension; [c] utilization of the JICA Loan Balance for CNS/ATM Maintenance and Resiliency Enhancement, with the following three (3) components: one, Maintenance Contracts; two, an Ultimate Fallback System for the current system; and three, a Feasibility Study for an Independent Backup System; and a corresponding 60-month Loan Validity Extension from June 2023 to June 2028, to cover the intended period for the Maintenance Contracts to be put in place; [d] Request for utilization of savings for the requested change in scope, and loan validity extension; [e] Request for change in scope, increase in project cost, extension of implementation period, additional loan, and second loan reallocation; [f] Request for change in scope, increase in cost, and extension of implementation period; [g] Proposed Change in Scope, Increase in Cost, and Extension of Implementation Period and Loan Validity

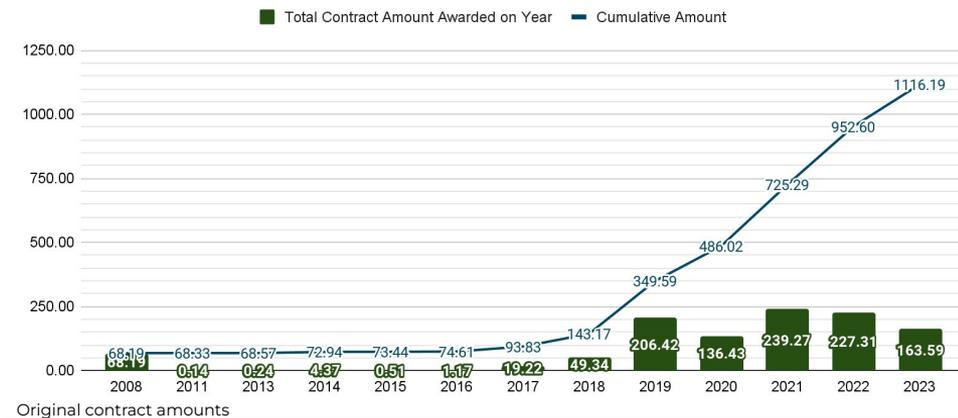
DOTr is currently the largest MEGA PROJECT and BIG CONTRACTS manager in the PHL

RAIL CONTRACTS AWARDED

NUMBER OF AWARDED CONTRACTS



TOTAL AMOUNT OF CONTRACTS AWARDED in PHP billions



~PHP 9B

Average Original Contract Amount of Awarded Contracts as of Dec 2016

~PHP 21.7B

Average Original Contract Amount of Awarded Contracts as of Apr 2024

Overall Market Responsiveness:

57 Contract Packages

166 Bids

137 Companies

15 Participating Countries

How RESPONSIVE has the market been so far?

Record-breaking participation of bidders in NSCR Civil Works Procurement:

20 Contract Packages

64 Bids

31 Companies

10 Participating Countries

Philippines, South Korea, Indonesia, Turkey, HKSAR, Spain, China, Italy, Thailand, Japan

