

THE PRESIDENT'S BUDGET MESSAGE

• A BUDGET THAT REFORMS AND TRANSFORMS •

Fiscal Year
2018

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**Message of
President Rodrigo Roa Duterte
to the Seventeenth Congress of the Philippines
on the National Budget for Fiscal Year 2018**

A Budget that Reforms and Transforms

July 24, 2017

Ladies and Gentlemen of the 17th Congress:

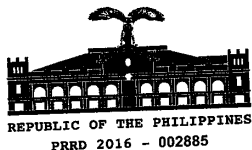
I have the honor to submit to you, through the President of the Senate and the Speaker of the House of Representatives, the Proposed National Budget for Fiscal Year (FY) 2018.

INTRODUCTION

When I came before you last year, to submit for your scrutiny and approval the first budget of my Administration, I came with confidence, courage and commitment.

Confidence, drawn from the faith of our people who had reposed in me their hope for a better life, for themselves and for their children.

Courage, fanned by the passion of our many people who were willing to face challenges, make sacrifices, and work in order to transform that hope into reality.



And commitment, fueled by my resolve to make real, and to bring to the here and now, the promised change for which our people rallied, and gave me the mandate of six years.

I presented to you then a “transition” Budget for FY 2017. It was meant to support the beginning of real change – and it is doing that. Because orderly transition is the only sure road to change – the journey from “what was” to “what should be”; from “where we were” to “where we really want to be”.

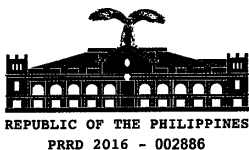
In *AmBisyon Natin 2040*, our 25-year roadmap to progress, our people have expressed what they aspire for. They have told us what they want. It is, quite simply, “a life that is strongly-rooted, comfortable, and secure.” *Matatag, maginhawa at panatag na buhay.*

A BUDGET THAT REFORMS AND TRANSFORMS

A year has passed. We are over the transition and are now moving forward – with greater confidence, courage, and commitment. Armed with the certainty that, while there is still much to be done, we are on the right path. For we have seen and experienced the beginning of change.

Today, I submit for your scrutiny and approval, the National Budget for Fiscal Year 2018, amounting to PhP3.767 trillion. It is 12.4 percent higher than our 2017 Budget – an indication that we need to put in more work in order to sustain the change in governance which we have begun.

With much still to be done, we need a more activist Budget to fulfill the longing of our people—not just for reports of economic growth and progress, but for the actual, personal experience of these gains in terms of a better life for all Filipinos – in peaceful and safer communities, with enhanced opportunities for



advancement, and supported by convenient, reliable services from their government. *Matatag. Maginhawa. Panatag.*

And therein lies the crux of the challenge for us.

We are driven towards good governance and inclusive development, motivated by the desire to achieve positive benefits for our people, especially the poorest and the most vulnerable. We aim to restore our people's trust in a people-centered, clean, efficient government.

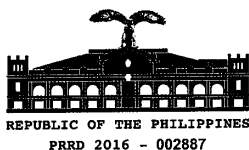
We know this is possible. But it will require systematic and continuing reform and transformation in the basic behavior and culture of the bureaucracy. This is the road to real change that will impact on our people's lives and their children's future, but one that will take us through some difficult turns, sharp bends and rough stretches of reforms.

This 2018 National Budget will keep us focused on those reforms and transformations that will lead us to real and lasting change.

BUDGET PHILOSOPHY

The Budget is the primary document by which a government lays down its policies for growth and development. Hence, the Budget needs to be easily understood and a transparent and accountable document.

Ladies and Gentlemen of the 17th Congress, we have worked on this Budget with dedication and diligence, determined that in every aspect, from every dimension, this document reflects the thrusts and priorities of this Administration. We have directed it towards the policies, programs and activities that will provide the means and assure the delivery of services that give form and substance to the changes that we aspire for.

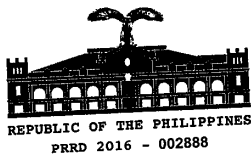


It is a Budget for our people – from inception to execution – crafted on the following principles:

Credible and disciplined fiscal policy. The successful implementation over the past years of a disciplined fiscal program has been a key factor in our country's continuing economic growth, which is recognized as one of the strongest and most resilient in the world. We remain true to this fiscal discipline, maintaining our budget deficit to a manageable 3 percent of GDP for the next five years. We recognize, however, that to adhere strictly to this fiscal discipline, we need room for the reforms that will fuel the fiscal expansion required to sustain our inclusive growth and development strategy. These reforms, as you well know, include improvements in tax laws and non-tax bases.

This year, we took the initial step towards these reforms with the passage in the Lower House of the first package of our comprehensive tax reform, the Tax Reform Acceleration and Inclusion Act (TRAIN). This measure, unlike those in the past, will put more money in our people's pockets through positive reforms while generating much-needed revenues for the government's coffers. "Covering all bases" so to speak, we will also mitigate the potential adverse effect of this tax reform on the poor by providing additional cash transfers, public transport and other subsidies, which are all embodied in the FY 2018 Budget.

Fiscal space focused on equitable progress and social order. To ensure that the benefits of the reforms we introduce, including the new tax measures, trickle down to those among our people who need them most, we have earmarked the additional fiscal space for increased outlays in infrastructure development and social services. For social services, our priorities remain on the basic human needs to lift our people from poverty: education, health, employment, housing, and social protection. We intend to improve these direct services for our people, both in quality and quantity.



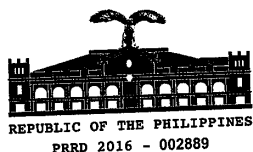
We are expanding the reach of these services to more geographical locations outside of the National Capital Region and nearby regions, particularly to address the needs of both emerging growth centers and lagging communities, specifically those in the disaster- and conflict-affected sites. Slowly but surely, we are likewise covering the gaps in our capabilities and facilities for peace and order and territorial defense.

A Budget reflecting our policies. A few years ago, the government introduced the Performance-Informed Budget, promoting transparency and accountability by featuring agencies' non-financial performance targets alongside their budget proposals. Currently, the budget is presented in terms of the Major Final Outputs of the agency, or the outputs delivered by the agency to its external clients.

In this FY 2018 Budget, we raise this transparency and accountability objective a notch higher by presenting the budget in terms of the agency's program objectives, and grouping its programs and projects under these objectives. This program-based budget structure will promote better understanding of government policies, facilitate planning, and lend itself better to the evaluation of the effectiveness and cost of agency programs and projects to achieve their performance commitments.

This Budget is thus easier to understand and evaluate being a direct reflection of government's strategies and interventions in the different sectors.

Strengthening transparency, participation and accountability. My Administration is committed to transparency, participation and accountability. And in the implementation of the FY 2018 Budget, we are introducing measures to uphold these. We are cutting short the validity of appropriations to one year, enforcing discipline on the agency transfer of funds across different line items and across different expenditure classes, and upholding



the power of the purse of Congress for the use of savings in appropriations. We are managing our agencies to be more responsible in the implementation of their budgets by simplifying the recording and reporting of their performance, improving their strategic and operational planning, and conducting early procurement activities.

