

**THE NATIONAL
DEVELOPMENT AGENDA:
THE TASK AHEAD**

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THE BASIC TASKS

In the next six years, we must:

- **Create 10 million jobs**
- **Triple the loans to self-employed and small business owners**
- **Build 3,000 classrooms a year, grant a college scholarship to every qualified poor family, and put computers in every school**
- **Bring electricity to 1,500 barangays and reduce the cost to become the lowest in the region**
- **Bring clean water to all 45,000 barangays**
- **Reduce by half the price of commonly used medicines**

THE BASIC TASKS

And we must do so with fiscal discipline.

We must increase revenue collection, clamp down on tax cheats, and cut waste, fraud and abuse in our government.

We must fight for self-sufficiency in rice production;

Fight for new roads, bridges, and highways to link our nation;

And fight for more property rights and more legal rights for our people.

FIGHTING TARGETS TO ACHIEVE THE 10-POINT LEGACY

1. Create 10 million new jobs in six years
2. Increase growth to a sustainable 7% or more up to 2010
3. Bring poverty incidence from 34% to 17%
4. Increase investment rate from 19% of GDP to 28% of GDP in 2 years
5. Increase exports from \$38 billion to \$50 billion in 2 years

FIGHTING TARGETS TO ACHIEVE THE 10-POINT LEGACY

6. Develop 2 million hectares of land for agri-business
7. Develop and support 3 million entrepreneurs

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TO BALANCE THE BUDGET

FISCAL MEASURES TO INCREASE REVENUE COLLECTION

- a. Gross income taxation
- b. Indexation of taxes on “sin” products to increase revenues by P14 billion and restore credit ratings
- c. Rationalization of fiscal incentives
- d. Others

TO BALANCE THE BUDGET

Address Napocor Losses:

- ❑ Privatization of transmission and generating plants at competitive prices:
 - Congress to pass Transco franchise bill
 - ERC formulates pricing policy and regulatory environment that make returns and risks manageable for investors

Address issue of access to Meralco's distribution lines:

- ❑ Ensure security of long term power sale for Gencos
- ❑ Promote greater competition among Gencos
- ❑ Effect a more efficient power mix among Gencos

INFRASTRUCTURE TO CONNECT THE ENTIRE COUNTRY

- Philippine infrastructure and capital outlay performance vis-à-vis other Asian countries lowest for 1998-2002, averaging mere 3.3 percent of GDP
- Poor quality of infrastructure perennially cited as main problem in RP's global competitiveness

What we plan to do:

Increase spending on public infrastructure by an incremental P100 billion.

to finance:

Find creative and less conventional ways such as project-based financing and create an infrastructure corporation (out of NDC)

PROMOTING GLOBAL COMPETITIVENESS AND EXPORTS TO CREATE JOBS

To create jobs, we will attract investments. To attract investments, we will focus on four strategic measures:

1. Make food plentiful at reasonable prices to make our labor cost globally competitive (DA)
2. Reduce cost of electricity to make cost of running our machines and our manufacturing processes regionally competitive (DOE)
3. Modernize transport and digital infrastructure and logistics system at least cost to ensure efficient movement of goods and people (DOTC/CICT)
4. Mobilize and disseminate knowledge to upgrade our technologies and increase our people's productivity (DepEd, CHED, TESDA)

MICROECONOMIC THRUSTS TO CREATE JOBS

Agriculture:

- a. Develop 2 million hectares of land for agri-business (DA)
- b. Reduce the cost of rice, corn and sugar and other “wage goods” through greater productivity and efficient transport/logistics (DA)

Power Generation:

Greater efficiency through distribution access and competition among generating companies (DOE)

Small and medium enterprises:

Provide credit, technology and marketing support for SMEs (all credit institutions)

MICROECONOMIC THRUSTS TO CREATE JOBS

Mining:

Encourage responsible mining projects that are environmentally sustainable by reducing the time to get exploration and mining permits; and by quickly resolving IPRA issues (DENR/NCIP)

Housing and Construction:

A huge housing backlog and has potential to employ a million more workers for the next ten years (HUDCC)

Tourism:

Further liberalize the airline industry (DOTC)