CONTRACTING STRATEGIES

BIG CONTRACTS, MOSTLY FIDIC

TRANSPARENT, EFFICIENT PROCUREMENTS

Foreign Assisted Projects (FAPs) Contract Packages (CPs) Procurement Pipeline

	UPCOMING	ONGOING		
		PRE-BID SUBMISSION	POST-BID SUBMISSION	WITH PS-DBM
	20 CPs PHP 61.8 BILLION	1 CP PHP 0.48 BILLION	7 CPs PHP 109.8 BILLION	1 CP PHP 0.29 BILLION
AVIATION 2 CPs PHP 10.8 B	 DGT-CS DGT-DB			
MARITIME 8 CPs PHP 37.2 B	 MSEP-CS MSEP-CW MSCIP1-CS MSEP-2BTV MSCIP1-SBCE MSCIP3-CS For MSEP: CW Romblon Buoy Base Civil Works 2BTV Buoy Tender Vessels (2x) For MSCIPs: CS Consultancy Service SMRRVs 5 Multi-Role Response Vessels SBCE Secure Shore-Based Communications Equipment SMRRVs 5 Multi-Role Response Vessels	 NCICP-CW		
RAILWAYS 3 CPs PHP 75 B		 MMSP-CP105 MMSP-CP108 MMSP-CP109 CP105 Kalayaan and Bonifacio Global City (BGC) Stations and Tunnel Works CP108 Lawton Station and Senate-Deped Station and Tunnel Works CP109 Ninoy Aquino International Airport (NAIA) Terminal 3 Underground Station and Tunnel Works		
ROAD 15 CPs PHP 48.84 B	 DPTMP-CP07 EGP-CP1 CBRT-P2&P3 DPTMP-CP08 EGP-CP2 CBRT-P4 DPTMP-CP11 EGP-CS CBRT-ATC/ITS DPTMP-CP12 For DPTMP: CP07 System Integrator - ITS CP08 System Integrator - AFCS CP11 External Evaluation and Monitoring CP12 Communications For EGP: CP1 Design & Build (Baintawak & Cubao) CP2 Design & Build (Quadrupole & Taft) CS Construction Supervision Consultant For CBRT: P2&P3 RP to N Bacalso and Capitol - IT Park and Feeder Line P4 Bulacao-Mambaling Trunk Section For AF2: Various Consultancy Contracts ATC/ITS Advanced Transportation Controller/Intelligent Transportation Systems	 DPTMP-CP10 For DPTMP: CP10 System Administrator	 DPTMP-CP05 DPTMP-CP06 DPTMP-CP09 CP05 Bus Fleets - Diesel CP06 Bus Fleets - EV CP09 General Consultant	 CBRT-TSC3 ² For CBRT: TSC3 Technical Support Consultant 3

SUMMARY		
ACCORDING TO PROCUREMENT STATUS		
Upcoming		20
Ongoing; Pre-Bid Submission		1
Ongoing; Post-Bid Submission		7
Ongoing; with PS-DBM		1
ACCORDING TO CONTRACT TYPE		
Consultancy	10	PHP 51.6 B
Civil Works	10	PHP 113.4 B
Goods	8	PHP 53.4 B
ACCORDING TO DEVELOPMENT PARTNER		
	16	PHP 42 B
	7	PHP 97.2 B
	6	PHP 25.8 B
 	4	PHP 6.6 B

LEGEND:

RED	Consultancy
YELLOW	Civil Works
GREEN	Goods

PROJECT CODES:

Aviation	
DGT	New Dumaguete Airport Development Project

Maritime	
MSCIP1	Maritime Safety Capability Improvement Project Phase I
MSEP	Maritime Safety Enhancement Project
NCICP	New Cebu International Container Port Project

Rail	
MMSP	Metro Manila Subway Project

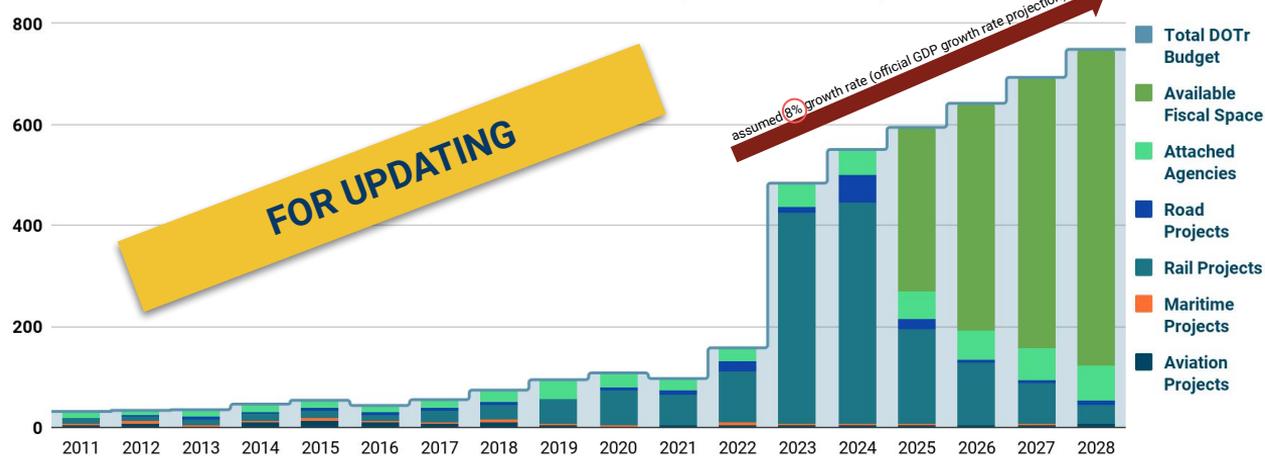
Road	
CBRT	Cebu Bus Rapid Transit
DPTMP	Davao Public Transport Modernization Project
EGP	EDSA Greenways Project