Under my Administration, we will continue to promote open government and participation as a fundamental governance approach. I believe we will prosper more in our anti-criminality, anti-corruption, and anti-poverty goals by involving the people in the selection and monitoring of the use of taxpayers' money, especially in the programs and projects which directly affect their lives.

In connection with this, we are asking Congress to prioritize the passage of the Freedom of Information (FOI) law, as we have already begun implementation of the FOI in the Executive Branch pursuant to Executive Order No. 2, s. of 2016 which I issued early in my term.

The Office of the President with the Civil Service Commission has also set up the 8888 Citizens' Complaint Center, as well as the Participatory Governance Office to spearhead and expand the implementation of participatory approaches within the government, including at the local government level.

Enhancing partnerships with local governments to ensure sustainable development. We will continue to engage the LGUs in a sustainable manner by preconditioning national government assistance on their installation of good governance practices in the implementation of anti-poverty projects and the rehabilitation of core provincial and city roads. These practices include the development of road network plans, the implementation of financial and management improvement plans, and the submission of timely project progress reports. We



need our local chief executives to pull their own weight for the nation's growth and progress.

FINANCING THE FY 2018 BUDGET

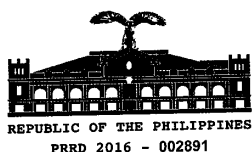
The soundness of our financing program for 2018 can hasten or hinder our commitment to lift six (6) million Filipinos out of poverty by 2022. It can brighten or blur our vision to raise the Philippines to upper middle income country level – where Thailand and China are today – with per capita income increased to at least US\$4,500, from a base of US\$3,550 in 2015.

Well aware, therefore, of its critical role in support of the 2018 Budget, as well as its impact on our future goals, we have drawn up a financing program that will enable us to spend vigorously on better designed and well planned infrastructure projects, the major priority of my Administration. And just as equally on more effective poverty-reducing social services such as education, health and child care, socialized housing, and conditional cash transfers, among others.

Fiscal Program

Our proposed PhP3.767 trillion Budget for FY 2018 is an expansionary budget, representing a 12.4 percent increase over the 2017 Budget, and constituting a larger 21.6 percent of GDP.

Cash disbursements are projected to expand by 15.6 percent to PhP3.364 trillion in 2018. We will finance these cash outlays by raising revenues to PhP2.841 trillion to support 84.4 percent of these and borrowing the rest. Through prudent deficit spending and liability management, our debt burden as a proportion of the Budget is declining from 10.5 percent in FY 2017 to 9.8 percent in FY 2018, allowing a much larger expansion for priority expenditures.



Supported by a strong private domestic demand, improving external trade environment, and favorable macroeconomic fundamentals, this Budget will enable the economy to grow to around 7 to 8 percent next year.

Revenues

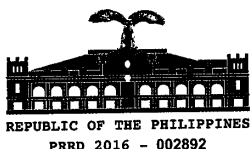
Revenues, at PhP2.841 trillion in actual terms, are expected to improve and outperform the disbursements expansion, with a projected 17.0 percent increase from this year to the next. We are targeting to expand the revenue effort of the national government from 15.2 percent of GDP in 2016 to 16.3 percent of GDP by 2018, and 17.8 percent of GDP by 2022 to finance our requirements. On the average, some 6.3 percent or PhP232.6 billion of this annually will be sourced from our comprehensive tax reform program, equivalent to 0.8 percent of GDP in 2018, and growing to 1.1 percent of GDP by 2022.

Of the PhP2.841 trillion in total revenues projected for 2018, some PhP2.671 trillion or around 94 percent, will come from taxes. The bulk of this – representing three-fourths of the total collections, or PhP2.005 trillion – will be generated by the Bureau of Internal Revenue (BIR). The remaining tax collections will come from the Bureau of Customs (BOC), PhP637.1 billion, and other revenue-generating agencies at PhP29.7 billion.

Non-tax revenues, on the other hand, are expected to reach PhP166.8 billion, of which PhP55.8 billion will be raised by the Bureau of the Treasury from its operations and the income of the National Government.

Borrowings

Our fiscal strategy will result in a budget deficit of 3 percent of GDP, which we will allow, to ensure that the economic



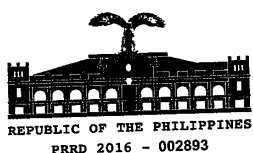
momentum continues and that the delivery of infrastructure and social services keeps pace with the needs of our citizens. We intend to fund this deficit from domestic and foreign borrowings.

Total borrowings for 2018 will amount to PhP888.2 billion, of which PhP523.6 billion will be used to finance the deficit. In sourcing the PhP888.2 billion, we will maintain our bias for domestic borrowings, with 80 percent, or PhP710.6 billion, sourced locally. Only 20 percent, or PhP176.3 billion, will be borrowed from international lenders.

As long as I am the President of this country, we will not rely heavily on foreign borrowings to shield our national debt stock against foreign exchange rate fluctuations. We also do not want our future generations to suffer and skimp just to repay the interest and principal that we – the present generation – owe to foreigners.

But lest this be a cause for undue concern, let me stress that this Administration abhors reckless extravagance! We will not allow our deficit financing today to burden our people tomorrow. We do not intend to pass on to our children and grandchildren a legacy of debt for the solution of our concerns today. Keeping the budget deficit at 3 percent of GDP will allow our debt burden to further improve from 42.7 percent of GDP in 2016, to 38.1 percent of GDP by 2022. This is way below the “over 40 percent danger level” for developing countries¹.

¹International Monetary Fund 2002 &2010



New tax measures

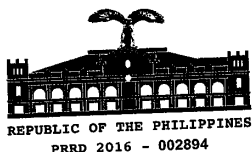
The poor and vulnerable are at the heart of our tax reform. With the support of the entire Cabinet, we will ensure that the benefits of the tax reform will be felt immediately by the poor and vulnerable, thereby fulfilling my Administration's promise of "*malasakit at tunay na pagbabago*" to the Filipino people.

Our new tax measures are expected to raise more revenues – yielding a total of PhP133.8 billion in 2018 – to fund major infrastructure and anti-poverty programs. But these additional revenues will not be sourced from our low and middle income earners.

In fact, the national coffers stand to lose PhP141.4 billion because we intend to increase the tax exemptions for the 13th month pay and other bonuses, from PhP82,000 to PhP100,000. We will also improve the pro-poor nature of our personal income tax structure by introducing a reasonable PhP250,000 tax-free threshold, and applying increasing marginal tax rates thereafter at different income levels up to 35 percent for those earning PhP5 million and above annually. Based on these new rates, the poor will be relieved of having to pay income taxes.