MICROECONOMIC THRUSTS TO CREATE JOBS

Shipping and ports:

Increase shipping competition and demonopolize ports by promoting the roll-on-roll-off ferry nautical highway system; develop maritime basins and major rivers and transport and trading areas (DOTC)

Pharmaceuticals:

Reduce high cost and address policies that overly protect MNCs (PITC)

Telecommunications to Modernize Digital Infrastructure:

Take advantage of VOIP to reduce long distance calls (immense benefits to OFWs and their families)
(CICT)

MOBILIZING KNOWLEDGE TO CREATE JOBS AND INCREASE PRODUCTIVITY

- ❑ Disseminate knowledge/technology to rural and urban poor (CHED/TESDA/DepEd/DBM)
- ❑ Increase budgetary support to R&D and field extension work
- ❑ Strengthen PCARRD Model, Philrice & other provincial extension models
- ❑ Promote extensively mariculture activities with mangroves and fish sanctuaries
- ❑ LBP, DBP financing for SUC demonstration projects
- ❑ Free patent search for dissemination to SMEs

JOB CREATION THRUSTS

High Skill: ICT: Software, BPO, Call Centers;
Fashion Garments, Jewelry

Medium Skill: Agri-business, Mining,
Tourism: Hotels and Restaurants;
Entertainment

Low Skill: SMEs, Microcredit,
Construction, Mariculture



JOB CREATION THRUSTS

Measures/Initiatives to be Undertaken

- High Skill:** Technology shall be the foundation of future economic development (DOST)
- Work for a law to create the Department of Information and Communications Technology (PLLO)
- Upgrade Mathematics, Science, and English teaching in basic education and provide computers in every school (DepEd)

JOB CREATION THRUSTS

Measures/Initiatives to be Undertaken

Medium Skill:

Agri-business

Develop two million hectares of land for agri-business (DA)

Allocate at least P20 billion yearly for agricultural modernization and agri-business, including P6 billion for irrigation, P2 billion for post harvest facilities, P2 billion for other infrastructure, P2 billion for credit, and P2 billion for research, development, and extension, including the Gloria Hybrid rice. The government will continue to fight for self-sufficiency in rice production through productivity, price and quality competitiveness gains.

JOB CREATION THRUSTS

Measures/Initiatives to be Undertaken

Medium Skill:

Agri-business

Grant import permits for rice ministerially to all applicants, subject to payment of taxes and duties (NFA)

Use the coconut levy fund for social services for coconut farmers and their communities, and for the development of coconut-based agri-business (DA)

JOB CREATION THRUSTS

Measures/Initiatives to be Undertaken

Medium Skill:

Agri-business Use the Marcos wealth to finance agricultural land reform, including ancestral domain reform, and the development of agri-business in land reform communities (DAR, LBP, NCIP and DENR)

Pursue the passage of the Land for Loan Collateral Bill (PLLO)

JOB CREATION THRUSTS

Measures/Initiatives to be Undertaken

Medium Skill:

Mining

DENR to flesh out measures for the sector

Tourism

Builds airports and roads to ensure access to the eight most attractive tourism complexes (Cebu-Bohol-Siargao, Metro Manila, Northern Palawan, Boracay, Clark-Subic, Cordillera, Ilocos and Davao);
Continue to liberalize the airline industry (DOT/DOTC/DPWH)

JOB CREATION THRUSTS

Measures/Initiatives to be Undertaken

Low Skill: SMEs and microcredit – triple the loans for micro, small and medium enterprises and develop 3 million entrepreneurs

Construction, especially housing – work for the passage of a law creating the Department of Housing (HUDCC)

Mariculture -- extensively implement mangrove replanting and fish sanctuaries (DA)

EFFICIENCY OF PUBLIC SPENDING ON INFRASTRUCTURE

- ❑ Operationalize the Medium Term Public Investment Program (MTPIP)
- ❑ Continue to strengthen NEDA ICC process
- ❑ Complete the Nautical Highway and the RORO System to transport the product of Mindanao to Visayas and Luzon
- ❑ Encourage and finance LGUs to build own infrastructure rather than the National Government Agencies
- ❑ Align budgetary appropriations, including PDAF to the 10-point program