CONTRACT CODES:

CS	Consultancy Service	CP / P	Contract Package
CW	Civil Works	DB	Design-Build

While near-term fiscal space is occupied by ongoing Rail Projects, projected uncommitted fiscal space after peak rail disbursement is EUR 32.26 BILLION

DOTr Appropriations (in Billions PHP)



Projected Estimated Uncommitted Fiscal Space (in Billions)

2025	2026	2027	2028	TOTAL
P325	P449	P536	P626	P1,936

TOTAL ESTIMATED UNCOMMITTED FISCAL SPACE

¹ 2024-2028 Projections for Aviation, Maritime, and Rail are based on an **8% annual growth**.

² 2024-2028 Projections for Road are based on **2023 Annual Fund Requirements**.

in Billions PHP	AQUINO ADMINISTRATION						DUTERTE ADMINISTRATION						MARCOS ADMINISTRATION					
Items	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total DOTr Budget	31.59	33.8	34.93	46.14	53.74	43.5	54.9	73.88	94.45	107.91	96.72	157.59	483.83	550.37	594.40	641.96	693.31	748.78
Aviation Projects	4.96	6.56	2.72	9.11	13.95	9.35	6.79	9.78	3.87	2.45	4.95	3.87	3.09	3.34	3.60	4.29	5.09	6.05
Maritime Projects	1.94	5.33	2.18	3.17	5.23	2.25	4.24	5.46	1.79	0.99	0.56	5.02	3.14	4.28	4.07	0.91	1.08	1.28
Rail Projects	11.75	9.7	12	14.66	15.24	12.46	22.1	28.44	49.79	68.87	57.98	102.47	419.82	437.65	186.93	121.78	80.77	38.17
Road Projects	0.35	1.98	3.31	3.77	3.99	5.18	5.07	7.02	1.91	5.67	9.12	19.51	10.94	54.50	20.58	6.83	6.83	8.32
Attached Agencies inc. Non Project Items	12.59	10.23	14.72	15.44	15.34	14.27	16.7	23.18	37.09	29.94	24.12	26.72	46.85	50.60	54.64	59.01	63.74	68.83
													Present	Projected				

DOTr will BUILD MORE by BUILDING BETTER

How are we *Building Better*?

Better Project Identification, Prioritization, and Preparation

- ✓ Gap Analysis vis-a-vis Existing Master Plans
- ✓ Updating and Development of New Master Plans
- ✓ Prioritization of Master Plan-Identified Projects
- ✓ More Robust Project Preparation

Broader and More Diversified Funding Strategy

- ✓ Diversifying Funding & Financing Partners
- ✓ Diversifying into PPP Funding
- ✓ Broadening Funding Resources

Better Project Implementation Strategies

- ✓ Continuity
- ✓ Strengthening of Institutional Capacity
- ✓ Strategic Contracting and Credible Procurement
- ✓ Environmental, Social, and Governance (ESG)
- ✓ Absorptive Capacity