To capture the traditionally "untouchable" sectors, we will remove several Value-Added Tax (VAT) exemptions in order to raise an additional PhP81.0 billion. This will be accompanied by an increase in the VAT-free threshold per year, from the present PhP1.9 million to PhP3.0 million. This means that we will not leave the problem of overtaxing our micro, small and medium enterprises (MSMEs) for another day.

We expect to generate some PhP47.0 billion from the PhP10 per liter levy on sugar sweetened beverages. This tax on sugary drinks is more of a health rather than a revenue measure though, as it deters consumption of too much sugar, which is believed to be a major contributor to health problems such as obesity and



diabetes. On top of this, some PhP87.8 billion more in fresh funds are also seen to be generated from the increase in the excise taxes for petroleum and automobiles.

Forty percent of the incremental oil excise revenues will be earmarked for measures that will help mitigate the burden on the poor and the vulnerable. These measures include: 1) Targeted cash transfer program; 2) Social Assistance for Commuters and Public Transport; 3) Pantawid Kuryente Program; 4) PUV Modernization Program; and 5) National ID/Social Welfare Card Program. All are already included in the proposed FY 2018 Budget.

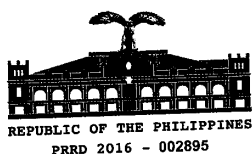
The 60 percent balance and the rest of the proceeds from the new tax measures will fund rural and urban infrastructure and various programs for health, education, housing and social protection.

So let me assure you that these tax proposals will help raise – rather than lower – the living standards of our people. Our tax reforms give back to the people all the proceeds in terms of better infrastructure and social services, which in turn will help improve productivity and uplift the lives of the poor and vulnerable.

Tax Administration Reforms

Enhancing tax collections is not just about how much tax rates are raised, but more importantly, how efficiently and honestly existing tax measures are implemented so that the right taxes are collected.

We intend to raise some PhP43.8 billion in additional tax receipts from our tax administration reforms. One of these major reforms is the revival of the fuel marking scheme, which uses chemical markers at the molecular level to monitor oil entering the Philippines, thus avoiding fuel fraud and increasing revenues.



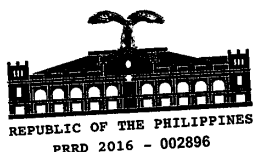
The government has been losing revenues of up to PhP44.0 billion a year due to fuel smuggling and adulteration.

To further improve tax administration and enforcement, we will allocate some PhP8.8 billion for the Bureau of Internal Revenue in 2018, of which PhP873 million will be set aside for its various information and communications technology (ICT) projects. Its Exchange of Information Solution for Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) aim to enhance automatic sharing of tax information with other countries and prevent tax evasion by wealthy people, including the hiding of money in offshore accounts. We will also support the Mobile Revenue Collection Officers System and maximize the use of the Centerpoint System for real time monitoring of collections and to promptly deal with issues from taxpayers. Furthermore, we will allow – for security reasons – the procurement of next generation firewall to detect and block sophisticated attacks and cyber threats on our revenue systems.

The Bureau of Customs (BOC) will receive a budget of PhP3.6 billion to implement an aggressive campaign against smuggling, which deprives us, on average, of more than PhP165.5 billion in potential revenues yearly. This budget will intensify the BOC's anti-smuggling operations and capabilities through the enhancement of cyber security for all ports, and the acquisition of speedboats, firearms and other tactical equipment for better revenue collection.

In addition to the BOC's budget, we have tucked in an additional PhP4.2 billion under the FY 2018 Miscellaneous Personnel Benefits Fund (MPBF). This will finance the BOC restructuring, to fill up its more than 3,000 vacant positions, capacitate personnel, improve systems and modernize facilities.

This Administration promises to further improve tax administration to address revenue erosion and large scale



leakages. Let us remember that even the best tax policies and reforms, if ineffectively administered, amount to nothing!

KEY BUDGET PRIORITIES

Our PhP3.767 trillion budget proposal is anchored on my Administration's Philippine Development Plan 2017-2022. Through this Budget, we will lay down the foundation for a *matatag, maginhawa at panatag na buhay* through investments in growth-enhancing infrastructure programs and innovations, inequality-reducing social services and peace-enabling initiatives.

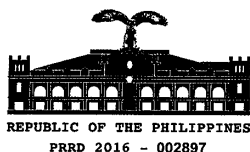
1. Reducing Inequality ("*Pagbabago*")

Ang "Pagbabago" ay magsisimula sa atin. The 2018 Budget will serve as our war chest in addressing the twin problems of income inequality and poverty.

Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries

In addressing the challenges of food security, no single intervention is enough. Our PhP3.767 trillion proposed budget covers several major productivity-enhancing programs, such as the improvement of agriculture infrastructure and facilities; support for mechanization; increased investment in research and development (R&D); and protection of land tenure and security.

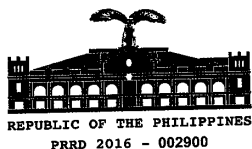
We are adding to the provision for the Department of Agriculture (DA), from PhP40.9 billion this year to PhP54.2 billion in 2018, so we can increase by 500,000 hectares or by 47 percent, the total irrigated harvest area using hybrid seeds. This translates into 19.79 million metric tons (MT) of palay yield, higher than this year's target of 18.57 million MT.



This will be augmented by the PhP40.9 billion budget of the National Irrigation Administration (NIA) for the development, restoration, repair and rehabilitation of irrigation systems nationwide; PhP11.8 billion to construct an additional 1,179 km. of farm-to-market roads (FMRs); PhP951 million for the acquisition of 379 Combine Harvesters and 465 Transplanters; and P2.3 billion to fund the R&D initiatives on quality planting materials, especially high-yielding and stress-tolerant varieties; quality semen of animals and eggs for poultry; and quality fish fry and fingerlings. We are on track in the goal of attaining rice self-sufficiency by 2019.

Ensuring and protecting land tenure and security. After ten years of hiatus, we convened the Presidential Agrarian Reform Council – the highest policy-making body for agrarian reform. This is but one of the commitments of my Administration to fast-track land distribution to agrarian reform beneficiaries (ARBs) and ensure that they will have land tenure security.

A total of PhP10.3 billion will be earmarked for the Department of Agrarian Reform (DAR) to strengthen the agency's pro-farmer programs and fast-track the completion of land distribution to ARBs. Of this amount, PhP1.1 billion will be set aside for the extension of the Mindanao Sustainable Agrarian and Agriculture Development Project for agribusiness and agro-forestry programs in Northern Mindanao, Southern Mindanao, and CARAGA. The DAR's operational budget will also support its PhP603 million Climate Resilient Farm Productivity Support Program, assure provisions for farm machinery and equipment, and fund programs to increase the income and improve the crop production of ARB organizations.