EFFICIENCY OF PUBLIC SPENDING ON INFRASTRUCTURE

- ❑ Fully implement EO 278 ensuring fair participation of local contractors and consultants; encourage bids for design to ensure the most cost-efficient project design and avoid overpricing of projects
- ❑ Address critical infrastructure bottlenecks
- ❑ Setting quality/price standards for DPWH
- ❑ Fully widen use of e-procurement and outside observers in bidding process

SPECIFIC ANTI-POVERTY MEASURES

Philippine poverty is basically rural poverty with 73% of the country's poor residing in rural areas. Rural poverty level is at 48.8% as against the urban poverty level of only 18.6%.

- Six pledges for the poor: 6 million jobs, clean water, and power for the entire country, close the classroom gap, low-cost medicine, and micro, SME and livelihood credit
- Diversification of agriculture and off-season livelihood (supported by extension services) micro-lending, and KALAHI-CIDSS measures

SPECIFIC ANTI-POVERTY MEASURES

- ❑ Pursue passage of Land for Loan Collateral Bill
- ❑ Food support for learning program to ease school drop-out rates in poor communities
- ❑ Emphasis on maternal and child health, women's health, family planning and nutrition
- ❑ Affirmative action for Muslim Mindanao and conflict-affected areas
- ❑ Indexation of health and education budgets to the growth of the national economy

MANAGING NATURAL RESOURCES AND ENVIRONMENT/ SPATIAL PLANNING TO CREATE MORE JOBS

- ❑ Development plans should consider the archipelagic economy and its fragile island ecosystem
- ❑ Maximize physical planning as a development tool for greater job creation
- ❑ Develop maritime basins and major rivers as transport and trading areas
- ❑ Extensively implement mangrove replanting and fish sanctuaries
- ❑ Reforestation to be rationalized/prioritized in watersheds and areas to preserve rivers and other fresh water systems

DECONGEST METRO MANILA

Decongest Metro Manila by developing new centers for government, business, and housing in each of Luzon, Visayas and Mindanao

We must focus on beginning the construction of the commuter links between Metro Manila north to Clark (e.g. Northrail) and south to Batangas Port (e.g. complete the toll road and all the way to the Batangas Port).

This will make viable housing projects outside Metro Manila, where land is cheaper and the lifestyle more conducive to family.

SPECIFIC PROJECTS FOR INVESTORS: JOB AND WEALTH CREATION

- Develop Subic/Clark as the most competitive international service and logistics center in Southeast Asia: Diosdado Macapagal International Airport as a logistics and maintenance hub (overseer to be appointed by the President)
- Develop the SLEX/STAR Expressway as an industrial belt south of Metro Manila (DPWH)
Fast-track the closing of the Metro Manila commuter train loop (DOTC)
- Complete the Northrail/Southrail complex; build dormitory hubs linked to railroad hubs (DOTC)

SPECIFIC PROJECTS FOR INVESTORS: JOB AND WEALTH CREATION

- ❑ Enhance the following tourism complexes: Metro Manila-Tagaytay, Cebu-Bohol-Siargao, Northern Palawan, Boracay, Clark-Subic, Cordillera, Ilocos, Davao (DOT, DOTC)
- ❑ Develop the following airports as gateways to Central Philippines: Panglao, Northern Palawan, Caticlan (DOTC)
- ❑ NRMDC to develop Diwalwal and other mining sites (DENR)
- ❑ Develop San Fernando Airport and Aparri Port as gateways to Northern Luzon (DOTC)

SPECIFIC PROJECTS FOR INVESTORS: JOB AND WEALTH CREATION

- ❑ Link Northern Luzon to the Taiwan-Southern China-Hong Kong Growth Triangle (DTI)
- ❑ Develop Poro Point and Lingayen Gulf as export outlet to Southern China (DOTC)
- ❑ Tap more geo-thermal springs (DOE)
- ❑ Develop our natural gas fields and use the gas for transport and power (DOE)
- ❑ Encourage growth of the national ship-building industry (DOTC, DTI)

END OF PRESENTATION

THANK YOU!

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