THINK
BIG

BIG SOLUTIONS FOR BIG PROBLEMS

DOTr will BUILD BETTER by

Better Project Identification, Prioritization, and Preparation

Broader and More Diversified Funding Strategy

Better Project Implementation Strategies

1 Pre-Investment Approval, Planning, and Project Development (PPD)

1.1. Master Planning & Project Identification

1.2. Project Development

1.3. Investment Evaluation

46+

AVIATION

19+

MARITIME

42+

RAILWAYS

27+

ROAD

27+

MULTISECTOR

Investment Coordinating Committee and NEDA Board Approval + Financing

2

Investment Approved, Pre-Construction (IA-PC)

2.1. Design

2.2. Procurement

2.3. Right-of-Way

3

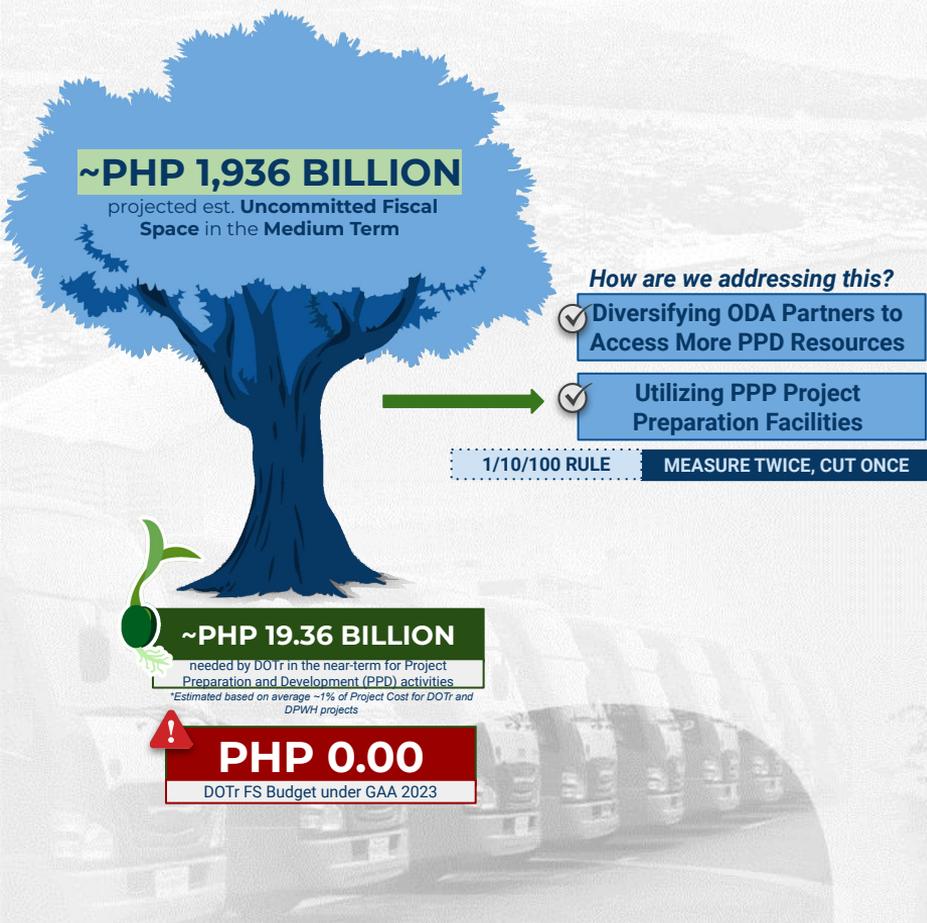
Investment Approved, Ongoing Construction (IA-OC)*

4

Operational Transport Infrastructure & Facilities



Pushing PPD projects into implementation requires Project Development resources



Planning and Project Development Resources (as of December 2023)

In Million PHP	Upcoming	Secured	Total
PPP	163.05	878.49	1,041.54
Loans	2,896.92	6,005.54	8,902.46
Grants	136.46	577.48	713.93
LFPs		950.00	950.00
	3,196.42	8,411.51	11,607.93