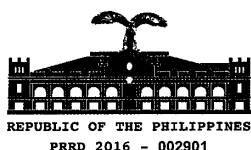
Expanding Opportunities in Industry and Services

To reshape the distribution of incomes in favor of the poor, we are expanding the economic opportunities in industry and services through improved manufacturing output and more enhanced opportunities for everyone.

The FY 2018 Budget will kick-start our drive to accelerate the growth of the manufacturing sector, paving the way for improved shares of the industry and services sectors in the country's gross value added by 8.0-9.0 percent and 7.0-8.0 percent, respectively, by 2022, when my term ends.

The PhP6.7 billion budget of the Department of Trade and Industry (DTI) for 2018 contains a PhP515 million allocation for the establishment of 150 additional Negosyo Centers, to sustain 597 existing ones, and to provide financial assistance to 45,000 MSMEs. Negosyo Centers serve as one-stop shops in processing the requirements of MSMEs. It also includes PhP200 million for Shared Service Facilities, which will give MSMEs access to energy efficient technologies, equipment and tools under a shared system. Likewise, an additional PhP100 million is set aside for the “One Town, One Product: Next Generation” Program to boost the competency of 6,000 MSMEs in marketing their products through effective design, packaging, and utilization of online tools.

Likewise, we will fund the DTI's Comprehensive Automotive Resurgence Strategy with PhP1.6 billion to benefit the car parts manufacturing sector. This will provide PhP27 billion worth of incentives and fixed investment support for the production of 600,000 vehicles. For 2018, said Program is expected to bring in PhP7.5 billion in fresh investments, provide new jobs to 67,500 Filipinos, and generate additional PhP7.6 billion revenues for the government.



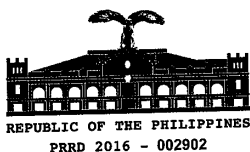
By enhancing access to tourism gateways, service centers and economic zones, we will provide the impetus for expanding opportunities in the countryside through jobs creation. For this purpose, we will support the PhP35.0 billion convergence project of the Department of Tourism (DOT) and the DPWH to build access roads leading to declared tourism destinations, a very significant increase of 184.6 percent from only PhP12.3 billion in 2017.

Taking off from the success of the DOT-DPWH convergence, my Administration will also fund ROLL IT, or the Roads Leveraging Linkages of Industry and Trade, amounting to PhP12 billion. This is intended to construct roads leading to trade, industrial and economic zones catering to electronics, automotive and auto parts, furniture and garments manufacturing, agribusiness, and construction industries, among others.

Accelerating Human Capital Development

To develop the full potential of our people, we need to reduce inequalities by providing greater access to education and health services, as well as better job opportunities.

Improving workforce competency through better education at all levels. Quality education produces better graduates and a better workforce. To raise the country's quality of education, we have allotted PhP691.1 billion for the education sector in 2018, 41.7 billion more than the 2017 level. The bulk of this, or about Php613.1 billion, the largest department budget, will go to the Department of Education to fund, among others, the construction of 47,000 classrooms; repair and rehabilitation of 18,000 classrooms; procurement of 84,781 school seats; and creation of 81,100 teaching positions, wherein 97 percent, or 78,924 positions, will be for the K-10 program.

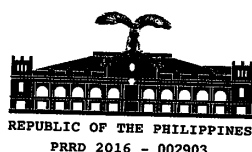


Also, to further strengthen the complementarity between public and private education, we have increased the budget for Government Assistance and Subsidies to students and teachers from PhP35.8 billion in 2017 to PhP39.3 billion next year. This budget will support 1,077,230 deserving elementary graduates who wish to pursue studies in private Junior High Schools under the Education Service Contracting Program, and 1,771,968 Senior High School students who will take their specialized tracks in private or public universities and colleges under the Voucher Program. The budget will also support 35,945 licensed private school teachers participating in the Teacher Salary Subsidy program.

Aside from the Government Assistance and Subsidies to students and teachers, we are also providing PhP4.8 billion worth of financial assistance to college students under the Tulong Dunong Program of the Commission on Higher Education (CHED). We will fully implement the Unified Financial Assistance System (UniFAST) Act, which aims to harmonize all schemes of publicly funded student financial assistance programs such as grants-in-aid, student loans, and scholarships for tertiary education to expand access to higher education.

Lowering inequities in the health sector. Using the gains from the Sin Tax Law, the government will provide better health facilities and deploy more medical practitioners to ensure people's access to quality health services. About P29.0 billion is allotted for the Health Facilities Enhancement Program in 2018, 19.8 percent more than this year's PhP24.2 billion, to construct 1,497 Barangay Health Stations (BHS) and improve the facilities of 353 hospitals.

Some PhP9.7 billion will also be provided to the Health Human Resource Deployment Program to hire an

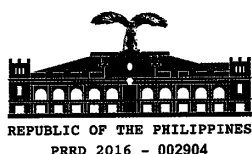


additional 446 doctors, 20,527 nurses, 3,108 midwives, and 324 dentists, among others. They will be deployed to far-flung or hard-to-reach communities.

We have also set aside PhP57.1 billion for the National Health Insurance Program to ensure that low income individuals, including those from the informal sector and senior citizens sector, are covered by a health insurance. The amount, which is PhP3.9 billion higher than this year's PhP53.2 billion, targets to provide health insurance coverage to 15.4 million families at PhP2,400 per family; 5.4 million senior citizens at PhP3,120 per senior citizen; 22,514 families under the *Payapa at Masaganang Pamayanan* (PAMANA) Program at PhP2,400 per family; and 22,709 Bangsamoro families at PhP2,400 per family.

Creating more opportunities for labor and employment. To improve the Filipinos' income-earning ability, PhP7.0 billion has been provided to the Technical Education and Skills Development Authority (TESDA) to implement skills enhancement and retooling programs. PhP2.6 billion, or 37.1 percent, of its total budget will fund the Training for Work Scholarship Program to provide in-demand skills training particularly in construction, metals and engineering, tourism, and business process outsourcing. To address the specific needs of communities, PhP681.5 million is set aside for Special Training for Employment Program.

The Department of Labor and Employment will receive PhP11.2 billion to enhance the employability of workers through the upgrading of skills and qualifications and facilitating job matching, among others. Part of this amount will go to the Special Program for Employment of Students to help 163,802 youth beneficiaries; JobStart Philippines Program to provide school-to-work transition assistance skills to 3,200 youth beneficiaries; and *Tulong*



Panghanapbuhay sa Ating Disadvantaged/Displaced Workers Program to benefit 102,403 disadvantaged/displaced workers.

Reducing the Vulnerability of Individuals and Families

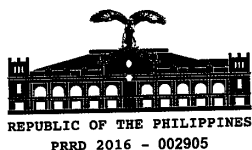
The FY 2018 Budget is also anchored on protecting Filipino individuals and families against situations that threaten their quality of life.

Enhancing the Conditional Cash Transfer Program (CCT).

The *Listahan*, which lists and assesses the neediest families and individuals qualified for inclusion in the government's social protection programs, has identified the poorest 10 million among the more than 15 million households it covered. As of May 2017, 6.4 million among them are already PhilHealth members.