UPSTREAM AND MIDSTREAM LOAN FACILITIES

UPSTREAM PROJECT PREPARATION

- ✓ **MASTER PLANS**
- BANK (AIIB)**
Facility for Accelerating Studies for Infrastructure **USD 44.0 MILLION**

MIDSTREAM PROJECT PREPARATION

- ✓ **FEASIBILITY STUDIES** ✓ **DETAILED DESIGN** ✓ **PROCUREMENT SUPPORT**
- ASIAN DEVELOPMENT BANK**
Infrastructure Preparation and Innovation Facility **~USD 100 MILLION**
OUT OF USD 200M SHARED WITH DPWH

PPP RESOURCES

- WORLD BANK GROUP**
International Finance Corporation (IFC)
- ASIAN DEVELOPMENT BANK**
Office of Public-Private Partnership (OPPP)
- PPP CENTER**
Project Development and Monitoring Facility
- ~USD 19 MILLION**

LOCALLY-FUNDED

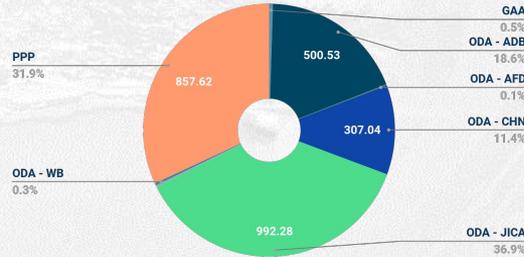
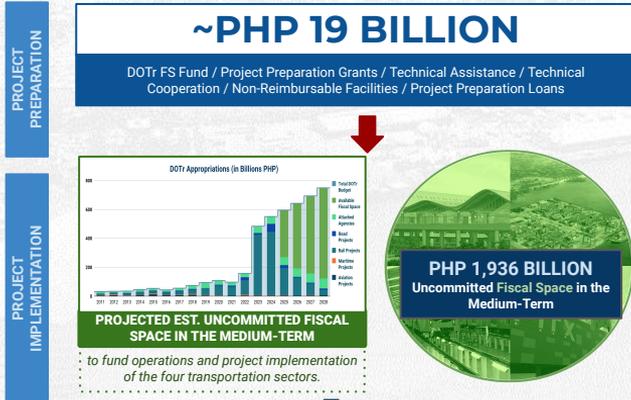
- LOCALLY-FUNDED** **~USD 17 MILLION**

DOTr will BUILD BETTER by

Better Project Identification, Prioritization, and Preparation

Broader and More Diversified Funding Strategy

Better Project Implementation Strategies



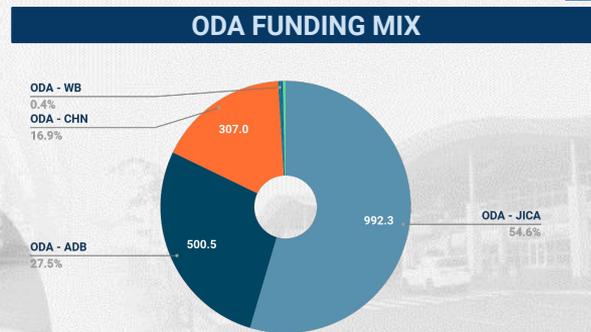
Projects Funding Mix (in Billions)	2022	% of Total
ODA	EUR 30.28	67.61%
PPP	EUR 14.29	31.90%
GAA	EUR 0.22	0.49%
TOTAL	EUR 44.81	100.00%

! MOSTLY ODAs

PRIVATE-FINANCED

- PPP CENTER**
Project Development & Monitoring Facility (PDMF)
- ASIAN DEVELOPMENT BANK**
Office of Public-Private Partnership (OPPP)
- WORLD BANK GROUP**
International Finance Corporation (IFC)