We will be strict when it comes to the eligibility requirements of the CCT and in monitoring whether or not its beneficiaries are moving out of the poverty line. For 2018, we are allocating some PhP89.4 billion for the continued protection of the 4.4 million existing CCT beneficiaries, including provisions for educational grants, livelihood assistance, and health services for the Transitioning Household Beneficiaries or those who have stepped out from the extreme poverty level but are still vulnerable and at risk from disasters and economic shocks.

For 2018, to link poor families and individuals to opportunities that will lead them to self-sufficiency, we will strengthen the Sustainable Livelihood Program amongst the DSWD, other national government agencies (NGAs), LGUs, civil-society organizations and the private sector. Its PhP7.1 billion budget aims to provide jobless Filipinos with technical-vocational skills training and financial assistance in securing pre-employment requirements; offer short-term



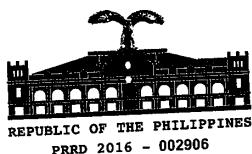
employment; and grant capital fund for managing an enterprise. For 2018, the program plans to enroll 69,192 families and 276,765 beneficiaries in the Employment Facilitation and Micro-Enterprise tracks, respectively.

Furthermore, some PhP25.7 billion from the proceeds of the tax reform package will cover the unconditional cash transfer of P200 per month or PhP2,400 for one year for the poorest 50 percent or 10 million poorest households nationwide. For the 4.4 million CCT beneficiaries of the DSWD, we will top up the existing transfers by PhP200 per month or PhP2,400 for one year.

To ensure that only rightful recipients enjoy these benefits, we will provide the Philippine Statistics Authority with some PhP2.0 billion to roll out the biometrics-based National ID System. With built-in Europay, Mastercard, Visa (EMV) chips containing an individual's personal information and biometrics, the national ID will ensure the effective implementation of government's services, more specifically social benefits and transfers to entitled individuals. It can also be used for applications for passport, driver's license, and other services from such agencies as the Social Security System, Government Service Insurance System, Philippine Health Insurance Corporation (PhilHealth), Home Development Mutual Fund (Pag-IBIG), and the National Bureau of Investigation.

Building Safe and Secure Communities

Aware that one of the primary expenses for most Filipino families is housing, we will make available to the High-Density Housing Program of the Social Housing Finance Corporation some PhP774 million, to provide safe and climate-resilient housing solutions to 5,287 identified informal settler families in 2018, from only 200 in 2017. An additional PhP625 million will also subsidize the resettlement programs of the



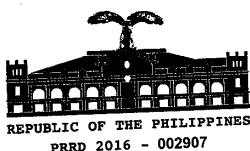
National Housing Authority, which includes provisions for its socialized housing projects in Maslabeng, Buluan, Maguindanao.

We shall likewise ensure that our national protectors are given decent and permanent housing. Some PhP1.6 billion is being proposed for the housing needs of the members of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP).

This Administration commits to providing livable, well-planned and resilient communities, especially in government resettlement areas. Incorporated in a number of infrastructure projects are substantial funds for the orderly resettlement of families to be adversely affected by these projects by the LGUs, in coordination with the housing agencies. These include the PhP5.5 billion under the Mindanao Railway Project for the payment of acquired right-of-way, especially to those families that will be affected by said Project. In addition, some PhP175 million, 6.7 percent larger than this year's budget, has been provided for the Presidential Commission for the Urban Poor to assist in improving conditions in resettlement sites, especially in terms of access to adequate basic utilities and social services and the availability of livelihood opportunities.

2. Maintaining the Foundation for Sustainable Development

We will foster an environment conducive to development, fortified by four pillars, namely: strategic infrastructure development; just and lasting peace; security, public order and safety; and ecological integrity, clean and healthy environment.



Accelerating Strategic Infrastructure

My Administration's accelerated spending on infrastructure development is financially sound since the benefits it will provide over the course of time will far exceed the cost of financing and building.

Promoting connectivity. We will invest in growth-enhancing infrastructure projects to increase access to remote regions, provide efficient intermodal logistics solutions and ensure seamless intermodal passenger transport.

Our *Build, Build, Build* Program budget for 2018 amounts to PhP1.097 trillion, representing a significant 29.5 percent increase, equivalent to PhP249.8 billion, over this year's program of PhP847.2 billion. This amount will make up 6.3 percent of our GDP for 2018 – on track to propel us towards our goal of a modern Philippines. In all, we plan to spend a total of PhP8.1 trillion for infrastructure development from 2017 to 2022.

A huge 60 percent of the total collections from our proposed tax reform package in the initial years – and 100 percent in later years – will be devoted to these investment projects, particularly infrastructure. For 2018, this amounts to PhP104.3 billion.

Spending on infrastructure is like opening a savings account in a bank – you earn interest. What we will earn as interest – or the overall returns – far exceeds the returns that can be provided by any other spending item, except for education and health. Our *Build, Build, Build* Program has the potential to create an additional 1.6 million jobs annually.

Road Transport. Roads spur trade and investments. My Administration is proud to announce that our six-hectare

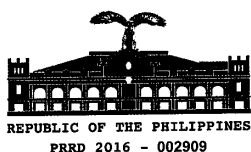


Cavite Gateway Terminal Project in Tanza, Cavite is expected to be completed by the start of 2018. This will enable cargo transport through barges and will dramatically reduce truck trips on city roads by 140,000 in a year.

Under the 2018 budget of the Department of Public Works and Highways (DPWH), we will increase by an impressive 185.6 percent the budget for the construction of missing links, from PhP19.4 billion this year to PhP55.4 billion in 2018, to carry far more people and a far greater volume of goods across the 16 regions of the country. To ease traffic congestion and connect freight centers, we will construct bypasses and diversion roads, amounting to PhP49.3 billion in 2018, from its allocation of PhP30.0 billion this year. Likewise, we will provide PhP15.0 billion to pave national arterial and secondary roads, and another PhP5.4 billion to construct flyovers, interchanges and underpasses.

In addition, to reduce logistics costs in Mindanao, we will increase by more than 10.3 percent the budget for the Mindanao Logistics Infrastructure Network, from PhP21.4 billion in 2017 to PhP23.6 billion in 2018. This amount will be used to improve linkage roads to key ports and production areas in Northern Mindanao, Southern Mindanao, Central Mindanao, and CARAGA.

We will provide convenient and affordable transport options with the PhP12.6 billion allocation for the Land Public Transportation Program. This is 157.1 percent higher than this year's budget of PhP4.9 billion. Major projects include the PhP5.4 billion Cebu Bus Rapid Transit (BRT), to improve public transport services in Cebu and increase by 275,000 the number of daily commuters using public transportation; the PhP1.8-billion Metro Manila BRT-Line 1 to serve 300,000 commuters daily along España



Boulevard and Quezon Avenue; and the PhP3.1 billion Metro Manila BRT-Line 2 to serve 1.6 to 2 million commuters daily along EDSA.