53+
Transportation PPP Projects



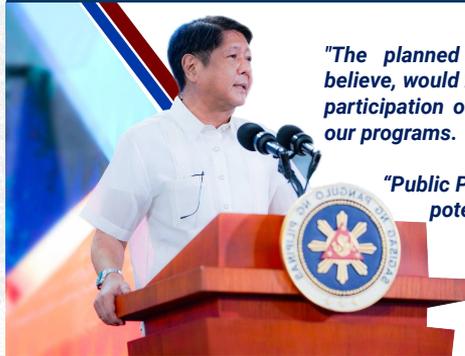
ODA Funding Mix (in Billions)	2022	% of Total
JICA	EUR 16.54	54.59%
ADB	EUR 8.34	27.53%
CHN	EUR 5.12	16.89%
WB	EUR 0.13	0.43%
AFD	EUR 0.05	0.17%
KEXIM	EUR 0.10	0.34%
ADB (ASEAN-IF)	EUR 0.10	0.05%
TOTAL	EUR 30.30	100.00%

! 99% with 3 ODA Partners

Diversifying into PPPs; Enhancing the Enabling Environment

PPP CODE OF THE PHILIPPINES

PRESIDENTIAL DIRECTIVE



"The planned expansion of infrastructure projects, I believe, would be possible if we continue to encourage the participation of the private sector in the development of our programs."

"Public Private Partnerships or PPPs hold great potential for that expansion, for infrastructure development and for innovation."

President Ferdinand "Bongbong" Marcos Jr. during his July 2022 SONA

RA 11966: PPP Code of the Philippines

RA 11966 or the PPP Code of the Philippines took effect last 23 December 2023 to allow mobilization of private sector resources as an engine for capital and a catalyst for growth.

MORE PPP TYPES PERMITTED

Type 1

PPPs THAT DO NOT NEED FISCAL SPACE

Unlimited number of Type 1 PPPs possible, with the **only constraint** being Project Preparation bandwidth (financial and manpower).

Type 2

PPPs THAT DO NOT NEED FISCAL SPACE

Limited fiscal space constrains implementation of this type of PPPs in the near term. Type 2 PPPs where payments start after construction possible.

2022-2028 MEDIUM-TERM FISCAL FRAMEWORK (MTFF).

- Strategic Utilization of PPPs
- Encouraging Solicited PPPs to Improve Infrastructure
- Private Sector and Localized Participation in Public Investments

AMENDED PUBLIC SERVICE ACT

RA 11659: Amended Public Service Act

On March 21, 2022, President Duterte signed Republic Act No. 11659 into law. The law amends the Commonwealth Act No. 146, otherwise known as the Public Service Act (PSA), which was passed in 1936.

The Implementing Rules and Regulations (IRR) of the AMENDED PUBLIC SERVICE ACT took effect on 04 April 2024

- Enabled the liberalization of key public services by allowing full foreign ownership of businesses in select industries such as **AIRPORTS, RAILWAYS, EXPRESSWAYS, and TELECOMMUNICATIONS.**

Prior to this, foreign ownership in these industries was limited to 40%. The amendments also **provide safeguard provisions protecting the country against national security concerns** that may arise from proposed mergers, acquisition, or any investment in a public service.

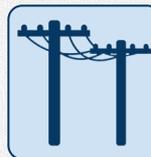
NEW SUBCLASSIFICATIONS OF PUBLIC SERVICES

CRITICAL INFRASTRUCTURE

PUBLIC UTILITIES



ELECTRICITY DISTRIBUTION



ELECTRICITY TRANSMISSION



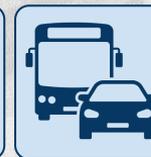
PETROLEUM PRODUCTS TRANSMISSION SYSTEMS



WATER / WASTEWATER PIPELINE SYSTEMS



SEAPORTS



PUBLIC UTILITY VEHICLES¹



With the Latest Amendments, the Philippines has taken great leaps to open up a number of sectors to full foreign ownership, and it is anticipated that this landmark legislation will significantly change the Philippine business landscape as it creates more opportunities for foreign direct investment and increases competition.