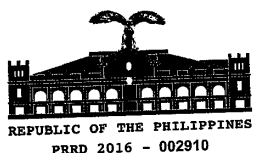
To ensure that the acceleration of our infrastructure program will not encounter delays, we have allocated PhP48.0 billion for right-of-way acquisitions, which is impressively 144.9 percent higher than its 2017 budget of PhP19.6 billion.

Air Transport. Our regional airport development program aims to ensure seamless, safe and secure mobility of air transport users.

For 2018, some PhP10.1 billion is allotted for the Aviation Infrastructure Program of the Department of Transportation (DOTr) to maximize and expand existing airports, and to build new ones. The amount represents a significant increase of 48.5 percent or PhP3.3 billion, from this year's budget of PhP6.8 billion.

To help decongest the Ninoy Aquino International Airport, we will provide some PhP2.7 billion for the night-landing capabilities of the Clark International Airport in Pampanga, to accommodate evening flights therein. On the other hand, the PhP900-million budget of the Bicol (New Legazpi) International Airport in Albay will make the Province an economic powerhouse by decongesting the crowded Legazpi airport and boosting tourist arrivals.

Other major projects under this program include, among others, the New Bohol (Panglao) International Airport Development Project, PhP386 million; Kalibo Airport, Aklan, PhP920 million; Tacloban Airport, PhP716 million; Cauayan Airport, Isabela, PhP306 million; and Zamboanga International Airport, Zamboanga del Sur, PhP221 million.



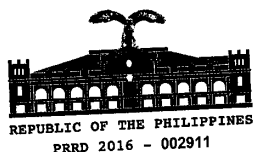
Sea Transport. Ports serve as important gateways and major accelerators of economic growth. Yet port traffic has become heavily congested in recent years.

To minimize congestion, we will provide some PhP1.7 billion to modernize our ports and harbors nationwide and enhance their operational efficiency, thus improving the movement of cargoes and vessels. Projects include, among others, the construction, rehabilitation and expansion of the Al-Barka Ports Cluster in Al-Barka, Basilan (PhP50 million); Volcano Island Port in Talisay, Batangas (PhP30 million); Agkawayan in Looc, Occidental Mindoro (PhP42 million); Taganak Port in Taganak, Turtle Islands, Tawi-Tawi (PhP71 million); San Roque Port in Palimbang, Sultan Kudarat (PhP17 million); Pangutaran Port in Pangutaran, Sulu (PhP20 million); and Dolores Port in Dolores, Eastern Samar (PhP50 million).

To boost maritime patrol capabilities, including rescue missions and disaster response, we have provided PhP5.3 billion for our Maritime Infrastructure Program, or an increase of 26.2 percent, compared to PhP4.2 billion in 2017. Of this amount, PhP3.6 billion will be used to fund the Maritime Safety Capability Improvement Project Phases I and II to purchase ten (10) 44-meter and 92-meter Multi-Role Response Vessels (MRRVs).

Rail Transport. Our rail transport program for FY 2018 totals PhP26.0 billion. This amount will be used to construct new railways, ease congestion, and improve inter-operability of and properly maintain existing railway systems.

To facilitate the economic development of Mindanao, we will infuse a total of PhP6.6 billion into the budget of the DOTr for the 105-km. Mindanao Railway Project Phase I, which will cut down travel time from Davao City to Surigao



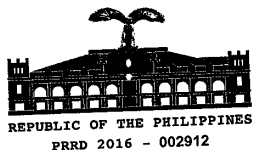
and Cagayan de Oro from eight to two hours. Once completed, it is expected to accommodate around 120,000 passengers a day in the opening year, and will also provide a section linking Davao City to Tagum City in Davao del Norte and Digos City in Davao del Sur.

We will continue to support the rehabilitation and maintenance of the Metro Manila Rail Transit 3 (MRT 3), with PhP4.8 billion in the form of subsidy and PhP1.0 billion for capacity expansion.

To move more people, we will fund the construction of the PhP1.2-billion Unified Common Station, connecting three railways and serving 500,000 passengers/day; the PhP7.1 billion North-South Railway Project Phase 2-PNR South, a 653-km. rail line designed to accommodate around 400,000 passengers/day on opening year; the PhP1.3 billion LRT Line I South Extension (Cavite) Project, to serve 410,000 passengers/day; the PhP895 million LRT Line 2 East Extension Project, a 13.8-km. line extending from Santolan to Antipolo and to serve 185,000 passengers/day; and the PhP608 million LRT Line 2 West Extension Project, a 3.9-km. extension from Recto Avenue to Pier 4 in Manila.

Ensuring water security. Our country is blessed with abundant water supply sources, and yet we continue to experience problems meeting our water needs and connecting poor households to safe and potable drinking water. In fact, 14.5 percent of the 22.7 million Filipino families have no access to safe water supply while 5.9 percent still do not have access to a basic sanitary toilet facility.

For this reason, the budget of the Local Water Utilities Administration includes a PhP105 million subsidy for the



operationalization of water districts to provide water supply to 35 waterless municipalities.

As part of my Administration's strategy to formulate master plans that will foster coordinated efforts for the water resources sector, we have provided some PhP55 million for the Water Resources Enforcement and Regulatory Program of the National Water Resources Board. The amount will fund, among others, the updating and validation of the *Listahang Tubig* database, which lists all water service providers in the country. Currently, 23,341 water service providers are in the database, of which 3,993 are LGU-run.

Increasing investments in energy development. The Department of Energy (DOE) will be given a budget of PhP2.6 billion to fund projects intended to, among others, energize 120,000 households under its Nationwide Intensification Household Electrification, and install futuristic streetlamps—converting sunlight to streetlights—in 144 LGUs.

Furthermore, some PhP1.9 billion will fund the Sitio Electrification Program of the National Electrification Administration.

Attaining Just and Lasting Peace

The national government shall be ready to control and manage even those few internal armed conflict groups that are hostile, if we are to attain a just and lasting peace. Under my leadership, Executive Order No. 8 was signed on November 7, 2016, which expanded the Bangsamoro Transition Committee members from 15 to 21 (11 from the Moro Islamic Liberation Front and 10 from the Government of the Philippines). On March 21, 2017, the New Terms of Reference was signed, which laid down, among others, the guiding principles and mandates towards the efficient and



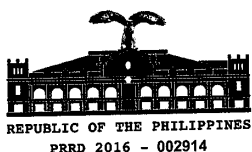
effective implementation of the Comprehensive Agreement on the Bangsamoro.

In 2018, we will spend some PhP3.6 billion for the Bangsamoro Regional Inclusive Development Program for Sustainable Growth and Equity (BRIDGE) of the Autonomous Region in Muslim Mindanao (ARMM) – an anti-poverty program designed to strengthen local governance and empower communities. The amount is up by 71.4 percent from its 2017 budget of only PhP2.1 billion.