Diversifying funding and financing partners



 **USA**
(30 APRIL - 04 MAY 2023)

"I look forward to a very bright future between the Philippines and the United States, a future that is founded on the long experience and as you say, friendship and familial relationship because the people-to-people exchanges between our two countries have been ongoing at every level."

 **UNITED KINGDOM**
(05-06 MAY 2023)

 **CHINA**
(30 APRIL - 04 MAY 2023)

*"We will seek to foster a meaningful relation and broaden our cooperation in various areas such as agriculture, energy, **infrastructure**, science and technology, trade and investment, and people-to-people exchanges, among others."*

 **JAPAN**
(08-12 FEBRUARY 2023)

"This administration is keen on working closely with Japan in forging stability and dynamism into our bilateral relations and bringing our Strategic Partnership to greater heights."

 **BELGIUM**
(12-14 DECEMBER 2022)

 **SWITZERLAND**
(15-20 JANUARY 2023)

"We stress the importance of economic and technical cooperation to assist the development of smaller economies and enable their participation, both of small businesses and economic segments with untapped potential, in the global economy and also of large-scale industrial development."

 **THAILAND**
(16-19 NOVEMBER 2022)

 **CAMBODIA**
(09-13 NOVEMBER 2022)

 **SINGAPORE**
(06-07 SEPTEMBER 2022)

"We see our future, of the Philippines as having Singapore beside us, forging ahead to the future. Singapore—as part of our journey in maintaining political stability and economic prosperity in the region."

 **INDONESIA**
(04-06 SEPTEMBER 2022)

"We will reaffirm our ties with fellow archipelagic nation and ASEAN co-founder, Indonesia, with whom we share an extensive maritime border in the south of the Philippines."

 **UNGA**
(20 SEPTEMBER 2022)

"We will affirm the country's commitment to the ideals of the UN, citing its contributions to peaceful settlement of disputes and of international law and highlighting the importance of the UN in fostering international dialogue and international cooperation."

 **ASEAN**
(10-13 NOVEMBER 2022)

Once again, we will promote the Philippines not only as an investment center, not only as a tourism center but as a partner, a global partner for our ASEAN member nations and for all our friends around the world who will be joining the ASEAN Conference."

 **APEC**
(16-19 NOVEMBER 2022)

"APEC remains one of the Philippines' prime platforms to engage the economies in the Asia-Pacific region. The importance of this region to us cannot be overstated."

 **ASEAN-EU**
(14 DECEMBER 2022)

"We look forward to nurturing and bringing forth ASEAN-EU relations to greater heights, in our role as country coordinator for ASEAN-EU relations in the next two years."

 **WEF**
(16-20 JANUARY 2023)

"...we have made the commitment and I am confident that with that commitment and we follow through on that commitment that our infrastructure development will proceed."

 **ASEAN**
(09-11 MAY 2023)

"The future of this region must be determined by ASEAN and ASEAN alone. In this decisive moment, let us continue to work together to ensure that ASEAN truly and undoubtedly matters."

DOTr will BUILD BETTER by

Better Project Identification, Prioritization, and Preparation

Broader and More Diversified Funding Strategy

Better Project Implementation Strategies

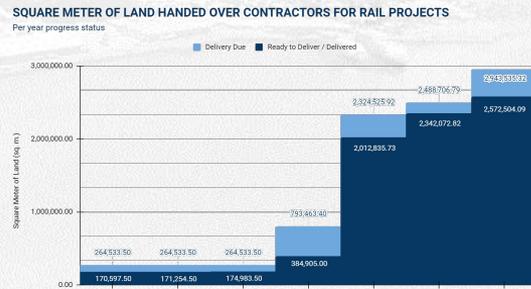
Building Better with strengthened project implementation capacity