Furthermore, ARMM will get PhP2.0 billion for its Health, Education, Livelihood, Peace and Synergy (HELPS) Program, designed to establish a peaceful and secure environment in the Region by providing basic social services at the barangay level.

A budget of PhP677 million under the Office of the Presidential Adviser on the Peace Process has been set aside to implement the comprehensive peace process, including negotiations with all internal armed groups. Likewise, we will further improve the PAMANA convergence program with an allocation of PhP8.5 billion for 2018, to provide development interventions in the form of road and bridge construction, free tertiary education, livelihood opportunities, welfare assistance and health insurance coverage.

And for the quick recovery, reconstruction and rehabilitation of Marawi City, I signed Administrative Order No. 3 on June 28, 2017. After the crisis suffered by that City, Task Force *Bangon Marawi* headed by Defense Secretary Delfin Lorenzana and Public Works and Highways Secretary Mark Villar will ensure that damaged houses and infrastructure in Marawi City are reconstructed, and that the primary needs of about 400,000 internally displaced persons are met. We are allocating a total of PhP10.0 billion of the PhP25.5 billion budget for the National Disaster Risk Reduction and



Management Fund, in addition to the PhP5 billion to be made available this year sourced from the Contingent Fund and funds being held by different government agencies.

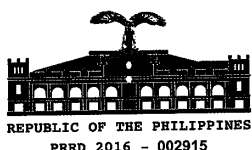
Ensuring Security, Public Order and Safety

There is no way we can achieve our PDP 2017-2022 targets without paying attention to the internal security of the entire country and public order and safety in our communities. Towards this objective, we have provided hefty allocations for the Department of National Defense (DND) and the Department of the Interior and Local Government (DILG) at PhP145.0 billion and PhP172.3 billion, respectively.

Sustaining the Revised AFP Modernization Program and the Philippine Coast Guard Modernization Program. We will allocate PhP140.4 billion to beef up the military capability of the Armed Forces of the Philippines (AFP). Of this amount, PhP25.0 billion is for the Revised AFP Modernization Program to fund the procurement of armaments, surveillance, mobility, and communications equipment necessary to maintain peace and order.

For the Philippine Coast Guard Modernization Program, a budget of PhP3.1 billion is proposed to upgrade their abilities to cover the country's territorial waters and coastlines. The bulk of this will go to the procurement of service weapons and service firearms (PhP922 million), one helicopter (PhP686 million) and watercraft (PhP682 million).

Intensifying the Philippine National Police's law enforcement operations. The Administration commits to further strengthen efforts in ridding communities of illegal drugs and crimes. A budget of PhP131.5 billion is proposed for 2018, or 17.6 percent higher than the 2017 allocation of PhP111.8 billion. Some PhP1.4 billion of this amount will



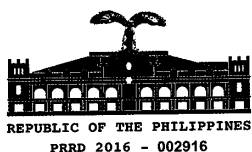
be spent for the hiring of 10,000 new Police Officer 1 recruits to expand the current count of around 194,410 police officers, increase police visibility, and narrow the gap between the ideal police to population ratio of 1:500, from the current ratio of 1:551. Another PhP900 million will fund Oplan Double Barrel Reloaded, the Administration's campaign flagship program against illegal drugs.

Ensuring Ecological Integrity, Clean and Healthy Environment

Our PDP 2017-2022 aspirations of economic competitiveness, prosperity and social equity hinge on our resolve to ensure ecological integrity, and a clean and healthy environment.

To conserve our rich natural resources for our children, the DENR will be provided PhP7.2 billion for its National Greening Program to plant 197,983,195 seedlings covering 210,852 hectares to rehabilitate our forests; map and assess 22,693 hectares of habitat and resources; and hire 146 Forest Protection Officers. Likewise, we will spend some PhP128 million to delineate areas in the Mindanao provinces – otherwise known as the timber corridor – covering 19,620 km. at PhP6,500/km. The program, Delineation of Production and Protection Forests, targets to delineate a total 343,378 km. by 2022.

The Mines and Geosciences Bureau-Coastal Geohazard Assessment, meanwhile, will receive PhP44.1 million, up by 25.3 percent from last year's PhP35.2 million, to determine the susceptibility of coastal areas to weathering, landslides, erosion, and other geological hazards. To complement this undertaking, the National Mapping and Resource Information Authority - National Geospatial Data Infrastructure will be allocated some PhP104 million, up by 37 percent from PhP76 million in 2017, to further enhance the delivery of map services to the public, including the



development of several Geographic Information Systems-based applications for better utilization and analysis of geospatial data.

To strengthen environmental quality management, the Environmental Management Bureau (EMB) will have PhP1.6 billion for its Environmental Regulations and Pollution Control Program. In particular, the amount will support the closure and rehabilitation of 50 dumpsites and the establishment of 500 Materials Recovery Facilities. As of April 2017, there are still 466 illegal dumpsites and 124 operational sanitary landfills nationwide.

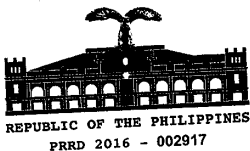
To improve the level of our air quality, and consequently improve health conditions, we will allot PhP152 million to calibrate 48 Air Quality Monitoring Stations (AQMS). Currently, there are 94 AQMS being operated and maintained by EMB.

3. Increasing the Growth Potential ("*Patuloy na Pag-Unlad*")

To continue with our efforts at making the Philippines a globally competitive economy, my Administration will allot bigger budgets for the Department of Science and Technology (DOST), the Department of Information and Communications Technology, and the DTI.

Developing human resources in Science and Technology (S&T)

To beef up the scant research and development (R&D) personnel in the country, I have instructed the DOST to allot PhP7.5 billion to fund scholarships for 36,977 beneficiaries, over 6,000 more than this year's 30,806. This allocation represents an increase of 10.3 percent compared to this year's budget of PhP6.8 billion.



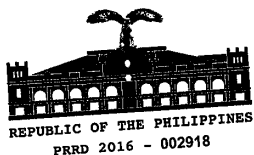
The DOST's Grants-in-Aid (GIA) Program, with a total budget of Php6.2 billion, aims to harness the country's scientific and technological capabilities by providing financial grants to S&T programs and projects. Of this amount, some Php848 million is allocated to the Small Enterprise Technology Upgrading Program (SETUP) to assist 792 MSMEs in using technological innovations to improve their operations and increase productivity and competitiveness.

Addressing ICT infrastructure gaps

Our ICT infrastructure is very much behind that of our Asian neighbors, with the lowest broadband capacity. We have a wide distance to cover and catch up. Our PDP 2017-2022 aims not only to address this digital divide with our counterparts in the ASEAN, but to also bridge the gap between the rural and urban areas.

The Php6.9 billion for the Department of Information and Communications Technology (DICT) represents a 91 percent increase in its current budget of Php3.6 billion. Of this amount, Php1.7 billion will provide 5,308 public places with free Wi-Fi access. A total of Php1.2 billion will implement the National Broadband Program to enable connections to 30 percent of total municipalities, 30 percent of public schools, and 30 percent of rural health units.

Likewise, Php242 million will finance the National Government Data Center Infrastructure to serve 110 agencies and maximize up to 100 percent the use of available virtual machines by government agencies that require secure applications for their various remote computing requirements.



4. Enhancing the Social Fabric ("*Malasakit*")

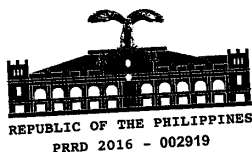
Ang malasakit ng aking pamahalaan ay di matatawaran.

The Php3.767 trillion Budget invests in reforms intended to improve frontline services, harmonize government operations, rightsize the bureaucracy and strengthen public accountability.

Ensuring People-Centered, Clean, and Efficient Governance

For 2018, the Expanded Technology for Education, Employment, Entrepreneurs, and Economic Development (Tech4ED) of the Department of Information and Communications Technology (DICT) will receive a budget of Php206 million to establish, in partnership with local government units (LGUs), 1,000 new Tech4ED centers, 10 Technology Business Incubation Centers, 10 internet training centers, and to train 3,000 center managers. This will bring e-government and ICT-related services to communities with minimal or no access to government services.

Our citizens deserve first class service. That is why we have allotted some Php422 million for the development of a centralized portal allowing individuals to make transactions – from filling out forms to payment – online, thus eliminating the need to physically go to government offices or visit multiple agencies' websites to perform transactions. This project, the National Government Portal (NGP), will ensure a 100 percent production-ready NGP, migrate 100 percent of public documents into the *gov.ph* portal, allow 10 percent integration of Government Web Hosting Service (GWHS), provide 10 percent accessibility of top 10 eServices, and make 40 percent of common and shared services available through the portal.

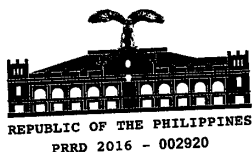


We will also allot some PhP56 million for the implementation of the Integrated Business Permits and Licensing System (IBPLS) Project to integrate barangay clearances, building permits, and sanitary permit processing systems into the business permitting process of LGUs. For 2018, the project is expected to be deployed to 40 LGUs.

Also, to further support LGUs in carrying out their service delivery functions and in recognition of their role as able partners in national development, we will significantly raise the Local Government Support Fund (LGSF) by 26.6 percent from the current PhP39.8 billion to PhP50.4 billion in 2018. Of this amount, PhP21.4 billion (42.5 percent) and PhP5.0 billion (9.9 percent) will be provided as Assistance to Municipalities and Assistance to Cities, respectively. In addition, PhP18 billion has been allocated as a Conditional Matching Grant to Provinces for road repair, rehabilitation and improvement. The LGSF leverages financial assistance to LGUs by supporting the implementation of priority development projects while building local governance capacity in a more lasting and sustainable manner.

We are also pursuing the enactment of a law to implement the National Government Rightsizing Program, which will enable the government to implement transformational initiatives/improvements that will cut across various sectors and agencies.

In the rightsizing efforts, the elimination of redundant, duplicating or overlapping functions will be pursued. This will result in the reduction in overhead costs of government operations, thereby rechanneling government resources to vital/core and priority functions, programs and projects. Simplification of procedures will also be implemented by removing cumbersome and duplicating processes and documentation requirements from the public.



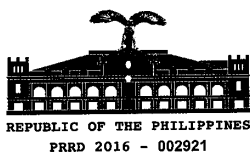
These measures are vital to facilitate the delivery of quality services to the public and eventually, the attainment of a more lean, mean, effective, efficient, responsive and energized bureaucracy.

Complementing our Rightsizing Bill is the Budget Reform Bill, which has already been filed in Congress. The Bill aims to strengthen the government's discipline and accountability for its use of public funds through greater transparency by developing an integrated financial management information system (IFMIS) and shifting to a one-year cash appropriations system. Specifically, it seeks to align our Public Financial Management (PFM) system with international best practices; strengthen Congress' power of the purse; increase budget transparency and participation; secure the irreversibility of PFM reforms so far established; and provide the budgeting and payment systems which will enable government agencies to absorb the doubling of the funding for infrastructure and social services from 2017 to 2022.

Pursuing Swift and Fair Administration of Justice

Enhancing the social fabric is not possible without justice. Fostering an atmosphere of trust means that we pursue justice that is swift and fair.

For this purpose, we will allocate PhP18.5 billion for the Department of Justice in 2018, which represents an increase of 11.4 percent from its 2017 provision of PhP16.6 billion. This will fund its legal services, PhP178 million; investigation services of the National Bureau of Investigation, PhP1.5 billion; and free legal assistance services of the Public Attorney's Office for indigent clients and other qualified persons, PhP3.2 billion. Likewise, plantilla positions for public attorneys and prosecutors nationwide will be increased, to reach our PDP target of public attorney-to-court



ratio, from 1:3 to 1:1, and the prosecutor-to-court ratio, from 2:1 to 1:1, by 2022.

Similarly, the budget of the Judiciary will increase by PhP2.0 billion, or 6.1 percent, from PhP32.8 billion this year to PhP34.8 billion in 2018. This amount will cover the regular operations of the Supreme Court (PhP31.4 billion), including the Lower Courts (PhP2.5 billion); construction of a new Supreme Court complex in Fort Bonifacio (PhP1.5 billion), hiring of Court Decongestion Officers (PhP240 million), and construction of Halls of Justice in cities like Laoag, Mandaue and Cebu under the Justice Infrastructure Program (PhP897 million).

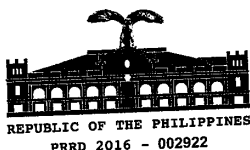
CONCLUSION

This is the financial program of my Administration for Fiscal Year 2018. It is the means through which we will be able to fulfill our covenant with the Filipino people who gave us the mandate to lead and serve for six years.

Our people's clamor for change is at the heart of this covenant. And our response to that urgent and continuing call is what has guided us in crafting the 2018 Budget.

The road to real and lasting change – which is where we find ourselves today – will take us through difficult paths. We will have to confront those challenges, and we will need to be equipped for them. This Budget will help address our needs.

In seeking your approval of this Budget, I request you, Ladies and Gentlemen of the 17th Congress, to look beyond the thick sheaf of ruled and numbered pages. As you pore over the columns and rows of entries and numbers, and as you scrutinize and inquire into the rationale and targets for these entries, visualize what our people see for themselves in the days and years ahead.



They have already put into words what they aspire for – *buhay na matatag, maginhawa at panatag*. And this is what we all aim to give them.

With your approval of our 2018 National Budget, a budget that reforms and transforms, we can and will continue our agenda of real and lasting change.


RODRIGO ROA DUTERTE