RAILWAYS HEADCOUNT PER CONTRACT PER YEAR



Building Better through responsive delivery of ROW

SQM OF LAND HANDED OVER TO CONTRACTORS (RAIL) PER YEAR



Advocating ESG as an implementation tool, not just a compliance checklist

PARITY TRACK RECORD IN RIGHT-OF-WAY ACQUISITION*



1 Relocation of 1,264 families

No forced relocation to date



2 80% Voluntary Acquisition

80% of Land Acquisition is done through **NEGOTIATED** and **VOLUNTARY SALE**



3 Disbursed PHP 165 Million

The DOTr has disbursed a total of PHP 165,585,215 to ensure that those **affected** are given just entitlement

There is a misconception that ESG Safeguards Slows Down Project Implementation

✓ Safeguards enhances overall Value for Money because of ancillary benefits

✓ Building capability in ESG compliance unlocks financing resources that have ESG conditions



ONGOING ORG DEV INITIATIVE FOR ROAD SECTOR

ADB TA 9336-PHI

Strengthening Infrastructure Capacity and Innovation for Inclusive Growth - Organizational Planning Consultant to Support the Establishment of the EDSA Greenways Project and Davao Public Transport Modernization Project Management Offices

DOTr INSTITUTIONAL STRENGTHENING COMMITTEE

Office Order No. 2022-007

Implementing Guidelines on the Reorganization of the Department

Department Order No. 2022-013

Requirements and Timeline for the Submission and Review of the Documents Required under Office Order No. 2022-007

Projects	Total for Acquisition	through NVS ¹	through Expropriation	Total Acquired	% Voluntary Acquisition
LICE	293	223	40	263	84.79%
MMSP	1,977	473	50	523	90.44%
N1	352	176	16	192	91.67%
N2	1,953	53	0	53	100.00%
SC	2,478	7	0	7	100.00%
MRP	3,603	5	0	5	100.00%
MRT7	121	18	4	22	81.82%
TOTAL	10,777	955	110	1,065	89.67%

PMO	Total for Relocation	without forced demolition	through Forced Demolition
LICE	1,774	804	0
MMSP	251	188	0
N1	875	247	0
N2	2,448	38	0
SC	10,776	0	0
MRT-7	173	173	0
TOTAL	16,297	1,450	0

How to participate

AS A CONTRACTOR / SUBCONTRACTOR / CONSULTANT* / SUBCONSULTANT*

	FUND SOURCE					
	FOREIGN-ASSISTED PROJECTS ^c				LOCALLY-FUNDED PROJECTS	
	 JAPAN INTERNATIONAL COOPERATION AGENCY	 ASIAN DEVELOPMENT BANK	 EXPORT-IMPORT BANK OF KOREA	 WORLD BANK GROUP	 LOCALLY-FUNDED	 PUBLIC-PRIVATE PARTNERSHIPS
LEAD NATIONALITY REQUIREMENT	Has to be Japanese.	Any ADB-member country.	Has to be Korean.	Any WB-member country.		
MINIMUM CONTENT REQUIREMENT	30% minimum Japanese content.	None.	25% minimum Japanese content; Variable maximum third country content	None.	60-40 Filipino-Foreign requirement for Infrastructure Contracts; Goods Contracts open to Foreign, provided there is reciprocity	Private Proponent selects partners and subcontractors
JOINT VENTURE REQUIREMENT	Relatively low requirements for Joint Venture members	Relatively high requirements for Joint Venture Members	Relatively low requirements for Joint Venture members (nationality requirements)	-		
SUBCONTRACTING REQUIREMENT	Subcontractor qualifications depend on whether nominated for qualifications compliance	Same for subcontractor.	None.	-		

**Requirements vary depending on bilateral/multilateral partner and may include (i) lead nationality requirement, (ii) minimum % interest of nationality, (iii) JV requirements, among others.*

AS O&M CONCESSIONAIRE

Foreign operators allowed to have 100% interest in Operations and Maintenance

AS TECHNICAL ASSISTANCE CONSULTANT

Depending on rules and guidelines of Development Partners



My order to the DOTr is really very simple:

FULL SPEED AHEAD!

President Ferdinand "Bongbong" Marcos Jr. during his July 2022 SONA

THANK YOU!